



Business Development Bank of Canada

Feb. 28th, 2023

Agenda



- ① **BDC Overview**
- ② **How we can support Aerospace**
- ③ **How we structure deals**
- ④ **Here to help you succeed**
- ⑤ **Conclusion**

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BDC Overview

BDC is the bank for Canadian entrepreneurs

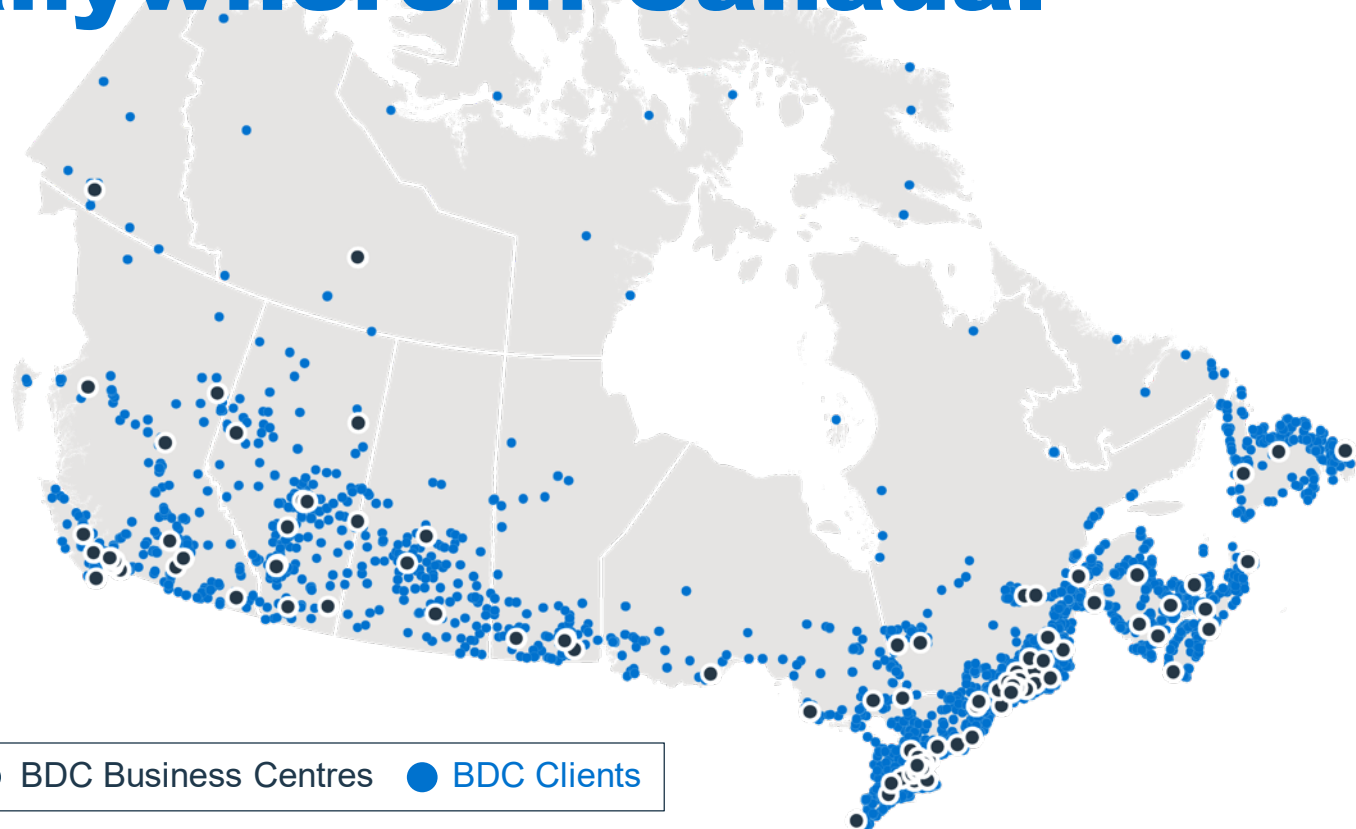
Certified



Corporation

Canada's
first certified
B Corp bank

We have the reach to support **businesses virtually anywhere in Canada.**



72,000
entrepreneurs

2,500
BDC employees

93%
Client satisfaction

Our financing solutions

We are a patient, flexible lender.



Access working capital



Buy a business



Invest in real estate



Purchase equipment



Major startup



Invest in technology



Transfer a business



Export to new markets

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**How we can support
Aerospace.**

BDC Financing



Uniquely positioned to support complex deals in aerospace

What we offer

- Senior-level expertise to recommend a loan that helps you achieve your goals in any industry across Canada

Solutions we deliver:

**High leverage
financing**

**Customized Terms
& Conditions**

**Complementary
lending**

Why BDC

What makes us different



Terms and conditions valid for the duration of the loan. No amendments

Possibility of annual early repayment of 15% of the principal balance, without penalty

Possible moratoriums during the loan

Partner recognized for its flexibility and agility

Interest rate plans are available for 1 to 25 years to protect you from interest rate increases

Complementary lender allowing you to diversify your loan portfolio

What we do



Senior secured Term Loan facilities up to \$100-Million

High leverage financing of fixed assets; real estate, construction/expansion, equipment and secured working capital

Customized Terms & Conditions to compliment existing lenders and assist in growth capital

Specific security over assets being financed

Complimentary lending to existing Banking arrangements



Distinctive BDC benefits and financing parameters

- Longer term committed facilities; Up to 25-year fixed rate period
- Canadian and U.S. loans
- 100% or greater LTV financing for real estate
- Up to 125% LTV financing for equipment
- Equity withdrawal to fund growth
- Longer initial principal postponements - Flexibility

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How we structure deals

Case study: Real estate acquisition



Who

A Canadian based Aerospace manufacturer

Size

Revenue of approximately US \$100M

Needs assessment

Financing to purchase property in Canada and the USA

How BDC helped

Two primary components to the transaction:

- 1st : acquisition of properties in the United States;
- 2nd : acquisition of land in Canada to build a location in the next 18-24 months.

| Project | | Financing | |
|------------------------------|---------------------|--------------|---------------------|
| Building purchase in the USA | \$10,000,000 | BDC – US | \$10,000,000 |
| Purchase of land in Canada | \$2,000,000 | BDC – CAD | \$2,000,000 |
| Total | \$12,000,000 | Total | \$12,000,000 |

Case study: Acquiring equipment



Who

Canadian based company providing maintenance, repair, overhaul services (MRO)

Size

Revenue of \$150M

Needs assessment

Seeking \$15M line for specialty equipment financing for maintenance and growth CAPEX

How BDC helped

Two primary components to the transaction:

- 1st : Provide up to 100% financing of CAPEX budget;
- 2nd : Customized structure to compliment existing syndicated lender credit agreement.

Loan secured by specific and specialized assets being financed – 24 month interest only, followed by 6-year amortization

| Project | | Financing | |
|--------------------------|---------------------|----------------------|---------------------|
| Finance Equipment assets | \$15,000,000 | BDC – Equipment Line | \$15,000,000 |
| Total | \$15,000,000 | Total | \$15,000,000 |

Case study: Working capital



Who

Supplier to MRO

Size

Revenue of \$30M

Needs assessment

Seeking inventory to support growth plan

How BDC helped

Two primary components to the transaction:

- Subordinated financing provided (cash flow loan)
- 5 year amortization + 12 months of postponement.

| Project | | Financing | |
|-----------------|--------------------|--------------|--------------------|
| Working Capital | \$2,000,000 | BDC | \$2,000,000 |
| | | | |
| Total | \$2,000,000 | Total | \$2,000,000 |

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**Here to help
you succeed**

Advisory Service

Our goal

Provide top-notch advice to help you overcome your challenges and run a stronger business



Increase sales



Improve productivity



Optimize technology



Manage your business



Online sales optimization



Find new markets



Growth & Transition Capital



A full range of financing options for entrepreneurs

What we do

- Flexible non-dilutive debt that goes beyond traditional or senior financing options (up to \$35M)
- Minority equity investments up to \$3M

Who we do it for

- Established or high-growth traditional and tech companies that have a strong management team

Projects we can finance:

**Growth
projects**

**Mergers and
acquisitions**

**Transition
projects**

Venture Capital

Where great ideas meet smart capital



What we do

- Direct investing
- Investing in other funds and co-investing
- Support for Canada's venture capital ecosystem

Who we do it for

- Innovative entrepreneurs looking to build businesses in the IT, energy/cleantech and healthcare sectors

\$3B+ capital under management

900 investee companies

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Conclusion

Key takeaways



BDC is a trusted partner to Canadian SMEs. We offer solutions to help you grow and scale.

We offer flexible, tailored financing options and advisory solutions to support you at every stage of your growth.

We are your partner for growth and can help you through each phase of your business journey.



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