

# Financing for the Purchase of Electric Bikes for an E-Bike Subscription Business.

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## The Need:

With a strong leadership team in place and after completing an equity raise, our Toronto-based client launched an e-bike subscription business. The business has two divisions, namely a consumer & a commercial division where people can rent e-bikes on various subscription levels.

The impact from COVID-19 was positive for the business as people were looking for alternative modes of transportation and from a demographic perspective, e-bikes are becoming more popular. In addition, improvements in battery technology have been bringing down the cost per bike and thereby making it more affordable.

Our client was looking to purchase more e-bikes to expand their fleet so they could use the cash from their equity raise to fund the initial operating losses while the business grows to breakeven and profitability.

## The Solution:

We were able to source them a \$350,000 Canadian Small Business Financing Loan (CSBFL) from a traditional lender that was used to purchase a fleet of e-bikes which could be rented out.

Of note, this loan could be repaid over a 7-year term, included 25% unsecured limited personal guarantee and could be repaid in full at any time during its term without penalty.

## The End Result:

This solution enabled our client to avoid having to raise more equity to fund these costs and could therefore preserve a portion of their equity they had already raised to fund the operating losses which are not costs that banks typically finance. The client was also busy with starting the business, so having our team do all the "leg-work" enabled them to focus on the corebusiness, and not sourcing financing.

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At Isaacs Advisory, we have extensive experience in advising on structuring, and sourcing a wide range of traditional and non-traditional financing solutions for small and medium sized businesses.

For more information on raising financing solutions for a start-up, early stage, growth, in-transition or business in distress, please contact Adrian Isaacs at (416) 835-4511 or [aisaacs@isaacsadvisory.ca](mailto:aisaacs@isaacsadvisory.ca).

