

# TIMIA Capital Presentation

TECHNOLOGY-ENABLED LENDING FOR GROWING SOFTWARE COMPANIES

JUNE 2019

<b>TSXV</b>	<b>TCA</b>
<b>OTC</b>	<b>TIMCF</b>



**TIMIA  
CAPITAL**  
frictionless finance

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# TIMIA Capital

- Unique secured credit facilities to software companies
- Proprietary efficient fin-tech platform closes deals and manages risks
- >22% gross Investment Rate of Return (IRR) over the past 4 years
- Launched new Limited Partnership structure to scale \$AUM
- North American deal focus
- Revenue Growth of >50% for Q1 2019 over Q1 2018
- Revenue Growth of >70% and Positive Net Income in 2018

# Lending 2.0 – The Revolution is Underway

This is  Card.

A new kind of credit card.  
Created by Apple, not a bank.



Business funding in as little as 10 minutes<sup>1</sup>

Apply for quick access to up to \$250,000 with a *Kabbage* line of credit.\*

**Kabbage raises a record \$700 million in debt for its SMB loans platform**



Banks will scramble to upgrade their technology

FORTUNE

FINTECH FEBRUARY 11, 2019 / 4:24 AM / 3 MONTHS AGO

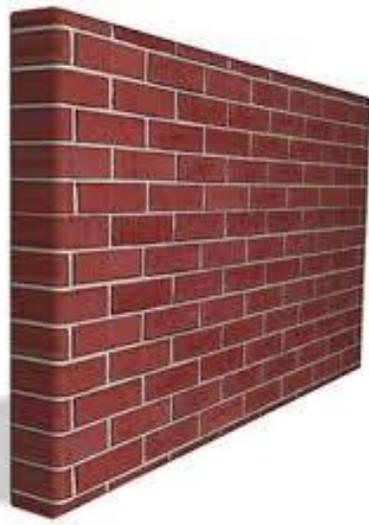


Goldman Sachs, Point72 and others invest \$44 million in business credit startup Nav

# Lending 2.0 – The Revolution is Underway

2010

Dependable  
Sustainable SMBs  
Looking for Financing



Investors Looking for Yield  
through Alternative Asset  
Classes

# Lending 2.0 – The Revolution is Underway

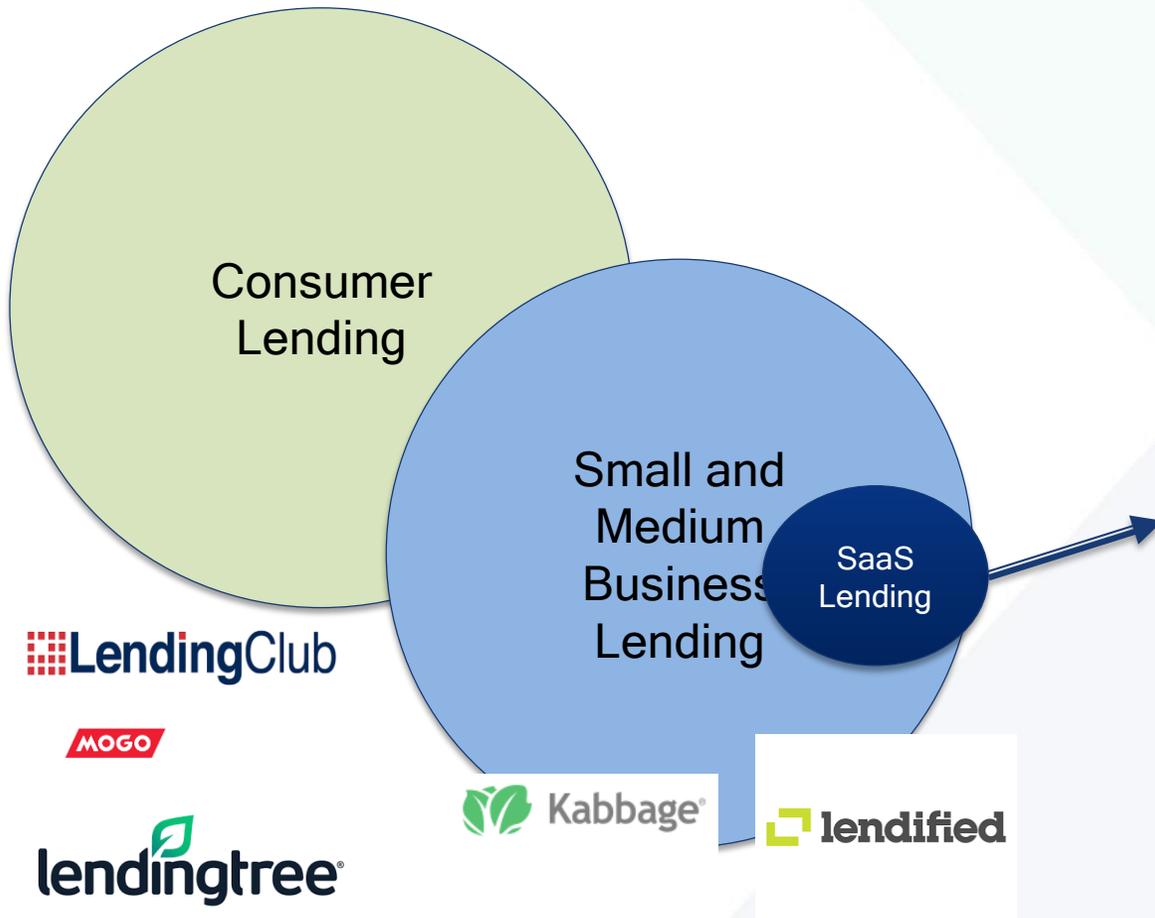
2019



# Meanwhile... Private Credit Market Grows

- Investors seek to supplement low interest rates and market returns
- Private credit market has **tripled** over the last ten years to \$770b (*bloomberg/preqin*)
- Fintech is part of that growth by facilitating lending to under-serviced credit groups
- Global fintech investment topped \$39b in 2018 and 60% of US bank customers willing to try products from a technology firm (*CB Insights*)
- Millennials are more comfortable with on-line systems than in person.
- \$300m in private credit announcements in tech lending in the last month.
- Risk adjusted returns are above the curve.
- Technology allows for lenders seeking transparency down to the individual loan

# TIMIA's fit in the Lending Revolution



- “Cashflow Based Lending”
- SaaS Lending: \$14B market and growing
- Higher risk-adjusted returns than other SMB Loans
- Predictable cashflow = lower risk
- High volume of M&A
- SaaS Lending lends itself to technology, scale

# Why TIMIA Capital?

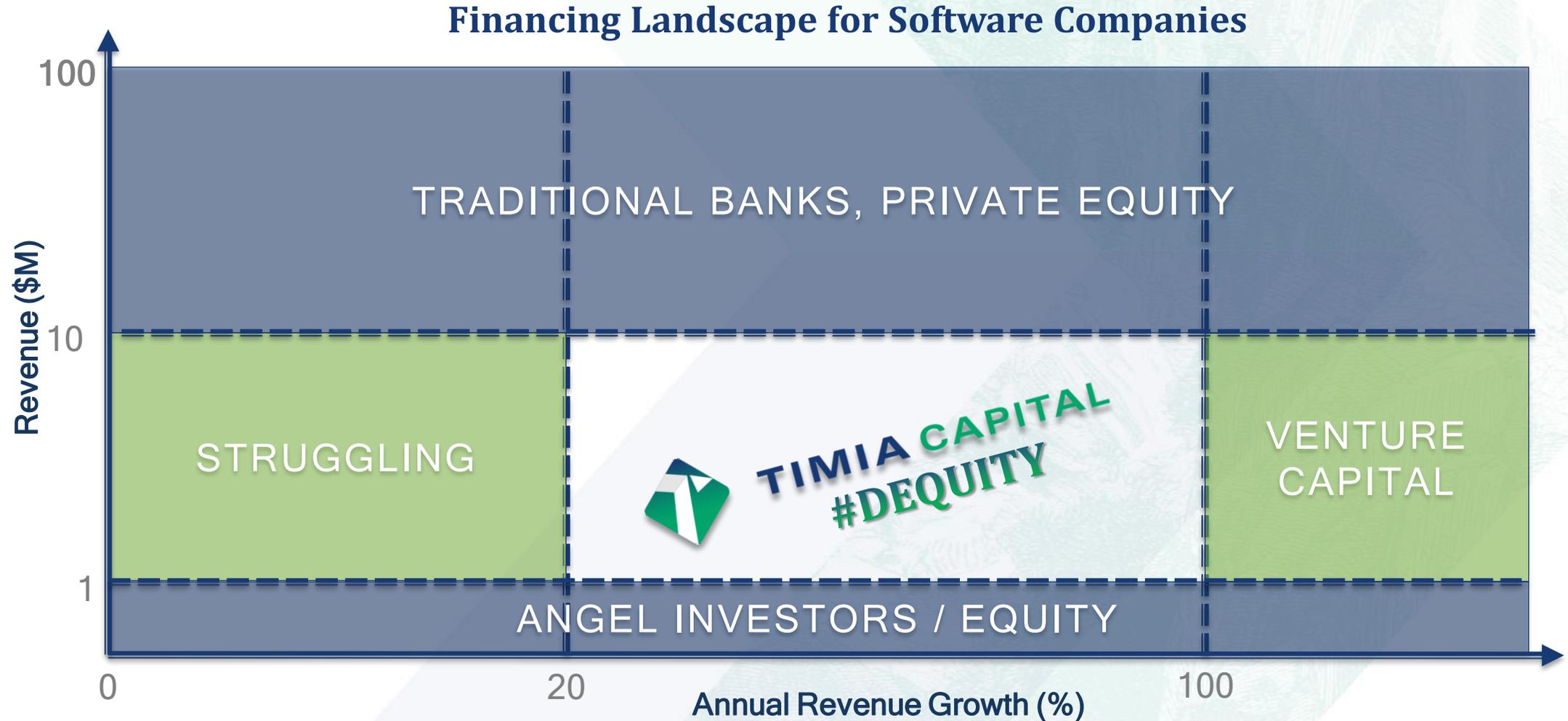
TIMIA Capital is a **publicly-traded, fintech-enabled** platform creating value for shareholders by earning a **great risk adjusted return** on **private capital** while concurrently building a **platform** that has **strategic value** in a rapidly evolving market.

- Platform : Brand, Technology, Team

## Two shareholder investment cases:

1. Building a high powered loan book delivering great risk-adjusted returns, or
2. Creating a high-value strategic platform in a strategically oriented market.

# TIMIA is Pioneering an Underserved Sector



# TIMIA's Focus: Software Revenue Financing

## For TIMIA

- Higher risk adjusted returns secured with a general security agreement
- High homogeneity between Software (“SaaS”) companies means fintech tools are highly valuable
- SAAS companies typically have high gross margins accompanied with high stable growth in cash flow and sales making for greater repayment certainty

## For the Entrepreneur

- “Keep more of your company”
- Ideal financing solution for companies that lack hard assets or have an undeveloped credit history
- Payments can increase over the loan term allowing the company to grow “Pay as they Grow”
- Short loan approval process means less disruption
- No personal guarantees

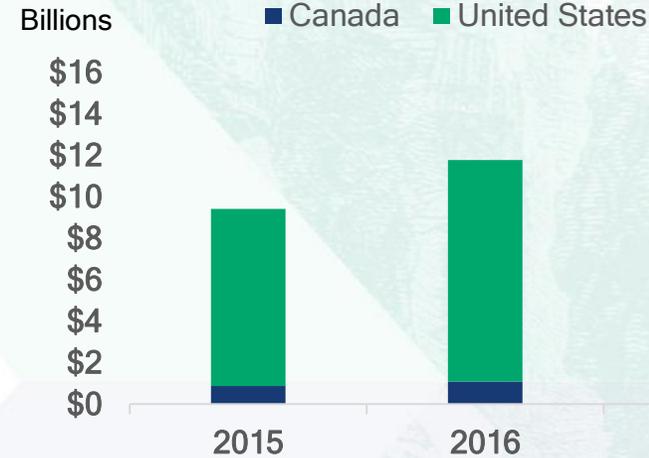
# Why focus on Software Companies

## Strong Security

### “Survivability”

- Recurring Revenue
- Strong Revenue Growth
- High Gross Margins 70%+
- Spending only on growth

## Huge Growing Market

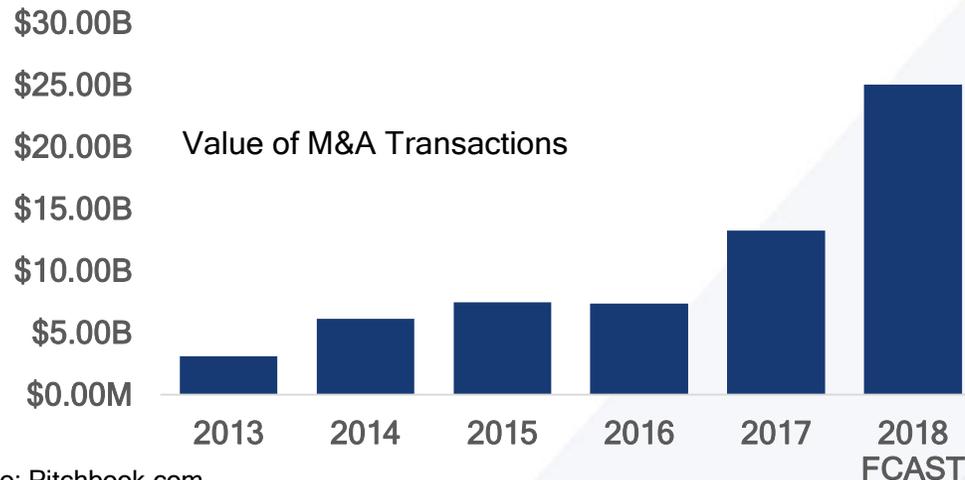


## Total Potential Loan Book

- North America
- Software Companies
- \$1M to \$10M Revenue
- \$14 Billion
- 7,075 Companies
- 25% YoY Growth

Source: Pitchbook.com

## Active M&A Market Enhances Return



Source: Pitchbook.com

## Quantitative Risk Management Program

- Metrics for software companies are standardized
- Efficient due diligence
- Efficient monthly monitoring
- Cherry-pick the best opportunities
- Fintech tools allow for cost-effective underwriting
- Transparency to Investors

# Multiple Income Streams Deliver >22% Gross IRR since 2015

Superior results in Private Equity / Credit

How the returns are made:

Monthly payments from Portfolio Companies

Structured to generate 20% IRR per annum

Buyout Premiums

Have delivered IRRs of 30% to 40% to investors

Warrants

Historically added ~3% annual return

Buyout premiums and warrants are an important part of the overall portfolio return. They have historically accounted for greater than 5% IRR on a portfolio-wide basis.

## EXITED INVESTMENTS

 **iCompass** EXITED

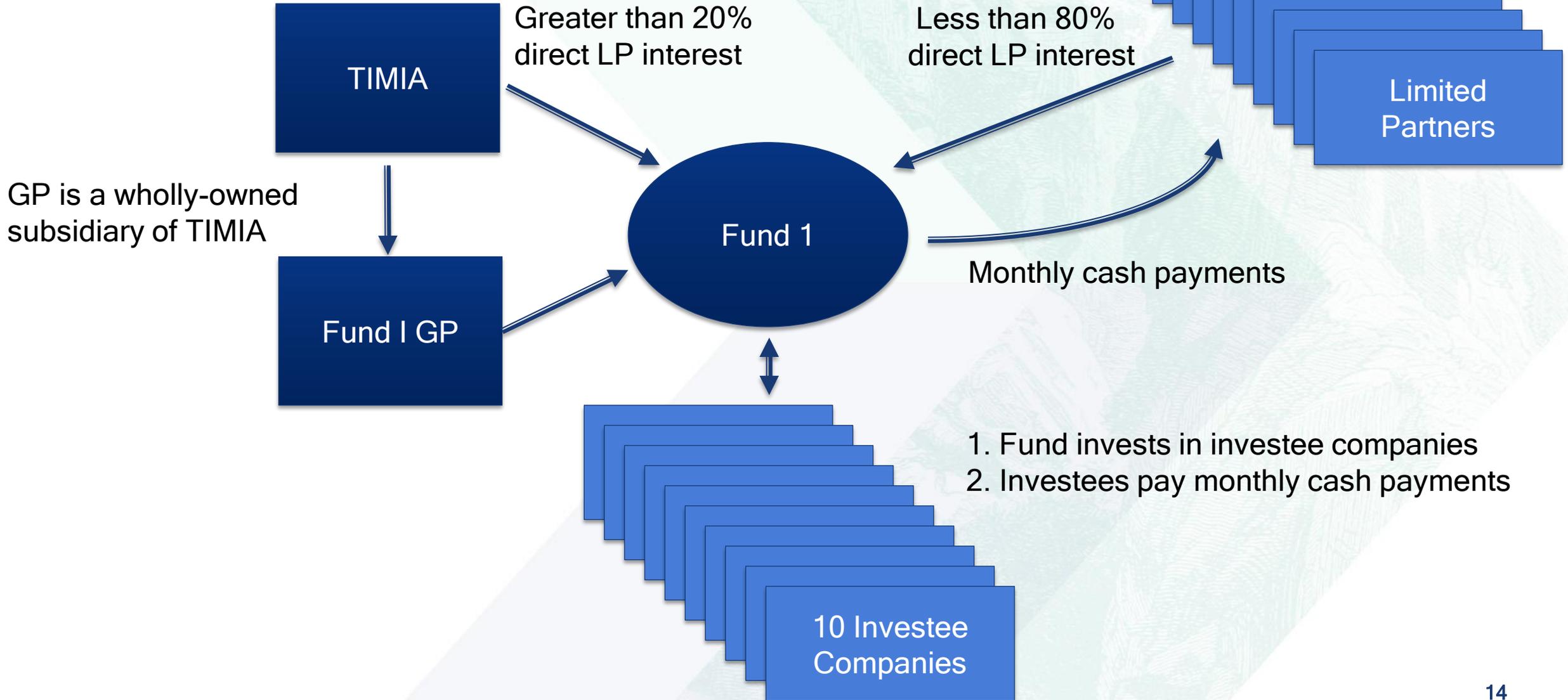
 **quickmobile** EXITED

 **LAMBDA SOLUTIONS** EXITED

 **Beanworks** ACCOUNTING EVOLVED EXITED

 **RISE** EXITED

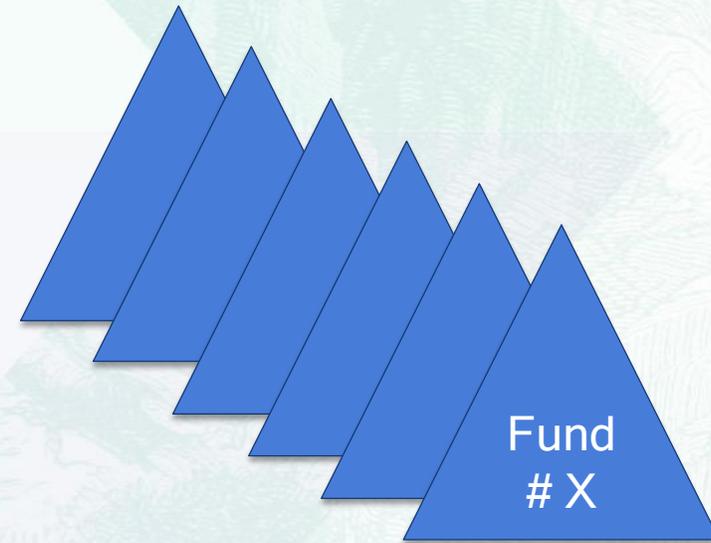
# TIMIA Capital I Limited Partnership



# Future Growth: Non-Dilutive Capital Efficient Scaling

Scaling through Limited Partnerships (LPs) provides opportunity for **significant high margin recurring revenue** without the impact of dilutive equity financing.

TIMIA Capital  
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# Benefits of TIMIA's Public Structure

- Public company provided startup capital, liquidity, and lower cost of capital and continues to deliver transparency for stakeholders
- Industry multiples for positive financial results reflect investor interest in public financials
- Allows company to build a pool of permanent capital to invest in their funds
- Greater value assigned to public companies vs. private companies
- Ability to use equity to attract key staff and Board of Directors
- Platform vs. People: Succession planning.

# Recent Financial Results –Q1 2019 (Feb 28th)

- **Record Total revenue** of \$570,563 was an increase of **58%** from \$360,179 in the same period last year.
- **Assets under management** grew **26%** to \$14,617,521 compared with the same period last year.
- **Loan portfolio (Loan Book)** increased by **218%** to \$13,026,862 over the same period last year.
- **Net loss** of \$255,480 compared to a net income of \$83,106 for the same period last year. Q1 2018 results reflect a gain on investment.
- **Financed US\$3,000,000** of new loans in the US as well as **CAD\$2,000,000** of new loans in Canada.



# Experienced Management Team

**Mike Walkinshaw**  
Chief Executive Officer



- Mike joined the company as the CEO in August 2015
- Co-Founder and Managing Partner of Fronterra Capital
- Managing Partner, CFO at Chrysalix Energy



**Greg Smith**  
Chief Investment Officer



- Greg joined TIMIA as the CIO in September 2015
- Co-Founder and Managing Partner of Espresso Capital
- Business Development Bank of Canada's ("BDC") Technology Seed Investment Group



**Andrew Abouchar**  
Chief Credit Officer



- 20-plus years of experience in Canada's venture capital and private equity industry
- Cofounder and partner in Tech Capital Partners Inc.
- Founder of TCP Property Inc.
- Accountant at PwC
- Investment manager at Working Ventures
- Advisor to the Government of Canada and Province of Ontario
- Board of Ontario Centres of Excellence



**Darren Seed**  
VP - Capital Markets



- Over 20 years of capital markets experience across various exchanges and industries
- Darren joined TIMIA as the Vice President, Capital Markets & Communications (VPCMC) in January 2018
- VPCMC of Avigilon Corporation
- President of Incite Capital Markets Inc
- Raised in excess of \$750 million for previous companies



**Stephanie Andrew**  
VP - Finance



- VP Finance, Espresso Capital
- Founding Partner of the Women's Equity Lab (WEL)
- Executive Director of the Capital Investment Network (CIN)
- MSc in Molecular Biology and Medical Genetics
- MBA at the Schulich School of Business
- CFA charter holder



# Experienced Board

**Howard Atkinson**  
Director



- 30+ years of investment management experience
- Published four books on Exchange Traded Funds
- Former President of Horizons ETFs Management (Canada)
- Member of the S&P/TSX Canada Index Advisory Panel

**David Demers**  
Director



- Was CEO and Co-Founder of Westport Fuel Systems (TSX:WPRT) for over 20 years
- Extensive TSX and board experience
- Strong knowledge of the technology sector

**Thealzel Lee**  
Director



- Vancouver Angel Technology Network (VANTEC)
- Vancouver chapter of the Keiretsu Forum
- National Angel Capital Organization (Canada) and the Angel Capital Association (U.S.)
- Founder of two angel seed funds: Nelsa Investment (VCC) Inc. and VANTEC Entrepreneurs Fund (VCC) Inc.

**Paul Geyer**  
Director



- 27+ years as an investor and serial entrepreneur
- Experienced and active board member, angel investor and venture capitalist
- Built several successful companies including Mitroflow International Inc., Neovasc Inc. and LightIntegra Technology Inc.

**Jan Lederman**  
Director



- Co-Founder & President of Valhalla Private Equity
- Director at Genome Canada
- Past Partner at Thompson Dorfman Sweatman, LLP
- Co-founder of Innovate Manitoba
- Active angel investor and board member

**Robert Napoli**  
Director



- Co-Founder and Managing Director of Promerita Capital Partners
- 20+ years of experience in corporate finance and investment
- Expert in buyouts, acquisitions and growth financing
- Co-founder and VP of First West Capital
- Past President of the Association for Corporate Growth (ACG)

# Monthly Portfolio Risk Management

## Current Portfolio across all vehicles



TRANSIT SCREEN



Predictable Revenue

Avenue



## Consolidated Portfolio Sales Showing Growth



# 2019 Outlook

## Continued Deal Flow Acceleration

- Increased marketing efforts
- Significant increase in quality deal flow from the US

## Non-Dilutive Financing

- Looking to deploy our current cash
- Limited Partnership expansion planned for 2019

## Scaling

- The LP Model requires larger scale to get to cashflow breakeven, BUT allows for significantly less equity dilution meaning higher EPS as we grow.

# Capital Structure

- Shares outstanding
  - **~36.4 MILLION TOTAL OUTSTANDING**
  - **~50.3 MILLION FULLY DILUTED**
- Market capitalization ~\$8.4 million
- Warrants outstanding -10,603,614 with weighted average @ \$0.18. Weighted average remaining contractual life of 2.74 years
- Options outstanding - 3,535,000 with weighted average @ \$0.09. Weighted average remaining contractual life of 2.96 years
- \$2,051,000 convertible debentures @\$0.14 convertible into 14,650,000 common shares. Mature on November 30, 2020
- Insider ownership ~40%

# Investment Highlights

## Delivering Strong Returns

- TIMIA is a fin-tech driven specialty lending platform
- Focused on small to medium size private software companies
- Experienced tech VC management team
- Loans have security protection on downside and equity participation on upside
- 20 loan investments since 2015 inception, 5 successful early exits, **>22% portfolio IRR**
- Strong portfolio, zero bad debt
- Continued revenue growth year over year
- Revenue Growth of **>70%** and Positive Net Income in 2018

## Creating Global Platform

- Proprietary Financial Technology (Fintech) platform lowers risk and makes smaller loans more economic
- Innovative capital structure both accesses low cost capital while improving shareholder return
- Expansion of Private Debt Market providing significant tailwinds.
- Geographic expansion underway to broaden pipeline and expand markets.

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