

Formal verification

Corning Energy / Citizens Bank - September 12, 2024

Audit ID / DemoEnergy_2025_Q4

DRAFT UNAPPROVED

PASSED / All modeled constraints satisfied

1. Supplied inputs

Variable	Value	Origin
debt	66,000,000.00	CFO input
equity	46,000,000.00	CFO input
ebitda	12,000,000.00	CFO input
interest	4,600,000.00	CFO input
prior_cure_exercises	1.00	CFO input
current_cure_elected	0.00	CFO input
cash_received	0.00	CFO input
notice_written	0.00	CFO input
notice_irrevocable	0.00	CFO input
notice_effectively_delivered	0.00	CFO input
notice_days_relative_to_deadline	0.00	CFO input
cash_days_after_testing_date	0.00	CFO input
cash_days_relative_to_deadline	0.00	CFO input
assessment_days_relative_to_deadline	1.00	CFO input
common_equity	0.00	CFO input
closing_date_preferred_equity	0.00	CFO input
other_equity_terms_accepted	0.00	CFO input
historical_ebitda_cure_q_minus_1	0.00	CFO input
cure_used_q_minus_1	0.00	CFO input
historical_ebitda_cure_q_minus_2	376,500.00	CFO input
cure_used_q_minus_2	1.00	CFO input
historical_ebitda_cure_q_minus_3	0.00	CFO input
cure_used_q_minus_3	0.00	CFO input
deadline_days_after_testing_date	59.00	CFO input

2. Derived model values

Variable	Value	Origin
capitalization_before	112,000,000.00	Z3 derived
ebitda_before	12,376,500.00	Z3 derived
debt_ratio_before	0.59	Z3 derived
coverage_before	2.69	Z3 derived
required_debt_cure	0.00	Z3 derived
required_coverage_cure	0.00	Z3 derived
required_cure	0.00	Z3 derived
recognized_cure	0.00	Z3 derived
capitalization_after	112,000,000.00	Z3 derived
ebitda_after	12,376,500.00	Z3 derived
debt_ratio_after	0.59	Z3 derived
coverage_after	2.69	Z3 derived

Values are displayed to two decimals; verification uses the model's exact expressions. Units and definitions follow the contract formalization.

The result applies to the supplied inputs and modeled constraints. A draft demo result does not represent a signed client verification.

Portfolio dashboard

Financial covenant verification / Quarterly overview

DemoEnergy

Year	Q1	Q2	Q3	Q4
2024	-	-	OK 0.56 / 3.11	OK 0.62 / 2.17
2025	BREACH	OK 0.62 / 2.00	OK 0.59 / 2.53	OK 0.59 / 2.69

Ratios on OK cells, in order: Debt-to-Capitalization Ratio / Interest Coverage Ratio
OK: all modeled covenants satisfied. BREACH: at least one modeled covenant failed.
-: no period data supplied.

Sensitivity matrix

Reporting period / 2025 Q4

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Columns / Change in Consolidated Indebtedness

Rows / Change in Covenant-Defined EBITDA

Y / X	+0%	+5%	+10%	+15%	+20%	+25%	+30%	+35%	+40%
-0%	OK	OK	OK	OK	OK	OK	OK	BREACH	BREACH
-5%	OK	OK	OK	OK	OK	OK	OK	BREACH	BREACH
-10%	OK	OK	OK	OK	OK	OK	OK	BREACH	BREACH
-15%	OK	OK	OK	OK	OK	OK	OK	BREACH	BREACH
-20%	OK	OK	OK	OK	OK	OK	OK	BREACH	BREACH
-25%	OK	OK	OK	OK	OK	OK	OK	BREACH	BREACH
-30%	BREACH	BREACH	BREACH	BREACH	BREACH	BREACH	BREACH	BREACH	BREACH
-35%	BREACH	BREACH	BREACH	BREACH	BREACH	BREACH	BREACH	BREACH	BREACH
-40%	BREACH	BREACH	BREACH	BREACH	BREACH	BREACH	BREACH	BREACH	BREACH

Individual headroom

Consolidated Indebtedness / 32.0%

Covenant-Defined EBITDA / 26.0%

Each cell tests the combined changes shown on the axes. All other supplied inputs remain fixed.

OK: all modeled covenants satisfied. BREACH: at least one modeled covenant failed.

Individual headroom varies one axis at a time, with the other at its baseline; it is estimated on the refined stress grid.