

Entrex TIGRcubs™

Compare the opportunity.

Entrex TIGRcubs™ are a hybrid (neither equity nor debt) capital solution for efficient funding of \$5-250 million (and larger) growth-oriented companies.

Companies

PROS

- Limited governance compared to equity terms
- Variable expense as a function of sales
- Less dilutive than common stock

CONS

- Monthly cash distribution (expense)
- Change of control requires redemption and could adjust purchase price

Equity

- Governance role
- Management intervention
- Required exit (sale of business or IPO)
- No current return

TIGRcubs™

- No equity dilution
- High current return
- Potential growth in income

Investors

PROS

- Monthly current income & cash-on-cash return
- Returns not dependent upon liquidity events
- Allows broad based diversification
- Upside returns if revenues increase
- Upside returns upon redemptions
- Inflation hedge

CONS

- Definitive redemption terms
- Downside risk if revenues shrink
- Default risk

Senior Debt

- Restrictive covenants & limited capacity
- Personal guarantees, asset based limits
- Use of proceeds restrictions
- Resets with LIBOR or other triggers
- Lowest available fixed rate interest payments
- Default risk

Mezz Debt

- Highly restrictive covenants, warrants & high fixed rate interest payments
- Moderate current return
- Potential growth in investment income
- Default risk

Example:

Company Revenue:	\$10,000,000 ¹
TIGRcub™ Invested Capital:	\$1,000,000
TIGRcub™ Monthly Remittance	1% to 2.5% ² (of monthly GAAP revenues)
TIGRcub™ Term:	10 Years

Terms:

- Does not require governance changes
- Information rights, including revenue audits
- Redemption provisions
- Default provisions

1. Assumes a historical CAGR of 20%

2. Depending on sustainable CAGR outlook

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