Update on capital market activity in the payments industry

Q3/2016

Hamburg, October 2016
Agenda

1. Mergers & Acquisitions
2. Venture Capital
In Q3/2016 36 transactions have been reported with a total disclosed volume of USD 3.9 billion

M&A development Q3/2016

M&A market development

Median enterprise value multiples

Source: EY Innovalue, Mergerstat M&A Database, Company websites
Most of the targets come either from the US (53%) or from Europe (42%); most deals associated with payment acceptance companies

Targets analysis (Q3/2016)

Targets by region

- North America: 53%
- Europe: 42%
- Asia: 6%
- Middle East, Africa (MEA): 0%
- Australia: 0%
- South America: 0%

Targets by segment

- Acceptance: 33%
- Couponing/Loyalty: 28%
- Processing: 14%
- Money transfer: 11%
- Acquiring: 6%
- Alter. systems: 3%
- Data analytics: 3%
- Security: 3%

1) includes ATM, Commerce, Issuing
Source: EY Innovalue, Mergerstat M&A Database, Company websites
Agenda

1. Mergers & Acquisitions
2. Venture Capital
In Q3/2016 42 investments have been reported with a total disclosed volume of USD 427 million.

VC development (Q3/2016)

Market development

- Number of investments: 463, 345, 382, 53, 42
- Disclosed value [USD million]: 39, 48, 50, 4,977, 427

Financing rounds

- Year 2016: Q3 - 26%, Q2 - 17%, Q1 - 20%, Q2 - 17%, Q3 - 24%
- Year 2015: Q4 - 6%, Q3 - 5%, Q2 - 8%, Q1 - 15%

Source: EY InnovaValue
1) Including both equity and debt funding deals
Most of the investments are either in the North America (43%), Asia (31%) or Europe (21%); acceptance and alternative payments with high attention.

Funded start-up analysis (Q3/2016)

### Investments by region

- **2016Q3**
  - North America: 43%
  - Asia: 21%
  - Europe: 5%
  - Middle East, Africa (MEA): 0%
  - Australia: 0%
  - South America: 0%

- **2015**
  - North America: 31%
  - Asia: 21%
  - Europe: 0%
  - Middle East, Africa (MEA): 0%
  - Australia: 5%
  - South America: 0%

### Investments by segment

- **2016Q3**
  - Altern. systems: 38%
  - Data analytics: 10%
  - Money transfer: 2%
  - Acquiring: 2%
  - Acceptance: 0%
  - Processing: 12%
  - Security: 0%
  - Couponing/Loyalty: 0%
  - Other¹: 0%

- **2015**
  - Altern. systems: 29%
  - Data analytics: 10%
  - Money transfer: 0%
  - Acquiring: 2%
  - Acceptance: 12%
  - Processing: 5%
  - Security: 2%
  - Couponing/Loyalty: 0%
  - Other¹: 0%

1) includes ATM, Commerce, Issuing
Source: EY Innovaule
The biggest equity financing rounds in Q3 2016 have been closed particularly by alternative payment systems

### Investments (Q3/2016)

<table>
<thead>
<tr>
<th>Investments</th>
<th>USD m</th>
<th>Most recent financing volume</th>
<th>Total financing volume</th>
<th>Source: Crunchbase, EY Innovauele</th>
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<tbody>
<tr>
<td>one97</td>
<td>60</td>
<td>525</td>
<td>585</td>
<td>Alternative payment systems</td>
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<tr>
<td>ripple</td>
<td>55</td>
<td>39</td>
<td>94</td>
<td>Other</td>
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<td>集智合锦科技</td>
<td>45</td>
<td>16</td>
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<td>Payment acceptance devices + Software</td>
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<tr>
<td>Remitly</td>
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<tr>
<td>BPS Technology</td>
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<td>Security</td>
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Source: Crunchbase, EY Innovauele
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