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- (iii) *Intangible assets*—This adjustment reflects the reversal of the revenue recognized for the liquidated damages under IFRS and rather recognizes the liquidated damages as a \$5.7 million reduction of the carrying value of the intangible asset in accordance with GAAP.
 - (iv) *Deferred financing costs, net*—Represents the reclassification of debt issuance costs from long-term debt in accordance with GAAP.
 - (v) *Deferred taxes*—This adjustment reflects the reversal of the \$0.1 million in deferred taxes recognized under IFRS related to non-monetary assets and liabilities that are remeasured from local currency into their functional currency.
 - (vi) This adjustment reflects the tax effect of adjustments (ii) and (iii) calculated at the statutory rates in effect in each jurisdiction.
- (2) *Accounts receivable, accounts payable and other liabilities*—Represents the recharacterization of accounts receivable, accounts payable or other payables from related party to non-related party.
 - (3) *Deferred financing costs*—Represents adjustment for reversal of the Acquisitions' historical deferred financing costs as the applicable debt was revalued under purchase accounting.
 - (4) *Property and equipment*—Represents the adjustment to reflect the Acquisitions' property and equipment at their estimated fair values. The fair values of property and equipment acquired were valued primarily using a cost approach and limited to what is economically supportable as indicated by an income approach. The fair value approximates the current cost of replacing an asset with another asset of equivalent economic utility adjusted further for functional obsolescence and physical depreciation. The estimate is preliminary, subject to change and could vary materially from the actual adjustment at the time the acquisition is completed. The estimated remaining useful lives of the property and equipment acquired range from 6 to 40 years.
 - (5) *Intangible assets*—Represents the adjustment to record the PPAs of the businesses that have been or will be acquired in the Acquisitions at their estimated fair values. The estimated fair values were valued primarily using a variation of the income approach. The estimated remaining useful lives of the intangibles range from 6 to 24 years. The estimate is preliminary, subject to change and could vary materially from the actual adjustment at the time the acquisition is completed.
 - (6) *Deferred tax assets and liabilities*—Represents the adjustment to recognize deferred taxes resulting from the temporary differences between fair value and the tax basis of assets and liabilities acquired.
 - (7) *Other assets*—Represents the elimination of an intercompany loan receivable upon consolidation.
 - (8) *Current and long-term debt*—Represents the adjustment to recognize debt assumed in the Acquisitions at fair value.
 - (9) *Deferred revenue*—Represents the adjustment to record deferred revenue at fair value in purchase accounting.
 - (10) *Net parent investment*—Represents a \$1.4 million gain related to the Sponsor's contribution to us of its equity method investment in NSM 24 in connection with the Chint-NSM Transaction on remeasurement to fair value of the equity method investment.
 - (11) *Non-controlling interest*—Represents the 32.4% non-controlling interest in BioTherm and the 49.0% non-controlling interest in Chint-Soutpan/Witkop not acquired by us.
 - (12) *Member's equity*—Represents the reallocation of equity as a result of this offering.