

Oaklins

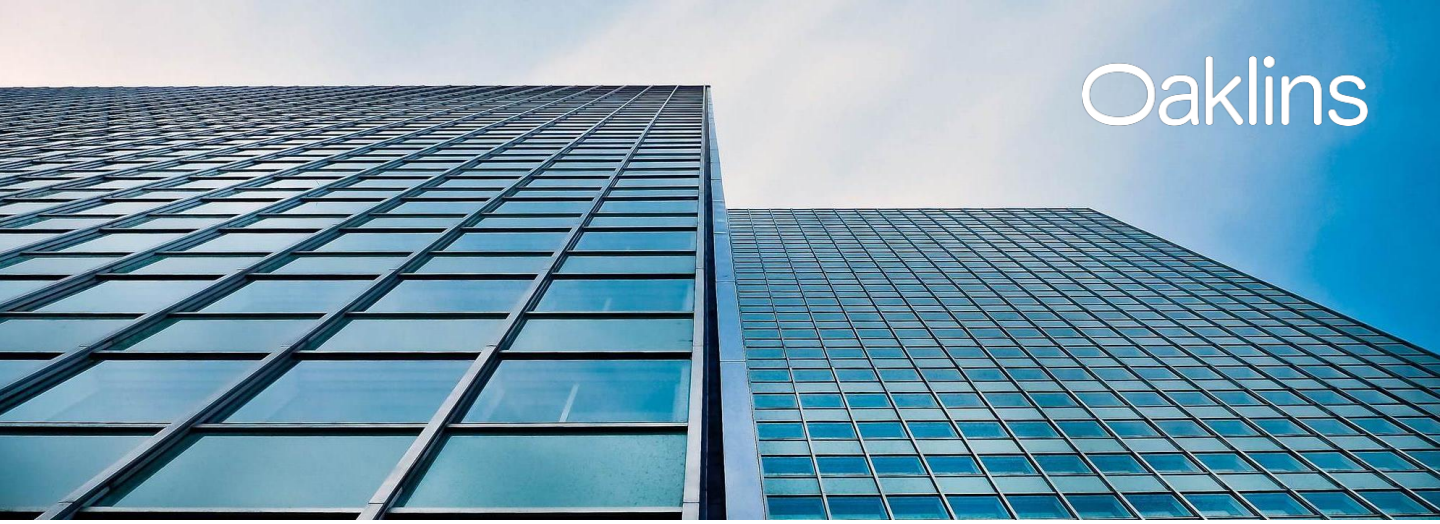
November 2026

Oaklins Debt Advisory Insights

Reshaping the capital structure

Identifying the right time & making the decision

Early warning signs, capital structure and practical decisions for CFOs and shareholders



Executive Summary



Torsten Aul

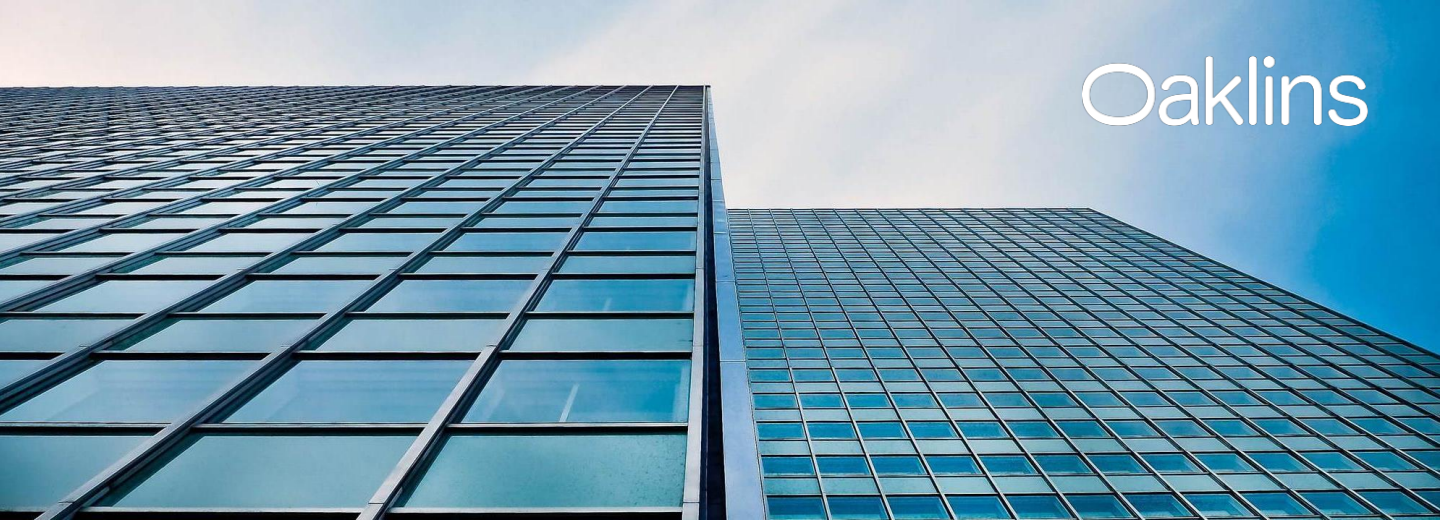
Managing Director
Head of Debt Advisory
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> **“The right time is before the constraint. Preparation should begin as soon as the plan identifies a critical liquidity, covenant or maturity date. The required implementation time and a robust reserve are decisive.”**

Report focus:

The Downside determines the need for action – remaining liquidity headroom determines the timing.

01	**Early warning**	Review cash flow and covenant headroom together.
02	**Sustainability**	Ensure interest and principal repayments remain affordable in the Downside case.
03	**Timing**	Allow for process duration and a liquidity reserve.
04	**Implementation**	Align maturity and debt levels with cash flow.



Capital restructuring in the current market

Market observations and their implications for financing plans

1 Interest costs depend on terms and credit quality

KfW: Average corporate lending rates rose by around 0.35 percentage points from February to July 2026, reaching just under 4.0%.

Timing implication: Assess the reference rate, margin and interest period separately. The average is not an individual loan offer.

2 Working capital may absorb additional cash

KfW's October outlook identifies energy-price-related liquidity needs as a key driver of lending activity.

Timing implication: Reflect costs, payment terms and seasonality in the forecast. Requirements vary by business model.

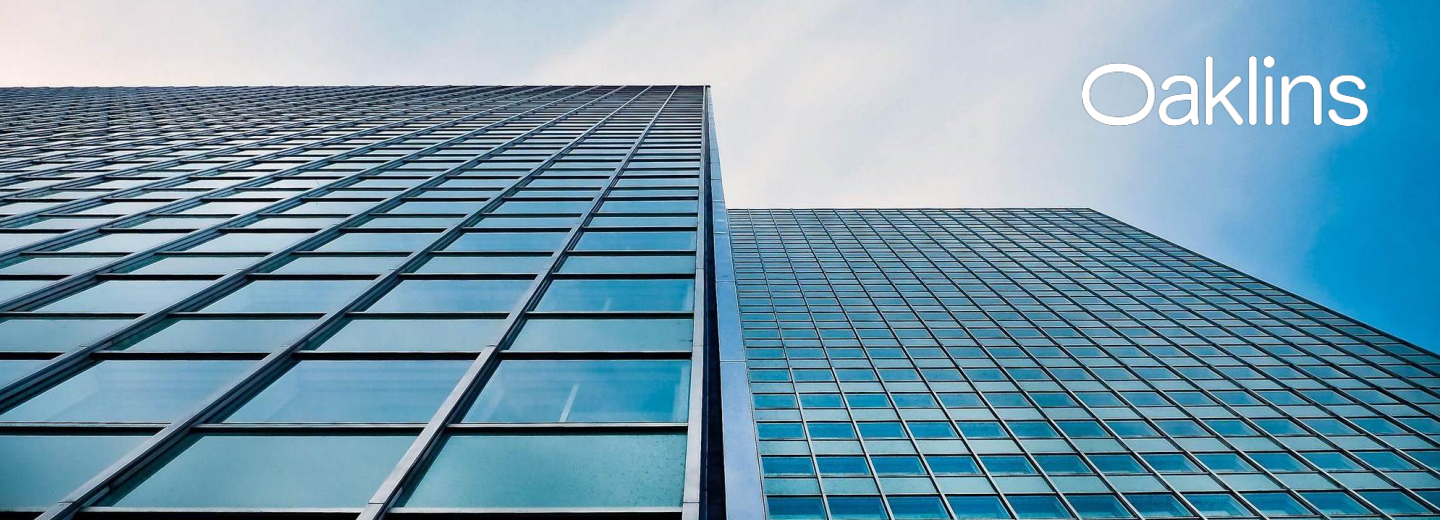
3 Competition meets tighter lending standards

The Bundesbank reports increasing competition among banks. At the same time, margins are rising sharply, particularly for higher-risk corporate loans. Banks are more selective and sometimes reject financing only after months of review.

Timing implication: Approach banks early and in parallel, allowing for longer review processes and possible rejections.

Your own cash-flow and contractual analysis determines the timing. Market trends alone neither prove financeability nor justify delay.

Sources: KfW Credit Market Outlook, 13 October 2026; Bundesbank BLS, 27 October 2026. Timing implications: Oaklins assessment. Sources current as of 28 October 2026.



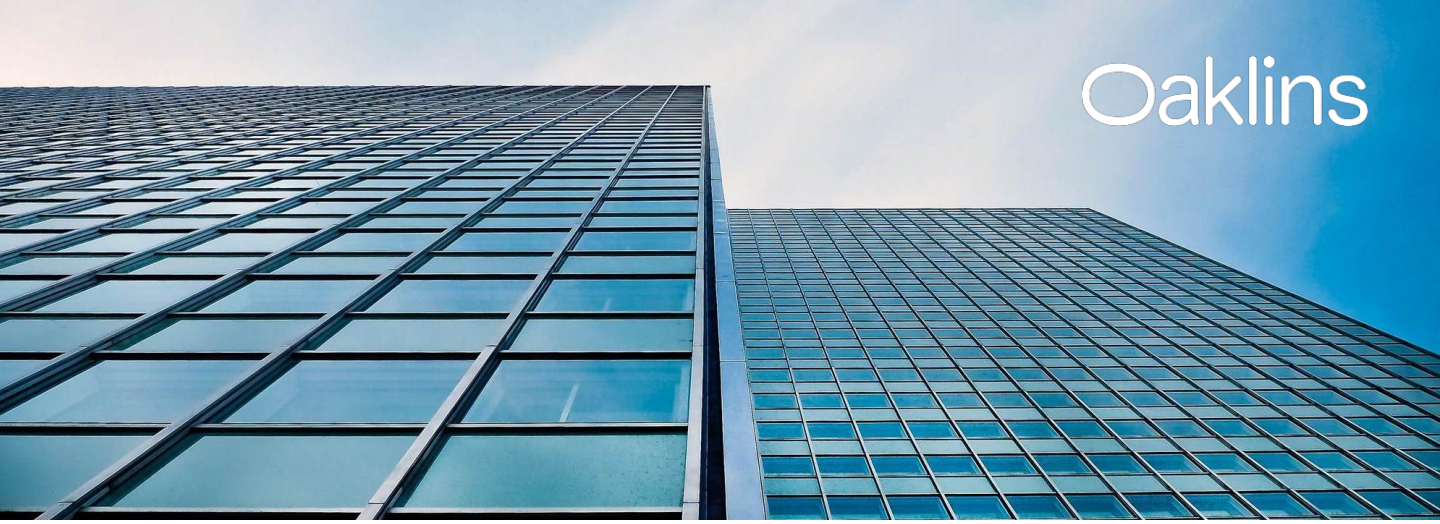
Stress curve: which response is appropriate when?

Without countermeasures, stability and financial options decline



Each stage of the curve requires a different response

Stage of the curve	Observable signal	Appropriate response
1. Early stage	Orders and margins decline	Challenge the plan; assess headroom
2. Earnings pressure	Contractual covenant headroom declines	Review capital structure; engage funders
3. Liquidity pressure	Forecast falls below minimum liquidity	Protect cash; consider a waiver and bridge
4. Acute crisis	Payments due are at risk	Crisis management and legal review



How the capital structure releases liquidity

Equity and a revised repayment schedule work together

Assumption: EBITDA EUR 10.0m, available cash flow EUR 4.0m
Tax EUR 2.0m + CAPEX EUR 3.0m + working-capital build EUR 1.0m

1 New equity reduces debt and interest expense

EUR 10.0m of new equity reduces debt from EUR 40.0m to EUR 30.0m. At 6.0% interest, expense falls from EUR 2.4m to EUR 1.8m – **an annual interest saving of EUR 0.6m.**

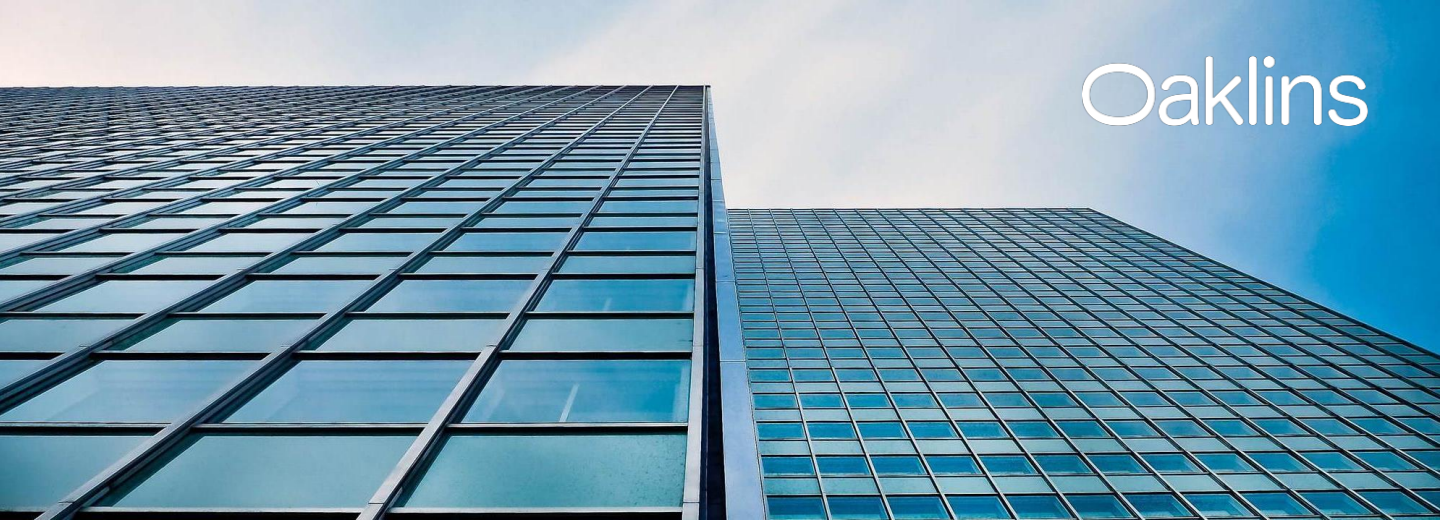
2 A longer term reduces annual principal repayments

The repayment schedule is renegotiated with the funders:
Annual principal repayments fall from EUR 3.0m to → EUR 1.0m per year. This releases a further EUR 2.0m of liquidity each year. The remaining principal is repaid later, creating a balloon risk at maturity.

Annual burden and liquidity	Before	After
Cash flow available for interest & principal	EUR 4.0m	EUR 4.0m
– Interest	EUR 2.4m	EUR 1.8m
– Principal	EUR 3.0m	EUR 1.0m
Annual debt service	EUR 5.4m	EUR 2.8m
Cash flow after interest & principal	**EUR –1.4m**	**EUR 1.2m**
Annual liquidity gain: EUR 2.6m (EUR 0.6m interest + EUR 2.0m principal)		

Net Debt / EBITDA: 4.0× → 3.0× | Interest cover: 4.17× → 5.56×

Illustrative example. Cash flow = EBITDA less tax, investment and working capital. One-off costs are excluded.

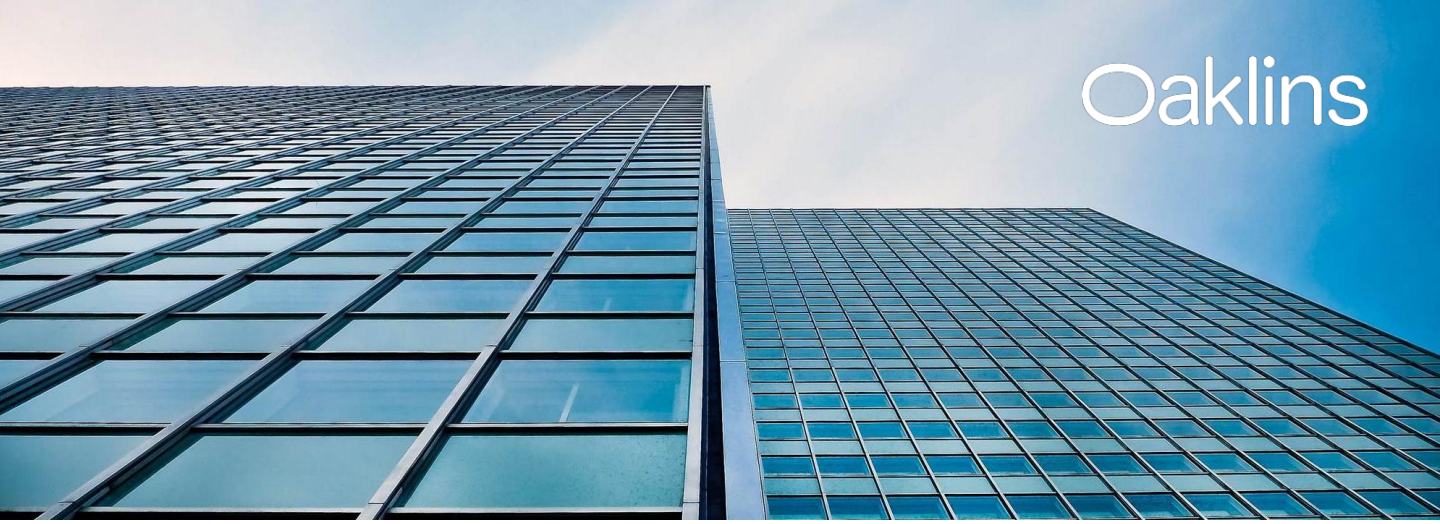


The appropriate measure follows the underlying cause

Four decision paths for financing and capital structure

	Starting point	Instrument and timing
1	**Only maturity is approaching** The business and debt service are sustainable. →	**Refinancing / new term** **Prepare 9–12 months before maturity.**
2	**Covenant headroom shrinks** Review contractual EBITDA, add-backs and test dates. →	**Waiver / Covenant-Reset** **Act before a breach. A waiver does not create cash.**
3	**Working capital absorbs cash** Receivables or suitable assets are available. →	**RCF / Factoring / Asset-Based Lending** **Secure funding before the seasonal liquidity low.**
4	**Debt service is too high** Even the robust Downside case cannot support it. →	**Equity / deleveraging / asset sale** **Reduce debt to a sustainable level; restructure operations.**

Combinations are possible: for example, waiver + liquidity facility + Debt Resizing. A bridge must last until completion. The earliest critical date determines the start.

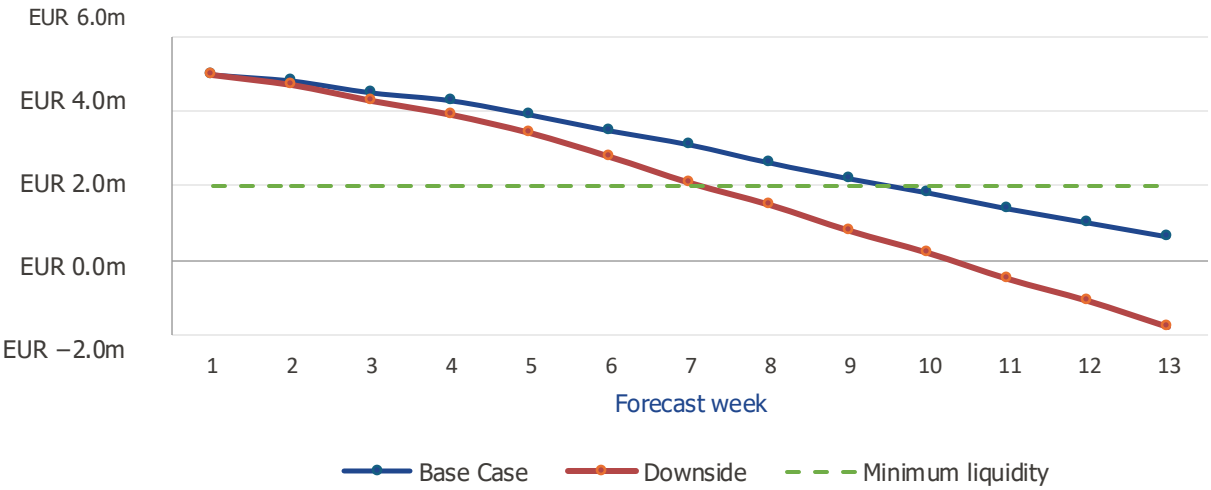


13-week forecast: identify constraints early

The future low point matters – not only today's cash balance

Opening liquidity + expected receipts – payments, in both the base and Downside. Include only freely available funds and firmly committed facilities.

Liquidity at the end of each week



Illustrative minimum liquidity of EUR 2.0m; to be determined case by case.

Week 8

Downside falls below minimum liquidity

Committed financing or effective liquidity measures must be in place by then.

Week 11

Cash in the Downside case turns negative for the first time

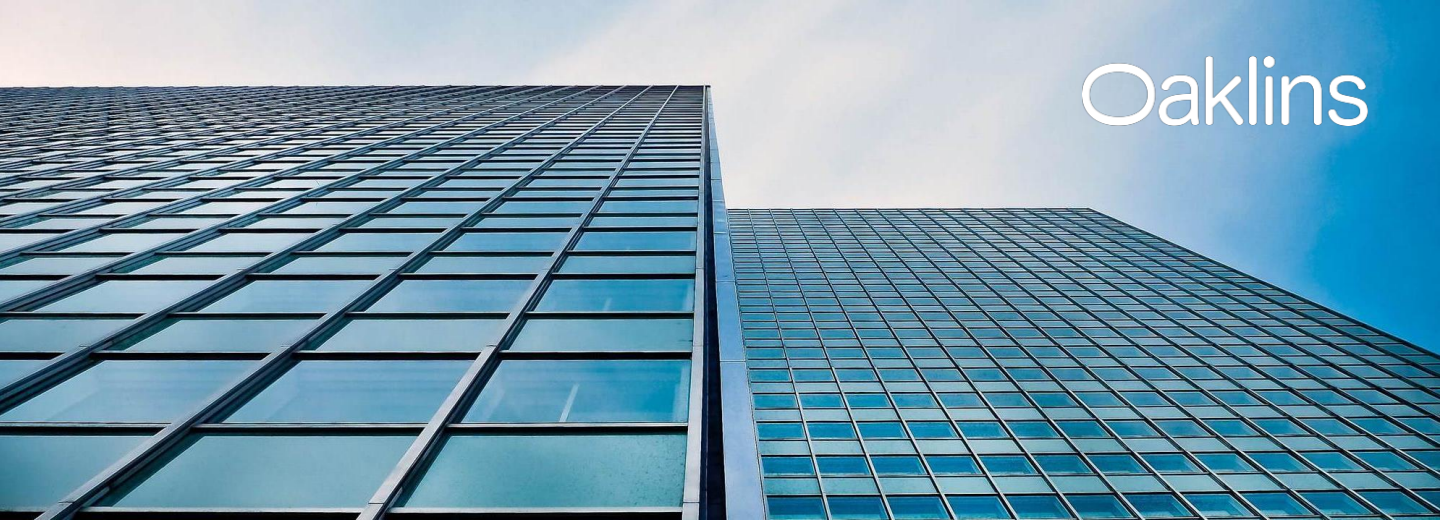
Without additional liquidity, payments due would not be fully covered.

EUR 3.8m

Requirement through week 13, including minimum liquidity

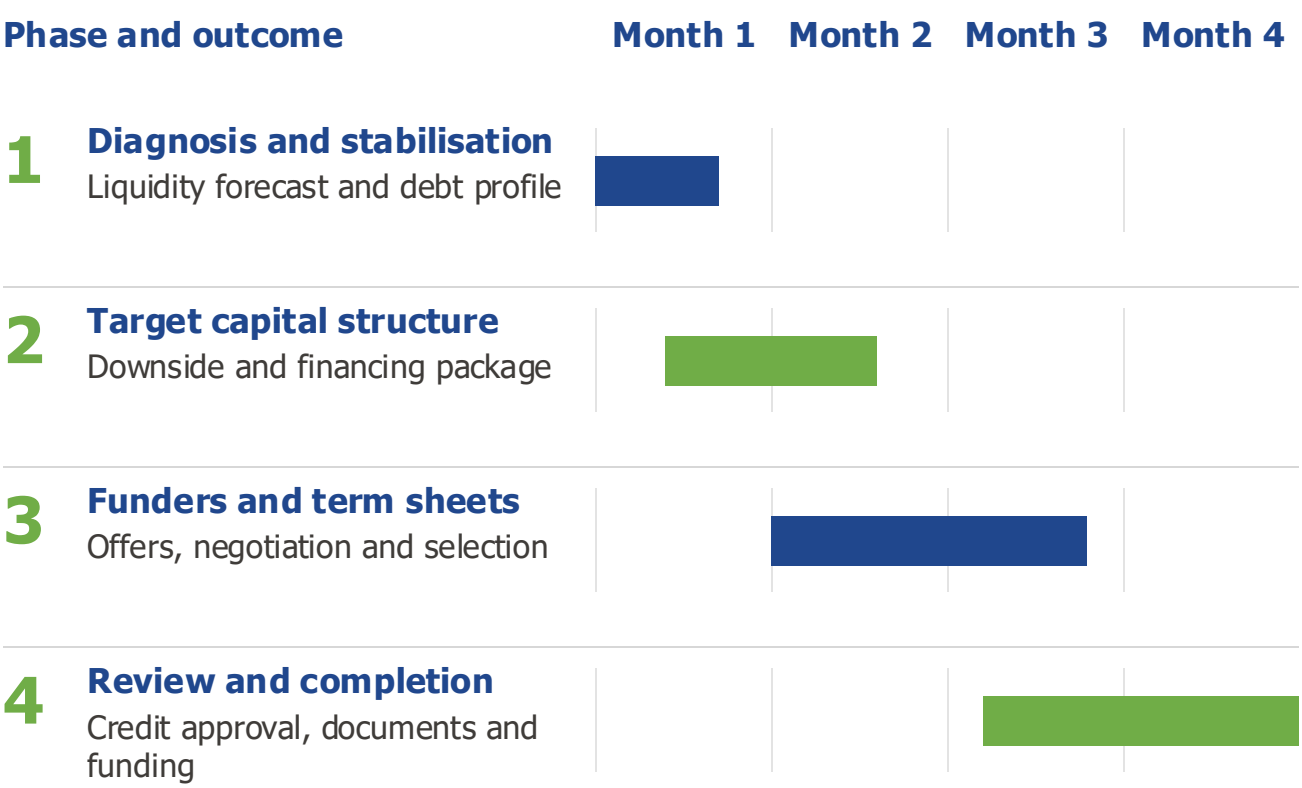
EUR 2.0m minimum liquidity less the EUR −1.8m low point produces the additional requirement.

Update at least weekly, or daily when cash is tight. Beyond 13 weeks: integrated monthly and covenant planning through completion and repayment.



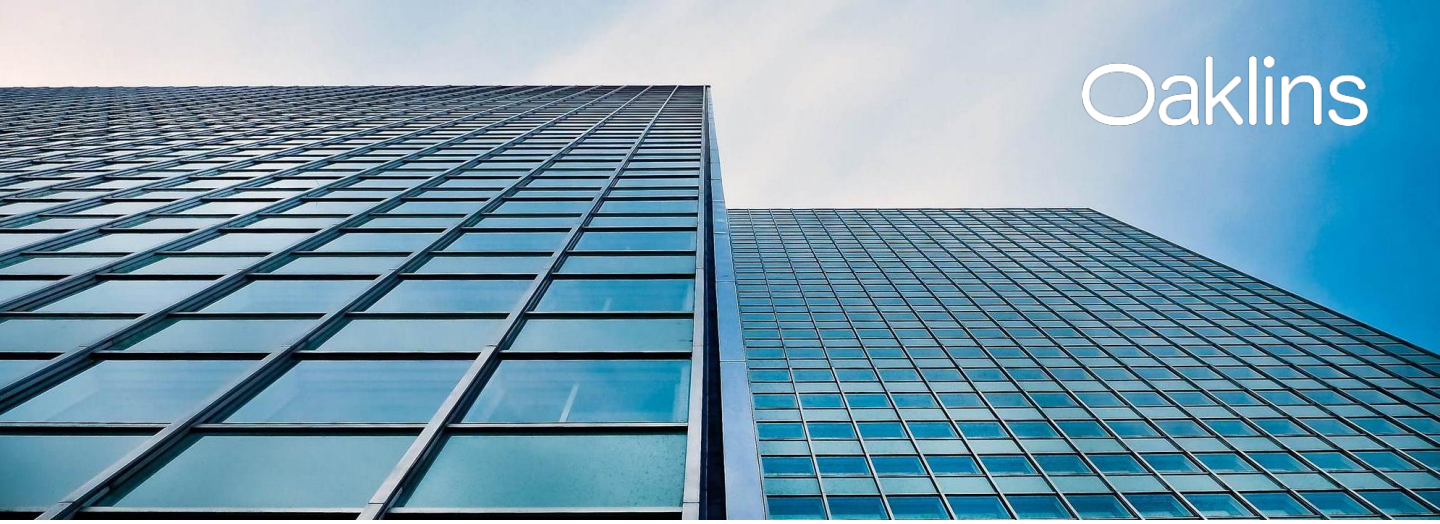
Illustrative process over 3–4 months

Timing depends on data availability, funders and complexity



Phases overlap; credit decisions and funding conditions determine completion.

Timing example: 16 weeks for implementation + 4 weeks' reserve = 20 weeks' lead time. If the forecast shows only 8 weeks' headroom, immediate liquidity measures are required in parallel.



Comprehensive Debt Advisory Expertise

Leading Finnish technology company

has been advised on the amendment of its venture debt financing provided by

European Investment Bank

FUNDING, DEBT ADVISORY & ECM

Information Technology

Rijkenbergroep

has raised debt financing

FUNDING, DEBT ADVISORY & ECM

Food & Beverage/Private Equity

PRECISION Metal Group

has acquired by acquisition financing

Famecha

FUNDING, DEBT ADVISORY & ECM

Automotive

BCP

BRACK CAPITAL PROPERTIES NV

has issued bonds

US$96m

FUNDING, DEBT ADVISORY & ECM

Real Estate

Hemink Groep

has been acquired by Gimv

FUNDING, DEBT ADVISORY & ECM

Construction & Engineering Services/Private Equity/Real Estate

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Boeser Frischfleisch

has acquired by acquisition financing

Vion FOOD GROUP

FUNDING, DEBT ADVISORY & ECM

Consumer & Retail

RB

has secured a tailored financing package from Smile Invest

FUNDING, DEBT ADVISORY & ECM

Construction & Engineering Services/Private Equity

ALUCOM

a portfolio company of LIMA

unsecured working capital facility

FUNDING, DEBT ADVISORY & ECM

Industrial Machinery & Components

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iwell

has raised US$31 million led by Meridiam with co-investment from InvestNL

FUNDING, DEBT ADVISORY & ECM

Construction & Engineering Services/Energy/ Private Equity/TMT

ALEX & GROSS

unsecured Term Loan & Working Capital Facility

FUNDING, DEBT ADVISORY & ECM

Business Services

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seniovo

has raised growth financing

FUNDING, DEBT ADVISORY & ECM

Construction & Engineering Services/Private Equity/TMT

BG BERNER GROUP REAL ESTATE

has received refinancing and capex financing

FUNDING, DEBT ADVISORY & ECM

Real Estate



A forward-looking capital structure

Create transparency early and prepare implementation

What should be ready before the first funder discussion

What matters is robust cash flow in the base and Downside cases, collateral and ranking, covenant headroom and a binding shareholder contribution. A high EBITDA figure alone does not demonstrate repayment capacity.

Preparation makes the required action negotiable

- A 13-week forecast and integrated planning create transparency.
- Capture all debt, collateral and covenants.
- Test debt service and final maturity in the Downside case.
- Agree binding measures and shareholder contributions.

Your contact



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