# Why Goldmont Holdings

Lender Memorandum

Goldmont Holdings

Lender Memorandum

Subject: Credit Philosophy, Capital Stewardship, and Lender Alignment

Date: Dec. 18, 2025

# Table of Contents

# Executive Summary

- Goldmont Holdings approaches leverage with a **credit-first mindset**, prioritizing capital preservation, predictability, and transparency.
- Our use of debt is **selective, structured, and conservative**, designed to support long-term value creation without introducing undue risk.
- This memorandum outlines our approach to leverage, risk management, sources and uses of capital, repayment, de-leveraging discipline, covenant philosophy, and lender partnership.

---

# Our Approach to Leverage

Goldmont Holdings views debt as a **tool—not a dependency**.

We employ leverage only where it enhances stability, improves capital efficiency, and is supported by durable fundamentals. We do not use debt to bridge weak economics, accelerate timelines, or mask underlying risk.

Our leverage decisions are guided by:

- Conservative levels relative to cash flow and asset value
- Clearly identifiable sources of repayment
- Structural protections aligned with lender priorities
- Sponsor equity meaningfully subordinate to lender capital

---

# Credit Philosophy

Goldmont's credit posture is anchored in discipline and restraint.

- **Downside-first underwriting:** Loss scenarios are evaluated before return scenarios.
- **Margin of safety:** Cushion is created through asset quality, cash flow durability, and structure.
- **Alignment:** Sponsor equity absorbs risk ahead of lender capital.
- **No refinancing reliance:** Base-case repayment assumptions do not depend on favorable future market conditions.

We believe credit quality is defined by performance under stress—not by outcomes in favorable environments.

---

## Risk Management and Controls

Risk management is continuous and multi-layered.

Goldmont actively manages:

- **Asset-level risk:** Durable demand, resilient cash flows, and conservative assumptions
- **Structural risk:** Thoughtful covenant design, reporting clarity, and defined remedies
- **Operational risk:** Active oversight, governance, and performance monitoring
- **Market risk:** Avoidance of structures sensitive to short-term volatility or liquidity shifts

Risk is treated as an ongoing responsibility, not a one-time underwriting exercise.

---

# Sources & Uses / Repayment Overview

Goldmont approaches every financing with a **clear, conservative framework** for capital sources, uses, and repayment.

**Sources of Capital**

- **Senior debt**, structured with conservative advance rates and clear priority
- **Sponsor equity**, meaningfully subordinate to lender capital
- No reliance on speculative, contingent, or unfunded sources

**Uses of Capital**

- Acquisition or investment capital aligned with durable fundamentals
- Transaction costs and reserves, conservatively sized
- Operational or working capital support where appropriate

We avoid leverage structures dependent on aggressive assumptions, deferred capitalization, or uses of proceeds that do not directly support asset stability.

# Repayment Framework

Repayment planning is evaluated under **base and downside scenarios** and anchored in:

- **Primary repayment:** Contracted or recurring cash flows from underlying assets or operations
- **Secondary repayment:** Asset value, structural protections, and sponsor support where applicable

Importantly, **repayment does not rely on refinancing, multiple expansion, or favorable market conditions**. Exit optionality is treated as upside, not a requirement.

---

# De-leveraging Triggers & Actions

Goldmont believes disciplined leverage management includes **clear triggers for de-risking and proactive actions to protect lender capital**.

**De-leveraging Triggers**

Conditions that would prompt reassessment or de-leveraging include:

- Sustained underperformance versus underwriting assumptions
- Material changes in cash flow durability or asset fundamentals
- Adverse shifts in market liquidity or financing conditions
- Increased concentration or risk exposure beyond intended parameters

These triggers are monitored continuously rather than addressed only at covenant pressure points.

**De-leveraging Actions**

When de-leveraging is warranted, Goldmont is prepared to act decisively through:

- Application of excess cash flow toward debt reduction
- Injection of additional sponsor equity, where appropriate
- Reduction or suspension of discretionary capital uses
- Asset-level actions designed to stabilize cash flow and reduce risk

Our objective is to protect lender capital early and preserve optionality.

# Covenant Philosophy

Goldmont views covenants as **early-warning and alignment mechanisms**, not punitive tools.

Our covenant philosophy is designed to:

- Surface issues early, before capital is impaired
- Encourage constructive dialogue rather than reactive enforcement
- Balance lender protection with operational flexibility

Key principles include:

- **Clarity over complexity:** Covenants should be transparent, measurable, and directly tied to credit risk.
- **Early signal, not tripwires:** We favor thresholds that prompt discussion and action before distress.
- **Consistency with underwriting:** Covenant levels should reflect realistic downside scenarios, not best-case outcomes.
- **Respect for lender remedies:** We recognize covenants as a core lender protection and engage collaboratively if thresholds are approached.

We believe well-designed covenants strengthen partnerships and improve outcomes for all stakeholders.

---

# Transparency and Reporting

Lender confidence is built through **clarity, consistency, and early engagement**.

Lenders can expect:

- Timely, accurate, and relevant reporting
- Open communication regarding performance and material developments
- Early dialogue if conditions deviate from expectations

Our goal is to ensure lenders are never surprised and always well-informed.

---

**Partnership Orientation**

Goldmont seeks lender relationships grounded in:

- Respect for capital discipline
- Clear expectations around structure and communication
- A long-term orientation rather than transactional execution

We value lenders who prioritize predictability, thoughtful structuring, and alignment.

---

# Lender FAQ

**1. How does Goldmont determine appropriate leverage levels?**

Leverage is set based on **downside resilience**, not maximum capacity. Cash flow durability, asset quality, and stress scenarios drive structure decisions.

---

**2. What are Goldmont's primary sources of repayment?**

Primary repayment is **operating cash flow or contracted income**. Secondary sources include asset value and structural protections. Refinancing is not underwritten as a base case.

---

**3. How does Goldmont manage downside scenarios?**

Downside scenarios are evaluated upfront and revisited throughout the life of a financing. Cushion is maintained through conservative assumptions, appropriate covenants, and early engagement.

---

**4. How aligned is sponsor equity relative to lender capital?**

Sponsor equity is meaningfully subordinate to lender capital. Goldmont's capital absorbs risk ahead of lenders, ensuring strong alignment.

---

**5. How frequently does Goldmont communicate with lenders?**

We prioritize **clear, proactive communication**. Lenders receive regular reporting and early notice of any material changes.

---

**6. How does Goldmont handle amendments or unforeseen challenges?**

When circumstances change, we engage lenders early, present clear facts, and focus on solutions that protect capital and preserve alignment.

---

**7. What types of leverage structures does Goldmont avoid?**

We avoid:

- Mark-to-market or highly cyclical structures
- Leverage dependent on aggressive growth or refinancing assumptions
- Complex layering that obscures true risk exposure

Simplicity and clarity are intentional.

---

# Closing

Goldmont Holdings is committed to being a **predictable, disciplined, and transparent borrower**. We approach leverage with respect for lender capital and a long-term view toward partnership.

We welcome dialogue with lending partners to ensure shared understanding and alignment.