

## INVESTMENT PARAMETERS

XS Financial is pleased to present the following investment parameters for transactions we purchase through the capital markets segment of the equipment finance industry.

### FINANCING OPTIONS

#### **TRANSACTION SIZE**

\$1-15MM Will consider larger based on credit profile

- Generally  $\leq 5\%$  of revenue

#### **STRUCTURES**

Debt only at this time

- Capital Leases
- Loans/EFAs
- Debt Strip of Operating Leases

#### **TERMS**

Three to seven years (3-7 years)  
Will consider longer based on asset life and credit profile

#### **USE OF PROCEEDS**

Growth/replacement CAPEX

#### **SERVICING**

We generally prefer to service purchased transactions but, will consider servicing-retained transactions

#### **PRICING**

Average life ICE SOFR Swap Rate plus 450-650bp+ based on credit profile

### INDUSTRY & EQUIPMENT

#### **INDUSTRIES**

Industry agnostic with experience across most industries

- Will consider less desirable industries E.G. energy and coal, firearms, etc.
- No OTR Transportation

#### **EQUIPMENT**

New or used essential use assets

- Non-OTR titled vehicles on a very select basis

#### **GEOGRAPHIC FOCUS**

Obligor and asset locations in US

### CREDIT PROFILES

- Time in Business – 5+ Years
- Corporate Obligors with \$50MM+ Revenue
  - S&P Equivalent B – CCC Credit Profile
  - Public or Private Companies

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The XS Financial transaction team of Jim Bates (Director of Credit and Risk), Michelle Bruno (Business Development Manager), Justin Hijeck (Credit Manager), and Jenna McRae (Credit Analyst) has 100 years of combined experience in the non-cannabis equipment finance industry including 25+ years buying and selling transactions in the capital markets segment.

XS Financial was founded in 2017, and to date, has provided traditional equipment finance to cannabis operators in the United States. We are leveraging our expertise structuring and underwriting complex credits and transactions to provide equipment financing for similarly challenged and underserved credit profiles in other industries.