

FT PARTNERS FINTECH INDUSTRY RESEARCH

January 5, 2021

FINTECH CEO INTERVIEW



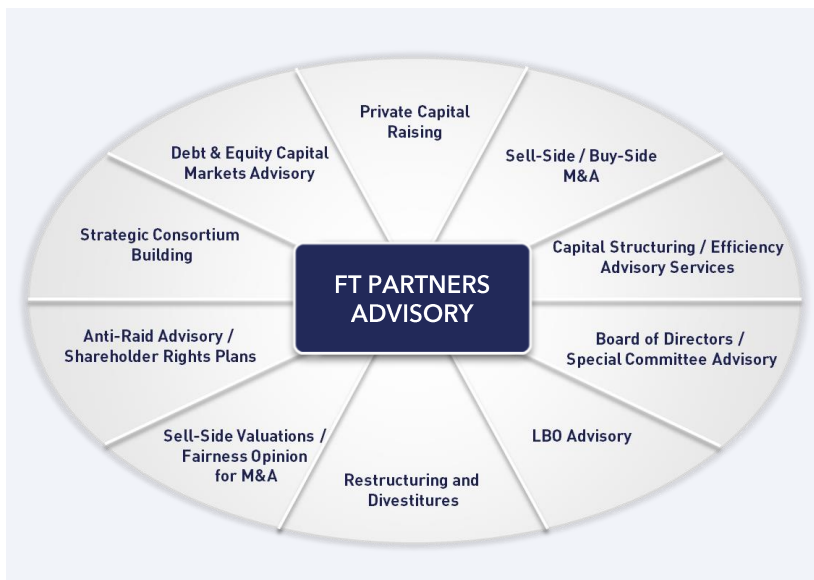
with Founder and CEO James Messer

Billing & Subscription Management Platform

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 19 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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Gotransverse Overview

Company Overview



Founder & CEO: James Messer

Headquarters: Austin, TX

Founded: 2008

- Gotransverse provides a cloud-based software that enables companies to operate as a subscription business model, accounting for challenging aspects of usage-based pricing and monetization at massive scale
- The intelligent billing and subscription management platform automates the subscription order-to-cash process, including billing, rating, collections, mediation, analytics, and revenue recognition

Management Team



James Messer
Founder & CEO



Michael Beamer
President



Geoff Coleman
COO



Stephan Pahlke
Senior VP Implementation



Paul Tindall
CTO



Sean Daniel
CFO

Select Products & Services



Usage & Rating

- Natively built within the cloud, Gotransverse Usage & Rating is engineered to accommodate limitless volumes and complex rules



Billing & Invoicing

- An intelligent billing solution for flexible, dynamic pricing and complex billing needs



Revenue Management

- Gotransverse Revenue Management provides a configurable, rules-based, accounts receivable subledger, designed for complex upstream activity



Mediation

- Gotransverse Mediation converts data by normalizing, aggregating, and transforming the data and feeding it into the rating engine, which then calculates it into a bill



Premier Access

- Gotransverse gives direct access to usage and billing data that can be used with users' preferred reporting solutions, helping users visualize and share the data that drives their business, and to merge data sets for more wholistic data analytics

Select Customers



snowflake



STARZPLAY

ethoca™

mediaocean

cardlytics

Interview with James Messer



James Messer

Founder and Chief Executive Officer

"With the simple premise of 'If you can measure it, we can monetize it,' we launched Gotransverse and now find ourselves as an industry leader."

You have extensive experience in software, telecom, and billing. Tell us a bit more about your background, and what led you to found Gotransverse?

I guess you could say I had an obscure childhood that set my path in life. I was born in very rural North Dakota, where my father worked on the Minuteman Missile Program. We played hide-and-seek with the Soviets moving multiple times a year with 300-500 families living in backwater towns in states like North and South Dakota, Montana, and Wyoming. We grew up with the ever-present danger of an impending nuclear holocaust. It was a nice change of pace to see the end of the cold war.

I began my career working in the US Senate on foreign policy and technology. After which, I moved to Budapest, Hungary, and dove into the back office of telecommunications, helping launch a global billing and customer care platform across newly privatized markets. That started a streak of working for industry-leading billing and IT companies, including CSG Systems, LHS (now Ericsson), Sema Group, and Schlumberger.

As everything started migrating to digital and subscriptions began gaining popularity, it was clear that much of the complex monetization work we'd been doing in these markets would also evolve in other high-value markets. But it would be delivered with native cloud technologies, and it would be based on subscription and usage-based pricing models. With the simple premise of "if you can measure it, we can monetize it," we launched Gotransverse and now find ourselves as an industry leader.

Digital Transformation has accelerated exponentially since we founded the Company. There are subscriptions for everything – entertainment, clothes, cars, boats, and more. Forward-thinking companies like Cloudflare, Indeed, Snowflake, and Engie are taking this to the next level with variable pricing, calculated on how customers use their services. The telecommunications monetization models I'd been working with throughout my career can now be applied across any industry.

Oddly, global communication service providers (CSPs) and the energy sector had been laggards on adopting native digital technologies, but they are now moving aggressively to the cloud for their back-office systems. On-premise billing solutions providers have attempted to move their solutions to the cloud. Still, they aren't designed to take advantage of the real benefits – the elasticity and agility of the cloud. They have to rebuild their platforms. Given the significant investment to do so, a considerable opportunity has opened up to fill that void.



Exclusive Interview – James Messer

“The Gotransverse platform enables B2B, B2C, and B2B2C companies worldwide to drive more revenue, get new offerings to market faster, and improve cash flow through a full-featured cloud-based order-to-cash billing platform designed for innovative monetization models.”

What is Gotransverse’s core value proposition, and how is the Company differentiated from other recurring billing solutions?

The Gotransverse platform enables B2B, B2C, and B2B2C companies worldwide to drive more revenue, get new offerings to market faster, and improve cash flow through a full-featured cloud-based order-to-cash billing platform designed for innovative monetization models. Just as businesses like Amazon and Tesla have changed fundamental customer expectations, companies must shift their view to different business models.

Gotransverse sits in a unique position in the recurring billing market, between the numerous basic monthly subscription billing providers and the legacy complex billing providers. Many of the existing SaaS billing vendors cannot handle complex near real-time multi-variable rating scenarios as seen in global CSPs and utilities, which is now becoming a de-facto standard by other industries (e.g., time-of-day, QoS, night/weekend/holiday, etc.). Gotransverse natively architected our platform to enable these capabilities in the cloud. What used to cost hundreds of millions of dollars to deploy can now be had for a small fraction of the cost.

With so many companies moving to subscription models across industries, what do those companies need to understand about managing the complexities of recurring billing?

1. Plan for the future. Identify today’s requirements, but also plan for what you think you could need in five years. Updating your billing solution is not just updating a product, but also the people and processes that go with it. You don’t want to update everything again as the market changes or your customers’ needs evolve. You need billing that can grow with you. Additionally, assure that your billing provider can handle complex multi-vendor/partner sales and partner settlements.
2. Agility is key. It’s not enough to rapidly launch new products. You also have to get paid for it. This process is not something you do once and then are done. It’s essential to be able to test out new models and pricing to optimize the customer experience and revenue. Be sure your billing solution is agile enough to accommodate all your pricing needs without requiring extra manual processes or subject matter experts.
3. Native cloud does not mean the same to everyone. To effectively scale quickly, you’ll need an elastic platform that can add or remove capacity on-demand, not just an on-premises solution pushed to the cloud that can’t take full advantage of it.



Exclusive Interview – James Messer

“With our monetization background in complex real-time markets, we are uniquely able to guide and support our customers to find the right solution for them.”

You serve customers across a wide swath of industries, which is unusual for billing providers as they tend to focus on single verticals or groups of similar companies. Can you provide us with some customer examples and discuss how Gotransverse is able to serve so many different industries efficiently?

Gotransverse works with market-leading customers in financial services, telecommunications, entertainment, energy, retail, consumer electronics, technology, and other markets. In each of these markets, we focus on the applications with the most innovative monetization models. With our monetization background in complex real-time markets, we are uniquely able to guide and support our customers to find the right solution for them.

For example, Mediaocean, the system of record for the advertising world, uses the Gotransverse platform for extremely complex, highly accurate usage-based billing for media placements for more than \$100 billion in advertising spend. Belong, a nationwide Australian CSP selling mobile and fixed broadband products uses the Gotransverse platform to deliver new services and more billing options to their customers. And Ethoca, a Mastercard company that provides a platform for eCommerce fraud and chargeback protection services, uses the Gotransverse platform to process its growing number of credit card transactions and for its direct, reseller, and other billing models.

For customer or industry-specific needs, we partner with companies with similar visions in select industries. As part of our partner program, we share technical information and roadmaps to better align on industry-specific needs. Examples of such partnering are our work with market leaders who share a similar vision around broader digital transformation initiatives and industry-specific work such as around 5G networks to provide an end-to-end solution.

How do you go to market? When you win a new logo, who are you typically replacing?

We typically work with two types of businesses — those replacing existing billing solutions and those adding new recurring or consumption-based offerings. Companies with old, legacy solutions find their operations too cumbersome, and they are looking for a more agile solution. Businesses adding new offerings are typically looking for our experience to innovate and find the right billing solution.

We sell direct and through our partner channel.



Exclusive Interview – James Messer

“We focus on how customers want to buy and have learned they want an ecosystem of businesses that work well together with seamless product integrations. Gotransverse has a focus on being a great partner and, as a result, has excellent partnerships.”

You’ve built an ecosystem with several integrated partners. How do you bring value to your clients through this ecosystem?

Partners, such as Accenture, Tech Mahindra, Nokia, Salesforce, Workday, and Cognizant are a critical part of our go-to-market on a global basis.

Billing is rarely done in isolation and typically requires strong partnerships for requirements analysis, handling front and back-office integrations, and changing business processes required with new business models or digital transformations. We focus on how customers want to buy and have learned they want an ecosystem of businesses that work well together with seamless product integrations. Gotransverse has a focus on being a great partner and, as a result, has excellent partnerships.

Through these strong alliances, we can expand our ecosystem to deliver even more comprehensive billing and financial systems and serve vertical markets with vertical-specific requirements to provide versatile, configurable billing solutions.

Billing is obviously tied closely to payments. What are your thoughts about entering the payments space directly yourself and whether or not you see payments companies expanding into the billing space? What about the ERP and CRM providers? Do you see any of them getting more aggressive?

We have many great payment partners that solve our customers’ needs, such as Stripe, Adyen, Worldpay, and have been at the forefront of supporting numerous global and regionalized payment models utilizing them to assure our customers have viable payment methods for their targeted geographic regions.

Billing is rapidly evolving, so it’s expected that vendors in related spaces would expand into billing. This expansion is part of why we are seeing so many basic subscription providers as vendors test out new subscription billing offerings. These basic billing solutions address the more complex, high-volume global billing needs, where we specialize. We have over 12 years of exclusively cloud-based development and customer success, so, as of today, they don’t really compete in this space.



Exclusive Interview – James Messer

“Our mission is to continue to increase our market share among top tier competitors and make agile and intelligent monetization easy to adopt, seamless to use, and worry-free for the global marketplace.”

What is your revenue model?

Gotransverse primarily generates revenue through charging subscription and usage-based fees to its customers for access to the Gotransverse platform. Gotransverse also generates revenue through its professional services for implementing and extending the Gotransverse solution.

Can you share any growth metrics with us?

It has been a record year. As a privately held company, I’m not able to share all the specifics, but as of the end of the third quarter of 2020, Gotransverse had a three-year subscription sales growth CAGR of 51%, supporting customers globally.

What is the long-term vision for the Company? What do you see as key expansion opportunities over the next 5-10 years?

Digital Transformation has created a \$172B market for agile monetization, of which Gotransverse services \$33B with a top-rated product and management team. This market and our unique offering are validated by analysts, clients, and our exceptional channel partners, including leading software companies and integrators. This market is projected to grow exponentially over the next decade. Our mission is to continue to increase our market share among top tier competitors and make agile and intelligent monetization easy to adopt, seamless to use, and worry-free for the global marketplace.

FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

Selected FT Partners' Research (click to view)



AvidXchange's \$388 million Financing



Billtrust's \$50 million Minority Financing



ContaAzul's \$30 million Series D Financing



Feedzai's Series C Financing



Paddle Raises \$68 million in Series C Financing



Tipalti Raises \$150 million in Series E Financing



Unqork Raises \$207 million in Series C Financing



South Mountain Merger Corp. Merges with Billtrust

VIEW MORE FT PARTNERS RESEARCH

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FT PARTNERS RESEARCH

FT Partners' Superior Industry Knowledge and Execution History



FT Partners Advises on Chrome River's Merger with Certify

Overview of Transaction

- On March 5, 2019, Chrome River Technologies and Certify agreed to merge in a transaction valued at over \$1 billion
 - K1 Investment Management, which owns Certify, will hold a majority stake in the combined company
 - Existing shareholders, including the companies' founders and Chrome River investor Bain Capital Ventures, will retain minority stakes
- Chrome River is a leader in expense management, providing SaaS-based automation solutions for more than 1,000 organizations worldwide
- Certify is the world's largest independent provider of travel, expense and invoice management software serving more than 10,000 companies through its family of brands

Significance of Transaction

- The merger joins Chrome River to the existing Certify family of brands, which includes Nexonia, Tallie, Abacus, and Captio
 - The multi-brand strategy enables companies of all sizes and verticals to work with a single vendor, yet craft the solution that is best suited to their specific needs
- The companies will support all existing products and collaborate on accelerating investments in technology areas such as machine learning, artificial intelligence, analytics, and reporting, to provide customers with enhanced travel, expense, and invoice management capabilities

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Bain Capital Ventures and Great Hill Partners in this transaction
- FT Partners previously advised Chrome River on its [\\$100 million Series D Financing from Great Hill Partners](#) in 2015
- This transaction underscores FT Partners' strong domain expertise and successful track record advising leading SaaS-based companies in the Financial Management Solutions space

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



in the merger of

CHROMERIVER

&

certify

valued in excess of

\$1,000,000,000

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FT Partners Advises AvidXchange on its \$388 million Growth Financing

Overview of Transaction

- On April 23, 2020, AvidXchange announced it has raised \$128 million in additional equity financing in an oversubscribed round, which brings it to a total of \$388 million, after raising \$260 million in January of this year
- Participating investors include a number of the foremost capital management firms, including new investors Neuberger Berman, on behalf of clients, Lone Pine Capital, and Schonfeld Strategic Advisors, along with existing investors
- 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 for middle market companies
 - The Company focuses on serving mid-market clients and spans multiple industries including Real Estate, Financial Services, Home Owners Associations (HOA), Healthcare Facilities / Social Services, and Construction

Significance of Transaction

- The new capital will fuel AvidXchange's continued growth and innovation, allowing the Company to invest in its solutions for both buyers and suppliers while reaching more customers in the middle market
- The transaction firmly positions the Company for its next phase of growth

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to AvidXchange
- FT Partners has been AvidXchange's advisor since 2009, working with the Company on multiple capital raises, as well as a number of acquisitions
- Transaction underscores the long-term nature of many of FT Partners' relationships, as well as our deep expertise in advising leading Financial Management Solution providers

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



*on its growth financing
with new investors*



for a total amount of

\$ 388,000,000



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FT Partners Advises Wave on its Sale to H&R Block

Overview of Transaction

- On June 11, 2019, H&R Block, Inc. (NYSE: HRB) announced that it has agreed to acquire Wave Financial Inc. for \$405 million in cash
- Headquartered in Toronto, Ontario, Wave provides award-winning accounting, invoicing, payroll, and payments software solutions, as well as bookkeeping services, built into a comprehensive platform
 - Wave has a low-cost customer acquisition model and currently serves over 400,00 monthly active global small businesses
- H&R Block is a global consumer tax services company, providing tax return preparation services through 11,000 company-owned and franchise retail tax offices worldwide as well as tax software for DIY consumers

Significance of Transaction

- This transaction will expand H&R Block's product and client portfolio as well as enhance its position in the small business space
- H&R Block estimates that the transaction will generate \$40 to \$45 million of revenue for fiscal 2020
- Following the closing of the transaction, Wave will maintain its leadership team, including Kirk Simpson, operating independently within H&R Block from its headquarters in Toronto, Ontario.

FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Wave
- FT Partners also previously advised Wave on its \$10 million [Series C financing](#)
- This transaction underscores FT Partners' expertise in sell-side advisory across a broad range of SaaS, financial management, and payments companies that target small businesses

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



on its sale to



for total consideration of approximately

\$ 405,000,000



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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

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*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 on 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

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*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 Veem on its Financing

Overview of Transaction

- On September 16, 2020, Veem announced the closing of a \$31 million capital raise, led by Truist Ventures, the corporate venture capital division of Truist Financial Corporation (NYSE: TFC) — the 6th largest commercial bank in the U.S.
 - Round participants include MUFG Innovation Partners Co. Ltd., the corporate venture arm of Mitsubishi UFG Banking Group, as well as AB Ventures, the venture arm of Arab Bank
 - Existing investors that participated in this round include GV (formerly Google Ventures), Goldman Sachs, Kleiner Perkins, Silicon Valley Bank, National Australia Bank Ventures and Trend Forward Capital
- International transfers are built on an outdated, 40-year-old system based on processes and technology that have left small businesses underserved and overcharged; with more than 225,000 customers and counting, sending and receiving money in more than 100 countries, Veem's proprietary technology combines the best of traditional systems with the flexibility and speed that blockchain technology and digital wallets can provide
- Through world-class integrations with QuickBooks, Xero and NetSuite, Veem has built a path for business owners and their accountants to collaborate and build a global network

Significance of Transaction

- This investment will go towards the development of a robust channel partner program that will widen Veem's geographic footprint; as the company focuses on its scaling efforts, Veem is also committed to further improving and expanding its product suite and capabilities

FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Veem and its Board of Directors
- This transaction underscores FT Partners' deep Payments domain expertise and successful track record of deals with cross-border and FX payments companies

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exclusive strategic and financial advisor to*



on its financing led by



with participation from



for a total amount of

\$31,000,000

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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 a list of names and their titles. The names listed are: Steve McLaughlin, Michael Bishop, Ron Winkler, Paul Rosen, and Quincy Smith. The titles listed are: Managing Director, Vice President, Vice President, Managing Director, and Partner. The chart also includes a column for "Firm" with the following entries: LendIt FinTech, LendIt FinTech, LendIt FinTech, LendIt FinTech, and LendIt FinTech.

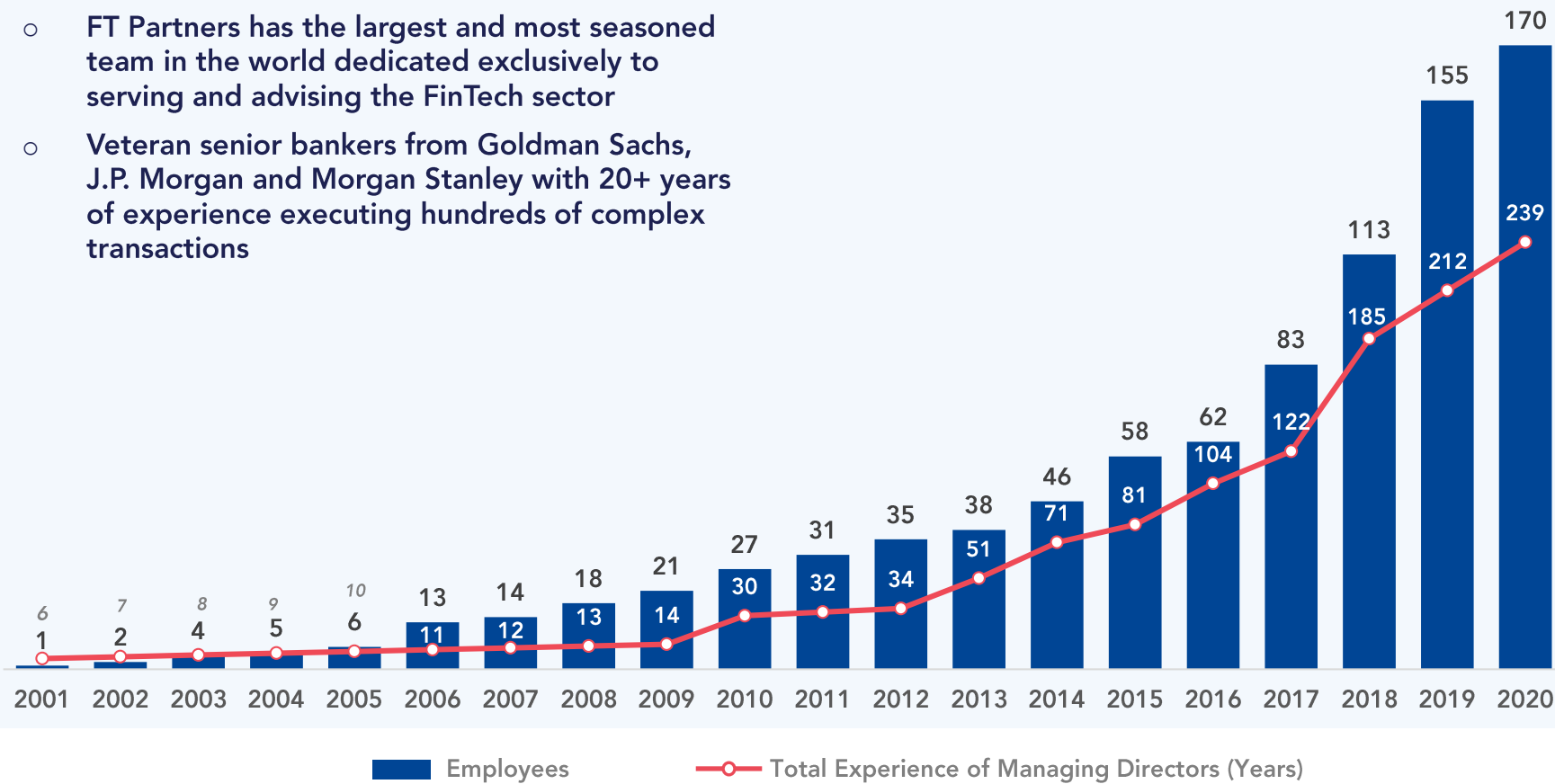
Name	Title	Firm
Steve McLaughlin	Managing Director	LendIt FinTech
Michael Bishop	Vice President	LendIt FinTech
Ron Winkler	Vice President	LendIt FinTech
Paul Rosen	Managing Director	LendIt FinTech
Quincy Smith	Partner	LendIt FinTech

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)

