



Evolve
Capital Partners

QUARTERLY DEALS & MARKET ROUNDUP

Bank Technology / Solutions

October 2017



Credit Scoring / Data



Software Solutions / Services



Blockchain



Mortgage / Real Estate Tech



Core Processing

Specialized investment bankers at the intersection of finance and technology

Highlights

This quarter's Bank Technology / Solutions roundup discusses the following key developments



ROBO-ADVISORY AND DIGITIZATION ENTERING THE SPOTLIGHT



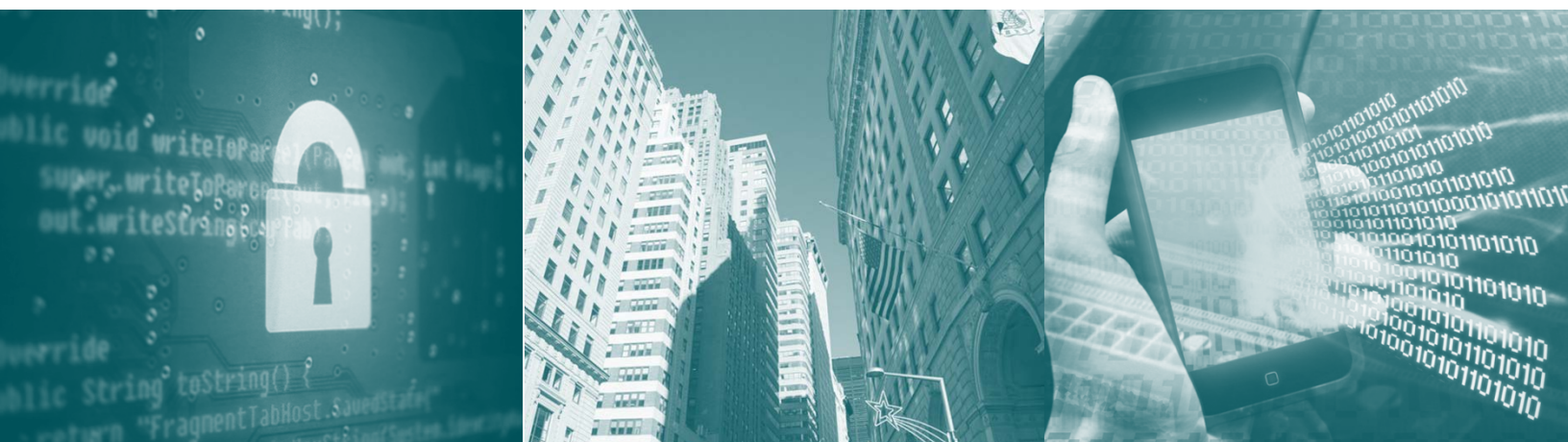
ADVANCES IN ANALYTICS, HARDWARE, AND CLOUD ENHANCING SECURITY



WALL STREET BANKS MORPHING INTO FINTECHS



DEAL DRIVER CHANGING FROM DIGITIZATION TO COST OPTIMIZATION



Overview of Evolve Capital Partners

ABOUT ECP

- Evolve Capital Partners (ECP) is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology.
- We are dedicated investment bankers focused on evolving industries, and we support sustainable growth through transformational M&A / financing transactions.
- ECP is a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements.
- We also provide structured finance advisory services — our investment banking practice provides a comprehensive suite of solutions to businesses.
- With over 30 engagements executed by its leaders, Evolve Capital Partners has served as a proud partner, bringing renewed value to companies at the intersection of finance and technology.
- We were founded in 2012 and are based in New York, NY.

HI-TOUCH INVESTMENT BANKING

Few investment banks have transaction experience across both corporate and asset finance.



Our Clients

- Corporates
- Management Teams
- VC & PE Backed Companies
- Independent Directors / Boards



Investment Banking Advisory

- M&A
- Strategic Alliances
- Capital Raises and Asset Finance
- Financial Restructurings



Industry Focus

Finance and Technology Firms

BPO

IoT

B2B

Specialty Finance

Enterprise Software

Analytics

Payments

Lending

InsuranceTech

Securities

Financial Services

Financial Management

We Focus Exclusively on Finance and Technology Related Firms

Financial Management Solutions



Payments



Bank Tech / Solutions



BPO



Capabilities

M&A Advisory

Sales / Recaps

Acquisitions

Divestiture

Strategic Advisory

Financing

Private Placements

Debt Capital

Restructuring

Specialty Finance / Alternative Lending



Healthcare Tech



Securities



Data & Analytics / IoT



Insurance





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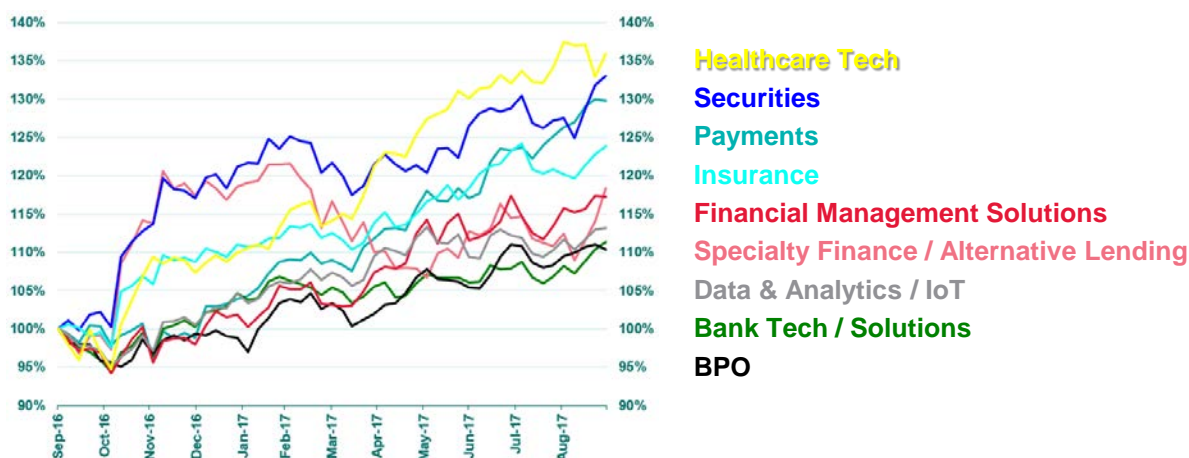
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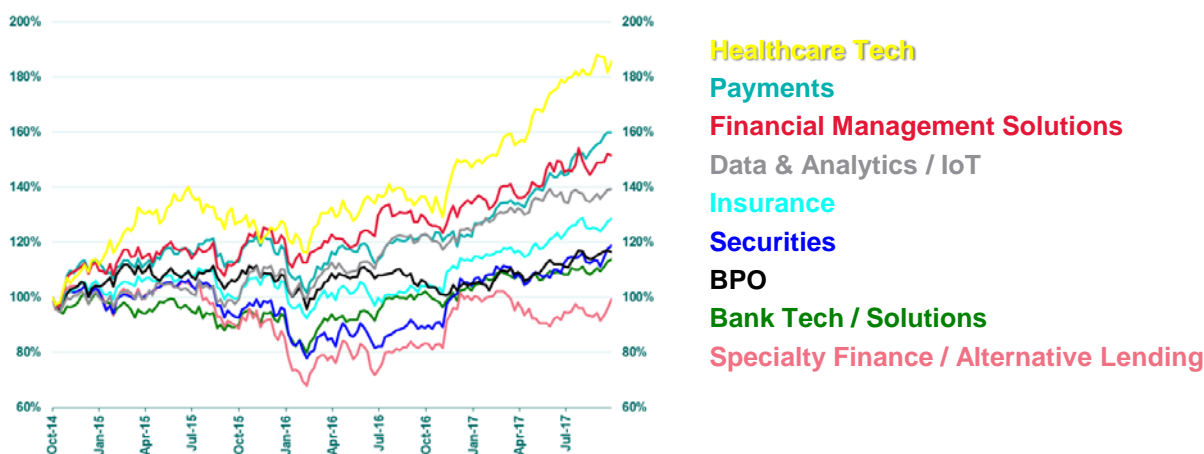
Market Summary

Industry Stock Market Performance of ECP Sector Coverage

Last 12 Months



Last 3 Years



Indexed Price Performance

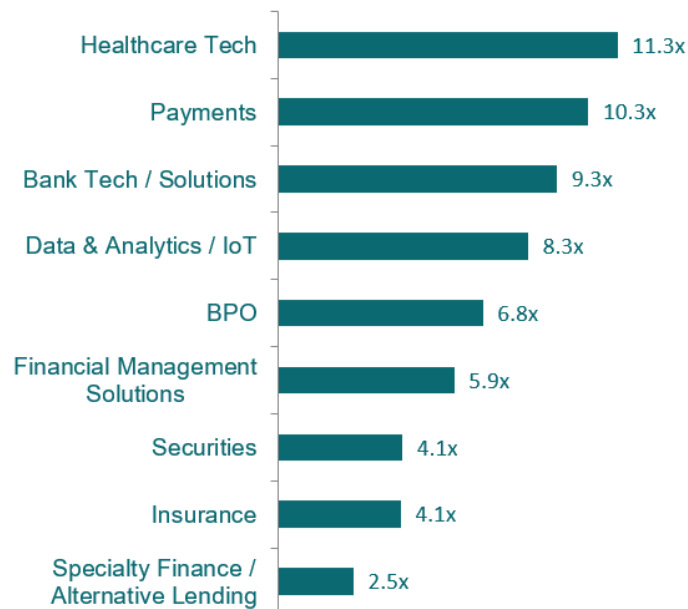
Sector	3 Months	1 Year	3 Years
Payments	10.0%	30.0%	59.7%
Bank Tech / Solutions	4.1%	11.4%	13.9%
Specialty Finance / Alternative Lending	10.9%	18.9%	(0.6%)
Securities	10.7%	33.4%	18.7%
Healthcare Tech	6.1%	23.7%	85.6%
BPO	2.4%	10.1%	16.4%
Financial Management Solutions	2.6%	17.3%	39.7%
Data & Analytics / IoT	(0.1%)	13.1%	39.3%
Insurance	6.6%	36.2%	28.5%

Source: Capital IQ and market data as of September 29, 2017

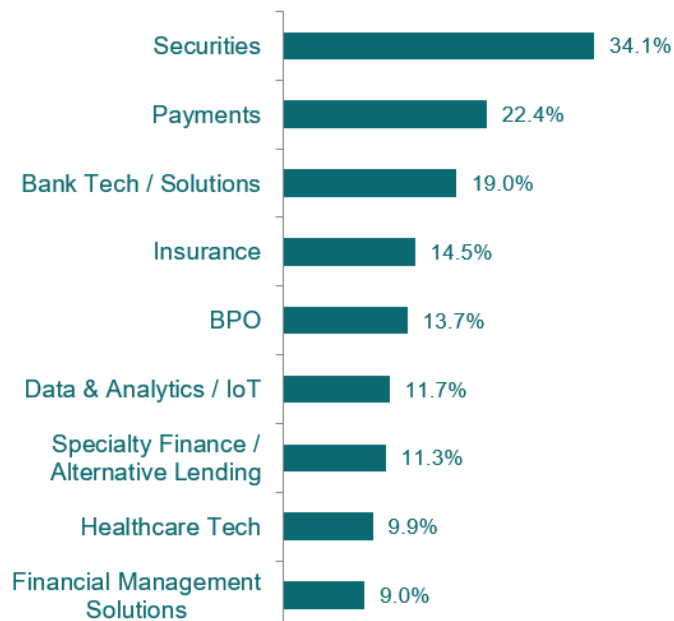
Multiples & Margins – All Sectors

Industry-wide Multiples and Margins

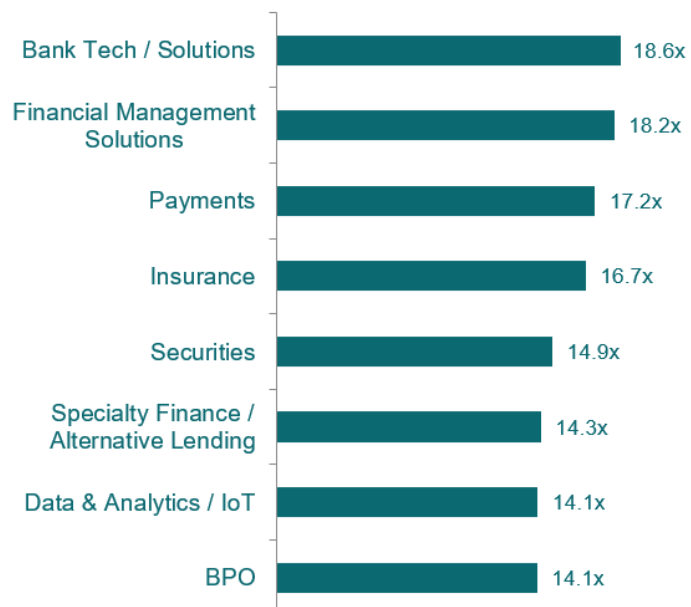
2017E EBITDA Multiples



LTM EBITDA Margins



2017E Price / Earnings Multiples



2017E PEG Ratio

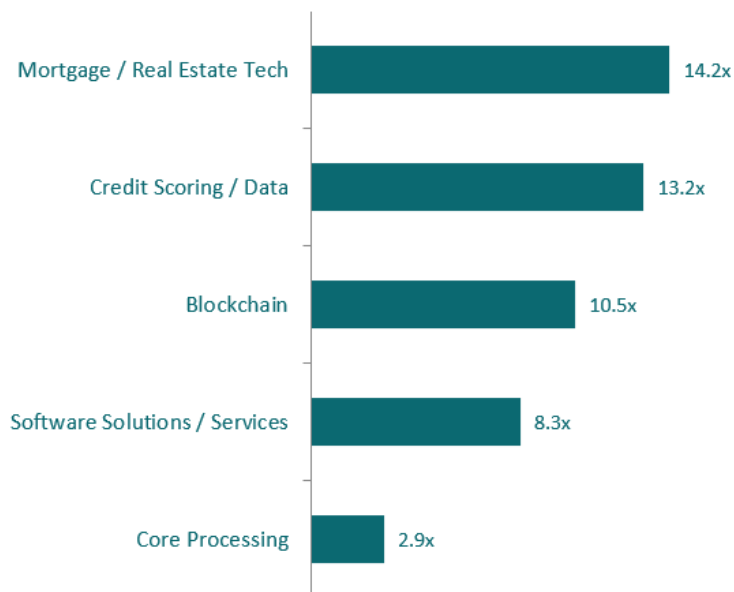


Source: Capital IQ and market data as of September 29, 2017

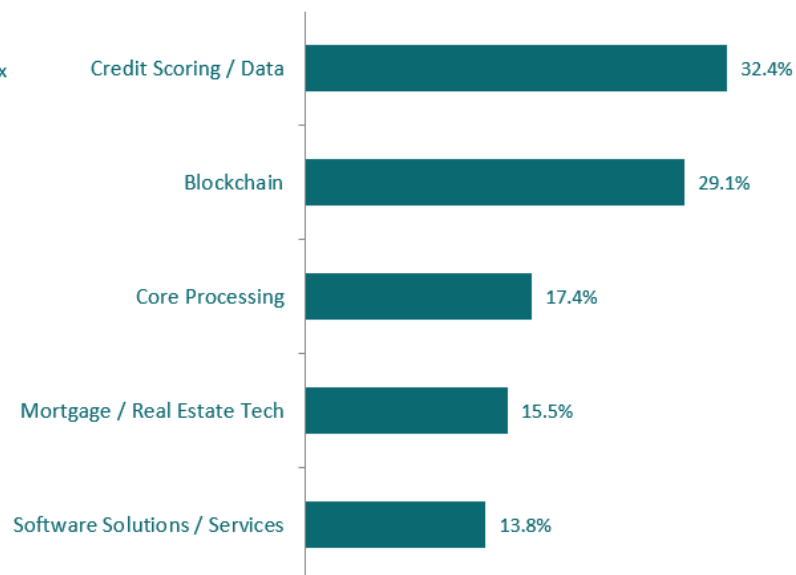
Multiples & Margins – Bank Technology / Solutions

Sub-sector Multiples and Margins

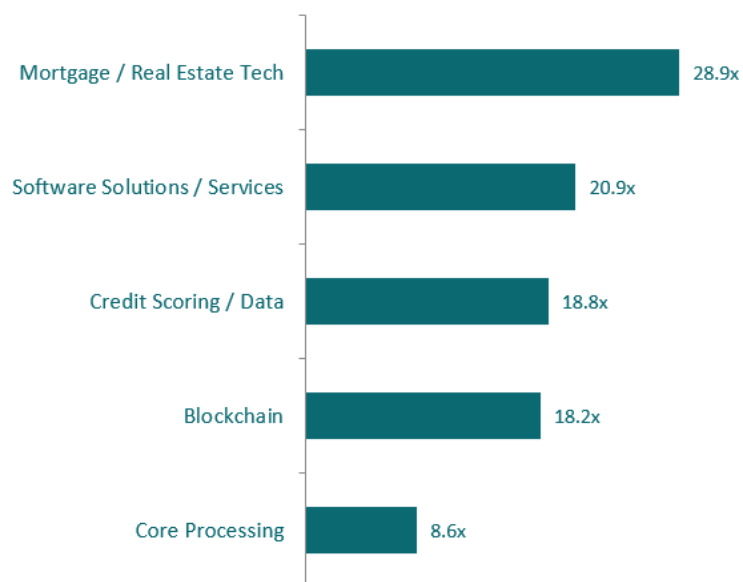
2017E EBITDA Multiples



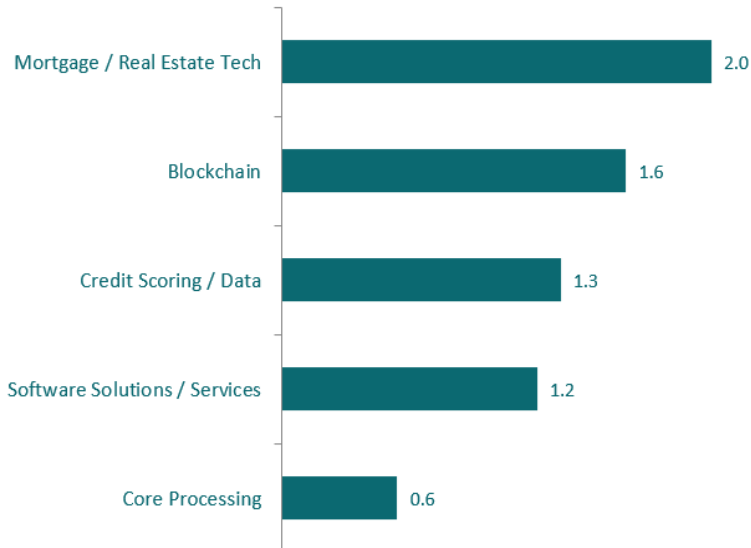
LTM EBITDA Margins



2017E Price / Earnings Multiples



2017E PEG Ratio



Source: Capital IQ and market data as of September 29, 2017

Stock Comparables – Bank Technology / Solutions

(All figures in US Dollars. Figures in millions, except per share data, as of September 29, 2017)

Bank Tech / Solutions Sub-Sector	Aggregate		Price / Earnings		Multiples			
	Market Cap	Enterprise Value	FY 17E		EV / EBITDA		EV / Sales	
			FY 17E	FY18E	FY 17E	FY 18E	FY 17E	FY 18E
Credit Scoring / Data	\$48,648	\$61,586	18.8x	20.6x	13.2x	14.1x	4.4x	5.1x
Software Solutions / Services	\$27,250	\$32,843	20.9x	18.6x	8.3x	10.3x	2.5x	2.4x
Blockchain	\$487,749	\$458,958	18.2x	16.4x	10.5x	9.4x	2.9x	2.7x
Mortgage / Real Estate Tech	\$46,399	\$51,172	28.9x	33.4x	14.2x	13.1x	4.9x	4.2x
Core Processing	\$85,485	\$98,301	8.6x	27.3x	2.9x	12.4x	2.5x	4.4x
Median			18.8x	20.6x	10.5x	12.4x	2.9x	4.2x
Mean			19.1x	23.3x	9.8x	11.9x	3.4x	3.8x

Bank Tech / Solutions Sub-Sector	Number of Companies	Growth Rates			EBITDA Margin		PEG* FY 17E
		Revenue		EPS	FY 17E	FY 18E	
		FY 17E	FY 18E	5 Yr			
Credit Scoring / Data	5	11.1%	7.2%	12.7%	32.4%	36.8%	1.33
Software Solutions / Services	8	4.1%	7.9%	9.0%	13.8%	19.1%	1.22
Blockchain	5	16.4%	8.5%	10.6%	29.1%	30.7%	1.64
Mortgage / Real Estate Tech	13	8.4%	15.4%	9.1%	15.5%	23.4%	2.05
Core Processing	12	5.7%	9.3%	19.3%	17.4%	26.3%	0.55
Median		8.4%	8.5%	10.6%	17.4%	26.3%	1.33
Mean		9.1%	9.7%	12.1%	21.6%	27.2%	1.36

* Price/Earnings to Growth ratio is a valuation metric for determining the relative trade-off between the price of a stock, the earnings generated per share (EPS), and the company's expected growth. In general, the P/E ratio is higher for a company with a higher growth rate.

Stock Comparables – Bank Technology / Solutions Sub-Sectors

(All figures in US Dollars. Figures in millions, except per share data, as of September 29, 2017)

Credit Scoring / Data

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
Experian plc	\$18,344	\$21,793	\$4,335	35.0%	NA	4.9x	NA	14.0x	NA	21.8x	NA
Equifax Inc.	\$12,758	\$15,247	\$3,294	37.0%	4.6x	4.4x	12.5x	12.3x	18.3x	17.8x	1.6
TransUnion	\$8,597	\$10,936	\$1,864	35.3%	6.2x	5.7x	15.8x	14.2x	28.2x	24.9x	2.1
Intrum Justitia AB	\$4,646	\$8,825	\$1,007	32.5%	6.1x	5.6x	18.1x	12.4x	18.1x	13.6x	1.2
Fair Isaac Corporation	\$4,304	\$4,785	\$915	22.1%	5.3x	4.9x	19.5x	17.7x	29.2x	25.1x	1.8
Median				35.0%	5.7x	4.9x	17.0x	14.0x	23.3x	21.8x	1.7
Mean				32.4%	5.5x	5.1x	16.5x	14.1x	23.5x	20.6x	1.7

Software Solutions / Services

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
Wolters Kluwer N.V.	\$13,092	\$15,781	\$5,053	26.6%	3.2x	3.1x	11.8x	11.3x	18.6x	17.4x	2.0
Pegasystems, Inc.	\$4,475	\$4,295	\$804	9.4%	5.0x	4.5x	NM	NM	60.1x	49.0x	2.3
The Dun & Bradstreet Corporation	\$4,302	\$5,620	\$1,717	24.9%	3.2x	3.1x	11.4x	10.8x	16.7x	15.9x	2.3
Sopra Steria Group	\$3,726	\$4,523	\$4,296	8.2%	1.0x	1.0x	10.9x	9.9x	16.9x	15.2x	1.5
Asseco Poland S.A.	\$1,054	\$2,000	\$2,246	12.2%	1.0x	2.1x	8.2x	12.7x	10.8x	14.4x	NA
Mitek Systems, Inc.	\$319	\$281	\$42	12.8%	5.8x	4.7x	NM	20.4x	31.4x	25.0x	1.7
SQS Software Quality Systems AG	\$244	\$293	\$366	8.1%	0.7x	0.7x	7.4x	6.9x	12.7x	12.0x	NA
NetSol Technologies, Inc.	\$39	\$50	\$65	8.5%	NA	NA	NA	NA	NA	NA	NA
Median				10.8%	3.2x	3.1x	10.9x	11.1x	16.9x	15.9x	2.0
Mean				13.8%	2.8x	2.7x	10.0x	12.0x	23.9x	21.3x	1.9

Blockchain

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
Intel Corporation	\$178,938	\$184,994	\$62,082	40.0%	3.6x	3.5x	8.6x	8.1x	13.7x	13.6x	1.6
International Business Machines Corporatio	\$135,206	\$168,710	\$78,367	21.9%	2.3x	2.3x	9.4x	9.0x	11.2x	11.1x	2.2
American Express Company	\$79,965	NA	\$29,870	NA	NA	NA	NA	NA	16.2x	14.8x	1.4
PayPal Holdings, Inc.	\$76,989	\$67,824	\$12,331	19.2%	5.8x	4.8x	22.3x	18.5x	38.0x	31.4x	2.0
First Data Corporation	\$16,651	\$37,430	\$8,100	35.3%	3.1x	2.9x	12.2x	11.4x	11.7x	11.2x	1.2
Median				28.6%	3.3x	3.2x	10.8x	10.2x	13.7x	13.6x	1.6
Mean				29.1%	3.7x	3.4x	13.1x	11.7x	18.2x	16.4x	1.6

Source: Capital IQ

Stock Comparables – Bank Technology / Solutions Sub-Sectors (Cont'd.)

(All figures in US Dollars. Figures in millions, except per share data, as of September 29, 2017)

Mortgage / Real Estate Tech

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
Fidelity National Financial, Inc.	\$12,949	\$15,705	\$10,133	16.0%	0.8x	0.8x	4.8x	5.4x	15.8x	15.4x	NA
Zillow Group, Inc.	\$7,387	\$7,165	\$965	3.6%	6.8x	5.7x	NM	23.4x	NM	50.3x	4.1
CoStar Group, Inc.	\$9,580	\$9,320	\$930	24.6%	10.7x	9.2x	NM	NM	62.8x	48.2x	3.1
Ellie Mae, Inc.	\$2,824	\$2,490	\$400	20.7%	6.4x	5.3x	22.0x	18.9x	56.6x	52.1x	3.5
CoreLogic, Inc.	\$3,897	\$5,449	\$1,872	21.2%	3.0x	2.9x	11.6x	11.1x	20.1x	18.8x	1.7
Black Knight, Inc.	\$0	NA	\$1,049	34.0%	8.9x	8.1x	18.6x	16.7x	NA	NA	NA
ZPG Plc	\$2,110	\$2,390	\$274	32.5%	7.2x	6.2x	18.3x	15.5x	24.7x	20.8x	1.5
Stewart Information Services Corporation	\$896	\$897	\$2,013	6.8%	0.5x	0.4x	6.6x	5.2x	16.7x	12.7x	NA
Real Matters Inc.	\$743	\$674	\$301	2.6%	1.9x	1.6x	NM	NM	NM	67.5x	12.7
RealPage, Inc.	\$3,298	\$3,369	\$611	14.9%	5.4x	4.5x	22.3x	17.1x	46.3x	35.6x	NA
Redfin Corporation	\$2,040	\$2,776	\$313	(4.8%)	7.2x	5.5x	NM	NM	NM	NM	NA
Altisource Portfolio Solutions S.A.	\$467	\$749	\$965	15.1%	0.8x	0.9x	8.3x	6.6x	17.2x	23.6x	NA
Reis, Inc.	\$207	\$188	\$47	14.2%	3.9x	3.5x	15.7x	11.4x	NM	55.5x	NA
Median				15.1%	5.4x	4.5x	15.7x	13.5x	22.4x	35.6x	3.3
Mean				15.5%	4.9x	4.2x	14.2x	13.1x	32.5x	36.4x	4.4

Core Processing

Company Name	Market Cap	Enterprise Value	LTM Sales	LTM EBITDA Margin	EV / Sales		EV / EBITDA		P / E		PEG FY2017
					FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	
Fidelity National Information Services, Inc.	\$31,044	\$40,084	\$9,240	26.7%	4.5x	4.4x	13.5x	12.9x	22.4x	19.7x	1.8
Fiserv, Inc.	\$27,142	\$31,584	\$5,591	31.3%	5.5x	5.3x	15.5x	14.5x	25.4x	22.4x	2.1
Jack Henry & Associates, Inc.	\$7,960	\$7,895	\$1,431	31.2%	NA	5.6x	NA	16.1x	NA	33.6x	NA
Temenos Group AG	\$7,156	\$7,452	\$694	26.8%	11.5x	10.3x	NM	NM	46.7x	39.4x	2.7
Oracle Financial Services Software Limited	\$4,742	\$4,360	\$689	40.1%	NA	5.8x	NA	14.7x	NA	21.6x	NA
Glory Ltd.	\$2,263	\$2,029	\$1,991	14.8%	NA	1.0x	NA	7.1x	NA	19.8x	NA
Q2 Holdings, Inc.	\$1,720	\$1,641	\$173	(10.0%)	8.5x	6.8x	NM	NM	NM	NM	NA
Silverlake Axis Ltd	\$1,150	\$935	\$118	29.7%	NA	6.0x	NA	13.3x	NA	19.4x	NA
Bottomline Technologies (de), Inc.	\$1,286	\$1,343	\$349	8.6%	NA	3.7x	NA	16.1x	NA	30.5x	NA
Computer Services, Inc.	\$643	\$595	\$247	0.0%	NA	NA	NA	NA	NA	NA	NA
Intellect Design Arena Limited	\$229	\$243	\$147	0.2%	NA	1.8x	NA	NM	NA	62.4x	NA
CREALOGIX Holding AG	\$151	\$141	\$78	9.1%	NA	1.8x	NA	17.3x	NA	31.0x	NA
Median				26.7%	7.0x	5.3x	14.5x	14.6x	25.4x	26.4x	2.1
Mean				19.0%	7.5x	4.8x	14.5x	14.0x	31.5x	30.0x	2.2

Source: Capital IQ

Recent Updates



ROBO-ADVISORY AND DIGITIZATION ENTERING THE SPOTLIGHT

2016 was the year of Blockchain and Artificial Intelligence (AI) / Machine Learning in the Banktech space. Banks were aggressive in introducing sophisticated mobile banking and customer-first apps by leveraging these technologies. As banks continue to plough forward with their virtual banking initiatives, 2017 is turning out to be the year of robo-advisory and digitization. Most banks – large and mid-sized – are either working on or have already deployed an AI-driven CRM chatbot of some form. All banks of note are expected to have fully functional robo-advisors with enhanced natural language processing (NLP) capabilities

by the end of 2017.

AI and digitization are also making their way into the customer acquisition function, with customers becoming increasingly disinclined to visit a branch, even to open an account. Customer acquisition activities like account opening and appointment booking might imminently move to the digital space, and be handled by robots. With the contest for customer acquisition shifting to the digital arena, the traditional brick-and-mortar banking model might well be sunsetting.



ADVANCES IN ANALYTICS, HARDWARE, AND CLOUD ENHANCING SECURITY

Security continues to be among the foremost concerns for banks, especially with the rapid spread of mobile banking among GenX users. According to the Crime Survey bulletin released by the Office of National Statistics, 'bank and credit account' fraud constitutes 66% of all cyber fraud. Amidst increasing instances of security breach, frequently in the form of identify theft, banks are making major tech investments to shore up their defenses.

With traditional passwords and cryptographic features failing short, banktechs are looking at innovative ways of combining big data with modern security hardware. The multi-layered security systems that most banks are

deploying provide early evidence of the strong potential of analytics-based security solutions. These solutions bring together multiple data-driven authentication tools like thumbprints scanners, biometrics, facial recognition, and contactless payments. The advent of such systems has relegated the traditional password to just the first level of authentication.

The need for tech-based security solutions is also being supported by banks moving their legacy systems to the cloud. In addition to bringing scalability, responsiveness and speed, complete cloud adoption is also aimed at enhancing security standards.



WALL STREET BANKS MORPHING INTO FINTECHS

The first flush of banktech companies emerged with a mission of developing tech solutions for banking problems. Banktech companies gradually started competing with banks by developing online alternatives for core banking services like lending, personal finance advisory, payments, and trading platforms. Banks initially responded by acquiring or investing in banktech startups. They are now hitting back by developing their own fintech products as a core component of strategy. Wall Street majors are hiring more tech personal and collaborating with universities to develop these tech tools.

JP Morgan's CEO, Jimon Dimon, recently revealed that the bank invested close to \$3 billion in new tech projects in 2016. It is working on new fintech products in end-to-end digital banking, digital investment services, electronic trading, and online cash management. Goldman Sachs even claims to be a tech company now. The bank has developed two proprietary tech platforms, Marcus and Simon. It is suspected to be looking to monetize these and working on other monetizable technology tools.



Key Initiatives by Leading Bank Technology / Solutions Companies

UK Central bank tests Ripple's blockchain ledger meant to be used by banks

Bank of England conducted a proof-of-concept trial on British startup Ripple's blockchain-based platform that facilitates inter-bank cross border payments. The trial was run on a cross-border payment scenario in which "two different currencies" were "executed simultaneously in two different simulated RTGS (real-time gross settlement) systems," with the settlement of the transactions being synchronizing over blockchain. The bank could conduct additional trials to improve its understanding of the dimensions of the synchronization concept.

Goldman Sachs is working on an iPhone app for the masses

Investment banking behemoth Goldman Sachs has taken several initiatives in recent years to establish a presence in the retail banking space. After taking a major step in this direction by launching online lending platform Marcus in October 2016, the bank is now building an iOS retail banking app. The bank is currently recruiting mobile developers to work in its Consumer Finance Technology division and build a platform that can manage its "all digital retail bank," which will include the bank's personal loan platform Marcus, high-yield savings accounts, and a forthcoming robo-advisory platform.

Deutsche Bank opens a fintech lab in New York

Deutsche Bank opened a new innovation lab in New York in March 2017. The lab was built with the intention of exploring new technologies in areas like artificial intelligence (AI), cloud computing, and cybersecurity. This is the fourth lab that the bank has launched till date, the other three being in Silicon Valley, London, and Berlin. These labs have developed several technologies that the bank is successfully using in various internal and customer-facing processes. One of these technologies helps the bank's credit risk analysts run scenarios faster and more efficiently, another helps with network risk management, and a third, is a software technology that improves the look and feel of one of the bank's customer-facing applications.

Zions goes live on TCS BaNCS for Core Banking

Zions Bancorporation's Consumer Lending business successfully went live on TCS BaNCS for Core Banking in July 2017. India-based Tata Consultancy Services (TCS) is a leading global IT services, consulting and business solutions organization. This successful transition is a major milestone in the bank's efforts to accomplish its digital transformation objectives. It represents Zion's first step toward having a fully integrated core loan and deposit system. It will help the bank to better address customer and employee frustration points, simplify and de-risk the way it does business, and make it more agile in adapting to future digital technology, customer and regulatory expectations.

Deal Activity

Highlighted M&A Transactions

Date	Target	Acquirer	Sector	Amount (\$mm)
8/21/17			Software Solution/Services	NA
6/6/17			Software Solution/Services	NA
4/4/17			Software Solution/Services	\$218
3/13/17			Software Solution/Services	\$3,600

- Deal activity is being shaped by growing clientele of tech-savvy millennials and emergence of online tech disruptors.
- 2016 was a strong year for bank tech M&A volumes, with 209 deals being closed at an average value of \$375.7 million.
- Deals were mostly focused on maximizing revenue by improving digital customer experience and service accessibility.
- Deal initiatives are now more devoted to cost optimization and process improvement.

Highlighted Financing Transactions

Date	Company	Lead Investor	Series	Amount (\$mm)
9/21/17		 	Series A	\$46
8/24/17			Series D	\$100

Deal Driver Changing From Digitization to Cost Optimization

Recent bank tech deals have been largely guided by a growing clientele of tech-savvy millennials and the emergence of tech-driven online disruptors. This growing class of customers requires on-demand service through digital mediums, and tech disruptors provide it at low prices. As a result, banks have steadily lost market share.

To stem this loss, banks have been aggressively investing in tech businesses. 2016 was a strong year for bank tech M&As, with 209 deals being closed at an average value of \$375.7 million.⁽¹⁾ Although deals closed at a far smaller average value than in 2015

(\$601.8 million), they were of greater strategic importance.⁽¹⁾ They mostly focused on maximizing revenue by improving digital customer experience and service accessibility. Acquiring online platforms and integrating them in-house has been another popular M&A theme.

Banks continue investing heavily in digitization initiatives, but most of these initiatives are now organic. Inorganic initiatives are now more devoted to cost optimization and process improvement, as high-cost operating models make it hard for banks to compete against low-cost tech challengers.

With digitization initiatives mostly becoming in-house, M&A activity is more devoted to cost optimization and process improvement, as high-cost operating models make it hard for banks to compete against low-cost tech challengers.

Source: ⁽¹⁾Deloitte

M&A Transaction Activity Summary

Date	Target	Acquirer(s)	Sector	Amount (\$mm)
8/24/17			Credit Scoring / Data	\$151
8/21/17 Transaction Profiled			Software Solutions/Services	NA
7/27/17			Software Solutions/Services	\$60
7/25/17			Real Estate Tech	NA
7/3/17			Software Solutions / Services	\$1,623
6/16/17			Credit Scoring	\$64
6/13/17			Software Solution/Services	\$95
6/6/17 Transaction Profiled			Software Solution/Services	NA
5/31/17			Software Solution/Services	NA

Source: Capital IQ and Media Reports

M&A Transaction Activity Summary (Cont'd.)

Date	Target	Acquirer(s)	Sector	Amount (\$mm)
4/4/17 Transaction Profiled		 BNP PARIBAS	Software Solution/Services	\$218
3/13/17 Transaction Profiled		 Vista Equity Partners	Software Solution/Services	\$3,600
3/8/17	 BankMobile	 Flagship COMMUNITY BANK	Software Solution/Services	\$175
3/5/17			Core Processing	NA
2/27/17	Lease Rent Options Business	 REALPAGE <i>Outperform</i>	Real Estate Tech	\$300
2/27/17	 Integra Systems <small>Cloud Managed</small>	 Banker's Toolbox	Software Solution/Services	NA
2/14/17		TEMENOS	Software Solution/Services	\$50
2/1/17	 Zenbanx	 SoFi	Software Solution/Services	NA
1/25/17	GEOIMOVEL	 VivaReal	Real Estate Tech	NA

Source: Capital IQ and Media Reports

Key M&A Deal Profiles

Fiserv acquires Dovetail Group for an undisclosed amount

Target Company Overview



Dovetail Group provides payments and liquidity management solutions that enable banks to simplify their infrastructure and deliver effective digital transformation. All solutions, based on a single real-time architecture, are available on premise or in the cloud, scalable up and down, across functional and volume needs and offer customer and segment personalization. The company was incorporated in 2000 and is based in Cork City, Ireland

Services Offered

The company's offerings include:

- **Payment Services Hub** that enables processing of batch and individual payments on a single platform irrespective of instrument type, payment value etc.
- **Reference solutions**, including ACH and Mass Payments that helps banks accept and process various forms of credit transfers and direct debits.

Acquisition Details



Fiserv entered into an agreement to acquire Dovetail Group for an undisclosed amount on August 21, 2017. This acquisition further enables Fiserv to help financial institutions around the world transform their payments infrastructure to meet the evolving needs of wholesale, commercial and retail customers. Financial terms were not disclosed.

Transaction Rationale

Fiserv will be able to combine Dovetail's real-time payments platform, modular services, and configurable business processing rules with its payment capabilities, enabling financial institutions to unify discrete solutions into a fully integrated payments infrastructure. This enhanced platform will provide intelligent, data-driven payment processing and deliver the flexibility to efficiently integrate new capabilities and payment types.

Equinity Group announces acquisition of Nostrum for an undisclosed amount

Target Company Overview



Nostrum Group Limited develops digital lending software for banks, finance companies, and retail brands. The company's solution is used for customer engagement and CRM, risk balancing, and process optimization. Nostrum Group was founded in 2001 and is based in Harrogate, United Kingdom.

Services Offered

Nostrum's technology supports processes like application capture and processing, servicing and document management, payment processing, reporting, profiling and segmentation, work prioritization and automation, and third party management.

Acquisition Details



Equinity Group announced the acquisition of Nostrum on June 6, 2017 for an undisclosed amount. Equiniti is a UK-based provider of investment solutions, administration services, pensions solutions, processing services, and payment services.

Transaction Rationale

The acquisition will deepen Equinity's capabilities in the online lending market and bring scale to its operations. It will also leverage the technology platforms of Pancredit and the loan, mortgage and insurance servicing permissions of Equiniti Gateway.

Source: Capital IQ, company websites and press releases

Key M&A Deal Profiles (Cont'd.)

Vista Equity Partners announced acquisition of DH Corporation for \$3.5 billion

Target Company Overview



DH Corporation is a global provider of payments, lending, and financial solutions to banks, specialty lenders, credit unions, governments, and corporations. Founded in 1875, it is based in Toronto, Canada.

Services Offered

The company's offerings include:

- Global PAYplus, a payment hub software that enables banks to originate, process, transact, and settle payments
- Canadian mortgage lending platform, a SaaS-based origination solution for brokers and lenders
- Collateral management solutions, which offer recovery, lien registration, and insolvency management solutions to institutions

Acquisition Details



Vista Equity Partners' portfolio company, Misys Limited entered into a definitive agreement to acquire DH Corporation for \$3.5 billion on March 13, 2017. Vista Equity Partners will acquire all outstanding shares of DH for \$31.8 per share in cash including the assumption of all debt obligations.

Transaction Rationale

DH will be merged with Misys, a U.K.-based financial services software provider. The acquisition is consistent with Misys's strategy of focusing on tuck-in acquisitions to expand and strengthening its product, technological and geographic reach. Acquiring DH will help Misys become a leader in the corporate banking software space. It will also accelerate the company's cloud-based offerings and expand its footprint in North America.

BNP Paribas acquires payments Compte-Nickel for \$218 million

Target Company Overview



The Financière des Paiements Electroniques is a "payment institution" authorized by France's regulator of the banking sector. It markets the Compte-Nickel account service (Nickel account), which is the first completely digital account that is opened without any conditions. The company was founded in 2012 and is based in Charenton-le-Pont, France.

Services Offered

Compte-Nickel operates in real time, using the latest technology. The holders of the account are provided an internet space to keep track of their transactions, an international MasterCard, and a French bank account number (RIB) that enables them to deposit salaries, make and receive payments, and record direct debits with complete trust.

Acquisition Details



BNP Paribas SA acquired a 95% stake in Compte Nickel on April 4, 2017. Compte-Nickel will remain independent from the BNP Paribas SA. The Confédération des Buralistes de France will retain the remaining 5% stake in Compte-Nickel.

Transaction Rationale

The acquisition will help BNP Paribas expand its client base in France by offering instant account opening and other new-age digital banking services. It will enable Compte-Nickel to fast track its growth by leveraging BNP's brand name and resources. BNP is targeting adding two million new accounts by 2020 using Compte-Nickel's technology.

Source: Capital IQ, company websites and press releases

Financing Transaction Activity Summary

Date	Target	Sector	Amount (\$mm)	Type	Investor(s)
9/21/17 Transaction Profiled	10x	Core Processing	\$46	Series A	OLIVER WYMAN 中国平安 创新 PINGAN VENTURES
9/14/17	 HouseCanary	Software Solutions/Services	\$31	Series B	AlphaEdison PSP CAPITAL PARTNERS
8/24/17 Transaction Profiled	 blend	Mortgage / Real Estate Tech	\$100	Series D	greylockpartners. and others
6/28/17	 rubique Financo modo simple	Software Solutions/Services	\$3	NA	kalaari capital
6/26/17	 HomeBay	Real Estate Tech	\$5	Series A	Foundation CAPITAL SERRA VENTURES
6/21/17	 TRUELAYER	Software Solutions/Services	\$3	Series A	anthemis group CONNECT VENTURES
6/17/17	 PRECISE® REAL ESTATE SOLUTIONS	Real Estate Tech	\$2	Series A	bgr Business Growth Fund
6/14/17	 MONEYTAP	Software Solutions/Services	\$9	NA	SEQUOIA and others
6/6/17	 IHS Markit	Software Solutions/Services	NA	NA	BARCLAYS Goldman Sachs
5/30/17	 NetGuardians	Software Solutions/Services	\$9	Series C	swisscom FREEMONT GROUP

Source: Capital IQ and Media Reports

Financing Transaction Activity Summary (Cont'd.)

Date	Target	Sector	Amount (\$mm)	Type	Investor(s)
5/29/17	 Bank-Genie™	Software Solutions/Services	NA	Series A	
5/24/17 Transaction Profiled	 RENTALUTIONS	Real Estate Tech	\$2	NA	
5/23/17	McMakler	Real Estate Tech	\$18	Series B	 and others
5/23/17 Transaction Profiled		Blockchain	\$107	NA	 and others
5/23/17	 nomis	Software Solutions/Services	NA	NA	 High performance. Delivered.
5/19/17	 Merlon Intelligence	Core Processing	\$8	NA	 and others
3/22/17	 avalog	Software Solutions/Services	\$303	NA	
3/13/17	 cloudvirga™	Real Estate Tech	\$15	NA	
6/29/16	 dv01	Software Solutions/Services	\$8	NA	 
6/3/16	 PLAID	Software Solutions/Services	\$44	Series B	 

Source: Capital IQ and Media Reports



Key Financing Deal Profiles

10x Future Technologies raises \$46 million in first round of funding

Target Company Overview

10x

10x Future Technologies Limited develops a digital platform that unifies complex data systems in order to help customers engage with users. The company works to revolutionize financial services by empowering banks and non-banks to optimize customer data and interactions. 10x was founded in 2016 and is based in London, United Kingdom.

Services Offered

10x has built a ground-up platform that incorporates machine learning, cloud services, encryption at all states and other newer technology. Aimed at helping large banks manage data and transactions, build new products and work with consumers

Financing Details

 OLIVER WYMAN

 中国平安 | 创新
PING AN VENTURES

10x Future Technologies received \$46 million in its Series A funding round led by Ping An Global Voyager Fund, a fund managed by Ping An Ventures and Oliver Wyman, Inc. on September 21, 2017. The transaction also included participation from other investors.

Use of Funds

10x Future Technologies will use the proceeds to continue expanding its talent from both the technology and banking worlds, to continue adding expertise in data analytics and artificial intelligence, to further build out its digital platform offering, and expand into fast-growing markets outside the UK.

Blend raises \$100 million in Series D funding

Target Company Overview

blend

Blend Labs, Inc. builds and operates a platform that focuses on mortgage lending. It offers end-to-end origination solutions for data-driven mortgages and loans to lenders. The company helps lenders serve borrowers and safely navigate the industry's changing rules and regulation. Blend Labs, Inc. was founded in 2012 and is based in California.

Services Offered

Blend helps reduce the pain of homebuyers by delivering a streamlined, borrower-friendly digital mortgage experience that borrowers can complete online in minutes. Blend integrates deeply into a bank's technology stack and digitizes the mortgage by automatically collecting and verifying borrower data, using proprietary algorithms to process credit score and risk, dynamically delivering e-disclosures, and enabling loan officers to communicate with the borrower directly in the application.

Financing Details

 greylockpartners.

Blend received \$100 million in Series D funding led by new investor, Greylock Partners on August 24, 2017. The transaction also involved participation from new investor Emergence Capital Partners, existing investor Lightspeed Venture Partners, Eight Partners, and Nyca Partners. The company has raised \$166 million in funding till date.

Transaction Rationale

Blend will use the proceeds to grow its staff, expand the breadth of its product, to serve more borrowers, and to accelerate innovation across the consumer lending ecosystem and around the world.

Source: Capital IQ, company websites and press releases

IPO Activity Summary

Company	IPO Date	Amount Raised (\$mm)	IPO Price	Current Market Price	Total Return
REDFIN	07/27/17	\$138	\$15.00	\$28.59	90.6%
Alfa[^]	05/26/17	\$324	\$4.16	\$4.63	(11.3%)
REAL MATTERS	05/10/17	\$115	\$9.51	\$6.81	(28.4%)
blueprism	03/15/16	\$30	\$1.11	\$12.40	1,021.6%
CYBG	02/03/16	\$502	\$2.62	\$3.78	43.9%
Piteco <small>FINANCIAL SOFTWARE & CONSULTING</small>	07/30/15	\$11	\$3.61	\$6.03	67.2%
SOPHOS	06/30/15	\$554	\$3.54	\$6.28	77.5%
TransUnion	06/24/15	\$665	\$22.50	\$46.62	107.2%
BLACK KNIGHT <small>FINANCIAL SERVICES</small>	05/19/15	\$441	\$24.50	\$42.43	73.2%
synchrony <small>FINANCIAL</small>	07/30/14	\$2,875	\$23.00	\$31.02	34.9%
Cerved	06/24/14	\$582	\$6.93	\$11.06	59.5%
Q2 <small>Grow Beyond</small>	03/19/14	\$101	\$13.00	\$37.90	191.5%
Springleaf	10/15/13	\$358	\$17.00	\$26.75	57.4%
Zillow	07/19/11	\$69	\$20.00	\$40.35	101.8%
Bankrate, Inc.	06/16/11	\$300	\$15.00	\$13.93	(7.2%)

Source: Capital IQ and Pitchbook
Market data as of June 30, 2017

Select Wall Street Research Updates and Commentary



Update from RBC Capital Markets, August 2017

We believe the company is in the **early innings of penetrating a multi-billion-dollar market that includes fragmented competition**. Through an acquire-retain-and-expand strategy, we believe Q2 has the opportunity to generate strong financial growth for several years while continuing to innovate new technologies that leverage its core platform. In addition, we believe the company is an attractive acquisition target for larger vendors seeking exposure to innovative solutions.



Update from Deutsche Bank, August 2017

Experian still priced for an acceleration, when risk is to the downside. We continue to believe that Experian is more likely to see a slowdown in organic growth rather than the acceleration which is targeted by the company. At the current valuation 20x fwd 12m P/E, we believe an acceleration is priced in and as such the company is likely to underperform expectations. **Slowing indicators of demand for consumer credit in the US and UK as well as structural pressures in the Consumer Services division** do not bode well.



Update from RBC Capital Markets, August 2017

Very large TAM – The Online real estate advertising market faces a significant secular growth opportunity (the **\$24B U.S. real estate advertising market**), with clear evidence that consumers are increasingly turning toward Internet channels to help make informed real estate decisions.

Effectively monetizing against significant new market opportunities – We see **substantial revenue growth in the Mortgage Marketplace** as well as growing forays into Rentals and Home Improvement.



Update from J.P. Morgan, August 2017

Key drivers are improved uptake of the cloud-based DNB Credit (first introduced in 1Q16) and a revamped DNB Hoovers offering in the sales prospecting market. In addition, new use cases for the company's credit and marketing databases (such as Audience Solutions, compliance offerings, etc.) are sources of potential revenue growth. Given the scale of the market opportunity, we believe the company's targets are realistic.



Update from Drexel Hamilton, July 2017

IBM took data encryption to a new level with the z14 and we believe this will drive new services, including Blockchain services. IBM has been a pioneer in the Blockchain movement and we believe will be an important beneficiary of this movement. IBM offers a wide array of industry specific solutions for Blockchain that is powered by the company's z Systems infrastructure. IBM has described enterprise Blockchain as a trusted distributed ledger and **estimated that up to \$300 billion in transaction costs accrue across each of the areas around logistics, property records and capital markets**.

Appendix – Coverage Universe Components

The coverage universe for various sectors is as follows.

1 Payments:

ADS, FLT, ENXTPA:EDEN, WEX, FIS, FISV, JKHY, ACIW, EPAY, V, MA, AXP, PYPL, SHOP, ENXTAM:GTO, DBD, CATM, MB, EVRI, PMTS, BOVESPA:CIEL3, FDC, GPN, TSS, VNTV, SQ, LSE:WPG, XTRA:WDI, ENXTPA:WLN, DLX, LSE:PAYS, TSE:3769, QIWI, EVTC, LSE:PAY, UEPS, NEWT, JTPY, ENXTPA:ING, NCR, SZSE:002152, PAY, SEHK:327, AIM:SCH, PAR, WU, EEFT, HAWK, GDOT, MGI, ASX:OFX, PLPM

2 Bank Technology / Solutions:

FIS, FISV, JKHY, SWX:TEMN, BSE:532466, TSE:6457, QTWO, SGX:5CP, EPAY, OTCPK:CSVI, BSE:538835, SWX:CLXN, AIM:MONI, LSE:EXPN, EFX, TRU, OM:IJ, FICO, FNF, ZG, CSGP, ELLI, CLGX, BKFS, LSE:ZPG, STC, TSX:REAL, ASPS, REIS, ENXTAM:WKL, PEGA, DNB, ENXTPA:SOP, WSE:ACP, MITK, AIM:SQS, NTWK, INTC, IBM, AXP, PYPL, FDC

3 Specialty Finance / Alternative Lending:

NAVI, NNI, PRAA, ECPG, PRGX, PFMT, ASFI, CIT, CACC, NEWS, MRLN, TSX:CHW, ASX:ZML, CPSS, COF, SYF, DFS, SLM, LSE:PFG, SC, OMF, FCFS, AAN, LSE:TCS, SGBK, WRDL, LSE:IPF, TBBK, EZPW, RM, OB:MONO-ME, ATLC, URI, AL, TSX:EFN, TGH, RCII, ASX:FXL, CAI, FLY, NSM, CASH, PHH, PFSI, OCN, WAC, LC, TREE, YRD, DB:FRU, ENVA, XRF, ELVT, ONDK, DB:MBC

4 Securities:

BGCP, LSE:NXG, LSE:IGG, IBKR, ENXTAM:FLOW, KCG, VIRT, ITG, ENXTPA:VIL, INTL, SWX:CFT, BMV:FINAMEX O, WFC, BAC, C, LSE:HSBA, ASX:CBA, TSX:RY, TSX:TD, ENXTPA:BNP, USB, AXP, LSE:LLOY, PNC, ASX:NAB, TSX:BMO, LSE:BARC, SEHK:11, LSE:RBS, SGX:D05, TSX:CM, NSEI:ICICIBANK, MTB, BIT:MB, UMBF, LSE:CBG, FII, NSEI:IIFL, XTRA:COM, CME, ICE, SEHK:388, XTRA:DB1, LSE:LSE, BOVESPA:BVMF3, NDAQ, CBOE, ASX:ASX, SGX:S68, ENXTPA:ENX, BME:BME, TSX:X, SPGI, TSX:TRI, MCO, INFO, MSCI, FDS, ENXTPA:FIM, MORN, NSEI:CRISIL, VALU, JPM, GS, MS, SWX:UBSG, DB:DBK, SWX:CSGN, ASX:MQG, TSE:8604, RJF, LAZ, SF, PJC, GHL, COWN, AMEX:LTS, AIM:NUM, JMP, BLK, BK, BEN, NTRS, AMP, TROW, IVZ, LSE:HL, LSE:INVP, JHG, AB, CNS, WDR, APAM, WETF, VRTS, SCHW, AMTD, ETFC, MKTX, TSE:8628, AIM:PLUS, TSE:8698, YIN, LSE:CMCX, SWX:SQN, GCAP, GLBR, STT, BR, SEIC, ASX:CPU, DST, LPLA, LSE:TCAP, FNGN, ENV, LSE:SNN, ASX:BVS, ENXTAM:KA, SSNC, CPSE:SIM, LSE:ALFA, ASX:IRE, LSE:FDSA, AIM:FDP, ENXTPA:LIN, AIM:SOG

5 Insurance:

LSE:REL, VRSK, DNB, ACXM, MMC, AON, WLTW, AJG, BRO, LSE:JLT, MET, PRU, CI, TSX:MFC, AFL, LSE:AV, TSX:GWO, TSX:SLF, LSE:LGEN, PFG, LNC, SWX:SLHN, LSE:SL, ENXTAM:AGN, TMK, PRI, ANAT, LSE:HSD, DB:ALV, ENXTPA:CS, AIG, SWX:ZURN, ALL, AFG, GNW, LSE:MONY, RATE, EHTH, ASX:ISU, QNST, CB, TRV, PGR, HIG, CINF, LSE:RSA, THG, MCY, SIGI, EIG, STFC, MKL, WRB, AIZ, AWH, PRA, AFSI, RLI, AGII, OB, NAVG, AMSF, GBLI, GWRE, EBIX, SPNS, CRD.B, AMEX:MJCO, TSXV:SY, PN, FNF, ORI, FAF, STC

6 BPO:

ENXTPA:RCF, CVG, TTEC, SYKE, SRT, ESRX, ATHN, HQY, BOVESPA:QUAL3, MDRX, HMSY, QSII, CSLT, CPSI, RCM, ADP, PAYX, ULTI, WAGE, TNET, CSOD, NSP, BNFT, ACN, NSEI:TCS, CTSH, NSEI:INFY, DXC, BSE:507685, NSEI:HCLTECH, ENXTPA:CAP, ENXTPA:ATO, DOX, OTEX, NSEI:TECHM, CACI, EXLS, WNS, CALD, SYNT, BSE:532819, NSEI:HEXAWARE, VRTU, UIS, VDSI, LSE:MCGN, BIT:BET, TSX:GIB.A, LSE:CPI, G, BSE:526299, CSGS, BSE:532809, AIM:IBPO, PRGX

7 Financial Management Solutions:

INTU, LSE:SGE, BL, COUP, ASX:RKN, TYL, PEGA, ASX:TNE, QADA, AMSW.A, LSE:MCGN, NSEI:RAMCOSYS, ADP, PAYX, WDAY, ULTI, HRB, PAYC, WAGE, PCTY, CSOD, NSP, LSE:HRG

8 Analytics / IoT:

ORCL, DB:SAP, CRM, VMW, LSE:EXPN, OTEX, SPLK, DATA, FICO, XTRA:SOW, RP, NEWR, MSTR, CLDR, AYW, HDP, VERI, DWCH, GOOGL, MSFT, AMZN, KOSE:A005930, T, CMCS.A, VZ, QCOM, TMUS, HLSE:NOKIA, S, GRMN, LOGM, SLAB, IDCC, AMBA, GLOB, FIT, CTRL, GE, INTC, CSCO, DB:SIE, HON, TXN, TSE:6501, HPE, SWKS, RHT, ARW, PTC, ZBRA, CY, IRDM, TSX:SW, ORBC, CAMP, SSNI, IBM, LSE:REL, EFX, NLSN, VRSK, IT, TRU, DNB, TDC, CLGX, VRNT, ACXM, FORR, TSX:AIM, MATR

9 Healthcare Tech:

INOV, OMCL, VCRA, TRHC, STRM, CERN, DB:COP, MDRX, EVH, QSII, HSTM, AIM:EMIS, CPSI, COTV, HMSY, ATHN, AIM:CRW, RCM, SREV, UNH, AET, ANTM, HUM, CNC, WCG, NUAN, MMS, MOH, MGLN, GTS, HIIQ



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