

LEATHWAITE

The Human Capital Specialists

PRESS RELEASE:

LEATHWAITE ACCELERATES HUMAN CAPITAL GROWTH STRATEGY WITH NEW INVESTMENT

60% in the UK, 30% in US 5% in Zurich and Hong Kong

4 people started it 20 years ago

4 senior members of staff within Laithwaite engaged SMAB to help with a _____. Between them they had 90% and

They've had an LLP with all their key people who were all members of the LLP – all part owners. But only with a tiny percentage. No say in the running of the business. They used bank finance to do this – they partly sold out some of their interest so they have an equity interest instead of 90% they now have 50%. It's like a mini part Management Buyout with Bank support. And then they have paid most of the money to themselves. Some of the money went to themselves and the other key people now own 40% of the business. It was structured as a LLP and now it's been transferred into a Limited Company in exchange for shares in a company. These were exchanged into another company. This is a complicated tax structure. It was a very clever efficient tax structure for the for guys to take money out of the business. But now they can all still retain ownership. They didn't know what the debt was before and it needs to be sensitively reflected.

Some of the cash was for working capital to expand.

Leathwaite, the global human capital specialists, has secured investment from Beechbrook Capital to accelerate its geographic expansion, launch new business streams and invest in proprietary technology. The investment will also provide equity to further nurture the company's current talent whilst simultaneously providing a platform to attract new talent to the organisation.

Formed in 1999 by partners Andrew Wallace, Martin Phillips, Neil Ejje and James Rust, Leathwaite now employs a team of more than 100 professionals and is the firm of choice for many of the world's most innovative and ambitious companies for executive search, executive interim, managed project delivery and data & insight solutions.

With offices in London, New York, Hong Kong and Zurich and a world-class reputation in Support, Enablement & Control Functions, Leathwaite possesses a truly international business model, and has successfully delivered projects across Europe, the Americas, Asia, Africa, the Middle East and Oceania.

Martin Phillips, a Founding Partner who led the deal with Beechbrook commented: *"The injection of growth capital demonstrates how committed Leathwaite is to the continued expansion of the business in*

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the UK and internationally. Beechbrook's backing will help Leathwaite to achieve further momentum across several exciting initiatives, such as the launch of our new global tech business 'The Pay Index'. Our team is key to the success of Leathwaite and this deal will enable us to continue to attract and retain the very best talent to maximise our global growth opportunities."

Jon Herbert, from Beechbrook added: *"We are delighted to have closed our investment into Leathwaite. We are very impressed with the calibre of the management team and look forward to supporting their growth initiatives, which build on the company's existing strong market position. This investment is another example of Beechbrook's strategy of backing high quality entrepreneurial management teams in growing businesses."*

Leathwaite Chairman, Martin Leuw added: *"This new investment will enable the team to deliver on its ambitious growth strategy, underpinning the firm's holistic approach to delivering integrated human capital services that reflect the evolving needs of our clients, whilst firmly establishing the Leathwaite brand as a magnet for talent within the human capital industry."*

Leathwaite was advised on the transaction by corporate finance advisory firm Livingstone Partners and legal firm Simons Muirhead & Burton.

For further information, please contact:

Martin Phillips, Founding Partner, +44 (0)207 151 5118, martin.phillips@leathwaite.com

Kevin Matthews, Head of Marketing, +44 (0)207 151 5127, kevin.matthews@leathwaite.com

Notes to editors

Leathwaite is a leading international firm of human capital specialists with offices in London, New York, Hong Kong and Zurich and was established with one clear purpose: to help organisations secure the best Human Capital within Support, Enablement & Control Functions.

This is done via 4 solutions, 4 offices, 100 people and over 130 clients, globally.

With a leading reputation for delivering exceptional executive search, executive interim, managed project delivery and data & insight solutions, Leathwaite is seen as a partner of choice for some of the world's most innovative and ambitious companies.

For press enquiries please contact +44 (0)207 151 5151 and for more information on Leathwaite, please visit www.leathwaite.com.

Leathwaite Human Capital Limited, Equitable House, 47 King William Street, London EC4R 9AF.

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Beechbrook Capital invests in SMEs across a range of industries in the UK and across Europe. It is a specialist private debt fund manager, with circa £500 million raised since 2008 across four funds, and provides finance that fills the funding gap between equity and bank debt that is often faced by SMEs.

The Beechbrook UK SME Credit fund raised £152 million and provides between £5 million and £15 million of financing to UK headquartered SMEs generating EBITDA of £1 million plus that do not have private equity backing. Most of the funding provided is structured as debt but minority equity investments are made where required. The fund finances all types of corporate events, including MBOs, shareholder realignment, equity release, growth capital and acquisition funding. It has a higher appetite for risk than traditional lenders and is less intrusive and expensive than private equity.

Beechbrook's three private debt funds support northern European private equity-backed companies with, typically, an enterprise value of €10 million to €100 million. Since 2010, the firm has completed more than 50 investments in European SME businesses.