



Evolve
Capital Partners

DEALS & MARKET UPDATE

Capital Markets

February 2025



Tech-Enabled
Services



Software &
Analytics



Collections
Servicing



Infrastructure



Alternative
Investments



Banking &
Lending



Online
Brokers



Outsourced
Financial
Solutions



Financial Content
Providers



Wealth & Asset
Management



Investment
Banks



Specialty
Finance

Specialized investment bankers at the intersection of finance and technology



Overview of Evolve Capital Partners

About Evolve Capital Partners

- Evolve Capital Partners Inc. ("Evolve") is a growing investment bank focused exclusively on entrepreneurial businesses operating at the intersection of technology-enabled solutions and financial services
- Evolve’s primary coverage verticals include Capital Markets and Insurance
- As an independent investment bank, Evolve advises private and public companies on mergers and acquisitions, divestitures, capital raises, and financial restructurings
- Evolve dispenses bespoke, mission-critical advice within a creative and entrepreneurial environment, ensuring maximum value and successful outcomes
- Since its inception, Evolve has completed dozens of transactions, and professionals of the firm have advised on M&A and financing transactions worth more than \$10 billion
- Evolve was established in 2012 and is based in New York, NY

High-Touch Investment Banking

Our Clients

- Corporations
- Management Teams
- PE Backed Companies
- Independent Directors / Boards

Investment Banking Advisory

- M&A
- Strategic Alliances
- Strategic Capital Formation
- Financial Restructuring

Select Evolve Capital Markets Transactions

Capital Markets
FINANCIAL ADVISOR

Undisclosed ETF
Data Provider

Has raised capital from
Undisclosed Prop Trading Firm
Data Provider

Capital Markets
SELL SIDE ADVISOR


SIMPLER
TRADING

Has completed a majority
recapitalization with
ZMC
Trading Education

Capital Markets
FINANCIAL ADVISOR



Has raised capital from
Undisclosed Private Investors
Investment Analytics Platform

Capital Markets / Lending
SELL SIDE ADVISOR


PACEFUNDING

has raised strategic capital from

amalgamated bank
Consumer Lending



We Focus Exclusively on Capital Markets-Related Firms

Evolve consistently delivers expert strategic advisory across multifaceted Capital Markets sector transactions



Capabilities

M&A Advisory

Sales / Recaps

Acquisitions

Divestiture

Strategic Advisory

Data & Analytics

Specialized Software

Tech-Enabled Services

Advisory

Banking & Lending

Wealth & Asset Management



Capital Markets Industry M&A Update

M&A Market Update

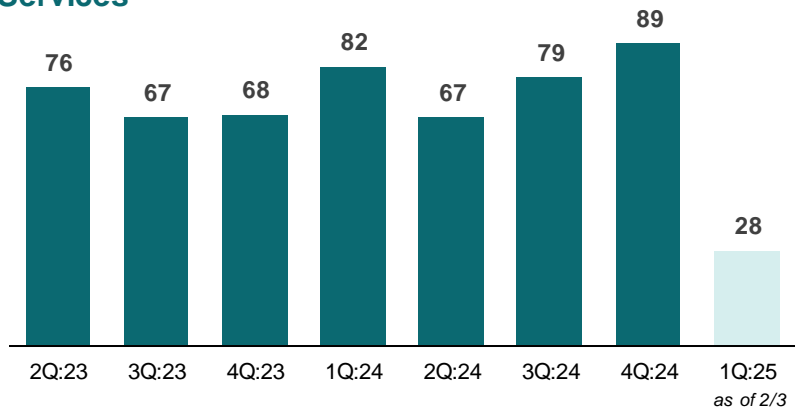
- Transaction volumes are likely to experience a rise with the new Administration's push to deregulate the economy and extend and expand the 2017 tax cuts. The deregulatory agenda will remove barriers to dealmaking and release pent-up demand for M&A.
- Service Companies:** The private credit market is experiencing significant growth and increased M&A activity with approximately \$1.7 trillion under management. PE funds are continuing to acquire private credit firms to take advantage of the market's growth potential. Additionally, the boon in private credit continues to fuel the restructuring market, and this trend is likely to continue.
- Software and Technology Companies:** M&A is likely to experience a bump from decreased regulation from the new FCC chairman. Additionally, the new Administration reversed previous guidance on stringent AI safety standards, and announced a \$500 billion joint venture between OpenAI, Oracle, and SoftBank to build datacenters on federal land. A new pro-business FTC is focused on cutting regulations, which will open the door for some megadeals in the space.
- Recent releases of new generative AI platforms by Chinese companies DeepSeek and Alibaba have created significant uncertainty in the industry.
- Banks and Lenders:** Banks are experiencing increased capital markets revenue primarily as a result of an expanded M&A pipeline, demand for capital from strategics and financial sponsors, and increased trading volume. Additionally, banks are increasing breakup fees for large transactions from 15% to 25% and higher fees for fairness opinions.

Relevant News

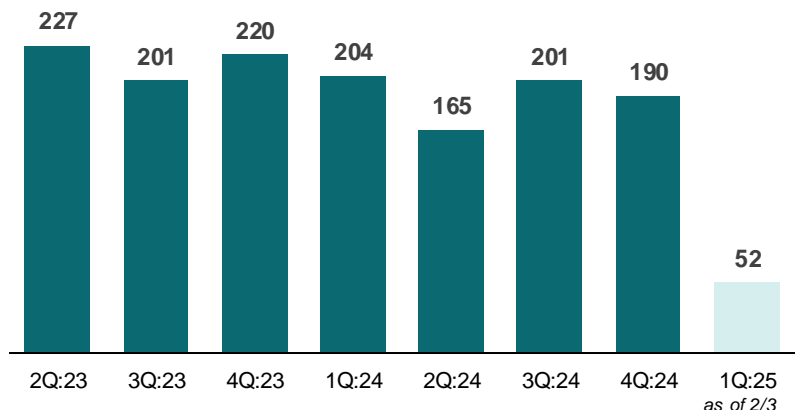
- 02/05:** President Trump's threats of tariffs and policy uncertainties are causing big businesses to hesitate on new investments. While business leaders are optimistic about the overall economic outlook, they remain uncertain about their own companies' futures, leading to cautious investment behavior.

Announced M&A Transaction Count

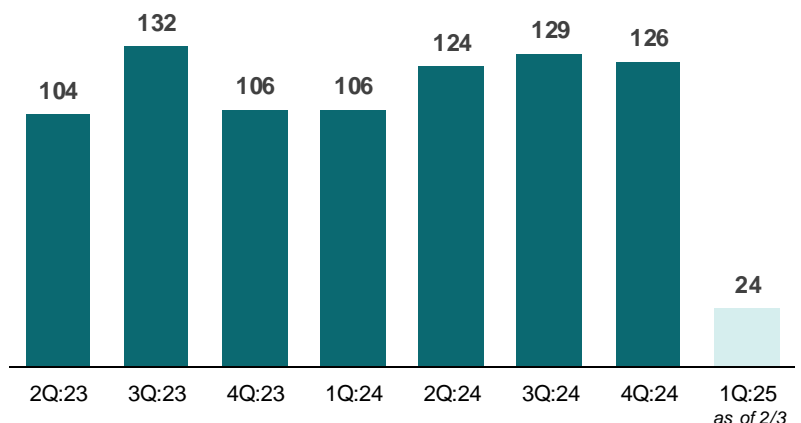
Services



Software & Technology



Banking & Lending



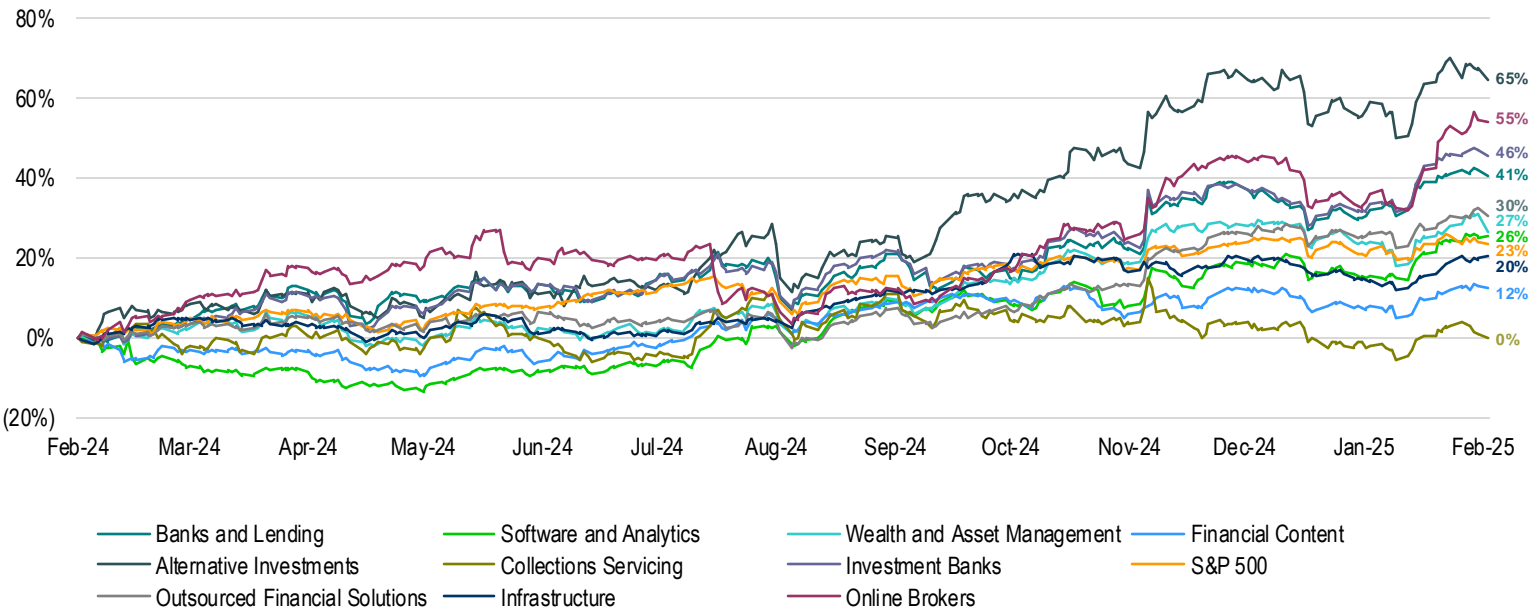
Data as of February 3, 2025
Source: Capital IQ



Market Summary and Key Multiples

Evolve's Capital Markets Industry Stock Market Performance

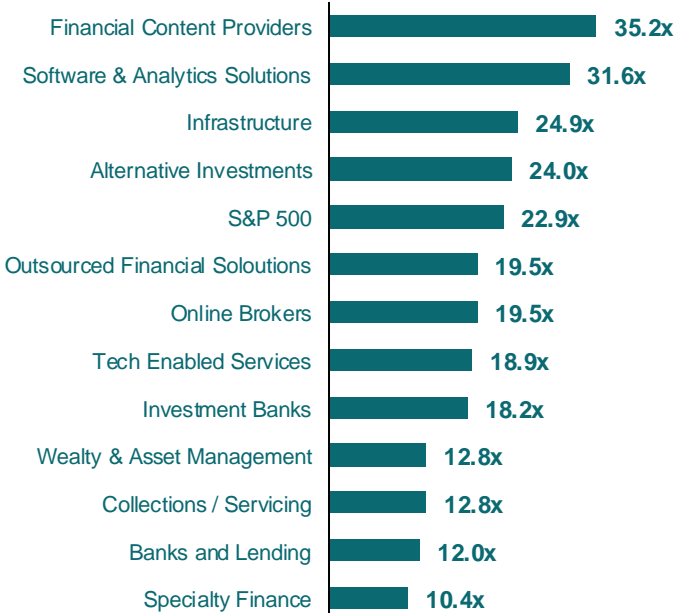
Last Twelve Months Capital Markets Sector Performance



Public Market Commentary

- From January to February 2025, all sub-sectors of capital markets saw a performance boost, reflecting the overall market trend. Despite tariff concerns, the S&P 500 reached a record high on January 23, showcasing investor resilience.
- **Investment Banks/Banks & Lending:** The Federal Reserve's decision to maintain interest rates, coupled with a surge in investment banking revenues driven by increased M&A fees and strong corporate capital demand, is fueling growth in this sector.
- **Online Brokers:** Online brokers' performance surged nearly 55% over the last twelve months, driven by a positive economic outlook under the new administration and strong investment inflows into tech-related sectors.
- **Outsourced Financial Solutions:** Rising demand for specialized financial expertise, flexible fractional outsourcing models, and AI-driven efficiency have driven nearly 30% growth in the sector over the last twelve months.

Capital Markets NTM P / E Multiples



Data as of February 3, 2025
Source: Capital IQ



Recent Notable Capital Markets Transactions



January 13: Apollo to Acquire Argo Infrastructure Partners

- **Apollo** is a rapidly expanding, worldwide alternative asset manager. In its asset management operations, the company aims to deliver superior returns for clients across the entire risk-reward spectrum, ranging from investment-grade credit to private equity
- **Argo Infrastructure Partners LP**, founded by Jason Zibarras, is an independent fund manager with a long-term approach to infrastructure investing
- **Strategic Rationale:** Aims to deepen its origination and asset management capabilities in fast-growing sectors like digital infrastructure and renewable energy. This strategic move aligns with Apollo's long-term growth objectives and enhances its sustainability and infrastructure strategies



January 13: Clearwater Analytics to Acquire Enfusion for \$1.5 Billion

- **Clearwater Analytics** is the world's leading investment accounting solution and provides the most trusted investment data aggregation, reconciliation, accounting, and reporting
- **Enfusion Inc** is a software-as-a-service (SaaS) provider focused on transforming the investment management industry
- **Strategic Rationale:** The acquisition of Enfusion accelerates Clearwater's vision of building the first cloud-native front-to-back platform for the entire investment management industry



January 8: ICE Acquires the American Financial Exchange (AFX)

- **Intercontinental Exchange, Inc.** is a Fortune 500 company that designs, builds and operates digital networks that connect people to opportunity
- **The American Financial Exchange (AFX)**, launched in 2015, is a self-regulated exchange with over 240 bank and non-bank members across the United States
- **Strategic Rationale:** Aims to enhance its interbank lending ecosystem by integrating AFX's platform, which serves regional and local American banks. This move complements ICE's existing mortgage technology network and global index business, driving innovation and new product development



January 6: Eltropy Acquires Lexop

- **Eltropy** is the leading unified conversations platform for community financial institutions (CFIs)
- **Lexop** provides collections technology that puts members first, helping credit unions work more effectively with members facing past-due challenges
- **Strategic Rationale:** This strategic move aligns with three critical trends reshaping financial services: digital wallets (like Apple Pay), artificial intelligence (AI), and self-serve or self-cure payment experiences



Recent Notable Capital Markets Transactions



December 12: Jiko secures \$29 Million in Series C Funding

- **Jiko** is a developer of a trading platform designed to keep, control and spend money wisely. The company's platform allows investing in treasury bills and keeps track of the investment and at the same time acts as a financial portal to send, receive and spend money digitally, enabling users to control and benefit from their money
- **Investors:** Upfront Ventures, with the participation from Airbus Ventures, Red River West, Radicle Impact and other undisclosed investors
- **Strategic Rationale:** This latest investment strengthens the company's operating capital as it continues to establish itself as a major player in the institutional and enterprise market



December 12: Upbound Group acquires Brigit

- **Upbound Group, Inc.** is a technology and data-driven leader in accessible and inclusive financial products that address the evolving needs and aspirations of underserved consumers
- **Brigit** is a holistic financial health app that has helped millions of Americans budget better, get their earned wages early, build their credit through savings, protect themselves from identity theft, and find ways to earn and save money
- **Strategic Rationale:** This transaction is a logical next step reflecting Upbound's strategic focus on expanding its technology-driven financial solutions for consumers who are underserved by the traditional financial system



December 10: Gen completes acquisition of MoneyLion

- **Gen™** is a global company dedicated to powering Digital Freedom through its trusted Cyber Safety brands, Norton, Avast, LifeLock, Avira, AVG, ReputationDefender and CCleaner
- **MoneyLion** is a leader in financial technology powering the next generation of personalized products, content, and marketplace technology, with a top consumer finance super app, a premier embedded finance platform for enterprise businesses and a world-class media arm
- **Strategic Rationale:** Through this acquisition, MoneyLion extends Gen's identity solutions into offering comprehensive financial wellness through MoneyLion's full-featured personal finance platform that includes credit building and financial management services



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KEY SENIOR PROFESSIONALS

Alexander Koles

Founder and Managing Director
akoles@evolve-capital.com

Mr. Koles has over two decades of financial advisory experience including advising middle-market and multinational firms on merger and acquisition strategies and execution, restructurings and capital raises. Prior to founding Evolve Capital Partners, he worked at a number of leading investment banks in leadership roles. He started his career at Merrill Lynch as an investment banker in the corporate finance group.

CONTACT

Evolve Capital Partners
336 West 37th Street, Suite 1070
New York, NY 10018
T: (646) 688-2792
evolve-capital.com