

Abacus Value Proposition

- In most asset sales Abacus believes that there is an opportunity to enhance cash proceeds to Vendors by optimizing the Vendor's tax position
- Abacus' approach is designed to capitalize on this opportunity while minimizing risk and maximizing a Vendor's cash proceeds
- Abacus has a 17 year track record of successfully completing transactions in the Canadian market
- Since 2005, Abacus has closed more than 70 transactions with an asset value in excess of \$3.4 billion, across a variety of industries
- Abacus' structures have been reviewed and approved by leading tax advisors across Canada
- The Canada Revenue Agency (CRA) has reviewed Abacus' transactions, and has never re-assessed any Vendor

Abacus focuses on increasing cash proceeds to Vendors from a sale of their assets

Sample Economics

| Sale of Assets * | | | |
|-----------------------------|------------------|-----------------------------|------------------|
| Conventional Transaction | | Abacus Transaction | |
| Fair Market Value of Assets | \$ 100.0 | Fair Market Value of Assets | \$ 100.0 |
| Less: Debt Outstanding | \$ (30.0) | Less: Debt Outstanding | <u>\$ (30.0)</u> |
| Less: Income Taxes | <u>\$ (16.9)</u> | Equity Value | \$ 70.0 |
| | | Abacus Share Purchase | \$ 64.6 |
| | | ACB Bump | <u>\$ (64.6)</u> |
| | | Capital Gain on Share Sale | \$ - |
| Retained by Vendor | \$ 53.1 | Retained by Vendor | \$ 64.6 |

⁽¹⁾ Assumes Ontario rates, 2013; Original cost of \$50, UCC of \$30, ACB of shares \$0

