

July 31, 2015

Financial Technology Partners

FT Partners Research – Transaction Profile

remedy partnersTM
THE EPISODES OF CARE COMPANY

raises

\$50,000,000

in Series B Round led by

Bain Capital *Ventures*

Courtesy of:

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***The Only Investment Bank
Focused Exclusively on Financial Technology***

www.ftpartners.com



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Remedy Partners Raises \$50 mm in Series B Round

Transaction Summary

Transaction Summary

- On July 23, 2015, Remedy Partners secured \$50 mm in a Series B financing round from Bain Capital Ventures
 - The funding marks the initial close of what will be a \$70 to \$80 mm round
 - Managing Director Mike Krupka from Bain will join Remedy Partners' Board of Directors
- The Series B round will support Remedy in hiring 150 new workers bringing the total employee count to 350
 - The Company will also use the financing to fund the start-up costs associated with new providers, beginning a bundled payment program
- The financing represents a shift towards value-based care within the healthcare industry
- Value-based care and bundled payment programs, promoted by the Affordable Care Act, would replace the traditional fee-for-service healthcare model
 - The Center for Medicare & Medicaid Services (CMS) has been promoting bundled payments as a cost reduction measure of the federal Medicaid program
- Since its first partnership in October 2013, Remedy Partners has launched bundled payment programs in over 1,300 medical provider sites, including more than 800 hospitals

CMS On July 9, 2015 CMS announced the Comprehensive Care for Joint Replacement plan, requiring hospitals in 75 different geographical locations to participate in bundled payment programs for hip and knee replacements, effective January 1, 2016 if approved ⁽¹⁾

The number of patients served by Remedy Partners has increased **10x** in the last year

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Transaction Commentary



"Organizing the financing and delivery of healthcare services around the patient's episode of care leads to greater cooperation and more successful outcomes. Bundled payments are proving to be one of the most successful methods to shift from fee-for-service toward value-based payments for healthcare services. Our software and services help healthcare organizations navigate the new world of accountable care. We are fortunate to have support for this mission from knowledgeable investors"




Steve Wiggins
Chairman
Remedy Partners



"[Remedy Partners is] a transformational company. With Medicare hoping to shift up to \$220 billion of spending toward value-based payment models, Remedy is exceptionally positioned to help the government succeed"

Mike Krupka
Managing Director
Bain Capital Ventures

Previous Financings

Date	Size (\$ mm)	Key Investors
07/14/14	\$35	Bain Capital Ventures  
09/24/12	<1	

Source: PE HUB press release, Modern Healthcare - "Medicare bundled payment firm secures \$50 million investment."

(1) CMS.gov.

Remedy Partners Raises \$50 mm in Series B Round

Remedy Partners Overview

Previously, healthcare providers used a fee-for-service model; bundled payments lie somewhere closer to a true value-based payment model, which healthcare reforms are striving to reach

Bundled Payments

Pros

- ✓ Cuts down on costs and unnecessary healthcare spending / expenses
- ✓ Better care coordination between multiple providers
- ✓ Simple process for billing and reimbursement

Cons

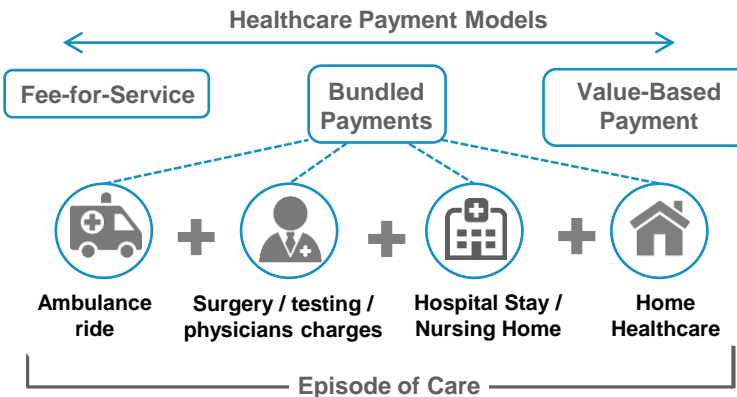
- ✗ Difficult to define boundaries of episode
- ✗ Potential avoidance of high-risk patients
- ✗ Potential for providers denying access to specialists to increase profit

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Remedy Partners Overview



Remedy Partners was founded to create successful episode payment programs centered around the patient experience



A bundled payment combines every medical cost from the start of an "episode of care" up to 90 days after discharge

- The bundled price is based on the historical costs and a 2% or 3% discount
- The most common way to pay for bundled payments is to use retrospective reconciliation (used by Medicare)
 - The payer distributes an established amount; after the episode, the total cost of service is reconciled with a fair target price
 - If the spending is below the target price, the savings are redistributed back to the providers
 - If spending is over the target price, then the provider must pay back the expenses that went over the target amount

Product Overview



Care Coordination



Provider Contracting



Data Management + Analytics



Administration



Financing + Risk Management



Care Management



Clinical Data Aggregation



Patient Onboarding + Assessment



Customizable Care Plans



Site of Care Selection



Quality Measures: Collection + Reporting



Secure Communication



Principal Accountable Practitioner Assignment



Provider Portals + Apps



Patient / Family Portals + Apps



Workflow Tools for Nurses+ Call Centers

Source: Company website, PE HUB press release, Minnesota Medicine "Five Payment Models: The pros, the Cons, the Potential."

Remedy Partners Raises \$50 mm in Series B Round

Bain Capital Ventures Overview

Company

Bain Capital Ventures



Matt Harris
Managing Director

Ajay Agarwal	Managing Director
John Connolly	Managing Director
Scott Friend	Managing Director
Ben Nye	Managing Director
Ben Holzman	Managing Director
Jordan Bettman	Principal
Brian Goldsmith	Principal



Mike Krupka
Managing Director

Location(s)

- Boston, MA (HQ)
- New York, NY
- Palo Alto, CA
- San Francisco, CA

About

- Founded in 1984 as the venture / growth investment subsidiary of Bain Capital
- Manages ~\$2 bn of committed capital with over 125 investments since inception
- Can partner with Bain Capital affiliates to lead large transactions up to \$150 mm
- Invests in a wide range of company stages, from seed to growth buyouts
- Serves as an active partner, supporting portfolio companies with strategy, customer and partner introductions, M&A and recruiting

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Investment Preferences

Investment Criteria

Fund Size:	\$715 mm
Fund Raised:	2014
Equity Range:	\$0.1 – 60 mm
Revenue:	na
EBITDA:	na

General Preferences

Control:	Minority (preferred), Majority
Geography:	US, Europe
Transaction Type:	Seed, Venture, Growth, Buyout
Industry Focus:	Enterprise SaaS, Commerce Technology, Financial Services, Data & Info Services, Marketing Technology, Infrastructure & Cloud, Healthcare IT, Consumer

Select Recent Investments / Exits

Investments

Date	Company	Amount (mm)
07/23/15	Remedy Partners	\$50
05/19/15	Justworks	13
04/22/15	OpenFin	3
04/15/15	Billtrust	25
03/03/15	Booker Software	35
01/13/15	peerTransfer	22
12/08/14	Dynamics	70
09/03/14	IEX Group	75
05/27/14	Apixio	14
04/02/14	OpenFin	4
01/07/14	MedHOK	78

Exits

Date	Company	Amount (mm)
03/12/15	TheFind (Facebook)	na
11/10/14	Bluestem Brands (Capmark Financial Group)	na
06/30/14	TapCommerce (Twitter)	\$100
05/07/14	Stackdriver (Google)	na
03/03/14	Stream Global Services (Convergys)	820
11/22/13	Liazon (Towers Watson)	215

Source: Company website and PitchBook.

Overview of FT Partners

FT Partners is the Leader in Financial Technology Investment Banking

FT Partners has advised on some of the most prominent transactions in the Healthcare and Insurance IT sectors

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
Capital Markets & IPO Advisor to

 **ACCRETIVE HEALTH**
results providers trust

in its

\$138,000,000

Initial Public Offering

valuing the equity at approximately

\$ 1,200,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

- Offers end-to-end Revenue Cycle Management, Quality and Care Coordination and Physician Advisory Services
- Differentiated solutions span the entire healthcare revenue cycle
- Infused management model integrates people, processes and technology

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
Capital Markets & IPO Advisor to

Performant

in its

\$93,000,000

Initial Public Offering

valuing the equity at approximately

\$ 453,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

- Performs outsourced healthcare Payment Integrity and Recovery Services
- Medicare Recovery Audit Contractor ("RAC") for Region A (Northeast)
- Recovered ~\$482 mm in improper Medicare payments in 2012

Financial Technology Partners LP
FTP Securities LLC

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

AmWINS
Group, Inc.

in its growth recapitalization by

 **NMC**
NEW MOUNTAIN CAPITAL LLC

valued at approximately

\$ 1,300,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

- Largest wholesale broker in the U.S. by premiums placed ⁽¹⁾
- Group Benefits division develops, distributes and administers benefits products through 7 individual operating companies
- Division services approximately 843,000 member lives among 10,000 employer groups

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its role as
exclusive Strategic and Financial advisor to

ZYWAVE

in its sale of

Zywave Insurance Solutions
to

 **AURORA**
CAPITAL GROUP



The Only Investment Bank
Focused Exclusively on Financial Technology

- Provides technology-enabled content and communication, agency automation and business intelligence tools
- Serves the employee benefits and P&C insurance distribution industry
- Software and products are used by more than 2,600 agencies

(1) *Business Insurance*, September 2014.

Overview of FT Partners

FT Partners is the Leader in Financial Technology Investment Banking

FT Partners has advised on some of the most prominent transactions in the Healthcare and Insurance IT sectors

Financial Technology Partners LP
FTP Securities LLC

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



We Simplify Selling Insurance

in its sale to



FINANCIAL TECHNOLOGY PARTNERS

The Only Investment Bank
Focused Exclusively on Financial Technology

- Leading technology and service provider to life and annuity industry carriers, distributors and producers
- Combination provides “one-stop” access to virtually everything a financial professional needs to market, sell and process diversified insurance products

Financial Technology Partners LP
FTP Securities LLC

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



protection plans

in its recapitalization by



BainCapital Ventures

of approximately

\$ 238,000,000

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The Only Investment Bank
Focused Exclusively on Financial Technology

- Largest independent warranty provider for consumer electronics and major appliances
- Serves customers directly through its website and through a large network of online and in-store retailers
- Largest venture capital transaction of 2012 ⁽¹⁾

Financial Technology Partners LP
FTP Securities LLC

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



on its sale to an Affiliate of




FINANCIAL TECHNOLOGY PARTNERS

The Only Investment Bank
Focused Exclusively on Financial Technology


- Provider of finance and insurance (“F&I”) solutions to the automobile industry
- Blue chip client base including:
 - Five of the world’s leading auto OEMs
 - Two of the world’s largest motorcycle manufacturers
 - The nation’s largest new and used vehicle retailers

Financial Technology Partners LP
FTP Securities LLC


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



In its acquisition of



a subsidiary of



FINANCIAL TECHNOLOGY PARTNERS

The Only Investment Bank
Focused Exclusively on Financial Technology

- Premier online insurance brokerage platform focused on serving small- and micro- businesses
- Transaction provides significant footprint for Insureon in the independent and captive agent market
- Positions combined business to even better serve small business owners in need of commercial insurance

(1) PricewaterhouseCoopers, National Venture Capital Association and Thomson Reuters.

Overview of FT Partners

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

- | | |
|------|--|
| 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 \$100 mm |
| 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 |



- | | |
|-----------|---|
| 2006-2008 | <ul style="list-style-type: none"> ■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology |
|-----------|---|



Middle Market Financing Awards

- | | |
|------|--|
| 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> |

Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.