

October 31, 2017



We want to thank you for taking the time to listen to our future growth and expansion plans. We are seeking innovative ways to fund this future expansion, but in order for you to better understand our needs, we feel it is important to understand our background, our current situation, and our future plans.

B&C is a company that currently has a team of engineers that design and distribute commercial laundry equipment and parts for the laundry industry. We mainly sell through a dealer network in the United States and Canada markets, but also have dealers in South America and the Caribbean Islands. The equipment sold are not small household pieces, but pieces of equipment that weigh up to 12,500lbs and process up to 475lbs of laundry per load. To compare, a normal household washer produces 16lbs of laundry per load. In addition to this, B&C is also a service company that services and sells equipment to various local laundries in the surrounding area. Today, 90% of our products are imported from overseas, mostly from Thailand. Currently, the only machines that we manufacture at our location in Panama City Beach is our industrial folding equipment that can fold towels, hospital gowns, airline blankets, shirts, etc. Several of these machines are sold locally to the laundries that service our hotels and condos. It is our intent to bring back more manufacturing to the United States.

B&C is comprised of the Bruce and Cowen family. The Bruce family makes up the designers and engineers behind the machines and the company. The Cowen family were former owners of Unimac, a laundry company that was located in Marianna, Florida, and were brought in as capital partners. Bengt Bruce, the founder of B&C, has designed a lot of the commercial machines you see in the market today. He started at Wascomat in Sweden, where he developed one of the early front loader machines that are used in coin laundries. In 1978, he moved from Sweden to Wichita Falls, Texas to head Washex. While there, the company increased sales from \$3 million to \$18 million and increased employees from 50 to 150. In 1985, Mr. Bruce moved from Texas to Marianna, Florida to help develop a line of machines for the Cowen family through Unimac. At the time, the company had about 50 employees, but when he left, the company had over 485 employees and sales of over \$75 million. By founding B&C, Mr. Bruce hopes to surpass the success of the companies he has worked for prior.

The ideas that we are putting forth are not just ideas and wishes. We have a team here at B&C that have proven in the past they can create jobs and increase sales.

The opportunity simply has not materialized in the past due to constraints with non-compete agreements and lack of capital. The timing is ripe now to bring manufacturing back to the states and more importantly back to our community. We currently employ 31 people, an increase from last year's 25 employees. This includes workers through the Gulf Coast State College intern program. B&C has also recently purchased a \$2.9 million 70,000 sq. ft. building in the Panama City Beach Commerce Park. We have already completed Phase I of retrofitting the building to meet our needs for a total cost of \$500,000, and are almost finished with Phase II in which we have invested an additional \$500,000. We have invested our own funds to build up an inventory of machines and tools over the years, currently owning over \$4.5 million in inventory, about \$2 million in receivables, and has a \$4 million capital investment by the families. We have increased our sales every year since our start in April 1995, which at that time was housed in one of the owner's garages. B&C has continued to expand ever since, with our current sales over \$15 million and an average salary of over \$65,000. These current operations will continue to fund our expansions, but at a much slower pace. For our expansion project, we have completed the design phase and will be nearing completion with the first prototypes to be manufactured in the United States if funding is found.

The current project and expansion we are working on is a complete new line of commercial equipment, allowing us to manufacture here in the United States. While some models will still be produced in Thailand, this will allow us to better control the process by producing the new models in-house. The demand is high for this project, as we already have customers that are waiting to place orders of up to 2,000 machines once we start production. With these expansions in mind, we project that B&C will employ over 150 people in the next five years. For immediate need, we would hire 20-30 new employees, then once the plant is up and running and the sales increase, we would hire additional employees.

In order to take the next step in the development, we are looking at two different options for funding from Triumph. The first is for \$5 million in funding over the next five years to assist in making this project a success and to speed up the development. The second option would be funding to cover the cost of setting up a bond loan plus interest for the next five years. This would be about \$120,000 to set up, plus the additional lawyer's fee and interest at 3%. After receiving either of these options for funding over the next five years, we would then be able to handle ourselves. The funding will be used in a variety of areas, specifically in finishing the setup of the manufacturing plant by

hiring industrial engineers and in purchasing manufacturing equipment to complete the process. We will continue to work with the college in hiring designers to complete our drawings for the new projects. We currently have two employees that have been offered full time positions with B&C to assist in our project. In addition to this, we will also work with the Haney Technical Center to assist in training skilled workers for our assembly line. Completion on the prototype for this project is scheduled for the beginning of December 2017, and if all goes well with testing, it is just a matter of setting up the manufacturing process.

The job growth for this project would not just affect B&C, but local suppliers as well since they would benefit from our expansion and the impact to the surrounding community would be enormous. Upon completion of this project, we would supply diversified job opportunities to the region, bringing higher skilled wage jobs to a community that currently relies on mostly service entry-level jobs. The laundry industry is fairly recession-proof and is not dependent on perfect weather conditions. Due to this, we would better supply the surrounding region with dependable machines and laundry technology. Also, by selling worldwide, B&C will put Panama City Beach on the map, showcasing images of our beaches and bringing in vendors to the area. Lastly, with us utilizing various companies within our region, we would surely assist in expanding their businesses as well as ours.

B&C's intent is to complete this project regardless, but it may be slow to be processed and without additional outside help, it may require us to bring the project back overseas. It is our intent to keep it here in the United States but we may not have another choice in order to expand our business and products. We appreciate any assistance in coming up with ways fund this project.



Bengt Bruce, President