Acquisition Assumptions

Vessel Acquisition — Vessel Acquisition

Parameter	Value	Units
ACQUISITION		
Vessel Purchase Price	4,200	*$K*
Equity Contribution (30%)	2,100	*$K*
Debt Financing (70%)	2,100	*$K*
Interest Rate	7.0%	*%*
Loan Term	10	*years*
Residual Value (Year 10)	1,200	*$K*
REVENUE DRIVERS		
Base Day Rate	7,200	*$/day*
Base Utilization	82.0%	*%*
Annual Rate Escalation	2.0%	*%*
Days per Year	365	*days*
COVENANTS		
Minimum DSCR Covenant	1.20x	*x*

Target Company — Acquisition Feasibility

($K, except per-unit and percentage data)

TRANSACTION SUMMARY

Purchase Price	4,200
Equity Required (50%)	2,100
Senior Debt (50% LTV)	2,100
Interest Rate	7.0%
Loan Term (years)	10
Day Rate	$7,200
Base Case Utilization	82.0%
DSCR Covenant	1.20x

RETURNS

Levered IRR	**19.0%**
Equity Multiple (MOIC)	**2.5x**

Revenue Projection — 10-Year

Vessel Acquisition — Vessel Revenue

($K)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
REVENUE DRIVERS										
Effective Day Rate ($)	7,200	7,344	7,491	7,641	7,794	7,949	8,108	8,271	8,436	8,605
Utilization Rate (%)	72.0%	78.0%	82.0%	84.0%	83.0%	81.0%	79.0%	77.0%	75.0%	73.0%
Operating Days	263	285	299	307	303	296	288	281	274	266
Gross Revenue ($K)	**1,894**	**2,093**	**2,240**	**2,346**	**2,362**	**2,353**	**2,335**	**2,324**	**2,311**	**2,289**

Operating Cost Projection

Vessel Acquisition — Annual Operating Costs

($K)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
OPERATING EXPENSES										
Crew & Manning	480	496	512	528	545	562	580	598	617	637
Fuel & Lubricants	410	422	435	448	461	475	489	504	519	534
Maintenance & Repairs	140	148	158	172	188	205	225	248	275	305
Insurance (Hull & P&I)	95	98	101	104	107	110	114	117	121	125
Port & Canal Fees	72	74	76	79	81	84	86	89	92	95
Administration & Overhead	50	52	53	55	57	58	60	62	64	66
Total Operating Expenses	**1,247**	**1,290**	**1,335**	**1,386**	**1,439**	**1,494**	**1,554**	**1,618**	**1,688**	**1,762**
DRYDOCK / MAJOR MAINTENANCE										
Drydock Expenditure ($K)	0	0	0	0	350	0	0	0	0	350

Debt Schedule & Financing

Vessel Acquisition — Loan Amortization

($K)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
LOAN AMORTIZATION										
Beginning Balance ($K)	2,100	1,890	1,680	1,470	1,260	1,050	840	630	420	210
Principal Amortization ($K)	210	210	210	210	210	210	210	210	210	210
Interest Expense ($K)	147	132	118	103	88	74	59	44	29	15
Total Debt Service ($K)	**357**	**342**	**328**	**313**	**298**	**284**	**269**	**254**	**239**	**225**
Ending Balance ($K)	1,890	1,680	1,470	1,260	1,050	840	630	420	210	0

Free Cash Flow & Returns Analysis

Vessel Acquisition — 10-Year Projection

($K)		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
OPERATING CASH FLOW											
Gross Revenue		1,894	2,093	2,240	2,346	2,362	2,353	2,335	2,324	2,311	2,289
(-) Operating Expenses		1,247	1,290	1,335	1,386	1,439	1,494	1,554	1,618	1,688	1,762
EBITDA		**647**	**803**	**905**	**960**	**923**	**859**	**781**	**706**	**623**	**527**
FINANCING CASH FLOW											
(-) Total Debt Service		357	342	328	313	298	284	269	254	239	225
(-) Drydock Expenditure		0	0	0	0	350	0	0	0	0	350
Free Cash Flow to Equity		**290**	**461**	**577**	**647**	**275**	**575**	**512**	**452**	**384**	**-48**
(+) Residual Value (Year 10)		0	0	0	0	0	0	0	0	0	1,200
Total Equity Cash Flow		**290**	**461**	**577**	**647**	**275**	**575**	**512**	**452**	**384**	**1,152**
RETURNS ANALYSIS											
IRR Cash Flow Series	-2,100	290	461	577	647	275	575	512	452	384	1,152
Levered IRR		**19.0%**									
Equity Multiple (MOIC)		**2.54x**									

Debt Service Coverage Analysis

Vessel Acquisition — Covenant Monitoring

($K)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
DSCR CALCULATION										
EBITDA	647	803	905	960	923	859	781	706	623	527
Total Debt Service	357	342	328	313	298	284	269	254	239	225
DSCR	**1.81x**	**2.35x**	**2.76x**	**3.07x**	**3.10x**	**3.02x**	**2.90x**	**2.78x**	**2.61x**	**2.34x**
Covenant Minimum (1.20x)	**1.20x**	**1.20x**	**1.20x**	**1.20x**	**1.20x**	**1.20x**	**1.20x**	**1.20x**	**1.20x**	**1.20x**
DSCR Cushion	0.61x	1.15x	1.56x	1.87x	1.90x	1.82x	1.70x	1.58x	1.41x	1.14x
Covenant Status	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
UTILIZATION SENSITIVITY										
Breakeven Utilization for DSCR = 1.20x	**63.8%**	**63.4%**	**63.2%**	**63.2%**	**63.2%**	**63.2%**	**63.4%**	**63.7%**	**64.1%**	**64.7%**

Sensitivity Analysis

Target Company — IRR & DSCR Sensitivity

LEVERED IRR: UTILIZATION vs DAY RATE

Util \ Rate	$5,500	$6,000	$6,500	$7,000	$7,200	$7,500	$8,000
70.0%	500.0%	500.0%	-8.0%	1.7%	5.2%	10.2%	17.8%
75.0%	500.0%	-9.5%	1.1%	10.2%	13.5%	18.4%	26.1%
78.0%	500.0%	-4.2%	5.9%	14.8%	18.2%	23.0%	30.8%
82.0%	-9.2%	2.2%	12.0%	20.8%	24.1%	29.1%	37.0%
85.0%	-4.3%	6.6%	16.2%	25.1%	28.5%	33.4%	41.5%
88.0%	0.1%	10.8%	20.4%	29.2%	32.7%	37.7%	46.0%

MINIMUM DSCR: UTILIZATION vs DAY RATE

Util \ Rate	$5,500	$6,000	$6,500	$7,000	$7,200	$7,500	$8,000
70.0%	-0.37x	0.31x	0.99x	1.52x	1.66x	1.87x	2.23x
75.0%	0.17x	0.89x	1.49x	1.87x	2.03x	2.26x	2.64x
78.0%	0.49x	1.24x	1.69x	2.09x	2.25x	2.49x	2.89x
82.0%	0.91x	1.54x	1.96x	2.38x	2.54x	2.79x	3.21x
85.0%	1.23x	1.72x	2.16x	2.59x	2.76x	3.02x	3.46x
88.0%	1.46x	1.91x	2.36x	2.81x	2.98x	3.25x	3.70x