Update on capital market activity in the payments industry

Q1/2016

Hamburg, April 2016
1. Mergers & Acquisitions
2. Venture Capital
In Q1/2016 62 transactions have been reported with a total disclosed volume of USD 4.7 billion

M&A development Q1/2016

M&A market development

Median enterprise value multiples

Source: INNOVALUE, Mergerstat M&A Database, Company websites
Most of the targets come either from the US (52%) or from Europe (26%); most deals associated with payment acceptance companies

Targets analysis (Q1/2016)

Targets by region

- North America: 52%
- Europe: 26%
- Asia: 11%
- Middle East, Africa (MEA): 2%
- Australia: 5%
- South America: 5%

Targets by segment

- Acceptance: 8%
- Money transfer: 8%
- Security: 5%
- Processing: 13%
- Acquiring: 10%
- Couponing/Loyalty: 27%
- Other: 11%

1) includes ATM, Commerce, Issuing
Source: INNOVALUE, Mergerstat M&A Database, Company websites
The purchase of Visa Europe by Visa Inc. has been the biggest M&A transaction; product expansion & technology enhancement major drivers

**Transactions and rationales 2015**

**Product / channel expansion**
- Mar. 2015: FUNDtech was acquired by D+H for USD 1,250m
- Jul. 2015: Xoom was acquired by PayPal for USD 982m
- Dec. 2015: Heartland was acquired by Global Payments for USD 2,311m

**Geographic expansion**
- Feb. 2015: PayEasy was acquired by Mozido for USD 750m
- Oct. 2015: G1 Retail was acquired by Wirecard for USD 376m
- Nov. 2015: Visa Europe was acquired by Visa for USD 23,400m

**Technology and talent**
- Feb. 2015: LoopPay was acquired by Samsung for USD 117m
- Apr. 2015: APT was acquired by MasterCard for USD 600m
- Aug. 2015: Yodlee was acquired by Envestnet for USD 574m

**Financial investment**
- Jan. 2015: GIACT was acquired by Tritium
- Jul. 2015: Linxens was acquired by CVC Capital Partners for USD 1,665m
- Aug. 2015: Currencies Direct was acquired by Palamon and Corsair Capital for USD 750m

1) Announcement date
Source: INNOVALUE, Mergerstat M&A Database, Company websites
In Q1/2016 50 investments have been reported with a total disclosed volume of USD 382 million

VC development (Q1/2016)

Market development\(^1\)

Financing rounds

Source: INNOVALUE

1) Including both equity and debt funding deals
Most of the investments are either in the US (52%), Europe (30%) or Asia (12%); alternative payments, security and acceptance with high attention

Funded start-up analysis (Q1/2016)

**Investments by region**

- **North America**: 52%
- **Europe**: 30%
- **Asia**: 12%
- **Middle East, Africa (MEA)**: 2%
- **Australia**: 4%
- **South America**: 12%

**Investments by segment**

- **Alternative systems**: 34%
- **Couponing / Loyalty**: 14%
- **Processing**: 18%
- **Data analytics**: 18%
- **Acquiring**: 14%
- **Issuing**: 12%
- **Security**: 12%
- **Acceptance**: 12%
- **Other**: 12%
- **Money transfer**: 12%
- **ATM**: 2%

Source: INNOVALUE
The biggest financing rounds in Q1 2016 have been closed particularly by security, money transfer and alternative payment systems

**Investments (Q1/2016)**

### Top 10 Investments in Q1 2016 by disclosed value

<table>
<thead>
<tr>
<th>USD m</th>
<th>Most recent financing volume</th>
<th>Total financing volume</th>
<th>Sector</th>
<th>Series</th>
</tr>
</thead>
<tbody>
<tr>
<td>pindrop</td>
<td>75</td>
<td>122</td>
<td>Security</td>
<td>Series C</td>
</tr>
<tr>
<td>Blockstream</td>
<td>55</td>
<td>76</td>
<td>Other</td>
<td>Series A</td>
</tr>
<tr>
<td>worldremit</td>
<td>45</td>
<td>193</td>
<td>Money transfer</td>
<td>Debt</td>
</tr>
<tr>
<td>momo</td>
<td>28</td>
<td>34</td>
<td>Alternative payment systems</td>
<td>Series B</td>
</tr>
<tr>
<td>SIGNIFYD</td>
<td>20</td>
<td>31</td>
<td>Security</td>
<td>Series B</td>
</tr>
<tr>
<td>AppCard</td>
<td>20</td>
<td>27</td>
<td>Couponing / Loyalty</td>
<td>Series B</td>
</tr>
<tr>
<td>GOCARDLESS</td>
<td>13</td>
<td>25</td>
<td>Alternative payment systems</td>
<td>Series C</td>
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<tr>
<td>Ping++</td>
<td>10</td>
<td>25</td>
<td>Payment acceptance devices + software</td>
<td>Series B</td>
</tr>
<tr>
<td>SwervePay</td>
<td>10</td>
<td>12</td>
<td>Alternative payment systems</td>
<td>Series B</td>
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<tr>
<td>payleven</td>
<td>10</td>
<td>25</td>
<td>Payment acceptance devices + software</td>
<td>Series D</td>
</tr>
</tbody>
</table>

Source: Crunchbase, INNOVALUE

[Most recent financing volume] [Total financing volume]