

FT PARTNERS FINTECH INDUSTRY RESEARCH

February 6, 2019

PAYMENTS CEO INTERVIEW:



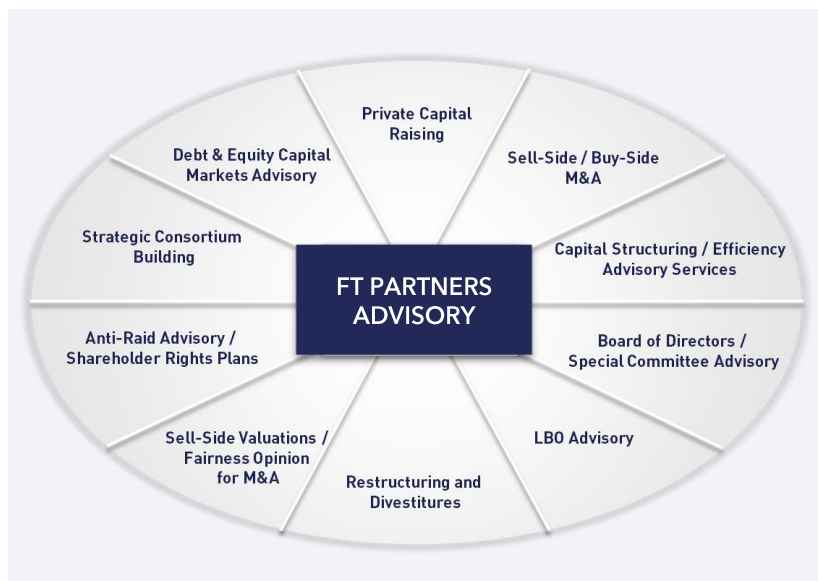
with CEO Max Roper

Enterprise Point-of-Sale Solutions

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

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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Appetize Overview

Company Overview



CEO / President:

Max Roper

Headquarters:

Los Angeles, CA

Founded:

2011

- Appetize provides a modern, omnichannel point-of-sale (POS), inventory, and analytics platform that allows enterprises to manage and process guest transactions
- The Company's POS solutions include fixed and portable terminals, self service kiosks, handheld devices, and mobile and online ordering; all available in quick serve, table service, and retail modes.
- Additional solutions include the Appetize Kitchen Display System, which increases kitchen efficiency, Appetize Inventory Management module, and the Appetize Advanced Analytics package
- Appetize serves several industries including attractions / theme parks, colleges / universities, professional services, restaurants, retail outlets, and sports and entertainment venues

Financing History

Date	Size (\$ mm)	Round	Investor(s)
08/09/18	\$24	Series B	32 Equity
12/14/16	\$20	Series A	SHAMROCK
06/22/15	\$4	Seed	Undisclosed Investors

Source: Company website, FT Partners' Proprietary Transaction Database

Modern Enterprise Point of Sale

Point of Sale Ordering Solutions



- Cloud-based POS platform with iOS and Android operating systems



- Supports cash, credit, EMV, NFC, RFID, gift card, stored value, loyalty, and unlimited custom tender options



- Appetize Activate for handheld devices is designed to enable Point of Sale on-the-go with easily customizable screen and payment processing in a few clicks



- Appetize Interact is a self service kiosk platform that streamlines operations and minimizes wait times

Mobile Ordering



- Integrated directly into existing mobile application via Appetize API



- Ordering methods; intuitive order modifiers; guest ordering capabilities; and operation management

Reporting, Enterprise Management & Inventory



- Real-time reporting with enterprise management tools and ingredient-level inventory management.

Kitchen Display System



- Appetize KDS syncs to all product types including fixed, portable, kiosk and handheld and mobile app



- Route menu items to different stations; configurable layout for every environment; full menu catalog



Interview with Max Roper



Max Roper

Co-Founder
& CEO

Max Roper is a Co-Founder and Chief Executive Officer at Appetize where he leads company strategy, technology development, and innovation. Before starting Appetize, Roper was part of the technology team at Red Bull Stratos Mission, a skydive from the edge of space, and he began his career at Apple managing enterprise deployments. Max has been recognized for his achievements in various publications including TechCrunch, Inc. and the Los Angeles Times. Along with his two partners, Kevin Anderson and Jason Pratts, the Company achieved over 200% growth last year.

"The vision is similar today as it was in 2011: make the guest experience better, drive financial performance, and do it in a way that delivers actionable data."

What was the vision behind founding Appetize? How has that vision evolved into the Company's market position today?

It all started in 2011, when my Co-Founders and I witnessed an expensive and archaic ordering process at a Lakers game. We didn't want to miss the action, so we ordered from a waiter who jotted down our order on a piece of paper, took our credit card, and disappeared for 30 minutes. We were sitting there thinking, *"There has to be a better way."* The first product we built was a B2C mobile app for fans to order food and drinks directly to their seat. It was a product that was actually ahead of its time. As we started implementing Appetize at more venues, our customers were asking us to bring more innovation to the cash register and the inventory management and reporting function. Square was too simplistic and Micros was too slow, so we quickly launched our Activate Point of Sale product line, Interact self-service products, and Connect reporting tools. We now operate in a dozen different industries and solve a multitude of issues for the enterprise business. The vision is similar today as it was in 2011: make the guest experience better, drive financial performance, and do it in a way that delivers actionable data.

What is the breadth of verticals you are serving today and what new markets are you targeting?

As we've grown, we've focused on building products in a way that can scale and in a way that isn't custom for any one client. We will always be exclusively focused on the enterprise business. From a size perspective, "enterprise" to us means more than 50 locations or Point of Sale devices under management.

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Interview with Max Roper (cont.)



Exclusive CEO Interview – Max Roper

“Although the Point of Sale hardware at your favorite coffee shop down the street may look similar to what is installed in our clients’ properties, it’s what’s ‘under the hood’ that makes our system truly enterprise.”

Continued from prior page

Often our clients are connected to large foodservice, management, or franchise companies. We started in sports and entertainment, and we have since significantly penetrated higher education, business dining, travel and leisure, convention centers, attractions, and national chains. You will continue to see Appetize grow into similar industries where legacy competitors have historically dominated.

How does Appetize interface with gateways and merchant acquirers? Has the company considered vertically integrating further into the payments value chain?

Appetize currently interfaces to five payment gateways, which connect out to a large network of processors. Our clients can select from our list of supported partners to suit their specific need, and a new client can usually find their current processor on our supported list. We are actively looking at opportunities to more closely imbed ourselves in the payment flow. But, more to come on that front later this year.

Serving enterprises is obviously very different than catering to SMBs. Can you please provide some examples of the key differences?

Although the Point of Sale hardware at your favorite coffee shop down the street may look similar to what is installed in our clients’ properties, it’s what’s “under the hood” that makes our system truly enterprise. Think about managing thousands of employees, business units, menu items, or ingredients at one of our clients, like Yankee Stadium or Tropical Smoothie’s 700 locations. The complexity needed to manage a business like that is much greater than that of a single store with minimal reporting burden. Appetize gives managers at both the corporate and the operational level the tools to manage their business in a live, actionable way that cuts costs and increases sales. Many enterprise clients also require retail, quickserve, and fine dining functionality, all under one roof, adding to the complexity. Ultimately, you need something that is battle-tested, so it helps that we’ve run the world’s biggest events including multiple Super Bowls, NBA Finals, and World Series’.



Interview with Max Roper (cont.)



Exclusive CEO Interview – Max Roper

“Most executives and GMs have our dashboards and heatmaps open throughout the day, allowing them to make decisions in the moment such as having the right inventory in the right location.”

What is your sales / customer acquisition strategy?

We’ve built a strong team that’s made up of industry experts with rich Point of Sale and enterprise sales experience. That team is split into three channels: direct, major account, and partner. Our direct channel is vertically aligned by industry to drive acquisition through a multitude of marketing and BDR programs. We also have two teams dedicated to our major account group and integration partners. Those teams are focused on creating and managing crucial relationships to help Appetize expand into the clients they manage and work with.

How long does it take to implement a major location / venue? What type of integrations are involved?

Installations take a matter of weeks, which is light years faster than our legacy competitors. Our interfaces are intuitive and easy-to-use, and we take advantage of our ability to do most training remotely. This makes the on-site implementation process predominantly focused on installation. When it comes to integrations, we have over 100 partners to choose from, ranging from loyalty to menu board to payment. We’re also hooked into all of our major partners’ ERP and accounting solutions, so everything flows through nicely. We expose almost every piece of data we collect through our APIs, so whatever the integration need, we can accommodate.

How are your customers using your data and analytics to better manage their businesses?

First, we bring our customers into Appetize’s cloud, live reporting environment, where managers can see data and make decisions on any device. That alone is already game-changing for them compared to the reporting suite our legacy competitors offer. Most executives and GMs have our dashboards and heatmaps open throughout the day, allowing them to make decisions in the moment such as having the right inventory in the right location and to be accurate with financial reporting.

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Interview with Max Roper (cont.)



Exclusive CEO Interview – Max Roper

“Appetize is really the first cloud player to focus exclusively on the enterprise market, and we’ve experienced a lot of success so far including installations in 14 NFL stadiums, 12 NBA stadiums, [and] 12 MLB parks”

Continued from prior page

Appetize also has unique features that let GMs push special offers to their guests based on how sales are performing or peak hours of business. Our data feeds right up to their corporate data warehouses and accounting solutions. At the end of the day, Appetize makes it really easy to continue managing a business with the tools they have in place by simplifying the inventory process and providing real-time, easy-to-follow reporting dashboards.

What is your hardware strategy? Do you work with a number of vendors or try to limit your suppliers? How much is customized vs. off-the-shelf?

Appetize is very much a software company, but we partner with best-in-class hardware partners like ELO, Apple, and Ingenico. These partners allow us to offer a wide variety of Point of Sale, self-serve kiosk, and handheld options to clients without having to support dozens of different platforms. So, for example, if a client wants to mount a kiosk on the floor or on a counter, we have those options available. Appetize offers both Android and iOS software, and our goal is to always support the most advanced, best looking form factors in the market. Our clients have similar needs as it relates to EMV devices, cash drawers, and barcode scanners, so our hardware is mostly “off-the-shelf.” We do have the ability to customize the look and feel of the hardware per client requests.

How do you see the competitive environment for enterprise cloud POS solutions? How are the legacy players responding?

To date, Oracle Micros and NCR have dominated enterprise Point of Sale software, while the likes of Square and Toast haven’t been able to successfully move upstream. Appetize is really the first cloud player to focus exclusively on the enterprise market, and we’ve experienced a lot of success so far including installations in 14 NFL stadiums, 12 NBA stadiums, 12 MLB parks, and hundreds of amphitheaters, college campuses, restaurants, conference centers, theme parks, and entertainment venues. Most enterprise CIOs and CTOs I talk to are tired of seeing the same product offering from our legacy competitors and are tired of struggling through their poor service and deployment model. Our competitors are trying to play catch up now, but they lack the flexibility to do so rapidly which puts us in a unique position in the market.



Interview with Max Roper (cont.)



Exclusive CEO Interview – Max Roper

“Finally, you’ll see us being more and more focused on identifying the guest pre-transaction to tailor offers and discounts specific to who is standing in front of the device.”

What’s the long-term vision for the Company? What new products and services will you be offering in the coming years?

Ultimately, we believe the Point of Sale is evolving into an omni-channel ordering experience with much more of a focus on self-service and mobile ordering. A lot of businesses are finding that labor is becoming more of a cost center, and is often times seen as a source of poor guest experience. We are going to continue to invest in our Interact platform, which allows guests to order however they want whether that’s on a kiosk, on their mobile device, or desktop. We’ve also seen a huge uplift in deploying RFID-based systems and are bullish on how biometric and facial recognition software will enhance the ordering experience. Finally, you’ll see us being more and more focused on identifying the guest pre-transaction to tailor offers and discounts specific to who is standing in front of the device.

Can you share any KPIs or financial metrics with us?

We don’t share financial metrics currently, given ownership structure and being a private company. As most SaaS companies do, we are focused on increasing our recurring revenue streams as well as introducing new modules.

The Company has raised \$55 million to-date. Will you have additional funding needs? Any thoughts on an eventual exit strategy?

We have a huge opportunity in front of us, so our focus for right now is on executing and delivering the best solution to our clients.

Selected FT Partners' Research – *Click to View*



Global Money Transfer



Transaction Security



Klarna: An Online Payments and POS Lending Leader



Adyen's €947 million IPO



REPAY's Merger With Thunder Bridge



PPro Raises \$50 million in Financing Led by PayPal



GPS Raises £44 million in minority financing



Poynt Raises \$100 million in Series C Financing



Voyager Innovations Raises \$215 million in Financing



Vista Equity Partners Acquires MINDBODY for \$1.9 billion



Fiserv Acquires First Data



Stripe Raises \$100 million in Financing

[VIEW MORE FT PARTNERS RESEARCH](#)

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



Ground-Breaking Payments Transactions Pioneered by FT Partners



FT Partners Advises Poynt on its Series C Financing

Overview of Transaction

- On November 13, 2018, Poynt announced its \$100 million Series C financing with participation from strategic partners Elavon and National Australia Bank (NAB)
 - This financing brings Poynt's total funding to \$133 million; existing investors include GV (Google Ventures), Matrix Partners, NYCA Partners, Oak HC/FT, Stanford-StartX Fund, and Webb Investment Network
- Headquartered in Palo Alto, CA, Poynt is a connected commerce platform empowering merchants with the technology to transform their businesses
 - Poynt has re-imagined the ubiquitous payment terminal into a connected, multi-purpose device that runs third party apps; as smart terminals become mainstream, Poynt OS is an open operating system that can power any smart payment terminal worldwide, creating a new app economy for merchants
- Elavon, wholly owned by U.S. Bank, is a leading provider of end-to-end payment processing solutions and services to more than 1.3 million customers in the U.S., Europe, Canada, Mexico, and Puerto Rico
- NAB is Australia's largest business bank with a large merchant customer base; NAB serves more than 9 million customers at more than 900 locations in Australia, New Zealand and around the world

Significance of Transaction

- This financing will enable Poynt to expand into new markets across Asia, Europe and South America, grow its talent base, and invest in product and partner development as the Company executes on its vision to become the operating system on smart terminals worldwide

FT Partners' Role

- FT Partners served as sole strategic and financial advisor to Poynt
- This transaction underscores FT Partners' unparalleled track record in the Payments space and highlights the Firm's strong capabilities in finding the right strategic 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 C Financing
with participation from*



for total consideration of

\$100,000,000



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Focused Exclusively on Financial Technology*

FT Partners Advises Stone on its Initial Public Offering

Overview of Transaction

- On October 25, 2018, StoneCo Ltd. (Nasdaq: STNE) priced its IPO at \$24 per share, raising approximately \$1.4 billion
 - High-profile new and existing investors participating in the IPO include Berkshire Hathaway, T. Rowe Price, Madrone Capital Partners, and Ant Financial
- Due to strong demand, the deal priced above the initial \$21 - \$23 filing range
- Stone is a leading provider of FinTech solutions that empower merchants and integrated partners to conduct electronic commerce seamlessly across in-store, online, and mobile channels in Brazil
 - Founded in only 2014, São Paulo-based Stone has quickly grown to serve over 230,000 active clients with a focus on SMBs
 - Within the first half of 2018, the Company processed over \$9 billion of transactions and posted revenue of \$171 million and net income of \$24 million

Significance of Transaction

- Stone's IPO is among the largest FinTech IPOs ever
- Demonstrates strong investor appetite for high growth FinTech companies globally
- Further supports FT Partners' continued success advising leading FinTech companies

FT Partners' Role

- FT Partners served as exclusive IPO Advisor to Stone on this transaction
- FT Partners also advised Stone on its \$145 million Series G financing in September 2017 as well as its \$100 million private placement with Ant Financial, which occurred concurrently with the IPO
- FT Partners leveraged its deep industry knowledge, extensive transaction expertise, and broad scope of relationships to achieve a highly favorable outcome for Stone

Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as
exclusive IPO Advisor to*

stone^{co.}

in its

\$1,400,000,000

Initial Public Offering

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FT Partners Advises Cayan on its Sale to TSYS

Overview of Transaction

- On December 18, 2017, TSYS announced it has entered into an agreement to acquire Cayan in an all cash transaction valued at approximately \$1.05 billion
 - The transaction is expected to close in Q1 2018
- Cayan, a portfolio company of Parthenon Capital Partners, provides technology led acquiring services to more than 70,000 merchants and 100+ integrated partners in the U.S.
 - The Company's flagship Genius platform delivers a seamless and scalable unified commerce experience across channels
- TSYS (NYSE: TSS) is a leading global payments provider, offering innovative and secure solutions across the payments spectrum — from issuer processing and merchant acquiring to prepaid program management

Significance of Transaction

- The acquisition strategically complements TSYS' merchant goals to become a leading payment provider to small and medium size businesses in the U.S.
- The addition of Cayan's unified commerce solutions elevates TSYS' competitive position to jointly offer a broader set of value-add products and services to partners and merchants

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Cayan and its Board of Directors
- FT Partners also advised Cayan on its [recapitalization by Parthenon Capital Partners](#) along with numerous acquisitions made by the Company
- This transaction highlights FT Partners' continued success advising prominent companies in the Payments and Merchant Acquiring space and its leadership position as the "advisor of choice" to the highest quality FinTech Companies

Financial Technology Partners LP FTP Securities LLC

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

CAYANTM

in its 100% cash sale to

TSYS[®]

for total consideration of approximately

\$ 1,050,000,000

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Focused Exclusively on Financial Technology*

FT Partners Advises Heartland Payment Systems on its Sale

Overview of Transaction

- FT Partners served as strategic and financial advisor to Heartland Payment Systems (NYSE: HPY) in its landmark \$4.5 billion sale to Global Payments (NYSE: GPN) for a combination of cash and stock
- Global Payments acquired Heartland for \$100 per share, representing a total transaction value of approximately \$4.5 billion at the closing of the deal
- Consideration for the transaction consisted of 0.6687 shares of Global Payments stock and \$53.28 for each share of Heartland stock at closing
- This transaction creates the leading global provider of integrated payments technology solutions
- This deal represents the largest U.S. strategic merchant acquiring acquisition in over a decade
- Also represents the single largest U.S. strategic payment processing deal in the last 8 years
- This transaction underscores FT Partners' continued leadership position as "advisor of choice" to the highest-quality companies in the FinTech space

Financial Technology Partners LP FTP Securities LLC

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

Heartland

in its sale to



for total consideration of

\$ 4,500,000,000

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Award-Winning Investment Banking Franchise Focused on Superior Client Results



2018 Top Investment Bank in FinTech



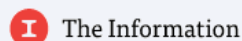
Institutional Investor
Annual Ranking

2018 Steve McLaughlin Ranked #1 for the Second Year in a Row on Institutional Investor's FinTech 40 List

2017 Ranked #1 on Institutional Investor's FinTech 40 List

2015 & 2016 Ranked Top 5 on Institutional Investor's FinTech 35 List

2006 – 2008 Consecutively Ranked (2006, 2007 and 2008) among the Top Bankers on Institutional Investor's "Online Finance 40"



2016 Ranked #2 Top Technology Investment Banker on The Information's "Silicon Valley's Most Popular Dealmakers"



M&A Advisor
Awards

2018 Corporate / Strategic Deal of the Year

2018 Cross Border Deal of the Year

2017 Investment Banker of the Year

2016 Investment Banking Firm of the Year

2016 Cross Border Deal of the Year

2015 Dealmaker of the Year

2015 Technology Deal of the Year

2014 Equity Financing Deal of the Year

2014 Professional Services Deal of the Year, \$100 mm+

2012 Dealmaker of the Year

2012 Professional Services Deal of the Year, \$100 mm+

2011 Boutique Investment Bank of the Year

2011 Deal of the Decade

2010 Upper Middle Market Deal of the Year, \$500 mm+

2010 IT Services Deal of the Year, Below \$500 mm

2010 Cross-Border Deal of the Year, Below \$500 mm

2007 Dealmaker of the Year – Steve McLaughlin

2007 Business to Business Services Deal of the Year

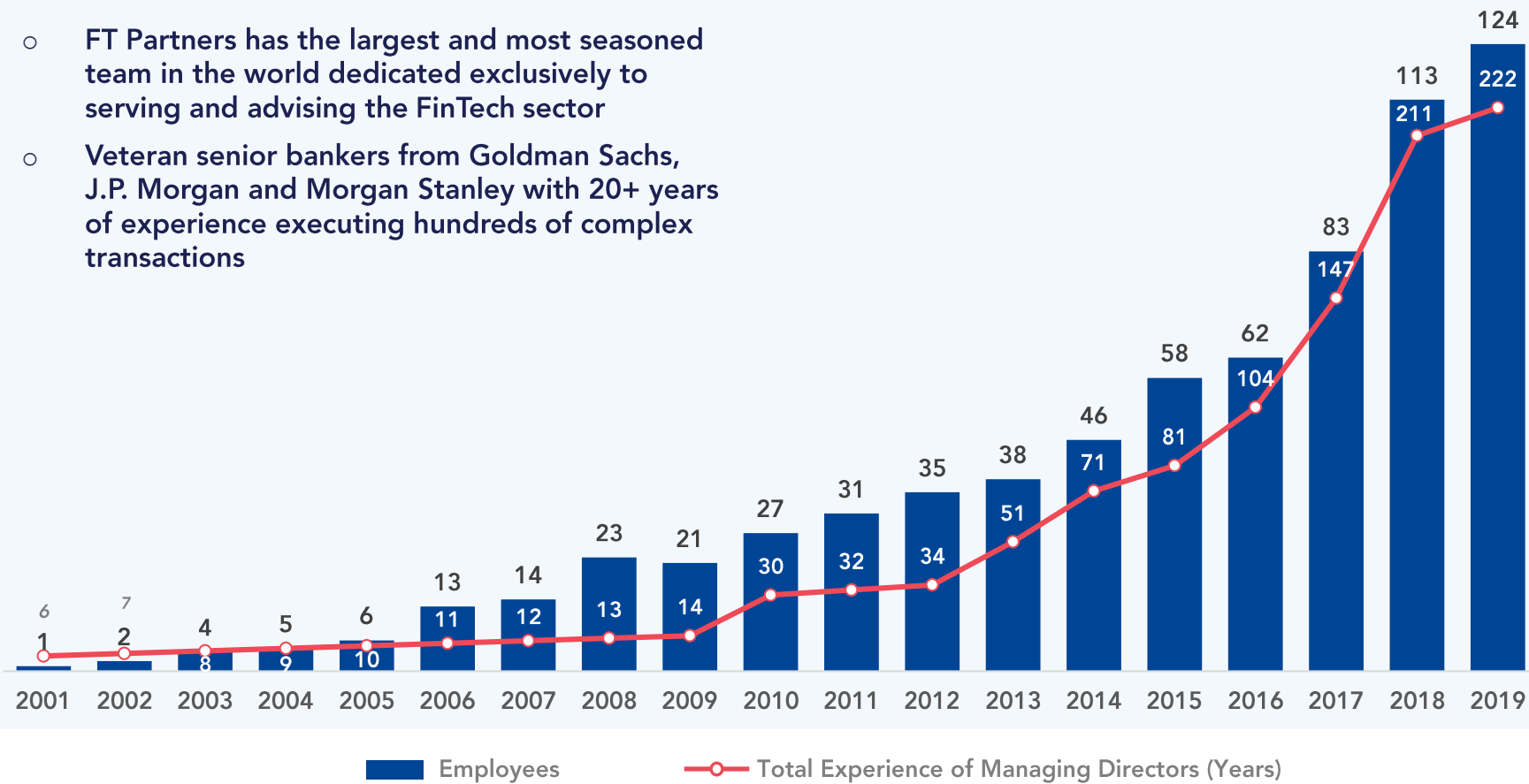
2007 Computer & Information Tech Deal of the Year, \$100 mm+

2007 Financial Services Deal of the Year, \$100 mm+

2004 Investment Bank of the Year

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
Kate Crespo <i>Managing Director</i>		<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 LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA) 	22
Andrew McLaughlin <i>Managing Director</i>		<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>		<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 on #1 ranked team at UBS 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