

FT PARTNERS FINTECH INDUSTRY RESEARCH

July 28, 2017



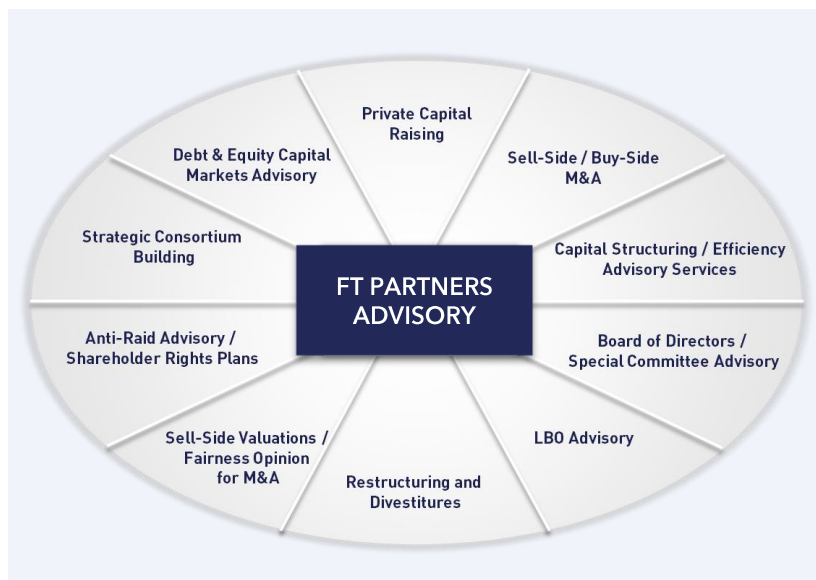
Paysafe (LSE:PAYS) Acquires Merchants' Choice Payment Solutions for \$470 million



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 #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*

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Paysafe Acquires MCPS for \$470 million

Transaction Summary

Transaction Summary

- On July 21, 2017, Paysafe announced that it has agreed to acquire all the assets of Delta Card Services for \$470 million
 - Delta Card Services is the holding company for Merchants' Choice Payment Solutions (MCPS)
 - The acquisition will be paid for in cash, funded by a new \$380 million incremental loan facility, plus \$90 million from existing cash funds
- This acquisition will help expand Paysafe's existing processing scale and product set for ISOs and merchants in North America
 - The addition of point of sale activities to Paysafe's Processing division will bring its processing for POS, online and order ahead payments under one real-time and consolidated analytics platform
- In addition, Paysafe's subsidiary Meritus is an existing partner of MCPS, so a portion of MCPS' revenue will be treated as inter-company
- The acquisition is expected to result in annual cost synergies of approximately \$7.5 million, in addition to certain revenue synergy opportunities
- Todd Linden, the current CEO of MCPS, will remain with the Company and join Paysafe's North American Processing operations
- The acquisition is expected to close in the third quarter of 2017
- On the same day, Paysafe separately announced a possible offer to be acquired by Blackstone and CVC Capital Partners

Deal Multiples / MCPS Financials ^{(1) (2)}

8.7x

EV / 2017 Estimated Pro
Forma Adjusted EBITDA

7.9x

EV / 2018 Estimated Pro
Forma Adjusted EBITDA

If MCPS had been owned by Paysafe for all of 2016:
(excluding inter-company transactions)

Pro-forma consolidated
2016 revenue:

\$329 mm
6% growth

Pro-forma 2016 gross
profit:

\$72 mm

Pro-forma 2016
adjusted EBITDA: ⁽²⁾

\$49 mm
15% margin

Gambling Revenue
Exposure:

Fallen from
46% to 35%

Revenue from Asia
Gateway business:

Fallen from
13% to 10%

Source: Company press release

(1) 2017 and 2018 estimates are based on an annual growth rate of 10%

(2) Adjusted EBITDA is defined as results of operating activities before depreciation and amortization, share-based payment expense, fair value gains and losses on share consideration payable, foreign exchange gains and losses on disposals of assets. It is also adjusted for exceptional or non-recurring items

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Merchants' Choice Payment Solutions Overview



Company Overview



CEO: Todd Linden
Headquarters: The Woodlands, TX
Founded: 1989

- Merchants' Choice Payment Solutions is a data focused full service payment processor for merchants and ISOs
 - The Company's solutions allow merchants to accept all major payment options, including cards, checks, gift / loyalty cards and electronic benefits transfers, among others
- MCPS provides a single point of entry to its sales partners to allow them to access various platforms
 - The Company also helps sales partners provide merchants with innovative payment products and business solutions, including funding solutions, marketing, data analytics and social media marketing
- The Company offers services to approximately 60,000 merchants in all 50 states and processes over \$14 billion in sale volume annually

Products & Services Overview

Merchant Foundry

- ✓ Robust reporting features
- ✓ Payment processing and innovative payment solutions
- ✓ Portfolio Management
- ✓ Single source solution for access to an array of partner products and services



Foundry POS



- ✓ Tablet-based point of sale system
- ✓ Business management tools and software suite for small and medium sized businesses
- ✓ Online portal for remote access from any internet enabled device

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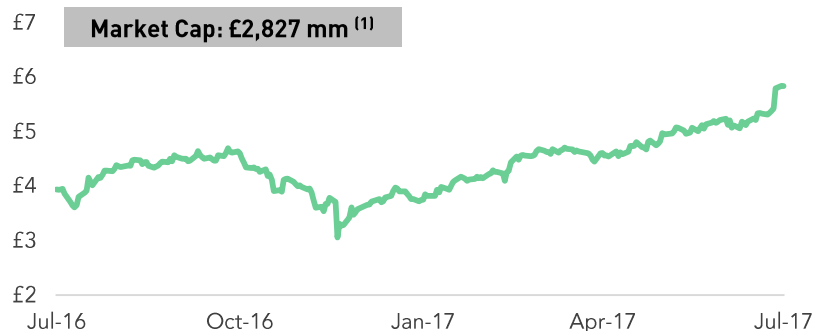
Paysafe Overview

Company Overview

CEO: **Paysafe** Joel Leonoff
Headquarters: Isle of Man, U.K.
Founded: 1996

- Paysafe is a leading, global provider of end to end payment solutions for businesses and consumers
- The Company offers an integrated platform with solutions geared towards mobile-initiated transactions, real-time analytics and convergence between brick and mortar and online payments
 - Also features industry leading capabilities in payment processing, digital wallets and online cash solutions
- Paysafe connects business and consumers across 200 payment types in over 40 currencies and processes about \$48 billion annually

Stock Performance (LSE:PAYS)



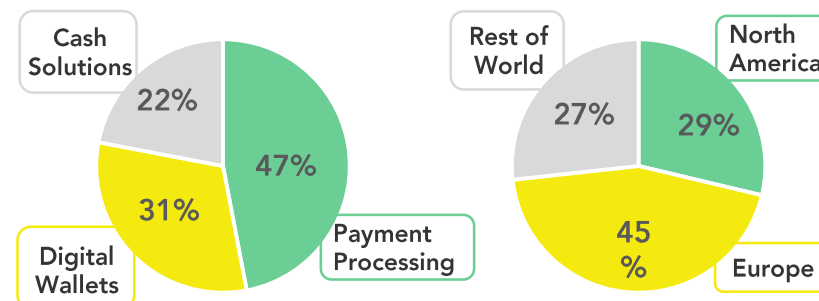
Source: Company website, Company filings, Capital IQ

(1) Market Cap as of July 25, 2017

Recent Selected Acquisition History

Announce Date	Target	Amount (\$ in mm)
09/0/16	INCOME access	\$30
05/28/15	FMS ENTERTAINMENT	13
03/23/15	Skrill	1,200
07/01/14	GMA Global Merchant Advisors	15
07/01/14	Meritus PAYMENT SOLUTIONS	210
01/20/11	OPTIMAL PAYMENTS	50

Revenue Breakdown



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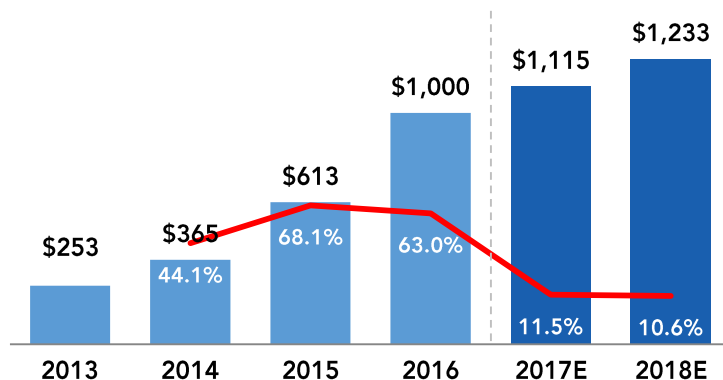
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Paysafe Financial Overview



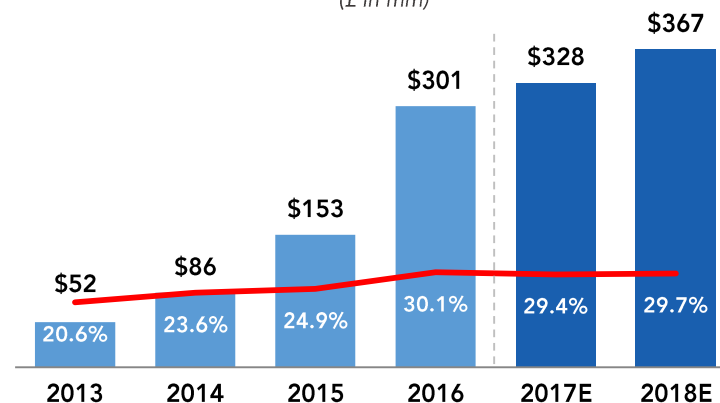
Net Revenue / % Growth

(£ in mm)



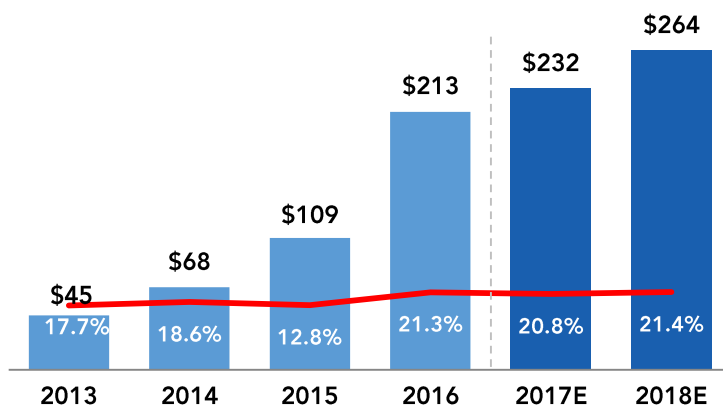
Adjusted EBITDA / % Margin

(£ in mm)

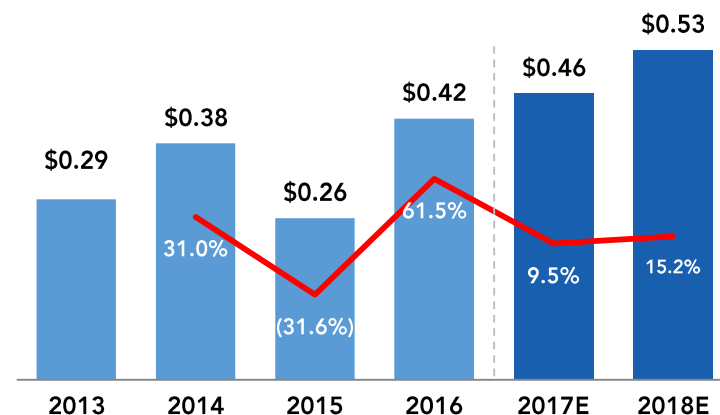


Adjusted Net Income / % Margin

(£ in mm)



Adjusted EPS / % Growth



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Recent Merchant Acquirer / Payment Processor Transactions

Selected FT Partners Deals Noted	Seller	Buyer	Date	Transaction Value (\$ in mm)	Research Profile
	MC Merchants' Choice Payment Solutions	Paysafe	07/2017	\$470	
	worldpay	vantiv	07/2017	11,680	VIEW
	sage Payment Solutions	GTCR	06/2017	260	VIEW
	cardconnect.	First Data	05/2017	750	VIEW
	total merchant services	North American Bancard	05/2017	NA	VIEW
	CentralPayment	TSYS	02/2017	700 ⁽¹⁾	VIEW
	Harbortouch	SEARCHLIGHT	06/2016	NA	VIEW
	cardconnect.	FinTech Acquisition Corp (NASDAQ : FNTC)	03/2016	438	VIEW
	TRANSFIRST	TSYS	01/2016	2,350	VIEW
	Heartland	globalpayments	12/2015	4,300	VIEW
	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 ONTARIO	07/2014	700	
	MERCURY	vantiv	05/2014	1,650	VIEW
	nmi	Great Hill PARTNERS	05/2014	NA	VIEW
	CentralPayment	TSYS	03/2014	250 ⁽¹⁾	

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

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Recent Merchant Acquirer / Payment Processor Transactions

Selected FT Partners Deals Noted	Seller	Buyer	Date	Transaction Value (\$ in mm)	Research Profile
	PayPros	globalpayments	01/2014	\$420	
	century PAYMENTS	worldpay	09/2013	NA	VIEW
	nmi	BregalSagemount	09/2013	200	VIEW
	BluePay	TA Associates	09/2013	NA	
	element payment services	vantiv	07/25/13	163	
	PROPAY	TSYS	11/15/12	135	VIEW
	Litle & Co	vantiv	10/31/12	361	
	ACCELERATED [®] payment technologies	globalpayments	08/15/12	413	
	CentralPayment	TSYS	08/09/12	110 ⁽¹⁾	
	MERCHANT SOLUTIONS	cielo	07/06/12	670	
	CAYAN (fka Merchant Warehouse)	PARthenon CAPITAL	07/05/12	NA	VIEW
	SOLVERAS PAYMENT SOLUTIONS	TRANSFIRST	08/24/11	NA	VIEW
	YAPSTONE [™] ePayments as a Service	ACCEL PARTNERS	06/07/11	50	VIEW
	MERCURY	SILVERLAKE	04/14/10	900	VIEW
	VERUS	sage	01/09/06	325	VIEW
	Lynk	The Royal Bank of Scotland	08/03/04	525	VIEW

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

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



Vista Equity Partners Acquires a Majority Stake in PayLease



Vantiv Acquires Worldpay for ~\$9.9 billion



Ebx Acquires an 80% Stake in ItzCash for \$120 million



Vista Equity Partners Acquires PayLease



Ingenico Group Acquires Bambora for ~\$1.7 billion



GTCR Acquires Sage Payment Solutions for \$260 million

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FT Partners – Focused Exclusively on FinTech

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Strong Domain Expertise in Payments Investment Banking



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



Groundbreaking strategic round for early stage European payments company



in its sale to



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"> Investment Banking Firm of the Year Cross Border Deal of the Year
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 \$100mm
2011	<ul style="list-style-type: none"> Boutique Investment Bank of the Year Deal of the Decade 10 Deal of the Year Nominations Across 9 Categories
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	<ul style="list-style-type: none"> Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List
2006 - 2008	<ul style="list-style-type: none"> Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology
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 Financing Deal of the Year - Equity Financing Deal of the Year - Debt

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. 	22
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 	21
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) 	20
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 	19
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. 	15
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 	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 	11