

Luna Park Overview

Luna Park Capital Management ("LPCM") is an institutionally backed investment firm focused on credit-oriented opportunities in non-traditional situations – primarily tech and tech enabled companies that fall outside conventional lending or underwriting parameters. With offices in New York and Miami, the firm is led by a seasoned team that have executed, structured and managed more than \$350m in credit-oriented special opportunities globally.

Investment Size
\$8M - \$25M

Term
1-5 Years

Geography
North America & Europe

Strategy Description

Focus is on off-the-run opportunities. LPCM is agnostic to industry and geography (North America & Europe). Target minimum gross revenue of \$20m or ARR of \$13m.

VC Industry Dynamics have orphaned quality businesses which lack "grand slam" potential:

- Sustainable, but slower growth profiles
- Smaller-than-expected total addressable markets (TAM)
- Out of Favor Industries or sectors (e.g. IoT)
- Business model or product transitions
- History of revenue volatility

The scale of misalignment has created an outsized opportunity

- Large and attractive addressable market
- VC and growth equity firms undergoing a prolonged capital unwinding
- Capital chasing outsized growth rates and momentum (e.g. AI)
- Returns to LPs lower than expected
- Asset class in transition (with the top 20 firms capturing ~80% of capital inflows)
- Persistent gap in the mid market
- BDCs increasingly focused on sponsored deals only, with \$30m+ minimums
- Companies in transition: too mature for venture, not yet EBITDA-margin generating

Underwriting Ability

- Rather than specifically underwriting against an absolute level of revenue, EBITDA or cash burn, LPCM seeks to understand the unit economics, business model, history and overall enterprise value

Investment Structures

- Senior Secured Term Loans with warrants
- 12 – 24-month Bridge Loans
- Convertible Debt
- Single Asset Loan Purchases
- Secondary Asset Portfolios
- Venture Leasing

Economics & Security

- 10-13% coupon (floating rate)
- 1-3% origination / Exit Fees
- 10-30% warrant coverage
- Minimum Liquidity & reporting covenants
- Tranche milestones

Uses of Capital

- Transition Capital
- Growth Capital
- Working Capital
- Carve-outs
- M&A
- CapTable Resets
- Special Situations

Industries

- Tech & Tech enabled Services
- Deep Tech
- Software & Related
- Health Tech
- Consumer
- FinTech
- Marketplaces
- IT Services
- Logistics Tech

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