State of the Market 2020

Accessing the Private Capital Markets in Turbulent Times

Global Pandemic of COVID-19 has thrown the international economy in an environment of turbulent uncertainty as governments and central banks are under extreme pressure to mitigate the effects of the contagion. Capital Market events reminiscent to the response during the 2008 Financial Crisis invite an analysis to the present health of the investing ecosystem.

A Message From Our Managing Partner

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March 31, 2020

I hope this finds you, your families and colleagues faring well and staying healthy.

The events surrounding the global pandemic caused by COVID-19 has created an unprecedented situation in the private capital markets today. While health and wellbeing considerations remain of the first order while the global healthcare system attempts to adapt, the economic disruption caused by government mandated social/physical distancing, shelter in place and lockdown orders is unlike anything seen in most of our lifetimes.

As advisors to these CEOs and their investors, we are in a fortunate position to be able to hear from many incredible voices and understand how they are navigating the crisis. As most of our senior team at Nfluence has been through both the dot com bubble bursting and subsequent 2001/2 recession as well as the Global Financial Crisis of 2008/9, we are in a position to see across markets and recognize patterns that help provide guidance for those navigating the private capital markets in the next 90 days and how to think about likely scenarios in subsequent years. As we have seen previously, markets do not shut completely, they contract. As a result, the company founders and CEOs that are our core constituencies must quickly adapt to the emerging economic reality.

We hope you find the following useful as a guide for uncertain times. While this note is focused on accessing private capital markets, we will be following up with another research note on the Mergers & Acquisitions environment in the coming weeks.

As in all things private capital markets and M&A, there are many nuances that are specific to your company and sector. If you have any questions, please reach out as we are happy to talk through it and see how we can be helpful.

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Executive Summary

In response to the recent global economic slowdown, triggered by the COVID-19 pandemic, all private capital market participants have been forced to adjust swiftly to rapidly deteriorating economic conditions. Founders and executive teams must implement and execute crisis response plans which include, but are not limited to, significant revenue and expense adjustments, liquidity planning, and the right sizing of fixed cost structures.

We have organized this research note for CEOs of institutionally financed businesses and their investors in the following core areas:

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Key Immediate Takeaways from the COVID-19 Downturn

Cash is King | Venture-Backed Planning Through Q4 2021

- Now is the time to assess your cash situation, adjust capital needs, access capital (if available), & adapt to turbulent conditions.
- As Q1/Q2 realities take hold, venture-backed firms must confront both their existing cash runways and their access to future near-term financing. Our guidance is to quickly ensure that a company has enough runway through the end of 2021, including taking a hard look at their financial planning assumptions.
- For companies that fall short of this target, we prescribe an Action Framework in the report for immediate implementation

Investor Viewpoints | Selectivity For Quality Within Wheelhouse

- Many funds initially have been looking inward to their existing portfolios to triage the internal cash-needs of their investments.
- Venture Capital remains largely open for business, although appetites may be increasingly tempered and more selective for quality, risk, and sector-familiarity. Funds are more likely to consider sustainable growth and profitability over blitzscaling as deal terms begin to shift in favor of an "investor's market."
- It is important for executives to understand where they fall within the overall portfolio considerations of their investors as well as the fund dynamics which will ultimately drive the financial support (or lack thereof) provided by each investor.

Lessons Learned | Private Capital Markets In The 2008 Global Financial Crisis

- Comparisons to the Global Financial Crisis of 2008 ("GFC") are unavoidable; however understanding the significant differences in the maturity and strength of venture ecosystem in 2008 relative to 2020 is also key in navigating the current COVID downturn.
- The impact of the GFC had a delayed effect on venture financing. Angel / Seed rounds saw the sharpest immediate decline (47%) in volume but felt less impact in valuations and the market returned the quickest. Early stage deals also declining significantly, both in terms of volume and valuation, and was the slowest category to recover. Later stage venture saw relatively less volatility in deal volume, but later stage median valuations were the most impacted.

State of the Pre-COVID 2020 Markets | Robust & Capitalized

- Both Venture Capital and Private Equity have amassed a record arsenal of dry-powder amidst a time of record capital deployment; as such, this stockpiled capital is very likely to be deployed prudently, although at an unprecedented volume relative to the 2000 and 2008 economic downturns.
- Such ready availability of dry powder may ballast underperformance in the market and enable a greater speed of recovery relative to previous downturns.

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What Should I Be Focused On?
Cash & Runway Through Q4 2021

Financial Planning and Cash: Recommendations

- The highest priority for venture-backed executives is taking a **hard look at their financial planning assumptions** on both revenue and baseline cost structures, as well as a **realistic look at the implications on their cash situation and runway.** Executives must embed a bottoms up customer review into their financial planning process to ensure that a realistic sector health and specific customer health evaluation informs expected reductions in forecast revenues and cashflow.
- From a cash perspective, our guidance is to **quickly ensure that a company has enough runway through the end of 2021** based on a relatively conservative set of assumptions. We recognize this cohort ultimately represents a minority of companies in our core coverage area today and talk through options for companies that fall short of this runway on the next page.
- **Consider whether the post-COVID environment creates a sustainable or accelerating intermediate growth opportunity** and consider opportunistically accessing the growth capital markets in the short term to accelerate into the economic recovery cycle. Markets don't shut completely, they contract. Quality companies will find external financing in Q2 and especially Q3'20 after a short settling period with many investors looking inward.
- We believe any **warm conversations that were in process should be followed up on almost immediately** with the Q4/21 goal in focus. Learning lessons from the GFC, many firms are moving to tap available sources of capital early.
  - Consider opportunities outside of traditional venture, including Debt, Corporate VC, and Private Equity.
  - Do not assume these categories of capital will be available in the medium term, a bottom is several quarters away; The GFC began in Dec. 2007, Lehman failed on Sept. 15, 2008; venture financing and M&A bottomed out in Q2'09.
  - Startups funded through the GFC experienced longer windows between subsequent funding rounds, lower valuation step-ups, fewer follow-on investors, and higher rates of failure.
- Additionally, based on every investor's crisis planning/management/triage cycle within their own portfolio it is important for executives to **understand where they fall within the overall portfolio considerations of their investors** as well as the fund dynamics which will ultimately drive the financial support (or lack thereof) provided by each investor in the capital structure.
  - In market disruptions, there will always be companies that are no longer financeable. With M&A market contraction, acquisition opportunities quickly dry up and a significantly higher than usual number of companies will ultimately fail.
  - Hold periods, Slowing growth, and retention issues will drive quality companies to a liquidity path that may have originally continued independently, nuances on intermediate term value accretion drive timing considerations.

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Financial Planning and Cash: Action Framework by Runway Considerations

Runway: Less Than 6 Months	Runway: 6 to 15 Months

Understand post-COVID environment for your company: can business return to growth or do the immediate cuts required for survival and lack of in-network capital availability threaten viability of intermediate to long term growth?

Quickly determine availability to source capital from within existing warm conversations and relationships, including alternative sources of capital. Can you source enough from these sources to move company closer to Q4'21 or extend runway?

Understand Support from existing investors and fit within investor's portfolio

Does a bridge help achieve a return to growth in a reasonable time frame or simply extend you further into the unknown

Unless currently viable for Q4/21 pathway, companies will fall into following cohorts for Action

Challenged	Run the Option	Conserve and Observe
Low probability for additional capital outside of existing networks	Speculative to viable opportunity for additional capital outside of existing networks	Viable to reasonable opportunity for additional capital outside of existing networks
If limited probability of acquisition outside of immediate partnerships	If Flat to <20% linear enterprise value growth through acquisition in the intermediate term:	If asymmetric or high linear enterprise value growth remains realistic probability in intermediate term
Immediately engage all available opportunities within network for capital or exit	Consider full process in near term to determine capital and/or acquisition opportunities before market bottom	Runway length to drive considerations of process timing including option on strategic conversations. Near-term window vs. re-evaluate in the fall

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A Note on Alternative Capital Sources in the Current Environment

Growth Debt

Venture & Growth-oriented Debt as an asset class is estimated to have grown from under $5 billion in 2009 to well over $15 billion in 2019. Additionally, many dedicated debt funds have formed based purely on underwriting debt against recurring revenue and enterprise value ratios. Whereas traditional banks typically pull back on lending activity in a recession, the number of dedicated funds and their available dry powder indicates solid continued activity and capital availability.

Corporate Venture Capital

The share of corporate venture capital deals from total venture capital deals between 2011 and 2019 increased from 8% to nearly 25%. Overall, CVC participated in nearly 1,850 deals in 2019 with significant growth from 464 deals in 2009. In the GFC a significant number of corporates retreated from their CVC programs. Beyond those with longer CVC track records and those with dedicated funds, we expect 2020 to follow a similar pattern.

Private Equity

Total PE assets under management have grown from $1.2T in 2006 to $3.0T in 2019, and PE has proven to be both an active participant in the VC investment cycle as well as a significant acquirer. In 2019 PE Investors participated in 330 *early stage deals,* with another ~200 later stage deals. In 2007 private equity firms made ~250 technology acquisitions vs. ~1,200 in 2019. While we expect a slowdown in VC investing, we expect many PE firms will continue significant acquisition activity, if not accelerating to meet the new valuation environment.

Family Offices

Family offices are estimated to manage about $4 trillion globally, while the average family office direct investment has increased over 200% since 2009. However, Family Office direct investing tends to collapse significantly during a downturn, with only those with professionalized teams and significant experience continuing to participate in the market.

Source: Pitchbook, 451 Group

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COVID-19 & Capital

What Venture Capital Investors Are Thinking

- In keeping with its now infamous diagnosis "*RIP The Good Times*", Sequoia Capital's latest memo "Coronavirus: The Black Swan of 2020" notes that nobody "ever regrets making fast and decisive adjustments to changing circumstances," such that in business as in biology "those who survive 'are not the strongest…but the most adaptable to change'".
  - For Founders, adaptability means making critical decisions regarding cash runway and access to additional capital.
- Venture capital remains active, however as funds rapidly adjust to fluid conditions and as conditions may worsen, founders may encounter fewer opportunities to secure financing overall, let alone on founder-favorable terms of the recent past.
- Key Take-Aways from Sequoia's Memo:
  - **Cash Runway & Fundraising:** What is your runway over next 4 quarters, can it sustain fundraising softening as in 2009?
  - **Sales Forecast & Marketing:** Even if customer churn appears stable, anticipate spending habits and deal certainty to change.
  - **Headcount & Capital Spending:** Critically evaluate if you can do more with less, revise hiring and capital spending plans.

Focusing Internally

- VCs are already conducting portfolio crisis management and triage to the extent that new business may suffer in priority to the existing investments and deals in final stages of diligence.
- Fund managers are actively encouraging portfolio companies to manage their cash burn and anticipate further cash-flow adjustments.

Working In The Wheelhouse

- VC Investors have reported that the focus of consideration for their pipelines will be towards prospects that are solidly in their wheelhouse of sector and stage, expertise and strategy.
- Frontier and at-risk technologies may be left out in the cold for generalist funds with historical successes in more conventional and proven fields

Investors Market

- VC and Growth investors who continue to Invest in new deals are largely holding to any pre-COVID term sheet valuations for deals in process, while recognizing that we are in a new valuation market with associated value calibration.

Open for Quality Business

- With market uncertainty, investors are gravitating towards opportunities that demonstrate sustainable growth and profitability with the anticipation that such deals may be positioned better to weather a sustained financial maelstrom.

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A note on Fund Vintages and Performance

Economic upheaval has been noted as a ripe opportunity for innovation and shifting paradigms—Airbnb was founded during one of the greatest real estate meltdowns of the past 50 years.

- Fund performance analysis has shown the funds with vintages in the years preceding a financial crisis underperform relative to subsequent fund cohorts in the immediate aftermath.
- The best-performing fund vintages are those that are active in the bottom of a financial downturn and at the onset of economic recovery—during which time multiples are lower, competition is lessened, and existing investments benefit from turning economic tides.
- The dot-com bust saw the lowest performance of top tier venture capital, with idle recovery in the subsequent years. However, top funds that invested at the trough of the Global Financial Crisis saw unprecedented returns, multiple years of 20%+ IRR.

VC Top Quartile IRR (United States)

2006	2007	2008	2009	2010	2011	2012	2013
8.8%	15.0%	18.7%	20.1%	31.1%	17.7%	20.8%	25.7%

Paradoxically a great time to Start

- Some of venture tech's most renowned Unicorns emerged during the Global Financial Crisis.

Vintage Advantage

Most GP's will have learned the lessons of the GFC with respect to fund performance. After a preliminary period of uncertainty and recalibration, we expect consistent if deliberate investment activity to come back in the short term given the significant amounts of dry powder, especially in 2019 fund vintages

Source: Pitchbook

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Lessons From 2008

The 2008 Global Financial Crisis and Venture Capital

Total Venture Capital Deployed By Volume & Deal Value (US)

$12 ($ Bn)
$10
$8
$6
$4
$2
$0

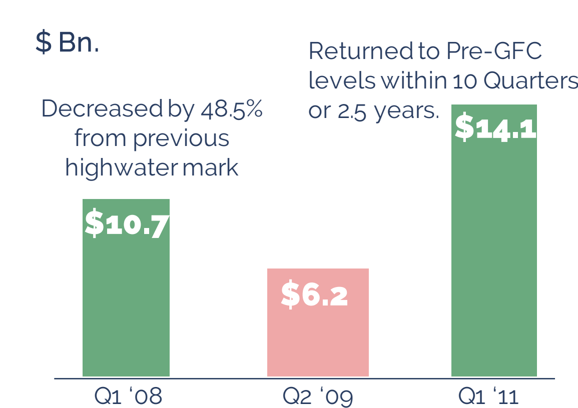
\# of Deals
2000
1500
1000
500
0

1Q 2Q 3Q 4Q 2004
1Q 2Q 3Q 4Q 2005
1Q 2Q 3Q 4Q 2006
1Q 2Q 3Q 4Q 2007
1Q 2Q 3Q 4Q 2008
1Q 2Q 3Q 4Q 2009
1Q 2Q 3Q 4Q 2010
1Q 2Q 3Q 4Q 2011
1Q 2Q 3Q 4Q 2012

Deal Value | Deal Count | Angel to Seed Count | Series A & B Count | Series C & D+ Count

Snapshot 2008-2009

- The GFC began in December of 2007 and persisted till June of 2009. The effects of the downturn were not fully realized in the venture markets until Q2 of 2009, where volume and deal size fell considerably
- VCs deployed approximately $36.4 Bn across all rounds in 2008, which fell to $24.5 Bn in 2009—an annual decrease of nearly 32% in committed venture capital.
- The impact of the GFC had a delayed effect on venture financing, such that while dollars invested fell more sharply in the following quarters the effect was not nearly as pronounced on volume—as net deal numbers continue to rise thereafter.



Source: Pitchbook

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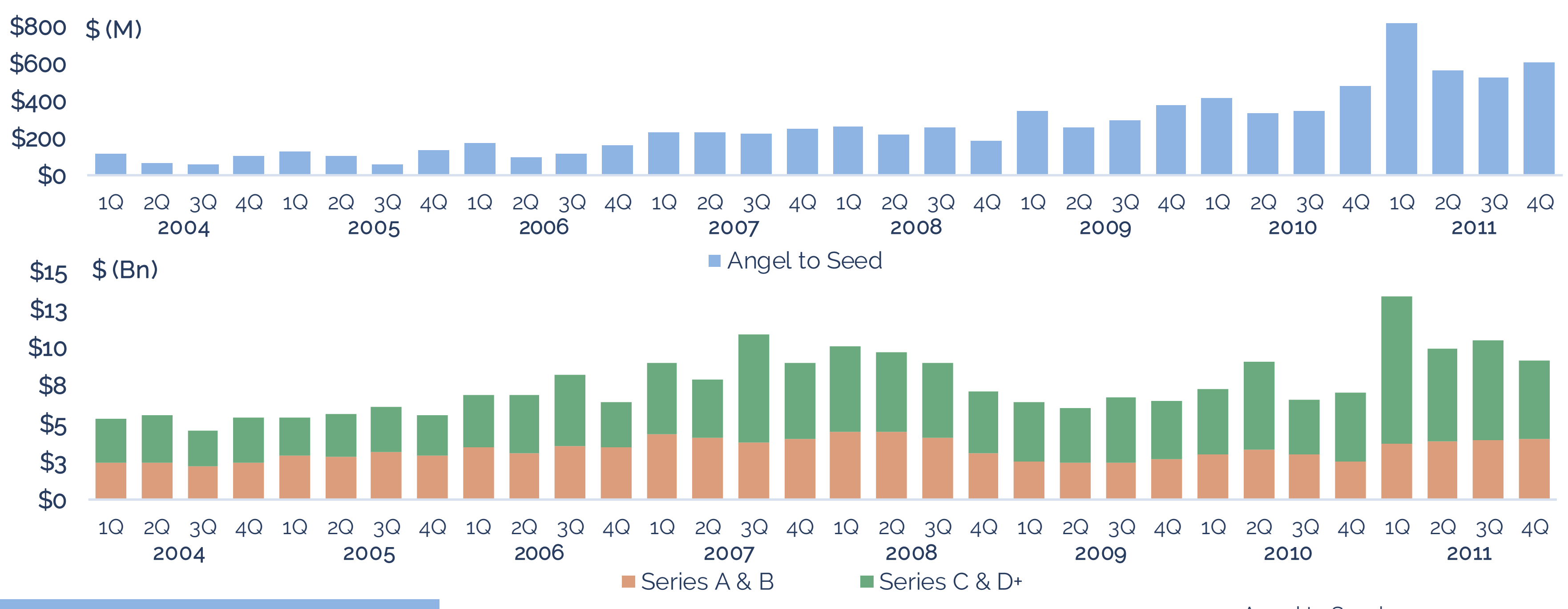
Private Capital Markets Through 2008-2009 By Round

Total Venture Capital Deployed By Round (US)



VC Pulse

- Angel to Seed saw the sharpest immediate decline of nearly 47% in volume from 328 (Q1 '08) to 173 (Q4 '08). Followed by Early stage (Series A & B) volume decline nearly 25% over the same period. Angel to Seed total deal value fell by 28% from $265M (1Q '08) to $188M (Q4 '08). Early Stage deal value over the same period fell by 30%.
- By volume, later stage venture saw relatively less volatility in deal contraction; although in aggregate during the crisis total deal value fell by nearly 28%, whereas volume declined by only 16%.
- With a bottom in Q2'09, it took nearly 8 quarters (until Q1 '11) to return and exceed the previous peak in total capital invested (3Q '07).

Source: Pitchbook

Angel to Seed — $ (M)

	Highpoint	Low Point	Return
Value	$.26	$.18	$.34
Quarter	Q1 '08	Q4 '08	Q1 '09

Early Stage — $ (Bn)

	Highpoint	Low Point	Return
Value	$4.4	$2.4	$3.6
Quarter	Q2 '08	Q2 '09	Q2 '13

Later Stage — $ (Bn)

	Highpoint	Low Point	Return
Value	$7.1	$3.3	$9.6
Quarter	Q3 '07	Q2 '09	Q1 '11

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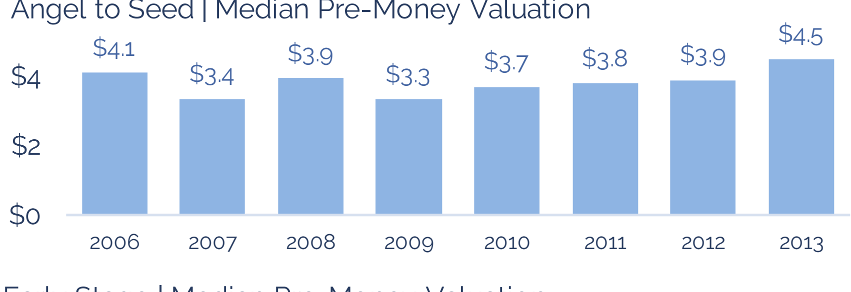
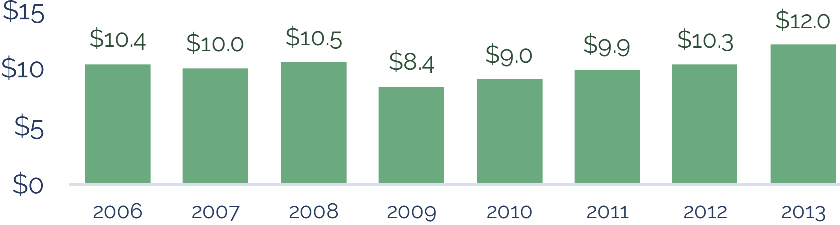
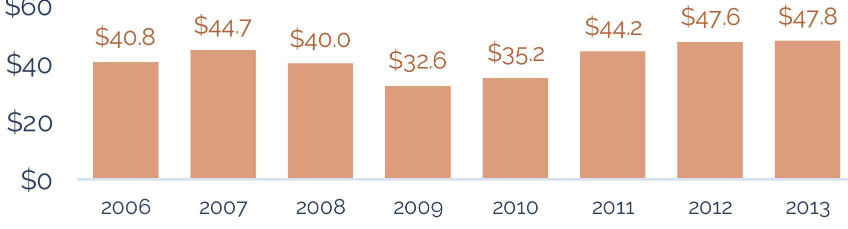
Delayed Volume and Valuations Decline in the Great Recession





Later Stage | Median Pre-Money Valuation



- The effects of the GFC on valuations were not fully borne out in venture capital until H2 2009, and pressure remained until 2011.
- Later stage median valuations were the most impacted by the impact of the downturn on an absolute dollar basis, with the median valuations falling from $49.6M in 1Q 2007 to $29.3M in 2Q 2009.
- Earlier stage rounds median valuations demonstrated the greatest decline on a percentage basis during the same period—falling nearly 25%.
- In addition to longer time windows between subsequent rounds, the 2008 cohort of startups saw noticeably lower step-ups from the post-money valuation of their first rounds to the pre-money valuation of their next round—at about 1.4x.
  - Post-recession cohorts recorded median valuation step-ups of 1.6-1.8x.
  - In 2019, median valuation step-ups were estimated at 2.0x.

M&A Pulse

- In 2008, global Tech M&A transaction volumes fell 25% from the 2006 volume peak (4,037) to approximately 3,009 reported deals; in the subsequent year (2009) transaction volumes remained down at 3,002 deals as acquirers chose to redline new deals and weather out the financial downturn. Significantly, deal value in 2009 fell substantially from the high point in 2007 ($420 Bn), down 65% to $144 B; while volumes began to recover, total deal value did not exceed the previous peak till 2015.

Source: Pitchbook

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2020 Contrast | Markets More Rational

Private Capital Markets Performance Leading Up To 2020

($ Bn) — $40, $35, $30, $25, $20, $15, $10, $5, $0

# of Deals — 3000, 2750, 2500, 2250, 2000, 1750, 1500, 1250, 1000, 750, 500, 250, 0

1Q 2Q 3Q 4Q — 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019

Deal Value | Deal Count | Angel to Seed | Series A & B | Series C & D+

Pre-COVID 2020

- Riding the surge of market's great 12-year bull run, the US Venture markets entered the new decade with the strongest arsenal of fundraising and dry-powder on record—seemingly unstoppable with a record-breaking VC exit values of over $250 Bn, despite gradual slowdown of deal count by the end of 2019. With 237 mega-deals (up nearly 12%) in 2019, the trend of leveling deal volume growth and soaring capital commitments reflects the pre-COVID attitudes of big-bet making for unicorns.

Source: Pitchbook

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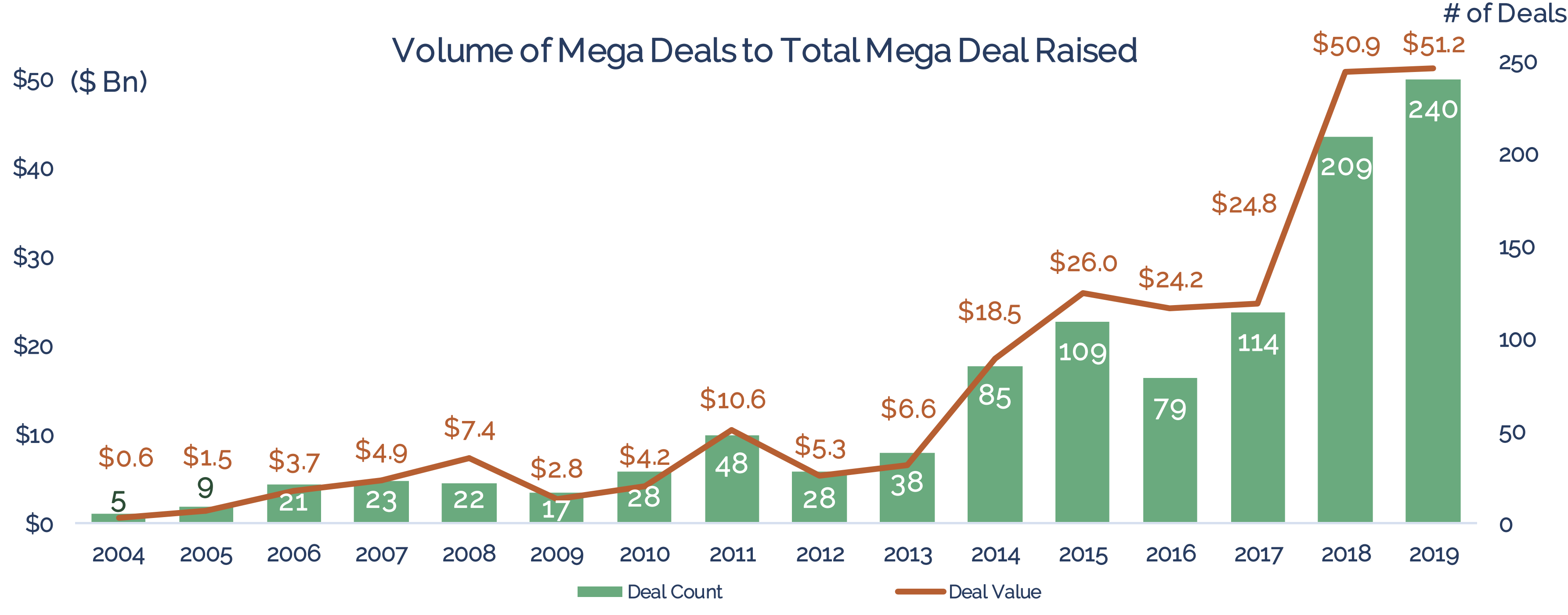
Mega-Deals Account For Increasing Share of Capital Invested



Mega Deals ($100M+)

- In contrast to 2019,when Mega-deals (rounds greater than $100M) account for 25% of early stage deal value, large check deals accounted for a fraction of deal value and volume in the run-up to 2008.
- The proportion of mega-deals to overall capital invested in 2019 was approximately 37%, in comparison to 13% in 2007.
- Nontraditional Investor participation (i.e. CVCs and PEs) accounted for nearly 85% of mega-deals in 2019.

Mega-Deals 2008 vs. 2019

$7.4 Bn
$36.8 Bn
2008

$51.2 Bn
$136.1 Bn
2019

Source: Pitchbook

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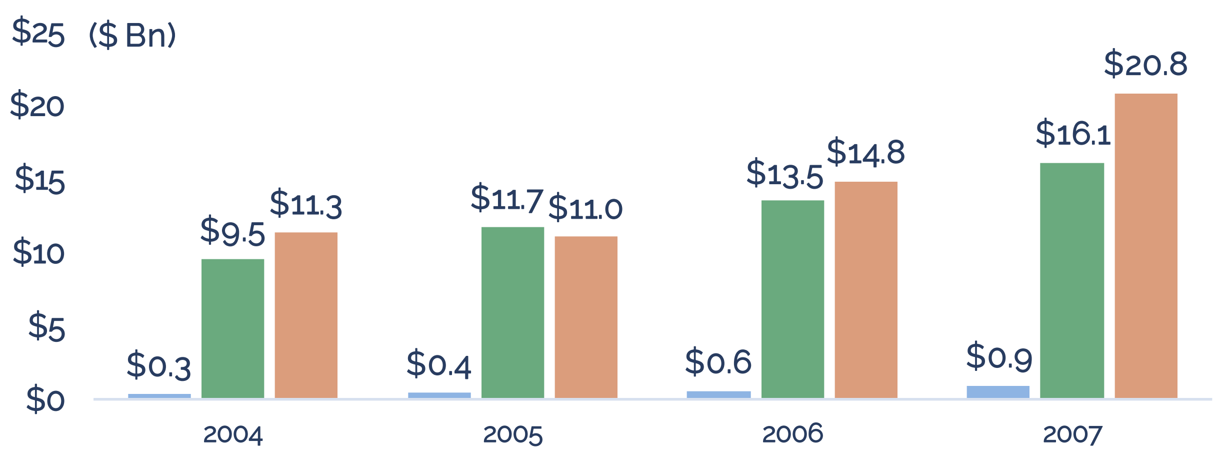
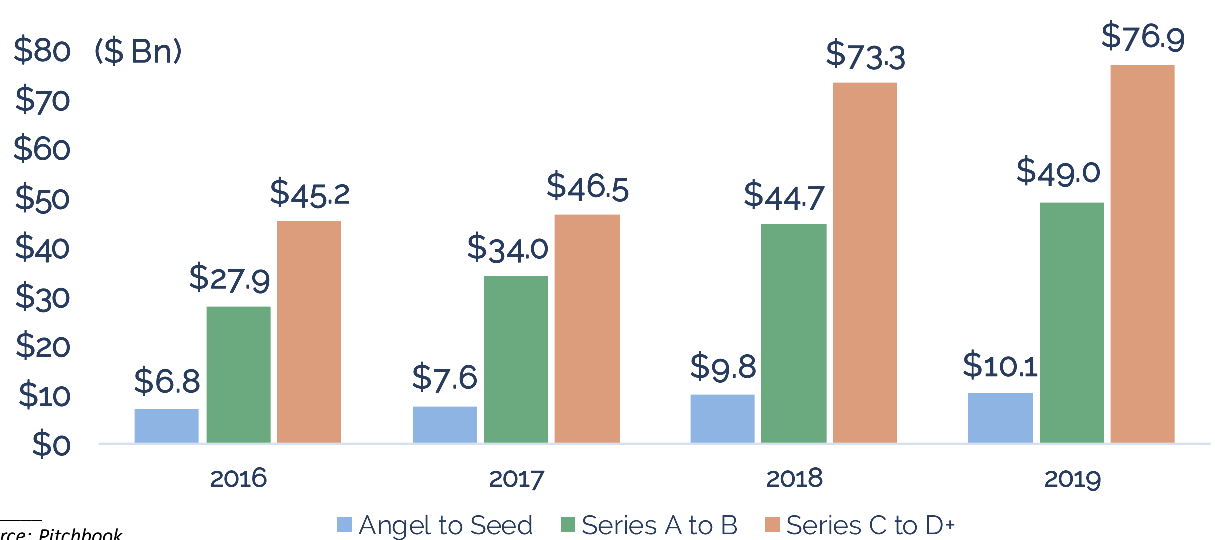
The VC Ecosystem Leading Up to 2008 Was Significantly Smaller



Capital Invested Four Years Prior to **2020**



Source: Pitchbook

By Round Raised

- By financing stage in the US, the total venture capital committed in four years preceding the Global Financial Crisis was substantially less than in the period leading up to the COVID-19 health crisis.
- For comparison, in 2007, Angel/Seed capital ($900M) was nearly 10% of 2019's Angel/Seed capital ($10.1Bn).
- For Later Stage VC, the comparison is similarly pronounced—capital committed in 2007 ($20.8Bn) was nearly a quarter of 2019's ($76.9).
- While certainly the rise of the mega-deal has greatly influenced the dramatic growth in dollars invested, the rising number of nontraditional VC investors, such as CVCs and PEs, are contributing to the growth in capital committed.

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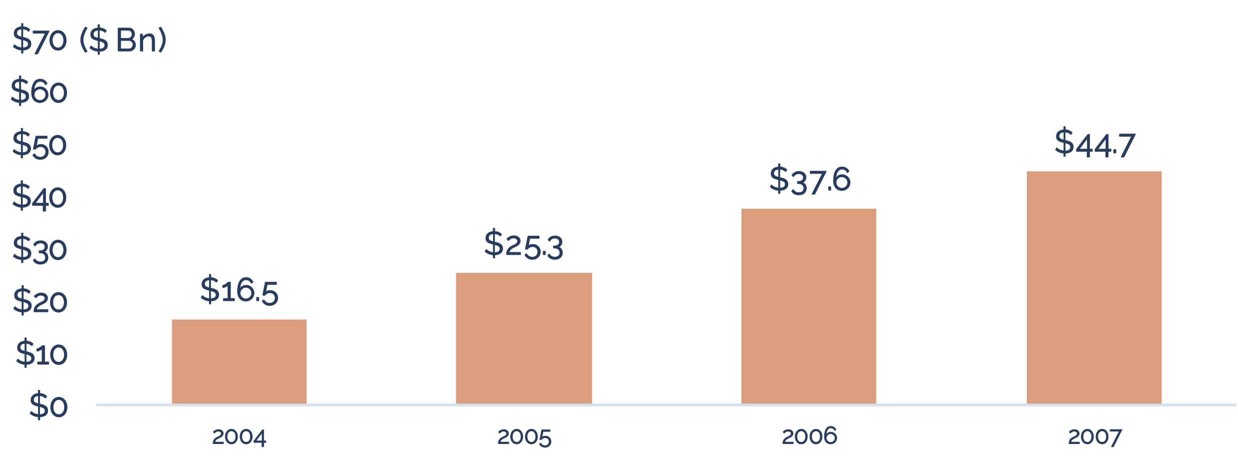
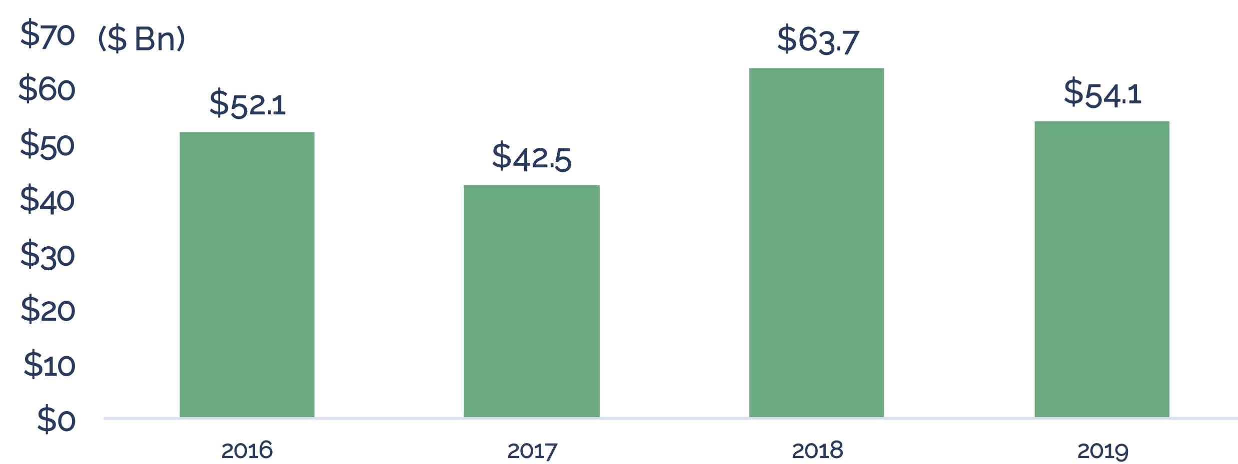
The VC Ecosystem Substantially More Robust Than In 2008



VC Funds Raised Four Years Prior to **2020**



By Funding

- Not only are today's VCs more well funded going into the current market conditions, but they are at less risk for liquidity concerns that endangered funds during the GFC.
- In 2008, alternative assets classes were at higher risk for liquidity concerns due to the "denominator effect" of LP overallocation to the asset class due to a haircut in (most commonly) public equities.
- In the GFC, institutional investors were overallocated in private markets, such that the drawdown on equities forced certain LPs to sell their interests at steep discounts on secondaries.
- However, despite highwater mark of fundraising, many LPs are in fact under allocated to the class, part in parcel with a more robust secondaries market that is more capable at providing liquidity than ever before.

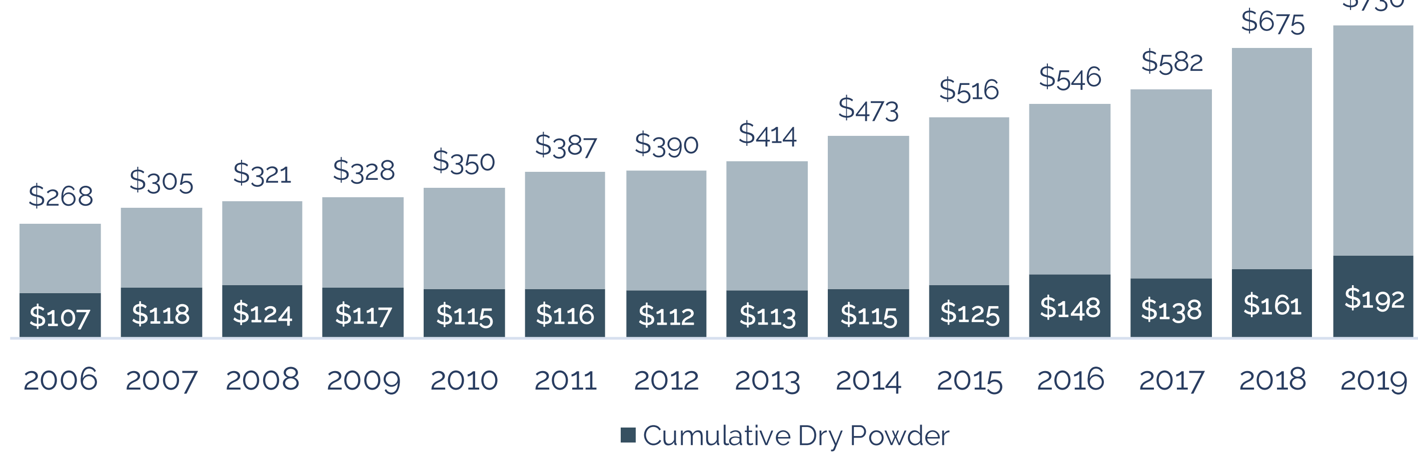
Source: Pitchbook

VC & PE Funds Are Significantly More Capitalized Than Pre-2008

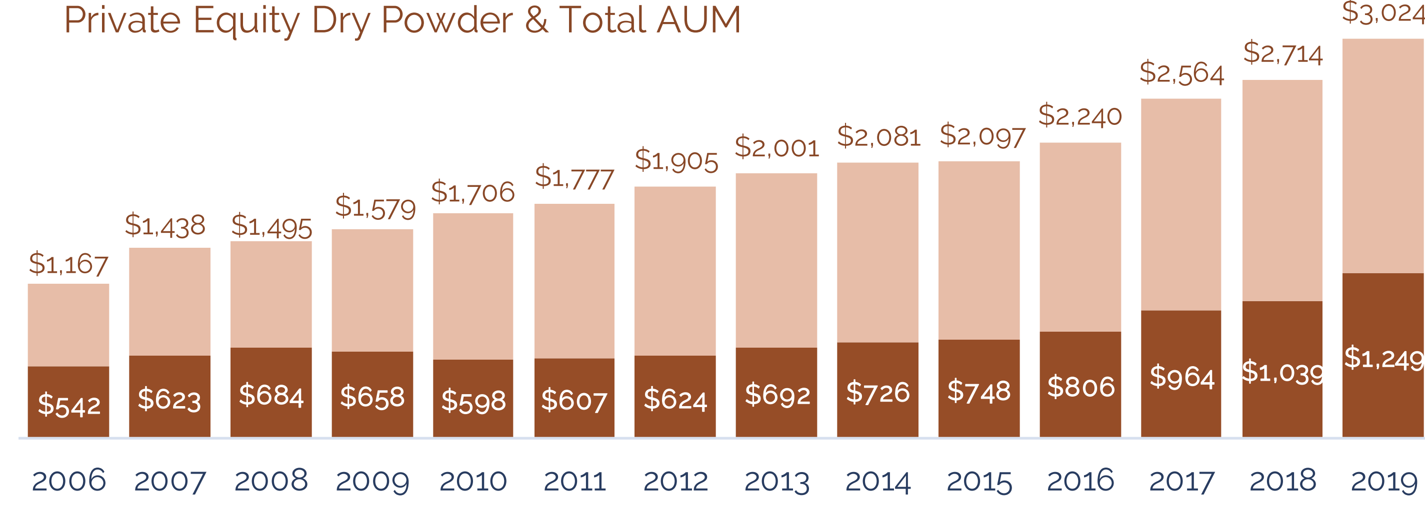
Capital Arsenal

- In comparison to 2008, Venture Capital and Private Equity has never been better positioned to weather cash and liquidity constraints, both for opportunistic investments/M&A and for supplying adequate runway to their existing portfolio companies.
- Dry-powder values for VC and PE in 2019 are both nearly 2x the value in 2006, and nearly 3x the size of overall AUM.
- In addition to private capital, the largest US banks hold nearly $2.9 trillion in liquid assets, an unprecedented arsenal for liquidity to prevent cash-crunches.

Venture Capital Dry Powder & Total AUM



Private Equity Dry Powder & Total AUM



Source: Pitchbook

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Alternative Capital Sources through 2019

Growth Debt

Private Debt Funds have amassed over $241 Bn in dry-powder globally to be deployed in the middle market, generally providing a tail wind to an orderly and efficient recovery in the private debt markets.

Corporate Venture Capital

In the past four years, CVC has grown to account for supporting as much as 25% of all US venture deals, including 1,191 deals with CVC-funding in 2019 alone. The peak of the market has seen as many as 941 corporates participating in the venture ecosystem.

Private Equity

By the end of 2019, over 75% of PE deals had debt multiples of >6x EBITDA, in contrast to 25% during the GFC. With credit contraction PE must enter deals with larger equity proportions. While this creates some headwinds to overall deal flow, it impacts Tech PE less.

Family Offices

2019 UBS Report found that Family Offices were increasingly preparing for a recession by consolidating cash reserves and adopting plans for a more opportunistic approach to direct investments.

Source: Pitchbook

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Initial Thoughts
Regarding Recovery

Tailwinds and Headwinds for Recovery

Potential Tailwinds for Recovery

Not a Systematic Crisis of Over-Leveraged Markets

- Banks and other financial institutions are significantly better capitalized to handle the crisis from a liquidity standpoint.

Unlike 2008, Unprecedent Rapid Government & Central Bank Response

- Multi-Trillion Dollar Stimulus Package with additional action being considered already.

Technology playing a strong supporting role

- Digital Technologies can help mitigate the economic shocks caused by the pandemic.
  - Remote Work and Tele-Conferencing
  - E-commerce & Delivery Platforms | The At-Home Consumer
  - Digital Health and Tele-medicine

Compared to 2008, VC and PE Markets in 2020 are Significantly More Capitalized

- Dry Powder is at record levels in 2020, as is investment activity in through Feb. 2020; while the private capital markets will contract, capital will flow more efficiently post-COVID than after the GFC.

Potential Headwinds for Recovery

Unprecedented GDP contraction

- Goldman Sachs forecast a 24% decline to 2Q'20 GDP following a 6% decline in Q1'20 will full year contraction of 3.8%. Deutsche Bank expects the "worst global recession since World War II" with Q2 GDP contraction of 12.9%.

Likelihood of repeated Shelter in Place orders

- Current epidemic models show significant likelihood of additional outbreaks occurring once the preliminary constraints have been lifted as is currently happening in Singapore and Hong Kong. Secondary shocks create significant challenges to a fast and orderly economic recovery.

Secondary Economic Contagions Remain Significant

- Because of the unprecedented government mandated shuttering of the economy, it is difficult to predict secondary structural challenges to recovery. The Corporate Leveraged Loan market is already at risk with the Saudi/Russia oil price war and the significant expansion of Consumer Credit risk since 2009 (Student Loan Debt up 113% to $1.4T, Auto Loan Debt up 81% to $1.3T).

Down rounds & Delays | Deal Uncertainty

- Social distancing has delayed key aspects of the deal process—such as the partner meeting and in person diligence.
- Venture valuations may shift to a "buyer's market".

M&A Environment

As explored in Nfluence Partner's M&A report in the coming weeks, acquisitions in the current market will follow near term contractions.

- In the two years following the GFC, Tech M&A global deal volumes declined by ~25% and reported deal values fell by ~65%

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Market Leaders in the Recovery

Digital Entertainment | A Boon for Streaming and Gaming

- While the streaming (both music and video) and gaming markets have seen rapid growth, large public gatherings will take far more time to recover in a post-COVID, paving the way for in-home entertainment platforms to capture consumer time and continue growing.
- Additionally, while the rollout of 5G may be delayed as a result of the crisis, its proliferation through industry is inevitable, and Digital Entertainment as a whole is primed to benefit from the increased speed and accessibility 5G will allow.

The Cloud Economy | Rise of the Remote Enterprise and Consumer

- The rise of the Cloud Economy allows for much greater flexibility to companies and consumers who can work remotely, greatly reducing the productivity loss from office shutdowns.
- Home deliveries will help keep certain workers employed and allow industries hit hardest by government restrictions to continue operating in some capacity.

EdTech's Big Moment | The Great Tele-Education Experiment Begins

- School closures and the resulting need for tele-education will potentially accelerate the adoption of technology in schools once the crisis abates.
- Potential for significant growth in EdTech, particularly remote education, as the crisis forces schools and parents to consider effective alternatives to traditional schooling.

Digital Wellness & Tele-Medicine | Cloud Clinics and E-Pharmacy

- As COVID-19 increases strain on the medical system, the need for increased efficiency will drive hospitals and other health care providers to adopt technology that can aid in the crisis.
- Patients without the virus in the short-term will see their needs temporarily de-prioritized and will turn to Digital Wellness platforms and Tele-Medicine until the crisis abates. Once the crisis has passed, consumers will be more accustom to Digital Wellness and are more likely to continue to use it.

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