A **Sargent & Greenleaf** presentation

August Monthly Operating Review

September 25th, 2020

Agenda

Call To Order & Approval of Minutes	(Mike G.)	2:00pm	10 minutes
Financial Overview	(Milan V.)	2:10pm	20 minutes
Delaney	(Libby Z.)	2:30pm	30 minutes
Premier	(Joey M.)	3:00pm	30 minutes
S&G	(Mark L.)	3:30pm	30 minutes
Committee Reports / Board Resolutions	(Board of Directors)	4:00pm	15 minutes
Board-Only Discussion	(Board of Directors)	4:15pm	15 minutes
Adjourn		4:30pm	

August 2020 Operating Review

- Administrative (call to order, confirm APR MOR minutes, etc.)
- **Financial Review**
- Delaney
- Premier
- S&G
- Committee reports
- Appendix

Financial Review | Consolidated Summary P&L - MTD

$'000	MTD		Variance			Variance		PY MTD	Variance	
	Act	Rfc	$	%	Bud	$	%	Act	$	%
Net Revenue	**8,451**	**7,565**	**886**	**11.7%**	**8,640**	**(189)**	**(2.2%)**	**7,939**	**512**	**6.4%**
Material	4,121	3,634	487	13.4%	3,643	478	13.1%	4,059	62	1.5%
Labor	920	809	111	13.7%	982	(62)	(6.4%)	942	(22)	(2.3%)
Other COGS	(151)	4	(156)	(3458.6%)	421	(572)	(135.9%)	387	(538)	(139.0%)
Total COGS	**4,890**	**4,448**	**442**	**9.9%**	**5,046**	**(156)**	**(3.1%)**	**5,387**	**(498)**	**(9.2%)**
Gross Margin	**3,561**	**3,118**	**444**	**14.2%**	**3,594**	**(32)**	**(0.9%)**	**2,552**	**1,010**	**39.6%**
Gross Margin %	*42.1%*	*41.2%*			*41.6%*			*32.1%*		
R&D	125	161	(36)	(22.3%)	198	(73)	(36.9%)	116	9	8.1%
Sales & Marketing	649	660	(11)	(1.7%)	701	(52)	(7.4%)	762	(113)	(14.8%)
Administrative	778	805	(27)	(3.3%)	702	76	10.8%	4,181	(3,403)	(81.4%)
Total Opex	**1,552**	**1,626**	**(74)**	**(4.5%)**	**1,601**	**(49)**	**(3.1%)**	**5,059**	**(3,507)**	**(69.3%)**
EBITDA	**2,009**	**1,491**	**518**	**34.7%**	**1,992**	**17**	**0.9%**	**(2,507)**	**4,516**	**(180.1%)**
EBITDA %	*23.8%*	*19.7%*			*23.1%*			*(31.6%)*		
Adj. EBITDA	**2,166**	**1,698**	**468**	**27.6%**	**2,065**	**101**	**4.9%**	**1,997**	**170**	**8.5%**
Adj. EBITDA %	*25.6%*	*22.4%*			*23.9%*			*22.2%*		
Net Income (Loss)	**$ 273**	**$ (228)**	**$ 500**	**(219.6%)**	**$ 738**	**$ (466)**	**(63.1%)**	**$ (4,156)**	**$ 4,429**	**(106.6%)**
Unincurred Standalone Costs	–	–	–	#DIV/0!	–	$ –	N/A	$ 236	$ (236)	(100.0%)
PF Adj EBITDA	**$ 2,166**	**$ 1,698**	**$ 468**	**27.6%**	**$ 2,065**	**$ 101**	**4.9%**	**$ 1,761**	**$ 406**	**23.1%**
PF Adj. EBITDA %	*25.6%*	*22.4%*			*23.9%*			*22.2%*		

Management Discussion

Vs Rfc

- Revenue favorable $886k
  - S&G: $726k
  - Delaney: $272k
  - Premier: ($35k)
- Gross Margin favorable $444k
  - S&G: $191k
  - Delaney: $170k
  - Premier: $82k
- Opex is favorable $74k
  - S&G: $32k
  - Delaney: $45k
  - Premier: ($3k)
- Adj EBITDA favorable $468k
  - S&G: $192k
  - Delaney: $195k
  - Premier: $81k

vs PY

- Revenue favorable $512k
  - S&G: $497k
  - Delaney: ($100k)
  - Premier: ($37k)
- Gross Margin favorable $1.0M
  - S&G: $853k
  - Delaney: $64k
  - Premier: $92k
- Opex favorable $3.5M
  - S&G: $3.5M
  - Delaney: Flat
  - Premier: ($25k)
- Adj EBITDA favorable $170k
  - S&G: $17k
  - Delaney: $84k
  - Premier: $69k

Financial Review | Consolidated Summary P&L - YTD

$'000	YTD		Var			Var		PY YTD	Variance	
	Act	Rfc	$	%	Bud	$	%	Act	$	%
Net Revenue	**63,453**	**62,355**	**1,098**	**1.8%**	**67,708**	**(4,255)**	**(6.3%)**	**66,193**	**(2,740)**	**(4.1%)**
Material	29,446	28,846	601	2.1%	28,730	716	2.5%	28,895	551	1.9%
Labor	7,379	7,190	189	2.6%	8,157	(778)	(9.5%)	7,709	(330)	(4.3%)
Other COGS	1,761	2,059	(299)	(14.5%)	3,470	(1,709)	(49.2%)	3,494	(1,733)	(49.6%)
Total COGS	**38,586**	**38,096**	**491**	**1.3%**	**40,357**	**(1,770)**	**(4.4%)**	**40,098**	**(1,511)**	**(3.8%)**
Gross Margin	**24,867**	**24,259**	**608**	**2.5%**	**27,352**	**(2,485)**	**(9.1%)**	**26,096**	**(1,229)**	**(4.7%)**
Gross Margin %	*39.2%*	*38.9%*			*40.4%*			*39.4%*	*0.0%*	*0.0%*
R&D	1,217	1,257	(41)	(3.2%)	1,625	(408)	(25.1%)	941	276	29.3%
Sales & Marketing	5,405	5,281	123	2.3%	6,773	(1,369)	(20.2%)	5,301	104	2.0%
Administrative	6,866	6,778	89	1.3%	6,170	697	11.3%	10,155	(3,289)	(32.4%)
Total Opex	**13,488**	**13,316**	**171**	**1.3%**	**14,568**	**(1,080)**	**(7.4%)**	**16,398**	**(2,910)**	**(17.7%)**
EBITDA	**11,379**	**10,943**	**436**	**4.0%**	**12,784**	**(1,405)**	**(11.0%)**	**9,698**	**1,681**	**17.3%**
EBITDA %	*17.9%*	*17.5%*			*18.9%*			*14.7%*	*0.0%*	*0.0%*
Adj. EBITDA	**13,537**	**12,978**	**558**	**4.3%**	**14,227**	**(690)**	**(4.9%)**	**15,071**	**(1,534)**	**(10.2%)**
Adj. EBITDA %	*21.3%*	*20.8%*			*21.0%*			*22.8%*	*0.0%*	*0.0%*
Net Income (Loss)	**$ (6,566)**	**$ (6,936)**	**$ 370**	**(5.3%)**	**$ 2,124**	**$ (8,690)**	**(409.2%)**	**$ 2,961**	**$ (9,528)**	**(321.8%)**
Unincurred Standalone Costs	171	171	–	0.0%	20	151	755.0%	535	(364)	(68.0%)
PF Adj EBITDA	**$ 13,366**	**$ 12,807**	$ 558	4.4%	**$ 14,207**	$ (841)	(5.9%)	**$ 14,536**	$ (1,170)	(8.1%)
PF Adj. EBITDA %	*21.1%*	*20.5%*			*21.0%*			*22.0%*		

Management Discussion

vs. Rfc

- Revenue favorable $1.1M
  - S&G: $732k
  - Delaney: $554k
  - Premier: ($64k)
- Gross Margin favorable $608k
  - S&G: $208k
  - Delaney: $308k
  - Premier: $92k
- Opex is unfavorable ($171k)
  - S&G: ($183k)
  - Delaney: $34k
  - Premier: ($22k)
- Adj EBITDA favorable $558k
  - S&G: $138k
  - Delaney: $327k
  - Premier: $94k

vs PY

- Revenue unfavorable ($2.7M)
  - S&G: ($5.9M)
  - Delaney: $2.4M
  - Premier: $0.7M
- Gross Margin unfavorable ($1.2M)
  - S&G: ($3.5M)
  - Delaney: $1.4M
  - Premier: $0.8M
- Opex favorable $2.9M
  - S&G: $3.4M
  - Delaney: ($0.3M)
  - Premier: ($0.2M)
- Adj EBITDA unfavorable ($1.5M)
  - S&G: ($3.5M)
  - Delaney: $1.3M
  - Premier: $0.7M

Financial Review| S&G Summary P&L - MTD

$'000	MTD		Variance			Variance		PY MTD	Variance	
	Act	Rfc	$	%	Bud	$	%	Act	$	%
Net Revenue	**3,554**	**2,828**	**726**	**25.7%**	**3,535**	**19**	**0.5%**	**3,058**	**497**	**16.2%**
Material	1,951	1,434	516	36.0%	1,229	722	58.7%	1,722	229	13.3%
Labor	529	364	166	45.6%	546	(17)	(3.1%)	533	(4)	(0.7%)
Other COGS	(346)	(199)	(147)	73.9%	204	(550)	(270.2%)	236	(582)	(247.1%)
Total COGS	**2,134**	**1,599**	**535**	**33.4%**	**1,978**	**155**	**7.8%**	**2,490**	**(357)**	**(14.3%)**
Gross Margin	**1,421**	**1,229**	**191**	**15.6%**	**1,557**	**(136)**	**(8.8%)**	**567**	**853**	**150.4%**
Gross Margin %	*40.0%*	*43.5%*			*44.0%*			*18.6%*		
R&D	125	161	(36)	(22.3%)	198	(73)	(36.9%)	116	9	8.1%
Sales & Marketing	324	355	(31)	(8.6%)	396	(71)	(18.0%)	402	(78)	(19.3%)
Administrative	292	257	34	13.4%	178	114	64.1%	3,754	(3,462)	(92.2%)
Total Opex	**741**	**774**	**(32)**	**(4.2%)**	**772**	**(31)**	**(4.0%)**	**4,272**	**(3,530)**	**(82.6%)**
EBITDA	**679**	**456**	**224**	**49.1%**	**785**	**(106)**	**(13.4%)**	**(3,704)**	**4,384**	**(118.3%)**
EBITDA %	*19.1%*	*16.1%*			*22.2%*			*(121.1%)*		
Adj. EBITDA	**817**	**624**	**192**	**30.8%**	**858**	**(41)**	**(4.8%)**	**800**	**17**	**2.1%**
Adj. EBITDA %	*23.0%*	*22.1%*			*24.3%*			*18.4%*		
Net Income (Loss)	**$ (485)**	**$ (661)**	**$ 176**	**(26.6%)**	**$ 71**	**$ (556)**	**(783.2%)**	**$ (4,947)**	**$ 4,462**	**(90.2%)**
Unincurred Standalone Costs	–	–	–	N/A	–	$ –	N/A	$ 236	$ (236)	(100.0%)
PF Adj EBITDA	**$ 817**	**$ 624**	**$ 192**	**30.8%**	**$ 858**	**$ (41)**	**(4.8%)**	**$ 564**	**$ 253**	**44.9%**
PF Adj. EBITDA %	*23.0%*	*22.1%*			*24.3%*			*18.4%*		

Management Discussion

- August net revenue favorable $726k to Rfc and favorable $497k to PY. Versus PY favorable variances NA $988k, APAC less India $50k and LAG $194k partially offset by unfavorability in India ($476k) and EMEA ($304k)
- Margins favorable $191k to Rfc due to volume and favorable absorption partially offset by OT and not doing a furlough, which was in the Rfc. This was the first month that we ran an "eliminations" routine in NetSuite, to eliminate sales between Nicholasville and SA. This routine resulted in $300k of additional income. The accounting team is researching this and has put this $300k on the balance sheet until the research is complete. If we find that the $300k is income that needs to be recognized, we will release it to the P&L in September and/or October.
- Margin Favorable $853k to PY due to favorable volume and opening balance sheet entries posting in PY
- OPEX favorable to Rfc due to timing of professional fees partially offset by unfavorable variances in Payroll (no furlough vs 20 hours Rfc), commission and IT expenses
- Adjusted EBITDA unfavorable $192k to Rfc and $17k to PY
- ($68k) to Rfc and ($153k) to PY

Financial Review | S&G Summary P&L - YTD

$'000	YTD		Var			Var		PY YTD	Variance	
	Act	Rfc	$	%	Bud	$	%	Act	$	%
Net Revenue	**24,155**	**23,423**	**732**	**3.1%**	**29,017**	**(4,862)**	**(16.8%)**	**30,078**	**(5,923)**	**(19.7%)**
Material	10,998	10,454	544	5.2%	10,214	784	7.7%	11,158	(160)	(1.4%)
Labor	4,030	3,771	259	6.9%	4,669	(639)	(13.7%)	4,563	(533)	(11.7%)
Other COGS	170	448	(279)	(62.1%)	1,693	(1,524)	(90.0%)	1,945	(1,776)	(91.3%)
Total COGS	**15,198**	**14,673**	**524**	**3.6%**	**16,576**	**(1,378)**	**(8.3%)**	**17,667**	**(2,469)**	**(14.0%)**
Gross Margin	**8,957**	**8,749**	**208**	**2.4%**	**12,441**	**(3,484)**	**(28.0%)**	**12,412**	**(3,455)**	**(27.8%)**
Gross Margin %	*37.1%*	*37.4%*			*42.9%*			*41.3%*	*0.0%*	*0.0%*
R&D	1,217	1,257	(41)	(3.2%)	1,625	(408)	(25.1%)	941	276	29.3%
Sales & Marketing	2,750	2,675	75	2.8%	4,005	(1,255)	(31.3%)	2,669	81	3.0%
Administrative	2,874	2,725	149	5.5%	2,047	827	40.4%	6,627	(3,753)	(56.6%)
Total Opex	**6,841**	**6,657**	**183**	**2.8%**	**7,677**	**(837)**	**(10.9%)**	**10,237**	**(3,396)**	**(33.2%)**
EBITDA	**2,117**	**2,092**	**24**	**1.2%**	**4,764**	**(2,647)**	**(55.6%)**	**2,175**	**(59)**	**(2.7%)**
EBITDA %	*8.8%*	*8.9%*			*16.4%*			*7.2%*	*0.0%*	*0.0%*
Adj. EBITDA	**4,072**	**3,934**	**138**	**3.5%**	**6,207**	**(2,135)**	**(34.4%)**	**7,548**	**(3,476)**	**(46.1%)**
Adj. EBITDA %	*16.9%*	*16.8%*			*21.4%*			*25.1%*	*0.0%*	*0.0%*
Net Income (Loss)	**$ (8,920)**	**$ (8,849)**	**$ (71)**	**0.8%**	**$ (1,930)**	**$ (6,990)**	**362.1%**	**$ (922)**	**$ (7,999)**	**867.8%**
Unincurred Standalone Costs	171	171	–	0.0%	20	151	755.0%	535	(364)	(68.0%)
PF Adj EBITDA	**$ 3,901**	**$ 3,763**	$ 138	3.7%	**$ 6,187**	$ (2,286)	(36.9%)	**$ 7,013**	$ (3,112)	(44.4%)
PF Adj. EBITDA %	*16.2%*	*16.1%*			*21.3%*			*23.3%*		

Management Discussion

- YTD August net revenue favorable $732k to Rfc and down ($5.9M) to PY. All regions unfavorable versus PY: NA ($1.1M), India ($2.1M), EMEA ($1.4M), APAC less India ($1.0M) and LAG ($0.3M).
- Margins favorable $208k to Rfc due to the absorption rate, unfavorable ($3.5M) to PY of which ($2.4M) is due to volume and ($1.1M) related to product mix and lost absorption due to lower volume.
- OPEX higher to Rfc due to agent commissions (shipment not scheduled at time of Rfc) $75k, Payroll & Benefits $95k and IT expenses $106k partially offset by the timing of professional fees ($69k) and travel reduction ($30k)
- Adjusted EBITDA unfavorable $138k to Rfc and $3.5M to PY

Financial Review| S&G 1X Costs

	August				YTD			
	Actual	Bud	Var	% Chg	Actual	Bud	Var	% Chg
Engineering	**-**	**95**	**(95)**	**-100.0%**	**102**	**703**	**(601)**	**-85.5%**
Market Parity	-	73	(73)	-100.0%	-	451	(451)	-100.0%
OGX	-	23	(23)	-100.0%	93	252	(159)	-63.0%
Six Sigma Training	-	-	-	N/A	9	-	9	N/A
Marketing	**2**	**1**	**2**	**300.0%**	**148**	**366**	**(218)**	**-59.6%**
Brand Refresh	-	-	-	N/A	80	320	(240)	-75.1%
Ecommerce	2	-	2	N/A	50	30	20	66.7%
Market Parity	-	1	(1)	-100.0%	18	16	2	12.5%
Sales	**31**	**-**	**31**	**N/A**	**177**	**-**	**177**	**N/A**
SmartVentures	-	-	-	N/A	30	-	30	N/A
Wise Strategies	31	-	31	N/A	126	-	126	N/A
Admin	**54**	**-**	**54**	**N/A**	**1,183**	**515**	**668**	**129.7%**
Legal Services (policy reviews)	-	-	-	N/A	-	20	(20)	-100.0%
HR Consultant	2	-	2	N/A	61	25	36	147.6%
Recruiting Fees	-	-	-	N/A	41	101	(60)	-59.5%
NetSuite Reports Consulting	-	-	-	N/A	55	40	15	38.2%
CFO transition consulting	-	-	-	N/A	11	-	11	N/A
TSA	-	-	-	N/A	348	189	159	83.9%
Planned Engineering Separation Project Start	-	-	-	N/A	-	40	(40)	-100.0%
IT Services - Transition Support	-	-	-	N/A	36	41	(5)	-13.1%
RSM Consulting	22	-	22	N/A	294	60	234	389.9%
Six Sigma Training	-	-	-	N/A	11	-	11	N/A
KPMG Consulting	-	-	-	N/A	20	-	20	N/A
Crowe - Opening Balance Sheet	-	-	-	N/A	12	-	12	N/A
Severence	8	-	8	N/A	67	-	67	N/A
Retention Bonuses	-	-	-	N/A	92	-	92	N/A
Board Member Fees	22	-	22	N/A	137	-	137	N/A
Manufacturing	**50**	**-**	50	**N/A**	**346**	**57**	**289**	**507.5%**
Quality Consulting	-	-	-	N/A	218	**-**	218	N/A
SmartVentures-Supply Chain Optimization	50	-	50	N/A	129	**-**	129	N/A
Kaizen Training	-	-	-	N/A	-	57	(57)	-100.0%
Total	**137**	**96**	**42**	**43.9%**	**1,956**	**1,641**	**315**	**19.2%**

Financial Review | Delaney Summary P&L - MTD

$'000	MTD		Variance			Variance		PY MTD	Variance	
	Act	Rfc	$	%	Bud	$	%	Act	$	%
Net Revenue	**3,367**	**3,095**	**272**	**8.8%**	**3,264**	**102**	**3.1%**	**3,467**	**(100)**	**(2.9%)**
Material	1,740	1,627	113	6.9%	1,696	43	2.6%	1,932	(192)	(10.0%)
Labor	78	100	(22)	(22.1%)	104	(26)	(24.6%)	88	(10)	(11.7%)
Other COGS	193	181	12	6.4%	189	4	2.0%	154	39	25.0%
Total COGS	**2,010**	**1,908**	**102**	**5.4%**	**1,989**	**22**	**1.1%**	**2,175**	**(164)**	**(7.5%)**
Gross Margin	**1,356**	**1,187**	**170**	**14.3%**	**1,276**	**81**	**6.3%**	**1,292**	**64**	**5.0%**
Gross Margin %	*40.3%*	*38.3%*			*39.1%*			*37.3%*		
Sales & Marketing	244	252	(8)	(3.2%)	251	(7)	(2.9%)	289	(45)	(15.6%)
Administrative	363	400	(37)	(9.2%)	372	(8)	(2.3%)	320	44	13.6%
Total Opex	**607**	**652**	**(45)**	**(6.9%)**	**623**	**(16)**	**(2.5%)**	**608**	**(1)**	**(0.2%)**
EBITDA	**750**	**535**	**215**	**40.1%**	**653**	**97**	**14.8%**	**684**	**65**	**9.6%**
EBITDA %	*22.3%*	*17.3%*			*20.0%*			*19.7%*		
Adj. EBITDA	**768**	**573**	**195**	**34.1%**	**653**	**115**	**17.6%**	**684**	**84**	**12.3%**
Adj. EBITDA %	*22.8%*	*18.5%*			*20.0%*			*19.7%*		
Net Income (Loss)	**$ 365**	**$ 148**	**$ 217**	**146.9%**	**$ 298**	**$ 67**	**22.3%**	**$ 349**	**$ 15**	**4.4%**

Management Discussion

- Aug net revenue Up $272k to Rfc and down ($100k) to PY. Versus Rfc: Single Family up $118k, Hollow Metal up $10k, Online up $49k, Bravura up $25k and Multi-Family up $53k. In addition revenue reductions were favorable $19k. Versus PY: Single Family up $8k, Hollow Metal up $133k, Online up $129k, Bravura up $13k, offset by Multi-Family down ($198k) and I/C Sales to Premier ($292k). In addition, revenue reductions were favorable $107k.
- Margins favorable to Rfc driven by lower revenue reductions.
- OPEX approx. lower by ($45k) driven by professional fees, T&E and Payroll.
- Adjusted EBITDA up $195k to Rfc and up $84k to PY.

Financial Review | Delaney Summary P&L - YTD

$'000	YTD		Var			Var		PY YTD	Variance	
	Act	Rfc	$	%	Bud	$	%	Act	$	%
Net Revenue	**27,091**	**26,536**	**554**	**2.1%**	**26,500**	**590**	**2.2%**	**24,735**	**2,356**	**9.5%**
Material	14,361	14,095	266	1.9%	13,996	365	2.6%	13,568	793	5.8%
Labor	622	653	(31)	(4.7%)	792	(169)	(21.4%)	629	(6)	(1.0%)
Other COGS	1,527	1,515	11	0.7%	1,526	1	0.0%	1,380	146	10.6%
Total COGS	**16,510**	**16,264**	**246**	**1.5%**	**16,314**	**196**	**1.2%**	**15,577**	**933**	**6.0%**
Gross Margin	**10,580**	**10,272**	**308**	**3.0%**	**10,187**	**394**	**3.9%**	**9,158**	**1,423**	**15.5%**
Gross Margin %	*39.1%*	*38.7%*			*38.4%*			*37.0%*		
Sales & Marketing	2,039	2,040	(1)	(0.1%)	2,339	(300)	(12.8%)	2,095	(56)	(2.7%)
Administrative	2,963	2,996	(33)	(1.1%)	2,936	27	0.9%	2,646	317	12.0%
Total Opex	**5,002**	**5,036**	**(34)**	**(0.7%)**	**5,274**	**(272)**	**(5.2%)**	**4,741**	**261**	**5.5%**
EBITDA	**5,579**	**5,236**	**342**	**6.5%**	**4,912**	**666**	**13.6%**	**4,416**	**1,162**	**26.3%**
EBITDA %	*20.6%*	*19.7%*			*18.5%*			*17.9%*		
Adj. EBITDA	**5,745**	**5,419**	**327**	**6.0%**	**4,912**	**833**	**17.0%**	**4,416**	**1,329**	**30.1%**
Adj. EBITDA %	*21.2%*	*20.4%*			*18.5%*			*17.9%*		
Net Income (Loss)	**$ 553**	**$ 207**	**$ 346**	**166.9%**	**$ 2,149**	**$ (1,596)**	**(74.3%)**	**$ 1,337**	**$ (784)**	**(58.7%)**

Management Discussion

- YTD net revenue up $554k to Rfc and up $2,356k to PY. Versus Rfc: Single Family up $343k, Hollow Metal up $73k, Online up $63k, Bravura up $43k, partially offset by Multi-Family down ($31k). In addition revenue reductions were favorable $47k. Versus PY: Single Family up $572k, Hollow Metal up $228k, Online up $1,026k, Multi-Family up $292k, partially offset by Bravura down ($216k), and I/C Sales to Premier of ($316k). In addition, revenue reductions were favorable $771k, largely driven by tariff surcharge.
- Margins favorable to Rfc driven by lower revenue reductions.
- OPEX approx. flat to Rfc
- Adjusted EBITDA up $327k to Rfc and up $1,329k to PY.

Financial Review | Premier Summary P&L - MTD

$'000	MTD		Variance			Variance		PY MTD	Variance	
	Act	Rfc	$	%	Bud	$	%	Act	$	%
Net Revenue	**1,728**	**1,763**	**(35)**	**(2.0%)**	**1,960**	**(233)**	**(11.9%)**	**1,764**	**(37)**	**(2.1%)**
Material	629	694	(65)	(9.4%)	839	(210)	(25.1%)	755	(127)	(16.8%)
Labor	313	345	(32)	(9.4%)	333	(20)	(6.1%)	320	(7)	(2.3%)
Other COGS	3	22	(20)	(88.8%)	28	(26)	(91.0%)	(3)	5	(193.5%)
Total COGS	**944**	**1,061**	**(118)**	**(11.1%)**	**1,200**	**(256)**	**(21.3%)**	**1,073**	**(129)**	**(12.0%)**
Gross Margin	**784**	**701**	**82**	**11.8%**	**761**	**23**	**3.0%**	**692**	**92**	**13.3%**
Gross Margin %	*45.4%*	*39.8%*			*38.8%*			*39.2%*		
Sales & Marketing	81	54	27	51.1%	54	27	49.3%	71	10	13.8%
Administrative	123	147	(24)	(16.4%)	153	(30)	(19.4%)	108	15	14.0%
Total Opex	**204**	**201**	**3**	**1.6%**	**207**	**(3)**	**(1.4%)**	**179**	**25**	**13.9%**
EBITDA	**580**	**501**	**79**	**15.8%**	**554**	**26**	**4.7%**	**513**	**67**	**13.1%**
EBITDA %	*33.6%*	*28.4%*			*28.3%*			*29.1%*		
Adj. EBITDA	**581**	**501**	**81**	**16.1%**	**554**	**27**	**4.9%**	**513**	**69**	**13.4%**
Adj. EBITDA %	*33.7%*	*28.4%*			*28.3%*			*29.1%*		
Net Income (Loss)	**$ 393**	**$ 285**	**$ 107**	**37.6%**	**$ 369**	**$ 24**	**6.5%**	**$ 441**	**$ (49)**	**(11.0%)**

Management Discussion

- Aug net revenue down ($35k) to Rfc and down ($36k) to PY. Versus Rfc & PY: Distributor up $25k driven by Delaney, offset by OEM down ($50k), Pre-Assembled ($7k), and Cash ($4k).
- Margins up to Rfc due to product mix.
- OPEX flat to Rfc.
- Adjusted EBITDA up $80k to Rfc and up $68k to PY.

Financial Review | Premier Summary P&L - YTD

$'000	YTD		Var			Var		PY YTD	Variance	
	Act	Rfc	$	%	Bud	$	%	Act	$	%
Net Revenue	**13,354**	**13,418**	**(64)**	**(0.5%)**	**13,483**	**(128)**	**(1.0%)**	**12,680**	**674**	**5.3%**
Material	5,234	5,319	(85)	(1.6%)	5,812	(578)	(9.9%)	5,506	(272)	(4.9%)
Labor	2,727	2,766	(39)	(1.4%)	2,696	31	1.1%	2,517	210	8.3%
Other COGS	64	96	(31)	(32.7%)	250	(186)	(74.2%)	168	(104)	(61.7%)
Total COGS	**8,025**	**8,181**	**(155)**	**(1.9%)**	**8,759**	**(733)**	**(8.4%)**	**8,191**	**(166)**	**(2.0%)**
Gross Margin	**5,329**	**5,237**	**92**	**1.7%**	**4,724**	**605**	**12.8%**	**4,489**	**840**	**18.7%**
Gross Margin %	*39.9%*	*39.0%*			*35.0%*			*35.4%*		
Sales & Marketing	616	566	50	8.8%	430	186	43.4%	537	79	14.7%
Administrative	1,029	1,057	(27)	(2.6%)	1,187	(157)	(13.3%)	883	147	16.6%
Total Opex	**1,645**	**1,623**	**22**	**1.4%**	**1,616**	**29**	**1.8%**	**1,420**	**226**	**15.9%**
EBITDA	**3,684**	**3,614**	**69**	**1.9%**	**3,108**	**576**	**18.5%**	**3,070**	**614**	**20.0%**
EBITDA %	*27.6%*	*26.9%*			*23.1%*			*24.2%*		
Adj. EBITDA	**3,719**	**3,625**	**94**	**2.6%**	**3,108**	**611**	**19.7%**	**3,070**	**650**	**21.2%**
Adj. EBITDA %	*27.9%*	*27.0%*			*23.1%*			*24.2%*		
Net Income (Loss)	**$ 1,801**	**$ 1,706**	**$ 96**	**5.6%**	**$ 1,905**	**$ (104)**	**(5.5%)**	**$ 2,508**	**$ (707)**	**(28.2%)**

Management Discussion

- YTD net revenue down ($65k) to Rfc and up $674k to PY. Versus Rfc: OEM up $64k, Distributor down ($78k), Pre-Assembled down ($43k), and Cash down ($9k). Versus PY: OEM up $509k, Distributor up $289k, Pre-Assembled ($74k), Cash down ($46k).
- Margins up to Rfc due to product mix, material cost favorability and lower labor as well as favorable productivity due to higher volume.
- OPEX higher to Rfc due to recruiting & relo costs.
- Adjusted EBITDA up $95k to Rfc and up $649k to PY.

Financial Review | Consolidated Balance Sheet

	Aug 20		Variance		Aug 20	Variance	
$'000	**Act**	**Rfc**	**$**	**%**	**Bud**	**$**	**%**
Current Assets							
Cash and cash equivalents	$ 8,257	$ 3,573	$ 4,684	131.1%	$ 7,674	$ 583	7.6%
Accounts receivable, gross	12,988	13,942	(954)	-6.8%	12,663	325	2.6%
Accounts receivable, reserves	(271)	(257)	(14)	5.4%	(141)	(129)	91.4%
Accounts receivable, net	12,717	13,686	(968)	-7.1%	13,157	(440)	(3.3%)
Inventory, gross	19,206	21,747	(2,540)	-11.7%	22,110	(2,903)	(13.1%)
Inventory, reserves	(2,241)	(2,305)	64	-2.8%	(2,697)	456	(16.9%)
Inventory, net	16,966	19,442	(2,476)	-12.7%	19,413	(2,447)	(12.6%)
Prepaid expenses and other current assets	(28)	(56)	29	-51.1%	204	(232)	(113.5%)
Current portion of deferred taxes	1,765	1,765	–	0.0%	–	1,765	N/A
Other current assets	18	–	18	N/A	49,912	(49,895)	(100.0%)
Total Current Assets	**38,492**	**38,409**	**83**	**0.2%**	**90,361**	**(51,869)**	**(57.4%)**
Non-Current Assets							
Property, plant & equipment, gross	14,597	15,641	(1,044)	-6.7%	16,299	(1,702)	(10.4%)
Accumulated depreciation	(2,462)	(2,465)	3	-0.1%	(3,097)	635	(20.5%)
Property, plant & equipment, net	12,135	13,176	(1,042)	-7.9%	13,202	(1,067)	(8.1%)
Goodwill	88,497	88,497	0	0.0%	64,400	24,097	37.4%
Identifiable intangible assets, gross	25,100	25,100	–	0.0%	15,100	10,000	66.2%
Accumulated amortization	(1,953)	(2,038)	85	-4.2%	(3,346)	1,394	(41.6%)
Identifiable intangible assets, net	23,147	23,147	1	0.0%	11,754	11,394	96.9%
Deferred financing cost	2,748	2,759	(11)	-0.4%	2,543	205	8.1%
Deferred tax asset	(1,761)	(1,753)	(8)	0.5%	672	(2,433)	(362.3%)
Other non-current assets	48,274	49,727	(1,453)	-2.9%	131	48,143	36664.2%
Total Non-Current Assets	**173,759**	**175,553**	**(1,794)**	**-1.0%**	**92,701**	**81,058**	**87.4%**
Total Assets	**$212,735**	**$213,963**	**$(1,228)**	**-0.6%**	**$183,062**	**$29,673**	**16.2%**
Current Liabilities							
Current portion of long-term debt	$ 2,313	$ 2,081	$ 231	11.1%	$ 1,850	$ 463	25.0%
Accounts payable	3,855	4,235	(380)	-9.0%	5,190	(1,335)	(25.7%)
Accrued liabilities	3,864	3,942	(78)	-2.0%	3,495	369	10.6%
Accrued compensation	1,698	1,401	297	21.2%	953	745	78.2%
Income taxes payable	(33)	(35)	2	-4.7%	762	(795)	(104.4%)
Short-term unearned revenue	97	81	16	19.5%	56	40	71.5%
Other current liabilities	–	–	–	#DIV/0!	–	–	N/A
Total Current Liabilities	**11,727**	**11,706**	**20**	**0.2%**	**12,306**	**(579)**	**(4.7%)**
Long-term liabilities							
Long-term debt less current maturities	89,270	89,501	(231)	-0.3%	89,712	(442)	(0.5%)
Capital lease	43	–	43	N/A	–	43	N/A
Deferred income taxes	960	963	(3)	-0.3%	(831)	1,791	(215.6%)
Other non-current liabilities	593	628	(35)	-5.6%	3,792	(3,200)	(84.4%)
Total Long-Term Liabilities	**90,890**	**91,092**	**(202)**	**-0.2%**	**92,673**	**(1,783)**	**(1.9%)**
Total Liabilities	**102,617**	**102,799**	**(182)**	**-0.2%**	**104,979**	**(2,363)**	**(2.3%)**
Shareholders' Equity							
Common stock	124,690	124,690	0	0.0%	72,725	51,966	71.5%
Retained earnings	(14,699)	(13,915)	(783)	5.6%	3,987	(18,686)	(468.6%)
Accumulated other comprehensive income	84	389	(305)	-78.3%	1,370	(1,286)	(93.8%)
Other equity transactions	–	–	–	N/A	1	(1)	(100.0%)
Total Shareholders' Equity	**109,635**	**111,164**	**(1,529)**	**-1.4%**	**78,083**	**31,552**	**40.4%**
Total Liabilities and Shareholders' Equity	**$212,735**	**$213,963**	**$(1,227)**	**-0.6%**	**$183,062**	**$29,673**	**16.2%**

Financial Review | Consolidated Cash Flow

$'000	YTD Act	YTD Rfc	Variance $	Variance %	YTD Bud	Variance $	Variance %	PY YTD Act	Variance $	Variance %
Cash flow from operations										
Net Income (Loss)	$(6,566)	$(6,933)	$ 366	(5.3%)	$ 2,124	$(8,690)	(409.2%)	$ 2,961	$ (9,528)	(321.8%)
Depreciation, amortization and other	9,053	9,056	(3)	(0.0%)	6,331	2,722	43.0%	(36,027)	45,080	(125.1%)
Change in operating assets and liabilities:										
Accounts receivable	(2,302)	(3,270)	968	(29.6%)	(2,716)	414	(15.2%)	(1,670)	(632)	37.9%
Inventory	5,020	2,545	2,475	97.3%	(208)	5,228	(2514.2%)	(1,993)	7,013	(351.9%)
Prepaid expenses and other current assets	299	328	(29)	(8.9%)	8	290	3417.3%	(86)	384	(448.8%)
Accounts payable	348	728	(381)	(52.3%)	1,500	(1,152)	(76.8%)	(229)	577	(251.9%)
Accrued expenses	335	412	(77)	(18.8%)	134	201	149.9%	321	13	4.2%
Accrued income taxes	142	141	2	1.2%	(236)	378	(160.2%)	(1,617)	1,759	(108.8%)
Other changes in operating assets and liabilities	1,981	209	1,772	848.9%	855	1,126	131.7%	11,467	(9,485)	(82.7%)
Other cash flow from operations	18	–	18	N/A	–	18	N/A	–	18	N/A
Total Cash Flow from Operations	**$ 8,327**	**$ 3,216**	**$ 5,111**	**158.9%**	**$ 7,792**	**$ 535**	**6.9%**	**$(26,872)**	**$ 35,199**	**(131.0%)**
Cash flow from investing										
Additions to property, plant and equipment	$ (908)	$(1,952)	$ 1,045	(53.5%)	$(1,972)	$ 1,065	(54.0%)	$ 8,866	$ (9,774)	(110.2%)
Investment in intangibles	–	–	–	N/A	–	–	N/A	1,437	(1,437)	(100.0%)
Total Cash Flow from Investing	**$ (908)**	**$(1,952)**	**$ 1,045**	**(53.5%)**	**$(1,972)**	**$ 1,065**	**(54.0%)**	**$ 10,303**	**$(11,211)**	**(108.8%)**
Cash flow from financing										
Repayment of debt	(925)	(924)	(1)	0.2%	(946)	21	(2.2%)	–	(925)	N/A
Capital lease	(7)	–	(7)	N/A	–	(7)	N/A	–	(7)	N/A
Common stock issued (repurchased)	0	(0)	0	(88094.7%)	(0)	0	(88094.7%)	40,228	(40,227)	(100.0%)
Other cash flow from financing costs	(1,120)	341	(1,461)	(428.9%)	216	(1,336)	(618.7%)	(74,031)	72,911	(98.5%)
Total Cash Flow from Financing	**$(2,052)**	**$ (583)**	**$(1,469)**	**252.0%**	**$ (730)**	**$(1,322)**	**181.1%**	**$ 10,782**	**$(12,835)**	**(119.0%)**
Net change in cash	**$ 5,367**	**$ 684**	**$ 4,683**	**684.8%**	**$ 5,089**	**$ 278**	**5.5%**	**$ (5,786)**	**$ 11,153**	**(192.8%)**
Beginning cash	2,892	2,893	(0)	(0.0%)	2,585	307	11.9%	11,508	(8,616)	(74.9%)
Change in cash	5,367	681	4,686	688.3%	5,089	278	5.5%	(5,786)	11,153	(192.8%)
Ending cash	**$ 8,258**	**$ 3,573**	**$ 4,684**	**131.1%**	**$ 7,674**	**$ 584**	**7.6%**	**$ 5,722**	**$ 2,536**	**44.3%**

Financial Review | Consolidated 13-Week Cash Flow Projection

In US$	Forecast 9/21	Forecast 9/28	Forecast 10/5	Forecast 10/12	Forecast 10/19	Forecast 10/26	Forecast 11/2	Forecast 11/9	Forecast 11/16	Forecast 11/23	Forecast 11/30	Forecast 12/7	Forecast 12/14
Cash Inflows - Operational													
Collections from customers (Actual)	-	-	-	-	-	-	-	-	-	-	-	-	-
Collections from customers based on projected aging (Forecast)	2,243	1,249	1,276	2,762	1,011	714	544	440	251	109	145	106	64
Collections from new forecasted sales	(500)	500	-	-	333	1,033	946	1,875	1,783	1,488	1,233	1,885	1,882
Total AR Collections	1,743	1,749	1,276	2,762	1,344	1,747	1,490	2,315	2,034	1,597	1,378	1,991	1,946
Other non-AR inflows	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Inflows - Operational	1,743	1,749	1,276	2,762	1,344	1,747	1,490	2,315	2,034	1,597	1,378	1,991	1,946
Cash Outflows - Operational													
Product inventory	(967)	(1,600)	(1,277)	(1,156)	(1,014)	(848)	(655)	(749)	(1,052)	(948)	(678)	(1,690)	(687)
Payroll	(264)	(322)	(367)	(322)	(264)	(322)	(367)	(322)	(264)	(303)	(284)	(405)	(484)
Commissions	-	-	-	(165)	-	-	-	(225)	-	-	-	-	(165)
Bonus	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities & other (Freight)	(340)	(110)	(122)	(70)	(340)	(70)	(155)	(77)	(140)	(270)	(155)	(77)	(70)
Professional services	(135)	(75)	(75)	(75)	(75)	(127)	(75)	(75)	(75)	(127)	(75)	(75)	(83)
Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-
Recruiter fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses (Insurance, TSA, CC)	(15)	(831)	-	(524)	(12)	(138)	-	(94)	(9)	(147)	-	-	-
Total Cash Outflows - Operational	(1,721)	(2,938)	(1,841)	(2,312)	(1,705)	(1,505)	(1,252)	(1,542)	(1,540)	(1,795)	(1,192)	(2,247)	(1,489)
Cashflows - Financial and Other													
Revolving Loan Draw (Paydown)	-	-	-	-	-	-	-	-	-	-	-	-	-
Term Loan paydowns	-	(463)	-	-	-	-	-	-	-	-	-	-	-
Interest and financial amortization	-	(1,718)	-	-	-	-	-	-	-	-	-	-	-
Other financial income/expense (e.g. fx, hedging)	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial income/expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated Tax Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Monitoring fees (including travel expenses)	-	(500)	-	-	-	-	-	-	-	-	-	-	-
Non-recurring items	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Outflows - Financial and Other	-	(2,681)	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH FLOW	22	(3,870)	(565)	450	(361)	242	238	773	494	(198)	186	(256)	457
Cash Rollforward													
Beginning cash balance	8,572	8,594	4,724	4,159	4,609	4,248	4,491	4,729	5,501	5,996	5,797	5,983	5,726
Cash activity	22	(3,870)	(565)	450	(361)	242	238	773	494	(198)	186	(256)	457
ENDING CASH BALANCE	8,594	4,724	4,159	4,609	4,248	4,491	4,729	5,501	5,996	5,797	5,983	5,726	6,184
Debt Summary													
Rolled debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit facility	91,582	91,119	91,119	91,119	91,119	91,119	91,119	91,119	91,119	91,119	91,119	91,119	91,119
TOTAL DEBT	91,582	91,119	91,119	91,119	91,119	91,119	91,119	91,119	91,119	91,119	91,119	91,119	91,119
TOTAL NET DEBT	82,988	86,395	86,960	86,510	86,871	86,628	86,390	85,618	85,123	85,322	85,136	85,393	84,935
AVAILABILITY	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
ENDING CASH BALANCE - S&G	3,773	975	1,146	1,194	1,177	1,243	1,226	1,322	1,397	1,487	1,777	1,681	1,774
ENDING CASH BALANCE - Delaney	3,364	2,945	2,307	3,152	2,768	2,872	2,993	3,676	3,945	3,506	3,311	3,040	3,352
ENDING CASH BALANCE - Premier	1,457	804	705	263	303	377	510	503	654	804	895	1,006	1,057
ENDING CASH BALANCE - Consolidated	8,594	4,724	4,159	4,609	4,248	4,491	4,729	5,501	5,996	5,797	5,983	5,726	6,184

Financial Review | Financial Covenants | Fixed Charge Ratio

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Fixed Charges:												
Interest paid (net of interest received)	8,243	7,736	7,842	7,418	7,477	7,514	7,248	7,272	7,241	7,053	7,069	7,059
Plus:												
Principal payments with respect to all debt	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Fixed Charges	**10,093**	**9,587**	**9,692**	**9,268**	**9,327**	**9,364**	**9,098**	**9,122**	**9,091**	**8,903**	**8,919**	**8,909**
EBITDA for defined Period	21,589	21,387	20,466	20,244	20,116	19,326	19,513	19,683	19,908	19,626	19,660	20,893
Less:												
Unfinanced Capital Expenditures	1,133	1,159	1,178	1,046	1,114	1,059	1,422	1,466	2,284	2,223	2,154	1,994
Fees and expenses paid/incurred under the Management Agreement	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Any federal, state, local or other income and franchise taxes paid or payable in cash net of any cash tax credits or other cash tax benefits	200	200	200	200	179	(116)	(114)	(80)	(149)	1	(12)	1
Operating Cash Flow	**18,255**	**18,028**	**17,087**	**16,998**	**16,822**	**16,383**	**16,206**	**16,297**	**15,773**	**15,402**	**15,518**	**16,898**
Fixed Charge Coverage Ratio	1.81	1.88	1.76	1.83	1.80	1.75	1.78	1.79	1.73	1.73	1.74	1.90
Minimum Ratio	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
In Compliance	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
TTM Minimum Operating Cash Flow	11,102	10,545	10,661	10,195	10,260	10,301	10,008	10,034	10,000	9,793	9,811	9,800
TTM Operating Cash Flow Cushion	7,153	7,483	6,426	6,803	6,562	6,083	6,197	6,263	5,772	5,608	5,706	7,098

Amounts for January 2019 through October 2019 defined per credit agreement

Financial Review | Financial Covenants | Debt to EBITDA

000's	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Total Debt:												
Revolver Balance	1,250	1,250	10,000	10,000	10,000	5,000	-	-	-	-	-	-
Plus: Term Loan Balance	92,508	92,508	92,045	92,045	92,045	92,044	91,583	91,583	91,583	91,120	91,120	90,658
Plus: Other Debt	-	-	-	-	-	-	-	-	-	-	-	-
Less: Qualified Cash	1,777	2,718	5,000	5,000	5,000	5,000	5,000	5,000	4,138	2,940	4,857	5,000
Total Debt	91,981	91,040	97,045	97,045	97,045	92,044	86,583	86,583	87,445	88,181	86,263	85,658
EBITDA for the Defined Period (calculated in the manner required by Section 6.1 of the Compliance Certificate)	21,589	21,387	20,466	20,244	20,116	19,326	19,513	19,683	19,908	19,626	19,660	20,893
TTM Adjusted EBITDA	21,589	21,387	20,466	20,244	20,116	19,326	19,513	19,683	19,908	19,626	19,660	20,893
Total Debt to EBITDA Ratio (ratio of Total Debt to Adjusted EBITDA for the Defined Period)	4.26	4.26	4.74	4.79	4.82	4.76	4.44	4.40	4.39	4.49	4.39	4.10
Maximum Permitted Total Debt to EBITDA Ratio for the Defined Period	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.50
In Compliance	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Minimum TTM EBITDA required	15,997	15,833	16,877	16,877	16,877	16,008	15,058	15,058	15,208	15,336	15,002	15,574
TTM EBITDA Cushion	5,592	5,554	3,588	3,366	3,238	3,318	4,455	4,625	4,700	4,290	4,658	5,319

Amounts for January 2019 through October 2019 defined per credit agreement

Financial Review | CFO Hot Items

1. Approaching the cap on bank approved 1x expenses S&G side. Can we use the $2.1M available for Delaney acquisition for all entities?
   a. Opinion: the credit agreement is for the consolidated group. Expenses should be looked at in totality, not entity specific. What benefits one business benefits all businesses.
2. Request to change audit firm to Warren Averett
   a. WA Already know the Delaney and Premier businesses
   b. Crowe is nickel/diming expenses
   c. Crowe (3 weeks prior to end of audit) said they had overrun of ~$135k. Total engagement letter was $128k. Negotiated down to $35k - left me unimpressed.
3. S&G moving to calendar month starting November 1.

August 2020 Operating Review

- Administrative (call to order, confirm APR MOR minutes, etc.)
- Financial Review
- **Delaney**
- Premier
- S&G
- Committee reports
- Appendix

Executive Summary

Summary review

Good News / Positives to Business and Plan

- **August sales favorable to AOP by $102K and favorable to Rfc by $272K. August EBITDA favorable to AOP by $115K and favorable to Rfc by $195K. Versus PY, YTD sales are up $2,356K and YTD EBITDA is up $1,329K.**
- **Single Family and Online** remain strong despite inventory shortages. **Multi-Family and Hollow Metal** outperformed reforecast expectations for August.
- We had an extremely successful LMC Virtual 2-Day Trade Show. $110K in sales and top attended webinar among all vendors with top rated engagement!

Risks / Challenges to the Business and Plan

- Supply Chain Issues/Backorders
  - 886 backorders were generated in August vs. an average of 400/month in H1. Not only do backorders represent missed revenue but they create frustration and workload for customers and employees. We have several competitors with good inventory position knocking on our door.
- Covid
  - While positive Covid cases have not directly impacted our workforce, it has been extremely difficult to fill open positions, particularly in the warehouse. With an influx in the number of eCommerce orders hiring has become a top priority.
- Tariffs/Price Increase
  - Our Tariff Surcharge is meeting a great deal of resistance from customers. Most all of our competitors have eliminated tariff surcharges and implemented price increases.
  - We need to look to remove tariffs, then follow with a price increase 30-60 days later. There will be a negative financial impact of ~$70k per month until price increase goes into effect.

Focus and priorities

- Supply Chain: managing factory lead times, communicating to sales teams, managing customer expectations, offering substitutions where possible.
- We've completed the Bravura catalog redesign and have begun work on the new Bravura Website.
- MF Smartlock: Andrew will be presenting a Business Plan, opportunity still looks strong, need to hire Product & Market Manager or MF Smartlock Specialist
- Strategic Growth Initiatives: driving growth through National Account programs, increased Builder focus as competitors experience shortages. Participating in Drees Homes RFP - $5M opportunity over 4 years.
- NetSuite Implementation underway.

Key Initiatives | Multifamily Smart Lock

Multifamily smart lock launching Q1, expected to drive 2021 revenue of ~$900k and EBITDA of ~$125k, growing by 2023 to revenue of ~$2.2mm and EBITDA of ~$525k

The Delaney multifamily smart lock is an attractive product segment worth pursuing because it:

- Generates strong gross margins of ~50%
- Delivers an attractive value proposition to customers, based on a recent conversations with Stratis (multifamily IoT partner) and GoKeyless (Stratis Certified Professional Installer); both remain excited about partnering with Delaney
- Sells into a large, underpenetrated market

In order to bring the multifamily product to market, we will need to make $46k in final one-time investments (already included in Reforecast):

- $20k for UL testing
- $8k for dedicated landing page on Delaney website
- $18k in product for beta projects (1 newbuild and 1 retrofit)

These investments are expected to drive 2021 revenue of ~$900k and EBITDA of ~$125k, growing by 2022 to revenue of ~$2.2mm and EBITDA of ~$525k, based on a bottom-up sales forecast by Delaney's Regional Sales Directors and sales reps

- Reflects ongoing investments in Product Mgr, Tech Support (1 HC in 2021, 2 HC starting 2022), and marketing
- Initial 3k unit inventory order would be depleted within 3 quarters

Additional upside sales expected from:

- Sales through other channels, including Stratis sales reps, Stratis Certified Professional Installers ("SCPs"), Stratis hardware partners, national smart solution providers, and national and regional distributors
  - In process of conducing interviews with 2 SCPs (GoKeyless, Advant Solutions) and 2 Stratis hardware partners (Best Buy, Comcast) to assess commercial opportunity through those channels
- Pull-through of existing Delaney product sales that have historically been lost due to lack of this product

Key Initiatives | Multifamily Smart Lock

DELANEY®

Stratis and GoKeyless remain excited about the partnership with Delaney on the new multifamily smart lock

The industry is fairly concentrated, with two "800-pound gorillas"

- Schlage and dormakaba are the top two, at ~$200/unit
- Salto is number 3, with higher price points above $200/unit
- There are a few smaller players, each with ~2-3% market share (e.g., Yale, Kwikset)

The market is large and underpenetrated

- ~30M existing multifamily units as of 2019
- ~475M new multifamily units in 2019
- Initial generation of multifamily smart locks were installed around 2015/2016, and are reaching end of life

Stratis and GoKeyless believe there's room in the market for the Delaney multifamily smart lock, due to the following:

- High quality product on par with competitors
- Lower price point (~$175/unit vs. $200+/unit for market leaders)
- No fees beyond lock cost and Stratis IoT subscription (dormakaba charges an additional SaaS subscription fee)
- Fully cloud-based solution (dormakaba is on-premise)
- Precommissioning service (lock is functional immediately upon installation; no additional setup required, avoids dead-on-arrival and battery issues)

The market has not changed meaningfully since the original expected Q1 2020 product launch, and both Stratis and GoKeyless remains excited about partnering with Delaney

- Stratis and GoKeyless have customers that want a high quality, lower-priced alternative to the market leading products, and the Stratis sales team will bring those opportunities to Delaney
  - Stratis believes Delaney should be able to do a total of 20k units ($3mm revenue) by 2022 (much more aggressive than our model)
  - GoKeyless believes they can bring 500-1,000 units in year 1, and 2,000-3,000 units annually thereafter (not reflected in our model)

Key Initiatives | Multifamily Smart Lock

Delaney's sales team developed a bottom-up revenue model that supports meaningful ramp-up in sales and EBITDA over time

$000s		1Q21	2Q21	3Q21	4Q21	2021	2022	2023
Kevin Rich (Commercial Sales Rep)								
Projects sold		1	0	2	4	7	20	26
Avg. units/project		275	275	275	275	275	275	275
Total units		138	0	550	1,100	1,788	5,500	7,150
Annual growth %							*208%*	*30%*
Dick Fitzgerald (Region 1 Sales Director)								
Projects sold		4	8	8	8	28	38	45
Avg. units/project		69	66	71	71	69	67	65
Total units		240	530	570	570	1,910	2,540	2,930
Annual growth %							*33%*	*15%*
Donn Bland (Region 2 Sales Director)								
Projects sold		3	7	10	9	29	48	55
Avg. units/project		115	94	91	98	96	94	95
Total units		288	655	910	880	2,733	4,500	5,230
Annual growth %							*65%*	*16%*
Total Delaney								
Projects sold		7	15	20	21	63	106	126
Avg. units/project		102	79	102	121	103	118	122
Total units		665	1,185	2,030	2,550	6,430	12,540	15,310
Annual growth %							*95%*	*22%*
Delaney revenue/unit		$0.150	$0.150	$0.150	$0.150	$0.150	$0.150	$0.150
Total gross revenue		**$100**	**$178**	**$305**	**$383**	**$965**	**$1,881**	**$2,297**
Rebates & discounts (% of gross rev)	3.0%	$3	$5	$9	$11	$29	$56	$69
Total net revenue		**$97**	**$172**	**$295**	**$371**	**$936**	**$1,825**	**$2,228**
Material (% of gross rev)	44.0%	$44	$78	$134	$168	$425	$828	$1,010
Direct Labor (% of gross rev)	2.6%	$3	$5	$8	$10	$25	$49	$60
Outbound freight (% of gross rev)	3.1%	$3	$5	$9	$12	$30	$58	$71
Packaging (% of gross rev)	0.9%	$1	$2	$3	$3	$8	$17	$20
Total COGS		**$50**	**$90**	**$154**	**$193**	**$488**	**$951**	**$1,161**
Total gross profit		**$46**	**$83**	**$141**	**$178**	**$447**	**$874**	**$1,066**
Gross margin (% of net rev)		*48%*	*48%*	*48%*	*48%*	*48%*	*48%*	*48%*
Sales Commissions (% of net rev)	6.0%	$6	$10	$18	$22	$56	$109	$134
Product Mgr (fully-loaded)		$41	$41	$41	$41	$165	$170	$175
Tech Support (fully-loaded)		$15	$15	$15	$15	$60	$124	$127
Marketing		$10	$10	$10	$10	$40	$80	$100
Total EBITDA impact		**($26)**	**$6**	**$57**	**$89**	**$126**	**$391**	**$530**
Addressable market								
New build units (mm)						0.5	0.5	0.5
Existing units (mm)						15.0	15.0	15.0
Total units (mm)						15.5	15.5	15.5
Delaney market share						**0.04%**	**0.08%**	**0.10%**

Kevin focuses on sales within the commercial segment (including multifamily); he targets larger projects and expects to grow volumes in that segment significantly over time as the product gains market traction

Reflects projections from 5 Region 1 sales rep agencies and 6 Region 2 sales rep agencies with track records selling into the multifamily space; these reflect smaller projects that are expected to be easier to sell initially but with lower longer-term growth rates

Initial 3k unit inventory order would be depleted within 3 quarters

$150/unit selling price to dealers translates to $175/unit selling price to end users (below ~$200/unit competitor pricing)

Rebates & discounts in-line with typical Delaney figures

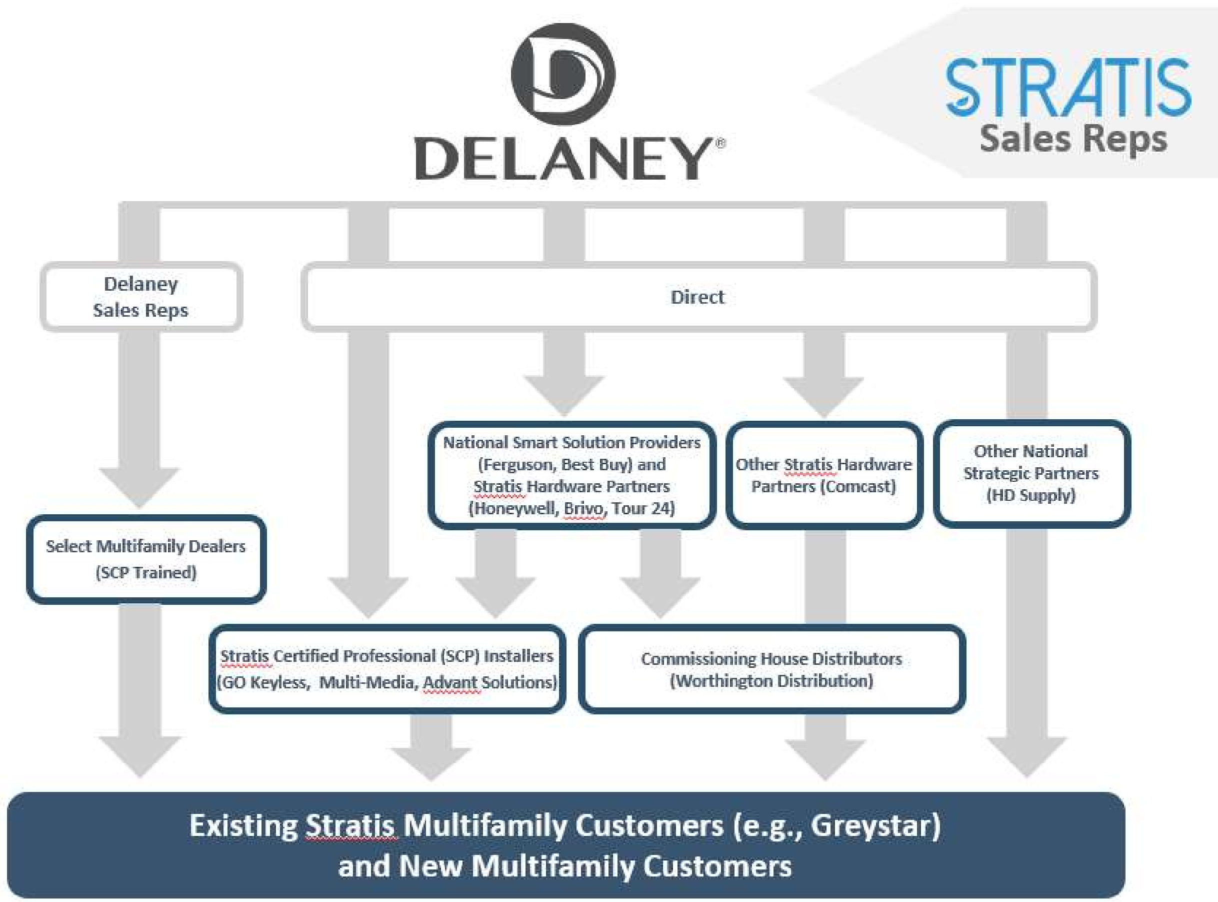
$66/unit landed material COGS and other COGS estimates in-line with typical Delaney COGS margins translate to ~50% gross margin

Includes cost of Product Mgr, Tech Support HC, and ongoing marketing to support commercial success of this product

Based on data from the National Multifamily Housing Council; assumes 100% of annual new build units and 50% of existing units comprise the addressable market

Key Initiatives | Multifamily Smart Lock

Delaney has multiple other sales channels beyond its "traditional" sales reps to drive multifamily smart lock sales



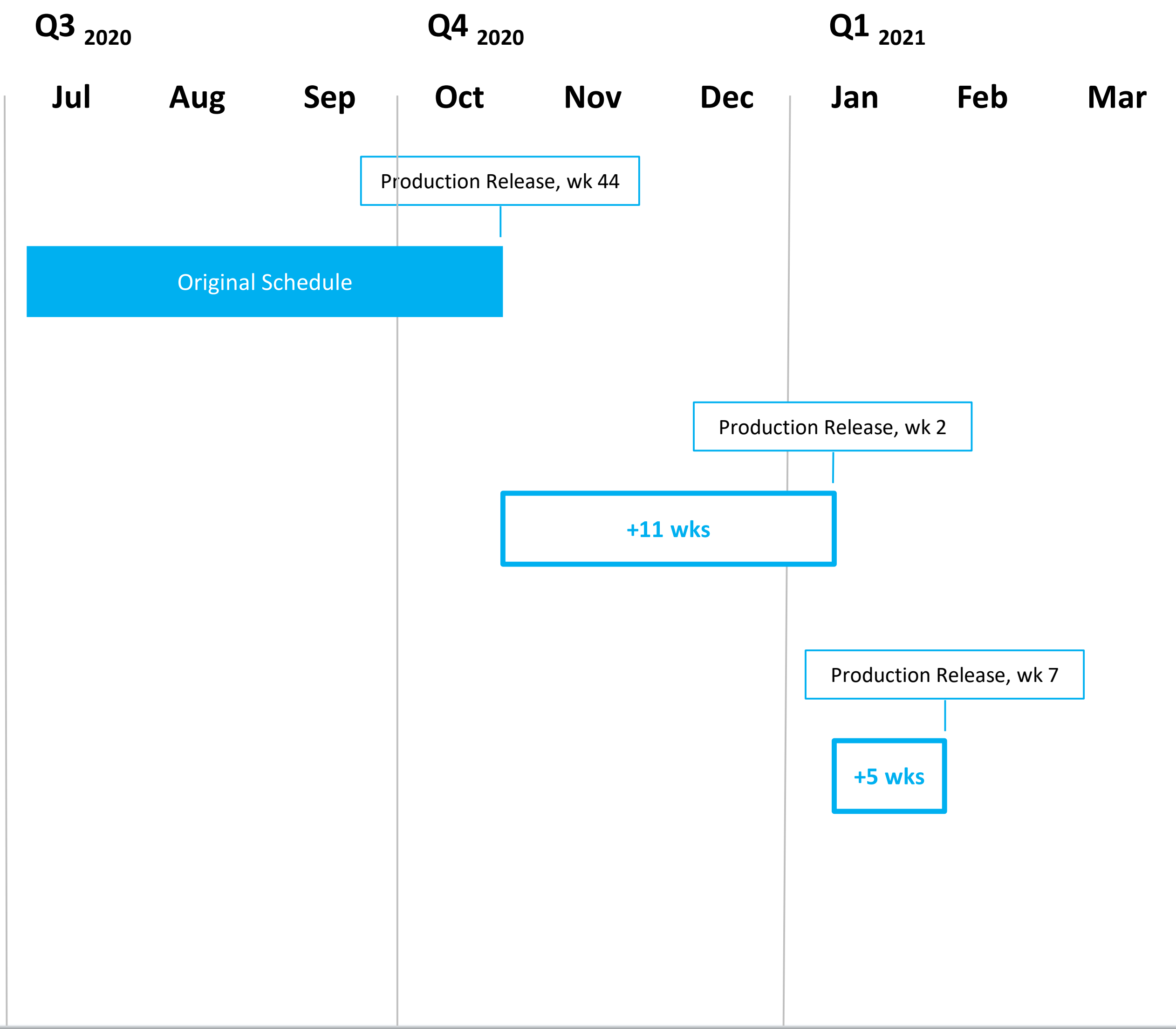
Key Initiatives | New Product Development

Initiative	Status	Recent Progress	Next Steps
MF Smartlock 		• Mechanical design complete. Cycling testing continuing with no issues reported • PCBA design changes required to address ESD, short circuit, and card credential issues. New PCBA layout targeted for Oct-12 • Hardware failures at Stratis (software developer) limiting software development and testing. Defective units returned on Sept-16 for analysis. New samples shipped • UL testing beginning this week. Expected completion by Oct-23 • FCC and Bluetooth testing targeted for late November (dependent on PCBA sample delivery) • Stratis IoT acquired by RealPage	• Complete PCBA design • Software completion / testing • UL testing • Manufacturing readiness

Key Initiatives | Multifamily Smart Lock

Milestone	Status	Owner	Date(s)	Status Update
ES1 Electronic Design		Tom/BL	1/30-3/27	Complete
ES1 Mechanical Design		Tom/TL	1/30-3/27	Complete
ES1 FW Development		BuLogics	1/30-3/31	Complete
ES1 Prototype Testing		Tom/TL	3/31-5/8	Complete – Several issues discovered, see PCB revision below
Internal Fire Test		Tong Long	3/31-4/7	Complete
Packaging Design		Tong Long	5/4-7/30	Confirmation pending
PCBA Revision (ES2)		Tom/TL	5/11-10/12	ESD, short circuit, and card credential issues. New layout targeted 10/12
FW Revision (ES2)		Tom/TL	5/11-10/12	
App Development		Stratis IOT	5/13-11/1	Hardware issues delayed app development. New samples delivered
User/Install Manuals		TL/Delaney	6/1-12/18	
Mfg. Fixtures/JIGS		Tong Lung	7/13-8/14	Complete
Production/Cycle Testing		Tom/TL	8/17-10/31	Cycle testing continuing with no issues reported
UL Fire Test		S&G/TL	9/21-10/23	S&G Compliance Manager working with UL
Pilot Run		Tong Lung	11/23-12/7	
FCC Certification		Tong Lung	11/23-12/31	Start date dependent on PCBA completion
Bluetooth Certification		Tong Lung	11/23-12/31	Start date dependent on PCBA completion
MP Material Prep		Tong Lung	12/7-2/15	
Mass Production		Tong Lung	2/15	

Key Initiatives | Multifamily Smart Lock



Original Schedule
- Production targeted for Oct 30th

Schedule Adjustment (Design Issues)
- 11 wks added to the schedule to address several design issues identified during testing. Design issues include card credential detection, ESD protection, short circuit issue.
- Production targeted for Jan 11th

Schedule Adjustment (Design Issue)
- 5 wks added to the schedule to address discovery of NVRAM issue during Stratis software development. Defective unit returned on Sept-16 for analysis
- Production targeted for Feb 15th

Key Initiatives | Office 365 Merger

Business Problem Statement

– Sargent & Greenleaf recently acquired the Delaney organization and would like to migrate those approximate 50 users into the S&G Office 365 tenant creating a more streamline and collaborative environment for the entire organization. In addition, would like to provide InTune licensing and managed services from vendor

Statement of Success

– Will conduct a tenant to tenant migration for the users migrating the mail and user OneDrive for Business repositories from Delaney to S&G tenant. In addition, we will be providing licensing options for the new users and managed services for O365, Collaboration and Intune needs.

What to be gained from the merger…

– Single tenant between both companies
– Merged user access to collaborative file location. i.e. SharePoint and OneDrive shared links
– Teams collaboration without having external user access
– Single administrative environment with 2 admins instead of 1 per company
– Cloud based user administration through Intune and Azure AD.
  - Allows for removal of onsite servers for better disaster recovery and expense of hardware, licensing, and manpower to support

Key Initiatives | Office 365 Merger

Expenses	Estimated Amount
Kizan Migration of tenants – 1-Time Expense	$10,452
Office 365 licensing For Delany users	$10,244
Backupify user increase	$4,800
Intune Licensing	$1,764
Managed services add-on to S&G contract	$2,250
Project Subtotal – (Gross Cash Outlay)	**$29,510**
Return of current Delaney License cost yearly	($10,428)
Net Cash Outlay	**$19,082**
Kizan Migration of tenants – 1-Time Expense	($10,452)
On-Going Incremental Annual Expense	**$8,630**

Key Initiatives | Discontinuation of Remote Desktop

- Gain individualized processing - Each user has their own processing resources instead of shared.
- Improved system recoverability - If the physical server goes down, everyone is down. If one PC dies, only a single user is affected.
- Less hardware to support (eventually) - Support would be for user systems and not for server hardware *and* user systems.
- Better software compatibility - Most software is designed to run on a local computer. It's not always designed to run in a remote desktop environment.
- Predictable hardware lifecycle - Can predicably know when we will need to replace hardware for budgeting.
- More predictable use of Office 365 features - Microsoft recommends using the Office 365 application suite with Windows 10 to keep stability/compatibility issues at a minimum.
- Simplified licensing - Once the server licensing term is over and the server hardware is retired, only Office 365 licensing will be needed.
- Improved user mobility - Using Office 365/Intune for identity and authentication, users don't necessarily need to be at main office to start using a replacement system. Also, a VPN is not necessary to access most workloads.

	Qty	Unit Cost	Ext Amt
Desktops	26	$900	$23,400
Laptops	21	$1,750	$36,750
Docking Stations	21	$234	$4,914
Monitors	80	$240	$19,200
Total			**$84,264**

Key Initiatives | Search Summary

DELANEY®

Position	**VP/General Manager – Delaney Hardware (Cumming, GA)**
Metrics	• Reached out to 40 prospects to date, 10 sources • Conducted 10+ initial screening calls • Following screen calls, ruled out 4, vetting 6 further (i.e. deep dive into background/accomplishments/skills) • 6 candidates have rejected interest due to location, size of business, compensation or strong desire to remain in current role
Notes	The current mix of prospects includes commercially savvy P&L leaders located in the ATL metro area. The majority reside within the hardware, building materials, or building materials distribution industries. Each is being vetted in several categories including first-hand commercial growth achievements, leadership style (“roll-up sleeves, can-do” attitude), experience in residential/multi-family/commercial verticals, and P&L leadership success.

Timeline:

- September 8th: Signed Search Agreement
- Weeks 1-2: Candidate Research and Outreach
- Weeks 3-4: Initial Candidate Presentation and Calibration
- Weeks 5-7: First Client Phone Interviews
- Weeks 8-10: In-Person Candidate Interviews
- Week 11: Offer Made to Finalist
- Week 12: Offer Accepted by Candidate

August 2020 Operating Review

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- S&G
- Committee reports
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Premier Summary MD&A

Good News / Positives to Business and Plan

August sales unfavorable to AOP by $232k / (11.9%) and $35k / (2%) to Rfc. Down $36k / (2.1%) to PY. **EBITDA up $27k / 5% to AOP and $80k / 16.1% to Rfc. Up $68k / 13.3% to PY.**

YTD sales unfavorable to AOP by $129k / 1% and $65k / (0.5%) to Rfc. **Up $674k / 5.3% to PY**.

Gross margins continue to remain strong due to mix and favorable steel costs. Distributor sales concentration on larger door assemblies and better door to frame shipments large reason for positive product mix results.

Adjusted YTD EBITDA up $612k / 19.7% to AOP and $95k / 2.6% to Rfc. Up $649k / 21.1% versus PY.

New customer sales in August totaled $4.5k (South Florida Bldg. Products)

YTD bookings and backlog remain solid

Risks / Challenges to the Business and Plan

COVID-19

> The virus continues to bring dynamic issues and challenges, but LA has seen a better positivity rate since July. **At present, positive cases affecting Premier are down to lowest level since the onset in March.** The most significant impact right now is the continued inefficiencies that result because of the required spacing throughout all production facilities.

Construction Climate

> Construction employment decreased in 26 states from June to July. Year over year construction spending is down in 39 states. Dodge momentum index increased again in August by 1.8%. Modest for sure, but it's still the second consecutive monthly increase which gives some optimism that a modest recovery in non-residential construction is underway. The commercial component of the index actually saw a 3.3% increase which gives further support for a more optimistic view.

Personnel/Equipment Constraints

> Mechanical breakdowns were a hindrance in H1. **All approved equipment has arrived except the Salvagnini panel bender. It is scheduled to arrive later this month.** Training on the new equipment was delayed because of the hurricane, but it has since been rescheduled. Personnel constraints continue with less efficiencies due to new production layouts. While availability is marginally better, it's still not desirable. OT remains necessary to drive top line, and OT spend rate is already 12% higher than 2019 total.

Other Significant Matters / Events

Hurricane Laura directly impacted Monroe, LA, and significantly affected Premier's operations the last week of August. Premier suffered loss of power, and some damage. Operations have resumed, and a claim has been initiated with Chubb to address the damage to the facility.

Key Initiatives | Premier Capex Update

Machine	Delivery	Install	Training	Largely deployed
Ermaksan Press	8/4/2020	8/18/2020	~~9/7-9/9~~ **10-29-2020**	10/30/2020
Amada Turret	8/18/2020	8/18/2020	~~9/1-9/4~~ **9-22-25**	10/30/2020
Amada Turret	8/18/2020	8/18/2020	~~9/1-9/4~~ **9-22-25**	10/30/2020
Salvagnini Bender ***(Shipping Delayed)***	~~9/7-9/11~~ ***11-30-2020***	~~9/7-9/11~~ ***TBA***	~~9/7-9/11~~ ***TBA***	~~11/30/2020~~ ***TBA***
Finish Paint System	9-1-2020	10-15-20	10-22-20	10-31-2020

Key Initiatives | MegaMet Industries Update

www.megametusa.com

- Located in Birmingham, AL
- Approximate $5M in revenues with advised EBITDA of $1M
- Custom Door & Frame Emphasis
- Owner engaged and extremely interested
- Site visit and initial meetings with owner conducted 7-29/30
- Operations Assessment by Aarwood Group completed 8-28-20
- LOI issued 9-9-2020
- Calls scheduled with customers, reps, and additional personnel for week of 9-21-20
- Anticipated Closing window Sept 30 – Oct 15th provided final data/diligence is completed
- There are some expected synergies which will be confirmed.
  - Delaney purchases approximately $500-600k annually from HMF/Concept. (See Chart)
  - Premier's customers also interested in BR, FEMA, Thermal, & Stainless doors & frames
  - S & G could benefit from SCIF (Secure Compartmented Information Facility) assemblies offered by MegaMet as well.
- Approximate $5M in revenues with advised EBITDA of $1M

CONCEPT	40,891.10	453.00	41,344.10
GENSTEEL	3,545.92		3,545.92
HMF	536,172.20	325,596.13	861,768.33
Grand Total	580,609.22	326,049.13	906,658.35

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Executive Summary

Summary review

- August was the strongest month toward realizing Plan in both Revenue and Bookings since COVID. Notably, Revenue was augmented by slippage in backlog from proceeding months.
- Continued effort to catch up on mechanical lock (i.e. 8077 padlock) backlog. Challenged to acquire Temp labor to address unusual demand in mechanical versus digital locks.

Hits

- August Revenue favorable $726k, 26%, to Rfc, Flat to AOP and favorable $497k, 16%, to PY
- August Backlog favorable $2.9M to AOP and $5.5M to PY
- August Bookings favorable $1.2M to Rfc and AOP and $2.1M to PY

Misses

- August Backlog unfavorable ($1.1M)/(8%) to Rfc

Market outlook to AOP and expectations

Region	Outlook	Risk Areas	Risk Core-Customers	Near-term Opportunities
APAC	81%	China, Japan, Philippines	SQ, Tristar/Dutech	Hyosung in India ($650k)
India	80%	-	Arya, AGS, NCR	@90% of 2020 Bookings target offset by delay of shipments
EMEA	75%	Germany, Italy, Portugal, Spain	D-N, NCR, Caradonna, Bode Panzer	Post Bank ($210k), Privat Bank ($1.2M), Russian ATM ($900k)
LAG	80%	Argentina, Columbia, Mexico	American Locks, GSI, Mapa	B-Box ($2.8M)
NA	88%	-	Lockmasters, Timemaster, MBA	Independent Hardware ($300k), MBA ($450k), Scripps Safe ($300k)

Focus and priorities

- Sales force effectiveness: Value Selling training group sessions underway – 4 by end of month; Industry Market Manager (IMM) recruitment
- Operational objectives: Replacement of Production Manager; Quality Assurance Manager recruitment
- New Product Development: New Keypad – mid-Oct commercial communication, Dec production availability

Risks

- Three COVID-19 cases at Nicholasville facility contained, origins from outside of facility – reinforcing PPE and diligence
- Volatility in month-over-month demand creating challenges in Production staffing

Key Initiatives | Status Updates

	Project	Current status and next steps	Timing	Impact (annualized) Proj (REV)	Proj (EBITDA)	Actual
Sales	**Pricing**	• Price increases implemented on 4/1 • Global pricing model in development (led by Michael B., Matt W., and Mark L.) to support quarterly price adjust.	1Q2021	275	220	Methodology under review
Sales	**Adjacent market entry (IMMs)**	• 8 candidates interviewed for trans and healthcare roles • Hires targeted during 4Q2020 with initial traction 1Q2021	1Q2021 – 4Q2022	8,400	2,500	-
Supply chain	**Quality**	• Interviewing Quality Mgr candidates • Quality Mgmt System project completed, addt'l engagement for new keypad inspection and handoff to new Quality Mgr	2Q2020	0	290	Methodology under review
Supply chain	**Freight and logistics**	• SmartVentures engagement P1 complete; proposal received for P2 being evaluated for validity / need (inc. $117K pot.) • Efforts underway to exit Delaney contracts to accelerate realization of P1 benefits	3Q2020	0	350	TBD – tgt inclusion
Supply chain	**Procurement**	• VP of supply chain search underway with 8 candidates int. • Execution strategy in development to accelerate efforts with potential 3P engagement; focus on strategic / high-value opp	4Q2020	0	600 *Est. reduced w/ inc. eval.*	-
Products	**Platform: Keypad**	• Resolved new keypad UL screen issue; validation PO submit. with imminent delivery expected for QC and prelim. VOC • Preparing for phase 2 biometric feature add. to base ver.	4Q2020	3,700	1,700	-
Products	**New products**	• Mgmt will begin identifying and developing business cases for potential 2021 product development pipeline • Ideation and prioritization frameworks in development to focus product evaluation and pursuit	2Q2021 – 4Q2022	TBD	TBD	-
Ops	**SA facility assessment**	• Enhanced eval. of customer purchasing behavior conducted est. ~80% vol. viable for direct ship (NIC), and 15% drop ship • Est. fulfillment expenses (impair. initial impact) range $20K-$40K (adj. included in projected figure at right) • Target reinvest. of $70K (APAC) for incremental growth	2Q2021	0	200-400 *Reinvest. opp. For growth up to $70K*	-
	Net impact			12,375	5,860 - 6,060	

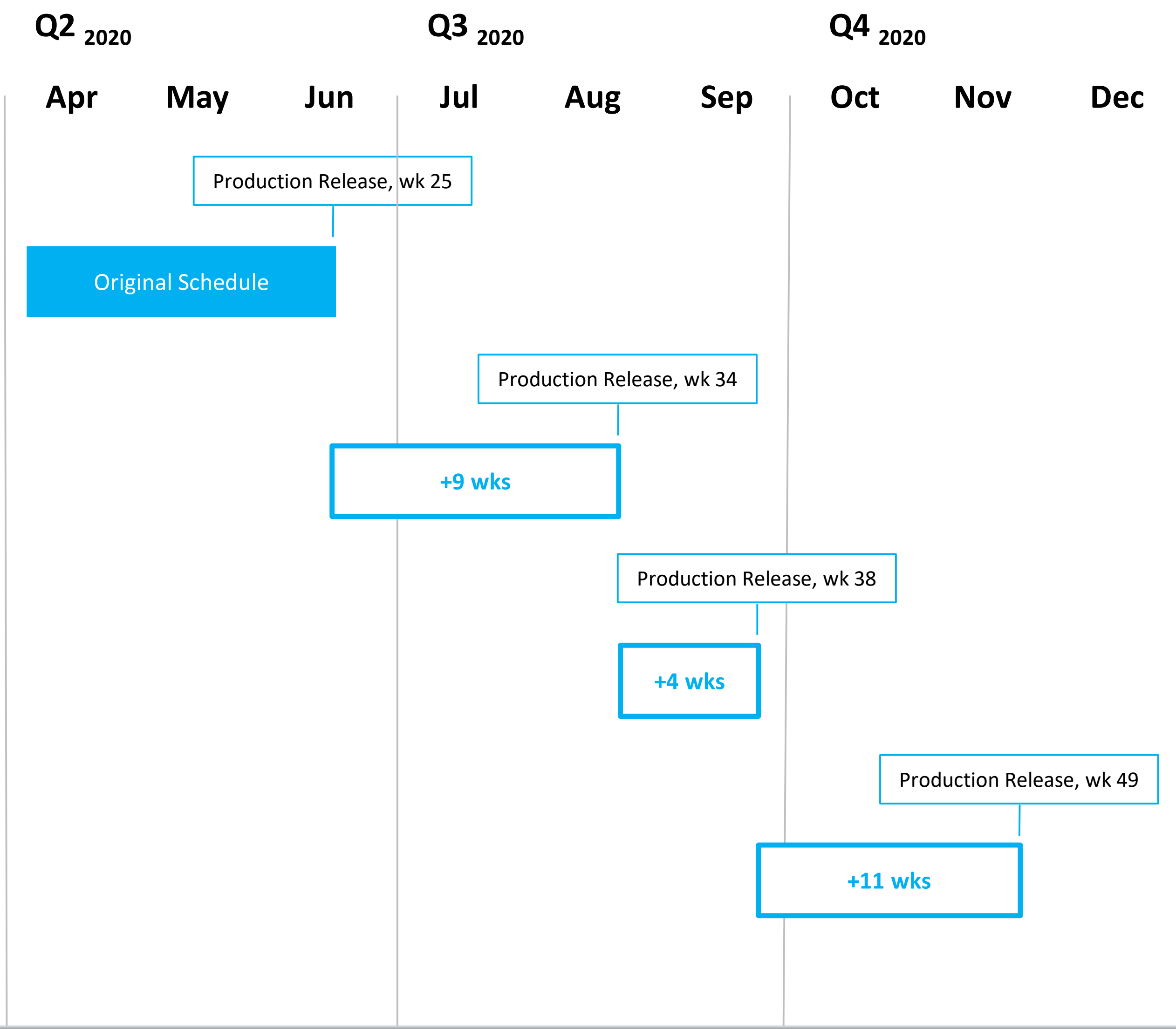
Key Initiatives | New Product Development

Initiative	Status	Recent Progress	Next Steps
Touch Keypad 		• All known hardware issues addressed in latest tooling updates • Firmware development ongoing. Continuing to receive weekly firmware updates. Target completion 10/23 • 80pc validation sample shipment spilt (12/68). Samples limited due to transportation damage within LCD manufacturer (EDT) • New LCD screen manufacturer (Acrowise) currently being qualified as alternate supplier • Cost Reduction plan under development with PQD. Costed BOM received for review. • Keypad mobile app in testing. Aesthetic improvement/Branding under development with input from Marketing	• Engineering validation testing of 80pc pilot samples • Manufacturing readiness / validation • Remote VOC • Sales/Launch kits • UL testing • Mobile App user testing • Supplier quality audit

Key Initiatives | Touch Keypad Milestones

Milestone	Status	Owner	Date(s)	Status Update
ES1 Sample Delivery		Devon	3/23	Samples received
ES1 Sample Testing		Devon	3/23-5/1	Testing complete
3D Rendering Model		Kelly	4/6-6/26	Final sample renderings to be completed this week
Instructions		Kelly/Devon	4/6-10/30	1st pass instructions from engineering. Marketing reviewing for copy layout.
Finish Evaluation		Kelly/Matt	4/8-5/22	Textured Matte Black finish to be standard offering
Competitive Analysis		Matt	4/30-5/18	Analysis completed by Sales team
ES1.5 Sample Delivery		Devon	5/11	Samples received
ES1.5 Sample Testing		Devon	5/11-6/8	Testing complete and feedback provided to PQD
Functioning prototype		Devon	5/11-5/29	2 functioning prototypes complete. 4 additional frames complete
Tooling Kickoff		Devon	5/25	Tooling PO issued
ES2 Sample Delivery		Devon	7/20	Delivery of 20pcs scheduled Jul-22. FW, packaging, tooling validation
ES2 Sample Testing		Devon	7/20-9/25	Testing continuing – Battery life testing
ES3 Sample Delivery		Devon	9/25	Only receiving 12 of expected 20 samples due to transportation damage
Validation Testing		Devon	9/25-10/23	Product test plans developed. Plans loaded on SharePoint site
UL Testing		Devon	9/25-11/2	Need to prioritize testing schedule for UL
Sales Samples		Devon/Kelly	10/26	Will evaluate current 12 pcs samples for Sales samples (as needed)
Launch Kits		Kelly	10/30	
Product Announce		Kelly	TBD	
Production Start (PQD)		Devon	11/16	LCD screen LLT component. PQD working to improve delivery
Production Start (S&G)		Craig	11/30	

Key Initiatives | Touch Keypad Timeline



Original Schedule
- **PQD production targeted for May 22nd**
- **S&G production targeted for June 15th**

Schedule Adjustment (Validation Testing)
- **9 wks added to the schedule to produce 80 production level keypad samples and perform extended validation testing (Rick Melito)**
- **PQD production targeted for Jul 31st**
- **S&G production targeted for Aug 17th**

Schedule Adjustment (SA/Tooling/Design)
- **4 wks added to the schedule for Supplier Agreement negotiations, tooling kickoff and design changes to address memory limitations, lock voltage(s) and battery life issue**
- **PQD production targeted for Aug 31st**
- **S&G production targeted for Sep 24th**

Schedule Adjustment (LCD Screen Failure)
- **11 wks added to the schedule to address UL LCD screen impact testing failure**
- **PQD production targeted for Nov 15th**
- **S&G production targeted for Nov 30th**

Key Initiatives | SA Facility Assessment

- **Summary**
- Initial concept design and planning for a SA facility closure has been conducted across functional areas and identified potential POCs for additional collaboration to refine the summary approach and develop detailed implementation plans
- Continued evaluation of SA facility closure feasibility reinforced / confirmed preliminary hypothesis that customer demand can be satisfied without an EMEA-based fulfillment location
- Greater than 50% of overall EMEA purchases (TTM, AUG2019 – JUL2020) demonstrated characteristics consistent with NIC based fulfillment; >40% of current volume fulfilled directly from NIC (Nicholasville production plant)
- Of EMEA's top 14 customers (TTM), which account for $2.9MM of $4.1MM of sales (~70% total volume), an estimated $2.3MM (80%) of volume can be fulfilled directly from NIC, with an additional $0.55MM (~13%) capable of being drop shipped directly from S&G partner vendors
- Review / validation of proposed volume allocation conducted with Matt W. (Sales) confirming perspective of feasibility for closure of SA feasibility while limiting customer disruption. Input incorporated from Matt W. dialogue into impact sizing estimate, such as cost-share / discounts to vendors as partnership / negotiation leverage
- Reinvestment of $70K benefits proposed to achieve comparable level of customer support and growth enablement; APAC sales support role with language and expanded support capabilities (e.g. data entry, customer service, first-tier technical support) with expanded time-zone offering (currently limited to NA geography work schedule)
- Initial roadmap expectations are for a complete facility closure and exit by May 2021

- **Next steps**
- Secure BoD approval for execution of proposed approach
- Socialize approach with identified POCs and responsibilities in execution of plan
- Outline approach and develop detailed implementation planning requiring functional POC input and collaboration
- Establish Steering Committee to advance initiative

Key Initiatives | SA Facility Assessment | Order Fulfillment

Alternate fulfillment incurs costs estimated to reduce initial opportunity sizing by $20K-35K (scenario dep.)

Fulfillment methodology impacts

Impact category	Rationale	Drop ship	3rd party distributor	Consignment	S&G HQ	Unallocated
Revenue	• Cost-share with customers for shift to alternate fulfillment • Potential extended lead time over current approach • Lost sales (incremental to analysis) with minimum order volume or batching req's	-	-	10%	5%	10%
COGS	• Additional labor or freight (incremental to initial analysis) • Vendor incurred expense / fee for services (e.g. drop ship processing, 3rd party margin fulfillment expense)	10%	10%		2%	10%
OPEX	• Labor / management of support • Audit expense		2%	2%		2%
Impairment to initial benefit estimate	• **Cumulative impact to estimated savings / benefits based on incremental costs / revenue share**	**10%**	**12%**	**12%**	**7%**	**22%**
% volume allocated	• Allocated based on vendor purchasing history analysis	15%	5%	-	80%	-
Relative volume impact	• Assume $4.2MM TTM REV	1.5%	0.6%	-	5.6%	-
Notes	• Unallocated leverages worst case figure for each element of impact impairment					
Estimated impact, based on preliminary savings	• Preliminary impact (annual); 10% / 20% sales reduction scenarios respectively	3.75 / 6.75	1.5 / 2.7	-	14 / 25.2	-
Cumulative impact	• Estimated benefit reduction through migration to alternate fulfillment methodologies			**19.25 / 34.65**		

Note: Fulfillment methodology impacts estimated based on general industry averages and customer expectations

Key Initiatives | Reinvestment for Growth

Proactive customer engagement and adjustment of CSR responsibilities will support growth

Proposed reinvestment / role adaptation

Region	Role	Growth support / objective	Incremental cost, $K	Target hire date
APAC	Sales support	• Language support for the territory and time zone • Data entry, customer service, and first tier technical support	70	4Q2020
LAG	Sales support	• Language support for the territory and time zone • Data entry, customer service, and first tier technical support	- (current payroll, no expected incremental expense)	John Martinez
EMEA	Sales support	• Language support for the territory and time zone • Data entry, customer service, and first tier technical support	- (cost accounted for in baseline SA facility closure analysis, role backfill existing CSR individual)	Tania Panasci
Total			**70**	

Key Initiatives | Search Summary

VP of Supply Chain & Logistics

Position posted 8/31/20

- 437 total applicants
- KY – 28 applicants
- 10 KY candidates - Phone screened
- 1 – selected for next round interview(s) to date
- GA – 126 applicants
- Narrowed down GA candidates to 45; narrowing down candidates again and conducting phone screens this week.

Production

- 5 full-time production positions backfilled
- 5 temporary employee production positions filled
- Currently recruiting 9 additional temps

Quality Assurance Manager

- 53 total applicants
- New search – Beckway to backfill QA Manager vacated in February 2020

Industry Market Manager – Transportation

Position posted 8/14/20

- 33 total applicants
- 12 - Phone screened
- 6 - Teams interviewed
- 0 - selected for next round interview(s) to date
- Reposted Job Opening on external career sites to reach new applicants (9/22/20)

Plant Manager, Productivity Manager & Marketing Manager

- Job Description being finalized

Industry Market Manager - Healthcare

Position posted 8/14/20

- 55 total applicants
- 9 - Phone screened
- 2 - Teams Interviewed
- 1 – Selected for next round interview(s) to date

August 2020 Operating Review

- Administrative (call to order, confirm APR MOR minutes, etc.)
- Executive Summary
- Financial Review
- Key initiatives
- **Committee reports**
- Appendix

August 2020 Operating Review

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Appendix| Consolidated COGS by Component

$'000	Aug 20		Variance		Aug 20	Variance		YTD		Variance		YTD	Variance	
	Act	Rfc	$	%	Bud	$	%	Act	Rfc	$	%	Bud	$	%
Material														
Material costs at standard	$ 4,303	$ 3,554	$ 749	21.1%	$ 3,554	$ 748	21.1%	$ 29,136	$ 28,261	$ 875	3.1%	$ 28,496	$ 640	2.2%
Purchase price variance	(50)	(18)	(32)	173.2%	(23)	(27)	118.5%	(449)	(349)	(100)	28.7%	(582)	132	(22.8%)
Freight in	75	71	4	5.9%	86	(10)	(12.1%)	854	771	83	10.8%	608	246	40.4%
Cost revision	15	25	(10)	-38.2%	25	(10)	(38.2%)	121	140	(20)	-13.9%	200	(79)	(39.7%)
Scrap costs	23	(4)	27	-615.5%	(6)	29	(462.8%)	65	27	38	141.5%	(57)	122	(214.2%)
Consumables	(1)	7	(8)	-112.5%	7	(8)	(112.5%)	(102)	(56)	(45)	80.7%	65	(166)	(257.4%)
Total Material COGS	**$ 4,364**	**$ 3,634**	**$ 730**	**20.1%**	**$ 3,643**	**$ 722**	**19.8%**	**$ 29,624**	**$ 28,793**	**$ 831**	**2.9%**	**$ 28,730**	**$ 894**	**3.1%**
Labor														
Direct labor	$ 444	$ 356	$ 88	24.7%	$ 428	$ 16	3.7%	$ 3,398	$ 3,310	$ 89	2.7%	$ 3,580	$ (181)	(5.1%)
Direct labor - bonus	–	6	(6)	-100.0%	–	–	N/A	19	34	(15)	-44.3%	–	19	N/A
Direct labor - overtime	52	32	20	61.6%	54	(3)	(4.8%)	331	306	25	8.0%	469	(138)	(29.5%)
Direct labor - benefits	125	63	62	97.6%	109	16	14.3%	970	847	123	14.6%	907	63	7.0%
Indirect labor	227	216	11	5.1%	259	(32)	(12.2%)	2,099	1,800	299	16.6%	2,122	(23)	(1.1%)
Indirect labor – bonus	–	10	(10)	-100.0%	–	–	N/A	32	59	(27)	-46.3%	–	32	N/A
Indirect labor - overtime	13	12	1	5.7%	12	1	5.7%	96	92	4	4.6%	92	5	5.0%
Indirect labor – benefits	105	114	(8)	-7.5%	120	(15)	(12.3%)	509	747	(237)	-31.8%	987	(478)	(48.4%)
Total Labor COGS	**$ 966**	**$ 809**	**$ 157**	**19.4%**	**$ 982**	**$ (17)**	**(1.7%)**	**$ 7,454**	**$ 7,194**	**$ 260**	**3.6%**	**$ 8,157**	**$ (702)**	**(8.6%)**
Other														
Repairs and maintenance	$ 19	$ 25	$ (6)	-23.9%	$ 28	$ (9)	(30.8%)	$ 225	$ 264	$ (38)	-14.6%	$ 232	$ (7)	(3.0%)
Absorption	(708)	(540)	(167)	31.0%	(157)	(551)	351.7%	(3,245)	(3,024)	(220)	7.3%	(1,253)	(1,991)	158.9%
Freight out	105	99	6	5.8%	105	–	0.0%	889	926	(36)	-3.9%	880	9	1.0%
Rent / facilities	202	154	48	31.3%	165	37	22.6%	1,747	1,711	36	2.1%	1,388	359	25.8%
Utilities	55	45	10	23.2%	49	6	12.9%	384	354	30	8.6%	400	(16)	(3.9%)
Other cost of sales	197	221	(25)	-11.1%	231	(34)	(14.7%)	1,812	1,889	(78)	-4.1%	1,822	(10)	(0.6%)
Total Other COGS	**$ (129)**	**$ 4**	**$ (134)**	**-2973.7%**	**$ 421**	**$ (550)**	**(130.7%)**	**$ 1,813**	**$ 2,118**	**$ (306)**	**-14.4%**	**$ 3,470**	**$ (1,657)**	**(47.8%)**
Total COGS	**$ 5,201**	**$ 4,448**	**$ 753**	**16.9%**	**$ 5,046**	**$ 155**	**(112.6%)**	**$ 38,891**	**$ 38,105**	**$ 786**	**2.1%**	**$ 40,357**	**$ (1,465)**	**(53.3%)**

Appendix| S&G COGS by Component

$'000	Aug 20		Variance		Aug 20	Variance		YTD		Variance		YTD	Variance	
	Act	Rfc	$	%	Bud	$	%	Act	Rfc	$	%	Bud	$	%
Material														
Material costs at standard	$ 1,920	$ 1,385	$ 535	38.6%	$ 1,171	$ 748	63.9%	$ 10,886	$ 10,267	$ 619	6.0%	$ 10,228	$ 658	6.4%
Purchase price variance	(50)	(18)	(32)	173.2%	(23)	(27)	118.5%	(449)	(349)	(100)	28.6%	(582)	133	(22.8%)
Freight in	62	58	4	7.2%	73	(10)	(14.3%)	684	646	38	5.9%	504	180	35.6%
Cost revision	0	10	(10)	-95.4%	10	(10)	(95.4%)	(4)	16	(20)	-122.5%	80	(84)	(104.5%)
Scrap costs	20	(7)	27	-365.5%	(9)	29	(312.4%)	(17)	(69)	52	-75.4%	(81)	64	(79.1%)
Consumables	(1)	7	(8)	-112.5%	7	(8)	(112.5%)	(102)	(56)	(45)	80.7%	65	(166)	(257.4%)
Total Material COGS	**$ 1,951**	**$ 1,434**	**$ 516**	**36.0%**	**$ 1,229**	**$ 722**	**58.7%**	**$ 10,998**	**$ 10,454**	**$ 544**	**5.2%**	**$ 10,214**	**$ 784**	**7.7%**
Labor														
Direct labor	$ 253	$ 169	$ 84	49.9%	$ 237	$ 16	6.7%	$ 1,807	$ 1,717	$ 90	5.2%	$ 2,037	$ (229)	(11.3%)
Direct labor - overtime	24	–	24	N/A	27	(3)	(9.7%)	90	52	38	74.0%	234	(143)	(61.4%)
Direct labor - benefits	125	63	62	97.6%	109	16	14.3%	970	847	123	14.6%	907	63	7.0%
Indirect labor	114	106	8	7.2%	145	(32)	(21.7%)	1,027	995	32	3.3%	1,244	(217)	(17.5%)
Indirect labor – bonus	–	4	(4)	-100.0%	–	–	N/A	–	10	(10)	-100.0%	–	–	N/A
Indirect labor - overtime	1	–	1	N/A	–	1	N/A	5	4	1	39.5%	–	5	N/A
Indirect labor – benefits	13	21	(8)	-39.6%	28	(15)	(53.5%)	130	147	(17)	-11.8%	247	(117)	(47.4%)
Total Labor COGS	**$ 529**	**$ 364**	**$ 166**	**45.6%**	**$ 546**	**$ (17)**	**(3.1%)**	**$ 4,030**	**$ 3,771**	**$ 259**	**6.9%**	**$ 4,669**	**$ (639)**	**(13.7%)**
Other														
Repairs and maintenance	$ 8	$ 14	$ (6)	-41.8%	$ 17	$ (9)	(50.6%)	$ 106	$ 126	$ (20)	-15.7%	$ 145	$ (39)	(26.6%)
Absorption	(551)	(384)	(167)	43.6%	–	(551)	N/A	(1,771)	(1,509)	(262)	17.4%	–	(1,771)	N/A
Rent / facilities	128	80	48	60.6%	90	37	41.3%	1,145	1,109	36	3.3%	793	353	44.5%
Utilities	28	18	10	58.4%	22	6	28.7%	179	152	27	17.7%	186	(7)	(3.9%)
Other cost of sales	40	73	(32)	-44.5%	74	(34)	(45.7%)	510	570	(60)	-10.5%	570	(60)	(10.5%)
Total Other COGS	**$ (346)**	**$ (199)**	**$ (147)**	**73.9%**	**$ 204**	**$ (550)**	**(270.2%)**	**$ 170**	**$ 448**	**$ (279)**	**-62.1%**	**$ 1,693**	**$ (1,524)**	**(90.0%)**
Total COGS	**$ 2,134**	**$ 1,599**	**$ 535**	**33.4%**	**$ 1,978**	**$ 155**	**(214.5%)**	**$ 15,198**	**$ 14,673**	**$ 524**	**3.6%**	**$ 16,576**	**$ (1,378)**	**(96.0%)**

Appendix | Delaney COGS by Component

$'000	Aug 20		Variance		Aug 20	Variance		YTD		Variance		YTD	Variance	
	Act	Rfc	$	%	Bud	$	%	Act	Rfc	$	%	Bud	$	%
Material														
Material costs at standard	$ 1,826	$ 1,596	$ 230	14.4%	$ 1,665	$ 161	9.7%	$ 14,197	$ 13,817	$ 380	2.7%	$ 13,748	$ 449	3.3%
Freight in	20	13	7	52.3%	13	7	52.3%	137	125	12	9.2%	104	33	31.3%
Cost revision	(112)	15	(127)	-846.7%	15	(127)	(846.7%)	(3)	124	(127)	-102.3%	120	(123)	(102.4%)
Scrap costs	6	3	3	98.6%	3	3	98.6%	31	25	5	21.1%	24	7	27.3%
Total Material COGS	**$ 1,740**	**$ 1,627**	**$ 113**	**6.9%**	**$ 1,696**	**$ 43**	**2.6%**	**$ 14,361**	**$ 14,096**	**$ 265**	**1.9%**	**$ 13,996**	**$ 365**	**2.6%**
Labor														
Indirect labor	64	83	(19)	-22.9%	86	(22)	(26.0%)	512	534	(22)	-4.2%	656	(144)	(22.0%)
Indirect labor - overtime	7	8	(1)	-18.7%	8	(1)	(18.7%)	54	57	(2)	-4.1%	64	(10)	(14.9%)
Indirect labor – benefits	8	9	(2)	-17.4%	9	(2)	(17.1%)	60	61	(1)	-2.3%	72	(12)	(16.8%)
Total Labor COGS	**$ 78**	**$ 100**	**$ (22)**	**-22.1%**	**$ 104**	**$ (26)**	**(24.6%)**	**$ 622**	**$ 653**	**$ (31)**	**-4.7%**	**$ 792**	**$ (169)**	**(21.4%)**
Other														
Repairs and maintenance	$ 0	$ 1	$ (1)	-87.0%	$ 1	$ (1)	(87.0%)	$ 1	$ 9	$ (8)	-91.0%	$ 8	$ (7)	(89.6%)
Freight out	136	120	15	12.9%	128	8	6.5%	1,059	1,036	23	2.2%	1,037	21	2.0%
Rent / facilities	41	41	(0)	0.0%	41	(0)	(0.0%)	329	329	(0)	0.0%	328	1	0.4%
Utilities	7	7	(0)	-2.3%	7	(0)	(2.3%)	47	48	(1)	-3.0%	51	(4)	(8.5%)
Other cost of sales	9	12	(3)	-23.4%	13	(4)	(27.7%)	92	99	(8)	-7.6%	102	(10)	(10.1%)
Total Other COGS	**$ 193**	**$ 181**	**$ 12**	**6.4%**	**$ 189**	**$ 4**	**2.0%**	**$ 1,527**	**$ 1,515**	**$ 12**	**0.8%**	**$ 1,526**	**$ 1**	**0.0%**
Total COGS	**$ 2,010**	**$ 1,908**	**$ 102**	**5.4%**	**$ 1,989**	**$ 22**	**(20.1%)**	**$ 16,510**	**$ 16,264**	**$ 246**	**1.5%**	**$ 16,314**	**$ 196**	**(18.7%)**

Appendix| Premier COGS by Component

$'000	Aug 20		Variance		Aug 20	Variance		YTD		Variance		YTD	Variance	
	Act	Rfc	$	%	Bud	$	%	Act	Rfc	$	%	Bud	$	%
Material														
Material costs at standard	$ 616	$ 694	$ (78)	-11.2%	$ 839	$ (223)	(26.6%)	$ 5,079	$ 5,248	$ (169)	-3.2%	$ 5,812	$ (733)	(12.6%)
Freight in	6	–	6	N/A	–	6	N/A	65	–	65	N/A	–	65	N/A
Scrap costs	6	–	6	N/A	–	6	N/A	90	70	20	28.6%	–	90	N/A
Total Material COGS	**$ 629**	**$ 694**	**$ (65)**	**-9.4%**	**$ 839**	**$ (210)**	**(25.1%)**	**$ 5,234**	**$ 5,318**	**$ (84)**	**-1.6%**	**$ 5,812**	**$ (578)**	**(9.9%)**
Labor														
Direct labor	$ 179	$ 187	$ (8)	-4.4%	$ 191	$ (12)	(6.2%)	$ 1,598	$ 1,592	$ 6	0.4%	$ 1,543	$ 55	3.6%
Direct labor - bonus	4	6	(2)	-32.8%	–	4	N/A	30	34	(4)	-10.9%	–	30	N/A
Direct labor - overtime	33	32	1	4.0%	27	6	21.5%	266	255	11	4.3%	236	30	12.7%
Indirect labor	74	27	46	170.6%	27	46	170.6%	648	266	382	143.6%	222	427	192.6%
Indirect labor – bonus	6	6	1	11.4%	–	6	N/A	50	49	1	2.6%	–	50	N/A
Indirect labor - overtime	4	4	0	3.0%	4	0	3.0%	35	31	4	13.0%	28	8	28.8%
Indirect labor – benefits	12	83	(71)	-85.2%	83	(71)	(85.2%)	98	538	(440)	-81.7%	668	(570)	(85.3%)
Total Labor COGS	**$ 313**	**$ 345**	**$ (32)**	**-9.4%**	**$ 333**	**$ (20)**	**(6.1%)**	**$ 2,727**	**$ 2,766**	**$ (39)**	**-1.4%**	**$ 2,696**	**$ 31**	**1.1%**
Other														
Repairs and maintenance	$ 31	$ 10	$ 21	213.9%	$ 10	$ 21	213.9%	$ 166	$ 128	$ 38	29.4%	$ 79	$ 87	109.4%
Absorption	(190)	(157)	(33)	21.1%	(157)	(33)	21.1%	(1,594)	(1,516)	(78)	5.2%	(1,253)	(341)	27.2%
Freight out	(37)	(21)	(16)	73.3%	(23)	(14)	62.2%	(176)	(110)	(65)	59.4%	(157)	(19)	11.9%
Rent / facilities	33	34	(0)	-0.1%	34	(0)	(0.1%)	271	273	(1)	-0.5%	268	3	1.2%
Utilities	20	20	(0)	-1.0%	20	(0)	(1.0%)	153	154	(1)	-0.5%	163	(10)	(6.0%)
Other cost of sales	145	137	8	5.7%	144	1	0.6%	1,244	1,165	80	6.8%	1,150	94	8.2%
Total Other COGS	**$ 3**	**$ 22**	**$ (20)**	**-88.8%**	**$ 28**	**$ (26)**	**(91.0%)**	**$ 64**	**$ 93**	**$ (29)**	**-30.8%**	**$ 250**	**$ (186)**	**(74.2%)**
Total COGS	**$ 944**	**$ 1,061**	**$ (118)**	**-11.1%**	**$ 1,200**	**$ (256)**	**(122.2%)**	**$ 8,025**	**$ 8,177**	**$ (152)**	**-1.9%**	**$ 8,759**	**$ (733)**	**(83.1%)**

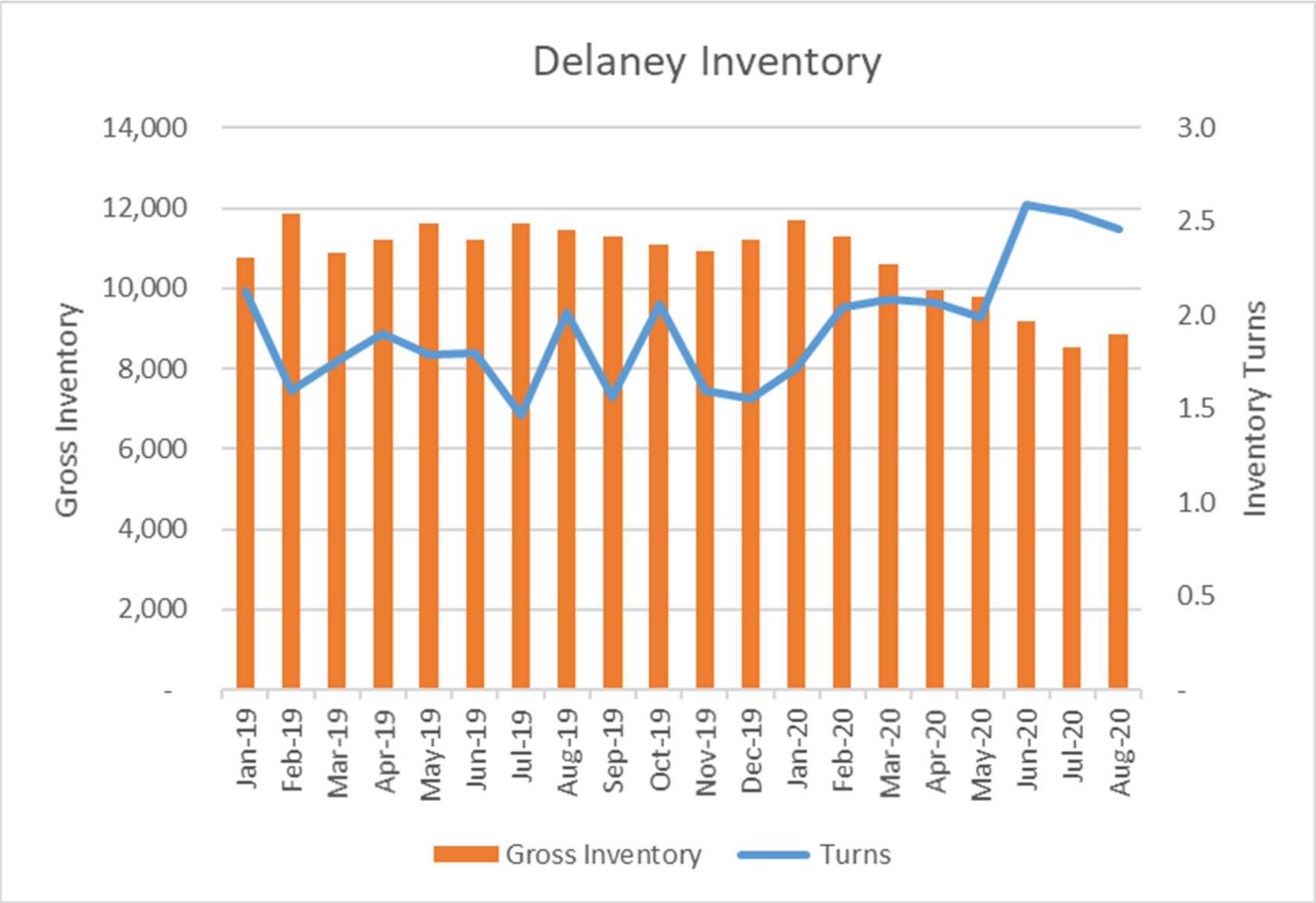
Appendix| S&G Balance Sheet

$'000	Aug 20 Act	Aug 20 Rfc	Variance $	Variance %	Aug 20 Bud	Variance $	Variance %
Current Assets							
Cash and cash equivalents	$ 3,045	$ (125)	$ 3,170	-2526.8%	$ (29)	$ 3,074	(10733.7%)
Accounts receivable, gross	6,816	7,842	(1,025)	-13.1%	7,071	(254)	(3.6%)
Accounts receivable, reserves	(228)	(223)	(5)	2.4%	(141)	(87)	61.6%
Accounts receivable, net	6,588	7,619	(1,031)	-13.5%	6,929	(341)	(4.9%)
Inventory, gross	7,366	9,393	(2,027)	-21.6%	7,592	(227)	(3.0%)
Inventory, reserves	(708)	(640)	(68)	10.6%	(497)	(211)	42.5%
Inventory, net	6,658	8,753	(2,095)	-23.9%	7,096	(438)	(6.2%)
Prepaid expenses and other current assets	(288)	(308)	20	-6.6%	(24)	(263)	1093.0%
Current portion of deferred taxes	1,765	1,765	–	0.0%	–	1,765	N/A
Other current assets	18	–	18	N/A	49,912	(49,895)	(100.0%)
Total Current Assets	**17,786**	**17,703**	**83**	**0.5%**	**63,885**	**(46,098)**	**(72.2%)**
Non-Current Assets							
Property, plant & equipment, gross	11,732	12,065	(333)	-2.8%	12,867	(1,135)	(8.8%)
Accumulated depreciation	(1,856)	(1,859)	2	-0.1%	(1,820)	(36)	2.0%
Property, plant & equipment, net	9,875	10,206	(331)	-3.2%	11,047	(1,171)	(10.6%)
Goodwill	36,321	36,321	0	0.0%	42,050	(5,728)	(13.6%)
Identifiable intangible assets, gross	15,100	15,100	–	0.0%	15,100	–	0.0%
Accumulated amortization	(1,479)	(1,480)	1	-0.1%	(3,346)	1,867	(55.8%)
Identifiable intangible assets, net	13,621	13,620	1	0.0%	11,754	1,867	15.9%
Deferred financing cost	2,748	2,759	(11)	-0.4%	2,543	205	8.1%
Other non-current assets	48,274	49,727	(1,453)	-2.9%	131	48,143	36664.2%
Total Non-Current Assets	**110,840**	**112,634**	**(1,794)**	**-1.6%**	**67,525**	**43,315**	**64.1%**
Total Assets	**$128,626**	**$130,337**	**$(1,711)**	**-1.3%**	**$131,409**	**$ (2,783)**	**(2.1%)**
Current Liabilities							
Current portion of long-term debt	$ 2,313	$ 2,081	$ 231	11.1%	$ 1,850	$ 463	25.0%
Accounts payable	2,792	3,201	(409)	-12.8%	3,693	(901)	(24.4%)
Accrued liabilities	2,518	2,446	71	2.9%	1,975	542	27.4%
Accrued compensation	779	679	100	14.7%	125	654	524.2%
Income taxes payable	(33)	(44)	11	-24.9%	128	(162)	(125.9%)
Short-term unearned revenue	97	81	16	19.5%	56	40	71.5%
Total Current Liabilities	**8,465**	**8,445**	**20**	**0.2%**	**7,829**	**637**	**8.1%**
Long-term liabilities							
Long-term debt less current maturities	89,270	89,501	(231)	-0.3%	89,712	(442)	(0.5%)
Deferred income taxes	(3)	–	(3)	#DIV/0!	(831)	828	(99.7%)
Other non-current liabilities	4,697	4,665	31	0.7%	87	4,610	5317.5%
Total Long-Term Liabilities	**93,964**	**94,167**	**(202)**	**-0.2%**	**88,968**	**4,997**	**5.6%**
Total Liabilities	**102,430**	**102,612**	**(182)**	**-0.2%**	**96,796**	**5,633**	**5.8%**
Shareholders' Equity							
Common stock	40,300	40,300	–	0.0%	40,228	72	0.2%
Retained earnings	(14,188)	(12,963)	(1,225)	9.4%	(6,986)	(7,202)	103.1%
Accumulated other comprehensive income	84	389	(305)	-78.3%	1,370	(1,286)	(93.8%)
Other equity transactions	–	–	–	N/A	1	(1)	(100.0%)
Total Shareholders' Equity	**26,196**	**27,726**	**(1,529)**	**-5.5%**	**34,613**	**(8,417)**	**(24.3%)**
Total Liabilities and Shareholders' Equity	**$128,626**	**$130,337**	**$(1,711)**	**-1.3%**	**$131,409**	**$ (2,783)**	**(2.1%)**

Appendix| Delaney Balance Sheet

$'000	Aug 20 Act	Aug 20 Rfc	Variance $	Variance %	Aug 20 Bud	Variance $	Variance %
Current Assets							
Cash and cash equivalents	$ 3,827	$ 3,356	$ 472	14.1%	$ 5,746	$ (1,918)	(33.4%)
Accounts receivable, gross	4,564	4,286	278	6.5%	–	4,564	N/A
Accounts receivable, reserves	(42)	(34)	(8)	25.1%	–	(42)	N/A
Accounts receivable, net	4,522	4,253	269	6.3%	4,259	263	6.2%
Inventory, gross	8,845	9,058	(212)	-2.3%	11,078	(2,232)	(20.2%)
Inventory, reserves	(1,533)	(1,665)	132	-7.9%	(2,023)	490	(24.2%)
Inventory, net	7,313	7,393	(80)	-1.1%	9,055	(1,742)	(19.2%)
Prepaid expenses and other current assets	124	130	(6)	-4.3%	184	(60)	(32.7%)
Total Current Assets	**15,786**	**15,131**	**655**	**4.3%**	**19,244**	**(3,458)**	**(18.0%)**
Non-Current Assets							
Property, plant & equipment, gross	1,086	1,123	(36)	-3.2%	1,834	(747)	(40.8%)
Accumulated depreciation	(314)	(318)	4	-1.3%	(972)	658	(67.7%)
Property, plant & equipment, net	773	804	(32)	-4.0%	862	(89)	(10.3%)
Goodwill	35,221	35,221	0	0.0%	16,989	18,232	107.3%
Identifiable intangible assets, gross	6,200	6,200	–	0.0%	–	6,200	N/A
Accumulated amortization	(297)	(297)	(0)	0.0%	–	(297)	N/A
Identifiable intangible assets, net	5,903	5,903	(0)	0.0%	–	5,903	N/A
Deferred tax asset	(1,761)	(1,753)	(8)	0.5%	672	(2,433)	(362.3%)
Total Non-Current Assets	**40,135**	**40,175**	**(40)**	**-0.1%**	**18,522**	**21,613**	**116.7%**
Total Assets	**$ 55,921**	**$ 55,306**	**$ 615**	**1.1%**	**$ 37,766**	**$ 18,154**	**48.1%**
Current Liabilities							
Accounts payable	331	295	35	11.9%	673	(342)	(50.8%)
Accrued liabilities	1,144	1,195	(51)	-4.2%	1,218	(74)	(6.1%)
Accrued compensation	552	581	(29)	-5.0%	571	(19)	(3.3%)
Income taxes payable	–	9	(9)	-100.0%	7	(7)	(100.0%)
Total Current Liabilities	**2,027**	**2,081**	**(54)**	**-2.6%**	**2,468**	**(441)**	**(17.9%)**
Long-term liabilities							
Other non-current liabilities	3,267	2,944	323	11.0%	9,580	(6,313)	(65.9%)
Total Long-Term Liabilities	**3,267**	**2,944**	**323**	**11.0%**	**9,580**	**(6,313)**	**(65.9%)**
Total Liabilities	**5,294**	**5,025**	**269**	**5.4%**	**12,048**	**(6,755)**	**(56.1%)**
Shareholders' Equity							
Common stock	51,790	51,790	–	0.0%	21,900	29,890	136.5%
Retained earnings	(1,163)	(1,509)	346	-22.9%	3,818	(4,981)	(130.5%)
Total Shareholders' Equity	**50,627**	**50,281**	**346**	**0.7%**	**25,718**	**24,909**	**96.9%**
Total Liabilities and Shareholders' Equity	**$ 55,921**	**$ 55,306**	**$ 615**	**1.1%**	**$ 37,766**	**$ 18,155**	**48.1%**

Appendix | Delaney Inventory Trends



Appendix| Premier Balance Sheet

	Aug 20		Variance		Aug 20	Variance	
$'000	**Act**	**Rfc**	**$**	**%**	**Bud**	**$**	**%**
Current Assets							
Cash and cash equivalents	$ 1,385	$ 343	$1,042	304.0%	$ 1,957	$ (572)	(29.2%)
Accounts receivable, gross	1,608	1,814	(207)	-11.4%	–	1,608	N/A
Accounts receivable, net	1,608	1,814	(207)	-11.4%	1,968	(361)	(18.3%)
Inventory, gross	2,995	3,296	(301)	-9.1%	3,440	(444)	(12.9%)
Inventory, net	2,995	3,296	(301)	-9.1%	3,262	(267)	(8.2%)
Prepaid expenses and other current assets	136	122	14	11.4%	44	92	206.4%
Total Current Assets	**6,124**	**5,575**	**549**	**9.8%**	**7,233**	**(1,109)**	**(15.3%)**
Non-Current Assets							
Property, plant & equipment, gross	1,779	2,454	(675)	-27.5%	1,598	181	11.3%
Accumulated depreciation	(292)	(288)	(4)	1.3%	(304)	12	(4.1%)
Property, plant & equipment, net	1,487	2,166	(679)	-31.4%	1,293	193	15.0%
Goodwill	16,955	16,955	(0)	0.0%	5,361	11,594	216.3%
Identifiable intangible assets, gross	3,800	3,800	–	0.0%	–	3,800	N/A
Accumulated amortization	(176)	(261)	84	-32.4%	–	(176)	N/A
Identifiable intangible assets, net	3,624	3,624	0	0.0%	–	3,624	N/A
Total Non-Current Assets	**22,065**	**22,744**	**(679)**	**-3.0%**	**6,654**	**15,411**	**231.6%**
Total Assets	**$ 28,190**	**$ 28,320**	**$ (130)**	**-0.5%**	**$ 13,887**	**$14,303**	**103.0%**
Current Liabilities							
Accounts payable	732	739	(7)	-0.9%	824	(92)	(11.1%)
Accrued liabilities	203	301	(99)	-32.7%	301	(99)	(32.7%)
Accrued compensation	366	141	226	160.6%	257	109	42.6%
Total Current Liabilities	**1,301**	**1,181**	**121**	**10.2%**	**2,009**	**(708)**	**(35.2%)**
Long-term liabilities							
Capital lease	43	–	43	N/A	–	43	N/A
Deferred income taxes	963	963	(0)	0.0%	–	963	N/A
Other non-current liabilities	(7,371)	(6,981)	(389)	5.6%	(5,874)	(1,496)	25.5%
Total Long-Term Liabilities	**(6,365)**	**(6,019)**	**(347)**	**5.8%**	**(5,874)**	**(491)**	**8.4%**
Total Liabilities	**(5,064)**	**(4,838)**	**(226)**	**4.7%**	**(3,865)**	**(1,198)**	**31.0%**
Shareholders' Equity							
Common stock	32,601	32,601	0	0.0%	10,597	22,004	207.6%
Retained earnings	652	556	96	17.2%	7,155	(6,504)	(90.9%)
Total Shareholders' Equity	**33,253**	**33,157**	**96**	**0.3%**	**17,752**	**15,501**	**87.3%**
Total Liabilities and Shareholders' Equity	**$ 28,189**	**$ 28,320**	**$ (130)**	**-0.5%**	**$ 13,887**	**$14,302**	**103.0%**

Appendix| S&G Cash Flow

$'000	YTD Act	YTD Rfc	Variance $	Variance %	YTD Bud	Variance $	Variance %	PY YTD Act	Variance $	Variance %
Cash flow from operations										
Net Income (Loss)	$(8,920)	$(8,849)	$ (71)	0.8%	$(1,930)	$(6,990)	362.1%	$ (4,443)	$ (4,477)	100.8%
Depreciation, amortization and other	4,480	4,483	(3)	(0.1%)	3,559	921	25.9%	1,048	3,431	327.3%
Change in operating assets and liabilities:										
Accounts receivable	(1,858)	(2,889)	1,031	(35.7%)	(2,193)	336	(15.3%)	195	(2,053)	(1051.4%)
Inventory	351	(1,744)	2,095	(120.1%)	(73)	424	(583.2%)	1,028	(677)	(65.8%)
Prepaid expenses and other current assets	322	342	(20)	(6.0%)	–	322	N/A	(114)	436	(381.5%)
Accounts payable	63	472	(409)	(86.7%)	905	(842)	(93.0%)	565	(502)	(88.9%)
Accrued expenses	391	319	71	22.4%	–	391	N/A	1,202	(812)	(67.5%)
Accrued income taxes	142	131	11	8.4%	–	142	N/A	266	(124)	(46.6%)
Other changes in operating assets and liabilities	8,237	6,656	1,581	23.8%	11	8,226	72428.6%	(8,796)	17,033	(193.6%)
Total Cash Flow from Operations	**$ 3,226**	**$(1,078)**	**$ 4,303**	**(399.4%)**	**$ 279**	**$ 2,946**	**1054.6%**	**$ (9,048)**	**$ 12,274**	**(135.7%)**
Cash flow from investing										
Additions to property, plant and equipment	$ (49)	$ (382)	$ 333	(87.2%)	$(1,184)	$ 1,135	(95.9%)	$ (25)	$ (24)	97.2%
Total Cash Flow from Investing	**$ (49)**	**$ (382)**	**$ 333**	**(87.2%)**	**$(1,184)**	**$ 1,135**	**(95.9%)**	**$ (25)**	**$ (24)**	**97.2%**
Cash flow from financing										
Proceeds from the issuance (repayment) of short-term de	$ –	$ –	$ –	N/A	$ –	$ –	N/A	$ (800)	$ 800	(100.0%)
Repayment of debt	(925)	(924)	(1)	0.2%	(946)	21	(2.2%)	–	(925)	N/A
Other cash flow from financing costs	(1,120)	344	(1,464)	(425.1%)	216	(1,336)	(618.5%)	12,483	(13,603)	(109.0%)
Total Cash Flow from Financing	**$(2,045)**	**$ (579)**	**$(1,466)**	**253.1%**	**$ (730)**	**$(1,315)**	**180.1%**	**$ 11,683**	**$(13,728)**	**(117.5%)**
Net change in cash	**$ 1,132**	**$(2,039)**	**$ 3,171**	**(155.5%)**	**$(1,635)**	**$ 2,767**	**(169.2%)**	**$ 2,610**	**$ (1,478)**	**(56.6%)**
Beginning cash	1,914	1,914	–	0.0%	1,606	308	19.2%	–	1,914	N/A
Change in cash	1,132	(2,039)	3,171	(155.5%)	(1,635)	2,767	(169.2%)	2,610	(1,478)	(56.6%)
Ending cash	**$ 3,045**	**$ (125)**	**$ 3,170**	**(2535.1%)**	**$ (29)**	**$ 3,074**	**(10734.9%)**	**$ 5,017**	**$ (1,972)**	**(39.3%)**

Appendix | Delaney Cash Flow

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	YTD	YTD	Variance		YTD	Variance		PY YTD	Variance	
$'000	**Act**	**Rfc**	**$**	**%**	**Bud**	**$**	**%**	**Act**	**$**	**%**
Cash flow from operations										
Net Income (Loss)	$ 553	$ 211	$ 342	162.5%	$ 2,149	$ (1,596)	(74.3%)	$ 1,337	$ (784)	(58.7%)
Depreciation, amortization and other	5,021	3,090	1,931	62.5%	2,157	2,864	132.8%	2,082	2,939	141.1%
Change in operating assets and liabilities:										
Accounts receivable	(568)	(299)	(269)	90.1%	(285)	(283)	99.1%	(763)	196	(25.6%)
Inventory	2,311	4,166	(1,855)	(44.5%)	244	2,067	846.8%	(969)	3,280	(338.4%)
Prepaid expenses and other current assets	69	63	6	8.8%	8	60	708.2%	9	60	700.1%
Accounts payable	(102)	(138)	35	(25.6%)	115	(217)	(189.0%)	(432)	330	(76.3%)
Accrued expenses	10	60	(51)	(84.0%)	101	(91)	(90.5%)	108	(98)	(91.1%)
Accrued income taxes	–	9	(9)	(100.0%)	14	(14)	(100.0%)	(8)	8	(100.0%)
Other changes in operating assets and liabilities	(4,045)	(4,347)	302	(7.0%)	772	(4,817)	(623.6%)	(495)	(3,550)	717.7%
Total Cash Flow from Operations	**$ 3,248**	**$ 2,816**	**$ 432**	**15.3%**	**$ 5,276**	**$ (2,028)**	**(38.4%)**	**$ 869**	**$ 2,379**	**273.9%**
Cash flow from investing										
Additions to property, plant and equipment	$ (90)	$ (126)	$ 36	(28.6%)	$ (200)	$ 110	(55.0%)	$ (383)	$ 293	(76.5%)
Total Cash Flow from Investing	**$ (90)**	**$ (126)**	**$ 36**	**(28.6%)**	**$ (200)**	**$ 110**	**(55.0%)**	**$ (383)**	**$ 293**	**(76.5%)**
Cash flow from financing										
Other cash flow from financing costs	(0)	(4)	4	(100.0%)	0	(0)	(100.0%)	(74)	74	(100.0%)
Total Cash Flow from Financing	**$ (0)**	**$ (4)**	**$ 4**	**(100.0%)**	**$ 0**	**$ (0)**	**(100.0%)**	**$ (74)**	**$ 74**	**(100.0%)**
Net change in cash	**$ 3,158**	**$ 2,686**	**$ 472**	**17.6%**	**$ 5,076**	**$ (1,918)**	**(37.8%)**	**$ 411**	**$ 2,747**	**667.9%**
Beginning cash	669	669	–	0.0%	669	–	0.0%	325	344	106.0%
Change in cash	3,158	2,686	472	17.6%	5,076	(1,918)	(37.8%)	411	2,747	667.9%
Ending cash	**$ 3,827**	**$ 3,356**	**$ 472**	**14.1%**	**$ 5,745**	**$ (1,918)**	**(33.4%)**	**$ 736**	**$ 3,091**	**419.9%**

Appendix| Premier Cash Flow

$'000	YTD Act	YTD Rfc	Variance $	Variance %	YTD Bud	Variance $	Variance %	PY YTD Act	Variance $	Variance %
Cash flow from operations										
Net Income (Loss)	$ 1,801	$ 1,706	$ 95	5.6%	$ 1,905	$ (104)	(5.5%)	$ 2,508	$ (707)	(28.2%)
Depreciation, amortization and other	1,883	1,483	400	26.9%	614	1,268	206.4%	571	1,312	230.0%
Change in operating assets and liabilities:										
Accounts receivable	123	(83)	206	(249.2%)	(237)	360	(152.1%)	(691)	814	(117.9%)
Inventory	27	122	(95)	(77.8%)	(379)	407	(107.2%)	(624)	651	(104.4%)
Prepaid expenses and other current assets	(92)	(78)	(14)	18.4%	(0)	(92)	459914850.2%	10	(102)	(1001.9%)
Accounts payable	387	394	(7)	(1.7%)	479	(92)	(19.2%)	458	(71)	(15.5%)
Accrued expenses	(65)	33	(98)	(297.5%)	33	(98)	(297.5%)	(59)	(7)	11.3%
Accrued income taxes	–	–	–	#DIV/0!	(250)	250	(100.0%)	–	–	N/A
Other changes in operating assets and liabilities	(2,215)	(2,100)	(114)	5.4%	71	(2,286)	(3212.4%)	(2,030)	(185)	9.1%
Total Cash Flow from Operations	**$ 1,850**	**$ 1,478**	**$ 372**	**25.2%**	**$ 2,236**	**$ (386)**	**(17.3%)**	**$ 144**	**$ 1,705**	**1181.1%**
Cash flow from investing										
Additions to property, plant and equipment	$ (769)	$(1,444)	$ 675	(46.8%)	$ (588)	$ (181)	30.7%	$ (194)	$ (575)	296.5%
Total Cash Flow from Investing	**$ (769)**	**$(1,444)**	**$ 675**	**(46.8%)**	**$ (588)**	**$ (181)**	**30.7%**	**$ (194)**	**$ (575)**	**296.5%**
Cash flow from financing										
Capital lease	(7)	–	(7)	N/A	–	(7)	N/A	–	(7)	N/A
Common stock issued (repurchased)	0	(0)	0	(88094.7%)	(0)	0	(88094.7%)	–	0	N/A
Other cash flow from financing costs	(0)	(0)	(0)	50.3%	(0)	(0)	108321.1%	6	(6)	(106.8%)
Total Cash Flow from Financing	**$ (7)**	**$ (0)**	**$ (7)**	**2521.4%**	**$ (0)**	**$ (7)**	**1261596.5%**	**$ 6**	**$ (13)**	**(219.2%)**
Net change in cash	**$ 1,074**	**$ 33**	**$1,040**	**3107.0%**	**$ 1,648**	**$ (574)**	**(34.8%)**	**$ (43)**	**$ 1,117**	**(2570.8%)**
Beginning cash	309	309	(0)	(0.1%)	309	(0)	(0.1%)	11	298	2715.7%
Change in cash	1,074	33	1,040	3107.0%	1,648	(574)	(34.8%)	(43)	1,117	(2570.8%)
Ending cash	**$ 1,385**	**$ 343**	**$1,042**	**303.8%**	**$ 1,957**	**$ (573)**	**(29.3%)**	**$ (32)**	**$ 1,417**	**(4363.0%)**

Appendix| S&G Incurred Standalone Costs

$'000		August		Variance		YTD		Variance	
	Description	Act	Bud	$	%	Act	Bud	$	%
IT		**30**	**29**	**1**	**3.6%**	**254**	**234**	**20**	**8.5%**
Manager	Salary and Benefits	8	8	(0)	-5.2%	72	73	(1)	-1.8%
Direct Technology Charges	Office 365, AvePoint, WebRoot, Duo MFA, voice services, Creo, Windchill	4	5	(1)	-23.4%	32	42	(10)	-23.2%
ERP tranisition licensing fees	Licensing	11	11	-	0.0%	84	84	-	0.0%
Data Communications	Licensing	7	4	3	62.0%	65	35	31	89.5%
Legal		**43**	**12**	**31**	**261.2%**	**232**	**100**	**132**	**131.9%**
External legal fees and other expenses	Legal Fees	43	10	33	334.2%	232	84	148	176.1%
Patent fees	Patent Fees	-	2	(2)	-100.0%	-	16	(16)	-100.0%
Finance		**4**	**30**	**(26)**	**-87.0%**	**131**	**262**	**(131)**	**-50.0%**
CFO	Salary and Benefits	-	19	(19)	-100.0%	114	166	(52)	-31.3%
Base compensation (2 FTEs)	Salary and Benefits	4	11	(7)	-64.5%	17	95	(79)	-82.6%
Sales		**37**	**37**	**(0)**	**-0.8%**	**193**	**324**	**(131)**	**-40.5%**
VP of Sales	Salary and Benefits	20	20	(0)	-1.7%	176	177	(1)	-0.6%
Customer Relationship Manager	Salary and Benefits	17	17	0	0.3%	17	147	(130)	-88.4%
HR		**2**	**2**	**-**	**0.0%**	**13**	**13**	**-**	**0.0%**
Business Travel and Accident	Business Travel and Accident	0	0	-	0.0%	2	2	-	0.0%
Global Emergency Travel Services	Global Emergency Travel Services	1	1	-	0.0%	11	11	-	0.0%
Trade Compliance		**1**	**1**	**-**	**0.0%**	**10**	**10**	**-**	**0.0%**
Export Compliance Daily/ICPA annual fee	Export Compliance Daily/ICPA annual fee	0	0	-	0.0%	1	1	-	0.0%
Trade Flow software license	Trade Flow software license	1	1	-	0.0%	9	9	-	0.0%
Bonuses	Incremental management bonuses	**19**	**63**	**(44)**	**-69.7%**	**216**	**502**	**(287)**	**-57.1%**
Risk	Incremental cost of business insurances	**17**	**12**	**5**	**37.5%**	**152**	**97**	**55**	**56.5%**
Freight	Adjust freight to actual charges versus allocation	**68**	**77**	**(9)**	**-12.0%**	**560**	**618**	**(59)**	**-9.5%**
401(k) compensation	Estimated incremental 401(k) expense	**7**	**19**	**(12)**	**-63.3%**	**92**	**161**	**(69)**	**-42.8%**
Total Standalone Costs		**227**	**282**	**(55)**	**-19.5%**	**1,852**	**2,322**	**(470)**	**-20.3%**

Appendix| S&G PF Standalone Costs

$'000		August						YTD					
		Budget			Actual			Budget			Actual		
	Description	Incurred	Unincurred	PF	Incurred	Unincurred	PF	Incurred	Unincurred	PF	Incurred	Unincurred	PF
IT		**28**	**1**	**29**	**30**	**(1)**	**29**	**231**	**3**	**234**	**257**	**(24)**	**234**
Manager	Salary and Benefits	8	0	8	8	0	8	72	1	73	72	1	73
Direct Technology Charges	Office 365, AvePoint, WebRoot, Duo MFA, voice services, Creo, Windchill	5	0	5	4	1	5	43	(1)	42	28	13	42
ERP tranisition licensing fees	Licensing	11	(0)	11	11	-	11	86	(1)	84	84	-	84
Data Communications	Licensing	4	0	4	7	(3)	4	30	5	35	72	(38)	35
Legal		**6**	**6**	**12**	**43**	**(31)**	**12**	**42**	**58**	**100**	**251**	**(151)**	**100**
External legal fees and other expenses	Legal Fees	6	4	10	43	(33)	10	42	42	84	247	(163)	84
Patent fees	Patent Fees	-	2	2	-	2	2	-	16	16	4	12	16
Finance		**4**	**26**	**30**	**4**	**26**	**30**	**130**	**132**	**262**	**132**	**130**	**262**
CFO	Salary and Benefits	-	19	19	-	19	19	114	52	166	114	52	166
Base compensation (2 FTEs)	Salary and Benefits	4	7	11	4	7	11	16	80	97	18	78	97
Sales		**37**	**0**	**37**	**37**	**0**	**37**	**188**	**136**	**324**	**197**	**127**	**324**
VP of Sales	Salary and Benefits	20	0	20	20	0	20	171	6	177	176	1	177
Customer Relationship Manager	Salary and Benefits	17	(0)	17	17	(0)	17	17	130	147	21	126	147
HR		**2**	**-**	**2**	**2**	**-**	**2**	**13**	**-**	**13**	**13**	**-**	**13**
Business Travel and Accident	Business Travel and Accident	0	-	0	0	-	0	2	-	2	2	-	2
Global Emergency Travel Services	Global Emergency Travel Services	1	-	1	1	-	1	11	-	11	11	-	11
Trade Compliance		**1**	**-**	**1**	**1**	**-**	**1**	**10**	**-**	**10**	**10**	**-**	**10**
Export Compliance Daily/ICPA annual fee	Export Compliance Daily/ICPA annual fee	0	-	0	0	-	0	1	-	1	1	-	1
Trade Flow software license	Trade Flow software license	1	-	1	1	-	1	9	-	9	9	-	9
Bonuses	Incremental management bonuses	**19**	**44**	**63**	**19**	**44**	**63**	**216**	**287**	**502**	**243**	**259**	**502**
Risk	Incremental cost of business insurances	**17**	**(5)**	**12**	**17**	**(5)**	**12**	**140**	**(43)**	**97**	**124**	**(28)**	**97**
Freight	Adjust freight to actual charges versus allocation	**68**	**9**	**77**	**68**	**9**	**77**	**551**	**68**	**618**	**573**	**45**	**618**
401(k) compensation	Estimated incremental 401(k) expense	**7**	**12**	**19**	**7**	**12**	**19**	**85**	**76**	**161**	**105**	**56**	**161**
Total Standalone Costs		**188**	**94**	**282**	**227**	**55**	**282**	**1,606**	**716**	**2,322**	**1,906**	**414**	**2,322**

Appendix| Marketing August KPI's

- The marketing team has implemented Agile Scrum methodology into our planning process with 2-week sprints. All projects are managed within Asana Project Management.
- August KPIs are positive; however, we expect a larger impact once lead generation campaigns are implemented later this month (September)
- E-commerce was very strong in August. In September, we are looking at increasing S&G Amazon performance with help of Amazon consultant as well as loading 10 S&G products on Lowes and finalizing S&G e-commerce plans for their website. For Delaney, we are finishing business case for increasing Delaney online sales from $3.5M to $6M in 1-1/2 to 2 years.

Marketing KPIs – Reported for August 2020

Brand	Email Database	Marketing Qualified Leads (MQL)s
S&G	Certified Installers: 1,240 Locksmiths: 2,813 Customers: 756 TOTAL = 4,540 (5% Up)	4 Total
Delaney	Dealers: 4,001 Builders: 1,091 Total = 5,092 (1% Up)	1 Total* We have 25 potential leads with Delaney due to the LMC webinar but we need to follow up to qualify them as true MQLs

Social Followers (Across Platforms)

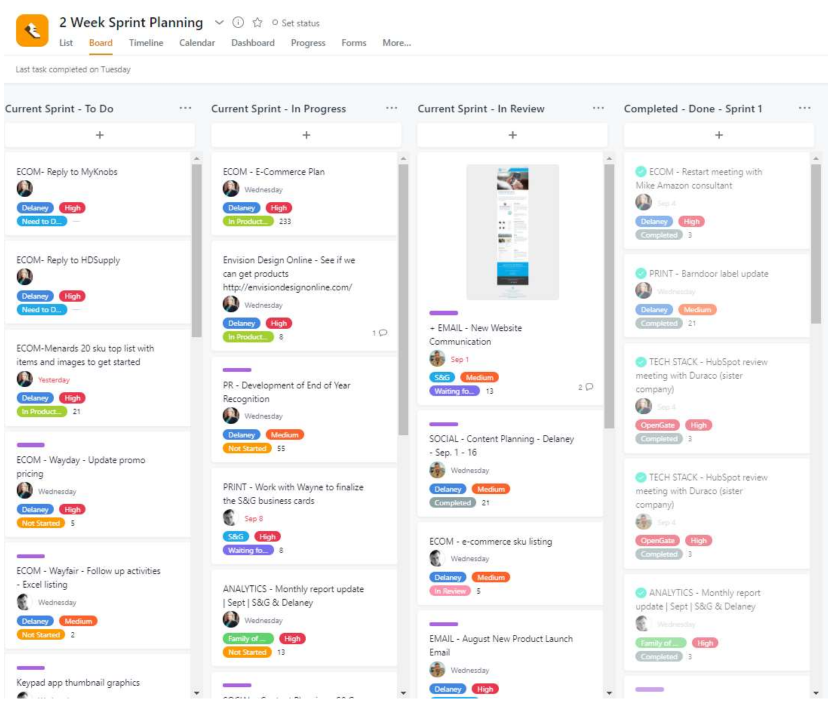
S&G	# Social Followers (Across Platforms)	% Change
Instagram	640	2.24%
Facebook	803	0.50%
Twitter	138	2.22%
YouTube	3072	1.45%
LinkedIn	680	4.13%
Total	**5,333**	**1.76%**

Delaney	# Social Followers (Across Platforms)	% Change
Instagram	4,546	12.08%
Facebook	373	1.36%
YouTube	17	6.25%
LinkedIn	384	1.05%
Total	**5,330**	**10.35%**

Website Traffic Per Brand

S&G	June		July		August	
Users	3,851	13.5%	3,423	-12.5%	3,442	0.6%
New Users	3,480	13.6%	3,060	-13.7%	3,095	1.1%
Sessions	6,184	18.0%	5,285	-17.0%	5,465	3.3%

Delaney	June		July		August	
Users	9,430	6.7%	8,902	-5.9%	8,624	-3.2%
New Users	8,132	5.2%	7,687	-5.8%	7,528	-2.1%
Sessions	15,218	6.8%	14,650	-3.9%	14,085	-4.0%



Appendix| Marketing August KPI's

S&G E-Commerce Sales

August Total = **$14,390.64**

Up 36% vs. August 2019

(5-4-4 Calender)

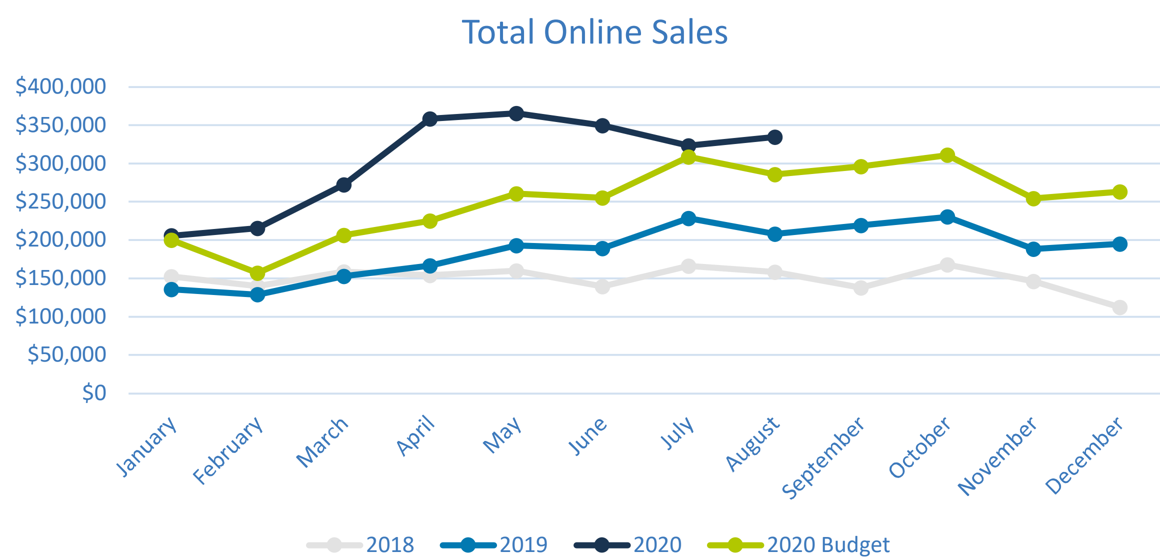
Amazon	Dates	Total order items	Units ordered	Ordered product sales	Avg. units/order	Avg. sales/order	
Jan-20	12/29 to 2/1	96	99	$13,511.24	1.03	$140.74	5 week report period
Feb-20	2/2 to 2/29	70	74	$10,377.58	1.06	$148.25	4 week report period
Mar-20	3/1 to 3/28	71	75	$10,516.80	1.06	$148.12	4 week report period
Apr-20	3/29 to 5/2	29	31	$4,264.39	1.07	$147.05	5 week report period
May-20	5/3 to 5/30	55	57	$8,066.32	1.04	$146.66	4 week report period
Jun-20	5/31 to 6/27	87	92	$12,697.54	1.06	$145.95	4 week report period
Jul-20	6/28 to 8/1	135	139	$19,159.18	1.03	$141.92	5 week report period
Aug-20	**8/2 to 8/29**	**102**	**103**	**$14,390.64**	**1.01**	**$141.08**	**4 week report period**

Delaney E-Commerce Sales

August Total = **$334,568**

Up 63% vs. 2019

Exceeded June AOP by 17%



August Sales by Partner (Ranked in Sales):

Home Depot $123,092 – 102% Growth vs. 2019
Lowes $84,287 – 245% Growth vs. 2019
Build.com $58,376 – 69% Growth vs. 2019
Wayfair $37,809 – 3% Growth vs. 2019
Amazon $22,505 – 19% Growth vs. 2019

# of Orders:

August 2020 – Total# of orders 7,096 (Avg order $47.16)
August 2019 - Total# of orders 4,302 (Avg order $47.70)

Appendix| Marketing 2020 Plan

S&G 2020 Main Goals

1. **Brand refresh** launch with new sales tools & PR
2. **New website launch** with later phase 2 e-commerce platform (Oct)
3. **Ecommerce** – Growth in existing partners (Amazon), establish new partners such as Lowes, and create foundational elements such as new MAP policy.
4. **Lead generation** campaigns and new support tools including new brand support materials, new vertical –focused market support and new product launch tools for partners, customers and sales team

Major Upcoming Milestones (Status vs. Plan)

Tasks	Due	Status	Update Notes
E-commerce – Loading S&G on Lowes	10/1		Filling out detail upload sheets with pricing. Figuring out forecast & logistics
Keypad Asset Creation for pre-launch	10/15		Video, brochure, sneak peek ads and PR
E-commerce – Next steps with Amazon	9/30		Discussing options with Amazon consultant
E-commerce on S&G website	10/30		Figuring out credit card processing tool needs and back-end costs

Key Issues / Risks / Decisions Requiring Approval

- None at this time

Delaney Hardware 2020 Main Goals

1. **E-commerce** - 60% growth to $3.5M in sales (Incremental $1.3M)
2. **Lead generation program** to identify and capture new dealers & builders
3. **Website & Sales Tools -** new functionality, new internal sales repository, automated workflows & email campaigns as well as new sales support tools like set product planograms.
4. **Bravura -** enhance representation for increased sales and brand awareness (Investment dependent)
5. **Successful commercialization plan for 2020 new products**

Major Upcoming Milestones (Status vs. Plan)

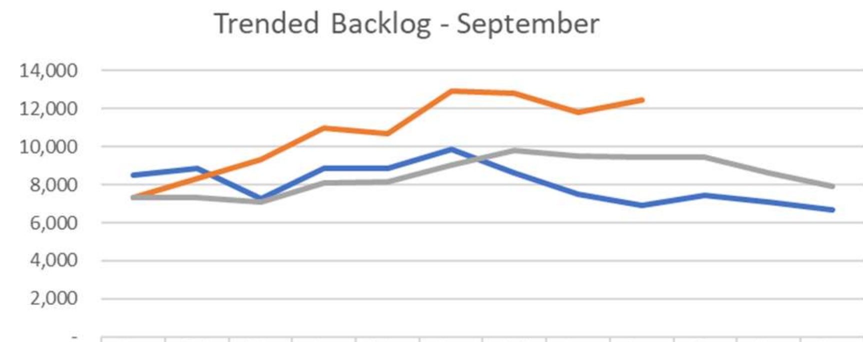
Tasks	Due	Status	Update Notes
Revise Delaney Catalog	9/30		Focused project for the next 2-week sprint
Revise Bravura Catalog	9/15		Edits & VOC feedback have pushed timeline.
Implement Lead Generation & Awareness Program	9/24		
Website Phase 1 updates	10/30		
Bravura Website Redesign	11/15		

Key Issues / Risks / Decisions Requiring Approval

- None at this time

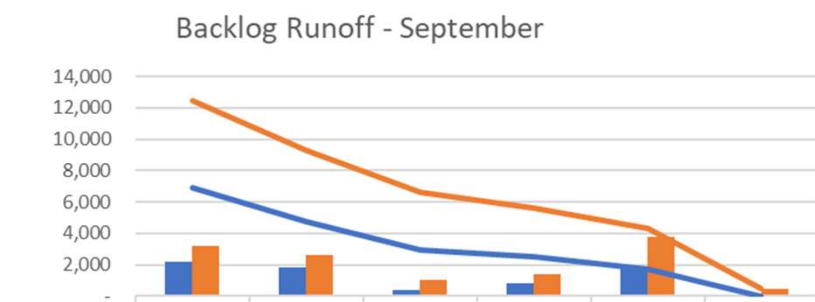
Milestone Status Legend - B Blue: Complete G Green: On Schedule Y Yellow: At Risk of not meeting schedule R Red: Will not meet schedule

Appendix| S&G Backlog Trends



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	8,476	8,885	7,243	8,845	8,882	9,876	8,649	7,473	6,926	7,456	7,076	6,677
2020	7,336	8,319	9,310	10,983	10,702	12,904	12,809	11,823	12,461			
Plan 2020	7,336	7,319	7,077	8,077	8,155	9,062	9,795	9,532	9,437	9,468	8,626	7,907

2019 2020 Plan 2020



	Sep	Oct	Nov	Dec	2021	Undated
2019 Runoff	2,205	1,787	401	812	1,721	-
2020 Runoff	3,205	2,611	1,009	1,361	3,797	478
2019 Beg. Backlog	6,926	4,721	2,934	2,533	1,721	-
2020 Beg. Backlog	12,461	9,257	6,646	5,636	4,275	478

2019 Runoff 2020 Runoff 2019 Beg. Backlog 2020 Beg. Backlog

Management Discussion

- August backlog of $12.5M contains:
  - AGS blanket order of $2.4M
  - ARYA blanket order of $1.7M
  - Timemaster blanket order of $1.0M
  - American Locks orders of $0.5M
  - Shanghai Qiahne orders of $0.4M
  - Cogar orders of $0.2M
- 2019 Backlog of $7.5M contained:
  - Timemaster blanket order of $1.0M
  - ARYA of $0.8M
  - NCR orders of $0.4M
  - MAPA orders of $0.4M
  - Lockmasters of $0.3M

Appendix| S&G Business Split Comparison

YTD YoY Change in Sales ($'s 000)

	ATM	Gov.	Resi.	Rail	Retail/ Other	Safe Dep Box	Total
India	($2,204)	$117	($17)	$0	$51	$0	**($2,053)**
APAC (Less India)	($1,034)	($176)	($375)	$0	$348	($3)	**($1,239)**
EMEA	($1,068)	($123)	($39)	$0	$376	$25	**($829)**
LATAM	($220)	($17)	($149)	$0	$72	($31)	**($345)**
US and Canada	($343)	($783)	($760)	$233	$754	($429)	**($1,327)**
Total	**($4,867)**	**($982)**	**($1,340)**	**$233**	**$1,601**	**($438)**	**($5,793)**

YTD YoY Change in Contribution Margin ($'s 000)

	ATM	Gov.	Resi.	Rail	Retail/ Other	Safe Dep Box	Total
India	($1,512)	$32	($1)	$0	$20	$0	**($1,461)**
APAC (Less India)	($467)	($62)	($149)	$0	$119	($2)	**($561)**
EMEA	($131)	($103)	$14	$0	$43	$9	**($167)**
LATAM	($156)	($5)	($72)	$0	$49	($4)	**($188)**
US and Canada	($239)	($69)	($441)	$24	$402	($97)	**($420)**
Total	**($2,504)**	**($206)**	**($649)**	**$24**	**$633**	**($95)**	**($2,796)**

YTD YoY Change in Sales (% Growth)

	ATM	Gov.	Resi.	Rail	Retail/ Other	Safe Dep Box	Total
India	(43.5%)	N/A	(7.3%)	N/A	8,436.1%	N/A	**(38.7%)**
APAC (Less India)	(37.7%)	(46.5%)	(15.8%)	N/A	680.8%	(16.7%)	**(22.3%)**
EMEA	(46.4%)	(38.2%)	(3.7%)	N/A	493.7%	282.1%	**(22.0%)**
LATAM	(20.4%)	(16.5%)	(25.9%)	N/A	143.4%	(19.0%)	**(17.5%)**
US and Canada	(19.0%)	(11.9%)	(21.4%)	317.7%	174.5%	(74.8%)	**(10.2%)**
Total	**(37.5%)**	**(13.3%)**	**(17.2%)**	**317.7%**	**262.3%**	**(57.4%)**	**(19.6%)**

YTD YoY Change in Contribution Margin (% of SaleS)*

	ATM	Gov.	Resi.	Rail	Retail/ Other	Safe Dep Box	Total
India	-39 bps	2754 bps	280 bps	N/A	25159 bps	N/A	-275 bps
APAC (Less India)	394 bps	-1967 bps	-204 bps	N/A	-393 bps	-987 bps	-176 bps
EMEA	945 bps	-3438 bps	245 bps	N/A	-2057 bps	314 bps	141 bps
LATAM	-166 bps	-254 bps	-271 bps	N/A	1357 bps	138 bps	-84 bps
US and Canada	-234 bps	488 bps	-332 bps	-3775 bps	468 bps	1058 bps	170 bps
Total	226 bps	325 bps	-223 bps	-3775 bps	-307 bps	449 bps	-47 bps

Legend (Chg in Sales $ and %, Chg in CM $):

- > $50k
- < $50k
- +/- $50k

Legend (Chg in Contribution Margin % of Sales):

- > 50 bps
- < 50 bps
- +/- 50 bps

Management Discussion

- India: ATM variance Arya and AGS closures due to COVID-19 impacting 2020 shipments. 2019 NCR project causing ($700k) in unfavorability.
- APAC: ATM variance Inspur ($300k), Pingan ($300k), Duetech ($200k). Residential variance driven by Hanson.
- EMEA: ATM variance NCR Hungary ($400k) and Servus project in 2019 ($200k)
- US and Canada: Residential variance Global File ($100k), Lockmaster ($200k), Timemaster ($200k)

Appendix| S&G SA Fulfillment Options

	Drop ship (from manufacturer)	3rd party master distribution partner	Consignment (customer on-site)	Direct fulfillment (ship from KY, NIC)
Method				
Rationale	• Distribution products (non-KY production / manufacturing) • Lower volume customers / weaker relationships • Infrequent orders / volumes	• Low-lead time • Inconsistent purchase - i.e. non-recurring / spot order • Low volume • Replacement parts / units (i.e. high volume / frequency items; support replacement for returns / claims process)	• Large volume customers (top 10); Trusted partner • Narrow SKU scope • Small batches / order volumes but frequent ordering (SA essentially serving as on-demand supplier / fulfillment) • Operational / billing const. • Support w/ blanket orders to limit excess inventory	• Regular / predictable volume / scheduled production; leverage blanket orders • Recurring customer product needs / orders (> weekly reordering, or collaborate w/ customer to adopt monthly ordering cadence) • Longer lead times • Limited inventory management for clients
Impact	• Limited QC potential / opportunity • Responsiveness / shorter lead time for non-production goods • Reduced lead time	• Customer responsiveness; particularly on small orders / infrequent items • Advance inv. / footprint • Reduce "small" batch production (e.g. changeover) • Consolidate freight • Replacement parts / support w/o delays for returns & QC • Flexibility for one-off orders / smaller order sizes	• Increased customer integration / support • Reduce forward inventory • Reduced / consolidated freight • Deferred costs and inventory cost control • Reduced lead time (immediate)	• Optimize production: scheduling and efficiencies - e.g. larger batches, fewer changeovers • Centralize fulfillment • Reduce freight • Increase vendor integration / collaboration • Potential cost share / price incentive or benefit sharing

Appendix | SA Facility Assessment | Order Fulfillment

Significant EMEA volume currently fulfilled directly from NIC w/ additional potential based on SKU level review

Customer volume allocation (SKU level review), *$K*

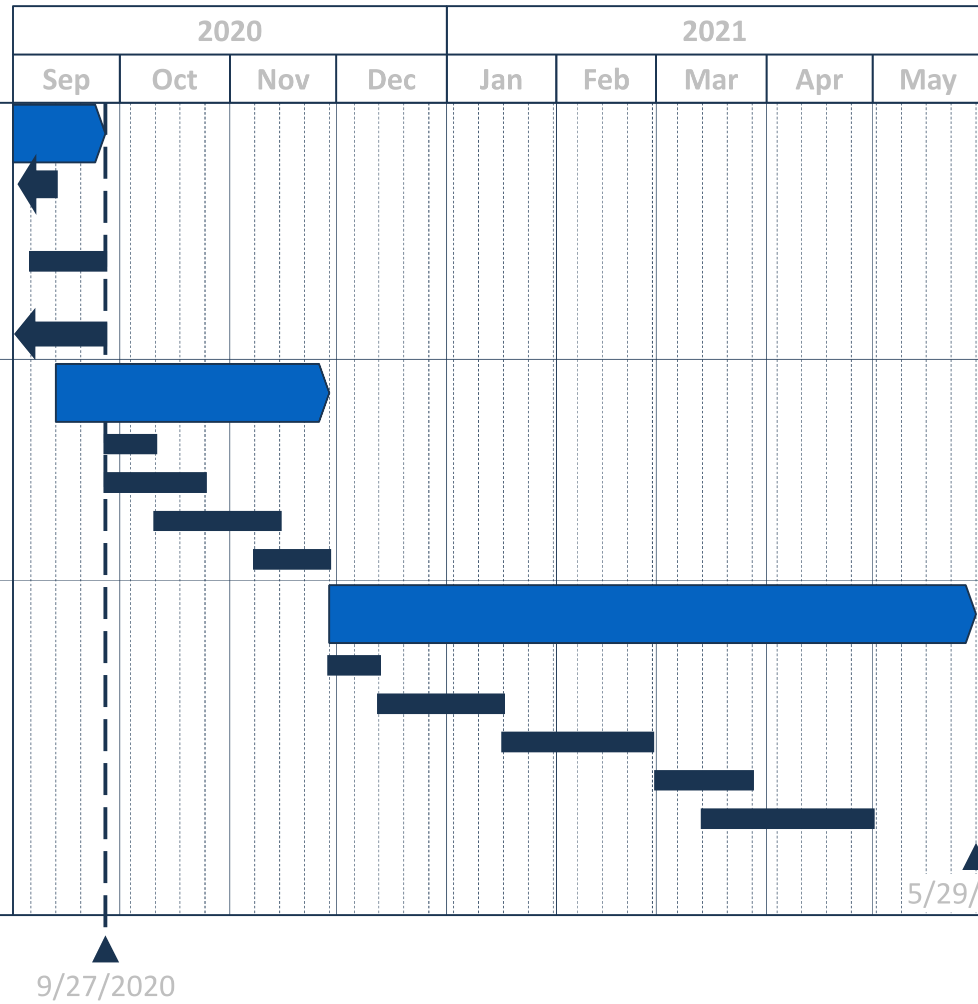
Preliminary assessment: Volume allocation of historical spend

Customer name	Sales, $ (TTM)	Contribution to total sales (cumulative)	Existing NIC (KY) volume[1]	Drop ship	3rd party distributor	Consignment	S&G HQ	Unallocated
Overall	4,145	100%	1,675	547	0	0	2,333	1,268
Top 14 Customers	2,913	70%	1,388	547	0	0	2,333	36
NCR HUNGARY	456	11%	0	0	0	0	456	0
DIEBOLD NIXDORF SYSTEM GMBH	454	22%	790	0	0	0	454	0
ASSA ABLOY SWE	296	29%	0	248	0	0	49	2
CARADONNA	285	36%	0	6	0	0	279	0
INITIAL SECURITE	189	41%	351	0	0	0	189	0
POLITAL RYSARD	162	44%	0	6	0	0	155	2
GUNNEBO DOETINCHEM	160	48%	0	4	0	0	152	5
FORMAT TRESORBAU	159	52%	0	136	0	0	21	1
BODE PANZER SRO	156	56%	136	0	0	0	156	0
DIEBOLD NIXDORF GMBH	136	59%	0	18	0	0	118	0
ASSA ABLOY OPENING SOLUTIONS	123	62%	0	123	0	0	0	0
ABUSARHAD	120	65%	0	0	0	0	120	0
CARADONNA ASSEMBLAGEM DE COFRES FOR	114	68%	112	0	0	0	114	0
TECNOLOCK	103	70%	0	7	0	0	70	26
All other customers	1,232	100%	287	-	-	-	-	1,232

Source: NetSuite and SAP sales transaction data, EMEA, AUG 2019 – JUL 2020 | 1. TTM vol. est. from 2019FY figure, may exceed actual TTM

Appendix | SA Facility Assessment | Timeline

Activity	Responsible
Opp. evaluation	
Initial business case assessment	Mark L., Mark W.
Prelim. planning and approach design	Mark L., Mark W.
Executive socialization	Mark L., Mark W.
Planning / socialization	Michael B., Mark W.
Priority functional identification	Michael B., Mark W.
Discovery	Michael B., func. lds
Detailed plan development	Michael B., func. lds
Plan iteration, review, and approval	Michael B., func. lds
Implementation	
Internal socialization	Mark L. , Michael B.
External socialization	Mark L., Matt W.
NIC fulfillment initiation	Mark L., Michael B.
Addt'l party fulfillment impl.	Mark L., Michael B.
Facility closure process	Michael B.
Lease termination and exit	Milan V., Michael B.



Appendix| S&G EMEA Vendor Dashboard

Example customer purchasing evaluation dashboard

Objective

Evaluate customer purchasing characteristics & determine feasibility of non-SA facility fulfillment

Methodology

1. Assess SKU specific purchasing behavior
   - Production location
   - Order volumes (unit quantity)
   - Order frequency and batching
2. Align purchasing behavior with fulfillment methodology criteria

Layout details

(A) Customer name

(B) Customer summary details

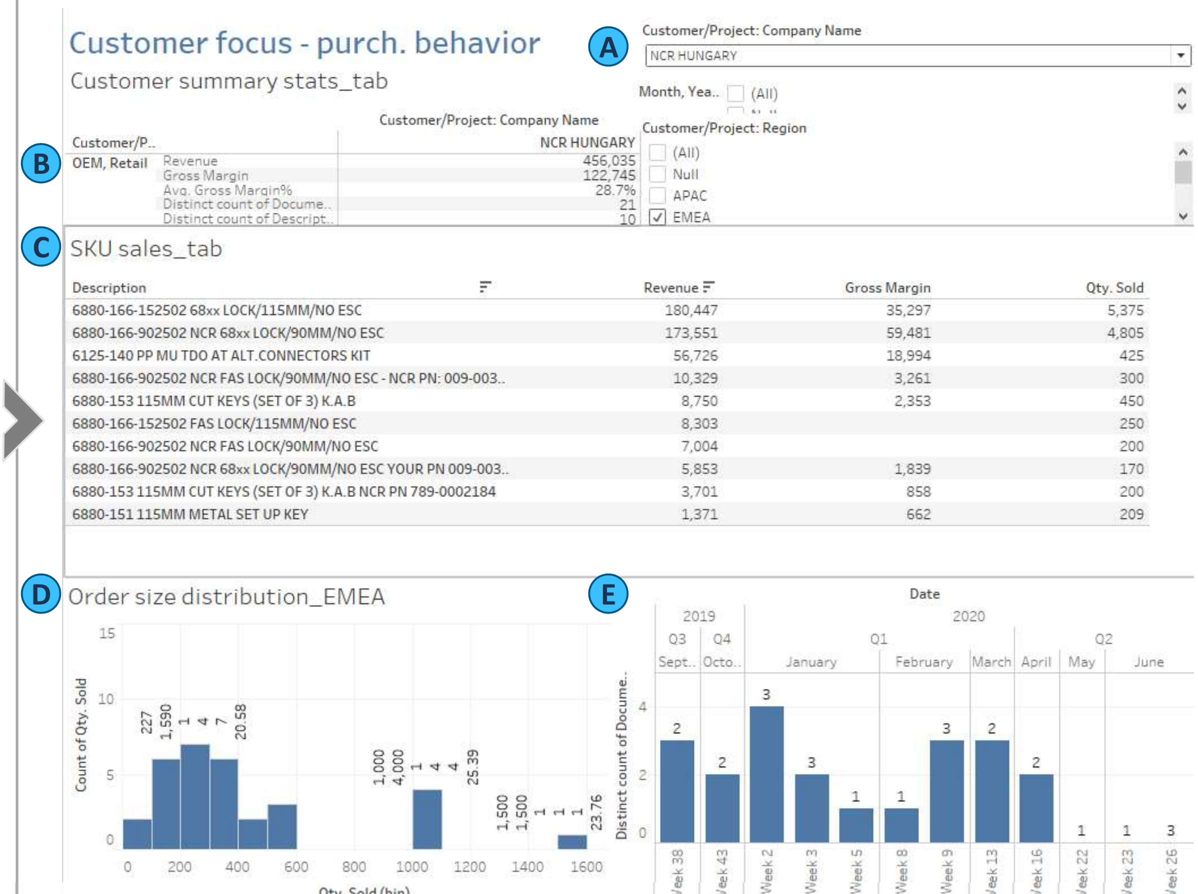
(C) SKU specific purchasing activity / summary

(D) Order size distributions
Transaction level details
Qty at the SKU and PO level

(E) Order frequency plot
PO count and SKU count by week

Example dashboard

NCR Hungary



Description	Revenue	Gross Margin	Qty. Sold
6880-166-152502 68xx LOCK/115MM/NO ESC	180,447	35,297	5,375
6880-166-902502 NCR 68xx LOCK/90MM/NO ESC	173,551	59,481	4,805
6125-140 PP MU TDO AT ALT.CONNECTORS KIT	56,726	18,994	425
6880-166-902502 NCR FAS LOCK/90MM/NO ESC - NCR PN: 009-003..	10,329	3,261	300
6880-153 115MM CUT KEYS (SET OF 3) K.A.B	8,750	2,353	450
6880-166-152502 FAS LOCK/115MM/NO ESC	8,303		250
6880-166-902502 NCR FAS LOCK/90MM/NO ESC	7,004		200
6880-166-902502 NCR 68xx LOCK/90MM/NO ESC YOUR PN 009-003..	5,853	1,839	170
6880-153 115MM CUT KEYS (SET OF 3) K.A.B NCR PN 789-0002184	3,701	858	200
6880-151 115MM METAL SET UP KEY	1,371	662	209

Appendix | Delaney Business Split Comparison

DELANEY®

	($M)				Chg		Sales % Growth & Mgn %		
	Sales		GM		Sales	GM	Sales	2019 Mgn	2020 Mgn
Summary item class:	2019	2020	2019	2020	$	$	Growth	%	%
Single Family									
Callan	**8,432**	**8,487**	**4,364**	**4,299**	**56**	**(65)**	**0.7%**	**51.8%**	**50.6%**
Delaney	**2,751**	**2,816**	**1,329**	**1,403**	**65**	**74**	**2.4%**	**48.3%**	**49.8%**
Builders hardware	1,342	1,497	755	837	154	82	11.5%	56.2%	55.9%
Barn door hardware	1,309	1,564	800	920	255	120	19.5%	61.1%	58.8%
Bath accessories	1,011	1,229	569	635	218	65	21.6%	56.3%	51.6%
Commercial	555	555	243	223	0	(20)	0.1%	43.8%	40.2%
Other	706	548	369	414	(158)	45	-22.3%	52.2%	75.6%
Single family (excl. interco, online, special, hollow, samples, displays, online)	**4,923**	**5,393**	**2,736**	**3,028**	**470**	**292**	**9.6%**	**55.6%**	**56.2%**
Bravura	857	737	406	324	(120)	(82)	-14.0%	47.3%	43.9%
Special order items	35	13	16	5	(21)	(11)	-61.0%	46.5%	39.0%
Hollow metal	-	-	-	-	-	-	0.0%	0.0%	0.0%
Samples and Displays	7	-	(16)	(5)	(7)	11	-100.0%	-244.3%	0.0%
Online	1,399	2,424	815	1,434	1,025	619	73.3%	58.2%	59.1%
Single Family (excl. intercompany)	**18,403**	**19,872**	**9,650**	**10,488**	**1,469**	**838**	**8.0%**	**52.4%**	**52.8%**
Multi-family									
Delaney	**1,720**	**1,852**	**798**	**888**	**132**	**90**	**7.7%**	**46.4%**	**48.0%**
Callan	**546**	**457**	**260**	**217**	**(89)**	**(43)**	**-16.3%**	**47.6%**	**47.4%**
Commercial	575	738	274	338	163	64	28.3%	47.6%	45.8%
Bath accessories	515	547	233	248	31	15	6.1%	45.2%	45.3%
Barn door hardware	470	286	273	161	(184)	(112)	-39.2%	58.1%	56.4%
Builders hardware	300	344	144	176	43	32	14.4%	48.0%	51.3%
Other	326	522	175	251	196	75	60.2%	53.9%	48.1%
Multi-family (excl. interco, online, special, hollow, samples, displays, online)	**2,187**	**2,436**	**1,100**	**1,174**	**249**	**74**	**11.4%**	**50.3%**	**48.2%**
Special order items	867	774	256	204	(93)	(52)	-10.7%	29.5%	26.3%
Hollow metal	1,861	2,201	504	574	341	70	18.3%	27.1%	26.1%
Bravura	133	36	54	19	(97)	(35)	-72.6%	40.6%	52.5%
Samples and Displays	-	-	-	-	-	-	0.0%	0.0%	0.0%
Multi-family (excl. intercompany)	**7,313**	**7,756**	**2,972**	**3,076**	**443**	**104**	**6.1%**	**40.6%**	**39.7%**
Intercompany	548	232	0	0	(316)	0	-57.6%	0.0%	0.2%
Total	**26,264**	**27,860**	**12,622**	**13,564**	**1,596**	**943**	**6.1%**	**48.1%**	**48.7%**

Appendix | Delaney Multifamily Smart Lock

Through VOC research, Delaney has developed a Smart residence entry solution that solves industry challenges

- Precommissioned lock service
- Strict credential management
- Seamless integration with Stratis solution
- Great value, sleek design & unique features
- Highest security standards with MIFARE Plus credentials
- Ease of installation & support

Appendix | Delaney Multifamily Smart Lock

- Bluetooth Low Energy (BLE) connectivity
- UL listed A156.12 & ANSI Grade 2 certified / ADA compliant
- Keyless Entry with tamperproof design (100% bump & pick proof)
- Smart MIFARE Plus access credential with AES 128 or Smartphone App (13.56 MHZ frequency)
- Hassle-free user management (adding & deleting users)
- Fully Integrated with Stratis IoT ("Cloud-based" Management Access Control) Platform
- 9V Temporary Power Terminal for back up
- Audit trail captures up to 15,000 transactions
- LED Color-coded light & sound indicators
- Sleek Design style
- 50 individual active users / 2,000 of revoked users
- 32 different group features
- 10,000 cycle battery life (approx. 2 years)
- Low battery indicator alert
- Offered with adjustable 6-way latch
- Rubber seal around lock protects from weather elements

Appendix | Delaney Multifamily Smart Lock

Integrates seamlessly with Stratis IoT platform

DELANEY

- Precommissioning = eliminates DOA & battery issues right out of box
- Economical/ great value
- Highest security settings (MIFARE Plus or better)
- Extended Battery life
- Already integrated and can be paired immediately with access control solutions like Brivo & visitor access systems like ButterflyMX
- Data-on-card (no Gateways required – "NO-TOUR" functionality)
- No on-premise solution (completely cloud based)
- Audit trail captures up to 15,000 transactions (others around 1,000)
- Sound indicators (ideal for individuals visually impaired)

Available Finishes

Satin Nickel Black Bronze Chrome

Lever Options (Additional Styles Available)

Appendix | Premier Financial KPI’s

- $779K cash contribution for August, and approximately $3.3M YTD
- August EBITDA up $27K vs AOP and $80K vs Rfc. Up $612K, over 19%, versus AOP YTD.
- Credits were minimal
- Revenue off moderately due to continued Covid challenges and Hurricane Laura which reduced available production time by 11%.
- Bookings and backlog remain strong with primary challenges of converting to revenue given production issues.

$779K
CASH CONTRIBUTIONS FOR DEBT / I/C
YTD $3.3M

$581K
EBITDA
AOP $27K/5%
H2 $80K/16%
YTD AOP $612K/20%
PYM $68K/13%

$1.1K
CREDITS
of REV 0.06%
YTD $15.8K

$1.73M
NET REVENUE
H2 ($35K)/(2%)
AOP ($235K)/(12%)
YTD AOP ($130K)/(0.9%)
PYM ($30k)/(1.9%)

$1.58M
BOOKINGS
PY $1.64M
PY ($60K)/(3.7%)

$2.17M
BACKLOG
PY $1.27M
PY $900K/71%

Quality

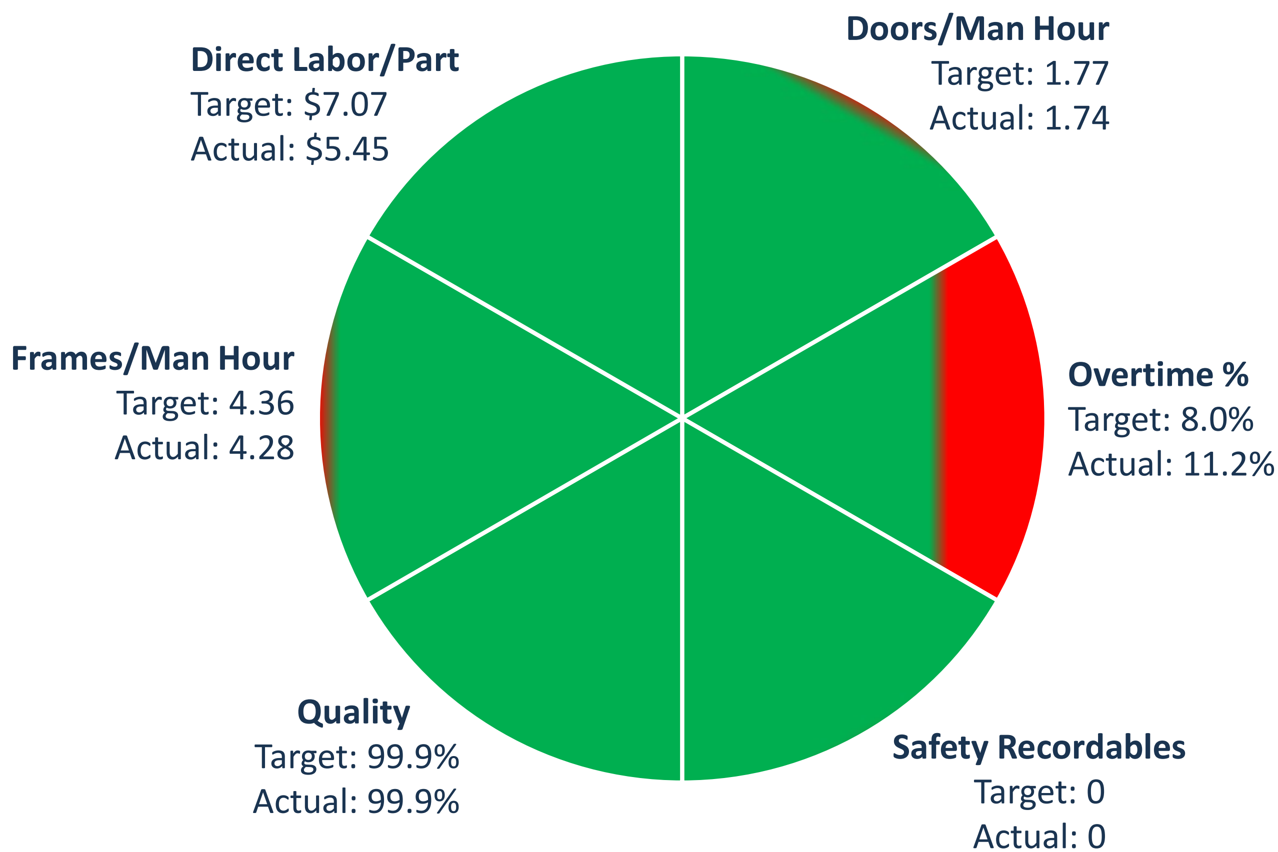
1 door had two puncture holes in skin; unable to isolate cause or reproduce on the line.

OT

OT in excess continues to be required due to strong demand and secondary factors like distancing and process alterations. Hurricane Laura further burdened productivity and capacity. CAPEX remedies are in process but have not and will not mitigate constraints in the near term.

Cost & Rate

Cost per part has shifted because of increased overtime utilization combined with equipment failures and temp usage. Realignment of plant personnel for Covid-19, postponed CAPEX, and Hurricane Laura had a negative effect on productivity for August

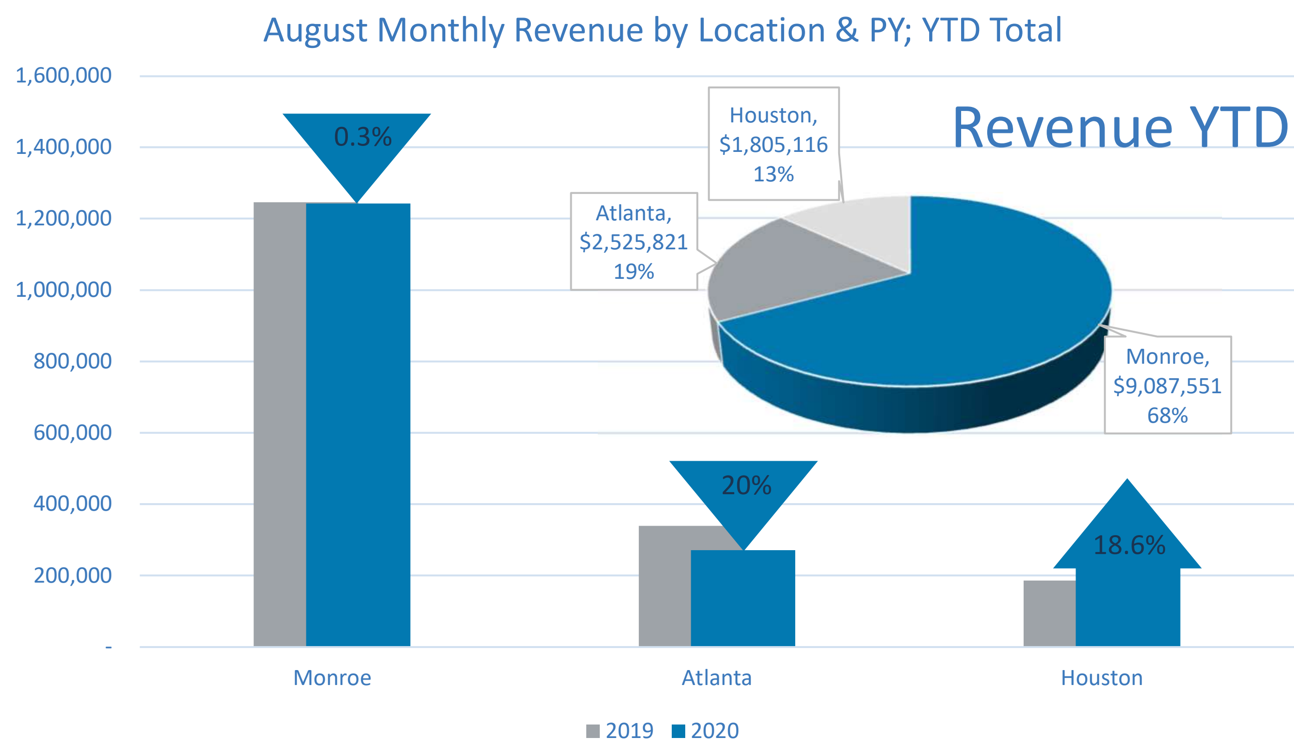


Appendix | Premier Revenue by Location

PREMIER STEEL DOORS AND FRAMES

- August revenue slightly off with capacity and capabilities essentially at maximum including the use of OT because of Covid mitigation efforts, machine limitations, and Hurricane Laura.
- YTD, Monroe accounts for majority of growth, but Houston also up (Monroe 8.1%, Houston 6.1%). Warehouse growth has been and is being limited by low support inventory because of production challenges with machinery exacerbated by Covid mitigation measures, mechanical issues, and weather events (ATL down 6.3%).
- An inability to shift capacity to supply undersupplied warehouses is a contributing factor to lower growth rates. Pandemic mitigation measures continue to substantially impact the ability to fill both factory and warehouse orders.
- **Intercompany HM purchases up $ 165,548 YTD.**

August 2020 = $ 914,033
August 2019 = $ 748,485

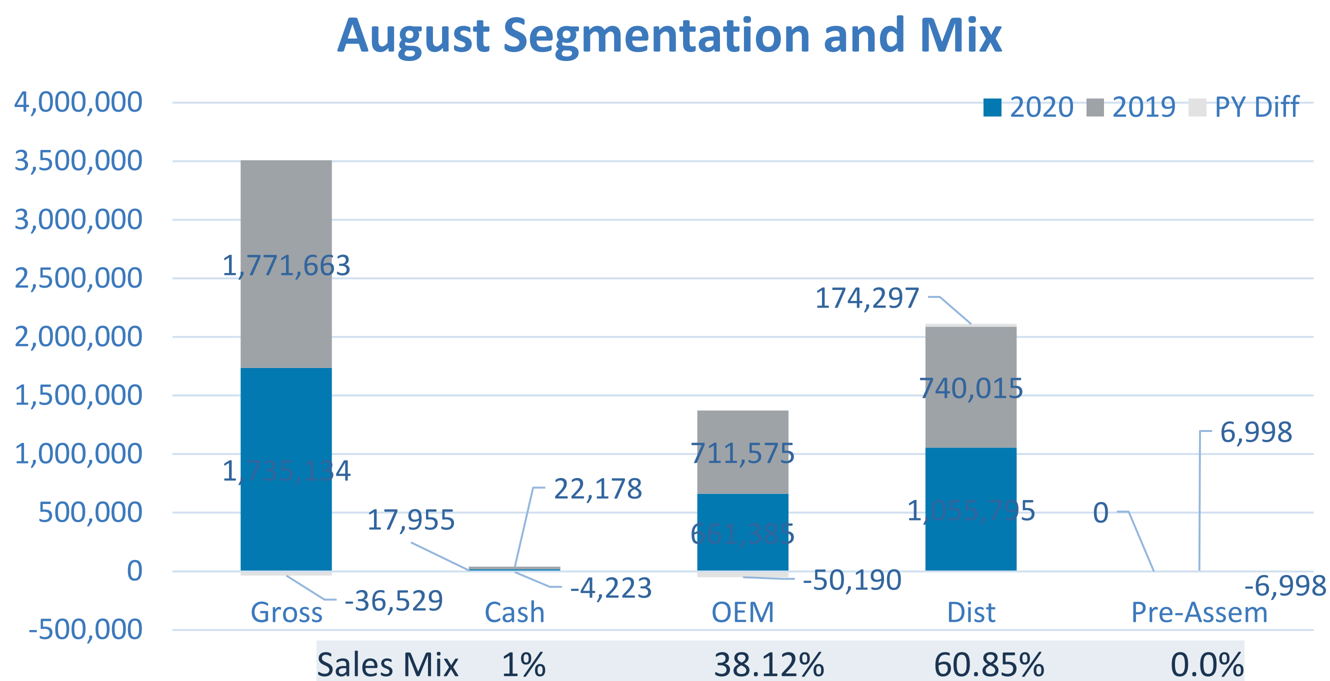


Appendix | Premier Segmentation & Mix

Gross sales flat from PY and H2 (-2%) and were off 12% to AOP. Cash sales were down as expected due to distancing and continued operating challenges including community health issues decreased production capabilities for other mix categories.

OEM gave way to Distributor as several Delaney projects were delivered.

Distributor sales up vs H2 for August. **Strong MF /intercompany month. IC sales is now up $165,548 YTD**

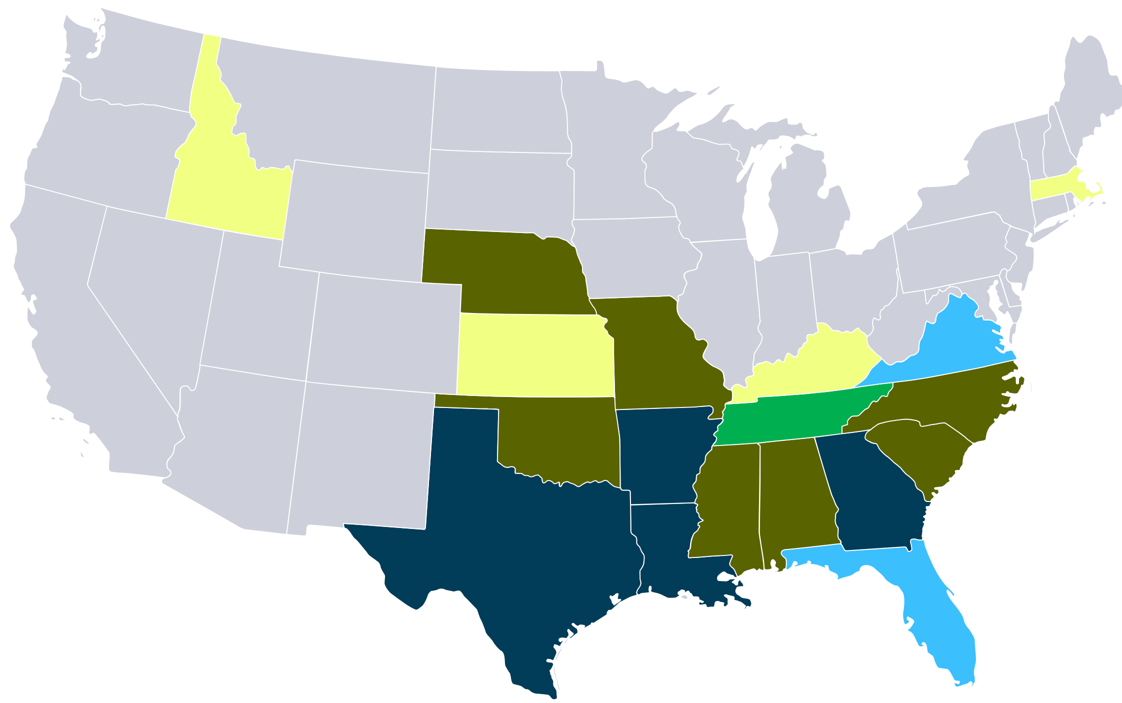


Element	2020	2019	PY Diff	% Change	H2	H2 Diff	Over/Under	MIX
Gross	1,735,134	1,771,663	-36,529	-2.06%	1,772,556	-37,422	-2.11%	1,735,134
Cash	17,955	22,178	-4,223	-19.04%	21,013	-3,058	-14.55%	1.03%
OEM	661,385	711,575	-50,190	-7.05%	736,514	-75,129	-10.20%	38.12%
Dist	1,055,795	1,030,912	24,883	2.41%	944,391	111,404	11.80%	60.85%
Pre-Assem	0	6,998	-6,998	-100.00%	26,110	-26,110	-100.00%	0.00%

Appendix | Premier Revenue by Geography

The south and southeast have typically been our primary markets and have historically accounted for 90-92% of Premier's hollow metal shipments. The highlighted states reflect where products were shipped during the month of August.

August 2020 = 94%



- $500-5000
- $5,001-10,000
- $10,001-50,000
- $50,001-100,000
- $100,001-200,000
- $200,001+

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