KNIGHTS CAPITAL

Investment Thesis

Structured capital, sized to the opportunity.

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Knights Capital invests structured capital in real companies where the outcome is set by financial and operating judgment, not by check size or a rigid mandate. We do not run a fixed-size fund or a deployment clock. Each investment sets its own amount, instrument, structure, and horizon according to the opportunity. That flexibility is not indecision. It is the deliberate choice not to force good companies into the mold of a fund.

Our edge is judgment

Most capital is decided with a spreadsheet. We assess like operators, because we have run finance inside real companies, not only from the outside. We know what a cash flow looks like from within, where risk hides on a balance sheet, how fragile a margin can be, and how fast an operating problem becomes a cash problem. That experience is what we bring before and after we invest.

We are sector agnostic. What we assess does not change from one industry to another: the quality of the cash flow, the strength of the structure, and the discipline of the team. Our knowledge spans many sectors, and that breadth lets us recognize patterns, risks, and opportunities that a single-niche specialist does not always see. We do not rule out a business because of its industry. We invest where the business has substance and where our judgment can improve the outcome.

Why we leave amount and timing open

Not having a fixed-size fund is an advantage, not a limitation.

- With no capital quota to deploy, we do not invest in bad deals to fill a period. We wait for the right opportunity.
- With no fund clock, we do not force exits at the worst point in a company cycle.
- The size of each investment is set to the risk and the real use of capital, not to an internal quota.
- The horizon is set by the company cash flow and the structure of the instrument, not by an externally imposed exit schedule.

The result is patient capital when the opportunity calls for it and fast capital when it allows. The opportunity leads, not the calendar.

The segment we serve

Many good companies fall outside the traditional financing categories. The bank asks for collateral, rigid terms, and reporting the company has not yet institutionalized. Venture capital looks for aggressive growth and valuation expansion. Private equity enters later, with more scale and clearer exit paths. Between those alternatives there are companies that already operate, sell, and create value, but are poorly financed. That is where we invest.

How we structure

We use the instrument that fits the company cash and risk profile, not a single template.

- Private credit, senior or subordinated
- Revenue-based financing
- Productive equipment financing
- Convertible notes
- Preferred equity
- Minority common equity
- Profit participation
- Warrants

We do not believe every company should give up control or enter an aggressive dilution path. The right structure protects the downside, aligns incentives, and leaves the upside with the people building it.

Currency

By default we structure in US dollars. When the company revenue profile justifies it, we structure in Colombian pesos. We prefer the currency of the instrument to match the currency of revenue, so the company does not carry a foreign exchange risk it cannot control, which is the risk that destroys repayment capacity fastest.

How we decide

We start with what can go wrong. Before the upside, we analyze repayment capacity, cash flow reliability, collateral value, customer concentration, margin quality, regulatory risk, team depth, and exit alternatives. The upside matters, but it does not replace that discipline. An opportunity has to make sense as a financial structure and as a business, not only as a story.

What we avoid

- Businesses with no clear path to cash flow
- Companies that depend on continuous external financing to survive
- Theses that rely only on aggressive projections, future rounds, or multiple expansion
- Weak or unreliable financial information
- Customer concentration without mitigants
- Unresolved legal, tax, or corporate governance risks
- Teams unwilling to provide transparency

How we create value

Knights Capital is not only a provider of capital. Where we invest, we work first on the financial health of the company: the quality of its cash flow, the strength of its balance sheet, the discipline of its working capital, and the clarity of its financial information. On that foundation we help improve projections, reporting, KPI discipline, capital allocation, and readiness for the next round, refinancing, or sale. That operating and financial capability is part of how we create value and part of how we protect the investment. When that advisory work is provided to a company we invest in, the terms are agreed in writing from the start.

Our positioning

We sit between traditional banking, venture capital, private equity, and financial advisory. We are more flexible than a bank, more focused on the downside than venture capital, less control-oriented than private equity, and more aligned than an advisor billing by the hour. The difference is not the instrument, which anyone can replicate. It is the judgment with which we apply it.

In summary

We invest structured capital in real companies with real customers, sound fundamentals, and imperfect access to capital. The amount, the instrument, and the horizon are set by the opportunity. Our edge is the operator judgment with which we assess and support each investment. Our job is to structure the right capital around these companies and help them become stronger, more financeable, and more valuable.

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