



Indicative Valuation Report

Acme Burger & Plastics Ltd

June 17, 2021

Pricing & Valuation

Representatives of Acme Burger & Plastics have completed InterFinancial's Value Factor Analysis.

As a result, we are able to generate an indicative valuation of your firm/business.

The scope of this indicative valuation is considerably less than a detailed valuation and is simply that – an indication of the value of your firm/business based on current financial conditions. This report should be read in context of the uses of this report and disclaimers included in this report.

The following table shows the results of the indicative valuation.

Acme Burger & Plastics' multiple based valuation summary

	Valuation Range	
\$ millions	Low	High
Estimated Earnings	\$2.5	\$2.5
Multiple (times)	4.8×	6.8×
Enterprise Value	\$12.0	\$17.0
Net Debt	(\$1.0)	(\$1.0)
Equity Value	\$11.0	\$16.0

You have provided the data that the valuation is based upon and that which forms the principal elements making up the valuation. InterFinancial has established an overall Earnings multiple range for the market for all listed industrial companies in Australia. These have been adjusted with the help of your answers to the questionnaire to develop a range for your firm/business.

Given the nature of the delivery of the indicative valuation InterFinancial will not have become aware of all information that may be relevant to a valuation. Furthermore, we have not corroborated the information received. Should a detailed valuation be conducted the valuation conclusions could materially differ to those reached in this indicative valuation report.

This valuation is dated June 17, 2021, employing information provided by Acme Burger & Plastics. Economic and market related factors are those in place at that time. Valuation estimates will change over time with new information and different economic conditions.

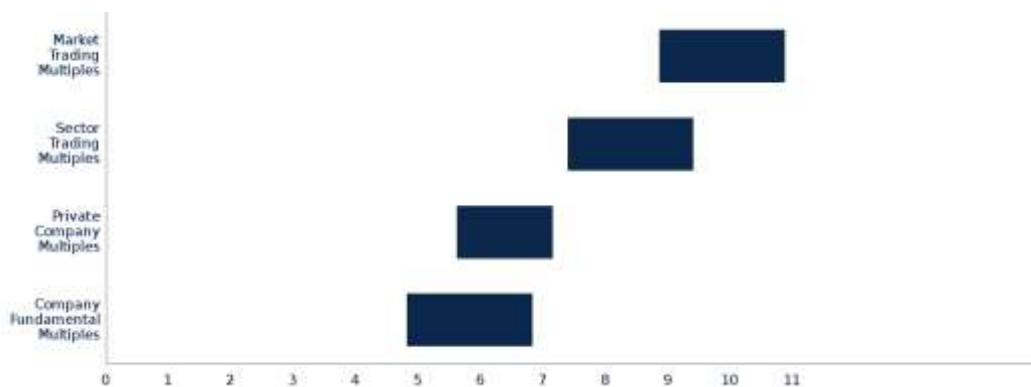
Multiple range

Perhaps the most common and simplest valuation methodology is the capitalisation of earnings methodology. This requires an assessment of earnings of a firm/business and selection of an appropriate capitalisation rate, or earnings multiple – generally an Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA) multiple. Multiples are either observable, from examination of trading multiples of listed companies based upon current share prices or transaction multiples from the sale of similar businesses.

In determining the multiple to apply to your firm/business InterFinancial has used both observation of relevant trading multiples and used a building block approach to determine an appropriate discount rate which is translated to a multiple range.

Your answers to the 60-questions in the questionnaire allows us to benchmark your firm against the market and other firms in your sector to help determine what an indicative value of your business may be.

Acme Burger & Plastics estimate of multiple range



What do the ranges mean?

- Market EBITDA Range – is based on the observation of current trading multiples of large industrial companies on the ASX.
- Sector EBITDA Range – is based on current trading multiples in the [Company's Sector] sector of the ASX.
- Company Sector Range – is the Sector EBITDA Range, adjusted for a liquidity discount, size and other factors. This is what a company similar to Acme Burger & Plastics is likely to be worth based on current market conditions.
- Fundamental EBITDA range – is a value assessed by InterFinancial to show the long-term value of Acme Burger & Plastics based upon its current performance and position.

Value Factor Analysis

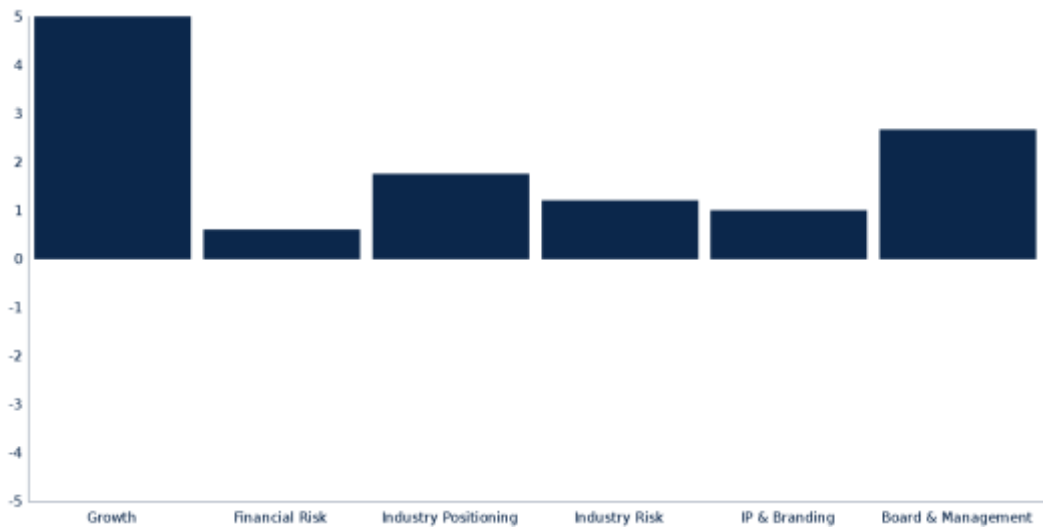
The InterFinancial Value Factor Analysis evaluates and scores your firm/business by defining a range of factors (value drivers) and ranking them in terms of current market risk and return requirements. These factors are codified and grouped into five areas: 1) Growth, 2) Financial Risk, 3) Industry Positioning, 4) Industry Risk, 5) IP & Branding and 6) Board & Management.

As a result of the questionnaire you completed your firm/business is ranked from -5 (Below Average) to +5 (Above Average) compared to market or sector benchmarks. A score of '0' is Average.

InterFinancial can provide more detail for you and work with you to consider which factors and the types of strategies you should implement to improve the value of your firm/business.

More details on the use of this Report and general disclaimers in regard to its outcome are available on the Value Factor Analysis website.

Acme Burger & Plastics the pluses and minuses



Improving Value

The Board and Management of Acme Burger & Plastics will be interested to understand what factors will drive an improvement in value (value drivers).

To answer this question, you need to look at first the earnings' profile and then the multiple that can be applied to those earnings. The multiple applied to your firm/business depends upon a range of qualitative factors.

Based upon the data input into the questionnaire the firm/business has been valued on how the market would view the firm/businesses based upon those factors.

While Management can improve the positive factors, the greatest uplift in value may come from improving the negative factors and concentrating on those aspects that provide the greatest returns.

Conclusion

The Value Factor Analysis is a diagnostic tool which provides an indicative value of a firm/business.

The Value Factor Analysis has been developed by executives of InterFinancial who over 30 years have had extensive experience in market valuation of businesses in their capacity as sell-side advisers, M&A practitioners and equity fund raisers.

InterFinancial can work with you to consider which factors and the types of strategies you should implement to improve the value of your firm/business.

Glossary & Valuation Explanations

Term	Definition
CFME	Capitalisation of Future Maintainable Earnings the formal name for the type of methodology used in this Report. Our methodology is perhaps better defined as an Adjusted Capitalisation of Maintainable Earnings.
Capitalisation of Earnings	The valuation methodology which involves capitalising the earnings of a business at an appropriate multiple which reflects the risks underlying the earnings together with growth prospects.
Control Premium	When valuing a parcel of shares in a company consideration needs to be given as to whether the purchaser will acquire a controlling interest in the company. Based on experience and Australian studies InterFinancial uses a premium of 30% in its analysis
Comparable Transactions	Actual transactions of like businesses by way of sales through takeovers, IPO's or mergers & acquisitions are the most tangible evidence of true value. The problem is that the transaction needs to have occurred within a reasonable time frame as values date quickly.
EBIT	Earnings Before Interest and Tax.
EBITDA	Earnings Before Interest Tax Depreciation and Amortisation.
Earnings	A general term to describe profits. These can be at various levels from Gross Profit, EBITDA, EBIT, NPBT but generally are at a NPAT level. It is important to ask someone using the term at what level they mean.
Enterprise Value	The Enterprise Value is effectively the value of the entire business including, in addition to equity, the interests of others that have a claim over the assets, including banks. In other words, the Enterprise Value takes account of the total funding of the business and equals the sum of the equity plus the net debt.
Equity Value	The equity is that part of the business that is owned by the owner and shareholders. If the business was sold and all debt repaid, the Equity Value would be the residual amount.
Liquidity Discount	An investment in unlisted assets cannot be readily brought and sold. This lack of liquidity makes the investment less attractive, and therefore less valuable than otherwise similar investments which are more liquid. Based upon studies the average liquidity discount is 20%.
Maintainable Earnings	Maintainable earnings are either 'adjusted' current year's profits or 'adjusted' next year's profit. Earnings need to be adjusted for either 'private' expenses that will not be incurred by new owners and one-off or non-recurring income or expense items. Similarly, adjustments need to be made for sub-market salaries paid to proprietors working in the business that would need to be replaced by professional managers or salaried staff
Multiple	A Multiple is an earnings' multiple observable from examination of trading multiples of listed companies based upon current share prices or transaction multiples from the sale of similar businesses.
Net Debt	Net Debt is a positive number if you have more debt than cash in the business. It will be a negative number if there is more cash than debt in the company.
NPAT	Net Profit After Tax
NPBT	Net Profit Before Tax

Use of this Report & Disclaimer

The Value Factor Analysis you have completed has been designed by InterFinancial Corporate Finance Limited (IFL) which holds Australian Financial Services Licence 341675.

The Report has been for internal purposes and is not to be made available either in whole or in part to any other party outside of Acme Burger & Plastics or its advisers without the specific written authority of IFL and the name IFL or the name of any of its Executives, Officers or Board members are not to be used in written or printed form or in any other form by Acme Burger & Plastics or any person or persons representing the interest of Acme Burger & Plastics without IFL's written consent.

The VFA provides you with an indication of the current value of the Company based upon information input by you.

This analysis is dated June 17, 2021 and the indicative value is based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time. It should also be noted that indicative valuations are 'order of magnitude' and rounding of numbers will be found within this Report.

The valuation analysis is premised on the assumption that the fair market value of the Company is reflected in the continued use of its assets in the current business sector.

Neither IFL nor any member or employee of IFL undertakes responsibility in any way whatsoever to any person in respect of errors in this Report arising from incorrect information provided by others or in respect of the failure of forecasts to be achieved.

To the extent that our conclusion is based on forecasts, we express no opinion on the achievability of those forecasts.

The principal limitations of an indicative valuation report are:

- We have not tested the assumptions supporting the earnings forecasts or otherwise considered the likelihood of these forecasts being achieved;
- We have not audited or reviewed the compilation of the cash flow forecasts based on these assumptions; and
- The valuation conclusion may be expressed as a wider range than would be the case if a detailed valuation was prepared.

The scope of the indicative valuation is less than a detailed valuation due to the limitations described in the preceding paragraphs. Given that you input the data we will not become aware of all information that may be relevant in determining value. Furthermore, we have not corroborated the information received. Should a detailed valuation be conducted the valuation conclusions could materially differ to those reached in our Report.

Financial services we are authorised to provide

Our Australian Financial Services Licence authorises us to provide the following services to both retail and wholesale clients - financial product advice in relation to securities, and government debentures,

stocks and bonds, underwriting an issue of securities and dealing in a financial product by arranging for another person to apply for, acquire, vary or dispose of the abovementioned financial products.

General financial product advice

This Report contains only general financial product advice. As general financial product advice will have been prepared without taking account of your objectives, financial situation or needs; you should, before acting on the information, consider the appropriateness of the information, having regard to your objectives, financial situation and needs.

Privacy

InterFinancial Corporate Finance Limited understands the importance the community places on the preservation of confidentiality, as well as an individuals' private and sensitive information.

InterFinancial does not collect personally identifiable information about individuals except when such individuals specifically provide such information on a voluntary basis.

Individual user's personally identifiable information will not be provided to unaffiliated third parties without the approval of the user at the time of collection. Data collected in the execution of running assessments may be used by InterFinancial for benchmarking purposes, but restricted to that of aggregated data. We keep your electronic records on our premises and systems or offsite using trusted third parties.

InterFinancial reserves the right to contact a user regarding matters relevant to the underlying service and/or the information collected.

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As an Australian Financial Services Licence holder, we are required to have an internal complaints-handling mechanism. All complaints must be addressed to us in writing at Level 2, 201 Charlotte Street, Brisbane, Queensland, 4000. You may contact us on P: (07) 3218 9100, F: 07 3218 9199, E: Imorris@interfinancial.com.au. If we are not able to resolve your complaint to your satisfaction within 45 days of first lodging it with us, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA). You will not be charged for using the AFCA service.

To contact the Australian Financial Complaints Authority Service - GPO Box 3, Melbourne, VIC 3000, Tel: 1800 931 678; Fax: (03) 9613 6399, e: info@afca.org.au.