

# Timia Capital Corp.

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## TIMIA Capital hungry for more deals as its credit financing model is paying off

- **Targets under-served sectors with significant growth potential, such as the cloud**
- **Rapidly growing investment portfolio**
- **Looking for more tech investments in a 'credit hungry' world**

### What TIMIA Capital does:

TIMIA Capital Corp (CVE:TCA) is a specialty finance company, which provides growth capital to technology companies in exchange for payments based on monthly revenue.

It's financing allows SaaS (software-as-a-service) and knowledge-based start-ups to "pay as they grow". The business model is to make money via a combination of monthly payments and periodic gains on its investments.

The companies that TIMIA supports get financing upfront, but it acts like debt because there is no dilution.

It is also worth mentioning that, in TIMIA's target market, there are significantly more companies looking for capital than there are financing options available.

TIMIA's focus is on entrepreneurial management teams who have \$1 million to \$10 million in annual recurring revenue and are aiming to grow.

Its internal rate of return (IRR) target is greater than 20%, calculated over the lifetime of the deal, which is typically five to seven years. Each deal it does is a secured debt, but with a variable repayment stream, tied to revenue.

This form of alternative financing complements both debt and equity financing, while allowing entrepreneurs and existing stakeholders to retain ownership and control of their businesses.

### How is it doing:

In October last year, TIMIA reported soaring revenue and a narrowing of its net loss in its third quarter. As of August 31 - the quarter-end - TIMIA's cash balance was C\$5 million while its working capital amounted to C\$4.7 million.

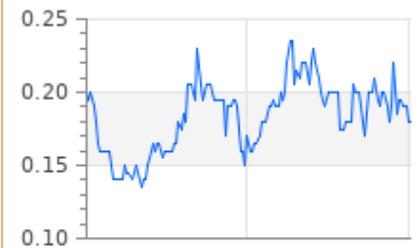
For the three month period, the firm saw revenue climb by 121% to C\$884,231, up from the C\$399,991 hit a year earlier. Its net loss narrowed to \$54,658, or \$0.00 per share, from a net loss of \$413,221, or \$0.01 per share in the same quarter of 2018.

The following month, TIMIA revealed it had boosted its investment coffers thanks to a new C\$7.5 million credit facility from Turnham Green Investments, meaning it now had in effect C\$15 million in financing capacity - the firm will fund the

**Price:** 0.18

**Market Cap:** \$8.24 m

#### 1 Year Share Price Graph



March 2020 September 2020 March 2021

#### Share Information

**Code:** TCA

**Listing:** TSX-V

**52 week High Low**  
0.24 0.135

**Sector:** Investments and investor services

**Website:** timiacapital.com

#### Company Synopsis:

*TIMIA Capital Corporation is a specialty finance company that provides growth capital to technology companies in exchange for payments based on monthly revenue. This alternative financing option complements both debt and equity financing, while allowing entrepreneurs and existing stakeholders to retain ownership and control of their business.*

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other half from its own balance sheet - to help fund growing tech companies.

In January this year, the success of its model was underscored when TIMIA told investors that its first-quarter net income would be positively impacted by the buyout of the financing it has provided to software group BasicGov Systems Inc.

In March, the previous year, Timia had provided C\$2 million to Vancouver-based BasicGov, which offers state and local governments a cloud-platform to streamline operations and cut costs. TIMIA made a 40% return in nine months.

It has also recently provided digital group Zmags and its Creator platform a US\$3 million finance facility to expand its offering.

And last year, it provided an additional US\$500,000 for Washington, DC-based software company TransitScreen Inc, following a first disbursement of US\$1 million announced on May 1, 2019.

### **Inflection points:**

- Financial results
- More deals

### **What the boss says:**

Speaking to Proactive last November, TIMIA'S chief executive Mike Walkinshaw explained how the C\$7.5 million Turnham Green investments facility would benefit Timia, saying it would "increase the amount of investments that we can access, it's going to lower out cost of capital overall and make us a more profitable company, and it's going to give us the freedom to really build up a warehouse full of deals that will then roll off into future limited partnership."

He added: "We offer a unique product into a very specific market and there aren't a lot of people doing that. At the same time the world is credit hungry. The private investment community out there is really looking for credit opportunities. Nobody thinks interest rates are going up any time soon. What we offer to the investment community is the ability to really earn some really great returns on private credit opportunities."

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