

1pm plc

LGB Corporate Finance arranged a £25 million medium term note (MTN) Programme for 1pm plc, the AIM quoted independent specialist finance provider. The MTN Programme is an increase in the group's original £7.5 million programme established in 2017 and demonstrates the continued attractiveness of MTN Programmes for corporate issuers and investors.

1pm plc is an AIM quoted FCA accredited non-bank alternative finance provider to SMEs across the UK. It provides a range of finance products including asset (lease) finance, business loans, invoice finance and, on a broked-on basis only, vehicle finance. The group currently employs c.180 staff across 6 sites, lending over £130m to over 20,000 SMEs.

DIVERSIFICATION AND FLEXIBILITY KEY ATTRactions FOR 1PM

LGB Corporate Finance first established a £7.5 million MTN Programme for 1pm in 2017 and the programme has provided the company with a vital source of diversified and flexible funding. Funds raised under the programme will continue to be used primarily to meet demand for loan finance from 1pm's SME customer base, but will also provide 1pm with flexibility to fund related products and acquisitions.

The MTN Programme provides 1pm with a framework for regular note issuance under a set of common documents and collateral arrangements. The programme has the flexibility to issue notes with a range of maturities, repayment profiles and fixed interest rates. To date, 10 separate series of notes have been issued to a wide range of investors participating across both 3 and 4 year quarterly amortising notes.

Other key attractions of the MTN Programme for the company are that – unlike traditional block discounters – note issuance proceeds are received prior to the "blocking" of 1pm's loan and lease agreements, and there are no non-utilisation or commitment fees on the unutilised portion of the programme.

LGB'S INVESTOR NETWORK LEVERAGED TO PROVIDE 1PM WITH INCREASED FUNDING CAPACITY

LGB Corporate Finance has a substantial and growing investor base comprising institutional credit funds, wealth managers, family offices and LGB Investments, all of which invest under the terms of a company's MTN Programme. This growing demand and liquidity to invest provided 1pm with reassurance that expanding its programme to £25 million would continue to provide a flexible funding source for the foreseeable future.

LGB Corporate Finance placed a first tranche of £3 million under the enlarged programmed with a European institutional credit fund which was identified as an active participation in the financial services sector. LGB Corporate Finance was integral in negotiating the terms and rate for the investment, and a 3-year amortising note was agreed which matches the repayment profile of 1pm's underlying loans and leases.

PROGRAMME EXPANSION COMPLETED WITHIN 4 WEEKS

The process to legally increase 1pm's programme to £25 million took less than 4 weeks. Timing was crucial in order to coincide with 1pm's funding requirement as well as the specified deployment expectations of the European credit fund. LGB Corporate Finance used its experience in establishing and increasing programmes to ensure that the process was as efficiently managed as possible. The increase was conditional on 75% of existing noteholders passing a resolution to accept the changes to the programme, as well as a full review of the existing legal documentation. LGB Corporate Finance also took the opportunity to appoint an independent security trustee to provide investors with robust external input and oversight on any further amendments or actions required in relation to the programme.



KEY FACTS

£25m

LGB Corporate Finance arranged a £25 million MTN Programme for 1pm plc

£3m

£3 million issue under the increased Programme from a European credit fund