

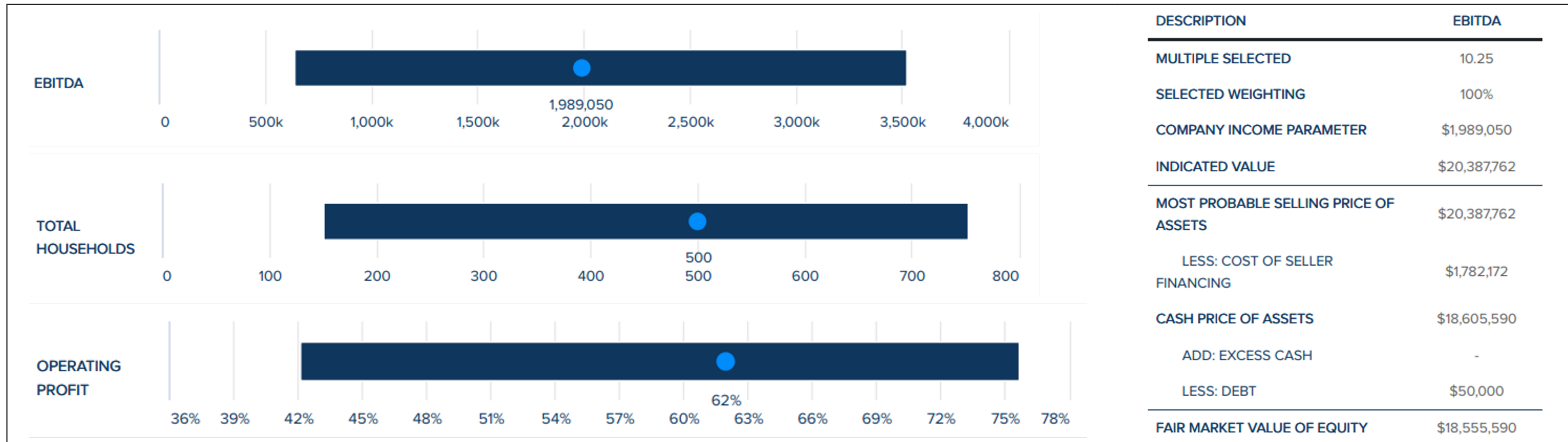
THIS IS THE **METHODOLOGY**
THAT **BACKS** THE FP TRANSITIONS'
COMPREHENSIVE VALUATION REPORT.



Gross Revenue	\$ 1,831,646
<i>Base Multiple</i>	<i>2.5</i>
Base Value	\$ 4,579,115
Value Adjustments	
◆ Market Demand Adjustment	\$ 109,899
◆ Transition Risk Adjustment	\$ 137,373
◆ Cash Flow Quality Adjustment	\$ 338,488
Total Value Adjustments	\$ 585,760
Final Value	\$ 5,164,876
<i>Final Multiple</i>	<i>2.82</i>



HOW FPT CONSIDERS MULTIPLES: COMPARISON DATA



DESCRIPTION	EBITDA
MULTIPLE SELECTED	10.25
SELECTED WEIGHTING	100%
COMPANY INCOME PARAMETER	\$1,989,050
INDICATED VALUE	\$20,387,762
MOST PROBABLE SELLING PRICE OF ASSETS	\$20,387,762
LESS: COST OF SELLER FINANCING	\$1,782,172
CASH PRICE OF ASSETS	\$18,605,590
ADD: EXCESS CASH	-
LESS: DEBT	\$50,000
FAIR MARKET VALUE OF EQUITY	\$18,555,590

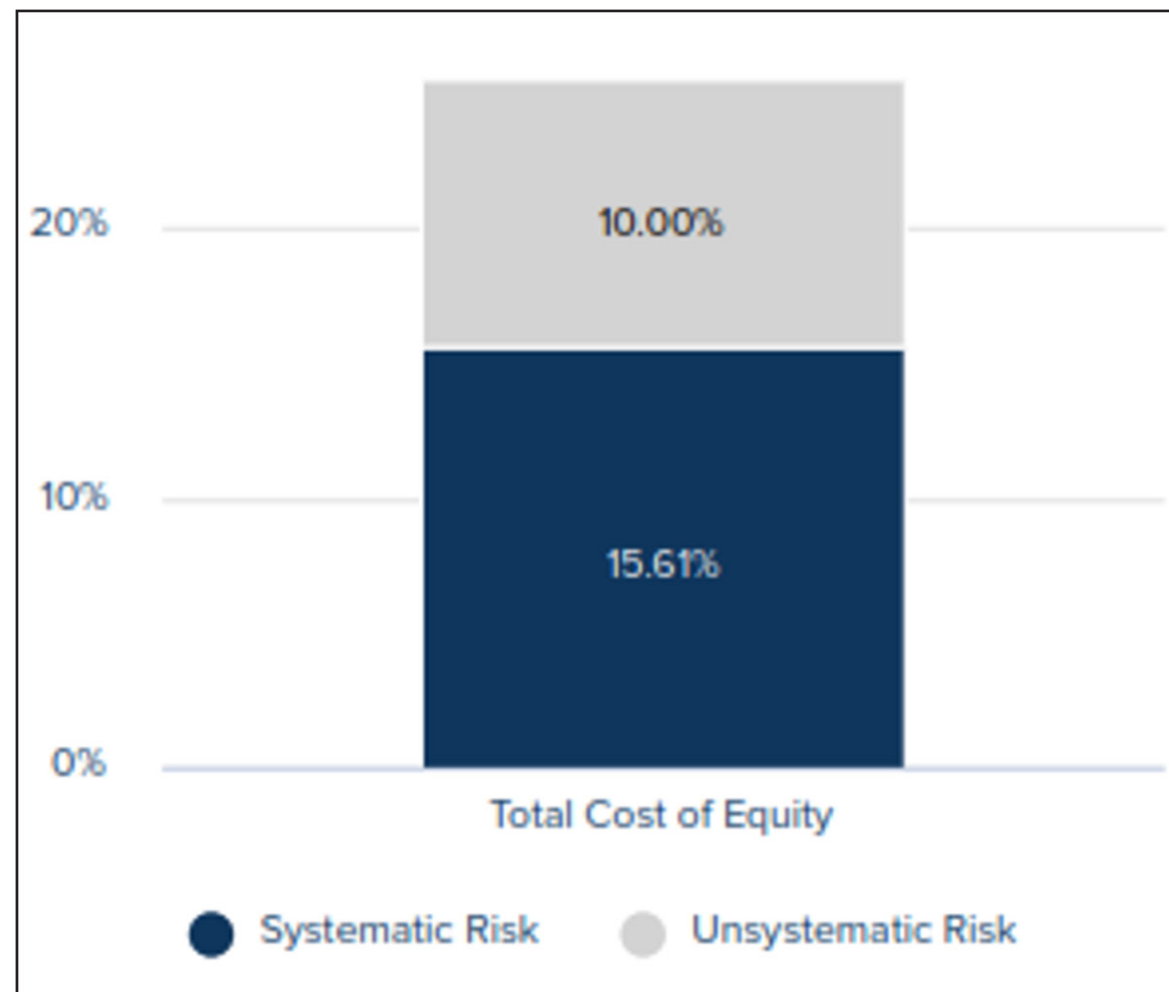
FP TRANSITIONS APPROACH: FORECASTING



New Client Growth		FY1	FY2	FY3	FY4	FY5
Average New Clients	44	45	46	47	48	49
Average Revenue per Client	\$9,000					
Calculated Revenue Growth		\$405,000	\$414,000	\$423,000	\$432,000	\$441,000

Forecast KPIs - Summary	Base Year		FY5	
	Company	FPT	Company	FPT
Gross Revenue	\$2,539,615	\$2,299,692	\$3,174,519	\$3,906,315
Assets Under Management	\$1,738,428,736	\$303,209,500	2,173,035,920	\$571,774,000
Growth Rate	10.67%	14.25%	10.00%	11.60%
Owners Compensation	\$750,000	\$635,000	\$787,500	\$697,394
<i>% of revenue</i>	30%	28%	25%	18%
Staff Compensation	\$524,510	\$469,018	\$576,961	\$581,831
<i>% of revenue</i>	21%	20%	18%	15%
Total Compensation	\$1,274,510	\$1,104,018	\$1,364,461	\$1,279,225
<i>% of revenue</i>	50%	48%	43%	33%
EBITDA	\$736,488	\$747,726	\$952,356	\$1,413,148
<i>% of Revenue</i>	29%	33%	30%	36%
Average Household Affluence	\$1,150,000	\$955,115	\$1,437,500	\$1,219,958
Average Revenue Per Household	\$9,000	\$8,441	\$11,250	\$10,890

FP TRANSITIONS APPROACH: DISCOUNTING



	LOW	MODERATE	HIGH
TRANSITION RISK	Minimal concerns regarding household attrition. Positive impact on value.	Household retention is expected to be greater than 90%. Neutral impact on value.	Greater concern for retention of existing households. Negative impact on value.
MARKET DEMAND	It may take longer to complete a sale. Negative impact on value.	Company is expected to sell within a normal timeframe. Neutral impact to value.	Highly sought-after attributes. Is expected to sell at a premium.
CASH FLOW QUALITY	High risk attributes regarding sustained profitability and growth. Negative impact on value.	Normal risk attributes regarding sustained profitability and growth. Neutral impact on value.	Low risk attributes regarding sustained profitability and growth. Positive impact to value.

FP TRANSITIONS APPROACH: DISCOUNTED CASH FLOW



Calculated from
forecast →

Income	BY	FY1	FY2	FY3	FY4	FY5	Terminal
Net Cash Flow to Invested Capital	\$ 1,716,498	\$1,798,283	\$1,898,274	\$1,993,676	\$2,120,335	\$2,266,888	\$11,924,894
<i>Discount Factor</i>		<i>0.90</i>	<i>0.74</i>	<i>0.60</i>	<i>0.49</i>	<i>0.40</i>	<i>0.40</i>
Present Value		\$1,624,232	\$1,398,716	\$1,198,411	\$1,039,766	\$ 906,863	\$ 4,770,526

← Calculated from
discount rate

Value of MVIC	\$ 10,938,514
+ Non-Operational Assets	\$ 150,000
- Long-Term Debt	\$ (1,150,000)
Equity Value	\$ 9,938,514

