August 15, 2016

Financial Technology Partners LP

FT Partners Research - Transaction Profile



\$52,500,000

including equity from









and a credit facility from



Courtesy of:



The Only Investment Bank Focused Exclusively on Financial Technology

www.ftpartners.com



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Finova Raises \$52.5 mm in Financing

Transaction Summary

Transaction Summary

- On August 10, 2016, Finova Financial announced that it has raised \$52.5 million in a combination of equity and a credit facility
- Participants in the round included MHS Capital, Refactor Capital, Metamorphic Venture, 500 Startups and several individual investors
 - CoVenture provided the credit facility
- Finova will use the funding to grow its low-cost, all-digital lending platform serving the auto title loan marketplace
- 70 million financially underserved Americans spend \$138 billion in fees and interest annually on alternative financial products
- The Company is planning to offer a series of digital financial services products in response to the growing needs of consumers outside the formal financial system

Previous Equity Financing					
Date	Round	Size (\$ mm)	Investors		
1/28/16	Seed	na	500 startups		

Selected Commentary

"Finova Financial was launched to help consumers get critically-needed cash without the traditional barriers of high interest rates, inconvenient application processes and restrictive payment terms of the auto title lending industry. As a company committed to social impact, we see Finova Financial as being an advocate for consumer financial well-being through improved access to credit, better repayment terms and lower costs."



Greg Keough
Chief Executive Officer



"We are excited to have received an investment from 500 Startups and become part of the 500 Startups family. As a top tier Silicon Valley venture capital firm they make for an ideal partner as we continue to grow our business nationally."



Derek Acree Chief Operating and Legal Officer



"Greg and his team have done an incredible job of building the financial technology company of the future to cater to the very specific needs of the non- and under-banked in the U.S. Finova has earned great traction, and we look forward to working closely with them as they scale rapidly, giving consumers the opportunity to get back on track financially."

REFACTOR CAPITAL David Lee Co-founder and Managing Partner





Finova Raises \$52.5 mm in Financing

Finova Overview

Finova helps consumers get cash without the traditional barriers of high interest rates, inconvenient application processes and restrictive payment terms

Company Overview			
Headquarters:	West Palm Beach, FL		
Founded:	2015		

- Finova Financial is a cloud and mobile-based consumer auto title lending platform
- The Company's Car Equity Line of Credit (C-LOC) product provides an alternative to traditional auto title loans
- C-LOC helps customers establish or rebuild credit through transparent loan repayment terms

Management Team



Gregory Keough, Chief Executive Officer

- Previously CEO of MasterCard and Telefonica Global joint venture (MFS)
- Comprehensive experience with start-ups,
 FinTech, and underbanked financial services



Derek Acree, Chief Operating & Legal Officer

- Previously General Counsel for MFS
- Over 15 years of experience in corporate and business law

Finova C-LOC



Instant Decisions

Finova's proprietary software assesses creditworthiness and future loan performance, even with little or no credit history



Lower monthly payments

Costs 70% less than the national average due to innovative assessment approach and automated online process



Online access

Application, approval and payment processes can be completed online



Finova Points

Points accumulate with timely payments, which can be used to move a payment to a later date in case of emergencies



12 months to financial health

Finova loans have a minimum 12-month repayment term rather than the traditional 30 days. Part of each payment goes towards principal



Improved Credit score

Finova reports to the credit bureaus, allowing customers to improve their official credit scores



FT Partners' Track Record of Success in the Alternative Lending Space

Student / Personal Loan



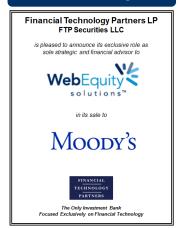
Asset Backed Loans Financing



Consumer Home Improvement Financing



SaaS-based Loan Origination



Consumer Marketing / Credit Lead Generation



SMB Financing



Contractor Financing



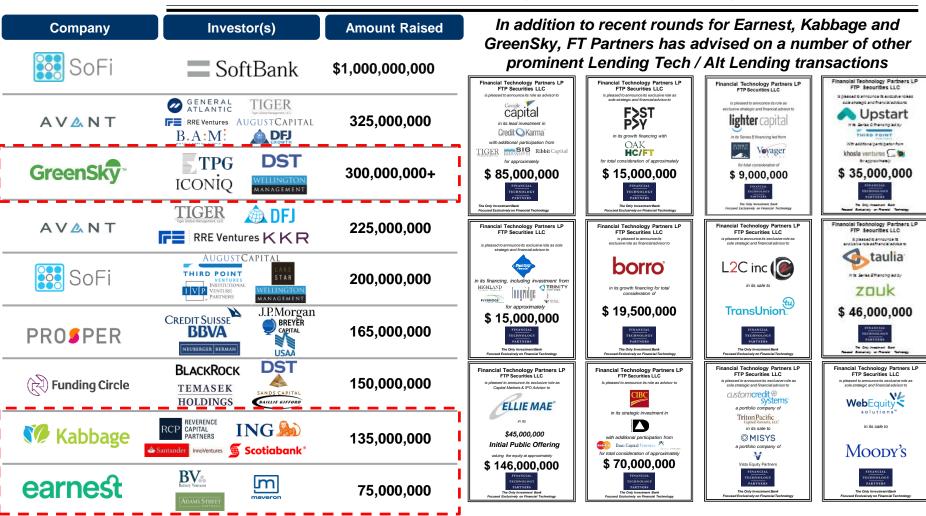
Supplier Finance Solutions





FINANCIAL
TECHNOLOGY
PARTNERS

FT Partners Advised on Three of the Largest Alternative Lending Transactions



FT Partners Advises GreenSky in its \$300mm Minority Investment

Transaction Overview and Rationale

Overview of Transaction

- GreenSky completed a minority \$300 million financing round from TPG, DST, Iconiq and Wellington Management
- The Company provides an online loan platform that allows businesses to offer flexible credit programs to their customers – promoting higher transaction values and driving sales growth
- GreenSky's proprietary, technology-driven platform enables partners to make informed, real-time credit decisions and allows for real-time transaction processing
- The Company has grown to be a leader in the emerging Alternative Lending space, with a particular focus on home improvement financing

Significance of Transaction

- Represents the largest private equity financing in the Alternative Lending space to date
- Demonstrates a fundamental shift in lending customer acquisition models away from traditional banks and towards specialists like GreenSky
- This transaction positions GreenSky as a clear leader in Alternative Lending and enables the company to continue to innovate and bring additional products to market

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to GreenSky and its Board of Directors
- FT Partners leveraged its deep knowledge, extensive experience and broad industry relationships to help achieve a highly favorable outcome for the Company
- Transaction demonstrates FT Partners' continued success advising top-tier financial technology companies

Financial Technology Partners LP FTP Securities LLC

is pleased to announce its exclusive role as financial advisor to



in its minority investment from





for total consideration of

\$ 300,000,000



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FT Partners Advises Kabbage on its \$135mm Minority Financing

Transaction Overview and Rationale

Overview of Transaction

- On October 14, 2015, Kabbage announced a minority \$135mm Series E equity financing round
- The round was led by Reverence Capital Partners as well as ING. Santander InnoVentures and Scotiabank
- Additional new investors include China's Yuan Capital and Japan's Recruit Strategic Partners; existing investors BlueRun Ventures, UPS Strategic Enterprise Fund and Thomvest Ventures also participated in the round
- In conjunction with the equity raise, Kabbage also increased its credit facility by more than threefold to over \$900mm to fuel the expansion of its direct lending business
- Kabbage is the leading technology and data platform powering automated lending; the Company leverages numerous data sources generated through business activity to better understand performance and deliver fast, flexible funding in real time

Significance of Transaction

■ The transaction represents one of the few times in recent history that multiple global financial institutions have invested in a U.S.-based financial technology company, suggesting the potential for Kabbage's world-class platform to change the landscape of lending worldwide

FT Partners' Role

- FT Partners served as strategic advisor to Kabbage in this groundbreaking transaction
- Transaction demonstrates FT Partners' continued success advising on \$100mm+ financings for leading, world class financial technology companies while also building on the Firm's deep domain expertise in the Alternative Lending space

Financial Technology Partners LP **FTP Securities LLC**

is pleased to announce its role as advisor to



in its Series E minority financing led by











for total consideration of

\$ 135,000,000



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FT Partners Advises Earnest on its \$75mm Minority Financing

Transaction Overview and Rationale

Overview of Transaction

- On November 17, 2015, Earnest announced a minority \$75mm
 Series B equity financing round
- The round was led by Battery Ventures with participation from Adams Street Partners and existing investors, including Maveron
- Earnest plans on using the equity financing to continue building out current technology, data and engineering teams
- In conjunction with the equity raise, Earnest also announced an additional \$200mm of institutional lending capital from New York Life and others
- Additional lending capital will enable Earnest to introduce new products, tools and resources in the near-term as the Company is planning expansion into additional consumer finance verticals
- Earnest is a leading technology-enabled alternative lending company that is intent on disrupting consumer lending; the Company utilizes superior technology to provide lending and refinancing solutions to consumers at better rates than traditional lenders

Significance of Transaction

- This transaction capitalizes on Earnest's strong growth and traction to further establish the Company as a leading technology-enabled alternative lender
- Firmly positions the Company to expand its products and services and continue to disrupt the consumer lending space

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Earnest and its Board of Directors in this monumental transaction
- Transaction demonstrates FT Partners' continued success advising on large financings for leading, world class financial technology companies while also building on the Firm's deep domain expertise in the Alternative Lending space

Financial Technology Partners LP FTP Securities LLC

is pleased to announce its role as exclusive strategic and financial advisor to



in its Series B minority financing led by







for total consideration of

\$75,000,000



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Selected FT Partners' Alternative Lending Research (click to view)



CommonBond Raises \$30 mm in Series C Financing led by Neuberger Berman



Qufenqi Raises \$449 mm in Financing



Weidai Raises \$153 million in Series C Financing



Mosaic Raises \$220 mm in Financing led by Warburg Pincus



Affirm Raises \$100 mm in Financing led by Founders Fund



LendUp Raises \$150 mm in Equity and Debt Financing



Lending Club IPO: Post Quiet Period Review



OnDeck IPO: Post Quiet Period Review



FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 13 years of exclusive focus on Financial Technology. Please visit our <u>subscription form</u> to subscribe to our exclusive monthly newsletter and receive our research reports.

Award-Winning Investment Banking Franchise Focused on Superior Client Results

FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition





The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin Founder, CEO and Managing Partner	Goldman Sachs	 Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	21
Larry Furlong Managing Director	Goldman Sachs	 Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. 	21
Greg Smith Managing Director	Merrill Lynch J.P.Morgan	 Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee Recent coverage included V, MA, DFS, GPN, TSS, HPY DST, ENV, FISV, FIS, JKHY, WU & EEFT among others 	20
Steve Stout Managing Director	J.P.Morgan First Data	Formerly with J.P. Morgan and UBSFormerly Global Head of Strategy at First Data	18
Tim Wolfe Managing Director	Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners beginning in 2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A.		14
Andrew McLaughlin Managing Director, Research & Business Development	Deloitte.	 Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	10

