Exhibit 1.0 - Financial Ratio Comparison
Purpose: To compare NPF's financial ratios to industry benchmarks.

Industry benchmarks	Formula	2023	2022	2021	Industry average	Trend	Industry Comparison
Annual revenue growth rate	(CY Total Revenue - PY Total Revenue) / PY Total Revenue	-15.4%	4.3%	N/A	4.1%	Decreasing	Lower
Current ratio	Current Assets / Current Liabilities	0.6	0.8	0.9	2.50	Decreasing	Lower
Total debt to assets	Total liabilities / Total Assets	46.8%	49.2%	55.4%	60.0%	Decreasing	Lower
Debt-to-equity	Total liabilities / Total Shareholders' Equity	0.9	1.0	1.2	N/A	Decreasing	N/A
Return on assets	Net income / Average Total Assets	6.5%	18.4%	N/A	7.4%	Decreasing	Lower
Return on equity	Net income / Average Total Shareholders' Equity	12.5%	38.2%	N/A	28.2%	Decreasing	Lower
EBITDA margin	EBITDA (Operating Income + Depreciation) / Total Revenues	15.3%	20.7%	15.2%	18.1%	Decreasing	Lower
Operating margin	Operating Income / Total Revenues	7.9%	15.5%	10.3%	15.8%	Decreasing	Lower
Cost of goods sold as a percentage of revenues (**Note 1**)	COGS / Total Revenues	79.9%	75.5%	79.4%	76.0%	Increasing	Higher
Selling and administration costs as a % of revenues	Selling and Admin Costs / Total Revenues	10.8%	9.4%	9.3%	9.3%	Increasing	Higher
Net profit margin	Net Income / Total Revenues	4.7%	9.6%	6.1%	8.6%	Decreasing	Lower

Note 1
Cost of goods sold include the following expenses from NPF's income statement: harvesting and procurement, processing costs, warehousing and shipping, and depreciation.

Exhibit 1.1: Discounted Cash Flow to value TSF | To determine the value of Tillyton Salmon Farms Ltd. (TSF)
All values in C$000s

	Note	2024	2025	2026	2027	2028	2029	2030	Terminal (4.1%)
Annual Production (million kgs)	1	10,000	15,000	18,000	22,000	25,000	30,000	30,000	
Selling price per kg (Provided)		$8.09	$8.09	$8.09	$8.09	$8.09	$8.09	$8.09	
Total Revenue		80,900	121,350	145,620	177,980	202,250	242,700	242,700	
Farming costs	2	67,500	101,250	121,500	148,500	168,750	202,500	202,500	
Other expenses	3	11,000	12,000	13,000	14,000	15,000	15,000	15,000	
Total expenses		78,500	113,250	134,500	162,500	183,750	217,500	217,500	
Projected EBITDA (rev- expenses)		2,400	8,100	11,120	15,480	18,500	25,200	25,200	
Tax (30%)		720	2430	3336	4644	5550	7560	7560	
Cash flow from operations		1,680	5,670	7,784	10,836	12,950	17,640	17,640	
Less: Net capital investment, net of tax shield	5	2,000	2,000	2,000	3,000	3,000	3,000	3,000	
Less: Working capital adjustment	6	3,375	2,025	2,700	2,025	3,375			
Discretionary Cash Flow	**7**	-3,695	1,645	3,084	5,811	6,575	14,640	14,640	15,240
Capitalization Rate	8								6.67
									101,602
Present value factor (15%)	9	1.07	1.23	1.42	1.63	1.88	2.16	2.48	2.48
Discounted cashflow at 15%		-3,446	1,334	2,175	3,563	3,506	6,787	5,902	40,961
PV of discretionary cash flows		60,781							
PV of existing tax shield		$ -							
Enterprise value		60,781							
Less interest bearing debt		-15,000							
Equity Value		45,781							
30% share (45,781 x30%)		**$13,734**							

Purchase Price		$10,000
30% of TSF's Equity		$13,734
Premium (Discount)		-$3,734

30% of TSF's Equity	**13,734**	[A]
FMV of TSF's Net Assets	33,348	
30% of FMV Net Assets	**10,004**	[B]
Goodwill	3,730	[A] - [B]

Conclusion: The total value of TSF is $45,781. NPF will be purchasing 30% of the company which is valued at $13,734. Based on this, NPF would be purchasing TSF at a discount of $3,734 since the purchase price is less than the equity value.

If NPF invests in TSF, there will be goodwill of $3730 based on the comparison of the equity value and FMV of TSF's net asset.

Exhibit 1.1 (Continued)

Notes:

1: The annual production volume has already been adjusted for a survival rate of 90%.
2: Farming costs are estimated at $6.75/ kg of production, given
3: Other expense are $11m for 2024 (given) and increase by $1m until $15m, remains constant over the upcoming years.
4: Depreciation is a non cash item and therefore must be added back to calculate the cash flow from operations
5: Net Capital investment (net of tax shield) is $2m until 2026, thereafter increases to $3m
6: The working capital investment is calculate at 10% of next period's **incremental farming costs** until the production reaches 30m Kgs

	2024	2025	2026	2027	2028	2029
Annual production	10,000	15,000	18,000	22,000	25,000	30,000
Farming Costs	67,500	101,250	121,500	148,500	168,750	202,500
Incremental Farming cost		33,750	20,250	27,000	20,250	33,750
Working capital (10% x incremental farming costs)	3,375	2,025	2,700	2,025	3,375	

7: Terminal Growth - is determined based on a 4.1% industry growth rate average.

2030 Cash flow	$14,640	
Add: Growth Rate: 4.1%	$600	
Terminal Growth	$15,240	

8: The capitalization rate is based on the discount rate and growth rate

Discount Rate:	15.00%	Given
Less: Annual Revenue growth rate	0%	Industry Average
Capitalization Rate	15.00%	
Multiplier = 1/15% =	6.67	

The discount rate given is used to calculate the capitalization and the multiplier. No adjustments are made so to correctly reflect the risk involved and not to overstate the equity value of TSF

9: The discount rate is 15% based on the level of risk associated with the investment, given. The time period starts with 0.5 year as we are discounting half year (July to Dec), will therefore continue to 1.5, 2.5 and so on.

	2024	2025	2026	2027	2028	2029
Future values discounted by	(1+0.15)^0.5	(1+0.15)^1.5	(1+0.15)^2.5	(1+0.15)^3.5	(1+0.15)^4.5	(1+0.15)^5.5

10: NPF will be buying out Irene Waterford who currently owns 30% in TSF.

Exhibit 1.2 - Key Financial Objectives | To determine if key objectives are met under the TSF investment proposal - $ in (000's)

Key Financial Objective	Met?
1) Annual revenue growth of 10% by 2026	**No**
2) 3-year average EBITDA margin to 18% by 2026	**No**

Conclusion: NPF will not meet both their key financial objectives if they invest in TSF.

Objective 1: Annual growth rate of 10% for total revenues by 2026	Notes	2024	2025	2026
NPF Revenue	1	32,565	33,900	35,290
30% of TSF revenue	2	-	-	-
Total Combined Revenue		32,565	33,900	35,290
Revenue Growth			**4.10%**	**4.10%**

Notes:

1. Assuming NPF's 2023 revenue grows at industry average of 4.1%
2. TSF's revenue will have no impact on NPF's total revenues; 30% of TSF's profits will be recorded as a separate line item on NPF's income statement as Equity Income.

Objective 2: Increase the three-year average EBITDA margin to 18%	Notes	2024	2025	2026
NPF EBITDA	*1*	4,986	4,986	4,986
TSF's EBITDA	*2*	2,400	8,100	11,120
Total EBITDA	*3*	**7,386**	**13,086**	**16,106**
		2024	2025	2026
NPF's sales	*4*	32,565	33,900	35,290
TSF's sales	*5*	80,900	121,350	145,620
Total Sales	*6*	**113,465**	**155,250**	**180,910**
EBITDA Margin	*7*	**6.51%**	**8.43%**	**8.90%**
3 Year Average EBITDA Margin % (2024 - 2026)				**7.95%**

Notes:

1. Assume NPF's 2023 EBITDA resumes constant YOY.	2023
Operating income	2,558
Depreciation	2,428
NPF - EBITDA	**4,986**

2. TSF's EBITDA is from Exhibit 1.1 Valuation - Line: Projected EBITDA
3. Total EBITDA is the total of NPF and TSF's EBITDA
4. Per Audited 2023 FS - assumed to grow by industry average of 4.1%
5. TSF sales is calculated in Exhibit 1.1 Valuation - Line: Total Revenue
6. Total Sales is the total of NPF and TSF's sales
7. EBITDA Margin for each year is calculated by dividing the total EBITDA by total sales.

Exhibit 1.3 - Debt-to-Assets Ratio

Purpose: To determine the maximum amount of debt financing to ensure the debt-to-assets ratio remain under 60% if NPF acquires 30% of TSF (C$000's).

Maximum debt financing		
Investment in TSF	Per Exhibit 2.1	10,000
NPF Total Assets	Per 2023 FS	24,439
Total Consolidated Assets		**34,439**
Maximum additional debt to borrow	**Note 1**	9,233
NPF Total Debt	Per 2023 FS	11,430
Total Consolidated Debt		**20,663**
Debt-to-assets ratio		**60%**

Total available debt financing:	
Term loan (Note 2)	8,000
Equity (Note 2)	5,000
	13,000
Initial investment	10,000
Excess	3,000

Conclusion:

To ensure the debt-to-assets ratio does not exceed 60%, NPF can only borrow $9,233 maximum from its debt financing resources to finance the investment of 30% of TSF. With $8,000 term loan and $5,000 equity, NPF's has sufficient resource for the $10,000 total investment.

Note 1

The maximum debt NPF can have = Total consolidated assets x 60% debt-to-assets ratio constraint

Total consolidated assets	34,439
Debt-to-Assets ratio constraint	60%
Maximum debt NPF can have	20,663
NPF total debt per 2023 FS	11,430
Maximum additional debt to borrow	9,233

*Assumption: TSF's 30% ownership will be acquired in 2024, and NPF's current total assets and liabilities will not change.

Note 2

Total financing available is include of $8,000 term loan and $5,000 preferred shares.

Exhibit 2.1 - NPV of Cold Storage

$ in (000's)

Purpose: To provide the Net Present Value of the Cold Storage facility proposal.

	Notes	Year 0 2024	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Year 6 2030	Year 7 2031	Year 8 2031
Initial Investment (Given)	1	(8,250)								
PV Tax Shields	2	941								
Revenue	3		4,190	4,977	5,765	6,552	7,340	8,127	8,127	8,127
Labour Costs (40% Total Rev)			(1,676)	(1,991)	(2,306)	(2,621)	(2,936)	(3,251)	(3,251)	(3,251)
Admin Costs (3% Inc./Yr			(100)	(103)	(106)	(109)	(113)	(116)	(119)	(123)
Admin Benefits (25% Admin Cost)			(25)	(26)	(27)	(27)	(28)	(29)	(30)	(31)
Power Exp (12% Storage Rev)			(223)	(265)	(307)	(349)	(391)	(433)	(433)	(433)
Other Costs (5% Inc. / Yr)			(450)	(473)	(496)	(521)	(547)	(574)	(603)	(633)
Other Service Costs (3% Inc / Yr)			(550)	(567)	(583)	(601)	(619)	(638)	(657)	(676)
CCA - Equipment (20%)	4		(200)	(360)	(288)	(230)	(184)	(147)	(118)	(94)
CCA - Building (6%)	5		(150)	(291)	(274)	(257)	(201)	(189)	(178)	(167)
PV Lost Tax Shield - Building	6	675	-	-	-	-	-	-	-	-
PV Lost Tax Shield - Land	7		-	-	-	-	-	-	-	750
Net Income		(6,634)	815	902	1,377	1,836	2,320	2,749	2,738	3,468
Income Tax (30%)		1,990	(245)	(271)	(413)	(551)	(696)	(825)	(821)	(1,040)
Net Income after Tax		(4,644)	571	631	964	1,285	1,624	1,925	1,917	2,428
Add back CCA			350	651	562	488	386	337	296	261
After Tax Cash		(4,644)	921	1,282	1,526	1,773	2,010	2,261	2,212	2,689
Discount Factor (10%)			0.91	0.83	0.75	0.68	0.62	0.56	0.51	0.47
SUM of Discounted Cash Flows		7,172	837	522	724	878	1,008	1,086	984	1,132
NPV		**2,528**								
EBITDA as Percentage			**27.81%**	**31.20%**	**33.64%**	**35.46%**	**36.86%**	**37.97%**	**37.33%**	**45.89%**

Conclusion: The net present value of the Cold Storage facility proposal is $2,528. Therefore, this appears to be a viable investment for NPF.

Exhibit 2.1 - NPV of Cold Storage (Continued)

Note 1

Initial Investment	Year 0
Capital (Given - Appendix VI)	$ 250
Building (Given - Appendix VI)	$ 6,000
Equipment (Given - Appendix VI)	$ 2,000
Total:	$ 8,250

Note 2

PV Building Tax Shield =

$$\frac{6,000 \times 0.06 \times 0.30}{0.06 + 0.10} \times \frac{1.5 \times 0.10}{1 + 0.10} = \$\ 706$$

PV Equipment Tax Shield =

$$\frac{2,000 \times 0.20 \times 0.30}{0.20 + 0.10} \times \frac{1.5 \times 0.10}{1 + 0.10} = \$\ 235$$

Note 3 Revenue Totals	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Storage Revenue (75% Cap)	$ 1,862	$ 2,212	$ 2,562	$ 2,912	$ 3,262	$ 3,612	$ 3,612	$ 3,612
Warehouse Rev. (125% of Storage Rev.)	$ 2,328	$ 2,765	$ 3,203	$ 3,640	$ 4,078	$ 4,515	$ 4,515	$ 4,515
Note 4 CCA - Equipment (20%)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Value - $2,000	$ 200	$ 360	$ 288	$ 230	$ 184	$ 147	$ 118	$ 94
Note 5 CCA - Building (6%)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Value - $6,000	$ 150	$ 291	$ 274	$ 257	$ 201	$ 189	$ 178	$ 167

Note 6

PV Lost Tax Shield - Building $$\frac{6,000 \times 6\% \times 30\%}{6\% + 10\%} = \$\ 675.00$$

Note 7

PV Lost Tax Shield - Land 750 ** Salvage Value Given*

Exhibit 2.2 - Key Financial Objectives

Purpose: To determine if NPF's key financial objectives are met under the Cold Storage proposal by 2026 (in C$000s).

Key Financial Objective	2024	2025	2026	3 Yr Avg	Result
1) Annual revenue growth of 10% by 2026	0.00%	100.00%	15.82%	**N/A**	**Met**
2) Increase the three-year average EBITDA margin to 18% by 2026	0.00%	27.81%	31.20%	**19.67%**	**Met**
		Per Exhibit 2.1			

Conclusion: Both key financial objectives above would be met under this proposal by 2026.

Exhibit 2.3 - Debt-to-Assets Ratio
To determine the maximum amount of debt financing to ensure the debt-to-assets ratio will remain under 60% if NPF invest in cold storage facility in (C$000's).

Maximum debt financing			
Initial investments	Per Exhibit 2.1		8,250
NPF Total Assets	Per 2023 FS		24,439
Total Consolidated Assets			**32,689**
Maximum additional debt to borrow		Note 1	8,183
NPF Total Debt	Per 2023 FS		11,430
Total Consolidated Debt			**19,613**
	Debt-to-assets ratio		**60%**

Total available debt financing:	
Term loan (**Note 2**)	8,000
Line of credit (**Note 2**)	183
Cash in hand (2023 FS)	302
	8,485
Initial investment	8,250
Excess	235

Conclusion:
To ensure the debt-to-assets ratio does not exceed 60%, NPF can only borrow $8,183 maximum from its debt financing resources to finance the initial investment of cold storage facility. With $302 cash on hand, NPF's has sufficient resource for the $8,250 total investment.

Note 1
The maximum debt NPF can have = Total consolidated assets x 60% debt-to-assets ratio constraint

Total consolidated assets	32,689
Debt-to-Assets ratio constraint	60%
Maximum debt NPF can have	**19,613**
NPF total debt per 2023 FS	11,430
Maximum additional debt to borrow	8,183

*Assumption: Cold storage facility will be invested in 2024, and NPF's current total assets and liabilities will not change.

Note 2
Total debt financing available is include of $8,000 (term loan) and $975 ($2,000 line of credit - $1,025 used). Only $8,183 can be borrowed from these two resources.
*Assumption: Line of credit will remain at lease $183 unused.

Exhibit 3.1 - Net Present Value for Retail Locations (All Stores Combined)
Purpose: To calculate the net present value of the seafood retail locations proposal (in C$'000s).

	Year 1 - 2024	Year 2 - 2025	Year 3 - 2026	Year 4 - 2027	Year 5 - 2028	Year 6 - 2029	Year 7 - 2030	Year 8 - 2031	Notes
Equipment purchase	-$ 1,000	-$ 1,000	-$ 1,000						$1m/store
PV tax shield	$ 309	$ 309	$ 309						1
Leasehold improvements	-$ 750	-$ 750	-$ 750						$750k/store
One time expenditure	-$ 100	-$ 100	-$ 100						$100k/store
Revenues	$ 1,600	$ 5,700	$ 12,500	$ 16,500	$ 17,325	$ 18,191	$ 19,101	$ 20,056	2
COGS	-$ 944	-$ 3,363	-$ 7,375	-$ 9,735	-$ 10,222	-$ 10,733	-$ 11,269	-$ 11,833	59% of revenues
Wages	-$ 270	-$ 684	-$ 1,375	-$ 1,650	-$ 1,650	-$ 1,650	-$ 1,650	-$ 1,650	3
Marketing costs	-$ 60	-$ 170	-$ 270	-$ 310	-$ 300	-$ 300	-$ 300	-$ 300	4
Rent	-$ 45	-$ 140	-$ 245	-$ 300	-$ 300	-$ 300	-$ 300	-$ 300	5
Utilities	-$ 54	-$ 162	-$ 270	-$ 324	-$ 324	-$ 324	-$ 324	-$ 324	$108k/yr per store
Other expenses	-$ 45	-$ 120	-$ 195	-$ 225	-$ 225	-$ 225	-$ 225	-$ 225	6
	-$ 1,359	-$ 480	$ 1,229	$ 3,956	$ 4,304	$ 4,659	$ 5,032	$ 5,424	
Income taxes (30%)	$ 55	$ 318	-$ 831	-$ 1,187	-$ 1,291	-$ 1,398	-$ 1,510	-$ 1,627	
After tax cash flows	-$ 1,304	-$ 162	$ 398	$ 2,769	$ 3,013	$ 3,262	$ 3,523	$ 3,797	
NPV (12% discount rate)	**$ 7,239**								

Conclusion: The NPV of the retail store proposal is $7.2 million, which means that is a viable option from a financial perspective.

Notes:

1. Tax shield on equipment = ((1000*20%*30%)/(20%+12%))*((1+0.5*12%)/(1+12%))

CCA rate on leasehold improvements = Assuming 15% and 5 year lease renewal term

Tax shield on leasehold improvements = ((750*15%*30%)/(15%+12%))*((1+1.5*12%)/(1+12%))

2. Revenue calculations

2024	2025	2026	2027	2028	2029	2030	2031
Given	3800+(3800/2)	(5000*2)+(5000/2)	5500*3	E8*1.05	F8*1.05	G8*1.05	H8*1.05

3. Wage calculations

2024	2025	2026	2027	2028	2029	2030	2031
Given	-456-(456/2)	(-550*2)-(550/2)	-550*3	-550*3	-550*3	-550*3	-550*3

4. Marketing costs

2024	2025	2026	2027	2028	2029	2030	2031	
120/2	-60-50-60	-100-60-50-60	(-100*2)-60-50	-100*3	-100*3	-100*3	-100*3	$120k for first yr of operations/store

5. Rent calculations

2024	2025	2026	2027	2028	2029	2030	2031	
-90/2	-90-(100/2)	-90-100-(110/2)	-90-100-110	-90-100-110	-90-100-110	-90-100-110	-90-100-110	Assumes leases renewed for 5 yrs

6. $45k for first six months and then $75k annually per store

Exhibit 3.2 - Cash Flow Projection for Retail Locations (All Stores Combined)
Purpose: To create a cash flow projection for the seafood retail locations proposal (in C$'000s).

	Year 1 - 2024	Year 2 - 2025	Year 3 - 2026	Year 4 - 2027	Year 5 - 2028	Year 6 - 2029	Year 7 - 2030	Year 8 - 2031	Notes
EBITDA	$ 182	$ 1,061	$ 2,770	$ 3,956	$ 4,304	$ 4,659	$ 5,032	$ 5,424	1
Depreciation	-$ 175	-$ 363	-$ 518	-$ 546	-$ 476	-$ 431	-$ 375	-$ 330	2
Earnings before tax	$ 7	$ 698	$ 2,252	$ 3,410	$ 3,828	$ 4,228	$ 4,657	$ 5,094	
Income tax (30%)	-$ 2	-$ 209	-$ 676	-$ 1,023	-$ 1,148	-$ 1,268	-$ 1,397	-$ 1,528	
Equipment purchase	-$ 1,000	-$ 1,000	-$ 1,000						$1m/store
Leasehold improvements	-$ 750	-$ 750	-$ 750						$750k/store
Add back depreciation	$ 175	$ 363	$ 518	$ 546	$ 476	$ 431	$ 375	$ 330	Non-cash expenditure
Net cash flow	-$ 1,570	-$ 898	$ 344	$ 2,933	$ 3,156	$ 3,391	$ 3,635	$ 3,896	

Conclusion: NPF will have negative cash flows in the first two years and positive cash flows thereafter.

Notes:

1. Revenues less COGS, wages, marketing costs, rent, utilities, and other expenses. See Exhibit 3.1 notes for detailed calculations.
2. Assuming CCA is used as depreciation. See calculations below.

Class 8 Assets	Year 1 - 2024	Year 2 - 2025	Year 3 - 2026	Year 4 - 2027	Year 5 - 2028	Year 6 - 2029	Year 7 - 2030	Year 8 - 2031
Opening UCC	$ -	$ 900	$ 1,620	$ 2,196	$ 1,757	$ 1,405	$ 1,124	$ 899
Additions	$ 1,000	$ 1,000	$ 1,000	$ -	$ -	$ -	$ -	$ -
Disposals	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Half year rule	-$ 500	-$ 500	-$ 500	$ -	$ -	$ -	$ -	$ -
Base amount for CCA	$ 500	$ 1,400	$ 2,120	$ 2,196	$ 1,757	$ 1,405	$ 1,124	$ 899
CCA @ 20%	-$ 100	-$ 280	-$ 424	-$ 439	-$ 351	-$ 281	-$ 225	-$ 180
Half year rule	$ 500	$ 500	$ 500	$ -	$ -	$ -	$ -	$ -
Ending UCC	$ 900	$ 1,620	$ 2,196	$ 1,757	$ 1,405	$ 1,124	$ 899	$ 720

Class 13 CCA	2024	2025	2026	2027	2028	2029	2030	2031
	75	83	94	107	125	150	150	150

*No accelerated investment incentive after 2023.

Exhibit 3.3 - Key Financial Objectives

Purpose: To determine if NPF's key financial objectives are met under the seafood retail store proposal by 2026 (in C$'000s).

Key Financial Objectives	
1) Achieve annual revenue growth of 10% by 2026.	**MET**
2) Increase the three-year average EBITDA margin to 18% by 2026.	**NOT MET**

Conclusion: NPF will only meet one of its financial objectives if it opens the three retail stores.

Objective 1: Annual revenue growth of 10% by 2026

	2024	2025	2026	Notes
NPF Revenue	$ 32,565	$ 32,565	$ 32,565	1
Retail Store Revenue	$ 1,600	$ 5,700	$ 12,500	2
Total Combined Revenue	$ 34,165	$ 38,265	$ 45,065	
Revenue Growth		12.0%	17.8%	3

Conclusion: The annual revenue growth rate is above 10% in both 2025 and 2026.

Objective 2: Increase the three-year average EBITDA margin to 18% by 2026

NPF's EBITDA Margin	2024	2025	2026	Notes
EBITDA	$ 4,986	$ 4,986	$ 4,986	4
Sales	$ 32,565	$ 32,565	$ 32,565	5
EBITDA Margin	15.31%	15.31%	15.31%	6

Retail Store EBITDA Margin	2024	2025	2026	Notes
EBITDA	$ 182	$ 1,061	$ 2,770	7
Sales	$ 1,600	$ 5,700	$ 12,500	2
EBITDA Margin	11.38%	18.61%	22.16%	6

Three-year average EBITDA for NPF and retail stores

	2024	2025	2026
Combined EBITDA	$ 5,168	$ 6,047	$ 7,756
Combined Sales	$ 34,165	$ 38,265	$ 45,065
Combined EBITDA Margin	15.13%	15.80%	17.21%
Three-year average	16.05%	(B30+C30+D30)/3	

Conclusion: The 3 year average EBITDA is lower than 18% with the addition of the retail stores.

Notes:

1. Assuming NPF's revenue per 2023 FS remains constant.
2. $1.6m in 2024 (given), 3800+(3800/2) in 2025, (5000*2)+(5000/2) in 2026.
3. Revenue growth:

2025 (38,265-34,165)/34,165
2026 (45,065-38,265)/38,265

4. EBITDA calculation: 2,558 (operating income from NPF financials) + 2,428 (depreciation)
Assuming this remains constant to show the effect the retail stores will have.
5. Assuming revenue remains constant in 2024-2026.
6. EBITDA Margin = (EBITDA/Sales) x 100
7. See Exhibit 3.2.

Exhibit 3.4 - Debt-to-Assets Ratio

Purpose: To determine the maximum amount of debt financing to ensure the debt-to-assets ratio will remain under 60% if NPF invests in seafood retail stores (in C$000's)

Maximum debt financing		
Equipment Purchase	Per Exhibit 3.1	3,000
Leasehold Improvements	Per Exhibit 3.1	2,250
NPF Total Assets	Per 2023 FS	24,439
Total Consolidated Assets		**29,689**
Maximum additional debt to borrow	Note 1	6,383
NPF Total Debt	Per 2023 FS	11,430
Total Consolidated Debt		**17,813**
	Debt-to-assets ratio	**60%**

Debt financing availability:	
Maximum debt	6,383
Initial investments	5,250
Excess	1,133

Conclusion:

To ensure the debt-to-assets ratio does not exceed 60%, NPF can borrow $6,383 maximum from its debt financing resources to finance the initial investments of the seafood retail stores. Total debt financing is sufficient for the $5,250 total investment.

Note 1

The maximum debt NPF can have = Total consolidated assets x 60% debt-to-assets ratio constraint

Total consolidated assets	29,689
Debt-to-Assets ratio constraint	60%
Maximum debt NPF can have	**17,813**
NPF total debt per 2023 FS	11,430
Maximum additional debt to borrow	6,383

*Assumption: Initial investments will be expenditured in 2024, and NPF's current total assets and liabilities will not change for the next two years until the third store open on July 2026.

Exhibit 4.1 - Valuation of CBF

Purpose: To value the equity of CBF using the capitalized cash flow approach (in C $000's).

	Notes	2023	2022	2021
Income before taxes	1	5,020	1,997	1,682
Depreciation expense	2	1,780	1,630	1,540
Interest expense	3	195	206	212
Abnormal wastage	4	250	-	-
Management salaries	5	(375)	(350)	(325)
Employee bonuses	6	-	-	80
Charitable donations	7	30	20	10
Normalized EBITDA		**6,900**	**3,503**	**3,199**
Less: Income taxes @ 30%		2,070	1,051	960
Cash flow from operations		4,830	2,452	2,239
Capital investments (net of tax shield	8	(1,200)	(1,200)	(1,200)
Free cash flow		**3,630**	**1,252**	**1,039**
Average free cash flow over 3 Years		1,974		
Capitalization multiple	9	6.7		
Capitalized discretionary cash flows		13,225		
PV of UCC tax shield	10	670		
Enterprise Value		13,895		
Long-term debt (fair market value)	11	(2,500)		
Equity value of CBF (100%)		**11,395**		
Add: NPV of Synergy Cost Savings	12	4,338		
Adjusted Equity Value		**15,733** [A]		

Conclusion:

CBF's equity value is $15,733. Under Option 1, acquiring 60% of CBF would result in a $1,940 discount. Under Option 2, acquiring 100% of CBF would result in a $3,233 discount.

Option #1: Purchase 60% Shares	
Purchase price (Cash upfront)	**7,500**
Adjusted Equity Value [A]	15,733
% Acquiring	60%
60% of Equity Value	9,440
Premium (Discount)	**(1,940)**

Option #2: Purchase 100% Shares	
Cash upfront	7,500
Note payable from David	5,000
Purchase price	**12,500**
Adjusted Equity Value [A]	15,733
Premium (Discount)	**(3,233)**

Notes

1. Per CBF's operating income summary provided by David Capriola, the sole shareholder of CBF.
2. Depreciation is added back as this is a non-cash item and does not affect free cash flow.
3. Interest expense is added back to calculate EBITDA.
4. Abnormal wastage in 2023 added back as this is not a typical cash outflow for CBF.
5. Add management salaries that are expected to incur doing normal course of operations.
6. Add back one-time bonus paid in 2021. This is not a typical annual cash outflow for CBF.
7. Add back charitable donations, as these are not typical operational expenses related to CBF.
8. Per David, these capital investments are net of any applicable tax shields available to CBF.
9. Per Colan, a multiple of 6.7x is standard based on discussions with peers within the industry.
10. Per David, this is the PV of CBF's UCC tax shield on existing capital assets.
11. Assume full amount of CBF's long-term loan is interest-bearing. Deduct to obtain Equity Value.
12. NPF can achieve the following estimated annual cost savings due to synergies with CBF:

	Year 1	Year 2	Year 3
Admin costs	1,500	1,500	1,500
Shipping Costs	400	400	400
Total of Synergy Cost Savings	1,900	1,900	1,900
Discount Rate	15%	**Note 12.1**	
NPV of Synergy Cost Savings	**4,338**		

Note 12.1 A discount rate of 15% was used to remain conservative as these are rough estimated cost savings with no historical data. This discount rate falls within the reasonable 10-15% range used to evaluate NPF's other three proposals.

Exhibit 4.2 - Key Financial Objectives (CBF)

Purpose: To determine if key financial objectives are met under the CBF proposal (in C$000's).

Objective 1 - Annual revenue growth of 10% by 2026

Purchase 100% of CBF'S shares	Notes	2023 FS	2024	2025	2026
NPF Revenue	1	32,565	35,822	39,404	43,344
CBF Revenue	2	46,295	51,850	58,072	65,041
Consolidated Revenue		78,860	87,672	97,476	108,385
Annual Revenue Growth			**11%**	**11%**	**11%**

Purchase 60% of CBF'S shares	Notes	2023 FS	2024	2025	2026
NPF Revenue	1	32,565	35,822	39,404	43,344
CBF Revenue (60'	2	27,777	31,110	34,843	39,025
Consolidated Revenue		60,342	66,932	74,247	82,369
Annual Revenue Growth			**11%**	**11%**	**11%**

1. Annual growth of 10% (~6% above industry vg). NPF can acquire at least 10+ of CBF's current suppliers for their shrimp processing if they acquire CBF, which will increase overall revenue. Given that NPF revenues are primarily comprised of Processed Shrimp (~63% of total revenues over the past 3 years), these additional customers will add significant value to NPF.

2. Annual growth of 12% (~8% above industry avg)**.** The snow crab segment is expected to rapidly grow over the upcoming years due to increases in quotas and prices. Therefore, it appears reasonable to use a projected growth rate above the industry average.

Objective 2 - Increase 3 year average EBITDA margin by 18%

Purchase 100% of CBF'S shares	Notes	2024	2025	2026
Consol. Revenue (per above)		87,672	97,476	108,385
NPF - EBITDA	**Per below**	8,817	9,509	10,270
CBF - EBITDA	**Per below**	6,995	7,835	8,775
Consolidated EBITDA margin %		18%	18%	18%
3-year average EBITDA Margin %		**18%**		

Purchase 60% of CBF'S shares	Notes	2024	2025	2026
Consol. Revenue (per above)		66,932	74,247	82,369
NPF - EBITDA	**Per below**	8,817	9,509	10,270
CBF - EBITDA (60%)	**Per below**	4,197	4,701	5,265
Consolidated EBITDA margin %		19%	19%	19%
3-year average EBITDA Margin %		**19%**		

NPF EBITDA	Notes	2023 FS	2024	2025	2026
Operating Income	3	2,558	2,814	3,095	3,405
Depreciation	3	2,428	2,671	2,938	3,232
EBITDA		4,986	5,485	6,033	6,636
Add: Admin Savings	4	-	1,500	1,500	1,500
Add: Shipping Savings	4	-	400	400	400
Add: Processing Savings	5	-	1,433	1,576	1,734
Adjusted EBITDA		**4,986**	**8,817**	**9,509**	**10,270**

CBF EBITDA	Notes	2023 FS	2024	2025	2026
Operating Income	3	5,020	5,623	6,298	7,053
Interest Expense	3	195	218	245	274
Depreciation	3	1,780	1,994	2,233	2,501
EBITDA		**6,995**	**7,835**	**8,775**	**9,828**

3. Assume Operating Income, Depreciation and Interest Expense increase at a constant % of revenue.

4. Estimated annual synergy cost savings of $1,500 Admin Costs + $400 in Shipping Costs.

5. Assumption that NPF can save 4% of total revenue in Shrimp Processing Costs in 2024 due to achieving economies of scale with the increase of additional shrimp processing customers from CBF. Assume these savings increase at a constant % of revenue.

Conclusion:

Key Financial Objectives by 2026	Acquire 100%	Acquire 60%
1) Achieve annual revenue growth of 10%	**Met**	**Met**
2) Increase 3-year average EBITDA margin to 18%	**Met**	**Met**

Exhibit 4.3 - Debt-to-Assets Ratio
Purpose: To determine impact on the debt-to-assets ratio under the CBF proposal (in C$000's).

Option #1 - Purchase 60% of CBF's shares		
Total value of CBF	Per Exhibit 4.1	15,733
60% of CBF's assets		9,440
NPF Total Assets	Per 2023 Audited FS	24,439
Total Consolidated Assets		**33,879**
CBF Long-term debt	Per Exhibit 4.1	(2,500)
60% of CBF's debt		(1,500)
Maximum additional debt to borrow	Note 1	10,397
NPF Total Debt	Per 2023 Audited FS	11,430
Total Consolidated Debt		**20,327**
	Debt-to-assets ratio	**60%**

Total available financing:	
Debt	10,397
Equity (**Note 3**)	5,000
Total	**15,397**
Purchase price	7,500
Excess	7,897

Conclusion:
To ensure the debt-to-assets ratio does not exceed 60%, NPF can borrow up to $10,397 maximum from its debt financing resources to finance the acquisition of NP. Total available financing is sufficient for the $7,500 purchase price for 60% of CBF.

Option #2 - Purchase 100% of CBF's Shares		
Total value of CBF	Per Exhibit 4.1	15,733
NPF Total Assets	Per 2023 Audited FS	24,439
Total Consolidated Assets		**40,172**
CBF Long-term debt	Per Exhibit 4.1 -	2,500
Maximum additional debt to borrow	Note 1	10,173
Note payable required to finance acquisition	Note 2	5,000
NPF Total Debt	Per 2023 Audited FS	11,430
Total Consolidated Debt		**24,103**
	Debt-to-assets ratio	**60%**

Total available financing:	
Debt	15,173
Equity (**Note 3**)	5,000
Total	**20,173**
Purchase price	12,500
Excess	7,673

Conclusion:
To ensure the debt-to-assets ratio does not exceed 60%, NPF can borrow up to $10,173 maximum from its debt financing resources to finance the acquisition of NPF. Total available financing is sufficient for the $12,500 purchase price for 100% of CBF.

Notes

1. The maximum debt NPF can have = Total consolidated assets x 60% debt-to-assets ratio constraint

	Option #1	**Option #2**
Total consolidated assets	33,879	40,172
Debt-to-Assets ratio constraint	60%	60%
Maximum debt NPF can have	**20,327**	**24,103**
CBF's long-term debt	(1,500)	(2,500)
Note payable	-	5,000
NPF total debt per 2023 FS	11,430	11,430
Maximum additional debt to borrow	**10,397**	**10,173**

*Assumption: CBF's shares will be purchased in 2024, and NPF's current total assets and liabilities will not change.

2. If NPF acquires 100% of CBF, David is willing to split the purchase price between a $5,000 note payable, and $7,500 cash upfront.

3. $5,000 of equity financing is available to NPF via a preferred shares issuance to Michelle Patterson, Yvonne's sister.

Exhibit 5.1 - Pro-Forma Financial Statements

Purpose: To provide NPF's pro-forma financial statements to reflect the acquisition of CBF.

Neptune Point Fisheries Inc.

Statement of profit or loss and comprehensive income

For the years ended December 31 (in C$'000s)

		AUDITED					
Revenues	**Notes**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Frozen-at-sea halibut	1	5,505	5,015	5,517	6,068	6,675	7,342
Frozen-at-sea shrimp	1	5,474	5,015	5,517	6,068	6,675	7,342
Processed shrimp	1	21,586	25,791	28,371	31,208	34,328	37,761
Processed snow crab	2	-	25,925	58,072	65,041	72,846	81,588
Total revenue		**32,565**	**61,747**	**97,476**	**108,385**	**120,524**	**134,034**
Expenses							
Harvesting and procurement	3	9,332	8,525	9,378	10,316	11,347	12,482
Processing costs	3	11,649	18,060	25,764	28,572	31,688	35,148
Warehousing & shipping costs	3	2,600	2,888	3,388	3,912	4,492	5,135
Selling and administration	3	3,520	6,275	9,690	10,815	12,068	13,461
Purchase of landed snow crabs	4	-	13,454	30,137	33,753	37,803	42,340
Depreciation	5	2,428	3,668	5,171	5,732	6,356	7,047
Quota limit reporting costs	6	-	100	60	60	60	60
Shrimp oil equipment	6	-	655	-	-	-	-
MSC Certification costs	6	-	370	120	120	120	120
Foreign exchange gain (loss)		478	906	1,431	1,591	1,769	1,967
Total expenses		30,007	54,901	85,138	94,871	105,704	117,760
Operating income		2,558	6,846	12,338	13,514	14,821	16,274
Gain on CBF Acquisition	7	-	3,233	-	-	-	-
Interest expense - New Note payable	8	-	(200)	(320)	(240)	(160)	(80)
Interest expense - New loan	9	-	(300)	(600)	(600)	(600)	(600)
Interest expense - CBF loan	10		(98)	(195)	(195)	(195)	(195)
Interest expense - NPF LOC	11	(32)	-	-	-	-	-
Interest expense - NPF loan	12	(198)	(120)	(90)	(60)	(30)	-
Income before taxes		2,328	9,361	11,133	12,419	13,836	15,399
Income taxes (34%)		(797)	(3,183)	(3,785)	(4,222)	(4,704)	(5,236)
Net Income		1,531	6,178	7,348	8,196	9,132	10,163
Opening retained earnings		12,509	14,040	20,218	27,566	35,763	44,895
Closing retained earnings		14,040	20,218	27,566	35,763	44,895	55,058

2026 Key Financial Objective			**Actual**	**Goal**	**Result**
Annual Revenue Growth			11%	10%	**Met**
EBITDA Margin %	17%	18%	18%		
3 Year Average EBITDA Margin %			18%	18%	**Met**

Income Statement Notes

Pro-forma Income Statement assumes NPF acquires CBF as of July 1, 2024. Any revenues or expenses related to CBF will be pro-rated for 1/2 year in 2024.

Note 1 - NPF Revenue (Halibut and Shrimp)

Assumption of annual revenue growth rate of 10% (per discussion under Exhibit 4.2) primarily due to increase in shrimp processing customers from the acquisition of CBF. Assumption that sales from processed shrimp will increase from 66% of total sales in 2023 to 72% of NPF's sales from 2024-2028.

	% of Sal 2023	% of Sales Projection	2024	2025	2026	2027	2028
Frozen-at-sea halibut	17%	14%	5,015	5,517	6,068	6,675	7,342
Frozen-at-sea shrimp	17%	14%	5,015	5,517	6,068	6,675	7,342
Processed shrimp	66%	72%	25,791	28,371	31,208	34,328	37,761
Projected Revenue	100%	100%	**35,822**	**39,404**	**43,344**	**47,678**	**52,446**

Exhibit 5.1 - Pro-Forma Financial Statements (Continued)

Note 2 - CBF Revenue (Snow crab)

Assumption of annual growth rate of 12%. Per discussion in Exhibit 4.2 & External Analysis, the snow crab segment is expected to rapidly grow over the upcoming years due to increases in quotas and prices.

	2023	2024	2025	2026	2027	2028
Revenue per 2023 FS+12% Growth	46,295	51,850	58,072	65,041	72,846	81,588
Prorated 2024 Revenue (1/2 Year)		25,925				

Note 3 - Operating Expenses

Harvesting&procurement - Annual increase as % of Frozen-at-sea Halibut/Shrimp Revenues.

Processing Costs	% of Sal 2023	% of Sales Projection	2024	2025	2026	2027	2028
Processing costs - NPF	54%	50%	12,887	14,176	15,593	17,152	18,868
Processing costs - CBF	20%	20%	5,173	11,588	12,979	14,536	16,280
Total Processing Costs			**18,060**	**25,764**	**28,572**	**31,688**	**35,148**

* Assume NPF can reduce processing costs as a % of Processed Shrimp Sales by 4% (from 54% to 50%) as a result of synergies via acquiring shrimp processing customers from CBF. Assume CBF's processing costs a remain constant % of Snow Crab Revenue.

Warehousing/Shipping costs	% of Sales 2023	2024	2025	2026	2027	2028
Warehouse/Shipping Costs - NPF	8%	2,860	3,146	3,461	3,807	4,187
Warehouse/Shipping Costs - CBF	3%	778	1,742	1,951	2,186	2,448
Synergy Cost Savings		(750)	(1,500)	(1,500)	(1,500)	(1,500)
Total Warehouse/Shipping Costs		**2,888**	**3,388**	**3,912**	**4,492**	**5,135**

* Assume costs remain a constant % of respective revenues.

Selling/Admin costs	% of Sales 2023	2024	2025	2026	2027	2028
Selling/Admin - NPF	11%	3,872	4,259	4,685	5,154	5,669
Selling/Admin - CBF	10%	2,603	5,831	6,530	7,314	8,192
Synergy Cost Savings		(200)	(400)	(400)	(400)	(400)
Total Selling/Admin Costs		**6,275**	**9,690**	**10,815**	**12,068**	**13,461**

* Assume costs remain a constant % of respective revenues.

Note 4 - Purchase of landed snow crabs			**2024**	**2025**	**2026**	**2027**	**2028**
% of CBF 2023 Sales	52%		13,454	30,137	33,753	37,803	42,340
* Assume costs remain a constant % of CBF's revenues.							
Note 5 - Depreciation	**of Sales**						
	2023		**2024**	**2025**	**2026**	**2027**	**2028**
Depreciation - NPF	7%		2,671	2,938	3,232	3,555	3,910
Depreciation - CBF	4%		997	2,233	2,501	2,801	3,137
Total Depreciation			**3,668**	**5,171**	**5,732**	**6,356**	**7,047**
* Assume costs remain a constant % of respective revenues.							
Note 6 - Refer to Implementation Plan - Operational Issues							
Note 7 - Gain on Acquisition of CBF (15,733-12,500=3,233) per Exhibit 4.1							
Note 8 - Interest Expense (New $5m Note Payable)			**2024**	**2025**	**2026**	**2027**	**2028**
Principal balance ($1,000 annual repayment)			5,000	4,000	3,000	2,000	1,000
Annual Interest Expense		8%	200	320	240	160	80
Note 9 - Interest Expense (New $7.5m Term Loan)			**2024**	**2025**	**2026**	**2027**	**2028**
Principal balance			7,500	7,500	7,500	7,500	7,500
Annual Interest Expense		8%	300	600	600	600	600
Note 10 - CBF Long-term Loan - Assume no change to interest rate on LT Loan.							
Note 11 - NPF Existing Line of Credit - Assumed fully paid off in 2024.							
Note 12 - NPF Existing Term Loan		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Principal balance ($500 annual repayment)		2,500	2,000	1,500	1,000	500	-
Annual Interest Expense		6%	120	90	60	30	-

Exhibit 5.1 - Pro-Forma Financial Statements (Continued)

Neptune Point Fisheries Inc.
Statement of Financial Position
as at December 31 (in C$'000s)

Assets	**Notes**	**AUDITED 2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Current assets							
Cash and cash equivalents	1	302	6,259	12,760	23,832	36,789	51,828
Accounts receivable	2	902	1,710	2,700	3,002	3,338	3,713
Inventories — Seafood	3	486	871	1,380	1,538	1,713	1,909
Inventories — Supplies	4	325	582	923	1,028	1,146	1,276
Prepaid expenses	5	495	939	1,482	1,647	1,832	2,037
Total current assets		2,510	10,361	19,244	31,047	44,818	60,763
Property, plant, and equipment — net	7	21,389	41,269	46,189	43,555	40,168	35,947
Intangible assets — fishing rights	8	540	540	540	540	540	540
Total assets		24,439	52,170	65,973	75,142	85,526	97,250
Liabilities							
Current liabilities							
Line of credit	9	1,025	-	-	-	-	-
Trade payables and accrued liabilities	10	2,742	4,911	7,782	8,673	9,664	10,767
Income tax payable	11	95	379	451	503	561	624
Current portion — term loan payable	12	500	500	500	500	500	500
Current Portion - Note Payable	12	-	1,000	1,000	1,000	1,000	1,000
Total current liabilities		**4,362**	**6,790**	**9,734**	**10,676**	**11,725**	**12,891**
Long-term debt — NPF's term loan	13	2,500	2,000	1,500	1,000	500	-
Long term debt - new term loan	13		7,500	7,500	7,500	7,500	7,500
Note Payable (5 Year)	13	-	4,000	3,000	2,000	1,000	-
CBF Loan	13		2,500	2,500	2,500	2,500	2,500
Deferred income taxes	14	4,568	8,661	13,673	15,204	16,906	18,801
Total liabilities		**11,430**	**31,452**	**37,907**	**38,880**	**40,131**	**41,692**
Shareholders' equity							
Share capital — 20,000 common shares	15	500	500	500	500	500	500
Retained earnings	16	12,509	20,218	27,566	35,763	44,895	55,058
Total shareholders' equity		13,009	20,718	28,066	36,263	45,395	55,558
Total liabilities and shareholders' equity		24,439	52,170	65,973	75,143	85,525	97,250
		-	(0)	(0)	(0)	0	(0)

Debt to Assets Ratio	17	47%	**60%**	**57%**	**52%**	**47%**	**43%**
Maximum Debt to Asset ratio			60%	60%	60%	60%	60%

Conclusion:

With the acquisition of CBF, NPF's pro-forma income statement appears to be profitable from 2024 to 2028 and NPF will meet their key objectives of 10% annual revenue growth and a 18% 3-year average EBITDA margin by 2026.

In addition, NPF's pro-forma balance sheet appears favourable, maintaining a Debt-to-Assets Ratio under 60% from 2024 to 2028.

Exhibit 5.1 - Pro-Forma Financial Statements (Continued)

Balance Sheet Notes:

1. To determine the Cash Balance at the end of each year 2024 -2028

	2024	2025	2026	2027	2028	Notes
Net Income	6,178	7,348	8,196	9,132	10,163	
Add Dep	3,668	5,171	5,732	6,356	7,047	**1.1**
Add: Interest Exp	718	1,205	1,095	985	875	**1.1**
Add: Income Tax Expense	3,183	3,785	4,222	4,704	5,236	**1.1**
Less: Gain on CBF acquisition		(3,233)				**1.1**
Less: Foreign exchange gain	(906)	(1,431)	(1,591)	(1,769)	(1,967)	**1.1**
	12,840	12,845	17,655	19,407	21,353	
Changes in working cap						
Accounts Receivable	(808)	(990)	(302)	(336)	(374)	**1.2**
Inventory	(642)	(849)	(263)	(293)	(326)	**1.2**
Prepaid Supplies & exp	(444)	(543)	(166)	(185)	(205)	**1.2**
Trade payables & Acc liabilities	2,169	2,871	890	991	1,103	**1.2**
Interest Paid	(718)	(1,205)	(1,095)	(985)	(875)	**1.3**
Income Tax Paid	284	72	52	57	63	**1.2**
Total Cash flow from Op Act	12,682	12,201	16,772	18,657	20,739	
Investing Activity						
Investment in PPE	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	**1.4**
Financing Activity						
Line of credit	(1,025)					**1.5**
Repayment of NPF's Term Loan	(500)	(500)	(500)	(500)	(500)	**1.6**
Repayment of Note Payable	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	**1.6**
Change in cash	5,957	6,501	11,072	12,957	15,039	**1.7**
Opening Cash Balance	302	6,259	12,760	23,832	36,789	**1.8**
Closing Cash Balance	**6,259**	**12,760**	**23,832**	**36,789**	**51,828**	**1.9**

Notes (to calculate cash balance):

1.1 All non-cash expenses have been added back & unrealized gains deducted from net income.

1.2 AR, inventory, prepaid supplies, trade payables and income tax - based on the change in the respective account in the balance sheet between each year to identify cash in/out flow.

1.3 Interest paid:	2024	2025	2026	2027	2028
Interest paid on new term Loan ($7.5m)	300	600	600	600	600
Interest paid on Note payable ($5m)	200	320	240	160	80
Interest paid on CBF's loan ($2.5m)	98	195	195	195	195
Interest paid on NPF's loan	120	90	60	30	-
Interest on line of credit					
Total Interest Paid	**718**	**1,205**	**1,095**	**985**	**875**

1.4 NPF would like to invest $3m annually on upgrading and refurbishing its property, plant and equipment and

1.5 Line of credit: Based on the positive cash balance, recommended to pay off line of credit

1.6 The term loan taken by NPF requires $500 to be paid annually & note payable to David requires $1m to be paid annually until paid in full

1.7 Change in cash flow from operating, investing and financing activities

1.8 Opening cash balance is the ending balance of the previous year

1.9 Ending balance is the change in cash flow plus the opening cashing balance for the year.

Exhibit 5.1 - Pro-Forma Financial Statements (Continued)

Continuation of Notes to the Balance Sheet

2.Accounts Receivable: Based on revenue (902/32565) = 2.77% 2.77%

	2023	2024	2025	2026	2027	2028
Total Revenue	32,565	61,747	97,476	108,385	120,524	134,034

(Data from the income statement calculated in exhibit 5.1)

Cost of Good Sold (COGS)	2023	2024	2025	2026	2027	2028
Harvesting	9,332	8,525	9,378	10,316	11,347	12,482
Processing	11,649	18,060	25,764	28,572	31,688	35,148
Warehouse and shipping	2,600	2,888	3,388	3,912	4,492	5,135
Purchase of Snow Crabs	-	13,454	30,137	33,753	37,803	42,340
Depreciation	2,428	3,668	5,171	5,732	6,356	7,047
Total COGS	**26,009**	**46,595**	**73,837**	**82,285**	**91,687**	**102,152**

	2023	2024	2025	2026	2027	2028
3. Inventory - Seafood - 1.87% of COGS	486	871	1,380	1,538	1,713	1,909
4. Inventory Supplies -1.25% of COGS	325	582	923	1,028	1,146	1,276
5. Prepaids - 1.52% of COGS	495	939	1,482	1,647	1,832	2,037

8. Fishing rights - As per IAS38, assuming no impairment therefore value remain the same YOY

9. Line of credit will be paid off in 2024, due to excess cash balance available

	2023	2024	2025	2026	2027	2028
10. Trade Payables: 10.54% of COGS	2,741	4,911	7,782	8,673	9,664	10,767

11. Income tax payable : Based on a % of income tax expense of 2023

	2023	2024	2025	2026	2027	2028
Income Tax expense (11.92% of tax payable)	797	(3,162)	(3,764)	(4,202)	(4,683)	(5,215)
Income Tax Payable	95	(377)	(449)	(501)	(558)	(622)

12. The term loan taken by NPF requires $500 to be paid annually & note payable to David requires $1m to be paid annually until paid in full

13. NPF's term loan and the note payable require annual principal payments to be made - therefore the balance outstanding will reduce each year. The new loan and the loan assumed from CBF requires principal payment in full at the end of the loan - therefore balance is unchanged.

	2023	2024	2025	2026	2027	2028
14. Deferred income tax (14.03% Revenue)	4,568	8,661	13,673	15,204	16,906	18,801

15. Share capital - no change to the issued shares for NPF

16. Retained Earnings - per income statement Exhibit 5.1

17. Debt to Asset Ratio - Total Liabilities divided by total assets (current and non current)

Exhibit 6.1 - Shrimp oil byproduct

Purpose: To compare the profit earned by selling shrimp oil and selling waste, and calculate the volume of raw material needed, assuming shrimp oil has same profit as selling waste.

	Notes	Shrimp oil	Waste
Selling price per KG	1	$ 132.00	$ 0.32
Direct material cost per KG	2	5.20	-
Direct labour cost per KG	2	35.00	-
Variable manufacturing cost per KG	2	24.20	-
Contribution margin per KG		$ 67.60	$ 0.32
Products volume (KG)	3	12,000	600,000
Contribution margin ($)		$ 811,200	$ 192,000
Fixed manufacturing costs ($)	2	75,000	-
Other fixed overhead costs ($)	2	120,000	-
EBITDA		$ 616,200	$ 192,000
Depreciation	4	160,000	
Income before taxes		**$ 456,200**	**$ 192,000**

Raw material needed	Notes	
Income before taxes - Selling waste		$ 192,000
Fixed manufacturing costs ($)	*Shrimp oil*	75,000
Other fixed overhead costs ($)	*Shrimp oil*	120,000
Depreciation	4	160,000
Contribution margin ($)		$ 547,000
Contribution margin per KG	*Shrimp oil*	67.60
Products volume (KG)		8,092
Extraction rate	3	2%
Raw material needed (KG)		**404,586**

Conclusion: NPF should adopt the new process of producing & selling shrimp oil, as it is more profitable than selling waste and would help NPF's key objective of increasing overall EBITDA margin. Producing shrimp oil only requires 404,586 KG (compared to 600,000 KG for waste) to earn the same profit as selling waste.

Notes:

1 Shrimp oil: It is estimated that NPF can sell shrimp oil in bulk at $132.00/kg.
Shrimp waste: NPF's current 5 year contract with a fertilizer producer has an agreed price of $0.32/kg.

2 Estimated costs prepared by Kurt McPherson.

3 Shrimp waste: In 2023, NPF sold 600,000 kg of shrimp waste under their contract to a fertilizer producer.
Shrimp oil: has a 2% extraction rate of the raw material, therefore the production volume of shrimp oil is the following:

600,000	KG
2%	Extraction rate
12,000	KG

4

New equipment - cost	640,000	
Useful life (years)	4	years
Annual depreciation (straight-line)	160,000	

Exhibit 6.2 - Shrimp Oil Equipment - Lease vs Buy Analysis

Purpose: To calculate the net advantage to leasing the shrimp oil processing equipment (in C$'000s).

		Notes
Initial investment	$ 640	$15k delivery costs not included because they are the same under both options
Annual lease payment after tax	-$ 472	1
Difference in operating costs	$ -	None given
PV tax shield on CCA for equipment	-$ 168	2
Salvage proceeds	-$ 16	3
Tax on recapture related to salvage	$ 5	4
Net advantage to leasing (NAL)	**-$ 11**	

Conclusion: The NAL is negative, which means leasing the equipment is more expensive than purchasing.

Notes:

1. After tax payment: $14,850 x (1 - 0.30) = $10,395
* Assuming tax rate is 30%
After-tax cost of debt: 8% x (1 - 0.3) = 5.6% annually, or 0.47% monthly (5.6%/12)
Calculate PV: BGN mode, P/Y = 12, C/Y = 12, PMT = $10,395, N = 48, I/Y = 5.6%, FV = $30,000 CPT PV = -$472,171
2. ((640000*50%*30%)/(50%+5.6%))*((1+0.5*5.6%)/(1+5.6%)) = $168,084
3. PV of salvage proceeds in year 4: FV = 20,000, N = 4, I/Y = 5.6%, CPT PV = -$16,083
4. Tax on recapture at time of salvage = $20,000 x 30% = $6,000
PV of lost tax shield for four years: FV = $6,000, N = 4, I/Y = 5.6%, CPT PV = -$4,825