



james byrne & company accountants limited T/A

james byrne & company

chartered accountants | registered auditors

Our Ref: JB/HC

29 February 2024

By E-mail Only

Strictly Private & Confidential

Mr Garvan Lynch
Bronzetrail Limited
Broadale
Maryborough
Douglas
Cork

Dear Garvan,

Re: Proposed sale of Bronzetrail Limited

I refer to our discussion in relation to the above and the reduced offer price for the goodwill of the pharmacy at Broadale.

I can appreciate the concern of the proposed purchaser arising from the fire at the end of last year. However, it is likely on current trends since you re-opened that turnover will recover relatively quickly.

It appears unreasonable to me on the basis of the above that the goodwill valuation is reduced from €1.3 million to €800,000. I would consider it reasonable if the offer for the goodwill was €1 million plus a €300,000 contingent payment in the event that for 2025 the turnover equalled or exceeded the turnover achieved in 2022 which are the accounts on which the purchase price was based. This can be easily incorporated in the share purchase agreement with an earn-out clause of €300,000.

I would suggest that you put this proposal to Ronan Fitzgerald and ask him to put it to the advisors for the vendor.

I am of the view that it would be possible to refinance the business and in that context I am currently agreeing an instalment arrangement with the Revenue Commissioners and I believe that I can obtain adequate funding from one of the banks. If the purchaser is not opened to discussions on the above, I think you should take the business off the market and wait 6 months before putting it back on the market.

You might come back to me at your convenience or if you wish to discuss this in greater detail.

Yours sincerely


JAMES BYRNE & COMPANY

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