Atlas Precision — Credit Agreement

All entities and figures are fictional. Prepared solely for evaluation and review.

Synthetic agreement · January 1, 2024

SYNTHETIC EXAMPLE. Atlas Precision Components LLC (the Borrower), on a consolidated basis with its subsidiaries. All dollar amounts are USD thousands. Effective January 1, 2024. This excerpt is authored for testing and is not a legal instrument.

Section 6.1 · Maximum leverage

At each fiscal year end, Total Debt divided by EBITDA for the fiscal year then ended shall not exceed 3.00x. Total Debt includes all funded borrowings, without deduction of cash. EBITDA means the financial statement EBITDA amount; no further add-backs are permitted. Applies to the Borrower and subsidiaries on a consolidated basis.

Section 6.2 · Minimum debt service coverage

At each fiscal year end, Debt Service Coverage Ratio shall be at least 1.25x. Debt Service Coverage Ratio means (EBITDA less cash income taxes less maintenance capital expenditure) divided by (cash interest paid plus scheduled principal repayments), each for the same fiscal year. All deductions and debt service components are positive magnitudes. Discretionary prepayments are excluded.

Section 6.3 · Minimum liquidity

At each fiscal year end, unrestricted cash shall be at least USD 1,500 thousand. Unrestricted cash means total cash less restricted cash. Restricted cash cannot satisfy this requirement.

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Section 7.1 · Financial reporting

The Borrower shall deliver audited annual consolidated financial statements and a compliance certificate within 120 calendar days after each fiscal year end. No extension or cure period is specified in this excerpt.

Section 7.2 · Additional indebtedness

The Borrower shall not incur additional funded debt without the lender's prior written consent, except ordinary-course equipment financing with aggregate principal outstanding not exceeding USD 500 thousand. No cure right is specified in this excerpt.