



Paul Herrmann
Finlease Australia
1 James Place,
North Sydney NSW 2060

23rd February 2018

Banking Appraisal – Purchase of Bubs Famous Fish & Chips

To whom it may concern,

I, Paul Herrmann of Finlease North Sydney am writing to give a professional opinion of the capacity of the Bubs Famous Fish & Chips Business.

On the information provided to me the business has achieved an average normalised profit of \$572,089 over the last 4 years. At a purchase price of \$1,500,000 and assuming the full amount was borrowed over a 15 year term on current interest rates alone the cost to the business to service this debt would be approximately \$11,862 per month or \$142,344 per annum.

The above normalised profit figure of \$572,089 is more than ample to service this ongoing liability sum 24x in fact and would meet majority of banks debt service cover ratios.

As the premise is not included in purchase external security would need to be used as collateral which at \$1,500,000 most banks would need in the vicinity of approx. \$1,875,000 Fair Market Value residential property or \$2,143,000 in Fair Market Value for a commercial property.

These both would need to be valued by a bank accredited valuation firm to deem acceptable for banks to use as collateral.

There would be a normal approval process needed to be undertaken which will differ from each prospective however with a business as robust as Bubs rest assured the purchase part of the business can well and truly pay its own way.

Please be advised this is not and does not form any formal financial advice this is just a professional opinion of mine where I can gained knowledge and experience over the last 14 years. Any prospective purchases will need to complete their own due diligence and work through their own financial/legal advisors accordingly

Sincerely yours

Paul Herrmann
Finlease Australia