



**MCKENNA GALE**  
**CAPITAL INC.**

**A Leading Provider of Capital for Growth Financings, Acquisitions and Buyouts**

Our mission is to be the leading and preferred provider of mezzanine and equity financing to Canadian mid-market companies

*Being responsive and effective*

*Creatively structuring optimal capital solutions*

*Quickly and efficiently closing transactions*

*Adding and building value with our clients*

*We are more than just money.*

## **McKenna Gale Capital Inc.**

McKenna Gale Capital Inc. is Canada's leading independent provider of mid-market mezzanine and equity financing. Founded in 1995, the firm now manages over \$350 million of capital that has been committed by many of Canada's leading institutional investors. McKenna Gale provides flexible financing which can be structured in various forms including subordinated debt, convertible debt and common equity within the private market.

The firm's founders and Managing Directors, Kevin McKenna and Robert Gale, are two of the most experienced mezzanine investors in Canada. Both have specialized in mezzanine financing since the late 1980s, and together managed Canada's first pooled institutional mid-market mezzanine fund. In addition to its two founding partners, the McKenna Gale team includes experienced and creative investment professionals who execute its investment strategies.

partnership



McKenna Gale allows clients to capitalize on business opportunities with the confidence and speed that is necessary in today's competitive environment

**Stratum Funding** – *providing an optimal solution*

McKenna Gale has named its institutional pools of capital “Stratum Funds”. The word stratum was selected to highlight our focus on layers of capital. Optimal capital structuring often involves the prudent use of several layers of capital – too much reliance on senior debt can mean loss of flexibility, covenant and amortization problems when business conditions change; too much equity is dilutive and potentially expensive on an after-tax basis to the shareholders. Creative structuring of mezzanine and equity capital can provide an optimal solution.

McKenna Gale's investment funds provide capital for a variety of transactions, including acquisitions, management buyouts, leveraged buyouts, bridge financings, growth needs, refinancings and recapitalizations.

Over the years, we have developed relationships with a wide range of intermediaries, deal sponsors, management teams and institutional investors. These relationships, combined with our captive funds and the experience and expertise of McKenna Gale's investment professionals, allow us to move quickly to assess and close investment opportunities.

# relationship

## Flexibility

McKenna Gale is a creative and flexible investor. We provide companies with options beyond traditional debt and equity financing. We pride ourselves on our innovative approach and our ability to specifically tailor investments to fit a company's needs. We can deliver:

- *subordinated debt;*
- *convertible debentures;*
- *common or preferred equity;*
- *tax advantaged structures with deferred interest payments;*
- *senior bridge loans;*
- *any combination of the above.*

We seek to establish structures that will position our clients to capitalize on business opportunities today and in the future.

## Responsiveness

Being an independent, entrepreneurial organization ensures our ability to provide a quick initial response to proposals, a focused and effective due diligence process, and a smooth closing of transactions. As an independent firm, we are unburdened by the potential conflicts that often impact investors that are owned by large financial institutions. Your need for confidentiality is maintained at all times.

## Experience and credibility

Each of the companies, the entrepreneurs behind them, their management teams, their financial advisors and other stakeholders who select McKenna Gale as their financial partner benefit from the experience, support and integrity provided by the firm's investment professionals.

McKenna Gale's management team has stood the test of time, consistently achieving success while supporting companies through complete economic cycles. McKenna Gale's professionals will provide the expertise and patient support you need to accomplish a successful transaction.

# commitment

## The McKenna Gale Capital client

Our target investment size is \$7 million to \$20 million of subordinated debt/equity. Larger transactions can be completed, with co-investment from our institutional partners. We also have the ability to provide up to \$60 million of senior bridge debt. The pools of capital that we manage are structured to allow us the flexibility to consider a wide range of investment opportunities. Typically, our investments will have the following broad parameters:

- *Canadian companies with strong management teams that have a proven history of performance and credible business strategies;*
- *Verifiable and sustainable cash flow;*
- *Total enterprise value in excess of \$25 million.*

We will consider investments in any industry with the exception of real estate development, primary mining or primary oil and gas.

Maturities can range from one month to ten years, reflecting the patient nature of our Canadian institutional partners.

## Our continued commitment to you

We move quickly to build the relationship if there is a “fit” between your company and ours. We will provide an initial response to a proposal within three business days, and make every effort to provide a Commitment Letter within three weeks of expressing our interest.

We understand the closing process well. We do not let the process get delayed due to meaningless side issues. We have the experience and the expertise to focus on the real issues and solve them.

Our commitment to the companies in which we invest does not end when the funds are provided. We assume responsibility for managing the ongoing relationship, keeping current on the activities of our issuers and providing advice, assistance and additional funding if and when required. However, we have no desire to operate businesses. We leave that to the management teams and deal sponsors that we have chosen to support.