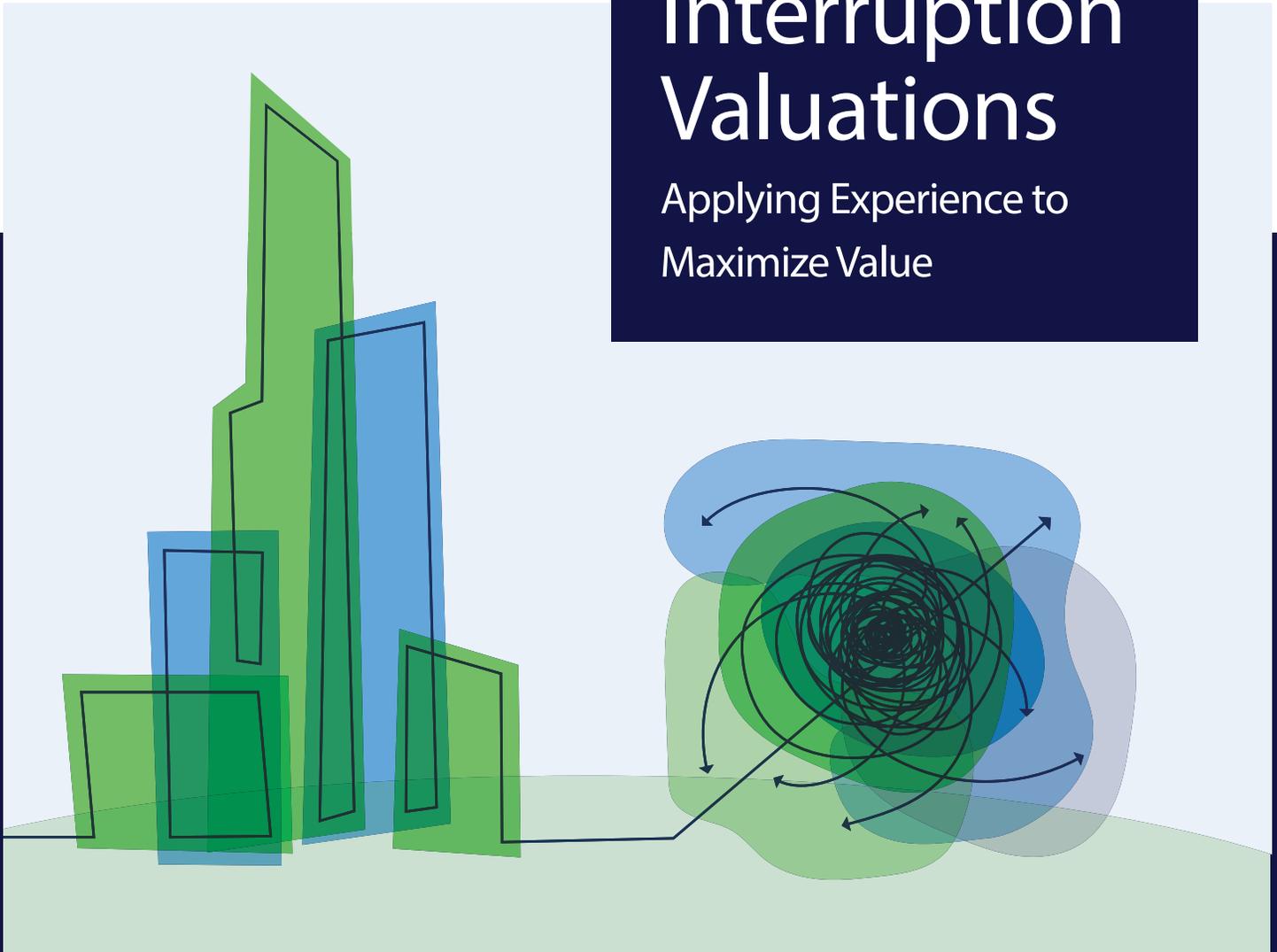




VALUESCOPE
Measure | Defend | Create

Business Interruption Valuations

Applying Experience to
Maximize Value



Experts in Documenting
& Supporting "Reasonable
Certainty"

We Examine the Value
of Your Claims from tax,
accounting, valuation,
compensation, structure,
and strategic asset
perspectives

Experts in Valuing
Contingent Business Losses

We are: CFAs, ASAs, ABVs,
CFFs, CPAs, CVAs, CQFs,
FRMs, PhDs, Economists
and Engineers

Comprehensive & Battle
Tested in Court

We Maximize Your Claims in
an "All Risk" Policy

"Better, Faster, Cheaper"
For Over 30 Years

How to Maximize Your Business Interruption

Business Interruption Insurance may cover losses due to the COVID-19 Pandemic:

- Material damage to property resulting in partial or total closure of business but may be limited to fire, flood, or other natural disasters.
- Damage or loss suffered as a consequence of damage to supplier or customer.
- Decontamination requirements may be a type of physical damage for costs of goods, services and lost business.
- Denial of access when damage in area or other circumstances force a business to close or business is closed based on orders of an authority.
- Event cancellation insurance covers losses arising from cancellation of events such as concerts, conventions, festivals and other events which may have been cancelled due to COVID-19.

Businesses seeking to file claims for business interruption may be denied due to policy wording. They may also be forced to prove that the COVID-19 outbreak or government restrictions caused the business interruption loss.

Calculating Business Interruption Losses:

The primary component of a business interruption claim is lost profits. The calculation of lost profits must incorporate a number of factors, including but not limited to:

- **Length of Interruption** - There may be a tapering off of the interruption which needs to be accounted for in the analysis.
- **Projection of Lost Revenue** - This should account for any seasonal factors (i.e. holidays), recent trends in revenue, or construction in progress.
- **Cost of Physical Damage** - Policies may include property repairs and expenses which resulted from the business interruption.
- **Fixed vs. Variable Costs** - The calculation of lost profits will depend upon a company's breakdown of costs. The greater amount of fixed costs a business has, the larger the impact a decline in revenue will have on profits.
- **Contingent Business Interruption Claims** - Consider damages to property not owned by the policy holder.
- **Mitigation and Recovery** - Take reasonable steps to protect the property from further damage.

Basic Steps When Calculating Loss

Step 8: Calculate the Business Interruption Loss by:

- Analyzing the company's historical performance
- Estimating the company's earnings had no "loss" occurred
- Identifying continuing and non-continuing expenses

Step 7: Determine Probable Period of Interruption

Step 6: Gather Pertinent Financial and Legal Documents

Step 5: Set Up Separate Accounts

Step 4: Mitigation and Recovery

Step 3: Proof of Loss

Step 2: Prompt Notice to Insurance Carrier

Step 1: Review Your Policy

ValueScope's Unique Expertise

ValueScope is a team of experienced valuers and financial economists. We are Certified Public Accountants; but we are also CFAs, ASAs, ABVs, CFFs, CVAs, PhDs, economists, engineers, board members and former corporate executives.

We've run large project teams and successful companies. We've turned around struggling business units. We have invested in, bought, and sold businesses. Depth and breadth of talent

is what sets us apart. When we applied academic rigor to valuation analyses, we changed the valuation industry forever. Today, we remain at the forefront — offering sophisticated financial and econometric analyses supported by robust theory and empirical data.

We examine the value of your claims from tax, accounting, valuation, compensation, structure, and strategic asset perspectives.

As a result of decades long experience with the multitude of factors affecting

sustainable EBITDA and cash flow, we are able to better assess the issues which will impact your pricing, structure and risk of any prospective deal. Many of the issues, such as transaction terms and pricing, executive compensation, intercompany transfer pricing, investor and shareholder claims, and budgeting and projections, have been litigated utilizing ValueScope as an expert witness, be it in the U.S. Tax Court, federal, or state courts. We have therefore addressed some issues relating to Quality of Earnings at the highest level of scrutiny, with significant success.

Our service offerings are further defined:

TRANSACTION ADVISORY

We have successfully helped numerous clients with a wide array of transaction advisory services to energy companies.

- Buy-Side
- Sell-Side
- Capital Formation
- BOD / Management Support
- Fairness & solvency opinions
- Contingent consideration valuations
- Purchase price allocations
- Goodwill impairment
- Voting premiums & discounts
- Intangible asset valuation
- Analyzing accounts receivables
- Customer churn analysis

LITIGATION SUPPORT

We assist clients in engagements ranging from alternative dispute resolution matters, intellectual property cases, royalty disputes, and economic damages.

- Lost Profits
- Economic Damages
- Bankruptcy Support
- Business Valuation
- Tax Litigation

TAX REPORTING

We have the experience and credentials to support key valuation positions for tax matters.

- IRS 409A
- IRC Section 83b
- ESOP Valuations
- S / C / LLC Conversions

TRANSFER PRICING

We have the broad understanding of the U.S. Internal Revenue Service and foreign tax authorities necessary to implement defensible transfer pricing policies and procedures.

- Market-based techniques
- Benchmarking studies
- Intercompany pricing policies
- Cost sharing agreements
- Functional and economic analysis

FINANCIAL FORENSICS

We have the financial and auditing skills to identify criminal financial activity.

- Tracing fraudulent activities
- Fraudulent transfer analysis
- Money laundering and Ponzi schemes

FINANCIAL REPORTING

We assist companies in complying with financial reporting (fair value) requirements.

- Business Combinations / Purchase Price Allocations
- Goodwill / Asset Impairment
- Derivative Instruments / Hedging
- Employee Stock Options

EXECUTIVE COMPENSATION

We focus on the reasonableness of the total compensation package.

- Peer group comparative analysis
- Multi-level corporate structures
- Cash & long-term incentives
- Benefits packages
- Perquisites
- Performance analysis

ESTATE PLANNING

We routinely value closely held corporations, family limited partnerships, LLCs, stock options, and restricted stock.

- Closely Held Interests
- Discount Studies
- Succession Planning

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POSTAGE



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BUSINESS VALUATION
LITIGATION SUPPORT
HEALTHCARE FMVS
ENERGY VALUATION

FINANCIAL REPORTING
TRANSACTION ADVISORY
TRANSFER PRICING
QUALITY OF EARNINGS

FAIRNESS OPINIONS
SOLVENCY OPINIONS
TAX REPORTING
EXECUTIVE COMPENSATION

Industries

- Technology
- Telecommunications
- Software
- Media
- Entertainment
- Wholesale
- Energy
- Oil & Gas
- Transportation
- Aircraft
- Manufacturing
- Distribution
- Retail
- Insurance
- Professional Services
- Healthcare
- Human Resources
- Consumer Products
- Financial Services
- Brokerage
- Banking
- Construction

Resources Support

Bloomberg



Business Interruption Valuations