

VALUATION

BUSINESS SHARE OF EVEGREEN

Presented valuation of business share is prepared based on Venture Capital Method (VC Method). Said method is commonly used to value early-stage, pre-revenue or minimum revenue companies by the investors considering the investment as a strategic and not a financial investment, focusing on financial and business multiplicative effects, synergies and other benefits of joint venture, with Evegreen enabling a complementary operation to Investor's core business.

Valuation is prepared on conservative assumptions used only for the valuation purposes with target values being higher.

1. Assumptions

Assumption method of company valuation - Venture Capital Method

- | | |
|---|-------------------------------------|
| • Projected Total Revenue after 6 years | 8.188.000 EUR |
| thereof, projected Revenue out of Materials
(internal / external) | 5.167.000 EUR |
| • Projected Profit Rate after 6 years | 7.5%
<i>(target: > 5.0 %)</i> |
| • Industry P/E ratio
(high-tech company in relevant fields, highly innovative) | 17.0
<i>(shall be: 20)</i> |
| • Expected ROI of Investor
(strategic investment) | 1.20 |
| • Investment (contribution and capital) | 757.063 EUR |

2. Terminal Value

Terminal Value represents a present value of projected revenue (conservative scenario) with the assumption of perpetual stable growth (projected profit rate with industry's price-to-earnings ratio) for a period of 6 years (standard business practice is a period between 5-8 years)

Terminal Value for Evegreen (total):

- Terminal Value = Projected Revenue * Projected Profit Rate * P/E
- Terminal Value = 8.188.000 EUR * 7.5% * 17.0 = 10.439.700 EUR

Terminal Value for nature2need part (for reference only):

- Terminal Value = Projected Revenue * Projected Profit Rate * P/E
- Terminal Value = 5.167.000 EUR * 7.5% * 17.00 = 6.587.925 EUR

3. Pre-Investment Valuation

Pre-Investment Valuation (also Pre-Money) represents a value of Evegreen based on commitments of contributions from founding shareholders – Eva Štraser and nature2need with Investor's contribution as *Invested Capital*.

- Pre-Investment Valuation = Terminal Value / RoI – Invested Capital
- Pre-Investment Valuation = 10.439.700 EUR / 1.20 - 757.063 EUR = 7.942.687 EUR

4. Share Valuation / Required Contribution

Based on the foregoing the business share valuation for Investor's 10% business share of Evegreen is

$$7.942.687 \text{ EUR} * 10\% = 794.269 \text{ EUR} (> \text{required } 757.063 \text{ EUR})$$

5. Offer

The offer is valid until 09.07.2020.

Velenje, 9.6.2020

Prepared by:

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