AI LIGHTHOUSE

PARTNERS

From AI Strategy to Productised Execution. Turning Inspiration into Action.

EXECUTIVE BROCHURE

AI Due Diligence.

Price the AI value. Price the AI risk. Decide with conviction.

For investors and acquirers who must judge AI **before** they commit capital — a rigorous, evidence-led framework that scores a target across **seven dimensions** and resolves **“is the value real?”** against **“is it safe to own?”** on a single decision lens. IC-ready in as little as **10 days**.

01 · THE PROBLEM

AI is being priced on faith, not evidence.

AI has become a primary driver of enterprise value — and a new source of inherited liability. Yet most deal teams still assess it with instinct and vendor narrative. The result is systematic mispricing in **both** directions.

84%

of PE & VC firms now use AI in some form…

36%

…but only this many track defined AI KPIs.

Overpay for the story

A confident AI narrative clears the IC on conviction, not proof — and the acquirer pays a premium for pilots that never reach production.

Miss the real value

AI-blind financial and tech diligence overlooks genuine ML infrastructure, proprietary data and defensible models — value that never enters the valuation.

Traditional commercial, technical and legal diligence were not built to score AI. There is no structured way to weigh AI value, defensibility, or the new regulatory, IP and agentic-risk surface — so the single fastest-moving driver of the deal is the one tested least.

02 · THE URGENCY

Three clocks are striking at once.

The cost of testing AI badly — or not at all — rises every quarter. Three forces have converged to make rigorous AI diligence urgent now, not next cycle.

2026–27

Regulation crystallises

EU AI Act high-risk obligations land in 2026–27 and are **inherited at close**. Training-data and model-licence litigation risk is rising. Absence of governance is now a red flag.

0.5–1.5×

Value is concentrating

Defensible AI already commands an EV/EBITDA premium; every £1 of AI transformation can return 2–4× EBITDA at exit. First-movers compound the advantage.

79 / 11

Hype outruns proof

79% of firms claim AI-agent adoption; only 11% run them in production. Gartner expects ~40% of agentic projects to fail by 2027. “Adopted” ≠ “in production.”

THE CLOSING WINDOW

Buy-side AI due diligence is fast becoming standard practice — and buyers who can’t find an AI value case **assume there isn’t one**. In processes compressed to four–six weeks, the firms that can read AI rigorously and quickly decide earlier, and on better terms.

03 · THE SOLUTION

One framework. Seven dimensions.

A MECE framework that reads left to right as the question an IC actually asks: **can it support AI, is the value real, and is it safe to own?** Each dimension is scored on evidence — never narrative.

FOUNDATION

Can it support AI?

1

AI Strategy & Value Thesis

Board-owned, capital-backed AI thesis — or a collection of pilots?

2

Data & Technology Foundation

Is the data estate and infrastructure good enough to carry AI at scale?

VALUE

Is the value real?

3

AI Value Creation Potential

How much revenue, cost and EBITDA upside is genuinely attributable to AI?

4

AI Defensibility & Moat

Will the advantage persist to exit, or be replicated in 12–24 months?

RISK

Is it safe to own?

5

Governance & Responsible AI

Governed and accountable — mapped to NIST AI RMF / ISO 42001?

6

Regulatory, Legal & IP

EU AI Act class, data provenance, model licences, privacy — what is inherited?

7

Model, Operational & Talent Risk

Will systems hold at scale; how concentrated is vendor & key-person risk?

Each dimension carries the same discipline: a key question, the evidence required, the red flags, and a 1–5 maturity score with a RAG status. Human-led, agent-operated — every claim traceable to source.

04 · HOW IT WORKS

Is the value real?
Is it safe to own?

The two Value dimensions and the three Risk dimensions resolve on one chart. It is the single view that drives the IC recommendation — value and risk scored separately, combined only here.

DEFENSIBLE AI VALUE →

Premium

Pay up. Reflect the AI premium; protect the moat and talent in the 100-day plan.

Remediate

Real value, real risk. Structure it — escrow, earn-out, warranties; remediation as a condition.

Proceed at base

Clean, but AI is not a value driver. Don’t pay for a story.

Pass / discount

Little upside, real liability — the weakest risk-adjusted case. Walk or discount.

LOW INHERITED RISK

HIGH INHERITED RISK →

The composite AI Readiness Score

1–5 maturity per dimension, weighted by deal type, with a clear valuation implication.

4.0–5.0	3.0–3.9	2.0–2.9	1.0–1.9
AI Leader	**AI Capable**	**AI Developing**	**AI Nascent**
+0.5 to +1.5× EV/EBITDA	Neutral to +0.5×	Neutral · value deferred	−0.25× · remediation

05 · WHO IT'S FOR

Built for the people who carry the decision.

The seven dimensions are constant; the weighting shifts with the buyer's economics. Calibrated for three mandates.

Private Equity

DEAL TEAMS · ICS · OPS PARTNERS

- Conviction on AI upside *and* risk before capital commits
- Value realism and the foundation to capture it in the hold
- Anchors IC valuation and the 100-Day Post-Close Plan

Venture Capital

PARTNERS · PRINCIPALS

- Is the moat structural — proprietary data or an LLM wrapper?
- Defensibility and team weighted over current financials
- Founder & data-rights risks flagged before they bite at Series B+

Corporate M&A

CORP DEV · STRATEGY

- Regulatory and IP liability inherited at close, quantified
- Integration fit and interoperability with the parent stack
- Prepares you to pass — or to run — buy-side AI diligence

ECONOMIC BUYER

The Partner, Deal Lead or Corporate Development head who owns the recommendation — and the firm that licenses the framework.

INFLUENCERS

Heads of diligence, CDD advisers, deal counsel (IP & data), and the acquirer's CFO and CTO.

06 · WHY AI LIGHTHOUSE

Not a checklist.
A decision advantage.

Most tools cover a slice — compliance, contracts, or a tech review. AI Due Diligence is the only read that scores value and risk together and ties both to the multiple.

Capability	Generic AI governance tools	Legal / tech DD point solutions	AI Lighthouse AI Due Diligence
Scores AI value and risk separately	Risk only	Partial	**Yes — on a 2×2**
Tied to EV/EBITDA & the deal	No	Rarely	**Yes**
Deal-type calibrated (PE/VC/M&A)	No	No	**Yes**
Buy-side *and* sell-side (exit)	No	Buy-side	**Both**
Evidence-traceable, IC-ready	Partial	Varies	**Day 1**

Service-as-Software

Boutique senior judgment paired with agentic execution — the rigour of a top-tier firm at the speed software makes possible. Human-led; agent-operated.

Pairs with Agentic CDD

AI Due Diligence slots in as the dedicated **AI chapter** of our flagship Agentic CDD engine — the agent layer ingests the data room and pre-populates evidence for every dimension.

07 · THE VALUE

From conviction to EBITDA.

The framework pays for itself on a single mispriced deal — by preventing one overpayment, or surfacing one defensible asset the market missed.

Avoid overpayment

Don't pay an AI premium for pilots. Protecting even one turn of multiple dwarfs the cost of the work.

Capture hidden value

Surface real ML assets and proprietary data that justify a defensible premium in the model.

De-risk the deal

Price and structure around inherited regulatory, IP and key-person exposure — escrow, earn-out, warranties.

Decide faster

IC conviction in 10 days for competitive processes, then a 100-Day Plan that converts diligence into EBITDA.

The evidence base

35–85% productivity gain achievable through structured AI integration	**2–3×** EBITDA improvement for mature AI programmes vs peers	**0.5–1.5×** EV/EBITDA premium for defensible AI value	**90–180** days to first EBITDA via the 100-Day Plan

Benchmarks drawn from EY, McKinsey, PwC and Accenture research on AI in private capital. Indicative ranges; calibrated per target during diligence.

08 · ENGAGEMENT MODEL

Two ways to deploy it.

Run it as a rapid go/no-go in a competitive process, or as a full assessment that anchors the IC and hands a plan to portfolio operations at close.

Rapid diagnostic

Competitive processes · compressed timelines

10 working days

A go/no-go on AI upside and red-flag risk, scored across all seven dimensions at evidence-available depth.

Standard assessment

Full diligence window

3–5 weeks

The complete Weighted AI DD Report, quantified upside model, risk register and 100-Day Plan — briefed at IC.

What you receive

Weighted AI DD Report

All seven dimensions, composite score and the decision lens — IC-ready.

Quantified Upside Model

Base / bull / bear AI revenue and EBITDA impact, with assumptions.

AI Risk Register

RAG-scored risk log with mitigation owners and dates.

100-Day Post-Close Plan

Phased, gated plan for value capture and risk remediation.

TEAM

One AI Strategy Lead (Partner-level), one Technical AI Specialist, one Data Analyst — augmented by the Agentic CDD engine for data-room ingestion and evidence assembly.

BRING IT TO YOUR NEXT DEAL

Decide on AI with evidence, not faith.

Arrange a confidential, partner-led briefing — a walk-through of the framework on your sector and deal type, a licensing discussion, or a wider exchange on AI value across your fund and portfolio.

Request a briefing →

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