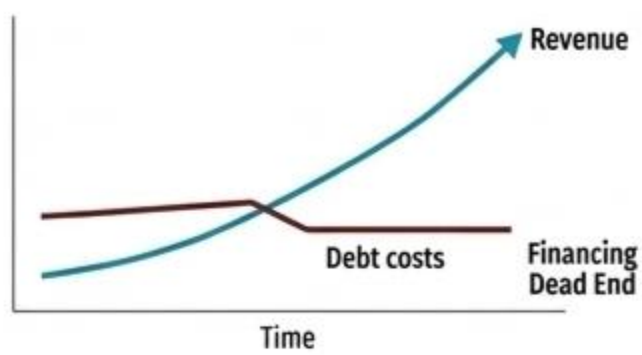
SCALING URBAN HEALTHCARE: FROM LIQUIDITY TRAP TO MARKET LEADER

Sector: Retail Pharmacy & Clinical Care **Deal Profile:** >$1.0M Non-Dilutive Debt Financing

EXECUTIVE SUMMARY

A Toronto-based startup pharmacy located in a high-growth medical complex faced a critical liquidity crisis. Despite rising prescription volumes, the company was stifled by high-interest private debt and a lack of working capital. HYGEIA Group's Capital Financing Division intervened to restructure the capital stack, transitioning the client from "predatory" private lending to sustainable institutional financing, effectively unlocking their growth potential.

THE CHALLENGE: THE "BOOTSTRAP" TRAP



The client initially followed conventional advice to "bootstrap" operations using personal funds and accessible but very expensive private capital. While this facilitated the initial launch of the business, the cost of capital quickly became unsustainable.

- **Operational Strain:** High monthly debt servicing costs (interest-only payments) prevented the hiring of key staff needed to service the influx of patients.
- **Financing Dead End:** As a startup with limited historical financials, the client was rejected by Tier-1 banks, forcing reliance on private lenders with double-digit interest rates.

THE HYGEIA SOLUTION

HYGEIA’s Capital Financing Group moved beyond simple balance sheet analysis to value the enterprise based on its **strategic location and future cash flows**.

1. **Forensic Valuation:** We quantified the value of the "captive market" created by the medical complex’s expansion and the influx of new physicians.
2. **Institutional Alignment:** We acted as the intermediary to translate the pharmacy’s prescription volume metrics into a risk profile that satisfied chartered lender requirements.
3. **Debt Consolidation:** We secured a facility to retire 100% of the expensive private debt, replacing it with prime rate aligned instruments.

THE OUTCOME

- **Significant Cost Savings:** Monthly interest expenses were reduced by >50%, immediately improving free cash flow.
- **Strategic Recruitment:** The released liquidity allowed the client to incentivize key prescribers to join the medical complex.
- **Market Leadership:** The business successfully expanded its footprint, securing its position as the dominant pharmacy in the catchment area.

"By moving from 'survival financing' to 'growth financing,' the client transformed a financial strain into a market leadership position."

For more details, contact Kumail Hasan at **+416-716-7772** or scan the QR code for more details:

www.hygeiagroupinc.com

HYGEIA Group
Capital Financing
388 Granton Dr. Suite 200
Richmond Hill, ON L4B 1H7

www.hygeiagroupinc.com
Phone: + 416-716-7772
info@hygeiagroupinc.com