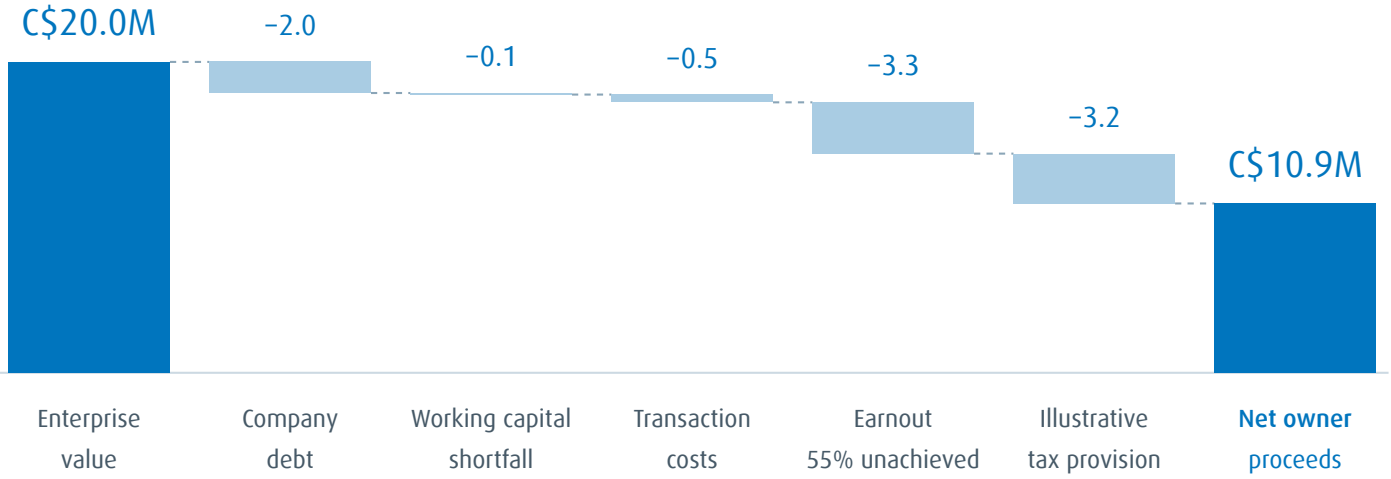
The Owner Outcome Brief

Eight questions to clarify what a business sale could leave you, and what to check next.

OWNER PROCEEDS AT 45% EARNOUT PAYOUT



Fictional share sale; C$ millions; 100% ownership. Earnout: 30% of headline value; illustrative 45% payout, not a forecast. Rounded to the nearest C$100,000. Tax assumes 25% after one LCGE; see pages 2–3.

For owners weighing a future sale, a buyer's approach, succession or a change in their role. You do not need a live offer to use this brief.

Work with what you know today.

Known

Supported by evidence; still subject to change.

Estimated

A working assumption that needs checking.

Not yet clear

An answer you still need to establish.

Read the questions on screen, or print this brief to mark answers and make notes. For digital answers, use the companion online worksheet. Choose one next step to take to your existing advisers; add more if useful.

The example · 2 Eight questions · 4 My next actions · 8 Optional review · 10

Find the online worksheet on the resource page

Follow the money to you.

Fictional example. C$ millions; 100% ownership. The C$20M maximum headline includes the full C$6M earnout. The 45% earnout payout is illustrative, not a forecast.

From headline value to owner proceeds

C$ millions; rounded to the nearest C$100,000

Maximum headline enterprise value	C$20.0M
Less company debt	–C$2.0M
Less working-capital shortfall	–C$0.1M
Less seller transaction costs	–C$0.5M
Less unachieved earnout	–C$3.3M
Owner proceeds before tax	C$14.1M
Less illustrative tax provision	–C$3.2M
Net owner proceeds at 45% payout	**C$10.9M**

Available after setting aside the modeled tax provision

C$8.2M

Plus C$2.7M if 45% of the C$6.0M earnout is paid.

Together: approximately C$10.9M in net owner proceeds. The full provision is earmarked from closing cash for planning; it is not a statement of tax due at closing.

C$10.9M net proceeds at 45% earnout payout



C$8.2M available after tax provision

C$2.7M earnout paid

Net owner proceeds at 45% earnout payout. Closing cash is shown after earmarking the full illustrative tax provision.

How the tax provision is calculated

25% × (C$14.1M – approximately C$1.3M LCGE) ≈ **C$3.2M**.

Assumes an eligible QSBC share sale, one full unused 2026 lifetime capital gains exemption (LCGE) of C$1,275,000, negligible share cost base and a 25% effective rate on the gain above the exemption. Calculations use unrounded amounts; displayed values are rounded to the nearest C$100,000. No further 50% inclusion factor is applied. AMT, earnout recognition timing and other personal tax adjustments are excluded.

Working capital: C$2.0M agreed target less C$1.9M delivered = C$100,000 shortfall. No excess cash, preferred claims, escrow, rollover or seller loan is assumed.

Would the sale support your plans?

Test a lower, reference and higher headline value against the same personal funding target.

Keep the personal funding target fixed.

The C$10.0M fictional lifetime target includes C$8.0M for spending, C$1.0M for family commitments, C$0.5M for projects and C$0.5M in reserves. It is not a personal financial plan.

Illustrative sensitivities; C$ millions; nearest C$100,000

Owner resources and needs	Lower	Reference	Higher
Headline enterprise value	C$16.0M	C$20.0M	C$24.0M
Cash after setting aside modeled tax	C$6.2M	C$8.2M	C$10.2M
Other available assets	C$2.5M	C$2.5M	C$2.5M
Available resources, excluding future earnout receipts	**C$8.7M**	**C$10.7M**	**C$12.7M**
Assumed personal funding target	C$10.0M	C$10.0M	C$10.0M
Resources less funding target	**–C$1.3M**	**+C$0.7M**	**+C$2.7M**

Change the headline value. Recalculate the personal outcome.

C$16M and C$24M are 20% below and above the C$20M reference. They are illustrative scenarios, not a valuation range, forecast or statement of likelihood.

Each scenario keeps 100% ownership, C$2.0M debt, C$0.5M fees and a C$0.1M working-capital shortfall. Maximum earnout stays at 30% of headline value, with an illustrative 45% payout. Tax is recalculated at 25% above the same full LCGE; page 2 assumptions apply.

Cash is shown after setting aside the full modeled tax provision, including tax on the assumed earnout payout. Available resources include other assets and exclude future earnout receipts. Calculations use unrounded amounts.

A shortfall, a narrow margin, or more capacity.

Lower value: a C$1.3M shortfall raises questions about the assumptions or choices that need work. **Reference:** a C$0.7M margin needs testing for sensitivity. **Higher value:** a C$2.7M margin could create additional choices for family, future work, giving or other priorities.

These are results under the stated assumptions, not proof that personal goals are securely funded.

Assumption references: EY: 2026 LCGE · SRS: working-capital adjustments. Actual proceeds depend on terms, tax circumstances and payments received.

What reaches you, and what must it fund?

Mark one status, then add a note if useful. Known means supported by information and assumptions; estimates may change. There is no readiness score.

01 What would I actually keep personally?

Start with your share of the proceeds after debt, costs and tax. Separate what reaches you personally from money held in a company or trust.

An answer you can support: A current estimate of your personal proceeds, with the ownership and transaction assumptions shown.

How clear is your answer today?

◯ Known ◯ Estimated ◯ Not yet clear

Start your answer: My estimated personal proceeds are ___, based on ___.

02 Would that capital support the life I want?

Consider spending, family commitments, future work and other assets. The amount you need from a sale depends on what the money must fund and what you already have.

An answer you can support: A personal funding estimate that includes your other resources and the assumptions behind it.

The result may point to a shortfall, a narrow margin, or more capacity than expected. Each raises a different planning question. Understanding a surplus matters too: it can help you consider what additional wealth could make possible for your family, future work, giving or other priorities.

How clear is your answer today?

◯ Known ◯ Estimated ◯ Not yet clear

Start your answer: The capital I need must support ___. Other resources available are ___.

What needs attention before you commit?

Mark one status, then add a note if useful. Known means supported by information and assumptions; estimates may change. There is no readiness score.

03 Does any planning need to happen before a sale process?

Ask your accountant and lawyer which ownership, tax or structural matters need attention, and when. Eligibility and timing depend on your circumstances.

An answer you can support: An identified action, or confirmation that none is needed, with responsibility and timing recorded.

How clear is your answer today?

◯ Known ◯ Estimated ◯ Not yet clear

Start your answer: The action to check is ___, with ___, by ___. Or: no action needed, confirmed by ___.

04 How much would be available at closing?

Separate gross cash received at closing from what remains after setting aside tax and other obligations. Record escrow, conditional earnout payments and invested rollover equity separately.

An answer you can support: A breakdown of closing cash, provisions, later receipts and continuing exposure.

How clear is your answer today?

◯ Known ◯ Estimated ◯ Not yet clear

Start your answer: Gross cash at closing: ___. Amount set aside for tax and obligations: ___. Available to use: ___.

Who and what could affect the transaction?

Mark one status, then add a note if useful. Known means supported by information and assumptions; estimates may change. There is no readiness score.

05 Whose rights affect my share of the value?

Check whether the allocation you expect matches current ownership records and agreements. Ask the relevant advisers to explain any rights or claims that affect your share.

An answer you can support: Current records and agreements supporting your expected allocation.

How clear is your answer today?

◯ Known ◯ Estimated ◯ Not yet clear

Start your answer: My expected allocation is ___, supported by these records or agreements: ___.

06 What would a buyer's diligence need to resolve?

Ask your business and transaction advisers which issues need attention. Customer concentration, dependence on you, reporting gaps or unresolved agreements may affect your proceeds, timing or continuing role.

An answer you can support: A short issue list linking each concern to a personal consequence, responsible adviser and next step.

How clear is your answer today?

◯ Known ◯ Estimated ◯ Not yet clear

Start your answer: The issue is ___. It could affect my proceeds, timing or ongoing role by ___.

What would make the outcome work for you?

Mark one status, then add a note if useful. Known means supported by information and assumptions; estimates may change. There is no readiness score.

07 Which terms or trade-offs could change my decision?

Identify a change in payment certainty, timing, future responsibilities or retained risk that would make you reconsider. Compare the scenario with a realistic alternative, including continued ownership.

An answer you can support: The change that could alter your decision, and an alternative worth examining.

How clear is your answer today?

◯ Known ◯ Estimated ◯ Not yet clear

Start your answer: I would reconsider if ___ changed. A realistic alternative is ___.

08 What would a transaction need to deliver for me to proceed?

Set out the personal resources, timing and ongoing role you would need to consider proceeding. Record the assumptions to check with your family and advisers.

An answer you can support: Working conditions for proceeding, with unresolved assumptions clearly marked.

How clear is your answer today?

◯ Known ◯ Estimated ◯ Not yet clear

Start your answer: To proceed: personal proceeds ___; available by ___; acceptable ongoing role ___.

Choose one next step.

Start with the uncertainty most likely to affect a current decision or deadline. Record up to three actions if useful; one is enough to begin.

Find the online worksheet on the resource page, or print this page to write your next steps.
Review answers marked Estimated or Not yet clear. Write "not established" where you do not have a number.

Example: closing cash

Question: What would be available at closing?
Next step: Ask for a payment breakdown. Who: my transaction adviser.
When: before our next offer discussion.

01 My first question to take forward

My next step

Who can help?

When will I take the next step?

02 Another question, if useful

My next step

Who can help?

When will I take the next step?

03 Another question, if useful

My next step

Who can help?

When will I take the next step?

A useful result is knowing what to check next.

One material uncertainty can deserve more attention than several unanswered background questions.

Where are you in the process?

Start at the stage that fits today. Use the linked questions to choose your next step. An existing process does not mean useful planning has ended.

A future possibility

Define the personal outcome first.

Discuss the life you want, other resources and the role the business plays. Ask your accountant and lawyer what needs lead time.

Revisit Q2: Personal needs · Q3: Planning lead time · Q8: Conditions for proceeding

Preparing for a process

Put assumptions and responsibilities on paper.

Review ownership records, readiness issues and a working proceeds estimate. Give each open question an adviser and a next step.

Revisit Q1: Personal proceeds · Q5: Ownership allocation · Q6: Readiness issues

An offer or draft letter of intent (LOI)

Compare the terms with your personal requirements.

Separate closing cash from later payments. Examine your future role, retained risk and alternatives before committing, with your advisers.

Revisit Q4: Available cash · Q7: Trade-offs · Q8: Conditions for proceeding

A signed LOI or active deal

Clarify the remaining choices and deadlines.

Ask your transaction team which terms can still change and what needs action now. Update your personal plan when assumptions change.

Revisit Q3: Actions and timing · Q4: Available cash · Q7: Remaining trade-offs

Selling is one possible outcome.

Continuing to own the business, hiring management, taking cash flow, changing terms or waiting may deserve a place in the comparison.

Further reading: BDC on defining your objectives before finding a buyer ↗ .

Bring the question that could change your decision.

A free, 60-minute Owner Outcome Review. You do not need to be an existing client.

Bring one unresolved question and the approximate numbers you have. You can begin with what is known and mark what still needs checking.

We compare possible proceeds, timing and personal needs to understand whether the result points to a shortfall, a narrow margin, or more capacity than expected.

The aim is to identify work to take forward with the relevant advisers. Your accountant, lawyer and transaction advisers retain their professional roles.

What we examine together

- Possible proceeds: ownership and transaction assumptions.
- Availability: closing cash, later payments and retained risk.
- Personal needs: commitments and other resources.
- Next questions: assumptions and adviser work to check.

The review and the relationship

We provide wealth advice and manage investments. The initial review is free; we explain any ongoing service and fees separately.

This introductory review does not replace a formal valuation, full financial plan, or legal or tax advice.

Request an Owner Outcome Review ↗

Contact the team and mention “Owner Outcome Review”.

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