

Qualifying for Venture Debt - Current Market

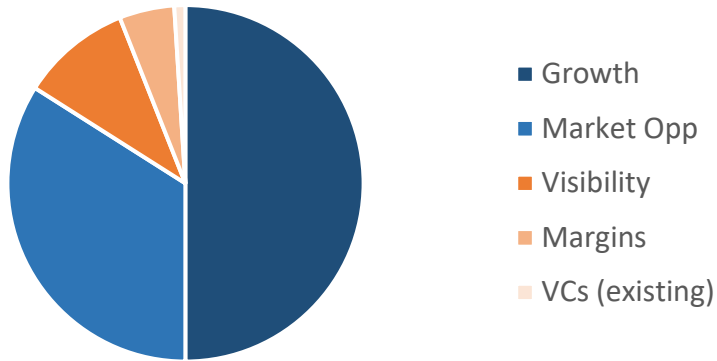
Must Have's	
Sufficient Cash Runway	<i>6+ mos of cash (ideally 9-12) <u>before</u> new loan</i>
Growth	<i>15%+ annually</i>
Enterprise Value Coverage	<i>> 4x EV to loan coverage; EV datapoints to be recent, defensible</i>
Growth Use of Proceeds	<i>25%+ of loan proceeds go to the balance sheet</i>

Plus at least ONE of the following...	
Underlying Profit	<i>Easy path to profitability, even if solely a run-off case</i>
Sticky Revenue	<i>> 80% gross / > 90% net retention</i>
Valuable Unencumbered Assets	<i>Traditional or esoteric assets OK</i>
Robust Patent Portfolio	<i>> 20 core patents w/ clear commercial or infringement value</i>
VC Support	<i>Last round < 12 mos ago; reputable VCs</i>

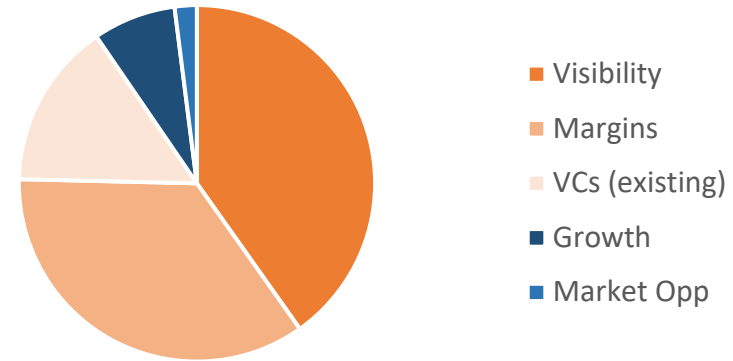
VCs vs Venture Lenders

	Opportunity Focus	Critical Attributes
VCs	Fund makers	Disruptive tech, high growth, large market, killer founder
Lenders	Principal repayment	Clear enterprise or asset value, underlying profit, cash runway

VC KPIs



Lender KPIs



Note: Some lenders don't require VC support