



Private Label Credit Card Issuer | Toronto, ON | Founded: 2013 | Employees: 11 – 50 | <http://flexitifinancial.com/>

PHONE: 1 877 259 3745

CrunchBase: <https://www.crunchbase.com/organization/flexiti-financial#section-investors>

BLOOMBERG: <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=408396385>

LINKEDIN: <https://www.linkedin.com/company/flexiti-financial/?originalSubdomain=ca>

COMPANY OVERVIEW

Flexiti Financial is a Toronto, Ontario based digital consumer lending platform which offers retailers instant point-of-sale (POS) financing. The company leverages mobile ID scanning technology and in-house advanced algorithms to assess consumer credit risk and validate customer applications in less than three minutes. Flexiti's mobile application platform enables users to select from multiple payment options and process payments directly from a QR code on their device. The speed of Flexiti's approval prevents lost sales due to customers being turned away at the checkout.

SENIOR MANAGEMENT

Peter Kalen: Founder, CEO (2013-Present). Previously: Executive Vice-President, Sears Financial & Home Services (2012-2013); Senior Vice-President, Presidents Choice Financial (2006-2009); Senior Vice-President, Citi Cards Canada (2001-2006); Product Officer, TD Canada Trust (1998-2000). Education: MBA, Ivey Business School, Western University (2000-2001); HBA, Ivey Business School, Western University (1990-1995).

Jerome Peeters: COO (2017-Present). Previously: Vice President, Operations, B2B Bank (2015-2017); SVP, Marketing and Customer Experience, Sears (2012-2014); Senior Director, Presidents Choice Financial, CIBC (2006-2010). Education: Marketing and Business Administration (1992-1995), Ecole Pratique Hautes Etudes Commerciales.

Gaston Siri: CTO (2016-Present). Previously: CEO, Dynamic Mind (2002-2016); CTO, Global Mind (1999-2008). Education: n.d., Instituto Tecnológico de Buenos Aires.

HISTORY

As a seasoned retail credit card executive, Peter Kalen saw the consumer lending landscape change during the 2008 financial crisis when several large players exited the Canadian market. With their departure, they left behind a receivables market of over \$7 billion, leading to a shortage of sales financing for small to medium sized businesses. Peter also noted that traditional financing alternatives were turning customers away at the checkout due to long approval times and stringent financing terms and conditions. In 2013, Peter sought to solve these problems by founding Flexiti Financial, a mobile financing platform that could approve applicants in minutes and provide customers with credit for as low as zero percent interest.

FUNDING¹

Flexiti has raised over \$73 million in VC funding since 2014 (6 rounds). Notably, in June 2018, telecommunications investor Globalitive Capital invested \$50 million in addition to their previous investments of \$11.75 million to finance Flexiti's acquisition of TD Financing Services' Private Label Credit Card Portfolio (\$250 million). Additionally, Flexiti secured a \$350 million credit facility from Credit Suisse in 2018 to support the TD acquisition and \$25 million in privately placed debt from Liquid Capital Corp². in 2016 to finance their receivables before they are securitized.

KEY CORPORATE DEVELOPMENTS

Press releases: <http://flexitifinancial.com/news/>

June 28, 2017: [Flexiti selected as preferred financier for over 800 outdoor equipment dealers](#)

February 21, 2018: [Flexiti launches consumer financing and payment technology for e-commerce](#)

June 7, 2018: [Flexiti acquires TD Financing Services' \\$250 million private label credit card portfolio](#)

June 15, 2018: [Globalative Technology and Flexiti form JV to create AI and blockchain software for consumer loans](#)

¹ <https://my.pitchbook.com/profile/126090-28/company/profile>

² <https://www.pehub.com/canada/2016/03/fintech-startup/>

BUSINESS HIGHLIGHTS

STRATEGY

Flexiti differentiates itself from traditional credit card suppliers through the following attributes:

- **Speed and Ease of Application** – customers receive credit approval in 3 minutes compared to traditional lending alternatives which take up to 33 hours
- **Scalable Infrastructure** – ease of use system that is compatible with all merchant POS systems
- **Customer Service** – merchants and customers have access to customer service personnel 7 days a week
- **High Approval Rate** – high approval rates lead to more closed sales and greater customer satisfaction

PRODUCTS / PRICING

Flexiti provides financing for big ticket purchases where consumers are not unlikely to be carrying the cash required to complete the transaction.

- **Size of Transaction:** Flexiti has an average financing amount per transaction exceeding \$3000³
- **Industries of focus:** large retail purchases (furniture, appliances, etc.), health financing (dental treatments, laser eye surgery, etc.), home improvement (roofing, plumbing, etc.)
- **In-store Financing vs. E-commerce:** Flexiti offers financing to both in-store and e-commerce merchants. In-store merchants are provided with a tablet to verify mobile customers and process payments. All merchants are provided with payment within two business days
- **Customer Support:** customer support representatives offered 7 days a week
- **Mobile Application:** complete payment and select from several customized payment plans

TECHNOLOGY

Flexiti utilizes ID verification technology to gain access to publicly available information on its applicants to assess risk:

- **Algorithms** – Flexiti has developed algorithms that assess consumer risk based on the information provided
- **API** – Flexiti utilizes API software that enables customer mobile applications to communicate easily with merchant POS terminals. Retailers need only download an application to their desktop to scan QR codes
- **AI/Blockchain** – Recently, Flexiti partnered with Globalive Technologies to work towards developing AI and blockchain technology that can better predict and track customer credit risk and default

DISTRIBUTION / Logistics

Flexiti's platform is available to consumers through the Apple and Android App Store. Additionally, users can sign up online from Flexiti's website. Retailers are equipped with Flexiti tablets to scan customer QR codes.

MARKETING

In 2018, Flexiti completed the purchase of TD Financing Services' \$250 million Private Label Credit Card Portfolio. The portfolio gave Flexiti access to over 1,000,000 new customers and 900 new retail locations. This brought their total retail customer base to 3,500⁴. Upon signing up for Flexiti's services, merchants are provided with free promotional materials to be displayed at the register.

COMPETITORS

There are many financial institutions operating within the private label credit card service space, including Canada's five largest banks. However, there are few institutions that offer instant online approval through mobile devices:

1. **Financeit** – (Toronto, On) Financeit is a mobile platform that connects end consumers with partnered lenders. Financeit's platform automates the approval process for its partners and manages the loan origination process.
2. **Acima Credit** – (Salt Lake City, UT) Acima is an American mobile private label credit provider which offers its customers instant approval. Acima requires users to disclose personal information through manual entry. The company also advises its clients on how to improve their credit score based on their credit usage.

³ <https://flexitifinancial.com/point-of-sale-flexibility-inflates-spend/>

⁴ <http://flexitifinancial.com/flexiti-acquires-td-financing-services-250-million-canadian-private-label-credit-card-portfolio-becomes-one-of-canadas-leading-private-label-credit-card-issuers/>