

February 9, 2016

Financial Technology Partners

FT Partners Research – Transaction Profile



Blockstream

raises

\$55 million

in Series A financing

Courtesy of:



The Only Investment Bank
Focused Exclusively on Financial Technology

www.ftpartners.com



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Blockstream Raises \$55 mm in Series A Financing

Transaction Summary

Blockstream's capital raise follows the January 2016 \$50 mm raise by Digital Asset Holdings, a blockchain technology company backed by a number of large financial institutions

Transaction Overview

- On February 3, 2016, Blockstream announced that it had raised a \$55 million Series A funding round led by Horizons Ventures, AXA Strategic Partners and Digital Garage
 - Additionally, AME Cloud Ventures, Blockchain Capital, Future \ Perfect Ventures, Khosla Ventures, Mosaic Ventures and Seven Seas Venture Partners also participated in the round
 - This Series A round brings the total funding for the Company to \$76 million, building upon a \$21 million seed round that was completed in 2014
- Blockstream offers blockchain and crypto-currency solutions
 - The Company's Sidechains platform and blockchain protocol allows for cross-industry functionality providing for a wider use of bitcoin technology, reduced network fragmentation, increased security and overall reduction in costs
- Blockstream's platform is built within the Elements Project, which is an open-source technology platform that allows for collaboration between various bitcoin platforms
- Along with the announcement of the transaction, Blockstream also announced that it had entered into a strategic partnership with PwC to further expand its integration capabilities across PwC's market reach
- The funding will be used to continue to develop the product and platform, expand operations globally and support Blockstream's industry partners

Transaction Commentary

"Blockchain technology is redefining what is possible within the fintech ecosystem and beyond."

"The transition to this new world – one that is decentralized, interoperable, secure, and trustworthy – is going to be illuminating. We are excited to be working with Blockstream to see their innovative sidechain technology reach its full potential."



– Frances Kang,
Horizons Ventures

"We are convinced that blockchain technology has the ability to transform not only financial services but also other industries. We value Blockstream's open source approach and its sidechain technology, which will allow interoperability between different chains and provide critical long-term success in this sector. We also look forward to partnering with Blockstream to drive the transformation of insurance and asset management businesses."



– François Robinet,
Managing Partner,
AXA Strategic Ventures

"We are excited to work with Blockstream to expand their business in Japan and other Asian countries in conjunction with Digital Garage's strategic partners in the financial sector, we look forward to seeing how cryptofinance and blockchain technology create new contexts for a better society."



– Kaoru Hayashi,
Group CEO,
Digital Garage

January 26, 2016
Financial Technology Partners

FT Partners Research – Transaction Profile



Digital Asset
raises
\$50 million

In financing from 12 prominent financial institutions led by

J.P.Morgan

Courtesy of

Financial Technology Partners
The City of London Bank
PwC
New York University
Digital Garage

[Click to view our in-depth transaction profile](#)

FINANCIAL
TECHNOLOGY
PARTNERS

Source: Company press release, Capital IQ.

Blockstream Raises \$55 mm in Series A Financing

Blockstream Overview



President: Adam Back
Headquarters: Montreal, Canada
Founded: 2014

- Blockstream is a blockchain technology company whose initial core area of innovation is Sidechains, which are blockchains that are interoperable with each other and with bitcoin, avoiding liquidity shortages, market fluctuations, fragmentation, security breaches and outright fraud associated with alternative cryptocurrencies

Financing History

Date	Investors	Amount (\$mm)
09/14	 Mosaic Ventures  khosla ventures  FPV  AME CLOUD VENTURES  realventures  INNOVATION ENDANGERS  BLOCKCHAIN CAPITAL	\$21

Management



Adam Back, President: Has worked in the e-cash industry for over 20 years and is an inventor of a form of bitcoin mining; additionally, has consulted on a number of security focused companies, like EMC



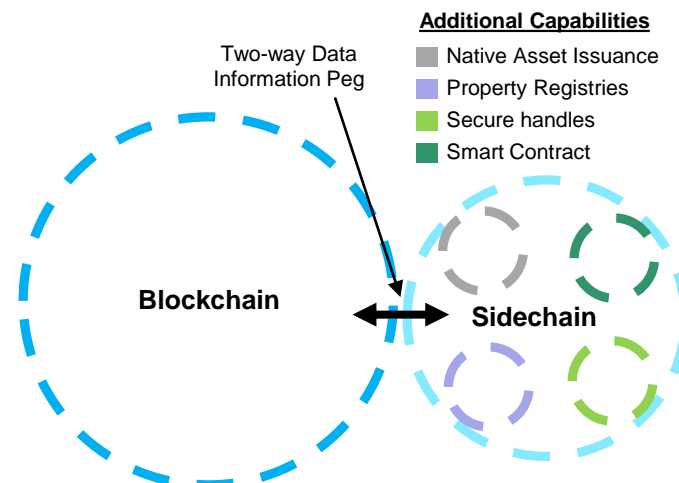
Austin Hill, Chief Instigator: Is an active investor and entrepreneur and has been involved in a number of cryptocurrency ventures and investments



Gregory Maxwell, CTO: Was heavily involved in designing Sidechain's two-way data information peg and has been a core bitcoin-focused developer since 2011; previously worked at Mozilla

Sidechain Product Visualization

Sidechain allows for blockchain to expand capabilities and offer usability for additional asset classes


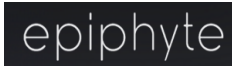







Blockstream Raises \$55 mm in Series A Financing

Selected Venture-backed Blockchain Companies

A number of financial institutions are exploring the use of blockchain technology to develop distributed ledgers in order to create more efficient, global and decentralized mechanisms for the settlement of assets

These financial institutions are often turning to venture-backed startups to help them with their blockchain-based initiatives

Selected Companies	Application
	<p>Chain: Enables financial institutions to design, deploy and operate blockchain networks that can power any type of asset in any market</p> <ul style="list-style-type: none"> – <i>Gyft</i>, a First Data subsidiary, partners with Chain to power digital gift card issuance, transfer, and redemption for their small and medium businesses; the system uses the blockchain as the payment rails, and tiny fractions of bitcoin to pay the fees required to ride these rails – <i>Nasdaq</i> partners with Chain to pilot a system using blockchain technology for the trading of shares in private companies
	<p>Epiphyte: Provides a blockchain powered SaaS service that delivers instant settlement for financial trades including FX, commodities and private equity among others</p> <ul style="list-style-type: none"> – <i>Visa Europe</i> partners with epiphyte to develop a more efficient global remittance service
	<p>Ripple: Provides distributed financial technology that allows for banks around the world to directly transact with each other without the need for a central counterparty or correspondent</p> <ul style="list-style-type: none"> – <i>Westpac</i> and <i>ANZ</i> partner with Ripple to develop a low cost, cross border payments platform – <i>Commonwealth Bank</i> partners with Ripple to develop a system to settle payments between its subsidiaries
	<p>Clearmatics: Developing next generation clearing technology for OTC markets; Clearmatics' blockchain platform brings together participants on a single platform, where members can settle instruments and automate any post-trade processes using the Company's Decentralized Clearing Network technology</p> <ul style="list-style-type: none"> – <i>UBS</i> partners with Clearmatics to leverage blockchain technology to settle trades and make cross border payments
	<p>Tradeblock: Serves financial institutions with execution and analysis tools that capitalize on the potential of blockchain technologies</p>
	<p>Blockstream: Blockchain technology company whose initial core area of innovation is sidechains, which are blockchains that are interoperable with each other and with bitcoin, avoiding liquidity shortages, market fluctuations, fragmentation, security breaches and outright fraud associated with alternative cryptocurrencies</p>
	<p>Align Commerce: Next generation global payments provider that enables businesses to quickly and securely pay and get paid in their local currency; by leveraging blockchain technology, Align is disrupting the international payments industry by leveling the playing field for small businesses in cross border payments</p>

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 approximately</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 exclusive role as sole strategic and financial advisor to</p> <p>MERCURY</p> <p>in its approximately 60% majority sale to</p> <p>SILVERLAKE</p> <p>for aggregate consideration of approx.</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>AmWins Group, Inc.</p> <p>in its recapitalization by</p> <p>NMC</p> <p>NEW MOUNTAIN CAPITAL LLC valued at approximately</p> <p>\$ 1,300,000,000</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 exclusive role as sole strategic and financial advisor to</p> <p>ACCRETIVE HEALTH Results providers trust</p> <p>in its</p> <p>\$138,000,000 Initial Public Offering</p> <p>valuing the equity at approximately</p> <p>\$ 1,200,000,000</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 financial advisor to</p> <p>GreenSky</p> <p>in its minority investment from</p> <p>DST ICONIQ TPG</p> <p>for total consideration of</p> <p>\$ 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 exclusive role as advisor to</p> <p>CIBC</p> <p>in its strategic investment in</p> <p>Verus</p> <p>with additional participation from</p> <p>MasterCard Bain Capital Ventures Alkermes</p> <p>for approximately</p> <p>\$70,000,000</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>square trade protection plans</p> <p>in its recapitalization by</p> <p>BainCapital BainCapital Ventures</p> <p>of approximately</p> <p>\$ 238,000,000</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>FLEET ONE</p> <p>in its cash sale to</p> <p>wex</p> <p>for total consideration of approximately</p> <p>\$ 369,000,000</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>nmi</p> <p>in its growth investment by</p> <p>Bregal Sagemount</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>	<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>\$ 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 role as strategic and financial advisor to</p> <p>TRANSFIRST</p> <p>in its cash sale to</p> <p>Vista Equity Partners</p> <p>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 role as sole debt capital advisor to</p> <p>jack henry & ASSOCIATES INC.</p> <p>in its acquisition of</p> <p>iPay Technologies</p> <p>for total consideration of approximately</p> <p>\$ 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 exclusive role as sole strategic and financial advisor to</p> <p>OZFOREX FOREIGN EXCHANGE SERVICES</p> <p>in its</p> <p>Initial Public Offering</p> <p>valuing the equity at approximately</p> <p>A\$480,000,000</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>VeriFone THE WAY TO PAY™</p> <p>in its</p> <p>\$177,000,000 Initial Public Offering</p> <p>valuing the equity at approximately</p> <p>\$ 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 exclusive role as sole strategic and financial advisor to</p> <p>TRANSFIRST First In Secure Electronic Payments</p> <p>in its debt financing co-led by</p> <p>Bank of America Merrill Lynch Deutsche Bank GE Capital</p> <p>totaling</p> <p>\$ 675,000,000</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>

Overview of FT Partners

FT Partners has Significant Experience Advising Large Financing Rounds

FT Partners has a history of advising on some of the largest financing transactions in the FinTech space

Representing numerous FinTech “Unicorns” above \$1 billion valuations

Company	Amount Raised	Selected Prominent Investors in FT Partners Led Rounds
 MERCURY [®]	\$420,000,000+	  
 GreenSky [™]	300,000,000+	  
 liquidnet	250,000,000	 
 square trade	238,000,000	
 avidxchange	225,000,000	  
 nmi	150,000,000+	  
 Kabbage	135,000,000	
 TradingScreen	110,000,000+	   
CHROMERIVER	100,000,000	  
 Credit Karma [™]	85,000,000	
earnest	75,000,000	 
 taulia [™]	60,000,000	
 YAPSTONE [™]	50,000,000	 

Note: FT Partners represented investor in Dynamics (CIBC) and Credit Karma (Google Capital); some transactions include a combination of equity and smaller amount of debt financing.

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 |

Institutional Investor
Institutional Investor
Annual Ranking

- | | |
|-----------|--|
| 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**

- | | |
|------|--|
| 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> |

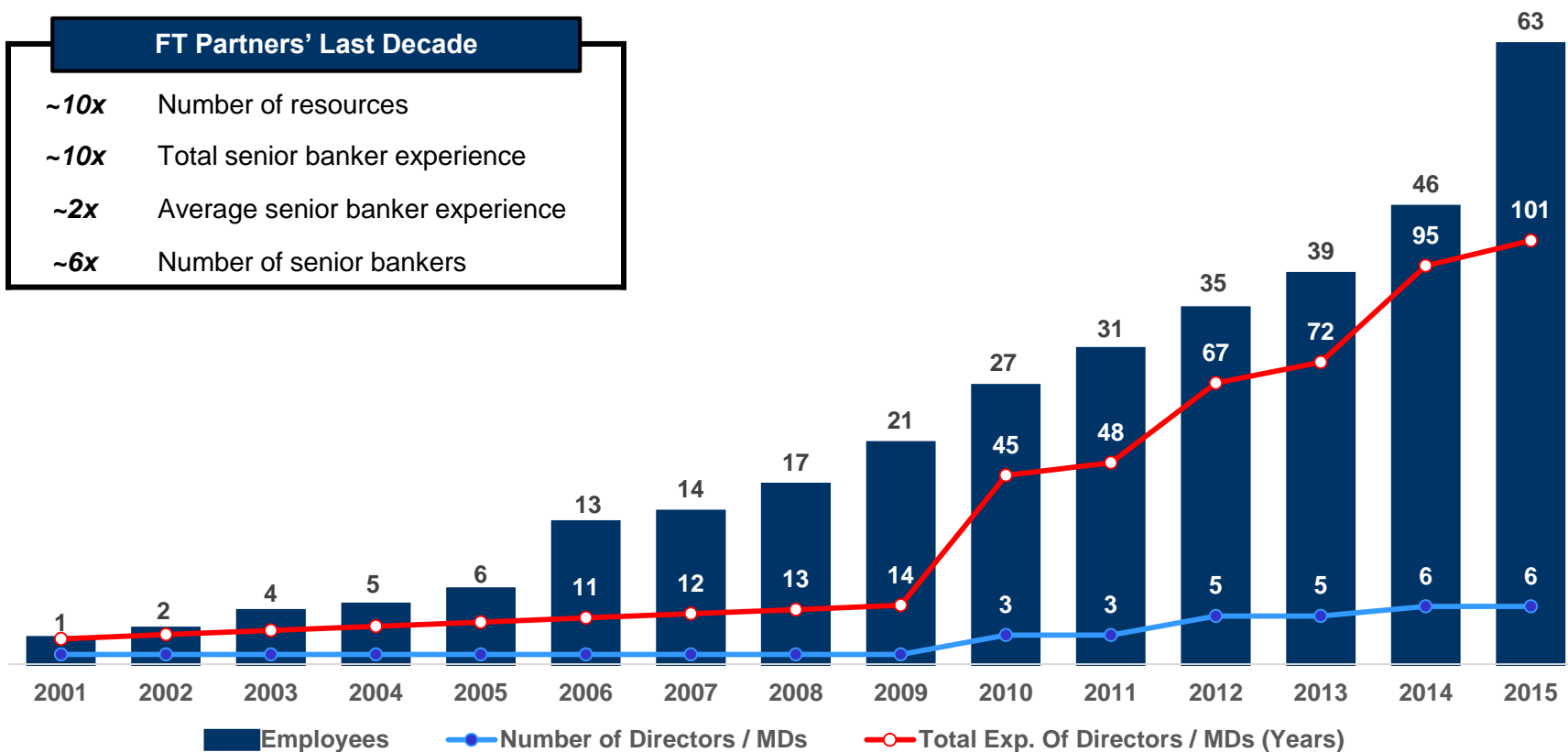
Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.

Overview of FT Partners

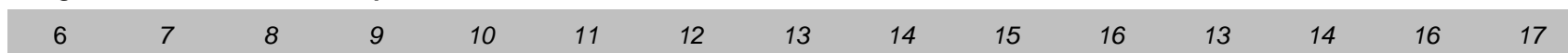
Platform of Choice for Clients and Bankers Alike

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