Hufcor, Inc. Monthly Operating Review

Month Ended February 29, 2020

March 26, 2020

HUFCOR

HUFCOR Executive Summary

1. Financial performance exceeded expectations in February, driven by strong cost management in light of lower revenue.
   - Reported EBITDA ($0.1) mm on $10.6mm of revenue & Adjusted EBITDA of $0.6 mm , both of which were $0.4 mm ahead of AOP
   - Domestic EBITDA exceeded AOP by $0.3 mm, with outperformance on material & OpEx
2. Even in the environment where we are managing the COVID-19 outbreak, we are maintaining our long-term vision for the business that still focuses on building the team, improving quality/lead times & increasing production capacity/efficiency of the Janesville facility. We want to be prepared to take advantage of any "bounce back" or "V-shaped" recovery and ensure we can convert these potential commercial opportunities in 2H 2020.
3. While backlog still lower than prior months, the commercial team exceeded goal for February securements domestically & we are beginning to see / secure additional opportunities given our improved lead times / capacity and positive VOC feedback.
4. International operations recovered somewhat in February, with challenges in Asia from COVID-19. Expectation is for further challenges throughout Q1 and Q2 until stabilization of the business units completed.

Human Capital

Build Team & manage consulting/3rd party expenses

- Hiring: 1 new supervisor hired in Janesville in February.
- Consultants: Consulting spend cut significantly given COVID-19. Terminated SCS (3PL consultants).

Janesville Productivity

Improve quality, increase productivity & lower lead times

- Production: RIF + New shift schedule deployed to minimize # of individuals in the plant while meeting customer demands.
- Published Lead Times have consistently run at 8 weeks for solid wall through the month of February.

Commercial Initiatives

Commercial growth in process domestically

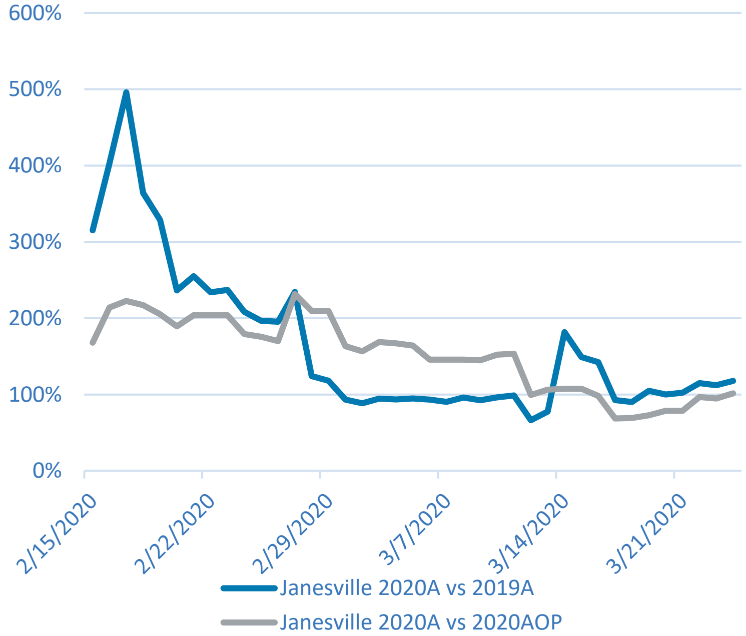
- Securements in February ($4.7 mm) exceeded goal ($2.3 mm) and stands at 150% of goal YTD.
- Starting to see signs of competition reaching capacity limits, which should offer Hufcor additional opportunities. Example: Resort World win (taken from MF) at $2.9M for 2020.

Hufcor COVID-19 Update Summary

1. Hufcor COVID-19 Task Force led by Tim Schramm, VP of HR, fully operational and taking decisive actions
   - New policies & procedures rolled out worldwide, with focus on operational continuity
   - Significant impact in Janesville facility with EHS Director, Jeremy Bahr
   - Administrative staff moved to remote work as much as possible
   - Communications throughout the entire supply chain standardized
2. Increased Reporting & Communications for Management & Shareholders
   - Daily leadership calls internally
   - Daily calls with OGC
   - Multiple scenarios modeled
   - Weekly reporting for all locations (activity & forecasting)
3. Contingency Planning & Cost Controls in Place
   - Commercial Outlook: Domestic impact predominantly "shifting" business, no cancellations
   - Janesville Production: Split workforce & dynamic scheduling in place
   - Domestic Field Offices: Thus far, all classified as "essential" and operating
   - International Field Offices: Outlook for Germany improved; Malaysia & New Zealand on shut down; risk for Australia

U.S. Rolling 14-Day Average Bookings

Comparison vs Prior Year & AOP



	Weekly Impact of Cost Control:			
Cost Control Measures	**US Ops**	**Int'l Ops**	**Admin.**	**Total**
Labor & OT	$ 45,079	$ 9,058	$ (0)	$ 54,137
Marketing & Commissions	$ 2,020	$ 4,872	$ 1,000	$ 7,892
Travel & Entertainment	$ 2,930	$ 2,390	$ 4,150	$ 9,470
Professional Fees	$ 46,000	$ 248	$ 6,570	$ 52,818
All Other Expenses	$ 4,410	$ 3,678	$ (7,000)	$ 1,088
Total Cash Costs Cut	**$ 100,439**	**$ 20,246**	**$ 4,720**	**$ 125,406**

Month 2

Financials – February 2020

February P&L Performance

$'000	MTD		Variance		PY MTD	Variance		YTD		Variance	PY YTD	Variance
	Act	Bud	$	%	Act	$	%	Act	Bud	%	Act	%
Net Revenue	**10,641**	**12,515**	**(1,874)**	**(15.0%)**	**11,098**	**(457)**	**(4.1%)**	**22,073**	**22,954**	**(3.8%)**	**21,149**	**4.4%**
Material	3,216	4,608	(1,392)	(30.2%)	4,159	(943)	(22.7%)	6,968	7,950	(12.4%)	7,350	(5.2%)
Labor	3,388	3,817	(429)	(11.2%)	3,335	53	1.6%	6,985	7,205	(3.0%)	6,795	2.8%
Other COGS	1,167	1,277	(110)	(8.6%)	1,118	49	4.4%	2,284	2,465	(7.3%)	2,236	2.1%
Total COGS	**7,771**	**9,702**	**(1,931)**	**(19.9%)**	**8,612**	**(841)**	**(9.8%)**	**16,237**	**17,619**	**(7.8%)**	**16,382**	**(0.9%)**
Gross Margin	**2,870**	**2,814**	**57**	**2.0%**	**2,486**	**384**	**15.4%**	**5,836**	**5,335**	**9.4%**	**4,767**	**22.4%**
Gross Margin %	*27.0%*	*22.5%*			*22.4%*			*26.4%*	*23.2%*		*22.5%*	
R&D	–	–	–	N/A	–	–	N/A	–	–	N/A	–	N/A
Sales & Marketing	1,144	1,277	(134)	(10.5%)	1,085	59	5.4%	2,352	2,507	(6.1%)	2,048	14.9%
Administrative	1,838	2,003	(165)	(8.2%)	1,136	701	61.7%	3,622	3,868	(6.3%)	1,755	106.4%
Other Opex	(22)	(7)	(15)	196.2%	(7)	(15)	236.0%	(41)	(14)	191.1%	(23)	78.9%
Total Opex	**2,959**	**3,272**	**(313)**	**(9.6%)**	**2,215**	**745**	**33.6%**	**5,934**	**6,360**	**(6.7%)**	**3,781**	**57.0%**
EBITDA	**(89)**	**(459)**	**370**	**80.5%**	**272**	**(361)**	**(132.9%)**	**(98)**	**(1,025)**	**90.5%**	**987**	**(109.9%)**
EBITDA %	*(0.8%)*	*(3.7%)*			*2.4%*			*(0.4%)*	*(4.5%)*		*4.7%*	
Adj. EBITDA	**564**	**188**	**376**	**199.8%**	**272**	**292**	**107.5%**	**1,040**	**81**	**1177.5%**	**490**	**112.1%**
Adj. EBITDA %	*5.3%*	*1.5%*			*2.4%*			*4.7%*	*0.4%*		*2.3%*	
Net Income (Loss)	**$ (705)**	**$ (1,142)**	**$ 437**	**38.3%**	**$ (647)**	**$ (57)**	**(8.9%)**	**$ (1,549)**	**$ (2,618)**	**40.8%**	**$ (1,007)**	**(53.8%)**

	MTD		Variance		PY MTD	Variance		YTD			PY YTD	
	Act	Bud	$	%	Act	$	%	Act	Bud	%	Act	%
Opex Overview:												
Payroll	$ 1,094	$ 1,167	$ (73)	(6.3%)	$ 1,023	$ 71	6.9%	$ 2,220	$ 2,296	(3.3%)	$ 2,079	6.8%
Benefits	295	277	17	6.3%	209	85	40.8%	621	548	13.4%	(48)	(1395.3%)
Bonus	143	166	(22)	(13.6%)	96	47	49.3%	306	332	(7.7%)	192	59.4%
Marketing	29	51	(23)	(43.9%)	22	6	28.7%	40	103	(60.8%)	(68)	(159.6%)
Commissions	162	228	(66)	(29.0%)	159	3	1.6%	386	411	(6.1%)	293	31.8%
Travel and Entertainment	113	176	(63)	(35.8%)	82	31	37.5%	257	365	(29.7%)	162	58.3%
Rent and Facilities	77	73	5	6.3%	69	8	12.3%	146	145	0.3%	137	6.2%
Insurance	71	57	14	23.7%	43	28	65.4%	142	115	23.5%	78	81.6%
Professional Fees	165	74	90	122.2%	76	89	116.5%	217	198	9.5%	154	40.9%
Utl., Repair, Maint., & Sec.	32	38	(6)	(15.2%)	38	(6)	(15.2%)	62	76	(18.6%)	66	(6.8%)
Office Expenses	3	7	(4)	(53.1%)	4	(1)	(21.2%)	9	13	(26.8%)	9	8.4%
IT	34	77	(42)	(55.2%)	58	(23)	(40.4%)	113	153	(25.9%)	113	0.1%
Bad Debts	48	28	20	69.6%	127	(79)	(62.2%)	74	57	31.0%	192	(61.1%)
Supplies	17	17	(0)	(1.2%)	10	7	68.9%	34	35	(2.4%)	35	(3.8%)
FX	–	–	–	N/A	–	–	N/A	–	–	N/A	–	N/A
Other Expenses	676	836	(160)	(19.1%)	198	479	241.8%	1,307	1,515	(13.8%)	385	239.0%
Total Opex	**$ 2,959**	**$ 3,272**	**$ (313)**	**(9.6%)**	**$ 2,215**	**$ 745**	**33.6%**	**$ 5,934**	**$ 6,361**	**(6.7%)**	**$ 3,781**	**57.0%**

Management Discussion:

Revenue

- Approximately $1.9 mm below plan ($10.6 mm actual vs $12.5 budget) driven by performance both in the U.S. and internationally.

Gross Margin

- Material costs were better than budget (-6.6% of revenue vs budget) offset by higher than expected installation costs (+1.3% of revenue vs budget). Primary driver in Other COGS (+0.8% of revenue vs budget, domestic supplies, & repairs/maintenance costs)

OPEX

- Opex better than budget, driven by cost reductions in Services & T&E. Opex is inclusive of consultant costs of $466k.

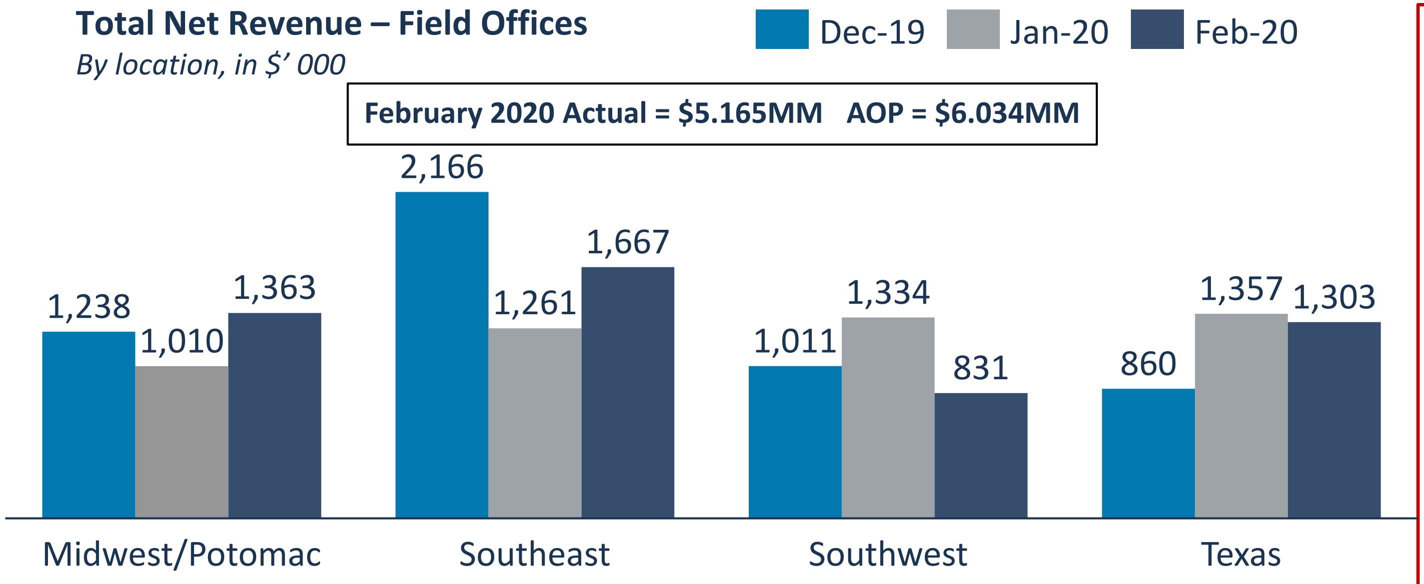
EBITDA

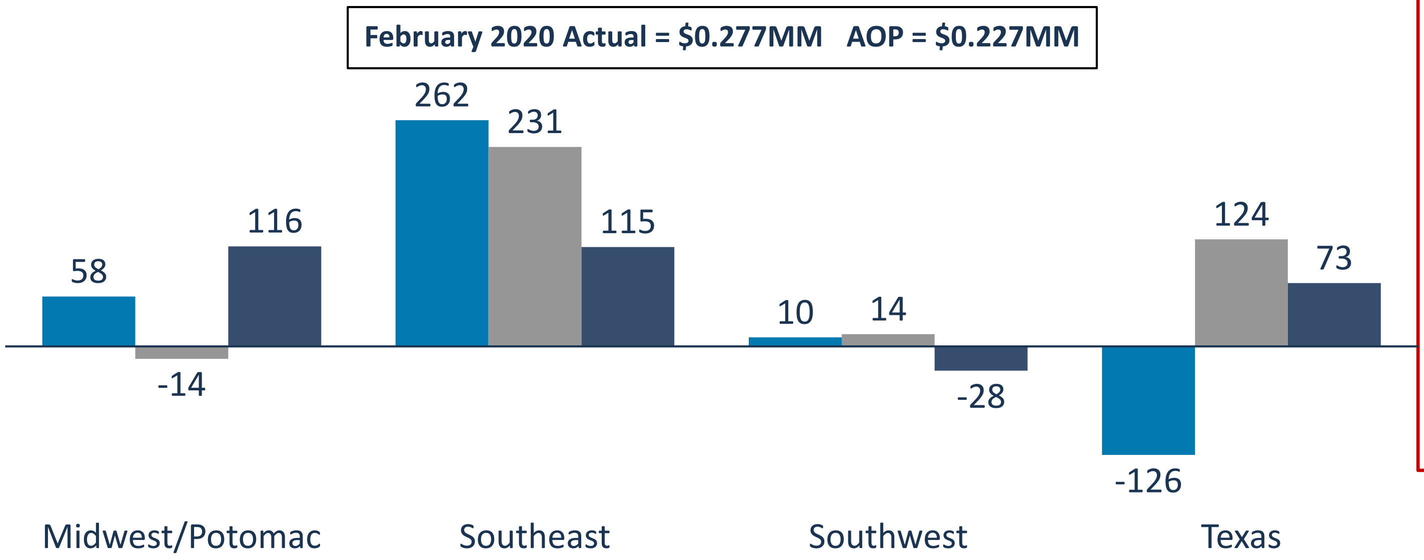
- ($89k) of Reported EBITDA vs. ($459k) Budgeted EBITDA
  - International = $55k vs ($23k) Budget
  - Domestic = ($144k) vs ($436k) Budget
- As adjusted add-backs, $564k of Adj. EBITDA vs. $188k Budget
  - International = $55k vs ($23k) Budget
  - Domestic = $509k vs $211k Budget

Hufcor Domestic Office Contribution Detail

Total Net Revenue – Field Offices

By location, in $' 000



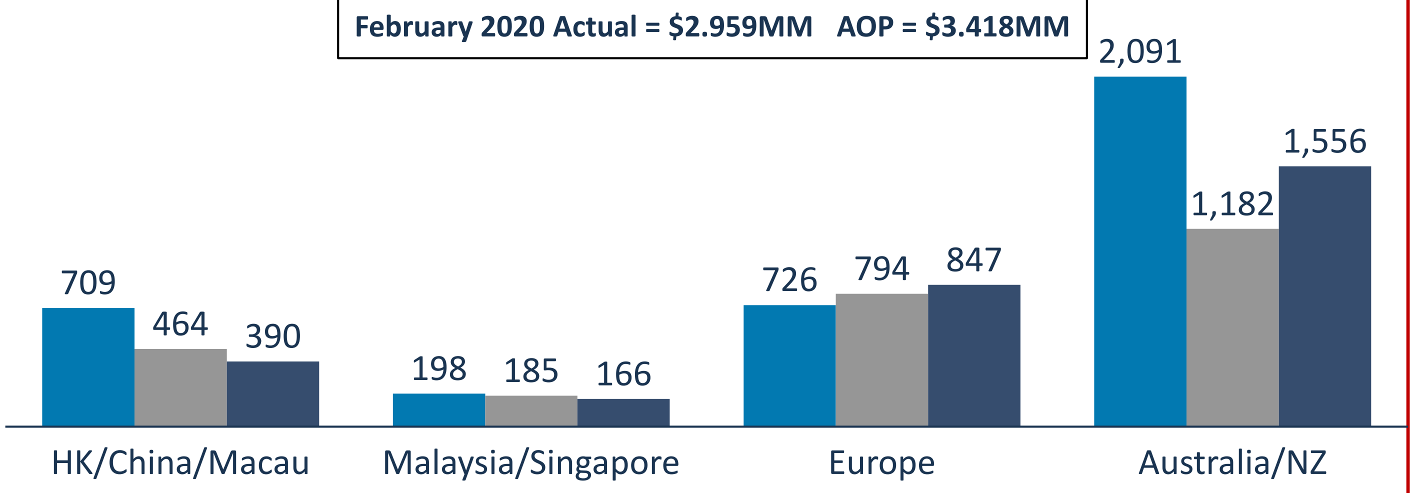


Management Discussion:

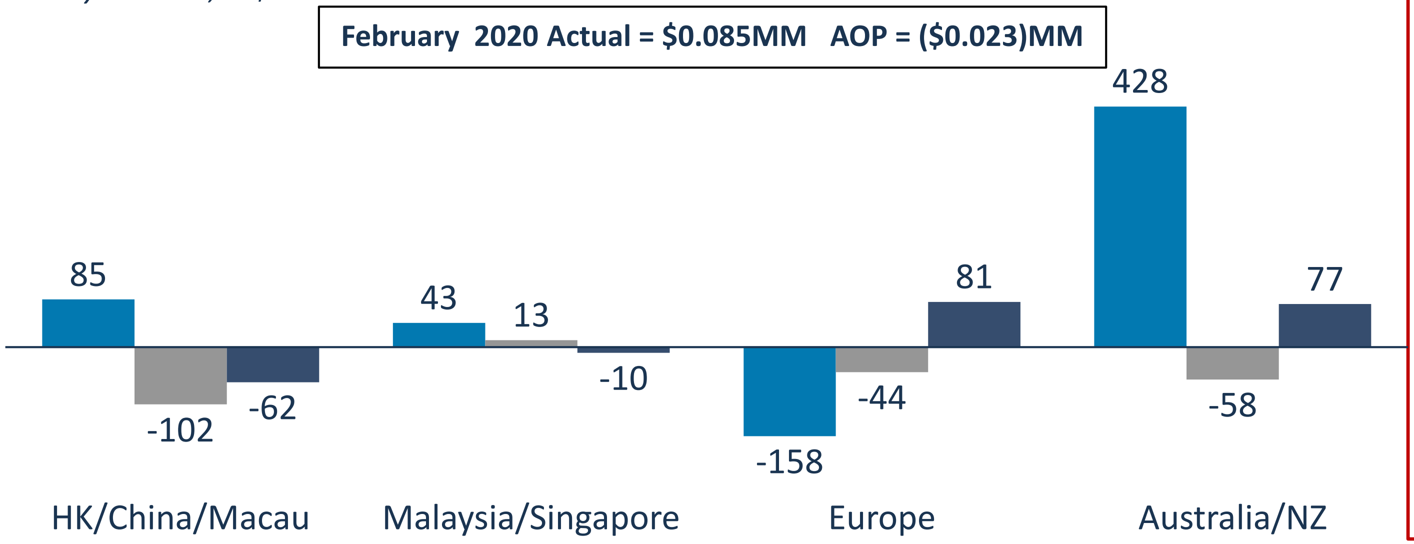
- February 2020 service center Revenue of $5.2 mm vs budget of $6.0 mm. EBITDA of $0.3 mm exceeded budget by just over $50K.
- Main contributing factor to the revenue miss was some new installation projects pushed out of Feb into future months. These jobs were backfilled by higher-margin service projects.
- MW exceeded EBITDA budget by $65k, despite challenges in Minnesota office. Backlog is stronger in March/April and projected offset losses.
- Texas exceeded budget for both revenue & EBITDA in Feb due to billing $40K ahead on one project. March is expected to be soft on revenue due to the Little Elm jobs getting pushed into future months.
- Southeast continuing a strong start through February as they beat revenue targets by $315K and EBITDA by $35k. March is expected to be lower than budget.
- Interviews in-progress for sales replacement in Chicago
- Preliminary budget has been prepared in preparation for the WI sales office after loss of JWC.

HUFCOR Hufcor International Office Contribution Detail

Total Net Revenue
By location, in $' 000



Total EBITDA
By location, in $'s 000



Management Discussion:

- February 2020 International divisions Revenue of $2.9 mm vs budget of $3.4 mm. ($0.5) mm of EBITDA in February, exceeding budget of approximately $0.1 mm.
- Pickup in EBITDA vs budget was driven by favorable material costs in Europe & favorable installation costs in Hong Kong.
- Revenue target in Hong Kong 20% below plan, impacted by Hong Kong jobs pushed out once again.
- China fell short on revenue targets, missing budget by $96K and was on EBITDA target for the month. Although there are improvements in China, the expectation is that there will be a significant impact in March and into Q2 with Coronavirus outbreak.
- Malaysia/Singapore: Revenue miss but hit target EBITDA from material % and labor % better then expected. With Malaysia being shut down for at least a 2-week period due to the Coronavirus, we expect an impact in March and into Q2.
- Australia: Below revenue plan ($300k below). Note that movement of New Zealand major projects drives decline vs prior months. Labor % elevated through OT worked due to vacations.
- Europe finished February at its revenue budget and exceeded EBITDA by better than expected material costs.

Covenant Compliance – Last Twelve Months

Covenant Analysis- JPMC and LBC Credit Partners												
$'000	Mar-19 Actual	Apr-19 Actual	May-19 Actual	Jun-19 Actual	Jul-19 Actual	Aug-19 Actual	Sep-19 Actual	Oct-19 Actual	Nov-19 Actual	Dec-19 Actual	Jan-20 Actual	Feb-20 Actual
Fixed Charge Coverage Ratio (JP Morgan Chase- Monthly and LBC Credit Partners- Quarterly)												
Net Income (Loss)	$ (749)	$ 37	$ (381)	$ 215	$ 634	$ 680	$ (3,773)	$ 351	$ (297)	$ (33)	$ (845)	$ (705)
Bank EBITDA Calculation:												
Interest Expense	358	349	371	365	373	355	396	342	310	342	327	326
Income and Franchise Tax Expense	19	36	88	36	146	85	99	94	75	87	(14)	23
Depreciation and Amortization Expense	495	569	507	507	510	510	240	239	240	332	257	279
Losses (Gains) from Dispositions	-	-	-	-	-	10	1	-	64	10	-	-
Management Agreement fees and expenses	-	250	-	-	-	250	-	250	-	-	250	-
Losses (Gains) from Discontinued Operations	-	-	-	-	-	-	-	17	17	117	-	-
Non-cash FX, transaction, translation losses (gains)	48	2	58	(44)	61	6	60	(65)	91	52	16	(12)
Severance costs, subject to ABL	-	-	-	423	-	-	732	-	(139)	-	-	-
Other non-cash charges or non-cash gains	-	-	-	-	-	-	-	-	-	120	-	-
Other non-recurring fees and expenses - Consultants	2	21	45	65	19	289	418	424	526	438	440	466
Other non-recurring fees and expenses - All Other	-	-	-	-	-	-	7	47	-	189	45	187
Non-recurring inventory write-offs < $320k in total	-	-	-	-	-	-	498	-	-	(178)	-	-
Non-recurring A/R write-offs < $1.3mm in total	753	-	-	(233)	-	-	1,737	(31)	(98)	(879)	-	-
Non-recurring warranty claim payments: Mystic Lake < 400k	-	-	-	-	-	-	75	-	-	-	-	-
Non-recurring warranty claim payments: Non- Mystic Lake < 625k	268	-	108	(92)	(421)	(37)	686	(2)	(59)	(147)	-	-
Less Extraordinary gains and non-cash income	-	-	-	-	-	-	-	-	-	(628)	-	-
Total non-recurring items	1,023	21	154	(260)	(402)	253	3,421	438	369	(577)	485	653
Bank EBITDA	$ 1,194	$ 1,264	$ 797	$ 1,242	$ 1,322	$ 2,150	$ 1,177	$ 1,667	$ 730	$ (178)	$ 476	$ 564
Less:												
Unfinanced CAPEX	175	250	117	125	289	91	134	132	46	80	16	14
Cash income and franchise taxes	19	36	88	36	146	85	99	94	75	87	(14)	23
Cash Monitoring fees (including expenses)	2	21	45	65	19	234	363	369	471	383	385	431
Numerator	$ 998	$ 957	$ 546	$ 1,016	$ 868	$ 1,739	$ 580	$ 1,071	$ 138	$ (728)	$ 89	$ 95
Fixed Charges:												
Cash Interest	311	349	371	365	373	301	343	289	256	288	272	271
Regularly scheduled principal payments	-	209	-	-	209	-	-	209	-	-	292	-
Capital Lease payments	3	-	-	-	-	-	-	-	-	-	-	-
Total Fixed Charges	$ 314	$ 558	$ 371	$ 365	$ 582	$ 301	$ 343	$ 497	$ 256	$ 288	$ 565	$ 271
TTM Numerator	5,873	7,311	8,252	6,574	7,356	7,999	7,545	8,035	7,860	7,145	7,246	7,369
TTM Fixed Charges	4,480	4,565	4,660	4,762	4,859	4,870	4,940	4,788	4,733	4,691	4,744	4,711
Fixed Charge Covenant Ratio	**1.31**	**1.60**	**1.77**	**1.38**	**1.51**	**1.64**	**1.53**	**1.68**	**1.66**	**1.52**	**1.53**	**1.56**
Required Fixed Charge Covenant Ratio										**1.15**		
Leverage Ratio (LBC Credit Partners- Quarterly)												
Total Debt for Leverage Calculation	$ 41,814	$ 41,771	$ 41,456	$ 42,743	$ 42,745	$ 41,174	$ 40,689	$ 40,241	$ 40,794	$ 37,702	$ 42,957	$ 40,116
TTM Bank EBITDA	$ 8,789	$ 10,278	$ 11,245	$ 9,674	$ 10,561	$ 11,483	$ 11,613	$ 12,061	$ 12,130	$ 11,854	$ 12,111	$ 12,403
Leverage Ratio	**4.76**	**4.06**	**3.69**	**4.42**	**4.05**	**3.59**	**3.50**	**3.34**	**3.36**	**3.18**	**3.55**	**3.23**
Required Leverage Ratio										**4.75**		

Management Discussion:

Covenant Compliance thru 2020

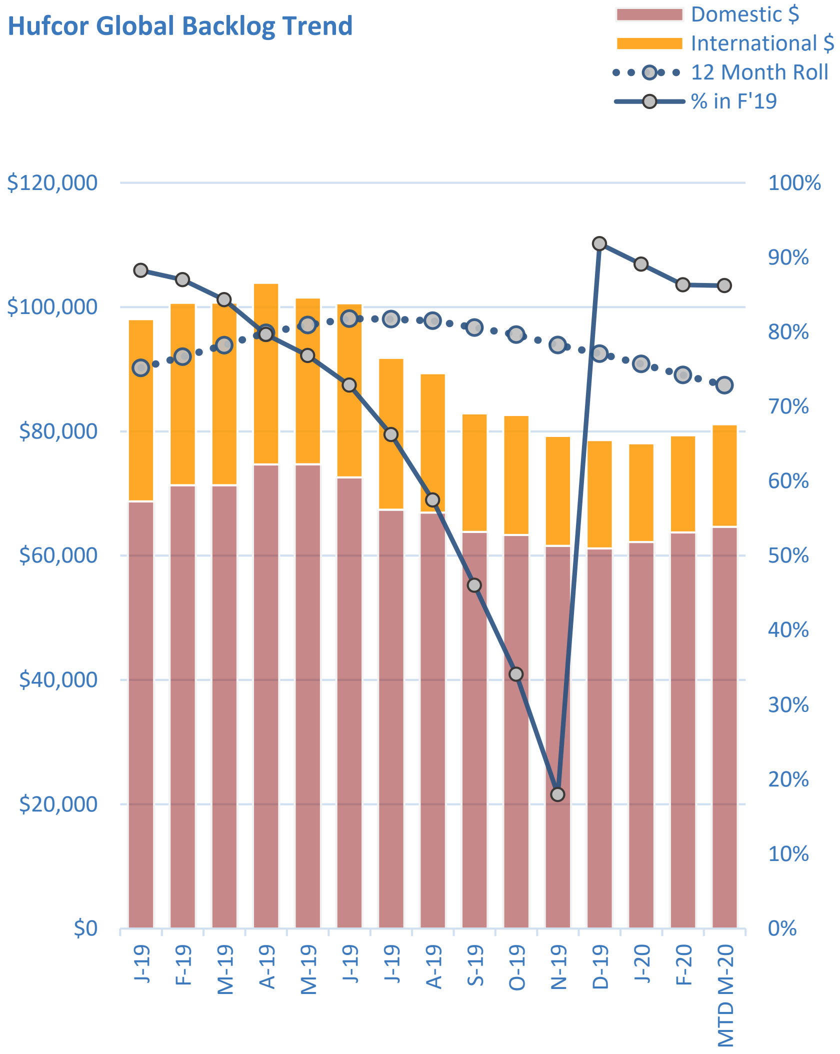
- Along with meeting production goals, other areas yielded better results than expected.
  - Successfully managed AP at every quarter end to maximize cash on hand & pay down revolver balance.
  - Other addbacks in historical periods were identified and entered.
- Current feedback that "extraordinary gain" in December '20 is ordinary and will need to be re-classed into prior periods, with final numbers completed until Q1 reporting.
- Leverage covenant accounts for 3rd party consultants as add-back.
- Fixed charge coverage ratio incorporates the cash consultant costs, in process of reviewing for accuracy.

HUFCOR Backlog

Overall, the 03/15/20 backlog increased by $1.8M from February 29, 2020 ($897K – Domestic, $887K – International).

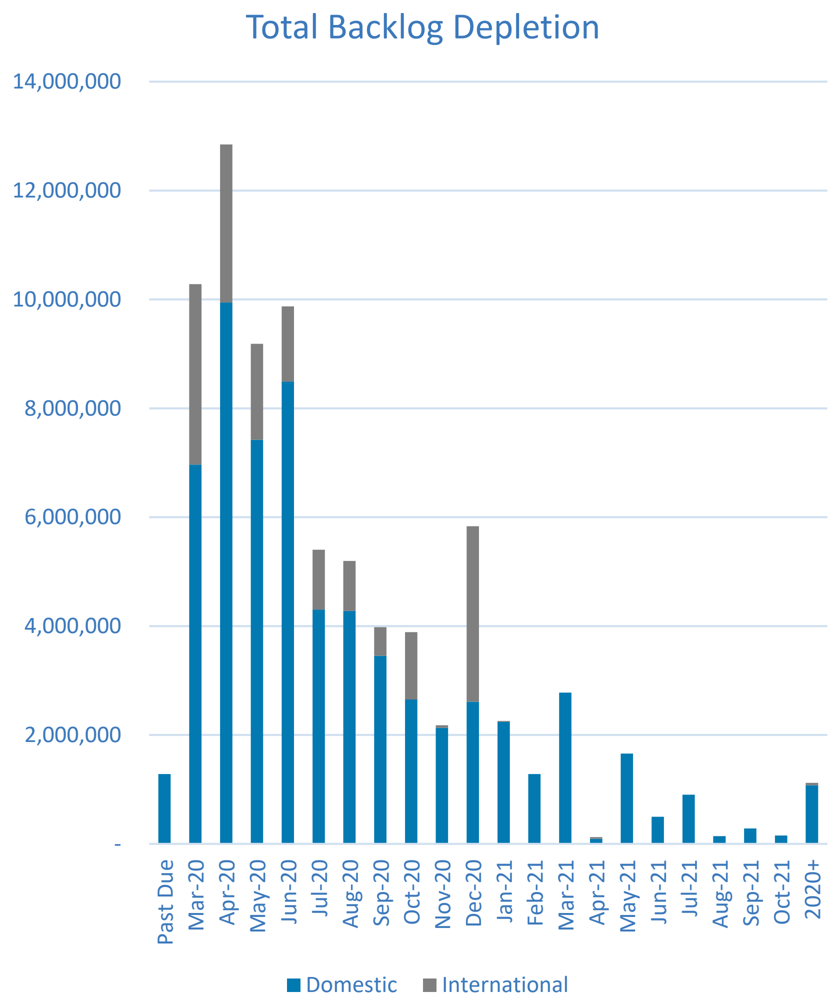
Historical backlog

Thousands USD; 3/15



Backlog roll-off

Millions USD; 3/15



Management Discussion:

There were four projects that contributed to this increase:

- Melbourne Park Redevelopment – Stage 3, Australia - $582K
- Waldorf Astoria Bonnet Creek Expansion, Southeast - $388K
- Carver Elementary Maplewood, Minnesota - $303K
- Live Casino Event CE, Janesville - $254K

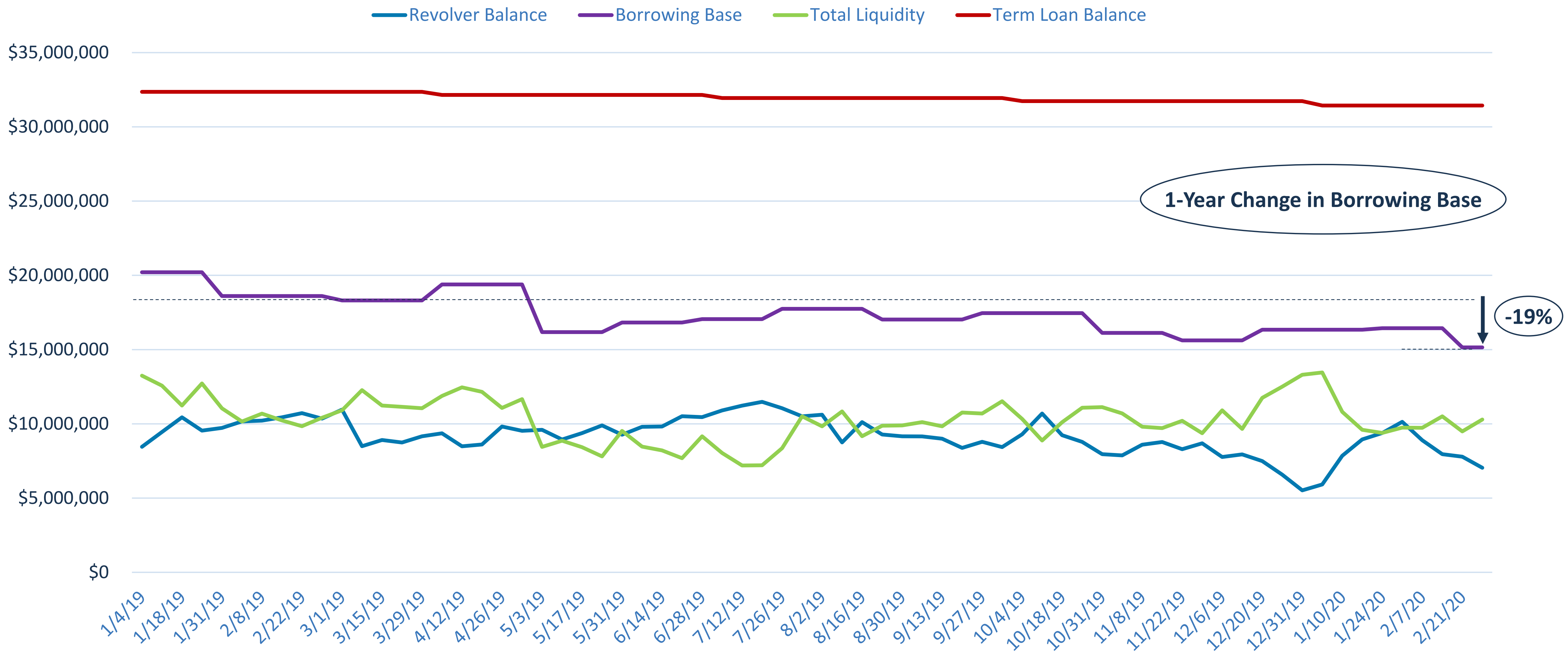
Other:

- Lead Times – excellent
- Quality is still number one priority for improvement to secure additional backlog.
- We are beginning to some signs that our major U.S. competitor may have capacity issues that may increase our opportunities for day-to-day business as well as consideration of major projects.
- Orders are light due to slow in securements at end of Q4 2019
- Rapid Ship Tenant Fit Out Program Launched
- COVID19 Situation (separate slide)

HUFCOR

Treasury & Liquidity

Total liquidity (availability + cash) recovered in December with more aggressive AP management at year end. Proposal on borrowing base calculations with JPM did not yield significant changes, so discussions on-going. Potential for new field audit to revalue inventory.

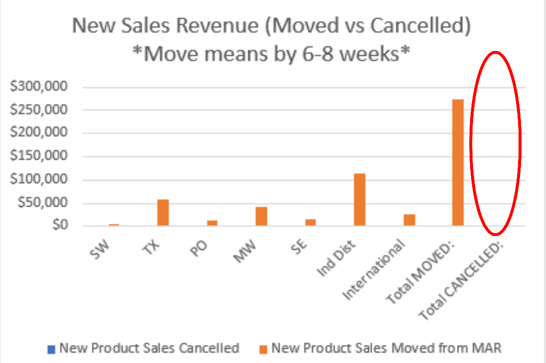


COVID-19 | Impact & Contingency Planning

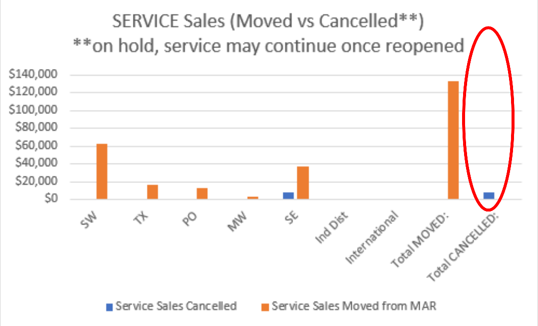
HUFCOR Hufcor COVID-19 Update: Commercial Summary

1. Current Commercial Outlook
   - Quoting continues to remain strong
   - Sales Impact: New Sales moving / Service Sales postponed / cancelled still may resume
     - **NO cancellations of new sales & Service only postponed thus far**
     - **New Sales moved = $273K; Service moved = $133K, Service Cancelled = $8K**
   - Daily communications occurring with customers to manage change due to State requirements. Customer must take finished goods and bill for material or pay for storage fees.
2. Multiple States have Executive Orders for "Shelter-in-Place"
   - All very inconsistent regarding clarity of what is "Essential Business"
   - Future State of new Executive Orders are unknown and change daily
   - Contractors (GCs) continue to claim "business as usual" but use CDC recommendations along with their COVID19 Construction Crisis Plan for daily operations, with exception of PA - B&C is considered non-essential unless for medical support.
   - WI Executive Order states that Contractor Trades and Manufacturing supporting construction is essential but must follow social distancing guidelines.
3. Hufcor Communication Initiatives with Customers week of 3/16/20
   - Customer Letter, Supplier Letter, Construction Crisis Plan
   - Updated Shipping Confirmation Process
   - Employee "Able to Work as Essential Business" Letter

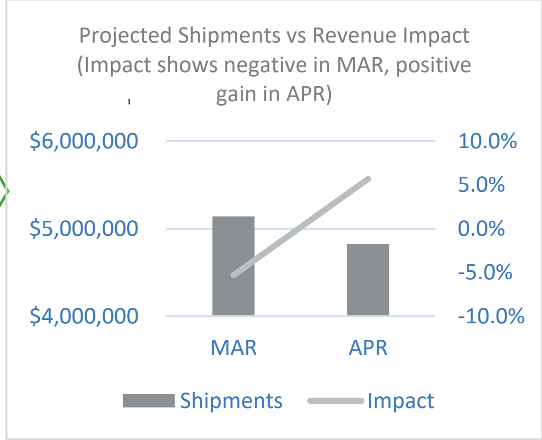
$0 Cancelled
$273K moved



$8K Cancelled
$133K moved



Current Movement
6-8 weeks out



HUFCOR Hufcor COVID-19 Update: Janesville Summary

PEOPLE

- **Split workforce** to minimize exposure and mass quarantine. There will be no overlap between teams.
  - 1st shift: Team A (30%) & Team B (30%)
  - 2nd shift: Team C (12%) & Team D (15%)
  - Layoff: Team E (12%)
- **Hiring freeze** in effect in Janesville
- **Staffing plan** in process for shutdown and lean production scenario

PRODUCTION

- **"Reactive" scheduling**
  - Goal: Ensure any product that gets built will be shipped, received, and paid for
  - Measures:
    - 2nd confirmation notification in place (FA Date minus 3 days) to preserve capacity and inventory
    - Daily production schedule and racking updates
    - Dynamic manpower model for efficient scaling up/down*
- **"New normal" capacity**
  - Recalibrate line capacities under new labor schedule

PROCESSES

- State of Wisconsin COVID-19 Compliance List
- Reactive scheduling (units & manpower)
- Daily Communication via ADP
- Essential vendors in building
- Engineering production support
- Area Responsible Cleaning
- Sanitation Plan
- Modified FOB access / Parking plan
- Building entry
- Building exit
- Intra-building guidelines
- **Daily / Weekly / Monthly Production Plan to inform sales projections and operating costs**

**Week of 3/23 : ~450 labor hours/day (Historical average ~1300 labor hours/day)*

Hufcor COVID-19 Update: Domestic Field Office Summary

1. Southwest Field Office
    - Considered essential company in the region
    - Las Vegas service hard his by hospitality shutdowns
    - Controlling hourly service tech costs
2. Midwest / Potomac Field Office
    - Considered essential company in the region
    - Low impact to delayed or canceled projects
    - Moving forward with business as usual
3. Southeast Field Office
    - Considered essential company in the region
    - Disney (Orlando) has shutdown which is slowing service revenue
    - Controlling hourly service tech cost and having them work on new install
4. Texas Field Office
    - State will not issue shelter in place. Leaving this up to the counties
    - Considered essential in counties and cities with shelter in place
    - Moving forward with business as usual

Hufcor COVID-19 Update: International Field Office Summary

- China / Hong Kong
  - Business is improving following weak sales in the first quarter (both Chinese New Year and COVID-19)
  - All China employees taking 1-day off a week (will first be vacation & then unpaid leave thereafter, and majority of employees used all of vacation up by end of February)
  - Hong Kong has instituted 1-week furloughs since 3/1/2020
- Malaysia
  - Government announced "extending movement control" order through April 14th
  - Inquiry rate has remained steady, and able to travel (with restrictions) but currently unable to ship product
  - We have 6-7 people working in the factory prepping material for future jobs (rotating people)
  - Working on A/R collections (and enlisting Janesville resources to assist) while stretching vendor payments as far as possible
  - 7 people on the shop floor left that will not be replaced
  - Government packages have not been geared toward businesses yet. 3rd package with business help to be announced EOM.
  - Concern that no coordinated effort in the region will result in different regions going in and out of lockdown

Hufcor COVID-19 Update: International Field Office Summary (continued)

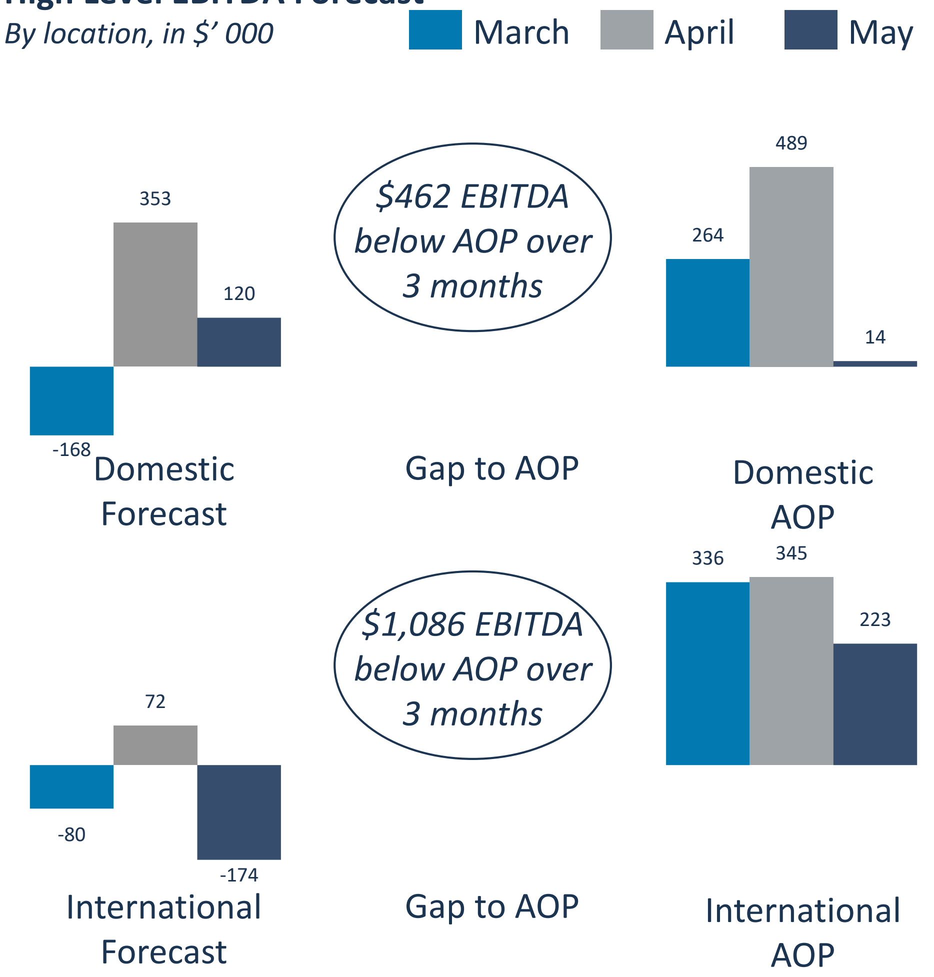
- Germany
    - Securements were light in the first quarter, but quoting was very active throughout
    - Have applied for short term allowance for employees subsidy (Kurzarbeitergeld) to use if necessary
    - Environment in Germany has slightly improved in the past few weeks, so not anticipating a “lock down” as of now
    - April production schedule is currently full (France asking for pickup after Easter, UK expected to be on hold)
- Australia / New Zealand
    - Government of New Zealand announced a complete shutdown for 30 days on 3/24/20
    - NZ Government paying for workers during this time,
    - We have some invoicing that we will still be doing for the region as we are working on a major project, so will still generate revenue
    - Australia has implemented a work from home policy
    - Concerns that Australia could follow NZ’s method
    - Believe it will be announced this weekend what the steps they will take
    - Currently construction is deemed essential in Australia in other regions

Hufcor COVID-19 Update: Financial Implications

1. Forecast for Next 3 Months
   - Largest variance vs AOP in International locations
     - International has aggressive AOP & largest impact from COVID
     - $450k of shortfall vs Aus/NZ AOP
     - $410k of shortfall vs China/Hong Kong AOP
   - Domestic forecast shortfall largest in Janesville, MW & SE
2. Cost Cuts Implemented week ending 3/20/20
   - $90k of weekly cost control Domestically
     - $50k in professional / consulting services
     - Remainder across direct labor, travel and supplies
   - $38k of weekly cost control Internationally
     - Primary cost control in Hong Kong/China thus far
     - Additional controls in Malaysia & Australia
3. Additional Cost Cuts Under Consideration
   - Labor savings / furloughs under review in all areas
   - Exercise completed for shutdown contingencies

High Level EBITDA Forecast

By location, in $' 000



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Forecasted 13-Week Cashflow

Net Operating Cashflow reflects the closure of the Malaysia through 4/14 & New Zealand for the month of April. Estimates also assume higher costs for self-insured medical claims and no other changes to projected outflows.

($'s in 000's)

Week #:	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Week Ending Friday:	20-Mar	27-Mar	3-Apr	10-Apr	17-Apr	24-Apr	1-May	8-May	15-May	22-May	29-May	5-Jun	12-Jun	19-Jun
13-WEEK CASHFLOW FORECAST	**ACTUAL**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Collections from Hufcor Entities	-	-	129	36	-	-	-	129	-	-	-	129	-	-
Collections from Non-Hufcor Entities	2,082	2,288	2,272	2,195	2,008	2,342	2,547	2,560	2,570	2,353	2,239	2,314	2,146	2,248
Royalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All other inflows	42	-	-	-	-	33	-	-	-	33	-	-	-	33
Total Operating Inflows	2,123	2,288	2,400	2,230	2,008	2,375	2,547	2,688	2,570	2,386	2,239	2,443	2,146	2,282
Materials - Disb. To Hufcor Entity	-	-	128	16	-	-	3	128	-	-	-	128	-	-
Materials - Disb. To Non-Hufcor Entity	894	746	1,164	849	830	766	1,112	879	952	835	1,010	998	849	838
Hourly / Salary Payroll	181	860	437	1,265	476	881	367	1,109	427	876	384	899	614	894
Commissions	-	131	6	22	-	126	6	22	-	124	20	22	-	66
Benefits	250	185	185	190	217	185	185	189	217	185	185	185	189	223
Building Rent	-	60	147	7	31	29	160	7	2	31	69	120	7	31
All Other	482	163	571	164	156	159	194	188	158	161	168	173	165	166
Total Operating Outflows	1,806	2,145	2,639	2,513	1,710	2,147	2,027	2,522	1,756	2,212	1,836	2,525	1,822	2,219
Weekly Net Operating Cashflow	**317**	**144**	**(239)**	**(283)**	**298**	**228**	**520**	**166**	**814**	**174**	**403**	**(82)**	**324**	**62**
Cumulative Net Operating Cashflow for next 13 Weeks		144	(95)	(378)	(80)	148	669	835	1,649	1,823	2,226	2,144	2,468	2,530
Interest Expense / Debt Service/Principal	-	1	1,103	1	1	1	35	-	-	-	-	35	-	-
Taxes	175	46	7	35	30	193	-	21	21	194	49	-	42	51
CapEx	-	-	43	18	-	-	-	-	43	-	-	-	-	29
All Non-Operating Outflows	3	-	5	5	9	5	5	5	5	5	5	5	5	5
Total Non-Operating Outflows	178	47	1,157	59	40	199	40	26	69	199	53	40	47	84
Weekly Net Operating Cashflow	**139**	**97**	**(1,396)**	**(342)**	**258**	**29**	**481**	**141**	**745**	**(25)**	**349**	**(121)**	**276**	**(22)**
Cumulative Net Operating Cashflow for next 13 Weeks		97	(1,299)	(1,640)	(1,382)	(1,353)	(872)	(732)	13	(11)	338	216	493	471

A Appendix

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Appendix: 2020 Financial Statements

BALANCE SHEET

	12/31/2019	1/31/2020	2/28/2020
	1M	1M	1M
Current Assets			
Cash and cash equivalents	$ 3,118	$ 3,335	$ 1,785
Short term investments	$ -	$ -	$ -
Accounts receivable, gross	$ 37,343	$ 35,051	$ 34,542
Accounts receivable, reserves	$ (3,256)	$ (3,275)	$ (3,333)
Accounts receivable, net	$ 34,086	$ 31,776	$ 31,209
Inventory, gross	$ 16,329	$ 16,396	$ 16,556
Inventory, reserves	$ (314)	$ (376)	$ (689)
Inventory, net	$ 16,015	$ 16,021	$ 15,868
Prepaid expenses and other current assets	$ 1,448	$ 1,593	$ 1,488
Current portion of deferred taxes	$ 5,281	$ 4,894	$ 4,869
Revenue in excess of billings	$ -	$ -	$ -
Other current assets	$ 546	$ 577	$ 464
Total Current Assets	**$ 60,494**	**$ 58,195**	**$ 55,682**
Non-Current Assets			
Property, plant & equipment, gross	$ 40,450	$ 42,446	$ 42,390
Accumulated depreciation	$ (24,382)	$ (24,907)	$ (25,025)
Property, plant & equipment, net	$ 16,068	$ 17,539	$ 17,365
Goodwill	$ -	$ -	$ -
Identifiable intangible assets, gross	$ 15,148	$ 15,133	$ 15,125
Accumulated amortization	$ (8,753)	$ (8,832)	$ (8,913)
Identifiable intangible assets, net	$ 6,395	$ 6,301	$ 6,212
Deferred financing cost	$ 1,745	$ 1,691	$ 1,636
Deferred tax asset	$ -	$ -	$ -
Other non-current assets	$ 1,156	$ 1,137	$ 1,111
Total Non-Current Assets	**$ 25,364**	**$ 26,669**	**$ 26,324**
Total Assets	**$ 85,858**	**$ 84,863**	**$ 82,006**
Current Liabilities			
Current portion of long-term debt	$ 1,349	$ 1,373	$ 1,373
Line of Credit	$ 5,658	$ 10,128	$ 7,333
Accounts payable	$ 11,879	$ 10,101	$ 11,396
Accrued liabilities	$ 12,420	$ 10,685	$ 10,524
Accrued compensation	$ 2,255	$ 1,578	$ 1,601
Income taxes payable	$ 632	$ 172	$ 156
Short-term unearned revenue	$ -	$ -	$ -
Other current liabilities	$ 3,493	$ 2,975	$ 2,928
Total Current Liabilities	**$ 37,685**	**$ 37,012**	**$ 35,311**
Long-term liabilities			
Long-term debt less current maturities	$ 30,728	$ 31,456	$ 31,411
Capital lease	$ -	$ -	$ -
Debt owing to OpenGate	$ -	$ -	$ -
Deferred income taxes	$ 31	$ 31	$ 30
Long-term unearned revenue	$ -	$ -	$ -
Deferred liabilities	$ -	$ -	$ -
Other non-current liabilities	$ 46	$ 44	$ 43
Total Long-Term Liabilities	**$ 30,805**	**$ 31,531**	**$ 31,484**
Total Liabilities	**$ 68,490**	**$ 68,543**	**$ 66,794**
Commitments and contingencies	$ -	$ -	$ -
Shareholders' Equity			
Common stock	$ -	$ -	$ -
Preferred stock	$ -	$ -	$ -
Capital in excess of stated value	$ 36,350	$ 36,350	$ 36,350
Retained earnings	$ (18,771)	$ (19,615)	$ (20,320)
Accumulated other comprehensive income	$ 523	$ 517	$ 522
Other equity transactions	$ (734)	$ (931)	$ (1,340)
Total Shareholders' Equity	**$ 17,368**	**$ 16,321**	**$ 15,212**
Total Liabilities and Shareholders' Equity	**$ 85,858**	**$ 84,863**	**$ 82,006**

CASHFLOW STATEMENT

	1/31/2020	2/28/2020
	1M	1M
Cash flow from operations		
Net Income (Loss)	$ (845)	$ (705)
Depreciation, amortization and other	$ 257	$ 279
Capitalized fees & expenses	$ 55	$ 55
Gain (loss) on sale of fixed assets	$ -	$ -
Non-cash interest expense	$ -	$ -
Non-cash dividends	$ -	$ -
Deferred income tax	$ (0)	$ (1)
Change in operating assets and liabilities:		
Accounts receivable	$ 2,279	$ 680
Inventory	$ (6)	$ 153
Prepaid expenses and other current assets	$ (142)	$ 96
Accounts payable	$ (1,786)	$ 1,203
Accrued expenses	$ (3,241)	$ (103)
Accrued income taxes	$ -	$ -
Other changes in operating assets and liabil	$ 271	$ 60
Other cash flow from operations	$ -	$ -
Total Cash Flow from Operations	**$ (3,158)**	**$ 1,717**
Cash flow from investing		
Additions to property, plant and equipment	$ (1,645)	$ (199)
Acquisitions of companies, net of cash acquir	$ -	$ -
Investment in intangibles	$ -	$ -
Earnout payments	$ -	$ -
Other cash flow from investing (goodwill)	$ -	$ -
Total Cash Flow from Investing	**$ (1,645)**	**$ (199)**
Cash flow from financing		
Proceeds from the issuance (repayment) of sh	$ 4,470	$ (2,795)
Proceeds from the issuance of debt	$ -	$ -
Repayment of debt	$ 753	$ (45)
Capital lease	$ -	$ -
Common stock issued (repurchased)	$ -	$ -
Common stock cash dividends paid	$ -	$ -
Preferred stock issued (repurchased)	$ -	$ -
Other cash flow from financing costs	$ (27)	$ 33
Total Cash Flow from Financing	**$ 5,195**	**$ (2,808)**
Effect of FX rates on cash and cash equivalents	**$ (176)**	**$ (260)**
Net change in cash	$ 217	$ (1,551)
Beginning cash	$ 3,118	$ 3,335
Change in cash	$ 217	$ (1,551)
Ending cash	**$ 3,335**	**$ 1,784**

Appendix: A/R & A/P Ageing

in $'000

AR Aging							
Days	**Sep-19**	**Oct-19**	**Nov-19**	**Dec-19**	**Jan-20**	**Feb-20**	**%**
0-30	$ 22,168	$ 20,757	$ 20,760	$ 16,408	$ 17,284	$ 18,025	*52.3%*
31-60	4,460	4,886	3,473	5,268	3,956	3,303	*9.6%*
61-90	2,430	2,752	3,627	3,159	2,707	1,900	*5.5%*
>90	10,375	10,944	11,331	12,001	11,232	11,236	*32.6%*
Total Gross AR	**$ 39,432**	**$ 39,340**	**$ 39,192**	**$ 36,836**	**$ 35,179**	**$ 34,464**	***100.0%***
Reserves	(4,238)	(4,257)	(4,171)	(3,256)	(3,275)	(3,333)	
Total Net AR	**$ 35,194**	**$ 35,083**	**$ 35,020**	**$ 33,579**	**$ 31,904**	**$ 31,131**	
Change in AR Reserve	(2,384)	(19)	85	915	(19)	(57)	
Actual Bad Debt P&L Charge	2,370	43	(51)	(211)	29	48	
LTM Bad Debt P&L Charge	**$ 3,335**	**$ 3,337**	**$ 3,244**	**$ 2,738**	**$ 2,645**	**$ 2,621**	

AP Aging							
Days	**Sep-19**	**Oct-19**	**Nov-19**	**Dec-19**	**Jan-20**	**Feb-20**	**%**
0-30	$ 9,621	$ 10,944	$ 10,185	$ 9,132	$ 8,534	$ 9,156	*72.1%*
31-60	1,119	1,569	1,011	1,696	789	522	*4.1%*
61-90	33	(161)	340	182	105	500	*3.9%*
>90	2,296	2,196	2,288	2,559	2,449	2,522	*19.9%*
Total	**$ 13,069**	**$ 14,548**	**$ 13,824**	**$ 13,569**	**$ 11,876**	**$ 12,700**	***100.0%***

Management Discussion:

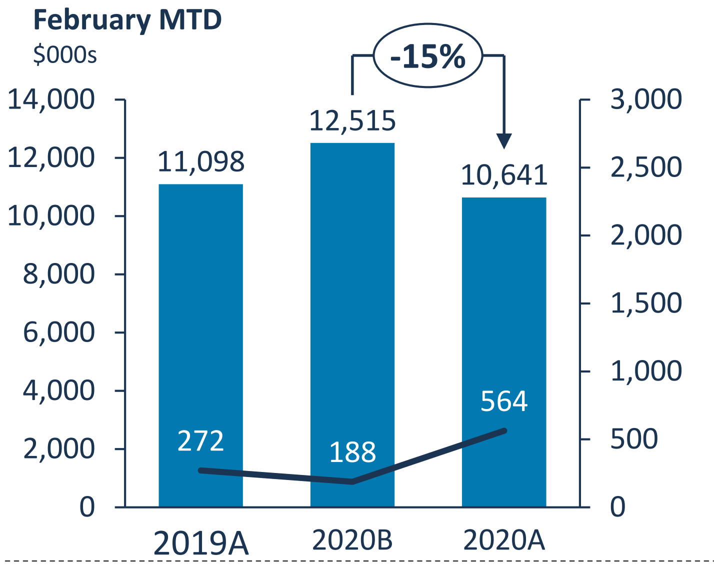
Accounts Receivable

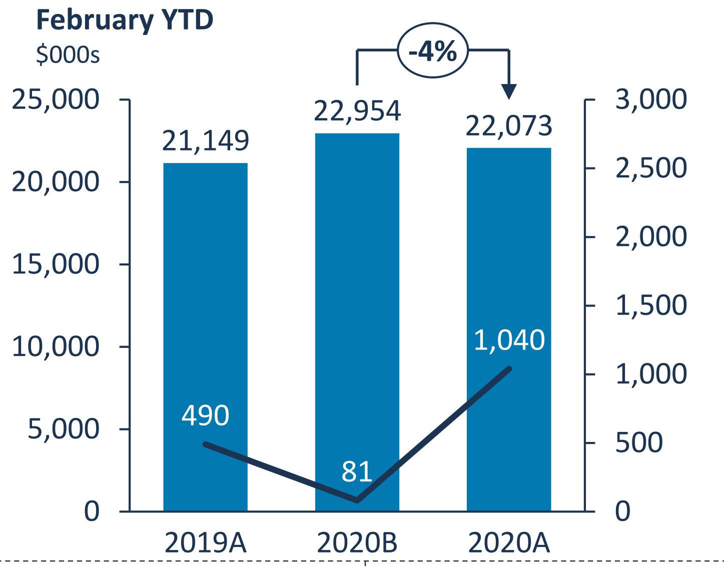
- Decrease in AR driven by increased focus on collections combined with lower sales in February
- Retainage listed at $5.1 mm
  - $3.3 mm of Domestic Retainage
  - $1.9 mm of International Retainage
- Reserves of $2.314 mm taken in September (of which $2.0 considered one-time)

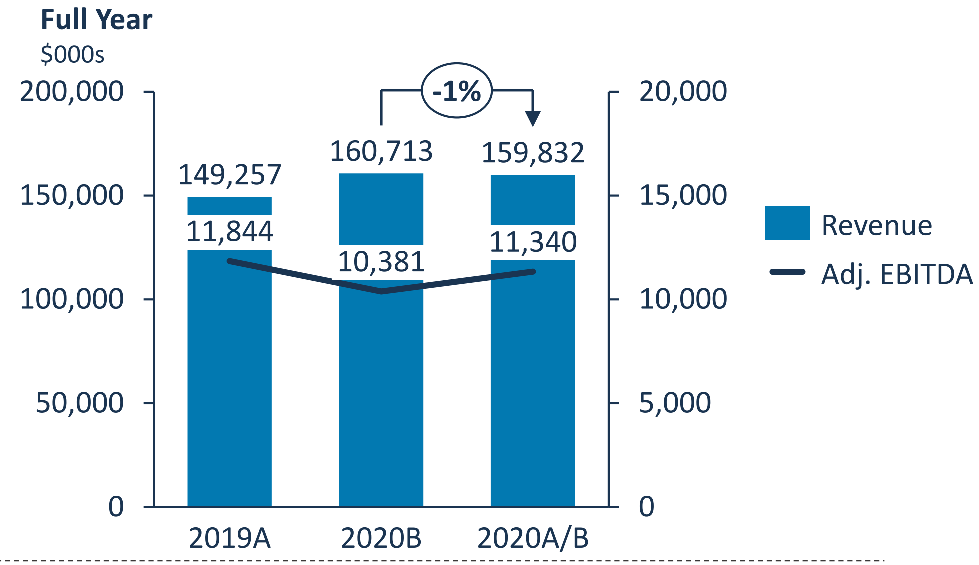
Accounts Payable

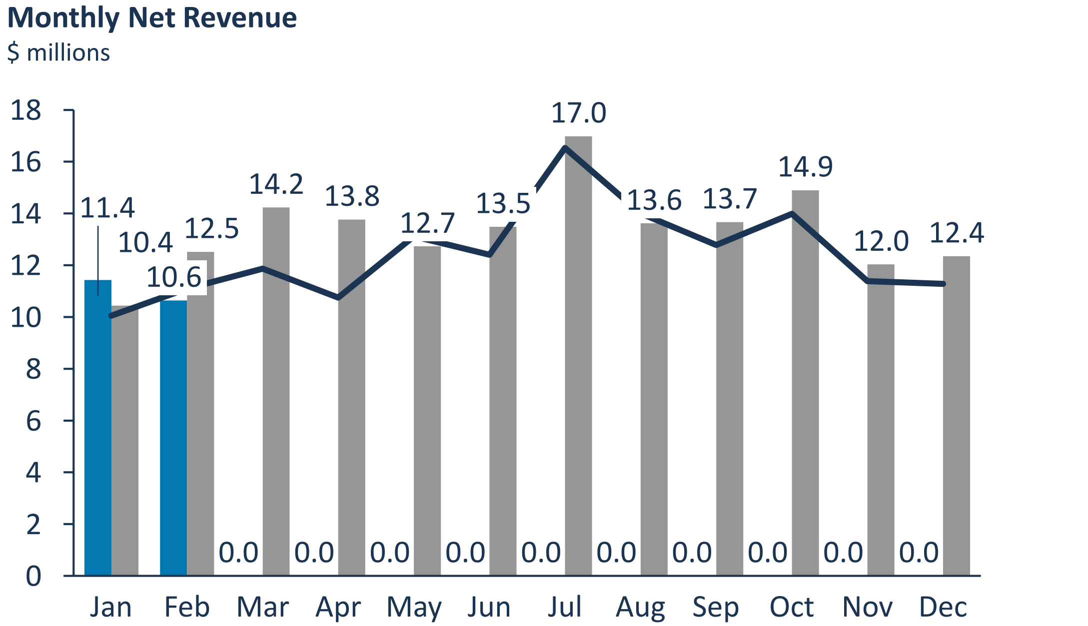
- AP Remains flat in 2020, expectations is that the balance in March will increase as we improve working capital.
- A/P > 90 consists of OpenGate management fees and other legal fees received late

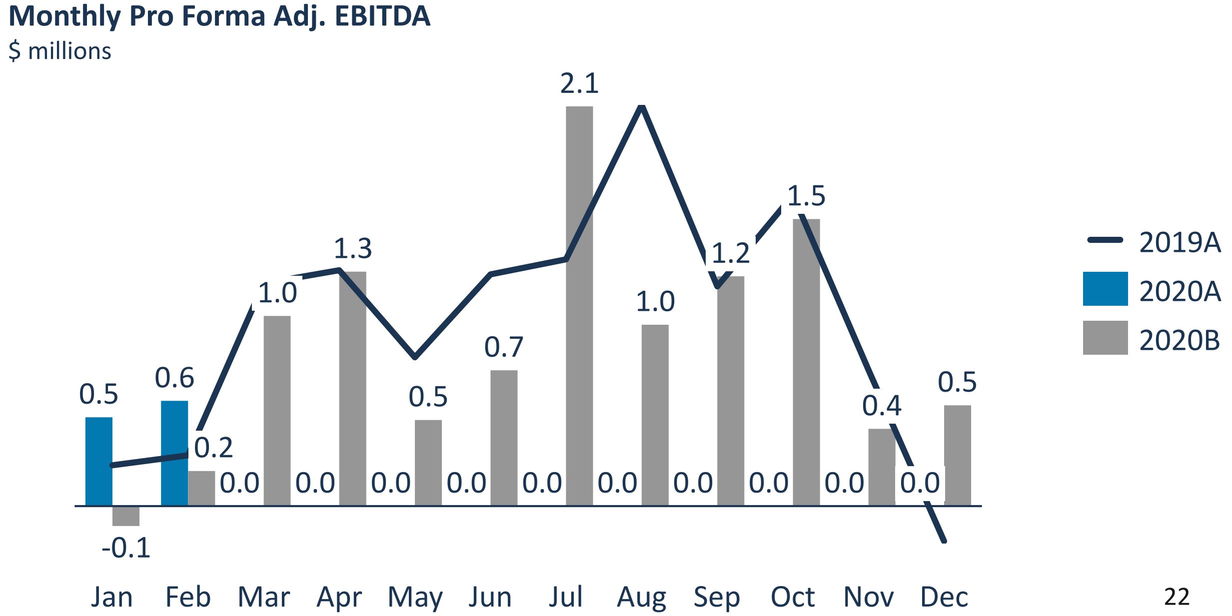
HUFCOR Monthly financial metrics





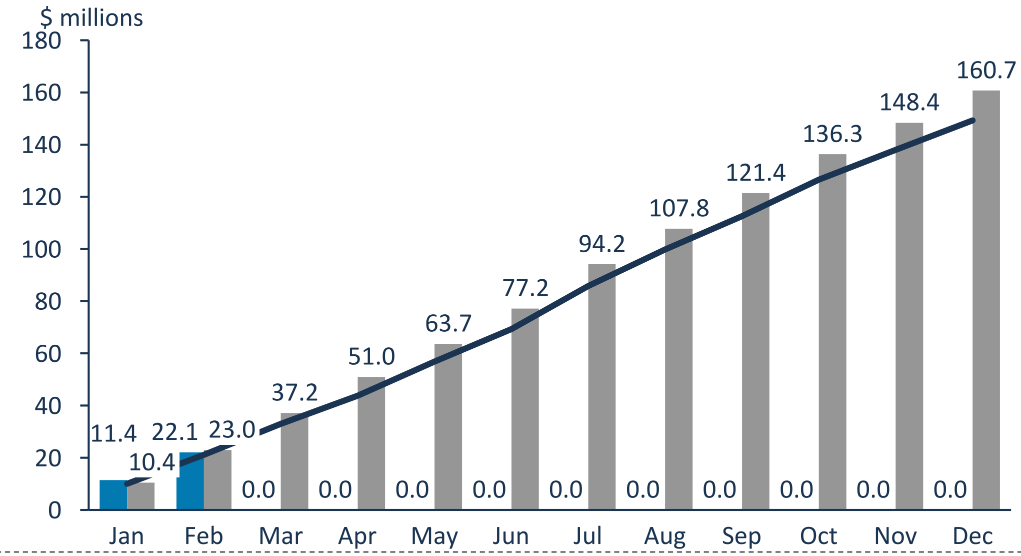






Monthly financial metrics

Monthly Net Revenue



Monthly Pro Forma Adj. EBITDA