

February 18, 2015
Financial Technology Partners LP
FTP Securities LLC
Transaction Profile:



acquires



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Samsung holds 25% of the global market for smartphones, selling nearly 75 million devices in Q4 2014 ⁽¹⁾

Acquisition of LoopPay positions Samsung to offer its own mobile wallet solution, competing with ApplePay and others



Samsung Acquires LoopPay

Transaction Summary & LoopPay Overview

Transaction Overview

- On February 18, 2015, Samsung Electronics announced that it had agreed to acquire LoopPay
 - Details of the transaction were not disclosed
- LoopPay will join Samsung to strengthen the company's overall efforts to provide users with seamless, safe, and reliable mobile wallet solutions
- LoopPay has developed a patented Magnetic Secure Transmission (MST) technology that enables existing magnetic card readers to accept payments from devices embedded with the technology
 - MST technology has the potential to work in approximately 90% of existing point-of-sale terminals
- Samsung had previously invested in LoopPay helping to fund the development of the MST technology; other investors included Synchrony Financial and Visa
- LoopPay's founders, Will Graylin and George Wallner, will join Samsung's mobile division

Selected Quotes in Response to Announcement

WSJ

Christophe Uzureau, a VP of research at Gartner, specializing in mobile payments, said the key question would be whether Samsung has "the muscle and the commitment" to build a full-scale platform and to foster the right relationships with financial-services firms, and not offer a product that is "purely a reaction to Apple Pay."

"Samsung's acquisition of LoopPay signals how serious it is about building and launching a competitive mobile payments system in the United States. It also likely gives Samsung exclusive access to LoopPay's technology, which enables mobile payments to be made at merchants who haven't upgraded their point-of-sale technology to support newer contactless payment methods like NFC — of which there are many."

Bryan Yeager, eMarketer analyst

"In December of last year, Re/Code reported that Samsung was in negotiations with LoopPay regarding development of an Apple Pay competitor. At the time, the arrangement sounded more like a partnership than an acquisition, but Samsung clearly saw the benefit of bringing the Boston-based company entirely in-house to further its interests."

"Samsung is set to launch its 2015 flagship Android smartphone at MWC on March 1, when we expect to see a Samsung Galaxy S6 unveiling. It's possible that tech developed in tandem with LoopPay will make an appearance with new smartphone hardware, though the fruits of this new union also might not be ready for launch just yet."



Source: LoopPay press release, WSJ, Bloomberg, Forbes, Tech Crunch, USA Today.

(1) Forbes



Samsung Acquires LoopPay

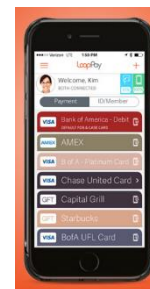
LoopPay Overview

Samsung intends to embed LoopPay's technology into its phones, enabling them to be used for mobile payments at a much wider number of merchants compared to NFC-based solutions such as ApplePay

LoopPay Overview

- CEO:** Will Graylin
Headquarters: Boston, MA
Founded: 2012
- LoopPay's patented Magnetic Secure Transmission (MST) technology turns in-store payment terminals where consumers would normally swipe a credit card into contactless readers
 - Works at approximately 90% of retail locations globally
 - No special equipment needed to accept payments with LoopPay-enabled smartphone or other devices
 - Cards can be securely stored on the phone in the mobile wallet through a dongle device
 - LoopPay supports 10,000+ issuers, thousands of credit and debit cards along with most gift, loyalty, private label, prepaid and campus cards
 - The platform adheres to the highest level of payment card industry security
 - The solution verifies ID of each user during sign up process; security algorithm prevents fraudsters from swiping in other people's cards into their LoopPay device
 - In 2015, the Company is planning to deliver secure tokenization / one time use card data from Visa and other players in the payments ecosystem
 - Technology can be embedded in numerous form factors including charge cases for iPhones, most Android phones, fobs, and watches for less than \$1

Mobile App / Dongle



Core Technology



LoopPay invented a technology that wirelessly transmits the same magnetic signal from a payment card to a merchant's existing mag strip-only or EMV chip card terminals

Selected Form Factors with LoopPay Technology



CardCase / Case



Charge CardCase



LoopPay Card



KeyChain Fob

Overview of FT Partners

Relevant FT Partners' Research: Apple Unveils Apple Pay – (click to view)



September 15, 2014

Financial Technology Partners LP
FTP Securities LLC

Apple Unveils Apple Pay
*Comprehensive Overview
and Implications*



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- FT Partners provides insight into the technology behind Apple Pay, how it works and how the Payments Industry reacted to the news
- Includes proprietary interviews with CEOs of LevelUp, judoPay and Marqeta
- Also include profiles on mobile payments companies along with a timeline of recent selected events in the online / mobile payments landscape

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Advent International **BainCapital**

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M&A Advisor
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- 2014 ■ **Equity Financing Deal of the Year**
■ Professional Services Deal of the Year, Above \$100mm
- 2012 ■ **Dealmaker of the Year**
■ Professional Services Deal of the Year, Above \$100 mm
- 2011 ■ **Boutique Investment Bank of the Year**
■ Deal of the Decade
■ *10 Deal of the Year Nominations Across 9 Categories*
- 2010 ■ **Upper Middle Market Deal of the Year, Above \$500 mm**
■ IT Services Deal of the Year, Below \$500mm
■ Cross-Border Deal of the Year, Below \$500mm
- 2007 ■ **Dealmaker of the Year – Steve McLaughlin**
■ Business to Business Services Deal of the Year
■ Computer and Information Technology Deal of the Year, Above \$100mm
■ Financial Services Deal of the Year, Above \$100mm



- 2006-2008 ■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology



Middle Market
Financing Awards

- 2008 ■ **Equity Financing Dealmaker of the Year – Steve McLaughlin**
■ **Information Technology Deal of the Year**
■ **Financial Services Deal of the Year**
- 2006 ■ **Financing Professional of the Year – Steve McLaughlin**
■ *Financing Deal of the Year - Equity*
■ *Financing Deal of the Year - Debt*