

February 1, 2016

Financial Technology Partners

FT Partners Research – Transaction Profile



secures

\$75 million

in financing led by



Courtesy of:



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

www.ftpartners.com



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Pindrop Secures \$75 mm in Series C Financing Led by Google Capital

Transaction Summary

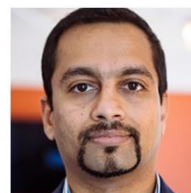
Pindrop is a pioneer in voice fraud prevention and authentication; the Company provides enterprise solutions to reduce fraud losses and authentication expense for some of the largest call centers in the world

Transaction Overview

- On January 28, 2016, Pindrop announced that it had raised a \$75 million Series C funding round led by Google Capital with participation from GV, Andreessen Horowitz, IVP, Citi Ventures and Felicis Ventures
 - This round brings Pindrop's total funding to \$122 million to date
- Pindrop currently protects the phone calls of three of the four largest banks in the United States as well as many top insurance companies, government agencies, and retailers
- As physical security and cybersecurity receive more attention, attackers are moving to using the telephone to commit their crime, which has resulted in over \$20 billion in related fraud annually in the US alone
- Additionally, voice has become the de facto interface for the Internet of Things and intelligent assistants; voice-enabled devices are creating new opportunities for identity theft and fraud and Pindrop's patented phone-printing technology is addressing this issue by providing a solution that analyzes voice interactions to authenticate customers and detect potential identity theft
- Pindrop achieved the following milestones in 2015:
 - Pindrop saved tens of millions of dollars for enterprise customers
 - Pindrop's revenue tripled in the last year
 - Pindrop's customer base doubled in the last year including adding two of the top three banks in the US
 - More than 360 million calls were protected with Pindrop's flagship anti-fraud call center solution

Transaction Commentary

“Working closely with Google Capital gives us amazing access to their expertise in phone and voice related technologies,” said Vijay Balasubramanian, Pindrop CEO and co-founder. “Voice is the future and today’s investment will help accelerate our global expansion and allow us to invest more dollars into research and development as we continue building the definitive platform that enables security, trust and identity in the voice world.”



– Vijay Balasubramanian, Pindrop CEO and Co-Founder

“Voice fraud is a large, expensive and unsolved problem for many enterprises, and Pindrop is taking a truly unique approach, helping its customers save millions of dollars by preventing voice fraud,” said Gene Frantz, partner at Google Capital. “As voice commands become the standard across intelligent assistants, cars, and the Internet of Things, Pindrop is creating the leading authentication and security solution for this exploding market. We are excited to be an investor based on the company’s momentum, unique technology and large market opportunity.”

– Gene Frantz, Partner at Google Capital





Pindrop Secures \$75 mm in Series C Financing Led by Google Capital

Pindrop Security Overview



Co-Founder & CEO: Vijay Balasubramaniyan

Headquarters: Atlanta, GA

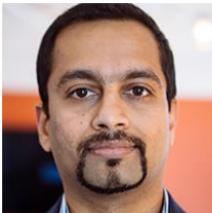


Founded: 2011

- Pindrop provides enterprise solutions to secure phone and voice communications; the Company's solutions reduce fraud losses and authentication expense for some of the largest call centers in the world
- Pindrop's patented Phone-printing technology can identify, locate and authenticate phone devices uniquely just from the call audio thereby detecting fraudulent calls as well as verifying legitimate callers
- Pindrop has been selected by the world's largest banks, insurers, brokerages and retailers, detecting over 80% of fraud, even for attackers never seen before
- The Company's solutions are allowing its customers to reduce call time and improve their customers experience even while reducing fraud losses

57 Cents in Fraud
for Every Call
into a Call Center

80% Fraud Captured
Immediately by
Pindrop

Financing History		
Date	Investors	Amount (\$mm)
02/15	IVP	\$35
06/13	Andreessen Horowitz; Citi Ventures; Felicis Ventures; Redpoint Ventures; Webb Investment Network	11
05/12	Andreessen Horowitz; GRA Venture Fund; Pritzker Group Venture Capital; Sigma Partners; Webb Investment Network	1

Management		
		
Vijay A. Balasubramaniyan CEO, CTO and Founder	Dr. Paul Judge Chairman	Dr. Mustaque Ahamad Chief Scientist and Co-Founder
Vijay Balasubramaniyan is Co-Founder, CEO & CTO of Pindrop Security; Vijay has held various engineering and research roles with Google, Siemens, IBM Research, and Intel	Paul Judge is the Chairman of Pindrop Security; before coming to Pindrop, Paul founded Purewire and served as their CTO; Barracuda Networks acquired Purewire in 2009	Dr. Mustaque Ahamad is Co-Founder and Chief Scientist at Pindrop Security; Mustaque was the director of the Georgia Tech Information Security Center (GTISC) from 2004 until 2012

Pindrop Secures \$75 mm in Series C Financing Led by Google Capital

Google Capital Overview

Overview



Gene Frantz
Partner



David Lawee
Partner



Laela Sturdy
Partner



Ana Sirbu
Manager

Location(s)

- Mountain View, CA

About

- Founded in 2013 as the growth equity fund of Google
- Google Capital portfolio companies have access to all channels and networks within Google's operations, including leadership and IT Services
- Given its background, Google Capital's sole focus lies in technology and tech-enabled businesses
- Strives to find companies equipped to disrupt the industry by utilizing innovative technology
- Primarily interested in investing in later stage venture / growth businesses positioned for "explosive growth"

Investment Preferences

Investment Criteria

Fund Size:	na
Fund Raised:	na
Investment Range:	na
Revenue:	na
EBITDA:	na

General Preferences ⁽¹⁾

Control:	Minority, Majority
Geography:	Global
Transaction Type:	Venture Growth, Buyout, PIPE, Secondary
Industry Focus:	na

Select Recent Investments

FinTech / Financial Services Investments ⁽²⁾

Date	Company	Deal Amt. ⁽³⁾	Board Rep.	Sector
12/15	Gusto (<i>Later-Stage VC</i>)	\$50	na	HCIT
09/15	Oscar (<i>Early-Stage VC</i>)	33	David Lawee	HCIT
08/15	Practo Technologies (<i>Series C</i>)	90	na	HCIT
04/15	ZenPayroll (<i>Series B</i>)	60	Laela Sturdy	FMS
09/14	Credit Karma (<i>Later-Stage VC</i>)	75	David Lawee	Bnkg
03/14	Auction.com (<i>PE Growth</i>)	50	David Lawee	Bnkg

Other Technology Investments ⁽²⁾

Date	Company	Deal Amt. ⁽³⁾	Board Rep.	Sector
12/16	Glassdoor	\$70	na	Internet
07/15	FanDuel (<i>Series E</i>)	275	na	Gaming
07/15	CrowdStrike (<i>Series C</i>)	100	Gene Frantz	Security
06/15	Duolingo (<i>Series D</i>)	45	Laela Sturdy	Edu
04/15	Freshdesk (<i>Series E</i>)	50	Gene Frantz	Software
01/15	maxHeap Technologies (<i>Later-Stage VC</i>)	10	David Lawee	Software
12/14	Glassdoor (<i>Series G</i>)	70	Laela Sturdy	Online
12/14	SurveyMonkey (<i>PE Growth</i>)	250	na	Online
09/14	InnoLight Technology (<i>Series C</i>)	38	Gene Frantz	IT

Overview of FT Partners

FT Partners is the Leader in Financial Technology Investment Banking

Financial Technology Partners LP
FTP Securities LLC

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

Heartland

in its sale to

globalpayments

for total consideration of

\$ 4,300,000,000

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

MERCURY

in its cash sale to

vantiv

for total consideration of approximately

\$1,650,000,000

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

MERCURY

in its approximately 60% majority sale to

SILVERLAKE

for aggregate consideration of approx.

\$ 900,000,000

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Financial Technology Partners LP
FTP Securities LLC

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

AmWins Group, Inc.

in its recapitalization by

NMC

NEW MOUNTAIN CAPITAL LLC
valued at approximately

\$ 1,300,000,000

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

ACCRETIVE HEALTH
Results providers trust

in its

\$138,000,000
Initial Public Offering

valuing the equity at approximately

\$ 1,200,000,000

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Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its
exclusive role as financial advisor to

GreenSky

in its minority investment from

DST ICONIQ
TPG

for total consideration of

\$ 300,000,000

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Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as advisor to

CIBC

in its strategic investment in

Verus

with additional participation from

MasterCard **Bain Capital Ventures** **Alkermes**

for approximately

\$70,000,000

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sole strategic and financial advisor to

VERUS

in its sale to

sage

for cash consideration of approximately

\$ 325,000,000

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Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its exclusive role as
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square **trade** **protection**
plans

in its recapitalization by

BainCapital
BainCapital Ventures

of approximately

\$ 238,000,000

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Financial Technology Partners LP
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sole strategic and financial advisor to

FLEET ONE

in its cash sale to

wex

for total consideration of approximately

\$ 369,000,000

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Financial Technology Partners LP
FTP Securities LLC

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

nmi

in its growth investment by

Bregal **Sagemount**

for a total valuation of nearly

\$200,000,000

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

PROPAY

in its sale to

TSYS

for cash consideration of approximately

\$ 100,000,000+

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TRANSFIRST

in its cash sale to

Vista Equity Partners
from

WCAS

for total consideration of approximately

\$1,500,000,000

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is pleased to announce its exclusive role as
sole debt capital advisor to

jack henry
& ASSOCIATES INC.

in its acquisition of

iPay Technologies

for total consideration of approximately

\$ 300,000,000

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OZFOREX
FOREIGN EXCHANGE SERVICES

in its

Initial Public Offering

valuing the equity at approximately

A\$480,000,000

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FTP Securities LLC

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VeriFone
THE WAY TO PAY™

in its

\$177,000,000
Initial Public Offering

valuing the equity at approximately

\$ 650,000,000

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FTP Securities LLC

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

TRANSFIRST
First In Secure Electronic Payments

in its debt financing co-led by

Bank of America **Merrill Lynch**
Deutsche Bank
GE Capital

totaling

\$ 675,000,000

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FTP Securities LLC

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

lynk

in its sale to

The Royal Bank of Scotland

for cash consideration of approximately

\$ 525,000,000

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The Only Investment Bank
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Overview of FT Partners

FT Partners has Significant Experience Advising Large Financing Rounds

FT Partners has a history of advising on some of the largest financing transactions in the FinTech space

Representing numerous FinTech “Unicorns” above \$1 billion valuations

Company	Amount Raised	Selected Prominent Investors in FT Partners Led Rounds
 MERCURY [®]	\$420,000,000+	  
 GreenSky [™]	300,000,000+	  
 liquidnet	250,000,000	 
 square trade	238,000,000	
 avidxchange	225,000,000	  
 nmi	150,000,000+	  
 Kabbage	135,000,000	
 TradingScreen	110,000,000+	   
CHROMERIVER	100,000,000	  
Credit Karma [™]	85,000,000	
earnest	75,000,000	 
 taulia	60,000,000	
 YAPSTONE	50,000,000	 

Note: FT Partners represented investor in Dynamics (CIBC) and Credit Karma (Google Capital); some transactions include a combination of equity and smaller amount of debt financing.

Overview of FT Partners

FT Partners Advises Google Capital on its Lead Role in Credit Karma's \$85,000,000 Capital Raise

Transaction Overview and Rationale

Overview of Transaction

- On March 12, 2014, Credit Karma announced it closed an \$85 mm equity round led by new investor Google Capital
- David Lawee, Partner at Google Capital, will join Credit Karma's Board
- Credit Karma's existing investors, Ribbit Capital and Susquehanna Growth Equity, also participated in the round, as well as new investor, Tiger Global Management
- The investment follows a year of exponential growth for Credit Karma, including triple-digit percentage growth in site membership, revenue and headcount
- Credit Karma is a consumer finance and technology company that provides more than 20 million consumers with free access to their credit scores and free monitoring of their credit and financial accounts
- Google Capital is a growth equity fund backed by Google that invests in companies that use technology to change the way people experience the world

Significance of Transaction

- Credit Karma will use the new capital to invest heavily in new, free services to help consumers understand and manage their finances
- Additional capital also supports continued efforts to make finding and applying for new financial services products intelligent and seamless
- Credit Karma also plans on accelerating employee hiring in order to meet these goals

FT Partners' Role

- FT Partners served as the advisor to Google Capital on its lead role in the investment
- Highlights FT Partners' continued success in advising a broad range of top-tier financial investors

Financial Technology Partners LP FTP Securities LLC

is pleased to announce its role as advisor to



in its lead investment in



with additional participation from



Ribbit Capital

for approximately

\$ 85,000,000

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Overview of FT Partners

FT Partners Research – Transaction Security (click to view)



Transaction Security – At the Nexus of E-Commerce, Payment Market Structure Complexity and Fraud

- In this report, we discuss the key industry trends driving card-not-present transactions and the subsequent increase in demand for smarter transaction security solutions
- Highlight various transaction security technologies and solutions available for merchants and issuers
- Interview four CEOs of leading transaction security companies
- Provide a broad landscape of transaction security including sector sub-segments
- Profile 41 companies involved in transaction security
- Include a comprehensive list of private equity financing and M&A transactions in the space

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

- | | |
|------|--|
| 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 \$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 |

Institutional Investor
Institutional Investor
Annual Ranking

- | | |
|-----------|--|
| 2015 | ■ Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List |
| 2006-2008 | ■ Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology |



WINNER
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> |

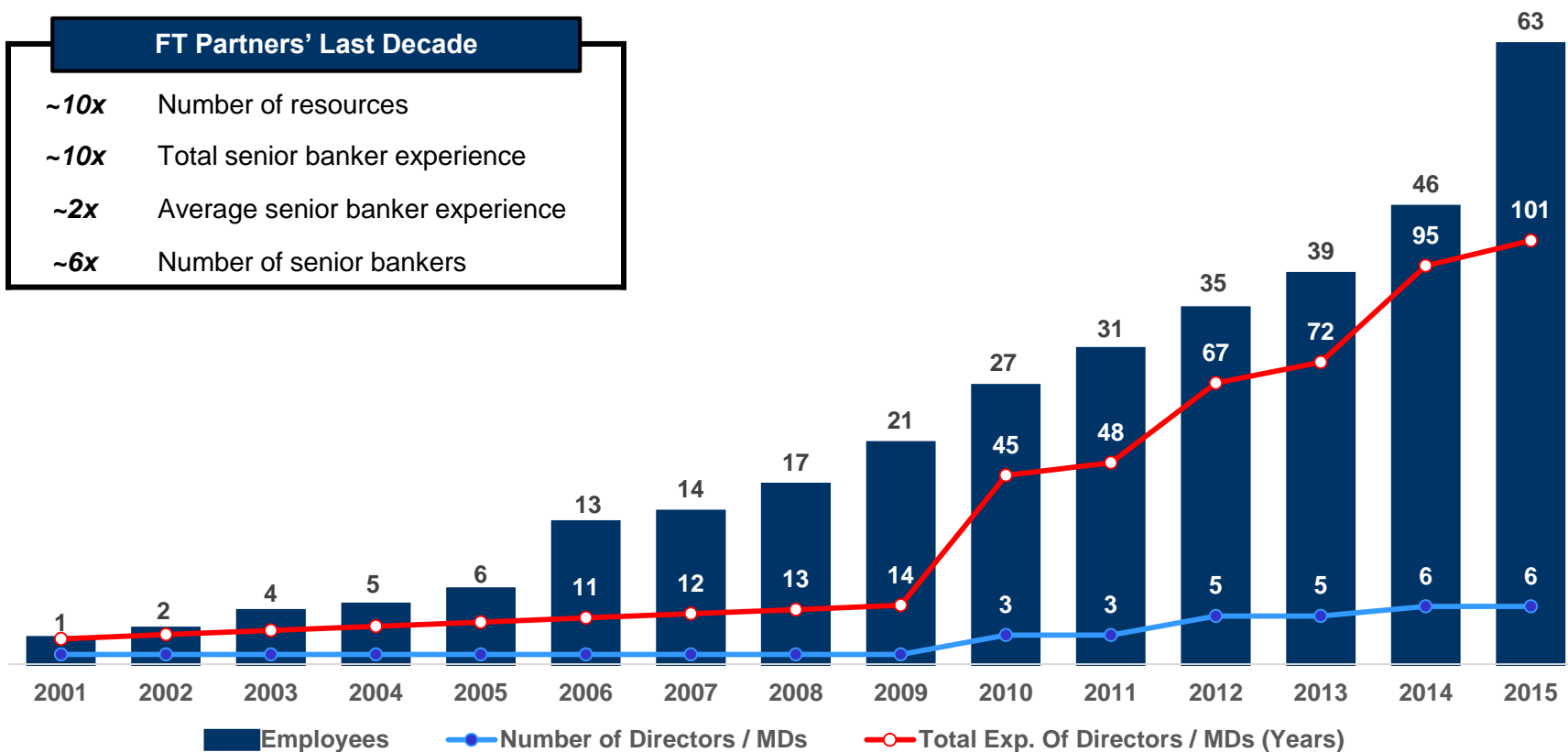
Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.

Overview of FT Partners

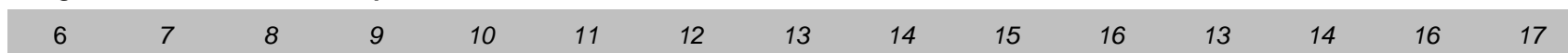
Platform of Choice for Clients and Bankers Alike

FT Partners' Last Decade

- ~10x Number of resources
- ~10x Total senior banker experience
- ~2x Average senior banker experience
- ~6x Number of senior bankers








Avg Years of Director / MD Experience



Overview of FT Partners

The FT Partners Senior Banking 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 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	21
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. 	21
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee Recent coverage included V, MA, TSS, GPN, HPY, DST, ENV, FISV, FIS & JKHY among others 	20
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	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 	10