

Logic Audit: Loan Agreement - Sample

Date: 2024-05-22

1. VARIABLE INVENTORY

base_net_income: Operating profit before taxation
interest_expense_add_back: Interest Expense
depreciation_and_amortization: Depreciation and Amortization
extraordinary_restructuring_costs: Extraordinary Restructuring Costs
term_loan_debt: Borrowings (Bonds and Bank Loans)
unrestricted_cash: Cash and Cash Equivalents

2. LOGICAL RULES & EVIDENCE

Rule ID: 1

```
adjusted_ebitda == base_net_income + interest_expense_add_back + depreciation_and_amortization + extraordinary_restructuring_costs
```

Source (Page 1): Definition of Adjusted EBITDA: includes profit before tax, interest, D&A and restructuring costs.

Rule ID: 2

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total_net_debt == term_loan_debt - unrestricted_cash
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Source (Page 1): Definition of Total Net Debt: Borrowings less Cash and Cash Equivalents.

Rule ID: 3

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extraordinary_restructuring_costs <= 0.10 * adjusted_ebitda
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Source (Page 1): Clause (c): Restructuring costs shall not exceed 10% of Adjusted EBITDA.

Rule ID: 4

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total_net_debt / adjusted_ebitda <= 3.00
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Source (Page 1): Clause 18.1 (a): Leverage Ratio shall not exceed 3.00:1.