SCOTT
RESTAURANT VALUATION

Valuation Analysis of Oceanic Kitchen, LLC

SCOTT
RESTAURANT VALUATION

January 14, 2023

Mr. Robert Holmes
Shareholder
Oceanic Kitchen, LLC
526 Island Avenue
San Diego, CA 92101

Dear Mr. Holmes,

Thank you for allowing Scott Valuation LLC to submit this valuation report which constitutes an appraisal as defined by Uniform Standards of Professional Appraisal Practices (USPAP), was prepared in accordance with the highest standards of professional and ethical practice. I trust you will find that the contents of this report meet your valuation needs and look forward to serving you in the future.

Sincerely,

Iver E. Scott, ASA, MSF
President
for Scott Valuation LLC / Scott Restaurant Valuation
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SCOTT
VALUATION LLC

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Introduction

Scott Valuation LLC was engaged by Mr. Robert Holmes (the "Client") to value a majority interest in Oceanic Kitchen, LLC (hereafter referred to as "Oceanic Kitchen" or the "Company") for tax purposes as of July 31, 2022.

This report is intended for the use of the Client, the Client's immediate advisors, and the Internal Revenue Service for the purpose stated above, and any distribution of it to other parties for any reason is prohibited without specific written permission of Scott Valuation LLC. Readers are directed to Schedule 1, which outlines important Terms and Contingent and Limiting Conditions that are considered integral to this analysis.

STANDARD OF VALUE

The standard of value used in this appraisal is "Fair Market Value," which is defined by the American Society of Appraisers' Business Valuation Glossary as the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under any compulsion to buy or sell, and when both have reasonable knowledge of the relevant facts.

VALUATION FACTORS

The factors considered in the valuation process include the following:

- The nature of the business and history of the enterprise.
- The economic outlook, and the condition and outlook of the industry.
- The book value of the stock and the financial condition of the business.
- The earning capacity of the company.
- The enterprise's dividend-paying capacity.
- Whether or not the enterprise has goodwill or other intangible value.
- Sales of the stock and size of the block being valued.
- The market prices of stocks of corporations engaged in the same or similar lines of business whose stocks are actively traded in a free and open market, either on an exchange or over the counter.

Significant events subsequent to the appraisal date were not considered as part of our analysis unless they could be reasonably ascertained by an informed investor. As such, readers are cautioned not to rely on the findings contained in this report for materially different valuation dates.

SCOPE OF WORK

As fully described in the accompanying report, the appraisal investigation included information from management regarding the current and future operations of the business as well as anticipated sales and upcoming capital investment, a review of financial statements, and consideration of other factors that were deemed necessary under the circumstances. We also reviewed information concerning the economy and industry in which the Company operates, including a search for comparable public companies and merger and acquisition transaction data of comparable companies.

The financial statements, non-operating assets, and other pertinent information were provided by and input by the Company. They were accepted without further verification as complete and correctly reflecting the results of its operations and its financial and business condition for the respective periods. We did not examine the financial records or other documents of the Company to determine the accuracy of the data presented therein.

Scott Valuation LLC is not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report wishing to know whether such liabilities exist, or their scope, and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. Scott Valuation LLC does not conduct or provide environmental assessments and has not performed one for the subject property.

Scott Valuation LLC has not determined independently whether the subject entity is subject to any present or future liability relating to environmental matters (including but not limited to CERCLA/Superfund liability), nor the scope of any such liabilities. Scott Valuation LLCs' opinion expressed herein takes no such liabilities into account except as expressly reported to Scott Valuation LLC by the Client, or by an environmental consultant working on behalf of the Client, and then only to the extent that the liability was reported to us in an actual or estimated dollar value. Such matters, if any, are noted in this report. To the extent such information has been reported to us, Scott Valuation LLC has relied on it without verification and offers no warranty or representations as to its accuracy or completeness.

Description of the Company

OCEANIC KITCHEN

Type of Restaurant

American Seafood Bistro

Full Service or Limited Service

Full Service

Age of Business

7 years

Location of Business

Neighborhood: Gaslamp Quarter

City: San Diego

State: California

Number of Tables

14

Awards the Restaurant or Chef Has Received

- EATER San Diego
- Travel + Leisure - Where To Eat

STRENGTHS & WEAKNESSES OF THE RESTAURANT

Strengths

- One of only two seafood restaurants in the immediate area
- Established in the neighborhood and community
- Experienced management and chef
- Good foot traffic

Weaknesses

- Poor visibility from the street for restaurant and sign
- Parking is limited
- No beer or liquor license

EMPLOYEES

Number of Full-Time Employees

3

Number of Part-Time Employees

2

Turnover in Recent Years

None

Key Person

Management and our chef are very experienced but could be replaced if necessary.

OPERATIONS

Recent Changes in Operations

We have changed our menu recently to add some healthier choice menu items.

Future Planned Changes in Operations

We hope to get our license to sell beer soon.

Cyclicality

Yes, to some extent. We are busier from May through September when foot traffic is better.

Business Fluctuations

No

TRADE SECRET RECIPES / COPYRIGHT-PROTECTED RECIPES

None

LOCATION

Description

We are in the Gaslamp Quarter of San Diego. Our location is not very visible to road traffic but we have quite a bit of foot traffic. Parking is not optimal and usually requires finding a nearby parking garage.

Landlord/Lease Issues

None. We have 5 years left on our lease and a 5-year extension clause.

EQUIPMENT CONDITION

Back of House Equipment

Our food preparation/back of house equipment is in excellent condition.

Point of Sale Equipment

Recently updated.

CUSTOMERS

Customer Demographics

Customer are mostly aged 30 to 70 with most in the 40 to 50 range. We have a steady mix of tourists visiting San Diego and relatively loyal locals.

COMPETITORS

Local Competitors

- Saltwater - seafood restaurant
- Cafe 21 Gaslamp
- Karina's Cantina Gaslamp
- The Butcher's Cut
- Osteria Panevino
- Le Parfait Paris

Changes in Competition Expected

Nothing out of the norm.

FINANCIAL

Historical Sales & Profit

Covid had a big impact on revenues. Otherwise, revenues and profits have been stable.

Anticipated Sales & Profit

None expected

Equipment Investment

Nothing out of the norm.

DISTRIBUTIONS

No distributions in the last number of years.

PAST TRANSACTIONS

None within the last 5 years.

CONTINGENT OR UNFUNDED LIABILITIES

None disclosed.

OTHER IMPORTANT ITEMS OF NOTE

None disclosed.

Industry Outlook

FULL SERVICE RESTAURANTS

Forecast Outlook

Inflation-adjusted (2012$) GDP dropped 2.8% in 2020 before gaining 5.9% in 2021 and about 2.1% in 2022. GDP may decline about 0.2% in 2023 before rising 2.0% in 2024. In the longer run, real GDP growth will sustain about 2.0% annual expansion. Prices accelerated in 2021, with levels rising rapidly through the second half of the year; GDP inflation averaged 4.5% and PCE inflation averaged 4.0% in 2021. Inflation continued to rise through the first half of 2022 before generally subsiding in the second half. Prices were boosted by aggressive fiscal and monetary policies in 2020 and 2021, with additional pressure caused by supply chain disruptions and war in Ukraine. GDP inflation averaged about 7.0% and PCE inflation about 6.2% in 2022. Inflation likely will subside in coming years to satisfy the Federal Reserve target of 2.0%, though the pace of decline is uncertain. Many hope that higher global output and better freight transportation will continue to ease shortages and reduce prices for goods in short supply. These are important factors, but much also depends on the extent to which tighter monetary policy can control overall inflation without spurring recession.

Improving consumer confidence in the forecast period bodes well for the accommodations and food services industries. Personal income increased in both 2020 and 2021, but real consumer spending dropped 3.0% in 2020 before recovering 8.3% in 2021. Despite declining real income in 2022, real spending rose again but decelerated to about 2.8%. In part, this spending was supported by savings amassed in 2020 and 2021, when savings rates reached double digits in some quarters. 2023 likely will bring further deceleration in spending, with PCE rising about 0.6%. If inflation can be controlled effectively in 2023 without spurring recession, so that employment continues to rise, then households could continue to drive strong recovery in consumer services industries while maintaining spending on auto sales (though sales continue to be constrained by production limitations) and other goods. However, consumer sentiment fell to unusually low levels in 2022, and high price levels limit real expenditure despite higher nominal spending. Recovering real disposable income following decline in 2022, together with subsiding inflation and improving supplies of labor and materials, ultimately will support stronger growth in years ahead.

Accommodations and food services industries are benefiting from recovering demand after consumers were largely confined to their homes in 2020 and early 2021. Demand could be limited by elevated price levels, but personal consumption

spending at restaurants and demand for travel and tourism should remain strong as people seek a wider array of entertainment and recreational activities and as business travel recovers. Still, the extent of recovery for service sectors in years ahead remains uncertain. If COVID infection rates remain low and travel restrictions continue to diminish, personal and business travel is expected to increase. Improving conditions and fewer COVID related restrictions around the globe will bolster international travel as well, bringing foreign visitors to further revive American hospitality industries. Still, personal and business travel could be limited by a potential economic slowdown in 2023.

Recent Trends

Ten consecutive years of growth ended abruptly in 2020, as coronavirus spread worldwide. Despite a brief but severe contraction, the U.S. economy proved resilient. Real gross domestic product (GDP) fell 2.8% in 2020 but expanded 5.9% in 2021 and about 2.1% in 2022; the net effect was a level in Q3 2022 about 4.4% higher than in Q4 2019. Still, the economy decelerated in 2022, and GDP reportedly fell slightly in the first half. GDP inflation reached 9.0% (Seasonally Adjusted Annual Rates) in Q2 2022, forcing substantial tightening of monetary policy that led yield curves to invert and residential investment to slow sharply. Labor markets collapsed in 2020, elevating unemployment rates from 3.5% in December 2019 to 14.7% in April 2020 before subsiding again to 3.5% in December 2022. Payroll employment fell 21.9 million between February 2020 and April 2020; by December 2022, payroll jobs rose 2.2 million above the pre-pandemic level. Despite the reported contraction of GDP in H1 2022, payroll jobs rose by 4.8 million in 2022.

Consumer spending, together with expenditure by businesses and by foreign visitors, largely drives the accommodation and food services sector. Consumer sentiment seemed high in spring 2021 as vaccinations dramatically curtailed the spread of COVID, but confidence declined sharply late in the year as infections began to surge and inflation crept higher. Federal aid bills passed in 2020 and 2021 boosted income and supported strong consumer spending and residential investment, but reduction of aid and high inflation caused real disposable income to decline about 6.4% in 2022, following gains of 6.2% in 2020 and 1.8% in 2021. Inflation-adjusted Personal Consumption Expenditure (PCE) fell 3.0% overall in 2020, followed by increases of 8.3% in 2021 and about 2.8% in 2022.

Disruptions to household and business spending patterns had profound consequences for many service industries. Restaurants, hotels, and other hospitality-sector businesses

particularly suffered due to mandated limitations and voluntary restraint. Most restaurants closed on-site dining in late March and remained closed through April 2020, with gradual but uneven recovery following; activity levels waned again as COVID variants brought additional waves of illness. Many restaurants adjusted to allow sales to continue despite restrictions, including creation of outdoor dining facilities, expanded takeout service, and increased delivery service. Inflation-adjusted sales by food services and accommodations establishments dropped 39.5% from Q4 2019 to Q2 2020 before recovering. By Q3 2022, real consumer spending rose 7.5% above the Q4 2019 level; gains for food and accommodations were similar.

Other sectors also were hit particularly hard by restrictions on activity, including many live entertainment businesses and travel and tourism industries. Restrictions and aversion to crowds severely reduced passenger transportation and air travel in particular. In mid-April 2020, the number of travelers passing through Transportation Security Administration (TSA) security checkpoints fell 96% relative to the number in April 2019. Conditions improved substantially, and total air passenger miles approached pre-pandemic levels by Q3 2022. Fewer restrictions have led to increased domestic and international traveler, which supports American restaurant, hotel, entertainment, and recreation industries.

Spending on consumer services, as reported in the national accounts, amounted to nearly 70% of total spending in 2019. The pandemic altered this allocation, at least temporarily. Shares for services fell as much as 4.0 percentage points; with the level of nominal spending at $14.4 trillion in 2019, this constitutes an enormous shift for the industries that supply these goods and services. Spending for many durable goods surged during the recovery, including purchases of computers and other electronic equipment. Spending on nondurable goods also rose substantially. At the same time, spending on many services fell dramatically. Recovery remains uneven; relative to real spending levels in Q4 2019, total consumption rose 7.2% in Q3 2022, with consumption of goods 15.4% higher while spending on services rose just 3.6%. The spending share for consumer services remained down a corresponding 3.1 percentage points. Still, the spending share for services is recovering as demand shifts toward pre-pandemic norms.

Many of these changes in consumer behavior and business activity are reflected in industry employment data. Although April 2020 payroll employment was down 14.4% from February, by December 2021 the loss was reduced to 1.7%, and further recovery yielded job growth of 4.3% in December 2022. Employment fell considerably for private-sector industries that provide services through face-to-face exchanges. Food and beverage store employment generally rose, though this partly

came at the expense of restaurants, bars, and other retail establishments. Hospitality and entertainment industries suffered severe employment losses, as did mass transit, airlines, and sightseeing transportation services. Despite significant recovery, many of the services sectors that fared especially poorly during the initial lockdown still reported fewer jobs in December 2022 than were recorded prior to the pandemic. Accommodations jobs fell 50.1% between February and May 2020, and sobering losses above 10% remained in December 2022. Job levels at food services and drinking places fell 48.7% between February and April 2020, but recovery trimmed losses to about 2% in December 2022.

Industry Trends

Staffing Levels Recovering The full-service restaurant industry is progressing toward pre-pandemic staffing levels, but it remains short of full employment. Of all restaurant industry sectors, full-service restaurants experienced the most job losses during the initial months of the pandemic – and the sector still has the longest path to recovery, according to the National Restaurant Association. As of March 2023, full-service restaurant employment levels were 247,000 jobs (or 4%) below pre-pandemic readings in February 2020.

Labor Costs Increasing The steep rise in wages is putting pressure on restaurant operators. The average hourly rate for workers at full-service restaurants increased by more than 25% percent between March 2020 and March 2023, rising from $14.92 to $18.98 per hour, according to US Bureau of Labor Statistics wage data. With many restaurant operators still struggling to fill empty positions and the minimum wage on the rise around the nation, labor costs are likely to continue to increase. Waitstaff at full-service restaurants earn a median of $27.00 an hour, with an upper quartile of $41.50 and a lower quartile of $19.00, according to the National Restaurant Association.

Menu Prices Rising Full-service restaurants are raising prices in response to historically high inflation for both food and labor costs. Menu price inflation in March 2023 caught up with food-at-home price inflation, with the annual increase in the price of food away from home exceeding inflation at retail food outlets for the first time in 18 months, according to the US Bureau of Labor Statistics. Prices at full-service restaurants were up 8% on an annual basis for the month. Restaurant operators can expect food prices to continue to rise at above historical average rates in 2023, but not as much as in 2022, according to the Department of Agriculture's Economic Research Service. Data from a recent USDA national food price forecast shows food prices will climb an estimated 7.9% in 2023 over 2022 levels. Rising rents also are contributing to higher menu prices. Nearly

two-thirds (65%) of all restaurant operators said their occupancy costs were higher in 2022 versus 2019.

Technology Adoption Increasing Spurred by advances in technology, wage inflation and a labor shortage, restaurants are embracing technology to expedite service and optimize labor. More than half (58%) of restaurant operators say using technology and automation to alleviate labor shortages will become more common in their segment in 2023, according to the National Restaurant Association. In full-service restaurants where personal service is prized, technology is generally complementary to human labor and primarily intended to enhance rather than replace workers. On-table and server-held handheld devices are an example of a digital technology that's making its way into full-service restaurants, FSR reports.

Pandemic-Era Changes Sticking Many of the temporary pivots full-service restaurants made during the COVID pandemic to remain open have stuck, resulting in what the National Restaurant Association calls in its 2023 State of the Restaurant Industry report a "new normal" for the restaurant industry. Full-service eateries are among the restaurant formats that adapted their operating models during the pandemic to include expanded delivery services, outdoor dining options, to-go alcohol offerings, and investments in technology to limit exposure to the virus. In 2023, nine out of 10 restaurant operators said they plan to continue offering outdoor seating and the same number are also likely to continue offering alcohol-to-go, if permitted in their jurisdiction.

Business Risks

Restaurants exit less frequently The business exit rate for restaurants from the end of 2018 to the end of 2019 was 7.77%, lower than the average for all US businesses, according to data from Powerlytics whose exit data tracks the percentage of businesses that have closed their business by location and industry as a percentage of businesses operating in that industry and location.

High Labor Turnover Full-service restaurant operations are labor-intensive, and the quality of service is highly dependent on staff. While labor accounts for about 25% of sales for the total restaurant industry, payroll can account for 35% of sales or more in a fullservice establishment, according to Restaurant Owner. The labor-intensive nature of restaurant operations leaves operators especially vulnerable to changes to the minimum wage and the cost of health care. Because many positions are low-paying entry-level jobs, turnover is high. In a 2019 FSR survey, 7 out of 10 full-service restaurant owners reported they experienced labor shortages at some point.

Uneven Demand Full-service restaurants are characterized by demand that can vary by day of the week and time of day. Daily business peaks during mealtimes, while weekly business typically peaks on the weekends. While operators can staff shifts accordingly, fixed costs remain, even when business slows. As a result, some operators are only open during certain mealtimes. Annual business can vary by location. For example, restaurants in tourist destinations must deal with surges in demand during peak vacation months, followed by dead periods in between.

Variable Ingredient Costs The cost of food can vary and is driven by market conditions. While the average cost of sales for all restaurants is about 37% of sales, food alone can account for more than 40% of sales in a fine dining establishment, particularly those that rely on expensive ingredients like steak or seafood. Sudden fluctuations in the cost of ingredients, such as meat, seafood, cheese, butter, and produce, leave operators little time to react. Tariffs can affect the cost of imported food products. The cost of alcohol is less variable and easier to control as long as bartenders pour accurately and theft is not a problem.

Sensitivity to Economic Conditions Demand for full-service dining is sensitive to changes in economic conditions and typically drops during periods of financial uncertainty. During the 2008/2009 recession, industry revenue growth slowed and then decreased, as customers pulled back on discretionary spending. When consumers have less disposable income, they may eat out less often, spend less on each dining occasion, or trade down to limited-service restaurants.

Competition from Alternative Meal Providers The US restaurant industry is intensely competitive and filled with well-established players. The full-service sector competes with limited-service operators, which offer lower prices and faster service. The limited-service sector continues to evolve and improve, making inroads into the casual dining category. Grocery stores have emerged as competitors by introducing meal preparation kits and prepared foods. Consumers may also opt to cook at home or use mail-order meal kits like Hello Fresh or Blue Apron, which offer high-quality ingredients and the convenience of dining at home.

Government Regulation Full-service restaurants are regulated by federal, state, and local agencies that govern development and operations. Zoning regulations can affect an operator's ability to open in a desired location or secure a liquor license. Firms are also subject to extensive regulations for health, safety, sanitation, employment, and working conditions. The sale of alcohol, which can account for a significant percentage of sales, is strictly regulated. Most operators are subject to

regular inspections to ensure compliance with health and safety codes. Violations are published and can result in fines or temporary or permanent closure.

Financial Analysis

Exhibits 1 and 2 present the Company's historical financial results for the most recent five years.

The financial statements and other pertinent information were provided by and input by the Company. They were accepted without further verification as complete and correctly reflecting the results of its operations and its financial and business condition for the respective periods. We did not examine the financial records or other documents of the Company to determine the accuracy of the data presented therein.

Exhibit 3 presents an analysis of the Company's strengths, weaknesses, opportunities and threats. Adjustments to earnings for discretionary, non-recurring, and non-operating income and expenses are presented in **Exhibit 4**. **Exhibit 5** presents the Company's adjusted income statement and cash flow. Adjusted financial analyses are presented in **Exhibit 6**.

Industry comparisons are from Annual Statement Studies, published by The Risk Management Association ("RMA"). The averages shown are for NAICS Code 722511 – Full-Service Restaurants.

Valuation Approaches

Valuation of a business ownership interest requires consideration of all pertinent factors bearing upon its investment merits. The following three valuation approaches were considered:

Income Approach: In this approach, estimated future returns are discounted to present value at an appropriate rate of return for the investment.

Market Approach: This approach utilizes valuation ratios derived from market transactions involving companies that are similar to the subject business. Past transactions involving the subject business, if any, are also considered.

Asset-Based Approach: In this approach, the assets and liabilities of the business are restated from historical cost to Fair Market Value.

In a specific appraisal situation, the selection of an approach and the weight given to each depends on the quantity and quality of available data, the valuation function and purpose, the value premise and definition, and the reliability of the analysis.

The Income Approach

In the Income Approach, expected future returns from an investment in the form of cash flows are discounted to present value at an appropriate rate of return for the investment. The selected discount rate or rate of return should reflect the degree of uncertainty or risk associated with the future returns and returns available from alternative investments. Higher uncertainty or risk leads to a higher expected rate of return, which produces a lower value for the investment.

Income Approach valuation methods include discounted cash flow and capitalization of cash flow analyses. In the discounted cash flow analysis, future cash flows are discounted to present value using an appropriate discount rate or rate of return. Cash flows are forecasted for a discrete period of years and then projected to grow at a constant rate in perpetuity. The capitalization of cash flow analysis uses forecasted cash flow for the next period, which is converted to present value using an appropriate capitalization rate, equal to the discount rate less the expected growth rate in perpetuity.

The projections of future cash flow take into account several factors:

- Past operating trends.
- The outlook for the economy and the Company.
- Management capabilities.
- Working capital requirements.
- Capital expenditures (money spent for fixed assets).
- Depreciation and amortization.

DEFINITION OF CASH FLOW

In this case, we applied a discounted cash flow analysis, whereby cash flow is defined as:

	Earnings Before Interest & Taxes
-	*Income Taxes on EBIT*
+	*Non-Cash Expenses*
+/_	*Adjusted Working Capital Changes*
-	*Capital Expenditures*
=	*Free Cash Flow (Debt Free)*

DISCOUNTED CASH FLOW PROJECTIONS

Exhibit 7 presents the forecasted free cash flows. The assumptions used in the analysis are shown in the exhibit and are summarized within the footnotes of the exhibit.

DISCOUNT RATE & CAPITALIZATION RATE

The discount rate is a market-driven rate representing the rate of return necessary to induce investors to commit funds to an investment given its level of risk. The discount rate is applied to free cash flows to estimate a total capital value (interest-bearing debt plus stockholders' equity).

The discount rate used is the weighted average cost of interest-bearing debt and equity capital. The cost of equity capital is based on the Capital Asset Pricing Model (CAPM), modified to account for a small stock premium and a subject Company premium. Computation of the discount rate and residual capitalization rate is shown in **Exhibit 8** and described in Appendix B.

The subject Company risk premium is based on a consideration of the Company's operating and financial risks. We analyzed the risk factors affecting the subject Company relative to the RMA data which is from companies more closely aligned with the specific business of the Company. It is our opinion that a subject Company risk premium of 5 percent is reasonable given the Company's unique operating and financial risks.

Based on this analysis, it is our opinion that a discount rate of 20.5 percent is appropriate.

Beyond the discrete forecast period, residual free cash flows are estimated to grow at a constant rate into perpetuity. These cash flows are converted to a residual value using an appropriate residual capitalization rate.

The residual capitalization rate is equal to the discount rate minus the expected long-term growth rate of cash flows. Based on historical results, the economic climate, the outlook for the industry, and management's expectations, we estimated a long-term growth rate of 3 percent. Based on this analysis, it is our opinion that a residual capitalization rate of 17.5 percent is appropriate.

SUMMARY

Exhibit 9 summarizes the results of the discounted cash flow analysis.

The Market Approach

Criteria for selecting guideline companies include similarity of lines of business, markets, growth prospects, risks, and firm size. The primary criterion for selecting guideline firms is similarity of lines of business with those of the subject business.

We applied a merger and acquisition analysis. A public company analysis was not applied because no comparable guideline companies were found. We searched for comparable public companies in the restaurant industry. Our search yielded only publicly-traded companies whose growth expectation was so much different and operational size was so much greater than Oceanic Kitchen as to require adjustments to the multiples of such great magnitude as to render the adjusted multiples unreliable.

MERGER AND ACQUISITION ANALYSIS

This analysis uses merger and acquisition transactions involving companies that are similar in nature to the subject business. The following steps were applied in the analysis:

- Select guideline transactions
- Compute valuation ratios
- Adjust the market-derived valuation ratios
- Compute values and summarize

Guideline Transactions

We investigated merger and acquisition data in order to identify transactions of companies in the same general industry as Oceanic Kitchen. The analysis is presented in **Exhibit 10**. The companies acquired in the selected transactions are judged to have a reasonable degree of comparability with the Company. Although these acquired companies differ in important respects from Oceanic Kitchen, they are generally influenced by similar business and economic conditions and are considered to offer alternative investment opportunities.

Our source for merger and acquisition data was **DealStats** which reports small-to-medium-sized business sales transactions since 1994, most valued between $0.5 million and $50 million, developed in conjunction with the International Business Brokers Association.

The different sources of merger and acquisition data vary greatly in the amount, type and quality of information provided. These variations significantly impact the reliability of the valuation ratios derived from each source. However, a large number of transactions may offset some of these reliability issues.

Valuation Ratios

Various valuation ratios may be derived from guideline companies in calculating the Fair Market Value of a closely held business. Valuation ratios can be broadly categorized into three types: total equity, total capital (debt and equity) and asset multiples.

Commonly used total equity ratios include the ratios of market value of total equity to earnings. Total capital multiples include the ratios of total enterprise value (TEV) to revenue, earnings before interest, taxes, depreciation and amortization (EBITDA) and earnings before interest and taxes (EBIT).

Computed valuation ratios for the guideline companies are presented in **Exhibit 10**.

Adjustments to Valuation Ratios

Valuation ratios derived from merger and acquisition transactions are considered to be majority interest ratios because they usually involve the sale of entire companies or controlling interests in companies. These valuation ratios may also reflect the effect of buyer synergies, company size and unique risk factors. Adjustments to the market-derived valuation ratios were considered to account for differences between the subject Company and the guideline companies.

Size & Unique Risk Factors - Additionally, studies of large versus small companies within the stock market (such as the *Kroll Cost of Capital Navigator*) indicate that 1) small companies typically sell at significantly lower valuation ratios than large companies and 2) valuation ratios for guideline companies with similar size can vary significantly due to unique risk factors.

Adjustments to the transaction multiples and adjusted guideline transaction multiples are presented in **Exhibit 10**.

Summary – Merger and Acquisition Analysis

Each adjusted valuation ratio is then applied to the Company's corresponding adjusted figure to produce an indication of value.

Exhibit 11 summarizes the merger and acquisition analysis.

Asset-Based Approach

In the Asset-Based Approach, net asset value is estimated by restating the value of assets and liabilities from historical cost to Fair Market Value. Assets and liabilities can be valued either individually or collectively. Individual assets and liabilities of a business can be appraised using the Cost, Market and Income Approaches to asset valuation.

Book value of equity is not an appropriate measure of value for most businesses because assets and liabilities are generally stated at historical cost and not Fair Market Value. For an operating business, book value of equity is generally not suitable because it generally does not include the value of intangible assets.

The liquidation value of a business can be estimated using the Asset-Based Approach, and is computed as the Fair Market Value of assets, net of liabilities, less estimated liquidation expenses. We did not consider the liquidation value of the Company because liquidation is not considered to be imminent or probable.

Exhibit 2 presents the Asset-Based Approach computations on a going concern basis. The Company's assets have been adjusted from book value to market value where appropriate. Intangible assets were excluded from the analysis because they cannot be reliably valued without reference to the Income and Market Approaches.

Conclusion of Value

The final step in the valuation process requires a review of each valuation approach and a reconciliation of these approaches to reach a final value conclusion. See **Exhibit 12**. In a specific appraisal situation, the weight given to each approach depends on the valuation function and purpose, the value premise and definition, the quantity and quality of available data, and the reliability of the analysis.

We relied on the Income Approach because it represents the amount a prudent investor would pay for the Company's expected future cash flows based on market rates of return and the Company's specific risks.

The merger and acquisition analysis in the market approach was given substantial weight because it reflects recent merger and acquisition prices for comparable companies that represent alternative investment opportunities.

We gave no weight to the Asset-Based Approach because, in this instance, we consider it to be less reliable than the Income and Market Approaches and because investors tend to focus more on earnings and cash flow than on the value of underlying assets.

Based upon our investigation, premises and analyses, it is our opinion that the Fair Market Value of the Company's equity on a majority interest, going concern basis is as follows:

ONE MILLION FOUR HUNDRED ELEVEN THOUSAND DOLLARS

$1,411,000

Schedule 1: Statement of Contingent and Limiting Conditions

Information, estimates, statements of fact, and opinions contained in this report are obtained from sources considered reliable; however, Scott Valuation LLC has not independently verified such information and assumes no responsibility for any information provided by any such sources, including but not limited to the Company.

This report and the conclusions of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the report and conclusion of value are not intended by the authors and should not be construed by a reader to be investment advice of any kind whatsoever. The conclusion of value represents the considered opinion of Scott Valuation LLC, based on information furnished to them by the Client and other sources.

Scott Valuation LLC does not provide assurance on the achievability of the results forecasted by the Client or the Client's affiliated Company. Events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.

The subject Company, Client, and all representatives of the Company and Client have warranted to Scott Valuation LLC that the information supplied was complete and accurate to the best of their knowledge and that any reports, analysis, or other documents prepared for it by appraisers will be used only in compliance with all applicable laws and regulations.

Possession of this report or a copy thereof does not carry with it the right of publication of all or part of it, nor may it be used for any purpose other than that stated in the report without the previous written consent of the appraisers, and in any event, only with proper attribution. Authorized copies of this report will be signed by an authorized representative of Scott Valuation LLC. Unsigned copies or copies not signed by an authorized representative should be considered incomplete.

Appraisers are not required to give testimony in court or to be in attendance during any hearings or depositions with reference to the Company being appraised unless previous arrangements have been made with appraisers.

The various estimates of value presented in this report apply to this appraisal only and may not be used out of the context presented herein.

Scott Valuation LLC has made no explicit or implicit assumptions that are hidden or unapparent to a reader regarding the business. All factors considered materially important to the appraisal of the Company have been clearly delineated in this report. No other factors are known to the appraisers at the time this report is written.

Scott Valuation LLC assumes no responsibility for the legal description of the business being appraised and expressly assumes the transferability of title in the business without encumbrance unless otherwise stated in this report. We further assume the subject interest in the business is free and clear of all liens or encumbrances unless otherwise stated.

Scott Valuation LLC takes no responsibility for changes in market or economic conditions that may affect this Company following the date of value and assumes no liability to revise this report to reflect events or conditions that occur after the appraisal date of this report.

The estimate of Fair Market Value reached in this report is based only on the definition of Fair Market Value as stated in the Introduction section of this report. An actual transaction in the shares may be concluded at a higher or lower value, depending on the circumstances surrounding the Company, the business interest being bought or sold, and/or the motivations and knowledge of the buyers and sellers at the time the transaction is consummated. Scott Valuation LLC makes no guarantees whatsoever as to the value that individual buyers and sellers might reach in an actual transaction.

Scott Valuation LLC has not been engaged to apply, and therefore has not applied, procedures prescribed by the American Institute of Certified Public Accountants or the Auditing Standards Board to any historical or forecasted financial statements included or incorporated in this report. Accordingly, Scott Valuation LLC is not assuming the role of a reporting Certified Public Accountant and is not separately reporting on the financial statement or forecast into the value of the Company by virtue of their consideration.

To ensure compliance with the requirements imposed on us by IRS Circular 230 (31 C.F.R. part 10), we inform you that any tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of avoiding tax-related penalties under the Internal Revenue Code or promoting, marketing or recommending to another party any tax-related matter(s) addressed herein.

Schedule 2: Certificate of Appraiser

We certify that, to the best of our knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.

We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

We have not provided appraisal services for the Company within the most recent three years.

Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the American Society of Appraisers and the Uniform Standards of Professional Appraisal Practice.

No one, other than those whose signatures appear below, provided significant business valuation assistance in the preparation of this report.

The American Society of Appraisers has a mandatory re-accreditation program for all of its senior members. I am in compliance with that program.

Sincerely,

IVER E. SCOTT, ASA, MSF
for **Scott Valuation LLC**
President

Schedule 3: Sources of Information

As part of our analysis, we reviewed the following documents:

- Financial statements for the years ended December 31, 2017 - 2021.
- Additional financial and other data including fair market value estimates for the Company's tangible assets, owners' compensation and benefits, and discretionary, non-recurring, and non-operating income and expense estimates.
- Industry data:
  - *Annual Statement Studies: Financial Ratio Benchmarks,* The Risk Management Association.
  - VerticalIQ Industry Report, "Full-Service Restaurants," 2023.
- Capital market data:
  - *Kroll Cost of Capital Navigator*.
  - YCharts.com
  - https://taxfoundation.org/state-corporate-rates-brackets
  - DealStats. Business Valuation Resources, LLC. <www.bvmarketdata.com>.
  - Damodaran Online, Data Sets, New York University.

Financial Ratio Definitions

Definitions and interpretations of the financial ratios used in the Financial Review section of this report are presented below.

Growth

Annual growth rates are measured as the percentage change from one year to the next. A compound annual growth rate (CAGR) is computed by dividing the later year's result by the earlier year's result, taking the n^{th} root (where "n" is equal to the difference in years minus one), and then subtracting one from the overall figure.

Profitability

Various types of ratios are available to indicate the firm's profitability, measured as a return on sales. Comparison of these profit margins with industry benchmarks may be complicated by differences in accounting policies between the firm and the industry norm.

Each profitability ratio is computed by dividing the selected profit or cash flow figure by net sales.

- **Gross Profit Margin** measures the effectiveness of a firm's pricing policies and its efficiency in producing and delivering products or services. Differences in classification of overhead expenses can make comparisons with industry norms difficult.
- **Operating Profit Margin** indicates the productivity of company operations, before taking financing and non-operating activities into account.
- **EBITDA Margin** is where EBITDA equals earnings before interest, taxes, depreciation and amortization. It measures cash flow (before non-cash charges) after accounting for non-operating activities but before financing decisions.
- **EBIT Margin** is where EBIT equals earnings before interest and taxes. It indicates profitability after accounting for non-operating activities but before financing decisions.
- **Pre-Tax Profit Margin** measures a firm's overall efficiency after taking financing and non-operating activities into account but before accounting for its tax position.
- **Net Profit Margin** indicates overall efficiency after taking all activities into account.
- **Gross Cash Flow Margin is** where gross cash flow equals net income plus depreciation and amortization. It measures cash flow after taking all activities into account.

Efficiency

Efficiency ratios are used to assess management's performance and to provide additional insight into a firm's profitability.

Caution must be used in interpreting individual ratios, which should be used in conjunction with other efficiency ratios.

Pre-Tax Return on Equity equals pre-tax profit divided by tangible net worth (total owners' equity less net intangible assets). It expresses the rate of return to equity owners and can be an indicator of management performance. A high return could indicate either effective management or an undercapitalized company. Conversely, a low ratio may indicate inefficient management performance or a highly capitalized, conservatively managed firm. Additional insight can be gained by breaking this ratio down into components.

Stock investors are more interested in the return on equity than the return on assets. Debt financing increases risk to stockholders. As long as a higher rate of return can be earned on assets than is paid for debt capital, then higher leverage will increase the return on equity. Leverage can enhance an owners' rate of return in good years, but in bad years, owners will be worse off than they would be without the borrowing because debt service may be more difficult.

Debt-Free Return on Assets equals EBIT (earnings before interest and taxes) divided by total assets. This ratio measures the rate of return on assets before the effect of financing decisions and indicates how efficiently assets are being employed. This measurement may be distorted by highly depreciated fixed assets, large intangible assets, or unusual income or expenses. Breaking this ratio down into components provides additional understanding of a company's efficiency.

Pre-Tax Return on Assets equals pre-tax profit divided by total assets. Unlike **Debt-Free Return on Assets**, this ratio uses after-interest income. Although widely used, the use of this ratio can be criticized because it makes leveraged firms appear less profitable by charging interest costs against assets. As with other measures of return, additional insight can be gained into this ratio by analyzing its component parts.

Sales to Assets Ratio is equal to net sales divided by total assets. This ratio indicates how effectively the firm employs its assets. A low ratio may indicate inadequate sales volume or excessive asset levels.

Pre-Tax to EBIT Ratio equals pre-tax income divided by EBIT (earnings before interest and taxes). This ratio, which is always less than one, represents earnings leverage and is equivalent to the inverse of financial leverage and so decreases return on equity relative to return on assets.

Assets to Equity Ratio is equal to total assets divided by tangible net worth (total owners' equity less net intangible assets). It is also equal to 1.0 plus the **Debt to Equity Ratio**, discussed below. This ratio indicates the degree to which assets are financed by equity capital, as opposed to debt

capital. A high ratio indicates a high level of financial leverage, or a low level of equity financing, while a low ratio indicates the reverse. This ratio is always greater than or equal to one and has the effect of increasing return on equity relative to return on assets.

Sales to Net Fixed Assets Ratio is equal to net sales divided by net fixed assets. It measures how productively the company's fixed assets are employed. Viewed over time, this ratio can indicate changing productivity or non-operating assets. This ratio may be distorted by highly depreciated assets or labor-intensive operations. Changes in the sales to net fixed assets turnover ratio must be interpreted carefully. Investments in fixed assets are often made several periods before they begin generating sales. Therefore, a low or decreasing ratio may indicate that the firm is expanding in preparation for future growth. Conversely, a firm may reduce capital expenditures if the near-term outlook for sales is poor, producing an increase in the plant asset turnover ratio.

Sales to Working Capital Ratio is equal to net sales divided by working capital (current assets less current liabilities). Working capital reflects the ability to finance current operations and provides an indication of the margin of protection for current creditors. The sales to working capital ratio shows how efficiently working capital is used. Low ratios may indicate the inefficient employment of working capital. A high ratio can indicate the efficient use of current assets or, conversely, it could indicate inadequate liquidity or overextended credit.

Accounts Receivable Turnover Ratio is equal to net sales divided by trade receivables. This ratio indicates the number of times receivables turn over during the year and provides an indication of the firm's control over credit and collections. The higher the turnover, the shorter the time between the sale date and the date cash is collected. Lower turnover places a strain on short-term liquidity and indicates a greater likelihood that there are delinquent accounts. However, this ratio can also be affected by variations in terms granted to customers. High turnover may indicate overly stringent credit terms, which may be limiting sales. One problem with this ratio is that it compares receivables at one date with sales for an entire year and does not take into account seasonal fluctuations. Interpretation of this ratio will be difficult if a large percentage of a firm's sales are cash sales.

Inventory Turnover Ratio is equal to cost of sales divided by inventory. This ratio measures the number of times inventory turns over in a year. High turnover could indicate better liquidity or merchandising or, alternately, it could indicate a shortage of inventory. Low turnover can place a strain on

short-term liquidity and may indicate overstocking, obsolescence or, conversely, a planned inventory buildup in anticipation of material shortages or higher sales. Trade-offs are required in choosing an optimum level of inventory and the desired rate of turnover. Like the previous ratio, this measurement ignores seasonal fluctuations in inventory. Also, industry norms usually do not take differences in inventory valuation methods into account.

Payables Turnover Ratio is equal to cost of sales divided by trade payables. This ratio indicates the number of times trade payables turn over in a given year. The higher the ratio, the shorter the time between purchases and payments by the firm. A low ratio may indicate cash shortages, invoice disputes, expanded use of trade credit or favorable terms from suppliers. If a company typically buys on 30 days' terms, then this ratio can be expected to indicate a turnover period of about 30 days. Similar to the previous two ratios, this ratio does not take into account seasonal fluctuations.

Liquidity

Liquidity ratios measure the ability of a company to meet its current obligations as they come due. These ratios can help determine whether a firm has any assets in excess of those required for normal operations or whether the assets fall short of normal needs. However, the composition and quality of current assets is an important factor in assessing a firm's overall liquidity.

One problem with liquidity ratios is that they are computed at one date and do not take into account seasonal variations. In addition, they may not accurately reflect a firm's use of short-term credit to finance its liquidity needs.

Current Ratio is equal to total current assets (those which will convert to cash within one year) divided by total current liabilities (those due within one year). This ratio gives a rough measure of a company's overall ability to service its current obligations. If this ratio is too low, the firm may have difficulty in meeting its short-term obligations as they come due. A ratio that is too high may reflect excessive investments in current assets or under-utilization of short-term credit.

Quick Ratio is equal to cash and equivalents plus trade receivables divided by total current liabilities. Also called the "acid-test ratio," it is a more conservative measure of liquidity than the current ratio. It illustrates the degree to which the firm's current liabilities are covered by the most liquid current assets. If the quick ratio is too low, a company may have difficulty meeting its immediate credit obligations. A ratio that is too high may indicate excessive investments in cash and securities or poor accounts receivable collections.

Days' Receivables is equal to 365 days divided by the accounts receivable turnover ratio. It measures the average number of days that receivables remain uncollected. Interpretation of this ratio depends on a firm's terms of sale. A ratio that is greater than a firm's standard terms indicates that collections need improvement. Conversely, a ratio that is less than a company's standard terms indicates that collections are being handled well. See the **Accounts Receivable Turnover Ratio** definition for more comments.

Days' Inventory is equal to 365 days divided by the inventory turnover ratio. It measures the average number of days items remain in inventory. See the **Inventory Turnover Ratio** definition for other comments.

Operating Cycle is equal to days' receivables plus days' inventory. It represents the average number of days it takes to convert inventory to cash and indicates the relationship of sales and collections.

Days' Payables is equal to 365 days divided by the payables turnover ratio. This ratio indicates the average number of days that trade payables are outstanding. See the **Payables Turnover Ratio** definition for additional comments.

Cash Cycle is equal to the operating cycle minus days' payables. It represents the average number of days a firm's cash is tied up in the operating cycle and indicates the relationship of sales, collections, and credit in a way the individual ratios do not.

Solvency

Solvency ratios are used to measure a firm's ability to meet interest and principal payments on long-term debt and other obligations as they become due. These ratios can be further classified into two categories, leverage, and coverage.

Leverage

Leverage ratios indicate whether or not there are sufficient assets to pay off debt if a firm has to liquidate and measure a company's vulnerability to business downturns.

Debt to Worth Ratio equals total liabilities divided by tangible net worth (total owners' equity less net intangible assets). This ratio indicates the relationship between capital contributed by creditors and by equity owners. It measures the margin of protection provided by the owners to the creditors. A higher ratio indicates that creditors are assuming greater risk and that the firm has limited capacity to take on additional debt. Lower ratios generally indicate higher long-term financial safety for creditors and a greater ability to borrow in the future.

Long-Term Debt to Total Capital is equal to long-term debt (including current portion) divided by the sum of long-term

debt and tangible net worth. This ratio measures the extent that long-term debt is used to finance the company.

Coverage

Coverage ratios measure a company's ability to service its interest-bearing debt. Like all financial ratios, a coverage ratio should be compared to an appropriate benchmark such as an industry norm rather than to a single absolute standard.

Interest Coverage Ratio is equal to EBIT (earnings before interest and taxes) divided by interest expense. This ratio expresses a company's ability to meet interest payments as well as its capacity to take on additional interest-bearing debt. High coverage indicates that the firm has little problem meeting its current loan obligations and can take on additional debt. This ratio can be criticized as a measure of solvency because it uses earnings rather than cash flows. Interest payments are paid in cash, not earnings.

Cash Flow to Current Debt Ratio is equal to net income plus depreciation and amortization, divided by the current portion of long-term debt. It measures a firm's ability to cover current debt maturities with cash flow from operations. Cash flow is the primary source for debt payments, so this ratio indicates a company's ability to make principal repayments and to take on additional interest-bearing debt. Although in reality all cash flow is not available for debt service, this ratio provides a useful indication of the firm's ability to service its long-term debt.

Discount Rate

The discount rate is a market-driven rate representing the rate of return necessary to induce investors to bear the risk of committing funds to an investment. The discount rate is applied to the expected free cash flows to estimate a total capital value (interest-bearing debt plus stockholders' equity).

The discount rate used is the weighted average cost of capital. The equation for the weighted average cost of capital (WACC) is as follows:

$$WACC = [(D \div V) \times K_d \times (1 - T)] + [(E \div V) \times K_e]$$

where:

$(D \div V)$ = ratio of market value of interest-bearing debt to total capital

$(E \div V)$ = equity capital to total capital = $1 - (D \div V)$

K_d = cost of interest-bearing debt capital

K_e = levered cost of equity capital

T = marginal tax rate

The leverage ratios $(D \div V)$ and $(E \div V)$ are forecasted based on specific assumptions of the Company's leverage in the future. Our estimates of leverage are generally based on observed industry average leverage ratios, on an analysis of the subject's historical leverage, or on leverage ratios for comparable publicly-traded companies. Leverage ratios are typically forecasted to remain constant in the future.

The cost of interest-bearing debt (K_d) was based on the subject's actual borrowing costs as of the date of value. A combined state and federal marginal tax rate (T) was used.

There are several widely used and effective methods to estimate the levered cost of equity capital, including the capital asset pricing model (CAPM), the discounted cash flow method, arbitrage pricing theory (APT), and the Fama-French three factor model. We selected the Capital Asset Pricing Model (CAPM) in our analysis.

The CAPM is modified to account for a small stock premium and subject company risk, as follows:

$$K_e = R_f + (B_l \times R_e) + R_s + R_c$$

where:

K_e = levered cost of equity capital

R_f = risk-free rate

B_l = levered beta

R_e = equity risk premium

R_s = small stock risk premium

R_c = subject company risk premium

The levered beta (B_l) is computed using the following equation:

$$B_l = B_u \times [1 + ((1 - T) \times (D \div E))]$$

where:

B_u = unlevered beta

T = marginal tax rate

$D \div E$ = interest-bearing debt to equity capital

Risk Free Rate

The CAPM implicitly assumes the presence of a single riskless asset. U.S. Treasury securities are considered to be default-free for all practical purposes and, therefore, a useful proxy for the riskless asset.

The horizon of the chosen Treasury security should match the anticipated holding period for the investment considered. For valuations involving going concerns, we utilize the 20-year Treasury Coupon (Treasury Constant Maturity) Bond Yield.

Beta

Systematic, or market, risk is measured in CAPM by the beta coefficient. As used herein, the beta coefficient is a measure of a stock's volatility in relation to the rest of the market. Stocks with a beta that is higher than 1 have historically demonstrated higher volatility of return than the broad market average, while stocks with betas below 1 have exhibited lower overall volatility than the broad market average. Similarly, stocks with betas above 1 have required rates of return (ROI) which are higher than the market average, while stocks with betas less than 1 have lower ROI relative to the market.

There are a number of different methodologies used for the purpose of estimating betas. Among the more common methods employed is the "Excess Return" method. Alternative measures include: accounting betas; fundamental betas; bottom-up betas; and forward-looking betas derived from option pricing data. Our estimates of beta is generally based on beta information published by Aswath Damodaran.

Equity Risk Premium (R_e)

The equity risk premium is defined as the additional return over and above the return on investments in the riskless assets that an investor expects to receive as compensation for the additional risk associated with investing in equities. An increase in the equity risk premium indicates that investors are charging a higher price for investing in the same risky cash flows. In general, there are three main approaches used to derive an indication of the equity risk premium:

1) From actual observed historical returns between stocks and bonds;

2) Using fundamental information such as earnings and dividends, or macroeconomic or general equilibrium models to calculate the implied or required equity risk premium; and

3) From the opinions of financial professionals through broad surveys or calculations based on earnings expectations to estimate the expected equity risk premium. Such opinions likely incorporate elements from the two other methods.

As with betas, there are a number of different sources of estimates of the equity risk premium. However, many of the available sources of equity risk premium data are updated infrequently and viewed as less reliable indications of the current equity risk premium.

The basis of our equity risk premium selection was based on data provided by Aswath Damodaran, Professor of Finance, Stern School of Business, New York University. His model is based on a 2-stage dividend discount model which reflects the risk premium that would justify the current level of the S&P 500 given the dividend yield, expected growth in earnings, and the current level of the long-term U.S. Treasury bond rate. Dr. Damodaran's estimates of the U.S. equity risk premium are updated frequently and viewed as highly reliable within the financial industry.

Small Stock Risk Premium (R_s)

Many studies have looked at the effect of firm size on return. Rolf W. Banz was the first to document this phenomenon in a 1981 Journal of Financial Economics article titled "The Relationship Between Returns and Market Value of Common Stocks." Because of significant statistical support for a relationship between firm size and return, an additional premium is applied to account for the small relative size of the subject company under consideration.

We consider size premium data from one primary source: *Kroll Cost of Capital Navigator*, which is updated annually.

Iver E. Scott, ASA, MSF
President

Iver Scott is founder and president of Scott Restaurant Valuation and Scott Valuation LLC, a business valuation and intellectual property (IP) valuation consulting firm. Before founding Scott Valuation LLC, Mr. Scott was responsible for acquisition valuation and financial forecasting for RightNow Technologies. Prior to that, Mr. Scott was Valuation Manager for Moss Adams LLP, a large accounting & consulting firm in Seattle.

Mr. Scott is an Accredited Senior Appraiser with the American Society of Appraisers with specializations in business enterprise valuation and intellectual property valuation.

Mr. Scott has accumulated 20 years of business valuation and intellectual property valuation experience including valuation projects involving business sale, transaction due diligence, mergers, loan collateral, litigation support, shareholder disputes, partner disputes, divorce, gifting for tax purposes, estate valuation, fair value reporting, tax reporting, and U.S. Citizenship and Immigration Services (USCIS) E-2 Investor Visa investment threshold purposes.

Mr. Scott has performed business and IP valuations for industries as diverse as Restaurants, Aerospace, Apparel, Automotive, Biotechnology, Chemicals, Computer Game Design, Computer Hardware, Construction, Consumer Electronics, Distribution & Logistics, Engineering, Food Manufacturing, Groceries, Healthcare, Insurance, Internet & e-Commerce, Consumer Manufacturing, Media & Entertainment, Medical Devices, Music Publishing & Songwriters, Real Estate, Restaurant, Retail, B2B Software, B2C Software, SaaS Software, Sporting Goods, Telecommunications, Timber Mills, and Transportation.

In addition to enterprise valuations, Mr. Scott has completed intellectual property valuation engagements for IP assets of all types including design patents, utility patents, trademarks, music copyrights, literary copyrights, technology, know-how, trade secrets, domain names, recipes, distribution networks, customer lists, workforce, goodwill, celebrity endorsements, and celebrity name & likeness.

Mr. Scott holds a Master of Science in Finance degree from Northeastern University in Boston having graduated Summa Cum Laude and 2nd in his class. He studied Securities Regulation and Real Estate Law at Suffolk University Law School and received top marks in both law school classes. He also holds a Bachelor of Science degree in Finance and Business Administration from the University of Oregon.

Professional Instruction

- *Valuation of Alternative Assets,*
  Northeastern University
- *Valuation of Patents, Trademarks, Copyrights, and IP-Centric Enterprises,*
  University of Washington School of Law

Speeches & Presentations

- *Rule 3-110: Failing To Act Competently,* State Bar of California
- *Business Valuation For Attorneys, State Bar of Montana*
- *Business Valuation for Estate & Gift Tax,* Moss Adams Valuation Forum
- *Music Copyright Valuation,* Moss Adams Valuation Forum
- *SFAS 141R and Its Impact Going Forward,* Moss Adams Valuation Forum
- *Business Valuation and IP Valuation for Financial Reporting Purposes,*
  Moss Adams Valuation Forum

Professional Association

- American Society of Appraisers

Exhibit 1

Oceanic Kitchen, LLC

Consolidated Income Statement ($000)

Year End Date Year	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	2017	2018	2019	2020	2021	5-Year Average
Sales											
Food Sales	2,270	2,185	2,335	1,888	2,346	78.5%	76.5%	74.1%	76.8%	74.3%	**76.1%**
Alcohol Sales	621	671	816	568	808	21.5%	23.5%	25.9%	23.1%	25.6%	**23.9%**
Other Sales	0	0	0	1	2	0.0%	0.0%	0.0%	0.0%	0.1%	**0.0%**
Total Sales	$2,891	$2,856	$3,151	$2,457	$3,156	100.0%	100.0%	100.0%	100.0%	100.0%	**100.0%**
Cost of Sales	785	709	699	864	847	27.2%	24.8%	22.2%	35.2%	26.8%	**27.2%**
Gross Margin	2,106	2,147	2,452	1,593	2,309	72.8%	75.2%	77.8%	64.8%	73.2%	**72.8%**
Operating & Other Expenses											
Rent Expense	132	133	134	169	173	4.6%	4.6%	4.2%	6.9%	5.5%	**5.2%**
Operating Expenses	1,748	1,739	1,743	2,011	1,947						
Depreciation Expense	161	163	164	60	12	5.6%	5.7%	5.2%	2.4%	0.4%	**3.9%**
Amortization Expense	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
Interest Expense	6	6	6	18	15	0.2%	0.2%	0.2%	0.7%	0.5%	**0.4%**
Total Operating Expenses	2,046	2,040	2,046	2,257	2,146	70.8%	71.4%	64.9%	91.9%	68.0%	**73.4%**
Pretax Profit	59	107	406	(665)	163	2.1%	3.7%	12.9%	-27.1%	5.2%	**-0.6%**
EBIT	65	112	411	(647)	178	2.3%	3.9%	13.1%	-26.3%	5.6%	**-0.3%**
EBITDA	227	276	576	(588)	189	7.8%	9.7%	18.3%	-23.9%	6.0%	**3.6%**
Statement of Cash Flows											
Capital Expenditures	46	55	440	39	29	1.6%	1.9%	14.0%	1.6%	0.9%	**4.0%**
Dividends/Distributions	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**

Exhibit 2

Oceanic Kitchen, LLC
Consolidated Balance Sheet

Year End Date Year	31-Dec 2017	31-Dec 2018	31-Dec 2019	31-Dec 2020	31-Dec 2021	Interim YTD 31-Jul 2022	FMV of 7/31/2022 Net Assets
Current Assets							
Cash	81	82	(37)	85	120	152	152
Accounts Receivable	4	5	3	3	4	1	1
Inventory	27	23	26	28	29	28	28
Prepaid Expenses	12	13	6	15	11	10	10
TOTAL CURRENT ASSETS	125	123	(2)	131	164	191	191
Fixed Assets							
Operating Land & Buildings	0	0	0	0	0	0	0
Leasehold Improvements	362	376	381	407	416	416	416
Furniture & Fixtures	0	0	0	5	12	12	12
Office Equipment	0	0	0	3	5	5	5
Kitchen Equipment	52	57	59	64	75	82	82
TOTAL GROSS FIXED ASSETS	414	433	440	479	508	515	515
Accumulated Depreciation	(145)	(150)	(159)	(219)	(265)	(272)	(272)
TOTAL NET FIXED ASSETS	269	283	281	261	243	242	242
Other Assets							
Other Long-Term Assets							
Loan Fees, Net	1	1	2	1	1	1	1
Base Stock	6	6	6	6	6	6	6
TOTAL OTHER ASSETS	7	7	7	7	7	6	6
TOTAL ASSETS	**400**	**413**	**287**	**399**	**414**	**440**	
Current Liabilities							
Accounts Payable	40	35	12	77	29	37	37
Credit Cards Payable	0	0	0	0	6	3	3
Gift Cards Accounts Payable	21	29	20	32	30	26	26
Accrued Liabilities	54	53	95	59	94	113	113
Other Current Liabilities (Non-debt)	23	15	0	20	32	32	32
TOTAL CURRENT LIABILITIES	138	132	127	188	192	210	210
Long-Term Liabilities							
Interest-Bearing Debt - Long Term							
Long-Term Debt (Net of Current Portion)	313	343	352	365	282	228	228
TOTAL LONG-TERM LIABILITIES	313	343	352	365	282	228	228
TOTAL LIABILITIES	450	475	479	553	474	438	0
Equity							
Capital Stock / Paid In Capital / Retained Earnings	(50)	(62)	(192)	(154)	(60)	1	
TOTAL EQUITY	(50)	(62)	(192)	(154)	(60)	1	
TOTAL LIABILITIES & EQUITY	**400**	**413**	**287**	**399**	**414**	**440**	
Fair Market Value of Net Tangible Assets							**NMF**
Net Working Capital (Including Cash)	(13)	(9)	(129)	(57)	(27)	**Average**	
% of Sales	-0.5%	-0.3%	-4.1%	-2.3%	-0.9%	-1.6%	
Net Working Capital (Cash Free)	(94)	(91)	(92)	(142)	(148)	**Average**	
% of Sales	-3.3%	-3.2%	-2.9%	-5.8%	-4.7%	-4.0%	

Exhibit 3

Oceanic Kitchen, LLC

Strengths, Weaknesses, Opportunities & Threats (SWOT)

	Score	1	2	3	4	5	6	7	8	9	10
Historical Profits (excluding personal expenses)	7	Negative				Breakeven			Positive		Strong
Stability of Net Earnings	5	Volatile									Highly Stable
Quality of Financial Statements	4	Tax Return only				Quickbooks			Compiled		Audited
Cash Position (Cash in the Bank)	5	Needs Cash					Average				Strong
Years in Business	7	0-1 Years					5 Years				Over 10
Business Growth Going Forward	5	Declining			Flat		Slight Growth				Rapid Growth
New schools/workplaces/shopping centers coming?	4	No			Possibly			Highly Likely			Coming Soon
External advertising/marketing	5	Never				Occaisonally					Constantly
Current owner: community visibility	5	Not his/her strength				Some visibility					Highly visible
General Location	5	Less than desirable				Acceptable					Superior
Foot Traffic	8	Less than desirable				Acceptable					Superior
Street Traffic	5	Less than desirable				Acceptable					Superior

	Score										
Street construction harming traffic coming?	5	Yes 1	2	3	4	Possibly 5	6	7	8	9	No 10
Sign Visibility	2	Less than Desirable 1	2	3	4	Acceptable 5	6	7	8	9	Superior 10
Do you expect loss of a billboard/signage soon?	10	Yes 1	2	3	4	5	6	7	8	9	No 10
Visibility from major road or highway	2	Less than Desirable 1	2	3	4	Acceptable 5	6	7	8	9	Superior 10
Access From the Street	5	U-Turn Required 1	2	3	4	Acceptable 5	6	7	8	9	Excellent 10
Parking	2	Less than Desirable 1	2	3	4	Acceptable 5	6	7	8	9	Superior 10
Average Tenure of Management/Chef	5	0-1 Years 1	2	3	4	5 Years 5	6	7	8	9	Over 10 10
Dependence on a key person or persons	5	Highly dependent 1	2	3	4	Somewhat dependent 5	6	7	8	9	None 10
Employee Turnover	5	High 1	2	3	4	Average 5	6	7	8	9	Almost None 10
Family Involvement	5	High 1	2	3	4	Some 5	6	7	8	9	None 10
Desirability of Your Niche Compared to Others	5	No status 1	2	3	4	Average 5	6	7	8	9	Attractive 10
Do you have a Famous Chef?	1	No 1	2	3	4	5	6	7	8	9	Yes 10
Trade Secret Recipes or Copyrighted Recipes?	5	No 1	2	3	4	Some 5	6	7	8	9	Many 10

	Score										
Food Innovation	5	Not Innovative	2	3	4	5	6	7	8	9	Very Innovative 10
Relative Product Quality	5	Value	2	3	4	5	6	7	8	9	High End 10
Do you have a license to sell beer/wine?	1	No	2	3	4	5	6	7	8	9	Yes 10
Do you have a license to sell liquor?	1	No	2	3	4	5	6	7	8	9	Yes 10
How impacted by food cost changes	5	More than most	2	3	4	Similar to other restaurants	6	7	8	9	Less than most 10
How Easy For You to Duplicate your Concept?	5	Difficult	2	3	4	5	Easy 6	7	8	9	Already Duplicate 10
How Often are New Menu Items Introduced?	5	Never	Seldom 2	3	4	Occasionally 5	6	7	Very Often 8	9	Daily 10
Existing Local Competition	5	Highly Competitive	2	3	4	5	6	7	8	9	Little Competition 10
Potential For New Competition	5	Easy	2	3	4	Average 5	6	7	8	9	Difficult 10
How do you manage portion control?	5	Loose	2	3	4	Average 5	6	7	8	9	Measured 10
How do you manage employee theft?	5	No systems in place	2	3	4	Some systems in place 5	6	7	8	9	Theft not possible 10
Use of software/technology?	5	None	2	3	4	Some 5	6	7	8	9	State of the Art 10
Rating of the Last Health Inspection	5	D/F 1	C 2	3	4	5	B 6	7	8	9	A 10
Facilities Condition	5	Less than Desirable	2	3	4	Acceptable 5	6	7	8	9	State of the Art 10

	Score										
Seating Area Size	5	Cramped			At Capacity			Good			Room to Expand
		1	2	3	4	5	6	7	8	9	10
Back of House Size	5	Cramped			At Capacity			Good			Room to Expand
		1	2	3	4	5	6	7	8	9	10
Facilities Lease - time remaining	1	Month-to-Month				5 to 6 years					Over 10 years
		1	2	3	4	5	6	7	8	9	10
Will you need to move in the next few years?	5	Yes				Maybe					No
		1	2	3	4	5	6	7	8	9	10
Equipment Condition	5	Less than Desirable				Acceptable					State of the Art
		1	2	3	4	5	6	7	8	9	10

Exhibit 4

Oceanic Kitchen, LLC

Earnings Adjustments ($000)

Year End Date Year	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021
Revenue	2,891	2,856	3,151	2,457	3,156
Cost of Sales	785	709	699	864	847
Gross Margin	2,106	2,147	2,452	1,593	2,309
Operating & Other Expenses	2,046	2,040	2,046	2,257	2,146
Less: Depreciation Expense (1)	(161)	(163)	(164)	(60)	(12)
Less: Amortization Expense (1)	0	0	0	0	0
Less: Interest Expense (1)	(6)	(6)	(6)	(18)	(15)
Less: Discretionary Expenses					
Management Fee	0	0	0	(165)	(166)
Automobile Expenses	(0)	(0)	0	(0)	(0)
Menu Research & Cuisine Research	(33)	(32)	(47)	(33)	(20)
Donations/Contributions	(5)	(4)	(4)	(5)	(6)
Customer Goodwill	(8)	(7)	0	(9)	(0)
Travel/Meals/Entertainment	0	0	(0)	(8)	(0)
Bonus	0	0	0	(2)	(15)
Total Operating & Other Expenses	1,937	1,931	1,863	1,972	1,952
Depreciation Expense Summary					
Depreciation Expense	161	163	164	60	12
Amortization Expense Summary					
Amortization Expense	0	0	0	0	0
Interest Expense Summary					
Interest Expense	6	6	6	18	15
Statement of Cash Flows					
Operating Capital Expenditures	46	55	440	39	29

Notes:

(1) Reclassified

Exhibit 5

Oceanic Kitchen, LLC

Adjusted Income Statement & Cash Flow ($000) [1]

Year End Date Year	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021
Adjusted Income Statement					
Revenue	2,891	2,856	3,151	2,457	3,156
Cost of Sales	785	709	699	864	847
Gross Profit	2,106	2,147	2,452	1,593	2,309
Operating Expenses	1,937	1,931	1,863	1,972	1,952
Earnings Before Interest, Tax, Depr & Amort (EBITDA)	169	216	589	(379)	358
Depreciation Expense	161	163	164	60	12
Amortization Expense	0	0	0	0	0
Earnings Before Interest & Taxes (EBIT)	7	53	424	(439)	346
Interest Expense	6	6	6	18	15
Pretax Income	2	47	419	(456)	331
Operating Capital Expenditures	46	55	440	39	29

Exhibit 6

Oceanic Kitchen, LLC

Adjusted Historical Financial Analysis

	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	5-Year Average	*Compare to Industry**
Growth Rates							
Revenue Growth	N/A	-1.2%	10.3%	-22.0%	28.5%	2.2%	***N/A***
Gross Margin Growth	N/A	2.0%	14.2%	-35.1%	45.0%	2.3%	***N/A***
Pretax Income Growth	N/A	2881.4%	785.2%	-209.0%	-172.6%	280.1%	***N/A***
Profit Margin (% of Sales)							
Gross Profit	72.8%	75.2%	77.8%	64.8%	73.2%	72.8%	***62.0%***
EBITDA Proft	5.8%	7.6%	18.7%	-15.4%	11.3%	5.6%	***1600.0%***
Pretax Operating Profit	0.1%	1.7%	13.3%	-18.6%	10.5%	1.4%	***10.5%***
Liquidity							
Current Ratio	0.9	0.9	0.0	0.7	0.9	0.7	***2.1***
Quick Ratio	0.6	0.7	-0.3	0.5	0.6	0.4	***1.7***
Solvency							
Debt to Worth Ratio	NMF	NMF	NMF	NMF	NMF	NMF	***2.6***
LT Debt to Total Capital	119.2%	122.1%	220.4%	173.0%	126.9%	152.3%	***79.5%***
Interest Coverage Ratio	1.3	9.3	74.2	-24.9	23.7	16.7	***13.4***
Cash Flow to Current Debt	NMF	NMF	NMF	NMF	NMF	NMF	***5***
Dupont Analysis							
Sales to Assets	7.2	6.9	11.0	6.2	7.6	7.8	***2.5***
Times: EBIT Margin	0.3%	1.9%	13.5%	-17.9%	11.0%	1.7%	***10.4%***
Equals: Debt-Free Return on Assets	2%	13%	148%	-110%	84%	27%	***25.9%***
Times: Pretax to EBIT	0.22	0.89	0.99	1.04	0.96	0.82	***0.93***
Equals: Pretax Return on Assets	0%	11%	146%	-114%	80%	25%	***24.0%***
Times: Assets to Equity	-7.96	-6.64	-1.49	-2.59	-6.93	-5.12	***2.95***
Equals: Pretax Return on Equity	-3%	-76%	-218%	296%	-554%	-111%	***70.8%***
Sales/Net Fixed Assets	10.8 times	10.1 times	11.2 times	9.4 times	13 times	10.9	***10.6***
Inventory Turnover	28.9 times	30.6 times	26.5 times	30.7 times	29.5 times	29.2	***41.9***
Payables Turnover	19.6 times	20.2 times	57.8 times	11.2 times	28.9 times	27.5	***29.5***

Notes:

* RMA Industry Average for NAICS 722511 - Full-Service Restaurant.

Exhibit 7

Oceanic Kitchen, LLC

Forecasted Free Cash Flows ($000)

December Year End	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Residual
Partial Year Factor						0.42										
Sales	*2,891*	*2,856*	*3,151*	*2,457*	*3,156*	1,367	3,392	3,528	3,634	3,743	3,855	3,971	4,090	4,212	4,339	4,469
Cost of Sales	*785*	*709*	*699*	*864*	*847*	520	1,289	1,341	1,381	1,422	1,465	1,509	1,554	1,601	1,649	1,698
Gross Profit	*2,106*	*2,147*	*2,452*	*1,593*	*2,309*	848	2,103	2,187	2,253	2,320	2,390	2,462	2,536	2,612	2,690	2,771
Operating Expenses:																
Operating Expense	*1,937*	*1,931*	*1,863*	*1,972*	*1,952*	708	1,757	1,827	1,882	1,939	1,997	2,057	2,118	2,182	2,247	2,315
Depreciation Expense	*161*	*163*	*164*	*60*	*12*	69	80	65	53	42	34	39	43	47	50	67
Operating Income	*7*	53	424	(439)	346	70	266	295	318	339	359	366	374	383	392	388
Amortization Expense	*0*	*0*	*0*	*0*	*0*	0	0	0	0	0	0	0	0	0	0	0
Earnings Before Interest & Taxes	*7*	53	424	(439)	346	70	266	295	318	339	359	366	374	383	392	388
Income Taxes on EBIT	*NA*	*NA*	*NA*	*NA*	*NA*	20	74	82	89	95	101	102	105	107	110	109
Net Income (Debt Free)	*NA*	*NA*	*NA*	*NA*	*NA*	51	192	212	229	244	259	264	269	276	283	280
Depreciation & Amortization	*NA*	*NA*	*NA*	*NA*	*NA*	69	80	65	53	42	34	39	43	47	50	67
Cash Flow (Debt Free)	*NA*	*NA*	*NA*	*NA*	*NA*	120	271	277	282	287	293	303	312	323	333	347
Adj. Working Capital Changes	*NA*	*NA*	*NA*	*NA*	*NA*	87	9	10	8	8	8	8	9	9	9	9
Capital Expenditures	*(46)*	*(55)*	*(440)*	*(39)*	*(29)*	(21)	(51)	(53)	(55)	(56)	(58)	(60)	(62)	(64)	(65)	(67)
Free Cash Flow (Debt Free)	*NA*	*NA*	*NA*	*NA*	*NA*	187	230	234	234	238	243	251	259	268	276	289
Sales Growth [1]	*NA*	*-1.2%*	*10.3%*	*-22.0%*	*28.5%*	3.3%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cost of Sales/Sales [2]	*27.2%*	*24.8%*	*22.2%*	*35.2%*	*26.8%*	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%
Gross Margin	*72.8%*	*75.2%*	*77.8%*	*64.8%*	*73.2%*	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%	62.0%
Operating Expense/Sales [3]	*67.0%*	*67.6%*	*59.1%*	*80.3%*	*61.8%*	51.8%	51.8%	51.8%	51.8%	51.8%	51.8%	51.8%	51.8%	51.8%	51.8%	51.8%
EBITDA Margin	*5.8%*	*7.6%*	*18.7%*	*-15.4%*	*11.3%*	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%
Depreciation/Sales	*5.6%*	*5.7%*	*5.2%*	*2.4%*	*0.4%*	5.1%	2.4%	1.8%	1.4%	1.1%	0.9%	1.0%	1.1%	1.1%	1.2%	1.5%
EBIT Margin	*0.3%*	*1.9%*	*13.5%*	*-17.9%*	*11.0%*	5.1%	7.8%	8.4%	8.8%	9.1%	9.3%	9.2%	9.1%	9.1%	9.0%	8.7%
EBIT Tax Rate	*NA*	*NA*	*NA*	*NA*	*NA*	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
Working Capital Level [4]	*-3.3%*	*-3.2%*	*-2.9%*	*-5.8%*	*-4.7%*	-7.2%	-7.2%	-7.2%	-7.2%	-7.2%	-7.2%	-7.2%	-7.2%	-7.2%	-7.2%	-7.2%
Working Capital - $ Value	(94)	(91)	(92)	(142)	(148)	(235)	(244)	(254)	(262)	(270)	(278)	(286)	(295)	(304)	(313)	(322)
Capital Expenditures/Sales [5]	*-1.6%*	*-1.9%*	*NMF*	*-1.6%*	*-0.9%*	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%

Fixed Asset / Depreciation Analysis		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Starting Balance - Net Fixed Assets		243	194	166	154	156	170	194	215	234	251
Additions (Capital Expenditures)		21	51	53	55	56	58	60	62	64	65
TCJA 2017 Accelerated Depr %		100%	80%	60%	40%	20%	0%	0%	0%	0%	0%
Bonus Depreciation Expense		21	41	32	22	11	0	0	0	0	0
Straight-Line Depreciation Expense		49	39	33	31	31	34	39	43	47	50
Ending Balance - Net Fixed Assets	243	194	166	154	156	170	194	215	234	251	266
Depreciation as a % of Sales		5.06%	2.35%	1.84%	1.45%	1.13%	0.88%	0.98%	1.05%	1.11%	1.15%
Average Depreciable Life	5										

Notes:

NA indicates not available or not applicable.

(1) Sales forecast based on management's 5-year forecast. Thereafter sales based on inflationary growth.

(2) For cost of sales, we used the RMA industry average as a percentage of sales.

(3) For operating expense, we used the RMA industry average as a percentage of sales.

(4) For cash-free net working capital, we used the RMA industry average as a percentage of sales.

(5) For capital expenditures, we used the Company's historical average as a percentage of sales.

Exhibit 8

Oceanic Kitchen, LLC
Weighted Average Cost of Capital (WACC)

WACC = (D/V × Kd × (1 - T)) + E/V × Ke)
WACC = (23.2% × 5.8% × 72.0%) + 76.8% × 25.4%) = 20.5%

where:			Notes:
WACC = weighted average cost of capital			
D/V = ratio of interest bearing debt capital to total invested capital		23.2%	a
E/V = ratio of equity capital to total invested capital (= 1 - D/V)		76.8%	a
Kd = cost of interest bearing debt capital		5.8%	b
Ke = levered cost of equity capital (see CAPM equation)		25.4%	
CaliforniaState Tax Rate	8.84%		
Federal Tax Rate	21.0%		
T = marginal tax rate		28.0%	c

Capital Asset Pricing Model (CAPM)

Ke = Rf + (Bl × Re) + Rs + Rc
Ke = 4.3% + (1.40 × 5.9%) + 7.8% + 5.0% = 25.4%

and

Bl = Bu × (1.00 + ((1 - T) × D/E))
Bl = 1.15 × (1.00 + (72.0% × 30.2%)) = 1.40

where:		
Ke = levered cost of equity capital		
Bl = levered "beta"		
Rf = risk free rate	4.3%	d
Bu = unlevered "beta"	1.15	e
Re = equity risk premium	5.94%	f
Rs = small stock risk premium (Size Premium)	7.8%	g
Rc = subject company risk premium	5.0%	h
D/E = ratio of interest bearing debt capital to equity capital	30.2%	a

Capitalization Rate

C = (WACC - G)
C = (20.5% - 3.0%) = 17.5%

where:		
C = capitalization rate		
WACC = weighted average cost of capital	20.5%	See above
G = growth rate into perpetuity	3.0%	

Sources:

a. [redacted]
b.
c.
d.
e.
f.
g.
h.
i.

Exhibit 9

Oceanic Kitchen, LLC

Income Approach Summary ($000)

December Year End	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Residual
Debt Free Cash Flow	187	230	234	234	238	243	251	259	268	276	289
Residual Capitalization Rate											17.5%
Future Value of Cash Flows	187	230	234	234	238	243	251	259	268	276	1,652
Number of Periods Deferred	0.2096	0.9192	1.9192	2.9192	3.9192	4.9192	5.9192	6.9192	7.9192	8.9192	8.9192
Present Value Factor	0.9617	0.8425	0.6992	0.5802	0.4815	0.3996	0.3316	0.2752	0.2284	0.1895	0.1895
Net Present Value of Free Cash Flows	179	194	164	136	115	97	83	71	61	52	313
Present Value of Year 1 - Year 10 Free Cash Flows											1,152
Present Value of Residual											313
Indicated Total Enterprise Value - Income Approach (Rounded)											**1,465**

Notes:

* Important: This summary excludes the value of any non-operating assets.

Exhibit 10

Oceanic Kitchen, LLC
Market Approach - M&A Method

Description	Days to Sell	Close Date	Asking Price	Total Enterprise Value (TEV) Price Paid	Seller Financing %	Revenue	EBITDA	EBITDA %	TEV to Revenue Ratio
Seafood Restaurant	[redacted]	4/26/2022	3,750	[redacted]	[redacted]	[redacted]	[redacted]	25.8%	[redacted]
Latin Restaurant		2/8/2021	3,000					11.1%	
Sushi Restaurant		5/31/2021						42.4%	
Specialty Restaurant		12/2/2020	1,999						
Seafood Restaurant		3/18/2022	2,400					15.5%	
Full Service Restaurant		5/14/2022	1,350					9.8%	
Steak Restaurant		8/31/2021	1,100					-3.5%	
Family Style Restaurant		5/29/2020	1,500						
Family Style Restaurant		12/29/2020	1,250						
New York Style Pizzeria with Italian Food		12/1/2021	1,400					18.0%	
Barbecue Restaurant		5/17/2022	990						
Seafood Restaurant		12/29/2020	650						
Full-Service Restaurant and Bar		5/20/2022	1,900						
Specialty Restaurant		5/23/2022	2,100					22.5%	
Family Style Restaurant		12/29/2020	1,500						
Gourmet Dining		1/20/2022	1,350					10.7%	
Seafood Restaurant		12/29/2020	650						
Steak Restaurant		12/30/2020	999					22.0%	
Seafood Restaurant		10/28/2020	699						
Family Style Restaurant		5/3/2021	1,500						
American Restaurant		7/8/2021	599					4.2%	
Italian Restaurant		10/4/2021	695						
Sports Bar and Restaurant		11/3/2021	738					4.8%	
Tex-Mex Restaurant		7/2/2021	525						
Latin Restaurant		11/19/2021	500					14.7%	
Hawaiian Restaurant		8/9/2021	550						
Full-Service Restaurant		9/8/2020	750					14.2%	
Full-Service Restaurants		3/11/2022	840						
Seafood Restaurant		3/21/2022	650					15.2%	
Restaurant		5/10/2022	695					10.4%	
Full Service Restaurant		2/28/2020	595						
American Style Restaurant		6/21/2021	800					18.3%	

Description	Days to Sell	Close Date	Asking Price	Total Enterprise Value (TEV) Price Paid	Seller Financing %	Revenue	EBITDA	EBITDA %	TEV to Revenue Ratio
Middle Eastern Grill and Hookah Bar	[redacted]	11/24/2020	1,000	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Barbecue Restaurant	[redacted]	8/17/2021	650	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Seafood Restaurant	[redacted]	1/1/2022	795	[redacted]	[redacted]	[redacted]	[redacted]	21.7%	[redacted]
Asian Restaurant	[redacted]	4/29/2022	650	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Specialty Restaurant	[redacted]	3/11/2022	840	[redacted]	[redacted]	[redacted]	[redacted]	20.4%	[redacted]
Bar and Restaurant	[redacted]	3/8/2022	599	[redacted]	[redacted]	[redacted]	[redacted]	18.3%	[redacted]
Mediterranean-Themed Restaurant and Sports Bar	[redacted]	9/22/2020	495	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Ethnic Restaurant	[redacted]	9/17/2021	450	[redacted]	[redacted]	[redacted]	[redacted]	22.3%	[redacted]
Full-Service Restaurant and Catering	[redacted]	8/4/2021	550	[redacted]	[redacted]	[redacted]	[redacted]	21.3%	[redacted]
Pizza and Italian restaurant	[redacted]	3/30/2022	750	[redacted]	[redacted]	[redacted]	[redacted]	21.2%	[redacted]
Diner	[redacted]	3/1/2021	399	[redacted]	[redacted]	[redacted]	[redacted]	10.9%	[redacted]
Italian Restaurant	[redacted]	11/10/2021	349	[redacted]	[redacted]	[redacted]	[redacted]	13.6%	[redacted]
Bar and Restaurant	[redacted]	11/30/2021	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	9.7%	[redacted]
Italian Restaurant	[redacted]	1/29/2021	400	[redacted]	[redacted]	[redacted]	[redacted]	8.0%	[redacted]
Seafood Restaurant	[redacted]	7/12/2021	500	[redacted]	[redacted]	[redacted]	[redacted]	3.3%	[redacted]
Pizza Shop	[redacted]	2/14/2020	499	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Bar and Restaurant	[redacted]	8/13/2021	799	[redacted]	[redacted]	[redacted]	[redacted]	25.9%	[redacted]
Casual American Diner	[redacted]	5/12/2022	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	8.8%	[redacted]
Italian Restaurant	[redacted]	7/22/2020	440	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Pizza Shop	[redacted]	3/31/2022	495	[redacted]	[redacted]	[redacted]	[redacted]	11.7%	[redacted]
Bar and Restaurant	[redacted]	7/31/2021	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	2.1%	[redacted]
American Restaurant	[redacted]	5/12/2022	275	[redacted]	[redacted]	[redacted]	[redacted]	14.9%	[redacted]
Thai Restaurant	[redacted]	4/29/2021	395	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Pizza and Italian restaurant	[redacted]	4/25/2022	350	[redacted]	[redacted]	[redacted]	[redacted]	12.4%	[redacted]
Pizza Shop	[redacted]	7/20/2021	499	[redacted]	[redacted]	[redacted]	[redacted]	17.1%	[redacted]
Pizza and Pasta Restaurant	[redacted]	1/22/2020	540	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Indian-Pakistani Restaurant	[redacted]	12/8/2021	314	[redacted]	[redacted]	[redacted]	[redacted]	6.4%	[redacted]
Steak Restaurant	[redacted]	5/5/2022	350	[redacted]	[redacted]	[redacted]	[redacted]	8.9%	[redacted]
Pizza Shop	[redacted]	2/12/2020	489	[redacted]	[redacted]	[redacted]	[redacted]	18.3%	[redacted]
Full-Service Restaurant and Bar	[redacted]	12/30/2021	320	[redacted]	[redacted]	[redacted]	[redacted]	9.0%	[redacted]
Restaurant	[redacted]	2/3/2020	500	[redacted]	[redacted]	[redacted]	[redacted]	13.2%	[redacted]
Pizza Shop	[redacted]	2/5/2020	499	[redacted]	[redacted]	[redacted]	[redacted]	13.3%	[redacted]
Pub	[redacted]	3/23/2021	685	[redacted]	[redacted]	[redacted]	[redacted]	32.1%	[redacted]
Breakfast and Lunch Restaurant	[redacted]	8/16/2021	410	[redacted]	[redacted]	[redacted]	[redacted]	10.1%	[redacted]
Pizza Shop	[redacted]	11/13/2021	600	[redacted]	[redacted]	[redacted]	[redacted]	16.1%	[redacted]
Cafe Type Eatery	[redacted]	11/11/2021	385	[redacted]	[redacted]	[redacted]	[redacted]	14.5%	[redacted]

Description	Days to Sell	Close Date	Asking Price	Total Enterprise Value (TEV) Price Paid	Seller Financing %	Revenue	EBITDA	EBITDA %	TEV to Revenue Ratio
Lunch Café Restaurant	[redacted]	2/18/2022	350	[redacted]	[redacted]	[redacted]	[redacted]	5.1%	[redacted]
Italian Restaurant	[redacted]	8/26/2021	395	[redacted]	[redacted]	[redacted]	[redacted]	13.0%	[redacted]
American Style Restaurant	[redacted]	11/15/2021	350	[redacted]	[redacted]	[redacted]	[redacted]	9.6%	[redacted]
Ethnic Restaurant	[redacted]	3/9/2021	450	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Breakfast and Lunch Restaurant	[redacted]	10/14/2020	665	[redacted]	[redacted]	[redacted]	[redacted]	12.4%	[redacted]
American Restaurant	[redacted]	3/22/2022	249	[redacted]	[redacted]	[redacted]	[redacted]	15.6%	[redacted]
Restaurant and Bar	[redacted]	3/1/2022	245	[redacted]	[redacted]	[redacted]	[redacted]	-1.4%	[redacted]
Pizza Shop	[redacted]	7/7/2020	429	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Italian Restaurant	[redacted]	2/9/2021	325	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Breakfast and Lunch Restaurant/ Carryout/Catering	[redacted]	8/14/2020	720	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
New York Style Pizzeria	[redacted]	8/9/2021	325	[redacted]	[redacted]	[redacted]	[redacted]	15.8%	[redacted]
Restaurant and Sports Bar	[redacted]	11/30/2021	269	[redacted]	[redacted]	[redacted]	[redacted]	11.5%	[redacted]
American Style Restaurant	[redacted]	2/23/2021	499	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Sushi and Japanese Restaurant	[redacted]	2/10/2022	490	[redacted]	[redacted]	[redacted]	[redacted]	15.7%	[redacted]
Italian Restaurant	[redacted]	6/2/2020	399	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Cafe Type Eatery	[redacted]	10/20/2020	185	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Breakfast and Lunch Restaurant	[redacted]	11/19/2020	695	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Asion Bistro	[redacted]	2/22/2021	200	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Italian Restaurant	[redacted]	4/21/2020	310	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Full Service Restaurant	[redacted]	5/5/2021	225	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Pizzeria and Italian Restaurant	[redacted]	1/31/2022	249	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Indian Restaurant	[redacted]	1/18/2020	200	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Diner	[redacted]	5/27/2022	585	[redacted]	[redacted]	[redacted]	[redacted]	30.3%	[redacted]
Fine Dining Restaurant	[redacted]	11/1/2020	249	[redacted]	[redacted]	[redacted]	[redacted]	16.6%	[redacted]
Argentinian Restaurant	[redacted]	5/31/2022	240	[redacted]	[redacted]	[redacted]	[redacted]	11.9%	[redacted]
Bistro	[redacted]	1/20/2022	200	[redacted]	[redacted]	[redacted]	[redacted]	19.7%	[redacted]
Mall Restaurant	[redacted]	7/20/2021	360	[redacted]	[redacted]	[redacted]	[redacted]	9.4%	[redacted]
Family Style Restaurant	[redacted]	12/2/2020	370	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Breakfast and Lunch Restaurant	[redacted]	3/1/2021	450	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Pizza and Italian Restaurant	[redacted]	6/3/2021	274	[redacted]	[redacted]	[redacted]	[redacted]	13.2%	[redacted]
Breakfast and Lunch Restaurant	[redacted]	7/31/2020	399	[redacted]	[redacted]	[redacted]	[redacted]	22.6%	[redacted]
Breakfast and Lunch Café	[redacted]	8/16/2021	285	[redacted]	[redacted]	[redacted]	[redacted]	6.6%	[redacted]
Italian Restaurant	[redacted]	7/31/2020	325	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Pizzeria and Public House	[redacted]	10/20/2021	250	[redacted]	[redacted]	[redacted]	[redacted]	14.2%	[redacted]
Full Service Restaurant	[redacted]	6/30/2021	450	[redacted]	[redacted]	[redacted]	[redacted]	23.9%	[redacted]
Diner	[redacted]	11/30/2021	299	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Description	Days to Sell	Close Date	Asking Price	Total Enterprise Value (TEV) Price Paid	Seller Financing %	Revenue	EBITDA	EBITDA %	TEV to Revenue Ratio
Pizza Franchise	[redacted]	2/29/2020	199	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]
Ethnic Restaurant		11/18/2020	425						
Diner		8/26/2021	225					10.6%	
Bar and Restaurant		2/18/2022	189					14.5%	
Latin Restaurant		11/3/2020	350						
Breakfast and Lunch Restaurant		10/1/2021	475					-6.6%	
Pizza Shop		6/27/2021	260					19.7%	
Italian Deli and Pizza Restaurant		5/31/2022	400					35.4%	
Italian Restaurant		1/6/2020	268						
Franchise Restaurant		3/5/2020	299						
Restaurant		1/27/2020	275					3.2%	
Italian Restaurant		10/4/2021	279					23.2%	
Ethnic Restaurant		9/1/2020	175						
Italian Restaurant		7/9/2021	198						
Cafe Type Eatery		11/2/2021	349					22.1%	
Italian Restaurant		11/30/2020	225						
Gourmet Dining		8/9/2021	199					0.8%	
Bar and Restaurant		3/18/2022	160						
Pizza Parlor		1/27/2020	199					5.9%	
Full Service Restaurant and Bar		1/12/2021	225					20.3%	
Specialty Grocery		3/13/2020	199						
Italian Restaurant		7/31/2021	295						
Breakfast and Lunch Restaurant		6/24/2021	176					19.9%	
Breakfast and Lunch Café		1/21/2022	220					1.8%	
Mediterranean Restaurant		6/1/2020	300						
Italian Restaurant		11/30/2020	225						
American Restaurant		1/20/2022	200					11.2%	
Breakfast and Lunch Restaurant		11/5/2020	179						
Specialty Restaurant		5/4/2022	160					10.5%	
Pizza Shop		11/15/2021	190					18.2%	
Breakfast and Lunch Restaurant		5/16/2022	199						
Italian Restaurant		1/31/2020	175					1.0%	
American Style Restaurant		3/31/2021	349						
Cafe Type Eatery		3/5/2021	249					3.9%	
Bar and Grill Restaurant		6/21/2021	284					1.7%	
Italian Restaurant		11/1/2021	230					-1.6%	

Description	Days to Sell	Close Date	Asking Price	Total Enterprise Value (TEV) Price Paid	Seller Financing %	Revenue	EBITDA	EBITDA %	TEV to Revenue Ratio
Pizza Shop	[redacted]	8/6/2021	199	[redacted]	[redacted]	[redacted]	[redacted]	15.0%	[redacted]
Pizza and Italian Restaurant		3/2/2020	229						
Breakfast and Lunch Restaurant		7/31/2020	195						
Seafood Restaurant		11/29/2021	295					39.3%	
Full Service Restaurant and Bar		7/12/2021						21.6%	
Pizza Shop		9/21/2021	150					4.7%	
American Style Restaurant		5/11/2021	125						
Bar and Restaurant		11/5/2020	250					15.6%	
Franchised Restaurant - Specializes in Desserts		1/3/2022	500					8.0%	
Pizza Shop		7/16/2021						19.0%	
Restaurant		3/2/2020	165						
Full Service Restaurant and Sports Bar		1/16/2021	150					24.2%	
Breakfast and Lunch Restaurant		6/17/2021	118					6.5%	
Pizza Shop		8/31/2021	225					33.2%	
American Restaurant		9/14/2021	200						
Pizza Restaurant with Wings and Sandwiches		8/31/2021	329					19.2%	
Italian Restaurant		3/30/2020	200						
Pizza Shop		1/26/2022	200					36.9%	
Italian Restaurant		9/15/2021	180					15.1%	
Italian Cuisine and Pizzeria Franchise		8/31/2021	150					8.2%	
Asian Restaurant		3/30/2021	160						
Peruvian Restaurant		9/8/2021	330					6.3%	
Breakfast and Lunch Restaurant		2/22/2021	225					5.3%	
Lunch Restaurant		3/23/2020						14.0%	
Specialty Restaurant		10/15/2021	245					11.3%	
Italian Restaurant		9/14/2021	180					12.2%	
American Restaurant		6/8/2020	119						
Full Service Restaurant		5/19/2020	350						
Breakfast and Lunch Restaurant		1/28/2021	125						
Pizza Shop		2/13/2020	169						
American Style Restaurant		10/14/2020	229						
Pizza Shop		10/11/2021	149					20.3%	
Italian Restaurant		1/10/2020	160						
Pub		4/2/2021	187					-2.8%	
Italian Restaurant		3/11/2020	110						
Breakfast and Lunch Restaurant		3/1/2021	115						

Description	Days to Sell	Close Date	Asking Price	Total Enterprise Value (TEV) Price Paid	Seller Financing %	Revenue	EBITDA	EBITDA %	TEV to Revenue Ratio
Breakfast and Lunch Restaurant	[redacted]	3/18/2022	125	[redacted]	[redacted]	[redacted]	[redacted]	18.1%	[redacted]
American Restaurant		3/10/2022	99					2.0%	
Breakfast and Lunch Restaurant		6/1/2021	200					-4.5%	
American Style Restaurant		9/10/2020	219						
Breakfast and Lunch Restaurant		7/26/2021	179					32.5%	
Cafe Type Eatery		12/1/2020	160						
Latin Restaurant		8/13/2020	119						
American Restaurant Restaurant		9/30/2020	120						
Italian Restaurant		11/30/2020	195					28.7%	
Bar and Grill		6/10/2021	101						
Breakfast and Lunch Restaurant		6/30/2020	260						
Breakfast and Lunch Restaurant		8/2/2021	185					-6.7%	
Asian Restaurant		9/30/2021	120					-11.4%	
Restaurant		6/15/2021	139					19.1%	
Cafe Type Eatery		10/7/2021	299					13.7%	
Breakfast and Lunch Restaurant		7/1/2021	199					15.4%	
Ethnic Restaurant		7/21/2020	110						
Breakfast and Lunch Restaurant		12/6/2021	185					-4.2%	
Breakfast and Lunch Restaurant		8/31/2021	154					19.7%	
New York Pizzeria and Italian Food		11/9/2021	225					11.3%	
Breakfast and Lunch Restaurant		1/20/2020	139						
American Style Restaurant		4/28/2021	175					12.6%	
Breakfast and Lunch Restaurant		10/18/2021	250					27.0%	
Pizza Restaurant		8/20/2021	175					17.0%	
Cafe Type Eatery		11/17/2020	210						
Pizza and Pasta Restaurant		7/31/2021	125					21.2%	
Pizza Shop		7/30/2021	131					5.1%	
Pizza Restaurant / Pastas, Paninis, Strombolis and Wine		7/15/2021	130					-12.6%	
American Style Restaurant		5/27/2021	85						
American Style Restaurant		4/1/2021	170						
Pizza Shop		6/15/2020	149						
Ethnic Restaurant		2/25/2022	99					27.1%	
Breakfast, Lunch, and Dinner Café		8/18/2020	99						
Authentic Latin Restaurant		3/30/2022	120					9.9%	
Pizza Shop		2/15/2020	95						
Diner		11/16/2021	110					19.9%	

Description	Days to Sell	Close Date	Asking Price	Total Enterprise Value (TEV) Price Paid	Seller Financing %	Revenue	EBITDA	EBITDA %	TEV to Revenue Ratio
Italian Restaurant	[redacted]	5/4/2020	99	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]
Vietnamese Restaurant		9/4/2020	150					6.2%	
Fast Food Restaurant		11/19/2021	99					13.4%	
Fried Chicken Restaurant		2/7/2020	79						
Italian Restaurant		6/11/2021	255					23.3%	
Breakfast and Lunch Restaurant		5/14/2021	100						
Full-Service Pizza Restaurant with Beer and Wine License		11/11/2021	94					10.9%	
Breakfast and Lunch Restaurant		2/18/2021	235						
Cafe Type Eatery		9/20/2021	79					24.2%	
Breakfast and Lunch Restaurant		2/15/2022	99					24.4%	
Café Restaurant		3/31/2022	149					32.1%	
Italian Restaurant		2/1/2022	75						
Vietnamese Chinese Restaurant		11/8/2021	90					29.3%	
Pizza Shop		1/7/2020	100						
Breakfast and Lunch Restaurant		12/7/2021	109					29.4%	
Italian Restaurant		3/18/2021	99						
Pizza Shop		7/21/2021	100					25.0%	
Pizza and Italian Restaurant		2/28/2022	95					36.6%	
Restaurant		11/1/2021	150					16.9%	
Italian Restaurant		3/1/2021	130						
Restaurant		6/15/2020	125					-6.7%	
Latin Restaurant		2/5/2020	125						
Full-Service Restaurant		2/14/2020	125					33.3%	
Cafe Type Eatery		2/25/2021	59					6.9%	
Gourmet Restaurant		1/15/2020	199					31.0%	
Seafood Restaurant		11/2/2020	59						
Breakfast and Lunch Restaurant		4/22/2022	130					18.3%	
Breakfast and Lunch Restaurant		6/1/2021	180					37.0%	
Breakfast and Lunch Restaurant		2/23/2021	69						
Italian Restaurant		9/22/2021	80					-5.0%	
Breakfast and Lunch Restaurant		6/21/2021	125					18.7%	
Breakfast and Lunch Restaurant		8/23/2021	125					19.3%	
Indian Restaurant		1/3/2022	50						
Mexican Restaurant		4/1/2022						37.9%	
Cafe Type Eatery		12/1/2020	99					-1.0%	
Pizza Shop		3/12/2020	99						

Description	Days to Sell	Close Date	Asking Price	Total Enterprise Value (TEV) Price Paid	Seller Financing %	Revenue	EBITDA	EBITDA %	TEV to Revenue Ratio
Full Service Restaurant	[redacted]	11/2/2021	156	[redacted]				0.7%	[redacted]
Italian Restaurant		12/16/2021	85					10.0%	
Cafe Type Eatery		6/28/2020	99						
Comfort Food Style Restaurant		7/6/2021	70					12.1%	

Count	**252**
Mean Unadjusted Ratio	**0.36x**
Adjustment for Size Differences	**-8.2%**
Adjustment for SWOT Risks	**-22.9%**
Selected Ratio	**0.47x**

Exhibit 11

Oceanic Kitchen, LLC

Market Approach - M&A Method Summary

Valuation Ratios	Calculated Ratio	No. of Ratios	Subject Co. Financial Metric	TEV Calculation	Weight
TEV to Revenue (Latest Fiscal Year)	0.47x	252	$3,156,161	$1,483,396	1/2
TEV to Revenue (This Coming Year)	0.47x	252	$3,261,607	$1,532,955	1/2
TEV to Revenue (Next Year)	0.47x	252	$3,392,072	$1,594,274	0
Indicated Total Enterprise Value - Market Approach Method (Rounded)				**$1,508,000**	100%

Notes:

* Important: This summary excludes the value of any non-operating assets.

Exhibit 12

Oceanic Kitchen, LLC
Valuation Summary

	Indicated Value	Weight
Concluded Value - Income Approach	1,465,000	1/2
Concluded Value - Guideline Public Company Analysis	NMF	0
Concluded Value - M&A Transaction Analysis	1,508,000	1/2
Concluded Value - Asset-Based Approach	NMF	0
CONCLUDED ENTERPRISE VALUE FOR OPERATIONS (rounded)	**1,487,000**	
Less: Interest-Bearing Debt	(228,323)	
Plus: Cash balance at the date of value	152,322	
CONCLUDED EQUITY VALUE (rounded)	**1,411,000**	