



RACE™ Program Overview

Inventium Partners' *Risk Allocation Credit Enhancement* (RACE) Program allows insurers and lenders to align their interests and balance risk when lending to established technology companies. It enables insurers to appropriately measure the risk they are taking relative to the risk an investor is taking in any given transaction or portfolio of transactions. This allows room for insurers and investors with various risk appetites to agree on set parameters with full transparency and alignment of interests.

The RACE Program addresses numerous challenges for insurers with previous and competitive offerings and creates greater alignment among participants. It's a solution to the problems with traditional Collateral Protection Insurance (CPI) and Residual Value Insurance (RVI) policies. Each party in this program needs to "win" for the program to work for borrowers, lenders, and insurers. Thus far, insurers and the borrowers have been the big losers: Insurers have paid out the claims (for the most part) and many borrowers have lost their businesses.

Inventium's RACE policy matches risk, tenor, returns to premiums and downside protections. It includes lender selection, risk selection, insurance cover terms, post-inception monitoring and intervention and recovery rights that reduce the likelihood of default. Significantly, lenders assume a

specified percentage retention and the insurers risk decreases over the life of the loan. This structure allows qualified investors, mostly private credit funds, to structure the most efficient cost of capital for borrowers and for the insurer to nominally decrease their coverage over time.

RACE BORROWERS

RACE borrowers are successful middle-market companies with deep technology moats, unlike the higher risk companies not yet established in the market, which characterized legacy programs. The RACE Program is uniquely attractive to middle market borrowers as it enables them to meet their goals without sacrificing equity and control.

RACE LENDERS

Lenders are selected for deep knowledge of asset management, operating experience, and relevant sector experience. They are underwritten by large asset managers who have experience vetting portfolio managers who are compensated based on their overall returns. Each lender program is customized and Inventium's lender requirements reduce the chances of loss for the insurer.

RACE INSURERS & INSURER PROTECTIONS

Inventium carefully selects insurers that are, at a minimum, A- rated with high financial strength ratings. Protections for insurers exceed those of historical offerings. The lenders are fully aligned with the carriers and if a loan defaults, the lenders have a significant stake in the recovery. With RACE, Insurers are always

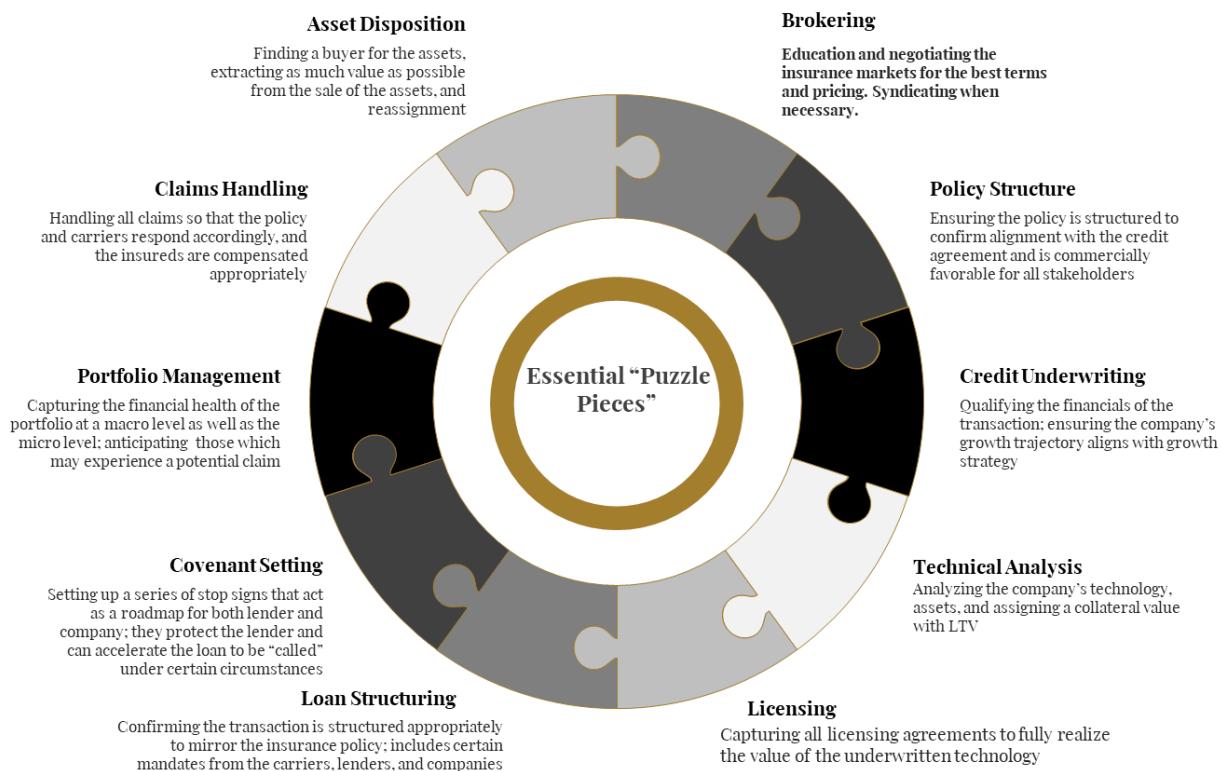
the first money out and there are common sense exclusions that protect the carriers from loss. Increasing retention and decreasing limit means the longer the loan is outstanding, the less risk assumed by insurance company.

INVENTIUM

Inventium is a Managing General Agent (MGA) that is setting a new standard for insured technology lending by aligning interests and providing a higher return on investment capital to the insurer. Inventium facilitates negotiation and construction of a tight credit box that all

parties agree to and then underwrites the program and performs ongoing management of the credit facility. Inventium's team of full time asset managers, analysts and structured credit professionals handle all functions in house. Led by Martin Larkman and Anthony Gallo, the Inventium team brings skills and experience from successfully facilitating more than \$40B in technology transactions. Playing all the roles described in the "Essential Puzzle Pieces", Inventium is fully aligned with and vested alongside carriers, financially tied to reaching the best possible outcome.

RACE PROGRAM ESSENTIAL COMPONENTS



The RACE Program was created by Inventium based upon vast experience to provide lower risk to insurers and decreasing risk over time. For more information, contact Martin Larkman at mlarkman@inventiumpartners.com or Lynley Sides at LSides@InventiumPartners.com.