

# FT PARTNERS FINTECH INDUSTRY RESEARCH

February 13, 2018



## Cardlytics Completes its IPO Raising \$70 million

**(Nasdaq:CDLX)**

# Cardlytics Completes its IPO Raising \$70 million

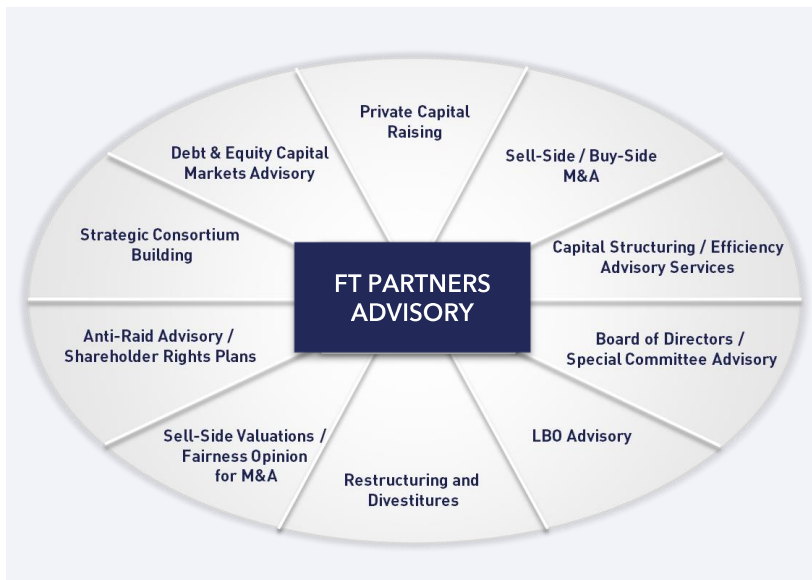
FT PARTNERS RESEARCH



## FT Partners Overview

- 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

**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 Investor's* "FinTech Finance 40"



**THE M&A ADVISOR**

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

# Cardlytics Completes its IPO Raising \$70 million

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## IPO Overview

### Key IPO Statistics

President & CEO:	Scott D. Grimes
Headquarters:	Atlanta, GA
Founded:	2008
Employees:	337
<hr/>	
Prospectus File Date:	January 12, 2018
Ticker:	NASDAQ:CDLX
Gross Proceeds:	\$70 mm
Shares:	5.4 mm
Filing Range:	\$13.00 – \$15.00
Listing Date:	February 9, 2018
Offer Price:	\$13.00

### Use of Proceeds

The Company intends to use the offering proceeds for working capital and general corporate purposes, and possibly for complementary acquisitions or strategic investments.

#### UNITED STATES SECURITIES AND EXCHANGE COMMISSION

#### FORM S-1

Cardlytics, Inc.



(NASDAQ:CDLX)

Scott D. Grimes

Chief Executive Officer

675 Ponce de Leon Avenue NE, Suite 6000  
Atlanta, GA 30308



JPMORGAN CHASE & CO.



**KeyBanc**  
Capital Markets

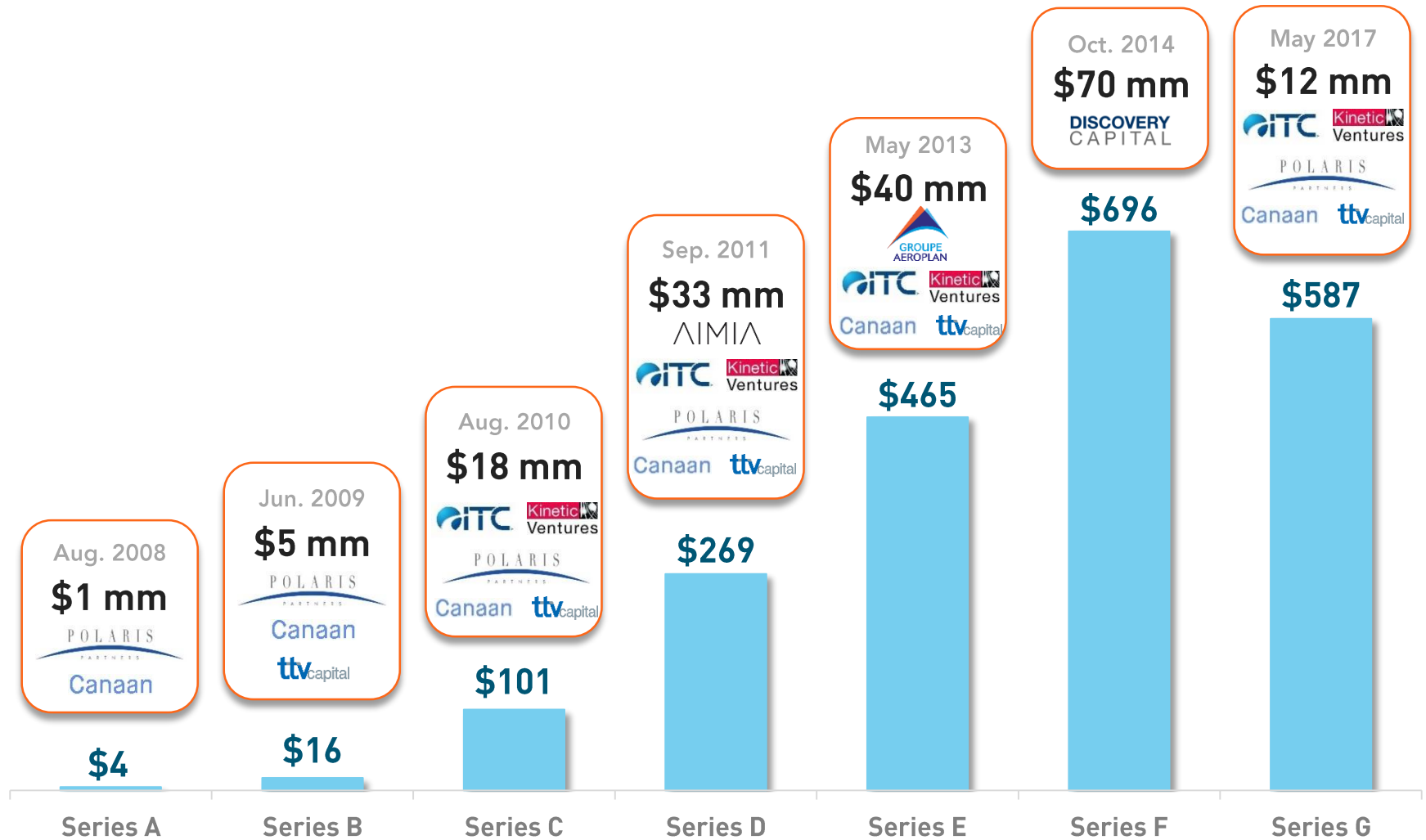


**RAYMOND JAMES®**

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## Valuation and Financing History



Cardlytics Post-Money Valuation History (\$ in mm)

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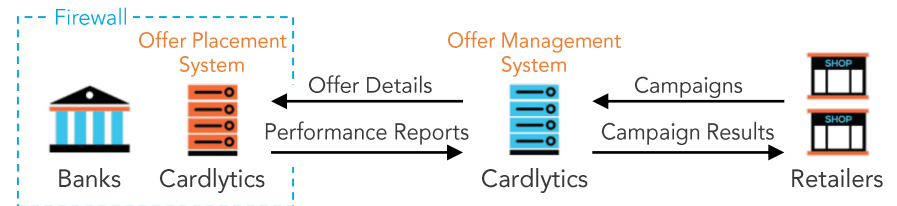


## Cardlytics Overview

### Company Overview

- Cardlytics operates a purchase-based intelligence platform, providing marketers with data analytics to make better business decisions
  - The Company helps target high-potential new customers and assess the effectiveness of advertising efforts
- Cardlytics' customers include marketers and financial institutions
  - Marketers are given access to in-store and online consumer spending insights
  - Financial institutions (FIs) utilize Cardlytics' technology to power their bank loyalty programs
- Cardlytics currently partners with over 2,000 FIs (as of 9/30/17)
  - Revenue is generated directly from FI partners or through a third-party intermediary
  - Cardlytics has direct contractual relationships with 17 of its FI partners, as others are part of the network through bank processors and digital banking providers
  - The Company's largest third party partner is Digital Insight
  - Cardlytics plans to implement a pilot of Cardlytics Direct with Wells Fargo in the first quarter of 2018
- In 2016, the Company's platform analyzed over 18.0 billion online and in-store transactions across more than 94.0 million accounts in the U.S. (one in five debit and credit card swipes)
- Marketers earned, on average, \$30 on every dollar spent for advertising on Cardlytics Direct in 2016
- In June 2016, Cardlytics acquired Aimia's Card-Linked Marketing Business in the U.K., which was previously developed by the two businesses

### Products and Services



### Native Bank Channel

cardlytics  
DIRECT

- ✓ Identify likely buyers
- ✓ Provide banking rewards programs



### Platform Solutions

cardlytics  
MEASUREMENT

- ✓ Quantify in-store and online sales impact

cardlytics  
INSIGHTS

- ✓ Understand purchase behavior
- ✓ Purchase Intelligence tracks customers' activities:



Where they shop



How frequently they shop



Where they live



What they spend



## Cardlytics Overview (cont.)



**Cardlytics uses purchase intelligence to make marketing more relevant and measurable for its customers**

### Benefits to Marketers:

- ✓ Understand and effectively reach the most valuable customers through online and mobile banking accounts, as well as email and real-time notifications
- ✓ Provide tailored marketing services to bring in new customers and sell more to current customers
- ✓ Enable marketers to precisely measure how marketing drives sales both online and in-store

### Benefits to Financial Institutions:

- ✓ FI customers incentivized by customized offers and cash back rewards
- ✓ Loyalty programs help with retention and encourage greater card spend
- ✓ FIs receive part of the revenue generated from marketers
- ✓ Enable FI partners to create competitively differentiated offerings to achieve their broader goals and to market their products effectively

### Competitive Strengths:

- ✓ Generally an exclusive provider of native bank channel advertising to FI partners, which generally requires deep technological integrations
- ✓ Provider marketers with access to consumers across a variety of channels
- ✓ Aggregated and unique data set from purchases across stores, retail categories, geographies and channels
- ✓ Powerful network effects with marketers and FIs
- ✓ Proprietary purchase intelligence platform with advanced capabilities

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## Representative Marketers by Vertical

- Go-to-market efforts are organized by industry vertical, with teams containing specialists with domain knowledge and industry operating experience
- Historically have generated the majority of revenue from restaurant, retail, telecommunications and cable industries, with travel and hospitality being newer verticals
- Plan to continue expanding into new industry verticals in the future

### Grocery



### Restaurant



### Retail



### Travel



### Home Subscription Services





## Management Team

### Scott Grimes

Chief Executive Officer



- Scott co-founded Cardlytics and has served as Chief Executive Officer since June 2008
- He previously served as a Senior VP at Capital One Financial Corporation and spent time at Canaan Partners, FreeMarkets Inc. and McKinsey & Company
- Scott began his career as an engineer at Schlumberger Limited

### Lynne Laube

Chief Operating Officer



- Lynne co-founded Cardlytics and has served as Chief Operating Officer since June 2008
- She is focused on helping women in the workplace through launching the “Women of Cardlytics” program and has been included in Inc’s list of the top 10 venture-backed female founders
- Prior to founding Cardlytics, Lynne spent time at Capital One and Bank One Corporation

### David Evans

Chief Financial Officer & Head of Corporate Development



- David has served as Chief Financial Officer and Head of Corporate Development since October 2016
- He joined Cardlytics in August 2014 as Senior Vice President, Corporate Development
- Previously, David served as Director in the TMT Banking group at Wells Fargo Securities

### Jim Tietz

Chief Revenue Officer



- Jim has served as Chief Revenue Officer since September 2017
- He joined Cardlytics in December 2010 and previously served as Senior Vice President, Advertiser Sales and Executive Vice President of Advertiser Sales
- Jim has held a variety of positions at Imagitas, Inc., Catalina Marketing and Hormel Foods

### Kirk Somers

Chief Legal and Privacy Officer



- Kirk has served as Chief Legal and Privacy Officer since July 2014
- He has served as General Counsel of Think Geek Inc. and Executive Vice President of Concurrent Computer Corporation

### Sathish Gaddipati

Chief Technology Officer



- Sathish has served as Chief Technology Officer since January 2018
- He joined Cardlytics in January 2017 as Senior Vice President and Head of Technology
- Sathish has a background in engineering and has held positions at Omnitracs, The Weather Channel and NCR Corporation among others



## Marketing Industry Overview

**\$202 billion**

2017E Digital  
Marketing Spend

**\$11 billion**

2016 Native Bank  
Advertising Market

### Recent Disruptions

Internet-enabled online  
advertising

Advertising based on  
consumer search history

Rise of social media  
creating more opportunity  
for consumer engagement

### Purchase Intelligence: The Next Disruptive Opportunity

#### Drivers and Key Players

- Aggregated consumer spending data can increase the effectiveness and measurability of marketing
- Financial Institutions (FIs) are marketers' access point to this consumer data, especially as payments continue to move towards electronic methods
- FIs are able to connect consumers across multiple digital touch points, something that retailers and marketers continue to struggle with
- The recent rise of alternative banking solutions and non-bank competitors create a need for FIs to continue to engage customers and strengthen customer loyalty
- FIs typically lack the expertise to leverage their existing purchase data for consumer retention, creating opportunities for meaningful partnerships

#### Challenges

##### Lack of Scale

- No single FI is able to provide the expansive view of purchase data needed by marketers

##### Fragmented Ecosystem

- FIs lack the technology to connect customer's purchase data across multiple channels

##### Privacy and Regulation

- Any solutions must comply with strict privacy and regulatory compliance required by FIs

##### Data Uniformity

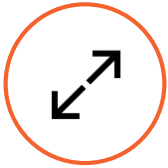
- No existing standard for FIs or retailers in capturing and retaining purchase data

## Growth Strategies



### Grow Cardlytics Direct Business with Marketers

- Expand sales and marketing efforts to broaden the reach of Cardlytics Direct
- Drive revenue growth by working to increase customer adoption and effectiveness of FIs' digital channels



### Expand Network of Financial Institution Partners

- Integrate directly with additional large regional and national banks
- Continue to resell solutions through financial processors and payment networks



### Integrate Outside Partners to Grow the Platform

- Continue partnering with media platforms, marketing technology providers and marketing agencies
- Partners are able to use the platform to reach a larger group of customers



### Innovate and Improve Cardlytics Platform

- Enrich current platform in order to perform more efficiently
- Improve internal analytical systems for more developed capabilities and provide new offerings



## Selected Risk Factors

Cardlytics’ operational and financial performance may be affected by the following risk factors:

Operating History	<ul style="list-style-type: none"><li>• Limited operating history – still could be considered an early stage company</li><li>• Will be unable to sustain current high revenue growth rate</li></ul>
Dependence on Third Parties	<ul style="list-style-type: none"><li>• Dependent on Bank of America and other FI Partners</li><li>• No direct contractual relationships with a majority of partners within the network of FIs</li></ul>
Marketers	<ul style="list-style-type: none"><li>• Limited number of marketers contributes a significant amount of revenue (top 5 is 23% of revenue)</li><li>• No long-term commitments from majority of marketers</li></ul>
Data Collection	<ul style="list-style-type: none"><li>• Breach of security could be detrimental</li><li>• Inability to collect and use data would impair the business</li></ul>
Competitive Markets	<ul style="list-style-type: none"><li>• Expect the market to become even more competitive, with many potential entrants</li><li>• Success will depend on ability to adapt and innovate to technology or industry needs</li></ul>
Laws and Regulations	<ul style="list-style-type: none"><li>• Changes in laws relating to online businesses, especially internet privacy</li><li>• Subject to general litigation</li></ul>
Retention	<ul style="list-style-type: none"><li>• Attracting and retaining top talent and employees</li><li>• Maintaining corporate culture with growth of the company</li></ul>

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## Revenue Overview

### Cardlytics Direct

#### Cost per Served Sale (CPS)

- Cardlytics’ fastest growing pricing model
- Cardlytics receives a percentage (CPS Rate) for each purchase made within a campaign period from marketers
- Fees are used to provide Consumer Incentives to buyers

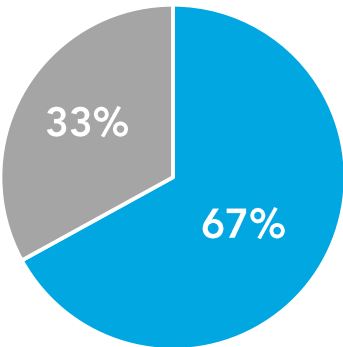
#### Cost per Redemption (CPR)

- Cardlytics’ initial pricing model
- Marketers determine and fund the Consumer Incentive
- Cardlytics receives a separate CPR fee (either a percentage or flat amount) for each purchase generated

### Other Platform Solutions

- Marketers can access Purchase Intelligence outside Cardlytics Direct and outside the bank channel
- Generally, programmatic vendors run market campaigns and deliver Other Platform Solutions as a managed service
- Marketers pay a fee on a cost per thousand impressions (CPM) basis, depending on the number of impressions for their marketing campaign
- A majority of Other Platform Solutions revenues are derived from delivering as a managed service, which was discontinued in July 2017
- Other Platform Solutions revenue is expected to decline

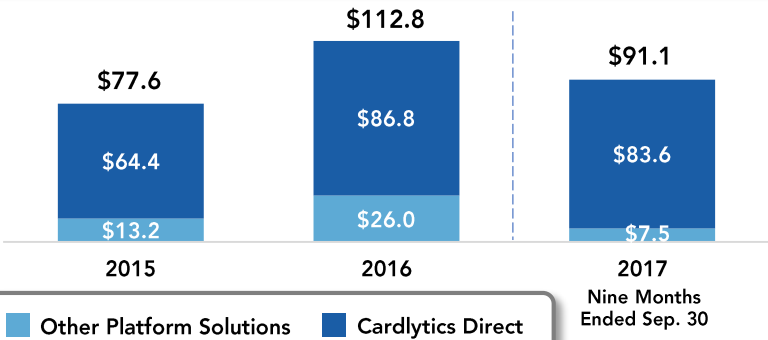
Cardlytics Direct Revenue Mix 2015 – 2016



Cost per Served Sale represented **67%** of Cardlytics Direct revenue in 2015 and 2016

■ CPS    ■ CPR

Cardlytics’ Revenue Mix



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## Financial Overview

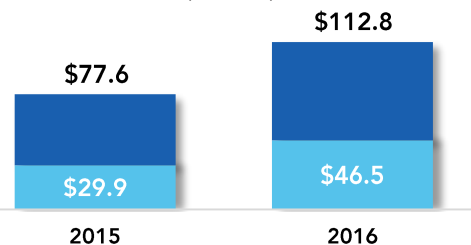
**Revenue**

**Adjusted Contribution:**

Revenue minus  
FI share and  
other third-  
party costs

### Annual

(\$ in mm)



%YoY Growth

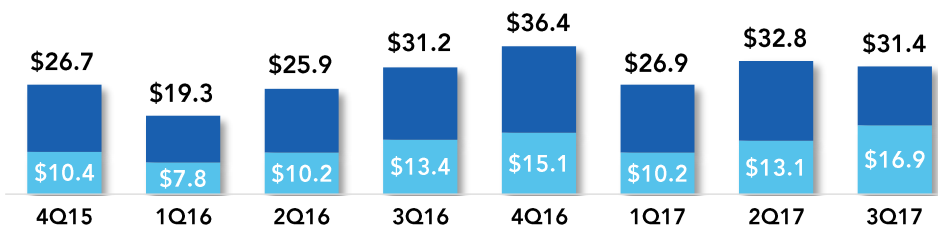
Revenue

Adjusted Contribution

44%	45%
na	56%

### Quarterly

(\$ in mm)



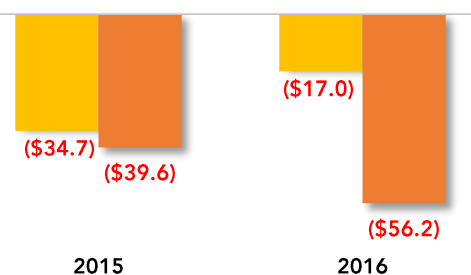
%YoY Growth

na	na	na	66%	36%	39%	27%	1%
na	na	na	91%	45%	31%	28%	26%

**Adjusted EBITDA <sup>(1)</sup>**

**Operating Loss**

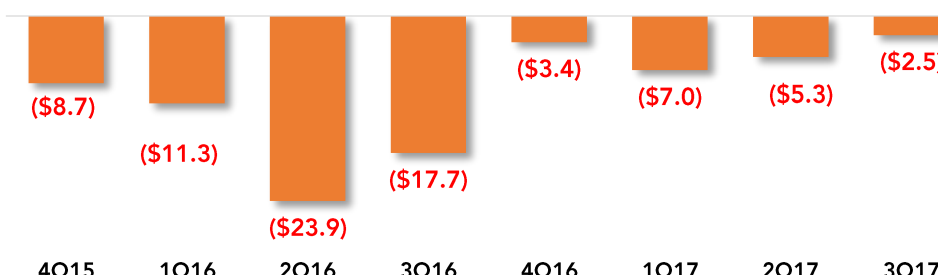
(\$ in mm)



2015

2016

(\$ in mm)



4Q15

1Q16

2Q16

3Q16

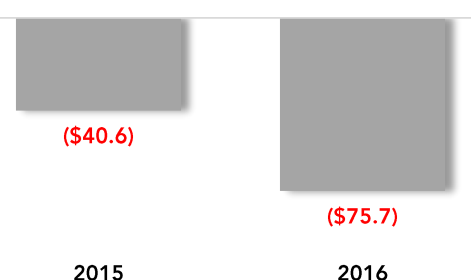
4Q16

1Q17

2Q17

3Q17

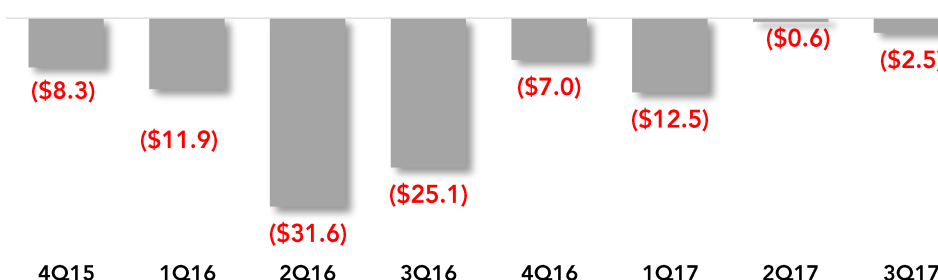
(\$ in mm)



2015

2016

(\$ in mm)



4Q15

1Q16

2Q16

3Q16

4Q16

1Q17

2Q17

3Q17

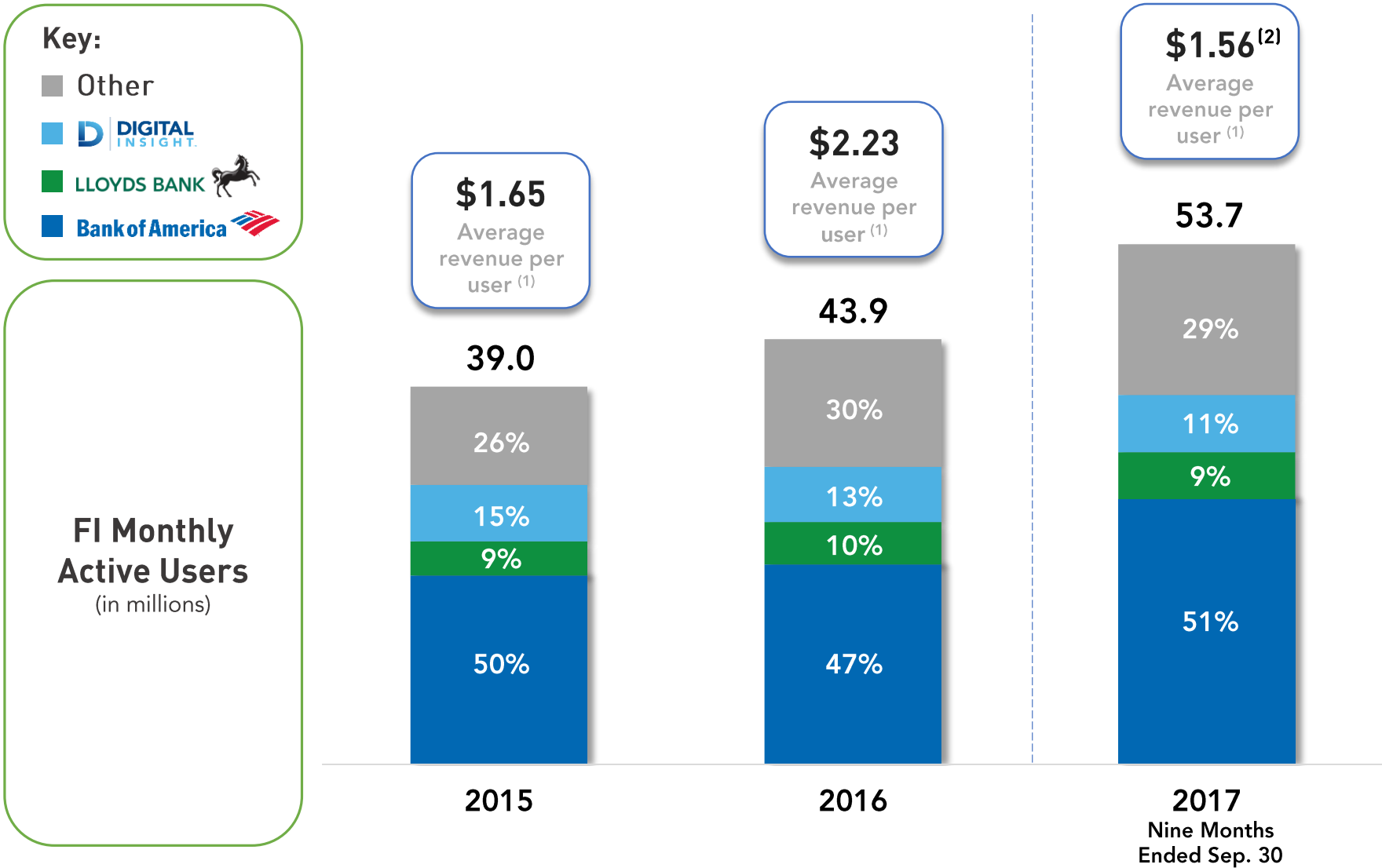
Source: Company prospectus

(1) Adjusted EBITDA is defined as net loss before income tax benefit; interest expense, net; depreciation and amortization; stock-based compensation expense; change in fair value of warrant liability; change in fair value of convertible promissory notes; foreign currency (gain) loss; loss on extinguishment of debt; costs associated with financing events; restructuring costs; amortization and impairment of deferred FI implementation costs; and termination of U.K. agreement expense

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## Key Business Metrics Overview



Source: Company prospectus

(1) Average revenue per user (ARPU) is defined as total GAAP Cardlytics Direct revenue generated in the applicable period, divided by the average number of FI monthly active users in the applicable period

(2) ARPU for the nine months ended September 30, 2017; ARPU for the nine months ended September 30, 2016 was \$1.54

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## Publicly Traded Comparables

	Price	% MTD	% LTM	Market	Enterprise	Multiples						Growth Rates			Margins				
	02/12/18	Change	High	Value	Value	Price / Earnings			EV / EBITDA		EV / Revenue			Revenue		EPS	EBITDA		P / E / G
Company Name				(\$ mm)	(\$ mm)	LTM	CY 18E	CY 19E	CY 18E	CY 19E	LTM	CY 18E	CY 19E	CY 18E	CY 19E	LT	CY 18E	CY 19E	CY 18E
POS SOLUTIONS OFFERS / LOYALTY																			
Groupon	\$ 5.14	(3)%	86 %	\$ 2,874	\$ 2,466	nm	25.5 x	20.2 x	9.1 x	8.0 x	0.8 x	0.8 x	0.8 x	3 %	2 %	32 %	9 %	10 %	0.8 x
Multiplus	10.19	(7)	71	1,652	1,207	11.7	12.5	11.4	6.8	6.3	1.7	1.7	1.6	4	7	3	24	25	3.7
Quotient Technology / Coupons.com	10.70	(9)	60	996	813	nm	20.7	20.0	12.0	9.4	2.7	2.1	1.8	20	16	15	18	19	1.4
Cardlytics	15.55	na	na	385	345	nm	na	na	na	na	2.7	na	na	na	na	na	na	na	na
Aimia	1.94	(12)	26	296	284	nm	3.1	2.6	1.6	1.6	0.2	0.2	0.2	(11)	4	na	12	11	na
Park Group	1.12	(2)	88	212	201	21.2	13.5	12.9	10.4	9.9	0.5	0.3	na	7	na	na	3	na	na
Points International	11.25	(5)	90	165	110	51.2	28.8	23.0	6.9	6.4	0.3	0.3	0.3	5	8	na	4	4	na
Median		(6)%	78 %			21.2 x	17.1 x	16.4 x	8.0 x	7.2 x	0.8 x	0.6 x	0.8 x	5 %	7 %	15 %	11 %	11 %	1.4 x
Mean		(6)	70			28.0	17.4	15.0	7.8	6.9	1.3	0.9	0.9	5	8	17	12	14	2.0
ONLINE FOCUSED PAYMENTS																			
PayPal	\$ 75.28	(4)%	87 %	\$ 90,461	\$ 79,835	82.4 x	32.9 x	27.2 x	19.6 x	16.6 x	6.1 x	5.2 x	4.5 x	17 %	16 %	20 %	27 %	27 %	1.7 x
Wirecard	112.36	(7)	82	13,884	12,939	68.2	32.3	25.3	19.7	15.9	7.7	5.7	4.7	26	22	25	29	29	1.3
Shopify	127.94	1	98	13,699	12,773	nm	nm	nm	nm	nm	22.0	13.3	9.8	45	36	22	5	9	na
PagSeguro	8.63	3	na	2,654	2,641	85.6	29.6	24.1	na	na	20.3	na	na	na	na	na	na	na	na
Afterpay	4.96	(16)	78	1,143	1,156	nm	79.1	31.3	44.6	26.1	64.4	9.3	6.1	140	54	na	21	23	na
Pushpay	3.90	(6)	88	1,068	1,043	nm	nm	nm	nm	26.4	20.2	6.8	4.5	72	52	na	nm	nm	na
SafeCharge	5.79	(2)	95	876	719	36.7	19.1	17.1	13.5	11.7	5.0	4.1	3.7	13	13	13	31	31	1.5
Boku	0.80	(6)	89	178	193	nm	na	34.0	44.9	16.2	10.2	6.0	4.8	32	25	na	nm	nm	na
Bango	2.47	(13)	64	166	158	nm	nm	na	57.3	na	32.9	14.1	na	98	na	na	nm	na	na
JetPay	2.10	(7)	43	33	98	nm	nm	na	14.4	na	1.3	1.1	na	18	na	na	8	na	na
Earthport	0.16	(7)	38	78	51	nm	nm	nm	nm	nm	1.2	1.1	0.9	13	22	na	nm	(6)	na
Median		(6)%	85 %			75.3 x	32.3 x	26.2 x	19.7 x	16.4 x	10.2 x	5.9 x	4.6 x	29 %	24 %	21 %	24 %	25 %	1.5 x
Mean		(6)	76			68.2	38.6	26.5	30.6	18.8	17.4	6.7	4.9	47	30	20	20	19	1.5
MERCHANT ACQUIRING / PROCESSING																			
First Data	\$ 16.32	(8)%	85 %	\$ 15,707	\$ 36,792	35.2 x	11.6 x	10.3 x	11.1 x	10.5 x	3.1 x	4.7 x	4.5 x	6 %	5 %	10 %	42 %	43 %	1.2 x
Worldpay <sup>(1)</sup>	74.77	(6)	91	22,585	27,298	48.7	20.4	17.1	14.1	12.2	7.0	6.9	6.3	na	10	15	49	52	1.4
Cielo	7.34	(10)	85	19,941	22,022	18.2	15.6	14.0	13.1	12.0	6.2	6.0	5.5	4	9	6	46	46	2.7
Global Payments	106.40	(5)	94	16,975	21,213	65.3	22.1	19.2	15.4	13.9	5.0	5.3	4.9	13	9	18	34	35	1.3
TSYS	84.04	(5)	93	15,604	18,164	37.7	20.1	17.8	13.7	12.7	3.7	4.8	4.5	10	6	16	35	36	1.2
Square	39.92	(10)	81	17,206	16,692	nm	89.2	53.7	67.5	40.0	8.1	13.0	10.1	32	29	nm	19	25	na
Nets	27.17	0	100	5,445	6,602	37.8	25.3	22.4	13.3	13.0	5.2	4.9	4.8	5	3	27	37	37	0.9
Worldline	51.25	(7)	89	6,870	6,519	49.3	30.3	26.1	13.9	12.6	3.6	3.1	2.9	9	7	17	22	23	1.7
EVERTEC	15.90	2	81	1,151	1,749	25.3	11.8	9.8	10.1	8.9	4.3	4.4	4.2	0	6	2	43	47	nm
Net 1 Ueps Technologies	9.50	(22)	69	531	576	7.8	6.1	na	4.3	3.7	1.0	1.0	0.9	(1)	8	13	22	24	0.5
Median		(7)%	87 %			37.7 x	20.2 x	17.8 x	13.5 x	12.4 x	4.6 x	4.9 x	4.7 x	6 %	8 %	15 %	36 %	36 %	1.2 x
Mean		(7)	87			36.1	25.2	21.1	17.6	13.9	4.7	5.4	4.8	9	9	14	35	37	1.4

Source: Capital IQ, Thomson One

Note: nm signifies negative value or value of >99

(1) On January 11, 2018 Worldpay and Vantiv completed their merger; The combined company is called Worldpay and trades under NYSE:WP



## 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



YapStone's \$71 million Series C Financing



Marqeta's \$25 million Financing Led by Visa



NMI's Majority Investment From Francisco Partners



Remitly's \$115 million Financing Led By PayU



Cayan's \$1.05 billion Sale to TSYS



FinTech Acquisition Corp II Acquires Intermex for an EV of \$365 million

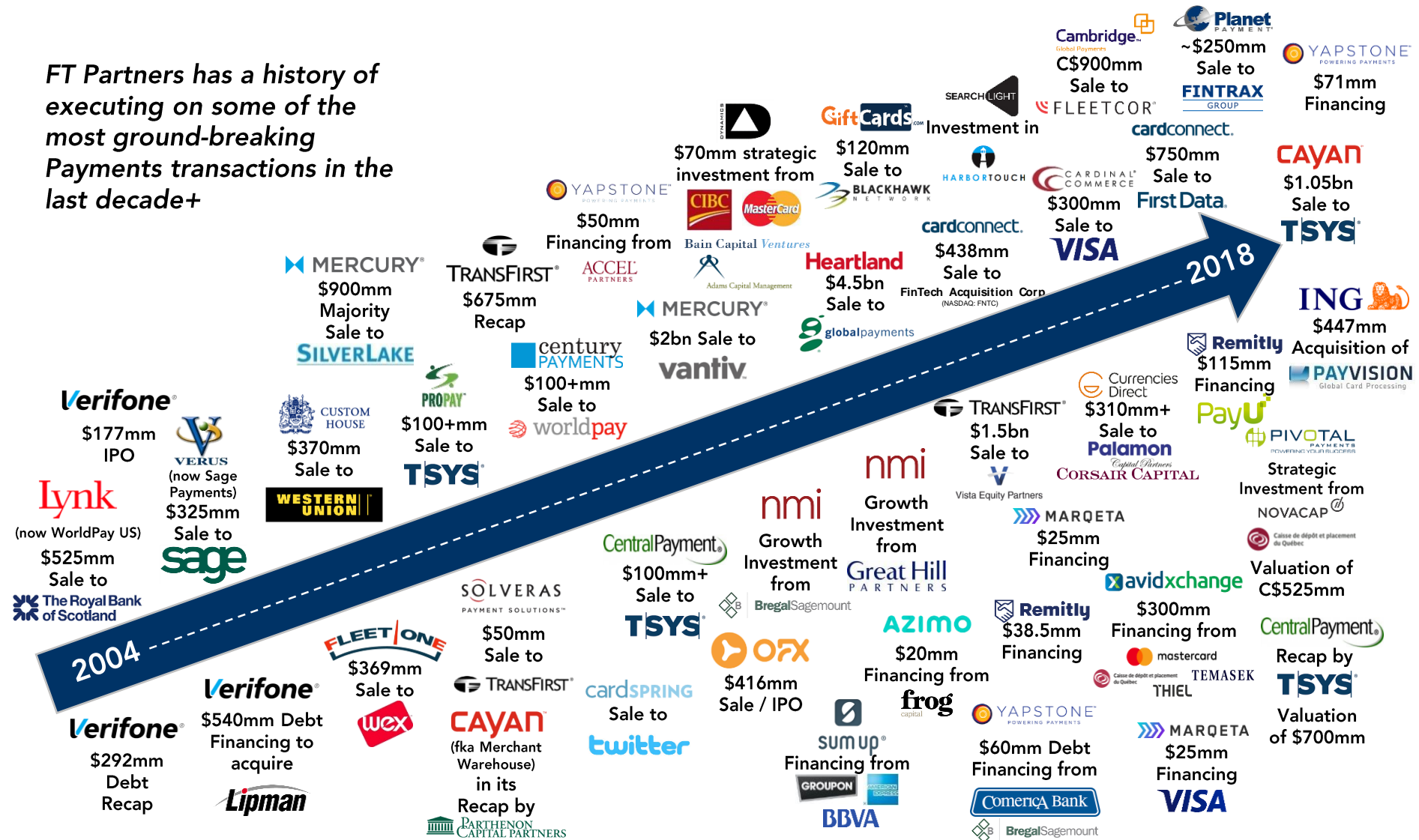


WorldRemit Raises \$40 million Series C Financing

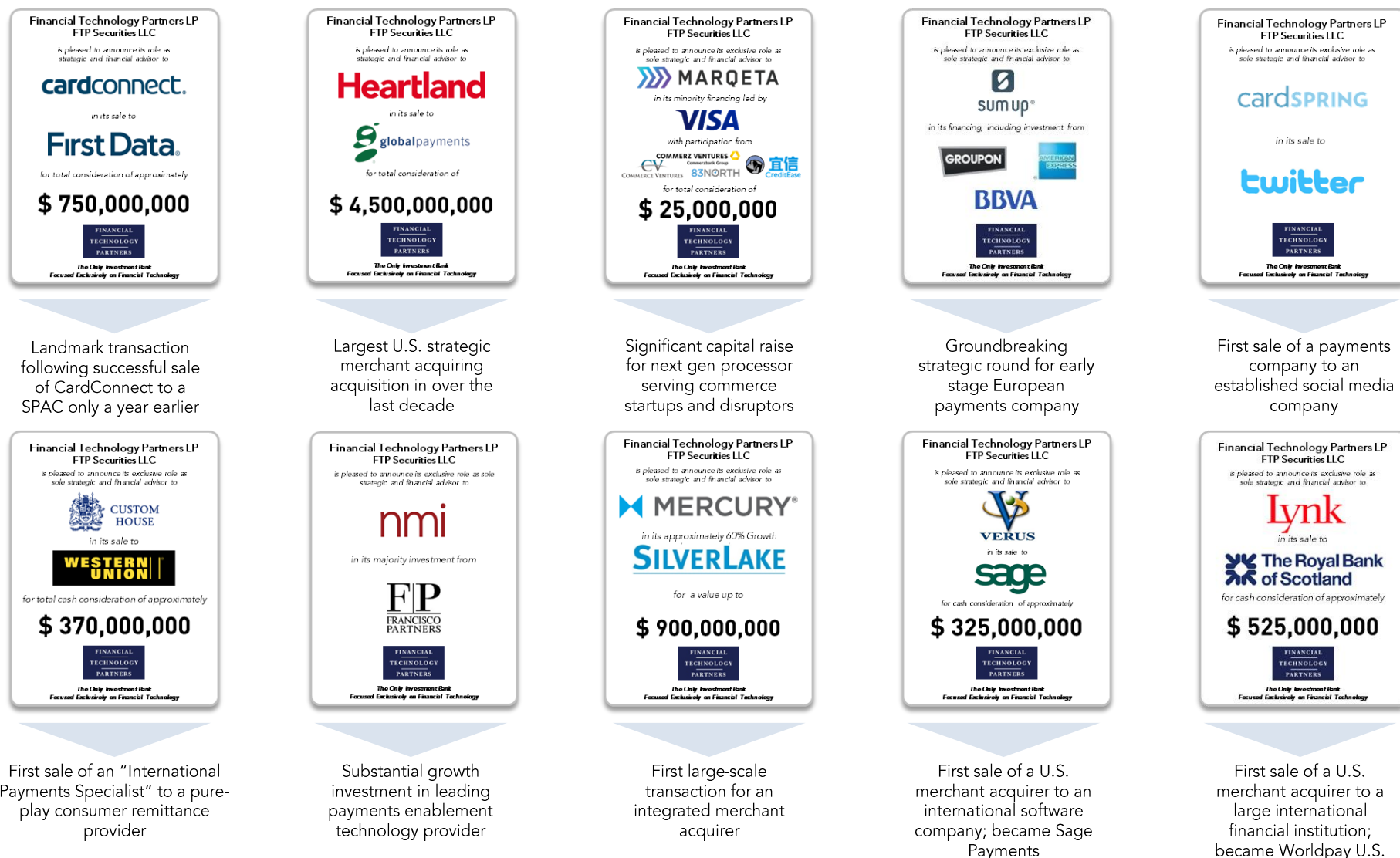
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## Timeline of Selected FT Partners Payments Processing Transactions

*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 – Focused Exclusively on FinTech

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## Significant Experience Advising Large Financing Rounds and “Unicorns”

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
 <b>MERCURY®</b>	\$420,000,000+
 <b>GreenSky™</b>	300,000,000+
 <b>avidxchange</b>	300,000,000
 <b>avidxchange</b>	253,000,000
 <b>liquidnet</b>	250,000,000
 <b>square trade</b> protection plans	238,000,000
 <b>GreenSky™</b>	200,000,000
 <b>YAPSTONE™</b> POWERING PAYMENTS	181,000,000
 <b>nmi</b>	150,000,000+
 <b>ADDEPAR</b>	140,000,000
 <b>Kabbage®</b>	135,000,000
 <b>Remitly</b>	115,000,000
 <b>TradingScreen</b> SIMPLIFYING GLOBAL MARKETS®	110,000,000+
 <b>CHROMERIVER</b>	100,000,000
 <b>credit karma</b>	85,000,000
 <b>earnest</b>	75,000,000

## Selected Prominent Investors in FT Partners Led Rounds



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

## 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 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*

**CAYAN**<sup>TM</sup>

*in its 100% cash sale to*

**TSYS**<sup>®</sup>

*for total consideration of approximately*

**\$ 1,050,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

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## FT Partners Advises GiftCards.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**



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## FT Partners Advises on Strategic Sale of CardSpring to Twitter

### Overview of Transaction

- On July 17, 2014, CardSpring, an emerging payments infrastructure company, announced its sale to Twitter
- CardSpring was primarily backed by Accel Partners and Greylock
- CardSpring has developed a proprietary platform that enables digital publishers and retailers to work with the payment industry to create a new generation of commerce experiences for hundreds of millions of offline shoppers
- Financial terms of the transaction were not disclosed

### Significance of Transaction

- By joining forces with Twitter, CardSpring will be able to significantly accelerate the intersection of digital media and payments in order to revolutionize how consumers use credit and debit cards
- The CardSpring team and technology will enhance Twitter's ability to bring in-the-moment commerce experiences to its users

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to CardSpring and its Board of Directors in the sale to Twitter
- FT Partners leveraged its deep industry expertise to provide advisory services throughout the transaction, including strategic direction and introducing CardSpring to financial investors, strategic acquirers and distribution partners
- FT Partners continued its long-term relationship with existing investors Accel (recently sold OZForex for Accel for nearly \$500mm) and Greylock on the sale of their joint-controlling equity stake in CardSpring

### Financial Technology Partners LP FTP Securities LLC

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

cardSPRING

*in its sale to*

twitter

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TECHNOLOGY  
PARTNERS

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## Award-Winning Investment Banking Franchise Focused on Superior Client Results

**Institutional Investor**  
Institutional Investor  
Annual Ranking

2017  
2015 - 2016  
2006 - 2008

- Ranked #1 Most Influential Executive on Institutional Investor's FinTech 40 List
- Steve McLaughlin Ranked Top 5 on Institutional Investor's FinTech 35 List
- Consecutively Ranked (2006, 2007 and 2008) among the Top Bankers on Institutional Investor's "Online Finance 40"

**I** The Information

2016

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



M&A Advisor  
Awards

2015 - 2017

2010 - 2014

2004 - 2007

- Investment Banker of the Year – 2017
- Investment Banking Firm of the Year – 2016
- Cross Border Deal of the Year - 2016
- Dealmaker of the Year – 2015
- Technology Deal of the Year – 2015
- Equity Financing Deal of the Year - 2014
- Professional Services Deal of the Year, Above \$100 mm – 2014
- Dealmaker of the Year – 2012
- Professional Services Deal of the Year, Above \$100 mm – 2012
- Boutique Investment Bank of the Year – 2011
- Deal of the Decade – 2011
- Upper Middle Market Deal of the Year, Above \$500 mm – 2010
- IT Services Deal of the Year, Below \$500 mm – 2010
- Cross-Border Deal of the Year, Below \$500 mm – 2010
- Dealmaker of the Year – Steve McLaughlin – 2007
- Business to Business Services Deal of the Year - 2007
- Computer and Information Technology Deal of the Year, Above \$100 mm – 2007
- Financial Services Deal of the Year, Above \$100 mm – 2007
- Investment Bank of the Year – 2004



Middle Market  
Financing Awards

2006 - 2008

- Equity Financing Dealmaker of the Year – Steve McLaughlin – 2008
- Information Technology Deal of the Year – 2008
- Financial Services Deal of the Year – 2008
- Financing Professional of the Year – Steve McLaughlin – 2006

## The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
<b>Steve McLaughlin</b> <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York and San Francisco from 1995-2002</li> <li>Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share)</li> <li>Wharton M.B.A.</li> </ul>	<b>23</b>
<b>Greg Smith</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht &amp; Quist</li> <li>20+ years of experience covering FinTech as both an Analyst and Investment Banker</li> </ul>	<b>22</b>
<b>Osman Khan</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Managing Director / Head of FIG M&amp;A at Alvarez &amp; Marsal</li> <li>15+ years FIG deal, consulting and assurance experience at PwC</li> <li>40 Under 40 M&amp;A Advisor Award Winner in 2013</li> <li>LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA)</li> </ul>	<b>21</b>
<b>Steve Stout</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Global Head of Strategy at First Data</li> <li>Formerly Led J.P. Morgan Payments Investment Banking</li> <li>Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank</li> </ul>	<b>20</b>
<b>Tim Wolfe</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. beginning in 2000</li> <li>Started at FT Partners in 2002</li> <li>40 Under 40 M&amp;A Advisor Award Winner 2013</li> <li>Harvard M.B.A.</li> </ul>	<b>16</b>
<b>Timm Schipporeit</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London</li> <li>Formerly a Venture and Growth Investor focused on FinTech at Index Ventures</li> </ul>	<b>15</b>
<b>Andrew McLaughlin</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>20+ years experience executing / implementing financial and operational strategy</li> <li>Formerly with Deloitte Consulting</li> </ul>	<b>12</b>