



Merchant Cash Advances | Alternative Lending | Vancouver | Founded: 2010 | Employees: 46
<https://www.merchantadvance.com>

PHONE: 1 (604) 757-4602

LINKEDIN: <https://www.linkedin.com/company/merchant-advance-capital-ltd/>

BLOOMBERG: <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=318659559>

Company Overview

Merchant Advance Capital is a financial services company with offices in Vancouver and Toronto focused on providing fast, easy, unsecured financing for SMEs in Canada. The company offers a variety of merchant cash advance programs, lines of credit, and equipment leases to aid small businesses who otherwise would struggle to get loans from traditional lenders like banks. Merchant Advance Capital uses proprietary technology to assess client creditworthiness and has established a partnership program to build its client base.

Senior Management

David Gens: Founder, President, and CEO (Sep 2010-Present); Cofounder & Chairman, Venbridge (2017-Present); President & CEO, Gens Capital Ltd (2010-Present); Board Member, Progressa (2013-Present). Previous: Partner, GBA Equity Partners Inc. (2012-2014); Analyst, CAI Capital Management Co. (2009-2010). Education: BComm, Finance (2009) University of British Columbia.

Alex Chisholm: VP Marketing & Operations (2013-Present); VP Investments, Gens Capital Ltd (2014-Present). Previous: Account Coordinator, Mediatonic PR (2012). Education: B.A. Philosophy (2011) Dalhousie University.

Dominik St-Denis: Head of Underwriting (2012-Present). Education: BComm, Finance, Ryerson University. *Key contributor to Merchant Advance Capital's proprietary underwriting system.

Radik Gens: Chief Technology Officer; President & CEO, Gens Software Ltd. (1995-Present). Previous: Project Manager, Ritchie Bros. Auctioneers (2007-2009); IT Consultant (1996-1998). Education: M.Sc (1971) Lomonosov Moscow State University.

History

At the age of 22, having spent his early career in capital management, David Gens was exposed to unsecured, cash-flow based lending to SMEs in the US and decided to try the idea in Vancouver¹. Along with his father, Radik, David built the initial platform from the ground up and secured clients several months into operation². The first loan was written in March 2010, and additional staff was hired 2 years after inception. Since then the company has partnered with Alpine Credits (2016)³ and data-aggregator Flinks (2017)⁴ to grow its client base and increase tech capabilities. The business continues to seek partners to meet this end and also launched Venbridge in late 2017; offering venture debt to SMEs⁵.

Corporate Structure and Funding

Merchant Advance Capital is set up as a Limited Partnership, where investors pool their money in to a single fund passively managed by the company. The fund covers operating expenses and funds the loans. The company was initially funded by friends and family. Over time, the business was able to secure investors and venture capital

¹ <https://business.financialpost.com/entrepreneur/fp-startups/lending-to-small-businesses-has-proved-a-good-business-model-for-this-young-entrepreneur>

² <https://www.simpleinnovativechange.com/how-david-gens-is-building-a-big-business-by-meeting-small-business-capital-needs-at-merchant-advance-capital/>

³ <https://finance.yahoo.com/news/alternative-lender-merchant-advance-capital-130000377.html>

⁴ <https://techvibes.com/2017/08/25/fintech-partnership-speeding-up-business-loan-approval>

⁵ <https://www.pehub.com/canada/2017/09/3473817/#>

funding. The most recent funding round in March 2018 resulted in a \$30 million debt facility from Comvest Credit Partners.⁶

Key Corporate Developments

Press Releases: <https://www.merchantadvance.com/news-and-press/>
March 15, 2018: [\\$30 Million Debt Facility from Comvest](#)
August 25, 2017: [Partnership with Flinks for Faster Loan Approval](#)
October 21, 2016: [Expansion into Equipment Leasing Business](#)
July 12 2016: [Launch of 'Good Cents Loans' for Sustainable Businesses](#)

BUSINESS HIGHLIGHTS

Strategy and Client Focus

Merchant Capital Advisors have funded over \$160 million in loans since inception. Its client focus is on small retail business over a wide range of industries that have been around for more than 6 months, are Canadian based, and record at least \$5000 in monthly sales. The company's strategic objective is to provide flexible, transparent financing solutions to its clients through a variety of products. A key strength is the quick approval process with loan approval ranging from less than 24 hours up to 5 days.

Products and Pricing

Merchant Cash Advances: Core business offering fast, unsecured loans to businesses to be paid back via a direct payment of daily sales or credit/debit receipts until the loan is repaid. Use of future cash flows for funding is convenient for clients. Fees range from 20-40% of lent amount, and holdback rates are 2-10% of daily sales.⁷ Offered in Flex (no maturity) or Fixed (fixed payments, maturity) options. Average loans \$5000-500000

Lines of Credit: Funding option that includes interest and fees, with no maturity and flexible repayment option. Average loan amounts \$5000-50000.

Equipment Leasing: Financing for equipment leases with a fixed maturity and payment plan including fees and interest. Buyback and early cash-out options available. Average amounts \$5000-500000.

Technology and Distribution

Merchant Advance Capital uses proprietary technology and data models through its online platform to process applications and assess clients' credit. The business operates through its website and handles all distribution and logistics electronically. The business has partnered with payments and credit card companies like Moneris to ensure daily payments are received directly and automatically to create a frictionless experience for its clients.

Marketing/Partnerships

The core marketing efforts are through word of mouth and Merchant Advance Capital's Partnership Program. This program uses profit-sharing and incentives to drive referrals, obtain broker services, grow clients. Affiliate partners are used for web-based advertising through banners and online tools.

COMPETITION

Merchant Advance Capital was a first-mover in alternative lending in Canada. While it has a unique business model it competes with many other fintechs to lend money to SMEs. Its biggest competitors include:

1. **CAN Capital** – (NY, USA) Offers working capital solutions through small business term loans and merchant advances.
2. **OnDeck** – (NY, USA) Provides secured financing for SMEs through term loans and LOCs in USA and Canada. Uses its own business evaluation technology for credit decisions.
3. **Kabbage** – (ATL, USA) Use an automated lending platform to provide working capital funding to SMEs. This company has partnered with Scotiabank to operate and drive growth in Canada.

⁶ <https://betakit.com/merchant-advance-capital-closes-30-million-debt-facility/>

⁷ <https://www.theglobeandmail.com/report-on-business/small-business/sb-money/loans-tied-to-future-sales-offer-flexibility-at-a-price/article9176171/>