

# FT PARTNERS FINTECH INDUSTRY RESEARCH

June 2, 2022

## FINTECH CEO INTERVIEW:

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*with Founder & CEO: Flint Lane*

**B2B Payments**



## Billtrust Overview

### Company Overview



Co-Founder & CEO Flint Lane

Headquarters: Lawrenceville, NJ

Founded: 2001

- Billtrust (NASDAQ: BTRS) is a provider of cloud-based software and integrated payments processing solutions that automate B2B commerce
- Billtrust also facilitates B2B Payments with its Business Payments Network ("BPN"), which connects buyers, suppliers, and financial institutions to simplify and streamline the process of accepting electronic payments
- The Company serves over 2400 customers across more than 40 verticals

### Selected Financing History

Date	Type	Amount (\$ in mm)	Selected Investor(s)
10/19/20	SPAC Merger	na	South Mountain Merger Corp.
10/17/17	Financing	na	Visa
8/17/17	Financing	na	KeyCorp
5/25/17	Financing	\$50	Riverwood Capital
4/15/15	Financing	25	Bain Capital Ventures, Goldman Sachs
11/14/12	Financing	25	Bain Capital Ventures

### Solutions Overview



#### Credit

Automated credit application, decisioning, and management



#### Invoicing

Streamlined and simplified invoice delivery and presentation



#### Ordering

eCommerce marketplace with configurable web stores



#### Collections

Reduce overdue receivables, bad debt, and write-offs



#### Cash App

Accept and manage payments and remittances in nearly any format

### Key Metrics

- ❖ Processed >\$1 trillion in total invoice dollars
- ❖ Generated ~\$166 million in revenue in 2021 with >14% YoY growth and a 73% adjusted gross margin
- ❖ Offers 170+ AP portal connections
- ❖ Provides solutions to 2,400+ enterprise and mid-market businesses



**Flint Lane**

Founder & CEO

***“We believed, and still do, that customers want a single solution to solve all problems related to invoicing and payments”***

### ***What is your background and what inspired you to found Billtrust?***

I co-founded an electronic bill payment and presentment company called Paytrust in 1998 which allowed consumers to pay and receive all their bills online. We made the bet that once we got enough bill volume, we could convince billers to deliver them to us electronically instead of through the mail, saving them money. We were wrong. We couldn't convince any billers to do it because they didn't have the technical capability to do so. I started Billtrust in 2001 based on that experience.

The world was moving to electronic billing, and billers were going to struggle with that. The same trend had played out in other industries like payroll, but what was different was our approach. We believed, and still do, that customers want a single solution to solve all problems related to invoicing and payments, which at the time included printing and mailing paper bills. It was considered somewhat heretical to do something so analog, but what most people didn't understand was controlling the paper bill allowed us to aggressively market the electronic billing alternatives, and thus accelerate adoption.



### CEO Interview – Flint Lane

***“By sending over \$1 trillion worth of invoices, we are able to offer customers data and other insights in a way that competitors can’t.”***

***Billtrust has a broad suite of solutions targeted to the B2B payments space. Could you please give us a high-level overview of your solution set?***

We are unique in the marketplace as the only company that offers a complete order-to-cash solution for the accounts receivable professional. This means we offer everything to automate a company’s accounts receivable and make it easier for companies to get paid, from credit, invoicing and payments to cash application and collections solutions. We also do this on a scale that truly sets us apart. By sending over \$1 trillion worth of invoices, we are able to offer customers data and other insights in a way that competitors can’t.

***How has the digitization of B2B payments affected the accounts receivable and payable verticals? How are Billtrust’s solutions tailored to provide maximum value to clients from these changes?***

Accounts receivable is a corporation’s lifeblood. If companies don’t have cash, they can’t pay their bills and can’t operate. We hear a lot these days about the accounts payable side, and, arguably, they are ahead of their AR counterparts in adopting new automation technologies and digital payments. But AP automation has been a mixed blessing. AP teams have pushed spend onto virtual credit cards to capture generous, high-margin interchange rebates. And many AP providers have helped with those transactions. Payables spend is being modified and turned into mini-profit centers which have been great for AP software vendors, banks and the companies themselves. This, however, creates significant complications for AR teams which are faced with dealing with inefficiencies delivering credit cards and payments, often through thousands of emails each month, creating a myriad of manual transactions and verifications that are simply too much for them to handle. Combined with a still-too-strong paper check presence and reliance on the U.S. mail, and you have the recipe for AR slowdowns and reduced cash flow.

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## Interview with Billtrust (cont.)



### CEO Interview – Flint Lane

***“To truly succeed digitally while maximizing cash flow and getting paid faster requires a commitment to automation.”***

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Billtrust helps companies transform AR from being consumed by manual tasks created by AP automation and a continued reliance on paper checks into an innovative and automated finance organization and center for developing buyers who pay electronically. Of course, accepting digital payments can be tricky. An AR team’s ability to accept digital payments requires modern processes, and that’s where some come up short. Recent research shows that 40% of AR teams don’t have the self-service capabilities their customers want, and over 50% lack real-time integrations with their ERP systems or automated integration with their customers’ AP portals. All of this slows productivity and cash flow and creates a poor customer experience. To truly succeed digitally while maximizing cash flow and getting paid faster requires a commitment to automation.

***How are Billtrust’s solutions tailored for verticals with unique needs (i.e. manufacturing, heavy machinery, transportation, etc.)? How are Billtrust’s products in these spaces differentiated from competitors?***

Billtrust has a flexible and scalable solution, and we offer dedicated customer teams for each vertical who are listening and catering solutions to a company’s specific industry use case.

## Interview with Billtrust (cont.)



### CEO Interview – Flint Lane

***“BPN is the next logical step and one that’s most easily adopted by most businesses wanting to digitize payments.”***

#### ***Can you please give us an overview of the capabilities of Billtrust’s Business Payments Network (BPN) and your partnership with Visa?***

I’m very excited about our Business Payments Network (BPN), which we launched in late 2018 with Visa, which distributes BPN to the bank channel. To put BPN into context, it is basically a Venmo for B2B payments. When you pay your friends with Venmo, you don’t first ask them what their bank account and routing numbers are, you just send the payment via Venmo, and Venmo accesses a directory of people who like to get paid. It’s also a money movement tool. And that’s what BPN is for B2B. We’ve partnered with some of the biggest brands in the AP space to allow them to pay more suppliers through BPN and solve some of their business problems like integrating with accounts payables portals. For the suppliers who are receiving payments, we act as a single aggregation engine for payments and remittance data so they can easily apply cash into their ERP.

BPN is the next logical step and one that’s most easily adopted by most businesses wanting to digitize payments. A major feature of BPN is a “Digital Lockbox,” an electronic address for every company which wants to receive payments via ACH, credit card or wire transfer. As physical lockboxes are used to automate check processing, the digital version automates acceptance of payment instructions received by email.



### CEO Interview – Flint Lane

***“Billtrust’s ability to enable businesses to transition from expensive paper invoicing and check acceptance to efficient electronic billing and payments, helps businesses avoid the expense, delays and wastefulness of relying on the mail for payments.”***

#### ***What are some major trends shifting the accounts receivable vertical within B2B Payments? How is Billtrust positioned to take advantage of these changes?***

How businesses prefer to make and receive payments is shifting alongside the colossal growth of the B2B payments market. When the market was worth a fraction of what it is now, check was by far the preferred payment method. Now that roughly \$120T in B2B payments are processed annually, demand for quick, easy and efficient digital payments experiences are truly dominating the space.

One major trend affecting AR is mail delays, which make paper checks less attractive. Prior to the pandemic, most businesses had relented to the reality that one check cost roughly 50 cents to mail, and once they sent it, there was a three-to-five day lag before it reached its destination. It was perhaps only when the USPS’ struggles started to make headlines during the early stages of the pandemic that finance professionals realized how urgently they needed to shift away from these inefficient processes which were contributing to incredibly slow settlements. With AR teams already under enormous pressure to maintain their organizations’ financial health, they found themselves in an unfortunate situation where their reliance on the paper check threatened to reverse their hard work as mail delays significantly increased float cost. Billtrust’s ability to enable businesses to transition from expensive paper invoicing and check acceptance to efficient electronic billing and payments, helps businesses avoid the expense, delays and wastefulness of relying on the mail for payments.

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### CEO Interview – Flint Lane

***“Our machine learning-driven Cash Application platform automates remittance collection from over 175 AP portals and delivers 100% electronic remittance extraction no matter the payment type.”***

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Another trend that Billtrust addresses is the rise of accounts payable portals as a means for suppliers to key in buyer invoices. As buyers shift to AP platforms such as Ariba, Coupa, Taulia, etc., the AR department must learn how to deliver invoices to these systems, collect payments in new formats and manage the disputes that are communicated from them. Billtrust automates this process through its Business Payments Network (BPN), which began enabling invoicement presentment to AP portals in 2021 in addition to its existing payment and remittance acceptance capabilities. In all, Billtrust delivered approximately 400,000 invoices to over 175 different AP portals in 2021. In addition, our machine learning-driven Cash Application platform automates remittance collection from over 175 AP portals and delivers 100% electronic remittance extraction no matter the payment type.

***Can you please go into a little more detail on your recently announced partnership with American Express in the virtual card space?***

The American Express partnership is a great example of the Digital Lockbox resonating with a financial institution that wants to bring those great capabilities to their merchants. More and more businesses are paying suppliers with virtual credit cards, which offer a one-time, randomly generated card number for a given amount, as an alternative to paper checks. But while the growth of virtual cards is an overall positive for accelerating B2B payments and increased security, it creates significant complexity for supplier CFOs who need their teams to quickly reconcile their open invoices to large numbers of unsorted, unmatched payments. Now, merchants that accept Amex cards will have access to our complete order-to-cash solution, allowing them to automate their accounts receivable process and remove complexity while making it possible to easily track and reconcile virtual card payments to get paid faster.





### CEO Interview – Flint Lane

***“Billtrust will continue to help companies transition from expensive paper invoicing and check acceptance to efficient electronic billing and payments, but we’ll do so in more powerful ways and on a more global scale.”***

#### ***What is your vision for Billtrust moving forward over the next 5-10 years?***

Billtrust will continue to help companies transition from expensive paper invoicing and check acceptance to efficient electronic billing and payments, but we’ll do so in more powerful ways and on a more global scale. Our recent expansion into Europe, for example, is helping to scale our Business Payments Network. We’ll also continue to acquire businesses that meet our strategic needs.

# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Leading Advisor Across B2B Payments

### Global Disbursements

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its role as exclusive financial and capital markets advisor to



on its merger with



(NASDAQ: FTOCU)

post-transaction equity value

**\$3,796,000,000**



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### AP Automation & Expense Management

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its role as exclusive strategic and financial advisor to



on its sale to



for total consideration of

**~\$2,500,000,000**



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### International Payment Solutions

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its role as exclusive strategic and financial advisor to



on its sale to



for total consideration of

**~\$1,000,000,000**



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### AR & AP Payment Solutions

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its role as exclusive strategic and financial advisor to



in its merger with

**Thunder Bridge Acquisition**  
(NASDAQ: TBRG)

for a total implied enterprise value of

**\$665,000,000**



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### Integrated Payment Management Solutions

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its role as strategic and financial advisor to



on its sale to



for total consideration of

**\$503,000,000**



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### Small Business Accounting

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its role as exclusive strategic and financial advisor to



on its sale to



for total consideration of

**\$405,000,000**



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### AP Automation

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its role as exclusive strategic and financial advisor to



on its growth financing with new investors



for a total amount of

**\$388,000,000**



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### FX Management

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its role as exclusive strategic and financial advisor to



on its proposed investment in



for a total amount of

**~\$184,000,000**



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### Expense Management

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its role as exclusive strategic and financial advisor to



on its sale to



for total consideration of

**~\$180,000,000**



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### International Payment Disbursement

Financial Technology Partners LP  
FTP Securities LLC  
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on its growth financing led by



for a total amount of

**\$60,000,000**



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### Working Capital Solutions

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its role as exclusive strategic and financial advisor to



on its majority sale to



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### AP & Disbursements

Financial Technology Partners LP  
FTP Securities LLC  
is pleased to announce its exclusive role as strategic and financial advisor to



on its acquisition of



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## FT Partners Advises Payoneer on its Merger with FTAC Olympus Acquisition Corporation

### Overview of Transaction

- On February 3, 2021, Payoneer Inc. ("Payoneer") and FTAC Olympus Acquisition Corp. ("FTOC"), a special purpose acquisition company ("SPAC"), announced they have entered into a definitive agreement and plan of reorganization
- Upon closing of the reorganization, the newly created holding company will be renamed Payoneer Global Inc. and the combined company (the "Company") will operate as Payoneer, a U.S. publicly listed entity
  - Estimated post-transaction enterprise value of \$3.3 billion with up to \$563 million in cash, offering significant capital flexibility for continued organic and inorganic growth
  - Transaction includes commitments for \$300 million PIPE from investor group including existing investor Wellington Management, as well as funds and accounts managed by BlackRock, Dragoneer Investment Group, Fidelity Management & Research Company LLC, Franklin Templeton, certain funds managed by Millennium Management, funds and accounts advised by T. Rowe Price Associates, Inc., and Winslow Capital Management, LLC
- Payoneer is a global payment and commerce-enabling platform which powers growth for millions of digital businesses worldwide – Payoneer's mission is to democratize access to financial services and drive growth for digital businesses of all sizes from around the world

### Significance of Transaction

- While creating significant liquidity for existing shareholders, Payoneer's Management team will continue to lead the merged Company as over 68% of existing Payoneer equity is expected to be rolled as part of the transaction
- The net proceeds raised from the transaction will be used to support Payoneer's multi-pronged growth strategy, including extending leadership with marketplace ecosystems, accelerating strategic and channel partnerships, ramping of developing products and services and pursuing targeted strategic M&A

### FT Partners' Role

- FT Partners served as exclusive financial and capital markets advisor to Payoneer
  - FT Partners previously advised Payoneer on its [acquisition of optile](#) in 2019
- Builds on FT Partners' expertise in navigating the unique process in selling companies to SPACs, and follows highly successful sales of FT Partners' clients [Porch](#), [Open Lending](#), [CardConnect](#) and [REPAY](#)

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as exclusive  
financial and capital markets advisor to*



*on its merger with*



(NASDAQ: FTOCU)

*post-transaction equity value*

**\$3,796,000,000**



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## FT Partners Advises Divvy on its Sale to Bill.com

### Overview of Transaction

- On May 6, 2021, Bill.com (NYSE:BILL) announced it has entered into a definitive agreement to acquire Divvy in a stock and cash transaction valued at approximately \$2.5 billion
  - Bill.com will acquire Divvy for \$625 million in cash and approximately \$1.875 billion of Bill.com Common Stock, subject to customary adjustments for transactions of this nature
- Divvy modernizes finance for business by combining expense management software and smart corporate cards into a single platform
- Bill.com is a leading provider of cloud-based software that simplifies, digitizes, and automates complex back-office financial operations for small and midsize businesses (SMBs)

### Significance of Transaction

- The combination will expand the market opportunity for both companies
- Bill.com can offer expense management and budgeting software combined with smart corporate cards to its more-than 115,000 customer base and its network of 2.5 million members
- Divvy will be able to offer automated payable, receivables, and workflow capabilities to the more-than 7,500 active customers that it serves

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Divvy and its Board of Directors
- FT Partners previously advised Divvy on its [\\$165 million Series D financing](#) in January 2021, demonstrating FT Partners' long-term commitment to its clients, and the repeat nature of many of FT Partners' advisory engagements
- This transaction underscores FT Partners' deep payments and software domain expertise, as well as our successful track record generating highly favorable outcomes for high-growth, unicorn FinTech companies globally

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exclusive strategic and financial advisor to*



*on its sale to*



*for total consideration of*

**~\$2,500,000,000**



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## FT Partners Advises Currencycloud on its Sale to Visa

### Overview of Transaction

- On July 22, 2021, Visa announced it has signed a definitive agreement to acquire Currencycloud for £700 million (~\$960 million), inclusive of cash and retention incentives
- Launched in 2012, Currencycloud is a comprehensive B2B cross-border infrastructure product that enables clients to build their own “platform” by offering different APIs across five modules – collect, convert, manage, pay, and Currencycloud spark
- Currencycloud is headquartered in London with offices in New York, Amsterdam, Cardiff & Singapore. Since 2012, the company has processed more than \$100 billion to over 180 countries

### Significance of Transaction

- Currencycloud will strengthen Visa’s existing foreign exchange capabilities by extending them to better serve financial institutions, FinTechs and partners while enabling new use cases and payment flows
- Currencycloud will accelerate the time-to-market and improve payment transparency for clients looking to offer flexible, digital-first, international payment services that provide better visibility and control to consumers and businesses around the world
- The addition of Currencycloud’s capabilities to Visa’s network will widen access to innovative international payment products that help businesses meet their cross-border needs

### FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Currencycloud
- FT Partners previously advised Currencycloud on its \$80 million [Series E financing](#) in 2020
- This transaction underscores FT Partners’ deep domain expertise and unrivaled track record in the FX / Cross Border Payments space

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exclusive strategic and financial advisor to*



*on its sale to*



*for total consideration of*

**£700,000,000**



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## FT Partners Advises REPAY on its Merger with Thunder Bridge

### Overview of Transaction

- On January 22, 2019, REPAY, together with its parent company Hawk Parent Holdings, announced it has entered into a definitive merger agreement with Thunder Bridge Acquisition Ltd. (NASDAQ: TBRG), a special purpose acquisition company ("SPAC")
- Under the terms of the agreement, Thunder Bridge will acquire REPAY, and the combined company will continue as a publicly-listed company with an implied enterprise value of approximately \$653 million
  - REPAY's management team will continue to lead the Company and its existing majority equity holder, Corsair Capital is expected to remain the Company's largest stockholder
- Headquartered in Atlanta, GA, REPAY is a leading provider of vertically-integrated payment solutions
  - REPAY's proprietary, integrated payment technology platform reduces the complexity of electronic payments for merchants, while enhancing the overall experience for consumers
- Thunder Bridge is a blank check company formed for the purpose of effecting a merger, or similar business combination with one or more businesses
  - In June 2018, Thunder Bridge completed a \$258 million IPO

### Significance of Transaction

- As a publicly-listed company, REPAY will have access to capital to further support its acquisition strategy and invest in technology, while continuing to develop software integration partners

### FT Partners' Role

- FT Partners served as sole strategic and financial advisor to REPAY
- This transaction underscores FT Partners' deep expertise in the Payments space and highlights our strong track record in consistently generating great outcomes for our clients and their shareholders

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*is pleased to announce its role as  
exclusive strategic and financial advisor to*

**REPAY**<sup>®</sup>

**Realtime Electronic Payments**

*in its merger with*

### Thunder Bridge Acquisition (NASDAQ: TBRG)

*for a total implied enterprise value of*

**\$653,000,000**

**FINANCIAL  
TECHNOLOGY  
PARTNERS**

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## FT Partners’ Recent Awards and Recognition

### Bloomberg

#### Bloomberg

- FT Partners’ Steve McLaughlin was featured on Bloomberg / Bloomberg TV
- View the [full article](#) and watch the live [TV interview](#)



#### M&A Advisor Awards

- Technology Deal of the Year (2019)
- Cross Border Deal of the Year and Corporate / Strategic Deal of the Year (2018)
- Investment Banker of the Year (2017) – Steve McLaughlin, CEO & Managing Partner of FT Partners
- Investment Banking Firm of the Year (2016) – FT Partners



#### LendIt FinTech Industry Awards 2018:

- FT Partners wins Top Investment Bank in FinTech

### Institutional Investor



#### The FinTech Finance 40:

- Steve McLaughlin ranked #1 in 2017 and 2018

### The Information

A small chart titled "Silicon Valley's Most Popular Dealmakers" showing a list of names and their titles. Steve McLaughlin is highlighted in blue.

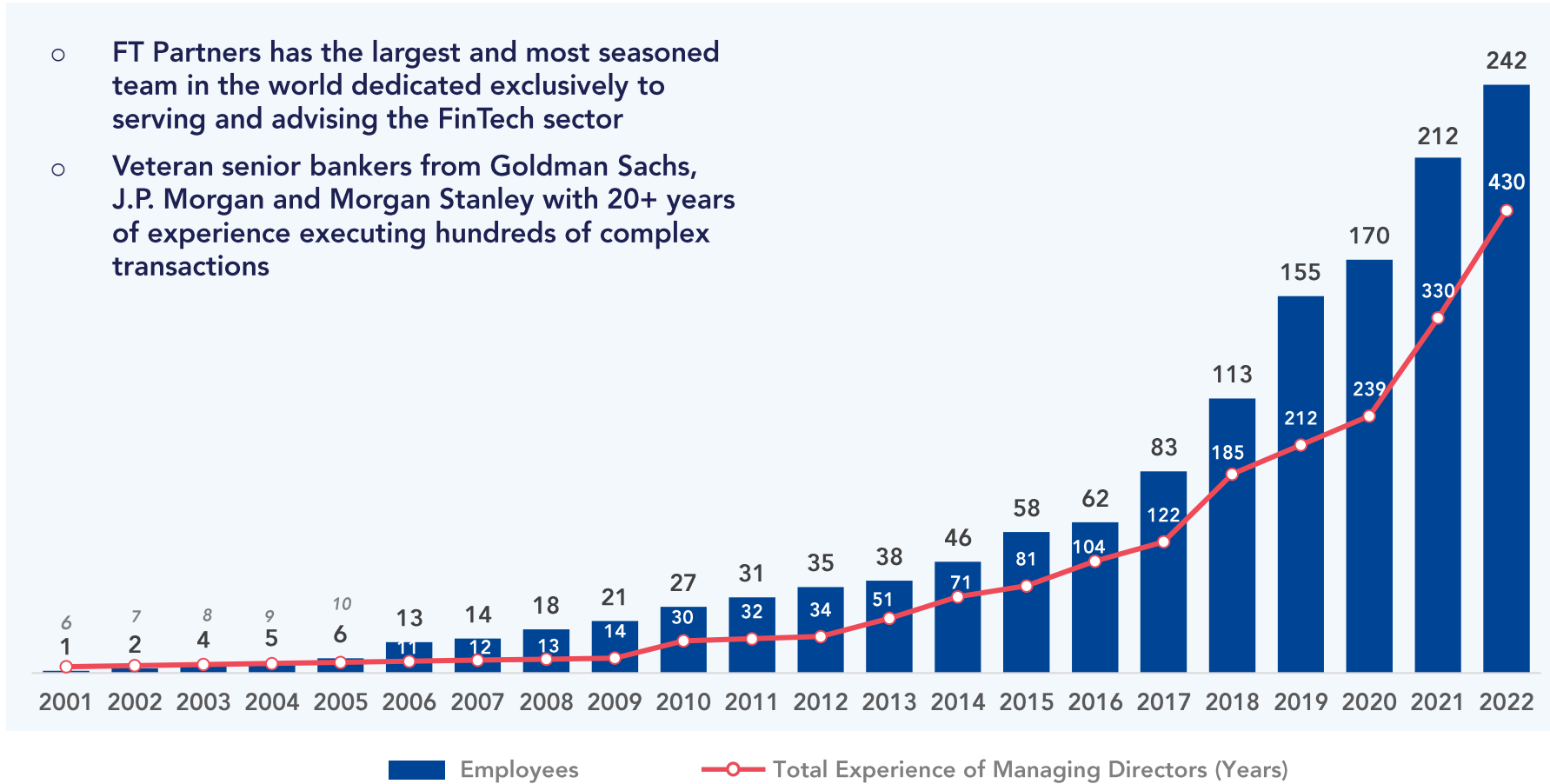
Name	Title	Company
Steve McLaughlin	Managing Director	FT Partners
Michael Hynes	Managing Director	Goldman Sachs
Paul Rosen	Managing Director	Wells Fargo
Quincy Smith	Partner	Goldman Sachs

#### The Information’s “Silicon Valley’s Most Popular Dealmakers”

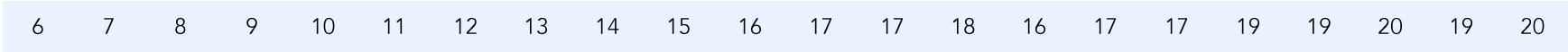
- Ranked as the #2 top Technology Investment Banker by The Information subscribers (2016)
- Only FinTech focused investment banking firm and banker on the list

## The Largest FinTech Advisory Practice in the World

- FT Partners has the largest and most seasoned team in the world dedicated exclusively to serving and advising the FinTech sector
- Veteran senior bankers from Goldman Sachs, J.P. Morgan and Morgan Stanley with 20+ years of experience executing hundreds of complex transactions



Average Experience of Managing Directors (Years)



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