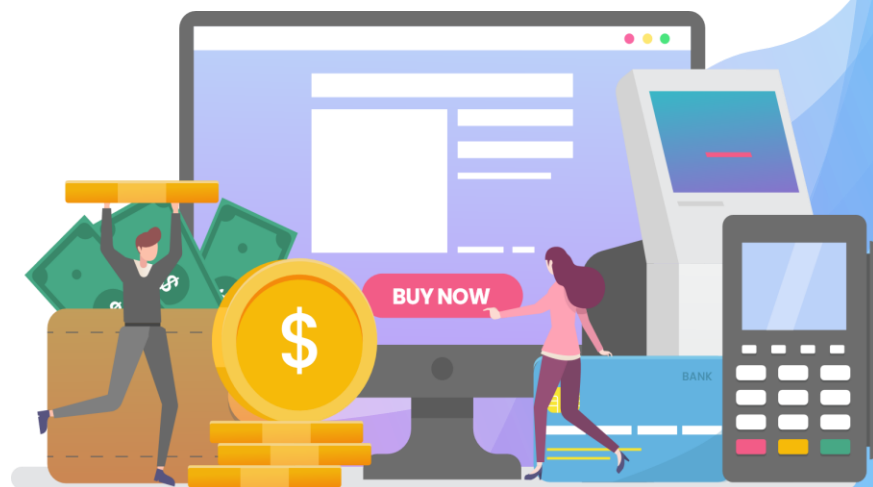


# Klarna®

Company and Financial Overview

## Klarna: A Buy Now Pay Later Leader



The Only Investment Bank Focused Exclusively on FinTech

San Francisco • New York • London

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# Executive Summary

### Executive Summary

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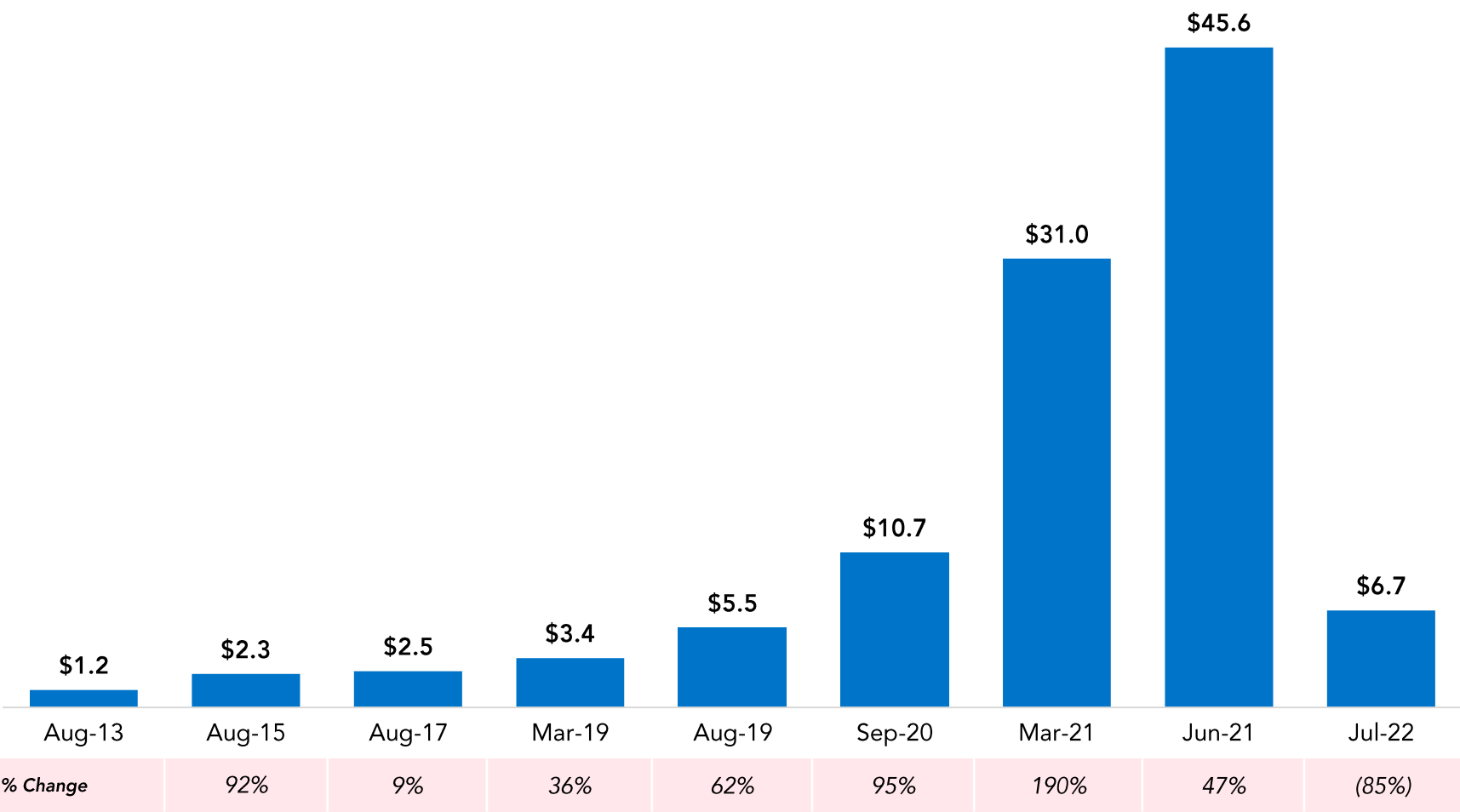
- Founded in 2005, Klarna, a Stockholm-based privately-held global payments company with more than 5,000 employees, recently announced a new equity funding round at a valuation of \$6.7 billion, representing an 85% decline from its peak valuation of \$45.6 billion in June 2021. Publicly-traded competitor Affirm (NASDAQ: AFRM) plunged 86% in market value from its peak attained in November 2021, indicating Klarna's valuation adjustment is on par with its public peers during this historic market downturn.
- Klarna began as an alternative payment method in Northern Europe, which enabled users to pay for online purchases following delivery of goods. Today, Klarna works with more than 450,000 retailers to offer multiple payment solutions to 150 million consumers in over 45 countries.
- Throughout the COVID-19 pandemic, with the sharp shift to online shopping, the attractiveness of the Klarna solution has increased rapidly among both merchants and consumers, as consumers have become more focused on cash flow and have sought increased financial flexibility.
- Klarna grew its network of retail partners from 250,000 retailers at the end of 2020 to more than 450,000 retailers by the end of H1 2022, including Macy's, Ralph Lauren, Sephora, Urban Outfitters, Etsy, North Face, Saks OFF 5<sup>TH</sup>, H&M and Lululemon.
- This surge in demand is reflected in Klarna's gross merchandise volume of approximately \$41 billion and net revenue of \$782 million in H1 2022, representing 21% and 18% year-over-year growth, respectively.
- In the last three and a half years, the Company has received over \$3.8 billion in new equity financing. This includes the most recent \$800 million equity funding in July 2022, a \$639 million investment led by Softbank's Vision Fund 2 in June 2021, a \$1 billion equity funding in March 2021, a September 2020 \$650 million investment led by Silver Lake, a \$200 million investment in January 2020 from the Commonwealth Bank of Australia, a \$460 million round in August 2019 led by Dragoneer, and more than \$100 million in financing from existing investors including Brightfolk (owned by Anders Holch Povlsen, who also owns BESTSELLER, a leading European fashion company), Permira and Sequoia Capital in March 2019.
- Klarna previously raised over \$320 million in financing from other investors including H&M, Visa, Creandum, General Atlantic and Atomico. In total, the Company has raised more than \$4 billion in debt and equity financing.





## Selected Valuation Summary

Selected Historical Post-Money Valuation (\$ in bn)



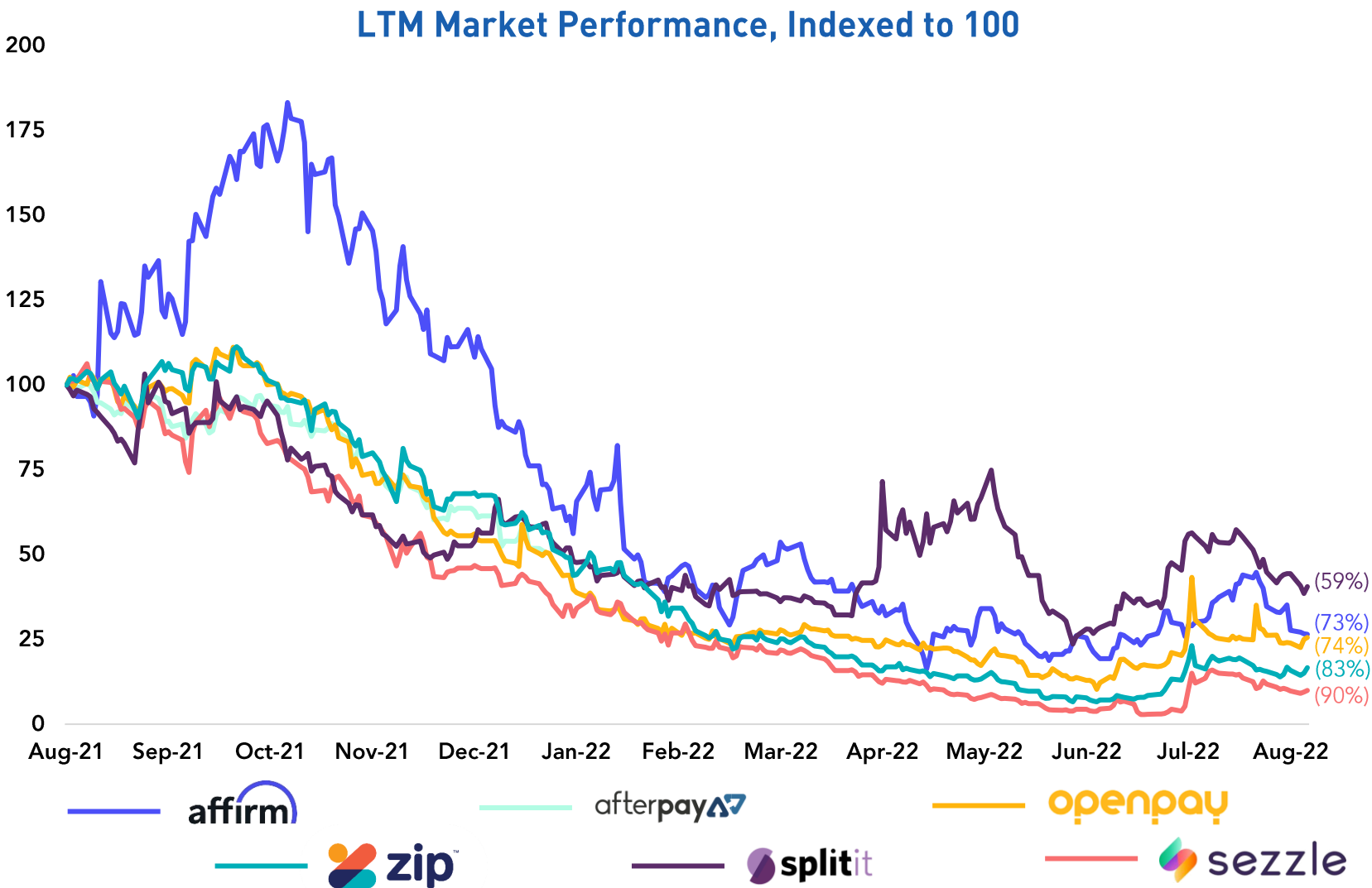
Source: PitchBook; FT Partners' Proprietary Transaction Database

# Klarna: A Buy Now Pay Later Leader

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## Summary of Public Competitors



Source: Capital IQ as of 08/31/2022  
Note: Afterpay was acquired by Block Inc. (NYSE: SQ) and trading was suspended as of 01/19/2022

# **Company and Financial Overview**

### Transaction Overview

#### Transaction Summary

- **On July 11, 2022, Klarna announced it has raised \$800 million in an equity funding round, at a post-money valuation of \$6.7 billion**
  - The round comes in at a valuation 3x higher than in 2018, outperforming public peers for the same time period, albeit down 85% from its peak valuation of \$45.6 billion in June 2021
  - The round includes participation from existing investors Sequoia, Bestseller, Silver Lake, and Commonwealth Bank of Australia
  - Notable new investors include Mubadala Investment Company, the \$284 billion sovereign wealth fund of the UAE, and Canada Pension Plan Investment Board, which manages over C\$539 billion (\$414 billion) in assets
- **The funding will be used primarily to increase the Company's market position in the US**
  - The Company currently claims a user base of nearly 30 million in the US with 60% brand awareness, including partnerships with 30 of the top 100 US retailers
- **Klarna has announced it will allow its 1,000+ smaller shareholders to participate on a pro-rata basis over the coming weeks**
- **The Company more than tripled its gross merchandising volumes in 2021, and has expanded into 11 new markets including France, Italy, Spain, Canada, and Australia**

#### Transaction Commentary

*"It's a testament to the strength of Klarna's business that, during the steepest drop in global stock markets in over fifty years, investors recognized our strong position and continued progress in revolutionizing the retail banking industry. Now more than ever businesses need a strong consumer base, a superior product, and a sustainable business model."*

**Klarna®**

**Sebastian Siemiatkowski**  
CEO & Co-Founder



*"The shift in Klarna's valuation is entirely due to investors suddenly voting in the opposite manner to the way they voted for the past few years. The irony is that Klarna's business, its position in various markets and its popularity with consumers and merchants are all stronger than at any time since Sequoia first invested in 2010. Eventually, after investors emerge from their bunkers, the stocks of Klarna and other first-rate companies will receive the attention they deserve."*

**SEQUOIA** 

**Michael Moritz**  
Partner



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## Klarna Continues to Capture Large US Opportunity

## US App Installs

- 
- Bar chart showing the increase in the number of people with a university degree in the UK from 2019 to 2021. The chart shows a 2.6x increase from 2019 to 2020, and a 2.4x increase from 2020 to 2021. A dashed line indicates the 20 mm target.
- | Year | Number of people with a university degree (mm) | Comparison   |
|------|--|--------------|
| 2019 | ~7.7   | -            |
| 2020 | ~20.0  | 2.6x vs 2019 |
| 2021 | ~48.0  | 2.4x vs 2020 |

**US Monthly Active Users**

10 mm

2.6x vs 2020

3x vs 2019

Month	US Monthly Active Users (mm)	Growth vs Previous Year
Dec 2019	~1.5	-
Dec 2020	~4.5	3x vs 2019
Dec 2021	~12.6	2.6x vs 2020

# Klarna: A Buy Now Pay Later Leader

## Company Overview

**Klarna®**

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 150 million active consumers, has over 400,000 merchant partners, and processes ~2 million transactions per day
  - The Company employs approximately 5,000 people and is live in 45 countries
- Launched in September 2020, Vibe was the first shopper loyalty program globally within the industry
  - Vibe currently has more than 2 million customers signed
  - It's currently live in the US and Australia, with plans to roll out in additional markets

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**Klarna®**

## Management Team



**Sebastian Siemiatkowski**  
Co-Founder & CEO



**Niclas Neglén**  
Chief Financial Officer



**Linda Höglund**  
Chief Operating Officer



**Camilla Giesecke**  
Chief Expansion Officer



**David Fock**  
Chief Product Officer



**David Sandström**  
Chief Marketing Officer

## Selected Merchant Customers

- Klarna currently has 150 million active consumers and provides payment solutions to more than 400,000 merchants
  - The Company's first large customer in the US was Overstock, signed in 2015

SEPHORA



FARFETCH



AliExpress

ASOS

ticketmaster



# Klarna: A Buy Now Pay Later Leader

## Klarna for Consumers

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# Klarna®

### 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: A Buy Now Pay Later Leader

## Klarna for Businesses

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# Klarna®

### 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



#### Instore

- 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, Kosma, enables access to more than 15,000 banks in 24 countries through a single Access to Account (XS2A) API in line with Payment Services Directive (PSD2)
- Kosma rapidly reduces the time for new FinTech services to reach global scale and provides the essential building blocks for innovation in financial services
- The platform processes close to a billion information requests to bank accounts each year
- It 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



# Klarna: A Buy Now Pay Later Leader

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## Klarna®

### 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

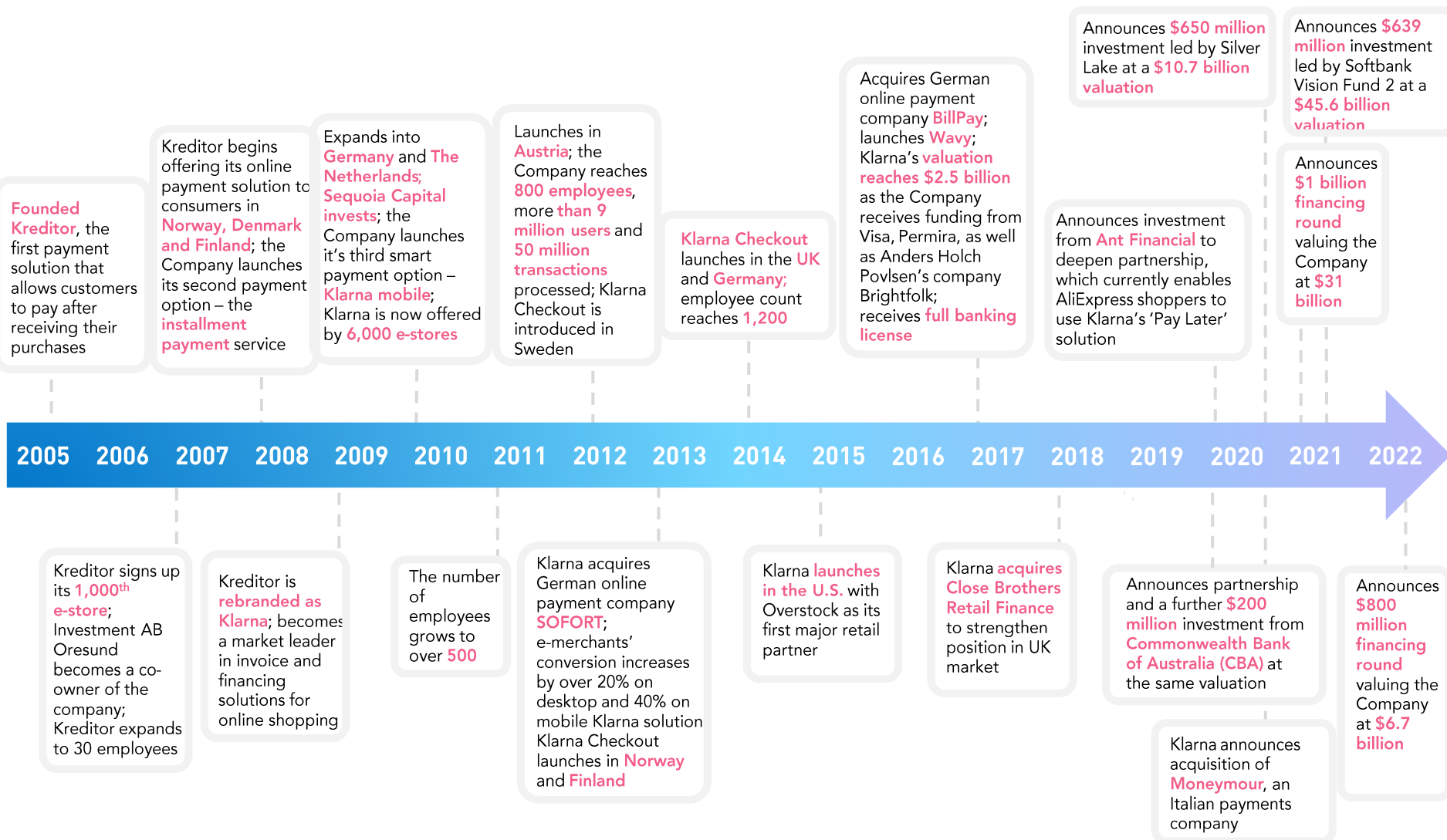
- From browsing to purchased in 25 seconds, which is up to 3x faster than competitors

# Klarna: A Buy Now Pay Later Leader

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## Klarna®

### Timeline



### Selected Acquisition & Investment History Details

#### PriceRunner

- On April 4, 2022, Klarna announced the completion of its acquisition of PriceRunner, the leading comparison shopping service in the Nordic region
  - The acquisition will enhance the Klarna app globally with new features such as product discovery, price comparisons and product reviews, all to help consumers save time and money and make better informed decisions
  - Klarna's more than 400,000 retail partners will benefit from increased website traffic and optimized marketing opportunities
- **PriceRunner, which was founded in 1999, is the largest independent comparison shopping service in the Nordic region, with operations in Sweden, Denmark, Norway and the UK**
  - The Company compares 3.7 million products from 22,500 stores in 25 different countries
- **David Fock, Chief Product Officer of Klarna, commented:**

*"The acquisition will serve to strengthen our consumer offering and that Klarna will not be a marketplace but a viable and competitive alternative for retail partners vs Amazon, Google and Facebook. Klarna and PriceRunner are united in our fundamental belief that tech companies, no matter where they operate, compete on the basis of their own merit with the best products and services to gain consumers' trust."*

#### Stocard

- On July 23, 2021, Klarna announced that it had acquired Stocard, a German-based mobile wallet provider, for €113 million (\$133 million) <sup>(1)</sup>
  - With the acquisition, Klarna plans to strengthen its position in the EU and capitalize on commercial and technological synergies between the two company's offerings
- **Stocard, which was founded in 2011, lets consumers virtually store loyalty cards, collect coupons and rewards, receive personalized offers and make mobile payments with a virtual prepaid card**
  - The Stocard app is available for free and has over 47 million active consumers across 45 markets
- **David Fock, Chief Product Officer of Klarna, commented:**

*"By putting the consumer at the heart of every interaction, Klarna has flipped the script on how a bank should act, and this is reflected in our "Smoooth" look and feel. With the rebranding of Stocard we are now transporting the "Smoooth" experience to Stocard's consumers and retailers across the globe. Above and beyond significantly broadening Klarna's global footprint by a colossal 47 million consumers across 25 new markets, including 1.7 million in the UK, the acquisition of Stocard also allows us to embed the deep intelligence packed into Stocard's payment and marketing technology into the Klarna app, with exciting new features to be announced very soon."*

### Selected Acquisition & Investment History Details (cont.)



- On October 11, 2021, Klarna announced a strategic partnership with Billie, a Berlin-based B2B payments platform, prior to making a strategic equity investment in the Company's \$100 million Series C financing round led by Dawn Capital, which was announced on October 25 <sup>(2)</sup>
  - Through its partnership, Klarna will expand its product offerings so that online merchants can leverage Billie's BNPL payment methods
  - Billie's payment methods can be activated directly by the businesses themselves and are integrated in Klarna's checkout process
- Billie, which was founded in 2016, is a leading provider of BNPL payment solutions for B2B companies
  - Billie is valued at \$640 million following the completion of its \$100 million Series C round <sup>(2)</sup>
- Koen Köppen, Chief Technology Officer of Klarna, commented:

*"Through our partnership with Billie, we are expanding our product range to include an important area that is in demand by many of our merchants but not yet adequately served by us — for them as businesses and how they pay online. Klarna is extremely well placed to serve over 250,000 of our merchants in this way and now together with Billie's outstanding B2B product offering, it is a perfect complement."*



- On March 9, 2021, Klarna announced that it had acquired Toplooks, a San Francisco-based AI technology company, for an undisclosed amount
  - The acquisition aims to facilitate retailers and publishers to develop shoppable content on their websites, social media and the Klarna app <sup>(1)</sup>
  - Toplooks technology enhances the consumer experience on the Klarna app through AI-curated shopping editorial and images <sup>(1)</sup>
- Toplooks, which was founded in 2019, is the developer of a powerful AI engine for online fashion and apparel shoppers
- Luke Tuttle, Klarna's Global Head of Media Services, commented:

*"We're using the technology to create highly optimized ads for our retail partners. One of the real advantages of the technology is that optimized ads can be synced with social platforms on a frequent basis. So, you can get updates on stock levels and promotional messaging. You also get quick feedback on which ads are working. That's how you get to this very efficient ad spend ultimately, because of the AI driving many iterations to get to the best-performing ad units."* <sup>(1)</sup>

### Selected Acquisition & Investment History Details (cont.)



- 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 Köppen, 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 & Investment 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

# Klarna: A Buy Now Pay Later Leader

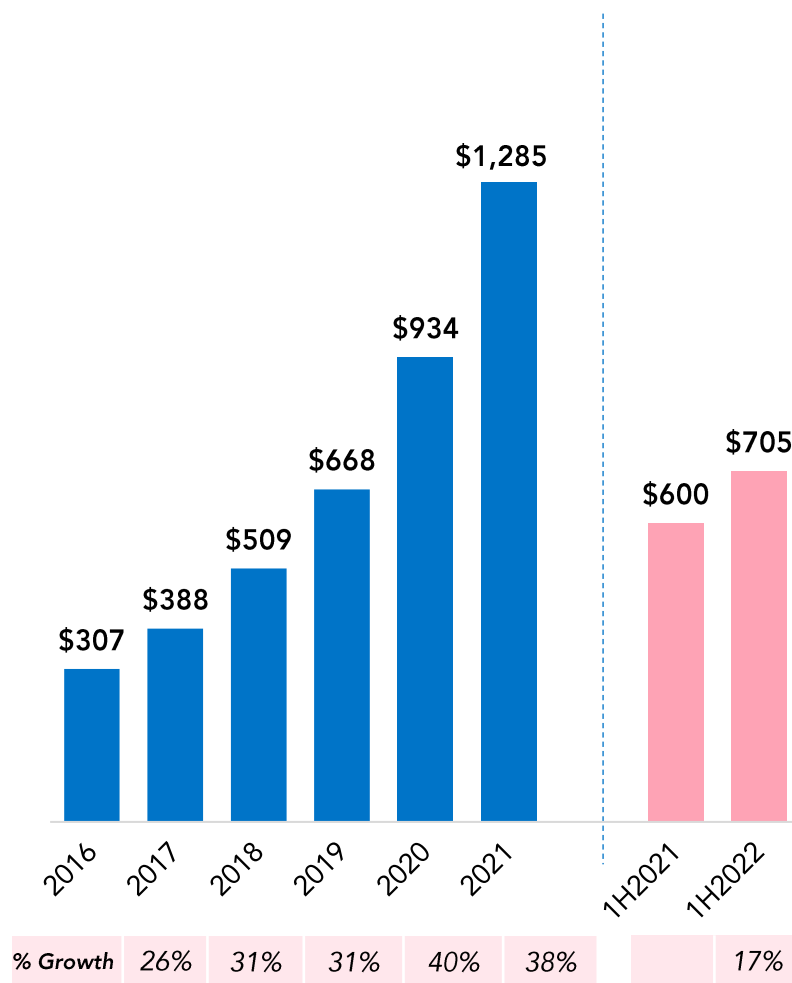
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## Financial Overview

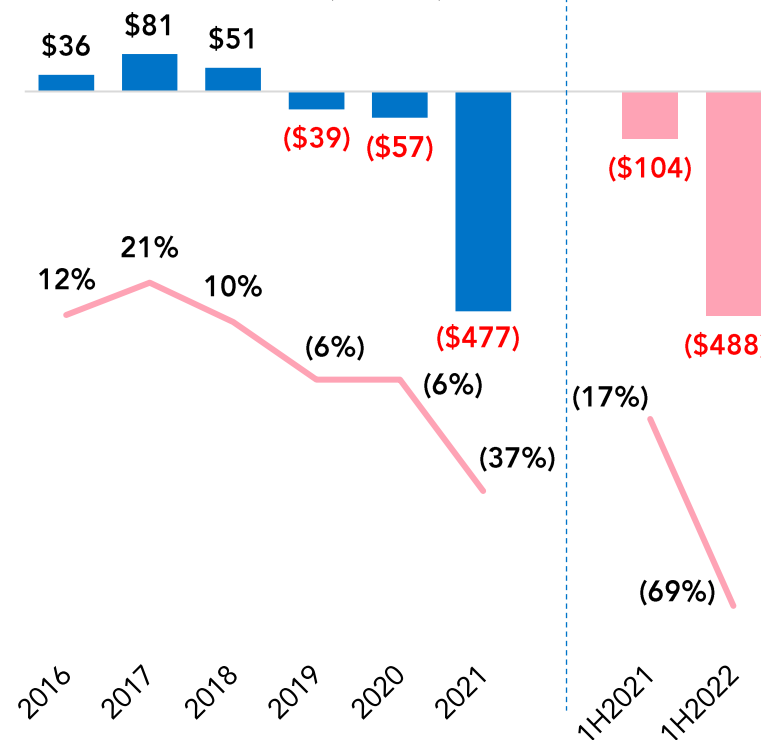
### Total Net Revenue

(\$ in mm)



### EBITDA / % Margin

(\$ in mm)



- Klarna's operating expenses (ex. credit losses) increased by 73% year-on-year in FY 2021 and 1H 2022, driven primarily by higher personnel costs as well as investments in new products and expansion

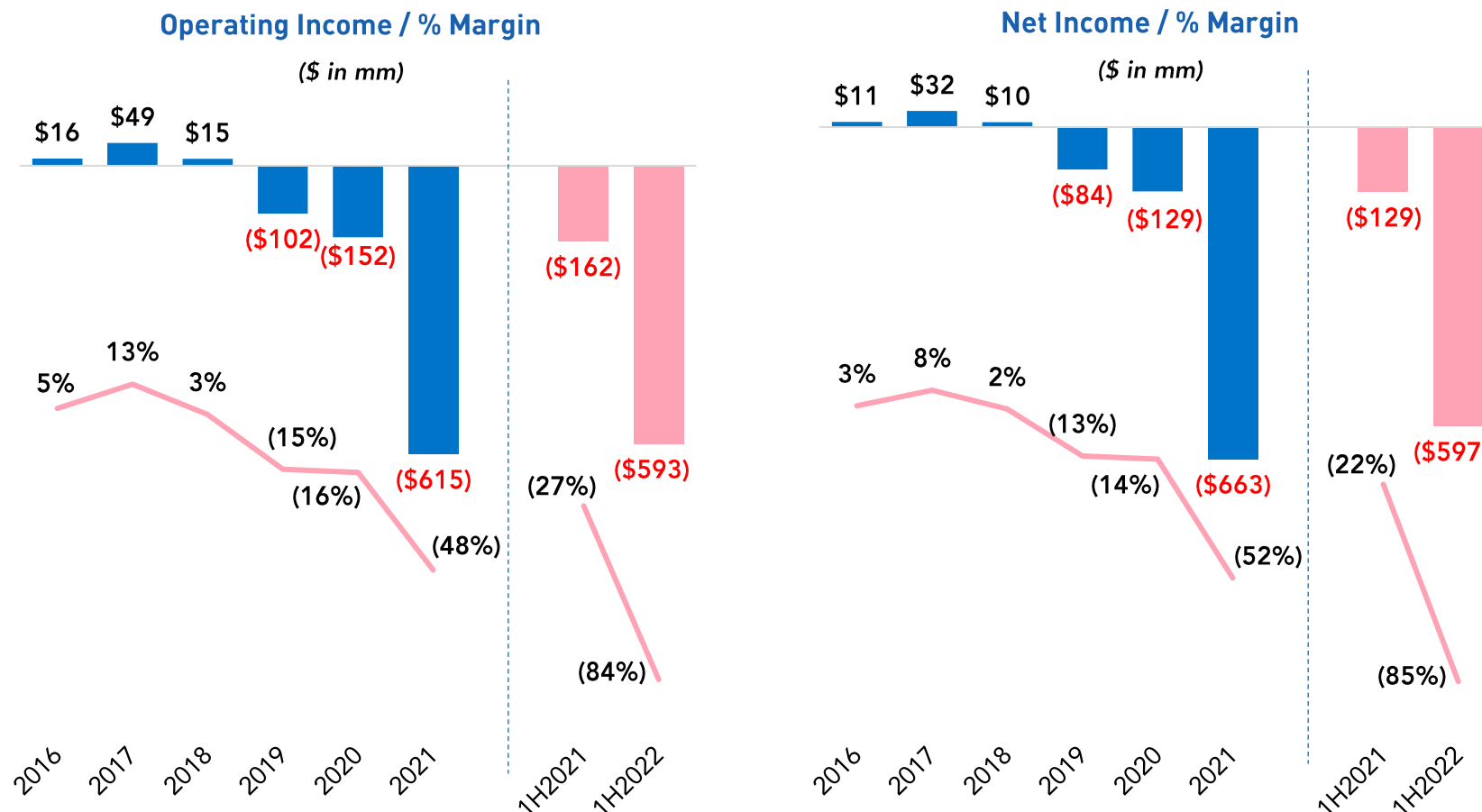
- Klarna's operating expenses rose 43% in 2020 due to continued expansion into four new markets (Australia, Belgium, Spain and Italy) and its increased brand awareness in the U.S. and UK.

# Klarna: A Buy Now Pay Later Leader

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## Financial Overview (cont.)



- Klarna's operating expenses (ex. credit losses) increased by 73% year-on-year in FY 2021 and 1H 2022, driven primarily by higher personnel costs as well as investments in new products and expansion, while credit losses increased by 54% in 1H 2022 and 84% in 2021

- 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.



# Financing History

# Klarna: A Buy Now Pay Later Leader

## Selected Financing History

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**Klarna.**

Date	Size (\$ In mm)	Type	Selected Investor(s)*
July 2022	\$800	Equity Financing	SEQUOIA SILVERLAKE CommonwealthBank MUBADALA CPP INVESTMENT BOARD
June 2021	639	Equity Financing	SoftBank ADIT VENTURES HONGKONG WESTCAP
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	DRAGONER CommonwealthBank HMI CAPITAL Merian GLOBAL INVESTORS 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

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

July 2022  
**\$6.7 billion**

June 2021  
**\$45.6 billion**

March 2021  
**\$31.0 billion**

Sept. 2020  
**\$10.7 billion**

Aug. 2019  
**\$5.5 billion**

March 2019  
**\$3.4 billion**

Aug. 2017  
**\$2.5 billion**

Aug. 2015  
**\$2.3 billion**

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

Source: FT Partners' Proprietary Transaction Database, PitchBook, Capital IQ, Company Website  
\*Not all investors are shown

(1) PitchBook

(2) GP Bullhound; Uses 2013 conversion rate

## \$1 billion Financing

### Transaction Summary

- On March 1, 2021, Klarna announced it raised \$1 billion in an equity funding round, at a post-money valuation of \$31 billion, which solidifies Klarna's rank as the highest-valued private FinTech company in Europe
- The financing round was 4x oversubscribed and included a combination of more than 30 new and existing investors <sup>(1)</sup>
  - CEO Sebastian Siemiatkowski said the Company initially set out to raise \$500 million, but high investor demand led to this doubling and could have gone as high as \$3 billion <sup>(1)</sup>
- The funding will be used to accelerate international expansion and further capture global retail growth
- Klarna will use some of the money to acquire technology companies that specifically help consumers save time and money <sup>(1)</sup>
  - Siemiatkowski told Business Insider that Klarna is less interested in acquiring competitors due to the "complexities of integrating new services" <sup>(1)</sup>
- Klarna also announced that it will pledge 1% of the capital raised to a newly created initiative that focuses on key sustainability challenges around the world
  - The initiative was set to be formally launched on World Earth Day (April 22)

### Transaction Commentary

*"At Klarna, we solve problems – that is the heart of what we do for both consumers and retailers. Consumers want transparent products to help them bank, shop and pay that reflect the way they live their lives, not just outdated traditional models. Each and everyone of us at Klarna will continue to work hard on this, but it is also time for us, with our culture of change, disruption and innovation, to focus on tackling bigger, more complex issues. I believe our industry has a responsibility to help in some way solve global sustainability issues and I hope others will join Klarna in our ambition."*

## Klarna®

Sebastian Siemiatkowski  
CEO & Co-Founder



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

**87 million**

Active Users

**18 million**

Monthly Active  
Users

**+250K**

Retail Partners

**\$58 billion**

2020 Volume

**\$1.2 billion**

2020 Net Revenue

# Klarna: A Buy Now Pay Later Leader

\$650 million Financing Led by **SILVERLAKE**

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## Transaction Summary

- On September 15, 2020, Klarna announced it raised \$650 million in an equity funding round, at a post-money valuation of \$10.7 billion, which cemented the Company as the highest-valued private FinTech company in Europe
- The financing was led by Silver Lake, alongside GIC - Singapore's sovereign wealth fund - as well as funds and accounts managed by BlackRock and HMI Capital
  - They joined investors such as Sequoia Capital, Dragoneer, Permira, Commonwealth Bank of Australia, Bestseller Group and Ant Group
  - Concurrently, Merian Chrysalis, TCV, Northzone and Bonnier have acquired shares from existing shareholders
- The funding will allow Klarna to further invest in its shopping offering, continue to expand its global presence, and accelerate its momentum across all markets, especially in the U.S. where the Company is growing rapidly with more than 9 million users
- Klarna currently has 90 million users worldwide, 12 million monthly active users and 55 thousand daily downloads of its app

## Transaction Commentary

*"We are at a true inflection point in both retail and finance. The shift to online retail is now truly supercharged and there is a very tangible change in the behaviour of consumers who are now actively seeking services which offer convenience, flexibility and control in how they pay and an overall superior shopping experience. Klarna's unique proposition, consumer preference and global retailer network will prove an excellent platform for further growth. The Klarna team is honoured to welcome such world class investors to support our mission to become the world's favourite way to shop."*

**Klarna®**

**Sebastian Siemiatkowski**  
CEO & Co-Founder



*"Klarna is one of the most disruptive and promising FinTech companies in the world, redefining the ecommerce experience for millions of consumers and global retailers, just as ecommerce growth is accelerating worldwide and rapidly shifting to mobile. Klarna's retail partners benefit from incremental traffic and dramatically improved customer conversion. Consumers love Klarna for its differentiated app-based shopping experience and for their flexible and transparent payment options. We are excited to invest in the company and partner with Sebastian and his talented team at this dynamic time to help accelerate Klarna's remarkable growth and success worldwide."*

**SILVERLAKE**

**Ego Durban**  
Co-CEO and Managing Partner



# Klarna: A Buy Now Pay Later Leader

## Strategic Investments from



FT PARTNERS RESEARCH

# Klarna.

### Ant Financial Transaction Summary

- On March 4, 2020, Klarna announced that Ant Financial Services Group, owner and operator of the leading payments platform Alipay, has taken a minority stake in the Company
- The investment will deepen an ongoing collaboration between the companies, which currently enables shoppers at AliExpress, an online marketplace, to use Klarna's popular 'Pay later' solution

### CBA Transaction Summary

- On January 30, 2020, Klarna announced an additional **\$200 million** investment from Commonwealth Bank of Australia ("CBA")
  - In August 2019, Klarna raised \$460 million in equity funding, including a \$100 million investment from CBA
  - With the participation of CBA, Klarna agreed to establish an exclusive partnership for the Australian and New Zealand markets
  - The initial funding round valued Klarna at \$5.5 billion post-money, according to the Company
- The new investment, at the same valuation, will be used to increase strategic alignment, bring additional rights, and gain exposure to Klarna's international growth
- The \$300 million total investment brings CBA's stake in Klarna to 5.5%

### Ant Financial Transaction Commentary

"For too long consumers have had to endure non-intuitive, boring and overly complex services when shopping both online and offline. At the heart of this cooperation between Klarna and Alipay is a shared ambition of innovating truly superior shopping experiences and creating destinations of inspiration for consumers across the world. Alipay, and the wider Alibaba Group, have truly set the global pace on retail innovation and the app economy. We are delighted in this confidence shown in Klarna in defining the future of payments and shopping and are very much looking forward to working together further in the future."

# Klarna.

Sebastian Siemiatkowski  
CEO & Co-Founder



### CBA Transaction Commentary

"This is an exciting day for Klarna, CBA and Australia as a whole. We have already developed a strong working relationship with CBA and we look forward to providing even more opportunities together for our customers in the coming months and years."

# Klarna.

Sebastian Siemiatkowski  
CEO & Co-Founder



"Our partnership with Klarna will further enhance the customer experience in our leading banking app and address the rapidly growing demand among consumers for new payment options. In particular, it allows us to build on our leading technology to deliver the very best payment services for our customers and merchants in Australia, on platforms which are safe, secure, and easy to use. By partnering with Klarna, we are bringing together our market leading digital technology, merchant relationships and strong customer network with Klarna's innovative payments technology and integrated shopping experience for the benefit of CBA customers and many more Australian consumers."



Matt Comyn  
CEO



# Klarna: A Buy Now Pay Later Leader

\$460 million Financing Led by 

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**Klarna.**

## Transaction Summary

- On August 6, 2019, Klarna announced it had raised **\$460 million** in an equity funding round led by Dragoneer Investment Group
  - New investors in the round included Commonwealth Bank of Australia, Första AP-fonden, HMI Capital, IPGL, Merian Chrysalis Investment, and funds and accounts managed by BlackRock
  - Follow-on investor IVP also participated
- This funding round valued Klarna at **\$5.5 billion**, post-money, according to the Company
- As a result, Klarna became the largest private FinTech company in Europe and one of the largest FinTech companies in the world
- This new round of funding will help Klarna continue to expand its presence in the U.S. market, where it is currently growing at an annual rate of **6 million** new U.S. consumers, and is now providing solutions to over **3,000 merchants** in the U.S.
- With the participation of the Commonwealth Bank of Australia in the round, Klarna has agreed to establish an exclusive partnership for the Australian and New Zealand markets

## Transaction Commentary

*"This is a decisive time in the history of retail banking. Finally, transparency, technology and creativity will serve the consumer, and there will be no more room for unimaginative products, non-transparent terms of use or lack of genuine care of one's customers. We, all 2,500 of us at Klarna, are humbled and honoured, and now also further empowered, to play a role in this improvement of an industry for the benefit of the consumer, worldwide and in the US in particular. "*

**Klarna.**

**Sebastian Siemiatkowski**  
CEO & Co-Founder



*"Our strategy is to partner with a small number of disruptive, growth companies that are highly differentiated and run by world-class management teams. Sebastian and the Klarna team have built an exceptional payments business with a global footprint, operating in a huge addressable market with strong tailwinds."*



**Marc Stad**  
Founding Partner



*"Klarna has built a highly-impressive, digital payment ecosystem, trusted by both retailers and consumers. By simplifying and improving the flexibility of the payments process, retail partners working with Klarna have seen considerable improvement in customer engagement and sales. Klarna is one of Europe's great fintech success stories and the company continues to develop truly innovative payment solutions. This latest funding round will enable the company to execute on its ambitious international growth plans."*



**Richard Watts**  
Co-Fund Manager



# Klarna: A Buy Now Pay Later Leader

Secondary Investment by  P E R M I R A

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**Klarna®**

## Transaction Summary

- On July 21, 2017, Klarna announced that an investment partnership advised by Permira had acquired a 10% stake
  - While the exact dollar amount has not been confirmed, the Financial Times announced that the stake was acquired for approximately \$250 million <sup>(1)</sup>
- Permira will acquire shares from existing shareholders Niklas Adalberth, General Atlantic and DST Global
  - After this transaction, General Atlantic and DST Global will no longer be shareholders in the company
  - Niklas Adalberth, however, will still retain an equity stake
  - Existing investors Sequoia and Atomico also retain their stakes in the Company
- At the end of June, Klarna received a full banking license from the Swedish Financial Supervisory Authority
  - This new license will allow the Company to expand into other payment and financing services – most likely to be credit services and credit cards
- This investment comes as Klarna has continued to record strong growth in the first half of this year
- This transaction is the third so far in a series of both secondary and primary equity transactions for Klarna this summer

## Transaction Commentary

*"As Klarna continues its journey towards a smoother shopping experience and now as a consumer-oriented and technology intensive bank, this is another exciting step for the company. I am delighted to have a partner like Permira on board with their global footprint and strong expertise in ecommerce and fintech. I look forward to them strategically supporting the future development of Klarna."*

**Klarna®**

**Sebastian Siemiatkowski**  
CEO, Co-Founder



*"Klarna is a truly innovative, founder-led iconic Swedish business and we are pleased to back the company and its management team to advance its leadership position both locally and internationally."*

  
P E R M I R A

**Ola Nordquist**  
Partner, Head of Nordic



*"In Klarna we see a unique scale FinTech innovator that has successfully improved shopping experiences for both merchants and consumers. We see many vectors that will drive future success and with Sebastian, we look forward to supporting the company's future organic, geographic, and acquisition growth strategies."*

  
P E R M I R A

**Andrew Young**  
Principal





# Klarna: A Buy Now Pay Later Leader

## Strategic Investment from **VISA**

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# Klarna®

### Transaction Summary

- On June 27, 2017, Visa and Klarna announced an agreement for Visa to invest in Klarna in order to develop a future strategic partnership
  - The amount invested has not been disclosed, but new equity will be issued to Visa
- Visa's planned investment is part of its global strategy to open up the Visa ecosystem and support a range of new partners to redefine and enhance the purchase experience
  - Klarna's new banking license will pave the way for the Company to potentially offer other financial services, including loans or credit cards, which Visa could help with
- The investment will allow Visa to reach more mobile commerce merchants in both the Nordic region and Germany
  - The Visa relationship may help Klarna's position in markets where credit cards are more popular than invoice financing, such as in the Netherlands, the U.K. and the U.S.
- Visa has previously invested in other emerging payments leaders including both Square and Stripe

### Transaction Commentary

*"The Visa and Klarna partnership is a natural fit. We both understand consumer credit and the value of consumer centricity in developing innovative payment solutions. Klarna continually strives to offer the most advanced choice of payment solutions for our merchants and give consumers the smoothest buying experiences. Partnering with Visa will give us the opportunity to strengthen our global presence and product portfolio by leveraging our combined assets. We are excited about the possibilities of what we can do together."*

**Klarna®**

**Sebastian Siemiatkowski**  
CEO, Co-Founder



*"Klarna has demonstrated an expertise in consumer credit and online purchasing and together, we share a vision for how today's online and mobile commerce experiences can be as simple as they are in the real world. Visa is committed to partnering with a new generation of partners and payment providers to bring secure, online commerce to many more consumers in Europe. We look forward to working more closely with Klarna to accomplish this."*

**VISA**

**Jim McCarthy**  
EVP of Innovation and  
Strategic Partnerships





# Klarna: A Buy Now Pay Later Leader

## Strategic Investment From Brightfolk A/S

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# Klarna®

### Transaction Summary

- On June 7, 2017, Klarna announced that Brightfolk had acquired at least a 10% stake in the Company, becoming a "qualified owner"
  - Brightfolk is owned by Anders Holch Povlsen, who also owns BESTSELLER, a leading European fashion company
- Brightfolk will acquire the shares from existing shareholders General Atlantic, DST Global and Niklas Adalberth
  - While all of the sellers retained a stake in the Company following this transaction, both General Atlantic and DST Global exited their positions in the later sale to Permira
- The amount paid by Brightfolk / Povlsen has not been announced
  - TechCrunch has assumed that, because it is an "up round", the stake is worth greater than \$225 million, based on Klarna's valuation of \$2.25 billion in 2015 <sup>(1)</sup>
- Povlsen also has holdings in online fashion portal ASOS and Zalando
  - Klarna already works with these companies and many of BESTSELLER's brands in some markets and so may be looking to expand the relationship
- The Company has also applied to rebrand itself to Klarna Bank following its application for a banking license <sup>(1)</sup>

### Transaction Commentary

"As Klarna continues its path towards a smoother shopping experience, few people could be a better fit than Anders Holch Povlsen. Klarna has successfully been partnering with BESTSELLER for a number of years. This has given him a firsthand insight into the strengths of our offerings and therefore a unique ability to strategically support the future development of the company. I am delighted to welcome such a strong partner into Klarna."



Sebastian Siemiatkowski  
CEO, Co-Founder



### Anders Holch Povlsen

Owens both Brightfolk A/S and



BESTSELLER®



BESTSELLER® brands include:

JACK & JONES®

VERO MODA®

ONLY®

SELECTED  
FEMME / HOMME

Other Notable Investments:

 zalando

asos

# **Buy Now Pay Later (“BNPL”) Industry Overview**

### Buy Now Pay Later (BNPL) 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

### Typical BNPL process

- 1 — Consumer shops online or in-store
- 2 — BNPL option is presented and selected at checkout (or possibly prior)
- 3 — User either logs into or creates an account, BNPL provider completes real-time credit check and communicates approval / rejection decision to consumer
- 4 — If approved, BNPL provider offers variety of payment plans which consumer reviews and selects
- 5 — BNPL provider fronts total purchase price to the merchant and consumer pays specified amount upfront to BNPL provider
- 6 — Purchase is confirmed and consumer pays installments to BNPL

### Benefits to Consumer

#### Increased purchasing power

BNPL payment methods expand the purchasing power of consumers who don't want to increase their credit card debt or who might not have had access to traditional credit offerings

#### Transparency

Payment plans and associated costs are communicated to consumers upfront with no hidden fees and typically 0% APR, giving consumers a better sense of control over their finances

#### Real-time approval process

Credit decisions are made instantly and seamlessly unlike traditional credit where approval processes can take weeks

### Benefits to Merchants

#### Increased conversion

Merchants enjoy higher conversion rates as consumers are more likely to purchase products with BNPL options that enable them to spread out the cost over time

#### Larger customer base

Increased access to customers that may not have had access to traditional credit solutions who are now more likely to purchase products with BNPL options

#### Higher average order value



Customers are likely to purchase higher ticket items with BNPL options that enable them to split up the cost interest-free

# Klarna: A Buy Now Pay Later Leader

## BNPL vs. Traditional Credit

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**Klarna®**

	BNPL	Traditional Credit
Description	BNPL payment methods offer consumers the option to split up a specific purchase into installments with typically 0% APR and no hidden fees	Traditional credit cards are issued by banks and other financial institutions and offer consumers a line of credit with interest charged on outstanding balances
Selected Providers		
Key Attributes	<ul style="list-style-type: none"> <li>- Used for specific, one-time purchases</li> <li>- Real-time approval process</li> <li>- Interest-free</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>- Lengthy and in-depth approval process</li> <li>- Consumers charged interest based on outstanding balances and other fees</li> <li>- Rewards programs</li> </ul>
Economics	<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 to be able to accept credit cards</li> <li>- Credit card companies charge between approximately 1.3% and 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>

Source: Company data,























1) The Ascent "Average Credit Card Processing Fees and Costs in 2020"

# Klarna: A Buy Now Pay Later Leader

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## Klarna®

### Selected Recent BNPL Financings

































Announce Date	Company	Lead Investors	Amount (in mm)	Raised to date (in mm)	Valuation (in mm)	Country
07/11/22		    	\$800	\$4,730	\$6,700	 SWE
05/02/22			111	427	na	 CHL
02/23/22			497	731	1,000	 ITA
02/14/22		 	100	355	2,000	 IDN
02/10/22			130	443	na	 FRA
12/02/21			102	343	na	 MEX
11/10/21		 	110	340	2,000	 UK
09/09/21			155	207	700	 ITA
09/08/21	   		120	na	na	 EGY
07/23/21		  	110	230	390	 UK
06/10/21			639	3,930	45,600	 SWE

# Klarna: A Buy Now Pay Later Leader

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## Klarna®

### Selected Recent BNPL Financings (cont.)

Announce Date	Company	Lead Investors	Amount (in mm)	Raised to date (in mm)	Valuation (in mm)	Country
03/31/21		 WELLINGTON MANAGEMENT®	\$120	\$585	na	 JPN
03/01/21		Undisclosed Investors	1,000	3,100	\$31,000	 SWE
01/13/21		Public Market Investors	1,200 (IPO)	2,500	23,605 <sup>(1)</sup>	 USA
09/17/20		 GIC	500	1,300	na	 USA
09/14/20		 GIC 	650	2,100	10,600	 SWE
08/05/20		Woodson Capital Management	72	90	382 <sup>(1)</sup>	 USA
06/13/20		Institutional placement	60	272	374 <sup>(1)</sup>	 USA
05/01/20			251	na	~5,500 <sup>(1)</sup>	 AUS
04/09/20		 UNUSUAL VENTURES	48	281	na	 JPN
10/31/19		 	83	163	na	 JPN
08/06/19		 CommonwealthBank 	460	1,250	5,500	 SWE

Source: FT Partners' Proprietary Transaction Database, Crunchbase, PitchBook



























1) Represents market cap on or immediately prior to transaction date

# Klarna: A Buy Now Pay Later Leader

FT PARTNERS RESEARCH

## Klarna®

### Selected Recent BNPL M&A

Announce Date	Target	Acquirer(s)	Amount (in mm)	Target Country
11/02/21			na	 SGP
09/07/21			\$2,700	 JPN
08/01/21			29,000	 AUS
05/23/21			140	 CZE
10/29/20			450	 USA
08/27/20			2	 IDN
08/25/20			59	 ESP
08/09/20			403	 USA
07/23/20			na	 USA

# **In-Depth Profile on Affirm**



# Klarna: A Buy Now Pay Later Leader

FT PARTNERS RESEARCH

## Klarna®

## Affirm Overview

### 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

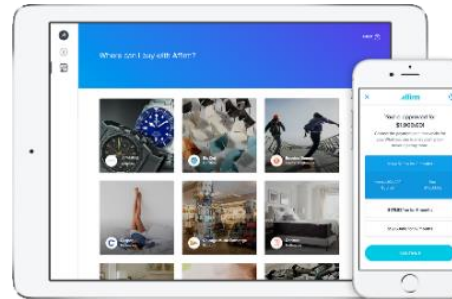
Total amount disclosed upfront and will never increase



#### Fair

No late fees or penalties of any kind

### Products & Services Overview



**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 Partners

Walmart  v's'ble Casper

WARBY PARKER  Expedia®

verizon  wayfair® swatch® 

### Affirm Overview (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



##### 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 – after a consumer links their bank account to their Affirm savings, they can transfer money into and out of it whenever they choose

#### Key Metrics

14.0M+

Consumers <sup>(1)</sup>

234,800+

Merchants

85%

From Repeat Customers

\$15.5B

GMV in FY 2022

100%+

Dollar-based Merchant Retention Rate

83

NPS <sup>(2)</sup>

### Affirm Overview (cont.)

#### The Affirm Network Strengthens with Every Transaction



# Klarna: A Buy Now Pay Later Leader

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## Klarna®

## Affirm's Financing and Valuation History

**affirm**



Historical Post-Money Valuation (\$ in mm)



Corresponding Transaction



EV/CY Rev

Source: Company Website; FT Partners' Proprietary Transaction Database; PitchBook; Capital IQ

(1) EV/Revenue multiples based on Calendar Year financials; Affirm's IPO was announced in CY2020 but completed in CY2021, hence the difference between the two multiples

# Klarna: A Buy Now Pay Later Leader

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## Klarna®

## 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

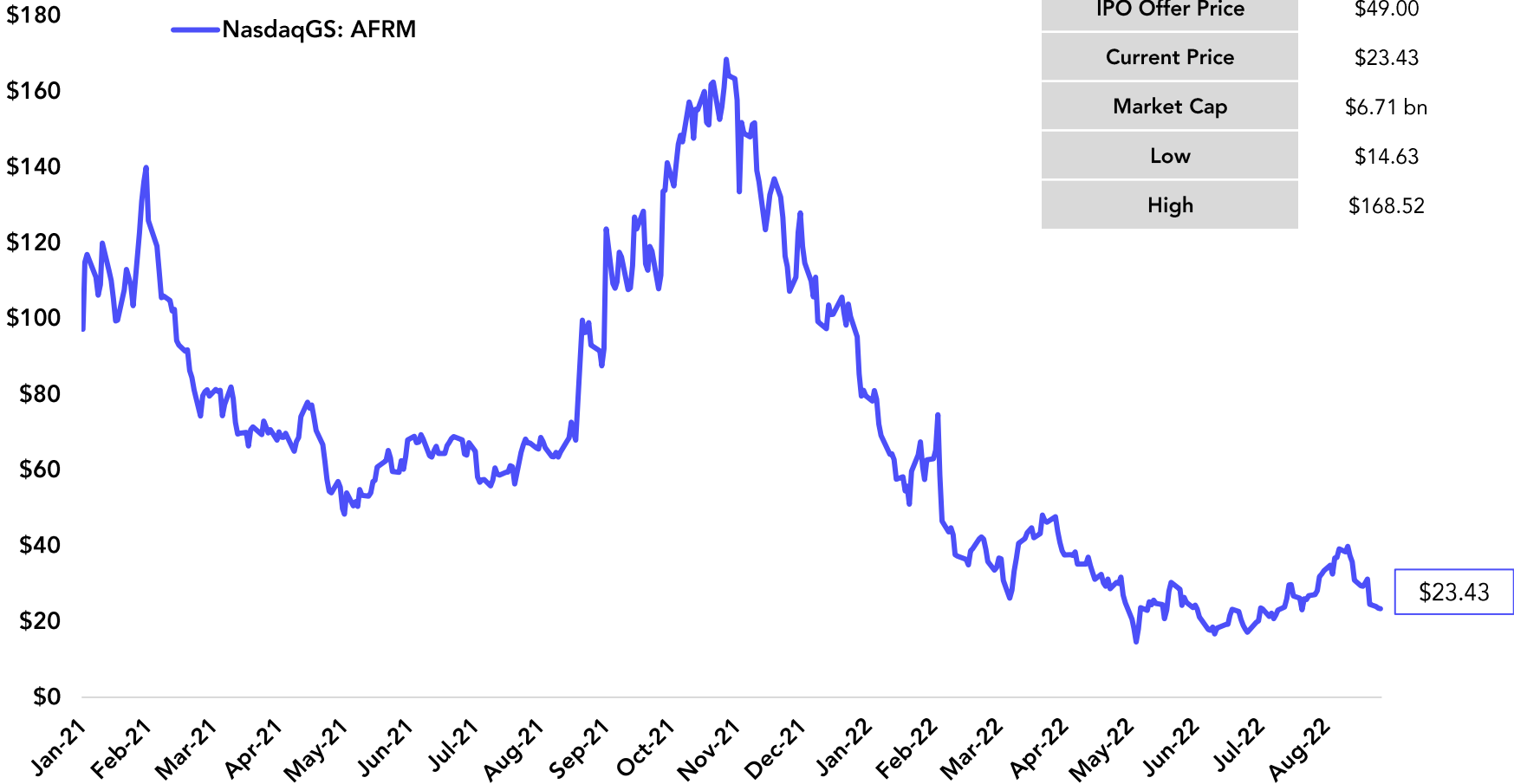
# Klarna: A Buy Now Pay Later Leader



## Affirm's Share Price Performance

AFRM Share Price Since IPO

NasdaqGS: AFRM



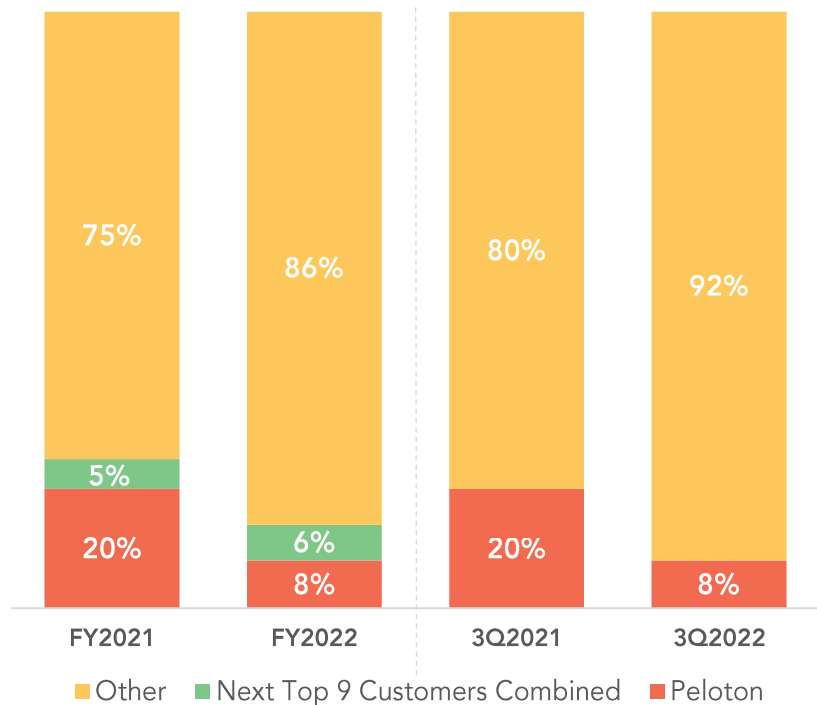
Source: Capital IQ as of 08/31/2022

# Klarna: A Buy Now Pay Later Leader



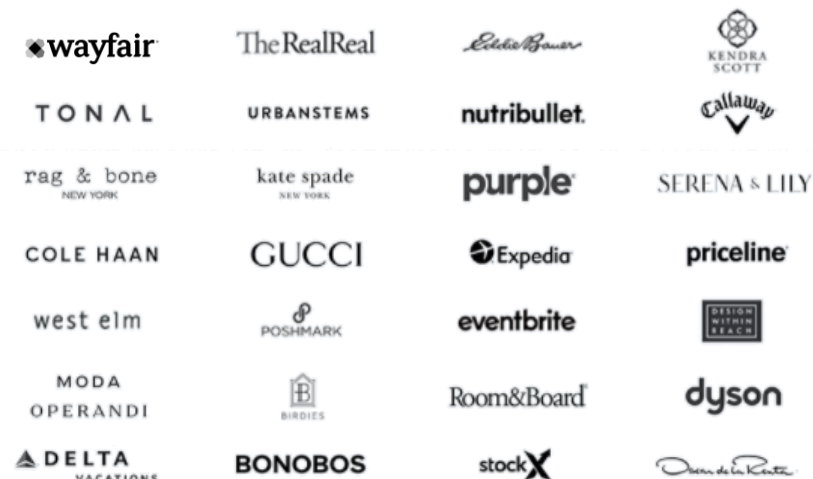
## Affirm Key Metrics Overview

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

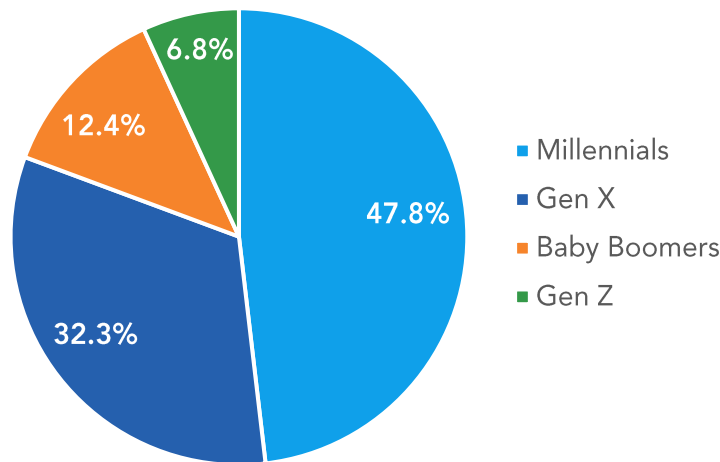


- Affirm's top merchant partner, Peloton, represented about 8% of the Company's total revenues in fiscal 2022
- Peloton accounted for 8% of total revenues in the third quarter of fiscal 2022, compared to 20% in the prior year quarter, as home fitness equipment purchases have declined due to the easing of restrictions related to the COVID-19 pandemic

### Selected Merchant Partnerships Across Verticals



### Customer Breakdown <sup>(2)</sup>



Source: Company prospectus; Fiscal year ends on June 30<sup>th</sup>

(1) Company only discloses top 10 customer concentration for FY 2021 and FY 2022. For fiscal Q3 2021 and fiscal Q3 2022, "Other" includes all non-Peloton merchants.

(2) Customer breakdown as of fiscal Q1 2021.

# Klarna: A Buy Now Pay Later Leader

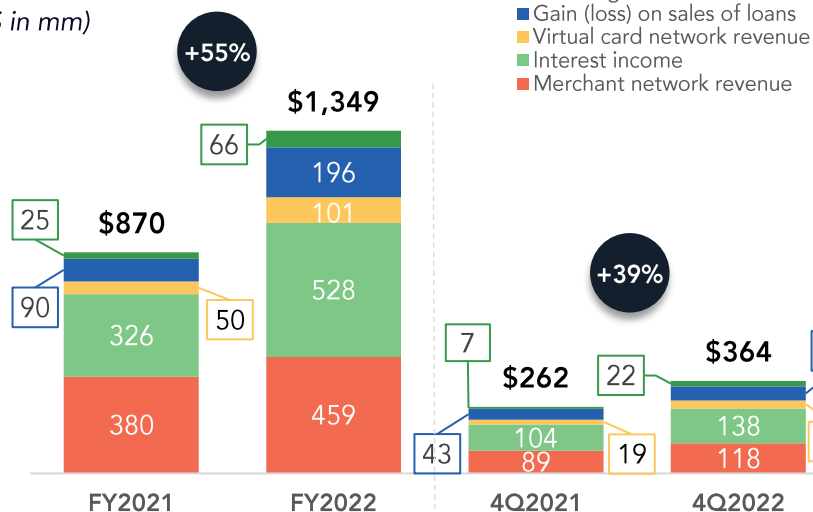
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## Klarna®

### Affirm Financial Overview

#### Revenue by Segment

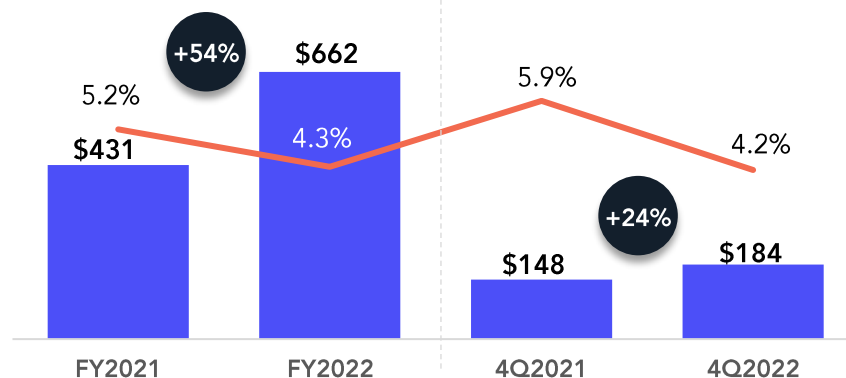
(\$ in mm)



#### Contribution Profit <sup>(1)</sup>

(\$ in mm)

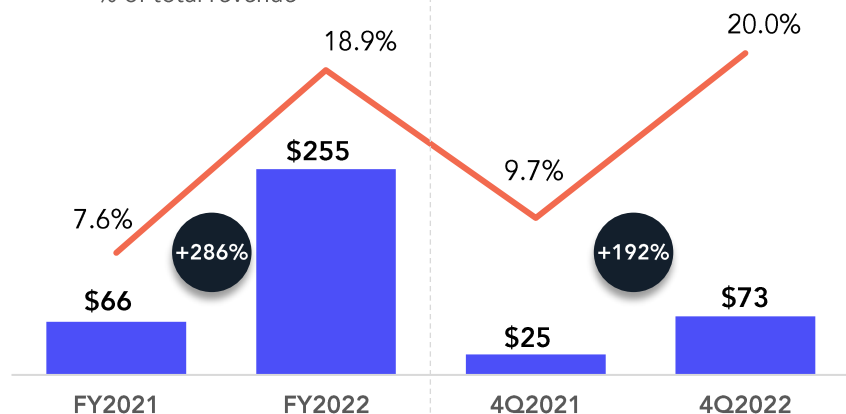
■ Contribution Profit  
— Contribution Profit as % of GMV



#### Provision for Credit Losses

(\$ in mm)

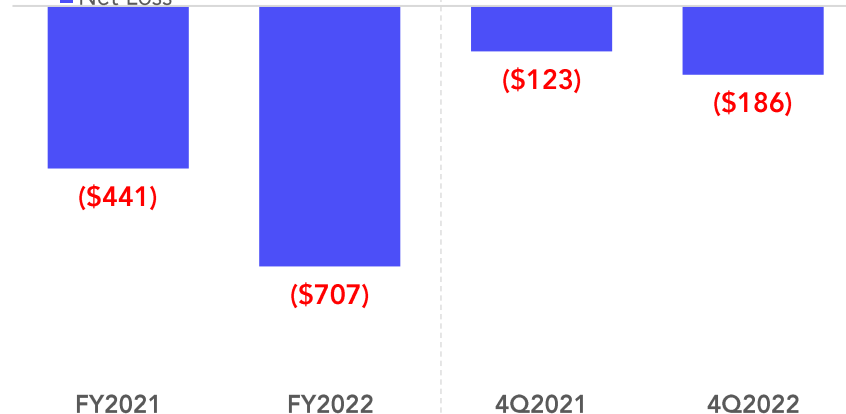
■ Provision for credit losses  
— % of total revenue



#### Net Loss

(\$ in mm)

■ Net Loss



Source: Company prospectus; Fiscal year ends on June 30<sup>th</sup>

1) Contribution profit is defined as total revenue less the following direct costs that are closely correlated to and variable with the generation of that revenue: (i) the amortization of discount, which is included in our GAAP interest income; (ii) the unamortized discount released on loans sold to third-party loan buyers; (iii) provision for credit losses; (iv) funding costs; and (v) processing and servicing expense.



# **In-Depth Profile on Afterpay**

## Afterpay Overview

**Klarna.**



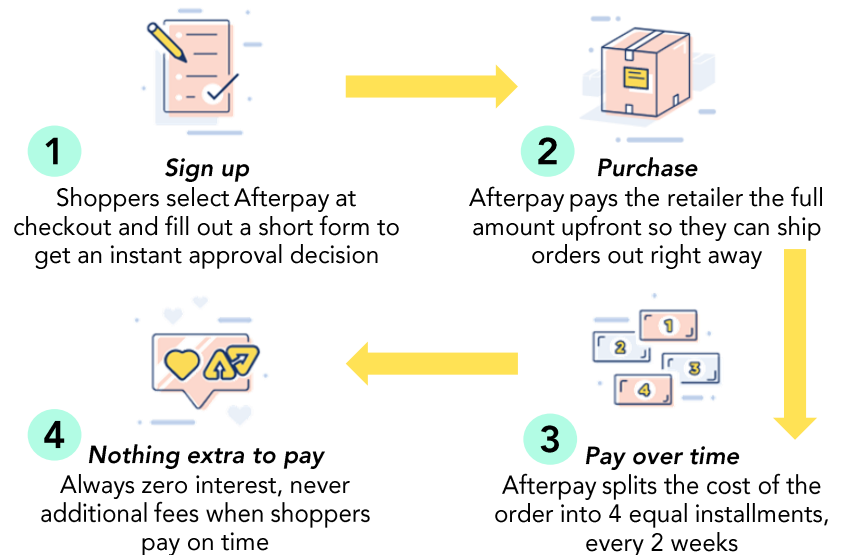
CEO: Anthony Eisen

Headquarters: Melbourne, Australia

Founded: 2017

- **Afterpay (ASX: APT) is a payments platform that allows consumers to receive products immediately, pay in four interest-free instalments and are rewarded for paying on time**
  - The Company empowers customers to pay in a financially sustainable way with no credit checks and no interest
  - It has released a loyalty program that rewards consumers for responsible spending
- **Afterpay is offered by over 55,000 global retailers and has over 10 million active customers globally**
  - Services are currently available in Australia, New Zealand, the United States and the United Kingdom
  - Afterpay has a net promoter score of 80+
  - The Company has an in-store offering, which is live in Australia, New Zealand and the United States
- **The Company saw a over 100% increase in sales in FY2020, increasing sales from \$3.8 billion to \$8.2 billion**
- **Afterpay was acquired in January 2022 by Block Inc. (NYSE: SQ) in an all-stock deal worth approximately \$29 billion**

## How It Works



## Selected Merchants



### Afterpay Overview (cont.)

#### 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

#### Key Metrics

**~13.1m**

Active Customers

**~74.7K**

Active Merchants

**\$9.8 bn**

FY1H21 Underlying Sales

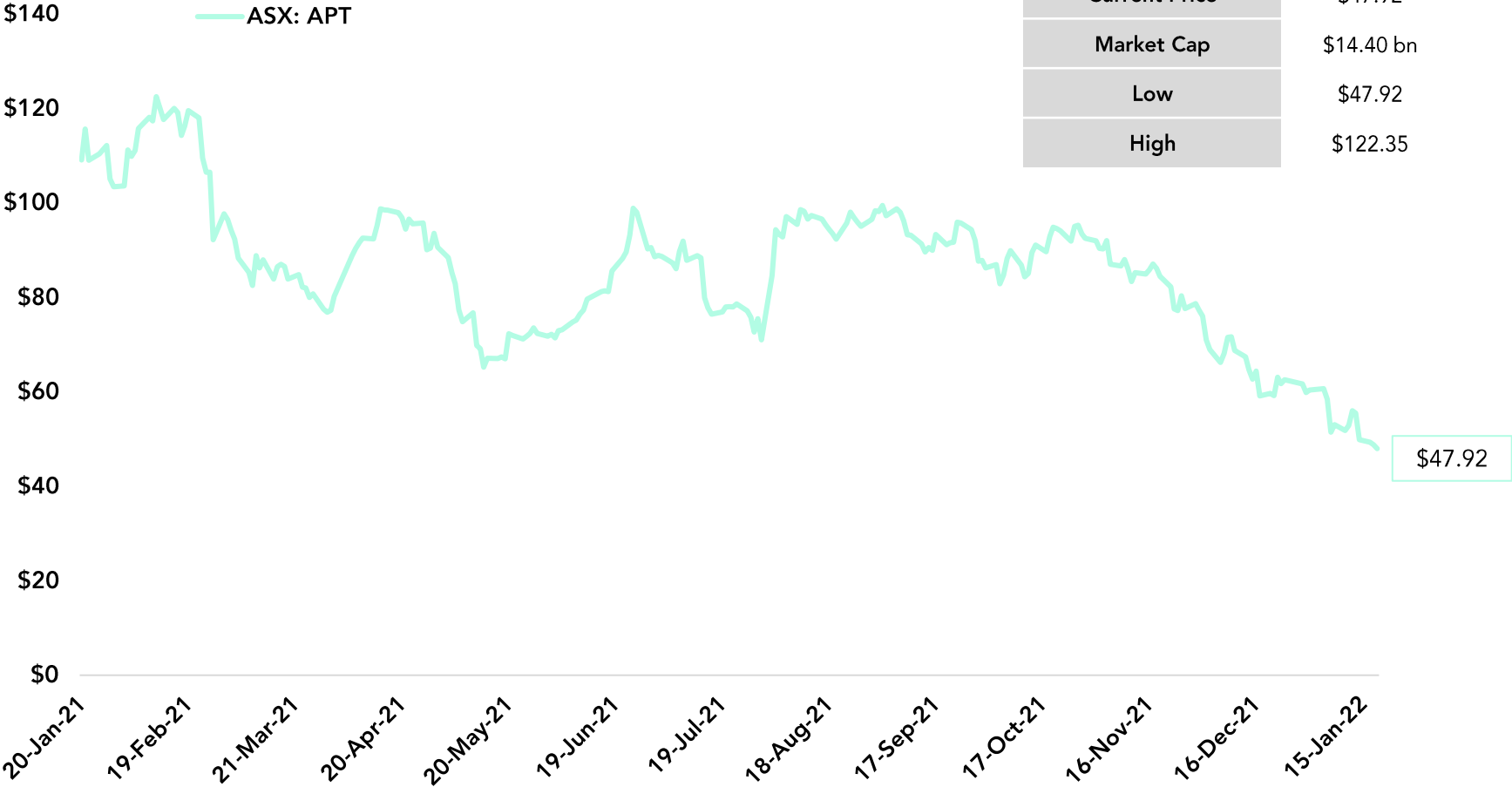
# Klarna: A Buy Now Pay Later Leader



## Afterpay's Share Price Performance

APT 1-Year Share Price Performance

01/19/2022	
Current Price	\$47.92
Market Cap	\$14.40 bn
Low	\$47.92
High	\$122.35



Source: Capital IQ as of 01/19/2022  
Afterpay was acquired by Block Inc. (NYSE: SQ) and trading was suspended as of 01/19/2022

# Klarna: A Buy Now Pay Later Leader

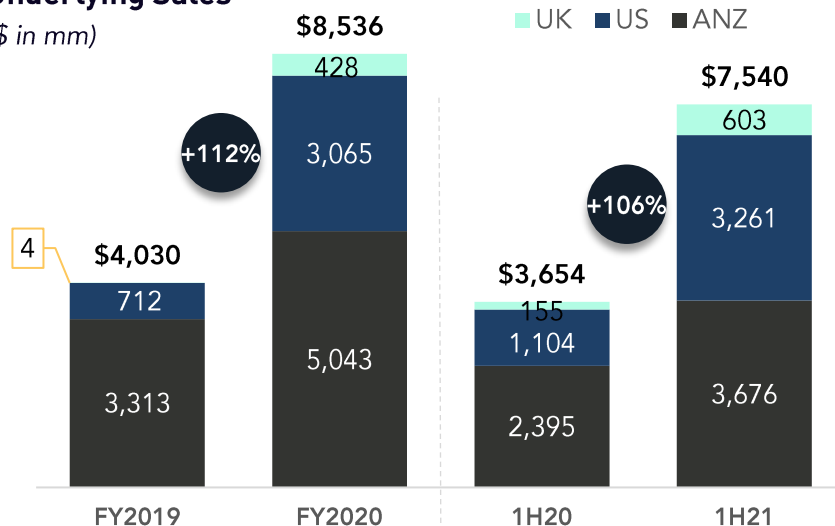
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**Klarna®**

## Afterpay Financial Metrics

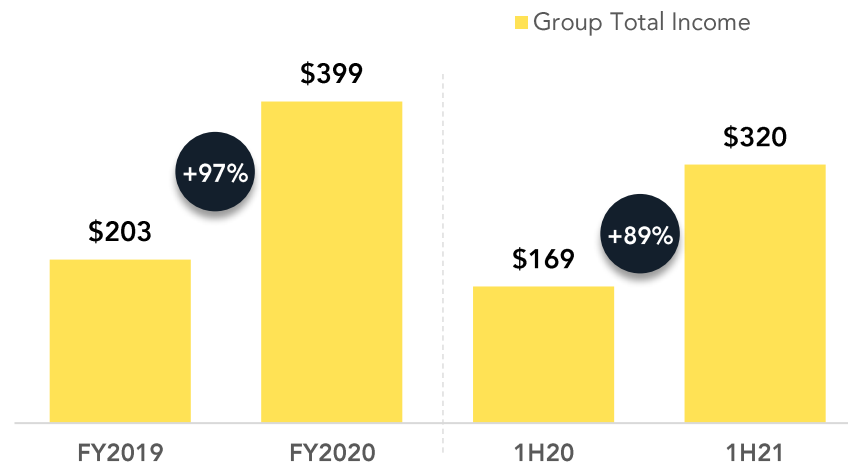
### Underlying Sales

(\$ in mm)



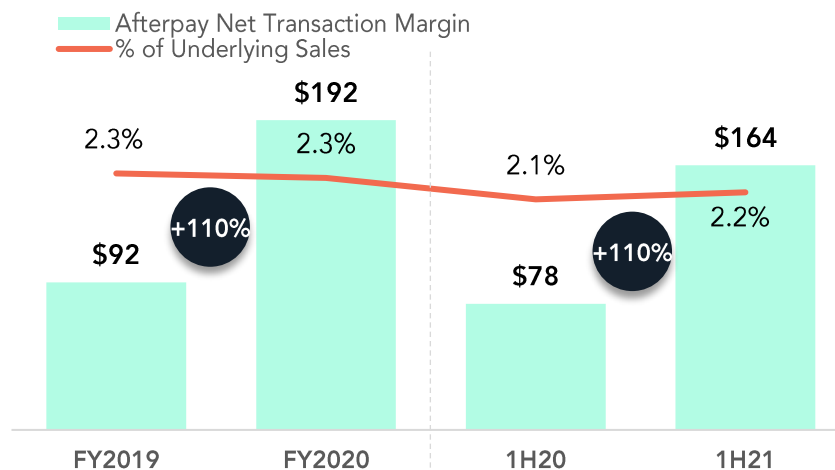
### Group Total Income<sup>(1)</sup>

(\$ in mm)



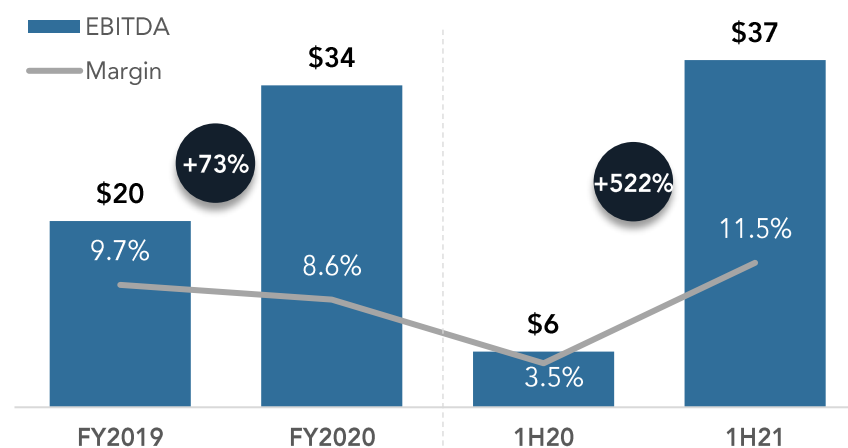
### Afterpay Net Transaction Margin<sup>(2)</sup>

(\$ in mm)



### EBITDA (excl. Significant Items)

(\$ in mm)



Source: Afterpay 1H21 Report, Afterpay FY20 Annual Report; Fiscal year ends on June 30<sup>th</sup>

1) Group Total Income includes Afterpay Income, Other Income (Late Fees) and Pay Now Revenue

2) Calculated as Statutory Gross Profit less Receivables Impairment Expenses, NTM Finance Costs, Chargebacks and Debt Recovery Costs, and Pay Now Margin

Financials converted to USD as of 03/23/21;  
Conversion rate equals ~0.768 USD

# **Other Selected BNPL Company Profiles**

# Klarna: A Buy Now Pay Later Leader

## Selected BNPL Company Profiles - Hoolah

FT PARTNERS RESEARCH

# Klarna®



CEO: Stuart Thornton  
Headquarters: Singapore, Singapore  
Founded: 2017

- Hoolah provides interest-free installment payment solutions to merchants and consumers
- Hoolah's core markets are Singapore and Malaysia
  - Hoolah plans to enter the Hong Kong and Thailand markets in the near term
  - Over the long term, Hoolah will further expand across the SEA region to countries including Korea, Philippines, Taiwan, Indonesia and Vietnam
- Hoolah partners with 1,800 merchants across a variety of verticals
  - ~ 50% of the total GMV processed comes from the 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 can increase merchant revenue and basket size by upwards of 20%

### Management Team



Stuart Thornton  
CEO



Andrew Broad  
CFO



Jason Van  
CTO



Arvin Singh  
COO



Daniel Pieper  
CIO

### Product and Services Overview

#### Online



- Online buy now, pay later: 3 interest-free installments
- Pre-built plug ins and API integrations with major shopping carts in addition to direct hoolah API integration

#### In store



- In store buy now, pay later solution
- Seamless integration with a simple QR code setup at the POS

#### Tech



- Data-driven risk engine allows for targeted optimization
- Built to scale across multiple geographies
- Connects merchants and consumers across multiple channels
- No reliance on 3<sup>rd</sup> party feeds

### Selected Merchant Customers



eCCO



HipVan

FASHIONVALET



SONOS

# Klarna: A Buy Now Pay Later Leader

## Selected BNPL Company Profiles - Openpay

FT PARTNERS RESEARCH

# Klarna®



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

- Openpay (ASX: OPY) 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, and the UK
- Openpay's flexible payment solutions are extremely beneficial for merchants
  - Increases transaction values and conversion rates for merchants at checkout
- Easy integration with leading eCommerce platforms such as Shopify and WooCommerce makes implementation easy
- 2020 fiscal year results reveal that Openpay has benefited from the COVID pandemic
  - Active subscriptions nearly tripled to 824,00
  - Transaction value almost doubled
  - Active merchants increased 52% to 2,162

### Products & 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

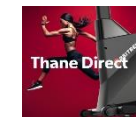
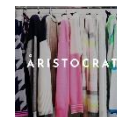
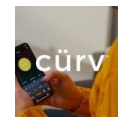
- Interest free payments
- 3-7 month payment schedules
- Late fee charged to customer for every late payment



#### Sit back

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

### Selected Merchants

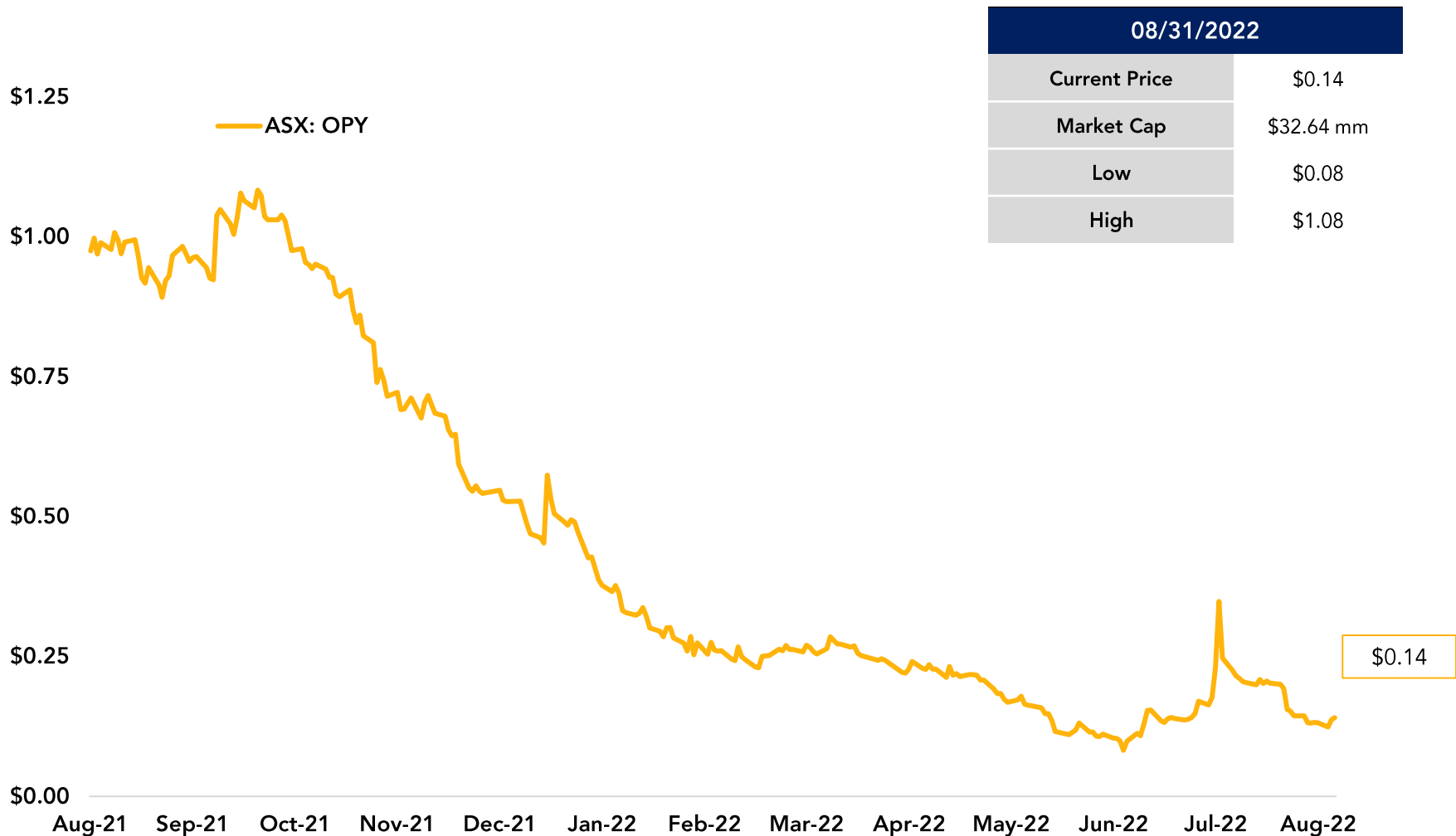






## Openpay's Share Price Performance

OPY 1-Year Share Price Performance



# Klarna: A Buy Now Pay Later Leader

## Selected BNPL Company Profiles - Sezzle

FT PARTNERS RESEARCH

# Klarna®



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

### Products & Services Overview

#### Pay over time

Entire online order split into four interest-free payments scheduled over a six week period

#### No interest, ever

Sezzle charges the retail partner, not the consumer

#### No credit impact

Instant approval decisioning has zero impact on credit score

### Selected Merchants



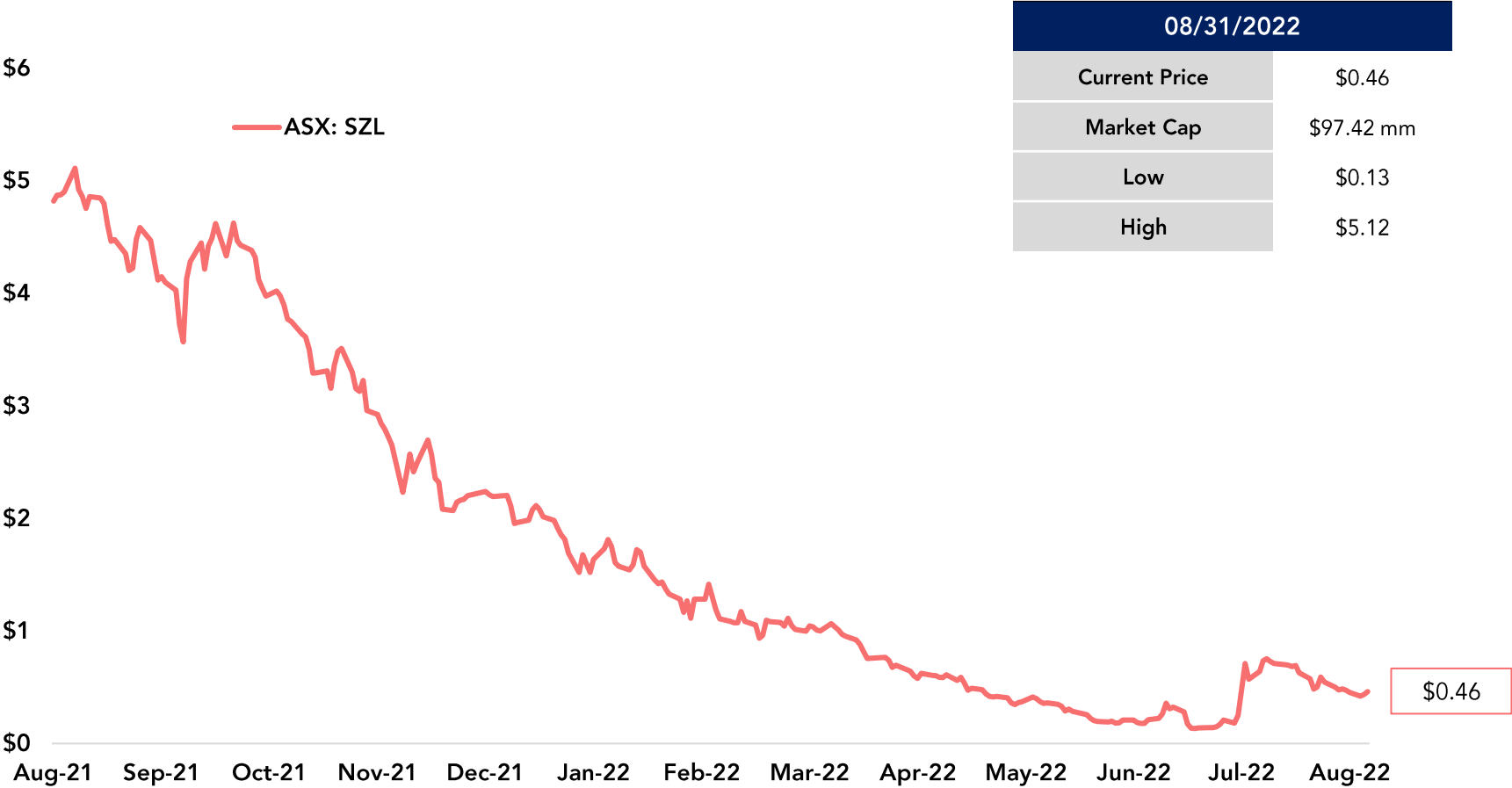
### Selected Partners





## Sezzle's Share Price Performance

SZL 1-Year Share Price Performance



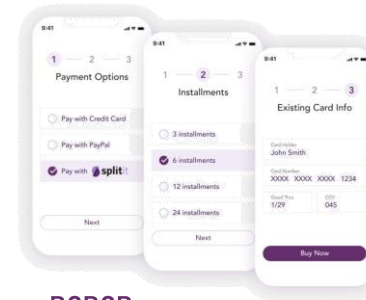
Source: Capital IQ as of 08/31/2022



CEO: Brad Paterson  
Headquarters: New York, New York  
Founded: 2009

- Splitit (ASX: SPT) 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 over **300K total shoppers**
  - Splitit has announced partnerships with Visa, Mastercard, and Stripe

### Products & 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
- Splitit lets shoppers use their existing credit card to pay in monthly installments

#### B2B2B

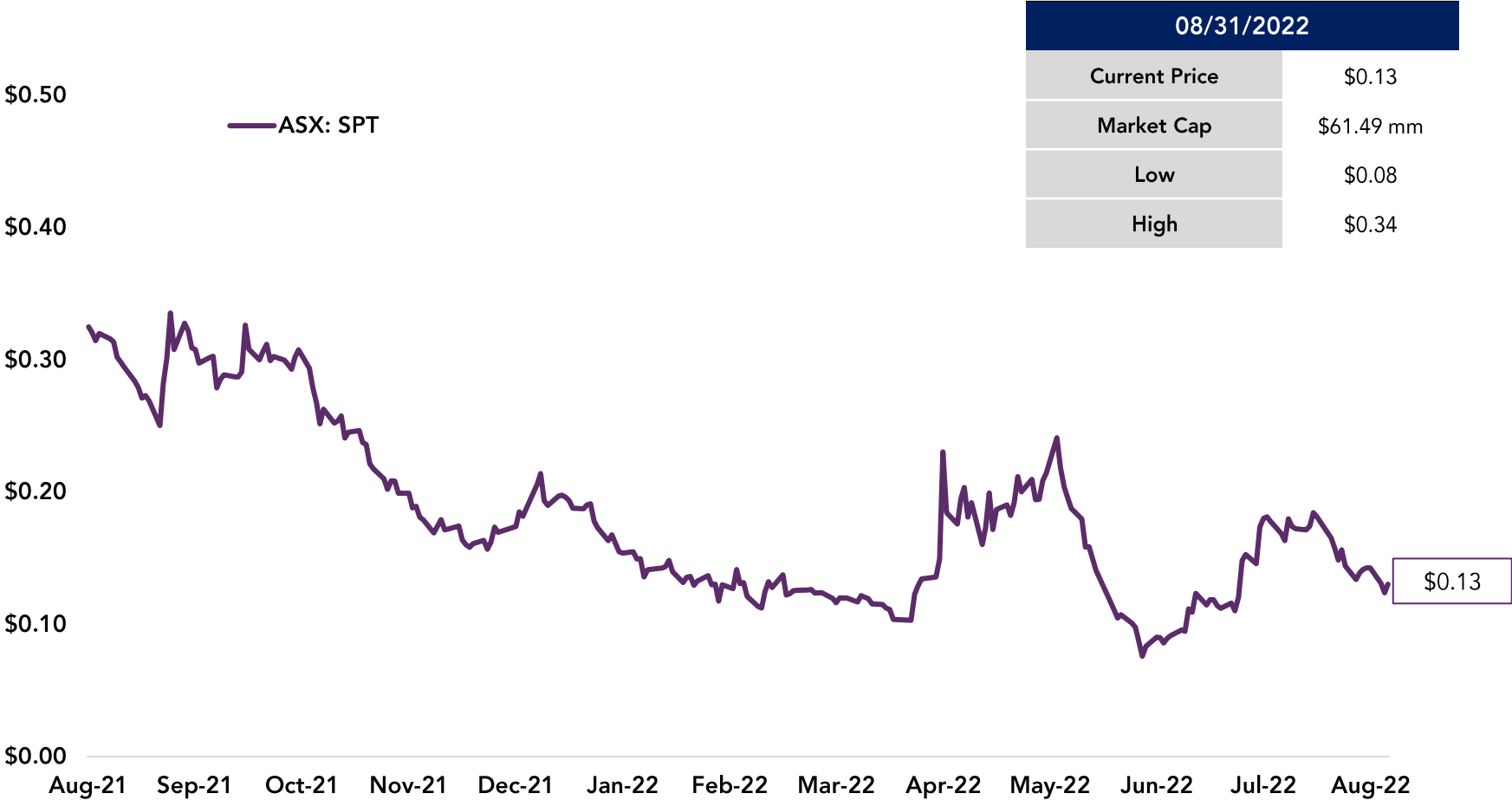
- Splitit also enables B2B buyers to place orders using their existing business credit
- Buyers place an order and choose to pay with Splitit installments, instead of PO, COD or Financing
- Buyer and Supplier agree on payment terms and the full amount is authorized on the card

### Selected Clients



### Splitit's Share Price Performance

SPT 1-Year Share Price Performance



Source: Capital IQ as of 08/31/2022

# Klarna: A Buy Now Pay Later Leader

## Selected BNPL Company Profiles - Zip

FT PARTNERS RESEARCH

# Klarna®



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

- Zip Co (ASX: ZIP) 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 3.5 million customers have chosen to pay with Zip and the service is available at over more than 26,000 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

### Products & 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 easy
- Daily spend reminders
- Saving secrets
- Financial health score

### Selected Merchants



VAN HEUSEN



## Zip Co's Share Price Performance

ZIP 1-Year Share Price Performance



Source: Capital IQ as of 08/31/2022

# Overview of FT Partners



## Selected FT Partners Research – *Click to View*

July 15, 2021

FT PARTNERS  
TRANSACTION ANNOUNCEMENT

FT PARTNERS is Pleased to Announce its Role as Exclusive Strategic and Financial Advisor to

**Revolut**

on its Series E financing led by

SoftBank  
TIGERGLOBAL

for a total amount of  
**\$800,000,000**  
at a valuation of  
**~\$33,000,000,000**

The Only Investment Bank Focused Exclusively on FinTech

San Francisco • New York • London

Revolut's \$800 million Series E Financing

March 30, 2022

FT PARTNERS  
TRANSACTION ANNOUNCEMENT

FT PARTNERS is Pleased to Announce its Role as Exclusive Strategic and Financial Advisor to

**cross river**

on its Series D financing led by

ELDRIDGE andressen horowitz  
with participation from  
T. Rowe Price

The Only Investment Bank Focused Exclusively on FinTech

for total consideration of  
**\$620,000,000**

San Francisco • New York • London

Cross River's \$620 million Series D Financing

December 20, 2021

FT PARTNERS  
TRANSACTION ANNOUNCEMENT

FT PARTNERS is Pleased to Announce its Role as Exclusive Strategic and Financial Advisor to

**Truebill**

on its sale to

**ROCKET**

for total consideration of  
**\$1,275,000,000**

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Truebill's \$1.3 billion Sales to Rocket

November 16, 2021

FT PARTNERS  
TRANSACTION ANNOUNCEMENT

FT PARTNERS is Pleased to Announce its Role as Exclusive Strategic and Financial Advisor to

**upgrade**

on its Series F financing led by

COATUE DST GLOBAL

for a total amount of  
**\$280,000,000**  
at a valuation of  
**\$6,000,000,000**

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Upgrade's \$280 million Series F Financing

FT PARTNERS FINTECH INDUSTRY RESEARCH

June 21, 2022

**CRED**

CRED Raises \$140 million in Series F Financing Led by GIC

**GIC**

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CRED Raises \$140 million in Series F Financing

FT PARTNERS FINTECH INDUSTRY RESEARCH

June 10, 2022

**bud**

Bud Raises \$80 million in Series B Financing

**TDR Capital**

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Bud Raises \$80 million in Series B Financing

FT PARTNERS FINTECH INDUSTRY RESEARCH

May 24, 2022

**unit**

Unit Raises \$100 million in Series C Financing Led by Insight Partners

**INSIGHT PARTNERS**

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Unit Raises \$100 million in Series C Financing

FT PARTNERS FINTECH INDUSTRY RESEARCH

May 10, 2022

**neo**

Neo Financial Raises \$145 million in Series C Financing Led by Valar Ventures

**VALAR**

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Neo Financial Raises \$145 million in Series C Financing













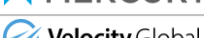









[VIEW MORE FT PARTNERS RESEARCH](#)

# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Significant Experience Advising Large Financing Rounds and “Unicorns”

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
 Xavaidxchange	\$1,616,000,000 *
 GreenSky™	1,560,000,000 *
 stone <sup>co.</sup>	1,545,000,000 *
 Revolut	800,000,000
 mollie	800,000,000
 Bolt	~748,000,000 *
 SpotOn	725,000,000 *
 cross river	620,000,000
 Varo	510,000,000
 MAMBU	483,000,000 *
 upgrade	445,000,000 *
 MERCURY®	420,000,000
 Velocity Global	400,000,000
 Remitly	374,000,000 *
 ppro	370,000,000 *
 cloudwalk	340,000,000 *
 NEXT	333,000,000 *
 neon	300,000,000
 OakNorth	270,000,000
 feedzai	267,500,000 *
 AlphaSense	263,000,000 *
 Liquidnet	250,000,000

### Selected Prominent Investors in FT Partners Led Rounds



\* Total includes multiple financing rounds

# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Proven Track Record of Success Across the BankTech Sector



## FT Partners Advises Happay on its ~\$180 million Sale to CRED

### Overview of Transaction

- On December 1, 2021, CRED announced it has signed a definitive agreement to acquire Happay for ~\$180 million in a cash and stock deal
- The acquisition of Happay will enable CRED to launch its business segment leveraging Happay's expense management and corporate payments expertise
  - Over 6,000 companies use Happay to manage their business expenses across a suite of products including: travel expenses, employee tax benefits, branch petty cash, fleet expense management, and Happay's corporate cards
- This acquisition extends CRED's position as one of India's leading digital financial services providers

### Significance of Transaction

- This transaction enables CRED to expand its offerings to businesses via Happay's established expense management software and corporate card offering already serving over 6,000 companies

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Happay
- This transaction highlights FT Partners' deep Payments and Financial Management Solutions domain expertise, as well as our 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 sale to*



*for total consideration of*

**~\$180,000,000**



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## FT Partners Advises MFS Africa on its \$200 million Equity and Debt Financing

### Overview of Transaction

- On June 14, 2022, MFS Africa, Africa's largest digital payments network, announced that it has secured an additional \$100 million in equity and debt funding led by Admaius Capital Partners, taking the total amount raised in the round to \$200 million; new investors Vitruvian Partners and AXA Alt IM joined the extension, alongside existing investors AfricInvest FIVE and CommerzVentures, who re-invested in the extension
- Providers of debt financing included Stanbic IBTC Bank and Symbiotic; Stanbic IBTC Bank will be partnering with MFS Africa to support the growth of the recently acquired BAXI network of merchants and agents in Nigeria
- Since the first close of its Series C in November 2021, MFS Africa has completed its acquisition of BAXI, which received additional licenses from the Central Bank of Nigeria including PSSP and PTSP licenses; MFS Africa also recently acquired [Global Technology Partners \(GTP\)](#) to accelerate its offering of card connectivity to mobile money users
- Founded in 2010, MFS Africa is now present in 35+ African countries; its offering provides a single platform for remittance into and intra Africa, cross-border and domestic payments using mobile money schemes

### Significance of Transaction

- The new funding will further accelerate MFS Africa's expansion plans across Africa, its integration into the global digital payment ecosystem, its expansion into Asia through its joint venture with LUN Partners to enable cross-border digital payments between Africa and China, and its ambitious growth plans for the BAXI network of merchants and agents in Nigeria and beyond

### FT Partners' Role

- FT Partners served as the exclusive financial and strategic advisor to MFS Africa
- FT Partners previously advised the Company on a large capital raise along with three strategic acquisitions
- This transaction underscores FT Partners' unparalleled domain expertise in the Payments space and successful track record of executing deals in emerging markets

### Financial Technology Partners LP FTP Securities LLC

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

# MFS AFRICA

*on its Series C Extension financing led by*



*with participation from*



*and additional debt financing from*



*for a total amount of*

# \$100,000,000



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## FT Partners Advises Neon on its \$300 million Series D Financing

### Overview of Transaction

- On February 14, 2022, Neon Pagamentos, S.A. (Neon) announced that it has raised US\$300 million (R\$1.6 billion) of new capital from BBVA (NYSE:BBVA) in its Series D financing round
- Neon is Brazil's first neobank dedicated to serving the underbanked Brazilian working class, offering no-fee digital accounts, credit cards, payroll/personal loans, investment services, and microentrepreneur financial services
  - Neon provides its customers with a broad menu of digital banking products, democratizing access to credit for individual workers and supporting Brazil's thriving ecosystem of microentrepreneurs (MEIs)
  - The company's "Democredit" platform, a proprietary underwriting model, leverages over 20 adaptive AI models to instantly offer credit to underbanked Brazilian workers
- Today, Neon handles more than R\$5.8 billion in monthly transactions and serves more than 15 million customers throughout Brazil

### Significance of Transaction

- Neon has a demonstrated track record of rapid growth; the transaction will enable Neon to invest in technology, marketing, new products, and capital to accelerate Neon's goal of being the best partner for the Brazilian worker
- BBVA's is one of the largest financial services institutions in Latin America, and the investment represents a continued commitment to foster top-tier fintech innovation in one of the most promising emerging markets

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Neon
- The transaction highlights FT Partners' industry-leading expertise and successful track record within consumer FinTech and emerging markets

### 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 from*

# BBVA

*for a total investment of*

# \$300,000,000

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## 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

### 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*



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## 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

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## FT Partners Advises Upgrade on its Series E Financing

### Overview of Transaction

- On August 11, 2021, Upgrade announced it raised \$105 million in Series E financing led by Koch Disruptive Technologies (KDT), with participation from existing investors including BRV and Ventura Capital
  - The round values the Company at more than \$3.3 billion, which represents a 3x increase over the prior 2020 round
- Upgrade is a neobank that offers affordable and responsible credit to mainstream consumers through cards and personal loans, along with a rewards checking account that offers 2% cashback rewards to consumers on common everyday expenses and monthly subscriptions
- Upgrade has delivered over \$7 billion in affordable credit to consumers through cards and loans since inception in 2017, and is on track to deliver \$7 billion in 2021 alone
- In July, the Company launched the Upgrade Bitcoin Rewards Card, a credit card that pays rewards in bitcoin rather than cash, allowing consumers to enjoy the potential upside of bitcoin without putting their own money at risk

### 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.

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Upgrade
- FT Partners previously advised Upgrade on its [Series D financing](#) at a \$1 billion valuation in June 2020
- This transaction highlights FT Partners' deep domain expertise with neobanks and Consumer FinTech, 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 E financing led by*



*for a total amount of*

**\$105,000,000**

*at a valuation of*

**\$3,325,000,000**



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## FT Partners Advises BigPay on its \$100 million Series A Financing

### Overview of Transaction

- On August 6, 2021, BigPay announced that it raised up to \$100 million in Series A financing led by SK Group to further its mission to become the leading neobank in Southeast Asia
- Founded in 2017, BigPay is present in both Malaysia and Singapore; Its current offering includes a prepaid debit card which can be used to spend anywhere Visa or Mastercard is accepted, local and international money transfers, micro-insurance, bill payments and a budgeting tool
- BigPay is in the midst of launching fully digital personal loans, transactional lending, wealth and saving products, along with an offering for mSMEs and freelancers
- The announcement comes a few weeks after BigPay announced its application for a digital banking license where it reiterated the commitment to build a connected financial future for Malaysian consumers and entrepreneurs

### Significance of Transaction

- The funding will fuel BigPay's ambition to expand its financial product offerings to provide fair financial services to communities across Southeast Asia
- The transaction represents the largest Series A fundraiser ever for a neobank in Southeast Asia

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to BigPay
- This transaction underscores FT Partners' deep Digital Banking domain expertise and successful track record of generating favorable outcomes for leading companies globally

### Financial Technology Partners LP FTP Securities LLC

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

**bigpay**

*on its Series A financing led by*



*for a total amount up to*

**\$100,000,000**



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## FT Partners’ Recent Awards and Recognition

### Bloomberg

#### Bloomberg

- FT Partners’ Steve McLaughlin was featured on Bloomberg / Bloomberg TV
- View the [full article](#) and watch the live [TV interview](#)



#### M&A Advisor Awards

- Technology Deal of the Year (2019)
- Cross Border Deal of the Year and Corporate / Strategic Deal of the Year (2018)
- Investment Banker of the Year (2017) – Steve McLaughlin, CEO & Managing Partner of FT Partners
- Investment Banking Firm of the Year (2016) – FT Partners



#### LendIt FinTech Industry Awards 2018:

- FT Partners wins Top Investment Bank in FinTech

### Institutional Investor



#### The FinTech Finance 40:

- Steve McLaughlin ranked #1 in 2017 and 2018

### The Information

A screenshot of a list titled "Silicon Valley's Most Popular Dealmakers" from The Information. The list includes names, titles, and firms. Steve McLaughlin is listed as Managing Director at FT Partners.

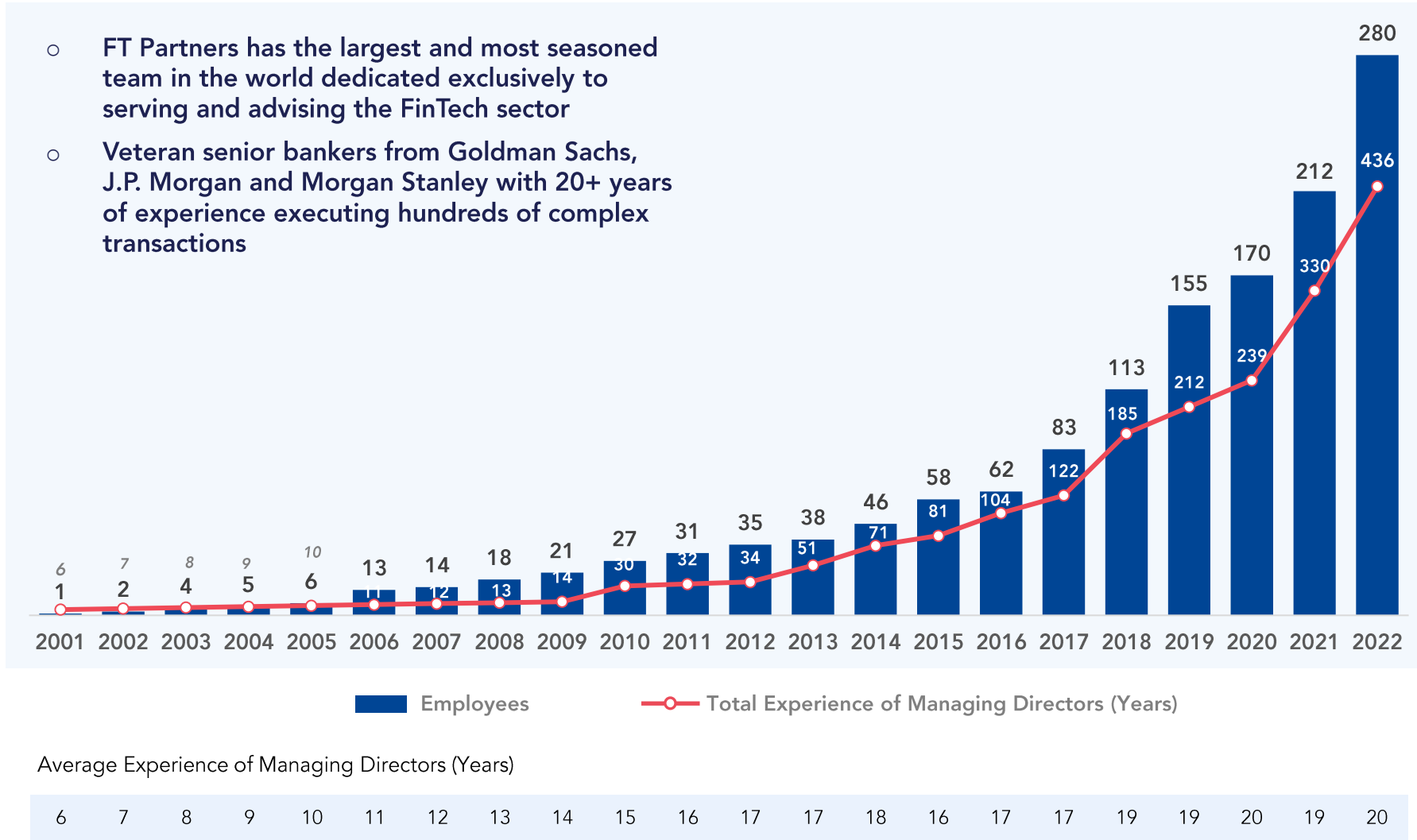
Name	Title	Firm
Steve McLaughlin	Managing Director	FT Partners
Michael Rzepka	Vice President	Goldman Sachs
Paul Rosen	Managing Director	Wells Fargo
Quincy Smith	Partner	Credit Suisse

#### The Information’s “Silicon Valley’s Most Popular Dealmakers”

- Ranked as the #2 top Technology Investment Banker by The Information subscribers (2016)
- Only FinTech focused investment banking firm and banker on the list

## 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



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