

FT PARTNERS FINTECH INDUSTRY RESEARCH

May 28, 2019



TransferWise

**TransferWise Valued at \$3.5 billion
as Founders Sell Stake to Lead Edge Capital,
Lone Pine Capital & Vitruvian Partners**



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 17 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 Institutional Investors "FinTech Finance 40"



THE M&A ADVISOR

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

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Transaction Overview

Transaction Summary

- **On May 22, 2019, TransferWise, a cross-border money transfer service, announced a secondary stock sale of \$292 million**
 - The round was led by Lead Edge Capital, Lone Pine Capital, and Vitruvian Partners
 - Existing investors Andreessen Horowitz and Baillie Gifford added to their positions in TransferWise
- **TransferWise confirmed that the stock purchase valued the Company at \$3.5 billion ⁽²⁾**
 - This is double its last valuation in November 2017
- **According to co-founder Taavet Hinrikus, the round was oversubscribed; the \$292 million figure was simply a function of how much liquidity existing shareholders were willing to make available ⁽²⁾**
 - No institutional investors exited during this round, instead, it provided a way for TransferWise employees to gain liquidity for some or all of their stake
 - Taavet Hinrikus and Kristo Käärmann are selling less than a fifth of their holdings in the Company ⁽³⁾
 - The founders noted that this sale allows the Company's earliest backers to realize some of the gains on their investments, without forcing it through the 'distraction' of an IPO ⁽³⁾

Management Commentary

"We don't need to raise funds to continue on this trajectory, but we're humbled by the persistent level of interest in joining our mission. The round provides a way for these investors to buy in, alongside rewarding some of the earliest contributors who've been with us since the beginning." ⁽¹⁾



Kristo Käärmann
Founder & CEO



"The secondary sale is a sign of the European technology market maturing; finding new ways to provide liquidity to earlier investors is an important part of making technology investment attractive to investors. Traditionally, the model of venture capital firms have locked investors in for a minimum of 10 years, meaning companies in Europe have often been forced to an exit earlier than desirable, while investors have been forced to hold shares later than they would want to." ⁽⁴⁾



Ben Wilkinson
Chief Financial Officer





TransferWise Overview

Company Overview



TransferWise

CEO: Taavet Hinrikus, Kristo Käärmann
Headquarters: London, U.K.
Founded: 2012

- **TransferWise offers an alternative, global money transfer medium for individuals and businesses without incurring bank fees**
 - The Company operates a peer-to-peer system for all of its transfers charging consumers a relatively small fee, while providing the real exchange rate and avoiding hidden fees or markup-ups
- **TransferWise is primarily utilized by expatriates, students and small businesses in developed economies**
 - TransferWise currently supports 1,600 currency routes, and is available for 49 currencies across 71 countries ⁽¹⁾

Standout Metrics

- TransferWise has experienced year-over-year revenue growth of more than **77%**
- The platform services roughly **5 million** customers, and processes more than **\$5 billion** every month
- The Company currently employs more than **1,600** people across **12** global offices ⁽¹⁾
 - Management plans on bringing on **750** more people in the next 12 months ⁽¹⁾

Products and Services

Account Feature	Pricing
Creating your account	Free
Hold 40+ currency balances	Free
Receive money in EUR, USD, GBP, AUD, & NZD	Free
Convert Currencies	0.35% - 2.85%
Add money to your account	0.2% (Direct debit)
TransferWise Debit Mastercard®	Coming soon

TransferWise Debit Mastercard



- Pay with currencies in borderless account for free
- Withdraw \$250 for free every month
- Smaller conversion fees
- Convert currencies at real exchange rates
- Accepted anywhere that accepts Mastercard

Source: Company Website, Company Filings on Companies House
1) TechCrunch: "TransferWise now valued at \$3.5B following a new \$292M secondary round"

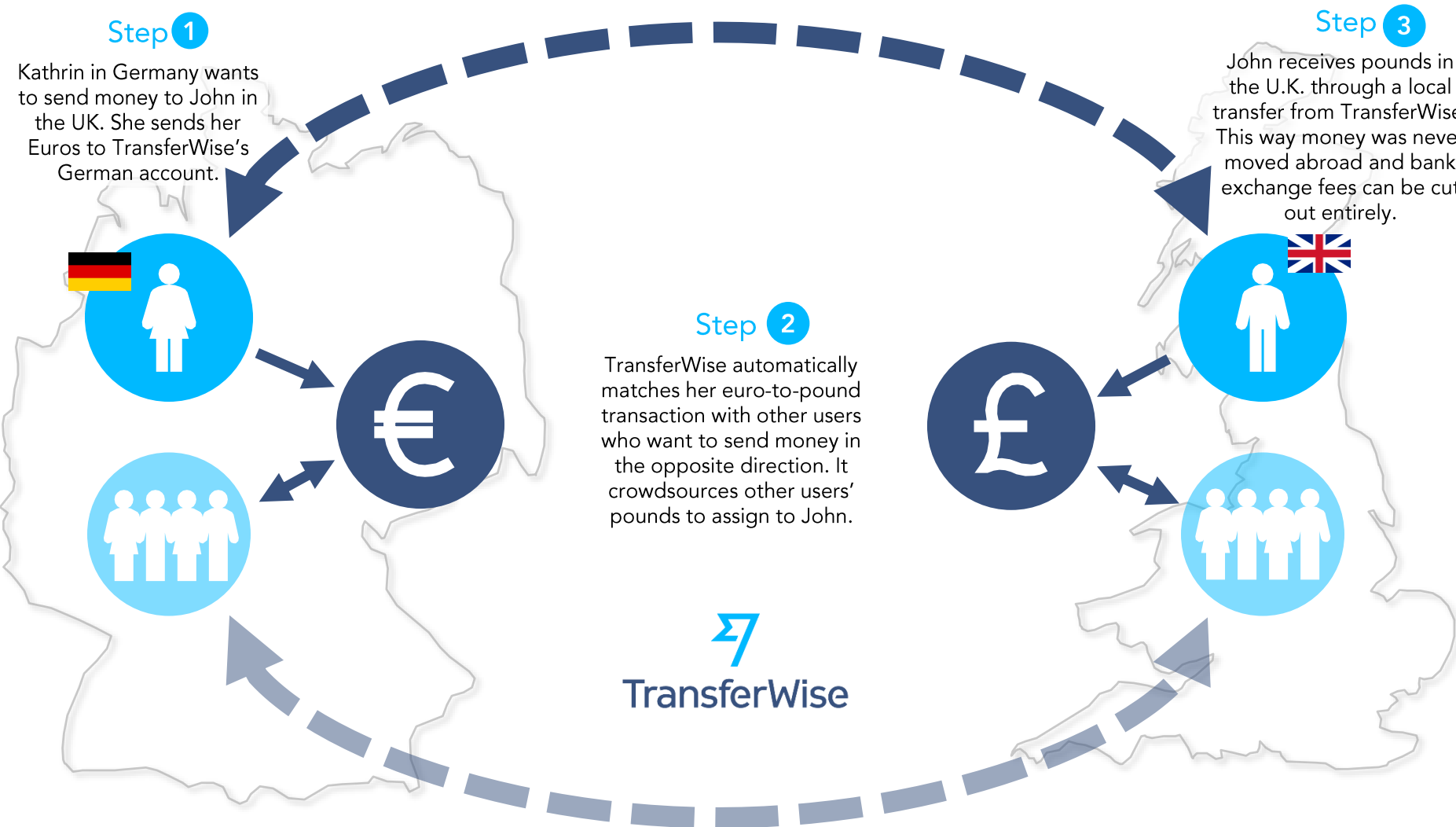
TransferWise Valued at \$3.5 billion as Founders Sell Stake

FT PARTNERS RESEARCH



TransferWise

How TransferWise Works



TransferWise Valued at \$3.5 billion as Founders Sell Stake

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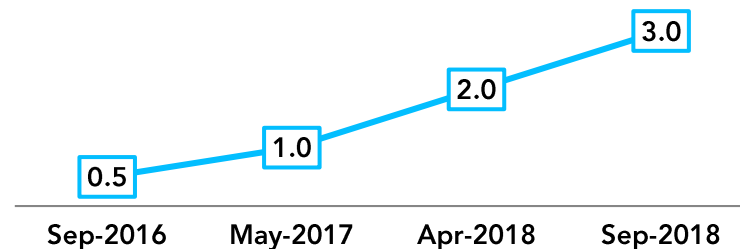
Selected Financial & Performance Metrics

Financial Profile

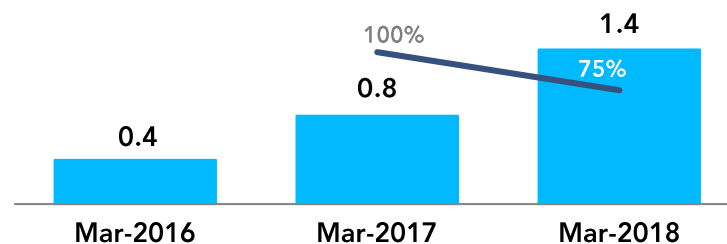
Key Financials (£ in mm)				
	FY 2015A	FY 2016A	FY 2017A	FY 2018A
Revenue	£9.7	£27.9	£66.3	£117.3
% Growth		187%	138%	77%
Gross Profit	£5.2	£15.4	£46.1	£77.5
% Growth		198%	199%	68%
% Margin	53%	55%	69%	66%
EBITDA	(£10.9)	(£16.7)	£1.6	£13.4
% Growth		53%	nm	737%
% Margin	(112%)	(60%)	2%	11%
EBIT	(£11.1)	(£17.4)	(£0.5)	£9.5
% Growth		56%	(98%)	nm
% Margin	(115%)	(62%)	(1%)	8%
Net Income	(£11.1)	(£17.6)	£6.2	£6.2
% Growth		(59%)	nm	1%
% Margin	(114%)	(63%)	9%	5%

Key Performance Metrics

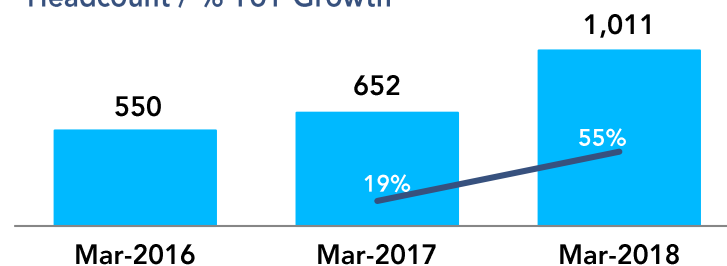
Monthly Transfer Volume (£ in bn)



Monthly Number of Money Transfers (in mm) / % YoY Growth



Headcount / % YoY Growth



Source: Companies House, FY ends Mar-31

1) TransferWise Blog: TransferWise users move £500 million a month

2) CNBC: Fintech unicorn Transferwise achieves first profit

3) TransferWise Blog: TransferWise mission report Q1 2018

4) Finextra: TransferWise reports second year of profit

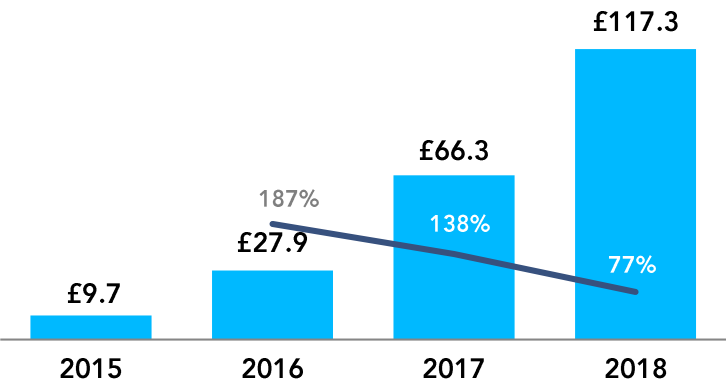
TransferWise Valued at \$3.5 billion as Founders Sell Stake



Selected Financial Overview

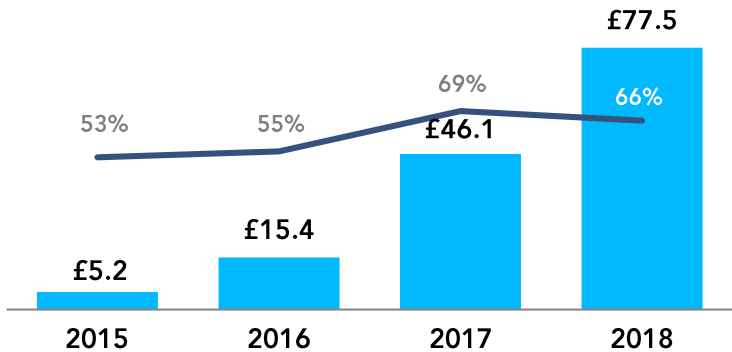
Revenue / % Growth

(£ in mm)



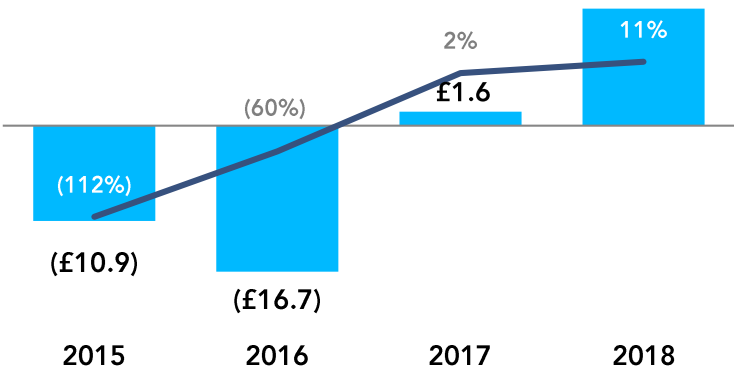
Gross Profit / % Margin

(£ in mm)



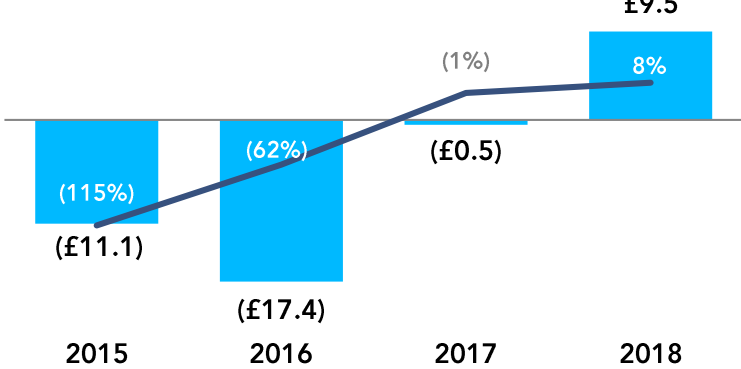
EBITDA / % Margin

(£ in mm)



EBIT / % Margin

(£ in mm)



TransferWise Valued at \$3.5 billion as Founders Sell Stake

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TransferWise

Financing & Valuation History

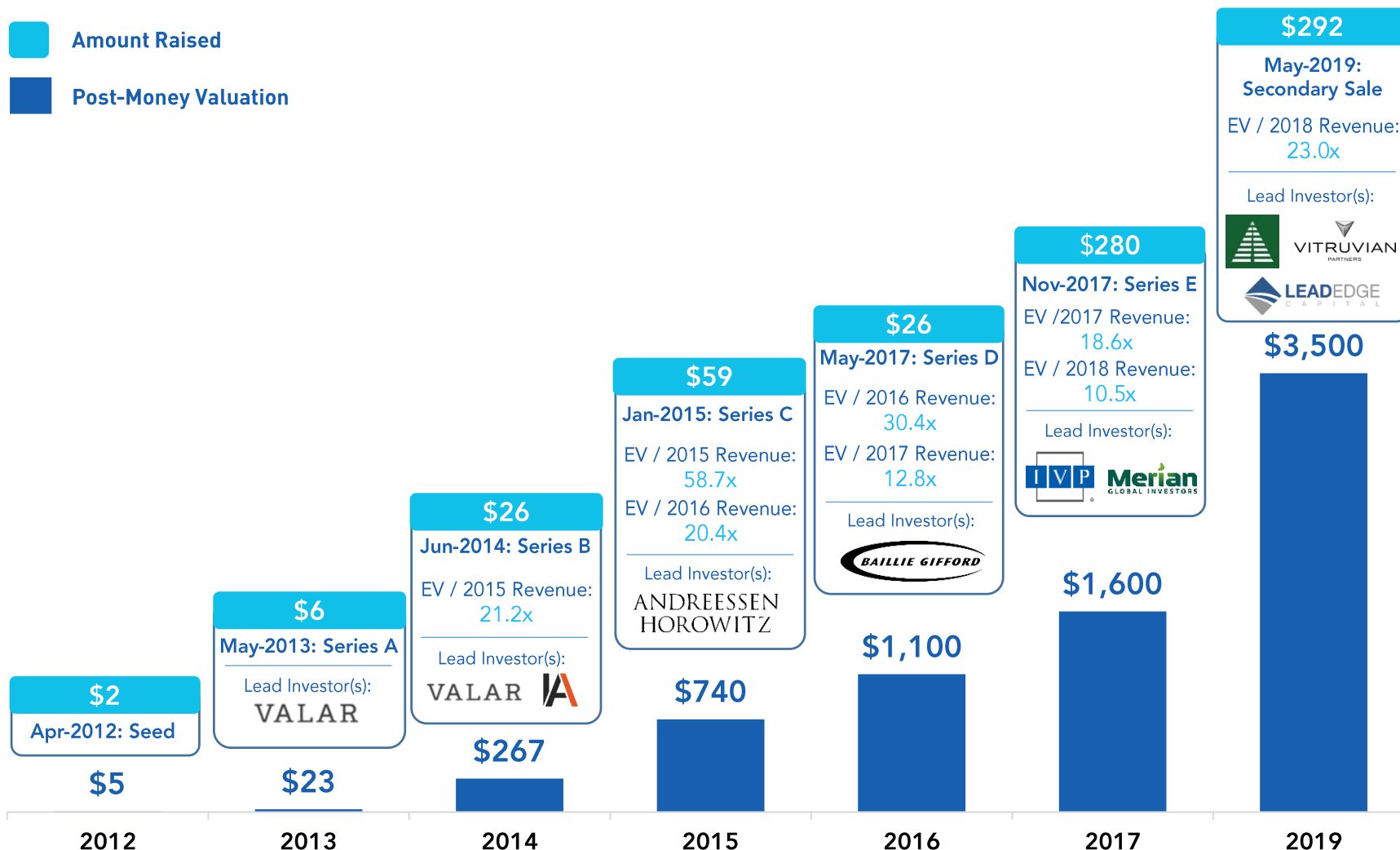
\$ in millions



Amount Raised



Post-Money Valuation



Source: FT Partners' Proprietary Transaction Database, PitchBook
All figures converted from USD to GBP at rate 1 USD = 0.77 GBP

Selected FT Partners' Research – *Click to View*



Global Money Transfer



Transaction Security



Klarna: An Online Payments and POS Lending Leader



GoCardless' \$75.5 million Series E Financing



REPAY's Merger With Thunder Bridge



Marqeta's \$260 million Series E Financing



Checkout.com's \$230 million Series A Financing



Poynt's \$100 million in Series C Financing



Nuvei Acquires SafeCharge for \$889 million



Finabl Complete its IPO Raising Approximately \$395 million



Network International Completes its IPO



















































Nexi Completes its IPO

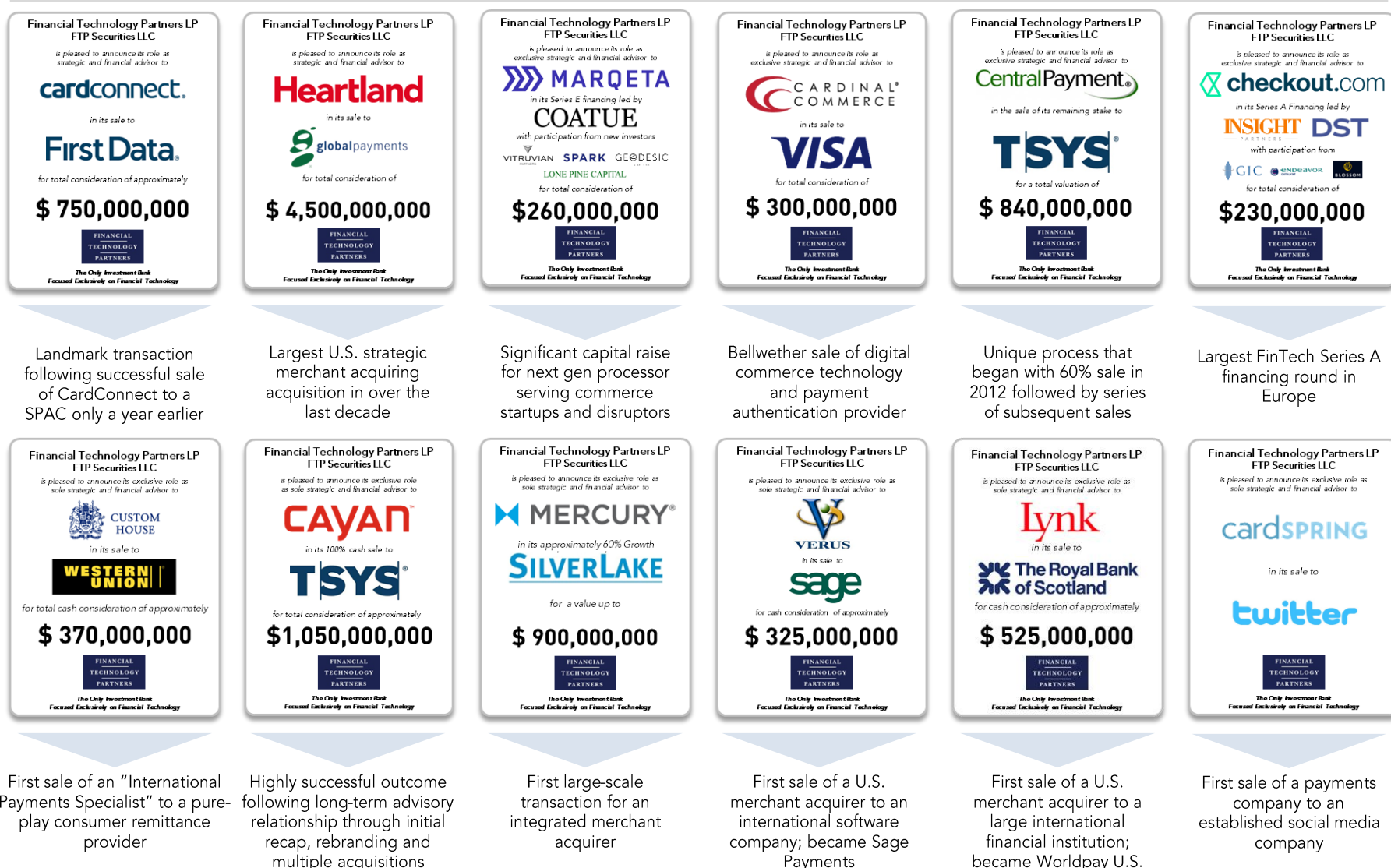
[VIEW MORE FT PARTNERS RESEARCH](#)

FT Partners' International / Cross-Border Capabilities (Selected Examples)

FT Partners' global presence offers capabilities reaching far beyond North America, as demonstrated by our numerous international clients and successful transactions with international firms & investors

Target	Buyer / Investor	International Aspect
SIGNICAT	NORDIC CAPITAL	
SEGOVIA	Crown Agents Bank	
GOCARDLESS	ADAMS STREET PARTNERS G/	
nutmeg	 CONVOY 康宏	 
stone^{co.}	 ANT FINANCIAL	 
 DEPOSIT SOLUTIONS	 VITRUVIAN PARTNERS	 
 PPRO	 citi VENTURES  PayPal  HPE Growth Capital.	
 GPS global processing services	Dunedin	
 moneyfarm	 Allianz  endeavor CATALYST  Fondazione di Sardegna	 
ContaAzul	TIGERGLOBAL  endeavor CATALYST	
 PAYVISION Global Card Processing	ING 	
 Cambridge Global Payments	 FLEETCOR®	
 Currencies Direct	 Palamon Capital Partners  CORSAIR CAPITAL	
 OFX	 SILVERLAKE  BainCapital  Permira	 
 CUSTOM HOUSE	 WESTERN UNION	
Lynk	worldpay	

Ground-Breaking Payments Transactions Pioneered by FT Partners



Leading Advisor in the Cross Border Payments Industry

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p>  <p>on its minority investment in</p>  <p>for total consideration of</p> <p>€ 21,000,000</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>in its Series D financing led by</p>  <p>for total consideration of up to</p> <p>\$115,000,000</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 exclusive Financial, Strategic and IPO Advisor to</p>  <p>in its</p> <p>Initial Public Offering</p> <p>valuing the equity at approximately</p> <p>A\$ 480,000,000</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>in its sale to</p>  <p>for total cash consideration of approximately</p> <p>\$ 370,000,000</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>in its sale to</p>  <p>for total consideration of</p> <p>C \$ 900,000,000</p>  <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Ireland-based cross-border payments platform</p>	<p>Largest independent digital money transmitter in the U.S.</p>	<p>International payment specialist providing online international payment services for consumer and business clients</p>	<p>Leading independent provider of robust, multi-channel, international B2B payment solutions</p>	<p>Leading provider of integrated, B2B cross-border payment services</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as financial advisor to</p>  <p>in its sale to</p>  <p>for total consideration of</p> <p>\$ 310,000,000+</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>in its Series B financing led by</p>  <p>for approximately</p> <p>\$ 20,000,000</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>in its sale of</p>  <p>for total consideration of</p> <p>A\$ 65,000,000</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>in its sale to</p>  <p>a portfolio company of</p>  <p>for total consideration of approximately</p> <p>\$ 250,000,000</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>in its growth financing led by</p>  <p>for total consideration of</p> <p>\$ 38,500,000</p>  <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Leading, privately-owned, non-bank provider of non-cash foreign exchange and payments solutions to private and corporate clients</p>	<p>Global payment processing business providing internet and mobile-based inter-country consumer money transfer services</p>	<p>Leading provider of electronic payment transaction processing services, including DCC, MCP and payment card acceptance</p>	<p>Leading provider of international payment processing and multi-currency processing services</p>	<p>Largest independent digital money transmitter in the U.S.</p>

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

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



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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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*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



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FT Partners Advises on \$310,000,000+ Sale of Currencies Direct

Overview of Transaction

- On August 11, 2015 Currencies Direct Holdings Ltd (“CDH” or the “Company”) announced its sale for \$310+mm to a buyer consortium formed by Corsair Capital and Palamon Capital Partners
 - Prior to the transaction, CDH was owned by the Azibo Group
- Headquartered in London, CDH is a leading, privately-owned, non-bank provider of non-cash foreign exchange and payments solutions to private and corporate clients
 - Comprehensive international payment offering is available to clients both online and offline
- Corsair Capital and Palamon Capital Partners are leading, global private equity firms focused on financial services and European growth services, respectively

Significance of Transaction

- Enables CDH to continue to accelerate its growth strategy in the international payments market
- Combined resources and expertise of CDH and the buyer consortium group position the Company extraordinarily well to further its leadership in the marketplace

FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Currencies Direct and its Board
- Developed extensive marketing materials and financial analyses to highlight the unique aspects of the business, and led all aspects of transaction execution
- Transaction highlights FT Partners’ continued success advising leading companies and generating highly successful outcomes in the international payments space

Financial Technology Partners LP FTP Securities LLC

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



in its sale to

Palamon
Capital Partners

CORSAIR CAPITAL

for total consideration of

\$ 310,000,000+



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FT Partners Advises Checkout.com on its \$230 million Series A Financing

Overview of Transaction

- On May 2, 2019, Checkout.com announced it has raised \$230 million in Series A financing led by Insight Partners and DST Global with participation from GIC, Endeavor Catalyst, Blossom Capital and other strategic investors
- This is the first financing round for Checkout.com since its foundation in 2012
- Headquartered in London, UK, Checkout.com offers the world's most comprehensive cross-border payment solution for digital commerce
 - The Company specializes in accepting, acquiring and processing international and local payments and also provides fraud management tools, analytics and comprehensive reporting features for merchants
 - Checkout.com is a direct acquirer of all major card schemes, accepting international cards, local card schemes and many of the most popular global alternative payment methods
 - Checkout.com handles every step of the payment process on a proprietary technology platform, so merchants benefit from feature parity across regions, faster processing speeds, greater reliability, and full data visibility

Significance of Transaction

- This financing will enable Checkout.com to continue its rapid growth in Europe, the US and the Middle East, with further expansion into Asia and Latin America
- This transaction is the largest ever Series A Financing round for a Technology or FinTech company in Europe

FT Partners' Role

- FT Partners served as sole strategic and financial advisor to Checkout.com
- This transaction underscores FT Partners' unparalleled track record in the Payments space and highlights the Firm's strong capabilities in finding the best investors for our clients worldwide

Financial Technology Partners LP FTP Securities LLC

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



in its Series A Financing led by



with participation from



for total consideration of

\$230,000,000



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FT Partners Advises Marqeta on its \$260 million Series E Financing

Overview of Transaction

- On May 21, 2019, Marqeta announced it has raised \$260 million in Series E financing led by Coatue Management
 - The round includes participation from several new investors including Vitruvian Partners, Spark Capital, Lone Pine Capital and Geodesic
- Founded in 2010, Marqeta is the leading global modern card issuer, powered by the most advanced issuer processor platform built in over two decades
- Marqeta's open APIs allow a new generation of businesses, such as Square, Affirm, DoorDash, Kabbage and Instacart, to build innovative payment programs and experiences to meet the unique needs of their customers

Significance of Transaction

- Marqeta, which has doubled its revenue for three straight years and experienced dramatic increases in spending activity on its platform, is now valued at nearly \$2 billion
- The funding will be used to accelerate Marqeta's expansion plans, both domestically and in key global markets
 - With 300 employees, the Company recently expanded internationally, opening a European office headquartered in London

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Marqeta and its board of directors
- FT Partners previously advised Marqeta on its [\\$45 million financing led by ICONIQ](#) in 2018, its [strategic \\$25 million financing led by Visa](#) in 2017, and its [\\$25 million Series C financing](#) in 2015 -- over this time period, Marqeta's valuation has grown over 20x
- This transaction demonstrates the long-term nature of many of FT Partners' client relationships and highlights our deep domain expertise and transactional excellence across FinTech and the Payments sector

Financial Technology Partners LP FTP Securities LLC

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



in its Series E financing led by

COATUE

with participation from new investors



for total consideration of

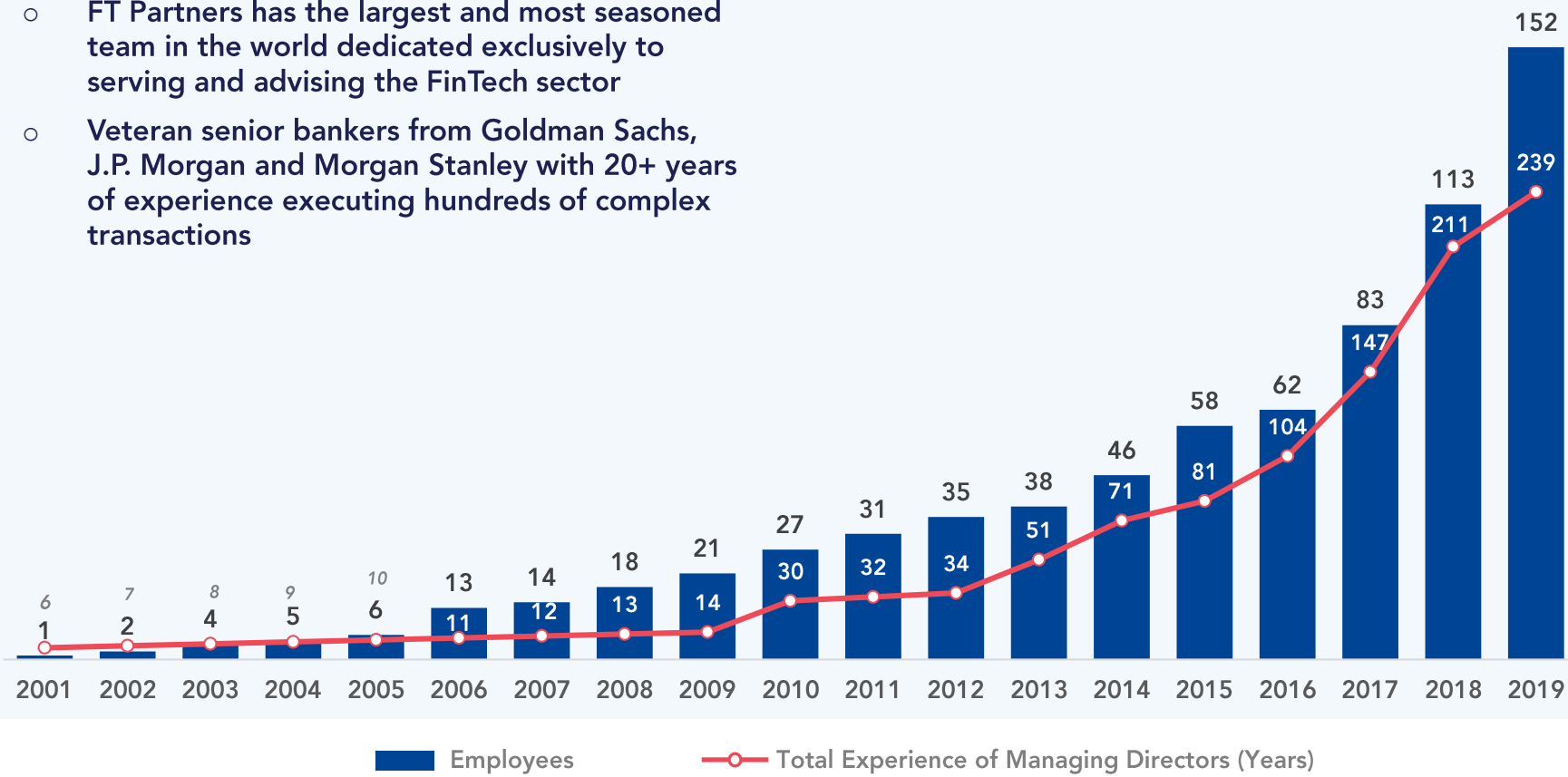
\$260,000,000

FINANCIAL
TECHNOLOGY
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*The Only Investment Bank
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Platform of Choice for Clients and Bankers Alike

- FT Partners has the largest and most seasoned team in the world dedicated exclusively to serving and advising the FinTech sector
- Veteran senior bankers from Goldman Sachs, J.P. Morgan and Morgan Stanley with 20+ years of experience executing hundreds of complex transactions



Average Experience of Managing Directors (Years)



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 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. 	24
Mohit Agnihotri <i>Managing Director</i>	J.P.Morgan	<ul style="list-style-type: none"> Former Managing Director and Global Head of Payments Investment Banking at J.P. Morgan Operational experience with Visa Wharton M.B.A. 	17
Kate Crespo <i>Managing Director</i>	RAYMOND JAMES®	<ul style="list-style-type: none"> Formerly with Raymond James' Technology & Services investment banking 12+ years of FinTech transaction execution experience Dartmouth M.B.A. 	17
Larry Furlong <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman Sachs in New York, London and Los Angeles from 1995-2004 Wharton M.B.A. 	23
Osman Khan <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly Managing Director and 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 	22
Andrew McLaughlin <i>Managing Director</i>	Deloitte.	<ul style="list-style-type: none"> 20+ years experience executing / implementing financial and operational strategy Formerly with Deloitte Consulting 	13
Mike Nelson <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly head of FinTech M&A at SunTrust Robinson Humphrey Kellogg M.B.A. 	19
Timm Schipporeit <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Morgan Stanley as Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures 	16
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch, J.P. Morgan and Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker 	23
Steve Stout <i>Managing Director</i>	J.P.Morgan First Data	<ul style="list-style-type: none"> Formerly Global Head of Strategy at First Data Formerly Led J.P. Morgan Payments Investment Banking Practice Former Equity Research Analyst at UBS and former Economist at the Federal Reserve Bank 	21
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman Sachs from 2000-2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	17