

# **DEBT SERVICE SCHEDULE 2024**

**Summit Digital Solutions, Inc.**

**As of January 1, 2024**

## **1. OVERVIEW**

This Debt Service Schedule ("Schedule") sets forth the payment obligations of Summit Digital Solutions, Inc., a Delaware corporation ("Company"), with respect to all outstanding debt instruments for the 2024 fiscal year. This Schedule has been prepared in accordance with the terms of the Credit Agreement dated March 15, 2023, between the Company and Silicon Valley Bank, as Administrative Agent.

## **2. OUTSTANDING DEBT INSTRUMENTS**

### **2.1 Senior Secured Credit Facility**

- Principal Amount: \$45,000,000
- Interest Rate: SOFR + 3.25%
- Maturity Date: March 15, 2028
- Administrative Agent: Silicon Valley Bank

### **2.2 Convertible Notes**

- Principal Amount: \$15,000,000
- Interest Rate: 5.75% fixed
- Maturity Date: June 30, 2026
- Note Holders: Peak Ventures Fund III, LP

### **2.3 Equipment Financing**

- Principal Amount: \$3,500,000
- Interest Rate: 4.85% fixed
- Maturity Date: December 31, 2025
- Lender: First Technology Finance

## **3. PAYMENT SCHEDULE - 2024**

### 3.1 Senior Secured Credit Facility Payments

/ Quarter / Principal Payment / Interest Payment / Total Payment /

|-----|-----|-----|-----|

| Q1 2024 | \$1,125,000 | \$487,500 | \$1,612,500 |

| Q2 2024 | \$1,125,000 | \$475,312 | \$1,600,312 |

| Q3 2024 | \$1,125,000 | \$463,125 | \$1,588,125 |

| Q4 2024 | \$1,125,000 | \$450,937 | \$1,575,937 |

*Interest calculations assume current SOFR rate of 4.35%*

### 3.2 Convertible Notes Payments

| Quarter | Principal Payment | Interest Payment | Total Payment |

|-----|-----|-----|-----|

| Q1 2024 | \$0 | \$215,625 | \$215,625 |

| Q2 2024 | \$0 | \$215,625 | \$215,625 |

| Q3 2024 | \$0 | \$215,625 | \$215,625 |

| Q4 2024 | \$0 | \$215,625 | \$215,625 |

### 3.3 Equipment Financing Payments

| Quarter | Principal Payment | Interest Payment | Total Payment |

|-----|-----|-----|-----|

| Q1 2024 | \$218,750 | \$42,437 | \$261,187 |

| Q2 2024 | \$218,750 | \$39,844 | \$258,594 |

| Q3 2024 | \$218,750 | \$37,251 | \$255,001 |

| Q4 2024 | \$218,750 | \$34,658 | \$253,408 |

## 4. AGGREGATE ANNUAL DEBT SERVICE

Total Projected Debt Service for 2024: \$8,267,564

- Principal Payments: \$5,468,750

- Interest Payments: \$2,798,814

## 5. FINANCIAL COVENANTS

### **5.1 Required Coverage Ratios**

- Minimum Debt Service Coverage Ratio: 1.25x
- Maximum Leverage Ratio: 3.50x
- Minimum Fixed Charge Coverage Ratio: 1.15x

### **5.2 Compliance Testing**

Covenant compliance to be tested quarterly based on trailing twelve months financial results.

## **6. PREPAYMENT PROVISIONS**

### **6.1 Senior Secured Credit Facility**

- Voluntary prepayments permitted without penalty
- Mandatory prepayments required from excess cash flow per Credit Agreement

### **6.2 Convertible Notes**

- No prepayment permitted prior to June 30, 2025
- Make-whole premium applies to prepayments after June 30, 2025

### **6.3 Equipment Financing**

- Prepayment subject to 2% premium of outstanding principal

## **7. DISCLAIMERS AND NOTICES**

This Schedule is subject to all terms and conditions of the respective credit documents. All payment amounts are projections based on current interest rates and may vary based on floating rate adjustments and actual payment dates. This Schedule shall be updated quarterly to reflect any changes in interest rates or payment obligations.

## **ACKNOWLEDGMENT**

The undersigned officer hereby certifies that this Debt Service Schedule accurately reflects the Company's debt service obligations for fiscal year 2024.

SUMMIT DIGITAL SOLUTIONS, INC.

**By:** \_

Name: Sarah Blackwell

Title: Chief Operating Officer

Date: January 1, 2024