

Hufcor, Inc. Monthly Operating Review

Month Ended October 31, 2019

November 22, 2019

Executive summary

- 1. Overall focus remains on executing the operational turnaround of Hufcor, with a focus on building the team, improving production capacity of the Janesville facility and preparing for increased commercial opportunities in 2020.
- 2. Reported backlog of \$82.6 mm is lower than prior months, but in line with current capacity and does not account for expectations for increased commercial opportunities once lead times are reduced (goal of Q2 2020).
- 3. Improved financial performance in October. Reported EBITDA \$1.2mm & Bank-Adjusted EBITDA of \$1.4mm for the month on \$14.0mm of revenue. October performance ahead of expectations, but Q4 forecast unchanged with tempered expectations for the rest of the year (holidays & planned Janesville production shutdowns for physical inventory / preventive maintenance).
- 4. Review of China/Malaysia facilities and teams indicate significant opportunity via a global manufacturing strategy, and commercial expansion in China.

Human Capital	Janesville Productivity	Commercial Initiatives
<p>Accelerate key hiring, and manage consulting/3rd party expenses</p> <ul style="list-style-type: none">• Hiring: 14 roles have been prioritized for hiring, with 4 roles filled and 4 in vetting process.• Consultants: Current consulting spend remains elevated, with plans to ramp down in December/January.	<p>Drive operational turn around to increase productivity and lower lead times</p> <ul style="list-style-type: none">• Commercial: Bookings has been soft in Q3, feedback from customers has indicated this is due to our quality and lead time performance.• Production: Planned addition of 603 line to create 80 units of capacity daily.	<p>Pivot to commercial growth in 2020 with operations stabilized</p> <ul style="list-style-type: none">• Targeted 8-week lead times in the US will open Hufcor to numerous opportunities where we are currently unable to bid.• Renewed focus on international growth through strategic re-alignment following senior executives’ travels abroad.

Janesville Labor Productivity & Capacity Improvement

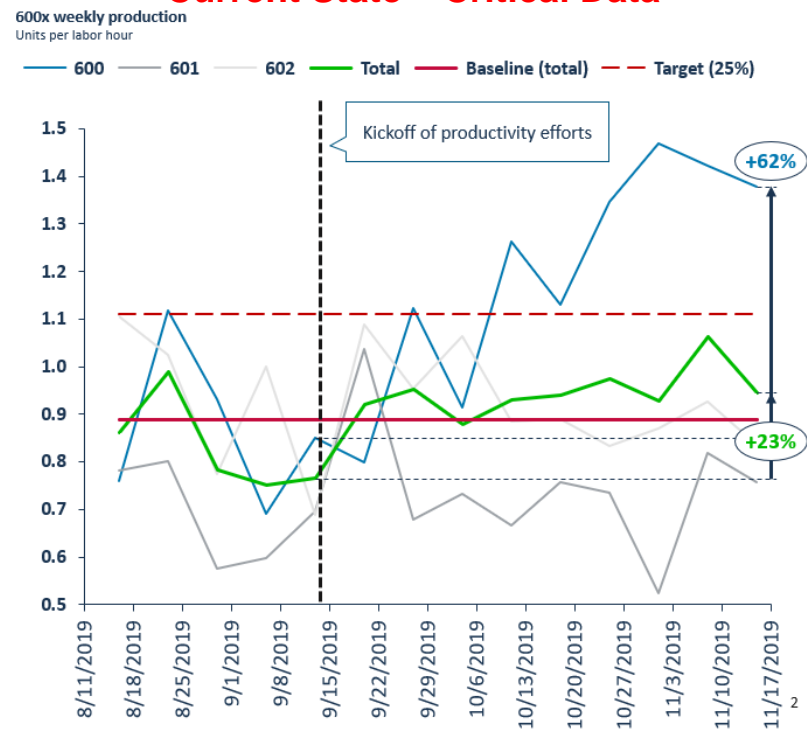
New “Secured to Ship” process has been main driver in improved production and shipping efficiency (+23% overall on panel lines); New 603 Line planned for mid-Jan and will deliver ~25% capacity and throughput improvement in JVL and allow for published 8-week lead times (market standard)

Objective:	Increase Janesville productivity via waste reduction (lean) and reduction in process variation (six sigma) while significantly increasing capacity to boost Hufcor’s market competitiveness		
Critical KPI:	Units per Labor Hour (Units/Hour)		
	Current: 0.89 (2018 avg)	Target: 1.11 (+25%)	Annualized Impact: \$1.5mm

Problem Statement – Current State

- Scheduling inefficiencies have been corrected but quality defects and employee turnover/absence still represent obstacles to max potential

Current State – Critical Data



Key Activities – Completed

- 1. Improve Scheduling Process**
 - New “Secured to Ship” process has been highly effective; next step is putting KPIs to it and assigning ownership
 - New S2S process includes various control points that will: (1) help provide earlier visibility to Purchasing for customized materials, (2) limit overproduction on the factory floor (specifically in the support areas), (3) facilitate easier loading of panels during the week, (4) prevent customer specification changes “late in the game”, and (5) allow for temporary storage of panels on-site if needed
- 2. Reduce Lead Times**
 - Since management transition, lead times have been reduced from 18 weeks to 12 weeks
 - Projecting 8 week lead times by end of Q1 for all panel types if 603 installation is complete and a 10% efficiency improvement for Loose Face panels is realized
- 3. Conduct Kaizen events in critical production areas**
 - Successful Kaizen event held at front of 600 Line which will decrease non-value added activity by over 50% and significantly improve the material requisition process for that workstation

Next Steps

- 1. Continue to Improve Productivity**
 - Future Kaizens and lean projects will reduce non-value added activity, facilitate better material and information flow to workstation, and incorporate in-line quality checks into select workstations; prioritized list in-process
- 2. Increase Production Capacity**
 - Installation of new 603 Line planned for mid-January; estimated 80-100 units/day at start; both Skinned and Loose Face capable
 - Second site potential is still being reviewed as Athens winds down (full withdrawal planned for December)
- 3. Hire a full-time VP, Domestic Operations**

Hufcor Team Hiring

Hiring has been prioritized to key operational roles and required G&A positions which are filled by 3rd party acting managers.

OVERALL SUMMARY

STATUS	#
Positions	14
Positions Filled	4
Offer Extended (Disposition Outstanding)	1
Offer Rejected	1
Vetting	4

HIGH PRIORITY STAFF REQUIREMENTS

STATUS	POSITION
Filled	HSE&F Director, 2 Janesville Supervisors & Office Admin
Offer Extended (Decision Pending)	Quality Manager
Late Stage Vetting	Corporate Controller
	Vice President Human Resources
	VP of Operations
	Product Design Engineer

1.0 | Financials – October 2019

October 2019 P&L: Reported

\$'000	MTD		Variance		PY MTD		Variance		YTD			PY YTD	
	Act	Bud	\$	%	Act	\$	%		Act	Bud	%	Act	%
Gross Revenue	\$ 13,988	\$ 10,898	\$ 3,090	28.4%	\$ 12,994	\$ 993	7.6%		\$ 126,981	\$ 121,318	4.7%	\$ 113,491	11.9%
Net Revenue	13,988	10,898	3,090	28.4%	12,994	993	7.6%		126,981	121,318	4.7%	113,491	11.9%
Material	4,474	3,617	857	23.7%	4,196	278	6.6%		45,433	42,499	6.9%	39,102	16.2%
Labor	3,993	3,322	671	20.2%	3,848	145	3.8%		37,439	34,804	7.6%	35,080	6.7%
Other COGS	1,378	955	422	44.2%	1,132	246	21.7%		11,986	9,841	21.8%	10,703	12.0%
Total COGS	9,845	7,895	1,950	24.7%	9,176	669	7.3%		94,858	87,144	8.9%	84,886	11.7%
Gross Margin	4,143	3,003	1,140	37.9%	3,818	325	8.5%		32,122	34,173	(6.0%)	28,605	12.3%
Gross Margin %	29.6%	27.6%			29.4%				25.3%	28.2%		25.2%	
R&D	—	—	—	N/A	—	—	N/A		—	—	N/A	—	N/A
Sales & Marketing	1,315	1,267	48	3.8%	1,384	(69)	(5.0%)		11,783	12,668	(7.0%)	12,338	(4.5%)
Administrative	1,672	995	677	68.1%	1,228	444	36.2%		14,682	9,949	47.6%	11,043	33.0%
Other Opex	(16)	(3)	(12)	360.6%	(12)	(3)	27.6%		(302)	(34)	776.6%	(231)	30.5%
Total Opex	2,972	2,258	713	31.6%	2,600	372	14.3%		26,163	22,583	15.9%	23,149	13.0%
EBITDA	1,171	745	426	(57.2%)	1,218	(47)	(3.9%)		5,960	11,591	48.6%	5,455	9.2%
EBITDA %	8.4%	6.8%			9.4%				4.7%	9.6%		4.8%	
Net Income (Loss)	\$ 311	\$ (137)	\$ 448	326.8%	\$ (97)	\$ 408	420.9%		\$ (5,015)	\$ 1,621	409.4%	\$ (5,262)	4.7%
Capex	\$ 373	\$ —	\$ 373		\$ 323	\$ 50			\$ 4,123	\$ —		\$ 1,051	292.2%

\$'000	MTD		Variance		PY MTD		Variance		YTD			PY YTD	
	Act	Bud	\$	%	Act	\$	%		Act	Bud	%	Act	%
Opex Overview:													
Payroll	\$ 1,126	\$ 1,194	\$ (68)	(5.7%)	\$ 1,220	\$ (94)	(7.7%)		\$ 10,459	\$ 11,941	(12.4%)	\$ 11,937	(12.4%)
Benefits	294	250	44	17.4%	219	75	34.5%		1,844	2,503	(26.3%)	2,399	(23.2%)
Bonus	31	112	(81)	(72.0%)	99	(68)	(68.4%)		963	1,119	(13.9%)	167	475.0%
Marketing	65	28	37	134.0%	118	(53)	(44.8%)		333	279	19.6%	523	(36.3%)
Commissions	210	191	19	9.9%	165	45	27.5%		1,849	1,910	(3.2%)	1,555	18.9%
Travel and Entertainment	180	87	93	107.8%	144	35	24.6%		1,042	866	20.3%	1,059	(1.6%)
Rent and Facilities	72	65	7	10.6%	66	6	9.0%		701	649	8.1%	656	7.0%
Insurance	59	32	27	86.1%	31	28	91.5%		427	317	34.7%	299	42.7%
Professional Fees	56	69	(13)	(18.3%)	89	(33)	(36.6%)		863	691	24.9%	1,033	(16.4%)
Utl., Repair, Maint., & Sec.	36	34	1	3.8%	30	6	21.0%		354	344	2.8%	354	(0.1%)
Office Expenses	13	6	7	119.6%	6	6	100.3%		66	59	12.1%	61	8.3%
IT	18	48	(29)	(61.7%)	54	(36)	(66.3%)		576	475	21.3%	519	11.0%
Bad Debts	43	12	32	264.2%	42	2	4.5%		3,000	119	2415.5%	3	96362.3%
Supplies	17	18	(1)	(4.4%)	25	(8)	(31.8%)		170	175	(2.8%)	217	(21.6%)
FX	—	—	—	N/A	—	—	N/A		—	—	N/A	—	N/A
Other Expenses	751	114	637	561.0%	293	458	156.4%		3,516	1,136	209.6%	2,366	48.6%
Total Opex	\$ 2,972	\$ 2,258	\$ 713	31.6%	\$ 2,600	\$ 372	14.3%		\$ 26,163	\$ 22,583	15.9%	\$ 23,149	13.0%

Management Discussion:

Revenue

- In line with expectations given increased billings for Degler-Whiting, JWC Building, Partition Systems & Crawford Door Sales in the US.

Gross Margin

- MTD Gross Margin back in line after large inventory and warranty reserves taken in September.

OPEX

- Improvement vs prior month due to large reserves reversed in September. Opex burdened by \$197k of allowable add-backs (excess travel, consultants & cost of JPM field audit).

EBITDA

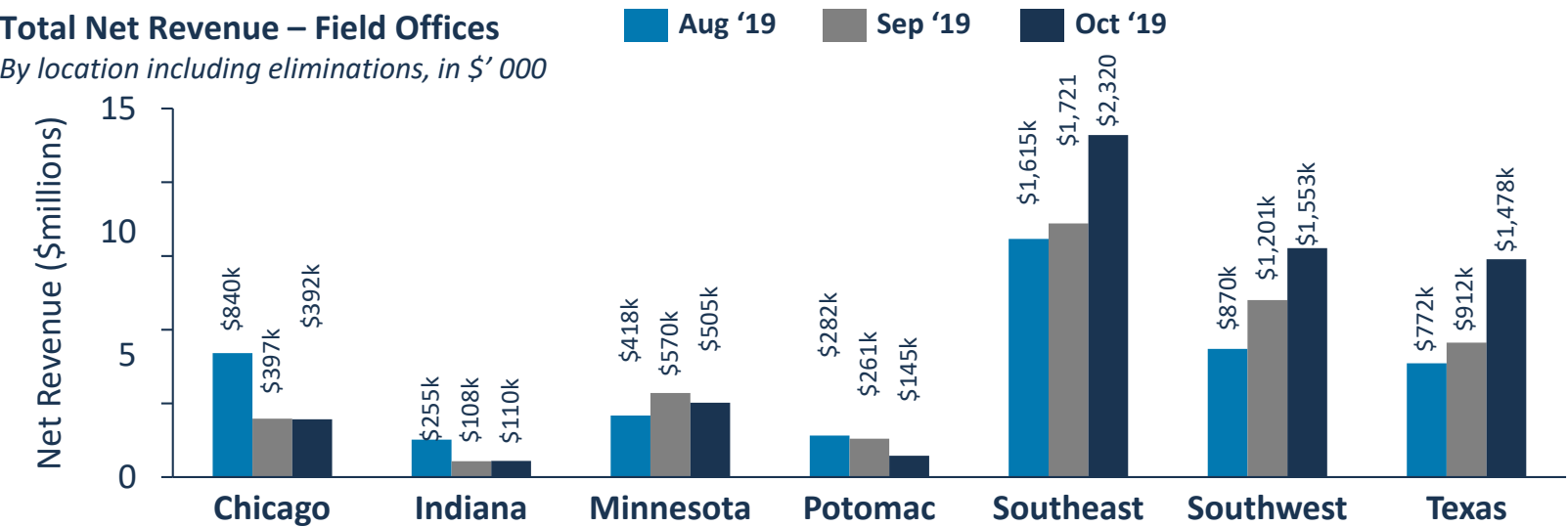
- International = \$0.4 mm & Domestic = \$0.8 mm.
- As adjusted for one-time expenses, International = \$0.4 mm & Domestic = \$1.0 mm.

Hufcor Field Office Contribution Detail – Last 3 Month Comparison

Overall field office revenue

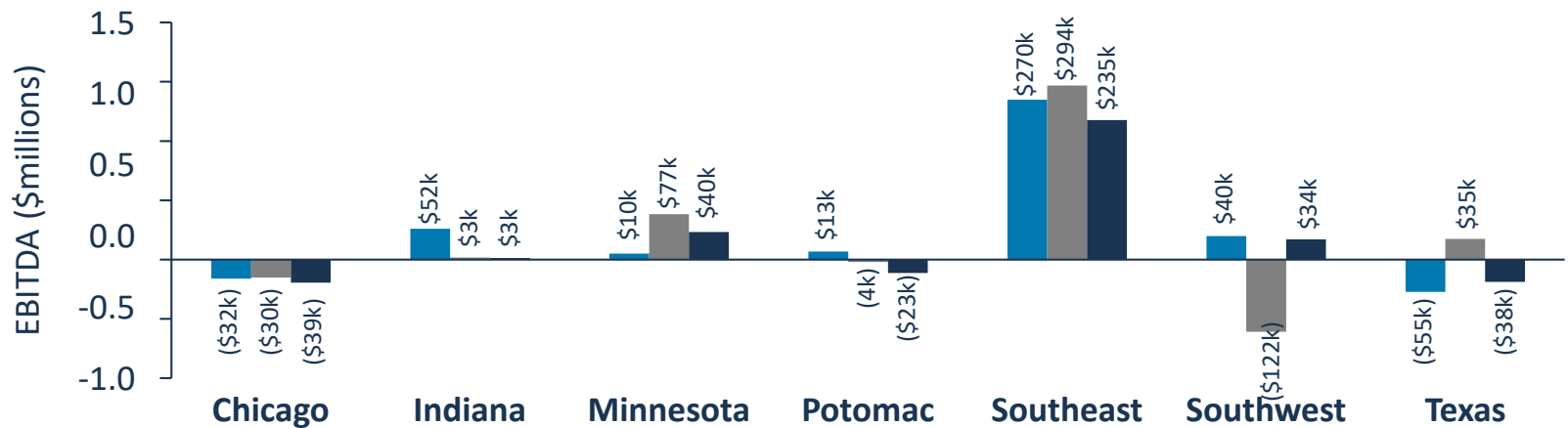
Total Net Revenue – Field Offices

By location including eliminations, in \$' 000



Total EBITDA – Field Offices

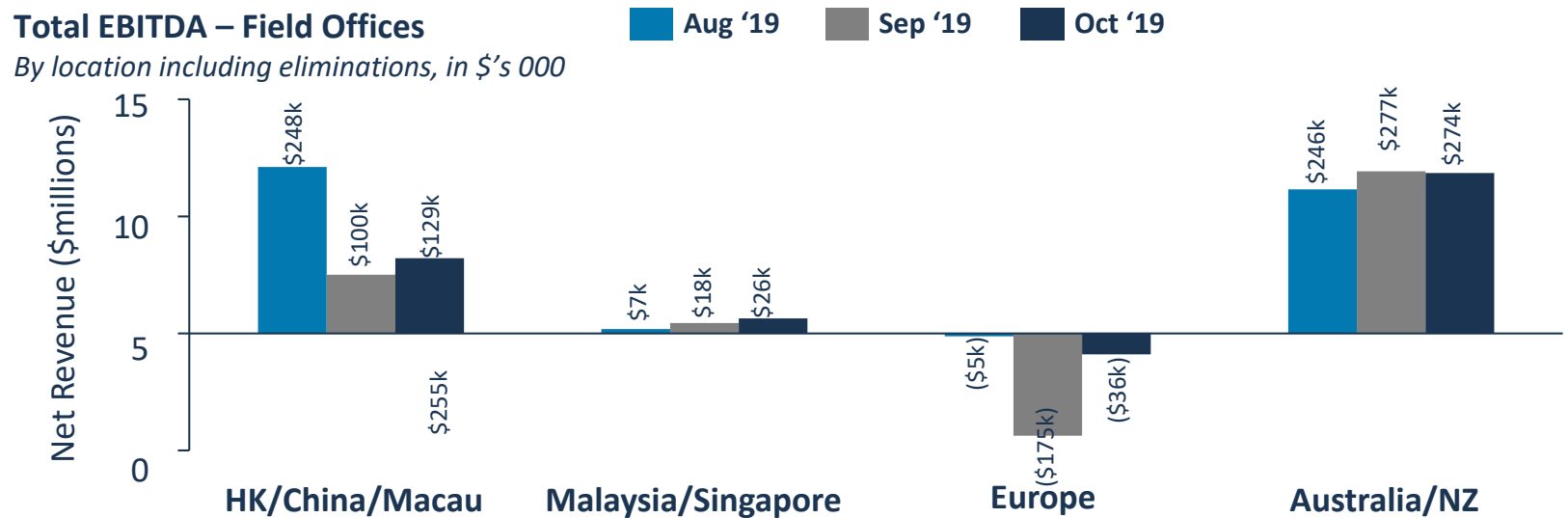
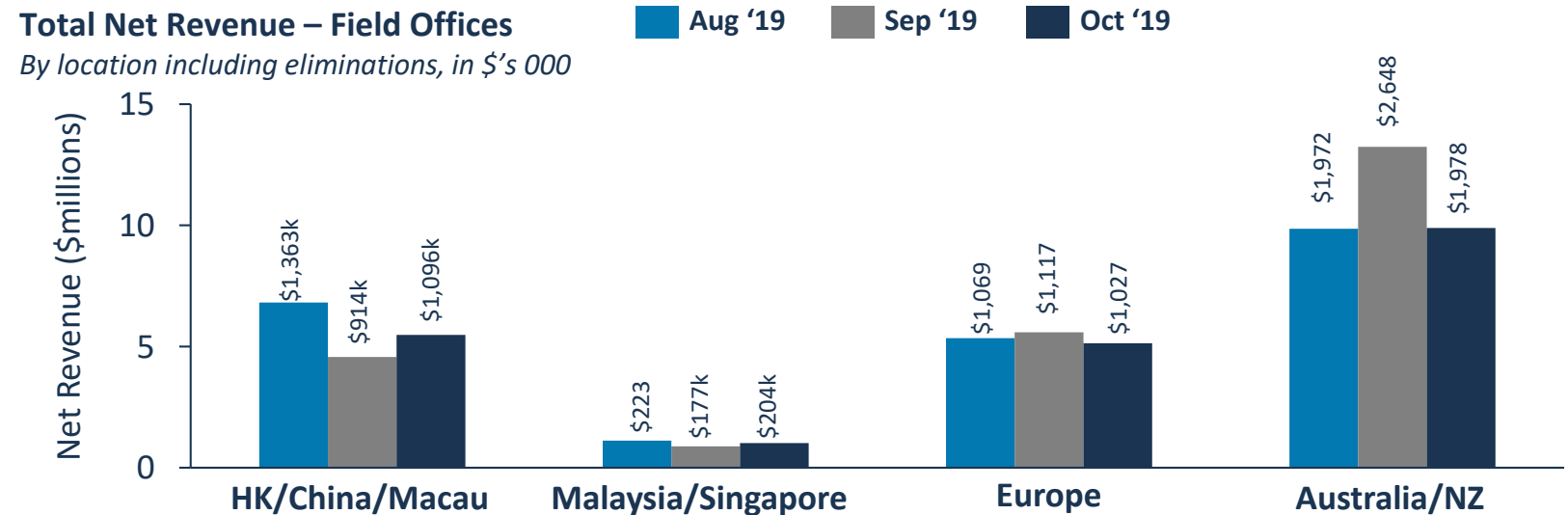
By location including eliminations, in \$'s 000



- October 2019 service center revenue of \$6.5mm, up 26% from \$5.5mm in September and up 29% from \$5.1mm in August.
- \$0.2mm of EBITDA in October, down from \$0.3mm in each of prior months.
- Implemented plan to hire salesman & drive margin increase in MW based on pricing & product mix. Expect financial impact in a few months.
- SW still tracking to goal of ending with breakeven EBITDA. Improving backlog & new salesmen are beginning to make impact.
- Texas has a lot of new employees that started in last 6 months. New GM has only been in position for 3 months.
- Texas had projects pushed out by Janesville, but starting to ship. Still cleaning up past issues and 1 project estimated incorrectly, resulting in margin erosion. Goal is still to get YTD to breakeven EBITDA.
- SE continues to drive high margin and EBITDA for the group.

Hufcor International Office Contribution Detail – Last 3 Month Comparison

Overall field office revenue



- October 2019 international revenue declined 11% to \$4.3mm.
- EBITDA improved from \$0.2mm in September to \$0.4mm in October (driven by 1-time write-off of French distributor in September).
- New VP of International, Clint Morgan, engaged and working to realign groups and improve communication among all groups.
- HK projects delayed due to recent civil unrest – GDP in HK declined in Q2 and Q3 – and other projects (Macau Athletic Training Center, Hong Kong Science Park) have incurred higher COS due to sub-contracting.
- Malaysia/Singapore working for recovery by updating product portfolio to meet market specs.
- Europe performing in line with expectations given pricing changes. Leadership team under review.
- Continued strong performance in Australia / NZ driven by large projects. Capacity currently booked out until March 2020 and considering supplementing through excess Malaysian capacity.

Covenants Projections

Covenant Analysis- JPMC and LBC Credit Partners													
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	2019
\$'000	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	FCST	FCST	
Fixed Charge Coverage Ratio (JP Morgan Chase- Monthly and LBC Credit Partners- Quarterly)													
Net Income (Loss)	\$ (961)	\$ (647)	\$ 119	\$ 37	\$ (231)	\$ 197	\$ 510	\$ 680	\$ (5,031)	\$ 311	\$ 294	\$ 56	\$ (4,665)
Bank EBITDA Calculation:													
Interest and amortization	344	347	358	349	371	365	373	355	396	342	342	338	4,281
Taxes	(7)	43	19	36	88	36	146	85	99	94	232	253	1,124
Depreciation and amortization	494	495	495	569	507	507	510	510	240	239	249	249	5,063
Monitoring fees (including expenses)	250	18	-	250	-	-	-	250	-	250	-	-	1,018
Gain/loss on disposition of assets	-	-	-	-	-	-	-	10	1	-	-	-	11
Contingent Purchase Price Obligation Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Losses (Gains) from Discontinued Operations	-	-	-	-	-	-	-	-	-	17	17	17	51
FX gain/loss	(6)	16	48	2	58	(44)	61	(4)	60	(65)	-	-	126
Severance	-	-	-	-	-	423	-	-	652	-	-	-	1,075
Extraordinary charges	-	-	-	-	-	-	-	-	-	197	-	-	197
Other non-cash charges or non-cash gains	-	-	51	-	-	-	-	-	-	-	-	-	51
Other non-recurring fees and expenses < \$6.5mm in total	-	-	-	-	-	-	-	-	491	-	-	-	491
Non-recurring items:													
Inventory write-offs < \$320k in total	-	-	-	-	-	-	-	-	320	-	-	-	320
A/R write-offs < \$1.3mm in total	64	127	98	78	81	84	25	28	714	-	-	-	1,300
Warranty claim payments: Mystic Lake < 400k	-	-	-	-	-	-	-	-	75	-	-	-	75
Warranty claim payments: Non- Mystic Lake < 625k	-	-	-	-	-	-	-	-	561	-	-	-	561
Total non-recurring items	64	127	98	78	81	84	25	28	1,670	-	-	-	2,256
Bank EBITDA	\$ 178	\$ 399	\$ 1,189	\$ 1,321	\$ 874	\$ 1,568	\$ 1,625	\$ 1,915	\$ (1,420)	\$ 1,386	\$ 1,133	\$ 912	\$ 11,079
Less:													
Unfinanced CAPEX	238	256	175	250	117	125	289	91	134	132	50	50	1,908
Cash income and franchise taxes	(7)	43	19	36	88	36	146	85	99	94	232	253	1,124
Cash Monitoring fees (including expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Numerator	\$ (52)	\$ 100	\$ 994	\$ 1,035	\$ 668	\$ 1,407	\$ 1,190	\$ 1,738	\$ (1,654)	\$ 1,160	\$ 851	\$ 610	\$ 8,047
Fixed Charges:													
Cash Interest	300	301	311	349	371	365	373	301	343	289	292	288	3,882
Regularly scheduled principal payments	209	-	-	209	-	-	209	-	-	209	-	-	836
Capital Lease payments	3	3	3	-	-	-	-	-	-	-	-	-	9
Total Fixed Charges	\$ 512	\$ 304	\$ 314	\$ 558	\$ 371	\$ 365	\$ 582	\$ 301	\$ 343	\$ 498	\$ 292	\$ 288	\$ 4,727
TTM Numerator	4,397	5,197	5,955	7,472	8,536	7,249	8,353	8,996	6,307	6,885	7,424	8,047	8,047
TTM Fixed Charges	4,410	4,464	4,480	4,565	4,660	4,762	4,859	4,870	4,940	4,788	4,770	4,727	4,727
Fixed Charge Covenant Ratio	1.00	1.16	1.33	1.64	1.83	1.52	1.72	1.85	1.28	1.44	1.56	1.70	1.70
Required	1.00 x			1.00 x			1.00 x			1.15 x			
Leverage Ratio (LBC Credit Partners- Quarterly)													
Total Debt for Leverage Calculation	\$ 42,975	\$ 43,739	\$ 41,814	\$ 41,771	\$ 41,456	\$ 42,744	\$ 42,745	\$ 41,174	\$ 40,689	\$ 40,241	\$ 40,241	\$ 40,241	\$ 40,241
TTM Bank EBITDA	\$ 7,009	\$ 7,986	\$ 8,871	\$ 10,417	\$ 11,461	\$ 10,216	\$ 11,406	\$ 12,093	\$ 9,625	\$ 9,793	\$ 10,264	\$ 11,079	\$ 11,079
Leverage Ratio	6.13	5.48	4.71	4.01	3.62	4.18	3.75	3.40	4.23	4.11	3.92	3.63	3.63
Required	*NR			*NR			*NR			4.75 x			

Management Discussion:

Path to Covenant Compliance

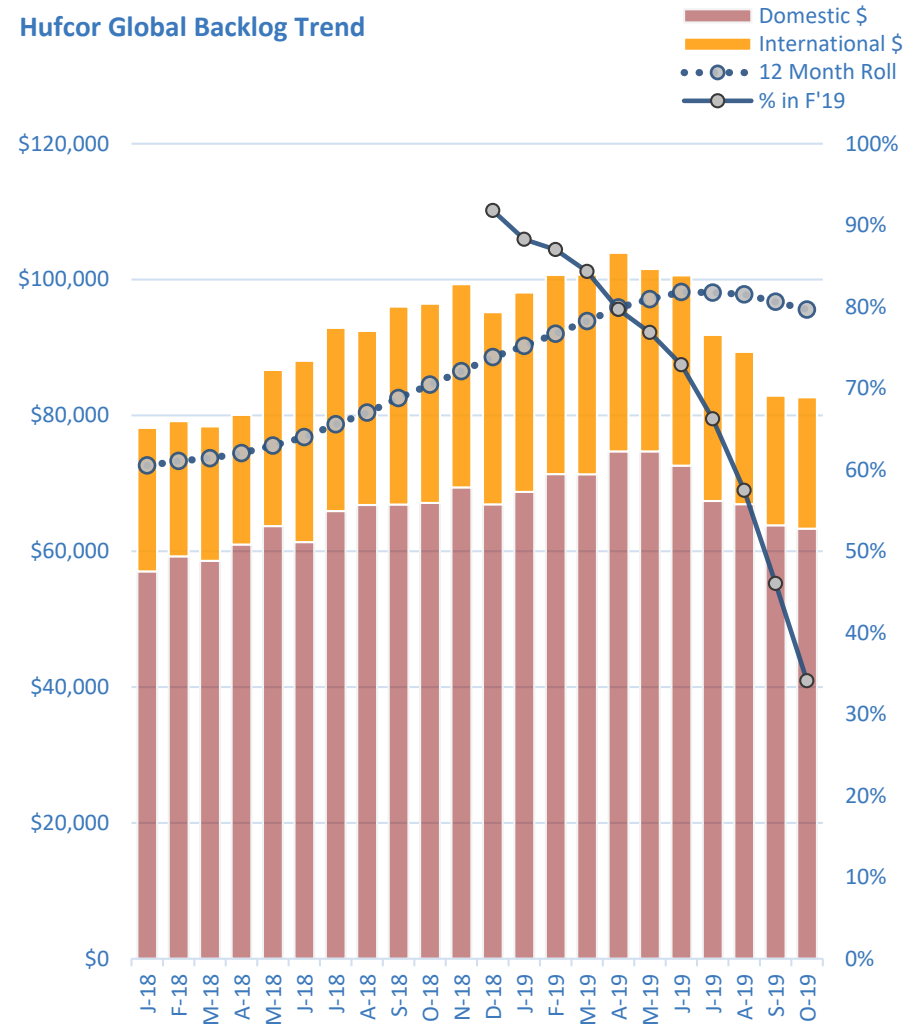
- Assumptions outlined in the forecast reflect the 4Q goal as of today, whereby we can meet the increased production goals and avoid liquidated damages on large accounts
- Along with meeting production goals, other key assumptions which need to materialize are:
 - Receiving payment on time from large projects completed in Q3 (Gibca in particular),
 - Successfully managing AP at year end, and
 - Confirming the ability to add-back any additional items identified and written off in September close.
- Meetings with LBC and JPM went well. Lenders understand that additional add-backs and extraordinary charges for prior periods to be presented with 2019 restatement.

Backlog

Total backlog stands at \$82.6 million. Approximately 46% of the current backlog is expected to roll off in 2019, with a tail of projects which extend primarily in the US out into 2021.

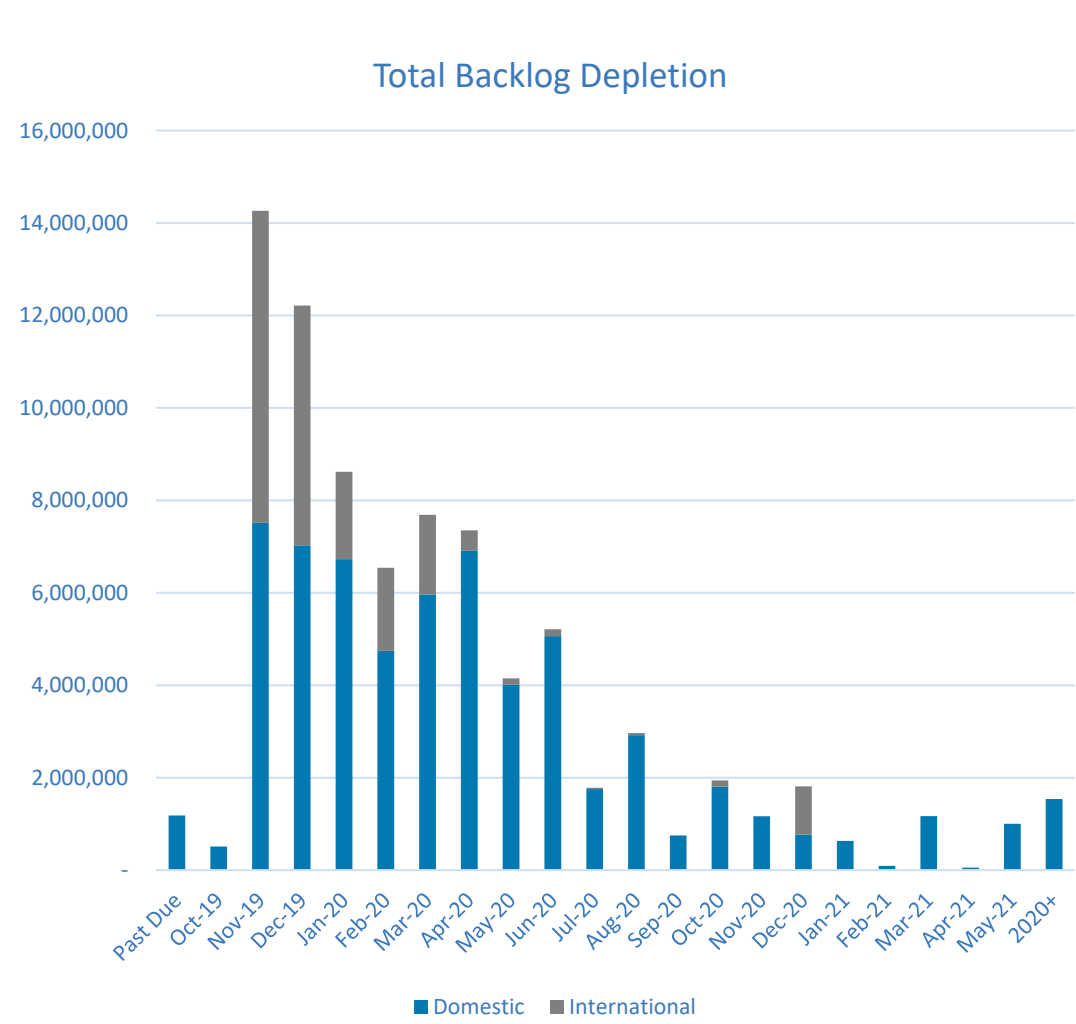
Historical backlog

Thousands USD; 10/31



Backlog roll-off

Millions USD; 10/31



Forecasted 13-Week Cashflow – Hufcor Consolidated

Hufcor Inc. Global Consolidated 13 Week Cash Flow Forecast

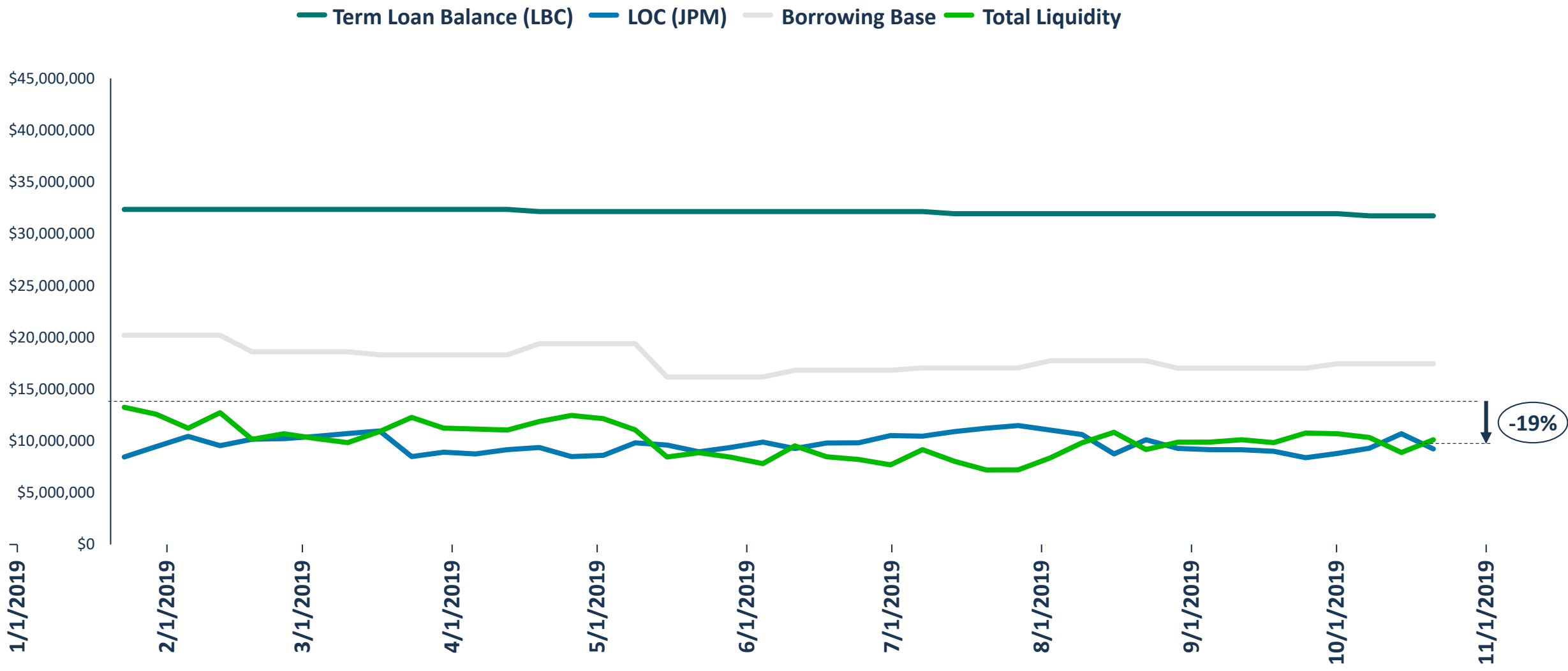
\$ 000's

Week Ending:

	22-Nov	29-Nov	6-Dec	13-Dec	20-Dec	27-Dec	3-Jan	10-Jan	17-Jan	24-Jan	31-Jan	7-Feb	14-Feb	Total
Total Inflows	3,284	2,653	3,248	2,915	2,735	2,801	2,633	2,697	2,635	2,387	2,749	2,464	2,529	35,731
Total Operating Disbursements	(2,656)	(2,343)	(2,957)	(2,334)	(2,893)	(2,365)	(2,740)	(2,217)	(2,676)	(2,026)	(2,948)	(2,227)	(2,670)	(33,050)
Net Operating Cash Flow	628	310	292	581	(158)	436	(107)	481	(40)	361	(199)	237	(141)	2,681
Interest Expense/Principal	-	-	48	-	-	-	1,132	-	-	-	-	49	-	1,229
Taxes	132	-	19	31	149	79	18	33	-	201	-	19	31	713
CapEx	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Op	30	6	5	11	5	6	125	10	6	6	6	10	6	229
Total Non-Operating Disbursements	162	6	72	42	154	84	1,275	43	6	206	6	79	37	2,171
Total Net Cash Flow	466	305	219	539	(312)	352	(1,382)	438	(46)	155	(205)	159	(178)	510
Beginning Bank Cash	2,021	2,106	2,055	2,233	2,127	2,178	2,071	2,271	2,149	2,276	1,930	1,997	1,890	2,021
Net Global Cash Flow	466	305	219	539	(312)	352	(1,382)	438	(46)	155	(205)	159	(178)	510
Transfers In / (Out)	-	-	-	-	-	-	-	-	-	(150)	-	-	-	(150)
Draw / Sweep	(382)	(355)	(42)	(644)	363	(459)	1,581	(560)	173	(351)	271	(266)	166	(503)
Ending Bank Cash	2,106	2,055	2,233	2,127	2,178	2,071	2,271	2,149	2,276	1,930	1,997	1,890	1,878	1,878
Term Loan Balance	31,730	31,730	31,730	31,730	31,730	31,730	31,438	31,438	31,438	31,438	31,438	31,438	31,438	31,438
Beginning Revolver Balance	8,776	8,399	8,044	8,014	7,370	7,733	7,273	8,875	8,316	8,489	8,138	8,410	8,170	8,776
Domestic PIK Interest	5	-	11	-	-	-	20	-	-	-	-	27	-	63
Draw / Sweep	(382)	(355)	(42)	(644)	363	(459)	1,581	(560)	173	(351)	271	(266)	166	(503)
Ending Revolver Balance	8,399	8,044	8,014	7,370	7,733	7,273	8,875	8,316	8,489	8,138	8,410	8,170	8,336	8,336
Borrowing Base	19,802	20,888	20,180	19,806	19,954	20,036	20,034	19,586	19,323	19,322	19,593	19,226	19,020	19,020
Total Debt	40,129	39,774	39,744	39,100	39,463	39,003	40,313	39,753	39,927	39,576	39,847	39,608	39,774	39,774

Treasury

Total liquidity (availability + cash) is down 19% since the beginning of the year; recalculating borrowing base following field audit with JPM.





2020 AOP Timeline & Methodology

Bottoms-up AOP in process with all of CEO's direct reports. Will provide preliminary review of AOP with OGC in the first week of December following collection from the field, with goal to complete all budgets before Christmas.

Kick-off Meeting = Nov 5

Templates Due to CFO = Dec 2

November 2019							December 2019						
MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN
				1	2	3							1
4	5	6	7	8	9	10	2	3	4	5	6	7	8
11	12	13	14	15	16	17	9	10	11	12	13	14	15
18	19	20	21	22	23	24	16	17	18	19	20	21	22
25	26	27	28 	29	30		23	24	25 	26	27	28	29

Consolidation of Budgets & Preview provided to OGC

Budget Revisions

Templates Distributed = Nov 11

Final Approval & Presentation to OGC

A | Appendix

YTD October 2019 Income Statement – Reported & Pro Forma

HUFCOR HOLDINGS, INC.

INCOME STATEMENT	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Adj.	Pro Forma	Act
	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019	7/31/2019	8/31/2019	9/30/2019	Entries in Sept To Restate		9/30/2019	10/31/2019
	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M		1M	1M
Gross Revenue	\$ 10,051	\$ 11,098	\$ 11,865	\$ 10,751	\$ 13,113	\$ 12,407	\$ 16,532	\$ 14,005	\$ 13,171			\$ 13,171	\$ 13,988
Discounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -
Returns	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -
Rebates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -
Net Revenue	\$ 10,051	\$ 11,098	\$ 11,865	\$ 10,751	\$ 13,113	\$ 12,407	\$ 16,532	\$ 14,005	\$ 13,171			\$ 13,171	\$ 13,988
Material	\$ 3,191	\$ 4,159	\$ 3,724	\$ 3,056	\$ 5,461	\$ 3,611	\$ 7,172	\$ 4,535	\$ 6,049	\$ (1,321)		\$ 4,728	\$ 4,474
Labor	\$ 3,460	\$ 3,335	\$ 3,733	\$ 3,255	\$ 3,746	\$ 3,935	\$ 4,259	\$ 3,924	\$ 3,799	\$ -		\$ 3,799	\$ 3,993
Other COGS	\$ 1,119	\$ 1,118	\$ 1,118	\$ 981	\$ 1,075	\$ 1,027	\$ 880	\$ 1,191	\$ 2,100	\$ (636)		\$ 1,464	\$ 1,378
Total COGS	\$ 7,770	\$ 8,612	\$ 8,576	\$ 7,292	\$ 10,282	\$ 8,573	\$ 12,311	\$ 9,650	\$ 11,948	\$ (1,957)		\$ 9,991	\$ 9,845
Gross Margin	\$ 2,281	\$ 2,486	\$ 3,289	\$ 3,459	\$ 2,831	\$ 3,834	\$ 4,221	\$ 4,355	\$ 1,224	\$ 1,957		\$ 3,181	\$ 4,143
<i>Gross Margin %</i>	22.7%	22.4%	27.7%	32.2%	21.6%	30.9%	25.5%	31.1%	9.3%			24.1%	29.6%
R&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -
Sales & marketing	\$ 1,068	\$ 1,085	\$ 1,132	\$ 1,192	\$ 1,162	\$ 1,160	\$ 1,233	\$ 1,176	\$ 1,259			\$ 1,259	\$ 1,315
Administrative	\$ 1,115	\$ 1,136	\$ 1,136	\$ 1,063	\$ 1,197	\$ 1,198	\$ 1,222	\$ 1,315	\$ 3,627	\$ (2,036)		\$ 1,591	\$ 1,672
Other Opex	\$ (16)	\$ (7)	\$ (71)	\$ (39)	\$ (49)	\$ 6	\$ (7)	\$ (24)	\$ (79)			\$ (79)	\$ (16)
Total OPEX (excl D&A)	\$ 2,167	\$ 2,215	\$ 2,198	\$ 2,215	\$ 2,310	\$ 2,364	\$ 2,449	\$ 2,468	\$ 4,806	\$ (2,036)		\$ 2,770	\$ 2,972
EBITDA	\$ 114	\$ 272	\$ 1,091	\$ 1,244	\$ 521	\$ 1,470	\$ 1,772	\$ 1,887	\$ (3,583)	\$ 3,993		\$ 411	\$ 1,171
<i>EBITDA Margin %</i>	1.1%	2.4%	9.2%	11.6%	4.0%	11.8%	10.7%	13.5%	-27.2%			3.1%	8.4%

YTD October 2019 Income Statement – Reported & Pro Forma

HUFCOR HOLDINGS, INC.

INCOME STATEMENT	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act	Adj.	Pro Forma	Act
	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019	7/31/2019	8/31/2019	9/30/2019	Entries in Sept To Restate		9/30/2019	10/31/2019
	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M		1M	1M
Opex Overview													
Payroll	\$ 1,057	\$ 1,023	\$ 1,004	\$ 863	\$ 971	\$ 1,128	\$ 1,146	\$ 1,147	\$ 993	\$ 30		\$ 1,023	\$ 1,126
Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Benefits	\$ 239	\$ 209	\$ 232	\$ 247	\$ 216	\$ 224	\$ 224	\$ 211	\$ (252)	\$ 480		\$ 228	\$ 294
Bonus	\$ 96	\$ 96	\$ 93	\$ 139	\$ 98	\$ 75	\$ 97	\$ 99	\$ 138	\$ (35)		\$ 103	\$ 31
Severance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Marketing	\$ 15	\$ 22	\$ 19	\$ 56	\$ 72	\$ (24)	\$ 51	\$ 28	\$ 29	\$ -		\$ 29	\$ 65
Commissions	\$ 134	\$ 159	\$ 187	\$ 174	\$ 189	\$ 180	\$ 195	\$ 175	\$ 246	\$ -		\$ 246	\$ 210
Travel and Entertainment	\$ 80	\$ 82	\$ 85	\$ 120	\$ 99	\$ 87	\$ 88	\$ 109	\$ 112	\$ -		\$ 112	\$ 180
Rent and Facilities	\$ 68	\$ 69	\$ 67	\$ 75	\$ 72	\$ 75	\$ 71	\$ 63	\$ 68	\$ -		\$ 68	\$ 72
Insurance	\$ 35	\$ 43	\$ 35	\$ 35	\$ 34	\$ 33	\$ 33	\$ 37	\$ 82	\$ -		\$ 82	\$ 59
Professional Fees	\$ 78	\$ 76	\$ 110	\$ 100	\$ 80	\$ 60	\$ 108	\$ 106	\$ 90	\$ -		\$ 90	\$ 56
Utl., Repair, Maint., & Sec.	\$ 28	\$ 38	\$ 38	\$ 38	\$ 35	\$ 33	\$ 36	\$ 37	\$ 35	\$ -		\$ 35	\$ 36
Office Expenses	\$ 5	\$ 4	\$ 5	\$ 8	\$ 6	\$ 5	\$ 5	\$ 5	\$ 9	\$ -		\$ 9	\$ 13
Safety and Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
IT	\$ 55	\$ 58	\$ 58	\$ 91	\$ 72	\$ 67	\$ 62	\$ 61	\$ 34	\$ -		\$ 34	\$ 18
Bad Debt	\$ 64	\$ 127	\$ 98	\$ 78	\$ 81	\$ 84	\$ 25	\$ 28	\$ 2,370	\$ (2,021)		\$ 350	\$ 43
Supplies	\$ 25	\$ 10	\$ 17	\$ 17	\$ 22	\$ 13	\$ 20	\$ 17	\$ 12	\$ -		\$ 12	\$ 17
FX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
JV Loss (Income)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Other Expenses	\$ 188	\$ 198	\$ 147	\$ 172	\$ 264	\$ 324	\$ 288	\$ 343	\$ 842	\$ (491)		\$ 351	\$ 751
Total OPEX (excl D&A)	\$ 2,167	\$ 2,215	\$ 2,198	\$ 2,215	\$ 2,310	\$ 2,364	\$ 2,449	\$ 2,468	\$ 4,806	\$ (2,036)		\$ 2,770	\$ 2,972
EBITDA	\$ 114	\$ 272	\$ 1,091	\$ 1,244	\$ 521	\$ 1,470	\$ 1,772	\$ 1,887	\$ (3,583)	\$ 3,993		\$ 411	\$ 1,171
<i>EBITDA Margin %</i>	1.1%	2.4%	9.2%	11.6%	4.0%	11.8%	10.7%	13.5%	-27.2%			3.1%	8.4%
Depreciation	\$ 148	\$ 150	\$ 150	\$ 224	\$ 162	\$ 161	\$ 164	\$ 165	\$ 157			\$ 157	\$ 155
Amortization	\$ 346	\$ 346	\$ 346	\$ 346	\$ 346	\$ 346	\$ 346	\$ 346	\$ 83			\$ 83	\$ 83
Less: D&A	\$ 494	\$ 495	\$ 495	\$ 569	\$ 507	\$ 507	\$ 510	\$ 510	\$ 240			\$ 240	\$ 239
EBIT, reported	\$ (380)	\$ (224)	\$ 596	\$ 675	\$ 14	\$ 963	\$ 1,262	\$ 1,376	\$ (3,823)	\$ 3,993		\$ 170	\$ 933
Interest and financial amortization	\$ 344	\$ 347	\$ 358	\$ 349	\$ 98	\$ 465	\$ 546	\$ 355	\$ 396			\$ 396	\$ 342
Other financial income/expense (e.g. fx)	\$ (6)	\$ 16	\$ 48	\$ 2	\$ 58	\$ (44)	\$ 61	\$ 6	\$ 60			\$ 60	\$ (65)
Non-financial income/expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -
Monitoring fees	\$ 250	\$ 18	\$ -	\$ 250	\$ -	\$ -	\$ -	\$ 250	\$ -			\$ -	\$ 250
Restructuring costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -
Non-recurring items	\$ -	\$ -	\$ 51	\$ -	\$ -	\$ 308	\$ -	\$ -	\$ 652			\$ 652	\$ -
EBT, reported	\$ (968)	\$ (604)	\$ 139	\$ 73	\$ (143)	\$ 234	\$ 656	\$ 765	\$ (4,931)	\$ 3,993		\$ (938)	\$ 405
Taxes	\$ (7)	\$ 43	\$ 19	\$ 36	\$ 88	\$ 36	\$ 146	\$ 85	\$ 99	\$ -		\$ 99	\$ 94
Net Income (Loss)	\$ (961)	\$ (647)	\$ 119	\$ 37	\$ (231)	\$ 197	\$ 510	\$ 680	\$ (5,031)	\$ 3,993		\$ (1,037)	\$ 311
<i>Net Income (Loss) %</i>	-9.6%	-5.8%	1.0%	0.3%	-1.8%	1.6%	3.1%	4.9%	-38.2%			-7.9%	2.2%

YTD October 2019 Balance Sheet – Reported (1/2)

HUFCOR HOLDINGS, INC.

BALANCE SHEET	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act
	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019	7/31/2019	8/31/2019	9/30/2019	10/31/2019
	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M
Current Assets										
Cash and cash equivalents	\$ 2,930	\$ 2,754	\$ 1,577	\$ 1,521	\$ 1,561	\$ 3,263	\$ 5,174	\$ 1,253	\$ 2,322	\$ 3,773
Short term investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Accounts receivable, gross</i>	\$ 35,130	\$ 36,910	\$ 34,436	\$ 33,243	\$ 34,172	\$ 36,345	\$ 40,607	\$ 40,275	\$ 39,568	\$ 39,373
<i>Accounts receivable, reserves</i>	\$ (1,455)	\$ (1,545)	\$ (1,629)	\$ (1,679)	\$ (1,746)	\$ (1,836)	\$ (1,851)	\$ (1,854)	\$ (4,238)	\$ (4,257)
Accounts receivable, net	\$ 33,675	\$ 35,365	\$ 32,807	\$ 31,564	\$ 32,426	\$ 34,509	\$ 38,755	\$ 38,421	\$ 35,330	\$ 35,116
<i>Inventory, gross</i>	\$ 14,553	\$ 15,308	\$ 15,388	\$ 16,303	\$ 16,774	\$ 18,889	\$ 16,352	\$ 16,262	\$ 16,457	\$ 16,911
<i>Inventory, reserves</i>	\$ (243)	\$ (253)	\$ (264)	\$ (274)	\$ (282)	\$ (195)	\$ (203)	\$ (209)	\$ (1,534)	\$ (1,584)
Inventory, net	\$ 14,310	\$ 15,055	\$ 15,124	\$ 16,028	\$ 16,493	\$ 18,695	\$ 16,149	\$ 16,053	\$ 14,923	\$ 15,328
Prepaid expenses and other current assets	\$ 1,832	\$ 1,728	\$ 1,591	\$ 1,529	\$ 1,476	\$ 1,338	\$ 1,256	\$ 1,400	\$ 1,678	\$ 1,506
Current portion of deferred taxes	\$ 5,612	\$ 5,579	\$ 5,583	\$ 5,568	\$ 5,263	\$ 5,280	\$ 5,254	\$ 5,227	\$ 5,229	\$ 5,256
Revenue in excess of billings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other current assets	\$ 285	\$ 331	\$ 222	\$ 318	\$ 323	\$ 397	\$ 365	\$ 374	\$ 407	\$ 429
Total Current Assets	\$ 58,644	\$ 60,813	\$ 56,904	\$ 56,528	\$ 57,542	\$ 63,482	\$ 66,954	\$ 62,729	\$ 59,889	\$ 61,407
Non-Current Assets										
<i>Property, plant & equipment, gross</i>	\$ 36,688	\$ 37,895	\$ 38,006	\$ 38,147	\$ 38,088	\$ 38,362	\$ 38,604	\$ 38,643	\$ 39,466	\$ 40,023
<i>Accumulated depreciation</i>	\$ (23,108)	\$ (23,208)	\$ (23,334)	\$ (23,515)	\$ (23,601)	\$ (23,838)	\$ (23,927)	\$ (23,934)	\$ (24,057)	\$ (24,312)
Property, plant & equipment, net	\$ 13,580	\$ 14,687	\$ 14,673	\$ 14,632	\$ 14,487	\$ 14,524	\$ 14,677	\$ 14,708	\$ 15,409	\$ 15,711
Goodwill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Identifiable intangible assets, gross</i>	\$ 15,247	\$ 15,236	\$ 15,238	\$ 15,233	\$ 15,227	\$ 15,233	\$ 15,225	\$ 15,216	\$ 15,217	\$ 15,225
<i>Accumulated amortization</i>	\$ (5,870)	\$ (6,215)	\$ (6,561)	\$ (6,906)	\$ (7,251)	\$ (7,597)	\$ (7,942)	\$ (8,287)	\$ (8,370)	\$ (8,454)
Identifiable intangible assets, net	\$ 9,377	\$ 9,022	\$ 8,677	\$ 8,327	\$ 7,976	\$ 7,636	\$ 7,283	\$ 6,929	\$ 6,847	\$ 6,771
Deferred financing cost	\$ 1,906	\$ 1,955	\$ 1,908	\$ 1,862	\$ 1,950	\$ 1,900	\$ 1,850	\$ 1,935	\$ 1,893	\$ 1,839
Deferred tax asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other non-current assets	\$ 3,723	\$ 2,705	\$ 2,703	\$ 2,697	\$ 2,693	\$ 2,697	\$ 2,697	\$ 2,409	\$ 1,642	\$ 1,401
Total Non-Current Assets	\$ 28,585	\$ 28,368	\$ 27,961	\$ 27,518	\$ 27,106	\$ 26,756	\$ 26,507	\$ 25,981	\$ 25,791	\$ 25,723
Total Assets	\$ 87,230	\$ 89,181	\$ 84,864	\$ 84,046	\$ 84,648	\$ 90,238	\$ 93,461	\$ 88,710	\$ 85,680	\$ 87,130

YTD October 2019 Balance Sheet – Reported (2/2)

HUFCOR HOLDINGS, INC.

BALANCE SHEET	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act
	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019	7/31/2019	8/31/2019	9/30/2019	10/31/2019
	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M
<u>Current Liabilities</u>										
Current portion of long-term debt	\$ 1,250	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835	\$ 835
Line of Credit	\$ 10,203	\$ 11,382	\$ 9,458	\$ 9,623	\$ 9,308	\$ 10,596	\$ 10,806	\$ 9,235	\$ 8,750	\$ 8,511
Accounts payable	\$ 12,385	\$ 12,453	\$ 10,618	\$ 15,884	\$ 15,798	\$ 16,614	\$ 18,668	\$ 11,269	\$ 11,758	\$ 13,366
Accrued liabilities	\$ 6,054	\$ 6,682	\$ 6,363	\$ 962	\$ 2,508	\$ 5,564	\$ 5,231	\$ 9,961	\$ 10,405	\$ 10,005
Accrued compensation	\$ 1,508	\$ 1,551	\$ 1,662	\$ 1,461	\$ 1,364	\$ 1,970	\$ 2,254	\$ 1,598	\$ 2,187	\$ 2,424
Income taxes payable	\$ 83	\$ 113	\$ 129	\$ 146	\$ 188	\$ 246	\$ 384	\$ 375	\$ 442	\$ 538
Short-term unearned revenue	\$ -	\$ 861	\$ 456	\$ 79	\$ 79	\$ 66	\$ 66	\$ 66	\$ -	\$ -
Other current liabilities	\$ 2,630	\$ 2,911	\$ 2,895	\$ 2,905	\$ 2,957	\$ 3,075	\$ 2,963	\$ 2,648	\$ 3,657	\$ 3,676
Total Current Liabilities	\$ 34,112	\$ 36,789	\$ 32,416	\$ 31,895	\$ 33,037	\$ 38,965	\$ 41,207	\$ 35,988	\$ 38,034	\$ 39,355
<u>Long-term liabilities</u>										
Long-term debt less current maturities	\$ 31,521	\$ 31,521	\$ 31,521	\$ 31,313	\$ 31,313	\$ 31,313	\$ 31,104	\$ 31,104	\$ 31,104	\$ 30,895
Capital lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt owing to OpenGate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income taxes	\$ 47	\$ 68	\$ 96	\$ 95	\$ 94	\$ 95	\$ 95	\$ 93	\$ 30	\$ 30
Long-term unearned revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other non-current liabilities	\$ 48	\$ 47	\$ (111)	\$ 46	\$ 46	\$ (653)	\$ 45	\$ 44	\$ 44	\$ 45
Total Long-Term Liabilities	\$ 31,616	\$ 31,636	\$ 31,507	\$ 31,454	\$ 31,452	\$ 30,755	\$ 31,244	\$ 31,241	\$ 31,178	\$ 30,970
Total Liabilities	\$ 65,728	\$ 68,425	\$ 63,923	\$ 63,349	\$ 64,489	\$ 69,720	\$ 72,452	\$ 67,229	\$ 69,212	\$ 70,325
Commitments and contingencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Shareholders' Equity</u>										
Common stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital in excess of stated value	\$ 36,350	\$ 36,350	\$ 36,350	\$ 36,350	\$ 36,350	\$ 36,350	\$ 36,350	\$ 36,350	\$ 36,350	\$ 36,350
Retained earnings	\$ (14,999)	\$ (15,646)	\$ (15,377)	\$ (15,544)	\$ (16,069)	\$ (15,872)	\$ (15,362)	\$ (14,682)	\$ (19,713)	\$ (19,402)
Accumulated other comprehensive income	\$ 512	\$ 512	\$ 521	\$ 518	\$ 519	\$ 522	\$ 521	\$ 516	\$ 517	\$ 520
Other equity transactions	\$ (361)	\$ (460)	\$ (553)	\$ (627)	\$ (641)	\$ (482)	\$ (499)	\$ (704)	\$ (686)	\$ (664)
Total Shareholders' Equity	\$ 21,501	\$ 20,756	\$ 20,942	\$ 20,697	\$ 20,158	\$ 20,518	\$ 21,009	\$ 21,480	\$ 16,469	\$ 16,805
Total Liabilities and Shareholders' Equity	\$ 87,230	\$ 89,181	\$ 84,864	\$ 84,046	\$ 84,648	\$ 90,238	\$ 93,461	\$ 88,710	\$ 85,680	\$ 87,130

YTD October 2019 Cashflow Statement - Reported

HUFCOR HOLDINGS, INC.

Cashflow Statement	Act	Act	Act	Act	Act	Act	Act	Act	Act	Act
	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019	7/31/2019	8/31/2019	9/30/2019	10/31/2019
	1M	1M	1M	1M	1M	1M	1M	1M	1M	1M
Cash flow from operations										
Net Income (Loss)	\$ (961)	\$ (647)	\$ 119	\$ 37	\$ (231)	\$ 197	\$ 510	\$ 680	\$ (5,031)	\$ 311
Depreciation, amortization and other	\$ 494	\$ 495	\$ 495	\$ 569	\$ 507	\$ 507	\$ 510	\$ 510	\$ 240	\$ 239
Capitalized fees & expenses	\$ (44)	\$ 49	\$ (47)	\$ (47)	\$ 88	\$ (50)	\$ (50)	\$ 85	\$ 42	\$ 54
Gain (loss) on sale of fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 1	\$ -
Non-cash interest expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-cash dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ (2)	\$ (63)	\$ 0
<i>Change in operating assets and liabilities:</i>										
Accounts receivable	\$ 1,774	\$ (1,737)	\$ 2,667	\$ 1,147	\$ (867)	\$ (2,157)	\$ (4,215)	\$ 326	\$ 3,058	\$ 192
Inventory	\$ (1,216)	\$ (745)	\$ (69)	\$ (905)	\$ (464)	\$ (2,202)	\$ 2,546	\$ 95	\$ 1,130	\$ (404)
Prepaid expenses and other current assets	\$ (123)	\$ 119	\$ 140	\$ 27	\$ 233	\$ 35	\$ 104	\$ (296)	\$ (228)	\$ 99
Accounts payable	\$ (1,213)	\$ 322	\$ (1,920)	\$ 5,242	\$ (134)	\$ 889	\$ 2,348	\$ (7,688)	\$ 579	\$ 1,547
Accrued expenses	\$ (806)	\$ 1,596	\$ (550)	\$ (5,936)	\$ 1,594	\$ 3,714	\$ (312)	\$ 4,036	\$ 1,941	\$ (25)
Accrued income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other changes in operating assets and liabilities	\$ (142)	\$ (89)	\$ 107	\$ 65	\$ (424)	\$ (577)	\$ 690	\$ 364	\$ 725	\$ 319
Other cash flow from operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Flow from Operations	\$ (2,238)	\$ (636)	\$ 943	\$ 200	\$ 302	\$ 356	\$ 2,132	\$ (1,880)	\$ 2,394	\$ 2,331
Cash flow from investing										
Additions to property, plant and equipment	\$ (245)	\$ (186)	\$ (111)	\$ (141)	\$ 59	\$ (274)	\$ (242)	\$ (39)	\$ (858)	\$ (457)
Acquisitions of companies, net of cash acquired	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment in intangibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnout payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other cash flow from investing (goodwill)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Flow from Investing	\$ (245)	\$ (186)	\$ (111)	\$ (141)	\$ 59	\$ (274)	\$ (242)	\$ (39)	\$ (858)	\$ (457)
Cash flow from financing										
Proceeds from the issuance (repayment) of securities	\$ 2,786	\$ 764	\$ (1,925)	\$ 166	\$ (315)	\$ 1,288	\$ 210	\$ (1,571)	\$ (485)	\$ (239)
Proceeds from the issuance of debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment of debt	\$ (209)	\$ -	\$ -	\$ (209)	\$ -	\$ -	\$ (209)	\$ -	\$ -	\$ (209)
Capital lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common stock issued (repurchased)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common stock cash dividends paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred stock issued (repurchased)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other cash flow from financing costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (19)	\$ (208)	\$ (2)	\$ 0
Total Cash Flow from Financing	\$ 2,577	\$ 764	\$ (1,925)	\$ (43)	\$ (315)	\$ 1,288	\$ (18)	\$ (1,779)	\$ (487)	\$ (448)
Effect of FX rates on cash and cash equivalents	\$ 80	\$ (117)	\$ (85)	\$ (73)	\$ (8)	\$ 332	\$ (32)	\$ (223)	\$ 19	\$ 26
Net change in cash	\$ 173	\$ (175)	\$ (1,178)	\$ (57)	\$ 38	\$ 1,702	\$ 1,840	\$ (3,920)	\$ 1,069	\$ 1,451
Beginning cash	\$ 2,668	\$ 2,930	\$ 2,754	\$ 1,577	\$ 1,521	\$ 1,561	\$ 3,263	\$ 5,174	\$ 1,253	\$ 2,322
Change in cash	\$ 173	\$ (175)	\$ (1,178)	\$ (57)	\$ 38	\$ 1,702	\$ 1,840	\$ (3,920)	\$ 1,069	\$ 1,451
Ending cash	\$ 2,841	\$ 2,755	\$ 1,577	\$ 1,520	\$ 1,559	\$ 3,263	\$ 5,103	\$ 1,254	\$ 2,322	\$ 3,773

AP/AR aging

\$ '000

AR Aging								
Days	Dec-18	%	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	%
0-30	\$ 16,376	44.4%	\$ 19,756	\$ 23,462	\$ 23,278	\$ 22,168	\$ 20,757	52.8%
31-60	5,342	14.5%	2,911	3,482	3,880	4,460	4,886	12.4%
61-90	3,176	8.6%	2,606	2,308	2,131	2,430	2,752	7.0%
>90	11,985	32.5%	11,072	11,355	10,986	10,375	10,944	27.8%
Total Gross AR	\$ 36,879	100.0%	\$ 36,345	\$ 40,607	\$ 40,275	\$ 39,432	\$ 39,340	100.0%
Reserves	(1,407)		(1,836)	(1,851)	(1,854)	(4,238)	(4,257)	
Total Net AR	\$ 35,472		\$ 34,509	\$ 38,756	\$ 38,421	\$ 35,194	\$ 35,083	
Change in AR Reserve			(90)	(15)	(2)	(2,385)	(19)	
Actual Bad Debt P&L Charge			84	25	28	2,370	43	
LTM Bad Debt P&L Charge			\$ 776	\$ 780	\$ 785	\$ 3,335	\$ 3,337	

AP Aging								
Days	Dec-18	%	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	%
0-30	\$ 10,682	79.0%	\$ 14,225	\$ 15,061	\$ 8,107	\$ 9,621	\$ 10,944	75.2%
31-60	1,234	9.1%	936	1,291	695	1,119	1,569	10.8%
61-90	343	2.5%	435	268	145	33	(161)	-1.1%
>90	1,268	9.4%	1,018	2,048	2,322	2,296	2,196	15.1%
Total	\$ 13,527	100.0%	\$ 16,614	\$ 18,668	\$ 11,269	\$ 13,069	\$ 14,548	100.0%

Management Discussion:

Accounts Receivable

- Increase in current AR through Sept driven by billings for Dubai & New Zealand
- Retainage listed at \$5.5 mm
 - \$3.5 mm of Domestic Retainage
 - \$2.0 mm of International Retainage
- Reserves of \$2.314 mm taken in September (of which \$2.0 considered one-time)

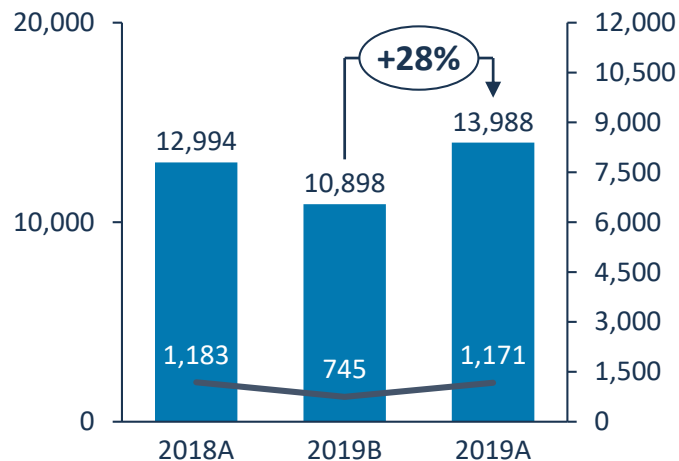
Accounts Payable

- \$5.2 mm adjusting entry made in August to correct multiple errors made in the intercompany accounts that had incorrectly over-stated AP by \$5.2 mm from April - July
- A/P > 90 consists of OpenGate management fees and other legal fees received late
- Excluding aged fees, DPO to broader vendor group ≈35 as of October 31st

HUFCOR Monthly financial metrics iLevel

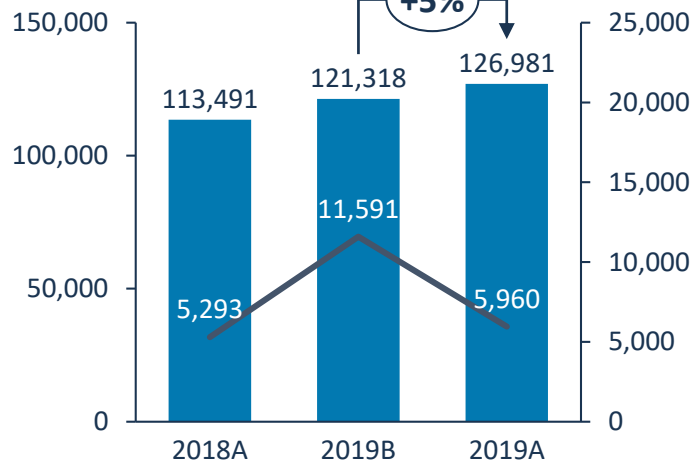
October MTD

\$000s



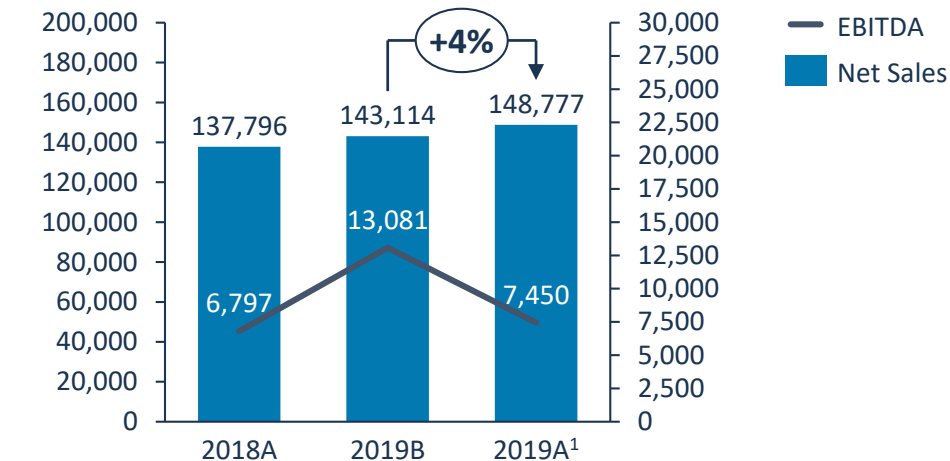
October YTD

\$000s



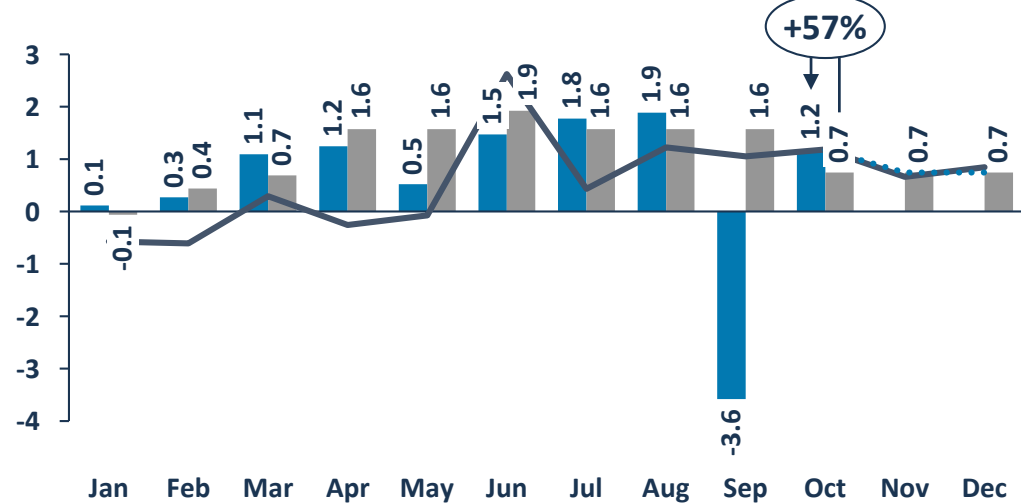
Full Year

\$000s



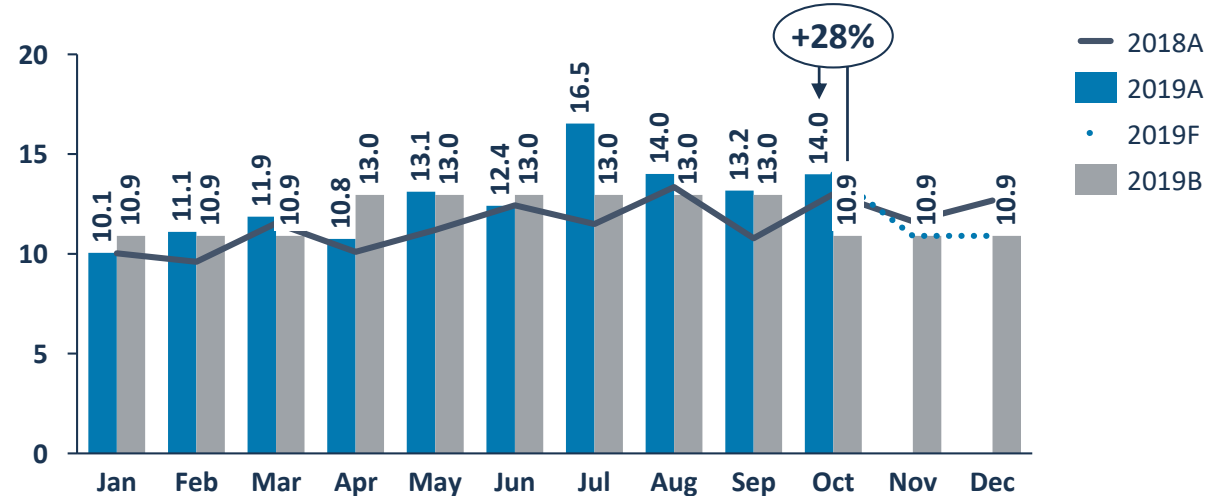
Monthly EBITDA

\$ millions



Monthly Net Revenue

\$ millions

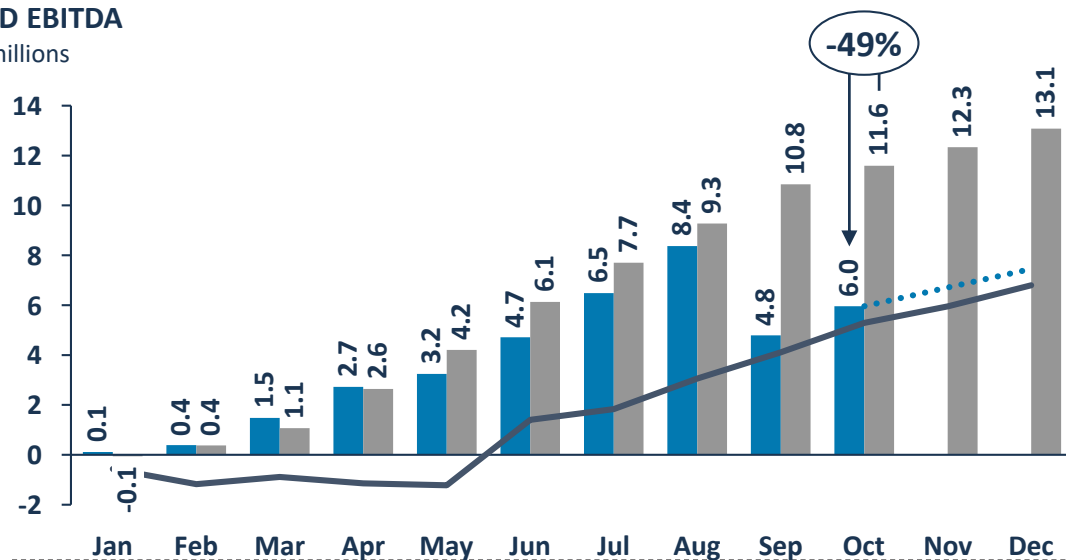


1. YTD actuals + remaining year forecast

HUFCOR Monthly financial metrics iLevel

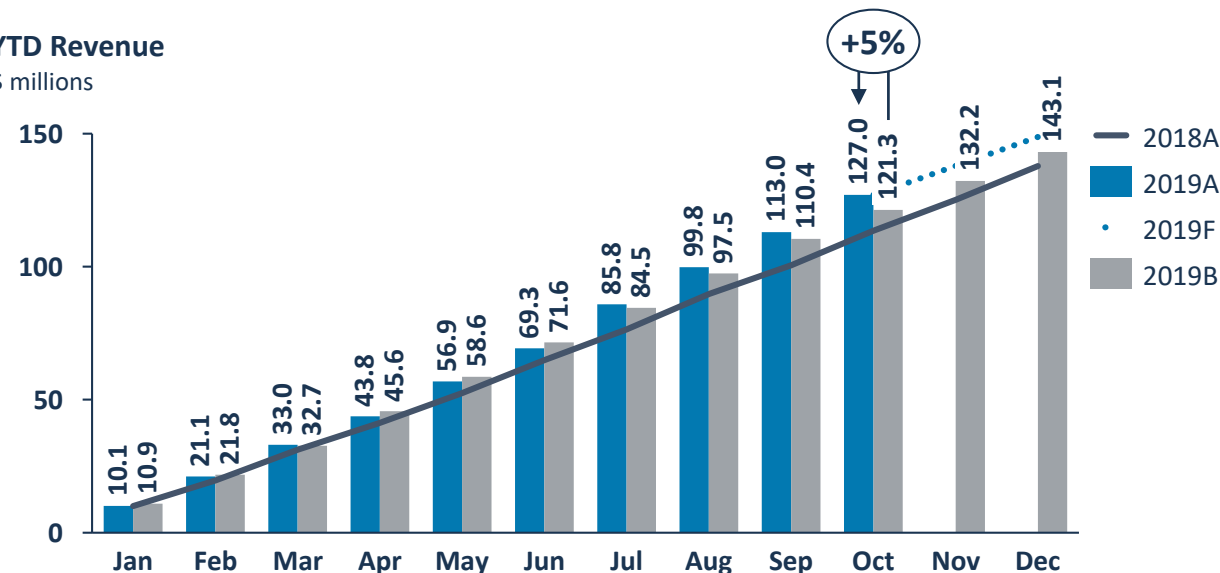
YTD EBITDA

\$ millions



YTD Revenue

\$ millions



\$'s in Millions

	Actual										FCST		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Net Revenue	10.1	11.1	11.9	10.8	13.1	12.4	16.5	14.0	13.2	14.0	11.9	10.9	149.8
COGS	-	-	-	-	-	-	-	-	-	-	-	-	-
Material	3.2	4.2	3.7	3.1	5.5	3.6	7.2	4.5	6.0	4.5	3.9	3.6	52.9
Labor	3.5	3.3	3.7	3.3	3.7	3.9	4.3	3.9	3.8	4.0	3.5	3.4	44.4
Other COGS	1.1	1.1	1.1	1.0	1.1	1.0	0.9	1.2	2.1	1.4	1.2	0.9	14.1
Total COGS	7.8	8.6	8.6	7.3	10.3	8.6	12.3	9.7	11.9	9.8	8.7	7.8	111.4
Gross Margin	2.3	2.5	3.3	3.5	2.8	3.8	4.2	4.4	1.2	4.1	3.3	3.0	38.4
Gross Margin %	22.7%	22.4%	27.7%	32.2%	21.6%	30.9%	25.5%	31.1%	9.3%	29.6%	27.3%	27.9%	25.6%
Sales & marketing	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.0	1.0	13.7
Administrative	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.3	3.6	1.7	1.1	1.1	16.9
Other Opex	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.1)	(0.0)	0.1	0.0	30.6
Total OPEX (excl D&A)	2.2	2.2	2.2	2.2	2.3	2.4	2.4	2.5	4.8	3.0	2.1	2.1	0.2
EBITDA	0.1	0.3	1.1	1.2	0.5	1.5	1.8	1.9	(3.6)	1.2	1.1	0.9	8.0
EBITDA Margin %	1.1%	2.4%	9.2%	11.6%	4.0%	11.8%	10.7%	13.5%	-27.2%	8.4%	9.3%	8.3%	5.3%
Depreciation	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.0
Amortization	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.1	0.1	0.1	0.1	3.1
EBIT	(0.4)	(0.2)	0.6	0.7	0.0	1.0	1.3	1.4	(3.8)	0.9	0.9	0.6	2.9
Interest	0.3	0.3	0.4	0.3	0.1	0.5	0.5	0.4	0.4	0.3	0.3	0.3	4.3
Other Non Ops	0.2	0.0	0.1	0.3	0.1	0.3	0.1	0.3	0.7	0.2	-	-	2.2
Taxes	(0.0)	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.2	0.3	1.1
Net Income	(1.0)	(0.6)	0.1	0.0	(0.2)	0.2	0.5	0.7	(5.0)	0.3	0.3	0.1	(4.7)
Net Income (Loss) %	-9.6%	-5.8%	1.0%	0.3%	-1.8%	1.6%	3.1%	4.9%	-38.2%	2.2%	2.5%	0.5%	-3.1%

Management Discussion:

Reforecast for November / December

- Production through first 3 weeks of November has been strong, but expectations for slow down with holidays and planned shut downs.
 - Physical Inventory December 13-17
 - 4-Day shutdown for preventative maintenance around Christmas/New Years
- Cashflow negatively impacted by increased demands for severance settlements / employee disputes, but countered by continued strong collections & the ability to manage vendor payments are year end.

Hufcor Team Hiring

Recruitment activity by position.

							Candidate Flow /Activity				
#	Active Role	Date Opened	Days Open	Target Hire Date	Source	Status	Sourced	Screened	On-Site Interview	Offers Extended	Notes
1	Corporate Controller	9/23/2019	56	12/15/2019	Beckway	On-Target	18	3	3	0	3 candidates interview by Tom. Finalist (Jared Franz) has interviewed with Scott Dobak and will visit Janesville Dec 9/10.
2	VP Operations	10/9/2019	40	12/1/2019	Beckway	On-Target	30	0	2	0	2 candidates interviewed by Joel T. to be scheduled w / Kyle P.
3	Quality Manager	9/25/2019	54	12/16/2019	Beckway	On-Target	11	1	2	1	Offer extended to N. Ackley (11/19).
4	HSEF Director	9/25/2019	54	11/15/2019	Beckway	Closed	6	5	6	1	Offer accepted by J. Bahr. Joined company 11/18.
5	VP Human Resources	10/15/2019	34	12/15/2019	Beckway	On-Target	7	0	3	0	Finalist candidates to be scheduled with Scott D weeks of 11/18 and 11/25
6	Cost Accountant	9/26/2019	53	11/15/2019	R. Half	On-Target	4	4	1	0	Controller search is priority; potential internal candidate.
7	Production Supervisor (1)	9/24/2019	55	11/1/2019	Job Boards	Closed	14	9	4	1	Position filled.
8	Production Supervisor (2)	9/24/2019	55	11/1/2019	Job Boards	On-Target	15	12	9	1	Position filled.
9	Production Supervisor (3)	9/24/2019	55	12/1/2019	Job Boards	On-Target	12	9	6	0	HR continuing to interview top candidates.
10	Executive Assistant	9/23/2019	56	11/1/2019	Job Boards	Closed	1	1	1	1	Polly Schluter (Internal) transfer 11/4
11	Installer (1)	9/25/2019	54	12/1/2019	Job Boards	On-Target	8	5	5	0	Field Interviews Underway
12	Installer (2)	9/25/2019	54	12/1/2019	Job Boards	On-Target	7	6	6	0	Field Interviews Underway
13	Project Design Engineer	10/2/2019	47	12/1/2019	Job Boards	On-Target	4	2	2	0	Two candidates interviewed twice. Disposition pending.
14	Systems Administrator	NA	NA	NA	NA	Hold	NA	NA	NA	NA	Hold pending approval from Roger A.
15	Technical Support Specialist	11/18/2019	NA	1/6/2020	Job Boards	On-Target	0	0	0	0	Process launched.