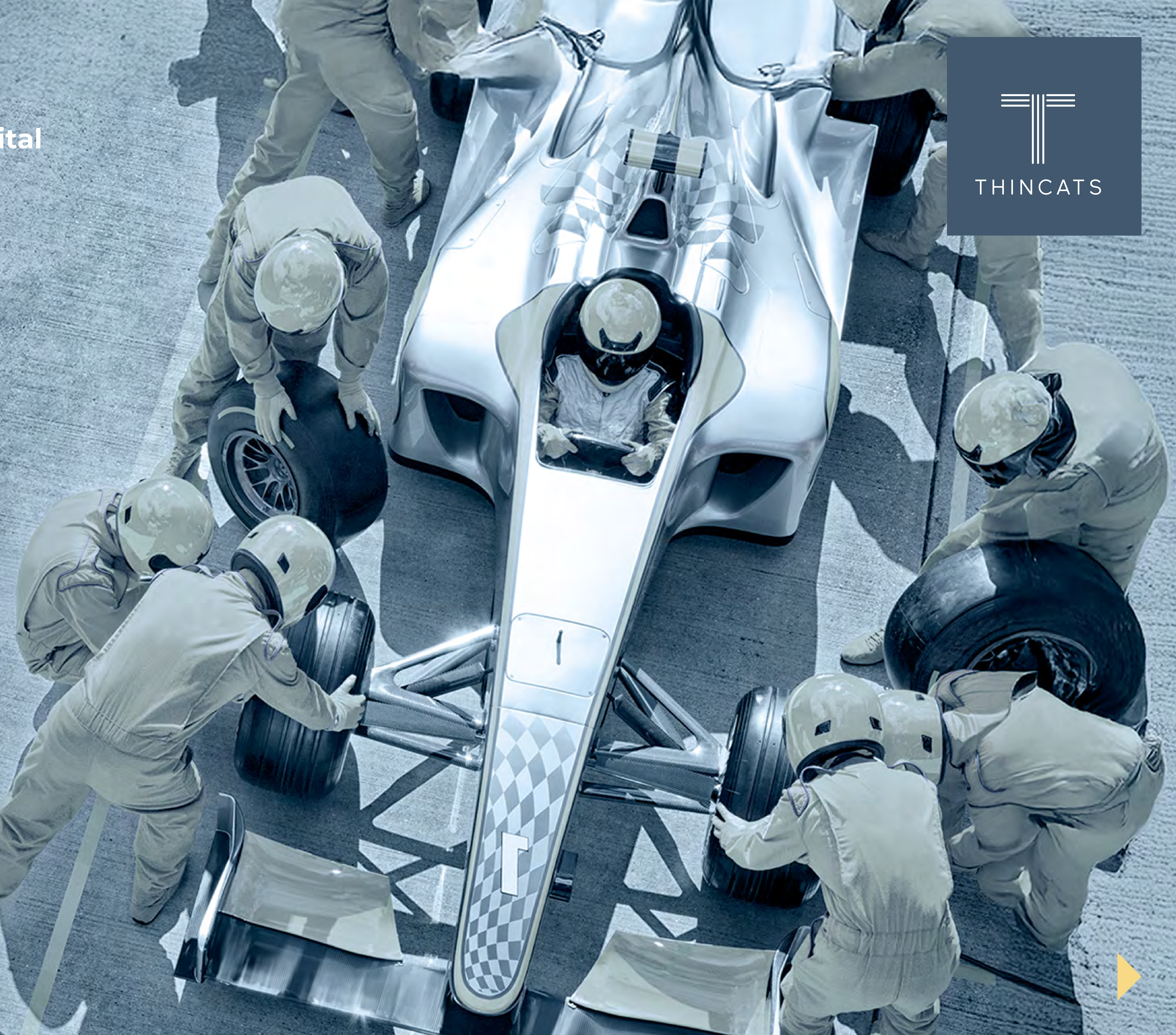
Agile Capital

THE ONE-STOP SOLUTION FOR FUNDING NEEDS



THINCATS

What is Agile Capital

Agile Capital is a flexible one-stop-shop solution for long-term finance and short-term working capital funding.

It is a holistic funding solution that bridges the gap between term loans and receivables finance or asset-based lending (ABL). It provides working capital funding, via a revolving credit facility (RCF) sized around the working capital assets of a business, alongside a term loan. This flexibility allows businesses to access the funds they need at the right time, within the correct structure.

Agile Capital funds across the landscape

Agile Capital does not seek to replicate or compete directly with ABL facilities. ThinCats does not need to take control of the debtor book, stock or associated cashflows. This provides the flexibility and cost-effectiveness of a working capital line with less operational impact than traditional ABL facilities. Equally the total Agile Capital funding needs to be supported with a sensible leverage level, as not all of the Agile Capital facility will be asset covered.

Lending products typically used for different requirements

Use of Funds	Property	Plant, machinery, vehicles	Growth, acquisition, buyout	Working Capital
ThinCats offer		Term Loan, committed facilities		
		Agile Capital: Term loan element		RCF element
Loan Type	Mortgage	Asset finance / ABL	Cash flow loans / leverage finance	Overdraft/ABL

Why Agile Capital?

Agile Capital combines the best aspects of term lending and asset-based lending.

The main benefits:

- Single facility from one lender
- No requirement to route payments through a dedicated trust account
- Flexible drawing of RCF ensures interest costs are minimised
- No operational impact on cash management
- Reduced administrative burden
- No 1st charge on assets

Underwriting and Monitoring Process

Agile Capital retains ThinCats core cashflow lending principles of leverage and business enterprise value assessment, alongside an analysis of working capital assets to support the RCF element.

Business and Management Assessment

	ThinCats Underwriting / Diligence	Loan Structure	ThinCats Monitoring
Revenue quality/ profitabililty	FDD on structuring EBITDA	Term debt • min 30% of facilities	Monthly management accounts Covenants: Leverage / DCSR
Fixed assets (P&M/property)	Third-party valuation		
Cashflow generation	FDD - assessment of working capital cycle	RCF • max 70% of total facilities • lower of normalised working capital / 80% of Fundable Assets	Monthly reporting of Fundable Assets Covenant: max debtors/stock days
Fundable assets (debtors/stock)	Appraisal of Fundable Assets with market standard 'dilutions'		

Key Criteria

Amount	• Minimum total facility of £5m (exceptionally £3m) of which minimum term loan £1m. The revolving component will not represent more than 70% of total capital (drawn and committed undrawn) at transaction inception
Purpose	• To fund company growth/acquisition and working capital
Leverage	• The leverage calculation at loan inception will include and assume the fully drawn total facility, subject to a cap of 4x
Fundable Assets	• Debtors and exceptionally stock, as determined by third party audit
Term	• Revolver and Term loan will be coterminous
Revolver Mechanics	• No more than one request in any one-month period • Minimum revolver drawdown and principal repayments of £100k • Any new draw-down requests to be funded at the later of 5 business days or a pre-defined calendar day (e.g. Friday). • Revolver to be repaid within 3 days if available RCF per monthly working capital report is lower than the drawn amount
Reporting	• Monthly working capital report within 10 days of month end, comprising aged debtors, stock and creditors, together with a certificate of Fundable Assets and available RCF
Covenants	• Gross leverage test will be set at inception inclusive of forecasted drawn revolver commitment and tested accordingly • DSCR • Maximum debtor days/stock turn

The Agile Capital Team

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The Solution in Action

A UK manufacturing business* has a total funding need of £10 million for an MBO, acquisition and/or some refinance. Agile Capital could structure this as:

- £7 million in a revolving credit facility, based on fluctuating trade debtors and stock levels.
- £3 million in a term loan to assist with payment to an exiting shareholder, refinancing existing debt or growth capital.

Operationally

- We would assess the debts and/or stock via a specific asset due diligence report.
- Once the facility is approved and up and running, all we require in addition to any standard financial reporting for the term loan is monthly reports for aged debtors, creditors and stock (if stock is included in the borrowing base) and a transaction report from the sales ledger. The facility is resized each month based on the asset value.

*Example use case

About ThinCats

THINCATS HAS PROVIDED OVER £2BN IN FUNDING TO MID-SIZED BUSINESSES FROM ACROSS THE UK.

ThinCats is a leading finance provider focused on serving mid-sized UK businesses with loans from £1m - £20m.

We specialise in creating bespoke lending structures to support fast growing businesses pursuing organic and acquisition growth strategies.

ThinCats has provided over £2bn in funding to mid-sized businesses from across the UK.

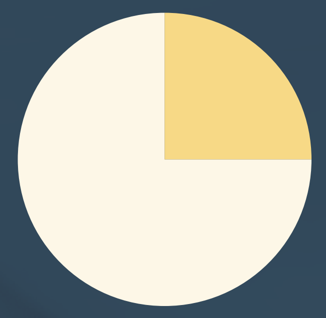
Our market

ThinCats provides capital to the mid-market, focusing on ambitious businesses seeking growth organically and via acquisition.

Mid-sized SMEs defined

There are over 500,000 mid-sized SMEs in the UK generating EBITDA from £1-£5m, revenues up to £20m and employing between 10 and 250 staff.

There are around **500,000** mid-sized SMEs accounting for more than **25%** of UK GDP.



However, they often struggle to access the debt capital they need. These businesses deserve better.

ThinCats exists to fill this gap and we are proud to have provided over £2bn in long-term debt funding to help these businesses thrive.

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Contact Us

For additional information please get in touch with us at:

thincats.com

ThinCats

ThinCats is a trading name of ThinCats Limited (Company No. 09707863).

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