

Financing for a Video Streaming Technology Start-Up

By: Adrian Isaacs, CPA, CA, Founder and Managing Partner at Isaacs Advisory

The Need:

With a strong leadership team in place and after funding the initial R&D, our client was launching a video streaming platform to disrupt this marketplace. Their web platform was live and the company had already onboarded several popular content creators including having over 10,000 videos on the platform.

With a comprehensive User Acquisition Plan and having completed several key milestones, they were looking at debt financing as a more cost-effective solution than raising more equity.

More specifically, they were looking for a solution to finance their app & live streaming development and some computer servers so they could use the cash from their equity raise to fund the initial operating losses while the business grew to breakeven and profitability.

The Solution:

We were able to source them a \$350,000 Canadian Small Business Financing Loan ("CSBFL") from a traditional lender which was used to fund the development and server costs noted above.

Of note, this loan could be repaid over a 7-year term, included a 25% unsecured limited personal guarantee and could be repaid in full at any time during its term without penalty.

The End Result:

This solution enabled our client to avoid having to raise more equity to fund these costs, and could therefore preserve a portion of their equity they had already raised to fund the operating losses which are not costs that banks typically finance. The client was also busy with starting the business, so having our team do all the "leg-work" enabled them to focus on the core business; not sourcing financing.

At Isaacs Advisory, we have extensive experience in advising on, structuring, and sourcing a wide range of traditional and non-traditional financing solutions from small and medium sized businesses.

For more information on raising financing solutions for a start-up, early stage, growth, in-transition or business in distress, please contact Adrian Isaacs at (416) 835-4511 or aisaacs@isaacsadvisory.ca.