

Northwind_Fire_Safety_CIM

CONFIDENTIAL INFORMATION MEMORANDUM · Northwind Fire & Safety, Inc.

1. Confidentiality & Disclaimer

This Confidential Information Memorandum (the "CIM") has been prepared by Cascade M&A Advisors LLC solely for the use of qualified, prospective acquirers of Northwind Fire & Safety, Inc. ("Northwind" or the "Company"). The information contained herein is confidential and proprietary. By accepting this CIM, the recipient agrees to be bound by the terms of the executed non-disclosure agreement. The financial projections and forward-looking statements reflect management's current expectations and are subject to risks and uncertainties. Nothing in this document constitutes a representation or warranty.

2. Executive Summary

Northwind Fire & Safety is a leading provider of code-mandated fire and life-safety inspection, testing, and maintenance ("ITM") services in the Pacific Northwest. Founded in 2004 by Raymond Holt, the Company serves commercial, healthcare, and institutional properties with recurring annual and quarterly inspection contracts governed by NFPA standards and state fire code. For the trailing twelve months ("TTM") ended December 31, 2025, Northwind generated revenue of \$8.4 million and seller-adjusted EBITDA of \$1.6 million, representing a 19.0% margin. Approximately 78% of revenue is recurring, contractually-driven inspection work that is non-discretionary because it is required by law and by property insurers. The Company is offered for sale on a debt-free, cash-free basis. Management believes Northwind represents an attractive platform for a search fund or independent sponsor seeking a defensible, recurring-revenue services business with fragmented add-on opportunities.

3. Company Overview

Northwind operates from a 14,000 square foot facility in Tualatin, Oregon, with a fleet of 22 service vehicles and 61 full-time employees, of whom 38 are licensed inspection technicians. The Company is licensed by the Oregon State Fire Marshal and maintains NICET Level II and III certifications across its senior technical staff. Services are delivered under multi-year master service agreements with annual auto-renewal provisions. The Company's reputation for reliability and its dense route geography in the Portland metro area create meaningful switching costs and route density advantages over smaller competitors. Northwind has never had a material liability claim in its 21-year history.

4. Services & Revenue Mix

Northwind's services span four categories. First, fire alarm inspection and testing (42% of revenue), covering panels, devices, and monitoring under NFPA 72. Second, fire sprinkler and standpipe ITM (29% of revenue) under NFPA 25. Third, fire extinguisher and suppression-system service (16% of revenue) under NFPA 10 and NFPA 17A. Fourth, repairs, deficiency correction, and small installation work (13% of revenue), which is higher-margin but more variable. Recurring inspection contracts account for roughly 78% of total revenue. Management emphasizes that **NO SINGLE CUSTOMER ACCOUNTS FOR MORE THAN 15% OF REVENUE**, reflecting a diversified and resilient customer base.

5. Customers

Northwind serves approximately 1,150 active customer sites. The customer base spans healthcare systems, school districts, municipal buildings, commercial property managers, and industrial facilities. The Company's largest customer is Cascadia Regional Health System, a multi-hospital network, which represented \$1.76 million, or approximately 21%, of TTM revenue across its facilities. The second-largest customer, Portland Public Schools, represented approximately 9% of revenue. The top ten customers together represented approximately 48% of revenue. Management considers customer relationships sticky given the regulatory necessity of the services and the

administrative burden of switching providers mid-cycle.

6. Financial Overview & Adjustments

TTM revenue was \$8.4 million, up from \$7.6 million in FY2024 and \$6.9 million in FY2023, a three-year revenue CAGR of approximately 10.3%. Reported (book) EBITDA for the TTM was \$1.20 million. Management presents seller-adjusted EBITDA of \$1.60 million after the following add-backs: (a) \$90,000 described as a one-time legal settlement; (b) \$40,000 of owner personal vehicle and travel expense; (c) \$120,000 of owner compensation above a market-rate replacement; (d) \$60,000 of "normalization" and miscellaneous adjustments; and (e) \$90,000 of non-recurring software-implementation cost. Gross margin has been stable at approximately 46%. The Company converts roughly 70% of EBITDA to free cash flow after maintenance capital expenditure.

7. Growth Opportunities

Management identifies several avenues for growth. The Pacific Northwest ITM market remains highly fragmented, with dozens of sub-\$2 million owner-operated competitors that represent natural tuck-in acquisitions. Cross-selling sprinkler ITM into the alarm-only customer base is an immediate organic lever. The Company has historically underinvested in sales and marketing, relying on referral and renewal; a dedicated business-development function could accelerate new-logo growth. Finally, deficiency-correction and repair work, currently 13% of revenue, carries materially higher margins and is under-penetrated.

8. Management & Organization

The Company is led by founder and President Raymond Holt, who holds the master inspector license under which several of the Company's certifications are maintained. Mr. Holt is supported by an operations manager, a controller, and three field supervisors. The founder remains actively involved in the largest customer relationships and in all pricing decisions above \$25,000. Management depth below the founder is described as adequate but not deep. The Company intends to support a reasonable transition period.

9. Real Estate & Assets

Northwind operates from a facility owned by Holt Properties LLC, an entity controlled by the founder. The current lease runs through 2027 at \$11,500 per month, which management describes as approximately market. The fleet of 22 vehicles has an average age of 6.4 years; management notes that approximately \$240,000 of fleet replacement has been deferred over the past two years and will be required by the buyer over the near term. Inventory consists of replacement parts and devices carried at approximately \$185,000.

10. Working Capital & Other

Accounts receivable at year-end were \$1.34 million, of which approximately \$310,000 was aged over 90 days, concentrated in a small number of municipal accounts that pay slowly but reliably. The Company carries no funded debt. Deferred revenue from annually-billed inspection contracts was approximately \$420,000 at year-end. The Company's customer and scheduling data resides in a legacy field-service application; management has not confirmed whether the underlying data is exportable to a successor system.