AdvisoryLondon Venture Debt Raising

Effective, efficient, experienced.

Advisory London Limited

Advisory London Networks
Corporate Finance

AdvisoryLondon, a UK-based advisor, can assist venture debt candidates with capital raising

About AdvisoryLondon

AdvisoryLondon companies boast over 50 years' of dealmaking experience and have raised over £500m in various sectors, including Tech, Pharma, Cyber, Data, Military, Energy, and Real Estate.

We have an international reach and offer corporate finance services from London, together with close associates in the USA, Israel, the Gulf and Asia.

To support our existing clients, we have recently formed a specialist venture debt advisory practice with in-house dedicated relationship management.

As connectors, we provide clients with exposure to our wide European/UK investor network and seek to secure meetings between our clients and suitable debt providers to facilitate successful transactions. Our services include assisting clients with the following: capital raising, negotiating, and preparing marketing materials.

However, our work will not constitute any form of FCA-regulated activity as defined in FSMA or the Regulated Activities Order. Our mandate will not include, for instance, advising clients on the merits of a particular investment or series of investments or matters related to taxation.

Please feel free to contact us in total confidence to discuss opportunities on behalf of your clients.

Through our network, we can provide

- Loan facility of £500k to £10m+ over 6-42 months
- Fixed-term, tranched loans with fixed repayment schedules or flexible revenue-based solutions
- Non-dilutive; non-callable
- Annual interest rate of 10-15% (sometimes with interest holiday)
- No personal guarantees
- Arranged and accessed as quickly as 6 weeks
- Secured against a venture's assets
- 'Layered' over an equity round or used as a funding

Our funding mandate

- Equity-backed (validation for lenders), Series A-B
- Tech/SaaS business model, preferably B2B
- Recurring or subscription-based revenues >£1m
- Low churn with high retentions rates
- Availability of collateral, including IP
- Seeking funding roughly equal to 10-20% ARR or 20-50% of recent equity round
- Runway >6 months to ensure funds can be used for growth rather than as working capital
- Access to ventures' Open Banking APIs is a plus

The benefits of venture debt over equity

- Solid alternative given current macro conditions, as many equity raises will now be at lower valuations
- Cheaper than equity as interest paid on debt can be tax deductible and expected returns of lenders are lower than those of equity investors
- Less dilutive: benefits early backers and the original founders the most
- Less time consuming; founders can concentrate on business development
- Does not disturb the balance of relations and power among existing shareholders and board members

Avoid 5-10% of equity dilution

in the next funding round

£5m + £1.5m

ARR Advance

For example, a founder running a high-growth company generating £5m revenue could expect to avoid 5-10% of equity dilution in the next funding round with an advance of £1.5m, if the funds are allocated to successfully meet growth milestones

For further information, please contact us

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