BUSINESS VALUATIONS
MELBOURNE

SAMPLE REPORT · FICTIONAL COMPANY

SHARE CLASSES AND EMPLOYEE SHARES

Sample valuation report

Kestrelmoor Building Services Holdings Pty Ltd

A FICTIONAL COMPANY, MADE UP FOR THIS SAMPLE

B, C and E class shares: market value and the net tangible assets basis, valued at 30 September 2026

Guided by **APES 225 Valuation Services**. APES 225 is the recognised Australian benchmark for valuation work. We follow its guidelines.

PREPARED FOR
The directors of the company (fictional)

VALUATION DATE
30 September 2026

REPORT DATE
14 October 2026

REFERENCE
BVM-SAMPLE-01

SAMPLE ONLY
The companies, people, documents and every figure in this report are made up, to show what a signed Business Valuations Melbourne report looks like for this kind of engagement. It is not a valuation of any real business, it is not signed, and no one may rely on it.

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This report is prepared solely for the purposes and the intended users identified in it. It is not an expert witness report for court or tribunal proceedings. If expert evidence is required, a separate engagement must be agreed, including the scope, any additional investigations, reporting requirements and fees, and any expert report must address the applicable court rules and expert witness requirements. Nothing in this restriction limits compliance with a legal disclosure obligation, subpoena or court order.

MELBOURNE
Level 7, 55 Collins Street
Melbourne VIC 3000

PHONE
03 8375 4177
hello@valuo.com.au

OPERATED BY
Valuation Group Pty Ltd
ABN 48 702 469 252

GROUP
Business Valuations Melbourne is part of Valuo

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About this sample. This is an illustrative report. Kestrelmoor Building Services Holdings Pty Ltd, its subsidiary, its shareholders, customers, documents and every figure in it are fictional, constructed to show how Business Valuations Melbourne values share classes in a private company: the market value of non-voting classes, and a value for employee share scheme grants on the net tangible assets basis. No such company exists and no identifiers are given. The report is not signed, and no one may rely on it for any purpose.

GUIDED BY APES 225

This report is guided by APES 225 and covers what the ATO expects a valuation report to contain

This report is guided by APES 225 *Valuation Services*, issued by the Accounting Professional & Ethical Standards Board. We follow its guidelines because it is the recognised Australian benchmark for how a valuation should be carried out and reported.

The table below shows where this report deals with each of the matters the standard asks a valuation report to set out.

WHAT A VALUATION REPORT IS ASKED TO SET OUT	WHERE IT IS IN THIS REPORT
The party who engaged us and the party the report is prepared for	Cover page and section 2
The purpose of the valuation and the restrictions on its use	Sections 1, 2 and 13
The subject of the valuation and the interests being valued	Sections 2, 3 and 4
The valuation date and the date of the report	Cover page
The standard of value and the premise of value adopted, and the basis used for the E class	Section 2
The information relied upon and the extent to which it was reviewed	Section 5 and Appendix A
The valuation approaches and methods considered and adopted, and why	Sections 6 to 10 and Appendix B
The key assumptions on which the conclusions depend	Section 12
The conclusions of value	Sections 1, 8, 9 and 10
The qualifications and limiting conditions	Section 13
A declaration of independence by the valuer responsible	Section 2 and Appendix F

The B and C class values are the result of a valuation engagement: we chose the approaches and methods ourselves and applied the judgement we considered appropriate, and it is not a limited scope engagement. The E class figure is a calculation of value on a basis set by the company's tax advisers, which we have applied to a balance sheet we have tested.

For tax purposes: what the ATO expects a valuation report to cover

The ATO's guide *Market valuation for tax purposes* sets out the minimum information it expects a valuation report to contain. It applies to the market values in this report, those of the B and C class shares; the E class figure is not a market value. The table shows where this report deals with each item.

WHAT THE ATO EXPECTS A REPORT TO COVER	WHERE IT IS IN THIS REPORT
The purpose, including the tax provision concerned and any legislation, case law and ATO guidance considered	Sections 1 and 2; the tax provisions are identified by the company's advisers, not interpreted here
The scope, including instructions and any limitations on scope	Sections 2 and 13, and Appendix F
The asset being valued	Cover page and sections 2 and 4
The information, facts, inputs and assumptions relied on, with their source and how far they were investigated	Sections 5, 6 and 12, and Appendices A to D
The professional standard that guides the engagement	This page, section 2 and Appendix F: the report follows the guidelines of APES 225 Valuation Services
The valuation date, and the date the asset was inspected, if applicable	Cover page and section 5
The definition of value	Section 2 and Appendix E
The approaches and methods chosen, the reasons for them, and cross-checks	Sections 7 and 9
Records sufficient for the valuation to be replicated	Appendices B, C and D
Any previous valuation relied on	Section 5 (there is none)
Differences from historical cost and book values, explained and quantified	Sections 8 and 11, and Appendix B7
A specific market value, and why it was chosen from within a range	Sections 1, 7 and 9
Risks, disclaimers and indemnities	Sections 7, 12 and 13
The terms of engagement and any instructions that affected the valuation	Section 2 and Appendix F
The valuer's identity, status and qualifications, independence and any conflict	Section 2 and Appendix F
The date the report is issued	Cover page

The guide also lists issues the ATO commonly sees when it reviews a valuation. This report answers those that arise here: the capitalisation multiple is supported by reasons and tested (section 7); the weighting of past years is explained and its alternatives are shown (section 6 and Appendix B4); information after the valuation date is used only to confirm what was already the case (section 5); and the discounts for lack of control and marketability, assumptions the ATO would test like any other input, are supported factor by factor and tested (section 9 and Appendix B8). Source: ATO, *Market valuation for tax purposes*, Legal Database.

1. SUMMARY OF CONCLUSIONS

Each B and C class share is worth $0.440; each E class share is $0.209 on the net tangible assets basis

The directors of Kestrelmoor Building Services Holdings Pty Ltd ("the company") engaged Business Valuations Melbourne to value three classes of the company's shares at 30 September 2026: the B class and C class shares at market value, and the E class shares, which the company granted to staff under its employee share scheme on that date, on the net tangible assets basis. Our conclusions are:

INTEREST	PURPOSE	BASIS	PER SHARE	TOTAL
B class shares 2,000,000 held by the chief executive	Market value at the valuation date	Market value: a non-voting minority holding, allowing for the E class grants	**$0.440**	$880,000
C class shares 1,000,000 held by a former employee	Market value at the valuation date	Market value: a non-voting minority holding, allowing for the E class grants	**$0.440**	$440,000
E class shares 500,000, granted to staff at the valuation date	Grant to staff under the employee share scheme, at the E class figure	Net tangible assets per share, on the basis confirmed by the company's tax advisers	**$0.209**	$0.209 for each share granted, paid by staff; $104,500 for all 500,000
100% of the shares, for reference 9,000,000 shares, all classes	The starting point for the B and C values	Market value of the whole company	**$0.6718**	$6,050,000 ($6,046,250 before rounding); $0.6474 a share after the E class grant

Each figure answers its own question, for its own purpose, and may not be used for another. The E class figure is not a market value: it is the company's net tangible assets per share, which is the basis the company's tax advisers have confirmed in writing applies to the scheme. Values per share are rounded to a tenth of a cent, and the totals are the number of shares multiplied by the rounded value per share. Section 11 explains why the figures differ.

We have assessed the **market value** of the company's shares on a **going concern** basis as at **30 Sept 2026**. The primary methodology adopted is the **capitalisation of future maintainable earnings** method, with net assets, net tangible assets and the implied EBITDA multiple as cross-checks.

MARKET VALUE: 100% OF THE SHARES OF THE COMPANY (ALL CLASSES)

$6,050,000

9,000,000 shares on issue, $0.6718 a share pro rata; 9,500,000 shares and $0.6474 a share once the scheme's E class shares are granted and paid for. Before rounding, $6,046,250.

B AND C CLASS SHARES	E CLASS SHARES	MARKET VALUE, 100%	MAINTAINABLE EBIT	MULTIPLE OF EBIT
$0.440	**$0.209**	**$6,050,000**	**$1,188,250**	**5.0 times**
Market value a share at 30 September 2026	Net tangible assets a share; not a market value	All 9,000,000 shares; $0.6718 a share pro rata	After normalisation	Range 4.5 to 5.5 times

The company. The company is a holding company. Its only asset is all the shares in Kestrelmoor Building Services Pty Ltd, which maintains the electrical and plumbing systems of commercial buildings, mostly under multi-year service contracts. In FY2026 it earned revenue of $9,620,000 and, once its accounts are adjusted for one-off costs, related-party rent and the founder's pay, EBIT of $1,230,000.

The value of the whole company. We have capitalised maintainable EBIT of $1,188,250 at 5.0 times, which gives an enterprise value of $5,941,250. Adding the $930,000 of cash the business does not need to trade, and deducting equipment finance, income tax payable, long service leave and a temporary shortfall in working capital, the market value of 100% of the shares is $6,046,250, or $6,050,000 rounded. Across the 9,000,000 shares on issue that is $0.6718 a share.

The B and C class shares. Every class of share has the same rights to dividends and capital per share. Under the scheme adopted in August 2026, the directors granted all 500,000 E class shares to staff on the valuation date, and staff pay the E class figure of $0.209 for each, so the company's value and the $104,500 staff pay are shared across 9,500,000 shares: $0.6474 a share. The B and C shares have no votes, cannot elect a director and cannot be sold without the board's consent and an offer first to the founder, who takes pay and rent above market that no minority holder can stop. A buyer would pay less for them than their proportionate part of a sale of the whole company. We deduct 15% for lack of control and then 20% for lack of marketability, which gives $0.4403, or $0.440 a share. The two classes have identical rights, so they have the same value. The chief executive's price protection under the shareholders' agreement is a personal promise by the founder and does not change the value of a B share (section 4).

The E class shares. On the basis the company's advisers have confirmed, the value of an E class share is the company's net tangible assets divided by the shares on issue: $1,885,000 divided by 9,000,000, which is $0.2094, or $0.209 a share. Under the scheme rules it is also the price staff pay for each E class share. It is lower than market value because it leaves out the earning power of the business, which is most of what a buyer pays for (section 11).

What would change it. The capitalisation multiple moves the market value most: at 4.5 times a B or C share would be worth $0.398, and at 5.5 times $0.483. Next come the discount for lack of marketability, the weighting of past years and the cash the business needs to trade, which move it by similar amounts, then the discount for lack of control. Had no E class shares been granted, a B or C share would be worth $0.457 (Appendix B8). The E class figure depends only on the balance sheet and the number of shares on issue.

2. ENGAGEMENT, SCOPE AND INDEPENDENCE

The directors engaged us to value three share classes at 30 September 2026; only the company and its directors may rely on this report

Who engaged us. The directors of the company engaged Business Valuations Melbourne by an engagement letter dated 2 October 2026, signed for the company by the founder as chair. The company is our client.

Purpose. This report has two purposes. First, to state the value of each E class share granted to staff under the company's employee share scheme on the valuation date, on the net tangible assets basis; under the scheme rules it is also the price staff pay for each share. Second, to state the market value of the B class and C class shares at the valuation date, as a dated reference that the company may use for its own records and in support of the tax position of the scheme and of the company's share classes.

Intended users. The company and its directors. The company may give this report, whole and unedited, to the Australian Taxation Office in support of these purposes. No one else may rely on it, including any holder of shares, any employee offered E class shares and any prospective buyer (section 13).

WHO MAY RELY ON IT

The company and its directors. The ATO may be given it for these purposes.

The interests valued. The 2,000,000 B class shares and the 1,000,000 C class shares on issue at 30 September 2026, each class valued per share and in total, and the 500,000 E class shares granted to staff on that date, per share. We have not been asked to value the founder's 6,000,000 ordinary shares as a holding, which carry control and would be valued differently, and we do not value the chief executive's price protection (section 4).

Standard of value: market value. For the B and C class shares we use market value in its ordinary meaning, as the High Court described it in Spencer v Commonwealth [1907] HCA 82 and as the ATO's guide Market valuation for tax purposes adopts it: the price a willing but not anxious buyer would pay a willing but not anxious seller, both informed of the facts and dealing at arm's length, at the valuation date and without hindsight. The buyer is hypothetical. It is not the founder, the company or any other person who might pay more or less for reasons of its own.

The E class basis: net tangible assets. The E class figure is not a market value. It is the company's net tangible assets at the valuation date divided by the number of shares then on issue, and under the scheme rules it is the price staff pay for each E class share. The company's tax advisers have confirmed to the directors in writing, by letter dated 7 October 2026, that in their opinion the scheme, on those terms, qualifies for the start-up concession and that this basis applies to the E class shares. We rely on that confirmation. We have not reviewed it and give no opinion on the tax law, the scheme or its eligibility (section 10 and section 13).

Engagement type. The B and C class values are the result of a valuation engagement: we chose the approaches and methods ourselves and applied the judgement we considered appropriate, and it is not a limited scope engagement. The E class figure is a calculation of value on a basis set by the company's tax advisers, which we have applied to a balance sheet we have tested.

Premise of value. Going concern. The group is profitable, trading and has no plan to stop, so each class is valued as part of a continuing business, not on a sale of its assets.

Guiding standard. This report is guided by APES 225 Valuation Services, issued by the Accounting Professional & Ethical Standards Board. We follow its guidelines because it is the recognised Australian benchmark for how a valuation should be carried out and reported.

Independence. Business Valuations Melbourne is an independent valuation practice. Our fee is fixed and does not depend on the conclusion, content or future use of this report. We hold no interest in the company, its subsidiary or any shareholder, and we act for none of the shareholders personally. The chief executive, who holds the B class shares, is one of the company's two directors and has a personal interest in their value. No director gave us any instruction about a value, a method or a discount, and none would have been accepted.

03

SECTION 3

A contracted maintenance business, concentrated in two customers and one founder

$9.62m	62%	34%	68
Revenue, FY2026	Revenue under multi-year contracts	From the two largest customers	Staff at the valuation date

WHY THIS MATTERS

The value rests on contracted maintenance revenue, and on how much of it depends on two customers and on the founder's relationships.

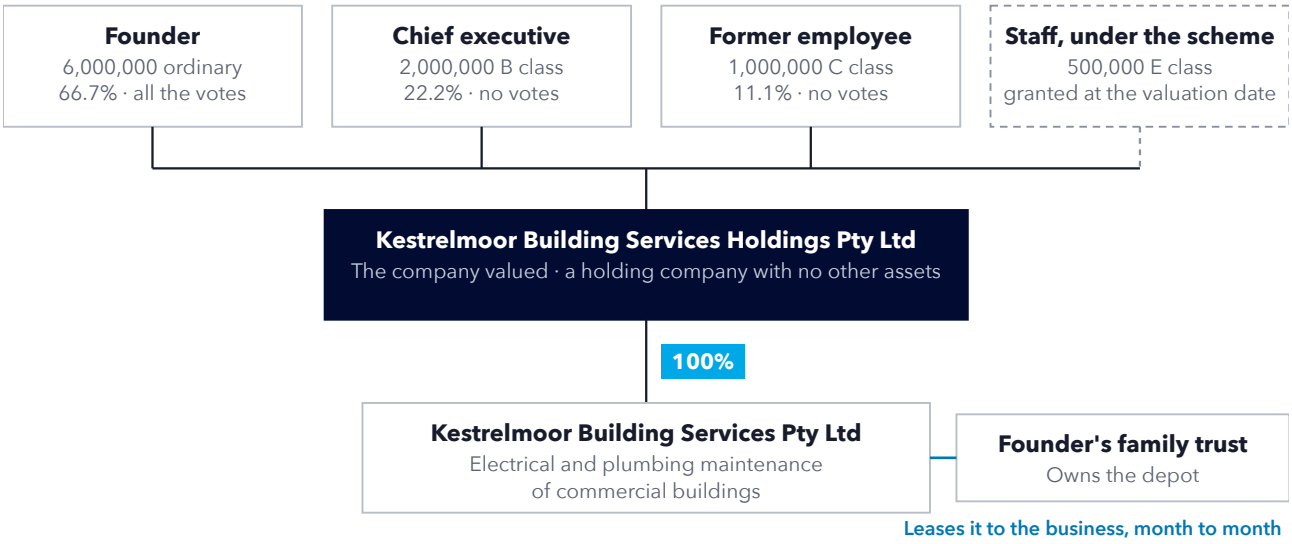
3. THE BUSINESS, ITS INDUSTRY AND THE GROUP

A building-maintenance group earning 62% of its revenue from multi-year contracts

The group. The founder traded the business as a sole trader from 2012. In 2019 he incorporated both companies in Victoria: Kestrelmoor Building Services Pty Ltd took over the business, and Kestrelmoor Building Services Holdings Pty Ltd was incorporated as its holding company and has held all its shares since. The company has no business, employees or assets of its own other than its shares in the operating company, and it has no borrowings. All values in this report are of shares in the company, so they are values of the group as a whole, taken from its consolidated accounts.

FIGURE 1

One holding company owns the whole business; four classes of shares sit above it



Percentages are of the 9,000,000 shares on issue before the E class grant on the valuation date. Source: share register, constitution and shareholders' agreement.

What the business does. The operating company maintains, tests and repairs the electrical and plumbing systems of commercial buildings in metropolitan Melbourne and Geelong: office towers, shopping centres, warehouses and council facilities. Most of its revenue comes from multi-year service contracts with building owners and property managers, which pay for planned maintenance and compliance testing at agreed rates and give the company first call on the reactive repair work in those buildings. The rest is one-off repair and upgrade work.

People. At 30 September 2026 the group employed 68 people, of whom 52 were licensed electricians and plumbers and 9 were apprentices. It runs 55 service vans from a leased depot in Melbourne's south-east. The founder works in the business three days a week, holds the relationships with three of its five largest customers and leads tenders for new contracts. The chief executive, appointed in August 2024, runs operations, finance and staff.

Customers and contracts. In FY2026, 62% of revenue came from multi-year contracts, up from 48% in FY2024. In December 2024 the company won the two largest contracts it holds, a portfolio of office buildings for one property manager and a group of shopping centres, and these provided 34% of FY2026 revenue. The largest customer provided 19% and the five largest 52%. The weighted average remaining term of the contracts at 30 September 2026 was 2.4 years. The largest contract runs to November 2028. The second largest, 15% of revenue, expires on 30 June 2027 and will be retendered in early 2027.

CONTRACTED REVENUE

62% of FY2026 revenue; the two largest contracts are 34%.

The depot. The depot is owned by the founder's family trust. Its lease expired in June 2025 and has continued month to month since, on the same terms, terminable by either side on three months' notice. The rent paid is above the market rent for the premises (section 6).

Shares and the shareholders. The founder holds all 6,000,000 ordinary shares. The chief executive was issued 2,000,000 B class shares on appointment in August 2024. A former early employee, who left the business in March 2024, holds 1,000,000 C class shares issued in 2019. On 12 August 2026 the shareholders adopted an amended constitution creating the E class, the company adopted the employee share scheme rules, and the founder, the chief executive, the former employee and the company signed a new shareholders' agreement. The E class shares were granted on the valuation date. Section 4 sets out the rights of each class.

FIGURE 2

The agreement was signed seven weeks before the valuation date; everything after it only confirms what was known



Dates from the signed agreement, our engagement letter, the advisers' letter, the review report and the representation letter.

Industry context

Commercial building maintenance is a service business. Building owners and managers need electrical and plumbing systems kept safe, tested and working whether or not the economy is growing, so much of the work recurs, and owners of larger portfolios commonly buy it under service contracts that are retendered from time to time. Demand for this work is steadier than demand for new construction work, but contractors compete hard for each retender, from national facilities management groups to small local firms.

The main constraint on a business like this is skilled labour. Licensed electricians and plumbers must be recruited, trained and kept, and wages are the largest cost. The main risks to its value are the loss of a large contract at retender, the loss of relationships held by one person, and margin pressure from wages that rise faster than contract rates can be reset.

Buyers of businesses like this look for contracted revenue with a spread of customers, relationships that do not depend on one person, a stable workforce and a fleet that is not overdue for replacement. We have not relied

on published industry statistics or transaction multiples: we could not test them, and figures taken from businesses with different contracts, scale and ownership would not describe this one. Section 7 explains the multiple from the risks of this business.

04

SECTIONS 4 AND 5

Every class shares equally in dividends and capital; votes and transfer limits set them apart

6,000,000	2,000,000	1,000,000	500,000
Ordinary shares: the founder	B class: the chief executive	C class: a former employee	E class: granted to staff

WHY THIS MATTERS

Because every class shares equally per share, the differences in value come from control, marketability and the scheme, not from the economics of the shares.

4. SHARE CLASSES AND THEIR RIGHTS

Every class shares equally per share in dividends and capital; only the founder's ordinary shares vote

The rights of each class come from the company's constitution, as amended by special resolution on 12 August 2026, and the shareholders' agreement signed by every shareholder and the company on the same day. Appendix D quotes the clauses that bear on value. The table summarises them; the paragraphs that follow explain what each right means for the value of a share.

RIGHT	ORDINARY	B CLASS	C CLASS	E CLASS
Number on issue at the valuation date	6,000,000	2,000,000	1,000,000	Nil before the grant; 500,000 granted at the valuation date, at $0.209 a share
Held by	The founder	The chief executive	A former early employee	Staff granted shares under the scheme
Dividends	Equal per share	Equal per share with every class	Equal per share with every class	Equal per share with every class
Return of capital and winding up	Equal per share	Equal per share	Equal per share	Equal per share
Votes at general meetings	One vote a share	None, except on a change to B class rights	None, except on a change to C class rights	None, except on a change to E class rights
Appointing directors	Appoints all directors	None	None	None
Transfer	Board consent; offer to the other holders first	Board consent; offer to the ordinary holder first	Board consent; offer to the ordinary holder first	Not transferable while unvested; then as for B
Drag-along and tag-along	Can drag every holder in a sale of 100%	Dragged at the same price a share; may tag on a sale of control	Dragged at the same price a share; may tag on a sale of control	As for B and C, once vested
Pre-emptive right on new shares	Yes	No	No	No
Leaver terms	None	None attached to the shares	None	Scheme rules: vesting and leaver terms

Sources: constitution as amended 12 August 2026, clauses 4, 6 and 12; shareholders' agreement dated 12 August 2026, clauses 5 and 7 to 10; employee share scheme rules. Extracts in Appendix D.

Each right, and what it means for value

Dividends (constitution clause 4.3). A dividend declared on any class must be declared at the same amount per share on every other class. The directors cannot pay the founder's ordinary shares a dividend and leave the B or C shares out. The company paid 3.0 cents, 3.5 cents and 4.0 cents a share for FY2024 to FY2026, between 50% and 69% of profit after tax. What a minority holder cannot do is decide whether a dividend is paid at all, or how much: the board decides, and the founder appoints the board. This protection narrows the discount for lack of control; it does not remove it.

EQUAL PER SHARE

Dividends and capital are shared equally per share by every class.

Return of capital and winding up (clause 4.4). On a return of capital or a winding up, every class shares equally per share in what is left after creditors. This is why the pro rata value of a share is the same for every class, and why net tangible assets per share is a meaningful figure for the E class.

Votes and the board (clauses 4.5 and 6.1; agreement clause 5). Only ordinary shares vote, and the holders of ordinary shares appoint and remove every director. The founder therefore controls the company, its board, its

dividends, its borrowing and the sale of its business. The B, C and E classes vote only on a proposal to vary their own class rights, which needs the consent of 75% of that class. That is a protection against having their rights changed, not a say in how the company is run. The chief executive sits on the board because the founder appointed him while he is chief executive, not because he holds B shares.

Transfer restrictions and pre-emptive rights on transfer (constitution clause 12; agreement clause 8). The directors may refuse to register any transfer. A holder who wants to sell must first offer the shares to the ordinary holder, and then to the other holders, at a price agreed or, failing agreement, set by an independent valuer as the market value of the shares offered. The clause does not tell the valuer to ignore the size or class of the holding, so it gives a B or C holder no right to a pro rata price. In practice the only ready buyer is the founder or the company.

Drag-along and tag-along (agreement clauses 9 and 10). If holders of more than 50% of the ordinary shares accept a genuine arm's length offer for all the shares, every other holder must sell on the same terms and at the same price per share, whatever the class. If the founder proposes to sell ordinary shares that would give a buyer control, every other holder may require that buyer to buy their shares at the same price per share. Together these mean that if the whole company is sold, a B or C holder receives the full pro rata price. That is the main reason the discount for lack of control is not larger (section 9). It does not give a holder any way to bring about such a sale.

Pre-emptive rights on new shares (agreement clause 7). New shares must first be offered to the ordinary holder. B and C holders have no such right and could be diluted by a new issue, though any issue must be at a price the board considers fair. Shares issued under the scheme are limited to 500,000 E class shares, all granted on the valuation date at the E class figure; section 9 allows for them.

Leaver terms. The scheme rules attach vesting and leaver terms to E class shares. None attach to the B or C shares: the former employee kept the C shares on leaving in 2024, and the chief executive would keep his B shares if he left.

The chief executive's floor

What the clause says (agreement clause 14). If, within five years of 12 August 2026, all the shares in the company are sold for less than $8,000,000, the founder must transfer to the chief executive, for nothing, enough of his own ordinary shares, or pay him enough of his own sale proceeds, to give the chief executive what he would have received had the company been sold for $8,000,000. The promise is made by the founder personally to the chief

executive by name. It is not a right attached to the B class shares, it is not an obligation of the company, it lapses if the chief executive transfers his B shares, and it would not pass to anyone who bought them.

Why it does not change the value of a B share. Market value is the price a hypothetical buyer would pay for the shares. A buyer of B shares would not get the floor, because it stays with the chief executive and ends if he sells, so it adds nothing to what that buyer would pay. Nor does it take anything from the company: the cost falls on the founder's ordinary shares, which we are not valuing. The value of a B share is therefore the same as the value of a C share.

What it does change: how soon a sale is likely. Until 12 August 2031, a sale of the company below $8,000,000 costs the founder personally. The company is worth about $6,050,000, so the founder has a reason not to sell for some years unless a buyer pays well above today's value. That pushes further away the sale that would give a B or C holder the full price through the tag-along right, and it is one of the reasons for the discount for lack of marketability (section 9).

What is outside scope. The value of the promise to the chief executive, and its cost to the founder, depend on the chance and timing of a sale below $8,000,000. They are personal to those two people. We have not valued them, and nothing in this report should be read as a value of either.

The shareholders' agreement: signed before the valuation date

The agreement was signed before the valuation date. All the parties signed the shareholders' agreement on 12 August 2026, seven weeks before the valuation date, and we have read the signed copy. The class rights valued in this report are those in force at 30 September 2026.

If it had not been signed. We do not assume that an unsigned agreement is in force. Had the agreement been unsigned at the valuation date, this report would say so on its first page, value the shares on the rights actually in force at that date (here, the constitution alone, without the drag-along and tag-along rights), and set out separately the terms we had been asked to assume and their effect on the values.

If it is signed or amended later. Where an agreement is signed after the valuation date and does not change the rights of any class, the values at the valuation date do not change, and we reissue the report at the same valuation date, citing the signed agreement. Where a later agreement changes class rights, the shares are different shares, and they need a new valuation.

What this means for the values. The B and C classes have identical rights, so a B share and a C share have the same market value. Both share equally per share with the ordinary shares in dividends and capital, so each share's starting point is the same pro rata value; they differ from the ordinary shares in control and in how easily they can be sold, which is what the discounts in

section 9 address. The E class has the same economic rights, which is why the net tangible assets of the company, divided by all the shares on issue, gives a single figure per share.

5. INFORMATION RELIED UPON AND THE EXTENT OF REVIEW

The figures that matter most were tested against bank statements, contracts, payroll records and the signed agreements

The documents relied upon are listed in Appendix A. The annual financial statements are special purpose statements compiled by the company's external accountants and are not audited. The consolidated balance sheet at 30 September 2026 was reviewed by the same accountants, whose review report dated 9 October 2026 states that nothing came to their attention to indicate that it was not prepared, in all material respects, in accordance with the group's accounting policies. We have not audited or reviewed any of the financial information, but we tested the figures that matter most to the values against independent records.

Cash and debt. Cash at bank of $1,640,000 at 30 September 2026 agrees to the bank statements at that date. Equipment finance of $420,000 agrees to the lenders' statements.

Revenue and contracts. We read the twelve largest service contracts, which provided 53% of FY2026 revenue, and agreed their terms, rates and expiry dates to the contract register. We agreed revenue by customer for FY2026 to the general ledger. The directors have confirmed that no customer had given notice of ending a contract at the valuation date.

Debtors, provisions and tax. We agreed the aged debtors at 30 September 2026 to the ledger; 4% were more than 90 days old and are covered by the doubtful debts provision. We agreed the annual leave and long service leave provisions to the payroll system's report at that date, and the income tax payable to the company's tax calculation.

The normalisations. We agreed the founder's salary and superannuation to the payroll summaries; traced the legal costs added back to the solicitors' invoices and the settlement deed of May 2025; and read the depot lease and the written rental opinion of a licensed commercial real estate agent dated 5 October 2026.

Share rights. We read the constitution as amended on 12 August 2026, the signed shareholders' agreement of the same date, the employee share scheme rules, the share register and a current ASIC extract. Appendix D sets out the clauses that bear on value.

The E class basis. We read the tax advisers' letter of 7 October 2026. We rely on it for the basis of the E class figure and have not tested its conclusions.

Previous valuations and inspection. We are told there has been no previous valuation of the company or its shares, and none was provided. We met the founder and the chief executive at the depot on 5 October 2026 and inspected the depot, the stores and a sample of the vans.

Representation letter. Both directors signed a representation letter on 13 October 2026, the day before this report. In it they confirm that:
(a) they have read the factual sections of the draft report, and those sections, as corrected by them, are accurate;
(b) the information and documents provided are complete and accurate in the respects that matter to the values, including the contracts, the founder's role and pay, the chief executive's package, the depot lease and the signed shareholders' agreement;
(c) the assumptions in section 12 are reasonable and consistent with what they know of the business, and all 500,000 E class shares were granted to staff on the valuation date at the E class figure, as the directors resolved on 12 August 2026;
(d) no other agreement affects the rights of any class of shares, and the group has no liabilities, guarantees, claims or disputes other than those recorded; and
(e) nothing else has come to their attention, up to the date of the letter, that they should tell us, including any notice from a customer ending or retendering a contract.

Events after the valuation date. We have used information about events after 30 September 2026 only where it confirms a condition that existed on that date, as with the review of the balance sheet. We have not used it to change the outlook a buyer would have had at the valuation date.

06

SECTION 6

Normalised EBIT of $1.23m in FY2026; $1.19m maintainable

$9.62m	$0.85m	$1.23m	$1.19m
Revenue, FY2026	EBIT as reported, FY2026	Normalised EBIT, FY2026	Maintainable EBIT

WHY THIS MATTERS

Reported profit understates what a buyer would earn, because the founder is paid above market and the depot rent is above market.

6. FINANCIAL ANALYSIS

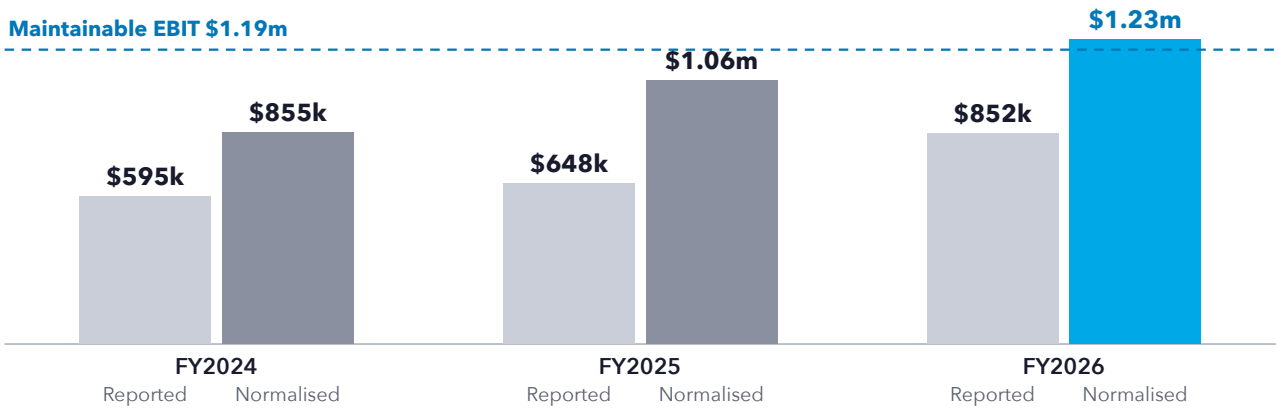
Normalised EBIT rose to $1.23m in FY2026 as two large contracts came on; we capitalise $1.19m

The table below summarises reported results and the normalisation adjustments made to arrive at normalised EBIT. EBIT is used rather than EBITDA, for the reasons below.

	FY2024	FY2025	FY2026
Revenue	$7,930,000	$8,840,000	$9,620,000
Reported EBIT	$595,000	$648,000	$852,000
Add: depot rent above market rent (related party)	$60,000	$62,000	$64,000
Add: founder's pay above the market cost of his role	$200,000	$215,000	$230,000
Add: one-off legal costs	Nil	$138,000	$84,000
Total normalisation adjustments	**$260,000**	**$415,000**	**$378,000**
Normalised EBIT	**$855,000**	**$1,063,000**	**$1,230,000**

FIGURE 3

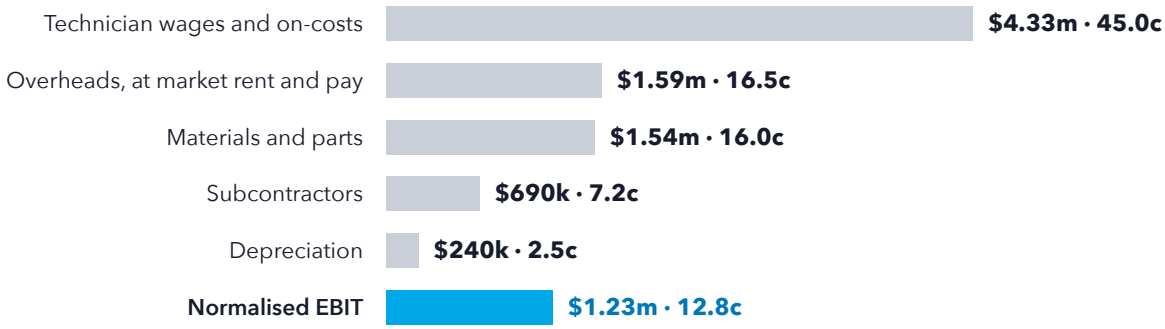
Normalised EBIT grew from $855k to $1.23m; we capitalise $1.19m



Reported EBIT and normalised EBIT by financial year. Source: consolidated special purpose financial statements; Appendix B1 to B3.

FIGURE 4

Of each dollar of FY2026 revenue, 12.8 cents is left as normalised EBIT



FY2026 revenue of $9,620,000, with rent and the founder's pay at market and one-off legal costs left out. Appendix B1.

FIGURE 5

The founder's pay above market is the largest adjustment: $230k of $378k



FY2026. Appendix B1 to B3.

Maintainable EBIT

PERIOD	NORMALISED EBIT	WEIGHT	CONTRIBUTION
FY2025	$1,063,000	25%	$265,750
FY2026	$1,230,000	75%	$922,500
Maintainable EBIT		**100%**	**$1,188,250**

Basis of the figures

Why EBIT, not EBITDA. The business runs 55 vans and the tools and test equipment that go in them, and has to keep replacing them. EBIT deducts depreciation, a charge for that wear, so it is the better measure of what an owner can take out. Capitalising EBITDA would need a separate deduction for the spending. EBITDA is used as a cross-check (section 7).

Capital spending above depreciation. Over the three years the group spent $230,000, $260,000 and $265,000 on vehicles and equipment, which is $25,000, $36,000 and $25,000 more than depreciation of $205,000, $224,000 and $240,000, or $28,667 a year on average. Most of the excess bought vans for the two contracts won in December 2024: the fleet grew from 46 vans at 30 June 2024 to 55 at 30 June 2026. That is spending for growth already reflected in FY2026 earnings, not a continuing cost of the earnings we capitalise, so we do not deduct it. If a buyer treated the whole average excess as a continuing cost, maintainable EBIT would be $28,667 lower and a B or C share would be worth $0.430 rather than $0.440 (Appendix B8).

Rent is an expense in these accounts. The special purpose statements record the depot lease as rent paid, not as a lease asset and liability, so EBIT carries the full cost of the premises and no lease liability is deducted from the value.

One-off legal costs. FY2025 includes $138,000 of legal costs in a dispute with a former head contractor over the final account for a project completed in FY2023, settled in May 2025 with no further claims. FY2026 includes $84,000 of legal and advisory costs for the new constitution, the shareholders' agreement and the scheme rules. Neither will recur, and the second concerns the owners rather than the business, so both are added back.

Related-party rent. The depot rent paid to the founder's family trust was $240,000, $248,000 and $256,000, against a market rent, in the agent's written opinion, of $180,000, $186,000 and $192,000. Because the lease runs month to month and either side can end it on three months' notice, a buyer would not be bound to the higher rent, so each year is charged at market rent (Appendix B2).

The founder's pay. The founder was paid $360,000, $380,000 and $400,000 in salary and superannuation. For the work he does, three days a week on key customers and tenders, a buyer would expect to pay $160,000, $165,000 and

$170,000, and the difference is added back (Appendix B3). The charge is for his time; the risk that customers follow him is a separate matter, reflected in the multiple. The directors have confirmed in the representation letter that the chief executive's package of $330,000 was agreed at arm's length on his appointment, and we have not adjusted it.

Why FY2024 carries no weight. FY2024 is before the company won its two largest contracts, which now provide 34% of revenue, so it does not describe the business at the valuation date. FY2025 includes seven months of those contracts and FY2026 is the first full year. We weight FY2025 and FY2026 one to three. One full year is too narrow a base on its own, and the weighting gives $1,188,250, below FY2026's $1,230,000. The alternatives are shown in Appendix B4: FY2026 alone would give $1,230,000, and a one, two and three weighting of all three years $1,111,833.

KEY JUDGEMENT
FY2025 and FY2026 weighted one to three: maintainable EBIT $1,188,250.

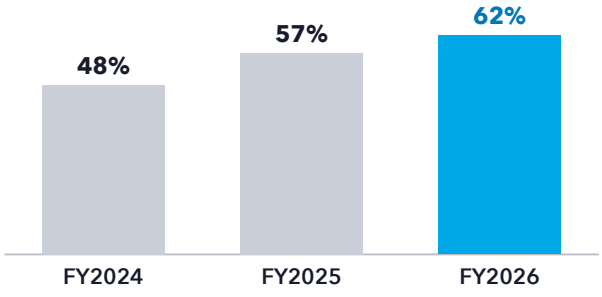
The first quarter of FY2027. In the three months to 30 September 2026, normalised EBIT was $306,500, which is $1,226,000 a year, in line with FY2026. A quarter is too short to set maintainable earnings and we give it no weight, but it shows that FY2026 was not a peak.

Results and margins, FY2024 to FY2026

LINE	FY2024	FY2025	FY2026
Revenue	$7,930,000	$8,840,000	$9,620,000
Revenue growth		11.5%	8.8%
Gross profit after technicians, materials and subcontractors	**$2,450,000**	**$2,780,000**	**$3,060,000**
Gross margin	30.9%	31.4%	31.8%
EBITDA as reported	$800,000	$872,000	$1,092,000
Depreciation	($205,000)	($224,000)	($240,000)
EBIT as reported	**$595,000**	**$648,000**	**$852,000**
Normalisation adjustments	$260,000	$415,000	$378,000
Normalised EBIT	**$855,000**	**$1,063,000**	**$1,230,000**
Normalised EBIT margin	10.8%	12.0%	12.8%
Normalised EBITDA	$1,060,000	$1,287,000	$1,470,000
Capital spending on vehicles and equipment	$230,000	$260,000	$265,000

FIGURE 6

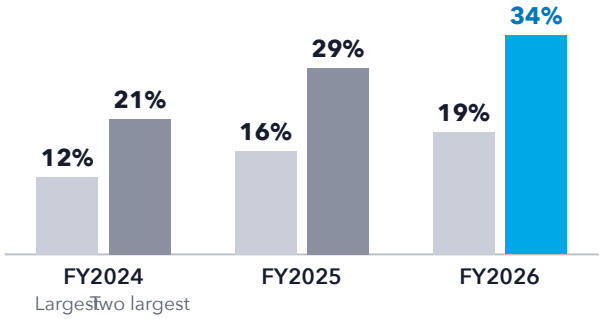
62% of revenue is now under multi-year contracts



Share of revenue under multi-year service contracts. Source: contract register.

FIGURE 7

The same contracts concentrated revenue: two customers are 34% of it



Share of revenue from the largest and two largest customers. Source: revenue by customer.

The balance sheet at the valuation date

The consolidated balance sheet at 30 September 2026, reviewed by the company's external accountants, is set out in full in section 7 and Appendix C. Grouped by what each item means for value:

ITEM	AMOUNT
Cash at bank	$1,640,000
Operating working capital (B5)	($15,000)
Motor vehicles, tools and test equipment	$980,000
Goodwill and capitalised software	$485,000
Long service leave provision	($180,000)
Income tax payable	($120,000)
Equipment finance	($420,000)
Net assets	**$2,370,000**

Cash. The group held $1,640,000. It needs about one month of cash costs, $710,000, to meet payroll and suppliers (Appendix B6). The remaining $930,000 is surplus to the business and is added to its value.

Working capital. Operating working capital was ($15,000) at the valuation date, against a normal level of $90,000, the average of the twelve month-ends to 30 September 2026 (Appendix B5). The shortfall of $105,000 is temporary: it is matched by cash that is higher than usual, so it is deducted to avoid counting that cash as surplus.

Debt and debt-like items. Equipment finance of $420,000 is secured over vans and is the group's only borrowing. Income tax payable of $120,000 is tax on profits earned before the valuation date. The long service leave provision of $180,000 is an obligation to long-serving staff that built up before the valuation date and that a buyer would inherit. All three are deducted from enterprise value. The annual leave provision is treated as working capital.

Intangible assets. Goodwill of $420,000 arose on the FY2023 purchase of a small plumbing business, and capitalised software of $65,000 is the job-scheduling system. Neither affects the market value, which comes from earnings, but both are excluded from net tangible assets (section 10).

7. VALUATION APPROACHES, METHODS AND PROCEDURES

At 5.0 times maintainable EBIT the business is worth $5.94m, supported by a capitalisation-rate build-up

Capitalisation of future maintainable earnings (primary)

Capitalisation of maintainable earnings values a business by applying a multiple to the earnings it can be expected to sustain. It suits a profitable, established business whose value comes from what it earns rather than what it owns, which describes this group: its net tangible assets are less than a third of the value its earnings support. We capitalise EBIT, for the reasons in section 6.

We did not use a discounted cash flow as a second method. The company prepares an annual budget but no multi-year forecast in the ordinary course, and a forecast prepared for this valuation would rest on the same judgements about contract renewals that the multiple already reflects. Net assets and net tangible assets are shown below as a cross-check.

Maintainable EBIT	$1,188,250
Earnings multiple: low	4.50×
Earnings multiple: high	5.50×
Indicated enterprise value range	**$5,347,125 to $6,535,375**

Multiple selection. We have capitalised maintainable EBIT of $1,188,250 at 5.0 times, the middle of a range of 4.5 to 5.5 times, giving an enterprise value of $5,941,250. At 5.0 times a buyer earns about 20% a year before tax on the price and recovers it from earnings in about five years. The table below sets out the factors behind the range. We have not taken the multiple from published sale statistics, for the reasons in section 3. It is supported instead by a build-up of the return a buyer would require, and tested by the cross-checks below and by the sensitivity analysis.

The factors behind the multiple

FACTOR	EVIDENCE	EFFECT ON THE MULTIPLE
Contracted revenue	62% of FY2026 revenue under multi-year contracts, up from 48% in FY2024; weighted average remaining term 2.4 years	Supports a higher multiple
A large contract to be retendered	The second-largest contract, 15% of revenue, expires on 30 June 2027 and will be retendered in early 2027	Lowers it
Customer concentration	The largest customer provided 19% of FY2026 revenue, the two largest 34% and the five largest 52%	Lowers it
Dependence on the founder	The founder holds the relationships with three of the five largest customers and leads tenders; the chief executive has been in place since August 2024 and there is no written succession plan	Lowers it; his time is charged at market cost, but the relationship risk is not
Scale and reach	Revenue of $9,620,000, one metropolitan region, one depot	Lowers it against larger, wider groups
Workforce	Technician wages are 45% of revenue, and licensed trades must be recruited and kept	Lowers it
Earnings record	Normalised EBIT rose from $855,000 to $1,230,000 over three years, and the first quarter of FY2027 ran at the FY2026 rate	Supports it
Capital needs	Capital spending ran $25,000 to $36,000 a year above depreciation while the fleet grew from 46 to 55 vans; treated as growth spending and tested in Appendix B8	Lowers it slightly; the test is in Appendix B8
The founder's pay and rent	Pay and rent above market, $294,000 in FY2026, are added back for a buyer of the whole company	None on the multiple; it bears on the discount for a minority holding (section 9)

The capitalisation rate, built up. A multiple is the inverse of a capitalisation rate, and the rate is the return a buyer requires less the growth it expects. Building it up gives a second, independent support for the range. Each component is our judgement, not a published statistic. A buyer of a private trading business needs a return well above a low-risk investment, because its money is less liquid and its earnings less certain. A business of this size with one region and one depot carries more risk than a larger group. The specific risks in the table above, the 2027 retender, the concentration of customers and the founder's relationships, are given a range of 4% to 8%, because the contracted revenue and earnings record offset them in part. Growth of 2.5% a

KEY JUDGEMENT

5.0 times maintainable EBIT, within 4.5 to 5.5 times.

year is about what contract rates rise with prices; we allow nothing for new contracts. The result, 18% to 22%, is 5.56 to 4.55 times, and its middle, 20%, is 5.0 times. That supports the range of 4.5 to 5.5 times reached from the factors above.

COMPONENT OF THE RETURN A BUYER REQUIRES, BEFORE TAX	LOWER RISK	HIGHER RISK
A return on a long-term, low-risk investment, such as a government bond held to maturity	4.5%	4.5%
Premium for owning a private trading business rather than a low-risk investment	8.0%	8.0%
Premium for size and reach: one region, one depot, revenue under $10 million	4.0%	4.0%
Premium for the risks specific to this business (section 7 factors)	4.0%	8.0%
Return required on the business	**20.5%**	**24.5%**
Less: long-term growth in maintainable EBIT	(2.5%)	(2.5%)
Capitalisation rate	**18.0%**	**22.0%**
Multiple of EBIT, one divided by the rate	**5.56x**	**4.55x**

Net assets and net tangible assets (cross-check)

Net assets and net tangible assets are a cross-check on the earnings value, and net tangible assets is also the basis of the E class figure (section 10). The table is the consolidated balance sheet at 30 September 2026, reviewed by the company's external accountants.

Cash at bank	$1,640,000
Trade debtors, net of a doubtful debts provision	$1,520,000
Work done not yet invoiced	$210,000
Materials and van stock	$140,000
Prepayments	$60,000
Motor vehicles, tools and test equipment, written-down value	$980,000
Goodwill, from the FY2023 purchase of a plumbing business	$420,000
Capitalised software	$65,000
Total assets	**$5,035,000**
Trade creditors	$780,000
Accrued expenses	$190,000
GST payable	$165,000
PAYG withholding and superannuation payable	$230,000
Contract billings in advance	$150,000
Annual leave provision	$430,000

Long service leave provision	$180,000
Income tax payable	$120,000
Equipment finance (chattel mortgages over vans)	$420,000
Total liabilities	**($2,665,000)**
Net asset value (equity)	**$2,370,000**

Net assets are $2,370,000. Excluding goodwill of $420,000 from the FY2023 purchase of a plumbing business and capitalised software of $65,000 leaves net tangible assets of $1,885,000, or $0.2094 a share. The market value of 100% of the shares, $6,046,250, is 3.21 times net tangible assets: 69% of it is the earning power of the business beyond its tangible assets, meaning its contracts, its customer relationships, its workforce and its reputation. That is what we would expect of a services business whose tangible assets are mostly money owed to it, vans and tools.

ITEM	AMOUNT	PER SHARE
Net asset value	$2,370,000	$0.2633
Less: goodwill and capitalised software	($485,000)	($0.0539)
Net tangible assets	**$1,885,000**	**$0.2094**

Sensitivity: enterprise value at each multiple and level of maintainable EBIT

FME \ MULTIPLE	4.50×	5.00×	5.50×
−10% ($1,069,425)	$4,810,000	$5,350,000	$5,880,000
FME as assessed ($1,188,250)	$5,350,000	$5,940,000	$6,540,000
+10% ($1,307,075)	$5,880,000	$6,540,000	$7,190,000

From enterprise value to the value of each share

STEP	AMOUNT
Maintainable EBIT	$1,188,250
Enterprise value at 5.0 times	**$5,941,250**
Add: surplus cash, being cash of $1,640,000 less the $710,000 the business needs to trade	$930,000
Less: equipment finance	($420,000)
Less: income tax payable	($120,000)
Less: long service leave provision	($180,000)
Less: working capital below its normal level	($105,000)
Market value of 100% of the shares, before rounding	**$6,046,250**

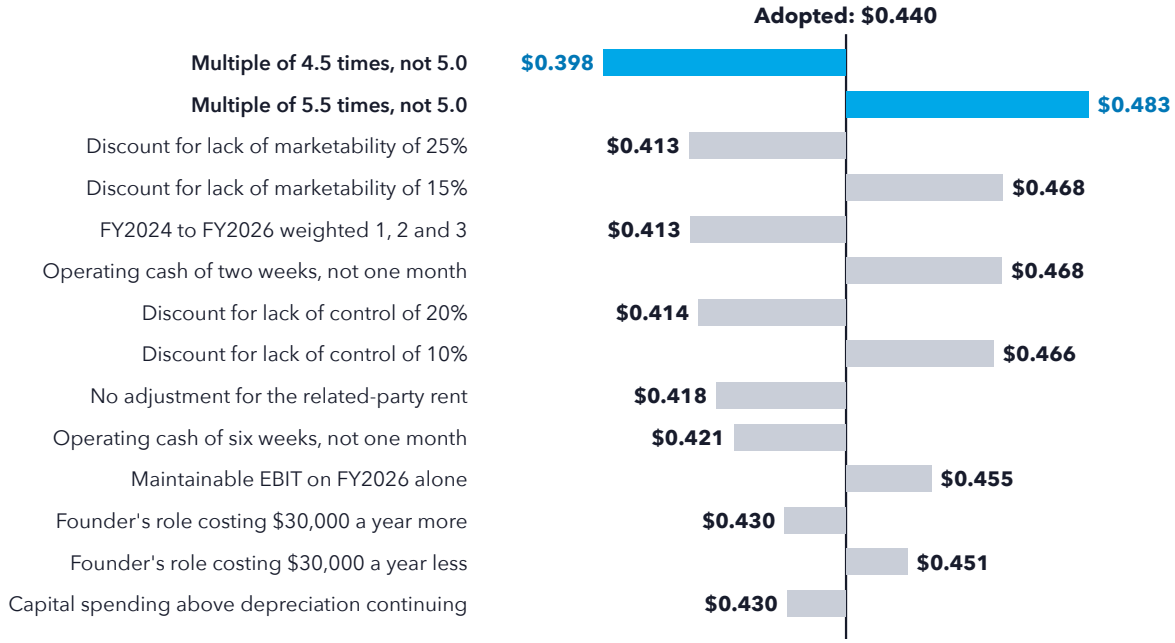
STEP	AMOUNT
Shares on issue, all classes	9,000,000
Value per share, pro rata, on the shares on issue	**$0.6718**
Add: paid by staff for the scheme's 500,000 E class shares, at $0.209 each	$104,500
Value of 100% of the shares once the E class shares are granted	**$6,150,750**
Shares once the E class shares are granted	9,500,000
Value per share, pro rata, fully diluted, before any discount	**$0.6474**

Cross-checks. The enterprise value is 4.17 times maintainable EBITDA of $1,424,250, weighted the same way. That is the same price expressed before depreciation, not a second opinion, but it shows the price is not high for a business that must keep replacing a fleet. The value of 100% of the shares is 2.55 times net assets and 3.21 times net tangible assets, and the business earns 20% a year before tax on the enterprise value. We consider these consistent with a contracted maintenance business of this size and with the risks above.

Why the middle of the range. The range of 4.5 to 5.5 times gives a value of 100% of the shares of $5,452,125 to $6,640,375. We adopt the middle because the factors for and against are balanced: contracted revenue and a rising earnings record on one side, the retender in 2027 and the founder's relationships on the other. The value is concluded as a single figure, rounded to $6,050,000.

FIGURE 8

The capitalisation multiple moves the value of a B or C share most; the capital spending test least



Value of a B or C class share when one input changes and the others stay at the adopted values. Before rounding; Appendix B8.

Appendix B sets out the detailed workings behind these figures and traces each one to its source.

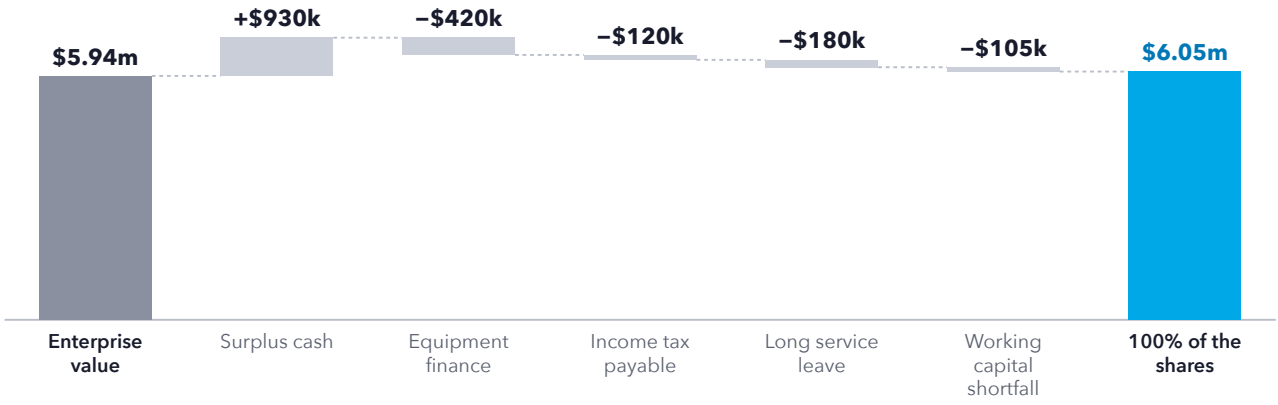
8. VALUE OF THE COMPANY

The shares are worth $6.05m in total, 3.21 times net tangible assets

Indicated enterprise value range	$5,347,125 to $6,535,375
Add: surplus assets	$930,000
Less: equipment finance, income tax payable, long service leave and the working capital shortfall	($825,000)
Indicated equity value range	**$5,452,125 to $6,640,375**

FIGURE 9

Surplus cash more than covers the debt and debt-like items: the shares are worth $6.05m



$6,046,250 before rounding to $6,050,000. Appendix B5 to B7.

The measures, distinguished

MEASURE	AMOUNT	PER SHARE	BASIS
Net tangible assets	$1,885,000	$0.2094	Net assets less goodwill and capitalised software; the E class basis
Book net assets	$2,370,000	$0.2633	Reviewed balance sheet at 30 September 2026
Enterprise value of the business	$5,941,250		Maintainable EBIT of $1,188,250 at 5.0 times, before cash and debt
Market value of 100% of the shares	$6,046,250	$0.6718	Our opinion; $6,050,000 rounded
Pro rata, fully diluted for the scheme's 500,000 E class shares		$0.6474	$6,150,750 over 9,500,000 shares, after the $104,500 staff pay (section 9)
Market value of a B or C class share		$0.440	Our opinion; after discounts for lack of control and marketability (section 9)

MARKET VALUE: 100% OF THE SHARES OF THE COMPANY (ALL CLASSES)

$6,050,000

9,000,000 shares on issue, $0.6718 a share pro rata; 9,500,000 shares and $0.6474 a share once the scheme's E class shares are granted and paid for. Before rounding, $6,046,250.

> The concluded value is for 100% of the shares at the adopted multiple of 5.0 times, rounded. The equity range above is at 4.5 to 5.5 times. The B and C class values start from it (section 9); the E class figure does not (section 10).

09

SECTIONS 9 TO 13

A B or C share is worth $0.440; an E class share $0.209

$0.6474	32%	$0.440	$0.209
Pro rata a share, fully diluted	Combined discounts	B or C class, market value	E class, net tangible assets

WHY THIS MATTERS

A B or C share gets the same dividends per share as the founder's, but no say and no ready buyer. The E class figure answers a different question.

9. B AND C CLASS SHARES: MARKET VALUE

A B or C share is worth $0.440 after dilution and discounts of 15% for control and 20% for marketability

What is valued. The B and C class shares carry the same rights to dividends and capital per share as the ordinary shares, and the same rights as each other (section 4). They differ from the ordinary shares in carrying no votes, and from each other not at all. A share of either class therefore has the same market value, and we value them together. Who holds them, an employed chief executive or a former employee, does not change their market value: market value is the value of the share to a hypothetical buyer, not of the holder's circumstances.

The starting point: the pro rata value. Because every class shares equally per share in dividends and capital, each share's proportionate part of the company's equity, on the 9,000,000 shares on issue at the valuation date before the grant, is $6,046,250 divided by 9,000,000, $0.6718.

The employee share scheme: dilution

The scheme was adopted on 12 August 2026, seven weeks before the valuation date. Its rules allow up to 500,000 E class shares to be granted to staff, who pay the E class figure for each, and the directors' minutes of the same day record their resolution to grant all of them on the valuation date, which the directors confirm in their representation letter. An informed buyer at 30 September 2026 would know this. E class shares share equally per share in dividends and capital, so once they are granted the company's value, with the $104,500 staff pay for them, is shared across 9,500,000 shares. The balance sheet at 30 September 2026 is drawn up immediately before the grant, so it does not include the $104,500: staff pay it within 30 days after the board confirms the E class figure, and until then it is owed to the company.

We therefore start from the fully diluted pro rata value: $6,046,250 plus $104,500, divided by 9,500,000, $0.6474, which is $0.0244 a share less than on the shares on issue. Staff pay $0.209 a share, less than a share's pro rata value, so the grant still dilutes the other shares. We make no allowance for E class shares that staff who leave before vesting must sell back to the company: all 500,000 are granted, and shares bought back can be granted again. Had no E class shares been granted, a B or C share would be worth $0.457 (Appendix B8).

That fully diluted figure is what a share would fetch as part of a sale of the whole company, where the buyer pays for control of it. A buyer of B or C shares alone gets no control and cannot readily resell, so two discounts apply. We consider them separately because they answer different questions: what the holder cannot do while it owns the shares, and how hard it is to sell them.

Discount for lack of control: 15%

FACTOR	WHAT IT MEANS FOR A HOLDER OF B OR C SHARES	EFFECT ON THE DISCOUNT
No votes, no board seat	The holder cannot appoint a director or influence decisions on dividends, borrowing, pay, new issues or a sale of the business	Increases it
A single controlling holder	The founder holds all the votes and appoints the whole board; no other holder can block an ordinary resolution	Increases it
Pay and rent above market	The founder takes $230,000 a year more pay and $64,000 more rent than market (FY2026), $294,000 or 25% of maintainable EBIT. A minority holder cannot stop it, and the equal-dividend clause does not reach pay or rent	Increases it
Dividends equal per share	Whatever the board pays the founder as dividends it must pay every B and C share at the same rate (constitution clause 4.3)	Reduces it

FACTOR	WHAT IT MEANS FOR A HOLDER OF B OR C SHARES	EFFECT ON THE DISCOUNT
Tag-along and drag-along	On any sale of control, a B or C holder receives the same price per share as the founder (agreement clauses 9 and 10)	Reduces it
No pre-emptive right on new shares	The holder could be diluted by a new issue beyond the scheme, subject to the board issuing at a fair price	Increases it, a little
Class rights protected	The holder's rights cannot be changed without 75% of the class agreeing	Reduces it, a little

Weighing these factors, we deduct 15% for lack of control, within a range of 10% to 20%. Without votes a holder has no say in how the company is run. The largest single reason for the discount is the founder's pay and rent above market. The value of 100% of the shares adds them back, because a buyer of the whole company could stop paying them. A minority holder cannot: while the founder controls the company, $294,000 a year, 25% of maintainable EBIT, goes to him rather than to all shareholders, and the equal-dividend clause does not catch it because it is paid as pay and rent, not dividends. If it continued for ever it would take about 24% off the value of each share. It will not necessarily continue for ever: the tag-along and drag-along clauses mean a sale of the company pays every share the same price and ends the arrangement, and the equal-dividend clause protects what is paid as dividends. Taking those protections into account, we deduct 15%.

LARGEST DRIVER

Founder's pay and rent above market: $294,000 a year, 24.7% of maintainable EBIT.

Discount for lack of marketability: 20%

FACTOR	WHAT IT MEANS FOR A HOLDER OF B OR C SHARES	EFFECT ON THE DISCOUNT
No market	There is no market for non-voting shares in a private company; a sale needs a buyer found privately	Increases it
Board consent and first offer	Any transfer needs the board's consent and must first be offered to the founder (constitution clause 12; agreement clause 8)	Increases it
Price on a first offer	Failing agreement, an independent valuer sets the market value of the shares offered, which is not a pro rata price	Increases it
The chief executive's floor	Until August 2031 a sale of the company below $8,000,000 costs the founder personally, and the company is worth about $6,050,000; a sale that would let the holder tag along is less likely for some years	Increases it
A route to sale exists	The founder is a natural buyer, and the tag-along right gives an exit at the full price if the company is sold	Reduces it
Dividends while holding	Dividends of 3.0 to 4.0 cents a share a year give a return while the holder waits	Reduces it

Weighing these factors, we deduct 20% for lack of marketability, within a range of 15% to 25%, applied to the value after the control discount, because a buyer thinking about resale starts from what the shares are worth as a

minority holding. A holder who wants to sell must find a private buyer willing to take non-voting shares the board must approve, after first offering them to the founder at a price that need not be pro rata. The chief executive's floor makes the most likely exit, a sale of the whole company, less likely before August 2031, because the founder would bear its cost on any sale below $8,000,000. Against that, the founder is a natural buyer and the tag-along right gives a route to the full price whenever the company is sold.

No published study is relied on. We have not taken either percentage from published studies of discounts. Such studies describe other markets, periods and securities, and applying their averages here would give the figures a precision they do not have. Each discount is a judgement, reasoned from the rights in section 4 and tested in Appendix B8, because the ATO lists unreasonable or incorrect assumptions and inputs among the issues it commonly sees. Combined, the two discounts are 32.0% of the fully diluted pro rata value.

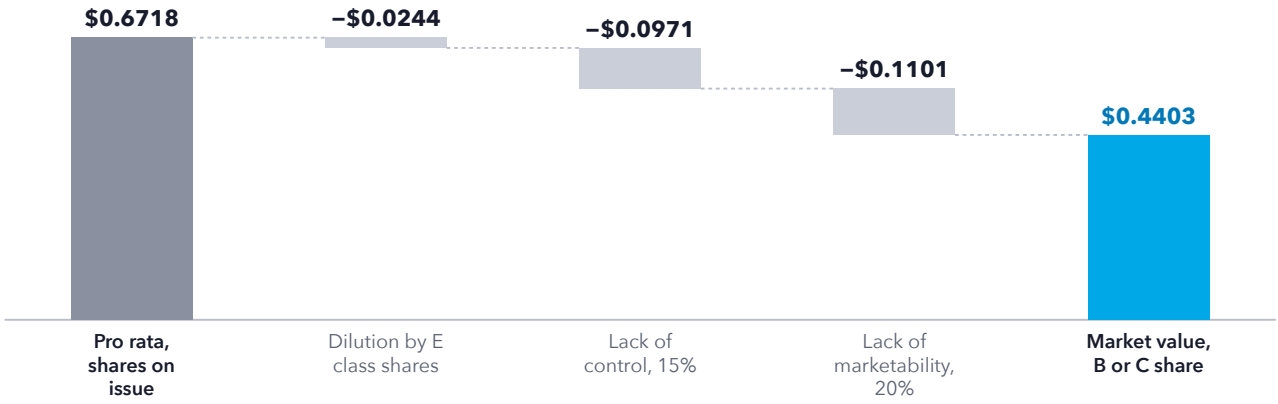
The calculation

STEP	PER SHARE	B CLASS, 2,000,000 SHARES	C CLASS, 1,000,000 SHARES
Pro rata value on the shares on issue: $6,046,250 divided by 9,000,000	$0.6718	$1,343,611	$671,806
Less: dilution by the scheme's 500,000 E class shares, net of the $104,500 staff pay for them	($0.0244)	($48,716)	($24,359)
Pro rata value, fully diluted: $6,150,750 divided by 9,500,000	**$0.6474**	**$1,294,895**	**$647,447**
Less: discount for lack of control, 15%	($0.0971)	($194,234)	($97,117)
Value as a minority holding	**$0.5503**	**$1,100,661**	**$550,330**
Less: discount for lack of marketability, 20%	($0.1101)	($220,132)	($110,066)
Market value, before rounding	**$0.4403**	**$880,529**	**$440,264**
Market value: value per share rounded to a tenth of a cent, times the shares	**$0.440**	**$880,000**	**$440,000**

The market value of a B or C class share at 30 September 2026 is $0.4403, which we round to a tenth of a cent, $0.440. The totals are the number of shares times $0.440: the 2,000,000 B class shares are worth $880,000, and the 1,000,000 C class shares $440,000. Rounding to a tenth of a cent keeps each total within $1,000 of the figure before rounding. At the bottom of both discount ranges the value would be $0.495 a share, and at the top $0.388. We adopt the middle of each range because the factors for and against are balanced. The per-share steps in the table are shown to a hundredth of a cent, so they can differ from the result by $0.0001.

FIGURE 10

Dilution and two discounts take a share from $0.672 to $0.440



Per share, before rounding to a tenth of a cent; each step is shown to a hundredth of a cent, so the steps can differ from the result by $0.0001. The B class holding is 2,000,000 shares and the C class 1,000,000. Section 9 and Appendix B8.

10. E CLASS SHARES: THE NET TANGIBLE ASSETS BASIS

Each E class share is $0.209: net tangible assets of $1.89m over 9,000,000 shares

What this figure is for. The company grants E class shares to staff under its employee share scheme, and staff pay this figure for each share. The scheme rules allow up to 500,000 E class shares, and the directors granted all of them on 30 September 2026, the valuation date. This section states the value of each E class share on the basis that applies to the scheme, worked out immediately before the grant.

The basis, and what we rely on. The company's tax advisers have confirmed to the directors in writing, by letter dated 7 October 2026, that in their opinion the scheme, on those terms, qualifies for the start-up concession, and that the value of an E class share for the scheme may be taken as the company's net tangible assets divided by the number of shares on issue, calculated from the consolidated balance sheet at the valuation date. We rely on that confirmation. We have not reviewed the tax law, the scheme's eligibility or the basis itself, and this report gives no opinion on them (section 13). Our role is to calculate the figure on that basis, from a balance sheet we have tested.

NOT A MARKET VALUE

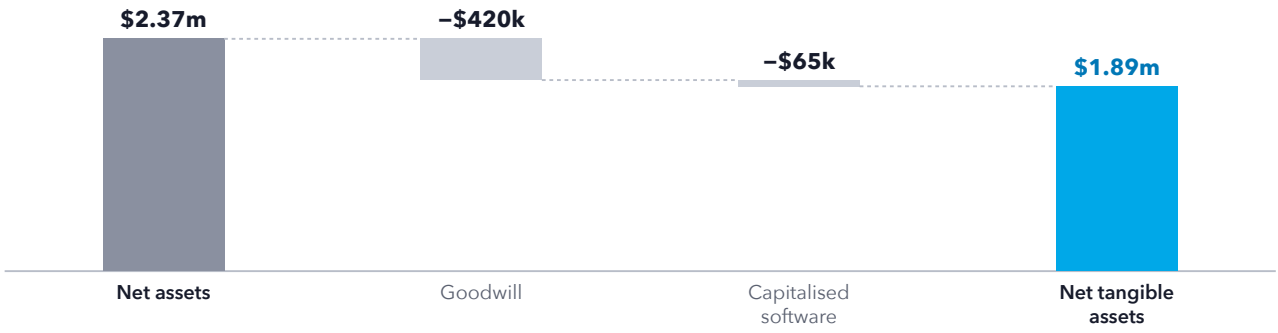
The E class figure is net tangible assets per share, on the tax advisers' confirmed basis.

ITEM	AMOUNT
Net assets, consolidated balance sheet at 30 September 2026 (reviewed)	$2,370,000
Less: goodwill	($420,000)
Less: capitalised software	($65,000)
Net tangible assets	**$1,885,000**

ITEM	AMOUNT
Shares on issue at 30 September 2026, before the grant: 6,000,000 ordinary, 2,000,000 B class and 1,000,000 C class	9,000,000
Net tangible assets per share, before rounding	**$0.2094**
Value of each E class share, rounded to a tenth of a cent	**$0.209**

FIGURE 11

Net tangible assets of $1.89m over 9,000,000 shares give $0.2094 a share, $0.209 rounded



Consolidated balance sheet at 30 September 2026, reviewed by the external accountants. Section 10.

The balance sheet used. The consolidated balance sheet at 30 September 2026, reviewed by the company's external accountants (review report dated 9 October 2026), and tested by us as section 5 describes. The advisers' letter specifies the consolidated balance sheet. The company's own balance sheet carries its investment in the operating company at cost, which is not a measure of the group's net tangible assets. Goodwill and capitalised software are intangible assets and are excluded. Every other asset is cash, an amount owed to the group, stock, prepayments or plant and vehicles, and every liability is deducted in full.

Shares on issue. 9,000,000 shares were on issue at 30 September 2026, immediately before the grant. Every class shares equally per share in capital, so dividing net tangible assets by all the shares on issue gives each share's part of them. The E class shares are not counted, because the figure is worked out before they are granted. Counting them, with the $104,500 staff pay for them, gives the same figure to a tenth of a cent, because they are granted at that figure. The grant is allowed for in the market value of the B and C shares (section 9), not in this figure. Any later grant, such as of shares bought back from staff who leave, is a matter for the advisers.

No discount or premium. The basis is a figure per share taken from the balance sheet, not a market price. We have applied no discount for vesting, transfer restrictions or leaver terms, and the advisers' confirmation does not call for one.

Why it is lower than market value. Net tangible assets are $0.209 a share; the market value of a B or C share is $0.440, and each share's pro rata part of the value of the whole company, on the shares on issue, is $0.672. Net tangible assets count only the tangible assets the balance sheet records, less what the group owes. They leave out the earning power of the business, meaning the value of its contracts, customers, workforce and reputation beyond its net tangible assets: $4,161,250, or 69% of the company's market value. The two figures answer different questions. Net tangible assets per share asks what tangible net assets stand behind each share at the valuation date; market value asks what a willing buyer would pay for the share. Neither is wrong, and on the advisers' confirmation the scheme asks the first question.

11. WHY THE FIGURES DIFFER

The figures differ because they answer different questions, not because one is more accurate

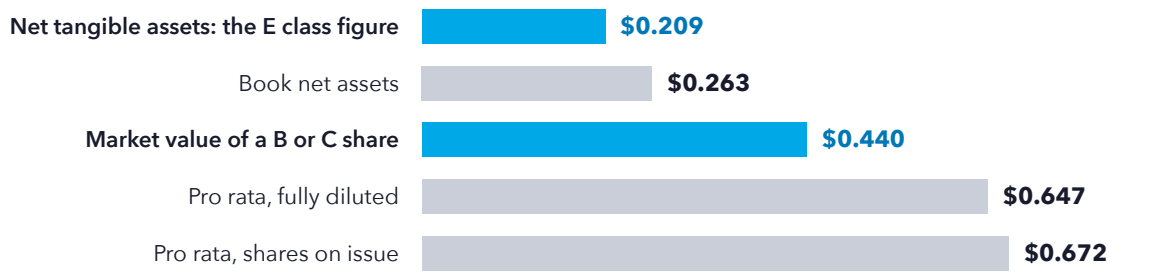
The report states two conclusions per share, $0.209 for an E class share and $0.440 for a B or C class share, and refers to a third figure, $0.672, each share's pro rata part of the company's market value on the shares on issue. They differ because they answer different questions, not because one is more accurate than another. The table traces one to the next; each step is shown to a hundredth of a cent, so the steps can differ from the result by $0.0001. In this report the earning power of the business always means the market value of 100% of the shares less net tangible assets.

STEP	PER SHARE
Net tangible assets: the E class figure, before rounding	$0.2094
Add: the earning power of the business, $4,161,250, of which $485,000 is recorded as goodwill and software and $3,676,250 is not (Appendix B7)	$0.4624
Pro rata share of the market value of 100%, on the shares on issue	**$0.6718**
Less: dilution by the scheme's E class shares, net of what staff pay	($0.0244)
Pro rata share, fully diluted	**$0.6474**
Less: discount for lack of control	($0.0971)
Less: discount for lack of marketability	($0.1101)
Market value of a B or C class share, before rounding	**$0.4403**

FIGURE	PER SHARE	THE QUESTION IT ANSWERS	USE IT FOR
Net tangible assets per share	$0.209	What tangible net assets stand behind each share on issue at the valuation date	E class grants, on the advisers' confirmation
Market value of a B or C share	$0.440	What a willing buyer would pay for one non-voting share with these transfer limits, knowing of the scheme	The B and C classes
Pro rata share of 100%	$0.672	What each share on issue receives if the whole company is sold before the E class grant	Reference only; not a value of any holding valued here

FIGURE 12

Two conclusions, three reference points: each figure answers a different question



Per share. The two conclusions are in cyan. Sections 8 to 11.

From net tangible assets to the pro rata value. The largest step, $0.4624 a share, is the earning power of the business: its contracts, customers, workforce and reputation. A buyer of the whole company pays for it because it would receive the profits it produces. Net tangible assets leave it out by definition.

From the pro rata value to a B or C share. The scheme's E class shares share in the same value, though staff pay only $0.209 a share for them. A buyer of the whole company gets control; a buyer of B or C shares gets the same dividends per share but no say, no ready market and no way to stop the founder's pay and rent above market, so it pays less (section 9).

What each figure must not be used for. The E class figure is not a market value and must not be used as the price of a B, C or ordinary share. The B and C market value is not the basis for the scheme and must not be used for E class grants. The pro rata figures are not the value of any holding valued in this report: they are what a share would receive only if the whole company were sold.

12. MATERIAL ASSUMPTIONS

The values rest on 10 stated assumptions; if one proves wrong, the values may change

- The financial statements for FY2024 to FY2026, the management accounts to 30 September 2026 and the reviewed balance sheet at that date are materially accurate and complete.
- The service contracts were in force at the valuation date on the terms recorded in the contract register, and no customer had given notice of ending one.
- The market rent of the depot is as stated in the agent's written opinion of 5 October 2026, and the lease could be ended by either side on three months' notice.
- A buyer could engage someone to do the founder's work, three days a week on key customers and tenders, for $170,000 a year at FY2026 rates, and the founder would be available for an orderly handover of his relationships.
- The normal level of working capital is the average of the twelve month-ends to 30 September 2026 ($90,000), and the business needs $710,000 of cash to trade.
- The group had no liabilities, guarantees, claims or disputes at the valuation date other than those recorded in the reviewed balance sheet.
- The constitution as amended on 12 August 2026 and the shareholders' agreement signed on that date were in force at the valuation date in the form provided and bind every shareholder, and no other agreement affects the rights of any class.
- The company's tax advisers' written confirmation of 7 October 2026, that the net tangible assets basis applies to the E class shares and is to be calculated from the consolidated balance sheet, is correct. We have not tested it.
- No E class shares were on issue before the grant on the valuation date, when 9,000,000 shares were on issue in all. The directors granted all 500,000 E class shares the scheme allows on the valuation date, and staff pay the E class figure of $0.209 for each, so the company receives $104,500. The balance sheet at the valuation date is drawn up immediately before the grant and does not include that amount, which staff pay within 30 days after the board confirms the figure.

- Market value is assessed between a hypothetical buyer and seller dealing at arm's length. No allowance is made for a price that the founder, the company or any other particular buyer might pay for reasons of its own.

13. QUALIFICATIONS AND LIMITING CONDITIONS

Only the company and its directors may rely on this report, and only for its stated purposes

- This report is addressed to the company and its directors for the purposes stated in section 2. The company may give it, whole and unedited, to the Australian Taxation Office in support of those purposes, but no duty of care is owed to the Commissioner of Taxation or to any other person. No one else may rely on it, including any holder of shares, any employee offered E class shares and any prospective buyer, without our prior written consent.
- This report is not an expert witness report for court or tribunal proceedings. If expert evidence is required, a separate engagement must be agreed, including the scope, any additional investigations, reporting requirements and fees, and any expert report must address the applicable court rules and expert witness requirements. Nothing in this restriction limits compliance with a legal disclosure obligation, subpoena or court order.
- This report gives opinions on value only. It is not tax, legal or financial product advice. It expresses no opinion on whether the employee share scheme qualifies for any concession, on whether the net tangible assets basis applies, on the tax treatment of any grant or of any share, or on any other question of tax law. Business Valuations Melbourne is not a registered tax agent.
- The E class figure is a calculation on the basis the company's advisers have confirmed. It is not a market value and may not be used as one. If that confirmation is wrong or ceases to apply, the figure may not be used for the scheme.
- The values are stated at 30 September 2026. Whether the E class figure may be used for grants made at a later date is a question for the company's advisers; a value at any other date needs a valuation at that date.
- A private ruling on value can be sought from the Australian Taxation Office. This report is not a ruling, and it does not guarantee how the Commissioner will treat any value in it.
- We have relied on the documents listed in Appendix A, which are not audited, and have tested them only as section 5 describes.

- If the rights of any class are changed after the valuation date, the values in this report no longer describe those shares and a new valuation is needed. A later signing or amendment that leaves the class rights unchanged is dealt with in section 4.
- We would revisit this report if information later provided showed a position materially different from the one we have assumed.

SAMPLE: NOT SIGNED

Jackson Wilson
B.Bus (Finance), Diploma of Financial Services, RG146 · Director
Business Valuations Melbourne · businessvaluationsmelbourne.com.au

A to F

APPENDICES

The records behind every figure

21	8	3	14
Documents relied upon	Schedules of workings	Financial statement summaries	Clauses extracted

WHY THIS MATTERS

The appendices let a reader, or the ATO, follow each figure from its source to the conclusion.

A. APPENDIX: DOCUMENTS RELIED UPON

21 documents were relied upon, each listed with the date it was provided

DOCUMENT	CATEGORY	PROVIDED
Consolidated special purpose financial statements, year ended 30 June 2024 (compiled, unaudited).pdf	financials	2 Oct 2026
Consolidated special purpose financial statements, year ended 30 June 2025 (compiled, unaudited).pdf	financials	2 Oct 2026
Consolidated special purpose financial statements, year ended 30 June 2026 (compiled, unaudited).pdf	financials	2 Oct 2026
Management accounts, 1 July to 30 September 2026.xlsx	financials	5 Oct 2026
Consolidated balance sheet at 30 September 2026, with the external accountants' review report dated 9 October 2026.pdf	financials	9 Oct 2026
Month-end balance sheets, October 2025 to September 2026.xlsx	financials	5 Oct 2026
Bank and equipment finance statements at 30 September 2026.pdf	bank	5 Oct 2026
Aged debtors, employee provisions report and income tax calculation at 30 September 2026.pdf	financials	6 Oct 2026
Fixed asset register and capital spending, FY2024 to FY2026.xlsx	financials	6 Oct 2026

DOCUMENT	CATEGORY	PROVIDED
Contract register and the twelve largest service contracts.pdf	management	5 Oct 2026
Revenue by customer, FY2024 to 30 September 2026.xlsx	management	5 Oct 2026
Payroll summaries, founder and chief executive, FY2024 to 30 September 2026.pdf	management	6 Oct 2026
Solicitors' invoices and settlement deed (FY2025 dispute); FY2026 restructure invoices.pdf	legal	6 Oct 2026
Depot lease, and agent's written rental opinion dated 5 October 2026.pdf	management	6 Oct 2026
Constitution as amended 12 August 2026, share register and ASIC company extract.pdf	legal	2 Oct 2026
Shareholders' agreement dated 12 August 2026, signed by all parties.pdf	legal	2 Oct 2026
Employee share scheme rules adopted 12 August 2026.pdf	legal	2 Oct 2026
Directors' minutes of 12 August 2026, adopting the scheme and resolving to grant the E class shares.pdf	legal	2 Oct 2026
Directors' resolution of 30 September 2026 granting the E class shares.pdf	legal	2 Oct 2026
Letter from the company's tax advisers dated 7 October 2026 (E class basis).pdf	tax	7 Oct 2026
Representation letter signed by both directors, 13 October 2026.pdf	engagement	13 Oct 2026

B. APPENDIX: DETAILED WORKINGS

Every figure in the report can be traced through these schedules to its source

These schedules show how each figure in the report was reached. Every subtotal and total is computed from the lines above it. Figures are calculated before rounding and shown in whole dollars, or to four decimal places a share, so a figure may differ slightly from a calculation made with the rounded figures shown.

B1. FY2026 earnings, from the accounts to normalised EBIT

LINE	AMOUNT
Revenue	$9,620,000
Less: technician wages and on-costs	($4,330,000)
Less: materials and parts	($1,540,000)
Less: subcontractors	($690,000)
Gross profit	**$3,060,000**
Less: management and administration staff, including the founder	($1,010,000)
Less: depot rent, paid to the founder's family trust	($256,000)

LINE	AMOUNT
Less: motor vehicles: fuel, registration and servicing	($214,000)
Less: insurance	($98,000)
Less: iT, software and communications	($86,000)
Less: legal and professional fees	($168,000)
Less: other overheads	($136,000)
EBITDA as reported	**$1,092,000**
Less: depreciation	($240,000)
EBIT as reported	**$852,000**
Add: one-off legal and advisory costs of the share restructure	$84,000
Add: depot rent above market rent (B2)	$64,000
Add: founder's pay above the market cost of his role (B3)	$230,000
Normalised EBIT, FY2026	**$1,230,000**

Source: the consolidated special purpose financial statements for the year ended 30 June 2026. FY2024 and FY2025 are built the same way (section 6).

B2. Depot rent: paid and market

YEAR	RENT PAID	MARKET RENT	ADJUSTMENT
FY2024	$240,000	$180,000	$60,000
FY2025	$248,000	$186,000	$62,000
FY2026	$256,000	$192,000	$64,000
First quarter of FY2027	$66,000	$49,000	$17,000

Market rent is from the written opinion of a licensed commercial real estate agent dated 5 October 2026, which assessed the market rent of the depot at $196,000 a year at the valuation date and at each year's level for FY2024 to FY2026. In this sample the opinion is assumed; an issued report names its author and attaches or quotes it.

B3. The founder's pay and the market cost of his role

YEAR	FOUNDER'S SALARY AND SUPERANNUATION	MARKET COST OF THE ROLE	ADJUSTMENT
FY2024	$360,000	$160,000	$200,000
FY2025	$380,000	$165,000	$215,000
FY2026	$400,000	$170,000	$230,000
First quarter of FY2027	$105,000	$43,500	$61,500

The founder works three days a week on customer relationships and tenders. The market cost is the package a buyer would need to offer a senior account and tender manager for those days, including superannuation, at each year's rates. In this sample the salary evidence is assumed; an issued report lists the evidence relied on, with its source and date. The test in Appendix B8 shows the effect of a cost $30,000 a year higher or lower.

B4. Maintainable EBIT: the bases considered

BASIS	MAINTAINABLE EBIT	USED
FY2025 and FY2026, weighted one to three	$1,188,250	Adopted
Plain average of FY2024 to FY2026	$1,049,333	No: FY2024 is before the two largest contracts
FY2024 to FY2026, weighted one, two and three	$1,111,833	No, for the same reason
FY2026 alone	$1,230,000	No: one year is too narrow a base
First quarter of FY2027, annualised	$1,226,000	No: a quarter is too short, but it supports the figure adopted

Normalised EBIT was $855,000 in FY2024, $1,063,000 in FY2025 and $1,230,000 in FY2026. The ATO lists inappropriate use of averaging among the issues it commonly sees; the weighting is chosen for the reasons in section 6 and the alternatives are shown so the choice can be tested.

B5. Working capital: normal level and the shortfall

MONTH-END	OPERATING WORKING CAPITAL
Oct 2025	$120,000
Nov 2025	$165,000
Dec 2025	$60,000
Jan 2026	$95,000
Feb 2026	$140,000
Mar 2026	$110,000
Apr 2026	$70,000
May 2026	$125,000
Jun 2026	$85,000
Jul 2026	$40,000
Aug 2026	$85,000
Sep 2026	($15,000)

MONTH-END	OPERATING WORKING CAPITAL
Average of the twelve month-ends: the normal level	**$90,000**
At the valuation date	($15,000)
Shortfall at the valuation date, deducted	**$105,000**

Operating working capital is debtors, work not yet invoiced, stock and prepayments, less trade creditors, accruals, GST, PAYG and superannuation payable, billings in advance and the annual leave provision. Annual leave is treated as working capital because it is taken and replaced continuously; long service leave builds up over years and is deducted as a debt-like item. At 30 September 2026 working capital was below its normal level because September debtors were collected early and supplier invoices were high at the quarter end. The cash at that date is correspondingly higher; deducting the shortfall stops that temporary cash being counted as surplus.

B6. Operating cash, and the cash that is surplus

ITEM	AMOUNT
FY2026 revenue	$9,620,000
Less: FY2026 EBITDA as reported	($1,092,000)
Cash costs of the business, FY2026	**$8,528,000**
One month of cash costs	$710,667
Operating cash adopted, to the nearest $10,000	$710,000
Cash at bank, 30 September 2026	$1,640,000
Surplus cash	**$930,000**

Wages are paid fortnightly and most suppliers on 30-day terms, while customers pay on 30 to 45-day terms, so the business needs about a month of costs in cash to meet its payroll and suppliers through the month. Appendix B8 tests two weeks and six weeks.

B7. From enterprise value to the value of 100% of the shares, reconciled to net assets

ITEM	AMOUNT
Enterprise value at 5.0 times	$5,941,250
Add: surplus cash (B6)	$930,000
Less: equipment finance	($420,000)
Less: income tax payable	($120,000)

ITEM	AMOUNT
Less: long service leave provision	($180,000)
Less: working capital shortfall (B5)	($105,000)
Market value of 100% of the shares, before rounding	**$6,046,250**
Book net assets at 30 September 2026	$2,370,000
Add: value above book net assets, being the enterprise value of $5,941,250 less the $2,265,000 of operating cash, normal working capital, vehicles and equipment, and book intangibles that it includes	$3,676,250
Market value of 100% of the shares, before rounding	**$6,046,250**
Less: net tangible assets	($1,885,000)
Earning power of the business: market value less net tangible assets	**$4,161,250**

B8. Sensitivity of the value of a B or C class share

CHANGE TO ONE INPUT	PER SHARE, BEFORE ROUNDING	PER SHARE, ROUNDED
Adopted inputs	$0.4403	$0.440
Multiple of 4.5 times, not 5.0	$0.3977	$0.398
Multiple of 5.5 times, not 5.0	$0.4828	$0.483
Maintainable EBIT on FY2026 alone	$0.4552	$0.455
FY2024 to FY2026 weighted 1, 2 and 3	$0.4129	$0.413
Operating cash of two weeks, not one month	$0.4676	$0.468
Operating cash of six weeks, not one month	$0.4207	$0.421
Discount for lack of control of 10%	$0.4662	$0.466
Discount for lack of control of 20%	$0.4144	$0.414
Discount for lack of marketability of 15%	$0.4678	$0.468
Discount for lack of marketability of 25%	$0.4127	$0.413
Capital spending above depreciation continuing	$0.4300	$0.430
Founder's role costing $30,000 a year more	$0.4295	$0.430
Founder's role costing $30,000 a year less	$0.4510	$0.451
No adjustment for the related-party rent	$0.4175	$0.418
For comparison: without the E class grant	$0.4568	$0.457

Each line changes one input, except the last, which shows the value had the E class shares not been granted. Two and six weeks of cash costs are $328,000 and $984,000; both discounts at the bottom of their ranges give $0.4953, at the top $0.3885. The capital spending test deducts $28,667 a year from maintainable EBIT. The E class figure depends on none of these.

C. APPENDIX: SUMMARY OF FINANCIAL STATEMENTS

The group's financial statements, summarised

Consolidated figures for the group, from the special purpose financial statements for FY2024 to FY2026 (compiled, unaudited), the management accounts for the three months to 30 September 2026, and the balance sheet at 30 September 2026 reviewed by the external accountants. Income tax is shown as recorded in the annual accounts and is not calculated for the quarter. Normalisations are in section 6 and Appendix B, not here.

C1. Profit and loss

LINE	FY2024	FY2025	FY2026	JUL TO SEP 2026
Revenue	$7,930,000	$8,840,000	$9,620,000	$2,480,000
Technician wages and on-costs	($3,640,000)	($4,010,000)	($4,330,000)	($1,120,000)
Materials and parts	($1,300,000)	($1,430,000)	($1,540,000)	($395,000)
Subcontractors	($540,000)	($620,000)	($690,000)	($175,000)
Gross profit	**$2,450,000**	**$2,780,000**	**$3,060,000**	**$790,000**
Management and administration staff, including the founder	($890,000)	($950,000)	($1,010,000)	($262,000)
Depot rent, paid to the founder's family trust	($240,000)	($248,000)	($256,000)	($66,000)
Motor vehicles: fuel, registration and servicing	($182,000)	($198,000)	($214,000)	($56,000)
Insurance	($84,000)	($91,000)	($98,000)	($25,000)
IT, software and communications	($71,000)	($79,000)	($86,000)	($23,000)
Legal and professional fees	($66,000)	($214,000)	($168,000)	($18,000)
Other overheads	($117,000)	($128,000)	($136,000)	($50,000)
EBITDA as reported	**$800,000**	**$872,000**	**$1,092,000**	**$290,000**
Depreciation	($205,000)	($224,000)	($240,000)	($62,000)
EBIT as reported	**$595,000**	**$648,000**	**$852,000**	**$228,000**
Interest on equipment finance	($31,000)	($35,000)	($38,000)	($9,000)
Profit before tax	**$564,000**	**$613,000**	**$814,000**	**$219,000**
Income tax expense	($141,000)	($153,250)	($203,500)	
Profit after tax	**$423,000**	**$459,750**	**$610,500**	
Dividends paid	$210,000	$315,000	$360,000	
Dividend per share, cents	3.0	3.5	4.0	
Shares at period end, before the E class grant	7,000,000	9,000,000	9,000,000	9,000,000

C2. Balance sheet at 30 September 2026

LINE	AMOUNT
Cash at bank	$1,640,000
Trade debtors, net of a doubtful debts provision	$1,520,000
Work done not yet invoiced	$210,000
Materials and van stock	$140,000
Prepayments	$60,000
Motor vehicles, tools and test equipment, written-down value	$980,000
Goodwill, from the FY2023 purchase of a plumbing business	$420,000
Capitalised software	$65,000
Total assets	**$5,035,000**
Trade creditors	($780,000)
Accrued expenses	($190,000)
GST payable	($165,000)
PAYG withholding and superannuation payable	($230,000)
Contract billings in advance	($150,000)
Annual leave provision	($430,000)
Long service leave provision	($180,000)
Income tax payable	($120,000)
Equipment finance (chattel mortgages over vans)	($420,000)
Total liabilities	**($2,665,000)**
Net assets	**$2,370,000**
Less: goodwill and capitalised software	($485,000)
Net tangible assets	**$1,885,000**

C3. Equity at 30 September 2026

EQUITY	AMOUNT
Issued capital: ordinary, B class and C class shares, before the E class grant	$1,450,000
Retained earnings	$920,000
Total equity	**$2,370,000**

D. APPENDIX: EXTRACT OF CLASS RIGHTS

The clauses that set the rights of each class

Extracts, condensed, from the constitution as amended by special resolution on 12 August 2026, the shareholders' agreement signed by every shareholder and the company on 12 August 2026, and the employee share scheme rules adopted the same day. Where this table and the documents differ, the documents govern. Section 4 explains what each right means for value.

CLAUSE	SUBJECT	EXTRACT
Constitution 2.2	Share classes	The company may issue ordinary shares, B class shares, C class shares and E class shares. The rights of each class are set out in clause 4.
Constitution 4.3	Dividends	Any dividend declared on shares of any class must be declared at the same amount per share on the shares of every other class then on issue, and paid at the same time.
Constitution 4.4	Capital	On a return of capital or a winding up, the surplus assets are distributed among the holders of all classes equally per share, without priority between classes.
Constitution 4.5	Votes	Only ordinary shares carry a right to vote. B, C and E class shares carry no vote, except on a resolution to vary or cancel the rights of that class.
Constitution 4.6	Variation of class rights	The rights of a class may be varied only with the written consent of holders of at least 75% of the shares of that class, or a special resolution of that class.
Constitution 6.1	Directors	The holders of a majority of the ordinary shares may appoint and remove any director by notice to the company.
Constitution 12	Transfers	The directors may refuse to register any transfer of shares in their absolute discretion and need not give reasons.
Agreement 7	New issues	Before issuing new shares the company must offer them to the holders of ordinary shares in proportion to their holdings, except shares issued under the employee share scheme up to the limit in the scheme rules.
Agreement 8	Pre-emptive rights on transfer	A shareholder wishing to transfer shares must first offer them to the holders of ordinary shares and then to the other shareholders, at a price agreed or, failing agreement within 20 business days, determined by an independent valuer appointed by the board as the market value of the shares offered.
Agreement 9	Drag-along	If holders of more than 50% of the ordinary shares accept a bona fide arm's length offer for all the shares in the company, every other shareholder must sell on the same terms and at the same price per share.
Agreement 10	Tag-along	A holder of ordinary shares may not transfer shares that would give a buyer and its associates more than 50% of the votes unless the buyer offers to buy every other shareholder's shares on the same terms and at the same price per share.

CLAUSE	SUBJECT	EXTRACT
Agreement 14	Chief executive's floor	If within five years all the shares in the company are sold for a total price below $8,000,000, the founder will transfer to the chief executive, for no consideration, such of his ordinary shares, or pay him such part of his proceeds, as gives the chief executive the proceeds he would have received at $8,000,000. This obligation is personal to the founder and the chief executive, is not attached to any share, and ends if the chief executive transfers his B class shares.
Scheme rules 4 and 5	E class grants	The board may grant up to 500,000 E class shares in total to eligible employees. For each, the employee pays the company's net tangible assets per share at the grant date, to the nearest tenth of a cent, within 30 days after the board confirms that figure.
Scheme rules 6 to 9	E class vesting and leavers	E class shares vest over three years of service. A holder who leaves before vesting must sell the unvested shares back to the company on the terms set in the rules. Unvested shares may not be transferred, and shares bought back may be granted again.

E. APPENDIX: GLOSSARY

The terms used in this report

TERM	MEANING AS USED IN THIS REPORT
Market value	The price that would be negotiated between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length.
Going concern	The premise that the business continues to trade, rather than that its assets are sold off separately.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Normalisation adjustment	An adjustment to reported earnings so they reflect what the business would earn under an arm's length owner, for example charging a market wage for work an owner performs without pay.
Maintainable earnings	The level of earnings a buyer could expect the business to sustain, after normalisation.
Capitalisation multiple	The multiple applied to maintainable earnings to arrive at a value, reflecting the risk, size and outlook of the business.
Enterprise value	The value of the business itself, before adding surplus assets and deducting debt.
Equity value	The value of the shares, being enterprise value plus surplus assets less debt.
Surplus assets	Assets held by the company that the business does not need in order to trade, most commonly cash beyond its working capital.
Net asset value	The value of a company's assets less its liabilities, taken from its balance sheet. In this report book values are used, without adjustment.
Control	The ability to direct the company, including its board, its distributions and the sale of its business. A holding that cannot do those things is a minority interest.
Standard of value	The definition of value an engagement uses; here, market value for the B and C class shares.
Premise of value	The assumption about how the business is used at the valuation date; here, as a going concern.

TERM	MEANING AS USED IN THIS REPORT
Valuation engagement	An engagement in which the valuer chooses the approaches and methods and applies its own judgement, as distinct from a calculation on a basis set by someone else.
Start-up concession	A tax concession for some employee share schemes in start-up companies. Whether it applies to this scheme is a question for the company's tax advisers, who have confirmed in writing that, in their opinion, it does; this report does not interpret it.
Surplus cash	Cash beyond what the business needs to meet its payroll and suppliers, which a buyer could take out without affecting earnings.
Earning power	In this report, the market value of 100% of the shares less net tangible assets: the value of what the business earns beyond its tangible net assets.
Fully diluted	Counting shares issued or to be issued, and anything paid for them, as well as those already on issue; here the E class shares granted under the scheme on the valuation date.
EBIT	Earnings before interest and tax: EBITDA less depreciation and amortisation.
Net tangible assets	Net assets less intangible assets such as goodwill and capitalised software.
Pro rata value	A share's proportionate part of the value of 100% of the shares, before any discount or premium for the size or rights of a holding.
Discount for lack of control	A reduction from pro rata value for shares that cannot direct the company, its board, its distributions or the sale of its business.
Discount for lack of marketability	A reduction for shares that cannot readily be sold, because there is no market for them or their sale is restricted.
Drag-along	A right of a majority holder to require the other holders to sell their shares to a buyer of the whole company on the same terms.
Tag-along	A right of minority holders to require a buyer of control to buy their shares on the same terms.
Pre-emptive right	A right to be offered shares, on a transfer or a new issue, before they are offered to anyone else.
Working capital	Short-term operating assets less short-term operating liabilities, such as debtors less creditors.
Debt-like item	An obligation that is not borrowing but that a buyer would have to pay, such as tax owing on past profits or long service leave already accrued.
Valuation date	The date at which value is assessed. Information about events after that date is used only where it confirms a condition that existed at it.

F. DECLARATION OF THE VALUER RESPONSIBLE

The valuer is independent and took no instruction on value

I have prepared this report as the valuer responsible for it, and sign it as Director of Business Valuations Melbourne, an independent business valuation practice. This report follows the guidelines of APES 225 Valuation Services. The B and C class values are the result of a valuation engagement: we chose the approaches and methods ourselves and applied the judgement

we considered appropriate, and it is not a limited scope engagement. The E class figure is a calculation of value on a basis set by the company's tax advisers, which we have applied to a balance sheet we have tested.

I have no present or prospective interest in Kestrelmoor Building Services Holdings Pty Ltd, its subsidiary, any of its shareholders, the founder's family trust or the employee share scheme, and no relationship with any of them other than this engagement. Before accepting it we searched our records for each of them and found no conflict. Our fee is fixed and does not depend on the conclusion, content or future use of this report.

I was instructed by the directors to value the B and C class shares at market value, and the E class shares on the net tangible assets basis, at 30 September 2026, for the purposes in section 2. The chief executive, who holds the B class shares, is one of the two directors. The engagement letter was signed for the company by the founder as chair. No instruction was given about any value, method or discount, and none would have been accepted. The directors were given the factual sections of the draft to correct; no correction changed a value.

The opinions expressed are my own. They rest on the documents listed in Appendix A, which I have not audited, on the tests described in section 5, on the tax advisers' confirmation described in section 10, and on the assumptions and limitations set out in this report. Questions about this report may be sent to hello@valuo.com.au.

Qualifications and experience of the valuer. Jackson Wilson is a suitably qualified business valuer. He holds a Bachelor of Business (Finance) and a Diploma of Financial Services, and is RG146 compliant. He is Director of Business Valuations Melbourne, an independent business valuation practice. He values companies, shares and ownership interests for solicitors, accountants, shareholders, directors and business owners where the conclusion will be relied on in a commercial, taxation or legal context, including related-party transactions, restructures and taxation requirements. Interests valued include whole companies, parcels of shares, minority and controlling interests and shareholder loans. He accepts no instruction requiring a predetermined result, and matters of law are reserved for legal advisers.

SAMPLE: NOT SIGNED

Jackson Wilson

B.Bus (Finance), Diploma of Financial Services, RG146 · Director
Business Valuations Melbourne · businessvaluationsmelbourne.com.au · 14 Oct 2026