WorthMetrix™ Report

REPORT OF ESTIMATES OF VALUE

Made To: M.A.V.
Company/User: Target Company
[04-26-2023]

SUMMARY

This Report provides Estimates of Value, which are Analytic calculations of worth based on input provided, consisting of up to 5 years of financial data along with qualitative data to which proprietary numerical rankings were applied, and then used to calculate the set of Individual Method Analytic Values.

Those Individual Method Analytic Values were then grouped and averaged in various combinations to also yield the set of Summary Values which are reflected in Table 1 and Scatter Graph below.

The Individual Method Analytic Values appear in Table 2 and corresponding Scatter Graph.

Each of the Tables is organized as follows by column as follows:

The first column shows a <u>Key #</u> for tracking in the Scatter Graph.

Then the second column identifies the <u>Analytic Method</u> applied for the figures that follow in that Row.

The third column shows the <u>Analytic Value</u> of the whole Company calculated using that Analytic Method.

The fourth column provides the value <u>Per Share</u>, which is the Analytic Value of the Company divided by the number of shares held. If the Company is a limited liability company (an "LLC") or a partnership, though the heading remains "Per Share" it should be understood as per interest held.

The last column shows the <u>Minority Value Per Share</u> which is calculated for the value of a share (or interest) that is not held by a majority owner. Such shares often sell at a discount because the implicit lack of ability to control the Company is usually viewed as increasing risk, especially if shares are not publicly traded. The usual marketplace discount range is 20% to 50%; we use the 35% midpoint.

Each of the Analytic Values in both sets are then all explained in detail, following a recap of certain of the data input and the financial profile created from that input.

If ***NM*** appears the as a Result, that indicates that the calculation was not meaningful (e.g. if it yielded a negative value for the Company) or could not be performed because needed data was not provided. Negative values may arise because of a history of losses, negative equity or both, but some values can still be calculated based on other metrics.

RESULTS

TABLE 1

| Key#	SUMMARY VALUES	ANALYTIC VALUE	PER SHARE VALUE	MINORITY VALUE/SHARE
1.	Average of All	1,652,703	1,652.70	1,074.26
2.	Asset-Based Average	623,037	623.04	404.97
3.	Profit-Based Average	1,055,289	1,055.29	685.94
4.	Combination Average	1,784,019	1,784.02	1,159.61
5.	Market-Based Average	2,568,538	2,568.54	1,669.55
6.	High of All	6,095,084	6,095.08	3,961.80
7.	Median of All	1,051,049	1,051.05	683.18
8.	Low of All	383,496	383.50	249.27
9.	Endpoints Average All	3,239,290	3,239.29	2,105.54
10.	Ends-Out Average All	1,454,379	1,454.38	945.35

Here is a Scatter Graph of the above Summary Values keyed to the Key #:
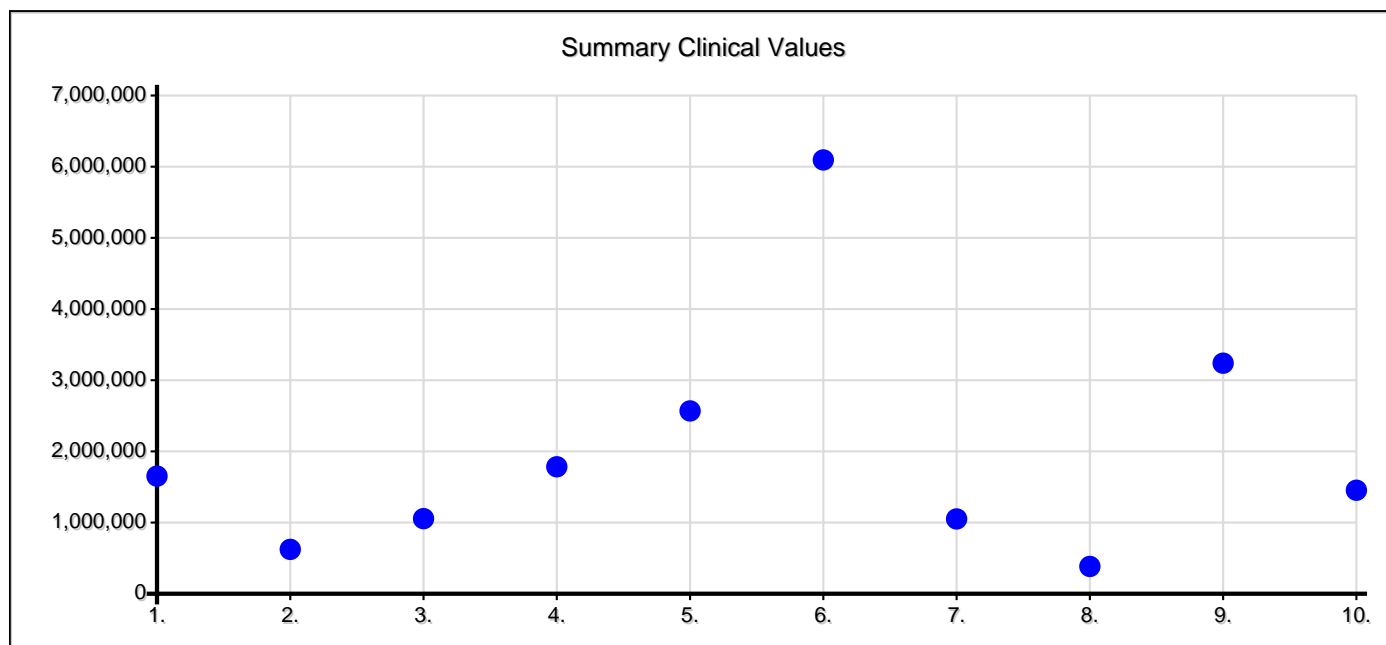
N.B. If a Summary Value is zero or NM it and its Key# are omitted from the graph.

Table 2 showing the Individual Method Analytic Values is on the next page:

Key #	INDIVIDUAL METHOD ANALYTIC METHOD	ANALYTIC VALUE	PER SHARE VALUE	MINORITY VALUE/SHARE
	ASSET-BASED			
1	Book Value	389,566	389.57	253.22
2	Adjusted Book Value	434,566	434.57	282.47
3	Net Asset Growth	383,496	383.50	249.27
	PROFIT-BASED			
4	3 Year Payback	943,384	943.38	613.20
5	Rate of Return	1,687,179	1,687.18	1,096.67
6	Normalized Rate of Return	813,488	813.49	528.77
7	Free Cash Flow Rate Of Return	738,285	738.29	479.89
8	Normalized Free CF ROR	873,886	873.89	568.03
9	Discounted Future Profits	1,275,511	1,275.51	829.08
	COMBINATION			
10	Excess Income + Assets	1,857,961	1,857.96	1,207.67
11	5 Year Total Present Value	1,710,077	1,710.08	1,111.55
12	Prior Stock Interest Sales	**NM**	**NM**	**NM**
	MARKET-BASED			
13	Market to Book	1,051,049	1,051.05	683.18
14	Median Price Earnings Ratio	3,048,295	3,048.30	1,981.39
15	Normalized Median PE Ratio	1,469,813	1,469.81	955.38
16	Revenue Multiplier	6,095,084	6,095.08	3,961.80
17	Normalized Revenue Multiple	4,552,511	4,552.51	2,959.13
18	Free Cash Flow Multiple	807,339	807.34	524.77
19	Normalized Free Cash Flow Multiple	955,678	955.68	621.19

Individual Method Analytic Values
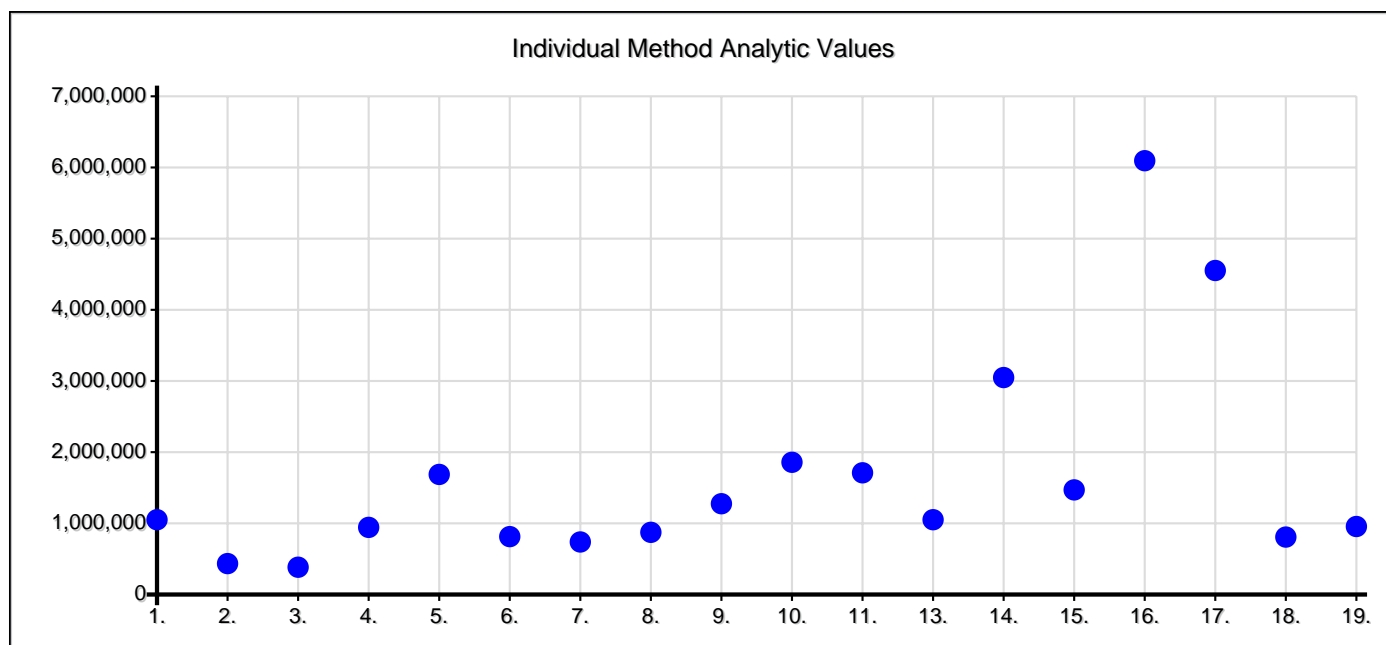
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BACKGROUND

The financial data input provided to WorthMetrix™ on the Operations Form was this:

Month	12	12	12	12	12
Year	2017	2018	2019	2020	2021
Total Assets	327,390	353,579	387,876	435,973	494,393
Total Liabilities	177,332	272,249	258,662	268,115	104,827
Revenues	1,987,883	2,444,546	2,933,333	3,269,544	3,890,893
Direct Costs	1,288,340	1,510,424	2,017,221	2,093,383	2,458,246
Overhead	764,132	871,912	859,730	791,852	1,145,329
Interest	4,800	14,439	13,288	15,632	6,003
Other plus minus	663	113	0	1,992	5,575
Income Taxes	0	0	4,450	88,961	74,591
Distributions	0	0	0	60,000	60,000
Depreciation	5,000	6,000	7,000	8,000	9,000
Amortization	0	0	0	1,000	1,000
Owner compensation	50,000	60,000	72,000	77,000	90,000
Capital expenditure	20,000	26,200	34,300	48,100	58,500
Debt Repayment	0	0	0	0	160900

 In addition to the above Table, other data provided on the other 3 Input Forms for this Report can be viewed by logging back in to your account and reviewing each Form.

 The above table data, resulted in the following Historical Company financial profile below.

HISTORICAL DATA:

 Fiscal Year Ends in Month: **December**

 Outstanding Shares : **1000**

 State tax : **6%**

. Year	2017	2018	2019	2020	2021	Average
Month	12	12	12	12	12	
Total Assets	327,390	353,579	387,876	435,973	494,393	399,842
Total Liabilities	177,332	272,249	258,662	268,115	104,827	216,237
Equity	150,058	81,330	129,214	167,858	389,566	183,605
Revenues	1,987,883	2,444,546	2,933,333	3,269,544	3,890,893	2,905,240
Direct Costs	1,288,340	1,510,424	2,017,221	2,093,383	2,458,246	1,873,523

Gross Profit	699,543	934,122	916,112	1,176,161	1,432,647	1,031,717
Gross Profit %	35.19%	38.21%	31.23%	35.97%	36.82%	35.51%
Overhead	764,132	871,912	859,730	791,852	1,145,329	886,591
Operational profit	-64,589	62,210	56,382	384,309	287,318	145,126
Interest	4,800	14,439	13,288	15,632	6,003	10,832
Other plus Minus	663	113	0	1,992	5,575	1,669
Pretax Profit	-68,726	47,884	43,094	370,669	286,890	135,962
Income Taxes	0	0	4,450	88,961	74,591	33,600
Net Profit	-68,726	47,884	38,644	281,708	212,299	102,362
Net Profit %	-3.46%	1.96%	1.32%	8.62%	5.46%	3.52%
Distributions	0	0	0	60,000	60,000	24,000
Retained	-68,726	47,884	38,644	221,708	152,299	78,362
Owner compensation	50,000	60,000	72,000	77,000	90,000	69,800
Depreciation	5,000	6,000	7,000	8,000	9,000	7,000
Amortization	0	0	0	1,000	1,000	400
Capital expenditure	20,000	26,200	34,300	48,100	58,500	37,420
Debt Repayment	0	0	0	0	160900	32180
Free Cash Flow	-33,726	87,684	83,344	319,608	92,899	109,962
Free Cash Flow %	-1.70%	3.59%	2.84%	9.78%	2.39%	3.78%

METHODS & RESULTS EXPLAINED

It is worth noting here that all of the Methods seek in one way or another to anticipate what a willing seller and a willing buyer would agree upon for a sale transaction for the business, assuming neither is under compulsion or duress. That is the definition of Fair Market Value. Actual transaction may vary, but generations of buyers, sellers, investors, lenders, insurors and even tax officials have been informed by calculations of this nature.

In the explanations below, some terms are capitalized (in addition to "Company" meaning the one being analyzed). If you are uncertain about any meaning, these capitalized terms can be found in any good business dictionary (and many ordinary dictionaries) of which there are many on-line.

DISCOUNT RATE

Some of the Analytic Results below employ a Discount Rate (or in some cases, its reciprocal), based on current market statistics, adjusted for the Company's equity risk, as calculated using WorthMetrix's proprietary algorithms as applied to the customer-provided data, based in part on responses to the Questionnaire Form.

Market Rates Used for Determination as of: 04-21-2023

Resulting Discount %: 12.58%

ASSET-BASED METHODS

BOOK VALUE

Company Value	PerShare	Minority/Share
389,566	389.57	253.22

   Book Value is the owner's equity in the Company based on its accounting records. In theory, if all of the Company's assets were sold and all of the Companies liabilities were totally paid off (both based on the amounts recorded in the Company's books) the remainder would be available to owners as Book Value. This Method is generally regarded as very conservative as it does not take into account the value of the Company as a going concern.

ADJUSTED BOOK VALUE

Company Value	PerShare	Minority/Share
434,566	434.57	282.47

   Adjusted Book Value amends the book figures of Book Value for differences in fair market value of assets not recognized in the books and for any difference (almost always an increase) for liabilities unrecognized in the books, all as per adjustments to assets and liabilities, if any, provided as input in the Ownership Form. Like the previous Method it does not consider the Company's value as a going concern.

NET ASSET GROWTH

Company Value	PerShare	Minority/Share
383,496	383.50	249.27

   Net Asset Growth determines a historical growth in Book Value and projects that growth rate five years out, calculating a Present Value on the projection. The Present Value is figured with the applied Discount Rate, provided that the Discount Rate does not exceed the growth rate. This Method is less often used, but does to an extent take into account operations as growth in Book Value can be correlated with operational profitability.

PROFIT-BASED METHODS

3 YEAR PAYBACK

Company Value	PerShare	Minority/Share
943,384	943.38	613.20

Projections for future profit estimates are calculated using WorthMetrix's proprietary algorithms in conjunction with best-fit statistics. The sum of those projected profits for the next 3 years equals 3 Year Payback Value, which can be useful under the rule-of-thumb that a buyer wants to be confident of recovering the investment made within 3 years.

RATE OF RETURN

Company Value	PerShare	Minority/Share
1,687,179	1,687.18	1,096.67

This simplified, but commonly used, model assumes that the most recently reported annual profits will continue indefinitely into the future. The reciprocal of the Discount Rate is applied and the result represents the value of the Company based on what would pay to receive those expectedly constant profits into the future.

NORMALIZED RATE OF RETURN

Company Value	PerShare	Minority/Share
813,488	813.49	528.77

The Normalized Rate of Return tends to be more conservatively predictive than the above Rate of Return as the Normalized version calculates the simple average for the profits for the years provided in input and then applies the same Discount Rate reciprocal on the theory that the average profits will continue indefinitely. The simple average of several years' worth of profits presumably avoids the risk that a single year may be anomaly.

FREE CASH FLOW RATE OF RETURN

Company Value	PerShare	Minority/Share
738,285	738.29	479.89

Free Cash Flow means money earned by the Company that can be used freely in the discretion of the owner(s). The standard calculation takes net profit, with amortization, depreciation and owner compensation added back in, but with capital expenditures and debt principal repayments subtracted. For privately held companies, this measure is often a key figure for sellers and buyers. The same Discount Rate reciprocal is used on the same theory that this Free Cash

Flow will continue to be produced indefinitely into the future.

NORMALIZED FREE CASH FLOW RATE OF RETURN

Company Value	PerShare	Minority/Share
873,886	873.89	568.03

 Rather than using the most current year's Free Cash Flow, the simple average of Free Cash Flow for the years provided is used with the current Discount Rate reciprocal with the same kind of anticipated predictive value as between the two Rate of Return standards.

DISCOUNTED FUTURE PROFITS

Company Value	PerShare	Minority/Share
1,275,511	1,275.51	829.08

 Discounted Future Profits finds the present value of the aforesaid algorithmic statistical projections for the next five years, again using the Discount Rate to find the present value for each of the projected years and then summing those five present values. The theory for using five years is that predictions beyond five years become too speculative to be truly reliable.

COMBINATION METHODS

EXCESS INCOME PLUS ASSETS

Company Value	PerShare	Minority/Share
1,857,961	1,857.96	1,207.67

 This simplified model came into existence before computers were readily available as present value and statistical calculations could be both time-consuming, tedious and prone to human error. This Method assumes that a normal Rate of Return (i.e. the Discount Rate) should be earned on the Company's existing equity (i.e. Book Value) which is representative of what the owners have invested in the Company, including any profits not withdrawn and thus essentially reinvested. If current earnings exceed this theoretically 'normal' return, then the 'excess' is capitalized at the Discount Rate's reciprocal and added to the current Book Value.

TOTAL PRESENT VALUE (5 YR)

Company Value	PerShare	Minority/Share
1,710,077	1,710.08	1,111.55

 Total Present Value sums the above Discounted Future Profits value and the Adjusted Book Value. This result is often considered the most sophisticated model, because it considers both the assets (subject to liabilities) that the Company owns and the earnings potential of the Company.

PRIOR SALES

Company Value	PerShare	Minority/Share
NM	**NM**	**NM**

      Transfers of ownership (whether sales between owners, new issuances to investors, gifts, inheritances, etc.) as provided via the Ownership Form are analyzed for an average transaction value (which may have been reported separately to tax or other authorities). The operative theory is that prices at which ownership interests changed hands privately still are likely to reflect a market reality. Reportedly, tax authorities, in particular, often place heavy reliance on the values reflected in such transactions.

MARKET TO BOOK

Company Value	PerShare	Minority/Share
1,051,049	1,051.05	683.18

      A recognized stock market ratio of Market Price to Book Value is adjusted by a Liquidity Discount and applied to the Company's Book Value. This Method raises the possibility that the stock market may not necessarily value Net Assets right at 100%.Such a value may be higher or lower, depending on economic and market conditions, such as actual and expected inflation, interest rates, demand versus supply and others.

MEDIAN MARKET PE RATIO

Company Value	PerShare	Minority/Share
3,048,295	3,048.30	1,981.39

      Another recognized market average, Price Earnings Ratio (or "PE Ratio") is adjusted by the same Liquidity Discount and applied to the Company's latest Net Profit. The logic is that the ratio of a stock's price to its profits supposedly indicates an implicit rate of return as considered in the price agreed between buyer and seller at which the stock changes hands, and is thus another way to evaluate the Company as a whole.

NORMALIZED MARKET PE RATIO

Company Value	PerShare	Minority/Share
1,469,813	1,469.81	955.38

      Like the Normalized Rate of Return above, the simple average of the Company's Net Profits for the years provided are multiplied by the same Liquidity adjusted Price Earnings Ratio. The same logic applies, that this Method avoids the risk that the most current year figures are an anomaly.

REVENUE MULTIPLIER

Company Value	PerShare	Minority/Share
6,095,084	6,095.08	3,961.80

Yet another recognized stock market average ratio is Share Price to annual Revenue Per Share. That ratio is effectively a multiplier of revenue (thought it may multiply at less than 1.0). The public markets ratio is, as with preceding Methods, adjusted for Liquidity and then multiplied by the Company's most recent annual revenue.

NORMALIZED REVENUE MULT

Company Value	PerShare	Minority/Share
4,552,511	4,552.51	2,959.13

As with previous Normalized Methods, the average of the Company's revenues for the years input in the Operations Form is multiplied by the same Liquidity adjusted Revenue Multiplier. And as before, the operative goal with this Method is to avoid the risk that this single current year is an anomaly.

FREE CASH FLOW MULTIPLE

Company Value	PerShare	Minority/Share
807,339	807.34	524.77

And once again we find one more recognized applicable stock market average, which is a multiple of Free Cash Flow. This multiple is likewise adjusted for Liquidity and then applied to the Company's most recent Free Cash Flow.

NORMALIZED FREE CF MULT.

Company Value	PerShare	Minority/Share
955,678	955.68	621.19

Similar to other normalizations in our Report, the average of the Company's Free Cash Flow for the provided input years is multiplied by the Liquidity adjusted average Free Cash Flow multiple, again in case the current year may not be representative for the Company's operations.

SELECTING A SINGLE VALUE

Naturally, the goal is to get to one number for one purpose.

- When seeking a single value, consider the purpose for which a value is sought. If pricing to sell, ask yourself, 'Would a deal really go at this price?
- If the purpose is an all-insider transaction (e.g. for a buy-sell contract) think how owner relationships (e.g. family members, etc.) might affect value.
- If lending money with the business or shares of stock used for security, the conservative approach of selecting a lower value may apply.
- If purchasing insurance, a higher figure might be preferred to give a cushion.

The nature of the business may make a difference.

- Asset-based methods or their average may be better suited for asset-intensive businesses, but purely profit-based methods may be the preferred fit for service companies or highly labor-intensive outfits.
- Combination Methods often are favored as a balanced approach for firms for whom both assets and labor are critical.
- Market-based methods often apply across the board, but beware of transient market anomalies and/or local peculiarities yielding suboptimal results.
- It may therefore be logical to use a hybrid average employing selected methods as the most realistic value.

The ten combination statistics from TABLE 1, repeated for convenience here, offer a menu of hybrid choices:

TABLE 1

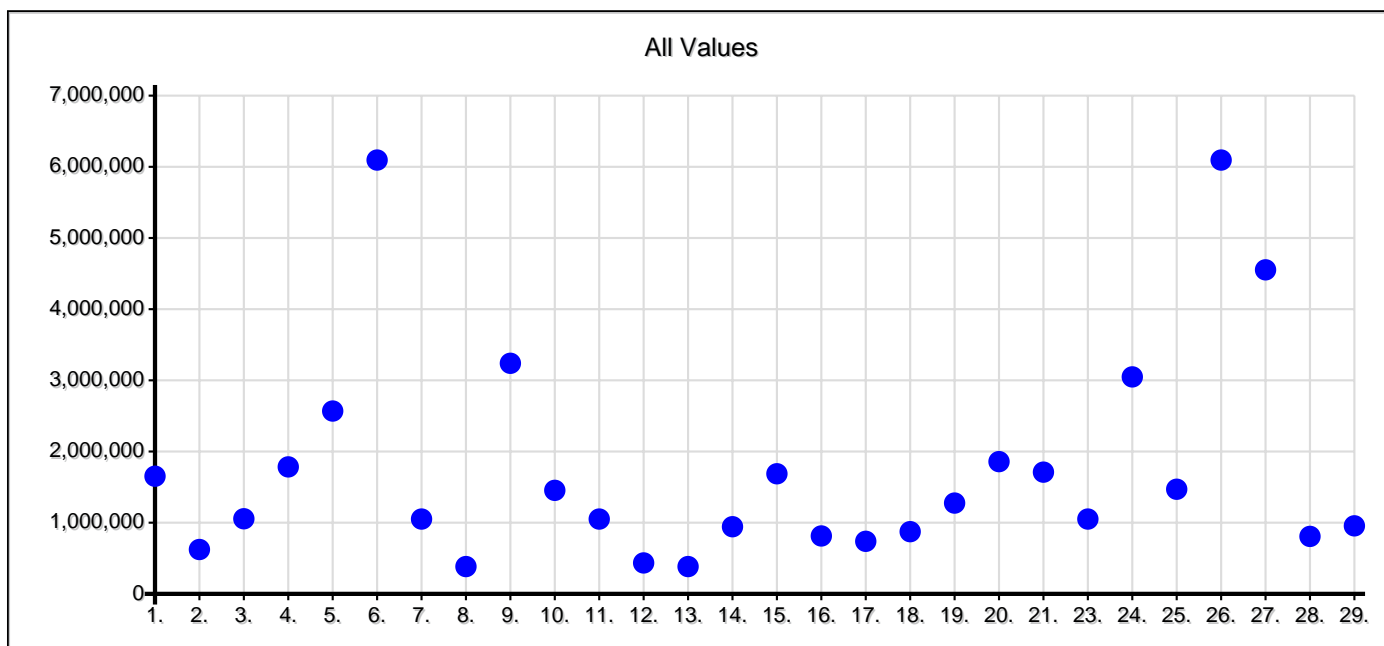| Key#	SUMMARY VALUES	ANALYTIC VALUE	PER SHARE VALUE	MINORITY VALUE/SHARE
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Here's how those averages are put together, all using only meaningful results:

1. Average of All: Simple average of all methods with meaningful results.

2. Asset-Based Average:	)	2, 3, 4 & 5
3. Profit-Based Average:	)	are the simple
4. Combination Average:	)	Averages for the
5. Market-Based Average:	)	Method Groupings

6. High: The highest value of all the Individual Method Values calculated.

7, Median: The true Median of all the Individual Method Values calculated.

8. Low: The lowest value of all the Individual Method Values calculated.

9. Endpoints Average: Midpoint between the above High and Low, taking no other values into account, meaning this is an average of the extremes.

10. Ends-out Average: Simple average of all the Individual Method Values calculated but Excluding the High and Low values as they may be outliers.

Generally speaking, many of the values, whether Individual Method Analytic Values or Summary Values, often tend to cluster within a fairly narrow range within which fair market value would seem likely to lie, though there may be several outliers.

The Scatter Graphs may thus be a particularly useful visual tool for such evaluation , yet allows all possibilities, even outliers, to be considered.

Toward that end, a combined Scatter Graph is below along with one more Recap of all Analytic Values. The Key #'s in the Recap apply for the combined Scatter Graph.

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So, whether you are a seller or buyer (or lender, insuror, guarantor or in some other capacity) somewhere within that cluster is where you are likely to feel comfortable.

We appreciate the opportunity to be of service.

Sincerely,

WorthMetrix™ LLC.