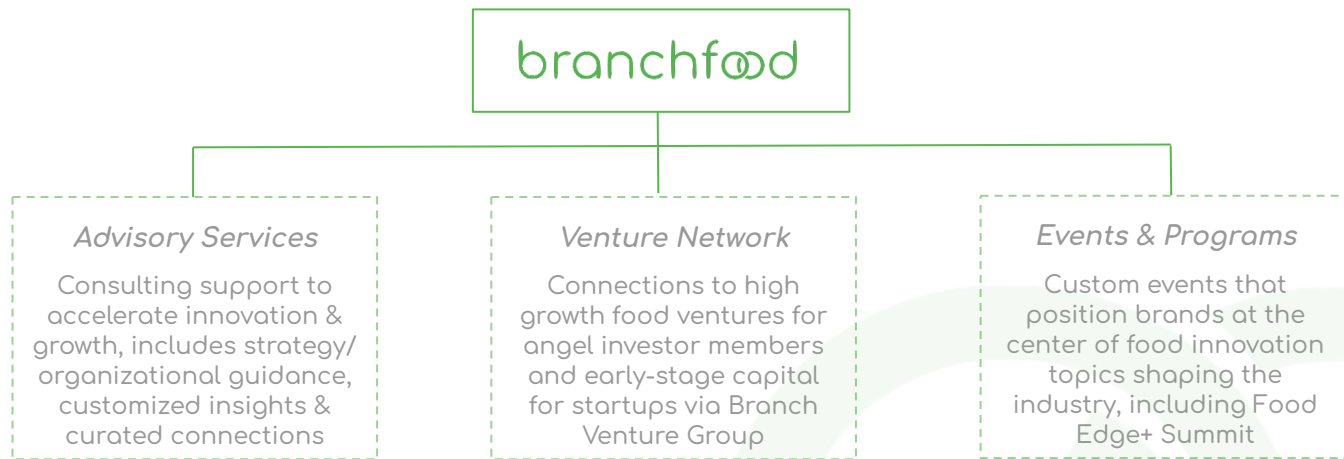




Alternative Finance Options Funding Growth of a Food Business

August 2024

Branchfood meets the needs of change-making innovators across the global food supply chain



Branchfood Partnered with the Rhode Island Commerce Corporation to support women and minority businesses growing in the state through the development of key resources.

- 'Connections For Growth' Mentorship Program
- 'Get Ready to Grow' Food Business Toolkit
- Capital Access Grant for businesses with sales of less than \$1.3MM in 2023 revenues
- Ongoing programming through Fall 2024 - signup for our newsletter at www.branchfood.com to learn more about important dates upcoming

Different types of funding are leveraged by businesses owners at different phases of development.

Pre-revenue	\$500K-\$5MM Revenues	\$5MM+ Revenues
<p>Personal: Savings Credit Card Second Mortgage Friends/Family</p> <p>Loans: Micro Loans Bridge Loans</p> <p>Grants</p> <p>Crowdfunding</p>	<p>Equity Capital: Angel Capital Venture Capital</p> <p>Loans: Bank Loans Government Loans</p> <p>Grants</p> <p>Crowdfunding</p>	<p>Equity Capital: Angel Capital Corporate Venture Capital</p> <p>Loans: Bank Loans Government Loans</p> <p>Mezzanine Funding</p>

branchfood

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Flex

◆ August 19 - Branchfood

The Experts in Alternative Finance for Food Innovation



Why **Flex**?

Food Innovation Brands Benefit from Flex



WaterBoy

Flex is the go-to Financial platform for consumer brands. We exist because we know operating the finances of any company is super complicated / tedious.

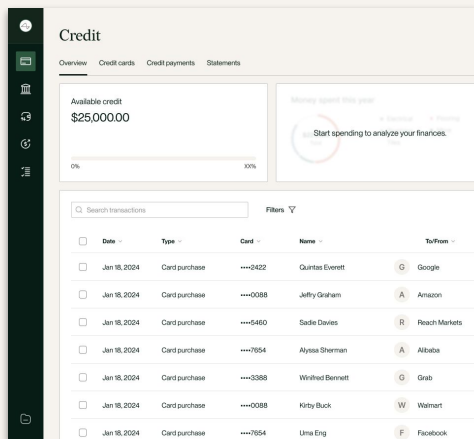
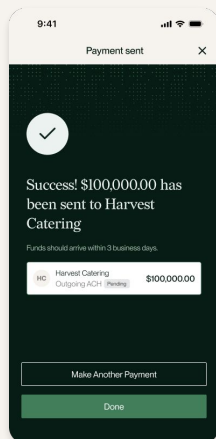
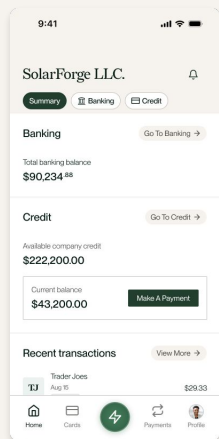
R Y Z E

Brands today typically use over 10+ financial tools. Our goal is to consolidate all of those tools into one platform.

ARMIA™

We've taken all the best primary tools that your CFO / VP of Finance would need and consolidated them into the Flex platform.

Flex



◆ Flex + Food Innovators

Grow your Food *Enterprise* with our Flexible Platform





The Experts in Alternative Finance for Food Innovation

Food Brands + Flex **Platform**

All-In-One *Checking Account* With Major Benefits

With Unlimited Employee Cards

FDIC Insurance up
to **\$2.5M**

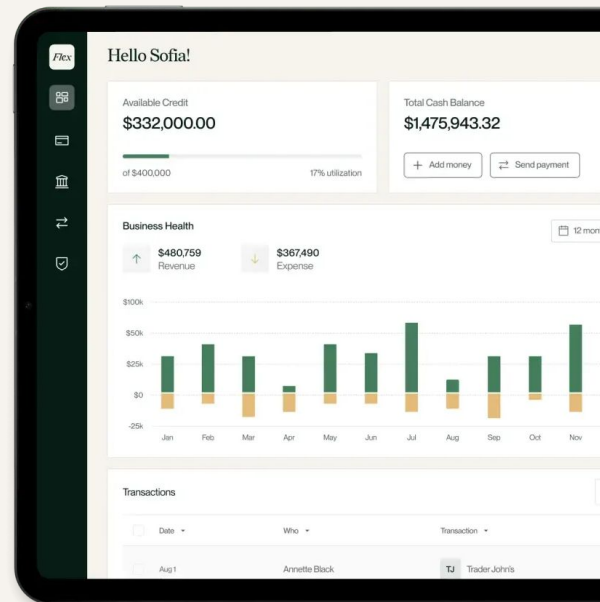
Up to **3.62%**
APY

International
Wires, **No Fees**

No Cost Domestic /
ACH Wire

Debit Card Transactions 1%
Cash Back

Seamless Up to Date
Bill Pay Solutions





The most flexible *business card* out there

Our card program is best in class as we're able to fully customize a term solution that fits each company's needs.

- 60 Days of Float at 0% Interest
- Up to 2% Cash Back for Shorter Float Options
- Flexible Early Pay Incentives for Busiest Season



The Flex Credit Card

Flex

Get In Touch With Flex

If you're interested in seeing what you'd be approved for, scan the QR code or click [this link](#) to apply.



Head of Sales

jay.puentes@flex.one



Flex

Flex



Decades of Experience,

Reimagined for the 21st Century



Becky raised \$31,773 through local community investors to improve the foundation of tea and the building structure at The Random Tea Room

Finally, funding that is fast, fair, and local.

Honeycomb Credit is a platform to get business owners the funding they need to keep growing, and everyone the chance to invest in local businesses they love.





Latasha Kaiser, owner of Kravegan received \$35,000 in LPF funding.

\$25,000-\$250,000

9%-14%

36mo. - 60 mo.

- 600 Credit Score
- Personal Guarantee (if applicable)
- Financial Statements
- Tax Returns (if applicable)
- Business Registration Documents



Sarah raised \$99,751 through 117 investors in her community

Strategic Use of Funds: Relocating to a commercial kitchen, renovating and outfitting the kitchen, compliance and permitting

Community Engagement: The campaign attracted a diverse group of investors, highlighting Brothmonger's strong local following and their ability to engage their community in their growth journey.

Future Growth: With the additional capital, Brothmonger is poised to enhance their market presence, scale operations, and continue their mission of providing high-quality, locally sourced broths to a broader audience.





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SMALL BUSINESS FINANCING AND ASSISTANCE



SOUTH EASTERN
ECONOMIC DEVELOPMENT
CORPORATION

SERVICE

EXPERTISE

EXPERIENCE

DEPENDABILITY

Background on SEED

ESTABLISHMENT

SEED is a not-for-profit organization formed in 1982. We are also a Small Business Administration (SBA) Certified Development Company (CDC), and a Community Development Financial Institution (CDFI) under the U.S. Treasury Department.

PURPOSE

SEED's mission is to assist small businesses to start-up, expand and create new jobs by providing low-cost loans and no cost technical assistance.

Loan Programs

- SBA 504 Loan Program – Loans up to \$5.5 million for real estate and heavy machinery and equipment.
- Small Loan Program – Loans up to \$350,000(MA), \$500,000(RI) usually as part of a larger project, with flexible use of funds.
- SBA Micro Loan Program – Loans up to \$50,000, flexible use of funds.
- Fast Track Loan Program – Loans up to \$25,000, quicker approval and turnaround time. Requires FICO Score >680.

Micro Loan Program Start-Up and Existing Businesses

- **Loans up to \$50,000;**
- **Use of funds: working capital; leasehold improvements; machinery/equipment; furniture and fixtures; inventory; and refinancing of business credit card debt;**
- **7% Fixed; up to 7 Year Term with maximum amortization of 7 years**
- **No prepayment penalty;**
- **Start-Up Businesses - require secondary source of income.**

Small Loan Program Start-Up and Existing Businesses

- Loans up to \$350,000 in MA, \$500,000 in RI;
- Use of Funds: working capital; equipment; real estate; furniture and fixtures;
- 6 -7% Fixed - depending on bank/credit union participation;
- Up to 10 years with amortizations up to 20 years;
- No prepayment penalty, simultaneous closing!

**Administered with State and Federal Grants, SEED Funds,
CDFI Funds, MGCC Funds, RI and MA Funds.**



SBA 504 Loan Program

- **Commercial Real Estate & Machinery/Equipment loans up to \$5.5 Million**
 - **Real estate must be 51% or more owner-occupied**
 - **Debt Refi also available**
- **Done in conjunction with a bank or credit union to provide up to 90% financing (Bank 50%, SEED 40%, Borrower 10%)**
- **Low, fixed interest rates**
- **Terms of 10, 20, and 25 years available**

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VENTURE

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Alternative Finance Options for Funding Growth of a Food Business - Webinar

August 19, 2024

Marcia Hooper, Partner and Co-founder
Branch Venture Group

www.branchventuregroup.com

Early- Stage Venture Capital

The Who	The What
<ul style="list-style-type: none">• Institutional• Individuals (aka angels)• Super Angels / Family Offices• Strategic Partners (aka corporations)	<ul style="list-style-type: none">• Equity-based<ul style="list-style-type: none">• Series Seed, Series A• Convertible Note• SAFE
The Why	The Why Not
<ul style="list-style-type: none">• Non-debt, no payback until a liquidity event• Gain expertise at no cost to the company• Access to an amazing network• Set the company up for succes	<ul style="list-style-type: none">• Complicated and often expensive• Risk your role in the company• Need to develop and achieve long term planning objectives• Poor interpersonal chemistry

Early- Stage Venture Capital

How do you know if you are ready for VC?

- Do you understand and have you identified the key risks in the business?
- Is the revenue model growth-oriented? Are you on a hockey stick of growth?
- Do you know where will you be in 5 years? What makes you so certain?
- Do you know how much investment and time is needed to reach cash flow breakeven operations?
- Do you have a team?
- What are your personal goals?

What are the risks?

- Give up some ownership and thus some control
- There will be a liquidity event in 5 to 7 years
- Job security risks
- Time consuming and requires a lot of educating your investors often

Early- Stage Venture Capital

Best advice

- Free education in talking to industry-knowledgeable VCs and angels
 - Be open to listen and learn
- Chemistry matters
- No harm in talking to VCs early in the company's development if you get a chance. They will remember what you said you were going to do, especially if you do it.
- Keep in touch if you get a no – *“chance favors the prepared mind”*
- Many highly successful companies never raised venture capital...
- ...but most successful companies have

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Thank you!

Marcia Hooper, Partner and Co-founder
Branch Venture Group

Learn more about our investment criteria and Investment Process at:
www.branchventuregroup.com

Pershing Ventures



Growth capital and financing solutions for
early-stage companies and SMEs.

Branchfood Alt Finance Webinar

August 19, 2024

Tor Trivers
Chief Investment Officer

Find us on the web at:
<https://www.pershingventures.com/>





Introduction

- ✓ Focused on private, revenue positive, early-stage businesses and SMEs inadequately serviced by the traditional financial ecosystem
- ✓ Revenue-based financing structures to achieve unique goals
- ✓ Ability to integrate into an existing or developing capital structures
- ✓ Scalable structures that typically grow with the client
- ✓ Transactions up to US\$1mm, average sizes of US\$250k - 500k
- ✓ Funding as quickly as 2 to 4 weeks from initial conversation

Top Use Cases

01

Revenue growth capital

02

Sales and Marketing

03

Order backlog

04

Geographic expansion

05

Complementing or preceding an equity round

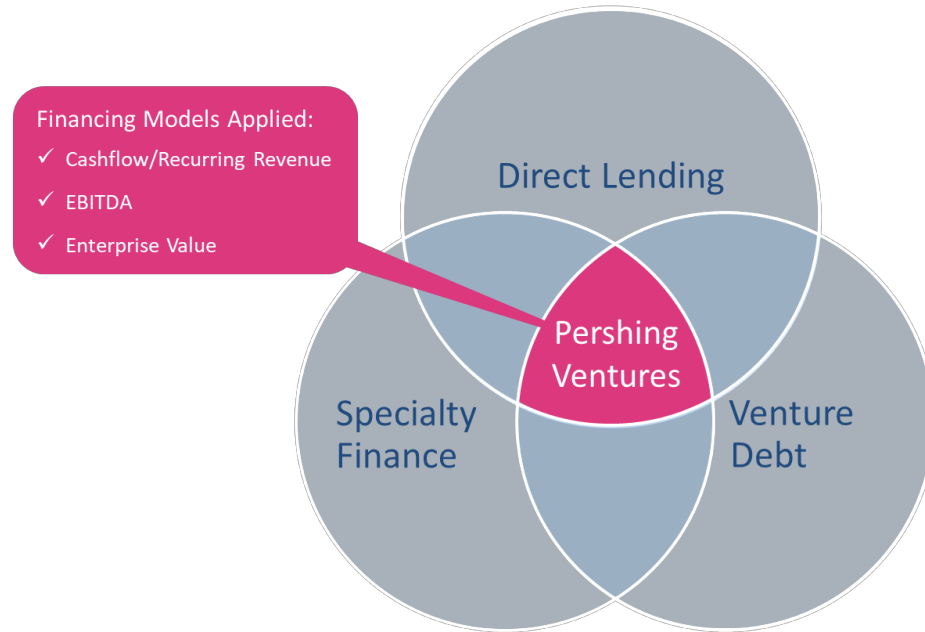
06

Acquiring revenue accretive businesses



Revenue Stream driven unsecured financing

Product Positioning



Transaction Mechanics

- ✓ Funding delivered as quickly as 2 - 4 weeks from initial conversation, typically US\$250k - 500k
- ✓ Monthly repayment of funding amount calculated as % of revenue, typically 5% - 15%
- ✓ Administrative Charge capitalized and back-ended: 3.5%
- ✓ Monthly Service Fee paid monthly, typically 1% - 2% of funding amount
- ✓ Anticipated time to repay: 12 - 24 months.



Growth Capital when traditional financing is unavailable



No collateral required



Non-Dilutive to equity and no board seat requirement



Designed based on your corp. structure, not a financier's checklist



No personal guarantees required



No pre-payment penalty after 4-months



Revenue Stream driven unsecured financing

Client Metrics

- ✓ Established and operating for >1year
- ✓ Prior fiscal year revenue > US\$250k or MRR > US\$25k, Typically US\$1mm - 5mm
- ✓ Minimum US\$25k financing, Typically US\$250k - 500k
- ✓ Gross profit margin + Growth > 40%
- ✓ Minimum runway > 6 months
- ✓ Accounting: QuickBooks, Xero, MYOB, Sage, or Oracle NetSuite
- ✓ Not in crypto or cannabis industries
- ✓ Funds not for real estate or infrastructure.

Selected Clients



Growth Capital when traditional financing is unavailable



No collateral required



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Thank You

Tor Trivers

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