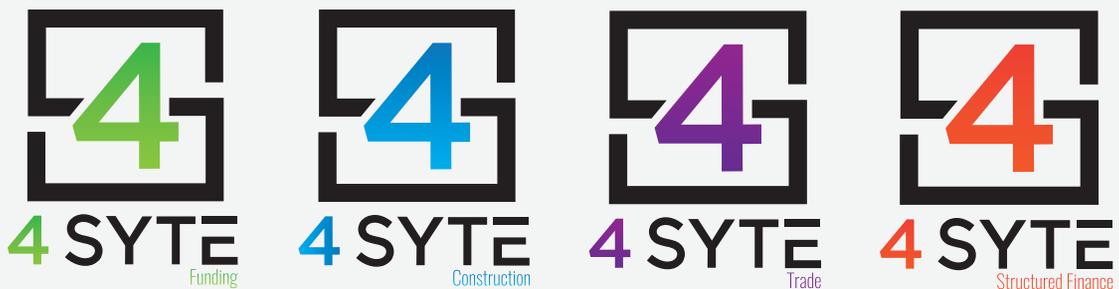




4 SYTE



A Rapid Response, with a Human Touch

info@4syte.co.uk | First Floor, Steeple House, Church Lane, Chelmsford, CM1 1NH | 0845 652 0400

The Four Pillars of 4Syte

Invoice Finance, Trade Finance, Construction Finance and Secured Lending

Q&A with: *Nick Sellars* | Managing Director



What are your responsibilities as business owners?

To remain focused on delivering on the plan, whether that's financial, operational or human. To show passion, drive and ingenuity, as well as calmness, clarity and communication – upwards and downwards – sharing good and bad alike with the whole team. (Mainly good!)

Today there are four pillars of 4Syte: invoice finance, construction finance, trade finance and secured lending. What was the motivation behind extending 4Syte's services?

To provide more options to our clients and save them the problem of having several providers of service when we could satisfy all their needs. One of our clients enjoys invoice finance, trade finance and has a term property loan. That's good for us, good for our clients and great for introducers who now see us as a one stop shop for the widest range of working capital solutions. We chose these types of services because they all revolve around the working capital theme, albeit our secured loans have a wider attraction and they're all geared to SMEs - a group neglected today to some extent by our big banks.

Who are your typical customers and what levels of facilities do you provide?

Our typical customers are owner managed businesses. We provide facilities from £26,000 to £1.5 million, although the average 'lend' is around £200,000.

You have offices in Chelmsford, Leeds and London. What made you choose these locations?

We've had a long affinity with Essex from past enterprises. With a bright and energetic work force matched with people with whom we had worked previously, Chelmsford was a natural place to build our operation.

Regent Street in London is home to Magnus Gundersen who co-founded 4Syte and heads Balder Capital (one of our shareholders). Balder is an advisory/investment banking boutique which specialises in raising working capital and equity funding, with a speciality in financial markets. There are great synergies between Balder and 4Syte. 4Syte Structured Finance also operates from Regent Street.

There was always a desire to expand in the North. 4Syte Construction was a collaboration between the North and South which allowed 4Syte a stepping stone to launch its wider offering. Samantha Wilson, who has a great network in the North, joined 4Syte as Regional MD in 2018 and we launched the Leeds office at the same time. Samantha is also heading up 4Syte Construction Finance. We're very proud to be in Yorkshire and take every opportunity to be there. For supporters of the red rose, our Leeds office is manned equally with Yorkshiremen and Lancastrians! A shining example of détente at work.

The invoice finance sector is providing more finance to UK businesses than ever before. What is unique about your business? How do you differentiate yourselves from other invoice financiers?

We focus on a close relationship with our clients and introducers: we have to be personal and visible. We believe that's what most businesses want and need. We are experienced, on the ball, quick and responsive. That also occasionally means being honest and not always delivering good news, but we always try to be fair and commercial. We are flexible, we care, and we have a wide range of services designed for UK businesses.

It's now been 3 years since you started 4Syte. In that short time, you have experienced a rapid growth whilst adding three lines of additional business. To what do you attribute your success?

Delivering on the plan and having the whole team buy in to that plan!

How do you plan to grow even further? What's the next step?

We aim to concentrate on developing the main pillars of the business. We will continue to revise the plan and adopt new processes as we grow. However, this will not be at the expense of service. Our model permits the levels and quality of staff to be maintained proportionally as we grow. The key is continued training and development of staff and management. Our financial structure is such that it will permit continued growth whilst maintaining acceptable levels of capital within the business. We are content serving SMEs and will continue to make more of an impression on the sector.

I have known and worked with a number of the team at 4Syte for many years and collectively they offer something truly different from other lenders in the market. Their willingness to structure difficult deals and turn them around quickly is second to none, and I always have full confidence in them delivering on their promise.

Happy Customer ““

To learn more about us visit:

www.4syte.co.uk

Where do you start when you want to set up a dynamic financing business, when all you have is a blank canvas? That's how Magnus Gundersen and Nick Sellars started in early 2016. Whilst the canvas was blank, their minds were full of ideas with an ambition and desire longing to be fulfilled. It has now been three years since 4Syte was established and a conversation with Nick, the Managing Director, confirmed that this is just the beginning of a long and exciting journey.

What encouraged you to set up your own business?

It's something I've done before, but this time we started with a blank canvas. Everything from product design to mode of operation, capital structure and ethical code was a brain dump from Magnus and I, and later Paul Barker and Natasha Souness as well. Therefore, this business is very personal to us. The Team around us are cut from the same cloth, and their ideas have become part of the company DNA.

Why exactly invoice finance? What made you choose this type of business?

In our view, invoice finance is the perfect service to provide targeted working capital to our customer base, which in the main are owner-managed SMEs.

The company is called 4Syte. What is the story behind the name?

This was part of the afore-mentioned brain dump. "What should we call ourselves?" is something everyone that sets up a business goes through. One of the first hurdles was "has the name been used already as a company or a domain?". So we bastardised the name, but really we wanted our partners to see that we are forward-thinking planners with foresight and forethought, whilst being attentive, caring and prepared for anything that might be thrown at us or our clients in the future. So, you'll see it really is a great name which we must have had foresight to choose. Oh, and the company does come above 'A' in an alphabetic list. (That actually wasn't planned).



A face to the name...

Here are a few more members of our team.

Magnus Gundersen |
Group Chairman

Paul Barker |
Commercial Director



What was your vision and foresight at the outset, and how did you see the business growing?

We knew that we wanted to provide a great financial service to SMEs, as well as solve their working capital, customer service needs and develop products around this starting with factoring - which we knew very well.

We didn't know at the beginning how this would manifest exactly; our Construction, Trade and Structured Finance businesses were largely opportunistic. We have a mindset open to ideas, but we also had a solid plan and a detailed financial model to measure our growth - which of course changes over time as well as a detailed written process covering every aspect of the business. This is also a living document which changes over time.

We wanted longevity of clients and you can't do that by being uncompetitive and lacklustre. We wanted to hire staff with drive and passion that want to learn and develop and that fit into our ethos. We want to empower staff and give them responsibility so they can help drive the business forward. With this attitude we believe we can maintain high levels of service and continue to grow.

We concentrated on creating the kind of capital structure at the outset which would enable us to grow, and our choice was not to develop a lifestyle business, which of course has its merits, but a business capable of growing successfully and profitably. It's also important to note that our philosophy is not to pile it high and sell it cheap for onward sale and a quick buck. We prefer to create a brand and a legacy with long-term value, and potential for the people and businesses connected to it to embrace and help it develop.

What is your vision today? Has it changed?

The vision is the same. The fact that in less than three years we have developed a profitable business with a broad, yet focused, offering with 100 clients across the board and growing, means that we're on the right track. We have over 20 staff in three offices, and we're all pulling in the same direction. Managing growth, change and a solid operation - whilst delivering service - requires a dedicated and experienced team with leadership qualities and passion, and we believe we have that. We hire smart, enthusiastic staff to help us get there. It's the management's responsibility to ensure those staff are motivated in the right way to do just that.

What characteristics have you focused on whilst creating your team?

Passion, drive, empathy, responsibility, empowerment, focus, fun. All roads lead to satisfaction, development and reward!



A Rapid Response,

Specialised Advisory

BALDER | capital

- Specialised advisory & merchant banking
- Independent & client-focused
- Capital raising & funding solution
- Broad domestic & international network
- Highly experienced professionals

Balder Capital

Balder Capital's proactive hands-on approach and guidance was key in keeping us focused throughout the process and achieving our objectives. “

Balder Capital acted as a financial and structuring advisor for a top UK based FinTech company. Balder devised a flexible and scalable growth financing facility for the client's trade finance and SME receivables portfolio. Balder introduced multiple funding partners and supported the client in negotiating the most suitable terms and financing partner. The funding facility replaced more expensive equity capital financing and optimised the overall corporate capital structure.

Whilst 4Syte provides the direct lending function, Balder Capital plays an important part in providing the overall strategic direction of the business. With its own separate advisory subsidiary, Balder Capital is providing clients with a broad set of services ranging from strategic advisory, capital introductions across the balance sheet, financial modelling and capital structure analytical work. Balder Capital also assist 4Syte with general due diligence and business input.

Four business pillars providing businesses with the finance they need for working capital, cashflow, business expansion and debt consolidation

Funding with a difference



- ☑ Invoice Finance & Full-Service Factoring
- ☑ Fast turnaround on enquiries
- ☑ Hands-on service with quick response time and credit-backed decisions
- ☑ Debt/sales ledger focused decisions
- ☑ Highly experienced professionals

4Syte Funding

As an Introducer, I was delighted with the speed and decisiveness of 4Syte's approach and what's more the client couldn't have been happier! “

4Syte were asked to look at offering a £200K facility for a packaging company that required a quick turnaround for an invoice finance line. The business had been self-financing for a period but had just picked up a big order with a large, well rated customer that would mean they needed immediate and ongoing funding against both the new and existing invoicing. 4Syte were responsive and managed to turn the facility around within 5 days from Introduction to completion which enabled the client to fulfil their first order with their new customer.

In addition to the offerings of 4Syte Funding, we also offer...

Construction Specialist



- ☑ Unlocking your cash against contracts, framework agreements, application for payments & staged invoices
- ☑ Short line of communication to the decision makers

4Syte Construction

4Syte provided us with an excellent service. All of the staff are friendly, helpful and together they supported our company with the finance we needed. “

Following the demise of Carillion, the client reformed and restructured, and over the ensuing period managed once again to build its customer base, quickly turning into profitability as it gained more contracts. Inevitably the business needed working capital finance to enable it to grow, but also wanted a financier that understood the nature of its contracts and provided flexibility in its approach.

The business is engaged in the construction sector providing access services to construction sites to a number of different contractors. The client required a £350,000 facility and needed a flexible funding plan for different payment terms: advances being required on application for payment to the contractor, against payment certificates and after delivery of services. We were delighted to assist, and it took less than two weeks from visiting the client to sanctioning the deal and drawing down under the facility.

With a Human Touch

Unique Trade Approach



- ✎ Funding for the whole of your trade cycle
- ✎ Import into the UK based upon verified purchase orders
- ✎ We will also fund UK only trade transactions based upon verified purchase orders

4Syte Trade

I have known and worked with a number of the team at 4Syte for many years, and collectively they offer something truly different from other lenders in the market.



4Syte was asked to look at refinancing an existing Invoice Finance and Trade Finance facility for a well-established family business based in Essex. The challenge was twofold, the first was that the business had been starved of cash by the previous financier which led to cashflow problems and HMRC arrears. The second issue was that due to the HMRC arrears it was looking likely the business would need to enter a CVA.

Whilst a challenging deal, 4Syte took the time to understand the business and quickly identified that there was in fact a viable business with a robust order book. As a result, 4Syte provided £1.5M of facilities across both Trade and Invoice Finance in order to support the CVA and provide an ongoing source of finance to help turn the business around. 4Syte had been recommended to the Introducer by an associate and this was his first case with us.

Structured Finance Solutions



- ✎ Bespoke structured finance solutions tailored to client's affordability
- ✎ Secured loans to businesses against residential or commercial properties
- ✎ Generous LTVs offered on both residential & commercial properties
- ✎ Flexible early settlements giving clients the option to re-finance or exit when possible
- ✎ Available to established & new start-ups

4Syte Structured Finance

The responsiveness and experience of the 4Syte Team proved a great fit for the business, and the feedback from both the Introducer and the Client has been excellent.



4Syte Structured Finance recently lent £450,000 to a brand new start-up fitness business. The client provided a comprehensive business plan and forecast to 4Syte, along with a detailed CV evidencing his experience in their chosen field.

4Syte's experienced credit team were comfortable with the business' owner, plans and future of the new venture and wanted to support them on their journey. Thanks to a 2nd charge offered on the client's property, we were able to provide a structured two-year interest only facility to assist with the client's monthly cashflow from the outset and were comfortable with the business' exit strategy after 2 years initial successful trading.

Nick Sellars, Managing Director, on

What We Want to Achieve by Having This Range of Products for SMEs

- 1** From service and choice, SMEs have been dealt a poor hand from the major providers of working capital in recent years. They have become a box ticking exercise or simply ignored, and this doesn't look like improving anytime soon. The average owner-manager wants to discuss issues with a person that understands the business and its cashflow, to ensure there are always funds available to meet salaries, purchases and other commitments.
- 2** That's why our first product to launch was a full-service invoice finance solution, which solves many businesses' working capital needs. We wanted to be quick and responsive, and always be available at the other end of a phone. That way you build trust, and with mutual trust and honesty you and your client can get through pretty much anything. A number of independent invoice finance providers do this very well, and we think our service is up there with the best. Not only do we serve the mainstream by being good partners at the right price, but we also support those with more of a story to tell, who may have faced difficulty in the past. After all, most businesses have their ups and downs.
- 3** From there, we wanted to take our service further and widen our solution to a broader client base. Therefore, we developed a construction finance service looking to finance sub-contractors supplying goods and services to major contractors in the construction sector, where contracts are an issue and require a deeper understanding of the business. Construction finance is an area in which we are gaining a sound foothold.
- 4** Our trade finance service then came about. We did not want to create a standalone trade finance business. However, as a compliment to invoice finance we wanted to extend the working capital cycle to the point where we could finance a business by advancing against direct purchases from the supplier, whether that be in the form of an import loan or a domestic supply. We do this on the back of a purchase order request from the client's customer and finance through the supply chain.
- 5** In January 2019 we launched our structured finance service. Essentially this service is a loan to an SME secured by a residential or commercial property, for periods up to 10 years as a full repayment facility or an interest only loan. This permits debt consolidation, or provides growth capital and working capital, or finances fit outs and refurbishments. It's a great product, well priced, simply structured and interest for this service is huge.
- 6** 4Syte now has four main pillars of business, all dedicated to providing one or more solutions to SMEs with hands-on service and a human touch.

Call us on 0845 652 0400 or request a call back via our website www.4syte.co.uk

4Syte was responsive and managed to turn the facility around within 5 days from introduction to completion which enabled the client to fulfil their first order with their new customer.

Introducer



Meet Our Passionate Team

Seasoned management team with decades of relevant experience in inventory, trade, construction and receivables financing, as well as secured lending



Nick Sellars A.C.I.B. | Managing Director & Shareholder

- Chair of Credit Committee for underwriting new facilities.
- Expertise in corporate and international lending, risk analysis and capital markets.
- Director or MD positions in independent Asset Based Lenders since 1993.



Magnus Gunderson | Group Chairman & Shareholder

- Responsible for overall strategy and business development; contributes to new product development and structuring.
- Contributes to Credit Committee and underwriting.
- A seasoned financial services professional with more than 20 years' experience.



Paul Barker | Commercial Director & Shareholder

- Worked in the invoice finance sector around 20 years.
- Experienced customer relationship manager with additionally an operations background.
- Firms worked for include Aston Rothbury and IGF.



Samantha Wilson | Regional Managing Director (North)

- Responsible for the Leeds office and the Managing Director for 4Syte Construction.
- Highly experienced, having worked for firms like Royal Bank of Scotland, Davenham Trade Finance, Regency Factors and Ultimate Finance.



Paul Fenton | Managing Director | 4Syte Standard Finance

- 24 years' experience in the Finance & Leasing Industry.
- Worked for firms like Credit Lyonnais, Citibank, CIT, Universal Leasing, D&D Leasing, General Asset Management and more recently Nucleus Property Finance Ltd.



Natasha Soumess | Head of Operations

- Responsible for credit, customer management & part of the Credit Committee for new facilities.
- Last 19 years in the invoice finance business with experience across operations and customer management having managed 30 staff and 400 clients.



The responsiveness and experience of the 4Syte Team proved a great fit for the business and the feedback from both the Introducer and the Client has been excellent.



Interview by Robert Lefroy, Group Editor Business Money with Nick Sellars, Group Managing Director 4Syte Limited

Bob: Nick, yours has been a long and honourable career - both in banking and invoice finance. Which is more fun?

Nick: I've had great and, on occasions, not so good times doing both, but I've never had more fun than I'm having now. That's not because it's invoice finance; it's putting into practice everything I've learned over the years from both a technical and a human point of view, and doing it with people I like and respect.

In banking I dealt both internationally and domestically with a huge spread of businesses from the small to the multinational. Through invoice finance, we now focus entirely on SME businesses - which is much more real. The satisfaction of seeing something we do having a positive effect on their businesses is immensely satisfying.

Bob: Is this the sharing with your client the buzz from tackling everyday cash flow challenges to the occasional bigger problem?

Nick: Our role is often a problem-solving one. It's the experience we have and the tools at our disposal that solve problems time and again. I enjoy that. Our business is set up to provide working capital - cash is king to every business we serve.

Bob: Do commercial finance companies of today need to be much more versatile?

Nick: There's always room for niche expertise, but versatility wins and maintains business.

Bob: How versatile is 4Syte?

Nick: Very, that's why there are four main pillars to the business. We aim to be a 'go-to' financier that offers real options. Versatility and choice are therefore key to our success and we aim to provide a service which actually fits the clients' expectations not the other way round.

Bob: Does this versatility build better relationships?

Nick: Yes. I think it's another word for service and great service builds better relationships.

Bob: So you grow as your clients grow?

Nick: Precisely. It's also much easier to grow when you don't have clients leaving in droves because they don't feel they're receiving the right level of support.

Bob: How big is the team now?

Nick: We're 22 at the last count spread across London, Chelmsford and Leeds.

Bob: So the human touch counts for something?

Nick: Call me old fashioned, but for our target customer base it counts for everything. It worked when I started at Yorkshire Bank in 1978 (the Friendly Bank as it was referred to then), and it's as relevant today as it always has been. Of course you can add technology to improve your service, but it should not be replaced when you're dealing with the everyday complexities faced by Britain's business.

Become an Introducer

At 4Syte we understand the importance of your relationship with your clients. We share these same values and feel the same about our own clients. This is why we understand that any introduction you make to 4Syte needs to be done with confidence. Confidence in our professionalism, confidence in our experience, and confidence in our approach to customer service.

Find out more: www.4syte.co.uk

