

Vertua Limited

Proposed acquisition of a 100% interest in Joe Public
through the issue of convertible notes

Independent Expert's Report
and Financial Services Guide

20 December 2015



FINANCIAL SERVICES GUIDE

Dated: 20 December 2015

What is a Financial Services Guide ("FSG")?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by Nexia Court Financial Solutions Pty Ltd ABN 88 077 764 222, Australian Financial Services Licence Number 247300 ("NCFS").

This FSG includes information about:

- NCFS and how they can be contacted
- the services NCFS is authorised to provide
- how NCFS are paid
- any relevant associations or relationships of NCFS
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that NCFS has in place.

Where you have engaged NCFS we act on your behalf when providing financial services. Where you have not engaged NCFS, NCFS acts on behalf of our client when providing these financial services and are required to provide you with a FSG because you receive a Report or other financial services from NCFS.

Financial Services that NCFS is authorised to provide

NCFS holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients.

We provide financial product advice when engaged to prepare a Report in relation to a transaction relating to one of these types of financial products.

NCFS's responsibility to you

NCFS has been engaged by the independent directors of Vertua Limited ("Vertua" or the "Company") to provide general financial product advice in the form of an independent expert's report to be included in the Notice of Extraordinary General Meeting to be sent to Vertua shareholders dated on or about Notice of Extraordinary General Meeting ("Report").

You have not engaged NCFS directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither NCFS nor the employees of NCFS are acting for any person other than the Client.

NCFS is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As NCFS has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Proposed Transaction.

Fees NCFS may receive

NCFS charges fees for preparing Reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay NCFS \$25,000 (excluding GST and out of pocket expenses) for preparing the Report. NCFS and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

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NCFS does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

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Over the past two years \$21,000 (excluding GST) in professional fees has been received from the Client for the preparation of two Independent Expert's Reports for the Joe Public Property Management Pty Ltd's offer to acquire 3 out of every 8 shares (22 July 2014) and Vertua's issue of options to acquire shares for \$0.12 per share to Joe Public Holdings Pty Ltd (18 September 2014).

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Proposed Transaction.

Complaints Resolution

If you have a complaint, please let NCFS know. Formal complaints should be sent in writing to:

Nexia Court Financial Solutions Pty Ltd
Head of Compliance
PO Box H195
Australia Square NSW 1215

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer, Craig Wilford, on +61 2 9251 4600 and he will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing,

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Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Financial Ombudsman Service Limited
GPO Box 3, Melbourne Victoria 3001
Telephone: 1300 56 55 62
Facsimile (03) 9613 6399
Email: info@fos.org.au

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation Arrangements

NCFS has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact NCFS at:

Nexia Financial Solutions Pty Ltd
PO Box H195
Australia Square NSW 1215

20 December 2015

The Directors
Vertua Limited
Level 5
97 Pacific Highway
North Sydney
NSW 2060

Dear Sirs,

Independent Expert's Report on the proposed acquisition of a 100% interest in Joe Public

1. OUTLINE OF THE TRANSACTION

On 15 October 2015, Vertua Investments Limited ("VIL") entered into a share sale agreement with the shareholders of Joe Public Holdings Pty Ltd ("Joe Public") to acquire all shares on issue in Joe Public Holdings Pty Ltd (the "Proposed Transaction"). The consideration for the acquisition is the issue of 40,000,000 convertible notes at \$0.15, a total of \$6,000,000 ("Principal Value").

The notes are redeemable after five years and during the five year period the noteholder has the option to convert each note to a fully paid ordinary share in Vertua. After three years Vertua has the option to convert each note to a fully paid ordinary share in Vertua.

From the third anniversary of the issue date of the notes Vertua must pay noteholders interest on the Principal Value of the notes at:

- a) the BBSW for bills with a 90 day maturity on the date the convertible notes are issued; or
- b) in the absence of any rate mentioned above any rate reasonably decided by the subscribers of the convertible notes; plus
- c) 8% per annum.

In addition, 350,000 options currently held by Joe Public will be cancelled prior to completion of the Proposed Transaction.

Completion of the Proposed Transaction is conditional on shareholder approval as set out in the Notice of Extraordinary General Meeting.

2. PURPOSE OF REPORT

The purpose of this Report is to advise the shareholders of Vertua on the fairness and reasonableness of the Proposed Transaction.

Under s606 of the Corporations Act, a transaction that would result in an entity and its associates increasing their voting power in an entity from:

- 20% or below to greater than 20%; or
- a position above 20% and below 90%

is prohibited without making a takeover offer to all shareholders unless an exemption applies.

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Item 7 of s611 of the Corporations Act provides an exemption from the above if the transaction is approved by shareholders in a general meeting.

As a result of the Proposed Transaction, if all convertible notes are converted to shares the following shareholders and their associates will increase their interest in Vertua as follow:

- James Manning and associates (“Manning Family Associates”) will increase their interest from 19.8% on an undiluted to basis to 39.3% after the Proposed Transaction (increasing to 49.2% if the existing 9,700,000 options held by Manning Family Associates (“Existing Options”) are exercised).
- Holicalr Pty Ltd (“Holicalr”) will increase its interest from 16.1% to 34.2% after the Proposed Transaction (decreasing to 28.6% if all Existing Options are exercised)
- Benjamin Doyle and associates (“Doyle Family Associates”) will increase their interest from 7.6% to 13.6% (decreasing to 11.4% if all Existing Options are exercised).

As Manning Family Associates and Holicalr increase their shareholding to a position above 20% but less than 90% shareholder approval is required.

Chapter 2E of the Corporations Act requires a company to seek shareholder approval before giving a financial benefit to a related party unless the benefit falls within the exceptions provided.

As James Manning and Benjamin Doyle are directors of Vertua, Manning Family Associates and Doyle Family Associates are related parties for the purposes of Chapter 2E.

The Australian Securities and Investments Commission (“ASIC”) has issued Regulatory Guide 74: Acquisitions approved by members (“RG 74”) and Regulatory Guide 76: Related party transactions (“RG 76”) that set out the material disclosure requirements to shareholders when seeking their approval under item 7 of s611 and Chapter 2E of the Corporations Act. As part of the disclosure requirements, ASIC requires a detailed analysis of the transaction that complies with Regulatory Guide 111: Content of experts Report (“RG111”). This can either be undertaken by the directors if they believe they have sufficient skill and expertise or an independent expert.

3. SUMMARY AND OPINIONS

This section is a summary of our opinion and cannot substitute for a complete reading of this Report. Our opinion is based solely on information available as at the date of this Report.

The principal factors that we have considered in forming our opinion are summarised below.

3.1 Assessment of fairness

In considering whether or not the transaction is fair to Vertua’s non-associated shareholders, we have considered the fair value in Vertua on a control basis prior to the Proposed Transaction on a fully diluted basis to the fair value of a minority interest in Vertua after the Proposed Transaction on a fully diluted basis.

The comparative positions are summarised below:

	Low	Preferred	High
Fair value of a share in Vertua on a control basis before the Proposed Transaction (see section 8 below)	\$0.14	\$0.15	\$0.16
Fair value a share in Vertua on a minority basis after the Proposed Transaction (see section 9 below)	\$0.17	\$0.18	\$0.19

The consideration is higher than the value of a share in Vertua on a control basis. Therefore, **we have concluded that the Proposed Transaction is fair.**

3.2 Assessment of Reasonableness

In accordance with RG 111, a transaction is reasonable if:

- the transaction is fair; or
- despite not being fair, but considering other significant factors, shareholders should obtain an overall benefit if the transaction proceeds.

In forming our opinion we have considered the following relevant factors (see section 11).

Advantages	Disadvantages
<ul style="list-style-type: none"> • The transaction is fair • Increased cash flow from Joe Public's cash reserves and forecast earnings to utilise in future developments • Joe Public has a strong pipeline expected to produce profits • Vertua's loan from Joe Public will be acquired as part of the transaction reducing Vertua's indebtedness on a consolidated basis • The convertible notes provide Vertua with the right to require the conversion of the notes to shares providing some cash flow protection on meeting debt obligations in the future 	<ul style="list-style-type: none"> • Potential loss of carried forward tax losses • Joe Public shareholders will increase their combined interest in Vertua from 46.1% to 91.1% on a fully diluted basis. • If the notes are not converted, the Company will have a significant liability on its balance sheet which may impact on its ability to source third party debt.

The Directors have advised us that there are no alternative transactions and that if the Proposed Transaction does not proceed, Vertua will continue operations and seek further investment opportunities.

As the Proposed Transaction is fair, and taking into consideration the matters above, **we have concluded that the Proposed Transaction is reasonable.**

3.3 Opinion

Accordingly, in our opinion, the Proposed Transaction is fair and reasonable to the Vertua shareholders.

The ultimate decision on whether to approve the Proposed Transaction should be based on shareholders' own assessment of their circumstances. We strongly recommend that shareholders consult their own professional advisers, carefully read all relevant documentation provided, including the Notice of Extraordinary General Meeting, and consider their own specific circumstances before voting in favour of or against the Proposed Transaction.

Yours faithfully
Nexia Court Financial Solutions Pty Ltd (AFSL 247300)



Brent Goldman
 Authorised Representative

STRUCTURE OF REPORT

Our Report is set out under the following headings:

1. OUTLINE OF THE TRANSACTION	1
2. PURPOSE OF REPORT	1
4. BASIS OF EVALUATION	5
5. OVERVIEW OF VERTUA.....	6
6. OVERVIEW OF JOE PUBLIC	14
7. VALUATION METHODOLOGIES	19
8. FAIR VALUE OF VERTUA BEFORE THE PROPOSED TRANSACTION	21
9. FAIR VALUE OF VERTUA AFTER THE PROPOSED TRANSACTION	23
10. ASSESSMENT OF FAIRNESS	26
11. ASSESSMENT OF REASONABLENESS.....	26
12. OPINION.....	27

APPENDICES

APPENDIX A – GLOSSARY	28
APPENDIX B - SOURCES OF INFORMATION.....	29
APPENDIX C - STATEMENT OF DECLARATION & QUALIFICATIONS	30
APPENDIX D - VALUATION METHODOLOGIES	32
APPENDIX E – HPM COMPARABLE COMPANIES AND TRANSACTIONS	36
APPENDIX F – JOE PUBLIC COMPARABLE COMPANIES AND TRANSACTIONS	38

4. BASIS OF EVALUATION

RG 74, RG76 and RG 111 provide guidance as to matters that should be considered in determining whether a transaction is fair and reasonable in a range of circumstances.

RG 74, RG76 and RG 111 state that in deciding an appropriate form of analysis, the expert needs to consider that the main purpose of the Report is to deal with the concerns that could reasonably be anticipated by those persons affected by the transaction. An expert should focus on the purpose and outcome of the transaction; that is the substance of the transaction, rather than the legal mechanism used to effect the transaction.

RG 111 requires analysis of a transaction under two distinct criteria being:

- is the offer 'fair'?; and
- is it reasonable?

That is the opinion of fair and reasonable is not considered as a compound phrase.

In determining what is fair and reasonable for a control transaction, RG 111 states that:

- an offer is fair if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer, assuming a 100% interest of the target and irrespective of whether consideration is cash or scrip; and
- an offer is reasonable if it is fair, or if the offer is not fair, the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of a higher bid before the close of an offer.

In determining whether the transaction is fair, the fair value is assumed to be based on a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

As set out in section 2, our report is required due to the potential issue of Vertua shares under the convertible note. Therefore, for the purposes of determining whether or not the Proposed Transaction is fair we have compared the diluted fair value of a share in Vertua on a control basis prior to the Proposed Transaction to the diluted fair value of a minority interest in Vertua following the Proposed Transaction.

In our assessment of the reasonableness of the Proposed Transaction, our consideration has included the following matters:

- Joe Public shareholder's pre-existing voting power in securities in Vertua;
- other significant security holding blocks in Vertua;
- the liquidity of the market in Vertua's securities;
- taxation losses, cash flow or other benefits through achieving 100% ownership of Vertua;
- any special value, such as technology, the potential to write-off outstanding loans from Vertua, etc;
- the likely market price if the Proposed Transaction does not proceed;
- the value to an alternate bidder and the likelihood of an alternative bid being made; and
- other significant matters set out in section 11.

4.1 Individual shareholders' circumstances

The ultimate decision whether to approve the Proposed Transaction should be based on each shareholder's assessment of the Proposed Transaction, including their own risk profile, liquidity preference,

tax position and expectations as to value and future market conditions. If in doubt about the Proposed Transaction or matters dealt with in this Report, shareholders should seek independent professional advice.

4.2 Limitations on reliance on information

The documents and information relied on for the purposes of this Report are set out in Appendix B. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that documents and material facts have been withheld. The information provided was evaluated through analysis, enquiry and review for the purpose of forming an opinion as to whether the Proposed Transaction is fair and reasonable to the shareholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit or extensive examination might disclose.

We understand the accounting and other financial information that was provided to us has been prepared in accordance with generally accepted accounting principles.

An important part of the information used in forming an opinion of the kind expressed in this Report is the opinions and judgement of Directors and management. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

NCFS or its associated entities are not the auditors of Vertua. We have analysed and reviewed information provided by the Directors and management of Vertua and made further enquiries where appropriate. Preparation of this Report does not imply that we have in any way audited the accounts or records of Vertua.

In forming our opinion we have assumed:

- matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the information set out in the Notice of Extraordinary General Meeting to be sent to shareholders is complete, accurate and fairly represented in all material respects; and
- the publicly available information relied upon by NCFS in its analysis was accurate and not misleading.

This Report has been prepared after taking into consideration the current economic and market climate. We take no responsibility for events occurring after the date of this Report which may impact upon this Report or which may impact upon the assumptions referred to in the Report.

5. OVERVIEW OF VERTUA

5.1 Corporate History

Vertua is a publicly listed company based in Sydney, Australia. The company was incorporated on 20 February 2004 and admitted to the National Stock Exchange ("NSX") on 12 February 2007.

Vertua's wholly owned subsidiary, Vertua Investments Limited ("VIL"), is an investment company. VIL is an unlisted public company incorporated on 26 August 2002. Formerly known as Property Fox No.1 Limited, the company changed its name to Vertua Investments Limited on 2 February 2015. VIL's strategic focus is the acquisition of any investment asset for the purpose of making an economic return.

In March 2015 VIL entered into an agreement to purchase Horizon Print Management Pty Ltd ("HPM"). HPM is a print brokerage business located in Sydney, NSW. It was incorporated on 12 June 2012, however its underlying business has been operating since 2001 as part of Horizon Media Pty Limited. This transaction was subsequently settled in September 2015.

During the financial year ended 31 March 2015 the company changed its reporting period from 30 June to 31 March. The reason for the change was to align the period end with Joe Public who at the time of the decision was the major shareholder of the Company. Joe Public's shareholding was subsequently transferred to its individual shareholders and it no longer directly holds shares in Vertua.

5.2 Business Activities

Property development and investment

The principal activities of Vertua are the acquisition, development and sale of residential properties in New South Wales ("NSW") and Queensland ("QLD"), either directly or through its wholly owned subsidiary, Vertua Investments Limited.

The principal activities of the group are property development and investments, with returns being mainly generated from rental and interest income in the short term and capital growth in the medium to long term. The focus is to acquire land with development potential and to realise that potential over time.

Since its incorporation the Company has undertaken projects as small as four apartments through to schemes for sites with up to 86 approved apartments with a commercial component.

The Company's most recent project was the purchase and development of three commercial unit properties at Lane Cove, one of which was subdivided and converted to residential use. This project was undertaken through Vertua Limited. On 27 February 2015 the company announced that three of the four properties in the development were sold on an unconditional basis. The remaining property subsequently settled on 22 May 2015.

In June 2015, the Company announced it had entered into an agreement to take a minority position in a joint venture to develop a residential project at Homebush, NSW. The Company agreed to commit approximately \$500,000 as well as assist with the bank facilities. The joint venture party involved in this development is the Fiducia Group, which is a subsidiary of Joe Public. The special purpose entity that is completing the project is the FPG Powell Unit Trust. FPG Powell Pty Ltd is the trustee of the FPG Powell Unit Trust and is a subsidiary of Joe Public. Further comments on this investment are provided below.

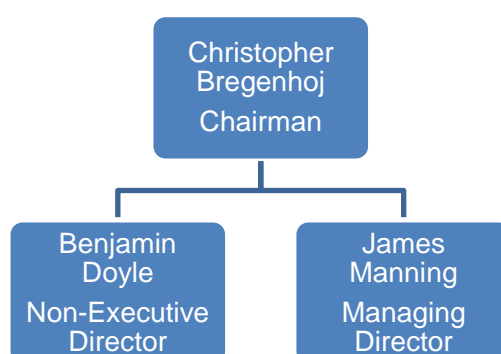
Print brokerage

Vertua's print brokerage operations commenced with the acquisition of HPM. Vertua gained operational control of HPM on 1 March 2015.

Historically the company was formed to manage printing associated with publications of direct mail media. Since its formation the business has expanded into third party printing as an agent or broker for its clients.

5.3 Directors and Key Management

Following is a diagram of the board and management structure of Vertua:



During the last three financial years there were the following movements in the directors of Vertua:

- Christopher Bregenhoj appointed as a non-executive director and chairman on 1 September 2014
- Stephen Simonds resigned on 1 September 2014
- Howard Woolcott resigned on 30 September 2014

Christopher Bregenhoj, Benjamin Doyle and James Manning are all directors of VIL. Christopher Bregenhoj and James Manning are also directors of HPM.

5.4 Financial Information

The auditor's reports for the years ended 30 June 2013 and 2014, and 31 March 2015 were unqualified. As discussed above, the Company changed its reporting period from 30 June to 31 March. As a result, figures for 31 March 2015 are for a 9 month period.

5.4.1 Financial Performance

Set out below are the audited consolidated profit and loss statements of Vertua for the years ended 30 June 2013 and 2014, the nine months ended 31 March 2015 and the unaudited consolidated profit and loss statement for the six months ended 30 September 2015. Vertua gained operational control of HPM on 1 March 2015 and their results from 1 March 2015 are included below.

\$		Jun-13 Audited	Jun -14 Audited	Mar -15 Audited	Sep -15 Unaudited
Revenue	1	2,082,231	730,423	755,362	8,692,333
Cost of sales	2	(1,933,032)	(573,701)	(639,831)	(7,768,413)
Gross profit		149,199	156,722	115,531	923,920
Management fees	3	(101,521)	(71,498)	(5,000)	(30,000)
Directors fees	4	(22,000)	-	(42,480)	(28,487)
Finance costs	5	(86,049)	(15,890)	(17,374)	(77,470)
Professional fees		(75,076)	(125,513)	(217,161)	(212,054)
Property costs	6	(119,491)	(44,848)	(5,882)	(19,023)
Advertising and Promotion		(3,266)	-	(18,085)	(9,246)
Other expenses from ordinary activities		(47,053)	(43,714)	(81,801)	(136,742)
Inventory write down	7	(800,000)	-	-	-
Employee costs	8	-	-	-	(234,246)
Profit / (loss) from ordinary activities before income tax expense		(1,105,257)	(144,741)	(280,051)	176,652
Income tax (expense) / benefit relating to ordinary activities	9	-	-	196,500	-
Net profit / (loss) from ordinary activities after related income tax benefit		(1,105,257)	(144,741)	(83,551)	176,652

Source: Vertua Limited 30 June 2013 and 2014, 31 March 2015 audited financial statements and 30 September 2015 unaudited financial statements

1. Revenue received in the years ended 30 June 2013 and 30 June 2014 relates to interest income, rental income, and proceeds from the sale of property.

Revenue received in the period to 31 March 2015 consists primarily of revenue from HPM, from 1 March 2015, the date of gaining operational control. In the month of March 2015 HPM recorded income of \$728,598 from its print broking business. Revenue from HPM in the period ended 30 September 2015 was \$5,730,490.

In the six months to 30 September 2015, Vertua recognised \$2,906,406 in revenue from the completion of the Lane Cove development.

2. Cost of sales recorded in the years ended 30 June 2013 and 30 June 2014 largely relates to property operating costs and development costs. In the period ended 30 September 2015 \$5,131,327 of expenses were incurred in HPM, whereas \$2,379,137 was incurred in Vertua for operating and development costs of the Lane Cove development.
3. Management fees have historically been paid to Woolcott Corporate Development Pty Ltd for the services of Howard Woolcott, a former Director and Fiducia Estate Agents Pty Ltd for the services of Benjamin Doyle as managing director, including making available the office premises from which Vertua operates.
4. In the year ended 30 Jun 2013 the directors agreed to cease paying director's fees until the financial position of the company improved. As a result, director's fees were lower in the year and no director's fees were paid in the year ended 30 Jun 2014. Since then, the directors have agreed to a combined annual director's fee of \$90,000.
5. Finance costs recorded in the year ended 30 June 2013 were higher than preceding years as the Company held a \$1.2m commercial bill facility through the period. It was subsequently repaid by the end of the year from the sale of the Toowoomba properties. Finance costs increased in the period to 30 September 2015 as a result of the Company's loan from Calvert Investments Pty Ltd for \$500,000. Vertua's loan from Calvert Investments Pty Ltd was used to fund the Lane Cove development and the loan from the Manning Group was used to fund the purchase of HPM.
6. Property costs have decreased from the year ended 30 June 2013 as in the 2013 financial year the Company held a large parcel of land where it incurred all its costs. The property costs in the period ended 30 September 2015 relate to the occupancy costs of the Group only.
7. Vertua previously acquired a number of properties in Toowoomba and had secured development approval for the properties. The property with the development approval was marketed for sale but a buyer was not able to be found. As a result the individual properties were sold off resulting in a lower return to Vertua and the Company subsequently acquired an independent valuation of the properties which resulted in the write down to the inventory value at 31 December 2012.
8. Employee costs were first recorded for Vertua in the period ended 30 September 2015. These costs were incurred in the running of the HPM business. HPM did record \$35,537 in salaries and wages, however, these were recorded against directors' fees in the audited financial statements in the year ended 31 March 2015.
9. Vertua recognised tax losses in the six month period ended 31 March 2015. See below regarding the deferred tax asset in the balance sheet.

5.4.2 Financial Position

Set out below is the audited consolidated balance sheet of Vertua as at 30 June 2013, 30 June 2014, 31 March 2015 and the unaudited balance sheet of Vertua as at 30 September 2015. As Vertua gained operational control of HPM on 1 March 2015, HPM's balance sheet was included in the balance sheet as at 31 March 2015.

\$		Jun-13 Audited	Jun-14 Audited	Mar-15 Audited	Sep-15 Unaudited
Current assets					
Cash and cash equivalents		525,262	759,884	351,879	266,236
Accounts receivable	1	-	-	3,570,117	2,239,229
Inventory & work in progress	2	-	-	3,075,373	378,271
Prepayments		-	-	9,726	19,023
Sundry debtors		-	-	132,082	24,646
Accrued revenue		2,895	-	-	-
		528,157	759,884	7,139,177	2,927,406
Non-current assets					
Inventory	2	573,702	-	-	-
Property, plant & equipment		-	-	16,015	28,049
Deferred tax asset	3	-	-	196,500	196,500
Investment in FPG Powell	4	-	-	-	500,000
Intangible assets	5	-	-	1004,184	1004,184
		573,702	-	1,216,699	1,728,733
Total assets		1,101,859	759,884	8,355,876	4,656,140
Current liabilities					
Trade and other payables	6	(6,186)	(8,954)	(2,251,426)	(2,162,185)
Borrowings	7	-	-	(1,983,652)	(193,935)
Employee benefits		-	-	(35,872)	(40,273)
Deferred settlement liability & uncalled units	8	-	-	(55,000)	(150,000)
Deferred income	9	-	-	(2,099,788)	(12,581)
		(6,186)	(8,954)	(6,425,738)	(2,558,975)
Non-current liabilities					
Long term borrowings	7	(200,000)	-	(1,105,259)	(1,110,890)
		(200,000)	-	(1,105,259)	(1,110,890)
Total liabilities		(206,186)	(8,954)	(7,530,997)	(3,669,865)
Net assets		895,673	750,930	824,879	986,275
Equity					
Issued capital		4,546,898	4,546,898	4,704,398	4,704,398
Accumulated losses		(3651,225)	(3,795,968)	(3,879,519)	(3,718,123)
Total equity		895,673	750,930	824,879	986,275

Source: Vertua Limited 30 June 2013 and 2014, and 31 March 2015 audited financial statements, and 30 September 2015 unaudited financial statements

1. Accounts receivable increased at 31 March 2015 due to the acquisition of HPM, which accounts for \$1,460,778 of the balance. The remainder of the balance at 31 March 2015 is for the settlement funds from the Lane Cove development. The entire accounts receivable balance at 30 September 2015 related to HPM's operations.
2. Inventory recorded at 30 June 2013 was the value for the Toowoomba properties that were subsequently sold during the 30 June 2014 financial year. The balance at 31 March 2015 is represented by the Lane Cove development which was sold in the period ended 30 September 2015. As at 30 September 2015 the entire balance related to HPM operations.
3. As highlighted above, a future income tax benefit of \$196,500 was brought to account at 31 March 2015. Vertua currently has tax losses of \$6,261,510.

4. This represents the VIL \$500,000 investment in the joint venture project to develop a residential property in Homebush.
5. Intangible assets relate to goodwill on the acquisition of HPM.
6. Trade and other payables increased at 31 March 2015 due to the acquisition of HPM. The majority of this balance at 31 March 2015 and 30 September 2015 related to HPM's operations.
7. The movement in short term and long term borrowings of Vertua are detailed as follows:

	Jun-13 Audited	Jun-14 Audited	Mar-15 Audited	Sep-15 Unaudited
Current borrowings				
Westpac Banking Corporation	-	-	1,182,174	-
Calvert Investments Pty Ltd	-	-	515,476	-
Joe Public Holdings Pty Ltd	-	-	153,935	193,935
Woodville Super Pty Ltd	-	-	132,067	-
	-		1,983,652	193,935
Non-current borrowings				
Manning Group Trust	-	-	1,105,259	1,110,890
Hammond and Simonds Pty Ltd	200,000	-	-	-
			1,105,259	1,110,890
Total borrowings	200,000	-	3,088,911	1,304,825

Upon settlement of the Lane Cove properties the loans from Westpac Banking Corporation and Calvert Investments Pty Ltd at 31 March 2015 were settled in full. The loan from Woodville Super Pty Ltd at 31 March 2015 was also settled in full by HPM in May 2015. The loan from Joe Public remains in existence and has increased by \$40,000 from 31 March 2015 to \$193,935 at 30 September 2015. Long term borrowings at 31 March 2015 consisted of a loan from Manning Group that remains in existence. All loans outstanding at 30 September 2015 are charged 12% per annum in interest.

8. Deferred settlement liability at 31 March 2015 relates to settlement of a contingency payment from the acquisition of HPM. This amount was subsequently recognised as revenue. At 30 September 2015 there was \$150,000 of uncalled capital owing to the FPG Powell Unit Trust, which is the special purpose entity for the joint venture project in Homebush, NSW.
9. Deferred income at 31 March 2015 relates to the settlement of the Lane Cove property. Three of the four properties were exchanged prior to 31 March 2015 but settlement didn't occur until the June 2015 quarter.

5.5 Capital Structure and Ownership

Vertua's issued capital as at 28 October 2015 comprised 9,873,275 fully paid ordinary shares. The top 10 shareholders, as at 28 October 2015, hold 50.72% of the issued capital of Vertua and are set out below:

Shareholder	Shareholding	% Total
Holicarl Pty Ltd	1,590,900	16.11%
Manning Custodian Pty Ltd	1,525,616	15.45%
Lily Bordeaux Pty Ltd	620,451	6.28%
Woodville Super Pty Ltd	399,276	4.04%
Mr David Leon	261,252	2.65%
Calvert Investments Pty Ltd	150,000	1.52%
Benjamin John Doyle & Marie Christina Ashley	125,000	1.27%
Mr Ian Crawford Maxwell & Mrs Philippa Jane Maxwell	125,000	1.27%
Hammond & Simonds Pty Ltd	110,513	1.12%
Mr William Lyon	100,000	1.01%
Top ten shareholders	5,008,008	50.72%
Other	4,865,267	49.28%
Total shareholders	9,873,275	100.00%

Source: Share registry at 28 October 2015

The table below summarises shareholders by size of shareholding at 28 October 2015:

Range	No. of holders	Shares	% of Total
1 – 1,000	0	0	0.00%
1,001 – 5,000	3	15,000	0.15%
5,001 – 10,000	125	1,051,625	10.65%
10,001 – 100,000	186	3,898,642	39.49%
100,001 and over	9	4,908,008	49.71%
Total	323	9,873,275	100.00%

Source: Share registry at 28 October 2015

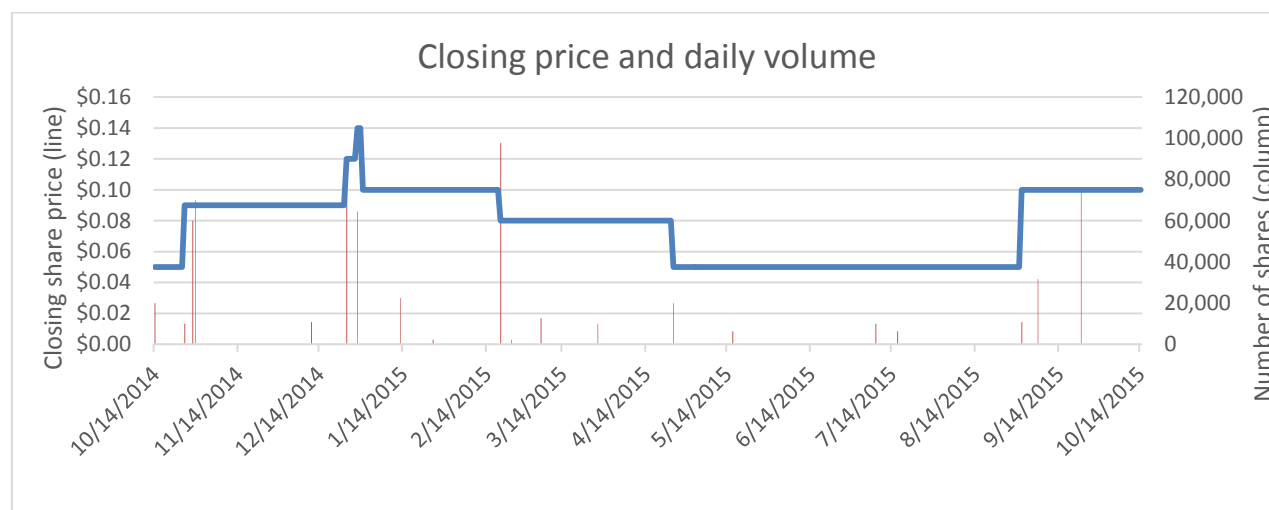
Vertua has the following outstanding options:

Option holder		Number	Exercise price
Joe Public Holdings Ltd	1	350,000	\$0.12
Manning Group Pty Limited	2	9,700,000	\$0.1485

1. As discussed in section 1, these options will be cancelled as part of the proposed transaction.
2. The maximum amount that can be converted is based on a maximum of 9,700,000 shares, the loan amount outstanding converted at \$0.1485 or the amount of shares being issued not exceeding 49.9%. At September 2015, \$1,110,890 was outstanding, which equates to 7,480,740 shares.

5.6 Share Price and Volume Trading Analysis

The following chart provides a summary of the trading volumes and prices for Vertua shares from 14 October 2014 to 14 October 2015, the last full day of trading prior to the announcement of the Proposed Transaction:



Source: S&P Capital IQ

The chart above indicates that the closing share price of Vertua has traded within a range of \$0.05 and \$0.14 over the 12 months to 14 October 2015 (the last full day of trading before the announcement of the Proposed Transaction) with a closing price of \$0.10.

The volume of Vertua shares that have been traded over the period has been consistently low and prices and volumes are summarised in the table below.

Period prior to 15 October 2015	Share Price Low	Share Price High	Cumulative volume traded	Trading as a % of current issued capital
1 Day	\$0.10	\$0.10	-	0.00%
7 Days	\$0.10	\$0.10	-	0.00%
30 Days	\$0.10	\$0.10	75,000	0.76%
180 Days	\$0.05	\$0.10	159,379	1.62%
365 Days	\$0.05	\$0.14	597,861	6.06%

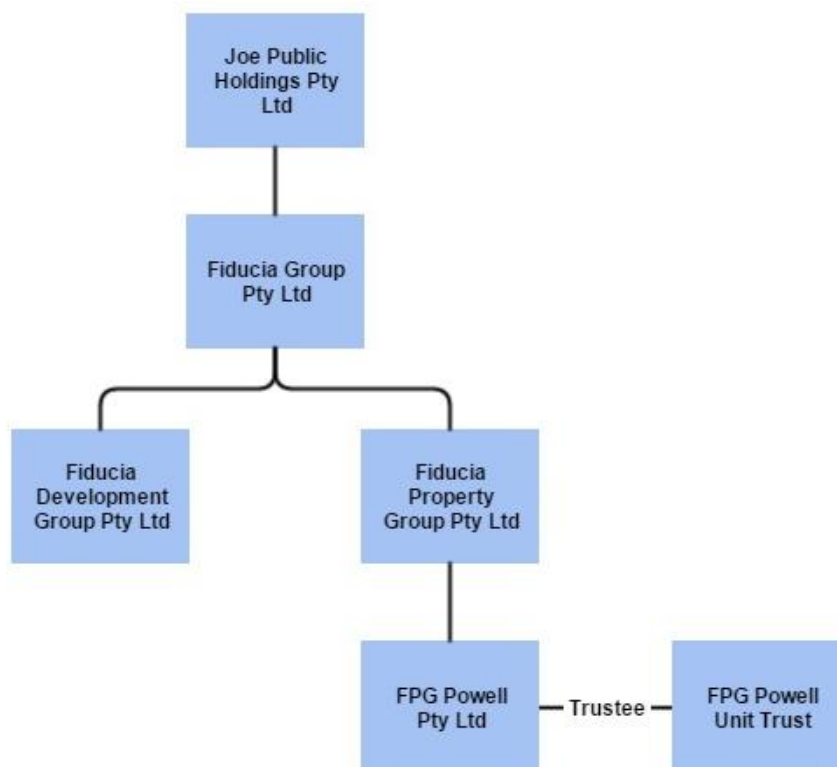
Source: S&P Capital IQ and Nexia Australia analysis

Vertua's shares have a low level of liquidity, with only 6.06% of Vertua's capital being traded in the last 12 months and 1.62% in the last 6 months.

6. OVERVIEW OF JOE PUBLIC

6.1 Corporate History

Joe Public is private company headquartered in Sydney, Australia. The company was incorporated on 23 July 2013 and is the ultimate holding company of four wholly owned subsidiaries. The legal structure of the group is shown below:



6.2 Business Activities

The principal activities of the Joe Public Group consist of the acquisition, through special purpose entities of residential property sites for their redevelopment and future sale. The Joe Public Group generates revenue from properties with a direct investment through a project management fee and profit share from the developments. Joe Public Group also receives revenue from project management fees on third party projects.

The Joe Public Group is currently involved in seven projects across Sydney, NSW. The Group has provided funding for four of these projects and will receive an interest ranging from 10-20% of the funds generated on completion of the project. The Joe Public Group expects to complete these projects over the next three financial years, with the expected completion of the final project scheduled for July 2017.

Details of the seven development sites are as follows:

Development location	Detail	Expected completion
Project A	28 Apartments + 1 Commercial	March 2017
Project B	18 Apartments + Billboard	March 2017
Project C	16 Apartments	December 2015
Project D	33 Apartments	July 2017
Project E	27 Apartments + 3 Retail	December 2016
Project F	20 Apartments + 1 Commercial	November 2016
Project G	4 Terraces	February 2016

The Group is also currently involved in project managing five projects across Sydney, NSW where they do not have a direct investment into the development project. The details of these projects are as follows:

Development location	Detail
Project H	60 Apartment building upgrade
Project I	Duplex upgrade
Project J	Balcony addition and 2 apartment upgrades including DA approval
Project K	Office fit out
Project L	Apartment upgrade

6.3 Directors and Key Management

Joe Public has two directors, James Manning and Benjamin Doyle.

6.4 Financial Information

Joe Public's has not been audited since incorporation. Although incorporated in July 2013 the Group did not commence trading until June 2014 and therefore did not produce any financial statements for the year ended 31 March 2014.

6.4.1 Financial Performance

Set out below are the unaudited consolidated profit and loss accounts of Joe Public for the year ended 31 March 2015 and the six months ended 30 September 2015:

\$		Mar -15 Unaudited	Sep-15 Unaudited
Sales	1	87,032	939,977
Disbursement recovery	2	52,865	214,838
Cost of sales	2	(48,279)	(229,164)
Gross profit		91,618	925,651
Rent income		1,200	1,795
Other revenue	3	122,947	426
Profit from disposal of assets		60	582
Operating expenses		(6,337)	(16,089)
Administrative costs	4	(335,134)	(50,245)
Employee costs		(295,442)	(267,900)
General operating costs		(33,058)	(21,275)
IT costs		(12,161)	(4,139)
Occupation costs		(26,417)	(26,555)
EBITDA		(492,724)	542,252
Interest income	5	310,230	7,574
Depreciation		(9,468)	(7,899)
Profit before tax		(191,962)	541,927
Income tax		57,589	(162,578)
Profit / (loss) after income tax		(134,373)	379,349

Source: Joe Public's 31 March 2015 and 30 September 2015 unaudited financial statements

1. The increased sales in the 30 September 2015 period is the result of the completion of projects at Drummoyne, NSW and Lane Cove, NSW. In addition to these projects the Group received revenue from project management fees and has accrued \$389,000 for profit shares they are presently entitled to but have not billed. Since reporting date \$190,000 of this amount and been settled.
2. The increased disbursement recovery in the 30 September 2015 period is the result of the increase in the number of active projects during the period. This income is however offset by the costs of sales as it is a reimbursement of expenses.

3. In the financial year ended 31 March 2015 Joe Public disposed of its shares in Vertua in order to settle an outstanding loan with Joe Public Limited, a former shareholder that is now outside the Joe Public Group. As a result of this transaction Joe Public recognised a gain of \$33,000 from the sale of the shares.

During the financial year ended 31 March 2015 Joe Public recognised \$90,000 for the profit share of the Lane Cove project. The treatment of this is inconsistent with the September 2015 period as revenue from projects are recognised as sales.

4. Administration costs were higher in the financial year ended 31 March 2015 as Joe Public paid Joe Public Limited a management fee of \$116,000 for costs recoveries between group members. In addition to this there was a \$165,000 foreign exchange loss recorded for the loan to Joe Public Limited.
5. Interest income decreased in the period ended 30 September 2015 as there has been no accrual for the period.

6.4.2 Financial Position

Set out below is the unaudited consolidated balance sheet of Joe Public as at 31 March 2015 and 30 September 2015.

\$		Mar -15 Unaudited	Sep-15 Unaudited
Current assets			
Cash and cash equivalents		1,946,208	650,375
Trade and other receivables	1	126,503	525,852
Related party loans receivable	2	1,333,119	1,536,067
Deferred tax asset	3	57,589	57,589
		<u>3,463,419</u>	<u>2,769,884</u>
Non-current assets			
Property, Plant and equipment		60,346	100,619
Intangibles	4	1,512,192	1,504,090
Unit trust investments	5	8,000	1,130,635
		<u>1,580,538</u>	<u>2,735,344</u>
Total assets		<u>5,043,957</u>	<u>5,505,228</u>
Current liabilities			
Trade and other payables		(31,268)	(41,123)
Related party payables		(53,446)	(1,495)
Tax liabilities	6	(62,215)	(191,487)
Other		(17,163)	(11,908)
		<u>(164,092)</u>	<u>(246,013)</u>
Total liabilities		<u>(164,092)</u>	<u>(83,435)</u>
Net assets		<u>4,879,865</u>	<u>5,259,215</u>
Equity			
Issued capital		5,014,240	5,014,240
Retained earnings / (Accumulated losses)		(134,375)	349,963
Total equity		<u>4,879,865</u>	<u>5,259,215</u>

Source: Joe Public's 31 March 2015 and 30 September 2015 unaudited financial statements

1. The balance at 30 September 2015 consists primarily (\$389,000) of profit shares on projects that the Joe Public Group is presently entitled to but remains unbilled. Subsequent to 30 September 2015, \$190,000 has been received. The balance also includes outstanding project expenses that are to be reimbursed (\$60,000) and outstanding project management fees (\$74,000).
2. The related party loans are receivable from Vertua (\$194,000) and Joe's List Limited (\$1.3 million). Joe's List Limited is related to Joe Public as they have common shareholders. The loan receivable is for a property that Joe's List has on the market and once this is settled the loan will be repaid.
3. The deferred tax asset was recognised as a result of the loss incurred in the financial year ended 31 March 2015. The Joe Public Group currently has no tax losses available. The losses recorded at 31 March 2015 will be offset against the profits produced to 30 September 2015.
4. Intangibles relate to goodwill and other identified intangibles recognised on the acquisition of the Fiducia business on 1 July 2014.
5. The investments in unit trust are for the investments into the development sites of Joe Public.
6. The increased tax liabilities are the result of a provision for tax of \$163,000 being recognised for the 30 September 2015 period. This provision has not been offset against the deferred tax asset in the management accounts.

6.5 Capital Structure and Ownership

Joe Public's issued capital as at 8 October 2015 comprised 5,014,240 fully paid ordinary shares. The details of these shareholders are set out below:

Shareholder	Shareholding	% Total
Holicarl Pty Ltd	1,939,064	38.7%
Manning Custodian Pty Ltd	1,859,494	37.1%
Lily Bordeaux Pty Ltd	756,235	15.1%
Wealth Holdings Trustees Ltd	318,424	6.4%
Woodville Super Pty Ltd	105,767	2.1%
ACN 147 049 938 Pty Ltd	35,256	0.7%
Total shareholders	5,014,240	100%

Source: Share registry at 8 October 2015

The table below summarises shareholders by size of shareholding at 8 October 2015:

Range	No. of holders	Shares	% of Total
1 – 1,000	0	0	0%
1,001 – 5,000	0	0	0%
5,001 – 10,000	0	0	0%
10,001 – 100,000	1	35,256	0.7%
100,001 and over	5	4,978,984	93.3%
Total	6	5,014,240	100%

Source: Share registry at 8 October 2015

7. VALUATION METHODOLOGIES

7.1 Definition of market value

In forming our opinion as to whether or not the Proposed Transaction is fair and reasonable to the Vertua shareholders, we have assessed the value of Vertua and consideration per share under the convertible notes on a fair value basis. RG 111 defines fair value as the amount:

“assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length...”

7.2 Selection of methodology

RG 111 provides guidance on the valuation methods that an independent expert should consider. These methods include:

- the discounted cash flow method and the estimated realisable value of any surplus assets;
- the application of earnings multiples (appropriate to the business or industry in which the entity operates) to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets;
- the amount that would be available for distribution to security holders on an orderly realisation of assets;
- the quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale;
- any recent genuine offers received by the target for the entire business, or any business units or assets as a basis for valuation of those business units or assets; and
- the amount that an alternative bidder might be willing to offer if all the securities in the target were available for purchase.

Each methodology is appropriate in certain circumstances. The decision as to which methodology to apply generally depends on the nature of the asset being valued, the methodology most commonly applied in valuing such an asset and the availability of appropriate information.

Appendix D summarises different valuation methodologies available.

7.2.1 Vertua valuation methodology

In determining the valuation methodology to apply we have considered the following:

- Vertua has two components to its operations: property development and investment and print brokerage;
- The consolidated group has limited trading history;
- Vertua has a minority interest in one project;
- HPM has historical profitable trading prior to its acquisition; and
- Vertua's shares are illiquid with limited trading over the last 6 months.

Therefore we have valued Vertua using a realisation of net assets methodology. In determining the fair value of HPM in Vertua's valuation we have applied a capitalisation of earnings approach and have also considered the recent transaction to acquire HPM.

7.2.2 Joe Public and convertible notes valuation methodology

In determining the valuation methodology to apply we have considered the following:

- The consideration received if the notes are converted reflects the fair value of Joe Public;
- The noteholders have a period of five years in which they can convert one note for one share, a call option;
- The convertible notes also give Vertua the right to require the conversion after three years, a put option;
- Joe Public has only recently commenced trading; and
- Joe Public has a pipeline of projects, the majority of which are expected to be completed over the next two financial years.

In determining the fair value of the consideration we note that Vertua receives 100% of Joe Public and a put option and provides the Joe Public shareholders with a call option.

Therefore to determine the fair value of the consideration we have valued Joe Public based on a capitalisation of forecast earnings. This is considered appropriate as Joe Public has limited trading history and has built a pipeline of projects, which will be reflected in future profitability.

Our valuation methodology requires the use of prospective financial information. We have therefore considered the requirements of Regulatory Guide 170: Prospective financial information ("RG 170"). RG170 requires that to use prospective financial information there must be reasonable grounds for the inclusion of the information.

To demonstrate reasonable grounds there must be some facts or circumstances that exist at the time of publication, are relied upon, are objectively reasonable and support the information. Examples of what may constitute reasonable grounds are information that:

- relates to forward-sales contracts or leases;
- is underpinned by independent industry experts' reports; and
- includes short-term estimates.

However, what constitutes reasonable grounds must be judged according to the facts and circumstances of each case.

Each of the options has been valued using the Black-Scholes option pricing model.

8. FAIR VALUE OF VERTUA BEFORE THE PROPOSED TRANSACTION

8.1 Valuation summary

The diluted value of a share in Vertua on control basis before the Proposed Transaction has been determined to be as follows:

	Note	Low	Preferred	High
Enterprise value of HPM on a control basis (see section 8.2 below)	1	731,255	914,234	1,097,213
Add:				
- Investment in FPG Unit Trust	2	500,000	500,000	500,000
- Other net assets of Vertua	3	26,103	26,103	26,103
- Cash and cash equivalents	4	266,236	266,236	266,236
Less:				
- Loan from Joe Public	5	(193,935)	(193,935)	(193,935)
Equity value of Vertua before exercise of options		1,329,659	1,512,638	1,695,617
Exercise of option	6	1,110,890	1,110,890	1,110,890
Equity value of Vertua after exercise of option		2,440,549	2,623,528	2,806,507
No. of shares on issue		9,873,275	9,873,275	9,873,275
No. of share issued on exercise of option	6	7,480,742	7,480,742	7,480,742
Fully diluted number of shares		17,354,017	17,354,017	17,354,017
Fair value per share on a control basis		\$0.14	\$0.15	\$0.16

Source: Nexia Australia analysis

1. Vertua completed the acquisition for initial consideration of \$1.1 million less \$575,000 of debt. The initial consideration is comparable to the high end of the enterprise value determined at section 8.2.
2. Vertua has a \$500,000 investment in the FPG Unit Trust (see section 5.4.2). This investment is for a residential property development in Homebush, NSW. As the investment was made in June 2015 and represents a minority interest we have included the investment at its carrying value.
3. This represents the net assets of Vertua as set out in section 5.4.2 above excluding the investment in FPG, cash and the loan from Joe Public Holdings.
4. This represents Vertua's consolidated cash position as at 30 September 2015.
5. The loan outstanding to Joe Public Holdings as at 30 September 2015.
6. As set out in section 6.5, 350,000 options will be cancelled as part of the Proposed Transaction and at 30 September 2015, the remaining options would be convertible to the maximum of the loan outstanding to Manning Group Trust of \$1,110,890.
7. The realisation of assets methodology reflects a control basis. In determining the value of HPM on a capitalisation of earnings basis we have considered a control premium in our analysis.

8.2 Enterprise value of HPM

HPM represents the trading business of Vertua. To determine the value of this business we have determined that the capitalisation of an earnings multiple to HPM's underlying earnings to be the most appropriate methodology.

8.2.1 Summary enterprise value of HPM

The value of HPM has been determined as follows:

	Ref	Low	Preferred	High
Normalised earnings	8.2.2	333,888	333,888	333,888
Capitalisation multiple	8.2.3	2.2x	2.7x	3.3x
Enterprise value		731,255	914,234	1,097,213

Source: Nexia Australia analysis

An explanation of each component of the valuation set out in the table above is provided in the sections that follow.

8.2.2 Normalised earnings

We have determined that EBITDA is the appropriate earnings base for this valuation as it represents the underlying cash flows of the business operations. We have summarised HPM's trading results for the 12 months ended 30 September 2014 and 2015 below:

\$	Sep-14	Sep-15
Revenue	6,746,466	9,496,863
Cost of sales	(6,233,941)	(8,458,689)
Gross profit	512,524	1,038,174
Employee costs	(438,731)	(446,045)
Management fees	30,727	(160,000)
Other overheads	(157,291)	(247,872)
EBITDA	(52,771)	184,256

Source: Unaudited management accounts for the periods ended 30 September 2014 and 2015

In respect of the trading results above we identified the following one-off items that affected the reported EBITDA. The reported EBITDA has been adjusted below to determine HPM's normalised EBITDA:

\$	Note	Sep-14	Sep-15
Reported EBITDA (as above)		(52,771)	184,256
Adjustments:			
Written off sales to Yellow Media Brands	1	509,019	-
Management fees received from Yellow Media Brands	2	(72,727)	-
Management fees paid to Vertua Ltd	3	-	100,000
Normalised EBITDA		383,520	284,256

Source: Unaudited management accounts for the periods ended 30 September 2014 and 2015 and Nexia Australia analysis

1. The write off of sales between Yellow Media Brands and HPM was agreed between the entities as part of the sale of Yellow Media Brands.
2. Management fees are no longer paid to HPM from Yellow Media Brands as it is no longer a member of the same group.
3. A management fee was paid to Vertua. This is eliminated on consolidation of the Group.

8.2.3 Capitalisation multiple

The capitalisation multiple has been determined with reference to identified listed companies and transactions that relate to the commercial printing industry in Australia. The mean and median EBITDA multiples are summarised below and the details are set out in appendix E:

EBITDA multiple	Comparable companies	Comparable transactions
Mean	7.7x	4.6x
Median	8.9x	4.6x

Source: S&P Capital IQ as at 4 November 2015

It is difficult to identify a direct comparable company to HPM due to the nature of HPM's business and availability of public information. However, the above companies identified share similar industry characteristics and therefore have been used as a basis for determining the capitalisation multiple.

To determine the capitalisation multiple to apply to HPM we have applied discounts to the average implied multiple to reflect differences in the size and lack of negotiability relative to the identified companies and transactions. In addition to this we have applied a premium for control to reflect the underlying valuation of Vertua being on a control basis.

Based on the above we have determined that the appropriate capitalisation multiple is in the range of 2.2x to 3.3x with the preferred multiple to be 2.7x.

9. FAIR VALUE OF VERTUA AFTER THE PROPOSED TRANSACTION

The diluted fair value of a minority interest in Vertua after the Proposed Transaction has been determined to be as follows:

	Ref	Low	Preferred	High
Equity value of Vertua on a control basis	8.1	2,440,549	2,623,528	2,806,507
Minority discount	Note 1	25%	25%	25%
		1,952,439	2,098,822	2,245,205
Equity value of Joe Public	0	6,718,478	7,191,534	7,664,589
Less:				
- Value of Call option	9.2	(1,493,410)	(1,493,410)	(1,493,410)
Add:				
- Value of Put option	9.2	2,353,266	2,353,266	2,353,266
Fair value of Vertua		9,530,773	10,150,212	10,769,651
Vertua shares before Proposed Transaction	8.1	17,354,017	17,354,017	17,354,017
Number of shares to be issued under convertible notes		40,000,000	40,000,000	40,000,000
		57,354,017	57,354,017	57,354,017
Fair value of a minority interest after the Proposed Transaction		\$0.17	\$0.18	\$0.19

Source: Nexia Australia analysis

1. The adjustment eliminates the control premium included in the fair value as set out in section 8.1

Each of the components of the valuation is discussed below.

9.1 Valuation of Joe Public

The value of the Joe Public on a minority basis has been determined as follows:

	Note	Low	Preferred	High
Forecast EBITDA (see section 9.1.1 below)		1,304,321	1,304,321	1,304,321
Capitalisation multiple (see section 9.1.2 below)		3.5x	3.8x	4.2x
Enterprise value		4,532,036	5,005,091	5,478,147
Add:				
- Cash and cash equivalents	1	650,375	650,375	650,375
- Loan to Joe's List Ltd	2	1,342,132	1,342,132	1,342,132
- Loan to Vertua	3	193,935	193,935	193,935
Equity Value		6,718,478	7,191,534	7,664,589

Source: Nexia Australia analysis

1. This represents Joe Public's cash position as at 30 September 2015.
2. The related party loan to Joe's List is for a property in New Zealand that is currently on the market. Once this property is sold the funds will be transferred to Joe Public.
3. The current loan position receivable from Vertua as at 30 September 2015. On completion of the Proposed Transaction this amount will become an inter-company loan providing a benefit to Vertua shareholders.

9.1.1 Forecast EBITDA

Joe Public currently has seven projects in progress expected to be completed over the following three financial years. The company prepares feasibility studies for each project and prepares forecasts to the completion of each project. The below table summarises the historical results for the 9 month period ended 31 March 2015, the forecast results for the 12 months ending 31 March 2016 and 31 March 2017.

	Mar-15	Mar-16	Mar-17
Sales	87,032	1,907,158	2,078,989
Overheads	(579,756)	(733,586)	(643,920)
EBITDA	(492,724)	1,173,573	1,435,069

Source: Management accounts for the periods ended 31 March 2015 and 30 September 2015 and forecast results to the years ended 31 March 2015 and 31 March 2016

The forecast EBITDA reflects the following specific assumptions:

1. Joe Public will continue to identify development opportunities and be successful in acquiring new projects.
2. Includes actual results to 30 September 2015.
3. Sales reflect the profit share distributions from the underlying projects and project management fees.
4. Sales are assumed for each project based on advice from property agents. The assumptions reflect a comparison to the market based on the nature of properties developed, size of each development and market rates.
5. Project management fees are based on existing contractual arrangements.
6. Construction costs are prepared on a project basis and supported by detailed calculations prepared by quantity surveyors. A contingency of 10% is included in the construction cost analysis.
7. Overheads are based on historical monthly expenditure.

The Forecast EBITDA used in the valuation calculation is the average of the years ending 31 March 2016 and 31 March 2017.

9.1.2 Capitalisation multiple

The capitalisation multiple has been determined with reference to identified listed companies and transactions that relate to the property development industry in Australia. The mean and median EBITDA multiples are summarised below and the details are set out in appendix F:

EBITDA multiple	Comparable companies	Comparable transactions
Mean	12.3x	11.9x
Median	8.1x	9.2x

Source: S&P Capital IQ as at 4 November 2015

It is difficult to identify a direct comparable company to Joe Public. However, the above companies identified share similar industry characteristics and therefore have been used as a basis for determining the capitalisation multiple.

We have applied discounts to the average implied multiple based on the size of Joe Public, their lack of negotiability if they were to sell the business as they are an unlisted company, the reliance they have on key people to run the business and the use of historical earnings multiples to forecast figures. In addition to this we have eliminated the implicit for premium for control in the comparable transaction to determine a minority interest in Joe Public.

Based on the above we have determined that the appropriate capitalisation multiple is in the range of 3.5x to 4.2x with the preferred multiple to be 3.8x.

9.2 Convertible note option value

Convertible noteholders have the option to either convert their notes to shares within five years (call option) or redeem the Principal Value after a five year period. Vertua has the option to convert all convertible notes to shares after three years (put option). We have calculated the value of these options using the Black-Scholes option pricing model and the following assumptions. The value per option and the total fair value of the options are summarised below:

		Call	Put
Risk free rate	1	1.91%	1.91%
Time to expiry	2	5 years	3 years
Volatility	3	35%	35%
Exercise price	4	\$0.19	\$0.19
Valuation per option		\$0.0373	\$0.0588
Value of 40,000,000 options		\$1,493,410	\$2,353,266

Source: S&P Capital IQ and Nexia Australia analysis

1. Based on the average of the Australian 3 year government bond rate at 4 November 2015 (S&P Capital IQ).
2. The Joe Public shareholders have the right to convert each note to an ordinary share for five years from issue (call option). Vertua has the right to require the conversion on the third anniversary of the issue date (put option).
3. The volatility is based on the average of the two year and five year volatility of the listed comparable companies (S&P Capital IQ)
4. The exercise price is based on the preferred equity value of Joe Public per note (see section 0 above)

10. ASSESSMENT OF FAIRNESS

In considering whether or not the transaction is fair to Vertua's non-associated shareholders, we have considered the fair value in Vertua on a control basis prior to the Proposed Transaction on a fully diluted basis to the fair value of a minority interest in Vertua after the Proposed Transaction on a fully diluted basis.

The comparative positions are summarised below:

	Low	Preferred	High
Fair value of a share in Vertua on a control basis before the Proposed Transaction (see section 8 above)	\$0.14	\$0.15	\$0.16
Fair value a share in Vertua on a minority basis after the Proposed Transaction (see section 9 above)	\$0.17	\$0.18	\$0.19

The consideration is higher than the value of a share in Vertua on a control basis. Therefore, **we have concluded that the Proposed Transaction is fair.**

11. ASSESSMENT OF REASONABLENESS

11.1 Approach to assessing Reasonableness

In forming our conclusions in this Report, we have compared the advantages and disadvantages to shareholders if the Proposed Transaction proceeds.

11.2 Advantages of the transaction

We outline below potential advantages of the Proposed Transaction:

Advantage	Explanation
Increased cash flow from Joe Public's cash reserves and forecast earnings to utilise in future developments	Joe Public has existing cash reserves and outstanding loans receivable that once received can be utilise for future development purposes. Vertua does not have a large cash reserve or expect significant profit shares from project to be received in the near future. This limits their ability to undertake future development projects and realise profits.
Joe Public has a strong pipeline expected to produce profits	Joe public has eight projects in the pipeline which they expect to produce profits over the following three financial years. Throughout these years as Joe Public completes projects it anticipates it will add future projects which will allow for ongoing profits.
Potential to increase liquidity in Vertua's share through increased activity	Vertua shares are illiquid. Increased activity and growth may lead to an increase in trading in Vertua's shares.
Vertua's loan from Joe Public will be acquired as part of the transaction reducing Vertua's indebtedness on a consolidated basis	Vertua owed Joe Public \$193,000 at 30 September 2015. If the Proposed Transaction occurs, Vertua's will own a 100% interest the receivable reducing the net indebtedness of the consolidated position of an investment in Vertua.
The convertible notes provide Vertua with the right to require the conversion of the notes to shares providing some cash flow protection on meeting debt obligations in the future	Under the terms of the convertible notes, Vertua has the right to require the notes to be converted on the third anniversary of their issue. This provides Vertua an element of control over its future cash flow requirements to meet outstanding debt.

11.3 Disadvantages of the transaction

We outline following the potential disadvantages of the Proposed Transaction:

Disadvantage	Explanation
Potential loss of carried forward tax losses	In order to utilise losses a company must pass the continuity of ownership test or the same business test. As a result of the Proposed Transaction the consolidated group may not be able to utilise the tax losses available to Vertua.
Joe Public shareholders will increase their combined interest in Vertua from 46.1% to 91.1% on a fully diluted basis.	If outstanding options and notes are exercised or converted then Joe Public's shareholders will have an aggregate interest of 91.1% in Vertua and the Manning Family will increase their interest to 49.2%. This will provide these shareholders significant control over Vertua.
If the notes are not converted, the Company will have a significant liability on its balance sheet which may impact on its ability to source third party debt.	The Company has the right to convert the notes on the third anniversary of the convertible notes. If this is not exercised then the option to convert resides with the noteholders. To the extent this does not occur a significant liability will exist on the Company's balance sheet until the fifth anniversary of the notes.

11.4 Alternatives to the transaction

The Directors have advised us that there are currently no alternatives to the Proposed Transaction.

11.5 Implications of the transaction not proceeding

If the Proposed Transaction is not approved, Vertua will continue its ongoing operations and seek other investment opportunities.

11.6 Conclusion as to Reasonableness

In accordance with RG 111, a transaction is reasonable if:

- the transaction is fair; or
- despite not being fair, but considering other significant factors, shareholders should obtain an overall benefit if the transaction proceeds.

As the Proposed Transaction is fair and, taking into account other significant factors, **we have concluded that the Proposed Transaction is reasonable.**

12. OPINION

Accordingly, in our opinion, the Proposed Transaction is fair and reasonable to the Vertua shareholders.

The ultimate decision on whether to approve the Proposed Transaction should be based on shareholders' own assessment of their circumstances. We strongly recommend that shareholders consult their own professional advisers, carefully read all relevant documentation provided, including the Notice of Extraordinary General Meeting, and consider their own specific circumstances before voting in favour of or against the Proposed Transaction.

APPENDIX A – GLOSSARY

Term	Definition
Notice of Extraordinary General Meeting	Document to be sent to shareholders on or about 21 December 2015
ASIC	Australia Securities and Investment Commission
Company or Vertua	Vertua Limited (ACN 108 076 295)
Corporations Act	Corporations Act 2001 (Cth)
Doyle Family Associates	Ben Doyle, Marie Doyle and Lily Bordeaux Pty Ltd (ACN 126 275 250)
EBITDA	Earnings before interest, tax, depreciation and amortisation
Fiducia Group	Fiducia Group Pty Ltd (ACN 600 324 383) and its subsidiaries Fiducia Development Group Pty Ltd (ACN 152 129 121), Fiducia Property Group Pty Ltd (ACN 600 580 729) and FPG Powell Pty Ltd (ACN 605 704 176)
FSG	Financial Services Guide
Group	Company and its subsidiaries HPM and VIL
Holicarl	Holicarl Pty Ltd (ACN 081 781 802)
HPM	Horizon Print Management Pty Ltd (ACN 158 922 242)
Joe Public or Joe Public Group	Joe Public Holdings Pty Ltd (ACN 164 946 712) and its subsidiaries Fiducia Group
Manning Family Associates	James Manning, Georgina Manning, Kathleen Manning, Louise Manning, A.C.N. 147 049 938 Pty Ltd, Manning Custodian Pty Ltd (ACN 168 388 163) and Woodville Superannuation Pty Limited (ACN 149 955 180)
NCFS	Nexia Court Financial Solutions Pty Ltd (AFSL 247300)
NSX	National Stock Exchange
Principal Value	The face value of each convertible note being \$0.15 per note
Proposed Transaction	The issue of 40,000,000 convertible notice for 1005 of the shares in Joe Public
Report	Independent Expert's Report
RG 111	ASIC Regulatory Guide 111: Content of expert Reports
RG 74	ASIC Regulatory Guide 74: Acquisitions approved by members
RG 76	ASIC Regulatory Guide 76: Related party transactions
VIL	Vertua Investments Limited (ACN 101 816 353)
VWAP	Volume Weighted Average Price of shares

APPENDIX B - SOURCES OF INFORMATION

- APES 225 – Valuation Services
- Australian Securities and Investment Commission's (ASIC) database
- Audited financial statements of Vertua Limited for the financial years ended 30 June 2013 and 30 June 2014 and the nine months ended 31 March 2015
- Convertible Notes Subscription Agreement
- Draft Notice of Extraordinary General Meeting prepared by Vertua Limited
- Regulatory Guide 74: Acquisitions approved by members
- Regulatory Guide 76: Related party transactions
- Regulatory Guide 111: Content of Expert's Reports
- Regulatory Guide 112: Independence of Expert's Reports
- S&P Capital IQ
- Share Sale Agreement between Vertua Investments Ltd, Joe Public Holdings Pty Ltd and Vertua Limited
- Unaudited financial statements of Vertua Limited for the period ended 30 September 2015
- Unaudited financial statements of Joe Public Holdings Pty Ltd for the years ended 31 March 2014, 31 March 2015 and the period ended 30 September 2015
- Forecast trading results for Joe Public for the years ending 31 March 2016 and 31 March 2017.

APPENDIX C - STATEMENT OF DECLARATION & QUALIFICATIONS

Confirmation of Independence

Prior to accepting this engagement Nexia Court Financial Solutions Pty Ltd ("NCFS") determined its independence with respect to Vertua and Joe Public with reference to ASIC Regulatory Guide 112: Independence of expert's Reports ("RG 112"). NCFS considers that it meets the requirements of RG 112 and that it is independent of Vertua and Joe Public.

Also, in accordance with s648(2) of the Corporations Act we confirm we are not aware of any business relationship or financial interest of a material nature with Vertua or Joe Public, its related parties or associates that would compromise our impartiality.

Mr Brent Goldman, authorised representative of NCFS, has prepared this Report. Neither he nor any related entities of NCFS have any interest in the promotion of the Proposed Transaction nor will NCFS receive any benefits, other than normal professional fees, directly or indirectly, for or in connection with the preparation of this Report. Our fee is not contingent upon the success or failure of the Proposed Transaction, and has been calculated with reference to time spent on the engagement at normal professional fee rates for work of this type. Accordingly, NCFS does not have any pecuniary interests that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion under this engagement.

NCFS provided a draft copy of this Report to the Directors and management of Vertua for their comment as to factual accuracy, as opposed to opinions, which are the responsibility of NCFS alone. Changes made to this Report, as a result of the review by the Directors and management of Vertua, have not changed the methodology or conclusions reached by NCFS.

Reliance on Information

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. In the preparation of this Report NCFS has relied upon information provided on the basis it was reliable and accurate. NCFS has no reason to believe that any information supplied to it was false or that any material information (that a reasonable person would expect to be disclosed) has been withheld from it. NCFS evaluated the information provided to it by Vertua and Joe Public as well as other parties, through enquiry, analysis and review, and nothing has come to its attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base its Report. Accordingly, we have taken no further steps to verify the accuracy, completeness or fairness of the data provided.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards. NCFS does not imply and it should not be construed that it has audited or in any way verified any of the information provided to it, or that its enquiries could have verified any matter which a more extensive examination might disclose.

The sources of information that we relied upon are outlined in Appendix B of this Report.

Qualifications

NCFS carries on business at Level 16, 1 Market Street, Sydney NSW 2000. NCFS holds Australian Financial Services Licence No 247300 authorising it to provide financial product advice on securities to retail clients. NCFS's representatives are therefore qualified to provide this Report.

Brent Goldman specifically was involved in preparing and reviewing this Report. Brent Goldman is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand, a Business Valuation Specialist of the Institute of Chartered Accountants in Australia and New Zealand and a Fellow of the Financial Services Institute of Australasia. He has over 15 years of corporate finance experience in both Australia and the UK.

Consent and Disclaimers

The preparation of this Report has been undertaken at the request of the Directors of Vertua. It also has regard to relevant ASIC Regulatory Guides. It is not intended that the Report should be used for any other purpose than to accompany the Notice of Extraordinary General Meeting to be sent to Vertua shareholders. In particular, it is not intended that this Report should be used for any purpose other than as an expression of NCFS's opinion as to whether or not the Proposed Transaction is fair and reasonable to Vertua shareholders.

NCFS consent to the issue of this Report in the form and context in which it is included in the Notice of Extraordinary General Meeting to be sent to Vertua shareholders.

Shareholders should read all documents issued by Vertua that consider the Proposed Transaction in their entirety, prior to proceeding with a decision. NCFS had no involvement in the preparation of these documents, with the exception of our Report.

This Report has been prepared specifically for the shareholders of Vertua. Neither NCFS, nor any member or employee thereof undertakes responsibility to any person, other than a shareholder of Vertua, in respect of this Report, including any errors or omissions howsoever caused. This Report is "General Advice" and does not take into account any person's particular investment objectives, financial situation and particular needs. Before making an investment decision based on this advice, you should consider, with or without the assistance of a securities advisor, whether it is appropriate to your particular investment needs, objectives and financial circumstances.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards.

Our opinions are based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time. Furthermore, financial markets have been particularly volatile in recent times. Accordingly, if circumstances change significantly, subsequent to the issue of this Report, our conclusions and opinions may differ from those stated herein. There is no requirement for NCFS to update this Report for information that may become available subsequent to its date.

APPENDIX D - VALUATION METHODOLOGIES

In preparing this Report we have considered valuation methods commonly used in practice and those recommended by RG 111. These methods include:

- the discounted cash flow method;
- the capitalisation of earnings method;
- asset based methods; and
- analysis of share market trading.

Discounted Cash Flow Method

Description

Of the various methods noted above, the discounted cash flow method has the strongest theoretical standing. It is also widely used in practice by corporate acquirers and company analysts. The discounted cash flow method estimates the value of a business by discounting expected future cash flows to a present value using an appropriate discount rate. A discounted cash flow valuation requires:

- a forecast of expected future cash flows;
- an appropriate discount rate; and
- an estimate of terminal value.

It is necessary to project cash flows over a suitable period of time (generally regarded as being at least five years) to arrive at the net cash flow in each period. For a finite life project or asset this would need to be done for the life of the project. This can be a difficult exercise requiring a significant number of assumptions such as revenue growth, future margins, capital expenditure requirements, working capital movements and taxation.

The discount rate used represents the risk of achieving the projected future cash flows and the time value of money. The projected future cash flows are then valued in current day terms using the discount rate selected.

A terminal value reflects the value of cash flows that will arise beyond the explicit forecast period. This is commonly estimated using either a constant growth assumption or a multiple of earnings (as described under capitalisation of future maintainable earnings below). This terminal value is then discounted to current day terms and added to the net present value of the forecast cash flows.

The discounted cash flow method is often sensitive to a number of key assumptions such as revenue growth, future margins, capital investment, terminal growth and the discount rate. All of these assumptions can be highly subjective sometimes leading to a valuation conclusion presented as a range that is too wide to be useful.

Use of the Discounted Cash Flow Method

A discounted cash flow approach is usually preferred when valuing:

- early stage companies or projects;
- limited life assets such as a mine or toll concession;
- companies where significant growth is expected in future cash flows; or
- projects with volatile earnings.

It may also be preferred if other methods are not suitable, for example if there is a lack of reliable evidence to support a capitalisation of earnings approach. However, it may not be appropriate if reliable forecasts of cash flow are not available and cannot be determined.

Capitalisation of Earnings Method

Description

The capitalisation of earnings method is a commonly used valuation methodology that involves determining a future maintainable earnings figure for a business and multiplying that figure by an appropriate capitalisation multiple. This methodology is generally considered a short form of a discounted cash flow, where a single representative earnings figure is capitalised, rather than a stream of individual cash flows being discounted. The capitalisation of earnings methodology involves the determination of:

- a level of future maintainable earnings; and
- an appropriate capitalisation rate or multiple.

A multiple can be applied to any of the following measures of earnings:

Revenue – most commonly used for companies that do not make a positive EBITDA or as a cross-check of a valuation conclusion derived using another method.

EBITDA - most appropriate where depreciation distorts earnings, for example in a company that has a significant level of depreciating assets but little ongoing capital expenditure requirement.

EBIT - in most cases EBIT will be more reliable than EBITDA as it takes account of the capital intensity of the business.

NPAT - relevant in valuing businesses where interest is a major part of the overall earnings of the group (e.g. financial services businesses such as banks).

Multiples of EBITDA, EBITA and EBIT value the whole businesses, or its enterprise value irrespective of the gearing structure. NPAT (or P/E) values the equity of a business

The multiple selected to apply to maintainable earnings reflects expectations about future growth, risk and the time value of money all wrapped up in a single number. Multiples can be derived from three main sources.

Using the guideline public company method, market multiples are derived from the trading prices of stocks of companies that are engaged in the same or similar lines of business and that are actively traded on a free and open market, such as the ASX or the NSX. The merger and acquisition method is a method whereby multiples are derived from transactions of significant interests in companies engaged in the same or similar lines of business. In Australia this has been called the comparable transaction methodology.

Use of the Capitalisation of Earnings Method

The capitalisation of earnings method is widely used in practice. It is particularly appropriate for valuing companies with a relatively stable historical earnings pattern which is expected to continue. This method is less appropriate for valuing companies or assets if:

- there are no suitable listed company or transaction benchmarks for comparison;
- the asset has a limited life;
- future earnings or cash flows are expected to be volatile; or
- there are negative earnings or the earnings of a business are insufficient to justify a value exceeding the value of the underlying net assets.

Asset Based Methods

Description

Asset based valuation methods estimate the value of a company based on the realisable value of its net assets, less its liabilities. There are a number of asset based methods including:

- orderly realisation;
- liquidation value;
- net assets on a going concern basis;
- replacement cost; and
- reproduction cost.

The orderly realisation of assets method estimates Fair Market Value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame.

Since wind up or liquidation of the company may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimate the market values of the net assets of a company but do not take account of realisation costs.

The asset / cost approach is generally used when the value of the business's assets exceeds the present value of the cash flows expected to be derived from the ongoing business operations, or the nature of the business is to hold or invest in assets. It is important to note that the asset approach may still be the relevant approach even if an asset is making a profit. If an asset is making less than an economic rate of return and there is no realistic prospect of it making an economic return in the foreseeable future, an asset approach would be the most appropriate method.

Use of Asset Based Methods

An asset-based approach is a suitable valuation method when:

- an enterprise is loss making and is not expected to become profitable in the foreseeable future;
- assets are employed profitably but earn less than the cost of capital;
- a significant portion of the company's assets are composed of liquid assets or other investments (such as marketable securities and real estate investments); or
- it is relatively easy to enter the industry (for example, small machine shops and retail establishments).

Asset based methods are not appropriate if:

- the ownership interest being valued is not a controlling interest, has no ability to cause the sale of the company's assets and the major holders are not planning to sell the company's assets; or
- a business has (or is expected to have) an adequate return on capital, such that the value of its future income stream exceeds the value of its assets.

Analysis of Share Trading

The most recent share trading history provides evidence of the Fair Market Value of the shares in a company where they are publicly traded in an informed and liquid market. There should also be some similarity between the size of the parcel of shares being valued and those being traded. Where a company's shares are publicly traded then an analysis of recent trading prices should be considered, at least as a cross-check to other valuation methods.

APPENDIX E – HPM COMPARABLE COMPANIES AND TRANSACTIONS

Listed company comparables as at		4 November 2015			AUD\$m						Margins		Multiples		
Name	Industry	Description	Country	Exchange	TEV	MC	Net debt	Rev	EBITDA	EBIT	EBITDA%	EBIT%	Revenue	EBITDA	EBIT
OPUS Group Limited	Commercial Printing	OPUS Group Limited operates as a business services and communication solutions company in Australia, New Zealand, and Singapore.	AU	ASX	34.7	41.5	(4.0)	115.9	3.9	(1.8)	3%	-2%	0.3x	8.9x	NM
PMP Limited	Commercial Printing	PMP Limited provides commercial printing, letterbox delivery, digital pre-media, and magazine distribution services in Australia and New Zealand.	AU	ASX	187.8	168.5	19.3	811.7	54.8	23.8	7%	3%	0.2x	3.4x	7.9x
Wellcom Group Limited	Commercial Printing	Wellcom Group Limited provides advertising and marketing content production and content management services in Australia, the United Kingdom, New Zealand, Asia, and the United States.	AU	ASX	169.5	178.3	(8.8)	116.0	15.8	13.9	14%	12%	1.5x	10.7x	12.2x
Mean					130.7	129.4	2.1	347.9	24.8	12.0	8%	4%	0.7x	7.7x	10.0x
Median					169.5	168.5	(4.0)	116.0	15.8	13.9	7%	3%	0.3x	8.9x	10.0x

Source: S&P Capital IQ

Comparable transactions				%		AUD\$m							Margins		Multiples		
Date	Buyer	Target	Description	Industry	acquired	Country	TEV	MC	Net debt	Rev	EBITDA	EBIT	EBITDA%	EBIT%	Revenue	EBITDA	EBIT
7/05/2007	Pacific Print Group Limited (nka:ENOG Limited)	Promentum Limited	Promentum Limited operates in commercial printing business.	Commercial Printing	100	AU	161.4	127.4	33.7	174.7	20.0	7.1	11%	4%	0.9x	8.0x	22.8x
13/05/2003	NA	PMP Limited	PMP Limited provides commercial printing, letterbox delivery, digital pre-media, and magazine distribution services in Australia and New Zealand.	Commercial Printing	13.9	AU	455.7	217.8	237.9	1,514.4	423.1	378.4	28%	25%	0.3x	1.1x	1.2x
Mean							308.5	172.6	135.8	844.6	221.6	192.8	20%	15%	0.6x	4.6x	12.0x
Median							308.5	172.6	135.8	844.6	221.6	192.8	20%	15%	0.6x	4.6x	12.0x

Source: S&P Capital IQ

APPENDIX F – JOE PUBLIC COMPARABLE COMPANIES AND TRANSACTIONS

Listed company comparables as at Name	Industry	4 November 2015 Description	Country	Exchange	TEV	MC	AUD\$m Net debt	Rev	EBITDA	EBIT	EBITDA%	EBIT%	Historical Multiples Revenue	EBITDA	EBIT	Forward Multiple Revenue	EBITDA	EBIT	Volatility 5 year	2 year
Lifestyle Communities Ltd	Real Estate Development	Lifestyle Communities Limited develops and manages affordable communities for homeowners in Australia.	AU	ASX	287.9	264.3	23.6	78.4	18.0	17.7	23%	23%	3.7x	16.0x	16.3x	3.8x	10.6x	10.6x	42%	28%
Axiom Properties Ltd.	Real Estate Development	Axiom Properties Limited engages in property investment and development business in Australia.	AU	ASX	45.0	22.3	22.6	4.0	(0.4)	(0.5)	-11%	-12%	11.2x	NM	NM	0.0x	0.0x	0.0x	55%	41%
Desane Group Holdings Ltd.	Real Estate Operating Companies	Desane Group Holdings Limited operates as a property investment company in Australia.	AU	ASX	47.0	25.3	21.7	2.9	1.4	1.4	48%	47%	16.0x	33.5x	33.8x	0.0x	0.0x	0.0x	33%	30%
Mustera Property Group Limited	Real Estate Operating Companies	Mustera Property Group Limited operates as a property investment and development company in Australia.	AU	ASX	29.9	22.5	7.3	1.1	(0.1)	(0.1)	-8%	-8%	26.2x	NM	NM	0.0x	0.0x	0.0x		
Sunland Group Limited	Real Estate Development	Sunland Group Limited develops and constructs residential properties in Australia.	AU	ASX	384.0	296.9	87.1	289.0	46.6	45.5	16%	16%	1.3x	8.2x	8.4x	1.1x	7.5x	7.6x	31%	28%
Devine Limited	Real Estate Development	Devine Limited, together with its subsidiaries, engages in the land development, home building, construction, and property development activities in Australia.	AU	ASX	122.0	96.0	26.0	312.8	5.5	5.1	2%	2%	0.4x	21.3x	22.7x	0.0x	0.0x	0.0x	43%	42%
Finbar Group Limited	Real Estate Development	Finbar Group Limited, together with its subsidiaries, invests in and develops properties in Australia.	AU	ASX	270.3	262.1	7.7	89.4	20.6	20.1	23%	22%	3.0x	7.9x	8.1x	0.0x	0.0x	0.0x	26%	19%
AVJennings Limited	Real Estate Development	AVJennings Limited operates as a residential development company in Australia.	AU	ASX	292.6	203.8	88.8	317.9	44.0	43.7	14%	14%	0.9x	6.4x	6.5x	0.8x	4.9x	4.9x	30%	25%
Cedar Woods Properties Ltd.	Real Estate Development	Cedar Woods Properties Limited engages in property investment and development activities in Australia.	AU	ASX	349.9	321.9	28.0	177.2	46.4	45.1	26%	25%	2.0x	7.4x	7.6x	1.6x	5.5x	5.6x	27%	22%
Payce Consolidated Ltd.	Real Estate Development	Payce Consolidated Limited, together with its subsidiaries, engages in the investment and development of properties in Australia.	AU	ASX	493.8	138.9	277.3	403.2	68.8	67.8	17%	17%	1.2x	5.4x	5.5x	0.0x	0.0x	0.0x	39%	38%
Peet Limited	Real Estate Development	Peet Limited acquires, develops, and markets residential land in Australia.	AU	ASX	723.9	490.0	228.8	354.4	62.0	59.1	18%	17%	2.0x	10.6x	11.0x	2.0x	8.0x	8.1x	37%	20%
Villa World Limited	Real Estate Development	Villa World Limited develops and sells residential land and buildings in Australia.	AU	ASX	294.0	220.7	73.3	321.6	46.6	45.7	14%	14%	0.9x	6.1x	6.2x	0.8x	5.3x	5.4x		24%
Ultima United Limited	Real Estate Development	Ultima United Limited engages in property development activities in Australia.	AU	ASX	(0.8)	1.2	(1.9)	-	(0.5)	(0.5)			0.0x	NM	NM	0.0x	0.0x	0.0x	60%	62%
Mean					256.9	182.0	68.5	180.9	27.6	26.9	15%	15%	5.3x	12.3x	12.6x	0.8x	3.2x	3.3x	38%	32%
Median					287.9	203.8	26.0	177.2	20.6	20.1	17%	16%	2.0x	8.1x	8.3x	0.0x	0.0x	0.0x	37%	28%

Source: S&P Capital IQ

Comparable transactions					% acquired		AUD\$m							Margins		Multiples		
Date	Buyer	Target	Description	Industry		Country	TEV	MC	Net debt	Rev	EBITDA	EBIT	EBITDA%	EBIT%	Revenue	EBITDA	EBIT	
21/06/2013	Peet Limited	CIC Australia Limited	CIC Australia Limited, together with its subsidiaries, is engaged in the acquisition, subdivision, development, construction, and sale of real estate properties primarily in the residential sector in Australia.	Real Estate Development	86.84	AU	123.2	75.5	47.7	19.9	6.9	6.5	35%	33%	6.2x	17.9x	19.0x	
20/07/2015	Oasis Star Limited	PBD Developments Limited	PBD Developments Limited develops and sells residential land and built-form products.	Real Estate Development	19.9	AU	135.3	97.4	37.9	14.8	(5.5)	(6.5)	-37%	-44%	9.2x	NM	NM	
9/08/2013	Mulpha Strategic Limited	PBD Developments Limited	PBD Developments Limited develops and sells residential land and built-form products.	Real Estate Development	14.9	AU	69.3	46.4	22.9	9.6	(2.5)	(2.6)	-26%	-27%	7.2x	NM	NM	
1/07/2005	Becton Property Group Limited	Becton Developments Ltd.	As of July 1, 2005, Becton Developments Ltd. was acquired by Becton Pty Ltd., in a reverse merger transaction.	Real Estate Development	100	AU	-	-	20.0	4.6	-	4.4	0%	94%	ND	ND	ND	
2/12/2013	NA	Finbar Group Limited	Finbar Group Limited, together with its subsidiaries, invests in and develops properties in Australia.	Real Estate Development	0.03	AU	395.2	315.0	77.0	157.3	46.2	46.0	29%	29%	2.5x	8.6x	8.6x	
6/11/2013	NA	Finbar Group Limited	Finbar Group Limited, together with its subsidiaries, invests in and develops properties in Australia.	Real Estate Development	0.45	AU	424.6	344.4	77.0	157.3	46.2	46.0	29%	29%	2.7x	9.2x	9.2x	
Mean							191.3	146.5	47.1	60.6	15.2	15.6	5%	19%	5.6x	11.9x	12.3x	
Median							129.2	86.5	42.8	17.3	3.4	5.4	15%	29%	6.2x	9.2x	9.2x	

Source: S&P Capital IQ