

January 26, 2016

Financial Technology Partners

FT Partners Research – Transaction Profile



raises

\$50 million

in financing led by



Courtesy of:

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TECHNOLOGY
PARTNERS

***The Only Investment Bank
Focused Exclusively on Financial Technology***

www.ftpartners.com



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FiveStars Raises \$50 Million in Financing Led by HarbourVest

Transaction Overview

FiveStars is a digital loyalty solution provider focused on small businesses

Transaction Overview

- On January 22, 2016, FiveStars announced that it had raised \$50 million in a Series C financing round led by HarbourVest
 - Also participating in the round were previous investors DCM Ventures, Menlo Ventures and Lightspeed Venture Partners
- FiveStar's mission is to help generate commerce for the small businesses community by providing catered loyalty solutions to consumer that entice continued re-visits and purchases
 - Additionally, FiveStars provides numerous marketing opportunities and personalized shopping experiences by automatically identifying repeat customers and storing customer personal information onsite
- This new round of funding brings the total raised by the Company to \$105 million
- The valuation of FiveStars on this round was not disclosed, but the Company received an \$88 million pre-money and \$114 million post-money valuation following its \$26 million Series B round in September 2014 ⁽¹⁾

Transaction Rationale

- This new financing round will help the Company to expand its business opportunities, develop additional rewards programs and further expand its VIP-treatment experience
- The Company will also expand hiring efforts and increase its R&D spending on engineering and sales

FiveStars Commentary

"The in-store service experience has failed so many customers before. Now, major chains and retailers are replacing cashiers with kiosks and tablets to take orders and serve customers."

"Our vision is to make commerce as personalized offline as it is online and bring exceptional service experiences back in-store. We're just scratching the surface on what's possible and we're excited to work with our investors who share the same passion, dedication, and vision as we do to make this happen."



– Victor Ho, Co-Founder and CEO of FiveStars

HarbourVest Commentary

"FiveStars provides small businesses with a truly differentiated tool set allowing them to learn about their customers and continuously engage with them."

"The company has demonstrated its ability to provide tangible value for merchants through its offerings, team, and vision. We are thrilled to partner with management and existing investors to extend its leadership position in the market."



– Joel Hwang, Vice President at HarbourVest

FiveStars Raises \$50 Million in Financing Led by HarbourVest

FiveStars Overview

FIVESTARS



Co-Founder & CEO:

Victor Ho

Headquarters:

San Francisco, CA

Founded:

2010

- **FiveStars is a digital loyalty solution and card provider focused on small businesses and their customer bases**
- **Solutions are geared towards the sports and fitness, consumer goods, retail, and nightlife industries, among others**
- **In 2015, FiveStars helped to drive customer visits to over 35 million across the more than 10,000 stores employing FiveStars' loyalty solution ⁽¹⁾**
- **FiveStars' user base is currently greater than 10 million ⁽¹⁾**



Customized Reward Program – Reward program is customized depending on business' specifications and allows for integration into marketing and customer engagement systems



Tablet Integrated Reward Portal – FiveStars' point-of-sale (POS) companion device is integrated into a business' POS device and allows customers to enter in reward account at purchase



Easy Customer Sign Up and Check In – Customers can sign up online or on mobile device, before arriving at store, shortening lines at store and removing checkout hold up from new customers signing up for loyalty programs at checkout



Automatic Marketing and Product Promotions – FiveStars' product allows for businesses to automatically send customer engagement materials and promotions / incentives through the FiveStars app



Easy Promotion Change by Employees – Store employees can easily adjust or change promotion content right from store POS terminal

Financing History

Date	Investors	Amount (\$mm)
09/14	DCM, Lightspeed Venture Partners, Menlo Ventures, Rogers Communications	\$26.0
08/12	DCM, Lightspeed Venture Partners	13.9
01/11	Y Combinator	na

Source: Company Webpage, Crunchbase, Capital IQ.

(1) Crunchbase.

FiveStars Raises \$50 Million in Financing Led by HarbourVest

HarbourVest Overview

Overview



Ian Lee
Managing Director

George Anson	Managing Director
David Atterbury	Managing Director
Kathleen Bacon	Managing Director
Corentin Du Roy	Managing Director
Julie Eiermann	Managing Director
Tim Flower	Managing Director



George Anson
Managing Director

Location(s)

- Boston, MA (HQ)
- Bogota, Columbia
- London, UK
- Toronto, Canada
- Beijing, China
- Hong Kong, China
- Tokyo, Japan

About

- Founded in 1982, HarbourVest Partners is a private equity fund-of-funds that invests in venture, buyout, mezzanine and distressed markets in the U.S., Europe, Asia Pacific and emerging markets
- Firm has an extensive network of industry relationships that provides portfolio companies with access to additional venture, buyout and credit managers
- Firm can lead investment rounds as well as co-invest depending on the situation

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Investment Preferences

Investment Criteria

Fund Size:	\$3,600 mm
Fund Raised:	2011
Equity Range:	\$5 – 100 mm
Revenue:	na
EBITDA:	na

General Preferences

Control:	Majority, Minority
Geography:	Global
Transaction Type:	Venture, Growth, Buyout, Mezzanine, Distressed Debt, Secondary
Industry Focus:	Agnostic

Select Investments / Exits

Investments

Date	Company	Amount (mm)
05/04/15	Eaton Towers	\$350
04/14/15	Jpay	na
11/14/14	The Risk Management Planning Group	na
11/03/14	COCG	na
08/12/14	Community Bankers Texas	na
05/14/14	Bickmore and Associates	na
01/07/14	Towne Park	na
10/22/13	Outbrain	35
10/08/13	Maxprogress	na

Exits

Date	Company	Amount (mm)
05/18/15	Professional Bull Riders (Mubadala Development Company)	\$100
05/11/15	Acclaris (Towers Watson)	140
05/04/15	PartnerRe (AXIS Capital)	11,000
03/25/15	Grand Bank & Trust of Florida (Seacoast Banking Corporation of Florida)	16
03/24/15	Big Heart Pet Brands (Smucker J M)	3,400
01/08/15	SafeNet (Gemalto)	890

Source: Capital IQ, PitchBook.

Overview of FT Partners

FT Partners is the Leader in Financial Technology 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>Heartland</p> <p>in its sale to</p> <p>globalpayments</p> <p>for total consideration of</p> <p>\$ 4,300,000,000</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>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 role as strategic and financial advisor to</p> <p>TRANSFIRST[™]</p> <p>in its sale to</p> <p>V</p> <p>Vista Equity Partners from</p> <p>WCAS</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 strategic and financial advisor to</p> <p>MARQETA</p> <p>in its Series C minority financing from</p> <p>COMMERZ VENTURES</p> <p>Commerzbank Group</p> <p>83NORTH CV</p> <p>14 CAPITAL GROUP COMMERCE VENTURES</p> <p>\$ 25,000,000</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>Merchant Warehouse</p> <p>in its Significant Growth Recapitalization by</p> <p>PARthenon CAPITAL PARTNERS</p> <p>\$100,000,000+</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 Investment by</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>cardsPRING</p> <p>in its sale to</p> <p>twitter</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>century PAYMENTS</p> <p>in its sale to</p> <p>WorldPay</p> <p>a portfolio company of</p> <p>Advent International / Bain Capital</p> <p>\$ 100,000,000+</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>SOLVERAS</p> <p>PAYMENT SOLUTIONS[™]</p> <p>in its sale to</p> <p>TRANSFIRST[™]</p> <p>valued at approximately</p> <p>\$ 51,000,000</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>YAPSTONE[™]</p> <p>in its minority investment led by</p> <p>ACCEL PARTNERS</p> <p>For total consideration of approximately</p> <p>\$ 50,000,000</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>VERUS</p> <p>in its sale to</p> <p>sage</p> <p>for cash consideration of approximately</p> <p>\$ 325,000,000</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>	<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>PROPAY[™]</p> <p>in its sale to</p> <p>TSYS[™]</p> <p>for total consideration of approximately</p> <p>\$ 135,000,000</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>REWARDSNOW</p> <p>Everyday Business. Extraordinary Results.</p> <p>in its sale to</p> <p>augeo</p> <p>It's Time to Engage.[™]</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>nmi</p> <p>in its growth investment by</p> <p>BregalSagmount</p> <p>for a total valuation of nearly</p> <p>\$200,000,000</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>

Unparalleled experience in Payments / Loyalty across the entire spectrum of transaction types and dynamics, with extremely strong execution and outcomes

Overview of FT Partners

FT Partners Advises Marqeta in its \$25mm Series C Financing

Transaction Overview and Rationale

Overview of Transaction

- On October 26, 2015, Marqeta announced a \$25mm Series C minority equity financing round
- New investors include IA Capital, Commerz Ventures and Max Levchin, CEO and Co-Founder of Affirm
- Existing investors 83North (formerly, Greylock Partners II), Granite Ventures and Commerce Ventures also participated in the round
- New round brings the total investment in Marqeta to \$46mm
- The Company focuses on providing leading payments processing / issuing solutions for some of the most innovative commerce startups and disruptors

Significance of Transaction

- Investment enables Marqeta to expand its market reach in the US and further invest in its Open API platform
- Marqeta also plans to begin international expansion throughout North America and Europe in 2016

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Marqeta and its Board of Directors
- FT Partners leveraged its extensive market knowledge and broad relationships across the financial technology landscape to achieve an outstanding outcome for Marqeta
- Transaction demonstrates FT Partners' continued success achieving highly successful transactions in the payments space

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



MARQETA

in its \$25,000,000 Series C minority financing from



IA CAPITAL GROUP

COMMERZ VENTURES
Commerzbank Group



83NORTH



COMMERCE VENTURES

\$ 25,000,000

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Overview of FT Partners

FT Partners Advises on Strategic Sale of CardSpring to Twitter

Transaction Overview and Rationale

Overview of Transaction

- On July 17, 2014, CardSpring, an emerging payments infrastructure company, announced its sale to Twitter
- CardSpring was primarily backed by Accel Partners and Greylock
- CardSpring has developed a proprietary platform that enables digital publishers and retailers to work with the payment industry to create a new generation of commerce experiences for hundreds of millions of offline shoppers
- Financial terms of the transaction were not disclosed

Significance of Transaction

- By joining forces with Twitter, CardSpring will be able to significantly accelerate the intersection of digital media and payments in order to revolutionize how consumers use credit and debit cards
- The CardSpring team and technology will enhance Twitter's ability to bring in-the-moment commerce experiences to its users

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to CardSpring and its Board of Directors in the sale to Twitter
- FT Partners leveraged its deep industry expertise to provide advisory services throughout the transaction, including strategic direction and introducing CardSpring to financial investors, strategic acquirors and distribution partners
- FT Partners continued its long-term relationship with existing investors Accel (recently sold OZForex for Accel for nearly \$500mm) and Greylock on the sale of their joint-controlling equity stake in CardSpring

Financial Technology Partners LP FTP Securities LLC

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

cardSPRING

in its sale to

twitter

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Overview of FT Partners

FT Partners Advises RewardsNOW in its Sale to Augeo

Transaction Overview and Rationale

Overview of Transaction

- On April 1, 2015, RewardsNOW announced that it has been acquired by Augeo
- RewardsNOW is one of the leading platforms serving bank, credit union and member-based loyalty programs in the U.S. and internationally
- Since 1997, the Company has provided financial institutions with comprehensive loyalty solution product offerings
- Augeo is a nationally recognized leader in engagement, loyalty and incentive platforms

Significance of Transaction

- This acquisition will expand Augeo's already significant position in the financial services arena
- Combined, Augeo and RewardsNOW will support 900+ financial services programs, reaching over 9 million cardholders with over 33 billion loyalty points under management
- This expansion will greatly increase the number of retailers providing discounts in the form of points and statement credits when cardholders use their financial institution cards at participating locations

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to RewardsNOW and its Board of Directors
- FT Partners leveraged its deep knowledge, extensive experience and broad industry relationships to help achieve a highly favorable outcome for stakeholders
- Transaction demonstrates FT Partners' continued success advising top-tier financial technology companies

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



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Overview of FT Partners

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

- | | |
|------|--|
| 2015 | <ul style="list-style-type: none"> ■ Dealmaker of the Year ■ Technology Deal of the Year |
| 2014 | <ul style="list-style-type: none"> ■ Equity Financing Deal of the Year ■ Professional Services Deal of the Year, Above \$100mm |
| 2012 | <ul style="list-style-type: none"> ■ Dealmaker of the Year ■ Professional Services Deal of the Year, Above \$100 mm |
| 2011 | <ul style="list-style-type: none"> ■ Boutique Investment Bank of the Year ■ Deal of the Decade ■ <i>10 Deal of the Year Nominations Across 9 Categories</i> |
| 2010 | <ul style="list-style-type: none"> ■ Upper Middle Market Deal of the Year, Above \$500 mm ■ IT Services Deal of the Year, Below \$500mm ■ Cross-Border Deal of the Year, Below \$500mm |
| 2007 | <ul style="list-style-type: none"> ■ Dealmaker of the Year – Steve McLaughlin ■ Business to Business Services Deal of the Year ■ Computer and Information Technology Deal of the Year, Above \$100mm ■ Financial Services Deal of the Year, Above \$100mm |



- | | |
|-----------|--|
| 2015 | ■ Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List |
| 2006-2008 | ■ Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology |



WINNER
Middle Market
Financing Awards

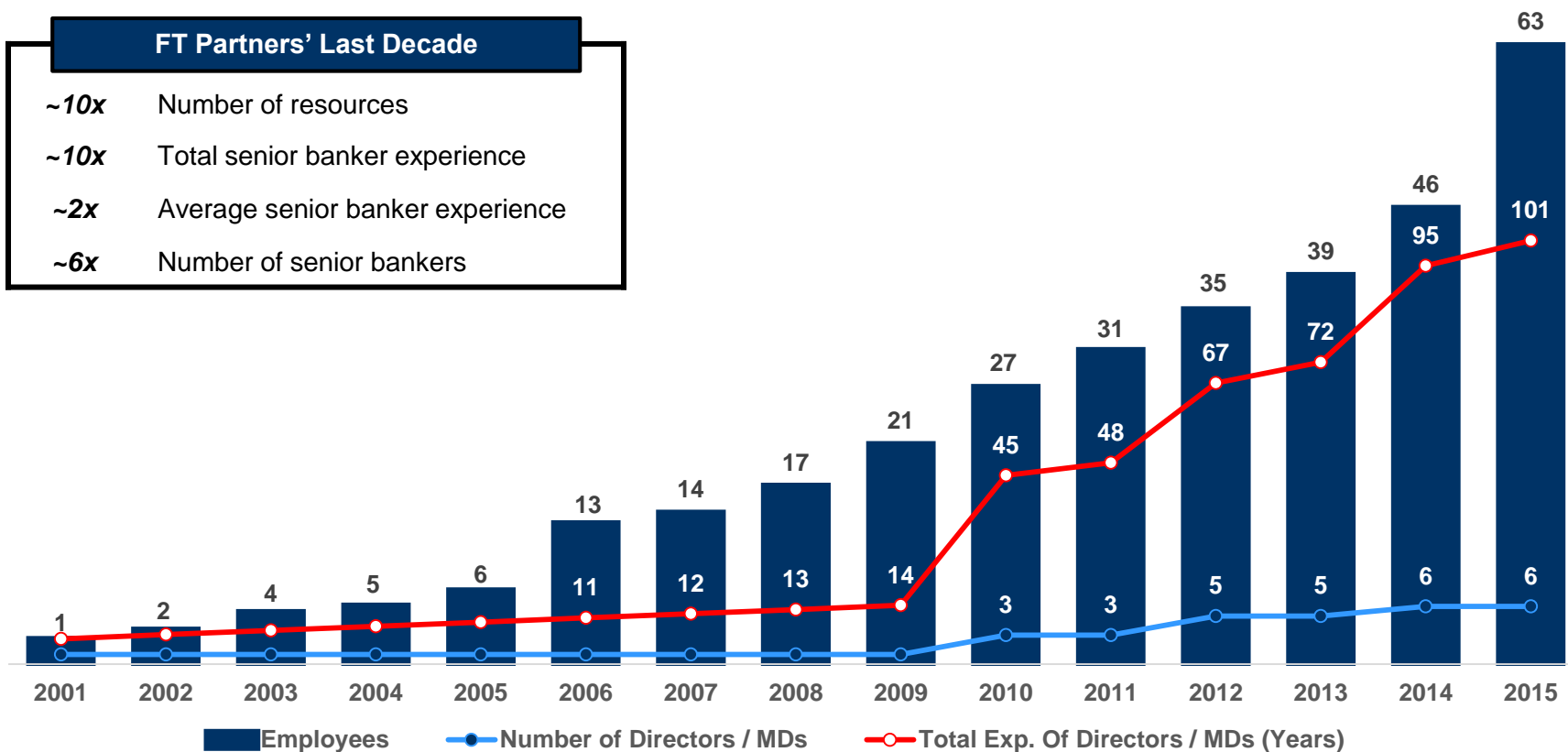
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|------|--|
| 2008 | <ul style="list-style-type: none"> ■ Equity Financing Dealmaker of the Year – Steve McLaughlin ■ Information Technology Deal of the Year ■ Financial Services Deal of the Year |
| 2006 | <ul style="list-style-type: none"> ■ Financing Professional of the Year – Steve McLaughlin ■ <i>Financing Deal of the Year - Equity</i> ■ <i>Financing Deal of the Year - Debt</i> |

Overview of FT Partners

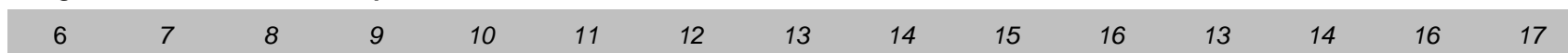
Platform of Choice for Clients and Bankers Alike

FT Partners' Last Decade

- ~10x Number of resources
- ~10x Total senior banker experience
- ~2x Average senior banker experience
- ~6x Number of senior bankers








Avg Years of Director / MD Experience



Overview of FT Partners

The FT Partners Senior Banking 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 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	21
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. 	21
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee Recent coverage included V, MA, TSS, GPN, HPY, DST, ENV, FISV, FIS & JKHY among others 	20
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	14
Andrew McLaughlin <i>Managing Director, Research & Business Development</i>		<ul style="list-style-type: none"> Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	10