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Sterling Ridge Business Advisors
MERGERS & ACQUISITIONS · DENVER, COLORADO

CONFIDENTIAL INVESTMENT OPPORTUNITY

Project Summit

Commercial HVAC & Mechanical Services · Mountain West

Blind Teaser — the Company's identity is disclosed only upon execution of a confidentiality agreement

$7.9M	$1.7M	612	93%
TTM REVENUE	TTM ADJ. EBITDA	SERVICE AGREEMENTS	RETENTION

STRICTLY PRIVATE & CONFIDENTIAL — NOT FOR DISTRIBUTION

July 2026

PROJECT SUMMIT · CONFIDENTIAL TEASER

Leading Commercial HVAC & Mechanical Services Platform

Mountain West · Sell-Side Engagement · July 2026

Sterling Ridge Business Advisors has been exclusively retained to identify a buyer for a leading commercial HVAC and mechanical services company serving a major Mountain West metropolitan market (the "Company"). Founded in 2009 and led by a professional field organization of 40+ employees, the Company has compounded revenue at approximately 13% annually while expanding Adjusted EBITDA margins to 22%, anchored by a base of 600+ recurring service and maintenance agreements.

$7.9M	$1.7M	22%	612	93%
TTM REVENUE	TTM ADJ. EBITDA	ADJ. EBITDA MARGIN	SERVICE AGREEMENTS	AGREEMENT RETENTION

Investment Highlights

Recurring revenue foundation

38% of revenue under annual service and maintenance agreements with 93% retention, producing predictable, weather-resilient cash flow and a captive replacement pipeline.

Diversified, sticky customer base

3,400+ active customers across commercial property, healthcare, education, and light industrial. Top 10 customers represent under 15% of revenue; no customer exceeds 3.1%.

Margin expansion with scale

Adjusted EBITDA margin has expanded ~200bps since FY2023 on dispatch density, disciplined pricing, and a growing mix of higher-margin service work.

Deep bench beyond ownership

Tenured GM-ready operations manager, 28 field technicians, and documented processes reduce key-person risk and support a transition on flexible terms.

Installed-base replacement tailwind

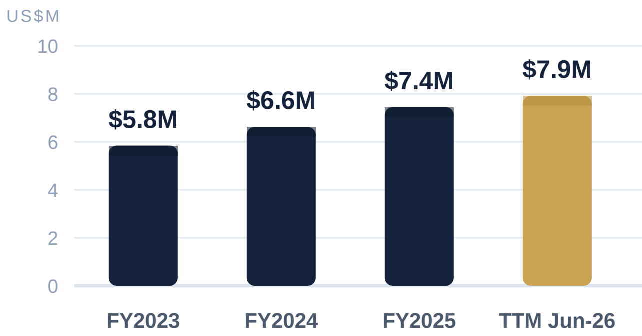
An aging regional equipment base and electrification/refrigerant transitions drive a multi-year replacement and retrofit cycle in the Company's core market.

Actionable growth levers

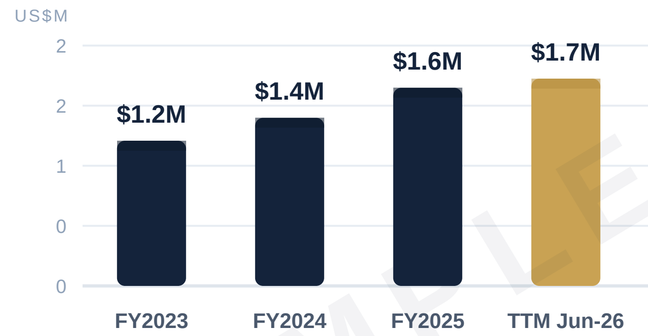
Adjacent-metro expansion, controls/monitoring services attach, and commercial plumbing cross-sell, none of which are reflected in current results.

FINANCIAL SUMMARY

Consistent growth, expanding margins



REVENUE (US$M)



ADJUSTED EBITDA (US$M)

US$000s	FY2023	FY2024	FY2025	TTM Jun-26
Revenue	**5,842**	**6,617**	**7,438**	**7,912**
Growth %	–	13.3%	12.4%	6.4%
Gross profit	2,460	2,845	3,288	3,529
Margin %	42.1%	43.0%	44.2%	44.6%
Reported EBITDA	1,022	1,195	1,382	1,489
Adjustments	187	203	266	236
Adjusted EBITDA	**1,209**	**1,398**	**1,648**	**1,725**
Margin %	20.7%	21.1%	22.2%	21.8%

Adjustments reflect owner compensation normalization and identified non-recurring items; a fully documented recast schedule is available in the data room following execution of a confidentiality agreement.

PROCESS & NEXT STEPS

Qualified parties will receive a Confidential Information Memorandum and data room access upon execution of a confidentiality agreement. The Company's identity, customer detail, and full financial statements are disclosed only after NDA. Indications of interest are requested by early Q4 2026; the owner is flexible on transition and will support an orderly handover.

Contact

Sterling Ridge Business Advisors · M&A Advisory · Denver, Colorado

engagements@sterlingridge-example.com · (303) 555-0148 · Reference: Project Summit

Sterling Ridge Business Advisors

MERGERS & ACQUISITIONS · DENVER, COLORADO

CONFIDENTIAL BUSINESS REVIEW

Summit Peak Mechanical

Commercial HVAC & Mechanical Services · Denver, Colorado

Prepared for qualified acquirers under executed confidentiality agreement

$7.9M	$1.7M	612	93%
TTM REVENUE	TTM ADJ. EBITDA	SERVICE AGREEMENTS	RETENTION

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July 2026

IMPORTANT NOTICE

Confidentiality and contents

This document (the “Memorandum”) has been prepared by Sterling Ridge Business Advisors (“the Advisor”) solely for use by a limited number of parties who have expressed interest in the potential acquisition of Summit Peak Mechanical, LLC (the “Company”) and who have executed a confidentiality agreement with the Advisor. By accepting this Memorandum, the recipient agrees to keep confidential the information contained herein, to use it solely to evaluate the proposed transaction, and to return or destroy it upon request.

The information herein has been provided by the Company and other sources believed to be reliable. Neither the Advisor nor the Company makes any representation or warranty, express or implied, as to the accuracy or completeness of this Memorandum, and nothing contained herein is, or shall be relied upon as, a promise or representation as to the past or future performance of the Company. Recipients should conduct their own independent investigation and analysis. Certain financial information has been adjusted to reflect normalized operations; a detailed schedule of adjustments is available in the Company’s recast financial statements.

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Contents

Accompanying this Review

Recast Financial Statements
The complete adjustment schedule, SDE bridge, and methodology accompany this Review as a separate package.

Indexed Data Room
Corporate, financial, commercial, and operational documents, organized for diligence; access expands after LOI.

Management Session
A video session with the founder and operations manager is available to qualified parties.

Written Q&A
Questions are welcomed through the Advisor at any point in the process.

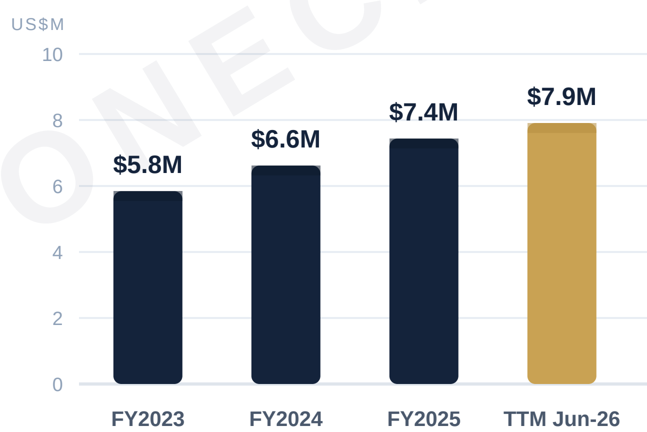
EXECUTIVE SUMMARY

A recurring-revenue mechanical services platform

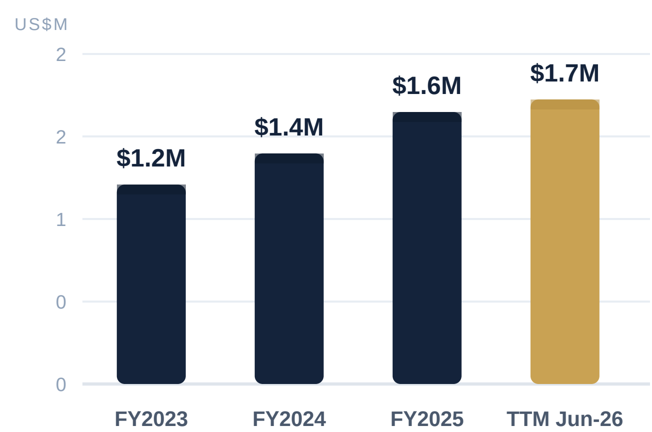
Summit Peak Mechanical, LLC (“Summit Peak” or the “Company”) is a Denver-based commercial HVAC and mechanical services company serving property managers, healthcare and education facilities, and light-industrial operators across the Front Range. Founded in 2009, the Company has grown from a two-truck service shop into a 43-person platform generating $7.9M of trailing-twelve-month revenue and $1.7M of Adjusted EBITDA at a 21.8% margin.

The business is anchored by 612 annual service and maintenance agreements that renew at 93% and generate 38% of revenue directly, while feeding the majority of the Company’s higher-ticket repair and replacement work. Field operations are run by a tenured operations manager, dispatch and pricing are systematized in a modern field-service platform, and the owner’s role has narrowed to relationships and oversight, supporting a clean transition.

$7.9M	$1.7M	13%	612	3,400+
TTM REVENUE	TTM ADJ. EBITDA	REVENUE CAGR ’23–’25	ACTIVE AGREEMENTS	ACTIVE CUSTOMERS



REVENUE (US$M)



ADJUSTED EBITDA (US$M)

REASON FOR SALE

The founder is preparing for retirement after seventeen years building the Company and is seeking a buyer who will invest in the team’s next chapter. He is flexible on transition structure and will support a 6–12 month handover.

BUSINESS OVERVIEW

Seventeen years of disciplined focus on commercial service

Summit Peak provides the full commercial HVAC lifecycle: scheduled maintenance, demand service and repair, equipment replacement and retrofit, and select new-installation work for existing customers. The Company deliberately concentrates on the commercial service and replacement segments, where relationships, response time, and technician quality drive pricing power, and avoids bid-driven new-construction work for general contractors.

Company timeline

- 2009 — **Founded** — two-technician commercial service shop in central Denver
- 2014 — **Agreement program** — formal maintenance-agreement program launched; 100th agreement signed
- 2017 — **Facility** — moved to current 12,000 sq ft shop and office; sheet-metal brought in-house
- 2020 — **Systems** — cloud field-service platform deployed across dispatch, quoting, and billing
- 2023 — **Succession** — operations manager promoted to run the day-to-day field organization
- 2025 — **Record year** — 600th agreement; record revenue and Adjusted EBITDA margin

What the Company is known for

Response time
Four-hour emergency response commitment for agreement customers, enabled by dense route geography.

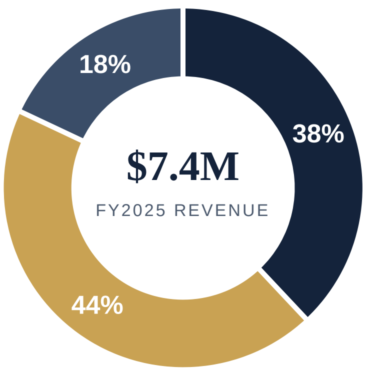
Technician quality
28 field technicians; average tenure 6.2 years; NATE certification supported and paid for by the Company.

Transparent pricing
Flat-rate task pricing with photo-documented recommendations; complaint rate below 0.5% of work orders.

Owner-independent delivery
The owner sells and stewards relationships; he has not run service calls since 2021.

SERVICES & REVENUE MIX

An agreement-led revenue model



Service & maintenance agreements
38% of revenue · $2.8M FY2025

Repair & replacement
44% of revenue · $3.3M FY2025

New installation & retrofit
18% of revenue · $1.3M FY2025

ROOFTOP AND SPLIT-SYSTEM SERVICE IS THE CORE TRADE

Service lines

Service & maintenance agreements (38%). Annual contracts covering scheduled preventative maintenance on rooftop units, splits, boilers, and controls. Billed quarterly in advance; deferred revenue is tracked monthly. Agreements carry priority dispatch and preferred labor rates, and renew at 93%.

Repair & replacement (44%). Demand service, component repair, and full equipment replacement, approximately 70% of which originates from the agreement base. Replacement projects average $28K and are quoted with standardized margin floors enforced in the field-service platform.

New installation & retrofit (18%). Selective design-build and retrofit work for existing customers and their tenants, taken only at service-level margins. The Company does not pursue plan-and-spec GC work, keeping backlog quality high at $1.9M currently.

WHY THE MIX MATTERS

The agreement base is the flywheel: it generates predictable revenue directly, feeds the repair and replacement pipeline, densifies routes, and makes revenue resilient to weather and cycle. Buyers underwriting this business are buying the agreement base first.

CUSTOMERS

Diversified, institutional, and sticky

The Company serves 3,400+ active customers, concentrated in segments where equipment uptime is mission-critical and purchasing is relationship-driven. Customer concentration is low: the top ten customers represent 14.7% of FY2025 revenue and the largest single customer is 3.1%.

Meridian Property Group
COMMERCIAL PROPERTY

Front Range Health
HEALTHCARE

Prairie Ridge Schools
EDUCATION

Ironwood Industrial
LIGHT INDUSTRIAL

Silver Creek Senior Living
SENIOR LIVING

Boulder Commons REIT
COMMERCIAL PROPERTY

Cascade Hospitality
HOSPITALITY

Centennial Foods Co.
FOOD PRODUCTION

REPRESENTATIVE CUSTOMER RELATIONSHIPS BY END MARKET

Revenue by end market (FY2025)

Segment	% of revenue	Typical customers
Commercial property management	34%	Multi-tenant office, retail centers, mixed-use
Healthcare & medical office	21%	Clinics, surgery centers, senior living
Education & municipal	17%	Private schools, districts, county facilities
Light industrial & flex	16%	Distribution, food production, labs
Hospitality & other	12%	Hotels, restaurants, churches

Retention economics

Agreement customers have a measured average relationship length of 7.4 years. Net revenue retention across the agreement base was 104% in FY2025, as escalators and scope additions more than offset the small number of non-renewals. Reviews average 4.8 stars across 640+ Google reviews, and the Company's NPS of 71 is surveyed annually by a third party.

MARKET OPPORTUNITY

A replacement-cycle market with durable tailwinds

The Company operates in the Denver–Aurora–Lakewood MSA, a market of approximately 3.0 million people with sustained in-migration and one of the country's deepest bases of 1980s–2000s commercial building stock now reaching end-of-life on original mechanical systems. Industry analysts size the U.S. commercial HVAC services market in the tens of billions of dollars, growing mid-single digits, with replacement and retrofit demand outpacing new construction.

Structural tailwinds

Aging installed base
Rooftop units installed in the 1990s–2000s boom are past design life, driving a multi-year replacement cycle independent of new construction.

Refrigerant transition
The phase-down of legacy refrigerants makes repair of older units increasingly uneconomic, accelerating replacement decisions.

Efficiency & electrification
Energy codes and utility incentives fund retrofit projects, including heat-pump conversions where the Company already holds certifications.

Technician scarcity
A national shortage of qualified technicians advantages employers of choice; the Company's tenure and training pipeline are a durable moat.

3.0M
Metro population with sustained in-migration and aging building stock

~5%
Annual growth in U.S. commercial HVAC services, led by replacement

4%
Of revenue already comes from Northern Colorado with no local presence

Competitive landscape

Competition consists of national mechanical firms focused on large plan-and-spec projects, a handful of PE-backed regional consolidators, and hundreds of sub-scale owner-operator shops. Summit Peak occupies the attractive middle: large enough for institutional customers and 24/7 coverage, small enough to be a strategic bolt-on or a platform for a buyer building density in the Mountain West.

OPERATIONS & TEAM

A professionalized field organization

43	28	6.2 yrs	24	12,000
EMPLOYEES	FIELD TECHNICIANS	AVG. TECH TENURE	FLEET VEHICLES	SQ FT FACILITY

Day-to-day operations are led by an operations manager with 11 years at the Company, supported by a service manager, install manager, and a five-person office team covering dispatch, billing, and agreement administration. All quoting, dispatch, time-tracking, and invoicing run through a cloud field-service platform implemented in 2020; job-level margin is visible in real time and reviewed weekly.

12,000 SQ FT SHOP, OFFICE, AND FABRICATION FACILITY WITH OWNED FLEET

JOB-LEVEL MARGIN AND EQUIPMENT CONDITION TRACKED IN THE FSM PLATFORM

Organization

Function	Headcount	Notes
Field service technicians	20	NATE-supported; two lead techs run apprentice pipeline
Install & retrofit crews	8	Two 4-person crews incl. sheet metal
Sales & account management	4	Two agreement-focused reps; owner covers key accounts
Operations & office	9	Dispatch, billing, agreement admin, HR/safety
Ownership	2	Founder (strategy/relationships); spouse part-time bookkeeping

FINANCIAL SUMMARY

Growth with expanding, verifiable margins

US$000s	FY2023	FY2024	FY2025	TTM Jun-26
Revenue	**5,842**	**6,617**	**7,438**	**7,912**
Growth %	–	13.3%	12.4%	6.4%
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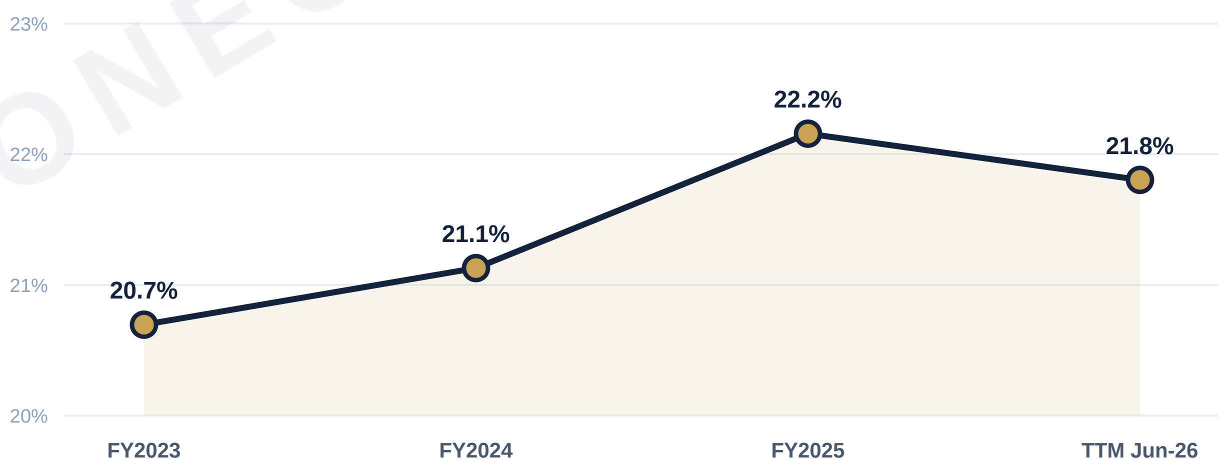
Adjusted EBITDA	**1,209**	**1,398**	**1,648**	**1,725**
Margin %	20.7%	21.1%	22.2%	21.8%

Adjustments normalize owner compensation to a market GM salary and remove documented non-recurring and discretionary items. The complete recast package, including the full adjustment schedule with per-item documentation and an SDE bridge, accompanies this Review.



ADJUSTED EBITDA MARGIN TREND

Balance sheet and cash flow characteristics

The business carries no funded debt. Working capital is seasonal within a $250–$400K band, with agreement billings in advance partially funding the spring and fall maintenance peaks. Maintenance capital expenditure has averaged approximately 2.1% of revenue, principally fleet rotation and shop equipment.

GROWTH OPPORTUNITIES

Six levers, none reflected in current earnings

Current results reflect a deliberately focused strategy; several tested but unscaled levers are available to a buyer with growth capital or an existing platform.

$180K
Annual revenue from legacy-agreement repricing at full margin

60%
Controls-monitoring attach rate achieved in 2025 pilots

12 mos
Modeled breakeven for a Northern Colorado satellite

1. Northern Colorado expansion

Fort Collins/Greeley corridor is served opportunistically today (4% of revenue) with no local presence; a two-truck satellite would be agreement-accretive within 12 months based on existing demand.

2. Controls & monitoring attach

Only 9% of agreement customers take building-controls monitoring. Pricing pilots in 2025 achieved 60% attach on new agreements at 70%+ incremental margins.

3. Commercial plumbing cross-sell

Customers routinely request plumbing; a tuck-in acquisition or two licensed hires would open a second trade across the same routes and relationships.

4. Agreement price optimization

Legacy agreements renew 8–12% below current rate card; a disciplined two-year catch-up program is modeled in the data room.

5. Electrification retrofits

Utility incentive programs fund heat-pump conversions; the Company is certified but has not marketed the capability.

6. Acquisition platform

Fragmented local market with retiring owners; the Company’s systems and bench can absorb tuck-ins without new overhead.

NONE OF THIS IS IN THE NUMBERS

The financial presentation in this Review contains no credit for any growth initiative. Each lever is documented with supporting analysis in the data room so buyers can underwrite upside on their own assumptions.

TRANSACTION OVERVIEW

Structure, process, and next steps

The founder is seeking a full sale of the Company. He is flexible as to structure (asset or equity) and will support a 6–12 month transition, with longer consulting availability by agreement. Key employees are aware of the process at a high level and are expected to remain; the operations manager has indicated interest in expanded responsibility under new ownership.

Process

Step	Detail
1. Review & questions	Buyers review this CBR and the recast financial package; written Q&A via the Advisor
2. Management call	Video session with the founder and operations manager for qualified parties
3. Indication of interest	Requested by early Q4 2026: proposed value, structure, financing, and timeline
4. LOI & diligence	Full data room access, customer detail unmasked, site visit, QoE support
5. Close	Target close Q1 2027; Advisor coordinates lender and counsel workstreams

Structure
Asset or equity; seller financing considered in a competitive offer

Transition
6–12 months, with consulting availability thereafter

Team
Ops manager expected to remain; retention framework with buyer

Timeline
IOIs early Q4 2026; target close Q1 2027

Financing readiness

The transaction profile fits SBA 7(a) and conventional cash-flow structures. Three years of business tax returns, monthly financials, and the documented recast schedule are lender-ready in the data room, and the Advisor will coordinate directly with the buyer's lender to keep underwriting on schedule.

Sterling Ridge Business Advisors · Denver, Colorado · engagements@sterlingridge-example.com · (303) 555-0148 · Reference: Project Summit

Sterling Ridge Business Advisors

MERGERS & ACQUISITIONS · DENVER, COLORADO

CONFIDENTIAL INFORMATION MEMORANDUM

Summit Peak Mechanical

Commercial HVAC & Mechanical Services · Denver, Colorado

Prepared for qualified acquirers under executed confidentiality agreement

$7.9M	$1.7M	612	93%
TTM REVENUE	TTM ADJ. EBITDA	SERVICE AGREEMENTS	RETENTION

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July 2026

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Table of Contents

I. EXECUTIVE SUMMARY

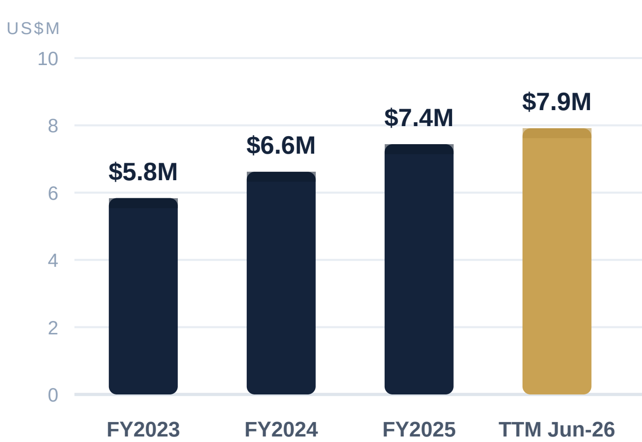
The opportunity at a glance

Summit Peak Mechanical, LLC (“Summit Peak” or the “Company”) is a commercial HVAC and mechanical services platform serving the Denver Front Range. Founded in 2009 and built deliberately around recurring service relationships rather than bid work, the Company today operates 24 service vehicles with 28 field technicians, serves 3,400+ active commercial customers, and administers 612 annual maintenance agreements that renew at 93%.

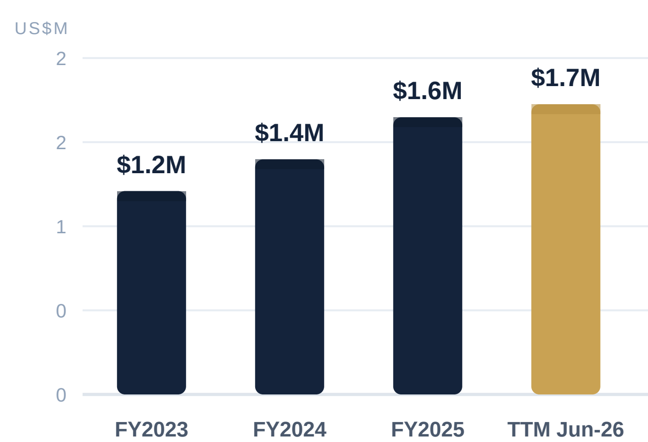
For the twelve months ended June 30, 2026, the Company generated revenue of $7.9 million and Adjusted EBITDA of $1.7 million, a 21.8% margin, continuing a three-year trajectory of double-digit growth with roughly 200 basis points of margin expansion. Growth has been entirely organic and self-funded; the Company carries no funded debt.

The founder is preparing for retirement and has engaged Sterling Ridge Business Advisors to conduct a confidential process. He seeks a buyer who will invest behind the team and the agreement base, and he is flexible on structure and transition. Management below the owner is expected to continue, led by an operations manager with eleven years of tenure who has run day-to-day field operations since 2023.

$7.9M	**$1.7M**	**21.8%**	**612**	**93%**	**71**
TTM REVENUE	TTM ADJ. EBITDA	ADJ. EBITDA MARGIN	AGREEMENTS	RETENTION	NPS



REVENUE (US$M)



ADJUSTED EBITDA (US$M)

I. EXECUTIVE SUMMARY (CONT.)

The investment case

Why this business, in one page

The revenue is bought, not re-won. 38% of revenue arrives under annual agreements billed quarterly in advance, and roughly 70% of repair and replacement work originates inside that agreement base. The customer list functions as an installed-base annuity: every aging rooftop unit under agreement is a future replacement project the Company is first in line to win.

The margin is structural, not cyclical. Margin expansion since FY2023 has come from route density, standardized flat-rate pricing with enforced floors, and mix shift toward service, not from deferred spending or one-time pricing. Job-level margin is visible in the field-service platform and reviewed weekly.

The organization outlasts the owner. The founder has not run service calls since 2021. Operations, dispatch, quoting, and billing are systematized and run by a tenured team, which is why the business is transferable to either a financial buyer installing a GM or a strategic acquirer integrating a branch.

The numbers are diligence-ready. Bank deposits reconcile to recorded revenue within 0.4% across the recast period. The adjustment schedule is short, documented item-by-item, and deliberately conservative, with no revenue normalizations or pro-forma credits anywhere in the presentation.

SUMMARY FINANCIAL PROFILE

FY2023–FY2025 revenue CAGR of 12.8%; FY2025 Adjusted EBITDA of $1.65M on $7.4M revenue (22.2%); TTM June-2026 Adjusted EBITDA of $1.7M. No funded debt; seasonal working-capital band of $250–$400K; maintenance capex ~2.1% of revenue.

US$000s	FY2023	FY2024	FY2025	TTM Jun-26
Revenue	**5,842**	**6,617**	**7,438**	**7,912**
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Margin %	20.7%	21.1%	22.2%	21.8%

II. INVESTMENT HIGHLIGHTS

Eight reasons this platform is scarce

1. Recurring-revenue foundation

612 agreements, 93% retention, quarterly advance billing, and 104% net revenue retention across the agreement base in FY2025.

2. Installed-base replacement annuity

Agreement customers' aging equipment feeds ~70% of repair/replacement revenue; replacement projects average $28K at service-level margins.

3. Diversification without dilution

3,400+ customers across five end markets; top ten customers under 15% of revenue; largest customer 3.1%.

4. Margin trajectory with proof

Adjusted EBITDA margin of 20.7% → 22.2% FY2023–FY2025, driven by density, pricing discipline, and mix; drivers documented at job level.

5. Owner-independent operations

Eleven-year operations manager runs the field; documented SOPs; modern FSM platform since 2020; founder role narrowed to relationships.

6. Technician moat in a scarce market

6.2-year average technician tenure, paid certification pipeline, and employer-of-choice reputation in a trade defined by labor scarcity.

7. Structural market tailwinds

Aging installed base, refrigerant phase-down, and utility-funded efficiency retrofits drive a multi-year replacement cycle in the core market.

8. Unexercised growth levers

Adjacent-metro expansion, controls attach, plumbing cross-sell, and legacy-agreement repricing, all tested, none scaled, none in the numbers.

12.8%
Revenue CAGR FY2023–FY2025, entirely organic and self-funded

21.8%
TTM Adjusted EBITDA margin, up ~200bps since FY2023

104%
FY2025 net revenue retention across the agreement base

FOR PLATFORM BUILDERS

For an acquirer building Mountain West density, Summit Peak brings the two assets hardest to replicate: a retained technician bench and a renewing agreement base. Systems, facility capacity, and management depth support tuck-in absorption without incremental overhead.

III. COMPANY OVERVIEW & HISTORY

From two trucks to a regional platform

Summit Peak was founded in 2009 by its current owner, a licensed mechanical contractor who began with two trucks and a conviction that commercial customers were underserved on response time and communication. The Company grew through the 2010s by converting demand-service customers into maintenance agreements, a strategy that traded short-term ticket revenue for compounding, defensible relationships.

Milestones

- **2009** — **Founded** — first commercial service accounts in central Denver
- **2012** — **Install capability** — first dedicated install crew; sheet-metal subcontracting brought in-house
- **2014** — **Agreement program** — formal maintenance-agreement program launched; 100th agreement
- **2017** — **Facility** — moved to current 12,000 sq ft facility with fabrication shop
- **2020** — **Systems** — cloud field-service platform end-to-end; flat-rate pricing adopted
- **2023** — **Succession** — operations manager assumes day-to-day leadership of the field organization
- **2025** — **Record year** — 600th agreement; record revenue ($7.4M) and Adjusted EBITDA ($1.65M)

17
Years of continuous operation under founding ownership

$0
Funded debt; growth entirely organic and self-financed

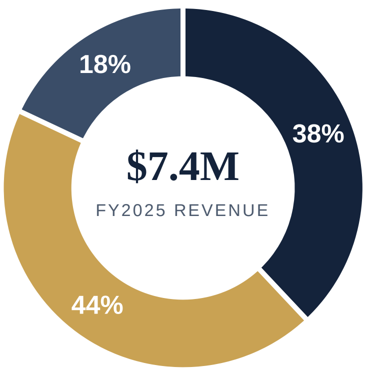
100%
Owned by the founder; clean single-member LLC structure

Ownership & structure

The Company is a Colorado limited liability company wholly owned by the founder. It holds a Colorado mechanical contractor license (transferable qualifying individual on staff), EPA 608 universal certifications across the technician base, and is licensed in the municipalities it serves. There is no funded debt, no related-party leases, and no outstanding litigation.

IV. SERVICES & REVENUE MODEL

Three lines, one flywheel



Service & maintenance agreements
38% of revenue · $2.8M FY2025

Repair & replacement
44% of revenue · $3.3M FY2025

New installation & retrofit
18% of revenue · $1.3M FY2025

ROOFTOP AND SPLIT-SYSTEM SERVICE IS THE CORE TRADE

Service & maintenance agreements — 38% of revenue

Annual contracts covering scheduled preventative maintenance across rooftop units, split systems, boilers, chillers, and building controls. Agreements are billed quarterly in advance (deferred revenue tracked monthly), include priority four-hour emergency response, and carry preferred labor rates that anchor the customer relationship. Average agreement value is approximately $4,600, with multi-site property portfolios ranging to $85K.

Repair & replacement — 44% of revenue

Demand service, component repair, and full unit replacement. Approximately 70% originates from the agreement base, where technicians photo-document equipment condition at every visit and replacement recommendations are queued years in advance. Replacements average $28K per project and are priced from a standardized rate card with margin floors enforced in the quoting workflow.

New installation & retrofit — 18% of revenue

Selective design-build, tenant-finish, and efficiency retrofit work for existing customers and their tenants, accepted only at service-level margins. The Company does not bid plan-and-spec general-contractor work. Current installed backlog is $1.9M, all for existing relationships.

IV. SERVICES & REVENUE MODEL (CONT.)

The economics of the agreement flywheel

How the model compounds

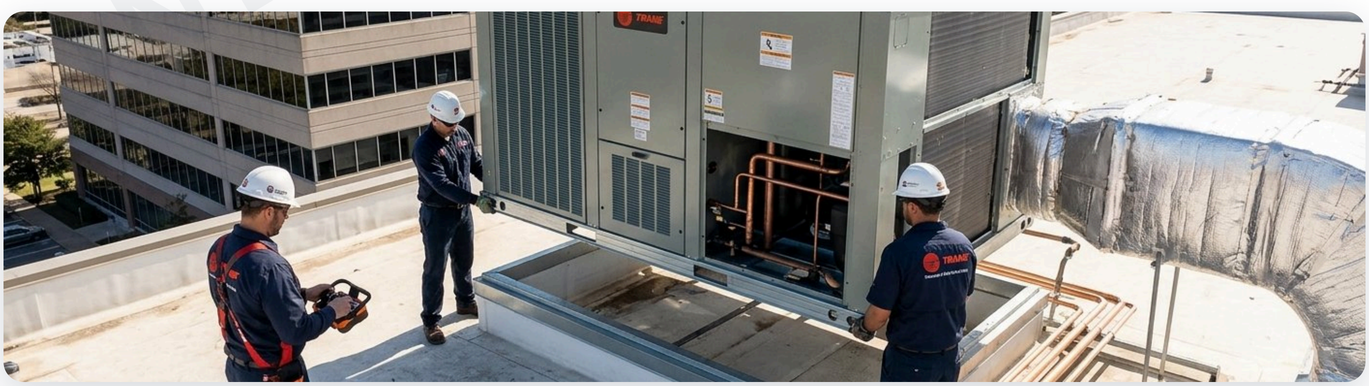
The agreement base is the Company's flywheel. Each agreement produces four economic effects simultaneously: predictable maintenance revenue; priority access to that customer's repair and replacement spending; route density that lowers drive time and raises billable utilization; and equipment intelligence, because every maintained unit's age, condition, and refrigerant type is logged, giving the Company a forward calendar of replacement demand competitors cannot see.

Pricing architecture

Element	Practice
Agreements	Rate card by equipment count/type; annual escalators standard since 2022
Service labor	Flat-rate task pricing; agreement customers at preferred tier
Replacement projects	Standardized estimating templates; minimum-margin floors enforced in FSM quoting
Materials & equipment	Two primary distributors; rebate programs; price escalation passed through since 2021

Seasonality

Revenue peaks in the summer cooling season and shoulder maintenance months; the agreement base and Colorado's heating season flatten the curve materially versus residential peers. The lowest revenue month in FY2025 was 71% of the highest, and advance agreement billings partially pre-fund seasonal working capital.



REPLACEMENT PROJECTS AVERAGE $28K, QUOTED FROM A STANDARDIZED RATE CARD

WHAT A BUYER INHERITS

A forward replacement calendar embedded in the maintained equipment base, a rate card with enforced floors, and billing practices that turn maintenance season into a financing source rather than a cash drain.

V. CUSTOMER ANALYSIS

Institutional customers, annuity behavior

The Company serves 3,400+ active customers. Concentration risk is minimal and has declined each year: the top ten customers represented 14.7% of FY2025 revenue (16.9% in FY2023), and the largest customer, a regional property manager with nine buildings under agreement, represents 3.1%.

Meridian Property Group
COMMERCIAL PROPERTY

Front Range Health
HEALTHCARE

Prairie Ridge Schools
EDUCATION

Ironwood Industrial
LIGHT INDUSTRIAL

Silver Creek Senior Living
SENIOR LIVING

Boulder Commons REIT
COMMERCIAL PROPERTY

Cascade Hospitality
HOSPITALITY

Centennial Foods Co.
FOOD PRODUCTION

REPRESENTATIVE CUSTOMER RELATIONSHIPS BY END MARKET

3,400+
Active commercial customers across five end markets

14.7%
Top-ten customer concentration, down from 16.9% in FY2023

3.1%
Largest single customer as a share of FY2025 revenue

Revenue by end market (FY2025)

Segment	% Revenue	Agreements	Character
Commercial property mgmt	34%	241	Portfolio relationships; multi-site agreements
Healthcare & medical office	21%	117	Uptime-critical; compliance documentation valued
Education & municipal	17%	96	Budgeted maintenance; summer project windows
Light industrial & flex	16%	88	Process cooling; larger replacement tickets
Hospitality & other	12%	70	24/7 response drives agreement attach

V. CUSTOMER ANALYSIS (CONT.)

Reputation as an acquisition channel

Voice of the customer

The Company's third-party NPS survey (November 2025, 214 responses) produced a score of 71, with response time and technician communication cited most often. Public reputation corroborates the survey: 4.8 stars across 640+ Google reviews, with management responses to every review under 4 stars.

"They just show up."
Facility director, surgery center — agreement customer since 2016, three replacement projects completed.

"One call for nine buildings."
Regional property manager — portfolio agreement, quarterly condition reporting to owners.

"The photos sell it for us."
School district facilities lead — photo-documented recommendations support board approvals.

"Techs know our building."
Hotel chief engineer — same two technicians assigned since 2019.

"Budget season is easier."
County facilities manager — annual condition reports feed capital planning directly.

"Same-day quotes, every time."
Portfolio asset manager — standardized pricing keeps approvals moving.

7.4 yrs
Average agreement-customer relationship length

104%
FY2025 net revenue retention across the agreement base

4.8★
Across 640+ public reviews, every sub-4★ answered

Cohort behavior and acquisition

Agreement customers average 7.4 years of relationship length; the FY2020 cohort has retained 89% of accounts and grown to 131% of original annual value. New business arrives primarily by referral and reputation: 62% of FY2025 new agreements came from existing-customer referrals or property-manager portfolio expansion, on a modest $38K marketing budget. Customer-level revenue detail, agreement registers, and cohort analyses are in the data room; identities are unmasked post-LOI.

VI. MARKET OPPORTUNITY

A replacement-cycle market, not a construction bet

The Denver–Aurora–Lakewood MSA is a market of approximately 3.0 million people with two decades of above-average commercial development now aging into prime replacement years. Industry analysts size the U.S. commercial HVAC services market in the tens of billions of dollars with mid-single-digit growth, and consistently identify service and replacement, the Company's segments, as growing faster than new construction.

Demand drivers

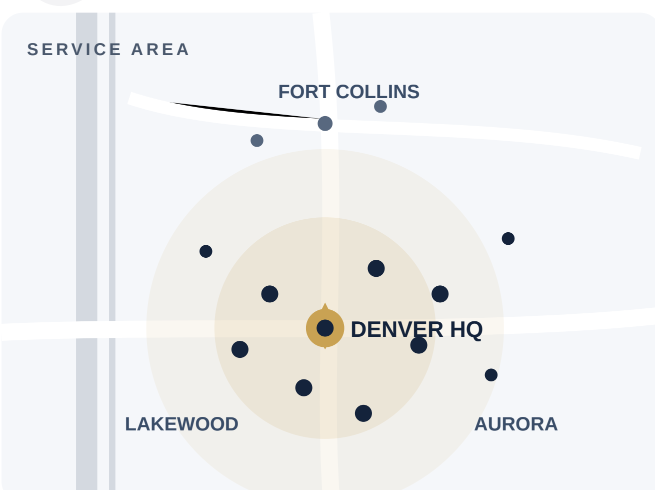
Installed-base aging
Units from the 1995–2010 construction boom are beyond design life; replacement is need-based, not discretionary.

Refrigerant transition
Phase-down of legacy refrigerants raises repair costs on older units, tilting repair-vs-replace economics toward replacement.

Codes & incentives
Energy benchmarking ordinances and utility rebates fund retrofits; building owners increasingly need a contractor who can navigate programs.

Labor scarcity
Technician shortages constrain industry capacity, protect pricing, and reward employers who can recruit and retain, a structural advantage for the Company.

Why service beats construction exposure



Service and replacement demand is driven by the installed base, weather, and equipment age rather than development cycles. In the 2020 disruption, the Company's revenue declined less than 4% and recovered within two quarters, while regional plan-and-spec mechanical firms saw double-digit backlog contraction.

The service footprint covers the Denver metro with route-dense clusters in the central, southeast, and west corridors; Northern Colorado is served opportunistically today and is the first expansion target.

VII. COMPETITIVE POSITIONING

The defensible middle of the market

Competition falls into three tiers. National mechanical contractors pursue large projects and national accounts but are structurally uncompetitive on response time for mid-market service. PE-backed consolidators are active acquirers but thin on the ground in the Front Range service segment. The long tail of owner-operator shops competes on price but cannot offer 24/7 coverage, portfolio reporting, or bench depth.

Positioning map

Capability	Summit Peak	National mech.	Consolidators	Owner-operators
4-hour emergency response	✓	Limited	Varies	Rare
Portfolio/multi-site reporting	✓	✓	Varies	—
Dedicated agreement program	✓	Select	✓	Informal
In-house sheet metal	✓	✓	Varies	—
Local decision-making	✓	—	Varies	✓

Win/loss reality

The Company tracks quoted-work outcomes in its FSM platform: FY2025 close rate was 58% on service quotes and 44% on replacement proposals, with price cited in fewer than a third of losses. Most agreement losses trace to buildings changing ownership rather than competitive displacement.

58%
FY2025 close rate on quoted service work

44%
Close rate on replacement proposals

<1/3
Of losses cite price as the deciding factor

THE PRACTICAL MOAT

In commercial service, the moat is a retained technician bench plus first-call relationships. Both take years to build, and both transfer with this business.

VIII. OPERATIONS

Systematized field execution

Operations are built for density and accountability. Service territories are routed around agreement clusters; technicians are assigned to recurring customers; and every work order carries photos, condition notes, and recommended actions logged in the FSM platform at the point of work.

A day in the system

Workflow	Practice
Dispatch	Two dispatchers; agreement customers guaranteed 4-hour emergency response
Quoting	Standardized templates; margin floors; same-day quotes on 80% of service work
Job costing	Real-time labor and material capture; weekly margin review by ops manager
Billing & collections	Invoicing on completion; DSO of 34 days; agreement billings quarterly in advance
Safety & compliance	Weekly toolbox talks; EMR of 0.84; OSHA logs clean for five years

FOUR-HOUR EMERGENCY RESPONSE, 24/7, FOR AGREEMENT CUSTOMERS

CONDITION DATA LOGGED IN THE FSM PLATFORM AT THE POINT OF WORK

Quality & training pipeline

Two lead technicians run a structured apprentice pathway that has produced nine of the current field staff. The Company pays for NATE certification and refrigerant credentials, and its indentured-apprentice relationships with two trade schools provide a recruiting advantage most competitors lack.

IX. FACILITIES, FLEET & SYSTEMS

Capacity in place for the next leg of growth

12,000
SQ FT FACILITY

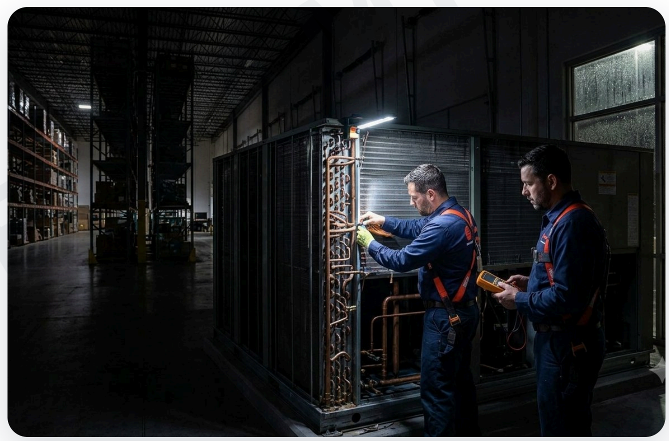
24
VEHICLES OWNED

3.8 yrs
AVG FLEET AGE

2020
FSM PLATFORM SINCE

34 days
DSO

12,000 SQ FT SHOP, OFFICE, AND FABRICATION FACILITY WITH OWNED FLEET



IN-HOUSE SHEET-METAL AND COIL WORK IN THE FABRICATION SHOP

Facility & fleet

The Company operates from a 12,000 sq ft leased facility with offices, warehouse, and a sheet-metal fabrication shop, located with efficient access to the metro highway network. The lease runs four more years with a five-year renewal option at market escalators; the landlord is unrelated to ownership and has consented in principle to assignment. Utilization supports roughly 40% headcount growth before expansion is needed. The fleet of 24 wrapped service vans and install trucks is owned outright, averages 3.8 years of age, and is rotated on a documented schedule within the ~2.1% of revenue maintenance-capex envelope.

Systems

Cloud FSM platform (dispatch through invoicing), QuickBooks accounting reconciled monthly, cloud document management, and GPS fleet telematics. Customer equipment records, including model, serial, age, refrigerant, and photo history, are an underappreciated data asset: they constitute a forward replacement-demand calendar for the entire agreement base.

X. ORGANIZATION & MANAGEMENT

A bench built for succession

The organization is deliberately deeper than a company of this size requires, reflecting the founder's succession planning since 2022.

Role	Tenure	Responsibilities
Founder / Owner	17 yrs	Key relationships, strategy, banking; no daily field role since 2021
Operations Manager	11 yrs	Full P&L for field operations; GM-ready; expected to remain
Service Manager	8 yrs	Technician scheduling, quality, escalations
Install Manager	7 yrs	Project crews, fabrication, backlog delivery
Office Manager	9 yrs	Billing, agreement administration, HR support
Account Reps (2)	4–6 yrs	Agreement sales and renewals, portfolio expansion

43
Employees, deliberately deeper than a firm this size requires

<10%
Voluntary technician turnover in each of the last three years

6.2 yrs
Average field technician tenure; nine grown via apprenticeship

Human capital

Headcount of 43 includes 28 field technicians with 6.2 years average tenure and voluntary technician turnover under 10% in each of the last three years. Compensation is at or above market with production incentives for technicians and commissions for account reps; benefits include health, 401(k) match, and paid certifications. Two family members work in the business in genuine operating roles at market wages; neither is expected to depart at close.

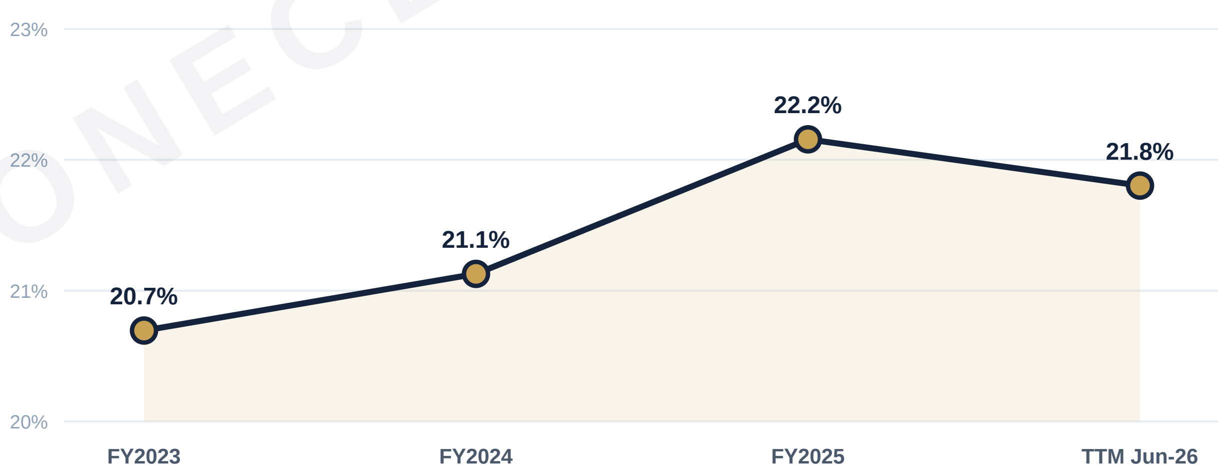
TRANSITION PLAN

The founder will support a 6–12 month transition and introduce all key relationships personally. The operations manager has signaled interest in expanded responsibility, and a retention framework for key staff can be structured with the buyer during diligence.

XI. FINANCIAL OVERVIEW

Summary results, FY2023–TTM

US$000s	FY2023	FY2024	FY2025	TTM Jun-26
Revenue	**5,842**	**6,617**	**7,438**	**7,912**
Growth %	–	13.3%	12.4%	6.4%
Gross profit	2,460	2,845	3,288	3,529
Margin %	42.1%	43.0%	44.2%	44.6%
Reported EBITDA	1,022	1,195	1,382	1,489
Adjustments	187	203	266	236
Adjusted EBITDA	**1,209**	**1,398**	**1,648**	**1,725**
Margin %	20.7%	21.1%	22.2%	21.8%



ADJUSTED EBITDA MARGIN TREND

Revenue has compounded at 12.8% annually since FY2023 with growth in every service line, led by agreements and replacement. Margin expansion of roughly 200 basis points reflects route density, standardized pricing with enforced floors, and richer service mix, each of which is evidenced at job level in the FSM platform rather than asserted.

Adjustments normalize owner compensation to a market GM salary and remove documented non-recurring and discretionary items. The accompanying Recast Financial Statements present the complete schedule with per-item documentation, the SDE bridge, and methodology.

XI. FINANCIAL OVERVIEW (CONT.)

Detailed operating statement

US$000s	FY2023	FY2024	FY2025	TTM Jun-26
Service & maintenance agreements	2,110	2,448	2,826	3,006
Repair & replacement	2,571	2,911	3,273	3,481
New installation & retrofit	1,161	1,258	1,339	1,425
Total revenue	**5,842**	**6,617**	**7,438**	**7,912**
Direct labor & burden	1,857	2,065	2,264	2,391
Equipment & materials	1,216	1,364	1,509	1,594
Subcontract, permits & other	309	343	377	398
Total cost of goods sold	**3,382**	**3,772**	**4,150**	**4,383**
Gross profit	**2,460**	**2,845**	**3,288**	**3,529**
Office wages & benefits	652	742	838	895
Facilities & utilities	168	176	189	196
Vehicles, fuel & insurance	287	322	372	401
Sales, marketing & other G&A	331	410	507	548
Total operating expenses	**1,438**	**1,650**	**1,906**	**2,040**
Reported EBITDA	**1,022**	**1,195**	**1,382**	**1,489**

Presented on the accrual basis per the Company's books; excludes depreciation and amortization (memo: FY2025 D&A of $178K). Direct labor includes payroll burden and production incentives. Figures may not foot due to rounding.

Revenue quality notes

Agreement revenue is recognized ratably with billing quarterly in advance; deferred revenue was $612K at June 30, 2026. Replacement and install revenue is recognized on completion for jobs under 30 days and percentage-of-completion for larger retrofits; open WIP at TTM date was $214K, detailed in the data room.

XI. FINANCIAL OVERVIEW (CONT.)

Working capital, capex, and cash conversion

Working capital

Net working capital is modest and seasonal within a $250–$400K band. Receivables run at 34 days DSO with credit loss under 0.3% of revenue across the recast period; inventory is limited to truck stock and staged equipment (~$180K); and advance agreement billings provide a structural float that funds the spring and fall maintenance ramps.

Capital expenditure

US$000s	FY2023	FY2024	FY2025	TTM Jun-26
Fleet rotation	96	121	108	102
Shop & diagnostic equipment	27	34	31	29
IT & other	13	17	19	18
Total capex	**136**	**172**	**158**	**149**

Cash conversion

Adjusted EBITDA less maintenance capex has averaged 90% conversion before tax across the period, reflecting the owned fleet, leased facility, and absence of heavy project working capital. There is no funded debt, no capitalized leases beyond the facility, and no off-balance-sheet obligations.

34 days
DSO with credit losses under 0.3% of revenue

~2.1%
Of revenue in maintenance capex, principally fleet rotation

90%
Pre-tax conversion of Adjusted EBITDA less maintenance capex

LENDER VIEW

On TTM figures, a transaction financed with typical SBA 7(a) leverage would carry debt-service coverage comfortably above customary underwriting thresholds on either an Adjusted EBITDA or SDE basis; a lender-ready package is maintained in the data room.

XII. GROWTH OPPORTUNITIES

Levers one through four

Summit Peak's results reflect focus, not saturation. Six levers have been tested at pilot scale and deliberately left for the next owner to fund; none contributes materially to current earnings, and no credit for any of them is embedded in the financial presentation.

$180K
Annual revenue from legacy-agreement repricing at full margin

60%
Controls-monitoring attach rate achieved in 2025 pilots

12 mos
Modeled breakeven for a Northern Colorado satellite

1. Northern Colorado satellite

Fort Collins/Greeley corridor served opportunistically at 4% of revenue with zero local presence. A two-truck satellite with one dispatcher is modeled to reach agreement-base breakeven within 12 months on existing demand alone.

2. Controls & monitoring attach

9% of agreement customers take building-controls monitoring today. 2025 pilots achieved 60% attach on new agreements at 70%+ incremental margin, with third-party hardware and no added headcount.

3. Commercial plumbing cross-sell

Customers request plumbing weekly; the Company refers it away. Two licensed hires or a small tuck-in open a second trade across existing routes and relationships.

4. Legacy agreement repricing

Agreements written before 2022 renew 8–12% below current rate card. A two-year catch-up program at renewal, modeled in the data room, is worth roughly $180K of annual revenue at full margin.

Lever economics at a glance

Lever	Capital required	Time to impact	Evidence base
Legacy repricing	None	At each renewal	Rate-card gap analysis, all agreements
Controls attach	Minimal (hardware pass-through)	1–2 quarters	2025 pilot cohort, 60% attach
Northern Colorado satellite	~$220K (trucks, dispatcher)	12 months	Existing corridor demand, 4% of revenue
Plumbing cross-sell	Two hires or small tuck-in	2–3 quarters	Weekly inbound requests, referred away

XII. GROWTH OPPORTUNITIES (CONT.)

Levers five and six, and how to sequence them

5. Electrification & incentive retrofits

Utility and state programs fund heat-pump conversions and efficiency upgrades. The Company holds the certifications but has never marketed the capability; competitors are winning funded projects the Company is better qualified to deliver.

6. Tuck-in acquisition platform

The Front Range service market remains fragmented with a deep bench of retiring owner-operators. The Company's FSM platform, training pipeline, and facility capacity can absorb one to two small tuck-ins per year without incremental overhead, converting acquired demand-service books into agreement relationships.

Quarter 1–2
Legacy repricing at renewal; controls attach systematized

Quarter 3–4
Northern Colorado satellite; first plumbing hires

Year 2
First tuck-in acquisition absorbed on existing systems

Throughout
Incentive-funded retrofit marketing across the agreement base

Sequencing for a new owner

Management's view of the highest-return sequence: (i) legacy repricing at renewal, immediate and capital-light; (ii) controls attach on new agreements, systematized within two quarters; (iii) Northern Colorado satellite in year one; (iv) plumbing and tuck-ins as integration capacity allows. The operations manager has been involved in each pilot and can execute this sequence under new ownership.

UNDERWRITING POSTURE

Buyers should treat these levers as documented options, not promises: each is supported by pilot data and models in the data room, and none is reflected in the recast earnings a buyer is asked to pay for.

XIII. TRANSACTION CONSIDERATIONS

Structure, terms, and priorities

Proposed transaction

The founder seeks a sale of 100% of the Company. He is open to asset or equity structures and to reasonable seller-financing or earnout components as part of a competitive proposal, and will evaluate offers on total value, certainty of close, and fit for the team. He will support a 6–12 month transition with consulting availability thereafter by agreement.

100%
Of the Company offered; asset or equity structures considered

6–12 mos
Founder transition, with consulting availability thereafter

Q1 2027
Target close, with lender workstreams coordinated by the Advisor

Considerations for buyers

Topic	Position
Licenses	Qualifying individual on staff post-close; owner will maintain license through transition
Facility lease	4 years + 5-year option; landlord consent to assignment indicated in principle
Key employees	Retention framework to be structured with buyer; ops manager expected to remain
Working capital	Delivered at normalized level per an agreed peg; seasonality documented monthly
Financing	Profile fits SBA 7(a) and conventional structures; lender-ready file maintained
Diligence	Indexed data room; QoE-ready recast; site visits after LOI

WHAT THE FOUNDER CARES ABOUT

Beyond value: continuity for a team many of whom he trained personally, and a buyer who will fund the growth levers his own risk appetite left on the table. Proposals that speak to both will be received differently than those that do not.

XIV. PROCESS & CONTACT

How to engage

Step	Detail	Timing
1. CIM review & Q&A	Written questions via the Advisor; recast package and data room index provided	Now
2. Management session	Video meeting with founder and operations manager	Rolling
3. Indications of interest	Value, structure, financing plan, diligence timeline	Early Q4 2026
4. LOI & exclusivity	Full data room, customers unmasked, site visit, QoE	Q4 2026
5. Definitive agreements & close	Advisor coordinates lender, counsel, and landlord workstreams	Target Q1 2027

Financial

Tax returns, monthly statements, documented recast package

Commercial

Agreement registers, cohort analyses, masked top-25 profiles

Operational

Asset and fleet registers, SOPs, HR summaries, loss runs

Growth

Pilot data and models for all six growth levers

Data room

A fully indexed data room accompanies this Memorandum: corporate records, three years of tax returns and monthly financials, the documented recast package, agreement registers, customer cohort analyses, asset and fleet registers, HR summaries, insurance loss runs, and the growth-lever models referenced herein.

Contact

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engagements@sterlingridge-example.com · (303) 555-0148 · Reference: Project Summit

Sterling Ridge Business Advisors
MERGERS & ACQUISITIONS · DENVER, COLORADO

RECAST FINANCIAL STATEMENTS

Summit Peak Mechanical

Commercial HVAC & Mechanical Services · Denver, Colorado

Normalized earnings presentation with fully documented adjustment schedules · FY2023–TTM June 2026

$7.9M	$1.7M	612	93%
TTM REVENUE	TTM ADJ. EBITDA	SERVICE AGREEMENTS	RETENTION

STRICTLY PRIVATE & CONFIDENTIAL — NOT FOR DISTRIBUTION

July 2026

METHODOLOGY

Basis of preparation

This recast presentation restates the Company's reported results to reflect the earnings power available to a financial or strategic acquirer. It has been prepared from the Company's QuickBooks general ledger, filed federal income tax returns (2023–2025), payroll registers, and supporting invoices, each of which is available in the data room. The presentation follows customary market practice for lower-middle-market transactions and is reconciled line-by-line to the underlying books; it is not an audit, review, or attestation.

Approach

1. Start from reported EBITDA. Revenue and expenses are presented as recorded, on the accrual basis used in the Company's books, with no reclassifications other than those noted.

2. Normalize owner economics. Total owner compensation (W-2 wages, distributions treated as compensation, and owner-specific benefits) is replaced with a market salary for a general manager performing the same role, supported by industry compensation studies.

3. Remove non-recurring and discretionary items. Each item is individually documented in Schedule A with its source and the reason it is not expected to recur under new ownership. No "run-rate" or pro-forma revenue adjustments are included.

4. Present both Adjusted EBITDA and SDE. Adjusted EBITDA assumes a hired manager replaces the owner; SDE presents earnings to a single owner-operator. Both conventions are shown so lenders and buyers can apply their preferred basis.

Source documents reviewed

General ledger
QuickBooks GL, all periods, reconciled monthly

Tax returns
Filed federal returns, 2023–2025

Payroll registers
Full registers incl. owner W-2 detail

Bank statements
Deposit reconciliation within 0.4%

QUALITY OF THE NUMBERS

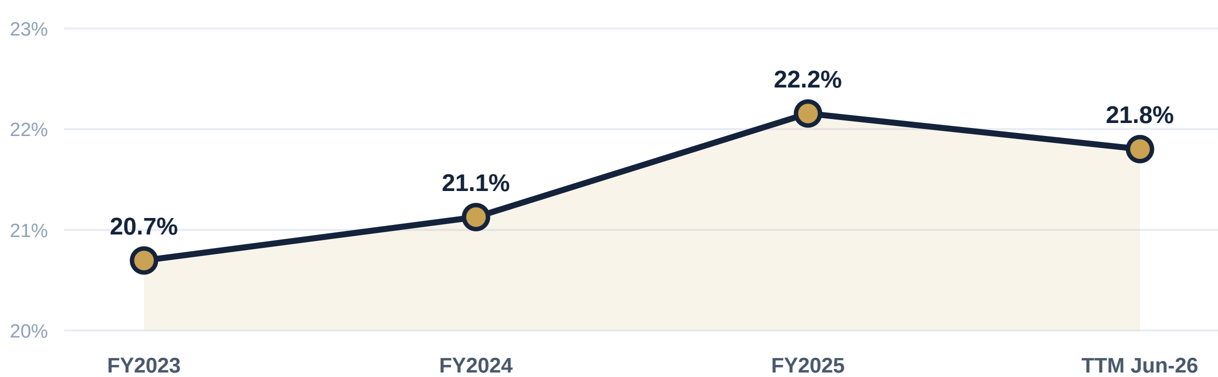
Bank deposits reconcile to recorded revenue within 0.4% across the recast period. Accounts receivable aging, work-in-progress, and deferred maintenance-agreement revenue schedules are maintained monthly and tie to the balance sheet without exception.

RECAST INCOME STATEMENT

Three fiscal years plus trailing twelve months

US$000s — FYE December 31	FY2023	FY2024	FY2025	TTM Jun-26
Revenue	**5,842**	**6,617**	**7,438**	**7,912**
Cost of goods sold	3,382	3,772	4,150	4,383
Gross profit	**2,460**	**2,845**	**3,288**	**3,529**
Gross margin %	42.1%	43.0%	44.2%	44.6%
Operating expenses (as reported)	1,438	1,650	1,906	2,040
Reported EBITDA	**1,022**	**1,195**	**1,382**	**1,489**
Reported margin %	17.5%	18.1%	18.6%	18.8%
Total adjustments (Schedule A)	187	203	266	236
Adjusted EBITDA	**1,209**	**1,398**	**1,648**	**1,725**
Adjusted margin %	20.7%	21.1%	22.2%	21.8%
Add: market owner-operator salary	165	165	165	165
Seller's Discretionary Earnings (SDE)	**1,374**	**1,563**	**1,813**	**1,890**
Memo: depreciation & amortization	*148*	*163*	*178*	*184*
Memo: maintenance capital expenditures	*136*	*172*	*158*	*149*

TTM period is the twelve months ended June 30, 2026. Figures may not foot due to rounding. Gross profit reflects direct labor, equipment, materials, subcontract, and permits; operating expenses exclude depreciation and amortization, shown as a memo item.



ADJUSTED EBITDA MARGIN TREND

SCHEDULE A

Adjustment detail and documentation

Adjustment	FY2023	FY2024	FY2025	TTM Jun-26	Documentation & basis
Owner compensation above market replacement	138	146	145	148	Owner W-2 and distributions of $310K vs. $165K market GM salary (BLS/industry comp studies)
Personal vehicles and related costs	17	18	18	19	Two family vehicles on company auto policy and fuel cards; not used in operations
Owner personal insurance premiums	20	21	21	22	Life and supplemental policies benefiting the owner personally
Non-recurring legal settlement	0	0	32	32	One-time subcontract dispute settled Mar-2025; no ongoing exposure (counsel letter available)
Non-recurring facility flood repair	0	0	36	0	Uninsured portion of Jul-2025 shop water damage; remediation complete
Discretionary donations and sponsorships	12	18	14	15	Youth sports and charitable sponsorships at owner discretion
Total adjustments	**187**	**203**	**266**	**236**	

Each adjustment is supported by source documents indexed in the data room (folder 02 — Financial Statements). Owner compensation normalization is presented net of the market replacement salary shown separately in the SDE bridge.

$266K
Total FY2025 adjustments — just 3.6% of revenue

6
Individually documented items; nothing bundled or estimated

0
Revenue normalizations, pro-forma credits, or synergy assumptions

What is deliberately *not* added back

Rent
Documented market rate under a lease with an unrelated landlord; no related-party adjustment claimed.

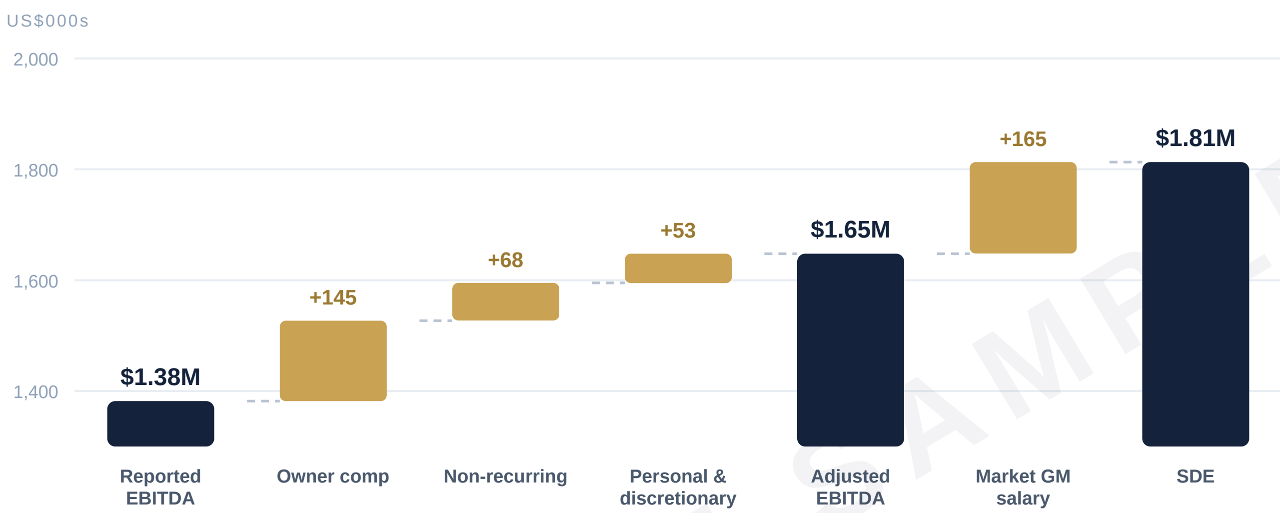
Family payroll
Both family members hold genuine operating roles at market wages and are expected to remain.

Operating costs
Marketing, vehicles, and technology that benefit operations stay in the numbers, even where discretionary.

Revenue
No pricing catch-ups, pipeline credits, or run-rate annualizations anywhere in this presentation.

EARNINGS BRIDGE

Reported EBITDA to Adjusted EBITDA to SDE



FY2025 EARNINGS BRIDGE (US$000S)

How buyers and lenders should read this

SBA or conventional lender

Underwrite debt-service coverage on Adjusted EBITDA if a manager will be hired, or SDE if the buyer operates day-to-day.

Financial buyer

Maintenance capex has averaged ~2.1% of revenue; working capital is seasonal within a $250–$400K band, detailed monthly in the data room.

Strategic acquirer

No synergies are assumed anywhere in this presentation; facility, insurance, and fleet consolidation would be incremental to the figures shown.

QoE providers

Every line traces to the GL, tax returns, or payroll records indexed in the data room, organized for a fast, restatement-free review.

PREPARED FOR DILIGENCE, NOT JUST MARKETING

Every number in this package traces to the general ledger, tax returns, or payroll records indexed in the data room. Buyers routinely engage their own quality-of-earnings provider; this presentation is organized so that a QoE review can be completed quickly and without restatement surprises.