



## COMPANY OVERVIEW: AGC



- › Alaska Growth Capital BIDCO, Inc. (AGC) is an innovative alternative lending organization that finances growth companies in Northwestern United States. The company fills an important niche in the capital market for growth companies in the stage between startup equity and traditional bank financing.
- › AGC has \$190 million in assets under management providing commercial finance in the \$1 million to \$10 million range and has funded over \$450 million in the Northwest region over the last 17 years.
- › AGC is a tier one subsidiary of Arctic Slope Regional Corporation (ASRC), the largest private company in Alaska. With revenues approaching \$3 billion annually, ASRC is a strong and stable source of funds for AGC.

## PARENT COMPANY OVERVIEW: ASRC



### ASRC HIGHLIGHTS

- › Largest privately held company in Alaska
- › Approximately 10,000 employees
- › Revenues topped \$2.5 billion in 2013
- › Controls 5 million acres on the North Slope
- › 12,000+ Inupiat Eskimo shareholders

### ASRC BUSINESS SECTORS

- › Petroleum Refining
- › Government Services
- › Resource Development
- › Financial Services
- › Energy Services
- › Construction

AGC is a tier one subsidiary of ASRC and is licensed and examined by State of Alaska Department of Commerce, Community, and Economic Development, Banking and Securities.

# LEADING NON-BANK ALTERNATIVE FINANCE COMPANY

- › AVERAGE TRANSACTION SIZE – \$2.1 MILLION
- › DEAL SIZE RANGE - \$1 - \$10 MILLION
- › COMPANIES WITH REVENUES BETWEEN \$1-100 MILLION

## NICHE

- › Where banks may be challenged
- › Under-served markets
- › Newly created companies
- › Cash flow lender
- › Debt restructuring

## WHAT WE LIKE

- › Growth Companies
- › Acquisitions
- › Unique or remote assets or operation
- › Rapidly expanding companies

## TYPES

- › Working Capital for Growth & Expansion
- › Refinance Existing Debt
- › Change of Control

## TERMS

- › Prime Rate + 2.75%
- › 10-30 Year Term
- › Fully Amortizing

*“AGC strategically works alongside traditional lenders and other investors to assure our customers reach their maximum potential”*

# CONVENTIONAL FINANCING OPTIONS & OTHER TOOLS

## BANK FINANCING

- › Market rates
- › Higher upfront investment (down payment)
- › Typically underwritten to historical cash flow or outside income
- › Most lenders require a minimum 1.25 DSCR
- › Conventional loan terms (possibly shorter)

## LOAN PARTICIPATION/ GUARANTEE PROGRAMS

- › Mitigates risk for lender
- › Longer loan terms (in many cases)
- › Possible lower upfront capital investment (down payment)
- › Often can be underwritten from a forward-looking (savings) basis
- › Guarantee Agencies: SBA, USDA, AIEDA, AHFC
- › Can be an offset to a collateral shortfall

## LEASING COMPANIES

- › Low entry cost/ upfront investment
- › Typically lower or affordable monthly payments
- › Possibility for high residual or buy back rate
- › Tax benefits/ accounting treatments (depreciation) are given up
- › No maintenance cost and/or associated warranty
- › Hybrid lease/ investor structures are eligible

## TAX CREDITS

- › Subsidy available for certain energy upgrades
- › Up to 30% of the project cost
- › Credits typically stay with the owner of the upgrades
- › Can be paired with conventional financing
- › Reduces the "hard cost" of a project

# CASE STUDY

## › VILLAGE CORPORATION IN RURAL ALASKA

### THE PROJECT

- › Install solar panels and low mass boilers
- › Total Project Cost: \$1,480,000
- › Down Payment: \$148,000 (10%)
- › Projected Annual Savings: \$106,000

### THE LOAN

- › SBA 7A Term Loan
- › Amount: \$1,332,000
- › Term: 15 Year Fully Amortizing
- › Rate: 6%
- › Annual Debt Service: \$134,880 (\$11,240 monthly)

*Projected savings alone will support approximately 80% of the loan payment for upgrades. In the event of a larger down payment or inclusion of additional subsidy/ tax credit, the project would likely be self-sustaining. The savings can cover the debt service on loan for energy upgrades.*

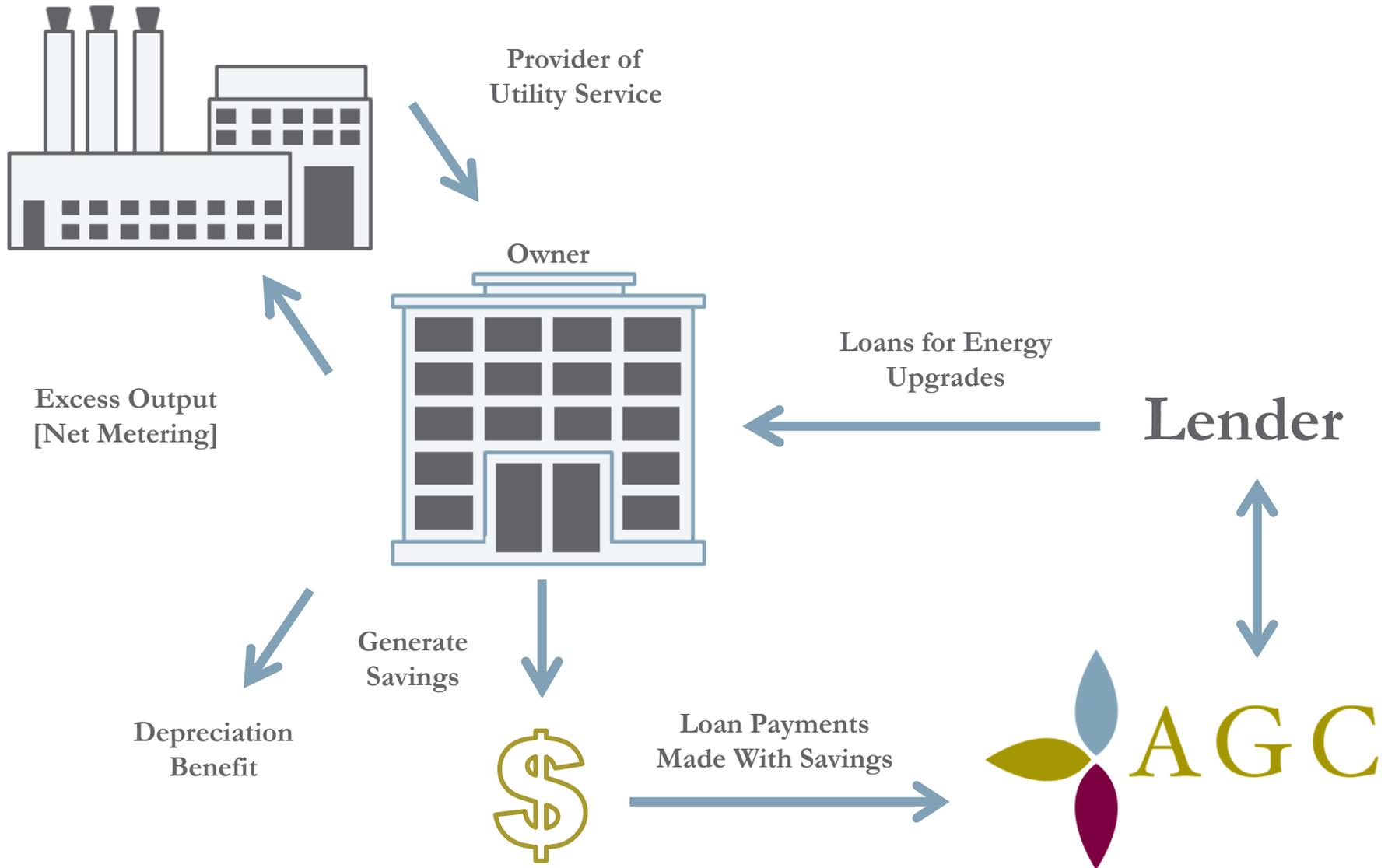
## › LEVERAGING EXISTING ASSETS

*Loan terms are typically determined by use or collateral package. Depending on the lender, loans can be secured by the following:*

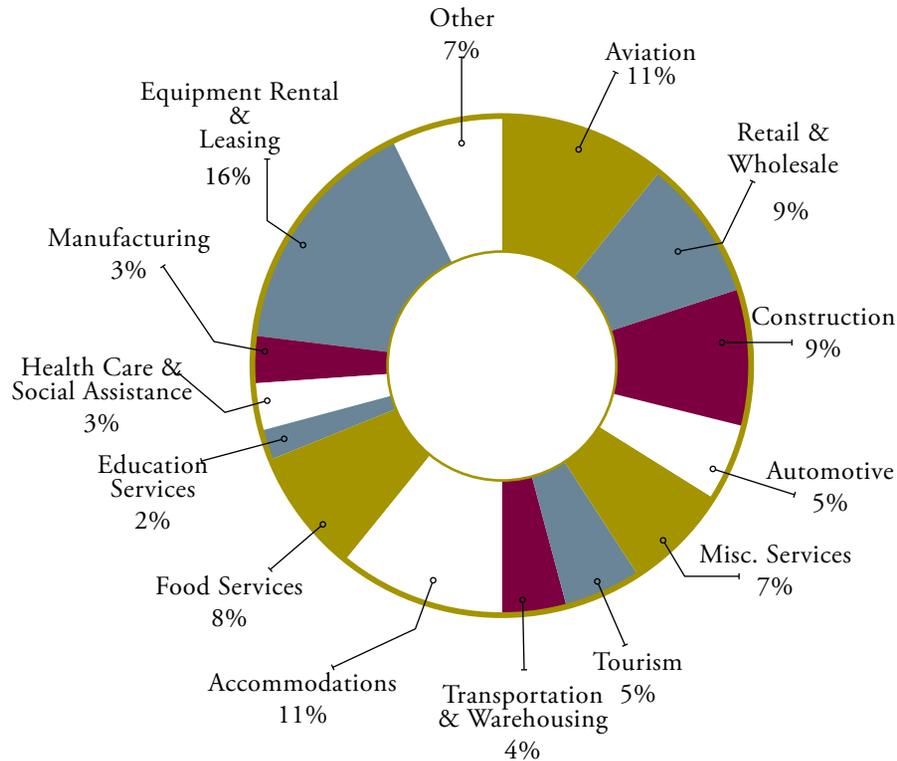
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|--|---|
| › Assets being purchased for energy upgrades | <i>Typically Useful Life</i>                    |
| › Real Estate collateral                     | <i>Typically Longer Terms and Lower Rates</i>   |
| › Other equipment or assets                  | <i>Typically Useful Life</i>                    |
| › Village or Regional Corporations           | <i>Pledge of Resource Revenue- 7(i) or 7(j)</i> |

*Pledging of blended collateral package can possibly yield longer loan terms*

# CASE STUDY



# PORTFOLIO CONCENTRATION

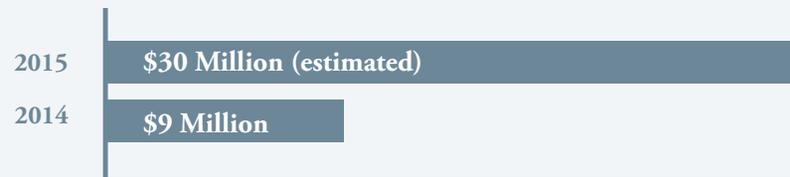


**AGC**  
Capital • Innovation • Growth

## INDEX

- Aviation 11%
- Retail & Wholesale 9%
- Construction 9%
- Automotive 5%
- Misc. Services 7%
- Tourism 5%
- Transportation & Warehousing 4%
- Accommodations 11%
- Food Services 8%
- Education Services 2%
- Health Care & Social Assistance 3%
- Manufacturing 3%
- Equipment Rental & Leasing 16%
- Other 7%

## EXPORT & TRADE



# PARTNERS

## PARTNERS



› AGC is a PLP Lender  
under the 7a program

### OTHER CAPITAL PROVIDERS

› Community, Regional, & National Banks  
› Equity Investors



› 15 Year Working Relationship

## LEADERSHIP



**Chris McGee**, President/ CEO of AGC, has an extensive background in banking, economics, and multiple natural resources-based industries. Growing up in Southeast Alaska, Chris spent time living in a mining camp, was surrounded by the timber industry, and gained a decade of experience in commercial fishing. His life experiences have positively attributed to his nearly two decade banking and commercial lending career. Chris has a BA in Economics, is a graduate of the Pacific Coast Banking School, and served as a Peace Corp volunteer in Macedonia doing economic development work. Collectively, it is his combination of education, professional experience, and cultural consciousness that has enabled him to successfully guide and manage AGC's winning growth strategy.



**Jesse Janssen**, Vice President of Lending, is a talented professional with almost two decades of experience in banking & finance, corporate lending, and business development. A graduate of the American Bankers Association National Commercial Lending School, he previously served as Vice President at Northrim Bank managing a commercial lending portfolio of over \$100 million. He was also critical in the launch and implementation of the investment and wealth advisory services arm the Bank. Today, Jesse manages day-to-day lending operations and the loan approval process at AGC. He is currently attending the Pacific Coast Banking School at the University of Washington and has served on a number of boards of directors, most recently with the Fairbanks Convention and Visitors Bureau.



**John O'Donnell**, Vice President of Business Development, leads AGC's expansion effort into the Rocky Mountain and Pacific Northwest states and has served on the AGC advisory board and loan review committee since 2005. John is the founder of the Bridger Private Capital Network, the Big Sky Venture Capital Conferences, TechRanch, and was a co-founder of Seattle-based dot com company Onvia. He serves on numerous boards of directors, including The Investment Trust Company, and the Rocky Mountain Venture Capital Association. Born and raised in Denver, John is a graduate of the University of Colorado and currently resides in Bozeman, MT with his family.

## PRIMARY CONTACTS

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