

December 22, 2015

Financial Technology Partners

FT Partners Research – Transaction Profile



secures

\$80,000,000

in financing from



Courtesy of:



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

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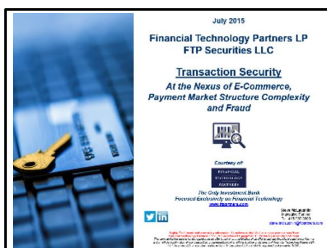
Kount Secures \$80 mm in Financing

Transaction Overview

Transaction Overview and Rationale



Kount was recently featured in FT Partners' In-depth research report: Transaction Security – At the Nexus of E-Commerce, Payment Market Structure Complexity and Fraud



(click to view)

- On December 16, 2015, Kount announced that it secured \$80 million in growth equity from CVC Growth Fund at an undisclosed valuation
 - CVC Growth Fund's investment in Kount represents the fund's second investment of 2015 (its first being Wireless Logic in February)
 - CVC expects the payments fraud and security industry to expand from \$9 billion to more than \$21 billion in 2019 ⁽¹⁾
- Kount's investment from CVC Growth Fund represents its only round of outside investment
- The Kount deal is the "largest in recent memory in Idaho" and ranks among the largest private equity investments ever in an Idaho company ⁽¹⁾
- The investment will enable Kount to accelerate product innovation, expand its global footprint and enhance customer support services ⁽²⁾

Commentary

"Online merchants face greater fraud challenges than ever before. CVC's funding and strategic guidance will provide Kount with significant resources to continue investing in our industry-leading fraud prevention solutions and to deliver the tools our customers need to combat fraud every day. We're excited to partner with CVC in our next stage of growth as we continue to develop the industry's most effective and efficient online fraud prevention solution."

- **Brad Wiskirchen, CEO at Kount**

"The payments fraud and security industry is one that we have been actively targeting for a while, and we identified Kount as the obvious industry leader. Kount's long track record of success in a rapidly expanding market will become even more critical to merchants and payment processors as mobile and internet commerce grows."

- **Jason Glass, Managing Director at CVC Growth Partners**

"This investment is perfectly aligned with CVC Growth Partners' strategy of partnering with uniquely positioned technology companies in large, growing markets... We are very pleased to work alongside Brad and his team to build on Kount's success to date."

- **John Clark, Managing Partners at Kount**



Kount Secures \$80 mm in Financing

Kount Overview

Kount Overview















CEO: Bradley Wiskirchen

Headquarters: Boise, ID

Founded: 2007

- Kount provides fraud and risk management solutions, detecting and preventing e-commerce credit card fraud for card-not-present merchants; founded in 2007
- Offers a turnkey fraud solution for merchants and retailers through Kount Complete, which analyzes user and transaction data to develop a fraud score for decisioning, and Kount SMB, an enterprise solution available through a network of payment providers and gateway service providers
- Active across multiple verticals, including retail, gaming and telecommunications
- In March 2015, the Company announced a strategic partnership with Ethoca to help e-commerce merchants increase their overall acceptance levels
- Integrated partners include Chase Paymentech, LexisNexis, Planet Payment and Magento

Selected Verticals

 Affiliates	<ul style="list-style-type: none"> Eliminates the risk associated with affiliate network channels whether your strategy is pay-per-sale, pay-per-lead or pay-per-download
 B2B	<ul style="list-style-type: none"> Kount has proven effective for B2B organizations by saving money, time, resources and losses due to fraud
 Digital Good Retailers	<ul style="list-style-type: none"> Easy rule customization and implementation Mobile device detection & mobile SDK for custom development
 Gift Cards	<ul style="list-style-type: none"> Kount protects retailers and gift card distributors from stolen or compromised gift cards from being used or purchased
 Health & Beauty	<ul style="list-style-type: none"> Provides real-time monitoring of transactions to detect organized fraud
 Luxury Retailers	<ul style="list-style-type: none"> Offers a quick response that doesn't slow the checkout process Accurate results minimizes false positives
 Multi-Channel Retailers	<ul style="list-style-type: none"> Provides real-time fraud detections Device attributes for fingerprinting smartphones, mobile, PCs and more
 Online Games	<ul style="list-style-type: none"> Offers online game companies unique features that make it easy to accept more new customers and control fraud losses
 Online Retailers	<ul style="list-style-type: none"> Single platform interface for ease of implementation and ease of use
 Travel	<ul style="list-style-type: none"> Provides a 300ms response time for friction free checkout
 Telco	<ul style="list-style-type: none"> Kount's mobile SDK provides features that make it easy to accept more new customers, control fraud losses and maintain friction free checkout
 Insurance	<ul style="list-style-type: none"> Insurers can leverage simple, cost-effective tools that flag fraudulent activity in real-time



Kount Secures \$80 mm in Financing

Kount Product Overview



Online Businesses

- Kount Complete is a comprehensive, all-in-one fraud solution that provides:

- Superior mobile fraud detection
- Smart, multi-layer device fingerprinting
- Transaction and custom scoring
- Business intelligence reporting
- Advanced artificial intelligence
- IP proxy detection and geo-location
- Global order linking
- Comprehensive order management

- Kount delivers fast, accurate decisions in just a fraction of a second



Online Payment Processors & Gateways

- Kount Central provides a comprehensive fraud prevention suite for online payment processors, payment gateways, hosted payment pages and e-commerce platforms to offer their merchants

- Gives processors insight into critical backend underwriting when reviewing new merchant account applications and ongoing review of entire merchant portfolio

- New revenue opportunities and added value for top merchants
- Expert technical support in setting customized rules and strategy
- No additional IT integration necessary
- Provide a branded and customized dashboard interface for simple interaction by the merchant



High Volume Login, Account Creation

- Kount Access provides fraud solutions for merchants that experience high-volume login and account creation and use affiliate networks:

Account Takeover Fraud

Identify fraudsters at the login page so they can't access the account

Brute Force Attacks

Stop automated login attempts whether initiated by a person or a machine

Multiple Account Detection

Restrain fraudsters from creating multiple accounts to gain or regain access to your network

Fraudulent Account Creation




Prevent fraudsters from creating a new account or applying for services

Account Sharing Detection

Prevent password sharing while complying with licensing obligations

Kount Secures \$80 mm in Financing

CVC Capital Growth Overview

Selected Contact(s)		Investment Preferences	Select Recent Investments / Exits				
 John Clark <i>Managing Partner & CEO</i>	 Jason Glass <i>Managing Director</i>	Investment Criteria	FinTech / Financial Services Investments ²				
		Fund Size: \$1,000mm Fund Raised: 2014 Investment Range: \$50–200mm Revenue: NA EBITDA: NA	Date	Company	Deal Amt. ³	Board Rep.	Sector
 Aaron Dupuis <i>Managing Director</i>			12/15	Kount (<i>PE Growth</i>)	\$80	NA	Pymts
Location(s)	General Preferences ¹		Other Notable Technology Investments ²				
<ul style="list-style-type: none"> New York, NY 	Control: Minority, Majority Geography: U.S., Europe Transaction Type: Growth, Buyout, Recapitalizations Industry Focus: Technology, FinTech		Date	Company	Deal Amt. ³	Board Rep.	Sector
About <ul style="list-style-type: none"> Founded in 2014 as a dedicated growth fund of CVC Capital Partners Participates in middle-market growth and buyout transactions that are traditionally too small for CVC Capital Partners Looking to invest in late-stage, high-growth technology companies with recurring revenue that are nearing breakeven cash flow Prefers to take a significant minority ownership in portfolio companies (~40%) to partner with management 			02/15	Wireless Logic	NA	NA	NA

Overview of FT Partners

Selected FT Partners Proprietary Research Reports



Research Report: Transaction Security



Research Report: PayPal Spin-off Overview



Research Report: Global Money Transfer



Research Report: Apple Unveils Apple Pay



Square Completes its IPO



First Data: Post Quiet Period Review



Worldpay Files for its IPO



Shopify: Post Quiet Period Review

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 13 years of exclusive focus on Financial Technology. Please visit our [subscription form](#) to subscribe to our exclusive monthly newsletter and receive our research reports.

Overview of FT Partners

FT Partners is the Leader in Financial Technology Investment Banking

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

Heartland

in its cash sale to

globalpayments

for total consideration of

\$ 4,300,000,000

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

MERCURY[®]

in its approximately 60% majority sale to

SILVERLAKE

for aggregate consideration of approx.

\$ 900,000,000

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

Currencies Direct

in its sale to

Palamon

Capital Partners
CORSAIR CAPITAL

for a total consideration of

\$310,000,000+

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

KUBRA

in its 80% majority sale to

HEARST corporation

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

YAPSTONE[™]

POWERING PAYMENTS

in its debt financing by

BregalSagemount **Comerica Bank**

totaling approximately

\$ 60,000,000

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

MERCURY[®]

in its cash sale to

vantiv[™]

for total consideration of approximately

\$1,650,000,000

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Financial Technology Partners LP
FTP Securities LLC
is pleased to announce its exclusive role as advisor to

CIBC

in its strategic investment in

Delta

with additional participation from

Mediacore **Bain Capital Ventures** **Alkermes**

\$70,000,000

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Financial Technology Partners LP
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is pleased to announce its exclusive role as
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VERUS

in its sale to

sage

for cash consideration of approximately

\$ 325,000,000

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

CentralPayment[®]

in its Strategic Investment by

TSYS[®]

\$ 100,000,000+

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Financial Technology Partners LP
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is pleased to announce its exclusive role as
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FLEET ONE

in its cash sale to

wex

for total consideration of approximately

\$ 369,000,000

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

nmi

in its growth investment by

BregalSagemount

for a total valuation of nearly

\$ 200,000,000

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is pleased to announce its exclusive role as
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century PAYMENTS

in its sale to

WorldPay

a portfolio company of

Advent International **BainCapital**

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

TRANSFIRST

in its cash sale to

Vista Equity Partners

from

WCAS

\$1,500,000,000

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OZFOREX

FOREIGN EXCHANGE SERVICES

in its

Initial Public Offering

valuing the equity at approximately

A\$480,000,000

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is pleased to announce its exclusive role as
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cardsPRING

in its sale to

twitter

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

VeriFone

THE WAY TO PAY[™]

in its

\$177,000,000

Initial Public Offering

valuing the equity at approximately

\$ 650,000,000

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is pleased to announce its exclusive role as
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PROPAY[™]

in its sale to

TSYS[®]

\$ 100,000,000+

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

Lynk

in its sale to

The Royal Bank of Scotland

for cash consideration of approximately

\$ 525,000,000

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Overview of FT Partners

FT Partners Advises Heartland Payment Systems on its \$4,300,000,000 Sale

Transaction Overview and Rationale

- FT Partners served as strategic and financial advisor to Heartland Payment Systems (NYSE: HPY) in its landmark \$4.3 billion sale to Global Payments (NYSE: GPN) for a combination of cash and stock
- Global Payments will acquire Heartland for \$100 per share, representing a total transaction value of approximately \$4.3 billion
- Consideration for the transaction will consist of 0.6687 shares of Global Payments stock and \$53.28 for each share of Heartland stock at closing
- This transaction creates the leading global provider of integrated payments technology solutions
- This deal represents the largest U.S. strategic merchant acquiring acquisition in over a decade
- Also represents the single largest U.S. strategic payment processing deal in the last 8 years
- This transaction underscores FT Partners' continued leadership position as "advisor of choice" to the highest-quality companies in the FinTech space

Financial Technology Partners LP FTP Securities LLC

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

Heartland

in its sale to



for total consideration of

\$ 4,300,000,000

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Overview of FT Partners

FT Partners Advises BillGuard on its Sale to Prosper Marketplace

Transaction Overview and Rationale

Overview of Transaction

- On September 24, 2015 BillGuard (the “Company”) announced its sale to Prosper Marketplace
- Headquartered in New York, BillGuard is a leading personal finance analytics company that offers award-winning mobile consumer apps to manage, protect and do more with money and credit; to date, BillGuard has flagged over \$70 million in unauthorized charges for its mobile users
- Prosper Marketplace operates a leading online marketplace for consumer credit that connects borrowers with investors
- The transaction is expected to close by the end of calendar year 2015 and is subject to applicable regulatory approvals and other conditions

Significance of Transaction

- Enables Prosper Marketplace to offer consumers a comprehensive financial management package, which will help them make smarter financial decisions
- BillGuard’s world-class technology team will accelerate Prosper Marketplace’s product development while providing ongoing access to the strong engineering and product talent pool in Israel

FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to BillGuard and its Board of Directors
- Developed extensive marketing materials and data analyses to highlight the unique aspects of the business, and led all aspects of transaction execution
- Transaction highlights FT Partners’ continued success advising leading financial technology companies and generating highly successful outcomes across the sector

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

BILLGUARD

in its sale to

PROSPER[®]

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Overview of FT Partners

FT Partners Advises Feedzai on its \$17.5 million in Series B Financing

Transaction Overview and Rationale

Overview of Transaction

- On May 19, 2015, Feedzai announced the completion of its \$17.5 mm Series B round from Oak HC/FT, Sapphire Ventures and Espirito Ventures
- Feedzai uses machine learning and big data science to provide enterprise software for fraud and risk management
- Oak HC/FT's General Partner, Patricia Kemp, and Venture Partner, Jonathan Weiner, will join the Company's Board of Directors

Significance of Transaction

- The financing will be used to expand sales and engineering teams to help meet customer demands for the software
- This investment strengthens Feedzai's position in the fraud-prevention vertical, allowing the Company to develop new solutions for the world's largest payment providers, banks and retailers

FT Partners' Role

- FT Partners served as exclusive financial advisor to Feedzai and its Board of Directors
- The transaction demonstrates FT Partners' continued leadership in serving top-tier Financial Technology companies by assisting them in achieving their long-term strategic and capital raising goals

Financial Technology Partners LP FTP Securities LLC

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

feedzai

in its Series B financing from

OAK
HC/FT  **ESPIRITO SANTO**
Ventures **SAPPHIRE**
VENTURES

for approximately

\$ 17,500,000

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Overview of FT Partners

Award-Winning Investment Banking Franchise Focused on Financial Technology

FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition



M&A Advisor Awards

Institutional Investor
Institutional Investor Annual Ranking





Middle Market Financing Awards

- | | |
|-----------|--|
| 2015 | <ul style="list-style-type: none"> ■ Dealmaker of the Year ■ Technology Deal of the Year |
| 2014 | <ul style="list-style-type: none"> ■ Equity Financing Deal of the Year ■ Professional Services Deal of the Year, Above \$100mm |
| 2012 | <ul style="list-style-type: none"> ■ Dealmaker of the Year ■ Professional Services Deal of the Year, Above \$100 mm |
| 2011 | <ul style="list-style-type: none"> ■ Boutique Investment Bank of the Year ■ Deal of the Decade ■ <i>10 Deal of the Year Nominations Across 9 Categories</i> |
| 2010 | <ul style="list-style-type: none"> ■ Upper Middle Market Deal of the Year, Above \$500 mm ■ IT Services Deal of the Year, Below \$500mm ■ Cross-Border Deal of the Year, Below \$500mm |
| 2007 | <ul style="list-style-type: none"> ■ Dealmaker of the Year – Steve McLaughlin ■ Business to Business Services Deal of the Year ■ Computer and Information Technology Deal of the Year, Above \$100mm ■ Financial Services Deal of the Year, Above \$100mm |
| 2015 | <ul style="list-style-type: none"> ■ Steve McLaughlin ranked #4 in Institutional Investor's FinTech 35 List |
| 2006-2008 | <ul style="list-style-type: none"> ■ Consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology |
| 2008 | <ul style="list-style-type: none"> ■ Equity Financing Dealmaker of the Year – Steve McLaughlin ■ Information Technology Deal of the Year ■ Financial Services Deal of the Year |
| 2006 | <ul style="list-style-type: none"> ■ Financing Professional of the Year – Steve McLaughlin ■ <i>Financing Deal of the Year - Equity</i> ■ <i>Financing Deal of the Year - Debt</i> |

Note: Awards won highlighted in **bold**, italics denote categories where Financial Technology Partners was a finalist.

Overview of FT Partners

The FT Partners Senior Banking Team

Name / Position	Prior Background	Experience / Education	Years of Experience
Steve McLaughlin <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. 	20
Larry Furlong <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York, London and Los Angeles beginning in 1995 Wharton M.B.A. 	20
Greg Smith <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Sterne Agee Recent coverage included V, MA, DFS, FISV, FIS, JKHY, DST, ENV, GPN & HPY among others 	19
Tim Wolfe <i>Managing Director</i>		<ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. 	13
Andrew McLaughlin <i>Managing Director, Research & Business Development</i>		<ul style="list-style-type: none"> Leads FT Partners' Research and Business Development Team Formerly with Deloitte Consulting 	9