

# Long Term Financing

Non-dilutive financing solutions that allow clients to retain ownership and control, plus defer principal repayment to the point where the loan can be considered to be permanent capital.

## Investment Structure and Terms

<b>Investment vehicle:</b>	Royalty interest, perpetual debt, term loans, income streaming
<b>Overall cost of capital:</b>	10% - 16%
<b>Bonus feature:</b>	Nil
<b>Target loan size:</b>	\$10 million to \$50 million
<b>Duration:</b>	5 years to indefinite
<b>Amortization:</b>	Flexible
<b>Prepayment cost:</b>	Medium to high
<b>Company ownership:</b>	Predominantly private

Long-term non-dilutive capital can be structured in a number of forms:

**Fixed rate long-term loan** – long-term loan to a business with a defined principal repayment and interest payment.

**Participating loan** – long-term loan with principal repayment and interest linked to the performance of a business or project.

**Perpetual debt** – secured financing offered to a business with no fixed terms of principal repayment but a defined interest payment.

**Income streaming** – secured financing of or direct ownership in assets with either fixed or defined income participation.

**Royalty interest** – secured financing offered to a business with no fixed terms of principal repayment but fixed or defined income participation.



Crown Capital Partners is a Toronto and Calgary-based specialty finance company that provides innovative and alternative debt solutions for Canadian growth businesses.

## Our tailored solutions offer:

Access to capital with no ownership dilution

Path to partial liquidity and/or access to growth capital

Retention of operating control

Continued participation in business growth

Tax-efficient solutions.

## Contact us

### Toronto Office

Gordon Fernandes  
77 King Street W, Suite 4330  
Toronto, ON M5K 1H6  
Tel: (416) 640-4159  
gordon.fernandes@crowncapital.ca

### Calgary Office

Brent Hughes  
888 3rd Street SW  
10 FI, West Tower  
Calgary, AB T2P 5C5  
Tel: (403) 775-2554  
brent.hughes@crowncapital.ca

[CrownCapital.ca](http://CrownCapital.ca)

# Illustrative Transactions

Two examples of alternative, business equity loans for clients who were unwilling or unable to obtain suitable financing from traditional providers (banks, private equity funds).



## Dentist Co.

Privately owned dental clinic consolidator.

### Situation Overview

Long term capital requirements to continue consolidation of dental clinics. Privately-owned company with limited desire to raise third party equity.

### Solution

- \$20 MM loan from Crown to fund future acquisitions
- Perpetual Royalty Interest
- 12% cost of capital
- Long term capital provides the owner with increased financial capacity without diluting the company's ownership structure.



## Automotive Co.

Privately owned multi-location automotive dealership company.

### Situation Overview

Owner has the majority of his wealth invested in his company and would like to take some money out of the business and diversify his wealth. Privately owned company with limited desire to raise third party equity.

### Solution

- \$25 MM loan from Crown for a dividend recapitalization
- 15 year, subordinated term loan
- 12% interest rate
- Long term nature of the capital allows the owner to remove capital from the business and defer repayment until he sells the business / transfers ownership to family members.