

# FT PARTNERS FINTECH INDUSTRY RESEARCH

January 14, 2021

## Aaron's Holding Company Completes Spin Off Creating Progressive Leasing (NYSE:PRG) and The Aaron's Company (NYSE:AAN)

**Aaron's®**



Progressive  
Leasing

## Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- 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 19 years of exclusive focus on Financial Technology

### FT Partners' Advisory Capabilities



### FT Partners' FinTech Industry Research

**In-Depth Industry Research Reports**

**Proprietary FinTech Infographics**

**Monthly FinTech Market Analysis**

**FinTech M&A / Financing Transaction Profiles**



**The Information**

**Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by The Information**



**Ranked #1 Most Influential Person in all of FinTech in Institutional Investors "FinTech Finance 40"**



**THE M&A ADVISOR**

**Numerous Awards for Transaction Excellence including "Deal of the Decade"**

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# Aaron's Completes Spin Off

## Transaction Summary

### Transaction Summary

- On December 1, 2020, Aaron's Holdings, Inc. ("Parent") completed its spin-off of the Aaron's Business segment and changed its name to PROG Holdings, Inc.
  - The Aaron's Company will trade on the NYSE under the ticker symbol "AAN"
  - PROG Holdings ("Progressive") will also trade on the NYSE under the ticker symbol "PRG"
- Aaron's Holdings, an omnichannel provider of lease-purchase solutions, announced in July 2020 its intention to separate into two independent, publicly-traded companies: Progressive, and the Aaron's Company ("Aaron's")
  - Under the terms of the spin-off, shareholders of record as of 11/27/2020 received one share of common stock of The Aaron's Company for every two shares of Parent common stock held on the record date and cash in lieu of any fractional shares
- Both companies are expected to benefit from improved strategic focus, market-leading positions, strong free cash flow generation and well-capitalized balance sheets, enabling each to unlock substantial value creation opportunities
- Aaron's remains focused on providing convenient access to high-quality furniture, appliances and electronics through affordable lead and purchase options
  - The Company operates ~1,400 company-owned and franchised stores in 47 US states and Canada, as well as its e-commerce platform, Aarons.com
- Progressive is a provider of lease-purchase solutions through more than 30,000 retail partner locations in 46 states and the District of Columbia, including e-commerce merchants
  - The Company also operates Vive Financial, a provider of a variety of second-look credit products that are originated through federally insured banks

### Transaction Commentary

*"Today marks the beginning of an exciting new chapter in Aaron's 65-year history. With low monthly payments, high lease approval rates, and exceptional customer service, we believe our value proposition is best in the lease-to-own industry. Aaron's serves a large and expanding market with a unique set of physical and digital assets, and we expect that our well-defined market strategy will drive significant long-term value for our customers, team members and shareholders."*

**Aaron's**

**Douglas Lindsay**  
Chief Executive Officer



*"This is a historic day for Progressive. Since pioneering virtual lease-to-own in 1999, we have continued to be the leading point-of-sale lease-to-own solution in the United States. The completion of the separation provides us with the opportunity to extend our leadership position even further by enhancing our focus on our profitable, high growth, asset light business model, which we believe will enable us to unlock substantial value creation opportunities for our retail partners, employees and shareholders."*

 Progressive Leasing

**Steve Michaels**  
Chief Executive Officer



# Aaron's Completes Spin Off

## The Aaron's Company Overview

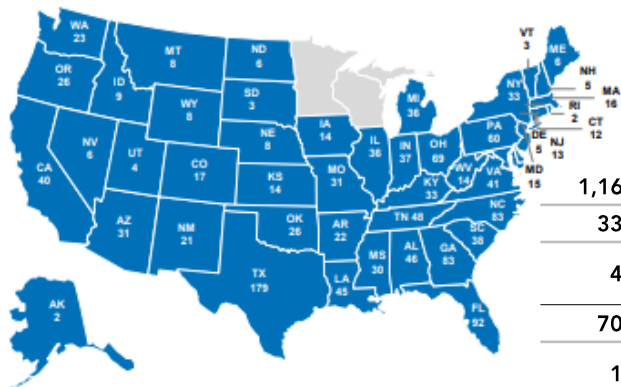
### Company Overview



CEO: Douglas Lindsay  
Headquarters: Atlanta, GA  
Ticker: NYSE: AAN

- The Aaron's Company is a leading omnichannel provider of lease-purchase solutions
- The Company engages in the sales and lease ownership and specialty retailing of furniture, consumer electronics, home appliances and accessories through its approximately 1,400 Company-operated and franchised stores in 47 states, Canada, and Puerto Rico, as well as its e-commerce platform, Aarons.com

### Geographic Footprint <sup>(1)</sup>



1,167	Company Stores
335	Franchise Stores
47	47 States, Canada & Puerto Rico
706	Markets
16	Fulfillment Centers

### Management Team



**Douglas Lindsay**  
CEO



**C. Kelly Wall**  
CFO

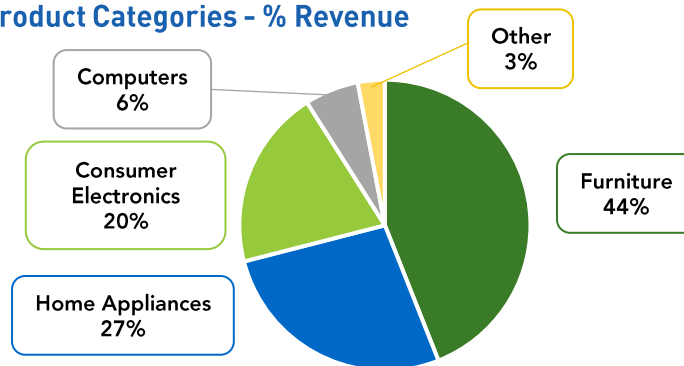


**Steve Olsen**  
President



**Rachel George**  
EVP, General Counsel,  
Corporate Secretary,  
Chief Corporate Affairs  
Officers

### Key Product Categories - % Revenue



### Selected Brands



Source: Company website, Company press releases, November 2020 Investor Presentation

<sup>1)</sup> As of 12/31/19

# Aaron's Completes Spin Off

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## Key Investment and Transformation Highlights



Large, resilient customer base representing ~30% of the U.S. population



Compelling customer value proposition driven by competitive pricing, high approval rates, and best-in-class customer service



Digitally-enabled, omni-channel strategy that provides an integrated online and in-store experience



Expect to grow earnings, expand margins, and generate strong free cash flow by optimizing store footprint and executing a digital-first strategy



Debt-free balance sheet with significant available liquidity

## Transformation Highlights from Last 5 Years

### Pre-Transformation

### Today

Highly decentralized operating model

Standardized operating policies and processes

Early-stage e-commerce platform

E-com represented 13% of revenue in Q3 '20 and is expected to continue to grow revenue share

100% manual lease origination decisioning in stores

95% agreements processed through centralized decisioning

Manual payment process with majority occurring in-store

70% of payments occur remotely

Opportunities for refinement in merchandising, pricing and supply chain

Improvements in average ticket, wholesale costs, and lease margin

Legacy real estate strategy and store design

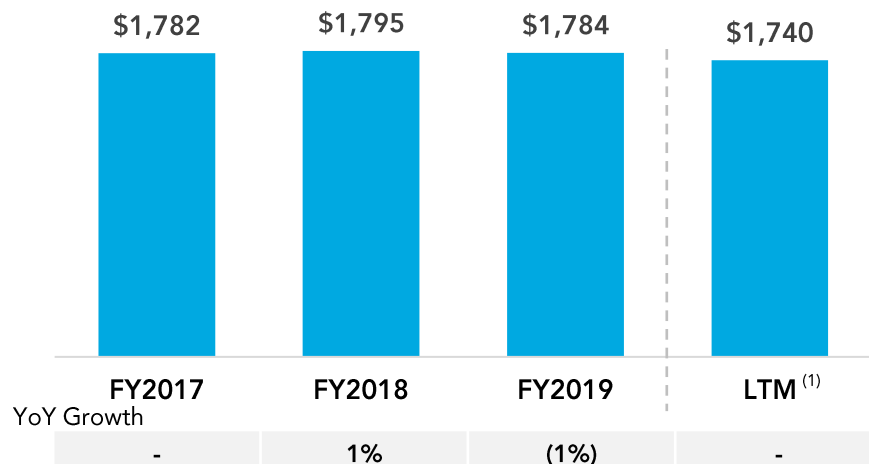
Data-driven market strategy with attractive new store concepts

# Aaron's Completes Spin Off

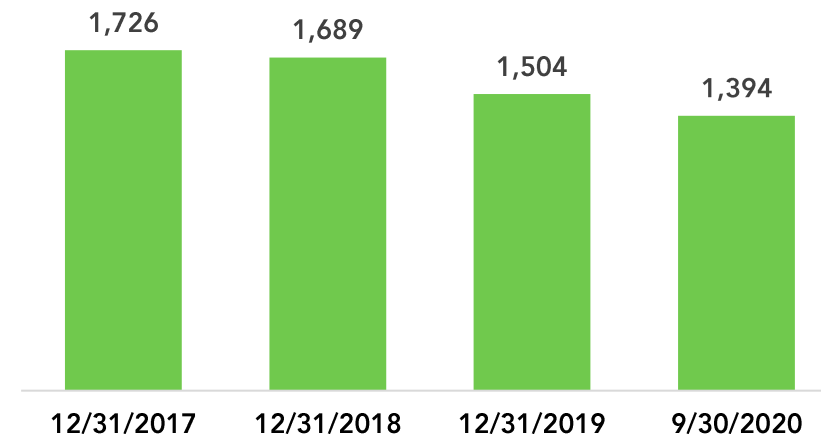
## Aaron's Key Financial Information

### Revenue

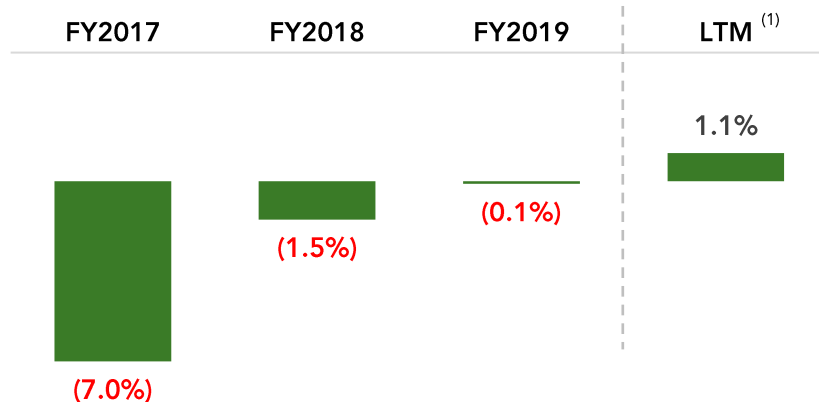
(\$ in mm)



### Total Store Count <sup>(2)</sup>

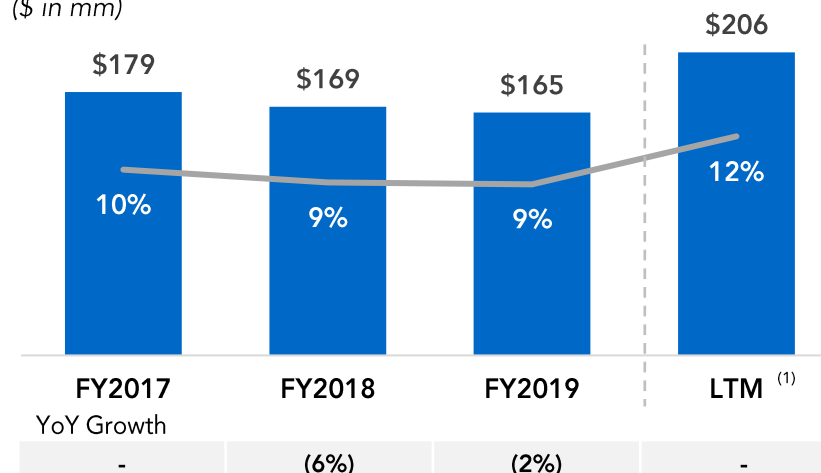


### Same Store Revenues



### Adjusted EBITDA / % Margin

(\$ in mm)



Source: Company Investor Presentation

1) LTM is 12-month period ending 9/30/20

2) Includes Company-operated and franchise solutions

# Aaron's Completes Spin Off

## Progressive Leasing Overview

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### Company Overview



CEO:	Steve Michaels
Headquarters:	Salt Lake City, UT
Ticker:	NYSE: PRG

- Progressive Leasing is a leading point-of-sale lease-to-own solution in the United States
- The Company provides purchase options and flexible payment terms for credit-challenged customers to purchase big ticket items at leading national and local retailers
- Progressive Leasing's virtual, technology-based platform offers immediate decisioning at the point-of-sale, integrating with brick & mortar and eCommerce platforms
- The Company's lease payment options are transparent and competitive, and its investments in technology and people provide its retail partners and consumers with high-quality service and support

### Selected Major Retail Partners



### Management Team



**Steven Michaels**  
CEO



**Blake Wakefield**  
President & CRO



**Brian Garner**  
CFO



**Curt Doman**  
Founder & Chief  
Innovation Officer

### How it Works

1



**Apply for a lease**  
*Available online and in-store with select leading retailers*

2



**Instant Decisioning**  
*Decisions are issued immediately upon submission of application*

3



**Take Items Home**  
*Customers take items home same day or arrange for delivery*

4



**Simple, Automatic Payments**  
*Flexible, auto payments managed by the customer via phone, online or mobile app*

### Core Customer Highlights

**\$3,300**

Median monthly income

**39**

Average age

**60%**

Female

**40%**

Male

**66%**

Rent

**33%**

Own

**46%**

Millennials

**33%**

Gen X

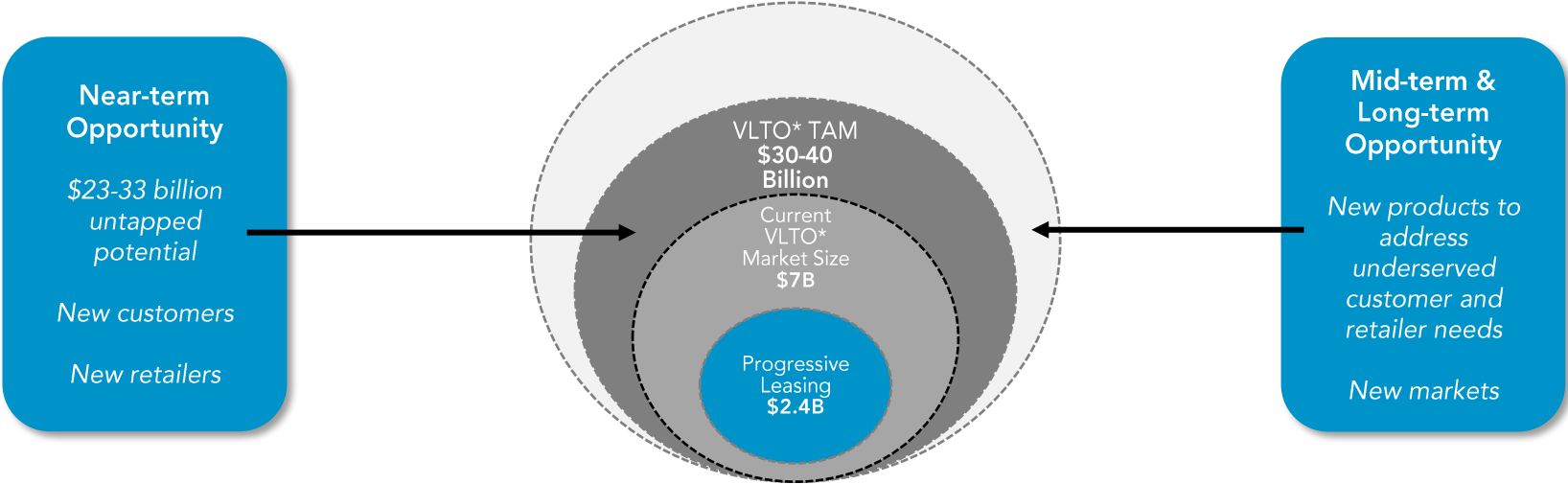


# Aaron's Completes Spin Off

## Key Investment and Addressable Market Highlights



### Total Addressable Market



Source: Company investor presentations  
\* VLTO = Virtual Lease-to-Own



# Aaron's Completes Spin Off

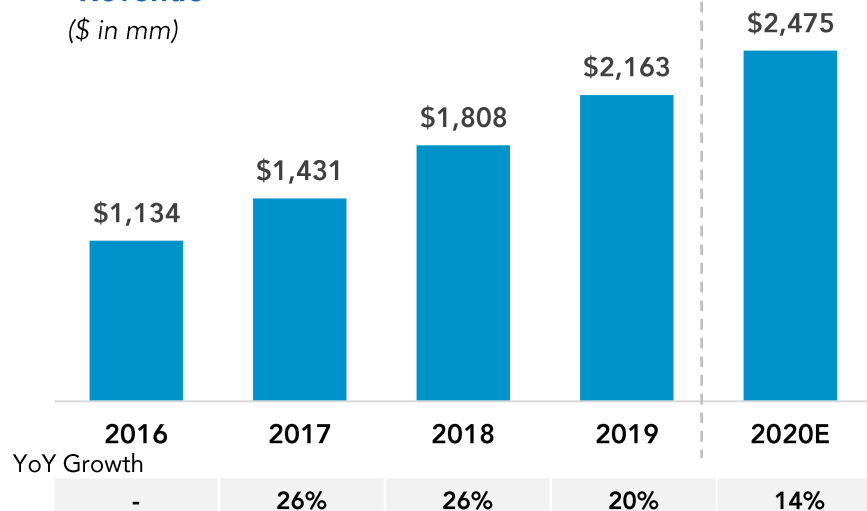
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## Progressive Leasing's Key Financial Information

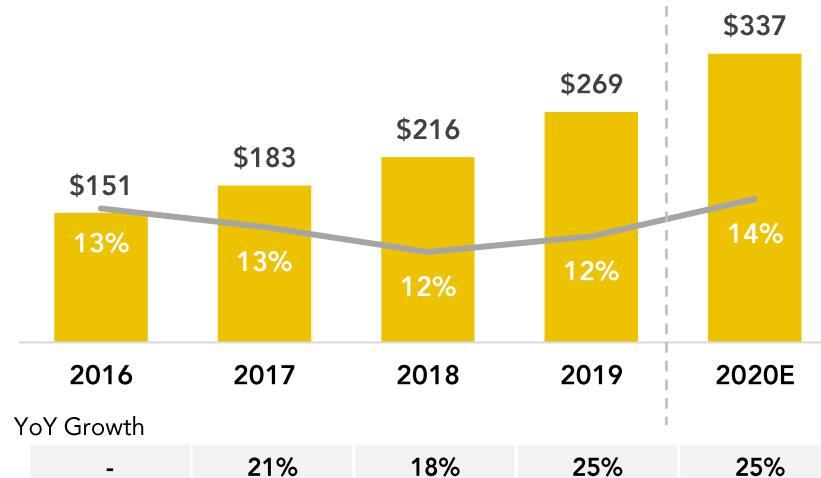


### Revenue

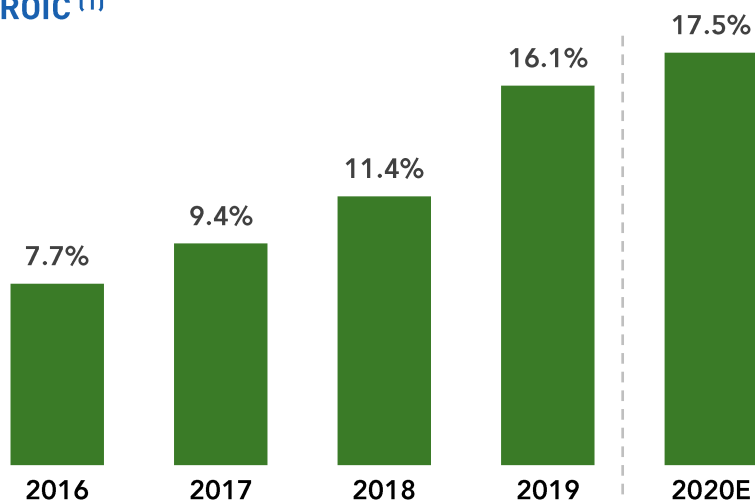
(\$ in mm)



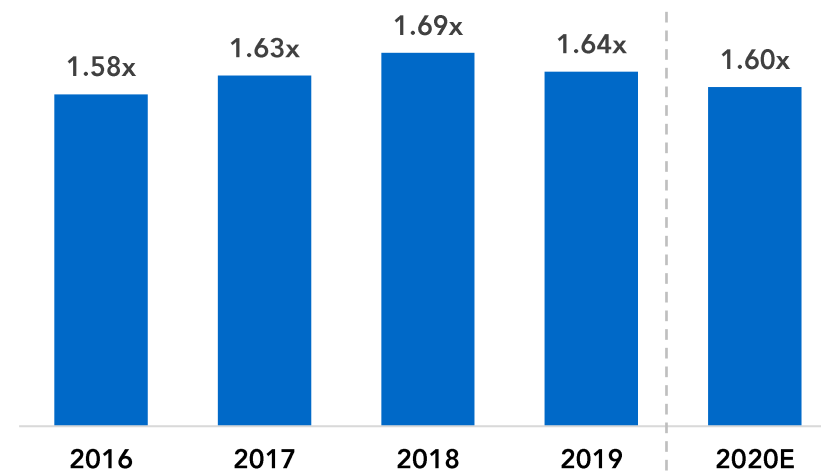
### Adjusted EBITDA / % Margin



### ROIC <sup>(1)</sup>



### Lease Portfolio Turnover <sup>(2)</sup>



Source: Company Investor Presentation, 2020 estimates are low end of Management's range

1) Return on Invested capital is net operating profit after tax divided by Progressive and Vive's segment equity, plus third party and intercompany debt, minus cash

2) Total lease depreciation, plus provision for lease merchandise write-off, divided by average gross leased assets

# Aaron's Completes Spin Off

## Selected BNPL / Lease-to-Own Company Profiles - Acima

### Company Overview



Acquired by:



**Founder & Chairman:** Aaron Allred

**Headquarters:** Draper, UT

**Founded:** 2013

- Acima provides retailers with a point-of-sale leasing solution for their customers
- Acima's more than 15,000 retail locations are located across the country and online
- Leasing is provided through lease-to-own ("LTO") for durable goods across a range of traditional and emerging product verticals
- Acima offers consumers a number of ways to apply, including via text, with risk decisioning conducted in seconds
- On December 20, 2020, Acima announced that it had agreed to be acquired by Rent-A-Center for total consideration of \$1.65 billion

### Management Team



**Aaron Allred**  
Founder & Chairman



**Rob Christiansen**  
President & CEO



**Nate Heward**  
CFO



**Tyler Montrone**  
Chief Compliance & Legal Officer



**Reed Farnsworth**  
COO



**Jared Dinerstein**  
CTO



**Alycia Anthony**  
CPO

### Acima LTO Financing

#### Virtual Lease to Own

- Acima's virtual lease-to-own product offers consumers a purchasing alternative for big ticket merchandise, allowing them to take the item home on the same day without a long-term commitment
- Acima reports payment history to Experian to help consumers build their credit profile over time
- Solution helps drive sales and offers compelling value for merchants

#### Attractive and Flexible Lease Terms

- 90-day early purchase options available
- Ability to return the product and terminate the lease at any time

#### Convenient Point of Sale Experience

- Two-minute leasing process at the point of sale managed by the consumer
- Instant approval decisions issued on the privacy of applicant's mobile device or through Acima's merchant portal

#### Sophisticated Risk Decisioning

- Acima uses a proprietary machine learning risk decisioning model to provide approval amounts in seconds
- Cutting edge identity verification and fraud detection techniques

#### Range of Products in Both Traditional LTO and Emerging Verticals



**Tire & Wheel**



**Appliance**



**Mobile Electronics**



**Furniture**



**Mattress**



**Jewelry**

# Aaron's Completes Spin Off

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## Selected BNPL / Lease-to-Own Company Profiles - Affirm



### Company Overview



**CEO:** Max Levchin  
**Headquarters:** San Francisco, CA  
**Founded:** 2012

- **Affirm offers fixed-rate installment loans to consumers at checkout or the point-of-sale**
  - Rates range from **0% - 30%** APR based on a consumer's credit; this credit rating is transparent and is shown at checkout
  - Pricing on Affirm's platform is real-time and adaptive based on algorithmic data that prices marginal risk and generates a score for every transaction
- **Affirm aggregates data on individual consumers from atypical sources, such as public data and social media, to evaluate creditworthiness in addition to FICO score**
- **Consumers can use Affirm to pay for purchases of any amount from \$50 to \$17,500**



#### Flexible

Individuals choose payment schedule



#### Transparent

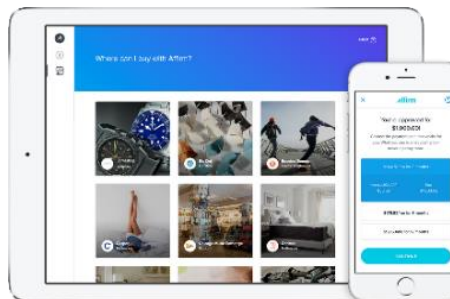
Total amount disclosed upfront and will never increase



#### Fair

No late fees or penalties of any kind

### Products & Services Overview



**Payments:** Consumers can pay with debit cards, bank transfers or personal checks; no late, service or prepayment fees

**Mobile App:** Manage account and payments; buy now and pay over time using an Affirm virtual card

**Modern Security:** Connects directly to online stores; accounts always stay secure

**Integration:** API and comprehensive support for both in-house solution or e-commerce platform

**Expanded Reach:** Advanced underwriting that looks beyond FICO score; designed to reach those overlooked by traditional credit system

### Selected Affirm Partners

Walmart  v's'ble Casper

WARBY PARKER  Expedia

verizon  wayfair swatch 

# Aaron's Completes Spin Off

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## Selected BNPL / Lease-to-Own Company Profiles - Afterpay



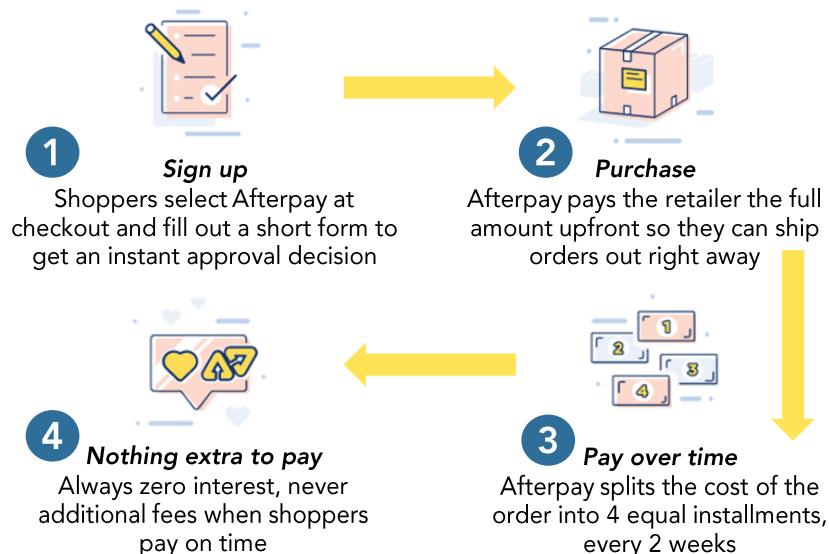
CEO: Anthony Eisen

Headquarters: Melbourne, Australia

Founded: 2017

- **Afterpay (ASX: APT) is a payments platform that allows consumers to receive products immediately, pay in four interest-free instalments and are rewarded for paying on time**
  - The Company empowers customers to pay in a financially sustainable way with no credit checks and no interest
  - It has released a loyalty program that rewards consumers for responsible spending
- **Afterpay is offered by over 55,000 global retailers and has over 10 million active customers globally**
  - Services are currently available in Australia, New Zealand, the United States and the United Kingdom
  - Afterpay has a net promoter score of 80+
  - The Company has an in-store offering, which is live in Australia, New Zealand and the United States
- **The Company saw a over 100% increase in sales in FY2020, increasing sales from \$3.8 billion to \$8.2 billion**

### Afterpay



### Selected Merchants



# Aaron's Completes Spin Off

## Selected BNPL / Lease-to-Own Company Profiles - Hoolah

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CEO: Stuart Thornton  
Headquarters: Singapore, Singapore  
Founded: 2017

- Hoolah provides interest-free installment payment solutions to merchants and consumers
- Hoolah's core markets are Singapore and Malaysia
  - Hoolah plans to enter the Hong Kong and Thailand markets in the near term
  - Over the long term, Hoolah will further expand across the SEA region to countries including Korea, Philippines, Taiwan, Indonesia and Vietnam
- Hoolah partners with 1,800 merchants across a variety of verticals
  - ~ 50% of the total GMV processed comes from the health and beauty and home and office verticals
- Hoolah's proprietary, data driven risk engine system is optimized to drive 6-10x volume for merchants
  - Hoolah can increase merchant revenue and basket size by upwards of 20%

### Management Team



Stuart Thornton  
CEO



Andrew Broad  
CFO



Jason Van  
CTO



Arvin Singh  
COO



Daniel Pieper  
CIO

### Product and Services Overview

#### Online



- Online buy now, pay later: 3 interest-free installments
- Pre-built plug ins and API integrations with major shopping carts in addition to direct hoolah API integration

#### In store



- In store buy now, pay later solution
- Seamless integration with a simple QR code setup at the POS

#### Tech



- Data-driven risk engine allows for targeted optimization
- Built to scale across multiple geographies
- Connects merchants and consumers across multiple channels
- No reliance on 3<sup>rd</sup> party feeds

### Selected Merchant Customers



eCCO



HipVan

FASHIONVALET



SONOS

# Aaron's Completes Spin Off

## Selected BNPL / Lease-to-Own Company Profiles - Katapult

### Company Overview



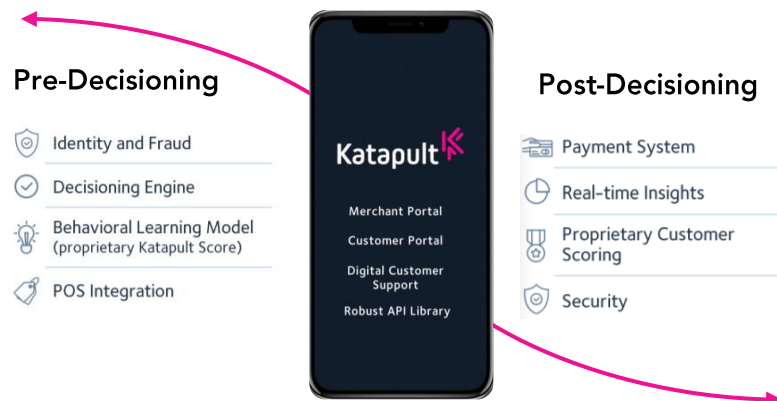
**CEO:** Orlando Zayas  
**Headquarters:** New York, NY  
**Founded:** 2014

- Katapult is a provider of e-commerce point-of-sale ("POS") purchase options for non-prime US consumers
- The Company provides consumers with a flexible lease purchase option to enable them to obtain essential durable goods from Katapult's network of retailers
- Katapult integrates with both online and brick and mortar retailers so they can provide purchasing power to underserved non-prime / no-credit consumers
- Katapult's decisioning engine considers over 100 user attributes such as lease history, payment and shopping behavior, cart information and more

### Key Stats

- 150+ online merchants on platform
- 100%+ origination growth for 3 consecutive years
- Credit Decision in less than 5 seconds
- Net Promoter Score Return of +47
- Projected EBITDA of \$40mm+ in 2020
- Projected EBITDA of \$70mm+ in 2021

### End-to-End Tech-Enabled E-Commerce Platform



### Selected Integrations

#### Merchants



#### Partners



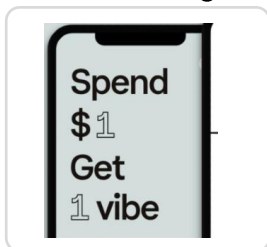
# Aaron's Completes Spin Off

## Selected BNPL / Lease-to-Own Company Profiles - Klarna

### Klarna®

CEO: Sebastian Siemiatkowski  
Headquarters: Stockholm, Sweden  
Founded: 2005

- Klarna is one of the fastest-growing companies in Europe and the U.S., providing payment solutions for consumers and merchants
- Klarna offers direct payments, pay after delivery options, installment plans, and a shopping app
  - Klarna assumes credit and fraud risk so retailers are guaranteed to be paid
  - The Company's shopping app offers inspiration, deals, universal wish lists, price drop alerts, and payment options for any online retailer
- Klarna processes over 1 million transactions per day, capturing 10% of the Northern Europe eCommerce market
  - Klarna is currently used by over 90 million consumers and over 200,000 merchant partners
  - The Company employs more than 3,500 people and has additional offices in Columbus, OH and New York, NY
- On June 9, 2020, Klarna launched its customer loyalty program Vibe, becoming the first "buy now pay later" service to do so



- Launching in U.S. first, before rolling out in European markets and Australia
- Program members earn one 'Vibe' (point) for every \$1 they spend
- Vibes can be redeemed for rewards such as gift cards from companies like Starbucks, Sephora and Uber

### Management Team



**Sebastian Siemiatkowski**  
Co-Founder & CEO



**Koen Köppen**  
Chief Technology Officer



**Knut Frängsmyr**  
Deputy CEO & Chief Operating Officer



**Camilla Giesecke**  
Chief Financial Officer



**David Fock**  
Chief Product Officer



**David Sandström**  
Chief Marketing Officer

### Selected Merchant Customers

- Klarna currently has more than 90 million users and provides payment solutions to 205,000 merchants
  - The Company's first large customer in the U.S. was Overstock, signed in 2015





# Aaron's Completes Spin Off

## Selected BNPL / Lease-to-Own Company Profiles - Openpay



CEO: Michael Eidel  
Headquarters: Melbourne, Victoria, Australia  
Founded: 2013

- Openpay (ASX: OPY) provides online and in-store payment solutions that enable customers to purchase goods and services upfront while spreading payments over time with no interest
- Openpay facilitates payments in a wide range of industries including retail, automotive, home improvement and medical
- Currently available in Australia, New Zealand, and the UK
- Openpay's flexible payment solutions are extremely beneficial for merchants
  - Increases transaction values and conversion rates for merchants at checkout
- Easy integration with leading eCommerce platforms such as Shopify and WooCommerce makes implementation easy
- 2020 fiscal year results reveal that Openpay has benefited from the COVID pandemic
  - Active subscriptions nearly tripled to 824,00
  - Transaction value almost doubled
  - Active merchants increased 52% to 2,162

### Products & Services Overview



#### Sign-up

- Sign up online or in-app
- Process takes under 90 seconds
- Link debit or credit card to app
- Once approved, shop immediately



#### Shop

- Use the app to buy items such as clothing, electronics, furniture, and more
- Use for brick-and-mortar shopping, home delivery, or online



#### Spread it

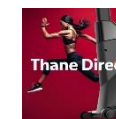
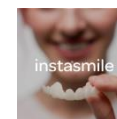
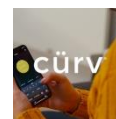
- Interest free payments
- 3-7 month payment schedules
- Late fee charged to customer for every late payment



#### Sit back

- Automatic withdrawals from credit card
- Manage plans and repayments within the app

### Selected Merchants





CEO: Charlie Youakim  
Headquarters: Minneapolis, MN  
Founded: 2016

- Sezzle (ASX:SZL) provides an alternative payment platform offering interest-free installment plans at select online stores
- The Company's 'Buy Now, Pay Later' product enables millions of shoppers across the United States and Canada to take control of their spending, be more responsible, and gain access to financial freedom
- Sezzle unlocks access to millions of shoppers and increases merchant partners' sales without risk by allowing shoppers to split their purchases into four, interest-free payments paid over the course of six weeks
  - Doing so increases shoppers' purchasing power and offers them a built-in way to budget their spending
- The Sezzle platform has over 1.5 million active users and over 16,000 participating merchants
- In August 2020, Sezzle reincorporated as a Public Benefit Corporation, making it the first Buy Now, Pay Later corporation with such a status

### Products & Services Overview

#### Pay over time

Entire online order split into four interest-free payments scheduled over a six week period

#### No interest, ever

Sezzle charges the retail partner, not the consumer

#### No credit impact

Instant approval decisioning has zero impact on credit score

### Selected Merchants



### Selected Partners



# Aaron's Completes Spin Off

## Selected BNPL / Lease-to-Own Company Profiles - Splitit

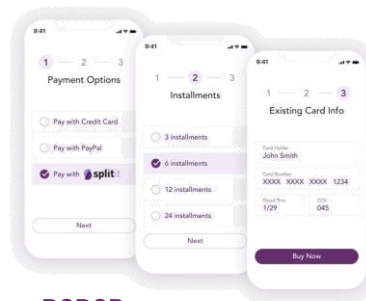
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CEO: Brad Paterson  
Headquarters: New York, New York  
Founded: 2009

- Splitit (ASX: SPT) enables e-commerce merchants to offer interest-free monthly installment payments to their customers at the point of sale
- Splitit works on customers' existing debit or credit cards so they can also enjoy all of their regular credit card benefits such as points, cash-back and mileage
  - Customers do not have to apply for a new credit line or qualify for a new credit card.
- For businesses, having this additional payment option can mean increased conversion rates, higher average tickets, increased customer satisfaction and reduced barriers to purchase
  - The Company's website notes businesses have seen a **+20% increase in average order value** and a **10% decrease in card abandonment**
  - The Company also offers B2B installments to help businesses streamline cash flow, avoid late payments and collections, and expand their reach with new customers or distributors around the world
  - Over **1K merchants** accept Splitit and over **300K total shoppers**
  - Splitit has announced partnerships with Visa, Mastercard, and Stripe

### Products & Services Overview



#### B2B2C

- Splitit enables businesses to offer online shoppers flexible pay-over-time options to help increase conversion, increase average order value and get higher customer satisfaction
- Splitit lets shoppers use their existing credit card to pay in monthly installments

#### B2B2B

- Splitit also enables B2B buyers to place orders using their existing business credit
- Buyers place an order and choose to pay with Splitit installments, instead of PO, COD or Financing
- Buyer and Supplier agree on payment terms and the full amount is authorized on the card

### Selected Clients





CEO: Larry Diamond  
Headquarters: Sydney, Australia  
Founded: 2013

- Zip Co (ASX:Z1P) offers interest free payment solutions through its digital wallet called Zip Pay and Zip Money
  - These accounts can be used with retail partners online and in-store anywhere Zip is accepted
  - Over 3.5 million customers have chosen to pay with Zip and the service is available at over more than 26,000 retailers
  - Zip also supports and integrates with many leading eCommerce and POS platforms including Shopify, BigCommerce, Magento, WooCommerce and others
- The Company is also the owner and developer of freeware app Pocketbook, one of Australia's largest non-bank financial apps
  - Users can set up and manage budgets, track spending and manage bills
  - Pocketbook is the first personal finance app in Australia to offer the users the ability to manage their money through linking their bank accounts

### Products & Services Overview



- Account limit *under* \$1000
- 0% interest free period always
- \$0 establishment fee
- Minimum repayments from \$40/month
- \$6/month account fee waived if no balance



- Account limit over \$1000
- 0% interest for 3 months
- \$0-99 establishment fee
- Minimum repayments from \$40/month
- \$6/month account fee waived if no balance



- Track all money in one place
- Budgeting made easy
- Daily spend reminders
- Saving secrets
- Financial health score

### Selected Merchants



VAN HEUSEN

## Selected FT Partners Research – *Click to View*

June 23, 2020

FT PARTNERS  
TRANSACTION ANNOUNCEMENT

FT PARTNERS is Pleased to Announce its Role as Exclusive Strategic and Financial Advisor to

**Finicity**

on its sale to

**mastercard**

The Only Investment Bank Focused Exclusively on FinTech

for a total consideration of up to **~\$1,000,000,000**

San Francisco • New York • London

Finicity's \$1 billion Sale to Mastercard

December 2, 2020

Featuring: Exclusive CEO Interview Adam Hughes

FT PARTNERS  
TRANSACTION ANNOUNCEMENT

FT PARTNERS is Pleased to Announce its Role as Exclusive Strategic and Financial Advisor to

**AMOUNT**

on its Series C financing led by

**goldman sachs**

The Only Investment Bank Focused Exclusively on FinTech

for a total amount of **\$81,000,000**

San Francisco • New York • London

Amount's \$81 million Series C Financing

January 7, 2021

FT PARTNERS  
TRANSACTION ANNOUNCEMENT

FT PARTNERS is Pleased to Announce its Role as Exclusive Strategic and Financial Advisor to

**MAMBU**

on its Series D financing led by

**TCV**

with participation from new investors

**ARENA TIGERGLOBAL**

for a total primary amount of **\$135,000,000** at a valuation of **\$2,000,000,000**

The Only Investment Bank Focused Exclusively on FinTech

San Francisco • New York • London

Mambu's \$135 million Series D Financing

December 20, 2020

FT PARTNERS  
TRANSACTION ANNOUNCEMENT

FT PARTNERS is Pleased to Announce its Role as Exclusive Strategic and Financial Advisor to

**acima**

on its sale to

**R&C**

The Only Investment Bank Focused Exclusively on FinTech

for total consideration of **\$1,650,000,000**

San Francisco • New York • London

Acima's \$1.65 billion Sale to Rent-A-Center

FT PARTNERS FINTECH INDUSTRY RESEARCH

December 29, 2020

**creditas**

Creditas Raises \$255 million in Series E Financing Led by LGT Lightstone

**LGT Lightstone**

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Creditas Raises \$255 million in Series E Financing

FT PARTNERS FINTECH INDUSTRY RESEARCH

December 1, 2020

**Nasdaq**

Nasdaq Acquires Verafin for \$2.75 billion

**VERAFIN**

The Only Investment Bank Focused Exclusively on FinTech

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Nasdaq Acquires Verafin for \$2.75 billion

FT PARTNERS FINTECH INDUSTRY RESEARCH

November 30, 2020

**Current**

Current Raises \$131 million in Series C Financing Led by Tiger Global

**TIGERGLOBAL**

The Only Investment Bank Focused Exclusively on FinTech

San Francisco • New York • London

Current Raises \$131 million in Series C Financing

FT PARTNERS FINTECH INDUSTRY RESEARCH

December 17, 2020

**Upstart**

Upstart Completes its IPO Raising \$240 million (NASDAQ: UPST)

The Only Investment Bank Focused Exclusively on FinTech

San Francisco • New York • London

Upstart Raises \$240 million in its IPO

[VIEW MORE FT PARTNERS RESEARCH](#)



# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Significant Experience Across the Bank and Lending Tech Sector



## Continued Track Record of Success in the Alternative Lending / Credit Space

### White Label Loan Management

Financial Technology Partners LP  
FTP Securities LLC

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



in its Series D financing led by



with participation from



for total consideration of

**\$ 50,000,000**



The Only Investment Bank  
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### Consumer Home Improvement Financing

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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### Consumer Marketing / Credit Lead Generation

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as advisor to



in its lead investment in



with additional participation from



for approximately

**\$ 85,000,000**



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### Loan Origination System

Financial Technology Partners LP  
FTP Securities LLC

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



in its Series C Investment from



for approximately

**\$55,000,000**



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### SMB Financing

Financial Technology Partners LP  
FTP Securities LLC

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



in its sale to



for approximately

**\$ 200,000,000**



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### Personal Loans / Credit

Financial Technology Partners LP  
FTP Securities LLC

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



on its Series D financing led by



at a valuation of

**\$1,000,000,000+**



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### Lending Enablement Platform for Auto Finance

Financial Technology Partners LP  
FTP Securities LLC

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



on its merger with

**Nebula Acquisition Corporation**  
(NASDAQ: NEBU)

sponsored by



for total consideration of up to approximately

**\$1,700,000,000**



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### SMB Financing

Financial Technology Partners LP  
FTP Securities LLC

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



on its proposed sale to



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### Supply Chain Finance Solutions

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as  
financial advisor to



in its investment from



for total consideration of approximately

**\$ 65,000,000**



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### SMB Financing

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as  
exclusive financial advisor to



on its Series F financing led by



for total consideration of

**\$102,500,000**



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## FT Partners Advises Acima on its Sale to Rent-A-Center

### Overview of Transaction

- On December 20, 2020, Rent-A-Center, a leading omni-channel lease-to-own provider for the credit constrained customer, announced it has entered into a definitive agreement to acquire Acima Credit LLC, a virtual lease-to-own provider based in Draper, Utah
  - Total consideration consists of \$1.273 billion in cash and approximately 10.8 million shares of Rent-A-Center common stock currently valued at \$377 million
- Founded in 2013, Acima is a leading platform offering customers virtual lease-to-own solutions at point-of-sale via mobile technology
- Acima's virtual lease-to-own products are used by more than 15,000 merchant brick and mortar and e-commerce locations

### Significance of Transaction

- The acquisition accelerates Rent-A-Center's position as a premier FinTech platform across both traditional and virtual lease-to-own solutions
- The acquisition also provides further diversification of Rent-A-Center's retail partner base and product verticals, and enhances its ability to compete for high-value national retail accounts

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Acima
- This transaction highlights FT Partners' deep domain expertise across the Buy-Now-Pay-Later and Credit Technology sectors, and its successful track record generating highly favorable outcomes for leading high-growth FinTech companies globally, including during the COVID-19 pandemic

### Financial Technology Partners LP FTP Securities LLC

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

**acima**

*on its sale to*



*for total consideration of*

**\$1,650,000,000**



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## FT Partners Advises Open Lending on its Merger

### Overview of Transaction

- On January 6, 2020, Nebula Acquisition Corporation "Nebula" (Nasdaq: NEBU), a special purpose acquisition company ("SPAC"), sponsored by True Wind Capital, announced a definitive merger agreement with Open Lending
- Upon completion of the business combination on June 10, 2020, Nebula changed its name to Open Lending, and its common stock is expected to begin trading on the Nasdaq Stock Market under the ticker symbol "LPRO", commencing June 11, 2020
  - Total consideration of the transaction is approximately \$1.7 billion \*
- Open Lending, through its flagship product, Lenders Protection, offers loan analytics, risk-based pricing, risk modeling and default insurance, ensuring profitable auto loan portfolios for financial institutions throughout the U.S.

### Significance of Transaction

- While creating significant liquidity for existing shareholders, Open Lending's Management team will continue to lead the merged Company as over 70% of their existing equity is expected to be rolled as part of the transaction
- Open Lending's existing minority investor, Bregal Sagemount, a prominent growth equity firm, will continue as a public stockholder and participate on the board as well
- Open Lending will pursue significant growth opportunities within its existing customer base of credit unions, banks, and OEM Captives, as well as through new channels, asset classes, and geographies

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Open Lending
- Exemplifies FT Partners' ability to deploy expertise for a complex business operating at the intersection of consumer finance, InsurTech, and Auto FinTech
- Builds on FT Partners' expertise in navigating the unique process in selling companies to SPACs, and follows highly successful sales of FT Partners' clients

[CardConnect](#) and [REPAY](#)

\* This amount represents the estimated enterprise value at the share price of \$13.35 as of June 9, 2020, plus the value of the earnout shares at \$12, \$14 and \$16 and estimated value of the TRA for the selling shareholders

**Financial Technology Partners LP**  
**FTP Securities LLC**

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

**OpenLending**

*on its merger with*

**Nebula Acquisition Corporation**  
**(NASDAQ: NEBU)**

*sponsored by*

  
**TRUE WIND**

*for total consideration of up to approximately*

**\$1,700,000,000**



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## FT Partners Advises Finicity on its Sale to Mastercard

### Overview of Transaction

- On June 23, 2020, Mastercard (NYSE: MA) announced it has entered into an agreement to acquire Finicity, a leading North American provider of real-time financial data access and insights
  - The acquisition is valued at up to ~\$1 billion in total consideration, which is comprised of \$825 million at close and up to \$160 million in earn-out consideration
- Finicity enables a secure and innovative financial data-sharing ecosystem through direct connectivity to thousands of North American financial institutions, including next generation open banking API connections with the largest banks in the US
  - Finicity helps power the programs of banks and FinTech companies, using approvals to securely access customer information to provide value-added services such as streamlined loan and mortgage processes, rapid account-based payment initiation and personal financial management solutions

### Significance of Transaction

- The addition of Finicity's complementary technology and innovative team strengthens the existing Mastercard open banking platform to enable and safeguard a greater choice of financial services, reinforcing the Company's long-standing partnerships with and commitment to financial institutions and FinTech companies across the globe

### FT Partners' Role

- FT Partners served as the exclusive strategic and financial advisor to Finicity and its board of directors
- This transaction highlights FT Partners' deep domain expertise across the FinTech sector and further supports FT Partners' role as the Advisor of Choice to the highest quality FinTech companies

### Financial Technology Partners LP FTP Securities LLC

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

**Finicity**<sup>®</sup>

*on its sale to*



*for total consideration of up to*

**~\$1,000,000,000**

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TECHNOLOGY  
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## FT Partners Advises Kabbage on its Sale to American Express

### Overview of Transaction

- On October 16, 2020, American Express announced that it has completed its acquisition of Kabbage
- Kabbage empowers small businesses through straightforward, flexible access to capital
  - Since inception, the Company extended more than \$16 billion directly to small business owners and powered automated funding for other organizations all over the globe
- Kabbage approved a landmark number of applications in the Paycheck Protection Program, demonstrating the true power, scale and reach of its technology platform
  - Over the three-month period of the program, Kabbage approved nearly 300,000 small businesses for ~\$7 billion, making it the second-largest PPP lender in the country by application volume, outperforming some of America's largest banks
- American Express will acquire Kabbage's team and its full suite of financial technology products, data platform and IP built for small businesses

### Significance of Transaction

- The combination of Kabbage's and American Express' platforms can help small businesses succeed with a fully digital suite of financial products to help them run and grow their companies
- This acquisition accelerates American Express' plans to expand beyond its industry-leading commercial card products to offer business customers a growing set of payments and working capital solutions

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Kabbage
- FT Partners previously advised Kabbage on its [\\$135 million Series E financing](#)
- This transaction highlights FT Partners' deep domain expertise in the Banking Technology and Alternative Lending sectors, as well as our successful track record generating highly favorable outcomes for high-growth FinTech companies globally

### Financial Technology Partners LP FTP Securities LLC

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



*on its sale to*



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## FT Partners Advises ShopKeep on its \$440 million Sale to Lightspeed

### Overview of Transaction

- On November 5th, 2020, Lightspeed, a leading provider of cloud-based, omnichannel commerce platforms, announced it has entered into a definitive agreement to acquire ShopKeep Inc., a cloud commerce platform provider based in New York City
  - The acquisition is valued at approximately \$440 million in total consideration, comprised of \$145.2 million in cash and the issuance of 9,500,000 subordinate voting shares in the capital of Lightspeed
- Founded in 2008, ShopKeep's point-of-sale platforms are used by more than 20,000 retail and restaurant customer locations nationwide generating a gross transaction volume of approximately \$7 billion USD per year
- The acquisition reinforces Lightspeed's status as a clear category leader for retailers and restaurateurs seeking to modernize operations as the global economy undergoes unprecedented digital acceleration

### Significance of Transaction

- The acquisition will grow Lightspeed's U.S footprint by more than 20,000 customer locations and help drive Lightspeed's plan to accelerate digital transformation of SMBs across the United States following its public listing on the New York Stock Exchange
- The acquisition by Lightspeed will add crucial modules to the ShopKeep merchant experience, including complex inventory and sales management capacity ideal for multi-location businesses, while also providing a broader product portfolio to enhance brand loyalty, acquire new customers and retain clientele
- Lightspeed's acquisition of ShopKeep follows the successful integration of multiple premier platforms, including those of Montreal-based Chronogolf, Berlin-based Gastrofix and Sydney-based Kounta

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to ShopKeep
- This transaction highlights FT Partners' deep domain expertise in the Software and Payments sectors, and its successful track record generating highly favorable outcomes for high-growth FinTech companies globally

Source: Company press release and website

### Financial Technology Partners LP FTP Securities LLC

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



*on its sale to*



*for total consideration of*

**\$440,000,000**



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## FT Partners Advises OakNorth on its Secondary Sale

### Overview of Transaction

- In September and October 2020, existing shareholder Indiabulls Housing Finance Limited (“Indiabulls”) sold down a stake in OakNorth for more than \$250 million
  - Indiabulls, an Indian mortgage lender which acquired a 40% stake in OakNorth in 2015 and partially exited it in 2018, has now sold a large portion of its remaining stake
- With offices around the world, OakNorth is the next-generation artificial intelligence software business that combines a deep understanding of credit, dynamic data sets, cloud-computing and state of the art machine learning, to enable the commercial bank of the future
- OakNorth’s Credit Intelligence Suite was first proven within OakNorth Bank, a UK bank launched in September 2015, which has lent over \$5bn to British businesses, achieving performance metrics which place it amongst the top 1% of banks globally – an RORE of 22.3%, an efficiency ratio of 29.8%, an NPS of 82, and no credit losses to date
- The OakNorth Credit Intelligence Suite helps banks better understand their loan books and borrowers, and effectively stress test their portfolios. The result is more effective, better equipped Relationship, Risk and Transaction Managers, superior credit outcomes, improved efficiency, reduced risk, enhanced regulatory compliance and greater customer delight

### Significance of Transaction

- The transaction further validates the OakNorth proposition and the growth potential of its technology in helping to close the estimated \$1.3 - \$1.5tn mid-market business funding gap

### FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to OakNorth and to Indiabulls
- This transaction highlights FT Partners’ deep domain expertise in the Banking Tech space, and its successful track record generating highly favorable outcomes for all stakeholders

### Financial Technology Partners LP FTP Securities LLC

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



# OakNorth

*and to*

# Indiabulls

*on the sale of a minority stake for*

# \$250,000,000+

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TECHNOLOGY  
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## FT Partners Advises MoneyLion on its Series C Financing

### Overview of Transaction

- On July 23, 2019, MoneyLion announced it has raised \$100 million in Series C financing, which included strategic investments from Capital One and MetaBank in addition to participation from Edison Partners, Greenspring Associates and FinTech Collective
- MoneyLion is a mobile banking platform that allows members to conveniently borrow money, manage and aggregate finances, as well as invest in future goals through a proprietary digital advisor
- MoneyLion serves over 5 million members, and in 2018 the Company helped its members avoid over \$7 million in traditional banking fees, in addition to helping 70% of members improve their credit scores by 30 points

### Significance of Transaction

- MoneyLion will use the latest round of financing to accelerate its customer growth in the U.S., and to expand its product offerings to include 0% APR daily cash advances, high-yield cash accounts and a stock trading platform
- With this latest round, MoneyLion has now raised a total of over \$200 million in equity financing

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to MoneyLion and its board of directors on its \$100 million in Series C financing
- FT Partners previously advised MoneyLion on its \$82 million Series B financing in 2018
- This transaction highlights FT Partners' deep domain expertise in the banking technology sector, and its successful track record generating highly favorable outcomes for high growth FinTech companies globally

### Financial Technology Partners LP FTP Securities LLC

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



*in its Series C financing with participation  
from new strategic investors*



*along with participation from*



*for total consideration of*

# \$100,000,000



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## FT Partners Advises Upgrade on its Series D Financing

### Overview of Transaction

- On June 17, 2020, Upgrade announced it has raised Series D financing led by Santander InnoVentures, with participation from existing investors including Union Square Ventures, Ribbit Capital, Vy Capital and Silicon Valley Bank and new investors Ventura Capital and Uncorrelated Ventures
  - The round values the Company at more than \$1 billion, which represents a 2x increase over the prior round valuation
- Upgrade is a neobank that offers affordable and responsible credit to mainstream consumers through cards and personal loans, along with free credit monitoring and education tools that help consumers better understand their finances
- Since Upgrade launched in 2017, more than 10 million consumers have applied for an Upgrade card or loan and the Company has delivered over \$3 billion in credit, growing at a triple digit annual rate
- Upgrade is cash flow positive with an annual revenue run rate of \$100 million
- Later this year, Upgrade plans to launch the Upgrade Account, an online checking account with generous debit rewards and an easier path to Upgrade's credit product

### Significance of Transaction

- The investment will fuel the rapid growth of the Upgrade Card, an innovative credit card that brings the low cost of responsible credit of installment lending to millions of retail locations in the U.S.
- Upgrade will also use the investment for the upcoming launch of Upgrade Account, a mobile banking product offering exceptional value to mainstream consumers

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Upgrade
- This transaction highlights FT Partners' deep domain expertise with neobanks and the direct-to-consumer sector, as well as its successful track record generating highly favorable outcomes for high-growth FinTech companies globally

### Financial Technology Partners LP FTP Securities LLC

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



*on its Series D financing led by*



*at a valuation of*

**\$1,000,000,000+**



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## FT Partners Advises Amount on its \$81 million Series C Financing

### Overview of Transaction

- On December 2, 2020, Amount announced it has raised \$81 million in Series C financing led by Goldman Sachs Growth with participation from existing investors including August Capital, Invus Opportunities and Hanaco Ventures
- Amount delivers technology solutions for financial institutions to create and enhance their digital consumer experiences
  - Solutions include omnichannel retail banking and a robust point-of-sale financing product suite alongside platform features like fraud prevention, verification, decisioning engines, and account management to enhance its clients' existing products and services
- Leading financial institutions including Banco Popular, HSBC, Regions Bank and TD Bank partner with Amount to drive growth and simplify their transition to digital financial services
  - Amount's clients collectively manage nearly \$2 trillion in US assets and service more than 50 million US customers

### Significance of Transaction

- The latest round brings Amount's total capital raised in 2020 to nearly \$140 million and follows its Series B round, led by QED Investors, from earlier this year
- The new funding will allow for further investments in platform research and development, as well as for accelerating the Company's go-to-market strategy

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Amount
- This transaction underscores FT Partners' expertise across the Banking Tech landscape and highlights its position as the "Advisor of Choice" to leading FinTech companies

#### Financial Technology Partners LP FTP Securities LLC

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



*on its Series C financing led by*



*for a total amount of*

# \$81,000,000



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## FT Partners Advises TCI on its Sale to MeridianLink

### Overview of Transaction

- On November 2<sup>nd</sup>, 2020, Teledata Communications Incorporated (TCI) announced its sale to MeridianLink, a portfolio company of Thoma Bravo
- Founded in 1982 and based in Islandia, NY, TCI is a leading SaaS-based loan origination platform, helping credit unions, community banks, and finance companies originate and approve consumer loans
- TCI offers a highly flexible, configurable platform providing Loan Origination Software (LOS), online account opening, digital branch, and online sales enablement
- TCI provides DecisionLender, a SaaS loan origination solution that was first released in 1998
- DecisionLender is an industry-trusted LOS that serves more than 300 banks, credit unions, and finance companies nationwide

### Significance of Transaction

- TCI's combination with MeridianLink strengthens one of the leading providers in the consumer automotive lending space
- TCI and MeridianLink have highly complementary solutions and, combined, will help accelerate innovation in the LOS space

### FT Partners' Role

- FT Partners served as the exclusive financial and strategic advisor to TCI
- The success of this transaction highlights FT Partners' role as the leading advisor to companies in the Banking and Lending Technology sector while also building on the Firm's breadth of knowledge and experience across the greater FinTech landscape

### Financial Technology Partners LP FTP Securities LLC

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



*on its sale to*



*a portfolio company of*



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## FT Partners’ Recent Awards and Recognition

### Bloomberg

#### Bloomberg

- FT Partners’ Steve McLaughlin was featured on Bloomberg / Bloomberg TV
- View the [full article](#) and watch the live [TV interview](#)



#### M&A Advisor Awards

- Technology Deal of the Year (2019)
- Cross Border Deal of the Year and Corporate / Strategic Deal of the Year (2018)
- Investment Banker of the Year (2017) – Steve McLaughlin, CEO & Managing Partner of FT Partners
- Investment Banking Firm of the Year (2016) – FT Partners



#### LendIt FinTech Industry Awards 2018:

- FT Partners wins Top Investment Bank in FinTech

### Institutional Investor



#### The FinTech Finance 40:

- Steve McLaughlin ranked #1 in 2017 and 2018

### The Information

A logo for "Silicon Valley's Most Popular Dealmakers" featuring a grid of names and titles.

Silicon Valley's Most Popular Dealmakers		
Name	Title	Company
Sam Smith	Managing Director	Golden Gate
Steve McLaughlin	Managing Partner	FT Partners
Michael Rzepka	Managing Director	Golden Gate
Mark Winkler	Managing Director	Golden Gate
Paul Rosen	Managing Director	Golden Gate
Quincy Smith	Partner	Golden Gate

#### The Information’s “Silicon Valley’s Most Popular Dealmakers”

- Ranked as the #2 top Technology Investment Banker by The Information subscribers (2016)
- Only FinTech focused investment banking firm and banker on the list

## The Largest FinTech Advisory Practice in the World

- FT Partners has the largest and most seasoned team in the world dedicated exclusively to serving and advising the FinTech sector
- Veteran senior bankers from Goldman Sachs, J.P. Morgan and Morgan Stanley with 20+ years of experience executing hundreds of complex transactions

