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

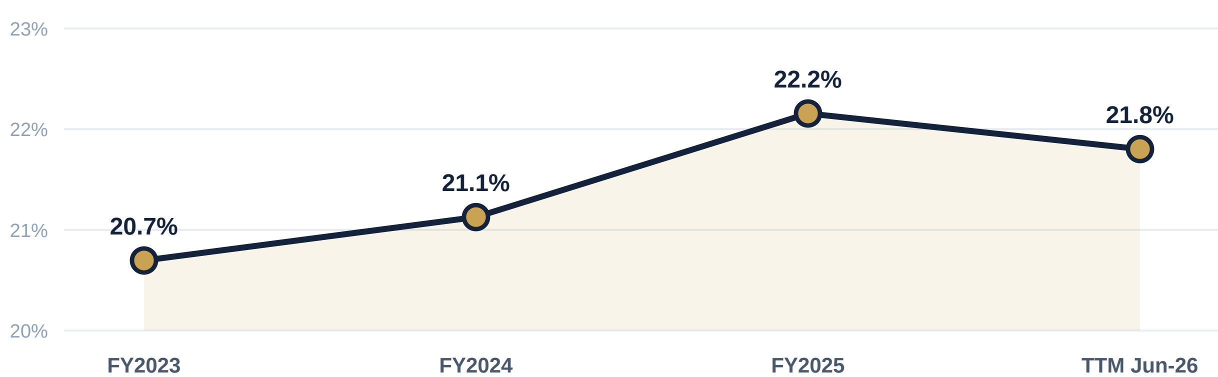
Bank deposits reconcile to recorded revenue within 0.4% across the recast period. Accounts receivable aging, work-in-progress, and deferred maintenance-agreement revenue schedules are maintained monthly and tie to the balance sheet without exception.

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.

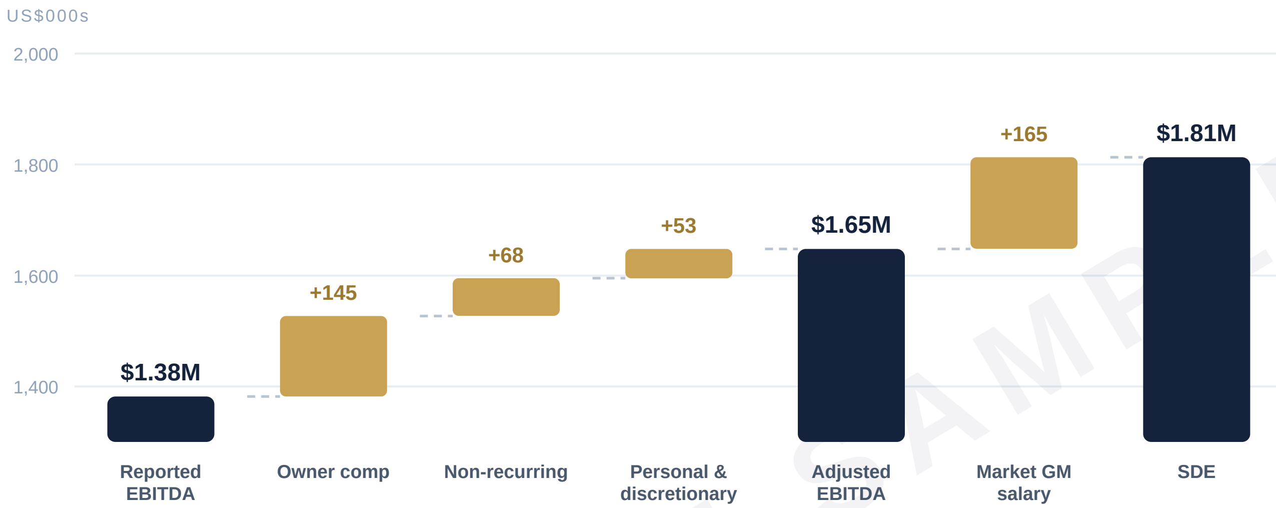
Family payroll
Both family members hold genuine operating roles at market wages and are expected to remain.

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.