

PROJECT PRODIGY

\$3MM LINE OF CREDIT

\$5MM TERM LOAN



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BUSINESS CAPITAL SINCE 2002

EXCLUSIVE FINANCIAL ADVISOR

BUSINESS DESCRIPTION

Our Client (the “Company”) is a producer of nutrient-rich baby and toddler food that supports brain development. The Company has successfully grown sales throughout multiple channels within the multi-billion dollar baby and toddler nutrition market. Developing innovative products that meet stringent standards for purity and transparency, our Client is certified under the Clean Label Project (CLP) and complies with all relevant US, Canadian and European regulations. This certification and contents of its product lines, which emphasize higher levels of tasty nutrient-rich organic vegetables, distinguish it from well-known competitors, which predominately sell products with added sweeteners. The Company’s product lineup (16 baby purees and 4 bars) is distributed through retail sales channels (65% of total sales) via e-commerce (Amazon and other platforms) and direct-to-consumer. Its products are available in over 15,000 doors across the U.S. and Canada, including major retailers such as Whole Foods, Target, and Walmart.

After investing heavily in advertising and marketing from 2020 to 2022, the Company focused on profitability, leveraging word-of-mouth and retail expansion to sustain sales growth. The Company raised \$33MM in Series A in 2023, initiated Series B in late 2024, securing \$3.9MM as of January 2025 and, to date, has raised over \$50MM through equity and convertible notes.

Its products continue to experience rising levels of repeat/recurring sales. The Company forecasts 39% sales growth in 2025, driven by retail expansion, improved distribution, optimized digital marketing, and modest sales and advertising expenditures. Higher sales coupled with cost reductions and streamlined operations are expected to lead to profitability within 12 months. The Company is addressing liquidity needs by seeking a new \$3MM AR-secured line of credit (potentially increasing to \$5MM by 2025) and a \$5MM term loan to support inventory and operational cash flow. Profitability is anticipated by Q4 2025.

TRANSACTION SUMMARY

Our Client seeks a \$3MM Accounts Receivable Line of Credit and a \$5MM Term Loan, secured by inventory, to refinance its incumbent lender (\$3.2MM outstanding) and fund working capital.

\$000s

| Collateral | | Refinance Debt & Growth Capital | |
|---------------------|----------------|---------------------------------|----------------|
| Accounts Receivable | \$2,407 | Refinance Line of Credit | \$3,216 |
| Inventory | \$6,323 | Growth Capital | \$4,784 |
| | \$8,730 | | \$8,000 |

Target Closing: March 28, 2025

TRANSACTION TEAM

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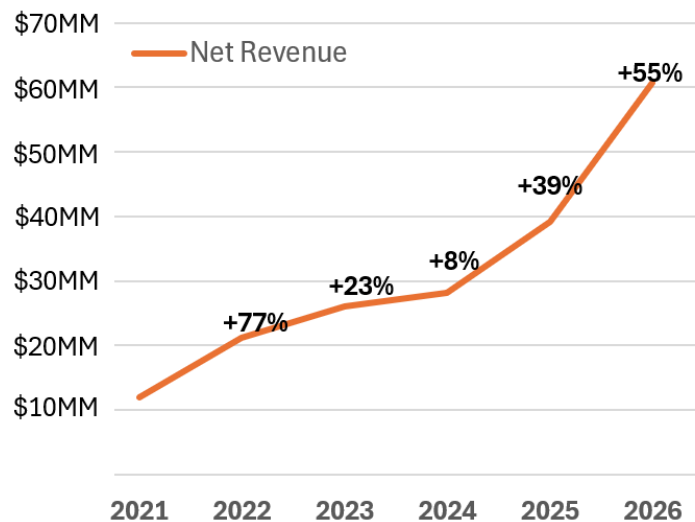
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SELECT HIGHLIGHTS

Continued Sales Growth in 2025



- ❖ Sustainable revenue growth driven by word-of-mouth with limited marketing support
- ❖ Clear path to continued upward sales trends and net profitability expected in the next 12 months
- ❖ The Company is focused on driving growth with contribution margins >30%, SG&A <30%, and an EBITDA target of 5%

Balance Sheet Highlights

| \$000s | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------------|-------------------|-------------------|-----------------|-----------------|-----------------|-----------------|
| AR | 991 | 1,846 | 2,501 | 2,476 | 3,828 | 5,642 |
| Inventory | 4,598 | 8,700 | 6,111 | 7,581 | 8,730 | 8,886 |
| Total Assets | \$14,187 | \$13,493 | \$12,704 | \$13,276 | \$15,666 | \$17,950 |
| Line of Credit | - | 2,078 | 2,763 | 3,216 | 3,063 | 4,514 |
| Term Loan | - | - | - | - | 4,511 | 3,689 |
| Total Liabilities | \$33,441 | \$51,209 | \$10,919 | \$9,678 | \$12,582 | \$14,599 |
| Net Worth | (\$19,254) | (\$37,716) | \$1,785 | \$3,598 | \$3,084 | \$3,351 |

- ❖ Increased AR by 150% from 2021 to December 2024
- ❖ 94% of 2024 AR is current on the December aging report
- ❖ ~\$6.3MM in inventory (\$5.6MM Finished Goods, \$737K Raw Materials) will further secure the Term Loan

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