

COMPANY OVERVIEW

Our Client (the “Company”) is an established premium hydrofoil and electric watersports platform that has operated since 2010 and was an early commercial participant in the eFoil category. The Company designs and assembles premium electric hydrofoil systems, non-motorized foil products, batteries and accessories, with manufacturing and assembly centered in Puerto Rico and sales through both direct-to-consumer eCommerce and a global dealer / wholesale network.

The business has demonstrated meaningful historical scale, reaching \$57.6MM of audited revenue in 2022 and generating positive net income in each year from 2019 through 2022. Following a 2023–2025 product, sourcing and cost-structure reset, 2026 represents the first full season on the Company’s current product platform and supplier base. Actual results demonstrate a significant operating inflection, with Jan–Aug 2026 revenue increasing 11% to \$26.1MM, gross margin improving to 40.9% from 23.9%, and EBITDA improving by ~\$6.8MM to +\$1.5MM.

Current-platform economics have strengthened further during the primary selling season. From May through August 2026, the Company generated ~\$18.0MM of revenue, ~\$3.1MM of EBITDA and monthly gross margins of 47–49%, providing tangible evidence of the economics management expects to carry into 2027.

TRANSACTION OVERVIEW

The Company is seeking ~\$7.5MM of senior secured financing from a single lender, contemplated as a revolving facility with a complementary term / stretch component. Proceeds will refinance the remaining short-duration term debt, normalize strategic supplier balances, support seasonal inventory and supplier deposits, and provide committed liquidity through the 2027 selling cycle.

The financing requirement is driven principally by a predictable seasonal working-capital cycle. Product is purchased approximately six months ahead of the primary April–September selling season, creating a winter / spring inventory build before cash conversion accelerates as product ships. The proposed facility replaces short-duration fixed amortization and seasonal vendor support with committed capital better matched to that cycle.

Facility Rationale: The transaction provides a new lender the opportunity to establish a first-priority senior secured relationship with an established premium brand at an identifiable operating inflection point, supported by a substantial inventory base and demonstrated seasonal cash conversion.

KEY CREDIT HIGHLIGHTS

FINANCING SNAPSHOT	
Financial Request	~\$7.5MM
Structure	Revolver + Term / Stretch
Est. Day 1 Uses	~\$6.0MM
Existing Senior Debt	~\$0.6MM
Primary Use	Supplier Normalization & Seasonal WC

- Committed liquidity replaces short-duration debt and vendor support with capital aligned to the seasonal operating cycle.

❖ Demonstrated 2026 Operating Recovery

\$MM	Jan-Aug'25	Jan-Aug'26	Change
Revenue	\$23.5	\$26.1	+11%
GM%	23.9%	40.9%	+1,700 bps
EBITDA	(\$5.3)	\$1.5	+\$6.8MM

PEAK SEASON SNAPSHOT (May-Aug 2026)		
Revenue	EBITDA	GM%
\$18.0MM	\$3.1MM	47-49%

*Represents the strongest selling-season performance on the current product/supplier/cost base.

❖ Substantial Collateral Support

Collateral Type	Aug'26 (\$MM)
Book Inventory	\$12.5
SKU-Level Inventory at Cost	\$11.4
Current-Generation Proxy	~\$7.1
Illustrative Core Inventory	~\$5.0–5.5
Gross AR	~\$1.0
NOLV	Appraisal TBD

❖ Seasonal Cash Conversion / Repayment

Feb. '27 Trough	Cash Positive	Sep. '27 Cash
~\$(4.1)MM	June '27	~\$4.4MM

*Management model, before the proposed facility

- Facility usage is expected to decline materially through the spring / summer selling season as inventory converts to sales and cash.

TRANSACTION TEAM

CHUCK DOYLE

cdoyle@bizcap.com

MICHAEL HENGL

mhengl@bizcap.com

TIM GAINES

tgaines@bizcap.com

JACOB CALL

jcall@bizcap.com