

# **MoneyGram and Ant Financial: Combining to Promote Global Financial Inclusion**

**Amendment to Merger Agreement Represents Compelling,  
Superior Transaction for MoneyGram**

April 16, 2017

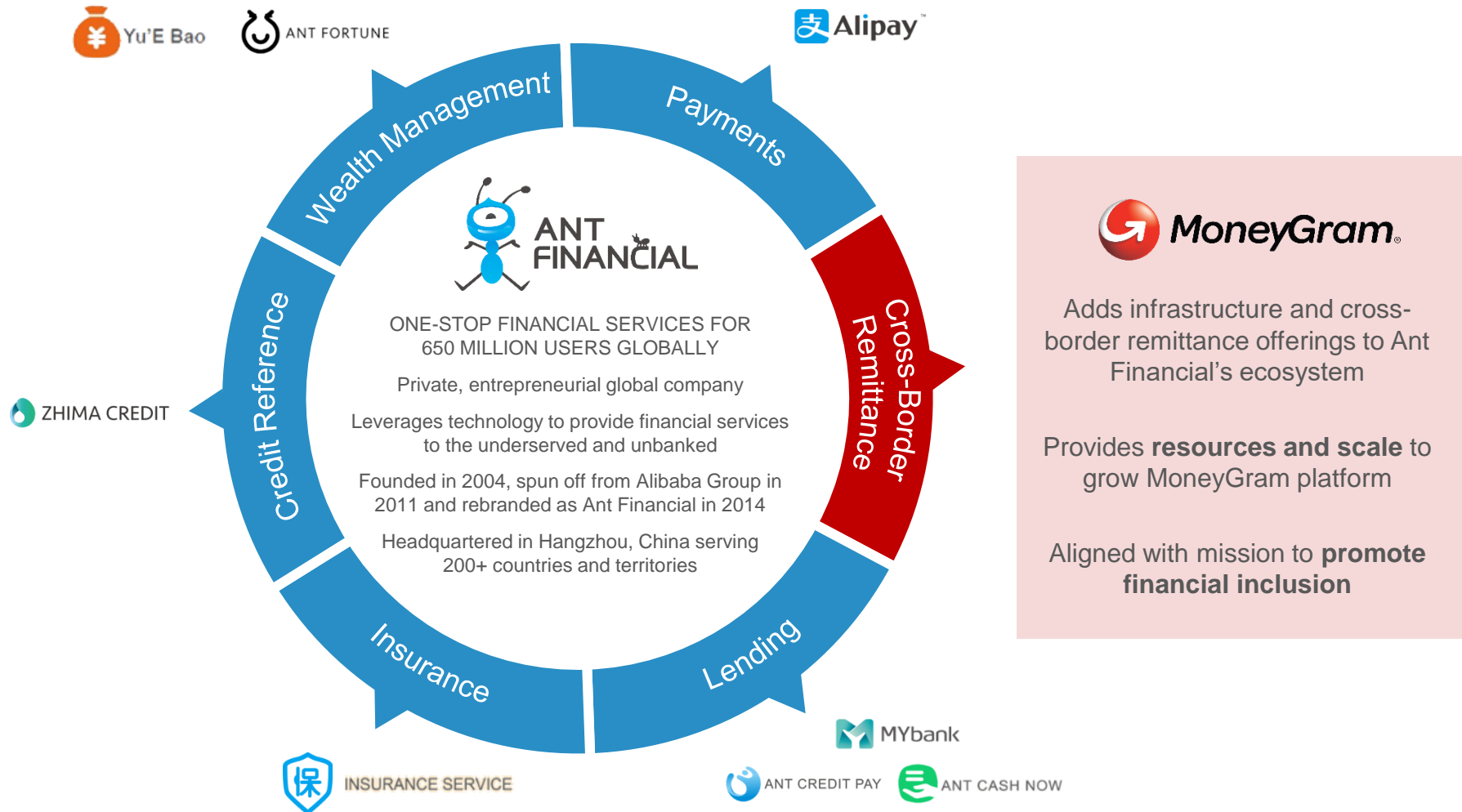


# Amendment to Merger Agreement with Compelling, Superior Terms



<p><b>\$18.00/share</b> (+18.4% Premium to Euronet Proposal)</p>	<p>VALUE</p>	<p><b>\$15.20/share</b></p>
<p>Second Half of 2017</p>	<p>TIMING</p>	<p><b>First Half of 2018</b></p>
<p>Shareholder Meeting Scheduled for May 2017; Regulatory Approvals Well Underway</p>	<p>CLOSING PROGRESS</p>	<p><b>No Progress and No Agreed Upon Transaction</b></p>
<p>Highly Complementary – Grow a Larger Remittance Platform Driven by Digital Technology</p>	<p>RATIONALE</p>	<p><b>Combines Overlapping Money Transfer Businesses</b></p>
<p>Commitment to Significant Follow on Investment and Job Creation</p>	<p>SYNERGIES</p>	<p><b>\$60 Million Cost Cuts = Elimination of Jobs and Facilities</b></p>
<p>Retain Current Management and HQ in Texas</p>	<p>MANAGEMENT TEAM</p>	<p><b>Redundant with Current Management and HQ</b></p>
<p>Commitment of Substantial Capital and Digital Technology Know-How</p>	<p>INVEST IN SYSTEMS + AML / COMPLIANCE</p>	<p><b>Limited Capability Given Large Debt Load for Transaction</b></p>

# How MoneyGram Fits into Ant Financial's Ecosystem



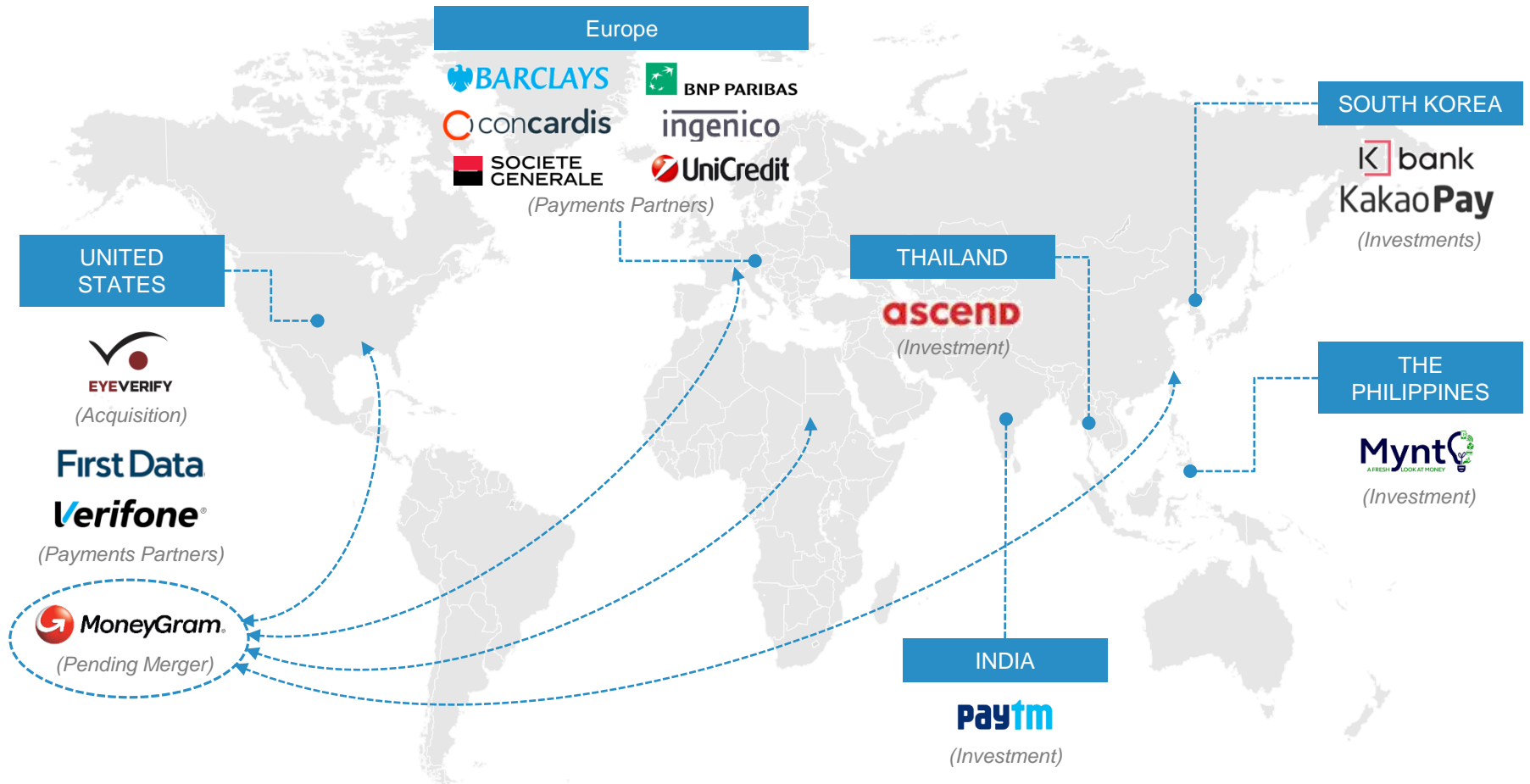
Bring Equal Access to Inclusive Financial Services Around the World

# Ant Financial – Building a World-Class Global Financial Ecosystem

>650mn  
active users

>100k  
overseas merchants & stores

18  
currencies supported



# Superior Value for MoneyGram Shareholders



\$18.00



+18.4%

\$15.20

Ant Financial Transaction  
Value Per Share

Euronet Hostile Proposal  
Value Per Share

# Greater Certainty of Closing

## REGULATORY REQUIREMENTS



- ✓ U.S. antitrust clearance obtained
- ✓ Not subject to any antitrust approvals outside the U.S.
- ✓ Several state license change of controls approvals already received
- ✓ All other states substantially underway
- ✓ Actively engaged with CFIUS
- ✓ Success with CFIUS review in prior Ant Financial transaction



- × Antitrust concerns – consolidating 2 of top 3 global competitors in multiple markets
- × Significant business overlap in countries with robust competition laws
- × U.S. antitrust investigation opened
- × EU regulators known for their tough antitrust enforcement stance
- × Risk of lengthy antitrust review
- × Despite antitrust concerns, Euronet was only willing to offer limited commitments to obtain regulatory approvals
- × Pro forma leverage ratio will make it difficult to receive state change of control

# Stronger Capital Structure

## CAPITAL STRUCTURE



- ✓ One of the world's leading digital payments companies with substantial financial resources
- ✓ Financing provided by a broad group of leading U.S. banks



- ✗ At \$15.20 per share, acquisition debt would have significantly strained balance sheet
- ✗ Limited free cash flow in the U.S. to service debt as foreign earnings are not repatriated
- ✗ Pro forma company would have been unable to invest significantly in MoneyGram business and compliance

# Better for the U.S. Economy

## STAKEHOLDER CONSIDERATIONS



- ✓ Committed to investing in and growing MoneyGram's U.S.-based operations and creating jobs in America
- ✓ Dallas HQ, retain management, employees and facilities
- ✓ Unwavering commitment to completing a transaction



- ✗ Massive cost synergies – likely requires job cuts and agent location and facility eliminations
- ✗ With just 150 employees at its HQ in the U.S., Euronet's primary operations are in Eastern Europe, not in the U.S.
- ✗ Limited investments and tax payments in the U.S. as foreign earnings are not repatriated



# Genuine Commitment to Transaction

## DEMONSTRATED INTEREST



- ✓ Improved terms with fully committed financing from global banks
- ✓ Full resources of Ant Financial focused on closing
- ✓ Unwavering commitment to completing a transaction



- ✗ Several opportunities to buy MoneyGram over the last decade
- ✗ Withdrew interest in doing deal at \$11 - \$12 per share in Dec. 2016 due to valuation and financing concerns

# Commitment to Protecting Consumer Data

## CUSTOMER DATA SAFEGUARDS AND COMPLIANCE



- ✓ MoneyGram will continue to operate business independently
- ✓ MoneyGram's U.S. consumer data will continue to be stored on U.S.-based servers and managed by MoneyGram employees
- ✓ Committed to data privacy
- ✓ Actively work with law enforcement in the U.S. and abroad to fight illicit financing; all cooperation will continue



- ✗ Debt burden would have hindered Euronet's ability to invest in MoneyGram's systems, compliance, and AML infrastructure
- ✗ Euronet and its agents have recently been imposed fines for compliance violations
- ✗ In 2011, Euronet failed to properly encrypt customers' data, resulting in breach of more than 2 million credit card accounts
- ✗ The majority of Euronet's data centers are located outside the U.S. where data protection standards are weaker

# The Real Facts About Euronet

## Eastern Europe

origin in Hungary with core operations still in the region

## 11 out of 13

data/processing centers outside the U.S.

## <20%

earnings and assets in the U.S.

## 150 out of >5,000

employees are at the U.S. headquarters

## Zero

U.S. tax paid in 2016

## 4%

of all taxes paid in the last decade were paid in the U.S.

## Penalized

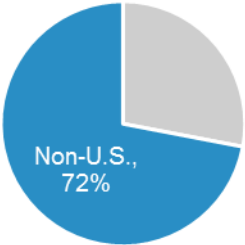
by tax authorities for underpaying taxes

## No Profits

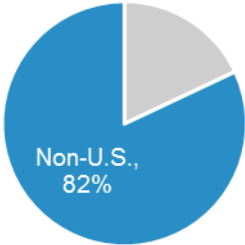
brought to the U.S. where it would have to pay U.S. taxes

## Cost Cuts

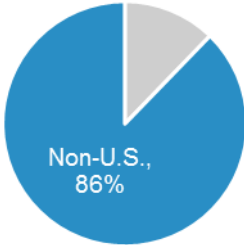
of \$60 million promised, leading to U.S. job cuts and facility closures



Revenue



Pre-Tax Income



Assets

Source: Company filings and press releases, media reports

# Conclusion

*We remain fully committed to completing our merger with MoneyGram as part of our mission to bring inclusive financial services to users around the world. We look forward to working closely with the current MoneyGram team in Dallas, in addition to investing in the business and growing jobs in the United States.*



Eric Jing  
CEO of Ant Financial

# Additional Information for Stockholders and Participants in the Solicitation

## Additional Information for Stockholders

Ant Small and Micro Financial Services Group Co., Ltd. (“Ant Financial Services Group”) and its subsidiaries Alipay (UK) Limited (“Alipay UK”) and Matrix Acquisition Corp. (“Acquisition Corp.”), and their respective directors and officers, are participants in the solicitation of proxies from the stockholders of MoneyGram in connection with the proposed acquisition of MoneyGram by Alipay UK.

In connection with such proposed acquisition, MoneyGram has filed a definitive proxy statement and other materials with the Securities and Exchange Commission (the “SEC”). In addition, MoneyGram, Ant Financial Services Group, Alipay UK and Acquisition Corp. may also file other relevant documents with the SEC regarding the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT(S) AND OTHER DOCUMENTS THAT HAVE BEEN OR MAY BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders may obtain a free copy of the proxy statement(s) and other documents filed with the SEC by (i) MoneyGram, at MoneyGram’s website, [corporate.moneygram.com](http://corporate.moneygram.com), or at the SEC’s website, [www.sec.gov](http://www.sec.gov) and (ii) Ant Financial Services Group, Alipay UK and Acquisition Corp. in connection with the proposed merger, at the website [antandmoneygram.com](http://antandmoneygram.com), or at the SEC’s website, [www.sec.gov](http://www.sec.gov). The proxy statement(s) and other relevant documents may also be obtained for free from MoneyGram by writing to MoneyGram International, Inc., 2828 North Harwood Street, 15th Floor, Dallas, Texas 75201, Attention: Investor Relations.

MoneyGram and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of MoneyGram in connection with the proposed transaction. Information about the directors and executive officers of MoneyGram is set forth in the Proxy Statement on Schedule 14A for the 2017 annual meeting of stockholders for MoneyGram, which was filed with the SEC on April 27, 2017. This document can be obtained free of charge from the sources indicated above. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is contained in the definitive proxy statement and other relevant materials to be filed with the SEC when they become available.