

# FT PARTNERS FINTECH INDUSTRY RESEARCH

August 15, 2017

# coinbase

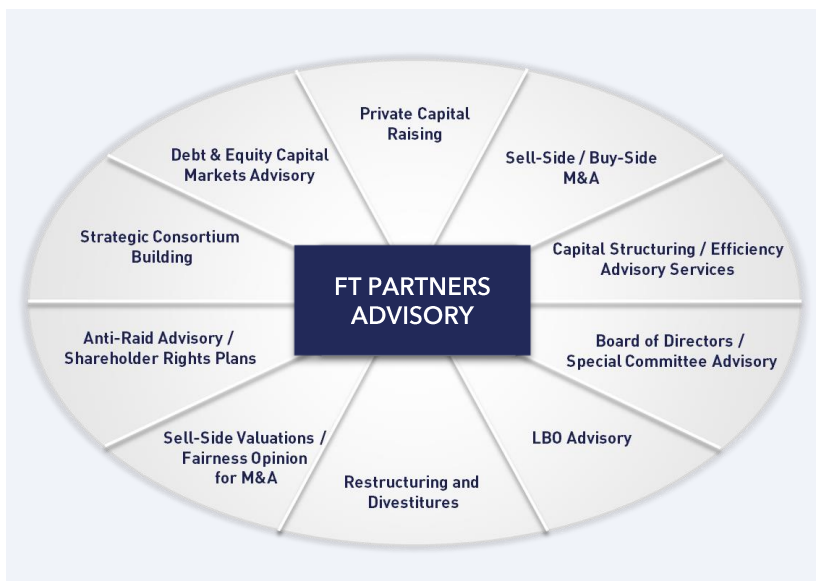
**Coinbase Raises \$100 million in Series D  
Financing led by Institutional Venture Partners**



## 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



**The Information**

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



Ranked #4 Most Influential Person in all of FinTech in *Institution Investor's* "FinTech Finance 35"



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

Steve McLaughlin: *Founder & CEO*

Tel: 415.992.8880

[steve.mclaughlin@ftpartners.com](mailto:steve.mclaughlin@ftpartners.com)

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# Coinbase Raises \$100 million in Series D Financing

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coinbase

## Transaction Summary

### Transaction Summary

- On August 4, 2017, Coinbase announced that it has raised \$100 million in Series D financing led by Institutional Venture Partners (IVP)
  - This latest financing round will value Coinbase at about \$1.6 billion, according to the Company
  - Battery Ventures, Draper Associates, Greylock Partners, Section 32 and Spark Capital also participated in the round
  - This round brings Coinbase's total funding to date to more than \$215 million, higher than any other bitcoin/blockchain startup <sup>(1)</sup>
- This round of financing will be used to continue scaling the Company through the following initiatives
  - Expansion of the engineering and customer support teams
  - Opening of a New York GDAX office to better serve institutions and professional traders
  - Further investment in Toshi, an open source browser for the Ethereum network
- This round was driven by traffic in the cryptocurrency market and the Company's strong growth
  - The Company has facilitated nearly \$15 billion in digital currency exchange during the first half of 2017, about five times the amount exchanged in all of 2016 <sup>(2)</sup>
  - To date, the Company has facilitated the exchange of more than \$25 billion in digital currency <sup>(2)</sup>
  - During the first half of 2017, the Company also saw a four times increase in new customer sign ups <sup>(2)</sup>
  - Total market for cryptocurrencies has grown to over \$120 billion over the past year <sup>(3)</sup>

### Selected Financing History

Date	Size (\$ in mm)	Series / Stage	Lead Investor
07/07/17	\$10.5	Series D	
06/30/15	na	Strategic	
01/20/15	75	Series C	
12/12/13	25	Series B	ANDREESSEN HOROWITZ
05/07/13	5	Series A	

Source: Company press release

(1) Coindesk: "\$100 Million: Coinbase Raises Biggest-Ever Round for Bitcoin Startup"

(2) Tech Crunch: "Coinbase raises \$100M at \$1.6B valuation amid explosive growth"

(3) Fortune: "Coinbase Becomes First Bitcoin 'Unicorn'"

## Coinbase Overview

coinbase

### Company Overview

coinbase

**CEO:** Brian Armstrong  
**Headquarters:** San Francisco, CA  
**Founded:** 2012

- **Coinbase offers an international digital wallet solution that allows users to securely buy, use and accept digital currency such as bitcoin, Ethereum and Litecoin**
  - Currently serves 32 countries, 30.4 million consumer wallets, 46,000 merchants and 10,000 developer apps
- **On January 26, 2015, Coinbase opened the first regulated bitcoin exchange in the US**
  - Coinbase is now one of the top institutional and professional trading platforms for digital currency alongside GDAX
  - Since its launch, the Company has facilitated the exchange of more than \$25 billion in digital currency
- **The Company's platform also ensures secure storage of bitcoins in the cloud, as well as provides a suite of merchant tools**

### Products and Services

coinbase

- Entry-level all-in-one exchange to buy, sell and store digital currencies
- Digital currency is sent and received immediately, stored securely and protected by Coinbase insurance

 **GDAX**

- Exchange to trade digital currencies that is geared towards institutions and professionals
- Industry leading API and intuitive trading platform

 **T O S H I**

- Open source browser for the Ethereum network that allows for instant global payments and secure messaging
- Offers third party financial applications powered by Ethereum
- Official application available for both Android and iOS

### MERCHANT TOOLS

- Allows businesses to accept bitcoin payments and instantly exchange through Coinbase to avoid volatility
- Greatly reduces online fraud as bitcoin payments are confirmed within a few seconds with zero chargebacks

# Coinbase Raises \$100 million in Series D Financing

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coinbase

## IVP Overview

### Overview



**Somesh Dash**  
General Partner



**Jules Maltz**  
General Partner



**Tom Loverro**  
Principal



**Eric Law**  
General Partner

### Locations

- Menlo Park, CA (HQ)
- San Francisco, CA

### About

- Founded in 1980, Institutional Venture Partners ("IVP") was one of the first venture capital firms established in Silicon Valley
- IVP manages over \$5bn in committed capital invested across more than 300 companies since inception
- Has the ability to invest in unprofitable, high-growth businesses, but requires a path to profitability
- Leverages an extensive network of professional contacts and portfolio companies to develop relationships for prospective investments
- Has invested in some of the most recognizable and fastest growing technology companies in the world, including Netflix, Twitter, Snapchat and Dropbox

### Investment Preferences

#### Investment Criteria

<b>Fund Size:</b>	\$1,400 mm
<b>Fund Raised:</b>	2015
<b>Investment Range:</b>	\$10 - 100 mm
<b>Revenue:</b>	\$10 mm +
<b>EBITDA:</b>	NA

#### General Preferences <sup>1</sup>

<b>Control:</b>	Minority
<b>Geography:</b>	Primarily U.S., select businesses in Canada or Northern Europe
<b>Transaction Type:</b>	Venture, Growth, Recapitalization, Secondaries, Spinouts, PIPE
<b>Industry Focus:</b>	Consumer, Enterprise Software

### Selected Recent Investments / Exits

#### FinTech / Financial Services Investments <sup>2</sup>

Date	Company	Deal Amt. <sup>3</sup>	Board Rep.	Sector
08/17	<b>Coinbase (Series D)</b>	\$100	NA	Pymts
05/17	<b>Tanium (Common stock)</b>	100	Somesh Dash	FMS
02/17	<b>Tala (Series B)</b>	30	Jules Maltz	Bnkg
09/16	<b>Cyence (Growth)</b>	40	Stephen Harrick	Ins
08/16	<b>Compass (Series D)</b>	75	Todd Chaffee	Bnkg
08/16	<b>Pindrop Security (Series C)</b>	81	Somesh Dash	Bnkg
10/15	<b>SteelBrick (Salesforce)*</b>	48	NA	FMS
10/15	<b>NerdWallet (Series A)</b>	69	Jules Maltz	Bnkg
08/15	<b>SoFi (Series E)</b>	1,000	Sandy Miller	Bnkg
05/15	<b>Zenefits (Series C)</b>	513	Jules Maltz	FMS
03/15	<b>Dataminr (Series D)</b>	130	NA	CapMkts
02/15	<b>Pindrop Security (Series B)</b>	35	Somesh Dash	FMS
02/15	<b>Oportun (Series H)</b>	90	Jules Maltz	Bnkg
10/14	<b>Personal Capital (Series D)</b>	50	Steve Harrick	CapMkts
10/14	<b>Yodlee**</b>	75	Dennis Phelps	Bnkg
05/14	<b>Prosper (Series C)</b>	70	Sandy Miller	Bnkg
03/14	<b>Klarna (Series D)</b>	124	NA	Pymts

Source: Company website, PitchBook

1) Italics indicate preferred control / geography

2) \* denotes M&A exit; \*\* denotes IPO exit

3) Deal Amount in mm

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



Global Money Transfer



Transaction Security



Heartland's Sale to Global Payments



Adyen's Rise to One of the Most Valuable Payments Companies



CardConnect's \$750 million to First Data



Central Payment's Strategic Investment from TSYS



Marqeta's \$25 million Financing Led by Visa



Vantiv Acquires Worldpay for ~\$9.9 billion



Verisk Analytics Acquires G2 Web Services



Toast Raises \$101 million in Financing



Ingenico Group Acquires Bambora for ~\$1.7 billion



Global Payments Acquires ACTIVE Networks for \$1.2 billion

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# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Strong Domain Expertise in Payments Investment Banking

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p><b>Heartland</b></p> <p>in its sale to</p> <p><b>globalpayments</b></p> <p>for total consideration of</p> <p><b>\$ 4,500,000,000</b></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><b>MERCURY®</b></p> <p>in its cash sale to</p> <p><b>vantiv™</b></p> <p>for total consideration of</p> <p><b>\$ 1,650,000,000</b></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><b>TRANSFIRST™</b></p> <p>in its sale to</p> <p><b>Vista Equity Partners</b> from <b>WCAS</b></p> <p>for total consideration of</p> <p><b>\$ 1,500,000,000</b></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><b>GiftCards.com</b></p> <p>in its sale to</p> <p><b>BLACKHAWK NETWORK</b></p> <p>for total consideration of</p> <p><b>\$ 120,000,000</b></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><b>CAYAN®</b></p> <p>in its Significant Growth Recapitalization by</p> <p><b>PARthenon CAPITAL PARTNERS</b></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><b>MERCURY®</b></p> <p>in its approximately 60% Growth</p> <p><b>SILVERLAKE</b></p> <p>for a value up to</p> <p><b>\$ 900,000,000</b></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><b>cardsPRING</b></p> <p>in its sale to</p> <p><b>twitter</b></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><b>CARDINAL® COMMERCE</b></p> <p>in its sale to</p> <p><b>VISA</b></p> <p>for total consideration of</p> <p><b>\$ 300,000,000</b></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><b>MARQETA</b></p> <p>in its Series C minority financing from</p> <p><b>COMMERZ VENTURES</b> Commerce Group</p> <p><b>83NORTH</b> EV a capital group</p> <p>for total consideration of</p> <p><b>\$ 25,000,000</b></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><b>YAPSTONE™</b> ePayments as a Service</p> <p>in its minority investment led by</p> <p><b>ACCEL PARTNERS</b></p> <p>for total consideration of approximately</p> <p><b>\$ 50,000,000</b></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><b>VERUS</b></p> <p>in its sale to</p> <p><b>sage</b></p> <p>for cash consideration of approximately</p> <p><b>\$ 325,000,000</b></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><b>SOLVERAS</b> PAYMENT SOLUTIONS™</p> <p>in its sale to</p> <p><b>TRANSFIRST™</b></p> <p>for total consideration of approximately</p> <p><b>\$ 51,000,000</b></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><b>Lynk</b></p> <p>in its sale to</p> <p><b>The Royal Bank of Scotland</b></p> <p>for cash consideration of approximately</p> <p><b>\$ 525,000,000</b></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><b>PROPAY™</b></p> <p>in its sale to</p> <p><b>TSYS®</b></p> <p>for total consideration of approximately</p> <p><b>\$ 135,000,000</b></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><b>nmi</b></p> <p>in its growth investment by</p> <p><b>Bregal</b> Sagemount</p> <p>for total consideration of approximately</p> <p><b>\$ 200,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>

## Ground-Breaking Payments Transactions Pioneered by FT Partners



in its sale to

**FinTech Acquisition Corp**  
(NASDAQ: FNTC)

**\$ 438,000,000**

Sale of a payment processor to a SPAC vehicle



in its sale to



**\$ 4,500,000,000**

Largest U.S. strategic merchant acquiring acquisition in over the last decade



in its Series C financing from



**\$ 25,000,000**

Significant capital raise for next gen processor serving commerce startups and disruptors



in its financing from



**BBVA**

Groundbreaking strategic round for early stage European payments company



in its sale to



**twitter**

First sale of a payments company to an established social media company



in its sale to



**\$ 370,000,000**

First sale of an "International Payments Specialist" to a pure-play consumer remittance provider




in its growth investment by




for a total valuation of nearly

**\$ 200,000,000**

Substantial growth investment in leading payments enablement technology provider



in its approximately 60% growth investment by



for a value up to

**\$ 900,000,000**

First large-scale transaction for an integrated merchant acquirer



in its sale to



**\$ 325,000,000**

First sale of a U.S. merchant acquirer to an international software company; became Sage Payments



in its sale to



**\$ 525,000,000**

First sale of a U.S. merchant acquirer to a large international financial institution; became Worldpay U.S.



## Award-Winning Investment Banking Franchise Focused on Superior Client Results

**FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition**











M&A Advisor Awards



Middle Market Financing Awards

2016	<ul style="list-style-type: none"> <li>Investment Banking Firm of the Year</li> <li>Cross Border Deal of the Year</li> </ul>
2015	<ul style="list-style-type: none"> <li>Dealmaker of the Year</li> <li>Technology Deal of the Year</li> </ul>
2014	<ul style="list-style-type: none"> <li>Equity Financing Deal of the Year</li> <li>Professional Services Deal of the Year, Above \$100mm</li> </ul>
2012	<ul style="list-style-type: none"> <li>Dealmaker of the Year</li> <li>Professional Services Deal of the Year, Above \$100mm</li> </ul>
2011	<ul style="list-style-type: none"> <li>Boutique Investment Bank of the Year</li> <li>Deal of the Decade</li> <li>10 Deal of the Year Nominations Across 9 Categories</li> </ul>
2010	<ul style="list-style-type: none"> <li>Upper Middle Market Deal of the Year, Above \$500 mm</li> <li>IT Services Deal of the Year, Below \$500mm</li> <li>Cross-Border Deal of the Year, Below \$500mm</li> </ul>
2007	<ul style="list-style-type: none"> <li>Dealmaker of the Year – Steve McLaughlin</li> <li>Business to Business Services Deal of the Year</li> <li>Computer and Information Technology Deal of the Year, Above \$100mm</li> <li>Financial Services Deal of the Year, Above \$100mm</li> </ul>
2015	<ul style="list-style-type: none"> <li>Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List</li> </ul>
2006 - 2008	<ul style="list-style-type: none"> <li>Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology</li> </ul>
2008	<ul style="list-style-type: none"> <li>Equity Financing Dealmaker of the Year – Steve McLaughlin</li> <li>Information Technology Deal of the Year</li> <li>Financial Services Deal of the Year</li> </ul>
2006	<ul style="list-style-type: none"> <li>Financing Professional of the Year – Steve McLaughlin</li> <li>Financing Deal of the Year - Equity</li> <li>Financing Deal of the Year - Debt</li> </ul>

## The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
<b>Steve McLaughlin</b> <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York and San Francisco from 1995-2002</li> <li>Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share)</li> <li>Wharton M.B.A.</li> </ul>	22
<b>Larry Furlong</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York, London and Los Angeles beginning in 1995</li> <li>Wharton M.B.A.</li> </ul>	22
<b>Greg Smith</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht &amp; Quist</li> <li>20+ years of experience covering FinTech as both an Analyst and Investment Banker</li> </ul>	21
<b>Osman Khan</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Managing Director / Head of FIG M&amp;A at Alvarez &amp; Marsal</li> <li>15+ years FIG deal, consulting and assurance experience at PwC</li> <li>40 Under 40 M&amp;A Advisor Award Winner in 2013</li> <li>LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA)</li> </ul>	20
<b>Steve Stout</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Global Head of Strategy at First Data</li> <li>Formerly Led J.P. Morgan Payments Investment Banking</li> <li>Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank</li> </ul>	19
<b>Tim Wolfe</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. beginning in 2000</li> <li>Started at FT Partners in 2002</li> <li>40 Under 40 M&amp;A Advisor Award Winner 2013</li> <li>Harvard M.B.A.</li> </ul>	15
<b>Timm Schipporeit</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London</li> <li>Formerly a Venture and Growth Investor focused on FinTech at Index Ventures</li> </ul>	14
<b>Andrew McLaughlin</b> <i>Managing Director, Research &amp; Business Development</i>		<ul style="list-style-type: none"> <li>Leads FT Partners' Research and Business Development Team</li> <li>Formerly with Deloitte Consulting</li> </ul>	11