

COATUE

Coatue Whitepaper:

Fintech and the Pursuit of the Prize

Who Stands to Win Over the Next Decade?

→ October 2022

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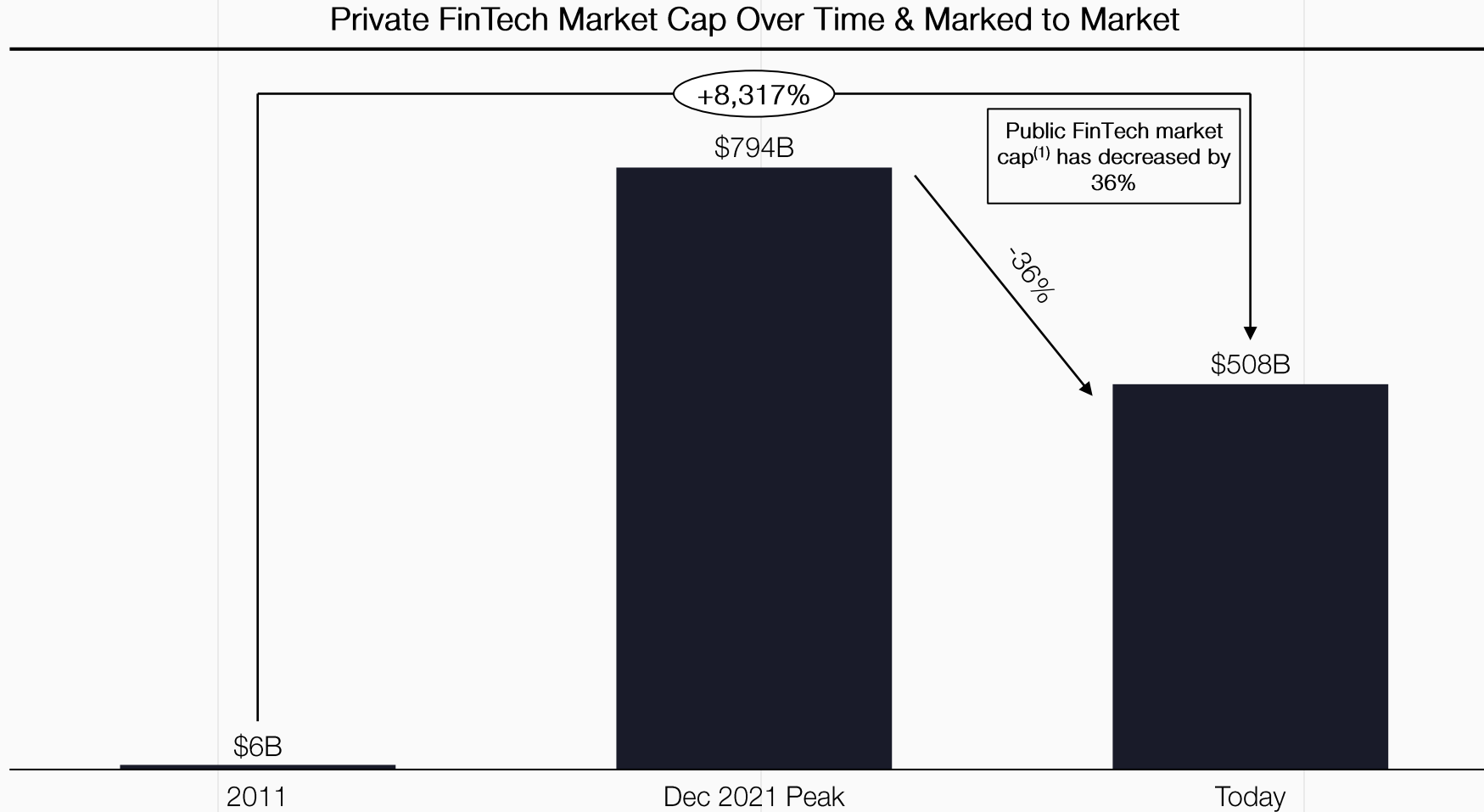
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Fintech's Next Decade

- Billions of dollars were deployed over the last decade marking the first **venture-fueled innovation cycle** in FinTech
- Lack of sector maturity is best illustrated by the % of public market cap currently owned by FinTechs – **we're in the very 1st inning**
- The last decade has offered valuable **lessons into which business models are sustainable in FinTech – many are not!**
- **There's over \$6 trillion in Financial Services gross profit to be converted to FinTech, the prize is massive**
- Next generation of enduring FinTech requires a focus on **owning the balance sheet, maniacal re-bundling, a B2B lean, & building in high margin sub-verticals across emerging markets**

Source: McKinsey, BCG, Gartner, Coatue opinion and analysis as of Oct-22.

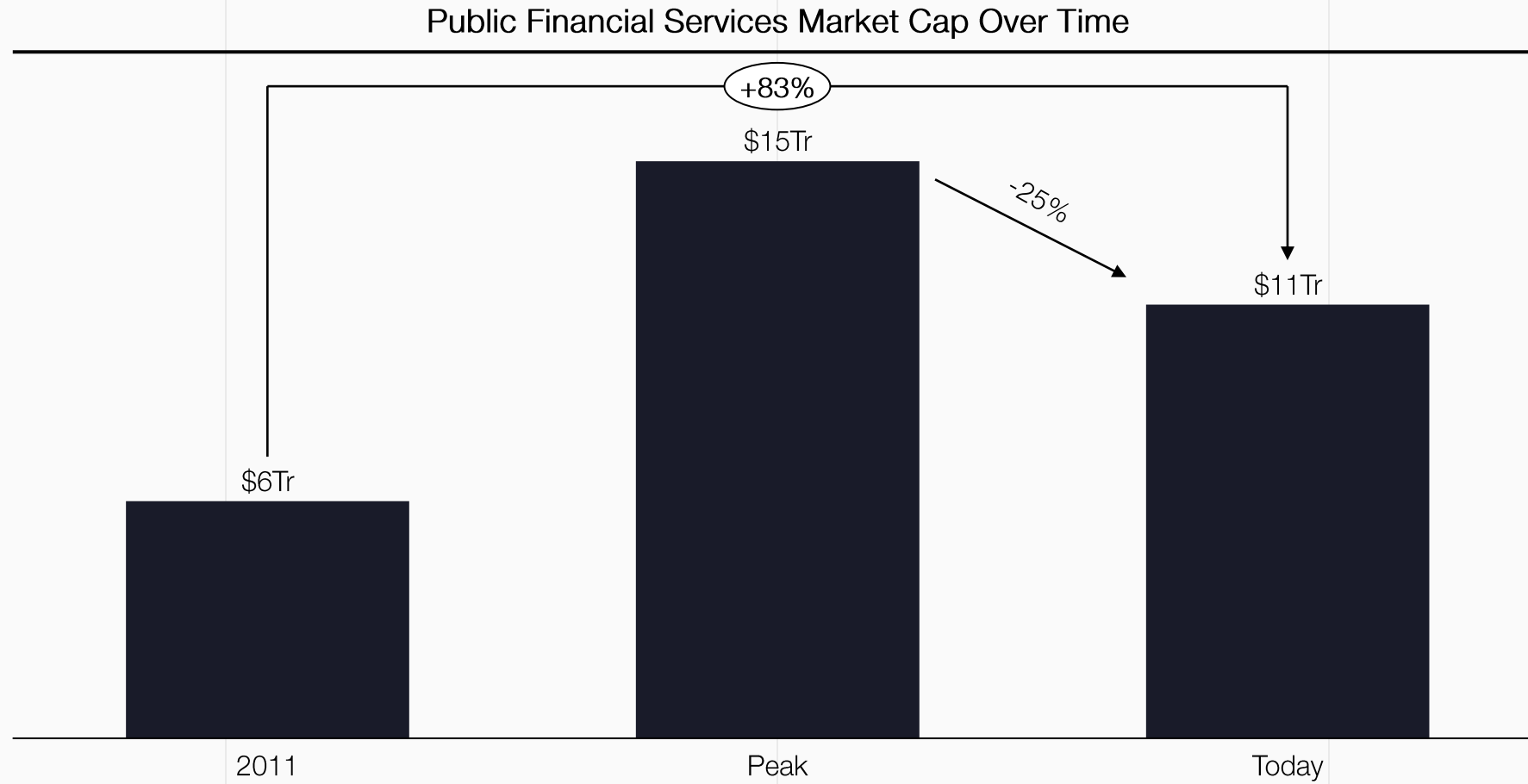
FinTech has gone from relative obscurity to ~\$500B in private market cap over the last decade



Despite the recent downturn, marked to market private FinTech valuations still represent a 45%+ CAGR for the sector since 2011

Source: Pitchbook, CBInsights, Coatue opinion and analysis as of Oct-22. This presentation is for educational and illustrative purposes only. It does not constitute investment advice or a recommendation to invest in any security or sector. Please see appendix for important disclosures.
Note: Excludes fundraising rounds in China and rounds with valuations <\$100M. "Today" represents Coatue estimate based on public FinTech market performance. "Peak" represents valuations as of Dec-21. (1) Public FinTech includes companies listed on pg. 23 excluding Incumbent Banks and Legacy Insurance.

\$5Tr+ of public Financial Services market cap created in the last decade

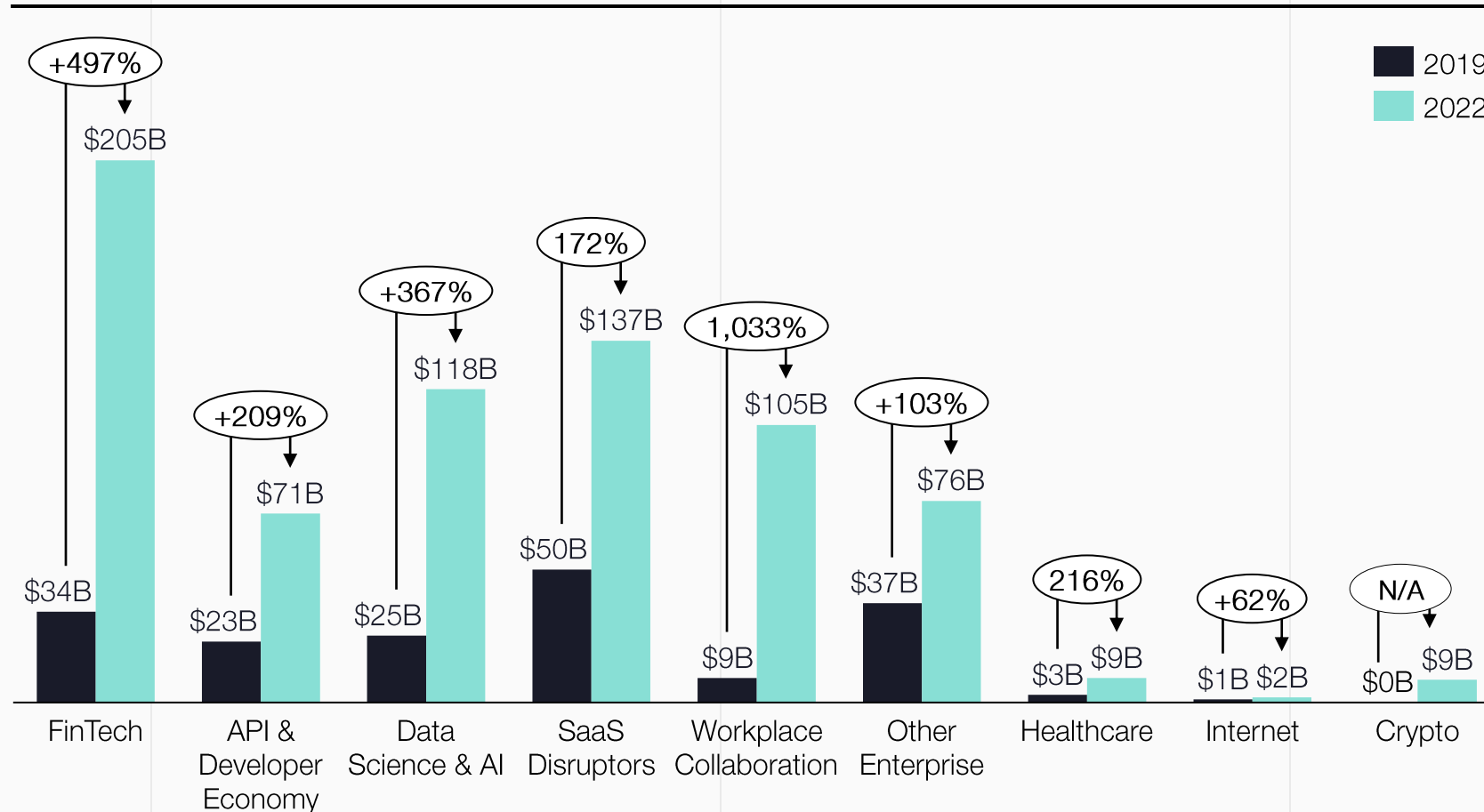


Financial services as a sector has lost ~25% of its market cap over the last 6+ months but has still grown at ~6% CAGR since 2011 off a massive base

Source: Capital IQ as of Oct-22. Represents public Financial Services universe of 2.5K+ companies that can be found on pg. 12. Note: "Peak" represents the peak market cap of each Financial Services subsector as defined on pg. 23.

FinTech is most recently the dominant cloud category across the tech ecosystem

Forbes Cloud 100 Company Valuations By Sector – 2019 vs. 2022

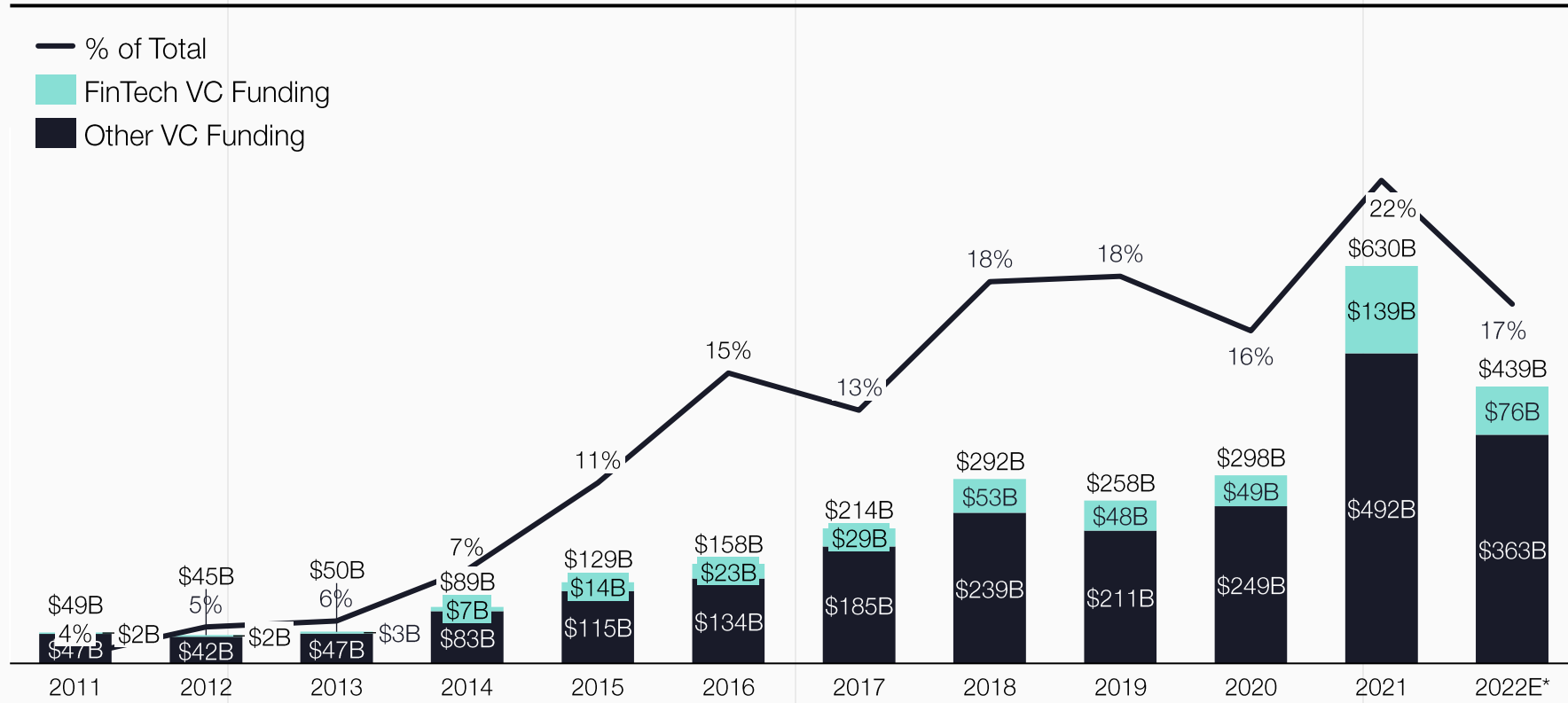


FinTech is the largest vertical in cloud, and the second fastest grower

Source: 2022 & 2019 Cloud 100 by Forbes, Bessemer Venture Partners, and Salesforce Venture Partners. Coatue analysis as of Oct-22.

FinTech VC funding remains at all-time highs, 2022 a year of digestion across sectors

Global VC Funding (\$B)



US only FinTech as % Total VC

2021: 20%
Q3-22: 14%

2022 data likely overstated due to timing lag from transaction to announcement i.e., many 2021 deals were announced in 2022

FinTech
Deals

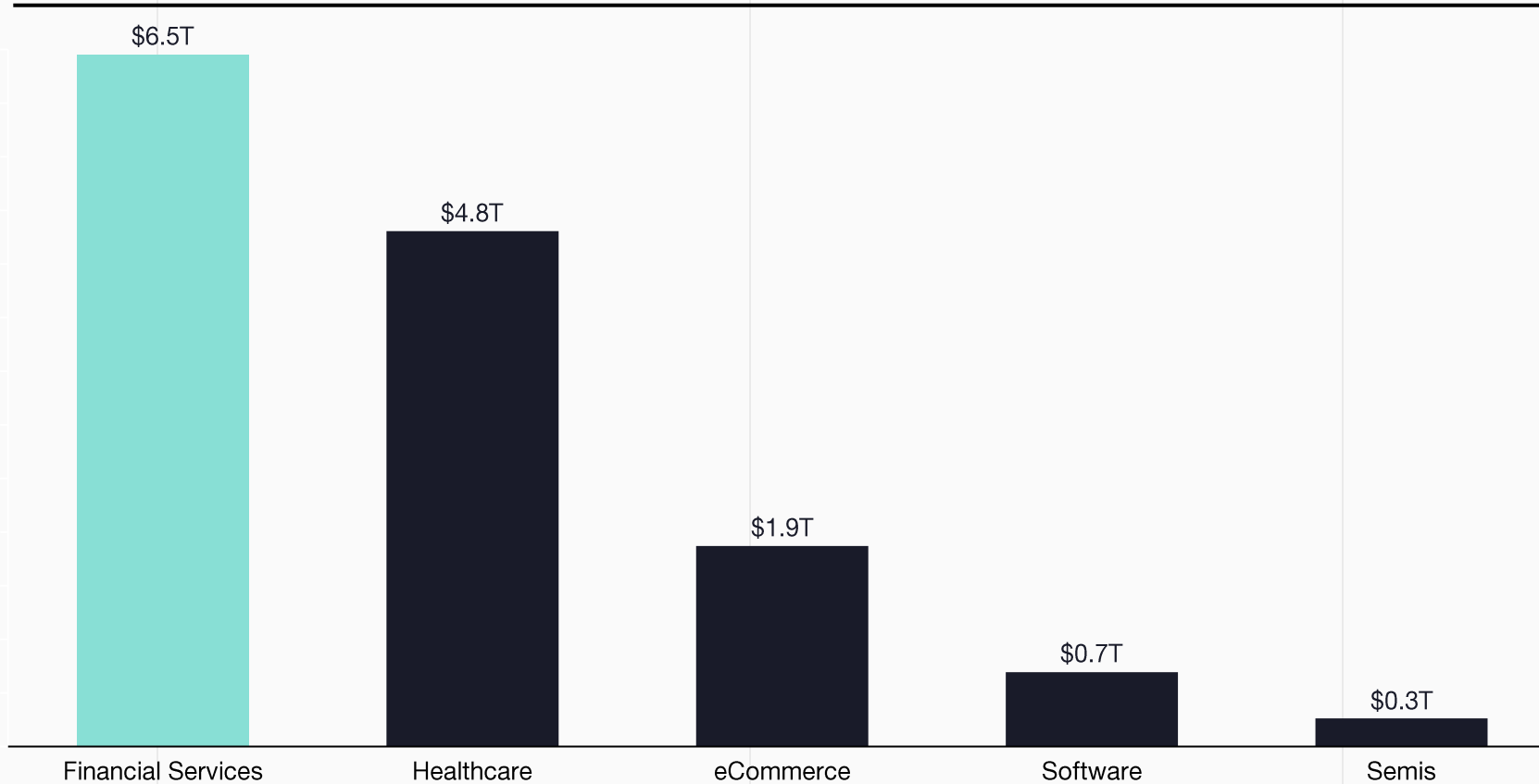
298	397	484	587	1,994	2,307	2,868	3,502	3,510	3,443	5,410	5,124
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~\$1 of every ~\$5 VC dollars still goes to FinTech companies today

Source: CB Insights. Note: 2022E* represents an estimate based on 2022 YTD pace.

Financial Services has the largest gross profit pool across every major sector

Gross Profit by Sector (\$T) - 2021



While financial services gross profit pool is the largest across sectors, much of this is locked in private markets via boutique community banks, insurers & asset managers globally

Every single person and business deals with money, naturally the profit pools are massive

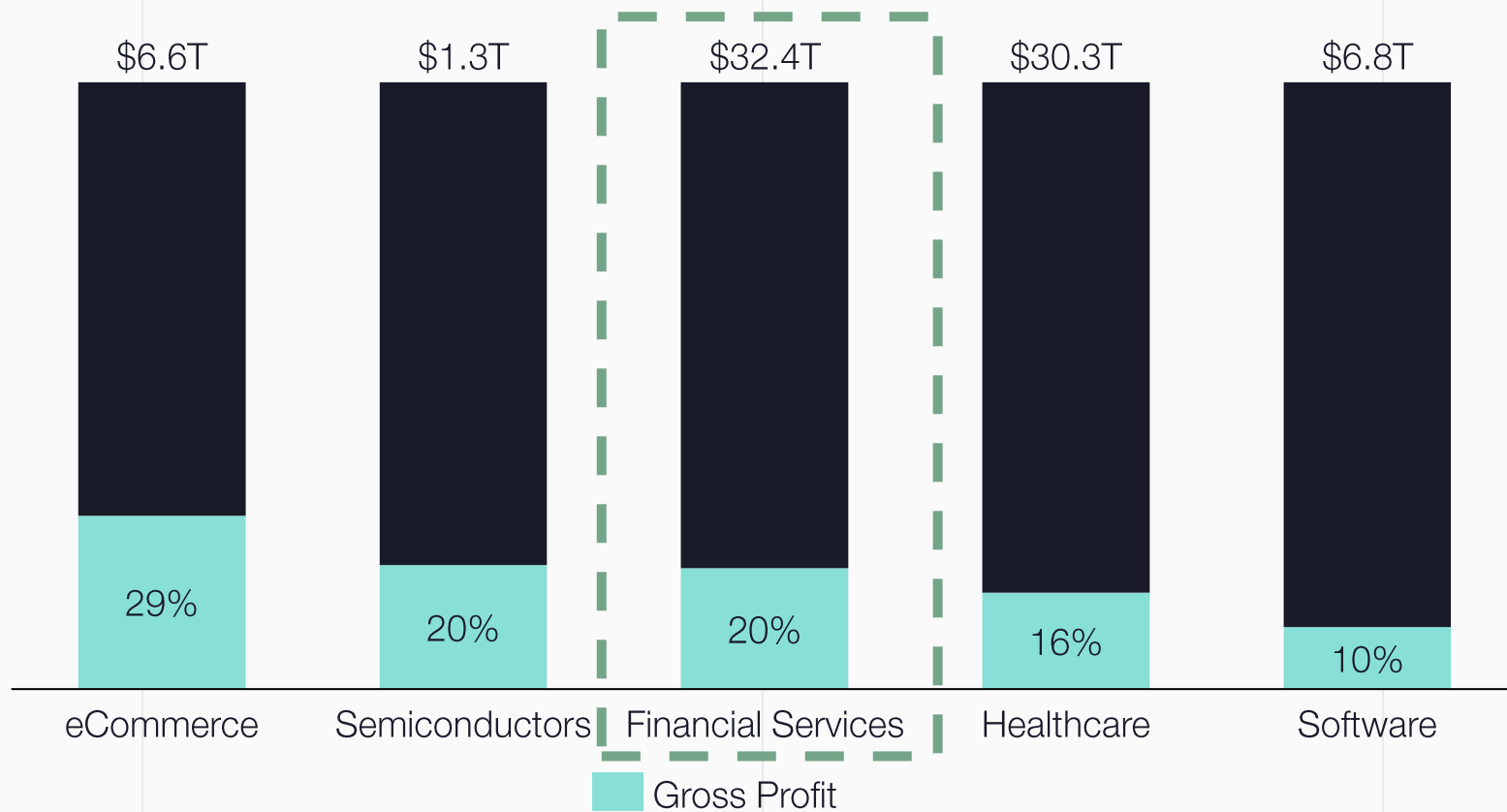
Source: BCG, Gartner, McKinsey, World Health Organization, Capital IQ, and Coatue analysis as of Oct-22. Note: Financial Services gross profit calculated using revenue figures from McKinsey, median gross margin of 48% and gross profit multiple of 5.0x from subsectors on Pg. 23. Healthcare estimation uses total spend figures from the World Health Organization, median gross margin of 57% and gross profit multiple of 6.3x from the public healthcare universe. eCommerce estimate uses global eCommerce spend per eMarketer, median gross profit margin of 36% and multiple of 3.5x from the public consumer universe. Software estimate uses 2021 Gartner worldwide IT Software & Data Center spend, assumed gross profit margin of 75% & median gross profit multiple of 9.8x per public software universe. Semis estimate uses sales figure per Statista, median gross profit margin of 43% and gross profit multiple of 4.9x per the public Semis universe.

But not all gross margin streams are created equal, the variance of multiples in fintech is high

Gross Profit Pool as % of Potential Enterprise Value by Sector (\$T) - 2021

eCommerce requires the most amount of gross profit to drive enterprise value due to thin GP % and lack of predictability

Software requires the least amount of gross profit to drive enterprise value due to quality of revenue streams and predictability

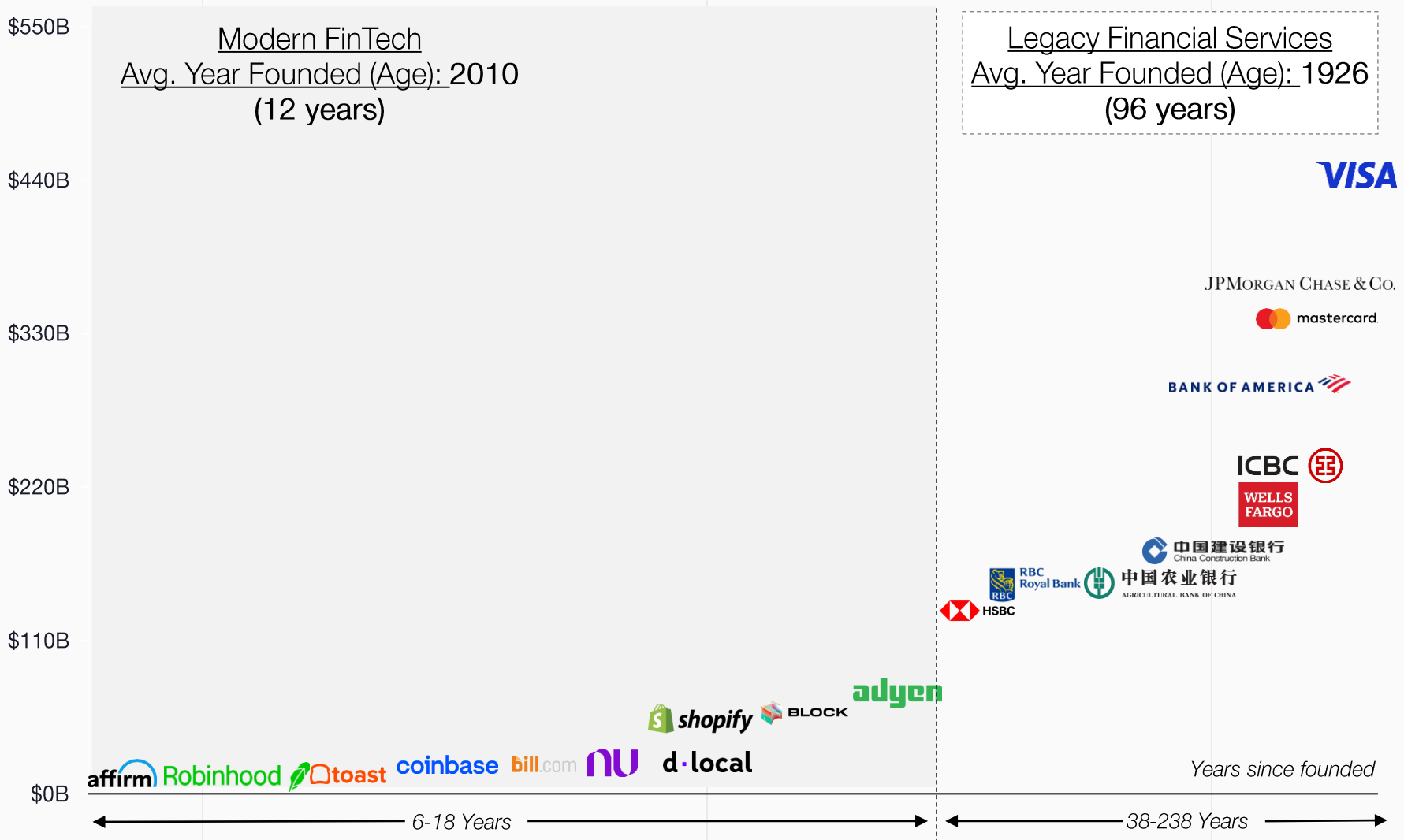


While potential financial services enterprise value is the largest among sectors, it requires a larger gross margin contribution vs other business models / sectors

Source: BCG, WHO, McKinsey, Gartner, Statista, Capital IQ, Coatue opinion and analysis as of Oct-22.

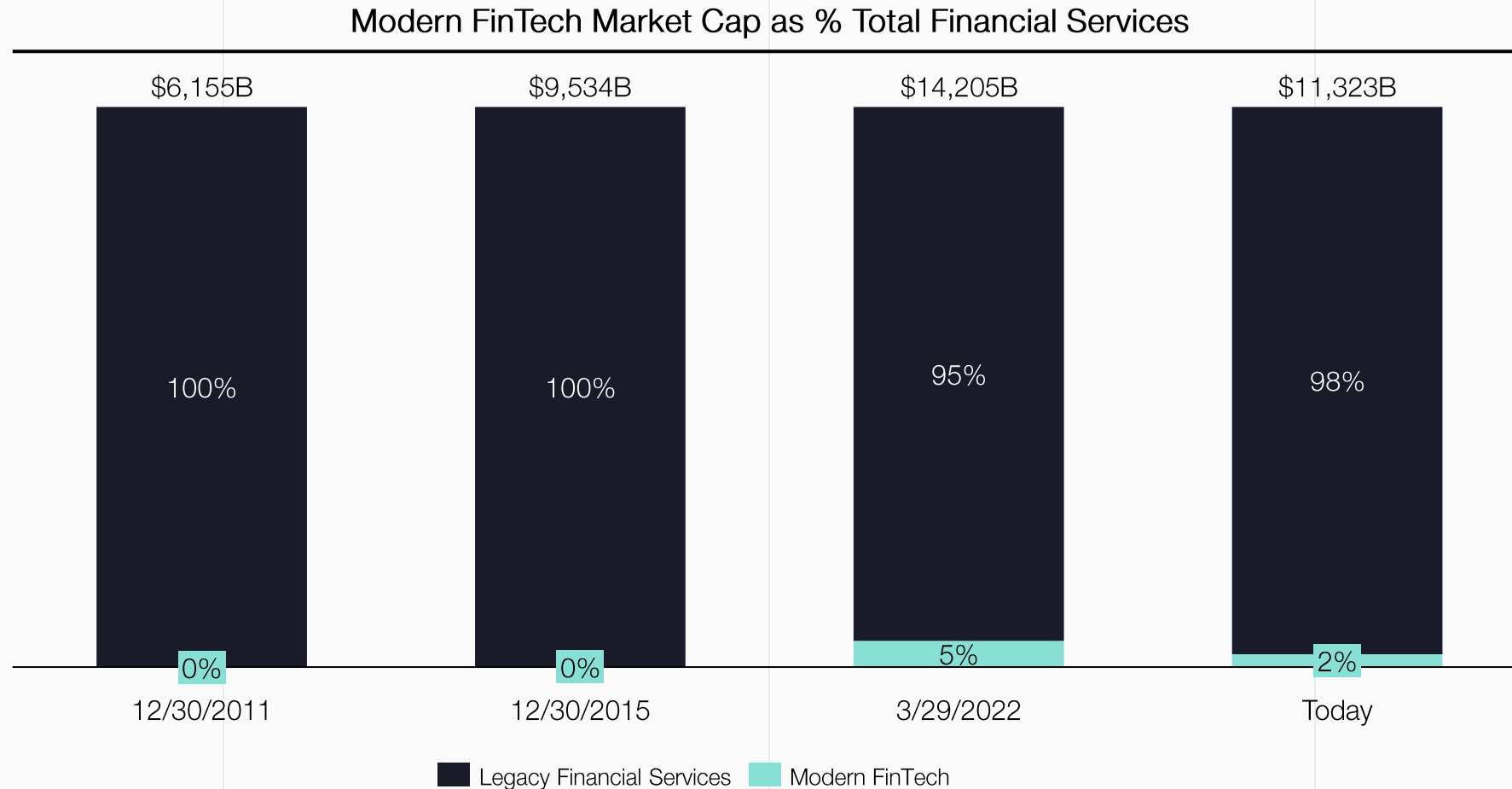
FinTech is nascent in the public markets, it takes years to build scale and trust when dealing with money

Market Cap of Public Modern FinTech vs Legacy Financial Services Companies



Source: Capital IQ and Coatue analysis as of Oct-22.

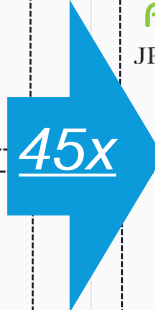
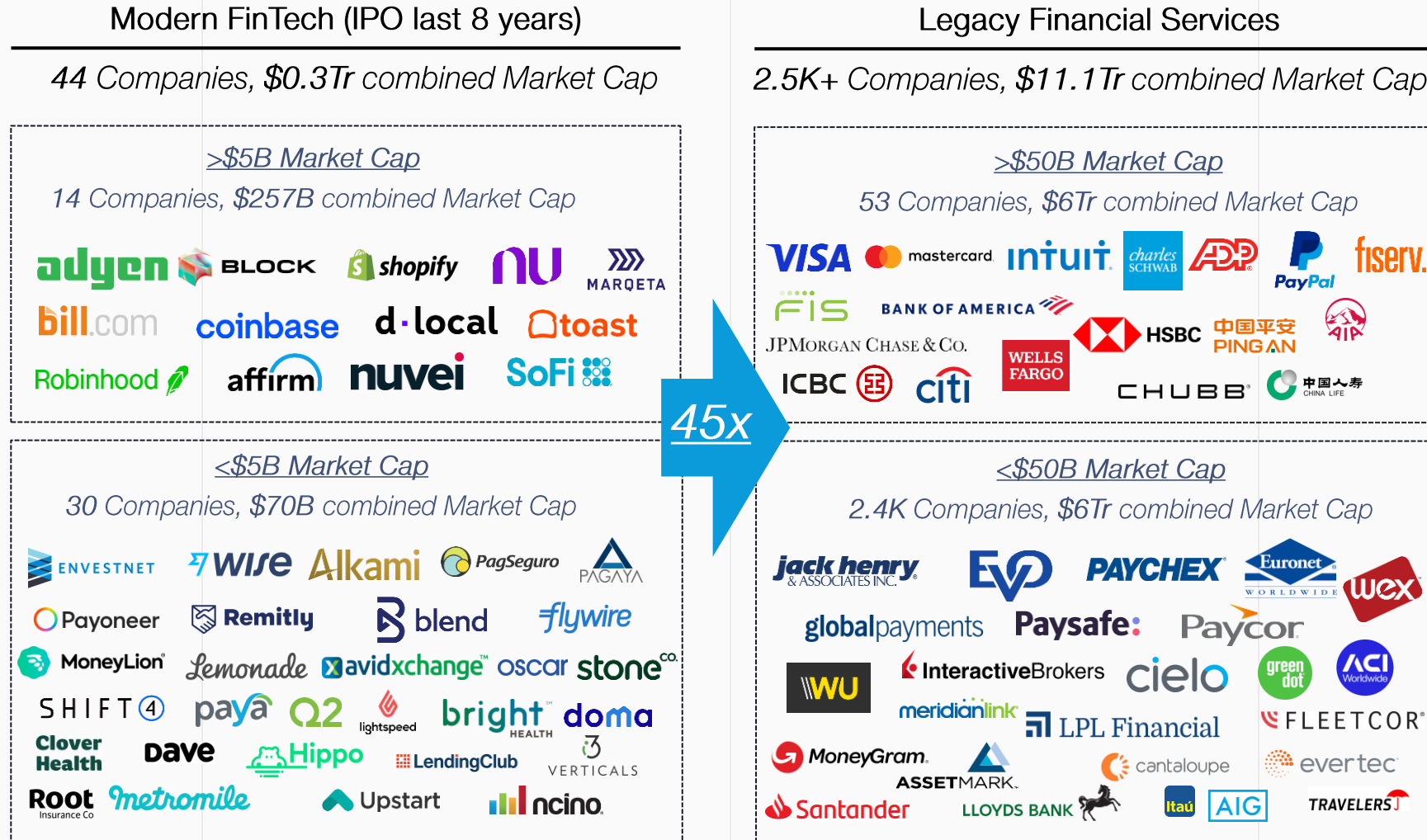
FinTech penetration of public Financial Services market cap has just begun



While Public FinTech has 9x'd over the last decade, legacy Financial Services still represents the vast majority of public market cap

Source: Capital IQ and Coatue analysis as of Oct-22.

Legacy Financial Services market cap is measured in buckets 45x that of FinTech

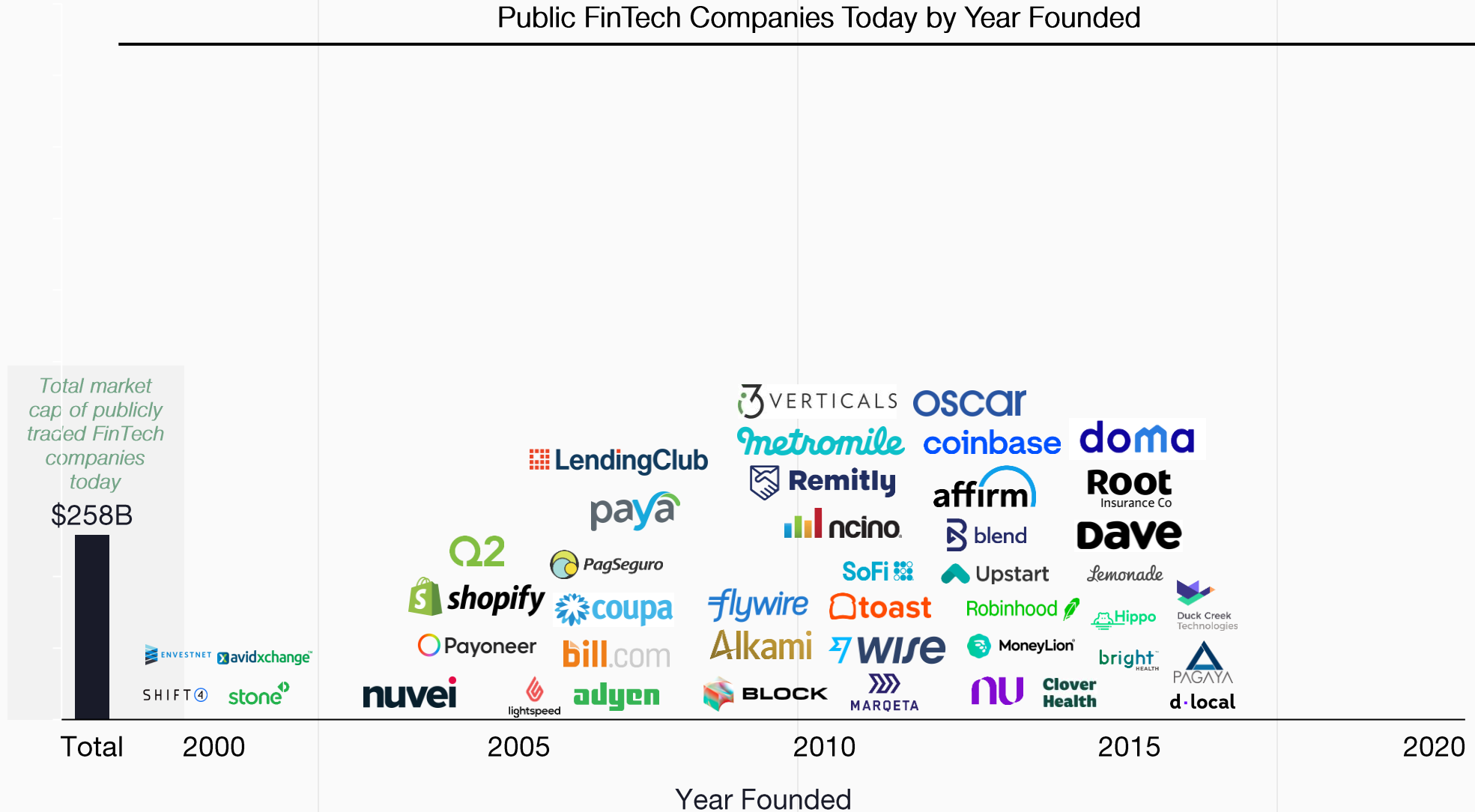


The number of publicly traded modern FinTech companies has grown rapidly in recent years, yet most value still sits with incumbents

Source: Capital IQ and Coatue analysis as of Oct-22. Note: "Modern FinTech" includes companies founded 1999 or later and went public 2014 or later.

Public FinTech landscape today is a small universe...

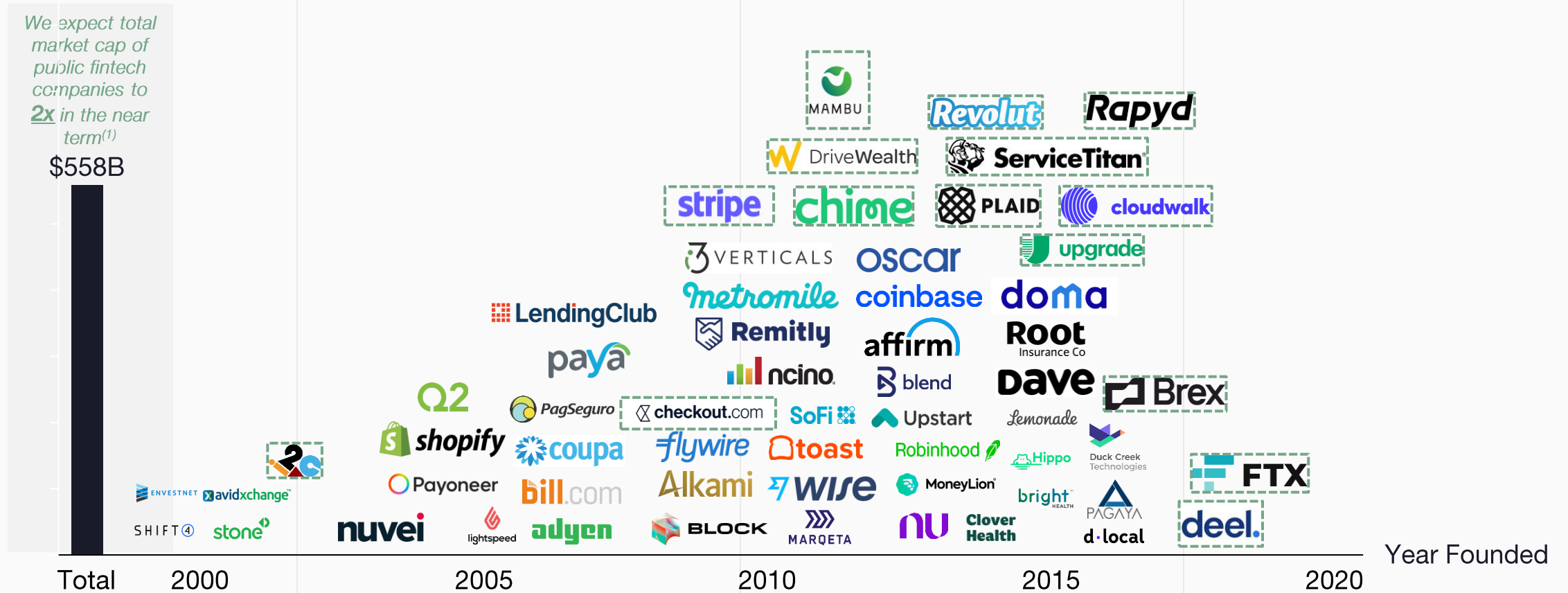
Public FinTech Companies Today by Year Founded



Source: Capital IQ, Coatue opinion and analysis as of Oct-22. For illustrative purposes only and does not constitute investment advice. Please see appendix for important disclosures, including regarding forward-looking statements and projections.

With strong businesses in the IPO pipeline over the next 1-3 years...

Expected Public FinTech Landscape in 1-3 Years

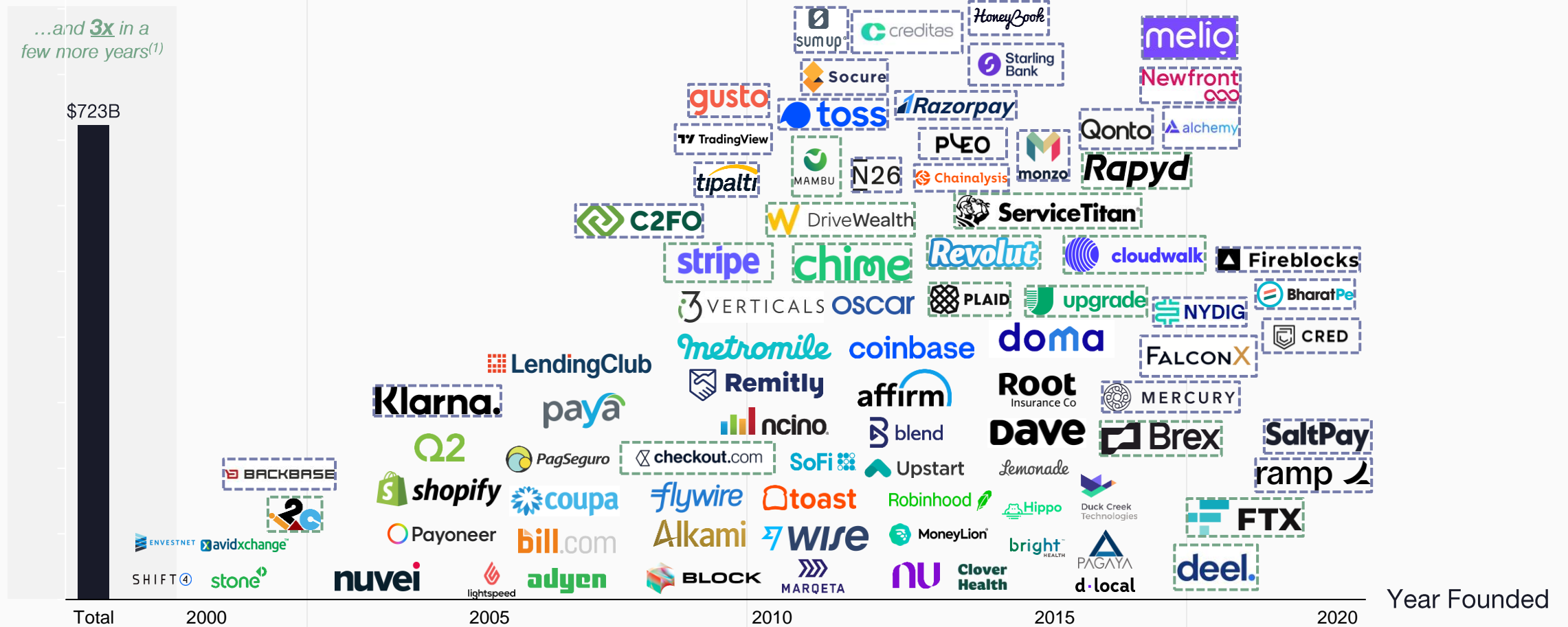


We expect 13 FinTechs to IPO in the near term.

Source: Capital IQ, Coatue opinion and analysis as of Oct-22. For illustrative purposes only and does not constitute investment advice. Please see appendix for important disclosures, including regarding forward-looking statements and projections. (1) For companies that are private today, valuation of latest fundraising round based on Pitchbook data used as market cap for calculation of total market cap of future public FinTech companies.

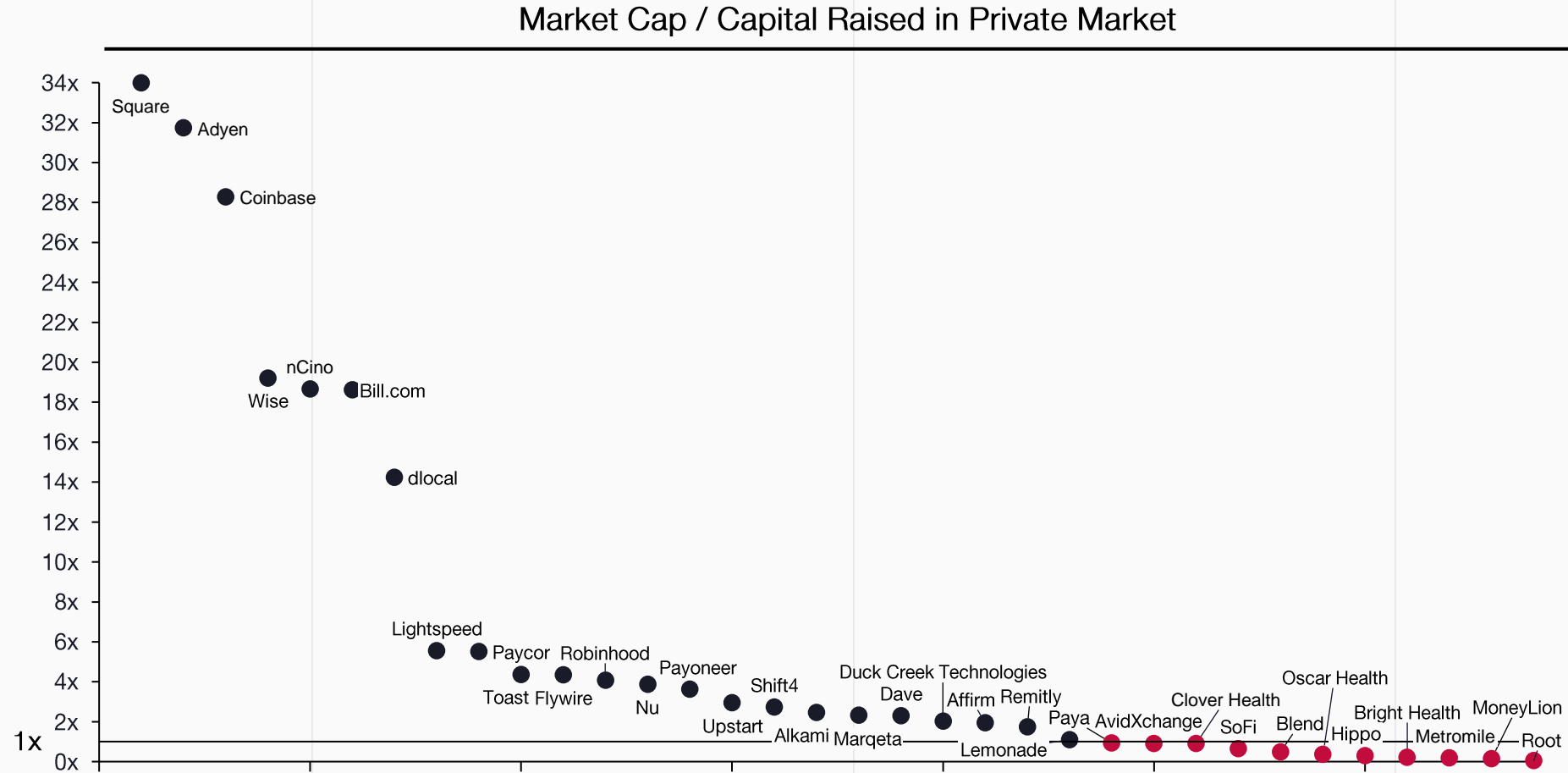
And a number of enduring businesses building towards an IPO 3+ years out

Expected Public FinTech Landscape in 3+ Years



Source: Capital IQ, Coatue opinion and analysis as of Oct-22. For illustrative purposes only and does not constitute investment advice. Please see appendix for important disclosures, including regarding forward-looking statements and projections. (1) For companies that are private today, valuation of latest fundraising round based on Pitchbook data used as market cap for calculation of total market cap of future public FinTech companies.

1 Many recent IPOs are trading below capital raised



Nascency of FinTech business models is reflected in performance of recent IPOs
Newer models (InsurTech) have performed significantly worse than the broader universe

Source: Capital IQ and Coatue analysis as of Oct-22.
Note: Metromile market cap represents the Jul-22 acquisition price.

Pursuing the Prize in Fintech: Who stands to win in the next decade

1 Nuances in business model quality are now appreciated

- *Shift from valuing growth to unit economics exposed many business models*

2 The “Rule of 200” for mature Fintechs

- *Retention, gross margin, EBIT, & growth captures quality in all market conditions*

3 Balance sheets are “necessary evils”

- *Becoming a bank gives Fintechs control of destiny, but will trade on lower multiples*

4 B2B is fundamentally “easier” than B2C

- *Maniacal bundling is critical for Fintechs survival, something banks learned long ago*

5 Emerging markets present unprecedented greenfield

- *Lack of competition & secular tech trends enabling Fintechs to grow at unprecedented rates*

6 Crypto will augment the current payments landscape forever

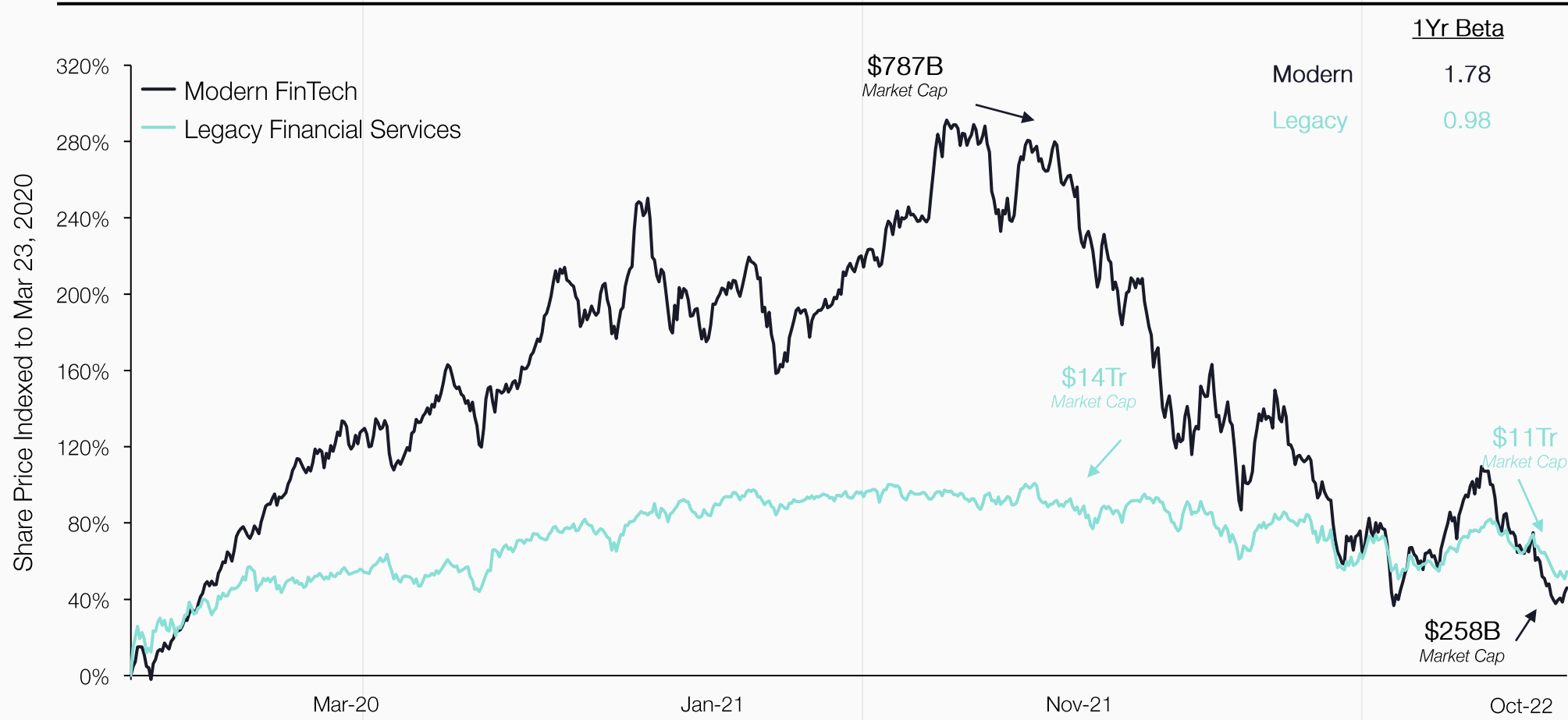
- *\$1 trillion in value will become interchangeable with fiat & invisible to consumers*

Source: Coatue opinion and analysis as of Oct-22.

1

Modern FinTech public performance has been volatile, illustrating the nascency of many of the business models

Modern FinTech vs. Legacy Financial Services Relative Performance Since COVID-19 Trough (March 23, 2020)

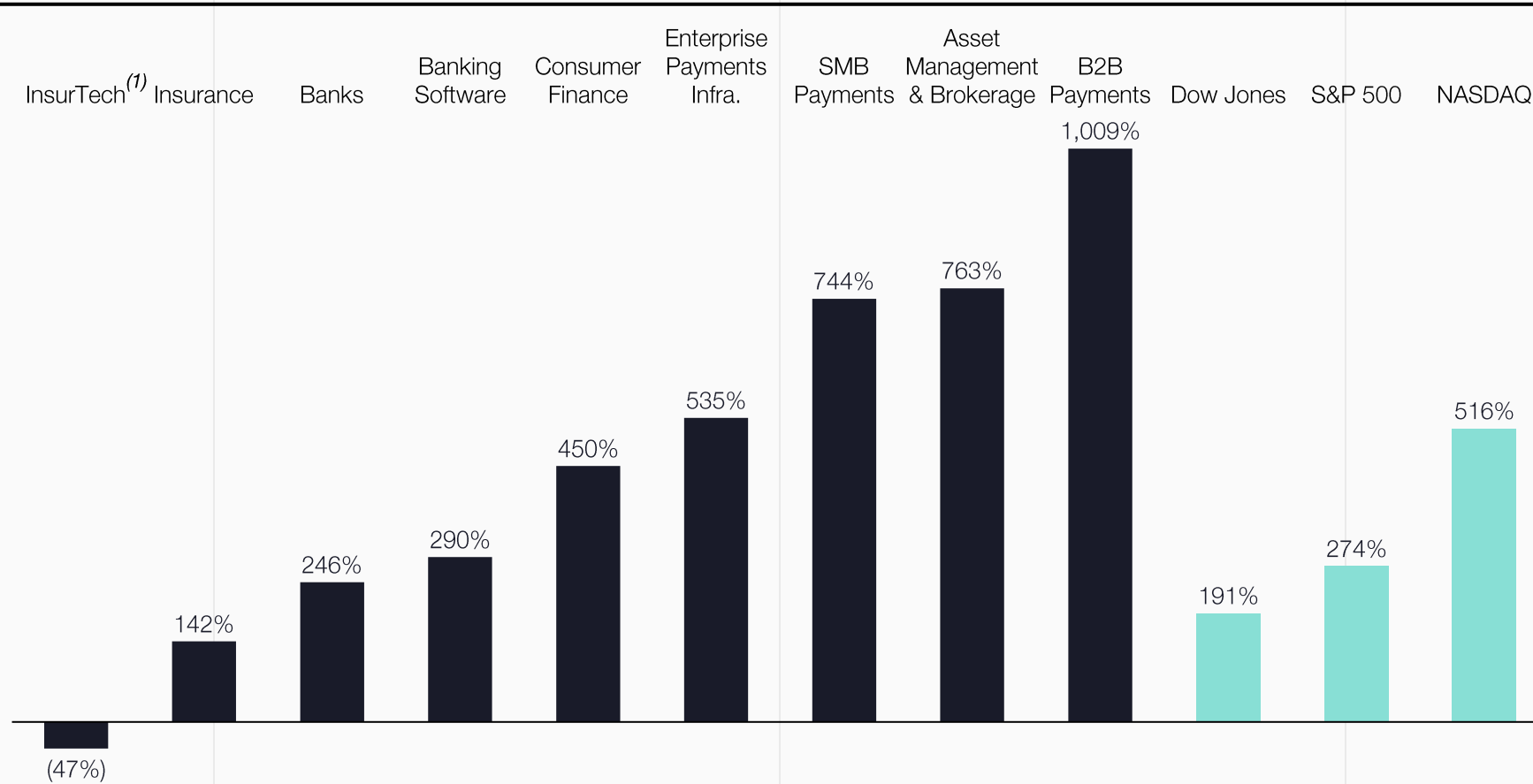


Modern FinTech business model nascency illustrated in recent market volatility

Source: Capital IQ and Coatue analysis as of Oct-22. Note: See pg. 56 for definition. KBW and MSCI World Insurance Index are used to approximate Incumbent Banks and Legacy Insurance public market performance and calculation of 1yr Beta does not include Incumbent Banks and Legacy Insurance.

1 Most financial services segments outperformed key indices during the last bull market

Financial Services By Sector Performance from Dec-11 (or IPO) through Nov-21 NASDAQ Peak



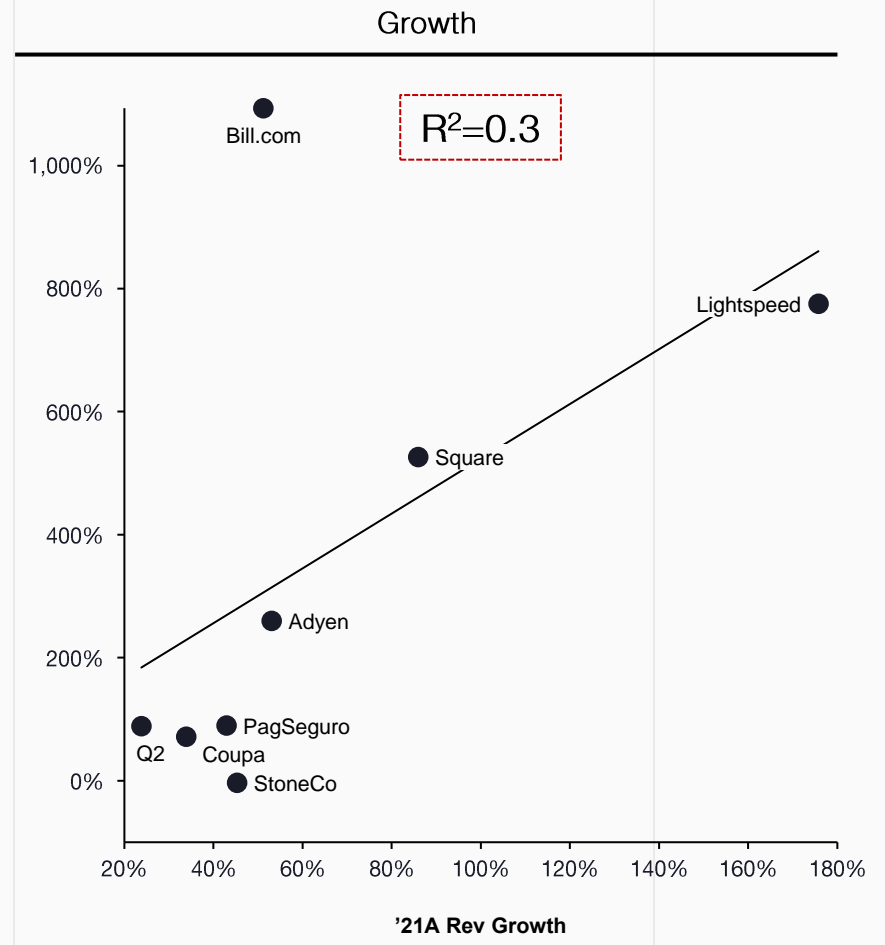
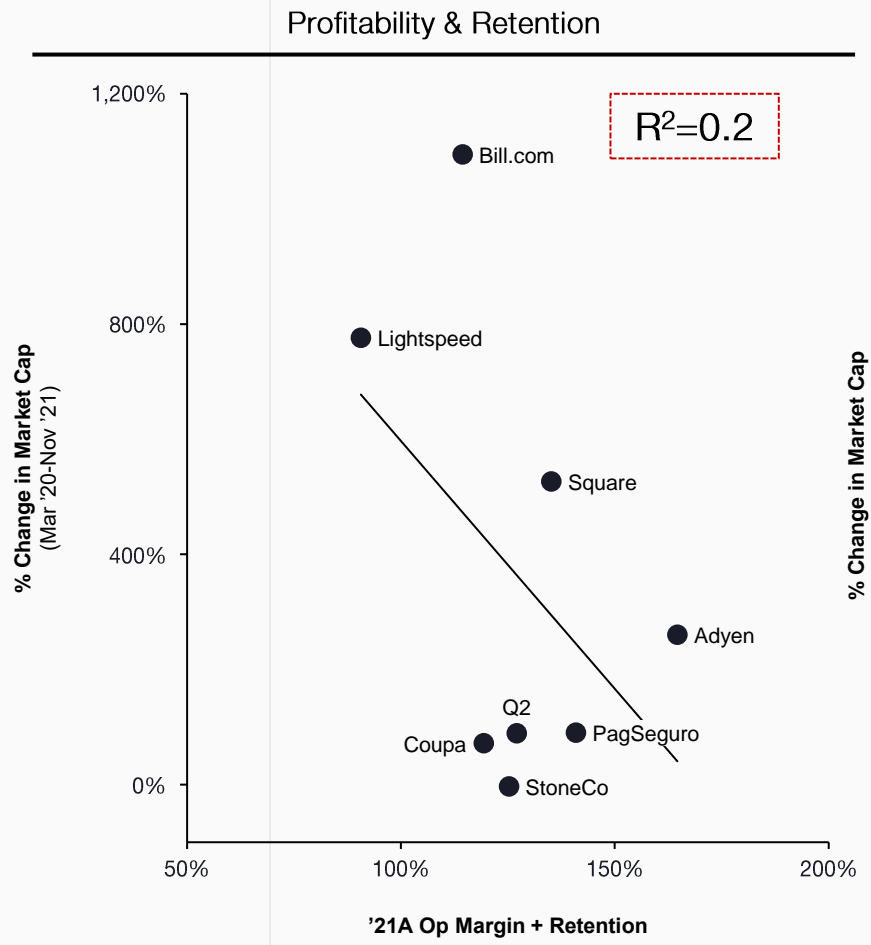
Majority of FinTech subsectors outperformed the NASDAQ through the last bull cycle

Source: Capital IQ as of Oct-22.

Note: Performance calculated as the overall return of each subsector as defined on pg. 23. Companies that were not public in Dec-11 use IPO prices, but companies still not public in Jan-21 are excluded

(1) InsurTech excludes companies not public as of Dec-20 as no companies in the InsurTech bucket were public as of Jun-20

1 The last bull market rewarded growth...

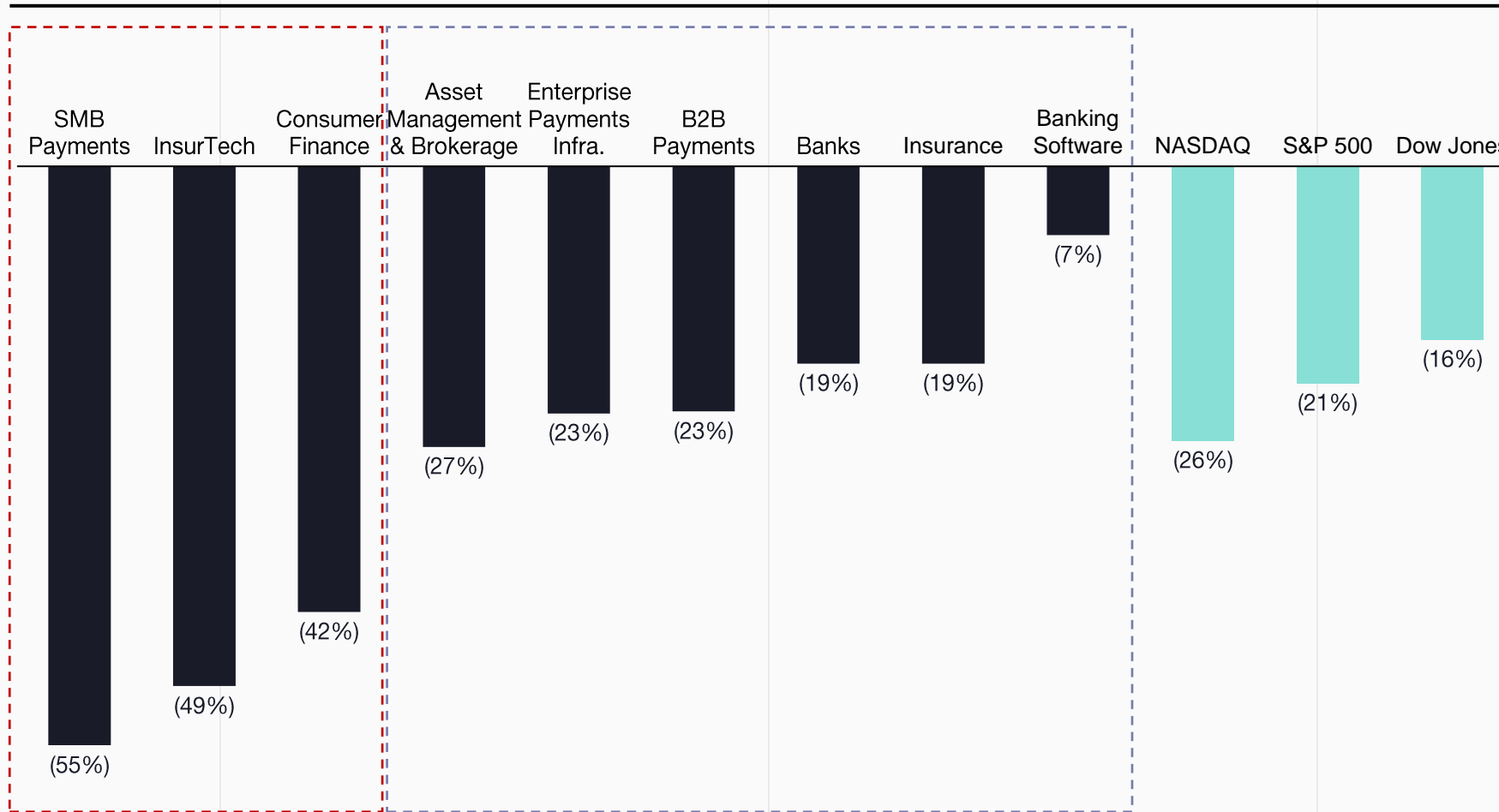


Post COVID-19 market trough, high-growth companies were rewarded more than those with sound business models

Source: Capital IQ, Coatue opinion and analysis as of Oct-22
 Note: Excludes companies <\$2B in Nov-21, companies without publicly available retention, and companies not public in Mar-20.

1 Majority of financial services sub-verticals have outperformed NASDAQ in this downturn

Financial Services Performance Since Mar-22 NASDAQ Peak

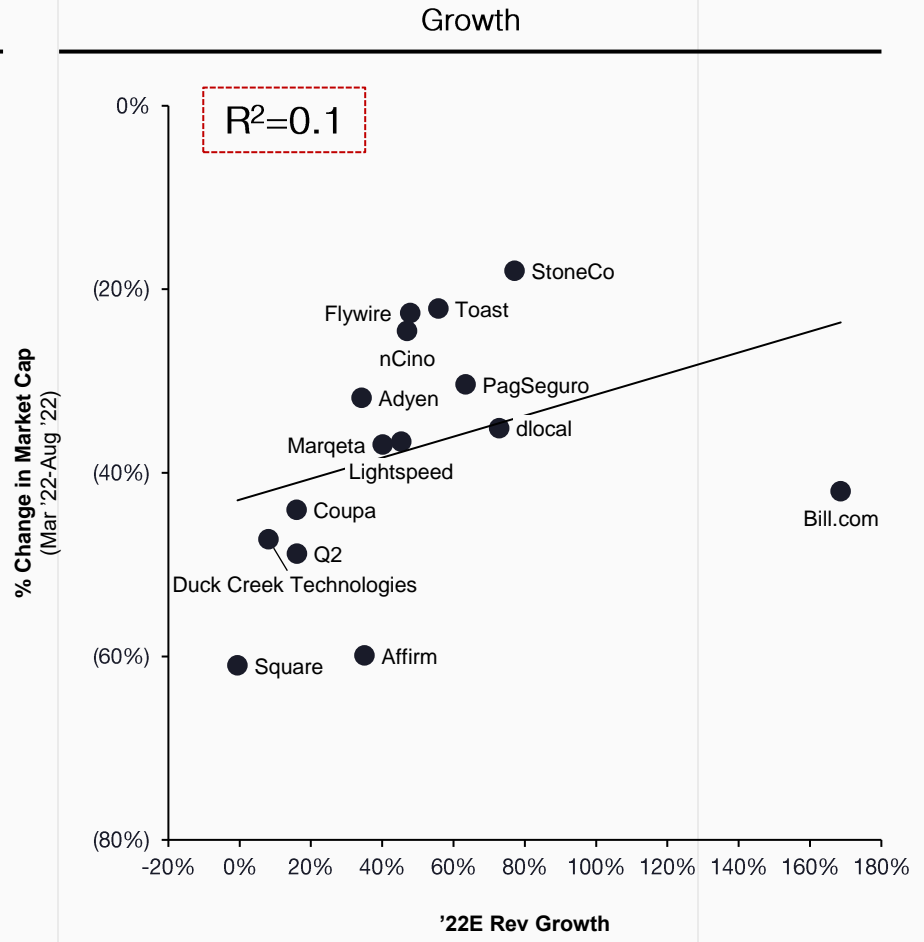
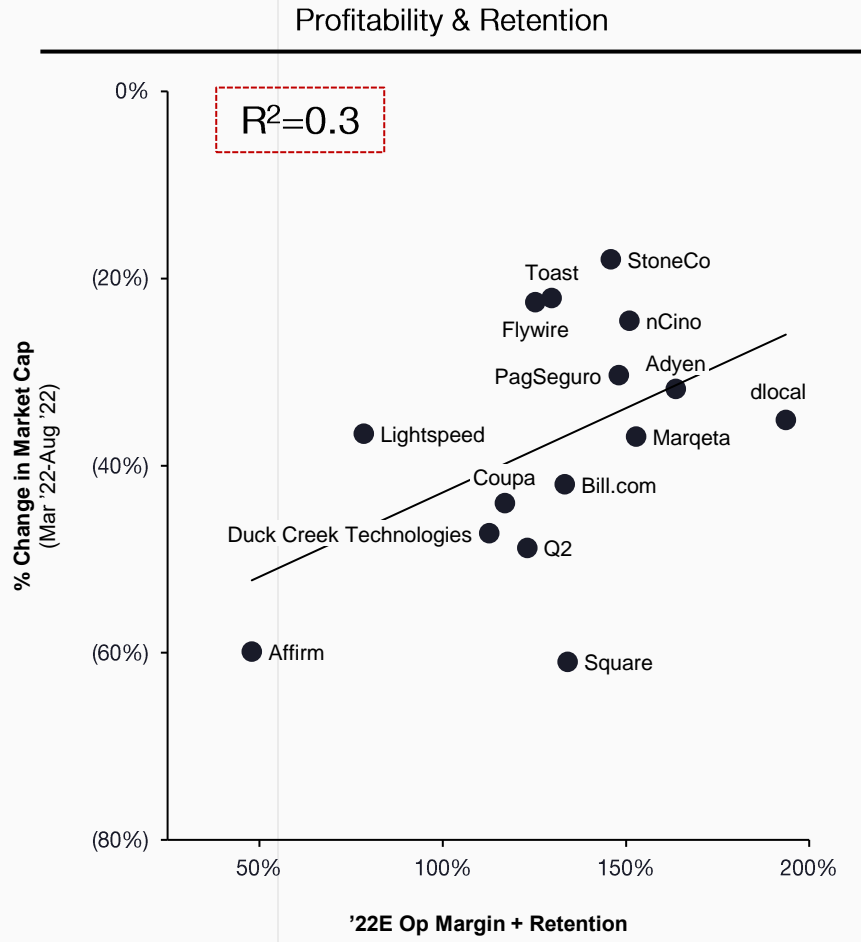


Payments (non-SMB), software and balance sheet (NIM) businesses have outperformed key indices & other financial services subsectors

Source: Capital IQ as of Oct-22.

Note: Performance calculated as the total return of each subsector as defined on pg. 23. All companies public as of Mar-22 are included except for Pagaya as its SPAC had not yet been completed.

1 The current downturn is rewarding business model quality



Since the latest NASDAQ peak in Mar-22, business model quality has been a superior determinant of market performance

Source: Capital IQ, Coatue opinion and analysis as of Oct-22.
 Note: Excludes companies <\$2B in Mar-22, companies without publicly available retention, and companies not public in Mar-22.

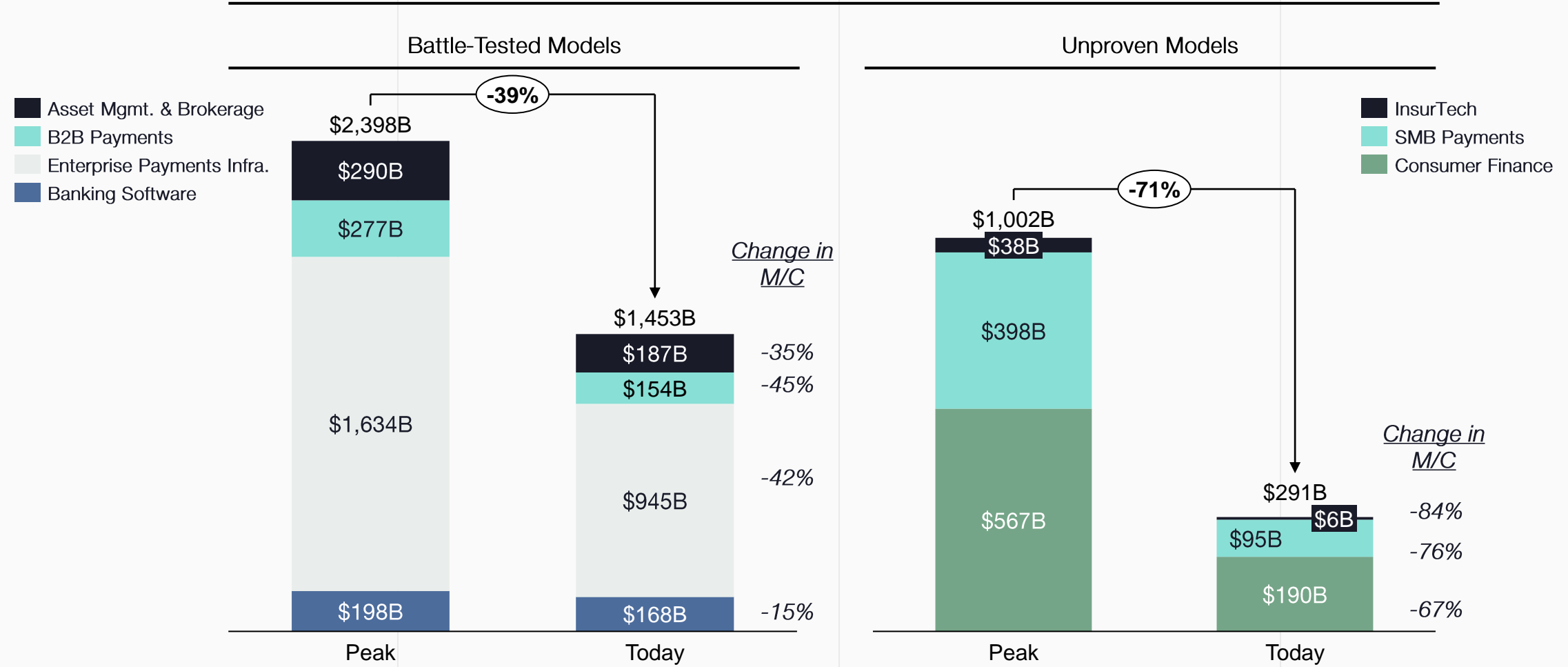
1 Public Financial Services Landscape By Sector

Companies	Category	# of Companies	Market Cap	% Drop	
	SMB Payments	12	\$97B	55%	Unproven Business Models
	InsurTech	9	\$6B	49%	
	Consumer Finance	14	\$189B	42%	
	Asset. Mgmt. & Brokerage	7	\$190B	27%	Premium Business Models: NIM + Payments (non-SMB) + Software
	Enterprise Payments Infra.	13	\$953B	23%	
	B2B Payments	7	\$155B	23%	
	Incumbent Banks	1,792	\$7,156B	19%	
	Legacy Insurance	668	\$2,406B	19%	
	Banking Software	11	\$171B	7%	
Total		2,533	\$11,323	20%	

Source: Capital IQ, Coatue opinion and analysis as of Oct-22. Note: "% Drop" represents total market cap change in each category since NASDAQ peak in Mar-22. For illustrative purposes only and does not constitute investment advice.

1 Certain business models have weathered the storm while others have been hit hard

Public FinTech Market Cap Over Time



Enterprise payments & payments infrastructure, banking software, B2B payments, and asset mgmt. have outperformed InsurTech, SMB Payments, and Consumer Finance in this downturn

Source: Capital IQ, Coatue opinion and analysis as of Oct-22. "Peak" represents each sectors' respective 2021-2022 Peak.

Pursuing the Prize in Fintech: Who stands to win in the next decade

- 1 Nuances in business model quality are now appreciated
 - *Shift from valuing growth to unit economics exposed many business models*
- 2 The “Rule of 200” for mature Fintechs
 - *Retention, gross margin, EBIT, & growth captures quality in all market conditions*
- 3 Balance sheets are “necessary evils”
 - *Becoming a bank gives Fintechs control of destiny, but will trade on lower multiples*
- 4 B2B is fundamentally “easier” than B2C
 - *Maniacal bundling is critical for Fintechs survival, something banks learned long ago*
- 5 Emerging markets present unprecedented greenfield
 - *Lack of competition & secular tech trends enabling Fintechs to grow at unprecedented rates*
- 6 Crypto will augment the current payments landscape forever
 - *\$1 trillion in value will become interchangeable with fiat & invisible to consumers*

Source: Coatue opinion and analysis as of Oct-22.

2 Introducing the “Rule of 200” for mature Fintechs

$$\begin{aligned} & \text{Month 12 \$ Retention \%} \\ & (+) \text{ YoY Revenue Growth \%} \\ & (+) \text{ Gross Margin \%} \\ & (+) \text{ Operating Margin \%} \\ & = \text{“Rule of 200”} \end{aligned}$$

- **Software has “Rule of 40” – Now FinTech has “Rule of 200”**
 - *Too many bad FinTech business models passed the Rule of 40*
 - *Additional variables to impact the Rule of 200 necessary to weed out imposters*
- **Metric holds true across business models and geos**
 - *There are high GM businesses that are hurt by high S&M / OPEX costs so it's important to include both margin percentages*
 - *If we had to pick a single metric to make an investment decision it is month 12 retention*

Source: Coatue opinion and analysis as of Oct-22. For illustrative purposes only; does not constitute investment advice.

2 Profitability & Retention Are King

Company	Current Market Cap (\$M)	EV / RR GP	Revenue Retention ⁽¹⁾	Gross Margin ⁽²⁾⁽³⁾	Operating Margin ⁽³⁾	Rev Growth ⁽³⁾⁽⁴⁾	“Rule of 200%”
d·local	\$6,306	29.6x	157%	48%	37%	52%	294%
bill.com	\$14,487	20.3x	131%	84%	2%	38%	255%
incino	\$3,825	14.6x	155%	65%	(4%)	26%	242%
Square⁽⁵⁾	\$13,705	4.5x	140%	44%	34%	18%	236%
Cash App⁽⁵⁾	\$19,529	6.9x	125%	79%	12%	20%	236%
FLEETCOR	\$13,675	7.1x	93%	79%	54%	9%	235%
pagseguro	\$4,770	3.1x	115%	57%	33%	21%	227%
MARQETA	\$4,018	7.5x	175%	44%	(22%)	29%	225%
flywire	\$2,607	17.1x	123%	67%	2%	31%	223%
adyen	\$40,043	30.6x	155%	15%	9%	41%	219%
stone^o	\$3,295	2.7x	99%	60%	38%	19%	216%
meridianlink	\$1,375	9.3x	120%	64%	21%	9%	214%
coupa	\$4,605	9.6x	110%	73%	7%	19%	209%
Q2	\$1,878	7.7x	119%	52%	4%	18%	193%
Alkami	\$1,403	10.9x	117%	58%	(11%)	26%	190%
paya	\$810	6.2x	100%	51%	25%	11%	188%
toast	\$8,580	15.0x	135%	19%	(5%)	32%	181%
Remitly	\$1,754	3.5x	90%	60%	(13%)	28%	165%
blend	\$533	3.5x	145%	43%	(60%)	1%	129%
Duck Creek Technologies	\$1,590	7.3x	112%	0%	5%	12%	125%
ADP	\$96,451	14.2x	92%	0%	24%	7%	123%
lightspeed	\$2,724	6.2x	100%	0%	(22%)	34%	112%
Dave	\$153	0.6x	70%	56%	(50%)	26%	102%
affirm	\$5,495	41.2x	100%	18%	(52%)	30%	96%
Lemonade	\$1,529	29.4x	93%	23%	(141%)	60%	35%
Hippo	\$370	1.3x	87%	31%	(217%)	96%	(3%)

Rule of 200 captures every number that matters and doesn't allow businesses to hide behind one or two good metrics

Source: Capital IQ and Coatue analysis as of Oct-22.

(1) 12-month Net Revenue Retention for all companies except for Square (Cash App Gross Profit Retention is ~125% and Seller based on Coatue estimates per company presentations), PagSeguro (TPV Retention), Paya (Net Volume Retention), Fleetcor (Customer Retention).

(2) Represents 2022E gross margin per consensus estimates except for Square Seller and Cash App. (3) Every payments business margin is calculated using gross revenue rather than net revenue to make an apples-to-apples comparison across business models. To estimate Stone gross revenue, we assumed their gross to net revenue bridge is similar to that of PAGS. (4) Represents '23E Rev Growth. (5) Square Seller and Cash App estimates & market cap per Morgan Stanley Research & company filings.

2 Who is weathering the storm? Who is hit hard?

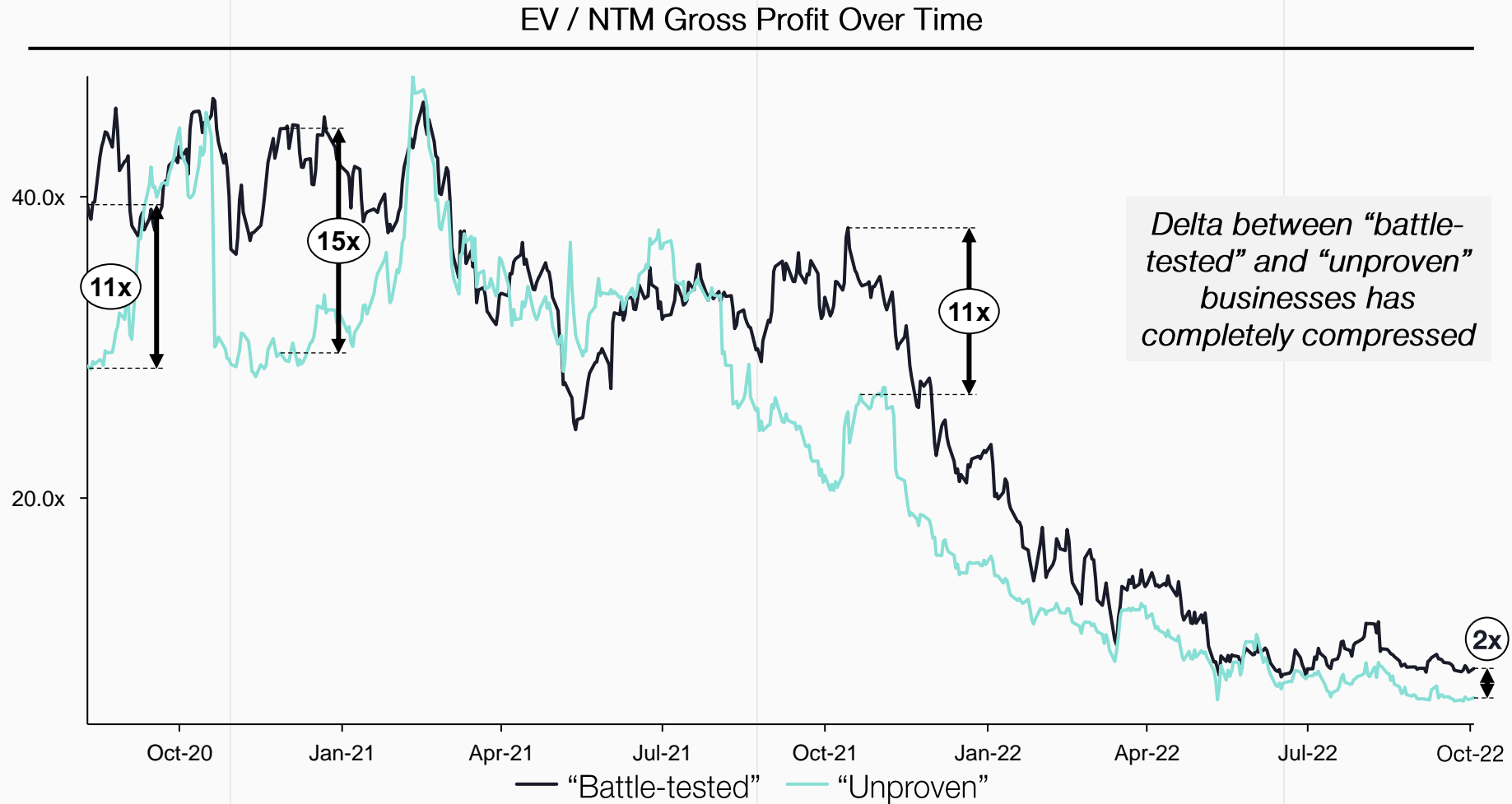
Category	Representative Business Models	Peak EV / NTM GP	Current EV / NTM GP	Retention + Gross Margin + Op. Margin + Rev Growth	Businesses
"Battle-tested models"	<ul style="list-style-type: none"> Enterprise Payments and Payments Infrastructure Banking Software B2B Payments Asset Management & Brokerage SMB Payments 	<p>37.9x</p> <p>↓</p> <p>10.5x</p>	<p>9.3x</p> <p>↓</p> <p>2.0x</p>	<p>200%+</p>	
"Unproven models"	<ul style="list-style-type: none"> Consumer Finance InsurTech SMB Payments 	<p>27.4</p> <p>↓</p>	<p>7.3x</p> <p>↓</p>	<p><200%</p>	

"Rule of 200" highlights the clear divide between FinTech business models today

SMB payments can fall into both categories depending on bundling of specific co

Source: Company filings, company press releases, Morgan Stanley, Capital IQ, Coatue opinion and analysis as of Oct-22. For illustrative purposes only and does not constitute investment advice.

2 Good business models are being thrown out with the bad in FinTech

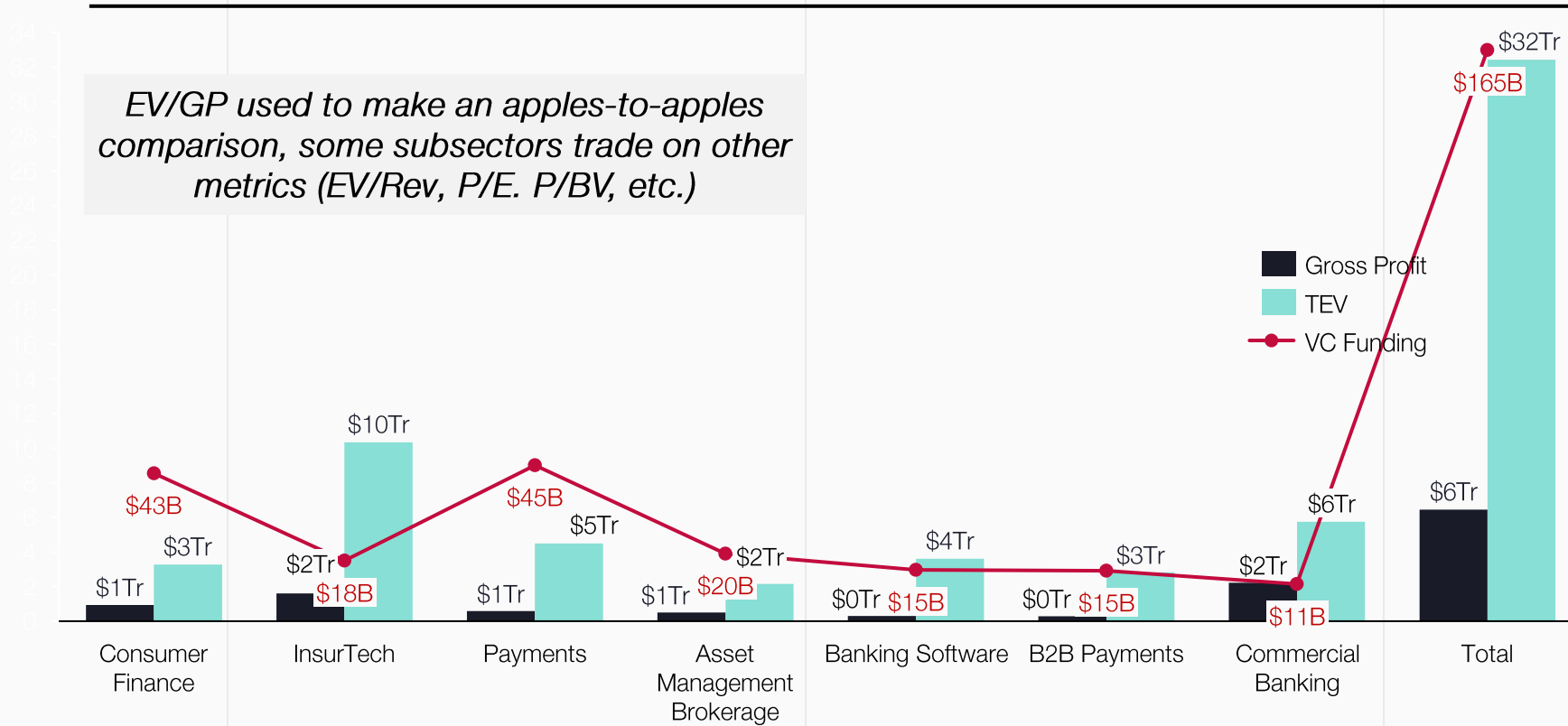


Don't throw the baby out with the bathwater
Rule of 200 highlights the winning business models in the sector

Source: Capital IQ, Coatue opinion and analysis as of Oct-22.

2 Potential Global FinTech Gross Profit & Enterprise Value by Sub-Sector

Potential Gross Profit & Enterprise Value by FinTech Sector (\$Tr)












EV/GP:	25 th %	2.7x	4.1x	5.4x	3.6x	9.3x	5.9x	2.0x	3.5x
	Median	3.5x	6.4x	7.8x	4.2x	12.0x	9.7x	2.6x	5.0x
	75 th %	8.3x	8.8x	11.4x	4.5x	14.6x	12.4x	2.8x	10.8x

Banking & InsurTech currently represent the majority of FinTech gross profit, while insurance & payments represent the majority of available enterprise value

Source: McKinsey Research, BCG Research, Gartner Research, Pitchbook, CBInsights, Coatue analysis as of Oct-22. Note: 2022 Gross Profit multiples are based on the median of buckets on pg. 23.

2 But we can't forget that balance sheet businesses should be valued differently from other sectors

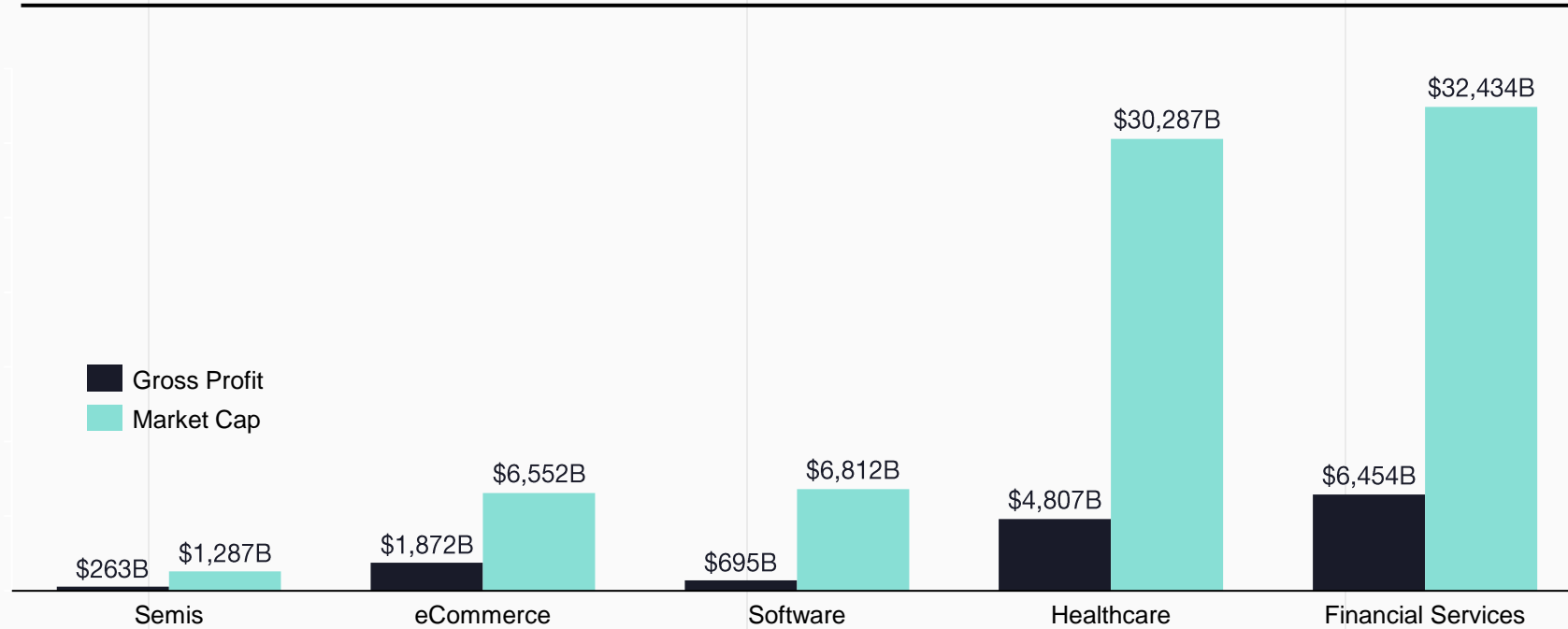
Incumbent Banks						Software Companies					
Company	Market Cap (\$B)	'22E Rev (\$B)	'22E Rev Growth	'22E NI Margin	'22 P/E	Company	Market Cap (\$B)	'22E Rev (\$B)	'22E Rev Growth	'22E NI Margin	'22 P/E
JPMORGAN CHASE & CO.	\$317	\$126	4%	26%	9.0x	 Microsoft	\$1,795	\$207	12%	34%	23.6x
 BANK OF AMERICA	\$250	\$94	5%	28%	8.9x	 ORACLE	\$170	\$46	11%	29%	12.4x
 WELLS FARGO	\$158	\$73	(7%)	21%	8.5x	 salesforce	\$148	\$31	17%	15%	28.3x
 citi	\$82	\$75	5%	19%	6.3x	 IBM	\$110	\$60	4%	14%	12.4x
 usbank	\$62	\$24	7%	26%	9.0x	 SAP	\$97	\$30	(6%)	19%	16.1x

The largest enterprise software companies have larger market caps and trade at a 2-3x premium to incumbent banks due to earnings quality

Source: Capital IQ and Coatue analysis as of Oct-22.

2 Software trades at higher multiples due to quality of business model & revenue consistency

Potential Enterprise Value vs. Gross Profit Pool by Sector (\$B)



EV/GP:	25 th %	3.9x	2.0x	4.9x	4.1x	3.5x
	Median	5.9x	4.3x	9.7x	6.3x	5.0x
	75 th %	9.6x	6.3x	11.4x	10.8x	10.8x
	Δ	5.7x	4.3x	6.5x	2.6	7.3x

Financial services has the largest multiple variance across all sectors due to nuanced business models with varying degrees of quality

Source: Gartner Research, Statista, Capital IQ, WHO, BCG, McKinsey, Coatue analysis as of Oct-22.

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 - *\$1 trillion in value will become interchangeable with fiat & invisible to consumers*

Source: Coatue opinion and analysis as of Oct-22.

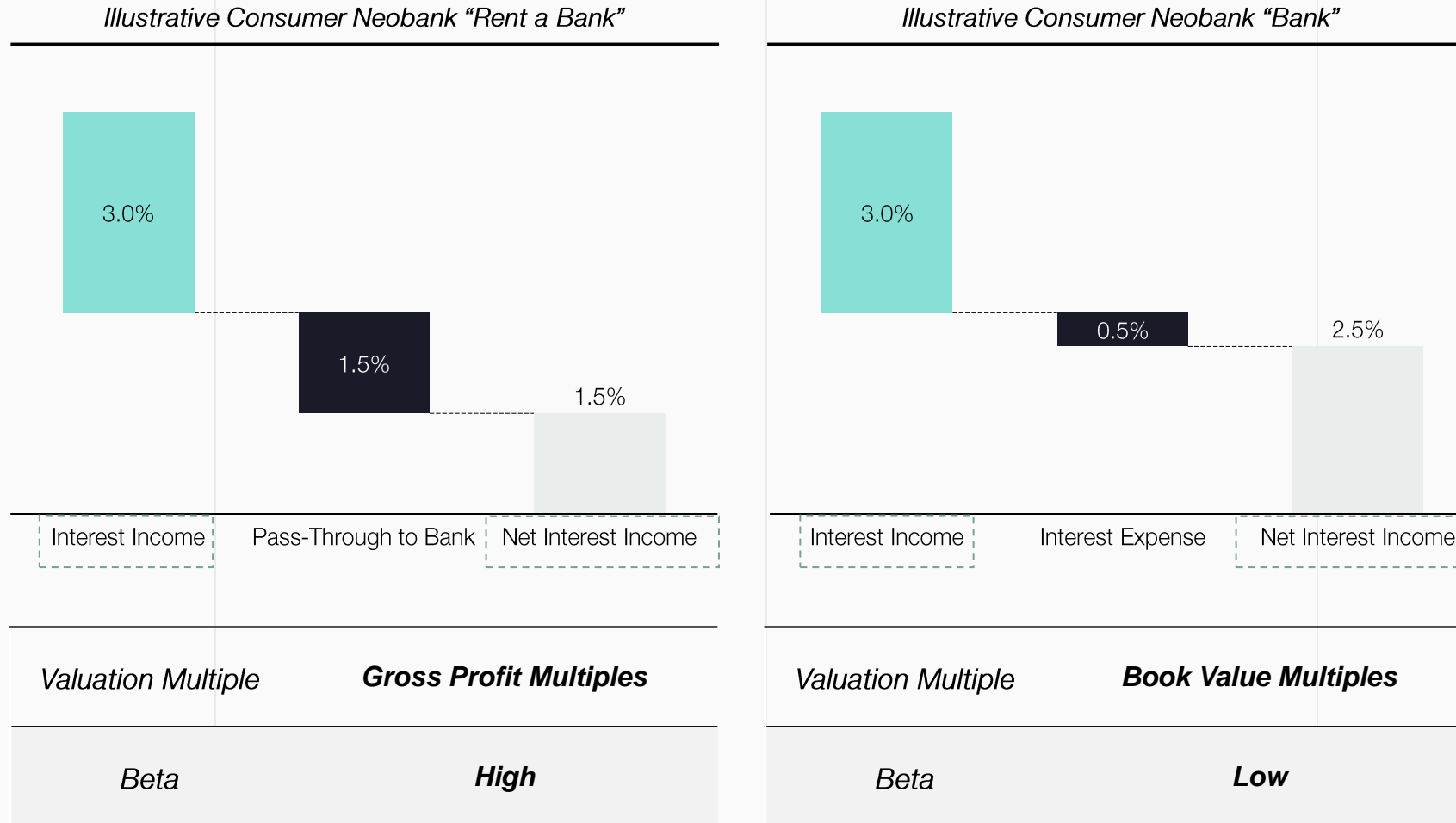
3 FinTechs should not be afraid to own balance sheets in order to control their destiny



FinTechs acting as their own issuer and processor see significantly improved unit economics resulting in a lower beta and a book value valuation methodology

Source: Coatue opinion and analysis as of Oct-22. For illustrative purposes only.

3 FinTechs should not be afraid to own balance sheets in order to control their destiny



FinTechs acting as their own bank see significantly more float revenue, resulting in a lower beta and book value valuation methodology

Source: Coatue analysis as of Oct-22. For illustrative purposes only.

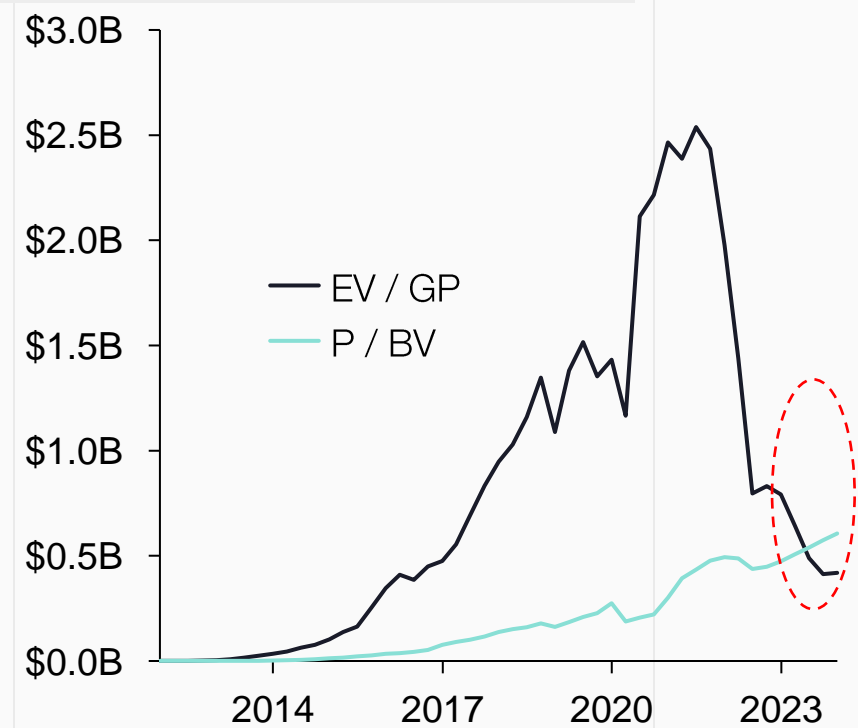
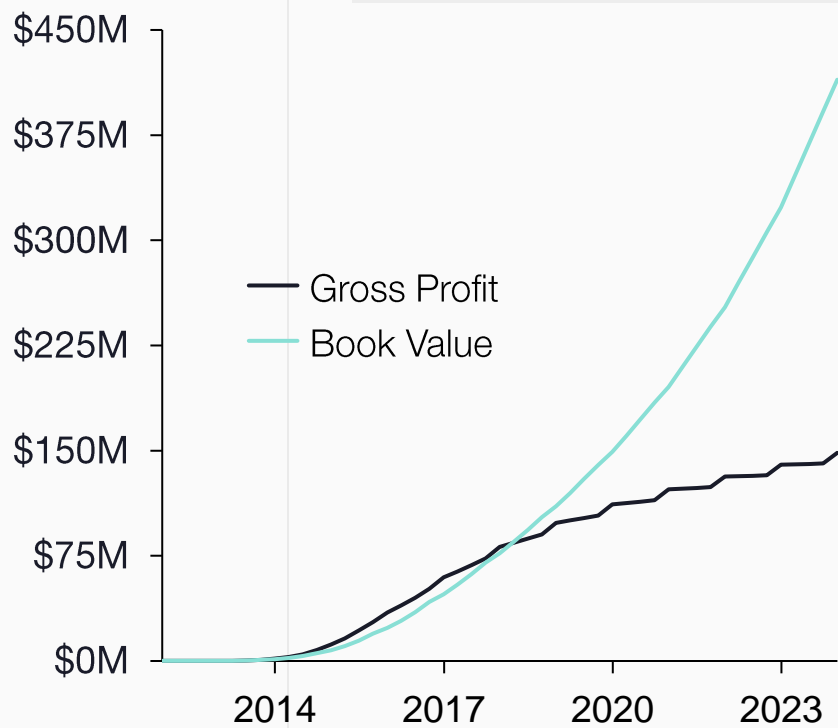
3 While trading on GP is fruitful in a bull market, the two business models converge in downturn

Gross Profit & Book Value Build

Implied Valuation Over Time

Fictional Neobank started 10 years ago

- 125% User CAGR | 8% ARPU Growth
- Deposits per user grow at national rate per Federal Reserve data
- 45% Gross Margin | 90% assets-to-deposits | 12% equity-to-assets
- Historical multiples w/ assumed continuation of ongoing multiple compression



In recessionary cycles, balance sheet businesses tend to trade on book value which becomes more valuable than topline valuations

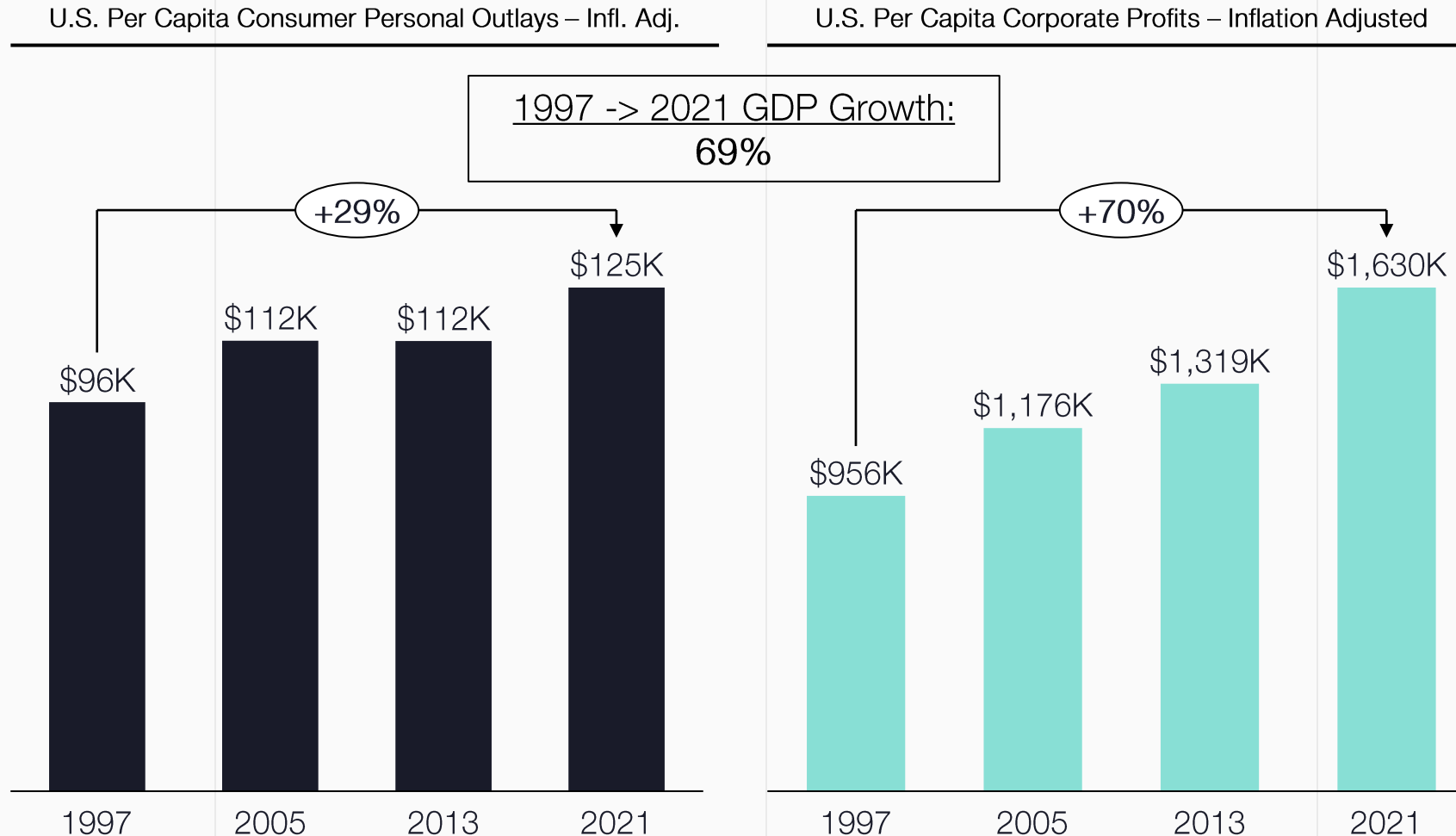
Source: Coatue opinion and analysis as of Oct-22. For illustrative purposes only. Note: User growth, deposit, and ARPU assumptions per Coatue. Assumes 40% gross margin, 90% assets-to-deposits ratio, and 12% equity-to-assets ratio. Uses historical valuation multiples per the Consumer Finance bucket on pg. 23 and assumes ongoing multiple compression continues into 2023.

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Source: Coatue opinion and analysis as of Oct-22.

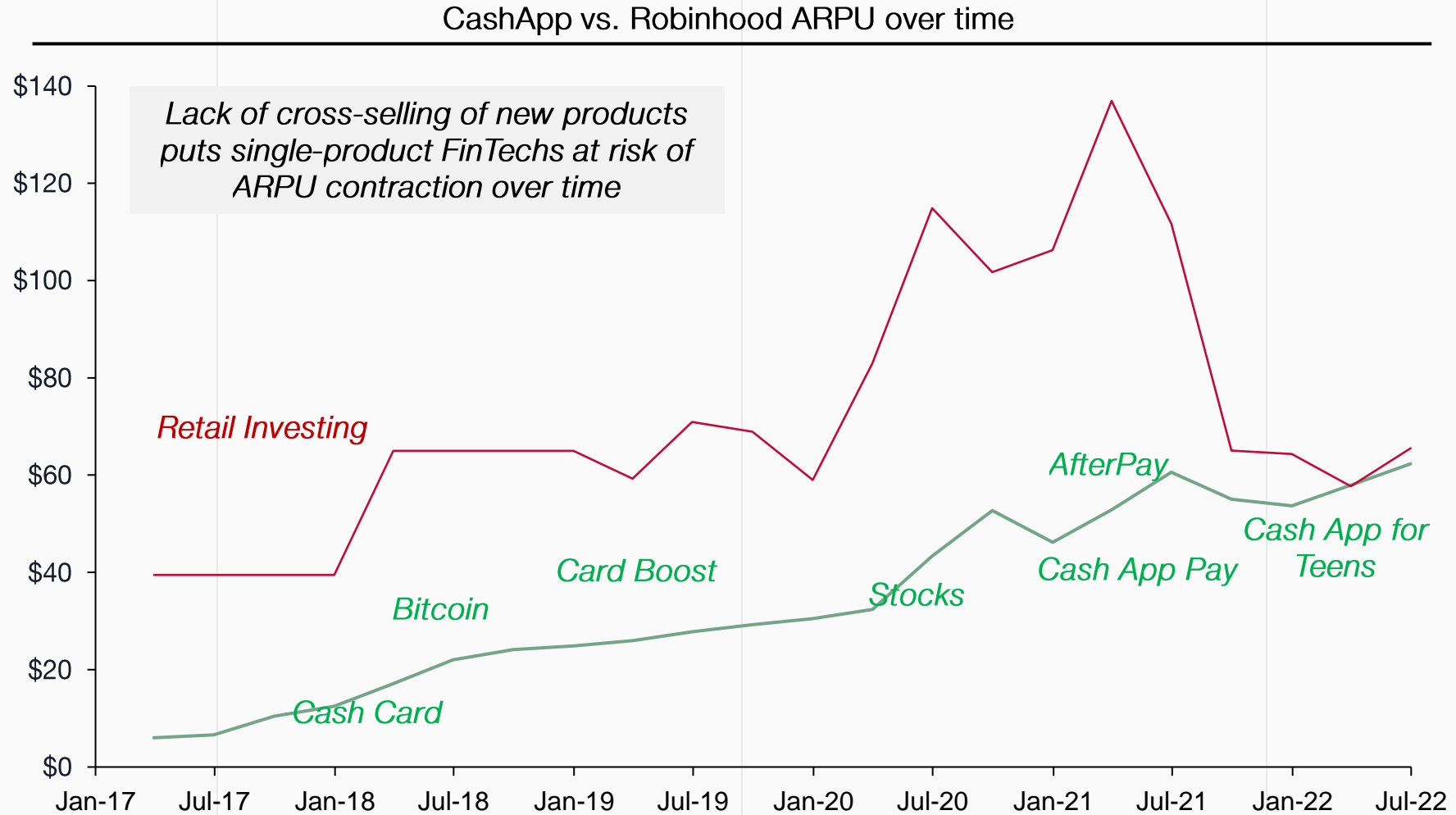
4 Organic growth is baked into merchant cohorts, a big tailwind for B2B



The average U.S. business grows at the same rate as GDP, while the average U.S. consumer lags behind

Source: U.S. Bureau of Economic Analysis, Federal of Reserve Economic Data, IBIS, US Census Bureau, and Coatue analysis as of Oct-22.

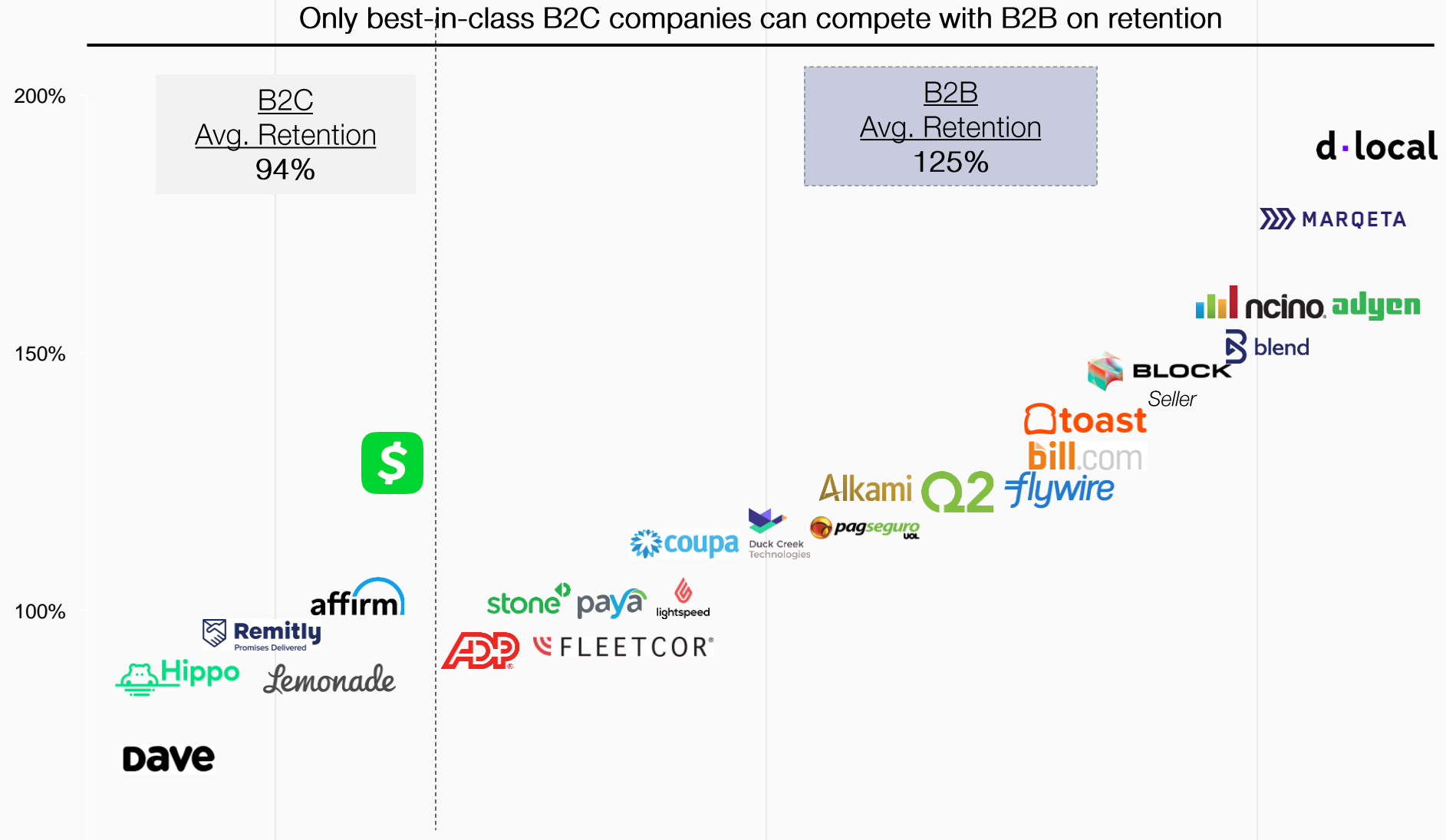
4 So, Consumer FinTech Needs to Cross-Sell



To thrive in consumer FinTech, rapid product iterations & cross-sell are needed to fight off rising CAC

Source: Coatue opinion and analysis, company filings, and estimates based on SQ & APT disclosures as of Aug-22. See appendix for important disclosures. For illustrative purposes only and does not constitute investment advice.

4 B2B is fundamentally “easier” than B2C









Source: Capital IQ and Coatue analysis as of Oct-22. Note: Only public FinTech companies where retention data is available are shown. 12-month Net Revenue Retention for all companies except for Square (Cash App Gross Profit Retention is ~130% and Seller based on Coatue estimates), PagSeguro (TPV Retention), Paya (Net Volume Retention), Fleetcor (Customer Retention). For illustrative purposes only and does not constitute investment advice.

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Source: Coatue opinion and analysis as of Oct-22.

5 Emerging markets present unprecedented greenfield

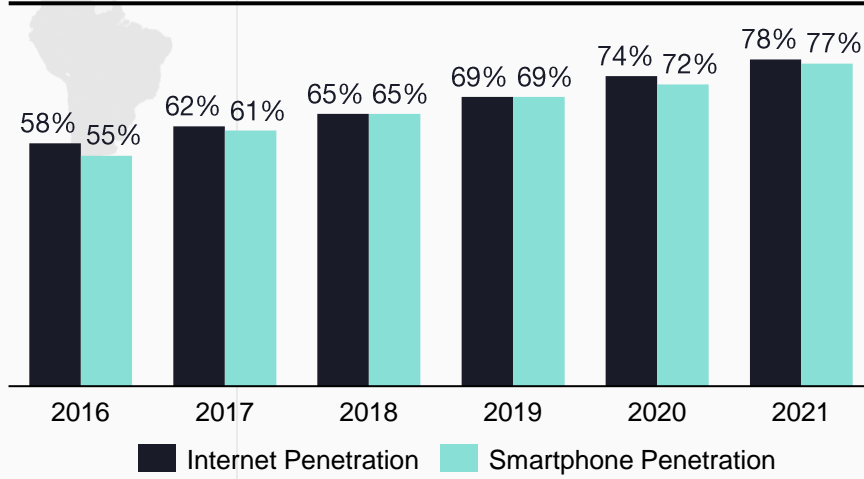
	 Nigeria	 Brazil	 Mexico	 US	 France	 Italy
<i>Bank Branch / 100K Population</i>	4	18	13	30	34	39
<i>Deposits / GDP</i>	21%	76%	37%	101%	110%	103%
<i>Domestic Credit / GDP</i>	12%	70%	38%	217%	122%	83%
<i>% Unbanked</i>	2017: 60% 2021: 54%	2017: 30% 2021: 26%	2017: 63% 2021: 60%	2017: 7% 2021: 5%	2017: 6% 2021: 1%	2017: 6% 2021: 3%
<i>Internet Penetration</i>	51%	78%	72%	92%	85%	70%

Source: World Bank, IMF 2020 Data, Statista, Coatue opinion and analysis as of Oct-22. Note: "% Unbanked" defined as lack of bank account ownership in population age 15+ according to Global Findex Database.

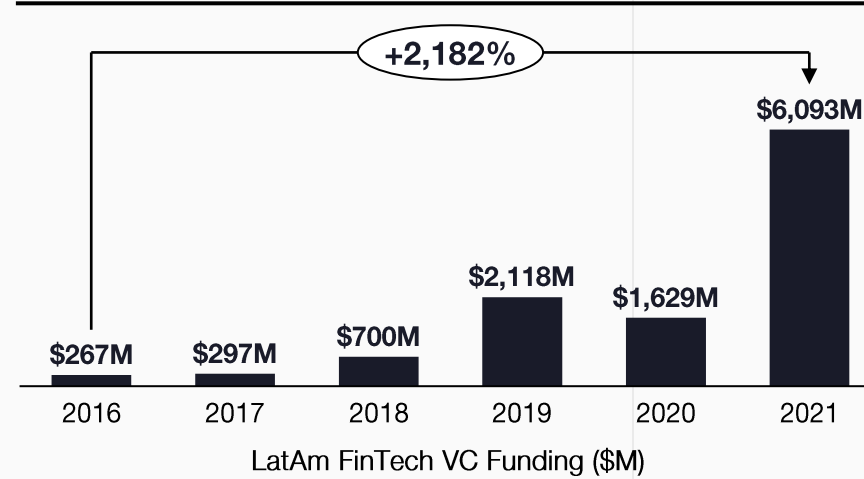
5 LatAm is experiencing unprecedented growth in financial services due to a confluence of factors



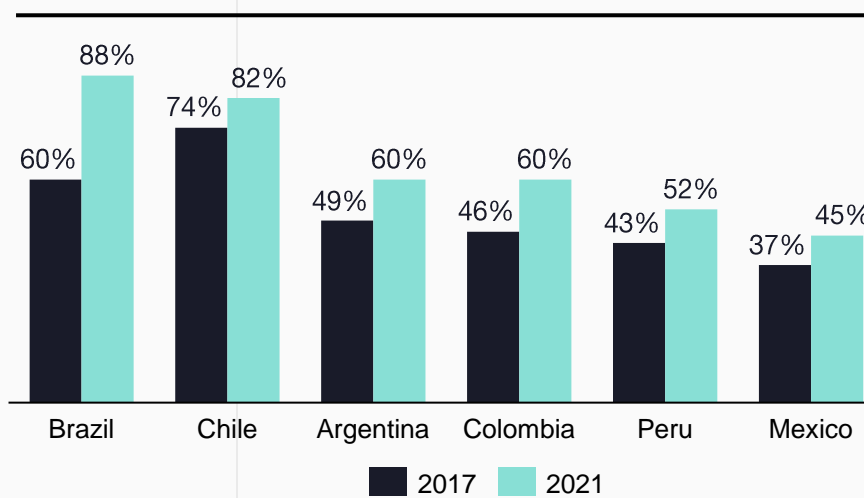
Internet penetration and smartphone adoption



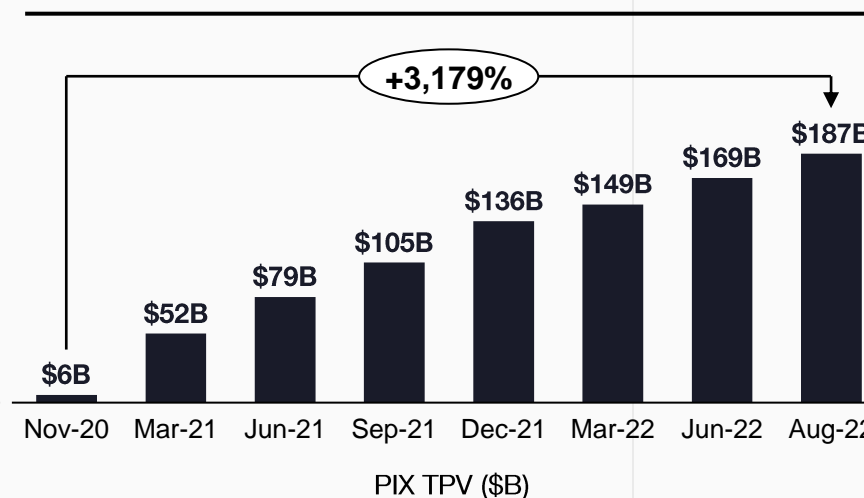
VC funding of FinTech startups has accelerated



Penetration of bank and Fintech accounts

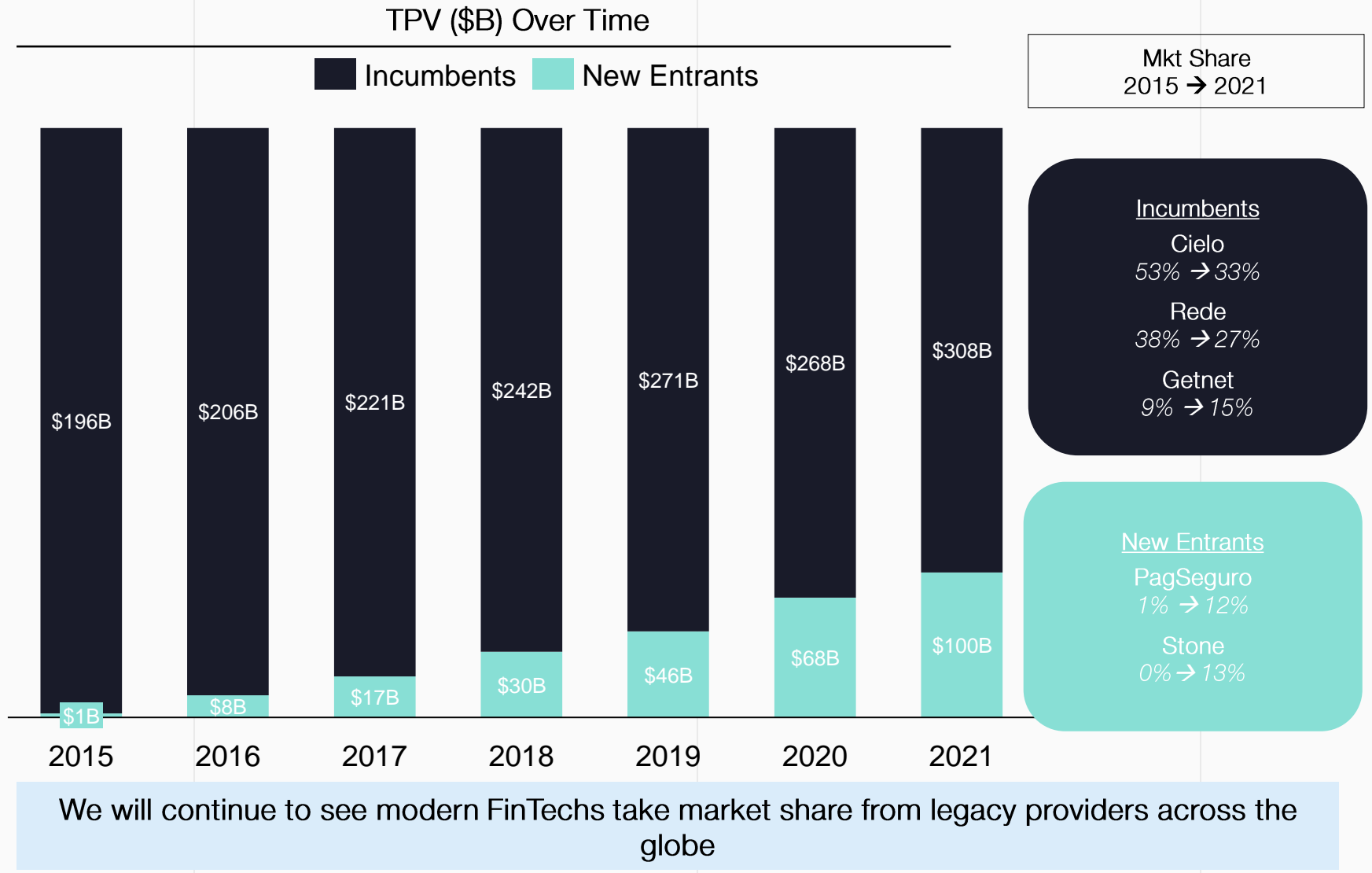


Powered by new payment infrastructure such as PIX



Source: Atlantico 2022 LatAm Digital Report, World Bank, GSMA, AMI, Statista, Banco Central do Brasil, Coatue opinion and analysis as of Oct-22.

5 Legacy Merchant Acquirers Rapidly Losing Share in Latin America



Source: Publicly Available Company Data as of Jun-22; Coatue analysis as of Jun-22. For illustrative purposes only.
 Note: Uses USD:BRL exchange rate of 5.25 as of Jun-22. Numbers are rounded to the nearest one or two significant figures for ease of reference

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Source: Coatue opinion and analysis as of Oct-22.

6 Trillion dollars of value in the crypto ecosystem that consumers want to spend and merchants want to accept

Total Crypto Market Cap & Unique Non-Zero Addresses (BTC & ETH)



Payments was one of the very first and most promising applications for digital currencies, the market is rapidly moving towards making that happen

Source: Blockchain.com, CoinGecko, Dune Analytics, Coatue analysis and opinion as of Oct-22.

6 The most important players in the payments ecosystem are dedicated to making crypto a daily payment method



Consumer Wallet Issuers



Revolut



Payment Networks

VISA



Merchant Acquirers



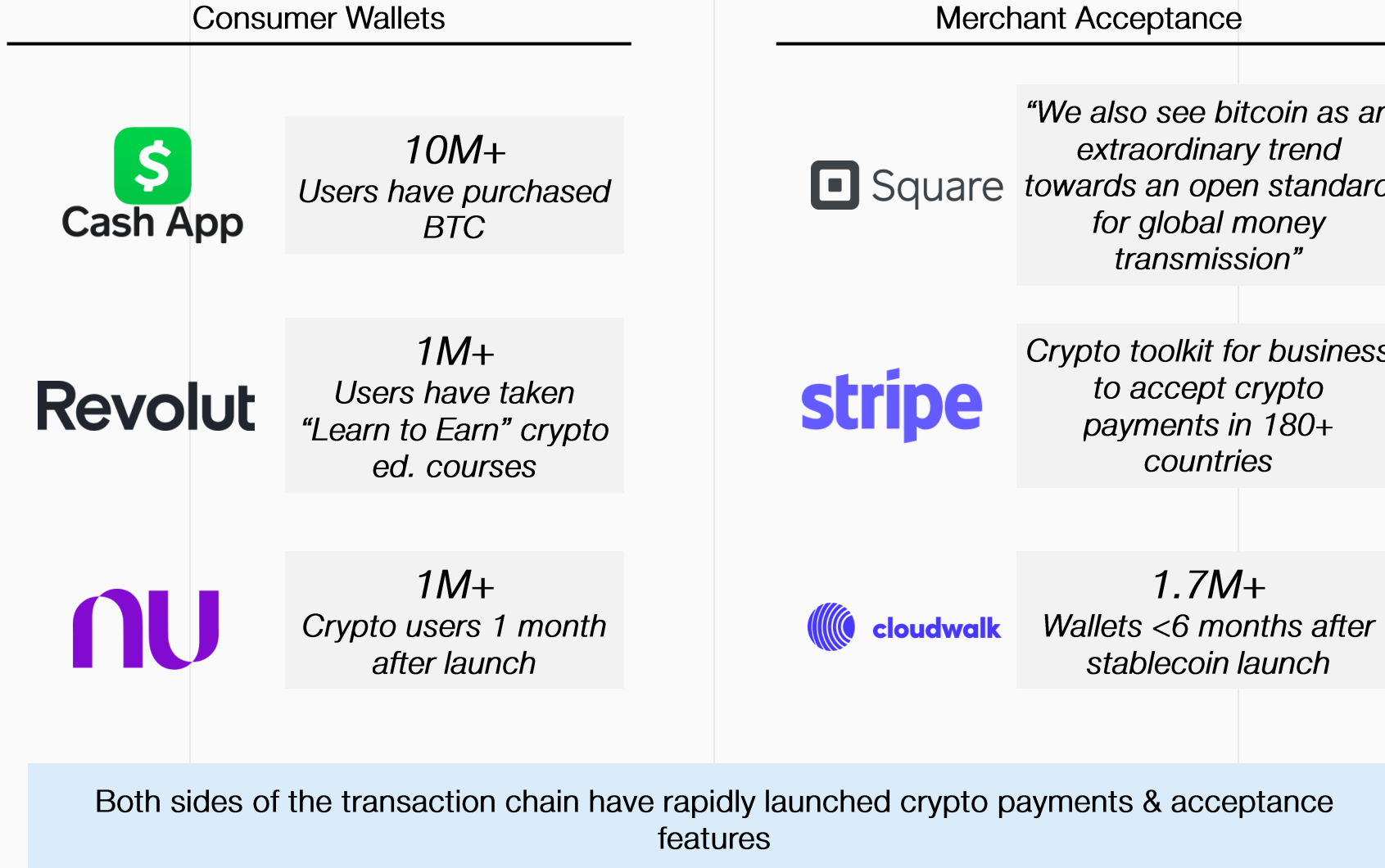
adyen



The three main pillars needed to succeed in payments have shown a large dedication to making crypto a part of daily life and spend

Source: Coatue analysis as of Oct-22. For illustrative purposes only and does not constitute investment advice.

6 Leading players in fintech are rapidly gaining significant user bases and volume in crypto



Source: Company websites & press releases. Coatue analysis as of Oct-22. For illustrative purposes only and does not constitute investment advice.

6 Card networks are looking to future-proof themselves as crypto goes mainstream

Visa Crypto Strategy



Enabling digital currency cash-outs in fiat
Partners with 35+ digital currency platforms



Enabling FinTech to give consumers crypto options
Created APIs for this purpose and launched first rollout with First Boulevard



Settlement in digital currencies
Built infra to support stablecoin settlement; settled first transaction in USDC this year



Central Bank Digital Currencies (CBDCs)
In talks with central banks about potential partnerships

111 Crypto Employees

Mastercard Crypto Strategy



Digital Asset Security
Acquired Ciphertrace to help assess risk of crypto merchants



Enabling digital asset ownership
Partnered with Bakkt to offer consumers custodial wallets



Crypto Credit Cards
Offers crypto-backed credit, debit, and prepaid cards



Onboarding NFTs to payments network
Working with 7+ NFT providers to allow users to purchase NFTs with their Mastercard

76 Crypto Employees

The largest payment networks in the world have built out their crypto strategies quickly, hoping to future-proof their business model

6 Crypto can make transactions faster, cheaper, and more accessible

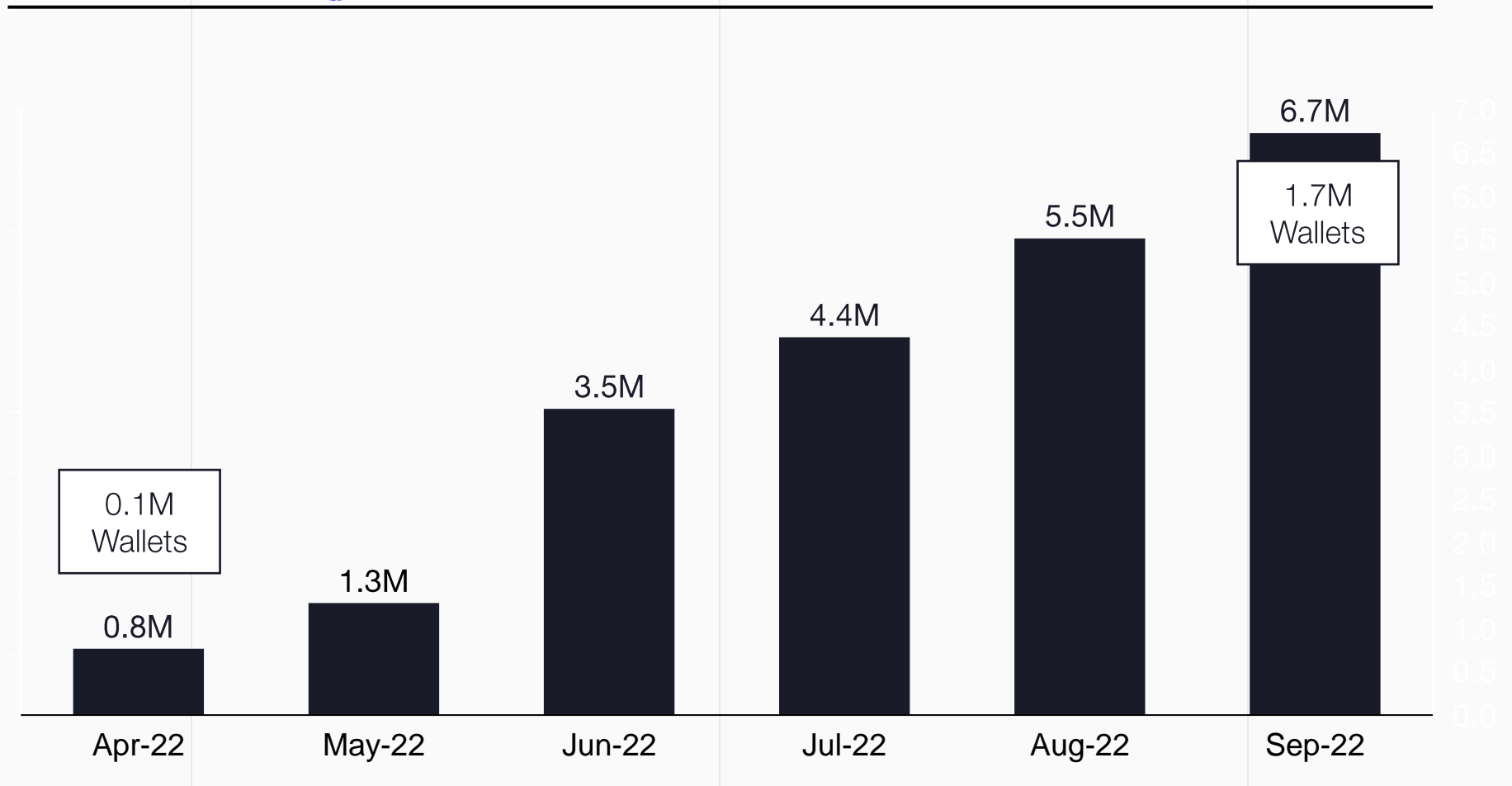
Fees for \$100 Transaction

	Leading PSP	 ⁽¹⁾
Pay-Ins	\$0.8 - \$5.20	\$0.0003 - \$0.0009
Payouts (Instant)	\$1.00	\$0.0003 - \$0.0009
<i>Settlement Time</i>	<i><30 Min</i>	<i>Instant</i>
Payouts (Normal)	\$0.00	\$0.0003 - \$0.0009
<i>Settlement Time</i>	<i>2 Days</i>	<i>Instant</i>
P2P	\$1.50 - \$3.20	\$0.0003 - \$0.0009

Steady-state lightning network fees will most likely grow to 5-20bps, but this is still far below what merchants and consumers pay today

Source: Coatue opinion and analysis as of Oct-22. (1) Does not include ~\$1.50 channel open and closing fee

6 Developing markets potentially canary in coal mine, quietly building large scale



Developing markets w/ unstable macroeconomic conditions and underdeveloped, expensive financial systems are an obvious match for crypto products

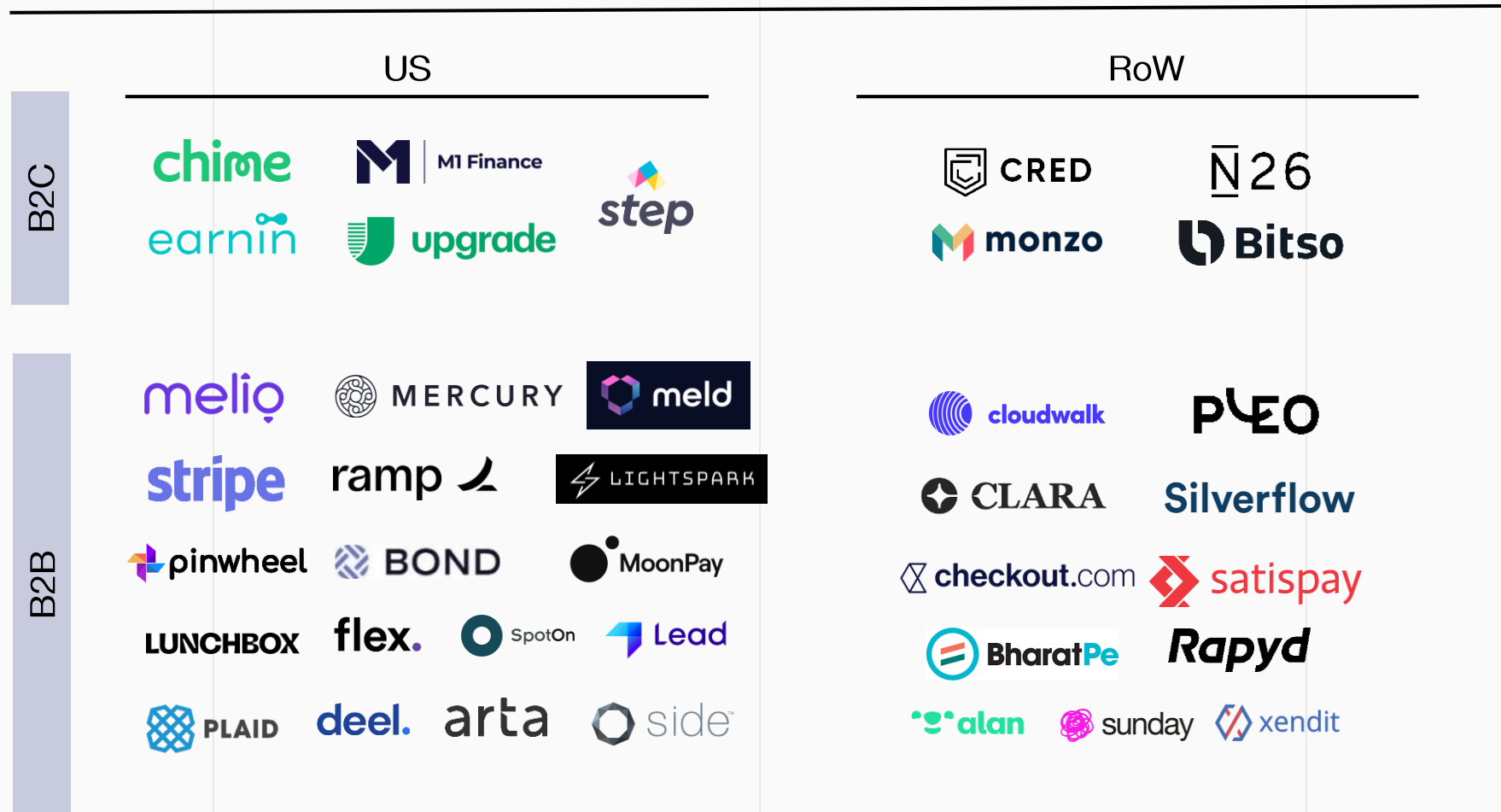
Source: Cloudwalk Mainnet, Coatue opinion and analysis as of Oct-22.

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Coatue Private FinTech Portfolio Summary

Coatue FinTech Portfolio by Geo



We have invested billions of dollars in FinTech around the world

For illustrative purposes only. Represents all active "FinTech" investments made by Coatue funds with more than \$10M invested and >0% ownership outside China. No indication is made as to the timing or profitability of such investments, and there is no guarantee that any Coatue fund will be profitable or meet its investment objectives. Past performance is not indicative or a guarantee of future results. See Appendix for important additional disclosures regarding the information presented herein.

Coatue FinTech Team



Michael Gilroy

Michael Gilroy is a General Partner at Coatue. He leads the FinTech practice and is co-COO of Growth.

Michael has been investing in and advising FinTech companies for over a decade. He previously led rounds and/or serves on the boards for Mercury, Lead Bank, Cloudwalk, Melio, Clara, Arta, Pinwheel, Silverflow, Pleo, Step, Meld and Bond.

Michael is very passionate about building the fintech community and previously ran a bi-coastal quarterly series called FinTech Central. Michael studied Economics at the University of California at Berkeley. He was awarded Young Alumni of the Year in 2017 for his efforts in building out the alumni community in tech.

Michael can be reached at mgilroy@coatue.com



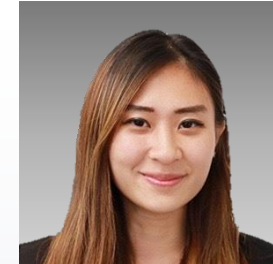
Chase Packard

Chase Packard is a Vice President at Coatue. He focuses on FinTech and invests in companies across their lifecycle.

Chase has previously invested in and/or or serves as a Board Observer for Cloudwalk, Silverflow, Satispay, Lead Bank, Bitso, Pleo, Sunday, Arta, and Meld.

Prior to Coatue, Chase was a venture investor at New Enterprise Associates, where he invested primarily in fintech and enterprise software companies. Previously, Chase was an investment banking analyst at Qatalyst Partners, where he advised technology businesses on M&A and other strategic decisions. Chase received a BA with Honors in Economics with a minor in Statistics from the University of Chicago.

Chase can be reached at cpackard@coatue.com



Leslie Wang

Leslie Wang is an Investor at Coatue. She focuses on FinTech and invests in companies across their lifecycle.

Leslie serves as a Board Observer for Rapyd, Mercury, M1, Step, Pinwheel, Bond, and Boost.

Prior to Coatue, Leslie was a private equity investor at Centerbridge Partners, where she invested in financial services companies. Previously, Leslie was an investment banking analyst in the Restructuring & Special Situations Group at PJT Partners and worked in the Financial Institutions Group at Goldman Sachs. Leslie graduated summa cum laude from the University of Pennsylvania with a BS in Economics and concentrations in Finance, Statistics, and Healthcare Management.

Leslie can be reached at lwang@coatue.com

Company Bucket Definitions

“Financial Services”

“Modern FinTech”

Adyen	Metromile
Affirm	MoneyLion
Alkami	nCino
AvidXchange	Nubank
Bill.com	Nuvei
Blend	Oscar Health
Bright Health	Pagaya
Clover Health	PagSeguro
Coinbase	Paya
Coupa	Payoneer
Dave	Q2
Dlocal	Remitly
Doma	Robinhood
Duck Creek	Root
Envestnet	Shift4
Flywire	Shopify
Hippo	SoFi
i3	Square
Lemonade	StoneCo
LendingClub	Toast
Lightspeed	TransferWise
Margeta	Upstart

“Modern FinTech” includes 44 companies listed above that are founded 1999 or later and IPO’d 2014 or later.

“Legacy Financial Services”

ACI	Interactive Brokers
ADP	Intuit
AIA	Jack Henry
AssetMark	JP Morgan
Bank of America	LPL
C. Schwab	MasterCard
Cantaloupe	MeridianLink
China Construction Bank	MoneyGram
Chubb	Paychex
Cielo	Paycor
Euronet	PayPal
Evertec	PaySafe
EVO	Ping An Insurance
FIS	Royal Bank of Canada
Fiserv	TD Bank
FleetCor	Visa
Global Payments	Wells Fargo
Green Dot	Western Union
HSBC	WEX
ICBC	...

“Legacy Financial Services” includes 2.5K companies; list above is inexhaustive.

Appendix - Disclosures

This presentation is confidential and not intended for public use or further distribution without the prior written consent of Coatue Management, L.L.C.

Coatue Analysis

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- There is no guarantee that such forecasts, projections or forward-looking statements will be realized and therefore investors should not rely on such statements in making an investment decision