



**TRINITY  
CAPITAL**

*A National Leader in Growth Stage Lending*

**Fourth Quarter and Full Year 2020  
Investor Presentation**

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This presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. You should understand that under Section 27A(b)(2)(B) of the Securities Act of 1993, as amended, and Section 21E(b)(2)(B) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995 do not apply to forward-looking statements made in periodic reports we file under the Exchange Act.

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# COMPANY AND STRATEGIC OVERVIEW



# TRINITY CAPITAL OVERVIEW

Serving a Multi-Billion Dollar Underserved, Specialized Niche Market

Structure   IPO Date	Internally Managed - Business Development Company   January 29, 2021		
Business	Secured loans and equipment financing to growth stage companies backed by technology banks, venture capital and private equity firms		
12 Year Track Record <sup>(1)</sup>	\$19.6 Billion Opportunities	\$1.12 Billion Fundings	173 Investments
Market Capitalization <sup>(2)</sup>	\$238.7 Million Net Assets	\$13.03 NAV per Share	
Portfolio <sup>(2)</sup>	57 Companies Debt Positions	59 Companies Warrant Positions	9 Companies Equity Positions
Liquidity <sup>(2)</sup>	\$86.7 Million Available Liquidity	BBB- Investment Rating <sup>(3)</sup>	Debt to Equity 1:3 x 1

(1) Historical information includes information and data related to Trinity Capital's predecessor funds, the first of which was launched in 2008, through December 31, 2020. Past performance relates to predecessor funds and is not indicative of future results of Trinity Capital. No assurance can be given that Trinity Capital's investment objective will be achieved or that an investor will receive a return of all or any part of such investor's investment. Investment results may vary significantly over any given time period. The predecessor funds were merged with and into Trinity Capital on January 16, 2020, immediately after which Trinity Capital began operating as a business development company.

(2) As of December 31, 2020 based on NAV per share

(3) Credit rating assigned by Egan-Jones Ratings Company, an independent, unaffiliated rating agency. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. There can be no assurance that this rating will remain for any given period-of-time.

# WHY IS TRINITY DIFFERENT

We understand the growth stage world and provide more than money to our portfolio company partners

## Deep Operating Experience

- Highly experienced executive team with startup experience
- Decades of in-depth high-tech experience
- Numerous U.S. and International patents issued

## One Stop – Loans & Equipment Financing

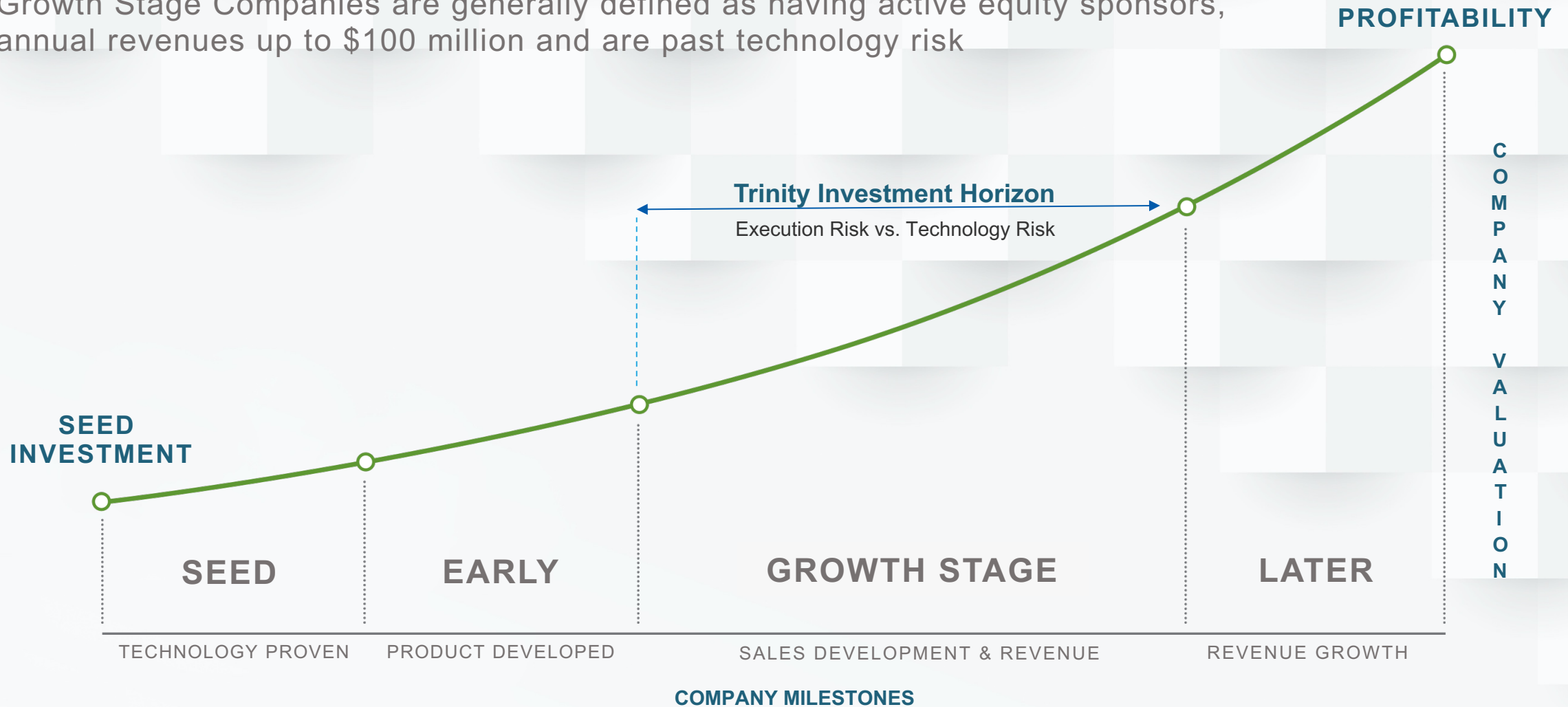
- Providing term loans and equipment financing to growth stage companies
- Flexible financing solutions based on the company's requirement
- Financing solutions to a highly fragmented, underserved market

## Robust & Scalable Platform

- Robust and scalable systems for origination, underwriting and monitoring
- Separation of origination, underwriting and monitoring duties aides “positive feedback” loop
- 34 dedicated professionals with a unique culture built over 12+ years

# INVESTMENT HORIZON

Growth Stage Companies are generally defined as having active equity sponsors, annual revenues up to \$100 million and are past technology risk



# CURRENT MARKET CONDITIONS AND OPPORTUNITIES

Attractive growth opportunity in the debt and equipment financing space

## Continued investment in our team and platform

- We've added to the team over the last nine months
- Robust Pipeline activity – 42% increase in opportunities compared to Q4'19<sup>(1)</sup>

## The VC ecosystem has been incredibly resilient

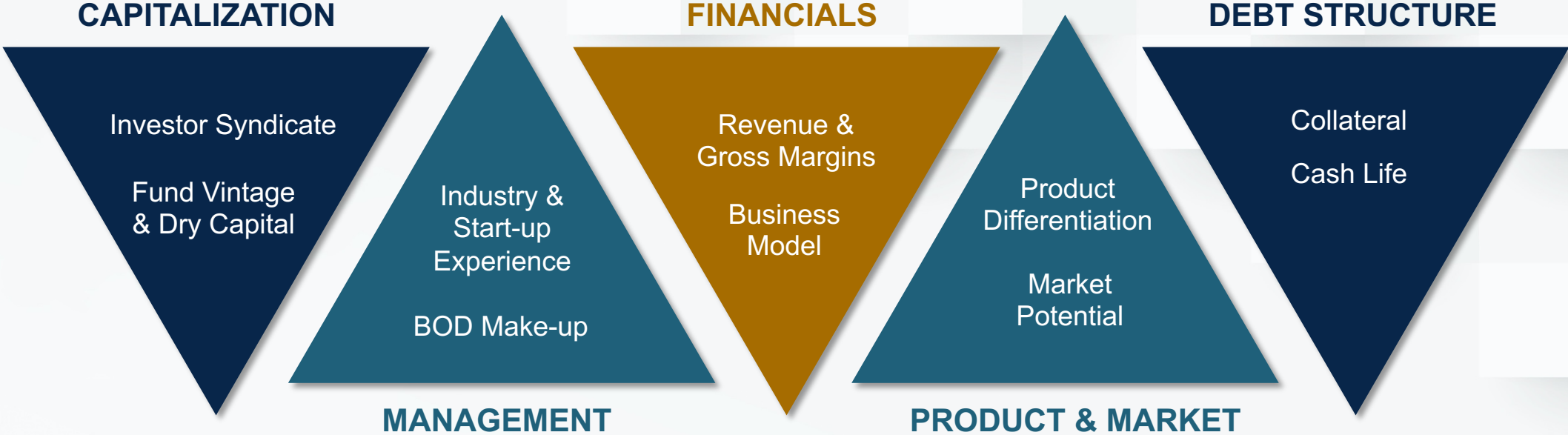
- Venture Capital funding continued to be strong in 2020 - \$156 Billion<sup>(2)</sup>
- US VCs closed 321 funds totaling \$73.6 billion<sup>(2)</sup>

## Focusing on areas that we think are attractive

- Identified certain industries and company profiles that help reduce risk in this environment
- Large underserved market to growth stage companies

# UNDERWRITING APPROACH AND RISK MITIGATION

Disciplined investment approach keeps our annualized loss rate at 26 Bps or 17 Bps when including realized gains<sup>(1)</sup>



(1) Includes historical information of Trinity Capital's predecessor funds, the first of which was launched in 2008, through December 31, 2020. Past performance is not indicative of future results. No assurance can be given that the Company's investment objective will be achieved or that an investor will receive a return of all or any part of such investor's investment. Investment results may vary significantly over any given time period.



# FINANCIAL HIGHLIGHTS



# Q4 2020 HIGHLIGHTS

## Robust Earnings

- Net Investment Income ("NII") of \$5.3M
- Total Investment Income of \$15.3M
- NII per share of \$0.29 provides 107% distribution coverage
- Declared a second dividend distribution of \$0.27 consistent with \$0.27 in prior quarter

## Leading Originations Platform

- Debt & equity fundings in Q4 2020: \$102.5M
- \$1.12B in total debt and equity fundings since 2008<sup>(2)</sup>

## Portfolio Yielding Assets

- Total Debt Investments (at cost): \$447.5M
- Total Investments (at cost): \$498.3M
- Effective Yield: 14.5%

## Liquidity

- \$87M available liquidity (subject to existing terms and covenants of the Company's credit facility)
- Debt to Equity 1.3:1

## Credit Rating

- Egan Jones BBB-<sup>(3)</sup>
- Stable Outlook

(1) Based on NII, excludes realized and unrealized gains/losses

(2) Includes annualized historical information of Trinity Capital's predecessor funds, the first of which was launched in 2008, through December 31, 2020. Past performance is not indicative of future results and no reliance should be placed on them. Performance results may vary significantly over any given period of time.

(3) Credit rating assigned by Egan-Jones Ratings Company, an independent, unaffiliated rating agency. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. There can be no assurance that this rating will remain for any given period of time.



# QUARTERLY INCOME STATEMENT

For the three months ended

(In 000's, except per share amounts)

	12/31/2020	9/30/2020	06/30/2020 <sup>(1)</sup>	3/31/2020 <sup>(1)</sup>
<b>Total Investment Income</b>	<b>\$15,340</b>	<b>\$13,529</b>	<b>\$13,847</b>	<b>\$12,248</b>
Interest expense and other debt financing costs	4,340	3,893	4,281	4,259
Compensation and benefits	4,482	2,892	1,681	1,378
General and administrative	1,232	1,128	1,124	903
<b>Total Operating Expenses</b>	<b>10,054</b>	<b>7,913</b>	<b>7,086</b>	<b>6,540</b>
<b>Net Investment Income (NII)</b>	<b>5,286</b>	<b>5,616</b>	<b>6,761</b>	<b>5,708</b>
Net Realized Gain / (Loss) from Investments	(5,029)	(1,490)	(2,002)	(882)
Net Change in Unrealized Appreciation / (Depreciation) from Investments	8,995	8,208	2,122	(24,291)
Costs related to the acquisition of Trinity Capital Holdings, LLC. and Legacy Funds	472	-	-	(15,586)
<b>Net Increase (Decrease) in Net Assets from Operations</b>	<b>\$9,724</b>	<b>\$12,334</b>	<b>6,881</b>	<b>(35,051)</b>
<b>Net Investment Income (NII) per Share</b>	<b>\$0.29</b>	<b>\$0.31</b>	<b>\$0.37</b>	<b>\$0.32</b>
<b>Net Increase (Decrease) in Net Assets resulting from Operations per Share</b>	<b>\$0.53</b>	<b>\$0.68</b>	<b>\$0.38</b>	<b>\$(1.97)</b>
<b>Weighted Average Shares Outstanding – Basic and Diluted</b>	<b>18,261</b>	<b>18,166</b>	<b>18,075</b>	<b>17,822</b>

# BALANCE SHEET

December 31

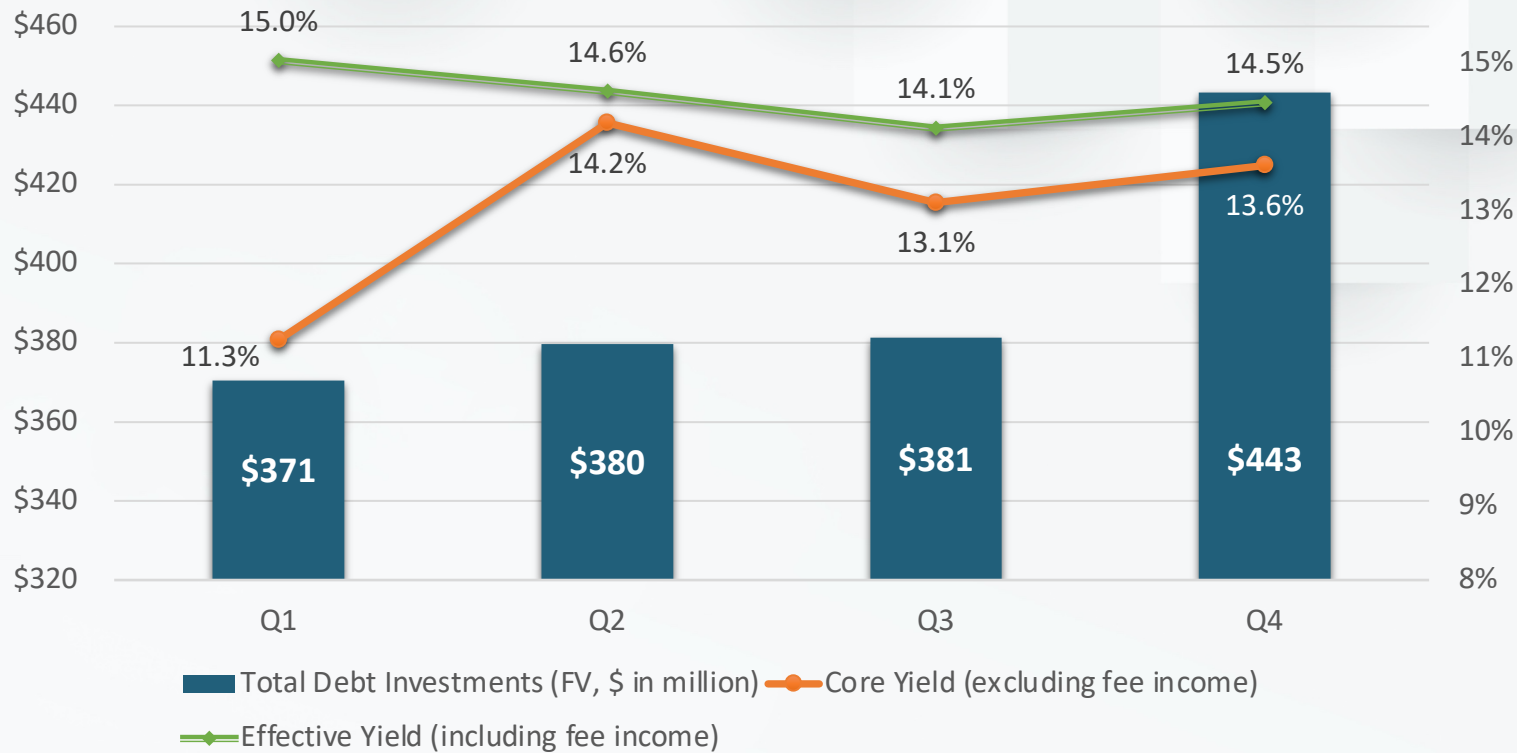
(In 000's, except per share amounts)

	2020
<b>Assets</b>	
Total Investments at fair value	\$493,651
Cash and cash equivalents	44,656
Restricted cash	16,445
Interest Receivable	3,468
Prepaid Expenses & Other Assets	1,488
<b>Total Assets</b>	<b>559,708</b>
<b>Liabilities</b>	
Credit facility, net of \$2,107 of unamortized deferred financing cost	\$132,893
Notes payable, net of \$4,697 of unamortized deferred financing cost	120,303
Convertible notes payable, net of \$3,448 of unamortized deferred financing costs and discount	46,552
Accounts payable and accrued expenses	7,309
Distribution Payable	4,947
Other liabilities	8,956
<b>Total Liabilities</b>	<b>320,960</b>
<b>Net Assets</b>	
Shares Outstanding	18,321
<b>Net Assets per Share</b>	<b>\$13.03</b>

# EFFECTIVE YIELD VS CORE YIELD

Leading to Strong Earnings

## FY 2020 PORTFOLIO YIELDS



### Portfolio Effective Yield Trend

Increase in interest income due to higher total debt investments and effective yield.

# DEBT CAPITAL STRUCTURE

Key borrowing types (\$ in million) at 12/31/20

Funding Source	Debt Commitment	Outstanding Principle	Undrawn Commitment	Stated Maturity	Interest Rate
<b>Notes:</b>					
2025 Unsecured Notes	\$125.0	\$125.0	-	January 16, 2025	7.0%
Convertible Notes	\$50.0	\$50.0	-	December 11, 2025	6.0%
<b>Bank Facility:</b>					
Credit Suisse Credit Facility	\$300.0	\$135.0	\$165.0	January 8, 2022	3-month Libor + 3.25%

# SOLID SHAREHOLDER RETURNS

Cumulative Distributions per share for 2020



**Distributable Net Income covered dividends by 109% in 2020**

Strong Earnings and Dividend Stability

Consistently paid a quarterly dividend since formation in Q1 2020

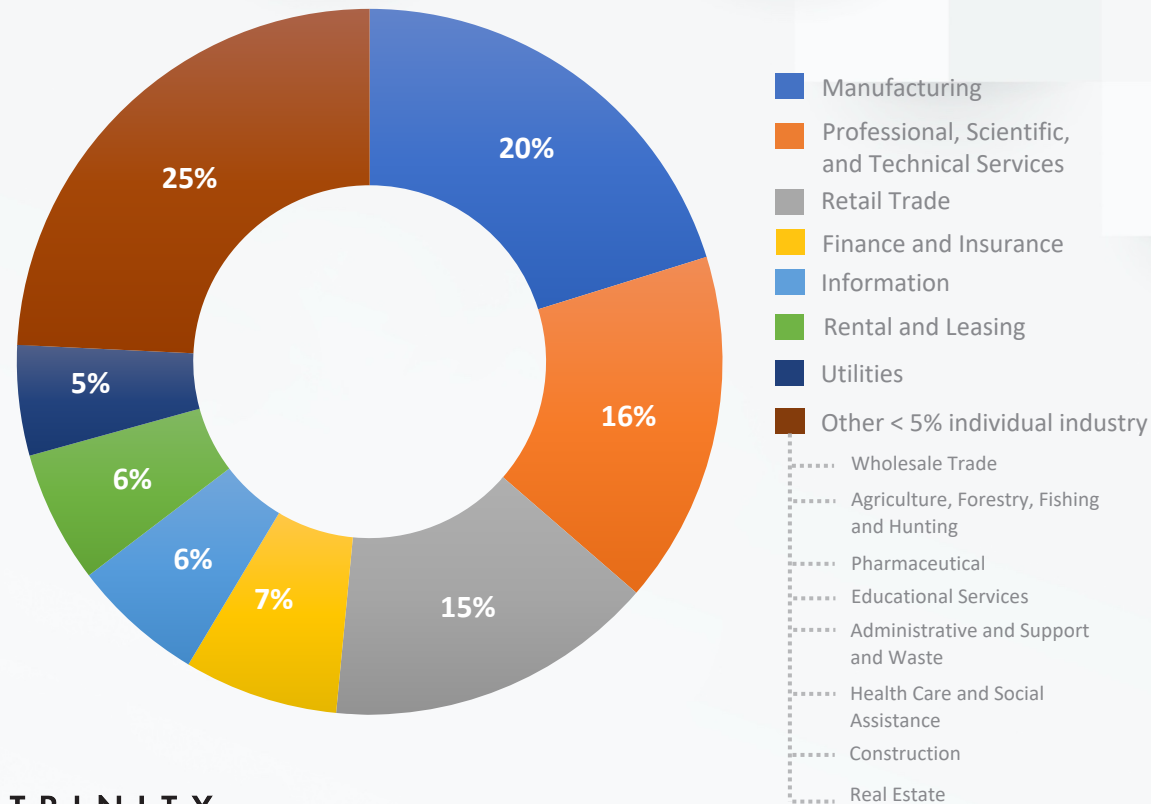


# PORTFOLIO HIGHLIGHTS

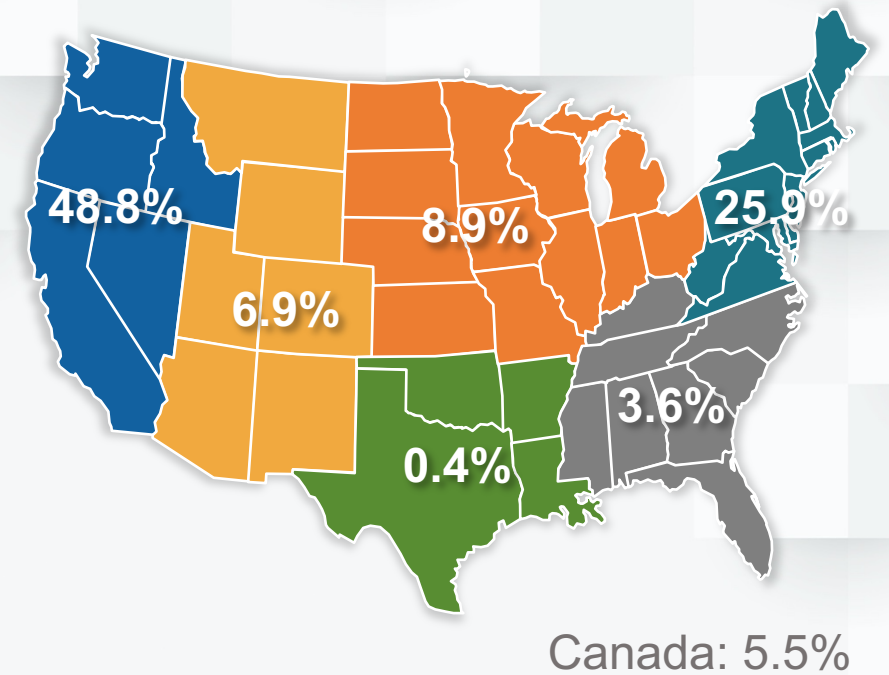
# PORTFOLIO SUMMARY

At December 31, 2020

## Industry Diversification<sup>(1)</sup>



## Geography Diversification<sup>(1)</sup>

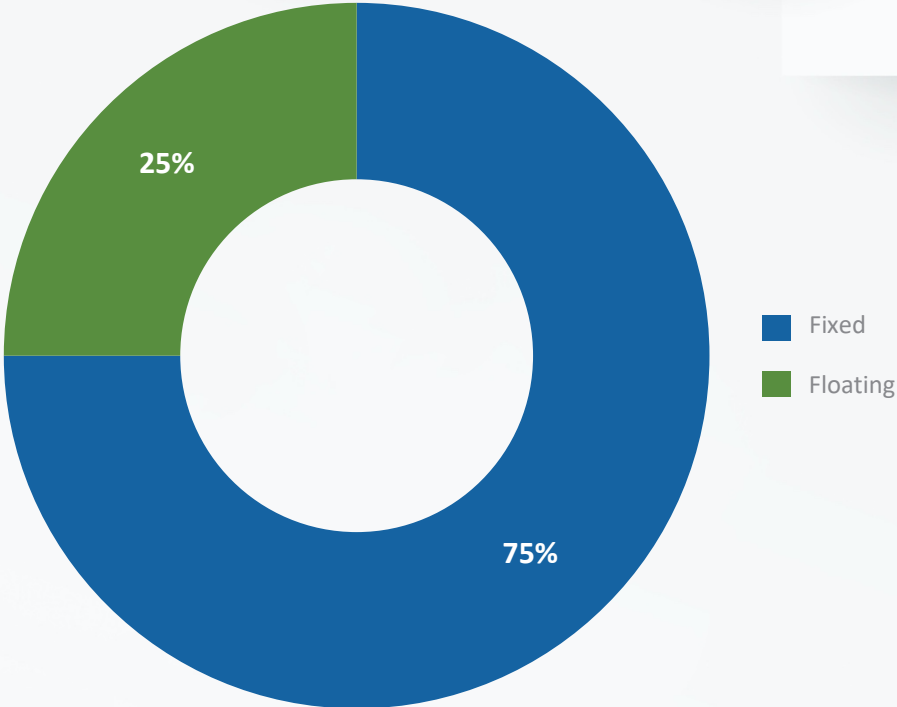




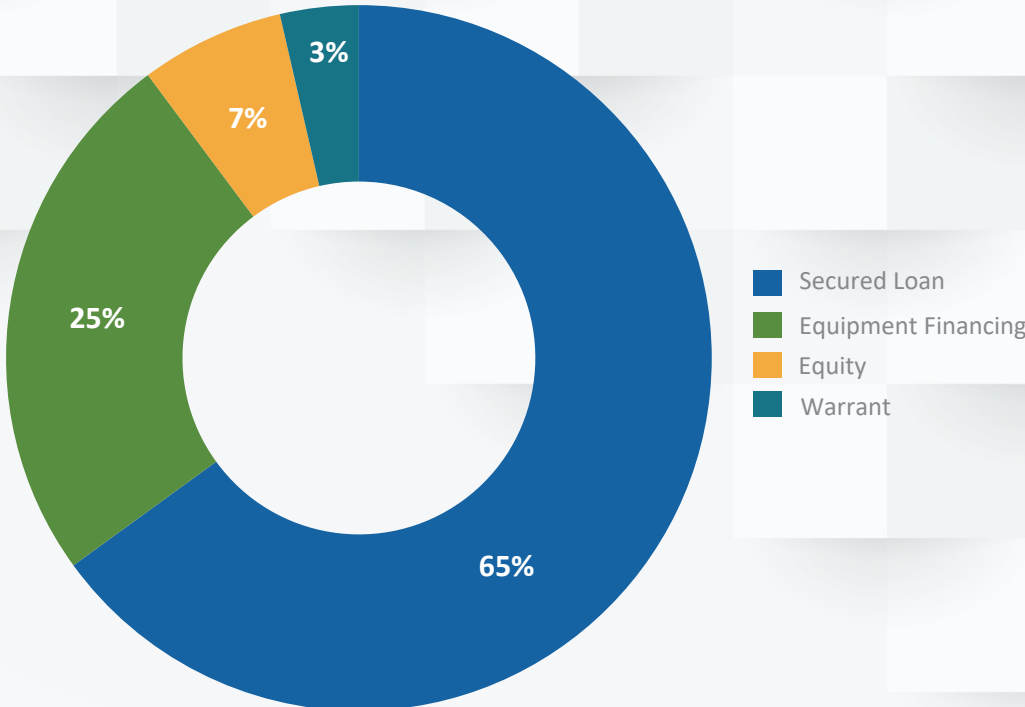
# PORTFOLIO SUMMARY

At December 31, 2020

### Floating vs. Fixed Rate<sup>(1)</sup>



### Investment Type Breakout<sup>(1)</sup>



<sup>(1)</sup> Based on Fair Market Value

# POTENTIAL WARRANT UPSIDE

## 3 Pending Portfolio Company M&A Liquidity Events

- AyDeeKay (Indie Semiconductor), Matterport and Atieva have entered into definitive merger agreements with Special Purpose Acquisition Companies (SPACs)

## 94 Warrant Positions in 60 Portfolio Companies

- GAAP fair value ~ \$17.8 million
- GAAP cost ~ \$17.9 million
- ~ \$35.2 million in nominal exercise value

## Hypothetical Models of Potential Warrant Gains at 12/31/20

- Assume that only 50% of warrants will monetize
- Cost of exercised warrants is ~ \$26.5 million
- Based on 18.3 million shares of common stock outstanding at 12/31/20

### 2X MULTIPLE

- Investment of \$17.6 million (50%)
- Proceeds of \$35.2 million (2X)
- Cost of \$26.6 million
- Potential gain of \$8.6 million or \$0.47 per share

### 3X MULTIPLE

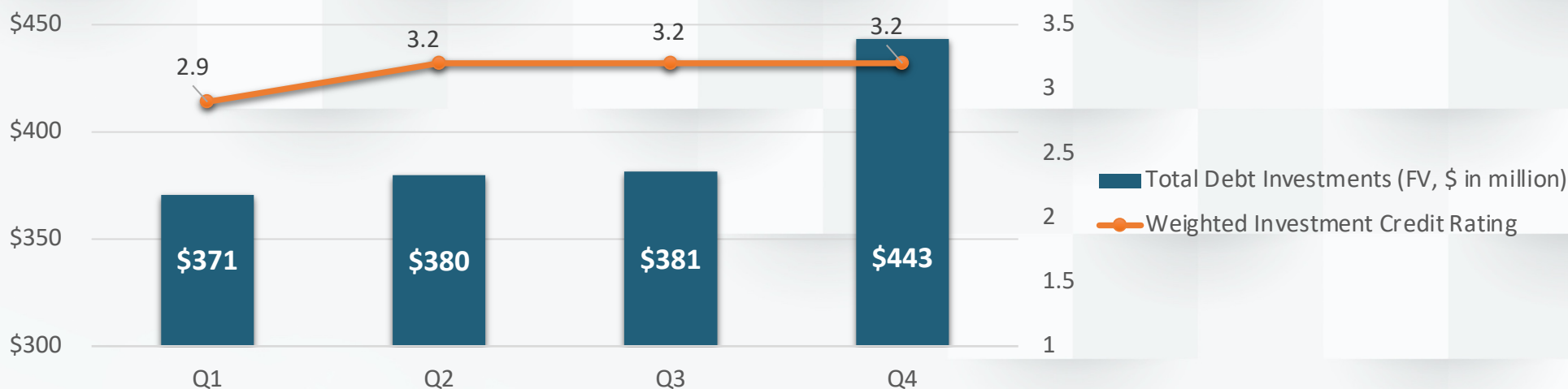
- Investment of \$17.6 million (50%)
- Proceeds of \$52.8 million (3X)
- Cost of \$26.6 million
- Potential gain of \$26.2 million or \$1.43 per share

### 4X MULTIPLE

- Investment of \$17.6 million (50%)
- Proceeds of \$70.4 million (4X)
- Cost of \$26.6 million
- Potential gain of \$43.8 million or \$2.39 per share

# DISCIPLINED CREDIT RATING

Consistent and disciplined underwriting standards



Credit risk rating at Fair Value, Q4 2020 – Q1 2020 (\$ in thousands)

	Q4 2020		Q3 2020		Q2 2020		Q1 2020	
Very Strong Performance (4.0 – 5.0)	\$92,519	20.9%	\$59,767	15.8%	\$63,877	16.8%	\$55,109	14.9%
Strong Performance (3.0 – 3.9)	212,969	48.0%	\$187,844	49.3%	\$176,131	46.5%	\$113,320	30.6%
Performing (2.0 – 2.9)	116,895	26.4%	\$130,263	34.2%	\$135,718	35.7%	\$172,190	46.5%
Watch (1.6– 1.9)	19,230	4.3%	-	0.0%	-	0.0%	\$27,123	7.3%
Default/Workout (1.0 – 1.5)	1,606	0.4%	\$3,502	0.7%	\$3,956	1.0%	\$2,726	0.7%
<b>Weighted Average</b>	<b>3.2</b>		<b>3.2</b>		<b>3.2</b>		<b>2.9</b>	

# TRINITY PORTFOLIO

Sample List of Portfolio

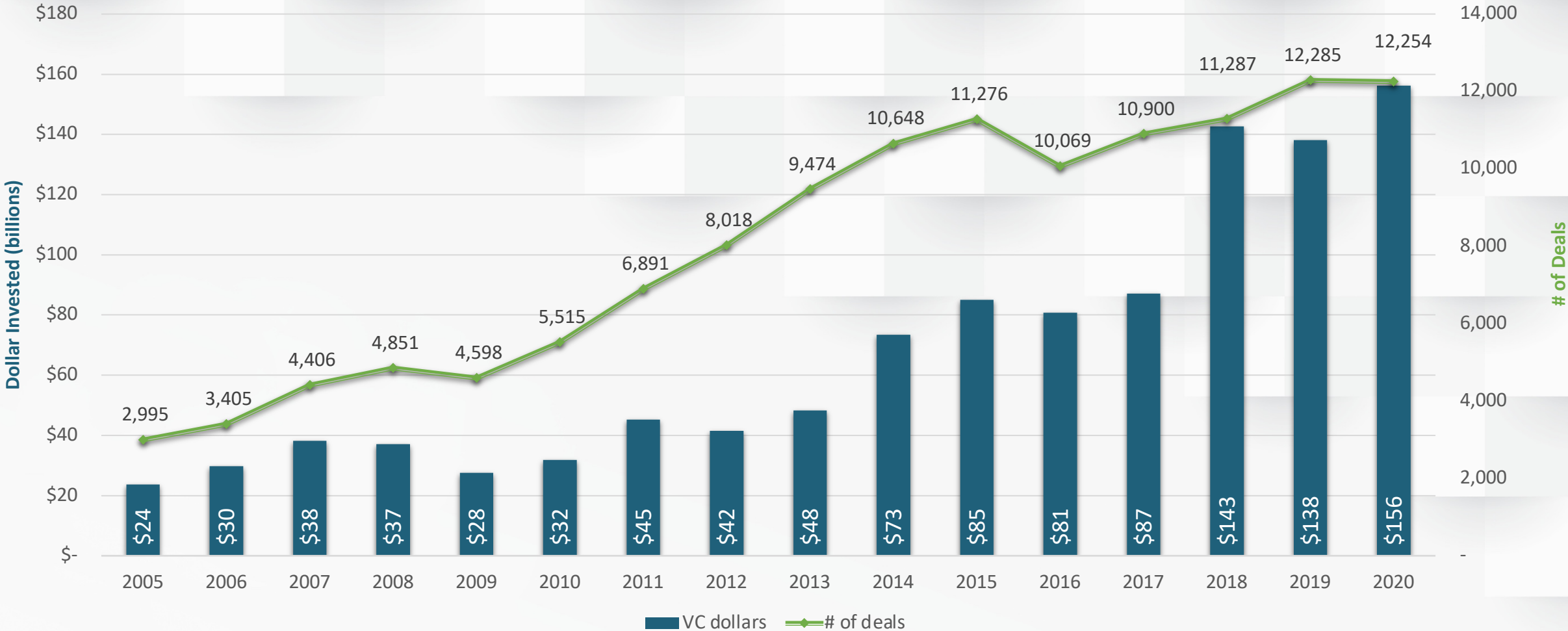
 bh cosmetics®	MADISONREED®	 dailypay	 UNTUCKit <small>SHIRTS DESIGNED TO BE WORN UNTUCKED</small>	IMPOSSIBLE®	 lark	 Because	 matterport®	 SUPER73
 Empyr	 gocheck KIDS™	M O L E K U L E	 RECIPROCITY	 cuebiq	FIREFLY	 happiest baby	Second  Nature	 NATURE'S Fynd
 Yellowbrick	 maxwell	 Equipment Share	 SUN BASKET	 rapidminer	 RoBotany™	 BACKBLAZE	Petal	 DANDELION
 AUGMEDIX	 BOWERY	 Footprint	EXELA	 indie <small>SEMICONDUCTOR</small>	 MIYOKO'S <small>CREAMERY</small> <small>SUNOLLA CALIFORNIA</small>	 INVENIA LABS	ETAGEN	HEALTH-ADE  KOMBUCHA
Pendulum™	 BOWERY <small>THE MODERN FARMING COMPANY</small>	 examity® <small>BETTER TEST INTEGRITY.</small>	 CleanPlanet <small>A DIFFERENT KIND OF CHEMICAL COMPANY</small>	Gobble	 HYTRUST	WOMPLY	BOOSTED	 ZOSANO PHARMA



# VENTURE CAPITAL AND LENDING MARKET

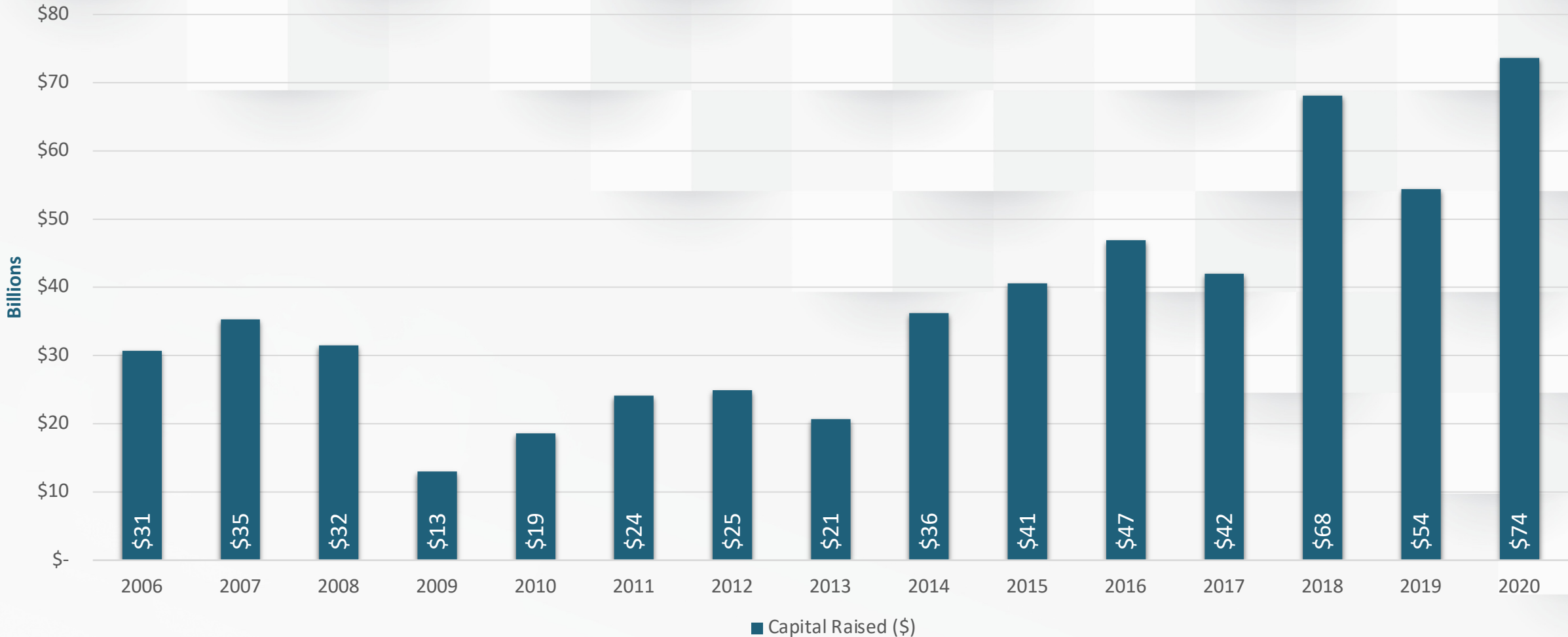
# VENTURE CAPITAL MARKET

US VC deal activity



# VENTURE CAPITAL FUNDRAISING

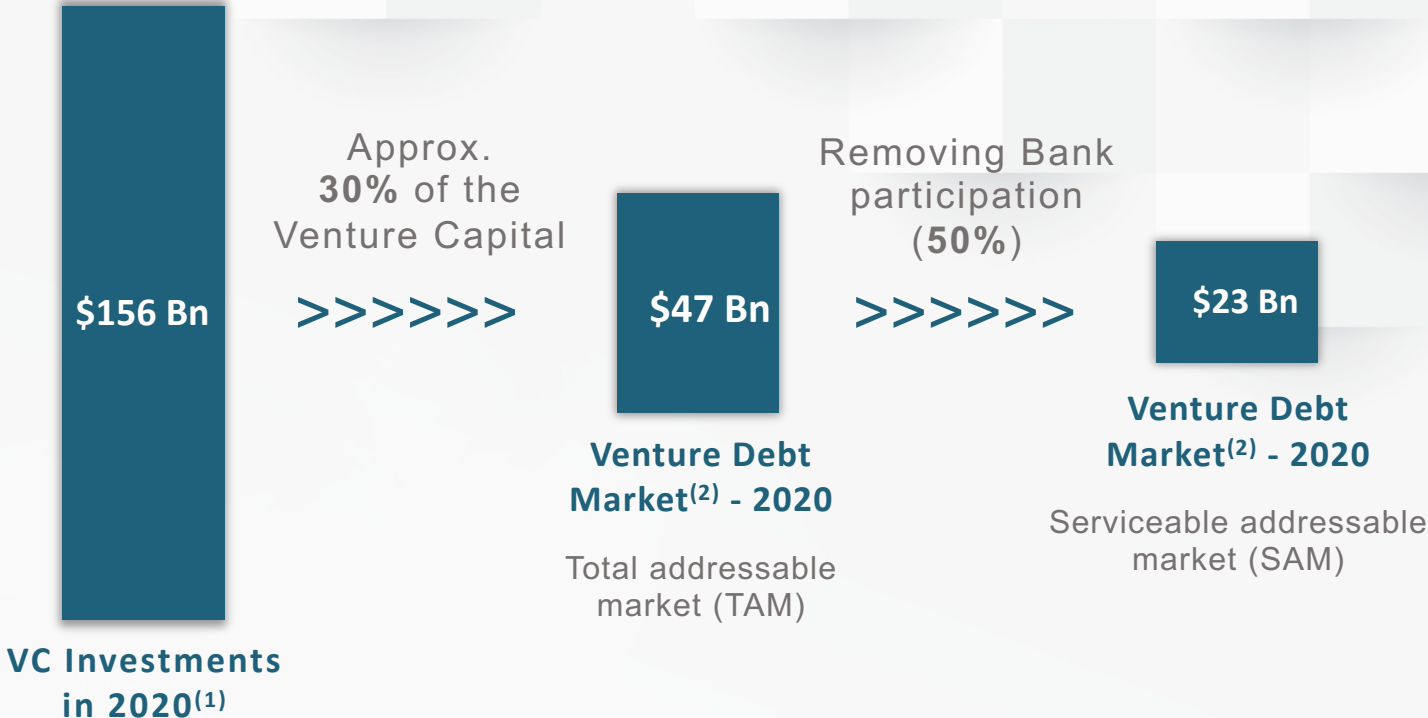
US VC fundraising activity





# VENTURE DEBT MARKET

Opportunity in an underserved market



## LARGE UNTAPPED MARKET IN 2020

- ▶ **\$23 billion** Market Opportunity Capacity<sup>(2)</sup>
- ▶ There were about **10** significant venture debt lenders
- ▶ The top 3 largest players in the industry achieved < **~15%** market share<sup>(2)</sup>

# PARTNERSHIP WITH TOP VCS AND TECHNOLOGY BANKS

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Multiple **shared portfolio companies** with top Venture Capital Firms

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Relationships with **top market share banks** catering to majority of VC-backed companies

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We have established **inter-creditor** agreements with the banks

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Combining with bank debt results in a **lower blended cost** to our customers

---

We provide **equipment financing** and **incremental debt capital**

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# ANALYST COVERAGE

# EXTENSIVE INDUSTRY ANALYST COVERAGE

Followed by six firms



*A Stifel Company*

**Ryan Lynch**

(initiating coverage 2/23/21)



**Finian O'Shea**

(initiating coverage 2/23/21)



**Brock Vandervliet**

(initiating coverage 2/23/21)



**Sarkis Sherbetchyan**

(initiating coverage 2/23/21)



ESTABLISHED 1876

**Christopher Nolan**

(initiating coverage 2/23/21)



**Casey Alexander**

(initiating coverage 2/23/21)



# **SUPPLEMENTAL INFORMATION**

# REGULATION AND STRUCTURE

Trinity Capital Inc. is an Internally Managed BDC under the 1940 Act and Intends to Elect be treated as a RIC for Federal Income Tax Purposes beginning with its Taxable Year ending December 31, 2020

## BUSINESS DEVELOPMENT COMPANY (BDC)

- Regulated by the SEC under the Investment Company Act of 1940 (the “1940 Act”)
- Leverage limited to approximately 2:1 debt/equity
- Investments are required to be carried at fair value
- Majority of Board of Directors must be independent
- Offer managerial assistance to portfolio companies

## REGULATED INVESTMENT COMPANY (RIC)

- Distribute taxable income as dividend distributions to shareholders, subject to approval by Trinity Capital’s Board of Directors
- Mandates asset diversification
- Eliminates corporate taxation
- Allows for the retention of capital gains and/or spillover of taxable income

# THANK YOU

*We look forward to our growing partnership.*



TRINITY  
CAPITAL