

FT PARTNERS FINTECH INDUSTRY RESEARCH

May 15, 2017



**MODERNIZING
MEDICINE**

Modernizing Medicine Raises \$231 million in Financing from Warburg Pincus

WARBURG PINCUS

Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 15 years of exclusive focus on Financial Technology

FT Partners' Advisory Capabilities



FT Partners' FinTech Industry Research

FINTECH RESEARCH & INSIGHTS

- In-Depth Industry Research Reports
- Proprietary FinTech Infographics
- Monthly FinTech Market Analysis
- FinTech M&A / Financing Transaction Profiles



The Information

Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by *The Information*



Ranked #4 Most Influential Person in all of FinTech in *Institution Investor's* "FinTech Finance 35"



Numerous Awards for Transaction Excellence including "Deal of the Decade"

Steve McLaughlin: *Founder & CEO*

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Transaction Summary

Transaction Summary

- **On May 10, 2017, Modernizing Medicine announced it has raised \$231 million in financing from Warburg Pincus**
 - The investment will provide liquidity to existing shareholders
 - Warburg Pincus is the only investor participating in this round of financing
- **The new funding will be used to fund further expansion and support future strategic endeavors**
 - Future strategic initiatives may include automation of prior authorization workflows, deployment of an eCommerce platform, investment in data exchange and reconciliation to help practices move clinically relevant data effectively throughout the evolving ecosystem of a patient's healthcare experience and improvement of access to healthcare via telemedicine
- **Fred Hassan, Managing Director at Warburg Pincus and Amr Kronfol, Principal at Warburg Pincus, will join the Company's Board of Directors**
- **The Company has raised over \$320 million in financing to date**
- **Modernizing Medicine has distinguished itself from other mobile EHR systems by focusing on the specific needs of various medical specialists**
 - The Company's acquisition of gastroenterology tech company gMed in the fall of 2015 helped to expand that specific vertical ⁽¹⁾

Transaction Commentary

"We expect this infusion of capital from Warburg Pincus to be instrumental in advancing our mission to transform how healthcare information is created, consumed and utilized to increase efficiency and improve outcomes. Warburg Pincus brings deep experience in the healthcare technology sector and this investment can help further our growth, bolster innovation and support our clients."



Daniel Cane
Co-Founder & CEO



"Modernizing Medicine's innovative, market-leading technology is used by thousands of specialty practices and ambulatory surgery centers and is focused on improving both business and treatment outcomes. "

WARBURG PINCUS

Amr Kronfol
Principal



"We see meaningful opportunities for the company's continued growth and acceleration of existing products and initiatives, and we look forward to partnering with Dan, Michael and the entire management team. "

WARBURG PINCUS

Andrew Park
Principal



Modernizing Medicine Raises \$231 million

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Modernizing Medicine Overview

Company Overview

CEO: Daniel Cane

Headquarters: Boca Raton, FL

Founded: 2010



**MODERNIZING
MEDICINE**

- Modernizing Medicine is a provider of mobile, cloud-based, specialty-specific technologies for value-based healthcare intended to empower physicians to transform how healthcare information is created, consumed and utilized

Selected Financing Transactions

Date	Size (\$ mm)	Type	Investor(s)
09/15/15	\$38	Series E	Pentland, SANDS CAPITAL, SUMMIT PARTNERS
03/20/15	20	Series D	Pentland, IBM, SUMMIT PARTNERS, Mayson Capital Partners
08/20/13	14	Series C	SUMMIT PARTNERS
12/05/12	12	Series B	Pentland
02/28/11	5	Series A	Pentland

Certificates and Recognition



Products & Services Overview

Electronic Medical Assistant (EMA) is designed for a number of different specialty care practices



Dermatology



Ophthalmology



Orthopedics



Plastic Surgery



Otolaryngology



Gastroenterology



Urology



Rheumatology



Pain Management

Smart & Easy ICD-10

Intelligent Coding

- Efficient, accurate coding is easy with EMA
- The bill generates effortlessly right along with exam notes
- No sorting through long lists of code, free of General Equivalence Mappings (GEMs)



Specialty-Specific. Multiple Solutions. More Value.

Specialty-specific electronic medical records (EMR) system

- Specialty-specific revenue cycle management solutions (RCM)
- Inventory management solution
- Physician Quality Reporting System (PQRS) solution through EMA
- EMA Cares suite of services



Modernizing Medicine Raises \$231 million

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Warburg Pincus Overview

Overview

WARBURG PINCUS



Michael Martin
Managing Director,
Head of Financial
Services



Cary Davis
Managing Director



Adarsh Sarma
Managing Director



Justin Sadrian
Managing Director

Locations

- New York, NY (HQ)
- Hong Kong, China
- Amsterdam, Netherlands
- Shanghai, China
- London, UK
- San Francisco, CA
- Frankfurt, Germany
- Mumbai, India

About

- Founded in 1966, by Eric Warburg and Lionel Pincus, Warburg Pincus has invested over \$50bn since inception
- Warburg Pincus brings strong industry knowledge, market experience, the ability to invest and support all stages of a company, a long-term investment horizon, and the ability to fully align the interests of a portfolio company's management and the firm's own interests
- Active portfolio has more than 120 companies of various size across numerous industries

Investment Preferences

Investment Criteria

Fund Size:	\$13,400 mm
Fund Raised:	2015
Investment Range:	\$10 – 1,000mm
Revenue:	NA
EBITDA:	NA

General Preferences ¹

Control:	Majority, Minority
Geography:	North America, Europe, Asia / Pac, Latin America
Transaction Type:	Venture, Growth, Buyout, Spinoff, MBO/LBO, Recapitalization, Bankruptcy / Distressed
Industry Focus:	Financial Services, Healthcare, TMT, Energy, Consumer, Industrial and Services

Selected Recent Investments / Exits

FinTech / Financial Services Investments ²

Date	Company	Deal Amt. ³	Board Rep.	Sector
03/17	<i>Avaloq (Strategic Growth)</i>	\$353	NA	Bnkg
03/17	<i>Alignment Healthcare (Growth)</i>	115	NA	HCIT
01/17	<i>Nexera Holding (Growth)</i>	NA	NA	Bnkg
10/16	<i>Intelligent Medical Objects (Growth)</i>	NA	NA	HCIT
10/16	<i>Ascentium Capital (SBO)</i>	NA	NA	Bnkg
09/16	<i>Avalara (Series D2)</i>	96	Justin Sadrian	FMS
08/16	<i>Mosaic (Series C)</i>	220	NA	Bnkg
05/16	<i>DocuTAP (Buyout)</i>	NA	NA	HCIT
05/16	<i>Varo Money (Later Stage VC)</i>	27	David Coulter	Bnkg
11/15	<i>ITG Investment Research (Buyout)</i>	120	Cary Davis	CapMkts
10/15	<i>WEX (PIPE)</i>	NA	NA	Pymts
10/15	<i>Interactive Data Corp (Intercontinental Exchange)*</i>	3,400	NA	CapMkts
09/15	<i>Capillary Technologies (Series C)</i>	\$45	Nitin Nayar	Pymts
07/15	<i>Bank of Baroda (Buyout)</i>	NA	NA	Bnkg
05/15	<i>PayScale (Buyout)</i>	122	Parag Gupta	Pymts
03/15	<i>DBRS (MBO)</i>	NA	Michael Martin	Bnkg
01/15	<i>Avalara (Series D)</i>	42	Justin Sadrian	FMS

Source: Company website, PitchBook

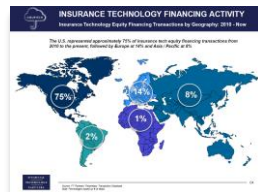
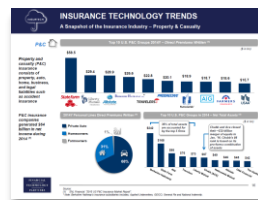
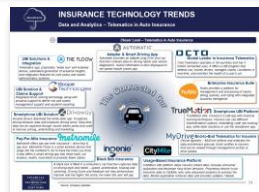
1) Italics indicate preferred control / geography

2) * denotes M&A exit; ** denotes IPO exit

3) Deal Amount in mm

FT Partners Research – InsurTech Industry Report

Prepare for the InsurTech Wave: Overview of Key Insurance Technology Trends



FT Partners' 268-page report provides an in-depth look at the major waves of innovation and disruption that are beginning to radically alter the insurance industry.

Additional highlights of the report include:

- An analysis of specific trends across: Insurance Distribution, Sales, Marketing and Engagement, Data and Analytics and Insurance Administration
- The responses of incumbents to date including the innovations, investments, partnerships and acquisitions being made to stay ahead of the game
- Proprietary InsurTech financing and M&A statistics and a comprehensive list of transactions in the space
- A detailed industry landscape of InsurTech providers as well as other innovative, tangential companies and profiles of 54 companies operating in the InsurTech ecosystem

Please visit our [website](#) for more proprietary FinTech Research & Follow FT Partners on [Twitter](#) and [LinkedIn](#) for real time updates on our Research Publications

Selected FT Partners' Research – Click to View



Insureon Raises \$31 million in Series B Led by Oak HC/FT



Benaissance's Sale to WEX for \$80 million



Eliza's \$170 million Sale to HMS



Decisely Raises \$60 million in Financing



PointClickCare Raises \$85 million in Financing



McKesson Acquires CoverMyMeds for \$1.4 billion



Namely Raises \$50 million in Series D Financing



Nuna Raises \$90 million in Financing

[VIEW MORE FT PARTNERS RESEARCH](#)

Leading Advisor Across Healthcare & Insurance Technology Services

Consumer Protection Plans

Financial Technology Partners LP
FTP Securities LLC

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

**square
trade**

in its sale to

Allstate

for total consideration of

\$ 1,400,000,000

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Health Plan Member Engagement

Financial Technology Partners LP
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is pleased to announce its role as lead
strategic and financial advisor to

eliza

in its sale to

hms

for total cash consideration of

\$ 170,000,000

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Health Insurance Premium Billing & Payments

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
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enaissance

in its sale to

wex

for a total consideration of

\$ 80,000,000

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Online Small Business Insurance

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FTP Securities LLC

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sole strategic and financial advisor to

insureon

in its equity capital raise led by

**OAK
HC/FT**

for total consideration of

\$ 31,000,000

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FTP Securities LLC

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Group, Inc.**

in its growth recapitalization by

NMC

NEW MOUNTAIN CAPITAL LLC

valued at approximately

\$ 1,300,000,000

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on its sale to an Affiliate of

**Goldman
Sachs**

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in its sale of

Zywave Insurance Solutions

to

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CAPITAL GROUP**

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aplifi
We Simplify Selling Insurance

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iPipeline

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TECHNOLOGIES**

in its sale to

MOELIS CAPITAL PARTNERS

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SaaS / Claims for Property & Contents

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in its sale to

Solera

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FT Partners Advises Eliza on its \$170 million Strategic Sale to HMS

Overview of Transaction

- On March 13, 2017, Eliza announced its strategic sale to HMS in one of the largest healthcare software deals of the year
 - HMS will acquire Eliza for a cash purchase price of \$170 million
- Headquartered in Danvers, MA and majority owned by Parthenon Capital Partners, Eliza is a leading engagement and population analytics platform integrating proprietary data assets, a deep understanding of the healthcare consumer, and omni-channel outreach technology to deliver mission-critical results for key constituents in the healthcare market
- Since its founding in 2000, Eliza has consistently been a market leader and innovator, as evidenced by more than 50 domestic and international patents and patent applications, which HMS will acquire
- HMS operates in the healthcare insurance benefit cost containment market, using innovative technology and powerful data services and analytics to cover the entire payment continuum including eligibility verification, payment accuracy, fraud prevention, cost savings, performance improvement and provider education

Significance of Transaction

- The acquisition further expands HMS' member health and care management analytics footprint
- Eliza's engagement platform is complementary to HMS' cost containment solutions and together create a more sophisticated and integrated platform

FT Partners' Role

- FT Partners leveraged its deep domain expertise and transactional experience in the Healthcare and Insurance Services market to generate a highly successful outcome for Eliza and its shareholders
- This transaction demonstrates FT Partners' continued leadership position as the "advisor of choice" to the highest quality FinTech companies

Financial Technology Partners LP FTP Securities LLC

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

eliza

in its sale to

 hms

for total cash consideration of

\$ 170,000,000

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FT Partners Advises Benaissance on its \$80 million Sale to Wex

Overview of Transaction

- On October 15, 2015, Benaissance, LLC (“Benaissance” or the “Company”) announced it has entered into a definitive agreement to be acquired by WEX for \$80mm
- Headquartered in Omaha, NE, Benaissance is a leading provider of integrated Software-as-a-Service (SaaS) technologies and services for healthcare premium billing, payment and workflow management
 - Existing investors include Omaha-based, McCarthy Capital
- WEX is a leading, multi-channel provider of corporate payment solutions representing more than 9 million vehicles and serving a wide variety of business sectors
- The transaction is expected to close in the fourth quarter of 2015 and is subject to applicable regulatory approvals and other customary closing conditions

Significance of Transaction

- Represents a highly-attractive outcome for both Benaissance and WEX
- Combined resources and expertise of Benaissance and WEX position the Company extraordinarily well to further its leadership in the marketplace
- Enables WEX to provide an expanded and differentiated payments solution in order to grow its addressable market opportunity and wallet share in the healthcare market
- Benaissance will be integrated with WEX’s existing Evolution1 platform creating an opportunity for potential synergies as the businesses already share a number of mutual partners and customers

FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Benaissance and its Board of Directors
- Transaction highlights FT Partners’ continued success advising leading companies and generating highly successful outcomes in the Healthcare / Benefits IT and Services space

Financial Technology Partners LP FTP Securities LLC

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



in its sale to



for a total consideration of

\$ 80,000,000



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Award-Winning Investment Banking Franchise Focused on Superior Client Results

FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition











M&A Advisor Awards



Middle Market Financing Awards

2016	<ul style="list-style-type: none"> Investment Banking Firm of the Year Cross Border Deal of the Year
2015	<ul style="list-style-type: none"> Dealmaker of the Year Technology Deal of the Year
2014	<ul style="list-style-type: none"> Equity Financing Deal of the Year Professional Services Deal of the Year, Above \$100mm
2012	<ul style="list-style-type: none"> Dealmaker of the Year Professional Services Deal of the Year, Above \$100mm
2011	<ul style="list-style-type: none"> Boutique Investment Bank of the Year Deal of the Decade <i>10 Deal of the Year Nominations Across 9 Categories</i>
2010	<ul style="list-style-type: none"> Upper Middle Market Deal of the Year, Above \$500 mm IT Services Deal of the Year, Below \$500mm Cross-Border Deal of the Year, Below \$500mm
2007	<ul style="list-style-type: none"> Dealmaker of the Year – Steve McLaughlin Business to Business Services Deal of the Year Computer and Information Technology Deal of the Year, Above \$100mm Financial Services Deal of the Year, Above \$100mm
2015	<ul style="list-style-type: none"> Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List
2006 - 2008	<ul style="list-style-type: none"> Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology
2008	<ul style="list-style-type: none"> Equity Financing Dealmaker of the Year – Steve McLaughlin Information Technology Deal of the Year Financial Services Deal of the Year
2006	<ul style="list-style-type: none"> Financing Professional of the Year – Steve McLaughlin <i>Financing Deal of the Year - Equity</i> <i>Financing Deal of the Year - Debt</i>

The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	22
Larry Furlong <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. 	22
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker 	21
Osman Khan <i>Managing Director</i>		<ul style="list-style-type: none"> Former Managing Director / Head of FIG M&A at Alvarez & Marsal 15+ years FIG deal, consulting and assurance experience at PwC 40 Under 40 M&A Advisor Award Winner in 2013 LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA) 	20
Steve Stout <i>Managing Director</i>		<ul style="list-style-type: none"> Former Global Head of Strategy at First Data Formerly Led J.P. Morgan Payments Investment Banking Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank 	19
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners in 2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	15
Timm Schipporeit <i>Managing Director</i>		<ul style="list-style-type: none"> 11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures 	14
Andrew McLaughlin <i>Managing Director, Research & Business Development</i>		<ul style="list-style-type: none"> Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	11