

Data Aggregation and Analytical Review

White Paper



Throttle Capital LLC

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Introduction

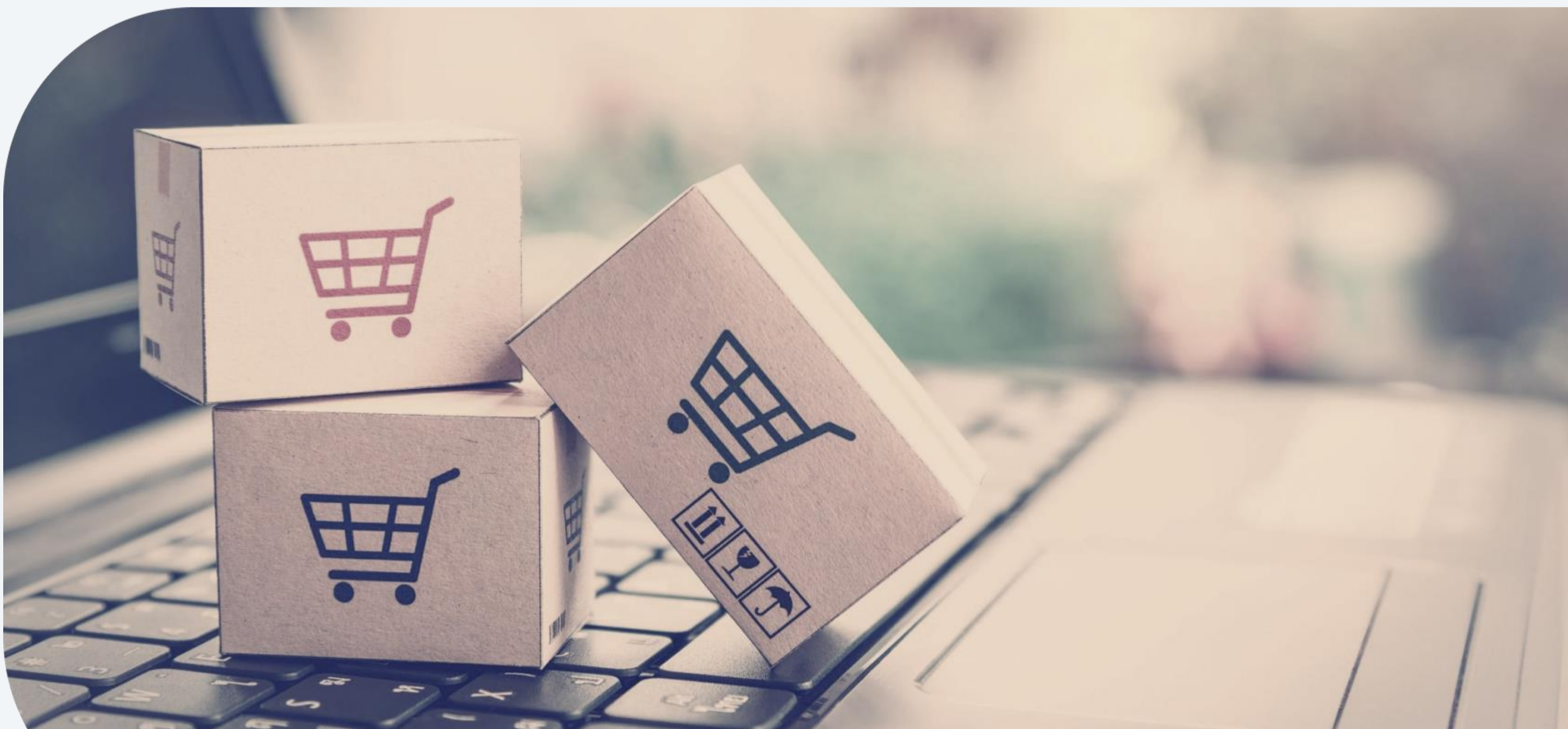
Kickfurther helps consumer product goods businesses (the "Brands") meet growing customer demand by providing them with a marketplace where Kickfurther's users (the "Buyers") can purchase their inventory and as that consignment inventory is sold, earn profit.

Since funding their first consignment opportunity or "Co-Op" in 2014, Kickfurther has funded nearly **\$100 million** in inventory through **1,232 Co-Ops from 638** Brands.

Kickfurther retained Throttle Capital to evaluate performance and establish an appropriate measurement tool to calculate Buyer profit.

As of **January 19th, 2022**, Buyers on the Kickfurther platform have made approximately **14.4%** annualized profit from Co-Ops which were launched under Kickfurther's current requirements.

This whitepaper will explain how we arrived at those results.



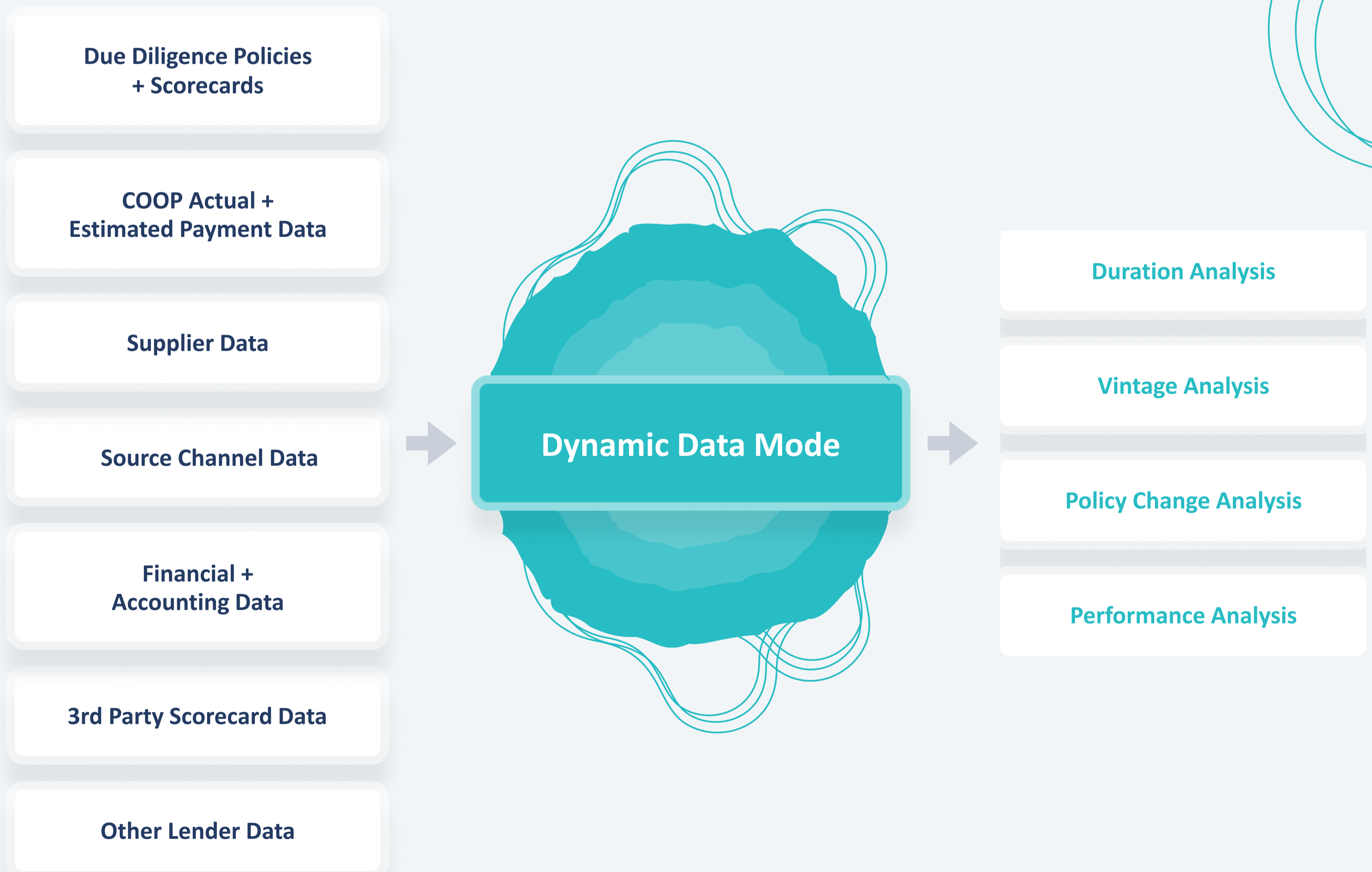
1. Data Aggregation

Dynamic Data Model

Throttle Capital's first task was to aggregate, clean and categorize all Co-Op data so that we could examine performance versus due diligence policy criteria.

During this time period Kickfurther used 14 key variables to qualify a Co-Op, which includes information directly from the Brands (i.e. eCommerce sales, banking transactions, financial and accounting data), data from third parties (i.e. credit bureau, third-party, public filings) and data from the supply chain (i.e. type of supplier, type of warehousing, supplier delivery history).

The type of information and granularity of the sales, supplier, and financial data has evolved over time, along with Kickfurther's due diligence policies.



2. Determination of Profit

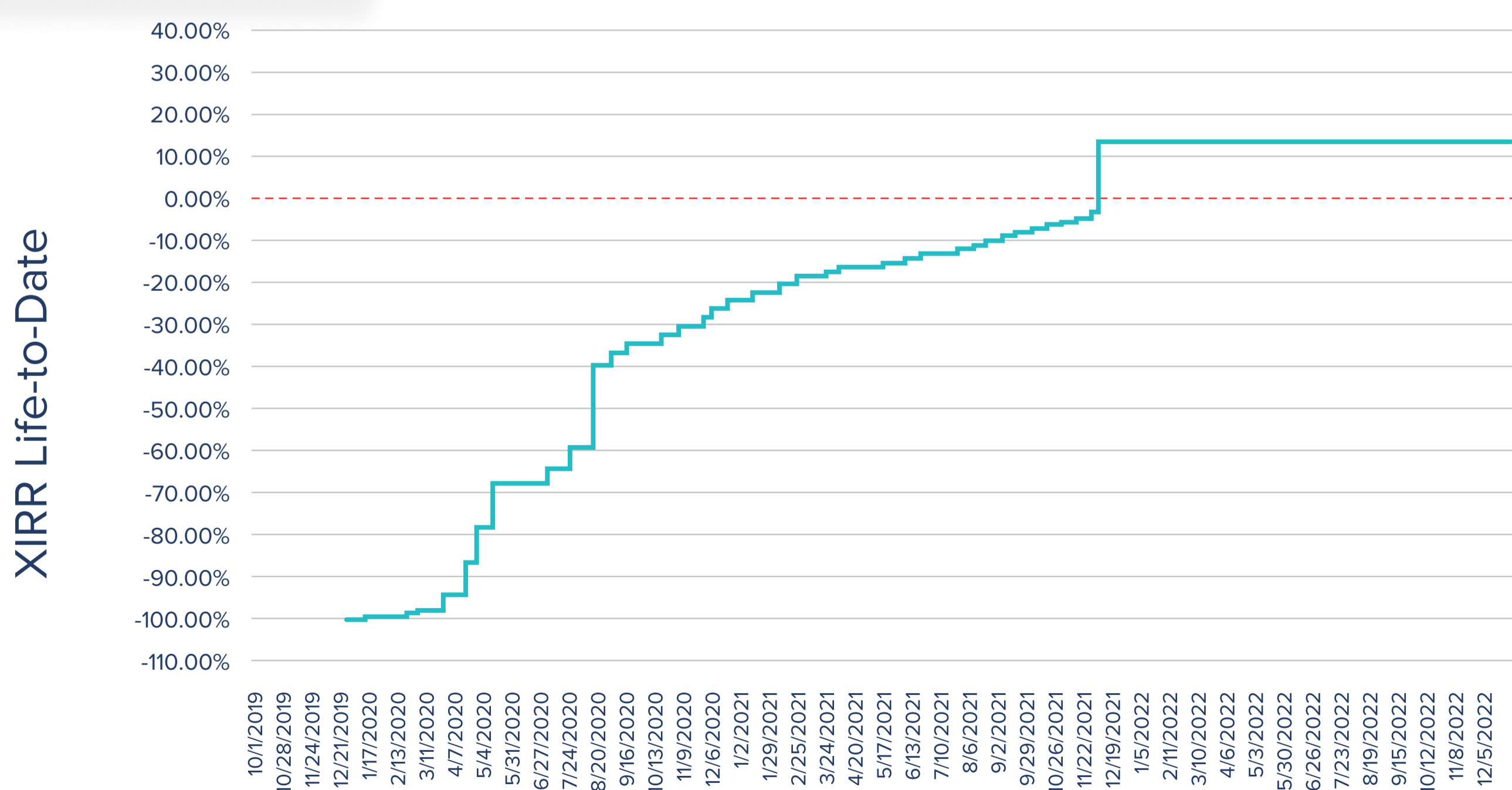
Analysis

Throttle reviewed all payments from Co-Ops to determine when Co-Ops were funded, the dollar amount of each Co-Op, estimated payments, the actual payments made and the timing of such payments. We used this data to calculate Buyer profit.

There are no set payment amounts for Kickfurther Co-Ops. Payments are made as inventory is sold and things such as demand and supply chain issues can have impacts on payments and timing. Co-Ops may complete earlier than expected or later than expected depending on sales demand, shipping and manufacturing timelines and other issues.

In the Co-Op example below, Profit increases incremental as consignment inventory is sold and the Buyers receive payments from those sales. Throttle Capital was able to use this Co-Op by Co-Op payment data to calculate Buyer profit, the duration of each Co-Op and other key metrics.

Daily Progression

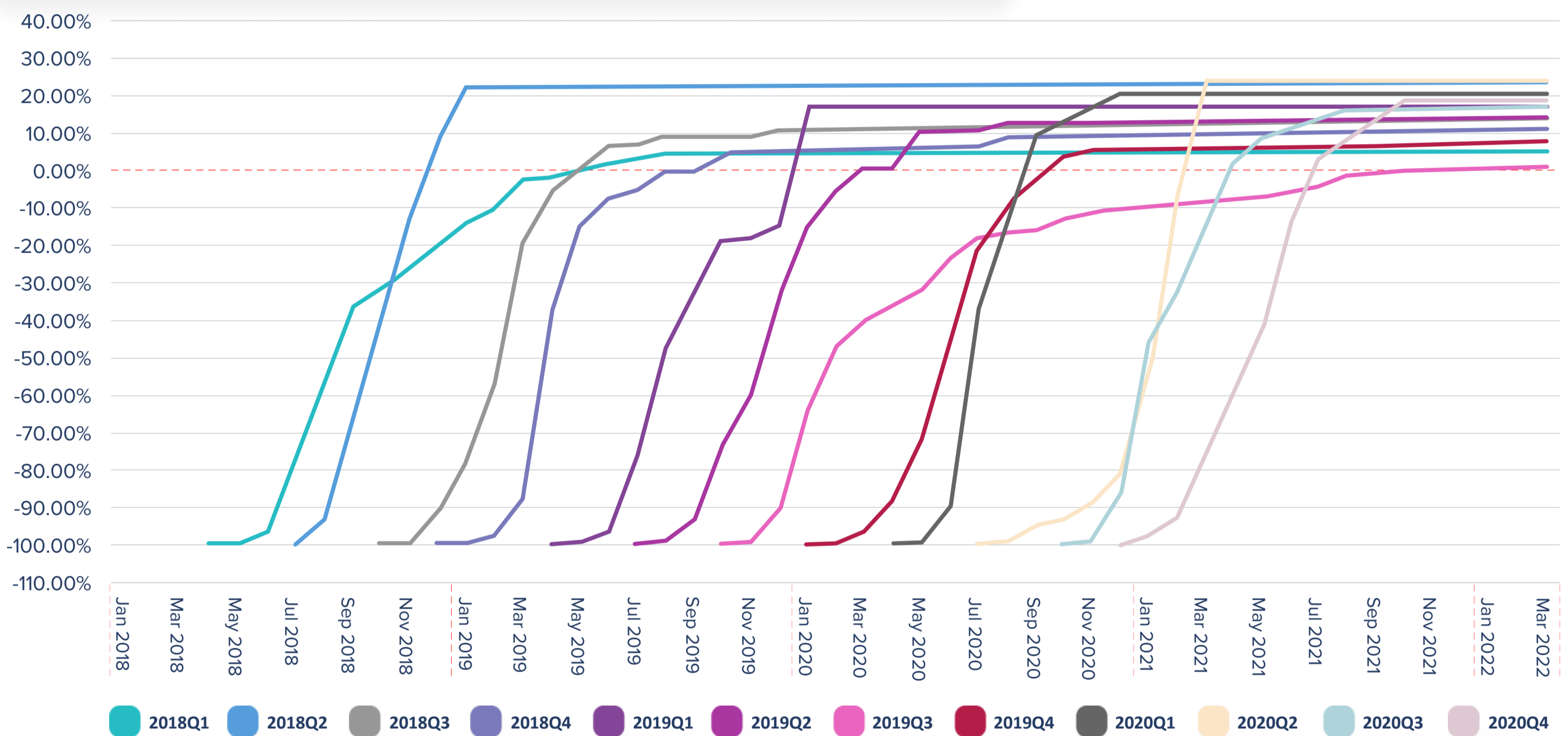


3. Vintage Analysis

Static Pool Performance by Vintage

Throttle Capital aggregated individual Co-Op performance data to calculate Buyer profit by vintage. Throttle Capital categorized vintages by the quarter in which the Co-Ops were funded and then compared performance to better understand the stability and variance of Buyer profit.

Monthly Progression By Vintage for Current Policy



Throttle Capital was able to review due diligence policies at the date of funding and subsequent performance data.

To do our analysis, we had to determine what comprised a “mature vintage.” We determined that, in order for any quarter to be declared a “mature vintage,” the majority of the Co-Ops for that quarter must have an expected completion date that was prior to the date upon payment data was available. For clarity, the average duration for any Co-Op is **149 days**, so we can’t really understand actual performance of any quarter **until approximately 10 months** after the last Co-Op in that quarter was funded.

Impact of Policy Changes to Co-Op Performance

Kickfurther made numerous changes to their due diligence policies and procedures over time including tightening and loosening criteria.

Throttle Capital’s data model compared vintage performance incorporating the timing of significant policy changes and the overall impact on Buyer profit. Additionally, the model enabled reviewing historical performance through a lens of current due diligence policy guidelines.

As described above, Kickfurther implemented a qualification scorecard designed to predict which Co-Ops were less likely to perform well. The dynamic data model was able to calculate Buyer profits with and without Co-Ops that fit within current due diligence policies. These policy changes appear to have had a positive impact on Buyer profit. As an example below, there were 121 co-ops since August 2017 which did not meet Kickfurther's existing due diligence criteria.

Period	Companies	Coops	Funded Amount
Pre August 2017	348	502	\$ 17,874,542
Aug 2017 to Dec 2021 (meeting current due diligence policy)	283	608	\$ 67,874,719
Aug 2017 to Dec 2021 (not meeting current due diligence policy)	91	121	\$ 9,363,951

4. Policy Change

Comparison of Current and Prior Due Diligence Policies

Mature COOP Performance - Current Policy

Funded Date	Co-ops	Amounts	Amounts	Annualized Profit
	Total	Total Deal Flow	Total Paid (Actual)	Actual
Q4 2020	47	\$ 7,937,224	\$ 8,375,217	15.0%
Q3 2020	48	\$ 5,633,397	\$ 6,054,318	20.9%
Q2 2020	21	\$ 1,645,110	\$ 1,801,280	25.2%
Q1 2020	22	\$ 3,094,615	\$ 3,346,440	20.9%
Q4 2019	38	\$ 3,520,370	\$ 3,645,119	7.2%
Q3 2019	36	\$ 4,002,088	\$ 4,035,640	1.8%
Q2 2019	31	\$ 2,625,035	\$ 2,791,820	15.2%
Q1 2019	21	\$ 1,913,349	\$ 2,050,906	17.9%
Q4 2018	27	\$ 1,835,688	\$ 1,917,214	12.5%
Q3 2018	33	\$ 2,744,510	\$ 2,873,585	11.6%
Q2 2018	23	\$ 1,309,194	\$ 1,395,510	23.7%
Q1 2018	20	\$ 1,345,640	\$ 1,374,588	5.2%

Note(s):

- 1 All data as of 19th January 2022 17:23 EST
- 2 Mature coops Co-Ops range Q12018 to Q42020
- 3 Overall Actual (Excluding the two most recent quarters)
- 4 Overall Projected (Excluding the two most recent quarters)
- 5 Repayment payment dates and amounts estimated by owner.

Profit	
14.4%	Overall Actual (Excluding the two most recent quarters)
23.7%	Overall Projected (Excluding the two most recent quarters)

Mature COOP Co-Op Performance - No Filters

Funded Date	Co-ops	Amounts	Amounts	Annualized Profit
	Total	Total Deal Size	Actual Paid	Actual Paid
Q4 2020	55	\$ 8,447,319	\$ 8,852,906	13.1%
Q3 2020	56	\$ 6,244,529	\$ 6,711,762	21.6%
Q2 2020	34	\$ 2,979,490	\$ 3,243,024	27.5%
Q1 2020	31	\$ 3,848,022	\$ 4,171,944	20.9%
Q4 2019	41	\$ 3,827,116	\$ 3,886,192	3.0%
Q3 2019	40	\$ 4,343,014	\$ 4,339,324	-0.2%
Q2 2019	34	\$ 2,762,717	\$ 2,938,789	15.2%
Q1 2019	21	\$ 1,913,349	\$ 2,050,906	17.9%
Q4 2018	32	\$ 2,172,557	\$ 2,279,444	13.1%
Q3 2018	36	\$ 3,139,874	\$ 3,295,800	12.6%
Q2 2018	38	\$ 2,492,501	\$ 2,422,312	-7.5%
Q1 2018	27	\$ 1,891,656	\$ 1,686,392	-23.1%
Q4 2017	13	\$ 782,191	\$ 830,920	21.8%
Q3 2017	8	\$ 573,363	\$ 607,341	18.9%

Note(s):

- 1 All data as of 19th January 2022 17:23 EST
- 2 Mature Co-Ops range Q12018 to Q42020
- 3 Overall Actual (Excluding the two most recent quarters)
- 4 Overall Projected (Excluding the two most recent quarters)

Profit	
11.6%	Overall Actual (Excluding the two most recent quarters)
23.1%	Overall Projected (Excluding the two most recent quarters)

Throttle Capital LLC

- Throttle Capital LLC (hereafter, “Throttle”) provides scalable debt facilities and tailored analytical services to data-driven and technology-forward companies in the Fintech space.
- Traditional analysis using small business owners’ personal and business credit scores typically utilize longer-dated historical data; while the industry is transitioning to customer-specific: online sales data, rolling-average payment behavior and financial ratios and type and level of indebtedness metrics.
- Throttle has worked closely with several well-funded participants in the eCommerce space including: eCommerce platforms, supply chain finance companies, online merchants and data and analytics providers to the industry.
- In understanding Kickfurther’s Brands’ and Buyers’ expectations and performance goals, Throttle endeavors to test existing due diligence policies and procedures and bring the best-of-breed solutions in the industry to Kickfurther.



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20+ years of experience across business development, fundraising and operations

Previous: Lending Club, FundersClub, Echelon Asset Management, Banc of America Investments

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