

<p>Fair value of expected controlling interest in borrower expected to recognize into income upon disposition are estimated at \$110.7 million on December 31, 2016.</p>	<p>The valuation technique used a discounted cash flow with the following significant unobservable inputs and estimates:</p> <p>(1) Risk adjusted discount rate: 17.1%</p> <p>(2) Long term growth rate: 10.0%</p> <p>(3) Annual average EBITDA: \$30.4 million</p> <p>(4) Significant new business from a large diversified gaming company in Canada that is commonly controlled by the Catalyst Capital Group Inc.</p>	<p>Significant risk factors that could cause actual results to differ materially from the estimates used in the valuation include the borrower's ability to secure new business from a large diversified gaming company in Canada, achieve the forecasted EBITDA targets, competitor risk and unexpected changes in working capital requirements. A 10% decrease or increase in the cashflows would result in a valuation range between \$88.5 million to \$132.8 million.</p>	<p>(1) Callidus obtains controls of the underlying borrower (2) A commonly controlled enterprise is awarded contracts (3) Callidus and commonly controlled enterprise are able to reach an agreement for deployment of 7,000 slot machines</p>	<p>(1) Subsequent to year end, Callidus obtained control of the underlying borrower (2) Commonly controlled enterprise was awarded contract</p>
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