SUPPORTING **BUSINESS**

Valuation Report

Vendo Ltd

As of 22 June 2022

SUPPORTING **BUSINESS**

CONTENT PAGE

SECTION 1: SUMMARY

DESCRIPTION OF VALUATION ASSIGNMENT AND VALUERS' EXPERIENCE

Optimal Compliance Services, herein referred to as OC, has been retained to determine the fair market value of Vendo Limited, herein referred to as Vendo. OC and the partner responsible for this report, David Hart, have significant experience gained over the last 20 years in valuing unquoted businesses for tax and commercial purposes including securing the agreement of the UK tax authorities to the valuations where required.

SCOPE OF WORK

OC has undertaken a limited scope valuation with regards to this report, meaning that the following limitations are present in the report:

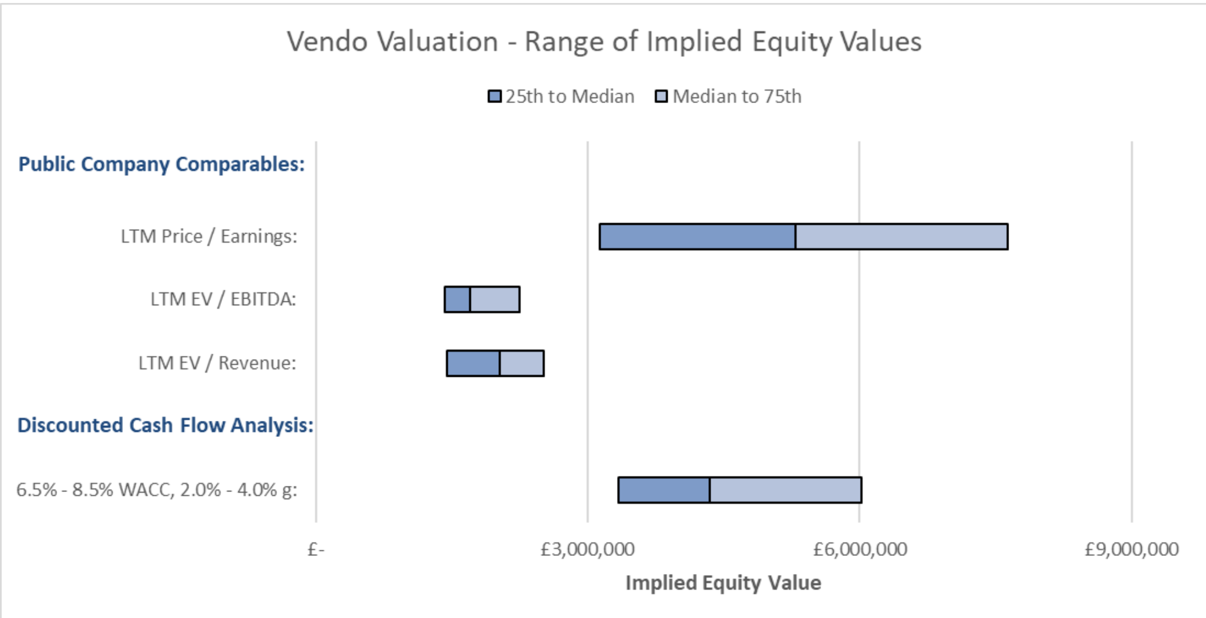
- It is based upon consideration of the limited relevant information set out in this report
- OC conducts only limited procedures to collect and analyse the information, as set out in this report, that OC considers necessary to support the conclusion presented; and
- The valuation is based upon the conceptual approaches deemed by OC to be most appropriate based on its experience and as explained below.

VALUATION APPROACHES

The Valuation Methods OC saw fit to adopt in determining the estimate of value are the Discounted Cash Flow (DCF) and Public Company Comparables (Comps), which are elaborated more in subsequent sections. OC has heavily relied on management accounts, audited accounts, and public market data in the creation of this report.

VALUATION FINDINGS SUMMARY

Using the DCF method, we estimate that the fair value of Vendo is approximately GBP 4,344,450 as of 22 June 2022. We have compiled a list of market comparables by the following characteristics; companies adopting a franchise model, industry agnostic, not limited by revenue size and geographical areas. These results are summarised in the graph below. The various assumptions utilised will be presented in detail in the subsequent sections.



Section 2: About The Company

Description Of Entity

With over 35 years of experience, Vendo operates through a nationwide network of fully trained and highly experienced franchisees, who provide comprehensive interior and exterior commercial vehicle cleaning services. Vendo is trusted by brands large and small, including the likes of FedEx, DHL, B&Q and Royal Mail.

Vendo currently has a national operation with over 42 franchised territories in the UK; each territory at regular intervals (weekly fortnightly or 4 weekly) goes to lorry yards and cleans the trucks.

Vendo Ltd is the franchisor and only carries out the head office activities, such as:

- Corporate branding;
- Corporate processes;
- Procurement of supplies;
- Quality assurance;
- Corporate administration (invoicing, and cash collection); and
- Corporate marketing and business development.

These services are provided through a system and network which all franchisees have access to. The Company generates revenue from the provision of these services and normally charges based on an initial franchise fee and a percentage of revenue of the franchise business.

Strategy

The strategy for Vendo is to continue to grow by 2 key methods:

- Grow via acquisition – continue to use and develop the system and consolidate all the sole practitioners/smaller operators under the umbrella.
- Organic - the provision of such services will allow the operators to focus on delivery of operational excellence whilst Vendo manages all the administrative tasks which should build brand awareness and consistent service standards across the franchises.

This strategy can be rolled out to various industries as the system Vendo has in place can be easily tailored to the specific requirements of each industry.

Management

There are 4 key management staff, having a combined experience of 78 years. Darren Taylor is CEO and has 20 years' experience in the franchising industry, having grown 5 brands into franchise businesses. Supporting him are David Callister, the BD Manager who has 27 years working in the franchise industry; Karen Salisbury, the Financial Controller; and Mick Heapy, the Operations Manager.

Entity Specific Financial Information

Notes and sources of information from the following section entail the following: FY 2019 – represents 18 months from 1 October 2017 to 31 March 2019. This is to realign the year end (Source: Vendo Audited Accounts); FY2020 to FY2021 – represents year ended 31 March 2020 and 2021 (Source: Vendo Audited Accounts). FY 2022 represents year ended 31 March 2022 (Source: Vendo Management Accounts); FY2023 – 2026 represents OC forecasts which are determined based on discussions with Mr Darren Taylor.

REVENUE AND PROFIT

The company's revenue has steadily increased throughout the period of review. While 2019's revenue saw a 61.2% increase, this includes the 18 months from 1 October 2017 to 31 March 2019. This was done to realign the company's year-end. 2020's revenue (the first full 12 months post year-end re-alignment) recorded a 172.4% growth in revenue which was largely due to a change in accounting policies resulting from a change in the legal relationship with Vendo and its customers. FY 2021 revenues fell 16.9% year-on-year which is largely due to the impacted sales from COVID19. However, the company managed to record a rebound in revenue in FY2022 with a 20.0% increase.

VENDO (GBP)	Audited Accounts 1 Oct 17 – 31 Mar 19	Audited Accounts YE 31 Mar 20	Audited Accounts YE 31 Mar 21	Mgmt. Accounts YE 31 Mar 22
Revenue	659,726	1,797,262	1,493,297	1,792,358
Rev. Change in %	*61.2%*	*172.4%*	*-16.9%*	*20.0%*
OPEX	(312,969)	(244,007)	(269,867)	(252,435)
EBITDA	**244,006**	**222,829**	**75,430**	**122,510**
EBITDA Margin %	*37.0%*	*12.4%*	*5.1%*	*6.8%*
D&A	(10,947)	(13,177)	(17,357)	(5,880)
Net Income	**189,444**	**152,091**	**32,458**	**64,021**
Net Inc Margin %	*28.7%*	*8.5%*	*2.2%*	*3.6%*

BALANCE SHEET

We have analysed the company's balance sheet from FY2019 to FY2022. A summary balance sheet is presented in the table below.

VENDO (GBP)	Audited 2019	Audited 2020	Audited 2021	Mgmt. Accounts 2022
Fixed Assets				
Intangible Assets	4,350	2,900	30,908	-
Tangible Assets	28,791	36,227	27,322	92,967
Current Assets				
Stocks	7,245	12,501	17,751	17,751
Debtors	332,362	1,194,203	1,209,069	1,352,616
Cash	7,269	-	-	(38,175)
Total Assets	**889,659**	**1,245,831**	**1,226,820**	**1,425,159**
Current Liabilities				
Creditors	649,581	723,089	642,631	656,930
Non-current Liabilities				
Creditors	21,162	116,706	200,620	241,883
Total Liabilities	**670,743**	**839,795**	**843,251**	**898,813**
Provisions for Liabilities	4,995	6,883	10,188	-
Net Assets	**247,062**	**399,153**	**431,611**	**526,346**
Capital and Reserves				
Share Capital	200,000	200,000	200,000	200,000
Reserves	47,062	199,153	231,611	326,346
Total Equity	**247,062**	**399,153**	**431,611**	**526,346**

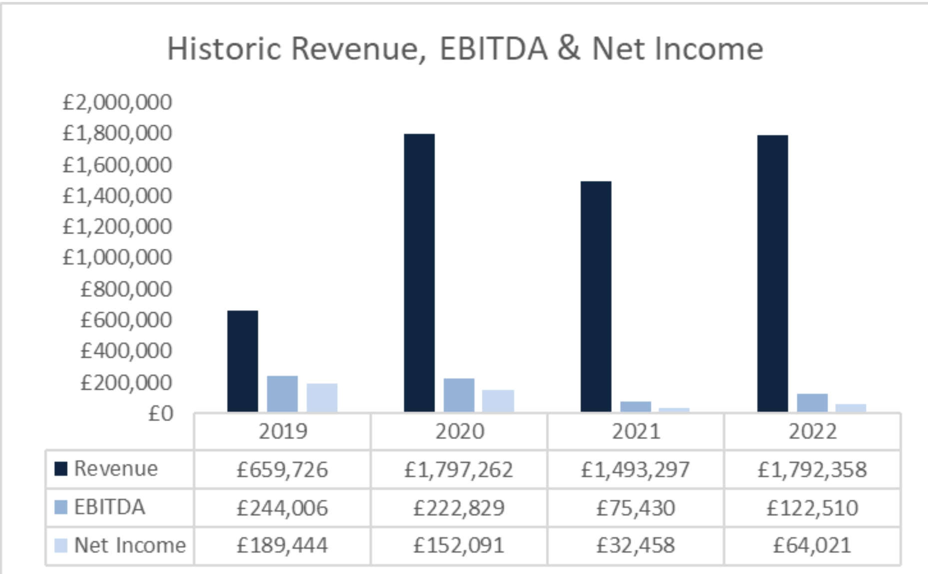
The company's total assets saw an increase from GBP 1,226,820 in FY2021 to 1,425,159 in FY2022. This is largely due to the increase in debtors from 1,209,069 in FY2021 to 1,352,616 in FY2022; of this amount in FY2022 includes an intercompany loan account of 866,384. We have no information regarding the recoverability of this intercompany loan account.

In the same period, the company's total liabilities have grown moderately from GBP 843,251 in FY2021 to 898,813 in FY2022. This is due to an increase in both creditors due within one year and creditors due more than one year. Despite the increase in liabilities, the net assets position of the company has increased in the same period.

As of 31 March 2022, the company's net assets stood at GBP 526,346.

HISTORIC REVENUE & PROFITABILITY

The company's historic revenue, EBITDA and net income levels for FY2019 through FY2022 are shown below.



Gross margins have dipped from >80% in the years prior to FY 2019 to 26.0%, 21.5% and 20.9% in FY2020, 2021 and 2022 respectively. This is due to a change in the way the company recognizes its revenue and in turn its cost of sales as previously mentioned above. OPEX as a % of revenue dropped from >45% pre-FY 2019 to 14% in FY2020. This figure saw an increase to 18% in FY2021 and a subsequent drop to 14% in FY2022. We are confident that the company will maintain a level below 20% based on historical data. While there was a huge jump in revenue in FY 2020, EBITDA and net income margins dipped to 12.4% and 8.5% respectively. These margins dipped to 5.1% and 2.2% in FY2021 but improved in FY2022 to 6.8% and 3.6% respectively.

LIQUIDITY RATIOS

A liquidity ratio is an indicator of a company's ability to meet its short-term debts. Generally higher ratios indicate an overall safer company; however, these ratios are relatively industry dependent. A summary of Vendo's liquidity ratios and benchmark industry ratios appear in the table below [1].

VENDO	Audited Accounts	Audited Accounts	Audited Accounts	Mgmt. Accounts	Industry Avg.
	2019	2020	2021	2022	2022
Quick Ratio	0.59	0.69	0.57	0.76	0.17

Comparing the ratios of the available financial information, we can see that the company's quick ratio has seen a healthy increase from FY2019 to FY 2022. However, all four years' ratios exceed the 2022 industry average, indicating that the company maintains sufficient means of paying off short terms obligations.

Summary of Financial Analysis

Overall, Vendo appears to have a stable financial performance. The company has a solid liquidity track record and is expected to outpace revenue growth in the coming years. Overall, we believe that the results from this analysis are indicative of low levels of financial risk for this company.

Addendum Re COVID19

The COVID19 pandemic has caused global social and economic disruption, including the largest recession since the Great Depression. The pandemic has affected Vendo too. However, management has been agile in its response and has mitigated most of the potential damage.

A. Business Operations

Some of businesses Vendo has as clients have been classified by the UK government as an essential worker status. This has minimised the COVID impact on Vendo's business.

In addition to the normal provision of services, Vendo has increased its range to focus on specific COVID services such as a "Sani Clean Service", an inter cab clean and sanitisation service between each driver shift. This add on service has added approximately 10% to revenue and management believes this type of service will continue to be sought after.

B. Business Development

Current Contracts Development

The company currently has 2 large contracts in pilot schedules with Amazon and Morrison Utility which could yield between £500 - £800K per year in turnover. The potential success of the Amazon contract would be significant given consumers' shift to online shopping which would consequently increase logistics requirements.

Franchise Recruitment

The company has also recruited more franchisees. They have secured one new franchisee during lockdown and expects a considerable uplift in franchisee enquiries as demand for franchises typically increases in times where unemployment is on the rise.

Section 3: The Global Financial Outlook and the UK economy

Macroeconomic events and market impacts

While global economies have emerged from the pits of Covid-19 in 2021, the near to mid-term expectations suggest that the global economy is still expected to be adversely affected in the coming years as global events continue to have a heavy impact. This includes the war in Ukraine, a global energy supply shock and the Fed's unsurprising hawkish pivot – all in the space of a few months.

From a global perspective, the summation is likely to have three main impacts on the global economy.

- Higher Energy and Commodity Prices, with disruption of supply
- Financial Contagion due to heighted political uncertainty, resulting in more volatile markets
- Lower global trade and investment flows

The UK Economic Recovery

In the UK, both the domestic financial and economic markets have already recovered to some extent, with key indications suggesting there will be economic expansion and a strong labour market in 2022.

As seen below, the Financial Times Stock Exchange 100 index, otherwise known as the FTSE 100 index, is a share index of the 100 largest companies trading on the London Stock exchange in terms of Market Capitalization. The index is an economic indicator to illustrate the movement of the UK financial markets and ever since the trough at the first half of 2020 due to the lockdowns, the FTSE 100 have already experienced a "swoosh-like" recovery as of April 2022.

FTSE 100 Index UK 2019-2022

FTSE 100 Index UK from December 2019 to April 2022

Note. UK Financial Markets Recovery: The chart shows historical returns for the FTSE 100 Index UK from December 2019 to April 2022. As of April 14, 2022, the FTSE index stood at 7616.38, above its average value of 7,500 points in early 2000. From Statista with data from London Stock exchange, retrieved June 15, 2022.

THE UK LABOUR MARKET AND GDP FORECASTS

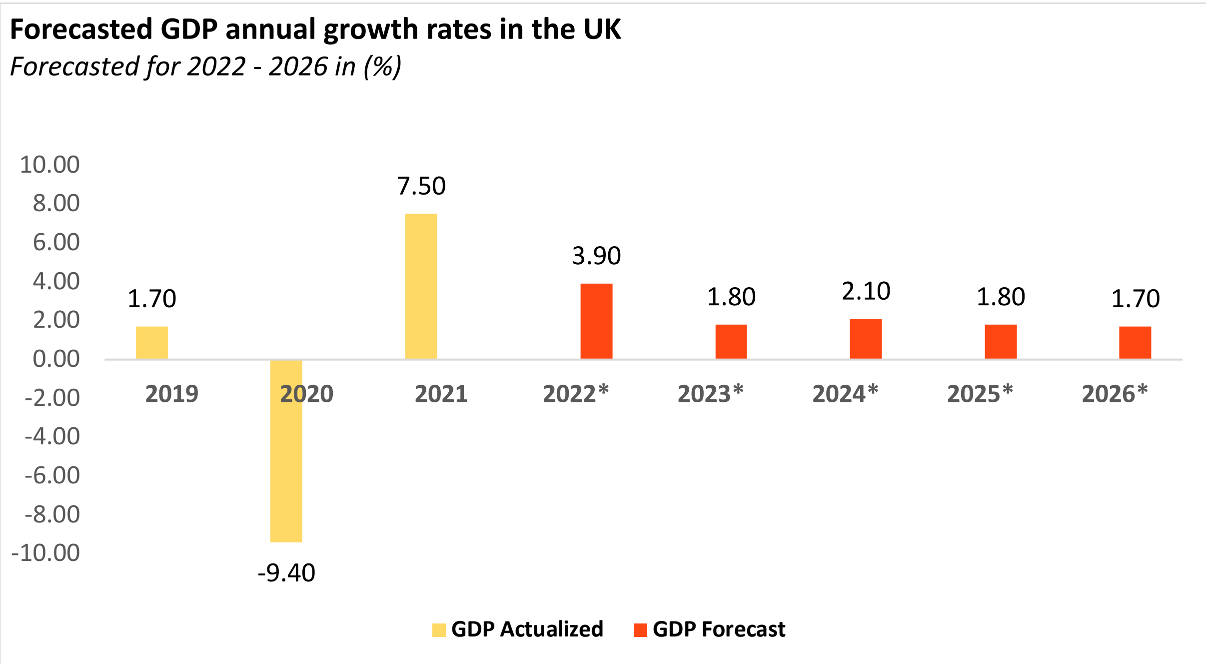
In addition, notwithstanding the impact of the *UK furlough scheme* [2], the UK economy has made a strong comeback with unemployment rates at 3.7% as of March 2022, which was the lowest since 1974. By comparison, a year ago in March 2021 the unemployment rate was around 5%, the highest since August 2016, reflecting the arrival of the second wave of the Coronavirus pandemic [3].

However, despite the strong labour market, the global macroeconomic events coupled with the ongoing headwinds such as inflation, rising central bank rates and falling consumer confidence are still expected to spill over in the coming years. This suggests that there may be a potential slowdown in UK's Gross Domestic Product (GDP) growth expectations.

GDP is one of the primary economic indicators used to gauge the state and health of a country's economy. It is defined as the total market value of all final goods and services that have been produced within a country in a given period, usually a year.

Using GDP growth data from the Office for Budget Responsibility [4] the GDP annual growth rates are expected to reach 3.9% suggesting a healthy expansion. However, in the coming years, it is expected to be on a continued slowdown, slightly below the UK historical average, at 1.8%, 2.1%, 1.8% and 1.7% for the years 2023, 2024, 2025 and 2026 respectively.

An illustration is shared below and the forecast by the Office for Budget Responsibility is done on March 2022, the forecast data is not constant and is always subjected to event-driven changes.



Note. Slowdown in Forecasted GDP annual growth rates in the United Kingdom for the years 2022 – 2026. Data from the Office for Budget Responsibility: Economic and Fiscal outlook, 2022. (pg. 72)

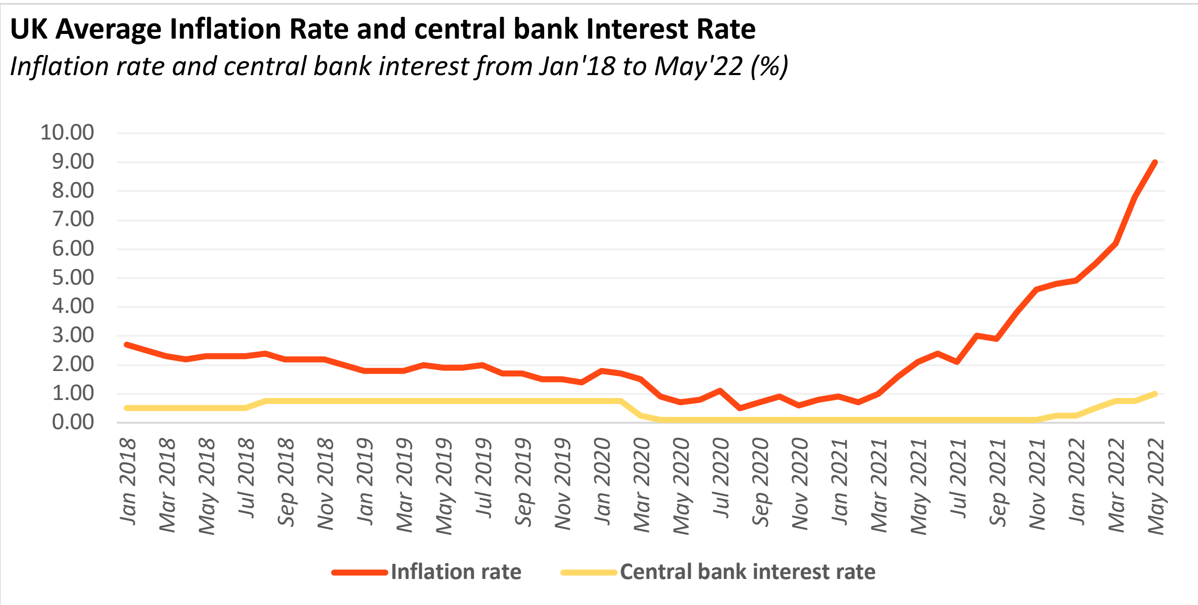
Inflationary Pressures and Tightening Monetary Policy

An economic report from PwC [5] suggests that the squeeze on the coming years' GDP growth rates is set up dominantly due to an expected squeeze on domestic disposable incomes. As households come under pressures of rising utility and energy costs, the annual consumption growth will mark a slowdown in domestic demand for goods and services.

While energy prices remain the biggest single driver of rising inflationary pressures in the UK, the Ukraine War has also led a rise in food prices, through higher fertilizer costs, wholesale food prices, wheat prices and freight costs.

As a result, by examining the UK Consumer Price Index (CPI) as an indicator of Inflation, it can be observed that there will be sharp inflationary pressure with the inflation rate forecast by the Office for Budget responsibility for 2022 to be 7.4%, a rate way above the UK central bank's long-term target of 2%. Thus, we expect tightening monetary policies with the central bank raising rates gradually above the current rate of 1.25% over the course of 2022 and 2023. This means that following the three consecutive rate rises since the end of last year, we follow KPMG's outlook [6] and expect at least two more rate increases this year, followed by a modest tightening next year.

The Bank of England can do little to combat high global energy and commodity prices, while their impact on inflation at the relevant policy horizon of 2-3 years' time is also likely to be limited. Instead, one of the key metrics for monetary policy is the pace of wage pressures, which are indicative of domestic demand imbalances that monetary policy can address. Our own view is that this pace of tightening is consistent with inflation returning towards the Bank of England's target level of 2% in the second half of 2024.



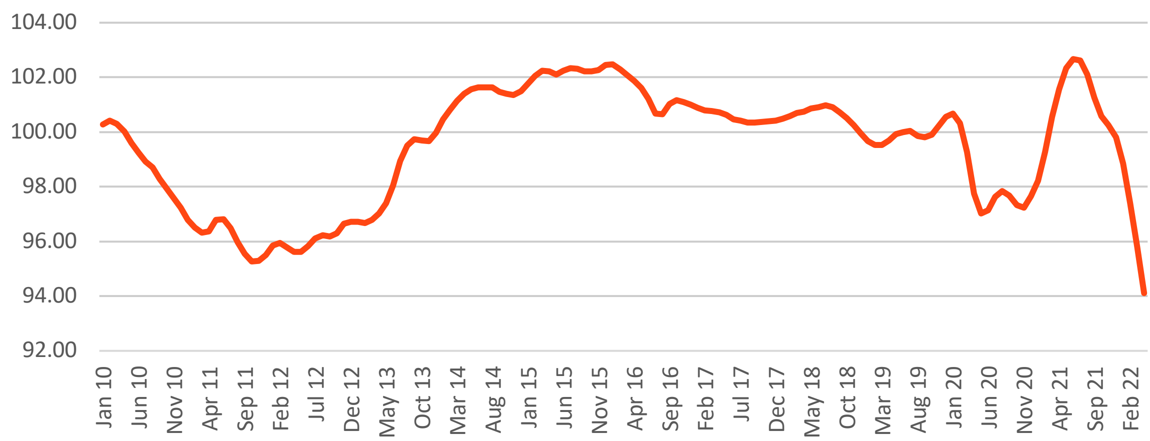
Note. An illustration of Rising average monthly Inflation Rates, and the lagging rise in Central bank Rates. From bank of England, Office for National Statistics (UK).

Consumer Confidence and Business Confidence

As a result, turning over to the OECD Consumer Confidence Index (CCI) [7], it is not surprising that the CCI is falling sharply since June 2021 from 102.62 to 94.11 in April 2022. This indicates that consumers in general possess a pessimistic attitude towards future developments in the economy, possibly resulting in a tendency to save more and consume less.

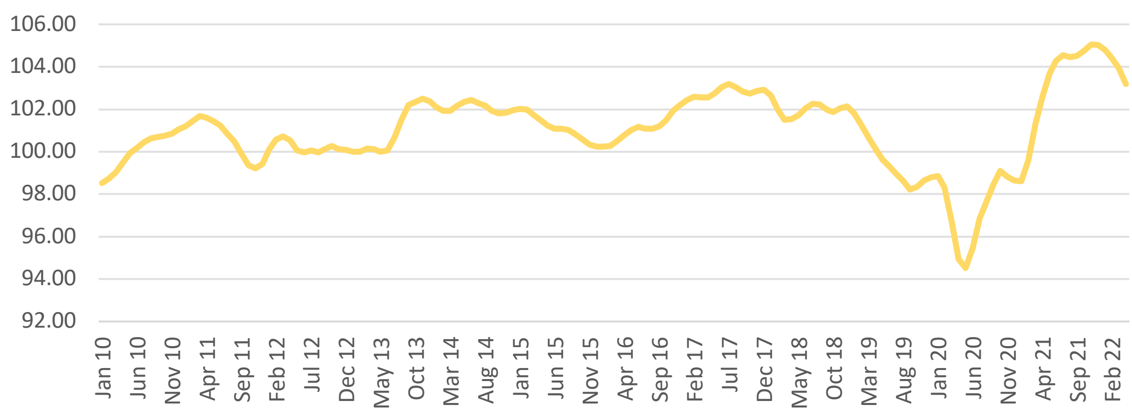
Above the sluggish macroeconomic outlook and poor consumer confidence, the UK is still host to strong business confidence outlook. Albeit falling towards the long-term trend, the OECD Business Confidence Index (BCI) [8] is still above the average index score of 100, sitting at 103.18 in April 2022, suggesting an increased confidence in near future business performance.

Consumer Confidence Index (CCI) of UK
From January 2010 to April 2022



Note. A look into the decade: Sharp fall in Consumer Confidence levels over the last 1 year, adapted from lowered OECD Consumer Confidence index (CCI) in United Kingdom. From Statista, data from OECD data.

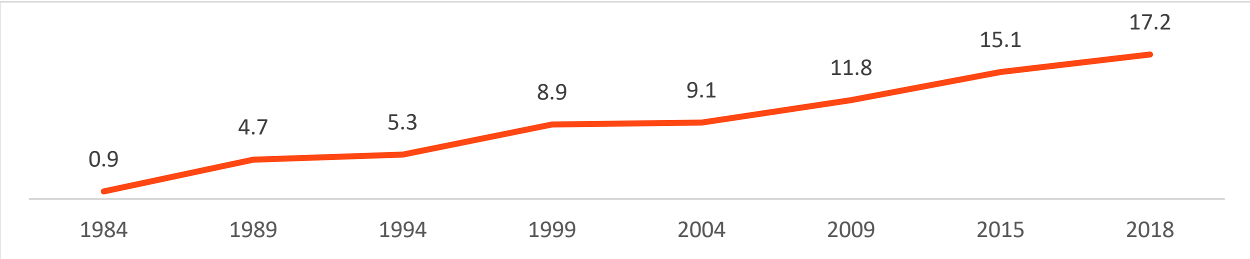
Business Confidence Index (CCI) of UK
From January 2010 to April 2022



Note. A look into the decade: Steady Business Confidence levels higher than the 10-year average, adapted from lowered OECD Consumer Confidence index (CCI) in United Kingdom. From Statista, data from OECD data.

SECTION 4: ABOUT THE INDUSTRY

A 2018 report by the British Franchising Association and NatWest [9] found that the franchising industry contributed GBP 17 billion to the UK economy and increase of GBP 2 billion since the previous statistics produced in 2015. As seen in the chart below, between 1984 to 2018, the industry has grown at a CAGR of 9.1%.



Note. Contributions of Franchising industry to the UK economy. From bfa/NatWest, 2018

In 2018, there was an estimated 48,600 franchised units in the UK. In the 22 years since 1996, this number has doubled. Much of this growth has been attributed to the hotel and catering sector which include big pub chains, fast food chains and coffee shop chains. The categories listed in the table below serve as a classification of business type that the EFF (European Franchise Federation) has utilized.

The fastest growing sectors since 2013 have been Personal Services (entertainment and tutoring, personal trainers, pet services, etc) and Hotel & Catering. Retail and Business & Commercial Services (printing, office supplies, training, accountancy) have decreased in the same period. This may be attributed to sector-specific environmental challenges, such as the rise of online retailers and software services. In general, franchises which require a physical presence or service which is provided will be able to withstand the challenges posed by online retailers and service providers.

	2013	2015	2018	% Change since 2013
Hotel & Catering	135	144	152	+2.4%
Store Retailing	105	86	92	-2.6%
Personal Services	213	234	248	+3.1%
Property Services	228	211	212	-1.4%
Transport & Vehicle Services	65	63	64	-0.3%
Business & Commercial Services	184	163	167	-1.9%

Source: bfa/Natwest, 2018

Between the period of 2001 to 2018, the estimated total number of people working in franchising has grown at a CAGR of 3.3%; from 407,000 to 710,000. Of the 710,000, 50.4% (358,000) are employed full time.

The report found that while around 70% of franchises are male, an estimated 65% of those employed within franchise units are female. More females are becoming franchisees, with a 20% jump since the 2015 report. There is also a growing trend of the younger population getting into franchising by becoming franchise business owners; as of 2018, 18% of all franchisees were under 30, as compared to 3% in 2015 and 5% in 2011. Of this 18%, 52% are female. This highlights the growing involvement of female in entrepreneurship, a testament to the franchise community's drive to empower women into business.

KEY DRIVERS

A. FRANCHISING PROMOTES CREATION OF ENTERPRISES:

The creation of enterprises occurs because of new franchise concepts being created, each with its potential of creating a network of new franchised enterprises. In other words, at a high level there is the creation of new franchise brands and concepts, and within each brand, the development of its network of franchised businesses with independent franchisees progresses to drive organic growth.

B. FRANCHISING PROMOTES CREATION OF EMPLOYMENT:

Employment is created at various levels in a franchised business, at the level of the franchisor, and at the level of each franchised unit. Additionally, franchised businesses contribute to the employment in enterprises upstream and downstream of their own activity. As a particular sector contributes to job creation, it will be highly likely for governments to provide additional support in terms of funding and favourable policies. For example, in 2012 the UK launched the "GrowthAccelerator" programme, aimed at creating 55,000 new jobs in the service industry through co-investing in innovation and strategic internal operations efforts [10]. Companies in such sectors will then be able to tap on government funds to grow further.

C. FRANCHISING CONTRIBUTES TO A MIDDLE-LEVEL ECONOMIC PLATFORM:

Franchising, with its development at SME level, contributes to safeguarding and even enhancing competition as well as promoting market diversity. Franchised businesses offer the adaptability, flexibility, and resources to operate in competitive markets. As geographical expansion is adopted as a development strategy, franchises will be able to focus efforts aimed at middle-level and smaller, more targeted markets at the onset of the expansion. This benefits the franchisees to grow market share whilst the franchisor focuses on brand promotion and internal systems and processes.

D. FRANCHISING PRESERVES AND TRANSFORMS TRADITIONAL INDEPENDENT TRADES:

Many classic and traditional "high-street" independent trades and artisans such as hairdressers, flower shops, small groceries, and restaurants, etc., have already opted for or converted their development strategy to franchising. This strategy contributes to modernizing their operations, image and appeal to customers, thereby dynamizing a significant SME segment of the economy. This presents an opportunity for geographical expansion where traditional trades are still largely prevalent. The dynamism is an element which can be adapted, giving a "global identity" flavour to local trade and services.

E. FRANCHISING IS A FORMIDABLE VECTOR FOR CROSS-BORDER TRADE AND EXPORT:

The replicable factor of franchising makes this business strategy particularly suited to territorial expansion, either within national borders or cross-border as well as international. The international import/export of successful franchise brands finds its source in a world where consumer tastes and living habits are now "global" in reference, sustained by demographics and new spending power in emerging markets. As countries work together to facilitate healthy trade amongst each other, regional and international franchise brands will stand to benefit.

Growth Opportunities

The company's primary growth strategy is via acquisitions and growth of its current portfolio.

Commentary On Financial Markets

During the March 2020 selloff which saw the Dow crash 28% from its peak, equities with franchising business models were not spared either. Apart from Generation Next Franchise Brands (VEND), Franchise Group (FRG); Franchise Brands (FRAN.L); and The Property Franchise Group (TPFG.L) sustained a sell off.

However, the latter 3 stocks have recently improved in value by 88.7%, 36.9% and 26.1% respectively.

SECTION 5: VALUATION

APPROACH TO VALUATION

The two methods identified for valuation of the company is the Discounted Cash Flow (DCF) analysis and comparables analysis. The DCF analysis involved discounting projected future cash flows to their present value, while the comparables analysis involves taking a look at key metrics of public companies in the same industry. Assumptions are key in such analyses and will be further identified in subsequent sections.

DISCOUNTED CASH FLOW

The key assumptions in the DCF involves the Weighted Average Cost of Capital (WACC) and its growth rate. For this analysis, we have utilised NYU Stern's database of average cost of capital by industry. We have identified the industry as Business Services, reaching a value of 6.65% from Damodaran Online. However we have used a discount rate of 7.5% to be conservative. The growth rate is set at a discretionary 3.5%. The base year for the DCF is set at FY2022, based off most recent full year numbers.

We mirror the market optimism for a strong recovery in FY 2023 with a projected 20% revenue growth that year followed by further organic growth in FY 2024 to 2026 at an expected growth rate of 25%. We expect management to be more prudent with cost management, taking this time to reduce redundant costs and have therefore forecasted gross margins at 26.5% in FY 2023 (FY 2022 has a gross margin of 20.9%). We expect this figure to steady at 25% over time. We have also projected days receivable to reduce by 1/3 – we believe management will be more stringent in payment collection moving forward to maintain a healthy working capital. All other variables are assumed to be the same as FY 2022. These include OPEX as a percentage of sales, inventory days, days payable and PPE expenditure.

The calculations for free cash flow and subsequent fair values are shown in the tables below.

Free Cash Flow (GBP)	**Projected 2023**	**2024**	**2025**	**2026**	**2027**
Net Income	174,054	206,678	258,348	322,935	382,402
D&A	(7,056)	(8,820)	(11,025)	(13,781)	(17,227)
Changes in WC	(124,302)	35,534	46,157	69,205	85,988
CapEx	7,056	8,820	11,025	13,781	17,227
PPE	52,305	52,305	52,305	52,305	52,305
% of revenue	*2.4%*	*1.9%*	*1.6%*	*1.2%*	*1.0%*
FCF	**284,244**	**153,504**	**190,141**	**226,167**	**261,961**

Fair Value (GBP)	**Projected 2023**	**2024**	**2025**	**2026**	**2027**	**Terminal**
Projected Year	1	2	3	4	5	5
FCF	284,244	153,504	190,141	226,167	261,961	6,287,068
Discount Factor	1.08	1.16	1.24	1.34	1.44	1.44
PV of FCF	**264,413**	**132,832**	**153,056**	**169,354**	**182,471**	**4,379,311**
Enterprise Value	5,281,438					
Less: Net Debt (CL + NCL - Cash)	936,988					
Fair Value	**4,344,450**					

SUPPORTING **BUSINESS**

PUBLIC COMPARABLES

Figures are accurate as of 21st June 2022.

Company Name	As of 21 June 22 Market Capitalization ('000)	Enterprise Value ('000)	EV/Revenue	EV/EBITDA	PE
Franchise Brands	178,110	171,590	3.0 x	21.0 x	31.9 x
Franchise Group	1,560,000	3,910,000	1.0 x	8.4 x	7.0 x
Winmark	685,000	746,960	9.4 x	14.2 x	18.4 x
The Property Franchise Group	97,410	102,830	4.3 x	11.9 x	25.7 x
FirstService Corporation	5,290,000	5,980,000	1.8 x	18.7 x	41.9 x
Maximum	5,290,000	5,980,000	9.4 x	21.0 x	41.9 x
75th Percentile	1,560,000	3,910,000	4.3 x	18.7 x	31.9 x
Median	**685,000**	**746,960**	**3.0 x**	**14.2 x**	**25.7 x**
25th Percentile	178,110	171,590	1.8 x	11.9 x	18.4 x
Minimum	97,410	102,830	1.0 x	8.4 x	7.0 x

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The public companies selected as comparables fulfil the following criteria;

- Companies with franchising business model
- Franchises are industry agnostic
- No specific geographic location
- No specific revenue sizes

The key assumption in a comparables analysis is that similar companies will have similar valuation multiples, such as EV/Revenue, EV/EBITDA, and price to earnings. Negative EV/EBITDA and PE figures are not meaningful, as are the values over 100, and are marked as "NM" and have therefore been left out. Median valuation multiples have been calculated as follows; 3.0x (EV/Revenue); 14.2x (EV/EBITDA); and 25.7x (PE).

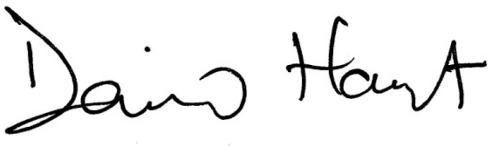
VALUATION SUMMARY

Based on the two analysis, we have summarised the various implied equity values of Vendo in the table below.

Valuation Statistics - VENDO Methodology Name	VENDO - Range of Implied Equity Values (GBP) Minimum Multiple	25th Percentile Multiple	Median Multiple	75th Percentile Multiple	Maximum Multiple
Public Company Comparables:					
LTM EV / Revenue:	£1,825,878	£3,134,299	£5,285,128	£7,633,117	£16,774,143
LTM EV / EBITDA:	993,357	1,423,366	1,695,337	2,246,631	2,532,078
LTM Price / Earnings:	556,425	1,450,341	2,028,897	2,518,140	3,307,727
Discounted Cash Flow Analysis:					
6.5% - 8.5% WACC, 2.0% - 4.0% g:	2,671,044	3,340,713	4,344,450	6,016,314	9,358,481

We have decided to utilise the comparables figures as indicators to our discounted cash flow analysis. At a WACC of 7.5% and growth rate of 3.5%, the fair value of VENDO is GBP 4,344,450.

VALUERS SIGNATURE



David Hart
Chartered Accountant
Founding Partner

APPENDIX - SOURCES OF INFORMATION

[1] https://csimarket.com/Industry/industry_Financial_Strength_Ratios.php?s=300

[2]https://www.gov.uk/government/collections/hmrc-coronavirus-covid-19-statistics

[3]https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistics

[4]https://obr.uk/docs/dlm_uploads/CCS0222366764-001_OBR-EFO-March-2022_Web-Accessible-2.pdf

[5]https://www.pwc.co.uk/economic-services/ukeo/ukeo-april-2022.pdf

[6]https://assets.kpmg/content/dam/kpmg/uk/pdf/2022/04/global-economic-outlook-april-2022-brochure.pdf

[7]https://data.oecd.org/leadind/consumer-confidence-index-cci.htm

[8]https://data.oecd.org/leadind/business-confidence-index-bci.htm

[9]https://www.thebfa.org/2018-bfa-natwest-franchise-survey-is-out/

[10]https://www.mercoservices.com/high-growth-low-cost-how-the-uk-government-is-supporting-growth-for-the-uk-cleaning-industry/