CONFIDENTIAL INFORMATION MEMORANDUM

CURRENT OPPORTUNITY: BluePeak Mechanical Services
FUND: Cedarbridge Lower Middle Market Fund IV
SECTOR SPACE: Industrial Services

CEDARBRIDGE INVESTMENT COMMITTEE SCREENING MEMORANDUM

TO: Cedarbridge Fund IV Investment Committee
FROM: Private Equity Investment Team (Industrial Services Practice)
DATE: October 28, 2026
SUBJECT: Investment Screening Memo: BluePeak Mechanical Services (Project Summit)
STATUS / MANDATE FIT: Lower Middle Market Fund IV Screen | Commercial & Industrial HVAC Services
RECOMMENDATION: PAUSE / CONDITIONAL DECLINE. Do not advance BluePeak Mechanical Services to confirmatory diligence at the seller's indicated enterprise value of $226.6 million (11.5x FY2026E seller-adjusted EBITDA of $19.7 million, or 17.6x FY2025 normalized EBITDA of $12.9 million). Condition any re-engagement upon the seller providing verified customer contract registers, general ledger transaction support for add-backs, and resetting valuation expectations to an underwritable entry multiple (9.0x–10.0x) on supportable historical normalized earnings.

1. EXECUTIVE SUMMARY & MANDATE ASSESSMENT

BluePeak Mechanical Services ("BluePeak" or the "Company") is a regional commercial and light industrial mechanical services provider operating 12 branches across four regions (Northeast, Midwest, Southeast, Mountain). The seller is marketing the business at an indicated Enterprise Value (EV) of **$226.6 million**, premised on an aggressive 11.5x multiple applied to a forward, unverified FY2026 seller-adjusted EBITDA estimate of **$19.7 million**.

Fund IV Mandate Fit Evaluation

According to the *Cedarbridge Lower Middle Market Fund IV Private Placement Memorandum* (Fund IV PPM) and the *Investment Research Standard* (IRS v4.2):

1. **Size & Financial Scale (Fit Preference: $50M–$250M Revenue, $8M–$30M Normalized EBITDA):**

- *Reported FY2025 Revenue:* $84.0M (Within preference).

- *Tentative FY2025 Normalized EBITDA:* $12.9M (Within preference; however, reported unadjusted EBITDA is $11.6M).
- *Enterprise Value:* Seller's indicated EV of $226.6M falls within the $75M–$350M range, but requires an equity check of approximately $115M–$135M depending on leverage (approaching or exceeding Fund IV's standard $25M–$100M single-deal equity target without co-investment).

2. **Control & Governance (Fit Preference: 60%–100% Equity Control):**

- Meets mandate; Cedarbridge would acquire a controlling interest, replacing founding ownership.

3. **Business Model Quality & Revenue Predictability (Preference: Truly Contracted Demand):**

- *Fails Core Preference:* Management claims 67.0% ($56.3M) of revenue is "recurring and repeat." However, underlying contract schedules prove that only **42.0% ($35.3M)** is bound by contracted maintenance agreements. The remaining **58.0% ($48.7M)** consists of discretionary project work, retrofits, and emergency break-fix services.

4. **Earnings Quality & Cash Conversion (Preference: High Cash Conversion, Low Normalization):**

- *Fails Sector Thesis Benchmarks:* Free cash flow conversion collapsed from 65.0% of reported EBITDA in FY2023 to 20.7% ($2.4M) in FY2025. Working capital expanded aggressively by $3.1M in the final three months of FY2025 alone. Proposed seller add-backs represent 24.7% of adjusted EBITDA (exceeding the firm's 15.0% maximum screen limit).

2. EVIDENCE DISCIPLINE & INDEPENDENT MARKET CONTEXT

In accordance with Cedarbridge Investment Research Standard v4.2, evidence is categorized into: **[Seller Claim]**, **[Underlying Record]**, **[Third-Party Research]**, and **[Analyst Inference]**.

Approved Public Market Research & Sector Context

5. **EIA Commercial Buildings Energy Consumption Survey (CBECS)**

- *Source & URL:* U.S. Energy Information Administration (EIA), Commercial Buildings Energy Consumption Survey, https://www.eia.gov/consumption/commercial/ (Survey reference year: 2018 final results, released December 2022; exploratory post-pandemic education report dated December 10, 2024; building stock insights dated May–June 2026).
- *Market Facts Established:* The U.S. commercial building stock encompasses approximately 5.9 million commercial buildings consuming 6.8 quadrillion BTUs annually. Space heating and cooling account for nearly one-third of total commercial site energy consumption. Furthermore, post-pandemic operational

adaptations have driven institutional and commercial facilities to increase ventilation rates, filtration efficiency, and air turnover.

- *Limits of Public Evidence:* CBECS confirms macro baseline demand for commercial HVAC maintenance across commercial real estate, healthcare, and education. It does **not** validate BluePeak's local market share, branch density, competitive pricing power, or contractual retention.

6. **BLS Occupational Outlook Handbook: HVACR Mechanics and Installers**

- *Source & URL:* U.S. Bureau of Labor Statistics (BLS), Occupational Outlook Handbook, https://www.bls.gov/ooh/installation-maintenance-and-repair/heating-air-conditioning-and-refrigeration-mechanics-and-installers.htm (Projection Period: 2025–2035; last modified August 27, 2026; visited October 2026).
- *Market Facts Established:* National employment of HVACR technicians is projected to grow **11% from 2025 to 2035** (much faster than the average for all occupations), adding 48,200 net jobs to an existing base of 440,900, with approximately 40,600 annual openings driven by retirements and occupational transfers. The 2025 national median annual wage was $61,010 ($29.33/hour).
- *Limits of Public Evidence:* BLS data underscores severe structural industry labor scarcity and sustained wage pressure across the technician base. It does **not** prove BluePeak's ability to recruit or retain qualified field labor, nor does it substantiate management's claim of an "advantaged field workforce."

7. **EPA Technology Transitions Program (AIM Act Phasedown)**

- *Source & URL:* U.S. Environmental Protection Agency (EPA), Technology Transitions Program under the American Innovation and Manufacturing (AIM) Act, https://www.epa.gov/hfcs/technology-transitions-program (Statutory implementation effective January 1, 2025; regulatory update May 26, 2026; labeling compliance rule December 2024).
- *Market Facts Established:* Effective January 1, 2025, EPA regulations prohibit the manufacture, distribution, sale, and installation of new residential and light commercial air conditioning and heat pump systems utilizing refrigerants with a Global Warming Potential (GWP) exceeding statutory thresholds (e.g., transition away from R-410A to lower-GWP alternatives such as R-32 and R-454B).
- *Limits of Public Evidence:* Establishes that commercial property owners face mandatory equipment retrofit and replacement cycles, theoretically driving project demand. It does **not** confirm whether BluePeak technicians possess certified handling capabilities for mildly flammable (A2L) refrigerants, nor does it guarantee customer capital expenditure timing.

3. COMMERCIAL QUALITY & OPERATING METRICS AUDIT

Dimension / Test	Sector Thesis Ideal (Sector/02)	BluePeak Performance	Evidentiary Basis & Internal Source	Compliance / Underwriting Assessment
Contracted Maintenance Mix	At least 50.0% of total net revenue	42.0% ($35.3M of $84.0M)	Supporting Data/bluepeak_revenue_mix.csv	FAIL (-800 bps). Core committed maintenance base is thin.
Repeat / Recurring Claim	Contractually bound recurring revenue	67.0% claimed ($56.3M)	03_BluePeak_CIM.pdf, p. 4	MISLEADING. Includes $21.0M of non-binding, discretionary repeat project spend.
Maintenance Contract Renewal Rate	At least 90.0% on tracked cohort	91.0% unit count; Unmeasured on revenue	Supporting Data/bluepeak_maintenance_contract_cohorts.csv	UNVERIFIED. 1,001/1,100 contracts renewed, but excludes contracts not yet due and omits Net Dollar Retention.
Customer Concentration (Top 1)	Below 12.0% of total net revenue	15.48% ($13.0M / $84.0M)	Supporting Data/bluepeak_customer_revenue.csv	FAIL (+348 bps). Solstice Properties represents $13.0M; expires March 31, 2027.
Customer Concentration (Top 5)	Below 35.0% of total net revenue	40.48% ($34.0M / $84.0M)	Supporting Data/bluepeak_customer_revenue.csv	FAIL (+548 bps). Top 5 accounts total $34.0M across mixed project/service lines.
Seller Adjustments % of Adjusted EBITDA	Below 15.0% of seller-adjusted EBITDA	24.68% ($3.8M add-backs / $15.4M)	Supporting Data/bluepeak_ebitda_addbacks.csv	FAIL (+968 bps). EBITDA quality is weak and highly subjective.
Technician Separation Rate	Below 20.0% of average headcount	27.36% total separations (68 / 248.5)	Supporting Data/bluepeak_workforce_rollforward.csv	FAIL (+736 bps). Management reports 18.0% voluntary attrition by ignoring involuntary departures.

Detailed Operating Analysis

- **Customer Concentration & Recontracting Risk:** The top five customers represent 40.5% ($34.0M) of FY2025 revenue. Solstice Properties alone contributes $13.0M (15.5% of total sales; includes contracted maintenance and retrofit work). Solstice's contract expires on March 31, 2027 (in Month 5 of Cedarbridge's illustrative ownership). Under the agreement, renewal economics are unverified **[Analyst Inference from Contract Notes]**. An adverse pricing renegotiation or loss of Solstice would impair baseline platform EBITDA by $2.0M–$3.0M.
- **Contract Renewal Cohort Mechanics:** Management asserts a 91.0% renewal rate based on simple contract counts (1,001 renewals out of 1,100 opening contracts). However, the cohort schedule explicitly notes: *(i)* contracts not expiring in FY2025 were excluded, *(ii)* lost revenue from downsized scopes is unmeasured, and *(iii)* underlying contract master files were withheld **[Underlying Record: bluepeak_maintenance_contract_cohorts.csv]**.
- **Workforce Churn & Operating Capacity:** Management advertises 18.0% technician attrition. Scrutiny of bluepeak_workforce_rollforward.csv reveals opening headcount of 232 technicians, 101 gross hires, 68 separations (all causes), and 265 ending technicians. Average headcount in FY2025

was 248.5. True technician turnover was **27.36%** (68 / 248.5). In an industry facing acute labor shortages (BLS: 11% job growth; 40,600 annual openings), losing more than one-quarter of the field workforce annually inflates recruitment costs, threatens service delivery SLAs, and depresses technician gross utilization.

- **Regional Branch Economics & Disparities:** Performance across the 12 branches is highly uneven (bluepeak_branch_summary.csv):
- *Midwest (3 branches):* Highest quality profile; $21.0M revenue, $3.5M EBITDA (16.7% margin), $52.2k EBITDA/tech, backed by the highest contracted maintenance density.
- *Northeast (4 branches):* $28.0M revenue, $4.4M EBITDA (15.7% margin), $50.0k EBITDA/tech.
- *Southeast (3 branches):* $23.0M revenue, $2.7M EBITDA (11.7% margin), $37.5k EBITDA/tech; dragged down by an unseasoned start-up branch opened in 2025.
- *Mountain (2 branches):* $12.0M revenue, $1.0M EBITDA (8.3% margin), $26.3k EBITDA/tech; heavily skewed toward low-margin, lumpy project construction work.

4. FINANCIAL AUDIT, EARNINGS BRIDGE & CASH CONVERSION

Historical Reported Financial Summary (bluepeak_historical_financials.csv)

- **FY2023:** Revenue $62.0M | Reported EBITDA $8.4M | Seller Adj. EBITDA $9.8M | CapEx $2.1M | CFO $6.5M | FCF (CFO - CapEx): $4.4M
- **FY2024:** Revenue $72.0M | Reported EBITDA $10.0M | Seller Adj. EBITDA $12.2M | CapEx $2.5M | CFO $7.1M | FCF (CFO - CapEx): $4.6M
- **FY2025:** Revenue $84.0M | Reported EBITDA $11.6M | Seller Adj. EBITDA $15.4M | CapEx $3.4M | CFO $5.8M | FCF (CFO - CapEx): $2.4M

FY2025 EBITDA Reconciliation & Add-Back Audit

The seller proposes $3.80M in adjustments to bridge reported FY2025 EBITDA ($11.60M) to Seller-Adjusted EBITDA ($15.40M). Based on preliminary review (06_BluePeak_Preliminary_QoE_Workpaper.pdf and Supporting Data/bluepeak_ebitda_addbacks.csv), the deal team disallows $2.50M of seller add-backs:

8. **Owner Compensation Normalization ($0.80M Seller vs. $0.50M Normalized | Disallow $0.30M):**

- *Seller Position:* Add back $800k in owner distributions and non-operating perquisites.
- *QoE Finding:* Market replacement cost for an incoming CEO and CFO requires $500k in base salary and bonus; only a net $300k deduction from historical SG&A is supportable.

9. **Acquisition Integration Expenses ($1.10M Seller vs. $0.40M Normalized | Disallow $0.70M):**

- *Seller Position:* Full add-back of $1.10M incurred to integrate two branch acquisitions.
- *QoE Finding:* General ledger entries show $700k represents recurring operating IT subscriptions, software migration expenses, and branch staffing costs that occur regularly in a buy-and-build model. Only $400k in discrete third-party advisory costs is non-recurring.

10. **New-Branch Start-Up Costs ($0.90M Seller vs. $0.00M Normalized | Disallow $0.90M):**

- *Seller Position:* Add back $900k of operating losses from the new Southeast branch.
- *QoE Finding:* Branch openings are regular commercial expansion investments. Operating drag from unabsorbed technician labor and initial facility rent is normal business overhead, not a non-recurring expense. Fully disallowed.

11. **Transaction & Legal Expenses ($0.40M Seller vs. $0.40M Normalized | Accept $0.40M):**

- *QoE Finding:* Discrete legal fees related to prior transactions supported by third-party engagement letters. Allowed.

12. **Lost-Contract Margin Contribution ($0.60M Seller vs. $0.00M Normalized | Disallow $0.60M):**

- *Seller Position:* Add back $600k of lost gross profit from an industrial maintenance customer that terminated in early FY2025.
- *QoE Finding:* Adding back margin from lost accounts while retaining gross revenue from newly won accounts violates fundamental quality-of-earnings standards. Customer churn is an ordinary operating risk. Fully disallowed.

FY2025 EBITDA Bridge Arithmetic:

Reported FY2025 EBITDA:	$11.60M
+ Total Seller Add-Backs Proposed:	+ $3.80M (24.7% of seller adj. EBITDA)
= Seller-Adjusted FY2025 EBITDA:	**$15.40M**
- Disallowed Owner Compensation Excess:	- $0.30M
- Disallowed Recurring IT/Branch Integration:	- $0.70M
- Disallowed New-Branch Operating Losses:	- $0.90M
- Disallowed Lost-Contract Gross Margin:	- $0.60M
= Tentative Normalized FY2025 EBITDA:	**$12.90M**
[Variance to Seller Adjusted: -$2.50M or -16.2%]	

Cash Flow Deterioration & Working Capital Strain

Despite reported revenue expanding 16.7% ($72.0M to $84.0M) and reported EBITDA rising 16.0% ($10.0M to $11.6M) in FY2025, **Cash Flow from Operations (CFO) contracted by 18.3% ($7.1M to $5.8M)**, and **Free Cash Flow (FCF = CFO - CapEx) plunged 47.8% ($4.6M to $2.4M)**:

- *Operating Cash Conversion (CFO / Reported EBITDA):* Declined from 77.4% (FY2023) and 71.0% (FY2024) to **50.0% (FY2025)**.
- *Free Cash Flow Conversion (FCF / Reported EBITDA):* Declined from 52.4% (FY2023) and 46.0% (FY2024) to **20.7% (FY2025)**. Against tentative normalized EBITDA ($12.9M), FCF conversion is an anaemic **18.6%**.
- *Working Capital Spikes (Supporting Data/bluepeak_working_capital.csv):*
  Over the final quarter of FY2025, illustrative Net Working Capital (NWC = AR + Unbilled Revenue + Inventory - AP & Accruals) grew by **$3.1M (+38.3%)**:
- *October 2025:* AR $14.1M + Unbilled $2.0M + Inv $1.8M - AP $9.8M = **$8.1M NWC**
- *November 2025:* AR $15.4M + Unbilled $2.3M + Inv $1.9M - AP $10.2M = **$9.4M NWC**
- *December 2025:* AR $17.2M + Unbilled $2.8M + Inv $2.0M - AP $10.8M = **$11.2M NWC**
  Analysis: Accounts Receivable expanded by $3.1M (+22.0%) while unbilled revenue increased by $0.8M (+40.0%) in 60 days. This indicates either aggressive revenue pull-forward, billing bottlenecks on commercial retrofit projects, or significant collections slippage.

Analysis of the FY2026 Forecast & Q4 Seasonality Distortion

The seller projects FY2026 revenue of $96.0M and seller-adjusted EBITDA of $19.7M (+27.9% growth over FY2025 seller-adjusted EBITDA, and +52.7% over tentative FY2025 normalized EBITDA of $12.9M).

FY2026 Quarterly Performance & Forecast Progression:

2026-Q1 (Actual):	Revenue $20.0M	Seller Adj. EBITDA $3.3M (16.5% margin)
2026-Q2 (Actual):	Revenue $23.0M	Seller Adj. EBITDA $4.1M (17.8% margin)
2026-Q3 (Actual):	Revenue $26.0M	Seller Adj. EBITDA $5.7M (21.9% margin)
Subtotal Q1-Q3:	**Revenue $69.0M**	**Seller Adj. EBITDA $13.1M (19.0% margin)**
2026-Q4 (Forecast):	Revenue $27.0M	Seller Adj. EBITDA $6.6M (24.4% margin)
Total FY2026:	**Revenue $96.0M**	**Seller Adj. EBITDA $19.7M (20.5% margin)**

Seasonality Inversion Risk: Commercial HVAC demand in North America peaks during the summer cooling season (Q3). In FY2025, BluePeak generated $5.8M in Q3, collapsing to $3.1M in Q4 (a 46.6% sequential drop). In direct contradiction to historical patterns, management forecasts FY2026 Q4 EBITDA to surge sequentially to **$6.6M** (24.4% margin)—the highest quarterly margin in company history. If Q4

FY2026 merely matched Q4 FY2025 ($3.1M), full-year FY2026 seller-adjusted EBITDA would be $16.2M. Applying our normalized haircut (-16.2%), true normalized FY2026 EBITDA would sit near **$13.6M**, exposing an implied forward purchase price of **16.7x true earnings**.

5. VALUATION SENSITIVITIES & COMPARATIVE DEAL RECORD

Valuation & Implied Multiples Analysis

- **Seller Enterprise Value Indication:** $226.6 million.
- **Valuation Multiples Under Alternative Earnings Bases:**
- Multiple on Seller FY2026E Adjusted EBITDA ($19.7M): **11.5x**
- Multiple on Full-Year FY2025 Seller-Adjusted EBITDA ($15.4M): **14.7x** ($226.6M / $15.4M)
- Multiple on Tentative Normalized FY2025 EBITDA ($12.9M): **17.6x** ($226.6M / $12.9M)
- Multiple on Reported Historical FY2025 EBITDA ($11.6M): **19.5x** ($226.6M / $11.6M)

Valuation Sensitivity Matrix (Enterprise Value in $ Millions):

EBITDA Basis	Amount	At 8.5x	At 9.5x	At 10.5x	At 11.5x (Ask)
Reported FY2025	$11.60M	$98.6M	$110.2M	$121.8M	$133.4M
Tentative Normalized FY2025	$12.90M	$109.7M	$122.6M	$135.5M	$148.4M
Seller Adjusted FY2025	$15.40M	$130.9M	$146.3M	$161.7M	$177.1M
Underwritable FY2026E	$14.50M	$123.3M	$137.8M	$152.3M	$166.8M
Seller Forecast FY2026E	$19.70M	$167.5M	$187.2M	$206.9M	$226.6M (Ask)

Valuation Conclusion: At the seller's indicated $226.6M valuation, Cedarbridge would be overpaying by **$78M to $104M** relative to normalized historical earnings evaluated at typical platform entry multiples (9.5x–10.5x).

Precedent Deal Review: Lessons from Project Atlas and Project Crestpoint

In evaluating BluePeak, the deal team reviewed prior Fund IV committee determinations:

- **Atlas Mechanical (Approved Platform Acquisition, FY2024 | Memo Prior Deals/Atlas):**
- *Profile:* $68.0M Revenue, $13.0M Normalized EBITDA, $123.5M EV (9.5x normalized entry multiple).
- *Key Strengths:* 58% contracted maintenance mix, 93% verified net dollar retention, top customer concentration of only 9.5% (top 5 = 28%), verified audited accounts, and seller add-backs comprising just 8.5% of adjusted earnings.
- *Committee Lesson:* Atlas succeeded because valuation was anchored to proven, audited historical contracts with high cash conversion (72% FCF conversion). BluePeak exhibits lower contracted density (42%), higher customer risk (Solstice at 15.5%), and inflated adjustments (24.7%).
- **Crestpoint Climate (Declined to Bid, FY2025 | Memo Prior Deals/Crestpoint):**
- *Profile:* Seller marketed at 11.0x forward EBITDA ($165M EV on $15.0M forward adjusted).
- *Key Flaws:* Contracted maintenance was only 40% (repeat project work labeled "recurring"), top customer was 18%, seller add-backs were 26% of EBITDA, technician turnover exceeded 25%, and working capital ballooned late in the fiscal year.
- *Committee Lesson:* Crestpoint was rejected because the seller refused contract-level audits, offered unprovable margin bridges, and demanded a forward premium on uncommitted work. BluePeak replicates the Crestpoint failure pattern across customer concentration, FCF decay, and add-back aggressiveness.

6. PRINCIPAL RISKS

13. **Re-contracting and Margin Erosion at Solstice Properties:** Solstice generates $13.0M (15.5%) of revenue under a single agreement expiring March 31, 2027. Failure to renew or a 10% price concession would eliminate $1.3M–$2.5M of annual gross profit.
14. **Aggressive Revenue Pull-Forward & Cash Disconnect:** The $3.1M spike in working capital (AR expanding +22% and unbilled revenue +40% in late FY2025) suggests revenue was recognized ahead of collections to achieve marketing targets, threatening substantial bad debt or working capital write-downs post-close.
15. **Severe Operational Attrition Amid Industry Headwinds:** True technician turnover of 27.4% threatens field capacity. With BLS projecting 11% job growth and 40,600 open positions annually, BluePeak will face persistent wage inflation and recruitment fees that undermine forecasted margins.

16. **Valuation Multiple Compression on Unfounded FY2026 Forecasts:** Purchasing at 11.5x an unverified $19.7M forecast (which depends on an unrealistic Q4 surge of $6.6M) exposes Fund IV to immediate multiple expansion write-downs if FY2026 settles near normalized run rates ($13.5M–$14.5M).
17. **Regulatory Equipment Transition Drag:** AIM Act restrictions effective January 1, 2025 require transitions to A2L refrigerants. If BluePeak's workforce lacks specialized training, the company risks warranty liabilities, safety incidents, and installation delays.

7. PRIORITY DILIGENCE REQUESTS & REVERSAL CONDITIONS

Top Five Confirmatory Diligence Requests (Pre-Condition Requirements)

18. **Contract-Level Customer Register & General Ledger Reconciliation:** Complete schedule of all 1,269 active maintenance contracts, listing customer name, branch, service scope, annual contract value (ACV), start/end dates, renewal terms, termination-for-convenience clauses, and 24-month billing histories tied to the general ledger.
19. **Solstice Properties Complete Contract File & Audit:** Full unredacted master service agreement, property-level statement of work addenda, equipment logs, gross margin by site, and permission to execute an approved off-site customer reference call.
20. **Monthly Working Capital & Revenue Cut-Off Testing:** Month-by-month accounts receivable aging, unbilled revenue work-in-progress (WIP) schedules, customer credit memos, and invoice-level testing for October through December 2025 to verify revenue cut-off integrity.
21. **General Ledger Support for EBITDA Add-Backs:** Invoice vouchers, payroll registers, IT contracts, and lease agreements supporting the $1.10M acquisition integration, $0.90M Southeast branch start-up, and $0.80M owner compensation adjustments.
22. **Technician Payroll, Wage & Turnover Ledger:** Technician-level roster spanning FY2024–FY2026 detailing wage rates, overtime hours, billable utilization rates, hire dates, separation dates, termination reasons, and EPA Section 608 / A2L refrigerant certifications.

Specific Facts That Would Change the Recommendation

The deal team would recommend advancing BluePeak to an active Indication of Interest (IOI) if:

- **Valuation Basis Reset:** The seller formally accepts an indication anchored to **historical normalized EBITDA ($12.9M) at a 9.0x–10.0x entry multiple** ($116M–$129M Enterprise Value), abandoning the forward $19.7M premise.
- **Solstice Contract Extension:** Solstice Properties executes a multi-year extension through at least 2029 on terms verifying historical unit margins.
- **Working Capital Normalization:** Historical cut-off audits verify that the late FY2025 working capital surge converted into collected cash during Q1–Q2 FY2026 without customer concessions or bad-debt reserves.
- **Audited Add-Back Substantiation:** Independent third-party audit verifies that at least $1.5M of disputed integration and start-up expenses were truly non-operating and completely extinguished from future operations.

Submitted on behalf of the Industrial Services Deal Team for Investment Committee Review.