

Flatpay



# KEEPING IT FLAT

Winning the next European market



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# Flatpay

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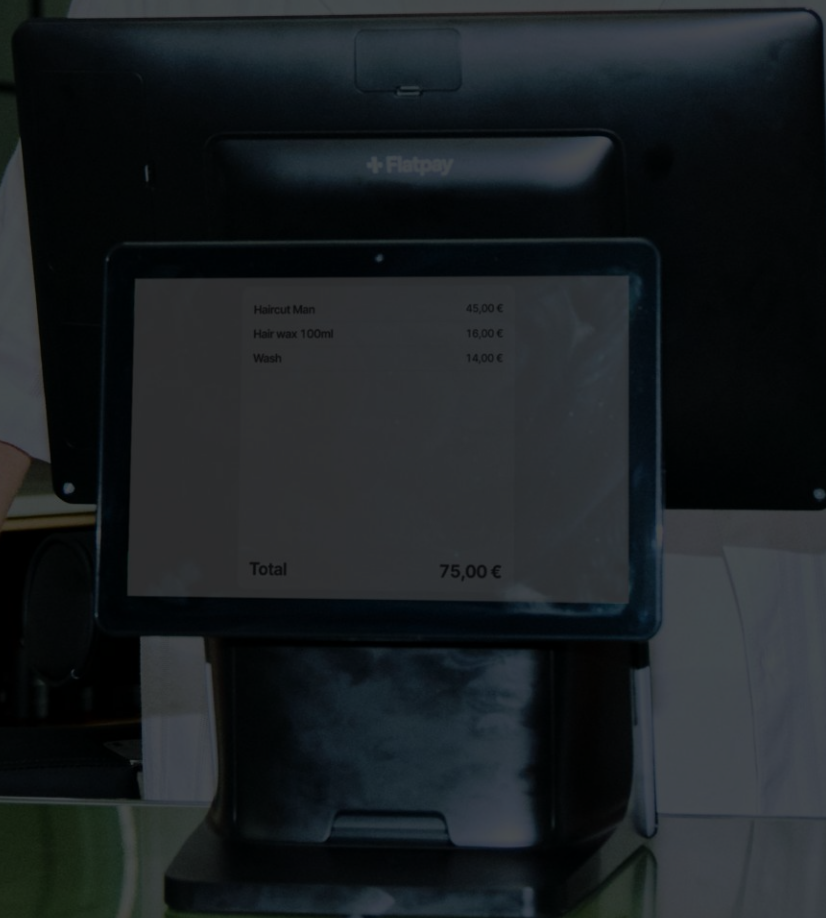
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- Closing Remarks



## 01 SETTING THE STAGE

- Setting the stage
- Letter from the CEO
- Problem Formulation



## SETTING THE STAGE

Payments rarely attract attention when they work, yet they sit at the center of nearly every transaction in the economy. For small and medium-sized merchants, the ability to accept payments reliably is not a convenience but a prerequisite for doing business. Delays in settlement, unclear pricing, or technical issues at checkout can have immediate consequences for cash flow and customer trust. As digital payments continue to replace cash across Europe, the role of payment providers in merchants' daily operations has only grown more important.

Over the past decade, the European payments landscape has changed rapidly. New technology has lowered barriers to entry, regulation has opened parts of the market to non-bank players, and merchants have become more willing to switch providers when better alternatives emerge. At the same time, Europe remains fragmented. Payment behavior, competitive dynamics, and customer expectations differ meaningfully across countries, and success in one market does not automatically translate into success in another.

Scaling across borders therefore requires more than a strong product. It requires local execution, operational discipline, and careful prioritization.

Flatpay has demonstrated that a simple and transparent payment solution, combined with a hands-on approach to merchants, can gain traction in multiple European markets. The company has grown quickly, expanded its product offering, and built local teams to support its expansion. With this growth comes a new set of challenges. As Flatpay looks to continue expanding in Europe, management must decide where to focus next and how to enter new markets without diluting the qualities that have driven success so far.

The decisions Flatpay faces are not purely about market size or short-term growth. They involve trade-offs between speed and control, standardization and localization, and ambition and operational risk. The outcome of these decisions will shape Flatpay's ability to scale sustainably and to compete in an increasingly crowded and complex European payment market.



# PAYMENTS AND FINANCIAL SERVICES ARE A NIGHTMARE FOR SMALL AND MEDIUM SIZED MERCHANTS



Overpay more than 15% on their existing payment solution

**78%**

Experience problems with access to financial services

**63%**

Don't understand the cost of their financial services

**92%**

# LETTER FROM THE CEO

## Dear Case Participants

Flatpay was founded with a bold ambition to make payments simple, transparent, and fair for merchants. What started as a Danish challenger has, over the years, grown into a scale-up operating across multiple European markets and serving tens of thousands of merchants. We have evolved continuously along the way, refining our product, sharpening our model, and learning how to win in different environments. Scaling across Europe has shown us both the power and the limits of replication. Every market brings its own realities shaped by regulation, customer behavior, competitive dynamics, and cost structures. We have proven that our model works. The question now is where and how it works best next.

Recently, Flatpay reached unicorn status and secured significant new capital. This is more than a milestone. It is fuel. Fuel for acceleration. Fuel for ambition. Fuel for defining the next phase of our European expansion. With strong backing and momentum, the question is no longer whether we grow, but how boldly and intelligently we choose our next markets.

We are at an exciting point in our journey. The next set of expansion decisions will help define Flatpay's future footprint in Europe. Which markets should we prioritize. How should we enter them. And how do we scale in a way that strengthens our culture, brand, and long-term profitability.

Now it is your turn to step into our shoes. Be bold. Be curious. Challenge assumptions. We are not looking for a safe answer. We are looking for sharp thinking, clear choices, and ideas that match the ambition of a company that is built to scale. Most of all, enjoy the challenge. Growth is never boring, and neither is this case. We look forward to your recommendations.



Sincerely,  
The Founders of Flatpay



# PROBLEM FORMULATION

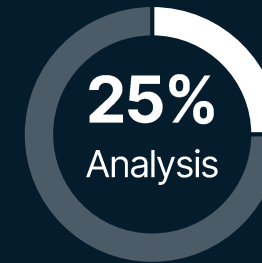
## Case question:

*Which new European market should Flatpay expand to, and how should Flatpay enter this market?*

## Case sub-questions:

- *Where to play: Which European markets are most attractive for Flatpay to enter next, given relevant metrics provided in the case? (additional metrics are encouraged)*
- *How to win: What entry strategy should Flatpay pursue (direct, partner-led, platform-led, or hybrid), and what product bundle should be launched first to maximize speed to traction without compromising risk and support quality?*

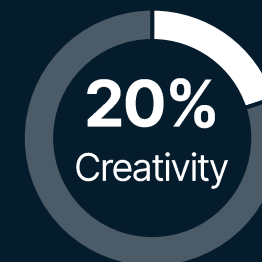
# ASSESSMENT DISTRIBUTION



Is the recommendation based on a rigorous assessment of the target market, Flatpay's operations and strategic fit?



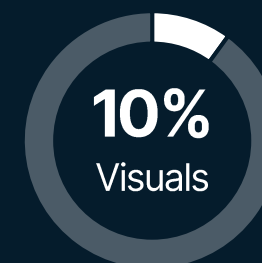
To what degree does the solution clearly answer where Flatpay should expand and how it should enter?



Is the recommendation bold and strategically differentiated while remaining relevant to the European payments context?



How realistic and financially sound is the proposed expansion and implementation plan?

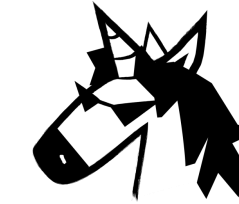


Is the recommendation communicated clearly, logically, and professionally?

## 02 COMPANY OVERVIEW

- The Making of a Unicorn
- Values & Culture
- Strategic Positioning
- The Product Portfolio
- Current Market Presence





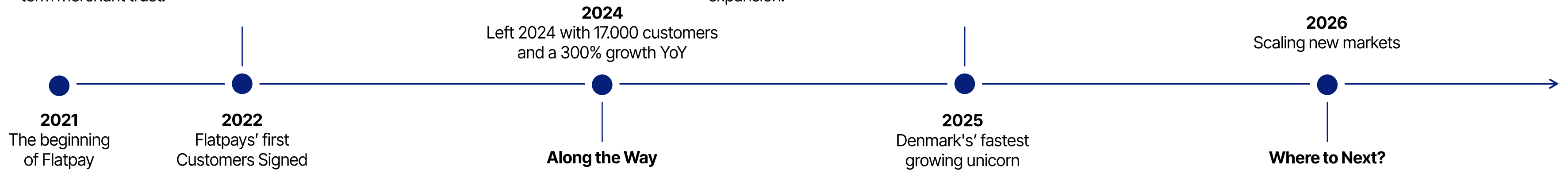
# THE MAKING OF A UNICORN

## In the beginning

Flatpay was founded on a simple insight. Merchants do not want a new payment provider, they want payments to work seamlessly. Traditional merchant acquiring was often characterized by opaque pricing, fragmented tools, and support models misaligned with the pace of small and medium sized businesses. Flatpay entered the market with a clear proposition built on simplicity, transparency, and a fully integrated product first approach. Rather than selling isolated components, the company focused on delivering a complete payment experience designed to remove friction and build long term merchant trust.

## A Unicorn Emerges

In November 2025, Flatpay reached a valuation of approximately €1.5 billion following a €145 million growth funding round, officially entering the ranks of European fintech unicorns. At that time, annual recurring revenue had surpassed €100 million and was increasing at nearly €1 million per day. Management communicated ambitions to scale ARR to between €400 and €500 million in 2026, driven by continued geographic expansion and increased monetization per merchant. The unicorn milestone marked a structural inflection point. Expectations shifted from rapid growth alone to disciplined market selection, operational scalability, capital efficiency, and sustainable European expansion.



After proving product market fit in Denmark, Flatpay transitioned from validation to scale. The focus shifted toward building repeatable processes and operational discipline. Onboarding was standardized, risk and underwriting processes were strengthened, compliance capabilities were expanded, and platform infrastructure was upgraded to support growing merchant volumes. Settlement reliability, fraud monitoring, and chargeback management became critical operational priorities. Growth was no longer driven solely by product clarity, but by the ability to execute consistently and professionally across markets.

Entering 2026, Flatpay serves close to 70,000 merchants across seven European markets and continues to expand its customer base at a high and sustained pace. The company is currently tracking toward tripling annual recurring revenue during the year, supported by strong monthly net new ARR and continued commercial momentum across markets. At the same time, the organization is preparing for another structural expansion. Headcount is expected to nearly double as Flatpay reinforces local sales teams, onboarding capacity, risk management, compliance, and platform development.

# VALUES & CULTURE

Flatpay operates with a strong startup mindset shaped by rapid growth, operational ownership, and close proximity to customers. The organization places a high value on execution speed and accountability, with teams expected to take responsibility for outcomes rather than operate within rigid hierarchies. Decision-making is pragmatic and often driven by direct feedback from the market rather than long planning cycles.

A defining element of Flatpay's culture is its merchant-first orientation, which is reflected in how the company goes to market. Flatpay relies heavily on field-based sales representatives who actively visit merchants in person. These sales representatives not only sell the product but also partake in onboarding by helping merchants set up terminals, explain pricing, and ensure the solution works from day one. This hands-on interaction gives Flatpay direct insight into merchant needs and builds trust from day one.

Such proximity to merchants influences product development and internal priorities. Simplicity is valued over feature breadth, and solutions are favored when they are easy to explain, deploy, and support across markets. Internal processes are kept deliberately lean to avoid slowing down teams that are expected to operate close to customers and respond quickly to issues in the field.

At the same time, Flatpay emphasizes a collaborative and respectful work environment despite its fast pace. The company promotes a performance-driven culture without aggressive internal competition, aiming to combine high ambition with a "no-asshole" mentality. As Flatpay continues to expand into new markets, maintaining this culture while introducing more structure remains an important consideration for management.

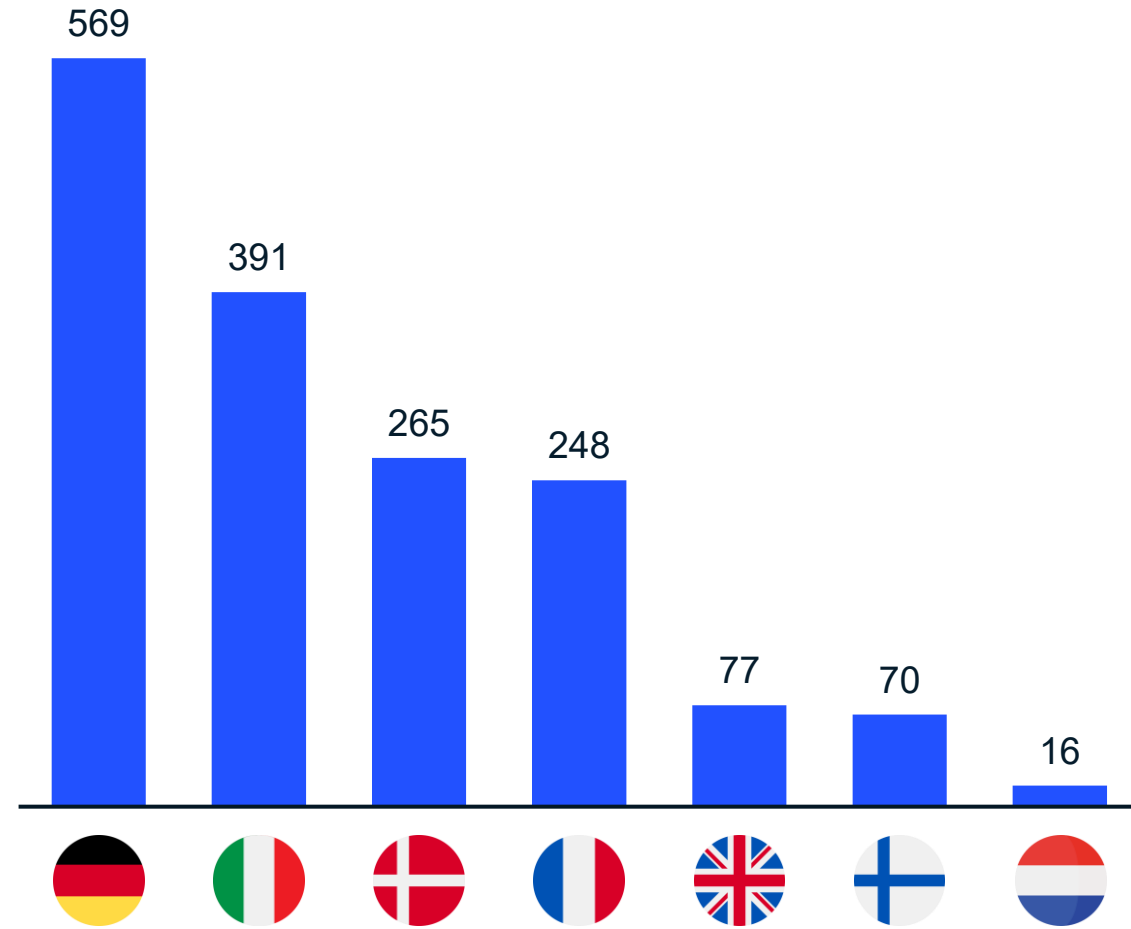


# STRATEGIC POSITIONING

Flatpay's strategy is to become the preferred payment partner for small and medium-sized merchants by offering a simple, transparent, and fully integrated payment solution. Rather than competing on breadth from day one, Flatpay focuses on owning the core payment interaction and building trust through reliability, clear pricing, and ease of use. Payments are treated as the entry point to the merchant relationship, not the end product. To make this strategic vision come to life, Flatpay has so far hired 1.600+ employees to help them on the journey:

## Headcounts across markets

# number of employees



A central element of the strategy is integration and lock-in. Flatpay aims to embed itself deeply into merchant workflows through its terminal, POS, online payments, and merchant portal, creating a unified experience across physical and digital channels. By controlling these touchpoints, Flatpay increases switching costs and positions itself as a core operational system rather than a replaceable payment provider.



Over time, Flatpay expands monetization and merchant value by layering additional products on top of the core payment solution. These include pricing mechanisms that improve payment margins, such as surcharge and dynamic currency conversion, as well as financial services like revenue-based financing. This allows Flatpay to enter markets with a competitive core offer while improving unit economics as merchants mature on the platform.

# THE PRODUCT PORTFOLIO

Flatpay offers an integrated merchant payment solution covering both in-store and online payments. The core product is built around a proprietary payment terminal, which enables card acceptance, refunds, tipping, surcharge, and staff management. This terminal serves as the primary entry point for many merchants and is designed to be scalable through software updates and support for additional payment methods over time.

On top of the terminal, Flatpay provides a fully integrated Point-of-Sale (POS) system that combines payments, basic inventory management, and reporting in one interface. For

online merchants, Flatpay supports major e-commerce platforms and is developing its own payment gateway to gain full control of the checkout experience. All payment activity is consolidated in the Flatpay portal, which gives merchants real-time visibility into transactions, payouts, and performance and acts as the distribution channel for additional products.

Flatpay's revenue model is built around multiple, complementary streams. The primary source of revenue is transaction-based pricing on payments. In addition, Flatpay has introduced surcharge, which shifts the cost of certain card transactions from the merchant to the cardholder,

improving payment margins while maintaining transparency. Dynamic currency conversion (DCC) is planned as a further margin lever on cross-border transactions, generating incremental revenue on a limited share of volume. Beyond payments, Flatpay offers Flatpay Capital, a revenue-based cash advance product delivered through a partner, generating commission income without credit risk. Together, these streams allow Flatpay to balance competitive pricing at market entry with improving profitability over the merchant lifecycle.



# PRODUCTS & USP

## Flatpay USPs

- 1 Flat Rate
- 2 No Monthly Subscription
- 3 Future Proof Terminal
- 4 24/7 Support
- 5 Flatpay Portal
- 6 Personal Installation
- 7 Daily Settlements
- 8 Thermal Roll Service



### Terminal

- 0.99%
- 0.99%
- 1.29%
- 1.49%
- 1.29%
- 1.49%
- 1.19%



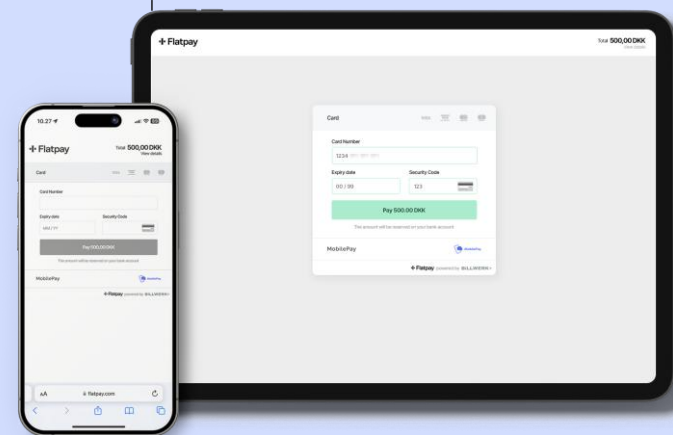
### Basis POS

- 8.000 DKK
- 1.095 €
- 1.495 €
- 1.995 €
- 1.995 €



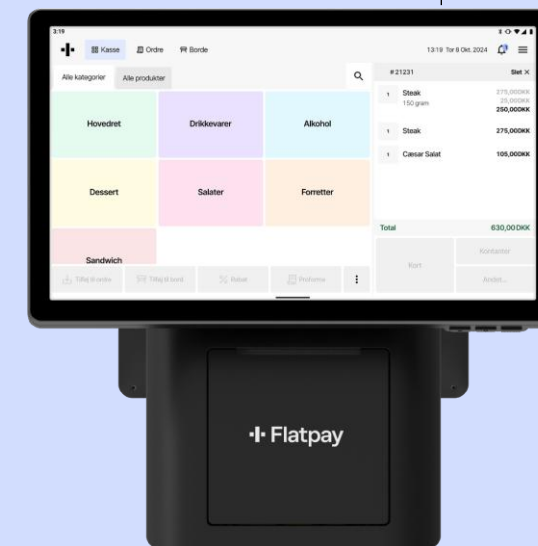
### eCom

- 0.99%
- 1.49%
- 1.45%



### Premium POS

- 19.995 DKK
- 2.495 €
- 2.495 €
- 2.995 €
- 2.995 €



## MERCHANT STORY

### THE ICONIC LATE-NIGHT SPOT IN COPENHAGEN

For nearly 40 years, Burger Palace has been a staple of the Vesterbro district in Copenhagen, serving up delicious burgers and pizzas to hungry patrons all hours of the night. Founded by Mehmet Alan Yücel from Turkey, Burger Palace quickly gained popularity among locals who appreciated a late-night meal after a night out, or after a long shift at work.

Over the years, Burger Palace has evolved and adapted to the changing neighborhood. Once a haven for night owls, including police officers, ambulance drivers, and late-night partygoers, it now caters to a more diverse clientele, including families and young professionals. The restaurant has even earned the title of "Denmark's Best Takeaway" thanks to its dedication to quality and service.

What sets Burger Palace apart from other burger joints is their commitment to using only the freshest ingredients and their desire to go above and beyond for their customers. Brothers Sercan, Sertan, and Serdar, who now run the business, have continued their father's legacy by working tirelessly in the kitchen and ensuring that every order is perfect. Burger Palace has also embraced the power of delivery, using Just Eat to expand their reach and increase their revenue. With a fleet of 16 scooters and four cars, the restaurant delivers around 1,500 orders every week, ensuring that their delicious meals reach customers who can't make it to the restaurant. Despite some challenges, Burger Palace has continued to thrive, thanks in part to their commitment to improvement and their willingness to take customer feedback to heart. It's clear that the Yücel family's dedication and love for Burger Palace have helped them create a lasting legacy in Copenhagen



“

*Flatpay has truly transformed our payment processing experience. The ease and simplicity of their platform have saved us a significant amount of money each month, which has been invaluable to our business. With Flatpay, we can focus on providing our customers with the best possible experience, while leaving the payment processing to the experts.*

”

**- Sercan, Owner of Burger Palace**

## CURRENT MARKET PRESENCE

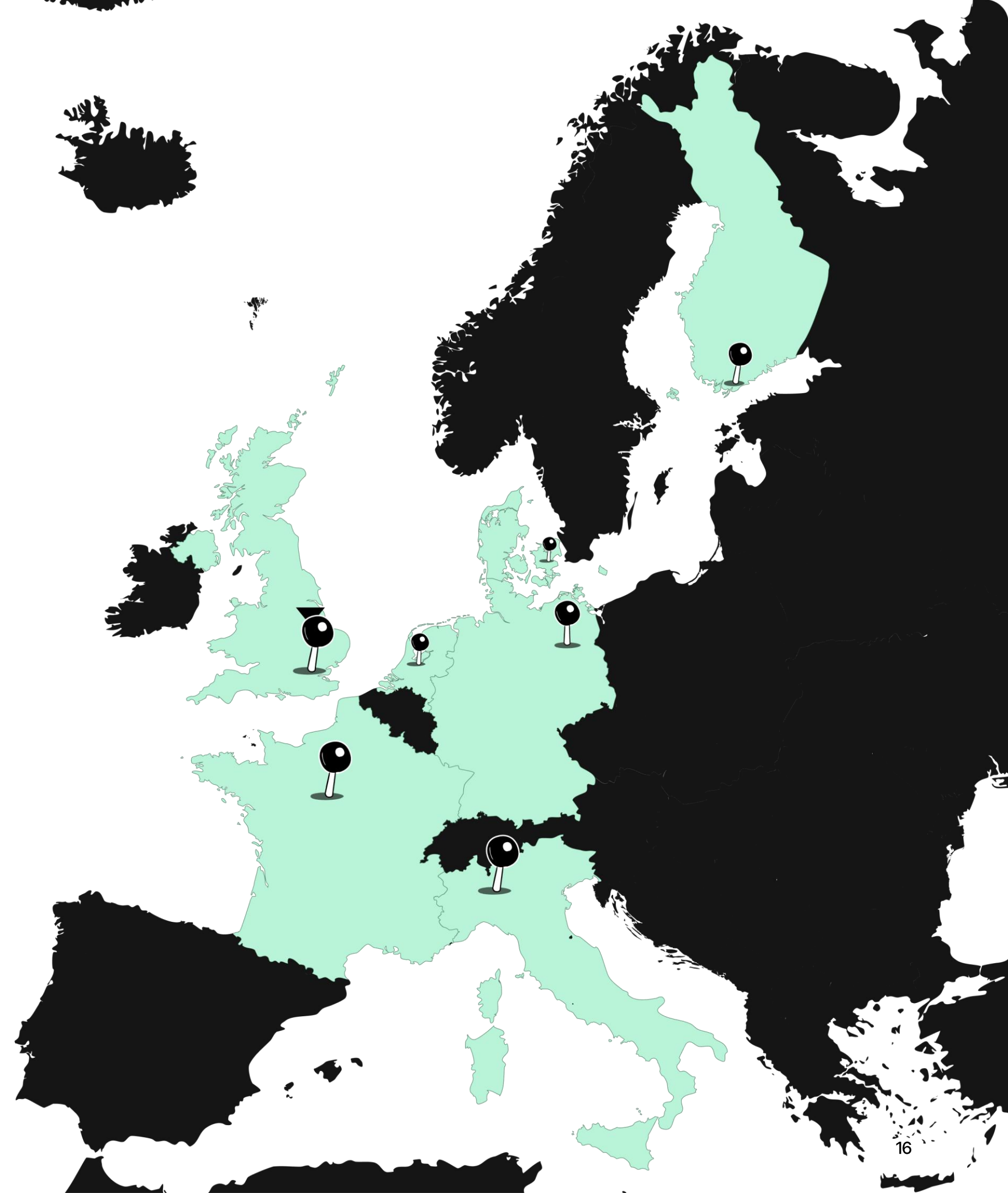
Flatpay currently operates in several European markets, with Denmark as its original home market and a growing footprint across Europe. While Flatpay offers a broadly consistent product across countries, the way the business develops differs meaningfully from market to market. Differences in merchant behavior, competitive intensity, and go-to-market execution lead to variation in growth patterns and operating dynamics.

Denmark was the first market in which Flatpay launched and served as the initial proof of concept for the company's value proposition. Early traction in Denmark showed that there was strong demand among merchants for a simple and transparent payment solution. As the earliest launch market, Denmark also played an important role in shaping Flatpay's sales processes, onboarding flows, support model, and product development priorities, many of which were later reused in other countries.

Following Denmark, Flatpay expanded into additional European markets **including Finland, Germany, Italy, France, the United Kingdom, and the Netherlands**. The larger markets, particularly Germany, Italy, and France, offer access to sizable merchant bases and high transaction volumes, but they also require significant investment in local sales coverage and operational scale. These markets tend to be more complex to enter and operate, with higher expectations around local presence, support, and regulatory execution.

Other markets illustrate different expansion dynamics. Finland shows how strong local execution can drive adoption in a smaller market with high digital payment usage. The United Kingdom represents a highly developed and competitive payments market, where merchant interest is high but differentiation and customer acquisition require more effort. The Netherlands is among the most recent market entries and is still in an early phase, with limited data available on long-term performance.

Across all markets, Flatpay combines local, country-specific teams with centralized product development, platform infrastructure, and risk management. While this approach creates a common operating backbone, market-level differences influence key outcomes such as customer acquisition cost, sales velocity, product adoption, and profitability. These variations matter when deciding where to expand next and how aggressively to do so.



### 03 THE EUROPEAN PAYMENTS LANDSCAPE

- Industry Structure and Value Chain
- Local Market Dynamics
- Key Expansion Metrics
- Competitive Landscape
- Structural Trends Shaping the Industry

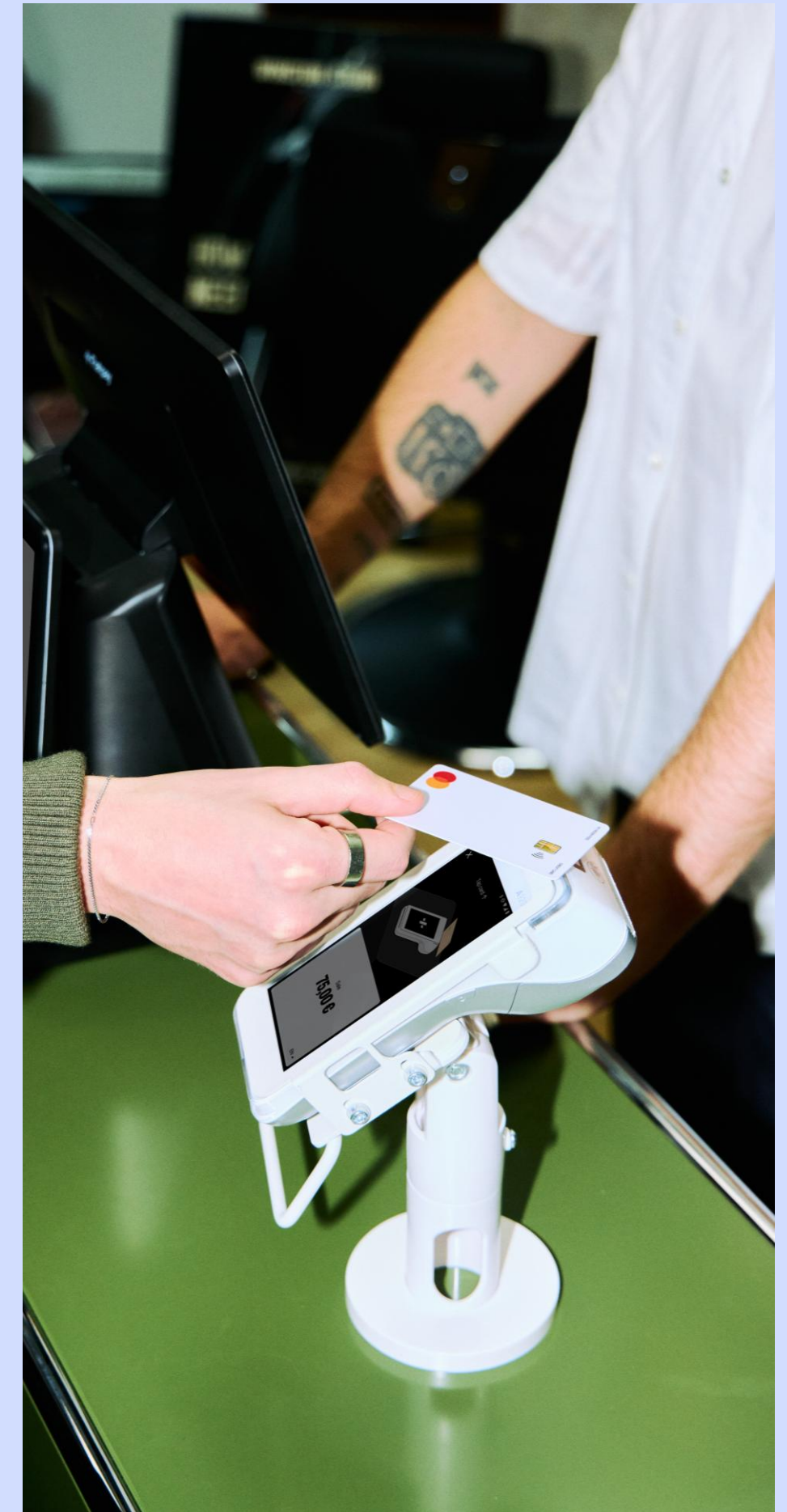
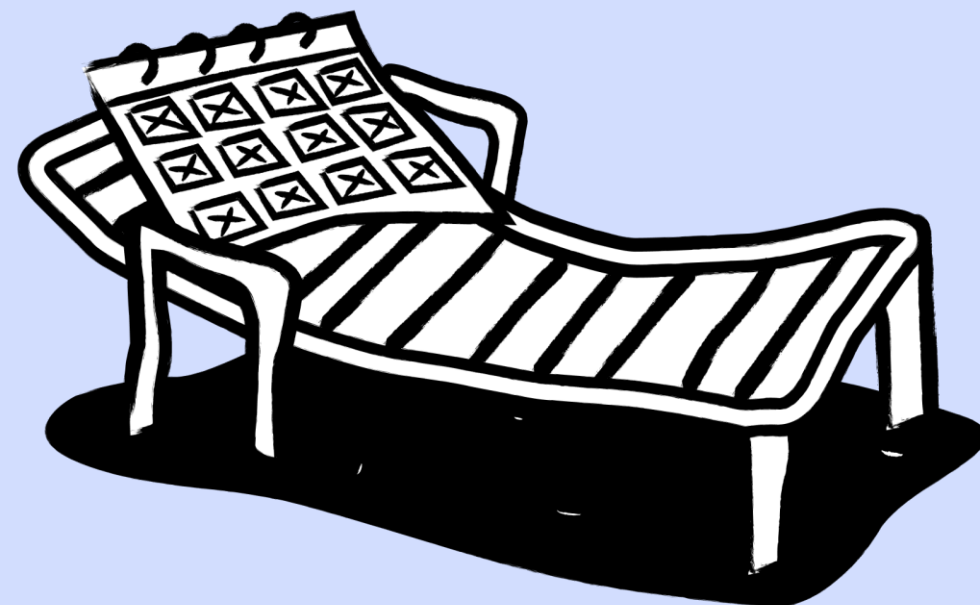


## FOUNDATIONS OF EUROPEAN PAYMENTS

How value, fees, and risk flow through the European payments ecosystem

The European payment market is structured around a multi-party value chain that connects merchants, consumers, banks, card schemes, and payment service providers. When a customer makes a card payment, the transaction flows from the merchant to the acquiring side, through the card network, and on to the issuing bank for authorization. Once approved, the transaction is settled back to the merchant, typically with a delay of one or several days. Along this path, fees are distributed between issuers, schemes, processors, and the merchant's payment provider, while risk and liability are allocated according to scheme rules and regulation.

From the merchant's perspective, this complexity is usually hidden behind a single provider that supplies terminals or online checkout, processes payments, and handles settlement and reporting. In practice, however, payment providers differ significantly in how much of the stack they control themselves. Some rely heavily on external processors, acquirers, or gateways, while others aim for greater vertical integration. These choices affect pricing flexibility, operational control, and the speed at which new features can be launched. For companies expanding across borders, the structure of the underlying setup can become a constraint, as local acquiring relationships, compliance requirements, and operational practices still differ by country despite high-level regulatory harmonization.



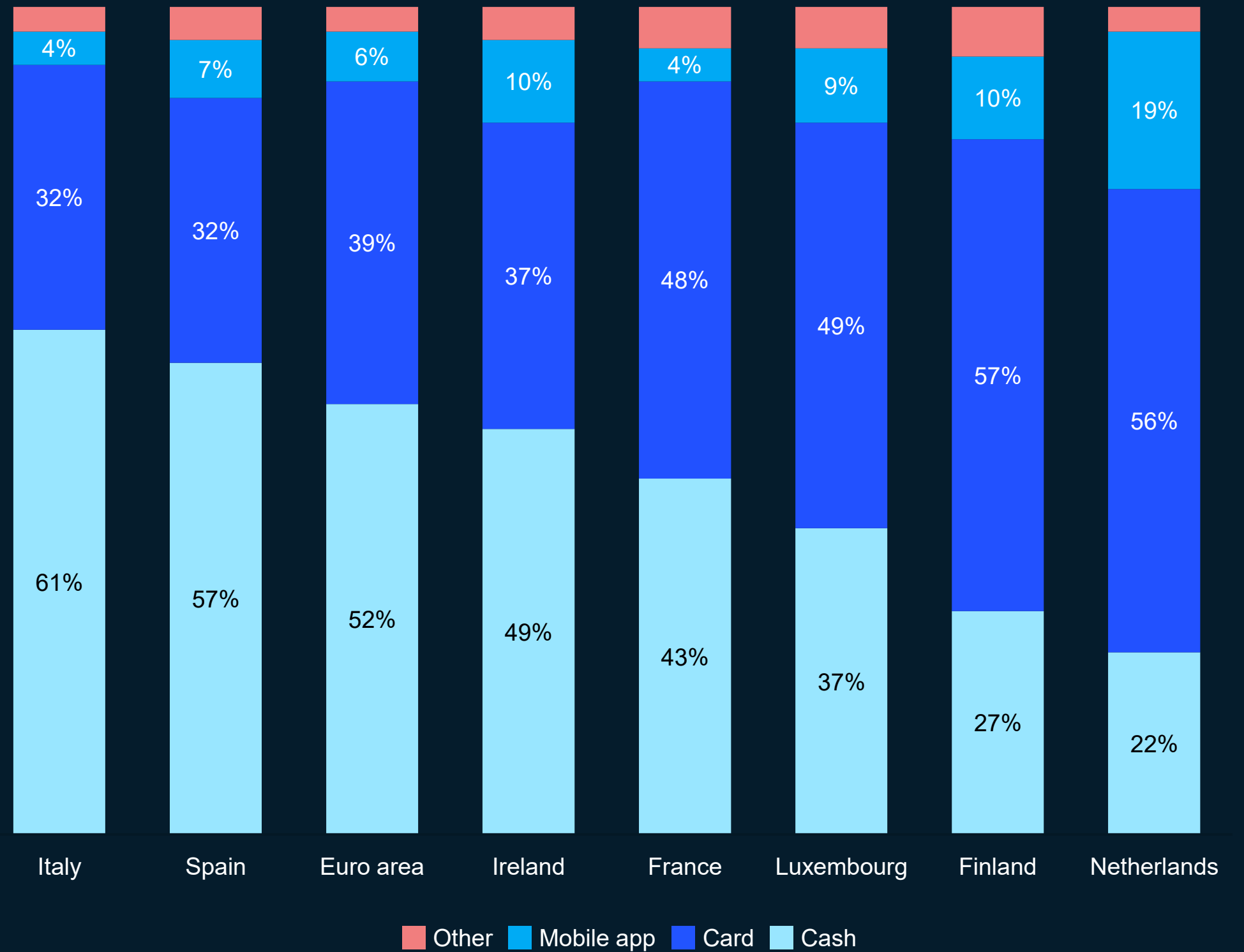
# LOCAL MARKET DYNAMICS

Although European payments operate under a shared regulatory framework, consumer and merchant behavior varies widely across countries. In some markets, card payments are the default for even the smallest transactions, while in others cash continues to play a meaningful role, particularly among small merchants or in certain industries. Adoption of contactless payments, mobile wallets, and online commerce also differs significantly, influencing how merchants prioritize payment solutions and features. These differences translate directly into how merchants evaluate payment providers. In some countries, merchants place strong emphasis on personal relationships and local presence and may be slower to switch away from banks or long-standing providers.

In other markets, merchants are more willing to change providers based on pricing, ease of onboarding, or perceived product quality. As a result, the same product and pricing model can perform very differently across markets, depending on local expectations and norms.

Local variation also affects which product elements are essential at launch. Support for specific payment methods, fiscal requirements, receipt handling, or integrations with local accounting systems can be decisive in one country and largely irrelevant in another. For payment providers, this means that expansion across Europe requires careful prioritization of what to standardize and what to localize, rather than assuming a single European playbook will work everywhere.

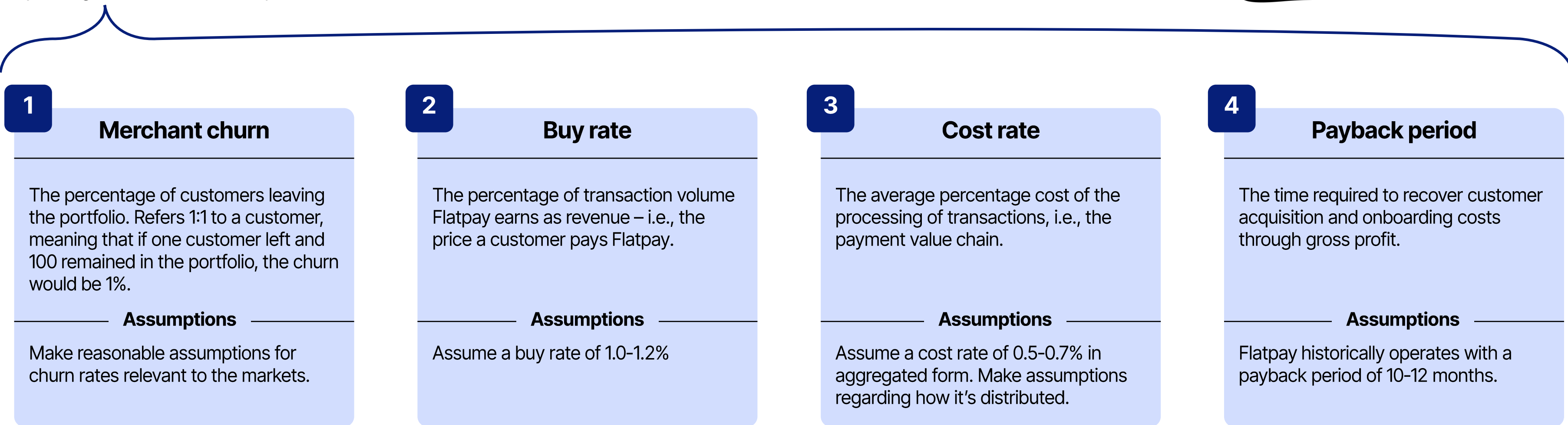
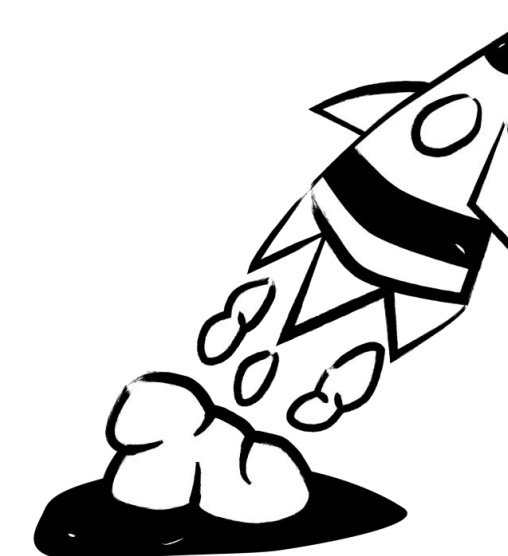
## Share of payment instruments used at the PoS % share of number of transactions



# KEY METRICS FOR ENTERING NEW MARKETS

## Expansion considerations

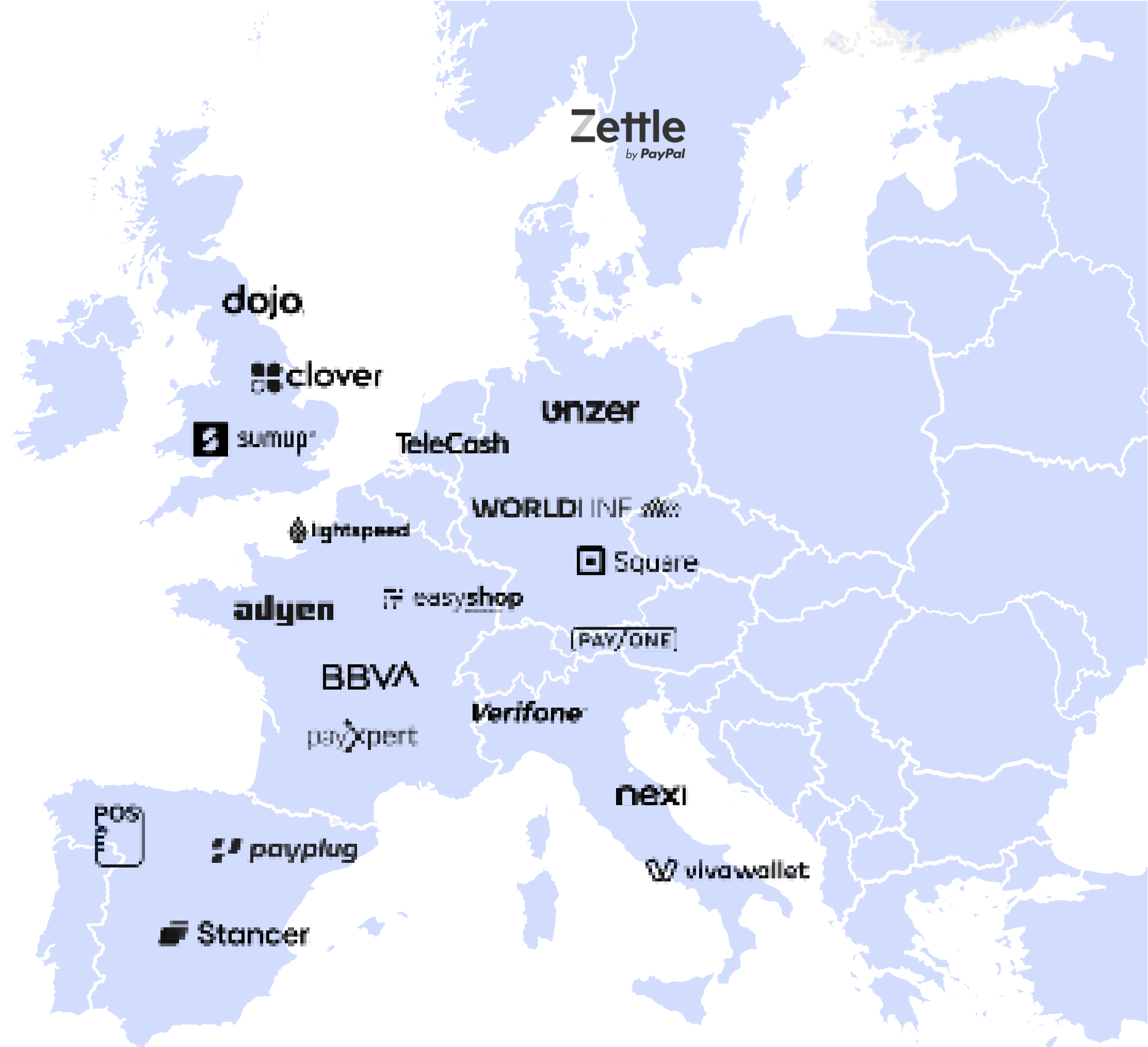
Entering new markets requires thoughtful consideration and a disciplined evaluation of both opportunity and risk. Market size alone is not enough to justify expansion. Unit economics, customer behavior, cost structure, and capital efficiency must all be assessed to ensure sustainable growth. To support data driven decision making and prioritize the right opportunities, Flatpay evaluates four core metrics that determine long term profitability and scalability. Additionally, it's allowed to expand upon these metrics in your analysis, if it further strengthens your argument for a market expansion.



... but feel free to find additional criteria

# AT FIRST GLANCE, THE EUROPEAN PAYMENTS MARKET FOR MERCHANTS SEEMS CROWDED AND WELL-SERVED...

+400 payment providers across Europe alone covering both physical and online payments.






# ...HOWEVER, REALITY IS DIFFERENT. THERE IS A MASSIVE OPPORTUNITY TO REPLACE INCUMBENTS IN THE SMB SEGMENT

! The market is highly concentrated, with dominant legacy providers typically holding over +80% of market share.

### Nano/Micro




**Market needs**  
Simple plug-and-play solution (with limited customer support demands), flexibility in payment methods, instant settlements...

**Competitors**  




**Observation**  
Well-served by existing players with all-in-one bundles, yet highly priced.

### Small/Medium

**Market needs**  
Attractive and transparent prices, high quality products, extended functionalities, dedicated and personalized customer support...




**Competitors**  




**Observation**  
Underserved with legacy solutions, intransparent fees and lack of personalized customer service

**Flatpay**

### Large/Enterprise

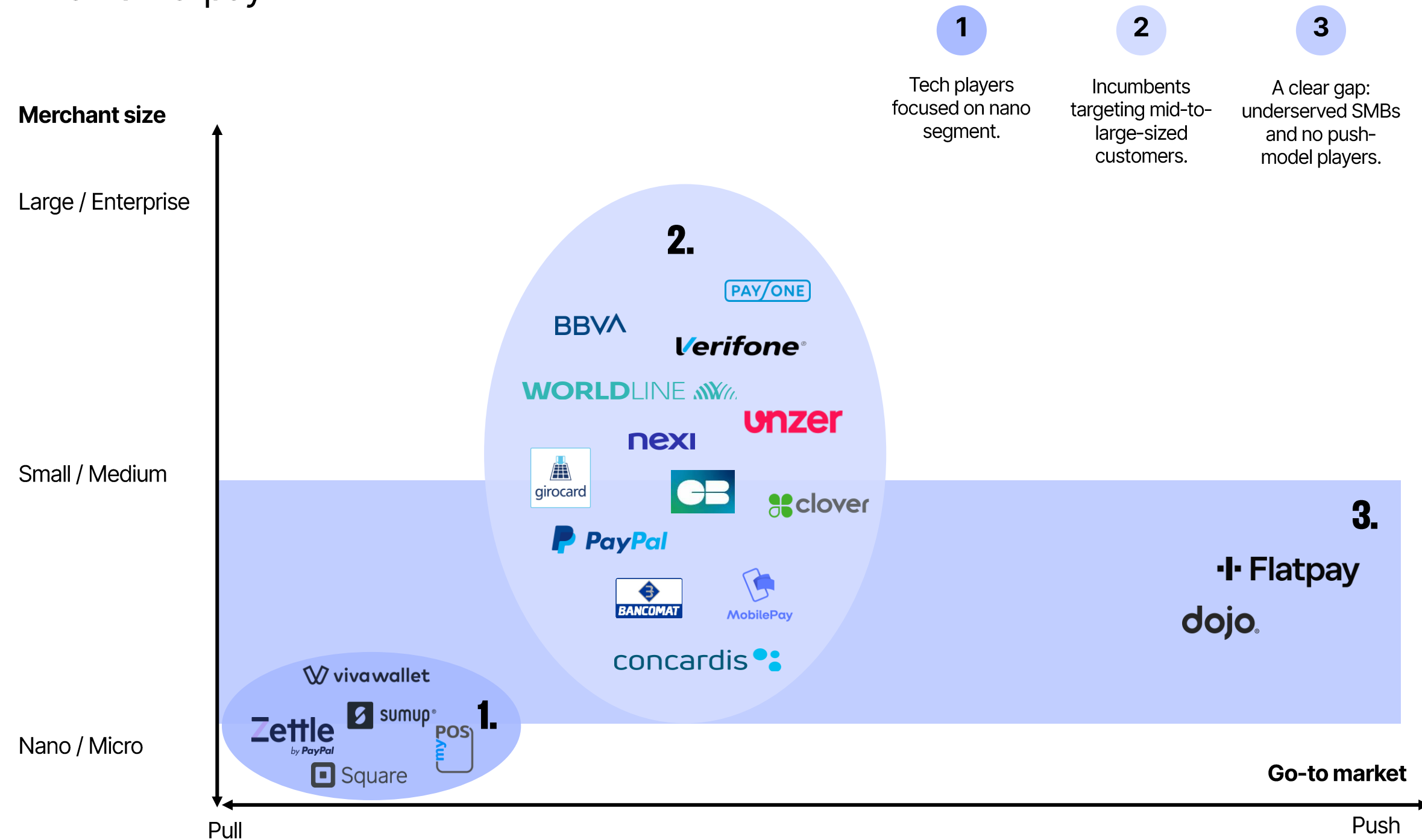
**Market needs**  
Scalable system with high integration capabilities, strong (global) customer support service levels, long-term service reliability...

**Competitors**  




**Observation**  
Well-served by existing players with scalable and tailored solutions.

# COMPETITIVE POSITIONING

What is Flatpay?



1

Tech players focused on nano segment.

2

Incumbents targeting mid-to-large-sized customers.

3

A clear gap: underserved SMBs and no push-model players.

## Comments

Flatpay is a **financial ecosystem** with **payments** as the entry product. We operate through a **field-driven, push model** – built to serve SMBs with **€60K-7M in annual TPV**. We offer transparency through **flat rates, fast onboarding**, and **no hidden fees**. Our product is **standardized to scale**.

# STRUCTURAL TRENDS SHAPING THE INDUSTRY

Several structural trends are reshaping the European payments market and influencing competitive dynamics.

## MDR compression and margin migration

Merchant discount rates continue to compress as competition intensifies and regulatory scrutiny increases, reducing the core payments margin that many providers historically relied on. As transaction processing becomes more commoditized, profit pools are shifting away from pure acquiring toward higher value revenue streams. These include recurring software subscriptions, banking services such as business accounts, cards, and float income, as well as financing and data driven services. The structural implication is that payments alone are no longer sufficient to sustain attractive margins, pushing providers to broaden their monetization stack.

## POS as the distribution wedge

Point of sale hardware is increasingly commoditized, but it remains a critical entry point for acquiring and retaining SME customers. Many providers subsidize or even offer free terminals to secure long term relationships and maximize lifetime value. The economic logic has shifted from optimizing hardware margin to optimizing retention, software attach rates, and financial services upsell. In this model, POS acts less as a profit center and more as a strategic distribution channel for a broader ecosystem of services.



# STRUCTURAL TRENDS SHAPING THE INDUSTRY

## Verticalization of SME solutions

Generic POS systems are gradually losing ground to vertically integrated solutions tailored to specific industries such as hospitality, retail, and professional services. These vertical stacks combine payments, software, and workflow tools designed around the unique operational needs of each segment. The benefits are greater simplicity, lower total cost of ownership, and improved convenience for merchants. Verticalization also increases switching costs and allows providers to capture more value through deeper integration into day to day business operations.

## Embedded finance for SMEs

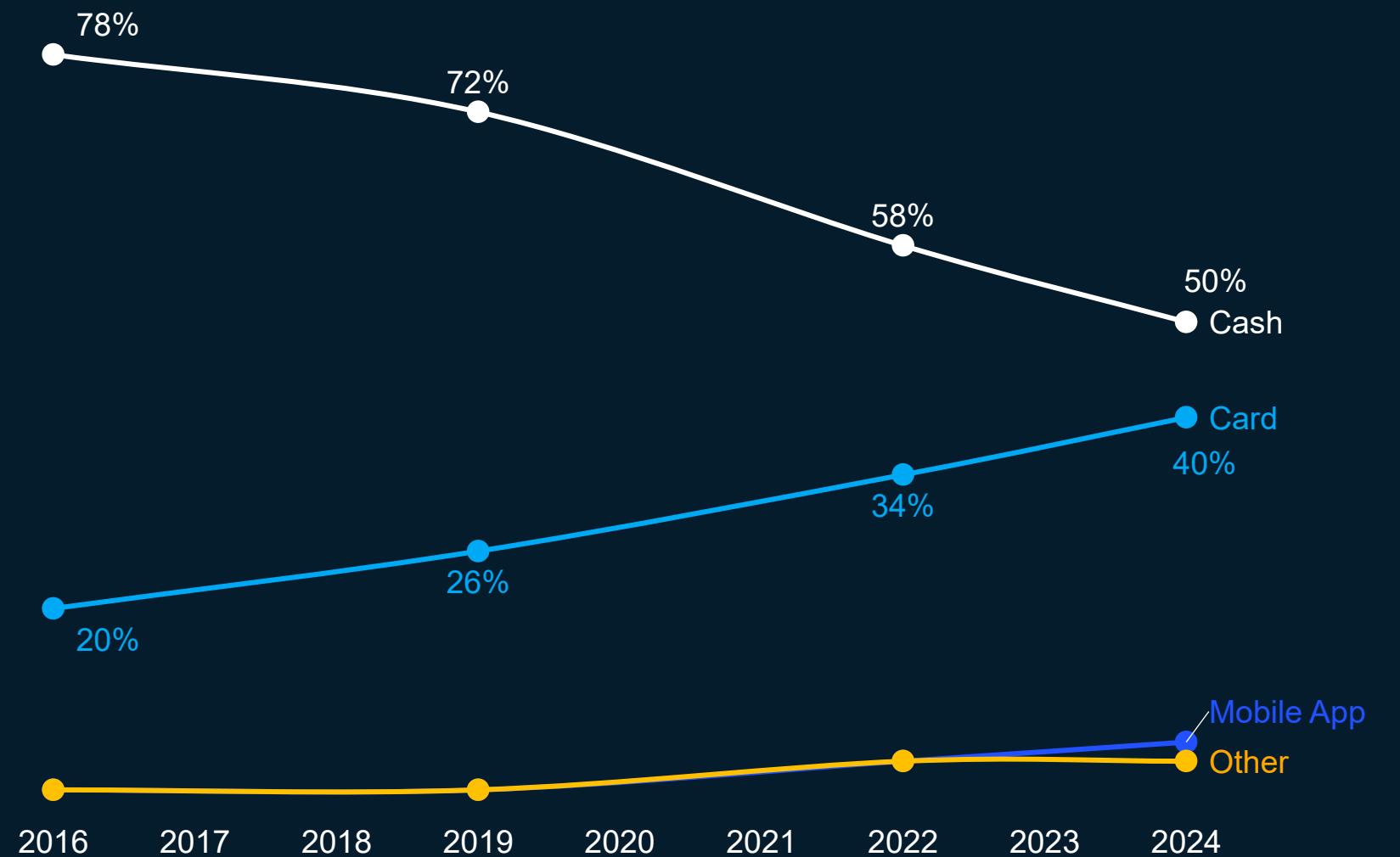
POS and payment providers are expanding into embedded financial services, including business accounts, debit cards, and instant payouts. By leveraging transaction data and existing merchant relationships, they can offer financial products directly within their platforms. The strategic value lies in increased customer stickiness and the ability to generate incremental margin on existing gross transaction volume. Embedded finance turns payments providers into broader financial operating systems for SMEs, deepening both engagement and monetization.

## Other relevant trends

Cash usage continues to decline in many markets, accelerating the shift toward digital payments across Europe. This creates further tailwinds for electronic transaction providers, such as Flatpay. Additionally, sales models are becoming increasingly more hybrid, where field sales, inside sales, and digital customer acquisitions are combined in a blended approach. All of these trends combined help us understand how Flatpay can position itself for success.

## Share of payment instruments used at the PoS

% share of number of transactions



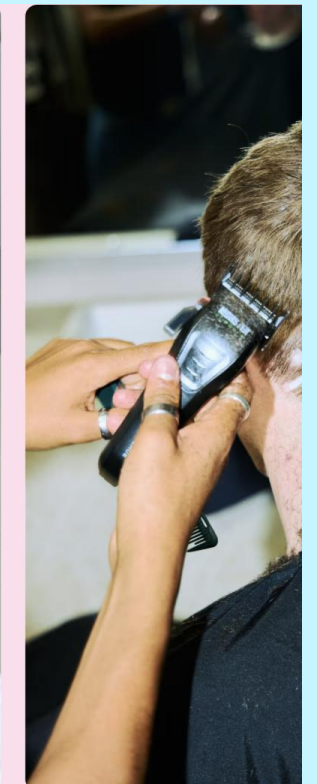
# Flatpay CLOSING REMARKS

Flatpay has reached a defining inflection point. Having proven its integrated model and achieved unicorn status, the company now faces a more complex question: where and how to scale next across Europe.

The opportunity is substantial. Digital payments continue to grow, and Flatpay's platform enables monetization beyond core acquiring. Yet expansion across Europe is fragmented, competitive, and operationally demanding. Markets differ in adoption, regulation, and margin dynamics. Capital is available, but execution capacity is finite.

Flatpay cannot enter every promising market at once. It must prioritize carefully, align entry mode with its operating model, and balance growth ambition with disciplined execution.

**Scale is earned.** The next move matters.



# • Flatpay

Thank you for your contribution. We  
wish you all good luck!

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