

FT PARTNERS FINTECH INDUSTRY RESEARCH

August 31, 2017



**Blackhawk Network (NASDAQ: HAWK)
Acquires CashStar for \$175 million**

The logo for CashStar. It features the word "cashstar" in a lowercase, italicized, sans-serif font. A registered trademark symbol (®) is located at the top right of the word.

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 *Institution Investor's* "FinTech Finance 35"



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

Steve McLaughlin: *Founder & CEO*

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Blackhawk Network Acquires CashStar for \$175 million

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Transaction Summary

Transaction Summary



On August 30, 2017, Blackhawk Network (NASDAQ: HAWK) announced that it has signed a definitive agreement to acquire CashStar for **\$175 million**

- CashStar provides a cloud-based digital gifting platform and gift card commerce solutions for merchants
- The acquisition expands Blackhawk's offerings and merchant relationships, while also increasing its strength in the first-party digital gift card market
- Blackhawk Network expects that the acquisition will be significantly accretive after synergies in 2018
 - Acquisition expected to add **\$12 to \$15 million** in adjusted **EBITDA**
 - Increase in **Net Income** by **\$3 to \$5 million**
 - Adjusted **EPS** expected to rise by **\$0.05 to \$0.09**
- Blackhawk Network completed the acquisition using a combination of cash and borrowings under a revolving credit facility with a projected pro forma debt to EBITDA leverage ratio of approximately 3.8x
- CashStar will become part of Blackhawk's digital and incentives businesses, however will continue to operate out of current offices in Waltham (MA) and Portland (ME) under Ben Kaplan (CEO)

Transaction Commentary

"The acquisition strategically enhances Blackhawk's ability to provide the right digital solutions to our partners to meet the changing needs of business customers and consumers. With the addition of CashStar, Blackhawk is now a leading provider in the fast growing first-party digital market. Also, with CashStar margins projected in the range of 25 percent to 30 percent for fiscal 2018, Blackhawk maintains its focus on margin expansion. Finally, Blackhawk remains committed to optimizing capital allocation to enhance shareholder returns and will continue to evaluate acquisition candidates as well as potential share repurchases in the future,"



Talbott Roche
CEO



"Joining forces with Blackhawk will help us deliver even more powerful capabilities and new revenue opportunities for our clients and partners. Together, we can provide merchants with unified end-to-end solutions for B2B and B2C gift card distribution. The combination of our platform and Blackhawk's product breadth and global reach creates innovative new applications for branded value and mobile payments. We couldn't be more excited."



Ben Kaplan
CEO



Blackhawk Network Acquires CashStar for \$175 million



CashStar Overview

Company Overview












CEO: Ben Kaplan
Headquarters: Portland, ME
Founded: 2002

- **CashStar is a provider of prepaid commerce and digital gifting solutions for retailers and restaurants**
 - The Company’s Consumer, Marketing, Business, Assist, Exchange and eGifting platforms enable businesses to increase online and in-store traffic
 - The Company’s Cloud Platform provides the infrastructure to allow merchants to securely process transactions and manage risk
- **CashStar serves over 300 clients a variety of the fields including some of the largest retail and restaurant brands**

Selected Customers



Products and Services

CashStar Consumer  Enables personalization of gift cards with photo, video and text	CashStar Business  Offers business-to-business gift card solutions
CashStar Marketing  Manage promotions and integrate with loyalty programs	CashStar Assist  Enables merchants to streamline and enhance customer service
CashStar eGifting  Shoppers can send gifts digitally from retailer’s ecommerce site	CashStar Exchange  Offers one source and integration point to access gift card brands
CashStar Cloud Platform  Transaction Processing Enables merchants to accept and process transactions securely and efficiently  Multi-Currency Support Facilitates payments across the globe with transaction processing in 8+ currencies  Risk Engine Utilizes comprehensive data sources and predictive analytics to prevent fraud	

Blackhawk Network Acquires CashStar for \$175 million

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Blackhawk Network Overview

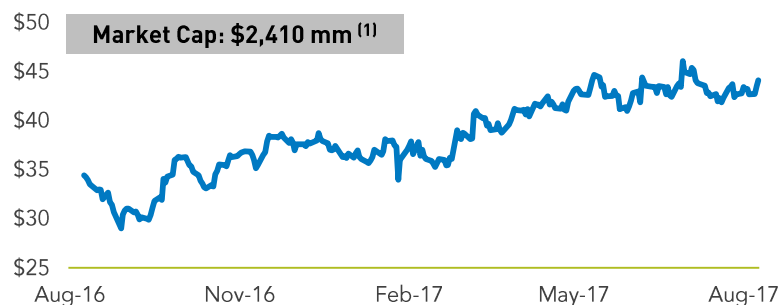
Company Overview



CEO: Talbott Roche
Headquarters: Pleasanton, CA
Founded: 2001

- Blackhawk Network is a global leader in connecting brands and people through branded value solutions
 - Blackhawk Network's solutions facilitate the management of stored value products, promotions and incentive programs in the fields of retail, ecommerce, and finance
- The Company operates in 26 countries across Asia, North America, Latin America and Europe
- Since its 2013 IPO, Blackhawk has actively acquired companies that offer digital and physical gift card products

Stock Performance (NASDAQ: HAWK)



Selected Acquisitions

Announce Date	Target	Amount (\$ in mm)
08/31/16	GRASS ROOTS inspiring people	na
03/18/16	extra measures A Blackhawk Network Business	na
02/03/16	nimblecommerce	na
01/06/16	GiftCards.com	\$120
11/19/15	DIDIX gifting & promotions	na
06/11/15	Achievers	110
09/25/14	parago	290
9/15/14	CardLab	na
12/02/13	RETAILO	na
08/07/12	IntelISpend Prepaid Solutions	na

Source: Company website, Company filings, Capital IQ

(1) Market Cap as of August 30, 2017

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



Marqeta's \$25 million Financing Led by Visa



Vantiv Acquires Worldpay for ~\$9.9 billion



Coinbase Raises \$100 million in Series D Financing from IVP



Toast Raises \$101 million in Financing



Ingenico Group Acquires Bambora for ~\$1.7 billion



Blackstone and CVC Capital Partners Acquire Paysafe for \$3.8 billion

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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



Sale of a payment processor to a SPAC vehicle



Largest U.S. strategic merchant acquiring acquisition in over the last decade



Significant capital raise for next gen processor serving commerce startups and disruptors



Groundbreaking strategic round for early stage European payments company



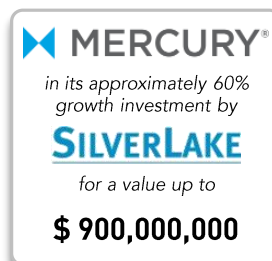
First sale of a payments company to an established social media company



First sale of an "International Payments Specialist" to a pure-play consumer remittance provider



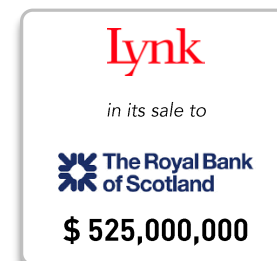
Substantial growth investment in leading payments enablement technology provider



First large-scale transaction for an integrated merchant acquirer



First sale of a U.S. merchant acquirer to an international software company; became Sage Payments



First sale of a U.S. merchant acquirer to a large international financial institution; became Worldpay U.S.

FT Partners Advises GiftCard.com on its Sale to Blackhawk Network

Overview of Transaction

- On January 6, 2016, Omni Prepaid, LLC ("Omni", "GiftCards.com", or the "Company") announced it has entered into a definitive agreement to be acquired by Blackhawk Network for \$120mm
- Headquartered in Pittsburgh, PA, Omni, which owns and is commonly referred to by its consumer-facing domain GiftCards.com, is a leading online provider of customizable, digital and physical gift card solutions for consumers and businesses of all sizes
- Blackhawk Network is a leading, multi-channel provider of prepaid gift, telecom and debit cards, and related prepaid products and payment services

Significance of Transaction

- Represents a highly attractive outcome for both Blackhawk Network and GiftCards.com
- GiftCards.com's online leadership and expertise position Blackhawk Network to fully capitalize on the growing shift in preferences toward purchasing prepaid products on the web and via mobile devices
- By merging Blackhawk's current e-commerce offerings and GiftCard.com's distinctive assets, Blackhawk will be able to deliver the broadest selection of gift cards to current and future customers

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to GiftCards.com
- Transaction highlights FT Partners' continued success advising leading companies and generating highly successful outcomes in the 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 sale to



for total consideration of

\$ 120,000,000



*The Only Investment Bank
Focused Exclusively on Financial Technology*

FT Partners Advises Marqeta on its \$25 million Minority Financing

Overview of Transaction

- On July 26, 2017, Marqeta announced a strategic, minority financing round led by Visa for a total consideration of \$25 million
 - Visa and Marqeta also announced a multi-year, global partnership to drive innovations in commercial and consumer payments
 - Existing investors Commerce Ventures, 83 North, CommerzVentures and Granite Ventures along with new investor CreditEase also participated in the round
- Headquartered in Oakland, CA, Marqeta is the first modern card issuing and core processing platform, powering prepaid, debit and credit cards for the world's top commerce innovators

Significance of Transaction

- The additional capital will enable Marqeta to continue to fuel its rapid growth and global expansion
- The initial efforts of the Visa partnership will involve growing opportunities for virtual, physical and tokenized payments across a number of commercial markets and use cases that can benefit from Marqeta's developer-friendly platform

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Marqeta and its Board of Directors
- This transaction demonstrates FT Partners' deep domain expertise and transactional excellence in the Payments sector
- FT Partners also advised Marqeta on its Series C \$25 million financing in October 2015

Financial Technology Partners LP FTP Securities LLC

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



in its minority financing led by



with participation from



for total consideration of

\$ 25,000,000



*The Only Investment Bank
Focused Exclusively on Financial Technology*

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



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