Private debt finance for growth strategies data sheet

Fuse³

MAXIMISE AVAILABLE CAPITAL. REDUCE DILUTION. FUEL GROWTH

Time is of the essence during periods of accelerated growth. If you're scaling your tech company, the challenges you need to overcome include:

- How to finance your growth without diluting equity or giving away personal guarantees
- How to raise debt when you're a fast-growing tech company that lacks cash flow and tangible assets
- How to find a lender who won't restrict what you can draw down and how you deploy capital

Fuse Three helps you to solve these challenges by brokering private debt growth finance facilities that specifically cater to the needs of scaling tech/digital businesses.

You can use private debt growth finance to replace, top-up and complement existing equity and finance facilities. In particular, the transaction is ideal for funding:

- Appointment of new talent
- Sales and marketing lead generation campaigns
- New product development
- Expansion into new territories
- Mergers and acquisitions
- Supplementing funding rounds
- A move to larger premises

KEY FEATURES OF PRIVATE DEBT GROWTH FINANCE

You retain ownership

Supplementing equity rounds and scaling your business with non-dilutive private debt growth finance preserves ownership. You don't have to share your future profits. You have one obligation. To pay off your loan within an agreed term.

You retain control

Private debt growth finance lenders do not take a board seat.

Less expensive and time-consuming than equity

It can take six-eighteen months to obtain equity investment. It takes a maximum of three months to secure private debt finance. Better still, your cost of capital doesn't scale with your company, unlike equity investment.

Helps you to achieve an optimal capital structure to support strategy

Having the right mix of debt and equity in your capital structure ensures you will always have enough money to execute your growth plans.

Helps you to attract future investors

Having the ability to raise debt endorses your viability and shows a competent capital mix.

What's more, private debt lenders do not restrict your use of funds

Private debt growth finance versus conventional lending

Because tech startups have few assets on the balance sheet and tend to be cash-intensive, private debt lenders look at credit differently.

Unlike conventional bank debt, private debt lenders secure their loans against recurring revenue streams and intangible assets. Consequently, you can expect flexible structures and less restrictive terms.

What's more, private debt lenders do not restrict your use of funds.

Typical private debt transaction terms

- Your turnover is more than £2m
- Typical term: 36-60 months
- Amount: <£1.0m-£50m
- Profitability: Losses or profitable
- Timescales: One-three months

HOW PRIVATE DEBT GROWTH FINANCE WORKS IN PRACTICE

The Company: Patients Know Best

The Sector: HealthTech

The need: How to raise debt to scale PKB enterprise-wide

Patients Know Best (PKB) is a HealthTech SaaS business that aims to solve the problem of data fragmentation in the healthcare sector.

To hire additional staff and optimise the speed of rollout within the NHS, PKB wanted to raise additional funding.

CFO Ian Bastow said: "We wanted to maximise funds available to the business while minimising dilution of equity ownership."

He added: "Fuse Three massively reduced the amount of work the executive team and I had to do. The firm knows its market and took on all the research. Knowing which lenders are relevant for your business can save you a couple of days per provider."

ABOUT FUSE THREE

Fuse Three was founded to challenge the status quo by helping tech/digital businesses of the future scale and grow with non-dilutive private debt finance.

Its specialist advisors save you the management time required to source, structure, negotiate, close and draw down private debt capital.

FIND OUT MORE

Learn how Fuse Three can help your tech company to maximise available capital, reduce dilution and fuel growth with private debt growth finance.

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