

## Purchase Price

All figures in USD thousands unless stated

### EBITDA Multiples

Entry EV/EBITDA	10.0x
Exit EV/EBITDA	10.0x

### Enterprise Value

Entry EV/EBITDA	10.0x
2022 EBITDA for Valuation	18,380
Enterprise Value	1,83,795

### Equity Offer Value

Enterprise Value	1,83,795
Less: Short-term Debt	(1,000)
Less: Long-term Debt	(57,000)
Plus: Cash Balance	20,000
Equity Offer Value	1,45,795

FD Shares Outstanding (000s)	10,000
US\$/Share	14.58

### Premium (Discount)

Share Price	11.00
Premium (Discount)	32.5%

## Sources & Uses

### Sources of Cash

	Multiple	Amount
Cash (Target)	0.82x	15,000
Revolving Credit Line	0.25x	4,595
Term Loan A	2.50x	45,949
Term Loan B	2.00x	36,759
Subordinated Debt	1.50x	27,569
Management Rollover <sup>1</sup>	3.0%	4,374
Sponsor Equity	4.05x	74,428
<b>Total Sources</b>	<b>11.35x</b>	<b>2,08,674</b>

### Uses of Cash

	Amount
Equity Offer Value	1,45,795
Refinance ST-Debt	1,000
Refinance LT-Debt	57,000
Total Fees	4,879
<b>Total Uses</b>	<b>2,08,674</b>

Leverage Multiples > Entry Multiple?

No

## Other Inputs

### General Inputs

First Forecast Fiscal Year <sup>2</sup>	(YY-MM-DD)	23-12-31
Transaction Close Date <sup>3</sup>	(YY-MM-DD)	22-12-31
First Year of Forecast <sup>4</sup>	(Year)	2023
Days in Period	(Days)	365
Tax Rate		25.0%
Minimum Cash Balance		5,000
Interest Rate on Deposits		1.5%

### Total Fees

Debt Financing Fees <sup>5</sup>	1,879
Equity Financing Fees	N/A
Restructuring Fees <sup>6</sup>	2,000
Other Closing & Advisory Costs	1,000
Total Fees	4,879

### Fixed Assets

First Year Accounting Depreciation	50%
End of 2022 Book Basis for PP&E	65,014
Useful Life: Existing Assets	(Years) 16.00
Useful Life: New Assets	(Years) 20.00
Plant Capacity	(Units/Day) 1,550

### Income Tax Assets

First Year Tax Depreciation	50%
End of 2022 Tax Basis for PP&E	39,211
End of 2022 Tax Losses	24,128
Blended Tax Depreciation Rate	15.0%

Management rollover is a percentage of equity offer value. <sup>(1)</sup>

Cash flows assumed to be received at the end of the fiscal year. <sup>(2)</sup>

All IRR and NPV analyses will be calculated to this date. <sup>(3)</sup>

This year drives the headings on the financial statements. <sup>(4)</sup>

Debt financing fees are amortized over the life of the debt; for the purposes of this model, we are not including that amortization. <sup>(5)</sup>

Restructuring and severance fees as well as target debt prepayment fees. <sup>(6)</sup>

## Financing Assumptions

All figures in USD thousands

Type	Amount	Percent	Limit	Issuance Fee %	Issuance Fee	Standby Fee	Floating Coupon	Fixed Coupon
Cash (Target)	15,000	7.2%	N/A	N/A	N/A	N/A	N/A	N/A
Revolving Credit Line <sup>1</sup>	4,595	2.2%	15,000	1.5%	225	0.50%	B+300bps	N/A
Term Loan A	45,949	22.0%	N/A	1.5%	689	N/A	B+500bps	N/A
Term Loan B	36,759	17.6%	N/A	1.5%	551	N/A	B+700bps	N/A
Subordinated Debt	27,569	13.2%	N/A	1.5%	414	N/A	N/A	12.0%
Sponsor + Mgmt. Equity <sup>2</sup>	78,802	37.8%	N/A	N/A	N/A	N/A	N/A	N/A
Total	2,08,674	100.0%						

Type	PIK Rate <sup>3</sup>	Excess Cash Flow Sweep <sup>4</sup>	Mandatory Principal Repayment					Check	
			Year 1	Year 2	Year 3	Year 4	Year 5		
Cash (Target)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Revolving Credit Line	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Term Loan A	N/A	100.0%	20.0%	20.0%	20.0%	20.0%	20.0%	No	Mandatory Repayment > 100%?
Term Loan B	N/A	100.0%	1.0%	1.0%	1.0%	1.0%	1.0%	No	Mandatory Repayment > 100%?
Subordinated Debt	60.0%	N/A	-	-	-	-	-	No	Mandatory Repayment > 100%?
Sponsor + Mgmt. Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

### Debt Covenants

Targeted Year <sup>5</sup>	Year 3
Max. Total Debt / EBITDA	4.00x
Total Debt / EBITDA Reduction <sup>6</sup>	0.50x
Min. Debt Service Coverage	1.00x
Debt Service Coverage Increase <sup>6</sup>	0.10x

Revolving credit line fees based on maximum availability. <sup>(1)</sup>

Financing fees related to the sponsor equity are nil, as this capital is assumed to have been raised prior and committed by the sponsor. <sup>(2)</sup>

Represents the percentage of the Subordinated Debt Coupon that is paid-in-kind. <sup>(3)</sup>

The Excess Cash Flow sweep represents the percentage of excess cash that can be allocated to discretionary debt paydowns;

The discretionary paydown of each debt tranche must be net of the 'higher' tranche's discretionary paydown;

For example, the Term Loan B discretionary paydown must take into account the Term Loan A discretionary paydown. <sup>(4)</sup>

The targeted year represents the years until the targeted threshold is expected to apply. <sup>(5)</sup>

The step factor represents the annual tightening of the covenant until the targeted threshold is reached. <sup>(6)</sup>