

# COMPLIANCE CERTIFICATE

Pursuant to Section 4 of the Credit Agreement

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## Midwest Manufacturing Co.

For the Fiscal Quarter Ended September 30, 2025

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## OFFICER'S CERTIFICATION

I, the undersigned Chief Financial Officer of Midwest Manufacturing Co. (the "Borrower"), hereby certify to Industrial Credit Partners, LLC (the "Agent") pursuant to Section 4 of the Credit Agreement dated March 1, 2023, as follows:

1. The attached financial statements fairly present the financial condition of the Borrower.
2. I have reviewed the financial covenants and made the calculations set forth below.
3. Except as noted below, the Borrower is in compliance with all covenants.

## FINANCIAL COVENANT COMPLIANCE

### 1. Leverage Ratio (Maximum 5.00:1.00)

Component	Amount
Total Debt (as of September 30, 2025)	\$62,400,000
EBITDA (TTM ending September 30, 2025)	\$13,000,000
<b>Leverage Ratio</b>	<b>4.80x</b>
Covenant Requirement	Maximum 5.00x
<b>Status</b>	<b>WARNING - LOW HEADROOM</b>
Headroom	4.0%

**Management Commentary:** The Leverage Ratio of 4.80x is within covenant limits but approaching the 5.00x threshold. Management is implementing cost reduction initiatives and expects Q4 EBITDA to improve due to seasonal strength in automotive parts orders. We project the ratio to improve to approximately 4.5x by year-end.

## 2. Interest Coverage Ratio (Minimum 2.00:1.00)

Component	Amount
EBITDA (TTM ending September 30, 2025)	\$13,000,000
Interest Expense (TTM ending September 30, 2025)	\$4,368,000
<b>Interest Coverage Ratio</b>	<b>2.98x</b>
Covenant Requirement	Minimum 2.00x
<b>Status</b>	<b>COMPLIANT</b>
Headroom	48.8%

## 3. Current Ratio (Minimum 1.25:1.00)

Component	Amount
Current Assets	\$24,500,000
Current Liabilities	\$17,850,000
<b>Current Ratio</b>	<b>1.37x</b>
Covenant Requirement	Minimum 1.25x
<b>Status</b>	<b>COMPLIANT</b>
Headroom	9.8%

## 4. Minimum EBITDA (\$12,000,000)

Component	Amount
EBITDA (TTM ending September 30, 2025)	\$13,000,000
Covenant Requirement	Minimum \$12,000,000
<b>Status</b>	<b>COMPLIANT</b>
Headroom	8.3%

## EBITDA CALCULATION

	Q4 '24	Q1 '25	Q2 '25	Q3 '25	TTM
Net Income	\$850K	\$620K	\$580K	\$750K	\$2,800K
Interest Exp.	\$1,120K	\$1,080K	\$1,092K	\$1,076K	\$4,368K
Taxes	\$340K	\$248K	\$232K	\$300K	\$1,120K
Depreciation	\$1,050K	\$1,080K	\$1,095K	\$1,087K	\$4,312K
Amortization	\$100K	\$100K	\$100K	\$100K	\$400K
<b>EBITDA</b>	<b>\$3,460K</b>	<b>\$3,128K</b>	<b>\$3,099K</b>	<b>\$3,313K</b>	<b>\$13,000K</b>

## DEBT SCHEDULE

Debt Instrument	Outstanding	Rate
Industrial Credit Partners Term Loan	\$42,500,000	SOFR + 3.25%
Equipment Financing (Cat Financial)	\$12,400,000	6.50% Fixed
ABL Revolver (drawn)	\$5,200,000	Prime + 1.50%
Capital Leases	\$2,300,000	Various
<b>Total Debt</b>	<b>\$62,400,000</b>	

## **DEFAULT STATUS**

No Default or Event of Default has occurred. However, management notes the reduced headroom on the Leverage Ratio covenant and is taking proactive steps.

## **MIDWEST MANUFACTURING CO.**

By: \_\_\_\_\_

Name: Patricia Anderson

Title: Chief Financial Officer

Date: November 12, 2025