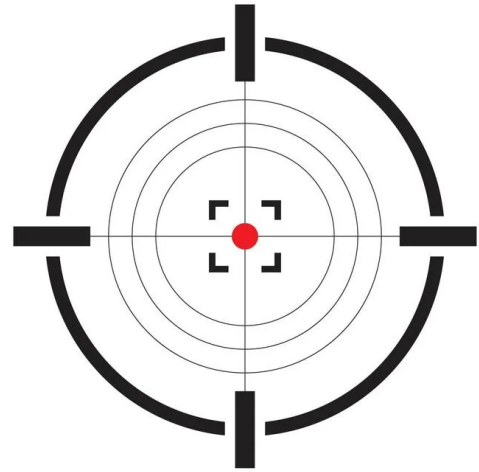


# Project Focus

Teaser Document

May 2021



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## Executive Summary

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- ✓ Family owned and operated company for more than 27+ years
- ✓ Global business with proven stability and long-term growth
- ✓ Supply of Muzzle Boresights, Ruggedized Zoom Lenses and related Video Products
- ✓ Full family of positioning equipment: Pan and Tilts, Controller, and Power Supplies
- ✓ Countless number of National Stock Numbers, the “go to” source for niche products
- ✓ Loyal customer base and market reputation
- ✓ Best-in-class customer experience and support

# Company Overview

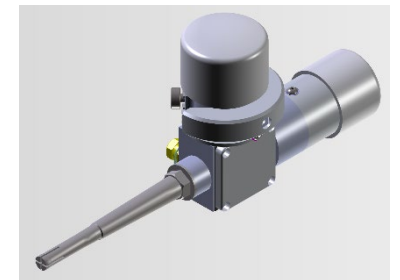
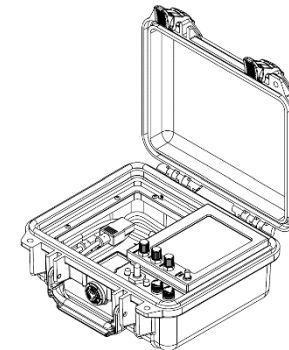
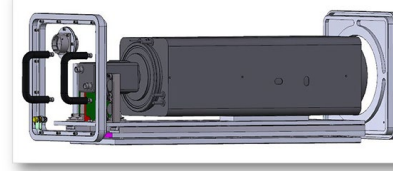
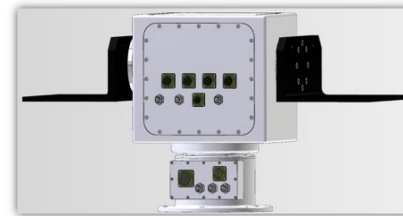
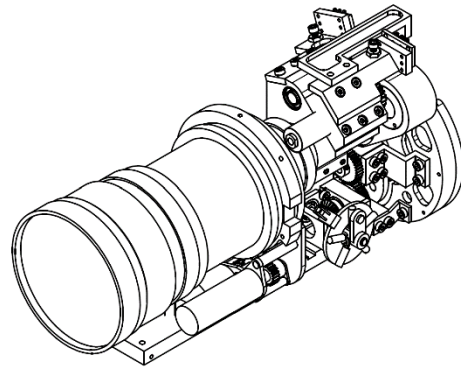
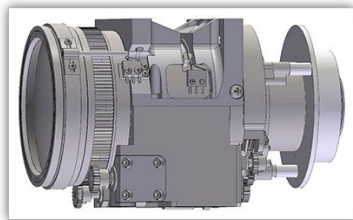
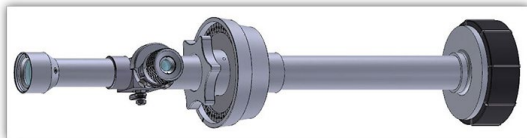
## Company Background

- Founded in 1993, family-owned company based in Southeast US
- 2021E (\$ in millions): Revenue \$9.5MM, EBITDA \$3.9MM
- Global leader in manufacturing Precision Muzzle Boresight Equipment and Rugged Motorized Zoom Lenses
- Customers: ~20 key customers
- Employees: 13 (2 Exec., 8 Manufacturing, 3 Engineering)

## Financials

USD\$ (in 000's)	Adjusted for QofE			Year-End Estimate	
	2018	2019	2020	2021E	3-YR CAGR
Net Revenue	\$ 4,960	\$ 6,141	\$ 6,050	\$ 9,450	24.0%
<i>growth %</i>				0.6	
Gross Profit	\$ 3,306	\$ 3,894	\$ 3,867	\$ 6,181	23.2%
	66.7%	63.4%	63.9%	65.4%	
Operating Expenses	\$ 2,086	\$ 2,259	\$ 2,232	\$ 2,291	3.2%
Add: Depreciation	\$ 24	\$ 88	\$ 36	\$ 36	
EBITDA	\$ 1,244	\$ 1,723	\$ 1,670	\$ 3,926	46.7%
	25.1%	28.1%	27.6%	41.5%	

## Products



*Global leader in BORESIGHT and ZOOM lens equipment; 2021E \$9.5MM Revenue, \$3.9MM EBITDA*

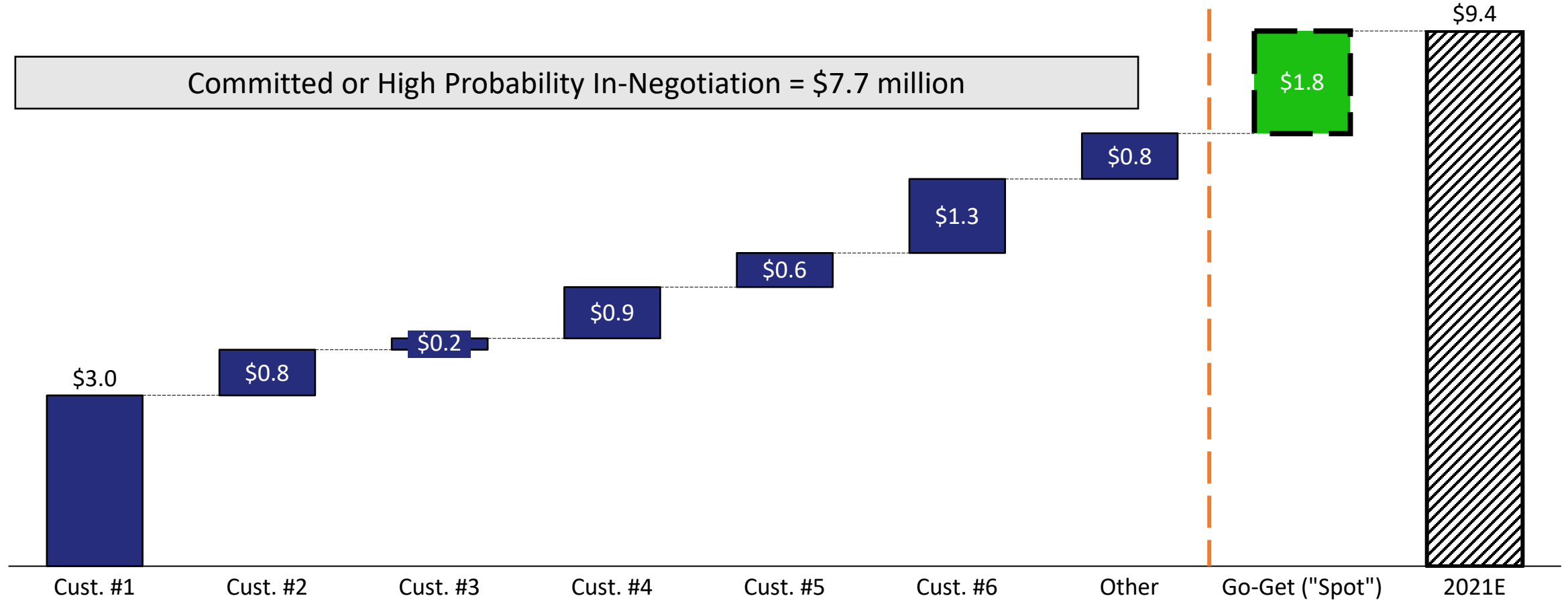
# Projections – 2021E to 2025P

## Owners' / Management Projection

	Adjusted 2020	2021E	2022P	2023P	2024P	2025P
Net Revenue	\$ 6,050,019	\$ 9,450,000	\$9,686,250	\$ 10,093,073	\$ 10,446,330	\$ 10,759,720
<i>% growth / (decline)</i>		56.2%	2.50%	4.20%	3.50%	3.00%
Gross Profit (incl. Graflex)	3,866,635 63.9%	6,181,351 65.4%	6,335,885 65.4%	6,601,992 65.4%	6,833,062 65.4%	7,038,053 65.4%
Operating expenses						
Compensation & Benefits - Employees	721,260	742,898	765,185	788,140	811,784	836,138
Compensation & Benefits - Officers	584,845	602,390	620,462	639,076	658,248	677,996
401k	236,581	243,678	250,989	258,518	266,274	274,262
Insurance	127,578	131,405	135,348	139,408	143,590	147,898
Rent	270,000	270,000	270,000	270,000	270,000	270,000
Other SG&A	291,705	300,456	309,470	318,754	328,317	338,166
	2,231,969 36.9%	2,290,828 24.2%	2,351,453 24.3%	2,413,897 23.9%	2,478,214 23.7%	2,544,460 23.6%
Operating EBIT	1,634,666	3,890,523	3,984,432	4,188,095	4,354,848	4,493,593
Depreciation	35,725	35,725	35,725	35,725	35,725	35,725
EBITDA	\$ 1,670,391 27.6%	\$ 3,926,248 41.5%	\$4,020,157 41.5%	\$ 4,223,820 41.8%	\$ 4,390,573 42.0%	\$ 4,529,319 42.1%

*Moderate level of growth modeled through 2025*

# Projections – Revenue walk to 2021E

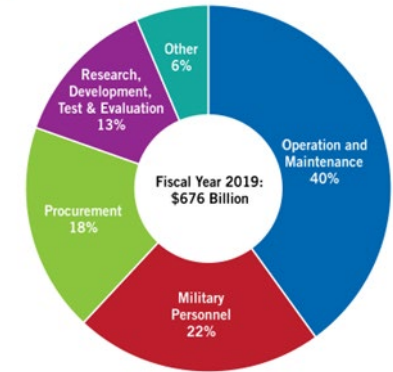


*\$7.7MM secured or "highly probable" in the pipeline; \$1.8MM Spot Orders to win that is consistent with prior years*

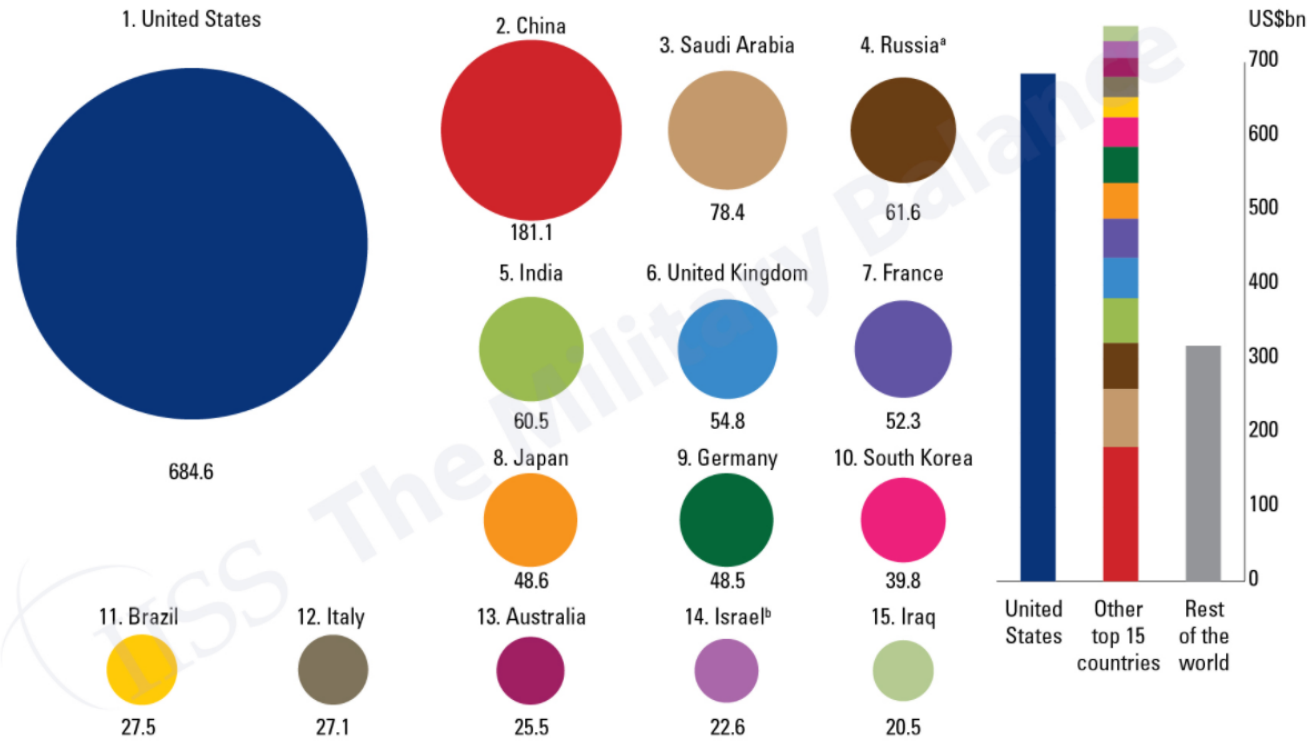
# Market Analysis - Defense spending by country



Defense spending covers a wide range of activities



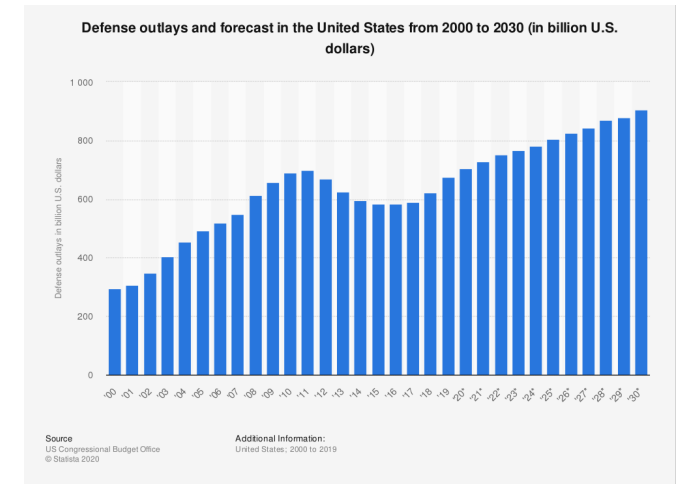
Defence spending: top 15 in 2019<sup>†</sup> US\$bn



<sup>†</sup>Total defence expenditure, including National Guard, Federal Border Service and military pensions; <sup>a</sup>Includes US Foreign Military Assistance

Note: US dollar totals are calculated using average market exchange rates for 2019, derived using IMF data. The relative position of countries will vary not only as a result of actual adjustments in defence-spending levels, but also due to exchange-rate fluctuations between domestic currencies and the US dollar. The use of average exchange rates reduces these fluctuations, but the effects of such movements can be significant in a number of cases.

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Source: US Congressional Budget Office © Statista 2020

Additional Information: United States: 2000 to 2019

*United States leads the world in defense spending, followed by China*

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## Process and Contact Details

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Interested parties should contact Judd Appel at [jappel@baybridgecapitaladvisors.com](mailto:jappel@baybridgecapitaladvisors.com) or 305-960-8858. Following receipt of an NDA and a request for more information, BayBridge Capital Advisors will disperse a Confidential Information Memorandum (“CIM”) for review. Interested parties will have the opportunity to prepare an Indication of Interest under the terms of the Process Letter to be issued shortly.

This overview may include certain forward-looking statements and estimates, which are based on assumptions by the Company that may be correct, and the business contains various risks and uncertainties. Accordingly, there can be no assurances that such statements or estimates of actual results may vary materially. This overview is not, nor is it intended to be an offer to purchase any assets of the company or brand.

All communications regarding interest in this opportunity should be directed to one of the representatives of BayBridge Capital Advisors and we request that prospective buyers refrain from contacting the management or employees of the business directly.

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