

August 6, 2015

# Financial Technology Partners

## FT Partners Research – Transaction Profile



*raises*

**\$55,400,000**

*led by*

Montreux  
EQUITY PARTNERS

*Courtesy of:*

FINANCIAL  
TECHNOLOGY  
PARTNERS

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

[www.ftpartners.com](http://www.ftpartners.com)



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# Kareo Raises \$55 mm in Financing

## Transaction Summary



### Transaction Summary

- On July 28, 2015, Kareo secured \$55.4 mm in a fully subscribed funding round led by Montreux Equity Partners with participation from Silver Lake Waterman and all existing investors:
  - Silicon Valley Bank, Greenspring Associates, Openview Venture Partners, Stripes Group & Western Technology Investment
- The funding will support further development of Kareo's product line, as well as expand the Company's market access
- Michael Matly, Managing Director at Montreux Equity Partners, will join Kareo's Board of Directors and will provide consulting and advice around the Company's market strategy

**Dan Rodrigues**  
Founder & CEO  
Kareo



*"With this new investment from Montreux, Silver Lake Waterman and our current investors, we'll be able to accelerate the development of our comprehensive, cloud-based, medical office management platform for independent practices. Concurrently, we will further expand our market reach, helping even greater numbers of physicians meet their care delivery and practice growth objectives."*

**Michael Matly**  
Managing Director  
Montreux Equity Partners



*"We are very excited to invest in Kareo, a company dedicated to helping physicians deliver outstanding patient care without getting bogged down by administrative tasks and external mandates. Independent practices are the foundation of the US healthcare system, but they have been underserved by technology, often facing the choice of forgoing technology or deploying expensive and cumbersome enterprise solutions. Kareo is changing this."*

### Kareo Previous Financings

Date	Size (\$ mm)	Key Investors
01/21/14	\$29.5	svb, GREENSPRING ASSOCIATES, Silicon Valley Bank, CLARK ENTERPRISES, INC., openview®
01/22/13	20.5	STRIPE GROUP, WTI
10/06/11	10.0	GREENSPRING ASSOCIATES, openview®, WTI
09/13/10	9.5	openview®
05/17/06	2.5	On Demand Venture Fund, MINOR VENTURES®
04/25/15	2.0	On Demand Venture Fund, MINOR VENTURES®

### Kareo Previous Acquisitions

Date	Size (\$ mm)	Target
03/10/15	na	Acquired: DoctorBase® A Kareo Company
07/23/13	na	Acquired: eccoHEALTH

Source: Company press release, Cap IQ, Pitchbook.



# Kareo Raises \$55 mm in Financing

## Kareo Overview

Used by:



Doctors



Practice Managers



Billers



Billing Companies

In November 2014, Kareo ranked 114 overall in Deloitte's Technology Fast 500™ – Kareo grew 1,040% during the five year ranking period ('09 – '13) <sup>(1)</sup>

FINANCIAL  
TECHNOLOGY  
PARTNERS

### Kareo Overview



**Founder & CEO:** Dan Rodrigues  
**Headquarters:** Irvine, CA  
**Founded:** 2004

***Kareo provides web-based software solutions for patient engagement, scheduling, electronic health records practice management and medical billing***

- Specifically created with small practices in mind
- Kareo offers its EHR software for free, while its other solutions come separately or in a package deal
- Kareo is one of the nation's fastest growing companies with a **368%** revenue increase over the past three years
- Now serves **30,000+** providers caring for **40 million** patients and processes over **\$1 bn** in medical claims monthly
- Kareo currently has **500** employees and has had **300%** employee growth since 2011
- The Company has won more than **30** awards, including being named leading vendor for integrated health records, practice management and physician billing solutions by Black Book three years in a row
- Kareo has **3** office locations and has raised more than **\$75** mm in capital since founding

### Product Overview



#### EHR

- Free cloud-based electronic health records software
- Dashboard
- Charting
- ePrescribing
- eLabs
- Electronic Superbills
- Integrated patient portal



#### Practice Management

- Patient scheduling & reminders
- Patient Receivables' billing and collection tools
- Reports, graphs and metrics
- Secure messaging
- Insurance eligibility
- ICD-10 ready



#### Medical Billing

- Revenue Cycle Performance
- Billing
- End-to-end claims management
- Complete patient collections



#### DoctorBase

- Practice Marketing & Patient Engagement
- Online appointment scheduling
- Post-visit surveys

Source: Company website, company press release.

(1) BusinessWire "Kareo Ranked Number 114 Fastest Growing Company in North America on Deloitte's 2014 Technology Fast 500™."

# Kareo Raises \$55 mm in Financing

## Montreux Equity Partners Overview

### Company



Daniel Turner  
Managing Director

Howard Palefsky    Managing Director  
Jessica Hou    Principal  
Michael Matly    Principal



John Savarese  
Managing Director

### Location

- San Francisco, CA

### About

- Founded in 1993, Montreux Equity Partners is a private equity firm focused on investing in healthcare companies
- Montreux Equity Partners invests in high growth commercial stage companies with market leading products, technologies or services
- Has \$430 mm in assets under management
- Montreux seeks to lead or actively invest in syndicates with experienced and like-minded investors

### Investment Preferences

#### Investment Criteria

Fund Size: \$250 mm  
Fund Raised: 2008  
Equity Range: \$10 – 20 mm  
Revenue: \$5 – 50 mm  
EBITDA: na

#### General Preferences

Control: Minority, Majority  
Geography: U.S.  
Transaction Type: Venture, Growth  
Industry Focus: Healthcare, Healthcare Equipment and Supplies, Pharmaceuticals, Biotechnology, Life Sciences

### Select Investments / Exits

#### Investments

Date	Company	Amount (mm)
07/28/15	Kareo	\$55
05/26/15	SI-BONE	21
09/16/14	Colorscience	15
04/03/14	Pure Life Renal	20
03/18/14	Tobira Therapeutics	8
02/20/14	GC Aesthetics	60
02/20/14	Mindbody	50
05/30/13	Colorscience	25

#### Exits

Date	Company	Amount (mm)
06/26/15	Glaukos (IPO)	\$140
06/22/15	Mindbody (IPO)	100
08/15/14	Questcor Pharmaceuticals (Mallinckrodt)	5,800
03/12/14	Pivot Medical (Stryker Corporation)	na
03/06/13	Somaxon Pharmaceuticals (Pernix Therapeutics)	23

# Kareo Raises \$55 mm in Financing

## SilverLake Overview

### Company

#### SILVERLAKE



Glenn Hutchins  
*Co-Founder, Co-CEO*

Mike Bingle Managing Director

Simon Patterson Managing Director

Joe Osnoss Managing Director



Sean O'Neill  
*Managing Director & Co-Head*

Sean Delehanty Director

Jonathan Durham Principal

### Location(s)

- Menlo Park, CA (HQ)
- New York, NY
- London, UK
- Shanghai, China
- San Mateo, CA
- Cupertino, CA
- Hong Kong, China
- Tokyo, Japan

### About

- Founded in 1999
- \$23 bn in combined assets under management and a global team of 110 investment professionals
- Main areas of focus are semiconductors, cloud computing, and IT infrastructure to tech-enabled financial markets, transaction processing, mobile communications, and e-commerce
- Silver Lake Waterman provides late-stage pre-IPO growth capital via its Growth Debt product

### Investment Preferences

#### Investment Criteria

Fund Size: \$10,300 mm (SLP IV)  
\$250 mm (Waterman)

Fund Raised: 2012 (SLP IV)  
2013 (Waterman)

Equity Range: \$50 – 500 mm

Revenue: na

EBITDA: na

#### General Preferences

Control: Minority or Majority

Geography: North America,  
Europe, Asia / Pac

Transaction Type: Growth, Buyout,  
MBO/LBO,  
Recapitalizations,  
IPO, PIPE,  
Secondary

Industry Focus: Broad Technology  
including FinTech,  
Business Services,  
Payments, Insurance

### Select Investments / Exits

#### Investments

Date	Company	Amount (mm)
06/01/15	Qunar.com	\$500
05/29/15	Imagitas	310
05/18/15	Professional Bull Riders	100
03/25/15	Fielding Systems	na
04/29/14	Tealium	20
01/30/14	Blackline Systems	220
10/30/13	SymphonyCare	na
10/16/13	Eka Software Solutions	10
08/20/13	Locu	70
05/24/13	Global Blue	1,284

#### Exits

Date	Company	Amount (mm)
06/04/15	SunGard Data Systems (IPO) <sup>(1)</sup>	\$750
04/15/15	Virtu Financial (IPO)	314
03/31/15	The Go Daddy Group (IPO)	410
02/09/15	IPC Systems (Centerbridge Partners)	1,200
11/04/11	Groupon (IPO)	700
05/10/11	Skype (Microsoft)	8,500
10/07/07	Business Objects (SAP)	6,829

# Kareo Raises \$55 mm in Financing

## Greenspring Associates Overview

### Company

#### GREENSPRING ASSOCIATES

Trusted Relationships. Better Outcomes.



Ashton Newhall  
Managing General  
Partner

John Avirett Partner  
Deric Emry Venture Partner  
Todd Rupert Venture Partner  
Hunter Somerville Principal  
Adair Newhall Principal  
John Wuestling Vice President



Jim Lin  
Managing General  
Partner

### Location(s)

- Owing Mills, MD (HQ)
- Palo Alto, CA

### About

- Founded in 2000, Greenspring Associates manages approximately \$3.5 bn in capital
- Uses inbound and outbound sourcing strategies
- Typically is lead investor in portfolio companies
- Flexible investment size and structure

### Investment Preferences

#### Investment Criteria

Fund Size: \$399 mm  
Fund Raised: 2014  
Equity Range: \$5 – 10 mm  
Revenue: na  
EBITDA: na

#### General Preferences

Control: Minority  
Geography: U.S., Europe, India, China  
Transaction Type: Venture, Growth  
Industry Focus: Information Technology, Healthcare, Communications

### Select Recent Investments / Exits

#### Investments

Date	Company	Amount (mm)
07/28/15	Kareo	\$55
07/15/15	Demandbase	30
06/18/15	Namely	45
03/05/15	Namely	11
11/04/14	Gigya	35
02/04/14	Workfront	38
01/21/14	Kareo	30
10/06/11	Kareo	10
01/05/11	Turn	20

#### Exits

Date	Company	Amount (mm)
07/01/15	Teladoc (IPO)	\$157
04/15/15	Medialets (WPP)	na
09/03/14	Grubhub (Follow-On Offering)	421
11/15/13	Zulily (IPO)	253
06/25/13	ExactTarget (Salesforce)	2,570
05/23/13	ChannelAdvisor (IPO)	81

# Kareo Raises \$55 mm in Financing

## Openview Partners Overview

### Company



Scott Maxwell  
Founder,  
Managing Partner

Daniel Demmer Managing Partner

Blake Bartlett Partner

Ricky Pelletier Partner



Adam Marcus  
Managing Partner

Mackey Craven Partner

Brandon Deer Associate

### Location(s)

- Boston, MA

### About

- Openview Venture Partners, founded in 2006, manages \$700 mm in assets
- Seeks high growth (100%+) expansion-stage B2B SaaS companies around the world that are focused on North American customer markets
- Likes companies that have achieved market fit and have a commercially-proven product with a solid base of customers
- Specifically interested in financial management solutions businesses
- Operates OpenView Labs, an internal consulting group dedicated to its portfolio companies to help with recruiting and operations

### Investment Preferences

#### Investment Criteria

Fund Size:	\$250 mm
Fund Raised:	2014
Equity Range:	\$5 – 20 mm
Revenue:	\$1 – 15 mm
EBITDA:	na

#### General Preferences

Control:	Minority
Geography:	Global
Transaction Type:	Venture, Growth
Industry Focus:	B2B Software

### Select Recent Investments / Exits

#### Investments

Date	Company	Amount (mm)
07/28/15	Kareo	\$55
07/15/15	View the Space	21
03/31/15	Expensify	18
01/21/14	Kareo	30
12/04/13	Monetate	8
09/10/13	NextDocs	14
06/10/13	Instantly	15
06/26/13	Socrata	18
10/31/12	WorkFront	17
06/15/12	Monetate	2

#### Exits

Date	Company	Amount (mm)
10/16/14	Central Desktop (Premiere Global Services)	na
01/23/14	Zmags (The Gores Group)	na
06/25/13	ExactTarget (Salesforce.com)	\$2,520
04/18/13	Mashery (Intel)	180
12/08/10	Loyalty Lab (Tibco Software)	23
03/31/08	PlateSpin (Novell)	205

# Kareo Raises \$55 mm in Financing

## Stripes Group Overview

### Company



**Ken Fox**  
*Founder & Managing Partner*

Ron Doornik Operating Partner

Patrick Keane Operating Partner

David Swinghammer Operating Partner

Jason Santiago Vice President



**Dan Marriott**  
*Managing Partner*

Ron Shah Vice President

Karen Kenworthy Vice President

### Location(s)

- New York, NY

### About

- Founded in 2003 by Ken Fox
- Aggressively invests in SaaS business models, often using revenue multiple valuations and SaaS companies comprising with over 50% of the current portfolio
- Typically invests in founder-backed enterprises or companies with little prior institutional funding
- Particular focus on businesses with 20%+ annual growth
- Has historically taken significant minority positions in growth investments, but retains the ability to employ leverage for buyouts
- Provides operational support for portfolio companies actively helping to build company networks, recruit talent and offer M&A strategy

### Investment Preferences

#### Investment Criteria

Fund Size: \$500 mm

Fund Raised: 2014

Equity Range: \$10-100 mm

Revenue: \$15 mm+

EBITDA: < \$20 mm

#### General Preferences

Control: Minority, Majority

Geography: U.S., Western Europe

Transaction Type: Growth, Buyout, Recapitalizations, Divestitures

Industry Focus: Software, SaaS, Healthcare IT, Consumer Internet

### Select Investments / Exits

#### Investments

Date	Company	Amount (mm)
07/28/15	Kareo	\$55
06/19/15	GoFundMe	na
11/13/14	Sympoz	51
08/19/14	Elance-oDesk	30
10/16/13	Refinery29	20
01/22/13	Kareo	21
10/17/12	Netbiscuits	27
01/10/12	eMarketer	25
03/25/10	Sandata Technologies	na

#### Exits

Date	Company	Amount (mm)
12/12/14	SilverSky (BAE Systems)	\$232
09/03/14	GrubHub (Follow-On Offering)	421
08/09/13	Seamless (GrubHub)	na
06/11/13	MyWebGrocer (Huntsman Gay)	na





# Kareo Raises \$55 mm in Financing

## WTI Overview

### Company

# WTI



Maurice Werdegar  
CEO & Investment  
Partner



Patrick Lee  
Investment Partner

Jay Cohan	Investment Partner
David Wanek	Investment Partner
Dave Gravano	Investment Partner
Rudy Ruano	Investment Partner
Hagi Schwartz	Venture Partner
Jon Beizer	Venture Partner

### Location(s)

- Portola Valley, CA

### About

- Founded in 1980 and has invested over \$3 bn in total capital across 7 funds
- Typically provides venture debt funding for early-stage companies and occasionally publicly-traded entities, but selectively offers equity in conjunction with debt financing
- Has invested in some of the most recognizable businesses in the world, including Facebook and Google
- Often provides capital to be used for tuck-in acquisitions, equipment purchases and additional growth
- Specific verticals of interest include software, security, internet, wireless and technology services

### Investment Preferences

#### Investment Criteria

Fund Size:	\$375 mm
Fund Raised:	2013
Investment Range:	\$0.25 – 30 mm
Revenue:	na
EBITDA:	na

#### General Preferences

Control:	Minority
Geography:	U.S.
Transaction Type:	Venture, Venture Debt
Industry Focus:	Technology, Life Sciences

### Select Recent Investments / Exits

#### Investments

Date	Company	Amount (mm)
07/28/15	Kareo	\$55
03/16/15	FLYR	6
10/02/14	Stratos	6
06/24/13	Able	5
04/29/13	Tango Card	4
01/22/13	Kareo	21
06/14/12	The Climate Corporation	50
12/13/11	Kabbage	12
10/06/11	Kareo	10

#### Exits

Date	Company	Amount (mm)
07/23/15	Quantia (Physicians Interactive)	na
06/26/15	Xactly (IPO)	\$56
05/11/15	WiSpry (AAC Technologies)	na
03/12/15	TheFind (Facebook)	na
06/30/14	Plastic Jungle (CardCash)	na
04/28/14	JasperSoft (Tibco Software)	185

# Overview of FT Partners

## FT Partners is the Leader in Financial Technology Investment Banking

**FT Partners has advised on some of the most prominent transactions in the Healthcare and Insurance IT sectors**

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as  
Capital Markets & IPO Advisor to

 **ACCRETIVE HEALTH**  
results providers trust

in its

**\$138,000,000**

**Initial Public Offering**

valuing the equity at approximately

**\$ 1,200,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

- Offers end-to-end Revenue Cycle Management, Quality and Care Coordination and Physician Advisory Services
- Differentiated solutions span the entire healthcare revenue cycle
- Infused management model integrates people, processes and technology

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as  
Capital Markets & IPO Advisor to

**Performant**

in its

**\$93,000,000**

**Initial Public Offering**

valuing the equity at approximately

**\$ 453,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

- Performs outsourced healthcare Payment Integrity and Recovery Services
- Medicare Recovery Audit Contractor ("RAC") for Region A (Northeast)
- Recovered ~\$482 mm in improper Medicare payments in 2012

Financial Technology Partners LP  
FTP Securities LLC

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

**AmWINS**  
Group, Inc.

in its growth recapitalization by

 **NMC**  
NEW MOUNTAIN CAPITAL LLC

valued at approximately

**\$ 1,300,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

- Largest wholesale broker in the U.S. by premiums placed <sup>(1)</sup>
- Group Benefits division develops, distributes and administers benefits products through 7 individual operating companies
- Division services approximately 843,000 member lives among 10,000 employer groups

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as  
exclusive Strategic and Financial advisor to

**ZYWAVE**

in its sale of

**Zywave Insurance Solutions**  
to

 **AURORA**  
CAPITAL GROUP



The Only Investment Bank  
Focused Exclusively on Financial Technology

- Provides technology-enabled content and communication, agency automation and business intelligence tools
- Serves the employee benefits and P&C insurance distribution industry
- Software and products are used by more than 2,600 agencies

# Overview of FT Partners

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**FT Partners has advised on some of the most prominent transactions in the Healthcare and Insurance IT sectors**



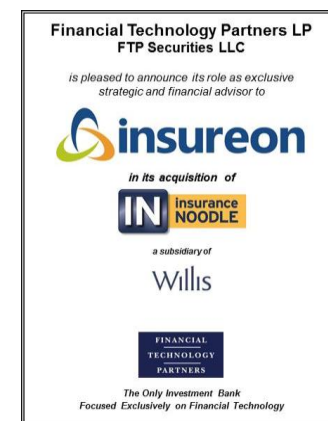
- Leading technology and service provider to life and annuity industry carriers, distributors and producers
- Combination provides “one-stop” access to virtually everything a financial professional needs to market, sell and process diversified insurance products



- Largest independent warranty provider for consumer electronics and major appliances
- Serves customers directly through its website and through a large network of online and in-store retailers
- Largest venture capital transaction of 2012<sup>(1)</sup>



- Provider of finance and insurance (“F&I”) solutions to the automobile industry
- Blue chip client base including:
  - Five of the world’s leading auto OEMs
  - Two of the world’s largest motorcycle manufacturers
  - The nation’s largest new and used vehicle retailers



- Premier online insurance brokerage platform focused on serving small- and micro- businesses
- Transaction provides significant footprint for Insureon in the independent and captive agent market
- Positions combined business to even better serve small business owners in need of commercial insurance

# Overview of FT Partners

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

*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

- |      |  |
|------|--|
| 2014 | <ul style="list-style-type: none"> <li>■ <b>Equity Financing Deal of the Year</b></li> <li>■ Professional Services Deal of the Year, Above \$100mm</li> </ul>  |
| 2012 | <ul style="list-style-type: none"> <li>■ <b>Dealmaker of the Year</b></li> <li>■ Professional Services Deal of the Year, Above \$100 mm</li> </ul>   |
| 2011 | <ul style="list-style-type: none"> <li>■ <b>Boutique Investment Bank of the Year</b></li> <li>■ Deal of the Decade</li> <li>■ <i>10 Deal of the Year Nominations Across 9 Categories</i></li> </ul>  |
| 2010 | <ul style="list-style-type: none"> <li>■ <b>Upper Middle Market Deal of the Year, Above \$500 mm</b></li> <li>■ IT Services Deal of the Year, Below \$500mm</li> <li>■ Cross-Border Deal of the Year, Below \$500mm</li> </ul>   |
| 2007 | <ul style="list-style-type: none"> <li>■ <b>Dealmaker of the Year – Steve McLaughlin</b></li> <li>■ Business to Business Services Deal of the Year</li> <li>■ Computer and Information Technology Deal of the Year, Above \$100mm</li> <li>■ Financial Services Deal of the Year, Above \$100mm</li> </ul> |



- |           |   |
|-----------|---|
| 2006-2008 | <ul style="list-style-type: none"> <li>■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology</li> </ul> |
|-----------|---|



Middle Market Financing Awards

- |      |  |
|------|--|
| 2008 | <ul style="list-style-type: none"> <li>■ <b>Equity Financing Dealmaker of the Year – Steve McLaughlin</b></li> <li>■ <b>Information Technology Deal of the Year</b></li> <li>■ <b>Financial Services Deal of the Year</b></li> </ul> |
| 2006 | <ul style="list-style-type: none"> <li>■ <b>Financing Professional of the Year – Steve McLaughlin</b></li> <li>■ <i>Financing Deal of the Year - Equity</i></li> <li>■ <i>Financing Deal of the Year - Debt</i></li> </ul>           |

Note: **Bold** represents awards that FT Partners has won, *italics* represents nominations.