

FT PARTNERS FINTECH INDUSTRY RESEARCH

October 1, 2020

FINTECH EXECUTIVE INTERVIEW:



with Executive Chairman Andrew Rueff

Integrated Payments Solutions

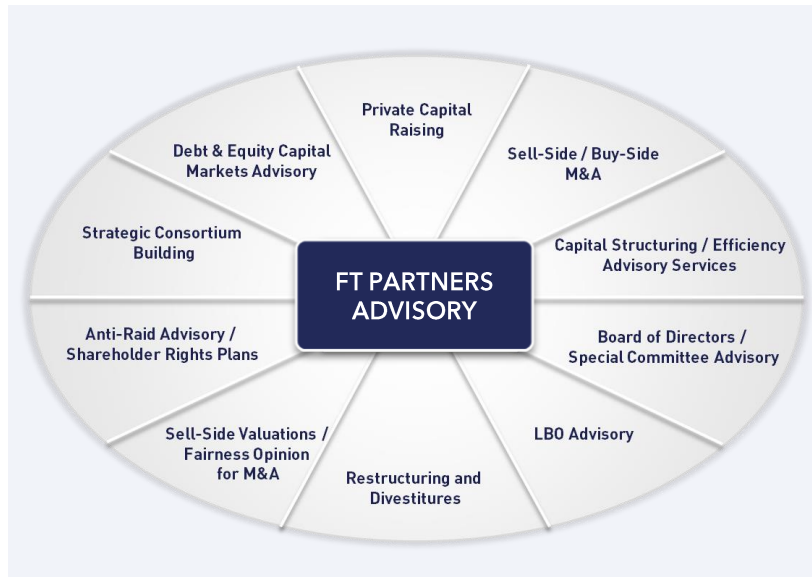
FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

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 18 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



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



Ranked #1 Most Influential Person in all of FinTech in *Institutional Investors* "FinTech Finance 40"



THE M&A ADVISOR
Numerous Awards for Transaction Excellence including "Deal of the Decade"

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FinTech Executive Interview: Sphere

Sphere Overview

Company Overview



Executive Chairman:

Andrew Rueff

Headquarters:

Nashville, TN

Founded:

2017

- Sphere, powered by TrustCommerce, delivers end-to-end secure payment technology solutions for large enterprises, local merchants and businesses of all sizes
- Sphere serves several verticals and offers multi-channel solutions across eCommerce, kiosks, mobile, and in-person point-of-sale payments
- For healthcare organizations, Sphere offers broad payments acceptance options, centralized reconciliation and reporting, support for healthcare flexible spending accounts, and security and fraud tools
 - Its solutions integrate with EHR providers, such as Epic and athenaDX, and the Company serves over half of Epic's EHR clients

- Sphere is owned by Waud Capital Partners

Management Team



Andrew Rueff

Executive
Chairman



Steve Rizzuto

President & Chief
Executive Officer



Steven Neel

Chief Financial
Officer



**Anthony
Lucatuorto**

Chief Revenue
Officer



Curtis Bauer

Chief Product
Officer

Platform and Services Overview



Virtual Terminal

Offers credit card, debit card, and ACH processing via virtual terminal, encrypted POS devices or API



Open API

Offers secure APIs, supporting over 20 programming languages



E-Commerce Payment Pages

Addresses PCI DSS compliance with hosted payment pages or transparent redirect solutions



Mobile Payment App

Provides an innovative mobile payment application with P2PE via encrypted card swipe



Transaction Security

Offers P2PE and tokenization to protect payments in flight and at rest



Data Storage

Provides a secure offsite data storage that utilizes tokenization to reduce risk, liability, and PCI DSS scope



Reporting & Reconciliation

Offers a best-in-class, easy-to-use reporting that allows customers to design and save custom reports



Automated Recurring Billing Acceptance

Offers recurring, subscription and installment billing that automatically bills clients on a regular basis

Verticals

- Healthcare
- Insurance
- Transportation
- Municipalities
- Non-Profits
- Small Business

Selected Partners



Allscripts



athenahealth



Interview with Andrew Rueff



Andrew Rueff

Executive Chairman

“Waud Capital has invested heavily to build support services for their executive teams in business development, research, human capital and transaction support, and having access to these professionals accelerated my ability to find a great platform and get to work.”

After a long, highly successful career in payment processing, why did you decide to join up with Waud Capital?

I was one of the original founding executives of TransFirst, a company that started with about 40 employees and grew into one of the largest payments companies in the US and was eventually acquired by Total Systems Services, Inc. (TSYS).

Through TransFirst’s evolution, I experienced firsthand the beginnings of the integration of software and payments services, and knew that would be the focus of the next chapter of my career. I also knew that I wanted to build something by starting with a small to mid-sized company (similar to TransFirst when it was founded) but in verticals that still had a lot of problems to solve for relative to payments flow and user experience.

Waud Capital was a great fit for me because they have a legacy of successful investing in healthcare services and software in small to mid-sized companies. In particular, the network of professionals and investing expertise that they have established after success in healthcare and business services software made them a perfect partner for what I wanted to accomplish. Waud Capital has invested heavily to build support services for their executive teams in business development, research, human capital and transaction support, and having access to these professionals accelerated my ability to find a great platform and get to work.

Interview with Andrew Rueff (cont.)



Exclusive Interview – Andrew Rueff

“By offering services that engage within a ‘financial sphere of influence,’ our vision is to address these issues and move the financial aspect of healthcare delivery to a virtual model that eliminates payments workflow friction and cost.”

What was the vision behind founding Sphere?

We formed Sphere to build on a foundation of deep integrations into some of the largest healthcare ecosystems so that we could solve for pain points that, in today’s infrastructure, result in significant bad debt write offs, patient misinformation and higher costs for providers. By offering services that engage within a “financial sphere of influence,” our vision is to address these issues and move the financial aspect of healthcare delivery to a virtual model that eliminates payments workflow friction and cost such that the services are the only conversation happening between provider and patient. We also believe that this model translates to other verticals that are connected to healthcare and wellness, ultimately lending themselves to a more seamless and productive financial engagement with the end consumer.

To carry out this vision, we’ve assembled an impressive executive leadership team comprised of respected, industry veterans who have over 100 years of combined experience in financial technology, integrated payments, and healthcare and wellness.

What key verticals is Sphere targeting today?

Sphere is a recognized leader in integrated healthcare and wellness payments and was the first payments solution to integrate to Epic. Today, we support nearly half of Epic’s providers, and we continue to add new Epic customers as a result of being a trusted ecosystem integrator. In addition, we are integrated to top EMR/EHR providers such as athenaIDx, Allscripts Follow My Health, and many patient billing systems that complement the EHR workflows.

While healthcare and wellness comprises the largest part of our business today, we do serve other customers in key verticals, some of which have been relationships that our healthcare and wellness clients have introduced us to because we are a trusted partner. These customers include not-for-profit, transportation/parking, and insurance. Sphere supports a Fortune Six health carrier, two of the three largest parking and transportation solution providers in the country, and leading non-profit cloud-based fundraising and auction solutions.

Interview with Andrew Rueff (cont.)



Exclusive Interview – Andrew Rueff

“In a world where providers and systems are often at capacity, underfunded, and need less distraction to do what they do best, we create a seamless payment experience for their users that delivers critical funding in less time.”

What are the key attributes about Sphere that enable the Company to stand out in the competitive payment processing industry?

Sphere is unique because we have a long history of building integrations to some of the largest healthcare ecosystems in the country. Through that long-term experience, our products enable our clients to facilitate a more profitable and frictionless experience for their customers. Solving problems for large institutional and mid-sized clients in healthcare and wellness is our specialty, and we integrate payments that function within our client’s current workflows and connect to the primary systems they are using to enable secure and seamless information flow. In healthcare, the patient experience is critical. Our solutions not only meet the patient where they are to accept payments whichever way the patient prefers to pay but also provide critical information back to providers through their third-party ecosystem.

Sphere’s solutions are a single source that provide a scalable, integrated, full-service payment platform and proprietary, integrated gateway software. We surround our payments offerings with leading software that engages directly with the end consumer to solve payments friction and to improve the user experience. In a world where providers and systems are often at capacity, underfunded, and need less distraction to do what they do best, we create a seamless payment experience for their users that delivers critical funding in less time. This helps them to engage directly with their end customer while also providing them with the best in class security and compliance tools without disrupting the workflow.

Interview with Andrew Rueff (cont.)



Exclusive Interview – Andrew Rueff

“Our clients are looking to implement new check-in systems to collect payments up front, IVRs to reduce workload and compliance issues in their back office, or entirely new patient billing platforms that give the patient more flexibility.”

With regards to healthcare payments, consumers are increasingly bearing more of the burden of their healthcare expenses. How is Sphere adapting to this major trend? What is Sphere’s core value proposition for healthcare providers?

Historically, the majority of patient payments have been collected through the EHR and patient portal. We were the first payment integration to Epic and athenaIDx which allowed our clients to easily accept payments as they looked to implement EHRs in the late 2000s through the early 2010s.

Now that virtually all providers have standardized on an EHR, they are adding complementary technology to provide a more consumer-friendly experience for their patients. At the end of the day, most people want to pay their bills, but the process is often confusing or difficult. Our clients are looking to implement new check-in systems to collect payments up front, IVRs to reduce workload and compliance issues in their back office, or entirely new patient billing platforms that give the patient more flexibility.

Our approach to integration and APIs are perfectly situated to support this change. Our clients are benefitting by using one payments platform across all their patient payment technology solutions. There is no need to open multiple merchant accounts or use multiple gateways with Sphere, giving our health systems and their patients the flexibility to meet the patient where they are while keeping their payment stack standardized for reporting, compliance, and security purposes.

How would you describe the complexities involved in processing healthcare payments vs. other verticals?

It’s very different. Where else do you receive a generally unplanned service without knowing how much it costs or how much of it will be your own responsibility vs. a third-party payer? Also, healthcare doesn’t have a demographic. Everyone is a patient regardless of their income, age, ability to use technology, etc.

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Interview with Andrew Rueff (cont.)



Exclusive Interview – Andrew Rueff

“Amazon has set the bar very high in terms of the expected payment experience for retail, and now, providers in healthcare and wellness are looking to provide a similar workflow.”

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Historically, patient responsibility was such a small part of overall revenue that many providers would collect what they could and write off the rest. You can do that if patient responsibility is 10% of your revenue, but that isn't something you can do if it's 25-30% of revenue. Collecting from a dozen or so insurance companies is very different from collecting from hundreds of thousands of patients, so everything needs to be evaluated from processes, staffing, and technology.

Two major areas of change are:

First, collecting more up front – By providing a personalized estimate before the visit, providers can receive a down payment, get the patient on a payment plan, or potentially defer an appointment if the patient is unwilling or unable to pay. In addition to the transparency for the patient, the provider can potentially collect months earlier than sending a statement after the visit.

We've been adding more integrations to solutions that help with the digital check-in, engaging the patient pre-service to provide key information about their visit and completing their payment before they even show up. This has become more important with COVID-19 as waiting rooms and front desk conversations are discouraged in favor of self-service workflows at the patient's home before they arrive to reduce in-person patient and staff contact.

Second, giving the patient more ways to pay – Paper statements and patient portals aren't enough anymore. Patient communication needs to be more proactive with payment plans for large balances, clearly outline why the patient owes what they do, and consolidate multiple bills whether they are for multiple family members, visits, or billers. Amazon has set the bar very high in terms of the expected payment experience for retail, and now, providers in healthcare and wellness are looking to provide a similar workflow.

Our omnichannel platform allows for payments to be collected across mobile devices, over the phone, in-person, or online using credit, debit, ACH, HSA/FSA, or stored payments methods to provide our clients with a consistent payment integration for all their patient pay workflows.

Interview with Andrew Rueff (cont.)



Exclusive Interview – Andrew Rueff

“We focus heavily on not only delivering a seamless integration but also supporting the health systems’ native workflow.”

Integrations with EHR / practice management systems are obviously key components of delivering seamless healthcare payment solutions. Where does Sphere stand from an integration perspective?

As mentioned, Sphere is natively integrated with popular EHRs such as Epic, athenaIDX, and Allscripts FollowMyHealth. We focus heavily on not only delivering a seamless integration but also supporting the health systems’ native workflow. With Sphere, the user stays in the EHR and portal workflows with no need for single sign-on to another application or portal. The EHR remains the source of truth for the patient balance with payments posted to the patients’ account in real time, avoiding syncing and reconciliation issues.

Outside of the traditional major EHRs in the hospital and clinic space, we have integrations to leading practice management systems in the dental, veterinary, and holistic medicine space.

In addition to our EHR integrations, we’re integrated to more than 150 third-party software providers with many of them in the healthcare and wellness space. These systems are used by our clients to complement the EHR workflows to improve and extend the patient billing experience.

The healthcare payments market is highly fragmented today – how do you see the market structure evolving?

It is fragmented because many solutions are needed for the reasons discussed earlier. Everyone wants mobile paying options, pre-service tools, payment plans, etc. Some EHRs do some of these things, and some third-party solutions are really good at one or two of them, but it’s unlikely someone will emerge as a single source for everything because the EHR workflows aren’t going to get replaced.

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Interview with Andrew Rueff (cont.)



Exclusive Interview – Andrew Rueff

“Sphere offers full end-to-end acquisition and integrated software services to its clients because there are benefits to bundling our software technology with our merchant services—especially when it comes to reconciliation and having a more complete view of your payments.”

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The good news is that EHR APIs have become more robust and available for these complementary solutions. The downside is that while the data transfer is easier with the EHR now, these third-party tools often come with their own payment integration. Healthcare providers want to use the technology with their patients, but they don’t want to manage merchant accounts with half a dozen different providers and all the different pricing and statements that come with that.

Having an agnostic gateway is going to be key for these software providers. They can usually make a little more revenue if they can bundle payments with their solution, but does a check-in solution really want to lose a deal on their software because the clinic they’re selling to doesn’t want a Stripe merchant account? Everything needs to integrate with the EHR today. As a cost of doing business, we think that integrating to a single merchant account across all their payment tools will become more and more important.

Sphere has a “processor agnostic” strategy in that you are able to work with multiple merchant acquirers – do you see this changing over time? Would you consider bringing all components of processing in-house?

We continue to support a processor agnostic strategy to give our clients complete choice and flexibility. Sphere offers full end-to-end acquisition and integrated software services to its clients because there are benefits to bundling our software technology with our merchant services—especially when it comes to reconciliation and having a more complete view of your payments. However, if a client is interested in using a separate merchant processor, we will continue to support that.

Interview with Andrew Rueff (cont.)



Exclusive Interview – Andrew Rueff

“A standalone terminal is just too clunky and manual for many organizations, so in order to be competitive, integrations to the fastest growing ecosystems is a fundamental requirement of success.”

Sphere is a leader in integrated payments, combining software solutions with payments. Other payment processors are moving in this direction while software companies are increasingly thinking about monetizing through payments. How do you see this combination of software and payment processing shaking out across the industry broadly?

As all industries continue to adopt SaaS software to manage their business, building seamless integrations is critical. A standalone terminal is just too clunky and manual for many organizations, so in order to be competitive, integrations to the fastest growing ecosystems is a fundamental requirement of success. Payment processors have two options, they can partner with the SaaS-provider for their payments, or they can become the SaaS-provider. Sphere’s strategic approach is to focus on the financial aspect of the end user engagement and to only integrate or own that workflow. We are not strategically focused on owning SaaS software solutions that are not critical to our mission of reducing friction in the payments and funding workflow. We will integrate to other solutions that are needed to manage those parts of our clients’ business. We believe that by staying focused on solving friction within the payments and funding workflow, we will deliver the highest value to our clients.

Interview with Andrew Rueff (cont.)



Exclusive Interview – Andrew Rueff

“If we can lower cost and reduce bad debt write-offs by speeding up the payments flow, providing a data-rich mobile experience, and facilitating pre-service payments, we believe we can help healthcare providers be more successful.”

Where do you see Sphere in the next five to ten years? What new products / services do you plan on adding? What new verticals do you intend to target?

Within healthcare, providing a seamless financial interaction with the end user for our clients will be a core focus. If we can lower cost and reduce bad debt write-offs by speeding up the payments flow, providing a data-rich mobile experience, and facilitating pre-service payments, we believe we can help healthcare providers be more successful. We will do this through an integrated payment solution that can be used within existing software systems and by surrounding the workflow with software that enables our providers. We will continue to add more EHR integrations and connections to complementary systems across healthcare that help advance that mission.

Outside of healthcare, we will continue to focus on software and payment solutions that facilitate better financial engagement with our clients' end users. We will focus on verticals that are complementary to our mission in healthcare and wellness such as not-for-profit, insurance, and parking/transportation. We continue to see opportunities in those sectors as a result of being a trusted partner in healthcare, since a lot of systems do fundraising of their own, manage their own parking infrastructure, or have health plans of their own.

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FT PARTNERS RESEARCH

Selected FT Partners InsurTech Research – *Click to View*



CoverWallet's Sale to Aon



Lennar's \$70 million Co-Lead Investment in Hippo



InstaMed's Sale to JPMorgan Chase



Assurance's \$3.5 billion Sale to Prudential



Grand Rounds Raises \$175 million in Financing



Olive Raises \$106 million in Financing



Oscar Raises \$225 million in Financing

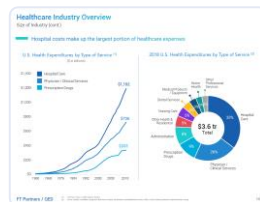
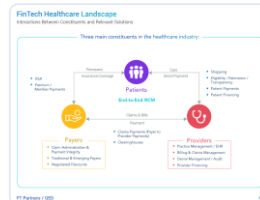
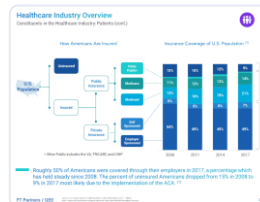


GoodRx Raises \$1.1 billion in its IPO

[VIEW MORE FT PARTNERS RESEARCH](#)

FT Partners Research – Healthcare Payments

Healthcare Payments: Consumerization and Digitization Create a Massive FinTech Opportunity



Click pictures to view report

The healthcare industry, which accounts for 18% of GDP in the United States, is transforming as the industry adapts to more widespread adoption of digital technologies and confronts the challenges of ever rising costs and the pressures it puts on patients, hospitals and physicians ("providers"), insurance companies ("payers"), the government, and other participants. Similar to other areas of financial services, technology is only becoming more important to the delivery of financial services related to healthcare, resulting in the emergence of a Healthcare Payments ecosystem. Innovative business models and new technologies are eliminating inefficiencies within the current system, and challenging incumbents and traditional models.

Highlights of the report include:

- Detailed overview of the U.S. healthcare industry and key trends driving change
- A closer look at the emerging FinTech solutions for insurance companies, healthcare providers, employers, and patients
- Landscape of FinTech companies in the Healthcare Payments / Health Insurance ecosystem
- Proprietary list of financing and M&A transactions
- Interviews with more than 20 CEOs and Industry Executives
- Detailed profiles of 60 FinTech companies in the space

FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Leading Advisor Across the InsurTech Landscape

Insurance Distribution

Financial Technology Partners LP
FTP Securities LLC

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

ASSURANCE

on its sale to

Prudential

for total consideration of up to

\$ 3,500,000,000



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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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Wholesale Brokerage

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its role as
exclusive 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



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Small Business Insurance

Financial Technology Partners LP
FTP Securities LLC

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

**NEXT
INSURANCE**

on its Series C financing from

Munich RE

for total consideration of

\$ 250,000,000



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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 recapitalization by

BainCapital
PRIVATE EQUITY

of approximately

\$ 238,000,000



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Homeowners Insurance

Financial Technology Partners LP
FTP Securities LLC

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

LENNAR

in its minority investment in

Hippo

with participation from new
and existing investors

for total consideration of

\$ 70,000,000



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Small Business Insurance

Financial Technology Partners LP
FTP Securities LLC

is pleased to announce its role as
exclusive 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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Virtual Claims

Financial Technology Partners LP
FTP Securities LLC

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

snapsheet

in its Series E financing with new investors

LABS

with participation from

**TOLA
CAPITAL**

for total consideration of

\$ 29,000,000



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Small Business Insurance

Financial Technology Partners LP
FTP Securities LLC

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

coverwallet

on its sale to

AON



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Auto Finance and Insurance Solutions

Financial Technology Partners LP
FTP Securities LLC

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

SAFE-GUARD

on its sale to an Affiliate of

**Goldman
Sachs**



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Sales Automation Software

Financial Technology Partners LP
FTP Securities LLC

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

**INSURANCE
TECHNOLOGIES**

in its sale to

MOELIS CAPITAL PARTNERS



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Agency Management / Marketing Technology

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
PARTNERS**



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After-Sales Service / Warranty

Financial Technology Partners LP
FTP Securities LLC

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

SERVIFY

on its Series C financing led by

IRON PILLAR

for a total amount of

\$23,000,000



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P&C Claims

Financial Technology Partners LP
FTP Securities LLC

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

enservio

in its sale to

Solera



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FT Partners Advises InstaMed on its Sale to JPMorgan Chase Bank

Overview of Transaction

- On May 15, 2019, InstaMed announced it has agreed to be acquired by JPMorgan Chase Bank, NA
- Headquartered in Philadelphia, PA, InstaMed is a leading healthcare payments network that connects providers, payers, and consumers on one platform to facilitate healthcare commerce
- Since its founding in 2004, InstaMed has offered a highly integrated experience and has grown to create a diverse solution set that meets the critical payments, engagement, and transaction processing needs of the healthcare industry
- InstaMed's secure, centralized platform alleviates a number of challenges in the healthcare payments industry, with particular focus on eliminating paper, improving the consumer financial experience, and reducing costs to collect payments

FT Partners' Role

- FT Partners leveraged its deep domain expertise and transactional experience in the Healthcare and Payments sectors to generate a highly successful outcome for InstaMed and its shareholders
- The transaction builds on FT Partners' strong Healthcare track record following advisory roles with [Eliza](#), [Benaissance](#), [Zywave](#), [AmWINS](#), and [R1 RCM](#), among others
- This transaction also demonstrates FT Partners' continued leadership position as the "Advisor of Choice" to the most prominent FinTech companies

Financial Technology Partners LP FTP Securities LLC

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

InstaMed®

in its proposed sale to

**JPMORGAN
CHASE & Co.**

FINANCIAL
TECHNOLOGY
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FT Partners Advises Assurance on its \$3.5 billion Sale

Overview of Transaction

- On September 5, 2019, Prudential Financial (NYSE:PRU) announced that it has signed a definitive agreement to acquire Assurance IQ (“Assurance”)
- The acquisition includes total upfront consideration of \$2.35 billion and an additional earnout of up to \$1.15 billion in cash and equity, contingent upon the Company achieving multi-year growth objectives
- Launched in 2016, Assurance is the fastest growing direct-to-consumer InsurTech platform in history
 - Using a combination of advanced data science and human expertise, Assurance matches buyers with customized solutions spanning life, health, Medicare and auto insurance, giving them options to purchase entirely online or with the help of a technology-assisted live agent

Significance of Transaction

- Assurance will add a large and rapidly growing direct-to-consumer channel to Prudential’s financial wellness businesses, significantly expanding the total addressable market of both companies
- Both companies will draw on respective capabilities to create a new, end-to-end engagement model geared to better serve customers
- The transaction is the largest strategic InsurTech exit in history and represents one of the fastest multi-billion dollar tech exits, as the Company was only founded in February 2016
- Assurance was funded entirely by its founders, highlighting FT Partners' ability to help under-the-radar FinTech companies achieve optimal outcomes

FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Assurance and its board of directors
- This transaction highlights FT Partners’ deep domain expertise in the InsurTech space, and its successful track record generating highly favorable outcomes for high growth 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 up to

\$3,500,000,000



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Selected Large Strategic InsurTech M&A Transactions

FT Partners has advised on the 2 of the top 3 largest strategic InsurTech exits, including Assurance's \$3.5 billion sale to Prudential and SquareTrade's \$1.4 billion sale to Allstate ⁽¹⁾

| Announce Date | Target | Acquirer | Exit Value (\$ mm) |
|---------------|---|---|------------------------|
| Sep '19 | FT Partners Advised  ASSURANCE |  Prudential | \$3,500 ⁽²⁾ |
| Aug '19 |  IPIPELINE <small>INSURANCE ACCELERATED</small> |  | 1,625 |
| Nov '16 | FT Partners Advised  square trade |  Allstate | 1,400 ⁽³⁾ |
| Mar '19 |  | WillisTowers Watson  | 1,400 |
| May '11 |  |  Allstate | 1,010 |
| Oct '13 |  | MONSANTO  | 930 |
| Aug '18 |  |  Allstate | 525 |
| Mar '17 |  | TRAVELERS  | 490 |
| Oct '18 |  |  | 370 |
| Oct '17 |  |  | 275 |

(1) Represents strategic acquisitions of InsurTech companies founded in the past 25 years

(2) Value represents an upfront price of \$2.35 bn and an earnout of up to \$1.15 bn

(3) Value represents an upfront price of \$1.2 bn and a \$200 mm earnout

Selected Fastest Multi-Billion Dollar Strategic Tech Exits

FT Partners advised Assurance on its \$3.5 billion sale to Prudential, which represents one of the fastest multi-billion dollar tech exits in history

| Target | Acquirer | Exit Date | Founding Date | Months to Exit | VC Funding (\$ mm) | Exit Value (\$ mm) |
|---|--|-----------|---------------|----------------|--------------------|------------------------|
|  ASSURANCE |  Prudential | Sep '19 | Feb '16 | 43 | Zero | \$3,500 ⁽¹⁾ |
|  ring |  amazon | Apr '18 | Nov '13 | 53 | \$444 | 1,200 |
|  chewy |  PETSMART | May '17 | Sep '11 | 68 | 286 | 3,400 |
|  jet |  Walmart | Sep '16 | Apr '14 | 29 | 570 | 3,300 |
|  CRUISE |  General Motors | May '16 | Oct '13 | 31 | 19 | 1,000 |
|  MOJANG |  Microsoft | Nov '14 | May '09 | 66 | Zero | 2,500 |
|  WhatsApp |  facebook | Oct '14 | Jan '09 | 69 | 61 | 22,000 |
|  oculus |  facebook | Jul '14 | Jul '12 | 24 | 91 | 2,000 |
|  nest |  Google | Feb '14 | May '10 | 45 | 145 | 3,200 |
|  waze |  Google | Jun '13 | May '07 | 73 | 67 | 1,200 |
|  Instagram |  facebook | Aug '12 | Oct '10 | 22 | 58 | 1,000 |
|  Yammer |  Microsoft | Jul '12 | Sep '08 | 46 | 143 | 1,200 |
|  YouTube |  Google | Nov '06 | Feb '05 | 21 | 12 | 1,700 |
|  skype |  ebay | Oct '05 | Aug '03 | 26 | 20 | 2,600 |

Source: BizJournals, CB Insights, PitchBook

(1) Value represents an upfront price of \$2.35 bn and an earnout of up to \$1.15 bn

FT Partners Advises SquareTrade in its Strategic Sale

Overview of Transaction

- On November 28, 2016, SquareTrade announced its \$1.4 billion all-cash strategic sale to the Allstate Corporation
- Headquartered in San Francisco, CA, SquareTrade offers top-rated protection plans trusted by millions of consumers for electronics and appliances
 - SquareTrade's branded products are sold through major retailers
- Allstate is the largest publicly held personal lines property and casualty insurer in America serving more than 16 million households nationwide
- More details available in Allstate's transaction [press release](#) and [investor presentation](#)

Significance of Transaction

- This transaction expands Allstate's protection offering to consumer electronics, connected devices and appliances
- SquareTrade substantially increases Allstate's customer relationships while providing both strong near-term and long-term growth opportunities

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to SquareTrade and its Board of Directors
- This transaction demonstrates FT Partners' continued leadership position as the "advisor of choice" to the highest quality FinTech companies
- FT Partners represented [SquareTrade in its \\$238 million strategic growth investment with Bain Capital and Bain Capital Ventures](#)
- FT Partners also recently represented Bain Capital Ventures' portfolio company [Enservio in its sale to Solera](#) demonstrating our long-term trusted relationship

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 total consideration of

\$ 1,400,000,000



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FT Partners Advises Next Insurance on its \$250 million Series C Financing

Transaction Overview

- On October 7, 2019, Next Insurance announced that it has raised \$250 million in its Series C funding round from Munich Re
- Founded in 2016 and headquartered in Palo Alto, CA, Next Insurance is the leading digital insurance company for small businesses
 - Revolutionizing traditional insurance processes, Next Insurance utilizes advanced technology to offer the industry's most innovative small business insurance policies
- Munich Re is one of the world's leading providers of reinsurance, primary insurance, and insurance-related risk solutions
- In May 2018, Next Insurance announced its status as a licensed insurance carrier, allowing the Company to write policies independently, as well as to have more freedom over underwriting, setting of prices, and configuration of policies

Significance of Transaction

- The Series C round brings Next Insurance's total funding to \$381 million in just over three years, with a valuation of over \$1 billion
- The new funds will continue to help Next Insurance grow its team, develop its technology, and accelerate customer growth
- Additionally, the investment allows Munich Re to expand its footprint in the small and medium-sized business insurance market in the United States

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Next Insurance and its Board of Directors
- FT Partners also advised Next Insurance on its [\\$83 million Series B financing](#) in 2018
- This transaction underscores the long-term nature of many of FT Partners' relationships as well as our successful track record generating highly favorable outcomes for leading InsurTech companies

Financial Technology Partners LP FTP Securities LLC

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

NEXT
INSURANCE

on its Series C financing from

Munich RE 

for total consideration of

\$250,000,000

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FT Partners Advises Eliza on its Strategic Sale

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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FT Partners Advises Lennar on its Investment in Hippo

Overview of Transaction

- On November 14, 2018, Lennar Corporation (“Lennar”) announced it has co-led a \$70 million minority investment in Hippo with Felicis Ventures, along with participation from all major existing shareholders
 - The investment brings the total amount of funding raised by Hippo to \$109 million
- Lennar Corporation (NYSE:LEN) is the one of the leading homebuilders in the United States
- Headquartered in Mountain View, CA, Hippo is a leading property and casualty InsurTech start-up, offering homeowners insurance as well as a number of more specialized products
- Hippo has helped cut premium costs for its customers by up to 25%, seen policy sales grow by 30% month over month, and now covers more than \$25 billion in total property value
 - Hippo is accessible to more than 50% of the US homeowner population, and that number is expected to increase to over 60% by the end of 2018

Significance of Transaction

- With the new funding, Hippo will accelerate growth while continuing to deliver a modernized home insurance product that includes world-class customer experience on a national scale
- The transaction also offers a clear path for Lennar to continue to streamline the home buying experience for its customers

FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Lennar
- This transaction underscores FT Partners' deep FinTech expertise and its continued success in providing buy side advisory to top-tier strategic investors

Financial Technology Partners LP FTP Securities LLC

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

LENNAR®

in its minority investment in



*with participation from
new and existing investors*

for total consideration of

\$70,000,000

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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 chart titled "Silicon Valley's Most Popular Dealmakers" showing the top 10 dealmakers in Silicon Valley. Steve McLaughlin is ranked #2.

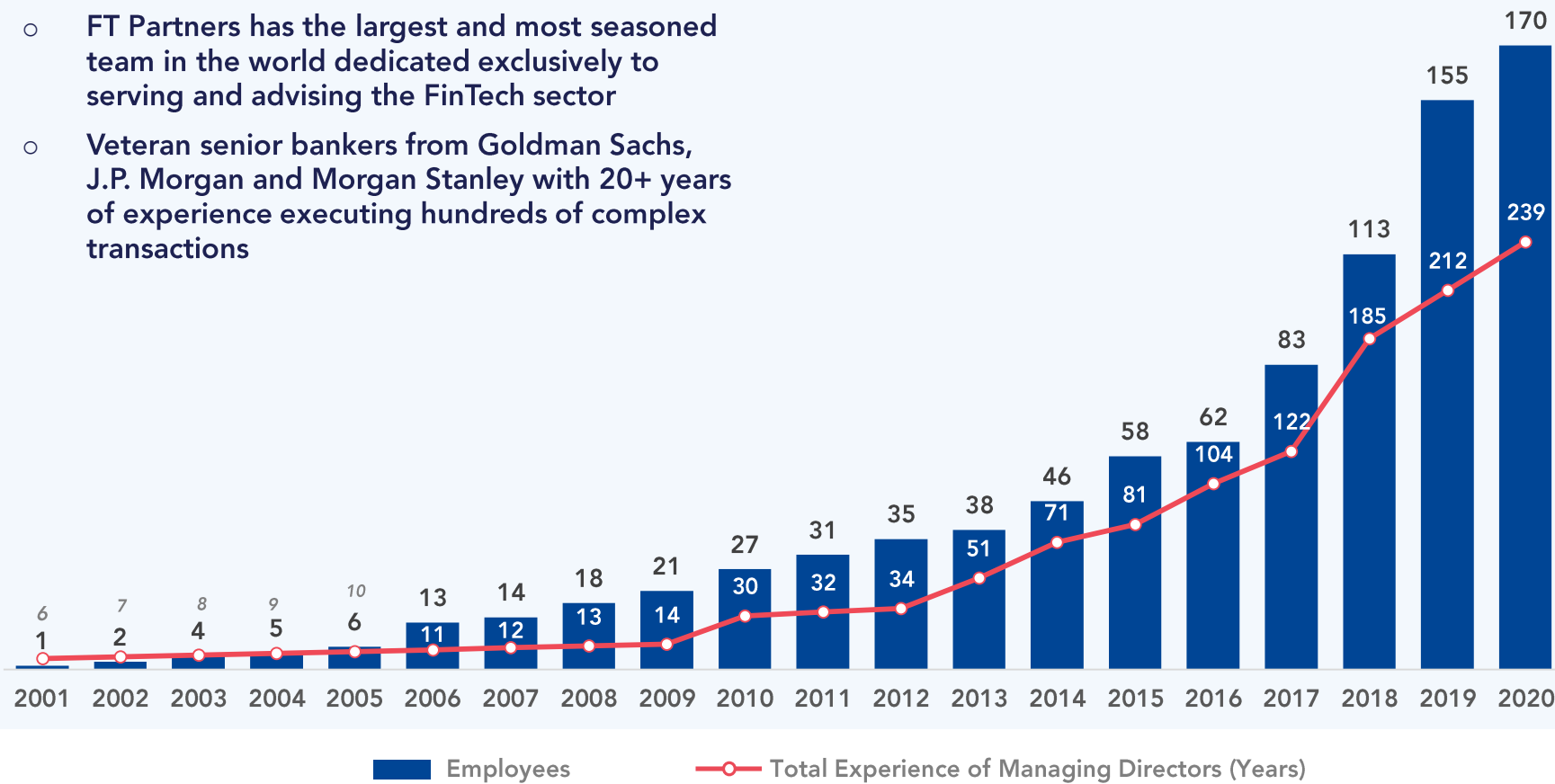
| Rank | Name | Firm |
|------|------------------|-------------|
| 1 | Sam Altman | OpenMarket |
| 2 | Steve McLaughlin | FT Partners |
| 3 | Michael Bishop | FT Partners |
| 4 | Mark Winkler | FT Partners |
| 5 | Paul Rosen | FT Partners |
| 6 | Quincy Smith | FT Partners |
| 7 | John Smith | FT Partners |
| 8 | John Smith | FT Partners |
| 9 | John Smith | FT Partners |
| 10 | John Smith | FT Partners |

The Information's "Silicon Valley's Most Popular Dealmakers"

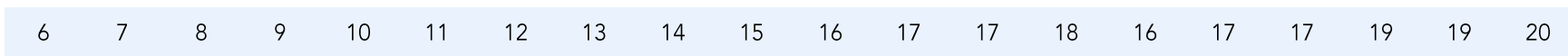
- Ranked as the #2 top Technology Investment Banker by The Information subscribers (2016)
- Only FinTech focused investment banking firm and banker on the list

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)



The FT Partners Senior Banker Team

| Name / Position | Prior Background | Experience / Education | Years of Experience |
|--|---|--|---------------------|
| Steve McLaughlin Founder, CEO and Managing Partner |  | <ul style="list-style-type: none"> Formerly with Goldman Sachs 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. | 25 |
| Mohit Agnihotri Managing Director | J.P.Morgan | <ul style="list-style-type: none"> Formerly Managing Director and Global Head of Payments Investment Banking at J.P. Morgan Wharton M.B.A. | 18 |
| Kate Crespo Managing Director | RAYMOND JAMES® | <ul style="list-style-type: none"> Formerly with Raymond James' Technology & Services investment banking 14+ years of FinTech transaction execution experience Dartmouth M.B.A. | 18 |
| Larry Furlong Managing Director |  | <ul style="list-style-type: none"> Formerly with Goldman Sachs in New York, London and Los Angeles from 1995-2004 Wharton M.B.A. | 24 |
| Osman Khan Managing Director |  | <ul style="list-style-type: none"> Formerly Managing Director and 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 | 23 |
| Randall Little Managing Director | J.P.Morgan | <ul style="list-style-type: none"> 12 years as FIG / Capital Markets FinTech investment banker at J.P. Morgan 10 years as financial services technology consultant at Sun Microsystems and Ernst & Young NYU Stern M.B.A. (MBA w/Distinction) | 23 |
| Andrew McLaughlin Managing Director | Deloitte. | <ul style="list-style-type: none"> 20+ years experience executing / implementing financial and operational strategy Formerly with Deloitte Consulting | 14 |
| Amar Mehta Managing Director | J.P.Morgan | <ul style="list-style-type: none"> Formerly with J.P. Morgan's Technology (FinTech & Technology Services) team in New York 7+ years of FinTech transaction execution experience MBA from IIM-K (India), Bachelor's in Computer Engineering from NTU (Singapore) | 15 |
| Mike Nelson Managing Director |  | <ul style="list-style-type: none"> Formerly head of FinTech M&A at SunTrust Robinson Humphrey Kellogg M.B.A. | 20 |
| Timm Schipporeit Managing Director |  | <ul style="list-style-type: none"> Formerly with Morgan Stanley as Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures | 17 |
| Greg Smith Managing Director |  | <ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch, J.P. Morgan and Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker | 24 |
| Tim Wolfe Managing Director |  | <ul style="list-style-type: none"> Formerly with Goldman Sachs from 2000-2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. | 18 |