

## Federal Capital Gains Tax Rates

Tax Year 2020	23.40%
Tax Year 2021 (Best Case)	31.40%
Tax Year 2021 (Worst Case)	43.40%

## Offer

Offer		Same Offer Next Year			
<i>Current Rate</i>		<i>Best Case Tax Rate</i>		<i>Worst Case Tax Rate</i>	
2019 Adjusted EBITDA	\$ 11,000	2021 Adjusted EBITDA (no change)	\$ 11,000	2021 Adjusted EBITDA (no change)	\$ 11,000
Multiple	10x	Multiple	10x	Multiple	10x
Total Cash Offer	\$ 110,000	Total Cash Offer	\$ 110,000	Total Cash Offer	\$ 110,000
Equity Rolled	\$ 10,000	Equity Rolled	\$ 10,000	Equity Rolled	\$ 10,000
Pre-Tax Cash	\$ 100,000	Pre-Tax Cash	\$ 100,000	Pre-Tax Cash	\$ 100,000
Current Cap Gains Rate	23.40%	Cap Gains Tax Rate	31.40%	Cap Gains Tax Rate	43.40%
Taxes	\$ 23,400	Taxes	\$ 31,400	Taxes	\$ 43,400
Cash Proceeds for Transaction	\$ 76,600	Cash Proceeds for Transaction	\$ 68,600	Cash Proceeds for Transaction	\$ 56,600
		Cash at Closing Decrease	(\$8,000)		(\$20,000)
		<b>Offer Required to Match 2020 Deal (Best Case)</b>		<b>Offer Required to Match 2020 Deal (Worst Case)</b>	
		~11x multiple or increase or ~\$1.11M increase in EBITDA		~13.2x multiple or ~\$3.5M increase in EBITDA	