2022

Preliminary Valuation

Redact, Inc.

As of December 31, 2022

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VALUATION PURPOSE & APPROACHES

The purpose of this document is to provide a Preliminary Valuation of **Redact, Inc. ("REDACT"** or "the Company"), a privately owned remediation business based in Redact.

This Preliminary Valuation includes a financial analysis of the Company's operations and provides a probable trading range (or "Purchase Price Range") the Company would realize if marketed in a professional manner in a competitive and open market to the most strategic buyers, including financial (i.e., private equity) and individual buyers.

This analysis and indication of value is based on company prepared disclosures and CPA compiled annual financial statements from 2019 – 2022, and final trading range as of December, 31, 2022.

It is intended as a practical guide for owners to determine whether to move forward with a sale of their business. It is not intended as a basis for any legal or other disputes between shareholders, or to be used for estate and gifting purposes.

Valuation Methodologies

With some exceptions, the values of most small to mid-sized businesses sold in the United States today are highly dependent on their revenue and operating profit. When selling a business, operating profit is defined in the following two ways:

1) **Earnings Before Interest, Taxes Depreciation & Amortization ("EBITDA")** - Acquiring companies will almost always consider EBITDA because this profitability metric takes into consideration that a new owner may need to hire a manager to replace the departing owner at a market rate. It is always a smaller number than Seller's Discretionary Earnings, as defined below.

2) **Seller's Discretionary Earnings ("SDE") –** This cash flow metric is considered when the acquirer is an individual who wants to buy a business to operate for themselves. It starts with EBITDA, and adds back the owner-related salary and other owner benefit expenses (health benefits, 401(k) contributions, etc.) that accrue to the owner/operator).

Privately-held businesses are operated in such a manner as to minimize the tax consequences to the owners. As such, the net income on the income statements of these businesses is often understated.

To arrive at normalized EBITDA and SDE, owner-related expenses are identified, and adjustments are made to these profitability metrics before attempts are made to value the business.

For this engagement, we use two of the leading approaches to Business Valuation, **The Market Approach (Comparable Sales Databases), and The Income Approach.**

The Market Approach

Publicly available comparable sales data on private business sales/transactions are available through DealStats, the largest business transaction database in the U.S.

This information helps identify the industry average multiple applied to adjusted EBITDA, and the average % of revenue sales prices represent. While never perfect, the operating characteristics of the comparable transactions are selected and applied to the subject company.

Adjustments to the comparables are made to note any differences in the operations of the subject to the comparables. Adjustments can be made to account for revenue size and market share differences, and differences in geography. These adjustments are made in the evaluator's best judgement and are noted in the Market Approach Analysis section.

The Income Approach

The Income Approach relies on estimating future net cash flows ("free cash flow") to ownership after payment of all expenses and taxes, and after investments in fixed assets and working capital, and then discounting those profits by its expected rate of return relative to its risk.

Typically, free cash flows are estimated for a 3/5-year period before applying a long-term "Terminal Value" to the business at the end of the last projected period.

This Income Approach, known as the Net Present Value of Discounted Cash Flows, is forward looking, with historic results used only to guide growth and investment assumptions.

Reasonable assumptions must be made to estimate future free cash flows, and careful consideration must be given to determine the Discount Rate to apply to the cash flows.

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BUSINESS DESCRIPTION

Redact, Inc. ("REDACT", "the Company") is a privately owned business based in ………specializing in Asbestos Abatement, Decontamination, Mold Remediation, Bio-Hazard Remediation, Lead Removal, Demolition, and Fire Debris removal.

REDACT offers a broad range of remediation services that enable it to find opportunities in a variety of situations.

The Company was founded in 1990 , and is a DOT Licensed Hazardous Waste Transporter, holding licenses from the states to perform hazardous material abatement and demolition. Laws require specially licensed asbestos abatement contractors to perform work with asbestos containing materials.

The Company's work complies with the strict requirements of OSHA, DTSC, EPA, and Air Quality Regulatory Agencies.

With an employee base of 55-70, the Company is hired by property owners and property insurance companies to treat and remove hazardous materials that pose health risks.

Employees receive ongoing training and complete annual certification in the best techniques to ensure zero-exposure to cross-contamination of Bio-Hazardous Materials.

The Company and its subcontractors perform chemical clean-ups and removal, mold remediation, fire debris removal and clean-up, and Bio-Hazard situations. REDACT employees clean Biohazard contaminated properties and remove contaminated materials packaged in 6-mil poly bags.

Under the U.S. EPA National Emission Standard for Hazardous Air Pollutants (NESHAP) regulation, no visible emissions are allowed during building demolition or renovation activities. Redact is hired to manage demolition emissions and safe demolition clean-ups.

NESHAP requires removal of all asbestos containing materials which have or will become friable prior to any demolition or renovation activities.

The Company operates in a specialty niche market within the general construction industry, often engaged by general contracting firms on both new projects and renovation / rebuilding projects that result from unforeseen events.

Customers

Redact has a broad base of customers, a mix of commercial and residential property owners, their insurance companies, and construction companies contracted by property owners for projects that include environmental remediation.

Its customer base is mostly fragmented from year-to-year. In 2022, its largest customer was which spent $2 million dollars on REDACT remediation services. This was only 12% of REDACT's total revenue in 2022.

The other three largest customers in 2022 – – spent approximately $1.5 million each on REDACT services.

More importantly, the top customers this year were for the most part not the top customers last year – indicating REDACT's developer/contractor customers are fluid and ever changing. This would be considered a positive from the acquiring company's point of view, as this makes the Company less vulnerable and/or beholden to any one particular customer in a given year.

Revenue from the top 15 customers in 2022 represented 70% of Company revenue. Much of the balance of the Company's revenue is generated from individual homeowners in need of remediation services. This dynamic mix of customers is a positive from the acquiring company's perspective.

A top 15 customer list is shown below.

REDACT Customers	*2022*	*2021*
	$2,000,000	
	$1,576,500	$553,000
	$1,543,000	$800,000
	$1,442,060	$3,058,300
	$834,714	$1,144,418
	$745,520	$428,900
	$736,686	
	$720,414	
	$292,187	$155,570
	$280,000	
	$230,197	
	$176,371	$87,897
	$161,937	
	$137,433	$20,760
	$133,083	$33,156
TOTAL TOP 15 REVENUE	$11,569,202	$7,717,528
% of Total Revenue	70%	

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MARKET APPROACH ANALYSIS

Publicly available comparable sales data on private business sales/transactions are available through DealStats, the largest business transaction database in the U.S.

Remediation contractors are identified under NAICS code 562910. We identified five comparable business sale transactions in the U.S. between 2014 and 2022 that we deemed relevant comparable transactions to the subject Company, Redact, Inc.

While never perfect, the operating characteristics of the comparable transactions selected for this valuation resemble the subject Company.

EXHIBIT A (Page 1) shows the relevant data of these comparable sales transactions compared to the subject Company. The following are some key observations of these similarities:

- The average number employees of the comparable transactions at their time of sale was 19, compared with an average of 65 employed by the subject Company.

- The average number of years in business of the comparable transactions at their time of sale was 25, compared to the subject Company's 33 years in business.

- The average annual revenue of the comparable transactions at their time of sale was $22.2 million, compared to the subject Company's 2022 annual revenue of $16.5 million. Removing the largest revenue comparable, average annual revenue for the group drops to $6 million.

- The average gross margin of the comparable transactions at their time of sale was 40%, compared to the subject Company's 2022 gross margin of 41%.

- The average EBITDA of the comparable transactions was $2.7 million, compared to the subject Company's 2022 Adj EBITDA of $2.4 million.

Having established these five comparable transactions were similar in make-up to the subject Company, we were comfortable applying their Purchase Price metrics to the subject Company to draw meaningful conclusions on the Purchase Price Range.

Valuation Multiples

Some observations of these comparable transactions:

- The average sales price of the five comparable transactions was $9.7 million. (Note: these sales prices include the value of the inventory at close).
- Purchase/sale prices ranged from a low of $1.4 million (Comp. 3) to a high of $32.5 million (Comp. 2).
- The average sales price expressed as a percentage of revenue was 63%.
- The average EBITDA multiple was 6.3x, but was driven higher by Comp 1, (traded at a 15x multiple due to very low EBITDA of $595,118 but revenue of $13.6 million). Removing this comparable from the group**,** the average EBITDA was reduced to a more typical 5.0x.

In addition to these comparable remediation business transactions, we considered general valuation "rules of thumb" for specialty contractors. However, these valuation guidelines were far too broad due to the many types of contractors, customer bases, etc., to draw any meaningful conclusions as to the Purchase Price Trading Range of Redact, Inc. Thus, we did not apply general rules of thumb for valuing this business.

Financial Analysis & Adjustments to EBITDA

We started this valuation assignment by identifying all owner discretionary expenses and making adjustments to EBITDA for calendar years 2020, 2021, and 2022. **EXHIBIT B (Page 18)** shows the company's profit and loss statements for the past 3 years as well as projected P&L's used in the Income Approach.

In calculating Adjusted EBITDA, we reviewed the annual compensation of all owners and/or family members working in the business. The following table summarizes their operating roles and annual salary/compensation for the past three years:

Owner	Job Title	2020 Comp.	2021 Comp.	2022 Comp.
	President/Sales	$147,000	$147,000	$147,000
	Office/Finance Mgr.	$147,000	$147,000	$147,000
TOTAL		**$294,000**	**$294,000**	**$294,000**

We then considered what an acquiring strategic buyer - most likely another remediation company - would require to replace these roles if REDACT was acquired by a larger remediation business. Presumably, the acquiring company would need to replace with their own key operator, and business manager. Thus, ownership compensation of $294,000 was considered a reasonable budget, and we did not add back any compensation to Adjusted EBITDA.

NO EXCESS OWNER'S COMPENSATION ADJUSTMENT	2022
Total Officer/Family Compensation	$294,000
New Officer/Admin Budget (Acquiring Company)	$294,000
EBITDA Addback - Excess Owner Compensation	**$0**

There were significant adjustments to reported EBITDA, totaling $957,441 in 2022, $663,419 In 2021, and $1,331,048 in 2020, detailed below.

- **Redact expenses** - Most of the adjustments are due to the owner's **redact** and participation in r**edact** activities are consolidated into the Company's financials, and these expenses totaled $694,157 in 2022, $1,061,697 in 2021, and $1,164,272 in 2020.

Other Adjustments to EBITDA:

- **Owner Autos** – 2022-2020 expense for two owner vehicles is added back to adjusted EBITDA.

- **Membership Dues & Subscriptions** – This discretionary owner expense totaled $84,688 in 2022. These expenses are also added back in 2021 and 2020.

- **Loss (Gain) on Asset sales –** One-time loss is added back (or gain deducted) on asset sales.

- **Other Discretionary** – Discretionary office space and other benefits are added back as this space is not used/required for daily operations.

- **Non-Operating Income –** PPP loan forgiveness and other one-time or non-recurring income sources are deducted.

Fiscal Year	2022	2021	2020
Total Revenue	$16,571,879	$16,114,074	$17,021,336
Reported EBITDA	$1,521,279	$773,052	$3,350,478
Adjustments			
Racing Expenses	$694,157	$1,061,697	$1,164,272
Owners' Autos	$132,057	$83,270	$86,236
Memberships	$84,688	$30,603	$68,569
Loss (Gain) Asset Sale	$35,107	($5,970)	($28,113)
Other Discretionary	$11,432	$19,211	$40,084
Non-Oper/Non-Recur Income	$0	($525,392)	$0
Total Adjustments	$957,441	$663,419	$1,331,048
Adjusted EBITDA	$2,478,720	$1,436,471	$4,681,526
Adjusted EBITDA Margin	*14.9 %*	*8.9%*	*27.5%*

Applying the Comparable Multiples

- The average sales price of the comparable sales expressed as a percentage of revenue was 63%.
- The average sales price expressed as a multiple of EBITDA was 5.0x.
- Those averages are applied to Redact's results below.

Redact, Inc.		**Total**	**Multiple**	**Business Value**
2022	Revenue	$16,571,879	63%	$10,440,284
2021	Revenue	$16,114,074	63%	$10,151,866
2020	Revenue	$17,021,336	63%	$10,723,442
2020-2022	**Revenue Avg.**	**$16,569,096**	**63%**	**$10,438,531**

2022	EBITDA	$2,478,720	5.0x	$12,393,600
2021	EBITDA	$1,436,471	5.0x	$7,182,355
2020	EBITDA	$4,681,526	5.0x	$23,407,630
2020-2022	**EBITDA Avg**	**$2,865,572**	**5.0x**	**$14,327,860**

In summary,

- the average Revenue Multiple business value over the past three years was **$10,438,531**.
- the average EBITDA Multiple business value over the past three years was **$14,327,860.**
- the average between the Revenue value and the Adjusted EBITDA value was **$12,383,195.**

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INCOME APPROACH ANALYSIS

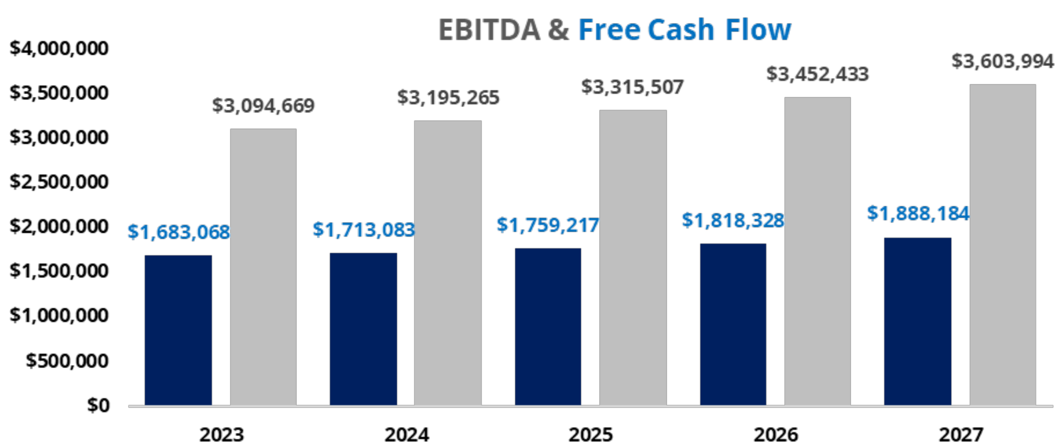
There are three important steps to the Discounted Cash Flow analysis used in the Income Approach:

1) The number of future periods to be discounted must be determined.
2) Free cash flows (Unlevered FCF) for each period must be estimated.
3) The Discount Rate to apply to free cash flows must be determined.

EBITDA vs Free Cash Flow

For this analysis, we assumed a buyer holding period of 5 years before an exit sale.

Free cash flows are those profits available to company ownership after all cash expenses are paid, and after allocations for capital expenditures, working capital, and taxes. EBITDA as a profit measure does not consider tax implications, or the investment required in capex and working capital to sustain the earnings.



Discount Rate

The Discount Rate represents the annual rate of return a company buyer would expect to earn on their investment, given its risk relative to alternative investments.

It serves as a barometer of a company's risk, while also accounting for the loss of purchasing power over time from inflation.

The lowest risk long-term investments (US Treasuries) are discounted by 3-4% to account for annual inflation, while a small private company in weak financial condition may earn a discount rate of 35%, or more.

A company's value, or an earnings stream's value, decreases in value the higher the discount rate, or expected rate of return.

For most privately-held companies in the U.S., a discount rate of 20% - 30% is applicable. Most private company investors expect annual equity returns of 20% or more. For the purposes of this analysis, the Ibbotson "build-up" method was used to arrive at the Discount Rate/Rate of Return:

Discount Rate Build-Up	
Risk Free Rate	**4.11%**
Equity Premium	**5.55%**
Company Size Premium	**5.00%**
Company Specific Premium	**7.50%**
Company Discount Rate	**22.16%**

a. *The Risk-Free Rate represents the prevailing yield on 10-year US Treasuries.*
b. *The Equity Premium is the current difference in yield between 10-year Treasuries and the equity returns on large public companies.*
c. *The Company Size Premium is return required due to illiquid nature of the subject's stock.*
d. *The Company Specific Premium takes into consideration industry risk, business strength, growth trends, years in business, and other factors specific to the business being valued.*

The projected free cash flows in the Table below were based on recent growth and margin trends. Historic levels of investment in fixed assets and working capital were averaged and carried forward, and a buyer income tax rate of 33% was assumed. The 5-year totals are in the far-right column.

Discounted Cash Flow	2023	2024	2025	2026	2027	2027
Date	***12/31/2023***	***12/31/2024***	***12/31/2025***	***12/31/2026***	***12/31/2027***	***12/31/2027***
Time Periods	***1***	***2***	***3***	***4***	***5***	
EBIT	2,618,529	2,749,456	2,886,929	3,031,275	3,182,839	
Plus: D&A	476,139	445,809	428,578	421,157	421,155	
EBITDA	**3,094,669**	**3,195,265**	**3,315,507**	**3,452,433**	**3,603,994**	**$16,661,867**
Less: Capex	(363,803)	(381,993)	(401,093)	(421,148)	(442,205)	
Less -(Increase)Plus-NWC	(183,683)	(192,867)	(202,511)	(212,636)	(223,268)	
Less: Cash Taxes	(864,115)	(907,320)	(952,686)	(1,000,321)	(1,050,337)	
Unlevered FCF	**$1,683,068**	**$1,713,083**	**$1,759,217**	**$1,818,328**	**$1,888,184**	**$8,861,880**

Assuming earnings growth of 5% per year gives the acquirer a **5-year total of FCF from operations of $8.86 million**, an average of $1.75 million per year.

A Terminal Value/Exit Value of $11.5 million (discussed below) after year 5, along with the total of $8.86 million of operating free cash flows, provide **a total cash return of $20.4 million over 5 years, before applying the Discount Rate** that will account for inflation, and more significantly, risk.

Terminal Value

To estimate the value of the Company at the end of Year 5, we assumed a long-term earnings growth rate of 5%.

This rate was applied to Year 5's free cash flow, and then discounted by the net of the discount rate minus this long-term growth rate.

This results in an "adjusted" discount rate applied to the 5th year of projected free cash flow:

	22.16%	Discount Rate
Minus -	5.00%	Projected Growth
	17.16%	**Terminal Value Discount Rate**

	2028	
	$1,982,593	5th year of Free Cash Flow * growth rate
Divided By /	**17.16%**	Terminal Value Discount Rate
	$11,553,573	**Terminal Value**

The year 5 Terminal value is then discounted back to today's dollars using the discount factor of .37, the period 5 factor when discounting at 22.16%, for an NPV on the Terminal/Exit Value of $4,246,892 (see last column below).

The table shows the 5 years of free cash flows and the terminal value with their discount factors, assuming discount rate of 22.16% and 5% long-term growth.

	2023	2024	2025	2026	2027	Total/Exit
Unlevered FCF	$1,683,068	$1,713,083	$1,759,217	$1,818,328	$1,888,184	$8,861,880
(Entry)/Exit						EXIT
Unlevered FCF	$1,683,068	$1,713,083	$1,759,217	$1,818,328	$1,888,184	$11,553,573
Discount Factor	82%	67%	55%	45%	37%	37%
NPVs	$1,377,757	$1,147,943	$965,011	$816,500	$694,063	$4,246,892

$20,415,453	Total Free Cash Flow
45.30%	Weighted Avg Discount Factor
$9,248,166	Discounted Cash Flow Value

Based on assumptions presented here, **the Net Present Value** of Discounted Free Cash Flows **is $9,248,166.**

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VALUATION CONCLUSION

Redact, Inc. is a well-established and respected specialty remediation contractor offering a breadth of services and a strong foothold in several market niches. It is reasonable to expect the Company to continue to find new customers and work in new markets given its successful past and present opportunities.

Market Approach Conclusion

Buyers tend to place the most emphasis on the most recent year's profitability (EBITDA). Below we average the past three years of Adjusted EBITDA accordingly.

Year	Adjusted EBITDA	Weighted %	Weighted Value
2020	$4,681,526	25%	$1,170,382
2021	$1,436,371	25%	$359,093
2022	$2,478,720	50%	$1,239,630
Weighted Average of Adjusted EBITDA			**$2,768,835**
EBITDA Multiple			x 5.0
Market Approach High			**$13,844,175**
EBITDA Multiple			x 4.0
Market Approach Low			**$11,075,340**

We then applied the comparable EBITDA average multiple of 5.0x (eliminating the Comp. anomaly) to this three-year weighted Adjusted EBITDA, to arrive at a **value of $13,844,175.** This is the high range of what we would expect the Company to sell for using the Market Approach.

To value the potential low side of the trading range under the Market Approach, we applied a 4.0x multiple to Adjusted EBITDA, which yields **a value of $11,075,340**.

The average of the high & low approaches **is $12,459,757.**

Income Approach Conclusion

Given the degree of difficulty in estimating the future profitability of private businesses, we looked at three scenarios within the DCF analysis.

- The first assumed an annual profit growth rate of 10%.
- The second scenario assumed an annual profit growth rate of 5%.
- The third scenario assumed no profit growth.

The NPV results were as follows:

10% growth:	$13,189,176
5% growth:	$9,248,166
0% growth:	$7,125,057

Averaging the NPV's of the scenarios, you get an **estimate NPV of DCF of $9,854,133.**

Conclusion

We would place a **preliminary trading range value of Redact, Inc., as of December 31, 2022, between $9,900,000 - $12,900,000.**

This valuation excludes the cash in the business, which would be retained by the seller. In all cases, these valuation ranges assume the buyer will retain the Company's Net Working Capital, defined as current assets minus current liabilities, as part of the purchase price. Inclusion of a normalized level of NWC in the purchase price is always assumed, as this is the operating capital required for a new buyer to run the business. The Company balance sheets appear in this document **EXHIBIT C** **(Page 19).**

This valuation also assumes the seller is responsible (from the proceeds of the sale) for any long-term liabilities on the balance sheet at closing, namely any vehicle loans and other leased and/or financed equipment used for the operation of the business.

This Preliminary Valuation is our best estimate of what **Redact, Inc.** would sell for if placed on the market today through a competitive marketing process. It is based on the information provided by the owner(s) and our own knowledge and experience with business transactions over the past 23 years.

Exhibit A

Market Comparables

U.S. Remediation Services Comparable Sale Transactions (NAICS Code 562910)

Key Business Facts:	JM Environmental, Inc.	Comp. 1	Comp. 2*	Comp. 3	Comp. 4	Comp. 5	Averages
State or U.S. Region	California	North Carolina	California	Florida	Florida	Florida	
Year Sold	n/a	2021	2014	2022	2020	2021	
Years in Business	33	48	n/a	11	19	21	25
Number of Employees	**65**	35	6	12	13	28	19
Financial Information:							
Annual Revenue	$16,581,672	$13,696,451	$87,592,002	$2,387,280	$3,091,914	$4,459,519	$22,245,433
Gross Profit	$6,837,470	$5,149,012	$16,085,235	$860,353	$1,359,796	$2,899,861	$5,270,851
Gross Margin	41%	38%	18%	36%	44%	65%	40%
EBITDA	$2,478,720	$595,118	$10,967,756	$249,361	$721,183	$754,550	$2,657,594
SDE (Owner Earnings)	n/a	$1,135,298	n/a	$418,037	$871,183	n/a	$808,173
Valuation Multiples:							
Purchase Price		$9,000,000	$32,544,000	$1,391,000	$2,500,000	$3,250,000	$9,737,000
MVIC/Sales		0.66	0.37	0.58	0.81	0.73	0.63
MVIC/Gross Profit		1.75	2.02	1.62	1.84	1.12	1.67
MVIC/EBITDA		15.12	2.97	5.58	3.47	4.31	6.29
MVIC/SDE		7.93	n/a	3.33	2.87	n/a	4.71

Source: 2023 DealStats, a division of Business Valuation Resources

**This transaction was the sale of Magnus Pacific Corporation in Rocklin, CA to Great Lakes Dredge & Dock Corporation*

Note: n/a means either not applicable or the information was not available in the DealStats database.

Exhibit B- Income Statement

For the calendar year ended 12/31	Compiled 2020	Compliled 2021	Compliled 2022	Projected 2023	Projected 2024	Projected 2025
Revenue	**17,037,011**	**16,148,829**	**16,581,672**	**17,410,756**	**18,281,293**	**19,195,358**
Payroll & Wages	5,414,025	6,266,231	5,007,684	5,045,786	5,312,652	5,590,989
Subcontractors	1,212,273	1,796,026	3,434,475	3,619,777	3,728,370	3,927,499
Materials & Equipment	1,960,153	2,202,107	1,302,043	1,392,860	1,462,503	1,535,629
Cost of Goods Sold	**8,586,451**	**10,264,364**	**9,744,202**	**10,058,423**	**10,503,526**	**11,054,116**
Gross Profit	**8,450,560**	**5,884,465**	**6,837,470**	**7,352,332**	**7,777,768**	**8,141,242**
Gross Profit Margin	49.60%	36.44%	41.24%	42.23%	42.54%	42.41%
Operating Expenses						
Owners/Officers Wages	294,000	294,000	294,000	305,760	317,990	330,710
Rent	413,383	413,383	388,607	404,151	420,317	437,130
Insurance	522,745	712,911	658,218	691,129	725,685	761,970
Employee Benefits	106,924	151,525	172,356	95,000	99,750	104,738
Office Expenses	297,798	181,420	187,930	206,723	227,395	250,135
Lab & Disposal	622,708	1,158,586	716,461	744,321	773,265	803,334
Vehicle Expense	920,145	1,259,615	694,157	718,878	744,480	770,993
Other Operating Expenses	807,134	409,640	1,039,715	1,132,288	1,322,812	1,423,176
Total Operating Expenses	**3,984,837**	**4,581,080**	**4,151,444**	**4,298,250**	**4,631,695**	**4,882,186**
Operating Income	**4,465,723**	**1,303,385**	**2,686,026**	**3,054,082**	**3,146,073**	**3,259,056**
Operating Income Margin	26.21%	8.07%	16.20%	17.54%	17.21%	16.98%
Gain (Loss) on Sale of Fixed Asse	28,117	5,970	(35,108)	-	-	-
Other Income (Expense)	(1,143,362)	(536,303)	(1,129,639)	-	-	-
EBITDA	**3,350,478**	**773,052**	**1,521,279**	**3,054,082**	**3,146,073**	**3,259,056**
Adjustments						
Racing Expenses	1,164,272	1,061,697	694,157	-	-	-
Owner's Autos	86,236	83,270	132,057	-	-	-
Memberships	68,569	30,603	84,688	-	-	-
Discretionary Lease, Other	40,084	19,211	11,432	-	-	-
(Deduct)/Add Back-Asset Sale (Gain	(28,113)	(5,970)	35,107	-	-	
Deduct Non Operating Income	-	(525,392)	-	-	-	-
Total Adjustments	**1,331,048**	**663,419**	**957,441**	**-**	**-**	**-**
Adjusted EBITDA	**4,681,526**	**1,436,471**	**2,478,720**	**3,054,082**	**3,146,073**	**3,259,056**
Adjusted EBITDA Margin	27.48%	8.90%	14.95%	17.54%	17.21%	16.98%

JM ENVIRONMENTAL, INC

Exhibit C- Balance Sheet

For the calendar year ended 12/31	Compiled 2020	Compliled 2021	Compliled 2022	Projected 2023	Projected 2024	Projected 2025
Assets						
Cash	3,556,272	3,113,644	3,791,226	4,922,124	5,401,938	5,922,705
Accounts Receivable	5,540,022	4,091,641	3,722,456	3,908,579	4,104,008	4,309,208
Other Current Assets	133,264	115,968	85,783	85,783	85,783	85,783
Total Current Assets	**9,229,558**	**7,321,253**	**7,599,465**	**8,916,486**	**9,591,728**	**10,317,696**
Total Fixed Assets (net)	2,711,999	2,441,022	1,763,479	1,626,790	1,543,980	1,501,349
Other Assets	-	-	2,477,122	2,477,122	2,477,122	2,477,122
Goodwill	-	-	-	-	-	-
Total L-T Assets	**2,711,999**	**2,441,022**	**4,240,601**	**4,103,912**	**4,021,102**	**3,978,471**
Total Assets	**$ 11,941,557**	**$ 9,762,275**	**$ 11,840,066**	**$ 13,020,398**	**$ 13,612,830**	**$ 14,296,167**
Liabilities & Equity						
Liabilities						
Accounts Payable	342,757	84,377	48,794	51,234	53,795	56,485
Accruals	78,351	65,923	44,955	44,955	44,955	44,955
Deferred Income	21,348	116,988	599,259	599,259	599,259	599,259
Total Current Liabilities	442,456	267,288	693,008	695,448	698,009	700,699
Long Term Liabilities	602,892	200,971	1,994,103	1,624,103	1,254,103	884,103
Total Liabilities	1,045,348	468,259	2,687,111	2,319,551	1,952,112	1,584,802
Equity						
Common Stock	310,350	310,350	310,350	310,350	310,350	310,350
Retained Earnings	9,272,948	10,585,859	8,983,666	8,842,605	10,390,497	11,350,367
Pre-Tax Income	2,675,636	15,332	894,929	2,583,882	2,848,542	3,026,656
Owner Distributions	(1,362,725)	(1,617,525)	(1,035,990)	(1,035,990)	(1,888,671)	(1,976,009)
Total Equity	10,896,209	9,294,016	9,152,955	10,700,847	11,660,717	12,711,365
Total Liabilities & Equity	**$ 11,941,557**	**$ 9,762,275**	**$ 11,840,066**	**$ 13,020,398**	**$ 13,612,830**	**$ 14,296,167**

Biography of David Kennebeck

Senior Advisor

David Kennebeck has decades of experience advising private businesses on a wide range of issues, including financial management, M&A, Business Valuation and Financial Analysis.

He majored in Finance, earning a Bachelor of Science Degree in Business Administration from the University of Colorado, Boulder in 1986.

David then began his career in the late 1980's as a credit underwriter for Swiss Bank Corporation (now a part of UBS) in Chicago, participating in some of countries largest leverage buyouts.

Later he managed over $200 million of commercial loans and business relationships for Boatmen's Bank and Commerce Bank in St. Louis, MO, and was a founding member of a de-novo bank in 2006.

An entrepreneur at heart dedicated to the success of privately held businesses, David later served as the CFO of a small public safety software company, and he has been an outsourced CFO, Business Financial Consultant, and Trusted Advisor for dozens of Midwest businesses in his career.

In his free time, David enjoys spending time with his wife Beth, daughter Allie and son Ben. He loves golf, cooking, sports (STL Cardinals, Colorado Buffaloes) and the great outdoors.