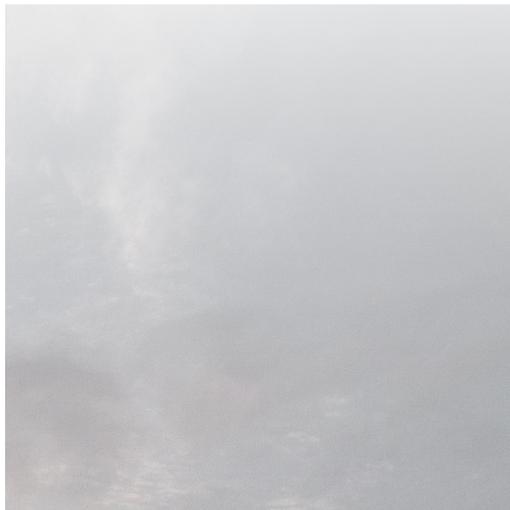




THINCATS

BUSINESS LYNX

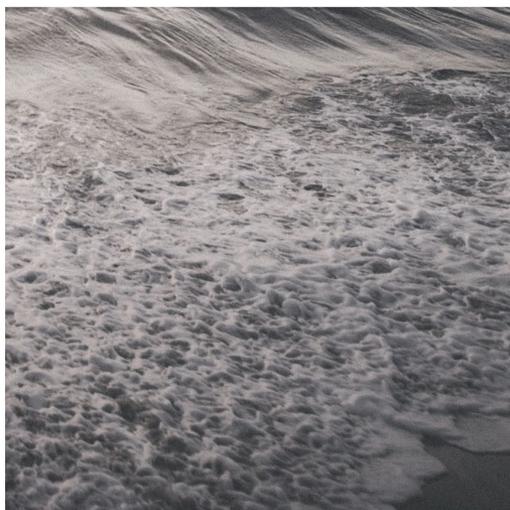




**ThinCats is a leading alternative finance provider dedicated to funding growing and ambitious SMEs across the UK. Founded in 2011 in the aftermath of the global financial crisis, ThinCats provides innovative funding solutions as a genuine alternative to traditional high street lenders, typically for loans from £100k-£5m.**



“The ThinCats mission is to help creditworthy UK SMEs receive the necessary funding to grow. Unfortunately traditional lenders often don't have the flexibility to help out, so it's up to the alternative lending sector to step in. This programme builds on our incredible data analytics skills to help accountants reach out to those SMEs in their area that have strong growth characteristics and are most likely to have a funding need that could be best-served through an alternative funding solution”



**John Mould**  
Chief Executive Officer

# INTRODUCING BUSINESS LYNX

The Business Lynx programme is designed to help business advisers such as accountancy practices deepen client relationships and ultimately generate more fee income by advising businesses on funding solutions. Using its expertise in SME data analysis ThinCats has built a powerful targeting tool to identify creditworthy SMEs that are the most likely to have funding needs over the next 12 months.

ThinCats' insight stems from its database of around 4 million active and trading UK businesses of which more than 3 million are very small with less than 10 employees. ThinCats focuses on approximately 300,000 UK SMEs – typically with 10-500 employees – which it constantly analyses using sophisticated data modelling techniques. These techniques already enhance ThinCats' ability to assess the creditworthiness, security cover and price of potential loans. By extending the model to focus on SMEs with likely future funding needs, ThinCats is able to provide valuable insight to help accountancy practices and other business advisory firms target new business opportunities.



**Damon Walford**  
Chief Development Officer

“The idea for the Business Lynx programme was formed following conversations with accountancy practices up and down the UK. Accountants wanted to know whether our credit analytics skills could be applied to identify new business opportunities. We listened and are delighted to be helping accountants bring alternative funding options to SMEs that we have identified as being most likely to need them.”

# HOW DOES THE BUSINESS LYNX PROGRAMME WORK?

The programme is straightforward. ThinCats provides you with an individual Company Benchmarking report on a sample of SMEs in your area. Where possible, ThinCats will match against named auditors on the Companies House register to give you a selection of target SMEs where a business relationship already exists.

The report shows how the target SME performs on a number of important metrics against other businesses in its sector of a similar size. In addition, ThinCats' proprietary credit grading and propensity scores are provided. The credit grade indicates the financial strength of the business while the propensity score measures the likelihood of a business needing funding over the next 12 months.

In total, this gives a comprehensive picture of how an SME is performing against its peer group, whether it is likely to have a funding need and how ThinCats rates that business in terms of its credit quality. Those companies with good, but not necessarily the highest credit scores, that also have good growth indication and high propensity scores, are most likely to be underserved by traditional forms of lending and could benefit from a funding solution from an alternative lender such as ThinCats.

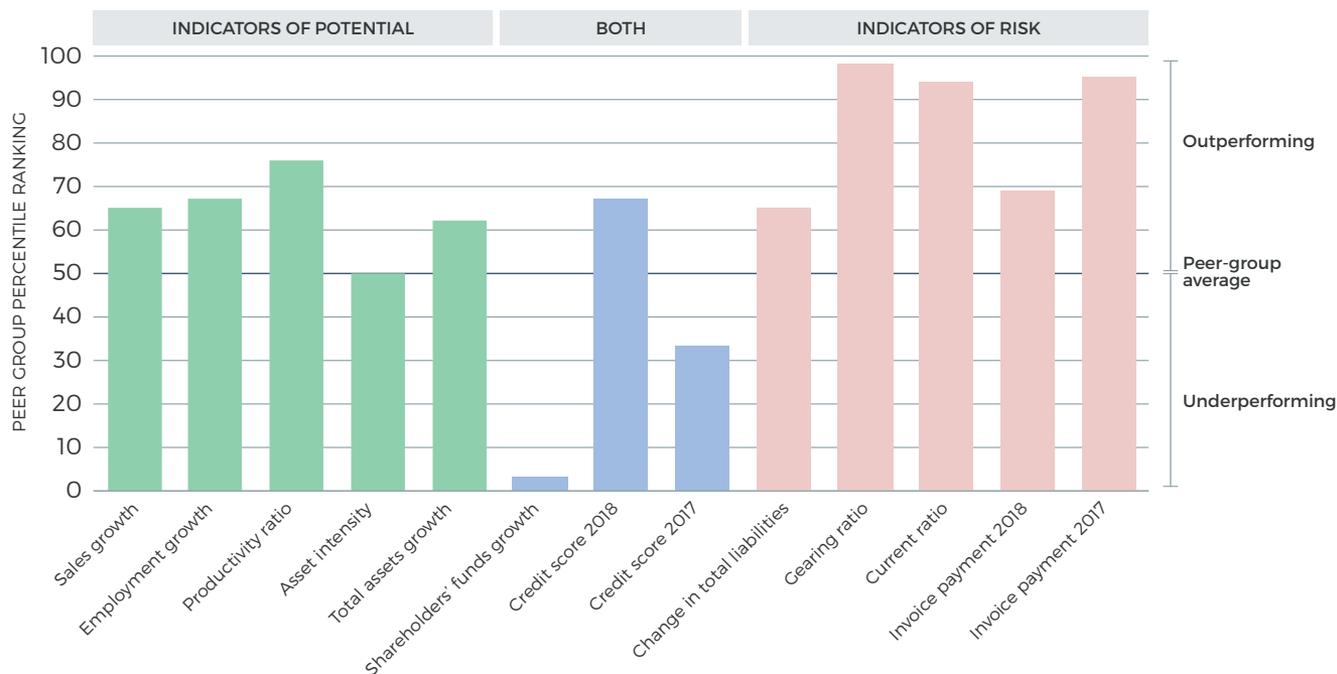
Armed with this information, you can take a proactive approach by contacting the target SMEs to talk through their benchmark report and to identify any future advice requirements. If the initial supply of reports proves useful to you, we can provide reports on further SMEs in your area based on propensity score or other criteria such as industry sector.

# COMPANY BENCHMARKING REPORT

The Company Benchmarking report, which lies at the heart of the ThinCats Business Lynx programme, shows a number of metrics for each company to give a powerful snapshot of how the company compares against its peer group. In addition, the company's creditworthiness and likely future funding needs are shown by its ThinCats credit grading (HFS) and propensity scores respectively.

In the example report shown, the company is outperforming its sector on a number of growth and risk metrics, has a strong ThinCats credit score and is very likely to have a funding need over the next 12 months.

COMPANY NAME	EXAMPLE COMPANY
COMPANY NUMBER	1234567
SECTOR	Activities of employment placement agencies
REGION	NE
POSTCODE AREA	North East
AGE (YEARS SINCE INCORPORATION)	32
GROUP STRUCTURE	Subsidiary
PROPENSITY SCORE	[Band 5] V. Likely
CREDIT SCORE (HFS)	A2
GROWTH SCORE	[Band 2] Strong Growth
BANK	HSBC bank plc
AUDITOR	Tait Walker
LAST REGISTERED MORTGAGE OR CHARGE	2014
SALES (£)	6,719,581
NO. OF EMPLOYEES	15
TOTAL ASSETS (£)	2,089,467



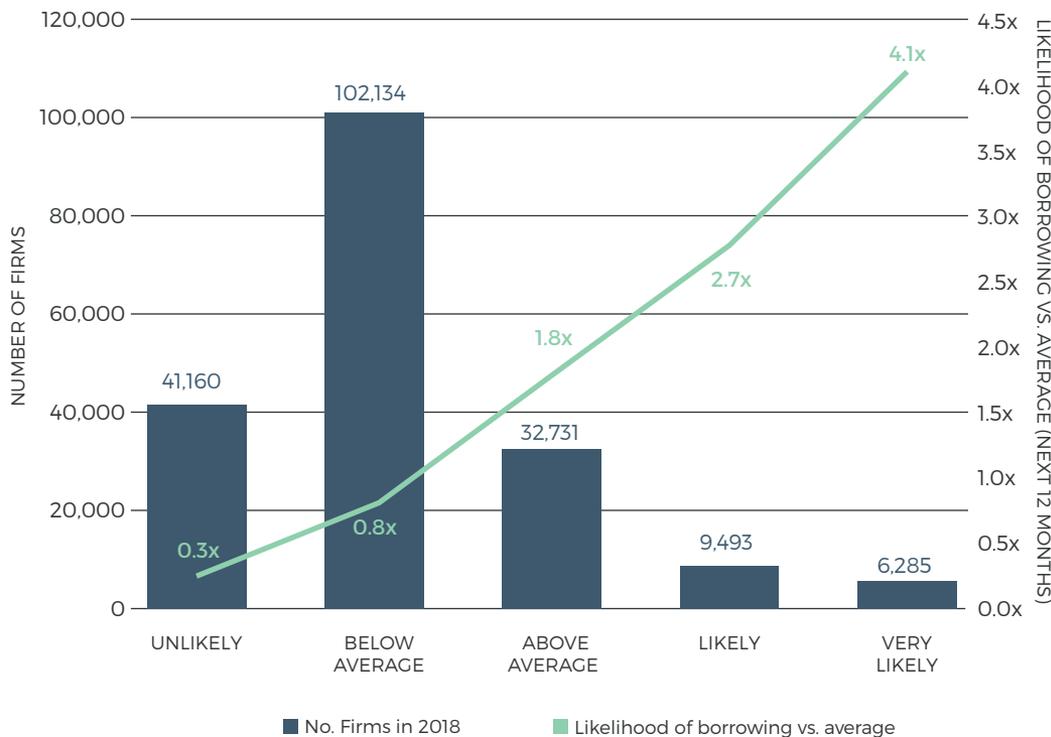
## How do we define which businesses may need funding over the next 12 months?

ThinCats has built a proprietary data model based on millions of real, empirical observations using the latest data modelling techniques to calculate the likelihood of a business requiring funding over the next 12 months. From the initial universe of 300,000 UK SMEs, once companies in poor financial health or those from prohibited sectors have been excluded, ThinCats has ranked approximately 190,000 creditworthy businesses and allocated each to one

of 5 propensity groups; very likely, likely, above average, below average and unlikely.

The chart shows that there are around 15,000 businesses every year that are likely or very likely to require funding. Back-testing reveals that the Very Likely cohort are over 4 times more likely to borrow than an average SME while the Likely cohort are almost 3 times more likely.

### Likelihood of creditworthy UK SMEs to require funding over the next 12 months



## Are certain types of company more likely to have funding needs than others?

Our analysis shows that companies with stronger growth characteristics, such as employment, sales or total assets growth, generally have higher propensity scores than lower growth businesses.

Unfortunately, many companies that are growing well in comparison to their peers and are in good financial health struggle to receive funding from traditional sources because they do not have the highest credit grades. This is where business advisers with good knowledge of alternative lending providers can be of real value in helping their SME clients secure the funding they need to sustain future growth.

The Business Lynx programme is designed to help you find these companies and give you useful information to have a meaningful conversation about target SMEs' financial health and future funding needs.

## Turning data into business opportunity

The ThinCats credit analytics function is headed by Rolf Hickmann, who has been analysing business data for more than 30 years. As one of the UK's leading experts in this field, Rolf is a specialist in the analysis of SMEs, focusing on their demographics, growth prospects, and sources of finance. He was founder and CEO of the pH Group, now part of Experian, where he pioneered the use of extensive databases enabling a detailed drill down into SME behaviour. The pH systems have been used by all the UK's major banks, many utilities and telco companies, and the UK and French government.

Rolf is supported by a team of three data analysts with expertise in advanced statistics, data modelling and machine learning algorithms.



**Rolf Hickmann**  
Head of Credit Analytics

“The universe of UK SMEs is changing constantly. For example, if you look at the 2.4 million SMEs that were trading in the UK seven years ago, just over 50% are still trading today. During that time a further 1.5 million new businesses have been established. Our data skills and credit experience are critical in deciding whether to lend to companies and at what price. The Business Lynx programme takes this a step further by predicting which companies are likely to have future funding needs and sharing this with accountancy practices in their region. It's real data with huge potential value.”

## Thrive and strive

The SME data underlying the Business Lynx programme is used to identify creditworthy businesses that are performing well compared to their peer groups and are likely to have a funding need over the next 12 months. These companies can be summarised as thriving, yet, we believe, are being underserved by traditional lenders.

Likewise the underlying data can also be used to discover companies that are struggling relative to their peer groups and may be in need of potential corporate recovery services.

If you would find it useful to identify businesses in your area that could be described as striving rather than thriving, please contact Business Lynx programme manager Yvette Pearson at [yvette.pearson@thincats.com](mailto:yvette.pearson@thincats.com).

## Engaging in the Business Lynx programme

We are confident in the programme's potential to help you deepen relationships with SMEs and target those businesses most likely to have future funding and advice requirements. To ensure that we provide a high quality service, we have appointed a full-time manager to liaise with accountancy practices and business advisers. Yvette Pearson has three years' experience at ThinCats on both the credit and business development teams.

Working alongside your usual ThinCats' business development manager, Yvette can explain the programme in more detail and is your main contact for securing your initial supply of Company Benchmarking reports for SMEs in your region.

Yvette will also request feedback from you on the results that you achieve from the programme and will be able to provide further reports for targeting SMEs in your area.



**Yvette Pearson**  
**Business Lynx Programme Manager**

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