

FT PARTNERS FINTECH INDUSTRY RESEARCH

January 20, 2022



**Pinwheel Raises \$50 million in Series B
Financing Led by GGV Capital**

GGVCAPITAL

Pinwheel Raises \$50 million in Series B Financing

FT PARTNERS RESEARCH



Transaction Summary

Transaction Summary

- On January 18, 2022, Pinwheel, a leading payroll data connectivity provider, announced that it has raised \$50 million in Series B financing led by GGV Capital
 - New and existing investors participated in the round, including Coatue, First Round Capital, Upfront Ventures, AMEX Ventures, Indeed, Kraken Ventures, and Franklin Templeton
 - According to TechCrunch, the round values the Company at \$500 million ⁽¹⁾
- Pinwheel makes it easier for businesses to securely connect payroll accounts to their applications with consumer permission
 - The Company's customers include neobanks and FinTech companies such as Block (formerly Square), Varo, Lendly and Daylight
- Pinwheel's data can be used to enable offerings such as earned wage access (EWA), whereby a person can receive their money as soon as they've earned it, eliminating the waiting period for a paycheck
- Pinwheel's platform securely executes more than 4.6 million processes per month, and grew its annual recurring revenue by 177x in 2021
- The Company intends to use the new capital to triple its employee base and eventually expand into areas such as tax preparation
 - The new hires will advance Pinwheel's go-to-market strategy, revenue expansion and marketing presence

Transaction Commentary

"With this latest round so closely following our Series A, we're poised to rapidly scale and introduce new solutions that will change finance as we know it. I'm particularly passionate about addressing the vicious cycle of paycheck-to-paycheck-living that plagues almost 80% of people in the United States, by developing products that will power EWA and dynamic lending opportunities. I look forward to a world where people are proactively offered new terms of payment for a personal loan should they lose their job, or earlier access to their paycheck in a time of crisis instead of facing payday loan sharks."



Kurtis Lin
Co-Founder & CEO



"Pinwheel's API unlocks the power of the income layer, driving the next wave of innovation in the fintech ecosystem. Pinwheel has the ability to impact every American that receives a paycheck. Such an immense opportunity, coupled with the company's mission to build a fairer financial system, uniquely positions Pinwheel to reshape so many people's financial lives in a positive way. We are proud to partner with them on this journey."

GGVCAPITAL

Tiffany Luck
Investor



Source: Company press release

(1) TechCrunch: Pinwheel raises \$50M Series B at \$500M valuation for its income verification APIs

Pinwheel Raises \$50 million in Series B Financing

FT PARTNERS RESEARCH



Pinwheel Overview

Company Overview



Co-founder & CEO: Kurtis Lin

Headquarters: New York, New York

Founded: 2018

- Pinwheel's mission is to create a fairer financial system by unlocking API access to payroll systems
- The Company provides a layer of income connectivity which makes it easier for financial institutions to develop new tools and services tailored towards a person's specific financial situation
- Pinwheel's comprehensive data covers nearly 80% of employed Americans, including those on unemployment assistance, gig economy workers, and government employees

Selected Financing History

Date	Size (\$ mm)	Round Type	Selected Investor(s)
01/18/22	\$50	Series B	GGV Capital; Coatue Management; First Round Capital; Upfront Ventures; AmEx Ventures; Indeed; Kraken Ventures; Franklin Templeton
06/02/21	20	Series A	Coatue Management; Primary Venture Partners; SemperVirens Venture Capital; First Round Capital; Upfront Ventures
06/10/20	7	Seed	First Round Capital; Upfront Ventures

Products & Services Overview

Pinwheel's platform offers a suite of products to empower innovators of all sizes to leverage payroll account connectivity



Direct Deposit Switching

This product enables switching direct deposits without involving paper forms and HR teams



Recurring Access

This feature allows users to view a real-time feed of their customers' direct deposit allocations and get notified when they change



Income & Employment Data

Access to source data from payroll systems has several uses, including streamlining and automating income and employment verification and improving underwriting models



Paycheck Linked Lending

Pinwheel allows users to reduce loss rates and increase their serviceable market by enabling their customers to pay their loans directly from their paycheck

Selected FT Partners' Research (click to view)



AvidXchange's \$388 million Financing



Divvy's \$2.5 billion Sale to Bill.com



Happy's \$180 million Sale to CRED



Feedzai's Series D Financing



Socure Raises \$450 million in Series E Financing



TriNet Acquires Zenefits



Tipalti Raises \$270 million in Series F Financing



Incode Raises \$220 million in Financing

[VIEW MORE FT PARTNERS RESEARCH](#)

FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

FT Partners' Superior Industry Knowledge and Execution History

Financial Technology Partners LP FTP Securities LLC is pleased to announce its role as exclusive strategic and financial advisor to BainCapital & Great Hill VENTURES in the merger of CHROMERIVER & certify ✓ valued in excess of \$1,000,000,000 FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its role as exclusive strategic and financial advisor to avidexchange on its growth financing with new investors NEUBERGER BERMAN LONE PINE CAPITAL SCHONFELD for a total amount of \$388,000,000 FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its role as exclusive strategic and financial advisor to Divvy on its sale to bill.com for total consideration of ~\$2,500,000,000 FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its role as exclusive strategic and financial advisor to feedzai on its Series D financing led by KKR for a total amount of \$200,000,000 at a valuation of >\$1,000,000,000 FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to billtrust in its minority financing led by RIVERWOOD CAPITAL for total consideration of \$ 50,000,000 FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its role as exclusive strategic and financial advisor to wave on its sale to H&R BLOCK for total consideration of \$405,000,000 FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology
Financial Technology Partners LP FTP Securities LLC is pleased to announce its role as exclusive strategic and financial advisor to Divvy on its financing by new investors Hanaco PayPal SCHONFELD with existing investor participation from INSIGHT NEX PELION Acrew for a total amount of \$165,000,000 FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as financial advisor to KUBRA in its 80% majority sale to HEARST corporation FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its role as exclusive strategic and financial advisor to payzer on its Series D financing led by Hartmut Management HMC HARBERT GROWTH PARTNERS for a total amount of \$23,000,000 FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its role as sole strategic and financial advisor to ShareholderInSite in its sale to IPREO FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to riskconnect. Integrated Risk Management Solutions in its sale to THOMA BRAVO FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as financial advisor to taulia in its investment from QUESTMARK PARTNERS ZOUK BBVA edbi for total consideration of approximately \$ 65,000,000 FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology
Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to CHROMERIVER in its Series D investment from Great Hill PARTNERS for total consideration of approximately \$ 100,000,000 FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to Confirmation.com in its minority financing from Great Hill PARTNERS \$ 60,000,000 FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its role as exclusive strategic and financial advisor to happay on its sale to CRED for total consideration of ~\$180,000,000 FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its role as exclusive strategic and financial advisor to BROWZ THE RIGHT FIT in its merger with Avetta FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to ContaAzul in its Series D financing led by TIGERGLOBAL with participation from ENDEAVOR CATALYST for total consideration of approximately \$ 30,000,000 FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology	Financial Technology Partners LP FTP Securities LLC is pleased to announce its exclusive role as sole strategic and financial advisor to avidexchange in its Series F minority financing from mastercard TEMASEK THIEL \$ 300,000,000 FINANCIAL TECHNOLOGY PARTNERS The Only Investment Bank Focused Exclusively on Financial Technology

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

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



*The Only Investment Bank
Focused Exclusively on Financial Technology*

FT Partners Advises Wave on its Sale to H&R Block

Overview of Transaction

- On June 11, 2019, H&R Block, Inc. (NYSE: HRB) announced that it has agreed to acquire Wave Financial Inc. for \$405 million in cash
- Headquartered in Toronto, Ontario, Wave provides award-winning accounting, invoicing, payroll, and payments software solutions, as well as bookkeeping services, built into a comprehensive platform
 - Wave has a low-cost customer acquisition model and currently serves over 400,00 monthly active global small businesses
- H&R Block is a global consumer tax services company, providing tax return preparation services through 11,000 company-owned and franchise retail tax offices worldwide as well as tax software for DIY consumers

Significance of Transaction

- This transaction will expand H&R Block's product and client portfolio as well as enhance its position in the small business space
- H&R Block estimates that the transaction will generate \$40 to \$45 million of revenue for fiscal 2020
- Following the closing of the transaction, Wave will maintain its leadership team, including Kirk Simpson, operating independently within H&R Block from its headquarters in Toronto, Ontario.

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Wave
- FT Partners also previously advised Wave on its \$10 million [Series C financing](#)
- This transaction underscores FT Partners' expertise in sell-side advisory across a broad range of SaaS, financial management, and payments companies that target small businesses

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 approximately

\$ 405,000,000



*The Only Investment Bank
Focused Exclusively on Financial Technology*

FT Partners Advises AvidXchange on its \$388 million Growth Financing

Overview of Transaction

- On April 23, 2020, AvidXchange announced it has raised \$128 million in additional equity financing in an oversubscribed round, which brings it to a total of \$388 million, after raising \$260 million in January of this year
- Participating investors include a number of the foremost capital management firms, including new investors Neuberger Berman, on behalf of clients, Lone Pine Capital, and Schonfeld Strategic Advisors, along with existing investors
- AvidXchange is a best-in-class business-to-business payments company that is revolutionizing how companies pay their bills by automating the invoice and payment processes for middle market companies
 - The Company focuses on serving mid-market clients and spans multiple industries including Real Estate, Financial Services, Home Owners Associations (HOA), Healthcare Facilities / Social Services, and Construction

Significance of Transaction

- The new capital will fuel AvidXchange's continued growth and innovation, allowing the Company to invest in its solutions for both buyers and suppliers while reaching more customers in the middle market
- The transaction firmly positions the Company for its next phase of growth

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to AvidXchange
- FT Partners has been AvidXchange's advisor since 2009, working with the Company on multiple capital raises, as well as a number of acquisitions
- Transaction underscores the long-term nature of many of FT Partners' relationships, as well as our deep expertise in advising leading Financial Management Solution providers

Financial Technology Partners LP FTP Securities LLC

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



*on its growth financing
with new investors*

NEUBERGER BERMAN LONE PINE CAPITAL



for a total amount of

\$ 388,000,000

FINANCIAL
TECHNOLOGY
PARTNERS

*The Only Investment Bank
Focused Exclusively on Financial Technology*

FT Partners Advises Chrome River Technologies on its \$100 million Financing

Overview of Transaction

- On June 30, 2015, Chrome River announced a \$100mm Series D financing round from Great Hill Partners
- Chrome River is a leading, independent, enterprise-grade SaaS corporate expense control solution provider
- The Company's integrated expense and invoice offerings are built on a scalable, flexible platform that delivers best-in-class solutions to mid-size and multinational corporations
- Great Hill Partners is a leading middle market private equity firm with over \$3.8 bn in capital under management
- Bain Capital Ventures maintains a significant ownership stake in the Company

Significance of Transaction

- The transaction will further help Chrome River expand as the leading independent solution provider in the space and help fund international development and product innovation
- Firmly positions the Company to capitalize on strong traction in the large enterprise space and to continue to bring much needed efficiency and financial controls to the market

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Chrome River and its Board of Directors
- FT Partners leveraged its deep knowledge of the Company, extensive experience and broad industry relationships to help achieve a highly favorable outcome for the Company
- Transaction demonstrates FT Partners' continued success advising top-tier financial technology companies

Financial Technology Partners LP FTP Securities LLC

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

CHROMERIVER

in its Series D investment from

Great Hill
P A R T N E R S

for total consideration of approximately

\$ 100,000,000

FINANCIAL
TECHNOLOGY
PARTNERS

*The Only Investment Bank
Focused Exclusively on Financial Technology*

FT Partners Advises ContaAzul on its Series D Financing

Overview of Transaction

- On April 3, 2018, ContaAzul announced a new round of equity financing of approximately US\$ 30 million led by Tiger Global Management, a New York-based investment firm
- ContaAzul, founded in 2012, provides an innovative, modern and easy-to-use Cloud Accounting Platform tailored to the needs of Brazilian small businesses and their accountants
- With the transaction, Tiger Global – which first invested in ContaAzul in 2015 – is now expanding its stake in the company
- Endeavor Catalyst, an innovative co-investment fund that invests exclusively in entrepreneurs in the Endeavor Global network, also participated in the round

Significance of Transaction

- The investment recognizes ContaAzul's strong momentum and will help the rapidly growing Company expand and broaden its product offerings and market presence
- The Company's growth strategy is focused on expanding its platform, aiming to improve collaboration between small businesses and their accountants, while also enhancing its connection capabilities with banks, apps, FinTech companies and government institutions

FT Partners' Role

- FT Partners served as sole strategic and financial advisor to ContaAzul and its Board of Directors
- This transaction highlights FT Partners' expertise in the Brazilian FinTech environment and continued success advising top-tier FinTech companies

Financial Technology Partners LP FTP Securities LLC

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

ContaAzul

in its Series D financing led by

TIGERGLOBAL

with participation from



for total consideration of approximately

\$ 30,000,000



*The Only Investment Bank
Focused Exclusively on Financial Technology*

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 listed as the top dealmaker.

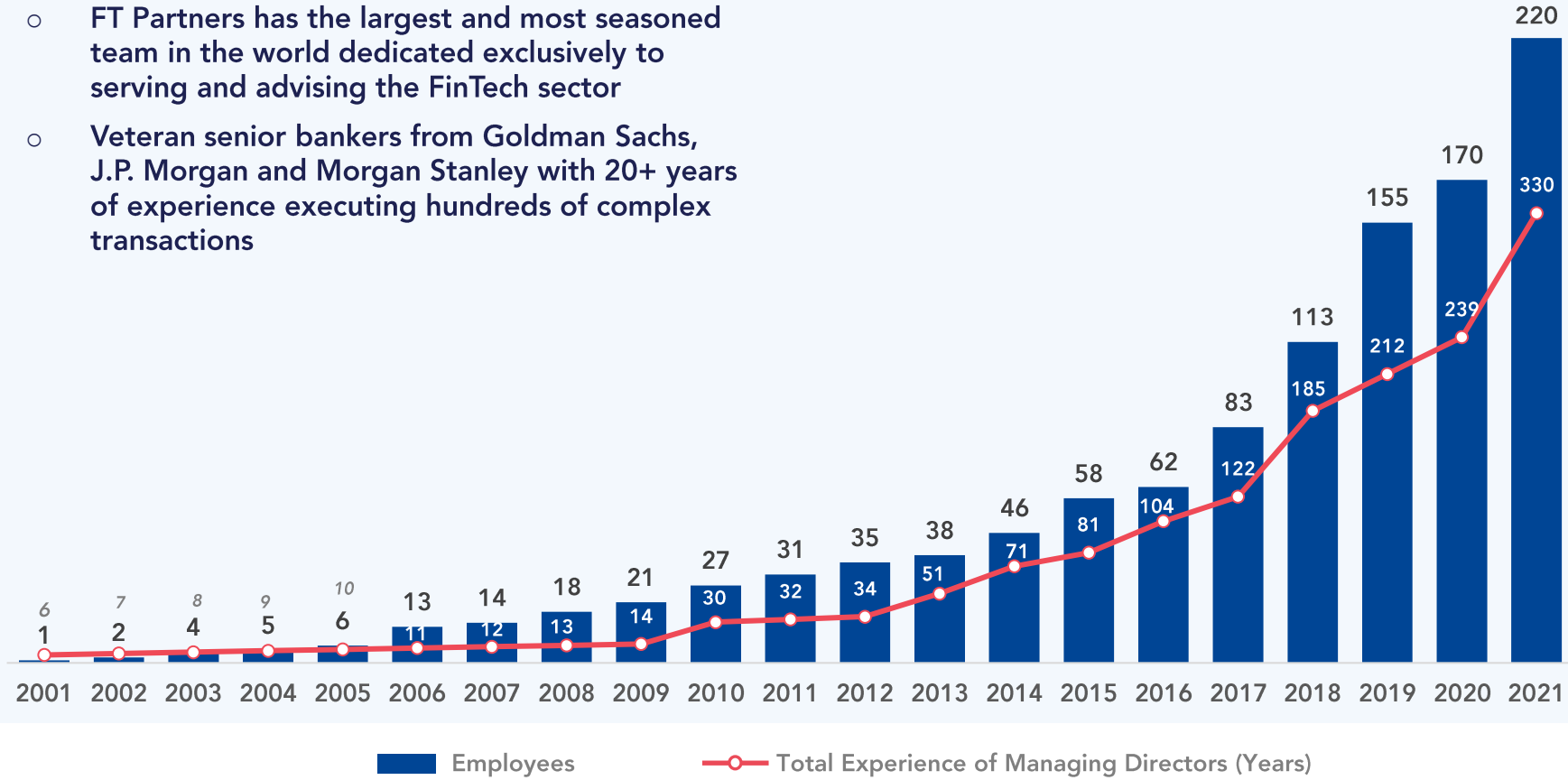
Silicon Valley's Most Popular Dealmakers		
Name	Title	Company
Steve McLaughlin	Managing Director	FT Partners
Markus Heide	Managing Director	FT Partners
Paul Rosen	Managing Director	FT Partners
Quincy Smith	Partner	FT Partners

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)

6	7	8	9	10	11	12	13	14	15	16	17	17	18	16	17	17	19	19	20	19
---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----