

# Flagright: one-stop solution for transaction monitoring

Deutsche Bank Investment Committee 21/10/2022

**Problem: fraud prevention market is underserved for financial technology companies**

Large fintechs invest time, money, and people in developing financial crime solutions in-house

9 in 10 companies expect evolving business, regulatory and customer demands to increase their compliance costs by up to 30% over the next 2 years

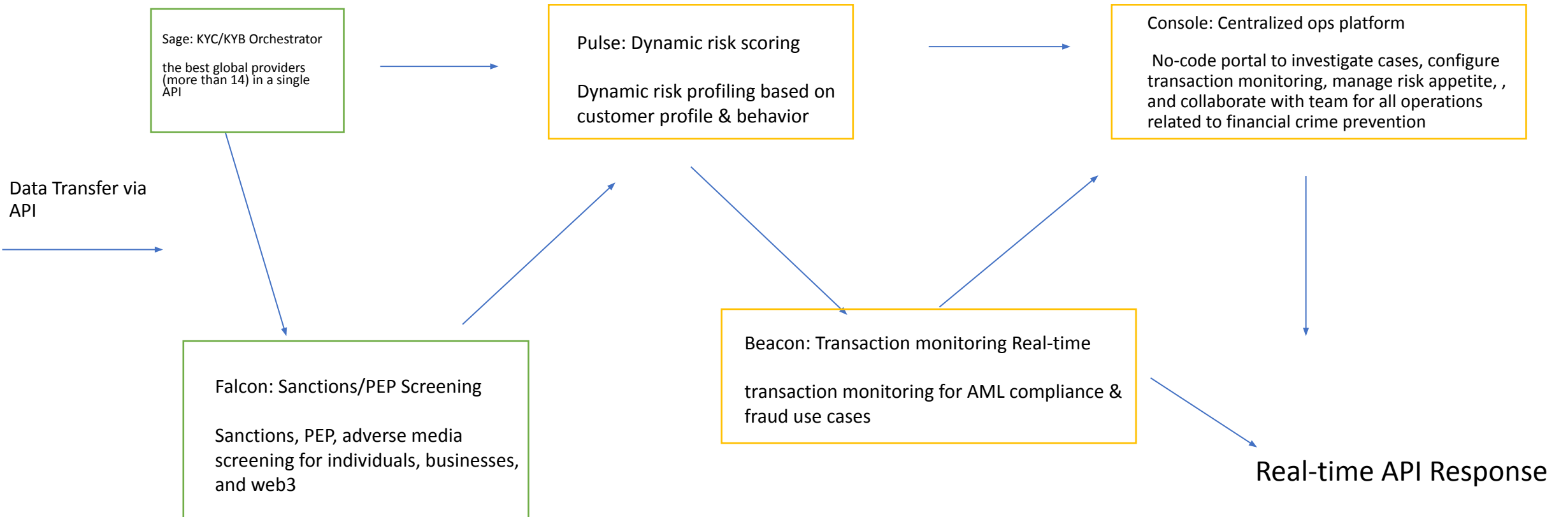
Problem is solved by hiring large teams of compliance. From business perspective, it is only costs associated, no revenue generation

There is no real-time solutions with good operational tools on an intuitive user interface

Existing solutions are focused on enterprises, immature on API and developer experience

Not transparent and often expensive pricing

**Flagright provides transaction monitoring technology that supports risk-based thresholds and customer segmenting. Developer-friendly API and no-code back office allows fintechs to quickly setup all required infrastructure for AML and fraud prevention.**



**From a console, companies can set thresholds and actions for different rules based on customer profiles to make “risk-based” decisions and minimize the work required of security teams**

Other features include:

Real time

< 2 secs p99

< 700 ms p90 incl.  
network latency

Integration in 4  
to 10 days

Pre-configured  
and customizable  
rule library

Risk score based  
on 160 variables

Reporting to  
regulators

Standardized and  
extensible API

easy-to-follow  
API docs 70%  
faster integration  
than similar  
solutions

API  
calls/usage-bas  
ed pricing

No-code back  
office

Only 10 months after launch, backed by Y Combinator and Moonfire Ventures, Flagright already won more than 8 customers in 4 continents

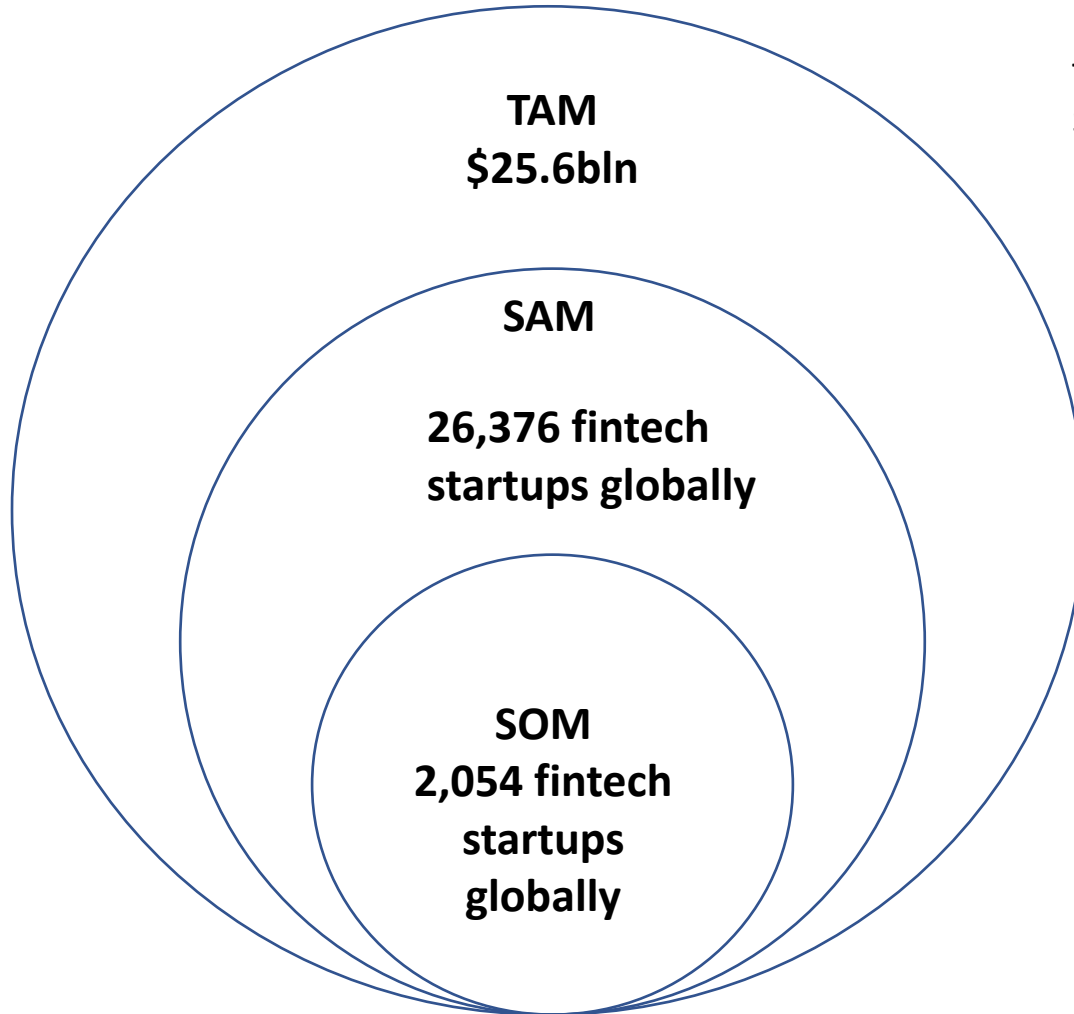
Customer profile: Seed - Series B startups, mostly payment companies



8+ clients  
Including



The global fraud detection and prevention market is estimated to reach record \$129.1bln in 2029



The global fraud detection and prevention market is exhibited to grow from \$26.blm in 2021 to \$30.6blm in 2022

As of Nov'21, there were 10,755 fintech startups in the U.S. making it the region with the most fintech startups globally. In comparison, there were 9,323 such startups in the EMEA region and 6,268 in the Asia Pacific region.

Flagright needs to get 1,075 fintech startups in USA, 953 startups in EMEA and 626 startups in Asia as clients to capture 10% of global market share

**Flagright has a considerable set of competitive advantages with its easy-to-integrate, fast, and scalable API**

	Flagright (Germany, 2022)	Sardine (USA, 2020)	Unit 21 (USA, 2018)	Feedzai (Portugal, 2011)	Sentinels (Netherlands, 2019)
Usage based Pricing	✓	N/A	✗	✗	✗
Always real-time with complex data	✓	✗	✗	✓	✗
No-code back office	✓	✗	✓	✓	✓
Easy-to-configure	✓	✓	✓	✗	✓
Centralized case management	✓	✗	✗	✗	✗
4-10 days implementation	✓	✓	✗	✗	✗
Fast and free customer support	✓	✓	✓	✗	✗

## **Fraud prevention startups are raising impressive rounds and are backed by Tier 1 investors**

Sep'22: fraud prevention startup Alloy raised an additional \$52mln at a \$1.55bln valuation 11 months after raising \$100mln at a \$1.35bln. Alloy is backed by Lightspeed Venture Partners, Avenir Growth, Bessemer Venture Partners

Sep'22: Sardine raises \$51.5mln led by a16z (in addition to \$19.5mln earlier this year). Investors also include Visa, Google Ventures, ING Ventures

Apr'22: fintech Seon, which specializes in fraud prevention, acquired \$94mln in funding from multiple investors including IVP and Creandum

Nov'21: identity verification startup Socure raised \$450mln at \$4.5bln valuation from Tiger Global, Accel, Commerce Ventures, Bain Capital Ventures



## Flagright is led by fintech and tech professionals



Baran Ozkan, co-founder & CEO

- 10+ years experience as a product
- 4+ years expertise in compliance and fraud prevention in fintech
- B2B segment revenue growth experience, including Launch in international markets



Madhu G. Nadig, Co-founder & CTO

- 5+ years expertise as a Software Engineer
- one of the first hires for Palantir's office in India
- Worked at Amazon Web Services building no-code automated deployment products
- Developed a Big Data and AI based SaaS platform

transferGo

© forto

zalando

Florida Blue



aws © forto

Deutsche Bank



## Synergies for Deutsche Bank

- 1) Cheaper price: Deutsche Bank is charged per CPU (by NiceActimize) – i.e. how many CPUs run the software instead of usage based. So, if Deutsche Bank does not process transaction, it still needs to pay a lot of money
- 2) Saving costs: 200+ employees are responsible for compliance/ fraud check - implementing Flagright allows to save costs as for the current payments volume as well as for the increasing payments activity
- 3) Competitive advantage: real time fraud check will allow Deutsche Bank to win competition against traditional banks as well as neobanks as DB will be able to considerably increase payments volume
- 4) Additional revenue streams and product: software solution could be resold to customers or implemented as additional feature
- 5) Corresponds to go-to-market strategy: last year Deutsche Bank acquired a large payment provider Better Payment. Investment in Flagright corresponds to expansion of the market share in payment processing and acceptance