

SALE ANNOUNCEMENT

\$17.2 MILLION SUB-PERFORMING C&I LOAN RELATIONSHIP SALE

RELATIONSHIP OVERVIEW:	1) 12,000,000 Line of Credit 2) \$1,936,961 Equipment Line of Credit 3) \$3,250,000 Equipment Term Loan
COLLATERAL TYPE:	UCC on Business Assets Including Pharmaceutical Equipment and FDA-Approved ANDAs
PERFORMANCE:	Sub-Performing

OVERVIEW

On behalf of an undisclosed seller (the “Seller”), Mission Capital Advisors, LLC (“Mission Capital” or “Loan Sale Advisor”) is pleased to announce the sale of a C&I loan relationship (the “Loans” or “Loan Relationship”).

Mission Capital has been retained as the exclusive Loan Sale Advisor to the Seller for the sale of the Loan Relationship, which consists of two (2) lines of credit and one term loan extended to a pharmaceutical manufacturing company.

SALE STRUCTURE

Mission Capital is initially soliciting indicative bids from prospective bidders (the “**Prospective Bidders**”) for the purchase of the Loan Relationship. Mission Capital and the Seller, in the sole and absolute discretion of the Seller, will then invite final bidder(s) (the “**Final Bidder(s)**”) to complete due diligence and submit non-contingent final bid(s) on the final bid date (the “**Final Bid Date**”) pursuant to the following timeline:

Event	Date
Sale Announcement Distributed	Thursday, November 3, 2022
Due Diligence Materials Available	Thursday, November 3, 2022
Indicative Bid Date	Tuesday, November 22, 2022
Final Bid Date	Wednesday, December 13, 2022
Winning Bidder Selected	Thursday, December 15, 2022
10% Non-Refundable Deposit Due	Friday, December 16, 2022
Closing Period	December 22 - 29, 2022

HIGHLIGHTS & SALE SUMMARY

- The Loan Relationship consists of a \$12,000,000 line of credit, a \$1,936,961 line of credit, and a \$3,250,000 term loan. Two of the loan facilities matured on August 15, 2022 and recently entered into a short term forbearance agreement through 12/2/22.
- The Loan Relationship is collateralized by a perfected senior UCC lien on all corporate assets, including a portfolio of FDA-approved ANDA (abbreviated new drug applications), pharmaceutical manufacturing equipment and tenant build-outs financed with loan proceeds.
- The Loan Relationship is full recourse with a corporate guaranty and a personal repayment guaranty.
- The corporate guarantor is the parent company of multiple entities involved in medical device and pharmaceutical research and development, including R&D of specialized niche generic pharmaceutical drugs with less competition and higher profit margins.
- All three loans pay interest at a fixed 3.60% interest rate plus a 0.50% PIK feature imposed with the most recent forbearance agreement. The default rate is set at 5.00% above the base rate.
- The sponsor is current on its debt service payments as of 10/31/2022.

\$12MM Line of Credit		\$1.9MM Equipment Line of Credit		\$4.3 MM Equipment Term Loan	
Guarantee Description	Full Recourse	Guarantee Description	Full Recourse	Guarantee Description	Full Recourse
Origination Date	12/31/2020	Origination Date	12/31/2020	Origination Date	12/31/2020
Revolver	Closed to Advance	Revolver	No	Revolver	Closed to Advance
Lien Position	UCC - 1 st – All Business Assets	Lien Position	UCC - Equipment	Lien Position	UCC - Equipment
Original Loan Balance	\$12,000,000	Original Loan Balance	\$1,936,961	Original Loan Balance	\$4,333,333
Unpaid Principal Balance	\$12,000,000	Unpaid Principal Balance	\$1,936,961	Unpaid Principal Balance	\$3,250,000.07
Payment Type	IO	Payment Type	IO	Payment Type	P+I
Rate Structure	Fixed	Rate Structure	Fixed	Rate Structure	Fixed
Current Interest Rate	3.60% + 0.50% PIK	Current Interest Rate	3.60% + 0.50% PIK	Current Interest Rate	3.60% + 0.50% PIK
Monthly Payment	\$111,600	Monthly Payment	\$8,732	Monthly Payment	\$95,250
Default Rate	Current Rate + 500 bps	Default Rate	Current Rate + 500 bps	Default Rate	Current Rate + 500 bps
Maturity Date	8/15/22	Maturity Date	8/15/22	Maturity Date	1/1/26

Total Relationship Balance: \$17,186,961

LOAN SALE PROCESS

Bidders are subject to qualification by Mission Capital and/or Seller (qualification process will be initiated by Mission Capital as deemed necessary). Access to the due diligence materials (the “Due Diligence Materials”) will be provided to Prospective Bidders solely at the discretion of Mission Capital and/or the Seller and may be withheld for any reason.

The Seller, in conjunction with Mission Capital, has prepared an array of due diligence materials which will be made available to Prospective Bidders that have executed, and are subject to the terms of, the confidentiality agreement (the “**Confidentiality Agreement**”), which can be accessed on the transaction offering email or by visiting market.missioncap.com. Included in the Due Diligence Materials will be data tape for the Loans (the “**Data Tape**”) and an Asset Summary Report (the “**ASR**”) for the Loan Relationship prepared by Mission Capital, comprehensive bidding instructions, and the Seller’s required form of Loan Purchase Agreement for the Sale and Purchase of the Loan Relationship (the “**Loan Purchase Agreement**”).

Additional Due Diligence Materials will be provided to Prospective Bidders via Mission Capital’s online due diligence site. Such additional Due Diligence Materials may include detailed loan documents, pay histories, and financial statements, in both computer file and imaged formats.

Mission Capital is initially soliciting indicative bids for the Loan Relationship. Prospective Bidders are encouraged to review the Due Diligence Materials and submit indicative bids in accordance with the proposed timeline.

After receipt of indicative bids, Mission Capital, in conjunction with the Seller, will select Final Bidders to complete due diligence before submitting non-contingent offers on the Final Bid Date (the acceptance of which by Seller will require

immediate execution of a pre-negotiated Loan Purchase Agreement accompanied by a 10% non-refundable wire of funds as a purchase deposit (the “**Earnest Money Deposit**”).

RESERVATION OF RIGHTS

The Seller, in its sole and absolute discretion, reserves the right to, at any time and without obligation to any Prospective Bidder:

- Alter, amend, or supplement the terms and conditions of the Loan Sale or transaction materials.
- Withdraw any or all the Loans from the Loan Sale prior to awarding any portion of the Loan Relationship.
- Withdraw Loans after the awarding any portion of the Loan Relationship, but prior to closing.
- Extend any deadline or timeframe.
- Accept any bid in accordance with the bidding rules, whether or not it is the highest bid, waive any technical defects therein and/or reject any and all bids.
- Terminate discussions and negotiations with any Prospective Bidder at any time and for any reason; and
- Not award all or any portion of the Loan Relationship and reject any or all bids.

No obligation to sell shall be binding on Seller unless and until a Loan Purchase Agreement is signed and delivered by Seller and Seller has received the Earnest Money Deposit in accordance with the Loan Purchase Agreement.

AGREEMENTS

The Seller will make its required form of Loan Purchase Agreement available to Prospective Bidders prior to the Final Bid Date. Comments to the Loan Purchase Agreement are discouraged and in any event, must be submitted and approved, in Seller's sole and absolute discretion, prior to the Final Bid Date. **The Seller will be selling its Loan Relationship on an as-is, where-is basis with limited representations and warranties only as explicitly stated in the Loan Purchase Agreement. No other representations or warranties, either expressed or implied, shall apply.**

Please e-sign or return an executed Confidentiality Agreement to assetsales@missioncap.com. **PLEASE NOTE THAT E-SIGNATURES OF UNMODIFIED CONFIDENTIALITY AGREEMENTS WILL BE PROCESSED IN TOP PRIORITY, WHILE MODIFIED CONFIDENTIALITY AGREEMENTS ARE PROCESSED AT THE END OF EACH BUSINESS DAY. THE SELLER RESERVES THE RIGHT, IN ITS SOLE AND ABSOLUTE DISCRETION, TO ACCEPT OR REJECT COMMENTS TO THE CONFIDENTIALITY AGREEMENT.**

All inquiries should be directed through Mission Capital. Neither the Seller, any borrower, borrower affiliates or guarantors are to be contacted. Investors are required to strictly adhere to the terms of the Confidentiality Agreement.

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DISCLAIMER

NO OBLIGATION TO SELL SHALL BE BINDING ON SELLER UNLESS AND UNTIL A WRITTEN CONTRACT OF SALE OR LOAN PURCHASE AGREEMENT IS SIGNED AND DELIVERED BY SELLER. THE SELLER RESERVES THE RIGHT, IN ITS SOLE AND ABSOLUTE DISCRETION, TO WITHDRAW THE ASSET FROM THE LOAN SALE, AT ANY TIME. THIS SALE ANNOUNCEMENT HAS BEEN PREPARED TO ASSIST THE RECIPIENT IN DECIDING WHETHER TO PROCEED WITH FURTHER INVESTIGATION OF THE LOANS. WHILE THE INFORMATION INCLUDED HEREIN IS BELIEVED TO BE ACCURATE AND RELIABLE, SELLER, MISSION CAPITAL AND THEIR RESPECTIVE SUBSIDIARIES, AFFILIATES, AGENTS, ATTORNEYS, ASSIGNEES, OFFICERS, TRUSTEES, DIRECTORS, SERVICERS AND EMPLOYEES MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, INCLUDING BUT NOT LIMITED TO THE VALIDITY OR PRIORITY OF ANY LIENS AND THE VALUE OF ANY COLLATERAL. ONLY THOSE REPRESENTATIONS AND WARRANTIES THAT ARE MADE BY THE SELLER TO A PROSPECTIVE BIDDER IN A DEFINITIVE, EXECUTED LOAN PURCHASE AGREEMENT SHALL HAVE ANY LEGAL EFFECT.