Section 1: 10-Q (10-Q)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2019

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-37680

ELEVATE CREDIT, INC.

(Exact name of registrant as specified in its charter)

Delaware	**46-4714474**
State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number
4150 International Plaza, Suite 300 Fort Worth, Texas 76109	**76109**
Address of Principal Executive Offices	Zip Code

(817) 928-1500

Registrant's Telephone Number, Including Area Code

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Accelerated filer ☒
Emerging growth company ☒
Non-accelerated filer ☐
Smaller reporting company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, $0.0004 par value	ELVT	New York Stock Exchange

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding at August 7, 2019
Common Shares, $0.0004 par value	44,134,011

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NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") that are based on our management's beliefs and assumptions and on information currently available to our management. The forward-looking statements are contained throughout this Quarterly Report on Form 10-Q, including in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors." Forward-looking statements include information concerning our strategy, future operations, future financial position, future revenues, projected expenses, margins, prospects and plans and objectives of management. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipate," "believe," "could," "seek," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or similar expressions and the negatives of those terms. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, growth rate of revenue, cost of borrowing, credit losses, marketing costs, net charge-offs, gross profit or gross margin, operating expenses, operating margins, loans outstanding, credit quality, ability to generate cash flow and ability to achieve and maintain future profitability;
- the availability of debt financing, funding sources and disruptions in credit markets;
- our ability to meet anticipated cash operating expenses and capital expenditure requirements;
- anticipated trends, growth rates, seasonal fluctuations and challenges in our business and in the markets in which we operate;
- our ability to anticipate market needs and develop new and enhanced or differentiated products, services and mobile apps to meet those needs, and our ability to successfully monetize them;
- our expectations with respect to trends in our average portfolio effective annual percentage rate;
- our anticipated growth and growth strategies and our ability to effectively manage that growth;
- our anticipated expansion of relationships with strategic partners, including banks;
- customer demand for our product and our ability to rapidly grow our business in response to fluctuations in demand;
- our ability to attract potential customers and retain existing customers and our cost of customer acquisition;
- the ability of customers to repay loans;
- interest rates and origination fees on loans;
- the impact of competition in our industry and innovation by our competitors;
- our ability to attract and retain necessary qualified directors, officers and employees to expand our operations;
- our reliance on third-party service providers;
- our access to the automated clearing house system;
- the efficacy of our marketing efforts and relationships with marketing affiliates;
- our anticipated direct marketing costs and spending;
- the evolution of technology affecting our products, services and markets;
- continued innovation of our analytics platform, including releases of new credit models;
- our ability to prevent security breaches, disruption in service and comparable events that could compromise the personal and confidential information held in our data systems, reduce the attractiveness of the platform or adversely impact our ability to service loans;
- our ability to detect and filter fraudulent or incorrect information provided to us by our customers or by third parties;
- our ability to adequately protect our intellectual property;
- our compliance with applicable local, state, federal and foreign laws;

- our compliance with, and the effects on our business and results of operations from, current or future applicable regulatory developments and regulations, including developments or changes from the Consumer Financial Protection Bureau ("CFPB") and developments or changes in state law;
- regulatory developments or scrutiny by agencies regulating our business or the businesses of our third-party partners;
- public perception of our business and industry;
- the anticipated effect on our business of litigation or regulatory proceedings to which we or our officers are a party;
- the anticipated effect on our business of natural or man-made catastrophes;
- the increased expenses and administrative workload associated with being a public company;
- failure to maintain an effective system of internal controls necessary to accurately report our financial results and prevent fraud;
- our liquidity and working capital requirements;
- the estimates and estimate methodologies used in preparing our consolidated financial statements;
- the utility of non-GAAP financial measures;
- the future trading prices of our common stock and the impact of securities analysts' reports on these prices;
- our anticipated development and release of certain products and applications and changes to certain products;
- our anticipated investing activity;
- trends anticipated to continue as our portfolio of loans matures; and
- any future repurchases under our share repurchase program, including the timing and amount of repurchases thereunder.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. We discuss these risks in greater detail in "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this Quarterly Report on Form 10-Q. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands except share amounts)	June 30, 2019	December 31, 2018
	(unaudited)	
ASSETS		
Cash and cash equivalents*	$ 63,399	$ 58,313
Restricted cash	2,491	2,591
Loans receivable, net of allowance for loan losses of $75,896 and $91,608, respectively*	535,405	561,694
Prepaid expenses and other assets*	11,990	11,418
Operating lease right of use assets	11,858	—
Receivable from CSO lenders	10,246	16,183
Receivable from payment processors*	27,129	21,716
Deferred tax assets, net	13,605	21,628
Property and equipment, net	47,629	41,579
Goodwill	16,027	16,027
Intangible assets, net	1,462	1,712
Derivative assets at fair value (cost basis of $0 and $109, respectively)*	—	412
Total assets	$ 741,241	$ 753,273
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities (See Note 14)*	$ 41,445	$ 44,950
Operating lease liabilities	16,160	—
State and other taxes payable	1,222	681
Deferred revenue*	15,246	28,261
Notes payable, net*	527,237	562,590
Total liabilities	601,310	636,482
COMMITMENTS, CONTINGENCIES AND GUARANTEES (Note 12)		
STOCKHOLDERS' EQUITY		
Preferred stock; $0.0004 par value; 24,500,000 authorized shares; None issued and outstanding at June 30, 2019 and December 31, 2018.	—	—
Common stock; $0.0004 par value; 300,000,000 authorized shares; 44,173,872 and 43,329,262 issued and outstanding, respectively	18	18
Additional paid-in capital	187,521	183,244
Accumulated deficit	(47,395)	(66,525)
Accumulated other comprehensive income (loss), net of tax benefit of $1,353 and $1,257, respectively*	(213)	54
Total stockholders' equity	139,931	116,791
Total liabilities and stockholders' equity	$ 741,241	$ 753,273

* These balances include certain assets and liabilities of variable interest entities ("VIEs") that can only be used to settle the liabilities of that respective VIE. All assets of the Company are pledged as security for the Company's outstanding debt, including debt held by the VIEs. For further information regarding the assets and liabilities included in our consolidated accounts, see Note 4—Variable Interest Entities.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)

(Dollars in thousands, except share and per share amounts)	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Revenues	$ 177,760	$ 184,377	$ 367,264	$ 377,914
Cost of sales:				
Provision for loan losses	78,025	88,598	165,456	180,740
Direct marketing costs	16,194	22,180	27,348	42,875
Other cost of sales	8,562	6,566	13,622	12,895
Total cost of sales	102,781	117,344	206,426	236,510
Gross profit	74,979	67,033	160,838	141,404
Operating expenses:				
Compensation and benefits	25,638	23,380	51,348	45,807
Professional services	8,860	8,374	18,559	16,686
Selling and marketing	2,205	2,403	4,051	5,355
Occupancy and equipment (See Note 14)	5,179	4,630	10,231	8,749
Depreciation and amortization	4,324	2,962	8,590	5,677
Other	1,710	1,568	3,017	2,785
Total operating expenses	47,916	43,317	95,796	85,059
Operating income	27,063	23,716	65,042	56,345
Other expense:				
Net interest expense (See Note 14)	(17,947)	(19,263)	(37,166)	(38,476)
Foreign currency transaction loss	(710)	(1,231)	(97)	(475)
Non-operating loss	—	—	—	(38)
Total other expense	(18,657)	(20,494)	(37,263)	(38,989)
Income before taxes	8,406	3,222	27,779	17,356
Income tax expense	2,634	94	8,649	4,745
Net income	$ 5,772	$ 3,128	$ 19,130	$ 12,611
Basic earnings per share	$ 0.13	$ 0.07	$ 0.44	$ 0.30
Diluted earnings per share	$ 0.13	$ 0.07	$ 0.43	$ 0.29
Basic weighted average shares outstanding	43,681,159	42,561,403	43,514,862	42,386,660
Diluted weighted average shares outstanding	44,291,816	44,239,007	44,142,947	43,937,066

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(Dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income	$ 5,772	$ 3,128	$ 19,130	$ 12,611
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustment, net of tax of $(1) and $0 for the three and six months ended 2019 and 2018, respectively	724	(1,495)	(59)	(402)
Reclassification of certain deferred tax effects	—	—	—	(920)
Change in derivative valuation, net of tax of $(95) and $164 for the three and six months ended 2019 and 2018, respectively	—	(243)	(208)	1,091
Total other comprehensive income (loss), net of tax	724	(1,738)	(267)	(231)
Total comprehensive income	$ 6,496	$ 1,390	$ 18,863	$ 12,380

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
For the periods ended June 30, 2019 and 2018

(Dollars in thousands except share amounts)	Preferred Stock		Common Stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
	Shares	Amount	Shares	Amount				
Balances at December 31, 2017	—	—	42,165,524	$ 17	$ 174,090	$ (79,954)	$ 2,003	$ 96,156
Share-based compensation	—	—	—	—	3,647	—	—	3,647
Exercise of stock options	—	—	259,196	—	969	—	—	969
Vesting of restricted stock units	—	—	629,147	—	—	—	—	—
ESPP shares issued	—	—	61,996	—	408	—	—	408
Tax benefit of equity issuance costs	—	—	—	—	(674)	—	—	(674)
Comprehensive income:								
Foreign currency translation adjustment net of tax expense of $0	—	—	—	—	—	—	(402)	(402)
Change in derivative valuation net of tax expense of $164	—	—	—	—	—	—	1,091	1,091
Reclassification of certain deferred tax effects	—	—	—	—	—	920	(920)	—
Net income	—	—	—	—	—	12,611	—	12,611
Balances at June 30, 2018	—	—	43,115,863	$ 17	$ 178,440	$ (66,423)	$ 1,772	$ 113,806
Balances at December 31, 2018	—	—	43,329,262	18	183,244	(66,525)	54	116,791
Share-based compensation	—	—	—	—	4,911	—	—	4,911
Exercise of stock options	—	—	25,000	—	81	—	—	81
Vesting of restricted stock units	—	—	677,343	—	(1,211)	—	—	(1,211)
ESPP shares issued	—	—	142,267	—	498	—	—	498
Tax benefit of equity issuance costs	—	—	—	—	(2)	—	—	(2)
Comprehensive loss:								
Foreign currency translation adjustment net of tax benefit of $1	—	—	—	—	—	—	(59)	(59)
Change in derivative valuation net of tax benefit of $95	—	—	—	—	—	—	(208)	(208)
Net income	—	—	—	—	—	19,130	—	19,130
Balances at June 30, 2019	—	—	44,173,872	$ 18	$ 187,521	$ (47,395)	$ (213)	$ 139,931

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(Dollars in thousands)	Six Months Ended June 30, 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 19,130	$ 12,611
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,590	5,677
Provision for loan losses	165,456	180,740
Share-based compensation	4,911	3,647
Amortization of debt issuance costs	283	191
Amortization of loan premium	2,981	3,006
Amortization of convertible note discount	—	138
Amortization of derivative assets	108	606
Amortization of operating leases	145	—
Deferred income tax expense, net	8,117	4,602
Unrealized loss from foreign currency transactions	97	475
Non-operating loss	—	38
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(594)	(2,134)
Receivables from payment processors	(5,511)	(5,864)
Receivables from CSO lenders	5,937	4,921
Interest receivable	(34,769)	(43,097)
State and other taxes payable	549	71
Deferred revenue	(9,583)	1,171
Accounts payable and accrued liabilities	3,580	(4,314)
Net cash provided by operating activities	169,427	162,485
CASH FLOWS FROM INVESTING ACTIVITIES:		
Loans receivable originated or participations purchased	(613,987)	(625,951)
Principal collections and recoveries on loans receivable	503,190	497,076
Participation premium paid	(2,491)	(3,020)
Purchases of property and equipment	(14,042)	(12,450)
Net cash used in investing activities	(127,330)	(144,345)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Elevate Credit, Inc. and Subsidiaries

(Dollars in thousands)	Six Months Ended June 30, 2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	$ 27,000	$ 12,135
Payments of notes payable	(60,000)	—
Cash paid for interest rate caps	—	(1,367)
Settlement of derivative liability	—	(2,010)
Debt issuance costs paid	(2,598)	(25)
Debt prepayment costs paid	(850)	—
ESPP shares issued	498	408
Proceeds from stock option exercises	81	969
Taxes paid related to net share settlement of equity awards	(1,211)	—
Net cash (used in) provided by financing activities	(37,080)	10,110
Effect of exchange rates on cash	(31)	(25)
Net increase in cash, cash equivalents and restricted cash	4,986	28,225
Cash and cash equivalents, beginning of period	58,313	41,142
Restricted cash, beginning of period	2,591	1,595
Cash, cash equivalents and restricted cash, beginning of period	60,904	42,737
Cash and cash equivalents, end of period	63,399	69,368
Restricted cash, end of period	2,491	1,594
Cash, cash equivalents and restricted cash, end of period	$ 65,890	$ 70,962
Supplemental cash flow information:		
Interest paid	$ 36,850	$ 37,696
Taxes paid	$ 338	$ 332
Non-cash activities:		
CSO fees charged-off included in Deferred revenues and Loans receivable	$ 3,432	$ 5,331
CSO fees on loans paid-off prior to maturity included in Receivable from CSO lenders and Deferred revenue	$ 127	$ 137
Annual membership fee included in Deferred revenues and Loans receivable	$ 126	$ —
Prepaid expenses accrued but not yet paid	$ —	$ 559
Property and equipment accrued but not yet paid	$ —	$ 442
Impact on OCI and retained earnings of adoption of ASU 2018-02	$ —	$ 920
Changes in fair value of interest rate caps	$ 304	$ 1,255
Tax benefit of equity issuance costs included in Additional paid-in capital	$ 2	$ 674
Impact of deferred tax asset included in Other comprehensive income (loss)	$ 96	$ —
Leasehold improvements allowance included in Property and equipment, net	$ 439	$ —

Lease incentives allowance included in Accounts payable and accrued liabilities	$	3,720	$	—
Operating lease right of use assets recognized	$	13,399	$	—
Operating lease liabilities recognized	$	17,556	$	—

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NOTE 1 - BASIS OF PRESENTATION AND ACCOUNTING CHANGES

Business Operations

Elevate Credit, Inc. (the “Company”) is a Delaware corporation. The Company provides technology-driven, progressive online credit solutions to non-prime consumers. The Company uses advanced technology and proprietary risk analytics to provide more convenient and more responsible financial options to its customers, who are not well-served by either banks or legacy non-prime lenders. The Company currently offers unsecured online installment loans, lines of credit and credit cards in the United States (the “US”) and the United Kingdom (the “UK”). The Company’s products, Rise, Elastic, Today Card and Sunny, reflect its mission of “Good Today, Better Tomorrow” and provide customers with access to competitively priced credit and services while helping them build a brighter financial future with credit building and financial wellness features. In the UK, the Company directly offers unsecured installment loans via the internet through its wholly owned subsidiary, Elevate Credit International (UK), Limited, (“ECI”) under the brand name of Sunny.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements as of June 30, 2019 and for the three and six month periods ended June 30, 2019 and 2018 include the accounts of the Company, its wholly owned subsidiaries and variable interest entities ("VIEs") where the Company is the primary beneficiary. All significant intercompany transactions and accounts have been eliminated.

The unaudited condensed consolidated financial information included in this report has been prepared in accordance with accounting principles generally accepted in the US (“US GAAP”) for interim financial information and Article 10 of Regulation S-X and conform, as applicable, to general practices within the finance company industry. The principles for interim financial information do not require the inclusion of all the information and footnotes required by US GAAP for complete financial statements. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2018 in the Company's Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission ("SEC") on March 8, 2019. In the opinion of the Company’s management, the unaudited condensed consolidated financial statements include all adjustments, all of which are of a normal recurring nature, necessary for a fair presentation of the results for the interim periods. Our business is seasonal in nature so the results of operations for the three and six months ended June 30, 2019 are not necessarily indicative of the results to be expected for the full year.

Use of Estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Significant items subject to such estimates and assumptions include the valuation of the allowance for loan losses, goodwill, long-lived and intangible assets, deferred revenues, contingencies, the fair value of derivatives, the income tax provision, valuation of share-based compensation, operating lease right of use assets, operating lease liabilities and the valuation allowance against deferred tax assets. The Company bases its estimates on historical experience, current data and assumptions that are believed to be reasonable. Actual results in future periods could differ from those estimates.

Property and Equipment, net

Property and equipment are stated at cost, net of accumulated depreciation and amortization. The following table summarizes the components of net property and equipment.

(Dollars in thousands)	June 30, 2019	December 31, 2018
Property and equipment, gross	$ 112,709	$ 98,357
Accumulated depreciation and amortization	(65,080)	(56,778)
Property and equipment, net	$ 47,629	$ 41,579

Interest Rate Caps

The Company applies the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 815, Derivatives and Hedging. On January 11, 2018, the Company and ESPV each entered into one interest rate cap transaction with a counterparty to mitigate the floating rate interest risk on a portion of the debt underlying the Rise and Elastic portfolios, respectively. The interest rate caps matured on February 1, 2019. The interest rate caps were designated as cash flow hedges against expected future cash flows attributable to future interest payments on debt facilities held by each entity. The Company initially reported the gains or losses related to the hedges as a component of Accumulated other comprehensive income (loss) in the Condensed Consolidated Balance Sheets in the period incurred and subsequently reclassified the interest rate caps' gains or losses to interest expense when the hedged expenses were recorded. The Company excluded the change in the time value of the interest rate caps in its assessment of their hedge effectiveness. The Company presented the cash flows from cash flow hedges in the same category in the Condensed Consolidated Statements of Cash Flows as the category for the cash flows from the hedged items. The interest rate caps did not contain any credit risk related contingent features. The Company's hedging program is not designed for trading or speculative purposes.

For additional information related to derivative instruments, see Note 9—Fair Value Measurements.

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in Operating lease right of use ("ROU") assets and Operating lease liabilities on our Condensed Consolidated Balance Sheets. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. As most of our leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments. The operating lease ROU asset may also include initial direct costs incurred and excludes any lease payments made and lease incentives. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The Company has lease agreements with lease and non-lease components. The lease and non-lease components are accounted for as a single lease component.

Recently Adopted Accounting Standards

In July 2018, the FASB issued Accounting Standards Update ("ASU") No. 2018-09, *Codification Improvements* ("ASU 2018-09"). The purpose of ASU 2018-09 is to clarify, correct errors in or make minor improvements to the Codification. Among other revisions, the amendments clarify that an entity should recognize excess tax benefits or tax deficiencies for share compensation expense that is taken on an entity's tax return in the period in which the amount of the deduction is determined. The Company has adopted all of the amendments of ASU 2018-09 as of January 1, 2019 on a modified retrospective basis. The adoption of ASU 2018-09 did not have a material impact on the Company's condensed consolidated financial statements.

In February 2018, the FASB issued ASU No. 2018-02, *Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income* ("ASU 2018-02"). The purpose of ASU 2018-02 is to allow an entity to elect to reclassify the stranded tax effects related to the Tax Cuts and Jobs Act from Accumulated other comprehensive income (loss) into Retained earnings. The amendments in ASU 2018-02 are effective for all entities for fiscal years beginning after December 15, 2018, and for interim periods within those fiscal years. Early adoption is permitted. The Company adopted all amendments of ASU 2018-02 on a prospective basis as of January 1, 2018 and elected to reclassify the stranded tax effects resulting from the Tax Cuts and Jobs Act from Accumulated other comprehensive income (loss) to Accumulated deficit. The amount of the reclassification for the six months ended June 30, 2018 was $920 thousand.

In August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815)—Targeted Improvements to Accounting for Hedging Activities* ("ASU 2017-12"). The purpose of ASU 2017-12 is to improve the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. In addition, ASU 2017-12 makes certain targeted improvements to simplify the application of the hedge accounting guidance. In April 2019, the FASB issued ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments* ("ASU 2019-04"). This amendment clarifies the guidance in ASU 2017-12. ASU 2017-12 is effective for public companies for fiscal years beginning after December 15, 2018, and for interim periods within those fiscal years. Early adoption is permitted. The Company has adopted all of the amendments of ASU 2017-12 on a prospective basis as of January 1, 2018. Since the Company did not have derivatives accounted for as hedges prior to December 31, 2017, there was no cumulative-effect adjustment needed to Accumulated other comprehensive income (loss) and Accumulated deficit. The adoption of ASU 2017-12 did not have a material impact on the Company's condensed consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). ASU 2016-02 is intended to improve the reporting of leasing transactions to provide users of financial statements with more decision-useful information. ASU 2016-02 will require organizations that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842, Leases* ("ASU 2018-10"), which clarifies certain matters in the codification with the intention to correct unintended application of the guidance. Also in July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements* ("ASU 2018-11"), which provides entities with an additional (and optional) transition method whereby the entity applies the new lease standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. Additionally, under the new transition method, an entity's reporting for the comparative periods presented in the financial statements in which it adopts the new lease standard will continue to be in accordance with current US GAAP (Topic 840, Leases). ASU 2016-02, as amended, is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. The Company elected to adopt the transition method in ASU 2018-11 by applying the practical expedient prospectively at January 1, 2019. The Company also elected to apply the optional practical expedient package to not reassess existing or expired contracts for lease components, lease classification or initial direct costs. The adoption of ASU 2016-02, as amended, resulted in the recognition of approximately $12.3 million and $16.0 million additional right of use assets and liabilities for operating leases, respectively, but did not have a material impact on the Company's condensed consolidated income statements.

Accounting Standards to be Adopted in Future Periods

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract* ("ASU 2018-15"). The purpose of ASU 2018-15 is to provide additional guidance on the accounting for costs of implementation activities performed in a cloud computing arrangement that is a service contract. This guidance is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted. The Company is still assessing the potential impact of ASU 2018-15 on the Company's condensed consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"). The purpose of ASU 2018-13 is to modify the disclosure requirements on fair value measurements in Topic 820, *Fair Value Measurement*. This guidance is effective for public companies for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years and requires both a prospective and retrospective approach to adoption based on amendment specifications. Early adoption of any removed or modified disclosures is permitted. Additional disclosures may be delayed until their effective date. The Company does not expect ASU 2018-13 to have a material impact on the Company's condensed consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"). The purpose of ASU 2017-04 is to simplify the subsequent measurement of goodwill. The amendments modify the concept of impairment from the condition that exists when the carrying amount of goodwill exceeds its implied fair value to the condition that exists when the carrying amount of a reporting unit exceeds its fair value. An entity no longer will determine goodwill impairment by calculating the implied fair value of goodwill by assigning the fair value of a reporting unit to all of its assets and liabilities as if that reporting unit had been acquired in a business combination. This guidance is effective for public companies for goodwill impairment tests in fiscal years beginning after December 15, 2019. The Company is still assessing the potential impact of ASU 2017-04 on the Company's condensed consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 is intended to replace the incurred loss impairment methodology in current US GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates to improve the quality of information available to financial statement users about expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. In April 2019, the FASB issued ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments* ("ASU 2019-04"). This amendment clarifies the guidance in ASU 2016-13. In May 2019, the FASB issued ASU No. 2019-05, *Financial Instruments-Credit Losses (Topic 326): Targeted Transition Relief* ("ASU 2019-05"). The purpose of this amendment is to provide entities that have certain instruments within the scope of Subtopic 326-20, *Financial Instruments-Credit Losses-Measured at Amortized Cost*, with an option to irrevocably elect the fair value option in Subtopic 825-10, *Financial Instruments-Overall*, on an instrument-by-instrument basis. Election of this option is intended to increase comparability of financial statement information and reduce costs for certain entities to comply with ASU 2016-13. For public entities, ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company anticipates that the adoption of ASU 2016-13 will have a material impact on the Company’s condensed consolidated financial statements and related disclosures. The Company’s implementation efforts are underway, including identifying all relevant data points, drafting the accounting policies and internal controls, and developing new models. Substantial progress has been made towards the development of these new models including validation testing against historical periods to refine the accuracy. The Company will continue to refine its methodology and begin running in parallel with the existing models in the third quarter of 2019. The Company's efforts are expected to be complete as of the effective date.

NOTE 2 - EARNINGS PER SHARE

Basic earnings per share ("EPS") is computed by dividing net income by the weighted average number of common shares outstanding ("WASO") during each period. Also, basic EPS includes any fully vested stock and unit awards that have not yet been issued as common stock. There are no unissued fully vested stock and unit awards at June 30, 2019 and 2018.

Diluted EPS is computed by dividing net income by the WASO during each period plus any unvested stock option awards granted, vested unexercised stock options and unvested restricted stock units ("RSUs") using the treasury stock method but only to the extent that these instruments dilute earnings per share.

The computation of earnings per share was as follows for three and six months ended June 30, 2019 and 2018:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands, except share and per share amounts)	**2019**	**2018**	**2019**	**2018**
Numerator (basic):				
Net income	$ 5,772	$ 3,128	$ 19,130	$ 12,611
Numerator (diluted):				
Net income	$ 5,772	$ 3,128	$ 19,130	$ 12,611
Denominator (basic):				
Basic weighted average number of shares outstanding	43,681,159	42,561,403	43,514,862	42,386,660
Denominator (diluted):				
Basic weighted average number of shares outstanding	43,681,159	42,561,403	43,514,862	42,386,660
Effect of potentially dilutive securities:				
Employee share plans (options, RSUs and ESPP)	610,657	1,677,604	628,085	1,550,406
Diluted weighted average number of shares outstanding	44,291,816	44,239,007	44,142,947	43,937,066
Basic and diluted earnings per share:				
Basic earnings per share	$ 0.13	$ 0.07	$ 0.44	$ 0.30
Diluted earnings per share	$ 0.13	$ 0.07	$ 0.43	$ 0.29

For the three months ended June 30, 2019 and 2018, the Company excluded the following potential common shares from its diluted earnings per share calculation because including these shares would be anti-dilutive:

- 1,482,143 and 941,832 common shares issuable upon exercise of the Company's stock options; and
- 2,470,870 and 855,909 common shares issuable upon vesting of the Company's RSUs.

For the six months ended June 30, 2019 and 2018, the Company excluded the following potential common shares from its diluted earnings per share calculation because including these shares would be anti-dilutive:

- 1,622,111 and 567,754 common shares issuable upon exercise of the Company's stock options; and
- 3,415,118 and 484,511 common shares issuable upon vesting of the Company's RSUs.

ASC Topic 260, “Earnings Per Share” (“ASC Topic 260”) requires companies with participating securities to utilize a two-class method for the computation of net income per share attributable to the Company. The two-class method requires a portion of net income attributable to the Company to be allocated to participating securities. Net losses are not allocated to participating securities unless those securities are obligated to participate in losses. The Company did not have any participating securities for the three and six month periods ended June 30, 2019 and 2018.

NOTE 3 - LOANS RECEIVABLE AND REVENUE

Revenues generated from the Company's consumer loans for the three and six months ended June 30, 2019 and 2018 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands)	**2019**	**2018**	**2019**	**2018**
Finance charges	$ 107,622	$ 110,519	$ 218,170	$ 229,015
CSO fees	10,092	13,577	23,800	28,436
Lines of credit fees	59,317	59,298	124,050	118,201
Other	729	983	1,244	2,262
Total revenues	$ 177,760	$ 184,377	$ 367,264	$ 377,914

The Company's portfolio consists of both installment loans and lines of credit, which are considered the portfolio segments at June 30, 2019 and December 31, 2018. The Rise product is primarily installment loans in the US with lines of credit offered in two states. The Sunny product is an installment loan product offered in the UK. The Elastic product is a line of credit product in the US. In November of 2018, the Company expanded a test launch of the Today Card, a credit card product offered in the US. Balances and activity for the Today Card as of and for the six months ended June 30, 2019 were not material.

The following reflects the credit quality of the Company's loans receivable as of June 30, 2019 and December 31, 2018 as delinquency status has been identified as the primary credit quality indicator. The Company classifies its loans as either current or past due. A customer in good standing may request up to a 16-day grace period when or before a payment becomes due and, if granted, the loan is considered current during the grace period. Installment loans, lines of credit and credit cards are considered past due if a grace period has not been requested and a scheduled payment is not paid on its due date. All impaired loans that were not accounted for as a troubled debt restructuring ("TDR") as of June 30, 2019 and December 31, 2018 have been charged off.

	June 30, 2019		
(Dollars in thousands)	**Rise and Sunny**	**Elastic(1)**	**Total**
Current loans	$ 306,892	$ 236,731	$ 543,623
Past due loans	46,071	19,612	65,683
Total loans receivable	352,963	256,343	609,306
Net unamortized loan premium	138	1,857	1,995
Less: Allowance for loan losses	(49,417)	(26,479)	(75,896)
Loans receivable, net	$ 303,684	$ 231,721	$ 535,405

	December 31, 2018		
(Dollars in thousands)	**Rise and Sunny**	**Elastic(1)**	**Total**
Current loans	$ 296,339	$ 273,217	$ 569,556
Past due loans	53,491	27,778	81,269
Total loans receivable	349,830	300,995	650,825
Net unamortized loan premium	54	2,423	2,477
Less: Allowance for loan losses	(55,557)	(36,051)	(91,608)
Loans receivable, net	$ 294,327	$ 267,367	$ 561,694

(1) Includes immaterial balances related to the Today Card, which expanded its test launch in November 2018.

Total loans receivable includes approximately $9.2 million and $7.4 million of loans in a non-accrual status at June 30, 2019 and December 31, 2018, respectively. The previously reported non-accrual loan balance as of December 31, 2018 excluded certain non-accrual loans that amounted to $2.7 million. The omission of these amounts only impacted the footnote disclosure and not the reported balances on the balance sheet and statement of operations, the Company does not believe this omission has a material impact on the previously reported balances in the consolidated financial statements as of December 31, 2018.

Additionally, total loans receivable includes approximately $31.8 million and $41.6 million of interest receivable at June 30, 2019 and December 31, 2018, respectively. The carrying value for Loans receivable, net of the allowance for loan losses approximates the fair value due to the short-term nature of the loans receivable.

The changes in the allowance for loan losses for the three and six months ended June 30, 2019 and 2018 are as follows:

	Three Months Ended June 30, 2019		
(Dollars in thousands)	**Rise and Sunny**	**Elastic(1)**	**Total**
Balance beginning of period	$ 51,358	$ 28,341	$ 79,699
Provision for loan losses	52,757	25,268	78,025
Charge-offs	(58,323)	(30,452)	(88,775)
Recoveries of prior charge-offs	5,844	3,322	9,166
Effect of changes in foreign currency rates	(236)	—	(236)
Total	51,400	26,479	77,879
Accrual for CSO lender owned loans	(1,983)	—	(1,983)
Balance end of period	$ 49,417	$ 26,479	$ 75,896

	Three Months Ended June 30, 2018		
(Dollars in thousands)	**Rise and Sunny**	**Elastic(1)**	**Total**
Balance beginning of period	$ 56,148	$ 28,098	$ 84,246
Provision for loan losses	58,812	29,786	88,598
Charge-offs	(68,650)	(31,065)	(99,715)
Recoveries of prior charge-offs	5,384	2,575	7,959
Effect of changes in foreign currency rates	(557)	—	(557)
Total	51,137	29,394	80,531
Accrual for CSO lender owned loans	(3,956)	—	(3,956)
Balance end of period	$ 47,181	$ 29,394	$ 76,575

	Six Months Ended June 30, 2019		
(Dollars in thousands)	**Rise and Sunny**	**Elastic(1)**	**Total**
Balance beginning of period	$ 60,002	$ 36,050	$ 96,052
Provision for loan losses	110,626	54,830	165,456
Charge-offs	(130,458)	(70,011)	(200,469)
Recoveries of prior charge-offs	11,265	5,610	16,875
Effect of changes in foreign currency rates	(35)	—	(35)
Total	51,400	26,479	77,879
Accrual for CSO lender owned loans	(1,983)	—	(1,983)
Balance end of period	$ 49,417	$ 26,479	$ 75,896

	Six Months Ended June 30, 2018		
(Dollars in thousands)	**Rise and Sunny**	**Elastic(1)**	**Total**
Balance beginning of period	$ 64,919	$ 28,870	$ 93,789
Provision for loan losses	122,041	58,699	180,740
Charge-offs	(147,194)	(63,044)	(210,238)
Recoveries of prior charge-offs	11,571	4,869	16,440
Effect of changes in foreign currency rates	(200)	—	(200)
Total	51,137	29,394	80,531
Accrual for CSO lender owned loans	(3,956)	—	(3,956)
Balance end of period	$ 47,181	$ 29,394	$ 76,575

(1) Includes immaterial balances related to the Today Card, which expanded its test launch in November 2018.

As of June 30, 2019 and December 31, 2018, estimated losses of approximately $2.0 million and $4.4 million for the CSO owned loans receivable guaranteed by the Company of approximately $23.4 million and $39.8 million, respectively, are initially recorded at fair value and are included in Accounts payable and accrued liabilities in the Condensed Consolidated Balance Sheets.

Troubled Debt Restructurings

In certain circumstances, the Company modifies the terms of its finance receivables for borrowers experiencing financial difficulties. Modifications may include principal and interest forgiveness. A modification of finance receivable terms is considered a TDR if the Company grants a concession to a borrower for economic or legal reasons related to the borrower's financial difficulties that would not otherwise have been considered. Management considers TDRs to include all installment and line of credit loans that were granted principal and interest forgiveness as a part of a loss mitigation strategy for Rise, Elastic and Sunny. Once a loan has been classified as a TDR, it is assessed for impairment based on the present value of expected future cash flows discounted at the loan's original effective interest rate considering all available evidence.

The following table summarizes the financial effects, excluding impacts related to credit loss allowance and impairment, of TDRs for the three and six months ended June 30, 2019 and 2018:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands)	**2019**	**2018**	**2019**	**2018**
Outstanding recorded investment before TDR	$ 8,039	$ 2,054	$ 20,764	$ 5,098
Outstanding recorded investment after TDR	7,976	1,696	19,331	3,792
Total principal and interest forgiveness included in charge-offs within the Allowance for loan losses	$ 63	$ 358	$ 1,433	$ 1,306

A loan that has been classified as a TDR remains classified as a TDR until it is liquidated through payoff or charge-off. The table below presents the Company's average outstanding recorded investment and interest income recognized on TDR loans for the three and six months ended June 30, 2019 and 2018:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands)	**2019**	**2018**	**2019**	**2018**
Average outstanding recorded investment(1)	$ 15,244	$ 3,317	$ 13,477	$ 3,988
Interest income recognized	$ 945	$ 1,162	$ 2,870	$ 2,814

1. Simple average as of June 30, 2019 and 2018, respectively.

The table below presents the Company's loans modified as TDRs as of June 30, 2019 and December 31, 2018:

(Dollars in thousands)	**2019**	**2018**
Current outstanding investment	$ 7,374	$ 7,627
Delinquent outstanding investment	6,421	5,531
Outstanding recorded investment	13,795	13,158
Less: Impairment	(3,924)	(969)
Outstanding recorded investment, net of impairment	$ 9,871	$ 12,189

A TDR is considered to have defaulted upon charge-off when it is over 60 days past due or earlier if deemed uncollectible. There were loan restructurings accounted for as TDRs that subsequently defaulted of approximately $6.2 million and $2.7 million for the three months ended June 30, 2019 and 2018, respectively, and $10.7 million and $7.1 million for the six months ended June 30, 2019 and 2018, respectively. The Company had commitments to lend additional funds of approximately $0.4 million to customers with available and unfunded lines of credit as of June 30, 2019.

NOTE 4—VARIABLE INTEREST ENTITIES

The Company is involved with five entities that are deemed to be a VIE: Elastic SPV, Ltd., EF SPV, Ltd. and three Credit Services Organization ("CSO") lenders. Under ASC 810-10-15, *Variable Interest Entities*, a VIE is an entity that: (1) has an insufficient amount of equity investment at risk to permit the entity to finance its activities without additional subordinated financial support by other parties; (2) the equity investors are unable to make significant decisions about the entity's activities through voting rights or similar rights; or (3) the equity investors do not have the obligation to absorb expected losses or the right to receive residual returns of the entity. The Company is required to consolidate a VIE if it is determined to be the primary beneficiary, that is, the enterprise has both (1) the power to direct the activities of a VIE that most significantly impact the entity's economic performance and (2) the obligation to absorb losses of the entity that could potentially be significant to the VIE. The Company evaluates its relationships with VIEs to determine whether it is the primary beneficiary of a VIE at the time it becomes involved with the entity and it re-evaluates that conclusion each reporting period.

Elastic SPV, Ltd.

On July 1, 2015, the Company entered into several agreements with a third-party lender and Elastic SPV, Ltd. ("ESPV"), an entity formed by third-party investors for the purpose of purchasing loan participations from the third-party lender. Per the terms of the agreements, the Company provides customer acquisition services to generate loan applications submitted to the third-party lender. In addition, the Company licenses loan underwriting software and provides services to the third-party lender to evaluate the credit quality of those loan applications in accordance with the third-party lender's credit policies. ESPV accounts for the loan participations acquired in accordance with ASC 860-10-40, *Transfers and Services, Derecognition*, as the lines of credit acquired meet the criteria of a participation interest.

Once the third-party lender originates the loan, ESPV has the right, but not the obligation, to purchase a 90% interest in each Elastic line of credit. Victory Park Management, LLC ("VPC") entered into an agreement (the "ESPV Facility") under which it loans ESPV all funds necessary up to a maximum borrowing amount to purchase such participation interests in exchange for a fixed return (see Note 5—Notes Payable—ESPV Facility). The Company entered into a separate credit default protection agreement with ESPV whereby the Company agreed to provide credit protection to the investors in ESPV against Elastic loan losses in return for a credit premium. The Company does not hold a direct ownership interest in ESPV, however, as a result of the credit default protection agreement, ESPV was determined to be a VIE and the Company qualifies as the primary beneficiary.

The following table summarizes the assets and liabilities of the VIE that are included within the Company's Condensed Consolidated Balance Sheets at June 30, 2019 and December 31, 2018:

(Dollars in thousands)	June 30, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	$ 22,938	$ 18,723
Loans receivable, net of allowance for loan losses of $25,805 and $36,019, respectively	228,508	266,725
Prepaid expenses and other assets ($0 and $64, respectively, eliminates upon consolidation)	—	251
Derivative asset at fair value (cost basis of $0 and $51, respectively)	—	195
Receivable from payment processors	12,072	12,212
Total assets	$ 263,518	$ 298,106
LIABILITIES AND SHAREHOLDER'S EQUITY		
Accounts payable and accrued liabilities ($7,434 and $9,372, respectively, eliminates upon consolidation)	$ 16,994	$ 17,923
Deferred revenue	4,880	5,293
Reserve deposit liability ($23,150 and $35,850, respectively, eliminates upon consolidation)	23,150	35,850
Notes payable, net	218,494	238,896
Accumulated other comprehensive income	—	144
Total liabilities and shareholder's equity	$ 263,518	$ 298,106

EF SPV, Ltd.

On October 15, 2018, the Company entered into several agreements with a third-party lender and EF SPV, Ltd. ("EF SPV"), an entity formed by third-party investors for the purpose of purchasing loan participations from the third-party lender. Per the terms of the agreements, the Company provides customer acquisition services to generate loan applications submitted to the third-party lender. In addition, the Company licenses loan underwriting software and provides services to the third-party lender to evaluate the credit quality of those loan applications in accordance with the third-party lender's credit policies. EF SPV accounts for the loan participations acquired in accordance with ASC 860-10-40, *Transfers and Services*, *Derecognition*, as the installment loans acquired meet the criteria of a participation interest.

Once the third-party lender originates the loan, EF SPV has the right, but not the obligation, to purchase a 95% interest in each Rise bank originated installment loan. VPC lends EF SPV all funds necessary up to a maximum borrowing amount to purchase such participation interests in exchange for a fixed return (see Note 5—Notes Payable—EF SPV Facility). The Company entered into a separate credit default protection agreement with EF SPV whereby the Company agreed to provide credit protection to the investors in EF SPV against Rise bank originated loan losses in return for a credit premium. The Company does not hold a direct ownership interest in EF SPV, however, as a result of the credit default protection agreement, EF SPV was determined to be a VIE and the Company qualifies as the primary beneficiary.

The following table summarizes the assets and liabilities of the VIE that are included within the Company's Condensed Consolidated Balance Sheets at June 30, 2019 and December 31, 2018:

(Dollars in thousands)	June 30, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	$ 5,144	$ 8,185
Loans receivable, net of allowance for loan losses of $11,178 and $3,388, respectively	75,112	25,484
Receivable from payment processors ($0 and $101 eliminates upon consolidation)	2,551	285
Total assets	$ 82,807	$ 33,954
LIABILITIES AND SHAREHOLDER'S EQUITY		
Accounts payable and accrued liabilities ($2,822 and $905, respectively, eliminates upon consolidation)	$ 4,883	$ 1,332
Reserve deposit liability ($7,950 and $4,650, respectively, eliminates upon consolidation)	7,950	4,650
Notes payable, net	69,974	27,972
Total liabilities and shareholder's equity	$ 82,807	$ 33,954

CSO Lenders

The three CSO lenders are considered VIE's of the Company; however, the Company does not have any ownership interest in the CSO lenders, does not exercise control over them, and is not the primary beneficiary, and therefore, does not consolidate the CSO lenders' results with its results.

NOTE 5—NOTES PAYABLE, NET

The Company has three debt facilities with VPC. The Rise SPV, LLC credit facility (the "VPC Facility"), the EF SPV Facility, and the ESPV Facility. The facilities were modified effective February 1, 2019 to the following terms.

VPC Facility

The VPC Facility is primarily used to fund the Rise and Sunny loan portfolio with a subordinated debt component used for general corporate purposes. It provides the following term notes:

- A maximum borrowing amount of $350 million used to fund the Rise loan portfolio (“US Term Note”). Prior to the February 1, 2019 amendment, the interest rate paid on this facility was a base rate (defined as the 3-month LIBOR, with a 1% floor) plus 11%. This resulted in a blended interest rate paid of 12.79% on debt outstanding under this facility as of December 31, 2018. Upon the February 1, 2019 amendment date, the interest rate on the debt outstanding as of the amendment date was fixed through the January 1, 2024 maturity date at 10.23% (base rate of 2.73% plus 7.5%). All future borrowings under this facility will bear an interest rate at a base rate (defined as the greater of 3-month LIBOR, the five-year LIBOR swap rate or 1%) plus 7.5% at the borrowing date. The weighted average base rate on the outstanding balance at June 30, 2019 was 2.73% and the overall interest rate was 10.23%.
- A maximum borrowing amount of $127 million used to fund the UK Sunny loan portfolio (“UK Term Note”). Prior to the February 1, 2019 amendment, the interest rate paid on this facility was a base rate (defined as the 3-month LIBOR) plus 14%. This resulted in a blended interest rate paid of 16.74% on debt outstanding under this facility as of December 31, 2018. Upon the February 1, 2019 amendment date, the interest rate on the debt outstanding as of the amendment date was fixed through the January 1, 2024 maturity date at 10.23% (base rate of 2.73% plus 7.5%). All future borrowings under this facility will bear an interest rate at a base rate (defined as the greater of 3-month LIBOR, the five-year LIBOR swap rate or 1%) plus 7.5% at the borrowing date. The weighted average base rate on the outstanding balance at June 30, 2019 was 2.73% and the overall interest rate was 10.23%.
- A maximum borrowing amount of $18 million used to fund working capital, and prior to February 1, 2019, at a base rate (defined as the 3-month LIBOR, with a 1% floor) plus 13% (“4th Tranche Term Note”). Upon the February 1, 2019 amendment date, the interest rate was fixed through the February 1, 2021 maturity date at a base rate of 2.73% plus 13%. The interest rate at June 30, 2019 and December 31, 2018 was 15.73% and 15.74%, respectively. There was no change in the interest rate spread on this facility upon the February 1, 2019 amendment.
- Revolving feature providing the option to pay down up to 20% of the outstanding balance, excluding the 4th Tranche Term Note, once per year during the first quarter. Amounts paid down may be drawn again at a later date prior to maturity.

The 4th Tranche Term Note matures on February 1, 2021. The US Term Note and the UK Term Note both mature on January 1, 2024. There are no principal payments due or scheduled until the respective maturity dates. All assets of the Company are pledged as collateral to secure the VPC Facility. The VPC Facility contains certain covenants for the Company such as minimum cash requirements and a minimum book value of equity requirement. There are also certain covenants for the product portfolio underlying the facility including, among other things, excess spread requirements, maximum roll rate and charge-off rate levels, and maximum loan-to-value ratios. The Company was in compliance with all covenants related to the VPC Facility as of June 30, 2019 and December 31, 2018.

EF SPV Facility

The EF SPV Facility has a maximum borrowing amount of $150 million used to purchase loan participations from a third-party lender. Prior to execution of the agreement with VPC effective February 1, 2019, EF SPV was a borrower on the US Term Note under the VPC Facility and the interest rate paid on this facility was a base rate (defined as 3-month LIBOR, with a 1% floor) plus 11%. Upon the February 1, 2019 amendment date, $43 million was re-allocated into the EF SPV Facility and the interest rate on the debt outstanding as of the amendment date was fixed through the January 1, 2024 maturity date at 10.23% (base rate of 2.73% plus 7.5%). All future borrowings under this facility will bear an interest rate at a base rate (defined as the greater of 3-month LIBOR, the five-year LIBOR swap rate or 1%) plus 7.5% at the borrowing date. The weighted average base rate on the outstanding balance at June 30, 2019 was 2.67% and the overall interest rate was 10.17%. The EF SPV Term Note has a revolving feature providing the option to pay down up to 20% of the outstanding balance once per year during the first quarter. Amounts paid down may be drawn again at a later date prior to maturity.

The EF SPV Term Note matures on January 1, 2024. There are no principal payments due or scheduled until the maturity date. All assets of the Company and EF SPV are pledged as collateral to secure the EF SPV Facility. The EF SPV Facility contains certain covenants for the Company such as minimum cash requirements and a minimum book value of equity requirement. There are also certain covenants for the product portfolio underlying the facility including, among other things, excess spread requirements, maximum roll rate and charge-off rate levels, and maximum loan-to-value ratios. The Company was in compliance with all covenants related to the EF SPV Facility as of June 30, 2019.

ESPV Facility

The ESPV Facility has a maximum borrowing amount of $350 million used to purchase loan participations from a third-party lender. Prior to the February 1, 2019 amendment, the interest rate paid on this facility was a base rate (defined as the greater of the 3-month LIBOR rate or 1% per annum) plus 13% for the outstanding balance up to $50 million, plus 12% for the outstanding balance greater than $50 million up to $100 million, plus 13.5% for any amounts greater than $100 million up to $150 million, and plus 12.75% for borrowing amounts greater than $150 million. This resulted in a blended interest rate paid of 14.65% on debt outstanding under this facility at December 31, 2018. Upon the February 1, 2019 amendment date, the interest rate on the debt outstanding as of the amendment date was fixed at 15.48% (base rate of 2.73% plus 12.75%). Effective July 1, 2019, the interest rate on the debt outstanding as of the amendment date will be 10.23% (base rate of 2.73% plus 7.50%). All future borrowings under this facility after July 1, 2019 will bear an interest rate at a base rate (defined as the greater of 3-month LIBOR, the five-year LIBOR swap rate or 1%) plus 7.5% at the borrowing date. The weighted average base rate on the outstanding balance at June 30, 2019 was 2.73% and the overall interest rate was 15.48%. The ESPV Term Note has a revolving feature providing the option to pay down up to 20% of the outstanding balance once per year during the first quarter. Amounts paid down may be drawn again at a later date prior to maturity.

There are no principal payments due or scheduled until the maturity date. All assets of the Company and ESPV are pledged as collateral to secure the ESPV Facility. The ESPV Facility contains certain covenants for the Company such as minimum cash requirements and a minimum book value of equity requirement. There are also certain covenants for the product portfolio underlying the facility including, among other things, excess spread requirements, maximum roll rate and charge-off rate levels, and maximum loan-to-value ratios. The Company was in compliance with all covenants related to the ESPV Facility as of June 30, 2019 and December 31, 2018.

VPC, EF SPV and ESPV Facilities:

The outstanding balances of Notes payable, net of debt issuance costs, are as follows:

(Dollars in thousands)	June 30, 2019	December 31, 2018
US Term Note bearing interest at the base rate + 7.5% (2019) and 11% (2018)	$ 182,000	$ 250,000
UK Term Note bearing interest at the base rate + 7.5% (2019) + 14% (2018)	39,158	39,196
4th Tranche Term Note bearing interest at the base rate + 13%	18,050	35,050
EF SPV Term Note bearing interest at the base rate + 7.5%	70,000	—
ESPV Term Note bearing interest at the base rate + 12.75% (2019) and + 12-13.5% (2018)	221,000	239,000
Debt issuance costs	(2,971)	(656)
Total	$ 527,237	$ 562,590

The change in the facility balances includes the following:

- US Term Note - $43 million re-allocation to new EF SPV facility and pay down of $25 million in the first quarter of 2019 under the revolver component of the facility;
- 4th Tranche Term Note - $17 million early repayment in the second quarter of 2019;
- EF SPV Term note - $43 million re-allocation from US Term Note in the first quarter of 2019 and additional draws of $10 million and $17 million in the first and second quarters of 2019, respectively; and
- ESPV Term Note - Pay-down of $18 million in the first quarter of 2019 under the revolver component of the facility.

The Company paid a $2.4 million amendment fee on the ESPV Facility during the first quarter of 2019 that is included in deferred debt issuance costs and will be amortized into interest expense over the remaining life of the facility (through January 1, 2024). Additionally, the Company incurred an $850 thousand prepayment penalty during the second quarter of 2019 for the early repayment on the 4th Tranche Term Note that is included in interest expense.

The Company has evaluated the interest rates for its debt and believes they represent market rates based on the Company's size, industry, operations and recent amendments. As a result, the carrying value for the debt approximates the fair value.

Future debt maturities as of June 30, 2019 are as follows:

Year (dollars in thousands)	June 30, 2019
Remainder of 2019	$ —
2020	—
2021	18,050
2022	—
2023	—
Thereafter	512,158
Total	$ 530,208

NOTE 6—GOODWILL AND INTANGIBLE ASSETS

The carrying value of goodwill at June 30, 2019 and December 31, 2018 was approximately $16 million. There were no changes to goodwill during the three and six months ended June 30, 2019. Goodwill represents the excess purchase price over the estimated fair market value of the net assets acquired by the predecessor parent company, Think Finance, Inc. ("Think Finance") related to the Elastic and UK reporting units. Of the total goodwill balance, approximately $0.4 million is deductible for tax purposes.

The carrying value of acquired intangible assets as of June 30, 2019 is presented in the table below:

(Dollars in thousands)	Cost	Accumulated Amortization	Net
Assets subject to amortization:			
Acquired technology	$ 946	$ (946)	$ —
Non-compete	3,404	(2,622)	782
Customers	126	(126)	—
Assets not subject to amortization:			
Domain names	680	—	680
Total	$ 5,156	$ (3,694)	$ 1,462

The carrying value of acquired intangible assets as of December 31, 2018 is presented in the table below:

(Dollars in thousands)	Cost	Accumulated Amortization	Net
Assets subject to amortization:			
Acquired technology	$ 946	$ (946)	$ —
Non-compete	3,404	(2,372)	1,032
Customers	126	(126)	—
Assets not subject to amortization:			
Domain names	680	—	680
Total	$ 5,156	$ (3,444)	$ 1,712

In May 2018, a party to a non-compete agreement terminated employment with the Company. The terms of the non-compete agreement expired one year after termination. The Company determined that the useful life of the non-compete agreement should coincide with its expiration and therefore amortized the remaining carrying value on a straight-line basis through May 2019. As of June 30, 2019, that non-compete agreement was fully amortized.

Total amortization expense recognized for the three months ended June 30, 2019 and 2018 was approximately $106 thousand and $78 thousand, respectively. Total amortization expense recognized for the six months ended June 30, 2019 and 2018 was approximately $250 thousand and $123 thousand, respectively. The weighted average remaining amortization period for the intangible assets was 6.5 years at June 30, 2019.

Estimated amortization expense relating to intangible assets subject to amortization for each of the five succeeding fiscal years is as follows:

Year (dollars in thousands)	Amount
2020	$ 120
2021	120
2022	120
2023	120
2024	120

NOTE 7—LEASES

The Company has non-cancelable operating leases for facility space and equipment with varying terms. All of the leases for facility space qualified for capitalization under FASB ASC 842, *Leases*. These leases have remaining lease terms of one to eight years, and some may include options to extend the leases for up to ten years. The extension terms are not recognized as part of the right-of-use assets. The Company has elected not to capitalize leases with terms equal to or less than one year. As of June 30, 2019, net assets recorded under operating leases were $11.9 million and net lease liabilities were $16.2 million.

The Company analyzes contracts above certain thresholds to identify leases and lease components. Lease and non-lease components are not separated for facility space leases. The Company uses its contractual borrowing rate to determine lease discount rates when an implicit rate is not available.

Total lease cost for the three and six months ended June 30, 2019, included in Occupancy and equipment in the Condensed Consolidated Income Statements, is detailed in the table below

	Three Months Ended June 30,	Six Months Ended June 30,
Lease cost (dollars in thousands)	**2019**	**2019**
Operating lease cost	$ 1,215	$ 2,363
Short-term lease cost	7	17
Total lease cost	$ 1,222	$ 2,380

Further information related to leases is as follows:

	Three Months Ended June 30,	Six Months Ended June 30,
Supplemental cash flows information (dollars in thousands)	**2019**	**2019**
Cash paid for amounts included in the measurement of lease liabilities	$ 1,198	$ 2,218
Right-of-use assets obtained in exchange for lease obligations	$ 1,110	$ 1,110
Weighted average remaining lease term	4.6 years	4.6 years
Weighted average discount rate	10.23%	10.23%

Future minimum lease payments as of June 30, 2019 are as follows:

Year (dollars in thousands)	Operating Leases
2019	$ 2,598
2020	3,760
2021	3,876
2022	3,984
2023	3,486
Thereafter	3,330
Total future minimum lease payments	$ 21,034
Less: Imputed interest	(4,874)
Operating lease liabilities	$ 16,160

NOTE 8—SHARE-BASED COMPENSATION

Share-based compensation expense recognized for the three months ended June 30, 2019 and 2018 totaled approximately $2.5 million and $2.0 million, respectively. Share-based compensation expense recognized for the six months ended June 30, 2019 and 2018 totaled approximately $4.9 million and $3.6 million, respectively.

2016 Omnibus Incentive Plan

The 2016 Omnibus Incentive Plan ("2016 Plan") was adopted by the Company's Board of Directors on January 5, 2016 and approved by the Company's stockholders thereafter. The 2016 Plan became effective on June 23, 2016. The 2016 Plan provides for the grant of incentive stock options to the Company's employees, and for the grant of non-qualified stock options, stock appreciation rights, restricted stock, RSUs, dividend equivalent rights, cash-based awards (including annual cash incentives and long-term cash incentives), and any combination thereof to the Company's employees, directors and consultants. In connection with the 2016 Plan, the Company has reserved but not issued 7,482,364 shares of common stock, which includes shares that would otherwise return to the 2014 Equity Incentive Plan (the "2014 Plan") as a result of forfeiture, termination, or expiration of awards previously granted under the 2014 Plan and outstanding when the 2016 Plan became effective.

The 2016 Plan will automatically terminate 10 years following the date it became effective, unless the Company terminates it sooner. In addition, the Company's Board of Directors has the authority to amend, suspend or terminate the 2016 Plan provided such action does not impair the rights under any outstanding award.

As of June 30, 2019, the total number of shares available for future grants under the 2016 Plan was 1,914,929 shares.

The Company has in the past and may in the future make grants of share-based compensation as inducement awards to new employees who are outside the 2016 Plan. The Company's board may rely on the employment inducement exception under NYSE Rule 303A.08 in order to approve the grants.

2014 Equity Incentive Plan

The Company adopted the 2014 Plan on May 1, 2014. The 2014 Plan permitted the grant of incentive stock options, nonstatutory stock options, and restricted stock. On April 27, 2017, the Company's Board of Directors terminated the 2014 Plan as to future awards and confirmed that underlying shares corresponding to awards under the 2014 Plan that were outstanding at the time the 2016 Plan became effective, that are forfeited, terminated or expired, will become available for issuance under the 2016 Plan.

For the six months ended June 30, 2019, the Company had the following activity related to outstanding share-based awards:

Stock Options

Stock options are awarded to encourage ownership of the Company's common stock by employees and to provide increased incentive for employees to render services and to exert maximum effort for the success of the Company. The Company's stock options generally permit net-share settlement upon exercise. The option exercise price, vesting schedule and exercise period are determined for each grant by the administrator of the applicable plan. The Company's stock options generally have a 10-year contractual term and vest over a 4-year period.

A summary of stock option activity as of and for the six months ended June 30, 2019 is presented below:

Stock Options(1)	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)
Outstanding at December 31, 2018	2,328,154	$ 4.63	
Granted	122,400	3.98	
Exercised	(25,000)	3.25	
Forfeited	(105,852)	5.43	
Outstanding at June 30, 2019	2,319,702	4.57	4.45
Options exercisable at June 30, 2019	2,187,462	$ 4.58	4.15

(1) All awards presented in the table are for Elevate stock only.

At June 30, 2019, there was approximately $0.2 million of unrecognized compensation cost related to unvested stock options which is expected to be recognized over a weighted average period of 2.4 years. The total intrinsic value of options exercised for the six months ended June 30, 2019 was $30 thousand.

Restricted Stock Units

RSUs are awarded to serve as a key retention tool for the Company to retain its executives and key employees. RSUs will transfer value to the holder even if the Company's stock price falls below the price on the date of grant, provided that the recipient provides the requisite service during the period required for the award to "vest."

The weighted-average grant-date fair value for RSUs granted under the 2016 Plan during the six months ended June 30, 2019 was $4.67. These RSUs primarily vest 25% on the first anniversary of the effective date, and 25% each year thereafter, until full vesting on the fourth anniversary of the effective date.

A summary of RSU activity as of and for the six months ended June 30, 2019 is presented below:

RSUs(1)	Shares	Weighted Average Grant-Date Fair Value	Weighted Average Remaining Contractual Life (in years)
Nonvested at December 31, 2018	3,155,041	$ 7.91	
Granted	1,309,931	4.67	
Vested	(942,466)	7.85	
Forfeited	(274,776)	7.37	
Nonvested at June 30, 2019	3,247,730	6.66	8.82
Expected to vest at June 30, 2019	2,523,770	$ 6.74	8.76

(1) All awards presented in the table are for Elevate stock only.

At June 30, 2019, there was approximately $15.0 million of unrecognized compensation cost related to unvested RSUs which is expected to be recognized over a weighted average period of 2.5 years. During the six months ended June 30, 2019, the total vest-date fair value of RSUs was approximately $4.3 million. As of June 30, 2019, the aggregate intrinsic value of the vested and expected to vest RSUs was approximately $10.4 million.

Employee Stock Purchase Plan

The Company offers an Employee Stock Purchase Plan ("ESPP") to eligible US employees. There are currently 1,379,948 shares authorized and 981,418 reserved for the ESPP. There have been 142,267 shares purchased under the ESPP for the six months ended June 30, 2019. Within share-based compensation expense for the six months ended June 30, 2019 and 2018, $386 thousand and $268 thousand, respectively, relates to the ESPP. For the three months ended June 30, 2019 and 2018, $193 thousand and $134 thousand, respectively, within share-based compensation expense relates to the ESPP.

NOTE 9—FAIR VALUE MEASUREMENTS

The accounting guidance on fair value measurements establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The Company groups its assets and liabilities measured at fair value in three levels of the fair value hierarchy, based on the fair value measurement technique, as described below:

Level 1—Valuation is based upon quoted prices (unadjusted) for identical assets and liabilities in active exchange markets that the Company has the ability to access at the measurement date.

Level 2—Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques with significant assumptions and inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

Level 3—Valuation is derived from model-based techniques that use inputs and significant assumptions that are supported by little or no observable market data. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include the use of pricing models, discounted cash flow models and similar techniques.

The Company monitors the market conditions and evaluates the fair value hierarchy levels at least quarterly. For any transfers in and out of the levels of the fair value hierarchy, the Company discloses the fair value measurement at the beginning of the reporting period during which the transfer occurred. For the six month periods ended June 30, 2019 and 2018, there were no significant transfers between levels.

The level of fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is most significant to the fair value measurement in its entirety. In the determination of the classification of assets and liabilities in Level 2 or Level 3 of the fair value hierarchy, the Company considers all available information, including observable market data, indications of market conditions, and its understanding of the valuation techniques and significant inputs used. Based upon the specific facts and circumstances, judgments are made regarding the significance of the Level 3 inputs to the fair value measurements of the respective assets and liabilities in their entirety. If the valuation techniques that are most significant to the fair value measurements are principally derived from assumptions and inputs that are corroborated by little or no observable market data, the asset or liability is classified as Level 3.

Financial Assets and Liabilities Not Measured at Fair Value

The Company has evaluated Loans receivable, net of allowance for loan losses, Receivable from CSO lenders, Receivable from payment processors and Accounts payable and accrued expenses, and believes the carrying value approximates the fair value due to the short-term nature of these balances. The Company has also evaluated the interest rates for Notes payable, net and believes they represent market rates based on the Company's size, industry, operations and recent amendments. As a result, the carrying value for Notes payable, net approximates the fair value. The Company classifies its fair value measurement techniques for the fair value disclosures associated with Loans receivable, net of allowance for loan losses, Receivable from CSO lenders, Receivable from payment processors, Accounts payable and accrued liabilities and Notes payable, net as Level 3 in accordance with ASC 820-10, *Fair Value Measurements and Disclosures* ("ASC 820-10").

Fair Value Measurements on a Recurring Basis

On January 11, 2018, the Company and ESPV each entered into one interest rate cap transaction with a counterparty to mitigate the floating rate interest risk on a portion of the debt under the VPC Facility and the ESPV Facility, respectively. On January 16, 2018, the Company paid fixed premiums of $719 thousand and $648 thousand for the interest rate caps on the US Term Note (under the VPC Facility) and the ESPV Facility, respectively. The interest rate caps matured on February 1, 2019. The interest rate caps qualified for hedge accounting as cash flow hedges. Gains and losses on the interest rate caps were recognized in Accumulated other comprehensive income (loss) in the period incurred and subsequently reclassified to Interest expense when the hedged expenses were recorded.

The Company used model-derived valuations that discounted the future expected cash receipts that would occur if variable interest rates rose above the strike price of the caps. The variable interest rates used in the calculation of projected receipts on the caps were based on an expectation of future interest rates derived from observable market interest rate curves and volatilities in active markets (Level 2). The following tables summarize these interest rate caps as of June 30, 2019 and December 31, 2018 and for the three and six months ended June 30, 2019 and 2018 (dollars in thousands):

Contract date	Maturity date	Hedged interest rate payments' related note payable	Strike rate	Notional amount	Fair value at June 30, 2019	Fair value at December 31, 2018
January 11, 2018	February 1, 2019	US Term Note	1.75%	$ 240,000	$ —	$ 216
January 11, 2018	February 1, 2019	ESPV Facility	1.75%	216,000	—	196
				$ 456,000	$ —	$ 412

Unrealized gains recognized in Accumulated other comprehensive income (loss)	As of June 30, 2019	As of December 31, 2018
US Term Note interest rate cap	$ —	$ 159
ESPV Facility interest rate cap	—	144
	$ —	$ 303

Gains recognized in Interest expense	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018
US Term Note interest rate cap	$ —	$ 298
ESPV Facility interest rate cap	—	269
	$ —	$ 567

Gains recognized in Interest expense	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
US Term Note interest rate cap	$ 159	$ 408
ESPV Facility interest rate cap	144	368
	$ 303	$ 776

The Company has no derivative amounts subject to enforceable master netting arrangements that are offset on the Condensed Consolidated Balance Sheets. The Derivative liability related to the Convertible Term Notes is measured at fair value on a recurring basis. The changes in the Derivative liability for the three and six months ended June 30, 2018 are shown in the following table. The Convertible Term Notes converted to the 4th Tranche Term Note upon maturity at January 30, 2018 and the Derivative liability was settled with no value remaining outstanding at December 31, 2018 and June 30, 2019.

(Dollars in thousands)	Embedded Derivative Liability in Convertible Term Notes
Balance, December 31, 2017	$ 1,972
Settlement of derivative due to conversion of the underlying Convertible Term Note to 4th Tranche Term Note	(2,010)
Fair value adjustment (Non-Operating expense in the Condensed Consolidated Income Statements)	38
Balance, March 31, 2018	$ —
Balance, June 30, 2018	$ —
Balance, December 31, 2018	$ —
Balance, June 30, 2019	$ —

NOTE 10—DERIVATIVES

The Company and ESPV use hedging programs to manage interest rate risk associated with future interest payments. The Company and ESPV entered into two interest rate cap instruments on January 11, 2018, which matured on February 1, 2019.

Cash Flow Hedges

The Company and ESPV utilize interest rate caps to offset interest rate fluctuations in the Company's and ESPV's future interest payments on certain of their Notes payable. The financial instruments are designated and accounted for as cash flow hedges, and the Company and ESPV measure the effectiveness of the hedges at least quarterly. Effective gains or losses related to these cash flow hedges are reported in Accumulated other comprehensive income (loss) and reclassified into earnings, through interest expense, in the period or periods in which the hedged transactions affect earnings. See Note 9—Fair Value for additional information on these cash flow hedges. The following tables summarize the activity that was recorded in Accumulated other comprehensive income (loss) in addition to reclassifications from Accumulated other comprehensive income (loss) into earnings related to each of the Company's and ESPV's interest rate caps during the three and six months ended June 30, 2019 and 2018.

	Three Months Ended June 30, 2019		Three Months Ended June 30, 2018	
(Dollars in thousands)	US Term Note	ESPV Facility	US Term Note	ESPV Facility
Beginning unrealized gains in Accumulated other comprehensive income (loss)	$ —	$ —	$ —	$ —
Gross gains recognized in Accumulated other comprehensive income (loss)	—	—	959	863
Gains reclassified to income through Interest expense	—	—	(298)	(269)
Ending unrealized gains in Accumulated other comprehensive income (loss)	$ —	$ —	$ 661	$ 594

	Six Months Ended June 30, 2019		Six Months Ended June 30, 2018	
(Dollars in thousands)	US Term Note	ESPV Facility	US Term Note	ESPV Facility
Beginning unrealized gains in Accumulated other comprehensive income (loss)	$ 159	$ 144	$ —	$ —
Gross gains recognized in Accumulated other comprehensive income (loss)	—	—	1,069	962
Gains reclassified to income through Interest expense	(159)	(144)	(408)	(368)
Ending unrealized gains in Accumulated other comprehensive income (loss)	$ —	$ —	$ 661	$ 594

Embedded Derivative

During 2016, the Company identified a bifurcated embedded derivative in its Convertible Term Notes related to its conversion feature in addition to the obligation to pay a redemption premium upon cash redemption of the notes. This derivative matured on January 30, 2018 and is no longer on the balance sheet as of June 30, 2019 and December 31, 2018. See Note 9—Fair Value for additional information about the bifurcated embedded derivative.

NOTE 11—INCOME TAXES

Income tax expense for the three and six months ended June 30, 2019 and 2018 consists of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands)	**2019**	**2018**	**2019**	**2018**
Current income tax expense (benefit):				
Federal	$ —	$ —	$ —	$ (5)
State	254	(42)	532	33
Foreign	—	(290)	—	115
Total current income tax expense	254	(332)	532	143
Deferred income tax expense (benefit):				
Federal	2,108	385	6,447	3,920
State	272	41	1,670	682
Total deferred income tax expense	2,380	426	8,117	4,602
Total income tax expense	$ 2,634	$ 94	$ 8,649	$ 4,745

No material penalties or interest related to taxes were recognized for the three and six months ended June 30, 2019 and 2018.

The Company’s consolidated effective tax rates for the six months ended June 30, 2019 and 2018, including discrete items, were 31% and 27%, respectively, while the US effective tax rates were 31% and 22%, respectively. For the six months ended June 30, 2019 and 2018, the Company’s effective tax rate differed from the standard corporate federal income tax rate of 21% for the US primarily due to its permanent non-deductible items, corporate state tax obligations in the states where it has lending activities and the impact of the Global Intangible Low-Taxed Income ("GILTI") provision of the December 22, 2017 Tax Cuts and Jobs Act (the "Act"). The Company's US cash effective tax rate was approximately 2%.

On December 22, 2017, the SEC issued SAB 118, which provides guidance on accounting for tax effects of the Act. SAB 118 provides a measurement period of up to one year from the enactment date to complete the accounting. The Company had completed its accounting of the impact of the reduction in the corporate tax rate and remeasurement of certain deferred tax assets and liabilities based on the rate at which they are expected to reverse in the future, generally 21% in 2018. During the three and six months ended June 30, 2018 the Company recorded benefits of $0 and $245 thousand, respectively, to its provisional amounts related to the Act, which had a 2% impact for the six months ended June 30, 2018.

The Company's tax provision for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items arising in that quarter. In each quarter, the Company updates its estimate of the annual effective tax rate, and if the estimated annual effective tax rate changes, the Company would make a cumulative adjustment in that quarter.

For purposes of evaluating the need for a deferred tax valuation allowance, significant weight is given to evidence that can be objectively verified. The following provides an overview of the assessment that was performed for both the domestic and foreign deferred tax assets, net.

US deferred tax assets, net

At June 30, 2019 and December 31, 2018, the Company did not establish a valuation allowance for its US deferred tax assets (“DTA”) based on management’s expectation of generating sufficient taxable income in a look forward period over the next three to five years. The unutilized net operating loss ("NOL") carryforward from US operations at June 30, 2019 and December 31, 2018 was approximately $42.0 million. The NOL carryforward expires beginning in 2034. The research and development credit expires beginning in 2036. The ultimate realization of the resulting deferred tax asset is dependent upon generating sufficient taxable income. The Company considered the following positive and negative factors when making their assessment regarding the ultimate realizability of the deferred tax assets.

Significant positive factors included the following:

- In 2018, the Company continued to grow its operating income (from $48 million in 2016 to $71 million in 2017 to $95 million in 2018). The US-only pre-tax earnings improved from a US-only pre-tax loss $4.5 million in 2017 to US-only pre-tax income of $14.1 million in 2018, a 412% improvement from prior year. The primary driver for the increase in operating income is related to our continued margin expansion provided by direct marketing and operating expense while improving credit quality in the loan portfolio during the past year.
- In 2019, the Company is forecasting US taxable income as it continues to grow its business and generate even greater operating income. The continued growth of the loan portfolio within the credit quality and marketing cost targets will drive improved gross margins for the Company. The Company's operating expenses are within targeted efficiency ratios and are expected to be relatively flat. The Company re-negotiated its debt facilities to lower interest rates, which will drive improved profitability from lower interest expense beginning in 2019. Various forecast scenarios have been performed with the results reflecting usage of the balance of the US NOL in 2019. The Company's operating income for the six months ended June 30, 2019 was $65.0 million, a 15% improvement over the prior year period.

Significant negative factor included:

- As of December 31, 2018, the Company had a three-year cumulative pre-tax loss position of $0.8 million; which approximates a break-even profitability position. The pre-tax losses in years prior to 2018 were incurred due to the establishment of an infrastructure for the Company separate from Think Finance while the Company was scaling the growth of the relatively new products of Rise and Elastic. The Company began to utilize the NOL in 2018 and expects to be in a three-year cumulative pre-tax income position in 2019 under various forecasting scenarios.

The Company has given due consideration to all the factors and believes the positive evidence outweighs the negative evidence and has concluded that the US deferred tax asset is expected to be realized based on management’s expectation of generating sufficient taxable income over the next three to five years. Although realization is not assured, management believes it is more likely than not that all of the recorded deferred tax assets will be realized. The amount of the deferred tax assets considered realizable, however, could be adjusted in the future if estimates of future taxable income change.

UK deferred tax assets, net

At June 30, 2019 and December 31, 2018, the Company recognized a full valuation allowance for its foreign deferred tax assets due to the lack of sufficient objective evidence regarding the realization of these assets in the foreseeable future. The Company assesses the UK deferred tax assets on a quarterly basis, and, as a result, there have been no changes as of June 30, 2019. Regardless of the deferred tax valuation allowance recognized at June 30, 2019 and December 31, 2018, the Company continues to retain NOL carryforwards for foreign income tax purposes of approximately $56.7 million, available to offset future foreign taxable income. To the extent that the Company generates taxable income in the future to utilize the tax benefits of the related deferred tax assets, subject to certain potential limitations, it may be able to reduce its effective tax rate by reducing the valuation allowance. The Company’s foreign NOL carryforward can be carried forward indefinitely.

NOTE 12—COMMITMENTS, CONTINGENCIES AND GUARANTEES

Contingencies

Currently and from time to time, the Company may become a defendant in various legal and regulatory actions that arise in the ordinary course of business. The Company generally cannot predict the eventual outcome, the timing of the resolution or the potential losses, fines or penalties of such legal and regulatory actions. Actual outcomes or losses may differ materially from the Company's current assessments and estimates, which could have a material adverse effect on the Company's business, prospects, results of operations, financial condition or cash flows.

In accordance with applicable accounting guidance, the Company establishes an accrued liability for litigation, regulatory matters and other legal proceedings when those matters present material loss contingencies that are both probable and reasonably estimable. Even when an accrual is recorded, the Company may be exposed to loss in excess of any amounts accrued.

UK Claims Accrual:

During the second half of 2018, the Company's UK business began to receive an increased number of customer complaints initiated by claims management companies ("CMCs") related to the affordability assessment of certain loans. If the Company's evidence supports the affordability assessment and the Company rejects the claim, the customer has the right to take the complaint to the Financial Ombudsman Service for further adjudication. The CMCs' campaign against the high cost lending industry increased significantly during the second half of 2018 resulting in a significant increase in affordability claims against all companies in the industry during this period. The Company believes that many of the increased claims against it are without merit and reflect the use of abusive and deceptive tactics by the CMCs. The Financial Conduct Authority, a regulator in the UK financial services industry, began regulating the CMCs in April 2019 in order to ensure that the methods used by the CMCs are in the best interests of the consumer and the industry.

As of June 30, 2019 and December 31, 2018, the Company accrued approximately $1.6 million and $0.9 million, respectively, for the claims that were determined to be probable and reasonably estimable based on the Company's historical loss rates related to these claims. This accrual is recognized as Other cost of sales in the Condensed Consolidated Income Statements and as Accounts payable and accrued liabilities on the Condensed Consolidated Balance Sheets. There was no expense accrued in the three or six months ended June 30, 2018. The outcomes of the adjudication of these claims may differ from the Company's estimates, and as a result, the Company's estimates may change in the near term and the effect of any such change could be material to the financial statements. The Company continues to monitor the matters for further developments that could affect the amount of the loss contingency recognized. The following tables present a rollforward of the amount accrued for the three months and six months ended June 30, 2019.

(Dollars in thousands)	Three Months Ended June 30, 2019
Beginning balance at March 31, 2019	$ 1,129
Accruals	2,968
Payments	(2,572)
Effects of changes in foreign currency rates	66
Ending balance	$ 1,591

(Dollars in thousands)	Six Months Ended June 30, 2019
Beginning balance at December 31, 2018	$ 925
Accruals	4,092
Payments	(3,494)
Effects of changes in foreign currency rates	68
Ending balance	$ 1,591

Other Matters:

The company is cooperating with the Consumer Financial Protection Bureau (the "CFPB") related to a civil investigative demand ("CID") received by Think Finance requesting information about the operations of Think Finance prior to the spin-off. In November 2017, the CFPB sued Think Finance in the U.S. District Court for the District of Montana. Elevate is not a party to this lawsuit. The CFPB and Think Finance have agreed to settle all claims and executed a settlement agreement that is awaiting final court approval in the United States Bankruptcy Court for the Northern District of Texas.

Commitments

The Elastic product, which offers lines of credit to consumers, had approximately $262.8 million and $250.1 million in available and unfunded credit lines at June 30, 2019 and December 31, 2018, respectively. In May 2017, the Rise product began offering lines of credit to consumers in certain states and had approximately $10.2 million and $9.3 million in available and unfunded credit lines at June 30, 2019 and December 31, 2018, respectively. The Today Card, which expanded its test launch in November 2018, had approximately $4.9 million and $0.4 million in available and unfunded credit lines as of June 30, 2019 and December 31, 2018, respectively. While these amounts represented the total available unused credit lines, the Company has not experienced and does not anticipate that all line of credit customers will access their entire available credit lines at any given point in time. The Company has not recorded a loan loss reserve for unfunded credit lines as the Company has the ability to cancel commitments within a relatively short timeframe.

Effective June 2017, the Company entered into a seven-year lease agreement for office space in California. Upon the commencement of the lease, the Company was required to provide the lessor with an irrevocable and unconditional $500 thousand letter of credit. Provided the Company is not in default of any terms of the lease agreement, the outstanding required balance of the letter of credit will be reduced by $100 thousand per year beginning on the second anniversary of the lease commencement and ending on the fifth anniversary of the lease agreement. The minimum balance of the letter of credit will be at least $100 thousand throughout the duration of the lease. At June 30, 2019 and December 31, 2018, the Company had $400 thousand and $500 thousand, respectively, of cash balances securing the letter of credit which is included in Restricted cash within the Condensed Consolidated Balance Sheets.

Guarantees

In connection with its CSO programs, the Company guarantees consumer loan payment obligations to CSO lenders and is required to purchase any defaulted loans it has guaranteed. The guarantee represents an obligation to purchase specific loans that go into default.

Indemnification

In the ordinary course of business, the Company may indemnify customers, vendors, lessors, investors, and other parties for certain matters subject to various terms and scopes. For example, the Company may indemnify certain parties for losses due to the Company's breach of certain agreements or due to certain services it provides. The Company has not incurred material costs to settle claims related to such indemnification provisions as of June 30, 2019 and December 31, 2018. The fair value of these liabilities is immaterial; accordingly, there are no liabilities recorded for these agreements as of June 30, 2019 and December 31, 2018.

NOTE 13—OPERATING SEGMENT INFORMATION

The Company determines operating segments based on how its chief operating decision-maker manages the business, including making operating decisions, deciding how to allocate resources and evaluating operating performance. The Company's chief operating decision-maker is its Chief Executive Officer, who reviews the Company's operating results monthly on a consolidated basis.

The Company has one reportable segment, which provides online financial services for subprime consumers, which is composed of the Company's operations in the United States and the United Kingdom. The Company has aggregated all components of its business into a single reportable segment based on the similarities of the economic characteristics, the nature of the products and services, the distribution methods, the type of customers, and the nature of the regulatory environments.

Information related to each reportable segment is outlined below. Segment revenue is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industry.

The following tables summarize the allocation of net revenues and long-lived assets based on geography. The geographic presentation of the Company's segment assets was based on the geographic location of the asset and revenue by the Company's country of domicile.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands)	**2019**	**2018**	**2019**	**2018**
Revenues				
United States	$ 150,376	$ 154,909	$ 310,441	$ 318,215
United Kingdom	27,384	29,468	56,823	59,699
Total	$ 177,760	$ 184,377	$ 367,264	$ 377,914

	June 30, 2019	**December 31, 2018**
Long-lived assets		
United States	$ 55,351	$ 41,933
United Kingdom	21,625	17,385
Total	$ 76,976	$ 59,318

NOTE 14—RELATED PARTIES

The Company entered into sublease agreements with Think Finance for office space that expired in 2018. Total rent and utility payments made to Think Finance for office space were approximately $0 thousand and $297 thousand for the three months ended June 30, 2019 and 2018, respectively and $0 thousand and $585 thousand for the six months ended June 30, 2019 and 2018, respectively. Rent and utility expense is included in Occupancy and equipment within the Condensed Consolidated Income Statements.

Expenses related to our board of directors, including board fees, travel reimbursements, share-based compensation and a consulting arrangement with a related party for the three and six months ended June 30, 2019 and 2018 are included in Professional services within the Condensed Consolidated Income Statements and were as follows:

	Three Months Ended June 30,	
(Dollars in thousands)	**2019**	**2018**
Fees and travel expenses	$ 172	$ 142
Stock compensation	379	296
Consulting	92	75
Total board related expenses	$ 643	$ 513

	Six Months Ended June 30,	
(Dollars in thousands)	**2019**	**2018**
Fees and travel expenses	$ 342	$ 284
Stock compensation	746	510
Consulting	184	150
Total board related expenses	$ 1,272	$ 944

During the year ended December 31, 2017, a member of the board of directors entered into a direct investment of $800 thousand in the VPC Facility. For the three months ended June 30, 2019 and 2018, the interest payments on this loan were $21 thousand and $28 thousand, respectively. The interest payments on this loan were $43 thousand and $55 thousand for the six months ended June 30, 2019 and 2018, respectively.

At June 30, 2019 and December 31, 2018, the Company had approximately $120 thousand and $119 thousand, respectively, due to board members related to the above expenses, which is included in Accounts payable and accrued liabilities within the Condensed Consolidated Balance Sheets.

NOTE 15—SUBSEQUENT EVENTS

The Company evaluated subsequent events as of the date these financial statements are made available and determined there has been no material subsequent events that required recognition or additional disclosure in these condensed consolidated financial statements, except as follows:

The Company made draws on the EF SPV Facility of $12 million subsequent to June 30, 2019.

On July 25, 2019, the Board of Directors of the Company accepted the resignation of Kenneth E. Rees as Chief Executive Officer of the Company, effective on July 31, 2019. Mr. Rees will remain a director of the Company but has resigned as Chairman of the Board of Directors.

For the period from July 1, 2019 to August 8, 2019, the Company repurchased 91,370 shares of its common stock on the open market for a total purchase price of $434 thousand, including any fees or commissions.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated financial statements and the related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q. Some of the information contained in this discussion and analysis, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Note About Forward-Looking Statements" section of this Quarterly Report on Form 10-Q for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. We generally refer to loans, customers and other information and data associated with each of Rise, Elastic, Sunny and Today Card as Elevate's loans, customers, information and data, irrespective of whether Elevate directly originates the credit to the customer or whether such credit is originated by a third party.

OVERVIEW

We provide online credit solutions to consumers in the US and the UK who are not well-served by traditional bank products and who are looking for better options than payday loans, title loans, pawn and storefront installment loans. Non-prime consumers now represent a larger market than prime consumers but are risky to underwrite and serve with traditional approaches. We're succeeding at it - and doing it responsibly - with best-in-class advanced technology and proprietary risk analytics honed by serving more than 2.3 million customers with $7.4 billion in credit. Our current online credit products, Rise, Elastic and Sunny, and our recently test launched Today Card reflect our mission to provide customers with access to competitively priced credit and services while helping them build a brighter financial future with credit building and financial wellness features. We call this mission "Good Today, Better Tomorrow."

We earn revenues on the Rise and Sunny installment loans, on the Rise and Elastic lines of credit and on the Today Card credit card product. Our revenue primarily consists of finance charges and line of credit fees. Finance charges are driven by our average loan balances outstanding and by the average annual percentage rate ("APR") associated with those outstanding loan balances. We calculate our average loan balances by taking a simple daily average of the ending loan balances outstanding for each period. Line of credit fees are recognized when they are assessed and recorded to revenue over the life of the loan. We present certain key metrics and other information on a "combined" basis to reflect information related to loans originated by us and by our bank partners that license our brands, Republic Bank, FinWise Bank and Capital Community Bank, as well as loans originated by third-party lenders pursuant to CSO programs, which loans originated through CSO programs are not recorded on our balance sheet in accordance with US GAAP. See "—Key Financial and Operating Metrics" and "—Non-GAAP Financial Measures."

We use our working capital, funds provided by third-party lenders pursuant to CSO programs and our credit facility with Victory Park Management, LLC ("VPC" and the "VPC Facility") to fund the loans we make to our Rise and Sunny customers and provide working capital. Since originally entering into the VPC Facility, it has been amended several times to increase the maximum total borrowing amount available from the original amount of $250 million to $495 million at June 30, 2019. See "—Liquidity and Capital Resources—Debt facilities."

Beginning in the fourth quarter of 2018, the Company also licenses its Rise installment loan brand to a third-party lender, FinWise Bank, which originates Rise installment loans in 19 states. FinWise Bank retains 5% of the balances of all loans originated and then sells a 95% loan participation in those Rise installment loans to a third-party special purpose vehicle, EF SPV, Ltd. ("EF SPV"). We do not own EF SPV, but we have a credit default protection agreement with EF SPV whereby we provide credit protection to the investors in EF SPV against the Rise installment loan losses in return for a credit premium. Per the terms of this agreement, under US GAAP, the Company is the primary beneficiary of EF SPV and is required to consolidate the financial results of EF SPV as a VIE in its consolidated financial results. The condensed consolidated financial statements include revenue, losses and loans receivable related to the 95% of Rise installment loans originated by FinWise Bank and sold to EF SPV. These loan participation purchases are funded through a separate financing facility (the "EF SPV Facility"), effective February 1, 2019, and through cash flows from operations generated by EF SPV. The EF SPV Facility has a maximum total borrowing amount available of $150 million.

The Elastic line of credit product is originated by a third-party lender, Republic Bank, which initially provides all of the funding for that product. Republic Bank retains 10% of the balances of all loans originated and sells a 90% loan participation in the Elastic lines of credit. An SPV structure was implemented such that the loan participations are sold by Republic Bank to Elastic SPV, Ltd. ("Elastic SPV") and Elastic SPV receives its funding from VPC in a separate financing facility (the "ESPV Facility"), which was finalized on July 13, 2015. We do not own Elastic SPV but we have a credit default protection agreement with Elastic SPV whereby we provide credit protection to the investors in Elastic SPV against Elastic loan losses in return for a credit premium. Per the terms of this agreement, under US GAAP, the Company is the primary beneficiary of Elastic SPV and is required to consolidate the financial results of Elastic SPV as a VIE in its consolidated financial results.

The ESPV Facility has also been amended several times and the original commitment amount of $50 million has grown to $350 million as of June 30, 2019. See "—Liquidity and Capital Resources—Debt facilities."

Our management assesses our financial performance and future strategic goals through key metrics based primarily on the following three themes:

- *Revenue Growth*. Key metrics related to revenue performance that we monitor by product include the ending and average combined loan balances outstanding, the effective APR of our product loan portfolios, the total dollar value of loans originated, the number of new customer loans made, the ending number of customer loans outstanding and the related customer acquisition costs ("CAC") associated with each new customer loan made. We include CAC as a key metric when analyzing revenue growth (rather than as a key metric within margin expansion).
- *Stable credit quality*. Since the time they were managing our legacy US products, our management team has maintained stable credit quality across the loan portfolio they were managing. Additionally, in the periods covered in this Management's Discussion and Analysis of Financial Condition and Results of Operations, we have improved our credit quality. The credit quality metrics we monitor include net charge-offs as a percentage of revenues, the combined loan loss reserve as a percentage of outstanding combined loans, total provision for loan losses as a percentage of revenues and the percentage of past due combined loans receivable – principal.
- *Margin expansion*. We expect that our operating margins will continue to expand over the near term as we lower our direct marketing costs and efficiently manage our operating expenses while continuing to improve our credit quality. Over the next several years, as we continue to scale our loan portfolio, we anticipate that our direct marketing costs primarily associated with new customer acquisitions will decline to approximately 10% of revenues and our operating expenses will decline to approximately 20% of revenues. We aim to manage our business to achieve a long-term operating margin of 20%, and do not expect our operating margin to increase beyond that level, as we intend to pass on any improvements over our targeted margins to our customers in the form of lower APRs. We believe this is a critical component of our responsible lending platform and over time will also help us continue to attract new customers and retain existing customers.

KEY FINANCIAL AND OPERATING METRICS

As discussed above, we regularly monitor a number of metrics in order to measure our current performance and project our future performance. These metrics aid us in developing and refining our growth strategies and in making strategic decisions.

Certain of our metrics are non-GAAP financial measures. We believe that such metrics are useful in period-to-period comparisons of our core business. However, non-GAAP financial measures are not an alternative to any measure of financial performance calculated and presented in accordance with US GAAP. See "—Non-GAAP Financial Measures" for a reconciliation of our non-GAAP measures to US GAAP.

Revenue Growth

Revenue metrics (dollars in thousands, except as noted)	As of and for the three months ended June 30, 2019	2018	As of and for the six months ended June 30, 2019	2018
Revenues	$ 177,760	$ 184,377	$ 367,264	$ 377,914
Period-over-period revenue	(4)%	23%	(3)%	23%
Ending combined loans receivable – principal(1)	601,191	589,465	601,191	589,465
Average combined loans receivable – principal(1)(2)	580,937	573,956	595,174	586,515
Total combined loans originated – principal	367,155	380,145	665,419	689,691
Average customer loan balance (in dollars)(3)	1,620	1,582	1,620	1,582
Number of new customer loans	70,650	85,146	121,126	155,281
Ending number of combined loans outstanding	371,218	372,592	371,218	372,592
Customer acquisition costs (in dollars)	229	260	226	276
Effective APR of combined loan portfolio	122 %	128%	124 %	129%

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(1) Combined loans receivable is defined as loans owned by the Company and consolidated VIEs plus loans originated and owned by third-party lenders pursuant to our CSO programs. See "—Non-GAAP Financial Measures" for more information and for a reconciliation of Combined loans receivable to Loans receivable, net, the most directly comparable financial measure calculated in accordance with US GAAP.

(2) Average combined loans receivable – principal is calculated using an average of daily Combined loans receivable – principal balances.

(3) Average customer loan balance is an average of all four products and is calculated for each product by dividing the ending Combined loans receivable – principal by the number of loans outstanding at period end.

Revenues. Our revenues are composed of Rise finance charges, Rise CSO fees (which are fees we receive from customers who obtain a loan through the CSO program for the credit services, including the loan guaranty, we provide), finance charges on Sunny installment loans and revenues earned on the Rise and Elastic lines of credit. Finance charge and fee revenues from the recently test launched Today Card credit card product were immaterial. See "—Components of our Results of Operations—Revenues."

Ending and average combined loans receivable – principal. We calculate the average combined loans receivable – principal by taking a simple daily average of the ending combined loans receivable – principal for each period. Key metrics that drive the ending and average combined loans receivable – principal include the amount of loans originated in a period and the average customer loan balance. All loan balance metrics include only the 90% participation in the related Elastic line of credit advances (we exclude the 10% held by Republic Bank) and the 95% participation in FinWise Bank originated Rise installment loans, but include the full loan balances on CSO loans, which are not presented on our Condensed Consolidated Balance Sheet.

Total combined loans originated – principal. The amount of loans originated in a period is driven primarily by loans to new customers as well as new loans to prior customers, including refinancings of existing loans to customers in good standing.

Average customer loan balance and effective APR of combined loan portfolio. The average loan amount and its related APR are based on the product and the underlying credit quality of the customer. Generally, better credit quality customers are offered higher loan amounts at lower APRs. Additionally, new customers have more potential risk of loss than prior or existing customers due to lack of payment history and the potential for fraud. As a result, newer customers typically will have lower loan amounts and higher APRs to compensate for that additional risk of loss. The effective APR is calculated based on the actual amount of finance charges generated from a customer loan divided by the average outstanding balance for the loan, and can be lower than the stated APR on the loan due to waived finance charges and other reasons. For example, a Rise customer may receive a $2,000 installment loan with a term of 24 months and a stated rate of 180%. In this example, the customer's monthly installment loan payment would be $310.86. As the customer can prepay the loan balance at any time with no additional fees or early payment penalty, the customer pays the loan in full in month eight. The customer's loan earns interest of $2,337.81 over the eight month period and has an average outstanding balance of $1,948.17. The effective APR for this loan is 180% over the eight month period calculated as follows:

$$\frac{(\$2{,}337.81 \text{ interest earned} / \$1{,}948.17 \text{ average balance outstanding})}{8 \text{ months}} \times 12 \text{ months per year} = 180\%$$

In addition, as an example for Elastic, if a customer makes a $2,500 draw on the customer's line of credit and this draw required bi-weekly minimum payments of 5% (equivalent to 20 bi-weekly payments), and if all minimum payments are made, the draw would earn finance charges of $1,148. The effective APR for the line of credit in this example is 109% over the payment period and is calculated as follows:

$$\frac{(\$1{,}148.00 \text{ fees earned} / \$1{,}369.05 \text{ average balance outstanding})}{20 \text{ payments}} \times 26 \text{ bi-weekly periods per year} = 109\%$$

The actual amount of revenue we realize on a loan portfolio is also impacted by the amount of prepayments and charged-off customer loans in the portfolio. For a single loan, on average, we typically expect to realize approximately 60% of the revenues that we would otherwise realize if the loan were to fully amortize at the stated APR. From the Rise example above, if we waived $400 of interest for this customer, the effective APR for this loan would decrease to 149%.

Number of new customer loans. We define a new customer loan as the first loan made to a customer for each of our products (so a customer receiving a Rise installment loan and then at a later date taking their first cash advance on an Elastic line of credit would be counted twice). The number of new customer loans is subject to seasonal fluctuations. New customer acquisition is typically slowest during the first six months of each calendar year, primarily in the first quarter, compared to the latter half of the year, as our existing and prospective US customers usually receive tax refunds during this period and, thus, have less of a need for loans from us. Further, many US customers will use their tax refunds to prepay all or a portion of their loan balance during this period, so our overall loan portfolio typically decreases during the first quarter of the calendar year. Overall loan portfolio growth and the number of new customer loans tends to accelerate during the summer months (typically June and July), at the beginning of the school year (typically late August to early September) and during the winter holidays (typically late November to early December).

Customer acquisition costs. A key expense metric we monitor related to loan growth is our CAC. This metric is the amount of direct marketing costs incurred during a period divided by the number of new customer loans originated during that same period. New loans to former customers are not included in our calculation of CAC (except to the extent they receive a loan through a different product) as we believe we incur no material direct marketing costs to make additional loans to a prior customer through the same product.

The following tables summarize the changes in customer loans by product for the three and six months ended June 30, 2019 and 2018.

	Three Months Ended June 30, 2019				
	Rise (US)	Elastic (US)(1)	Total Domestic	Sunny (UK)	Total
Beginning number of combined loans outstanding	125,021	145,760	270,781	93,898	364,679
New customer loans originated	30,177	13,826	44,003	26,647	70,650
Former customer loans originated	18,850	18	18,868	—	18,868
Attrition	(38,277)	(17,043)	(55,320)	(27,659)	(82,979)
Ending number of combined loans outstanding	135,771	142,561	278,332	92,886	371,218
Customer acquisition cost	$ 243	$ 271	$ 252	$ 192	$ 229
Average customer loan balance	$ 2,253	$ 1,738	$ 1,989	$ 512	$ 1,620

	Three Months Ended June 30, 2018				
	Rise (US)	Elastic (US)	Total Domestic	Sunny (UK)	Total
Beginning number of combined loans outstanding	127,263	138,555	265,818	86,791	352,609
New customer loans originated	27,149	26,305	53,454	31,692	85,146
Former customer loans originated	22,816	127	22,943	—	22,943
Attrition	(46,331)	(15,847)	(62,178)	(25,928)	(88,106)
Ending number of combined loans outstanding	130,897	149,140	280,037	92,555	372,592
Customer acquisition cost	$ 307	$ 234	$ 271	$ 243	$ 260
Average customer loan balance	$ 2,187	$ 1,711	$ 1,934	$ 519	$ 1,582

	Six Months Ended June 30, 2019				
	Rise (US)	Elastic (US)(1)	Total Domestic	Sunny (UK)	Total
Beginning number of combined loans outstanding	142,758	166,397	309,155	89,449	398,604
New customer loans originated	47,542	18,664	66,206	54,920	121,126
Former customer loans originated	36,641	27	36,668	—	36,668
Attrition	(91,170)	(42,527)	(133,697)	(51,483)	(185,180)
Ending number of combined loans outstanding	135,771	142,561	278,332	92,886	371,218
Customer acquisition cost	$ 276	$ 277	$ 276	$ 165	$ 226

	Six Months Ended June 30, 2018				
	Rise (US)	Elastic (US)	Total Domestic	Sunny (UK)	Total
Beginning number of combined loans outstanding	140,790	140,672	281,462	80,510	361,972
New customer loans originated	49,414	47,185	96,599	58,682	155,281
Former customer loans originated	38,199	216	38,415	—	38,415
Attrition	(97,506)	(38,933)	(136,439)	(46,637)	(183,076)
Ending number of combined loans outstanding	130,897	149,140	280,037	92,555	372,592
Customer acquisition cost	$ 318	$ 252	$ 286	$ 260	$ 276

(1) Includes immaterial balances related to the Today Card, which expanded its test launch in November 2018.

Recent trends. Our revenues for the three months ended June 30, 2019 totaled $177.8 million, a decrease of 4% versus the three months ended June 30, 2018. Additionally, a similar trend occurred for the six months ended June 30, 2019 as revenues totaled $367.3 million, down 3% versus the prior year. This decrease in revenues was primarily driven by a 600 basis points decrease in our effective APR on the combined loans receivable - principal balance as the APR declined to 122% during the three months ended June 30, 2019 from 128% during the comparable prior year period. This decrease in the average APR resulted primarily from our Rise product as the average APR of a new Rise loan originated by a FinWise Bank customer is 130%; which is lower than our typical state-licensed Rise customer but with a better credit profile. In addition, we have experienced slower new loan growth as we funded approximately 70,650 new customer loans in the second quarter of this year, a decrease of 17% versus the second quarter of 2018. As we disclosed in our 2018 Annual Report on Form 10-K, we have chosen to moderate our new customer growth through the first and second quarters as we deploy our new credit models during the second and third quarters of 2019.

Our CAC was significantly lower in the second quarter of 2019 as compared to the second quarter of 2018 and was below the lower end of our targeted range of $250 to $300. This decrease was attributable to our Sunny and Rise products. The Rise CAC decreased from $307 for the three months ended June 30, 2018 to $243 due to more efficient marketing spend in the Rise portfolio originated by FinWise Bank. The Sunny CAC also decreased for the three months ended June 30, 2018 from $243 to $192 due to more efficient marketing spend coupled with diminished competition in the UK market. We believe our CAC in future quarters will remain within or below our target range of $250 to $300 as we continue to optimize the efficiency of our marketing channels and benefit from continued less competition in the UK market.

Credit quality

Credit quality metrics (dollars in thousands)	As of and for the three months ended June 30, 2019	2018	As of and for the six months ended June 30, 2019	2018
Net charge-offs(1)	$ 79,609	$ 91,756	$ 183,594	$ 193,798
Additional provision for loan losses(1)	(1,584)	(3,158)	(18,138)	(13,058)
Provision for loan losses	$ 78,025	$ 88,598	$ 165,456	$ 180,740
Past due combined loans receivable – principal as a percentage of combined loans receivable – principal(2)	9%	10%	9%	10%
Net charge-offs as a percentage of revenues(1)	45%	50%	50%	51%
Total provision for loan losses as a percentage of revenues	44%	48%	45%	48%
Combined loan loss reserve(3)	$ 77,879	$ 80,531	$ 77,879	$ 80,531
Combined loan loss reserve as a percentage of combined loans receivable(3)(4)	12%	13%	12%	13%

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(1) Net charge-offs and additional provision for loan losses are not financial measures prepared in accordance with US GAAP. Net charge-offs include the amount of principal and accrued interest on loans that are more than 60 days past due, or sooner if we receive notice that the loan will not be collected, such as a bankruptcy notice or identified fraud, offset by any recoveries. Additional provision for loan losses is the amount of provision for loan losses needed for a particular period to adjust the combined loan loss reserve to the appropriate level in accordance with our underlying loan loss reserve methodology. See "—Non-GAAP Financial Measures" for more information and for a reconciliation to Provision for loan losses, the most directly comparable financial measure calculated in accordance with US GAAP.

(2) Combined loans receivable is defined as loans owned by the Company and consolidated VIEs plus loans originated and owned by third-party lenders pursuant to our CSO programs. See "—Non-GAAP Financial Measures" for more information and for a reconciliation of Combined loans receivable to Loans receivable, net, the most directly comparable financial measure calculated in accordance with US GAAP.

(3) Combined loan loss reserve is defined as the loan loss reserve for loans originated and owned by the Company plus the loan loss reserve for loans owned by third-party lenders and guaranteed by the Company. See "—Non-GAAP Financial Measures" for more information and for a reconciliation of Combined loan loss reserve to Allowance for loan losses, the most directly comparable financial measure calculated in accordance with US GAAP.

(4) Combined loan loss reserve as a percentage of combined loans receivable is determined using period-end balances.

Net principal charge-offs as a percentage of average combined loans receivable - principal (1) (2) (3)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2019	13%	11%	N/A	N/A
2018	13%	12%	13%	14%
2017	15%	14%	12%	13%

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(1) Net principal charge-offs is comprised of gross principal charge-offs less recoveries.

(2) Average combined loans receivable - principal is calculated using an average of daily Combined loans receivable - principal balances during each quarter.

(3) Combined loans receivable is defined as loans owned by the Company and consolidated VIEs plus loans originated and owned by third-party lenders pursuant to our CSO programs. See "—Non-GAAP Financial Measures" for more information and for a reconciliation of Combined loans receivable to Loans receivable, net, the most directly comparable financial measure calculated in accordance with US GAAP.

In reviewing the credit quality of our loan portfolio, we break out our total provision for loan losses that is presented on our income statement under US GAAP into two separate items—net charge-offs and additional provision for loan losses. Net charge-offs are indicative of the credit quality of our underlying portfolio, while additional provision for loan losses is subject to more fluctuation based on loan portfolio growth, recent credit quality trends and the effect of normal seasonality on our business. The additional provision for loan losses is the amount needed to adjust the combined loan loss reserve to the appropriate amount at the end of each month based on our loan loss reserve methodology.

Net charge-offs. Net charge-offs comprise gross charge-offs offset by recoveries on prior charge-offs. Gross charge-offs include the amount of principal and accrued interest on loans that are more than 60 days past due, or sooner if we receive notice that the loan will not be collected, such as a bankruptcy notice or identified fraud. Any payments received on loans that have been charged off are recorded as recoveries and reduce the amount of gross charge-offs. Recoveries are typically less than 10% of the amount charged off, and thus, we do not view recoveries as a key credit quality metric.

Net charge-offs as a percentage of revenues can vary based on several factors, such as whether or not we experience significant growth or lower the APR of our products. Additionally, although a more seasoned portfolio will typically result in lower net charge-offs as a percentage of revenues, we do not intend to drive down this ratio significantly below our historical ratios and would instead seek to offer our existing products to a broader new customer base to drive additional revenues.

Net charge-offs as a percentage of average combined loans receivable-principal allow us to determine credit quality and evaluate loss experience trends across our loan portfolio.

Additional provision for loan losses. Additional provision for loan losses is the amount of provision for loan losses needed for a particular period to adjust the combined loan loss reserve to the appropriate level in accordance with our underlying loan loss reserve methodology.

Additional provision for loan losses relates to an increase in future inherent losses in the loan portfolio as determined by our loan loss reserve methodology. This increase could be due to a combination of factors such as an increase in the size of the loan portfolio or a worsening of credit quality or increase in past due loans. It is also possible for the additional provision for loan losses for a period to be a negative amount, which would reduce the amount of the combined loan loss reserve needed (due to a decrease in the loan portfolio or improvement in credit quality). The amount of additional provision for loan losses is seasonal in nature, mirroring the seasonality of our new customer acquisition and overall loan portfolio growth, as discussed above. The combined loan loss reserve typically decreases during the first quarter or first half of the calendar year due to a decrease in the loan portfolio from year end. Then, as the rate of growth for the loan portfolio starts to increase during the second half of the year, additional provision for loan losses is typically needed to increase the reserve for future losses associated with the loan growth. Because of this, our provision for loan losses can vary significantly throughout the year without a significant change in the credit quality of our portfolio.

The following provides an example of the application of our loan loss reserve methodology and the break out of the provision for loan losses between the portion associated with replenishing the reserve due to net charge-offs and the amount related to the additional provision for loan losses. If the beginning combined loan loss reserve were $25 million, and we incurred $10 million of net charge-offs during the period and the ending combined loan loss reserve needed to be $30 million according to our loan loss reserve methodology, our total provision for loan losses would be $15 million, comprising $10 million in net charge-offs (provision needed to replenish the combined loan loss reserve) plus $5 million of additional provision related to an increase in future inherent losses in the loan portfolio identified by our loan loss reserve methodology.

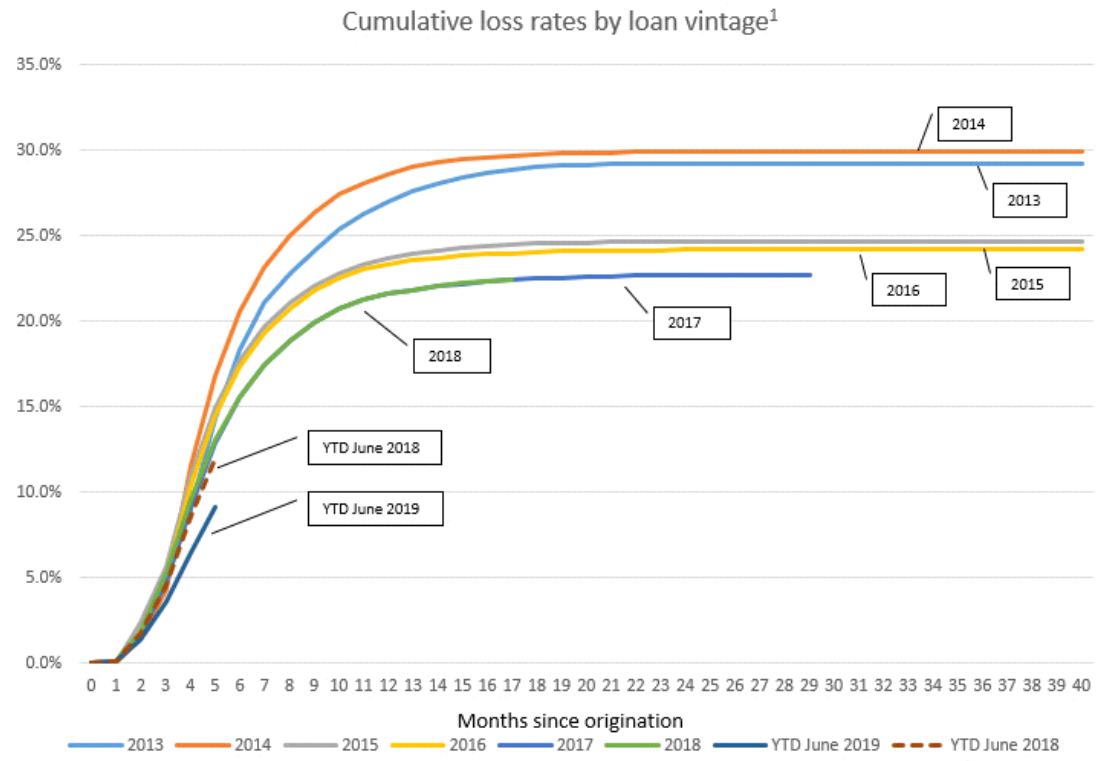
Example (dollars in thousands)			
Beginning combined loan loss reserve		$	25,000
Less: Net charge-offs			(10,000)
Provision for loan losses:			
Provision for net charge-offs	10,000		
Additional provision for loan losses	5,000		
Total provision for loan losses			15,000
Ending combined loan loss reserve balance		$	30,000

Loan loss reserve methodology. Our loan loss reserve methodology is calculated separately for each product and, in the case of Rise loans originated under the state lending model (including CSO program loans), is calculated separately based on the state in which each customer resides to account for varying state license requirements that affect the amount of the loan offered, repayment terms and other factors. For each product, loss factors are calculated based on the delinquency status of customer loan balances: current, 1 to 30 days past due or 31 to 60 days past due. These loss factors for loans in each delinquency status are based on average historical loss rates by product (or state) associated with each of these three delinquency categories. Hence, another key credit quality metric we monitor is the percentage of past due combined loans receivable – principal, as an increase in past due loans will cause an increase in our combined loan loss reserve and related additional provision for loan losses to increase the reserve. For customers that are not past due, we further stratify these loans into loss rates by payment number, as a new customer that is about to make a first loan payment has a significantly higher risk of loss than a customer who has successfully made ten payments on an existing loan with us. Based on this methodology, during the past three years we have seen our combined loan loss reserve as a percentage of combined loans receivable fluctuate between approximately 12% and 17% depending on the overall mix of new, former and past due customer loans.

Recent trends. Total loan loss provision for the three and six months ended June 30, 2019 was 44% and 45% of revenues, respectively, which was at the low end of our targeted range of 45% to 55%, and lower than the 48% for the three and six months ended June 30, 2018. For the three and six months ended June 30, 2019, net charge-offs as a percentage of revenues totaled 45% and 50%, respectively, compared to 50% and 51% in the respective prior year periods. We expect loan loss provision as a percentage of revenues to continue to remain within our targeted range due to ongoing maturation of the loan portfolio and continued improvements in our underwriting process.

The combined loan loss reserve as a percentage of combined loans receivable totaled 12% and 13% as of June 30, 2019 and June 30, 2018, respectively, reflecting improvements in our credit quality and ongoing maturation of the loan portfolio. Past due loan balances at June 30, 2019 were 9% of total combined loans receivable - principal, lower than 10% from a year ago.

Additionally, we also look at principal loan charge-offs (including both credit and fraud losses) by vintage as a percentage of combined loans originated - principal. As the below table shows, our cumulative principal loan charge-offs through June 30, 2019 for each annual vintage since the 2013 vintage are generally under 30% and continue to generally trend at or slightly below our 25% to 30% targeted range, with both 2018 and 2017 performing the best of our historical vintages and within our targeted range of 25% to 30%. In the beginning of 2019, we implemented new fraud tools that have helped lower fraud losses. Additionally, we rolled out our next generation of credit models during the second quarter of 2019 and will continue to refine the models during the second half of 2019. The preliminary data on the 2019 vintage is that it is performing better than both 2017 and 2018.



(1) The 2018 and 2019 vintages are not yet fully mature from a loss perspective.

Margins

Margin metrics (dollars in thousands)	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Revenues	$ 177,760	$ 184,377	$ 367,264	$ 377,914
Net charge-offs(1)	(79,609)	(91,756)	(183,594)	(193,798)
Additional provision for loan losses(1)	1,584	3,158	18,138	13,058
Direct marketing costs	(16,194)	(22,180)	(27,348)	(42,875)
Other cost of sales	(8,562)	(6,566)	(13,622)	(12,895)
Gross profit	74,979	67,033	160,838	141,404
Operating expenses	(47,916)	(43,317)	(95,796)	(85,059)
Operating income	$ 27,063	$ 23,716	$ 65,042	$ 56,345
As a percentage of revenues:				
Net charge-offs	45 %	50 %	50 %	51 %
Additional provision for loan losses	(1)	(2)	(5)	(3)
Direct marketing costs	9	12	7	11
Other cost of sales	5	4	4	3
Gross margin	42	36	44	37
Operating expenses	27	23	26	23
Operating margin	15 %	13 %	18 %	14 %

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(1) Non-GAAP measure. See "—Non-GAAP Financial Measures—Net charge-offs and additional provision for loan losses."

Gross margin is calculated as revenues minus cost of sales, or gross profit, expressed as a percentage of revenues, and operating margin is calculated as operating income expressed as a percentage of revenues. We expect our margins to continue to increase as we continue to scale our business while maintaining stable credit quality. We allocate all marketing spend only to new customer loans. As our loan portfolio continues to mature with more customer loans that are from repeat customers, we will be generating revenue from those repeat customer loans without incurring any related marketing expense. As a result, we expect marketing expense as a percentage of revenue to continue to decline over time resulting in an increased gross profit margin. Additionally, being an online fintech company, we believe that as we continue to scale our business, we will generate operating efficiencies and our operating expense as a percentage of revenues will decline resulting in an increased operating margin.

Recent operating margin trends. For the three months ended June 30, 2019, our operating margin was 15%, which was an increase from 13% in the prior year period. For the six months ended June 30, 2019, our operating margin was 18%, which was also an improvement from 14% in the prior year period. These increases were largely due to a higher gross margin driven by lower direct marketing costs and an overall lower loan loss provision due to slower growth and the improved credit quality of the loan portfolio.

Direct marketing costs for the three and six months ended June 30, 2019 decreased to 9% and 7%, respectively from 12% and 11% in the respective prior year periods. This decrease is due to the moderate new customer growth we targeted as we focused on deploying our new credit models during the second quarter of 2019. The lower marketing spend, coupled with improved marketing efficiencies, resulted in a CAC of $229 and $226 for the three and six months ended June 30, 2019, respectively, which is below the low end of our targeted range of $250 to $300 and lower than the CAC of $260 and $276 for the respective periods in 2018. We expect CAC to continue to be lower than our targeted range of $225 to $250 as we continue to optimize the efficiency of our marketing channels, specifically in the Rise portfolio originated by FinWise Bank, and benefit from decreased competition in the UK, although we may see some quarterly volatility in CAC.

NON-GAAP FINANCIAL MEASURES

We believe that the inclusion of the following non-GAAP financial measures in this Quarterly Report on Form 10-Q can provide a useful measure for period-to-period comparisons of our core business, provide transparency and useful information to investors and others in understanding and evaluating our operating results, and enable investors to better compare our operating performance with the operating performance of our competitors. Management uses these non-GAAP financial measures frequently in its decision-making because they provide supplemental information that facilitates internal comparisons to the historical operating performance of prior periods and give an additional indication of the Company's core operating performance. However, non-GAAP financial measures are not a measure calculated in accordance with US generally accepted accounting principles, or US GAAP, and should not be considered an alternative to any measures of financial performance calculated and presented in accordance with US GAAP. Other companies may calculate these non-GAAP financial measures differently than we do.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA represents our net income, adjusted to exclude:

- Net interest expense, primarily associated with notes payable under the VPC Facility, EF SPV Facility and ESPV Facility used to fund our loans;
- Share-based compensation;
- Foreign currency gains and losses associated with our UK operations;
- Depreciation and amortization expense on fixed assets and intangible assets;
- Fair value gains and losses included in non-operating losses; and
- Income taxes.

Adjusted EBITDA margin is Adjusted EBITDA divided by revenue.

Management believes that Adjusted EBITDA and Adjusted EBITDA margin are useful supplemental measures to assist management and investors in analyzing the operating performance of the business and provide greater transparency into the results of operations of our core business.

Adjusted EBITDA and Adjusted EBITDA margin should not be considered as alternatives to net income or any other performance measure derived in accordance with US GAAP. Our use of Adjusted EBITDA and Adjusted EBITDA margin has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under US GAAP. Some of these limitations are:

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect expected cash capital expenditure requirements for such replacements or for new capital assets;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs; and
- Adjusted EBITDA does not reflect interest associated with notes payable used for funding our customer loans, for other corporate purposes or tax payments that may represent a reduction in cash available to us.

The following table presents a reconciliation of net income to Adjusted EBITDA and Adjusted EBITDA margin for each of the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands)	**2019**	**2018**	**2019**	**2018**
Net income	$ 5,772	$ 3,128	$ 19,130	$ 12,611
Adjustments:				
Net interest expense	17,947	19,263	37,166	38,476
Share-based compensation	2,476	2,010	4,911	3,647
Foreign currency transaction loss	710	1,231	97	475
Depreciation and amortization	4,324	2,962	8,590	5,677
Non-operating loss	—	—	—	38
Income tax expense	2,634	94	8,649	4,745
Adjusted EBITDA	$ 33,863	$ 28,688	$ 78,543	$ 65,669
Adjusted EBITDA margin	19%	16%	21%	17%

Free cash flow

Free cash flow ("FCF") represents our net cash provided by operating activities, adjusted to include:

- Net charge-offs – combined principal loans; and
- Capital expenditures.

The following table presents a reconciliation of net cash provided by operating activities to FCF for each of the periods indicated:

	Six Months Ended June 30,	
(Dollars in thousands)	**2019**	**2018**
Net cash provided by operating activities(1)	$ 169,427	$ 162,485
Adjustments:		
Net charge-offs – combined principal loans	(142,287)	(151,023)
Capital expenditures	(14,042)	(12,450)
FCF	$ 13,098	$ (988)

(1) Net cash provided by operating activities includes net charge-offs – combined finance charges.

Net charge-offs and additional provision for loan losses

We break out our total provision for loan losses into two separate items—first, the amount related to net charge-offs, and second, the additional provision for loan losses needed to adjust the combined loan loss reserve to the appropriate amount at the end of each month based on our loan loss provision methodology. We believe this presentation provides more detail related to the components of our total provision for loan losses when analyzing the gross margin of our business.

Net charge-offs. Net charge-offs comprise gross charge-offs offset by recoveries on prior charge-offs. Gross charge-offs include the amount of principal and accrued interest on loans that are more than 60 days past due, or sooner if we receive notice that the loan will not be collected, such as a bankruptcy notice or identified fraud. Any payments received on loans that have been charged off are recorded as recoveries and reduce the amount of gross charge-offs.

Additional provision for loan losses. Additional provision for loan losses is the amount of provision for loan losses needed for a particular period to adjust the combined loan loss reserve to the appropriate level in accordance with our underlying loan loss reserve methodology.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands)	**2019**	**2018**	**2019**	**2018**
Net charge-offs	$ 79,609	$ 91,756	$ 183,594	$ 193,798
Additional provision for loan losses	(1,584)	(3,158)	(18,138)	(13,058)
Provision for loan losses	$ 78,025	$ 88,598	$ 165,456	$ 180,740

Combined loan information

The Elastic line of credit product is originated by a third-party lender, Republic Bank, which initially provides all of the funding for that product. Republic Bank retains 10% of the balances of all of the loans originated and sells a 90% loan participation in the Elastic lines of credit to a third-party SPV, Elastic SPV, Ltd. Elevate is required to consolidate Elastic SPV, Ltd. as a VIE under US GAAP and the condensed consolidated financial statements include revenue, losses and loans receivable related to the 90% of Elastic lines of credit originated by Republic Bank and sold to Elastic SPV.

Beginning in the fourth quarter of 2018, the Company also licenses its Rise installment loan brand to a third-party lender, FinWise Bank, which originates Rise installment loans in 19 states. FinWise Bank retains 5% of the balances of all originated loans and sells a 95% loan participation in those Rise installment loans to a third-party SPV, EF SPV. We do not own EF SPV but we are required to consolidate EF SPV as a VIE under US GAAP and the condensed consolidated financial statements include revenue, losses and loans receivable related to the 95% of Rise installment loans originated by FinWise Bank and sold to EF SPV.

The information presented in the tables below on a combined basis are non-GAAP measures based on a combined portfolio of loans, which includes the total amount of outstanding loans receivable that we own and that are on our balance sheet plus outstanding loans receivable originated and owned by third parties that we guarantee pursuant to CSO programs in which we participate. See "—Basis of Presentation and Critical Accounting Policies—Allowance and liability for estimated losses on consumer loans" and "—Basis of Presentation and Critical Accounting Policies—Liability for estimated losses on credit service organization loans."

We believe these non-GAAP measures provide investors with important information needed to evaluate the magnitude of potential loan losses and the opportunity for revenue performance of the combined loan portfolio on an aggregate basis. We also believe that the comparison of the combined amounts from period to period is more meaningful than comparing only the amounts reflected on our balance sheet since both revenues and cost of sales as reflected in our financial statements are impacted by the aggregate amount of loans we own and those CSO loans we guarantee.

Our use of total combined loans and fees receivable has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under US GAAP. Some of these limitations are:

- Rise CSO loans are originated and owned by a third-party lender and
- Rise CSO loans are funded by a third-party lender and are not part of the VPC Facility.

As of each of the period ends indicated, the following table presents a reconciliation of:

- Loans receivable, net, Company owned (which reconciles to our Condensed Consolidated Balance Sheets included elsewhere in this Quarterly Report on Form 10-Q);
- Loans receivable, net, guaranteed by the Company (as disclosed in Note 3 of our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q);
- Combined loans receivable (which we use as a non-GAAP measure); and
- Combined loan loss reserve (which we use as a non-GAAP measure).

(Dollars in thousands)	2018			2019	
	June 30	September 30	December 31	March 31	June 30
Company Owned Loans:					
Loans receivable – principal, current, company owned	$ 493,908	$ 525,717	$ 543,405	$ 491,208	$ 523,785
Loans receivable – principal, past due, company owned	58,949	69,934	68,251	55,286	55,711
Loans receivable – principal, total, company owned	552,857	595,651	611,656	546,494	579,496
Loans receivable – finance charges, company owned	31,519	36,747	41,646	32,491	31,805
Loans receivable – company owned	584,376	632,398	653,302	578,985	611,301
Allowance for loan losses on loans receivable, company owned	(76,575)	(89,422)	(91,608)	(76,457)	(75,896)
Loans receivable, net, company owned	$ 507,801	$ 542,976	$ 561,694	$ 502,528	$ 535,405
Third Party Loans Guaranteed by the Company:					
Loans receivable – principal, current, guaranteed by company	$ 35,114	$ 36,649	$ 35,529	$ 27,941	$ 21,099
Loans receivable – principal, past due, guaranteed by company	1,494	1,661	1,353	696	596
Loans receivable – principal, total, guaranteed by company(1)	36,608	38,310	36,882	28,637	21,695
Loans receivable – finance charges, guaranteed by company(2)	2,777	3,103	2,944	2,164	1,676
Loans receivable – guaranteed by company	39,385	41,413	39,826	30,801	23,371
Liability for losses on loans receivable, guaranteed by company	(3,956)	(4,510)	(4,444)	(3,242)	(1,983)
Loans receivable, net, guaranteed by company(2)	$ 35,429	$ 36,903	$ 35,382	$ 27,559	$ 21,388
Combined Loans Receivable(3):					
Combined loans receivable – principal, current	$ 529,022	$ 562,366	$ 578,934	$ 519,149	$ 544,884
Combined loans receivable – principal, past due	60,443	71,595	69,604	55,982	56,307
Combined loans receivable – principal	589,465	633,961	648,538	575,131	601,191
Combined loans receivable – finance charges	34,296	39,850	44,590	34,655	33,481
Combined loans receivable	$ 623,761	$ 673,811	$ 693,128	$ 609,786	$ 634,672
Combined Loan Loss Reserve(3):					
Allowance for loan losses on loans receivable, company owned	$ (76,575)	$ (89,422)	$ (91,608)	$ (76,457)	$ (75,896)
Liability for losses on loans receivable, guaranteed by company	(3,956)	(4,510)	(4,444)	(3,242)	(1,983)
Combined loan loss reserve	$ (80,531)	$ (93,932)	$ (96,052)	$ (79,699)	$ (77,879)
Combined loans receivable – principal, past due(3)	$ 60,443	$ 71,595	$ 69,604	$ 55,982	$ 56,307
Combined loans receivable – principal(3)	$ 589,465	$ 633,961	$ 648,538	$ 575,131	$ 601,191
Percentage past due(1)	10%	11%	11%	10%	9%
Combined loan loss reserve as a percentage of combined loans receivable(3)(4)	13%	14%	14%	13%	12%
Allowance for loan losses as a percentage of loans receivable – company owned	13%	14%	14%	13%	12%

(1) Represents loans originated by third-party lenders through the CSO programs, which are not included in our condensed consolidated financial statements.
(2) Represents finance charges earned by third-party lenders through the CSO programs, which are not included in our condensed consolidated financial statements.
(3) Non-GAAP measure.
(4) Combined loan loss reserve as a percentage of combined loans receivable is determined using period-end balances.

COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenues

Our revenues are composed of Rise finance charges and CSO fees, finance charges on Sunny installment loans, cash advance fees attributable to the participation in Elastic lines of credit that we consolidate and marketing and licensing fees received from third-party lenders related to the Rise, Rise CSO and Elastic products. See "—Overview" above for further information on the structure of Elastic. Finance charge and fee revenues related to the test launch of the Today Card credit card product were immaterial.

Cost of sales

Provision for loan losses. Provision for loan losses consists of amounts charged against income during the period related to net charge-offs and the additional provision for loan losses needed to adjust the loan loss reserve to the appropriate amount at the end of each month based on our loan loss methodology.

Direct marketing costs. Direct marketing costs consist of online marketing costs such as sponsored search and advertising on social networking sites, and other marketing costs such as purchased television and radio air time and direct mail print advertising. In addition, direct marketing cost includes affiliate costs paid to marketers in exchange for referrals of potential customers. All direct marketing costs are expensed as incurred.

Other cost of sales. Other cost of sales includes data verification costs associated with the underwriting of potential customers, automated clearing house ("ACH") transaction costs associated with customer loan funding and payments, and settlement expense associated with UK affordability claims.

Operating expenses

Operating expenses consist of compensation and benefits, professional services, selling and marketing, occupancy and equipment, depreciation and amortization as well as other miscellaneous expenses.

Compensation and benefits. Salaries and personnel-related costs, including benefits, bonuses and share-based compensation expense, comprise a majority of our operating expenses and these costs are driven by our number of employees.

Professional services. These operating expenses include costs associated with legal, accounting and auditing, recruiting and outsourced customer support and collections.

Selling and marketing. Selling and marketing costs include costs associated with the use of agencies that perform creative services and monitor and measure the performance of the various marketing channels. Selling and marketing costs also include the production costs associated with media advertisements that are expensed as incurred over the licensing or production period. These expenses do not include direct marketing costs incurred to acquire customers, which comprises CAC.

Occupancy and equipment. Occupancy and equipment includes rent expense on our leased facilities, as well as telephony and web hosting expenses.

Depreciation and amortization. We capitalize all acquisitions of property and equipment of $500 or greater as well as certain software development costs. Costs incurred in the preliminary stages of software development are expensed. Costs incurred thereafter, including external direct costs of materials and services as well as payroll and payroll-related costs, are capitalized. Post-development costs are expensed. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets.

Other expense

Net interest expense. Net interest expense primarily includes the interest expense associated with the VPC Facility that funds the Rise and Sunny installment loans, the EF SPV Facility that funds Rise installment loans originated by FinWise Bank and the interest expense associated with the ESPV Facility related to the Elastic lines of credit and related Elastic SPV entity. For the six months ended June 30, 2019 and 2018, amortization of the costs of and realized gains from the interest rate caps on the VPC and ESPV Facility are included within Net interest expense.

Foreign currency transaction loss. We incur foreign currency transaction gains and losses related to activities associated with our UK entity, Elevate Credit International, Ltd., primarily with regard to the VPC Facility used to fund Sunny installment loans.

Non-operating loss. Non-operating loss primarily includes gains and losses on adjustments to the fair value of derivatives not designated as cash flow hedges.

INCOME STATEMENT

The following table sets forth our condensed consolidated income statements data for each of the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
Condensed consolidated income statements data (dollars in thousands)	**2019**	**2018**	**2019**	**2018**
Revenues	$ 177,760	$ 184,377	$ 367,264	$ 377,914
Cost of sales:				
Provision for loan losses	78,025	88,598	165,456	180,740
Direct marketing costs	16,194	22,180	27,348	42,875
Other cost of sales	8,562	6,566	13,622	12,895
Total cost of sales	102,781	117,344	206,426	236,510
Gross profit	74,979	67,033	160,838	141,404
Operating expenses:				
Compensation and benefits	25,638	23,380	51,348	45,807
Professional services	8,860	8,374	18,559	16,686
Selling and marketing	2,205	2,403	4,051	5,355
Occupancy and equipment	5,179	4,630	10,231	8,749
Depreciation and amortization	4,324	2,962	8,590	5,677
Other	1,710	1,568	3,017	2,785
Total operating expenses	47,916	43,317	95,796	85,059
Operating income	27,063	23,716	65,042	56,345
Other expense:				
Net interest expense	(17,947)	(19,263)	(37,166)	(38,476)
Foreign currency transaction loss	(710)	(1,231)	(97)	(475)
Non-operating loss	—	—	—	(38)
Total other expense	(18,657)	(20,494)	(37,263)	(38,989)
Income before taxes	8,406	3,222	27,779	17,356
Income tax expense	2,634	94	8,649	4,745
Net income	$ 5,772	$ 3,128	$ 19,130	$ 12,611

As a percentage of revenues	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Cost of sales:				
Provision for loan losses	44 %	48 %	45 %	48 %
Direct marketing costs	9	12	7	11
Other cost of sales	5	4	4	3
Total cost of sales	58	64	56	63
Gross profit	42	36	44	37
Operating expenses:				
Compensation and benefits	14	13	14	12
Professional services	5	5	5	4
Selling and marketing	1	1	1	1
Occupancy and equipment	3	3	3	2
Depreciation and amortization	2	2	2	2
Other	1	1	1	1
Total operating expenses	27	23	26	23
Operating income	15	13	18	14
Other expense:				
Net interest expense	(10)	(10)	(10)	(10)
Foreign currency transaction loss	—	(1)	—	—
Non-operating loss	—	—	—	—
Total other expense	(10)	(11)	(10)	(10)
Income before taxes	5	2	8	5
Income tax expense	2	—	2	2
Net income	3 %	2 %	5 %	3 %

Comparison of the three months ended June 30, 2019 and 2018

Revenues

	Three Months Ended June 30,					
	2019		2018		Period-to-period change	
(Dollars in thousands)	Amount	Percentage of revenues	Amount	Percentage of revenues	Amount	Percentage
Finance charges	$ 177,031	100%	$ 183,394	99%	$ (6,363)	(3)%
Other	729	—	983	1	(254)	(26)
Revenues	$ 177,760	100%	$ 184,377	100%	$ (6,617)	(4)%

Revenues decreased by $6.6 million, or 4%, from $184.4 million for the three months ended June 30, 2018 to $177.8 million for the three months ended June 30, 2019. This decrease in revenues was primarily due to a decline in the effective APR of the combined loans receivable, partially offset by an increase in our average combined loans receivable - principal balance, as illustrated in the tables below. The decrease in Other revenues is due to a decrease in marketing and licensing fees related to the Rise CSO programs as our CSO partners stopped originating Rise CSO loans in Ohio in April 2019 due to a state law change.

The tables below break out this change in revenue (including CSO fees and cash advance fees) by product:

	Three Months Ended June 30, 2019				
(Dollars in thousands)	Rise (US)(1)	Elastic (US)(2)	Total Domestic	Sunny (UK)	Total
Average combined loans receivable – principal(3)	$ 287,073	$ 243,691	$ 530,764	$ 50,173	$ 580,937
Effective APR	126%	98%	113%	219%	122%
Finance charges	$ 90,384	$ 59,317	$ 149,701	$ 27,330	$ 177,031
Other	387	288	675	54	729
Total revenue	$ 90,771	$ 59,605	$ 150,376	$ 27,384	$ 177,760

	Three Months Ended June 30, 2018				
(Dollars in thousands)	Rise (US)(1)	Elastic (US)	Total Domestic	Sunny (UK)	Total
Average combined loans receivable – principal(3)	$ 277,281	$ 244,583	$ 521,864	$ 52,092	$ 573,956
Effective APR	137%	97%	118%	226%	128%
Finance charges	$ 94,716	$ 59,298	$ 154,014	$ 29,380	$ 183,394
Other	435	460	895	88	983
Total revenue	$ 95,151	$ 59,758	$ 154,909	$ 29,468	$ 184,377

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(1) Includes loans originated by third-party lenders through the CSO programs, which are not included in the Company's condensed consolidated financial statements.
(2) Includes immaterial balances related to the Today Card, which expanded its test launch in November 2018.
(3) Average combined loans receivable - principal is calculated using daily Combined loans receivable – principal balances. Not a financial measure prepared in accordance with US GAAP. See reconciliation table accompanying this release for a reconciliation of non-GAAP financial measures to the most directly comparable financial measure calculated in accordance with US GAAP.

Our average APR dropped from 128% in the second quarter of 2018 to 122% for the second quarter of 2019. The reduction in APR for the three months ended June 30, 2019 as compared to the prior year period resulted in a $8.6 million reduction in finance charges primarily from our Rise product as the average APR of a new Rise loan originated by a FinWise Bank customer is 130%; which is lower than our typical state-licensed Rise customer but with a better credit profile. This decrease was partially offset by a $2.1 million increase in finance charges that resulted from a $7.0 million increase in the average combined loans receivable - principal during the three months ended June 30, 2019 compared to the same prior year period.

Cost of sales

	Three Months Ended June 30,				Period-to-period change	
	2019		2018			
(Dollars in thousands)	Amount	Percentage of revenues	Amount	Percentage of revenues	Amount	Percentage
Cost of sales:						
Provision for loan losses	$ 78,025	44%	$ 88,598	48%	$ (10,573)	(12)%
Direct marketing costs	16,194	9	22,180	12	(5,986)	(27)
Other cost of sales	8,562	5	6,566	4	1,996	30
Total cost of sales	$ 102,781	58%	$ 117,344	64%	$ (14,563)	(12)%

Provision for loan losses. Provision for loan losses decreased by $10.6 million, or 12%, from $88.6 million for the three months ended June 30, 2018 to $78.0 million for the three months ended June 30, 2019 primarily due to a $12.1 million decrease in net charge-offs resulting from the improved credit quality partially offset by an increase of $1.6 million in the additional provision for loan losses resulting from an increase in the overall loan portfolio as compared to prior year.

The tables below break out these changes by loan product:

	Three Months Ended June 30, 2019				
(Dollars in thousands)	Rise (US)	Elastic (US)(1)	Total Domestic	Sunny (UK)	Total
Combined loan loss reserve(2):					
Beginning balance	$ 39,350	$ 28,341	$ 67,691	$ 12,008	$ 79,699
Net charge-offs	(40,970)	(27,130)	(68,100)	(11,509)	(79,609)
Provision for loan losses	43,013	25,268	68,281	9,744	78,025
Effect of foreign currency	—	—	—	(236)	(236)
Ending balance	$ 41,393	$ 26,479	$ 67,872	$ 10,007	$ 77,879
Combined loans receivable(2)(3)	$ 324,620	$ 258,200	$ 582,820	$ 51,852	$ 634,672
Combined loan loss reserve as a percentage of ending combined loans receivable	13%	10%	12%	19%	12%
Net charge-offs as a percentage of revenues	45%	46%	45%	42%	45%
Provision for loan losses as a percentage of revenues	47%	42%	45%	36%	44%

(Dollars in thousands)	Three Months Ended June 30, 2018				
	Rise (US)	Elastic (US)	Total Domestic	Sunny (UK)	Total
Combined loan loss reserve(2):					
Beginning balance	$ 44,209	$ 28,098	$ 72,307	$ 11,939	$ 84,246
Net charge-offs	(49,494)	(28,490)	(77,984)	(13,772)	(91,756)
Provision for loan losses	46,081	29,786	75,867	12,731	88,598
Effect of foreign currency	—	—	—	(557)	(557)
Ending balance	$ 40,796	$ 29,394	$ 70,190	$ 10,341	$ 80,531
Combined loans receivable(2)(3)	$ 305,674	$ 265,959	$ 571,633	$ 52,128	$ 623,761
Combined loan loss reserve as a percentage of ending combined loans receivable	13%	11%	12%	20%	13%
Net charge-offs as a percentage of revenues	52%	48%	50%	47%	50%
Provision for loan losses as a percentage of revenues	48%	50%	49%	43%	48%

(1) Includes immaterial balances related to the Today Card, which expanded its test launch in November 2018.
(2) Not a financial measure prepared in accordance with US GAAP. See "—Non-GAAP Financial Measures" for more information and for a reconciliation to the most directly comparable financial measure calculated in accordance with US GAAP.
(3) Includes loans originated by third-party lenders through the CSO programs, which are not included in our condensed consolidated financial statements.

Net charge-offs decreased $12.1 million for the three months ended June 30, 2019 compared to the three months ended June 30, 2018, due to the improved credit quality, with the primary decrease attributed to the Rise product. Net charge-offs as a percentage of revenues for the three months ended June 30, 2019 was 45%, a decrease from 50% for the comparable period in 2018. Loan loss provision for the three months ended June 30, 2019 totaled 44% of revenues, lower than 48% for the three months ended June 30, 2018.

Direct marketing costs. Direct marketing costs decreased by $6.0 million, or 27%, from $22.2 million for the three months ended June 30, 2018 to $16.2 million for the three months ended June 30, 2019. The decrease is due to the moderate growth we targeted as we focused on deploying our new credit models during the second quarter of 2019. For the three months ended June 30, 2019, the number of new customers acquired decreased to 70,650 compared to 85,146 during the three months ended June 30, 2018. For the three months ended June 30, 2019 and 2018, our CAC was $229 and $260, respectively. We expect CAC to continue to be lower than or within our targeted range of $225 to $250 as we continue to optimize the efficiency of our marketing channels, specifically in the Rise portfolio originated by FinWise Bank, and benefit from decreased competition in the UK, although we may see some quarterly volatility in CAC.

Other cost of sales. Other cost of sales increased by $2.0 million, or 30%, from $6.6 million for the three months ended June 30, 2018 to $8.6 million for the three months ended June 30, 2019 due to increased affordability claim settlement expenses primarily related to the Sunny product, partially offset by decreased data verification costs incurred from the lower new customer loan volume for the Rise and Elastic product.

Operating expenses

(Dollars in thousands)	Three Months Ended June 30, 2019 Amount	2019 Percentage of revenues	2018 Amount	2018 Percentage of revenues	Period-to-period change Amount	Period-to-period change Percentage
Operating expenses:						
Compensation and benefits	$ 25,638	14%	$ 23,380	13%	$ 2,258	10 %
Professional services	8,860	5	8,374	5	486	6
Selling and marketing	2,205	1	2,403	1	(198)	(8)
Occupancy and equipment	5,179	3	4,630	3	549	12
Depreciation and amortization	4,324	2	2,962	2	1,362	46
Other	1,710	1	1,568	1	142	9
Total operating expenses	$ 47,916	27%	$ 43,317	23%	$ 4,599	11 %

Compensation and benefits. Compensation and benefits increased by $2.3 million, or 10%, from $23.4 million for the three months ended June 30, 2018 to $25.6 million for the three months ended June 30, 2019 primarily due to an increase in the number of employees.

Professional services. Professional services increased by $0.5 million, or 6%, from $8.4 million for the three months ended June 30, 2018 to $8.9 million for the three months ended June 30, 2019 primarily due to increased legal expenses related to various regulatory matters and outsourced servicing expense.

Selling and marketing. Selling and marketing decreased by $0.2 million, or 8%, from $2.4 million for the three months ended June 30, 2018 to $2.2 million for the three months ended June 30, 2019 primarily due to decreased advertising.

Occupancy and equipment. Occupancy and equipment increased by $0.5 million, or 12%, from $4.6 million for the three months ended June 30, 2018 to $5.2 million for the three months ended June 30, 2019 primarily due to increased web hosting and data center costs as well as increased rent expense needed to support an increased number of employees.

Depreciation and amortization. Depreciation and amortization increased by $1.4 million, or 46%, from $3.0 million for the three months ended June 30, 2018 to $4.3 million for the three months ended June 30, 2019 primarily due to increased purchases of property and equipment, including depreciation on internally developed software.

Net interest expense

(Dollars in thousands)	Three Months Ended June 30, 2019 Amount	2019 Percentage of revenues	2018 Amount	2018 Percentage of revenues	Period-to-period change Amount	Period-to-period change Percentage
Net interest expense	$ 17,947	10%	$ 19,263	10%	$ (1,316)	(7)%

Net interest expense decreased 7% during the three months ended June 30, 2019 as compared to the prior year period. At June 30, 2018, we had an average balance of $523.3 million in notes payable outstanding under our debt facilities, which increased to $530.4 million at June 30, 2019, resulting in additional interest expense of approximately $0.2 million. Our average effective interest rate on our notes payable outstanding has decreased from 14.8% for the three months ended June 30, 2018 to 13.6% for the three months ended June 30, 2019, resulting in a decrease in interest expense of approximately $1.6 million. In addition, we incurred an $850 thousand prepayment penalty during the second quarter of 2019 for the early repayment on the 4th Tranche Term Note that is included in interest expense within the VPC Facility.

The following table shows the effective cost of funds of each debt facility for the period:

	Three Months Ended June 30,	
(Dollars in thousands)	**2019**	**2018**
VPC Facility		
Average facility balance during the period	$ 249,998	$ 307,333
Net interest expense	7,708	11,105
Less: prepayment penalty associated with the early repayment on the 4th Tranche Term Note	(850)	—
Net interest expense, as adjusted	$ 6,858	$ 11,105
Effective cost of funds	12.4%	14.5%
Effective cost of funds, as adjusted	11.0%	14.5%
EF SPV Facility		
Average facility balance during the period	$ 59,363	N/A
Net interest expense	1,539	N/A
Effective cost of funds	10.4%	N/A
ESPV Facility		
Average facility balance during the period	$ 221,000	$ 216,000
Net interest expense	8,701	8,158
Effective cost of funds	15.8%	15.2%

In January 2018, the Company entered into interest rate caps, which capped 3-month LIBOR at 1.75%, to mitigate the floating interest rate risk on $240 million of the US Term Notes included in the VPC Facility and on $216 million of the ESPV Facility. The interest rate caps matured on February 1, 2019. Additionally, effective February 1, 2019, the VPC Facility and ESPV Facility were amended and a new facility, the EF SPV Facility, was created. The amended facilities included reductions to the interest rates paid on our debt in addition to other changes. The reduction in interest rates was effective February 1, 2019 for the VPC Facility and the EF SPV Facility. The reduction in interest rates for the ESPV Facility will be effective July 1, 2019. All existing debt outstanding under these facilities (excluding the 4th Tranche Term Note of $18.1 million under the VPC Facility) will have an effective cost of funds of approximately 10.3%. As a result, we expect interest expense in the third and fourth quarters of 2019 to be lower than the prior year comparable periods. See "—Liquidity and Capital Resources-Debt facilities" for more information.

Foreign currency transaction loss

During the three months ended June 30, 2019, we realized a $0.7 million loss in foreign currency remeasurement primarily related to a portion of the debt facility that our UK entity, Elevate Credit International, Ltd., has with a third-party lender, VPC, which is denominated in US dollars. The foreign currency remeasurement loss for the three months ended June 30, 2018 was $1.2 million.

Income tax expense

(Dollars in thousands)	Three Months Ended June 30, 2019 Amount	2019 Percentage of revenues	2018 Amount	2018 Percentage of revenues	Period-to-period change Amount	Period-to-period change Percentage
Income tax expense	$ 2,634	2%	$ 94	—%	$ 2,540	2,702%

Our income tax expense increased $2.5 million, from $0.1 million for the three months ended June 30, 2018 to $2.6 million for the three months ended June 30, 2019. Our consolidated effective tax rates for the three months ended June 30, 2019 and 2018 were 31% and 3%, respectively. Our effective tax rates are different from the standard corporate federal income tax rate of 21% in the US primarily due to our permanent non-deductible items, corporate state tax obligations in the states where we have lending activities and, starting January 1, 2019, the impact of the Global Intangible Low-Taxed Income ("GILTI") provision of the December 22, 2017 Tax Cuts and Jobs Act. The Company's US cash effective tax rate was approximately 2% for the second quarter of 2019. Our UK operations have generated net operating losses which have a full valuation allowance provided due to the lack of sufficient objective evidence regarding the realizability of this asset. Therefore, no UK deferred tax benefit has been recognized in the condensed consolidated financial statements for the three months ended June 30, 2019 and 2018.

Net income

(Dollars in thousands)	Three Months Ended June 30, 2019 Amount	2019 Percentage of revenues	2018 Amount	2018 Percentage of revenues	Period-to-period change Amount	Period-to-period change Percentage
Net income	$ 5,772	3%	$ 3,128	2%	$ 2,644	85%

Our net income increased $2.6 million, or 85%, from $3.1 million for the three months ended June 30, 2018 to $5.8 million for the three months ended June 30, 2019 due to improved gross profit and lower interest expense offset by increasing operating expenses and income tax expense.

Comparison of the six months ended June 30, 2019 and 2018

Revenues

	Six Months Ended June 30,					
	2019		2018		Period-to-period change	
(Dollars in thousands)	Amount	Percentage of revenues	Amount	Percentage of revenues	Amount	Percentage
Finance charges	$ 366,020	100%	$ 375,652	99%	$ (9,632)	(3)%
Other	1,244	—	2,262	1	(1,018)	(45)
Revenues	$ 367,264	100%	$ 377,914	100%	$ (10,650)	(3)%

Revenues decreased by $10.7 million, or 3%, from $377.9 million for the six months ended June 30, 2018 to $367.3 million for the six months ended June 30, 2019. This decrease in revenues was primarily due to a decline in the effective APR of the combined loans receivable, partially offset by an increase in our average combined loans receivable - principal balance, as illustrated in the tables below. The decrease in Other revenues is due to a decrease in marketing and licensing fees related to the Rise CSO programs as our CSO partners stopped originating Rise CSO loans in Ohio in April 2019 due to a state law change.

The tables below break out this change in revenue (including CSO fees and cash advance fees) by product:

	Six Months Ended June 30, 2019				
(Dollars in thousands)	Rise (US)(1)	Elastic (US)(2)	Total Domestic	Sunny (UK)	Total
Average combined loans receivable – principal(3)	$ 288,941	$ 254,980	$ 543,921	$ 51,254	$ 595,174
Effective APR	129%	98%	115%	223%	124%
Finance charges	$ 185,269	$ 124,050	$ 309,319	$ 56,701	$ 366,020
Other	738	384	1,122	122	1,244
Total revenue	$ 186,007	$ 124,434	$ 310,441	$ 56,823	$ 367,264

	Six Months Ended June 30, 2018				
(Dollars in thousands)	Rise (US)(1)	Elastic (US)	Total Domestic	Sunny (UK)	Total
Average combined loans receivable – principal(3)	$ 289,565	$ 244,980	$ 534,545	$ 51,970	$ 586,515
Effective APR	138%	97%	119%	231%	129%
Finance charges	$ 197,924	$ 118,201	$ 316,125	$ 59,527	$ 375,652
Other	1,265	825	2,090	172	2,262
Total revenue	$ 199,189	$ 119,026	$ 318,215	$ 59,699	$ 377,914

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(1) Includes loans originated by third-party lenders through the CSO programs, which are not included in the Company's condensed consolidated financial statements.
(2) Includes immaterial balances related to the Today Card, which expanded its test launch in November 2018.
(3) Average combined loans receivable - principal is calculated using daily Combined loans receivable – principal balances. Not a financial measure prepared in accordance with US GAAP. See reconciliation table accompanying this release for a reconciliation of non-GAAP financial measures to the most directly comparable financial measure calculated in accordance with US GAAP.

Our average APR dropped from 129% in the first half of 2018 to 124% for the first half of 2019. The reduction in APR for the six months ended June 30, 2019 as compared to the prior year period resulted in a $14.5 million reduction in finance charges primarily from our Rise product as the average APR of a new Rise loan originated by a FinWise Bank customer is 130%; which is lower than our typical state-licensed Rise customer but with a better credit profile. This decrease was partially offset by a $5.3 million increase in finance charges that resulted from a $8.6 million increase in the average combined loans receivable - principal during the six months ended June 30, 2019 compared to the same prior year period.

Cost of sales

	Six Months Ended June 30,				Period-to-period change	
	2019		2018			
(Dollars in thousands)	Amount	Percentage of revenues	Amount	Percentage of revenues	Amount	Percentage
Cost of sales:						
Provision for loan losses	$ 165,456	45%	$ 180,740	48%	$ (15,284)	(8)%
Direct marketing costs	27,348	7	42,875	11	(15,527)	(36)
Other cost of sales	13,622	4	12,895	3	727	6
Total cost of sales	$ 206,426	56%	$ 236,510	63%	$ (30,084)	(13)%

Provision for loan losses. Provision for loan losses decreased by $15.3 million, or 8%, from $180.7 million for the six months ended June 30, 2018 to $165.5 million for the six months ended June 30, 2019 due to a $10.2 million decrease in net charge-offs and a decrease of $5.1 million in the additional provision for loan losses resulting from improved credit quality.

The tables below break out these changes by loan product:

	Six Months Ended June 30, 2019				
(Dollars in thousands)	Rise (US)	Elastic (US)(1)	Total Domestic	Sunny (UK)	Total
Combined loan loss reserve(2):					
Beginning balance	$ 50,597	$ 36,050	$ 86,647	$ 9,405	$ 96,052
Net charge-offs	(98,010)	(64,401)	(162,411)	(21,183)	(183,594)
Provision for loan losses	88,806	54,830	143,636	21,820	165,456
Effect of foreign currency	—	—	—	(35)	(35)
Ending balance	$ 41,393	$ 26,479	$ 67,872	$ 10,007	$ 77,879
Combined loans receivable(2)(3)	$ 324,620	$ 258,200	$ 582,820	$ 51,852	$ 634,672
Combined loan loss reserve as a percentage of ending combined loans receivable	13%	10%	12%	19%	12%
Net charge-offs as a percentage of revenues	53%	52%	52%	37%	50%
Provision for loan losses as a percentage of revenues	48%	44%	46%	38%	45%

(Dollars in thousands)	Six Months Ended June 30, 2018				
	Rise (US)	Elastic (US)	Total Domestic	Sunny (UK)	Total
Combined loan loss reserve(2):					
Beginning balance	$ 55,867	$ 28,870	$ 84,737	$ 9,052	$ 93,789
Net charge-offs	(112,941)	(58,175)	(171,116)	(22,682)	(193,798)
Provision for loan losses	97,870	58,699	156,569	24,171	180,740
Effect of foreign currency	—	—	—	(200)	(200)
Ending balance	$ 40,796	$ 29,394	$ 70,190	$ 10,341	$ 80,531
Combined loans receivable(2)(3)	$ 305,674	$ 265,959	$ 571,633	$ 52,128	$ 623,761
Combined loan loss reserve as a percentage of ending combined loans receivable	13%	11%	12%	20%	13%
Net charge-offs as a percentage of revenues	57%	49%	54%	38%	51%
Provision for loan losses as a percentage of revenues	49%	49%	49%	40%	48%

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(1) Includes immaterial balances related to the Today Card, which expanded its test launch in November 2018.
(2) Not a financial measure prepared in accordance with US GAAP. See "—Non-GAAP Financial Measures" for more information and for a reconciliation to the most directly comparable financial measure calculated in accordance with US GAAP.
(3) Includes loans originated by third-party lenders through the CSO programs, which are not included in our condensed consolidated financial statements.

Net charge-offs decreased $10.2 million for the six months ended June 30, 2019 compared to the six months ended June 30, 2018, due to the improved credit quality, with the primary decrease attributed to the Rise product. Net charge-offs as a percentage of revenues for the six months ended June 30, 2019 was 50%, a decrease from 51% for the comparable period in 2018. Loan loss provision for the six months ended June 30, 2019 totaled 45% of revenues, lower than 48% for the six months ended June 30, 2018.

Direct marketing costs. Direct marketing costs decreased by $15.5 million, or 36%, from $42.9 million for the six months ended June 30, 2018 to $27.3 million for the six months ended June 30, 2019. The decrease is due to the moderate growth we targeted in the first half of 2019 as we focused on deploying our new credit models. For the six months ended June 30, 2019, the number of new customers acquired decreased to 121,126 compared to 155,281 during the six months ended June 30, 2018. For the six months ended June 30, 2019 and 2018, our CAC was $226 and $276, respectively. We expect CAC to continue to be lower than, or within, our targeted range of $225 to $250 as we continue to optimize the efficiency of our marketing channels, specifically in the Rise portfolio originated by FinWise Bank, and benefit from decreased competition in the UK, although we may see some quarterly volatility in CAC.

Other cost of sales. Other cost of sales increased by $0.7 million, or 6%, from $12.9 million for the six months ended June 30, 2018 to $13.6 million for the six months ended June 30, 2019 due to increased affordability claim settlement expenses primarily related to the Sunny product partially offset by decreased data verification costs incurred from the lower new customer loan volume for the Rise and Elastic products.

Operating expenses

(Dollars in thousands)	Six Months Ended June 30, 2019 Amount	2019 Percentage of revenues	2018 Amount	2018 Percentage of revenues	Period-to-period change Amount	Period-to-period change Percentage
Operating expenses:						
Compensation and benefits	$ 51,348	14%	$ 45,807	12%	$ 5,541	12 %
Professional services	18,559	5	16,686	4	1,873	11
Selling and marketing	4,051	1	5,355	1	(1,304)	(24)
Occupancy and equipment	10,231	3	8,749	2	1,482	17
Depreciation and amortization	8,590	2	5,677	2	2,913	51
Other	3,017	1	2,785	1	232	8
Total operating expenses	$ 95,796	26%	$ 85,059	23%	$ 10,737	13 %

Compensation and benefits. Compensation and benefits increased by $5.5 million, or 12%, from $45.8 million for the six months ended June 30, 2018 to $51.3 million for the six months ended June 30, 2019 primarily due to an increase in the number of employees.

Professional services. Professional services increased by $1.9 million, or 11%, from $16.7 million for the six months ended June 30, 2018 to $18.6 million for the six months ended June 30, 2019 primarily due to increased legal expenses related to various regulatory matters and outsourced servicing expense, partially offset by decreased consulting expenses.

Selling and marketing. Selling and marketing decreased by $1.3 million, or 24%, from $5.4 million for the six months ended June 30, 2018 to $4.1 million for the six months ended June 30, 2019 primarily due to decreased marketing agency fees.

Occupancy and equipment. Occupancy and equipment increased by $1.5 million, or 17%, from $8.7 million for the six months ended June 30, 2018 to $10.2 million for the six months ended June 30, 2019 primarily due to increased web hosting expense, increased licenses, and increased rent expense needed to support a greater number of employees.

Depreciation and amortization. Depreciation and amortization increased by $2.9 million, or 51%, from $5.7 million for the three months ended June 30, 2018 to $8.6 million for the three months ended June 30, 2019 primarily due to increased purchases of property and equipment, including depreciation on internally developed software.

Net interest expense

(Dollars in thousands)	Six Months Ended June 30, 2019 Amount	2019 Percentage of revenues	2018 Amount	2018 Percentage of revenues	Period-to-period change Amount	Period-to-period change Percentage
Net interest expense	$ 37,166	10%	$ 38,476	10%	$ (1,310)	(3)%

Net interest expense decreased $1.3 million, or 3%, during the six months ended June 30, 2019 as compared to the prior year period. For the first six months of 2018, we had an average balance of $511.8 million in notes payable outstanding under our debt facilities, which increased to $550.6 million for the first six months of 2019, resulting in additional interest expense of approximately $2.6 million. Our average effective interest rate on our notes payable outstanding has decreased from 15.2% for the six months ended June 30, 2018 to 13.6% for the six months ended June 30, 2019, resulting in a decrease in interest expense of approximately $3.9 million. In addition, we incurred an $850 thousand prepayment penalty during the second quarter of 2019 for the early repayment on the 4th Tranche Term Note that is included in interest expense within the VPC Facility.

The following table shows the effective cost of funds of each debt facility for the period:

	Six Months Ended June 30,	
(Dollars in thousands)	**2019**	**2018**
VPC Facility		
Average facility balance during the period	$ 268,325	$ 296,198
Net interest expense	16,399	22,317
Less: prepayment penalty associated with the early repayment on the 4th Tranche Term Note	(850)	—
Net interest expense, as adjusted	$ 15,549	$ 22,317
Effective cost of funds	12.3%	15.2%
Effective cost of funds, as adjusted	11.7%	15.2%
EF SPV Facility		
Average facility balance during the period	$ 52,635	N/A
Net interest expense	2,813	N/A
Effective cost of funds	10.8%	N/A
ESPV Facility		
Average facility balance during the period	$ 229,652	$ 215,558
Net interest expense	17,954	16,159
Effective cost of funds	15.8%	15.1%

In January 2018, the Company entered into interest rate caps, which capped 3-month LIBOR at 1.75%, to mitigate the floating interest rate risk on $240 million of the US Term Notes included in the VPC Facility and on $216 million of the ESPV Facility. The interest rate caps matured on February 1, 2019. Additionally, effective February 1, 2019, the VPC Facility and ESPV Facility were amended and a new facility, the EF SPV Facility, was created. The amended facilities included reductions to the interest rates paid on our debt in addition to other changes. The reduction in interest rates was effective February 1, 2019 for the VPC Facility and the EF SPV Facility. The reduction in interest rates for the ESPV Facility will be effective July 1, 2019. All existing debt outstanding under these facilities (excluding the 4th Tranche Term Note of $18.1 million under the VPC Facility) will have an effective cost of funds of approximately 10.3%. As a result, we expect interest expense in the third and fourth quarters of 2019 to be lower than the prior year comparable periods. See "—Liquidity and Capital Resources-Debt facilities" for more information.

Foreign currency transaction loss

During the six months ended June 30, 2019, we realized a $0.1 million loss in foreign currency remeasurement primarily related to a portion of the debt facility that our UK entity, Elevate Credit International, Ltd., has with a third-party lender, VPC, which is denominated in US dollars. The foreign currency remeasurement loss for the six months ended June 30, 2018 was $0.5 million.

Non-operating loss

During the six months ended June 30, 2018, we recognized non-operating losses related to the change in fair value on the embedded derivative in the Convertible Term Notes.

Income tax expense

	Six Months Ended June 30,				Period-to-period change	
	2019		2018			
(Dollars in thousands)	Amount	Percentage of revenues	Amount	Percentage of revenues	Amount	Percentage
Income tax expense	$ 8,649	2%	$ 4,745	2%	$ 3,904	82%

Our income tax expense increased $3.9 million, or 82%, from a $4.7 million expense for the six months ended June 30, 2018 to $8.6 million expense for the six months ended June 30, 2019. Our consolidated effective tax rates for the six months ended June 30, 2019 and 2018 were 31% and 27%, respectively. Our effective tax rates are different from the standard corporate federal income tax rate of 21% in the US primarily due to our permanent non-deductible items, corporate state tax obligations in the states where we have lending activities and, starting January 1, 2019, the impact of the Global Intangible Low-Taxed Income ("GILTI") provision of the December 22, 2017 Tax Cuts and Jobs Act. The Company's US cash effective tax rate was approximately 2% for the first six months of 2019. Our UK operations have generated net operating losses which have a full valuation allowance provided due to the lack of sufficient objective evidence regarding the realizability of this asset. Therefore, no UK deferred tax benefit has been recognized in the condensed consolidated financial statements for the six months ended June 30, 2019 and 2018.

Net income

	Six Months Ended June 30,				Period-to-period change	
	2019		2018			
(Dollars in thousands)	Amount	Percentage of revenues	Amount	Percentage of revenues	Amount	Percentage
Net income	$ 19,130	5%	$ 12,611	3%	$ 6,519	52%

Our net income increased $6.5 million, or 52%, from $12.6 million for the six months ended June 30, 2018 to $19.1 million for the six months ended June 30, 2019 due to improved gross profit and lower interest expense offset by increased operating expenses and income tax expense.

LIQUIDITY AND CAPITAL RESOURCES

We principally rely on our working capital, funds from third-party lenders under the CSO programs, and our credit facility with VPC to fund the loans we make to our customers.

On July 25, 2019, the Company's Board of Directors authorized a share repurchase program providing for the repurchase of up to $10 million of our common stock through July 31, 2024. The share repurchase program provides that up to a maximum aggregate amount of $5 million shares may be repurchased in any given fiscal year. Repurchases will be made in accordance with applicable securities laws from time-to-time in the open market and/or in privately negotiated transactions at our discretion, subject to market conditions and other factors. The share repurchase program does not require the purchase of any minimum number of shares and may be implemented, modified, suspended or discontinued in whole or in part at any time without further notice. Any repurchased shares will be available for use in connection with equity plans and for other corporate purposes.

Debt Facilities

VPC Facility

VPC Facility Term Notes

On January 30, 2014, we entered into the VPC Facility in order to fund our Rise and Sunny products and provide working capital. The VPC Facility has been amended several times, with the most recent amendment effective February 1, 2019, to increase the maximum total borrowing amount available and other terms of the VPC Facility.

The VPC Facility provided the following term notes as of June 30, 2019:

- A maximum borrowing amount of $350 million used to fund the Rise loan portfolio ("US Term Note"). Prior to the February 1, 2019 amendment, the interest rate paid on this facility was a base rate (defined as the 3-month LIBOR, with a 1% floor) plus 11%. This resulted in a blended interest rate paid of 12.79% on debt outstanding under this facility as of December 31, 2018. Upon the February 1, 2019 amendment date, the interest rate on the debt outstanding as of the amendment date was fixed through the January 1, 2024 maturity date at 10.23% (base rate of 2.73% plus 7.5%). All future borrowings under this facility will bear an interest rate at a base rate (defined as the greater of 3-month LIBOR, the five-year LIBOR swap rate or 1%) plus 7.5% at the borrowing date. The weighted average base rate on the outstanding balance at June 30, 2019 was 2.73% and the overall interest rate was 10.23%.
- A maximum borrowing amount of $127 million used to fund the UK Sunny loan portfolio ("UK Term Note"). Prior to the February 1, 2019 amendment, the interest rate paid on this facility was a base rate (defined as the 3-month LIBOR) plus 14%. This resulted in a blended interest rate paid of 16.74% on debt outstanding under this facility as of December 31, 2018. Upon the February 1, 2019 amendment date, the interest rate on the debt outstanding as of the amendment date was fixed through the January 1, 2024 maturity date at 10.23% (base rate of 2.73% plus 7.5%). All future borrowings under this facility will bear an interest rate at a base rate (defined as the greater of 3-month LIBOR, the five-year LIBOR swap rate or 1%) plus 7.5% at the borrowing date. The weighted average base rate on the outstanding balance at June 30, 2019 was 2.73% and the overall interest rate was 10.23%.
- A maximum borrowing amount of $18 million used to fund working capital , and prior to February 1, 2019, at a base rate (defined as the 3-month LIBOR, with a 1% floor) plus 13% ("4th Tranche Term Note"). Upon the February 1, 2019 amendment date, the interest rate was fixed through the February 1, 2021 maturity date at a base rate of 2.73% plus 13%. The interest rate at June 30, 2019 and December 31, 2018 was 15.73% and 15.74%, respectively. There was no change in the interest rate spread on this facility upon the February 1, 2019 amendment.
- A revolving feature which provides the option to pay down up to 20% of the outstanding balance, excluding the 4th Tranche Term Note, once per year during the first quarter. Amounts paid down may be drawn again at a later date prior to maturity.

There are no principal payments due or scheduled under the VPC Facility until the respective maturity dates of the US Term Note, the UK Term Note and the 4th Tranche Term Note. The 4th Tranche Term Note matures on February 1, 2021. The US Term Note and the UK Term Note mature on January 1, 2024.

All of our assets are pledged as collateral to secure the VPC Facility. The agreement contains customary financial covenants, including minimum cash and excess spread requirements, maximum roll rate and charge-off rate levels, maximum loan-to-value ratios and a minimum book value of equity requirement. We were in compliance with all covenants as of June 30, 2019.

EF SPV Facility

EF SPV Term Note

On February 1, 2019, we entered into the EF SPV Facility in order to fund the EF SPV participation purchases of Rise installment loans from a third-party lender. Prior to the execution of the agreement with VPC, EF SPV was a borrower on the US Term Note under the VPC Facility. FinWise Bank retains 5% of the balances of all loans originated and sells a 95% loan participation in the Rise installment loans. The EF SPV Term Note has a $150 million commitment amount. The interest rate on the debt outstanding as of the amendment date was fixed through the January 1, 2024 maturity date at 10.23% (base rate of 2.73% plus 7.5%). All future borrowings under this facility will bear an interest rate at a base rate (defined as the greater of 3-month LIBOR, the five-year LIBOR swap rate or 1%) plus 7.5% at the borrowing date. The weighted average base rate on the $53.0 million outstanding balance at June 30, 2019 was 2.67% and the overall interest rate was 10.17%. The EF SPV Term Note has a revolving feature which provides the option to pay down up to 20% of the outstanding balance once per year during the first quarter. Amounts paid down may be drawn again at a later date prior to maturity. There are no principal payments due or scheduled prior to the maturity date of January 1, 2024.

All of our assets are pledged as collateral to secure the EF SPV Term Note. The agreement contains customary financial covenants, including minimum cash and excess spread requirements, maximum roll rate and charge-off rate levels, maximum loan-to-value ratios and a minimum book value of equity requirement. We were in compliance with all covenants as of June 30, 2019.

ESPV Facility

ESPV Term Note

Elastic SPV receives its funding from VPC in the ESPV Facility, which was finalized on July 13, 2015 and amended effective February 1, 2019. The ESPV Facility has a maximum borrowing amount of $350 million used to purchase loan participations from a third-party lender. Prior to the February 1, 2019 amendment, the interest rate paid on this facility was a base rate (defined as the greater of the 3-month LIBOR rate or 1% per annum) plus 13% for the outstanding balance up to $50 million, plus 12% for the outstanding balance greater than $50 million up to $100 million, plus 13.5% for any amounts greater than $100 million up to $150 million, and plus 12.75% for borrowing amounts greater than $150 million. This resulted in a blended interest rate paid of 14.65% on debt outstanding under this facility at December 31, 2018. Upon the February 1, 2019 amendment date, the interest rate on the debt outstanding as of the amendment date was fixed at 15.48% (base rate of 2.73% plus 12.75%). Effective July 1, 2019, the interest rate on the debt outstanding as of the amendment date will be 10.23% (base rate of 2.73% plus 7.50%). All future borrowings under this facility after July 1, 2019 will bear an interest rate at a base rate (defined as the greater of 3-month LIBOR, the five-year LIBOR swap rate or 1%) plus 7.5% at the borrowing date. The weighted average base rate on the outstanding balance at June 30, 2019 was 2.73% and the overall interest rate was 15.48%. The Company entered into an interest rate cap on January 11, 2018 to mitigate the floating rate interest risk on the $216 million then outstanding. The interest rate cap matured on February 1, 2019. There are no principal payments due or scheduled until the credit facility maturity date of January 1, 2024. The ESPV Term Note has a revolving feature which provides the option to pay down up to 20% of the outstanding balance once per year during the first quarter. Amounts paid down may be drawn again at a later date prior to maturity.

All of our assets are pledged as collateral to secure the ESPV Facility. The agreement contains customary financial covenants, including minimum cash and excess spread requirements, maximum roll rate and charge-off rate levels, maximum loan-to-value ratios and a minimum book value of equity requirement. We were in compliance with all covenants as of June 30, 2019.

Outstanding Notes Payable

The outstanding balances of notes payable as of June 30, 2019 and December 31, 2018 are as follows:

(Dollars in thousands)	June 30, 2019	December 31, 2018
US Term Note bearing interest at the base rate + 7.5%	$ 182,000	$ 250,000
UK Term Note bearing interest at the base rate + 7.5%	39,158	39,196
4th Tranche Term Note bearing interest at the base rate + 13%	18,050	35,050
EF SPV Term Note bearing interest at the base rate + 7.5%	70,000	—
ESPV Term Note bearing interest at the base rate + 12.75%	221,000	239,000
Total	$ 530,208	$ 563,246

The change in the facility balances includes the following:

- US Term Note - $43 million re-allocation to new EF SPV facility and pay down of $25 million in the first quarter of 2019 under the revolver component of the facility;
- 4th Tranche Term Note - $17 million early repayment in the second quarter of 2019;
- EF SPV Term note - $43 million re-allocation from US Term Note in the first quarter of 2019 and additional draws of $10 million and $17 million in the first and second quarters of 2019, respectively; and
- ESPV Term Note - Pay-down of $18 million in the first quarter of 2019 under the revolver component of the facility.

The following table presents the future debt maturities as of June 30, 2019:

Year (dollars in thousands)	June 30, 2019
Remainder of 2019	$ —
2020	—
2021	18,050
2022	—
2023	—
Thereafter	512,158
Total	$ 530,208

Cash and cash equivalents, restricted cash, loans (net of allowance for loan losses), and cash flows

The following table summarizes our cash and cash equivalents, restricted cash, loans receivable, net and cash flows for the periods indicated:

	As of and for the six months ended June 30,	
(Dollars in thousands)	2019	2018
Cash and cash equivalents	$ 63,399	$ 69,368
Restricted cash	2,491	1,594
Loans receivable, net	535,405	507,801
Cash provided by (used in):		
Operating activities	169,427	162,485
Investing activities	(127,330)	(144,345)
Financing activities	(37,080)	10,110

Our cash and cash equivalents at June 30, 2019 were held primarily for working capital purposes. We may, from time to time, use excess cash and cash equivalents to fund our lending activities. We do not enter into investments for trading or speculative purposes. Our policy is to invest any cash in excess of our immediate working capital requirements in investments designed to preserve the principal balance and provide liquidity. Accordingly, our excess cash is invested primarily in demand deposit accounts that are currently providing only a minimal return.

Net cash provided by operating activities

We generated $169.4 million in cash from our operating activities for the six months ended June 30, 2019, primarily from revenues derived from our loan portfolio. This was up $6.9 million from the $162.5 million of cash provided by operating activities during the six months ended June 30, 2018. This increase was the result of the expansion of our gross margin, which contributed to the $6.5 million increase in our net income for the six months ended June 30, 2019 compared to the same prior year period.

Net cash used in investing activities

For the six months ended June 30, 2019 and 2018, cash used in investing activities was $127.3 million and $144.3 million, respectively. The decrease was primarily due to a decrease in net loans issued to customers. The following table summarizes cash used in investing activities for the periods indicated:

	For the six months ended June 30,	
(Dollars in thousands)	2019	2018
Cash used in investing activities		
Net loans issued to consumers, less repayments	$ (110,797)	$ (128,875)
Participation premium paid	(2,491)	(3,020)
Purchases of property and equipment	(14,042)	(12,450)
	$ (127,330)	$ (144,345)

Net cash provided by (used in) financing activities

Cash flows from financing activities primarily include cash received from issuing notes payable, payments on notes payable, and activity related to stock awards. For the six months ended June 30, 2019 and 2018, cash provided by (used in) financing activities was $(37.1) million and $10.1 million, respectively. The following table summarizes cash provided by (used in) financing activities for the periods indicated:

	For the six months ended June 30,	
(Dollars in thousands)	**2019**	**2018**
Cash provided by (used in) financing activities		
Proceeds from issuance of Notes payable, net	$ 27,000	$ 12,110
Payments on Notes payable	(60,000)	—
Debt issuance costs paid	(2,598)	—
Debt prepayment costs paid	(850)	—
Cash paid for interest rate caps	—	(1,367)
Settlement of derivative liability	—	(2,010)
Proceeds from issuance of stock, net	579	1,377
Other activities	(1,211)	—
	$ (37,080)	$ 10,110

The decrease in cash provided by financing activities for the six months ended June 30, 2019 versus the comparable period of 2018 was primarily due to payments made on notes payable made during 2019.

Free Cash Flow

In addition to the above, we also review FCF when analyzing our cash flows from operations. We calculate free cash flow as cash flows from operating activities, adjusted for the principal loan net charge-offs and capital expenditures incurred during the period. While this is a non-GAAP measure, we believe it provides a useful presentation of cash flows derived from our core operating activities.

	For the six months ended June 30,	
(Dollars in thousands)	**2019**	**2018**
Net cash provided by operating activities	$ 169,427	$ 162,485
Adjustments:		
Net charge-offs – combined principal loans	(142,287)	(151,023)
Capital expenditures	(14,042)	(12,450)
FCF	$ 13,098	$ (988)

Our FCF was $13.1 million for the first six months of 2019 compared to negative $1.0 million for the comparable prior year period. The increase in our FCF was the result of the increase in cash provided by operations and a decrease in net charge-offs - combined principal loans during the first six months of 2019, which were partially offset by increased capital expenditures.

Operating and capital expenditure requirements

We believe that our existing cash balances, together with the available borrowing capacity under our VPC Facility, EF SPV Facility and ESPV Facility, will be sufficient to meet our anticipated cash operating expense and capital expenditure requirements through at least the next 12 months. If our loan growth exceeds our expectations, our available cash balances may be insufficient to satisfy our liquidity requirements, and we may seek additional equity or debt financing. This additional capital may not be available on reasonable terms, or at all.

CONTRACTUAL OBLIGATIONS

Our principal commitments consist of obligations under our debt facilities and operating lease obligations. There have been no material changes to our contractual obligations since December 31, 2018, with the exception of the extensions of our debt facilities discussed previously. See “—Liquidity and Capital Resources.”

OFF-BALANCE SHEET ARRANGEMENTS

We provide services in connection with installment loans originated by independent third-party lenders (“CSO lenders”) whereby we act as a credit service organization/credit access business on behalf of consumers in accordance with applicable state laws through our “CSO program.” The CSO program includes arranging loans with CSO lenders, assisting in the loan application, documentation and servicing processes. Under the CSO program, we guarantee the repayment of a customer’s loan to the CSO lenders as part of the credit services we provide to the customer. A customer who obtains a loan through the CSO program pays us a fee for the credit services, including the guaranty, and enters into a contract with the CSO lenders governing the credit services arrangement. We estimate a liability for losses associated with the guaranty provided to the CSO lenders using assumptions and methodologies similar to the allowance for loan losses, which we recognize for our consumer loans.

RECENT REGULATORY DEVELOPMENTS

During the year ended December 31, 2018, our UK business began to receive an increased number of customer complaints initiated by claims management companies ("CMCs") related to the affordability assessment of certain loans. If our evidence supports the affordability assessment and we reject the claim, the customer has the right to take the complaint to the Financial Ombudsman Service for further adjudication. The CMCs' campaign against the high cost lending industry increased significantly during the third and fourth quarters of 2018 and continued during the first half of 2019 resulting in a significant increase in affordability claims against all companies in the industry during this period. We believe that many of the increased claims are without merit and reflect the use of abusive and deceptive tactics by the CMCs. The Financial Conduct Authority, a regulator in the UK financial services industry, began regulating the CMCs in April 2019 in order to ensure that the methods used by the CMCs are in the best interests of the consumer and the industry. As of June 30, 2019, we accrued approximately $1.6 million for the claims received that were determined to be probable and reasonably estimable based on the Company's historical loss rates related to these claims. The outcomes of the adjudication of these claims may differ from the Company's estimates, and as a result, our estimates may change in the near term and the effect of any such change could be material to the financial statements. We continue to monitor the matters for further developments that could affect the amount of the accrued liability recognized.

On May 7, 2019, the Consumer Financial Protection Bureau (the "CFPB") proposed amendments to Regulation F, which implements the FDCPA. The Bureau's proposal would, among other things, address communications in connection with debt collection; interpret and apply prohibitions on harassment or abuse, false or misleading representations, and unfair practices in debt collection; and clarify requirements for certain consumer-facing debt collection disclosures. The public comment period on the proposed amendments closes on September 18, 2019. Once a final rule is promulgated, we will take the necessary steps to ensure that the third-party debt collectors we work with are compliant with the final rule.

On June 26, 2019, the California Senate Banking and Financial Institutions Committee passed Assembly Bill 539, which imposes an interest rate cap on all consumer loans between $2,500 and $10,000 of 36% plus the Federal Funds Rate. On July 9, 2019, the California Senate Judiciary Committee also passed Assembly Bill 539 and the bill was referred to the Senate Appropriations Committee. The deadline for Assembly Bill 539 to pass both houses is September 13, 2019, and the deadline to be signed by the Governor and passed into law is October 13, 2019. We will continue to evaluate the potential effect of this bill on our results of operations and financial condition in the California market. We cannot currently assess the likelihood of any other future unfavorable federal, state, local or international legislation or regulations being proposed or enacted that could affect our products and services.

The California Consumer Privacy Act (the "CCPA"), which comes into effect January 1, 2020, broadly defines personal information and provides California consumers increased privacy rights and protections, including imposing expanded obligations to disclose the categories and uses of personal information a business collects, providing consumers a right to access that information, a right to opt out of the sale of personal information and the right to request that a business delete personal information about the consumer subject to certain exemptions. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches, which may increase the costs of data breach litigation. While it is too early to know its full impact, implementation of the CCPA and its related requirements could increase costs or otherwise adversely affect our business in the California market.

BASIS OF PRESENTATION AND CRITICAL ACCOUNTING POLICIES

Revenue recognition

We recognize consumer loan fees as revenues for each of the loan products we offer. Revenues on the Condensed Consolidated Statements of Operations include: finance charges, lines of credit fees, fees for services provided through CSO programs ("CSO fees"), and interest, as well as any other fees or charges permitted by applicable laws and pursuant to the agreement with the borrower. We also record revenues related to the sale of customer applications to unrelated third parties. These applications are sold with the customer's consent in the event that we or our CSO lenders are unable to offer the customer a loan. Revenue is recognized at the time of the sale. Other revenues also include marketing and licensing fees received from the originating lender related to the Elastic product and Rise bank-originated loans and from CSO fees related to the Rise product. Revenues related to these fees are recognized when the service is performed.

We accrue finance charges on installment loans on a constant yield basis over their terms. We accrue and defer fixed charges such as CSO fees and lines of credit fees when they are assessed and recognize them to earnings as they are earned over the life of the loan. We accrue interest on credit cards based on the amount of the loan outstanding and their contractual interest rate. Credit card membership fees are amortized to revenue over the card membership period. Other credit card fees, such as late payment fees and returned payment fees, are accrued when assessed. We do not accrue finance charges and other fees on installment loans or lines of credit for which payment is greater than 60 days past due. Credit card interest charges are recognized based on the contractual provisions of the underlying arrangements and are not accrued for which payment is greater than 90 days past due. Installment loans and lines of credit are considered past due if a grace period has not been requested and a scheduled payment is not paid on its due date. Credit cards have a grace period of 25 days. Payments received on past due loans are applied against the loan and accrued interest balance to bring the loan current. Payments are generally first applied to accrued fees and interest, and then to the principal loan balance.

Our business is affected by seasonality, which can cause significant changes in portfolio size and profit margins from quarter to quarter. Although this seasonality does not impact our policies for revenue recognition, it does generally impact our results of operations by potentially causing an increase in its profit margins in the first quarter of the year and decreased margins in the second through fourth quarters.

Allowance and liability for estimated losses on consumer loans

We have adopted Financial Accounting Standards Board ("FASB") guidance for disclosures about the credit quality of financing receivables and the allowance for loan losses ("allowance"). We maintain an allowance for loan losses for loans and interest receivable for loans not classified as TDRs at a level estimated to be adequate to absorb credit losses inherent in the outstanding loans receivable. We primarily utilize historical loss rates by product, stratified by delinquency ranges, to determine the allowance, but we also consider recent collection and delinquency trends, as well as macro-economic conditions that may affect portfolio losses. Additionally, due to the uncertainty of economic conditions and cash flow resources of our customers, the estimate of the allowance for loan losses is subject to change in the near-term and could significantly impact the consolidated financial statements. If a loan is deemed to be uncollectible before it is fully reserved, it is charged-off at that time. For loans classified as TDRs, impairment is typically measured based on the present value of the expected future cash flows discounted at the original effective interest rate.

We classify loans as either current or past due. An installment loan or line of credit customer in good standing may request a 16-day grace period when or before a payment becomes due and, if granted, the loan is considered current during the grace period. Credit card customers have a 25-day grace period for each payment. Installment loans and lines of credit are considered past due if a grace period has not been requested and a scheduled payment is not paid on its due date. Credit cards are considered past due if the grace period has passed and the scheduled payment has not been made. Increases in the allowance are created by recording a Provision for loan losses in the Condensed Consolidated Statements of Operations. Installment loans and lines of credit are charged off, which reduces the allowance, when they are over 60 days past due or earlier if deemed uncollectible. Credit cards are charged off, which reduces the allowance, when they are over 120 days past due or earlier if deemed uncollectible. Recoveries on losses previously charged to the allowance are credited to the allowance when collected.

Liability for estimated losses on credit service organization loans

Under the CSO program, we guarantee the repayment of a customer's loan to the CSO lenders as part of the credit services we provide to the customer. A customer who obtains a loan through the CSO program pays us a fee for the credit services, including the guaranty, and enters into a contract with the CSO lenders governing the credit services arrangement. We estimate a liability for losses associated with the guaranty provided to the CSO lenders using assumptions and methodologies similar to the allowance for loan losses, which we recognize for our consumer loans.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination. We perform an impairment review of goodwill and intangible assets with an indefinite life annually at October 31 and between annual tests if we determine that an event has occurred or circumstances changed in a way that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Such a determination may be based on our consideration of macro-economic and other factors and trends, such as current and projected financial performance, interest rates and access to capital.

Our impairment evaluation of goodwill is based on comparing the fair value of the respective reporting unit to its carrying value. The fair value of the reporting unit is determined based on a weighted average of the income and market approaches. The income approach establishes fair value based on estimated future cash flows of the reporting unit, discounted by an estimated weighted-average cost of capital developed using the capital asset pricing model, which reflects the overall level of inherent risk of the reporting unit. The income approach uses our projections of financial performance for a six- to nine-year period and includes assumptions about future revenue growth rates, operating margins and terminal values. The market approach establishes fair value by applying cash flow multiples to the respective reporting unit's operating performance. The multiples are derived from other publicly traded companies that are similar but not identical from an operational and economic standpoint.

We completed our 2018 annual test and determined that there was no evidence of impairment of goodwill for the two reporting units that have goodwill. Although no goodwill impairment was noted, there can be no assurances that future goodwill impairments will not occur.

Internal-use software development costs

We capitalize certain costs related to software developed for internal-use, primarily associated with the ongoing development and enhancement of our technology platform. Costs incurred in the preliminary development and post-development stages are expensed. These costs are amortized on a straight-line basis over the estimated useful life of the related asset, generally three years.

Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences and benefits attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts that are more likely than not to be realized.

Relative to uncertain tax positions, we accrue for losses we believe are probable and can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. If the amounts recorded are not realized or if penalties and interest are incurred, we have elected to record all amounts within income tax expense.

We have no recorded liabilities for US uncertain tax positions at June 30, 2019 and December 31, 2018. Tax periods from fiscal years 2014 to 2018 remain open and subject to examination for US federal and state tax purposes. As we had no operations nor had filed US federal tax returns prior to May 1, 2014, there are no other US federal or state tax years subject to examination.

For UK taxes, tax periods from fiscal years 2010 to 2018 remain open and subject to examination. We had an uncertain tax position at December 31, 2017 that was resolved and released during the year ended December 31, 2018. There are no additional UK uncertain tax positions at June 30, 2019.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Act", or "Tax Reform") was enacted into law. The Act contains several changes to the US federal tax law including a reduction to the US federal corporate tax rate from 35% to 21%, an acceleration of the expensing of certain business assets, a reduction to the amount of executive pay that could qualify as a tax deduction, and the addition of a repatriation tax on any accumulated offshore earnings and profit.

The Tax Reform also included a new “Mandatory Repatriation” that required a one-time tax on shareholders of Specific Foreign Corporations (“SFCs”). The one-time tax was imposed using the Subpart F rules to require US shareholders to include in income the pro rata share of their SFC’s previously untaxed accumulated post 1986 deferred foreign income. Our SFC, ECI, had an accumulated earnings and profit ("E&P") deficit at December 31, 2017, and therefore, we had no US impact from the new mandatory repatriation law.

Additionally, tax reform included a new anti-deferral provision, similar to the subpart F provision, requiring a US shareholder of Controlled Foreign Corporation’s (“CFC”) to include in income annually its pro rata share of a CFC’s “global intangible low-taxed income” (“GILTI”). Our SFC, ECI, qualifies as a CFC, and as such, requires a GILTI inclusion in the applicable tax year. ECI has a US tax year end of November 30. We have elected to treat GILTI as a period cost, and therefore, will recognize those taxes as expenses in the period incurred.

Share-Based Compensation

In accordance with applicable accounting standards, all share-based compensation, consisting of stock options and restricted stock units (“RSUs") issued to employees is measured based on the grant-date fair value of the awards and recognized as compensation expense on a straight-line basis over the period during which the recipient is required to perform services in exchange for the award (the requisite service period). Starting July 2017, we also have an employee stock purchase plan (“ESPP”). The determination of fair value of share-based payment awards and ESPP purchase rights on the date of grant using option-pricing models is affected by our stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, the expected stock price volatility over the term of the awards, actual and projected employee stock option exercise activity, risk-free interest rate, expected dividends and expected term. We use the Black-Scholes-Merton Option Pricing Model to estimate the grant-date fair value of stock options. We also use an equity valuation model to estimate the grant-date fair value of RSUs. Additionally, the recognition of share-based compensation expense requires an estimation of the number of awards that will ultimately vest and the number of awards that will ultimately be forfeited.

Derivative Financial Instruments

On January 11, 2018, we and ESPV each entered into one interest rate cap transaction with a counterparty to mitigate the floating rate interest risk on a portion of the debt underlying the Rise and Elastic portfolios, respectively, which matured on February 1, 2019. The interest rate caps were designated as cash flow hedges against expected future cash flows attributable to future interest payments on debt facilities held by each entity. We initially reported the gains or losses related to the hedges as a component of Accumulated other comprehensive income (loss) in the Consolidated Balance Sheets in the period incurred and subsequently reclassified the interest rate caps’ gains or losses to interest expense when the hedged expenses were recorded. We excluded the change in the time value of the interest rate caps in its assessment of their hedge effectiveness. We present the cash flows from cash flow hedges in the same category in the Consolidated Statements of Cash Flows as the category for the cash flows from the hedged items. The interest rate caps do not contain any credit risk related contingent features. Our hedging program is not designed for trading or speculative purposes.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS AND JOBS ACT ELECTION

Under the Jumpstart Our Business Startups Act (the “JOBS Act”), we meet the definition of an emerging growth company. We have irrevocably elected to opt out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act.

Recently Adopted Accounting Standards

In July 2018, the FASB issued ASU No. 2018-09, *Codification Improvements* ("ASU 2018-09"). The purpose of ASU 2018-09 is to clarify, correct errors in, or make minor improvements to the Codification. Among other revisions, the amendments clarify that an entity should recognize excess tax benefits or tax deficiencies for share compensation expense that is taken on an entity’s tax return in the period in which the amount of the deduction is determined. The Company has adopted all of the amendments of ASU 2018-09 as of January 1, 2019 on a modified retrospective basis. The adoption of ASU 2018-09 did not have a material impact on the Company's condensed consolidated financial statements.

In February 2018, the FASB issued ASU No. 2018-02, *Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income* ("ASU 2018-02"). The purpose of ASU 2018-02 is to allow an entity to elect to reclassify the stranded tax effects related to the Tax Cuts and Jobs Act from Accumulated other comprehensive income (loss) into Retained earnings. The amendments in ASU 2018-02 are effective for all entities for fiscal years beginning after December 15, 2018, and for interim periods within those fiscal years. Early adoption is permitted. The Company adopted all amendments of ASU 2018-02 on a prospective basis as of January 1, 2018 and elected to reclassify the stranded tax effects resulting from the Tax Cuts and Jobs Act from Accumulated other comprehensive income (loss) to Accumulated deficit. The amount of the reclassification for the six months ended June 30, 2018 was $920.0 thousand.

In August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815)—Targeted Improvements to Accounting for Hedging Activities* ("ASU 2017-12"). The purpose of ASU 2017-12 is to improve the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. In addition, ASU 2017-12 makes certain targeted improvements to simplify the application of the hedge accounting guidance. In April 2019, the FASB issued ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments* ("ASU 2019-04"). This amendment clarifies the guidance in ASU 2017-12. ASU 2017-12 is effective for public companies for fiscal years beginning after December 15, 2018, and for interim periods within those fiscal years. Early adoption is permitted. The Company has adopted all of the amendments of ASU 2017-12 on a prospective basis as of January 1, 2018. Since the Company did not have derivatives accounted for as hedges prior to December 31, 2017, there was no cumulative-effect adjustment needed to Accumulated other comprehensive income (loss) and Accumulated deficit. The adoption of ASU 2017-12 did not have a material impact on the Company's condensed consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). ASU 2016-02 is intended to improve the reporting of leasing transactions to provide users of financial statements with more decision-useful information. ASU 2016-02 will require organizations that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842, Leases* ("ASU 2018-10"), which clarifies certain matters in the codification with the intention to correct unintended application of the guidance. Also in July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements* ("ASU 2018-11"), which provides entities with an additional (and optional) transition method whereby the entity applies the new lease standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. Additionally, under the new transition method, an entity's reporting for the comparative periods presented in the financial statements in which it adopts the new lease standard will continue to be in accordance with current US GAAP (Topic 840, Leases). ASU 2016-02, as amended, is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. The Company elected to adopt the transition method in ASU 2018-11 by applying the practical expedient prospectively at January 1, 2019. The Company also elected to apply the optional practical expedient package to not reassess existing or expired contracts for lease components, lease classification, or initial direct costs. The adoption of ASU 2016-02, as amended, resulted in the recognition of approximately $12.3 million and $16.0 million additional right of use assets and liabilities for operating leases, respectively, but did not have a material impact on the Company's condensed consolidated income statements.

Accounting Standards to be Adopted in Future Periods

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract* ("ASU 2018-15"). The purpose of ASU 2018-15 is to provide additional guidance on the accounting for costs of implementation activities performed in a cloud computing arrangement that is a service contract. This guidance is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted. The Company is still assessing the potential impact of ASU 2018-15 on the Company's condensed consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"). The purpose of ASU 2018-13 is to modify the disclosure requirements on fair value measurements in Topic 820, *Fair Value Measurement*. This guidance is effective for public companies for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years and requires both a prospective and retrospective approach to adoption based on amendment specifications. Early adoption of any removed or modified disclosures is permitted. Additional disclosures may be delayed until their effective date. The Company does not expect ASU 2018-13 to have a material impact on the Company's condensed consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"). The purpose of ASU 2017-04 is to simplify the subsequent measurement of goodwill. The amendments modify the concept of impairment from the condition that exists when the carrying amount of goodwill exceeds its implied fair value to the condition that exists when the carrying amount of a reporting unit exceeds its fair value. An entity no longer will determine goodwill impairment by calculating the implied fair value of goodwill by assigning the fair value of a reporting unit to all of its assets and liabilities as if that reporting unit had been acquired in a business combination. This guidance is effective for public companies for goodwill impairment tests in fiscal years beginning after December 15, 2019. The Company is still assessing the potential impact of ASU 2017-04 on the Company's condensed consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 is intended to replace the incurred loss impairment methodology in current US GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates to improve the quality of information available to financial statement users about expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. In April 2019, the FASB issued ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments* ("ASU 2019-04"). This amendment clarifies the guidance in ASU 2016-13. In May 2019, the FASB issued ASU No. 2019-05, *Financial Instruments-Credit Losses (Topic 326): Targeted Transition Relief* ("ASU 2019-05"). The purpose of this amendment is to provide entities that have certain instruments within the scope of Subtopic 326-20, *Financial Instruments-Credit Losses-Measured at Amortized Cost*, with an option to irrevocably elect the fair value option in Subtopic 825-10, *Financial Instruments-Overall*, on an instrument-by-instrument basis. Election of this option is intended to increase comparability of financial statement information and reduce costs for certain entities to comply with ASU 2016-13. For public entities, ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company anticipates that the adoption of ASU 2016-13 will have a material impact on the Company’s condensed consolidated financial statements and related disclosures. The Company’s implementation efforts are underway, including identifying all relevant data points, drafting the accounting policies and internal controls, and developing new models. Substantial progress has been made towards the development of these new models including validation testing against historical periods to refine the accuracy. The Company will continue to refine its methodology and begin running in parallel with the existing models in the third quarter of 2019. The Company's efforts are expected to be complete as of the effective date.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss to future earnings, values or future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, exchange rates, commodity prices, equity prices and other market changes. We are exposed to market risk related to changes in interest rates and foreign currency exchange rates. We do not use derivative financial instruments for speculative or trading purposes, although in the future we may continue to enter into interest rate hedging arrangements or enter into exchange rate hedging arrangements to manage the risks described below.

Interest rate sensitivity

Our cash and cash equivalents as of June 30, 2019 consisted of demand deposit accounts. Our primary exposure to market risk for our cash and cash equivalents is interest income sensitivity, which is affected by changes in the general level of US interest rates. Given the currently low US interest rates, we generate only a *de minimis* amount of interest income from these deposits.

All of our customer loan portfolios are fixed APR loans and not variable in nature. Additionally, given the high APRs associated with these loans, we do not believe there is any interest rate sensitivity associated with our customer loan portfolio.

Prior to February 1, 2019, our VPC Facility and ESPV Facility were variable rate in nature and tied to the 3-month LIBOR rate. In January 2018, the Company and ESPV each entered into interest rate caps, which cap 3-month LIBOR at 1.75%, to mitigate the floating interest rate risk on $240 million of the US Term Notes included in the VPC Facility and on $216 million of the ESPV Facility, respectively. These interest rate caps matured on February 1, 2019. On February 1, 2019, the VPC and ESPV Facilities were amended and a new EF SPV Facility was added. As part of these amendments, the base interest rate on existing debt outstanding on February 1, 2019 was locked to the 3-month LIBOR as of February 1, 2019 of 2.73% until note maturity. Any additional borrowings on the facilities (excluding the 4th Tranche Term Note) after February 1, 2019 bear a base interest rate (defined as the greater of 3-month LIBOR, the five-year LIBOR swap rate or 1%) plus the applicable spread at the borrowing date.

Any increase in the base interest rate on future borrowings will result in an increase in our net interest expense. The outstanding balance of our VPC Facility at June 30, 2019 was $239.2 million and the balance at December 31, 2018 was $324.2 million. The outstanding balance of our EF SPV Facility was $70 million at June 30, 2019 and there was no balance at December 31, 2018. The outstanding balance of our ESPV Facility was $221.0 million and $239.0 million at June 30, 2019 and December 31, 2018, respectively. Based on the average outstanding indebtedness through the six months ended June 30, 2019, a 1% (100 basis points) increase in interest rates would have only increased our interest expense by approximately $0.2 million for the period as all of our existing debt outstanding has a fixed interest rate through maturity.

Foreign currency exchange risk

We provide installment loans to customers in the UK. Interest income from our Sunny UK installment loans is earned in GBP. Fluctuations in exchange rate of the USD against the GBP and cash held in such foreign currency can result, and have resulted, in fluctuations in our operating income and foreign currency transaction gains and losses. We had foreign currency transaction losses of approximately $0.1 million and $0.5 million during the six months ended June 30, 2019 and 2018, respectively. We currently do not engage in any foreign exchange hedging activity but may do so in the future.

At June 30, 2019, our GBP-denominated net assets were approximately $62.2 million (which excludes the $26.8 million then drawn under the USD-denominated UK term note under the VPC Facility). A hypothetical 10% strengthening or weakening in the value of the USD compared to the GBP at this date would have resulted in a decrease/increase in net assets of approximately $6.2 million. During the six months ended June 30, 2019, the GBP-denominated pre-tax loss was approximately $209 thousand. A hypothetical 10% strengthening or weakening in the value of the USD compared to the GBP during this period would have resulted in a decrease/increase in the pre-tax income of approximately $21 thousand.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Interim Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a- 15(e) and 15d- 15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Interim Chief Executive Officer and Chief Financial Officer have concluded that as of such date, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the period covered by this Quarterly Report on Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In addition to the matters discussed below, in the ordinary course of business, from time to time, we have been and may be named as a defendant in various legal proceedings arising in connection with our business activities, including affordability claims related to the Sunny product. We may also be involved, from time to time, in reviews, investigations and proceedings (both formal and informal) by governmental agencies regarding our business (collectively, "regulatory matters"). We contest liability and/or the amount of damages as appropriate in each such pending matter. We do not anticipate that the ultimate liability, if any, arising out of any such pending matter will have a material effect on our financial condition, results of operations or cash flows.

Civil Investigative Demand

In June 2012, prior to the spin-off from Think Finance, Inc. ("TFI"), and in February 2016, after the spin-off, TFI received Civil Investigative Demands from the CFPB. The purpose of the Civil Investigative Demands was to determine whether small-dollar online lenders or other unnamed persons engaged in unlawful acts or practices relating to the advertising, marketing, provision, or collection of small-dollar loan products, in violation of Section 1036 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Electronic Funds Transfer Act, the Gramm-Leach-Bliley Act, or any other federal consumer financial law and to determine whether CFPB action to obtain legal or equitable relief would be in the public interest. Further, on November 15, 2017 the CFPB sued TFI alleging it deceived consumers into paying debts that were not valid and that it collected loan payments that consumers did not owe. The CFPB and TFI have agreed to settle all claims and executed a settlement agreement that is awaiting final court approval in the United States Bankruptcy Court for the Northern District of Texas. While TFI's business is distinct from our business, we cannot predict the final outcome of the Civil Investigative Demands or to what extent any obligations arising out of such final outcome will be applicable to our company or business, if at all.

Item 1A. Risk Factors

There have been no material changes from the Risk Factors described in Item 1A. “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, except as set forth in our Quarterly Report on Form 10-Q for the period ended March 31, 2019 and as set forth below.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

The consumer lending industry continues to be subject to new laws and regulations in many jurisdictions that could restrict the consumer lending products and services we offer, impose additional compliance costs on us, render our current operations unprofitable or even prohibit our current operations.

Both state and federal governments in the US and regulatory bodies in the UK may seek to impose new laws, regulatory restrictions or licensing requirements that affect the products or services we offer, the terms on which we may offer them, and the disclosure, compliance and reporting obligations we must fulfill in connection with our lending business. They may also interpret or enforce existing requirements in new ways that could restrict our ability to continue our current methods of operation or to expand operations, impose significant additional compliance costs and may have a negative effect on our business, prospects, results of operations, financial condition or cash flows. In some cases, these measures could even directly prohibit some or all of our current business activities in certain jurisdictions, or render them unprofitable or impractical to continue.

In recent years, consumer loans, and in particular the category commonly referred to as “payday loans,” have come under increased regulatory scrutiny that has resulted in increasingly restrictive regulations and legislation that makes offering consumer loans in certain states in the US or the UK less profitable or unattractive. On October 5, 2017 the Consumer Financial Protection Bureau (the "CFPB") issued a final rule covering loans that require consumers to repay all or most of the debt at once, including payday loans, auto title loans, deposit advance products, longer-term loans with balloon payments and any loan with an annual percentage rate over 36% that includes authorization for the lender to access the borrower’s checking or prepaid account (the "2017 Rule"). Since that time, the 2017 Rule has been amended. See "—The CFPB issued proposed revisions to the 2017 Rule affecting the consumer lending industry, and these or subsequent new rules and regulations, if they are finalized, may impact our US consumer lending business" for more information.

We also expect that further new laws and regulations will be promulgated in the UK that could impact our business operations. See “—The UK has imposed, and continues to impose, increased regulation of the high-cost short-term credit industry with the stated expectation that some firms will exit the market” for additional information.

In order to serve our non-prime customers profitably we need to sufficiently price the risk of the transaction into the annual percentage rate (“APR”) of our loans. If individual states or the US federal government or regulators in the UK impose rate caps lower than those at which we can operate our current business profitably or otherwise impose stricter limits on non-prime lending, we would need to exit such states or dramatically reduce our rate of growth by limiting our products to customers with higher creditworthiness. On April 30, 2019, Senator Dick Durbin reintroduced a bill that would create a national interest rate cap of 36% on consumer loans. The "Protecting Consumers from Unreasonable Credit Rates Act of 2019" is co-sponsored by Senators Jeff Merkley, Sheldon Whitehouse, and Richard Blumenthal. Previous versions have been proposed in 2009, 2013, 2015 and 2017, but the bill has never made it to the House or Senate floor.

Furthermore, legislative or regulatory actions may be influenced by negative perceptions of us and our industry, even if such negative perceptions are inaccurate, attributable to conduct by third parties not affiliated with us (such as other industry members) or attributable to matters not specific to our industry.

Any of these or other legislative or regulatory actions that affect our consumer loan business at the national, state, international and local level could, if enacted or interpreted differently, have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows and prohibit or directly or indirectly impair our ability to continue current operations.

Customer complaints or negative public perception of our business could result in a decline in our customer growth and our business could suffer.

Our reputation is very important to attracting new customers to our platform as well as securing repeat lending to existing customers. While we believe that we have a good reputation and that we provide customers with a superior experience, there can be no assurance that we will be able to continue to maintain a good relationship with customers or avoid negative publicity.

In recent years, consumer advocacy groups and some media reports have advocated governmental action to prohibit or place severe restrictions on non-bank consumer loans. Such consumer advocacy groups and media reports generally focus on the annual percentage rate for this type of consumer loan, which is compared unfavorably to the interest typically charged by banks to consumers with top-tier credit histories. The finance charges assessed by us, the originating lenders and others in the industry can attract media publicity about the industry and be perceived as controversial. If the negative characterization of the types of loans we offer, including those originated through third-party lenders, becomes increasingly accepted by consumers, demand for any or all of our consumer loan products could significantly decrease, which could materially affect our business, prospects, results of operations, financial condition or cash flows. Additionally, if the negative characterization of these types of loans is accepted by legislators and regulators, we could become subject to more restrictive laws and regulations applicable to consumer loan products that could have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows.

Third parties may also seek to take advantage of unique regulations applicable to consumer loan products to drive up complaints and the cost of doing business in our industry. Over the last 12 months, the Company's UK business began to receive an increased number of customer complaints initiated by claims management companies ("CMCs") related to the affordability assessment of certain loans. If the Company's evidence supports the affordability assessment and the Company rejects the claim, the customer has the right to take the complaint to the Financial Ombudsman Service (“FOS”) for further adjudication. We have incurred significant costs in the form of FOS administrative fees associated with each individual complaint submitted to FOS, operational costs necessary to manage the large volume of complaints, and payments we are required to make to customers to resolve these complaints. We believe that many of the increased claims against us are without merit and reflect the use of abusive and deceptive tactics by the CMCs. On April 1, 2019, the Financial Conduct Authority (the "FCA") took over responsibility for supervision and authorization of a high percentage of CMCs (those regulated by the Solicitor's Regulation Authority, which account for the minority of CMCs, will not be automatically impacted). In addition to the CMCs issuing claims, some law firms are also issuing claims on behalf of claimants. If we experience an increased volume of complaints due to the activities of the CMCs and law firms representing claimants and continue incurring significant costs to resolve such complaints, such costs could have a material adverse effect on our business, results of operations, financial condition and cash flows. A significant number of consumer complaints could also trigger enhanced regulatory scrutiny by the FCA.

In addition, our ability to attract and retain customers is highly dependent upon the external perceptions of our level of service, trustworthiness, business practices, financial condition and other subjective qualities. Negative perceptions or publicity regarding these matters-even if related to seemingly isolated incidents, or even if related to practices not specific to short-term loans, such as debt collection-could erode trust and confidence and damage our reputation among existing and potential customers, which would make it difficult to attract new customers and retain existing customers, significantly decrease the demand for our products, result in increased regulatory scrutiny, and have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows.

RISKS RELATED TO OUR ASSOCIATION WITH TFI

The CFPB has authority to investigate and issue Civil Investigative Demands to consumer lending businesses and may issue fines or corrective orders.

The CFPB has authority to investigate and issue Civil Investigative Demands ("CIDs") to consumer lending businesses, including us. In June 2012, prior to the spin-off, and after the spin-off, TFI received CIDs from the CFPB. The purpose of the CIDs purportedly was to determine whether TFI engaged in unlawful acts or practices relating to the advertising, marketing, provision, or collection of small-dollar loan products, in violation of parts of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), the Truth in Lending Act, the Electronic Funds Transfer Act, the Gramm-Leach-Bliley Act, or any other federal consumer financial law and to determine whether CFPB action to obtain legal or equitable relief would be in the public interest. On November 15, 2017, the CFPB sued TFI alleging it engaged in unfair, deceptive, or abusive acts or practices. Further, the CFPB and TFI have agreed to settle all claims and executed a settlement agreement that is awaiting final court approval in the United States Bankruptcy Court for the Northern District of Texas. While TFI's business is distinct from our business, we cannot predict the final outcome of this litigation or to what extent any obligations arising out of such final outcome will be applicable to our Company, business or officers, if at all.

OTHER RISKS RELATED TO COMPLIANCE AND REGULATION

The CFPB issued proposed revisions to the 2017 Rule affecting the consumer lending industry, and these or subsequent new rules and regulations, if they are finalized, may impact our US consumer lending business.

The CFPB released its final "Payday, Vehicle Title, and Certain High-Cost Lending Rule" (the "2017 Rule") on October 5, 2017, covering certain short-term and longer-term loans with an APR of 36% or higher and have a "leveraged payment mechanism" such as an ACH payment plan. On February 6, 2019, the CFPB issued proposed revisions to the 2017 Rule (the "2019 Proposed Revisions"). The 2019 Proposed Revisions leave in place requirements and limitations on attempts to withdraw payments from consumers' checking, savings or prepaid accounts. Among other requirements, the payment provisions prohibit lenders that have had two consecutive attempts to collect money from a consumers' account returned for insufficient funds from making any further attempts to collect from the account unless the consumers have provided new authorizations for additional payment transfers. Additionally, the payment provisions require us to give consumers at least three business days' advance notice before attempting payment withdrawals. The mandatory compliance deadline for the payment provisions of the 2017 Rule still stands at August 19, 2019. Language in the 2019 Proposed Revisions suggest that the CFPB may be receptive to informal requests to revisit such payment provisions requirements. There are also recordkeeping requirements and compliance plan requirements in the 2019 Proposed Rule that will apply to us. On June 7, 2019, the CFPB announced a 15-month delay in the rule's August 19, 2019 compliance date to November 19, 2020 that applies only to the proposed rescinded ability-to-pay provisions. Relatedly, the Community Financial Services Association of America ("CFSA") sued the CFPB in April 2018 over the Payday, Vehicle Title, and Certain High-Cost Lending Rule. As a result, the court suspended the Bureau's August 19, 2019 implementation of the 2019 Proposed Revisions pending further order of the court. On August 6, 2019 the court issued an order that leaves the compliance date stay in effect. The court will evaluate whether to leave or lift the stay after the parties file their next joint status report, which is due no later than December 6, 2019. To the extent that the 2019 Proposed Revisions, or subsequent new rules and regulations proposed by the CFPB, are finalized, the results of operations of our US consumer lending business could be adversely affected.

Our business is subject to complex and evolving US and international laws and regulations regarding privacy, data protection, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

We receive, transmit and store a large volume of personally identifiable information and other sensitive data from customers and potential customers. Our business is subject to a variety of laws and regulations in the US and the UK that involve user privacy issues, data protection, advertising, marketing, disclosures, distribution, electronic contracts and other communications, consumer protection and online payment services. The introduction of new products or expansion of our activities in certain jurisdictions may subject us to additional laws and regulations. In addition, international data protection, privacy, and other laws and regulations can be more restrictive than those in the US. US federal and state and international laws and regulations, which can be enforced by private parties or government entities, are constantly evolving and can be subject to significant change.

A number of proposals have recently been implemented or are pending before federal, state, and international legislative and regulatory bodies that could impose new obligations in areas such as privacy. For example, the European Union's new General Data Protection Regulation (the “GDPR”) was implemented in the UK in May 28, 2018, and the California Consumer Privacy Act (the “CCPA”) comes into effect in January 2020. The GDPR is more prescriptive than the prior regime and includes new obligations on businesses, including the requirement to appoint a data protection officer, self-report breaches, obtain express consent to data processing and provide more rights to individuals whose data they process, including the "right to be forgotten," by having their records erased. Penalties for non-compliance with the GDPR are significant, with a maximum fine calculated as the higher of €20 million or 4% of global turnover for the preceding year. The CCPA broadly defines personal information and provides California consumers increased privacy rights and protections.

In addition, the 4th European Union's anti-money laundering directive (2015/849/EC) came into effect in June 2017 and requires changes to customer due diligence assessments and greater focus on a risk-based approach.

Some countries are also considering or have enacted legislation requiring local storage and processing of data that, if applicable to the markets in which we operate, would increase the cost and complexity of delivering our services. These existing and proposed laws and regulations can be costly to comply with and can delay or impede the development of new products, the expansion into new markets, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to inquiries or investigations, claims or other liabilities, including demands that we modify or cease existing business practices or pay fines, penalties or other damages.

It is difficult to assess the likelihood of the enactment of any future legislation or the impact that such rules and regulations could have on our business. We are operating on the basis, confirmed by the UK government and the FCA, that the decision of the UK to leave the European Union will not affect the implementation of the new European Union directives on data protection and anti-money laundering as outlined above.

The use of personal data in credit underwriting is highly regulated.

In the US the FCRA regulates the collection, dissemination and use of consumer information, including consumer credit information. Compliance with the FCRA and related laws and regulations concerning consumer reports has recently been under regulatory scrutiny. The FCRA requires us to provide a Notice of Adverse Action to a loan applicant when we deny an application for credit, which, among other things, informs the applicant of the action taken regarding the credit application and the specific reasons for the denial of credit. The FCRA also requires us to promptly update any credit information reported to a consumer reporting agency about a consumer and to allow a process by which consumers may inquire about credit information furnished by us to a consumer reporting agency. Historically, the FTC has played a key role in the implementation, oversight, enforcement and interpretation of the FCRA. Pursuant to the Dodd-Frank Act, the CFPB has primary supervisory, regulatory and enforcement authority of FCRA issues. Although the FTC also retains its enforcement role regarding the FCRA, it shares that role in many respects with the CFPB. The CFPB has taken a more active approach than the FTC, including with respect to regulation, enforcement and supervision of the FCRA. Changes in the regulation, enforcement or supervision of the FCRA may materially affect our business if new regulations or interpretations by the CFPB or the FTC require us to materially alter the manner in which we use personal data in our credit underwriting.

On May 28, 2018, our UK business became subject to the GDPR, and in January 2020, our California business will become subject to the CCPA. As described above in "-Our business is subject to complex and evolving US and international laws and regulations regarding privacy, data protection, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement or otherwise harm our business," the CCPA broadly defines personal information and provides California consumers increased privacy rights and protections, and the GDPR is more prescriptive than the prior regime and includes new obligations on businesses, including the requirement to appoint a data protection officer, self-report breaches, obtain express consent to data processing and provide more rights to individuals whose data they process, including the "right to be forgotten," by having their records erased. Penalties for non-compliance with the GDPR are significant with a maximum fine calculated as the higher of €20 million or 4% of global turnover for the preceding year. There are also strict rules on the use of credit reference data under the CCA regulations and the CONC. We are also subject to laws limiting the transfer of personal data from the European Economic Area to non-European Economic Area countries or territories. There are also strict rules on the instigation of electronic communications such as email, text message and telephone calls under the Privacy and Electronic Communications (EC Directive) Regulations 2003, which prohibit unsolicited direct marketing by electronic means without express consent, as well as the monitoring of devices. When the UK leaves the European Union, it is expected that the UK will establish a new framework for data flow between the UK and the US or will agree to continue the protections of the GDPR for the transfer of personal data into and out of the UK. We expect to comply with any framework established by the UK for the transfer of personal data into and out of the UK but can provide no assurances as to whether such regulation will be more or less burdensome than the GDPR and other European Union regulations, and we may incur significant costs in transitioning to any new regulatory model. Furthermore, compliance with any new or developing privacy laws in the US, including the CCPA or other state or federal laws that may be enacted in the future, may require significant resources and could have a material adverse impact on our business and results of operations.

The oversight of the FCRA by both the CFPB and the FTC and any related investigation or enforcement activities or our failure to comply with the DPA and GDPR may have a material adverse impact on our business, including our operations, our mode and manner of conducting business and our financial results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Repurchases of Equity Securities

On July 25, 2019, the Company's Board of Directors authorized a share repurchase program providing for the repurchase of up to $10 million of our common stock through July 31, 2024. The share repurchase program provides that up to a maximum aggregate amount of $5 million shares may be repurchased in any given fiscal year. Repurchases will be made in accordance with applicable securities laws from time-to-time in the open market and/or in privately negotiated transactions at our discretion, subject to market conditions and other factors. We did not repurchase any shares of common stock during the three and six months ended June 30, 2019. The share repurchase plan does not require the purchase of any minimum number of shares and may be implemented, modified, suspended or discontinued in whole or in part at any time without further notice.

Item 6. Exhibits

Exhibit number	Description
10.1	First Amendment to Financing Agreement, dated August 1, 2019 by and among EF SPV, Ltd. as borrower, the guarantors party thereto, the lenders party thereto and Victory Park Management, LLC as administrative agent and collateral agent.
10.2#∞	Amendment to Amended and Restated Special Limited Agency Agreement, dated April 1, 2019, between First Financial Loan Company, LLC as lender and Rise Credit Service of Texas, LLC as CSO. (1)
10.3#	First Amendment to Credit Default Protection Agreement, dated April 24, 2019, by and between Elastic SPV, Ltd. and Elastic Louisville, LLC. (1)
10.4+	Resignation and Release of Claims Agreement, dated July 25, 2019, between Elevate Credit Service, LLC and Kenneth E. Rees
10.5+	Fourth Amendment to Employment, Confidentiality and Non-Compete Agreement, dated August 1, 2019, by and between Jason Harvison and Elevate Credit Service, LLC.
10.6+	Fourth Amendment to Employment, Confidentiality and Non-Compete Agreement, dated August 1, 2019, by and between Christopher Lutes and Elevate Credit Service, LLC.
10.7+	Form of Elevate 2016 Omnibus Incentive Plan, Notice of Restricted Stock Unit Award.
10.8+	Form of Elevate 2016 Omnibus Incentive Plan, Notice of Restricted Stock Bonus Award.
10.9+	Form of Elevate 2016 Omnibus Incentive Plan, Notice Stock Option Award.
10.10+	Form of Elevate 2016 Omnibus Incentive Plan, Notice of Restricted Stock Unit Award (Section 16 Grantees).
10.11+	Form of Elevate 2016 Omnibus Incentive Plan, Notice of Restricted Stock Bonus Award (Section 16 Grantees).
10.12+	Form of Elevate 2016 Omnibus Incentive Plan, Notice Stock Option Award (Section 16 Grantees).
31.1	Certification pursuant to Rule 13a-14a and Rule 15d-14(a) of the Securities and Exchange Act, as amended
31.2	Certification pursuant to Rule 13a-14a and Rule 15d-14(a) of the Securities and Exchange Act, as amended
32.1&	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2&	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

#	Previously filed.
∞	Confidential treatment has been requested as to certain portions of this exhibit, which portions have been omitted and submitted separately to the Securities and Exchange Commission.
+	Indicates a management contract or compensatory plan.
&	This certification is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.
*	Pursuant to applicable securities laws and regulations, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, are deemed not filed for purposes of section 18 of the Exchange Act and otherwise are not subject to liability under these sections.

(1) Filed as an exhibit to our Quarterly Report on Form 10-Q filed on May 10, 2019.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

Elevate Credit, Inc.

Date: August 9, 2019 By: /s/ Jason Harvison
Jason Harvison
Interim Chief Executive Officer
(Principal Executive Officer)

Date: August 9, 2019 By: /s/ Christopher Lutes
Christopher Lutes
Chief Financial Officer
(Principal Financial Officer)

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Section 2: EX-10.1 (EXHIBIT 10.1)

FIRST AMENDMENT TO FINANCING AGREEMENT

This FIRST AMENDMENT TO FINANCING AGREEMENT (this "**Amendment**") is made and entered into as of August 1, 2019 by and among EF SPV, Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "**Borrower**"), Elevate Credit, Inc., a Delaware corporation ("**Elevate Credit**") as a Guarantor, the other Guarantors party hereto (such Guarantors, collectively with Elevate Credit and the Borrower, the "**Credit Parties**") and Victory Park Management, LLC, as administrative agent and collateral agent for the Lenders and the Holders (in such capacity, the "**Agent**"). Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Financing Agreement or if not defined therein, in the Pledge and Security Agreement.

WHEREAS, the Guarantors, Elevate Credit, the Borrower, the Lenders and the Agent are parties to that certain Financing Agreement dated as of February 7, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "**Financing Agreement**"); and

WHEREAS, the Credit Parties and the Agent desire to amend certain provisions of the Financing Agreement on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Amendments to Financing Agreement**. Subject to the terms and conditions of this Amendment, including the satisfaction of the conditions precedent set forth in Section 2 hereof, the Financing Agreement is amended as follows:

(a) The definition of Consumer Loan in Section 1.1 of the Financing Agreement is amended and restated in its entirety to read as follows (changes are in *italics*):

"**Consumer Loans**" means unsecured consumer loans marked as "EF SPV, Ltd." on the monthly financial statements provided to Agent pursuant to Section 8.2(a) that are originated by FinWise Bank and in which a *96.0%* participation interest, *or such other percentage as mutually agreed upon among FinWise Bank, Borrower and Agent,* is sold to Borrower. Consumer Loans will be only be issued to individual residents of the United States of America and in accordance with the Program Guidelines.

2. **Conditions Precedent**. This Amendment shall become effective upon the satisfaction in full of each of the following conditions:

(a) the Borrower shall have executed and delivered, or caused to be delivered, to the Agent evidence satisfactory to the Agent that the Borrower shall pay to the Agent on the date hereof all fees and other amounts due and owing thereon under this Amendment and the other Transaction Documents;

(b) the representations and warranties of the Credit Parties contained herein and in the Financing Agreement shall be true and correct except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date; and

(c) no Event of Default shall have occurred and be continuing or would result from the transaction contemplated hereby.

3. **General Release**. In consideration of the Agent's agreements contained in this Amendment, each Credit Party hereby irrevocably releases and forever discharge the Lenders, the Holders and the Agent and their affiliates, subsidiaries, successors, assigns, directors, officers, employees, agents, consultants, attorneys, managers, investment managers, principles and portfolio companies (each, a "**Released Person**") of and from any and all claims, suits, actions, investigations, proceedings or demands, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law of any kind or character, known or unknown, which such Credit Party ever had or now has against Agent, any Lender, any Holder or any other Released Person which relates, directly or indirectly, to any acts or omissions of Agent, any Lender, any Holder or any other Released Person relating to the Financing Agreement or any other Transaction Document on or prior to the date hereof.

4. **Representations and Warranties of the Credit Parties**. To induce the Agent to execute and deliver this Amendment, each Credit Party represents, warrants and covenants that:

(a) The execution, delivery and performance by each Credit Party of this Amendment and all documents and instruments delivered in connection herewith have been duly authorized by all necessary action required on its part, and this Amendment and all documents and instruments delivered in connection herewith are legal, valid and binding obligations of such Credit Party enforceable against such Credit Party in accordance with its terms except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(b) Each of the representations and warranties set forth in the Transaction Documents is true and correct on and as of the date hereof as if made on the date hereof, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date, and each of the agreements and covenants in the Transaction Documents is hereby reaffirmed with the same force and effect as if each were separately stated herein and made as of the date hereof.

(c) Neither the execution, delivery and performance of this Amendment nor the consummation of the transactions contemplated hereby or thereby does or shall (i) result in a violation of any Credit Party's certificate of incorporation, certificate of formation, bylaws, limited liability company agreement or other governing documents, or the terms of any Capital Stock or other Equity Interests of any Credit Party; (ii) conflict with, or constitute

a breach or default (or an event which, with notice or lapse of time or both, would become a breach or default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which any Credit Party is a party; (iii) result in any "price reset" or other material change in or other modification to the terms of any Indebtedness, Equity Interests or other securities of any Credit Party; or (iv) result in a violation of any law, rule, regulation, order, judgment or decree.

(d) No Event of Default has occurred or is continuing under this Amendment or any other Transaction Document.

5. **Ratification of Liability**. Each Credit Party, as debtor, grantor, pledgor, guarantor, assignor, or in other similar capacity in which such party grants liens or security interests in its properties or otherwise acts as an accommodation party or guarantor, as the case may be, under the Transaction Documents, hereby ratifies and reaffirms all of its payment and performance obligations and obligations to indemnify, contingent or otherwise, under each Transaction Document to which such party is a party, and each such party hereby ratifies and reaffirms its grant of liens on or security interests in its properties pursuant to such Transaction Documents to which it is a party as security for the obligations under or with respect to the Financing Agreement, the Notes and the other Transaction Documents, and confirms and agrees that such liens and security interests hereafter secure all of the obligations under the Transaction Documents, including, without limitation, all additional obligations hereafter arising or incurred pursuant to or in connection with this Amendment or any Transaction Document. Each Credit Party further agrees and reaffirms that the Transaction Documents to which it is a party now apply to all obligations as modified hereby (including, without limitation, all additional obligations hereafter arising or incurred pursuant to or in connection with this Amendment or any Transaction Document). Each such party (a) further acknowledges receipt of a copy of this Amendment and all other agreements, documents, and instruments executed or delivered in connection herewith, (b) consents to the terms and conditions of same, and (c) agrees and acknowledges that each of the Transaction Documents, as modified hereby, remains in full force and effect and is hereby ratified and confirmed. Except as expressly provided herein, the execution of this Amendment shall not operate as a waiver of any right, power or remedy of any Lender, any Holder or the Agent, nor constitute a waiver of any provision of any of the Transaction Documents nor constitute a novation of any of the obligations under the Transaction Documents.

6. **Reference to and Effect Upon the Transaction Documents**.

(a) Except as specifically amended hereby, all terms, conditions, covenants, representations and warranties contained in the Transaction Documents, and all rights of the Lenders, the Holders and the Agent and all of the obligations under the Transaction Documents, shall remain in full force and effect, including, but not limited to, the right of first refusal in favor of Agent and its designees set forth in Section 8.19 of the Financing Agreement. Each Credit Party hereby confirms that the Transaction Documents are in full force and effect, and that no Credit Party has any right of setoff, recoupment or other offset or any defense, claim or counterclaim with respect to any Transaction Document or the Credit Parties' obligations thereunder.

(b) Except as expressly set forth herein, the execution, delivery and effectiveness of this Amendment and any consents or waivers set forth herein shall not directly or indirectly: (i) create any obligation to make any further loans or to defer any enforcement action after the occurrence of any Event of Default; (ii) constitute a consent or waiver of any past, present or future violations of any Transaction Document; (iii) amend, modify or operate as a waiver of any provision of any Transaction Document or any right, power or remedy of any Lender, any Holder or the Agent or (iv) constitute a course of dealing or other basis for altering any obligations under the Transaction Documents or any other contract or instrument. Except as expressly set forth herein, each Lender, each Holder and the Agent reserve all of their rights, powers, and remedies under the Transaction Documents and applicable law. All of the provisions of the Transaction Documents, including, without limitation, the time of the essence provisions, are hereby reiterated, and if ever waived previously, are hereby reinstated.

(c) From and after the date hereof, (i) the term "Agreement" in the Financing Agreement, and all references to the Financing Agreement in any Transaction Document shall mean the Financing Agreement, as amended by this Amendment and (ii) the term "Transaction Documents" defined in the Financing Agreement shall include, without limitation, this Amendment and any agreements, instruments and other documents executed or delivered in connection herewith.

7. **Costs and Expenses**. In addition to, and not in lieu of, the terms of the Transaction Documents relating to the reimbursement of the Lenders', the Holders' and the Agent's fees and expenses, the Credit Parties shall reimburse each Lender, each Holder and the Agent, as the case may be, promptly on demand for all fees, costs, charges and expenses, including the fees, costs and expenses of counsel and other expenses incurred in connection with this Amendment.

8. **Governing Law; Jurisdiction**. All questions concerning the construction, validity, enforcement and interpretation of this Amendment shall be governed by the internal laws of the State of New York, without giving effect to its conflicts of law principles other than §5-1401 and 5-1402 of the New York General Obligations Law. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in New York, New York for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Amendment and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AMENDMENT OR ANY TRANSACTIONS CONTEMPLATED HEREBY.

9. **No Strict Construction**. The language used in this Amendment will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

10. **Counterparts**. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Signatures of the parties hereto transmitted by facsimile or by electronic media or similar means shall be deemed to be their original signature for all purposes.

11. **Severability**. The invalidity, illegality, or unenforceability of any provision in or obligation under this Amendment in any jurisdiction shall not affect or impair the validity, legality, or enforceability of the remaining provisions or obligations under this Amendment or of such provision or obligation in any other jurisdiction. If feasible, any such offending provision shall be deemed modified to be within the limits of enforceability or validity; *provided* that if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Amendment in all other respects shall remain valid and enforceable.

12. **Further Assurances**. The parties hereto shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Amendment and the consummation of the transactions contemplated hereby.

13. **Headings**. The headings of this Amendment are for convenience of reference and shall not form part of, or affect the interpretation of, this Amendment.

14. **Limited Recourse and Non-Petition**.

(a) The Secured Parties shall have recourse only to the proceeds of the realization of Collateral once the proceeds have been applied in accordance with the terms of the Pledge and Security Agreement (the "**Net Proceeds**"). If the Net Proceeds are insufficient to discharge all payments which, but for the effect of this clause, would then be due (the "**Amounts Due**"), the obligation of the Borrower shall be limited to the amounts available from the Net Proceeds and no debt shall be owed to the Secured Parties by the Borrower for any further sum. The Secured Parties shall not take any action or commence any proceedings against the Borrower to recover any amounts due and payable by the Borrower under the Financing Agreement except as expressly permitted by the provisions of the Financing Agreement. The Secured Parties shall not take any action or commence any proceedings or petition a court for the liquidation of the Borrower, nor enter into any arrangement, reorganization or insolvency proceedings in relation to the Borrower whether under the laws of the Cayman Islands or other applicable bankruptcy laws until after the later to occur of the payment of all of the Amounts Due or the application of all of the Net Proceeds.

(b) The Secured Parties hereby acknowledge and agree that the Borrower’s obligations under the Transaction Documents are solely the corporate obligations of the

Borrower, and that the Secured Parties shall not have any recourse against any of the directors, officers or employees of the Borrower for any claims, losses, damages, liabilities, indemnities or other obligations whatsoever in connection with any transactions contemplated by the Transaction Documents.

[Remainder of Page Intentionally Left Blank; Signature Pages Follows]

IN WITNESS WHEREOF, each party has caused its signature page to this Amendment to be duly executed as of the date first written above.

BORROWER:

EF SPV, LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands, as Borrower

By: /s/ Andrew Dean
Name: Andrew Dean
Title: Director

GUARANTORS:

ELEVATE CREDIT, INC., a Delaware corporation

By: _____
Name:
Title:

[SIGNATURE PAGES CONTINUE]

IN WITNESS WHEREOF, each party has caused its signature page to this Amendment to be duly executed as of the date first written above.

BORROWER:

EF SPV, LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands, as Borrower

By: _____

Name:

Title:

GUARANTORS:

ELEVATE CREDIT, INC., a Delaware corporation

By: /s/ Chris Lutes

Name: Chris Lutes

Title: CFO

[SIGNATURE PAGES CONTINUE]

GUARANTORS (CONT.), EACH AS AN "ELEVATE CREDIT SUBSIDAIRY":

ELASTIC FINANCIAL, LLC
ELEVATE DECISION SCIENCES, LLC
RISE CREDIT, LLC
FINANCIAL EDUCATION, LLC
RISE SPV, LLC
EF FINANCIAL, LLC

By: Elevate Credit, Inc., as Sole Member of each of the above-named entities

By: /s/ Chris Lutes

Name: Chris Lutes

Title: CFO

RISE CREDIT SERVICE OF OHIO, LLC
RISE CREDIT SERVICE OF TEXAS, LLC

By: Rise Credit, LLC, as Sole Member of each of the above-named entities

By: Elevate Credit, Inc. as its Sole Member

By: /s/ Chris Lutes

Name: Chris Lutes

Title: CFO

[SIGNATURE PAGES CONTINUE]

RISE FINANCIAL, LLC
RISE CREDIT OF ALABAMA, LLC
RISE CREDIT OF ARIZONA, LLC
RISE CREDIT OF CALIFORNIA, LLC
RISE CREDIT OF COLORADO, LLC
RISE CREDIT OF DELAWARE, LLC
RISE CREDIT OF FLORIDA, LLC
RISE CREDIT OF GEORGIA, LLC
RISE CREDIT OF IDAHO, LLC
RISE CREDIT OF ILLINOIS, LLC
RISE CREDIT OF KANSAS, LLC
RISE CREDIT OF LOUISIANA, LLC
RISE CREDIT OF MISSISSIPPI, LLC
RISE CREDIT OF MISSOURI, LLC
RISE CREDIT OF NEBRASKA, LLC
RISE CREDIT OF NEVADA, LLC
RISE CREDIT OF NORTH DAKOTA, LLC
RISE CREDIT OF OKLAHOMA, LLC
RISE CREDIT OF SOUTH CAROLINA, LLC
RISE CREDIT OF SOUTH DAKOTA, LLC
RISE CREDIT OF TEXAS, LLC
RISE CREDIT OF TENNESSEE, LLC
RISE CREDIT OF UTAH, LLC
RISE CREDIT OF VIRGINIA, LLC

By: Rise SPV, LLC, as Sole Member of each of the above-named entities

By: Elevate Credit, Inc. as its Sole Member

By: /s/ Chris Lutes

Name: Chris Lutes

Title: CFO

[SIGNATURE PAGES CONTINUE]

ELASTIC LOUISVILLE, LLC
ELEVATE ADMIN, LLC
ELASTIC MARKETING, LLC

By: Elastic Financial, LLC, as Sole Member of each of the above-named entities

By: Elevate Credit, Inc. as its Sole Member

By: /s/ Chris Lutes

Name: Chris Lutes

Title: CFO

[SIGNATURE PAGES CONTINUE]

AGENT:

VICTORY PARK MANAGEMENT, LLC

By: /s/ Scott R. Zemnick

Name: Scott R. Zemnick

Title: Authorized Signatory

LENDERS:

VPC INVESTOR FUND B, LLC

By: VPC Investor Fund GP B, L.P.

Its: Managing Member

By: VPC Investor Fund UGP B, LLC

Its: General Partner

By: /s/ Scott R. Zemnick

Name: Scott R. Zemnick

Title: General Counsel

VPC SPECIAL OPPORTUNITIES FUND III ONSHORE, L.P.

By: VPC Special Opportunities Fund III GP, L.P.

Its: General Partner

By: VPC Special Opportunities Fund III UGP, LLC

Its: General Partner

By: /s/ Scott R. Zemnick

Name: Scott R. Zemnick

Title: General Counsel

[SIGNATURE PAGES CONTINUE]

LENDERS (CON'T):

VPC ONSHORE SPECIALTY FINANCE FUND II, L.P.

By: VPC Specialty Finance Fund GP II, L.P.
Its: General Partner
By: VPC Specialty Finance Fund UGP II, LLC
Its: General Partner
By: /s/ Scott R. Zemnick
Name: Scott R. Zemnick
Title: General Counsel

VPC INVESTOR FUND B II, LLC

By: VPC Investor Fund GP B II, L.P.
Its: Managing Member
By: VPC Investor Fund UGP B II, LLC
Its: General Partner
By: /s/ Scott R. Zemnick
Name: Scott R. Zemnick
Title: General Counsel

VPC INVESTOR FUND C, L.P.

By: VPC Investor Fund GP C, L.P.
Its: General Partner
By: VPC Investor Fund UGP C, LLC
Its: General Partner
By: /s/ Scott R. Zemnick
Name: Scott R. Zemnick
Title: General Counsel

[SIGNATURE PAGES CONTINUE]

LENDERS (CON'T):

VPC INVESTOR FUND G-1,L.P.

By: VPC Investor Fund GP G, L.P.
Its: General Partner
By: VPC Investor Fund UGP G, LLC
Its: General Partner
By: /s/ Scott R. Zemnick
Name: Scott R. Zemnick
Title: General Counsel

VPC SPECIALTY LENDING FUND (NE), LTD.

By: Victory Park Capital Advisors, LLC
Its: Investment Manager (pursuant to powers of attorney granted in the Investment Management Agreement)
By: /s/ Scott R. Zemnick
Name: Scott R. Zemnick
Title: General Counsel

[SIGNATURE PAGES CONTINUE]

VPC SPECIALTY LENDING INVESTMENTS INTERMEDIATE, L.P.

By: VPC Specialty Lending Investments Intermediate GP, LLC
Its: General Partner
By: Victory Park Management
Its: Manager
By: /s/ Scott R. Zemnick
Name: Scott R. Zemnick
Title: Manager

VPC OFFSHORE UNLEVERAGED PRIVATE DEBT FUND, L.P.

By: VPC Private Debt Fund GP, L.P.
Its: General Partner
By: VPC UGP, LLC
Its: General Partner
By: /s/ Scott R. Zemnick
Name: Scott R. Zemnick
Title: General Counsel

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Section 3: EX-10.4 (EXHIBIT 10.4)

RESIGNATION AND RELEASE OF CLAIMS AGREEMENT

This Resignation and Release of Claims Agreement (this "Agreement") is entered into by and between Elevate Credit Service, LLC, a Delaware limited liability company ("Employer") and Kenneth E. Rees ("Executive"). Executive and Employer are sometimes referred to, individually, as a "Party" and, collectively, as the "Parties."

1. Termination and Resignation.

(a) Executive's last day as an employee of Employer and as an officer of Employer, Elevate Credit, Inc. ("Parent") and each of Parent's other direct and indirect affiliates and subsidiaries (collectively, the "Elevate Group") shall be July 31, 2019 (the "Termination Date"), and Executive hereby resigns as (i) a director, member and/or manager, as applicable, of any other Elevate Group entity except for Parent effective as of the Termination Date and (ii) Chairman of the Board of Directors of Parent effective as of July 25, 2019. For purposes of clarification, Executive shall have the opportunity to continue to serve on the Board of Directors of Parent.

(b) That certain Employment, Confidentiality and Non-Compete Agreement, dated as of May 1, 2014, as amended by that certain First Amendment to Employment, Confidentiality and Non-Compete Agreement, dated as of December 11, 2015, further amended by that certain Second Amendment to Employment, Confidentiality and Non-Compete Agreement, dated as of March 1, 2017, and further amended by that certain Third Amendment to Employment, Confidentiality and Non-Compete Agreement, dated as of January 24, 2019 (collectively, the "Employment Agreement"), is terminated effective as of the Resignation Agreement; provided that Sections 3 (Business Interests and Obligations), 4 (Protective Covenants), 9 (Governing Law and Venue) and 11 (Arbitration) thereof shall remain in full force and effect as set forth therein; provided, however, that the defined term "Competing Business" within the Employment Agreement shall not include any (i) business(es) involving loan or credit products that are offered, marketed or sold on terms that are less than sixty percent (60%) effective annual percentage rate or (ii) other work that Employer agrees is not encompassed by the term Competing Business, which agreement by Employer shall not be unreasonably withheld.

(c) Executive's eligibility for coverage under the Elevate Group's benefit plans, policies and programs (including, without limitation, life insurance, short term disability and long term disability benefits) ends on the Termination Date except for Executive's current health insurance which shall continue in force according to its terms and conditions through the Termination Date and Executive's eligibility for continuation of group health coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA").

(d) That certain Director Indemnification Agreement, dated May 1, 2014, entered into by and between Executive and Employer as amended by that certain First Amendment to Director Indemnification Agreement, dated June 20, 2016 (collectively, the "Indemnification Agreement"), shall remain in full force and effect following the Termination Date in accordance with the terms thereof.

(e) Information pertaining to Executive's rights to continue group health coverage will be mailed to Executive in a separate letter. If Executive chooses to participate in COBRA, then Executive must complete the COBRA election form. EXECUTIVE'S FAILURE TO ENROLL IN AND PAY FOR COBRA BENEFITS IN A TIMELY MANNER WILL RESULT IN A LAPSE OF COVERAGE THAT CANNOT BE REINSTATED.

2. Final Paycheck and Expenses.

(a) On or before the Termination Date, Employer will pay to Executive all accrued but unpaid wages and accrued paid time off earned through the Termination Date and Executive acknowledges receipt of the same. All amounts paid pursuant to this Section 2 shall be subject to standard payroll deductions and withholdings. Executive is entitled to these payments regardless of whether Executive executes this Agreement.

(b) Employer shall promptly reimburse Executive for all as yet unreimbursed business expenses reimbursable under Employer's expense reimbursement policy, provided Executive submits the expenses and supporting documentation to Employer in accordance with Employer's expense reimbursement policies within thirty (30) calendar days from the Termination Date.

3. Severance Benefits. In exchange for Executive's release of claims in Section 7 and the other promises herein, and provided Executive (i) executes and returns this Agreement to Employer on or before August 16, 2019 and does not revoke this Agreement during the Revocation Period (defined below) and (ii) has not breached this Agreement, Employer shall provide Executive (or to Executive's estate in the event of Executive's death), subject to Section 6 and standard payroll deductions and withholdings, with the following consideration:

(a) severance pay equal to one million two hundred sixty thousand dollars ($1,260,000) payable as follows: (i) six hundred thirty thousand dollars ($630,000) in a lump sum between sixty (60) and ninety (90) days following the Effective Date; and (ii) the remaining six hundred thirty thousand dollars ($630,000) in equal bi-weekly installments in accordance with Employer's standard payroll practices commencing with the first regular payroll that occurs on or following the sixtieth (60^{th}) day after the Termination Date;

(b) a bonus payment equal to three hundred fifteen thousand dollars ($315,000.00) payable in a lump sum payment between sixty (60) and ninety (90) days following the Effective Date; and

(c) a net amount equal to twenty-four (24) times the monthly premiums that Executive would be required to pay if Executive and Executive's eligible dependents then participating in Employer's group health insurance plan elected to continue their current level of healthcare coverage pursuant to the provisions of COBRA regardless of whether such election is made (the "Health Payment"). The Health Payment shall be paid in lump-sum with Employer's first regular payroll that occurs on or following the sixtieth (60^{th}) day after the Termination Date.

4. Other Employer Agreements. Employer agrees that in connection with the writing and publication of the Tightrope book project that Employer shall:

(a) Pay the contractual amounts owed to Ms. Joanne Cleaver pursuant to the terms of her contract with Employer;

(b) Continue to allow Executive reasonable access to the Center for New Middle Class data and associated consumer research; and

(c) Use its best efforts to provide Executive with the data he requires to complete the book provided, however, that Employer shall not be required to spend more than $25,000.

Notwithstanding anything to the foregoing, Employer shall have a reasonable opportunity to review the book and, in consultation with Executive, make edits thereto prior to publication. Further, such book shall only be published after the Parties mutually agree on the timing of such publication.

5. Transition Cooperation.

(a) Executive shall reasonably cooperate with the members of the Elevate Group in their defenses of or participation in any charge, complaint, investigation or other action which has been or may be filed against any member of the Elevate Group or against Executive for which Executive is entitled to be indemnified.

(b) Executive shall be available to respond to a reasonable number of questions to assist in the transition to a new Chief Executive Officer of Parent.

6. Section 409A. It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the requirements of Section 409A of the Internal Revenue Code ("Section 409A") and will be construed in a manner that complies with Section 409A. Executive is a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i). Accordingly, notwithstanding any provision to the contrary in this Agreement, to the extent any of the payments upon termination of Executive's employment set forth herein and/or under any other agreement with Employer are deemed to be "deferred compensation", then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to Executive prior to the earliest of (a) the expiration of the six-month and one day period measured from the Termination Date, (b) the date of Executive's death or (c) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 6 shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. No severance payments will be provided prior to the Effective Date, regardless of when the Agreement actually becomes effective.

7. Release of Claims. Subject to Section 19, Executive does hereby generally and completely release each of the entities which comprise the Elevate Group and each of their respective directors, officers, employees, members, managers, shareholders, partners, agents, attorneys, predecessors, successors, insurers, affiliates, and assigns (collectively, the "Employer Released Parties") from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to Executive signing this Agreement. This general release includes, but is not limited to (the "Released Claims"): (a) all claims arising out of or in any way related to Executive's employment with Employer, the Employment Agreement or the termination of that employment; (b) all claims related to Executive's compensation or benefits from the Employer including, but not limited to, salary, bonuses, commissions, vacation pay, equity compensation, housing reimbursements, travel expense benefit, expense reimbursements, severance pay (other than the consideration set forth in Section 3), or fringe benefits; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including, but not limited to, claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (e) all federal, state, and local statutory claims including, but not limited to, claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age

Discrimination in Employment Act of 1967 including the Older Workers Benefit Protection Act ("ADEA"), the Rehabilitation Act of 1973, the Equal Pay Act of 1963, as amended, the Fair Labor Standards Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act, the Worker Adjustment and Retraining Notification Act of 1988, the Texas Commission of Human Rights Act, the Texas Labor Code and all municipal, state and federal statutory and common law relating to discrimination, wrongful discharge, breach of contract, defamation and all other causes of action or claims arising out of Executive's employment with Employer and termination thereof.

8. Excluded Claims. Notwithstanding the foregoing, the following are not included in the Released Claims (the "Excluded Claims"): (a) any claims for breach of this Agreement arising after the date on which Executive signs this Agreement; (b) all rights Executive may have in respect of stock rights or ownership interest in Parent and all agreements relating to any of the stock rights or ownership interest in Parent; (c) all claims for or rights to indemnification pursuant to charter documents of any of the entities which comprise the Elevate Group, the Indemnification Agreement or under any insurance policy maintained by any member of the Elevate Group, or under applicable law; and (d) all claims which cannot be waived as a matter of law. Executive hereby represents and warrants that, other than the Excluded Claims, Executive is not aware of any claims that Executive has or might have against any of the parties released above that are not included in the Released Claims.

9. Executive Agreements and Effective Date. Executive understands and agrees that:

(a) This Agreement is a binding contract that shall bar all litigation, claims and demands of every kind between Executive and the Employer Released Parties, and that all such claims are fully and finally settled, compromised and released.

(b) The consideration for signing this Agreement, as set forth in Section 3, consists of an amount in excess of that to which Executive is entitled under the Employer's policies or practices or under the Employment Agreement upon a voluntary resignation.

(c) Executive is aware of the contents and significance of all the provisions of this Agreement and Executive has decided to enter into it voluntarily.

(d) Executive has been advised of Executive's right to have this Agreement reviewed by counsel prior to signing it and acknowledges the opportunity to consult with counsel.

(e) Executive has been given a full twenty-one (21) calendar days within which to consider this Agreement before executing it.

(f) Executive has a full seven (7) calendar days after signing this Agreement (the "Revocation Period") to revoke this Agreement. Executive's revocation of this Agreement must be in writing and delivered to Paul J. Tauber, either by mail or other courier service, at Coblentz Patch Duffy & Bass LLP, One Montgomery Street, Suite 3000, San Francisco, California 94104, or electronically to his email address at pjt@cpdb.com within the Revocation Period. If delivered by mail, the revocation must be postmarked in the Revocation Period. Provided that Executive has not revoked this Agreement within the Revocation Period, this Agreement shall be binding and effective eight (8) calendar days after execution of this Agreement by Executive ("Effective Date").

10. No Admission of Liability. This Agreement settles, compromises, and resolves disputes and potential disputes between the Parties. This Agreement, and compliance with this Agreement, shall

not constitute nor be construed as an admission by either of the Parties of any wrongdoing or liability of any kind or an admission by them of any violation of the rights of the other Party or any other person, law, statute, duty or contract by either of the Parties, any member of the Elevate Group, or any of their respective employees, representatives or agents.

11. Waiver of Unknown Claims. Without derogating from the Texas choice of law provision, Executive acknowledges that Executive has been advised of and is familiar with the provisions of California Civil Code Section 1542, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASING PARTY.

Being aware of said code section, Executive hereby expressly waives any rights Executive may have thereunder, as well as under any other statutes or common law principles of similar effect, to the extent of Executive's release.

12. If Facts are Different. Executive may hereafter discover facts different from or in addition to those Executive now believes to be true in respect to the claims, demands, damages, debts, liabilities, actions, or causes of action herein released, and hereby agrees that this release shall be and remain in effect in all respects as a complete, general release as to the matters released, notwithstanding any such different or additional facts.

13. Covenant Not to Sue. Executive expressly agrees and covenants not to bring or voluntarily participate in any proceedings against the Employer Released Parties in any court or administrative agency or any other forum whatsoever by reason of any claim, liability or cause of action released herein. Executive understands and agrees that all such claims, liabilities or causes of action (including claims for related attorneys' fees and costs), are forever barred by this Agreement, regardless of the forum in which they may be brought or heard.

14. Parties Costs and Fees. Employer shall reimburse Executive for up to $20,000.00 in attorneys' fees and costs incurred in connection with the negotiation of this Agreement.

15. No Assignment of Claims. Executive represents and warrants that Executive has not previously assigned the claims released herein to another, and is the sole owner of the claims released herein.

16. Confidentiality. Executive shall not use or disclose Confidential Information (as hereinafter defined) except with the prior consent of the Employer or pursuant to process or requirements of law, provided that Executive shall have notified the Employer promptly upon notice to Executive of such process or requirements (including what type of Confidential Information Executive may be required to disclose) and, to the extent reasonably possible, shall have afforded the Employer the opportunity to seek judicial or other protective relief from the disclosure sought through such process or requirements. As used herein, "Confidential Information" means, collectively, all Trade Secrets, Proprietary Information, Know-How and Confidential Information, each as defined in the Employment Agreement.

17. Non-Disparagement. Executive shall not disparage, criticize or defame Employer, any Employer Released Parties or any of their respective businesses or services, either publicly or privately. Executive's obligations under this Section 17 include, but are not limited to, refraining from publishing by any means any disparaging remarks to any person, entity, employer, prospective employer, business partner, or potential business partner, including on any blog, online social network or any other website, whether the identity of the person making such disparaging remarks is revealed or such comments are made anonymously. Similarly, Employer shall not disparage, criticize or defame Executive, either publically or privately.

18. Announcement of Separation. Employer agrees that the press release regarding Executive's separation from Employer will be in substantially the form attached hereto as Exhibit A. Executive shall also be allowed to review and have input into any other public announcement or disclosure regarding his separation from employment prior to its publication.

19. Protected Rights.

(a) The Parties acknowledge and agree that, notwithstanding any of the terms set forth herein, this Agreement does not limit Executive's ability to file a charge or complaint with any other federal, state or local governmental agency or commission ("Government Agencies"). The Parties further understand that this Agreement does not limit Executive's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Employer. This Agreement does not limit Executive's right to receive an award for information provided to any Government Agencies.

(b) The Parties further acknowledge and agree that notwithstanding any of the terms set forth herein, the U.S. Defend Trade Secrets Act of 2016 (the "DTSA") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer, or counterparty in the case of an independent contractor, for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

20. Return of Property. On or before the Termination Date, Executive shall return to Employer all files, memoranda, records, and other documents, and any other physical or personal property which are the property of Employer and which the Executive had in Executive's possession, custody or control on the Termination Date. Notwithstanding the generality of the foregoing, the Executive may retain copies of all signed agreements between Executive and Employer and of Executive's signed personnel documents.

21. No Representations. Each Party represents that it has carefully read and understands the scope and effect of the provisions of this Agreement. Neither Party has relied upon any representations or statements made by the other Party which are not specifically set forth in this Agreement.

22. Severability. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

23. Entire Agreement. This Agreement represents the entire agreement and understanding between the Parties concerning the subject matter addressed herein, including Executive's employment with and resignation from the Employer, and supersedes and replaces any and all prior agreements and understandings regarding that subject matter.

24. No Oral Modification. This Agreement may only be amended in writing signed by both Parties.

25. Governing Law. This Agreement shall be governed by the laws of the State of Texas without regard to conflicts of law provisions thereof.

26. Signatures. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned. Signatures received by facsimile, PDF file and other electronic format shall be deemed original signatures.

<signature page follows>

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

ELEVATE CREDIT SERVICE, LLC, a Delaware liability company

By: /s/ Christopher Lutes
Chris Lutes, Chief Financial Officer

Dated: July 25, 2019

EXECUTIVE

/s/ Kenneth E. Rees
Kenneth E. Rees

Date: July 25, 2019

EXHIBIT A

Announcement Regarding Separation

<attached as a separate document>

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Section 4: EX-10.5 (EXHIBIT 10.5)

FOURTH AMENDMENT TO
EMPLOYMENT, CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Fourth Amendment to Employment, Confidentiality and Non-Compete Agreement (this "**Amendment**"), dated as of August 1, 2019 ("**Amendment Date**"), is by and between Elevate Credit Service, LLC, a Delaware limited liability company ("**Employer**") and Chris Lutes ("**Employee**").

Recitals

WHEREAS, the parties entered into that certain Employment, Confidentiality and Non-Compete Agreement, dated as of January 5, 2015, which was amended by that certain First Amendment to Employment, Confidentiality and Non-Compete Agreement, dated as of December 11, 2015, further amended by that certain Second Amendment to Employment, Confidentiality and Non-Compete Agreement, dated as of March 1, 2017, and further amended by that certain Third Amendment to Employment, Confidentiality and Non-Compete Agreement, dated as of January 24, 2019 (collectively, the "**Original Agreement**"); and

WHEREAS, as a result of Employee assuming additional executive responsibilities following the resignation of Kenneth E. Rees as President and Chief Executive Officer of Employer, the parties mutually desire to further amend the Agreement as set forth in this Amendment.

NOW, THEREFORE, in consideration of the foregoing and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows.

Agreement

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the respective definitions given to such terms in the Original Agreement. The Agreement shall mean the Original Agreement as amended by this Amendment.

2. Compensation. The following new Section 2.3.5 is hereby added to the Agreement, which shall provide as follows:

   "2.3.5 **Interim Compensation**. During such time that Jason Harvison is serving as Employer's Interim Chief Executive Officer and Interim President, Employer shall pay Employee an additional Five Thousand Dollars ($5,000) per month, less applicable taxes and withholdings, payable on the last payroll date of each month."

3. Entire Agreement. The Original Agreement, as amended by this Amendment, constitutes the entire understanding and agreement among the parties regarding the subject matter hereof. Except as specifically amended by this Amendment, the Original Agreement is ratified and confirmed in all respects.

4. Signatures. This Amendment may be executed in any number of counterparts, each of which shall be enforceable against the parties that execute such counterparts, and all of which together shall constitute one instrument. Signatures received by facsimile, PDF file or other electronic format shall be deemed to be original signatures.

<signature page follows>

IN WITNESS WHEREOF, in accordance with Section 8 of the Original Agreement, the undersigned have executed this Amendment on the Amendment Date.

ELEVATE CREDIT SERVICE, LLC

_/s/ Jason Harvison_____
Name: Jason Harvison
Title: Interim Chief Executive Officer

CHRIS LUTES

_/s/ Chris Lutes_____
Name: Chris Lutes

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Section 5: EX-10.6 (EXHIBIT 10.6)

FOURTH AMENDMENT TO
EMPLOYMENT, CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Fourth Amendment to Employment, Confidentiality and Non-Compete Agreement (this "**Amendment**"), dated as of August 1, 2019 ("**Amendment Date**"), is by and between Elevate Credit Service, LLC, a Delaware limited liability company ("**Employer**") and Jason Harvison ("**Employee**").

Recitals

WHEREAS, the parties entered into that certain Employment, Confidentiality and Non-Compete Agreement, dated as of May 1, 2014, which was amended by that certain First Amendment to Employment, Confidentiality and Non-Compete Agreement, dated as of December 11, 2015, further amended by that certain Second Amendment to Employment, Confidentiality and Non-Compete Agreement, dated as of March 1, 2017, and further amended by that certain Third Amendment to Employment, Confidentiality and Non-Compete Agreement, dated as of January 24, 2019 (collectively, the "**Original Agreement**"); and

WHEREAS, as a result of Employee accepting the position of Interim Chief Executive Officer and Interim President of Employer following the resignation of Kenneth E. Rees as Chief Executive Officer and President, the parties mutually desire to further amend the Agreement as set forth in this Amendment.

NOW, THEREFORE, in consideration of the foregoing and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows.

Agreement

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the respective definitions given to such terms in the Original Agreement. The Agreement shall mean the Original Agreement as amended by this Amendment.

2. Good Reason. For purposes of clarification, Good Reason shall not include any reduction in duties, responsibilities or authority as a result of Employee not being selected as the permanent Chief Executive Officer and President, and no longer serving as the Interim Chief Executive Officer and Interim President.

3. Compensation. The following new Section 2.3.6 is hereby added to the Agreement, which shall provide as follows:

   "2.3.6 **Interim Compensation**. During such time that Employee is serving as Employer's Interim Chief Executive Officer and Interim President, Employer shall pay Employee an additional Ten Thousand Dollars ($10,000) per month, less applicable taxes and withholdings, payable on the last payroll date of each month."

4. Entire Agreement. The Original Agreement, as amended by this Amendment, constitutes the entire understanding and agreement among the parties regarding the subject matter hereof. Except as specifically amended by this Amendment, the Original Agreement is ratified and confirmed in all respects.

5. Signatures. This Amendment may be executed in any number of counterparts, each of which shall be enforceable against the parties that execute such counterparts, and all of which together shall constitute one instrument. Signatures received by facsimile, PDF file or other electronic format shall be deemed to be original signatures.

<signature page follows>

IN WITNESS WHEREOF, in accordance with Section 8 of the Original Agreement, the undersigned have executed this Amendment on the Amendment Date.

ELEVATE CREDIT SERVICE, LLC	**JASON HARVISON**
_/s/ Chris Lutes_____	_/s/ Jason Harvison_____
Name: Chris Lutes	Name: Jason Harvison
Title: CFO	

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Section 6: EX-10.7 (EXHIBIT 10.7)

ELEVATE CREDIT, INC.

2016 OMNIBUS INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

Grantee's Name and Address: _____

You (the "Grantee") have been granted an award of Restricted Stock Units (the "Award"), subject to the terms and conditions of this Notice of Restricted Stock Unit Award (the "Notice"), the Elevate Credit, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan"), and the Restricted Stock Unit Agreement (the "Agreement") attached hereto, as follows. Unless otherwise provided herein, the terms in this Notice shall have the same meaning as those defined in the Plan.

Award Number	_____
Date of Award	_____
Vesting Commencement Date	_____
Total Number of Restricted Stock Units Awarded (the "Units")	_____
	_____

Vesting Schedule:

[Subject to the Grantee's Continuous Service and other limitations set forth in this Notice, the Agreement and the Plan, the Units will "vest" in accordance with the following schedule (the "Vesting Schedule"):

[]

In the event of the Grantee's change in status from Employee to Consultant or Director, the determination of whether such change in status results in a termination of Continuous Service will be determined in accordance with Section 409A of the Code.

During any authorized leave of absence, the vesting of the Units as provided in this schedule shall be suspended (to the extent permitted under Section 409A of the Code) after the leave of absence exceeds a period of three (3) months. Vesting of the Units shall resume upon the Grantee's termination of the leave of absence and return to service to the Company or a Related Entity; provided, however, that if the leave of absence exceeds six (6) months, and a return to service upon expiration of such leave is not guaranteed by statute or contract, then (a) the Grantee's Continuous Service shall be deemed to terminate on the first date following such six-month period and (b) the Grantee will forfeit the Units that are unvested on the date of the Grantee's termination of Continuous Service. An authorized leave of absence shall include sick leave, military leave, or other bona fide leave of absence (such as temporary employment by the government). Notwithstanding the foregoing, with respect to a leave of absence due to any medically determinable physical or mental impairment of the Grantee that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months, where such impairment causes the Grantee to be unable to perform the duties of the Grantee's position of employment

or substantially similar position of employment, a twenty-nine (29) month period of absence shall be substituted for such six (6) month period above. The Vesting Schedule of the Units shall be extended by the length of the suspension.

In the event of the Grantee's change in status from Employee, Director or Consultant to any other status of Employee, Director or Consultant, the Units shall continue to vest in accordance with the Vesting Schedule set forth above.

For purposes of this Notice and the Agreement, the term "vest" shall mean, with respect to any Units, that such Units are no longer subject to forfeiture to the Company. If the Grantee would become vested in a fraction of a Unit, such Unit shall not vest until the Grantee becomes vested in the entire Unit.

Vesting shall cease upon the date of termination of the Grantee's Continuous Service for any reason, including death or Disability. In the event the Grantee's Continuous Service is terminated for any reason, including death or Disability, any unvested Units held by the Grantee immediately following such termination of Continuous Service shall be forfeited and deemed reconveyed to the Company and the Company shall thereafter be the legal and beneficial owner of the unvested Units and shall have all rights and interest in or related thereto without further action by the Grantee.

The Award shall be subject to the provisions of Section 11 of the Plan in the event of a Corporate Transaction or Change in Control.]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Award is to be governed by the terms and conditions of this Notice, the Plan, and the Agreement.

ELEVATE CREDIT, INC.
a Delaware corporation
By: _____
Title: _____
Date: _____

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE UNITS SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE OR AS OTHERWISE SPECIFICALLY PROVIDED HEREIN (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE AGREEMENT, OR THE PLAN SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE RIGHT OF THE COMPANY OR RELATED ENTITY TO WHICH THE GRANTEE PROVIDES SERVICES TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

Grantee Acknowledges and Agrees:

The Grantee acknowledges receipt of a copy of the Plan and the Agreement and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and fully understands all provisions of this Notice, the Agreement and the Plan. The Grantee further agrees and acknowledges that this Award is a non-elective arrangement pursuant to Section 409A of the Code. The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Agreement shall be resolved by the Administrator in accordance with Section 8 of the Agreement. The Grantee further agrees to the venue selection and waiver of a jury trial in accordance with Section 10 of the Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated in this Notice.

The Grantee further acknowledges that, from time to time, the Company may be in a "blackout period" and/or subject to applicable federal securities laws that could subject the Grantee to liability for engaging in any transaction involving the sale of the Shares. The Grantee further acknowledges and agrees that, prior to the sale of any Shares acquired under the Award, it is the Grantee's responsibility to determine whether or not the sale of the Shares will subject the Grantee to liability under insider trading rules or other applicable federal securities laws.

The Company may, in its sole discretion, decide to deliver this Notice, the Agreement, the Plan and the Plan prospectus (collectively, the "Plan Documents") to the Grantee by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby agrees to Company's provision to the Grantee of these documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

The Grantee acknowledges that the Grantee has access to the Company's intranet and has either received electronic or paper copies of the Plan Documents.

Dated: _____

_____
Grantee's Signature

_____
Grantee's Printed Name

_____
Address

_____
City, State & Zip

Award Number: _____

ELEVATE CREDIT, INC.

2016 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

1. Issuance of Units. Elevate Credit, Inc., a Delaware corporation (the "Company"), hereby issues to the Grantee (the "Grantee") named in the Notice of Restricted Stock Unit Award (the "Notice") an award (the "Award") of the Total Number of Restricted Stock Units Awarded set forth in the Notice (the "Units"), subject to the Notice, this Restricted Stock Unit Agreement (the "Agreement") and the terms and provisions of the Elevate Credit, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan"), which is incorporated herein by reference. Unless otherwise provided herein, the terms in this Agreement shall have the same meaning as those defined in the Plan.

2. Transfer Restrictions. The Units may not be transferred in any manner other than by will or by the laws of descent and distribution.

3. Conversion of Units and Issuance of Shares.

(a) General. Subject to Sections 3(b) and 3(c), one share of Common Stock shall be issuable for each Unit subject to the Award (the "Shares") upon vesting. Immediately thereafter, or as soon as administratively feasible, the Company will transfer the appropriate number of Shares to the Grantee after satisfaction of any required tax or other withholding obligations. Any fractional Unit remaining after the Award is fully vested shall be discarded and shall not be converted into a fractional Share. Notwithstanding the foregoing, the relevant number of Shares shall be issued no later than sixty (60) days following vesting. [The Company may however, in its sole discretion, make a cash payment in lieu of the issuance of the Shares in an amount equal to the value of one share of Common Stock multiplied by the number of Units subject to the Award.]

(b) Delay of Conversion. The conversion of the Units into the Shares under Section 3(a) above, may be delayed in the event the Company reasonably anticipates that the issuance of the Shares would constitute a violation of federal securities laws or other Applicable Law. If the conversion of the Units into the Shares is delayed by the provisions of this Section 3(b), the conversion of the Units into the Shares shall occur at the earliest date at which the Company reasonably anticipates issuing the Shares will not cause a violation of federal securities laws or other Applicable Law. For purposes of this Section 3(b), the issuance of Shares that would cause inclusion in gross income or the application of any penalty provision or other provision of the Code is not considered a violation of Applicable Law.

(c) Delay of Issuance of Shares. The Company shall delay the issuance of any Shares under this Section 3 to the extent necessary to comply with Section 409A(a)(2)(B)(i) of the Code (relating to payments made to certain "specified employees" of certain publicly-traded companies); in such event, any Shares to which the Grantee would otherwise be entitled during the six (6) month period following the date of the Grantee's termination of Continuous Service will be issuable on the first business day following the expiration of such six (6) month period.

4. Right to Shares. The Grantee shall not have any right in, to or with respect to any of the Shares (including any voting rights or rights with respect to dividends paid on the Common Stock) issuable under the Award until the Award is settled by the issuance of such Shares to the Grantee.

5. Taxes.

(a) Tax Liability. The Grantee is ultimately liable and responsible for all taxes owed by the Grantee in connection with the Award, regardless of any action the Company or any Related Entity takes with respect to any tax withholding obligations that arise in connection with the Award. Neither the Company nor any Related Entity makes any representation or undertaking regarding the treatment of any tax withholding in connection with any aspect of the Award, including the grant, vesting, assignment, release or cancellation of the Units, the delivery of Shares, the subsequent sale of any Shares acquired upon vesting and the receipt of any dividends or dividend equivalents. The Company and its Related Entities do not commit and are under no obligation to structure the Award to reduce or eliminate the Grantee's tax liability.

(b) Payment of Withholding Taxes. Prior to any event in connection with the Award (e.g., vesting) that the Company determines may result in any tax withholding obligation, whether United States federal, state, local or non-U.S., including any social insurance, employment tax, payment on account or other tax-related obligation (the "Tax Withholding Obligation"), the Grantee must arrange for the satisfaction of the amount of such Tax Withholding Obligation in a manner acceptable to the Company.

(i) *By Share Withholding.* If permissible under Applicable Law, the Grantee authorizes the Company to withhold from those Shares otherwise issuable to the Grantee a whole number of Shares to satisfy the applicable Tax Withholding Obligation. The Grantee acknowledges that the withheld Shares may not be sufficient to satisfy the Grantee's Tax Withholding Obligation. Accordingly, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the withholding of Shares described above.

(ii) *By Sale of Shares*. Unless the Grantee determines to satisfy the Tax Withholding Obligation by some other means in accordance with clause (iii) below, the Grantee's acceptance of this Award constitutes the Grantee's instruction and authorization to the Company and any brokerage firm determined acceptable to the Company for such purpose to, upon the exercise of Company's sole discretion, sell on the Grantee's behalf a whole number of Shares from those Shares issuable to the Grantee as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the applicable Tax Withholding Obligation. Such Shares will be sold on the day such Tax Withholding Obligation arises (e.g., a vesting date) or as soon thereafter as practicable. The Grantee will be responsible for all broker's fees and other costs of sale, and the Grantee agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. To the extent the proceeds of such sale exceed the Grantee's Tax Withholding Obligation, the Company agrees to pay such excess in cash to the Grantee. The Grantee acknowledges that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the Grantee's Tax Withholding Obligation. Accordingly, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through additional

payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the sale of Shares described above.

(iii) *By Check, Wire Transfer or Other Means*. At any time not less than five (5) business days (or such fewer number of business days as determined by the Administrator) before any Tax Withholding Obligation arises (e.g., a vesting date), the Grantee may elect to satisfy the Grantee's Tax Withholding Obligation by delivering to the Company an amount to satisfy the Tax Withholding Obligation by (x) wire transfer to such account as the Company may direct, (y) delivery of a certified check payable to the Company, or (z) such other means as specified from time to time by the Administrator.

(iv) Notwithstanding the foregoing, the Company or a Related Entity also may satisfy any Tax Withholding Obligation by offsetting any amounts (including, but not limited to, salary, bonus and severance payments) payable to the Grantee by the Company and/or a Related Entity. Furthermore, in the event of any determination that the Company and/or a Related Entity has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the Award, the Grantee agrees to pay the Company and/or the Related Entity the amount of such deficiency in cash within five (5) days after receiving a written demand from the Company and/or the Related Entity to do so, whether or not the Grantee is an employee of the Company and/or the Related Entity at that time.

6. Lock-Up Agreement.

(a) Agreement. The Grantee, if requested by the Company and the lead underwriter of any public offering of the Common Stock (the "Lead Underwriter"), hereby irrevocably agrees not to sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale of, pledge or otherwise transfer or dispose of any interest in any Common Stock or any securities convertible into or exchangeable or exercisable for or any other rights to purchase or acquire Common Stock (except Common Stock included in such public offering or acquired on the public market after such offering) during the 180-day period following the effective date of a registration statement of the Company filed under the Securities Act of 1933, as amended, or such shorter or longer period of time as the Lead Underwriter shall specify. The Grantee further agrees to sign such documents as may be requested by the Lead Underwriter to effect the foregoing and agrees that the Company may impose stop-transfer instructions with respect to such Common Stock subject to the lock-up period until the end of such period. The Company and the Grantee acknowledge that each Lead Underwriter of a public offering of the Company's stock, during the period of such offering and for the lock-up period thereafter, is an intended beneficiary of this Section 6.

(b) No Amendment Without Consent of Underwriter. During the period from identification of a Lead Underwriter in connection with any public offering of the Company's Common Stock until the earlier of (i) the expiration of the lock-up period specified in Section 6(a) in connection with such offering or (ii) the abandonment of such offering by the Company and the Lead Underwriter, the provisions of this Section 6 may not be amended or waived except with the consent of the Lead Underwriter.

7. Entire Agreement; Governing Law. The Notice, the Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed

by the Company and the Grantee. These agreements are to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties. Should any provision of the Notice or this Agreement be determined to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

8. Construction. The captions used in the Notice and this Agreement are inserted for convenience and shall not be deemed a part of the Award for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

9. Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

10. Venue and Waiver of Jury Trial. The parties agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Agreement shall be brought in the United States District Court for Delaware (or should such court lack jurisdiction to hear such action, suit or proceeding, in a Delaware state court) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 10 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

11. Mutual Non-disparagement. The parties agree that neither party will disparage or make negative statements or any unfavorable comments (or induce or encourage others to disparage or make negative statements or unfavorable comments) about the other party, including, without limitation, disparaging the other party in connection with disclosing the facts or circumstances surrounding the termination of the Grantee's Continuous Service or any aspect of the other party's business or personal dealings or reputation in any manner. For purposes of this Agreement, the term "disparage" means any comments or statements that would adversely affect in any manner: (i) the conduct of the business of the Company or any Related Entity; or (ii) the business, personal, or professional reputation or relationships of the Company, any Related Entity or the Grantee.

12. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

13. Language. If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control, unless otherwise prescribed by Applicable Law.

14. Nature of Award. In accepting the Award, the Grantee acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement;

(b) the Award is voluntary and occasional and does not create any contractual or other right to receive future awards, or benefits in lieu of awards, even if awards have been awarded repeatedly in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) the Grantee's participation in the Plan is voluntary;

(e) the Grantee's participation in the Plan shall not create a right to any employment with the Grantee's employer and shall not interfere with the ability of the Company or the employer to terminate the Grantee's employment relationship, if any, at any time;

(f) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Related Entity;

(g) in the event that the Grantee is not an Employee of the Company or any Related Entity, the Award and the Grantee's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company or any Related Entity;

(h) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(i) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or Shares acquired upon vesting of the Award, resulting from termination of the Grantee's Continuous Service by the Company or any Related Entity (for any reason whatsoever and whether or not in breach of local labor laws) and in consideration of the grant of the Award, the Grantee irrevocably releases the Company and any Related Entity from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing the Notice, the Grantee shall be deemed irrevocably to have waived his or her right to pursue or seek remedy for any such claim or entitlement;

(j) in the event of termination of the Grantee's Continuous Service (whether or not in breach of local labor laws), the Grantee's right to receive Awards under the Plan and to vest in such Awards, if any, will (except as otherwise provided in the Notice or herein) terminate effective as of the

date that the Grantee is no longer providing services and will not be extended by any notice period mandated under local law (*e.g.*, providing services would not include a period of "garden leave" or similar period pursuant to local law); furthermore, in the event of termination of the Grantee's Continuous Service (whether or not in breach of local labor laws), the Administrator shall have the exclusive discretion to determine when the Grantee is no longer providing services for purposes of this Award;

(k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's acquisition or sale of the underlying Shares; and

(l) the Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisers regarding the Grantee's participation in the Plan before taking any action related to the Plan.

15. *Data Privacy*.

(a) *The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in the Notice and this Agreement by and among, as applicable, the Grantee's employer, the Company and any Related Entity for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.*

(b) *The Grantee understands that the Company and the Grantee's employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Awards or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in the Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").*

(c) The Grantee understands that Data will be transferred to any third party assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the Grantee's country, or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusal or withdrawal of consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

16. Amendment and Delay to Meet the Requirements of Section 409A. The Grantee acknowledges that the Company, in the exercise of its sole discretion and without the consent of the Grantee, may amend or modify this Agreement in any manner and delay the issuance of any Shares issuable pursuant to this Agreement to the minimum extent necessary to meet the requirements of Section 409A of the Code as amplified by any Treasury regulations or guidance from the Internal Revenue Service as the Company deems appropriate or advisable. In addition, the Company makes no representation that the Award will comply with Section 409A of the Code and makes no undertaking to prevent Section 409A of the Code from applying to the Award or to mitigate its effects on any deferrals or payments made in respect of the Units. The Grantee is encouraged to consult a tax adviser regarding the potential impact of Section 409A of the Code.

END OF AGREEMENT

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Section 7: EX-10.8 (EXHIBIT 10.8)

ELEVATE CREDIT, INC. 2016 OMNIBUS INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK BONUS AWARD

Grantee's Name and Address: _____

_____

_____

You (the "Grantee") have been granted shares of Common Stock of the Company (the "Award"), subject to the terms and conditions of this Notice of Restricted Stock Bonus Award (the "Notice"), the Elevate Credit, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan"), and the Restricted Stock Bonus Award Agreement (the "Agreement") attached hereto, as follows. Unless otherwise provided herein, the terms in this Notice shall have the same meaning as those defined in the Plan.

Award Number	_____
Date of Award	_____
Vesting Commencement Date	_____
Total Number of Shares of Common Stock Awarded (the "Shares")	_____

Vesting Schedule:

[Subject to the Grantee's Continuous Service and other limitations set forth in this Notice, the Agreement and the Plan, the Shares will "vest" in accordance with the following schedule (the "Vesting Schedule"):

[●]

During any authorized leave of absence, the vesting of the Shares as provided in this schedule shall be suspended after the leave of absence exceeds a period of three (3) months. Vesting of the Shares shall resume upon the Grantee's termination of the leave of absence and return to service to the Company or a Related Entity. The Vesting Schedule of the Shares shall be extended by the length of the suspension.

In the event of the Grantee's change in status from Employee, Director or Consultant to any other status of Employee, Director or Consultant, the Shares shall continue to vest in accordance with the Vesting Schedule set forth above.

For purposes of this Notice and the Agreement, the term "vest" shall mean, with respect to any Shares, that such Shares are no longer subject to forfeiture to the Company. Shares that have not vested are deemed "Restricted Shares." If the Grantee would become vested in a fraction of a Restricted Share, such Restricted Share shall not vest until the Grantee becomes vested in the entire Share.

Vesting shall cease upon the date of termination of the Grantee's Continuous Service for any reason, including death or Disability. In the event the Grantee's Continuous Service is terminated for any reason, including death or Disability, any Restricted Shares held by the Grantee immediately following

such termination of Continuous Service shall be deemed reconveyed to the Company and the Company shall thereafter be the legal and beneficial owner of the Restricted Shares and shall have all rights and interest in or related thereto without further action by the Grantee. The foregoing forfeiture provisions set forth in this Notice as to Restricted Shares shall apply to the new capital stock or other property (including cash paid other than as a regular cash dividend) received in exchange for the Shares in consummation of any transaction described in Section 11 of the Plan and such stock or property shall be deemed Additional Securities (as defined in the Agreement) for purposes of the Agreement, but only to the extent the Shares are at the time covered by such forfeiture provisions.

The Award shall be subject to the provisions of Section 11 of the Plan in the event of a Corporate Transaction or Change in Control.]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Award is to be governed by the terms and conditions of this Notice, the Plan and the Agreement.

ELEVATE CREDIT, INC.,
a Delaware corporation
By: _____
Title: _____

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE SHARES SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE OR AS OTHERWISE SPECIFICALLY PROVIDED HEREIN (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE AGREEMENT, OR THE PLAN SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE RIGHT OF THE COMPANY OR RELATED ENTITY TO WHICH THE GRANTEE PROVIDES SERVICES TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

As a condition to receiving the Shares, the Grantee agrees to refrain from making an election pursuant to Section 83(b) of the Code with respect to the Shares.

The Grantee acknowledges receipt of a copy of the Plan and the Agreement and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and fully understands all provisions of this Notice, the Agreement and the Plan. The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Agreement shall be resolved by the Administrator in accordance with Section 12 of the Agreement. The Grantee further agrees to the venue selection and waiver of a jury trial in accordance with Section 13 of

the Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated in this Notice.

The Grantee further acknowledges that, from time to time, the Company may be in a "blackout period" and/or subject to applicable federal securities laws that could subject the Grantee to liability for engaging in any transaction involving the sale of the Shares. The Grantee further acknowledges and agrees that, prior to the sale of any Shares acquired under the Award, it is the Grantee's responsibility to determine whether or not the sale of the Shares will subject the Grantee to liability under insider trading rules or other applicable federal securities laws.

The Company may, in its sole discretion, decide to deliver this Notice, the Agreement, the Plan and the Plan prospectus (collectively, the "Plan Documents") to the Grantee by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby agrees to Company's provision to the Grantee of these documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

The Grantee acknowledges that the Grantee has access to the Company's intranet and has either received electronic or paper copies of the Plan Documents.

Dated: _____ Signed: _____

Award Number: _____

ELEVATE CREDIT, INC. 2016 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK BONUS AWARD AGREEMENT

1. Issuance of Shares. Elevate Credit, Inc., a Delaware corporation (the "Company"), hereby issues to the Grantee (the "Grantee") named in the Notice of Restricted Stock Bonus Award (the "Notice"), the Total Number of Shares of Common Stock Awarded set forth in the Notice (the "Shares"), subject to the Notice, this Restricted Stock Bonus Award Agreement (the "Agreement") and the terms and provisions of the Company's 2016 Omnibus Incentive Plan (the "Plan"), as amended from time to time, which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Agreement. All Shares issued hereunder will be deemed issued to the Grantee as fully paid and nonassessable shares, and the Grantee will have the right to vote the Shares at meetings of the Company's stockholders. The Company shall pay any applicable stock transfer taxes imposed upon the issuance of the Shares to the Grantee hereunder.

2. Transfer Restrictions. The Shares issued to the Grantee hereunder may not be sold, transferred by gift, pledged, hypothecated, or otherwise transferred or disposed of by the Grantee prior to the date when the Shares become vested pursuant to the Vesting Schedule set forth in the Notice. Any attempt to transfer Restricted Shares in violation of this Section 2 will be null and void and will be disregarded.

3. Escrow of Stock. For purposes of facilitating the enforcement of the provisions of this Agreement, the Grantee agrees, immediately upon receipt of the certificate(s) for the Restricted Shares, to deliver such certificate(s), together with a Stock Assignment in the form attached hereto as Exhibit A, executed in blank by the Grantee with respect to each such stock certificate, to the Secretary or Assistant Secretary of the Company, or their designee, to hold in escrow for so long as such Restricted Shares have not vested pursuant to the Vesting Schedule set forth in the Notice, with the authority to take all such actions and to effectuate all such transfers and/or releases as may be necessary or appropriate to accomplish the objectives of this Agreement in accordance with the terms hereof. The Grantee hereby acknowledges that the appointment of the Secretary or Assistant Secretary of the Company (or their designee) as the escrow holder hereunder with the stated authorities is a material inducement to the Company to make this Agreement and that such appointment is coupled with an interest and is accordingly irrevocable. The Grantee agrees that the Restricted Shares may be held electronically in a book entry system maintained by the Company's transfer agent or other third party and that all the terms and conditions of this Section 3 applicable to certificated Restricted Shares will apply with the same force and effect to such electronic method for holding the Restricted Shares. The Grantee agrees that such escrow holder shall not be liable to any party hereto (or to any other party) for any actions or omissions unless such escrow holder is grossly negligent relative thereto. The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Upon the vesting of Restricted Shares, the escrow holder will, without further order or instruction, transmit to the Grantee the certificate evidencing such Shares; *provided, however*, that no transmittal of certificates evidencing the Shares will occur unless and until the Grantee has satisfied all Tax Withholding Obligations (as defined in Section 5(c) below).

4. Additional Securities and Distributions.

(a) Any securities or cash received (other than a regular cash dividend) as the result of ownership of the Restricted Shares (the "Additional Securities"), including, but not by way of limitation, warrants, options and securities received as a stock dividend or stock split, or as a result of a recapitalization or reorganization or other similar change in the Company's capital structure, shall be retained in escrow in the same manner and subject to the same conditions and restrictions as the Restricted Shares with respect to which they were issued, including, without limitation, the Vesting Schedule set forth in the Notice. The Grantee shall be entitled to direct the Company to exercise any warrant or option received as Additional Securities upon supplying the funds necessary to do so, in which event the securities so purchased shall constitute Additional Securities, but the Grantee may not direct the Company to sell any such warrant or option. If Additional Securities consist of a convertible security, the Grantee may exercise any conversion right, and any securities so acquired shall constitute Additional Securities. In the event of any change in certificates evidencing the Shares or the Additional Securities by reason of any recapitalization, reorganization or other transaction that results in the creation of Additional Securities, the escrow holder is authorized to deliver to the issuer the certificates evidencing the Shares or the Additional Securities in exchange for the certificates of the replacement securities.

(b) The Company shall disburse to the Grantee all regular cash dividends with respect to the Shares and Additional Securities (whether vested or not), less any applicable withholding obligations.

5. Taxes.

(a) No Section 83(b) Election. As a condition to receiving the Shares, the Grantee agrees to refrain from making an election pursuant to Section 83(b) of the Code with respect to the Shares.

(b) Tax Liability. The Grantee is ultimately liable and responsible for all taxes owed by the Grantee in connection with the Award, regardless of any action the Company or any Related Entity takes with respect to any tax withholding obligations that arise in connection with the Award. Neither the Company nor any Related Entity makes any representation or undertaking regarding the treatment of any tax withholding in connection with the grant or vesting of the Award or the subsequent sale of Shares subject to the Award. The Company and its Related Entities do not commit and are under no obligation to structure the Award to reduce or eliminate the Grantee's tax liability.

(c) Payment of Withholding Taxes. Prior to any event in connection with the Award (e.g., vesting) that the Company determines may result in any tax withholding obligation, whether United States federal, state, local or non-U.S., including any social insurance, employment tax, payment on account or other tax-related obligation (the "Tax Withholding Obligation"), the Grantee must arrange for the satisfaction of the amount of such Tax Withholding Obligation in a manner acceptable to the Company.

(i) *By Share Withholding.* If permissible under Applicable Law, the Grantee authorizes the Company to withhold from those Shares otherwise issuable to the Grantee a whole number of Shares to satisfy the applicable Tax Withholding Obligation. The Grantee acknowledges that the withheld Shares may not be sufficient to satisfy the Grantee's Tax Withholding Obligation. Accordingly, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through

additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the withholding of Shares described above.

(ii) *By Sale of Shares*. Unless the Grantee determines to satisfy the Tax Withholding Obligation by some other means in accordance with clause (iii) below, the Grantee's acceptance of this Award constitutes the Grantee's instruction and authorization to the Company and any brokerage firm determined acceptable to the Company for such purpose to, upon the exercise of Company's sole discretion, sell on the Grantee's behalf a whole number of Shares from those Shares issuable to the Grantee as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the applicable Tax Withholding Obligation. Such Shares will be sold on the day such Tax Withholding Obligation arises (e.g., a vesting date) or as soon thereafter as practicable. The Grantee will be responsible for all broker's fees and other costs of sale, and the Grantee agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. To the extent the proceeds of such sale exceed the Grantee's Tax Withholding Obligation, the Company agrees to pay such excess in cash to the Grantee. The Grantee acknowledges that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the Grantee's Tax Withholding Obligation. Accordingly, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the sale of Shares described above.

(iii) *By Check, Wire Transfer or Other Means*. At any time not less than five (5) business days (or such fewer number of business days as determined by the Administrator) before any Tax Withholding Obligation arises (e.g., a vesting date), the Grantee may elect to satisfy the Grantee's Tax Withholding Obligation by delivering to the Company an amount to satisfy the Tax Withholding Obligation by (x) wire transfer to such account as the Company may direct, (y) delivery of a certified check payable to the Company, or (z) such other means as specified from time to time by the Administrator.

(iv) Notwithstanding the foregoing, the Company or a Related Entity also may satisfy any Tax Withholding Obligation by offsetting any amounts (including, but not limited to, salary, bonus and severance payments) payable to the Grantee by the Company and/or a Related Entity. Furthermore, in the event of any determination that the Company and/or a Related Entity has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the Award, the Grantee agrees to pay the Company and/or the Related Entity the amount of such deficiency in cash within five (5) days after receiving a written demand from the Company and/or the Related Entity to do so, whether or not the Grantee is an employee of the Company and/or the Related Entity at that time.

6. Stop-Transfer Notices. In order to ensure compliance with the restrictions on transfer set forth in this Agreement, the Notice or the Plan, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records. The Company may issue a "stop transfer" instruction if the Grantee fails to satisfy any Tax Withholding Obligations.

7. Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement

or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

8. Restrictive Legends. The Grantee understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED BY THE TERMS OF THAT CERTAIN RESTRICTED STOCK BONUS AWARD AGREEMENT BETWEEN THE COMPANY AND THE NAMED STOCKHOLDER. THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH SUCH AGREEMENT, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

9. Lock-Up Agreement.

(a) Agreement. The Grantee, if requested by the Company and the lead underwriter of any public offering of the Common Stock (the "Lead Underwriter"), hereby irrevocably agrees not to sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale of, pledge or otherwise transfer or dispose of any interest in any Common Stock or any securities convertible into or exchangeable or exercisable for or any other rights to purchase or acquire Common Stock (except Common Stock included in the public offering or acquired on the public market after the offering) during the 180-day period following the effective date of a registration statement of the Company filed under the Securities Act of 1933, as amended, or any shorter or longer period of time as the Lead Underwriter will specify. The Grantee further agrees to sign all documents as may be requested by the Lead Underwriter to effect the foregoing and agrees that the Company may impose stop-transfer instructions with respect to the Common Stock subject to the lock-up period until the end of the period. The Company and the Grantee acknowledge that each Lead Underwriter of a public offering of the Company's stock, during the period of the offering and for the lock-up period thereafter, is an intended beneficiary of this Section 9.

(b) No Amendment Without Consent of Underwriter. During the period from identification of a Lead Underwriter in connection with any public offering of the Company's Common Stock until the earlier of (i) the expiration of the lock-up period specified in Section 9(a) in connection with the offering or (ii) the abandonment of the offering by the Company and the Lead Underwriter, the provisions of this Section 9 may not be amended or waived except with the consent of the Lead Underwriter.

10. Entire Agreement: Governing Law. The Notice, the Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. These agreements are to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware

to the rights and duties of the parties. Should any provision of the Notice or this Agreement be determined to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

11. Construction. The captions used in the Notice and this Agreement are inserted for convenience and shall not be deemed a part of the Award for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

12. Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

13. Venue and Waiver of Jury Trial. The parties agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Agreement shall be brought in the United States District Court for Delaware (or should such court lack jurisdiction to hear such action, suit or proceeding, in a Delaware state court) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 13 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

14. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

15. Language. If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control, unless otherwise prescribed by Applicable Law.

16. Nature of Award. In accepting the Award, the Grantee acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement;

(b) the Award is voluntary and occasional and does not create any contractual or other right to receive future awards, or benefits in lieu of awards, even if awards have been awarded repeatedly in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) the Grantee's participation in the Plan is voluntary;

(e) the Grantee's participation in the Plan shall not create a right to any employment with the Grantee's employer and shall not interfere with the ability of the Company or the employer to terminate the Grantee's employment relationship, if any, at any time;

(f) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Related Entity;

(g) in the event that the Grantee is not an Employee of the Company or any Related Entity, the Award and the Grantee's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company or any Related Entity;

(h) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(i) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or Shares acquired upon vesting of the Award, resulting from termination of the Grantee's Continuous Service by the Company or any Related Entity (for any reason whatsoever and whether or not in breach of local labor laws) and in consideration of the grant of the Award, the Grantee irrevocably releases the Company and any Related Entity from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing the Notice, the Grantee shall be deemed irrevocably to have waived his or her right to pursue or seek remedy for any such claim or entitlement;

(j) in the event of termination of the Grantee's Continuous Service (whether or not in breach of local labor laws), the Grantee's right to receive Awards under the Plan and to vest in such Awards, if any, will (except as otherwise provided in the Notice or herein) terminate effective as of the date that the Grantee is no longer providing services and will not be extended by any notice period mandated under local law (*e.g.*, providing services would not include a period of "garden leave" or similar period pursuant to local law); furthermore, in the event of termination of the Grantee's Continuous Service (whether or not in breach of local labor laws), the Administrator shall have the exclusive discretion to determine when the Grantee is no longer providing services for purposes of this Award;

(k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's acquisition or sale of the underlying Shares; and

(l) the Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisers regarding the Grantee's participation in the Plan before taking any action related to the Plan.

17. *Data Privacy*.

(a) *The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in the Notice and this Agreement by and among, as applicable, the Grantee's employer, the Company and any Related Entity for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.*

(b) *The Grantee understands that the Company and the Grantee's employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Awards or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in the Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").*

(c) The Grantee understands that Data will be transferred to any third party assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the Grantee's country, or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusal or withdrawal of consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

END OF AGREEMENT

EXHIBIT A

STOCK ASSIGNMENT

FOR VALUE RECEIVED, hereby sells, assigns and transfers unto , ( ) shares of the Common Stock of Elevate Credit, Inc., a Delaware corporation (the "Company"), standing in his/her name on the books of the Company [represented by Certificate No. herewith] and does hereby irrevocably constitute and appoint the Secretary of the Company attorney to transfer the said stock in the books of the Company with full power of substitution.

DATED:

_____

[Please sign this document but do not date it. The date and information of the transferee will be completed if and when the shares are assigned.]

Section 8: EX-10.9 (EXHIBIT 10.9)

Exhibit 10.45

ELEVATE CREDIT, INC. 2016 OMNIBUS INCENTIVE PLAN

NOTICE OF STOCK OPTION AWARD

Grantee's Name and Address:

_____

_____

_____

You (the "Grantee") have been granted an option to purchase shares of Common Stock, subject to the terms and conditions of this Notice of Stock Option Award (the "Notice"), the Elevate Credit, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan") and the Stock Option Award Agreement (the "Option Agreement") attached hereto, as follows. Unless otherwise provided herein, the terms in this Notice shall have the same meaning as those defined in the Plan.

Award Number	_____
Date of Award	_____
Vesting Commencement Date	_____
Exercise Price per Share	$ _____
Total Number of Shares Subject to the Option (the "Shares")	_____
Total Exercise Price	$
Type of Option:	_____ Incentive Stock Option _____ Non-Qualified Stock Option
Expiration Date:	_____
Post-Termination Exercise Period:	[Three (3) Months]

Vesting Schedule:

[Subject to the Grantee's Continuous Service and other limitations set forth in this Notice, the Option Agreement and the Plan, the Option may be exercised, in whole or in part, in accordance with the following schedule (the "Vesting Schedule"):

[●]

During any authorized leave of absence, the vesting of the Option as provided in this schedule shall be suspended after the leave of absence exceeds a period of three (3) months. Vesting of the Option shall resume upon the Grantee's termination of the leave of absence and return to service to the Company or a Related Entity. The Vesting Schedule of the Option shall be extended by the length of the suspension.

In the event of the Grantee's change in status from Employee, Director or Consultant to any other status of Employee, Director or Consultant, the Option shall continue to vest in accordance with the Vesting Schedule set forth above.

Vesting shall cease upon the date of termination of the Grantee's Continuous Service for any reason, including death or Disability.

The Award shall be subject to the provisions of Section 11 of the Plan in the event of a Corporate Transaction or Change in Control.

In the event of termination of the Grantee's Continuous Service for Cause, the Grantee's right to exercise the Option shall terminate concurrently with the termination of the Grantee's Continuous Service, except as otherwise determined by the Administrator.]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Option is to be governed by the terms and conditions of this Notice, the Plan, and the Option Agreement.

ELEVATE CREDIT, INC.,
a Delaware corporation
By: _____
Title: _____

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE SHARES SUBJECT TO THE OPTION SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE OR AS OTHERWISE SPECIFICALLY PROVIDED HEREIN (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE OPTION AGREEMENT, OR THE PLAN SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE RIGHT OF THE COMPANY OR RELATED ENTITY TO WHICH THE GRANTEE PROVIDES SERVICES TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

The Grantee acknowledges receipt of a copy of the Plan and the Option Agreement, and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Option subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Plan, and the Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice, and fully understands all provisions of this Notice, the Plan and the Option Agreement.

The Grantee further acknowledges that, from time to time, the Company may be in a "blackout period" and/or subject to applicable federal securities laws that could subject the Grantee to liability for engaging in any transaction involving the sale of the Shares. The Grantee further acknowledges and agrees that, prior to the sale of any Shares acquired under the Option, it is the Grantee's responsibility to

determine whether or not the sale of the Shares will subject the Grantee to liability under insider trading rules or other applicable federal securities laws.

The Company may, in its sole discretion, decide to deliver this Notice, the Agreement, the Plan and the Plan prospectus (collectively, the "Plan Documents") to the Grantee by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby agrees to Company's provision to the Grantee of these documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

The Grantee acknowledges that the Grantee has access to the Company's intranet and has either received electronic or paper copies of the Plan Documents.

The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Option Agreement shall be resolved by the Administrator in accordance with Section 14 of the Option Agreement. The Grantee further agrees to the venue selection and waiver of a jury trial in accordance with Section 15 of the Option Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated in this Notice.

Dated: _____ Signed: _____

Grantee

Award Number: _____

ELEVATE CREDIT, INC. 2016 OMNIBUS INCENTIVE PLAN

STOCK OPTION AWARD AGREEMENT

1. Grant of Option. Elevate Credit, Inc., a Delaware corporation (the "Company"), hereby grants to the Grantee (the "Grantee") named in the Notice of Stock Option Award (the "Notice"), an option (the "Option") to purchase the Total Number of Shares of Common Stock subject to the Option (the "Shares") set forth in the Notice, at the Exercise Price per Share set forth in the Notice (the "Exercise Price") subject to the terms and provisions of the Notice, this Stock Option Award Agreement (the "Option Agreement") and the Company's 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan"), which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Option Agreement.

If designated in the Notice as an Incentive Stock Option, the Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. However, notwithstanding such designation, the Option will qualify as an Incentive Stock Option under the Code only to the extent the $100,000 dollar limitation of Section 422(d) of the Code is not exceeded. The $100,000 limitation of Section 422(d) of the Code is calculated based on the aggregate Fair Market Value of the Shares subject to options designated as Incentive Stock Options which become exercisable for the first time by the Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary of the Company). For purposes of this calculation, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the shares subject to such options shall be determined as of the grant date of the relevant option.

2. Exercise of Option.

(a) Right to Exercise. The Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice and with the applicable provisions of the Plan and this Option Agreement. The Grantee shall be subject to reasonable limitations on the number of requested exercises during any monthly or weekly period as determined by the Administrator. In no event shall the Company issue fractional Shares.

(b) Method of Exercise. The Option shall be exercisable by delivery of an exercise notice (a form of which is attached as Exhibit A) or by such other procedure as specified from time to time by the Administrator which shall state the election to exercise the Option, the whole number of Shares in respect of which the Option is being exercised, and such other provisions as may be required by the Administrator. The exercise notice shall be delivered in person, by certified mail, or by such other method (including electronic transmission) as determined from time to time by the Administrator to the Company accompanied by payment of the Exercise Price and all applicable income and employment taxes required to be withheld. The Option shall be deemed to be exercised upon receipt by the Company of such notice accompanied by the Exercise Price and all applicable withholding taxes, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance procedure to pay the Exercise Price provided in Section 3(d) below to the extent such procedure is available to the Grantee at the time of exercise and such an exercise would not violate any Applicable Law.

(c) Taxes. No Shares will be delivered to the Grantee or other person pursuant to the exercise of the Option until the Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of applicable income tax and employment tax withholding obligations, including, without limitation, such other tax obligations of the Grantee incident to the receipt of Shares. Upon exercise of the Option, the Company or the Grantee's employer may offset or withhold (from any amount owed by the Company or the Grantee's employer to the Grantee) or collect from the Grantee or other person an amount to satisfy such tax withholding obligations. Furthermore, in the event of any determination that the Company and/or a Related Entity has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the Option, the Grantee agrees to pay the Company and/or the Related Entity the amount of such deficiency in cash within five (5) days after receiving a written demand from the Company and/or the Related Entity to do so, whether or not the Grantee is an employee of the Company and/or the Related Entity at that time.

(d) Section 16(b). Notwithstanding any provision of this Option Agreement to the contrary, other than termination of the Grantee's Continuous Service for Cause, if a sale within the applicable time periods set forth in Sections 5, 6 or 7 herein of Shares acquired upon the exercise of the Option would subject the Grantee to suit under Section 16(b) of the Exchange Act, the Option shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which a sale of such Shares by the Grantee would no longer be subject to such suit, (ii) the one hundred and ninetieth (190th) day after the Grantee's termination of Continuous Service, or (iii) the date on which the Option expires.

3. Method of Payment. [Payment of the Exercise Price shall be made by any of the following, or a combination thereof, at the election of the Grantee; provided, however, that such exercise method does not then violate any Applicable Law and, provided further, that the portion of the Exercise Price equal to the par value of the Shares must be paid in cash or other legal consideration permitted by the Delaware General Corporation Law:

(a) cash;

(b) check;

(c) surrender of Shares held for the requisite period, if any, necessary to avoid a charge to the Company's earnings for financial reporting purposes, or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate Exercise Price of the Shares as to which the Option is being exercised;

(d) payment through a "net exercise" such that, without the payment of any funds, the Grantee may exercise the Option and receive the net number of Shares equal to (i) the number of Shares as to which the Option is being exercised, multiplied by (ii) a fraction, the numerator of which is the Fair Market Value per Share (on such date as is determined by the Administrator) less the Exercise Price per Share, and the denominator of which is such Fair Market Value per Share (the number of net Shares to be received shall be rounded down to the nearest whole number of Shares); or

(e) payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (i) shall provide written instructions to a Company-designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to

cover the aggregate exercise price payable for the purchased Shares and (ii) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction].

4. Restrictions on Exercise. The Option may not be exercised if the issuance of the Shares subject to the Option upon such exercise would constitute a violation of any Applicable Laws. In addition, the Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company. If the exercise of the Option within the applicable time periods set forth in Section 5, 6 and 7 of this Option Agreement is prevented by the provisions of this Section 4, the Option shall remain exercisable until one (1) month after the date the Grantee is notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date set forth in the Notice.

5. Termination or Change of Continuous Service. In the event the Grantee's Continuous Service terminates, other than for Cause, the Grantee may, but only during the Post-Termination Exercise Period, exercise the portion of the Option that was vested at the date of such termination (the "Termination Date"). The Post-Termination Exercise Period shall commence on the Termination Date. In the event of termination of the Grantee's Continuous Service for Cause, the Grantee's right to exercise the Option shall, except as otherwise determined by the Administrator, terminate concurrently with the termination of the Grantee's Continuous Service (also the "Termination Date"). In no event, however, shall the Option be exercised later than the Expiration Date set forth in the Notice. With respect to any Incentive Stock Option that shall remain in effect after a change in status from Employee to Director or Consultant, such Incentive Stock Option shall cease to be treated as an Incentive Stock Option and shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following such change in status. Except as provided in Sections 6 and 7 below, to the extent that the Option was unvested on the Termination Date, or if the Grantee does not exercise the vested portion of the Option within the Post-Termination Exercise Period, the Option shall terminate.

6. Disability of Grantee. In the event the Grantee's Continuous Service terminates as a result of his or her Disability, the Grantee may, but only within [twelve (12) months] commencing on the Termination Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date; provided, however, that if such Disability is not a "disability" as such term is defined in Section 22(e)(3) of the Code and the Option is an Incentive Stock Option, such Incentive Stock Option shall cease to be treated as an Incentive Stock Option and shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following the Termination Date. To the extent that the Option was unvested on the Termination Date, or if the Grantee does not exercise the vested portion of the Option within the time specified herein, the Option shall terminate. Section 22 (e)(3) of the Code provides that an individual is permanently and totally disabled if he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

7. Death of Grantee. In the event of the termination of the Grantee's Continuous Service as a result of his or her death, or in the event of the Grantee's death during the Post-Termination Exercise Period or during the [twelve (12) month] period following the Grantee's termination of Continuous Service as a result of his or her Disability, the person who acquired the right to exercise the Option pursuant to Section 8 may exercise the portion of the Option that was vested at the date of termination

within [twelve (12) months] commencing on the date of death (but in no event later than the Expiration Date). To the extent that the Option was unvested on the date of death, or if the vested portion of the Option is not exercised within the time specified herein, the Option shall terminate.

8. Transferability of Option. The Option, if an Incentive Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution and may be exercised during the lifetime of the Grantee only by the Grantee. The Option, if a Non-Qualified Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution, provided, however, that a Non-Qualified Stock Option may be transferred during the lifetime of the Grantee to the extent and in the manner authorized by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Incentive Stock Option or Non-Qualified Stock Option in the event of the Grantee's death on a beneficiary designation form provided by the Administrator. Following the death of the Grantee, the Option, to the extent provided in Section 7, may be exercised (a) by the person or persons designated under the deceased Grantee's beneficiary designation or (b) in the absence of an effectively designated beneficiary, by the Grantee's legal representative or by any person empowered to do so under the deceased Grantee's will or under the then applicable laws of descent and distribution. The terms of the Option shall be binding upon the executors, administrators, heirs, successors and transferees of the Grantee.

9. Term of Option. The Option must be exercised no later than the Expiration Date set forth in the Notice or such earlier date as otherwise provided herein. After the Expiration Date or such earlier date, the Option shall be of no further force or effect and may not be exercised.

10. Tax Consequences. The Grantee may incur tax liability as a result of the Grantee's purchase or disposition of the Shares. THE GRANTEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THE OPTION OR DISPOSING OF THE SHARES.

11. Entire Agreement: Governing Law. The Notice, the Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan and this Option Agreement (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties. The Notice, the Plan and this Option Agreement are to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties. Should any provision of the Notice, the Plan or this Option Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

12. Lock-Up Agreement.

(a) Agreement. The Grantee, if requested by the Company and the lead underwriter of any public offering of the Common Stock (the "Lead Underwriter"), hereby irrevocably agrees not to sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any

short sale of, pledge or otherwise transfer or dispose of any interest in any Common Stock or any securities convertible into or exchangeable or exercisable for or any other rights to purchase or acquire Common Stock (except Common Stock included in the public offering or acquired on the public market after the offering) during the 180-day period following the effective date of a registration statement of the Company filed under the Securities Act of 1933, as amended, or any shorter or longer period of time as the Lead Underwriter will specify. The Grantee further agrees to sign all documents as may be requested by the Lead Underwriter to effect the foregoing and agrees that the Company may impose stop-transfer instructions with respect to the Common Stock subject to the lock-up period until the end of the applicable period. The Company and the Grantee acknowledge that each Lead Underwriter of a public offering of the Company's stock, during the period of the offering and for the lock-up period thereafter, is an intended beneficiary of this Section 12.

(b) No Amendment Without Consent of Underwriter. During the period from identification of a Lead Underwriter in connection with any public offering of the Company's Common Stock until the earlier of (i) the expiration of the lock-up period specified in Section 12(a) in connection with the offering or (ii) the abandonment of the offering by the Company and the Lead Underwriter, the provisions of this Section 12 may not be amended or waived except with the consent of the Lead Underwriter.

13. Construction. The captions used in the Notice and this Option Agreement are inserted for convenience and shall not be deemed a part of the Option for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

14. Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Option Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

15. Venue and Waiver of Jury Trial. The Company, the Grantee, and the Grantee's assignees pursuant to Section 8 (the "parties") agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Option Agreement shall be brought in the United States District Court for Delaware (or should such court lack jurisdiction to hear such action, suit or proceeding, in a Delaware state court) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 15 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

16. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its

address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

17. Language. If the Grantee has received this Option Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control, unless otherwise prescribed by Applicable Law.

18. Nature of Award. In accepting the Award, the Grantee acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Option Agreement;

(b) the Award is voluntary and occasional and does not create any contractual or other right to receive future awards, or benefits in lieu of awards, even if awards have been awarded repeatedly in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) the Grantee's participation in the Plan is voluntary;

(e) the Grantee's participation in the Plan shall not create a right to any employment with the Grantee's employer and shall not interfere with the ability of the Company or the employer to terminate the Grantee's employment relationship, if any, at any time;

(f) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Related Entity;

(g) in the event that the Grantee is not an Employee of the Company or any Related Entity, the Award and the Grantee's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company or any Related Entity;

(h) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(i) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or Shares acquired upon vesting of the Award, resulting from termination of the Grantee's Continuous Service by the Company or any Related Entity (for any reason whatsoever and whether or not in breach of local labor laws) and in consideration of the grant of the Award, the Grantee irrevocably releases the Company and any Related Entity from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing the Notice, the Grantee shall be deemed irrevocably to have waived his or her right to pursue or seek remedy for any such claim or entitlement;

(j) in the event of termination of the Grantee's Continuous Service (whether or not in breach of local labor laws), the Grantee's right to receive Awards under the Plan and to vest in such Awards, if any, will (except as otherwise provided in the Notice or herein) terminate effective as of the date that the Grantee is no longer providing services and will not be extended by any notice period mandated under local law (*e.g.*, providing services would not include a period of "garden leave" or similar period pursuant to local law); furthermore, in the event of termination of the Grantee's Continuous Service (whether or not in breach of local labor laws), the Administrator shall have the exclusive discretion to determine when the Grantee is no longer providing services for purposes of this Award;

(k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's acquisition or sale of the underlying Shares; and

(l) the Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisers regarding the Grantee's participation in the Plan before taking any action related to the Plan.

19. *Data Privacy*.

(a) *The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in the Notice and this Option Agreement by and among, as applicable, the Grantee's employer, the Company and any Related Entity for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.*

(b) *The Grantee understands that the Company and the Grantee's employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Awards or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in the Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").*

(c) The Grantee understands that Data will be transferred to any third party assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the Grantee's country, or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusal or withdrawal of consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's

refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

END OF AGREEMENT

EXHIBIT A

ELEVATE CREDIT, INC. 2016 OMNIBUS INCENTIVE PLAN

EXERCISE NOTICE

[COMPANY
ADDRESS]
Attention: Secretary

1. Exercise of Option. Effective as of today, , the undersigned (the "Grantee") hereby elects to exercise the Grantee's option to purchase shares of the Common Stock (the "Shares") of Elevate Credit, Inc. (the "Company") under and pursuant to the Company's 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan") and the [ ] Incentive [ ] Non-Qualified Stock Option Award Agreement (the "Option Agreement") and Notice of Stock Option Award (the "Notice") dated , . Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Exercise Notice.

2. Representations of the Grantee. The Grantee acknowledges that the Grantee has received, read and understood the Notice, the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

3. Rights as Stockholder. Until the stock certificate evidencing such Shares is issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such stock certificate promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 10 of the Plan.

4. Delivery of Payment. The Grantee herewith delivers to the Company the full Exercise Price for the Shares, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance procedure to pay the Exercise Price provided in Section 3(e) of the Option Agreement.

5. Tax Consultation. The Grantee understands that the Grantee may suffer adverse tax consequences as a result of the Grantee's purchase or disposition of the Shares. The Grantee represents that the Grantee has consulted with any tax consultants the Grantee deems advisable in connection with the purchase or disposition of the Shares and that the Grantee is not relying on the Company for any tax advice.

6. Taxes. The Grantee agrees to satisfy all applicable foreign, federal, state and local income and employment tax withholding obligations and herewith delivers to the Company the full amount of such obligations or has made arrangements acceptable to the Company to satisfy such obligations. In the case of an Incentive Stock Option, the Grantee also agrees, as partial consideration for the designation of the Option as an Incentive Stock Option, to notify the Company in writing within thirty (30) days of any disposition of any shares acquired by exercise of the Option if such disposition occurs

within two (2) years from the Date of Award or within one (1) year from the date the Shares were transferred to the Grantee.

7. Successors and Assigns. The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this agreement shall inure to the benefit of the successors and assigns of the Company. This Exercise Notice shall be binding upon the Grantee and his or her heirs, executors, administrators, successors and assigns.

8. Construction. The captions used in this Exercise Notice are inserted for convenience and shall not be deemed a part of this agreement for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

9. Administration and Interpretation. The Grantee hereby agrees that any question or dispute regarding the administration or interpretation of this Exercise Notice shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

10. Governing Law; Severability. This Exercise Notice is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties. Should any provision of this Exercise Notice be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

11. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown below beneath its signature, or to such other address as such party may designate in writing from time to time to the other party.

12. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this agreement.

13. Entire Agreement. The Notice, the Plan and the Option Agreement are incorporated herein by reference and together with this Exercise Notice constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan, the Option Agreement and this Exercise Notice (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties.

Submitted by:	Accepted by:
GRANTEE:	ELEVATE CREDIT, INC.
	By:
	Title:
(Signature)	
Address:	Address:
	[COMPANY ADDRESS]

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Section 9: EX-10.10 (EXHIBIT 10.10)

Section 16 Grantee

ELEVATE CREDIT, INC.

2016 OMNIBUS INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

Grantee's Name and Address: _____

You (the "Grantee") have been granted an award of Restricted Stock Units (the "Award"), subject to the terms and conditions of this Notice of Restricted Stock Unit Award (the "Notice"), the Elevate Credit, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan"), and the Restricted Stock Unit Agreement (the "Agreement") attached hereto, as follows. Unless otherwise provided herein, the terms in this Notice shall have the same meaning as those defined in the Plan.

Award Number	_____
Date of Award	_____
Vesting Commencement Date	_____
Total Number of Restricted Stock Units Awarded (the "Shares")	_____

Vesting Schedule:

[Subject to the Grantee's Continuous Service and other limitations set forth in this Notice, the Agreement and the Plan, the Units will "vest" in accordance with the following schedule (the "Vesting Schedule"):

[]

In the event of the Grantee's change in status from Employee to Consultant or Director, the determination of whether such change in status results in a termination of Continuous Service will be determined in accordance with Section 409A of the Code.

During any authorized leave of absence, the vesting of the Units as provided in this schedule shall be suspended (to the extent permitted under

Section 409A of the Code) after the leave of absence exceeds a period of three (3) months. Vesting of the Units shall resume upon the Grantee's termination of the leave of absence and return to service to the Company or a Related Entity; provided, however, that if the leave of absence exceeds six (6) months, and a return to service upon expiration of such leave is not guaranteed by statute or contract, then (a) the Grantee's Continuous Service shall be deemed to terminate on the first date following such six-month period and (b) the Grantee will forfeit the Units that are unvested on the date of the Grantee's termination of Continuous Service. An authorized leave of absence shall include sick leave, military leave, or other bona fide leave of absence (such as temporary employment by the government). Notwithstanding the foregoing, with respect to a leave of absence due to any medically determinable physical or mental impairment of the Grantee that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months, where such impairment causes the Grantee to be unable to perform the duties of the Grantee's position of employment

or substantially similar position of employment, a twenty-nine (29) month period of absence shall be substituted for such six (6) month period above. The Vesting Schedule of the Units shall be extended by the length of the suspension.

In the event of the Grantee's change in status from Employee, Director or Consultant to any other status of Employee, Director or Consultant, the Units shall continue to vest in accordance with the Vesting Schedule set forth above.

For purposes of this Notice and the Agreement, the term "vest" shall mean, with respect to any Units, that such Units are no longer subject to forfeiture to the Company. If the Grantee would become vested in a fraction of a Unit, such Unit shall not vest until the Grantee becomes vested in the entire Unit.

Vesting shall cease upon the date of termination of the Grantee's Continuous Service for any reason, including death or Disability. In the event the Grantee's Continuous Service is terminated for any reason, including death or Disability, any unvested Units held by the Grantee immediately following such termination of Continuous Service shall be forfeited and deemed reconveyed to the Company and the Company shall thereafter be the legal and beneficial owner of the unvested Units and shall have all rights and interest in or related thereto without further action by the Grantee.

The Award shall be subject to the provisions of Section 11 of the Plan in the event of a Corporate Transaction or Change in Control.]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Award is to be governed by the terms and conditions of this Notice, the Plan, and the Agreement.

ELEVATE CREDIT, INC.
a Delaware corporation
By: _____
Title: _____
Date: _____

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE UNITS SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE OR AS OTHERWISE SPECIFICALLY PROVIDED HEREIN (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE AGREEMENT, OR THE PLAN SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE RIGHT OF THE COMPANY OR RELATED ENTITY TO WHICH THE GRANTEE PROVIDES SERVICES TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

Grantee Acknowledges and Agrees:

The Grantee acknowledges receipt of a copy of the Plan and the Agreement and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and fully understands all provisions of this Notice, the Agreement and the Plan. The Grantee further agrees and acknowledges that this Award is a non-elective arrangement pursuant to Section 409A of the Code. The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Agreement shall be resolved by the Administrator in accordance with Section 8 of the Agreement. The Grantee further agrees to the venue selection and waiver of a jury trial in accordance with Section 10 of the Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated in this Notice.

The Grantee further acknowledges that, from time to time, the Company may be in a "blackout period" and/or subject to applicable federal securities laws that could subject the Grantee to liability for engaging in any transaction involving the sale of the Shares. The Grantee further acknowledges and agrees that, prior to the sale of any Shares acquired under the Award, it is the Grantee's responsibility to determine whether or not the sale of the Shares will subject the Grantee to liability under insider trading rules or other applicable federal securities laws.

The Company may, in its sole discretion, decide to deliver this Notice, the Agreement, the Plan and the Plan prospectus (collectively, the "Plan Documents") to the Grantee by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby agrees to Company's provision to the Grantee of these documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

The Grantee acknowledges that the Grantee has access to the Company's intranet and has either received electronic or paper copies of the Plan Documents.

Dated: _____

_____
Grantee's Signature

_____
Grantee's Printed Name

_____
Address

_____
City, State & Zip

Award Number: _____

ELEVATE CREDIT, INC.
2016 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

1. Issuance of Units. Elevate Credit, Inc., a Delaware corporation (the "Company"), hereby issues to the Grantee (the "Grantee") named in the Notice of Restricted Stock Unit Award (the "Notice") an award (the "Award") of the Total Number of Restricted Stock Units Awarded set forth in the Notice (the "Units"), subject to the Notice, this Restricted Stock Unit Agreement (the "Agreement") and the terms and provisions of the Elevate Credit, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan"), which is incorporated herein by reference. Unless otherwise provided herein, the terms in this Agreement shall have the same meaning as those defined in the Plan.

2. Transfer Restrictions. The Units may not be transferred in any manner other than by will or by the laws of descent and distribution.

3. Conversion of Units and Issuance of Shares.

(a) General. Subject to Sections 3(b) and 3(c), one share of Common Stock shall be issuable for each Unit subject to the Award (the "Shares") upon vesting. Immediately thereafter, or as soon as administratively feasible, the Company will transfer the appropriate number of Shares to the Grantee after satisfaction of any required tax or other withholding obligations. Any fractional Unit remaining after the Award is fully vested shall be discarded and shall not be converted into a fractional Share. Notwithstanding the foregoing, the relevant number of Shares shall be issued no later than sixty (60) days following vesting. The Company may however, in its sole discretion, make a cash payment in lieu of the issuance of the Shares in an amount equal to the value of one share of Common Stock multiplied by the number of Units subject to the Award.

(b) Delay of Conversion. The conversion of the Units into the Shares under Section 3(a) above, may be delayed in the event the Company reasonably anticipates that the issuance of the Shares would constitute a violation of federal securities laws or other Applicable Law. If the conversion of the Units into the Shares is delayed by the provisions of this Section 3(b), the conversion of the Units into the Shares shall occur at the earliest date at which the Company reasonably anticipates issuing the Shares will not cause a violation of federal securities laws or other Applicable Law. For purposes of this Section 3(b), the issuance of Shares that would cause inclusion in gross income or the application of any penalty provision or other provision of the Code is not considered a violation of Applicable Law.

(c) Delay of Issuance of Shares. The Company shall delay the issuance of any Shares under this Section 3 to the extent necessary to comply with Section 409A(a)(2)(B)(i) of the Code (relating to payments made to certain "specified employees" of certain publicly-traded companies); in such event, any Shares to which the Grantee would otherwise be entitled during the six (6) month period following the date of the Grantee's termination of Continuous Service will be issuable on the first business day following the expiration of such six (6) month period.

4. Right to Shares. The Grantee shall not have any right in, to or with respect to any of the Shares (including any voting rights or rights with respect to dividends paid on the Common Stock) issuable under the Award until the Award is settled by the issuance of such Shares to the Grantee.

5. Taxes.

(a) Tax Liability. The Grantee is ultimately liable and responsible for all taxes owed by the Grantee in connection with the Award, regardless of any action the Company or any Related Entity takes with respect to any tax withholding obligations that arise in connection with the Award. Neither the Company nor any Related Entity makes any representation or undertaking regarding the treatment of any tax withholding in connection with any aspect of the Award, including the grant, vesting, assignment, release or cancellation of the Units, the delivery of Shares, the subsequent sale of any Shares acquired upon vesting and the receipt of any dividends or dividend equivalents. The Company and its Related Entities do not commit and are under no obligation to structure the Award to reduce or eliminate the Grantee's tax liability.

(b) Payment of Withholding Taxes. Prior to any event in connection with the Award (e.g., vesting) that the Company determines may result in any tax withholding obligation, whether United States federal, state, local or non-U.S., including any social insurance, employment tax, payment on account or other tax-related obligation (the "Tax Withholding Obligation"), the Grantee must arrange for the satisfaction of such Tax Withholding Obligation in a manner acceptable to the Company. At any time not less than five (5) business days (or such fewer number of business days as determined by the Administrator) before any Tax Withholding Obligation arises (e.g., a vesting date), the Grantee may elect to satisfy the Grantee's Tax Withholding Obligation by (1) wire transfer to such account as the Company may direct, (2) delivery of a certified check payable to the Company, (3) if permissible under Applicable Law, directing the Company to withhold from those Shares otherwise issuable to the Grantee a whole number of Shares to satisfy the applicable Tax Withholding Obligation or (4) such other means as specified from time to time by the Administrator. With respect to clause (3) of the immediately preceding sentence, the Grantee acknowledges that the withheld Shares may not be sufficient to satisfy the Grantee's Tax Withholding Obligation. Accordingly, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the withholding of Shares described above. If the Grantee does not make such arrangements, the Company may, at its sole election, satisfy the Grantee's Tax Withholding Obligation in accordance with clause (i) below.

(i) *By Sale of Shares*. The Grantee's acceptance of this Award constitutes the Grantee's instruction and authorization to the Company and any brokerage firm determined acceptable to the Company for such purpose to, upon the exercise of Company's sole discretion, sell on the Grantee's behalf a whole number of Shares from those Shares issuable to the Grantee as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the applicable Tax Withholding Obligation. Such Shares will be sold on the day such Tax Withholding Obligation arises (e.g., a vesting date) or as soon thereafter as practicable. The Grantee will be responsible for all broker's fees and other costs of sale, and the Grantee agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. To the extent the proceeds of such sale exceed the Grantee's Tax Withholding Obligation, the Company agrees to pay such excess in cash to the Grantee. The Grantee acknowledges that the Company or its designee is under no obligation to arrange for such

sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the Grantee's Tax Withholding Obligation. Accordingly, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the sale of Shares described above.

(ii) Notwithstanding the foregoing, the Company or a Related Entity also may satisfy any Tax Withholding Obligation by offsetting any amounts (including, but not limited to, salary, bonus and severance payments) payable to the Grantee by the Company and/or a Related Entity. Furthermore, in the event of any determination that the Company and/or a Related Entity has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the Award, the Grantee agrees to pay the Company and/or the Related Entity the amount of such deficiency in cash within five (5) days after receiving a written demand from the Company and/or the Related Entity to do so, whether or not the Grantee is an employee of the Company and/or the Related Entity at that time.

6. Lock-Up Agreement.

(a) Agreement. The Grantee, if requested by the Company and the lead underwriter of any public offering of the Common Stock (the "Lead Underwriter"), hereby irrevocably agrees not to sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale of, pledge or otherwise transfer or dispose of any interest in any Common Stock or any securities convertible into or exchangeable or exercisable for or any other rights to purchase or acquire Common Stock (except Common Stock included in such public offering or acquired on the public market after such offering) during the 180-day period following the effective date of a registration statement of the Company filed under the Securities Act of 1933, as amended, or such shorter or longer period of time as the Lead Underwriter shall specify. The Grantee further agrees to sign such documents as may be requested by the Lead Underwriter to effect the foregoing and agrees that the Company may impose stop-transfer instructions with respect to such Common Stock subject to the lock-up period until the end of such period. The Company and the Grantee acknowledge that each Lead Underwriter of a public offering of the Company's stock, during the period of such offering and for the lock-up period thereafter, is an intended beneficiary of this Section 6.

(b) No Amendment Without Consent of Underwriter. During the period from identification of a Lead Underwriter in connection with any public offering of the Company's Common Stock until the earlier of (i) the expiration of the lock-up period specified in Section 6(a) in connection with such offering or (ii) the abandonment of such offering by the Company and the Lead Underwriter, the provisions of this Section 6 may not be amended or waived except with the consent of the Lead Underwriter.

7. Entire Agreement; Governing Law. The Notice, the Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. These agreements are to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties. Should any provision of the Notice or this Agreement be

determined to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

8. Construction. The captions used in the Notice and this Agreement are inserted for convenience and shall not be deemed a part of the Award for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

9. Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

10. Venue and Waiver of Jury Trial. The parties agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Agreement shall be brought in the United States District Court for Delaware (or should such court lack jurisdiction to hear such action, suit or proceeding, in a Delaware state court) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 10 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

11. Mutual Non-disparagement. The parties agree that neither party will disparage or make negative statements or any unfavorable comments (or induce or encourage others to disparage or make negative statements or unfavorable comments) about the other party, including, without limitation, disparaging the other party in connection with disclosing the facts or circumstances surrounding the termination of the Grantee's Continuous Service or any aspect of the other party's business or personal dealings or reputation in any manner. For purposes of this Agreement, the term "disparage" means any comments or statements that would adversely affect in any manner: (i) the conduct of the business of the Company or any Related Entity; or (ii) the business, personal, or professional reputation or relationships of the Company, any Related Entity or the Grantee.

12. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

13. Language. If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control, unless otherwise prescribed by Applicable Law.

14. Nature of Award. In accepting the Award, the Grantee acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement;

(b) the Award is voluntary and occasional and does not create any contractual or other right to receive future awards, or benefits in lieu of awards, even if awards have been awarded repeatedly in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) the Grantee's participation in the Plan is voluntary;

(e) the Grantee's participation in the Plan shall not create a right to any employment with the Grantee's employer and shall not interfere with the ability of the Company or the employer to terminate the Grantee's employment relationship, if any, at any time;

(f) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Related Entity;

(g) in the event that the Grantee is not an Employee of the Company or any Related Entity, the Award and the Grantee's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company or any Related Entity;

(h) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(i) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or Shares acquired upon vesting of the Award, resulting from termination of the Grantee's Continuous Service by the Company or any Related Entity (for any reason whatsoever and whether or not in breach of local labor laws) and in consideration of the grant of the Award, the Grantee irrevocably releases the Company and any Related Entity from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing the Notice, the Grantee shall be deemed irrevocably to have waived his or her right to pursue or seek remedy for any such claim or entitlement;

(j) in the event of termination of the Grantee's Continuous Service (whether or not in breach of local labor laws), the Grantee's right to receive Awards under the Plan and to vest in such Awards, if any, will (except as otherwise provided in the Notice or herein) terminate effective as of the date that the Grantee is no longer providing services and will not be extended by any notice period mandated under local law (*e.g.*, providing services would not include a period of "garden leave" or similar period pursuant to local law); furthermore, in the event of termination of the Grantee's Continuous

Service (whether or not in breach of local labor laws), the Administrator shall have the exclusive discretion to determine when the Grantee is no longer providing services for purposes of this Award;

(k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's acquisition or sale of the underlying Shares; and

(l) the Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisers regarding the Grantee's participation in the Plan before taking any action related to the Plan.

15. *Data Privacy*.

(a) *The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in the Notice and this Agreement by and among, as applicable, the Grantee's employer, the Company and any Related Entity for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.*

(b) *The Grantee understands that the Company and the Grantee's employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Awards or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in the Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").*

(c) The Grantee understands that Data will be transferred to any third party assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the Grantee's country, or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusal or withdrawal of consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

16. Amendment and Delay to Meet the Requirements of Section 409A. The Grantee acknowledges that the Company, in the exercise of its sole discretion and without the consent of the Grantee, may amend or modify this Agreement in any manner and delay the issuance of any Shares

issuable pursuant to this Agreement to the minimum extent necessary to meet the requirements of Section 409A of the Code as amplified by any Treasury regulations or guidance from the Internal Revenue Service as the Company deems appropriate or advisable. In addition, the Company makes no representation that the Award will comply with Section 409A of the Code and makes no undertaking to prevent Section 409A of the Code from applying to the Award or to mitigate its effects on any deferrals or payments made in respect of the Units. The Grantee is encouraged to consult a tax adviser regarding the potential impact of Section 409A of the Code.

END OF AGREEMENT

Section 10: EX-10.11 (EXHIBIT 10.11)

ELEVATE CREDIT, INC. 2016 OMNIBUS INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK BONUS AWARD

Grantee's Name and Address: _____

_____

_____

You (the "Grantee") have been granted shares of Common Stock of the Company (the "Award"), subject to the terms and conditions of this Notice of Restricted Stock Bonus Award (the "Notice"), the Elevate Credit, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan"), and the Restricted Stock Bonus Award Agreement (the "Agreement") attached hereto, as follows. Unless otherwise provided herein, the terms in this Notice shall have the same meaning as those defined in the Plan.

Award Number	_____
Date of Award	_____
Vesting Commencement Date	_____
Total Number of Shares of Common Stock Awarded (the "Shares")	_____

Vesting Schedule:

[Subject to the Grantee's Continuous Service and other limitations set forth in this Notice, the Agreement and the Plan, the Shares will "vest" in accordance with the following schedule (the "Vesting Schedule"):

[●]

During any authorized leave of absence, the vesting of the Shares as provided in this schedule shall be suspended after the leave of absence exceeds a period of three (3) months. Vesting of the Shares shall resume upon the Grantee's termination of the leave of absence and return to service to the Company or a Related Entity. The Vesting Schedule of the Shares shall be extended by the length of the suspension.

In the event of the Grantee's change in status from Employee, Director or Consultant to any other status of Employee, Director or Consultant, the Shares shall continue to vest in accordance with the Vesting Schedule set forth above.

For purposes of this Notice and the Agreement, the term "vest" shall mean, with respect to any Shares, that such Shares are no longer subject to forfeiture to the Company. Shares that have not vested are deemed "Restricted Shares." If the Grantee would become vested in a fraction of a Restricted Share, such Restricted Share shall not vest until the Grantee becomes vested in the entire Share.

Vesting shall cease upon the date of termination of the Grantee's Continuous Service for any reason, including death or Disability. In the event the

Grantee’s Continuous Service is terminated for any

reason, including death or Disability, any Restricted Shares held by the Grantee immediately following such termination of Continuous Service shall be deemed reconveyed to the Company and the Company shall thereafter be the legal and beneficial owner of the Restricted Shares and shall have all rights and interest in or related thereto without further action by the Grantee. The foregoing forfeiture provisions set forth in this Notice as to Restricted Shares shall apply to the new capital stock or other property (including cash paid other than as a regular cash dividend) received in exchange for the Shares in consummation of any transaction described in Section 11 of the Plan and such stock or property shall be deemed Additional Securities (as defined in the Agreement) for purposes of the Agreement, but only to the extent the Shares are at the time covered by such forfeiture provisions.

The Award shall be subject to the provisions of Section 11 of the Plan in the event of a Corporate Transaction or Change in Control.]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Award is to be governed by the terms and conditions of this Notice, the Plan and the Agreement.

Elevate Credit, Inc.
a Delaware corporation
By: _____
Title: _____

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE SHARES SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE OR AS OTHERWISE SPECIFICALLY PROVIDED HEREIN (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE AGREEMENT, OR THE PLAN SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE RIGHT OF THE COMPANY OR RELATED ENTITY TO WHICH THE GRANTEE PROVIDES SERVICES TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

As a condition to receiving the Shares, the Grantee agrees to refrain from making an election pursuant to Section 83(b) of the Code with respect to the Shares.

The Grantee acknowledges receipt of a copy of the Plan and the Agreement and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the

Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and fully understands all provisions of this Notice, the Agreement and the Plan. The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Agreement shall be resolved by the Administrator in accordance with Section

12 of the Agreement. The Grantee further agrees to the venue selection and waiver of a jury trial in accordance with Section 13 of the Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated in this Notice.

The Grantee further acknowledges that, from time to time, the Company may be in a "blackout period" and/or subject to applicable federal securities laws that could subject the Grantee to liability for engaging in any transaction involving the sale of the Shares. The Grantee further acknowledges and agrees that, prior to the sale of any Shares acquired under the Award, it is the Grantee's responsibility to determine whether or not the sale of the Shares will subject the Grantee to liability under insider trading rules or other applicable federal securities laws.

The Company may, in its sole discretion, decide to deliver this Notice, the Agreement, the Plan and the Plan prospectus (collectively, the "Plan Documents") to the Grantee by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby agrees to Company's provision to the Grantee of these documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

The Grantee acknowledges that the Grantee has access to the Company's intranet and has either received electronic or paper copies of the Plan Documents.

Dated: _____ Signed: _____

Award Number: _____

ELEVATE CREDIT, INC. 2016 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK BONUS AWARD AGREEMENT

1. Issuance of Shares. Elevate Credit, Inc., a Delaware corporation (the "Company"), hereby issues to the Grantee (the "Grantee") named in the Notice of Restricted Stock Bonus Award (the "Notice"), the Total Number of Shares of Common Stock Awarded set forth in the Notice (the "Shares"), subject to the Notice, this Restricted Stock Bonus Award Agreement (the "Agreement") and the terms and provisions of the Company's 2016 Omnibus Incentive Plan (the "Plan"), as amended from time to time, which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Agreement. All Shares issued hereunder will be deemed issued to the Grantee as fully paid and nonassessable shares, and the Grantee will have the right to vote the Shares at meetings of the Company's stockholders. The Company shall pay any applicable stock transfer taxes imposed upon the issuance of the Shares to the Grantee hereunder.

2. Transfer Restrictions. The Shares issued to the Grantee hereunder may not be sold, transferred by gift, pledged, hypothecated, or otherwise transferred or disposed of by the Grantee prior to the date when the Shares become vested pursuant to the Vesting Schedule set forth in the Notice. Any attempt to transfer Restricted Shares in violation of this Section 2 will be null and void and will be disregarded.

3. Escrow of Stock. For purposes of facilitating the enforcement of the provisions of this Agreement, the Grantee agrees, immediately upon receipt of the certificate(s) for the Restricted Shares, to deliver such certificate(s), together with a Stock Assignment in the form attached hereto as Exhibit A, executed in blank by the Grantee with respect to each such stock certificate, to the Secretary or Assistant Secretary of the Company, or their designee, to hold in escrow for so long as such Restricted Shares have not vested pursuant to the Vesting Schedule set forth in the Notice, with the authority to take all such actions and to effectuate all such transfers and/or releases as may be necessary or appropriate to accomplish the objectives of this Agreement in accordance with the terms hereof. The Grantee hereby acknowledges that the appointment of the Secretary or Assistant Secretary of the Company (or their designee) as the escrow holder hereunder with the stated authorities is a material inducement to the Company to make this Agreement and that such appointment is coupled with an interest and is accordingly irrevocable. The Grantee agrees that the Restricted Shares may be held electronically in a book entry system maintained by the Company's transfer agent or other third party and that all the terms and conditions of this Section 3 applicable to certificated Restricted Shares will apply with the same force and effect to such electronic method for holding the Restricted Shares. The Grantee agrees that such escrow holder shall not be liable to any party hereto (or to any other party) for any actions or omissions unless such escrow holder is grossly negligent relative thereto. The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Upon the vesting of Restricted Shares, the escrow holder will, without further order or instruction, transmit to the Grantee the certificate evidencing such Shares; *provided, however*, that no transmittal of certificates evidencing the Shares will occur unless and until the Grantee has satisfied all Tax Withholding Obligations (as defined in Section 5(c) below).

4. Additional Securities and Distributions.

(a) Any securities or cash received (other than a regular cash dividend) as the result of ownership of the Restricted Shares (the "Additional Securities"), including, but not by way of limitation, warrants, options and securities received as a stock dividend or stock split, or as a result of a recapitalization or reorganization or other similar change in the Company's capital structure, shall be retained in escrow in the same manner and subject to the same conditions and restrictions as the Restricted Shares with respect to which they were issued, including, without limitation, the Vesting Schedule set forth in the Notice. The Grantee shall be entitled to direct the Company to exercise any warrant or option received as Additional Securities upon supplying the funds necessary to do so, in which event the securities so purchased shall constitute Additional Securities, but the Grantee may not direct the Company to sell any such warrant or option. If Additional Securities consist of a convertible security, the Grantee may exercise any conversion right, and any securities so acquired shall constitute Additional Securities. In the event of any change in certificates evidencing the Shares or the Additional Securities by reason of any recapitalization, reorganization or other transaction that results in the creation of Additional Securities, the escrow holder is authorized to deliver to the issuer the certificates evidencing the Shares or the Additional Securities in exchange for the certificates of the replacement securities.

(b) The Company shall disburse to the Grantee all regular cash dividends with respect to the Shares and Additional Securities (whether vested or not), less any applicable withholding obligations.

5. Taxes.

(a) No Section 83(b) Election. As a condition to receiving the Shares, the Grantee agrees to refrain from making an election pursuant to Section 83(b) of the Code with respect to the Shares.

(b) Tax Liability. The Grantee is ultimately liable and responsible for all taxes owed by the Grantee in connection with the Award, regardless of any action the Company or any Related Entity takes with respect to any tax withholding obligations that arise in connection with the Award. Neither the Company nor any Related Entity makes any representation or undertaking regarding the treatment of any tax withholding in connection with the grant or vesting of the Award or the subsequent sale of Shares subject to the Award. The Company and its Related Entities do not commit and are under no obligation to structure the Award to reduce or eliminate the Grantee's tax liability.

(c) Payment of Withholding Taxes. Prior to any event in connection with the Award (e.g., vesting) that the Company determines may result in any tax withholding obligation, whether United States federal, state, local or non-U.S., including any social insurance, employment tax, payment on account or other tax-related obligation (the "Tax Withholding Obligation"), the Grantee must arrange for the satisfaction of the amount of such Tax Withholding Obligation in a manner acceptable to the Company. At any time not less than five (5) business days (or such fewer number of business days as determined by the Administrator) before any Tax Withholding Obligation arises (e.g., a vesting date), the Grantee may elect to satisfy the Grantee's Tax Withholding Obligation by (i) wire transfer to such account as the Company may direct, (ii) delivery of a certified check payable to the Company, (iii) if permissible under Applicable Law, directing the Company to withhold from those Shares otherwise issuable to the Grantee a whole number of Shares to satisfy the applicable Tax Withholding Obligation or (iv) such other

means as specified from time to time by the Administrator. With respect to clause (iii) of the immediately preceding sentence, the Grantee acknowledges that the withheld Shares may not be sufficient to satisfy the Grantee's Tax Withholding Obligation. Accordingly, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the withholding of Shares described above. If the Grantee does not make such arrangements, the Company may, at its sole election, satisfy the Grantee's Tax Withholding Obligation in accordance with clause (i) below.

(i) *By Sale of Shares*. The Grantee's acceptance of this Award constitutes the Grantee's instruction and authorization to the Company and any brokerage firm determined acceptable to the Company for such purpose to, upon the exercise of Company's sole discretion, sell on the Grantee's behalf a whole number of Shares from those Shares issuable to the Grantee as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the applicable Tax Withholding Obligation. Such Shares will be sold on the day such Tax Withholding Obligation arises (e.g., a vesting date) or as soon thereafter as practicable. The Grantee will be responsible for all broker's fees and other costs of sale, and the Grantee agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. To the extent the proceeds of such sale exceed the Grantee's Tax Withholding Obligation, the Company agrees to pay such excess in cash to the Grantee. The Grantee acknowledges that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the Grantee's Tax Withholding Obligation. Accordingly, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the sale of Shares described above.

(ii) Notwithstanding the foregoing, the Company or a Related Entity also may satisfy any Tax Withholding Obligation by offsetting any amounts (including, but not limited to, salary, bonus and severance payments) payable to the Grantee by the Company and/or a Related Entity. Furthermore, in the event of any determination that the Company and/or a Related Entity has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the Award, the Grantee agrees to pay the Company and/or the Related Entity the amount of such deficiency in cash within five (5) days after receiving a written demand from the Company and/or the Related Entity to do so, whether or not the Grantee is an employee of the Company and/or the Related Entity at that time.

6. Stop-Transfer Notices. In order to ensure compliance with the restrictions on transfer set forth in this Agreement, the Notice or the Plan, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records. The Company may issue a "stop transfer" instruction if the Grantee fails to satisfy any Tax Withholding Obligations.

7. Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

8. Restrictive Legends. The Grantee understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s)

evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED BY THE TERMS OF THAT CERTAIN RESTRICTED STOCK BONUS AWARD AGREEMENT BETWEEN THE COMPANY AND THE NAMED STOCKHOLDER. THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH SUCH AGREEMENT, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

9. Lock-Up Agreement.

(a) Agreement. The Grantee, if requested by the Company and the lead underwriter of any public offering of the Common Stock (the "Lead Underwriter"), hereby irrevocably agrees not to sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale of, pledge or otherwise transfer or dispose of any interest in any Common Stock or any securities convertible into or exchangeable or exercisable for or any other rights to purchase or acquire Common Stock (except Common Stock included in the public offering or acquired on the public market after the offering) during the 180-day period following the effective date of a registration statement of the Company filed under the Securities Act of 1933, as amended, or any shorter or longer period of time as the Lead Underwriter will specify. The Grantee further agrees to sign all documents as may be requested by the Lead Underwriter to effect the foregoing and agrees that the Company may impose stop-transfer instructions with respect to the Common Stock subject to the lock-up period until the end of the period. The Company and the Grantee acknowledge that each Lead Underwriter of a public offering of the Company's stock, during the period of the offering and for the lock-up period thereafter, is an intended beneficiary of this Section 9.

(b) No Amendment Without Consent of Underwriter. During the period from identification of a Lead Underwriter in connection with any public offering of the Company's Common Stock until the earlier of (i) the expiration of the lock-up period specified in Section 9(a) in connection with the offering or (ii) the abandonment of the offering by the Company and the Lead Underwriter, the provisions of this Section 9 may not be amended or waived except with the consent of the Lead Underwriter.

10. Entire Agreement: Governing Law. The Notice, the Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. These agreements are to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties. Should any provision of the Notice or this Agreement be determined to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

11. Construction. The captions used in the Notice and this Agreement are inserted for convenience and shall not be deemed a part of the Award for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the

singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

12. Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

13. Venue and Waiver of Jury Trial. The parties agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Agreement shall be brought in the United States District Court for Delaware (or should such court lack jurisdiction to hear such action, suit or proceeding, in a Delaware state court) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 13 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

14. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

15. Language. If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control, unless otherwise prescribed by Applicable Law.

16. Nature of Award. In accepting the Award, the Grantee acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement;

(b) the Award is voluntary and occasional and does not create any contractual or other right to receive future awards, or benefits in lieu of awards, even if awards have been awarded repeatedly in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) the Grantee's participation in the Plan is voluntary;

(e) the Grantee's participation in the Plan shall not create a right to any employment with the Grantee's employer and shall not interfere with the ability of the Company or the employer to terminate the Grantee's employment relationship, if any, at any time;

(f) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Related Entity;

(g) in the event that the Grantee is not an Employee of the Company or any Related Entity, the Award and the Grantee's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company or any Related Entity;

(h) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(i) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or Shares acquired upon vesting of the Award, resulting from termination of the Grantee's Continuous Service by the Company or any Related Entity (for any reason whatsoever and whether or not in breach of local labor laws) and in consideration of the grant of the Award, the Grantee irrevocably releases the Company and any Related Entity from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing the Notice, the Grantee shall be deemed irrevocably to have waived his or her right to pursue or seek remedy for any such claim or entitlement;

(j) in the event of termination of the Grantee's Continuous Service (whether or not in breach of local labor laws), the Grantee's right to receive Awards under the Plan and to vest in such Awards, if any, will (except as otherwise provided in the Notice or herein) terminate effective as of the date that the Grantee is no longer providing services and will not be extended by any notice period mandated under local law (*e.g.*, providing services would not include a period of "garden leave" or similar period pursuant to local law); furthermore, in the event of termination of the Grantee's Continuous Service (whether or not in breach of local labor laws), the Administrator shall have the exclusive discretion to determine when the Grantee is no longer providing services for purposes of this Award;

(k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's acquisition or sale of the underlying Shares; and

(l) the Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisers regarding the Grantee's participation in the Plan before taking any action related to the Plan.

17. *Data Privacy*.

(a) *The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in the Notice and this Agreement by and among, as applicable, the Grantee's employer, the Company and any Related Entity for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.*

(b) *The Grantee understands that the Company and the Grantee's employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Awards or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in the Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").*

(c) The Grantee understands that Data will be transferred to any third party assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the Grantee's country, or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusal or withdrawal of consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

END OF AGREEMENT

EXHIBIT A

STOCK ASSIGNMENT

FOR VALUE RECEIVED, hereby sells, assigns and transfers unto , ( ) shares of the Common Stock of Elevate Credit, Inc., a Delaware corporation (the "Company"), standing in his/her name on the books of the Company [represented by Certificate No. herewith] and does hereby irrevocably constitute and appoint the Secretary of the Company attorney to transfer the said stock in the books of the Company with full power of substitution.

DATED:

_____

[Please sign this document but do not date it. The date and information of the transferee will be completed if and when the shares are assigned.]

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Section 11: EX-10.12 (EXHIBIT 10.12)

ELEVATE CREDIT, INC. 2016 OMNIBUS INCENTIVE PLAN

NOTICE OF STOCK OPTION AWARD

Grantee's Name and Address: [1]

_____

_____

_____

You (the "Grantee") have been granted an option to purchase shares of Common Stock, subject to the terms and conditions of this Notice of Stock Option Award (the "Notice"), the Elevate Credit, Inc. 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan") and the Stock Option Award Agreement (the "Option Agreement") attached hereto, as follows. Unless otherwise provided herein, the terms in this Notice shall have the same meaning as those defined in the Plan.

Award Number	_____
Date of Award	_____
Vesting Commencement Date	_____
Exercise Price per Share	$ _____
Total Number of Shares Subject to the Option (the "Shares")	_____
Total Exercise Price	$
Type of Option:	_____ Incentive Stock Option _____ Non-Qualified Stock Option
Expiration Date:	_____
Post-Termination Exercise Period:	**Three (3) Months**

Vesting Schedule:

[Subject to the Grantee's Continuous Service and other limitations set forth in this Notice, the Option Agreement and the Plan, the Option may be exercised, in whole or in part, in accordance with the following schedule (the "Vesting Schedule"):

[●]

During any authorized leave of absence, the vesting of the Option as provided in this schedule shall be suspended after the leave of absence exceeds a period of three (3) months. Vesting of the Option shall resume upon the Grantee's termination of the leave of absence and return to service to the

Company or a Related Entity. The Vesting Schedule of the Option shall be extended by the length of the suspension.

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[1]Insert name and address of Grantee. Make sure to complete any necessary blue sky compliance in the states in which the Grantees reside.

In the event of the Grantee's change in status from Employee, Director or Consultant to any other status of Employee, Director or Consultant, the Option shall continue to vest in accordance with the Vesting Schedule set forth above.

Vesting shall cease upon the date of termination of the Grantee's Continuous Service for any reason, including death or Disability.

The Award shall be subject to the provisions of Section 11 of the Plan in the event of a Corporate Transaction or Change in Control.

In the event of termination of the Grantee's Continuous Service for Cause, the Grantee's right to exercise the Option shall terminate concurrently with the termination of the Grantee's Continuous Service, except as otherwise determined by the Administrator.]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Option is to be governed by the terms and conditions of this Notice, the Plan, and the Option Agreement.

Elevate Credit, Inc.
a Delaware corporation
By: _____
Title: _____

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE SHARES SUBJECT TO THE OPTION SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE OR AS OTHERWISE SPECIFICALLY PROVIDED HEREIN (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE OPTION AGREEMENT, OR THE PLAN SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE RIGHT OF THE COMPANY OR RELATED ENTITY TO WHICH THE GRANTEE PROVIDES SERVICES TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

The Grantee acknowledges receipt of a copy of the Plan and the Option Agreement, and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Option subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Plan, and the Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice, and fully understands all provisions of this Notice, the Plan and the Option Agreement.

The Grantee further acknowledges that, from time to time, the Company may be in a "blackout period" and/or subject to applicable federal securities laws that could subject the Grantee to liability for engaging in any transaction involving the sale of the Shares. The Grantee further acknowledges and agrees that, prior to the sale of any Shares acquired under the Option, it is the Grantee's responsibility to determine whether or not the sale of the Shares will subject the Grantee to liability under insider trading rules or other applicable federal securities laws.

The Company may, in its sole discretion, decide to deliver this Notice, the Agreement, the Plan and the Plan prospectus (collectively, the "Plan Documents") to the Grantee by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby agrees to Company's provision to the Grantee of these documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

The Grantee acknowledges that the Grantee has access to the Company's intranet and has either received electronic or paper copies of the Plan Documents.

The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Option Agreement shall be resolved by the Administrator in accordance with Section 14 of the Option Agreement. The Grantee further agrees to the venue selection and waiver of a jury trial in accordance with Section 15 of the Option Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated in this Notice.

Dated: _____ Signed: _____

Grantee

Award Number: _____

ELEVATE CREDIT, INC. 2016 OMNIBUS **INCENTIVE** PLAN

STOCK OPTION AWARD AGREEMENT

1. Grant of Option. Elevate Credit, Inc., a Delaware corporation (the "Company"), hereby grants to the Grantee (the "Grantee") named in the Notice of Stock Option Award (the "Notice"), an option (the "Option") to purchase the Total Number of Shares of Common Stock subject to the Option (the "Shares") set forth in the Notice, at the Exercise Price per Share set forth in the Notice (the "Exercise Price") subject to the terms and provisions of the Notice, this Stock Option Award Agreement (the "Option Agreement") and the Company's 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan"), which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Option Agreement.

If designated in the Notice as an Incentive Stock Option, the Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. However, notwithstanding such designation, the Option will qualify as an Incentive Stock Option under the Code only to the extent the $100,000 dollar limitation of Section 422(d) of the Code is not exceeded. The $100,000 limitation of Section 422(d) of the Code is calculated based on the aggregate Fair Market Value of the Shares subject to options designated as Incentive Stock Options which become exercisable for the first time by the Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary of the Company). For purposes of this calculation, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the shares subject to such options shall be determined as of the grant date of the relevant option.

2. Exercise of Option.

(a) Right to Exercise. The Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice and with the applicable provisions of the Plan and this Option Agreement. The Grantee shall be subject to reasonable limitations on the number of requested exercises during any monthly or weekly period as determined by the Administrator. In no event shall the Company issue fractional Shares.

(b) Method of Exercise. The Option shall be exercisable by delivery of an exercise notice (a form of which is attached as Exhibit A) or by such other procedure as specified from time to time by the Administrator which shall state the election to exercise the Option, the whole number of Shares in respect of which the Option is being exercised, and such other provisions as may be required by the Administrator. The exercise notice shall be delivered in person, by certified mail, or by such other method (including electronic transmission) as determined from time to time by the Administrator to the Company accompanied by payment of

the Exercise Price and all applicable income and employment taxes required to be withheld. The Option shall be deemed to be exercised upon receipt by the Company of such notice accompanied by the Exercise Price and all applicable withholding taxes, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance procedure to pay the Exercise Price provided in Section 3(d) below to the extent such procedure is available to the Grantee at the time of exercise and such an exercise would not violate any Applicable Law.

(c) Taxes. No Shares will be delivered to the Grantee or other person pursuant to the exercise of the Option until the Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of applicable income tax and employment tax withholding obligations, including, without limitation, such other tax obligations of the Grantee incident to the receipt of Shares (the "Tax Withholding Obligation"). Notwithstanding the foregoing, at any time not less than five (5) business days (or such fewer number of business days as determined by the Administrator) before any Tax Withholding Obligation arises (e.g., an exercise date), the Grantee may elect to satisfy the Grantee's Tax Withholding Obligation by, if permissible under Applicable Law, directing the Company to withhold from those Shares otherwise issuable to the Grantee a whole number of Shares to satisfy the applicable Tax Withholding Obligation. The Grantee acknowledges that the withheld Shares may not be sufficient to satisfy the Grantee's Tax Withholding Obligation. Accordingly, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the withholding of Shares described above. Upon exercise of the Option, the Company or the Grantee's employer may offset or withhold (from any amount owed by the Company or the Grantee's employer to the Grantee) or collect from the Grantee or other person an amount sufficient to satisfy the Tax Withholding Obligation. Furthermore, in the event of any determination that the Company and/or a Related Entity has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the Option, the Grantee agrees to pay the Company and/or the Related Entity the amount of such deficiency in cash within five (5) days after receiving a written demand from the Company and/or the Related Entity to do so, whether or not the Grantee is an employee of the Company and/or the Related Entity at that time.

(d) Section 16(b). Notwithstanding any provision of this Option Agreement to the contrary, other than termination of the Grantee's Continuous Service for Cause, if a sale within the applicable time periods set forth in Sections 5, 6 or 7 herein of Shares acquired upon the exercise of the Option would subject the Grantee to suit under Section 16(b) of the Exchange Act, the Option shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which a sale of such Shares by the Grantee would no longer be subject to such suit, (ii) the one hundred and ninetieth (190th) day after the Grantee's termination of Continuous Service, or (iii) the date on which the Option expires.

3. Method of Payment. [Payment of the Exercise Price shall be made by any of the following, or a combination thereof, at the election of the Grantee; provided, however, that such

exercise method does not then violate any Applicable Law and, provided further, that the portion of the Exercise Price equal to the par value of the Shares must be paid in cash or other legal consideration permitted by the Delaware General Corporation Law:

(a) cash;

(b) check;

(c) surrender of Shares held for the requisite period, if any, necessary to avoid a charge to the Company's earnings for financial reporting purposes, or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate Exercise Price of the Shares as to which the Option is being exercised;

(d) payment through a "net exercise" such that, without the payment of any funds, the Grantee may exercise the Option and receive the net number of Shares equal to (i) the number of Shares as to which the Option is being exercised, multiplied by (ii) a fraction, the numerator of which is the Fair Market Value per Share (on such date as is determined by the Administrator) less the Exercise Price per Share, and the denominator of which is such Fair Market Value per Share (the number of net Shares to be received shall be rounded down to the nearest whole number of Shares); or

(e) payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (i) shall provide written instructions to a Company-designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (ii) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction.]

4. Restrictions on Exercise. The Option may not be exercised if the issuance of the Shares subject to the Option upon such exercise would constitute a violation of any Applicable Laws. In addition, the Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company. If the exercise of the Option within the applicable time periods set forth in Section 5, 6 and 7 of this Option Agreement is prevented by the provisions of this Section 4, the Option shall remain exercisable until one (1) month after the date the Grantee is notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date set forth in the Notice.

5. Termination or Change of Continuous Service. In the event the Grantee's Continuous Service terminates, other than for Cause, the Grantee may, but only during the Post-Termination Exercise Period, exercise the portion of the Option that was vested at the date of such termination (the "Termination Date"). The Post-Termination Exercise Period shall commence on the Termination Date. In the event of termination of the Grantee's Continuous Service for Cause, the Grantee's right to exercise the Option shall, except as otherwise

determined by the Administrator, terminate concurrently with the termination of the Grantee's Continuous Service (also the "Termination Date"). In no event, however, shall the Option be exercised later than the Expiration Date set forth in the Notice. With respect to any Incentive Stock Option that shall remain in effect after a change in status from Employee to Director or Consultant, such Incentive Stock Option shall cease to be treated as an Incentive Stock Option and shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following such change in status. Except as provided in Sections 6 and 7 below, to the extent that the Option was unvested on the Termination Date, or if the Grantee does not exercise the vested portion of the Option within the Post-Termination Exercise Period, the Option shall terminate.

6. Disability of Grantee. In the event the Grantee's Continuous Service terminates as a result of his or her Disability, the Grantee may, but only within [twelve (12) months] commencing on the Termination Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date; provided, however, that if such Disability is not a "disability" as such term is defined in Section 22(e)(3) of the Code and the Option is an Incentive Stock Option, such Incentive Stock Option shall cease to be treated as an Incentive Stock Option and shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following the Termination Date. To the extent that the Option was unvested on the Termination Date, or if the Grantee does not exercise the vested portion of the Option within the time specified herein, the Option shall terminate. Section 22(e)(3) of the Code provides that an individual is permanently and totally disabled if he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

7. Death of Grantee. In the event of the termination of the Grantee's Continuous Service as a result of his or her death, or in the event of the Grantee's death during the Post-Termination Exercise Period or during the [twelve (12) month] period following the Grantee's termination of Continuous Service as a result of his or her Disability, the person who acquired the right to exercise the Option pursuant to Section 8 may exercise the portion of the Option that was vested at the date of termination within [twelve (12) months] commencing on the date of death (but in no event later than the Expiration Date). To the extent that the Option was unvested on the date of death, or if the vested portion of the Option is not exercised within the time specified herein, the Option shall terminate.

8. Transferability of Option. The Option, if an Incentive Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution and may be exercised during the lifetime of the Grantee only by the Grantee. The Option, if a Non-Qualified Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution, provided, however, that a Non-Qualified Stock Option may be transferred during the lifetime of the Grantee to the extent and in the manner authorized by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more

beneficiaries of the Grantee's Incentive Stock Option or Non-Qualified Stock Option in the event of the Grantee's death on a beneficiary designation form provided by the Administrator. Following the death of the Grantee, the Option, to the extent provided in Section 7, may be exercised (a) by the person or persons designated under the deceased Grantee's beneficiary designation or (b) in the absence of an effectively designated beneficiary, by the Grantee's legal representative or by any person empowered to do so under the deceased Grantee's will or under the then applicable laws of descent and distribution. The terms of the Option shall be binding upon the executors, administrators, heirs, successors and transferees of the Grantee.

9. Term of Option. The Option must be exercised no later than the Expiration Date set forth in the Notice or such earlier date as otherwise provided herein. After the Expiration Date or such earlier date, the Option shall be of no further force or effect and may not be exercised.

10. Tax Consequences. The Grantee may incur tax liability as a result of the Grantee's purchase or disposition of the Shares. THE GRANTEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THE OPTION OR DISPOSING OF THE SHARES.

11. Entire Agreement: Governing Law. The Notice, the Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan and this Option Agreement (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties. The Notice, the Plan and this Option Agreement are to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties. Should any provision of the Notice, the Plan or this Option Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

12. Lock-Up Agreement.

(a) Agreement. The Grantee, if requested by the Company and the lead underwriter of any public offering of the Common Stock (the "Lead Underwriter"), hereby irrevocably agrees not to sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale of, pledge or otherwise transfer or dispose of any interest in any Common Stock or any securities convertible into or exchangeable or exercisable for or any other rights to purchase or acquire Common Stock (except Common Stock included in the public offering or acquired on the public market after the offering) during the 180-day period following the effective date of a registration statement of the Company filed under the Securities

Act of 1933, as amended, or any shorter or longer period of time as the Lead Underwriter will specify. The Grantee further agrees to sign all documents as may be requested by the Lead Underwriter to effect the foregoing and agrees that the Company may impose stop-transfer instructions with respect to the Common Stock subject to the lock-up period until the end of the applicable period. The Company and the Grantee acknowledge that each Lead Underwriter of a public offering of the Company's stock, during the period of the offering and for the lock-up period thereafter, is an intended beneficiary of this Section 12.

(b) No Amendment Without Consent of Underwriter. During the period from identification of a Lead Underwriter in connection with any public offering of the Company's Common Stock until the earlier of (i) the expiration of the lock-up period specified in Section 12(a) in connection with the offering or (ii) the abandonment of the offering by the Company and the Lead Underwriter, the provisions of this Section 12 may not be amended or waived except with the consent of the Lead Underwriter.

13. Construction. The captions used in the Notice and this Option Agreement are inserted for convenience and shall not be deemed a part of the Option for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

14. Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Option Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

15. Venue and Waiver of Jury Trial. The Company, the Grantee, and the Grantee's assignees pursuant to Section 8 (the "parties") agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Option Agreement shall be brought in the United States District Court for Delaware (or should such court lack jurisdiction to hear such action, suit or proceeding, in a Delaware state court) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 15 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

16. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid,

addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

17. Language. If the Grantee has received this Option Agreement or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control, unless otherwise prescribed by Applicable Law.

18. Nature of Award. In accepting the Award, the Grantee acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Option Agreement;

(b) the Award is voluntary and occasional and does not create any contractual or other right to receive future awards, or benefits in lieu of awards, even if awards have been awarded repeatedly in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) the Grantee's participation in the Plan is voluntary;

(e) the Grantee's participation in the Plan shall not create a right to any employment with the Grantee's employer and shall not interfere with the ability of the Company or the employer to terminate the Grantee's employment relationship, if any, at any time;

(f) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Related Entity;

(g) in the event that the Grantee is not an Employee of the Company or any Related Entity, the Award and the Grantee's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company or any Related Entity;

(h) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(i) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award or Shares acquired upon vesting of the Award, resulting from termination of the Grantee's Continuous Service by the Company or any Related Entity (for any reason whatsoever and whether or not in breach of local labor laws) and in consideration of the grant of the Award, the Grantee

irrevocably releases the Company and any Related Entity from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing the Notice, the Grantee shall be deemed irrevocably to have waived his or her right to pursue or seek remedy for any such claim or entitlement;

(j) in the event of termination of the Grantee's Continuous Service (whether or not in breach of local labor laws), the Grantee's right to receive Awards under the Plan and to vest in such Awards, if any, will (except as otherwise provided in the Notice or herein) terminate effective as of the date that the Grantee is no longer providing services and will not be extended by any notice period mandated under local law (*e.g.*, providing services would not include a period of "garden leave" or similar period pursuant to local law); furthermore, in the event of termination of the Grantee's Continuous Service (whether or not in breach of local labor laws), the Administrator shall have the exclusive discretion to determine when the Grantee is no longer providing services for purposes of this Award;

(k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's acquisition or sale of the underlying Shares; and

(l) the Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisers regarding the Grantee's participation in the Plan before taking any action related to the Plan.

19. Data Privacy.

(a) *The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in the Notice and this Option Agreement by and among, as applicable, the Grantee's employer, the Company and any Related Entity for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.*

(b) *The Grantee understands that the Company and the Grantee's employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Awards or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in the Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").*

(c) The Grantee understands that Data will be transferred to any third party assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the Grantee's country, or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the

Grantee's local human resources representative. The Grantee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusal or withdrawal of consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

END OF AGREEMENT

EXHIBIT A

ELEVATE CREDIT, INC. 2016 OMNIBUS INCENTIVE PLAN

EXERCISE NOTICE

[COMPANY
ADDRESS]
Attention: Secretary

1. Exercise of Option. Effective as of today, , the undersigned (the "Grantee") hereby elects to exercise the Grantee's option to purchase shares of the Common Stock (the "Shares") of Elevate Credit, Inc. (the "Company") under and pursuant to the Company's 2016 Omnibus Incentive Plan, as amended from time to time (the "Plan") and the [ ] Incentive [ ] Non-Qualified Stock Option Award Agreement (the "Option Agreement") and Notice of Stock Option Award (the "Notice") dated , . Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Exercise Notice.

2. Representations of the Grantee. The Grantee acknowledges that the Grantee has received, read and understood the Notice, the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

3. Rights as Stockholder. Until the stock certificate evidencing such Shares is issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such stock certificate promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 10 of the Plan.

4. Delivery of Payment. The Grantee herewith delivers to the Company the full Exercise Price for the Shares, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance procedure to pay the Exercise Price provided in Section 3(e) of the Option Agreement.

5. Tax Consultation. The Grantee understands that the Grantee may suffer adverse tax consequences as a result of the Grantee's purchase or disposition of the Shares. The Grantee represents that the Grantee has consulted with any tax consultants the Grantee deems advisable in connection with the purchase or disposition of the Shares and that the Grantee is not relying on the Company for any tax advice.

6. Taxes. The Grantee agrees to satisfy all applicable foreign, federal, state and local income and employment tax withholding obligations and herewith delivers to the Company the full amount of such obligations or has made arrangements acceptable to the Company to satisfy

such obligations. In the case of an Incentive Stock Option, the Grantee also agrees, as partial consideration for the designation of the Option as an Incentive Stock Option, to notify the Company in writing within thirty (30) days of any disposition of any shares acquired by exercise of the Option if such disposition occurs within two (2) years from the Date of Award or within one (1) year from the date the Shares were transferred to the Grantee.

7. Successors and Assigns. The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this agreement shall inure to the benefit of the successors and assigns of the Company. This Exercise Notice shall be binding upon the Grantee and his or her heirs, executors, administrators, successors and assigns.

8. Construction. The captions used in this Exercise Notice are inserted for convenience and shall not be deemed a part of this agreement for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

9. Administration and Interpretation. The Grantee hereby agrees that any question or dispute regarding the administration or interpretation of this Exercise Notice shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

10. Governing Law; Severability. This Exercise Notice is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties. Should any provision of this Exercise Notice be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

11. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown below beneath its signature, or to such other address as such party may designate in writing from time to time to the other party.

12. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this agreement.

13. Entire Agreement. The Notice, the Plan and the Option Agreement are incorporated herein by reference and together with this Exercise Notice constitute the entire

agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan, the Option Agreement and this Exercise Notice (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties.

Submitted by:	Accepted by:
GRANTEE:	ELEVATE CREDIT, INC.
	By: _____
	Title: _____
_____	
(Signature)	
Address:	Address:
	[COMPANY ADDRESS]
_____	
_____	

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Section 12: EX-31.1 (EXHIBIT 31.1)

Exhibit 31.1

CERTIFICATION

I, Jason Harvison, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Elevate Credit, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15 (f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2019 By: /s/ Jason Harvison

Jason Harvison

Interim Chief Executive Officer
(Principal Executive Officer)

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Section 13: EX-31.2 (EXHIBIT 31.2)

Exhibit 31.2

CERTIFICATION

I, Christopher Lutes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Elevate Credit, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15 (f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2019 By: /s/ Christopher Lutes

Christopher Lutes

Chief Financial Officer
(Principal Financial Officer)

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Section 14: EX-32.1 (EXHIBIT 32.1)

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Jason Harvison, Interim Chief Executive Officer of Elevate Credit, Inc. (the "Company"), hereby certify, that, to my knowledge:

i. The Company's Quarterly Report on Form 10-Q for the period ending June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

ii. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2019 By: /s/ Jason Harvison

Jason Harvison
Interim Chief Executive Officer
(Principal Executive Officer)

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Section 15: EX-32.2 (EXHIBIT 32.2)

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Christopher Lutes, Chief Financial Officer of Elevate Credit, Inc. (the "Company"), hereby certify, that, to my knowledge:

i. The Company's Quarterly Report on Form 10-Q for the period ending June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

ii. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2019 By: /s/ Christopher Lutes

Christopher Lutes
Chief Financial Officer
(Principal Financial Officer)

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