

FT PARTNERS FINTECH INDUSTRY RESEARCH

March 29, 2018

PAYMENTS CEO INTERVIEW:



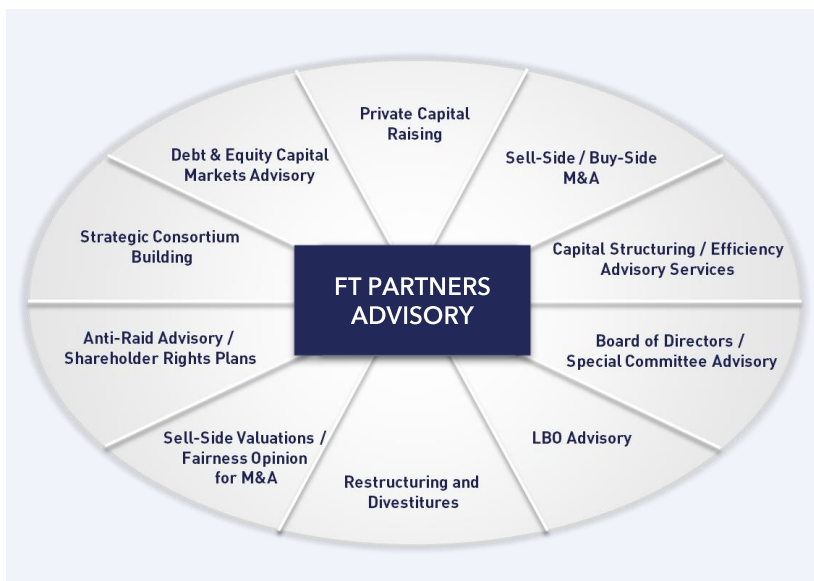
with CEO Prabhu Ram

**Omnichannel Payment Processing
Across India and the Asian Region**

Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 15 years of exclusive focus on Financial Technology

FT Partners' Advisory Capabilities



FT Partners' FinTech Industry Research



In-Depth Industry Research Reports

Proprietary FinTech Infographics

Monthly FinTech Market Analysis

FinTech M&A / Financing Transaction Profiles



The Information

Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by *The Information*



Ranked #1 Most Influential Person in all of FinTech in *Institutional Investors* "FinTech Finance 40"



THE M&A ADVISOR
Numerous Awards for Transaction Excellence including "Deal of the Decade"

Steve McLaughlin: Founder & CEO

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Payswiff Overview

Company Overview



MD & Group CEO: Prabhu Ram
Headquarters: Hyderabad, India
Founded: 2013

- Payswiff is an omnichannel payment solution provider
- The Company has six offices in India and six throughout the rest of world, with its international operations HQ in Singapore
- Payswiff offers solutions to merchants, ISOs and banks
 - Mobile POS, Feature POS (3G & WiFi), Smart POS (Android) with app-based dashboard for sales management and reporting, contactless and other new age modes of payment
 - App-based payment gateway for offline e-merchants
 - E-commerce payment solutions
- The Company processes over 10 million transactions per month through its 175,000 devices deployed globally
 - Payswiff is present in over 12 countries with a global market presence covering CIS, Africa, South East Asia, the U.S. and the Middle East
- Payswiff is partnered with Axis Bank, RBL Bank and HDFC Bank along with 38 other banks for its transaction processing in India.
 - Global partnerships include Mashreq Bank, GCB Bank, Bay Bank, Qazkom Bank, Prior Bank, ING, Unicredit Bank, Eurasian Bank and Telcos such as Indosat

Products and Services

Omnichannel Processing



- Credit and debit cards (POS & Payment gateway)
- Net banking
- Wallets
- Multi-bank EMI
- Reward & loyalty points
- UPI, EMI processing
- QR payments

Allied Services



- Prepaid recharges
- Bill payment, ticketing
- Money transfer
- Insurance collections
- Mini ATM

Value Added Services



- Invoicing software
- Customer data acquisition
- Customer engagement tools
- Analytics, risk mitigation
- Reports
- GST Tax Filing
- Inventory & Billing
- Accounting

Industry Partners



Payswift Company Profile (cont.)

Omnichannel transaction processing and cost-effective payment solutions for small, medium and large enterprises



Payswift ONE mPOS Card Reader

- Easily accept card payments
- Automatic settlements
- Settlements directly to existing bank accounts



Android POS

- Compact design with an integrated Android device which accepts payments



Payswift Feature POS

- Accept contact and contactless cards
- Accept e-wallet payments
- Wireless connectivity
- Offer cash withdrawal



White Label MPOS and POS

- Merchant acquiring solutions for acquirers, banks, independent service providers and payment service providers



Payment Gateway

- Accept online payments
- Independent platform with simply integration
- Offer monthly installments



Accounting Software

- GST ready software for SMBs, large enterprises and tax consultants
- Easy integration and comprehensive dashboard

Interview with Prabhu Ram



Prabhu Ram

Managing Director &
Group CEO

Bio: Prabhu Ram is a serial entrepreneur, evangelist & a mentor to start-ups with 15+ years of industry experience. Before Payswiff, he was Co-founder & CEO for EBS, one of India's largest online payment processing platforms, which was later acquired by Ingenico. He is well connected and well versed in payment industry bylaws and stakeholders.

1. Please tell us about Payswiff's business and history. What is your long-term vision for the Company?

Our story started before Payswiff, in 2004, when we all came together at EBS. Our learnings, connections with bankers and understanding of the market, all happened during this time when my other co-founders and I worked together there. It was gratifying to be acquired by Ogone in 2011 and then again in 2013 when Ogone was acquired by Ingenico.

We learned early on that the growth will not come from the evolved, large city centers. The untapped opportunity lay hidden in the long tail of urban fringes and smaller towns, which are under-banked and unbanked. Demonetization changed the dynamics of the entire FinTech sector. Our platform readiness, scalability of our infrastructure and feet-on-street approach, ensured that we capitalized on the opportunity. Having developed our proprietary omnichannel payment processing platform, we wanted to leverage our connections with large banks.

But, all the while, we were keen to create differentiation for our core payments business and to provide an integrated solution to cater to the growing expectations of our customers. Applying for the license of the GSP and acquiring a go-to-market product, ensured we had created a unique differentiator compared to our competitors. To scale the business, we wanted to explore the SAARC and the South East Asia region, which were bound to follow the same path as India, but allowed us to earn better margins.

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Interview with Prabhu Ram (cont.)



Exclusive CEO Interview – Prabhu Ram

1. Please tell us about Payswiff's business and history. What is your long-term vision for the Company?

Continued:

While exploring partnerships in South East Asia, we came across GoSwift. Our evaluation suggested that to create what GoSwift had done would take 18-24 months, along with investments. So, our advisors helped negotiate a price and we acquired the company.

With GoSwift, we not only acquired key banking relationships and a white label model, but gained instant access to 12 markets. We needed to cut down the high cost structure, leverage our Indian platform and increase margins from our international clients, which were progressing on schedule.

Our vision is to be the No.1 player in the Asian sub-continent, offering payment centric merchant solutions that cover all the touch-points in enhancing merchant value.

2. What have you learned from building up your previous payments business EBS and successfully exiting it to Ogone / Ingenico?

We understood quite early on that we need to build a scalable business model, without losing money, in a limited time. This learning has been internalized in everyone at Payswiff, making us perhaps one of the most capital efficient startups in the payments industry. This "business for profit" ethos has percolated across the organization, where each one of the 450+ team members understand their individual contribution is an important ingredient to grow the business.

Our experience in building EBS helped us in building scalable solutions that are secure and simple for transaction processing. We gained valuable insights on how we should acquire merchants across geographies in India. Our learnings helped us to build robust systems for merchant compliance, risk mitigation and platform compliance.

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Interview with Prabhu Ram (cont.)



Exclusive CEO Interview – Prabhu Ram

3. What have you learned from building up your previous payments business EBS and successfully exiting it to Ogone / Ingenico?

Continued:

The experience of having built a business helped us with Payswiff to build teams which are scalable, and complement to each others' skills. Most importantly we realized that learning should be a continuous process if we want to grow as an organization.

4. How are you leveraging technology to deliver your services?

Being in the digital payments industry, technology allows us scale at a rapid pace without compromising on the simplicity and security of payment processing while ensuring the entire process is seamless for the merchant.

Technology enables us to be agile and be adaptable in our industry, which is evolving everyday in terms of the form factors, payment methods and the innovative solutions around it. Our core focus is to continuously improve our ability to give the best products & services to merchants, which can happen only if we leverage technology.

5. What impact does Demonetization have on Payswiff's target market and your business?

The biggest benefit of Demonetization was that it created huge awareness across the country about digital modes of payment. Indians were compelled to break the habit of cash and get introduced to the convenience and benefits of cashless payments. Across India, digital payments are becoming a way of life for each citizen.

For Payswiff, many of our inactive/non-transacting merchants were activated. New markets segments (low transaction value merchants), customer categories (single mom & pop stores) and new geographies (in tier 3 & 4 cities) opened up, which has had a major positive impact on our business and growth trajectory.

Interview with Prabhu Ram (cont.)



Exclusive CEO Interview – Prabhu Ram

6. You recently acquired GoSwift and rebranded as Payswiff; does this mean you have ambitions beyond India?

The acquisition of Singapore-based GoSwift was a strategic move by us to future-forward our growth and immediately become present in 12 countries. The acquisition is in line with our vision to become the No.1 player in the payments industry on the Asia sub-continent.

All the markets that we now have a foot-print in, are in a high growth phase. There is a digital revolution of sorts underway in these markets, which is aided by the continuous push from regulatory authorities, which are introducing multiple policies and incentives for people to adopt digital forms of payment. With our operational relationships, we are uniquely poised to benefit from such enabling factors.

The GoSwift brand has a vibrant salience amongst their customers and it was important that we co-opted the brand synergies into our overall global brand image. The new brand identity "Payswiff" captures the strengths and synergies of both Paynear and GoSwift

7. How would you describe the current FinTech environment in India? Where do you see the market heading in the future?

The regulatory regime in India is using technology as a backbone for ensuring compliance and transparency, and to reduce revenue leakage. Banks and FinTech companies are collaborating with each other to offer better solutions.

Today the Indian Fintech industry growth is being driven by -

- Internet penetration, smartphone adoption and growth of E-commerce
- GDP growth
- Banked population (financial inclusion)
- Purchasing power

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Interview with Prabhu Ram (cont.)



Exclusive CEO Interview – Prabhu Ram

7. How would you describe the current FinTech environment in India? Where do you see the market heading in the future?

Continued:

Digital transactions in the country reached a record high of 1.11 billion in January 2018, with the total transaction value surging to \$2 trillion (INR 131.95 trillion) in the same period. This includes payments made by credit and debit cards, UPI, prepaid payment instruments (PPIs), internet banking and unstructured supplementary service data (USSD).

The adoption of prepaid payment instruments (PPIs), like digital wallets, has also been rapidly growing as more and more customers are coming under the umbrella of digital inclusion. In January of this year, PPIs recorded a total digital wallet transaction volume of 113.6 million, worth over \$604.8 million (INR 38.8 billion).

Thanks to the government's push to promote digital and card-based payments, January 2018 saw the second highest monthly debit and credit usage at POS terminals since the rollout of Demonetization in November 2016.

Exciting times are ahead for FinTech and Payments in India, with introduction of simpler and faster payment modes:

QR code – Rapid growth of mobile penetration will enable adoption of this simple and cost-effective mode of payment. As it is asset-light, the merchant discount rate (MDR) and interchange fee for QR is lower than traditional POS channel.

Aadhar Pay – India's ambitious National ID program, "Aadhar", was designed with a vision to extend banking and financial services to the unbanked pockets of the country. The system will also enable biometric authentication of digital transactions. The Aadhaar Pay App is specially designed for merchants, which enables digital transactions through the Aadhaar identity system via a simple smartphone app.

UPI – Unified Payment Interface through the BHIM app will enable merchants to accept payments through both dynamic and static QRs.

Selected FT Partners' Research – *Click to View*



Global Money Transfer



Transaction Security



Klarna: An Online Payments and POS Lending Leader



Adyen's Rise to One of the Most Valuable Payments Companies



Heartland's Sale to Global Payments



CardConnect's \$750 million to First Data



Cayan's \$1.05 billion Sale to TSYS



YapStone's \$71 million Series C Financing



Remitly's \$115 million Financing Led By PayU



M I Acquisitions Acquires Priority Holdings for \$1 billion



FinTech Acquisition Corp II Acquires Intermex for an EV of \$365 million



ING's Acquisition of Payvision for Approximately \$447 million

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***FT Partners has a history of
executing on some of the
most ground-breaking
Payments transactions in the
last decade+***



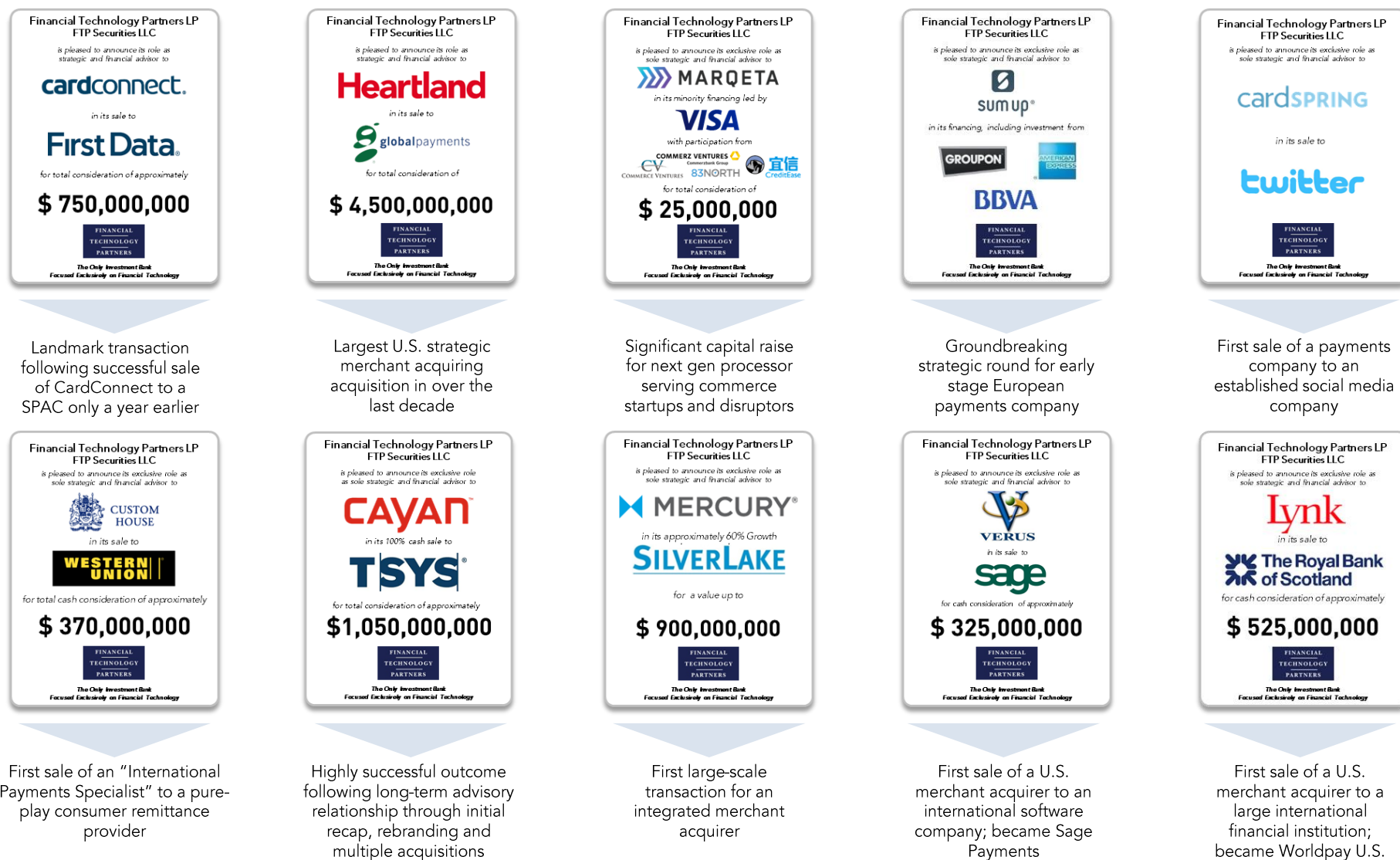
FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Strong Domain Expertise in Payments Investment Banking



Ground-Breaking Payments Transactions Pioneered by FT Partners



Award-Winning Investment Banking Franchise Focused on Superior Client Results

Institutional Investor
Institutional Investor
Annual Ranking

2017
2015 - 2016
2006 - 2008

- Ranked #1 Most Influential Executive on Institutional Investor's FinTech 40 List
- Steve McLaughlin Ranked Top 5 on Institutional Investor's FinTech 35 List
- Consecutively Ranked (2006, 2007 and 2008) among the Top Bankers on Institutional Investor's "Online Finance 40"

I The Information

2016

- Ranked #2 Top Technology Investment Banker on The Information's "Silicon Valley's Most Popular Dealmakers"



M&A Advisor
Awards

2015 - 2017

2010 - 2014

2004 - 2007

- Investment Banker of the Year – 2017
- Investment Banking Firm of the Year – 2016
- Cross Border Deal of the Year - 2016
- Dealmaker of the Year – 2015
- Technology Deal of the Year – 2015
- Equity Financing Deal of the Year - 2014
- Professional Services Deal of the Year, Above \$100 mm – 2014
- Dealmaker of the Year – 2012
- Professional Services Deal of the Year, Above \$100 mm – 2012
- Boutique Investment Bank of the Year – 2011
- Deal of the Decade – 2011
- Upper Middle Market Deal of the Year, Above \$500 mm – 2010
- IT Services Deal of the Year, Below \$500 mm – 2010
- Cross-Border Deal of the Year, Below \$500 mm – 2010
- Dealmaker of the Year – Steve McLaughlin – 2007
- Business to Business Services Deal of the Year - 2007
- Computer and Information Technology Deal of the Year, Above \$100 mm – 2007
- Financial Services Deal of the Year, Above \$100 mm – 2007
- Investment Bank of the Year – 2004



Middle Market
Financing Awards

2006 - 2008

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

The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	23
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker 	22
Osman Khan <i>Managing Director</i>		<ul style="list-style-type: none"> Former Managing Director / Head of FIG M&A at Alvarez & Marsal 15+ years FIG deal, consulting and assurance experience at PwC 40 Under 40 M&A Advisor Award Winner in 2013 LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA) 	21
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Former Global Head of Strategy at First Data Formerly Led J.P. Morgan Payments Investment Banking Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank 	20
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners in 2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	16
Timm Schipporeit <i>Managing Director</i>		<ul style="list-style-type: none"> 11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures 	15
Andrew McLaughlin <i>Managing Director</i>		<ul style="list-style-type: none"> 20+ years experience executing / implementing financial and operational strategy Formerly with Deloitte Consulting 	12