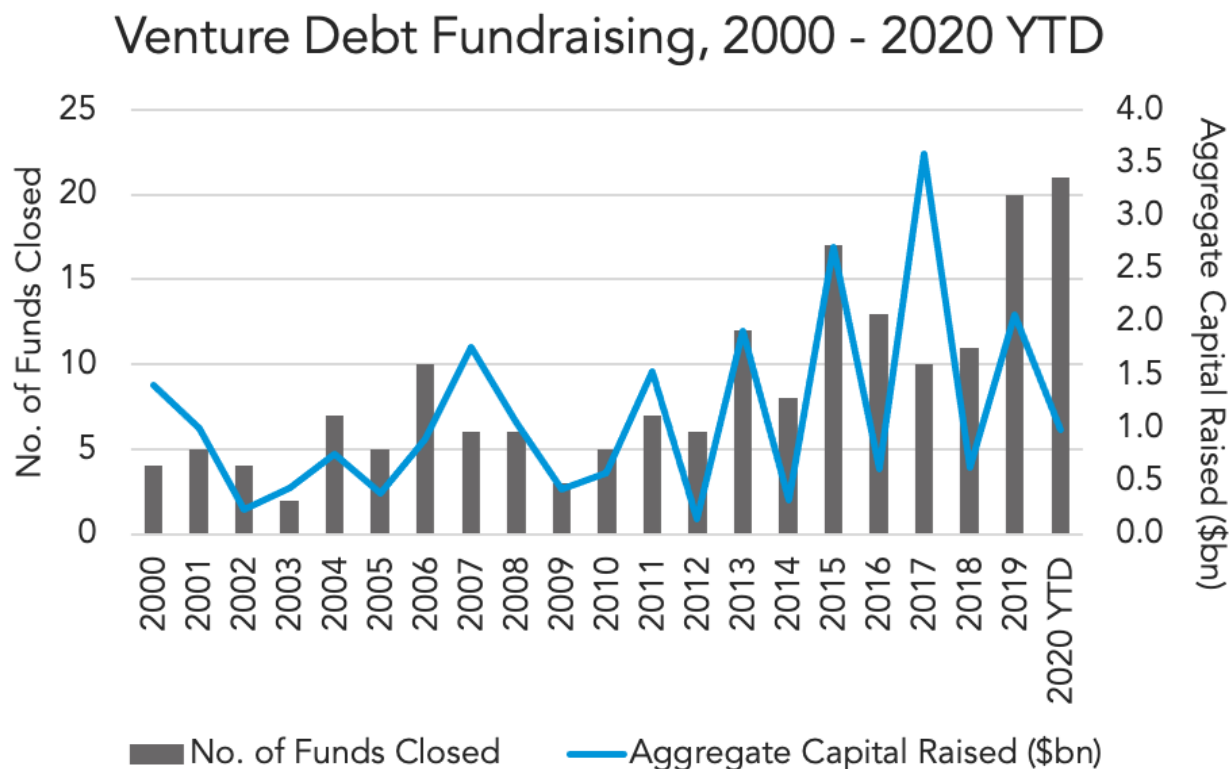


Private Debt Intelligence – 12/14/2020

THE LEAD | December 16, 2020

Will Venture Debt go up in 2021?

Chart



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[wpdm_package id='40743?']

Venture debt is a type of debt financing provided to venture capital-backed companies by a specialized financier to fund working capital or capital expenses. Fundraising of this strategy has had a pattern of highs and lows in capital raised over the last 10 years. 2017 marked the record high amount in capital secured with \$3.6bn, which then sharply decreased to \$0.6bn in 2018. Last year, venture debt recovered, and fund managers were able to close 20 funds securing \$2bn. However, this year, following the trend, fundraising fell, and although the number

of funds closed is the highest amount ever seen (21), the capital secured has not even reached \$1bn. Taking into account that one year goes up and one goes down, does this mean that in 2021 venture debt will recover?

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