

FT PARTNERS FINTECH INDUSTRY RESEARCH

October 14, 2021



Alloy Raises \$100 million in Series C Financing Led by Lightspeed Venture Partners



Alloy Raises \$100 million in Series C Financing



Transaction Summary

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- On September 30, 2021, Alloy, an identity decisioning platform, announced that it has raised \$100 million in Series C financing led by Lightspeed Venture Partners
 - Existing investors participated in the round, including Canapi Ventures, Bessemer Venture Partners, Avid Ventures, and Felicis Ventures
- This round increases the Company's total funding raised to over \$150 million
- According to the Company, this round values Alloy at \$1.35 billion
- Alloy plans on using the new capital to expand its product offerings and grow its team
 - The Company now offers transaction monitoring solutions in addition to its automated onboarding identity platform
- The Company helps banks and FinTech companies by providing a holistic view of customers' identities
 - According to Alloy, in less than a year its revenue has more than tripled and its headcount has grown by 140%
 - The Company now serves over 200 clients

Transaction Commentary

"We want to make building a FinTech product as easy as building an ecommerce product, and we're thrilled to have Lightspeed on board to help us do that. Identity and its associated risk isn't something businesses should be figuring out, it should just be something they install. As Alloy grows into a multi-product platform for the full customer identity lifecycle, we can not only help make risk easier to understand, but also further industry innovation by making FinTech products easier to build."



Tommy Nicholas
CEO & Co-Founder



"We're thrilled to put our support behind the Alloy team as their product and mission fits squarely within our thesis that the proliferation of FinTech, financial services, and embedded FinTech companies is driving increasing demand for tools like Alloy. Alloy takes the risk off their client's plate while maintaining operational efficiency throughout the customer lifecycle, making Alloy a crucial piece of the FinTech infrastructure stack."



Justin Overdorff
Partner



Alloy Raises \$100 million in Series C Financing



Gusto Overview

Company Overview



CEO:	Tommy Nicholas
Headquarters:	New York, NY
Founded:	2015

- Alloy provides an Identity Decisioning Platform for reducing false positives during the KYC process
- The Alloy platform uses more than 120 data sources to help clients verify identities and monitor transactions, giving them a holistic view of their customers
 - The Company also plans to add credit underwriting to its suite of offerings, in addition to transaction monitoring and identity verification ⁽¹⁾
- The Company has over 200 clients, including Ally Bank, HMBradley, Gemini, Ramp, and Evolve Bank & Trust

Selected Financing History

Date	Size (\$ mm)	Round Type	Selected Investor(s)
10/12/21	\$100	Series C	Lightspeed Venture Partners; Canapi Ventures; Bessemer Venture Partners; Avid Ventures; Felicis Ventures
09/16/20	40	Series B	Canapi Ventures; Avid Ventures; Felicis Ventures; Bessemer Venture Partners; Primary Venture Partners; ENIAC Ventures
09/17/19	12	Series A	Bessemer Venture Partners; ENIAC Ventures; Primary Venture Partners
10/18/17	4	Seed	ENIAC Ventures; CRCM Ventures; AGO Partners

Products & Solutions Overview

Data in One Place

Alloy integrates both internal and external data sources through a singular platform, reducing the number of fraudulent accounts, false positives, manual reviews, and unnecessary document requests.



Unique Identity Profiles

With Alloy, Companies are provided an evolving view on each customer, lasting over a time period instead of just one point-in-time.



Future Proofing

Alloy's dashboard helps users understand data trends in order to help gain better results.



Customization

Alloy's API and user interface allow customers to design and edit workflows without coding.



Source: Company website, Company press release, FT Partners' Proprietary Transaction Database

(1) TechCrunch: Alloy raises \$100M at a \$1.35B valuation to help banks and fintechs fight fraud with its API-based platform

Alloy Raises \$100 million in Series C Financing

Selected Digital Identity & Authentication Landscape

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Digital Identity



ID Verification



Digital Data Attributes



Mobile Identity & Device



Digital Signature



KYC/AML



Account Access Management



Background Checks



Income / Employment Verification



Alloy Raises \$100 million in Series C Financing



Selected Fraud Management Landscape

Fraud Decisioning / Scoring (Merchant-Focused)



Fraud Decisioning / Scoring (Bank-Focused)



Biometrics & Behavioral Analytics



Fraud / Chargeback Guarantee



Chargeback Management



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Selected FT Partners' Research (click to view)



AvidXchange's \$388 million Financing



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



ContaAzul's \$30 million Series D Financing



Feedzai's Series D Financing



Gusto Raises \$175 million in Series E Financing Led by T. Rowe Price



ForgeRock Completes its IPO Raising \$275 million



Trulioo Raises \$394 million in Series D Financing



Riskified Completes its IPO

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Leading Advisor in the Fraud & Risk Sector

Largest Authentication Network in the World

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



in its sale to

VISA

for total consideration of

\$300,000,000



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Digital Identity Verification

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exclusive strategic and financial advisor to

SIGNICAT

in its sale to

NORDIC CAPITAL



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Digital Identity Verification

Financial Technology Partners LP
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on its sale to



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Alternative Data Credit Reporting

Financial Technology Partners LP
FTP Securities LLC

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

DATAx

in its sale to

EQUIFAX



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Digital Identity Verification

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

emailage
The Email Risk Score Company

on its sale to



a division of

RELX



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Alternative Data Credit Scoring

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in its sale to

TransUnion



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AI-Powered Fraud Prevention Solutions

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

feedzai
on its Series D financing led by

KKR

for a total amount of

\$200,000,000

at a valuation of

>\$1,000,000,000



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Integrated Risk Management Solutions

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THOMA BRAVO



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FT PARTNERS RESEARCH

FT Partners' Superior Industry Knowledge and Execution History



FT Partners Advises Feedzai on its Series D Financing

Overview of Transaction

- On March 24, 2021, Feedzai announced it has raised \$200 million of capital in its Series D financing at a valuation in excess of \$1 billion
- The investment was led by KRR with participation from existing investors Sapphire Ventures & Citi Ventures
- Founded in 2009 and headquartered in San Mateo, CA, Feedzai is the market leader in fighting financial crime with today's most advanced cloud-based risk management platform, powered by machine learning and artificial intelligence
 - Feedzai has one mission: to make banking and commerce safe by combining fraud prevention and anti-money laundering under one platform to manage financial crime

Significance of Transaction

- The new investment will be used to accelerate the company's global expansion, further develop its product offerings, and boost its partner strategy to strengthen its position as one of the most comprehensive financial crime prevention and risk management solutions in the market

FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Feedzai
- FT Partners previously advised Feedzai on its [\\$50 million Series C financing](#) in 2017, and its [\\$17.5 million Series B financing](#) in 2015
- This transaction highlights FT Partners' deep domain expertise in the Fraud Prevention and Risk Management sector, as well as its successful track record generating highly favorable outcomes for high-growth, unicorn FinTech companies globally

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feedzai

on its Series D financing led by

KKR

for a total amount of

\$200,000,000

at a valuation of

>\$1,000,000,000

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FT Partners Advises Emailage on its Sale to RELX

Overview of Transaction

- On February 3, 2020, RELX announced it has entered into an agreement to acquire Emailage Corp (“Emailage”), a global provider of fraud prevention and risk management solutions
 - Emailage will become a part of the Business Services group of LexisNexis Risk Solutions
- Founded in 2012 and based in the Phoenix metro area with offices across the globe, Emailage helps organizations reduce online fraud by building multi-dimensional profiles associated with customer email addresses to render predictive risk scores
- RELX (LSE:REL) is a global provider of information-based analytics and decision tools for professional and business customers, headquartered in London, United Kingdom with offices in about 40 countries

Significance of Transaction

- Emailage expands RELX’s digital identity intelligence and fraud prevention capabilities, providing customers around the world with a more comprehensive view into consumers for predictive risk assessment
- Emailage’s long-standing contributory network database will enhance the LexisNexis® Digital Identity Network®, which analyses an average of 39.9 billion transactions annually to provide organizations with actionable insight into the world’s rapidly changing threat landscape

FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Emailage
- The transaction is one of the largest in the sector and underscores FT Partners’ successful track record in generating highly favorable outcomes for Fraud & Risk Management companies worldwide

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FT Partners Advises CardinalCommerce on its Strategic Sale to Visa

Overview of Transaction

- On December 1, 2016, CardinalCommerce announced its strategic sale to Visa in one of the largest payments deals of the year
- Headquartered in Cleveland, Ohio, CardinalCommerce is a pioneer and global leader in enabling authenticated payment transactions in the card-not-present payments industry and is the largest authentication network in the world
- Founded in 1999, CardinalCommerce's products are used globally: across 6 continents (Africa, Asia, Australia, Europe, North America and South America), in more than 200 countries and used with more than 180 different currencies

Significance of Transaction

- The acquisition will help accelerate the growth of Visa's digital commerce by enabling more secure, seamless payments, through browsers, mobile apps and connected devices
- As Visa plans to integrate tokenization into Visa Checkout over the next 18 months, the addition of CardinalCommerce will allow a more seamless integration of 3-D Secure and delivery of these new fraud mitigation capabilities to merchants

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to CardinalCommerce and its Board of Directors
- This transaction demonstrates FT Partners' continued leadership position as the "advisor of choice" to the highest quality FinTech companies

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in its sale to



for total consideration of approximately

\$ 300,000,000



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FT Partners Advises Signicat on its Sale to Nordic Capital

Overview of Transaction

- On April 11, 2019, Signicat announced its sale to Nordic Capital
 - Signicat was acquired from Secure Identity Holding¹ and other shareholders
 - Viking Venture, Signicat's other major shareholder, will re-invest all proceeds and continue as a minority owner, together with employee shareholders and with Nordic Capital as the majority owner
- Headquartered in Trondheim, Norway, Signicat is a SaaS verified digital identity hub, which enables its enterprise customers to seamlessly onboard and authenticate end-users as well as sign and store their documents
 - Signicat provides a single integration point providing customers access to the widest available pool of electronic IDs (eIDs), registry lookups, and ID document scanning solutions via a single interface
- Nordic Capital is a leading private equity firm based in Sweden with offices across the Nordics and Europe, which invests in large and middle-market companies globally with a primary focus in Northern Europe and the DACH region
- Viking Venture is a Norwegian venture capital firm that invests in growth companies in the technology sector
- This transaction is comprised of both primary and secondary capital from Nordic Capital, as well as reinvestment from Viking Venture and current management

Significance of Transaction

- This transaction will enable Signicat to expand into new markets across Europe, North America and globally through hiring and establishing local offices, entering into partnerships with digital identity players, and by supporting existing customers to expand into new geographies
- This transaction will also support Signicat's development of its proprietary platform and widen its product capabilities

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Signicat
- This transaction underscores FT Partners' expertise in sell-side advisory across a broad range of SaaS-based companies in the fraud and identity management space

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⁽¹⁾ SIH is an SPV owned by Kantega's shareholders, established when Signicat spun out of Kantega through a demerger in 2007; Kantega is a Norwegian IT company providing bespoke software services

FT Partners Advises DataX on its Sale to Equifax

Overview of Transaction

- DataX has been acquired by Equifax
- Headquartered in Las Vegas, NV, DataX is one of the fastest growing alternative data credit reporting agencies, offering premier financial management solutions to businesses through a suite of advanced products focused on mitigating risk and improving profitability
- Equifax (NYSE:EFX) uses unique data, analytics and technology to help organizations and individuals make more informed business decisions
- Through the acquisition, DataX and its employees are now part of the Equifax Banking and Lending division

Significance of Transaction

- DataX's data assets complement the Equifax core credit database adding alternative credit and payment data, analytics and identity solutions on underbanked consumers to the installment loan, rent-to-own and lease-to-own markets
- The acquisition of DataX also complements other unique Equifax data assets that help provide greater depth and reach to those seeking credit

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to DataX
- This transaction highlights FT Partners' versatility and expertise across the FinTech universe and exhibits its position as the "Advisor of Choice" to the highest quality FinTech Companies

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The DataX logo features the word "DATA" in a bold, blue, sans-serif font, followed by "X" in a larger, stylized blue font with a yellow and orange swoosh graphic element.

in its sale to

The Equifax logo is the word "EQUIFAX" in a bold, red, italicized, sans-serif font.The logo for Financial Technology Partners, consisting of the words "FINANCIAL", "TECHNOLOGY", and "PARTNERS" stacked vertically in white, uppercase, sans-serif font within a dark blue rectangular box.

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FT Partners Advises IdentityMind on its Sale to Acuant

Overview of Transaction

- On March 31, 2020, Acuant announced it has acquired IdentityMind, a global provider of trusted digital identities and risk management solutions
 - In 2019, IdentityMind announced a strategic partnership with Acuant
- Founded in 2013 and based in the Palo Alto, CA, IdentityMind is a SaaS platform for online risk management and compliance automation that helps companies to reduce client onboarding fraud, transaction fraud and improve AML, sanctions screening and KYC
 - By continuously building, validating and risk scoring digital identities through its eDNA™ technology, IdentityMind ensures global business safety and compliance from customer onboarding and throughout the customer lifecycle
- Acuant provides identity verification solutions, including government-issued identity document and chip authentication and biometric facial recognition, for businesses in all industries

Significance of Transaction

- Expanding its reach across the digital identity lifecycle, Acuant will combine its award-winning Trusted Identity Platform for identity proofing and verification with IdentityMind's Digital Identity Platform for identity creation, risk scoring, transaction monitoring and regulatory compliance (KYC and AML)
- The combination results in an advanced orchestration hub that provides accurate risk decisioning, allowing businesses to move faster and deliver the best user experience across all channels

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to IdentityMind
- The transaction underscores FT Partners' successful track record in the Fraud & Risk Management space

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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 small chart titled "Silicon Valley's Most Popular Dealmakers" showing a list of names and their roles. Steve McLaughlin is at the top.

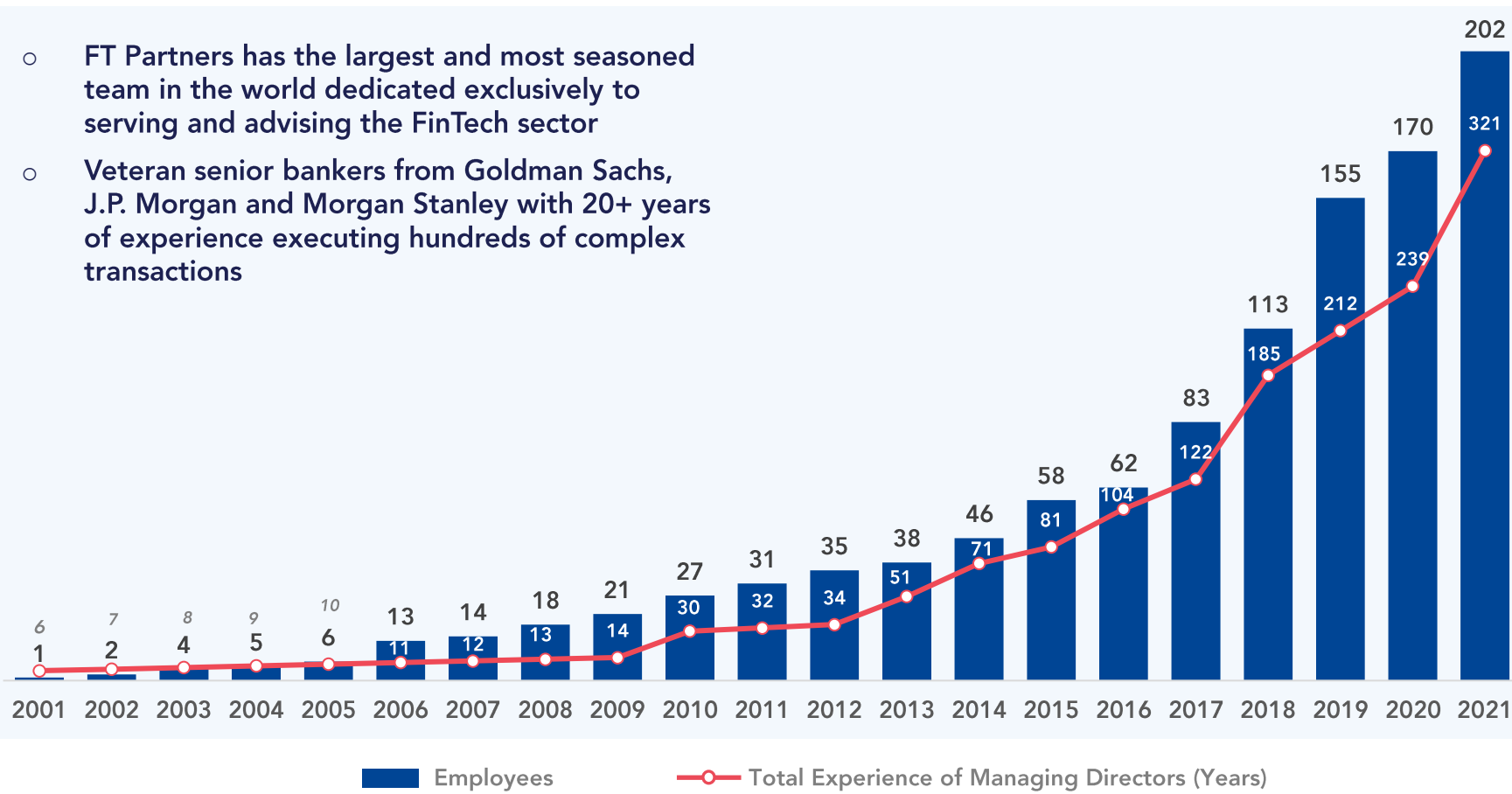
Silicon Valley's Most Popular Dealmakers		
Name	Title	Company
Steve McLaughlin	Managing Director	FT Partners
Markus Heide	Managing Director	FT Partners
Paul Rosen	Managing Director	FT Partners
Quincy Smith	Partner	FT Partners

The Information’s “Silicon Valley’s Most Popular Dealmakers”

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

The Largest FinTech Advisory Practice in the World

- FT Partners has the largest and most seasoned team in the world dedicated exclusively to serving and advising the FinTech sector
- Veteran senior bankers from Goldman Sachs, J.P. Morgan and Morgan Stanley with 20+ years of experience executing hundreds of complex transactions



Average Experience of Managing Directors (Years)



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