

December 15, 2014

Financial Technology Partners LP FTP Securities LLC

Transaction Profile:

Fortress Investment Group Acquires Microfinancial for \$147 million



FORTRESS

acquires



Courtesy of:

FINANCIAL
TECHNOLOGY
PARTNERS

***The Only Investment Bank
Focused Exclusively on Financial Technology***

Financial Technology Partners
555 Mission St., 23rd Floor
San Francisco, CA 94105
Tel: 415.512.8700

www.ftpartners.com



Steve McLaughlin
Managing Partner
Tel: 415.992.8880
steve.mclaughlin@ftpartners.com

Highly Confidential and proprietary information. Unauthorized distribution without prior consent from Financial Technology Partners LP or FTP Securities LLC (together "FT Partners") is strictly prohibited.
This communication should not be regarded as an offer to sell or as a solicitation of an offer to buy any financial product or service, nor is it an official confirmation of any transaction, or representative of an official position or statement of Financial Technology Partners LP, FTP Securities LLC or any other related entity. FTP Securities LLC is a FINRA registered broker-dealer. © 2014.

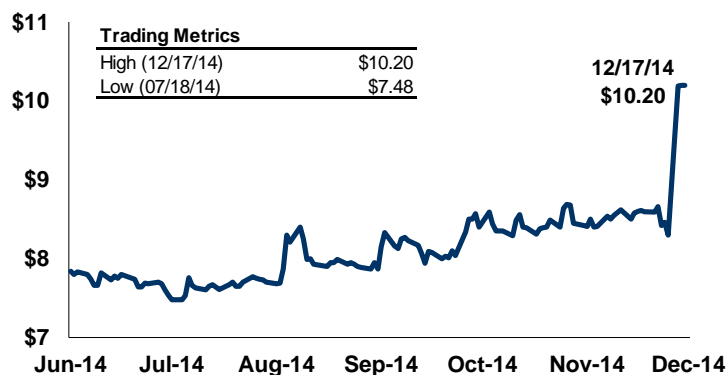
Fortress Investment Group Acquires Microfinancial

Transaction Overview

Transaction Overview

- On December 15, 2014, Microfinancial (NASDAQ: MFI), a commercial micro-ticket leasing and financing provider, announced that it had entered into an agreement to be acquired by funds managed by Fortress Investment Group (NYSE: FIG)
- The deal was priced at a share price of \$10.20 – a 23% premium over the prior closing price – or a total consideration of approximately \$147 mm
- Prior to the closing of the deal, Microfinancial plans to also declare a \$0.08 dividend on all of its outstanding common shares due either on the acceptance date of the Tender Offer or by January 12, 2015
- The transaction was reviewed by Microfinancial's Board of Directors and was unanimously approved with the recommendation for shareholders to approve the Tender Offer
- Prior to the announcement of the Tender Offer, the company's stock was priced at \$8.30, with a book value of \$6.31
- In order for the Tender Offer to close, two thirds of the total diluted shares of Microfinancial must be tendered

Microfinancial Stock Price



Company Reaction

"We believe that the share price of \$10.20 per share represents a compelling value for our shareholders. The price represents a significant premium over the current trading price and our book value."

– Richard F. Latour,
Chief Executive officer of
Microfinancial

Fortress Investment Group Acquires Microfinancial

Microfinancial – Overview

Overview

- Microfinancial, based in Burlington, MA – and formerly known as Boyle Leasing Technologies – provides financing and leasing services to small and medium businesses via its subsidiary TimePayment
- TimePayment also allows for businesses to lease their commercial equipment to other businesses
 - Some examples of commonly leased items include: ATM machines, credit card terminals, computer and computer accessories, vending, machines, kitchen and food preparation equipment, Health-related equipment and water purification systems
- Financing options typically are in the range of \$500 - \$100,000

TimePayment for Lease Brokers

- With TimePayment, lease brokers receive a series of benefits and tools to allow them to conduct their business better and more efficiently
- Quick credit decisions and funding within hours of request greatly speed up the ability of brokers to provide lending to businesses of all sizes
- The solution also provides the ability to choose a commission amount, which allows for increased flexibility based on customer type or business size

TimePayment for Equipment Sellers

- Using the TimePayment product, equipment sellers can offer customers complete financing for equipment purchases
 - Financing options work to increase sales by enabling businesses, regardless of size, to purchase the company's products
- TimePayment's solution eliminates paperwork by processing and approving all elements online via a simple user interface
- TimePayment, unlike most common credit cards, provides the funds for the full invoice amount, reducing liability on the seller

TimePayment for Equipment Buyers

- Purchasing equipment with TimePayment's solutions is fast and hassle free
- Buyers can apply directly online and quickly learn the maximum amount that can be financed to better plan their future equipment purchase
- Affordable fixed monthly payments and minimal upfront cost allow for small businesses to manage their monthly cash flow more easily
- Lease payments can be tax deductible as an operational expense further reducing the liability on the company

Fortress Investment Group Acquires Microfinancial

Microfinancial – Overview (cont.)

Key Business Highlights

Micro-Ticket Transactions

- Allows for transaction processing with very little up-front cost

Provides Credit Sourcing

- Helps to reduce in-house credit lines allowing them to be used on other business expenses

Multi-Tiered Pricing Model

- Provides customization depending on company or organization size

Sales Fulfillment, Sales Consulting and Sales Training Programs

- Product covers the full spectrum of sales related activities covering both training and execution

Key Driver: Automation

- Greatly reduces the hassle of buying and leasing equipment



microfinancial

Fortress Investment Group Acquires Microfinancial

Microfinancial – Overview (cont.)

TimePayment

- **Online credit approval and sales management tool for equipment vendors and brokers**
- Consists of five main capabilities
 - **Online Lease Submittal:** Provides the ability to submit customer lease applications online
 - **Lease Calculator:** Allows sales team to automatically calculate a customer's taxes and lease payments
 - **ReadyDocs:** Online documentation and signature solution
 - **Mobile Application:** Android and iOS applications allow for access to product while on the go
 - **eCommerce Payment Solution:** Allows for a monthly payment option for online sales and incorporates into shopping cart plug-ins

■ Key Highlights:



100% Funding

To Equipment Seller



Funding

Within Hours



Broadest

Range of Industries Supported



Transactions

\$500 to \$100,000+



Complete

Range of Credit Supported



Credit Decisions

In Seconds



Mobile

Devices Supported



Leases

Residential & Commercial

Fortress Investment Group Acquires Microfinancial

Fortress Investment Group – Overview

Fortress Investment Group Overview








Assets Under Management: \$66 billion

Founded: 1998

- Leading, highly diversified global investment manager with over \$60 bn in assets under management
- Consists of multiple fund types including Private Equity, Credit and Hedge Funds
- Private equity buyout arm focuses on companies with valuable and unique assets with strong growth potential, barriers to entry and stable cash flows
- Focuses on five main investment competencies: Asset-Based, Industry Knowledge, Operations Management, Corporate M&A and Capital Markets and Energy / infrastructure
- Invests in a global and diversified mix of businesses, including Transportation, Financials, Healthcare, real Estate, Media & Telecommunications and Energy

Selected FinTech Investments

Close Date	Company	Description
10/21/14	 OMNISURE	Offers payment plans for the retail vehicle service and home service industries
10/06/14	 SNAPCARD	Provides a platform to help increase liquidity to the Bitcoin currency by allowing users to make payments to any bills and taxes with Bitcoin
06/09/14	 Commerce Benefits Group	Company provides a series of insurance administrative support services including claims management
07/08/13	 xapo	Delivers online and online security solutions for Bitcoin and Bitcoin transactions
11/1/10	 Springleaf Lending made personal	Leading consumer finance company focused on providing loan products via internet lending platform

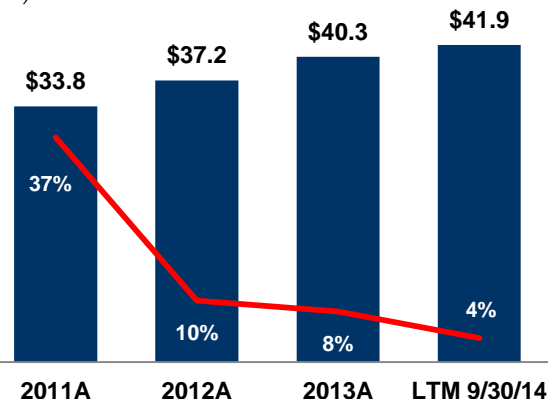
Fortress Investment Group Acquires Microfinancial

microfinancial

Microfinancial Historical Financial Performance

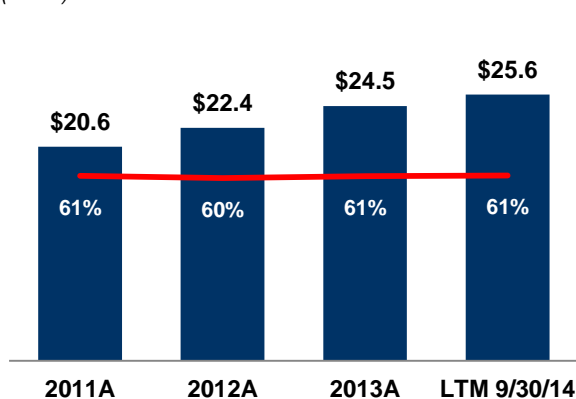
Annual Revenues / Growth Rate

(in mm)



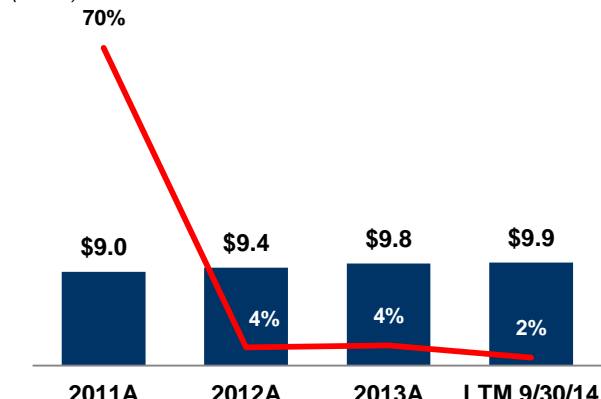
Annual EBITDA / EBITDA Margin

(in mm)



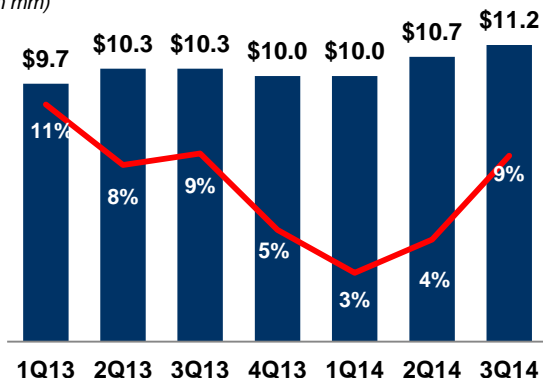
Annual Net Income / Growth Rate

(in mm)



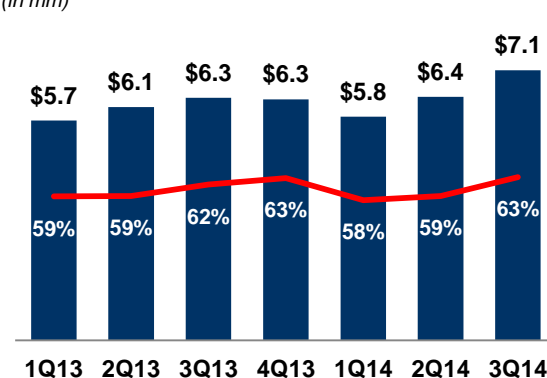
Quarterly Revenues / YoY Growth Rate

(in mm)



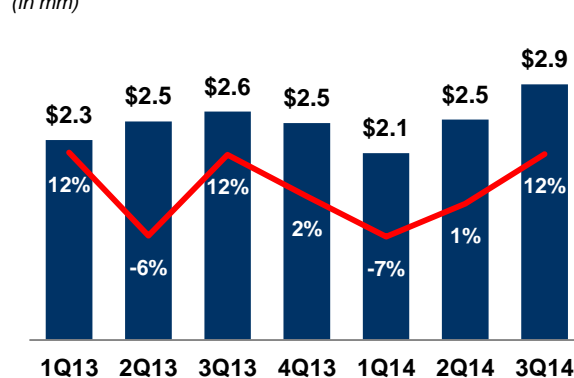
Quarterly EBITDA / EBITDA Margin

(in mm)



Quarterly Net Income / YoY Growth Rate

(in mm)

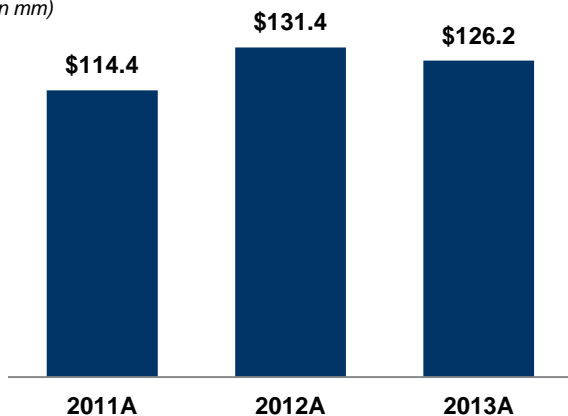


Fortress Investment Group Acquires Microfinancial

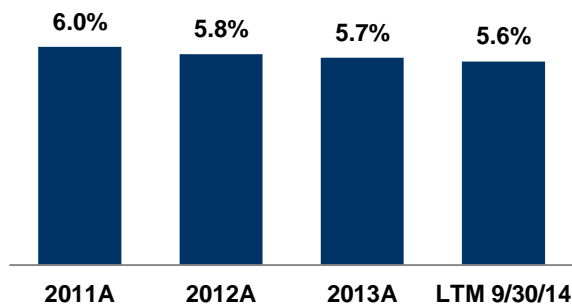
Microfinancial Historical Financial Performance

Annual Value of Leases Originated

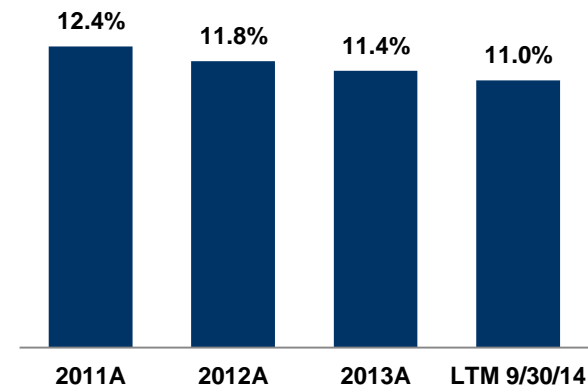
(in mm)



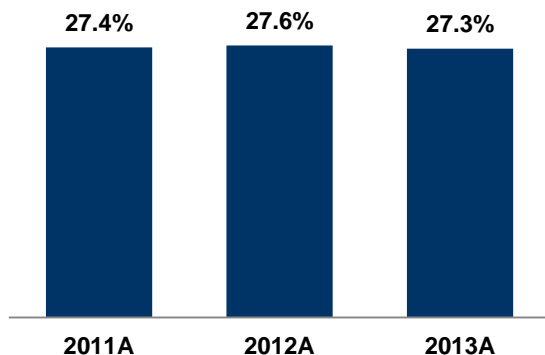
Annual Return on Assets



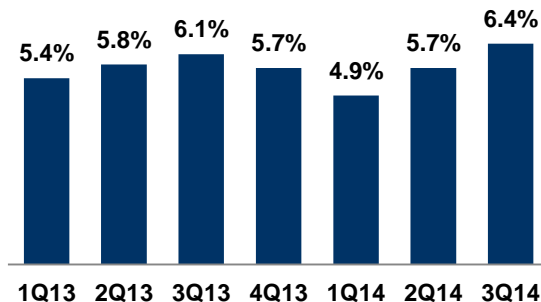
Annual Return on Equity



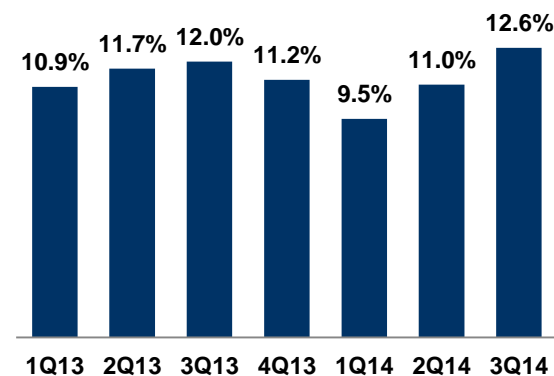
Annual Average Yield on Assets



Quarterly Return on Assets



Quarterly Return on Equity



Fortress Investment Group Acquires Microfinancial

microfinancial

Selected Comparable Companies

Company Name	Price 12/17/14	% MTD Change	% LTM High	Market Value (\$ mm)	Multiples		Growth Rates			Book Value		ROE	P / E / G
					Price / Earnings		Revenue		EPS	P / B	P / TBV		CY 14E
					CY 14E	CY 15E	CY 14E	CY 15E	LT				
MicroFinancial	\$ 10.20	20 %	98 %	\$ 151	na	na	na	na	na	1.6	1.6	11 %	na
Other Specialty Lenders													
CIT Group	46.51	(3)	88	8,510	13.8 x	13.2 x	(8)%	22 %	11 %	0.9	1.0	11	1.3 x
Credit Acceptance	136.70	(7)	83	2,996	11.0	10.2	5	4	13	4.0	4.0	36	0.9
NewStar Financial	11.49	4	63	580	40.6	29.8	(15)	11	15	1.0	1.0	3	2.7
Consumer Portfolio Services	7.50	(1)	78	246	8.4	7.2	23	33	20	2.0	2.0	28	0.4
Marlin Business Services	18.99	3	64	238	12.3	11.8	3	6	12	1.4	1.4	11	1.0
Nicholas Financial	12.88	5	81	161	na	na	na	na	na	1.1	1.1	11	na
Median		1 %	79 %		12.3 x	11.8 x	3 %	11 %	13 %	1.2 x	1.2 x		1.0 x
Mean		0	76		17.2	14.4	1	15	14	1.7	1.7		1.3

Overview of FT Partners

Strong Domain Expertise in Alternative Lending and Financial Technology

FT Partners has advised on the most prominent transactions in Financial Technology

**Financial Technology Partners LP
FTP Securities LLC**

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

**F2ST
PAY**

in its growth financing with

**OAK
HC/FT**

for total consideration of approximately

\$ 15,000,000

**FINANCIAL
TECHNOLOGY
PARTNERS**

*The Only Investment Bank
Focused Exclusively on Financial Technology*

**Financial Technology Partners LP
FTP Securities LLC**

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

**BlueTarp
Financial**

in its financing, including investment from

**HIGHLAND
CAPITAL PARTNERS**

longridge

**TRINITY
VENTURES**

FLYBRIDGE

for approximately

\$ 15,000,000

**FINANCIAL
TECHNOLOGY
PARTNERS**

*The Only Investment Bank
Focused Exclusively on Financial Technology*

**Financial Technology Partners LP
FTP Securities LLC**

Is pleased to announce its role as advisor to

CIBC

in its strategic investment in

DYNAMICS

with additional participation from

MasterCard

Bain Capital Ventures

Adams Capital Management

for total consideration of approximately

\$ 70,000,000

**FINANCIAL
TECHNOLOGY
PARTNERS**

*The Only Investment Bank
Focused Exclusively on Financial Technology*

**Financial Technology Partners LP
FTP Securities LLC**

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

TRANSFIRST

in its sale to

Vista Equity Partners

from

WCAS

**FINANCIAL
TECHNOLOGY
PARTNERS**

*The Only Investment Bank
Focused Exclusively on Financial Technology*

**Financial Technology Partners LP
FTP Securities LLC**

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

KUBRA

in its 80% majority sale to

HEARST corporation

**FINANCIAL
TECHNOLOGY
PARTNERS**

*The Only Investment Bank
Focused Exclusively on Financial Technology*

**Financial Technology Partners LP
FTP Securities LLC**

is pleased to announce its role as advisor to

**Google
capital**

in its lead investment in

Credit Karma

with additional participation from

TIGER

SIG

Ribbit Capital

for approximately

\$ 85,000,000

**FINANCIAL
TECHNOLOGY
PARTNERS**

*The Only Investment Bank
Focused Exclusively on Financial Technology*

**Financial Technology Partners LP
FTP Securities LLC**

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

MERCURY

in its cash sale to

vantiv

for total consideration of

\$ 1,650,000,000

**FINANCIAL
TECHNOLOGY
PARTNERS**

*The Only Investment Bank
Focused Exclusively on Financial Technology*

**Financial Technology Partners LP
FTP Securities LLC**

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

**WebEquity
solutions**

in its sale to

MOODY'S

**FINANCIAL
TECHNOLOGY
PARTNERS**

*The Only Investment Bank
Focused Exclusively on Financial Technology*

Overview of FT Partners

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



M&A Advisor Awards

- | | |
|------|--|
| 2014 | <ul style="list-style-type: none"> ■ Equity Financing Deal of the Year ■ Professional Services Deal of the Year, Above \$100mm |
| 2012 | <ul style="list-style-type: none"> ■ Dealmaker of the Year ■ Professional Services Deal of the Year, Above \$100 mm |
| 2011 | <ul style="list-style-type: none"> ■ Boutique Investment Bank of the Year ■ Deal of the Decade ■ <i>10 Deal of the Year Nominations Across 9 Categories</i> |
| 2010 | <ul style="list-style-type: none"> ■ Upper Middle Market Deal of the Year, Above \$500 mm ■ IT Services Deal of the Year, Below \$500mm ■ Cross-Border Deal of the Year, Below \$500mm |
| 2007 | <ul style="list-style-type: none"> ■ Dealmaker of the Year – Steve McLaughlin ■ Business to Business Services Deal of the Year ■ Computer and Information Technology Deal of the Year, Above \$100mm ■ Financial Services Deal of the Year, Above \$100mm |



- | | |
|-----------|---|
| 2006-2008 | <ul style="list-style-type: none"> ■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology |
|-----------|---|



Middle Market Financing Awards

- | | |
|------|--|
| 2008 | <ul style="list-style-type: none"> ■ Equity Financing Dealmaker of the Year – Steve McLaughlin ■ Information Technology Deal of the Year ■ Financial Services Deal of the Year |
| 2006 | <ul style="list-style-type: none"> ■ Financing Professional of the Year – Steve McLaughlin ■ <i>Financing Deal of the Year - Equity</i> ■ <i>Financing Deal of the Year - Debt</i> |