

Preserving Ownership for a UK Growth (or Series C) Company

How early lender hesitation was transformed into a competitive financing process ahead of profitability

The Situation

The Company had raised equity in 2021 and had just enough capital to get to projected EBITDA breakeven in the next 12-18 months. While the management team had made the necessary operational and product investments to reach this inflection point, leadership wanted additional financial flexibility to (i) extend cash runway as a buffer during the final push to profitability and (ii) explore tangential revenue opportunities to diversify the business model.

The Company and its Board were intentionally avoiding a near-term equity raise. They believed that reaching EBITDA breakeven would reinforce valuation benchmarks

established in 2021 and better position the business for the next future capital raise with minimal dilution.

While the Company had historically operated without debt, its transactional marketplace revenue model and evolving monetization strategy required a financing approach that emphasized flexibility, minimal operational constraints, and alignment with long-term growth objectives.

Given the strategic importance of this phase, and the desire for management to remain focused on execution particularly ahead of a rapidly approaching busy season, the Board engaged Cafferty & Company to lead a financing process.

Company Type
VC-backed,
transactional B2B
marketplace platform

Sector
Retail trade

Stage
Series C

**Cafferty
& Company**

The Turning Point

Cafferty & Company launched a coordinated, multi-lender process across the US and European debt capital markets.

Despite the fact that the Company was approaching EBITDA breakeven, many lenders struggled to underwrite a transactional marketplace model with variable revenue and evolving unit economics. Traditional credit frameworks favored more predictable, recurring revenue profiles, making it difficult for some lenders to get comfortable with the Company's cash flow dynamics.

Cafferty & Company refined the market positioning to focus on what mattered most: (i) Company's clear trajectory to profitability, (ii) strong cost discipline and operational leverage, (iii) improving unit economics driven by scale and platform efficiency, and (iv) a seasoned management team executing against a well-defined plan.

Rather than forcing the opportunity into conventional credit boxes, Cafferty & Company targeted lenders with experience underwriting marketplace and growth-stage business models. A coordinated process across U.S. and European capital providers created competitive tension while aligning with lenders capable of evaluating variable revenue through a forward-looking lens.

The financing strategy prioritized (i) maximum capital availability at close to extend runway, (ii) no financial covenants or delayed performance milestones to access capital, (iii) flexible access to incremental capital without restricting operations, and (iv) preserve ownership and valuation by avoiding equity dilution ahead of profitability.

By repositioning the narrative and engaging the right capital partners, Cafferty & Company transformed initial lender hesitation into a competitive process that delivered flexible, non-dilutive growth capital aligned with the Company's strategic objectives.

Successful Outcome

Cafferty & Company secured multiple term sheets, enabling the Company to clearly evaluate tradeoffs across capital quantum, pricing, and structural flexibility. After advancing negotiations with five lenders, the Company selected a credit fund partner which (i) extended cash runway 2x the pre-financing cash runway, (ii) provided capital without covenant or conditional milestone, and (iii) tranching tied only to usage, not performance hurdles. The financing meaningfully delayed the need for an equity raise and positioned the Company to grow into its prior valuation benchmarks. By streamlining diligence and legal workstreams, Cafferty & Company enabled the transaction to close in just four weeks - well ahead of the Company's peak operating season.

Why It Matters

This debt financing outcome demonstrates how thoughtfully structured debt can serve as a strategic growth tool, not merely a liquidity bridge.

For the Company and Board, the financing not only preserved equity value ahead of the key profitability milestone, but also maintained operational flexibility during a period of strategic expansion, reinforcing the importance of capital structure optimization during inflection points, using non-dilutive financing to support growth while protecting ownership and valuation.