

**From:** Morris Kotzen [REDACTED] >

**Date:** Friday, 18 November 2016 at 2:34 PM

**To:** Ben Jansen [REDACTED] >

**Cc:** [REDACTED] Andrew Charter [REDACTED]

**Subject:** Re: marlin Program Financials

Hi Ben

To respond:

**Item 1:**

There is no invoicing on the main contract from PCS to PLC

PLC invoices STK **as per CVA 05 prices** and the funds go to PCS as of the CVA04 implementation date

**Item 2:**

PLC has a subcontract with PCS for €62.5M as opposed to the PLC contract €89.6M with STK

Due to the ceded value of the contract from PLC to PCS there needs to be an invoice or a credit to PLC with each invoice raised to STK.

Michael did this calculation and apportionment in his SS and it should reconcile back to €2.971M due to PCS from PLC as at 27 Oct 16 (see below) over the balance of the deal duration.

We need to check his logic in the SS but I do recall that it balanced in total back to the €2.9M

<b>STK DEAL 1 AGREEMENT - PLC/PCS payment reconciliation</b>		<b>CVA04</b>	<b>SOURCE</b>	<b>CVA05</b>
<b>DEAL SUMMARY:</b>				
Deal Value		€ 87,741,344	CVA04	€ 89,568,344
GP (including 650k€ PG Royalty)	30.9%	€ 27,080,780	Costing SS	€ 27,080,780
PLC Sub- Contract		€ 60,660,564	Signed Sub-Contract	€ 62,487,564

**PG/PLC GP**

PG Royalty Fee	€ 650,000
PLC GP	€ 26,430,780
	<b>€ 27,080,780</b>

**PLC PAYMENT SUMMARY:**

PLC revenue received directly from STK	€ 45,045,917	STK statement	
Less PLC GP	€ 26,430,780		
<b>Sub Total</b>	<b>€ 18,615,137</b>		
Less Paid to PCS as at 27 Oct 16	€ 14,993,144	PCS Financials	
Still due to be paid by PLC:	€ 3,621,993		
Less PG Royalty Offset - set off against PCS/PLC Debtors	€ 650,000		
Net PLC amount currently owing over the balance of the Deal duration	€ 2,971,993		No Change

**PG PAYMENT SUMMARY:**

PG Royalty received directly from STK

**CVA04 AGREEMENT CESSION SUMMARY:**

Deal Value	€ 87,741,344		
PLC revenue received directly from STK	€ 45,045,917	STK statement	
<b>Deal Value Ceded to PCS as per CVA04</b>	<b>€ 42,695,427</b>	CVA04	
PCS Revenue Received from PLC	€ 13,950,415	PCS Financials	
PLC Advance payment received for CVA04	€ 1,042,729	PCS Financials	
<b>Sub-Contract Funding to PCS</b>	<b>€ 57,688,571</b>		
PLC Sub-Contract	€ 60,660,564	Signed Sub-Contract	
Still due to be paid by PLC over the balance of the Deal duration:	€ 2,971,993		No Change

Best Regards

Morris Kotzen