

FT PARTNERS FINTECH INDUSTRY RESEARCH

July 20, 2018



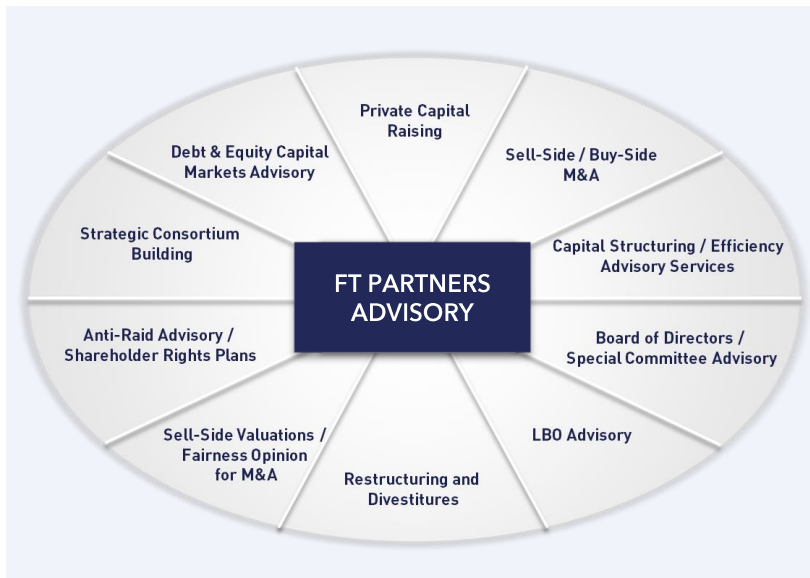
**Block.one Closes Strategic Investment Round
led by Peter Thiel and Bitmain**

BITMAIN

Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 15 years of exclusive focus on Financial Technology

FT Partners' Advisory Capabilities



FT Partners' FinTech Industry Research

FINTECH RESEARCH & INSIGHTS

- In-Depth Industry Research Reports
- Proprietary FinTech Infographics
- Monthly FinTech Market Analysis
- FinTech M&A / Financing Transaction Profiles



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



Ranked #1 Most Influential Person in all of FinTech in *Institutional Investor's* "FinTech Finance 40"



THE M&A ADVISOR
Numerous Awards for Transaction Excellence including "Deal of the Decade"

Block.one Closes Strategic Investment Round

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Transaction Summary

Transaction Summary

- On July 16, 2018 Block.one announced that it had closed a strategic investment round led by Peter Thiel and Bitmain
 - Other investors in the round include Louis Bacon, founder of Moore Capital Management, and Alan Howard, founder of Brevan Howard Asset Management
 - Existing investors include Christian Angermayer, Lansdowne Investment Company Ltd, and Galaxy Digital's Mike Novogratz
- The new round follows the closing on June 1, 2018 of a year long initial coin offering (ICO) raising over \$4 billion for Block.one's first project EOSIO
- EOSIO is an open-source blockchain protocol designed to enable secure data transfer and high-performance decentralized applications
- Recent Block.one hires include former CFO of Commonwealth Bank of Australia, Rob Jesudason, as company Group President and former Jefferies Asia CEO, Mike Alexander, as head of Block.one's EOS VC Arm
- Block.one is a Cayman organization headquartered in Hong Kong and employs over 200 people globally, with engineering offices in Hong Kong, California and Virginia

Transaction Commentary

"As Block.one prepares to announce its future plans, we're excited to welcome key strategic investors aligned with our values of creating a more secure and connected world."



Brendan Blumer
Founder & CEO



"The EOSIO protocol is a great example of blockchain innovation. Its performance and scalability can meet the needs of demanding consumer applications and will pave the way for mainstream blockchain adoption."



Jihan Wu
Founder & Director



Investor Overviews

Peter Thiel

- Founder and former CEO of Paypal, took the company public in 2002
- Investor in a number of high-profile technology companies including Facebook, Airbnb, and LinkedIn

BITMAIN

- One of the world's largest blockchain hardware manufacturers for cryptocurrency mining
- Recent valuation reported at \$12 billion, making it the most valuable blockchain organization at that time
- Led by founder Jihan Wu listed in CoinDesk's 2017 top 10 most influential in Blockchain

Block.one Overview

Company Overview



CEO: Brendan Blumer
CTO: Daniel Larimer
Headquarters: Hong Kong
Founded: 2016

- **Block.one is a software publisher specializing in blockchain technologies**
- **Its first project, EOSIO, aims to be the operating system of the blockchain space allowing developers to build decentralized applications on the platform without having to create a custom blockchain for their application**
 - A direct competitor of the Ethereum blockchain, often referred to in news sources as the “Ethereum Killer”
- **EOSIO utilizes the EOS token; each token grants the holder the right to utilize a fixed percentage of bandwidth, storage, and computational power of the EOSIO network**
 - Raised over \$4 billion in year long ICO closed on June 1, 2018
 - EOS is currently a top-five cryptocurrency as measured by market cap at ~\$7.5 billion
- **EOSIO Block.one has also established a \$1 billion venture capital arm to invest in projects on the EOSIO blockchain**
 - It has so far allocated ~\$700 million through VC partnership investments

Founders



Brendan Blumer
Founder & CEO

- **American serial entrepreneur based in Hong Kong**
- **Has built and sold companies since the age of 15 within the real estate tech and in-game virtual goods industries**
 - Most recently created Okay.com, a Hong Kong based real estate brokerage providing proprietary technology to its directly employed real estate agents



Daniel Larimer
Founder & CTO

- **Inventor of revolutionary Delegated Proof of Stake census mechanism; DPOS processes the majority of blockchain transactions globally**
 - Uses far less energy than traditional bitcoin mining
- **Designed, built, and deployed the first successful blockchain based social media platform, Steemit**
 - Users upvote content similar to Reddit and content creators receive payment based on the number of upvotes
 - Has paid ~\$40 million to users since June 2016
 - This is an example of the type of applications that will be possible on the EOSIO network
- **Founded BitShares, a decentralized high-performance cryptocurrency exchange**



OVERVIEW

FUNCTIONALITY

General

- EOSIO is an operating system for the blockchain
- It is a platform on which developers can build decentralized applications without creating their own proprietary blockchain
- Software provides built in features such as accounts, authentication, databases, asynchronous communication, and scheduling of applications across many CPU cores

Decentralized Applications

- Applications running on a blockchain network
- Example is CTO Daniel Larimer's last project Steemit, a social media site in which users are paid for their content based on the votes of other users

Current State

- Released EOSIO mainnet on June 2, 2018
- Software is developed by Block.one and the public network is maintained by the community
- Current software supports ~3,000 transactions per second (TPS) compared to Ethereum's 15 TPS
- Block.one holds 10% of the initial EOS token allocation worth ~\$840 million at today's market value

Millions of Users

- Planned horizontal scaling will allow EOSIO to support tens of millions of active daily users
- Decentralized applications on the EOSIO network will be able to run on the scale of tech giants such as eBay, Uber, Airbnb, and Facebook

Free Usage

- Use of decentralized applications is free for the end user
- Bandwidth is paid for by the EOS token holdings of the application developer

Easy Upgrades and Bug Recovery

- Malfunctioning applications can be frozen and removed from the blockchain without a hard fork

Low Latency

- Reliable user experience with a delay of no more than a few seconds
- Sub-second block production

Constitution

- Facilitates disputes by establishing jurisdiction and choice of law along with other mutually acceptable rules

Block.one Closes Strategic Investment Round

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EOS versus Ethereum

	Ethereum	EOS
Speed	<ul style="list-style-type: none">○ Ethereum currently is able to process 15 transactions per second (TPS)○ Plans for software improvements to increase TPS	<ul style="list-style-type: none">• Current network running at ~3000 TPS• Planned horizontal scaling will allow EOS to greatly increase TPS
Free Usage	<ul style="list-style-type: none">○ Ethereum based fee required to perform transactions○ Costs vary based on supply and demand○ Variable cost for use of network○ End user pays for transactions	<ul style="list-style-type: none">• Network bandwidth is allocated based on EOS token holdings of developer• Fixed cost for use of the network• Free for end user
Easy Upgrade and Bug Recovery	<ul style="list-style-type: none">○ Malfunctioning applications have resulted in hard forks of the blockchain creating competing networks	<ul style="list-style-type: none">• Malfunctioning applications can be frozen and removed from the blockchain without a hard fork

Selected FT Partners' Research – *Click to View*



Global Money Transfer



Transaction Security



Digital Wealth Management



Adyen's €947 million IPO



Klarna: An Online Payments and POS Lending Leader



Cayan's \$1.05 billion Sale to TSYS



Remitly's \$115 million Financing Led By PayU



YapStone's \$71 million Series C Financing



PayPal Acquires iZettle for \$2.2 billion



Circle Raises \$110 million in Series E Financing



Robinhood Raises \$363 million in Financing



Ant Financial Raises \$14 billion in Financing

[VIEW MORE FT PARTNERS RESEARCH](#)

FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Proven Track Record of Success Across FinTech

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p>Heartland</p> <p>in its sale to</p> <p>globalpayments</p> <p>for total consideration of</p> <p>\$ 4,500,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p>MERCURY®</p> <p>in its cash sale to</p> <p>vantiv™</p> <p>for total consideration of</p> <p>\$ 1,650,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>MERCURY®</p> <p>in its approximately 60% Growth</p> <p>SILVERLAKE</p> <p>for a value up to</p> <p>\$ 900,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>AmWINS Group, Inc.</p> <p>in its growth recapitalization by</p> <p>NMC</p> <p>NEW MOUNTAIN CAPITAL LLC</p> <p>valued at approximately</p> <p>\$ 1,300,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as Capital Markets & IPO Advisor to</p> <p>R1™</p> <p>in its</p> <p>\$138,000,000</p> <p>Initial Public Offering</p> <p>valuing the equity at approximately</p> <p>\$ 1,200,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as exclusive Financial, Strategic and IPO Advisor to</p> <p>OZFOREX</p> <p>FOREIGN EXCHANGE SERVICES</p> <p>in its</p> <p>Initial Public Offering</p> <p>valuing the equity at approximately</p> <p>A\$ 480,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as IPO Advisor to</p> <p>GreenSky™</p> <p>in its</p> <p>\$1,010,000,000</p> <p>Initial Public Offering</p> <p>for a total enterprise value of</p> <p>\$4,500,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>Cambridge</p> <p>Global Payments</p> <p>in its sale to</p> <p>FLEETCOR®</p> <p>for total consideration of</p> <p>C \$ 900,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as exclusive strategic and financial advisor to</p> <p>square trade</p> <p>in its sale to</p> <p>Allstate.</p> <p>for total consideration of</p> <p>\$ 1,400,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as strategic and financial advisor to</p> <p>CAYAN®</p> <p>in its 100% cash sale to</p> <p>TSYS®</p> <p>for total consideration of approximately</p> <p>\$1,050,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as sole strategic and financial advisor to</p> <p>cardconnect.</p> <p>in its sale to</p> <p>First Data®</p> <p>for total consideration of approximately</p> <p>\$ 750,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>avidexchange</p> <p>in its Series F minority financing from</p> <p>mastercard</p> <p>TEMASEK</p> <p>THIEL</p> <p>for total consideration of approximately</p> <p>\$ 300,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p>TRANSFIRST™</p> <p>in its sale to</p> <p>Vista Equity Partners</p> <p>from</p> <p>WCAS</p> <p>for total consideration of approximately</p> <p>\$ 1,500,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole debt capital advisor to</p> <p>jack henry & ASSOCIATES INC.</p> <p>in its acquisition of</p> <p>iPayTechnologies</p> <p>for total consideration of approximately</p> <p>\$ 300,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as exclusive strategic and financial advisor to</p> <p>CentralPayment.</p> <p>in its recapitalization and strategic investment by</p> <p>TSYS®</p> <p>for a total valuation of</p> <p>\$ 700,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as Capital Markets & IPO Advisor to</p> <p>VeriFone®</p> <p>THE WAY TO PAY™</p> <p>in its</p> <p>\$177,000,000</p> <p>Initial Public Offering</p> <p>valuing the equity at approximately</p> <p>\$ 650,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>PROSPER</p> <p>in its loan purchase agreement with a consortium of institutional investors</p> <p>Affiliates of</p> <p>NEW RESIDENTIAL</p> <p>Jefferies</p> <p>THIRD POINT</p> <p>for up to</p> <p>\$ 5,000,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p>lynk</p> <p>in its sale to</p> <p>The Royal Bank of Scotland</p> <p>for cash consideration of approximately</p> <p>\$ 525,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>
















FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Significant Experience Advising Large Financing Rounds and “Unicorns”

FT Partners has a history of advising on some of the largest financing transactions in the FinTech space

Representing numerous FinTech “Unicorns” above \$1 billion valuations

Company	Amount Raised
 GreenSky™	\$1,010,000,000
 MERCURY®	420,000,000+
 GreenSky™	300,000,000+
 avidxchange	300,000,000
 avidxchange	253,000,000
 liquidnet	250,000,000
 squaretrade™ protection plans	238,000,000
 GreenSky™	200,000,000
 YAPSTONE™ POWERING PAYMENTS	181,000,000
 nmi	150,000,000+
 ADDEPAR	140,000,000
 Kabbage®	135,000,000
 Remitly	115,000,000
 TradingScreen SIMPLIFYING GLOBAL MARKETS™	110,000,000+
 CHROMERIVER	100,000,000
 credit karma™	85,000,000

Selected Prominent Investors in FT Partners Led Rounds



Note: FT Partners represented investors in Dynamics (CIBC) and Credit Karma (Google Capital); some transactions include a combination of equity and smaller amount of debt financing.

Award-Winning Investment Banking Franchise Focused on Superior Client Results



2018

- 2018 Top Investment Bank in FinTech



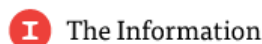
Institutional Investor
Annual Ranking

2017

2015 - 2016

2006 - 2008

- Ranked #1 Most Influential Executive on Institutional Investor's FinTech 35 List
- Steve McLaughlin Ranked Top 5 on Institutional Investor's FinTech 35 List
- Consecutively Ranked (2006, 2007 and 2008) among the Top Bankers on Institutional Investor's "Online Finance 40"



2016

- Ranked #2 Top Technology Investment Banker on The Information's "Silicon Valley's Most Popular Dealmakers"



M&A Advisor
Awards

2015 - 2017

2010 - 2014

2004 - 2007

- Investment Banker of the Year – 2017
- Investment Banking Firm of the Year – 2016
- Cross Border Deal of the Year - 2016
- Dealmaker of the Year – 2015
- Technology Deal of the Year – 2015
- Equity Financing Deal of the Year - 2014
- Professional Services Deal of the Year, Above \$100 mm – 2014
- Dealmaker of the Year – 2012
- Professional Services Deal of the Year, Above \$100 mm – 2012
- Boutique Investment Bank of the Year – 2011
- Deal of the Decade – 2011
- Upper Middle Market Deal of the Year, Above \$500 mm – 2010
- IT Services Deal of the Year, Below \$500 mm – 2010
- Cross-Border Deal of the Year, Below \$500 mm – 2010
- Dealmaker of the Year – Steve McLaughlin – 2007
- Business to Business Services Deal of the Year - 2007
- Computer and Information Technology Deal of the Year, Above \$100 mm – 2007
- Financial Services Deal of the Year, Above \$100 mm – 2007
- Investment Bank of the Year – 2004



Middle Market
Financing Awards

2006 - 2008

- Equity Financing Dealmaker of the Year – Steve McLaughlin – 2008
- Information Technology Deal of the Year – 2008
- Financial Services Deal of the Year – 2008
- Financing Professional of the Year – Steve McLaughlin – 2006

The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	23
Larry Furlong <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. 	22
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker 	22
Osman Khan <i>Managing Director</i>		<ul style="list-style-type: none"> Former Managing Director / Head of FIG M&A at Alvarez & Marsal 15+ years FIG deal, consulting and assurance experience at PwC 40 Under 40 M&A Advisor Award Winner in 2013 LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA) 	21
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Former Global Head of Strategy at First Data Formerly Led J.P. Morgan Payments Investment Banking Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank 	20
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners in 2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	16
Kate Crespo <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Raymond James' Technology & Services investment banking 12+ years of FinTech transaction execution experience Dartmouth M.B.A. 	16
Timm Schipporeit <i>Managing Director</i>		<ul style="list-style-type: none"> 11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures 	15
Andrew McLaughlin <i>Managing Director</i>		<ul style="list-style-type: none"> 20+ years experience executing / implementing financial and operational strategy Formerly with Deloitte Consulting 	12