

# Buy Now Pay Later

**Revolutionizing Traditional Credit  
With Convenience, Data &  
eCommerce**



# Table of Contents

---

1. Executive Summary	5
2. Buy Now Pay Later Overview	7
3. Buy Now Pay Later Market Update	19
4. Global Sector Company Landscape	31
5. Executive Interviews	33
6. Selected Company Profiles	110
i. In-Depth Profile on Affirm	
ii. In-Depth Profile on Afterpay	
iii. In-Depth Profile on Klarna	
iv. Other Selected Companies	
7. Overview of FT Partners	166



**Steve McLaughlin**

Founder, CEO, Managing Partner  
[steve.mclaughlin@ftpartners.com](mailto:steve.mclaughlin@ftpartners.com)

**SUBSCRIBE**



San Francisco • New York • London

# Buy Now Pay Later Industry Report

Table of Contents – Company Profiles

FINANCIAL  
TECHNOLOGY  
PARTNERS

## Selected Company Profiles

acima

Addi

affirm

afterpay

akulaku

alma

AMOUNT

Bread

covered

cross river

hoolah

Jifiti.

Klarna.

redivo

kueski

nate

openpay

sezzle

Simpl

splitit

spotii

sunbit

Synapse

upgrade

uplift

zest  
EMI FOR EVERYONE

zilch

zip

# Buy Now Pay Later Industry Report

## Table of Contents – Executive Interviews

### Executive Interviews



**Adam Hughes**  
CEO



**Anuscha Iqbal**  
Co-Founder & CEO



**Ken Rees**  
Founder & CEO



**Arad Levertov**  
Co-Founder & CEO



**Stuart Thornton**  
Co-Founder & CEO



**Sankaet Pathak**  
Founder & CEO



**Yaacov Martin**  
Co-Founder & CEO



**Renaud Laplanche**  
Co-Founder & CEO



**Adalberto Flores**  
Co-Founder & CEO



**Brian Barth**  
Co-Founder & CEO



**Albert Saniger**  
Founder & CEO



**Lizzie Chapman**  
Co-Founder & CEO



**Brian Shniderman**  
US CEO & Global Chief  
Strategy Officer

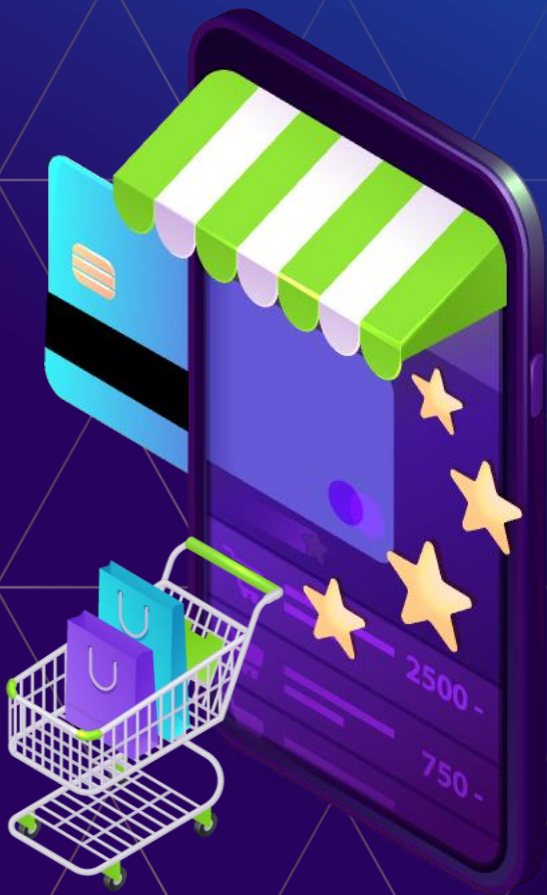


**Philip Belamant**  
Founder & CEO



**Nitya Sharma**  
Co-Founder & CEO





# 1. Executive Summary

# Executive Summary

---

The traditional credit industry is transforming as strong growth in eCommerce and technological innovation pave the way for the proliferation of alternative payment methods, including buy-now-pay-later (“BNPL”) options. BNPL payment methods increase consumers’ purchasing power and financial flexibility through installment payment plans typically offered at 0% APR. These options are seamlessly built into the checkout experience and help merchants increase conversion and average order values. While BNPL became popular as online “Pay in X” solutions, we are seeing a convergence between traditional point-of-sale financing and BNPL solutions as both move toward omnichannel and multi-product offerings.

Like other areas of financial services, access to more data and better insights are driving significant change in how consumers get approved and charged for credit. Machine learning and artificial intelligence are enabling companies to harness and analyze massive sets of alternative data to build powerful credit decisioning systems, which empower them to reach new consumers and offer credit instantaneously.

Additionally, tangential companies are entering the space through investments and acquisitions, most notably represented by Square’s recent \$29 billion acquisition of Afterpay.

## **Growth in eCommerce**

As the COVID-19 pandemic pushed our everyday lives further online, the accelerated growth in eCommerce has put a renewed focus on the BNPL providers who have successfully integrated themselves into the online checkout experience while offering them exposure to more consumers.

## **An abundance of data and real-time decision making**

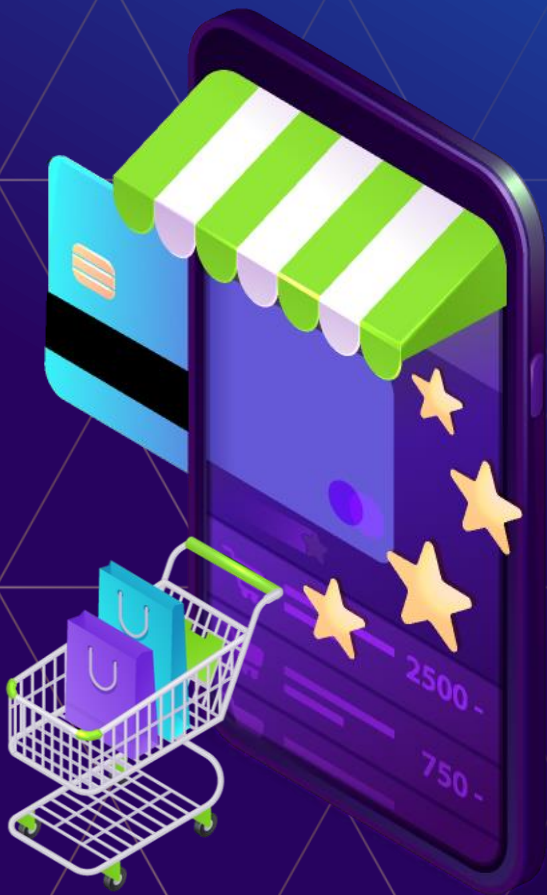
The surge in big data and advances in machine learning / artificial intelligence have led to sophisticated credit decisioning systems that provide real-time approval processes and access to consumers left behind by traditional credit offerings.

## **Consumers enjoy favorable terms and a seamless experience**

BNPL providers offer what can be a superior consumer experience compared to traditional credit solutions, which includes real-time approval processes, simpler and tech-savvy user experiences and transparent pricing terms including 0% APR. This is driving significant growth in BNPL usage among younger generations who want greater financial flexibility without increasing credit card and other forms of debt.

## **Merchants see increased conversion and higher AOV**

While most merchants are funding BNPL payment options via a merchant discount rate charged by the provider, they enjoy significantly higher conversion and an increase in average order value (AOV) as consumers feel more comfortable and compelled to buy with the more favorable terms offered by BNPL firms.



## 2. Buy Now Pay Later Overview

## How it works



BNPL payment methods offer consumers the option to split up a specific purchase into installments, typically with 0% APR and no hidden fees. These consumer financing options range from traditional “Pay in X” solutions to longer term financing for higher ticket items.

### BNPL 1.0: “Pay in X Solutions”

- 1 — Consumer shops online with the merchant, on the BNPL provider app/website or in-store
- 2 — “Pay in X” solution presented and selected at checkout. Term generally ranges 0 – 5 months
- 3 — Consumer either logs in or creates an account, BNPL provider completes a soft, real-time credit check
- 4 — BNPL provider pays total purchase price upfront to the merchant, and consumer pays a specified amount to BNPL provider
- 5 — Purchase is confirmed and consumer pays installments over time to BNPL provider
- 6 — If consumer fails to pay installments, they are potentially subject to late fees, removal from the platform and their credit may be impacted



### BNPL 2.0: High AOV, Longer Term Financing

- 1 — Consumer shops online with the merchant, on the BNPL provider app/website or in-store
- 2 — BNPL provider pre-qualifies the consumer for a specified dollar amount
- 3 — Consumer selects payment plan, generally ranging from 6 months – 3 years
- 4 — BNPL provider pays total purchase price upfront to the merchant and consumer pays a specified amount to BNPL provider
- 5 — Loan is either securitized or maintained on the BNPL providers balance sheet throughout the length of the loan
- 6 — If consumer fails to pay installments, they are potentially subject to late fees, removal from the platform and their credit may be impacted

# Buy Now Pay Later Industry Report

## Buy Now Pay Later Overview

### BNPL vs. Traditional Credit

	BNPL	Traditional Credit Cards
<b>Description</b>	<ul style="list-style-type: none"> <li>BNPL payment methods offer consumers the option to split up a specific purchase into installments with typically 0% APR and no hidden fees</li> </ul>	<ul style="list-style-type: none"> <li>Traditional credit cards are issued by banks and offer consumers a line of credit with interest charged on outstanding balances</li> </ul>
<b>Key Players</b>		
<b>Key Attributes</b>	<ul style="list-style-type: none"> <li>Used for specific, one-time purchases</li> <li>Real-time approval process</li> <li>Usually interest-free plans</li> <li>Late fees charged for late payments</li> <li>Digitally native and seamless experience tailored to online commerce</li> </ul>	<ul style="list-style-type: none"> <li>Open line of credit</li> <li>Lengthier approval process</li> <li>Consumers charged interest based on outstanding balances and other fees</li> <li>Typically carry rewards programs</li> </ul>
<b>Economics</b>	<ul style="list-style-type: none"> <li>BNPL providers usually charge merchants an MDR (Merchant Discount Rate)</li> <li>Afterpay: 4.17% fee on transactions</li> <li>Affirm: 2-3% per transaction</li> <li>Klarna: Up to \$0.30 + 5.99% per transaction</li> <li>Sezzle: standard processing fee is 6% plus \$0.30 per transaction</li> <li>Zip: Fee per transaction : Max of \$0.30 per transaction and merchant service fee ranging from 2-4%</li> </ul>	<ul style="list-style-type: none"> <li>Merchants pay their acquirers / processors / networks fees for the ability to accept credit cards</li> <li>Credit card companies charge approximately 1.3% to 3.4% of each credit card transaction in processing fees with the exact amount depending on the payment network, the type of credit card, and the merchant category code (MCC) of the business <sup>(1)</sup></li> </ul>



# Buy Now Pay Later Industry Report

## Buy Now Pay Later Overview

The Global BNPL landscape has become increasingly competitive (selected leaders shown) ...













Country of Domicile	USA	AUS	IDN	SG	SWE	AUS	USA	USA	USA	AUS
Selected Key Investors	<ul style="list-style-type: none"> <li>Founders Fund</li> <li>Max Levchin (Founder &amp; CEO)</li> <li>Lightspeed Venture Partners</li> <li>Shopify</li> <li>Spark Capital</li> <li>Khosla Ventures</li> </ul>	<ul style="list-style-type: none"> <li>Nicholas Molnar (Co-Founder, CEO of US and CRO)</li> <li>Anthony Eisen (Co-Founder, CEO)</li> <li>The Vanguard Group</li> <li>BlackRock</li> <li>Lone Pine Capital</li> <li>Tencent</li> </ul>	<ul style="list-style-type: none"> <li>Ant Group</li> <li>FinUp Group</li> <li>IDG Capital</li> <li>Sequoia Capital India</li> <li>Qiming Ventures</li> <li>China Growth Capital</li> <li>DCM</li> <li>Eight Roads</li> </ul>	<ul style="list-style-type: none"> <li>Allectus Capital</li> <li>Aletra Capital Partners</li> <li>Genting Ventures</li> <li>iGlobe Partners</li> <li>Accelerasia Ventures</li> </ul>	<ul style="list-style-type: none"> <li>Silverlake Partners</li> <li>Blackrock</li> <li>GIC</li> <li>HMI Capital</li> <li>Permira</li> </ul>	<ul style="list-style-type: none"> <li>Program Force</li> <li>Investec Australia</li> <li>Chow Tai Fook Enterprises</li> <li>Colour dome</li> </ul>	<ul style="list-style-type: none"> <li>Charles Youakim (Co-Founder, CEO)</li> <li>Continental Investment Partners</li> <li>Bastion Capital Corporation</li> </ul>	<ul style="list-style-type: none"> <li>Victoria Krain</li> <li>VentureVest Partners</li> <li>Alon Feit (Co-Founder)</li> <li>Gil Don (Co-Founder)</li> <li>Woodson Capital</li> </ul>	<ul style="list-style-type: none"> <li>Madrone Capital Partners</li> <li>Draper Nexus</li> <li>Ridge Ventures</li> <li>Highgate Ventures</li> <li>PAR Capital</li> <li>Barton Asset Management</li> <li>IDG Ventures</li> </ul>	<ul style="list-style-type: none"> <li>Larry Diamond (CEO)</li> <li>Victory Park Capital</li> <li>Regal Funds Management</li> <li>Credit Suisse</li> <li>CVI Investments, Inc.</li> </ul>
Enterprise Value (\$ in mm)	\$18,319	\$25,179	\$450	n.a	\$45,600	\$157	\$1,310	\$237	n.a.	\$4,547
2020A Revenue (\$ in mm)	\$510 <sup>(1)</sup>	\$399 <sup>(1)</sup>	n.a.	n.a	\$1,188	\$13 <sup>(1)</sup>	\$59	\$7	n.a.	\$118
Revenue Growth YoY	93%	97%	n.a.	n.a	40%	64%	272%	309%	+380% <sup>(2)</sup>	91%



... as evidenced by incumbent payments players' recent efforts to capitalize on the trend through new product offerings ...























### New Product Initiatives

Company	Date	Announcement
	08/03/20 05/13/21	<ul style="list-style-type: none"> <li>Amex expands 'Pay It Plan It' and Pay Over Time to consumer Green, Gold and Platinum cards</li> <li>Card members can choose to create monthly payment plans with a fixed fee and no interest, carry a monthly balance with interest or pay their bill in full</li> <li>On 05/13/21, Amex enabled "Plan It" feature for any flights booked on Amex's travel site</li> </ul>
	11/17/20	<ul style="list-style-type: none"> <li>My Chase Plan is available for purchases over \$100 and enables customers to select a recent transaction and choose a repayment timeframe and personal monthly payment amount that can range from 3 to 18 months</li> </ul>
	07/01/21	<ul style="list-style-type: none"> <li>Citi Australia announces that it has joined forces with online retailer Kogan.com to allow credit cardholders to enter into an instalment loan at checkout</li> <li>Customers can log onto or create a Kogan.com account, enroll their Citi credit card, and then select a plan</li> </ul>
	01/11/21	<ul style="list-style-type: none"> <li>Citizens announces the further expansion of its national point-of-sale solution for merchants, renamed as Citizens Pay</li> <li>The solution provides businesses with budget-friendly payment options for customers who want a more transparent and predictable way to finance purchases</li> </ul>
	04/10/20	<ul style="list-style-type: none"> <li>Marcus by Goldman Sachs launches MarcusPay, a point-of-sale (POS) financing product, with JetBlue Airways</li> <li>According to its website, MarcusPay offers loans ranging from \$750 to \$10,000 payable over 12 to 18 months at APRs ranging from 10.99% to 25.99%</li> </ul>
	11/19/20	<ul style="list-style-type: none"> <li>ICICI Bank rolls out "ICICI Bank Cardless EMI", a mobile-only, tap-to-activate installment payment plan with a group of high street retailers selling electronic consumer goods</li> <li>Pre-approved customers can convert high value transactions into no-cost monthly installments of between 3-18 months by putting their registered mobile number and PAN on the POS machine and tapping in a one-time-password</li> </ul>
	09/09/20	<ul style="list-style-type: none"> <li>NAB launches the NAB StraightUp Card, Australia's first no-interest credit card</li> <li>The StraightUp Card gives customers access to credit of up to \$3,000 for a flat monthly charge, and customers don't pay the monthly fee if the card is not used and there are no other fees or charges</li> </ul>
	02/01/21	<ul style="list-style-type: none"> <li>Royal Bank of Canada moves into BNPL market through partnership with Alliance Data's Bread</li> <li>PayPlan by RBC offers consumers a pay-over-time option for big-ticket purchases at online retailers throughout Canada</li> </ul>
	04/01/20	<ul style="list-style-type: none"> <li>Tencent launches "buy now, pay later" credit feature in WeChat, offering its +1 billion users a "Fen Fu" option that enables them to buy items on credit at unfixed interest rates without the need to withdraw the credit in advance and can be repaid at any time</li> </ul>
	07/14/20	<ul style="list-style-type: none"> <li>Kicks off buy now pay later pilots in the US to help its issuer clients give eligible consumers more flexibility to pay by using their existing Visa credit cards at checkout</li> <li>Launched with TSYS' Global Payments Issuer Solutions Business, Commerce Bank, 42nd Street Photo and Tire Agent via ChargeAfter, The RoomPlace, and Kibo Commerce</li> </ul>

# Buy Now Pay Later Industry Report

## Buy Now Pay Later Overview

... and numerous partnerships between legacy financial institutions, large tech players, and BNPL solution providers

Companies	Date	Partnerships	Announcement
 	05/07/20		<ul style="list-style-type: none"> <li>QuadPay customers can select up to \$500 of goods to purchase instantly, which QuadPay pays for using a virtual card issued through Stripe Issuing and customers then repay QuadPay in four interest-free installments over six weeks</li> <li>QuadPay also integrates Stripe Connect to power enhanced seller experiences for merchants</li> </ul>
 	06/18/20		<ul style="list-style-type: none"> <li>Splitit will integrate its installment solution with Mastercard's suite of technology as a network partner to enable merchants to deliver seamless and secure consumer experiences at both online and offline checkout</li> <li>Mastercard and Splitit will also jointly develop installment and related products</li> </ul>
 	07/22/20 06/10/21		<ul style="list-style-type: none"> <li>Affirm announces it will exclusively power Shopify's Shop Pay Installments in the United States</li> <li>Shopify and Affirm expand partnership to hundreds of thousands of Shopify merchants in the US</li> </ul>
 	08/03/20		<ul style="list-style-type: none"> <li>Citi announces launch of Citi Flex Pay on Amazon that gives existing cardmembers who've recently shopped on Amazon with an eligible Citi card the option to pay off large purchases with an equal monthly payment plan with no formal application, fees or credit check required</li> </ul>
 	08/25/20		<ul style="list-style-type: none"> <li>Ally expands financing into Retail with Mastercard Vyze Partnership and will serve as first installment loan lender on Vyze platform</li> </ul>
 	08/27/20		<ul style="list-style-type: none"> <li>Afterpay announces it has partnered with Worldpay from FIS to enhance its expansion into global payment processing and acceptance, accelerate its international expansion and realize cost and scale synergies</li> </ul>
 	09/02/20		<ul style="list-style-type: none"> <li>Mastercard partners with TSYS to enable issuers to offer consumers the ability to use their Mastercard to split transactions into installments before, during or after checkout</li> </ul>
 	09/08/20		<ul style="list-style-type: none"> <li>Jifiti announces expansion of its partnership supporting both merchants and issuers with Mastercard to scale its point-of-sale installments offering to provide more options at checkout</li> </ul>
 	09/09/20		<ul style="list-style-type: none"> <li>Fiserv partners with QuadPay and announces retailers using its digital commerce technology can now enable customers to pay for their purchases with interest-free installment payments</li> </ul>
 	02/24/21		<ul style="list-style-type: none"> <li>Afterpay and Stripe join forces to offer Afterpay's payment service to Stripe merchants through an easy and seamless integration without any application, onboarding, or underwriting process</li> </ul>
 	07/13/21		<ul style="list-style-type: none"> <li>According to Bloomberg, Apple is working on a new service that enables consumers to pay for any Apple Pay purchase in installments over time, using Goldman Sachs as the lender for the loans<sup>(1)</sup></li> <li>Users will have the option to pay for a purchase made with Apple Pay across four interest-free installments ("Apple Pay in 4") or across several months with interest ("Apple Pay Monthly Installments")<sup>(1)</sup></li> </ul>

### Case Study: PayPal's entry into the BNPL market

PayPal is poised to benefit from the growing BNPL trend as it launches new products across the world and leverages its vast customer base, extremely strong brand, and its ability to drive consumers to merchants via Honey.

With its Pay in 4 (US) and Pay in 3 (UK) installment offerings, consumers pay no fees or interest and can manage their payments in their PayPal wallet / app and set up automatic re-payments. Unlike most of its competitors, PayPal is offering its merchants BNPL functionality as part of its service and isn't charging merchants any additional fees.

The Company has offered PayPal Credit, a reusable line of credit with various promotional offers built in like 6 months special financing and Easy Payments, since its \$945 million acquisition of Bill Me Later in 2008 and has processed more than \$50 billion in lending. <sup>(1)</sup>

According to a survey from The Ascent, PayPal Credit is the most popular BNPL service in the US with 48% of respondents saying they had used it. <sup>(2)</sup>

#### BNPL Product Launch Timeline

- **June 30, 2020**
  - Launches Paiement en 4x solution in France, an installment product enabling customers to split purchases between €100-€2,000 into four equal payments over 3 months
- **August 31, 2020**
  - Launches Pay in 4 in the US, enabling customers to pay for purchases between \$30 and \$600 into four, interest-free installments over a six-week period
- **October 14, 2020**
  - Launches Pay in 3 in the UK, offering three-month, interest-free installment plans for purchases of between £45 and £2,000

#### Management Commentary

*"In today's challenging retail and economic environment, merchants are looking for trusted ways to help drive average order values and conversion, without taking on additional costs. At the same time, consumers are looking for more flexible and responsible ways to pay, especially online. With Pay in 4, we're building on our history as the originator in the buy now, pay later space, coupled with PayPal's trust and ubiquity, to enable a responsible and flexible way for consumers to shop while providing merchants with a tool that helps drive sales, loyalty and customer choice."*



**Doug Bland**  
SVP, Global Credit



*"I'm extraordinarily pleased with the success that we're having with Buy Now Pay Later. We rolled this out in France several months before we introduced this into the U.S. and then into the UK and the uptick that we are seeing in the French market is well beyond any of our expectations. And we just rolled out in the U.S. and the demand is tremendous ... And so what we are seeing is just use of it that's well beyond our expectations, I think it's going to be one of our big growth drivers as we go into next year and into 2022. I'm quite high on the potential of what we'll see with Buy Now Pay Later."*



**Dan Schulman**  
CEO



# Buy Now Pay Later Industry Report

## Buy Now Pay Later Overview

FINANCIAL  
TECHNOLOGY  
PARTNERS

### PayPal's Pay in 4 Experience

1

Merchants display dynamic pay later messaging on its website offering consumers the most relevant pay later offer

2

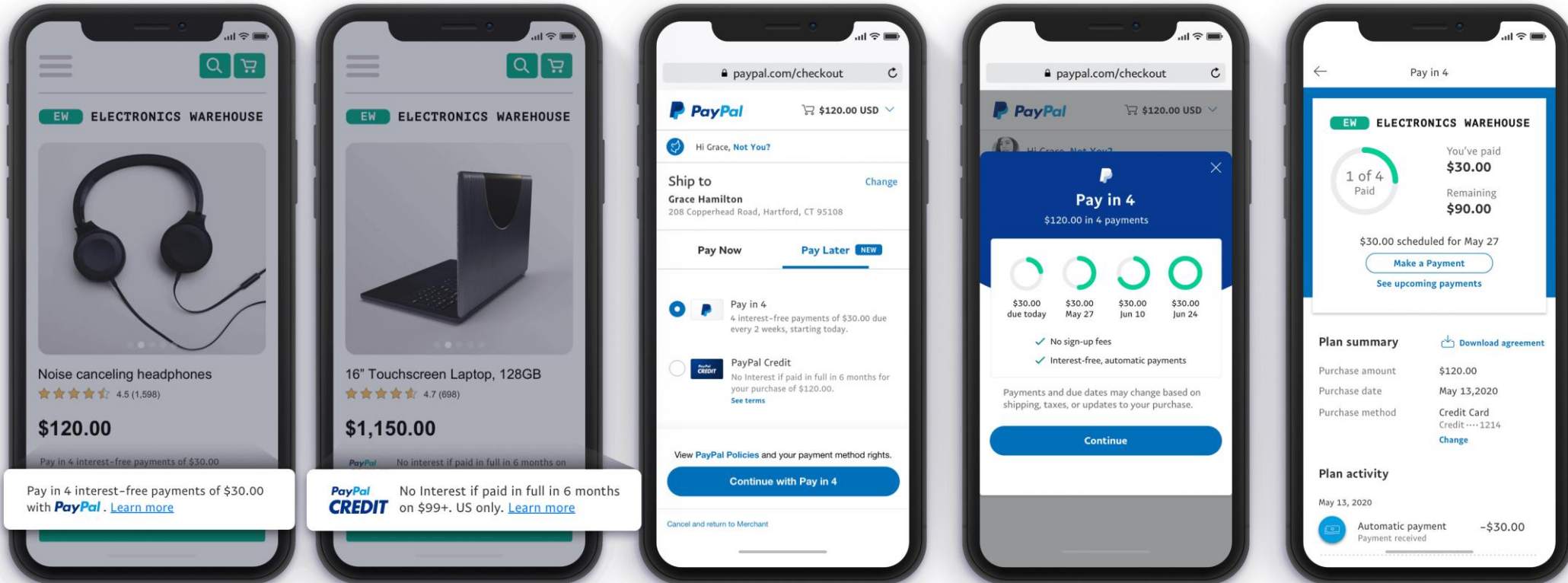
Customer selects their preferred option

3

Payment information is displayed to customer

4

Payment is processed and merchant gets paid upfront while customer pays PayPal on set terms



### Case Study: Uplift leverages targeted interest-free promotions as strategic marketing tool

#### Merchant Challenge

- Uplift's merchant partner was experiencing soft demand for their flagship resorts and needed to drive higher bookings and increased average order value
- Uplift designed a promotional campaign that included interest-free installments and \$0 down payment targeted specifically on flagship resort bookings

#### Results

- Uplift's merchant partner saw significant uptick in flagship resort bookings and average order values
- Bookings increased 147% during the campaign period
- Average order value was 21% higher

#### Conclusion

- Interest free promotional targeting is a strategic tool marketers can leverage to drive very specific inventory and customer lifecycle outcomes and goals including:
  - Lapsed customer segments
  - Upgrades / upsell
  - Need periods / demand soft spots
  - High margin products
  - Distressed inventory

#### Uplift Overview

Founder & CEO: Brian Barth  
Headquarters: **uplift** Sunnyvale, CA  
Founded: 2014

**Uplift is an enterprise Buy Now Pay Later solution serving over 100 of the world's top travel brands**

#### Targeted Interest-Free Promotions Commentary

*"We have collaborated, innovated and evolved with Uplift to develop customer payment plans that meet our business objectives and serve the unique needs of our customers. Targeted promotional financing has been one of our key success factors and we ended up extending the promotion several times based on it's ability to drive incremental demand for the flagship brands while increasing average transaction amount."*



**Ferenc Kitzinger**  
SVP – Revenue Strategy & Analytics



*"I'm very impressed with the performance of 0% financing. It has exceeded all of our expectations and we've seen average order values on promotional inventory increase by double digits. Uplift actually partners with us to develop new and innovative ways to market more effectively to our customers, supporting us in achieving our stated business goals."*



**Scott DeAngelo**  
Chief Marketing Officer





In addition to customer facing BNPL companies, white label BNPL enablement solutions are giving incumbents a chance to get in on the action

### BNPL Enablement

As the market potential of BNPL continues to accelerate, more companies are looking for ways to capture a piece of the pie. To satisfy this demand, an increasing number of companies are offering white label BNPL enablement solutions.

These solutions take a variety of forms and can range from full stack offerings that offer a complete BNPL solution including underwriting and disbursement to more modular offerings that simply connect merchants and lenders and/or provide credit decisioning algorithms. Some providers also focus on helping financial institutions quickly build out or enhance their BNPL offerings and increase their customer base by offering them POS financing functionalities and connections.

These solutions help retailers keep their branding and take full ownership of their customers’ experiences while enjoying the same advantages offered by consumer-facing BNPL firms including increased conversion, larger customer base and higher average order value. Retailers can control and configure their own solution that can help prevent redirects and extra logins and create a more seamless user experience. Providers also offer merchants and financial institutions (FI’s) data analytics, reporting tools and other value-added services that consumer facing BNPL firms don’t.

### A Closer Look: White Label Providers’ Value Add



	White Label Providers	BNPL providers	Payment Gateways
Payment Plans	Yes	Yes	No
Branding	Merchants / Lenders	Theirs	N/A
Merchant dashboard	Full	Limited	Limited
Reporting	Full	Limited	Limited
Purchase behavior insights	Yes	No	Yes
Customers stay on merchant site	Yes	No	No
Accepted payment types	All major cards and digital wallets	Major cards and bank accounts	Varies – usually mostly cards and digital wallets

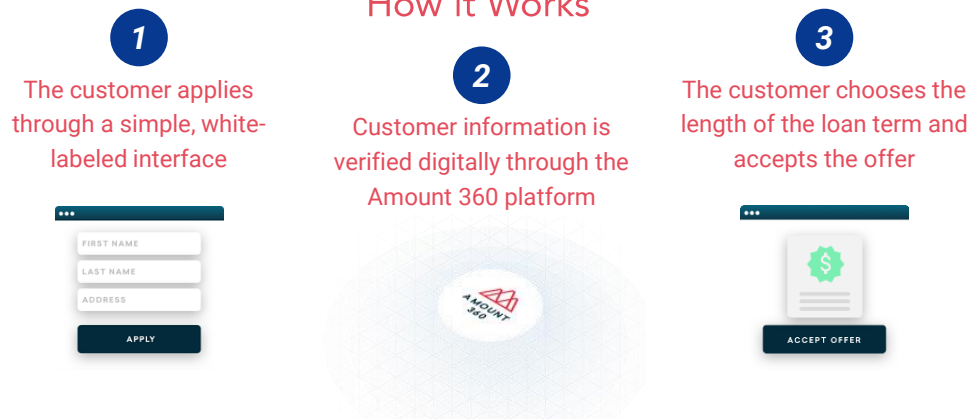


### Case Study: Amount Powers White-Label POS Financing Solutions for Banks and FIs

#### Amount Pay

- On October 28, 2019, Amount, a leading FinTech company helping financial institutions reinvent the retail experience, announced the launch of Amount Pay, an installment point-of-sale financing solution
- Amount Pay utilizes Amount's best-in-class decisioning technology to support in-person and e-commerce applications for merchants while also leveraging Amount's account opening platform, Amount 360, to automate fraud prevention and verifications
  - The platform includes Amount's Partner Portal, which enables bank partners and merchants to manage and monitor POS program performance and gain insights through real-time reporting tools
  - Merchant integration is a seamless process accomplished via API
- On April 28, 2021, Barclays US announced it is joining forces with Amount to offer merchants a white label point-of-sale buy now, pay later financing service later in the year

#### How it Works



#### Amount BNPL Commentary

"We have always been focused on enhancing digital products for our bank partners, and now we are using the same technology to expand those partnerships into additional products like point-of-sale. Amount Pay unlocks POS for our partners and enables them to go head-to-head with other leading fintech POS lenders while providing retailers with the credibility and stability that goes along with working with an established financial institution."



Adam Hughes  
CEO



"It has been an incredibly fascinating time to watch the POS financing trend develop and to witness first-hand how banks have responded to this new challenge. From my vantage point, it is clear that consumers will continue to demand this product. It is also clear that POS installment loans will continue to displace credit card wallet share at merchants. Banks have core advantages that will allow them to quickly catch-up and ultimately beat direct to consumer POS FinTech lenders."



Craig Rismiller  
Head of Sales Operations



### Case Study: Alliance Data Acquires Bread for \$450 million

#### Transaction Summary

- **On October 29, 2020, Alliance Data (NYSE: ADS) announced that it has signed a definitive agreement to acquire Bread for a total estimated consideration of \$450 million**
  - The total consideration includes approximately \$100 million of Alliance Data common stock
- **The addition of Bread's technology platform expands Alliance Data's payment offering to include pay-over-time products and is expected to be available for Alliance Data brand partners soon**
  - Bread's POS technologies include popular installment and buy now pay later solutions that have proven to drive growth for its clients
- **Bread's approximately 185 employees and more than 400 Bread installment loan or buy now pay later clients will join Alliance Data**
- **As the buy now pay later trend accelerates, more and more companies are buying, building and partnering to offer these capabilities to clients and improve online checkout experiences while increasing acquisition and conversion**
  - On Alliance Data's Q3 2020 Earnings Call, President and CEO Ralph Andretta noted that the acquisition was an efficient way to gain access to a broader audience and younger demographic
- **Alliance Data completed its acquisition of Bread on December 4, 2020, under the terms of the previously announced definitive agreement entered on October 28, 2020**

#### Transaction Commentary

*"As part of our broader transformation efforts, the acquisition of Bread significantly expands our digital capabilities and payment options for our brand partners and their customers, while providing another reason for retailers and brands to choose Alliance Data to help them grow their businesses. Bread's pay-over-time solutions, together with our robust existing private label, general purpose and commercial products, will further expand our breadth of payment options and capabilities, giving our brand partners across all verticals another way to capitalize on the rapidly growing e-commerce channel."*



**Ralph Andretta**  
President and CEO

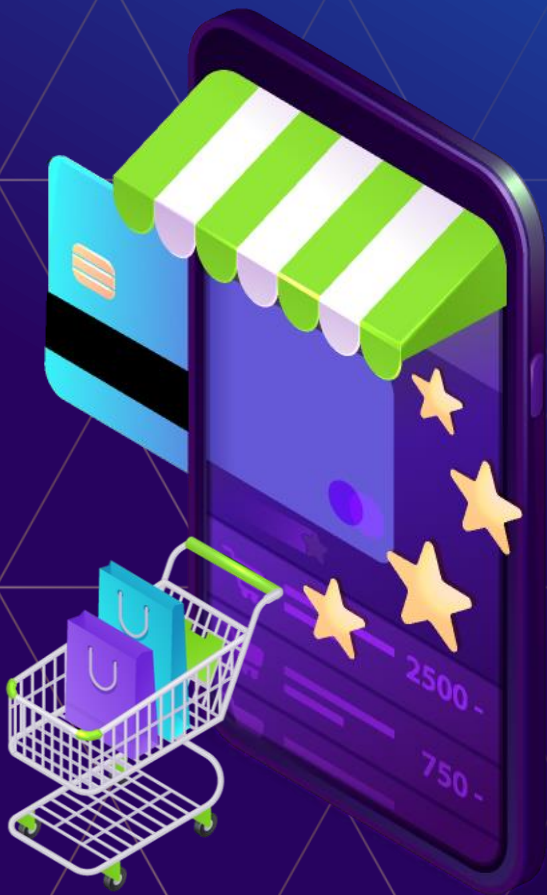


*"At Bread, we've always strived to reimagine payments in the digital age, and we're excited for the opportunity to provide Alliance Data with our technology, support and digital development expertise through this agreement. We look forward to helping an industry leader like Alliance Data grow its business by offering enhanced solutions for its clients and their customers."*



**Josh Abramowitz**  
CEO





### **3. Buy Now Pay Later Market Update**

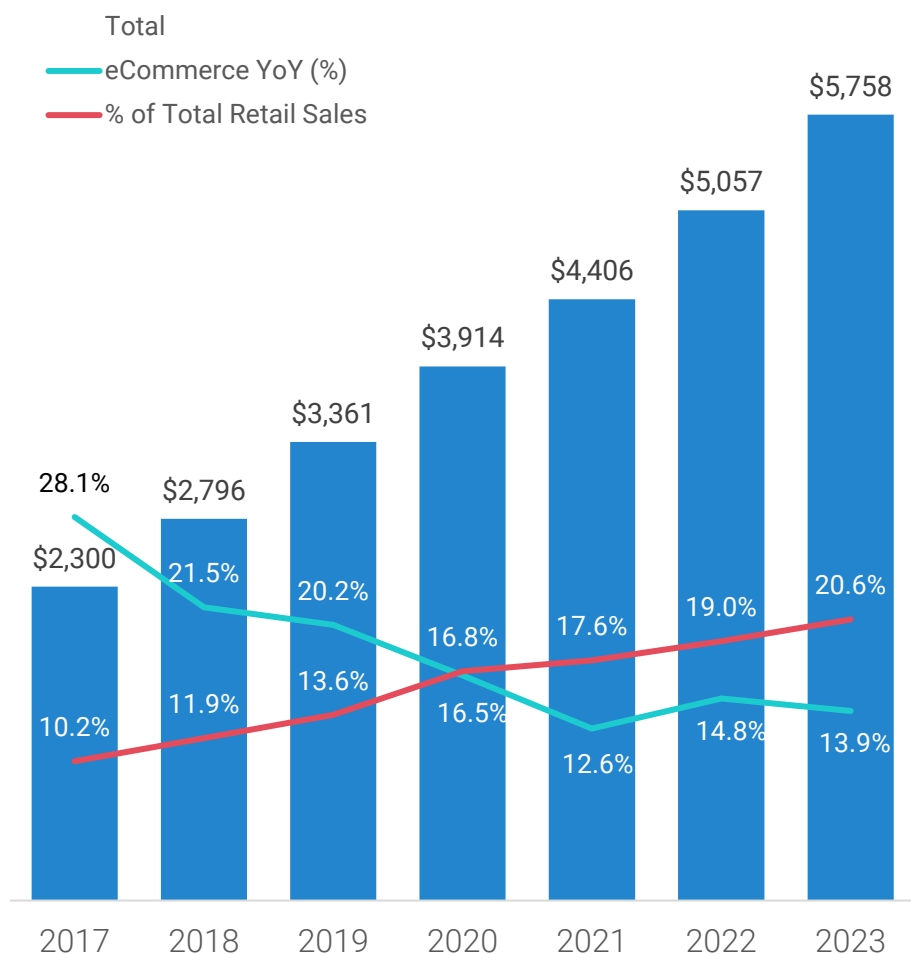
# Buy Now Pay Later Industry Report

Buy Now Pay Later / Payments Market Update

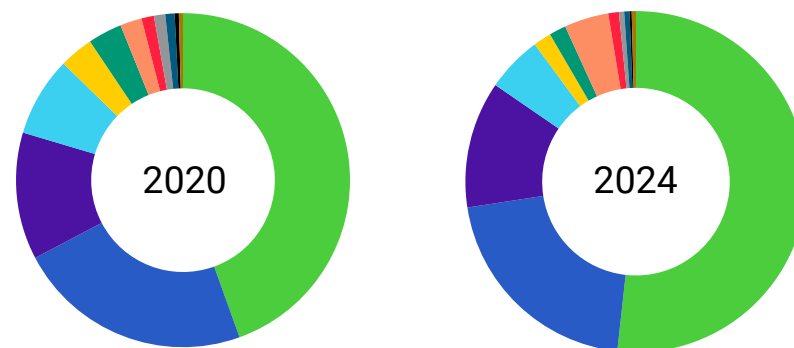
Strong growth in eCommerce has been one of the most significant catalysts shifting the landscape, specifically giving rise to BNPL and other alternative payment methods (APMs)

## Size of the Retail eCommerce Market <sup>(1)</sup>

(\$ in trillions)



## Global eCommerce Payment Methods <sup>(2)</sup>



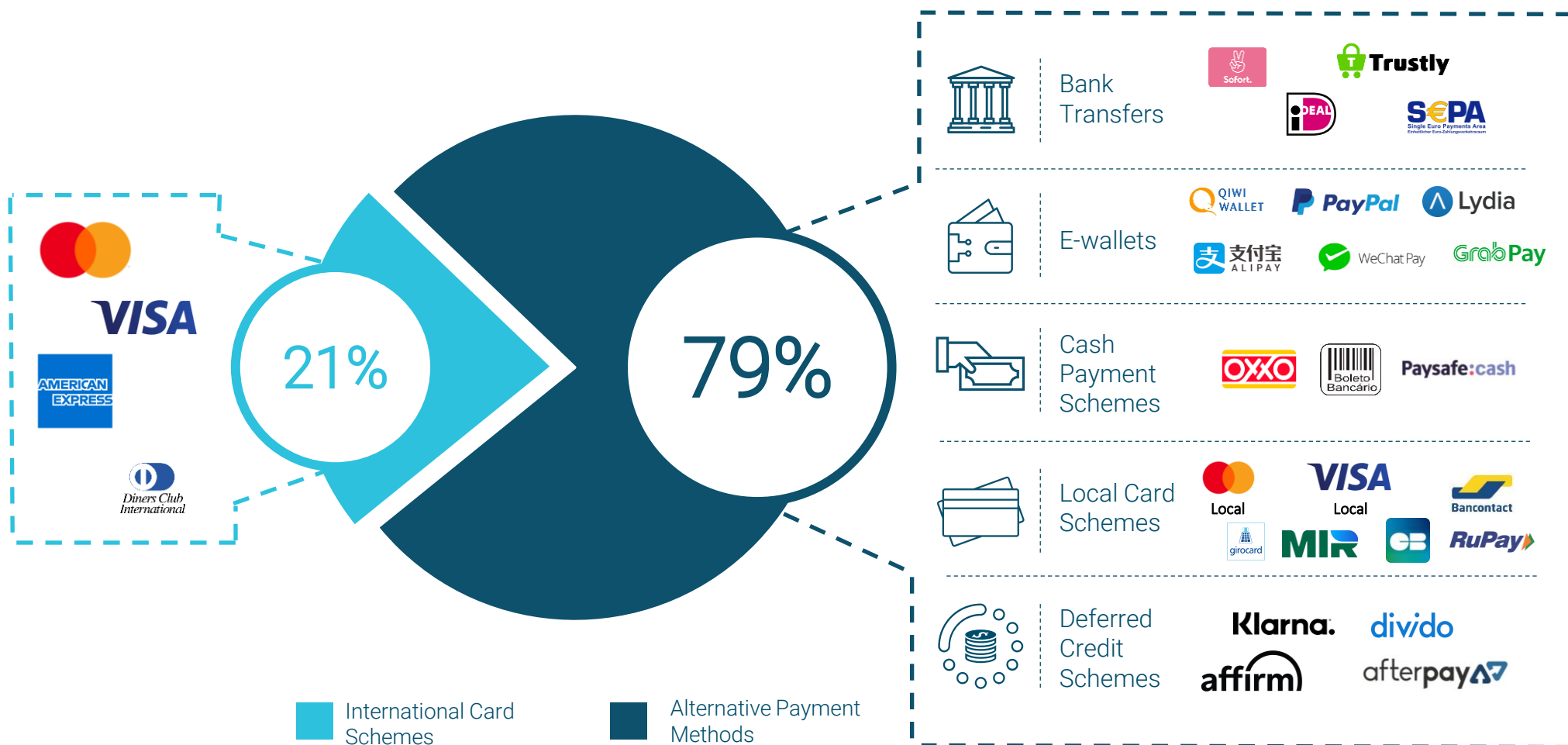
	2020	2024
Digital/Mobile Wallet	44.5%	51.7%
Credit Card	22.8%	20.8%
Debit Card	12.3%	12.0%
Bank Transfer	7.7%	5.3%
Cash on Delivery	3.3%	1.7%
Charge & Deferred Debit Card	3.3%	1.6%
Buy Now Pay Later	2.1%	4.2%
Direct Debit	1.2%	1.0%
Pre-Paid Card	1.1%	0.5%
Postpay	0.9%	0.5%
Prepay	0.4%	0.2%
Other	0.4%	0.4%

# Buy Now Pay Later Industry Report

Buy Now Pay Later / Payments Market Update

FINANCIAL  
TECHNOLOGY  
PARTNERS

Today, 79% of eCommerce payments are made with APMs according to PPRO



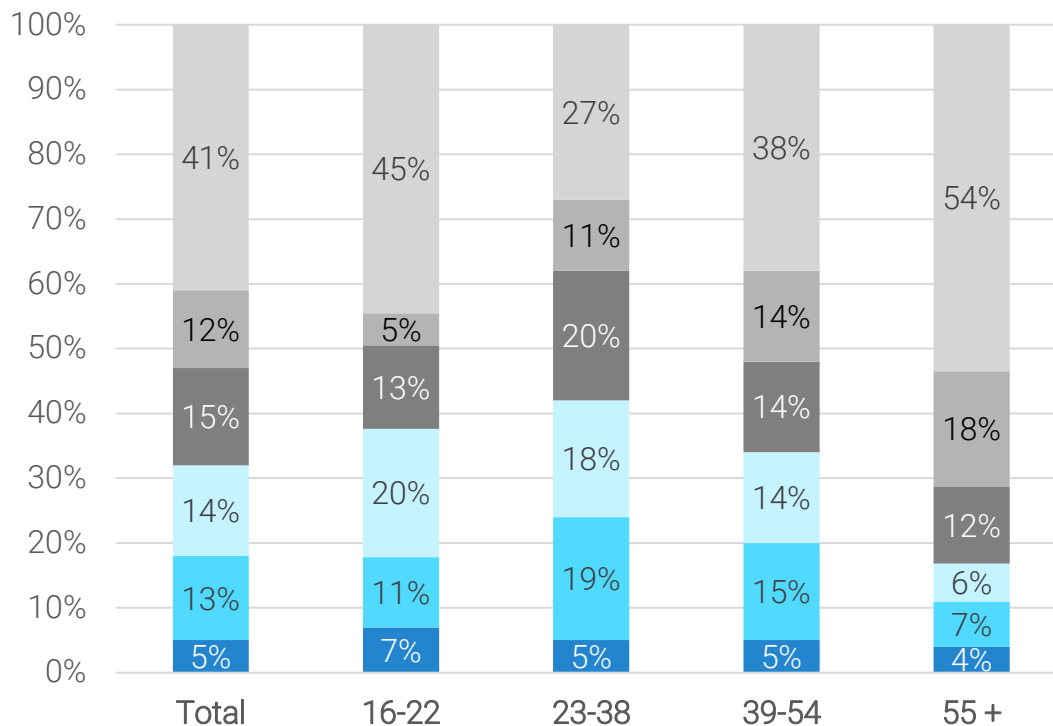
# Buy Now Pay Later Industry Report

## Buy Now Pay Later / Payments Market Update

Millennials and younger generations are driving a significant amount of growth in BNPL payment methods ...

### Use of POS Credit Services by Age<sup>(1)</sup>

- I've never used those services
- I've used those services, but not in the past 5 years
- 1 time
- 2 times
- 3 times or more
- I can't remember how many times



### Younger generations leading adoption of BNPL solutions

Younger generations have played a significant role in the growth in BNPL payment methods. As these generations become more technologically and financially savvy, the ability to easily spread out the purchase price of items while shopping online is extremely attractive. Kearney estimates that more than 60% of Millennials (ages 23-38) have used PoS credit services / installment payment options and 42% of them have used them more than once.

Millennials also carry fewer credit cards, as a PYMNTS study of consumers ages 22 to 33 showed that 20.3 percent of younger consumers had poor credit from past payment issues, while 18.8 percent lacked the credit history to be approved for credit cards in the first place. As BNPL methods don't require credit checks and don't affect credit scores, these become a natural alternative to traditional credit.

### Key Facts<sup>(2)</sup>

**87%**  
share of consumers ages 22 to 44 who are interested in monthly installment plans

**17%**  
Portion of credit card holders who have been offered BNPL options at POS

**65%**  
Share of Afterpay users in the US who are millennials or Generation Z



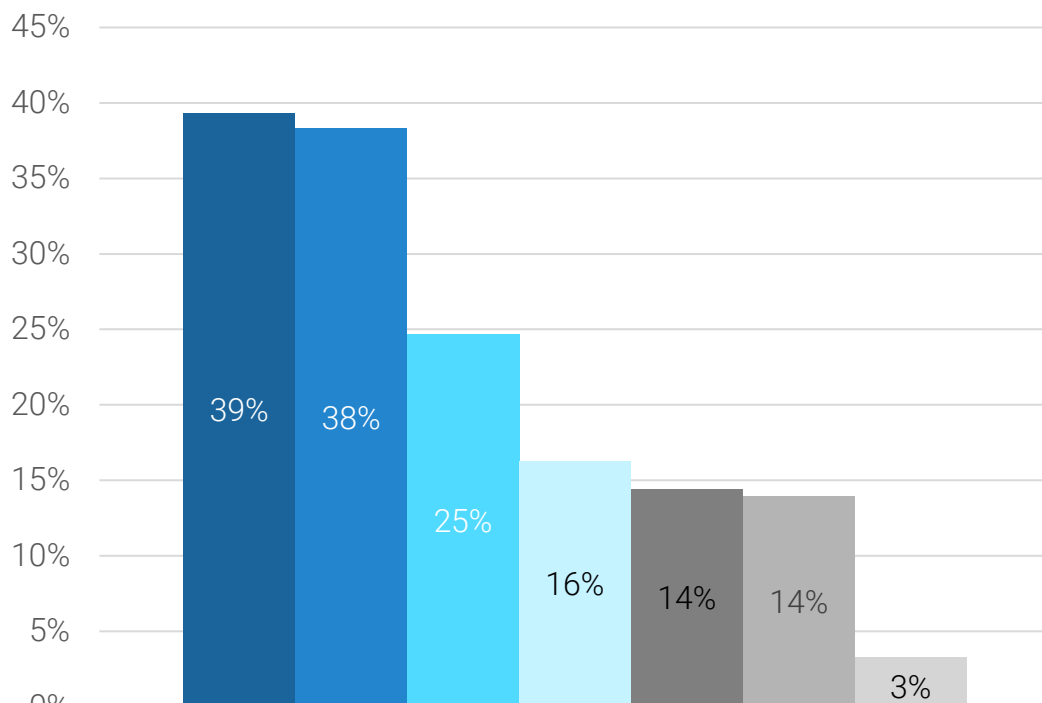
# Buy Now Pay Later Industry Report

## Buy Now Pay Later / Payments Market Update

... as they shift away from using credit cards and other traditional credit solutions

### Why do People use BNPL Services?

- To avoid paying credit card interest
- To make purchases that otherwise wouldn't fit in my budget
- To borrow money without a credit check
- I don't like to use credit cards
- I can't get approved for a credit card
- My credit cards are maxed out
- I don't have bank accounts



Percentage of respondents who use BNPL for this reason

"67% of millennials don't have a credit card at all -- either because they aren't approved for one based on their credit history, or they simply prefer to avoid traditional credit. Many don't think it makes sense to use credit for lower value, everyday purchases that could impact their credit scores and come with hidden costs. As a result, buy now, pay later has emerged as an attractive option not just for millennials, but for all consumers seeking a better way to pay."

**QUADPAY**

**Adam Ezra**  
Founder and CEO



"It was millennials and young people who grew up with an experience and understanding of the impact on their families of carrying debt. Millennials have now been using debit cards more and seeking alternatives to credit cards for when they need some flexibility. This becomes increasingly more evident across wider demographics as consumers move away from revolving credit lines."

**Klarna.**

**David Sykes**  
Head of Klarna US



"Younger consumers -- particularly Gen Z and Millennials -- have taken to BNPL. They find making monthly payments on a high-interest credit card unappealing and perceive BNPL as a preferable alternative that gives them more control." <sup>(1)</sup>

**Jifiti.**

**Yaacov Martin**  
Co-Founder & CEO

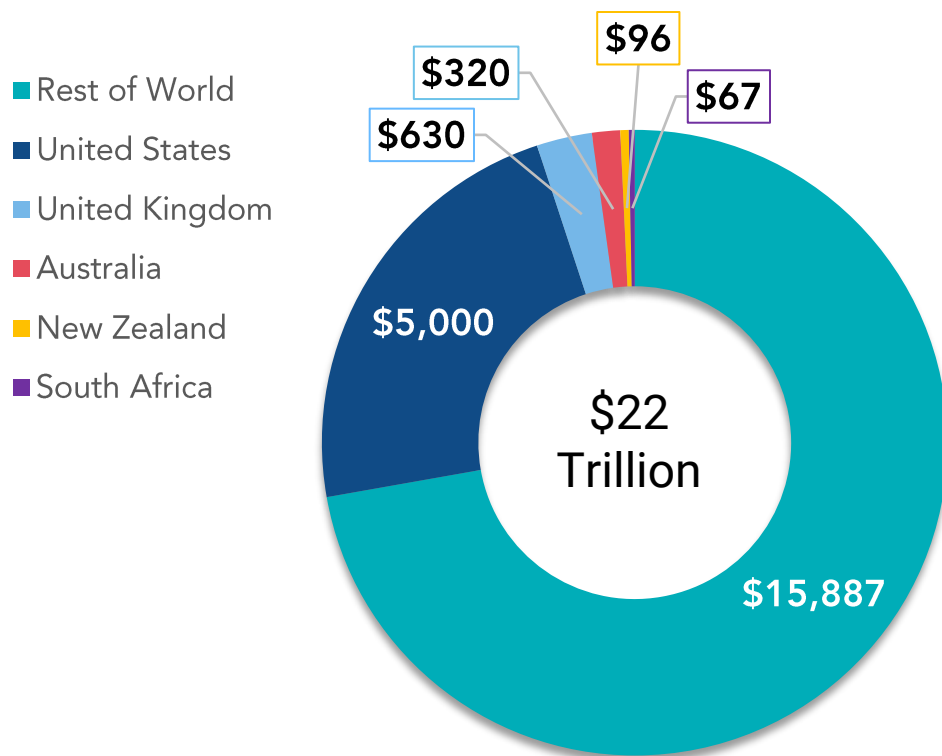


# Buy Now Pay Later Industry Report

Buy Now Pay Later / Payments Market Update

■ The Buy-Now-Pay-Later addressable market is estimated to be \$22 trillion

BNPL Global Addressable Market (\$ in bn) <sup>(1)</sup>



Australian BNPL FinTech firm Zip Co. estimates that its addressable global market stands at \$22 trillion, with the US comprising over 20% of that. The US is the largest retail market in the world and is increasingly seeing incumbent BNPL providers enter the region.

As BNPL FinTech companies expand into new geographies and compete for global market share, traditional payments players are introducing their own solutions while also partnering with more established BNPL providers to get a piece of the pie.

According to WorldPay's 2020 Global Payments Report, the BNPL payment method will expand from a 0.9% share of North America eCommerce payment methods in 2019 to 3.0% in 2023, compared to a global expansion of 1.6% to 2.8%, respectively. In EMEA, BNPL's share of eCommerce payment methods in 2019 stands at 5.8% and is forecast to expand to 8.9% in 2023. BNPL's penetration in Australia is currently the highest, with an 8% share of 2019 eCommerce payment methods.

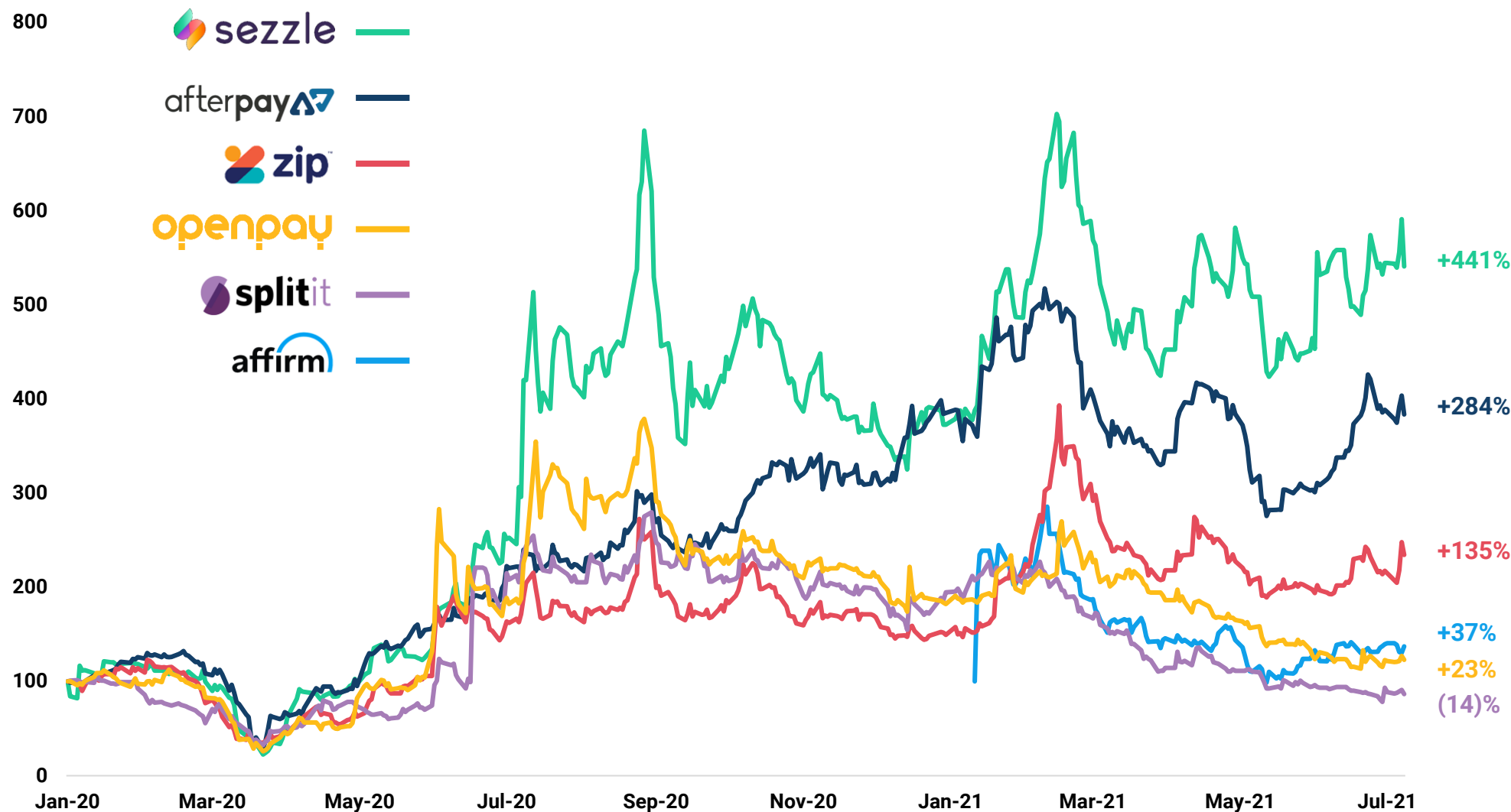
The COVID-19 pandemic has accelerated the shift to BNPL as commerce increasingly moves online and consumers look for ways to better manage their finances. The BNPL solution enables consumers to avoid increasing credit card and other forms of debt as many solutions offer interest-free and 0% APR solutions.

# Buy Now Pay Later Industry Report

Buy Now Pay Later / Payments Market Update

FINANCIAL  
TECHNOLOGY  
PARTNERS

The last 18 months have seen a massive increase in public market valuations for most BNPL providers



# Buy Now Pay Later Industry Report

Buy Now Pay Later / Payments Market Update

BNPL providers also command relatively high multiples, in-line with other online focused payments providers


































Company Name	Price 07/09/21	% MTD Change	% LTM High	Market Value (\$ mm)	Enterprise Value (\$ mm)	Price / Earnings		EV / EBITDA		EV / Revenue		Growth Rates		EPS	Margins		P / E / G CY 21E
						CY 21E	CY 22E	CY 21E	CY 22E	CY 21E	CY 22E	CY 21E	CY 22E	LT	CY 21E	CY 22E	
ONLINE FOCUSED PAYMENTS																	
PayPal	\$ 300.21	4 %	97 %	\$ 352,657	\$ 349,284	63.5 x	50.9 x	45.6 x	36.8 x	13.5 x	11.2 x	20 %	21 %	24 %	30 %	30 %	2.6 x
Shopify	1,494.99	3	94	186,425	179,631	nm	nm	nm	nm	40.5	30.4	51	33	63	11	10	na
Adyen	2,513.35	3	95	76,657	73,551	nm	nm	nm	74.6	64.1	46.7	47	37	48	61	63	na
Marqeta	26.78	(5)	82	14,384	14,520	nm	nm	nm	nm	33.5	24.4	na	37	na	(12)	(15)	na
dLocal	49.69	(5)	88	14,554	14,426	nm	nm	nm	nm	76.6	46.1	na	66	80	41	43	na
BigCommerce	69.97	8	43	4,919	4,726	nm	nm	nm	nm	23.8	19.4	30	23	na	(15)	(9)	na
Fawry	1.10	(9)	42	1,873	1,809	nm	78.4	53.0	37.4	16.1	11.5	43	39	32	30	31	na
Pushpay	1.16	(7)	69	1,280	1,278	32.3	27.4	20.1	17.4	6.6	5.9	11	13	16	33	34	2.0
Boku	1.71	(2)	87	504	457	45.7	37.6	25.3	20.6	6.9	6.0	18	14	na	27	29	na
Bango	3.06	4	94	232	224	60.1	44.3	36.1	26.1	11.0	8.8	21	26	na	31	34	na
Median		0 %	88 %			52.9 x	44.3 x	36.1 x	31.5 x	20.0 x	15.5 x	25 %	30 %	40 %	30 %	31 %	2.3 x
Mean		(1)	79			50.4	47.7	36.0	35.5	29.3	21.0	30	31	44	24	25	2.3
BUY NOW PAY LATER																	
Afterpay	\$ 87.86	(1)%	73 %	\$ 25,439	\$ 25,179	nm	nm	nm	97.0 x	27.2 x	17.4 x	73 %	56 %	na	16 %	18 %	na
Affirm	67.25	(2)	46	17,828	18,319	nm	nm	nm	nm	18.6	14.1	46	32	(43)	(35)	(8)	na
Zip	6.21	8	57	3,488	4,547	nm	nm	nm	nm	12.1	8.2	85	47	na	(12)	3	na
Sezzle	6.69	(1)	75	1,324	1,310	nm	nm	nm	nm	11.0	6.9	103	59	na	(25)	(13)	na
Splitit	0.58	(7)	30	268	237	nm	nm	nm	nm	14.2	7.4	148	93	na	(166)	(68)	na
Openpay	1.14	0	31	149	157	nm	nm	nm	nm	4.5	2.5	95	83	na	(88)	(26)	na
Median		(1)%	51 %			na	na	na	97.0 x	13.1 x	7.8 x	90 %	57 %	(43)%	(30)%	(11)%	na
Mean		(0)	52			na	na	na	97.0	14.6	9.4	92	62	(43)	(51)	(16)	na

# Buy Now Pay Later Industry Report

Buy Now Pay Later / Payments Market Update

FINANCIAL  
TECHNOLOGY  
PARTNERS

Continued demand for equity exposure to BNPL players across the public and private markets

Announce Date	Company	Lead Investors	Amount <sup>(1)</sup> (in mm)	Raised to date (in mm)	Valuation (in mm)	Country
09/08/21	 Addi	 GREYCROFT	\$75	\$138	na	 CO
07/15/21	 sezzle	 DISCOVER	\$30	\$302	\$1,310 <sup>(3)</sup>	 USA
06/10/21	 Klarna	SoftBank Vision Fund 2	\$639	\$3,753	\$45,600	 SWE
06/02/21	 divido	 HSBC  ING	\$30	\$48	na	 UK
05/26/21	 Addi	 USV Union Square Ventures	\$35	\$63	na	 CO
05/20/21	 sunbit	 GROUP 11	\$130	\$210	\$1,100	 USA
05/19/21	 LAYBUY	Institutional placement	\$27	\$95	\$100 <sup>(3)</sup>	 NZ
04/22/21	 tamara	 checkout.com	\$110 <sup>(2)</sup>	\$117 <sup>(2)</sup>	na	 SA
04/01/21	 paidy	 TYBOURNE CAPITAL MANAGEMENT  SOROS Soros Fund Management WELLINGTON MANAGEMENT JS Capital Management	\$120	\$329	na	 JPN
03/31/21	 openpay	Institutional placement	\$28	\$70	\$157 <sup>(3)</sup>	 AUS
03/01/21	 Klarna	Undisclosed new & existing investors	\$1,000	\$3,100	\$31,000	 SWE
01/13/21	 affirm	Public Market Investors	\$1,205	\$2,505	\$18,319 <sup>(3)</sup>	 USA






























Source: FT Partners' Proprietary Transaction Database, CapIQ  
 1) Excludes debt financing  
 2) Includes debt financing as breakdown was not disclosed  
 3) Current enterprise value as of 9 July 2021

# Buy Now Pay Later Industry Report

Buy Now Pay Later / Payments Market Update

FINANCIAL  
TECHNOLOGY  
PARTNERS

Continued demand for equity exposure to BNPL players across the public and private markets (cont.)

Announce Date	Company	Lead Investors	Amount <sup>(1)</sup> (in mm)	Raised to date (in mm)	Valuation (in mm)	Country
12/17/20		Institutional placement	\$120	\$311 <sup>(1)</sup>	\$4,547 <sup>(3)</sup>	 AUS
09/17/20		 	\$500	\$1,300	\$10,000 (IPO target)	 USA
09/14/20		  	\$650	\$2,100	\$10,600	 SWE
09/04/20		Public Market Investors	\$58	\$10	\$103 <sup>(3)</sup>	 NZ
08/05/20		Woodson Capital Management	\$72	\$90	\$237 <sup>(3)</sup>	 USA
06/13/20		Institutional placement	\$60	\$272	\$1,310 <sup>(3)</sup>	 USA
05/01/20			\$251	n.a.	\$25,179 <sup>(3)</sup>	 AUS
04/09/20		 	\$48	\$209	na	 JPN
10/31/19		 	\$83	\$161	na	 JPN
08/06/19		 	\$460	\$1,250	\$5,500	 SWE
01/14/19			\$40	\$145	\$450	 IDN
















































# Buy Now Pay Later Industry Report

Buy Now Pay Later / Payments Market Update

FINANCIAL  
TECHNOLOGY  
PARTNERS

The larger players have continued to buy and build in new geographies

Announce Date	Target	Acquirer(s)	Amount (in mm)	Target Country
09/07/21	 paidy	 PayPal	\$2,700	 JPN
08/01/21	 afterpay	 Square	\$29,000	 AUS
07/31/21	 four	 Progressive Leasing	\$23	 USA
06/22/21	 paymentassist	 openpay	\$40 <sup>(1)</sup>	 UK
05/23/21	 twisto	 zip	\$140 <sup>(1)</sup>	 CZ
05/23/21	 spotii	 zip	\$21 <sup>(2)</sup>	 UAE
12/03/20	 paybright	 affirm	\$264	 CA
08/27/20	 empatkali	 afterpay	\$2	 IDSA
08/25/20	 pagantis	 afterpay	\$59	 ES
08/09/20	 QUADPAY	 zip	\$403	 USA
07/23/20	 FuturePay	 NEW OAK FINANCE	n.a.	 USA
02/12/20	 MONEYMOUR	 Klarna	n.a.	 IT
09/06/19	 Spotcap	 zip	\$6	 AUS
08/20/19	 PartPay	 zip	\$47	 NZ
08/23/18	 clearPAY	 afterpay	\$13	 UK

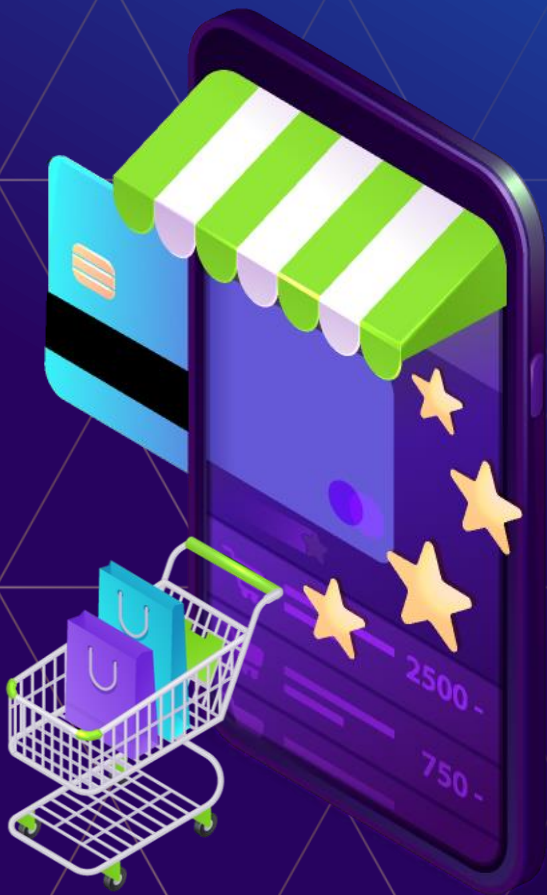
# Buy Now Pay Later Industry Report

Buy Now Pay Later / Payments Market Update

FINANCIAL  
TECHNOLOGY  
PARTNERS

The sector has attracted interest from a wide variety of investors

Competitor	Investors							
								
								
								
								
								
								
								
								
								
								



## **4. Global Sector Company Landscape**

Buy Now Pay Later Industry Report

Global Sector Company Landscape

Buy Now Pay Later Landscape

Consumer Facing Providers

North America

uplift acima

Square

afterpay

Klarna.

sunbit

openpay

Kafene

tua

affirm

paybright

zip

QUADPAY

NEW OAK FINANCE

FuturePay

Progressive Leasing

four

kueskiPay.

sezzle

nelo

nate

perpay

Asia

graviti

finvero

upgrade

wisetack

hoolah

akulaku

zip

IOUpay

atome

Flexmoney

PayPal

Square

Shopee

PayLater

sezzle

CAPITAL FLOAT

LAZYPAY

Rely

pace.

pafo

afterpay

finXcel

afterpay

cashalo

Simpl

zest

ablr

Oceania

Square

afterpay

zip

openpay

QuickaPay

payright

Europe

bundl.

MarketNow

LAYBUY

deferit

Zebit

Klarna.

PayPal

openpay

zilhVIABILL

scalapay

Payl8r

zip

Square

Wi Zink

billink.

Butter

alma

PayPo

DivideBuy

twisto

afterpay

Aplazame

Tinkoff Bank

MOKKA

secura

LAYBUY

Africa

zip

PAYJUSTNOW

payflex

South America

Addi

Middle East

ZOODPAY

tamara

zip

spotii

postpay

tabby

cashew

White Label BNPL Enablement

North America

AllianceData

Bread

AMOUNT

Jifiti.

SKOPS

Charge After

mastercard

vyze

Synapse

Europe

Pledg

divido

Jifiti.

Oceania

Limepay

South America

neopag.

Vertical Focused Providers

Travel / Hospitality

uplift

paylater

Marcus: Pay

FlyNow PayLater

Digital Content

Laterpay

Healthcare

covered

CARE

walnut

PayZen

PrimaHealthCredit

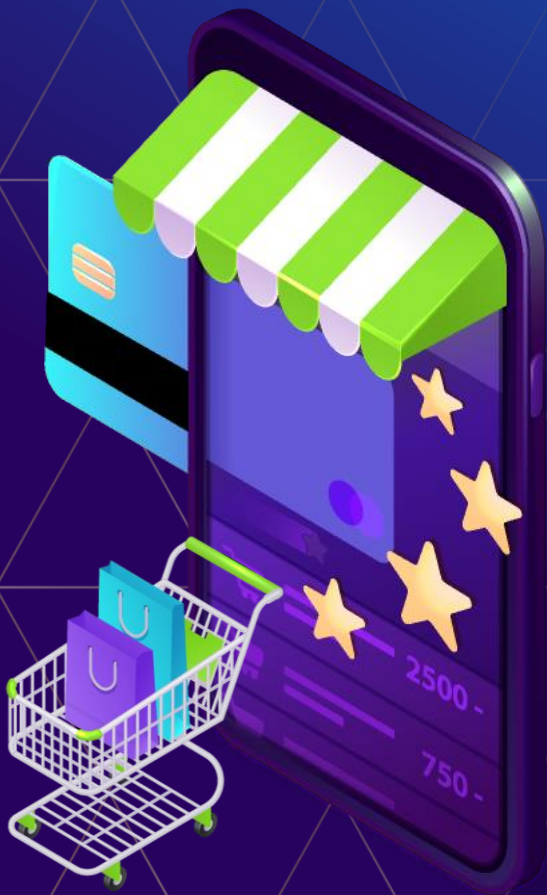
Auto

DigniFi

openpay

paymentassist

Parent / Acquirer logo shown on top



## 5. Executive Interviews





**Adam Hughes**  
CEO



Adam Hughes is the CEO at Amount, the trusted technology partner for financial institutions that collectively manage nearly \$2T in assets in the US and serve over 50 million customers. Prior to his role at Amount, Adam was President & COO at Avant, an industry-leading digital consumer lending platform. Adam holds a bachelor's degree from Northwestern University and is a member of the Founders Pledge community, a group of entrepreneurs and investors who have pledged to give a substantial part of future proceeds to charitable causes.

**“Banks are looking for solutions to compete with the Affirm’s and Klarna’s of the world who have targeted their merchant partners and credit card portfolios”**

**Your solution helps banks offer a competing POS installment product. How are banks viewing this opportunity and are you seeing a lot of demand from them to launch this solution?**

We have really seen this market explode in the last 24 months. Banks are looking for solutions to compete with the Affirm’s and Klarna’s of the world who have targeted their merchant partners and credit card portfolios. When the pandemic hit and e-commerce exploded, the market grew and our BNPL product adoption accelerated faster than we ever would have imagined.

We really like where we sit in this market as a software provider to empower enterprise banks. They have well known brands, a low cost of capital, tons of merchant relationships, existing customers, and balance sheet appetite. We continue to accelerate R&D here, and the ROI is really attractive as we help our existing partners expand in the BNPL space and also land new partners on our platform.

**What are the benefits for a bank in working with you vs. creating their own solution?**

We can get banks into the market very quickly with a proven, enterprise grade platform. They can deliver a great experience to their customers and merchant partners via the Amount platform, while controlling the elements of risk, compliance, and branding that are critically important to them as heavily regulated institutions with millions of customers.





### Exclusive CEO Interview – Adam Hughes

**“We have built our solution as a true platform that allows our banking partners to expand into different product verticals over time with marginal incremental effort.”**

#### **What do you think makes a bank+Amount solution different from that offered by a standalone BNPL provider?**

The Amount+Bank value proposition is really attractive for both merchants and consumers. The banks bring a stability and cost of capital advantage that BNPL FinTechs cannot replicate, and Amount allows those banks to come to market with a modern, cloud-based platform that integrates well into the e-commerce flow and delivers a best in class CX. For consumers, they get a great experience and the lowest possible rate, and that helps drive more sales for merchants.

#### **Your recent partnership with Barclays is unique in that it is a white label service for the merchant. Is there a natural target market (i.e. type of merchant) that you think will be more interested in a white label service vs. partnering with a “brand”?**

Barclays has been a great partner to merchants for a long time in the co-branded and private label credit card space, and in many cases, has white labeled their offering for merchant partners. We are thrilled to partner with Barclays to offer that same optionality in the BNPL market. Certain merchants, airlines being a good example, want to use financing as a way to create further loyalty with their customers, and the Amount platform is fully configurable for our partners to sell these capabilities.

#### **Walk us through the typical client implementation process. How many products / services are your clients using on average and do you see a big upsell opportunity over time?**

We have built our solution as a true platform that allows our banking partners to expand into different product verticals over time with marginal incremental effort. For the majority of our clients, we start off with an initial product launch that can be completed in a few months. Once we are an established partner at the bank, we then work with executives to truly understand the pain points at the Bank and to offer additional products to solve those challenges. Today, our partners use us for 1.5 products on average, and that number continues to increase as we offer more solutions on our platform.



## Exclusive CEO Interview – Adam Hughes

**Amount has announced a series of quick financings since the spin-off from Avant, and each of them has been at a significantly higher valuation. In your view, what do you think is driving investor interest?**

**“Investors see a massive opportunity for us to become a category killing, modern software provider to financial institutions.”**

Investors see a massive opportunity for us to become a category killing, modern software provider to financial institutions. In a very short period of time since the spin off, they have seen us execute on a number of direct enterprise sales, indirect channel partnerships to reach smaller FIs, new product launches like BNPL, and cross-sales to our largest customers. With this progress, we’ve been able to attract capital from blue-chip investors which will help fuel even faster growth in the years to come.

**covered**  
CARE

**Ken Rees**

Founder and CEO



Ken is a financial technology innovator who is passionate about serving the underserved. Over the past two decades, he has founded and grown multiple companies, launched numerous financial products, and served millions of American “Tightropers.” Ken is founder and CEO of Covered, a disruptive fintech dedicated to providing affordable healthcare financing to people who struggle with less-than-prime credit scores.

**“Our mission is to expand access to patient financing so that millions of underserved Americans can receive the healthcare they deserve.”**

**Covered Care is aiming to disrupt the patient finance industry. Talk to us about the founding of Covered Care and how your background plays right into the Company’s strategy.**

Covered Care was founded by fintech veterans with a passion for serving the underserved. While CEO of Elevate (which I took public in 2017), we originated over \$8 billion in credit to 2.5 million non-prime consumers. My partner, Tim Ranney, was the CEO of Clarity (acquired by Experian), the largest non-prime credit bureau delivering credit data for 800K applicants a day. This experience has given us a deep understanding of the unique needs of non-prime Americans and how to profitably serve them.

We are committed to improving the lives of financially struggling Americans. Our mission is to expand access to patient financing so that millions of underserved Americans can receive the healthcare they deserve.

**What are the specific areas within healthcare that you are targeting today?**

Covered Care is primarily focused on elective procedures such as dental, audiology, ophthalmology, med spas, and veterinary up to \$10,000. We are working with both traditional office-based healthcare providers and new telehealth models.



### Exclusive CEO Interview – Ken Rees

**“As to the non-prime patient finance players, we typically win in the market by offering the highest approval rates, the most affordable patient terms, and very competitive discount rates to the healthcare provider.”**

#### **What do you find is most misunderstood about non-prime consumers?**

Although non-prime consumers have a higher risk of loss, non-prime portfolios are actually more stable in recessionary times than prime and super-prime. That is, non-prime credit portfolios tend to perform the same in both good times and bad times, making them a safer asset class than prime in uncertain economic situations.

#### **How do you differentiate yourself against traditional patient finance providers and others that may be targeting the non-prime space?**

We view the traditional prime patient finance players as partners rather than competitors. Their credit standards typically prevent them from approving more than about 50% of applicants. Since we’re exclusively focused on providing financing solutions for non-prime patients, we help prime lenders offer their accounts a full “A-F” credit solution for almost all patients who want financing. We’re working to integrate seamlessly with all of the leading prime lenders’ application flows so we can make the process as seamless as possible for patients and providers.

As to the non-prime patient finance players, we typically win in the market by offering the highest approval rates, the most affordable patient terms, and very competitive discount rates to the healthcare provider.

#### **The platform started off as D2C, but transitioned to focus on healthcare providers with a B2B2C model as well as offering white label solutions. Talk to us about the evolution of your go to market strategy.**

The pandemic changed the world of consumer finance almost overnight and dramatically reduced the demand for traditional direct-to-consumer credit. However, we realized that the demand for patient financing was in many ways stronger than before, and we rapidly pivoted to address this critical need for better financing options. We leverage our deep relationships with healthcare providers and in many cases deploy fully white-labeled technology solutions to reach patients in need of financing.



### Exclusive CEO Interview – Ken Rees

**“We intend to expand our offerings across a wide assortment of POS financing verticals to help this growing but still largely underserved market.**

#### **Why did you choose to focus specifically on patient financing? Do you plan to expand into other verticals over the medium- to long-term?**

Almost everyone has experienced the frustration of unexpected medical expenses. Currently, Americans face nearly \$400 billion in out-of-pocket expenses annually. At Covered Care we are focused on this vertical because it is where we felt we could make the biggest difference in the lives of non-prime Americans.

Over the long-term we expect to leverage our technology platform and proprietary underwriting capabilities to provide better non-prime financing solutions in other POS verticals as well.

#### **Please walk us through the economics of your business. How are you funding your loans?**

We have access to more than \$200 million in patient financing through large hedge funds such as Fortress Capital. We created special purpose vehicles (SPVs) for patient financing receivables that provide investors with attractive yields in a bankruptcy remote structure. Covered Care makes money on the excess yields from the portfolios and from servicing revenues.

#### **Can you share any financial metrics or KPIs with us?**

After launching in late 2020, Covered Care is already originating thousands of patient financing contracts monthly and working with some of the top healthcare providers in the country.

#### **What is the ultimate vision for Covered Care? Where do you see the company in the next 5-10 years?**

At Covered Care we believe that non-prime Americans deserve financing options that are fast, flexible and fair. Although our current focus is on patient financing, we believe that POS financing has been focused primarily on the needs of Americans swimming in credit options rather than the people who need it most. We intend to expand our offerings across a wide assortment of POS financing verticals to help this growing but still largely underserved market.

**hoolah**

**Stuart Thornton**

Co-Founder  
and CEO



Stuart Thornton is Co-Founder and CEO of hoolah, one of the leading BNPL providers in Asia providing interest-free installment payment solutions to merchants and consumers. Prior to hoolah, Stuart was Vice President of APAC Business Development at WorldPay. Stuart has also been an active advisor and mentor to multiple startups in the APAC region. Stuart founded hoolah after hearing retailers complain about the issue of conversion and cart abandonment and recognizing the opportunity to help solve these challenges.

## What was your inspiration behind founding hoolah?

From our prior experience, we noticed a gap where e-commerce was growing rapidly. However, merchants were complaining about converting customers and seeing cart abandonment. 75% was an average but a number of merchants would see more than 90% cart abandonment outcomes. They were also challenged with finding sustainable and good value solutions that didn't significantly impact their bottom line. At the same time, companies like Klarna and Afterpay were growing quickly and offering solutions to these challenges, albeit in other markets and regions.

Seeing a gap in the Asia market, we thus launched hoolah in 2018 with the intent to bring Buy Now Pay Later to Asia, to help merchants overcome these challenges and build a sustainable omnichannel solution that could operate seamlessly across the fragmented Asia region, at the same time give consumers a solution that is easy to use, transparent, and puts them in control of their spending.

## There has been a lot of noise in the Buy Now Pay Later (BNPL) space, especially in Asia. How does hoolah differentiate itself from the competition? What is your secret sauce? What is preventing others from offering a similar product?

As a new but fast-growing fintech platform in Asia, BNPL drives consumer engagement through removing and reimagining traditional payment options and at the same time, drives growth for merchants. There are a number of players in this space that are rebranding traditional consumer lending and instalment plans - which typically have interest rate components that prevent conversion.

*Continued on next page*

**"As a new but fast-growing fintech platform in Asia, BNPL drives consumer engagement through removing and reimagining traditional payment options and at the same time, drives growth for merchants."**





## Exclusive CEO Interview – Stuart Thornton

**“We are heavily invested in delivering education to the consumers around responsible spending, we also reject transactions when we see consumers moving in the wrong direction”**

*Continued from prior page*

Our business is product-led and our roadmap helps us to continue to stay ahead of the curve. We have and will continue to build out our product team as we drive additional value for our customers and enhance our value proposition. The development of our store directory engine, as well as seamless registration and checkout enhancements have clearly delivered further value.

Furthermore, we have first mover advantage, a deeply experienced team in payments and buy now pay later, a strong localised enterprise engagement model, unique value proposition focus, a product led roadmap investment, deep technology expertise, a considerable focus on data and insights, excellent customer service and most importantly, a large number of proven outcomes and case studies.

One of our biggest differentiators when it comes to hoolah’s take on BNPL is that we look at BNPL as a way of Responsible Affordability - our motto and vision since we founded the business on Day One. We are heavily invested in delivering education to the consumers around responsible spending, we also reject transactions when we see consumers moving in the wrong direction. This is so important to us as a sustainable and responsible business, as our business model is never based on making money off the consumers and late fees.

Just offering buy now pay later does not mean a merchant will see the outcomes promised by buy now pay later. There is a unique formula which hoolah has developed and will continue to deliver to Asia.

**What is the strategic thinking to offer a 3-interest payments model? Are you planning to change the product depending on market characteristics?**

We initially started with four split payments over a period of two months, as dividing the payment by four is quick and simple for consumers to calculate and understand the breakdown.

*Continued on next page*



### Exclusive CEO Interview – Stuart Thornton

**“Merchants who previously were unable to tap into certain segments of consumers, are now able to do so with hoolah.”**

*Continued from prior page*

However, we soon realised that consumers in Asia are accustomed to monthly repayment habits that are aligned with their salary cycles, hence we switched it up and are now operating on a three-monthly interest-free payments model. So far this model works for the current markets that we are operating in (Singapore, Malaysia, Hong Kong) but as we expand into other parts of Asia, we will be adapting this accordingly. Asia is an incredible market with such diversity - each country is so different. It's super important to hyper-localise and tailor our offerings to suit the different consumer needs.

**You serve top tier merchants such as Samsung, Nike, Puma and continue to attract high-calibre merchants. Are there any specific metrics you can share that show hoolah's success in driving value to merchants?**

Merchants who previously were unable to tap into certain segments of consumers, are now able to do so with hoolah. Case in point - Sennheiser Singapore.

For a brand that is accustomed to dealing with customers across different generations in the past 70 years, reaching out to that burgeoning younger demographic is key to understanding and shaping new trends. To do so, Sennheiser Singapore decided to leverage hoolah's payment system for their online store to help the younger demographic afford the brand's competitively priced products. In just five months, not only did they see a 30% increase in sales made via hoolah, they also now see more consumers completing their basket purchases, an increase in website traffic from hoolah's store directory page to Sennheiser's website, as well as an 80% increase in GMV.

**You have done an amazing job at customer acquisition. Could you elaborate on how consumers benefit from hoolah?**

Being customer-obsessed is one of our core values at a hoolah - customers being our merchants, consumers, and partners.

*Continued on next page*



### Exclusive CEO Interview – Stuart Thornton

“Our vision of responsible affordability supports a sustainable approach to shopping so people buy the things they want and need rather than spending irresponsibly and getting into debt.”

*Continued from prior page*

For the consumers, we focus on enriching their lives while helping them avoid debt traps and inflated fees. hoolah reduces the impact of price for consumers through splitting their purchases into three monthly repayments at no additional cost. This opens up many avenues for customers who need or want a specific product now and at the same time, manage their personal cash flow better and not bust their monthly budget.

#### Could you tell us more about the responsible affordability that hoolah embraces?

We do see a number of lending and credit solutions taking advantage of consumers, so BNPL has understandably some detractors. Our vision of responsible affordability supports a sustainable approach to shopping so people buy the things they want and need rather than spending irresponsibly and getting into debt.

It's okay for people to want things and to shop, as long as it's responsible. It's really about allowing customers to take control of their spending, rather than overspend. There are instances where we've rejected transactions when we see people moving in the wrong direction.

At hoolah we also pride ourselves on taking on the responsibility of educating the consumer and offering a transparent solution - there are no hidden fees, no processing fees and no interest. Everything is automated - users get timely reminders and they can refund their items or make early repayments at any time, without any additional fees.

In addition, we also communicate with our users regularly, reminding them of payment dates and treating them respectfully through the process.

We also dynamically cap orders accordingly based on our proprietary engine risk assessment. This means that we actively ensure that users do not overuse the platform and when the cap is hit, they will need to pay off outstanding installments before they can use hoolah to place a new order. New users, especially, will have more stringent limitations on their active orders at any one time, to prevent them from overspending.



## Exclusive CEO Interview – Stuart Thornton

“We’ve learned that you can’t rely on just one channel to bring in all your business. You need to shape your business around how and where your customers buy, embrace technology to drive the customer experience and make sure you’re giving them a great experience.”

### What are some of the biggest challenges you face in running a hyper-fast-growing FinTech organisation? Can you share any KPIs or growth metrics with us?

The COVID-19 pandemic has certainly caught all our attention, much like most people and organisations. We’ve learned that you can’t rely on just one channel to bring in all your business. You need to shape your business around how and where your customers buy, embrace technology to drive the customer experience and make sure you’re giving them a great experience. Every part of the business can be a competitive advantage, which makes being agile operationally and having the flexibility to reshape the business strategy very important.

So when the pandemic struck last year, we made sure we had our eyes on key metrics, and quickly made decisions on key areas we should focus on, which led to delivering our omnichannel solution. We knew that at some point the stores would have to open again - they couldn’t stay closed. With this in mind, we focused on having our team execute this plan so that we could time the in-store solution launch for when the stores eventually opened for business. This has also proven valuable to our merchants as they have sought innovative solutions to engage consumers quickly. We have now passed over 3,000 online and offline store partners across the region, supporting global and local brands including Decathlon, Zalora, FashionValet, Furla, Nike, Samsung, Puma, Bata, Crocs, and Strawberry.net.

Three years ago, we started with a team of four co-founders and a few advisors that combined deep payments expertise across a variety of functions, including business development, marketing, and technology, with general business and sector specific experience. At present we have well over 150 employees, and will continue to grow as we scale to new markets.

Despite the pandemic, we’ve seen tremendous growth over the COVID-19 period:

- **+1,400% growth in users**
- **+500% growth in merchants**
- **Total transaction volume +2,300% year-to-date with topline sales over 1100%**



## Exclusive CEO Interview – Stuart Thornton

“Ultimately, we want to connect merchants with consumers across Asia and enrich the consumer’s lifestyle as we further expand into other categories such as experiences, services, insurance and accomodation.”

### What new products and services will you be adding in the future?

Ultimately, we want to connect merchants with consumers across Asia and enrich the consumer’s lifestyle as we further expand into other categories such as experiences, services, insurance and accomodation.

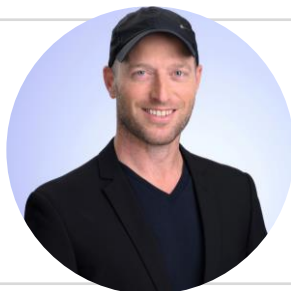
### You started in Singapore and quickly expanded into Malaysia and Hong Kong and are now expanding in other regions in SEA; can you tell us more about the expansion plan? How fast can you be ready to enter a new market?

When we set up the business three years ago, we had a clear intent to grow hoolah into a multi-country and multi-merchant lifestyle platform. Critically we built our technology platform with this in mind, that enables them to localise language, compliance, communication, people, and payments. This has given us the ability to quickly launch in new markets with minimal fuss such as Malaysia and Hong Kong, and we are very excited to be launching soon in Thailand, Philippines, South Korea, and further down the pipeline, Taiwan, Indonesia, and Vietnam. We can set up a new market therefore in 3 weeks however there is a lot more preparation needed before launching related to compliance, structure, people, bank accounts etc.



**Yaacov Martin**

Co-Founder  
and CEO



Yaacov is the Co-Founder and CEO at Jifiti. Prior to Jifiti, Yaacov founded one of Israel's leading import and distribution companies for consumer goods. He holds an LLB in Law from the Hebrew University and is an active contributor to leading payments and fintech publications.

**"Both the merchants and the banks have existing loyal customers and we believe there is no reason to dilute from that when it comes to their customer's user journeys."**

## Talk to us about Jifiti's journey and evolution into a BNPL enabler.

Jifiti has been active in the fintech space for the past 10 years, using cutting-edge technology to bridge the gap between lenders, merchants and consumers. The evolution into BNPL was a very natural one as our core technology was based around virtual card issuance as a method to create end-to-end retail experiences without the need to integrate with the merchant's POS. Being a customer-oriented company, we built a platform that dealt with the major pains of our partners and customers (price, scalability, ease of use, customer journey, white label) and built them into a robust, feature-rich and scalable solution.

## While a lot of BNPL companies have consumer-facing brands, Jifiti's solution is fully white labeled for both banks and merchants. Why is this important to your customers and how does this impact the consumer experience?

We're big believers in brand equity and brand loyalty. Both the merchants and the banks have existing loyal customers and we believe there is no reason to dilute from that when it comes to their customers' user journeys. Specifically in BNPL space, we believe that banks have the long-term advantage due to their centuries of experience in consumer lending, as well as their low cost of capital resulting from large balance sheets. Our platform provides all the technology tools for them to deploy their consumer loan programs at any point of sale, quickly and at scale.





## Exclusive CEO Interview – Yaacov Martin

**“Merchants using our platform save more money than using one of the direct-to-consumer BNPL solutions as point-of-sale solutions from banks offer much more competitive rates.”**

### **Given that Jifiti does not fund the loans offered to consumers like other BNPL providers, how do you earn revenue and what is your business model?**

Our revenue model is based on the virtual card transaction or our partnership with the bank. There is no cost to merchants using our platform. On the contrary, merchants using our platform save more money than using one of the direct-to-consumer BNPL solutions as point-of-sale solutions from banks offer much more competitive rates.

### **What is your go-to-market strategy?**

Jifiti's platform was built as a white-labeled solution for banks looking to compete in the BNPL space. Our dedicated team works closely with our bank partners to bring their loan programs to market from the earliest stage of live demo creation for merchants through implementation, launch and optimization. Our main focus when it comes to go-to-market is working with bank partners to scale the solution across merchants. In addition, we work directly with merchants looking to utilize our platform to gain access to the most competitive and fair loan programs offered only by tier-1 banks and lenders.

### **The Company advertises that there is zero integration, zero IT resources and zero hardware. What does your product implementation process look like and how long does it typically take to onboard a client?**

We focus on scalability both for banks as well as merchants. In addition to the fully branded front-end experience offered both online and in-store, we offer a very robust 'payment stack' which allows both the lender and the merchant to select how to complete the checkout and settlement. Integration with a bank takes between 3 weeks to 3 months, depending on the bank's readiness and scope of work. Onboarding a new merchant can be done in a matter of days, with no IT resources or integration required on their end. Our payment stack includes the option for a direct integration with any e-commerce platform or point of sale. The 'zero integration' approach enables merchants to be able to go to market quickly and then 'upgrade' to a full integration after the proof of concept and initial learnings.



## Exclusive CEO Interview – Yaacov Martin

**“Jifiti is working on expanding globally in order to provide the solution to banks and merchants worldwide. Since we are lender agnostic and utilize existing card network rails, Jifiti can be launched in any market pending its bank partnerships.”**

### What is your value proposition to banks and retailers? How do they differ?

Jifiti's unique value proposition lies in the fact that we fit together all the pieces of the puzzle to create a valuable end-to-end BNPL solution for banks and lenders. In addition to our best-in-class BNPL technology, we bring our vast experience with financial services and local regulatory compliance to the table. For banks - After a single integration, our platform instantly provides them with all the technology tools needed to compete in the BNPL space. Jifiti acts as a technology facilitator, so we do all of the hard work in order for the banks to have the most seamless and simplest solution online quickly. Banks that use Jifiti can onboard hundreds of merchants a month, something not possible without our platform.

For merchants - Jifiti offers them a fully white-labeled platform, ensuring that the merchant's brand is not diluted and their customers' data is not shared. Additionally, we are granting them access to tier-1 bank and lender loan programs that offer significantly lower fees than any other BNPL solution on the market. And with the zero integration solution based on a virtual card, merchants can start offering BNPL immediately, both online and in-store.

### Where are Jifiti's solutions currently offered and do you plan to expand geographically?

Jifiti has a very strong presence in both North America as well as in many countries across Europe. Jifiti is working on expanding globally in order to provide the solution to banks and merchants worldwide. Since we are lender agnostic and utilize existing card network rails, Jifiti can be launched in any market pending its bank partnerships. Jifiti works with leading financial institutions including Mastercard, Citizens Bank, CaixaBank, Credit Agricole, and retailers including IKEA, Walmart and others worldwide.

### The Company has a strong partnership with Mastercard. Talk about that partnership and why it is important to your value proposition.

The partnership with Mastercard is key in offering more flexibility and options for consumers at checkout. It goes hand in hand with Jifiti's mission of providing our customers and partners with the most seamless consumer journey possible. We work closely together to bring the Jifiti solution to both banks and merchants within the Mastercard network.



## Exclusive CEO Interview – Yaacov Martin

**“Our mission is to make the most competitive and transparent loan programs available to everyday shoppers.”**

### **What is the long-term vision for Jifiti? What new products and services will you be adding in the future?**

Our mission is to make the most competitive and transparent loan programs available to everyday shoppers. We plan on using our core technologies to deepen functionalities in our current platforms and add products which will provide additional solutions to banks, merchants and consumers. Stay tuned...



**Adalberto Flores**  
CEO & Co-Founder



Adalberto “Adal” Flores is the co-founder and CEO of Kueski, the largest FinTech lender and leading BNPL solution provider in Mexico. Prior to founding Kueski, Flores founded Inviko and served as the Director of Operations in Mexico for Ooyala as well as partner for CTK Cuantiko Capital. He holds a B.S. in Industrial Engineering with a Minor in Systems Engineering from Monterrey Institute of Technology and Higher Education.

### Talk to us about the drive behind Kueski’s founding.

**“In 2012, I founded the Company after experiencing first-hand the difficulties involved in obtaining a loan and the immense amount of time it can take.”**

Kueski is the fastest-growing digital financial services platform in Latin America. In 2012, I founded the Company after experiencing first-hand the difficulties involved in obtaining a loan and the immense amount of time it can take. This motivated me to create better access to credit in Mexico using Artificial Intelligence and Big Data technology with the mission of facilitating people’s financial lives through innovation and cutting-edge technology.

Kueski’s platform focuses on three products: a payment method that allows people to make online purchases without needing any type of card (Kueski Pay), online loans (Kueski Cash), and Paycheck Advances (Kueski Up).

Kueski Pay – a feature that works in the 'buy now, pay later' model – offers customers the option to finance their purchases and pay in installments even without a credit card. Kueski Pay has rapidly become our leading product with 100x YoY growth. It’s a safe and compliant option for e-commerce companies looking to increase their sales, reach new markets and generate positive check-out experiences without taking any risks.

This payment method has been widely recognized by influential organizations and has earned several industry awards, including E-Awards’ Best Social Inclusion Startup (2020), Internet Awards (2020), PRO 100, LendIt Fintech Industry Awards finalist (2020), among others.



## Exclusive CEO Interview – Adalberto Flores

**“Kueski has an intimate understanding of the way Mexican consumers buy products, which has allowed the Company to quickly generate a positive impact on e-commerce through increased sales.”**

### **What unique challenges and opportunities do you see in the Mexican BNPL market? How does Kueski position itself as the market leader?**

The Mexican market is fundamentally different from other global markets, largely due to low banking penetration and high rates of informal work. This means people are both paid in cash and cover their daily expenses in cash as well, without ever depositing their earnings into a bank account.

Adapting to this business landscape has represented a difficult challenge for foreign BNPL providers. For context, 60% of the population does not have access to banking services and approximately 82% do not own a credit card.

Kueski has an intimate understanding of the way Mexican consumers buy products, which has allowed the Company to quickly generate a positive impact on e-commerce through increased sales while reducing barriers to accessing credit.

### **How does Kueski underwrite consumers for BNPL and personal loan products? How has the credit performance been?**

Kueski uses advanced technology such as Machine Learning models to evaluate hundreds of variables, including a user's credit history, location, and online behavior – all in a matter of seconds. Those that have used Kueski Pay have stated that they prefer paying with this method over a credit card due to increased security, convenience, and speed.

Kueski Pay has allowed almost 500 companies to increase their online sales by up to 70%, eliminating chargebacks and increasing the average ticket by up to 50%. It also allows users to generate a credit history since we report when customers pay on time (or default on a payment), which is something that the large global BNPL leaders typically do not track.

Today, 91% of our clients believe they have improved their credit history, and more than a quarter mention being able to access financial products they previously did not qualify for.



### Exclusive CEO Interview – Adalberto Flores

**“Kueski Pay is most popular among Mexican millennials and Generation Z, who prefer to have access to a variety of payment options and have proven to be quick adopters of new technologies.”**

#### What is your go-to-market strategy?

Mexico largely lacks financial inclusion as more than 50% of the population is unbanked or has a very low credit limit. Serving these sectors is very attractive since no one else is doing it, or at least not as well. Over eight years ago, we launched Kueski with our cash loan product, meaning we accumulated years of user- and behavioral data. Combined with our Machine Learning model that determines a customer's creditworthiness, we have quickly become the go-to BNPL provider in Mexico.

But our secret is the personalized relationship that we provide to merchants and clients. We have successfully implemented several marketing strategies for our merchants, including PR campaigns, SEO improvements, influencer marketing, social media collaborations, and retargeting inbound and outbound campaigns. But above all, we provide a highly competitive pricing structure and remain agile in an ever-changing marketplace.

#### What are the typical demographics of your consumers?

Kueski Pay is most popular among Mexican millennials and Generation Z, who prefer to have access to a variety of payment options and have proven to be quick adopters of new technologies. Both groups have clearly shown an aversion to credit and a willingness to adopt alternative payment methods, particularly BNPL. Younger generations look at BNPL as a budgeting tool, while on the flip side, they see credit cards as an easy way to accumulate debt.





## Exclusive CEO Interview – Adalberto Flores

### Kueski Pay serves both consumers and merchants. What is the value proposition to each party?

**“Our BNPL solution works as a Customer Acquisition channel and a Customer Retention mechanism. Merchants are not responsible for collections despite the fact that they originated the relationship with the customer.”**

For consumers:

- Make purchases without needing a debit/credit card or bank account
- It is more convenient than paying with a credit card because payments are interest-free, and consumers can pay in smaller amounts
- Allows users to generate credit history since Kueski reports when they pay on time (or default on payments)
- Simplicity and transparent pricing
- The ability to pay for purchases that individuals couldn't afford otherwise

For merchants:

- Kueski Pay helps to increase conversion, AOV (Average Order Value)
- Upfront settlement
- Better retention; allows merchants to acquire and retain customers without fraud or credit risk
- Our BNPL solution works as a Customer Acquisition channel and a Customer Retention mechanism. Merchants are not responsible for collections despite the fact that they originated the relationship with the customer.



## Exclusive CEO Interview – Adalberto Flores

**“We will continue to evolve to meet the changing demands of our customer base as we look to create greater financial inclusion for all.”**

### **Kueski is clearly in a hyper-growth mode. Can you share any KPIs or growth metrics with us?**

Kueski Pay has grown 100x yearly. We now work with almost 500 merchants and have a 496% dollar-based merchant retention rate. New businesses are joining every three hours, coming to us for the best rates on the market.

As a company, we have raised more than \$110M from top investors in emerging markets. We have facilitated more than 4.5 million transactions (+650M transaction volume) and we are the fastest growing digital financial services platform in LATAM. Kueski has 350 employees with experience in technology and financial services – and many have a track record of successful exits in the private and public markets.

### **What’s the long-term vision for Kueski? Are there plans to expand geographically? What products and services do you plan to add?**

We will continue to evolve to meet the changing demands of our customer base as we look to create greater financial inclusion for all. In the next two quarters, we will enable consumers to use Kueski Pay in physical stores and also launch our Kueski App on the Google Play Store and Apple App Store. The app will allow our users to check their profile, manage payments, and browse partner stores, as well as make purchases with Kueski Pay. Over the next 12 months, we also plan to launch two new products and continue to develop sustainability projects.

As an organization, we are laser-focused on promoting female leadership within the company as well as continuing to position ourselves in Mexico as the most relevant digital financial products company in Latin America.

**nate**

**Albert Saniger**

Founder &  
CEO



Albert Saniger is the Founder and CEO of nate, a universal shopping app that offers consumers one-click checkout and pay later options anywhere. Previously, Albert worked in Private Label Fashion at Amazon, where he identified private label opportunities and built internal framework establishing processes to spot selection gaps and white spaces. Prior to his role at Amazon, Albert founded, managed, and led to the acquisition of MBM Americas & Asia-Pacific, a menswear clothing company. Albert received his MBA from London Business School and a Bachelor's degree in Political Science and Government from Universitat Pompeu Fabra.

**“nate uses the front door of websites in the same way shoppers do. Its machines understand HTML code and navigate through the checkout on the customer's behalf.”**

**Please give us your background and tell us what inspired you to found nate.**

As a proud ex-Amazonian, the idea of a seamless and consistent experience to buy anything anywhere has been top of mind for me for years. I built nate to give that power to shoppers around the world, no matter what they buy or where they buy it. The best products in the world always put the consumer first. I knew if I wanted to do this it would have to be a universal technology, a privacy-first product, and a globally scalable business model.

**What is the core value proposition of nate to consumers?**

The nate app allows online shoppers to skip the checkout anywhere. Today, it's available for iOS users in the US. Why go through a check out process when you can just nate it? nate is the world's easiest and most private way of buying anything online. People can also split their payment in four, save products for later, build lists, share them with friends, and send gift links with a single text.

**Unlike most shopping cart / e-commerce solutions, nate does not require any merchant integration in order for consumers to make a purchase. How do you bypass these integrations and offer consumers a universal shopping application?**

nate uses the front door of websites in the same way shoppers do. Its machines understand HTML code and navigate through the checkout on the customer's behalf. A single-use virtual card is auto-generated for every purchase, protecting the buyer's privacy and security. The Smart RPA approach is what allows for the nate experience to be universal to consumers, and a healthy payments business uncapped by supply-side to shareholders.

**nate**

Exclusive CEO Interview – Albert Saniger

**“Consumer credit isn’t something merchants should decrease their margins for. We realized we were in a position to fix this and give consumers an unbiased credit product that works everywhere and is entirely private.”**

**Users are able to create and share lists and send gifts to friends on the app. How do these embedded social products complement your overall value proposition and are you planning to expand these social functions?**

Shopping is increasingly social. When we built nate, we knew the only way to be the world’s first universal shopping app was to be there for every step of the journey. Sending a gift to somebody should be as easy as tagging them in a picture. And if you’re deciding between products, you can save them to the app and create a list to compare them, instead of having dozens of tabs open. If you’re going on a trip with friends, or have a wishlist for your birthday or baby shower, or want to share a specific vibe, nate lists are better than any other inspiration board out there in the market, whether you’re buying for yourself or for someone else, or just playing with ideas. We’re doubling down on the power of lists with the announcement of cash rewards. Every time somebody buys a product from a list you created, you’ll get cash-back. This simplifies an overly complex creator economy that is crying for help, using tools that up until now only benefited macro influencers with agencies who represent them.

**You recently released your buy-now-pay-later product, which is very different from traditional buy-now-pay-later solutions since you are not charging the merchants anything. Talk about how this product fits into Nate’s overall mission and how you enable this product.**

Most BNPL companies have two value propositions: (1) point-of-sale financing for consumers, and (2) conversion upside for merchants. This creates a misalignment of incentives because the user is not the customer. Consumer credit isn’t something merchants should decrease their margins for. We realized we were in a position to fix this and give consumers an unbiased credit product that works everywhere and is entirely private. It’s the same mission we’ve had from day 1: allow people to disengage from checkout, whether they want to finance that purchase or they don’t, buying anything now takes 3 seconds – the new checkout is no checkout.

**nate**

**Exclusive CEO Interview – Albert Saniger**

**“The best products in the world were designed by people who instead of asking “is there white space? how are we different?” they asked, “what does behavioral psychology tell us about what people need and never new they wanted?”**

## **Who do you see as your competitors and how do you differentiate from them?**

We don't think about competitors, we think about customers. One thing I learned at Amazon early on was to build products with customer obsession. It sounds obvious but it's a really hard thing to do. In an industry with so many adjacent players, the easy path to product strategy is to look at the market. It's healthy to understand market forces and competitive advantages, but beyond that, the best products in the world were designed by people who instead of asking “is there white space? how are we different?” they asked, “what does behavioral psychology tell us about what people need and never new they wanted?”.

## **What is your revenue model today and how do you see your monetization opportunities expanding in the future?**

We realized early on that if we wanted to build a transformational business we had to align ourselves with the consumer. Instead of charging merchants, we charge consumers \$1 per purchase. That way, our users are also our customers. We also capture an interchange spread on the payment and expect to expand our payments features and build a robust payments stack that people trust and is fair for all parties involved.

## **You just raised a large \$38 million Series A round. How do you plan to use this funding to fuel your growth? What did you look for in your investors?**

The last two years have been about product-market fit. We're now ready to scale and tell the world who we are. We're excited to be well capitalized to deliver our vision and honored to have a diverse cap table. There are two things we look for in investors. First, value alignment with our five leadership principles and our approach to human capital – we have 20 nationalities, 5 religions, and all sorts of gender identities including 45% women. Second, vision alignment with our long-term ambitions – this isn't a quick in-and-out boat, intelligent automation allows us to reimagine shopping and payments worldwide.

**nate**

Exclusive CEO Interview – Albert Saniger

## What is on your product roadmap over the next 5 years and what is the long-term vision for nate?

**“The question is: will there be a duopoly on commerce, or a thriving ecosystem with millions of stores and an independent and end-to-end private way of completing those payments? Enter nate.”**

I wish I had all the answers for the next five years. We launched a few months ago, and while people have been quick to love nate, we know it will take hard work to keep delighting them. This means easier ways to buy from other platforms and points of inspiration, easier ways to share purchases with friends, more methods of payment, and more rewards. One thing is certain: in five years, anyone in the world will be able to buy anything in the world at the tap of a button. The question is: will there be a duopoly on commerce, or a thriving ecosystem with millions of stores and an independent and end-to-end private way of completing those payments? Enter nate. In the meantime, skip the checkout — just nate it.





**Brian Shniderman**

US CEO & Global  
Chief Strategy Officer



Brian is US CEO & Global Chief Strategy Officer of Openpay. Brian has over 30 years of experience focused on payments of every kind, between all types of parties, and in almost every major country. Prior to Openpay, Brian was the US and Global Cross-Industry Payments Leader at Deloitte where he advised clients on payments, the acquisition, design, and integration of new payments products and related services, spanning the full range of payments instruments. Brian received his BS in Business Administration, Finance, and Marketing at California State University and a Graduate Degree in Retail Banking at the University of Wisconsin-Madison.

### Talk to us about the founding of Openpay and the original vision.

**“We focus on industries where we can make a true difference: Automotive, Healthcare, Home Improvement, Memberships and Education and Retail”**

Openpay was founded in Melbourne in 2013 by merchants for merchants, putting a spin on the original concept of layaway because consumers were looking for a way to buy what they needed today and pay over a time to suit them. Today Openpay is a fast-growing and highly differentiated player in the global 'Buy now pay later' (BNPL) payment solutions market. Our strong platform enables us to deliver the most flexible plans in the market with durations of up to 24 months and values of up to \$20,000. We focus on industries where we can make a true difference: Automotive, Healthcare (including Dentistry and Veterinary practices), Home Improvement, Memberships and Education and Retail; and our target customers are finance-savvy, using Openpay plans as a cashflow management tool.

We also have a unique B2B offering, OpyPro, a SaaS-based platform that allows companies to manage trade accounts end-to-end, including applications, credit checks, approvals and account management in the one system.

Openpay provides services to Customers and Merchants in Australia, New Zealand, the UK and entered the US market in December 2020.



## Exclusive CEO Interview – Brian Shniderman

“The US and the verticals within the US that are the focus of Opy’s “aggregator” driven go to market strategy represent huge opportunity for Opy, our partners, merchants and consumers alike.”

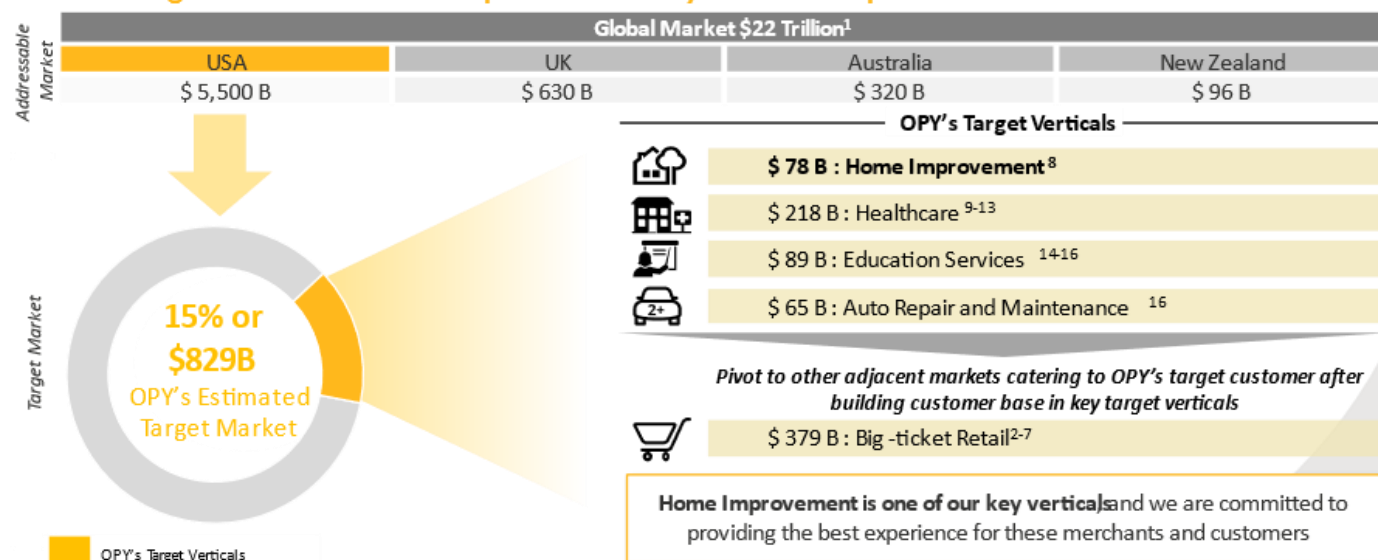
The Company recently entered the United States, which is a highly attractive and competitive market. How has that rollout been going and why is it such an important focus for Openpay?

The US rollout is progressing far beyond our expectations with partnerships announced with FIS/WorldPay, ezyVet and many other pending, potential partnerships which we cannot yet announce. The US and the verticals within the US that are the focus of Opy’s “aggregator” driven go to market strategy represent huge opportunity for Opy, our partners, merchants and consumers alike. Below is an infographic that details the opportunity.



We are the BNPL leader in service industries

Our target verticals are primarily focused on in-person payments, so we understand the importance of having a stellar customer experience with your service provider



1. Barclay's Research, 2021: Buy Now, Pay Later: Global Uptake Points to a Long US Growth Runway<sup>2</sup>. <sup>2</sup> [BIS 3](#). <sup>3</sup> [CIBC 4](#). <sup>4</sup> [BIS 5](#). <sup>5</sup> [BIS 6](#). <sup>6</sup> [BIS 7](#). <sup>7</sup> [BIS 8](#). <sup>8</sup> [Census 9](#). <sup>9</sup> [BIS 10](#). <sup>10</sup> [World Bank](#). <sup>11</sup> Assumption based on UK Market <sup>12</sup> [BIS 13](#). <sup>13</sup> [BIS 14](#). <sup>14</sup> [BIS 15](#). <sup>15</sup> [PR Newswire](#). <sup>16</sup> [BIS 17](#). <sup>17</sup> [BIS 18](#). <sup>18</sup> [BIS 19](#). <sup>19</sup> [BIS 20](#). <sup>20</sup> [BIS 21](#). <sup>21</sup> [BIS 22](#). <sup>22</sup> [BIS 23](#). <sup>23</sup> [BIS 24](#). <sup>24</sup> [BIS 25](#). <sup>25</sup> [BIS 26](#). <sup>26</sup> [BIS 27](#). <sup>27</sup> [BIS 28](#). <sup>28</sup> [BIS 29](#). <sup>29</sup> [BIS 30](#). <sup>30</sup> [BIS 31](#). <sup>31</sup> [BIS 32](#). <sup>32</sup> [BIS 33](#). <sup>33</sup> [BIS 34](#). <sup>34</sup> [BIS 35](#). <sup>35</sup> [BIS 36](#). <sup>36</sup> [BIS 37](#). <sup>37</sup> [BIS 38](#). <sup>38</sup> [BIS 39](#). <sup>39</sup> [BIS 40](#). <sup>40</sup> [BIS 41](#). <sup>41</sup> [BIS 42](#). <sup>42</sup> [BIS 43](#). <sup>43</sup> [BIS 44](#). <sup>44</sup> [BIS 45](#). <sup>45</sup> [BIS 46](#). <sup>46</sup> [BIS 47](#). <sup>47</sup> [BIS 48](#). <sup>48</sup> [BIS 49](#). <sup>49</sup> [BIS 50](#). <sup>50</sup> [BIS 51](#). <sup>51</sup> [BIS 52](#). <sup>52</sup> [BIS 53](#). <sup>53</sup> [BIS 54](#). <sup>54</sup> [BIS 55](#). <sup>55</sup> [BIS 56](#). <sup>56</sup> [BIS 57](#). <sup>57</sup> [BIS 58](#). <sup>58</sup> [BIS 59](#). <sup>59</sup> [BIS 60](#). <sup>60</sup> [BIS 61](#). <sup>61</sup> [BIS 62](#). <sup>62</sup> [BIS 63](#). <sup>63</sup> [BIS 64](#). <sup>64</sup> [BIS 65](#). <sup>65</sup> [BIS 66](#). <sup>66</sup> [BIS 67](#). <sup>67</sup> [BIS 68](#). <sup>68</sup> [BIS 69](#). <sup>69</sup> [BIS 70](#). <sup>70</sup> [BIS 71](#). <sup>71</sup> [BIS 72](#). <sup>72</sup> [BIS 73](#). <sup>73</sup> [BIS 74](#). <sup>74</sup> [BIS 75](#). <sup>75</sup> [BIS 76](#). <sup>76</sup> [BIS 77](#). <sup>77</sup> [BIS 78](#). <sup>78</sup> [BIS 79](#). <sup>79</sup> [BIS 80](#). <sup>80</sup> [BIS 81](#). <sup>81</sup> [BIS 82](#). <sup>82</sup> [BIS 83](#). <sup>83</sup> [BIS 84](#). <sup>84</sup> [BIS 85](#). <sup>85</sup> [BIS 86](#). <sup>86</sup> [BIS 87](#). <sup>87</sup> [BIS 88](#). <sup>88</sup> [BIS 89](#). <sup>89</sup> [BIS 90](#). <sup>90</sup> [BIS 91](#). <sup>91</sup> [BIS 92](#). <sup>92</sup> [BIS 93](#). <sup>93</sup> [BIS 94](#). <sup>94</sup> [BIS 95](#). <sup>95</sup> [BIS 96](#). <sup>96</sup> [BIS 97](#). <sup>97</sup> [BIS 98](#). <sup>98</sup> [BIS 99](#). <sup>99</sup> [BIS 100](#). <sup>100</sup> [BIS 101](#). <sup>101</sup> [BIS 102](#). <sup>102</sup> [BIS 103](#). <sup>103</sup> [BIS 104](#). <sup>104</sup> [BIS 105](#). <sup>105</sup> [BIS 106](#). <sup>106</sup> [BIS 107](#). <sup>107</sup> [BIS 108](#). <sup>108</sup> [BIS 109](#). <sup>109</sup> [BIS 110](#). <sup>110</sup> [BIS 111](#). <sup>111</sup> [BIS 112](#). <sup>112</sup> [BIS 113](#). <sup>113</sup> [BIS 114](#). <sup>114</sup> [BIS 115](#). <sup>115</sup> [BIS 116](#). <sup>116</sup> [BIS 117](#). <sup>117</sup> [BIS 118](#). <sup>118</sup> [BIS 119](#). <sup>119</sup> [BIS 120](#). <sup>120</sup> [BIS 121](#). <sup>121</sup> [BIS 122](#). <sup>122</sup> [BIS 123](#). <sup>123</sup> [BIS 124](#). <sup>124</sup> [BIS 125](#). <sup>125</sup> [BIS 126](#). <sup>126</sup> [BIS 127](#). <sup>127</sup> [BIS 128](#). <sup>128</sup> [BIS 129](#). <sup>129</sup> [BIS 130](#). <sup>130</sup> [BIS 131](#). <sup>131</sup> [BIS 132](#). <sup>132</sup> [BIS 133](#). <sup>133</sup> [BIS 134](#). <sup>134</sup> [BIS 135](#). <sup>135</sup> [BIS 136](#). <sup>136</sup> [BIS 137](#). <sup>137</sup> [BIS 138](#). <sup>138</sup> [BIS 139](#). <sup>139</sup> [BIS 140](#). <sup>140</sup> [BIS 141](#). <sup>141</sup> [BIS 142](#). <sup>142</sup> [BIS 143](#). <sup>143</sup> [BIS 144](#). <sup>144</sup> [BIS 145](#). <sup>145</sup> [BIS 146](#). <sup>146</sup> [BIS 147](#). <sup>147</sup> [BIS 148](#). <sup>148</sup> [BIS 149](#). <sup>149</sup> [BIS 150](#). <sup>150</sup> [BIS 151](#). <sup>151</sup> [BIS 152](#). <sup>152</sup> [BIS 153](#). <sup>153</sup> [BIS 154](#). <sup>154</sup> [BIS 155](#). <sup>155</sup> [BIS 156](#). <sup>156</sup> [BIS 157](#). <sup>157</sup> [BIS 158](#). <sup>158</sup> [BIS 159](#). <sup>159</sup> [BIS 160](#). <sup>160</sup> [BIS 161](#). <sup>161</sup> [BIS 162](#). <sup>162</sup> [BIS 163](#). <sup>163</sup> [BIS 164](#). <sup>164</sup> [BIS 165](#). <sup>165</sup> [BIS 166](#). <sup>166</sup> [BIS 167](#). <sup>167</sup> [BIS 168](#). <sup>168</sup> [BIS 169](#). <sup>169</sup> [BIS 170](#). <sup>170</sup> [BIS 171](#). <sup>171</sup> [BIS 172](#). <sup>172</sup> [BIS 173](#). <sup>173</sup> [BIS 174](#). <sup>174</sup> [BIS 175](#). <sup>175</sup> [BIS 176](#). <sup>176</sup> [BIS 177](#). <sup>177</sup> [BIS 178](#). <sup>178</sup> [BIS 179](#). <sup>179</sup> [BIS 180](#). <sup>180</sup> [BIS 181](#). <sup>181</sup> [BIS 182](#). <sup>182</sup> [BIS 183](#). <sup>183</sup> [BIS 184](#). <sup>184</sup> [BIS 185](#). <sup>185</sup> [BIS 186](#). <sup>186</sup> [BIS 187](#). <sup>187</sup> [BIS 188](#). <sup>188</sup> [BIS 189](#). <sup>189</sup> [BIS 190](#). <sup>190</sup> [BIS 191](#). <sup>191</sup> [BIS 192](#). <sup>192</sup> [BIS 193](#). <sup>193</sup> [BIS 194](#). <sup>194</sup> [BIS 195](#). <sup>195</sup> [BIS 196](#). <sup>196</sup> [BIS 197](#). <sup>197</sup> [BIS 198](#). <sup>198</sup> [BIS 199](#). <sup>199</sup> [BIS 200](#). <sup>200</sup> [BIS 201](#). <sup>201</sup> [BIS 202](#). <sup>202</sup> [BIS 203](#). <sup>203</sup> [BIS 204](#). <sup>204</sup> [BIS 205](#). <sup>205</sup> [BIS 206](#). <sup>206</sup> [BIS 207](#). <sup>207</sup> [BIS 208](#). <sup>208</sup> [BIS 209](#). <sup>209</sup> [BIS 210](#). <sup>210</sup> [BIS 211](#). <sup>211</sup> [BIS 212](#). <sup>212</sup> [BIS 213](#). <sup>213</sup> [BIS 214](#). <sup>214</sup> [BIS 215](#). <sup>215</sup> [BIS 216](#). <sup>216</sup> [BIS 217](#). <sup>217</sup> [BIS 218](#). <sup>218</sup> [BIS 219](#). <sup>219</sup> [BIS 220](#). <sup>220</sup> [BIS 221](#). <sup>221</sup> [BIS 222](#). <sup>222</sup> [BIS 223](#). <sup>223</sup> [BIS 224](#). <sup>224</sup> [BIS 225](#). <sup>225</sup> [BIS 226](#). <sup>226</sup> [BIS 227](#). <sup>227</sup> [BIS 228](#). <sup>228</sup> [BIS 229](#). <sup>229</sup> [BIS 230](#). <sup>230</sup> [BIS 231](#). <sup>231</sup> [BIS 232](#). <sup>232</sup> [BIS 233](#). <sup>233</sup> [BIS 234](#). <sup>234</sup> [BIS 235](#). <sup>235</sup> [BIS 236](#). <sup>236</sup> [BIS 237](#). <sup>237</sup> [BIS 238](#). <sup>238</sup> [BIS 239](#). <sup>239</sup> [BIS 240](#). <sup>240</sup> [BIS 241](#). <sup>241</sup> [BIS 242](#). <sup>242</sup> [BIS 243](#). <sup>243</sup> [BIS 244](#). <sup>244</sup> [BIS 245](#). <sup>245</sup> [BIS 246](#). <sup>246</sup> [BIS 247](#). <sup>247</sup> [BIS 248](#). <sup>248</sup> [BIS 249](#). <sup>249</sup> [BIS 250](#). <sup>250</sup> [BIS 251](#). <sup>251</sup> [BIS 252](#). <sup>252</sup> [BIS 253](#). <sup>253</sup> [BIS 254](#). <sup>254</sup> [BIS 255](#). <sup>255</sup> [BIS 256](#). <sup>256</sup> [BIS 257](#). <sup>257</sup> [BIS 258](#). <sup>258</sup> [BIS 259](#). <sup>259</sup> [BIS 260](#). <sup>260</sup> [BIS 261](#). <sup>261</sup> [BIS 262](#). <sup>262</sup> [BIS 263](#). <sup>263</sup> [BIS 264](#). <sup>264</sup> [BIS 265](#). <sup>265</sup> [BIS 266](#). <sup>266</sup> [BIS 267](#). <sup>267</sup> [BIS 268](#). <sup>268</sup> [BIS 269](#). <sup>269</sup> [BIS 270](#). <sup>270</sup> [BIS 271](#). <sup>271</sup> [BIS 272](#). <sup>272</sup> [BIS 273](#). <sup>273</sup> [BIS 274](#). <sup>274</sup> [BIS 275](#). <sup>275</sup> [BIS 276](#). <sup>276</sup> [BIS 277](#). <sup>277</sup> [BIS 278](#). <sup>278</sup> [BIS 279](#). <sup>279</sup> [BIS 280](#). <sup>280</sup> [BIS 281](#). <sup>281</sup> [BIS 282](#). <sup>282</sup> [BIS 283](#). <sup>283</sup> [BIS 284](#). <sup>284</sup> [BIS 285](#). <sup>285</sup> [BIS 286](#). <sup>286</sup> [BIS 287](#). <sup>287</sup> [BIS 288](#). <sup>288</sup> [BIS 289](#). <sup>289</sup> [BIS 290](#). <sup>290</sup> [BIS 291](#). <sup>291</sup> [BIS 292](#). <sup>292</sup> [BIS 293](#). <sup>293</sup> [BIS 294](#). <sup>294</sup> [BIS 295](#). <sup>295</sup> [BIS 296](#). <sup>296</sup> [BIS 297](#). <sup>297</sup> [BIS 298](#). <sup>298</sup> [BIS 299](#). <sup>299</sup> [BIS 300](#). <sup>300</sup> [BIS 301](#). <sup>301</sup> [BIS 302](#). <sup>302</sup> [BIS 303](#). <sup>303</sup> [BIS 304](#). <sup>304</sup> [BIS 305](#). <sup>305</sup> [BIS 306](#). <sup>306</sup> [BIS 307](#). <sup>307</sup> [BIS 308](#). <sup>308</sup> [BIS 309](#). <sup>309</sup> [BIS 310](#). <sup>310</sup> [BIS 311](#). <sup>311</sup> [BIS 312](#). <sup>312</sup> [BIS 313](#). <sup>313</sup> [BIS 314](#). <sup>314</sup> [BIS 315](#). <sup>315</sup> [BIS 316](#). <sup>316</sup> [BIS 317](#). <sup>317</sup> [BIS 318](#). <sup>318</sup> [BIS 319](#). <sup>319</sup> [BIS 320](#). <sup>320</sup> [BIS 321](#). <sup>321</sup> [BIS 322](#). <sup>322</sup> [BIS 323](#). <sup>323</sup> [BIS 324](#). <sup>324</sup> [BIS 325](#). <sup>325</sup> [BIS 326](#). <sup>326</sup> [BIS 327](#). <sup>327</sup> [BIS 328](#). <sup>328</sup> [BIS 329](#). <sup>329</sup> [BIS 330](#). <sup>330</sup> [BIS 331](#). <sup>331</sup> [BIS 332](#). <sup>332</sup> [BIS 333](#). <sup>333</sup> [BIS 334](#). <sup>334</sup> [BIS 335](#). <sup>335</sup> [BIS 336](#). <sup>336</sup> [BIS 337](#). <sup>337</sup> [BIS 338](#). <sup>338</sup> [BIS 339](#). <sup>339</sup> [BIS 340](#). <sup>340</sup> [BIS 341](#). <sup>341</sup> [BIS 342](#). <sup>342</sup> [BIS 343](#). <sup>343</sup> [BIS 344](#). <sup>344</sup> [BIS 345](#). <sup>345</sup> [BIS 346](#). <sup>346</sup> [BIS 347](#). <sup>347</sup> [BIS 348](#). <sup>348</sup> [BIS 349](#). <sup>349</sup> [BIS 350](#). <sup>350</sup> [BIS 351](#). <sup>351</sup> [BIS 352](#). <sup>352</sup> [BIS 353](#). <sup>353</sup> [BIS 354](#). <sup>354</sup> [BIS 355](#). <sup>355</sup> [BIS 356](#). <sup>356</sup> [BIS 357](#). <sup>357</sup> [BIS 358](#). <sup>358</sup> [BIS 359](#). <sup>359</sup> [BIS 360](#). <sup>360</sup> [BIS 361](#). <sup>361</sup> [BIS 362](#). <sup>362</sup> [BIS 363](#). <sup>363</sup> [BIS 364](#). <sup>364</sup> [BIS 365](#). <sup>365</sup> [BIS 366](#). <sup>366</sup> [BIS 367](#). <sup>367</sup> [BIS 368](#). <sup>368</sup> [BIS 369](#). <sup>369</sup> [BIS 370](#). <sup>370</sup> [BIS 371](#). <sup>371</sup> [BIS 372](#). <sup>372</sup> [BIS 373](#). <sup>373</sup> [BIS 374](#). <sup>374</sup> [BIS 375](#). <sup>375</sup> [BIS 376](#). <sup>376</sup> [BIS 377](#). <sup>377</sup> [BIS 378](#). <sup>378</sup> [BIS 379](#). <sup>379</sup> [BIS 380](#). <sup>380</sup> [BIS 381](#). <sup>381</sup> [BIS 382](#). <sup>382</sup> [BIS 383](#). <sup>383</sup> [BIS 384](#). <sup>384</sup> [BIS 385](#). <sup>385</sup> [BIS 386](#). <sup>386</sup> [BIS 387](#). <sup>387</sup> [BIS 388](#). <sup>388</sup> [BIS 389](#). <sup>389</sup> [BIS 390](#). <sup>390</sup> [BIS 391](#). <sup>391</sup> [BIS 392](#). <sup>392</sup> [BIS 393](#). <sup>393</sup> [BIS 394](#). <sup>394</sup> [BIS 395](#). <sup>395</sup> [BIS 396](#). <sup>396</sup> [BIS 397](#). <sup>397</sup> [BIS 398](#). <sup>398</sup> [BIS 399](#). <sup>399</sup> [BIS 400](#). <sup>400</sup> [BIS 401](#). <sup>401</sup> [BIS 402](#). <sup>402</sup> [BIS 403](#). <sup>403</sup> [BIS 404](#). <sup>404</sup> [BIS 405](#). <sup>405</sup> [BIS 406](#). <sup>406</sup> [BIS 407](#). <sup>407</sup> [BIS 408](#). <sup>408</sup> [BIS 409](#). <sup>409</sup> [BIS 410](#). <sup>410</sup> [BIS 411](#). <sup>411</sup> [BIS 412](#). <sup>412</sup> [BIS 413](#). <sup>413</sup> [BIS 414](#). <sup>414</sup> [BIS 415](#). <sup>415</sup> [BIS 416](#). <sup>416</sup> [BIS 417](#). <sup>417</sup> [BIS 418](#). <sup>418</sup> [BIS 419](#). <sup>419</sup> [BIS 420](#). <sup>420</sup> [BIS 421](#). <sup>421</sup> [BIS 422](#). <sup>422</sup> [BIS 423](#). <sup>423</sup> [BIS 424](#). <sup>424</sup> [BIS 425](#). <sup>425</sup> [BIS 426](#). <sup>426</sup> [BIS 427](#). <sup>427</sup> [BIS 428](#). <sup>428</sup> [BIS 429](#). <sup>429</sup> [BIS 430](#). <sup>430</sup> [BIS 431](#). <sup>431</sup> [BIS 432](#). <sup>432</sup> [BIS 433](#). <sup>433</sup> [BIS 434](#). <sup>434</sup> [BIS 435](#). <sup>435</sup> [BIS 436](#). <sup>436</sup> [BIS 437](#). <sup>437</sup> [BIS 438](#). <sup>438</sup> [BIS 439](#). <sup>439</sup> [BIS 440](#). <sup>440</sup> [BIS 441](#). <sup>441</sup> [BIS 442](#). <sup>442</sup> [BIS 443](#). <sup>443</sup> [BIS 444](#). <sup>444</sup> [BIS 445](#). <sup>445</sup> [BIS 446](#). <sup>446</sup> [BIS 447](#). <sup>447</sup> [BIS 448](#). <sup>448</sup> [BIS 449](#). <sup>449</sup> [BIS 450](#). <sup>450</sup> [BIS 451](#). <sup>451</sup> [BIS 452](#). <sup>452</sup> [BIS 453](#). <sup>453</sup> [BIS 454](#). <sup>454</sup> [BIS 455](#). <sup>455</sup> [BIS 456](#). <sup>456</sup> [BIS 457](#). <sup>457</sup> [BIS 458](#). <sup>458</sup> [BIS 459](#). <sup>459</sup> [BIS 460](#). <sup>460</sup> [BIS 461](#). <sup>461</sup> [BIS 462](#). <sup>462</sup> [BIS 463](#). <sup>463</sup> [BIS 464](#). <sup>464</sup> [BIS 465](#). <sup>465</sup> [BIS 466](#). <sup>466</sup> [BIS 467](#). <sup>467</sup> [BIS 468](#). <sup>468</sup> [BIS 469](#). <sup>469</sup> [BIS 470](#). <sup>470</sup> [BIS 471](#). <sup>471</sup> [BIS 472](#). <sup>472</sup> [BIS 473](#). <sup>473</sup> [BIS 474](#). <sup>474</sup> [BIS 475](#). <sup>475</sup> [BIS 476](#). <sup>476</sup> [BIS 477](#). <sup>477</sup> [BIS 478](#). <sup>478</sup> [BIS 479](#). <sup>479</sup> [BIS 480](#). <sup>480</sup> [BIS 481](#). <sup>481</sup> [BIS 482](#). <sup>482</sup> [BIS 483](#). <sup>483</sup> [BIS 484](#). <sup>484</sup> [BIS 485](#). <sup>485</sup> [BIS 486](#). <sup>486</sup> [BIS 487](#). <sup>487</sup> [BIS 488](#). <sup>488</sup> [BIS 489](#). <sup>489</sup> [BIS 490](#). <sup>490</sup> [BIS 491](#). <sup>491</sup> [BIS 492](#). <sup>492</sup> [BIS 493](#). <sup>493</sup> [BIS 494](#). <sup>494</sup> [BIS 495](#). <sup>495</sup> [BIS 496](#). <sup>496</sup> [BIS 497](#). <sup>497</sup> [BIS 498](#). <sup>498</sup> [BIS 499](#). <sup>499</sup> [BIS 500](#). <sup>500</sup> [BIS 501](#). <sup>501</sup> [BIS 502](#). <sup>502</sup> [BIS 503](#). <sup>503</sup> [BIS 504](#). <sup>504</sup> [BIS 505](#). <sup>505</sup> [BIS 506](#). <sup>506</sup> [BIS 507](#). <sup>507</sup> [BIS 508](#). <sup>508</sup> [BIS 509](#). <sup>509</sup> [BIS 510](#). <sup>510</sup> [BIS 511](#). <sup>511</sup> [BIS 512](#). <sup>512</sup> [BIS 513](#). <sup>513</sup> [BIS 514](#). <sup>514</sup> [BIS 515](#).



### Exclusive CEO Interview – Brian Shniderman

**“Payment plans can be tailored across many variables to suit the specific needs of a business, making them BNPS 2.0 vs BNPL 1.0.”**

#### How has Openpay’s original vision evolved over time? What, specifically is Openpay and Opy doing to meet the expectations and demands of the US market?

Opy’s product development is merchant-centric. We have been discussing with merchants and their trade groups the specific needs of US merchants and the gaps that are apparent. Opy is building a unique US product construct that meets the needs of US merchants and consumers alike with transparent, flexible products with higher limits, longer terms and fair, flat, fixed fees.

Payment plans can be tailored across many variables to suit the specific needs of a business, making them BNPS 2.0 vs BNPL 1.0. Eg in healthcare and the dental sub vertical, deposit sizes, term lengths and frequency of payment are best tuned differently than in home improvement for roof repairs or auto repair. This places a great deal of power in the hands of the merchant and their aggregators to drive more revenue and improve margins. Only OPY customizes to this level, and for up to \$20,000 and 24 month products.

#### Openpay is currently running “OpenMay”, the company’s flagship month of special promotions. What is the strategy there and have there been any interesting insights from the promotion?

OpenMay is an opportunity for Openpay to amplify our merchants showcasing their products and services and unique offers that are exclusive brought to them by Openpay during the month of May. Once again, OpenMay proved to be tremendously successful in driving incremental revenue and new customer acquisition and merchant participation continues to increase year on year.



### Exclusive CEO Interview – Brian Shniderman

**“Opy’s target consumers are financially mature, responsible borrowers who can afford major purchases, but need to spread the cost over time to meet their budgeting needs.”**

**A lot of BNPL companies charge interest on their installment financing options while Openpay / Opy do not. Why did you decide against offering interest-bearing plans and what is your revenue model?**

Many BNPL providers utilize interest-bearing plans (often with accrued interest and exorbitant fees) as a marketing ploy to attract consumers. Quite to the contrary, Opy is a responsible lender that believes in making the fees consumers and merchants pay completely transparent and easily understood. Simply put, we don’t believe in “gotchas”.

**Openpay focuses on the home improvement, healthcare, education, memberships, and automotive verticals. What’s the reasoning behind serving these verticals specifically and how does that relate to your merchant acquisition strategy?**

These verticals all have use cases for which consumers often have to make potentially life-altering purchase decisions – for example patching a roof versus properly replacing it; or making the decision to have a tooth filled versus opting for the best treatment option of a tooth extraction and implant. Opy’s products with longer terms and higher limits allow financially savvy consumers to make the best purchase decisions for themselves and their families. Opy will also operate in larger ticket retail.

**Who are Openpay’s / Opy’s target customers and why?**

Opy’s target consumers are financially mature, responsible borrowers who can afford major purchases, but need to spread the cost over time to meet their budgeting needs. Opy is for consumers who are making major, life-changing purchases, not for consumers making impulsive, “t-shirt and tennis shoe” purchases.



## Exclusive CEO Interview – Brian Shniderman

“Opy has recruited a world class leadership team including a former regulator and continues to build the team of experts with literally hundreds of years of collective experience in FinTech, Banking, Financial Services and vertical specialization.”

### What are the six pillars of success for Opy?

- 1) **Recruiting strong leadership:** Opy has recruited a world class leadership team including a former regulator and continues to build the team of experts with literally hundreds of years of collective experience in FinTech, Banking, Financial Services and vertical specialization.
- 2) **Launching a wholesale merchant strategy and distribution model:** Opy establishes partnerships with “aggregators” (for example, Dental Services Organizations in the Health/Dental vertical) to enable us to reach hundreds or thousands of merchant efficiently.
- 3) **Creating large scale, sustainable ecosystem partnerships:** Opy and FIS/Worldpay have announce our partnership; globally, Openpay has just announced our partnership with Payment Assist to dramatically expand our reach into the UK automotive vertical – we will be announcing additional partnerships in the coming months.
- 4) **Americanizing the Openpay platform:** Opy is working with merchants through the Opy Merchant Advisory Council to help shape and inform our product specifically for the US market and for our specialized verticals.
- 5) **Tuning the product to extend our differentiation:** Opy works with Merchants, aggregators and partners to understand their specific needs. Our platform allows us to flex to meet the specific needs of our end-user merchants and consumers.
- 6) **Pivoting, expanding and scaling from Openpay’s / Opy’s existing areas of strength:** Openpay and Opy leverage their technologies, strengths and experiences from AU and the UK and augment this with new, fintech, payments and vertical expertise in the US to continue scaling.



### Exclusive CEO Interview – Brian Shniderman

**“Opy offers longer term plans (up to 24 months) with higher limits (up to \$20,000) in a flexible product construct with fair, flat, flexible fees for consumers and merchant fees that are sound investments in driving incremental sales, revenue and increased brand loyalty.”**

**You mentioned Opy’s differentiation from competitors. Can you go into more detail about how Opy’s NextGen BNPL 2.0 product is demonstrably different than competitors’ products?**

There are several aspects of Opy’s differentiation. Some of which we discussed earlier. To summarize, Opy offers longer term plans (up to 24 months) with higher limits (up to \$20,000) in a flexible product construct with fair, flat, flexible fees for consumers and merchant fees that are sound investments in driving incremental sales, revenue and increased brand loyalty. We do all of this as a responsible lender and provide terms that are transparent, compliant and easily understood.

**You’ve been quoted several times regarding “exclusivity” agreements and your view that merchants should avoid such agreements – help us understand your perspective.**

The BNPL space in the US is quickly evolving. There are several use cases for which multiple BNPL providers can compliment one another. For example, in a “waterfall” scenario that offers consumers the best product fit for their needs and circumstances or a scenario in which one BNPL provider is offering a “Pay in 4” product while another is offering longer-term, higher limit products as a compliment. Merchants should recognize these opportunities and not allow exclusivity provisions to prevent them from pursuing the best solutions for their business and their customers.

**Openpay / Opy has a unique B2B offering, OpyPro. Could you please elaborate on this solution’s value proposition and how it complements your traditional BNPL offerings?**

OpyPro is a Software-as-a-Service (SaaS) solution that allows companies to manage their trade accounts end-to-end, including applications, credit checks, approvals and account management – all in one simple system. While Opy’s initial focus is on consumer BNPL products, OpyPro is well established in Australia and will soon be a focus of Opy in the US. Existing and prospective Opy merchants will be able to benefit from OpyPro’s efficiencies and elimination of manual process in the B2B account management process enabling them to focus resources on their core business.





## Exclusive CEO Interview – Brian Shniderman

**“The long-term plan for Opy is to build the US consumer BNPL products, focus to B2B products such as OpyPro and expand to big ticket retail.”**

### **What’s the long-term plan for the Company? What does the product roadmap look like and do you expect to expand your vertical focus?**

The long-term plan for Opy is to build the US consumer BNPL products, focus to B2B products such as OpyPro and expand to big ticket retail. In addition to organic growth, Opy aggressively pursues partnerships with aggregators and channel partners that enable the success of Opy, our partners, our merchants and our consumer customers.



**Nitya Sharma**

Co-Founder  
& CEO



Nitya is Co-Founder & CEO of Simpl. In this role, Nitya focuses on making payments invisible and money intelligent. Prior to co-founding Simpl in 2015, Nitya worked on Wall Street as a Portfolio Manager at JNF Asset Management, a structured credit hedge fund. Previously, Nitya was a Vice President at Goldman Sachs trading structured credit and correlation in the SPG Group. Apart from work, Nitya enjoys various pursuits including listening to music, exploring and experimenting with cuisines and good conversations.

**“I felt that getting a credit card should be at least as easy as getting a smartphone and that most middle-class consumers in India should have one.”**

### How did your background on Wall Street lead to the founding of Simpl?

I started my career at Bear Stearns in the mortgage-backed securities group in 2004 and then went on to trade collateralized debt obligations and credit correlation at Goldman Sachs; for sure it was an interesting time to be on Wall Street, however, I knew that I wanted to do something more entrepreneurial. Looking back, my background on Wall Street and credit was helpful but by no means the perfect career path to become an entrepreneur and to be honest I never thought I'd start a payments company.

When I moved back to India, I was searching for a local credit card to provide the same services and convenience I enjoyed in NYC. I was shocked that with my background (a successful career on Wall Street, an Amex platinum card, a not insignificant bank balance and plenty of other information that should suggest that I could be eligible for a credit card), the bank in India with whom I had a strong relationship rejected my application. This really drove home the issue facing millions of urban millennial consumers in India, who are unable to access the benefits and convenience of a credit card.

I felt that getting a credit card should be at least as easy as getting a smartphone and that most middle-class consumers in India should have one. And that is why I started Simpl, where we turn the smartphone itself into a native-to-mobile payment instrument that offers a better user experience, is more accessible and cheaper for merchants and consumers. What we are building is a full-stack replacement of traditional credit cards, purposely built for a world where most commerce and payments happen on the smartphone. But in a place like India, where the traditional value chain is nowhere near as established, the opportunity we saw was not only to build a better credit card, but to re-imagine the entire value chain – and that's what we did.



## Exclusive CEO Interview – Nitya Sharma

**“What I felt the Indian market still needed was a digital alternative that builds trust, like Paypal and credit cards did in the US, with a user experience that is far superior to prepaid wallets like PayTM and appeals to the aspirational urban millennial consumer in India.”**

### What are the key problems Simpl is solving in India? Why is cash usage still so high and why are traditional credit and debit cards not the right solutions in the country?

There is a perfect storm in India. On one hand, India is the fastest growing mobile commerce market in the world – there are 500 million people with a smartphone connected to the internet and the country has one of the most advanced banking infrastructures in the world, 900 million people now have a bank account, all these consumers have debit cards and UPI handles, and almost 1 billion consumers are KYC'd (Aadhar).

On the other hand, more than 60% of all e-commerce transactions in India are still done with cash (Cash on Delivery), only ~30 million unique consumers have a credit card, 25% of all digital transactions on mobile fail at checkout and a digital transaction typically involves multiple factors of authentication (OTP) leading to a dreadful and cumbersome user experience at checkout.

A common misconception is that people prefer cash for nefarious purposes. While in some sectors this may be true, in e-commerce and daily use case transactions, the heavy dependence on cash can readily be attributed to lack of trust and poor user experience of digital alternatives. Paying at the time of delivery builds trust in the transaction and cash on delivery is a true 1-click checkout.

Contrast that with using a debit card or UPI. Multiple passwords lead to a poor checkout experience and 25% transaction failure rate on mobile. Paying with debit also makes consumers bear the entire risk of the transaction not going as expected with the added risk of having their bank account exposed to the online world. The demand for such a product is evident in the US, where a combination of 1-click checkout, access to credit cards and strong buyer protection in the form of chargeback resolution for consumers has worked in terms of establishing consumers' trust in online payments.

What I felt the Indian market still needed was a digital alternative that builds trust, like Paypal and credit cards did in the US, with a user experience that is far superior to prepaid wallets like PayTM and appeals to the aspirational urban millennial consumer in India.

*Continued on next page*



### Exclusive CEO Interview – Nitya Sharma

“Merchants love Simpl because we help move consumers away from Cash on Delivery, increase conversion by 35%, AOV by 15% and on top of that increase order frequency by more than 25% as we minimize the friction in the checkout process.”

*Continued from prior page*

Simpl is an elegant solution solving all these major problems for both merchants and consumers. Simpl enables zero friction checkout by combining 1-click checkout with pay later functionality and strong buyer protection features.

Merchants love Simpl because we help move consumers away from Cash on Delivery, increase conversion by 35%, AOV by 15% and on top of that increase order frequency by more than 25% as we minimize the friction in the checkout process. Our goal as a company is to drive checkout friction to zero and help merchants maximize the buying experience for their customers. We firmly believe that the best payment experience is NO experience.

This approach is antithetical to how the traditional payments value chain works, where debit and credit cards are an engagement and loyalty instrument for banks, funded by merchants. At Simpl, we are leveraging the fact that on the smartphone, merchants and consumers are already directly connected to each other and our SDK inside of merchant apps and websites enables zero friction checkout without touching the legacy value chain. Simpl has re-created the core functions of the legacy value chain in a single integrated mobile-first technology stack that is primarily focused on enriching the merchant-consumer relationship rather than feeding a fragmented value chain that was initially created for offline commerce 60 years ago.

### COVID is obviously having a terrible impact on India. How has this impacted your business?

Covid hit India hard in the first wave and even harder in the second wave and the entire country was severely impacted at the humanitarian level, where the recent second wave was far more devastating than the first one. But the government response was different in both instances and with that the impact to our business.

*Continued on next page*



### Exclusive CEO Interview – Nitya Sharma

**“In the month of May alone we grew both our monthly active user base and payment volumes by 30% vs. the previous month.”**

*Continued from prior page*

During the first wave in March and April of last year the government imposed a strict full lockdown that brought all commerce, including e-commerce deliveries to a grinding halt. Overnight we saw volumes drop by 80%, but since then have seen a strong recovery and an incredible acceleration of activity on our platform. After the initial lockdown we saw especially the food, grocery and pharmacy delivery services bounce back quickly, general online retail has been strong across the board, while mobility, travel and entertainment continue to be negatively impacted.

The first wave also asserted our confidence in our underwriting strategy and product positioning. Despite the human and economic crisis brought on by Covid-19, we saw strong repayment performance, which drove home the point that our core pay-later product is not a credit product, but much rather a user experience product that consumers use to solve for trust and checkout friction when they shop online.

With all the learnings from the first wave and no full government lockdown during the second wave, we were able to lean into the rising demand for digital commerce and safe, secure and contactless payments. As a function, our business has been doing extraordinarily well. In the month of May alone we grew both our monthly active user base and payment volumes by 30% vs. the previous month. At the same time our team and the country as a whole continue to be impacted by the virus, but the situation is starting to improve now - we were actually able to host a vaccination drive for our team and their family members just last week.

**Why did you decide to offer your new “Pay-in-3” product, which sounds similar to other Buy-Now-Pay-Later providers? How is Simpl similar / different to these other players?**

What you notice when you look at Buy-Now-Pay-Later around the world is that the rise of direct-to-consumer (D2C) e-commerce is one of the big drivers of the space. D2C e-commerce became noticeable from 2017 onwards in the US and is now a significant portion of the market, fueled by the likes of Shopify and big brands increasingly pushing their own e-commerce channels.

*Continued on next page*



### Exclusive CEO Interview – Nitya Sharma

“While discovery and logistics are mostly solved, the trust gap in e-commerce and the checkout friction associated with other digital payment options creates the perfect setup for a lifestyle-focused split-payment solution like the Pay-In-Three option we are just starting to roll out.”

*Continued from prior page*

In India, the same trend started emerging in 2019, when the convergence of 3rd party logistics provider coverage and the availability of commerce platforms allowed for e-commerce to increasingly happen outside of Flipkart and Amazon. During the pandemic, D2C e-commerce has seen a big boost and is expected to take a larger share of the fast-growing online retail market over time. While discovery and logistics are mostly solved, the trust gap in e-commerce and the checkout friction associated with other digital payment options creates the perfect setup for a lifestyle-focused split-payment solution like the Pay-In-Three option we are just starting to roll out.

The number one pain point for D2C merchants in India is conversion, which stands at a staggeringly low rate of 0.5% vs. 3-4% in developed market D2C e-commerce. India has one of the lowest e-commerce conversion rates in the world for the same reasons that we built our initial pay-later product: lack of trust and checkout friction. With our Pay-In-Three option we are now also giving consumers the ability to budget and pay for lifestyle purchases in three equal instalments, 1/3 upfront and the remaining two thirds in the beginning of the two subsequent months.

When we compare our Pay-In-Three product with our developed market peers, it is very similar on the surface, but the major incremental value-add is resolving the trust deficit in Indian e-Commerce through pay-later and buyer-protection features. One of the big advantages we have as we launch this product is that we already have a large active and engaged consumer base for whom we can switch on pay-in-three as a platform feature that will increase spend per customer at low incremental risk. Another big difference is that in India we don't have to displace the credit card, because most people just don't have one. Cash on delivery remains our biggest competitor and it continues to be very prevalent in D2C e-commerce due to the trust deficit that emerging e-commerce brands are still facing. When we look at the suite of products we already have, 15-day pay-later for frequent transactions, recurring bill payments and now pay-in-three, this new product brings us one step closer to creating a native to mobile full-stack replacement of the credit card with additional features forthcoming.





### Exclusive CEO Interview – Nitya Sharma

“Through our deep integration with merchants on the Simpl network, Simpl underwrites a small initial credit line in real time utilizing unstructured data and machine learning algorithms to approve new users.”

#### What is your pricing structure and how does this compare to traditional payments?

Simpl's core pay-later business currently has two revenue sources. One is directly from the merchants who pay a Merchant Discount Rate (or “MDR”). This MDR compensates Simpl for the cost of the transaction (covering everything from the credit risk associated with the underwriting to the financing of the advance to the merchant and the full stack cost of processing). Simpl has completely unbundled the cost structure and allows merchants to pick and choose how they wish to structure the advance. If they wish to bear some of the financing cost (i.e. a delayed settlement) or some of the settlement risk, there is a direct economic benefit to the merchant, allowing them to most efficiently integrate Simpl into their workflow and product roadmap. The pay-in-three feature follows the same pricing approach, but at a higher take-rate.

On the consumer side, Simpl is completely free to use, no hidden fees and no interest. However, we do allow a subset of our user base to extend their balance payment period for an additional 10 days for a small convenience fee. Although this is not mandatory, and only a portion of our user base chooses to utilize this feature, it does create an additional revenue source for Simpl.

#### How do you underwrite consumers for credit? How has your credit performance been?

Although Simpl's platform definitively is exposed to the risk of non-payment by users on our platform, the type of exposure is markedly different from the exposure of traditional credit products. The basis for Simpl's initial approval on our platform is driven by the deep and habitual engagement of users across our network of merchants, transacting multiple times per month for relatively small dollar amounts (averaging 5+ per month, with our top users transacting 20+ per month). Through our deep integration with merchants on the Simpl network, Simpl underwrites a small initial credit line in real time utilizing unstructured data and machine learning algorithms to approve new users. It is critical to appreciate that consumers use Simpl primarily to solve for a better checkout experience and buyer protection and not affordability. Therefore, our primary goal is to manage fraud risk rather than credit risk. As consumers create their own repayment history on Simpl and contribute additional information, they become eligible for larger limits over time.

*Continued on next page*



### Exclusive CEO Interview – Nitya Sharma

**“Simpl has created off balance sheet financing vehicles that utilize securitization technology to finance the merchant advances.”**

*Continued from prior page*

Our performance has proven that our underwriting models work, with charge-offs continuing to meet or outperform targets even as the user base and spend per user expands. With this approach, we are now able to pre-approve 24 million consumers in India.

What we also notice is that as our user cohorts age, delinquencies drop significantly while spend increases. Because of the strong retention of our highly engaging product, the aged cohorts provide very attractive gross margins allowing us to accelerate new user acquisition without sacrificing unit economics at the portfolio level.

#### **How are you funding the credit you are providing and how do you expect this to change over time?**

Although Simpl’s long term vision has always been to provide the intelligent technology layer which allows capital to flow directly from lending institutions to consumers at the point of sale, Simpl has always understood that it needs to first prove both its authentication and underwriting framework utilizing its own balance sheet and taking the credit risk on a principal basis.

Therefore, Simpl has created off balance sheet financing vehicles that utilize securitization technology to finance the merchant advances. Given the high velocity of the consumer receivables (less than 12-day duration), Simpl has always had adequate access to debt capital from domestic and international lenders to finance its working capital needs. We very recently closed an asset based facility anchored by one of the largest asset managers in the world that can power up to USD 850 million in annual payment volumes.

*Continued on next page*



### Exclusive CEO Interview – Nitya Sharma

**“In India, we enable a differentiated 1-click checkout experience that solves for the imperfections of the Indian payments’ ecosystem through alternative forms of authenticating and underwriting consumers with limited reliance on traditional credit metrics...”**

*Continued from prior page*

Parallel to our balance sheet funding vehicles, Simpl has built the infrastructure for bank partnerships where we are already in discussions with several major Indian banks, allowing the entity to provide pay-later lines of credit directly to the bank’s customers utilizing Simpl’s network and rails. Through this initiative, we have started to execute on our long term vision of creating the world’s first and only merchant focused payments network, where any capital provider (whether a bank, NBFC, or any other type of consumer financing balance sheet) can utilize a neutral platform with access to proprietary data to allocate point of sale credit to the best and most loyal consumers of a single merchant, a cohort of merchants, or an entire network based on their desired risk, consumer or use-case profile.

**You have built a very interesting solution for the Indian market that collapses the entire payments value chain into one platform. How do you think about the opportunity set outside of India?**

In India, we enable a differentiated 1-click checkout experience that solves for the imperfections of the Indian payments’ ecosystem through alternative forms of authenticating and underwriting consumers with limited reliance on traditional credit metrics (such as repayment history, credit score, etc., which do not exist at scale) at attractive unit economics. We are using our learnings in India to re-imagine what a credit card should look like in the world of smartphones, the internet, big data and machine learning. India is the perfect market to build and scale this product because traditional credit-based payments are struggling to establish themselves as global players have not yet achieved the scale they have in other markets.

*Continued on next page*



### Exclusive CEO Interview – Nitya Sharma

**“In both emerging and developed markets, Simpl will be able to process payments at a significantly lower cost than a traditional credit card and enable merchants and consumers to build relationship and trust with each other.”**

*Continued from prior page*

In building a solution for the Indian payments market, we inadvertently created a unique solution to solve a major problem facing global e-commerce platforms, which bear a large processing expense for transactions. These problems are only compounded as transaction frequency increases and transaction size decreases, and the fixed processing costs further erode margins to the point of transaction indifference. Simpl's platform elegantly solves the problem for processing small dollar payments: as the processing and payment rails are owned completely by Simpl and bear no fixed costs, we are indifferent to processing a 10-cent transaction or a 1,000 dollar transaction in an efficient and scalable manner for merchants at a price that makes economic sense for all parties. We believe that this technology will only further deepen and ingrain our merchant side relationships, and our value proposition will enable us to use these key merchants to act as a wedge into more developed markets.

In both emerging and developed markets, Simpl will be able to process payments at a significantly lower cost than a traditional credit card and enable merchants and consumers to build relationship and trust with each other. Our integrated approach to payments and our deep merchant relationships put us in a unique position to take cost out of the system while driving tremendous value for both merchants and consumers. We believe the core problem Simpl solves exists all around the world and, at the right time, Simpl will pursue this global opportunity.

### **How have you funded the business to-date and how do you think about the Company's financing needs going forward?**

Simpl has been lucky enough to work with some very talented and world class investors. Since the company's founding, our lead investor has been Green Visor Capital, a San Francisco based venture capital fund that is led by Joe Saunders, ex-CEO and Chairman of VISA. Joe's experience in both financial services and most importantly payments has been a huge tailwind for Simpl, not only in thinking through consumer engagement, but also on how we should be thinking about building the payment network of the future.

*Continued on next page*



### Exclusive CEO Interview – Nitya Sharma

“Simpl’s long term goal is to offer consumers convenience and safety at checkout, affordability when required and personalized loyalty rewards.”

*Continued from prior page*

In addition to Green Visor, our cap table includes IA Ventures, FJ Labs, Recruit Strategic Partners and a few so-far unannounced institutional investors and family offices.

For our working capital and balance sheet needs, we work very closely with sophisticated institutional lenders who are positioned to meet Simpl’s balance sheet needs in an efficient and scalable framework for the foreseeable future. The latest debt financing that just closed a few weeks back has not yet been publicly announced.

As we look towards the future, we know that additional financing will be necessary to execute on our growth plan, and this capital will consist of both debt and equity. We are looking forward to expanding our investor base with the right long-term partners to continue to build our vision of zero-friction mobile commerce.

#### What new products / services are on your future roadmap?

Simpl’s long term goal is to offer consumers convenience and safety at checkout, affordability when required and personalized loyalty rewards. We do so by building a smart data and intelligence layer facilitating commerce between merchants, consumers, and capital. Being a neutral entity allows us to be the intermediary of trust that connects the three groups to each other in a way that creates value for everyone involved.

While our current focus is on scaling the pay-later business with more merchants and consumers, the next step in our product roadmap is to launch additional platform features to facilitate zero friction experiential commerce. All features will enable merchants to maximize conversion and consumers to maximize their shopping experience. This will include single-sign-on functionality to enable 1-click sign-in and check-out among other platform enhancements. With the infrastructure we have built in the last few years designed for scalability new can quickly go from ideation to execution with the features launched as incremental upgrades to our existing Simpl platform.

*Continued on next page*



### Exclusive CEO Interview – Nitya Sharma

**“The foundation of our platform strategy is the trust and engagement we built with merchants and consumers to create additional products and features on top of the data asset created by historic interactions across the network...”**

*Continued from prior page*

With the data we already have and the increasing focus on traditional and D2C e-commerce we are also going to build a discovery feature that will allow consumers to discover new products and merchants. As a precursor to the discovery platform we have already built a product review guide similar to the Michelin Guide as a pilot. In conjunction with discovery, a personalized loyalty offering will be key milestone in further augmenting the value proposition to consumers and offering merchants a high ROI way of deploying their marketing spend at the same time. We are continuously pushing towards expanding our value proposition from the narrow scope of payments to a much broader, holistic solution for commerce enablement that will increasingly position Simpl as a trusted and neutral partner that helps merchants and consumers succeed across the commerce journey.

By platformizing our issuance stack, we have laid the groundwork to take a role similar to traditional card networks, allowing providers of capital like banks, NBFCs, or even merchants to fund consumer purchases. Along the lines of commerce enablement, we view Simpl as a data and technology company rather than a specialty finance company. By opening our issuing platform to third party providers of capital we will allow capital to flow from the cheapest cost of funding to the point of sale while reducing our balance sheet footprint over time. This will also enable us to expand the Simpl use case from smaller and medium transactions to bigger ticket purchases and capture origination fees.

The foundation of our platform strategy is the trust and engagement we built with merchants and consumers to create additional products and features on top of the data asset created by historic interactions across the network – and as the network grows, the scope for new products and features will do so as well.





**Anuscha Iqbal**

Co-Founder &  
CEO



Anuscha is Co-Founder and CEO of Spotii. Previously, Anuscha was a Managing Director at The Abraaj Group, a global private equity firm investing in growth markets across Africa, Asia, Latin America, the Middle East and Turkey. Prior to working at The Abraaj Group, Anushca worked in investment banking in New York at Dresdner Kleinwort. Anuscha is a mom, wife and sister who believes in listening, empowering, and driving results.

**“There was nothing like [BNPL] in the region, despite the regions young digitally native population, there was a massive white space in improving the ecommerce ecosystem.”**

**Please give us your background and tell us what inspired you to found Spotii.**

I grew up in Pakistan and went to college in the US. After a few years of investment banking in New York, I moved to the UAE where I joined a private equity firm looking to invest capital in the Middle East North Africa South Asia region. I spent 11 years looking at the region grow as an investment destination and saw the entrepreneurial climate evolve. After leaving PE I was introduced to the BNPL concept by my Co-founder (and brother) who was involved in the space in San Francisco. There was nothing like it in the region, despite the regions young digitally native population, there was a massive white space in improving the ecommerce ecosystem. While a number of start ups had focused on addressing other elements of the value chain such as last mile delivery and increased product availability, no one seemed to be dealing with improving payments (probably the most disliked part of the journey from the perspective of the consumer) element. And so in 2020 Spotii was founded with the mission to empower consumers to enjoy more today what they will love forever through technology, trust and inclusion.

**Why is the Middle East region ripe for a solution like Spotii? What fundamental problems are you solving? What is your value proposition to both consumers and merchants?**

The B2C e-commerce market in the GCC is expected to grow at a CAGR of 32.9% between 2019 – 2022 – twice the global average. The wider MENA region is expected to grow at 24.9% over a similar period. Within the GCC, growth rates for the UAE and KSA are the highest at 40% CAGR. This is overlaid by very high rates of digital connectivity (99% and 85% smart-phone penetration in the UAE and KSA), high purchasing power, and a young population that has benefited from the growth of the digital economy across multiple channels beyond e-commerce such as ride-hailing, and food ordering.



### Exclusive CEO Interview – Anuscha Iqbal

“The fact that customers come to our site to browse for merchants where they can use Spotii clearly demonstrates the value they feel they get from the product. Our oldest cohort of users have used us 13 times already – a pretty impressive number given how young our business is.”

*Continued from prior page*

The rest of the GCC shares similar characteristics and we do believe that markets in the wider region such as Egypt and Pakistan are rapidly developing similar digital and financial infrastructure. Yet in most of these markets, cash on delivery was in the range of 80-90% of sales pre-covid. There was a clear opportunity to bring a better payments proposal to the market.

Consumers love the product because its extremely consumer friendly, it allows consumers to enhance their spending power without overburdening them with excessive costs while being quick and easy to use. Merchants love the product because they see higher conversion, larger basket sizes and more customer loyalty. The fact that customers come to our site to browse for merchants where they can use Spotii clearly demonstrates the value they feel they get from the product. Our oldest cohort of users have used us 13 times already – a pretty impressive number given how young our business is.

#### How has Covid impacted payments usage and e-commerce in the Middle East. How has this in turn impacted Spotii?

A Mastercard study revealed that nearly three out of four UAE consumers (73 per cent) are shopping more online than they did prior to the pandemic. That stat is playing out to a similar degree across the region. Covid forced users to shop online (many for the first time) and in doing so not only got people comfortable with the act of purchasing virtually but also with digital payments. This has been a tremendous accelerator for the BNPL space globally.

Our merchants have seen up to 70% increase in average order value when using Spotii – this demonstrates the positive economic impact we can continue to have for e-commerce and physical retailers – BNPL is not a purely digital play something we have demonstrated by working with physical e-tail globally.

We have witnessed transaction growth at an average of 90% month on month since inception.

Adoption of BNPL was clearly accelerated due to Covid, however given the fact that it is adding significant value to the commerce ecosystem its clearly here to stay.



### Exclusive CEO Interview – Anuscha Iqbal

**“We’re pleased to see that in a short period of time Spotii is already being seen as Exciting, Easy to use and Being a responsible provider of the service. Our research also highlights it as being more popular among Millennials.”**

#### **Spotii has been growing rapidly. What is driving this growth and how do you plan to keep it going?**

We have to serve both our merchants and our consumers. So understanding what each of those key stakeholders want and need and then delivering that. We are a nimble organization, constantly iterating and that’s what has kept us ahead of the game.

#### **How does Spotii differentiate itself from other BNPL players both in the region and globally?**

We feel our customer centric approach is resonating very well with our users. Whereas many brands in the UAE market are not strongly associated with any brand attributes, we’re pleased to see that in a short period of time Spotii is already being seen as Exciting, Easy to use and Being a responsible provider of the service. Our research also highlights it as being more popular among Millennials.

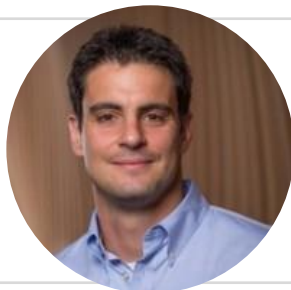
#### **Talk to us about joining forces with Zip. How does this partnership further your mission as a Company and what advantages does it offer to both you and Zip?**

Zip’s vision – the freedom to own it, syncs perfectly with why we started Spotii, that coupled with the fact that Zip saw the MENA opportunity early made it an easy decision for us. Zip brings to the market world class processes, gives us the ability to bring new products to market faster and given their intention to investment heavily in these markets, gives us the financial backing to grow rapidly and support our merchant partners.



**Arad Levartov**

Co-Founder  
and CEO



A FinTech veteran, Arad's strong leadership skills come from his background as a Major in the Israeli Navy Seals. Arad holds an MBA degree from Duke University Fuqua School of Business. Previous to Sunbit, Arad was COO of Enova International, where he successfully managed an \$800M business and led teams across product, marketing, strategy, HR, and operations. Prior to Enova, he ran Operations and Systems Development at Intel.

**"My co-founders and I founded Sunbit to be the preferred buy now, pay later (BNPL) technology for everyday needs -- for people from all walks of life, everywhere. "**

### What is the vision behind founding Sunbit?

When I was a new immigrant to the States, I was denied credit at a Costco because of my thin credit file. It happened in front of my kids, and a whole line of people. No one likes that feeling of humiliation, rejection and judgment -- and this happens to thousands of people each day. Working in fintech, I just thought: it doesn't have to be this way -- it makes the buying experience pretty terrible, and it's awkward for customers and retailers alike.

My co-founders and I founded Sunbit to be the preferred buy now, pay later (BNPL) technology for everyday needs -- for people from all walks of life, everywhere. No matter who you are, you should have the dignity of being offered the same experience.

### What elements of your BNPL products are most attractive to merchants? Is it the speed, the high approval rates, fees, or something else? Are you typically replacing an existing solution or are you the first BNPL solution for your merchant customers?

Our merchants are typically ones that value customer experience: they want to have a long-term relationship with their customers. Oftentimes the transactions happen in person, so our merchants value the fact that they can use Sunbit to offer BNPL to all their customers, and its speed and ease of use makes it feasible in a retail environment without creating long lines and frustration.

We have a mix of customers -- in places like auto repair and service, we're often the first BNPL solution, but in other verticals, merchants have adopted us because they don't need to toggle between multiple solutions since we can serve pretty much everyone by approving 90% of applicants. In some verticals, all of the people who are approved can get 0% APR for 3 months.



### Exclusive CEO Interview – Arad Levertov

**“We consider ourselves three companies in one: a finance company, a technology company and an operations company: all those elements come together in the way that we work to support our merchant partners.”**

#### How do you differentiate yourself against other BNPL providers?

There are lots of BNPL players online, but we were really focused from the beginning on developing a solution that works for consumers’ everyday needs – and those typically happen in person at a nearby retailer. The in-store environment really has a different set of requirements: the merchant must be able to offer it to everyone, which they can do with Sunbit because of our 90% approval rate. The experience must be fast and easy to use, like our 30-second approval process that doesn’t require data entry, because you don’t want customers waiting around or long lines. And finally, you have to be fair, because the merchant partner’s brand is tied to this experience too. We want to delight the customer.

We consider ourselves three companies in one: a finance company, a technology company and an operations company: all those elements come together in the way that we work to support our merchant partners. We tick all these boxes and it’s really a win for everyone: consumers get what they need, and merchants are able to complete a sale.

#### Sunbit currently focuses on the Retail, Automotive, Dental and Eyewear verticals. Why did you choose to focus on these specifically? Do you plan to expand into other verticals in the future?

Again, this really stemmed from our desire to help people meet their everyday needs – and these are verticals where transactions are typically done in person. They also happen to be huge markets: about \$550 billion altogether. We wanted to be thoughtful about our expansion, by ensuring we get each vertical right before rolling it out more widely. This is really critical to consider: it’s easier to roll something out online, but much harder to get into these everyday verticals – but when you get it right, it’s very sticky because you become part of the merchant’s sales process.

We absolutely plan to go into more verticals; there’s clear demand because we regularly get customers contacting us asking when they’ll be able to find us at various merchants they visit throughout the course of their daily lives.



## Exclusive CEO Interview – Arad Levertov

“What’s unique about our underwriting strategy is that we implement machine learning across our business -- not just in the decisioning engine, but across our customer service, sales and operations.”

### The Company seems to have a strong omni-channel strategy with its In-Store, On-the-go, and Online solutions. Why is this important and how do you implement each?

We have these options because they make for a better customer experience. If a customer wants to complete a transaction in the merchant’s physical location, In-Store is great. But if they need to wait until they know how much a service costs, and then want to just take care of payment while they’re working at their desk, they can complete it with our On-the-go product with a link the merchant sends them. And finally, if the merchant offers an online checkout, the customer can use Sunbit to complete the transaction online, offering a complete, consistent omni-channel experience.

### Talk to us about your underwriting strategy. How are you able to approve such a high percentage of applicants?

What’s unique about our underwriting strategy is that we implement machine learning across our business – not just in the decisioning engine, but across our customer service, sales and operations. Because so many of these transactions happen in person, even before the customer applies, we already have a lot of information to take into consideration. That’s usually followed up by two forms of ID from the customer, which helps give us even more data. It’s all these cumulative efficiencies that result in cost savings that we’re able to pass back to the customer. We also leverage traditional credit scores, but look at likelihood to repay in a more near-term, transaction-specific way.

### Can you walk us through the economics of your business including your revenue model?

Our mission is to eliminate financial waste, and to and pass the value back to retailers and customers. That means that we are working with both retailers and customers to create a win-win: retailers are able to sell more, and customers are able to get more out of their hard earned money.

Our revenue model reflects this approach, where both retailers and customers contribute (over 50% of our revenue comes from retailers). With that, everyone wins.





### Exclusive CEO Interview – Arad Levertov

**“We’re going to rapidly grow our merchant footprint so that our BNPL technology is available wherever customers are making necessary expenditures.”**

#### **Sunbit recently raised \$130 million Series D round at a \$1.1 billion valuation. How do you plan to use these funds to fuel your next leg of growth?**

We’ve proven out our model – pretty handily during COVID – and now it’s time to scale and expand. We’re going to rapidly grow our merchant footprint so that our BNPL technology is available wherever customers are making necessary expenditures. We plan to develop new products that add value to merchants and customers – and to make that experience better than ever. We’re going to increase the number of verticals we serve, and in the process, create more awareness of our brand.

#### **In the Company’s recent funding announcement, you mention that Sunbit is currently adding more than 300 merchant locations and tens of thousands of customers per month. What is driving this strong growth?**

I credit our vertical-specific expansion model for this. We work hard to ensure that Sunbit is a perfect fit for every single vertical we pursue – and when you get that product-market fit just right, everyone’s going to want it. That’s how we got to be in 1 in every 4 dealership auto service centers across the nation. That’s why eyecare is seeing a similar boom. There just really aren’t good solutions out there for in-person, everyday transactions – and we’re filling a real need in that space.

#### **What is the ultimate vision for Sunbit? How do you see the Company evolving over the next 5-10 years?**

I like to think of us as turning the traditional ideas of how and where financing occurs on its head – I think we’re going to surprise people with how we’re going to evolve. We closely track the way that consumers live, so that we can more closely integrate our technology with the way they think and behave. Our ultimate vision is to be an integral part of how people pay for things – in a way that’s flexible and suits their individual needs. You’ll see that in the way of new products: we’ll do for BNPL what Apple did for consumer technology.



**Sankaet Pathak**

Founder and CEO



Sankaet is the Founder and CEO at Synapse. Prior to Synapse, Sankaet was a research assistant at the University of Memphis, where he helped publish 25+ research papers as part of the Physics department. At the University of Memphis, Sankaet became interested in computer science and was inspired to start Synapse after struggling with his own inability to access financial services.

**“The origin of Synapse comes from my own inability to access financial services. The company is dedicated to providing access to financial services for people who have been left behind by the traditional banking systems...”**

### What was the vision behind founding Synapse?

I became interested in computer science while at the University of Memphis. After participating in a hackathon, I came across Simple, a mobile-first neobank.

My friend was able to open an account, but I could not because I was an immigrant and had no credit history. I did not fit into the traditional financial framework, and I realized there must be millions of people who struggled with this same problem.

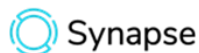
Originally, I just wanted to come up with a more accessible solution than Simple, but quickly realized how much further there was to go—how banking was inaccessible and exclusive at all levels, for both consumers and companies.

The origin of Synapse comes from my own inability to access financial services. The company is dedicated to providing access to financial services for people who have been left behind by the traditional banking systems, and enabling developers to create more creative and accessible financial products on our API infrastructure.

### Can you walk us through your three core products, Deposit Hub, Credit Hub, and Crypto Hub?

Deposit Hub allows individuals or businesses to create deposit accounts and includes access to features such as an account number and debit card, checks, bill pay, direct deposit and more. This has been the core of Synapse, ensuring developers have the tools to create financial products that give everyone access to high quality financial services.

*Continued on next page*



### Exclusive CEO Interview – Sankaet Pathak

“Key to our empowering of fintech innovators, Synapse Credit is the lender of record and performs all loan origination, servicing, credit reporting, and monitors the program for marketing and regulatory compliance.”

*Continued from prior page*

Our newest product, Credit Hub, is a full-stack API platform built to support innovative credit solutions for individuals and businesses. Credit Hub gives any company the ability to build white-labeled credit products including card issuance, credit-building tools, lending accounts and cashback rewards, in as little as six weeks.

The newest product that will help us continue to set ourselves apart from other banking-as-a-service providers is our Crypto Hub. Crypto Hub is a platform that allows developers to build accounts that can exchange, hold and transmit cryptocurrencies for individuals or businesses. We created this to build an easy on/off ramp for fintech cryptocurrency adoption.

**Credit Hub is particularly interesting given that you are not working with a traditional bank sponsorship model. Why did you decide to pursue this path?**

Traditional banks are not known for unsecured, short-term loans at a low cost. In addition, banks are last to introduce innovative underwriting models, bring banking to the masses, eg. immigrants, unbanked consumers, those with lower social-economic status, etc.

Plus, we felt there was a void and opportunity to enable more innovative lending instruments, such as: Open loans, Spend cards, Turnkey Buy-now-pay-later solutions, and Payroll cash advances.

Early on, Synapse recognized these market needs and proactively decided to enable and empower fintech innovators to fill this void.

Key to our empowering of fintech innovators, Synapse Credit is the lender of record and performs all loan origination, servicing, credit reporting, and monitors the program for marketing and regulatory compliance. More information available here: <https://synapsefi.com/credit-hub>.



## Exclusive CEO Interview – Sankaet Pathak

**“Buy Now, Pay Later is ideal for any company with higher ticket items looking to bring a short-term loan solution to market quickly to drive an increase in sales.”**

### Talk to us about how Credit Hub can be levered to offer buy-now-pay-later solutions? Who are you targeting with BNPL solutions?

Support for Buy Now, Pay Later (BNPL) products is one of several credit offerings underlying our Credit Hub product. The broader use-case we support with this capability is installment loans, where there is a one time disbursement of funds which is then paid back in equal (pre-defined) installments over time. This loan could be applied for purchases with a single merchant, or multiple merchants. Multiple merchant BNPL can be supported, for example, by funds issued through a card (physical or virtual) or posting funds to an account.

Buy Now, Pay Later is ideal for any company with higher ticket items looking to bring a short-term loan solution to market quickly to drive an increase in sales. Our customers tend to be Neobanks, embedded finance solution providers, small business platforms, gig economy companies and their 1099 contractors, etc. (other solutions we talked about for the website)

Addition underlying credit products supported by Credit Hub include:

**Revolving Loans:** loans with a fixed credit limit and are either unsecured or secured against collateral. A common use case for revolving loans is issuing credit cards.

**Cash Advances:** short-term in nature, typically less than a month. Cash Advances are a fast and convenient alternative to loans due to their simplicity and limited regulatory burden.

**Open Loans:** revolving loans with a credit limit tied to an underlying reserve balance. Open Loans can be used for secured credit cards or a credit builder product.

### Thinking about your product suite more broadly, what is the sweet spot in the market for your solutions?

Synapse serves fintechs and small businesses who require next-gen banking services—however advanced those may be.

*Continued on next page*



### Exclusive CEO Interview – Sankaet Pathak

**“Our value proposition is that our customers can bring their product to market in weeks as opposed to months or years.”**

*Continued from prior page*

These builders could reside in new enterprises - start-ups - or established enterprises and be charged with developing new offering(s) with financial service components. They are typically founders or senior-level decision makers at early-mid level fintech companies. They're looking for a partner or technology solution that will help them get to market fast. They want to avoid the costs and complexity of building from scratch or cobbling different services/providers together and are ready to invest in a complete, one-stop solution to launch their products quickly, and that can effortlessly scale as their business grows.

Our value proposition is that our customers can bring their product to market in weeks as opposed to months or years. In order to start from scratch, a company offering financial products needs to form partnerships and file requests with myriad different entities, including partner banks, card issuers, credit reporting agencies and more. Synapse already has those relationships and offers access to those services via an API, so our customers can launch in less than two months.

Our core product is our Deposit Hub, which includes payment processing, card issuance, etc. This year, we are expanding into a suite of lending products, headed by a Credit Hub and Crypto Hub.

### **Can you discuss some of your existing customers and how Synapse has enabled their banking solutions?**

Quo – A B2C company that offers financial safety membership and provides tools to help you get your finances on track. Quo helps plan spending around the next paycheck - giving you a 5% APR loan when you have an unexpected emergency. Also, they are working on expanding with the help of Synapse's credit hub.

OnJuno – A startup bank offering high-yield checking accounts with no minimum balance that aims to replace savings accounts. OnJuno's targeted users are specifically populations that are historically more prone to use debit and focus on savings, including South Asian immigrants.

*Continued on next page*



### Exclusive CEO Interview – Sankaet Pathak

“With white-labeled APIs for developers, and bank-facing APIs for institutions to automate their back-end operations, Synapse customers can build, launch and scale best-in-class financial products and services.”

*Continued from prior page*

Context:

[OnJuno, a new online bank aimed at Asian-Americans, offers a 2.15% savings rate](#) (Fortune article, Dec. 2020)

[Quo is Changing Predatory Lending by Making Their One-time Loans a Force for Good](#) (March 2021)

### How does Synapse differentiate vs. other banking-as-a-service providers? What are your core strengths?

Synapse’s banking-as-a-service platform provides payment, card issuance, deposit, lending, compliance, credit and investment products as APIs. With white-labeled APIs for developers, and bank-facing APIs for institutions to automate their back-end operations, Synapse customers can build, launch and scale best-in-class financial products and services. No other provider can offer such a robust suite of products and have it go to market in six weeks. Synapse’s key differentiators include:

- **End-to-end offering** including banking partner, all integration points, and KYC back office
- **Rapid speed to market** with a modern API-first platform - live in 6-8 weeks
- **Infrastructure focused** so that you can create the best experience for your customers
- **Limitless scale** so that you can grow your business without re-platforming
- **Revenue multiplier** enabling new sources of interchange revenue
- **Market access expansion** so that you can easily expand to new market geographies





## Exclusive CEO Interview – Sankaet Pathak

**“Our mission is to ensure that everyone around the world has access to best-in-class financial products, regardless of their net worth.”**

### What is your revenue model and can you share any KPIs on the business with us?

Synapse’s revenue model is driven largely by two components: SaaS fees and rebates on transactions and deposits. Regarding KPI, we measure the health of the business based on revenue growth, retention, and gross margins. Note however, these are not metrics that we share externally.

### What is the long-term vision for the Company? What does the product roadmap look like over the next five years?

Our mission is to ensure that everyone around the world has access to best-in-class financial products, regardless of their net worth. What this means is that we will innovate globally on deposit, credit and investment products. Our guiding principles are to make our products less risky for developers, intelligent for people and easy to use for everybody.

Any product and feature we work on adds into this larger goal. Near-term product introductions will include a Crypto investment platform (Crypto Hub mentioned above), followed by a Global Deposits platform and ID & Risk Score products to minimize financial risk for developer companies. In addition, we plan to add more low-to-no-code capabilities for our customers who wish to have more turnkey solutions without the need to write code.



**Renaud  
Laplanche**

Co-Founder & CEO



Renaud is Co-Founder and CEO of Upgrade. Prior to co-founding Upgrade, Renaud co-founded Lending Club, America's largest online marketplace connecting borrowers and investors. In recent years Renaud has received multiple awards and nominations including being recognized on Bloomberg Markets' 2015 Most Influential List, and winning the Economist Innovation Award in consumer products. Renaud holds an MBA from HEC and London Business School and a JD from Montpellier University.

**"One advantage of the Upgrade Card approach over BNPL is that it's accepted more broadly at millions of merchants."**

### **The Upgrade Card is a unique approach to BNPL. What was the thought process behind launching the product?**

We were actually not thinking of the card as a "better BNPL" when we first designed the product. Initially our thought process was: how do we make a better credit card, one that gives people credit when they need it but does not trap them into an endless debt spiral? That's how we came up with the installment structure embedded into a credit card. At the same time, the BNPL players were using the same installment structure to deliver credit at the point of sale, relying on merchant partnerships rather than a card. One advantage of the Upgrade Card approach over BNPL is that it's accepted more broadly at millions of merchants.

### **Upgrade Card has now been in the market for over a year. What has been the reception and what is the traction that you're seeing for the product?**

Consumer response has been phenomenal, and has only been accelerating with the reopening of the economy post-Covid. We're now delivering \$250 million in new credit lines per month, a \$3B annual run rate. I think consumers were ready for a product that gives them the convenience of credit on demand, combined with the good discipline of paying it back every month.



### Exclusive CEO Interview – Renaud Laplanche

**“By comparison Upgrade Card rates start at 8.99% (while the most affordable credit cards often start at 11.99%), it has no fees and a shorter repayment schedule that encourages good financial discipline and helps users save on the cost of interest.”**

#### **Why does someone opt for an Upgrade Card vs. a “regular” credit card? How much would you attribute to lower cost vs. transparency vs. convenience?**

At the end of the day, cost is a big driver. Credit cards can be very expensive with rates in the 17-18% range, many fees on top of that taking the cost well into the 20s, and a payment structure that encourages consumers to make small monthly minimum payments and essentially remain in debt as long as possible. By comparison Upgrade Card rates start at 8.99% (while the most affordable credit cards often start at 11.99%), it has no fees and a shorter repayment schedule that encourages good financial discipline and helps users save on the cost of interest. Besides cost, there is a “sleep well at night” factor of knowing your debt is getting smaller every month.

#### **Installment-based payments for everyday payments are new to the US but have been established in certain other markets for a while. With what you’re seeing in terms of Upgrade Card usage, do you see consumers beginning to change their behavior?**

Very much so, as evidenced by the number of cardholders flocking to Upgrade Card: we opened 100,000 new card accounts this quarter (Q2 2021). More importantly, we’ve seen Upgrade Card become “top of wallet” for our customers within a couple of months of account opening, with 2x more usage than the other cards they’re holding.

#### **Upgrade started with a personal loan product, quickly added the Upgrade Card and now recently launched a bank account. What is the long-term vision for Upgrade and what’s on the near-term roadmap?**

The vision is to offer our customers more value and a better experience than they’re getting from their traditional bank. For mainstream consumers, credit is a big part of their banking relationship, so we’ll continue to offer more credit products, but also more payments methods and saving products.



### Exclusive CEO Interview – Renaud Laplanche

**“I think the pandemic put us all in a position to test many of the assumptions we had made about credit performance and funding.**

**As you continue to launch other lending products (auto, HELOC, etc.), do you anticipate any changes to how you fund the credit?**

We do not anticipate much change in our funding strategy. We have a very diversified funding base with banks of all sizes, credit unions, asset managers and funding structures that range from straight forward flows to structured pass-throughs. We're well equipped to fund any type of credit at this point.

**Upgrade showed strong resilience and performance through the pandemic. Do you think there has been any lasting impact to the industry in terms of underwriting consumers and funding credit?**

I think the pandemic put us all in a position to test many of the assumptions we had made about credit performance and funding. During the first few weeks of the pandemic, at a time the capital markets were experiencing extreme disruption, we reaped the benefits of a diverse funding base that was not reliant on securitization, and were able to fund loans and cards with very little disruption through banks and credit unions. It was also a good time to test our credit models, and we were happy to see how well our customers performed in these circumstances, even before the government incentives started kicking in.

**What's next for Upgrade? Do you see it remaining private, going public or becoming part of a larger financial institution or FinTech?**

We're on our way to building a mainstream consumer brand. We might entertain small strategic acquisitions from time to time but the main goal is to keep executing on our product roadmap and continue penetrating the market in the US and abroad. We'll likely go public at some point in the next few years.



**Brian Barth**

Co-Founder  
and CEO



Brian Barth is Co-Founder and CEO of Uplift, an enterprise Buy Now, Pay Later solution serving over 150 of the world's top travel brands, including airlines, cruise lines, and hospitality companies. Prior to Uplift, Brian was a co-founder, CEO and Director of SideStep, which invented travel meta-search in 1999. SideStep was acquired by Kayak in 2007, which in turn was acquired by Priceline for \$1.8B in 2013. Brian has been a board member and advisor of numerous startups and holds a BS and an MS in Electrical Engineering from MIT.

**"With Uplift, your dream destination can become a reality and you don't have to break-the-bank or save for years to make it happen."**

### What was the vision behind founding Uplift?

Uplift was founded to help travelers create the memories of a lifetime. Travel is a special experience. For many people the best memories of their lives are trips they have taken with family and friends or exploring new destinations. But purchasing travel can be stressful, especially for big ticket purchases paid all up front. Helping travelers book travel early, when prices are still low, and pay over time gives them access to a vacation they might have never thought possible. Perhaps it's an upgrade to a first-class airline ticket or a bigger room with an ocean view. Or, maybe it's attending the class reunion you didn't think was in the budget or a cruise around the world. With Uplift, your dream destination can become a reality and you don't have to break the bank or save for years to make it happen.

### Uplift was founded well before "Buy Now, Pay Later" was a popular term. How has the market changed over time since then and how has that impacted your unique journey?

When Uplift started, there was only the flagship product, a one-year monthly payment installment plan. However, consumers need choice and flexibility. There isn't a one-size-fits all payment plan, so we've expanded our product offerings and features to offer a complete range of installment plans to meet the diverse needs of consumers and merchants. Some of the biggest changes for Uplift include:

- Multiple offers - Some consumers care about interest rate, others are more concerned with the monthly payment amount. Consumers now see multiple offers with varying lengths and terms so they can pick the installment plan that works best for their unique financial situation.

*Continued on next page*



### Exclusive CEO Interview – Brian Barth

“Travel is a very large market, has unique flows in consumer shopping and booking, and some of the largest enterprises in the world.”

*Continued from prior page*

- Interest-free promotional targeting - Uplift now offers interest-free installments as a targeted promotional tool to support business objectives. Whether it's moving higher margin products/services, targeting specific need periods, or moving distressed inventory, interest-free targeting has become a strategic marketing tool to drive conversion.
- Integration as a service - Brands have limited IT and development resources to support complex, lengthy integrations; This is especially true for many enterprise brands that experienced downsizing as a result of the pandemic. Our partners have some of the most complex legacy systems but demand a quick, low lift integration process. We've improved and streamlined our integration service to weeks instead of months, with limited development resources required from our partners.

**While a majority of BNPL providers choose not to focus on specific verticals, Uplift has chosen to serve the travel industry specifically. Why did you choose this vertical and how does this offer you a competitive advantage??**

In 1999, Stu Kelly and I invented the travel meta-search engine with our startup SideStep. So when we founded Uplift in 2014, it made sense to continue our focus on the travel industry, with our deep understanding of the complexities of the travel booking process. Travel is a very large market, has unique flows in consumer shopping and booking, and some of the largest enterprises in the world. Solving for travel enterprises allowed Uplift to create both a product that distinctly met the needs of travel providers, while also building the adaptable system needed to address the needs of any large enterprises. As Uplift continued to add more and more travel enterprise partners such as United Airlines and Carnival Cruise Line, we built features and merchant integration capabilities for Buy Now, Pay Later that could serve any enterprise brands who have extremely complex ecommerce platforms and legacy systems, and who care about the unique experience and loyalty of their customers. As Buy Now, Pay Later has exploded in popularity during the pandemic, brands outside of travel solicited Uplift's enterprise expertise for their BNPL services, and that has led to Uplift expanding beyond travel in 2021.





### Exclusive CEO Interview – Brian Barth

**“Consumers choose Uplift because we provide a better way to pay for the things that matter most, the ones that elevate people’s live.”**

#### Do you plan to expand into other verticals or focus exclusively on travel? Why?

Yes, we already have expanded beyond travel. As we continued to grow and diversify our product offering, we realized that what we built for travel, was extremely well-suited for all enterprise brands who have complex legacy systems. We also realized those brands who have larger transaction sizes and more considered purchases need flexible payment options beyond 4 payments over 6 weeks that Uplift provides. Finally, Uplift’s enterprise partners invest heavily in customer loyalty and customer lifetime value so we’ve developed a suite of tools to help drive repeat purchase back to our partners.

#### Are most of your partners exclusive to Uplift? Why would consumers decide to use Uplift over another BNPL provider?

Yes, our partnerships are exclusive and we are proud of the time and attention we give our partners to build strong relationships committed to mutual success.

Consumers choose Uplift because we provide a better way to pay for the things that matter most, the ones that elevate people’s live. Our consumer value propositions include:

- Simple, surprise-free payments - No late fees. No pre-payment penalties. No confusing math. Just a refreshingly surprise-free way to make thoughtful purchases now and pay later.
- Support throughout the journey - Uplift is there from purchase to final payment with support and service that helps keep consumers on track so they can feel good about what they buy and how they pay for it.
- For the purchases that matter most - Uplift empowers all to invest in the meaningful things and experiences that make a difference in their life.



## Exclusive CEO Interview – Brian Barth

“Despite the impact of COVID-19 on travel, Uplift has almost doubled its partnerships since the Pandemic started including adding marquee brands like Southwest Airlines and Air Canada.”

Obviously the COVID pandemic had a huge impact on travel activity and spend. How did you navigate these industry-wide challenges? Are you now seeing a significant amount of pent-up demand for travel now that the effects of the pandemic appear to be easing, and if so, how are you positioned to take advantage of this potential surge in demand?

Despite the impact of COVID-19 on travel, Uplift has almost doubled its partnerships since the Pandemic started including adding marquee brands like Southwest Airlines and Air Canada. Overall bookings via Uplift are up more than 380% from Q4 2020 to Q2 2021.

While the pandemic was extremely challenging for the travel industry, and in turn Uplift, this also gave Uplift time to innovate with new products while improving the overall customer experience. A few of Uplift's major new product and customer innovations during the pandemic include:

- Implemented an automated cancellation system to expedite refunds with expedited payment processing.
- Developed a hardship program to support the unique financial needs of those borrowers experiencing difficulty as a result of COVID-19.
- Built and rolled out new products across a wide-range of partners including interest-free financing, shorter and longer terms, offer choice at checkout, prequalification, and zero down payment.
- Improved and expanded omni-channel capabilities to more seamlessly integrate Uplift with call center, agent, offline sales channels and mobile SDK
- Increased targeting capabilities to enhance personalization, offer management, and segmentation
- Improved the design and flow of our application to create a better customer experience and higher conversion.



## Exclusive CEO Interview – Brian Barth

**“Merchant Discount Rate price compression is the biggest challenge facing the industry. Uplift is positioned well against this because of our flexible payment model that allows for a variety of merchant funded and consumer funded options.”**

### What are the typical demographics of your consumers?

One of the biggest misconceptions about BNPL is that only millennials are using this form of payment. The truth is that BNPL is used by a wide variety of consumers with various motivations and financial situations. This is especially true with Uplift’s borrower base because our partners are so diverse.

- 28% of Uplift borrowers are age 25 - 34
- 50% of Uplift borrowers are age 35 – 54
- 33% of Uplift borrowers have a HHI over \$100,000
- 47% of Uplift borrowers have a HHI between \$50,000 - \$100,000

### What are the biggest challenges you face in building a fast-growing BNPL company in a competitive market?

Price compression is the biggest challenge facing the industry. Uplift is positioned well against this because of our flexible payment model that allows for a variety of merchant funded and consumer funded options. In addition, our offer targeting and marketing focus allow us to show ROI of targeted marketing spend which puts us in a good position to offer greater value to our merchants while growing our own revenue and profitability

### What is the ultimate vision for Uplift? Where do you see the Company in the next five to ten years?

Ultimately, we want to be the leading Global Buy Now, Pay Later solution for the world’s top enterprise brands, both travel and non-travel. We also want to be our customers favorite way to pay for the things that matter most in their lives.



## Exclusive CEO Interview – Brian Barth

### Is Uplift a vertical specific BNPL player?

No, Uplift is an enterprise Buy Now, Pay Later solution serving the needs of brands who value customer loyalty and require a complete range of flexible installment options.

### Is Uplift a BNPL leader / emerging leader?

Based on the reported revenue of other BNPL providers listed in the FT report as “leading” and “emerging,” Uplift is squarely in these categories. We’ve seen tremendous partner, customer, and revenue growth over the last two years and are projected to do \$2 billion in transaction volume in 2022.

“We’ve seen tremendous partner, customer, and revenue growth over the last two years and are projected to do \$2 billion in transaction volume in 2022.”



**Lizzie Chapman**

Co-Founder  
& CEO



Lizzie Chapman is Co-Founder and CEO of ZestMoney. Before co-founding ZestMoney, Lizzie worked with Goldman Sachs in London, as well as with the Wellcome Trust as an Investment Manager. In 2011, she moved from the United Kingdom to India to set-up and spearhead India operations for Wonga. In 2013, she joined the Development Bank of Singapore and lead the launch of 'Digibank', India's first mobile-app only bank at the time. Lizzie currently serves on the boards of IndiaMart (India's Alibaba) and IndiaQuotient (early-stage investment fund). She is also a founding member of the Digital Lending Association of India and serves on its Executive Committee.

### What was the vision behind founding ZestMoney? What fundamental problems is ZestMoney solving for its customers?

**"India has low [card] penetration because banks are conservative about who they give cards to.... but also because young digital consumers do not feel drawn towards credit cards."**

The Indian consumer is consuming digital products and services at a phenomenal rate, faster than any population in history. Increasingly people consume news, entertainment, healthcare and education in digital format, having bypassed offline services completely.

This pace of digital adoption is enabling cheap, fast last-mile delivery of many of these services to consumers, even in remote locations - democratising access to everyone - irrespective of income level or geography. At the same time, India is a credit-starved country. Household debt/GDP is one of the lowest in the world (and one quarter that of China) and despite a population over nearly 1.4 bn, we have less than 25mn credit card users, vs. markets like the US where the average adult has 4+ credit cards.

India has low penetration because banks are conservative about who they give cards to.... but also because young digital consumers do not feel drawn towards credit cards. Our flagship product, ZestMoney, is a contextual credit solution - a way of embedding credit alongside someone's day-to-day life - now commonly called "buy now pay later".

ZestMoney works with the retailers to ensure that the costs to customers are kept as low as possible, and crucially, the customer knows exactly what they will pay and when, with clear equal monthly repayments. Our research tells us that the lack of transparency in credit card costs is one of the main reasons people mistrust them. And this is a theme all over the world, driving the new explosion in "Buy Now, Pay Later" products.



### Exclusive CEO Interview – Lizzie Chapman

**“The main innovation in the last couple of years has been the digitalisation of these products by providers like ZestMoney! We make signing up for an EMI / Pay Later solution even faster and smoother.”**

#### **ZestMoney is gaining a lot of traction in India. Talk to us about what is driving this growth and how you plan to keep up the momentum.**

Consumers in India are digitalising at a rapid rate. We have the cheapest data plans leading to highest data consumption in the world (Average consumption at 12 GB/Month now v/s 800 MB 5 years ago) and a population that is willing to embrace change. UPI payments which is now the preferred payment option crossed 2.8 Bn transactions in June 2021 alone! All of this has a ripple effect on people and their online habits.

Many people are experiencing consumption online first - for example booking their first airline ticket or buying their first laptop online. Even in the physical retail world, the point of sale payments infrastructure in India is evolving at a rapid rate with new age POS, QR and tokenization.

India is one of the largest e-commerce markets with Amazon and Flipkart (Walmart backed) fighting for market share with thousands of new direct to consumer brands emerging every month. Also, Indians are relatively financially savvy - they watch what they spend and dislike inefficient and ambiguous products like credit cards and prefer transparent options. BNPL addresses this concern.

The main innovation in the last couple of years has been the digitalisation of these products by providers like ZestMoney! We make signing up for an EMI / Pay Later solution even faster and smoother. Because we have a completely digital solution - we have lesser costs so are able to make EMI available at even smaller ticket sizes and for a wider group of people.

Until recently only the top 30m households had access to formalised consumer credit - players like ZestMoney are expanding that base to 300m households with Pay Later solutions. Being an end to end digital player we are able to service demand from the remotest parts of the country.





## Exclusive CEO Interview – Lizzie Chapman

“Our strategy to be present at more and more online and offline touchpoints makes us a clear market leader. Presence at 3500+ online touchpoints and 40K offline stores gives us a clear edge over competition.”

### There are a lot of regional BNPL players that focus on specific geographies. How have you positioned the Company to address the market opportunity in India?

We are the leading BNPL provider in India today - we are available at more touch points than any other BNPL player in this market. Our strategy to be present at more and more online and offline touchpoints makes us a clear market leader. Presence at 3500+ online touchpoints and 40K offline stores gives us a clear edge over competition. We have been operating BNPL in India for over 5 years and have the most advanced product and platform for this market.

What makes us especially good at operating in India are a few things:

1. We are one of the only BNPL platforms that can approve new-to-credit customers. 70% of our customers have minimal or no credit history when they come to us and our AI-ML engines is able to approve them based on alternative data and proprietary data models
2. We have the most configurable and customisable product - essential in a complex and heterogeneous market like India where a one-size-fits-all (eg “Pay in 4”) does not work given the varying ticket size of transactions as well as varying affordability of customers.
3. We are excellent at partnerships and make that our strength. Apart from merchants and platform partners such as payment gateways and Shopify, we partner with Banks and NBFCs and have been able to scale our loan book significantly via this route. Banks love to partner with us unlike other operators who may look more like competitors
4. We are obsessed with our customers and constantly look at ways to be relevant to them. We launched our financial literacy campaign last year and double efforts to help people navigate complexities of income shock due to the pandemic.



### Exclusive CEO Interview – Lizzie Chapman

“The average age of a customer on our platform is 34 but most fall into the 21-38-year-old bracket. Roughly 30% of our customers are women (a large proportion by Indian standards).”

#### What is your target customer demographic and how are you acquiring your customers?

The typical ZestMoney customer is a digital native, savvy shopper who appreciates value for money deals. The average age of a customer on our platform is 34 but most fall into the 21-38-year-old bracket. Roughly 30% of our customers are women (a large proportion by Indian standards).

Most customers are new to credit or early in the journey. It is our duty to both inform, educate and assist them in building a good credit profile. We know 70% of Zest customers come to use us without a credit score or credit score they want to improve. We provide credit info, credit counselling (we doubled down on this during the pandemic) and how to build a good credit history.

#### What is your core value proposition to your customers and why would they choose you over another BNPL provider? Is it the ability to use EMI without having a credit card, high approval rates, or attractive terms?

- **Transparency:** No hidden charges or secrecy around interest rates. You get what you see
- **Accepted Universally:** ZestMoney credit limit can be used at 3500 online and 40K retail stores and we are constantly adding more. We have also recently launched a UPI front end which enables checkout on literally millions of new points of sale. Widest category presence, grocery, ecommerce, travel, home & fashion, health and wellness, edtech!
- **100% Digital Experience - in store and online:** From onboarding to disbursal and repayments and everything else is digital, whether you discover ZestMoney online or in-store.
- **Access to credit:** Even customers without a credit history can be eligible for a credit limit because we look at factors beyond a credit score. We use digital footprint, mobile technology, transactional behaviour and dozen other factor to map customers.
- **Affordability:** Spreading out cost with a BNPL offering makes best financial sense even as you achieve your dream of upgrading lifestyle or upskilling for a bigger role at your job.



### Exclusive CEO Interview – Lizzie Chapman

**“Partnerships are the core of our business. We partner with merchants to make our offering available at checkout and we partner with Banks/NBFCs to help us fund these purchases.”**

**ZestMoney has a few key partnerships in the space that each provide unique value add. Talk about these strategic partnerships and how they differentiate you from the competition.**

Partnerships are the core of our business. We partner with merchants to make our offering available at checkout and we partner with Banks/NBFCs to help us fund these purchases. A couple of noteworthy partnerships are with payment aggregators - such as PayU, RazorPay and PineLabs. By partnering with these brands, we are able to quickly activate smaller merchants (and physical retailers) to accept BNPL in an instant. We work with Shopify and Magento in a similar form.

For merchants, we provide real time digital approval of non credit card user traffic and access to a very large existing user base. We also have the highest approval rates and deepest funding capacity. Merchant partners often see higher average order value, conversion and higher repeat purchases!

Large and prominent brands love us. We are Apple's preferred BNPL partner in India and have made iPhones affordable for a large number of people. It is one of our most popular products now. We have been working with both Amazon and Flipkart (two largest e-commerce marketplaces) since 2017 and we are one of the largest credit providers on both sites. We were the first BNPL player to partner with GooglePay in India and offer BNPL sign up within the GooglePay app. Banks are excited to partner with us as they have especially seen how we were able to navigate the complexities of national lockdown (owing to COVID-19) and continue to service customers. We work with some of the biggest financial institutions in India and are their preferred fintech partner

**How has the COVID pandemic impacted your business? What steps have you taken to address these challenges and emerge better positioned to capture the market opportunity?**

COVID has accelerated the demand for digital BNPL offerings in India and we have been well placed to benefit. Consumers are switching to online purchases at a fast rate over physical retail for obvious reasons. Similarly - in-store, consumers are choosing our self-serve model over the more traditional agent driven ones that exist.

*Continued on next page*



### Exclusive CEO Interview – Lizzie Chapman

**“Our vision is to make life affordable for 300 Million households in India, and thus earn their trust - becoming one of India’s best known and loved financial services brands for young digital consumers.”**

*Continued from prior page*

The pandemic significantly sped-up a trend that was happening in the market with the launch of UPI and other developments in digital commerce. At the same time, digital EMI / BNPL solutions really had their moment in the sun, thanks to a lot of action in the space - all over the world - the awareness of these products in India amongst consumers and retailers and manufacturers increased multifold.

Applications for our BNPL offering went up 2-3 times over the last 12 months. We struck large scale partnerships with merchants and partnered with brands like Google Pay (For credit on United Payments Interface) and popular brands like Apple. Importantly, we managed credit risk smoothly despite a turbulent economic backdrop (India did not have the fiscal stimulus of other markets and a prolonged lockdown and economic shock). We are really pleased with how our credit risk and collections models fared at this challenging time.

#### **What’s the long-term vision for ZestMoney? What does the product roadmap look like in the near- and longer-term?**

Our vision is to make life affordable for 300 Million households in India, and thus earn their trust - becoming one of India’s best known and loved financial services brands for young digital consumers. Our current app is very engaging and centres around our BNPL offerings. Given how loyal and engaged our customers are, we are listening to them and planning our product roadmap around their requirements and needs. Insurance products will be coming soon and eventually we want to help our customers save and invest for their future.



**Philip Belamant**  
Founder & CEO



Philip Belamant is Founder & CEO of Zilch. Prior to founding Zilch, Belamant founded a number of FinTech ventures, many of which have won awards. Philip also served as UK Managing Director for NET1 UEPS Technologies, a public payments company headquartered in Norway. Philip graduated from University of Johannesburg in South Africa in 2006, where he completed both his BscIT and BscIT Honors degrees in Information Technology.

**“My mission for Zilch was to place the consumer first, not the retailer, by consolidating everything into one platform and using technology to create personalised affordability profiles that enables responsible cash flow management.”**

### What was the inspiration behind founding Zilch?

My mission has always been to revolutionise the credit payment industry and create innovative products that provide financial inclusion for everyone. Before starting Zilch, I founded, developed, and sold two other fintech ventures which had presence in 15 different countries across India and Africa reaching more than 20 million users. This included launching South Africa's first Cash-To-Mastercard system for Uber and founding one of Africa's Top 40 Fintech companies. I've now funneled my 16 years of experience in the payments and technology space into Zilch.

When I moved to the UK, I noticed a lot of point-of-sale finance that was completely free to the customer (this is what we know today as Buy Now Pay Later) and I realised this was a form of financial inclusion. However, the problem was the checkout journey was fragmented. There were a lot of proprietary providers in the market all integrated with different merchants. This meant that the consumer experience turned what was meant to be straightforward into something fragmented and complex - you could use one provider at one site, one provider at another site and another provider entirely in-store. This multi-provider landscape made it very difficult for consumers to keep track of their purchases and repayment schedules, which can ultimately lead to overspending.

My mission for Zilch was to place the consumer first, not the retailer, by consolidating everything into one platform and using technology to create personalised affordability profiles that enables responsible cash flow management.



### Exclusive CEO Interview – Philip Belamant

**“Zilch brings value directly to customers and as a consequence it offers great value to retailers – not the other way around.”**

**Zilch has a unique platform that doesn't rely on retail partnerships like most of its competitors and instead goes directly to the consumer and leverages affiliate commissions to offer zero-interest financing. Could you please elaborate on the business model underpinning this strategy?**

Precisely. Our customer-first approach is at the core of our business model and drives everything we do. We're here to make our users' lives easier and help them manage their cash flow in an effective and responsible way. Zilch brings value directly to customers and as a consequence it offers great value to retailers – not the other way around. This always ensures that Zilch is aligned with the needs of the customer first and foremost and ensures we never sacrifice that in pursuit of a retailer's request. Unlike other BNPL providers, Zilch makes use of a unique model that combines multiple revenue streams – including affiliate commission – to cover the cost of its operations and borrowing. Most retailers view Zilch as a super-affiliate partner.

**What is your pricing and revenue model?**

Unlike traditional point-of-sale finance, we do not charge the retailer set commissions. Zilch works the other way around whereby retailers have the ability to bid commission in return for more exposure to (and therefore sales) Zilch customers. This model allows Zilch to remove itself from the traditional BNPL “race-to-zero” and in turn offer retailers the ability to dial up or down their campaigns with the Zilch platform in order to drive visits. Zilch currently has 4 revenue streams per transaction which allow us to offset one with the other should there be a need.

**How does your unique strategy offer Zilch a competitive advantage?**

We look at businesses like Klarna, Affirm and AfterPay and draw inspiration from them. As our model is not based on merchant acquiring, we don't see them as outright competition, but we draw the learnings we can from them. Like any industry - if no one came along and tried to do it better or differently, it would be a sad day for consumers.

*Continued on next page*





### Exclusive CEO Interview – Philip Belamant

“Although Zilch's customer base spans all generations, Millennials and Gen Z make up our primary user base. These consumers are the most informed customers the world has ever seen and, as such, are pushing forward a financial revolution.”

*Continued from prior page*

We are, after all, building our business with technology that is 10 years more advanced than when most of these companies began so if we couldn't do it better or faster that would be a shame! It's important we take that view because, at the end of the day, it's about helping the consumer win.

Ultimately, the Zilch model takes advantage of the latest technologies and platforms (there was no easy way to speak to 1bn consumers in a day 10 years ago so you needed retailers to sell your product for you) to enable the most scalable BNPL offering to date - One without massive sales teams and time consuming integration.

#### What are the typical demographics of your consumers?

Although Zilch's customer base spans all generations, Millennials and Gen Z make up our primary user base. These consumers are the most informed customers the world has ever seen and, as such, are pushing forward a financial revolution. They know how to price compare; they won't overpay for anything and have learnt from the mistakes of the generations before them. Unlike their parents, they don't trust credit cards with 100s pages of small print and instead demand transparency. This is driving these generations to Zilch as we provide a flexible, responsible and transparent credit.

On the other hand, many members of these generations are unable to get access to traditional credit because they do not have enough credit history to apply for traditional credit lending options. At Zilch we know it's our duty as a financial provider to ensure they have access to a responsible and affordable alternative type of credit. Our unique processing model enables us to offer innovative payment solutions by providing a safe and accessible form of credit to those who may have previously been denied or been skeptical of borrowing. With Open Banking technology and sophisticated soft credit checks, Zilch has a 360 view of a consumer's financial history before any lending occurs. This means we will never lend more than our users can afford therefore encouraging a healthy attitude when it comes to personal finance.



## Exclusive CEO Interview – Philip Belamant

**“We recently closed our \$80M series B funding round which will see us continue to expand in the UK, with over 100 new internal hires planned for the coming months, as well as across Europe and the US.”**

### **What is the differentiated value proposition that you offer to merchants and consumers? How do these different value propositions interact with and affect each other?**

Traditional BNPL providers lend money to a retailer’s customer. Zilch, on the other hand, brings our customer to the retailer and lends that customer the money too. There’s a fundamental difference. Retailers can bid higher commissions on the Zilch platform for more exposure to the Zilch customer base and can target offers by liquidity and location data too – assuming the customer has opted in to allow for this. All of this, in turn, creates massive value for our customers as they are forever served with the most value each time they wish to transact. This flywheel is what has made Zilch so successful to date.

### **Where does Zilch currently operate? Are there plans to expand geographically?**

Zilch is a London born start up currently operating in the UK only. We recently closed our \$80M series B funding round which will see us continue to expand in the UK, with over 100 new internal hires planned for the coming months, as well as across Europe and the US. We have already begun further growth and development in the UK by announcing the recent launch of the UK’s first ever way to Tap & Pay-over-time. This unique feature allows consumers to tap and pay in store and spread the costs over a 6 week period, bringing more convenience to customers in the most responsible way.

As a fast-growing fintech, we have ambitious plans and, as we enter this exciting next phase of business growth, we will continue to evolve and adapt to ensure we stay at the forefront of sophisticated lending. Zilch is leading the way with affordability scoring and ultimately putting consumer wellness at the heart of everything we do.



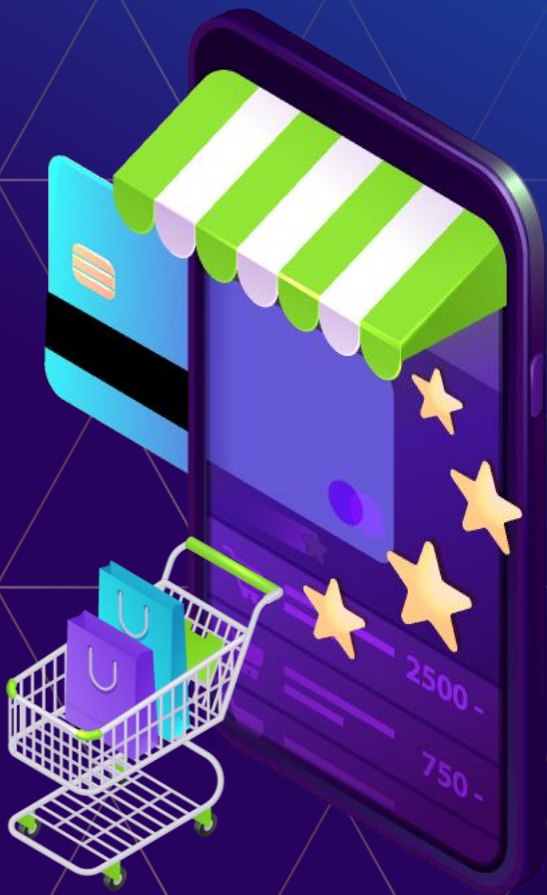
## Exclusive CEO Interview – Philip Belamant

**“Our overarching goal is to become an expert in one area first and then rapidly expand into new markets.”**

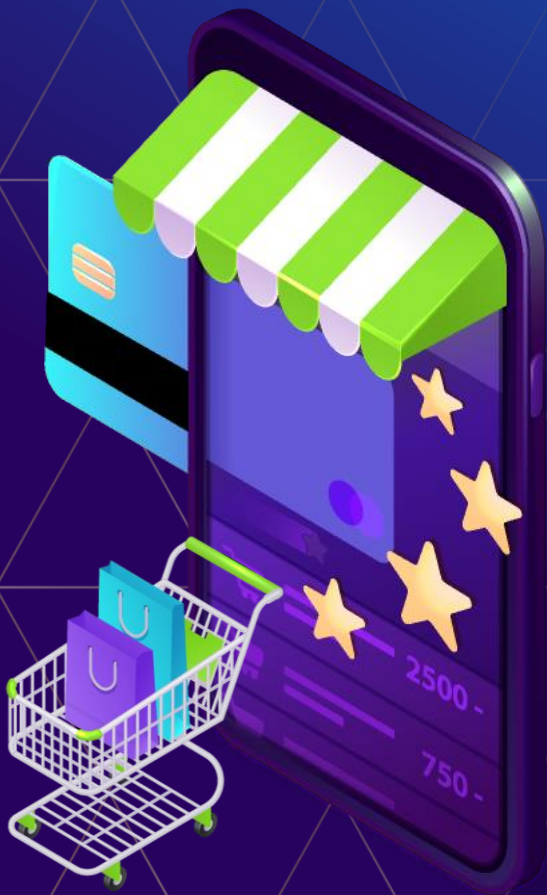
### What’s the long term vision for Zilch? What does the product roadmap look like over the next 5-10 years?

It’s abundantly clear to me consumers are ready for a dramatic change when it comes to credit and lending. The general demand for transparency, efficiency and responsibility must infiltrate into all financial services and I am pleased to say Zilch is currently leading the way on this. We are now the highest and most rated BNPL provider on Trustpilot in the UK.

Our overarching goal is to become an expert in one area first and then rapidly expand into new markets. BNPL is to Zilch what books were to Amazon - in the beginning, analysts thought that Amazon was just an online bookstore, they missed the bigger picture. In getting what is arguably the hardest service offering done right first (responsible BNPL credit to anyone) we can then strive to get all other financial services right too. Pay Now + Rewards, pay later for free, pay even later for a fee, retrospectively split a payment and so on. We truly believe that our multibillion-dollar opportunity is to become the best way to pay any way you like, anywhere, for anything.



## 5. Selected Company Profiles



## **i. In-Depth Profile of Affirm**

# Buy Now Pay Later Industry Report

## In-Depth Profile on Affirm

### Company Overview



**CEO:** Max Levchin  
**Headquarters:** San Francisco, CA  
**Founded:** 2012

- **Affirm offers fixed-rate installment loans to consumers at checkout or the point-of-sale**
  - Rates range from **0% - 30%** APR based on a consumer's credit; this credit rating is transparent and is shown at checkout
  - Pricing on Affirm's platform is real-time and adaptive based on algorithmic data that prices marginal risk and generates a score for every transaction
- **Affirm aggregates data on individual consumers from atypical sources, such as public data and social media, to evaluate creditworthiness in addition to FICO score**
- **Consumers can use Affirm to pay for purchases of any amount from \$50 to \$17,500**



#### Flexible

Individuals choose payment schedule



#### Transparent

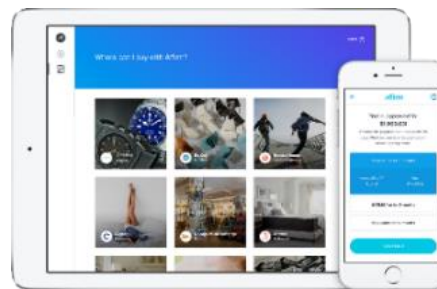
Total amount disclosed upfront and will never increase



#### Fair

No late fees or penalties of any kind

### Products and Solutions



**Payments:** Consumers can pay with debit cards, bank transfers or personal checks; No late, service or prepayment fees

**Mobile App:** Manage account and payments; Buy now and pay over time using an Affirm virtual card

**Modern Security:** Connects directly to online stores; Accounts always stay secure

**Integration:** API and comprehensive support for both in-house solution or e-commerce platform

**Expanded Reach:** Advanced underwriting that looks beyond FICO score; Designed to reach those overlooked by traditional credit system

### Selected Affirm Clients





# Buy Now Pay Later Industry Report

## In-Depth Profile on Affirm (cont.)

### How it Works



#### Step One

- Customer fills their cart
  - Customer can choose from thousands of sites and stores and select Affirm at Checkout
  - The customer then enters in a few pieces of top-of-mind information for a real-time decision



#### Step Two

- Customer chooses how to pay
  - Select preferred payment schedule and then confirm the loan
  - Full fee transparency at checkout



#### Step Three

- Customer makes easy monthly payments
  - Customer downloads Affirm app or signs in at affirm.com to make payments
  - Can pay via debit card, checking account or check for all Affirm purchases
  - For certain purchases, consumers can pay by credit card for the down payment and installments

### Features



#### Affirm Go

At select stores, if an order is less than \$250, customer can pay with AffirmGo, which is a three-payment plan with 0% APR



#### App/Marketplace

App provides tailored and exclusive offers from merchants on marketplace where 32% of FY 1Q2021 transactions occurred



#### Virtual Card

When a customer is approved for a loan, they can have the loan amount loaded onto a virtual VISA card



#### Affirm Savings Account

Affirm offers interest-bearing savings accounts, available from the Affirm app, with no minimum deposit requirements and no fees



#### The Affirm Card

The Affirm Card allows consumers to pay upfront, from their bank account, or pay later, by using a unique post-purchase feature

### Key Metrics

**5.4 mm**

Active  
Consumers <sup>(1)</sup>

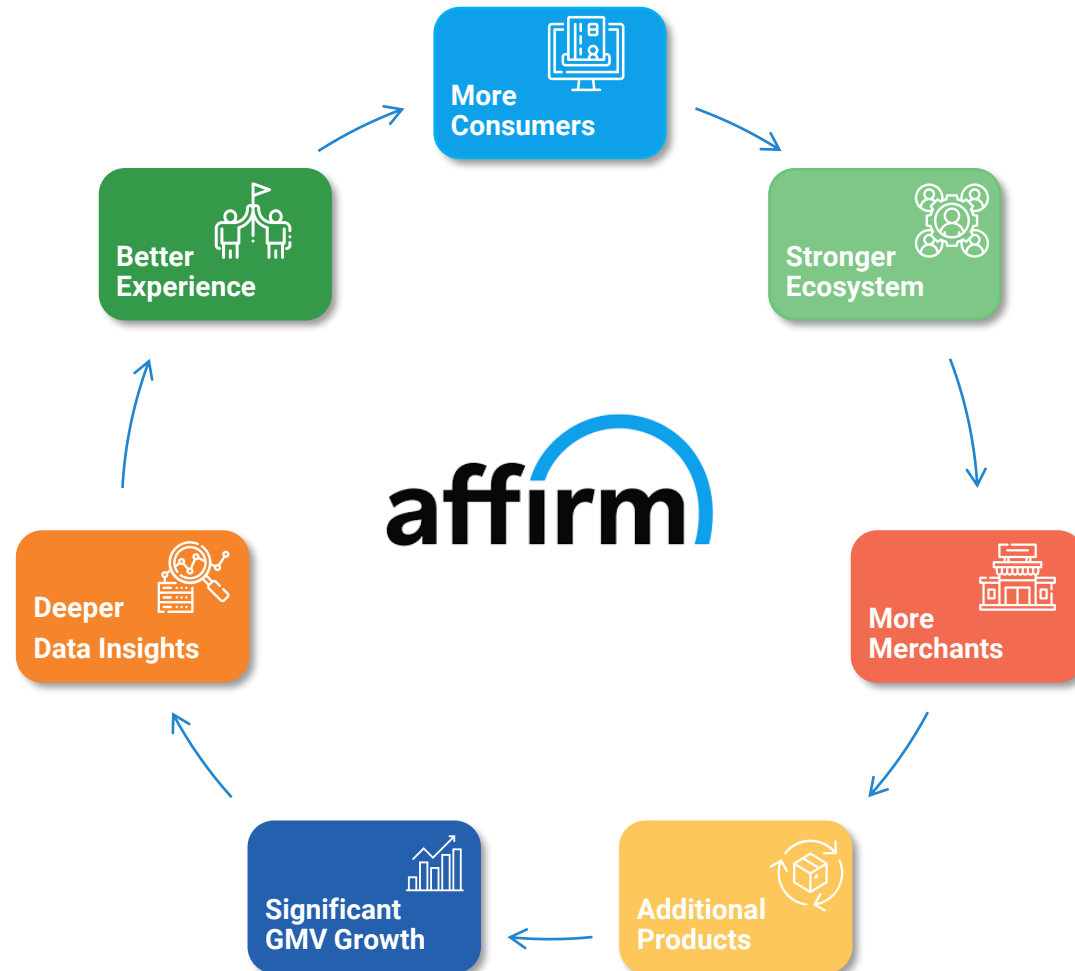
**64%**

From Repeat  
Customers <sup>(2)</sup>

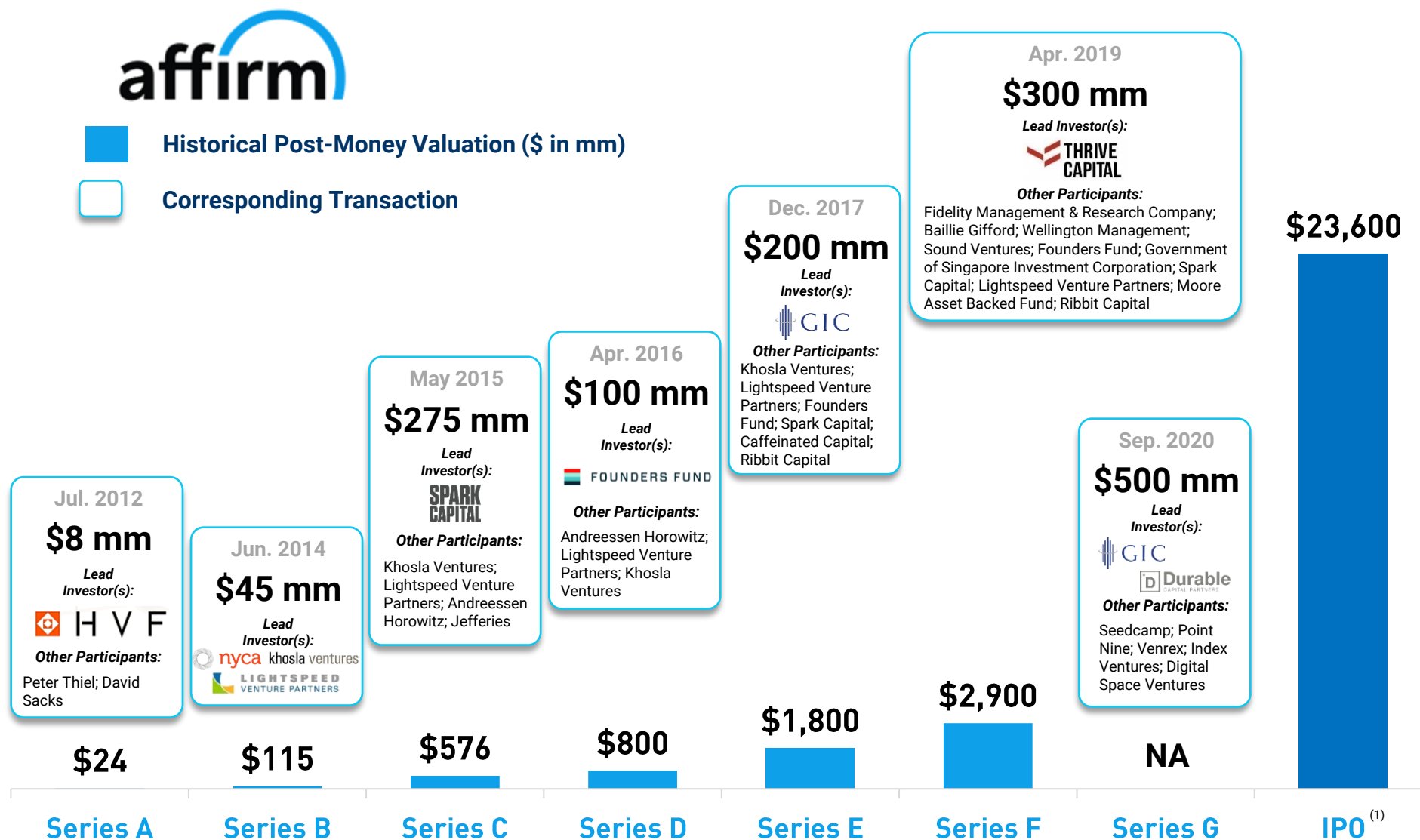
**11,500**

Active  
Merchants <sup>(1)</sup>

### The Affirm Network Strengthens with Every Transaction



## Affirm's Financing and Valuation History



### Affirm's IPO Overview

#### Key IPO Statistics

Founder & CEO:	Max Levchin
Headquarters:	San Francisco, CA
Founded:	2012
Employees:	916
<hr/>	
Prospectus File Date:	November 18, 2020
Ticker:	NASDAQ: AFRM
Gross Proceeds:	\$1,205,400,000*
Shares:	24,600,000
Initial Filing Range	\$33 – 38
Revised Filing Range	\$41 – 44
Listing Date:	1/13/2021
Offer Price:	\$49
01/13/21 Closing Price:	\$97.24

#### Use of Proceeds

Affirm intends to use the net proceeds for general corporate purposes, including working capital, sales and marketing, engineering and technology, and corporate development

UNITED STATES  
SECURITIES & EXCHANGE COMMISSION

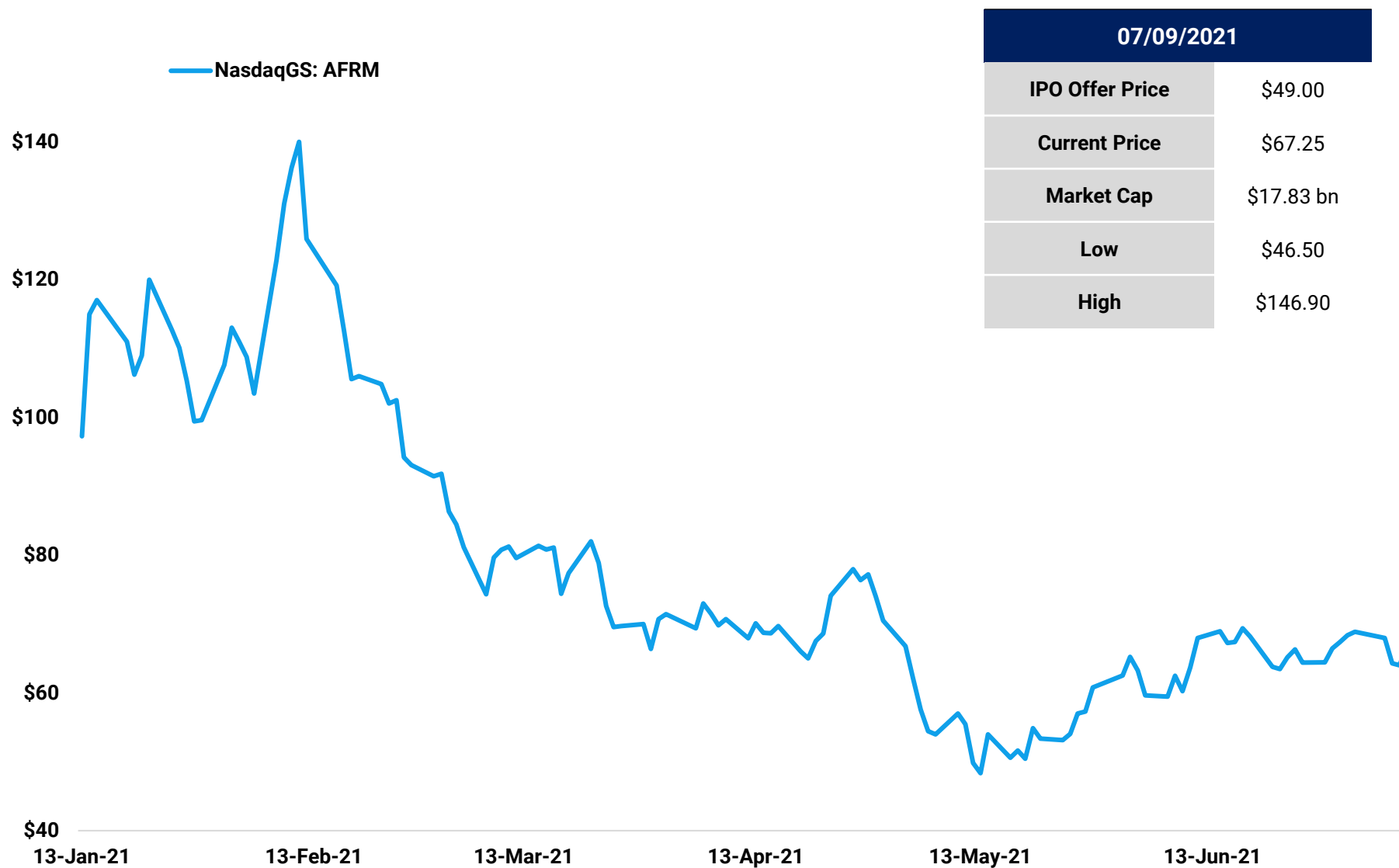
Form S-1

Affirm Holdings, Inc.



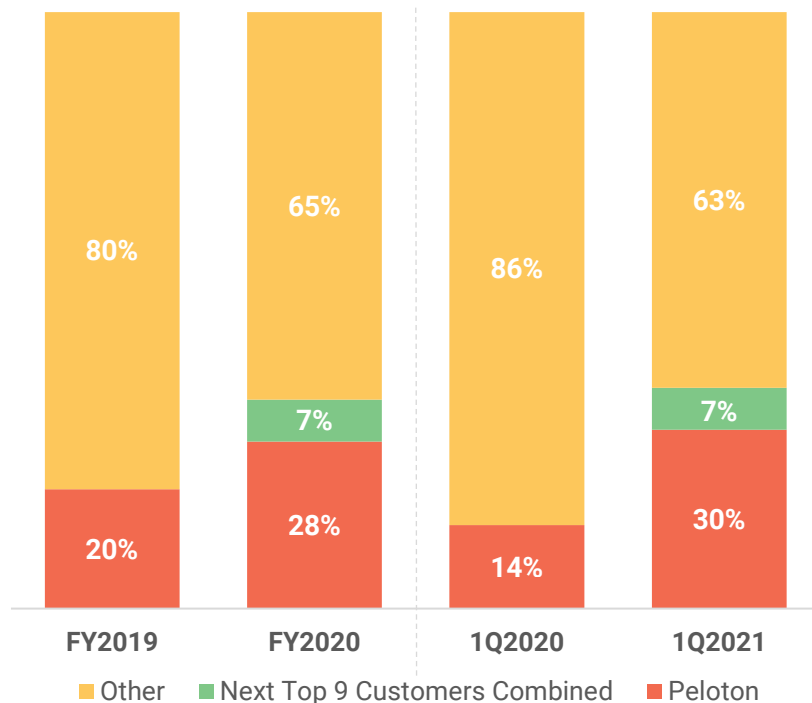
Max Levchin  
Chief Executive Officer  
650 California Street  
San Francisco, California 94108  
United States of America

### Affirm's Share Price Performance Since IPO



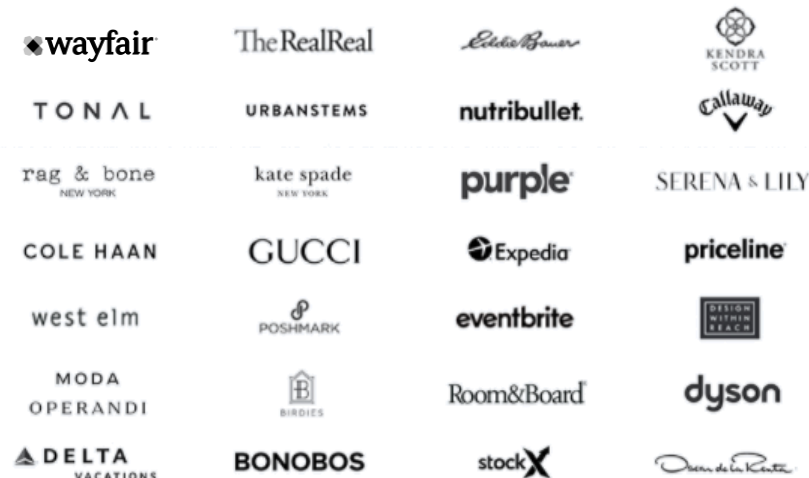
### Key Metrics Overview

#### Revenue Concentration <sup>(1)</sup>

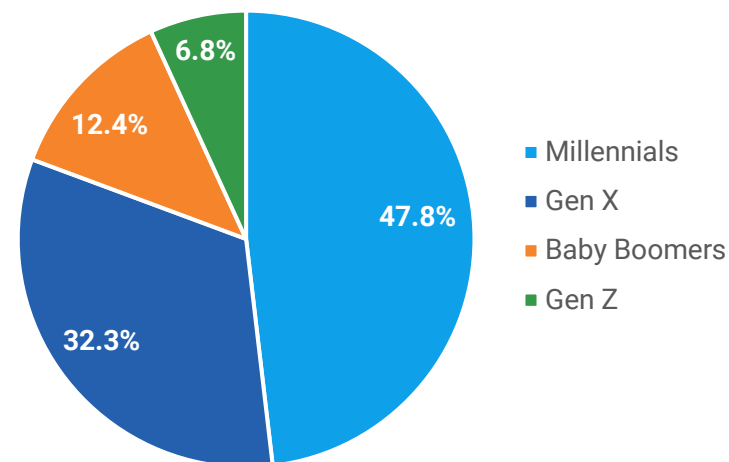


- Affirm's top merchant partner, Peloton, represented about 28% of the Company's total revenues in fiscal 2020
- Peloton accounted for 30% of total revenues in the first quarter of fiscal 2021, compared to 14% in the prior year quarter, as home fitness equipment purchases increased significantly due to the COVID-19 pandemic

#### Selected Merchant Partnerships Across Verticals



#### Customer Breakdown

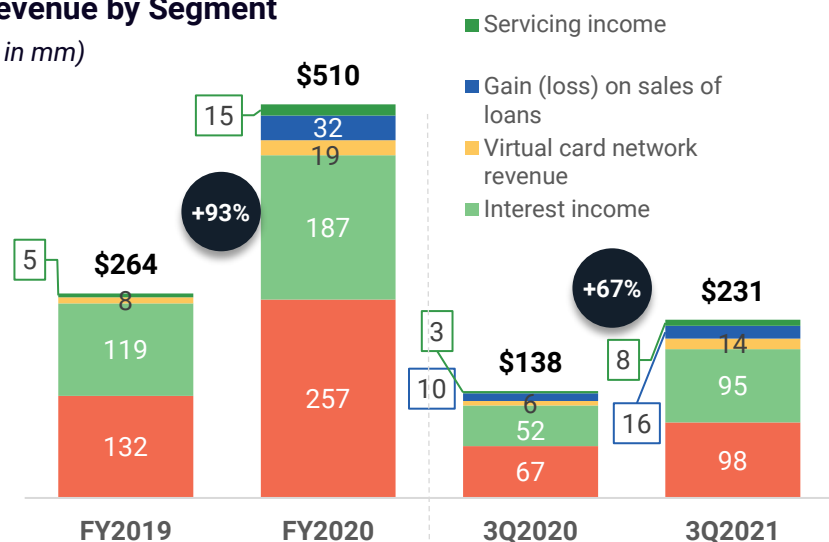




### Financial Overview

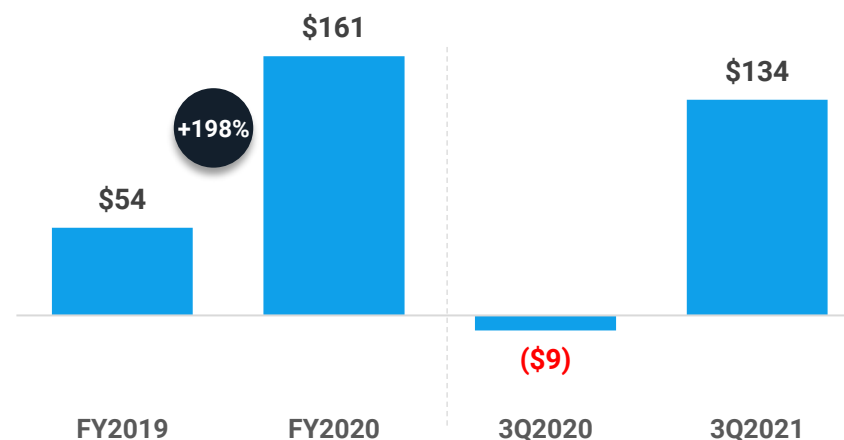
#### Revenue by Segment

(\$ in mm)



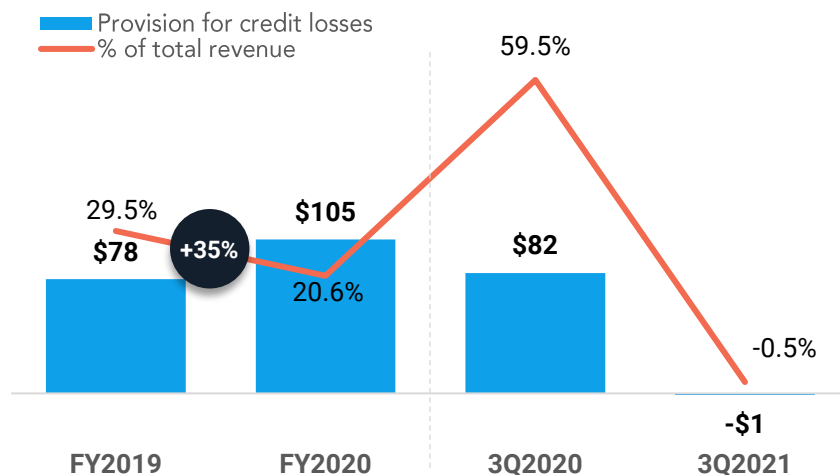
#### Revenue Less Transaction Costs

(\$ in mm)



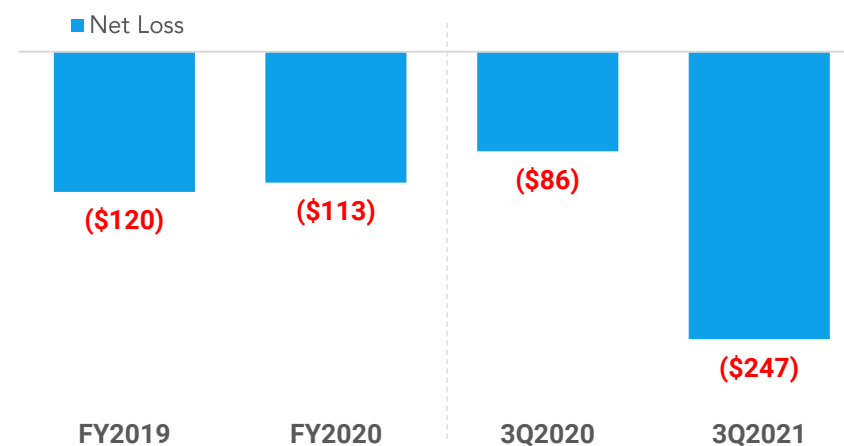
#### Provision for Credit Losses

(\$ in mm)

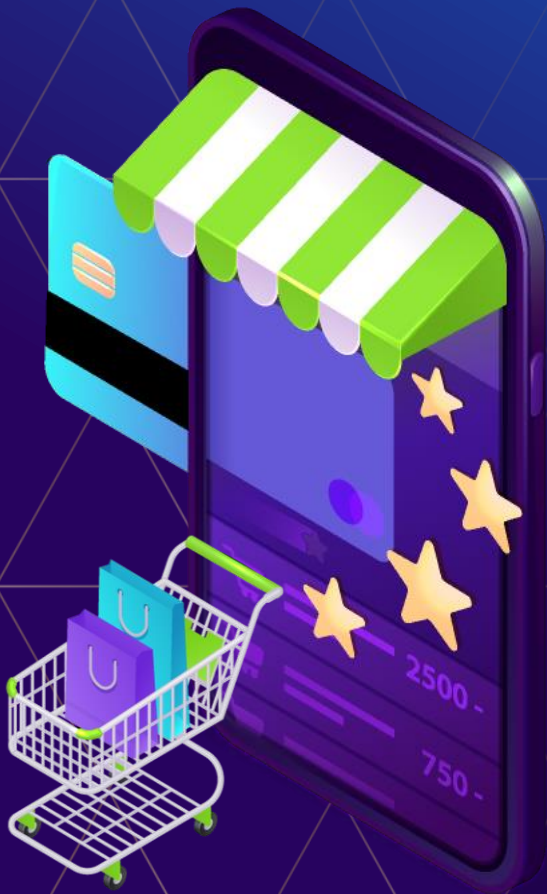


#### Net Loss

(\$ in mm)



Sources: Company prospectus; Fiscal year ends on June 30th



## **ii. In-Depth Profile of Afterpay**

# Buy Now Pay Later Industry Report

## In-Depth Profile on Afterpay

### Company Overview



Co-Founders and Co-CEOs:

Nick Molnar & Anthony Eisen

Headquarters:

Melbourne, Australia

Founded:

2015

- **Afterpay is a “Buy-Now-Pay-Later” app and payments platform that allows consumers to receive products immediately, pay in four interest-free installments, and earn rewards for responsible spending**
  - The Company empowers users to pay in a financially sustainable way with no credit checks and no interest while also driving conversions, sales, and customer acquisition for merchants
- **Afterpay is offered by close to 100,000 global merchants, most of whom sit within enterprise retail, with over 16 million active consumers**
  - Services are currently available in Australia, New Zealand, the United States and the United Kingdom
  - Afterpay has a net promoter score of **+87**
- **The Company has an in-store offering, which is live in Australia, New Zealand and the United States, and has announced one-time-use cards that are anticipated to contribute meaningfully to FY22 performance**
- **On August 1, 2021, Square announced it has agreed to acquire Afterpay for an implied value of approximately \$29 billion**

### Key Metrics <sup>(1)</sup>

**16 mm**  
Users

**>85%**  
Online

**>50%**  
GMV from  
outside U.S.

### Products and Solutions



#### 4 Easy Payments

Consumers make the first of 4 payments at purchase and pay the rest over 6 weeks

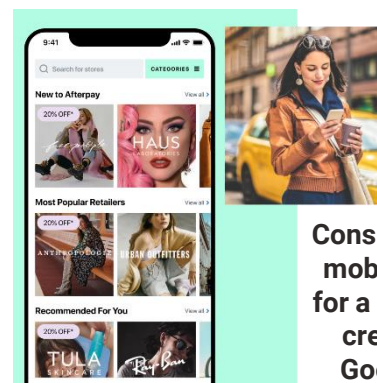
#### Nothing Extra to Pay

Always zero interest and no additional fees when consumers pay on time

#### Instant Approval Decision

No long forms – consumers know their approval status instantly, and orders will ship as usual

### Mobile Application



Afterpay's mobile app allows consumers to manage their account and payments

Consumers can use Afterpay's mobile application to sign up for a virtual card, which will be credentialed into Apple or Google Pay, for future use



### Flexibility for Consumers



#### Cross Border Trade Platform

- Afterpay is progressing its rollout of its cross border trade (XBT) platform to facilitate an additional revenue stream



#### Consumer enhancements

- Express checkout
- Persistent login
- Customer personalization to drive conversion
- Wish lists and favorites



#### Visible Limits

- Ability to view available spend limit and total amount already owed
- Promotes further transparency and responsible spending



#### Flexibility and schedule payment changes

- Nominate any amount to be paid to help manage budget
- Make overdue payments at checkout
- Request up to 3 changes to payment schedules per year

### Additional Features



#### Loyalty Program

Loyalty program to reward customers who choose to spend responsibly and have a record of on-time payments



#### Plaid Partnership

Integrating with Plaid as part of enabling direct debits from consumer bank accounts in the US



#### Card Issuing

Afterpay launched Visa virtual in-store card in the US in partnership with Apple Pay and Google Pay and is also issuing virtual Visa (US) and Mastercard (AU) cards to accelerate merchant integration

### Square Acquires Afterpay for \$29 billion

- **On August 1, 2021, Square (NYSE: SQ) announced that it has agreed to acquire Afterpay (ASX: APT), a category and innovation leader in buy-now-pay-later (BNPL), for an implied value of \$29 billion (AUD \$39 billion)**
  - The acquisition is expected to be paid in all stock, but Square may elect to pay 1% of total consideration in cash
  - The implied transaction price of approximately AUD \$126.21 per Afterpay share represents a premium of approximately 31% to Afterpay's latest closing price
- **Square's share price jumped 10% on Monday, August 2 following the announcement of the deal**
- **Afterpay is one of the leading players in the rapidly growing BNPL space, with Affirm, Klarna, Sezzle, and others also capitalizing on this momentum in the wake of COVID-19**
  - For more details on the BNPL market, please see FT Partners' Buy Now Pay Later Report [here](#)
- **The acquisition presents clear potential for synergies, cross-sell opportunities, and growth upside, and comes amidst rapid growth for both Square and Afterpay**
  - Square will integrate Afterpay into both its Seller and Cash App ecosystems, driving connections between merchants and consumers
- **The transaction is expected to close in the first quarter of 2022, subject to regulatory and shareholder approval**
  - Upon closing, Afterpay Co-Founders and Co-CEOs, Anthony Eisen and Nick Molnar, will join Square to run Afterpay's respective merchant and consumer businesses, as part of Square's Seller and Cash App ecosystems
  - Following completion of the transaction, Afterpay shareholders are expected to own approximately 18.5% of the combined company on a fully diluted basis

### Transaction Commentary

*"We built our business to make the financial system more fair, accessible, and inclusive, and Afterpay has built a trusted brand aligned with those principles. Together, we can better connect our Cash App and Seller ecosystems to deliver even more compelling products and services for merchants and consumers, putting the power back in their hands."*



Jack Dorsey  
Founder & CEO



*"[The move] marks an important recognition of the Australian technology sector as homegrown innovation continues to be shared more broadly throughout the world. By combining with Square, we will further accelerate our growth in the U.S. and globally, offer access to a new category of in-person merchants, and provide a broader platform of new and valuable capabilities and services to our merchants and consumers."*



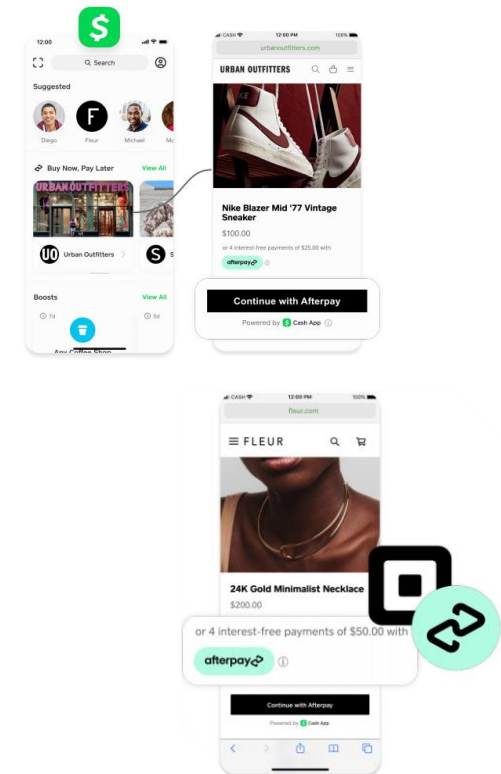
Nick Molnar  
Co-Founder & Co-CEO

Anthony Eisen  
Co-Founder & Co-CEO



### Strategic Rationale for Square's Acquisition

- 1 Shared focus on **empowering merchants and consumers** with similar, founder-led management teams and cultures
- 2 **Afterpay will be integrated into Square's online and in-person checkout solutions**, deepening Square's omni-channel proposition
- 3 **Afterpay integrates seamlessly into Cash App**: Afterpay consumers will be able to manage their installments and repayments directly within Cash App, driving increased engagement, with commerce discovery from Afterpay App adding further benefits to the platform
- 4 Square and Afterpay combine **highly complementary merchant and consumer ecosystems**, introducing new opportunities for cross-selling, increased engagement, etc. and only bolstering Square's existing network of users and sellers
- 5 Afterpay is expected to deliver **significant upside to growth**, having recorded 96% YoY gross profit growth in FY 2021 compared to Square's 71% growth in the same period



### Transaction Multiples

*Implied EV of USD \$29 billion*

LTM

NTM <sup>(1)</sup>

**\$693 million**

FY 2021A Gross Revenue

**41.8x**

EV / FY 2021A Gross Revenue

**\$1,150 million**

FY 2022E Gross Revenue

**25.2x**

EV / FY 2022E Gross Revenue

**\$506 million**

FY 2021A Gross Profit

**57.3x**

EV / FY 2021A Gross Profit

**\$839 million**

FY 2022E Gross Profit

**34.6x**

EV / FY 2022E Gross Profit



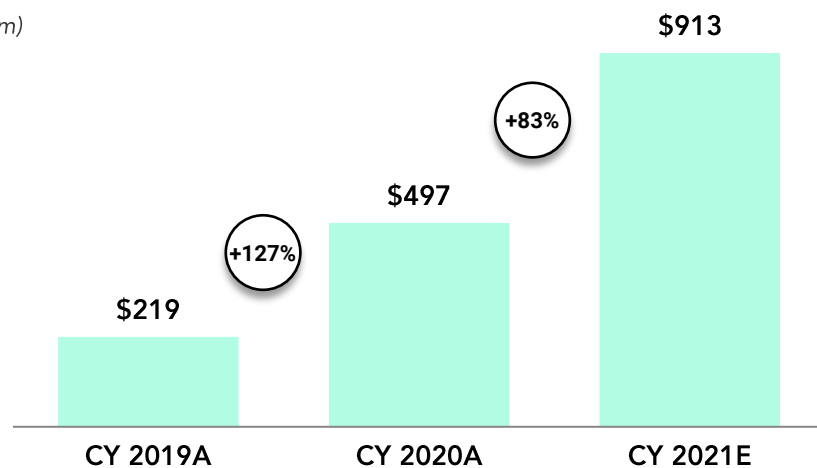
Afterpay's 1-year Share Price Performance



## Afterpay Selected Financial Overview

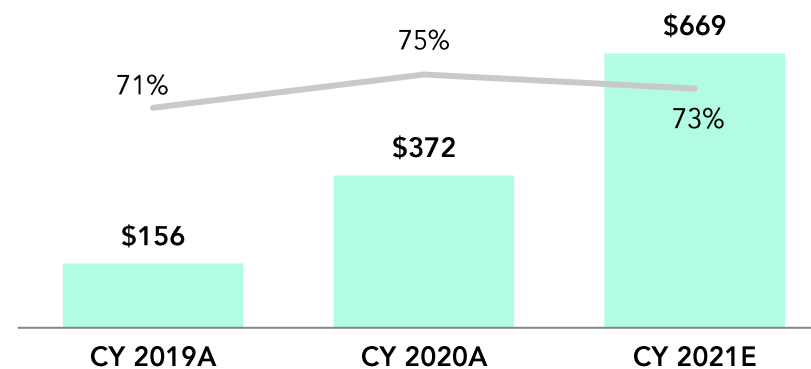
### Revenue

(\$ in mm)



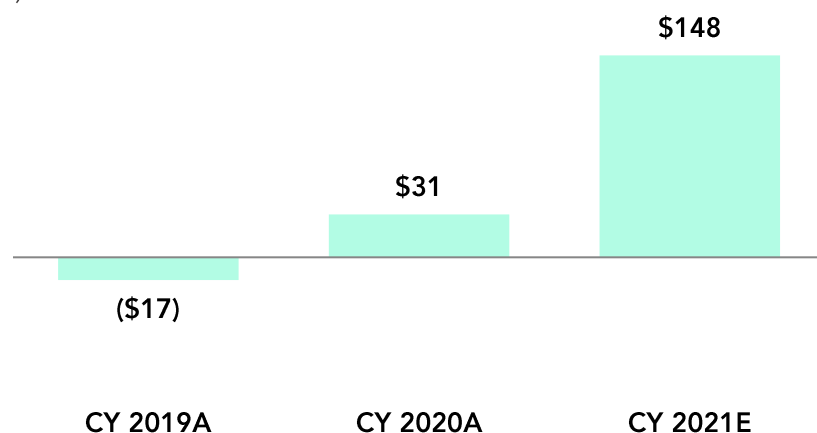
### Gross Profit

(\$ in mm)



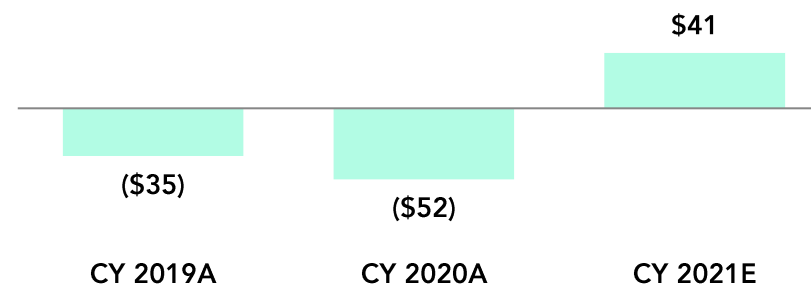
### EBITDA

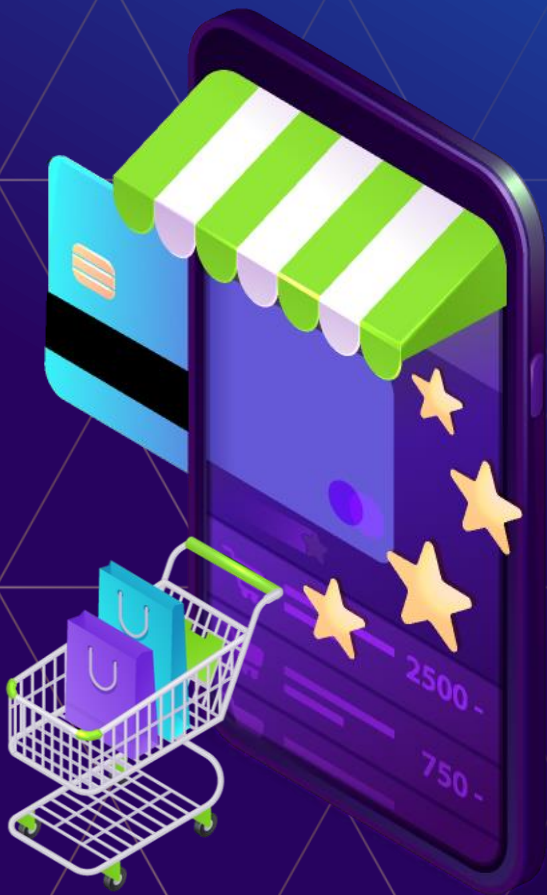
(\$ in mm)



### Net Income

(\$ in mm)





### **iii. In-Depth Profile of Klarna**

# Buy Now Pay Later Industry Report

## In-Depth Profile on Klarna

### Company Overview

# Klarna.

**CEO:** Sebastian Siemiatkowski  
**Headquarters:** Stockholm, Sweden  
**Founded:** 2005

- **Klarna is one of the fastest-growing companies in Europe and the U.S., providing payment and banking solutions for consumers and businesses**
- **Klarna offers buy now, pay later payments and financing options, neo-banking services, and an open banking platform**
  - The Company's payments products cover the entire shopping experience, offering installment payments and financing options, its own app to shop and track purchases, and loyalty rewards
  - The Company recently rolled out a bank account in Germany that allows customers to receive money, set up a direct deposit, and use an Apple Pay and Google Pay compatible debit card
  - Klarna also offers businesses access to their open banking platform via a single API that helps them build smart financial services and user experiences for their customers
- **Klarna is currently used by 87 million active consumers, has over 250,000 merchant partners, and processes ~2 million transactions per day**
  - The Company employs approximately 3,800 people and is live in 17 countries
- **Launched in September 2020, Vibe was the first shopper loyalty program globally within the industry**
  - Vibe currently has more than 1 million customers signed
  - Its currently live in the US and Australia, rolling out in additional markets during 2021

### Management Team



**Sebastian Siemiatkowski**  
Co-Founder & CEO



**Koen Köppen**  
Chief Technology Officer



**Knut Frängsmyr**  
Deputy CEO



**Camilla Giesecke**  
Chief Expansion Officer



**David Fock**  
Chief Product Officer



**David Sandström**  
Chief Marketing Officer

### Selected Merchant Customers

- **Klarna currently provides payment solutions to 205,000 merchants**
  - The Company's first large customer in the U.S. was Overstock, signed in 2015

SEPHORA



FARFETCH



AliExpress™

ASOS

ticketmaster

H&M



### Klarna for Consumers

#### Payments



##### Interest-Free Installments

- Spreads the cost of a purchase into 4 interest-free installments that are charged to a customer's card every 2 weeks
- Customer splits up payment at the retailer's checkout then enters their debit or credit card information



##### Pay in 30 Days

- Customer chooses to pay in 30 days interest-free and only has to enter simple, top-of-mind information
- Customers report returns directly in app and only pay for items that they keep
- 30-day payment period starts when the order is shipped



##### 6-36 Month Financings

- Credit option that provides customers with a revolving account that allows them to shop seamlessly with merchants that accept Klarna
- Customers select payment financing and are informed of an annual interest rate upfront before transaction is completed
- Customers complete a simple, 4-step credit application with top-of-mind information and are immediately notified if they are accepted or not

#### Mobile App

- One-stop shopping tool that gives customers the power to browse any store, brand or product using Klarna in a single space
- Customers can set up a Ghost card to use when purchasing from an online store; allows customers to split their payment into interest-free installments
- The app enables customers to build a universal wish list to track items and set up price drop alerts

#### Neo Banking



##### Bank Accounts

- In February 2021, Klarna launched bank accounts in Germany, turning its mobile app into a banking app
- Certain customers in Germany can now open a consumer bank account and get a Visa debit card
- Klarna will give customers a bank account with a German IBAN to receive money, set up direct deposits and debits
- The Company will also offer a debit card that works with Google Pay and Apple Pay and give consumers two free ATM withdrawals per month



##### Savings Accounts

- Klarna also offers flexible and fixed-term savings accounts in Sweden

### Klarna for Businesses

#### Payments



##### Checkout

- Offers businesses a seamless checkout solution to make it easier for customers to shop with a simpler buying process
- Pre-filled information and mobile-friendly, one-tap purchasing experience
- All of Klarna's major payment methods are included



##### Instant Shopping

- Instant shopping turns any page into a checkout, allowing customers to buy quickly and seamlessly
- User-friendly express lane to faster checkout



##### In-store

- Klarna Instore allows businesses to offer modern financing options wherever they get in direct contact with their customers
- When a customer asks to use Instore, the business creates a new order, shares a payment link with the customer who then selects a payment method
- Confirmation is sent to the business and customer

#### Open Banking



##### Open Banking Platform

- Klarna's Open Banking Platform enables access to more than 6,000 banks in 24 countries across Europe through a single Access to Account (XS2A) API in line with Payment Services Directive (PSD2)
- The Company's single API helps other FinTechs, banks and businesses build smart financial services and create new user experiences for end customers
- Klarna's Open Banking Platform offers a combination of both account information services (AIS) providing consolidated information on payment accounts, and payment initiation services (PIS) enabling account to account direct bank transfers as licensed under PSD2
- The platform also provides developer friendly tools and technical solutions to help solve both the compliance and UX aspects of managing credentials and to help drive accelerated time to market for products

#### Value-Added Features

- On site messaging lets users know how they can pay before they buy
- Business intelligence lets merchants analyze their sales and improve performance, learn about customers' preferences, and compare different markets and time periods
- Klarna works with experts in commerce including e-commerce platforms, payment providers, and e-commerce experts to supply seamless integration

### Benefits of Using Klarna



#### Automatic Updates

- Customers are always provided with the latest version of all Klarna products



#### Dedicated Support

- Klarna provides 24/7 business support



#### Upfront Payment

- Merchants get paid right away and in full with any of Klarna's payment options



#### New Customers

- Klarna refers millions of shoppers to online retailers via their channels



#### Globally Compliant

- All products are adapted to fit local preferences and legislation



#### Seller's Protection

- Klarna assumes all credit and fraud risk



#### Business Insights

- Klarna enables merchants to make smart, data-driven decisions based on real customer insight



#### Buyer's Protection

- If a purchaser's order fails to arrive, Klarna takes the cost



#### Drive Traffic

- Klarna's strong brand and influencer collaborations speak to shoppers who are looking for retailers that offer payment methods



#### Average Order Value

- With payment options and Klarna's buyer protection, customers get more security and spending power



#### Customer Loyalty

- Helping make customers' payment process easier exceeds their expectations and leads to increased satisfaction and loyalty



#### Conversion

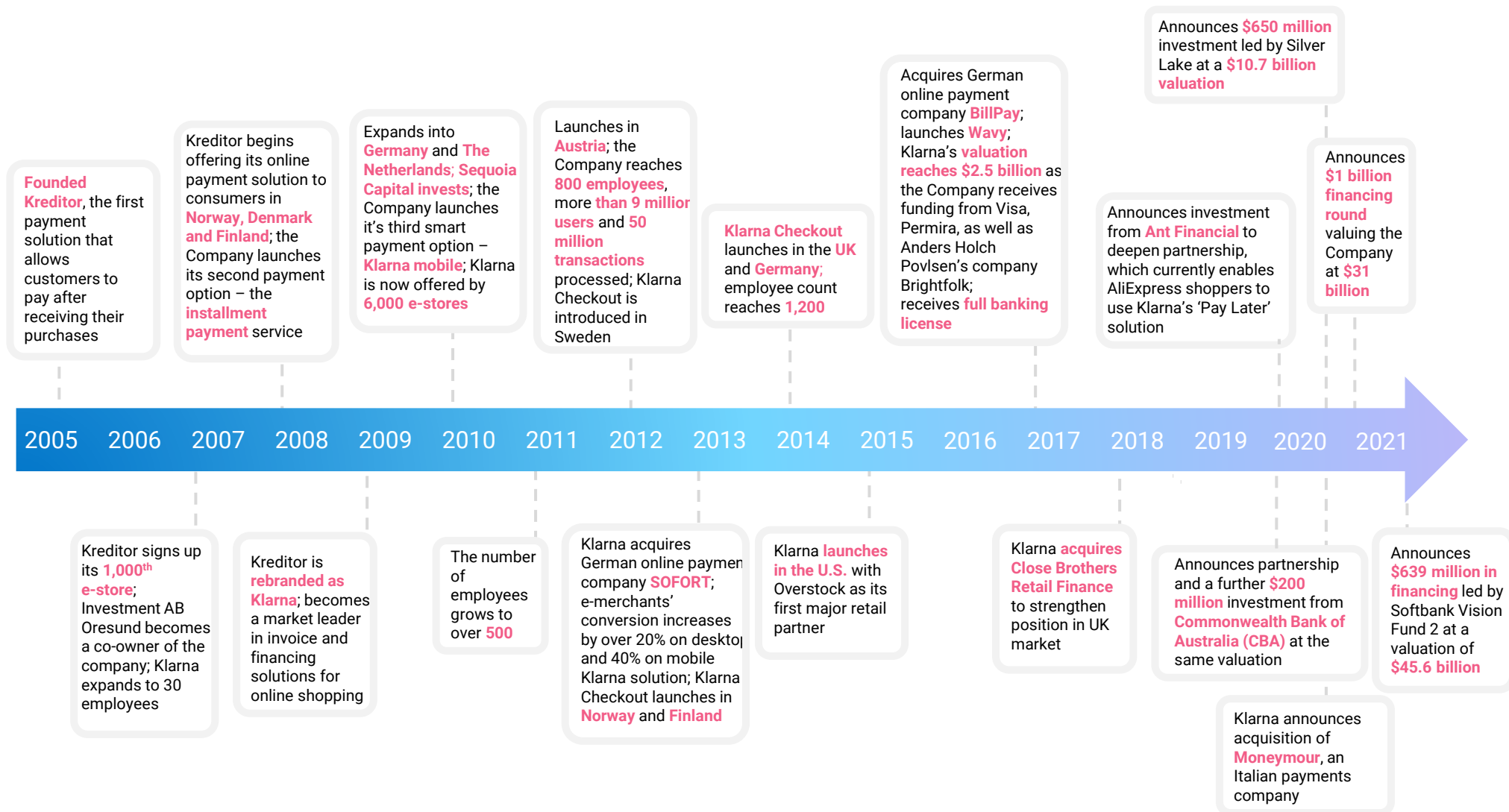
- From browsing to purchased in 25 seconds, which is up to 3x faster than competitors



# Buy Now Pay Later Industry Report

## In-Depth Profile on Klarna (cont.)

### Klarna Timeline

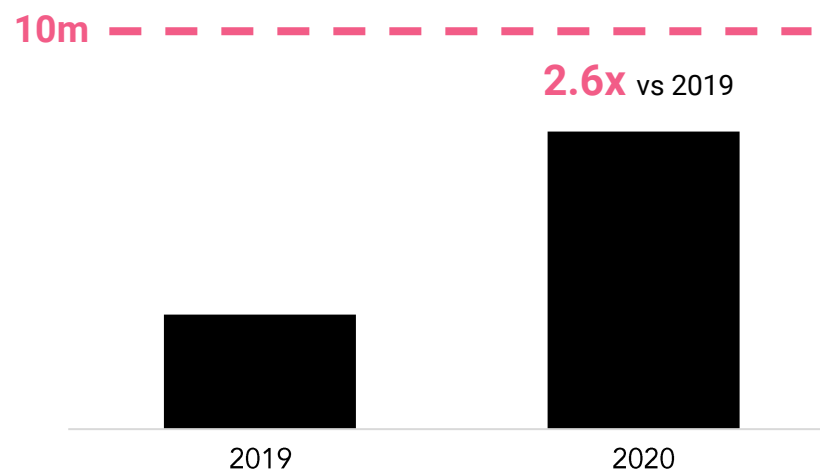


### Klarna Continues to Capture Large US Opportunity

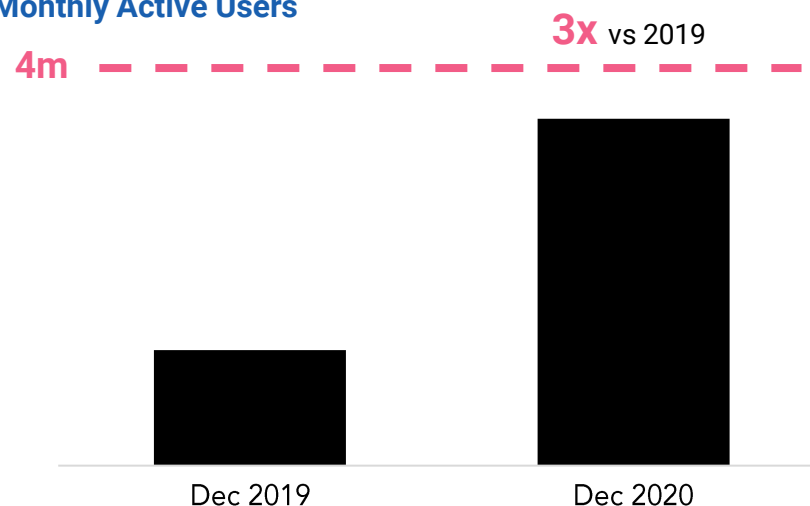
#### US Presence

- According to Buy Now, Pay Later (“BNPL”) FinTech firm Zip Co., the total addressable global market for BNPL stands at \$22 trillion, with the US comprising over 20% of that<sup>(1)</sup>
  - The US is the largest retail market in the world and has been a fierce battle ground for global BNPL providers
- Klarna first launched in the US with Overstock.com as its First Major Retail Partner, and has since signed more high grossing US retailers
  - Most recently, the Company has signed Sephora, Etsy, Macy’s Foot Locker, Urban Outfitters, Ralph Lauren, Timberland, and Saks OFF 5<sup>th</sup>
- In the US, the Company reached 14 million consumers by the end of 2020 and more than 3.5 million monthly active app users
  - The Company also reported an NPS score of 80 in the US
- Klarna’s app averaged 60,000 daily downloads in December and was downloaded close to 4 million times more than its nearest competitor in 2020
  - The Company’s app was ranked in the Top 10 most downloaded shopping apps in US app stores for the entire Q4’20
  - Its app was also one of the top five most downloaded apps in the US

#### US App Installs



#### US Monthly Active Users



# Buy Now Pay Later Industry Report

In-Depth Profile on Klarna (cont.)

## Selected Financing History

Date	Size (\$ In mm)	Type	Investor(s)*
June 2021	\$639	Equity Financing	SoftBank Vision Fund 2
Mar. 2021	1,000	Equity Financing	Undisclosed Investors
Sep. 2020	650	Equity Financing	SILVERLAKE GIC BlackRock HMI CAPITAL TCV
Mar. 2020	na	Equity Financing	ANT FINANCIAL
Jan. 2020	200	Equity Financing	CommonwealthBank
Aug. 2019	460	Equity Financing	DRAGONEER COMMONWEALTHBANK HMI CAPITAL Merian FÖRSTA AP-FONDEN
Mar. 2019	107	Equity Financing	PERMIRA Brightfolk A/S SEQUOIA
Oct. 2018	20	Equity Financing	H&M
July 2017	250	Secondary	PERMIRA
June 2017	na	Equity Financing	VISA
June 2017	na	Secondary	Brightfolk A/S (Anders Holch Povlsen)
Mar. 2017	5	Equity Financing	CREANDUM
June 2016	35	Debt Financing	Undisclosed Investors
Aug. 2015	80	Secondary	WELLINGTON MANAGEMENT Northzone wellcome trust
Mar. 2014	125	Equity Financing	ATOMICO GENERAL ATLANTIC SEQUOIA
Aug. 2013	26	Secondary	Partners Group
Sept. 2012	na	Secondary	QED INVESTORS
May 2012	14	Secondary	ATOMICO
Sept. 2011	155	Equity Financing	DST GENERAL ATLANTIC SEQUOIA
May 2010	9	Equity Financing	SEQUOIA
Dec. 2007	na	Equity Financing	INVESTMENT AB ORESUND CREADES (Anralk)

### Valuation <sup>(1)</sup>

June 2021  
**\$45.6 billion**

March 2021  
**\$31.0 billion**

September 2020  
**\$10.7 billion**

August 2019  
**\$5.5 billion**

March 2019  
**\$3.4 billion**

August 2017  
**\$2.5 billion**

August 2015  
**\$2.3 billion**

August 2013  
**\$1.2 billion** <sup>(2)</sup>

### Selected Acquisition History Details



- **On February 12, 2020, Klarna announced an agreement to acquire Moneymour, an Italian payments company, from the founders and minority investors**
  - With the acquisition, Klarna gains access to intellectual property to further improve underwriting capabilities, and additional expertise and competence, as the full Moneymour team will join Klarna
- **Moneymour, which was founded in 2017, is an Italian payment method that allows consumers to 'buy now, pay later' by splitting their purchases into monthly installments based on an instant credit assessment**
  - The technology ensures an ever faster and automated credit decision for consumers
- **Koen Koppen, Chief Technology Officer of Klarna, commented:**

*"We're impressed with what the Moneymour team has achieved so far, and we are also happy to now progress the establishment of our new product development hub in Milan. The talented team has developed an interesting offering for the Italian market, and with their knowledge and expertise we can further strengthen our underwriting capabilities in the market. Under the Klarna umbrella, we will together further develop the proposition and scale this across markets, which will support in accelerating growth."*



- **On September 14, 2018, Klarna announced that it had agreed to acquire Close Brothers Retail Finance, the consumer financing division of Close Brothers Group, a leading UK merchant banking group**
  - With the acquisition, Klarna plans to strengthen its position in the UK retail financing market and accelerate the growth and expansion of its consumer offering
- **Close Brothers Retail Finance (CBRF) was founded in 2014 and has established itself as a reputable provider of omnichannel point of sale finance products with over 600 active merchants in the UK**
  - CBRF business had a loan book of £66 million as of July 31, 2018
- **Michael Rouse, Chief Commercial Officer of Klarna, commented:**

*"By combining capabilities and leveraging CBRF market knowledge, we are confident that we can offer even more innovative and flexible payment solutions to our merchants and customers in the UK and across markets."*

### Selected Acquisition History Details (cont.)

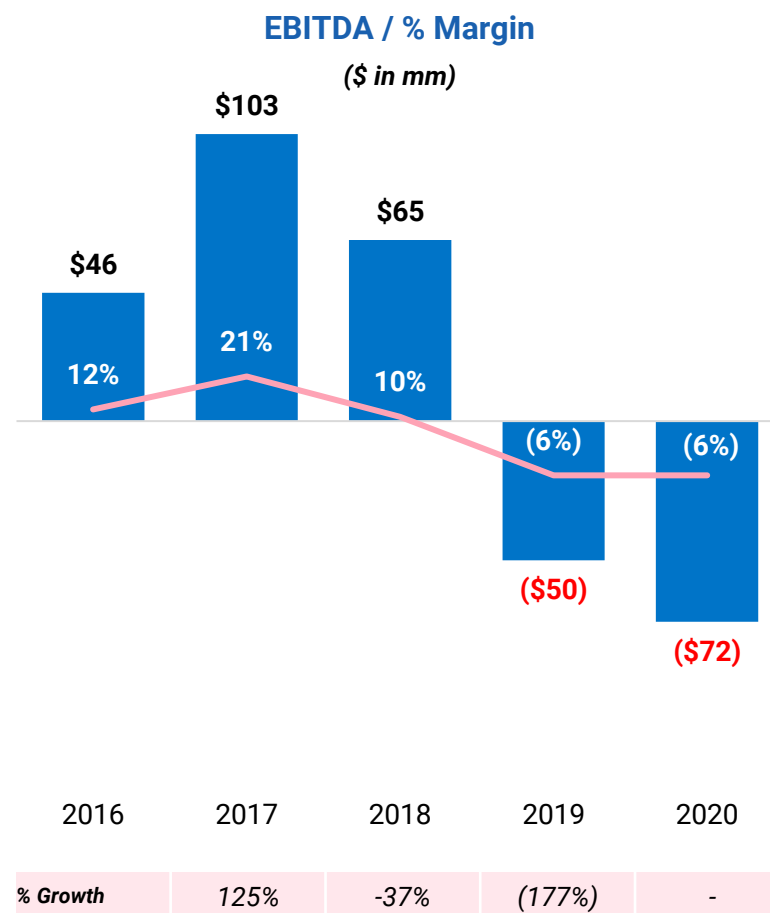
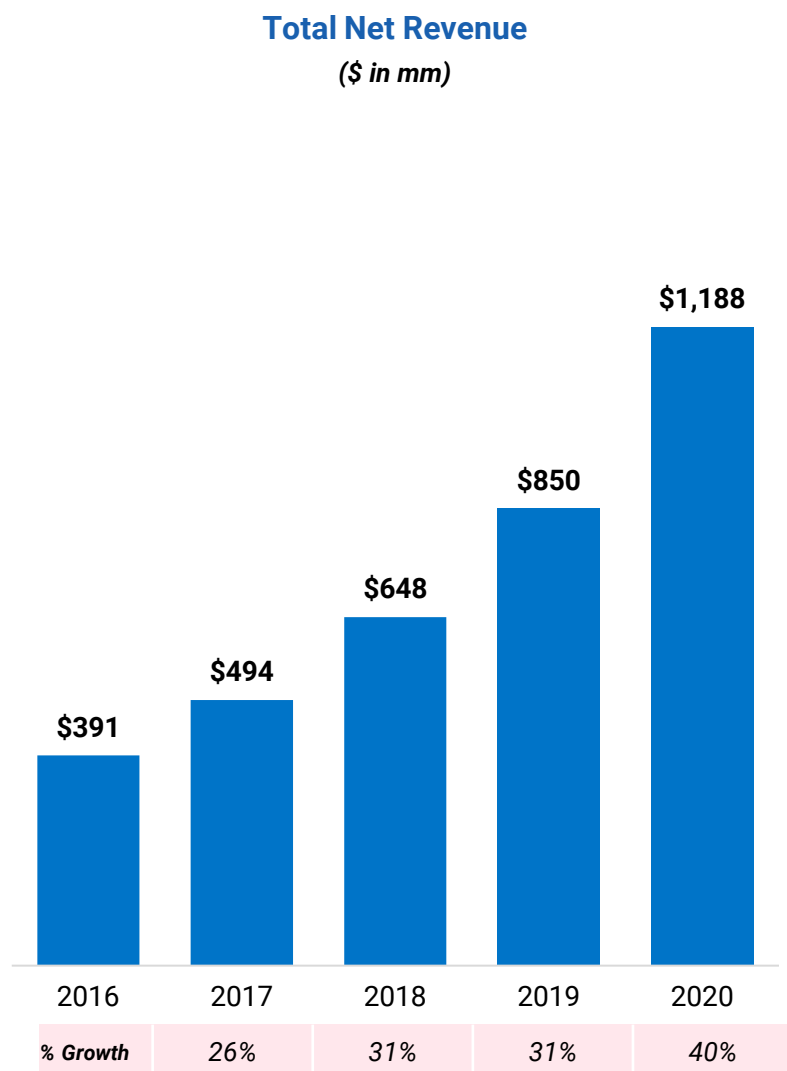


- On February 6, 2017, Klarna announced that it had agreed to acquire BillPay from Wonga
- The acquisition will help Klarna continue to accelerate its growth and to strengthen its position as a leading payment provider
  - Specifically, Klarna has been building out its German business through its acquisitions, including the previous acqui-hire of the team from Cookies in October 2016
- According to TechCrunch, Klarna paid around €60 million (approximately \$75 million) <sup>(2)</sup>
- BillPay is a leading online payment provider, offering services and products in Germany, Austria, Switzerland and the Netherlands
  - The Company allows online shops to offer invoice, direct debit and flexible pay later installments
  - BillPay guarantees full payment and accepts complete risk for merchants
  - Used by more than 5,000 online shops and 12 million customers



- On December 18, 2013, Klarna announced that it had agreed to acquire SOFORT from majority shareholder Reimann Investors
- Although no transaction price was announced, TechCrunch reported the amount to be around \$150 million <sup>(1)</sup>
  - On March 14, 2014, Klarna also announced that it was raising an additional €90 million from existing investors for the acquisition of SOFORT
- SOFORT links customers' bank accounts directly with their Internet purchases through its online portal
  - The companies' separate online payment products will continue to be offered to consumers and will maintain separate brands
- The combined companies formed Klarna Group, a leading alternative online payments provider
  - The Group's services are used by over 25 million customers and 45,000 online retailers across 14 countries in Europe

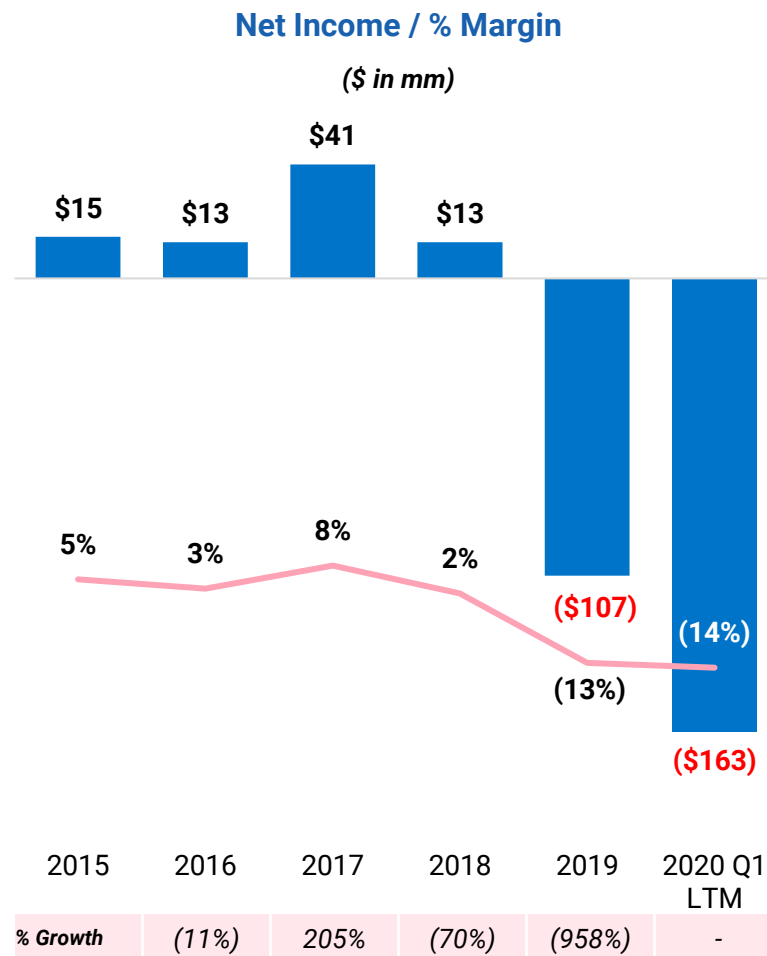
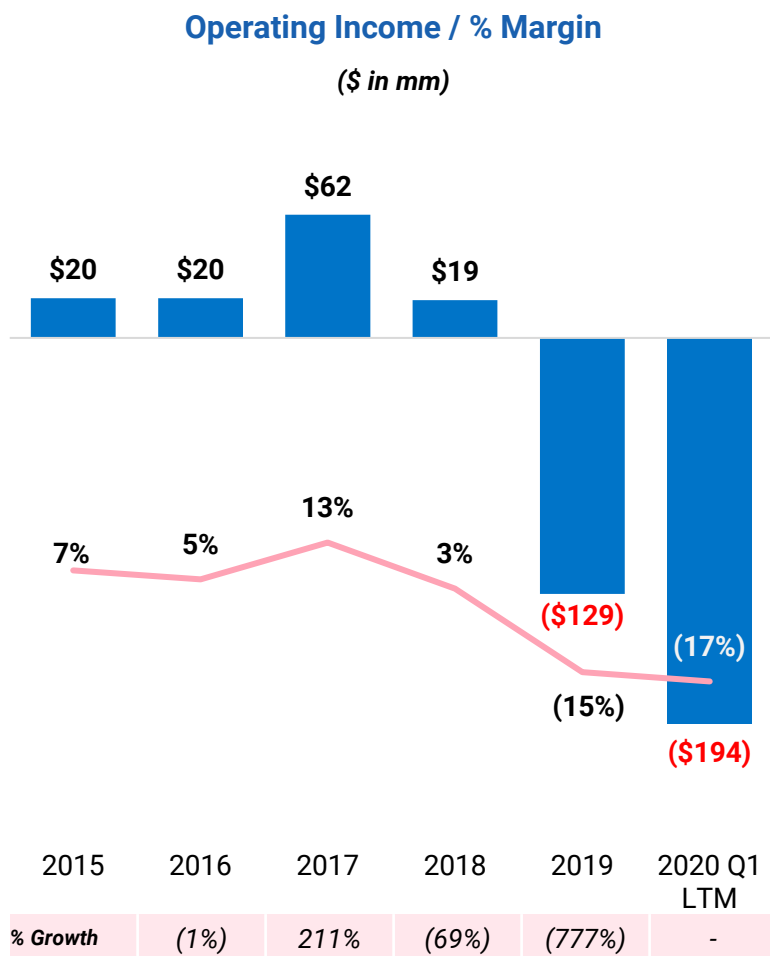
### Financial Overview



- Klarna's operating expenses rose 43% in 2020 due to continued expansion into four new markets (Australia, Belgium, Spain and Italy) and its increased brand awareness in the U.S. and UK.

- Klarna's general expenses rose in 2019 due to its focus on growth and brand awareness in the U.S. and other new markets. Additionally, its realized loan losses increased due to the influx of new, first-time customers, pushing the Company into the unprofitable range.

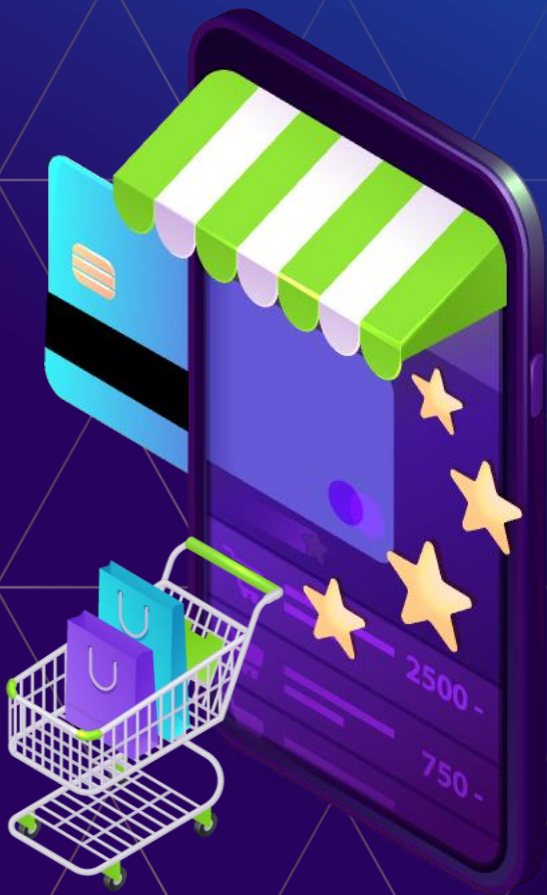
### Financial Overview (cont.)



- Klarna's operating expenses rose 43% in 2020 due to continued expansion into four new markets (Australia, Belgium, Spain and Italy) and its increased brand awareness in the U.S. and UK.

- Klarna's general expenses rose in 2019 due to its focus on growth and brand awareness in the U.S. and other new markets. Additionally, its realized loan losses increased due to the influx of new, first-time customers, pushing the Company into the unprofitable range.





## **iv. Other Selected Companies**

## Company Overview



**Founder & Chairman:** Aaron Allred  
**Headquarters:** Draper, UT  
**Founded:** 2013

- Acima provides point-of-sale leasing solutions for more than 15,000 retail locations across the country and online
- Leasing is provided through lease-to-own ("LTO") for durable goods across a range of traditional and emerging product verticals
- Acima offers consumers a number of ways to apply, including via text, with risk decisioning conducted in seconds
- In December 2020, Rent-A-Center announced that it agreed to acquire Acima for a total consideration of \$1.65 billion

## Management Team



**Aaron Allred**  
Founder & Chairman



**Rob Christiansen**  
President & CEO



**Nate Heward**  
CFO



**Tyler Montrone**  
Chief Compliance &  
Legal Officer



**Reed Farnsworth**  
COO



**Jared Dinerstein**  
CTO



**Alycia Anthony**  
CPO

## Products and Solutions

### Virtual Lease to Own

- Acima's virtual lease-to-own product offers consumers a purchasing alternative for big ticket merchandise, allowing them to take the item home on the same day without a long-term commitment
- Acima reports payment history to Experian to help consumers build their credit profile over time
- Solution helps drive sales and offers compelling value for merchants

### Attractive and Flexible Lease Terms

- 90-day early purchase options available
- Ability to return the product and terminate the lease at any time

### Convenient Point of Sale Experience

- Two-minute leasing process at the point of sale managed by the consumer
- Instant approval decisions issued on the privacy of applicant's mobile device or through Acima's merchant portal

### Sophisticated Risk Decisioning

- Acima uses a proprietary machine learning risk decisioning model to provide approval amounts in seconds
- Cutting edge identity verification and fraud detection techniques

## Range of Products in Both Traditional LTO and Emerging Verticals



**Tire & Wheel**



**Appliance**



**Mobile Electronics**



**Furniture**



**Mattress**



**Jewelry**

# Buy Now Pay Later Industry Report

Addi

## Company Overview



**Co-Founder & CEO:** Santiago Suarez  
**Headquarters:** Bogotá, Colombia  
**Founded:** 2018

- Addi was founded in 2018 by co-founders Santiago Suarez, Daniel Vallejo, and Elmer Ortega, to power digital commerce in Latin America, starting with Buy Now Pay Later
- The Company enables digital buy now pay later options with no interest, no additional costs, and no paperwork; The only requirements are an ID and WhatsApp

## Selected Equity Financing History

Date	Size (\$ in mm)	Investors
09/08/21	\$75	Greycroft, GGV Capital, Citius Capital, Intersection Growth Partners, Union Square Opportunity Fund, Andreessen Horowitz, Endeavor Catalyst, Foundation Capital, Monashees, Quona Capital
05/26/21	35	Union Square Ventures, 8VC, Endeavor Catalysts, Citius Capital, The Marathon Fund, Andreessen Horowitz
05/22/20	15	Quona Capital, Foundation Capital, S7 Ventures, Andreessen Horowitz, Monashees Capital
06/11/19	13	Andreessen Horowitz

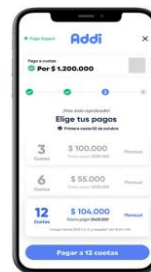
## Product and Services Overview



1. Enter information and verify ID



2. Provide valid email and cell phone number with access to WhatsApp; Approval of credit is subject to the study carried out by Addi



3. Select Addi as the means of payment at checkout or inform cashier at physical point of sale



4. Chose the number of installments you want to pay in, and proof of credit is provided with purchase

## Company Overview



CEO: William Li  
Headquarters: Jakarta, Indonesia  
Founded: 2016

- **Akulaku offers financial services, including shopping installments on individually managed and third-party marketplace platforms**
  - Akulaku's major services include online credit, wealth management, and digital banking
  - Online credit options include installment shopping via installment service, Akucicil and unsecured personal loans
  - Akulaku has the largest online wealth management platform in Indonesia with over 100,000 monthly users
  - Akulaku's digital banks, BYB, offers functions including easy account opening, online deposit, and cash management
- **The Company aims to make financial services more accessible and affordable to the underserved Southeast Asian market**
  - Operates in Indonesia, the Phillipines, Vietnam, and Malaysia
  - Lack of credit history and bank accounts among members of Indonesian population creates a large TAM

## Product and Services Overview



### Cash Loans

- Apply with just a KTP
- Loans up to IDR 15 Million
- Loan tenor up to 15 months
- Upon verification, funds transfer immediately



### Akucicil

- User registration done via the app
- SMS notification upon credit application approval
- Verification takes 5 minutes



### Services

- Top up credit anytime
- Buy internet data quote online
- Facilitate payment of monthly BPJS Health dues
- Pay PDAM bills online
- Prepay electricity services and electricity tokens

## Selected Merchant Customers



## Company Overview

**alma**

**CEO:** Louis Chatriot  
**Headquarters:** Paris, France  
**Founded:** 2017

- Alma provides buy-now-pay-later solutions for merchants to offer their customers that enable them to make payments in two, three or four installments
- Alma advances the cash from the customer for their purchase to the merchant while taking the full risk of payment from the consumer
  - The Company uses a variety of verifications, filters and algorithms to detect fraud and high-risk profiles and creates multiple categories depending on a customer's profile
  - Alma charges merchants 3.8% for payment in 3 installments and 4.2% for payment in 4 installments
- Alma integrates with most e-commerce platforms, including Shopify, Magento and Prestashop, and merchants can also offer Alma as a payment option in retail stores

## Product and Services Overview

eCommerce	Instore	Pay Later
<ul style="list-style-type: none"> <li>The Company offers eCommerce module plug-ins for Shopify, PrestaShop, Magento, WooCommerce and Wee-commerce that can be ready in less than an hour</li> <li>Merchants can also personalize their integration using Alma's API in just a few days</li> </ul>	<ul style="list-style-type: none"> <li>Alma enables merchants to offer its customers the ability to pay in 2, 3, or 4 installments in-store</li> <li>Merchant enters customers details and customer makes their payment on merchant's interface or directly on their mobile with instant acceptance</li> </ul>	<ul style="list-style-type: none"> <li>Pay Later enables merchants to give its customers up to 30 extra days to pay, giving them the flexibility to make up their mind and buy without postponing</li> </ul>

## Key Metrics

**+20%**

Average Turnover

**+60%**

Average Basket

**100%**

Guaranteed Payments

## Selected Clients



# Buy Now Pay Later Industry Report

Amount

FINANCIAL  
TECHNOLOGY  
PARTNERS

## Company Overview



CEO: Adam Hughes  
Headquarters: Chicago, IL  
Founded: 2016

- The Amount platform enables banks and financial institutions to customize their retail banking experience within a profit-proven enterprise framework, empowering them to modernize their user experience and optimize growth
- The Company provides buy-now-pay-later financing technology for bank's merchant partners to power e-commerce transactions at the point-of-sale
- Amount was spun off from Avant in January 2020 :
- Avant is an industry-leading digital consumer lending platform founded in 2012

### Selected Customers



## Product and Services Overview

### The Modern Digital Banking Platform

#### Omnichannel Integration

- Consistency across interfaces
- Device agnostic platform

#### API Architecture

- Allows for easy integration of third-party data and legacy bank systems

#### Full Stack Solution

- Identity verification
- Regulatory Compliance

#### Proprietary Fraud Model

- Machine Learning built from 60k+ manually reviewed fraud cases



#### Performance Testing

- Ability to deploy A/B testing and challenger logic

#### Mitigation Strategies

- Risk mitigation
- Customizable and tailored rulesets

#### Emerging Technology

- Built on AI-driven machine learning technology

#### Integration Hubs

- Full suite of APIs
- Connects to tools and data from over 20 third-party providers

### Use Cases Supported

*Full suite of products catered to the entire life-cycle of a bank-consumer relationship*





## Company Overview



**CEO:** Josh Abramowitz  
**Headquarters:** New York, NY  
**Founded:** 2014

- Bread powers personalized pay-over-time solutions that help retailers build stronger consumer connections, grow sales and improve brand loyalty
- The Company's white label solutions feature clear and transparent financing options for consumers, while giving retailers tools to integrate financing options throughout the checkout process
- On October 29, 2020, Alliance Data (NYSE: ADS) announced that it has signed a definitive agreement to acquire Bread for a total estimated consideration of \$450 million

## Selected Transaction History

Date	Amount (\$ in mm)	Selected Investor(s)
09/18/18	\$60	Kinnevik; Cue Ball; RRE Ventures; Bessemer Venture Partners; Colle Capital Partners; Menlo Ventures
07/19/17	126	Menlo Ventures; Bessemer Venture Partners; RRE Ventures; Victory Park Capital
11/09/15	14	Bessemer Venture Partners; RRE Ventures
04/17/14	na	RRE Ventures; Maveron; Red Swan; Greycroft Partners; Cue Ball; Montage Ventures; BoxGroup

Sources: Company website, Company Press Releases

## Product and Services Overview

### For Businesses

#### Features of Bread Platform

##### Full-Funnel Integration

Shoppers are able to pre-qualify for financing and check out from any page of the retailer's website



##### Flexible Loan Terms

Bread offers loan terms that range from 3 to 36 months and 0% APR products to drive incremental sales

##### Real-Time Decision

Consumers can check their rate without affecting their credit and learn if they are pre-qualified in real time



##### Customizable Experience

Retailers can tailor Bread to match their brand, to target specific products, and to easily integrate into their site

### For Consumers

Bread allows consumers to easily and quickly pay for large purchases and check rates without hurting their credit



Easy Application



Check Rates



Check Out Immediately



Safe and Secure



### Company Overview



CEO: Ken Rees  
Headquarters: Dallas, TX  
Founded: 2020

- Covered Care is disrupting the patient finance industry by offering simple financing solutions for patients declined by traditional credit
- The Company's program enables provider partners to serve patients that are declined by other financing solutions, enabling them to grow their business through challenging economic times
- Combined with your primary lender and with no risk of loss to the healthcare provider, providers can offer a one-stop end to end patient finance solution approving virtually every patient helping to increase revenue and grow its practice
- Covered Care provides patients with a more manageable cost of credit by allowing up to 24 to 36 months for repayment, and up to \$5,000 for their medical needs
  - The Company aims to create a supportive and hassle-free patient experience at the speed of life
- The Company's exclusive focus is on hard-working, credit challenged Americans who are deeply underserved by traditional banks, pushed into high-cost products, and have a credit history ineffective for underwriting

### Product and Services Overview

#### For Medical Providers

- |  |  |  |   |
|--|--|--|---|
|  | High approval rates for non-prime patients |  | Upfront payment plus ongoing profit share |
|  | Fast settlement                            |  | No technical integration required         |
|  | White label availability                   |  | No risk of loss to the provider           |

#### For Patients

- |  |                                |  |                               |
|--|--------------------------------|--|-------------------------------|
|  | Hassle-free, instant decisions |  | Responsibly priced credit     |
|  | Flexible payments              |  | High quality customer service |

### How it Works

- Patient completes fast, hassle free application process
- Covered platform processes small down payment for procedure
- Patient approved for procedure
- Cash settlement with provider
- "White Glove" customer service with no aggressive collections

## Company Overview



**CEO:** Gilles Gade  
**Headquarters:** Fort Lee, NJ  
**Founded:** 2008

- **Cross River provides core technology and infrastructure to FinTech companies, enabling the delivery of innovative financial solutions to millions of end users**
- **The Company combines innovative technologies with the established expertise of a bank to create new services and solutions for FinTech companies**
  - Cross River is a NJ state-chartered FDIC insured bank
- **Cross River has developed fully compliant and integrated products for marketplace lending and payment processing**
- **The Company is a scale partner that has facilitated over \$55 billion in loan transaction volume and originated over 30 million loans**

### Selected Financing History

Date	Amount (\$ mm)	Selected Investors
04/23/20	\$27	Shefa Capital
12/06/18	100	Andreessen Horowitz; CreditEase; LionTree; Ribbit Capital; Battery Ventures
11/01/16	28	Andreessen Horowitz; Ribbit Capital; Battery Ventures

## Product and Services Overview

### FinTech Services



#### Platform Lending:

Partners use Cross River's lending enablement technology to validate and originate loans for consumers and businesses.



#### Fintech Banking:

Partners use Cross River's technology to embed payments, deposits, and card services within their ecosystems.



#### Strategic Direct Lending:

Complementary to products offered in Platform Lending and Fintech Banking

### Commercial Banking



#### Small Business Lending:

Cross River's SBA lending professionals help SMB clients throughout the entire loan process, from application to funding.



#### Commercial Real Estate:

Cross River sources, originates, and services portfolios of multi-family, retail, and mixed-use commercial real estate loans

## BNPL Case Study: Cross River and Affirm



- **Cross River is the primary provider of banking services to leading BNPL provider Affirm**
  - Affirm relies on Cross River to originate a substantial majority of the loans facilitated through its platform, according to Affirm's S-1 filing
  - The partnership allows Affirm to benefit from Cross River's ability to originate loans under its banking licenses while remaining compliant
- **Affirm also offers an FDIC-insured, interest-bearing savings account, which is provided by Cross River, while Affirm acts as the service provider to the consumers**

## Company Overview



CEO: Stuart Thornton  
Headquarters: Singapore, Singapore  
Founded: 2018

- hoolah provides interest-free installment payment solutions to merchants and consumers
- hoolah is one of the leading BNPL providers in Asia with more than \$100M RR GMV and hyper growing - 10x YoY growth rate in 2020
- hoolah's core markets are Singapore, Malaysia and Hong Kong
  - hoolah plans to enter Thailand, Philippines and South Korea markets in the near term
  - Over the long term, hoolah will further expand across the SEA region to countries including Taiwan, Indonesia and Vietnam
- hoolah partners with +3,000 merchants across a variety of verticals
  - ~ 50% of the total GMV processed comes from low risk verticals such as health and beauty and home and office verticals
- hoolah's proprietary, data driven risk engine system is optimized to drive 6-10x volume for merchants
  - hoolah is proven to drive merchant revenue and basket size upwards of 20%

## Management Team



Stuart Thornton  
CEO



Andrew Broad  
CFO



Jason Van  
CTO



Arvin Singh  
COO



Daniel Pieper  
CIO

## Product and Services Overview

### Core Platform

- Merchant & Brand discovery platform
- Loyalty platform for consumer to drive repeat usage
- Ecosystem connecting consumers, merchants, partners
- Instant risk decisioning
- Seamless and convenient for both merchants and consumers

### Online BNPL Solution



- Pre-built plug ins and API integrations with major shopping carts, in addition to direct hoolah API integration

### In-store BNPL Solution



- Seamless integration with a simple QR code setup at the POS

### Tech



- Data-driven risk engine allows for targeted optimization and managing responsible spending
- Built to scale across multiple geographies and localise language, compliance, communication, people, and payments
- Connects merchants and consumers across multiple channels
- No reliance on 3<sup>rd</sup> party feeds

## Selected Merchant Customers



SAMSUNG SONOS ZALORA



Strawberry net™



Sources: Company website, Company press release

## Company Overview



CEO: Yaacov Martin  
Headquarters: Columbus, OH  
Founded: 2011

- Jifiti is a fintech company that provides an end-to-end point-of-sale financing solution to banks and retailers worldwide
- The company facilitates POS financing through its white-labeled platform, enabling tier-1 banks and lenders to seamlessly deploy and scale their competitive consumer loan programs at any merchant's point of sale - online, in-store and via call center
- The company's platform requires zero integration with existing POS and e-commerce systems, enabling brands to test, launch and roll out retail financing options instantly
- Jifiti has offices in the US and Israel and has a presence throughout Europe and North America

## Key Customers and Partners



## Product and Services Overview



### POS Financing for Retailers

Provides a zero-integration, white-labeled financing platform to merchants across global markets



### Consumer Financing for Lenders

Adds instant, fully-branded POS financing functionality to any lenders' merchant offering



### E-Commerce Buy Now Pay Later Financing

Provides easy, end-to-end BNPL financing facilitation on any e-commerce platform, seamlessly linking consumers and lenders

## Supported Use Cases



Online



Instore



Call-center

## Supported Loan Programs



Line of Credit



Installment Loans



BNPL

## Supported Payment Methods



E-Commerce platform integration



Contactless virtual card



Direct integration

## Company Overview



CEO: Akshay Gard  
Headquarters: Jakarta, Indonesia  
Founded: 2016

- **Kredivo facilitates shopping for consumers without the use of credit cards or cash loans**
  - Purchase without a down payment and lower interest compared to similar companies
  - All processes are online and without surveys
  - Flexibility with 30 day, or 3, 6, or 12 month installment options
  - Services offered by merchants across a variety of industries including electronics, fashion, travel, home, and automotive
  - Partnered with 1,000+ online and offline merchants
  - Secure platforms protected by PIN and OTP and registered by the Financial Services Authority
- **Customer access to capital boosts sales for partner merchants**
  - Potential sales increase up to 50% upon adoption<sup>1</sup>
  - 2-click checkout increases sales conversion rates

## Product and Services Overview



*Apply for credit limit*

- 5 minute sign up process
- Access credit line of up to IDR 30 million in just 2 clicks
- Instant withdrawal option



*Receive funds and goods*

- No money down
- Enjoy KTA benefits or goods right away



*Pay Later*

- 0% interest for first 30 days
- 2.6% interest per month for installments

## Selected Merchant Customers



Lazada

iBox



BookingtoGo.com



## Company Overview



CEO: Adalberto Flores  
Headquarters: Guadalajara, Mexico  
Founded: 2012

- Kueski is the largest Buy Now Pay Later and online consumer lender in Mexico
- The Company provides consumers and businesses with an ecosystem of financial services focused on 3 products: Kueski Cash (online personal loans), Kueski Pay (a payment method that allows people to buy now and pay later without the need for a card), and Kueski Up (immediate access to earned wages)
- Kueski enables users to apply for a loan online and applies big data and machine learning to users' credit history, their digital footprint, and other online information available to build a credit risk model that will approve or reject loan applications in a matter of seconds
- Kueski is a SOFOM (non-bank lending and finance institution) registered with the CONDUSEF (National Commission for the Protection and Defense of Financial Service Users) and the CNBV (National Banking and Securities Commission)

## Product and Services Overview



### How it works

1. Fill your shopping cart
2. Select Kueski Pay as your payment method
3. Answer the form and choose the term of your financing
4. Your financing is approved in minutes

40%

Increase in average ticket size

70%

Increase in conversion rate



### How it works

1. Select an amount from ₱1,000 to ₱2,000
2. Fill out a short online form with your personal information and bank account
3. Kueski will deposit the amount offered in the bank account that you provided
4. Pay off your loan using one of Kueski's several options including BBVA, electronic transfer, or Oxxo

750k +

Unique customers

4.5 mm +

Loans granted



### For consumers

- Kueski Up gives consumers immediate access to the salary they have already earned, regardless of the stage in the payroll cycle
- Kueski Up is not a loan or a credit, so it does not charge any interest or fees

### For companies

- Offering earned wage access to employees with Kueski Up has no cost in the first year; after that, an annual license fee applies
- Kueski Up easily integrates with any payroll scheme, be it weekly, biweekly, or monthly

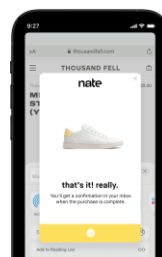
## Company Overview

nate

**CEO:** Albert Saniger  
**Headquarters:** New York, New York  
**Founded:** 2018

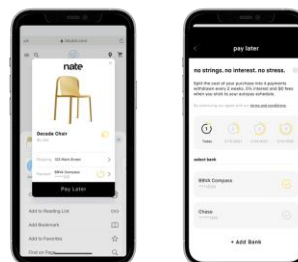
- **nate is an artificial intelligence startup that offers the first mobile app enabling users to purchase any item at any online retailer on behalf of a customer with one click**
  - The Company offers a B2C, app-based, AI-driven checkout and shopping platform that expedites and automates online purchases
- **Using AI technology that navigates the web the way humans would, nate is the only universal accelerator for mobile checkout**
- **The Company is exclusively designed to facilitate purchases once its user has chosen the product they want to buy**
- **Positioned as an AI shopping assistant, the platform centralizes shipping and payment information at sign up for retailers / shops**
  - nate allows users to curate lists of products and send gifts seamlessly
- **The Company leverages a virtual card issued at checkout instead of using a consumer's actual credit card, keeping the consumer's payment information and purchase history safe**

## Product and Services Overview



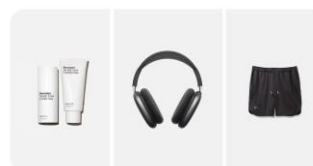
### buy anything

Share an item with nate from any website, and tap buy



### pay later anywhere

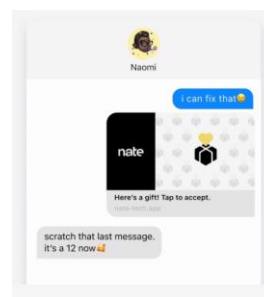
Split purchases from any site into four easy installments with the same one-tap checkout



### share lists

Make and add to personalized lists in nate from online retailers and tap whenever ready to buy

stay in flow  
by Naomi



### send gifts

Send a gift, from any store, with a single text and no addresses, no checkout, and no drama



# Buy Now Pay Later Industry Report

## Openpay

### Company Overview



**CEO:** Michael Eidel  
**Headquarters:** Melbourne, Victoria, Australia  
**Founded:** 2013

- Openpay provides online and in-store payment solutions that enable customers to purchase goods and services upfront while spreading payments over time with no interest
- Openpay facilitates payments in a wide range of industries including retail, automotive, home improvement and medical
- Currently available in Australia, New Zealand, the UK, and the United States
- Opy's (the US arm of Openpay), product construct in the US is highly customized for the region and is differentiated in the flexibility of terms (up to \$20,000 for 24 months), transparency and merchant centricity
  - Payment plans can be tailored across many variables to suit the specific needs of a business, making them BNPL 2.0 vs BNPL 1.0
  - For Example, in healthcare and the dental sub vertical, deposit sizes, term lengths and frequency of payment are best tuned differently than in home improvement for roof repairs or auto repair
  - This places a great deal of power in the hands of the merchant and their aggregators to drive more revenue and improve margins

### Product and Services Overview



#### Sign-up

- Sign up online or in-app
- Process takes under 90 seconds
- Link debit or credit card to app
- Once approved, shop immediately



#### Shop

- Use the app to buy items such as clothing, electronics, furniture, and more
- Use for brick-and-mortar shopping, home delivery, or online



#### Spread it

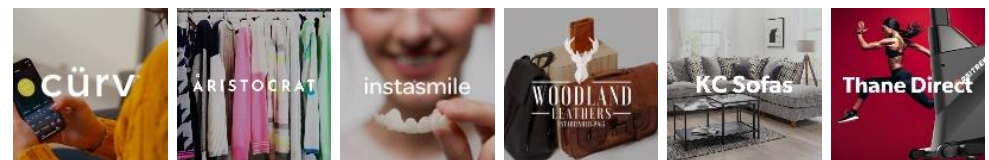
- Interest free payments
- 2-24 month payment schedules
- \$9.50 late fee charged to customer for every missed payment overdue by 2 days (not applicable in US)



#### Sit back

- Automatic withdrawals from credit card
- Manage plans and repayments within the app

### Selected Merchant Customers



## Company Overview



**CEO:** Charlie Youakim  
**Headquarters:** Minneapolis, MN  
**Founded:** 2016

- **Sezzle (ASX:SZL) provides an alternative payment platform offering interest-free installment plans at select online stores**
- **The Company's 'Buy Now, Pay Later' product enables millions of shoppers across the United States and Canada to take control of their spending, be more responsible, and gain access to financial freedom**
- **Sezzle unlocks access to millions of shoppers and increases merchant partners' sales without risk by allowing shoppers to split their purchases into four, interest-free payments paid over the course of six weeks**
  - Doing so increases shoppers' purchasing power and offers them a built-in way to budget their spending
- **The Sezzle platform has over 1.5 million active users and over 16,000 participating merchants**
- **In August 2020, Sezzle reincorporated as a Public Benefit Corporation, making it the first Buy Now, Pay Later corporation with such a status**
- **Sezzle has announced a partnerships with Plaid to give customers more control over how their data is used in payments**

## Product and Services Overview

### Pay over time

Your entire online order, split into 4 interest-free payments scheduled over a 6 week period.

### No interest, ever

We charge the retail partner, not you. As long as you pay on time, there will be no additional fees.

### No credit impact

Our instant approval decisioning process has zero impact to your credit score.

## Selected Merchant Customers



## Company Overview



CEO: Nitya Sharma  
Offices: Bengaluru, Karnataka, India  
San Francisco, California  
Founded: 2015

- **Simpl is a technology company that empowers online merchants to offer their customers 1-click checkout, a pay-later line and strong buyer protection features**
- **Simpl integrates with merchants' mobile apps and creates an accurate consumer credit profile using a variety of different data points**
- **A consumer can use Simpl for a period of 15 days for free and potentially extend credit terms for an additional 10 days for a small fixed fee**
- **Simpl creates a unified bill for all online payments of an individual at the end of the 15-day cycle, enabling consumers to pay for all of their purchases at once**
- **The Company also offers a utility bill payment service and just launched a split-payment product focused on DTC e-commerce**

## Performance Metrics

- **2.5 million** transactions per month
- **24 million** Approved Users
- Average consumer uses Simpl **>5 times** a month
- **5,000** strong merchant network

## Selected Financing History

Date	Size	Financing Round	Selected Investor(s)
NA	NA	Early Stage VC	Green Visor Capital, FJ Labs, Hard Yaka, IA Ventures, Recruit Holdings
08/17/17	NA	Series A	Green Visor Capital, IA Ventures, SF Capital
01/16/16	NA	Seed	Green Visor Capital; IA Ventures

## Selected Merchants Who Accept Simpl



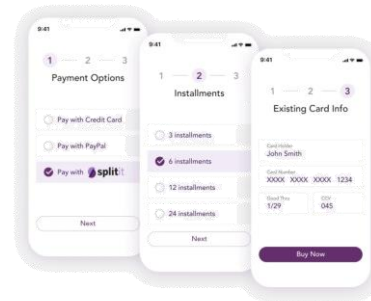
### Company Overview



CEO: Brad Paterson  
Headquarters: New York, New York  
Founded: 2012

- Splitit enables e-commerce merchants to offer interest-free monthly installment payments to their customers at the point of sale
- Splitit works on customers' existing debit or credit cards so they can also enjoy all of their regular credit card benefits such as points, cash-back and mileage
  - Customers do not have to apply for a new credit line or qualify for a new credit card
- For businesses, having this additional payment option can mean increased conversion rates, higher average tickets, increased customer satisfaction and reduced barriers to purchase
  - The Company's website notes businesses have seen a **+20% increase in average order value** and a **10% decrease in card abandonment**
  - The Company also offers B2B installments to help businesses streamline cash flow, avoid late payments and collections, and expand their reach with new customers or distributors around the world
  - Over **1K merchants** accept Splitit and approximately **309K total shoppers**
  - Splitit has announced partnerships with Visa, Mastercard, and Stripe

### Product and Services Overview



#### B2B2C

- Splitit enables businesses to offer online shoppers flexible pay-over-time options to help increase conversion, increase average order value and get higher customer satisfaction
- Only Splitit lets shoppers use their existing Visa or MC credit card to pay in monthly installments

#### B2B2B

- Splitit also enables B2B buyers to place orders using their existing business credit
- Buyers place an order and choose to pay with Splitit installments, instead of PO, COD or Financing
- Buyer and Supplier agree on payment terms and the full amount is authorized on the card

### Selected Merchant Customers

THE HUT GROUP®  
@thehutgroup

GlassesUSA™  
.com

fashionette®

ECHELON®

FORTUNA  
ADMISSIONS

Virgin  
pure

FREDERIQUE CONSTANT  
GENEVE

77 DIAMONDS

## Company Overview



**CEO:** Anuscha Iqbal  
**Headquarters:** Dubai, UAE  
**Founded:** 2019

- **Spotii is a tech-enabled payments platform where anyone can Shop Now and Pay Later with zero interest or cost**
  - The Company primarily operates in the United Arab Emirates and Kingdom of Saudi Arabia, targeting a regional retail market of roughly \$250 bn
  - Spotii's vision is to build a connected, engaging and passionate experiential ecosystem across the MENA region and beyond
- **Spotii splits a customer's purchase over 4 cost-free payments after they select Spotii at checkout and sign up with instant approval**
  - All users need to start is a valid email, debit/credit card and mobile number
- **On May 23, 2021, Zip (ASX: Z1P), a leading global BNPL provider, announced that it has agreed to acquire the remaining shares in Spotii that it does not already own for ~\$16 mm, implying an enterprise value of ~\$20 mm**

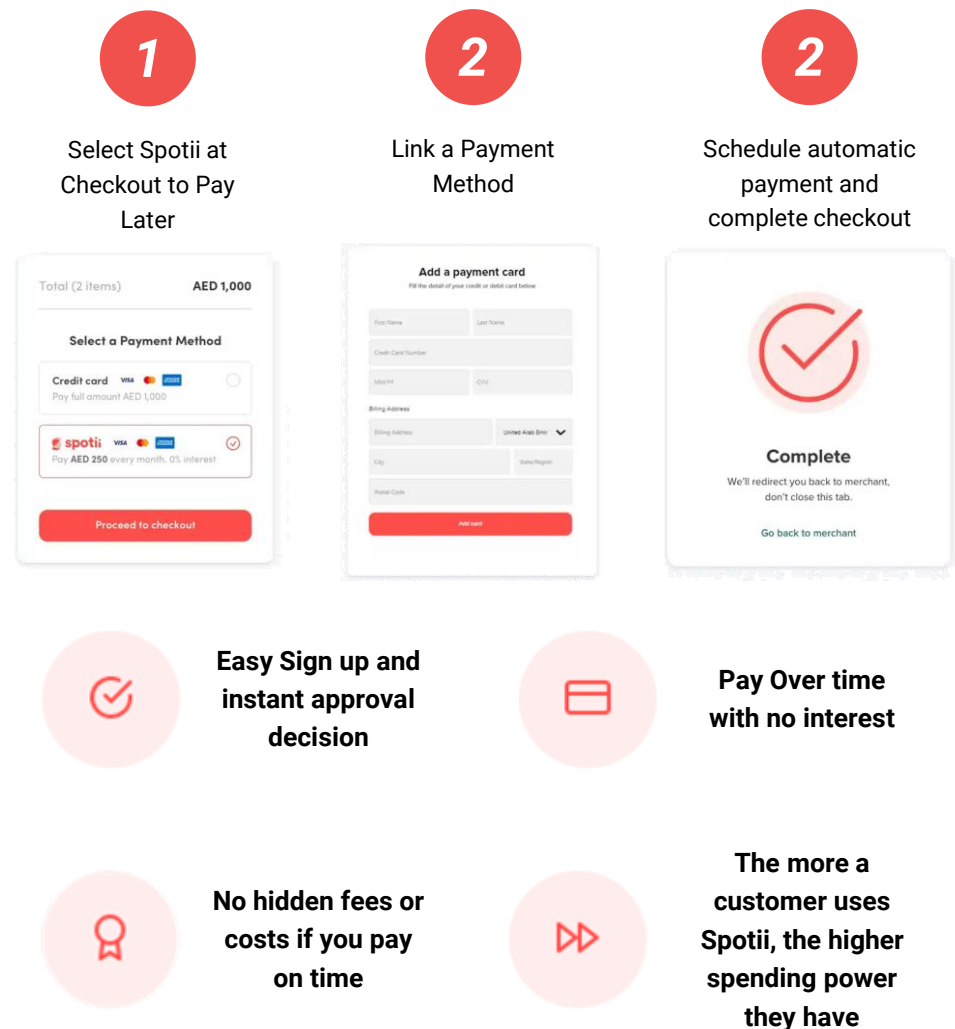
### Key Metrics

**+650**  
Merchants  
integrated

**+90%**  
MoM Txn  
Volume Growth  
Since Inception

**40,000+**  
Customers on  
platform

## Product and Services Overview



# Buy Now Pay Later Industry Report

Sunbit

FINANCIAL  
TECHNOLOGY  
PARTNERS

## Company Overview



**CEO:** Arad Levertov  
**Headquarters:** Los Angeles, CA  
**Founded:** 2016

- **Sunbit is the preferred buy now, pay later technology for everyday needs and services**
- **The Company eases the stress of buying everyday things by offering access to fast, fair and transparent payment options to merchants and consumers in the United States**
  - Sunbit's technology is offered both in-store and online at 7,300 locations, including 1 in 4 auto dealership service centers, optical practices, dentist offices and specialty healthcare services
- **All loans are made by Transportation Alliance Bank, Inc., dba TAB Bank, which determines qualifications for and terms of credit**

## Key Metrics

**90%**  
of customers approved

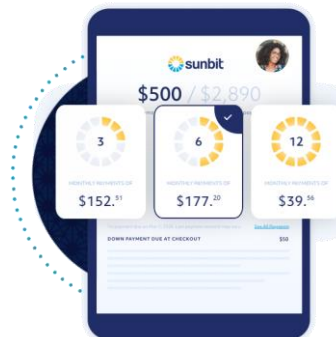
**+7,300**  
Locations

**1 in 4**  
Auto dealership  
service centers

**+300**  
Merchant locations  
added per month

**2x**  
Consistent YoY  
Growth in both  
Revs + Trxns

## Product and Services Overview



- Sunbit offers consumers the ability to choose from 3, 6, or 12-month flexible payment plans (18-24 month plans available for Dental Care)
- \$60-\$10,000 finance total purchase
- 0% interest plans available
- 30 second application



### Sunbit In-Store

- An associate-led process with no paperwork, minimal data entry, and a simple user interface



### Sunbit On-the-go

- A contactless process that can be completed by a customer from their connected device



### Sunbit Online

- An e-commerce solution that integrates Sunbit technology directly into clients' online checkout process

## Selected Clients





# Buy Now Pay Later Industry Report

Synapse

FINANCIAL  
TECHNOLOGY  
PARTNERS

## Company Overview



**CEO:** Sankaet Pathak  
**Headquarters:** San Francisco, CA  
**Founded:** 2014

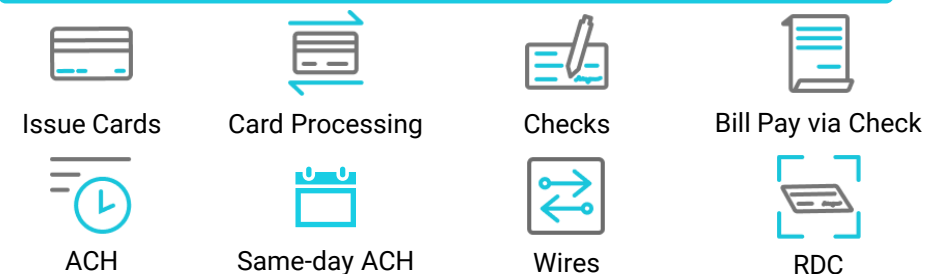
- Synapse is a Banking-as-a-Service provider that enables developers to build and launch feature complete deposit, credit and crypto products in weeks.
- The Company's platform provides payment, card issuance, deposit, lending, compliance, credit and investment products as APIs to FinTech companies and providers of embedded finance offerings who build and launch their innovations on top of its core banking platform.
- Synapse makes it faster and easier for companies to launch and scale financial products to their customers, avoiding the cost and complexity of building from scratch or cobbling different services/providers together.

## Selected Financing History

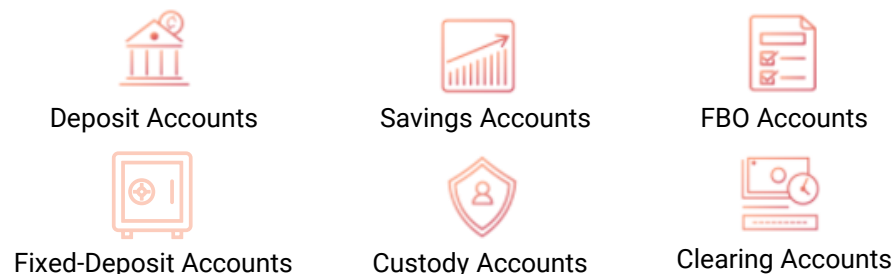
Date	Size (\$ mm)	Investors
06/07/19	\$33	Andreessen Horowitz; Trinity Ventures; Core Innovation Capital
09/06/18	17	Trinity Ventures; Core Venture Capital; Undisclosed Investors
04/01/15	1	Undisclosed Investors

## Solutions Overview

### Payments



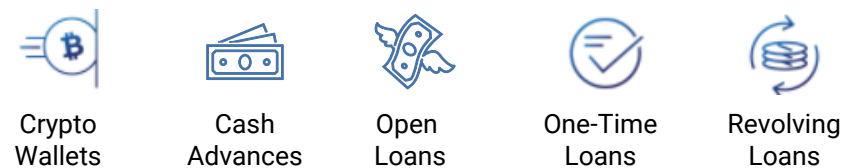
### Deposits



### Aggregation



### Other





### Company Overview



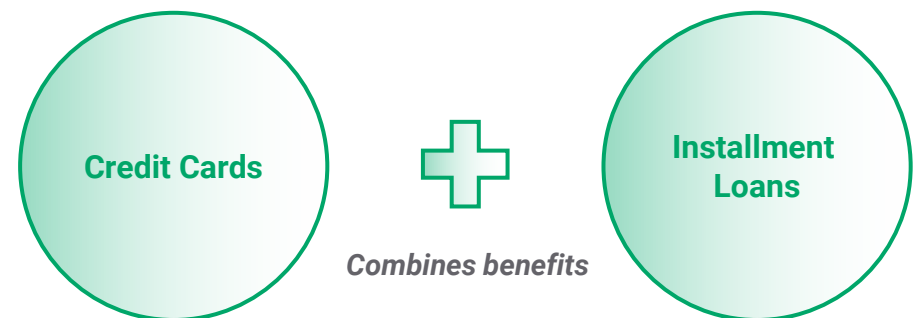
CEO: Renaud Laplanche  
Headquarters: San Francisco, CA  
Founded: 2017

- Upgrade is a neobank that offers affordable and responsible credit to mainstream consumers through cards and loans. It has delivered over \$7 billion in consumer credit since inception in 2017
- The Company's unique card offering, Upgrade Card, is a hybrid between traditional credit cards and BNPL as it offers a significantly lower cost than traditional credit cards, is more transparent, and has a fixed period and cost to the consumer
- Consumers use Upgrade Card like a normal credit card, but at the end of the month the balance converts into an installment loan at a fixed rate
- Upgrade Card also eliminates consumers' dependency on which merchants BNPL providers partner with as the card can be used at any merchant where Visa is accepted.
  - While most BNPL providers are used for either smaller or larger ticket items, Upgrade Card offers credit lines ranging from \$500 to \$25,000.

### Upgrade Card Overview

#### How It Works

*Converts month-end balances into fixed-rate fully amortizing receivables for lower and predictable payments*



#### Convenient

Use at retail locations or online and earn 1.5% cash back on payments. Or send funds to your bank account



#### Low Cost

No fees and set payoffs bring your balance down faster so you pay less interest



#### Predictable

Pay down balances from each month at a fixed rate with equal monthly payments

## Company Overview



CEO: Brian Barth  
Headquarters: Sunnyvale, CA  
Founded: 2014

- Uplift is an enterprise Buy Now, Pay Later solution offering a complete range of flexible payment options that provide people with a better way to pay for the things that matter most, the ones that elevate people's lives
- The company's ML powered Offer Engine provides customers with targeted and personalized offers that increase conversion while unlocking higher average order values and customer loyalty for their partners
- Through an omni-channel payment platform that seamlessly integrates into the most complex legacy systems, Uplift ensures that customers enjoy frictionless shopping across online, in-app, call center, and in-person experiences
- The Company helps consumers make important purchases now and pay over time
  - Uplift offers simple, surprise-free payments - No late fees. No pre-payment penalties. No confusing math. Just a refreshingly surprise-free way to make thoughtful purchases now and pay later
- Uplift also drives important marketing and e-commerce metrics including conversion, cart size, customer lifetime value, cross-sell and ancillary revenue
- As of June 2021, Uplift is expected to exceed \$1 billion in transaction volume over the next 12 months<sup>(1)</sup>

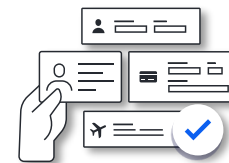
## FT Partners

Sources: Company website, LinkedIn, Company press releases  
1) Company management

## Product and Services Overview

### How It Works

- ✓ Select Uplift as your payment Method when booking travel on one of Uplift's partner websites



- ✓ Select the payment plan that works best with your budget then finish making your purchase

- ✓ Make surprise-free monthly payments with the option to set up AutoPay



## Featured Partners



# Buy Now Pay Later Industry Report

ZestMoney

FINANCIAL  
TECHNOLOGY  
PARTNERS

## Company Overview



CEO: Lizzie Chapman  
Headquarters: Bengaluru, India  
Founded: 2018

- **ZestMoney is a consumer digital lending platform that serves as a link between banks / NBFCs and consumers to provide instant financing at checkout to consumers without requiring a debit card, credit card, or credit score**
  - The Company's platform uses mobile technology, digital banking, and artificial intelligence to connect consumers with lending partners and manage their credit
  - In order to evaluate credit-worthiness and determine credit lines for consumers, the Company uses digital technology alternatives
- **ZestMoney also partners with e-commerce companies to enable equated monthly installments (EMI) as a payment method without the need for a credit card**
- **The Company provides a "buy now pay later" solution for a complete range of products and serves across e-commerce websites like Amazon, Flipkart, MakeMyTrip, Yatra, and many others**

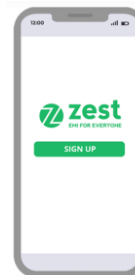
## Key Metrics

**6 Million**  
Consumers

**8,000+**  
Merchants

**4.7 star**  
Google review rating

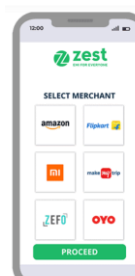
## Product and Services Overview



1

### Signup with ZestMoney

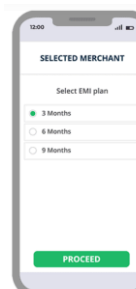
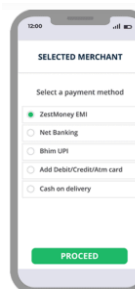
Consumers complete a profile to signup with ZestMoney and discover their credit limit



2

### Activate Credit Limit

Consumers upload KYC and setup automatic repayments to start using credit limit across 8,000+ brands



3

### Pay with ZestMoney EMI

Visit a merchant partner & make payment using ZestMoney credit limit, as made available to consumer by ZestMoney's lending partner

## Selected Merchants

amazon.in

make my trip



Flipkart



yatra

DECATHLON

Myntra

purple  
India's #1 Beauty Destination



# Buy Now Pay Later Industry Report

Zilch

FINANCIAL  
TECHNOLOGY  
PARTNERS

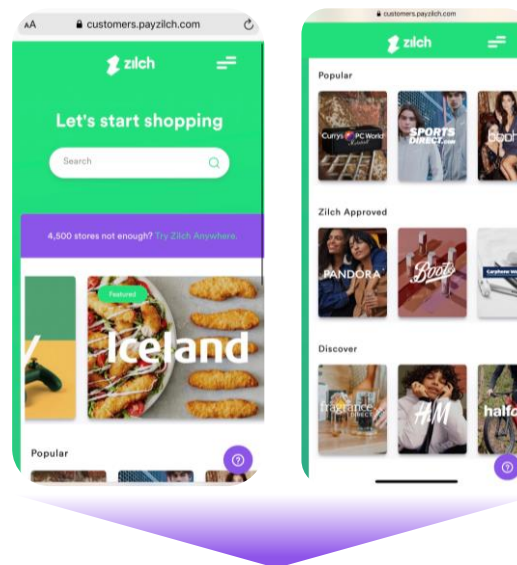
## Company Overview



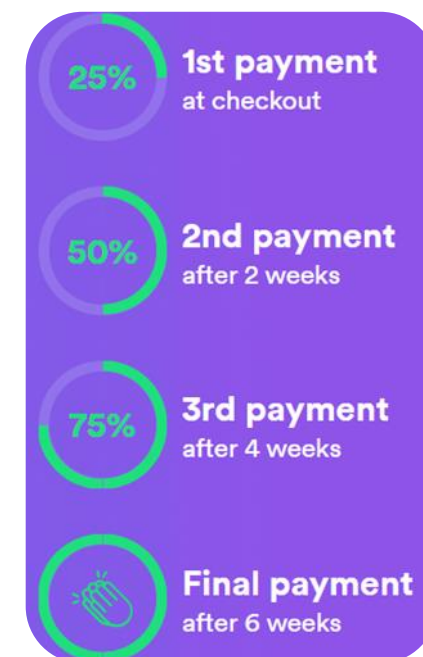
CEO: Philip Belamant  
Headquarters: London, UK  
Founded: 2018

- Zilch offers an innovative and flexible Buy-Now-Pay-Later product to consumers by integrating directly with Mastercard's network
- As opposed to many players in the BNPL space, the company doesn't go after merchant relationships, adopting a direct-to-consumer model instead
- Zilch ensures that customers never over-borrow by making use of Open Banking and AI to determine each customer's level of affordability and only funds low-value discretionary purchases
- The company also provides a card issued by MasterCard and accepted by most merchants
- Zilch offers its customers with automated zero interest payments
  - User pays 25% upfront
  - 3 additional free installments within a 6 week time frame

## Product and Services Overview



Consumer facing app



## Popular Stores



### Company Overview



CEO: Larry Diamond  
Headquarters: Sydney, Australia  
Founded: 2013

- **Zip Co (ASX:Z1P) offers interest free payment solutions through its digital wallet called Zip Pay and Zip Money**
  - These accounts can be used with retail partners online and in-store anywhere Zip is accepted
  - Over 2.1 million customers choose to pay with Zip and the service is available at over more than 24,500 retailers
  - Zip also supports and integrates with many leading eCommerce and POS platforms including Shopify, BigCommerce, Magento, WooCommerce and others
- **The Company is also the owner and developer of freeware app Pocketbook, one of Australia's largest non-bank financial apps**
  - Users can set up and manage budgets, track spending and manage bills
  - Pocketbook is the first personal finance app in Australia to offer the users the ability to manage their money through linking their bank accounts
  - The app has over 800,000 users

### Product and Services Overview



- Account limit *under* \$1000
- 0% interest free period always
- \$0 establishment fee
- Minimum repayments from \$40/month
- \$6/month account fee waived if no balance



- Account limit *over* \$1000
- 0% interest for 3 months
- \$0-99 establishment fee
- Minimum repayments from \$40/month
- \$6/month account fee waived if no balance



- Track all money in one place
- Budgeting made super easy
- Daily spend reminders
- Saving secrets
- Financial health score

### Selected Merchant Customers



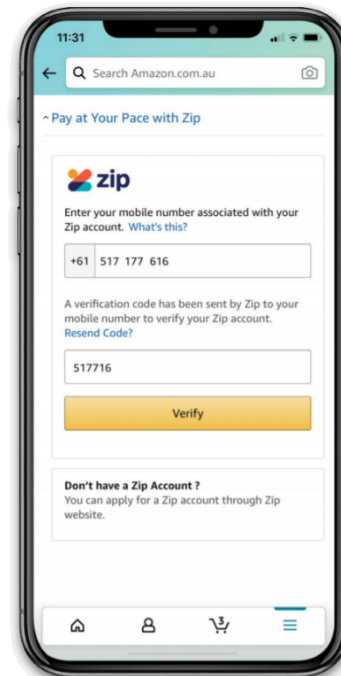
### Strategic Partnership with Amazon Australia



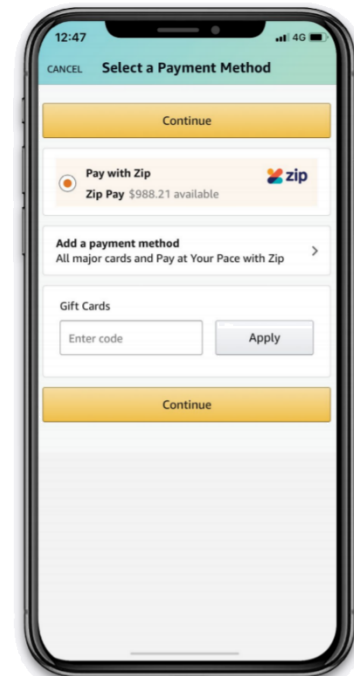
#### Partnership Overview

- **Zip became Amazon's first Australian instalment payment option**, delivering on Zip's mission to provide customers with a better everyday payment choice
- **According to RBC's research report:** *"The deal signed with Amazon Australia (non-exclusive) is positive not only from a transaction value growth perspective, but as the only BNPL provider currently offered on Amazon, we view it as a strong endorsement of Zip's business model and offering"*
- **Strong innovation will be brought to the customer payments experience**
- **In tandem with the successful launch, Zip invested significantly to uplift its architecture (AWS hosted) and deliver a set of new APIs for faster checkout**
- **As part of the partnership Zip issued warrants to Amazon to acquire 14,615,000 ordinary shares at AU\$4.70**

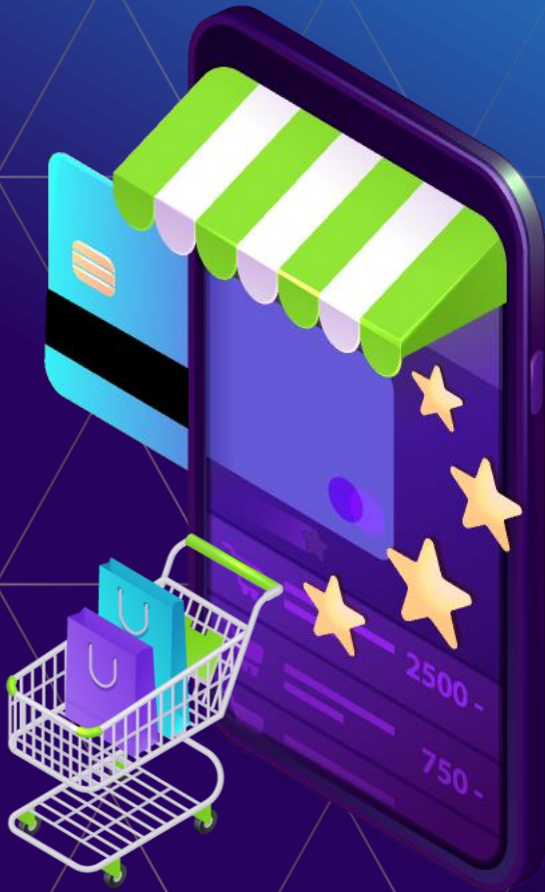
#### Mobile Linking



#### Express Checkout







## 5. Overview of FT Partners



# FT Partners – Focused Exclusively on FinTech

Track Record of Success Across the Banking Tech Space

FINANCIAL  
TECHNOLOGY  
PARTNERS

## Omni-Channel Lease-To-Own Provider

Financial Technology Partners LP  
FTP Securities LLC

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

**acima**

on its sale to



for total consideration of

**\$1,650,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

## On-Demand Pay

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as exclusive  
financial & strategic advisor to

**dailypay.**

on its Series D financing led by

**CARRICK**

Investing more than capital

for a total amount of

**\$175,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

## Consumer Marketing / Credit Lead Generation

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as advisor to

**capitalG**

in its lead investment in

**credit karma**

with additional participation from

**TIGER** **SIG** **Ribbit Capital**

for approximately

**\$ 85,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

## Loan Origination System

Financial Technology Partners LP  
FTP Securities LLC

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

**defi SOLUTIONS**

in its Series C Investment from

**BainCapital VENTURES**

for approximately

**\$55,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

## SMB Financing

Financial Technology Partners LP  
FTP Securities LLC

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

**SWIFT | FINANCIAL**

in its sale to

**PayPal**

for approximately

**\$ 200,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

## Personal Loans / Credit

Financial Technology Partners LP  
FTP Securities LLC

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

**upgrade**

on its Series D financing led by

**Santander InnoVentures**

at a valuation of

**\$1,000,000,000+**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

## Lending Enablement Platform for Auto Finance

Financial Technology Partners LP  
FTP Securities LLC

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

**OpenLending**

on its merger with

**Nebula Acquisition Corporation**  
(NASDAQ: NEBU)

sponsored by



**TRUE WIND**

for total consideration of up to approximately

**\$1,700,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

## SMB Financing

Financial Technology Partners LP  
FTP Securities LLC

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

**Kabbage**

on its proposed sale to



FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

## Banking Technology

Financial Technology Partners LP  
FTP Securities LLC

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

**AMOUNT**

on its Series C financing led by



for a total amount of

**\$81,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

## SMB Financing

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as  
exclusive financial advisor to

**BlueVine**

on its Series F financing led by

**ION**  
CROSSOVER PARTNERS

for total consideration of

**\$102,500,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

# FT Partners – Focused Exclusively on FinTech

Ground-Breaking Payments Transactions Pioneered by FT Partners

FINANCIAL  
TECHNOLOGY  
PARTNERS

Financial Technology Partners LP  
FTP Securities LLC

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

**mollie**  
on its financing led by  
**Blackstone**  
with participation from  
**ALISON CAPITAL MANAGEMENT** **IEQT** **GENERAL ATLANTIC** **HIMI** **TCV**

for total consideration of  
**\$800,000,000**  
at a valuation of  
**\$6,500,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

Largest capital raise for a European payment processor

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as strategic and financial advisor to

**cardconnect.**  
in its sale to  
**First Data**

for total consideration of approximately  
**\$ 750,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

Landmark transaction following successful sale of CardConnect to a SPAC only a year earlier

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

The Only Investment Bank  
Focused Exclusively on Financial Technology

Largest U.S. strategic merchant acquiring acquisition in over the last decade

Financial Technology Partners LP  
FTP Securities LLC

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

**checkout.com**  
in its Series A Financing led by  
**INSIGHT** **DST**  
with participation from  
**GIC** **endeavor** **BLISSON**

for total consideration of  
**\$230,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

Largest FinTech Series A financing round in Europe

Financial Technology Partners LP  
FTP Securities LLC

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

**Interswitch**  
on its strategic minority investment from  
**VISA**

for a total enterprise value of  
**\$1,000,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

Significant strategic investment for one of the most valuable FinTech companies in Africa

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as strategic and financial advisor to

**CompoSecure**  
on its proposed merger with  
**ROMAN**  
**ORR**  
(NASDAQ: DBDR)

post-transaction enterprise value  
**\$1,206,400,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

Merger of a pioneer and category leader in premium payment cards with a SPAC

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as exclusive IPO Advisor to

**stone<sup>co.</sup>**  
in its  
**\$1,400,000,000**  
**Initial Public Offering**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

Successful international IPO for a leading payments company in Brazil

Financial Technology Partners LP  
FTP Securities LLC

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

**CAYAN**  
in its 100% cash sale to  
**TSYS**

for total consideration of approximately  
**\$1,050,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

Highly successful outcome following long-term advisory relationship through initial recap, rebranding and multiple acquisitions

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**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology

First large-scale transaction for an integrated merchant acquirer

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

The Only Investment Bank  
Focused Exclusively on Financial Technology

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**

FINANCIAL  
TECHNOLOGY  
PARTNERS

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.

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as exclusive financial and capital markets advisor to

**Payoneer**  
on its merger with  
**FT**  
(NASDAQ: FTOCU)

post-transaction equity value  
**\$3,796,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

The Only Investment Bank  
Focused Exclusively on Financial Technology























Merger of a global payment and commerce-enabling platform with a SPAC

# FT Partners – Focused Exclusively on FinTech

Significant Experience Advising Large Financing Rounds and “Unicorns”

FINANCIAL  
TECHNOLOGY  
PARTNERS

FT Partners has a history of advising on some of the largest financing transactions in the FinTech space, and representing numerous FinTech “Unicorns” above \$1 billion valuations

Company	Amount Raised
 GreenSky™	\$1,560,000,000 *
 stone <sup>co</sup>	1,545,000,000 *
 Xavidxchange	956,000,000 *
 Revolut	800,000,000
 mollie	800,000,000
 MERCURY®	420,000,000
 Remitly	374,000,000 *
 ppro	370,000,000 *
 NEXT	333,000,000 *
 OakNorth	270,000,000
 feedzai	267,500,000 *
 Liquidnet	250,000,000
 squaretrade	238,000,000
 checkout.com	230,000,000
 Forge	220,000,000 *
 TRUMID	200,000,000
 Clearcover	200,000,000
 cloudwalk	190,000,000
 dailypay.	175,000,000
 Divvy	165,000,000
 Better	160,000,000
 THE zebra	150,000,000

## Selected Prominent Investors in FT Partners Led Rounds



### Open Banking: Rearchitecting the Financial Landscape



Click pictures to view report

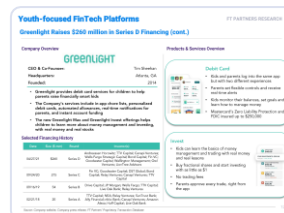
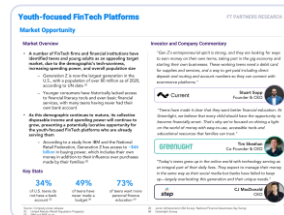
The proliferation of Open Banking standards could have a transformative impact on financial services in the coming years. Open Banking – a framework wherein banks open up their APIs and enable third parties to access customers' financial data in order to provide new services – provides greater transparency to consumers, while also lowering the barriers to entry for new players. This should encourage heightened levels of innovation and competition in financial services, while also enabling banks to partner with and provide services to FinTech companies, rather than competing directly with them. Open Banking principles have also enabled the rise of Embedded Finance, which empowers any company to offer financial products directly to their customers in their core platforms or apps.

#### Report features:

- An overview of trends related to Open Banking, Banking-as-a-Service, and Embedded Finance globally
- A detailed landscape of FinTech companies in the Open Banking and Embedded Finance space
- Proprietary list of financing and M&A transactions in the space
- Exclusive interviews with CEOs and executives of more than 20 high-profile Open Banking-related companies
- Detailed profiles of over 60 companies in the space



### Youth-focused FinTech Platforms Attract Investor Attention



Click pictures to view report

New FinTech platforms continue to gain market share globally, particularly among younger, tech-savvier consumers who don't require physical branches and are drawn to their lower fees and user-friendly apps. While many leading consumer FinTech platforms cater primarily to millennials, a number of well-funded players have emerged focusing on providing banking and financial services to teens and even younger kids.

The report profiles three youth-focused FinTech platforms that announced large financing rounds in rapid succession:

- Current's \$220 million Series D financing
- Greenlight's \$260 million Series D financing
- Step's \$100 million Series C financing

The report also profiles other players in the space including gohenry, Kard, Mozper, Revolut, Monzo, Tinkoff and Varo.

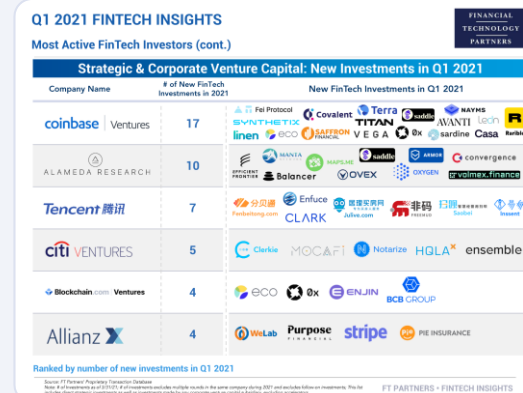
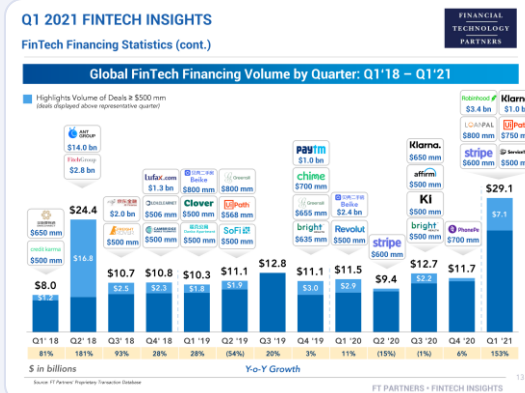
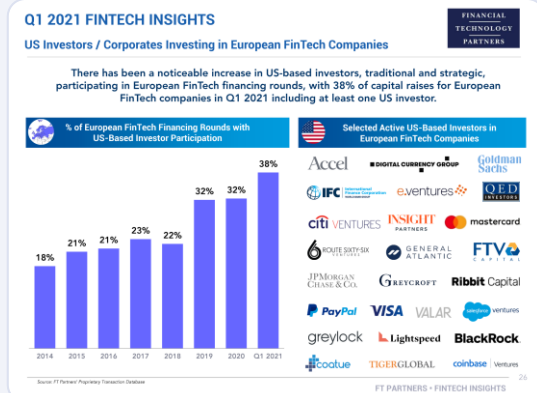
# Q1 2021 FinTech Insights



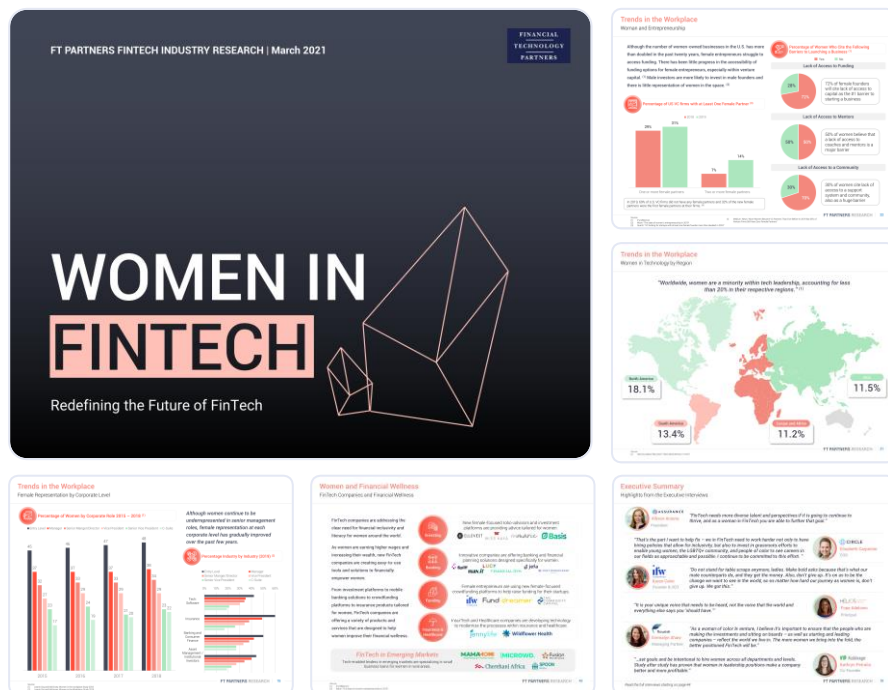
**Click pictures to view report**

### Highlights of the report include:

- Q1 2021 and historical FinTech financing and M&A volume and deal count statistics
- Largest FinTech financings and M&A transactions in Q1 2021
- Most active FinTech investors including strategic investor participation
- Global FinTech IPO and SPAC tracker
- Other industry, capital raising and M&A trends in FinTech



### Women in FinTech: Redefining the Future of FinTech



Click pictures to view report

FinTech is one of the few industries that brings together two traditionally male-dominated fields – finance and technology. However, many companies in finance, technology, and FinTech are recognizing the importance of diversity in the workplace. Additionally, a groundswell of FinTech companies that focus on women and their financial health has emerged in the industry.

#### *This report...*

- Discusses trends around women in finance, tech, venture capital, and FinTech
- Showcases more than 25 exclusive interviews with female CEOs, founders, executives and investors
- Highlights 22 FinTech companies focused on women's financial health and wellness
- Profiles over 30 FinTech companies with female C-suite executives
- Features 24 investment firms focused on offering financing to female entrepreneurs



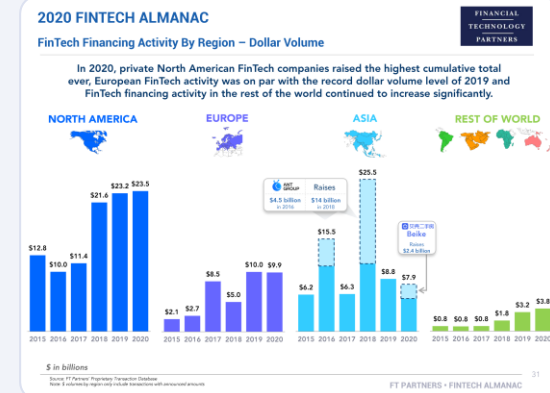
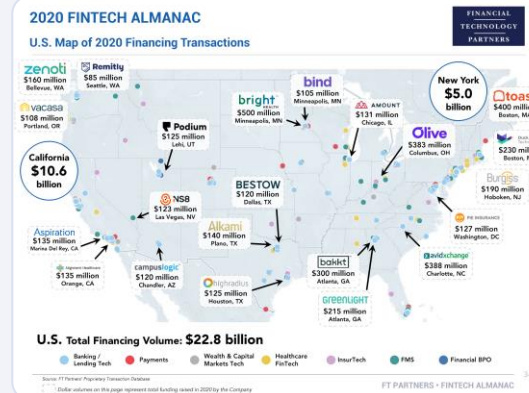
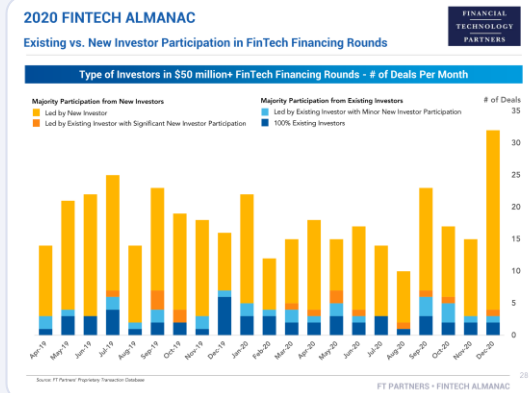
# 2020 FinTech Almanac



**Click pictures to view report**

### Highlights of the report include:

- 2020 and historical FinTech financing, IPO and M&A volume and deal count statistics
- Largest FinTech financings, M&A and SPAC transactions in 2020
- Most active FinTech investors
- Corporate VC activity and strategic investor participation
- FinTech sector breakdowns, regional statistics, and other industry trends



### The Rise of Challenger Banks Are the Apps Taking Over?



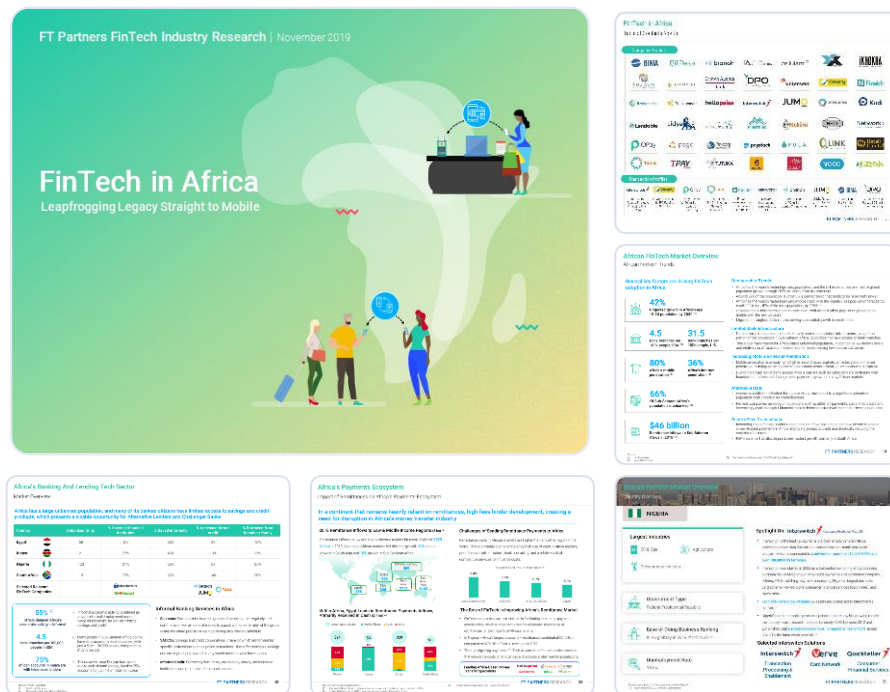
Click pictures to view report

The banking sector is experiencing a major shift globally, as Challenger Banks are becoming increasingly formidable competitors to traditional banks and have begun to capture significant market share. Furthermore, the lines between banks and other consumer financial services providers are blurring, with several alternative lenders and robo-advisors beginning to offer banking products to their customers. E-commerce / internet giants are also jumping into the fray with Google and Amazon, among others, beginning to offer banking products. In response to the emergence of Challenger Banks, a number of incumbent banks have launched their own FinTech brands, and traditional financial institutions will likely turn to FinTech solution providers in order to defend their turfs.

#### Highlights of the report include:

- An overview of trends in the Challenger Banking space as well as the broader banking ecosystem
- A detailed landscape of Challenger Banks globally
- Proprietary list of financing and M&A transactions in the space
- Interviews with 17 Challenger Bank executives
- Detailed profiles of 41 global Challenger Banks

### FinTech in Africa Leapfrogging Legacy Straight to Mobile



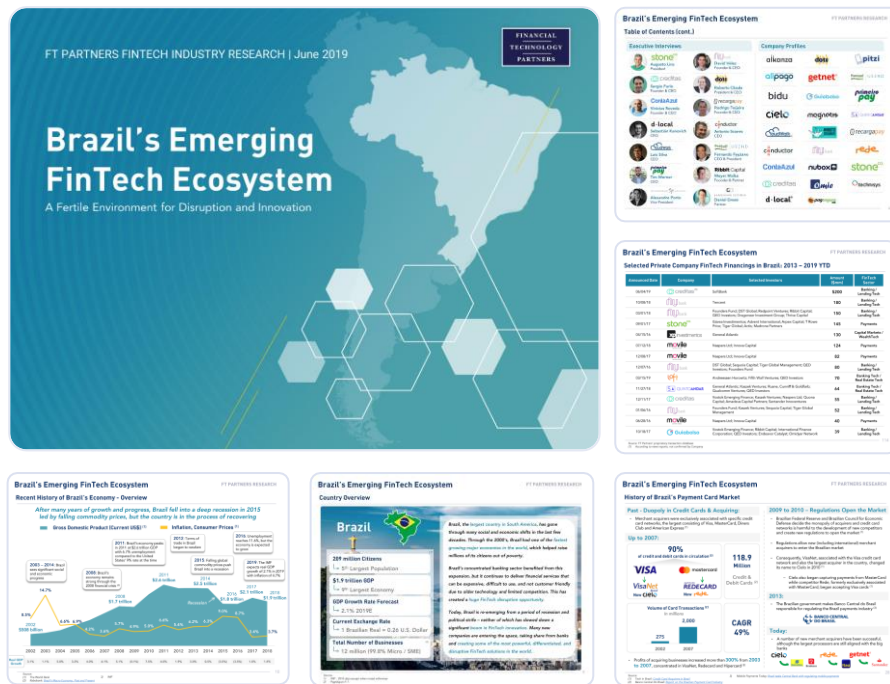
Click pictures to view report

[FT Partners' FinTech in Africa report](#) provides an in-depth look at the FinTech ecosystem spreading across Africa. As mobile proliferation and internet penetration continue to accelerate, financial services in many African markets are bypassing traditional banking infrastructure in favor of tech-enabled solutions such as mobile payments, mobile banking and digital lending. With a large, rapidly-growing population and several of the world's fastest-growing economies, Africa represents a large and attractive market opportunity for FinTech companies given its relatively underdeveloped financial services ecosystem.

#### Highlights of the report include:

- An overview of trends in the FinTech markets in Egypt and Sub-Saharan Africa, particularly Kenya, Nigeria, and South Africa
- A detailed landscape of FinTech players in Africa and company profiles
- Proprietary list of financing and M&A transactions in the space
- Overview of selected active FinTech investors in Africa

### Brazil's Emerging FinTech Ecosystem A Fertile Environment for Disruption and Innovation



Click pictures to view report

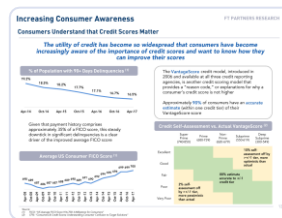
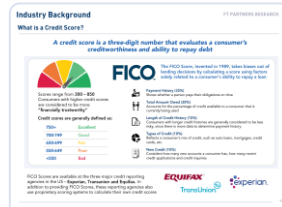
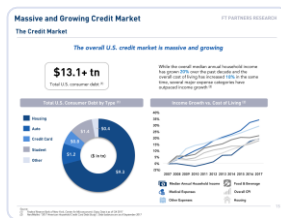
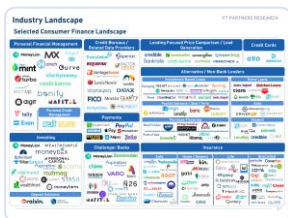
[FT Partners' report](#) provides an in-depth look at the FinTech ecosystem in Brazil. Brazil is in the midst of a FinTech revolution as the confluence of a number of forces has created a very fertile environment for innovation and disruption across various financial, technology and business services. With the world's fifth largest population, the ninth largest economy and a government encouraging greater competition for a highly concentrated banking ecosystem, Brazil represents a very attractive market and a huge growth opportunity for technology-driven financial solutions across Payments, Banking, Lending, Insurance, Wealth Management, and other sectors.

#### Highlights of the report include:

- Social, economic and FinTech trends in Brazil
- Regulatory environment in Brazil and recent updates
- Brazilian Payments, Banking, Lending, InsurTech, Financial Management Solutions, and WealthTech sector overviews
- 14 exclusive interviews with FinTech executives, entrepreneurs and investors in Brazil
- A detailed market landscape of FinTech companies operating in Brazil
- Individual profiles of 26 companies playing a significant role in the Brazilian FinTech universe
- Highlights of active investors in the space and recent financing transactions



### Beyond the Credit Score: What's Next in Consumer Credit Management



Click pictures to view report

[FT Partners' report](#) provides an in-depth look at the consumer credit space. Today, while many companies offer free credit scores, few offer free credit monitoring, and even fewer offer key insights about what impacts consumers' credit worthiness. After getting access to their credit scores, consumers are often at a loss of what to do and are largely left on their own to make important credit decisions. This contrasts with the asset side of consumers' balance sheets where financial advisors and, increasingly, robo advisors are using data and analytics to alleviate consumers of the burden of making investment decisions for their specific goals. Consequently, we expect financial service providers to move beyond offering free access to credit information and move towards providing complete credit lifecycle management solutions.

#### Additional highlights of the report include:

- History of the free credit score and new trends in the credit and PFM space
- Consumer FinTech landscape including multiple sub-categories
- Exclusive interviews of executives in the space
- Proprietary list of financing and M&A transactions
- Detailed company profiles of both private and public players

# FT Partners – Focused Exclusively on FinTech

FT Partners Advises Revolut on its \$800 million Series E Financing

## Overview of Transaction

- On July 15, 2021, Revolut announced that it has raised \$800 million in financing from Softbank and Tiger Global, valuing the business at ~\$33 billion
- SoftBank and Tiger Global join existing investors including Balderton Capital, DST, Ribbit Capital, TCV and TSG Consumer Partners
- Revolut is building the world's first truly global financial superapp to help people get more from their money
  - In 2015, Revolut launched in the UK offering money transfer and exchange; Today, more than 16 million customers around the world use dozens of Revolut's innovative products to make more than 150 million transactions a month

## Significance of Transaction

- The investment will enable the Company to further its growth plans, in particular its ongoing product innovation aimed at meeting customers' everyday financial needs and aspirations, from quick and easy global transfers, to managing everything from savings to insurance to democratizing wealth and trading
- It will also support the expansion of Revolut's offering to US customers and its entry to India and other international markets
- Revolut is now the most valuable financial superapp and the 4<sup>th</sup> most valuable private FinTech company globally

## FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Revolut
- This transaction underscores FT Partners' deep expertise in the Consumer FinTech and Banking Tech space, as well as our successful track record generating highly favorable outcomes for high-growth, unicorn FinTech companies globally

### Financial Technology Partners LP FTP Securities LLC

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

# Revolut

*on its Series E financing led by*

 SoftBank **TIGER**GLOBAL

*for a total amount of*

## \$800,000,000

*at a valuation of*

## ~\$33,000,000,000

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank  
Focused Exclusively on Financial Technology*



# FT Partners – Focused Exclusively on FinTech

## FT Partners Advises Mollie on its \$800 million Financing

### Overview of Transaction

- On June 22, 2021, Mollie announced that it raised \$800 million in financing from global investors including Blackstone Growth (BXG), EQT Partners, General Atlantic, HMI Capital and Alkeon Capital Management
- TCV who led the Series B investment in September 2020 also participated in the funding round
- Mollie is one of the fastest growing and largest PSPs in Europe, serving more than 120,000 monthly active merchants across the continent
- In 2020, Mollie processed more than 10 billion Euros in transactions and is on track to handle more than 20 billion Euros during 2021
- Mollie's best-in-class products, simple and transparent pricing and excellent customer service, alongside its no lock-in contracts, have driven rapid growth both during the pandemic and the months following relaxation of lockdown restrictions across Europe
- Today, Mollie has around 480 employees and plans to hire 300 new team members in the next six-to-nine months

### Significance of Transaction

- The funding will fuel Mollie's continuous expansion within Europe and beyond, and support the investments in its technology platform and expansion of its product portfolio beyond payments into financial services for SMEs
- Mollie is now one of the top five most valuable FinTechs in Europe, and one of the top 20 most valuable FinTechs in the world

### FT Partners' Role

- FT Partners acted as exclusive financial and strategic advisor to Mollie
- This transaction underscores FT Partners' deep Payments domain expertise and successful track record of generating favorable outcomes for leading companies in the space

## Financial Technology Partners LP FTP Securities LLC

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

# mollie

*on its financing led by*

**Blackstone**

*with participation from*

**ALKEON**  
CAPITAL MANAGEMENT

**EQT**

**GENERAL**  
ATLANTIC

**HMI**  
CAPITAL

**TCV**

*for total consideration of*

# \$800,000,000

*at a valuation of*

# \$6,500,000,000

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

# FT Partners – Focused Exclusively on FinTech

FT Partners Advises MoneyLion on its Merger with Fusion Acquisition Corp.

## Overview of Transaction

- On February 12, 2021, MoneyLion Inc. (“MoneyLion”) and Fusion Acquisition Corp. (NYSE: FUSE) (“Fusion”) announced that they have entered into a definitive agreement which would result in MoneyLion becoming a publicly listed company via a merger
- Upon closing of the transaction, Fusion will be renamed MoneyLion Inc., and is expected to remain listed on the New York Stock Exchange
  - The combined Company will have an estimated post-transaction enterprise value of \$2.4 billion with an estimated equity value of \$2.9 billion from the contribution of up to \$526 million in cash proceeds from the transaction, net of debt paydown and expenses
  - Proceeds will consist of up to \$350 million of cash held in Fusion’s trust account and an additional \$250 million fully committed private investment at \$10.00 per share led by funds and accounts managed by BlackRock, certain funds managed by affiliates of Apollo Global Management, Inc., and leading global technology and growth equity investors
- MoneyLion is a mobile banking and financial membership platform that empowers people to take control of their finances
  - Since its launch in 2013, MoneyLion has engaged with 7.5 million hard-working Americans and has earned its members' trust by building a full-service digital platform to deliver mobile banking, lending, and investment solutions

## Significance of Transaction

- MoneyLion shareholders will hold approximately 76% of the equity of the combined Company by rolling their existing holdings in MoneyLion
- The net proceeds raised from the transaction will be used to support MoneyLion’s working capital and scale its proven platform and suite of products

## FT Partners’ Role

- FT Partners served as financial advisor to MoneyLion
  - FT Partners previously advised MoneyLion on its on its [\\$100 million Series C financing](#) in 2019 and its \$82 million Series B financing in 2018
- This transaction builds on FT Partners' expertise in navigating the unique process in selling companies to SPACs, and follows highly successful sales of FT Partners' clients [Payoneer](#), [Porch](#), [Open Lending](#), [CardConnect](#) and [REPAY](#)

Note: Additional information about the transaction will be provided in a Current Report on Form 8-K to be filed with the SEC.

## Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as financial  
advisor to*



# MoneyLion

*on its merger with*



## Fusion

Acquisition Corp.

(NYSE: FUSE)

*post-transaction equity value*

# \$2,900,000,000

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

## FT Partners Advises Open Lending on its Merger

### Overview of Transaction

- On January 6, 2020, Nebula Acquisition Corporation "Nebula" (Nasdaq: NEBU), a special purpose acquisition company ("SPAC"), sponsored by True Wind Capital, announced a definitive merger agreement with Open Lending
- Upon completion of the business combination on June 10, 2020, Nebula changed its name to Open Lending, and its common stock is expected to begin trading on the Nasdaq Stock Market under the ticker symbol "LPRO", commencing June 11, 2020
  - Total consideration of the transaction is approximately \$1.7 billion \*
- Open Lending, through its flagship product, Lenders Protection, offers loan analytics, risk-based pricing, risk modeling and default insurance, ensuring profitable auto loan portfolios for financial institutions throughout the U.S.

### Significance of Transaction

- While creating significant liquidity for existing shareholders, Open Lending's Management team will continue to lead the merged Company as over 70% of their existing equity is expected to be rolled as part of the transaction
- Open Lending's existing minority investor, Bregal Sagemount, a prominent growth equity firm, will continue as a public stockholder and participate on the board as well
- Open Lending will pursue significant growth opportunities within its existing customer base of credit unions, banks, and OEM Captives, as well as through new channels, asset classes, and geographies

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Open Lending
- Exemplifies FT Partners' ability to deploy expertise for a complex business operating at the intersection of consumer finance, InsurTech, and Auto FinTech
- Builds on FT Partners' expertise in navigating the unique process in selling companies to SPACs, and follows highly successful sales of FT Partners' clients [CardConnect](#) and [REPAY](#)

## Financial Technology Partners LP FTP Securities LLC

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



*on its merger with*

## Nebula Acquisition Corporation (NASDAQ: NEBU)

*sponsored by*



**TRUE WIND**

*for total consideration of up to approximately*

# \$1,700,000,000

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

# FT Partners – Focused Exclusively on FinTech

## FT Partners Advises Acima on its Sale to Rent-A-Center

### Overview of Transaction

- On December 20, 2020, Rent-A-Center, a leading omni-channel lease-to-own provider for the credit constrained customer, announced it has entered into a definitive agreement to acquire Acima Credit LLC, a virtual lease-to-own provider based in Draper, Utah
  - Total consideration consists of \$1.273 billion in cash and approximately 10.8 million shares of Rent-A-Center common stock currently valued at \$377 million
- Founded in 2013, Acima is a leading platform offering customers virtual lease-to-own solutions at point-of-sale via mobile technology
- Acima's virtual lease-to-own products are used by more than 15,000 merchant brick and mortar and e-commerce locations

### Significance of Transaction

- The acquisition accelerates Rent-A-Center's position as a premier FinTech platform across both traditional and virtual lease-to-own solutions
- The acquisition also provides further diversification of Rent-A-Center's retail partner base and product verticals, and enhances its ability to compete for high-value national retail accounts

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Acima
- This transaction highlights FT Partners' deep domain expertise across the Buy-Now-Pay-Later and Credit Technology sectors, and its successful track record generating highly favorable outcomes for leading high-growth FinTech companies globally, including during the COVID-19 pandemic

## Financial Technology Partners LP FTP Securities LLC

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

**acima**

*on its sale to*



*for total consideration of*

**\$1,650,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

# FT Partners – Focused Exclusively on FinTech

## FT Partners Advises Finicity on its Sale to Mastercard

### Overview of Transaction

- On June 23, 2020, Mastercard (NYSE: MA) announced it has entered into an agreement to acquire Finicity, a leading North American provider of real-time financial data access and insights
  - The acquisition is valued at up to ~\$1 billion in total consideration, which is comprised of \$825 million at close and up to \$160 million in earn-out consideration
- Finicity enables a secure and innovative financial data-sharing ecosystem through direct connectivity to thousands of North American financial institutions, including next generation open banking API connections with the largest banks in the US
  - Finicity helps power the programs of banks and FinTech companies, using approvals to securely access customer information to provide value-added services such as streamlined loan and mortgage processes, rapid account-based payment initiation and personal financial management solutions

### Significance of Transaction

- The addition of Finicity's complementary technology and innovative team strengthens the existing Mastercard open banking platform to enable and safeguard a greater choice of financial services, reinforcing the Company's long-standing partnerships with and commitment to financial institutions and FinTech companies across the globe

### FT Partners' Role

- FT Partners served as the exclusive strategic and financial advisor to Finicity and its board of directors
- This transaction highlights FT Partners' deep domain expertise across the FinTech sector and further supports FT Partners' role 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*

**Finicity**

*on its sale to*



*for total consideration of up to*

**~\$1,000,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

# FT Partners – Focused Exclusively on FinTech

## FT Partners Advises Upgrade on its Series D Financing

### Overview of Transaction

- On June 17, 2020, Upgrade announced it has raised Series D financing led by Santander InnoVentures, with participation from existing investors including Union Square Ventures, Ribbit Capital, Vy Capital and Silicon Valley Bank and new investors Ventura Capital and Uncorrelated Ventures
  - The round values the Company at more than \$1 billion, which represents a 2x increase over the prior round valuation
- Upgrade is a neobank that offers affordable and responsible credit to mainstream consumers through cards and personal loans, along with free credit monitoring and education tools that help consumers better understand their finances
- Since Upgrade launched in 2017, more than 10 million consumers have applied for an Upgrade card or loan and the Company has delivered over \$3 billion in credit, growing at a triple digit annual rate
- Upgrade is cash flow positive with an annual revenue run rate of \$100 million
- Later this year, Upgrade plans to launch the Upgrade Account, an online checking account with generous debit rewards and an easier path to Upgrade's credit product

### Significance of Transaction

- The investment will fuel the rapid growth of the Upgrade Card, an innovative credit card that brings the low cost of responsible credit of installment lending to millions of retail locations in the U.S.
- Upgrade will also use the investment for the upcoming launch of Upgrade Account, a mobile banking product offering exceptional value to mainstream consumers

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Upgrade
- This transaction highlights FT Partners' deep domain expertise with neobanks and the direct-to-consumer sector, as well as its successful track record generating highly favorable outcomes for high-growth FinTech companies globally

## Financial Technology Partners LP FTP Securities LLC

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



*on its Series D financing led by*



*at a valuation of*

# \$1,000,000,000+

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank  
Focused Exclusively on Financial Technology*



## FT Partners Advises OakNorth on its Secondary Sale

### Overview of Transaction

- In September and October 2020, existing shareholder Indiabulls Housing Finance Limited (“Indiabulls”) sold down a stake in OakNorth for more than \$270 million
  - Indiabulls, an Indian mortgage lender which acquired a 40% stake in OakNorth in 2015 and partially exited it in 2018, has now sold a large portion of its remaining stake
- With offices around the world, OakNorth is the next-generation artificial intelligence software business that combines a deep understanding of credit, dynamic data sets, cloud-computing and state of the art machine learning, to enable the commercial bank of the future
- OakNorth’s Credit Intelligence Suite was first proven within OakNorth Bank, a UK bank launched in September 2015, which has lent over \$5bn to British businesses, achieving performance metrics which place it amongst the top 1% of banks globally – an RORE of 22.3%, an efficiency ratio of 29.8%, an NPS of 82, and no credit losses to date
- The OakNorth Credit Intelligence Suite helps banks better understand their loan books and borrowers, and effectively stress test their portfolios. The result is more effective, better equipped Relationship, Risk and Transaction Managers, superior credit outcomes, improved efficiency, reduced risk, enhanced regulatory compliance and greater customer delight

### Significance of Transaction

- The transaction further validates the OakNorth proposition and the growth potential of its technology in helping to close the estimated \$1.3 - \$1.5trn mid-market business funding gap

### FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to OakNorth and to Indiabulls
- This transaction highlights FT Partners’ deep domain expertise in the Banking Tech space, and its successful track record generating highly favorable outcomes for all stakeholders

## Financial Technology Partners LP FTP Securities LLC

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



# OakNorth

*on the sale of a minority  
stake for*

# \$270,000,000+

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

## FT Partners – Focused Exclusively on FinTech

### FT Partners Advises Amount on its \$81 million Series C Financing

#### Overview of Transaction

- On December 2, 2020, Amount announced it has raised \$81 million in Series C financing led by Goldman Sachs Growth with participation from existing investors including August Capital, Invus Opportunities and Hanaco Ventures
- Amount delivers technology solutions for financial institutions to create and enhance their digital consumer experiences
  - Solutions include omnichannel retail banking and a robust point-of-sale financing product suite alongside platform features like fraud prevention, verification, decisioning engines, and account management to enhance its clients' existing products and services
- Leading financial institutions including Banco Popular, HSBC, Regions Bank and TD Bank partner with Amount to drive growth and simplify their transition to digital financial services
  - Amount's clients collectively manage nearly \$2 trillion in US assets and service more than 50 million US customers

#### Significance of Transaction

- The latest round brings Amount's total capital raised in 2020 to nearly \$140 million and follows its Series B round, led by QED Investors, from earlier this year
- The new funding will allow for further investments in platform research and development, as well as for accelerating the Company's go-to-market strategy

#### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Amount
- This transaction underscores FT Partners' expertise across the Banking Tech landscape and highlights its position as the "Advisor of Choice" to leading FinTech companies

### Financial Technology Partners LP FTP Securities LLC

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



# AMOUNT

*on its Series C financing led by*



*for a total amount of*

# \$81,000,000



*The Only Investment Bank  
Focused Exclusively on Financial Technology*

#### Overview of Transaction

- On August 15, 2018, Vitruvian Partners (“Vitruvian”) announced it has made a \$100 million minority investment in Deposit Solutions with participation from Kinnevik and existing shareholders including e.ventures
  - The investment values Deposit Solutions in excess of \$500 million
- Vitruvian is an independent European private equity firm that invests in high growth companies in Europe and beyond (more details [here](#))
- Headquartered in Hamburg, Germany, Deposit Solutions provides an international Open Banking platform for savings deposits
- Deposit Solutions’ Open Banking platform transforms the value chain in the savings deposit market to the benefit of banks and savers alike
  - Deposit Solutions now connects more than 70 banks from 16 countries to more than 30 million savers through a wide variety of Points-of-Sale including renowned financial institutions such as Deutsche Bank and Fidelity’s FFB

#### Significance of Transaction

- Through this investment, Deposit Solutions plans to accelerate the expansion of its business, while ultimately trying to achieve its mission of making Open Banking the new standard for the global \$50 trillion market for savings deposits

#### FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Vitruvian
- This transaction underscores FT Partners' deep FinTech expertise and its continued success in providing buy side advisory to top-tier financial sponsors

### Financial Technology Partners LP FTP Securities LLC

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



**VITRUVIAN**  
PARTNERS

*on its minority investment in*



**DEPOSIT  
SOLUTIONS**

*with participation from  
new and existing investors*

*for total consideration of*

**\$100,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

# FT Partners – Focused Exclusively on FinTech

FT Partners Advises Deserve on its \$50 million Financing

## Overview of Transaction

- On June 24, 2021, Deserve announced it has raised \$50 million in financing led by Mission Holdings, Mastercard (NYSE: MA), and Ally Ventures, with participation from Goldman Sachs, Sallie Mae, and other existing investors
- Deserve is powering the future of FinTech through digital-first, mobile-centric, highly configurable API and SDK based credit card solutions
  - Deserve partners with financial institutions, FinTechs, modern consumer brands, universities and associations to develop, deploy, and power white label and co-branded credit card programs
- Deserve's modern platform also provides partners the capability to offer an embedded and seamless credit card experience to customers and members

## Significance of Transaction

- Deserve is the first credit card-as-a-service platform to leverage Mastercard's Digital First Program for instant issuance/provisioning for credit
- With the new funding, Deserve will be able to accelerate its mission to modernize the credit card stack, and enable the industry to launch and scale credit card programs quickly via modern APIs

## FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Deserve
- FT Partners previously advised Deserve on its [\\$50 million financing](#) led by Goldman Sachs in 2019 and its [\\$17 million financing](#) led by Sallie Mae in 2018
- This transaction underscores FT Partners' deep Banking Tech domain expertise and its successful track record generating highly favorable outcomes for high growth FinTech companies globally

### Financial Technology Partners LP FTP Securities LLC

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



*on its financing led by*



*with participation from*



*Other existing  
investors*

*for total consideration of*

# \$50,000,000



*The Only Investment Bank  
Focused Exclusively on Financial Technology*

# FT Partners – Focused Exclusively on FinTech

## FT Partners Advises Kabbage on its Sale to American Express

### Overview of Transaction

- On August 17, 2020, American Express announced that it has signed a definitive agreement to acquire Kabbage
- Kabbage empowers small businesses through straightforward, flexible access to capital
  - Since inception, the Company extended more than \$16 billion directly to small business owners and powered automated funding for other organizations all over the globe
- Kabbage approved a landmark number of applications in the Paycheck Protection Program, demonstrating the true power, scale and reach of its technology platform
  - Over the three-month period of the program, Kabbage approved nearly 300,000 small businesses for ~\$7 billion, making it the second-largest PPP lender in the country by application volume, outperforming some of America's largest banks
- American Express will acquire Kabbage's team and its full suite of financial technology products, data platform and IP built for small businesses

### Significance of Transaction

- The combination of Kabbage's and American Express' platforms can help small businesses succeed with a fully digital suite of financial products to help them run and grow their companies
- This acquisition accelerates American Express' plans to expand beyond its industry-leading commercial card products to offer business customers a growing set of payments and working capital solutions

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Kabbage
- FT Partners previously advised Kabbage on its [\\$135 million Series E financing](#)
- This transaction highlights FT Partners' deep domain expertise in the Banking Technology and Alternative Lending sectors, as well as our successful track record generating highly favorable outcomes for high-growth FinTech companies globally

Source: Company press release on August 17, 2020

## Financial Technology Partners LP FTP Securities LLC

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



*on its proposed sale to*

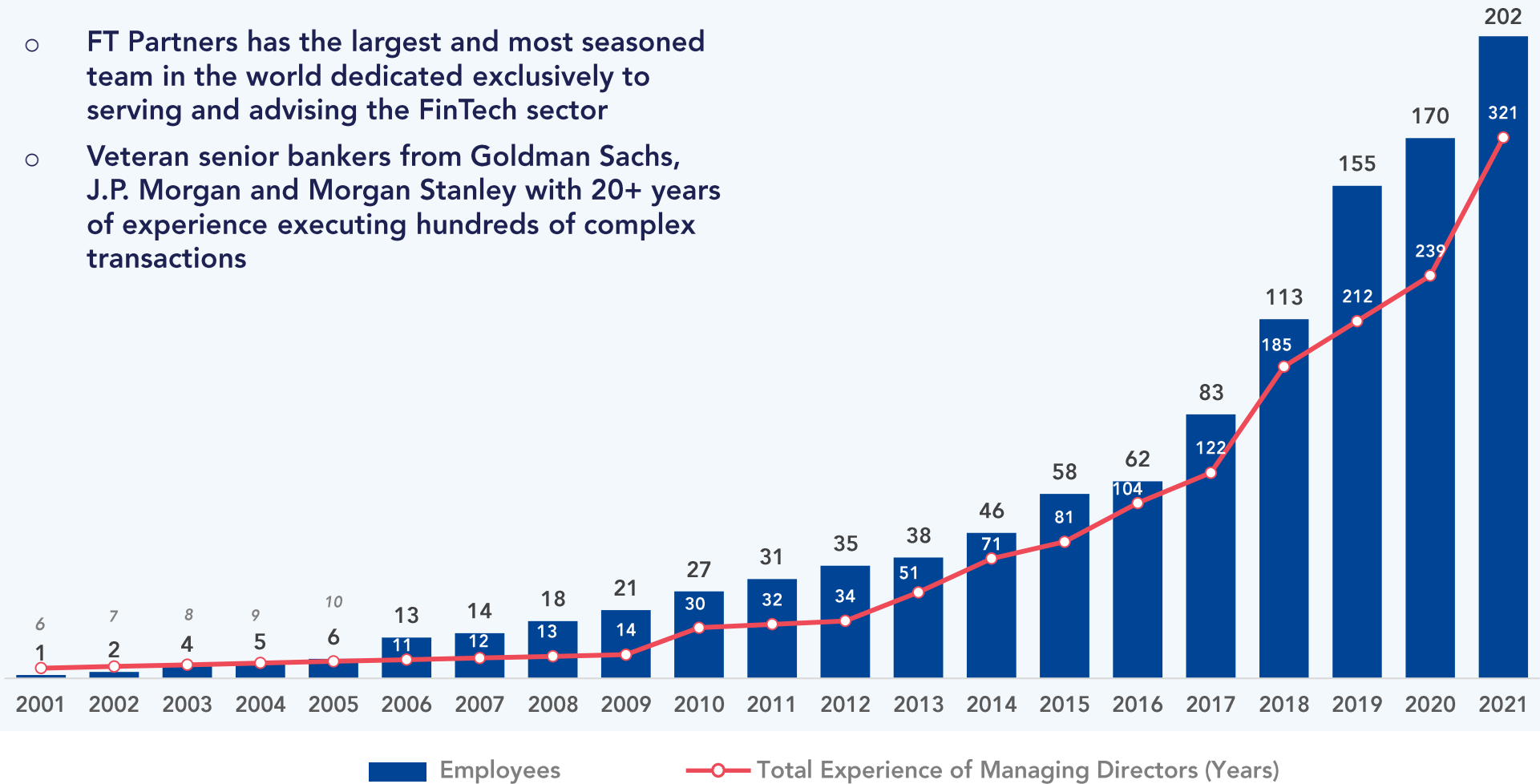


*The Only Investment Bank  
Focused Exclusively on Financial Technology*

# FT Partners – Focused Exclusively on FinTech

The Largest FinTech Advisory Practice in the World

- FT Partners has the largest and most seasoned team in the world dedicated exclusively to serving and advising the FinTech sector
- Veteran senior bankers from Goldman Sachs, J.P. Morgan and Morgan Stanley with 20+ years of experience executing hundreds of complex transactions



Average Experience of Managing Directors (Years)

6	7	8	9	10	11	12	13	14	15	16	17	17	18	16	17	17	19	19	20	19
---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----



## PROPRIETARY FINTECH RESEARCH

FT Partners regularly publishes detailed research highlighting key trends driving market activity across all sectors of FinTech.

Our research and analysis has been featured on Bloomberg, The Wall Street Journal, Dow Jones and the Financial Times and is regularly viewed by CEOs and industry leaders.

FT Partners' unique insight into FinTech is a direct result of successfully executing hundreds of transactions combined with over 19 years of exclusive focus on the FinTech sector.

Each report published by FT Partners contains an in-depth review of a unique area of the FinTech marketplace and is highly valuable and topical to CEOs, board members, investors and key stakeholders across the FinTech landscape.



Industry Deep  
Dive Reports



Regional Reports



Monthly Market  
Updates



Transaction  
Case Studies



Video  
Conferences



Executive  
Interviews



Real-Time  
Infographics



Quarterly  
& Annual  
Insights



In-Depth  
Company  
Profiles