

# FT PARTNERS FINTECH INDUSTRY RESEARCH

June 17, 2018



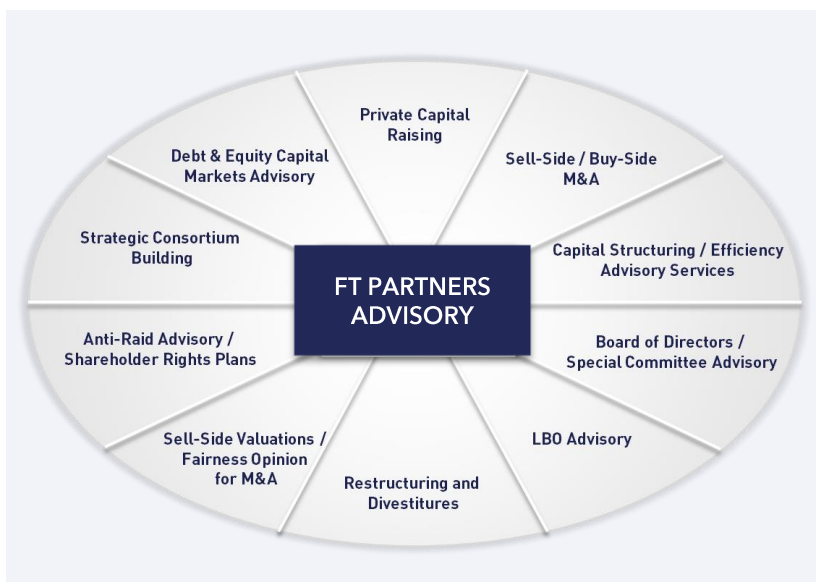
**Avalara Completes its IPO  
Raising \$180 million**

**(NYSE:AVLR)**

## FT Partners Overview

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

### FT Partners' Advisory Capabilities



### FT Partners' FinTech Industry Research



**The Information**

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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## IPO Overview

### Key IPO Statistics

Co-Founder, Board Member & CEO:	Scott McFarlane
Headquarters:	Seattle, WA
Founded:	2004
Employees:	1,495
<hr/>	
Prospectus File Date:	May 11, 2018
Ticker:	NYSE:AVLR
Gross Proceeds:	\$180 mm
Shares:	7.5 million
Filing Range:	\$19 – 21
Listing Date:	June 15, 2018
Offer Price:	\$24

After pricing above the initial filing range, Avalara closed at \$44.94, up 87% at the end of its first trading day on June 15, 2018.

### Use of Proceeds

The Company intends to use the offering proceeds for general corporate purposes, including headcount expansion, continued investment in sales and marketing, product development, general and administrative matters and working capital.

#### UNITED STATES SECURITIES AND EXCHANGE COMMISSION

FORM S-1

Avalara, Inc.



(NYSE:AVLR)

Scott McFarlane  
Chief Executive Officer  
255 South King Street, Suite 1800  
Seattle, Washington 98104



J.P.Morgan



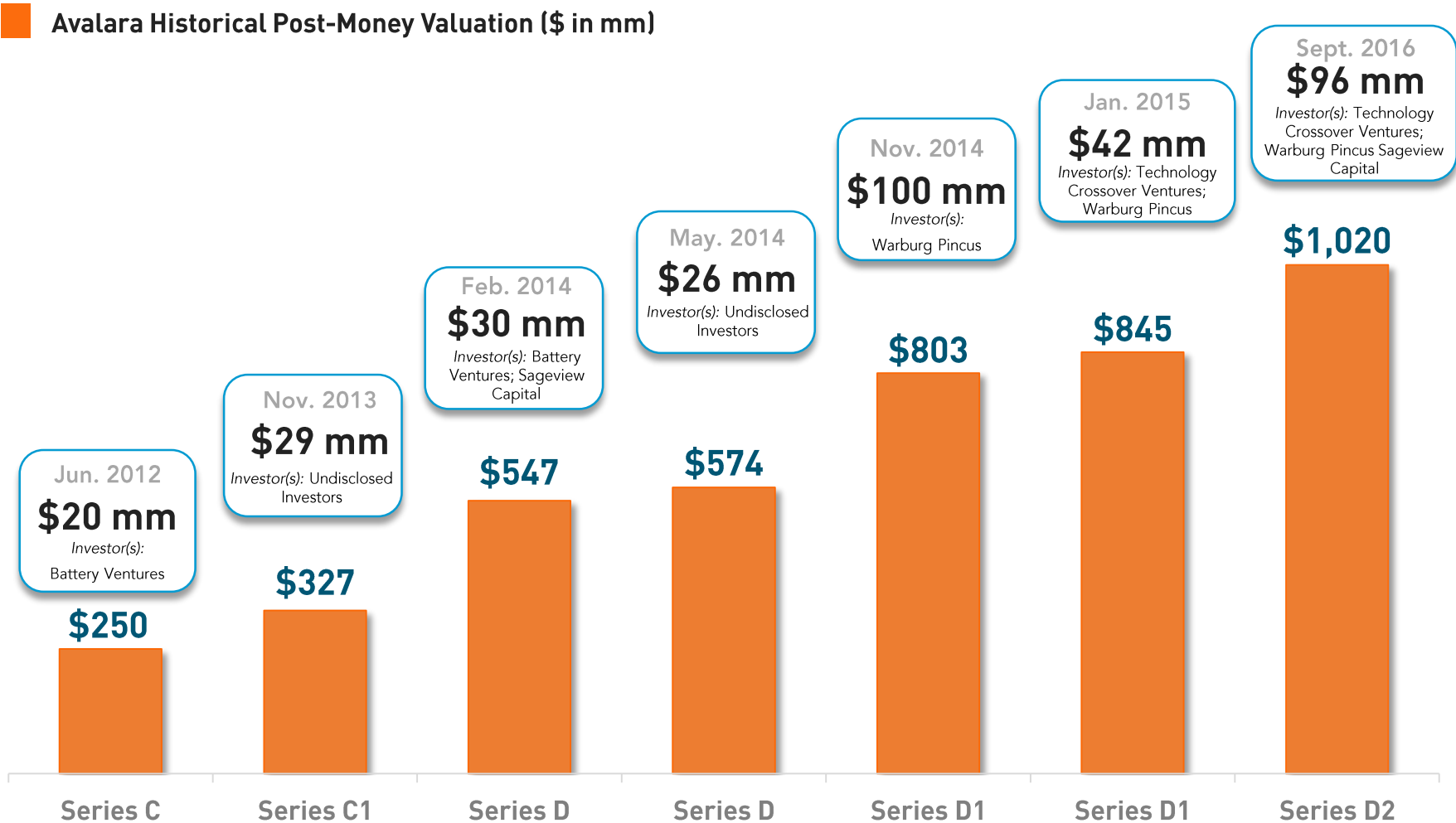
KeyBanc  
Capital Markets

STIFEL  
NICOLAUS

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## Selected Valuation and Financing History



Source: FT Partners' Proprietary Transaction Database, PitchBook

## Avalara Overview

### Company Overview

- **Avalara provides cloud-based software that performs a variety of compliance solutions in the sales tax and transactional tax space**
  - In 2017, Avalara processed an average of over 16 million tax determinations per day
- **Products are divided into three different components:**
  - Avalara AvaTax
  - Avalara CertCapture
  - Avalara Returns
- **The Company integrates into leading ERP and E-commerce software systems**
  - Solutions are sold primarily on a subscription basis
- **Currently serves more than 20,000 customers around the world**
  - Majority of sales, to new and existing customers, are direct and conducted via telephone, requiring minimal in-person interaction
  - Core customers represented more than 85% of Avalara's total revenue in 2017
- **98% of AvaTax users stay with Avalara year after year**
- **Since 2014, Avalara has acquired its fuel excise tax, lodging tax, communications tax, portions of its European VAT, and Brazil tax solutions**
  - The Company intends to continue pursuing opportunities to broaden its suite of solutions and international presence, and integrating new content and solutions

### Products and Services

#### AvaTax

- ✓ On demand calculations and reports
- ✓ Delivers sales and use tax calculations within existing business applications at the time of checkout or billing

#### CertCapture

- ✓ Collect, store, manage, and renew tax documents from vendors and buyers safely in the cloud, instead of dealing with a mess of digital or paper files

#### Returns

- ✓ Prepares and files sales and use tax returns with a higher degree of accuracy
- ✓ Easy compliance and much less hassle
- ✓ Reduce audit exposure

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## Management Team

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### **Scott McFarlane**

Chairman & Chief Executive Officer & President



- Scott founded Avalara in 2004 and has served as a member of the Board of Directors since 2004
- He has served as Chief Executive Officer since 2007, and as President since 2014
- Prior to founding Avalara, he co-founded Lifecycle, the most popular computerized exercise bike
- Since then, Scott oversaw development for AIRCOA, the largest independent hotel company in the U.S., and has lead and developed several companies

### **William Ingram**

Chief Financial Officer



- William has served as Chief Financial Officer since 2015
- He previously worked as Interim Chief Financial Officer at Khan Academy, a provider of online learning resources
- William currently serves on the board of directors of Revolution Lighting Technologies, Inc., a provider of advanced LED lighting

### **Pascal Van Dooren**

Executive Vice President & Chief Revenue Officer



- Pascal has served as Chief Revenue Officer since 2014 and Executive Vice President since 2017
- He also served as General Manager, AvaTax from June 2014 to June 2017 and as Executive Vice President, Sales & Marketing from October 2011 to May 2014
- Previously, Pascal served as Vice President of Sales and Director of International Sales at Epicor Software, a business software company

## Competitive Strengths



### Powerful Technology

- Solutions that enable customers to automate and accurately manage transaction tax compliance processes
- AvaTax solution processes transaction tax determinations in under 60 milliseconds on average



### Extensive Integrations

- Pre-built integrations reduce implementation time, effort, and cost
- Integrations enable solutions to function seamlessly with the core applications customers use to process and manage transactions



### Extensive Content

- Extensive tax content and forms databases have enabled Avalara to serve the compliance needs of an ever-expanding list of businesses in different geographies and industries such as fuels, communications, and lodging



### Comprehensive, easy-to-use, scalable solutions

- All solutions can be configured and managed using intuitive administrative console, which facilitates fast and easy company-specific configuration, detailed transaction analysis, and access to detailed reports and other functions

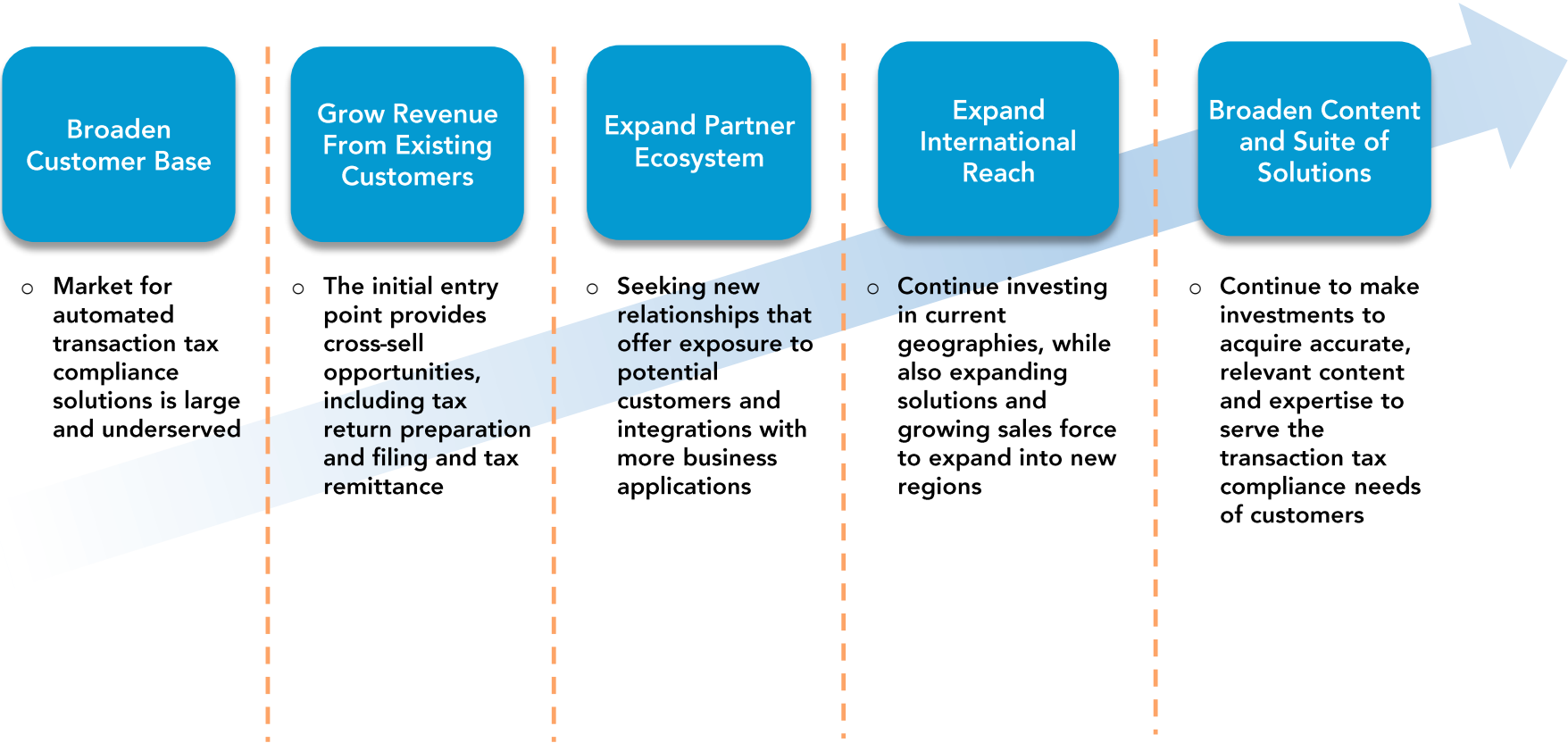


### Broad Ecosystem

- Developed a broad range of relationships with a network of business application providers
- These relationships provide an effective distribution channel, the majority of pre-built integrations, and new opportunities

## Growth Strategy

*Avalara plans to continue investing to provide customers with best-in-class solutions to expand its market opportunity*





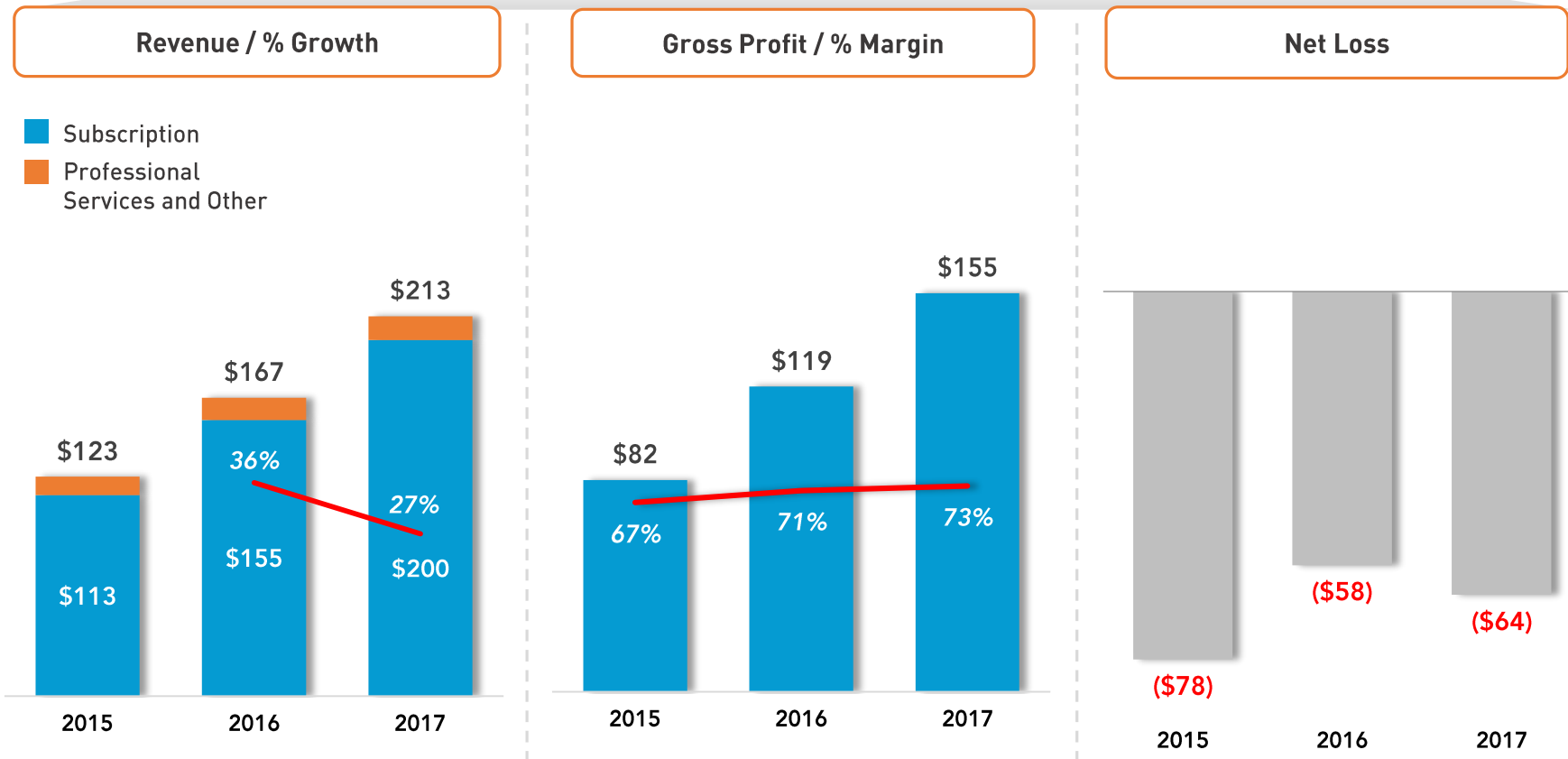
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## Financial Overview



(\$ in mm)



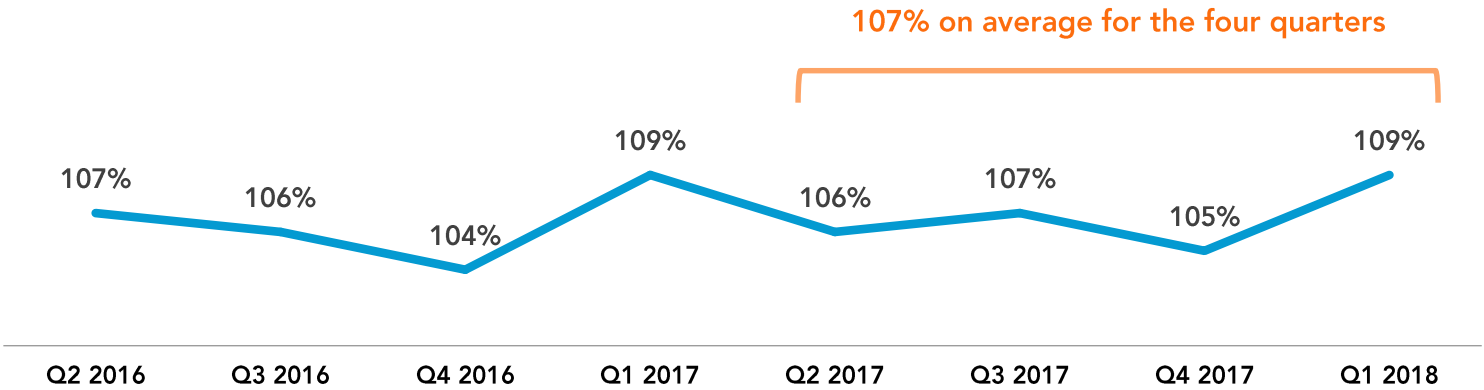
Source: Company prospectus

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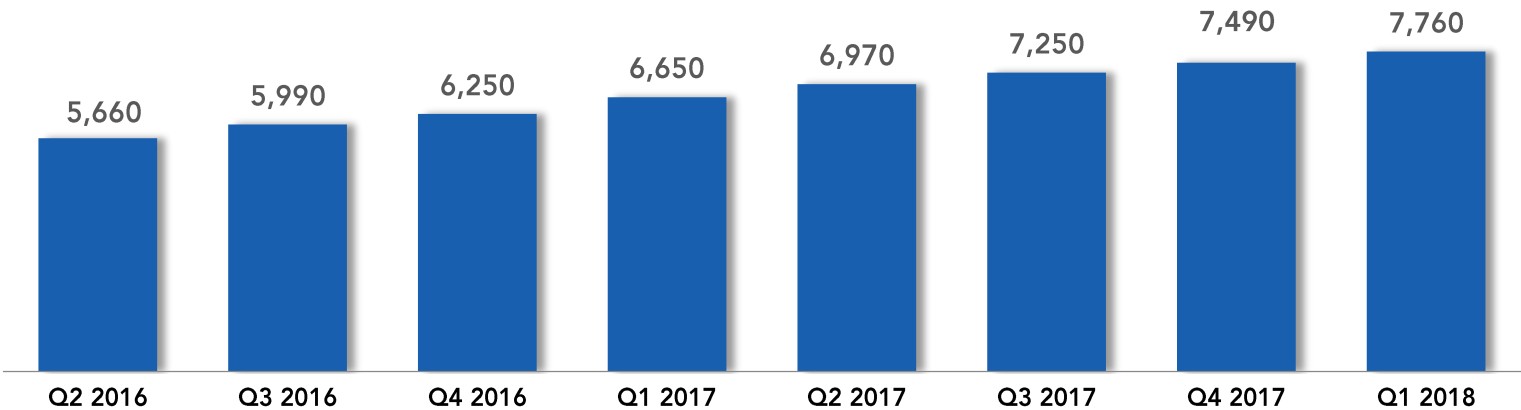


## Key Business Metrics Overview

Net Revenue Retention Rate <sup>(1)</sup>



Total Customers



Source: Company prospectus  
(1) Avalara calculates net revenue retention rate by dividing (a) total revenue in the current quarter from any billing accounts that generated revenue during the corresponding quarter of the prior year by (b) total revenue in such corresponding quarter from those same billing accounts

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## Long-Term Target Model

% of revenue	2015	2016	2017	Long-term target model
Non-GAAP gross margin	69%	73%	75%	80 – 82%
Non-GAAP sales and marketing expense	78%	59%	60%	33 – 35%
Non-GAAP research and development expense	23%	19%	18%	14 – 16%
Non-GAAP general and administrative expense	24%	20%	14%	8 – 10%
Non-GAAP operating margin	(56)%	(25)%	(18)%	~20 – 25%

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## Publicly Traded Comparables

Company Name	Price 06/15/18	% MTD Change	% LTM High	Market Value (\$ mm)	Enterprise Value (\$ mm)	Multiples						Growth Rates			Margins		P / E / G CY 18E	
						Price / Earnings		EV / EBITDA		EV / Revenue		Revenue		EPS	EBITDA			
						CY 18E	CY 19E	CY 18E	CY 19E	LTM	CY 18E	CY 19E	CY 18E	CY 19E	LT	CY 18E		CY 19E
HR / TAX SOLUTIONS																		
Automatic Data Processing	\$ 139.57	5 %	99 %	\$ 61,753	\$ 61,462	29.5 x	25.7 x	20.2 x	17.9 x	4.7 x	4.5 x	4.2 x	8 %	7 %	15 %	22 %	23 %	2.0 x
Paychex	69.78	5	95	25,187	24,823	26.4	24.4	17.3	16.6	7.5	7.1	6.7	8	6	9	41	40	2.8
The Ultimate Software Group	279.98	5	100	8,579	8,440	nm	42.5	30.5	25.2	8.5	7.5	6.5	19	17	26	25	26	na
Ceridian	38.45	11	94	5,187	6,473	nm	nm	43.2	36.8	8.4	8.8	8.2	na	7	40	20	22	na
H&R Block	23.66	(15)	74	4,951	4,513	7.4	12.3	5.0	5.6	1.4	1.4	1.5	2	(2)	11	28	26	0.7
Insperity	99.85	7	100	4,196	3,943	29.3	25.9	18.1	16.0	1.1	1.0	1.0	14	10	16	6	6	1.8
Avalara	44.94	na	100	2,917	3,332	na	na	na	na	14.8	na	na	na	na	na	na	na	na
Cornerstone OnDemand	51.74	2	100	3,078	2,997	nm	46.0	32.9	23.4	6.0	5.9	5.4	6	10	15	18	23	na
Convergys Corporation	25.02	6	94	2,293	2,374	14.8	14.4	7.2	7.0	0.9	0.9	0.9	(5)	0	9	12	13	1.6
WageWorks	50.90	9	71	2,031	1,383	24.6	21.3	8.5	7.7	3.0	2.7	2.5	7	6	15	32	33	1.6
Hogg Robinson Group	1.58	(0)	96	520	560	14.9	11.9	6.7	5.8	1.3	1.2	1.1	5	8	12	18	19	1.3
Median		5 %	96 %			24.6 x	24.4 x	17.7 x	16.3 x	4.7 x	3.6 x	3.4 x	7 %	7 %	15 %	21 %	23 %	1.6 x
Mean		3	93			21.0	24.9	19.0	16.2	6.0	4.1	3.8	7	7	17	22	23	1.7

### PURE-PLAY FINANCIAL MANAGEMENT SOLUTIONS

Intuit	\$ 208.96	2 %	99 %	\$ 54,160	\$ 52,674	37.0 x	30.9 x	23.5 x	21.2 x	9.1 x	8.5 x	7.7 x	14 %	11 %	16 %	36 %	36 %	2.3 x
DocuSign	63.95	28	97	9,727	10,005	nm	nm	nm	nm	17.8	15.3	12.7	27	20	na	5	9	na
Sage Group	6.61	(0)	na	7,154	7,810	20.4	18.6	14.4	13.2	4.4	4.2	4.0	8	7	8	29	30	2.4
Xero	34.11	12	100	4,749	4,690	nm	nm	nm	nm	15.5	12.3	9.5	35	30	na	13	18	na
Coupa	63.38	17	100	4,093	3,829	nm	nm	nm	nm	19.0	16.2	13.1	26	24	na	nm	3	na
BlackLine	49.79	17	99	2,841	2,727	nm	nm	nm	nm	14.3	12.2	9.7	27	25	15	5	7	na
Reckon	0.98	(10)	57	111	159	30.8	22.5	10.1	9.8	3.3	3.3	3.2	(46)	2	na	32	32	na
<b>Median</b>		<b>12 %</b>	<b>99 %</b>			<b>30.8 x</b>	<b>22.5 x</b>	<b>14.4 x</b>	<b>13.2 x</b>	<b>14.3 x</b>	<b>12.2 x</b>	<b>9.5 x</b>	<b>26 %</b>	<b>20 %</b>	<b>15 %</b>	<b>21 %</b>	<b>18 %</b>	<b>2.4 x</b>
<b>Mean</b>		<b>9</b>	<b>92</b>			<b>29.4</b>	<b>24.0</b>	<b>16.0</b>	<b>14.8</b>	<b>15.5</b>	<b>10.3</b>	<b>8.5</b>	<b>13</b>	<b>17</b>	<b>13</b>	<b>20</b>	<b>19</b>	<b>2.4</b>

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## Publicly Traded Comparables (cont.)

Company Name	Price 06/15/18	% MTD Change	% LTM High	Market Value (\$ mm)	Enterprise Value (\$ mm)	Multiples							Growth Rates			Margins			P / E / G CY 18E
						Price / Earnings		EV / EBITDA		EV / Revenue			Revenue		EPS	EBITDA			
						CY 18E	CY 19E	CY 18E	CY 19E	LTM	CY 18E	CY 19E	CY 18E	CY 19E	LT	CY 18E	CY 19E		
ENTERPRISE RESOURCE PLANNING SOLUTIONS																			
Workday	\$ 128.09	1 %	91 %	\$ 28,446	\$ 26,590	nm	nm	nm	39.0 x	11.7 x	9.8 x	8.0 x	26 %	23 %	36 %	19 %	21 %	na	
Tyler Technologies	236.67	2	100	9,682	9,405	49.5	43.6	33.6	29.6	10.9	10.0	8.9	12	11	14	30	30	3.6	
TOTVS S.A.	7.35	(3)	78	1,205	1,268	27.6	20.6	13.3	11.4	2.1	2.1	2.0	2	6	na	16	17	na	
QAD	53.70	3	98	1,188	1,057	nm	nm	nm	nm	3.3	3.2	3.0	9	7	35	6	6	na	
Technology One	3.26	1	74	1,031	988	27.4	23.1	18.4	16.1	4.7	4.5	3.9	6	16	13	24	24	2.1	
American Software	13.68	4	98	458	380	34.2	na	18.5	15.9	3.5	3.2	3.1	8	3	16	17	20	2.1	
Ramco	5.51	4	66	170	169	27.7	13.0	11.9	7.8	2.5	2.1	1.8	21	19	na	18	23	na	
Median		2 %	91 %			27.7 x	21.9 x	18.4 x	16.0 x	3.5 x	3.2 x	3.1 x	9 %	11 %	16 %	18 %	21 %	2.1 x	
Mean		2	86			33.2	25.1	19.1	20.0	5.5	5.0	4.4	12	12	23	18	20	2.6	
LARGE, DIVERSIFIED ENTERPRISE SOLUTIONS																			
Microsoft Corporation	\$ 100.13	(1)%	98 %	\$ 769,319	\$ 725,667	25.2 x	23.5 x	15.1 x	13.5 x	7.3 x	6.3 x	5.8 x	13 %	9 %	13 %	42 %	43 %	1.9 x	
Oracle Corporation	46.28	(2)	87	194,315	185,142	14.1	13.2	9.8	9.4	4.7	4.6	4.4	3	4	9	47	47	1.6	
IBM	145.39	2	85	133,503	167,250	10.5	10.3	9.0	8.6	2.1	2.1	2.1	2	0	(2)	23	24	nm	
SAP	120.43	7	98	145,419	145,008	23.8	21.5	15.1	14.0	5.3	5.1	4.8	4	8	8	34	34	3.0	
Hitachi	7.40	3	87	35,762	46,735	10.2	9.2	4.4	4.6	0.6	0.6	0.5	0	3	13	13	12	0.8	
Hewlett-Packard	23.59	4	95	38,098	38,902	11.6	10.9	8.2	8.0	0.7	0.7	0.7	7	2	9	8	8	1.2	
Conduent	20.85	8	99	4,393	6,035	20.6	16.7	8.9	8.4	1.0	1.1	1.1	(9)	(3)	na	12	13	na	
Median		3 %	95 %			14.1 x	13.2 x	9.0 x	8.6 x	2.1 x	2.1 x	2.1 x	3 %	3 %	9 %	23 %	24 %	1.6 x	
Mean		3	93			16.6	15.0	10.1	9.5	3.1	2.9	2.8	3	3	8	26	26	1.7	

## Selected FT Partners' Research – Click to View



AvidXchange's \$300 million Series F Financing Led by Mastercard



Billtrust's \$50 million Minority Financing



ContaAzul's \$30 million Series D Financing



Feedzai's Series C Financing



DocuSign Completes its IPO Raising \$629 million



Zuora Completes its IPO Raising \$154 million



C2FO Raises \$100 million in Financing



Ceridian Completes its IPO Raising \$462 million

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## Selected Transactions - Superior Industry Knowledge and Execution History

<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>avidxchange</b></p> <p>in its Series F minority financing from</p> <p><b>mastercard</b></p> <p><b>TEMASEK THIEL</b></p> <p><b>\$ 300,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>CAYAN</b></p> <p>in its 100% cash sale to</p> <p><b>TSYS</b></p> <p>for total consideration of approximately</p> <p><b>\$1,050,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>CHROMERIVER</b></p> <p>in its Series D investment from</p> <p><b>Great Hill PARTNERS</b></p> <p>for total consideration of approximately</p> <p><b>\$ 100,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p><b>cardconnect.</b></p> <p>in its sale to</p> <p><b>First Data</b></p> <p>for total consideration of approximately</p> <p><b>\$ 750,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic advisor to</p> <p><b>feedzai</b></p> <p>in its Series E financing from</p> <p><b>OAK HC/FT ESPRITO SANTO SAPHIRE VENTURES</b></p> <p>for approximately</p> <p><b>\$ 17,500,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>wave</b></p> <p>in its financing, including investment from</p> <p><b>SC CPV OMERS</b></p> <p>for approximately</p> <p><b>\$ 10,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic to</p> <p><b>BROWZ</b></p> <p>in its growth financing for total consideration of</p> <p><b>\$ 10,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>GreenSky™</b></p> <p>in its investment from</p> <p><b>PIMCO</b></p> <p>for total consideration of</p> <p><b>\$ 200,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as exclusive strategic and financial advisor to</p> <p><b>YAPSTONE™ POWERING PAYMENTS</b></p> <p>in its Series C financing led by</p> <p><b>Premji Invest</b></p> <p>for total consideration of approximately</p> <p><b>\$ 71,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as financial advisor to</p> <p><b>taulia</b></p> <p>in its investment from</p> <p><b>QUESTMARK PARTNERS ZOUK BBVA edbi</b></p> <p>for total consideration of approximately</p> <p><b>\$ 65,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>KUBRA</b></p> <p>in its 80% majority sale to</p> <p><b>HEARST corporation</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>YAPSTONE™ POWERING PAYMENTS</b></p> <p>in its minority investment led by</p> <p><b>Accel</b></p> <p>for total consideration of approximately</p> <p><b>\$ 50,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>billtrust</b></p> <p>in its strategic financing from</p> <p><b>VISA</b></p> <p>for total consideration of approximately</p> <p><b>\$ 300,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic advisor to</p> <p><b>jack henry &amp; ASSOCIATES INC.</b></p> <p>in its acquisition of</p> <p><b>iPay Technologies</b></p> <p>for total consideration of approximately</p> <p><b>\$ 300,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>
<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p><b>MERCURY®</b></p> <p>in its cash sale to</p> <p><b>vantiv</b></p> <p>for total consideration of</p> <p><b>\$ 1,650,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as sole strategic and financial advisor to</p> <p><b>CUSTOM HOUSE</b></p> <p>in its sale to</p> <p><b>WESTERN UNION</b></p> <p>for total cash consideration of approximately</p> <p><b>\$ 370,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>avidxchange</b></p> <p>in its Series E minority financing from</p> <p><b>Bain Capital Ventures FOUNDRY ETPG KeyBank nyca</b></p> <p>for total consideration of</p> <p><b>\$ 235,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>billtrust</b></p> <p>in its minority financing led by</p> <p><b>RIVERWOOD CAPITAL</b></p> <p>for total consideration of</p> <p><b>\$ 50,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>FLEET ONE</b></p> <p>in its cash sale to</p> <p><b>wex</b></p> <p>for total consideration of approximately</p> <p><b>\$ 369,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its exclusive role as sole strategic and financial advisor to</p> <p><b>CentralPayment</b></p> <p>in its recapitalization and strategic investment by</p> <p><b>TSYS</b></p> <p>for a total valuation of</p> <p><b>\$ 700,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>	<p>Financial Technology Partners LP FTP Securities LLC</p> <p>is pleased to announce its role as strategic and financial advisor to</p> <p><b>Heartland</b></p> <p>in its sale to</p> <p><b>globalpayments</b></p> <p>for total consideration of</p> <p><b>\$ 4,500,000,000</b></p> <p>FINANCIAL TECHNOLOGY PARTNERS</p> <p>The Only Investment Bank Focused Exclusively on Financial Technology</p>

















# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Significant Experience Advising Large Financing Rounds and “Unicorns”

*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
 <b>MERCURY®</b>	\$420,000,000+
 <b>GreenSky™</b>	300,000,000+
 <b>avidxchange</b>	300,000,000
 <b>avidxchange</b>	253,000,000
 <b>liquidnet</b>	250,000,000
 <b>square trade</b> protection plans	238,000,000
 <b>GreenSky™</b>	200,000,000
 <b>YAPSTONE™</b> POWERING PAYMENTS	181,000,000
 <b>nmi</b>	150,000,000+
 <b>ADDEPAR</b>	140,000,000
 <b>Kabbage®</b>	135,000,000
 <b>Remitly</b>	115,000,000
 <b>TradingScreen</b> SIMPLIFYING GLOBAL MARKETS®	110,000,000+
 <b>CHROMERIVER</b>	100,000,000
 <b>credit karma</b>	85,000,000
 <b>earnest</b>	75,000,000

## Selected Prominent Investors in FT Partners Led Rounds



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



## FT Partners Advises AvidXchange in its Series F Financing

### Overview of Transaction

- On June 8, 2017, AvidXchange announced a minority \$300mm Series F financing round
  - Mastercard, CDPO and Temasek co-led the equity round with participation from Thiel Capital
- As part of this financing, Colleen Taylor of Mastercard and Nicolas Westphal of CDPO joined AvidXchange's Board of Directors
- In addition to the equity investment, AvidXchange also announced a strategic partnership with Mastercard to deliver accounts payable and payment automation to midsize businesses; the offering will be marketed as The Mastercard B2B Hub powered by AvidXchange
- 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
  - The Company focuses on serving mid-market clients and spans multiple industries including Real Estate, Financial Services, Energy and Construction

### Significance of Transaction

- The transaction will further help AvidXchange expand as the leading independent business-to-business invoice and payment solution provider
- Strategic relationship with Mastercard expected to fuel additional growth in driving forward Avid's existing bank channel
- Firmly positions the Company to continue to grow the core business, invest in infrastructure and product development and pursue opportunistic acquisitions

### FT Partners' Role

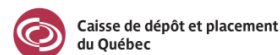
- FT Partners served as exclusive strategic and financial advisor to AvidXchange and its Board of Directors
- FT Partners leveraged its deep knowledge, extensive experience and broad industry relationships to help achieve a highly favorable outcome for the Company
- Transaction demonstrates FT Partners' continued success advising \$100mm+ financings

### Financial Technology Partners LP FTP Securities LLC

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



*in its Series F minority investment from*



**TEMASEK**

**THIEL**

*for total consideration of*

**\$ 300,000,000**



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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*

**CHROME RIVER**

*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*

## FT Partners Advises YapStone on its Series C Financing

### Overview of Transaction

- On February 12, 2018, YapStone announced it has raised \$71 million in Series C financing led by Premji Invest
  - Several high-profile investors joined the round, including Mastercard and existing investors, Accel and Meritech Capital Partners
- YapStone is a provider of online and mobile payment solutions for global marketplaces and large vertical markets, powering electronic payments for sharing economy marketplaces, such as HomeAway® and VRBO®, and thousands of apartment and vacation rental companies, homeowners' associations, self-storage companies, and many other markets
  - YapStone processes over \$18 bn in payment volume annually and has been recognized on the Inc. 5000 list of Fastest-Growing Private Companies for ten consecutive years

### Significance of Transaction

- The financing will provide the Company's leadership team with the flexibility needed for a variety of corporate purposes, including global expansion and mergers and acquisitions
- In total, the Company has raised over \$180 million from investors including Accel, Meritech Capital Partners and Bregal Sagemount

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to YapStone and its Board of Directors
- FT Partners also advised YapStone on its [\\$50 million minority financing led by Accel Partners](#), as well as its [\\$60 million debt financing](#)
- This transaction highlights FT Partners' continued success advising prominent companies in the Payments space and its 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 exclusive  
strategic and financial advisor to*



*in its Series C financing led by*

## Premji Invest

*for total consideration of approximately*

# \$ 71,000,000

FINANCIAL  
TECHNOLOGY  
PARTNERS

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Focused Exclusively on Financial Technology*

## FT Partners Advises Billtrust on its Minority Financing

### Overview of Transaction

- On May 25, 2017 Billtrust announced it has raised \$50 million in a minority financing round from Riverwood Capital
  - Riverwood joins existing investors, Edison Partners, Goldman Sachs and Bain Capital Ventures
- As part of this financing, Francisco Alvarez-Demalde of Riverwood joined Billtrust's Board of Directors
- Billtrust is the pioneer of payment cycle management, helping clients automate and accelerate their accounts receivable (AR) processes to increase cash flow, improve operational efficiency and increase customer satisfaction
- Riverwood Capital is a private equity firm that invests in high growth technology companies

### Significance of Transaction

- The transaction will further help Billtrust expand as the leading independent provider of payment cycle management solutions
- Firmly positions the Company to continue to grow its core business (Quantum Payment Cycle Management) with expanded services as well as pursue opportunistic acquisitions and continue global expansion

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Billtrust and its Board of Directors
- FT Partners leveraged its deep knowledge, extensive experience and broad industry relationships to help achieve a highly favorable outcome for the Company
- Transaction demonstrates FT Partners' continued leadership in the Financial Management Solutions space

### Financial Technology Partners LP FTP Securities LLC

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



*in its minority financing led by*



*for a total consideration of*

**\$ 50,000,000**



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## FT Partners Advises Taulia in its Series E Financing

### Overview of Transaction

- On January 14, 2016, Taulia (or “the Company”) announced \$46mm in Series E financing led by Zouk Capital (“Zouk”)
- New strategic and institutional investors joined the round, which included all existing institutional investors
- Taulia provides cloud-based invoice, payment, dynamic discounting and supplier finance solutions to corporations and their suppliers
- Zouk is a UK-based private equity and infrastructure fund manager with €600mm under management that seeks to capitalize on the global shift to greater resource efficiency

### Significance of Transaction

- Taulia is seeing global demand increase exponentially; the Company will use this financing round to meet this demand and to further accelerate its rapid global expansion
- The funding follows another record year for Taulia, which continues to grow its top-line by more than 100%
- The Series E round brings Taulia’s total funding to over \$130 million

### FT Partners’ Role

- FT Partners served as exclusive financial advisor to Taulia and its Board of Directors
- FT Partners continued its long-term relationship with Taulia, having previously advised Taulia on its Series D round
- FT Partners leveraged its deep knowledge of Taulia and the industry to help the Company manage investor interest and ensure a highly successful outcome

### Financial Technology Partners LP FTP Securities LLC

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



*in its Series E financing led by*

**zouk**

*for total consideration of approximately*

**\$ 46,000,000**



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## FT Partners Advises Wave in its \$10 million Financing

### Overview of Transaction

- On May 12, 2015, Wave (“the Company”) announced a \$10 mm Series C investment with participation from CRV, The Social+Capital Partnership, OMERS Ventures, and a strategic investor in the global fintech software space
- Wave is the leading SaaS / cloud-based financial management platform for micro-small businesses offering advanced proprietary accounting, invoicing, payroll and payment capabilities through integrated software applications
- The Company supports a rapidly growing customer base with Wave customer’s currently invoicing more than \$6 bn per year, and running over \$250 mm in payroll per year
- Wave is tracking \$60 bn in income and expenses for its customers

### Significance of Transaction

- This transaction brings total investment in Wave to \$35 mm, with the new funds earmarked for ongoing innovation and development of small business financial tools
- The Company is the fastest-growing small business financial solution on the market today, driving 10,000+ organic small business signups every week

### FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Wave and its Board of Directors
- The transaction demonstrates FT Partners' continued success in executing growth equity focused transactions and advising top-tier financial management software providers

### Financial Technology Partners LP FTP Securities LLC

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



*in its financing, including investment from*



*for approximately*

# \$ 10,000,000



*The Only Investment Bank  
Focused Exclusively on Financial Technology*

## Award-Winning Investment Banking Franchise Focused on Superior Client Results

**Institutional Investor**  
Institutional Investor  
Annual Ranking

2017  
2015 - 2016  
2006 - 2008

- Ranked #1 Most Influential Executive on Institutional Investor's FinTech 40 List
- Steve McLaughlin Ranked Top 5 on Institutional Investor's FinTech 35 List
- Consecutively Ranked (2006, 2007 and 2008) among the Top Bankers on Institutional Investor's "Online Finance 40"

**I** The Information

2016

- Ranked #2 Top Technology Investment Banker on The Information's "Silicon Valley's Most Popular Dealmakers"



M&A Advisor  
Awards

2015 - 2017

2010 - 2014

2004 - 2007

- Investment Banker of the Year – 2017
- Investment Banking Firm of the Year – 2016
- Cross Border Deal of the Year - 2016
- Dealmaker of the Year – 2015
- Technology Deal of the Year – 2015
- Equity Financing Deal of the Year - 2014
- Professional Services Deal of the Year, Above \$100 mm – 2014
- Dealmaker of the Year – 2012
- Professional Services Deal of the Year, Above \$100 mm – 2012
- Boutique Investment Bank of the Year – 2011
- Deal of the Decade – 2011
- Upper Middle Market Deal of the Year, Above \$500 mm – 2010
- IT Services Deal of the Year, Below \$500 mm – 2010
- Cross-Border Deal of the Year, Below \$500 mm – 2010
- Dealmaker of the Year – Steve McLaughlin – 2007
- Business to Business Services Deal of the Year - 2007
- Computer and Information Technology Deal of the Year, Above \$100 mm – 2007
- Financial Services Deal of the Year, Above \$100 mm – 2007
- Investment Bank of the Year – 2004



Middle Market  
Financing Awards

2006 - 2008

- Equity Financing Dealmaker of the Year – Steve McLaughlin – 2008
- Information Technology Deal of the Year – 2008
- Financial Services Deal of the Year – 2008
- Financing Professional of the Year – Steve McLaughlin – 2006

## The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
<b>Steve McLaughlin</b> <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. in New York and San Francisco from 1995-2002</li> <li>Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share)</li> <li>Wharton M.B.A.</li> </ul>	<b>23</b>
<b>Greg Smith</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht &amp; Quist</li> <li>20+ years of experience covering FinTech as both an Analyst and Investment Banker</li> </ul>	<b>22</b>
<b>Osman Khan</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Managing Director / Head of FIG M&amp;A at Alvarez &amp; Marsal</li> <li>15+ years FIG deal, consulting and assurance experience at PwC</li> <li>40 Under 40 M&amp;A Advisor Award Winner in 2013</li> <li>LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA)</li> </ul>	<b>21</b>
<b>Steve Stout</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Former Global Head of Strategy at First Data</li> <li>Formerly Led J.P. Morgan Payments Investment Banking</li> <li>Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank</li> </ul>	<b>20</b>
<b>Tim Wolfe</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman, Sachs &amp; Co. beginning in 2000</li> <li>Started at FT Partners in 2002</li> <li>40 Under 40 M&amp;A Advisor Award Winner 2013</li> <li>Harvard M.B.A.</li> </ul>	<b>16</b>
<b>Timm Schipporeit</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London</li> <li>Formerly a Venture and Growth Investor focused on FinTech at Index Ventures</li> </ul>	<b>15</b>
<b>Andrew McLaughlin</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>20+ years experience executing / implementing financial and operational strategy</li> <li>Formerly with Deloitte Consulting</li> </ul>	<b>12</b>