

FT PARTNERS FINTECH INDUSTRY RESEARCH

March 28, 2018

EQUISTONE

Equistone Partners Acquires Small World Financial Services



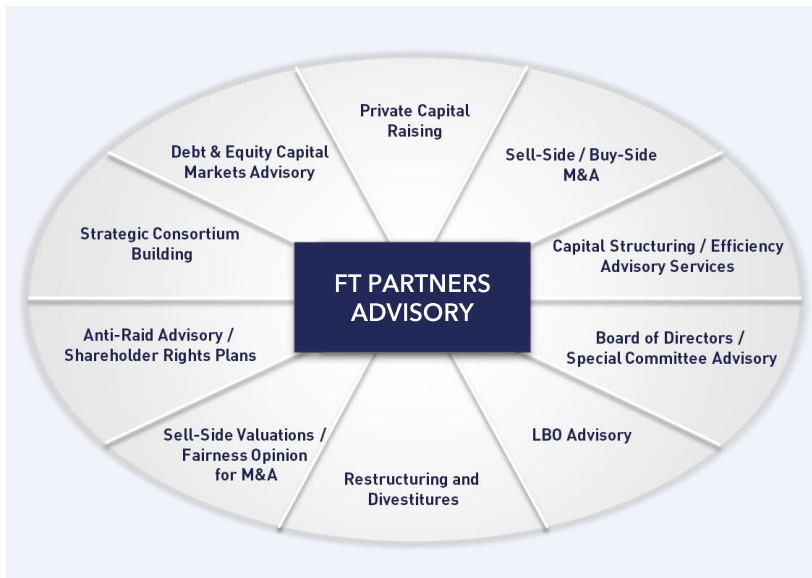
The Only Investment Bank Focused Exclusively on FinTech

San Francisco • New York • London

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



THE M&A ADVISOR

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

Steve McLaughlin: *Founder & CEO*

Tel: 415.992.8880

steve.mclaughlin@ftpartners.com

SUBSCRIBE





Transaction Summary

Transaction Summary

- On March 26, 2018, Equistone Partners announced that it has entered into an agreement to acquire Small World Financial Services ("Small World")
- Small World is a leading multi-channel money transfer operator based in Europe, offering services across the world
- The Company will utilize the acquisition to continue improving existing operations as well as pursuing a number of strategic acquisitions while entering new payment verticals
- As part of the transaction, Small World's investors will sell their stakes in the Company and management will reinvest for a minority stake

Selected Financing History

Announce Date	Amount (in mm)	Stage	Investor(s)
05/10/10	\$18	Growth	FF&P; FPE Capital; MMC Ventures; Samos Investments
12/01/08	3	Early Stage	MMC Ventures

Transaction Commentary

"Our partnership with Equistone will help accelerate the achievement of our goals and provide the funding to drive growth. We believe we are well-positioned to grow and are continuing to extend our multi-channel service proposition into new territories, as well as pursuing bolt-on acquisitions and launching new payment corridors. Our innovative new app will also support the increasingly digitalized needs of our customers through convenient alternative payment solutions. We look forward to working closely with the Equistone team."



Nick Day
CEO



"Small World is a well-positioned, strongly growing business led by a talented and experienced management team. Demand for cross-border payments is increasing due to macro-demographic trends, and Small World's high-quality customer proposition and scalable business model position it to achieve further organic and acquisitive growth. Equistone has a successful track record of investing in financial services businesses in the UK and internationally, and we are excited about working with Nick and his team to support the Company's continued development."

EQUISTONE

Andrew Backen
Partner





Small World Overview

Company Overview

CEO:	Nick day
Headquarters:	London, UK
Founded:	2005
Employees:	680



- **Small World Financial Services is a leading payment service provider based in the UK**
 - The Company offers a fast and easy way to send and receive money around the world through its physical network and digital channel
- **The Company offers a number of payments solutions including:**
 - **Cash pick-up**
 - **Account transfer**
 - **Mobile top-up**
 - **Mobile wallet**
 - **Home delivery**
- **Small World has a physical network of over 6,000 third-party send-side agents and 80 branches**
- **The Company has been steadily growing, generating over £110 million in revenue**

Solutions



Money Transfer

- Send money to over 160 countries
- International network of 200,000 locations



Cash Pick-Ups

- Easily pick up money for free with valid ID



Bank Transfer

- Low fee, high security wire transfers



Foreign Currency Exchange

- Fast currency exchange with competitive rates for travelers



Mobile Top-Ups

- Top up mobile phone with local currency
- Keep local mobile number



Mobility Service

- Money pick up for customers with limited access to the internet and branches

Equistone Acquires Small World Financial Services

FT PARTNERS RESEARCH

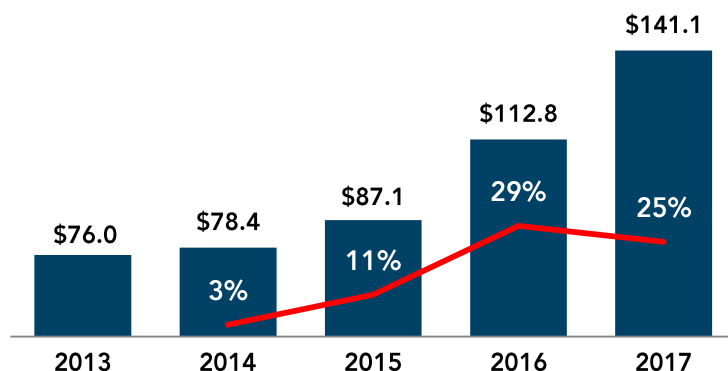
Small World Overview (cont.)



Financials converted to USD as of 4/9/18;
Conversion rate equals approximately 1.41 USD

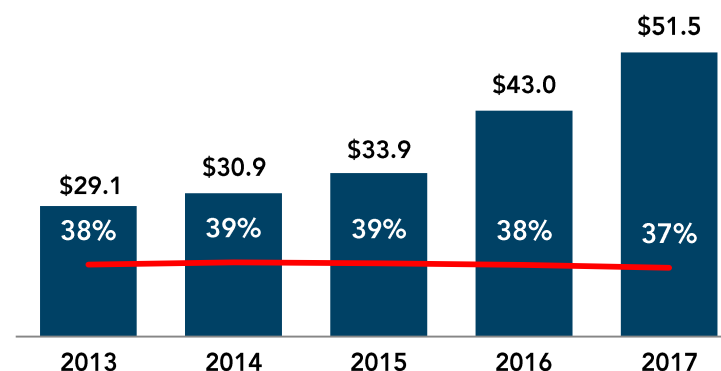
Revenue / % Growth

(\$ in mm)



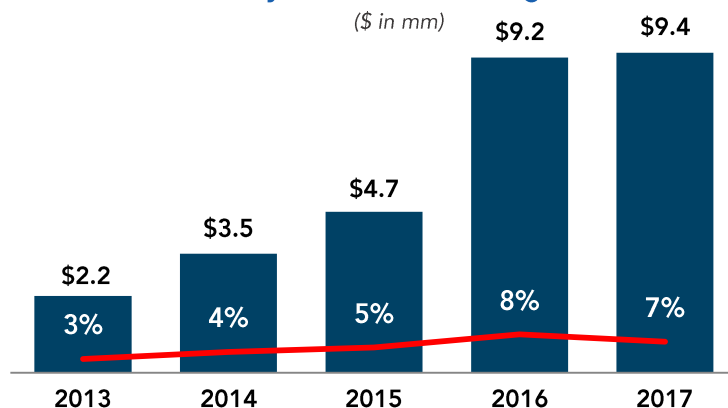
Gross Profit / % Margin

(\$ in mm)



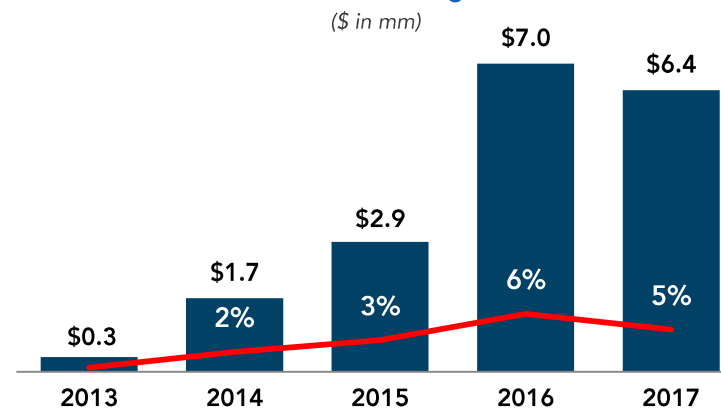
Adj. EBITDA / % Margin

(\$ in mm)



EBIT / % Margin

(\$ in mm)





Equistone Partners Overview

Overview

EQUISTONE



Michael Bork
Founding Partner,
Managing Director



Guillaume Jacqueau
Managing Partner



Rob Myers
Senior Partner



Steve O'Hare
Senior Partner



Andrew Backen
Partner



Dominic Geer
Partner

Locations

- London, UK (HQ)
- Birmingham, UK
- Paris, France
- Manchester, UK
- Munich, Germany
- Zurich, Switzerland

About

- Originally founded in 1979 as the European private equity subsidiary of Barclays, but spun out as a standalone entity in 2011
- Has a strong focus on change of ownership deals in companies with valuations between €50 – 300 mm
- Interested in a wide range of financial services verticals, including insurance underwriting and distribution, consumer finance, asset management and payments processing
- Has made 14 investments within the financial services industry with an aggregate transaction value of €1.8 bn and has achieved 7 exits totaling €3.6 bn

Investment Preferences

Investment Criteria

Fund Size:	€2,800mm
Fund Raised:	2017
Investment Range:	€25 – 125mm
Revenue:	NA
EBITDA:	NA

General Preferences ¹

Control:	Majority, Minority
Geography:	Europe
Transaction Type:	Growth, Buyout, MBO, Recapitalizations, Take Privates
Industry Focus:	Consumer, Travel, Financial Services, Specialist Engineering, Support Services

Selected Recent Investments

FinTech / Financial Services Investments ²

Date	Company	Deal Amt. ³	Board Rep.	Sector
03/18	Small World Financial Services (Buyout)	NA	NA	Pymts
08/15	Wealth at Work (Buyout)	\$78	Dominic Gee, Steve O'Hare	CapMkts
04/13	MeilleurTaux (Goldman Sachs Merchant Banking Division)*	NA	NA	Bnkg
01/13	Triana (PE Growth)	35	NA	CapMkts
11/10	ELX Futures (PE Growth)	NA	NA	CapMkts
07/10	Trade Ideas Limited (PE Growth)	NA	NA	CapMkts
03/10	BIDS Trading (PE Growth)	NA	NA	CapMkts
01/10	LaBranche & Co's NYSE Designated Market Maker Business (Buyout)	25	NA	CapMkts
09/09	Tradeweb (PE Growth)		NA	CapMkts
05/08	A-Plan Insurance (HgCapital)*	297	NA	Ins
08/07	Global Blue (ACE & Co., Silver Lake, Partners Group)*	360	NA	Pymts
01/07	Currenex (Buyout)	564	NA	CapMkts
09/06	Jerrold Holdings (PE Growth)	NA	NA	Bnkg

Source: Company website, PitchBook

1) Italics indicate preferred control / geography

3) Deal Amount in mm

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

Global Money Transfer: Emerging Trends and Challenges



Click picture to view report

[FT Partners' 200+ page report](#) provides an in-depth look at the Global Money Transfer space. The report focuses on key trends within two distinct industry segments:

- The emergence of “International Payment Specialists” as a distinct and fast growing industry segment attracting significant interest from strategic buyers and financial investors
- The disruption of the traditional “Consumer Remittance Providers” by new, emerging / fast growing entrants leading with mobile and other technology-based solutions

Additional highlights of the report include:

- CEO Interviews
- Public Company Comparables
- Profiles of selected companies in the space
- Financing and M&A transactions as well as selected detailed profiles of significant deals

Selected FT Partners' Research – *Click to View*



Global Money Transfer



Transaction Security



Klarna: An Online Payments and POS Lending Leader



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



Heartland's Sale to Global Payments



CardConnect's \$750 million to First Data



Cayan's \$1.05 billion Sale to TSYS



YapStone's \$71 million Series C Financing



Remitly's \$115 million Financing Led By PayU



M I Acquisitions Acquires Priority Holdings for \$1 billion



FinTech Acquisition Corp II Acquires Intermex for an EV of \$365 million




ING's Acquisition of Payvision for Approximately \$447 million

[VIEW MORE FT PARTNERS RESEARCH](#)

Leading Advisor in the Money Transfer / International Payments Sector

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as sole strategic and financial advisor to




in its Series D financing led by



for total consideration of up to

\$115,000,000



The Only Investment Bank
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Largest independent digital money transmitter in the U.S.

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its role as exclusive Financial, Strategic and IPO Advisor to



in its

Initial Public Offering

valuing the equity at approximately

A\$ 480,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

International payment specialist providing online international payment services for consumer and business clients

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as sole strategic and financial advisor to



in its sale to



for total cash consideration of approximately

\$ 370,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

Leading independent provider of robust, multi-channel, international B2B payment solutions

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as sole strategic and financial advisor to



in its sale to



for total consideration of

C \$ 900,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

Leading provider of integrated, B2B cross-border payment services

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as strategic and financial advisor to



in its Series B financing led by



for approximately

\$ 20,000,000




The Only Investment Bank
Focused Exclusively on Financial Technology


Global payment processing business providing internet and mobile-based inter-country consumer money transfer services

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its role as strategic and financial advisor to




in its sale of



for total consideration of

A\$ 65,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

Leading provider of electronic payment transaction processing services, including DCC, MCP and payment card acceptance

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as sole strategic and financial advisor to



in its sale to



a portfolio company of



for total consideration of approximately

\$ 250,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

Leading provider of international payment processing and multi-currency processing services

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as financial advisor to



in its sale to



for total consideration of

\$ 310,000,000+


























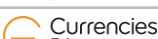




















The Only Investment Bank
Focused Exclusively on Financial Technology

Leading, privately-owned, non-bank provider of non-cash foreign exchange and payments solutions to private and corporate clients

Selected FX / International Payments Transactions (2009 to Present)

FT Partners has advised on several of the most prominent transactions in the FX / International Payments space

Selected FT Partners Deals Noted	Target	Buyer / Investor	Date	Transaction Value (\$ in mm)
	 Intermex <small>International Money Express</small>	 FINTECH ACQUISITION CORP. II	12/19/17	\$260
	 TransferWise	  OLDMUTUAL GLOBAL INVESTORS	11/02/17	280
	 Remitly	 PayU	10/31/17	115
	 Planet PAYMENT	 FINTRAX GROUP	10/26/17	~250
	 Commonwealth FOREIGN EXCHANGE	 moneycorp <small>exchange experts</small>	05/10/17	NA
	 Cambridge <small>Global Payments</small>	 FLEETCOR®	05/01/17	C900
	 TransferWise	 BAILLIE GIFFORD	05/25/16	26
	 Remitly	 STRIPES GROUP	04/26/16	39
	 Travellex CURRENCY SELECT	 Global Blue	03/29/16	65
	 Currencies Direct	 Palamon <small>Capital Partners</small> CORSAIR CAPITAL	08/11/15	310+
	 XOOM	 PayPal	07/01/15	890
	 AZIMO	 frog capital	06/15/15	20
	 worldremit	 TCV	02/18/15	100
	 TransferWise	ANDREESSEN HOROWITZ	01/25/15	58
	 moneycorp <small>exchange experts</small>	 Bridgepoint	08/29/14	352
	 HiFX <small>International Payments Solutions</small>	 Euronet WORLDWIDE	05/10/14	244
	 OFX	Sale / IPO	09/23/13	480
	 CUSTOM HOUSE	 WESTERN UNION <small>moving money for better</small>	07/05/11	971

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



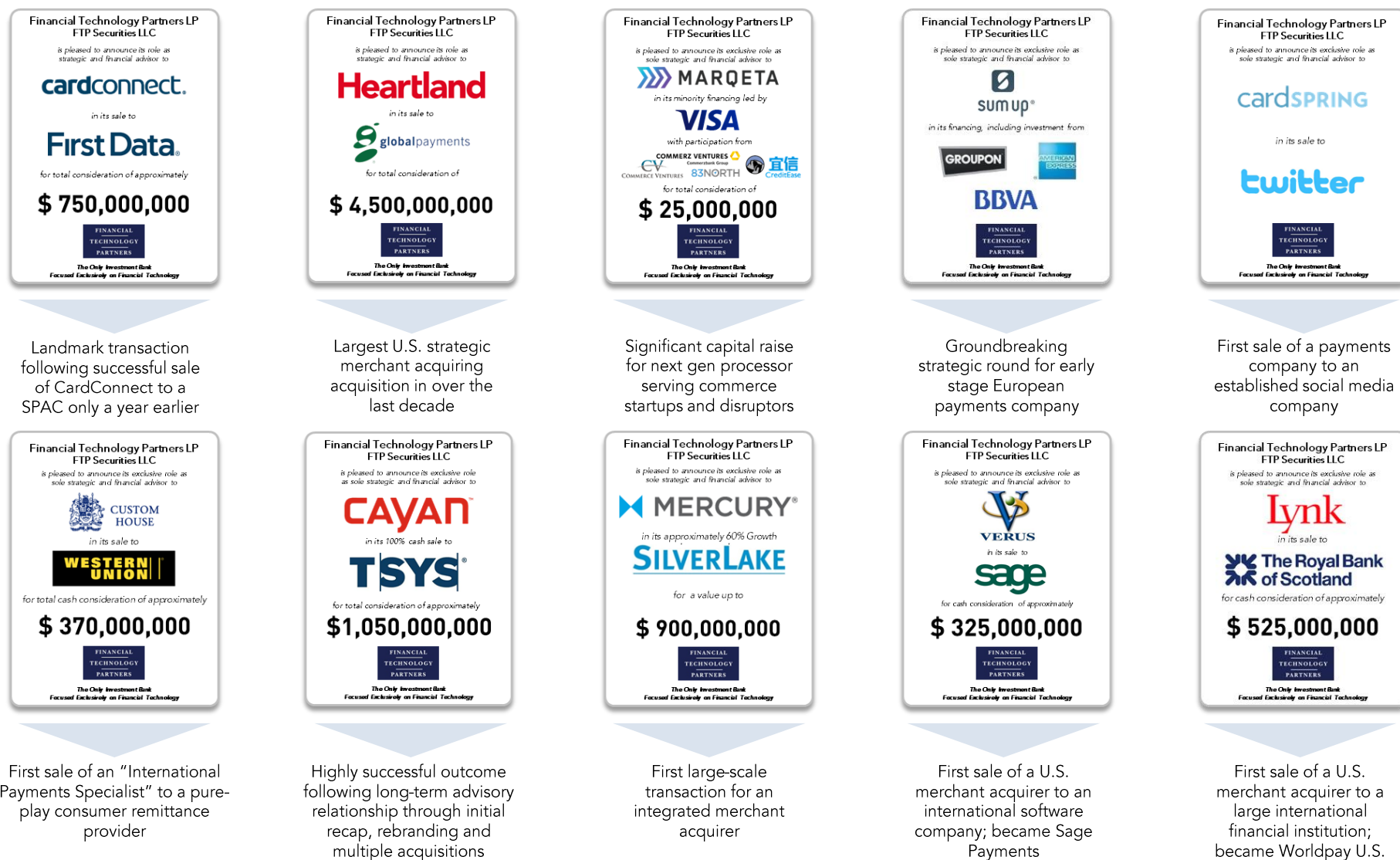
FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Strong Domain Expertise in Payments Investment Banking



Ground-Breaking Payments Transactions Pioneered by FT Partners



FT Partners Advises Remitly on its Series D Financing

Overview of Transaction

- On October 31, 2017, Remitly announced it has agreed to raise up to \$115 million in Series D financing led by Nasper's FinTech investment division PayU, a global online payment service provider
 - Existing investors, Stripes Group, DFJ and DN Capital will also participate in the round
 - Laurent le Moal, PayU CEO, will join Remitly's board of directors following the investment
- Remitly is the largest independent digital remittance company in North America, transferring nearly \$4 billion in annualized volume
- Naspers is a global internet and entertainment group and one of the largest technology investors in the world, with investments in Tencent and Flipkart, among others
 - PayU is focused on empowering people through financial services supporting over 300,000 merchants and millions of consumers making online payments

Significance of Transaction

- PayU's heritage in local payments in growth markets along with its focus on providing access to products that meet local needs, will assist Remitly in further expanding its global footprint

FT Partners' Role

- FT Partners served as the exclusive strategic and financial advisor to Remitly on this transaction
- FT Partners also previously advised Remitly on its [\\$38.5 million Series C financing](#)
- This transaction further supports FT Partners' continued success advising leading companies in the Money Transfer / International Payments space

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as sole strategic and financial advisor to*



in its Series D financing led by



for total consideration of up to

\$115,000,000



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FT Partners Advises Cambridge on its C\$900,000,000 Sale to FLEETCOR

Overview of Transaction

- On May 1, 2017, Cambridge Global Payments (“Cambridge” or the “Company”) announced that it has entered into a definitive agreement to be acquired by FLEETCOR (NYSE:FLT) for C\$900 million
- Headquartered in Toronto, Canada, Cambridge is a leading provider of integrated, B2B cross-border payment services
 - Cambridge is one of the largest privately-owned, non-bank international payment specialists worldwide
- FLEETCOR is a leading global provider of fuel cards and workforce payment products to businesses
 - FLEETCOR's payment programs enable businesses to better control employee spending and provide card-accepting merchants with a high volume customer base that can increase their sales and customer loyalty
- The transaction is expected to close in the third quarter of 2017

Significance of Transaction

- The acquisition of Cambridge enables FLEETCOR to enter the B2B cross-border payments market, a \$145 billion global revenue market opportunity
- Additionally, the acquisition also enhances FLEETCOR's global corporate payment capabilities, allowing FLEETCOR to pay both domestic and international AP payments for the same client

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Cambridge in this transaction
- This transaction demonstrates FT Partners' continued success advising leading FinTech companies and generating highly successful outcomes in the International Payments space

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sole strategic and financial advisor to*



in its sale to



for total consideration of

C \$900,000,000



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FT Partners Advises Azimo on its Series B Financing

Overview of Transaction

- On June 15, 2015, Azimo announced the completion of its \$20 mm Series B financing led by Frog Capital
- Azimo is a world leader in online and smartphone-based money transfers – providing a fast, secure and low-cost alternative to legacy high street remittance services
- The Company, headquartered in London with additional offices in Poland, has the most comprehensive network of any digital player, sending money to over 200 countries, reaching 5 billion people with more than 80 different currencies
- Frog Capital is a leading growth capital investor focused on technology-led business in Europe

Significance of Transaction

- This investment signifies the ongoing disruption of the \$600 bn global remittance market in which Azimo generated a five-fold increase in the number of facilitated money transfers from the year prior
- Azimo will use the proceeds from the investment to continue its Pan-European growth and to target new markets in North America and Asia

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Azimo and its Board of Directors
- Azimo's capital raise demonstrates FT Partners' continued ability to establish strong relationships with top international financial technology firms and assist them in achieving their long-term strategic goals
- This transaction also builds upon FT Partners' expertise in money transfer, having advised several clients previously in the space

Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its exclusive role as
sole strategic and financial advisor to*

AZIMO

in its Series B financing led by

frog
capital

For approximately

\$ 20,000,000



*The Only Investment Bank
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Award-Winning Investment Bank Franchise Focused on Superior Client Results

Institutional Investor
Institutional Investor
Annual Ranking

2017
2015 - 2016
2006 - 2008

- Ranked #1 Most Influential Executive on Institutional Investor's FinTech 40 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"

I The Information

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
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
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