Evolve Capital Partners

Finance & Technology Market Update

Q3:2017 Issue

Financial Technology

ISVs / VARs | Wealth Management Tech 2.0 | Risk Analytics

SPECIALIZED INVESTMENT BANKERS AT THE INTERSECTION OF FINANCE & TECHNOLOGY

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Executive Summary

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Executive Summary

Summary of Newsletter

SUMMARY

- This newsletter provides insight into the financial technology capital markets. We seek to provide a snapshot of market activity and detailed analysis of trends.
- This issue focuses on **ISVs, VARs and**, **Integrated Payments; Wealth Management Tech (version 2.0);** and **Risk Analytics**. We are continuing over coverage of the Wealth Tech sector, building on top of our Q2:2017 issue; hence version 2.0.
- Our sector coverage includes companies at the intersection of financial services and technology, and we have observed increased activity in the ISVs, VARs and, Integrated Payments; Wealth Management Tech (version 2.0); and Risk Analytics spaces.
- The key observations we made over the third quarter of 2017 are alongside.

KEY OBSERVATIONS

$5 billion	Opportunity for integrated payments in North America	**2x**	Expected size of the Supply Chain Analytics market in 2019 compared to 2014	**50%**	Efficiencies that banks can generate through analytics-based automation of the risk assessment process

ISVs, VARs, and Integrated Payments Players Disrupting Merchant Acquisition	Bank acquirers claim about 50% of the Merchant Acquiring market. However, non-bank entities are growing faster, because they take a more proactive approach. Merchant acquirers are increasingly relying upon technology as a differentiator to wrap around card processing services (integrated payments), recognizing that traditional feet-on-the-street sales are facing secular pressure. **Traditional distribution channels such as ISO/field sales are now being supplemented with dealer/developers who are being utilized to acquire new merchants through ISVs and VARs**, which are growing much faster than the traditional channels.
Wealth Techs Growing Through Strategic Partnerships	With increasing service expectations of investors and a growing population of wealth techs striving to exceed them, firms – traditional wealth managers, tech-driven online wealth advisors, and wealth management technology providers – are **banking on partnerships to develop new capabilities and add complementary services to their service suite**. This new strategy marks an away-shift from the exclusive use of big-ticket marketing and customer acquisition initiatives. Through partnerships, players have rolled out customized solutions at a quicker pace and much lower cost compared to developing them in-house or acquiring them inorganically.
Analytics Redefining Risk Assessment	Risk Analytics businesses are disrupting the way financial institutions, lenders, and businesses assess risk and mitigate it. **Their emergence has led to a fall in data access costs and has expanded the market for data by giving SMEs and others easier access to high-quality risk insights** that could only be accessed by large enterprises earlier. Supply Chain Analytics and Credit Risk Analytics are already major markets, and would continue growing strongly. However, newer verticals of Risk Analytics, such as Cyber Risk Analytics, are coming up with the emergence of new forms of risk, and hold the potential to grow just as strongly.

Evolve Capital Partners

Executive Summary

Summary of Newsletter

We are initiating interviews of key companies in our space and below are several emerging companies profiled in this issue:

trizic™		▪ Drew Sievers is CEO of Trizic ▪ The company provides a digital wealth management platform designed to help the wealth industry prepare and implement digital wealth ▪ Go to page 38 for a detailed interview profile
RAPIDRATINGS		▪ James Gellert is Chairman and CEO of Rapid Ratings ▪ The company offers financial rating and report generation services intended to provide visibility and early warning of financial deterioration or improvement. ▪ Go to page 43 for a detailed interview profile
SwervePay® Health Services		▪ Brad Bialas is Co-Founder and President of SwervePay ▪ The company offers a cloud-based solution that enables business owners to leverage their payment data to more effectively deliver “concierge service” to their customers ▪ Go to page 48 for a detailed interview profile

Firm Qualifications

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Evolve Capital Partners Overview

We Focus Exclusively On Finance and Technology Related Firms

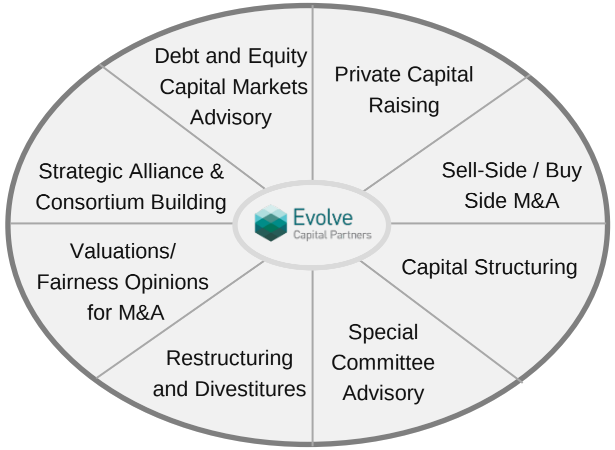
ABOUT ECP

- Evolve Capital Partners (ECP) is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology.
- We were founded in 2012 and are based in New York, NY, the financial capital of the world. Our location provides unparalleled access to numerous strategic and financial partners who participate in and shape the sector.
- Since inception, we have completed over $350 million of transactions and professionals of the firm have advised on over $3 billion of M&A and financing transactions globally.

FINANCIAL ADVISORY SERVICES

- We are a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements.
- We produce industry-leading research on transaction trends across the Finance and Technology sector.
- Few investment banks have transaction experience across both corporate and asset finance.

Our Services



In-Depth Industry Research Reports

Quarterly FinTech Market Analysis

FinTech M&A / Financing Transaction Profiles

Our Clients

- Corporations
- Management Teams
- Venture Capital & Private Equity Funds
- Independent Directors / Boards

Industry Focus

- *We are exclusively focused on Finance and Technology Firms*

BPO	Specialty Finance	Payments	Securities
IoT	Enterprise Software	Lending	Financial Services
B2B	Analytics	Insurance Tech	Financial Management

Fintech Coverage Universe

We Focus Exclusively On Finance And Technology Related Firms

Financial Management Solutions

Payments

Bank Technology / Solutions

BPO

Specialty Finance / Alternative Lending

Healthcare Tech

Securities

Data & Analytics / IoT

Insurance

Evolve Capital Partners

Our Expertise and Capabilities

M&A Advisory

- Sales / Recaps
- Acquisitions
- Divestiture
- Strategic Advisory

Financing

- Private Placements
- Debt Capital
- Restructuring

Fintech Coverage Universe

Our Finance And Technology Sector Coverage Details

Payments

- Core Banking Solutions
- Payment Infrastructure
- POS Devices / Solutions
- Networks
- Prepaid / Money Transfer
- Payment Processing
- Closed Payment Network

Bank Technology / Solutions

- Blockchain
- Core Processing
- Credit Scoring
- Mortgage / Real Estate Tech
- Software Solutions / Services

Financial Management Solutions

- Accounting / Expenses
- Business Analytics
- Enterprise Management
- Human Capital Management
- Revenue Management

BPO

- Customer Experience
- Healthcare Industry
- HR / Payroll
- IT / Consulting
- Operations

Specialty Finance / Alternative Lending

- Consumer
- Commercial
- Online
- Collections / Servicing
- Leasing
- Mortgage & Related

Healthcare Tech

- Analytics-Driven Solutions
- Core Solutions
- Medical Bill Servicing
- RCM
- Specialty Health Solution

Securities

- Alternative Trading Systems & Market Makers
- Diversified FIS
- Exchanges
- Financial Content Providers
- Investment Management
- Online Brokers
- Outsourced Financial Solutions
- Software & Solutions
- Brokerage
- Investment Banks

Insurance

- Software Solutions
- Data & Analytics Solutions
- Title
- Life and Health
- Multi-Line
- P&C Specialty
- Insurance Brokers
- Online Information Providers
- P&C

Analytics / IoT

- Analytics Software Solutions
- Consumer IoT
- Industrial IoT
- Outsourced Analytics Solutions

Firm Qualifications

LeaseDimensions M&A Sell-side Case Study

Transaction Overview & Rationale

Overview of the Transaction

- LeaseDimensions (the “Company”) engaged Evolve Capital Partners (ECP) to advise on the sale of the 25 year old firm.
- The Company can be categorized as a Business Process Outsourcing (BPO) firm, with considerable operating history and generating above average margins. The Company provides lease and loan servicing to banks, large corporations and emerging growth companies across North America.

Significance of the Transaction

- The buyer, Genpact, is a large international BPO with a $5 billion market capitalization. The acquisition of LeaseDimensions allows Genpact to effectively provide onshore servicing capabilities, and represents an ongoing consolidation of third party independent servicing companies.
- LeaseDimensions will remain a standalone company and will receive significant support to rapidly expand operations and expand into ancillary asset classes.

Evolve Capital Partners Role in the Transaction

- ECP served as the exclusive strategic and financial advisor to LeaseDimensions.
- ECP developed a detailed and comprehensive set of marketing materials to highlight the unique value proposition of the Company and to enable efficient and thorough buyer diligence.
- ECP drafted tailored selling script in the form of brief presentations that specifically articulated strategic fit, rationale and directly addressed questions from interested parties.
- We leveraged our relationships to understand each party’s interest level and concerns throughout the process and informed them on the Company’s attributes and quality of its servicing offerings.
- ECP generated qualified indications of interest from numerous strategic and financial buyers and was able to generate a significant increase in the final valuation from the initial indications of interest through a negotiated process.

Financial Advisor

February 2017

LeaseDimensions

has been acquired by:

GENPACT

GENERATING IMPACT SM

Exclusive financial advisor to LeaseDimensions

BPO

Strategic

M&A

Firm Qualifications

CleanFund Commercial PACE Capital Financing Case Study

Transaction Overview & Rationale

Overview of the Transaction

- CleanFund Commercial PACE Capital (the "Company") engaged Evolve Capital Partners (ECP) to structure, place and advise on a strategic investment.
- CleanFund is the leading pure-play commercial PACE tech-enabled financing platform in the U.S. It is classified as a specialty financing / alternative lending platform which has experienced very rapid growth over the last 18 months.

Significance of the Transaction

- CleanFund announced its first closing of a $15 million investment round from affiliates of Vulcan Capital which allows CleanFund to build its technology capabilities, expand into new markets and continue to provide funding across its deep channel network.
- In addition to the strategic investment, the investment contains a $100 million loan flow program which provides continued funding for CleanFund's rapid growth as it scales across the U.S. as the leading tech-enable PACE financing provider.

Evolve Capital Partners Role in the Transaction

- ECP served as the exclusive strategic and financial advisor to CleanFund through the detailed engagement at every step of the process.
- ECP leveraged its deep knowledge, experience, and industry relationships to achieve a favorable outcome for the Company.
- ECP generated numerous proposals for CleanFund and the Board to evaluate.
- The groundbreaking transaction demonstrates ECP's success at advising $100 million+ financings for leading financial technology firms, which supports our domain expertise in the specialty financing and alternative lending sectors.

Financial Advisor

September 2017

Strategic investment and loan flow program for the leading tech-enabled PACE financing platform

CLEANFUND
Commercial PACE Capital

has received strategic capital from

Entities affiliated with
Vulcan Capital

Exclusive financial advisor to CleanFund Commercial PACE Capital

Specialty Finance

PE Fund

Financing

Industry Landscape

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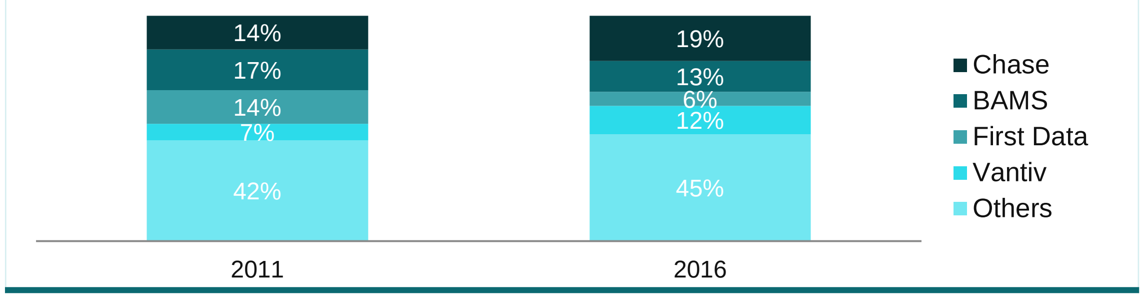
Changing Landscape of Merchant Acquiring

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- Merchant acquiring is differentiated by sales approach, as there are many channels to access the fragmented merchant market. Key sales channels include banks, non-bank scale processors and ISOs. It is common for large retail banks (e.g., Wells Fargo, Citi, Bank of America, etc.) to have joint venture merchant acquiring partnerships with large processors.
- The joint venture structure allows banks to leverage/monetize their extensive branch network and small business banking/treasury relationships to reach and up-sell merchant acquiring contracts without the hassle or cost of building their own payment processing infrastructure.
- Bank acquirers claim about 50% of the market, demonstrating the strong sales reach a bank can provide. However, **non-bank entities are growing faster**, because they take a more proactive approach in adding merchants through feet on the street or via indirect sales channels like ISOs, ISVs and dealers.
- Aggressive ISOs with a hungry commission-based sales structure can grow merchant bases upwards of 10-20+%. Visa lists nearly 4,300 registered ISOs as of April 27, 2017.

Domestic Merchant Acquiring Market Share by Volume



Merchant Acquiring Is All About Distribution

Merchant	Sales Channel	Processor
Large	**Banks** *(approx. 50% share)* *Chase Commerce Solutions* *Bank of America Merchant Services* *Wells Fargo Merchant Services* *Elavon / US Bank*	In-House Elavon First Data Global Payments TSYS Vantiv World Pay
	Non- Bank Scale Processors *(approx. 30% share)* *First Data* | *Vantiv* | *Global Payments* | *World Pay*	
	Legacy ISOs *(approx. 15% share)* *Heartland Payments* | *Transfirst* | *iPayment* | *North American Bancard*	
Small	**New Age ISOs** *(<5% share)* *Square* | *LevelUp* | *Adyen* | *Stripe*	

Source: Company Reports, J.P. Morgan estimates, the Nilson Report

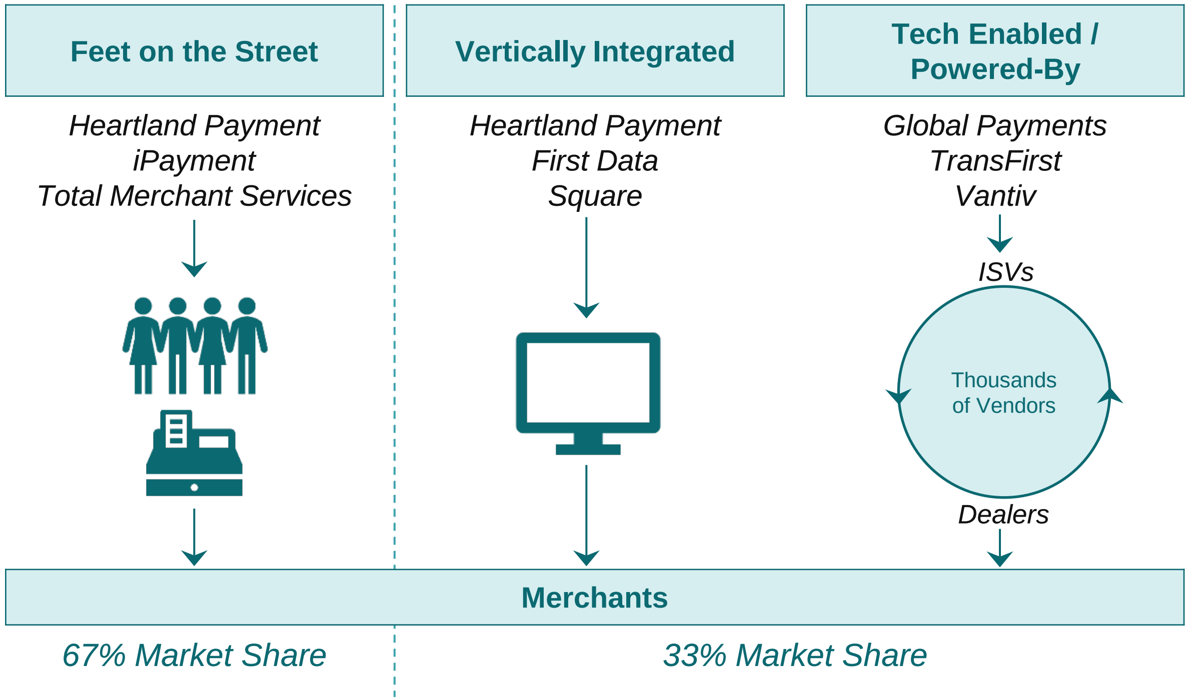
Rise of Integrated POS Distribution Model

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- Merchant acquiring distribution is rapidly changing in the non-bank space. Merchant acquirers are increasingly relying upon technology as a differentiator to wrap around card processing services (integrated payments), recognizing that traditional feet-on-the-street sales are facing secular pressure.
- McKinsey estimates the traditional (feet-on-the-street) model accounted for about 65% of the market in 2013, but will shrink at an annual rate of 2.5%, while tech-enabled (POS software solutions) will gain market share and grow at an annual rate of 8.9%.
- Integrated POS (iPOS) is where sales are led by point-of-sale technology (hardware or software) that is integrated with a payments module powered by a merchant acquirer.
- There has been an increased focus on integrated POS, an area we are bullish on, as **merchants are increasingly demanding (and benefiting from) iPOS systems,** due to a number of trends
  - Decreasing costs
  - Demand for more payment options
  - Specialized industry-specific software embedded in such systems to improve business operations
  - New security standards
  - The proliferation of tablets.

Source: Company reports, McKinsey and J.P. Morgan calculations

Merchant Acquiring Distribution Is Going Tech



- The winning distribution model for small and mid-sized merchants has shifted from "feet-on-the-street" sales to technology-led sales. Large players like GPN, TSYS and VNTV have made significant acquisitions in this space, and collectively power over $100 billion in volume annually. Moreover, companies like Braintree and Stripe have quickly gained scale by focusing on digital commerce and tapping into a strong developer community to power leading mobile apps.

Integrated Payments Still In The Early Stages

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- Integrated payments refers to the integration of payment processing with various retail/business management software solutions/applications sold through the Value-Added Resellers (VARs) and Independent Software Vendors (ISVs) such as accounting and customer relationship management (CRM) among other useful tools. The integration of payment processing with retail/business management software/applications creates a significant value proposition to the merchants and has become a source of growth for the merchant acquirers.
- For example, the merchant could have its customer relationship management software (CRM) embedded within the payment solution along with its accounting software or business analytics software. Due to the integration, dependencies, and wealth of information collected and stored across the applications, **these tools tend to create stickiness with the merchant** as it becomes harder for them to switch providers.
- According to a combined report by Global Payments (GPN) and Euromonitor data, North America is the largest target market as it is less than 10% penetrated with the small- to mid-sized merchants being the most penetrated. Overall, North America represents a $5 billion opportunity while Europe represents a $3 billion opportunity and Asia Pacific a $2 billion opportunity.
- The traditional acquiring business became more commoditized as payments started to be embedded within business applications and cloud-based POS operating systems. The merchant acquirers have built out or acquired strategic assets in order to capture the opportunity and have shifted their distribution model toward direct channels and ISVs/VARs supplementing the traditional ISO/field sales approach.

Source: Deutsche Bank, Global Payments, Euromonitor

KEY MARKET TRENDS

- Integrated payments enhancing the value proposition
- Business management software creates stickiness with merchants
- Large attractive addressable market for integrated globally
- Underpenetrated and fragmented SMB space still large and attractive
- Merchant acquirers positioning in integrated payments

__ISVs__ are the organizations which actually develop the business management software solutions while the __VARs__ sell the software solutions to merchants as well as the computer systems which operate the software.

ISVs / VARs Disrupting Merchant Acquisition

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- The distribution strategy for the merchant acquirers has shifted in recent years. Traditional distribution channels such as ISO/field sales are now being supplemented with dealer/developers who are being utilized to acquire new merchants through ISVs and VARs, which are growing much faster than the traditional channels.
- The traditional channels have lower margins due to the pass-through included in the revenues and expenses which pressures the margins as ISOs grow and command a higher percentage of revenues.
- According to First Annapolis, the ISVs/VARs distribution model represents ~9% of new merchants signed and ~4% of the total volume. The **ISV/VAR channels are growing rapidly and taking market share from ISOs** with their sweet spot being the fragmented SMB market. In addition, despite the advent of faster, more efficient, and less costly iPOS solutions which provide value to the merchant, still 30% of the installed terminal base in the US are dial terminals and banks still account for 40% of new merchants signed. This shows a long runway for integrated solutions.
- The ISV channel is highly fragmented with 10k+ developers and 60%+ having annual revenues less than $500k, according to First Annapolis. Despite the increasing number of partnerships with acquirers, ~84% of ISVs do not hold more than one acquirer relationship outside of the major players such as Micro, NCR, and Squirrel. The channel has grown more prominent in recent years, with several processors acquiring developer talent to reach new merchants. Acquirers have recognized the developer market as a distribution opportunity, and this has translated into a consolidation play.

KEY MARKET TRENDS

- New models curb attrition and margin pressures
- Low penetration and rapid growth make ISV/VAR channel attractive
- Highly fragmented market with lack of contractual exclusivity
- ISVs/VARs helping penetrate the highly fragmented SMBs market

Source: First Annapolis

Case Study: *Square's* Fully Integrated POS Solution

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- Square built its fully integrated POS solution from the ground up initially focusing on SMBs where the company has had significant success and is pushing up market into larger merchants.
- The company has a full ecosystem of payment solutions. From its traditional magnetic stripe dongle devices and new EMV/contactless dongle devices to Square Register for larger merchants and Square Capital for business loans.
- Square Register offers an expansive set of merchant solutions including analytics, employee management, appointments, and invoicing. In addition, the app marketplace could see further expansion of vertical specific solutions.
- Square leverages its expansive merchant base, deep understanding of seller business models, risk, cash flow, payback and working capital, to underwrite and extend cash advances to its sellers at below industry fraud loss rates as part of Square Capital.
- Square offers an end-to-end local SMB marketing solution through Customer Engagement, CRM software solution for direct and email based marketing products, to target local channels offering custom loyalty, rewards, and coupon offers to its existing customer base improving both retention and sales volume for the seller.
- With a very visible brand name, growing customer base and expansive solution set, Square has disrupted the small merchant acquiring landscape with first to market innovative products, transparent and simplified pricing, and end-to-end commerce platform.

41%

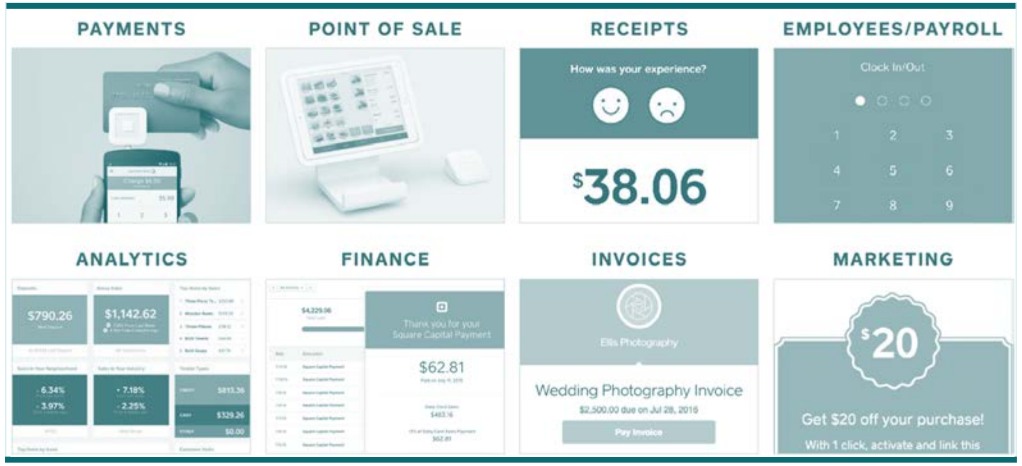
Adjusted Revenue year-over-year growth. This significant growth is coupled with a Positive Adjusted Revenue retention rate and 3-to-4 quarter payback

Square has achieved tremendous scale with millions of active sellers with

$57 billion

of trailing four quarter Gross Payment Volume (GPV)

Square has built a cohesive commerce ecosystem



Source: Deutsche Bank, Square Filings

Case Study: *ShopKeep*

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- ShopKeep Inc. provides cloud-based mobile point-of-sale services to small and medium-sized businesses. It allows them access to tools and provides a platform enabling retail merchants to run customer transactions from an iPad.
- The company has custom-designed solutions for retailers, quick serves, and restaurants / bars.
- Its retail POS system can identify top-selling items and the ones that should be replaced. It can also determine which departments need to be expanded and which ones should be downsized.
- ShopKeep's restaurant POS allows users to maintain a customized register for optimum speed. It also allows them to keep numerous checks open simultaneously, to conveniently accommodate repeat customer orders.
- The company's platform also offers several essential value-added features, like automatic inventory tracking, employee management, and real time sales reporting. ShopKeep's other services include:
  - ***ShopKeep Capital***, a merchant cash advance service for small business owners
  - ***Marketing dashboard*** to track acquisition efforts and view traditional and social engagement opportunities
  - ***Contract-free payment processing*** with 24/7 customer support and transparent pricing
  - **Pocket**, a smartphone application that enables independent business owners to monitor performance of their business in real-time.
- ShopKeep was founded in 2008 and is based in New York, NY.

Source(s): Company website, media reports, Capital IQ, Pitchbook

Highlights

23 thousand+	ShopKeep has 23,000+ customers nationally, and its customer base includes businesses varying sizes and varieties
289+	ShopKeep handles 289+ million transactions annually
#1	ShopKeep is the number 1 customer rated iPad POS
#116	ShopKeep was ranked 116th on the Deloitte Fast 500 Fastest Growing Tech Companies in North America

Value Added Features

- Inventory Management
- Staff Management
- Customer Marketing
- Reporting and Analytics
- BigCommerce Integration
- QuickBooks Integration
- Premium Customer Support
- Gift Card Integration
- Customizable POS Hardware

Case Study: *BluePay* Revolutionizing Payment Processing

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- BluePay provides technology-enabled B2C and B2B payment processing through physical POS, online, and mobile interfaces, as well as CRM and ERP software integrations, across the US and Canada.
- The company also provides real-time settlement, reporting, and reconciliation, along with robust security features such as tokenization and point-to-point encryption.
- The company's services are designed for merchants and suppliers of all sizes, including SMEs, large associations, restaurants, and nonprofits. With its omnichannel capabilities, advanced security methods and fraud management tools, the BluePay Gateway has emerged as one of the top gateways in the geographies it serves.
- BluePay's extensive range of payment processing services come with enhanced features designed to help users increase sales, cut costs, and improve productivity. It helps consolidate vendors with a one-source payment processor, as well as authorizes cards and checks almost instantly through its variety of POS software and processing equipment.
- The company protects merchant accounts and minimizes security risks through an extensive suite of fraud management tools and PCI-compliant payment gateway, software, and data storage facilities.
- BluePay was founded in 1987 and is based in Boca Raton, IL.
- **<u>BluePay's majority stakeholder, TA Associates, is believed to have put BluePay Processing up for auction. The sale could fetch up to $700 million</u>**.

Source(s): Company website, media reports, Capital IQ, Pitchbook

Representative List of Financial Institutions Partners

HOWARD BANK | American Community Bank & Trust | Pan American Bank & Trust – Live the Dream

Representative List of Integration Partners

ERP Integration and CRM Solutions

Connected (Accounting & ERP Software) | cdi | CETEC ERP

Restaurant Solutions

AppSuite Restaurants | giftfly | RDS Control Systems

Filed Software

Arborgold (Build a Better Business) | Service Autopilot

E-commerce and POS

Big Tree | datacap systems, inc. | DERMPRO

Case Study: *Swervepay* Streamlining Payments Through Text

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- SwervePay provides a portal-free platform enabling users to make one-click payments via text messaging. For service providers, the platform turns the customer's first payment into a permanent customer record.
- The company provides two platforms - SwervePay Auto and SwervePay Health Services.
- SwervePay leverages input from thousands of offices in various industries to ease the collection of payment data. The company's platform streamlines workflow and increase business efficiencies through its business process reengineering expertise and cutting edge technology.
- The company was founded in 2010 and is based in Lake Villa, IL.

Key Features of SwervePay

- VPOS – Virtual Point of Sale
- Quickbooks Integration
- Tokenization
- e-Invoicing
- Payment Plans
- RESTful API
- Mobile Payments Platform
- Custom Software Integrations

SwervePay Auto

- SwervePay Auto is designed to streamline the payment cycle from start to finish for the auto service industry. It provides a simple and intuitive interface that turns the customer's first payment into a permanent customer record and leverages existing infrastructure to save time and significant money for automobile service providers.
- Because most dealerships do not store valuable payment information, they deal with problems like difficulty collecting bills, growing accounts receivables, and poor communication with consumers.
- With SwervePay's cloud-based software owners can reduce accounts receivables, lessen the number of paper invoices, and drastically cut back on outbound phone calls by using SMS texts.

SwervePay Health Services

- Regulation, reform and processes have dramatically altered the patient experience. With the industry moving to commoditize, white label health care, connecting with patients is more important than ever.
- SwervePay's cloud-based system is focused on facilitating payments and presenting the right data, at the right time, to the right audience. By giving patients more options, it helps improve patient payment resolution.
- SwervePay sends automated appointment reminders to patients to reduce no-shows. It also sends automated account balance notifications through text or mail for one-click payments.
- The payments are seamlessly integrated with the user's existing Patient Management System via AR write back.

Source(s): Company website, media reports, Capital IQ, Pitchbook

M&A Case Study: *CardConnect* Acquires *MertzCo*

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

Transaction Highlights

Total Transaction Size ($ mm)	$38
Implied Enterprise Value / LTM Revenue	6.2x
Implied Enterprise Value / LTM EBIT	17.7x
Implied Equity Value / LTM Net Income	16.4x

Acquisition Details

cardconnect.

- CardConnect Corp. (NasdaqGM:CCN) acquired MertzCo, Inc. from Michael J. Mertz for $38.2 million on April 3, 2017.
- Out of total consideration, $12 million was paid in cash and for the remaining consideration, 1.98 million common shares of CardConnect were issued.
- The acquisition was completed on August 3, 2017. Since completion, MertzCo has operated as a wholly owned subsidiary of CardConnect.

Target Company Overview

MertzCo

- MertzCo, Inc. markets and resells credit card, debit card, gift card, loyalty card, and offers payment process services.
- The company also offers automated clearing house services, point of sale equipment, software and related goods and services.
- MertzCo is the largest VAR of the CardConnect brand, primarily to Integrated Software Vendors (ISVs),
- The company is headquartered in Chicago, Illinois.

Transaction Rationale

- The acquisition will help CardConnect leverage MertzCo's extensive relationships across the ISV channel. With its deep roots and extensive relationships across the ISV channel, MertzCo has consistently generated strong growth.
- Combining MertzCo's ability to build a high-producing sales system with CardConnect's superior payment technology for software partners and merchants, is expected to significantly expand CardConnect's direct distribution channel – one of the company's 2017 growth objectives.
- The acquisition of MertzCo will be immediately accretive to CardConnect.

Sources: CardConnect press release and Capital IQ

Wealth Techs Turning to Partnerships for Growth

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- Digital advice (robo platforms) and technologies like analytics and automation that were exclusively utilized by Silicon Valley Wealth Management 'disruptors' until recently, have now become inalienable to the wealth management practice.
- With increasing service expectations of investors and a growing population of wealth techs striving to exceed them, firms – traditional wealth managers, tech-driven online wealth advisors, and wealth management technology providers – are banking on partnerships to develop new capabilities and add complementary services to their service suite.
- This new strategy marks an away-shift from the exclusive use of big-ticket marketing and customer acquisition initiatives. Partnerships are more profitable and sustainable compared to such initiatives, as they help create capabilities that both partners can use (and build on), into the distant future, for a shared cost base.
- For traditional wealth managers, such partnerships are essential to keep up with online advisors, who are expanding the market and ceding market share from them, by providing high-quality service at lower costs. Some of the capabilities that are developed through partnerships don't generate revenues directly, but they increase process efficiency and help advisers serve clients better.
- **Through partnerships, players have rolled out customized solutions at a quicker pace and much lower cost** compared to developing them in-house or acquiring them inorganically. Online players and technology providers have used collaborations to bring together diverse capabilities and offer integrated solutions. They have also created lucrative cross selling and service bundling opportunities.

KEY MARKET TRENDS

Digital advice (robo platforms) and technologies like analytics and automation have become inalienable to wealth management

Firms are banking on partnerships to develop new capabilities and add complementary services

Partnerships help create capabilities that both partners can use (and build on), into the distant future, for a shared cost base

Through partnerships, players have rolled out customized solutions at a quicker pace and lower cost compared to developing them in-house or acquiring them inorganically.

Online players and technology providers have used collaborations to bring together diverse capabilities and offer integrated solutions.

Key Tech Partnerships in Wealth Management

ISVs / VARs; **Wealth Management Tech 2.0**; and Risk Analytics

Companies across the Wealth Management value chain have entered key strategic partnerships in recent years. Some of the major partnerships entered by Wealth Management Software Platforms, Robo-Advisors, and Asset Managers are below.

Software Platforms

Company	Partners
ADDEPAR*	dynasty financial partners Morgan Stanley Jan'17 Jefferies
ENVESTNET	ADVICENT Aug'17 TD Ameritrade Jan'17 twenty over ten V2 May'17
Linedata	electra Jun'17 integral Dec'16 TRIDENTTRUST May'17

Robo-Advisors

Company	Partners
SIGFIG	Citizens Bank Dec'16 UBS Sep'16
PERSONAL CAPITAL	BancAlliance Jul'16
investcloud	JPMORGAN CHASE & CO. Sep'16
Betterment	Vanguard Sep'16 Goldman Sachs Sep'16
FutureAdvisor	usbank WEALTH MANAGEMENT Sep'16 LPL Financial Apr'16

Asset Managers

Company	Partners
Vanguard	NEWPORT GROUP Aug'17
Invesco*	Advisor Group Shareholders Service Group Pershing
WADDELL & REED Financial, Inc.	ENVESTNET Feb'16 Docupace TECHNOLOGIES eMoney Advisor Jul'16
WISDOMTREE	AdvisorEngine Nov'16

Source(s): Company Websites, Press Releases

Key Tech Partnerships in Wealth Management (With Investment)

ISVs / VARs; **Wealth Management Tech 2.0**; and Risk Analytics

Date	Target	Investor	Value ($mm)	Transaction Rationale
5/11/17	Wealthsimple	Power Financial Corporation	$37	The Series B investment from the Power Financial Corporation group of companies, brings Power's total investment in Wealthsimple to $100 million to date. The two-year old company has over $750 million in assets under administration and more than 30,000 clients in the US and Canada. Wealthsimple will use the new funds to continue its expansion in Canada and the United States, and grow Wealthsimple for Advisors, its B2B platform.
4/29/17	AdvisorEngine	WisdomTree	$5	The partnership helps advisors digitize and differentiate across the full client spectrum and to meet evolving client needs. WisdomTree and AdvisorEngine also entered into a strategic agreement whereby WisdomTree's asset allocation models will be available through AdvisorEngine's open architecture platform and WisdomTree will introduce the platform to its deep distribution network.
2/28/17	Kensho	S&P Global	$50	S&P Global entered a strategic partnership with Kensho shortly after leading a Series B round of funding in the company, as a new investor. Through this relationship, S&P Global Market Intelligence data will feed Kensho analytics platforms and serve as a basis for existing and new Kensho analytical tools. The companies will also collaborate on future product development to bring new capabilities to market.
11/29/16	Finagraph	Moody's	$5	This funding round reinforces Moody's commitment to applying advanced technologies to enhance the availability and quality of financial data and credit analysis on SMEs. Finagraph already helps power a Moody's Analytics product, MARQ. Finagraph will use the proceeds to accelerate product development and expand its market reach in North America.
9/20/16	investcloud	JPMorgan Chase & Co.	Undisclosed	J.P. Morgan Chase & Co. made a strategic equity investment of an undisclosed size. J.P. Morgan's clients across the wealth spectrum, are increasingly engaging with the bank digitally. Pairing digital technologies offered by InvestCloud gives the bank's clients flexibility in how they invest and interact with its advisors.
7/8/16	Financial Guard	Legg Mason Global Asset Management	Undisclosed	Legg Mason has acquired a majority stake in online investment adviser Financial Guard. the combination of the online technology platform and Legg Mason's investment offerings would be a boon for its partners and their customers.
8/26/15	FutureAdvisor	BlackRock	$150	The transaction has helped BlackRock adopt a B2B model aimed at extending high-quality financial management advice to a broader user base through the company's extensive network of financial services clients. It has also helped its banking and wealth management clients scale up in a cost-effective manner.

Source(s): Press Releases, Capital IQ

M&A Case Study: *Envestnet* Acquires *FolioDynamix*

Transaction Highlights

Total Transaction Size ($ mm)	$195
Announced Date	9/25/17
Expected Close Date	2018 Q1

Acquisition Details

- Envestnet, Inc. entered into an agreement to acquire Folio Dynamics Inc. for $195 million on September 25, 2017.
- As part of the transaction, Envestnet expects to acquire tax benefits valued at approximately $10 million. The transaction will be funded by a combination of cash on Envestnet's balance sheet and borrowings under its revolving credit facility.
- The transaction is expected to close in the first quarter of 2018.

Target Company Overview

- Folio Dynamics Inc. provides cloud-based wealth management technology platform, advisory services, and managed account solutions for investment advisors, banks, broker dealers, custodians, and wealth service providers.
- Its suite of advisory tools includes model portfolios, research, and overlay management services. The company also offers automated clearing house services, point of sale equipment, software and related goods and services.
- Folio Dynamics was founded in 2007 and is headquartered in Secaucus, New Jersey.

Transaction Rationale

- The acquisition expands Envestnet's industry footprint, furthering Envestnet's growth and wealth technology consolidation strategy. The combined firm will support nearly $2 trillion in platform assets and approximately 10 million investor accounts.
- The transaction is expected to be immediately accretive to adjusted EBITDA and adjusted net income per share, and to achieve approximately $20 million in identified cost synergies, within 36 months of closing.
- Cost synergies are expected to result from combining platforms, eliminating redundant functions and spending, and benefiting from increased scale and volume. The transaction will also give Envestnet multiple opportunities for cross-selling, representing strong revenue growth potential.

Sources: Envestnet press release and Capital IQ

Sharp Increase in Use of Analytics to Gauge and Mitigate Risk

ISVs / VARs; Wealth Management Tech 2.0; and **Risk Analytics**

- Risk Analytics businesses are disrupting the way financial institutions, lenders, and businesses assess risk and mitigate it. Their emergence has led to a fall in data access costs and has expanded the market for data by allowing SMEs and others easier access to high-quality risk insights that could only be accessed by large enterprises earlier.
- Firms like RapidRatings and Cortera use a diversity of unconventional data like changing purchase behavior, payment behavior, financial news and public record filings to determine the creditworthiness of companies. Unlike traditional financial institutions, analytical firms take both qualitative and quantitative parameters into consideration. They are increasingly employing Big Data Analytics and delivering their services through SaaS-based delivery models.
- Online lenders are also employing new forms of analytics that can help identify indictors of borrowing strength and borrowers that are unable to score well on conventional creditworthiness tests used by banks and traditional lenders. For example, Earnest collects over 100,000 data points per customer to determine the creditworthiness of borrowers.
- The **Risk Analytics segment can be expected to continue growing strongly, with new dimensions of risk emerging.** Cyber risk analytics, for example, is among the newer segments of Risk Analytics that holds great promise.
- M&A activity is robust in the Analytics space, with the emergence of companies in niche areas of counterparty assessment and risk management. Large companies, such as Verisk, have been acquiring young businesses in new areas, to expand their area of operations and to acquire new capabilities. Conventional analytics companies, such as Dun & Bradstreet have been acquiring new analytics businesses to gain access to their new risk assessment approaches and data analytics technologies.

Source: CB Insights, Company Websites, Press Releases

Key Market Trends

The emergence of risk analytics solutions providers has reduced the costs and expanded the democratizing access to high-quality risk assessment solutions.

Risk analytics businesses use a large selection of atypical data types, like changing purchase behavior, payment behavior, financial news and public record filings to perform a more wholistic assessment of risk.

Risk Analytics can be expected to continue growing strongly, with new dimensions of risk emerging. Cyber risk analytics is among the rapidly upcoming segments of Risk Analytics.

M&A activity has been strong in the Analytics space, with the emergence of companies in niche areas of counterparty assessment and risk management.

Large companies have been acquiring young businesses in new areas, to expand their area of operations and to acquire new capabilities.

Key Segments Snapshot

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

Credit Risk Analytics

trustingsocial
Social, web and mobile data-based consumer credit scoring

ICE KREDIT
Real time credit worthiness and anti-fraud information

XOR DATA EXCHANGE
Permission-based credit data exchange

ArgosRisk
SaaS-based credit data and insights

enigma
Platform for public information and document search related on borrowers

earnest
Data science-backed low-interest online lending

Supply Chain Analytics

RAPIDRATINGS
Financial health assessment of suppliers and vendors

infor
Cloud and Predictive analytics-based ERP solutions

CORTERA
Subscription-based business information and workflow automation solutions

TRANSFIX
Analytics based technology and brokerage services for trucking

SKUVAULT
Analytics-based on-demand, pre-screened trucking solutions

FLEXPORT
Dashboard-powered fully-managed freight forwarding

Compliance Analytics

QUANTIVATE
Web-based continuity, risk management, and compliance solutions

INTELLIGIZE
NLP and machine learning-enabled document and data analytics solutions

AXIOMSL
EDM platform for regulatory reporting risk and compliance

Cyber Risk Analytics

UpGuard
Cybersecurity preparedness scores for enterprises and insurer

BITSIGHT
Security rating and benchmarking solution for insurers and brokers

SecurityScorecard
Security-risk benchmarking platform

Data & Automation at the Helm of Modern Credit Risk Analytics

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- With better computing power and new analytical techniques, banks and other lenders can extract deeper and more valuable insights from the large heaps of data accessible to them – both, from within and through a growing number of credit risk analytics and solutions providers. This helps lenders identify, measure, and mitigate risk, in a better, quicker, and more cost-effective manner.
- Many key processes are fully automated and many more are to follow soon. As a result, banks, either through their software, or through their analytics, rating, and benchmarking partners; can instantly access publicly available data from across sources, such as government filings.
- The superior data capturing and analytics technologies also allow banks to look beyond conventional structured information coming from credit-bureau reports and market sources. They can now tap into unconventional sources, such as government statistics, customer data from utilities, spending patterns, and supermarket loyalty cards, chat and voice transcripts, customer rating websites, and social media. These sources allow lenders to use a broader gauge of assessment by taking a deeper dive into the financial and other information of prospective borrowers.
- **The advent of analytics is also helping lenders improve their risk selection, risk warning, and early monitoring.** Mechanization of critical credit assessment process through advanced analytics technologies has allowed many banks and traditional lenders to put the lending process for their retail and SME segments on autopilot from end-to-end.
- With this kind of straight-through processing banks can approve up to 90% of consumer loans in seconds, generating efficiencies of 50% and revenue increases of 5% to 10%.[1]

Source: [1]McKinsey

Key Market Trends

- Better computing power and new analytical techniques help lenders identify, measure, and mitigate risk, in a better, quicker, and more cost-effective manner.
- With most processes nearing full automation, lenders can instantly access data from across sources.
- They are tapping into unconventional sources like government statistics and customer spending patterns, instead of conventional structured data from credit-bureaus and others.
- Analytics-enabled mechanization of several aspects of the credit assessment process is allowing lenders to put lending for retail and SME clients on auto-pilot.
- This process automation can help banks generate efficiencies of 50% and revenue increases of 5% to 10%.

Businesses Struggling with Increasing Supply Chain Complexities

- Modern-day businesses operate with complex global supply chains that sometimes span across continents. The expansiveness and complexity of these supply chains exposes them to challenges like geopolitical turbulence, input cost volatilities, delivery time unpredictability, economic uncertainties, and competition from low-cost outsourcers.
- These challenges make production planning difficult and create a lot of waste in the supply chain. The struggle faced by supply chain managers is compounded by the difficulties of discovering new supply sources and blending them seamlessly in the process. Improved prediction mechanisms are required so that these disruptions can be avoided and better tackled.
- Competition, particularly in most of the tech-driven sectors, is frequently around serving customers faster, often in real-time. Supply chain optimization is critical for such businesses as even small breakdowns can cause delays, resulting in irreparable damage.
- Consequently, **businesses are being pushed to view supply chain efficiency as an indispensable requirement for maximizing customer value and gaining competitive advantage.**
- Large global organizations, such as GM and Apple have suffered potentially major supplier-related disruptions in recent times. The need to avoid such disruptions has led to an increase in the demand for Supply Chain Analytics (SCA), which promises to bring greater predictability and smoothness to operations.

Highlights

Modern-day supply chains span across continents, which increases complexity and risk.

Complexity creates huge amounts of supply chain waste and makes it difficult to blend supply sources seamlessly.

Customers, particularly in tech-intensive sectors, expect quicker service, often real-time service. This adds to supply chain pressure.

Businesses are pushed to create supply chain-based dominance to gain a competitive advantage.

For example, recent supplier disruptions at GM and Apple have nudged companies to ramp up SCA adoption.

Reference(s): McKinsey; "Could Proper Procurement Have Saved Apple and GT Advanced?", "Afternoon Coffee: GM Strikes Deal With Bankrupt Supplier, Avoids Production Disruption", "How Manufacturers are Applying New Technology to Improve Operations": Spend Matters; "Supply Chain Analytics: What is it and Why is it so Important?": Paul Myerson in the Industry Week

SCA Vital to Tackle Complexities and Maximize Customer Value

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- Introducing analytics to the supply chain is central for businesses to curb contemporary business challenges and to meet the end of customer satisfaction through high speed to market. As a result, supply chain has been ahead of all other business functions in utilizing analytics.

- The **global SCA market is expected to nearly double in size between 2014 and 2019**. It is expected to reach a size of $4.8 billion by 2019 from $2.5 billion in 2014, implying a CAGR of 14.6% during this period.[1]

- SCA is being utilized in areas like Enterprise Resource Planning (ERP), Vendor Analytics, Trucking, Warehousing and Inventory Management, and Freight and Supply Chain Visibility. Key companies in each of these areas are alongside.

- SCA helps companies improve agility, smooth operations by predicting demand and supply fluctuations, improve process visibility by minimizing unanticipated supply chain breakdowns; and optimize their supply chain resources, among many other things.

- Several startups have emerged in the SCA sector since 2013. Clear use cases for their products and services, coupled with their strong Proofs of Concept have helped them garner liberal funding from early stage investors.

- While most startups have been working on solutions to stage-specific problems along the supply chain, large tech players have been focusing on analytics-driven solutions for multiple stages of the supply chain.

Sector-Wise Classification of Key SCA Companies

Enterprise Resource Planning

Vendor Analytics

Trucking

Warehousing and Inventory Management

Freight and Supply Chain Visibility

Source(s): [1]Markets and Markets | Reference(s): McKinsey; CB Insights

Case Study: *AxiomSL* Disrupting Risk & Capital Market Analytics

- AxiomSL is one of the global leaders in risk data management and regulatory reporting solutions for the financial industry, including banks, broker dealers, asset managers, and insurers.
- The company's EDM platform delivers data lineage, risk aggregation, analytics, workflow automation, reconciliation, validation and audit functionality, as well as disclosures.
- AxiomSL's platform supports compliance across a wide range of regulations, including Basel III capital and liquidity requirements, the Dodd-Frank Act, FATCA/CRS, EMIR, FRTB, COREP/FINREP, CCAR, MiFID II, FDSF, BCBS 239, Solvency II, AIFMD, IFRS 9/CECL, MAS, APRA, REMIT, SFTR, central bank disclosures, and both market and credit risk management requirements.
- The company currently has the largest footprint among US Tier 1 banks for CCAR implementation, CCAR reconciliation, and CFO attestation as well as liquidity projects worldwide.
- The company's technology and solutions have won numerous accolades, including success in the Best Reporting Initiative category of the American Financial Technology Awards, Best Implementation at a Sell-Side by Incisive Media, and highest recognition in the Customer Satisfaction section of the Chartis RiskTech100 rankings.
- AxiomSL raised an undisclosed amount of funding from TCV in July 2017. The company will use the proceeds to accelerate growth and cement its position as the financial industry standard for risk and regulatory compliance data management.
- AxiomSL was founded in 1991 and is based in New York, NY.

Source(s): Company website, media reports

Key Associations

Arab Bankers Association جمعية المصرفيين العرب

Middle East Association

bba The voice of banking & financial services

XBRL THE BUSINESS REPORTING STANDARD

ABBL

Recent Awards

FOW GLOBAL INVESTOR GROUP THE ASIA CAPITAL MARKETS AWARDS — 2017 Reporting Product of the Year

Sell-Side Technology Awards 2017 waterstechnology — Best Implementation at a Sell-Side Firm Winner AxiomSL

THE ASIAN BANKER Compliance Risk Technology Implementation of the Year — Risk Technology Implementation Awards 2016

2016

Sell-Side Technology Awards 2016 waterstechnology — Best Implementation at a Sell-Side Firm Winner AxiomSL

waters rankings 2015 — Best Reporting System Provider — Winner AxiomSL

CIO Review ORACLE 100 SOLUTION PROVIDERS 2014

Case Study: *Cortera* Disrupting Credit Risk Analytics

ISVs / VARs; Wealth Management Tech 2.0; and **Risk Analytics**

- Cortera, Inc. provides powerful analytics-driven business intelligence solutions to credit departments of all sizes. The company offers its solutions through the cloud and at a much lower cost than traditional credit bureaus and credit information providers. The company's solutions generate close to 30% cost savings for clients compared to solutions offered by leading traditional credit information providers.
- Cortera uses extensive amounts of diverse data to generate insights into how a company's customers pay their other suppliers, including the company's competitors. Cortera's solutions also help its clients drive efficiency by generating insights into how its customers spend, what they spend on, and how their spending habits are changing.
- The company's solutions are renowned for their efficiency, ease of use, security, and customizability. The company's product, Cortera Decisions, Cortera Decisions generates a decision status and helps sets credit limits within seconds.
- The company also produces Industry Monitors that provide insights into key purchases, payment and financial trends in 7 major US industries. These monitors are created from data on over 10 million companies and $1 trillion in business-to-business transactions.
- The company's Cortera Credit Exchange (CCE) database optimizes the predictive power of unique spend data with views into how companies interact with varying suppliers. It serves as a growing business library containing hundreds of attributes designed to identify the strongest signals of growth or decline.
- Cortera was founded in 1993 and is based in Boca Raton, FL.

Source(s): Company website, media reports

Highlights	
30%	Cortera's credit information solutions generate close to 30% cost savings compared to solutions offered by leading traditional credit bureaus and credit information providers.
7	Cortera produces Industry Monitors that provide insights into key purchases, payment and financial trends in 7 major US industries.
10 million	Cortera's Industry Monitors are created using data on over 10 million companies.
$1 trillion	Cortera's Industry Monitors are based on data on over $1 trillion in business-to-business transactions

Case Study: *Powerlytics* Disrupting Consumer Behavior Analytics

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- Powerlytics offers a market intelligence platform designed to provide the most comprehensive, accurate and granular consumer and business financial data available in the U.S.
- The company's proprietary market intelligence platform can be accessed through one of its cloud-based products, its API, or through a custom-developed dashboard or solution
- The company's big data market intelligence platform analyzes anonymized financial information from publicly available U.S. government sources and reconstructs it into easily understood financial statements.
- Powerlytics' market intelligence platform, which is powered by the anonymized tax returns of all consumers and for profit businesses that file tax returns, is the result of about 18 years of intellectual property.
- The company has over 200 financial and demographic data points on over 209 million adults and complete financial statements for over 30 million companies.
- This powerful information can be used to drive corporate strategy, discover potential markets, evaluate competitors, and identify risks and trends in both the business and consumer sectors.
- The company's products and services make it easy to create precise benchmarking and market-sizing reports, and to perform detailed economic, business and marketing research.
- Powerlytics was founded in 2011, and is headquartered in Doylestown, PA.

Source(s): Company website, media reports

Highlights	
1 billion+	Powerlytics provides over 1 billion combinations of data to support critical decisions.
209 million	Powerlytics provides comprehensive data on 209 million adults or 154 million households in the US. This information is obtained every year and updated quarterly from the entire population.
200	Powerlytics' platform provides granular household financial data in the form of over 200 income and expense line items.
30 million	Powerlytics provides comprehensive data on 30 million companies or 34 million establishments in the US. This information is obtained every year and updated quarterly.
1,100	Users of Powerlytics' business data can filter the data using 1,100 NAICS industry codes to get information on the most relevant set of companies.

Deal Activity

Deal Activity

Key Industry Transactions in Q3 2017

We monitor the financial technology space from all angles, this includes ISVs / VARs, Wealth Management Tech, Risk Analytics and related M&A transactions. Over the last few months, we have seen some of the large players in these markets, as well as in related markets make significant moves to acquire new capabilities, grow their user base, increase their operating efficiency, and reduce their operating costs. PE and VC funds have also made several major investments in early stage companies in these areas, as they see several profitable exit opportunities in the near future.

Highlighted Transactions

Date	Target	Acquirer(s)	Value ($mm)	Comments
9/25/17	FolioDynamix	Envestnet	$195	FolioDynamix provides cloud-based wealth management technology platform, advisory services, and managed account solutions. The acquisition expands Envestnet's industry footprint, furthering Envestnet's growth and wealth technology consolidation strategy.
9/5/17	eVestment	Nasdaq	$705	eVestment provides content and analytics through a SaaS-based subscription model to support asset managers and investment consultants with institutional investment decisions. The acquisition brings Nasdaq financial benefits in the form of a combination of recurring, predictable revenue, a strong track record of growth, and attractive cash flow dynamics.
7/5/17	Options City	Vela	NA	Options City provides futures and options trading and analytics systems designed to bring innovative technology to the derivatives market. Its acquisition will expand Vela's front-office capabilities to include advanced analytics and risk management tools, enhance its market access managed services with additional trading and content solutions, and accelerate its data cloud strategy.
5/17/17	Total Merchant Services	North American Bancard	NA	Total Merchant Services provides credit card processing services for small businesses and merchants in US and Canada. Its acquisition will bring immediate growth in North American Bancard's merchant base and revenue, expand its offerings, and enhance its go-to-market capabilities by expediting processes and streamlining the client payment experience.
5/17/17	OP Merchant Acquiring Business	Nets	$32	OP Financial Group is a diversified financial services group, providing banking, investment, and insurance services. The company's payments services include international cash management, invoicing, collection of payments, and electronic services. OP's strong brand recognition and distribution to merchants in Finland will allow Nets Oy to further consolidate its position as the largest merchant acquirer in the Nordic region.

Source(s): Press releases, Capital IQ

Company Interviews

“Industry Insight”

Evolve
Capital Partners

ECP Newsletter Overview

Company C-Suite and Investors - Bios

trizic™		▪ Drew Sievers is CEO of Trizic ▪ Prior to Trizic, Drew was Co-Founder & CEO at mFoundry, and also serves as General Partner at an early stage fintech investor, Operative Capital ▪ He holds a BS in Economics from University of California, Santa Barbara
RAPIDRATINGS		▪ James Gellert is Chairman and CEO of Rapid Ratings ▪ Prior to RapidRatings, James ran a number of tech companies, was Managing Partner of Howland Securities LLC, and was head of the Yankee Debt origination business at Deutsche Bank. ▪ He holds a BA in Asian Studies and Japanese from Connecticut College
SwervePay® Health Services		▪ Brad Bialas is Co-Founder and President of SwervePay ▪ Prior to SwervePay, Brad was President of BluePay and also held executive leadership positions with a number of early stage software companies ▪ He holds a BS in Political Science and Government from Northern Arizona University

Trizic Overview

Company Profile

Headquarters: San Rafael, CA
Founded: 2012

Drew Sievers
CEO

Prior to Trizic, Drew was Co-Founder & CEO at mFoundry (acquired for $165MM by FIS). Drew also serves as General Partner at early stage fintech investor, Operative Capital. He was also CEO/President of Semaphore Partners (acquired for $90MM by Publicis), the leading architect of internet solutions and built the leading travel site Orbitz. Drew holds a BS in Economics from University of California, Santa Barbara.

Iain Kennedy
COO

Iain leads Trizic's product and delivery organization in building a platform that is revolutionizing digital wealth management. Before Trizic, Iain was the client services and delivery director for mFoundry, where Iain was responsible for the definition, delivery, and ongoing support of the company's mobile banking and payments solution. Iain also led implementation and delivery of financial planning solutions at investment fund firm Phoenix American, as well as Smith Barney/Citigroup. Iain holds a BA from Reeds College.

TRIZIC OVERVIEW

- Trizic offers a digital wealth management platform designed to help wealth industry prepare and implement digital wealth.
- The company's digital wealth management platform is a cloud-based digital wealth advisory platform that uses sophisticated, rules-based logic to execute trades that are compliant, tax-aware and meet fiduciary obligations, enabling broker-dealers, asset managers, banks, credit unions, trust companies and independent wealth management firms to offer online investment advice to prospective or current clients.
- White labeled and enterprise class from the start, Trizic sought to enable, not compete, with the company's advisor and enterprise customer base. While other companies tried to replace wealth managers with investor-direct robo solutions, Trizic recognized that wealth advisors were critical to successful financial outcomes for their clients.
- Trizic works closely with advisors, banks, credit unions, broker dealers, and asset managers to leverage technology that supports and enhances wealth managers' ability to deliver meaningful results for their clients.

Source(s): Trizic Website, Capal IQ, Pitchbook

Trizic Overview

Interviewee Profile and Company History

PROFILE

DREW SIEVERS
CEO

- Drew drives Trizic's vision to help the wealth industry prepare for and implement digital wealth solutions. He took over as CEO on September 2016.
- Prior to this, Drew was Co-Founder & CEO at mFoundry, where he helped revolutionize customer access in the banking industry via mobile banking and payment technologies.
- As CEO, Drew led the company to an industry leadership position with more than 1,000 bank and credit union clients, before selling the company to FIS Global.
- Drew is also an investor / board member / advisor to multiple fintech start-ups: Abra, AlphaClone, ApplePie Capital, Base Venture, Blab, Bold Payouts, Boomtown, Digit, mScripts, Pensco (acquired for $105MM by Opus Bank), Sensibill, SpendGo, Trizic.

HISTORY

$2.5 million *June 8, 2017*	The company closed on $2.5 million of convertible debt funding in a deal led by PEAK6 Investments. Freestyle Capital, Broadhaven Capital Partners and Commerce Ventures also participated. The company intends to use these additional funds to continue scaling their business.
$3.3 million *February 13, 2017*	The company raised $3.3 million of seed funding in a deal led by Freestyle Capital. Broadhaven Capital Partners and Commerce Ventures also participated in the round. The company intends to use the funds to accelerate growth and reinforce its position as the preeminent provider of enterprise grade digital advice technology.
$2.0 million *May 6, 2015*	The company raised $2.0 million of seed funding from Operative Capital. The company used the funds for the full roll-out of their product.
VC Backed	PEAK6 freestyle.vc Broadhaven CAPITAL PARTNERS CV COMMERCE VENTURES

Source(s): Trizic Website, Capital IQ, Pitchbook

Trizic Overview

Q&A with Drew Sievers, Trizic

DREW SIEVERS
CEO

Q: Please describe Trizic's business to us in your own words.

A: Trizic provides digital wealth management and workflow technology to the RIA, Enterprise, and Bank industries. A hosted solution, the Trizic platform helps wealth management firms reduce operating costs, drive new revenues, and manage regulatory challenges. The platform automates and digitally streamlines key firm functions like client onboarding, risk assessment, model scoring and management, trade order management, rebalancing, portfolio management, client billing, money movement, reporting, and statement delivery. Trizic's investor and advisor facing technologies can be managed at the enterprise or individual advisor level depending upon the firm's investing and management philosophies. A single, yet modular, platform, Trizic technology leverages APIs in and out of the system in order to integrate into existing firm partner technologies like custody, clearing, reporting, CRM, money movement, compliance, financial planning, etc.

Q: Why is now the right time for Trizic's solutions?

A: At a high level, the wealth industry is suffering from four significant issues:

- Fee compression leading to revenue loss
- Increased operating costs
- Enhanced regulatory burden, and
- Limited integration across a widely distributed set of technology platforms and providers.

Trizic's platform addresses all four issues, allowing wealth firms to operate more efficiently, lowering operating costs dramatically while automating critical firm functions.

Q: What new technologies have enabled Trizic to launch its service?

A: Aside from our own innovations, the arrival of high powered mobile computing and low cost enterprise software hosting have combined to create the foundation for persistent connectivity, low cost data processing, and cost-effective enterprise-grade software services.

Trizic Overview

Q&A with Drew Sievers, Trizic (Continued)

DREW SIEVERS
CEO

Q: What is Trizic's revenue model?

A: Trizic charges monthly software fees calculated based on the number of accounts or as basis points charged against assets running on the platform.

Q: How big is the market opportunity?

A: The market opportunity across the RIA, Enterprise, and Bank sectors is approximately $18B.

Q: What is the reason behind white-labeling your platform, as opposed to getting the Trizic brand name out there. Are there regulatory requirements or do you see most of your clients requesting this?

A: Our clients all have their own powerful brands that represent something valuable to their customers. Philosophically, Trizic believes in helping our clients create stronger relationships with their customers, and consistent branding is one important way to do this.

Q: What are the key hurdles / challenges that Trizic face?

A: As with any large market opportunity, there are a variety of competitors across our three verticals. Some are smaller firms while some are larger incumbents trying to evolve their offerings. Not surprisingly, there will be price compression as the market matures. Given the nature of our technical platform, we feel more than able to absorb the inevitable pressures on pricing.

Q: What are your key growth drivers?

A: Our firms' growth is tied to broad reaching distribution combined with ubiquitous connectivity into the industry's largest data and processing systems.

Q: What industry trends are providing tailwinds for Trizic?

A: Pricing pressure on wealth managers combined with higher operating costs and a push to adopt technology across the industry make solutions like Trizic's very relevant and easy to adopt.

Trizic Overview

Q&A with Drew Sievers, Trizic (Continued)

DREW SIEVERS
CEO

Q: How is Trizic differentiated against potential competitors? Who are your closest competitors right now?

A: In our industry, there are two main types of competitors:

- B2C pivots, aka unsuccessful consumer-facing robo advisors who had to pivot to find a business, and
- B2B roll-up, aka point solution acquirers attempting to run a single combined solution

Trizic is different in that our platform was designed as a highly scalable B2B solution written on a single code base. This includes a proprietary set of portfolio trading algorithms allowing Trizic to deliver its solution via single technology stack.

This gives us a huge advantage over the competition in terms of enterprise-grade readiness and scalability. The B2C pivots do not have the correct administrative and portfolio management tools for the enterprise, while the B2B roll-ups struggle to deploy solutions given that every client requires a level of customization in a separate environment to make it work. The net results are high upfront costs and deployment timelines.

As a result, Trizic is seen as the **only real pure play digital wealth platform** for the enterprise.

Q: Which group has Trizic's technology platform seen the most traction with (advisors, banks, credit unions, broker dealers, asset managers)? Is there a particular group you have observed to make the greatest strides towards digitization?

A: Trizic has clients across the RIA, Enterprise, and Bank sectors. In terms of sector readiness/technology adoption, however, RIAs are currently the most active buyers, followed by the enterprise buyers, and followed further by banks. The bank and credit union sector will accelerate through 2018 and pick up further steam in 2019.

Q: What do you think the future of the wealth industry holds? How is Trizic positioned for success in the future?

A: The wealth industry, as we know it, will continue to grow. The idea that B2C robo-advisors like Betterment and Wealthfront will gobble up all the assets isn't realistic. Instead, digital technology will lower the cost of services for both investors ***and*** advisors. As a result, advisors won't go away, but will instead become more like financial coaches, working closely with their clients to help them grow their assets and hit their financial goals.

Thank you Drew.

Rapid Ratings Overview

Company Profile

RAPIDRATINGS

Headquarters: New York, NY
Founded: 2001

James Gellert
Chairman & CEO

Prior to Rapid Ratings, James was the Managing Partner of Howland Partners and Howland Securities. He is also a National Board member of Young Audiences/Arts for Learning Inc, the nation's leading source of arts-in-education services. He started his career with UBS Securities and Barclays de Zoete Wedd. James holds a BA in Asian Studies and Japanese from Connecticut College.

Pete Tantillo
CFO

Prior to Rapid Ratings, Pete was the CFO for two mid-sized private equity backed software companies. Pete also worked at publicly traded software company, Misys, where he built a ten-country global finance team. Pete spent 12 years at software powerhouse SAP where he led both customer facing and back office teams. He started his career as a senior manager at Arthur Andersen & Co. Pete holds a BA in Finance & Accounting from the College of William & Mary, he is also a Certified Public Accountant.

RAPID RATINGS OVERVIEW

- Rapid Ratings is the alternative rating, research and analytics firm that enables organizations to most effectively assess the financial health of their customers, suppliers and investments. The company's financial rating and report generation services are intended to provide visibility and early warning of financial deterioration or improvement.
- The company's proprietary methodology is proven to exceed the techniques of traditional ratings, default models and risk metrics, providing consistent, accurate and forward-looking analysis on tens of thousands of public and private companies across industries worldwide.
- The company's financial health rating (FHR) platform offers a subscription (SaaS) service that enables companies to assess the financial health of their suppliers/vendors and customers and financial services firms insight into third parties, borrowers and trading counterparties. The system allows company clients to look at the financial health of companies on apples-to-apples basis, irrespective of industry, geography or public vs private status.
- RapidRatings offers clients a service to solicit financials from private companies, which it does successfully from private firms around the globe.
- In February 2007, James Gellert led the team that acquired Rapid Ratings from an Australian corporate owner and relocated the firm to New York through the vehicle Rapid Ratings International Inc. The firm addresses many of the problems inherent in the traditional ratings market paradigm and the corporate risk universe pinned to payment history.

Source(s): Rapid Ratings Website, Capital IQ, Pitchbook

Rapid Ratings Overview

Interviewee Profile and Company History

PROFILE

JAMES GELLERT
Chairman & CEO

- James was the Managing Partner of Howland Partners, LLC and Howland Securities LLC, firms that provided consulting, business development, capital raising and M&A advisory to companies in the financial information and technology markets.
- He previously served as CEO of a number of technology companies including SkyScout and Unstrung, as head of Yankee Origination at Deutsche Banc and as a member of Yankee and private placement teams at UBS Securities and Barclays.
- James' views are frequently sought by major media outlets as well as federal governing bodies and he's testified to the Senate and House four times and presented to the SEC on many occasions.
- James is also active in the nonprofit and educational worlds as a National Board member of Young Audiences/Arts for Learning Inc.

HISTORY

$21 million *April 21, 2016*	The company received $21 million of development capital from LLR Partners. This investment will help Rapid Ratings International to build out infrastructure and accelerate its product road-map.
Undisclosed *January 27, 2015*	The company raised an undisclosed amount of angel funding from undisclosed investors.
$2.8 million *November 17, 2010*	The company raised $2.68 million of angel funding from undisclosed investors.
$1.2 million *August 14, 2008*	The company raised $1.19 million of angel funding from undisclosed investors.
Undisclosed *February, 2007*	The company was acquired by James Gellert, Patrick Caragata and Douglas Cameron for an undisclosed amount.

Source(s): Rapid Ratings Website, Capital IQ, Pitchbook

Rapid Ratings Overview

Q&A with James Gellert, Rapid Ratings

JAMES GELLERT
Chairman & CEO

Q: Please describe Rapid Ratings' business to us in your own words.

A: In its most simple form, RR is a risk management data and analytics company. We rate companies and our clients use the ratings to do a variety of things. In broader terms, we are at the convergence of FinTech, RegTech, corporate ratings, Corporate Risk, Supply Chain Risk (corporates), Third Party Risk (regulated financial institutions), Big Data and AI. We tend to use the simpler explanation.

Q: Why is now the right time for Rapid Ratings' solutions?

A: There's never been more focus on the need for risk management and there's never been more discontent with the old, incumbent players that have provided some data or service to cater to risk managers. So, a greater need than ever before, more focus from boards, C-Suites and operational managers on risk and perpetual inadequacies of 100 year old incumbents makes the timing tremendous.

On a more micro level, at our individual customer segments, there is a lot happening. Companies are evolving their procurement and supply chain organizations to create more resilient supply chain ecosystems and we're providing deep analytics on a highly scalable basis. Corporations are also evaluating customers more deeply to maximize opportunities to sell products with limited losses. Banks are regulated now to evaluate their own third parties and need processes to do this consistently or face regulatory action. And insurers, asset managers, bank lenders and non-bank credit providers are all needing more advanced credit analytics.

Moreover, every one of those groups transacts with privately held companies and historically getting financial disclosure has been exceptionally difficult. We've developed an approach now used by the biggest banks and many of the Fortune 1000 to get private companies to embrace the financial disclosure necessary to be evaluated. We've promoted the fact that there is commercial value in transparency, and we're proving that day in and day out around the globe helping our clients to evaluate their private counterparties. It's been intensely gratifying and exciting to literally take part in how many of the most sophisticated companies in the world have changed and improved the way they do business because of our efforts.

Rapid Ratings Overview

Q&A with James Gellert, Rapid Ratings (Continued)

JAMES GELLERT
Chairman & CEO

Q: What new technologies have enabled Rapid Ratings to launch its service?

A: Our models were created by the founder of the business without regard to established modeling techniques but based on his own work entirely. This allowed him to create something, with the aid of technology that had never been created before. Our business process for collecting financials from private counterparties and allowing for a secure transmission of these financials has been enhanced through technology. Also, our reports are well relied on by our customers and represent avante garde ways of representing data for qualitative clients and facilitating dialogue between parties.

Q: What is Rapid Ratings' revenue model?

A: We're a SaaS business with generally one to three year contracts. Depending on the volume of private companies we're rating (some clients are doing 100 and some doing tens of thousands) and whether we're sourcing the financials from the private companies on their behalf, this amount can range.

Q: How big is the market opportunity?

A: I do not think I've seen a company with a bigger one.

Q: What are the key hurdles / challenges that Rapid Ratings face?

A: This generally comes down educating clients about new ways of doing things. Companies that have relied for years on "pulling" a report from an old fashioned competitor need to gain comfort that there are materially better ways of doing things, much better metrics and significantly more value to be created for their organizations. That amounts to sales cycle times and making sure we have a team of smart, creative and passionate professionals.

Q: What are your key growth drivers?

A: We pay close attention of course to new sales but, also very importantly, to churn rates. We are proud of having excellent client relationships and renewal rates. For instance, this year we've only had a 1.5% gross churn and a 110% net churn, meaning almost all clients continue to work with us and are in fact working with us more and more. So, as a subscription based business, key to growth is this underpinning, with new sales coming on top of an exciting base.

Rapid Ratings Overview

Q&A with James Gellert, Rapid Ratings (Continued)

JAMES GELLERT
Chairman & CEO

Q: How is Rapid Ratings differentiated against potential competitors? Who are your closest competitors right now?

A: This depends a lot on which market segment we think about. In the corporate supply chain market for instance, we compete more with D&B than anyone else. Their scores are based on payment history of companies and not on forwards analysis of actual primary source financial statements of companies. Our analytics are more in depth and accurate and therefore actionable. We also put a big premium on customer service and are pleased to win huge accolades from clients for our professionalism and care. We almost don't have competitors in this regard.

Q: What industry trends are providing tailwinds for Rapid Ratings?

A: There are many. Overall focus on risk management across industries is greater than ever before. Focus on private companies is a big issue for all companies. Financial regulators mandating that firms have systematic approaches to Third Party Risk is a big one as well and has driven a lot of our growth over the past 24 months. Also, the new FASB rule that US GAAP filers will have to report on expected losses (as opposed to realized losses) is going to be huge. This affects non-banks too, but imagine that come 2019 all banks will need to have systems in place to evaluate the life of loan expected credit loss on every single company they lend to, and do it on a continuous basis… This is a tremendous opportunity given our ability to provide long term probabilities of default on essentially all public and private companies in the world.

Q: Are there other industries that can make use of Rapid Ratings' financial health rating, beyond companies managing supply chain risk and credit risk of customers? (Thinking along the lines of large financial information providers incorporating your ratings into theirs for a more robust analysis)

A: So, yes. The Current Expected Credit Loss (CECL) example above is a good one. But moreover, insurance companies measuring risk of corporate applicants for workers comp, D&O, E&O and other professional liability insurance, bank lending, non-bank credit providers' pricing and analysis, Trade Finance, Commercial Real Estate tenant risk ratings, capital markets trading, credit insurance, and really on and on. It's always exciting to think of the breadth and we have clients in almost all of these already. It's the growth potential and prioritization that we have to manage.

Rapid Ratings Overview

Q&A with James Gellert, Rapid Ratings (Continued)

JAMES GELLERT
Chairman & CEO

Q: What do you think the future of risk management holds? How will US companies outsourcing operations overseas change this dynamic?

A: Risk management isn't going away. More boards and C-Suite executives are more focused on it than ever before. Also areas such as procurement that historically have been seen as operational only are now considered much more strategic and active partners in managing the Value at Risk within corporate operational and enterprise risk management.

Further, the next five years are much more likely to be turbulent than the last five. We're so deep into this credit cycle and have had such an abnormally long low-interest rate environment, the mountain of debt to refinance is tremendous. Institutional investors seeking yield have financed weaker and weaker companies and there has been an artificially low default environment as a result. This means that third party networks for companies and banks alike have avoided blow ups that will occur when rates rise, when CECL potentially results in more conservative bank lending to weaker companies and if the capital markets have more volatility. We see more and more need for what we do, and fortunately, so do our clients!

Thank you James.

SwervePay Overview

Company Profile

SwervePay Health Services

Headquarters: New York, NY
Founded: 2001

Jaeme Adams
Co-Founder & CEO

Brad Bialas
Co-Founder & President

Prior to co-founding SwervePay, Jaeme was the founding CEO of Key IC, a leader in high-performance digital payment processing solutions. He previously co-founded and served as CEO for Nelix, Inc., a web development company specializing in internet services. Jaeme launched his entrepreneurial career with Smart Computing Inc., a successful computer training business ultimately acquired by the world's largest independent IT training company. Jaeme holds a degree from Saginaw Valley State University.

Prior to co-founding SwervePay, Brad served as President of BluePay, a leading provider of technology-enabled payment processing services. He previously held executive leadership positions at a number of software companies, including CEO of Togaworld, an online custom apparel company and vice president of business development for EZIC Inc., a leader of internet payment processing. Brad serves on advisory boards for a diverse mix of technology-based companies, Continuum Data Centers, Nodus Technologies and BuyVite.com. Brad holds a BS in Political Science and Government from Northern Arizona University.

SWERVEPAY OVERVIEW

- SwervePay is a customer-centric technology company that transforms payment data into improved customer experiences and business profitability.
- SwervePay enables companies to use their payment transaction data to reduce operating costs, generate new revenue opportunities, deliver superior customer service and increase customer loyalty while streamlining and securing the payment transaction process. The company helps their clients better serve their customers.
- The SwervePay solutions can be delivered via cloud based interfaces or directly integrated into their partners systems via robust API option.
- The company's products help clients achieve three goals:
  - Lower Operating Cost
  - Create New Revenue Opportunities
  - Improve the Customer Experience

Source(s): SwervePay Website, CapIQ, Pitchbook

SwervePay Overview

Interviewee Profile and Company History

PROFILE

BRAD BIALAS
Co-Founder & President

- Brad has held senior management positions in the technology and payments space and has a proven track record for creating innovative technology solutions that effectively address real-world business challenges across multiple industries.
- Prior to forming SwervePay, Brad served as President of BluePay, a leading provider of technology-enabled payment processing services.
- In that position, Brad directed the company from three employees and less than $500K in yearly revenue to more than 140 employees and over $100MM in yearly revenue in less than seven years.
- Brad currently serves as a Managing Partner of ARK Investors, LLC. ARK is a small group of industry experts that invests in, acquires, manages and/or partners with technology companies that participate in the payments space.

HISTORY

Acquired StatPayMD *April 6, 2016*	SwervePay acquired StatPayMD for an undisclosed amount. StatPayMD is a platform that allows patients to understand "out-of-pocket" costs before and at care. The company uses a combination of technology, services and direct partnerships with insurance companies to access relevant and accurate eligibility data from every health plan.
$10 million *February 9, 2016*	The company raised $10 million of Series B venture funding from lead investor Garland Capital Group. KGC Capital, Mandell Ventures, Gregory Wasson, Jim Sohr, Edgar D. Jannotta, Jr. and Ric Elias also participated. The company intends to use the funds for growth and expansion, enhancement of its channel partner network and recruitment of new people.
$1.6 million *April 1, 2014*	The company raised $1.6 million of series A angel funding from seven individual investors.

Source(s): SwervePay Website, CapIQ, Pitchbook

SwervePay Overview

Q&A with Brad Bialas, SwervePay

BRAD BIALAS
Co-Founder &
President

Q: Please describe SwervePay' business to us in your own words.

A: SwervePay is a payment processing company that couples a proprietary payments software platform with being a registered payment facilitator. Our unique position enables us to empower POS, e-commerce, integrated and mobile payments through our APIs and / or UIs. These features are leveraged by our customers to enhance the consumer payment experience while creating operational efficiencies and cutting down on collection costs.

Q: Why is now the right time for SwervePay' solutions?

A: There are a number of contributing factors but we see 3 main drivers behind the timing for SwervePay:

1. Mobile phone usage continues to rise with the average smart phone user being on their phone 5 hours or more per day and looking at their phone 150 times or more per day.
2. Many organizations are not in a position to build and maintain their own enterprise payment system and thus are looking to outsource.
3. Current payment processing companies and technology partners offer a point solution model whereas SwervePay provides an omni-channel approach along with the payment facilitation power.

Q: What is SwervePay' revenue model?

A: SwervePay has adopted an at risk model and recognizes revenue as a percentage of payments processed through the SwervePay system.

SwervePay Overview

Q&A with Brad Bialas, SwervePay (Continued)

BRAD BIALAS
Co-Founder &
President

Q: How big is the market opportunity?

A: Given the agnostic nature of our product, the true size of our market opportunity has yet to be determined. Our initial focus was on auto and healthcare, yet we are continually approached by revenue professionals from extremely diverse industries. In one word, our market opportunity is “massive.”

Q: What are the key hurdles / challenges that SwervePay face?

A: Like many companies that are looking to gain market share, distribution is critical. We believe that we have created a solid channel based model to address the market but continue to look to improve our reach.

Q: What are your key growth drivers?

A: Continued consumer acceptance of smart phone usage along with companies looking for an outsourced solution.

Q: How is SwervePay differentiated against potential competitors? Who are your closest competitors right now?

A: We differentiate through the assets we own and control (proprietary software and a payment facilitation license) versus part of the market that resells one or both. Additionally we leverage unique aspects of our technology by offering a true omni-channel solution with simple integration options.

SwervePay Overview

Q&A with Brad Bialas, SwervePay (Continued)

BRAD BIALAS
Co-Founder &
President

Q: Which features do you see SwervePay getting the most traction in (VPOS, Quickbooks Integration, Tokenization, e-Invoicing, Payment Plans, RESTful API, Mobile Payments Platform, Custom Software Integrations)? Are there other verticals in the payments industry that can make use of SwervePay's system?

A: Right now we are seeing a great deal of adoption and interest around the omni-channel approach which ties in most of what you have listed above. Part of our unique position is that we can address all of what you have noted above along with being the payment processor allowing us to control underwriting, funding / settlement, billing and support.

Q: What do you think the future of payment industry holds? How will technology continue to further streamline workflow and increase business efficiencies?

A: Tech will continue to be the main driver as consumers continue to adopt new technology that is put into the 'wild'. This adoption actually forces businesses to adapt quicker which creates a great opportunity for SwervePay.

Thank you Brad.

Transaction Themes

Evolve
Capital Partners

Transaction Themes – ISVs / VARs

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- The ISVs / VARs space has seen strong deal activity in recent quarters as potential buyers have been on a lookout for opportunities to grow and enter new markets, while bringing stability to the existing business. **ISVs and VARs are prime acquisition targets as they open up new sales channels and come with a strong base of users** that provides immediate growth and market penetration to the acquirer. At the same time, the relative revenue and cash flow predictability of their business brings stability to the acquirer's business.
- ISVs and VARs are at the forefront of the Payments industry's technological evolution. As such, they have also been favored investment targets for financial investors who are looking to invest in Payments technologies. Investor preference for technology-intensive and forward-looking ISVs / VARs reflects in the valuation premiums that these companies command over merchant acquirers, payments processors, and others within the Payments space.

Relevant Recent Transactions (1/4)

Date	Target	Acquirer(s)	Type	Value ($mm)	Transaction Details
9/25/17	nets	Hellman & Friedman	M&A	$6,716	Nets helps merchants, corporations and banks accept and process credit- and debit-card as well as online payments across the Nordic region. This transaction is consistent with the current trend of buyout firms lining up for ISVs / VARs as they hope to benefit by liquidating their investments upon an imminent pick up in industry deal activity.
7/21/17	Paysafe	Blackstone; CVC Capital Partners	M&A	$3,700	Paysafe provides online processing of direct debit, credit card, and alternative payment services to businesses and individuals. The acquisition will give the acquirers access to the fast growing online payments market due to the ingress of smartphones and other mobile devices.
7/20/17	bambora	ingenico GROUP	M&A	$1,747	Bambora provides card acquiring, payment processing, infrastructure, and additional services to airline, e-commerce, and local and Nordic retail industries. This acquisition brings Ingenico complementary technological skills, adds a dedicated direct-to-SMB sales' channel, and brings scalable assets with a complementary footprint and increases its online and in-store offer in the Nordics, North America and Australia through additional Gateways.
6/8/17	worldpay	vantiv	M&A	$11,992	Worldpay, together with its subsidiaries, provides payments processing technology and solutions for merchant customers. Combination of two companies' scale, innovation, technology and global presence will allow them to offer more payment solutions to businesses.

Sources: Press Releases, Capital IQ

Transaction Themes – ISVs / VARs

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

Relevant Recent Transactions (2/4)

Date	Target	Acquirer(s)	Type	Value ($mm)	Transaction Details
5/25/17	paymetric	vantiv	M&A	NA	Paymetric, Inc. develops Software-as-a-Service based integrated and processor-agnostic tokenization electronic payment acceptance and data security solutions for enterprises. This acquisition will help Vantiv to leverage its platform and expand and diversify the channels and clients it serves. It will accelerate Vantiv's advanced payments integration and security solutions.
5/17/17	total merchant services	NorthAmerican BANCARD	M&A	NA	Total Merchant Services provides credit card processing services for small businesses and merchants in US and Canada. Its acquisition will bring immediate growth in North American Bancard's merchant base and revenue, expand its offerings, and enhance its go-to-market capabilities by expediting processes and streamlining the client payment experience.
5/12/17	Zenith Merchant Services, Inc.	EVO PAYMENTS INTERNATIONAL	M&A	NA	Zenith provides payment processing solutions to small- and medium-sized businesses in US and Canada. The acquisition will support EVO's continued North American expansion initiatives.
5/10/17	CPS CARD PAYMENT SERVICES	CAYAN	M&A	NA	Card Payment Services (CPS) is a payments processing company specializing in the waste removal vertical. Through the acquisition, Cayan attains CPS' 18 years of market expertise, waste management software integrations, exclusive partnerships with key ISVs, its customer base of major waste removal companies, and it's strong and experienced leadership.
5/7/17	OP Merchant Acquiring Business	nets	M&A	$32	OP Financial Group is a diversified financial services group, providing banking, investment, and insurance services. The company's payments services include international cash management, invoicing, collection of payments, and electronic services. OP's strong brand recognition and distribution to merchants in Finland will allow Nets Oy to further consolidate its position as the largest merchant acquirer in the Nordic region.
4/3/17	Mertzco, Inc.	cardconnect.	M&A	$38	MertzCo, Inc. markets and resells credit card, debit card, gift card, loyalty card, and offers payment process services. The acquisition will help CardConnect leverage MertzCo's extensive relationships across the ISV channel to significantly expand its direct distribution channel.

Sources: Press Releases, Capital IQ

Transaction Themes – ISVs / VARs

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

Relevant Recent Transactions (3/4)

Date	Target	Acquirer(s)	Type	Value ($mm)	Transaction Details
3/13/17	Singular Payments	Payment Data Systems	M&A	$4	Singular Payments, LLC, a sales and marketing company, provides payment processing services for healthcare and utilities industries in the United States. The acquisition will allow Payment Data Systems to leverage Singular Payment's sales channel and technology to accelerate their growth potential.
2/1/17	CSC Links	i3 Verticals	M&A	NA	CSC Links, LLC develops and offers payment processing solutions and methodologies to healthcare and non profit verticals. Through this acquisition, I3 verticals will expand its footprint in the healthcare vertical and leverage the benefits of an integrated and comprehensive payment systems technology.
2/1/17	versapay	BluePay	M&A	NA	VersaPay's ARC software-as-a-service offering allows businesses to easily deliver customized electronic invoices to their customers, to accept credit card and EFT payments and automatically reconcile payments to their ERP and accounting software. This acquisition will allow BluPay to expand its presence in Canada and add VersaPay's customized solutions to their portfolio for the SME segment.
1/25/17	United Payment Services	DirectConnect	M&A	NA	United Payment Services, Inc., a credit card processing company, provides credit and ATM/debit card processing, and check guarantee services, as well as offers purchasing card programs and Internet electronic commerce capabilities to businesses. The acquisition of UPS supports Direct Connect's strategy to continue to grow through both strategic acquisition and strong organic growth.
1/18/17	payment alliance international	Clearent	M&A	NA	PAI's Merchant Services Division provides payment processing solutions for businesses, Independent Sales Organizations (ISOs), agents and associations. The acquisition will add a complementary telesales channel, strategic association partnerships and $4.2 billion in processing volume to Clearent's portfolio.
1/17/17	NAMS	Clarus	M&A	NA	North American Merchant Services, Inc. provides electronic payment processing solutions to customers in the Southeast. The addition of NAMS to Clarus allows the latter to expand its presence in the North American market.

Sources: Press Releases, Capital IQ

Transaction Themes – ISVs / VARs

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

Relevant Recent Transactions (4/4)

Date	Target	Acquirer(s)	Type	Value ($mm)	Transaction Details
1/17/17	BC Technologies	CLARUS Merchant Services	M&A	NA	BC Technologies provides technology solutions with a focus on payments and business processes. The acquisition is a part of CLARUS' plans to keep extending its provision of future-proof payment products.
1/10/17	ANARAQ	CLARUS Merchant Services	M&A	NA	ANARAQ Holdings, LLC, Payment Processing Assets comprises a payment processing industry acquisition platform. The acquisition will help bring the technology offerings, scale and geographic reach to ANARAQ and allow its merchant portfolio assets to continuously grow.
1/4/17	Sterling Payment Technologies	EVO Payments International	M&A	NA	Sterling Payment Technologies, Inc. designs and develops electronic payment processing products to small, regional, and national businesses. The acquisition will enhance EVO's existing integrated payments offering and extends its distribution capabilities in the growing integrated payments space further.

Sources: Press Releases, Capital IQ

Transaction Themes – SaaS-Based Solutions

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- FinTech-SaaS M&A registered 247 acquisitions in 2017 Q3, down from 343 in 2017 Q2. This is the sharpest quarterly movement in M&A volumes in the last five quarters, during which they were stable between 320 and 350 deals. **Median reported deal size has seen an increase over the past two years and recorded the highest figure of 103 million in 2017 Q3.**
- FinTech-SaaS financing registered 1,005 financing events in 2017 Q3, down from 1,281 in 2017 Q2, and even lower than the previous year. Median reported deal size has increased sharply from $2.5 million in 2017 Q2 to $3.5 million in 2017 Q3. This is an even sharper increase from 2016 Q3, when an average deal size of $1.7 million was observed.

Relevant Recent Transactions

Date	Target	Acquirer / Key Investor(s)	Type	Value ($mm)	Transaction Details
9/25/17	FolioDynamix	Envestnet	M&A	$195	FolioDynamix provides cloud-based wealth management technology platform, advisory services, and managed account solutions. The acquisition expands Envestnet's industry footprint, furthering Envestnet's growth and wealth technology consolidation strategy.
9/5/17	eVestment	Nasdaq	M&A	$705	eVestment provides content and analytics through a SaaS-based subscription model to support asset managers and investment consultants with institutional investment decisions. The acquisition brings Nasdaq financial benefits in the form of a combination of recurring, predictable revenue, a strong track record of growth, and attractive cash flow dynamics.
8/1/17	Personal Capital	IGM Financial	Financing	$115	Personal Capital offers personal wealth management by combining proprietary software tools and analysis along with personal advisors. The company plans to invest the proceeds in expanding its advisory force, expanding its offices, further product development and marketing, and deepening its service for certain customer segments.
7/25/17	Intacct.	sage	M&A	$850	Intacct offers a SaaS-based platform that runs web-based cloud financial management and accounting applications for businesses and Certified Public Accounting firms. The acquisition strengthens Sage's position as a provider of a complete Financial Management Solution that integrates seamlessly with other enterprise applications.
7/21/17	Betterment	Kinnevik	Financing	$70	Betterment operates an online platform that helps users invest their savings in selected portfolios. The company is expected to use the proceeds for further product development.

Sources: Press Releases, Capital IQ

Transaction Themes – Wealth Management Software

ISVs / VARs; **Wealth Management Tech 2.0**; and Risk Analytics

- Financial Software M&A registered 84 acquisitions in 2017 Q3, a small increase from 77 in 2017 Q2, though slightly less than 90 reported in 2017 Q1. Median deal size has been flat over the two years, ranging between $35 and $45 million in most quarters. There was a sharp increase to $237 in 2017 Q3, which is attributable to some very large deals.
- Financial Software financing stabilized in 2017 Q3 after a decline in 2017 Q2, when only 302 financing events were witnessed compared to 369 events in 2017 Q1. **Median reported deal size has remained relatively flat, with a sharp increase in Q3.** The sharp increase in reported median deal size in 2017 Q3 to date is attributed to Kabbage's $250 million corporate financing from investor SoftBank Group, and Dianrong's $220 million later stage VC financing from China Mingsheng Investment, GIC, and Simone Investment Managers.

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Relevant Recent Transactions

Date	Target	Acquirer / Key Investor(s)	Type	Value ($mm)	Transaction Details
7/5/17	ARCHWAY	SEI New ways. New answers.	M&A	$88	Archway provides software solutions that support the domestic and international operations of funds, investment advisors, and family offices. Its acquisition further establishes SEI as a leading player in the family office segment, addressing additional verticals, including institutions, investment advisors, private banks, hedge funds, and private equity funds.
7/5/17	Options City	VELA	M&A	NA	Options City provides futures and options trading and analytics systems designed to bring innovative technology to the derivatives market. Its acquisition will expand Vela's front-office capabilities to include advanced analytics and risk management tools, enhance its market access managed services with additional trading and content solutions, and accelerate its data cloud strategy.
5/23/17	FASTMATCH	EURONEXT	M&A	$180	Fastmatch operates a foreign exchange trading electronic communication network platform concentrating on both, the sell-side and buy-side. The transaction diversifies Euronext's top line, accelerates its growth profile and allows the group to extend its "best execution" value proposition to an additional asset class.
5/9/17	BROADWAY TECHNOLOGY	LONG RIDGE	Financing	$42	Broadway Technology provides a SaaS-based financial trading platform and services intended for electronic fixed-income markets. The financing will accelerate Broadway's growth into new global markets and will allow the company to further expand its product and service offering.

Sources: Press Releases, Capital IQ

Transaction Themes – Risk Analytics

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

- M&A deal activity has been on a constant rise in the Risk Analytics market. Big Data Analytics has been among sectors that have seen the strongest growth in deal volumes. 139 M&A deals were announced in this segment in 2016, compared to 57 in 2012. M&A activity has remained strong in through 2017, with 99 deals being announced in this sector through Q3. **M&A activity in Big Data Analytics is expected to remain strong throughout 2017 and beyond**, as companies intensify their automation and digital transformation efforts. Funding activity in this space has also been strong. 779 deals involving a total investment of $6.3 billion were announced in this segment through 2017 Q3. These translate to 70% and 56% of 2016's full year figures, respectively.
- Among key segments within Analytics, deal volume fell most notably in the SaaS-based Analytics Solutions space in 2016, after peaking in 2015. M&A deal values improved during the year, despite the fall in volumes. M&A activity in this space is expected to remain stable in 2017, as large players focus on consolidating based on their core strengths, rather than taking the M&A route to explore new areas of operation.

Relevant Recent Transactions (1/2)

Date	Target	Acquirer(s)	Type	Value ($mm)	Transaction Details
7/06/17	AXIOMSL™	TCV	Financing	NA	Axiom Software Laboratories received its first institutional funding from new investor Technology Crossover Ventures. Axiom Software Laboratories, Inc. will use the proceeds to accelerate growth and cement its position as the financial industry standard for risk and regulatory compliance data management.
7/06/17	Finagraph	Moody's	Financing	$5	Finagraph develops a business intelligence and analytics platform that collects, processes, and analyzes financial data from small businesses to best understand a business's financial health and trends. Moody's investment will enable Finagraph to further develop its technology and drive product adoption among both SMEs and small business lenders.
5/15/17	Bureau van Dijk	Moody's	M&A	$3,293	Bureau van Dijk Electronic Publishing BV publishes electronic business and company information. Its acquisition strengthens Moody's position in the global risk data and analytical space. It also generates opportunities for Moody's to offer complementary products, create new risk solutions, and extend its reach to new and evolving market segments.
2/28/17	Kensho	S&P Global	Financing	$50	Kensho Technologies announced its Series B round led by new investor, S&P Global. Pursuant to the transaction, S&P Global will take a board observer seat. Kensho Technologies provides analytical tools for capital markets. Kensho Technologies Inc. will use the proceeds in part toward buying more data sets to supplement its current pool of information and toward bringing its technology to other industries.

Sources: Pitchbook, Press Releases, Capital IQ

Transaction Themes – Risk Analytics

ISVs / VARs; Wealth Management Tech 2.0; and **Risk Analytics**

Relevant Recent Transactions (2/2)

Date	Target	Key Investor(s)	Type	Value ($mm)	Transaction Details
2/16/17	healix	Verisk Analytics	M&A	NA	Healix Risk Rating Limited offers automated medical risk assessment in the travel insurance market. Its acquisition will further expand Verisk's risk assessment offerings for the global insurance industry, providing solutions that are embedded with customer workflows and can help underwrite medical coverage for travelers with greater speed, accuracy, and efficiency.
1/19/17	XOR DATA EXCHANGE	Undisclosed	Financing	$2	XOR Data Exchange, Inc. develops permission-based data exchange platform that enables data owners to solve the fraud and credit risk weaknesses in financial services and communications industries. Its platform helps organizations to optimize and monetize their data, as well as data across competing and noncompeting companies and industries.
1/13/17	trustingsocial	500 / ๕๐๐ สตาร์ทอัพ	Financing	NA	TrustingSocial Co. received a round of funding from new investor 500 TukTuks, a fund managed by 500 Startups. TrustingSocial Co. provides an online platform that offers consumer credit score and traditional credit score checks based on social, web and mobile data.
1/10/17	AVENTION	dun & bradstreet	M&A	$150	Avention develops a SaaS Sales and Marketing Opportunity Intelligence Platform created that helps companies get a comprehensive understanding of their customers, prospects, and market opportunities. Its acquisition positions Dun & Bradstreet as a leader in the Sales Acceleration market.
12/31/16	ICE KREDIT 冰鉴	领沨资本 and China Creation Ventures	Financing	$27	IceKredit announced its Series A led by new investor China Creation Ventures. The company assesses real time information regarding credit worthiness and personal credit portrait of small businesses and individuals by using big data technology.
9/21/16	INTELLIGIZE	LexisNexis	M&A	NA	Intelligize provides document and data analytics by leveraging advanced natural language processing and machine learning technology, enabling legal and business customers to find, analyze, organize, and benchmark SEC filings. Its acquisition would expand the LexisNexis securities and M&A offering with new content, innovative tools and analytics, while complementing the company's existing securities solution, Lexis® Securities Mosaic®.

Sources: Press Releases, Capital IQ

Public Comparables

Evolve
Capital Partners

Public Trading Comparables

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

(All figures in $. Figures in millions, except per share data, as of September 30, 2017)

ISVs / VARs

COMPANY INFORMATION	Market Data				LTM Operating Performance					Valuation Multiples					
										EV / Revenue			EV / EBITDA		
	Stock Price	% of 52-Wk High	Equity Value	Enterprise Value	LTM Revenue	Revenue Growth	EBITDA Growth	Gross Margin	EBITDA Margin	LTM	FY2017	FY2018	LTM	FY2017	FY2018
Intuit Inc.	$145.34	99.5%	$37,058	$36,769	$5,177	10.3%	3.0%	84.6%	31.4%	7.1x	6.5x	5.9x	22.6x	17.1x	15.5x
PPL Corporation	$39.22	97.6%	$26,899	$47,104	$7,397	(2.0%)	(1.4%)	57.4%	54.6%	6.4x	6.4x	5.9x	11.7x	11.7x	10.8x
Global Payments Inc.	$96.08	97.9%	$14,651	$18,307	$4,189	NM	NM	48.8%	27.4%	4.4x	5.2x	4.6x	15.9x	15.8x	13.7x
Total System Services, Inc.	$66.07	93.6%	$12,173	$14,897	$4,686	50.0%	17.2%	27.3%	20.1%	3.2x	4.4x	4.2x	15.2x	12.7x	11.8x
Vantiv, Inc.	$71.98	98.4%	$11,703	$15,429	$3,796	13.3%	16.4%	52.5%	23.2%	4.1x	7.3x	6.6x	17.5x	15.3x	13.8x
Square, Inc.	$28.56	98.5%	$10,958	$10,388	$1,904	34.9%	NM	37.0%	-2.2%	5.5x	11.0x	8.5x	NM	78.4x	44.1x
	MEAN	**97.6%**	**$18,907**	**$23,816**	**$4,525**	**21.3%**	**8.8%**	**51.3%**	**25.8%**	**5.1x**	**6.8x**	**6.0x**	**16.6x**	**25.1x**	**18.3x**
	MEDIAN	**98.2%**	**$13,412**	**$16,868**	**$4,438**	**13.3%**	**9.7%**	**50.6%**	**25.3%**	**4.9x**	**6.4x**	**5.9x**	**15.9x**	**15.5x**	**13.8x**

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Enterprise Value = (Market Capitalization) + (Debt + Preferred Stock + Minority Interest) - (Cash & Equivalents)
EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization

Source: Capital IQ

Public Trading Comparables

ISVs / VARs; **Wealth Management Tech 2.0**; and Risk Analytics

(All figures in $. Figures in millions, except per share data, as of September 30, 2017)

Trading Software / Solutions

COMPANY INFORMATION	Market Data				LTM Operating Performance					Valuation Multiples					
										EV / Revenue			EV / EBITDA		
	Stock Price	% of 52-Wk High	Equity Value	Enterprise Value	LTM Revenue	Revenue Growth	EBITDA Growth	Gross Margin	EBITDA Margin	LTM	FY2017	FY2018	LTM	FY2017	FY2018
SS&C Technologies Holdings, Inc.	$40.15	99.1%	$8,248	$10,457	$1,603	48.1%	55.9%	46.7%	36.2%	6.5x	6.2x	5.9x	18.0x	15.2x	13.8x
SimCorp A/S	$61.07	85.7%	$2,413	$2,410	$357	6.5%	(3.7%)	60.9%	23.0%	6.5x	6.0x	5.5x	28.3x	22.7x	19.7x
Brady Corporation	$37.95	93.7%	$1,950	$1,924	$1,113	(0.7%)	5.3%	50.1%	14.2%	1.7x	1.7x	1.6x	12.2x	11.3x	10.7x
IRESS Limited	$8.94	85.0%	$1,512	$1,645	$313	7.8%	14.5%	32.4%	23.8%	5.2x	4.8x	4.4x	21.7x	17.0x	14.9x
Fidessa group plc	$30.13	84.0%	$1,160	$1,067	$456	12.3%	17.1%	57.7%	18.3%	2.3x	2.3x	2.2x	12.4x	8.9x	9.2x
First Derivatives plc	$40.22	93.8%	$1,017	$1,034	$189	29.6%	26.3%	27.4%	12.4%	5.1x	4.4x	3.9x	41.1x	24.8x	22.5x
Linedata Services S.A.	$47.87	69.9%	$344	$424	$199	(3.2%)	(12.4%)	28.1%	20.0%	2.1x	1.9x	1.9x	10.4x	8.3x	7.6x
StatPro Group plc	$2.19	97.9%	$142	$167	$54	24.4%	(6.2%)	24.2%	12.0%	3.0x	2.6x	2.2x	25.0x	17.9x	14.1x
	MEAN	**88.6%**	**$2,098**	**$2,391**	**$535**	**15.6%**	**12.1%**	**40.9%**	**20.0%**	**4.0x**	**3.7x**	**3.5x**	**21.1x**	**15.8x**	**14.1x**
	MEDIAN	**89.7%**	**$1,336**	**$1,356**	**$335**	**10.1%**	**9.9%**	**39.5%**	**19.1%**	**4.0x**	**3.5x**	**3.1x**	**19.9x**	**16.1x**	**13.9x**

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EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization

Source: Capital IQ

Public Trading Comparables

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

(All figures in $. Figures in millions, except per share data, as of September 30, 2017)

Wealth Management Software / Solutions

COMPANY INFORMATION	Market Data				LTM Operating Performance					Valuation Multiples					
										EV / Revenue			EV / EBITDA		
	Stock Price	% of 52-Wk High	Equity Value	Enterprise Value	LTM Revenue	Revenue Growth	EBITDA Growth	Gross Margin	EBITDA Margin	LTM	FY2017	FY2018	LTM	FY2017	FY2018
MSCI Inc.	$113.81	96.4%	$10,250	$11,576	$1,199	7.0%	6.7%	78.1%	50.7%	9.7x	9.1x	8.4x	19.1x	17.6x	15.8x
SS&C Technologies Holdings, Inc.	$38.15	94.9%	$7,837	$10,046	$1,603	48.1%	30.5%	46.7%	36.2%	6.3x	6.0x	5.7x	17.3x	14.6x	13.2x
Broadridge Financial Solutions, Inc.	$79.11	98.3%	$9,214	$10,045	$4,143	43.0%	13.3%	24.9%	17.0%	2.4x	2.4x	2.3x	14.4x	12.8x	11.9x
Computershare Limited	$11.55	93.8%	$6,301	$7,396	$2,106	7.2%	7.2%	18.6%	23.3%	3.4x	3.4x	3.3x	14.5x	12.5x	11.3x
LPL Financial Holdings Inc.	$48.17	99.1%	$4,331	$5,651	$4,126	(5.3%)	1.3%	24.7%	13.6%	1.4x	1.3x	1.2x	10.1x	8.8x	7.6x
Financial Engines, Inc.	$32.40	70.8%	$2,046	$1,876	$458	36.4%	24.5%	55.3%	18.4%	4.1x	3.9x	3.4x	22.3x	11.8x	10.2x
Envestnet, Inc.	$48.50	99.4%	$2,135	$2,367	$630	37.4%	20.1%	28.2%	9.0%	3.8x	3.5x	3.1x	42.7x	18.6x	15.1x
Sanne Group plc	$10.35	93.4%	$1,431	$1,454	$120	39.9%	NM	63.1%	37.1%	11.6x	9.7x	8.5x	31.4x	24.9x	21.5x
Bravura Solutions Limited	$1.36	95.5%	$291	$282	$147	3.9%	6.7%	30.0%	17.0%	1.8x	1.7x	1.5x	10.8x	9.6x	8.8x
	MEAN	**93.5%**	**$4,871**	**$5,633**	**$1,615**	**24.2%**	**13.8%**	**41.1%**	**24.7%**	**4.9x**	**4.6x**	**4.1x**	**20.3x**	**14.6x**	**12.8x**
	MEDIAN	**95.5%**	**$4,331**	**$5,651**	**$1,199**	**36.4%**	**10.2%**	**30.0%**	**18.4%**	**3.8x**	**3.5x**	**3.3x**	**17.3x**	**12.8x**	**11.9x**

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Public Trading Comparables

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

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Data Analytics & Solutions

COMPANY INFORMATION	Market Data				LTM Operating Performance					Valuation Multiples					
										EV / Revenue			EV / EBITDA		
	Stock Price	% of 52-Wk High	Equity Value	Enterprise Value	LTM Revenue	Revenue Growth	EBITDA Growth	Gross Margin	EBITDA Margin	LTM	FY2017	FY2018	LTM	FY2017	FY2018
RELX PLC	$22.05	94.4%	$44,204	$50,789	$9,553	15.5%	5.8%	63.7%	30.2%	5.1x	5.1x	4.9x	16.7x	14.6x	13.2x
Experian plc	$19.98	86.5%	$18,286	$21,508	$4,335	2.3%	0.3%	43.4%	35.0%	4.7x	4.7x	4.5x	13.3x	13.5x	12.8x
Equifax Inc.	$94.87	64.5%	$11,420	$13,909	$3,294	18.1%	12.1%	64.5%	37.0%	4.2x	4.1x	3.9x	11.4x	11.1x	10.5x
Verisk Analytics, Inc.	$81.71	92.7%	$13,446	$15,705	$2,030	13.3%	11.3%	63.6%	46.4%	7.7x	7.5x	7.1x	16.7x	15.4x	14.3x
TransUnion	$42.20	85.3%	$7,676	$10,016	$1,803	13.1%	NM	67.3%	35.3%	5.6x	5.3x	4.9x	15.5x	13.6x	12.3x
The Dun & Bradstreet Corporation	$110.91	80.6%	$4,099	$5,416	$1,717	4.1%	(1.5%)	67.6%	24.9%	3.2x	3.1x	3.0x	12.6x	10.9x	10.3x
Cerved Information Solutions S.p.A.	$11.83	95.5%	$2,307	$2,912	$445	6.6%	NM	52.1%	41.9%	6.3x	6.0x	5.6x	15.0x	13.0x	12.3x
	MEAN	85.7%	$14,491	$17,179	$3,311	10.4%	5.6%	60.3%	35.8%	5.3x	5.1x	4.8x	14.5x	13.2x	12.2x
	MEDIAN	86.5%	$11,420	$13,909	$2,030	13.1%	5.8%	63.7%	35.3%	5.1x	5.1x	4.9x	15.0x	13.5x	12.3x

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Source: Capital IQ

Public Trading Comparables

ISVs / VARs; Wealth Management Tech 2.0; and Risk Analytics

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Information Providers

COMPANY INFORMATION	Market Data				LTM Operating Performance					Valuation Multiples					
	Stock Price	% of 52-Wk High	Equity Value	Enterprise Value	LTM Revenue	Revenue Growth	EBITDA Growth	Gross Margin	EBITDA Margin	EV / Revenue LTM	EV / Revenue FY2017	EV / Revenue FY2018	EV / EBITDA LTM	EV / EBITDA FY2017	EV / EBITDA FY2018
S&P Global Inc.	$155.61	98.3%	$39,992	$42,335	$5,800	6.5%	14.9%	70.6%	45.9%	7.3x	7.2x	6.8x	15.9x	15.4x	14.4x
Thomson Reuters Corporation	$45.54	89.0%	$32,650	$39,670	$11,201	(0.8%)	(6.7%)	29.3%	22.5%	3.4x	3.5x	3.4x	15.0x	11.7x	11.2x
Moody's Corporation	$136.74	99.6%	$26,117	$27,850	$3,835	3.4%	11.0%	71.8%	47.9%	7.3x	7.0x	6.5x	15.1x	14.8x	13.5x
IHS Markit Ltd.	$47.45	97.9%	$18,822	$22,718	$3,349	25.2%	23.0%	61.3%	30.8%	6.8x	6.4x	6.1x	23.5x	16.3x	15.1x
FactSet Research Systems Inc.	$163.05	88.8%	$6,396	$6,777	$1,182	8.3%	5.5%	53.6%	32.8%	5.7x	5.6x	5.1x	16.4x	16.2x	14.8x
Morningstar, Inc.	$82.64	97.6%	$3,515	$3,405	$847	1.2%	4.6%	56.9%	27.0%	4.0x	NA	NA	15.0x	NA	NA
	MEAN	**95.2%**	**$21,249**	**$23,792**	**$4,369**	**7.3%**	**8.7%**	**57.2%**	**34.5%**	**5.7x**	**5.9x**	**5.6x**	**16.8x**	**14.9x**	**13.8x**
	MEDIAN	**97.7%**	**$22,470**	**$25,284**	**$3,592**	**5.0%**	**8.2%**	**59.1%**	**31.8%**	**6.3x**	**6.4x**	**6.1x**	**15.5x**	**15.4x**	**14.4x**

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Source: Capital IQ

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