Gordian Group
30 YEARS OF RELENTLESS RESULTS.

Confidential

Gordian Equity Success Abstracts

2021

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Preeminent Investment Banking Platform

Gordian provides investment banking services to companies, boards, and existing equity holders seeking to maximize value in complex situations. By eschewing financial creditor and institutional representation, *we alone* provide unconflicted advice and creative strategies to the advantage of equity recoveries in distressed/stressed/story capital structure situations.

300+ Clients Served	Over $100 Billion in M&A and Restructuring Transactions	Industry Leading Partner Level Experience	30 Years of Relentless Results
Successful Entrepreneurs As successful entrepreneurs ourselves both in founding Gordian and our own private investment vehicle, we understand that success depends not only on great ideas and hard work but also on forging the right partnerships.	**Out-of-the-Box Thinking** We realize that every client is in a different situation and has different goals. Therefore we do not provide our clients with a 'one-size fits all' game plan and instead use our years of experience to tailor individual strategies that specifically address our clients needs.	**Experienced Advisors** Gordian partners Peter Kaufman and Henry Owsley wrote the defining books on strategies to maximize value in restructuring and complex M&A situations, most recently in *Equity Holders Under Siege*. Our five partners have been a cohesive unit for many years.	**Industry Leaders** Over its 30 year history, Gordian has led over 300 assignments on behalf of companies, boards of directors, and existing equity holders – including sponsor firms. We are also active with managers of credit funds and structured vehicles and represented regulators, unions and other constituencies.

Old Equity's Unconflicted Advocate

For over 30 years, Gordian has worked with Companies and their shareholders to develop and implement solutions that maximize equity value and meet our clients' goals in difficult situations.

Our mission is always at least two-fold:

i. Derail the 'strict priority' value waterfall and reallocate value from creditors to shareholders

ii. Provide processes to protect boards of directors through the business judgement rule

We are skilled negotiators specializing in creative and bold approaches for the advantage our clients

i. There is no "cookie cutter" solution when boards face complicated, distressed or challenging situations

ii. Each situation is different, and mandates working creatively with our client and counsel to identify or create alternatives, assess their relative merits *vis-à-vis* our client's specific goals and then work together to implement the desired path(s)

We focus exclusively on representing companies, boards of directors, and equity holders, both private and public

i. We alone in our space do not work for creditor constituencies or financial institutions, giving us the ability to provide conflict-free advice to achieve our clients' goals in respect of maximizing shareholder recoveries

ii. We do not trade securities, nor do we have a bondholder advisory practice

On the following pages we have provided case studies detailing certain successes we have had representing sponsors, boards of directors, and shareholders

We Stand Beside Our Clients

Gordian can be flexible in its fee arrangements and in certain situations has been willing to stand by our clients, tying our fees to our client's goals and ultimate outcome.

Below are some highlighted engagements where we arranged our fees in such a way:

i. **Trans Energy:** Reflecting the Company's liquidity position and our belief in the value of TransEnergy's assets, Gordian agreed to be compensated primarily in the form of monthly common share issuances.
   - At the time of engagement, TransEnergy's shares traded (thinly) at a price of approximately $1.00
   - After negotiating with the Company's lenders on a restructuring, Gordian ran a competitive M&A process that resulted in shareholders receiving $3.58 a share, a 258% premium.

ii. **Modular Space Holdings:** Gordian structured its engagement on behalf of ModSpace's sponsor to include an "in-kind" component and following the restructuring, ended up with equity and warrants in a restructured ModSpace.
   - ModSpace was eventually sold in August 2018.
   - Gordian added to its position by purchasing additional warrants, and achieved an IRR of over 13,000% on this trade.

iii. **Metalico:** As part of its fee, Gordian was given 1,000,000 shares of MEA common stock, which helped the Company navigate a tight liquidity environment and align Gordian's interest with shareholders.
   i. Eschewing its former plain-vanilla investment banker, the Company hired Gordian to assist in orchestrating a complex sale to a Chinese customer that was multiples of the cover bid amount.

Equity Success Case Overviews (See Appendix for full exposition of each)

Client	Summary
Alphatec*, **	Advised the Company on pursuing an internal restructuring alternatives that kept a putative buyer from continuing to retrade an M&A deal and also resulted in that buyer providing the Company with debt funding
Ben & Jerry's*	Negotiated sale of the Company at a 331% increase in equity value from time of engagement, all while protecting the social mission of the Company.
Cambium Learning Group**	Following a restructuring on the Company's terms, the Company merged with a direct competitor at a valuation highly advantageous to the Cambium equity holders
Continental Global	Gordian facilitated a restructuring of the Company's balance sheet through an out-of-court debt-for-debt exchange in which the principal shareholder maintained its ownership stake without dilution
Cross Match Technologies**	Provided significant covenant headroom and an infusion of debt capital as part of a restructuring that allowed the Sponsor to avoid paying anything on its debt guaranty while maintaining 100% of equity value.
FlexEnergy**	The existing investors were able to maintain control of a spun-off business, which subsequently went public at an advantageous valuation through a reverse merger transaction.
Integrated Electrical Services*	Gordian effected a debt-for-equity exchange in which more than $170 million of bonds were converted into equity, with Old equity retaining 18% of the new common primary stock outright
Jobson Healthcare**	Negotiated additional 3 years of runway for the Company and increased borrowing availability at a cost of only 20% dilution to the private equity sponsor despite an imminent maturity default
Metalico*	Orchestrated a sale that provided shareholders with 2x the value of the next highest bid and an EV/EBITDA multiple of 14x at a time when the Company was running out of cash.
Modspace**	Obtained 7% equity and 15% warrant package for old Equity despite bonds trading at 35 cents at the time of engagement
Nuo Therapeutics*	Gordian effected a Plan of Reorganization in which Old Equity received 18-28% of the new equity (compared to the imminent wipe-out in either liquidation or sale to the Secured Creditor)
Osyka Corporation*	Facilitated a sale of the Company that provided meaningful recovery to old equity despite senior creditors recovering only 70%
Petsec Energy*	Gordian was able to negotiate a consensual deal with bondholders which contemplated (i) the sale of Petsec pursuant to a process run by Gordian and (ii) a highly advantageous allocation of sale proceeds to old equity.

* Public Company
** PE Sponsor-Backed

Equity Success Case Overviews

Client	Summary
Pinnacle Towers*	Orchestrated a sale that provided $65mm to old Equity/ management and de minimis recoveries to Sr. and Jr. debtholders
Rosehill Resources*	Gordian Group worked on behalf of the majority shareholder to negotiate for the retention of a substantial equity position in a restructured and materially delevered Company
Steel City Media	Gordian negotiated a consensual resolution pursuant to a POR that resulted Old Equity maintaining significant majority equity and governance control and a restructured balance sheet with reduced debt service and an extended maturity.
Stereotaxis*	Gordian effected a two-step recapitalization in which existing lenders advanced new money, restructured existing securities and received new instruments, and a subsequent rights offering was made to all equity holders.
Summit Global Logistics*	Gordian orchestrated a restructuring of the Company's balance sheet by having Management/old Equity partner with the senior secured lenders in a bid for the Company at values that would result in no recovery to the junior bondholders.
Tracor	The Company was split into three component parts, concentrating Old Equity's recovery in the "ugly" defense business resulting in' old Equity's recovery package *exceeding $400 million in value.*
Trans Energy*	With the stock at $1 when engaged, Gordian orchestrated a merger for $3.58 per share ($200 million aggregate, a 258% premium to price at the time of engagement.
Waste Systems International*	Gordian effected a recapitalization of more than $100 million in debt, allowing the controlling shareholder to retain control through an additional investment.
Undisclosed Basic Industries Company**	Following a drop in EBITDA from 20 million to 1 million, we effected a highly favorable restructuring which enabled the PE sponsor to leg back into a control position and recoup its investment which seemingly had been lost.
Undisclosed Industrial Manufacturer**	We effected an agreement that gave the Company the requisite runway, saw no dilution to Old Equity, 30% of debt converted to preferred, and a 70% reduction in cash debt service.
Undisclosed National Health and Fitness Company*	Gordian Group orchestrated a restructuring strategy that saw debt reduced by 30% while preserving Old Equity's control. The Company also implemented a creative financial engineering strategy that helped protect the sponsor's new investment.
Undisclosed Media Company**	The Company thwarted the senior lenders' attempted liquidation and negotiated a forbearance with an extended debt maturity and less onerous covenants; our client maintained 100% of its equity stake.
Undisclosed Metal Casting Company**	Gordian forced a consensual exchange offer with the Company's loan-to-own bondholders that resulted in only 10% dilution and about two years of desired additional runway.

* Public Company
** PE Sponsor-Backed

Equity Success Case Overviews

Client	Summary
Undisclosed Value-Added Manufacturer**	Old Equity maintained a super-majority stake in the Company despite lenders equitizing 50% of their debt balance and agreeing to i) meaningful reductions in cash debt service payments and ii) three years of covenant runway.
Undisclosed Software as a Service Company	Implemented a deleveraging plan by which subordinated lenders converted ~50% of sub debt to equity with minimal dilution to old equity and subordinated lenders providing liquidity
Undisclosed Energy Company **	Gordian Group orchestrated a restructuring strategy that saw debt reduced by 30% while preserving Old Equity's control while also implementing a creative financial engineering strategy that helped protect the sponsor's new investment.
Undisclosed B2B Media Company **	Gordian Group advised the Private Equity Sponsor to effect a consensual restructuring with new capital and a materially deleveraged capital structure in the face of unprecedented market headwinds
Undisclosed Marketing Services Company **	Gordian effected a consensual, out-of-court restructuring that resulted in a significantly de-levered balance sheet, additional capital to stabilize the business, several-year debt service and covenant relief and the retention of control by the Sponsor
Undisclosed Services Provider**	Gordian Group orchestrated a financial restructuring strategy that provided the Company with significant cash debt service holidays and 18 months of covenant relief

* Public Company
** PE Sponsor-Backed

Appendix

Select Case Studies

Equity Success Case Studies

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Equity Success Case Studies

Client: Alphatec Holdings, Inc.

Role: Company Advisor

Time: 2016

Industry: Healthcare

Awards: Cross-Border Restructuring of the Year

Gordian's work on behalf of the Company allowed it pay down its debt and considerable AP, while providing the necessary liquidity to finance a reorganization around its domestic business for the benefit of its shareholders.

Client Overview: Alphatec Holdings, Inc. (the "Company") is a publicly-traded medical technology company, focused on the design, development, and promotion of products for the surgical treatment of spine disorders.

Situation: The Company had seen its revenue and margins drop as a result of an in-process restructuring of its distribution channels. At the same time, the Company had been forced to tap a high coupon loan to fund a litigation settlement.

Squeezed for liquidity, stretching vendors to the breaking point, and tripping covenants, the Company first undertook a refinancing effort in the fall of 2015 that ultimately failed. The Company was then forced to negotiate costly forbearances with its lenders in order to create runway for an M&A process.

As the process crystalized, the Company narrowed its available options to: (i) a sale of a significant and profitable division of the Company to a competitor that would raise cash and allow for a reorganization around the domestic operations for the benefit of shareholders; and (ii) a transaction led by an insider that would infuse significant cash and bring in a new, industry-respected management team – but substantially dilute the existing common shareholders' ownership position.

Outcome: In conjunctions with the Company, Gordian: (i) communicated and negotiated with the stakeholders regarding both transactions, (ii) negotiated with the secured lenders to keep them at bay throughout the process, and (iii) performed the financial and strategic analysis necessary for the Board and its Special Committee to evaluate and compare the transactions. Importantly, Gordian worked to ensure that – in any event – the Company would have options available to it as an insurance policy against any re-trades. The Company's Board announced a stabilizing transaction, which closed in the fall of 2016.

Equity Success Case Studies

Client: Ben & Jerry's Homemade

Role: Complex / "Story" M&A, Financial Advisory

Time: 1998-2000

Industry: Consumer/Food/Retail

Awards: Middle-Market Deal of the Year

Gordian Group was retained by the Company over a three-year period to assist in evaluating the Company's strategic and financial options, and which ultimately resulted in the successful sale of the Company to Unilever.

Client Overview: Ben & Jerry's is an American company that manufactures ice cream, frozen yogurt, and sorbet.

Situation: Despite its quirky caché, the Company faced significant strategic problems – particularly with respect to ice cream distribution. When new management was brought in to improve profitability and to refocus the strategy for Ben & Jerry's, Gordian was retained to assist in evaluating the Company's strategic and financial options in order to enhance shareholder value. We analyzed and pursued a variety of transactions, including sale of the Company, investments in the company, distribution joint ventures and additions to the Company's product lines. The prism Ben & Jerry's used to evaluate these options was perhaps unique in American corporate governance – involving an eclectic weighing of value, desire for independence and social mission. Without satisfying each of these often conflicting criteria, it was unlikely that any solution would meet the board's approval. Yet, given the competitive and distribution dynamics the company faced, it needed to find a solution.

Outcome: The initial indications of interest from would-be acquirers valued Ben & Jerry's shares in the $20's; in addition, these proposals did not satisfy the independence and social mission goals of the board. Through a long negotiating process stretching over many months, we were eventually able to craft a viable solution that:

- Resulted in Unilever buying the company at a price that valued the shares at $43.60 per share, or $363 million in aggregate. When Gordian was first engaged by Ben and Jerry's, their share price was $13/share; sale price represented a 331% increase in equity value.
- Kept the existing board in place to monitor the social mission and product quality
- Provided significant additional sums to the Ben & Jerry's trust

Equity Success Case Studies

Client: PE Backed Cambium Learning

Role: Financial Advisory

Time: 2008

Industry: Education

Gordian Group advised a private equity firm in connection with a successful restructuring of a portfolio company in the educational materials, services and technology industry, that provided a bridge to a successful merger less than two years later.

Client Overview: Gordian Group was retained by counsel to a leading private equity investor as a special advisor with respect to the restructuring of the Company's financial indebtedness.

Situation: The Company, which provides research-based, culturally responsive and proven instructional materials, services and technology to help educators raise the achievement level of Pre-kindergarten through Grade 12 students underserved by existing instructional materials, was acquired in 2007 by the private equity investor. In conjunction with that transaction, and by the time of Gordian's involvement in mid-2008, the Company had approximately $195mm in net financial indebtedness outstanding, including a $127mm senior secured facility and a $50mm mezzanine facility.

The Company was in breach of certain covenants under its credit agreements, for reasons having nothing to do with financial performance. Prior to, and during our involvement, certain of the Company's lenders had been attempting to drive through a financial restructuring on terms that would have been disastrous for the Company's equity holders.

Gordian Group was able to devise strategies to create optionality and regain negotiating leverage. As a first step, the Company was able to effectively engage with its lenders and successfully negotiate an extension to its temporary waiver and amendment agreement in advance of the permanent waiver and amendment to its credit facilities.

Outcome: Ultimately, Gordian Group and counsel were instrumental in a consensual restructuring on the Company's own terms and, importantly, the preservation of the ownership and control position of its existing equity holders. Less than two years later, the Company merged with a direct competitor at a valuation highly advantageous to the Company's equity holders and Gordian Group provided an opinion in connection with the merger.

Equity Success Case Studies

Client: Continental Global Group

Role: Restructuring Advisory

Time: 2004

Industry: Construction Machinery and Heavy Trucks

Gordian Group advised the principal shareholder of the Company, a manufacturer of conveyor systems for the coal mining industry, in a successful out-of-court debt-for-debt restructuring.

Client Overview: Continental Global was a manufacturer of conveyor systems for the coal mining industry with an over-leveraged capital structure.

Situation: Gordian Group was retained by the principal shareholder of Continental Global to assist in an out-of-court debt-for-debt restructuring.

Outcome: As a result of the restructuring, Continental Global's financial condition was substantially improved through a material debt compromise and the principal shareholder was able to maintain its ownership stake without dilution

Equity Success Case Studies

Client:	Cross Match Technologies
Role:	Company Advisor
Time:	2011-2012
Industry:	Technology

Gordian's work on behalf of the Company allowed it to successfully renegotiate a long-term extension with its existing creditors that included additional liquidity, all without dilution to the Sponsor.

Client Overview: The client was a private-equity backed biometric security company.

Situation: The Company's legacy business had declined due to reductions in once-profitable government contracts and the Sponsor had put a new management team in place to reposition the business going forward. That management team uncovered significant weakness in the pipeline and projected that the Company would be in breach of its debt covenants over the next several quarters. The Company had a relatively complex capital structure for its size, including a revolver and two-tranche term loan totaling approximately $75 million (the "Bank Debt," owed to the "Banks"), the second tranche of which (roughly $33 million) had been guaranteed by the Sponsor (the "Guaranty"). Another $25 million of Sponsor-guaranteed debt sat at the holding company (the "HoldCo Debt," owed to the "HoldCo Lender").

Gordian was engaged by the Company to assist in the restructuring of its Bank Debt such that the company would have the necessary liquidity and runway to execute on the restructuring of its business.

Outcome: A proposal to amend the Company's debt agreements was presented to the Banks, who immediately engaged their own advisors. While the initial spread between the Company and the Banks was quite large, through careful use of the carrots and sticks developed by Gordian an amendment term sheet was hashed out over several months of extensive negotiation.

In parallel to this, Gordian was able to identify and then position a third-party alternative to close on a refinancing in the event negotiations with the Banks stalled or resulted in less-favorable terms.

The negotiations ultimately achieved significant covenant headroom and an infusion of capital in the form of an incremental term loan provided by a member of the Bank group and the HoldCo Lender. The Sponsor avoided paying on any portion of the Guaranty and the Company was left with a vastly improved liquidity position.

Equity Success Case Studies

Client:	FlexEnergy
Role:	Advisory
	Financing
Time:	2012
Industry:	Energy/Utilities

Gordian Group acted as investment banker to the Company and the Independent Finance Committee of the Board in connection with the Company's recapitalization, and provided a Fairness Opinion in connection therewith.

Client Overview: Provider of technology and solutions intended for onsite power and heat generation. The Company engineers and builds small gas turbine systems and turbine generators, enabling companies with onsite power and heat generation applications that provide wide fuel tolerance, high uptime and low emissions.

Situation: FlexEnergy manufactured a turbine power generator that provided clean energy from various fuels to a variety of markets. Following several rounds of venture funding, the Company found itself running out of money, facing maturing senior debt and, as a result, on the verge of bankruptcy or liquidation.

Following failed efforts by a previous bank to identify a strategic or financial partner for the Company, Gordian was engaged to assist the Company and its Board in facilitating a consensual solution between an existing investor group that had disparate agendas and priorities. This work included assisting in negotiating the structure and terms of a consensual recapitalization that was funded by an investor consortium comprised of new and existing capital providers, and required the consent of non-participating investors that would be severely diluted as a result.

As part of the engagement, Gordian also rendered a Fairness Opinion in connection with the ultimate restructuring.

Outcome: Gordian was able to broker a consensual solution that resulted in the spinoff of one of the Company's businesses to existing/non-participating investors (along with funding for its operations), while providing the necessary control in the core business to the new investors.

As a result of Gordian's efforts, the Company avoided liquidation, repaid its senior loan, funded near-term growth and expansion and provided a recovery to the Company's existing shareholders.

Equity Success Case Studies

Client: Integrated Electrical services

Role: Financial Advisory

Time: 2005

Industry: Healthcare Equipment

Gordian Group acted as financial advisor to IES in connection with its restructuring, which resulted in a prearranged bankruptcy that lasted less than three months and resulted in management and existing equity holders retaining 18% of equity

Client Overview: IES, a publicly traded company, is one of the leading national providers of electrical services in the United States.

Situation: With approximately $1 billion in annual revenues at the time, IES provided a large range of services, focused primarily on competitive bid design and building, and the maintaining and servicing of electrical data communications and utilities systems for commercial, industrial and residential customers. Accounting misstatements, poor project management and reduced access to surety bonding, among other things, contributed to a significant deterioration in IES's operating performance beginning in early 2004. As a result, the Company was faced with an overleveraged capital structure that it was unable to support. The Company's bonds were trading at less than 60% of par and the Company had negative trailing twelve-month EBITDA.

Gordian Group was engaged to assist the Company in evaluating and implementing its restructuring alternatives and negotiating a favorable outcome with its creditors, in particular an ad hoc committee of the Company's bondholders that Gordian successfully organized.

Outcome: Through a prearranged bankruptcy that lasted less than three months, the Company implemented a plan of reorganization that provided 82% of the pro forma equity to the noteholders, 3% to management and 15% to existing equity holders; a tremendous outcome for old equity, given the discounted trading levels of the Notes when the deal was negotiated

Equity Success Case Studies

Client:	Jobson Healthcare
Role:	Company Advisor
Time:	2011-2012
Industry:	Healthcare / Information and Marketing Services
Awards:	Professional Services Deal of the Year

Gordian's work on behalf of Jobson allowed it to extend its debt maturities by 3 years, with minimal dilution to the Sponsor, providing it with the necessary runway to execute on its business plan and maximize value.

Client Overview: Jobson Medical Information, LLC was a private-equity owned healthcare publishing and communication services business.

Situation: Since 2003, Jobson expanded its operations through a combination of acquisitions and internal growth, resulting in a company with approximately 20 different businesses and more than 50 products. Due to softness in advertising during the recession, as well as the deterioration in the continuing medical education portion of the business, Jobson found itself with an impending maturity of more than $117 million of secured debt (or roughly 6x trailing twelve month EBITDA).

Gordian was engaged in September 2011 – or less than two months before the maturity of Jobson's secured debt – to advise the Company and its sponsor with the assessment of the financial alternatives available and to assist in negotiating the restructuring of the Company's debt. Over the next several months, Gordian, among other things: (i) undertook third-party capital raising efforts to assist the Debtors in evaluating potential alternatives to an internal restructuring; (ii) performed extensive valuation, debt capacity and capital markets analyses and prepared a draft expert report in those respects; (iii) developed a viable non-consensual plan of reorganization; (iv) organized a disparate group of senior lenders that included both traditional banks and hedge funds (including certain members that had stated a desire to take over the Company); and (v) negotiated the terms of a prepackaged plan of reorganization that included $122 million in exit financing.

Outcome: Gordian was instrumental in orchestrating a successful prepackaged plan of reorganization with a disparate group of lenders comprised of traditional lenders and hedge funds. As a result of these efforts: (i) the Company was able to emerge from Bankruptcy in little more than one month; (ii) the private equity sponsor maintained an 80% ownership interest in the reorganized Company; and (iii) the maturity date of the secured debt was extended by approximately 3 years, providing ample runway for continued growth and the maximization of shareholder value

Equity Success Case Studies

Client: Metalico

Role: Financial Advisory, M&A

Time: 2015

Industry: Metals & Mining

After switching to Gordian, Metalico was able to reach a sale in which it was purchased for approx. $108 mm and an LTM EV/EBITDA multiple of 14x. Absent the sale Metalico would have been forced into a Chapter 11.

Client Overview: Metalico is a Cranford, NJ based scrap metal recycling company. The Company collects and processes ferrous and non-ferrous metals; and collects and processes industrial and obsolete scrap metal into reusable forms, and supplies recycled metals to consumers, including electric arc furnace mills, integrated steel mills, foundries, secondary smelters, aluminum recyclers, and metal brokers.

Situation: Due to significant declines in commodity prices Metalico saw a significant decline in earnings that put the Company in violation of certain covenants on its outstanding debt and pressured management and the Board, especially in light of the announcement of a hostile takeover. Additionally, Metalico faced a liquidity crisis as increasing volatility in commodity prices, the strong dollar, and weak scrap demand depressed earnings further in early 2015.

Facing imminent liquidity issues and likely to run out of cash in just a few months, the Company elected not to move forward with its previous investment banker and engaged Gordian. Gordian ran a multi-track process, reaching out to nearly 100 parties to discuss potential transactions including: (i) refinancing, (ii) asset divestitures, and (iii) the sale of part or all of the Company. Meanwhile, Gordian secured a forbearance agreement with certain lenders, allowing Metalico to explore a larger transaction. A further complexity was the overhang of the Company's pay-in-kind convertible notes, which had a high interest rate, were highly dilutive to equity, and could block a refinance or sale transaction.

Outcome: Gordian advised Metalico in negotiating a deal with the eventual purchaser, Total Merchant Limited, a Chinese scrap recycler, whereby TML provided Metalico with $5mm of liquidity, thereby avoiding defaulting. This liquidity assistance provided a window to negotiate discounts with convertible noteholders and to finalize a sale, pursuant to which Metalico was purchased for approximately $108 million providing shareholders with twice the value of the next highest bid. Finding a Chinese buyer that was also a customer was a successful strategy to navigate weakness in domestic scrap markets.

Equity Success Case Studies

Client: Sponsor to Undisclosed Industrial Rental Company

Role: Sponsor advisor

Time: 2016

Industry: Basic Industries

Gordian's work on behalf of the Sponsor allowed it to preserve meaningful option value through the implementation of a plan of reorganization that saw a significant deleveraging, rather than a 363 sale that would have resulted in no recovery.

Client Overview: The Company was a leading provider of industrial rental units in North America with significant exposure to the oil & gas industry, especially in Canada.

Situation: Following the precipitous decline in fossil fuel prices in 2015, the Company's financial performance meaningfully deteriorated, leaving it with LTM leverage of approximately 10x

Following a failed merger transaction in the summer of 2016, the Company faced an impending maturity of its $1 billion ABL facility and its junior notes traded at under 35 cents on the dollar.

Gordian was engaged by the financial sponsor to the Company to provide advice in connection with the impending maturity and expected restructuring negotiations between the sponsor, secured lenders, and junior noteholders, which included a diverse group of holders (distressed funds, mutual funds, insurance companies). The noteholders were pushing the Company for a 363 sale process that would see it take over 100% of the Company's common equity and completely wipeout the sponsor.

Outcome: Following several months of negotiations with the junior noteholders that began with them offering the sponsor nothing more than releases as part of a pre-packaged Chapter 11 filing, Gordian was able to negotiate an outcome that saw the noteholders convert 100% of their claims into equity.

The sponsors retained 7% of the common stock and warrants for an additional 12.5% (prior to a rights offering) in a significantly deleveraged business.

Equity Success Case Studies

Client: Nuo Therapeutics, Inc.

Role: Financial Advisory

Time: 2015

Industry: Biotechnology

Gordian successfully restructured and recapitalized NUO and secured a significant portion of Old Equity when compared to its liquidation while reducing the Secured Creditor's claim dollar for dollar

Client Overview: Nuo Therapeutics ("Nuo") develops and markets regenerative therapies primarily in the United States. Nuo's cell-based technologies harness the regenerative capacity of the human body to trigger healing for complex, chronic wounds.

Situation: As an early stage venture company, Nuo had been losing money for years but recently received a tripling in its wound care treatment reimbursement rate. Gordian was engaged in December 2015 as the Company's investment banker to assist in exploring and implementing its capital markets alternatives, including a potential balance sheet restructuring and third party financing. At the time, NUO was out of cash and at loggerheads with its secured creditor who claimed it was owed approximately $35 million.

With NUO out of cash, the Secured Creditor provided DIP financing in connection with a bankruptcy filing tied to the Secured Creditor stalking horse bid of $13.4 mm.

However, the Court found that there was insufficient time to run a proper market test and derailed the sale process, terminating the DIP, putting NUO on the verge of liquidation. Gordian immediately pivoted to an internal plan.

Outcome: Just over two months after the sale process was derailed, Nuo confirmed a Plan of Reorganization which provided for a restructured and recapitalized NUO on the following terms: (i) the Secured Creditor receive a royalty stream that reduced its claim dollar for dollar and a new non-convertible preferred stock for the remaining face amount of the Secured Creditor's claim; (ii) Old Equity receive 18-28% of the new equity (compared to the imminent wipe-out in either liquidation or sale to the Secured Creditor); (iii) new equity funding in the aggregate of $10mm; and (iv) releases for the Board of Directors. In sum, NUO was another home run for Gordian's track record of creating value in difficult circumstances and wrestling value from senior constituencies to the benefit of old equity, all the while protecting the Board of Directors.

Equity Success Case Studies

Client: Osyka Corporation

Role: Complex and Short-Cycle M&A, Financial Advisory

Time: 2008

Industry: Oil and Gas Exploration and Production

Within several months, Gordian assisted in crafting a POR and sale (implemented in chapter 11) that resulted in recoveries to Old Equity despite the fact that the senior note holders recovered only about 70%.

Client Overview: Osyka is a private Houston-based oil and gas company that specialized in hydrocarbon exploration and production in Southern Mississippi, the Gulf-coast of Texas and Louisiana.

Situation: In the late fall of 2006, Goldman Sachs – Osyka's secured lender – declared the Company in technical default of the terms of its credit facility and used that as an opportunity to impose default provisions designed to force Osyka to divest their assets or file for bankruptcy protection. Prior to engaging Gordian, Osyka engaged two different investment banking firms to market and sell all or substantially all of the company's assets. Both of these prior efforts failed. Osyka filed for chapter 11 bankruptcy protection, and Gordian was engaged shortly thereafter. Goldman Sachs acted as the stalking-horse bidder in the bankruptcy auction – credit bidding the majority of its secured claim – with the bidding procedures already entered into before Gordian became engaged by Osyka. Gordian was engaged by Osyka to conduct another sale process and introduce a competitive process to the bankruptcy auction.

Outcome: Within several months, Gordian assisted in crafting a POR and sale (implemented in chapter 11) that resulted in substantial recoveries to Old Equity despite the fact that the senior note holders recovered only about 70%.

Equity Success Case Studies

Client:	Petsec Energy
Role:	Restructuring Advisory; Access to Capital
Time:	1999-2000
Industry:	Oil and Gas Exploration and Production

Gordian Group advised the Company in connection with its successful Chapter 11 sale, which resulted in a highly advantageous allocation of sale proceeds to old equity.

Client Overview: Petsec was an independent oil and gas exploration and production company operating in the shallow waters of the central and western Gulf of Mexico. It was the principal operating subsidiary of Petsec Energy Ltd., an Australian public company.

Situation: Petsec found itself in a liquidity "squeeze." It needed financing to both fund its exploration activities and service $100 million of bond debt at a time when energy market conditions were extremely unfavorable. Gordian Group was engaged to: Seek alternative financing; address Petsec's leverage issues; and assist Petsec in analyzing various business plan options.

Outcome: Notwithstanding the conventional wisdom that Petsec could secure financing only in chapter 11, Gordian Group was successful in arranging for almost $30 million of interim financing, outside of chapter 11, that enabled Petsec to maintain its properties and retain franchise value until a transaction could be negotiated with the Company's various constituencies. Gordian Group, together with management and counsel, commenced negotiations with the bondholders. Notwithstanding the highly contentious initial negotiations, a deal was struck within months which contemplated: (i) the sale of Petsec, in connection with (ii) a highly advantageous allocation of sale proceeds to Old Equity. In order to bind all the creditors, the transaction was implemented through chapter 11.

Equity Success Case Studies

Client: Pinnacle Holdings

Role: Access to Capital, Financial Advisory

Time: 2002

Industry: Media/Telecom

Gordian Group advised the Company in connection with the successful sale of the Company through a bankruptcy plan of reorganization, which resulted in significant recoveries to old Equity.

Client Overview: Pinnacle leases and maintains space on a portfolio of communications sites primarily composed of towers and rooftops where wireless communication providers can locate antennas and equipment. Since its formation in 1995, Pinnacle expanded rapidly across the U.S. through a program of acquisition in high-growth markets.

Situation: This expansion resulted in a leverage ratio of 11.1x prior to its restructuring. Due to weak financial performance and unpredicted capital needs, Pinnacle violated financial covenants under its senior credit agreement and missed an interest payment on its convertible notes. Gordian was tasked with exploring, under severe time constraints, a variety of alternatives including:

- Raising capital to pay down Pinnacle's credit facility,
- Development of an internal restructuring or recapitalization, and/or
- Exploring potential M&A alternatives with financial and strategic buyers.

Outcome: Working with management and counsel, Gordian was able to successfully recapitalize and restructure Pinnacle through a sale pursuant to a POR under the protection of chapter 11. The transaction was funded by:

- An aggregate equity investment of $205 million from Greenhill and Fortress;
- A significantly reduced credit facility provided by the existing senior lenders.

Pinnacle's senior note holders received a recovery of 35% through a combination of new common shares and cash. The junior convertible subordinated note holders received a de minimis recovery through cash and warrants for new common shares. Despite the modest recoveries of subordinated creditors, prior management recovered $46 million and Old Equity recovered $20 million.

Rosehill Resources, Inc. (Nasdaq:ROSE)

Client: Tema Oil and Gas Co.

Role: Restructuring Advisory

Time: 2020

Industry: Energy

Seaport Gordian worked on behalf of the majority shareholder to negotiate for the retention of a meaningful equity position in a restructured and materially delevered Company.

Client Overview: The majority owner of a public company (Rosehill Resources, Inc.) that is an independent oil and natural gas producer with a focus on the acquisition, exploration, development, and production of unconventional oil and associated liquids-rich natural gas reserves in the Permian Basin. At the time of Seaport Gordian's engagement ("SGE"), the Company had more than 60,000 MBOE of proved reserves and was listed on the Nasdaq exchange under the ticker ROSE.

Situation: In early 2020 the Company was in a serious bind after a large acquisition in 2017 failed to meet expectations, liquidity began to dry up and it received a "substantial doubt about ability to continue as a going concern" opinion as part of its 2019 year-end audit. SGE was hired by the Company's majority shareholder ("Client") to advise on various strategic options with respect to dealing with the Company's creditors in the face of a capital structure and liquidity crisis.

As commodity market conditions deteriorated in the first quarter of 2020, the process quickly shifted to a contentious one as the parties could not agree on the terms of a consensual restructuring, leading to the possibility of a Chapter 11 bankruptcy adverse to the Client in which it could have been wiped out.

Outcome: SGE shepherded the majority shareholder through an unpredictable and contentious restructuring process in which Old Equity was deeply underwater in the capital structure. Together with the client and legal counsel (McDermott Will & Emery), SGE was able to develop and implement a strategy that created negotiating leverage with the Company's creditors, including an offensive strategy that used new money and credible valuation views. Through exhaustive recovery analysis and intense negotiations with the Company's creditor constituencies, SGE was able to help negotiate a structure in which the Client retained a meaningful equity position in a reorganized and materially delevered Company.

Equity Success Case Studies

Client: Steel City Media

Role: Financial Advisory, Financing

Time: 2017-2019

Industry: Radio Broadcasting

Gordian was able to successfully recapitalize and restructure the Company pursuant to a POR under the protection of chapter 11.

Client Overview: Steel City Media is a family-owned radio broadcasting company with 6 radio stations in Pittsburgh (2 FM stations) and Kansas City (4 FM stations). The Company currently maintains an approx. 25% share of the Kansas City market and 12% of the Pittsburgh market.

Situation: In 2014, Steel City acquired the four Kansas City stations for over $100 million, funded by $60 million of bank debt, $20 million of mezzanine capital and the rest in cash/new equity. From 2014-2017, performance of the acquired stations softened materially, and, despite having paid the bank debt down by 33% (or $20 million), the Company found itself overleveraged in non-monetary default with its senior lender.

We were tasked with exploring, under various time constraints, a variety of alternatives including:

- a refinancing of Steel City's senior credit facility, and/or
- development of an internal restructuring or recapitalization.

The Company filed for chapter 11 preemptively once it understood the hedge fund that held ITS subordinated debt was negotiating to purchase the defaulted bank debt and refused to provide a waiver from foreclosing on the Company's stock.

Outcome: Notwithstanding the Company's debt profile and industry softness, and at a time when radio insolvencies resulted in equity being wiped out, Gordian was able to develop sufficient leverage, including with respect to valuation and feasibility under a non-consensual approach, to negotiate a consensual resolution pursuant to a POR that resulted in a home run for the Company and its shareholders, including:

- Old equity maintaining significant majority equity and governance control (with clawback rights and a call option on the remaining equity provided to lenders); and
- a restructured balance sheet that significantly reduced fixed debt service, extended out the maturity date of the Company's debt and eliminated or otherwise favorably reset financial covenants – providing much needed operational runway.

Equity Success Case Studies

Client:	Stereotaxis, Inc.
Role:	Financial Advisory
Time:	2013
Industry:	Healthcare Equipment

Gordian, on behalf of Stereotaxis, was able to secure significant funds of operational value that subsequently allowed the Company to delever significantly

Client Overview: Stereotaxis, Inc ("Stereotaxis" or the "Company") is a healthcare technology company that develops robotic systems and instruments to treat arrhythmias and coronary disease.

Situation: Stereotaxis continually required cash infusions to fund R&D and marketing costs, consuming more than $60 million in capital from 2010 to 2013. Stereotaxis' equity market capitalization declined from $177 million at the end of 2010 to just $11 million in 2013.

To fund liquidity, Stereotaxis used convertible and secured debt financings in 2011 and 2012, which left the Company highly leveraged. Further, large prepayment penalties, change of control issues, and significantly encumbered assets made refinancing or otherwise paying down the debt problematic. The situation was made even more roiled due to the presence of hedge funds in the capital structure, which used every opportunity to extract additional value from existing stockholders through "death spiral" type negotiations. By early 2013, the bank debt had matured, and Stereotaxis was facing an existential crisis. Gordian was engaged as Financial Advisor to Stereotaxis in July 2013 and constructed a novel, two step process.

We first negotiated with the hedge funds the investment banker had failed to reach an agreement with. They agreed to a complex restructuring that advanced new money, restructured existing securities and received new instruments resulting in paydown of the bank debt and much-needed liquidity. A subsequent rights offering to all equity holders was successful and provided financing that would allow the Company to continue to execute on its business plan for the next two years.

Outcome: This creative approach resulted in a massive deleveraging of Stereotaxis and significant funds to support operations. Significantly, it demonstrated how a medical technology company can overcome recalcitrant "death spiral"-type holders in the capital structure.

Equity Success Case Studies

Client: Summit Global Logistics

Role: Complex M&A Financial Advisory

Time: 2008

Industry: Transportation

Gordian Group served as financial advisor to the Company in connection with its successful plan of reorganization sponsored by a consortium of existing senior lenders and management, which provided a bridge to the subsequent successful sale of the Company within two years.

Client Overview: Summit was a $300 million international third-party logistics provider specializing in international forwarding and customs brokerage services for North America, Asia Pacific and Europe, and contract logistics and trucking in the United States.

Situation: A public roll-up financed through a complicated capital structure of senior debt, junior secured convertible notes (the "CNs") and PIPE securities, Summit faced severe liquidity and capital structure problems within a year of formation as a result of a "perfect storm" on its business and operations. Moreover, the CNs were comprised of a disgruntled and hostile group of hedge funds that had only months earlier provided $15 million of funding and less than a year earlier had provided $70 million in funding, only to have the company default within months.

Gordian was engaged by Summit to work towards a consensual transaction with the CNs, a paramount goal of the company. As a result of liquidity constraints and stalled negotiations with its junior creditors, we developed a plan for the company to file bankruptcy with a stalking horse bid funded by management and the senior lenders to put a stake in the ground to provide comfort to customers and vendors and to encourage the CNs to join the deal, which otherwise would have left them with a zero recovery. Gordian was able to successfully navigate through these difficult deal dynamics, as well as provide the court with the necessary comfort to approve a deal in which management directors had significant participation.

Outcome: The ultimate transaction, which resulted in Summit being sold consensually to a consortium of management, the senior lenders and the CNs, allowed the company to emerge with a far less onerous capital structure.

Equity Success Case Studies

Tracor, Inc.

Client:	Tracor
Role:	Financial Advisory
Time:	1995
Industry:	Basic Industries

Gordian Group advised the Company in connection with its successful restructuring, which resulted in significant recoveries to Old Equity.

Client Overview: Tracor was a company with $1 billion in sales, virtually all of which was defense-related. Shortly after a buyout in the early 1990s, Tracor went bust, with more than $1 billion in debt.

Situation: The Tracor Board cared deeply about old equity recoveries and was willing to exercise its negotiating leverage related to exclusivity and taxes. This opened a window of opportunity in discussions with the bank and bondholder creditors. Gordian Group split Tracor into its component parts and gave what were perceived by others as the more "attractive" parts largely to the creditor groups. Gordian Group concentrated old equity's recovery into the "ugly" defense business through a package of common stock and warrants representing a 50% ownership position.

Outcome: Ultimately, old equity's package grew to more than $400 million in value. It received this consideration through a bankruptcy plan that saw senior creditors initially receiving a 66% recovery and junior bondholders initially receiving less than a 10% recovery; an unprecedented result. Using conventional wisdom, old equity would have been wiped out. Instead, old equity hit a home run; and incredibly, achieved a higher recovery than the junior bondholders.

Equity Success Case Studies

Trans Energy, Inc.
Oil and Gas Exploration and Development

Client: Trans Energy, Inc.

Role: Company Advisor

Time: 2016

Industry: Oil & Gas

Awards: Restructuring of the Year
M&A Deal of the Year

Gordian's work on behalf of Trans Energy resulted in a final purchase price per share of $3.58, a 250% premium to the pre- announcement price.

Client Overview: Trans Energy, Inc. is a publicly-traded, pure-play Marcellus Shale producer engaged in the acquisition, exploration, development, and production of oil and natural gas in West Virginia. The Company and its JV Partner, Republic Energy, owned interests in and operated approximately 62,000 gross acres across Marion, Wetzel, and Marshall counties in West Virginia.

Situation: The Company faced several challenges over a two year period as a result of volatility in the energy markets, which affected profitability and resulted in a lack of liquidity that had implications on both the development of its reserves and servicing of its debt obligations. Specifically, TENG's revenues were cut in half and its stock price dramatically decreased from $3.00 to $0.60 share over the course of a year. The Company was also served with a Notice of Default from its primary secured creditor, who was owed in excess of $100 million (implying a Debt/EBITDA ratio of approximately 15x).

Due to continued weakness and volatility in the energy markets, profitability was weak, liquidity was tight and the Company was in continuous default with its senior lenders. Consequently, Gordian initially focused on keeping creditors at bay while hoping the market would turn.

After months of negotiations with the Company's secured lender, Gordian was successful in not only keeping them at bay, but also wresting a discount from the senior secured creditor – including negotiating for shareholders to both leapfrog higher in the valuation waterfall by making its recoveries pari-passu with more than 40% of the senior secured debt and obtaining a discount on the debt if a sale could be effected near term

Outcome: Soon thereafter, Gordian orchestrated a "bake-off" amongst competing interested bidders. At a time when the thinly-traded stock was $1, the Company announced a merger with Pittsburgh-based EQT Corporation (NYSE: EQT) at $3.58 per share, or an unprecedented premium of in excess of 250%. The aggregate consideration was in excess of $200 million, at a time when the market cap before the transaction was announced was but $16 million. The transaction closed in December 2016

Equity Success Case Studies

Client:	Waste Systems International
Role:	Financial Advisory
Time:	2001
Industry:	Utilities

Gordian Group served as financial advisor to the Company in connection with its successful plan of reorganization.

Client Overview: WSI was a public regional waste management company which had expanded rapidly through various "roll up" acquisitions. During 1998 and 1999, WSI acquired seven transfer stations, four landfills and one recycling plant located throughout the Northeast and Mid-Atlantic States, in addition to acquiring dozens of trash collection routes.

Situation: These acquisitions were largely financed through bond issuance and other unsecured borrowings. Failure to efficiently integrate these new assets had led to a change in senior management and a liquidity crisis when Gordian Group was engaged by the WSII's Board of Directors to advise on the restructuring of the company's capital structure.

Gordian Group served as financial advisor to the company in connection with its successful plan of reorganization. Gordian Group first assisted WSI in addressing the time-critical liquidity issues, and then was instrumental in: (i) developing and exploring various restructuring alternatives and capital structures, (ii) advising the Company's Board of Directors regarding restructuring alternatives, (iii) negotiating the Company's plan of reorganization with holders of the various claims and interests.

Outcome: WSI's plan of reorganization provided for compromise of more than $100 million in debt through cash payments funded by WSI's controlling shareholder who retained control of the reorganized business after the reorganization was approved.

Equity Success Case Studies

Client: Undisclosed Basic Industries Company

Role: Financial Advisory

Time: 2010

Industry: Private Equity

Gordian Group advised a private equity firm in connection with the successful restructuring of its investment in an Undisclosed Basic Industries Company.

Client Overview: Private Equity Firm for its portfolio company in connection with the successful restructuring of its investment in an Undisclosed Basic Industries Company. The Private Equity firm paid approximately $150 million for the Company.

Situation: The Company was in default under its senior secured and subordinated debt facilities when Gordian was engaged by the Company's private equity sponsor ("Old Equity") to help negotiate with lenders on behalf of the PE firm.

Outcome: Notwithstanding approximately $100 million of debt and almost zero EBITDA, Gordian was able create a meaningful seat at the table for the Sponsor. As a result, Gordian was instrumental in negotiating a transaction on behalf of Old Equity that included:

- A 50% reduction in total debt from $100 million to $50 million
- Without providing new money, Old Equity received 5% outright of the reorganized Company's equity, and:
  - Equity allocations to Old Equity will ratchet up at various valuation levels once the Banks receive a full recovery on their restructured $50 million principal amount
  - Based on very achievable valuation levels, Old Equity could claw back to 34% of the Company's equity
  - At certain very achievable valuation levels, Old Equity will recover about the same amount as the Mezzanine

As a result of certain rights provided to the sponsor as part of the restructuring, it was able to reacquire a controlling equity stake within 2 years of closing at very advantageous pricing, positioning itself to reap the benefits of the Company's strong performance. The Company was eventually sold, netting a very meaningful return for Old Equity.

Equity Success Case Studies

Client: Undisclosed Industrial Manufacturer

Role: Company advisor

Time: 2Q18

Industry: Basic Industries

Gordian maintained 100% of common stock for Old Equity while cutting debt by 30% and obtaining $10 million in debt service relief for the business.

Client Overview: The Company is a private equity Sponsor-backed industrial manufacturer. At its zenith, the Company generated revenues of over $200mm and EBITDA of over $25mm, and had well over $100mm in debt. (These numbers are illustrative to ensure anonymity for the client).

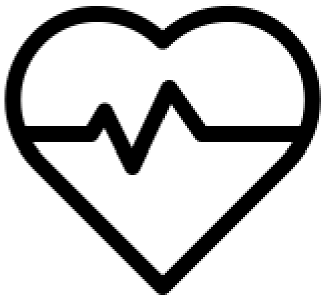
Situation: Due to industry headwinds and low margin contracts, the Company missed its projections in the two years prior to our engagement. This led to frequent amendments with its secured lenders ("Lenders") that significantly increased debt service costs while the Sponsor kept infusing new money to prop up "Mt. Debt". While the Company implemented significant cost cuts, continued underperformance and higher debt service costs strained liquidity, increased leverage, and stretched critical vendors. This put the Company at risk of penalties from failing to service current programs and winning new contracts. Additionally, the Company fell out of debt covenant compliance.

Gordian was engaged at a pivotal time when the Company was getting close to a liquidity wall and it and the Sponsor were in negotiations with its Lenders about a potential restructuring. These conversations had moved sideways as the Lenders resisted providing the Company with both (a) a meaningful balance sheet deleveraging and (b) the "runway" to execute on a new business plan.

Outcome: When we were engaged, the Lenders were offering a "tip" to the Sponsor if it cooperated in turning over Company ownership to the Lenders. Using our traditional "carrot and stick" approach (i.e. leveraging our unique lack of conflicts with creditors to create credible scenarios that the Lenders would dislike and fear), we quickly changed up the game.

*In fact, **within a month** we were able to implement an agreement that saw an overall financial restructuring comprising (a) Capital Contributions from the Lenders and Sponsor, (b) debt write-off that included a sizable portion converting to preferred equity (30% of total debt), and (c) significant covenant runway to enable the Company to hopefully flourish.* Moreover, the Company reduced annual cash debt service by $10mm annually via both two years of PIK interest on a super-majority of debt and rate concessions on the balance. *All without diluting Old Equity's stake in the Company.*

Equity Success Case Studies



Client: Undisclosed National Health and Fitness Company

Role: Restructuring Advisory

Time: 2020

Industry: Wellness and Lifestyle

Gordian Group orchestrated a restructuring strategy that saw debt reduced by 30% while preserving Old Equity's control. The Company also implemented a creative financial engineering strategy that helped protect the sponsor's new investment.

Client Overview: Company is an owner of health and fitness facilities. As of December 2019, the Company had revenue and EBITDA of over $100 million and $30 million, respectively.

Situation: However, the Company's financial position began to deteriorate due to a change in consumer demand and preferences; in the midst of efforts to address this change in demand, the COVID-19 pandemic threw the Company into a liquidity crisis. Shelter-in-place laws caused franchisees to shutter almost all locations and Company was facing an imminent cash crisis and was unable to make debt service payments.

Gordian and counsel (Kirkland & Ellis) were subsequently retained by the Company to effectuate a long-term restructuring solution to right-size the balance sheet and provide Client with the liquidity runway and operational flexibility to navigate through the uncertainty of the COVID-19 crisis.

Gordian and counsel advised the Company to drive towards a solution that gave the business liquidity and covenant "runway" while also rightsizing the capital structure and maintaining old equity's control position. We designed a credible chapter 11 strategy aimed at bringing the Lenders to the table, constructively, by making it clear that the Company preferred a consensual resolution but that stakeholders were also prepared to pursue more draconian strategies that could be implemented unilaterally without lender consent should a consensual deal not be available.

Outcome: Because of our creative and aggressive credible threats, together with the Sponsor's willingness to make a new investment pursuant to a global 'fix', the Lenders agreed to (i) a 30% debt write-off; (ii) material debt service reductions for 18 months and (iii) the suspension of financial covenants for almost two years.. The parties also agreed to a Gordian-created financial engineering structure that protected the new money investment should the COVID crisis have a lasting impact.

Equity Success Case Studies

Client: Undisclosed Media Company

Role: Restructuring Advisory, Refinancing

Time: 2017 - 2018

Industry: Media-Related

With Gordian's guidance, the Company averted its creditors' attempt at liquidation and instead negotiated a forbearance, preserving the entirety of the sponsor's equity stake and providing sufficient runway for the client and its sponsor to reposition the Company for a more favorable monetization event.

Client Overview: The Company is one of the largest U.S.-based sponsor-backed companies in its media niche, with an established legacy in certain mainstream industries.

Situation: Broad, systemic shifts in audience preferences and viewing habits adversely affected the Company's core customers, resulting in significant client attrition and a ~70% reduction in EBITDA. In 2017, after delivering notices of default for exceeding permitted leverage ratios, the senior lenders expressed their desire to exit the credit, initiating monetization processes that proved unfruitful. As the situation continued to deteriorate, the lenders demanded increasingly hostile measures.

In the absence of a forbearance, the Company engaged Gordian upon receiving threats of imminent liquidation from its senior lenders. Gordian quickly conducted due diligence in order to determine valuation and what—if any—strategic alternatives remained. In our analysis of the credit indentures and operating agreements, Gordian determined that liens on certain of the Company's assets could be contested and thus substantially reduce potential recoveries to the senior debt, which then compelled the lenders to align their interests with equity in the go-forward operation of the Company in order to mutually maximize value for all stakeholders. After averting the Company's liquidation, Gordian negotiated a forbearance while simultaneously embarking on an expedited and highly targeted refinancing process in a search for more amenable lenders. Within one month, Gordian contacted 25 lenders and received three indications of interest that were ultimately leveraged in discussions with the existing lenders for more favorable terms.

Outcome: With Gordian's guidance, the Company thwarted the senior lenders' attempted liquidation and negotiated a forbearance with an extended debt maturity and less onerous covenants that provided ample runway for the Company to gain considerable traction in new business wins, enabling further diversification of its client base and advantageously positioning itself for a more timely future monetization event. ***Our client maintained 100% of its equity stake and, less than two years later, the Company was sold to a strategic at an extremely advantageous valuation – resulting in a full recovery to the Company's private equity sponsor of its invested capital.***

Equity Success Case Studies

Client: Undisclosed Metal Casting Company

Role: Restructuring Advisory, Financing

Time: 2010

Industry: Basic Industries

Gordian was able to negotiate a consensual restructuring that avoided bankruptcy filing and extended debt maturity by close to two years, providing time for the client and private equity firm to reduce leverage and increase shareholder value.

Client Overview: The company is a manufacturer of rubber and metal products.

Situation: The Company had an upcoming liquidity crisis with the impending maturity of more than $120 million of debt, > 6.0x trailing EBITDA.

Gordian was engaged to provide advice in connection with the impending maturity. While a small piece of the outstanding debt was in the form of a revolver, the bulk of the debt was comprised of second lien notes, of which a loan-to-own hedge fund (with other strategic interests in the space) owned close to 90%.

Outcome: Following several months of off-and-on discussions with the hedge fund (who had taken the position early on that they required control in any consensual transaction), the negotiating dynamics shifted after Gordian effected a transfer of the revolver to a more aggressive senior lender that was willing to convert the revolver into a term loan, effectively pre-funding any potential bankruptcy.

- As soon as negotiations recommenced however, a fire at the company's primary facility in late 2012 caused significant production disruptions that created further uncertainty.
- Ultimately, Gordian and the company were able to negotiate a consensual restructuring with 100% of the note holders that:
- Avoided a bankruptcy filing;
- Included only 10% dilution to the private equity sponsor (provided the notes are paid off prior to maturity); and
- Extended the maturity by close to two years, providing time for the client and private equity firm to reduce leverage and increase shareholder value.

Equity Success Case Studies

Client:	Undisclosed PE-backed Value-added Manufacturer
Role:	Company Advisor
Counsel:	McDermott, Will, & Emery
Time:	2018
Industry:	Manufacturing

In under a month, Gordian & MWE's work preserved super majority ownership for the Sponsor even while achieving a significant deleveraging. The deal also included multi-year debt service and covenant concessions from the Lenders.

Client Overview: The Company is a privately owned value-added manufacturer.

Situation: Sponsor acquired the Company in 2012 for cash and $180mm in financing from a consortium of lenders (the "Lenders").

Prior to Gordian and McDermott's engagement, the Company faced a combination of external headwinds and operational challenges that resulted in EBITDA declining by 80% over a several year period. This drop in earnings led to a severe liquidity crisis and forced the Company to approach the Lenders about restructuring options in order to avoid a meltdown.

The Lenders' initial proposal to the Company reflected their view that they were the fulcrum security and therefore "owned the Company." The Lender proposal contemplated taking control of the Company, leaving the equity holders with a small stake, which the Lenders described as a "tip".

Outcome: Gordian (working with MWE and the Company) obtained a restructuring that benefited all parties by positioning the Company to execute a turnaround and grow EBITDA, and we achieved this less than a month after negotiations began:

- Face amount of secured debt was reduced by ~60%, with multi-year covenant relief and a 50% reduction in debt service through maturity.
- Sponsor and the Lenders together funded a new preferred / delayed draw structure to provide both immediate liquidity and additional commitments, if later needed.
- The Lenders received a small amount of equity, leaving the Sponsors (together with other Old Equity) holding a super majority of the Company post-restructuring.
- Valued Management team received a new equity incentive plan to align interests

Gordian used the looming liquidity crisis and other levers to "encourage" the Lenders to agree expeditiously to a sponsor-friendly deal. We accomplished this by demonstrating to the Lenders that the outcome achieved above was far preferable to the more draconian alternatives that Gordian and MWE recommended to the Company to be implemented if circumstances dictated.

Equity Success Case Studies

Client: Undisclosed Software as a Service Company

Role: Restructuring Advisory, M&A

Time: 2016-2017

Industry: Software

Gordian was engaged by a SaaS; the Company successfully raised additional capital and a restructuring agreement was secured while maintaining old equity's majority equity position.

Client Overview: The Company's fundamentals were deteriorating due to negative headwinds and a flawed execution strategy, forcing its lenders to exercise their rights with respect to reporting requirements, and other time-consuming activities, impeding the CEO's ability to focus on the core business.

Situation: When Gordian was engaged, the Company was about to be awarded a large public sector contract but was simultaneously in covenant default under certain of its lending agreements preventing it from obtaining the requisite bonding levels. The Company was also facing a liquidity crunch with certain vendors demanding payment, in part a result of a broken sale process (pre-Gordian engagement) for one of its businesses.

Gordian was engaged by the Board of Directors to lead negotiations with its secured lenders and subordinated debtholders to execute a deleveraging plan, while securing new-money and bonding capacity to provide the Company runway to execute its business plan and realize the benefits of the recently awarded contract.

Outcome: Gordian and the Company successfully raised the additional capital needed to "plug" short-term cash needs, including the collateral required to obtain the bonding necessary to execute on its recently awarded contracts. Gordian also secured a restructuring agreement, whereby the sub-debt holders converted approximately 50% of their outstanding debt into a minority (less than 35%) of the restructured Company's equity, while also providing the ability for old equity to claw back almost all of that based on meeting certain performance metrics. This maintained old equity's majority equity position.

As part of the transaction, the Company also obtained a forbearance agreement with the Company's Senior Lenders that provided the Company with additional runway to both implement its strategy and pursue other strategic alternatives.

Undisclosed PE-Backed B2B Media Company

Client: Private Equity Sponsor

Role: Restructuring Advisory

Time: 2020

Industry: B2B Media

Gordian Group advised the Private Equity Sponsor to effect a consensual restructuring with new capital and a materially deleveraged capital structure in the face of unprecedented market headwinds.

Client Overview: The Sponsor of a Company that publishes trade various industry materials together with B2B marketing services.

Situation: In early 2020 the Company began to feel the effects of the COVID-19 pandemic as marketing budgets were slashed across industries. As contract cancellations came flooding in and the Company's cash balance began to evaporate, the Company found itself staring in the face of an imminent liquidity crisis, with only a few weeks' cash runway before missing payroll. To make matters worse, the Company's lender became extremely truculent, as it began to realize the effects of the global pandemic would affect the Company's ability to service its debt.

The Company's lender made clear during initial discussions that it was seeking to take over the equity. It was around this time that the Sponsor engaged Gordian to advise on strategic options related to dealing with the lender.

Outcome: Through several weeks of intense back-and-forth discussions, Gordian advised the Sponsor on its range of options, including an assessment of the downside to the lender under certain more draconian alternatives. Using the classic Gordian "carrot and stick" approach, we were able to then negotiate (together with Sponsor counsel, Gibson Dunn) multiple lender forbearances and ultimately a global restructuring that included the elimination of a meaningful portion of existing debt together with a new money facility from the lender that gave the Company the runway it needed to survive the liquidity crisis and carry on as a going concern – all with the Sponsor remaining in control.

Equity Success Case Studies

Client:	Undisclosed PE-Backed Marketing Services Company
Role:	Restructuring Advisory, Financing
Time:	2020
Industry:	Marketing / Advertising

Gordian, within several months, effected a consensual, out-of-court restructuring that resulted in a significantly de-levered balance sheet, additional capital to stabilize the business, several-year debt service and covenant relief and the retention of control by the Sponsor.

Client Overview: A Sponsor-backed industry leader that provides marketing and other services to an industry indirectly related to the events sector.

Situation: With the outbreak of COVID-19 pandemic, the Company's markets faced widespread disruption in activity, rendering the Company unable to conduct its normal business operations. The Company experienced a significant loss of revenue and projected that it would not generate any positive free cash flow over the next two years. As a result, the Company found itself with approximately $150 million of debt and preferred and a now overleveraged balance sheet, limited operating flexibility, depleting liquidity and in default with its Lenders.

Gordian quickly identified and analyzed the capital structure options available to the Company and the relative merits of such options, including the credibility of – and leverage created by – certain non-consensual alternatives. Following this initial period, Gordian worked closely with the Company and counsel (Kirkland & Ellis) to develop a credible negotiating strategy, and despite the Lender groups trying to present a united front, we were able to divide and conquer, negotiating first with the senior Banks to create pressure on the junior Lenders – who were at odds with the Sponsor over economic splits and governance control.

Outcome: Following several months of negotiations, a consensual restructuring was ultimately negotiated, with 100% of the critical stakeholders, that avoided a bankruptcy.

The transaction resulted in a restructured balance sheet that (i) significantly reduced debt through the elimination of all junior debt and preferred equity (i.e., more than 1/3rd of all obligations senior to the Sponsor), (ii) extended out the maturity date of the debt, (iii) eliminated cash debt service for as much as 3+ years through the use of a "springing interest" construct (click here for details), (iv) eliminated or otherwise favorably reset financial covenants, (v) raised additional equity capital and (vi) put in place a strong Management Incentive Plan – all while allowing Sponsor to maintain majority ownership and governance control.

Equity Success Case Studies

Client: Undisclosed PE-Backed Services Provider

Role: Restructuring Advisory

Time: 2020

Industry: Business Services

Gordian Group orchestrated a financial restructuring strategy that provided the Company with significant cash debt service holidays and 18 months of covenant relief.

Client Overview: Sponsor-owned, the Company is a leading provider of services to consumer-facing industries indirectly relating to the Events sector. Prior to the COVID-19 pandemic, the Company had annual revenues and EBITDA of over $250 million and $25 million, respectively.

Situation: The Company's operations and financial position were severely impacted by the COVID-19 pandemic. 2Q 2020 revenues were materially off budget, and consistent monthly EBITDA generation became meaningful losses almost overnight. The Company was going to be in violation of its leverage covenant by August 2020 and was also facing an imminent liquidity crisis in 4Q 2020 under its then-current capital structure.

Gordian was retained to negotiate a long-term solution to enable the liquidity runway, debt service relief and covenant flexibility to navigate through the recovery of the Company's end-markets, the timing of which was uncertain. The Sponsor was unwilling to commit additional capital to support the Company absent obtaining the necessary runway and Lender concessions. Complicating matters, the Sponsor did not want to "blow up" the relationship with its creditors.

Prior to Gordian's retention, initial discussions with Lenders yielded no results beyond offers of short-term forbearances that did not address the Company's long-term issues. To bring the Lenders to the table constructively, Gordian and counsel (O'Melveny) designed a credible cram-up strategy that was presented to the Lenders alongside a consensual deal that included Sponsor capital.

Outcome: The Company and its Lenders quickly reached a consensual resolution that provided significant debt service relief, as well as covenant runway into 2022. The Sponsor contributed minimal new capital and old equity maintained its 100% interest in the Company.

Gordian Group

30 YEARS OF RELENTLESS RESULTS.

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