

Sempre Capital Access Fund

Venture Debt Financing
For
Venture Orphans and Bootstrapped Growth
Companies

Venture Debt Firms

- Gold Hill
- Triplepoint
- Lighthouse
- MMV
- Velocity
- Escalate
- Costella Kirsh
- Eastward
- Pinnacle
- WTI
- Orix
- Hercules
- Horizon
- Leader
- Oxford Finance

Company Profile for typical venture lenders

- Top tier venture capital backing; some will do tier 2
- Barbell approach – series A, B or later stage
- Proprietary Technology
- Goal of financing is to bridge the company to the next round or some important milestone when the valuation is higher

Typical Transaction

- 10-14% coupon rate, paid monthly
- 1% commitment fee
- 5-15% warrant coverage
- Secured by first lien on company's assets usually including IP
- No financial covenants or personal guaranty

Sempre Target Company Profile

- Non-sponsored company* or VC “orphan”**
- \$4-40 million trailing revenues
- Technology industry, broadly defined
- Growing revenues, high margins
- Matching Principle
- **Financing distress, not company distress**

* Non-sponsored company is angel-backed or bootstrapped- no VC or PE investors

** VC Orphan is a good company with investor syndicate issues

Due Diligence Materials

- Audited Financial Statements
- Investor PowerPoint
- Interim Financials and forecast
- Capitalization Table