

FT PARTNERS FINTECH INDUSTRY RESEARCH

March 14, 2017



Toss Raises \$48 million in Series C Financing

Including a Strategic Investment from PayPal



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



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 *Institutional Investor* "FinTech Finance 35"



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

Steve McLaughlin: *Founder & CEO*

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Toss Raises \$48 million in Series C Financing

Transaction Summary

Transaction Summary

- On March 9, 2017, Toss announced that it has raised \$48 mm in a Series C financing round that includes a strategic investment from PayPal
 - The round was led by Goodwater Capital, which also led Toss's Series B round
 - Bessemer Venture Partners, Altos Ventures and Partech Ventures also participated in the round
- The Company has raised \$76 mm to date ⁽¹⁾
- Toss will use the funding to expand its business beyond peer-to-peer (P2P) payments into cross-border money transfers, loans other credit options and micro-insurance
- Viva Republica, doing business as Toss, is a South Korea based financial services mobile application
 - To date, Toss has processed more than \$3 bn in transactions from its 6 million registered users ⁽¹⁾
 - Toss has partnerships with 18 out of 19 major banks in South Korea for its payments and banking services ⁽¹⁾

Transaction Commentary

"Toss is on track to serve 50 percent of Korea's millennials by the end of this year and have a solid product road map to launch services for all user groups as well."

GOODWATER
CAPITAL

Eric Kim
Co-Founder & Managing Partner



"Before Toss, users required five passwords and around 37 clicks to transfer \$10. With Toss users need just 1 password and three steps to transfer up to KRW 500,000 (\$430) ... The market is huge and ready to embrace really great financial service but nobody is pushing forward for it ... There might be competition in the future but right now we think it's quite different. What [Kakao is] doing is more a b2b play, they want to be a basic payment system in Korea, and are acquiring merchants."

 **Toss**

SG Lee
Founder & CEO



Toss Raises \$48 million in Series C Financing



Toss Overview

Company Overview



CEO: SG Lee
Headquarters: Seoul, South Korea
Founded: 2011

- Viva Republica, doing business as Toss, is a South Korea based financial services mobile application providing peer to peer transfers
- With Toss, users can transfer up to \$500 using its mobile application
- As of today, Toss has: 6 million app downloads, transferred over \$3 bn and handles 10x the volume of transactions of all its domestic competitors combined

Financing History

Announce Date	Amount (\$ in mm)	Investor(s)
04/11/16	\$23.7	GOODWATER CAPITAL, QUALCOMM VENTURES, ktb Network, ALTOS VENTURES
07/21/15	4.2	GOODWATER CAPITAL, IBK 기업은행, ktb Network, ALTOS VENTURES
06/04/14	1	ALTOS VENTURES

Products & Services Overview

Three Simple Steps



1. Enter the recipient's name and address (Phone number or bank account)
2. Enter the transfer amount
3. Type password

Additional Financial Services



- Toss Loans – Process loans in less than a minute
- Toss Financial Dashboard – Keep tabs on all your accounts across banks
- Toss Credit Monitoring – Maintain a healthy credit score

Services Coming Soon

Loan Brokerage Service

Overseas Transfers

Micro Insurance

Foreign Exchange

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PayPal Overview

Company Overview



Financial Metrics ⁽¹⁾

Ticker: NYSE: PYPL

Market Cap: \$51.5 bn

2016 Revenue: \$10, 842 mm

2016 EBITDA: \$2,102 mm

2016 NI: \$1,401 mm

CEO:

Daniel Schulman

Headquarters:

San Jose, CA

Founded:

1998

- PayPal enables individuals and businesses to securely, easily and quickly send and receive payments online and through a broad range of mobile devices
- The technology platform is designed to help businesses of all sizes manage their cash flow, invoice clients and pay bills, and to reduce the need for merchants to receive and store sensitive customer financial information
- The Company has over 160 million active registered accounts, enabling consumers and businesses to accept and make payments in more than 100 different currencies

Stock Performance



Selected Recent Transaction Activity

Announce Date	\$ in mm	Type	Target
02/14/17	\$233	M&A	T10 Networks
04/21/16	30	Financing	acorns
07/01/15	1,054	M&A	xoom
04/28/15	16	Financing	LOOP COMMERCE
03/10/15	43	M&A	CYACTIVE
03/02/15	230	M&A	Paydiant
12/17/13	na	M&A	StackMob Powering Mobile Applications
09/26/13	800	M&A	Braintree
12/31/12	5	Financing	olo
07/07/11	240	M&A	ZONG

Source: Company website, Capital IQ, FT Partners' Proprietary Database



















(1) Market Cap as of 3/13/17

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Selected Strategic Transactions in FinTech / eCommerce

Investor / Acquirer		Target	Investor / Acquirer		Target
	Ant Financial Acquires MoneyGram for \$880 mm			Ant Financial Invests \$200 mm in Kakao Pay	
	PayPal Acquires Xoom for \$1.05 bn			Baidu Invests in Circle	
	Samsung Acquires LoopPay			Rakuten Invests in WePay & Azimo Acquires Cartera (through Ebates)	  
	Alibaba Invests in Paytm & Paytm E-Commerce			Grab To invest \$700 mm in Indonesian FinTech	

eCommerce players continue to invest in FinTech to further global expansion and meet growing demands for better, faster and more frictionless solutions

Toss Raises \$48 million in Series C Financing

Goodwater Capital Overview

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Overview

GOODWATER
CAPITAL



Chi-Hua Chien
Co-Founder &
Managing Partner



Eric Kim
Co-Founder &
Managing Partner

Location

San Mateo, CA

About

- The Firm was founded in 2014 with the mission to empower exceptional entrepreneurs
- Invests in early stage consumer technology companies, primarily focused on Series A and B rounds
- Prior to co-founding Goodwater, Chi-Hua was a General Partner at Kleiner Perkins Caufield & Byers
- Chi-Hua has invested in or served on the Board of many companies including imoji, Stash, Tilt, Weee and Zumper.
- Prior to co-founding Goodwater, Eric Kim was a Managing Director at Maverick Capital
- Eric has led investments into leading consumer and mobile technology companies such as Kakao, Musical.ly, Zenefits and Upsight

Investment Preferences

Investment Criteria

Fund Size:	\$250 mm (Fund II)
Investment Range:	2017
Revenue:	NA
EBITDA:	NA

General Preferences ¹

Control:	<i>Minority</i>
Geography:	Global
Transaction Type:	Seed, Venture, Growth
Industry Focus:	Consumer Tech

Selected Recent Investments / Exits

FinTech / Financial Services Investments ²

Date	Company	Deal Amt. ³	Board Rep. ⁴	Sector
12/16	Stash Invest (Series B)	\$25	Chi-Hua Chien	CapMkts
10/16	Zumper (Series B)	17	na	Bnkg
08/16	Stash Invest (Series A)	9.3	Chi-Hua Chien	CapMkts
04/16	Toss (Series B)	23	na	Pymts
02/16	Stash Invest (Seed)	3	Chi-Hua Chien	CapMkts
05/15	Zumper (Series A)	6.4	na	Bnkg
07/15	Tilt.com (Airbnb)*	30	na	CapMkts

Other Technology Investments ²

Date	Company	Deal Amt. ³	Board Rep. ⁴	Sector
01/17	Flirtey (Series A)	\$16	na	Logistics
12/16	Amino (Series B)	19	na	Software
12/16	Memebox (Series C)	126	Eric Kim	Retail
07/15	Pager (Series A)	14	Eric Kim	Software
07/15	Musical.ly (Series B)	16.6	na	Software
03/15	Pager (Seed)	5.9	Eric Kim	Software
01/15	Memebox (Series B)	17.4	Eric Kim	Retail
09/14	Builds (Giphy)*	na	na	Media
04/14	Memebox (Series A)	11.9	Eric Kim	Retail

Source: Company website, PitchBook.

1) *Italics indicate preferred control / geography.*

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

3) Deal Amount in mm.

4) Includes board members and observers.

Selected FT Partners' Research – *Click to View*



Transaction Security



Global Money Transfer



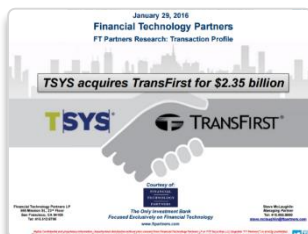
PayPal Spin-off Overview



Apple Unveils Apple Pay



Heartland's Sale to Global Payments



TransFirst's Sale to TSYS



Square Completes its IPO



First Data: Post Quiet Period Review



PayPal Acquires TIO Networks for \$233 million



Ingenico Group Acquires TechProcess Payment Services



Ant Financial Acquires MoneyGram for \$880 million



Kakao Pay Raises \$200 million in Financing from Ant Financial

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<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>\$ 4,500,000,000</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 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>Vista Equity Partners from</p> <p>WCAS</p> <p>for total consideration of</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>GiftCards.com</p> <p>in its sale to</p> <p>BLACKHAWK NETWORK</p> <p>for total consideration of</p> <p>\$ 120,000,000</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>CAYAN</p> <p>in its Significant Growth Recapitalization by</p> <p>PARthenON CAPITAL PARTNERS</p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>
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Unparalleled experience in Payment Processing across the entire spectrum of transaction types and dynamics, with extremely strong execution and outcomes

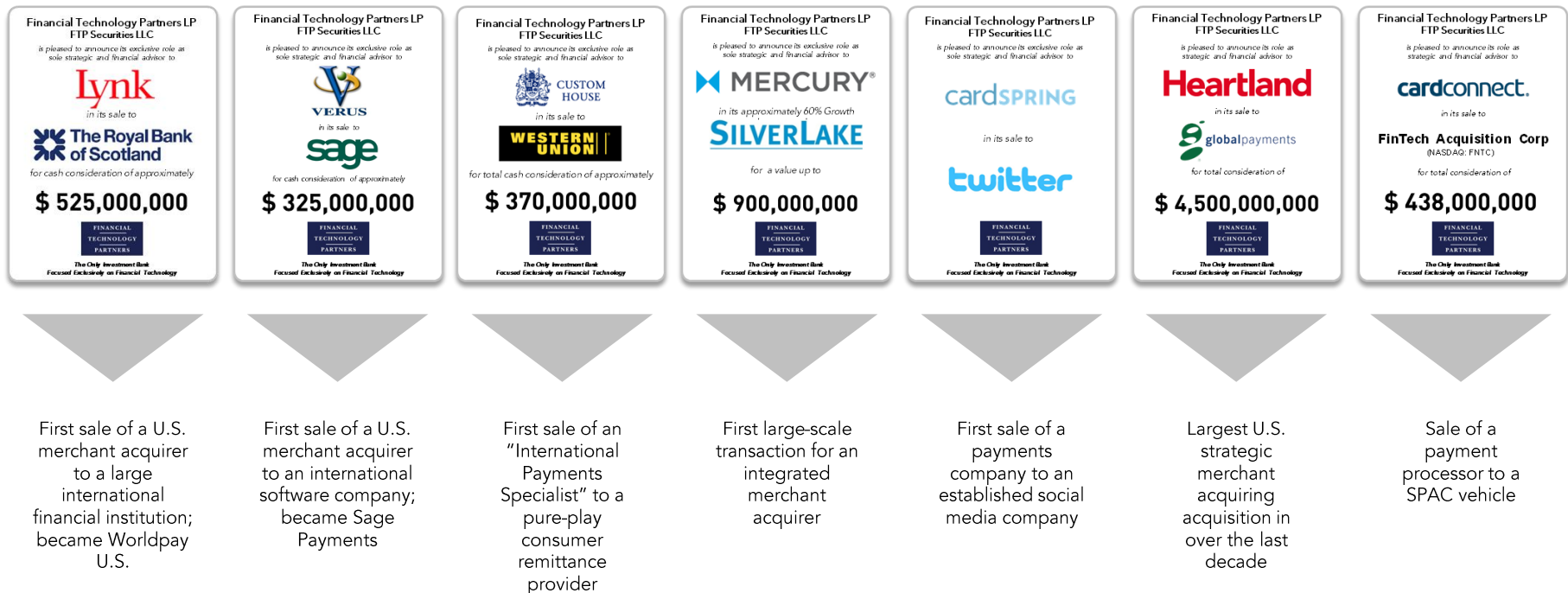
***FT Partners has a history of
executing on some of the
most ground-breaking
Payments transactions in the
last decade+***



FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Ground-Breaking Transactions Pioneered by FT Partners



Transactions demonstrate success breaking new ground across the Payment Processing sector

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



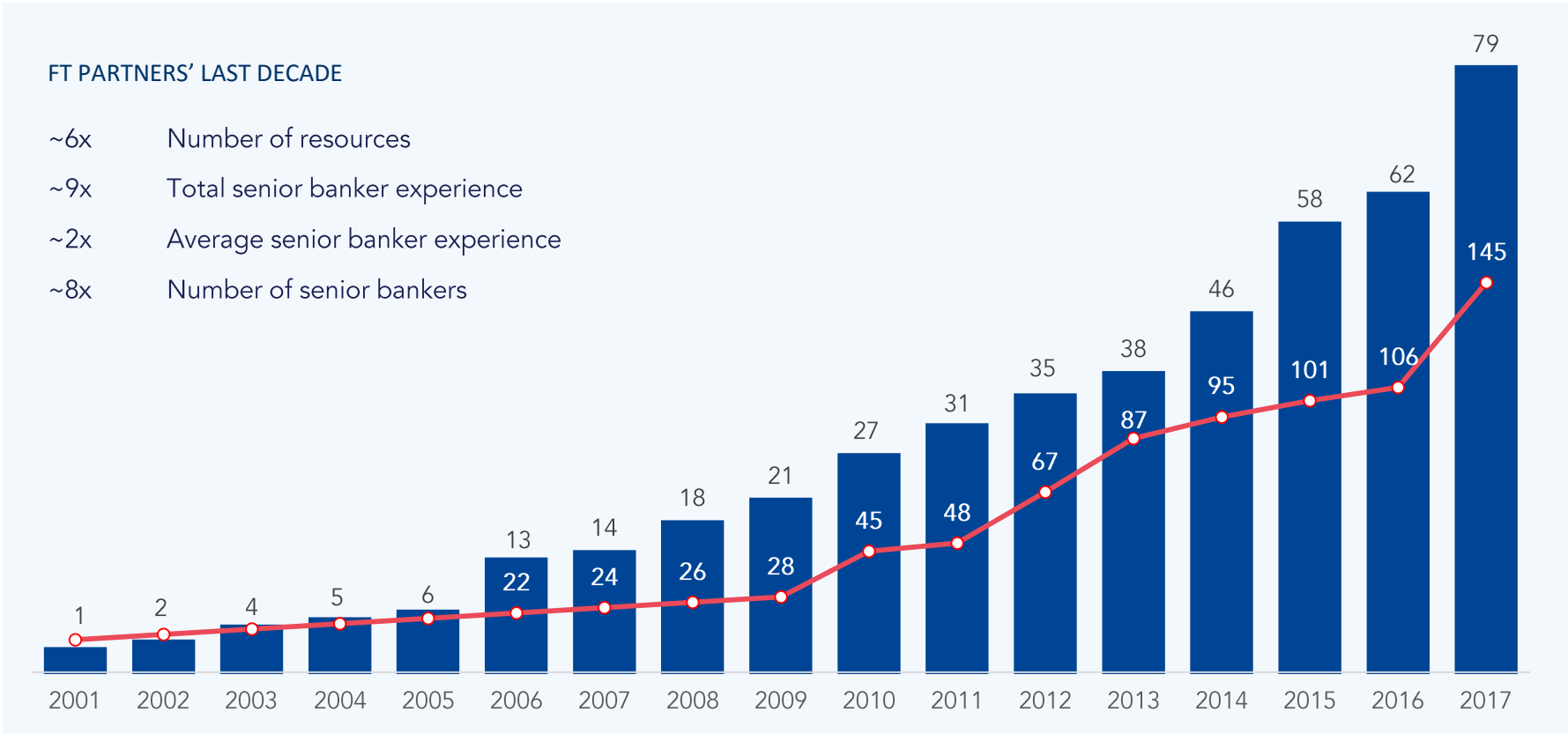
M&A Advisor Awards



Middle Market Financing Awards

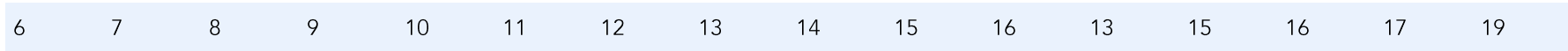
2016	<ul style="list-style-type: none"> Investment Banking Firm of the Year Cross Border Deal of the Year
2015	<ul style="list-style-type: none"> Dealmaker of the Year Technology Deal of the Year
2014	<ul style="list-style-type: none"> Equity Financing Deal of the Year Professional Services Deal of the 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 <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	<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 <i>Financing Deal of the Year - Equity</i> <i>Financing Deal of the Year - Debt</i>

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■ Employees —○— Total Exp. Of Directors / MDs (Years)

Avg Years of Director / MD Experience



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