February 22, 2017

KakaoPay

Kakao Pay Secures $200 million in Financing from Ant Financial

蚂蚁金服
ANT FINANCIAL

FINANCIAL
TECHNOLOGY
PARTNERS

The Only Investment Bank Focused Exclusively on FinTech

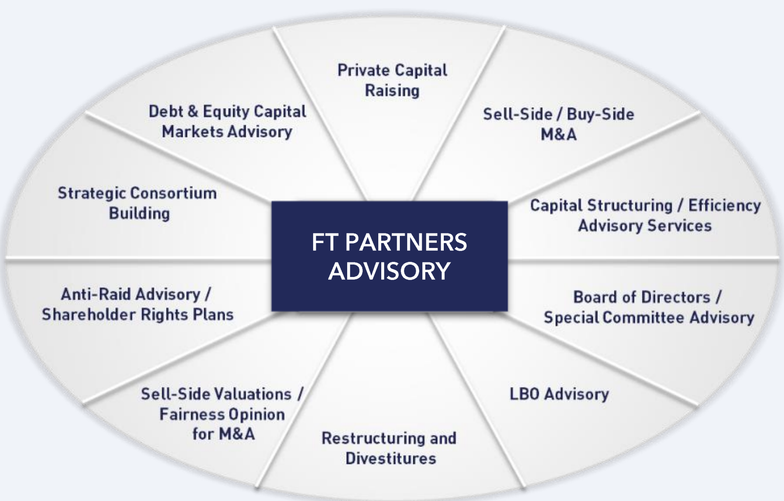
San Francisco • New York

FT Partners – Focused Exclusively on FinTech

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

- 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*

Institutional Investor

Ranked #4 Most Influential Person in all of FinTech in *Institution Investors* "FinTech Finance 35"

THE M&A ADVISOR

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

Steve McLaughlin: *Founder & CEO* Tel: 415.992.8880 steve.mclaughlin@ftpartners.com

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Kakao Pay Secures $200 million in Financing

KakaoPay

Transaction Summary

Transaction Summary

- **On February 21, 2017, Ant Financial announced that the Company is investing $200 million in Kakao Pay**
  - The investment is part of a larger strategic partnership to connect Alipay users to Kakao Pay
  - This partnership will allow the millions of Chinese tourists that visit South Korea annually to use Alipay's digital payments platform while there
  - The new Company will merge Alipay's 34,000 merchants with Kakao Pay's system creating a much larger customer base
- **Kakao Corp decided in January that it will spin off Kakao Pay into a separate entity in April of this year** (1)
  - This new subsidiary will be run by Kakao's FinTech division chief, Young-Joon Ryu
  - The Kakao Pay platform provides payment transactions, bill payment, remittance and membership management to more than 14 million members
- **Ant Financial is working to aggressively expand its global network prior to its potential upcoming IPO** (2)
  - This investment follows Ant Financial's investment in Mynt, which is owned by Filipino telco Globe Telecom, and it's acquisition of U.S.-based MoneyGram
  - Ant Financial also has investments in Thailand's Ascend Money and India's Paytm, among other investments and partnerships around the world
- **This investment will bring Ant Financial one step closer to becoming a payment network like Visa and MasterCard** (2)

Transaction Commentary

"South Korea is an important market for Ant Financial in its global expansion, and we see many opportunities in the market for innovative services and growth in mobile payments. Given Kakao's leading mobile platform offering and vast customer base, we believe we can bring Ant Financial's broad experience in digital payments and technology-driven financial services to offer exciting and innovative products to South Korean customers."

蚂蚁金服 ANT FINANCIAL

Douglas Feagin
President

Kakao Corp

Based in South Korea, Kakao is a mobile lifestyle platform company with services spanning messaging, mail, search, news, advertising, gaming, e-commerce, music, maps and more.

kakaotalk | kakaomusic | kakaotaxi | kakaostory | KakaoPay | kakaonavi | Daum | PLAIN | storyfunding

Selected Kakao Corp Subsidiaries

LOEN ENTERTAINMENT | PARKING SQUARE | CUBE VENTURES Startup's Best Friend | KAKAO FRIENDS | kidsnote a kakao company | dk service | podotree | Path | image on

Source: Company press release
(1) CNBC: "Ant Financial to invest 200 million dollars in South Korea's Kakao Pay"
(2) Wall Street Journal: "Ant Financial to Invest $200 million in South Korea's Kakao Pay"

Kakao Pay Secures $200 million in Financing

Kakao Overview

Company Overview

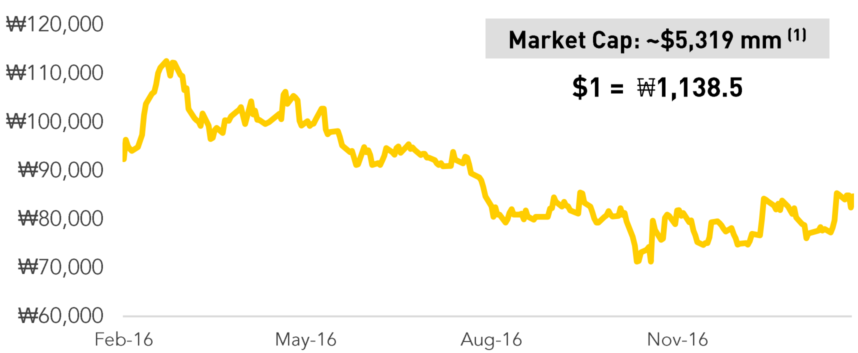
CEO: Jimmy Rim

Headquarters: Jeju, S. Korea

Founded: 1995

- Kakao Corp is South Korea's dominant message company, running Kakao Talk (Katok) with over 48 million users and is installed on over 90% of smartphones in Korea
- Kakao's mission is to be the top platform in the mobile world
- The Company offers a variety of services within Communication, Media & Content, Games, Lifestyle and Search
- Kakao Pay is the Company's FinTech platform, that it announced would be spun off into an independent entity later this year

Stock Performance (KOSDAQ:A035720)



Market Cap: ~$5,319 mm [1]

$1 = ₩1,138.5

KakaoPay Overview

Bill Pay

- View on Katok platform
- Easy to understand usage history
- Payment deadline reminders

Payment

- Use cards conveniently
- Connect bank account and pay with Kakao Money
- Pay by using a simple password only

Remittance

- Send to anyone on Katok right from the chat room
- Only need one password for Kakao Money

Membership

- Create a custom barcode
- All memberships are linked to this one barcode
- Earn points immediately and get Katok specific coupons

Source: *Company website, Capital IQ*

(1) *Market Cap as of 2/22/17*

Kakao Pay Secures $200 million in Financing

Ant Financial Overview

Company Overview

CEO:	Eric Jing
Headquarters:	Hangzhou, China
Founded:	2004

- **Alipay was founded in 2004 and spun off from Alibaba in 2011 into a separate entity**
- **In 2014, Alipay changed its name to Ant Financial Services to recognize the multiple brands that are working together**
  - Ant Financial Services is the umbrella company for Alipay, Alipay Wallet, Yu'e Bao, Zhao Cai Bao, Ant Micro and MYBank
- **Alipay is the main payment processor for Alibaba and sister site Taoboa**
- **Ant Financial owns and operates an online payment platform, offers mobile payment services, sells insurance products and provides small loans to the businesses that set up virtual storefronts on Alibaba's retail website**
- **The Company's legal name is Zhejiang Ant Small and Micro Financial Services Company, but it is doing business as Ant Financial Services**

Products & Services Overview

Alipay

- Payment processor
- Alipay Wallet and mobile app
- Escrow payment service

Yu'e Bao

- Money market mutual fund
- Offered to individuals to manage excess funds in Alipay accounts and receive daily yields
- Currently over $93 bn under management

Zhao Cai Bao

- Platform for small business and individuals to borrow from investors directly
- Currently a $2.3 bn marketplace

Ant Micro

- Provider of micro loans

MYBank

- Online private bank
- Internet finance platform to offer services for banking, loans and credit, insurance and payment systems

Source: *Company website*

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KakaoPay

Selected Ant Financial Partnerships & FinTech Investments

Source: *Wall Street Journal, FT Partners' Proprietary Database, Capital IQ, PitchBook*

Kakao Pay Secures $200 million in Financing

Ant Financial Selected Transaction Activity

Ant Financial's Acquisitions and Investments

Announce Date	$ in mm	Type	Target
02/17/17	na	Financing	Mynt
01/26/17	$880	M&A	MoneyGram
11/01/16	na	Financing	ascend
09/13/16	na	M&A	EYEVERIFY
06/12/16	35	Financing	朝阳永续 SUNTIME
09/29/15	na	Financing	one97 / Paytm
08/10/15	200	Financing	趣分期 Qufenqi.com
06/22/15	966	Financing	口碑 koubei
06/15/15	na	Financing	雅座 yazuo.com
11/17/14	12	Financing	V-KEY
08/12/14	418	M&A	Congqing Alibaba Small Loan Co

Ant Financial's Financing History

Announce Date	$ in mm	Stage	Investor(s)
04/26/16	$4,500	Series B	建银国际 CCB International; 中国投资有限责任公司 CHINA INVESTMENT CORPORATION
07/03/15	1,900	Series A	NSSF

Source: FT Partners' Proprietary Database, Capital IQ, PitchBook

Kakao Pay Secures $200 million in Financing

Alibaba Group Overview

Company Overview

Alibaba Group 阿里巴巴集团

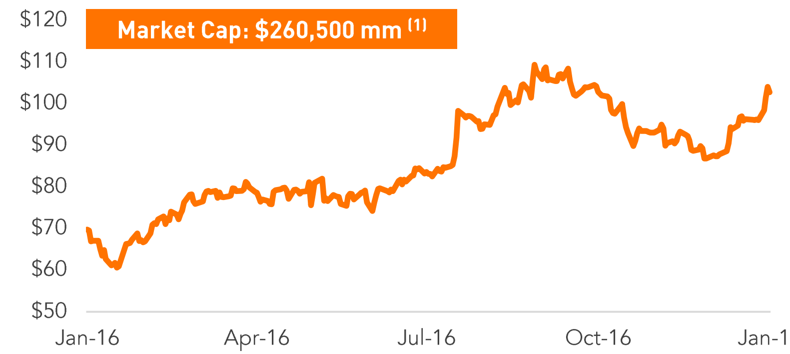
CEO: Daniel Zhang

Headquarters: Hangzhou, China

Founded: 1999

- **Alibaba Group operates online and mobile marketplaces in retail and wholesale trade and offers cloud computing and other services**
  - Currently the Company has over 255 million active buyers using its services
  - Alibaba also operates in the digital media and entertainment, logistics and local services sectors
- **Alibaba provides infrastructure to connect consumers and businesses around the world through technology and marketing**
- **The Company generated $270.5 bn in gross merchandise volume (GMV) during FY2014**
- **Alibaba's services include Taoboa Marketplace, Tmall, Juhuasuan, Alibaba.com, AliExpress, Alimama, Aliyun.com and Cainiao**
- **Top shareholders include Softbank, Yahoo!, SB China and Jack Ma (founder)**

Stock Performance (NYSE:BABA)



Selected Investments

Announce Date	Target	Amount ($ in mm)
02/02/16	Twiggle	$794
02/02/16	magic leap	$794
12/24/15	lyft	1,000
11/24/15	jet	500
10/16/15	YOUKU 优酷	4,849
09/29/15	one97 / Paytm	na

Source: *Company website, Capital IQ*

(1) *Market Cap as of 2/22/17*

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Selected FT Partners' Research – *Click to View*

Transaction Security

Global Money Transfer

PayPal Spin-off Overview

Apple Unveils Apple Pay

Heartland's Sale to Global Payments

TransFirst's Sale to TSYS

Square Completes its IPO

First Data: Post Quiet Period Review

PayPal Acquires TIO Networks for $233 million

Ingenico Group Acquires TechProcess Payment Services

Ant Financial Acquries MoneyGram for $880 million

Green Dot Acquires UniRush

VIEW MORE FT PARTNERS RESEARCH

FT Partners – Focused Exclusively on FinTech

Strong Domain Expertise in Payments Investment Banking

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its role as strategic and financial advisor to
Heartland
in its sale to
globalpayments
for total consideration of
$ 4,500,000,000
FINANCIAL TECHNOLOGY PARTNERS
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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its role as strategic and financial advisor to
MERCURY
in its cash sale to
vantiv
for total consideration of
$ 1,650,000,000
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FTP Securities LLC
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TRANSFIRST
in its sale to
Vista Equity Partners
from
WCAS
$ 1,500,000,000
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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
GiftCards.com
in its sale to
BLACKHAWK NETWORK
for total consideration of
$ 120,000,000
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CAYAN
in its Significant Growth Recapitalization by
PARTHENON CAPITAL PARTNERS
FINANCIAL TECHNOLOGY PARTNERS
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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
MERCURY
in its approximately 60% Growth
SILVERLAKE
for a value up to
$ 900,000,000
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in its sale to
twitter
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FTP Securities LLC
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century PAYMENTS
in its sale to
WorldPay
a portfolio company of
Advent International / BainCapital
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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
MARQETA
in its Series C minority financing from
COMMERZ VENTURES Commerzbank Group
83NORTH
CV COMMERCE VENTURES
IA CAPITAL GROUP
$ 25,000,000
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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
YAPSTONE ePayments as a Service
in its minority investment led by
ACCEL PARTNERS
for total consideration of approximately
$ 50,000,000
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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
VERUS
in its sale to
sage
for cash consideration of approximately
$ 325,000,000
FINANCIAL TECHNOLOGY PARTNERS
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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
SOLVERAS PAYMENT SOLUTIONS
in its sale to
TRANSFIRST
for total consideration of approximately
$ 51,000,000
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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
Lynk
in its sale to
The Royal Bank of Scotland
for cash consideration of approximately
$ 525,000,000
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FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
PROPAY
in its sale to
TSYS
for total consideration of approximately
$ 135,000,000
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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
nmi
in its growth investment by
BregalSagemount
$ 200,000,000
FINANCIAL TECHNOLOGY PARTNERS
The Only Investment Bank Focused Exclusively on Financial Technology

Unparalleled experience in payments across the entire spectrum of transaction types and dynamics, with extremely strong execution and outcomes

FT Partners – Focused Exclusively on FinTech

Timeline of Selected FT Partners eCommmerce & Payment Processing Transactions

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

2004

2016

VeriFone
$177mm IPO

Lynk (now WorldPay US)
$525mm Sale to The Royal Bank of Scotland

VeriFone
$292mm Debt Recap

Verus (now Sage Payments)
$325mm Sale to sage

VeriFone
$540mm Debt Financing to acquire Lipman

Custom House
$370mm Sale to Western Union

Fleet One
$369mm Sale to wex

Mercury
$900mm Majority Sale to Silver Lake

TransFirst
$675mm Recap

ProPay
$100+mm Sale to TSYS

Solveras Payment Solutions
$50mm Sale to TransFirst

Yapstone
$50mm Financing from Accel Partners

Century Payments
$100+mm Sale to worldpay

CentralPayment
$100mm+ Sale to TSYS

Cayan (fka Merchant Warehouse) in its Recap by Parthenon Capital Partners

Dynamics
$70mm strategic investment from CIBC, MasterCard, Bain Capital Ventures, Adams Capital Management

judo
Growth Financing from Route Sixty-Six Ventures

nmi
Growth Investment from BregalSagemount

cardspring
Sale to twitter

GiftCards.com
$120mm Sale to Blackhawk Network

Mercury
$1.65bn Sale to vantiv

nmi
Growth Investment from Great Hill Partners

OzForex Foreign Exchange Services
$416mm Sale / IPO

SumUp
Financing from Groupon, American Express, BBVA

cardconnect
$438mm Sale to FinTech Acquisition Corp (NASDAQ: FNTC)

Heartland
$4.5bn Sale to globalpayments

TransFirst
$1.5bn Sale to Vista Equity Partners

Marqeta
$25mm Financing

azimo
$20mm Financing from frog capital

Searchlight
Investment in Harbortouch

Cardinal Commerce
Sale to VISA

Remitly
$38.5mm Financing

Currencies Direct
$310mm+ Sale to Palamon Capital Partners, Corsair Capital

avidxchange
$235mm Financing from Bain Capital Ventures, nyca, TPG, KeyBank, Foundry Group

Yapstone
$60mm Debt Financing from Comerica Bank, BregalSagemount

FT Partners – Focused Exclusively on FinTech

Ground-Breaking Transactions Pioneered by FT Partners

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its role as strategic and financial advisor to
cardconnect.
in its sale to
FinTech Acquisition Corp (NASDAQ: FNTC)
for total consideration of
$ 438,000,000
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Sale of a payment processor to a SPAC vehicle

Financial Technology Partners LP
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is pleased to announce its role as strategic and financial advisor to
Heartland
in its sale to
globalpayments
for total consideration of
$ 4,500,000,000
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Largest U.S. strategic merchant acquiring acquisition in over the last decade

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
MARQETA
in its Series C minority financing from
COMMERZ VENTURES Commerzbank Group
83NORTH
CV Commerce Ventures
$ 25,000,000
The Only Investment Bank Focused Exclusively on Financial Technology

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

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
sumup
in its financing, including investment from
GROUPON
American Express
BBVA
The Only Investment Bank Focused Exclusively on Financial Technology

Groundbreaking strategic round for early stage European payments company

Financial Technology Partners LP
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is pleased to announce its exclusive role as sole strategic and financial advisor to
cardSPRING
in its sale to
twitter
The Only Investment Bank Focused Exclusively on Financial Technology

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

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
CUSTOM HOUSE
in its sale to
WESTERN UNION
for total cash consideration of approximately
$ 370,000,000
The Only Investment Bank Focused Exclusively on Financial Technology

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

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
nmi
in its growth investment by
BregalSagemount
$ 200,000,000
The Only Investment Bank Focused Exclusively on Financial Technology

Substantial growth investment in leading payments enablement technology provider

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
MERCURY
in its approximately 60% Growth
SILVERLAKE
for a value up to
$ 900,000,000
The Only Investment Bank Focused Exclusively on Financial Technology

First large-scale transaction for an integrated merchant acquirer

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VERUS
in its sale to
sage
for cash consideration of approximately
$ 325,000,000
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First sale of a U.S. merchant acquirer to an international software company; became Sage Payments

Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as sole strategic and financial advisor to
Lynk
in its sale to
The Royal Bank of Scotland
for cash consideration of approximately
$ 525,000,000
The Only Investment Bank Focused Exclusively on Financial Technology

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

FT Partners – Focused Exclusively on FinTech

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 - 2004 ANNUAL AWARDS WINNER

2016	• **Investment Banking Firm of the Year** • **Cross Border Deal of the Year**
2015	• **Dealmaker of the Year** • **Technology Deal of the Year**
2014	• **Equity Financing Deal of the Year** • **Professional Services Deal of the Year, Above $100mm**
2012	• **Dealmaker of the Year** • **Professional Services Deal of the Year, Above $100mm**
2011	• **Boutique Investment Bank of the Year** • **Deal of the Decade** • *10 Deal of the Year Nominations Across 9 Categories*
2010	• **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	• **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**

Institutional Investor Annual Ranking

Institutional Investor

2015	• **Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List**
2006 - 2008	• **Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology**

Middle Market Financing Awards

WINNER

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

Note: **Bold** represents awards that FT Partners has won, italics represents nominations.

FT Partners – Focused Exclusively on FinTech

The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin *Founder, CEO and Managing Partner*	Goldman Sachs	• 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 *Managing Director*	Goldman Sachs	• Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 • Wharton M.B.A.	***22***
Greg Smith *Managing Director*	Merrill Lynch J.P.Morgan	• 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 *Managing Director*	A&M pwc	• 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 *Managing Director*	J.P.Morgan First Data	• 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 *Managing Director*	Goldman Sachs	• 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 *Managing Director*	Morgan Stanley Index Ventures	• 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	***13***
Andrew McLaughlin *Managing Director, Research & Business Development*	Deloitte.	• Leads FT Partners' Research and Business Development Team • Formerly with Deloitte Consulting	***11***