

FT PARTNERS FINTECH INDUSTRY RESEARCH

December 3, 2018

PAYMENTS CEO INTERVIEW:



with CEO Don Frieden

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

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 #1 Most Influential Person in all of FinTech in Institutional Investors "FinTech Finance 40"



THE M&A ADVISOR

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

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P97 Networks Overview

Company Overview



CEO / President: Don Frieden
Headquarters: Houston, TX, USA
Founded: 2012

- P97 Networks provides a secure cloud based mobile commerce and digital marketing platform for the convenience retail and fuels marketing industry to accept payments and engage their customers
- The Company uses its PetroZone platform to serve a range of customers including oil company payment networks, merchants, consumer package good companies, automotive companies and banks
- Consumers using the PetroZone platform through their enabled mobile devices and "connected cars" get an enhanced mobile shopping experience in addition to options for lower fuel prices and opt-in personalized digital offers for in-store purchases
- Ecosystem partners on the PetroZone platform also have access to consumer loyalty tools through omni-channel marketing opportunities and "connected-consumer" experiences when enabling mobile payments and settlement, behavioral marketing and digital offers, and hosted-managed point-of-sale solutions

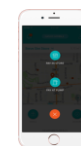
Date	Size (\$ mm)	Investor(s)
05/11/18	~\$15	 FLEETCOR® Undisclosed Investors
07/14/15	9	 ATAPCO Undisclosed Investors

Products & Services Overview

PetroZone Mobile Payments



Lightning Mobile Payment Processing Application enables safe, secure, and fast payments through smartphones without any additional hardware installation costs



The application is a fully tokenized PCI complaint solution that incorporates the features like:

- Reduced risk of identity theft
- Flexibility for integration with existing loyalty programs & payment systems
- Scalability via dynamically scaled infrastructure components
- High availability and lower operating costs
- Always-on network operations support



PetroZone Platform



- PetroZone Marketplace provides built-in ad network that enables CPG brands and digital offer agencies to create customized campaigns targeted for every audience



- White label app streamlines customer service through mobile payments, geolocation services, and digital offers



- Data driven insights help increase product sales with highly targeted offers and automation of the digital offer lifecycle for CPG and merchants



- P97's API platform enables web services that allow oil companies and c-store brands to integrate existing apps, loyalty programs, mobile wallets, POS, EPS, and Forecourt Device Controllers



Interview with P97



Don Frieden

Chief Executive Officer



Mr. Donald J. Frieden serves as Chief Executive Officer and President at P97 Networks, Inc. Mr. Frieden served as Vice President of Mobile Solutions at Wonderware Corporation until January 2011. He founded SAT Corporation in 1995 and served as its Chief Executive Officer and President (SAT was acquired by Invensys plc and merged with the Wonderware division to form Wonderware Mobile Solutions Group in 2008). Mr. Frieden has over 20 years experience in operations management and prior to starting SAT, held management positions over a seven-year span at BET Plant Services (BET plc), a global onshore and offshore industrial service provider. He holds two patents in Radio Frequency Identification (RFID) tag technology and is the co-inventor of the Universal Data Format (UDF) Schema, which provides a standardized data structure and communication layer for automatic identification technology. He serves as a Director at NovoLink Communications and is a Member of Advisory Board at Texan Bank. He received a Bachelor of Business Administration in Institutional Finance from the University of North Texas.

"We saw room for innovation in the industry and an opportunity to create an experience for the consumer that would make their lives easier."

What was the inspiration behind founding P97?

The average American drives about 13,000 miles per year, according to the U.S. Department of Transportation. The number of cars on the road is growing, and so is the length of time drivers spend in the car every day. Getting gas isn't an errand many people enjoy, but it's one that needs to get done. We saw room for innovation in the industry and an opportunity to create an experience for the consumer that would make their lives easier.

What are the biggest challenges your customers are facing and how are you solving them?

The retail fuel market is an increasingly competitive space, with things like bathroom cleanliness, minor differences in fuel price, and proximity often being the only factors taken into consideration among consumers. This leads to a lack of customer loyalty that's impacting oil companies and convenience stores. P97 creates a superior shopping experience for consumers, with frictionless payments, integrated loyalty, and personalized digital offers. Mobile commerce and custom digital marketing are differentiators that keep customers coming back. Additionally, credit card skimming is a fast-growing problem in the market. Mobile payments remove the need to dip any card in the fuel dispenser, virtually eliminating the possibility for card information to be skimmed, which benefits the store owner and consumer significantly. P97 delivers a new level of speed and convenience for customers, increasing customer loyalty and driving new value.



Exclusive CEO Interview – Don Frieden

“Putting everything in one place, from directions, to payments, to loyalty and rewards, receipts, and offers, creates a one-stop-shop for the consumer’s shopping journey”

Please describe P97’s technical infrastructure. What types of integrations are necessary to implement your solutions?

P97 runs on a cloud infrastructure, and an integration is required between the P97 cloud and the brick and mortar location in order to facilitate the mobile transaction with the point of sale system and forecourt. Integrations are also required with the payment network and loyalty provider. With all of these integrations, P97 has chosen to implement industry standard technologies to make it more maintainable and reusable for our customers. This has been a key differentiator in our ability to expand our platform.

Why did you choose to leverage GPS for mobile payments?

Integrating GPS into the fuel purchase process adds a level of convenience for the on-the-go consumer. Putting everything in one place, from directions, to payments, to loyalty and rewards, receipts, and offers, creates a one-stop-shop for the consumer’s shopping journey. Geofencing also presents a competitive advantage, enabling an oil company or c-store to advertise their location to potential customers who otherwise might have chosen a competitor’s location nearby.

How do you know the retail fuel market is ready for mobile POS solutions?

Consumers are beginning to demand mobile payments. And according to PYMNTS, 82 percent of consumers who use mobile apps for fuel payments seek a mobile app experience that will let them pay for c-store items. Consumers are growing accustomed to paying with their phone, and they expect quick and easy transactions at convenience stores. The last major innovation in the industry was pay-at-the-pump technology, which started rolling out over two decades ago. The next wave is among us, and the merchants must adapt to avoid being left behind by their customers.



Exclusive CEO Interview – Don Frieden

“P97 is platform agnostic, so we have a large number of integrations with point of sale systems, technology providers, and payment and loyalty providers.”

You have been able to sign several of the major fuel brands. How have you been able to work with so many direct competitors?

P97 is platform agnostic, so we have a large number of integrations with point of sale systems, technology providers, and payment and loyalty providers. Our ability to integrate with such a high number of partners makes it easy for our customers to launch a mobile commerce program while making little to no changes to existing technologies and hardware. P97 provides the high-touch nature of a small company and the security and innovation of an enterprise – a combination sought out by major fuel brands. Also, P97 is creating new two-sided network effects, where the increased usage of any consumer increases the value of our services for other users (oil companies, connected cars, payment networks, etc.).

P97 is getting integrated into Connected Cars via OEM relationships. Please describe this part of your business including examples of when consumers will be paying for services with cards-on-file directly through vehicle head units.

P97 acts as a payment aggregator that enables payments across multiple vehicle-enabled services (e.g. buying gas, paying for parking, and ordering/paying for fast food with curb side delivery) with a single payment method, including card on file. The challenge of establishing a unified payment experience is making it convenient for the consumer to establish his or her payment credentials. P97 enabled this frictionless payment experience across a number of the auto brands with several different ways of associating a card on file with a customer account, depending on the auto brand strategy. Some OEMs have mobile apps where we enable the consumer to set-up their payment methods using the partner app and then that partner app is displayed on the vehicle head unit via a technology such as Android Auto, Apple CarPlay, or Ford Sync. Other OEMs we support provide a signup procedure that we enable using responsive websites that enables the linking of a payment method to an account. Finally, we are now enabling intelligent voice solutions developed for the auto industry which allow the selection of a payment via their 3rd party wallet.



Exclusive CEO Interview – Don Frieden

“The vision has always been to drive payments innovation within the petroleum industry. While we’ll continue on that path, moving from mobile to connected car and voice-enabled payments, we’re also expanding to other verticals like quick serve restaurants, parking, valet, and more.”

Your business is already global today – what is necessary in order to scale your solutions across multiple geographies?

Since our mobile payment and loyalty aggregation platform is deployed on a cloud infrastructure, we can easily deploy our solution across new geographies by turning up regional services. This has really provided speed to market and scale, especially with the new Global Data Protection Requirement (GDPR) because we can segregate customer data within countries (e.g. Germany) and share our computing power across different geographies (e.g. UK).

Earlier this year, you formed a partnership with FLEETCOR (and they led your Series B round). Can you please describe this relationship and how is it progressing?

Fleetcor made a minority investment in P97 in May of this year. They also signed a commercial agreement to use P97’s technology for Fleetcor’s U.S. fuel-card programs. The new FleetPay app will be used by Fleetcor customers and partners to reduce prompts and time spent at the gas pump, simplify and add security safeguards to transactions, authorize in-store purchases, and to deliver personalized digital offers. FleetPay is currently in development and is undergoing beta testing before its official launch in 2019. Also, P97 and Fleetcor will be expanding the deployment of our technology to support their mobile apps across the globe starting early 2019.

Can you share any Company growth metrics with us?

In the past year, we have tripled our year-over-year revenue and doubled our number of employees, causing us to move office locations with more space for growth. Next year we are projected to grow our revenue by 300% and will once again double the number of employees.

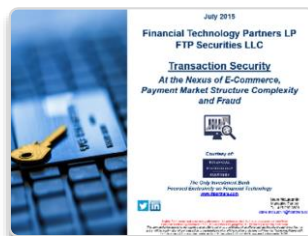
What is the long-term vision for P97? What new products and services can we expect in the future?

The vision has always been to drive payments innovation within the petroleum industry. While we’ll continue on that path, moving from mobile to connected car and voice-enabled payments, we’re also expanding to other verticals like quick serve restaurants, parking, valet, and more. We are in the business of advancing mobile commerce for any step of the consumer’s purchase journey.

Selected FT Partners' Research – *Click to View*



Global Money Transfer



Transaction Security



Klarna: An Online Payments and POS Lending Leader



Adyen's €947 million IPO



Cayan's \$1.05 billion Sale to TSYS



PPRO Raises \$50 million in Financing Led by PayPal



GPS Raises £44 million in minority financing



Poynt Raises \$100 million in Series C Financing



Flywire Raises \$100 million in Series D Financing



Paytm Raises Approximately \$300 million in Financing from Berkshire Hathaway



Stripe Raises \$245 million in Financing



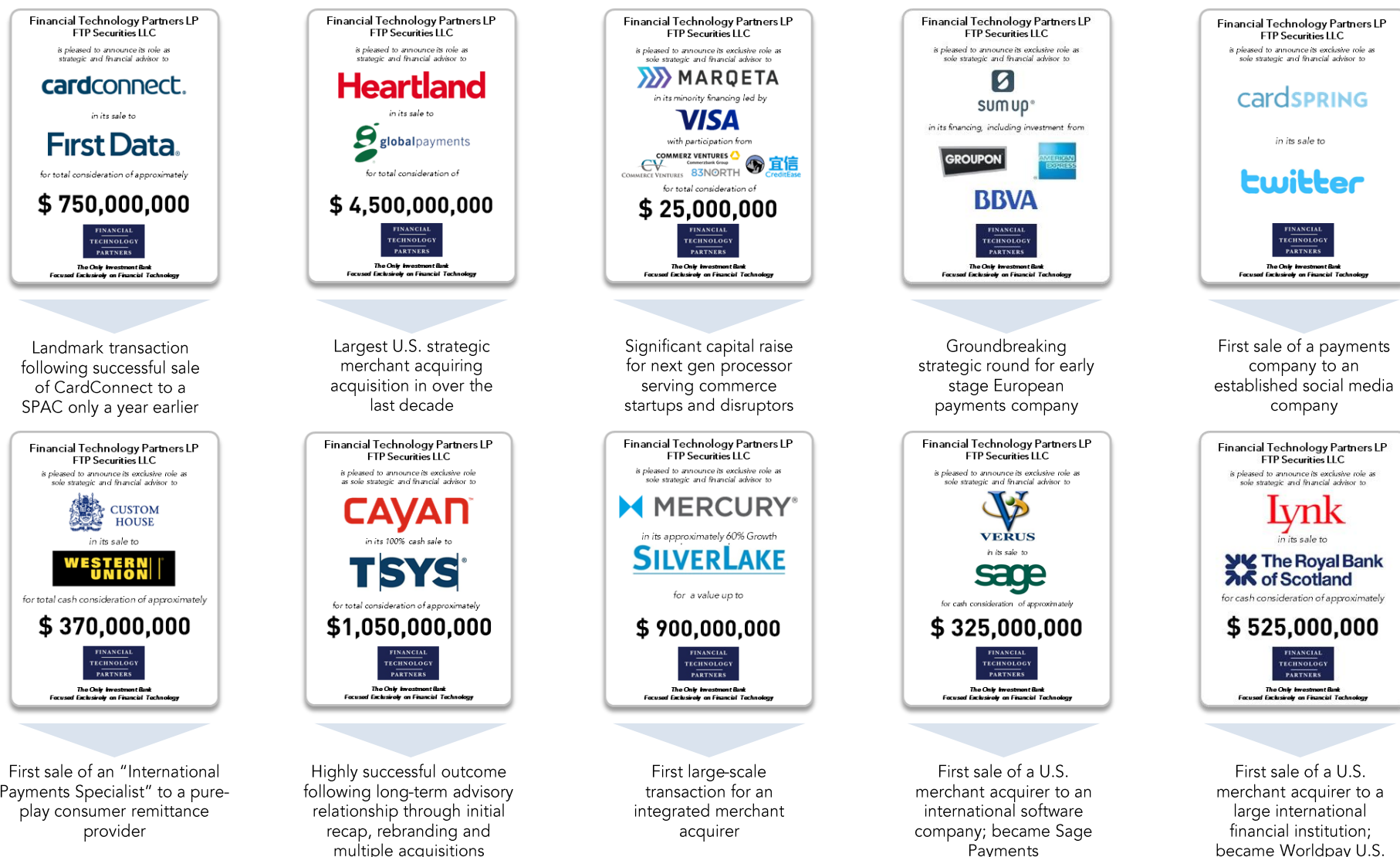
Ant Financial Raises \$14 billion in Financing

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***FT Partners has a history of
executing on some of the
most ground-breaking
Payments transactions in the
last decade+***






















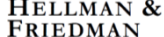




























Ground-Breaking Payments Transactions Pioneered by FT Partners



Advisor of Choice for Merchant Acquirers / Payment Processors

Numerous prominent merchant acquirers have trusted FT Partners to advise them on their most strategic transactions





















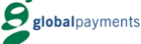

























Selected FT Partners Deals Noted	Seller	Buyer	Date	Transaction Value (\$ in mm)	Research Profile
			10/2018	\$184	VIEW
			04/2018	840 ⁽¹⁾	VIEW
		 MI Acquisitions, Inc	02/2018	1,000	VIEW
			12/2017	1,050	VIEW
			10/2017	250	VIEW
			10/2017	760	VIEW
		 	09/2017	430	VIEW
			09/2017	5,300	VIEW
			09/2017	NA	VIEW
			07/2017	11,680	VIEW
			06/2017	260	VIEW
			05/2017	750	VIEW
			05/2017	NA	VIEW
			02/2017	700 ⁽²⁾	VIEW
			06/2016	NA	VIEW
			03/2016	438	VIEW
			01/2016	2,350	VIEW
			12/2015	4,300	VIEW

(1) [TSYS Q1'18 10-Q](#)

(2) [TSYS 2016 10-K](#)

Advisor of Choice for Merchant Acquirers / Payment Processors (cont.)

Numerous prominent merchant acquirers have trusted FT Partners to advise them on their most strategic transactions

Selected FT Partners Deals Noted	Seller	Buyer	Date	Transaction Value (\$ in mm)	Research Profile
	 Direct Connect	 BEEKMAN GROUP	01/2015	NA	VIEW
	 securenet™ GET PAID. GET SMART.	 worldpay	11/2014	NA	
	 TRANSFIRST®	 VISTA EQUITY PARTNERS	10/2014	1,500	VIEW
	 FIRST AMERICAN PAYMENT SYSTEMS	 TEACHERS™ PENSION PLAN	07/2014	\$700	
	 MERCURY®	 vantiv™	05/2014	1,650	VIEW
	 nmi	 Great Hill PARTNERS	05/2014	NA	VIEW
	 CentralPayment®	 TSYS®	03/2014	250 ⁽¹⁾	
	 PayPros®	 globalpayments	01/2014	420	
	 century PAYMENTS	 worldpay	09/2013	NA	VIEW
	 nmi	 BregalSagemount	09/2013	200	VIEW
	 BluePay	 TAAssociates	09/2013	NA	
	 element payment services™	 vantiv™	07/2013	163	
	 PROPAY™	 TSYS®	11/2012	135	VIEW
	 Little & Co	 vantiv™	10/2012	361	
	 ACCELERATED payment technologies	 globalpayments	08/2012	413	
	 CentralPayment®	 TSYS®	08/2012	110 ⁽²⁾	
	 MERCHANT SOLUTIONS	 cielo	07/2012	670	
	 CAYAN™ (fka Merchant Warehouse)	 PARTHENON CAPITAL	07/2012	NA	VIEW

(1) [TSYS 2016 10-K](#)

(2) [TSYS 2012 10-K](#)

Award-Winning Investment Banking Franchise Focused on Superior Client Results



2018 Top Investment Bank in FinTech



Institutional Investor
Annual Ranking

2018 Steve McLaughlin Ranked #1 for the Second Year in a Row on Institutional Investor's FinTech 40 List

2017 Ranked #1 on Institutional Investor's FinTech 40 List

2015 & 2016 Ranked Top 5 on Institutional Investor's FinTech 35 List

2006 – 2008 Consecutively Ranked (2006, 2007 and 2008) among the Top Bankers on Institutional Investor's "Online Finance 40"



The Information

2016 Ranked #2 Top Technology Investment Banker on The Information's "Silicon Valley's Most Popular Dealmakers"



M&A Advisor
Awards

2018 Corporate / Strategic Deal of the Year

2018 Cross Border Deal of the Year

2017 Investment Banker of the Year

2016 Investment Banking Firm of the Year

2016 Cross Border Deal of the Year

2015 Dealmaker of the Year

2015 Technology Deal of the Year

2014 Equity Financing Deal of the Year

2014 Professional Services Deal of the Year, \$100 mm+

2012 Dealmaker of the Year

2012 Professional Services Deal of the Year, \$100 mm+

2011 Boutique Investment Bank of the Year

2011 Deal of the Decade

2010 Upper Middle Market Deal of the Year, \$500 mm+

2010 IT Services Deal of the Year, Below \$500 mm

2010 Cross-Border Deal of the Year, Below \$500 mm

2007 Dealmaker of the Year – Steve McLaughlin

2007 Business to Business Services Deal of the Year

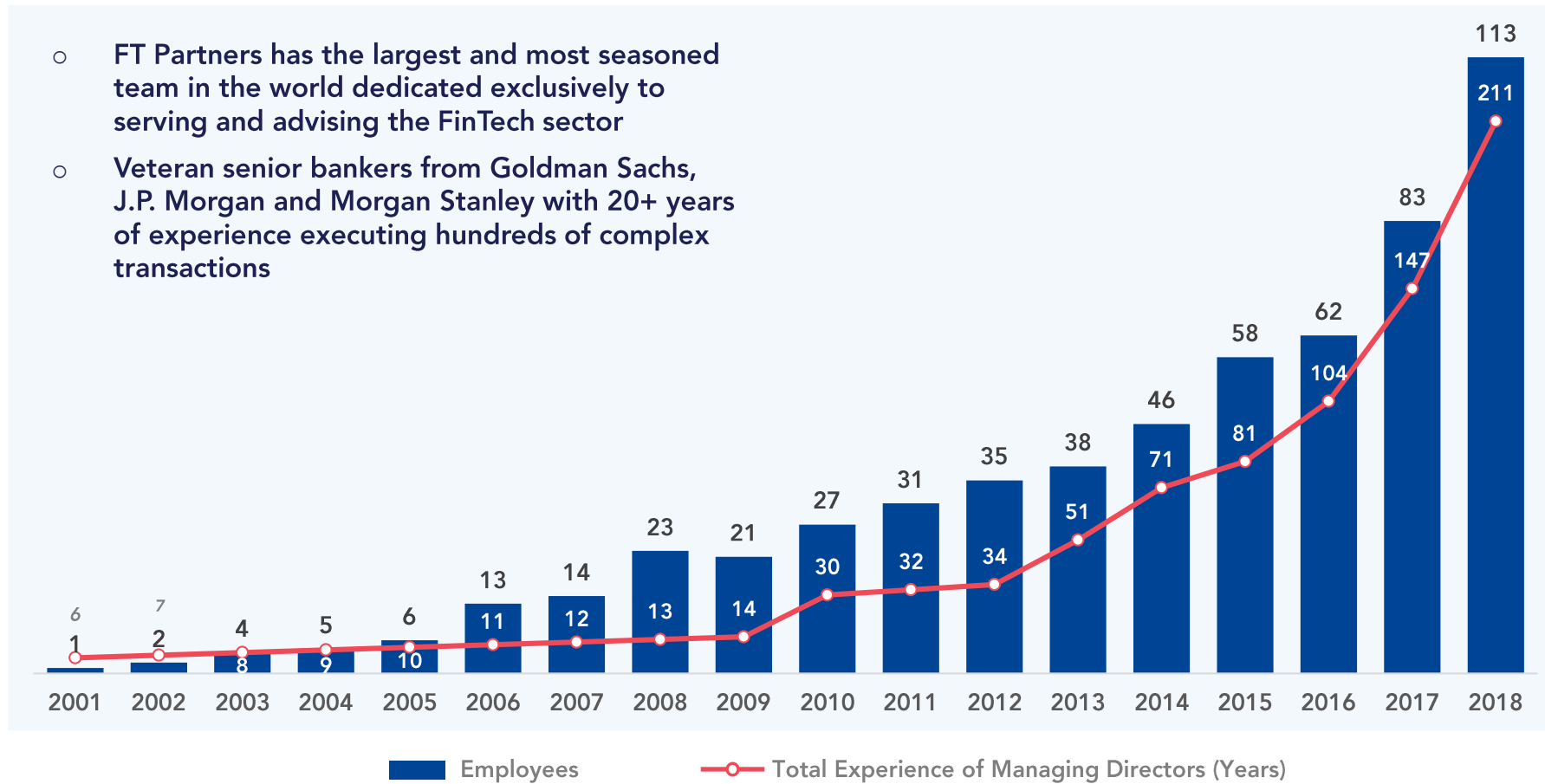
2007 Computer & Information Tech Deal of the Year, \$100 mm+

2007 Financial Services Deal of the Year, \$100 mm+

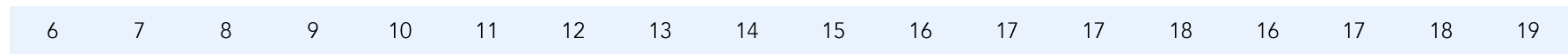
2004 Investment Bank of the Year

Platform of Choice for Clients and Bankers Alike

- FT Partners has the largest and most seasoned team in the world dedicated exclusively to serving and advising the FinTech sector
- Veteran senior bankers from Goldman Sachs, J.P. Morgan and Morgan Stanley with 20+ years of experience executing hundreds of complex transactions



Average Experience of Managing Directors (Years)



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 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
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
Larry Furlong <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman Sachs in New York, London and Los Angeles from 1995-2004 Wharton M.B.A. 	22
Osman Khan <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly Managing Director and 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
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
Mike Nelson <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly head of FinTech M&A at SunTrust Robinson Humphrey Kellogg M.B.A. 	18
Timm Schipporeit <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Morgan Stanley as Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures 	15
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch, J.P. Morgan and Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker 	22
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly Global Head of Strategy at First Data Formerly Led J.P. Morgan Payments Investment Banking Practice Former Equity Research Analyst on #1 ranked team at UBS Former Economist at the Federal Reserve Bank 	20
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman Sachs from 2000-2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	16