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Payments Infrastructure-as-a-Service

The next generation of payments companies will be built on Finix

Software Companies are Becoming Payments Companies

Payments Layer Cake

Examples		Fees
mastercard VISA DISCOVER AMERICAN EXPRESS	CARD NETWORKS	~15 BPS

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Payments Layer Cake

Examples	MERCHANT	Fees
mastercard VISA DISCOVER AMERICAN EXPRESS	CARD NETWORKS	~15 BPS
	BUYER	

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Payments Layer Cake

Examples	MERCHANT	Fees
mastercard VISA DISCOVER AMERICAN EXPRESS	CARD NETWORKS	~15 BPS
	Issuing	
	BUYER	

Payments Layer Cake

Examples	MERCHANT	Fees
mastercard VISA DISCOVER AMERICAN EXPRESS	CARD NETWORKS	~15 BPS
FIS fiserv.	PROCESSOR	<$0.01-$0.10
	BUYER	

Issuing

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Payments Layer Cake

Examples	MERCHANT	Fees
mastercard VISA DISCOVER AMERICAN EXPRESS	CARD NETWORKS	~15 BPS
FIS fiserv.	PROCESSOR	<$0.01-$0.10
Bank of America citibank	BANK	175 BPS
	BUYER	

Issuing

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Payments Layer Cake

Examples	MERCHANT	Fees
mastercard, VISA, DISCOVER, AMERICAN EXPRESS	CARD NETWORKS	~15 BPS
FIS, fiserv.	PROCESSOR	<$0.01-$0.10
Bank of America, citibank	BANK	175 BPS
	BUYER	

Acquiring

Issuing

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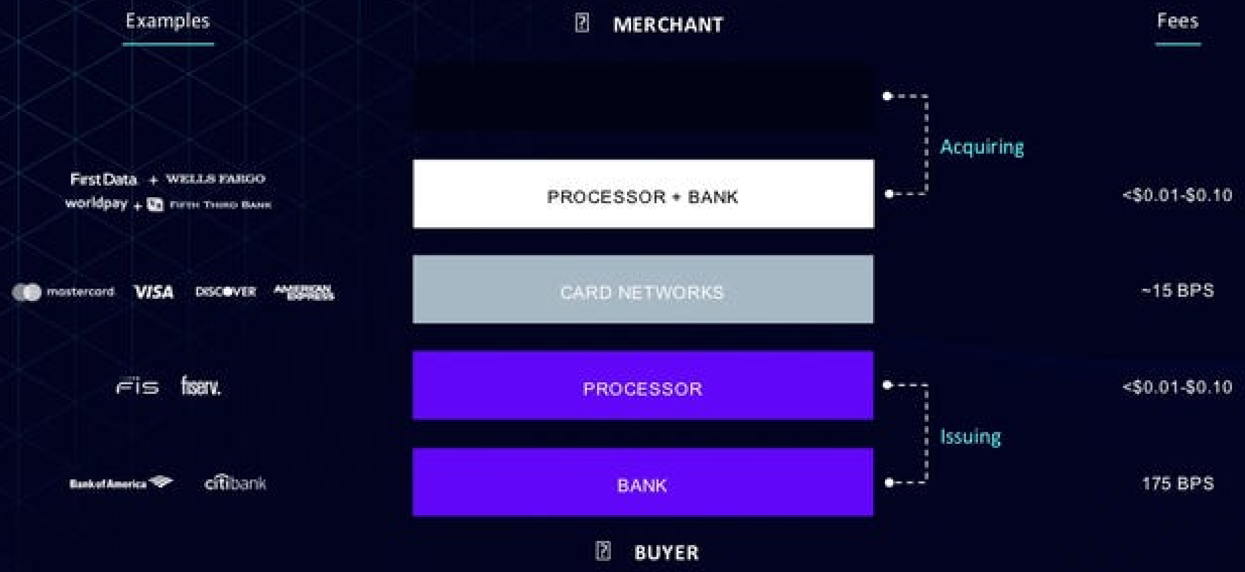
Payments Layer Cake



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Payments Layer Cake

MERCHANT

Examples			Fees
stripe, Square	PAYMENT FACILITATORS	Acquiring	50-100 BPS
First Data + WELLS FARGO; worldpay + FIFTH THIRD BANK	PROCESSOR + BANK		<$0.01-$0.10
mastercard, VISA, DISCOVER, AMERICAN EXPRESS	CARD NETWORKS		~15 BPS
FIS, fiserv.	PROCESSOR	Issuing	<$0.01-$0.10
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BUYER

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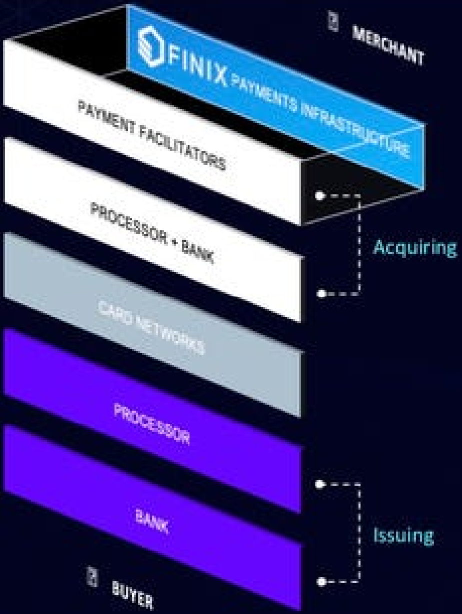
Finix enables companies to cut out the middleman and start monetizing payments



Examples	Fees
lightspeed, CLUBESSENTIAL	50-100 BPS
First Data + WELLS FARGO; worldpay + FIFTH THIRD BANK	<$0.01-$0.10
mastercard, VISA, DISCOVER, AMERICAN EXPRESS	~15 BPS
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Companies are forced to invest heavily in stitching together piecemeal vendor solutions and developing in-house tools, which is expensive

$3-5M

Upfront Investment

2-3 Years

Time-to-Market

> $2M / yr.

Ongoing Maintenance

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Payments are the Product. Payments are Profit.

Strategic Drivers

+$3M	Additional revenue per $100M processed
3-4x	Increase in TAM compared to SaaS-only market [1]
UX	Competitive advantage via single seamless payment solution

Example SaaS Companies

lightspeed

Kabbage

Passport Parking

CLUBESSENTIAL

1. JP Morgan report: J.P. Morgan North America Equity Research, Payments Market Share Handbook Tenth Edition

Distribution of payments via software is experiencing explosive growth

-- 4x the rate of traditional providers

North American Payment Revenue [1]

30% CAGR [2]

$154B in revenue by 2027

1. "Global Payments: The Interactive Edition." Https://Www.bcg.com, 11 Jan. 2019, Note: Excludes revenue from account balances, credit card spread, membership fees, and credit card penalties
2. Cowen Research, PayFac = Covfefe : Think Different , Embrace Software

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Payments are moving from banks to software

Evolution of Payment Distribution

BANKS	ISO	DIRECT	INTEGRATED	SOFTWARE
Chase	iPayment	First Data	Vantiv Integrated Payments	Square
Bank of America	North American Bancard	Hearthland Payments (GPN)	OpenEdge (GPN)	Braintree / Stripe
Wells Fargo	First American Payments Sys	Worldpay	Cayan (TSS)	Lightspeed
			Clover (FDC)	AdvancedMD (GPN)

1. JP Morgan report: J.P. Morgan North America Equity Research, Payments Market Share Handbook Tenth Edition (edited)

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Why?

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Responsibilities in the payments stack are shifting from payments processors to software providers

Then / Now

Responsibilities

TRADITIONAL PAYMENT PROCESSORS

- Agreement with Card Network
- Integration to Card Network
- Capital Reserves
- Clearing & Settling
- Compliance
- Account Setup
- Merchant Underwriting
- Tokenization & Vaulting
- Risk Management
- Reporting & Reconciliation
- Dispute/Exception Mgmt.
- Settlement / Payouts
- Reporting Dashboards
- Customer Support Tools
- Merchant Sales

SOFTWARE PROVIDERS

- Payment Forms
- Processor Integrations
- Compliance
- Account Setup
- Merchant Underwriting
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Then / Now

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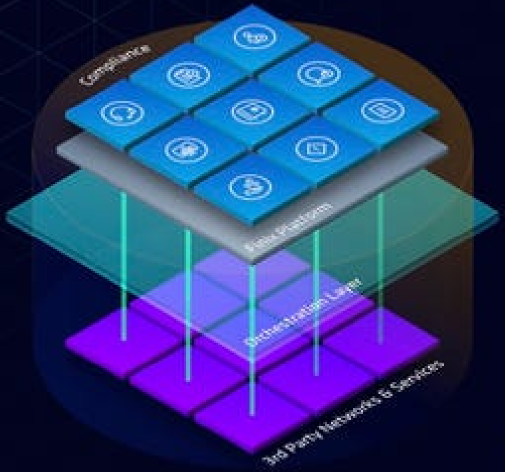
Finix's payments platform reduces cost, increases flexibility, and accelerates time to market

Finix Payments Platform



FINIX MODULES

- Payment Forms
- Processor Integrations
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Finix allows companies to bring payments in-house even sooner

- **$50M+** in Annual GMV *(and Finix is lowering the threshold even further with Flex)*
- **100+** Merchants, Vendors, etc.
- Any company with a payment residual stream
- In one of the following categories:

Examples

Ecommerce	Billing	Fundraising	Booking	Travel/Ticketing	On-demand	Marketplace
• Shopify	• Freshbooks	• Kindrid	• Boulevard	• Cvent	• Uber	• Letgo
• Squarespace	• Chargebee	• GoFundMe	• RITUAL	• Airbnb	• DoorDash	• Vinted

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