

Fortitude Industries Inc.

Management Accounts for the year ending 31Dec2020

Fortitude Industries Inc.
Balance Sheet
(Dollars in Thousands, Unaudited)

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 511	\$ 683
Accounts Receivable - Trade	4,208	2,229
Accounts Receivable - Affiliates	0	0
Inventories, Net	4,914	2,973
Prepaid and Other Current Assets	32	43
Total Current Assets	<u>\$ 9,664</u>	<u>\$ 5,927</u>
PROPERTY, PLANT AND EQUIPMENT:		
Structures	\$ 229	\$ 229
Equipment	1,013	483
Construction Work In Process	169	160
Buildings and constr. IFRS16 leased for own use	197	0
Property, plant and equipment	<u>\$ 1,608</u>	<u>\$ 872</u>
Accumulated Depreciation	(669)	(574)
Total property, plant and equipment - Net	<u>\$ 939</u>	<u>\$ 298</u>
OTHER ASSETS:		
Goodwill	\$ 6,686	\$ 6,686
Intangible Assets, Net	3,910	4,223
Other Noncurrent Assets	0	0
Total other assets	<u>\$ 10,596</u>	<u>\$ 10,909</u>
TOTAL ASSETS	<u><u>\$ 21,198</u></u>	<u><u>\$ 17,134</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable - Trade	\$ 6,908	\$ 3,415
Accounts Payable - Affiliates	0	0
Taxes Payable	122	1,170
Accrued Compensation and Retirement Cost	87	92
Other Current Liabilities	697	141
Total Current Liabilities	<u>\$ 7,813</u>	<u>\$ 4,818</u>
LONG TERM LIABILITIES:		
Long Term Debt - Affiliate	\$ 791	\$ -
Deferred Income Taxes	953	992
Other Noncurrent Liabilities and Reserves	52	-
Total Long-term Liabilities	<u>\$ 1,797</u>	<u>\$ 992</u>
SHAREHOLDERS' EQUITY:		
Common Stock	\$ 10	\$ 10
Additional Paid In Capital	7,756	7,756
Retained Earnings	3,822	3,558
Accumulated Other Comprehensive Income / (Loss)	(0)	0
Total Shareholders Equity	<u>\$ 11,588</u>	<u>\$ 11,324</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 21,198</u></u>	<u><u>\$ 17,134</u></u>


Jessica DuMouchel
 Senior Director – Corporate Controller
 PKC Group North America

Fortitude Industries Inc.
Statement of Income
(Dollars in Thousands, Unaudited)

	Twelve Months Ended	
	December 31,	
	2020	2019
Net Sales and Operating Revenue	\$ 13,089	\$ 9,997
Cost of Sales	11,229	9,251
Gross Profit	\$ 1,860	\$ 745
General Admin and Selling Expense	1,422	1,366
NET MARGIN	\$ 438	\$ (621)
Taxes	\$ 7	\$ (193)
Interest Expense	162	132
Non-Operating Expense / (Income), Net	-	-
INCOME AFTER TAXES	\$ 269	\$ (560)


Jessica Dumouchel
 Senior Director – Corporate Controller
 PKC Group North America

Fortitude Industries Inc.
Statement of Cash Flow
(Dollars in Thousands, Unaudited)

	Twelve Months December 31 2020
Operating Activities	
Net income	\$ 264
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	217
Amortization of long-lived assets	14
Deferred taxes	(38)
Restructuring	
Changes in assets and liabilities:	
Accounts receivable - trade	(1,979)
Accounts receivable - affiliates	0
Inventory	(1,941)
Prepaid expenses and other	11
Other assets	0
Accounts payable - trade	3,493
Accounts payable - affiliates	0
Other current liabilities	551
Taxes payable	(1,048)
Noncurrent liabilities	52
Other	-
Net cash provided by operating activities	\$ (405)
Investing Activities	
Purchases of property, plant and equipment and intangible assets	\$ (558)
Proceeds from sale of property, plant and equipment	-
Purchase of Fortitude Industries, Inc.	-
Net cash used in investing activities	\$ (558)
Financing Activities	
Debt Repayment	\$ 791
Dividends paid	-
Net cash used by financing activities	\$ 791
Net (decrease) increase in cash and cash equivalents	\$ (172)
Cash and cash equivalents at beginning of period	683
Cash and cash equivalents at end of period	\$ 511


Jessica DuMouchel
Senior Director – Corporate Controller
PKC Group North America