

Profile and Questions Regarding Royalty Issuers As Wanted By Prospective Royalty Investors

Company: _____ **Year Established?** _____

What is the business of the business and why with financing should it succeed?

What is the general outlook for the industry served?

What are the competitive advantages of the company?

What are expected to be the major sources of company revenues?

Present Annual Revenues? _____

Average revenues of last 3 years? _____

Is the company presently profitable? _____

Amount of growth capital funding sought? _____

Is the company primarily owner managed? _____

What is the average age of the three most senior executives? _____

How many employees are there currently? _____

Does the company operate from multiple locations? _____

Is the company independently audited? _____

Is the audit for the most recent year available? _____

Has the company been relatively free of dispute and litigation? _____

If the funds sought are obtained will there be increased employment and by how many jobs? _____

If the funds are obtained what is the likely Compound Annual Growth Rate of Revenues for 5, 10, 15 and 20 year periods?

Is either a public offering of equity or the sale of the company within the next five years a likely possibility? _____

There are many more questions which could be asked of the owners of privately owned businesses, but the answers to the above questions should be sufficient to determine if further study is warranted. Only 5 of the above 19 questions require more than filling in the blanks with a short writing.

The above questions are probably at the edge of what a business owner will feel comfortable providing prior to learning of the background and asset base of the investing entity.

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