

So let's kick off with the first company: Lydia. We are quite sure; you will know this company. Are there people from you who have an account, can you raise your hand?

So already x personnes, do know the app wonderful. But actually, not surprising as it appears to be more popular than ever. It's now the second-most downloaded fintech app in France, allowing 5.5m customers to bank, invest and send money to each other. So let's tell you guys the story of Lydia

Lydia can be seen as the reference for payments between relatives

Lydia Solutions is a French fintech specialized in mobile payment, created in 2011, is founded in September 2011 by Cyril Chiche and Antoine Porte and launched in France in July 2013.

It is only 4 years later that the application opens to Europe with deployments in Ireland, Spain, the UK, Portugal and Germany.

In December 2017, the app becomes compatible with Apple Pay and Samsung Pay in 2018. The same month, Lydia launches its instant consumer credit offer.

In 2020, Lydia is awarded the French Tech 120 label, which identifies 120 French startups in strong development, and completes a €40 million fundraising. The Chinese giant Tencent takes a stake in the company.

In 2021, an interest-bearing savings offer is launched. Lydia closes a new round of financing on December 8 for \$103 million, bringing the company to the status of French unicorn.

So for those that don't know Lydia. What is the company about?

It develops and operates the Lydia application that allows its users to send and receive money via their mobile, and to pay in stores and on online shopping sites via Lydia or via bank cards. It does this by acting as a payment service provider.

The company also includes a current account product and a savings service in its commercial offerings.

- The application allows you to pay a contact or send money using a phone number or a QR code
- Raise money for an event with mobile optimized pools
- Request a refund directly or split an expense
- Multiple account
- Shared account with your friends / family
- Connected to your bank

With Lydia, you get a current account with a French IBAN and a Visa card to manage all your daily expenses. Free transactions abroad, savings at 0.6% interest, secure Internet payments, express loans: everything is at your fingertips, directly from your Lydia application.

Contactless payment: Just like a normal credit card, Lydia lets users pay contactless in any store using their smartphone. Users just must approach their mobile from the merchant's

payment device safely, with facial recognition, fingerprint, or a 4-digit Code just like Apple Pay or Google Pay, but with your Lydia virtual card.

Instant transfer to bank account: Lydia initiates your transfer using instant payment technology. And it's completely free.

Using your card abroad: With the Lydia card, you can pay and withdraw money anywhere in the world in any currency, without any fee.

Loans: Lydia allows users to borrow between €100 and €1,500 credited instantly or within 14 days to their Lydia account, or €500 and €3,000 credited within 7 days to a bank account of their choice. Like any other loan, the Instant Loan is a paying service with both variable and fixed costs. Costs are calculated according to both the amount lent and the delivery method users chose.

Lydia internet card: Internet Cards are temporary payment numbers that can be generated from the Lydia app. They can be used to pay online safely: for only one or for several purchases. Lydia Internet Cards can be used on every website and app. You can generate an online Lydia card whenever you want depending on the plan of Lydia you have, to prevent from malicious website. Once an Internet Card has been deleted, its numbers are totally useless: pirates can no longer use them to debit an account.

When should I use a Lydia Internet Card?

Internet Cards can be used when:

- you are not 100% certain about a website's security for your purchase
- don't want to risk being debited twice for the same purchase
- want to better organize their expenses, by creating an Internet Card for every online merchant

Lydia roulette: For every 1,000 payments made with Lydia Visa cards, all users combined, Lydia draws one of them at random and reimburses the payment directly on the winner's Lydia account.

Lydia bank account: Lydia users can open, in minutes, an interest-bearing savings account and then fund and track it directly from the app.

- It's a free account. There are no fees for opening, managing, transactions... or even closing.
- The savings limit for this account is 1 million euros.
- The savings are remunerated at 0.6%.

Lydia cashback: Pay for all your purchases at selected retailers and benefit from a cashback percentage of up to 30% on first orders and 6% on regular orders.

Lydia trading: Thanks to a partnership with Bit Panda, you can directly invest your money in some stocks, gold, platinum, silver or cryptocurrencies. One interesting feature is that you don't need a lot of money to invest. Indeed, the minimum amount you can invest is 1€ even if the stock price is greater than 1€. For example, let's assume you want to buy one stock of LVMH or Apple, but you don't have more than 600€, you can buy shares of stocks. And like all

investors, you get dividends to match your stake when the company pays out. The same goes for cryptos. You don't have to buy a whole bitcoin: you invest the amount of your choice, in the company of your dreams.

Different Lydia plan:

	Lydia	Lydia Blue	Lydia Black
Price (monthly)	0	4.9	7.9
Operation	20	Unlimited	Unlimited
Transaction (€)	1000	5000	50000
Roulette	Max 50€	Max 100€	Max 200€
Internet cards	3	20	20+
Features			Phone support Protection of Internet purchases SMS Concierge Travel insurance, winter sports, and medical assistance abroad

So, now you are informed about the use of Lydia. Let's have a look at their business plan.

Lydia business plan: Lydia became the 22nd French unicorn in December. Lydia has just entered the closed club of French unicorns. The fintech has just raised \$103 million (91 million euros), mostly from its existing investors, including China's Tencent, which values the company at over \$1 billion. Last year, Lydia had already raised two rounds of financing for a total of 112 million euros.

The start-up with 5.5 million users has surpassed the \$1 billion mark in valuation. After having established itself on the French market of payment between individuals, it now wants to become the current account of 10 million Europeans by 2025.

Its original business is payment between individuals. This service, which is free, does not allow the start-up to be profitable. The competitiveness of this offer is what helped the start-up to federate 5.5 million users. An audience that should now be monetized with additional services: microcredit, savings, bank card with current account, trading ...

Rather than developing everything in-house, Lydia relies on the know-how of other players. In microcredit, for example, the fintech has joined forces with Younited Credit. To offer a savings account, the company relies on Cashbee. As for its trading offer, it is operated by the Austrian Bitpanda. Lydia earns a fee for all these services - for example, 1% for trading. The start-up does not exclude any monetization lever, which it adds in concentric circles: telephone insurance, bill management or green energy subscription.

But if Lydia pays the card fees, how does it plan to make money?

Well there are different revenue sources:

- Commissions that Lydia collects from merchants who accept the Lydia app
 - o they bet on retail stores. Professional users can start accepting payments using Lydia. Every time someone wants to pay using Lydia, he or she opens the app, enters the amount and shows the QR code to the merchant. The cashier scans the QR code with a phone. This way, it doesn't rely on the client's cellular network. They choose to make the payment processing so cheap for the merchants so they actually become your marketing team.
- Subscriptions paid by card users
 - o Several sources of income exist but none really stands out. Lydia's boss relies on its two paying offers (4.90 and 7.90 euros per month), which give access to more features, including a current account and a physical bank card
- Revenues related to the use of the card: interbank commissions
- Commissions on peripheral services
- Commissions from trading services

Lydia is not profitable yet. It was a KPI for the company in 2019, but they didn't reach the goal through several difficulties like for example the Brexit. So the goal is postponed to 2023, assuming that it will reach the deadline, it will have taken Lydia 10 years to break even.

Nonetheless, the company has kept costs unusually modest compared to Revolut and Monzo, raising just €257m in total and avoiding marketing. Moreover, the vast majority of its revenues come from subscription fees, rather than interchange, which are generally more sustainable.

The last point we want to highlight is that its new investment platform could also be a big moneymaker, with the average trade size so far standing at €30. Companies make money from these trades by charging a spread or commission. They can also make a margin on international stocks by charging on foreign exchange.

So, that was it for Lydia. Let's now move on to stripe.

Stripe

Stripe is an Irish American financial services and software as a service (SaaS) company. The company primarily provides its services to e-commerce websites and mobile applications.

Irish entrepreneur brothers John and Patrick Collison founded Stripe in 2009. In 2011, company received investment of \$2 million from Elon Musk and other venture capitalists.

Nowadays, Stripe is one of the largest fintech companies with the valuation of \$94,4 billion, revenue of \$7,4 billion a year, around 2 million clients and it operates in over 120 countries.

The mission of the company is to increase the GDP of the internet by providing software solutions to accept payments and manage business online. In addition, it helps companies to

simplify global expansion, optimize their payments infrastructure, and easily add new business models and revenue streams.

For Stripe the size of their client is not a problem. It works with a huge number of SMEs as well as with the world's largest corporations such as Amazon, Spotify, Nasdaq, Microsoft, Uber and so on. I am sure you are quite familiar with them.

Stripe's products can be divided into 3 groups: payments, financial services, and business operations.

In financial services, company manages the issuance of cards. These cards are fully customizable, and Stripe handles their production, fulfilment, and shipment.

In payments group, Stripe facilitates online payments, provides pre-built payment page, gives an opportunity to customize the check-out to be consistent with your website and business. If you don't have a website, you can still create payment links through Stripe. It also helps to subscription-based businesses. And, lastly, it issues terminals for in-person payments.

The last group is Business operations. It has radar service that manages fraud and risk. With Sigma service you can create custom reports based on your payments. The next one is Atlas that is designed for start-ups and simplifies the payment procedure. Also, it provides additional services such as accounting, sales tax and VAT automation, and online identity verification if you are going to provide loans online for example.

Well, Stripe provides its clients with the complete payments platform by giving them a code to add on their websites. This platform supports global payments, it adapts to customer's language and device, and it supports all kinds of relevant payment methods such as Apple Pay, IDEAL, SEPA Direct Debit and so on.

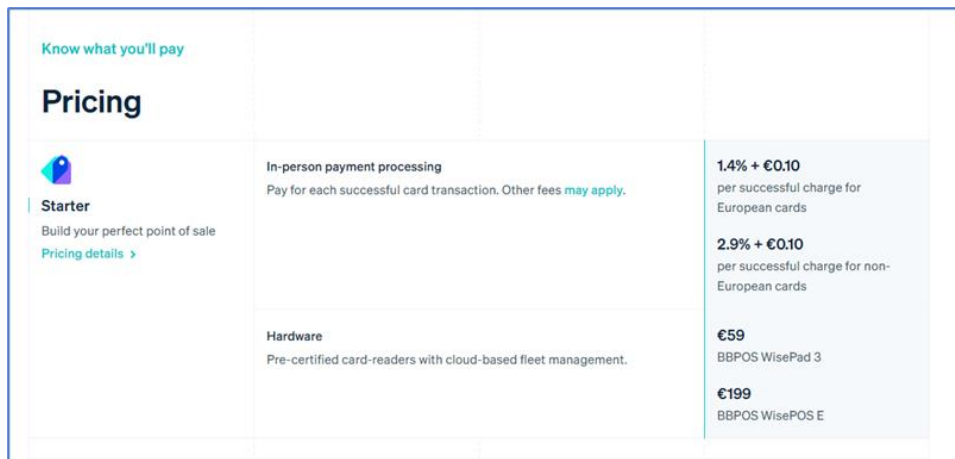
It is also easy to offer financial services with Stripe, because it gives the completed solutions for providing loans, spending cards as well as it enables your clients to hold funds, pay bills, earn interest and manage cash flow through your website.

Stripe Terminal enables you to have your own in-person checkout to accept payment in the physical world. It can help small business to have their own terminal without costing much money and it can work seamlessly with Stripe Payments, Connect, and Billing. Stripe Terminal provide a seamless customer experience across channels, like reserving online and picking up in store. Nevertheless, there is certain need to have knowledge in coding to develop the terminal. It's why, Stripe created EMV-certified Stripe card readers. They provide end-to-end encryption, natively support chip cards and contactless payments—

including Apple Pay and Google Pay—and help protect you against liability for counterfeit fraud. There is two models :

BBPOS WisePad 3

BBPOS WisePOS E which is more performant because firstly it has wifi connectivity instead of BBPOS WisePad 3's Bluetooth connectivity and it has an optional dock for ethernet connectivity.



The screenshot shows the Stripe Pricing page for the 'Starter' plan. It includes a header 'Know what you'll pay' and a 'Pricing' section. The Starter plan is described as 'Build your perfect point of sale' with a link to 'Pricing details'. The pricing table lists two categories: 'In-person payment processing' and 'Hardware'. The payment processing fees are 1.4% + €0.10 for European cards and 2.9% + €0.10 for non-European cards. The hardware prices are €59 for BBPOS WisePad 3 and €199 for BBPOS WisePOS E.


Starter Build your perfect point of sale Pricing details >	In-person payment processing Pay for each successful card transaction. Other fees may apply .	1.4% + €0.10 per successful charge for European cards
		2.9% + €0.10 per successful charge for non-European cards
	Hardware Pre-certified card-readers with cloud-based fleet management.	€59 BBPOS WisePad 3
		€199 BBPOS WisePOS E

Stripe Issuing which allows to create instantly physical and virtual cards. Some firms use this card for their business, we can mention four :

- Postmates, which is an American quick-commerce and food delivery service owned by Uber that offers local delivery of restaurant-prepared meals and other goods. As of February 2019, Postmates operates in 2,940 U.S. cities. Postmates use these cards for their on-demand delivery.
- NexTravel helps businesses saving time and money on travel. They provide easy travel management and discounts on travel products. NexTravel use this card to handle payments for all their clients' travel expenses while restricting spend to hotels, airlines, and car services.
- Emburse is a provider of expense management and accounts payable automation solutions. So they use this card for the expense management
- Clearco offers capital solutions for e-commerce, mobile apps, and SaaS founders as well as access to a powerful global network, insights and data, and recommendations. Clearco uses Stripe Issuing to extend growth capital to startups by generating one-time virtual cards that can be used instantly—and exclusively—on online ad spend.

You can issue cards in seconds. This card allows to control expenses and to prevent fraud by limiting the spending, blocking merchant categories, or creating advanced combinations of rules. Stripe give you full control on the card transactions. You can design your own card and

Stripe will handle card production, fulfillment, and shipping, and your card will be in your hand in two business days.

 STANDARD	
Card creation Create and issue cards instantly and get branded physical cards shipped in just two days.	€3 per physical card
<ul style="list-style-type: none">✓ Branded card designs✓ Issue cards through Connect✓ Multiple shipping options✓ Push provisioning to digital wallets	
Card transactions Set custom controls for every transaction and update them at any time.	Included for the first €500,000 in card transactions ⓘ 0.2% + €0.20 per transaction after that
<ul style="list-style-type: none">✓ Flexible API to manage cards✓ Real-time authorizations✓ Dynamic spend controls✓ Enhanced transaction data	
International payments Additional fees required for international cards and currency conversion.	1% + €0.30 for non-European transactions If currency conversion is required, an additional 2% fee will apply
Disputes Dispute transactions on issued cards.	€15 per lost dispute

Stripe Climate : you can direct a fraction of the company's revenue to help scale emerging carbon removal technologies. Some companies have already joined this project like Substack, Flexport, Panel Inc, and Flipcause. We can talk about some projects that Stripe Climate financed:

- Running Tide removes carbon by growing kelp in the open ocean.
- 44.01 turns CO₂ into rock, harnessing the natural power of mineralization.
- Ebb Carbon mitigates ocean acidification while capturing CO₂.

If you're exploring different payment processing solutions, particularly for accepting payments online, it's likely you've come across Stripe. But this isn't the only solution that you can find to accept online payment, there is some alternative, we can think about:

- PayPal, it's easy to use and if you don't have developer resources like you need to have for Stripe it may be best for you.
- Adyen that is similar to Stripe on some points but Adyen is a merchant account provider, meaning if you sign up and are approved for an Adyen account, you'll receive a merchant account that's dedicated to your business. Adyen is a very good alternative for larger businesses.
- Square is a point of sale provider with free point of sale software and a variety of hardware options. However, Square has a vast product suite that extends beyond

point of sale and into ecommerce, online payments, invoicing, and more. Square seems to be easier to use than Stripe because of the developing resources.