



**Venture Debt Financing | Toronto, ON | Founded: 2009 | Employees: 32 | <https://www.espressocapital.com/>**

PHONE: 1-877-604-7733

BLOOMBERG: <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=137315682>

LINKEDIN: <https://www.linkedin.com/company/espresso-capital>

Espresso Capital is a debt financing firm founded in 2009 and based in Toronto, Ontario. They provide secured debt, credit lines, and term loans to technology focused ventures. Raising capital from high net worth individuals, Espresso Capital finances ventures with loans that are worth up to 24 months of recurring revenue. Using a risk management model, Espresso Capital manages to keep loan losses of less than 2% while delivering approximately 10% returns.<sup>1</sup>

#### SENIOR MANAGEMENT

Alkarim Jivraj: CEO (2015 – Present). Previously: Managing Partner, Espresso Capital (2013 – 2015); Founder and Managing Partner, Intrepid Equity Partners (2004 – 2013); Managing Director, Technology Investment Banking, Yorkton Securities (1996 – 2002). Education: BA History (1991), University of Toronto; MBA Finance (1996) Richard Ivey School of Business – University of Western Ontario.

Enio M. Lazer: COO & CFO (2014 – Present). Previously: Partner/Principal, BrightIron & LCA Consulting and Advisory (2011 – 2014), Managing Director, Head of Prime Brokerage and Trading Services, CIBC World Markets (2001 – 2011); Vice President & CFO, The Northern Trust Company (1994 – 2001); Audit & Business Advisory, Arthur Anderson & Co (1990 – 1994). Education: BBA, Accounting, Finance, Economics (1990), Schulich School of Business – York University; CPA (1994).

Gary Yurkovich: Executive Chairman & Founder (2009 – Present). Previously: President, eOptimize Enterprise Scheduling (2007 – 2009); VP Sales & Corporate Development, Brightside Technologies (2005 – 2006); Senior VP, Sales and Marketing, Recipco Corp (2004 – 2004); COO, Resolution Health (2001 – 2004). Education: B.Sc., Biochemistry and Genetics (1977), University of British Columbia; B.Tech., Control Electronics (1980), British Columbia Institute of Technology.

#### HISTORY

Founded by Gary Yurkovich, Greg Smith, Chris Welsh, and Garron Helman in 2009, Espresso Capital was founded to serve technology startups that require funding and unwilling to dilute equity. Starting with a \$2 million SRED Fund I in 2009, they have since grown to five funds with the most recent closing at \$30 000 000 at the end of 2016.<sup>2</sup> Since the beginning of 2009 until now, Espresso Capital has issues over \$240 million in loans in over 715 advances to over 225 different companies. Espresso Capital currently has approximately \$100 million in loans outstanding and was ranked the most active venture debt firm in 2017 by the Canadian Venture Capital and Private Equity Association.

#### FUNDING

Espresso Capital raises funding from high net worth individuals through their funds, Espresso Capital Fund I through Fund V. Limitations to venture funding are from a minimum of \$500 000 to a maximum of \$10 000 000.

#### KEY CORPORATE DEVELOPMENTS

**Aug 2, 2018:** [RBC, Espresso Capital deal provides jolt for tech lending](#)

**Jul 24, 2018:** [ESPRESSO LAUNCHES NEW INDUSTRY LEADING SAAS LENDING PROGRAM](#)

**Mar 26, 2018:** [ESPRESSO CAPITAL RECOGNIZED AS CANADA'S MOST ACTIVE VENTURE DEBT FIRM IN 2017](#)

<sup>1</sup> <https://www.ivey.uwo.ca/cmsmedia/3776581/espressocapitalprofile.pdf>

<sup>2</sup> <https://www.bcsc.bc.ca/ViewDocument.aspx?DocNum=C7M3P6K0X7G5N7FEX6DDN7L9Q7X0>

## BUSINESS HIGHLIGHTS

### STRATEGY

Espresso Capital targets technology-based startups across Canada in their expansionary phases who require capital funding but are not interested in relinquishing equity and control. They act as a bridge between the periods when clients rely on shareholder capital to fund operations and until they are eligible to receive traditional bank financing. Using methods such as Tax Credit Financing, Recurring Revenue Financing, and SaaS specific lending programs, Espresso Capital earns revenue through interest on loans to generate investment returns.

### Products / Pricing

- **Tax Credit Financing:** Espresso Capital offers financing and support for tech startups through Scientific Research and Experimental Development (SRED) tax credit financing where funds can be withdrawn within 10 business days. Clients can draw capital on a quarterly basis while matching eligible tax refundable expenditures and would be able to pay off a portion of the debt using their government issued tax credit.<sup>3</sup>
- **Recurring Revenue Financing:** Clients can elect to borrow funds of between 3 – 6 months of recurring revenue or up to 24 months for qualifying clientele. With custom repayment options, clients can be flexible when choosing their repayment plans. The amount of funding can also increase through growth in monthly recurring revenue, allowing companies capital drawings to grow with their revenue.
- **SaaS Lending Program:** Targeting high performing SaaS startups, Espresso Capital offers larger capital funding with loans up to a maximum of \$10 million or 24 months of Monthly Recurring Revenue.

### Technology

Espresso Capital utilizes technology and AI to evaluate its lending decisions. With Espresso Credit Score, they can use AI to select and isolate potential clients that are poised for success which lowers the risk of defaulting. Accompanying this is Espresso Insights, a software that Espresso Capital uses to detect and solve issues within a company before it can become significant. Jivraj, the CEO claims that this data and technology has helped the firm reduce their rate of loans defaulting by 10x.<sup>4</sup> Finally, they are able to make regular reporting simple through syncing data with accounting software such as Quickbooks or uploading CSV files to their online portal.<sup>5</sup>

### DISTRIBUTION / Logistics

Espresso Capital operates out of three offices in Canada with their headquarters being in Toronto, and subsequent offices in Vancouver and Montreal.<sup>6</sup> Eligible clients can receive funding within 10 business days from their selected choice of funding. Using their online platform, clients can submit financial reports through syncing data from their accounting software or uploading a CSV file.

### Marketing

Espresso Capital utilizes an intuitive online portal for prospective clients and for current clients to submit regular reports. They also sponsor events such as Elevate Toronto to generate publicity for their firm. As of 2016, they have acquired Katie Paterson as their Director of Marketing.

## COMPETITORS

Competitors to Espresso Capital would be venture capital firms that offer debt financing:

1. **BDC** – (Montreal, QC) Bank of Development Canada is a crown corporation owned and operated by the Government of Canada. They offer venture debt financing from \$250 000 to \$35 million.
2. **Firepower Capital** – (Toronto, ON) Firepower Capital is a mid market investment bank and venture debt lender that provides Gap debt financing of up to \$20 million.

---

<sup>3</sup> <https://www.youtube.com/watch?v=AJLqtaJxC1s>

<sup>4</sup> <https://betakit.com/rbc-partners-with-espresso-capital-to-fuel-canadian-tech-lending/>

<sup>5</sup> <https://www.youtube.com/watch?v=SWXUjZYpdQs>

<sup>6</sup> <https://betakit.com/rbc-partners-with-espresso-capital-to-fuel-canadian-tech-lending/>