

Thrive Maine SAMPLE Application:

Loss of EBITDA Category

The blue font words below are indicative of the requested information for the Loss of EBITDA Category of the Thrive Maine application. We have created a fictional business with fictional pandemic-related economic impacts. We are using the sample to show information only with the intention to illustrate how a business might complete the application. Any similarities to any individual, business, or circumstances represented in this sample are completely coincidental.

We have not created sample tax information or financials for this business, but those, along with the other requested documents and proof are required to complete an application.

Applicant Contact Information

First Name: Test

Last name: Testing

Role/ Title at your organization: President, founder

Email Address: Test@longshoreHaircuts.com

Phone #: 207-555-5555

Business Information:

Business Name: Long Shore Haircuts

Organization type: proprietorship

(Choices: Sole Proprietorship; S-Corp, C-Corp, LLC or Partnership; B-Corp, E-Sop, or Co-op; Nonprofit; Other)

Street Address: (provide the complete primary address for your business operations within Maine)

123 Main Street

Street Address 2 (optional):

City/ Town: Portland

State: Maine

Zip: 04101

Industry: Hair Salon

Does your business have a UEI #? Yes

Enter your UEI number: 12klji002PME

Registered with ME Secretary of State? Yes

Date of Business incorporation: 2/1/2018

Business Principals:

Add an entry for each principal or business with 20% or greater ownership of the business [making this application](#). If you are the sole proprietor, enter your name and indicate that you own 100% of the business. List owners from greatest to least ownership percentage:

First name: Test

Last name: Testing

Ownership percentage: 100%

Business Job Creation:

How many Maine-based full-time employees? 2.5

How many full-time employees overall does your company employ? 2.5

Are you a seasonal employer? No

[If yes, please provide the total number of FTE employees employed over the last 12 month period]

Total Aggregate Wages over one month: Provide total aggregate wages paid to employees (excluding owners) during the most recent calendar month for which such information is available

\$5,204

Diversity, Equity, Inclusion and Belonging

Information from this section is for reporting purposes only and does not impact application outcomes.

Is the business owner's native or primary language other than English? No

[if yes, please specify the language]

Do you identify as a woman-owned business? Yes

Do you identify as a veteran-owned business? No

Do you identify as a Hispanic-owned business? Yes

Do you identify as a minority-owned business? Yes

[if yes, please describe]

Pandemic Impact and Response Plan

Section 3: Negative Impacts of the COVID-19 Pandemic:

Have you previously received forgivable funds from state or federal relief programs since March 1, 2020 including, but not limited to, any funds received from the Maine Economic Recovery Grant Program, Payroll Protection Program (PPP) or Economic Injury Disaster Loan (EIDL) advance?

Yes

Describe funding received below. Include program name, amount received, date received, date forgiven, and purpose of funds.

PPP round 1: \$23,500 received July 2, 2020; forgiven December 14, 2020 Used for payroll continuation and rent

Employee Retention Tax Credit: \$10,000 received February 21, 2021; forgiven October 21, 2021 Used for payroll continuation and rent

How would you categorize the impact of the pandemic on your business?

Loss of EBITDA

[choices: Loss of Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA), Expenses Incurred, Increased Capital Project Cost]

In what Maine county did your business experience the pandemic impact? Cumberland

How much recovery funding are you requesting? \$48,938.07

How did you learn about the ARPA program? Radio ad

How was your company impacted by the pandemic?

We are a hairdressing salon, so we could not see people in person for a portion of 2020 and have been impacted with traffic restrictions and quarantines. We were not an essential business so we had different rules that we had to follow. Additionally, we had to add many safety precautions to help people feel and be safe in the pandemic.

What was/ were the major driver(s) of decreases to EBITDA? Please provide details of what happened.

The two main drivers of our 2020 EBITDA loss of \$63,406 were:

1. Reduction in customers and hair cut visits (loss of revenue) (-38%)
2. Increase in expenses, specifically labor (+20%), utilities (+14%), cleaning services (+33%)

In 2020, we were forced to shut down for 3 months in the spring during the beginning of the pandemic due to city ordinances. During this period, we did not receive any revenue because we had no appointments. After we were legally able to open, customers were still hesitant to come indoors with others, so the return to our regular business trend was slow. Between June and October, our revenues were 60% lower than prior year. November and December of 2020 were 30% lower than our previous year's revenue. This was all due to the lower volume of customers coming in for hair services. In total, revenue was down -38% year over year.

Additionally, we had an increase in expenses in 2020. During the three months that we were closed, we still had to pay all existing, fixed expenses (rent, health insurance, etc). During the later months of the year, our labor costs increased 20%, as we had to keep one stylist from moving to another salon. Utilities

increased 14% (+\$322) vs prior year and we had to pay for extra cleaning support to ensure employee and customer safety- both actual and perceived. All these increased expenses were necessary for us to stay in business, but made the financials really difficult.

Putting the decreased revenue together with the increased expenses made our EBITDA in 2020 decrease vs 2019 EBITDA by \$72,438.07 (not including the PPP loan we received in 2020). Removing the round 1 PPP payment, our EBITDA decreased \$48,938.07.

Are you comparing to 2019 financials? If not, please explain the extenuating circumstances as to why 2019 would not serve as a comparable year.

We are comparing to 2019.

Please add any additional explanation of your business or circumstances that you feel is necessary for us to understand your application.

Please see our attached 2019-2022 financials and 2019-2021 taxes for confirmation of the income, expenses and EBITDA referenced in the above application. We have also attached the EBITDA calculation template.