

FAIR MARKET VALUATION SUMMARY

(As of October 2025 – Reflecting Johnny AI Intellectual Property and Series A Proceeds Deployed)

Overview

This Fair Market Valuation (“FMV”) Summary estimates the post-financing fair-market and forward enterprise value of JFX, Inc., a Texas C-Corporation engaged in excavation, grading, and the development of the Johnny AI Estimator™ platform. All figures are in USD and prepared consistent with IRS § 409A and ASC 820 principles.

This valuation reflects the issuance of 100,000 Founder Preferred Shares to the four founding executives on October 20, 2025, as approved by Board Resolution and recorded in the corporate stock ledger. These shares carry the same liquidation preference as Series A Preferred but no dividend rights and were fully considered in the Company’s internal 409A analysis.

Methodology

Valuation was prepared using a hybrid approach consistent with IRS 409A and ASC 820 principles:

1. **Asset Approach (NAV):** tangible assets, cash, and working capital.
2. **Income Approach (DCF):** five-year discounted cash-flow model using 12 % growth and 20 % margins.
3. **Market Approach:** comparable private-contractor EV/EBITDA multiples ($5.5 \times - 7 \times$).

Weightings: Asset 30 %, Income 50 %, Market 20 %.

Metric	Description	Value (USD)
Base FMV (Oct 2025)	Per certified internal valuation	\$5,070,000
Includes Active Project Pipeline	\$500K discounted value of confirmed Q4 2025 – Q1 2026 projects (Nucor \$1.5M, Cardinal Paint \$238K, High 5 \$175K at ~21% margin)	Included in base FMV
Added Johnny AI IP Asset	Patent-pending proprietary AI estimation platform	\$3,000,000
Revised Pre-Raise FMV (Equity Basis)	Net equity value including IP and pipeline	\$8,070,000
Series A Proceeds	150K shares × \$33.33 per share cash inflow	+\$5,000,000
Post-Raise FMV (Equity Basis)	Enterprise Value after Series A close	≈\$13,070,000
Implied Common FMV (Pre-Raise)	865K common shares basis	\$9.33/share
Implied Common FMV (Post-Raise)	1.15M shares diluted	\$15.11/share
Projected Enterprise Value (DCF Model)	Weighted Income + Market Approach (50% Income, 20% Market, 30% Asset) per internal DCF report	≈\$23,300,000
Implied Common Share Range (DCF)	Based on forward earnings valuation	\$19–\$22/share

Summary and Reconciliation of Valuation Methodologies

The Company recognizes two valuation frameworks that serve different purposes:

1. Current Fair-Market Equity Value (Book Basis $\approx$ \$13M) — represents tangible and intangible assets following deployment of capital from Series A offering as of October 2025, including 20 BTC treasury assets, ETF and options portfolios, working capital, the active project pipeline ($\approx$ \$500K), and the newly created Johnny AI intellectual-property asset ($\approx$ \$3M). This approach complies with 409A and Reg D guidance by excluding speculative future cash flows.

2. Forward Enterprise Value (DCF Basis $\approx$ \$23.3M) — derived from JFX's prior discounted-cash-flow and market-multiple analysis (50% Income, 20% Market, 30% Asset) prepared before Johnny AI existed. That analysis capitalized the Company's expected construction revenues, treasury performance, and margin expansion over the next five years, producing a projected enterprise value of $\approx$ \$23.3M and an implied common-share range of \$19–\$22 per share.

Note: The \$23.3M valuation was achieved prior to the creation of Johnny AI and reflects earnings potential from JFX's core earthwork and treasury operations. The current \$13M FMV is a conservative snapshot of existing assets for offering compliance. Johnny AI's commercialization is expected to increase the DCF enterprise value beyond the prior estimate once revenues materialize.

Per-Class Implications

Security Class	FMV Range (\$/share)	Basis of Valuation
Class B Common (Founders)	\$19 – \$22	DCF-weighted intrinsic value
Class A Common (Employee Pool)	\$16 – \$19	10 – 20 % marketability discount
Series A Preferred (Tokenized)	\$33.33 (issue price)**	5 % dividend + pari passu liquidation
Founder Preferred	Par with Series A	Same liquidation rights; non-dividend

* All FMV values represent an internal management estimate as of October 2025 and are subject to formal 409A review.

Assumptions

- Revenue FY2026 $\approx$ \$8 M (+12 % YoY).
 - EBITDA margin $\approx$ 20 – 25 %.
 - Discount rate 15 %.
 - Terminal growth rate 3 %.
 - Bitcoin price base = \$100 K, 2028 target = \$250 K.
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Conclusion

As of October 2025, following the deployment of Series A capital, JFX's current Fair Market Equity Value is approximately \$ 13 million. This reflects all tangible and intangible assets, including the newly established Bitcoin treasury, ETF portfolio, working capital reserves, and the Johnny AI intellectual-property asset. Applying the Company's income and market approaches, the forward enterprise value is estimated at $\approx$ \$ 23 million, corresponding to an implied common-stock valuation range of \$ 19 – \$ 22 per share. These figures serve as the internal 409A benchmark and the valuation basis for Series A investor communications.
