

## Why We Invested in Highnote – Accelerating the Future of Card Payments



Adams Street is proud to announce our lead investment in Highnote, a next-generation payments platform transforming embedded finance and card issuance through its unified and scalable full-stack infrastructure.

### Addressing a Critical Gap

The payments and embedded finance landscape suffers from legacy technology, fragmented solutions, and inflexible systems. Card issuance, in particular, has seen limited innovation, with incumbents relying on cumbersome, outdated infrastructure. Modern businesses offering card programs — virtual or physical, debit or credit — are constrained by legacy issuers, facing limited customization, high costs, and operational complexity. Meanwhile, innovation in card payments has primarily focused on improving the workflows around merchants accepting card transactions, known as acquiring. This has left businesses with a set of disparate, subpar tools for card issuance and other functions, further complicating their operations.

Many believe that the need for a unified, modern platform that bridges issuing and acquiring has never been greater.

### Modern, Unified Platform

Highnote's goal is to set a new standard for payments infrastructure. The cornerstone of Highnote's platform is its native, immutable general ledger built on a double-entry accounting framework. Unlike legacy platforms that depend on third-party ledger management, Highnote's scalable general ledger is flexible, always in balance, and empowers businesses' finance and operations teams with dashboards and data the way they need it — entirely in real time.

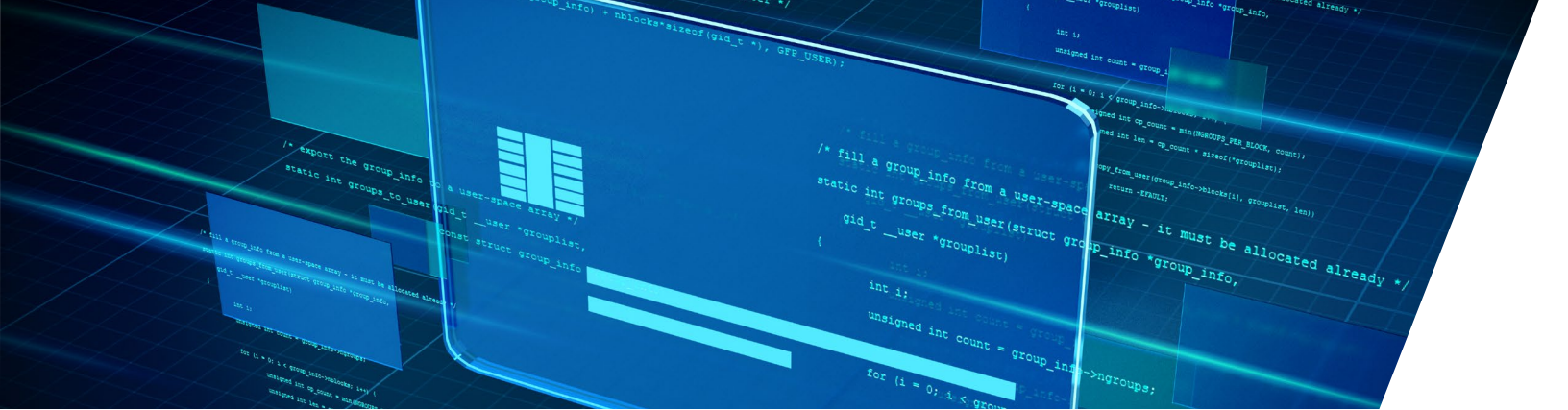


**John MacIlwaine**  
Co-Founder &  
Chief Executive Officer



**Kin Kee**  
Co-Founder &  
Chief Technology Officer

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**Headquarters**  
California



By owning the underlying technology, Highnote can support highly customized commercial and consumer prepaid, debit, credit, fleet and charge card programs with ease. As a full-stack program manager, Highnote handles KYC/KYB, compliance, risk monitoring, card fulfillment, ATM access, bank relationships, reconciliation, cardholder support, and more, helping free businesses to focus on innovation.

Highnote not only operates as an all-in-one card issuer, processor and program management platform for debit and credit programs, but also integrates acquiring capabilities into the same API. By unifying the issuing and acquiring sides of transactions, Highnote is designed to reduce costs for its customers while simultaneously simplifying operations with real-time access to full transaction data.

We believe the company's integrated approach positions Highnote as a key enabler for businesses seeking to differentiate in an increasingly competitive market.

## Large, Growing Market Ripe for Disruption

The embedded finance and advanced payments sectors have experienced rapid growth in the past decade as businesses seek to integrate financial services into their offerings. The embedded finance market alone was estimated to be about \$84 billion in 2023 and is projected to grow at a compound annual growth rate of 32.8% from 2024 to 2030.<sup>1</sup>

## Customer Centric, Veteran Leadership

Highnote's co-founders, John MacIlwaine and Kin Kee, bring 40 years of combined technical experience in the financial services industry. Their tenure leading product and engineering teams at Braintree and LendingClub provided valuable insights into the challenges of building in the payments space, directly influencing Highnote's strategy and execution. The platform was designed with developers in mind, offering APIs that integrate smoothly into customers' existing systems.

During our diligence, customers consistently highlighted the platform's ease of use and the team's commitment to addressing their needs. This focus on customer success, coupled with a modern technology stack, makes Highnote a strong choice for businesses navigating today's payments landscape, which is reflected in its frequent success in competitive bids against many established incumbents.

## Bright Outlook

The market for Highnote's offering is large and growing, while traditional credit issuing platforms are often costly, complex, and unable to meet today's requirements. Highnote's unified platform for both issuing and acquiring transactions helps to deliver cost savings and streamline operations for customers. The team behind Highnote is experienced and should be well positioned to capitalize on both the issuing and acquiring markets. We believe Highnote will become a large, successful player in the payments industry.

Congratulations to Highnote on its impressive accomplishments to date. We are proud to partner with them on their journey to redefine card payments infrastructure and accelerate fintech innovation of today and tomorrow. ■

1. Source: Grand View Research [Embedded Finance Market Analysis 2017-2030](#), 2023.

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