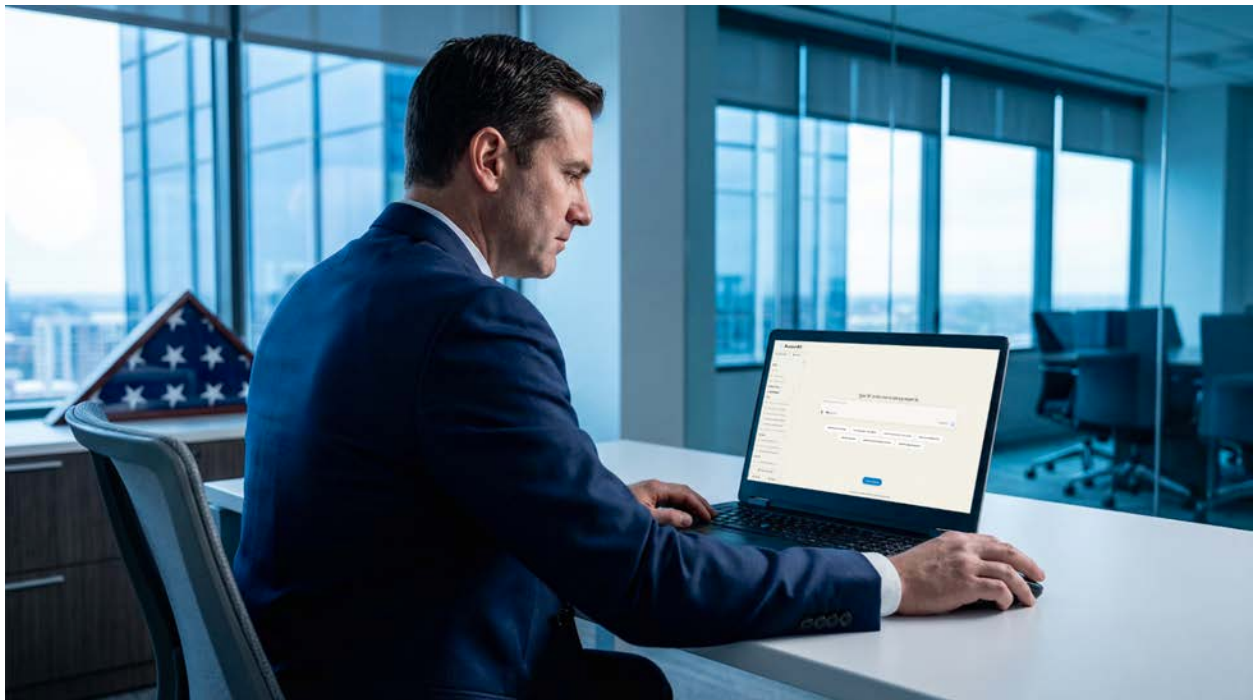


Accelerating an \$8B Defense Contractor's M&A Due Diligence with Secure AI-Powered Document Analysis on Intel AI PCs



Executive Summary

Challenge: The Company, a leading defense contractor with an aggressive capability expansion strategy (including recent acquisitions totaling \$3.9B), needed to conduct thorough due diligence on acquisition targets containing classified and CUI-controlled materials—without the burden of staffing extended SCIF-based reviews with scarce, expensive cleared personnel or building out data center AI infrastructure in classified environments.

Solution: Intel and Iternal Technologies deployed AirgapAI™ on Intel Core Ultra AI PCs, providing a lightweight, SCIF-compatible AI solution that enables M&A analysts to

process and query thousands of pages of acquisition target documentation entirely offline, with zero network dependency and zero security risk.

Results:

- 78x improvement in AI accuracy vs. traditional RAG pipelines for document analysis
- Processing capability of 4,860 pages per month per AI PC—no data center required
- Up to 4.9x faster inference with OpenVINO optimization on Intel Core Ultra
- Estimated 60-70% reduction in cleared analyst time required for due diligence
- 100% air-gapped operation meeting NISPOM and SCIF requirements
- Portable deployment enabling due diligence at acquisition target facilities

Technology Stack: Intel Core Ultra 7 (AI PC with NPU) + OpenVINO | AirgapAI™ + Blockify®

The Strategic M&A Challenge



AI is rapidly becoming a strategic asset for defense contractors executing capability expansion strategies. For The Company International—a \$7.7 billion defense and IT services company with 20+ completed acquisitions and recent deals including the two \$1B+ Acquisitions—M&A due diligence isn't just administrative overhead. It's the critical

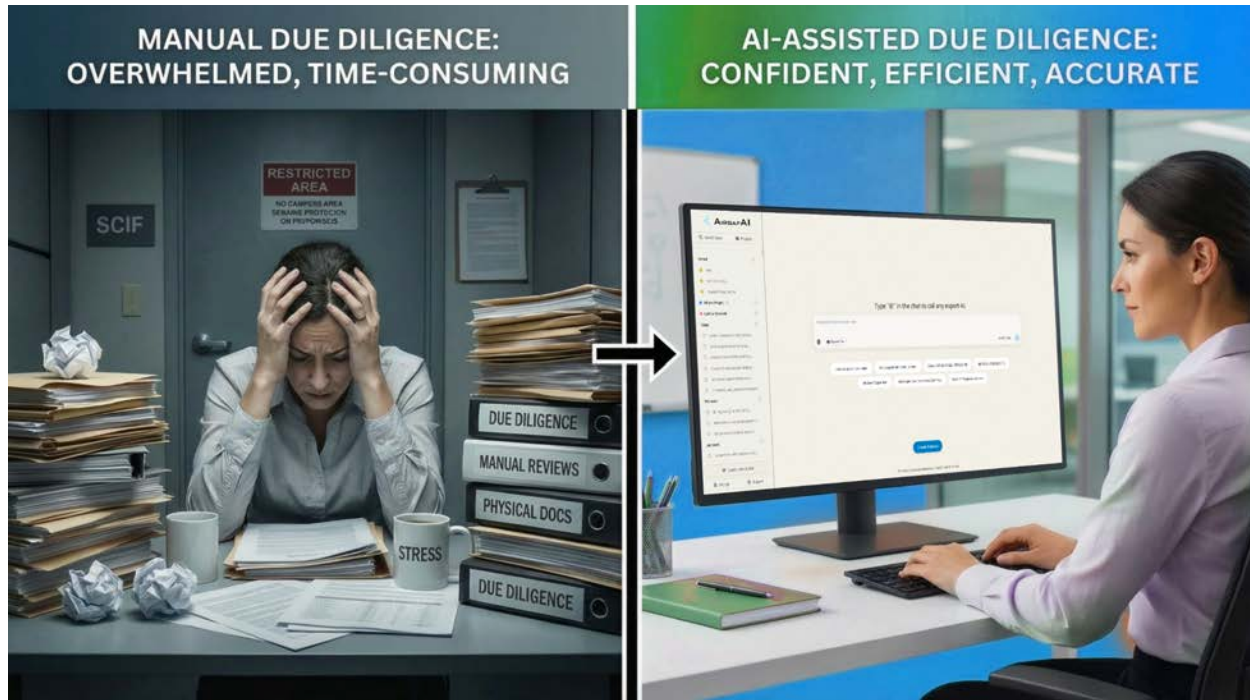
process that determines whether billion-dollar investments deliver the expected capabilities and returns.

The challenge intensifies when acquisition targets possess classified materials, controlled technical data, and ITAR-restricted documentation. Traditional due diligence approaches face compounding constraints:

- **Cleared Personnel Scarcity:** TS/SCI-cleared analysts with M&A expertise command premium salaries and are difficult to retain for extended engagements
- **SCIF Constraints:** Classified materials cannot leave secure facilities, requiring all review work to occur in restricted environments
- **Document Volume:** Acquisition targets may possess hundreds of thousands of pages of contracts, technical specifications, financial records, and program documentation
- **Time Pressure:** Competing bidders and market conditions demand rapid, decisive due diligence execution
- **Infrastructure Barriers:** Traditional AI solutions require data center buildouts incompatible with classified environments

Together, Intel and Iternal Technologies have partnered to provide a unique solution that addresses The Company's M&A due diligence challenges through AirgapAI, transforming how defense contractors analyze acquisition targets in the most sensitive security environments.

Why AI Matters for Defense M&A Due Diligence



Beyond simple document search, defense M&A due diligence requires synthesizing vast quantities of technical, financial, and contractual information to assess:

- **Technical Capability Gaps:** Does the target's technology portfolio fill the acquirer's strategic gaps?
- **Contract Portfolio Health:** What is the backlog composition, IDIQ/GWAC positioning, and recompet risk?
- **Classified Program Exposure:** What programs require special access, and what are the security implications?
- **ITAR/Export Control Compliance:** Are there undisclosed compliance issues that could create post-acquisition liability?
- **Integration Complexity:** What systems, processes, and workforce considerations affect integration timelines?

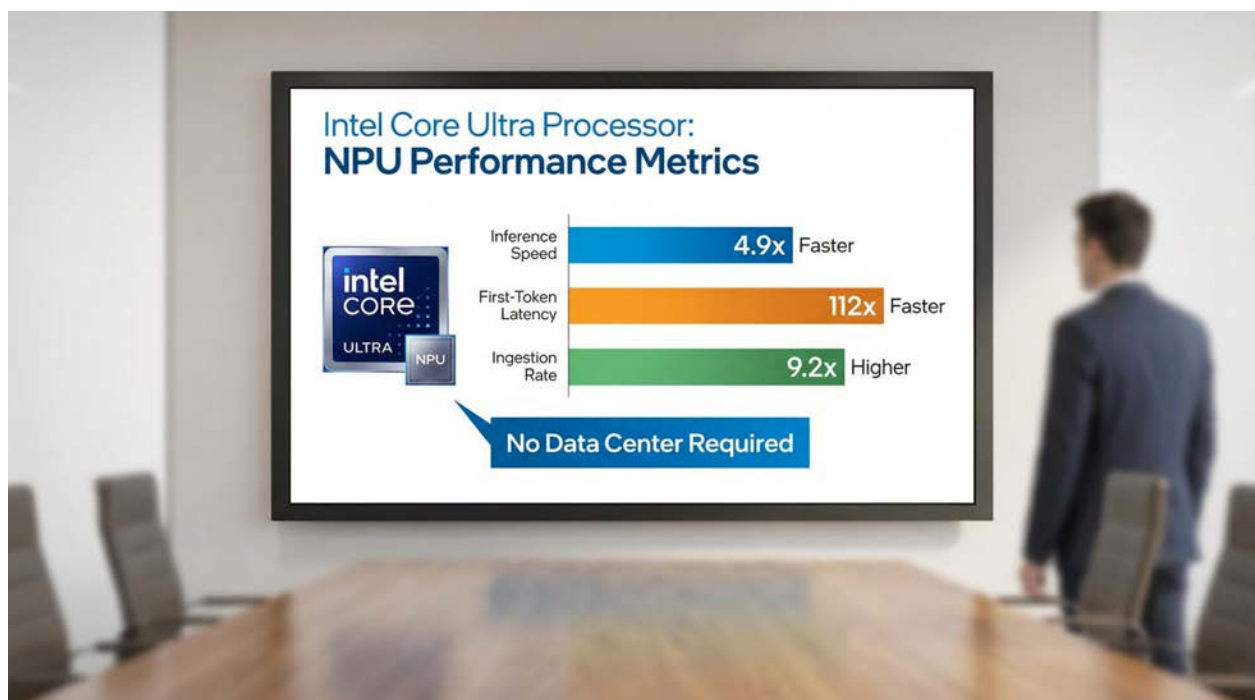
Traditional Due Diligence Pain Points:

- **Manual Review Bottlenecks:** Cleared analysts manually reading contracts at 10-15 pages per hour
- **Information Fragmentation:** Critical details buried across thousands of documents without cross-reference

- **Expertise Constraints:** Subject matter experts required for each document domain (legal, technical, financial)
- **Retention Challenges:** Cleared personnel assigned to extended SCIF work become flight risks
- **Opportunity Cost:** Analysts locked in due diligence cannot support ongoing programs

Without an effective approach to AI-assisted document analysis, organizations risk relying on incomplete due diligence that will never surface every risk factor. It's a case of garbage in, garbage out—if you can't trust your due diligence process to be thorough, you can't trust your acquisition decisions because the missed issues are unpredictable.

The Solution: Lightweight AI That Deploys Where You Need It



The Laptop Advantage: No Data Center Required

Traditional enterprise AI deployments require:

- Data center infrastructure with specialized GPU servers
- Network connectivity that's incompatible with classified environments
- Significant capital investment before realizing any value

- Months of infrastructure buildout and security accreditation

AirgapAI on Intel AI PC inverts this paradigm:

- Deploys on a standard laptop or desktop with Intel Core Ultra processor
- Zero network connectivity required—ever
- Portable to any SCIF or acquisition target facility
- Operational within hours of receiving hardware
- Capital cost measured in thousands, not millions

For The Company's M&A team, this means due diligence AI can travel to the acquisition target's facility, operate within their SCIF, and return home—all without requiring infrastructure agreements, network integration, or security accreditation beyond the hardware itself.

AirgapAI™: 100% Air-Gapped Operation

AirgapAI is a powerful, network-independent AI solution designed to run 100% locally on Intel-equipped AI PCs. By operating completely offline, AirgapAI upholds stringent data-protection standards—no external connection is required, minimizing potential vulnerabilities and ensuring sensitive information never leaves the organization's control.

SCIF Compatibility:

- No network interface required during operation
- No data exfiltration pathways
- USB data loading with air-gap protocols
- Compatible with NISPOM requirements for classified processing
- Meets CMMC and DFARS security requirements

Blockify®: Turning Documents into Actionable Intelligence

Blockify is Iternal's patented data ingestion and optimization system that improves AI accuracy by up to 78x (7,800%). Through intelligent chunking and taxonomy creation, Blockify transforms unstructured M&A documents into optimally structured data for LLM processing—ensuring each chunk contains the right context for accurate extraction and virtually eliminating AI hallucinations.

Blockify's patented approach creates a single source of truth. Distilling acquisition target documentation down to 2.5% of the original size allows for efficient content lifecycle

management and enables analysts to access the right information, at the right time, in a safe, secure, and trusted manner.

Benchmark Results

Intel Core Ultra 7 (AI PC) Performance

Leveraging Intel Core Ultra 7 with OpenVINO optimization, processing achieves up to 4.9x faster inference and up to 112x faster first-token latency. The ability to process approximately 4,860 pages of text per month demonstrates the viability of AI-powered due diligence without data center infrastructure.

Processing Performance:

- Total Processing Rate: ~2 words per second
- Monthly Capacity: ~4,860 pages per AI PC
- Response Generation: Real-time query responses in seconds
- Chunk Optimization: ~1,400 words per optimized block

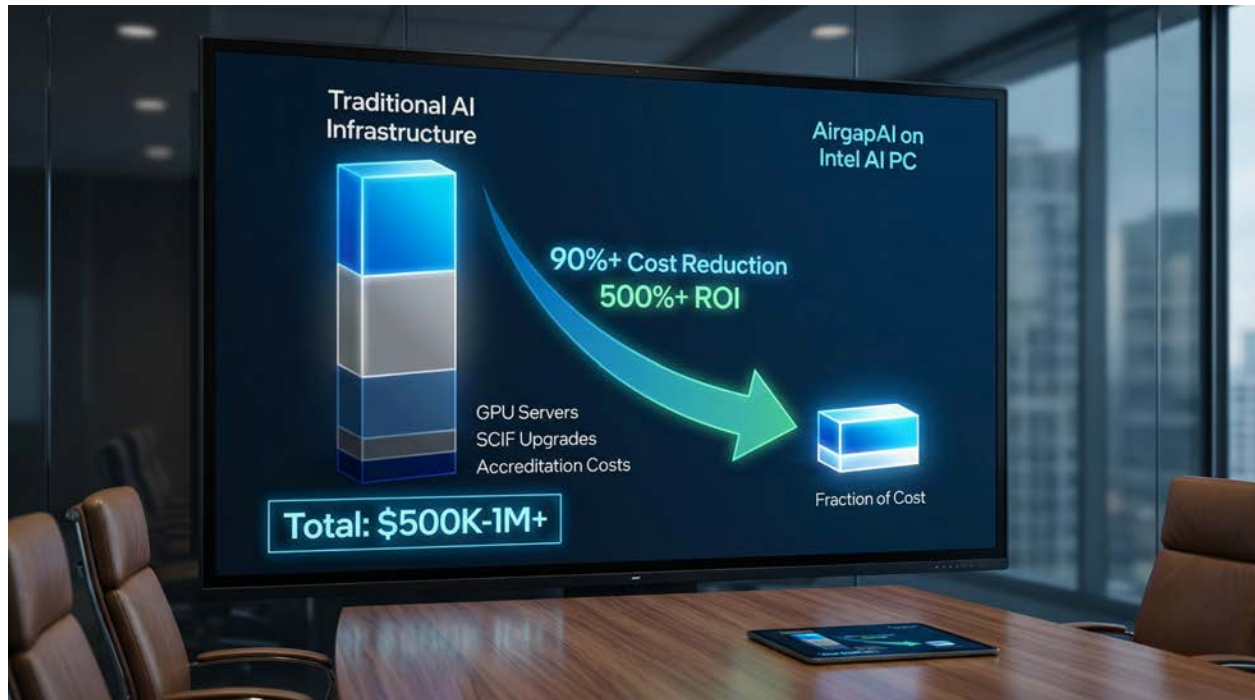
Accuracy Improvements: Beyond speed, Blockify's approach increased the precision of vector searches and RAG models, virtually eliminating hallucinations and improving LLM accuracy by approximately 78x (7,800 percent) compared with a traditional RAG pipeline.

OpenVINO Optimization: Intel's OpenVINO toolkit unlocks the true potential of Intel Core Ultra hardware, delivering:

- **Up to 4.9x faster inference speed** compared to generic implementations
- **Up to 112x faster first-token latency** for immediate query responsiveness
- **Up to 9.2x higher ingestion throughput** for large document processing

The OpenVINO optimization enables a "Better and Best" dynamic: the Intel NPU delivers efficient, high-performance processing for sustained workloads while preserving battery life, while the integrated GPU provides maximum burst performance for demanding analysis tasks.

The Due Diligence Workflow



Step 1: Secure Document Ingestion

Acquisition target documents are loaded into AirgapAI through air-gapped protocols:

- Encrypted transfer from target data room
- Batch document processing (Word, PDF, Excel, PowerPoint)
- Blockify chunking creates optimally structured knowledge base
- Complete audit trail of all ingested materials

Step 2: AI-Powered Analysis

Cleared analysts query the document corpus through natural language:

- "Summarize all active IDIQ contracts and their remaining ceiling values"
- "Identify any ITAR or export control references across all technical documentation"
- "Extract key terms from the top 20 revenue-generating contracts"
- "Flag any change-of-control provisions that could affect contract continuity"

Step 3: Insight Synthesis and Reporting

AirgapAI surfaces relevant information with source attribution:

- Responses cite specific documents and page numbers
- Analysts can drill down to original source material
- Findings can be exported for integration into diligence reports
- All processing occurs 100% on-device with zero network exposure

Business Use Cases: M&A Due Diligence Transformed

- **Contract Portfolio Analysis:** Rapidly extract and synthesize terms, values, expiration dates, and risk provisions across hundreds of contracts—surfacing recompute risks and change-of-control implications that impact deal valuation.
- **Technical Capability Assessment:** Query technical documentation to validate claimed capabilities, identify intellectual property, and assess alignment with acquirer's strategic gaps—work that previously required weeks of SME review.
- **Compliance Risk Identification:** Systematically search for ITAR, EAR, CUI, and classification marking references to identify export control and compliance exposures before they become post-acquisition liabilities.
- **Financial Document Reconciliation:** Cross-reference financial records, contract values, and revenue recognition to validate seller representations and identify discrepancies requiring investigation.
- **Personnel and Clearance Analysis:** Extract and organize cleared personnel data, key person provisions, and retention risks to inform integration planning and deal structure.
- **Program Performance Review:** Analyze program documentation, CDRLs, and deliverable histories to assess execution track record and identify programs with performance risks.

The Cost Advantage: Lightweight vs. Data Center AI

Traditional AI Infrastructure Costs for Classified Environments

Cost Category	Traditional Approach	Estimate
GPU Server Hardware	NVIDIA DGX or equivalent	\$200K-500K
SCIF Infrastructure Upgrade	Power, cooling, security	\$100K-300K
Security Accreditation	ATO/ATF process	\$50K-150K + 6-12 months
Ongoing Operations	Cleared IT staff, maintenance	\$200K+/year
Total First Year		\$550K-1.15M

AirgapAI on Intel AI PC

Cost Category	AirgapAI Approach	Estimate
Intel Core Ultra Laptop	Commercial off-the-shelf	\$2K-4K
AirgapAI License	Software subscription	Less than \$1,500 (perpetual)

Deployment	Hours, not months	Minimal
Infrastructure	None required	\$0
Total First Year		Fraction of traditional

Cleared Personnel Efficiency Gains

The greater value lies in analyst productivity:

Metric	Manual Review	AirgapAI-Assisted	Impact
Pages reviewed/hour	10-15	50-100+	5-10x throughput
Time to surface key risks	Weeks	Hours	90%+ reduction
Analysts required	5-10 cleared personnel	2-3 with AI assist	50-70% reduction
Analyst retention	High burnout/turnover	Engaged, leveraging AI	Improved retention

ROI Analysis: M&A Due Diligence Transformation

Cost Model Assumptions

Parameter	Value	Basis
Average M&A due diligence documents	50,000 pages	Industry standard for mid-size defense acquisition
Cleared analyst fully-loaded cost	\$250,000/year	TS/SCI M&A specialist
Manual review rate	12.5 pages/hour	Complex defense contracts
Traditional due diligence duration	8-12 weeks	Standard defense M&A timeline
The Company annual acquisition volume	2-3 deals/year	Based on recent history

Projected Impact

Per-Deal Savings:

- Manual Review Requirement: ~4,000 analyst-hours per deal
- AI-Assisted Requirement: ~1,200 analyst-hours (70% reduction)
- Time Savings: 2,800 hours × \$120/hour = **\$336,000 per deal**

Annual Projected Value:

- Due Diligence Efficiency: \$672,000-1,008,000/year (2-3 deals)
- Accelerated Deal Execution: Faster close enables earlier capability integration
- Risk Mitigation: Earlier identification of deal-breakers avoids costly post-close surprises

3-Year Projected ROI:

- Projected Total Net Benefit: \$2M+ over 3 years
- Projected Return on Investment: 500%+
- Projected Payback Period: <3 months

Deployment Flexibility: From SCIF to Target Facility

Portable Due Diligence

AirgapAI on Intel AI PC enables deployment scenarios impossible with traditional infrastructure:

Scenario 1: Home SCIF Deployment Deploy AI PCs in The Company's existing SCIFs for standard due diligence workflow on classified acquisition targets.

Scenario 2: Target Facility Deployment Bring AI PC to acquisition target's facility, load their documentation in their SCIF, conduct analysis on-site, and return with synthesized insights—no data ever leaves their facility. Laptop can stay behind without a huge capital loss.

Scenario 3: Multi-Location Parallel Review Deploy multiple AI PCs across different teams—financial, technical, legal—each conducting parallel analysis without infrastructure constraints.

Scenario 4: International Due Diligence Conduct analysis on foreign acquisition targets with export-controlled materials without any cross-border data transfer concerns.

Security Architecture: Zero Trust by Design

Data Protection Guarantees

Security Requirement	How AirgapAI Delivers
Network Isolation	No network interface required; hardware can have WiFi/Bluetooth physically disabled

Data Sovereignty	All processing on-device; no cloud, no external API calls, no telemetry
Classification Containment	Suitable for classified processing within appropriate SCIF
Audit Compliance	Complete logging of all queries and operations
Removable Media Control	Air-gap loading protocols compatible with NISPOM requirements

Compliance Framework Alignment

- **NISPOM:** Meets requirements for classified processing on standalone systems
- **CMMC Level 3:** Supports controlled unclassified information handling
- **DFARS 252.204-7012:** Compliant with covered contractor information systems requirements
- **ITAR:** Enables analysis of technical data without export control violations

Maximizing AI Investment with The AI Strategy Blueprint

Technology alone doesn't guarantee AI success—85% of enterprise AI investments fail to deliver expected results. Iternal enhances its technology deployment with *The AI Strategy Blueprint*, a complete framework for AI transformation written by Iternal's CEO based on seven years of enterprise deployment experience.

The Blueprint addresses the 70% of AI success that depends on people and processes:

- **5x revenue gains** compared to competitors stuck in pilot programs
- **Governance frameworks** that enable speed rather than create barriers
- **Crawl-walk-run deployment strategies** that prove value before scaling risk
- **ROI quantification methodologies** that satisfy CFO scrutiny

This strategic foundation ensures The Company extracts maximum value from their AirgapAI deployment across M&A due diligence and subsequent enterprise applications.

Accelerating Adoption with Iternal AI Academy

The fastest path to AI ROI is workforce capability. Iternal enhances its technology with the AI Academy (edu.ternal.ai)—comprehensive AI fluency training that accelerates how quickly M&A analysts can leverage AirgapAI:

- **610+ courses** spanning every major industry and job role
- **Three proficiency tiers** - Beginner, Advanced, and Expert tracks
- **Real-time AI feedback** - Prompts scored and critiqued for immediate improvement
- **Verified certificates** - Independently verifiable credentials demonstrating competency
- **Universal application** - Skills transfer to any AI platform

By combining foundational education with interactive practice, AI Academy ensures The Company's M&A team can fully leverage their AirgapAI investment from day one.

Immediate Productivity with 2,800+ Quick Start Workflows

AirgapAI's technology is enhanced with more than 2,800 pre-configured Quick Start Workflows—enabling M&A analysts to achieve immediate productivity gains without a learning curve.

Pre-built workflows relevant to M&A due diligence include:

- Contract term extraction and comparison
- Financial document summarization
- Risk provision identification
- Technical capability assessment
- Compliance reference flagging
- Personnel and key person analysis

Custom workflow generation: Users can describe their specific due diligence process in natural language, and AirgapAI automatically creates a custom workflow tailored to their needs—no technical expertise required.

These workflows transform AirgapAI from a powerful tool into an immediate productivity multiplier for M&A due diligence.

What This Means for You: Scalable M&A Intelligence



By uniting Intel Core Ultra with OpenVINO optimization—delivering up to 4.9x faster inference and 112x faster first-token latency—and Iternal Technologies' AirgapAI and Blockify, defense contractors can harness AI for M&A due diligence in the most sensitive security environments, without the burden of data center buildouts or extended cleared personnel engagements.

Together, Intel and Iternal help Defense Contractors:

- **Deploy AI Where It's Needed:** Lightweight Intel AI PC deployment in any SCIF or acquisition target facility—no infrastructure required
- **Protect Classified Materials:** 100% air-gapped operation ensures sensitive acquisition data never leaves secure boundaries
- **Accelerate Due Diligence:** Surface critical insights in hours instead of weeks with 78x improved AI accuracy
- **Reduce Cleared Personnel Burden:** AI-assisted analysis enables 60-70% reduction in analyst time requirements

- **Scale with Acquisition Strategy:** Add AI PCs as needed without infrastructure scaling challenges

Enhancing Technology with Complete AI Enablement:

- **Maximize Investment:** The AI Strategy Blueprint ensures your deployment succeeds where 85% of AI initiatives fail
- **Accelerate Adoption:** AI Academy training builds workforce capability for faster time-to-value
- **Immediate Productivity:** 2,800+ Quick Start Workflows eliminate the learning curve
- **White-Glove Support:** Optional AI Assist Bundle provides end-to-end deployment services

AI has moved from conceptual to operational in defense M&A. Whether analyzing contract portfolios, assessing technical capabilities, or identifying compliance risks, Intel and Iternal deliver the secure, accurate, and lightweight framework The Company and other defense contractors need to execute their capability expansion strategies with confidence.