Enterprise Value Improvement Assessment

Prepared for Elite Ledger Group - 2026

MACH-Ai

Note: Names of companies and individuals have been changed to protect privacy

<u>Enterprise Value Improvement Assessment</u>

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1. Our Understanding

1.1 Summary of the Elite Ledger Group’s business

Elite Ledger Group (ELG) is a premier, mid-sized CPA and business advisory firm headquartered in Blue Bell, Pennsylvania, with a 32-year history of serving the Greater Philadelphia and Delaware Valley regions. With a dedicated team of 58 full-time employees—including 13 partners, 32 tax & audit specialists, and 13 administrative and operations staff, the firm has carved out a high-touch market niche serving the construction and real estate development sectors. ELG is recognized for its "relationship-first" approach, providing sophisticated services such as multi-state tax nexus management, fractional CFO advisory for mid-market businesses, and specialized auditing for construction clients. This expertise was recently underscored by their selection as the lead advisor for Keystone Regional Development Corp, a major client with a $450 million active project portfolio.

1.2 Client’s Objectives

Despite its prestigious client list and an annual revenue of approximately $14MM, ELG currently faces a significant scalability bottleneck due to a highly manual and reactive service model. The firm’s "human engine" is operating at maximum capacity, with junior partners spending **40%** of their time on basic manual reconciliations rather than business development. To address these operational constraints and maximize Enterprise Value (EV) for a 5-year exit strategy, ELG has engaged **Mach-AI** to architect a transition from a people-dependent shop into a technology-enabled scalable platform. This transformation is centered on three core objectives: implementing **AI-driven automation** to increase client capacity by **15%** without expanding headcount, utilizing **bespoke machine learning models** to identify the “DNA” of investments that drive the highest contribution to EV growth, and applying **strategic portfolio management** to eliminate redundant processes and reduce Operating Expenses (OpEx). By solving these capacity and efficiency issues, ELG intends to best position itself as a premium platform for acquisition by Private Equity or a national roll-up.

1.3 Brief Summary of M&A Trends for the CPA and Business Advisory Sector

In the 2026 M&A landscape, the valuation of CPA and business advisory firms has moved beyond traditional revenue-based metrics toward a "Premium Platform" model. As private equity capital floods the mid-market, acquirers are aggressively prioritizing firms that have successfully decoupled revenue growth from headcount through technological integration. This shift is characterized by four dominant trends:

- **Shift to EBITDA-Based Multiples:** Valuations have transitioned from traditional revenue multiples (0.8x to 1.1x) to EBITDA multiples (5x to 7x+) for firms that operate as scalable platforms rather than labor-intensive practices.
- **AI as a "Capacity Elasticity" Driver:** Investors are placing a premium on "AI-First" firms that demonstrate the ability to increase client volume by 20 to 30% without expanding headcount, viewing automation as the primary solution to the industry’s talent shortage.
- **The "Hub-and-Spoke" Roll-up Strategy:** Private Equity firms are seeking "Hub" platforms with deep sector niches, such as construction and real estate, to serve as the foundational technology stack into which smaller, less efficient "spoke" firms are integrated.
- **Margin-Focused Due Diligence:** Acquisition scrutiny has intensified around OpEx efficiency; buyers are discounting firms with high administrative overhead and rewarding those that use strategic portfolio management to eliminate redundant processes.

2. Executive Summary

By using AI Transformation, machine learning, and strategic portfolio management, ELG can decouple revenue from headcount, improve ROI of its investments, and eliminate redundant spending to achieve **up to 31.6% increase** to Enterprise Value.

Impact Area 1: AI Transformation	Impact Area 2: Enterprise Value Growth "DNA"	Impact Area 3: Redundancies and Efficiencies
+19.1% to 31.6% in EV Growth	**+12.0% to 19.5%** in EV Growth	**+5.0% to 26.2%** in EV Growth

2.1 AI Transformation

The Problem: The "Human API" Trap: The firm is currently stalled by "Circular Labor," where staff spend **19.6%** of their time acting as manual bridges between disconnected systems like Procore (software for construction clients) and CCH, representing **$574K** in unnecessary expense. This "Human API" dependency has pushed utilization to a breaking point of **103%**, causing massive margin erosion that puts the firm in a cohort group with mediocre **3.5x to 4.0x** EBITDA multiples.

The Solution: Orchestrated AI & "Firm Brain": Deploy Autonomous AI Agents to serve as digital middleware, automating line-by-line data normalization and cross-platform syncing. Simultaneously, a RAG-enabled "Firm Brain" will centralize fragmented intellectual property, allowing the staff to instantly query and synthesize past research. This automation would free up new capacity for the staff to invest in revenue-generating activities.

The Impact: +19.1% to 31.6% EV Growth: By deploying these AI Agents and the "Firm Brain" to high-friction accounts like Keystone, ELG can systematically decouple its revenue growth from manual headcount. This automation reduces the **19.6%** of time currently lost to "Circular Labor" and eliminates **$574K** in redundant expenses, directly expanding margins. By proving it can scale without adding staff, ELG will transform from a labor-dependent practice to a high-multiple technology platform, justifying its boost in Enterprise Value.

2.2 Machine Learning for Enterprise Value Growth

Mapping the "DNA" of Success: Our Machine Learning model decodes the hidden patterns in project and activity logs to identify the specific characteristics (e.g., client type, complexity, and tasks) that define a "home run." By clustering these digital signatures, ELG can distinguish between high-value "Accelerants" and the negative outliers that consistently drain resources.

Predictive Financial Layering: By overlaying historical profits and realization rates, the model acts as an automated business analyst that evaluates engagements like the Keystone account to flag projects and activities that are are "Value-Destroyers" before they start, ensuring ELG proactively steers its staff toward high-margin and technology-enabled work that improves valuation.

The Impact: +12.0% to 19.5% EV Growth: Back-testing against historical data confirms the model is a highly accurate predictor of financial success, allowing the assignment of a "Value Alignment Score" to every current project, identifying exactly where to intervene to flip margin-eroding tasks into net contributors**.**

2.3 Redundancies & Efficiencies

The "Groundhog Day" Workflow: Our Machine Learning model has also identified large clusters of work that are 80% to 90% identical in logic but are being managed as unique, "first-time" events. This "Bespoke Trap" forces ELG to pay for the same research and engineering costs repeatedly, effectively subsidizing the re-learning of its own business on every client engagement.

Logic Divergence & Knowledge Decay: Analysis reveals different teams are solving the same regulatory hurdles with inconsistent manual methods, creating hidden risk. Furthermore, when high-performers leave, their "Process DNA" vanishes because the firm has not built reusable modules, forcing new hires to start from zero.

The Impact: +5.0% to 26.2% EV Growth: By transforming one-off fixes into universal modules—like the data normalization logic built for Keystone, ELG can create massive operating leverage. Applying a "Build Once" logic to just a minority (23%) of its Q4 initiatives would allow the firm to onboard future clients at near-zero marginal cost, shifting the firm toward a high-multiple technology platform and justifying valuation increase.

3. Summary of Documents Received for Diagnostic Assessment

We have received documents for 5 of 5 categories. The average quality score for these documents is **4.2 / 5.0**. See below for our evaluation of their quality in helping to generate this diagnostic assessment.

Our assessment is based strictly on the quality of the documents provided. We work with clients to identify key documentation and to improve their quality, which will directly improve the precision and impact of our strategic recommendations.

Document Type	Received	Quality Evaluation
Financials	● High-level Financials (revenue, costs, margins by business line) ● 5-year Historical Financials	While the financial spreadsheets provide essential data on the firm's "profitability squeeze," they are primarily raw exports that lack depth. **Overall Quality Score: 3.5 / 5**
Project Management Data	● Project List Excel ● Management's notes on project management data	The Project Management and Q4 Projects datasets provide a necessary audit of firm inefficiencies but suffer from brief entries. Additional granular details will improve their utility for identifying transformation and cost-savings opportunities. **Overall Quality Score: 3.0 / 5.0**
Customer Relationship Management	● Client Summary List ● Client: Keystone ● Client: Liberty Precision Machining ● Client: Main Line Orthodontics ● Client: Riverview	These CRM summaries are exceptionally high-quality professional documents that successfully translate complex operational "value leaks" into a compelling financial narrative for an exit strategy. **Overall Quality Score: 4.8 / 5.0**

	Development ● Client: Vance Medical ● Management's notes on client onboarding	
HR Data	● HR File ● Capacity & Utilization ● Management's notes on Cap & Utilization	The capacity and HR datasets are raw, granular files that provide essential detail. **Overall Quality Score: 4.9 / 5.0**
Strategy Planning	● Senior Partner's meeting agenda (Q4-2025) ● Management's notes on "Client Mix" risk ● Management's notes on service lines	The Senior Partner Meeting Agenda is a high-quality strategic roadmap that connects operational "capacity walls" and "fixed-fee traps" to a 5-year valuation exit. **Overall Quality Score: 4.7 / 5.0**

See next page for details on recommendations on growth strategies

4. AI Transformation Opportunities

ELG is losing **$574K annually** to "process waste," representing **19.6%** of the staff's **103% total utilization** due to "Human API" data stitching. This **19.6%** "efficiency tax" is a direct drag on EBITDA and the primary barrier to a premium exit valuation.

4.1 Problem - The "Human API": The firm is currently operating in a state of "Circular Labor," where a significant portion of the staff's **96,000+** annual hours is dedicated to non-value-generating activity. Onboarding a single major account like Keystone Regional requires over **1,200 manual hours** just for initial data cleanup and cost segregation. Because systems like Procore (for client Keystone) and CCH Engagement do not communicate, staff members spend roughly **30% more time** than estimated on projects, manually re-coding ledgers and "stitching" bank balances. This inefficiency has pushed firm-wide utilization to **103%**, with Staff Accountants and Senior Managers bearing the brunt at **113%** and **107%**, respectively.

This "Human API" dependency creates a severe margin erosion effect. High-value talent, including Senior Managers and even Partners, are frequently pulled into "Emergency Data Cleanup" and clerical tasks, such as manually reconciling bank statements or pulling old tax returns, work that should be automated or handled by junior staff. For example, during peak deadlines, **32 staff members** may spend **12 hours each** on "Brute Force" manual data entry, with approximately **20%** of that time wasted on physical scanning and waiting for "wet signatures". By failing to decouple headcount from revenue, the firm remains trapped in a linear growth model that keeps its valuation at an industry-mediocre **3.5x to 4.0x** EBITDA multiple instead of the **5.0x to 7.0x+** technology-enabled premium it seeks.

4.2 Recommended Solution - Orchestrated AI Agents and RAG-Enabled Conversational AI: To resolve the "Human API" and circular labor challenges, the firm must transition from manual data "stitching" to an integrated **Conversational AI framework powered by autonomous AI Agents**. By deploying agents configured with API-level access to disparate systems like Procore, QuickBooks, and CCH Engagement, the firm can automate line-by-line invoice normalization and bank reconciliation. These agents act as digital "middleware," performing real-time data validation and cross-platform synchronization. Through a Large Language Model (LLM) interface, staff can simply prompt the system to "Reconcile Keystone's Q4 subcontractors," triggering a workflow that eliminates the need for manual data movement between unlinked client portals and internal workbooks.

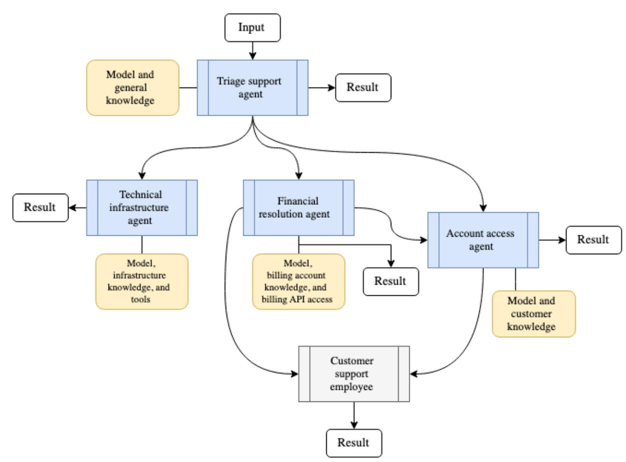

Figure 1: Sample AI Agent Workflow

Parallel to this, the implementation of **Retrieval-Augmented Generation (RAG)** is required to centralize the firm's fragmented intellectual property into a searchable "Firm Brain." This Conversational AI interface allows Senior Managers to instantly query the firm's entire history of multi-state nexus research or R&D tax studies, preventing the **$574K** in annual waste caused by redundant manual research. Instead of wasting billable hours searching unindexed folders, staff interact with the LLM to synthesize previously completed intelligence into new drafts. This solution directly addresses the "Capacity Wall" by decoupling revenue growth from headcount, finally enabling the firm to move from low-value clerical work to high-margin strategic advisory.

Based on the Q4-2025 Projects List, the following high-impact projects would be immediately transformed by the proposed AI solutions:

Project Item	Problem (The "Friction")	AI Transformation Solution
#1: Invoice Normalization	Cassie Smith is manually validating 145 subcontractor payments due to legacy OCR failures and a lack of API access to the client's portal. This "print-to-PDF-to-manual-entry" workflow wastes 7.5 hours on clerical data movement.	**AI Agents** with "Computer Vision" can automate data extraction and normalization. These agents sync line-items directly from the portal to the master workbook, reducing the task to a 30-second automated audit.
#4: Nexus Research	Jessica Wu spent 6 billable hours searching state portals for tax reciprocity data that was already researched by a teammate in July. Intellectual property is currently trapped in unindexed folders.	**RAG-Enabled Conversational AI** creates a "Firm Brain" that indexes all past research. Staff use an LLM to instantly retrieve and synthesize existing data, preventing the firm from "re-building" the same research.
#99: Cash Flash Report	Mark Stevens acts as a "Human Data Aggregator," spending 4 hours manually "stitching" bank balances because a software connection timed out. High-value talent is being used to fix broken IT integrations.	**AI Agents** act as digital middleware that autonomously logs into banking portals to aggregate balances even when standard APIs fail. This ensures real-time reporting and restores Mark's time to high-level analysis.
#14: Memo Drafting	Marcus Webb is drafting a Technical Memo from scratch, unaware that the Advisory team already produced a 90% identical document. This results in duplicate effort and inconsistent client deliverables.	**Conversational AI** uses an LLM to cross-reference the firm's library and suggest relevant internal IP. Marcus can then prompt the LLM to "Draft a localized version," ensuring consistency and drastically reducing drafting time.

4.3 AI Transformation: Enterprise Value Improvement Opportunity

Connect with one of our partners to start capturing the below improvements

Metric	Current State	Target State	Change	Strategic Driver
Revenue	$14MM	$15.3M	+9.8%	Reduction of Human API work from 19.6% to 5% of work-time to increase capacity for additional client accounts.
Valuation: Revenue Multiple	$14MM to $17.4MM (1.00X to 1.25X)	$17.6MM to $21.4MM (1.15X to 1.40X)	+23.0% to +26.3%	Valuation multiple increase due to "AI-Enabled" premium. Target a **5.0x to 7.0x+** EBITDA multiple by implementing a series of AI Transformations.
EBITDA	$6MM	$7.4M	+22.8%	Revenue increase and elimination of Human API cost of $574K or 14K hours.
Valuation: EBITDA Multiple	$21MM to $24MM (3.50X to 4.00X)	$27.6MM to $31.3MM (3.75X to 4.25X)	+30.5% to +31.6%	Valuation multiple increase due to "AI-Enabled" premium. Target a **5.0x to 7.0x+** EBITDA multiple by implementing a series of AI Transformations.
Discounted Cash Flow + Terminal Value	$23.2MM to $27.6MM	$27.7MM to $32.9MM	+19.1% to +19.3%	Combined impact of increased revenue, higher revenue growth, reduced risk (cost of capital), and long-term growth exceeding industry (terminal growth rate).

5. The "DNA" of Enterprise Value Growth

Our AI "Value Finder" uses machine learning to decode the hidden patterns in ELG's project logs, identifying which specific work characteristics consistently drive enterprise value and which ones are silent "Value Destroyers."

5.1 The "Value Finder" Model - Mapping the "DNA" of a Successful Project: To get a clear picture of what truly drives our firm's value, we use a machine learning model to "read" every project description and convert them into a digital signature. Think of this like a high-tech library system where the AI doesn't just look at titles, but understands the actual nature of the work, its complexity, the client type, and the specific tasks involved. By grouping these digital signatures together, the model reveals hidden "clusters" or patterns. This makes visible, for the first time, exactly which types of projects and activities are most similar to ELG's historical "home runs" and which ones are outliers that consistently drain resources.

Once these patterns are identified, we layer in ELG's financial data (i.e., profits, costs, and realization rate) to determine the "DNA" of a successful project or activity. The model acts as a predictive filter that can inspect the projects and activities for clients like the Keystone account and immediately flag which contain the characteristics of a "Value-Accelerant" or a "Value-Destroyer." By understanding these drivers, the Machine Learning model enables ELG to stop guessing which work is profitable and start proactively steering the firm toward the high-margin, technology-enabled actions that would bridge the gap between current and goal valuation by securing a **+12% to 19.5%** boost in total Enterprise Value.

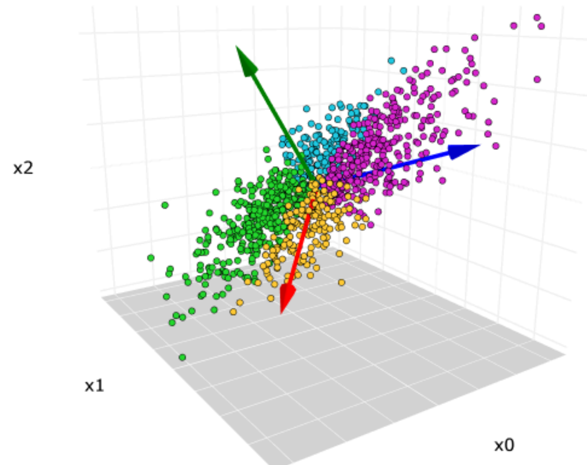

Figure 2: Elite Ledger Group's EV Drivers

5.2 Evaluating Existing Projects using the "Value Finder" Model: We have stress-tested this model by applying it to ELG's historical project data, generating a "Value Alignment Score" for every past client engagement and comparing it against actual financial realization. This back-testing has validated the model as a highly accurate predictor of success, proving that the "DNA" of a project or activity is a leading indicator of its eventual profitability. Through this process, we have successfully identified "Outsized Contributors", defined as high-value activities that significantly boost enterprise value, as well as the "Silent Detractors" that erode margins. Most importantly, because the model understands the specific variables that drive these outcomes, it doesn't just diagnose problems; it allows targeted intervention strategies. We can now look at "Value-Destroying" projects and activities and determine exactly which adjustments, such as deploying an AI Agent for data entry or using RAG to eliminate redundant research, will flip that project into a net contributor to the firm's growth and valuation.

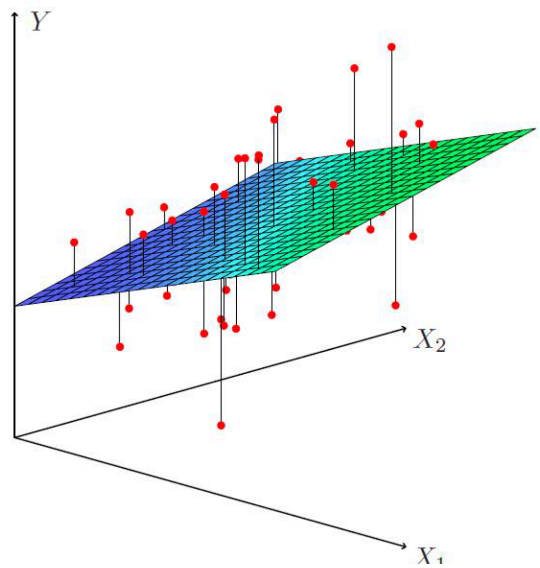

Figure 3: Projects Performance
Each dot represents over- or under-performance

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Based on the Q4-2025 Projects List, projects and activities can be categorized into three broad buckets below, based on their contribution to EV growth. The majority of are in the “low” category, indicating ample headroom to improve Enterprise Value.

Enterprise Value Growth Cluster	Number of Projects and Activities	Top Projects EV Growth Score (0-100)	EV Improvement Potential
High	8	**#10: Automated Distribution Run (79)** **#71: Gift Tax Strategy Sessions (77)**	-
Moderate	25	**#1: Invoice Normalization (57)** **#15: Social Media Scheduling (44)**	13 from Moderate Cluster to move into High: **+4.7% to 8.5% improvement to EV**
Low	67	**#4: Nexus Research (25)** **#96: Cloud-to-Local Sync Verification (12)**	23 from Low Cluster to move into Moderate: **+7.3% to 11% improvement to EV**

5.3 “DNA” of EV Growth: Enterprise Value Improvement Opportunity

Connect with one of our partners to start capturing the below improvements

Metric	Current State	Target State	Change	Strategic Driver
Revenue	$14MM	$14.9MM	+6.6%	Reduction of work with low contribution to EV growth by 9.6% in order to reinvest into developing new client accounts.
Valuation: Revenue Multiple	$14MM to $17.4MM (1.00x to 1.25x)	$15.6MM to $20.1MM (1.05x to 1.35x)	+12.0% to +15.2%	Valuation multiple increase driven by premium for more streamlined operations and identification of headroom for further alignment of projects to EV growth.

EBITDA	$6MM	$6.6MM	+10%	Revenue increase and reduction of activities that detract from EV growth by 9.3K hours.
<u>Valuation:</u> EBITDA Multiple	$21MM to $24MM (3.50x to 4.00x)	$25.1MM to $28.6MM (3.60x to 4.10x)	+19.1% to +19.5%	Valuation multiple increase driven by premium for more streamlined operations and identification of headroom for further alignment of projects to EV growth. Target a **5.0x to 7.0x+** by implementing a series of efficiency transformations.
Discounted Cash Flow + Terminal Value	$23.2MM to $27.6MM	$26.4MM to $31.3MM	+13.5% to +13.6%	Combined impact of increased revenue, higher revenue growth, reduced risk (cost of capital), and long-term growth exceeding industry (terminal growth rate).

6. Redundancies & Efficiencies

This section shifts our focus to **Systemic Redundancy**, a primary destroyer of Enterprise Value. Redundancy inflates delivery costs and forces a linear staffing model that deters investors and buyers. By doing the same work twice, the firm falls into a "Fixed-Fee Trap" where profit margins are silently eroded by inefficiency.

<u>6.1 Redundancies:</u> When we mapped the project list into a semantic vector space, we expected to see a diverse "galaxy" of unique tasks. Instead, the Machine Learning model identified massive, dense **Project Clusters**, which are groups of work that are 80-90% identical in their underlying logic but are being billed, managed, and executed as completely separate, "first-time" events.

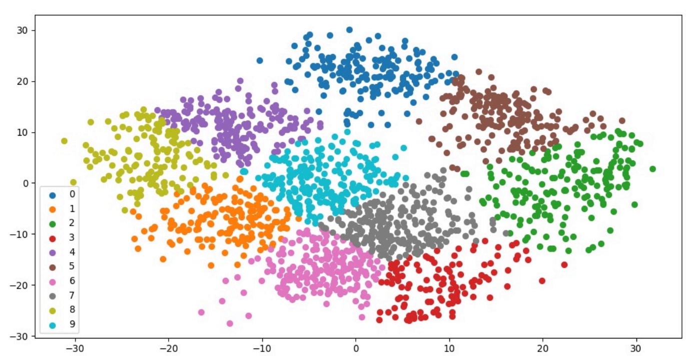

Figure 4: Clustering of Similar Projects (K-Means)

The model highlighted three specific "Value-Destroyers" derived from this structural redundancy:

- **The "Twin Project" Problem:** Our analysis shows that different teams such as Tax in Philadelphia and Audit in New Jersey are often solving the exact same problems using completely different manual methods. Because these teams are working in silos, they act like "strangers" instead of sharing a unified approach. This lack of consistency creates hidden costs and makes it impossible to apply a single, firm-wide solution.

- **The “Groundhog Day” Workflow:** We have identified massive clusters of work where the firm is paying for "first-time" research and setup costs over and over again. Projects that should be simple, "turnkey" operations are being treated as brand-new initiatives every time they start. Essentially, ELG is paying its staff to re-learn knowledge it already has.
- **The “Brain Drain” Problem:** Historical data shows that when a top performer leaves the firm, their specific expertise and "Process DNA" leave with them. Because these processes were never captured as reusable digital assets, the firm’s intellectual property literally walks out the door, forcing the next hire to start from zero and reinvent the wheel.

Clusters of similarity and example redundant projects:

Cluster Group	Number of Projects	Example Projects
“Twin Projects”	12	• **IT Support Conflict (Projects #2 & #3):** Internal IT (Greg Foster) and vendor (ManagedTech) are both managing VPN permissions and security patching. Because their work is not synchronized, the vendor's automated patches frequently override Greg's manual fixes, causing system lockouts for the Audit team and requiring 2-hour roll-backs.
“Groundhog Day”	29	• **Uncategorized Transaction Cleanup (Project #5):** Cassie Smith manually re-coded 200+ "Miscellaneous" bank wires because the ledger systems (QuickBooks vs. CCH Engagement) do not communicate. This is effectively "re-learning" the client's accounting history every month.
“Brain Drain”	25	• **Revenue Recognition Memo Duplication (Project #14):** Marcus drafted a technical memo on multi-year contracts in Dec 2026. However, Priya Sharma in the Advisory team completed such work the previous month before leaving the firm, but no SOP was created. This is a direct loss of "Process DNA".

6.2 Efficiencies: Once a process is optimized and automated such as the data normalization workflow ELG designed for the Keystone account, it should not stay confined to that one project. Our analysis shows that this same "Stitching" logic is applicable to 14 other accounts currently in the Q4 project list. By applying a universal "Build Once, Use Many Times" approach, ELG can create massive operating leverage. Every future client that fits this "DNA" can be onboarded instantly at near-zero marginal cost, drastically increasing the firm's attractiveness to M&A buyers.

Clusters of similarity and value of opportunities for consolidation:

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Cluster Group	Number of Initiatives	Hours and Cost		Consolidation % and Cost Savings	
“Twin Projects”	12	1,200	$91K	15%	$13.7K
"Groundhog Day"	29	23,000	$1.7MM	45%	$787K
“Brain Drain”	25	21,000	$1.6MM	35%	$559K
Total	**66**	**45,200**	**$3.4MM**	**40%**	**$1.4MM**

6.3 Redundancies & Efficiencies: Enterprise Value Improvement Opportunity

Connect with one of our partners to start capturing the below improvements

Metric	Current State	Target State	Change	Strategic Driver
Revenue	$14MM	$14MM	0%	We maintain the same revenue target, but solve for increased productivity and thus reduced Cost of Revenues and OpEx.
Valuation: Revenue Multiple	$14MM to $17.4MM (1.00x to 1.25x)	$14.6MM to $18.8MM (1.05x to 1.35x)	+5.0% to +8.0%	Valuation multiple increase driven by premium for more efficient use of resources due to consolidation of redundant work.
EBITDA	$6MM	$7.4MM	+22.7%	Reduction of redundant work equaling $1.4MM in Cost of Revenues and OpEx (or 18.5%) in the first year alone.
Valuation: EBITDA Multiple	$21MM to $24MM (3.50x to 4.00x)	$26.5MM to $30.2MM (3.60x to 4.10x)	+25.7% to +26.2%	Valuation multiple increase driven by premium for more efficient use of resources due to consolidation of redundant work. Target a **5.0x to 7.0x+** by implementing a series of efficiency transformations.
Discounted Cash Flow + Terminal Value	$23.2MM to $27.6MM	$27.0MM to 32.0MM	+16.0% to +16.3%	Combined impact of reduced Cost of Revenues and OpEx, higher free cash flow, and stronger growth prospect based on more light-weight operations.

7. Valuation and Improvement Opportunities

Note that EV Improvement across all opportunities groups are not mutually exclusive and should not be interpreted as additive.

	Revenue Multiple (1.0x - 1.25x)	EBITDA Multiple (3.5x - 4.0x)	DCF & Terminal Value
Estimated Current EV	**$14MM to $17.5MM**	**$21MM to $24MM**	**$23.2MM to $27.6MM**
Mach-AI Impact Total			
AI Transformation	**+$3.7MM to $4.0MM** *+23% to 26.3%*	**+$6.6MM to $7.3MM** *+30.5% to 31.6%*	**+$4.5MM to $5.3MM** *+19.1% to 19.3%*
"DNA" for EV Growth	**+$1.7MM to $2.6MM** *+12.0% to 15.2%*	**+$4.1MM to $4.6MM** *+19.1% to 19.5%*	**+$3.2MM to $3.7MM** *+13.5% to 13.6%*
Redundancies & Efficiencies	**+$0.7MM to $1.4MM** *+5.0% to 8.0%*	**+$5.5MM to $6.2MM** *+25.7% to 26.2%*	**+$3.8MM to $4.4MM** *+16.0% to 16.3%*

See next page for detailed valuation analyses

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7.1 DCF and Terminal Value

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	**$ 13,950,000**	**$ 14,996,250**	**$ 16,120,969**	**$ 17,330,041**	**$ 18,629,795**
Staff Accountants & Seniors	$ 2,940,000	$ 3,028,200	$ 3,119,046	$ 3,212,617	$ 3,308,996
Managers/Senior Managers	$ 400,000	$ 412,000	$ 424,360	$ 437,091	$ 450,204
Partners	$ 585,000	$ 602,550	$ 620,627	$ 639,245	$ 658,423
Cost of Revenue	**$ 3,925,000**	**$ 4,042,750**	**$ 4,164,033**	**$ 4,288,953**	**$ 4,417,622**
Gross Profit	**$ 10,025,000**	**$ 10,953,500**	**$ 11,956,936**	**$ 13,041,088**	**$ 14,212,172**
Operating Expense					
G&A Salaries	$ 3,415,000	$ 3,488,200	$ 3,563,596	$ 3,641,254	$ 3,721,241
Marketing/Vendors	$ 100,000	$ 103,000	$ 106,090	$ 109,273	$ 112,551
Specialized Consultants and Staff Augmentation)	$ 125,000	$ 128,750	$ 132,613	$ 136,591	$ 140,689
Custom Tools Development (Contract)	$ 150,000	$ 154,500	$ 159,135	$ 163,909	$ 168,826
Non-Reimbursed Travel	$ 135,000	$ 139,050	$ 143,222	$ 147,518	$ 151,944
Admin/Rent/Tech	$ 100,000	$ 103,000	$ 106,090	$ 109,273	$ 112,551
Depreciation & Amort.	$ 85,000	$ 87,550	$ 90,177	$ 92,882	$ 95,668
Operating Expense	**$ 4,110,000**	**$ 4,204,050**	**$ 4,300,922**	**$ 4,400,699**	**$ 4,503,470**
Operating Profit (EBIT)	**$ 5,915,000**	**$ 6,749,450**	**$ 7,656,015**	**$ 8,640,389**	**$ 9,708,702**
EBTIDA	**$ 6,000,000**	**$ 6,837,000**	**$ 7,746,191**	**$ 8,733,271**	**$ 9,804,371**
Interest/Taxes (Est. 30%)	$ 1,774,500	$ 2,024,835	$ 2,296,804	$ 2,592,117	$ 2,912,611
Net Income	**$ 4,140,500**	**$ 4,724,615**	**$ 5,359,210**	**$ 6,048,272**	**$ 6,796,092**
	Low	**High**			
WAAC	20.0%	18.0%			
Industry Growth Rate	2.5%	3.5%			
FCF	**$ 2,898,350**	**$ 3,307,231**	**$ 3,751,447**	**$ 4,233,791**	**$ 4,757,264**
DCF (Low)	**$ 2,415,292**	**$ 2,296,688**	**$ 2,170,976**	**$ 2,041,759**	**$ 1,911,838**
Terminal Value (Low)					**$ 30,770,035**
Valuation (Low)					**$ 23,202,339**
DCF (High)	**$ 2,456,229**	**$ 2,375,201**	**$ 2,283,247**	**$ 2,183,742**	**$ 2,079,444**
Terminal Value (High)					**$ 37,136,249**
Valuation (High)					**$ 27,610,460**

7.2 Revenue Multiple

Industry	EV/Rev Multiple Low	EV/Rev Multiple High
Accounting and Audit Valuation	**$14MM** 1.00x	**$17.4MM** 1.25x
Managed Service Providers - IT & Cloud	1.25x	2.25x
Legal Services	1.00x	1.75x

Source: Mach-AI previous client engagement experience

7.3 EBITDA Multiple

Industry	EV/EBITDA Multiple Low	EV/EBITDA Multiple High
Accounting and Audit Valuation	**$21MM** 3.50x	**$24MM** 4.00x
Managed Service Providers - IT & Cloud	5.25x	7.00x
Legal Services	3.75x	5.25x

Source: Mach-AI previous client engagement experience

8. About Us

About Mach-AI: Mach-AI provides institutional-grade M&A advisory and advanced technological solutions designed to optimize enterprise value. Led by a CEO and Founder with extensive experience directing M&A and post-merger integration engagements at FTI Consulting, the firm focuses on driving operational precision and scalability. Mach-AI utilizes proprietary software powered by machine learning to automate complex analyses, identifying specific opportunities for increasing enterprise value and uncovering machine learning-derived drivers of growth. By developing specialized LLM-based applications and digital infrastructure, Mach-AI assists clients in transitioning from labor-intensive business models into tech-enabled platforms designed for long-term growth and enhanced market valuation.

9. Disclaimers and Limitations

This assessment is provided for informational and strategic planning purposes only and does not constitute a formal business valuation, legal opinion, or investment advice. The findings and projected "Enterprise Value" presented herein are based on a Discounted Cash Flow (DCF) and valuation multiples methodologies that utilize management-provided data and current market benchmarks; however, these figures are intended to illustrate potential value trajectories rather than guaranteed market outcomes.

Actual results may vary significantly based on shifts in market conditions, regulatory changes within the company's industry, and its ability to successfully execute the outlined operational initiatives. All participants are encouraged to consult with independent financial, legal, and tax professionals before making any material business or investment decisions based on these projections.