



BORROWER DESCRIPTION

Our Client is a seasoned real estate investor based in the Midwest with a portfolio spanning the U.S. and a net worth of \$40MM+. Our Client currently has an executed LOI for a purchase & leaseback agreement with a large manufacturer in the Southwest U.S. scheduled to close by year-end 2023.

SELLER / LESSEE DESCRIPTION

The seller/lessee of the property provides a high-growth, environmentally friendly alternative for the transportation industry, is a public company, and has raised over \$1.5B. Cash presently exceeds \$200MM and the seller/lessee has access to additional equity funding in the public markets.

Its newest products have been launched and will contribute to higher revenue levels and a lower future burn rate.

TRANSACTION SUMMARY

Our Client is seeking to raise up to \$50MM in term financing to fund the purchase & leaseback with no recourse.

\$ in Thousands	Value	Senior Debt	LTV %
Purchase Price	\$50,000	\$50,000	100.0%
Market Value	\$174,000	\$50,000	28.7%

- ✓ Target property is a high-tech industrial manufacturing plant totaling over >600,000 SF in the Southwest U.S.
- ✓ ~\$19.6MM in equipment will be pledged as additional collateral
- ✓ Strong collateral coverage based on real property and pledged equipment
- ✓ The lender can participate in negotiating the purchase & leaseback agreement
- ✓ All funds (rent) to be sent to a lockbox controlled by the lender

SELECT HIGHLIGHTS

1 Attractive Financing Opportunity

- Low overall LTV after all collateral is considered
- Recently entered into a 90+ year ground lease
- Single tenant and owner occupied
- Newly constructed >600,000 SF industrial manufacturing facility & warehouse
- Annual year 1 rent exceeds \$7MM, increases each year to \$10MM+ by year 7
- Lessee has right to buy-back the subject property after year 3 at \$55MM, \$60MM after 5 years, or \$70MM after year 7

2 Diversified Collateral Coverage

- The property was most recently appraised in July 2023, yielding a market value of \$174MM
- \$19.6MM of equipment collateral consists of plant and assembly type assets

3 Multiple Repayment Sources

- Lease payments were priced to complement the seller/lessee's forecasted financial capacity
- Seller/lessee has access to equity funding from public markets via ATM facilities which should support operations well into 2025
- Rising sales from multiple products to decrease near term reliance on equity financing for liquidity
- Positive working capital
- Net Worth exceeds \$350MM

ANTICIPATED TIMELINE

- **Term Sheet Deadline:** Nov. 8, 2023
- **Lender Selection / DD Kick-Off:** Nov. 13, 2023
- **Target Closing:** Dec. 28, 2023 or earlier

CONTACT INFORMATION

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