

KRM22

A case study

Background

KRM22 plc is a technology and software company helping capital markets companies including tier one banks, hedge funds, derivatives trading companies and exchanges to address regulatory, market, technology and operational risk challenges.

£10M
Raised on AIM

The Challenge

KRM22 aims to build a 'Global Risk Platform' by making investments and acquiring stakes in carefully selected technology companies with a focus on risk management software to the capital markets sector. In April 2018 KRM22 listed on AIM and raised £10M in funding.

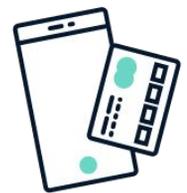


Based in the UK

KRM22 had a series of acquisitions lined up and the internal infrastructure and management team to acquire and integrate multiple businesses.

KRM22 had planned to use AIM to finance its growth via buy and build strategy, however periods of uncertainty with tech stocks in the AIM market made it impractical to seek further financing from AIM.

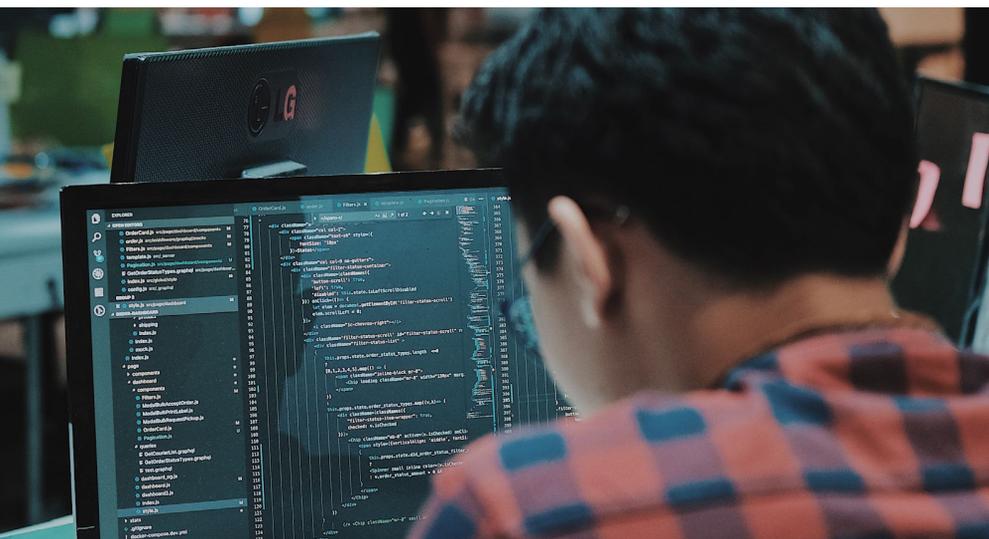
As a cash intensive company which was not yet profitable, KRM22 was not in a position to seek bank finance.



Funded a series of acquisition in the fintech space

As a result, KRM22 needed other options to allow them to fund the acquisitions they had targeted.

£10M
Venture Debt facility required



The Solution

In keeping with its roll-up strategy, KRM22 had a target lined up for a potential acquisition.

"I met Fuse Three in November. Fuse Three put together the investment memorandum. After breaking for Christmas, we met the debt fund in January. At the same time, we went on the road to raise equity, and we were balancing our acquisitions and the work that goes with that," Bach stated. "Having a broker on board to manage the communication process meant we had a much better chance of closing our venture debt deal quickly. When we needed the funds, our venture debt facility was ready for us to draw down."

The Outcome

Fuse Capital worked with KRM22 to deliver a venture debt solution that worked for everyone resulting in the following:

Secured lending for a cash intensive, pre-profit startup with no credit history

Saved time getting in front of the right people leading to a fast turnaround of term sheets

Allowed KRM22 to execute their acquisition strategy



"Knowing who to talk to and what to talk about is Fuse Capital's significant value-add. In fact, it can take years to build the types of relationships and trust that Fuse Capital already has"

Karen Bach | Co Founder KRM22



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