Evolve
Capital Partners

Weekly Deals Update

Week Ending 03/09/18

SPECIALIZED INVESTMENT BANKERS AT THE INTERSECTION OF FINANCE AND TECHNOLOGY

Key Deals

M&A

Date	Target	Acquirer(s)	Sector	Amount ($mm)
3/8/18	BeneFLEX HR Resources Inc.	paylocity	Financial Management Solutions	NA
3/8/18	Express Scripts	Cigna	Healthcare Tech	$71,030
3/6/18	oltio	mastercard	Payments	NA
3/6/18	KENSHO	S&P Global	Data Analytics / IoT	$550

Financing

Date	Target	Lead Investor	Sector	Amount ($mm)
3/8/18	solarisBank	ABN·AMRO	Bank Technology Solutions	$70
3/7/18	Atom bank	BBVA	Bank Technology Solutions	$207
3/6/18	UiPath	ACCEL PARTNERS	BPO	$153

Preface

Each week, Evolve Capital Partners compiles select M&A and financing transactions across the finance and technology sectors. We analyze multiples sources of publicly available information and source each transaction. We also release a weekly news update of relevant news and press releases across the sector.

Evolve Capital Partners is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology. We are 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. Founded in 2012, we are based in New York.

You can learn more about us at www.evolve-capital.com. We post past weekly transaction and news updates on our website, plus in-depth industry research reports.

To contact us, please email admin@evolve-capital.com or call (646) 688-2792.

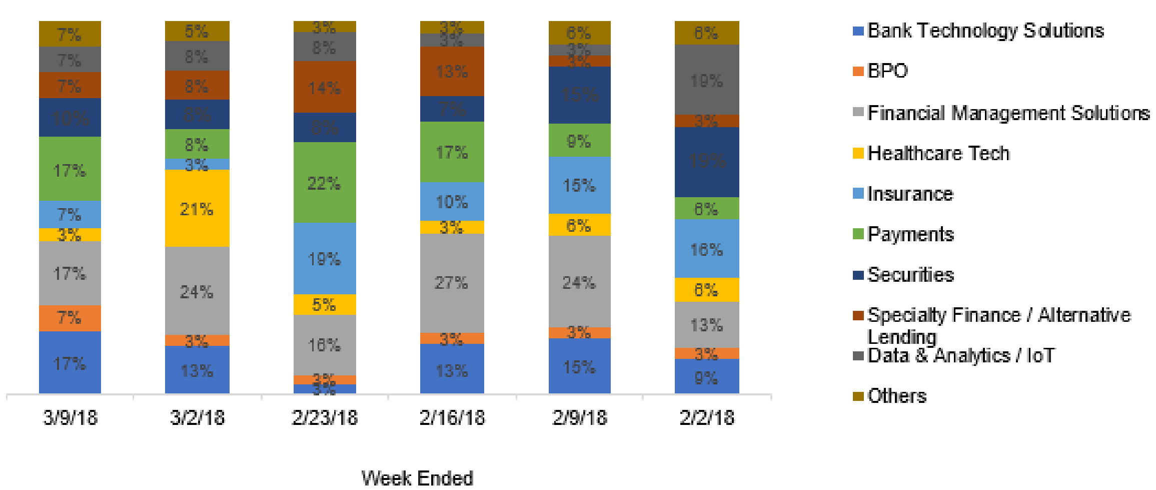
Sectors we cover at the intersection of finance and technology include:

Bank Technology Solutions	Healthcare Tech	Securities
BPO	Insurance	Specialty Finance / Alternative Lending
Financial Management Solutions	Payments	Data & Analytics / IoT

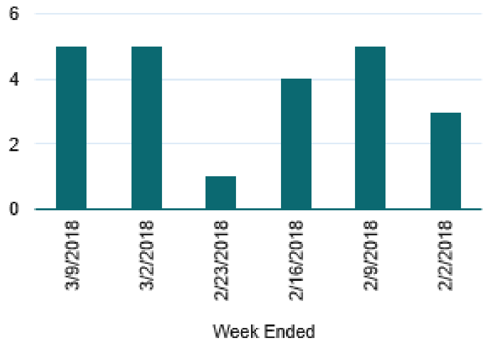
Deals Count

Sector	Number of Deals	% of Total
Bank Technology Solutions	5	15%
BPO	2	6%
Financial Management Solutions	5	15%
Healthcare Tech	3	9%
Insurance	2	6%
Payments	5	15%
Securities	3	9%
Specialty Finance / Alternative Lending	2	6%
Data & Analytics / IoT	4	12%
Others	2	6%
Total	**33**	**100%**

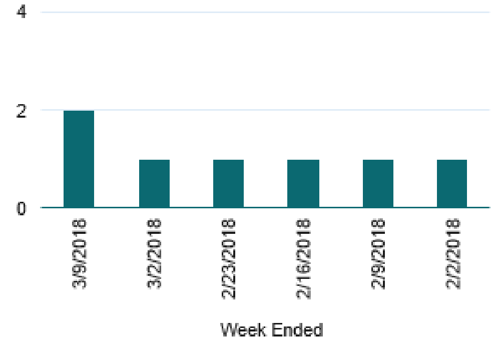
Sector-Wise Deals Breakdown



Bank Technology Solutions

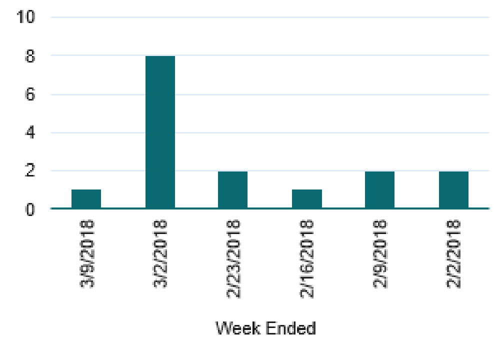


BPO

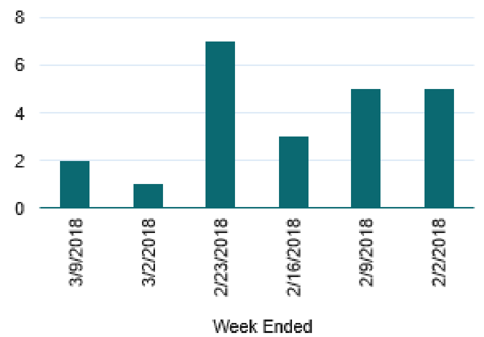


Financial Management Solutions

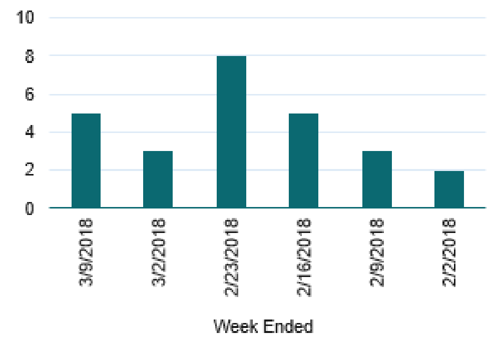
Healthcare Tech



Insurance

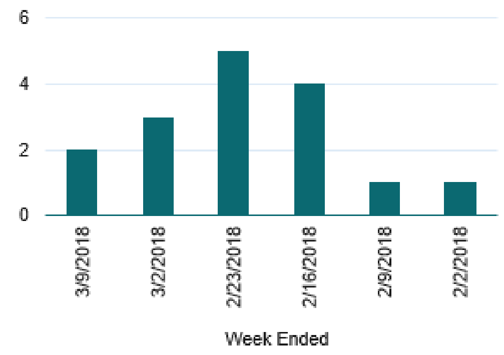


Payments

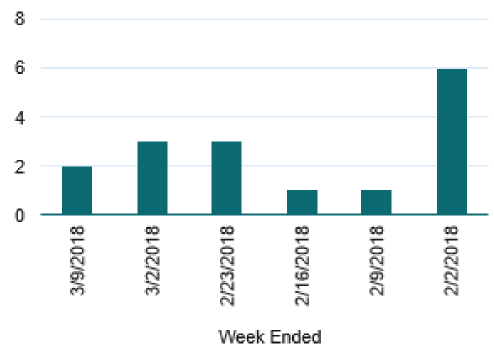


Securities

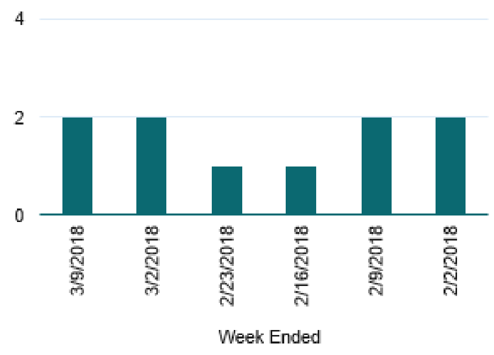
Speciality Finance / Alternative Lending



Data & Analytics / IoT



Others



BANK TECHNOLOGY SOLUTIONS

BBVA and Visa-backed banking platform solarisBank scores €56.6 million in Series B raise

Bank Technology Solutions

3/8/18

As a fully-regulated platform, solarisBank is positioned to change up the challenger banking game.

solarisBank, the first banking platform to be fully regulated by the FCA with a banking license, has successfully completed a Series B investment round, gaining another €56.6m in funding. Current investors Arvato Financial Solutions and SBI Group renewed their stakes, with BBVA, Visa, Lakestar and ABN AMRO's Digital Impact Fund (DIF) joining them.

Since being founded in 2016, the German company has established its banking-as-a-service (BaaS) internationally, and is currently active in seven countries. Nearly 60 corporate clients use the banking platform, including digital bank Penta, with this number expected to increase to over 100 clients by the end of 2018.

solarisBank offers clients both the technology and the banking license needed to create various financial services and products, allowing customers to bypass regulatory obstacles. Its product portfolio currently spans three lines, including digital banking and cards services, financial and credit services, and payment and escrow services – all accessible via API.

The newly raised capital will be used to support further growth for the BaaS platform, including the continued development of its digital platform and product portfolio as well as further global expansion. After its initial seed and Series A funding rounds closed at €12.2m and €26.3m respectively, solarisBank has now raised a total of over €95m in the past two years.

"With our banking platform concept, we are shaping the future of the financial services industry," said Dr. Roland Folz, CEO of solarisBank. "Our innovative approach has convinced industry leaders from both the finance and technology sectors to utilise the Series B round as an opportunity to be a part of our business model and growth story.

"I am thrilled and inspired by the potential for further co-operations in Germany, as well as in international markets, that we can approach together with these strong partners."

http://www.altfi.com/article/4148_bbva_and_visa_backed_banking_platform_solarisbank_scores_eur566m_in_series_b_raise

Challenger bank Atom raises £149 million

Bank Technology Solutions

3/7/18

A UK-based digital bank Atom has raised £149 million in the latest funding round, including £85.4 million from its existing investor, BBVA.

BBVA now holds a 39% stake in Atom, and has so far invested £167 million into it.

BBVA states the move is a "sign of its confidence in both the business strategy and management team at Atom". It's worth noting that Atom's founder and chairman, Anthony Thomson, has recently resigned.

"Atom is progressing extremely well and we continue to support the company," states BBVA's CEO, Carlos Torres Vila.

Since its inception in 2014, Atom, which focuses on savings and lending (it does not offer current accounts), has achieved:

- attracted over £1.3 billion of savings deposits;
- lent over £1.2 billion to SMEs and homeowners;
- raised £400 million of equity capital, including from Toscafund Asset Management and Woodford Investment Management (in addition to BBVA);
- established an international network of partners, including Deposit Solutions in Germany;
- built a team of 310 employees.

Atom also claims to have the fastest account opening time in the UK – it takes just five minutes from downloading the app to account opening (provided the right requirements are in place).

www.bankingtech.com/2018/03/challenger-bank-atom-raises-149m/

Real estate tech company Qualia closes $33 million Series B

Bank Technology Solutions

3/7/18

Qualia, a real estate technology company streamlining the home closing process, today announced the closing of a $33M Series B led by Menlo Ventures with participation from 8VC, Bienville Capital, and Barry Sternlicht. With this new capital, Qualia will expand its engineering and product teams and accelerate their growth into additional markets across the U.S.

Qualia addresses the lack of technology in the $40B home closing industry by bringing everyone involved in the transaction – lenders, realtors, title agents, home buyers and sellers – onto one shared, secure platform to work in tandem, simplify tasks, and document progress in real time. This new degree of coordination and real-time communication opens up a new avenue to improve client experiences for the nation's estimated sixteen thousand lenders and two million real estate agents. It also vastly increases understanding, visibility and efficiency throughout the process for everyone, particularly first-time home buyers.

"Until Qualia, the confusion and pain during the home closing process was widely considered a rite of passage to the world of home ownership," said Nate Baker, founder and CEO of Qualia. "We streamline the home buying experience for all parties and make coordination unbelievably simple for lenders, realtors, and settlement agents. Buyers are also empowered by using our app to better understand their transaction and communicate with their closing team, so they're kept in the loop about their home purchase every step of the way."

Today, five per cent of the national real estate market is transacted through Qualia, a growth that came quickly after expanding its platform nationwide late last year. The company is on track to quickly increase this percentage and become the primary, leading software platform of the real estate closing process.

"Qualia is a great example of a modern system of record that dramatically improves workflows, coordinates all key constituents, and has a powerful network effect," said Tyler Sosin, partner at Menlo Ventures. "The Qualia team has a unique perspective on one of the most acute pain points in the real estate industry, the closing process, and are poised to become the industry's default real estate transaction platform."

More than half of the top 100 mortgage lenders and real estate brokerages in the country have joined the thousands of settlement agents currently using Qualia to deliver a modern and differentiated home buying experience to their clients. They represent the next generation of real estate businesses as the transaction process moves online to create a shared system of record.

https://www.banklesstimes.com/2018/03/07/real-estate-tech-company-qualia-closes-33m-series-b/

Babb raises $20 million for blockchain banking platform

Bank Technology Solutions

3/7/18

Having just raised $20 million in a sold-out token sale, British blockchain-based banking platform Babb has set its sights on opening its first bank accounts before the end of the year.

FCA-authorised payment institution Babb (Bank Account Based Blockchain) is building a decentralised banking platform to provide anyone in the world with a bank account, payment card, and access to its global peer-to-peer network.

The new cash influx will be used to jumpstart development of the platform and a mobile banking app and decentralised payment card, the Black Card.

The app, set for launch by the fourth quarter, will initially offer the ability to open a bank account using face and voice recognition and make domestic and international transactions, with more advanced functionality to follow in 2019.

The firm is also hoping to have a full UK banking licence by the end of the year, making it the first regulated blockchain bank in the world.

"We've got good feedback from the Bank of England and we've now got a second stage meeting with them to go through our business plan and explain how BABB is going to comply with regulations and meet our own objectives" says Babb CIO and Lloyds Bank veteran Paul Johnson.

https://www.finextra.com/newsarticle/31783/babb-raises-20m-for-blockchain-banking-platform?utm_medium=newsflash&utm_source=2018-3-8&member=93489

Bankrate acquires lead generation site MyFinance

Bank Technology Solutions

3/5/18

Bankrate Inc. has quietly acquired upstart MyFinance and is in the process of integrating its tools to provide a consolidated offering, a person with direct knowledge of the deal told Benzinga. A formal announcement is expected in the coming weeks.

The two had rivaled for a share of the market for lead generation among financial companies. Bankrate publishes educational resources and product comparison tools, while MyFinance generates algorithm-based advertisements. With the acquisition of MyFinance, Bankrate will now be able to innovate faster on its popular mortgage related tables and other products.

The founders of MyFinance came from startup FindTheBest, which later became Graphiq and was acquired by Amazon.com, Inc.
AMZN

Bankrate, itself, was taken over in November 2017 by Red Ventures, a brand holding company operating review platforms including CreditCards.com, Reviews.com, The Points Guy and The Simple Dollar.

Red Ventures has quickly amassed several brands in the lead generation space and, in terms of size, is one of the larger players in this arena. Other players include LendingTree and NerdWallet.

https://www.benzinga.com/fintech/18/03/11279553/bankrate-acquires-lead-generation-site-myfinance

BPO

UiPath confirms $153 million at $1.1 billion valuation from Accel, CapitalG and KP for its “software robots”

BPO

3/6/18

Last week, we reported that UiPath, a startup out of Romania building AI-based services for enterprises in the area of robotic process automation (RPA) — helping businesses automate mundane tasks in back-office IT systems — was about to close a big round, upwards of $120 million at a $1 billion-plus valuation.

Today, the company is making it official (and officially bigger): UiPath has raised $153 million in a Series B round that values the company at $1.1 billion — more than ten-fold the company’s valuation when it last raised funding, in April of last year.

This latest round was led by previous backer Accel, along with participation from new investors CapitalG (one if Google’s investment vehicles) and Kleiner Perkins Caulfield & Byers, as well as previous investors Earlybird, Credo Ventures and Seedcamp.

“We’re putting our money where our mouth is,” Accel partner Rich Wong, who is joining the board, said in an interview. “We wouldn’t have led the Series B after leading the Series A if it wasn’t for that momentum.” He compared the kind of growth that he’s seen at UiPath to that of other successful enterprise startups Accel has backed such as Atlassian, Slack and Qualtrics. “We think UiPath has all the evidence of progress.”

UiPath’s valuation isn’t the only thing that has been growing fast. Following a large wave of interest in RPA from the world of enterprise IT, the company has, too.

Today, UiPath has over 700 paying enterprise customers, including BMW Group, CenturyLink, Dentsu Inc. and Huawei. That customer list represents a seven-fold increase over last year, and UiPath said that its annual recurring revenues are up eightfold in the same period.

Although the startup itself cash-flow positive, the reason for raising more money was to seize the RPA opportunity, and essentially to upsize its startup infrastructure, to offer the kinds of services that enterprises need when they work with companies.

“Every large enterprise is doing something with RPA,” said co-founder and CEO Daniel Dines in an interview. “We need to be close to them and building with our customers. But it’s a delicate time. When a lot of programs are starting up, there is a lot of confusion in the market. So we want to build a great presence next to them, with strong customer success teams and account management teams.”

RPA taps an interesting moment in the state of enterprise IT today: there is a lot of legacy and new software that requires multiple steps to work both on its own and with other software.

Solutions such as those being built by UiPath addresses that issue: it creates AI-based systems — "robots" — that do the busywork of those tasks, freeing up employees' time to focus on work that AI systems and software cannot do: for example give reasoned assessments of invoices and other forms before they are processed.

There are obvious questions you can ask about this field: will RPA become so advanced at some point that the humans will not be needed? Will software become AI-savvy enough that RPA will not be needed? These are issues for the future, but in UiPath's view, not questions that will have solutions any time soon.

Funding, Dines added, will also be used to continue building its products. UiPath's roadmap already includes a lot of AI and cognitive developments that it plans to roll out as fast as it can. Up to now, the company has been working on a two-month release cycle. "This year we will bring innovations faster than in the past," he said.

On top of this, expect to see more solutions from UiPath that gradually bring in front-office tasks, too. Some of that has already been in evidence: last week, the company released its first solutions for customer care agents.

"One of our strengths is the combination of assisted and unassisted," Dines said. "Our idea is to have a robot for every employee, working side by side on the same computer in assisted automation. We see this as a compelling proposition to many of our customers, having both back office and front office." He said that the company plans to announce "in the next couple of weeks" a "really huge implementation" at a US business that will specifically be solving both.

https://techcrunch.com/2018/03/06/uipath-confirms-153m-at-1-1b-valuation-from-accel-capitalg-and-kp-for-its-software-robots/

Paro raises $5 million to double headcount and create a better gig economy for finance pros

BPO

3/5/18

Paro just hit a major milestone in its quest to create a freelancer-focused platform for finance professionals.

The company, which matches finance-savvy freelancers with businesses in need, has just raised a $5 million Series A. The round was led by Revolution Ventures, a Washington D.C.-based venture capital firm co-founded by AOL's Steve Case. The round also saw participation from Global Founders Capital and Tom Williams.

It takes a lot of time and effort to hunt for and win projects. We take that pain out of the process."

"If you think about it from the freelancer side, they don't really know how much they're going to make in three days, three weeks or three months, and that's pretty scary," CEO Michael Burdick told Built In Chicago. "It takes a lot of time and effort to hunt for and win projects. We take that pain out of the process by bringing work directly to freelancers."

Since launching in 2015, Paro has helped nearly a thousand companies from early-stage startups to enterprise businesses connect with freelance accountants, bookkeepers, financial analysts and even CFOs — all of whom work on an hourly and on-demand basis. The company's network of freelancers is highly curated, with only 2 percent of applicants making the cut.

"As professionals increasingly seek flexibility in their work life, Paro's platform continues to attract best-in-class talent to support their growing client base, ranging from startups to large financial institutions, highlighting the desirability of flexible, cost-effective, and reliable support for businesses at every stage of growth," said Revolution Ventures' partner Clara Sieg in a statement.

Projects are assigned via a matching algorithm, which helps ensure the right person is assigned to each project and that freelancers have a steady flow of work. In the short term, the Paro team hopes to improve the capabilities of the algorithm to allow for more specific and accurate matches. Down the line, the company aims to introduce predictive analytics to the platform to give freelancers a clearer idea of what earnings might look like.

"If a freelancer's goal is to make $3,000 a week, our predictive analytics will be able to help them see what they need to do to hit that," Burdick said. "We're really trying to prove to freelancers, and even full-time employees, that they can make more through the freelance gig economy."

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In addition to accelerating product development, Paro said it will also use its Series A for hiring. The company's headcount sits at around 20 people, and Burdick said he expects that figure to "more than double" this year, adding positions across the board but with a focus on its sales and tech teams.

https://www.builtinchicago.org/2018/03/05/paro-series-a-round

FINANCIAL MANAGEMENT SOLUTIONS

Paylocity announces acquisition of third-party benefits administrator BeneFLEX

Financial Management Solutions

3/8/18

Paylocity Holding Corporation (Nasdaq:PCTY), a cloud-based provider of payroll and human capital management ("HCM") software solutions, announced today the acquisition of substantially all the assets of BeneFLEX HR Resources, Inc. ("BeneFLEX"), a privately held third-party benefits administration company in an all-cash transaction.

Founded in 1994 and headquartered in St. Louis, BeneFLEX administers employee benefit plans, including flexible spending accounts ("FSAs"), health savings accounts ("HSAs"), health reimbursement accounts, ("HRAs") and COBRA for mid-market clients across the Midwest and California.

"The acquisition of BeneFLEX expands our product portfolio, allowing us to provide additional benefit administration solutions to our clients, prospects, and the insurance broker community," said Steve Beauchamp, Chief Executive Officer of Paylocity. "I believe the combination of BeneFLEX's expertise in this growing market and Paylocity's leading payroll and HCM platform creates a compelling value proposition for our clients and broker partners. We are excited to welcome the 36 BeneFLEX employees, as well as clients and referring brokers to the Paylocity family."

"Paylocity and BeneFLEX are a natural fit to join forces, and together will provide even greater value to clients, prospects, and our broker partners," said Mark Schmersahl, Vice President of BeneFLEX.

Further details, including the financial impact of the BeneFLEX acquisition, will be provided when Paylocity reports its third-quarter fiscal 2018 financial results.

https://globenewswire.com/news-release/2018/03/08/1418424/0/en/Paylocity-Announces-Acquisition-of-Third-Party-Benefits-Administrator-BeneFLEX.html

Alera Group acquires Houston's IMG Benefits

Financial Management Solutions

3/7/18

Illinois-based Alera Group, a national employee benefits, property/casualty, risk management and wealth management firm, has acquired IMG Benefits Group LLC in Houston, Texas.
Terms of the transactions were not announced.

IMG Benefits Group creates strategic employee benefit programs tailored to each client's needs. The firm has been built on five pillars: helping clients stay informed, providing client support, assisting in the implementation process, serving as an advocate and being a strategic benefits resource.

Alera Group also announced that it has acquired Benefit Planning Services (BPS), located in Norwalk, Connecticut.

Headquartered in Deerfield, Illiniois, Alera Group was founded in December 2016 and now has more than 900 employees.

https://www.insurancejournal.com/news/southcentral/2018/03/07/482644.htm

Voicera raises $14.5 million for AI that draws insights from meeting notes

Financial Management Solutions

3/7/18

Voicera, whose AI assistant Eva creates transcripts from voice recordings of meetings, today announced the closure of a $14.5 million funding round, which includes backing from a few tech giants with plans to put their own assistants in the workplace. Formerly Workfit, Voicera uses natural language processing and speech recognition to make transcripts and spot task assignments or other noteworthy events in a meeting.

The round was led by E.Ventures and boasts an impressive list of participants: Microsoft Ventures, GV (formerly Google Ventures), Cisco Ventures, Salesforce Ventures, Battery Ventures, and Workday Ventures. Voicera has raised a total $20 million thus far, following a $5.5 million seed round last February.

The money will be used to expand the company's engineering team and bolster its AI systems that draw insights from meeting transcripts.

To make transcripts, Eva integrates with video conference services like Cisco's WebEx, BlueJeans, Zoom, UberConference, and Skype. A portion of the funding will be used to bring Voicera to additional team communication platforms, potentially including products from investors such as Microsoft Teams, Cisco Spark, or Hangouts Chat, which introduced automated bots last week.

A few of Voicera's funders with their own AI assistants, like Microsoft's Cortana and Cisco's Spark Assistant, have expressed ambitions to bring their own AI assistants to the workplace. Alexa for Business is also on the horizon in what is becoming a crowded market.

Voicera will stay competitive, cofounder Omar Tawakol told VentureBeat in a phone interview, by staying focused on meetings.

"Meetings are where people spend huge chunks of their time, except that time is completely disconnected from the workflow, and you have to remember possibly what was said and done for data entry and software systems," Tawakol said. "So the whole idea is to change the enterprise and make voice be the driver for collaboration, so you can have any conversation — whether it's a meeting, phone call, or one-on-one, and have that output automatically update Salesforce or Slack or some other system of record."

Voicera has 19 employees and is based in Menlo Park, California.

https://venturebeat.com/2018/03/07/voicera-raises-14-5-million-for-ai-that-draws-insights-from-meeting-notes/

Justworks secures $40 million in Series D funding to expand high-touch HR tech offering to entrepreneurs

Financial Management Solutions

3/6/18

Justworks, the fastest growing HR technology platform for entrepreneurs who are serious about taking care of their teams, today announced a $40 million Series D funding round, bringing total funding raised to $93 million since the company's inception in 2012. FirstMark Capital led the round, with participation from existing investors, Index Ventures, Thrive Capital, Bain Capital and Redpoint Ventures. FirstMark Capital managing director, Beth Ferreira, will join Justworks' board.

The funding will assist Justworks with ongoing market expansion and product innovation, reinforcing its existing presence as the modern voice redefining the HR, payroll, and benefits industry. Justworks reimagined HR software, transforming an antiquated system into an approachable platform for employers and employees. The company will continue its roadmap of product innovation and strategic partnerships to offer access to even more enterprise-class benefits at affordable prices, while providing unmatched 24/7 customer support.

"We are thrilled to start a new relationship with FirstMark Capital and are proud of our continued relationships with current partners. This funding is a major milestone for Justworks, and further proof of our accelerated success in our mission to give entrepreneurs and their teams the support and peace of mind to work fearlessly," said Isaac Oates, CEO and founder of Justworks. "As we look to this next stage, we are excited to build on the achievements and innovation of the past five years to continue to meet the needs of modern business leaders and their teams."

Founded in 2012 by Isaac Oates, Justworks changes the way businesses run, pioneering the most intuitive, responsive, and affordable all-in-one HR, payments, and benefits platform. The groundbreaking Professional Employer Organization (PEO) is built for the modern workforce, with a simple UX and a curated suite of rich benefits that help entrepreneurs attract and retain top talent.

"As a former operator, I admire the system Justworks has built to eliminate the pain points and connect a fragmented HR industry," said Beth Ferreira, managing director, FirstMark Capital. "And I'm not the only one. Justworks has built a substantial business beloved by its customers, and they have only just scratched the surface of the products and services that they can offer. FirstMark Capital recognizes that mastering internal operations is a critical element to any company's success and Justworks has only just begun to revolutionize the industry. We are excited to welcome Justworks to our portfolio."

https://www.prnewswire.com/news-releases/justworks-secures-40-million-in-series-d-funding-to-expand-high-touch-hr-tech-offering-to-entrepreneurs-300608836.html

Paychex expands with Lessor acquisition

Financial Management Solutions

3/2/18

Payroll and human capital management company Paychex is growing through the acquisition of industry peer Lessor Group.

The companies said Thursday (March 1) that small business (SMB)-targeting Paychex will acquire the payroll software company, which is based in Denmark. Lessor offers its own platform with Microsoft Dynamics as well as a cloud-based platform, offered to businesses under various brand names across northern Europe.

“Paychex’s international strategy has been to grow in Europe beyond our Germany operation,” said Paychex President and CEO Martin Mucci in a statement. “This acquisition gives us significant client and revenue growth opportunities, and it will deliver value for business owners that helps make it easier for them to be efficient and compliant. Our two organizations share a commitment to businesses in the markets we serve, and the combination of Lessor’s payroll and [human capital management (HCM)] software products and Paychex’s full-service [business process outsourcing (BPO)] service bureau capabilities will provide a complete technology-enabled services platform in our markets.”

The executive added that Paychex will continue international expansion over the next couple of years, with a focus on Europe.

In another statement, Lessor Group CEO Peter Colsted said he is “proud Paychex recognizes our history of market leadership, the strength of our solution portfolio and the dedicated team which we have built over the past couple of years in particular.”

“Becoming a part of Paychex will enable us to build new, innovative solutions by leveraging Paychex’s expertise within the HCM market, as well as accelerate our international growth,” Colsted added.

https://www.pymnts.com/news/b2b-payments/2018/paychex-payroll-lessor-acquisition/

HEALTHCARE TECH

Cigna to buy pharmacy benefits manager Express Scripts for $52 billion

Healthcare Tech
3/8/18

U.S. health insurer Cigna Corp. struck a $52-billion deal to buy pharmacy benefits manager (PBM) Express Scripts Holding Co on Thursday, looking for new ways to hold onto their profits as the industry faces greater scrutiny for rising healthcare costs.

The pharmacy benefits business, which tries to negotiate down the price of prescription medicines for large employers, has drawn fire from the Trump administration and Congress, who have questioned whether those discounts are really being passed on to consumers.

Cigna’s deal follows close on the heels of a rival $69-billion merger between CVS Health Corp and health insurer Aetna Inc, announced in December. Together, the transactions would represent a massive consolidation of the market for managing employees’ prescription drug benefits, prompting some experts to question whether they will be approved.

“Employers are growing increasingly frustrated with the cost of prescription drugs and a lack of transparency into the economics of how this works,” said Jim Winkler, senior vice president for health at benefits manager and broker Aon, part of Aon Plc.

Cigna and Express Scripts say the combination will lower costs for corporate clients by giving them more coordination between medical care and pharmacy benefits, particularly for pricey specialty drugs.

“Our employer clients will be delighted with that,” Cigna Chief Executive David Cordani said in an interview.

It could help Cigna more closely manage how costly drugs are prescribed and delivered to patients, and fend off potential competition from new players such as Amazon.com.

All told, the companies project $600 million in annual savings.

Express Scripts shares were up 8 percent at $79.29 on Thursday afternoon, but they were trading 12.6 percent below the current value of the bid, suggesting that some investors see difficulties closing the deal.

The Offer
Cigna’s offer consists of $48.75 in cash and 0.2434 in shares of the combined company for each Express Scripts share, amounting to $96.03 per share. That represents a premium of nearly 31 percent to Express Scripts’ Wednesday closing price.

Cigna will also assume about $15 billion in Express Scripts' debt, the company said.

The combined company will be led by current Cigna CEO Cordani. Wentworth will stay on as president of the company's Express Scripts unit.

After the deal closes, expected by the end of the year, Cigna shareholders will own about 64 percent of the combined company and Express Scripts shareholders the rest.

Cigna intends to fund the cash portion of the deal through a combination of cash on hand, Express Scripts debt and new debt issuance. The combined company is expected to have debt of about $41.1 billion.

The insurer said it obtained fully committed debt financing from Morgan Stanley Senior Funding and The Bank of Tokyo-Mitsubishi UFJ Ltd for the deal.

Morgan Stanley was the financial adviser to Cigna. Centerview Partners and Lazard were financial advisers to Express Scripts.

https://www.insurancejournal.com/news/national/2018/03/08/482783.htm

Iggbo raised $13.5 million

Healthcare Tech
3/7/18

Iggbo, a provider of a healthcare-based technology platform for care coordination, raised $1.29 million of Series A2 venture funding from undisclosed investors on March 7, 2018, putting the company's pre-money valuation at $13.5 million.

The company's platform uses technology to automate the process of procuring, dispatching, tracking and paying the labor to perform services, enabling healthcare companies to organize healthcare network with one technology and aggregate users own healthcare solutions, services and preferred labor with one, easy-to-use interface to place orders.

Source: Pitchbook; DealID: 102446-02T

Inovalon to acquire ABILITY Network

Healthcare Tech

3/7/18

Inovalon (Nasdaq: INOV), a leading technology company providing advanced, cloud-based platforms empowering a data-driven transformation from volume-based to value-based models across the healthcare ecosystem, today announced it has entered into a definitive agreement to acquire ABILITY® Network (“ABILITY”) for aggregate consideration of $1.2 billion in cash and restricted stock, creating a vertically integrated leader in cloud-based enablement of data-driven, value-based care. The transaction is expected to close in April 2018, subject to customary closing conditions and regulatory approvals and is expected to be accretive to Inovalon’s Non-GAAP diluted net income per share in 2018.

ABILITY is a leading cloud-based Software-as-a-service (SaaS) technology company helping to simplify the administrative and clinical complexities of healthcare. Through the myABILITY® software platform, an integrated set of cloud-based applications for providers, ABILITY provides core connectivity, administrative, clinical, and quality analysis, management, and performance improvement capabilities to more than 44,000 acute, post-acute and ambulatory point-of-care provider facilities.

The extensive datasets, on-demand compute capability, advanced analytics, and broad healthcare ecosystem connectivity enabled by the Inovalon ONE™ Platform will provide a significant expansion of application offerings within the myABILITY® software platform while also expanding the nature and reach of high-value solutions for Inovalon’s existing payer, pharma, and device client-base.

Upon closing, the combination of Inovalon and ABILITY creates a vertically integrated cloud-based platform empowering the achievement of real-time, value-based care from payers, manufacturers, and diagnostics all the way to the patient’s point of care.

Meaningful Benefits to Healthcare

Together, Inovalon and ABILITY will bring capabilities unparalleled in empowering a comprehensive vertical integration of value-based healthcare. The power of advanced, ultra-high-speed, on-demand data and analytics brought to the patient’s point-of-care within the work-flow where care is delivered will enable high-value and high-impact applications of data sought after by health plans, employers, pharmaceutical companies, medical device manufacturers, and diagnostic companies. Concurrently, acute, post-acute, and ambulatory care providers are eager to have access to deeper data, more advanced analytics, data-driven best-practices, clinical care protocols and decision support, and value-based tools to empower them to better succeed in a marketplace asserting growing cost pressures, outcomes expectations, and increasingly complex contract structures upon them. The capabilities achieved through the combination of Inovalon and ABILITY will empower a highly symbiotic ecosystem and a resulting value that is much greater than the sum of the parts.

Meaningful Benefits to Shareholders

The combination will both leverage and enhance the data assets of Inovalon, will expand efficiencies gained through connectivity, and will increase the overall reach of the Company's data-driven intervention impact. From a sales perspective, the combination is expected to increase the addressability of the Company's total addressable market (TAM), increase the combined Company's differentiators, increase the number of clients from which cross selling can be achieved, and provide a significant high-volume, high-velocity distribution channel for additional applications and capability enhancements enabled by Inovalon's Platform. Further, the transaction will diversify Inovalon's customer size, customer segments, and customer concentration.

ABILITY's high-value and differentiated offerings have been positively recognized in the marketplace, resulting in strong financial performance in 2017 with revenue growth of 10%, gross margins over 80%, Adjusted EBITDA margin of over 50%, bookings growth of 31%, a high recurring revenue of approximately 99%, and strong customer retention rates of approximately 92% (based on unaudited financial statements). These added strengths result in the combination contributing significant positive Adjusted EBITDA (adding at least an estimated $50 million in 2018 presuming an early April 2018 closing) and an increase in both the Company's gross margins and Adjusted EBITDA margin (to more than an estimated 70% and 29% respectively in 2018 presuming an early April 2018 closing).

"This will be an industry-leading combination, resulting in the creation of a vertically integrated leader in cloud-based enablement of data-driven, value-based care," said Keith Dunleavy, M.D., chief executive officer and chairman of the board of Inovalon. "The addition of ABILITY's innovative platform-based applications, extensive provider client base and connectivity, and efficient, high-volume distribution channel will enable Inovalon to deliver increasingly differentiated value to both ABILITY's provider customers and Inovalon's established client base, as well as drive significant growth and accretive financial performance for our shareholders in 2018 and going forward."

"Inovalon and ABILITY share important commonalities – a common mission to enable data-driven improvements in healthcare, and a common technology vision focused on cloud-based platform architecture, real-world data, connectivity, and a recurring subscription-based model," said Mark A. Pulido, chairman and chief executive officer of ABILITY. "ABILITY has established a trusted relationship with tens of thousands of provider facilities of all sizes across our nation. Combining our capabilities with the many strengths of the Inovalon ONE™ Platform will enable significant innovation throughout the healthcare vertical – from the largest of the payers and manufacturers – down to the individual patient's point of care."

http://www.inovalon.com/press-releases/2018/inovalon-acquire-ability-network

INSURANCE

France's AXA to acquire P/C Insurer XL Group for $15.3 billion

Insurance

3/4/18

AXA SA agreed to buy XL Group Ltd. for $15.3 billion in cash, seeking to capture a bigger slice of the U.S. property and casualty market as premiums rise after last year's natural disasters.

The French insurer is paying $57.60 per share, according to a statement on Monday. That's about a 33 percent premium compared with the stock's closing price of $43.30 on Friday. Bloomberg reported Saturday that AXA was in advanced talks on the deal, citing people familiar with the matter. The acquisition will be the biggest insurance deal since 2015 and the largest-ever European purchase of a U.S. insurer, according to data compiled by Bloomberg.

Less than two years since taking over AXA's top job, Chief Executive Officer Thomas Buberl is ramping up deal-making, refocusing on businesses such as P&C commercial lines while shedding some assets and focusing on fewer countries. Financing will come from 3.5 billion euros of cash at hand, an expected 6 billion euros from the planned U.S. IPO and 3 billion euros of subordinated debt. The initial public offering of AXA's U.S. life unit is expected in the second quarter.
AXA "must believe the timing is right in the cycle to expand in the U.S. reinsurance and P&C markets," said Karim Bertoni, who helps manage $12 billion at Bellevue Asset Management in Switzerland, before the announcement. Given capital market conditions, "there's maybe a window of opportunity for both an IPO and an acquisition to reinforce areas where higher returns can be expected."

Takeover Targets

Companies like XL Group provide insurance backstops for other insurers and have become takeover targets after the heavy toll of natural disasters last year pushed prices for coverage higher. The Bermuda-based insurer also attracted interest from bigger rivals including Germany's Allianz SE, people familiar with the matter said last month. As of Friday's close, XL shares had gained 23 percent this year in New York.

Economic losses from weather-related disasters including hurricanes Harvey, Irma and Maria and Californian wildfires reached $306 billion in 2017, according to the U.S. government. Costs from such disasters helped drive down XL's shares in both 2016 and 2017. To resist pressure from new rivals in the catastrophe market, Chief Executive Officer Mike McGavick sought expansion in specialty coverage and reinsurance through the $3.9 billion purchase of Catlin Group Ltd. in 2015.

Last month, McGavick said he was optimistic about XL's progress on the back of a solid capital position and growth in premiums. Axa's purchase of XL Group marks the biggest insurance deal since 2015, according to data compiled by Bloomberg. The biggest insurance takeover this year had been American International Group Inc.'s January agreement to buyValidus Holdings Ltd. for more than $5 billion in cash.

AXA is making a return to large deal-making more than a decade after its last major transaction, the purchase of Switzerland's Winterthur. Formerly a regional insurer in Normandy, AXA built itself into Europe's second-largest insurer through major takeovers in the 1990s. Recent deals have been smaller-scale, acquiring assets or setting up partnerships in emerging markets including China, Nigeria and Colombia.

https://www.insurancejournal.com/news/national/2018/03/04/482298.htm

Swiss Re & Argo backed cyber insurer Coalition raises $10 million

Insurance

3/1/18

Swiss Re and Argo backed cyber insurer Coalition has raised $10 million in Series A funding from leading technology investors including Vy Capital, Ribbit Capital, Valor Equity Partners, Sam Altman (President, Y Combinator), and Deep Nishar (Senior Managing Director, Softbank Vision Fund).

Proceeds from the funding will be used to grow Coalition's engineering team and expand its cyber risk management platform.

Coalition is a tech-firm that aims to solve cyber risk for small to midsize businesses (SMBs), backed by Swiss Re and Argo Group.

Founded by technology entrepreneurs Joshua Motta and John Hering, the company began offering insurance and cybersecurity to SMBs in November 2017 and is licensed to offer insurance nationwide.

John Hering, Co-founder and Director of Coalition, said; "the response from customers has been overwhelming—this may be the first time an insurance company has helped actually prevent a data breach."

"We believe that cybersecurity should be a public good, and now we have the backing and resources to democratize access to the technology SMBs need to protect themselves."

Coalition's cyber risk management platform enables businesses to easily access and configure a number of cybersecurity tools including threat and intelligence alerts, ransomware and denial of service protection, and patch and vulnerability notifications, without any complex setup or configuration.

"Our mission is simple, yet monumental: to solve cyber risk for SMBs. We now have the team, technology, investors, and resources to do this," said Joshua Motta, Chief Executive Officer & Co-founder, Coalition; "solving cyber risk doesn't mean solving security failures. It means allowing companies to embrace technology while remaining resilient to the risks that accompany it.

"We provide companies with free cybersecurity to prevent loss before it occurs, and expert response and comprehensive insurance coverage when all else fails."

Coalition's team includes technology entrepreneurs and executives that helped build Cloudflare, Lookout and OpenDNS, former members of the US Intelligence Community, and cyber insurance innovators.

The tech-firm's customers include leading technology companies, investment firms, retailers, banks, manufacturers, and healthcare providers.

https://www.reinsurancene.ws/swiss-re-argo-backed-cyber-insurer-coalition-raises-10-mn/?utm_source=Insurance+Tech+Newsletter&utm_campaign=0ef8a7538a-InsuranceNL_1_16_2018&utm_medium=email&utm_term=0_0c441eb5f9-0ef8a7538a-89035253

PAYMENTS

Browser-based payments startup RateX raises $3 million

Payments

3/7/18

RateX, a Singapore-based payments startup has raised S$3million (US$2.3million) in a pre-series A funding round – among the largest pre-series A funding rounds to date in Southeast Asia.

Participating investors include Alpha JWC Ventures, Insignia Ventures Partners, alongside other various strategic angel investors.

RateX is a free browser extension that automatically provides shoppers with the lowest exchange rate at no transaction fee for overseas purchases through e-commerce platforms. It also allows users to automatically apply coupon codes of their choice upon checkout. RateX seamlessly integrates with some of the largest globally recognized e-commerce platforms such as Amazon, TaoBao, Lazada, Singapore Airlines, AirAsia, Expedia, among others. It also works closely with the likes of payment processors Adyen and Alipay. Till date, RateX's users have saved over S$264,000 (US$200,000) through lowered exchange rates and transaction fees, and S$396,000 (US$300,000) through discount coupons offered at checkout via RateX.

Jake Goh, CEO and Co-Founder of RateX said, "Our vision is a simple one - at a time when online commerce is booming, we want shoppers to pay less for their overseas purchases. We are doing this by solving ecommerce and financial inefficiencies inherent in cross-border commerce. These include mark-ups around transaction fees, foreign exchange rates, as well as a lack of consumer awareness around available discounts and promotions."

According to research firm Frost & Sullivan, Southeast Asia is the world's fastest-growing internet market. Gross merchandise value of ecommerce will rise to US$65.5 billion by 2021, up from US$14.3 billion in 2016. Meanwhile, some 89 percent of shoppers in Singapore shop online on websites outside of Singapore; the average online shopper in Singapore spends around US$1,066 each year on e-commerce transactions.

"Our users can now save up to twenty percent on their purchases from their favorite websites. We are achieving this while bringing affiliate sales to our merchant partners; a win-win situation for all. By doing this, we hope to enhance global cross-border commerce while helping Asian consumers get a great deal," added Jake.

RateX is also supported by a host of industry-leading advisors, including Yinglan Tan, the current Founding Managing Director of Insignia Ventures Partners and Chandra Tjan, Co-Founder and Managing Partner of Alpha JWC Ventures. Prior to founding Insignia Ventures Partners, Yinglan was Sequoia Capital's first hire and Venture Partner in Southeast Asia.

"The RateX leadership and staff have proven themselves to be more than capable of scaling their e-commerce payment solutions across Singapore and Southeast Asia. They have a strong roadmap on creating an e-commerce ecosystem in the SEA region and we are glad to partner them on this journey," said Yinglan Tan, Founding Managing Partner and CEO of Insignia Venture Partners.

Likewise, Chandra Tjan also commented, "I was super impressed with the RateX founders in my first meeting - the team consists of first class tech entrepreneurs. They are solving a real FX issue, and online shoppers are able to save 5-ish% on FX every time they check out via the RateX extension. The market potential is huge, as the global cross border e-commerce is expected to reach US$900 billion of GMV by year 2020."

RateX is currently available on Google Chrome and Firefox desktop browsers and is operational for users in Singapore. Their mobile app (RateS) have also recently been launched. Funding will be used to drive the launch of RateX's mobile app in Singapore and Taiwan in March 2018, as well as RateX's overseas expansion into Taiwan and Indonesia in 2018. Both markets offer tremendous potential for e-commerce to flourish with high penetration of internet users and consumer populations familiar with online shopping.

https://www.finextra.com/pressarticle/72914/browser-based-payments-startup-ratex-raises-3-million?utm_medium=dailynewsletter&utm_source=2018-3-8&member=93489

Mastercard buys Oltio to bolster digital payments

Payments

3/7/18

Mastercard announced news on Tuesday (March 6) that it has completed its purchase of Oltio, the mobile payments technology company from Standard Bank Group.

In a press release, Mastercard said it has had a longstanding relationship with Oltio; the purchase of the startup will build upon that relationship. Oltio has patents for several mobile payments and banking solutions, including an authentication technology that lets consumers authenticate Masterpass digital wallet purchases in South Africa with a bank PIN and mobile phone.

Mastercard said over the next few months it will tap into Oltio's technology, the skills of its employees and the startup's infrastructure to enhance and scale its own digital payment services for merchants and issuers in emerging markets, which have long been based on cash — which has created problems and shutout the unbanked from many markets.

"Too many consumers and merchants in the MEA [Middle East and Africa] region are stuck in a cash economy that doesn't work for them," said Mark Elliott, division president for Mastercard, Southern Africa, in the press release. "By combining our joint expertise, technologies and reach, we can bridge the divide between the region's cash economies and the digital future, bringing the benefits of digital payments to more people and businesses."

According to Mastercard, following the closing of the deal, issuers will be able to add new functionalities, including person-to-person payments, bill payments and airtime top-ups, which can be integrated into existing mobile banking applications. For merchants, Mastercard said it will enable even the smallest businesses to accept digital payments.

"We have had a great relationship with Mastercard over the years and believe that Oltio will thrive as part of an issuer-independent payments company with Mastercard's vast global resources and innovative technology," said Andrew Wilmot, executive, Group Card and Emerging Payments for Standard Bank, in the same press release.

Terms of the deal have not yet been disclosed.

https://www.pymnts.com/news/partnerships-acquisitions/2018/mastercard-oltio-mobile-payments/

Poland's PeP buys online payments outfit PayLne

Payments

3/5/18

On March 1, 2018 PeP (Polskie ePlatnosci) bought 100% shares of PayLane.

PeP is one of the leaders in the Polish payment terminal market, while PayLane specializes in innovative solutions for online payments. Together they intend to expand the range of their services and offer their clients the opportunity to accept payments in the omnichannel model: via payment terminals, mobile, and online.

Polskie ePłatnosci specializes in processing cashless payments and distributing innovative services for business, enabling credit card processing and the implementation of other services via POS terminals. A wide range of services offered by PeP includes, inter alia, settlement of card transactions, cashback, DCC (Dynamic Currency Conversion), top-up pre-paid mobile phones, and support for advanced loyalty programs.

PayLane is an online and mobile payment provider. Since 2005 PayLane has managed to acquire invaluable experience in dozens of world markets and is now able to offer payment services on a global level to Polish e-businesses. Apart from the most popular online payment methods (like credit/debit cards, online bank transfers/orders, e-wallet), PayLane offers a wide variety of solutions which are characteristic for specific countries or regions, allowing transactions carried out in currencies from all around the world.

https://www.finextra.com/pressarticle/72872/polands-pep-buys-online-payments-outfit-paylne?utm_medium=dailynewsletter&utm_source=2018-3-6&member=93489

NMI completes acquisition of Creditcall

Payments

3/5/18

NMI, a leading provider of payments enablement technology for independent sales organizations (ISOs), independent software vendors (ISVs), value-added resellers (VARs) and payment facilitators, today announced it has completed its acquisition of Creditcall, an omnichannel payment gateway and EMV solutions provider. This acquisition makes NMI a leader in omnichannel payments technology.

"We are pleased to welcome Creditcall to the NMI family," said Roy Banks, chief executive officer of NMI. "This acquisition marks a major milestone for our company," added Banks. "Creditcall's card-present acumen combined with NMI's card-not-present expertise enables us to bring to market the first truly omnichannel gateway platform."

NMI's acquisition of Creditcall strategically aligns with the company's objective to deliver a unified payment solution to ISOs, ISVs and VARs servicing merchants in omnichannel environments.

https://www.businesswire.com/news/home/20180305005321/en/NMI-Completes-Acquisition-Creditcall

Priority Holdings announces combination with M I Acquisitions to become a publicly traded company

Payments

2/27/18

Priority Holdings, LLC ("Priority" or the "Company"), a leading provider of B2C and B2B payment processing solutions, and M I Acquisitions, Inc. (NASDAQ: MACQU, MACQ, MACQW; "M I"), a Magna-sponsored special purpose acquisition company, announced today that they have entered into a definitive purchase agreement (the "Purchase Agreement"), whereby Priority will combine with M I and be renamed Priority Technology Holdings, Inc. The combined company will apply to continue the listing of its common stock on the Nasdaq Stock Market under the ticker symbol "PRTH." Post transaction, Priority's management team will continue to lead the company and Priority's current equityholders will own over 90% of the combined entity.

Thomas C. Priore, Executive Chairman of Priority Holdings, LLC, said "executing the transaction with M I provides a key foundational element to execute on our growth strategy. Since inception, we have diligently focused on building a scalable, highly differentiated technology platform that delivers a value-added suite of payment and business solutions to our consumer and commercial payment clients. By establishing a public currency, coupled with our strong institutional debt presence and agile, cloud operating systems, we believe we are uniquely positioned as a consolidating platform company targeting payments and payment enabled software opportunities. That is why we are committing all of our equity to this strategy and are highly motivated to drive returns for our incoming investors."

Josh Sason, Chairman and CEO of M I Acquisitions commented "We met with over one hundred and fifty companies during our search process, and remained patient to do a deal with a company that we were confident would create substantial value for stockholders over the long run. We are pleased to be teaming with Tom and his team at Priority. The Company has demonstrated strong growth since its founding. While many of the leading companies in the space have been backed by private equity, Priority is controlled by management and has remained highly efficient as it has grown. We are extremely impressed with its ability to service 174,000 merchants, while onboarding 4,000 new merchants a month in 2017. Furthermore, the opportunity in the B2B space is large, and we believe Priority is extremely well positioned."

https://www.prnewswire.com/news-releases/priority-holdings-llc-announces-combination-with-m-i-acquisitions-inc-to-become-a-publicly-traded-company-300604905.html

SECURITIES

Capital markets tech firm Capitolis snagged $29 million in VC

Securities

3/7/18

New York-area startups and venture capitalists are making funding deals with the hopes of creating the next profitable company. Here's one deal announced Tuesday:

Who gets: Capitolis, a New York-based technology provider for the capital markets, secured new funding.

Amount raised: $20 million in series A financing, plus $9 million in seed funding.

Who invests: Index Ventures led the effort. The firm previously backed New York-based payment platform Adyen, peer-to-peer lender Funding Circle, stock brokerage Robinhood and London-based lending service TransferWise. Sequoia Capital, which led the seed round, also participated. Index partner Jan Hammer praised Capitolis on its potential to "have a lasting positive impact on the capital markets, increasing the availability of financing while reducing the associated cost."

What the CEO says: “We believe there is a significant and untapped opportunity to better distribute capital through the system which can be unlocked by the appropriate products, skills, experience and focus that Capitolis brings," Capitolis CEO Gil Mandelzis said.

https://www.bizjournals.com/newyork/news/2018/03/06/capital-markets-tech-firm-capitolis-gets-vc.html

TigerWit raises $5 million in funding

Securities

3/1/18

TigerWit, a global fintech company, secured $5m in funding. Susquehanna International Group (SIG) made the investment.

The company intends to use the funds to further advance its mobile-focussed trading technology and invest in new innovative technologies, mainly blockchain ones, to enhance the client trading experience.

Led by Summer Xu, CEO and co-founder, TigerWit is a fintech company providing mobile and online trading technology to clients globally, allowing them to trade global FX markets, indices, commodities and metals, whilst ensuring protection and providing clients access to global interbank liquidity.

The firm has trading offices in London and Nassau and its technology development teams are based in Beijing.

The TigerWit Group includes TigerWit Limited which is authorized and regulated by the Financial Conduct Authority, licence number 679941 and TigerWit Financial Services Ltd which is authorized and regulated by the Securities Commission of The Bahamas, licence number SIA-F185.

www.finsmes.com/2018/03/tigerwit-raises-5m-in-funding.html

Blackfin to sell Finanzen to Eli Global

Securities

2/21/18

Eli Global LLC ("Eli") today announced that an affiliate has entered into a definitive agreement to acquire finanzen.de AG and its subsidiaries (collectively, "Finanzen" or the "company") from Blackfin Capital Partners ("Blackfin") and Finanzen's founders.

Based in Berlin, Germany, Finanzen is the leading European online marketplace for retail customer leads in the finance and insurance sectors. The company connects lead generators such as online price comparison sites with lead buyers such as independent financial advisors and insurance agents. The company also acts as an online broker for certain insurance products.

"Finanzen has done an impressive job creating a scalable technology platform poised to benefit from industry trends," said George Luecke, global manager of Eli's newly established insurance services portfolio and co-CEO of Global Bankers Insurance Group, which represents Eli's life and annuity carrier division ("GBIG"). "We look forward to a long-term future with the company and its talented team."

Dirk Prössel, Finanzen's CEO, commented "We are pleased to have found such an experienced and suitable partner in Eli. Their strong global footprint can support the ongoing growth of our business model and our ambitious national and international goals."

"We are delighted that Finanzen will be able to continue its successful international rollout with the support of its new shareholders," offered Laurent Bouyoux, founding partner of Blackfin.

Finanzen is the first company within Eli's insurance services portfolio. "Our plan is to substantially grow this portfolio and the companies within it," continued Luecke. "We are in the process of making key hires to accelerate the build out." The portfolio will pursue a diversified mix of insurance services and other financial services, and seeks to span various sectors and subsectors within each arena. The insurance services portfolio is separate and independent from GBIG, and synergies with GBIG are not a required element of its investment thesis.

This transaction also marks Eli's first in Germany, shortly after opening its Munich office in September 2017. The transaction, a portion of which is subject to regulatory approval, is expected to close later this year. Allen & Overy served as legal counsel and Ebner Stolz as financial advisor to Eli. GCA Altium acted as financial advisor to Blackfin. Gütt Olk Feldhaus served as legal counsel to Blackfin.

Terms of the transaction were otherwise not disclosed.

https://www.pehub.com/2018/02/blackfin-sell-finanzen-eli-global/

SPECIALTY FINANCE / ALTERNATIVE LENDING

Marketplace lending platform Maliyya scores EUR1.3 million in seed funding

Specialty Finance / Alternative Lending

3/5/18

Maliyya, a fintech company engaged in development of a P2P lending and borrowing platform, has just closed the first seed investment round of USD$1.3 million from Ground1 Ventures, a private investment firm based out of UK.

Targeting to become a primary P2P lending and borrowing platform for the Middle East, North African and Asian Region, Maliyya is working on to roll out its MVP in the coming months. Maliyya has successfully graduated from the first cohort of DIFC Fintech Hive Accelerator (UAE) and now part of the Cloud10 Scalerator Program of C5 Accelerate based in Bahrain.

Maliyya will use this round of funding to accelerate product and technology infrastructure development while expanding its team. Joining the company's leadership is Rizwan Warsi, a new CTO with more than 30 years of banking technology and operations experience, and delivering enterprise financial industry solutions across in Asia, Africa and Europe. In his new role, Rizwan will be tasked with supporting Maliyya to lead the engineering team and deliver the state of the art P2P platform.

Supporting Maliyya furthermore will be Gerry McGowan, CEO of Ground1 Ventures from an executive advisory support function. Gerry has been in the technology industry for over 20 years and has worked with multinational and government organizations to deliver cutting edge solutions. His knowledge and investment strategy expertise aims to help Maliyya expand its wings in the region and achieve its ambitions.

https://www.finextra.com/pressarticle/72867/marketplace-lending-platform-maliyya-scores-eur13-million-in-seed-funding/retail

tZero has acquired VerifyInvestor for $12 million in cash

Specialty Finance / Alternative Lending

3/1/18

Buried within the tZero Offering Memorandum for its ongoing initial coin offering were several interesting items of note. The first was the fact the SEC was in the process of reviewing the offering. Another interesting bit of information was the fact tZero has acquired a majority stake in VerifyInvestor.

According to the document that was included in the 8K filed with the Securities and Exchange Commission, tZero purchased a controlling stake in the Fintech firm;

Pursuant to a purchase agreement by and among the Company, Verify Investor, LLC and Jor L. Law, as representative of the several sellers of membership interests in Verify Investor, LLC, dated February 12, 2018, the Company purchased 81.0% of Verify Investor, LLC, an accredited investor verification company, for $12.0 million in cash.

Co-founded by Jor and JT Law, VerifyInvestor was an early entrant into the investment crowdfunding space providing investor verification services for accredited investors looking to back companies on crowdfunding platforms. Under Title II of the JOBSAct, also referenced as Reg D 506c, issuers are able to "generally solicit" to investors but must provide ongoing verification of their accredited status as part of the updated securities exemption. An individual is accredited when they can prove to earn $200,000 a year ($300,000 if married), or have a net worth of $1 million, excluding their primary residence. When Title II became actionable, multiple firms entered the investor verification space but VerifyInvestor remains as the most prominent survivor providing a successful and dependable service. The firm has since migrated into providing its services for security token offerings on platforms such as SaftLaunch. tZero, a forward looking security token exchange and management platform, is a perfect match for the services of VerifyInvestor.

Crowdfund Insider has reached out to VerifyInvestor for comment but as of this writing company representatives have not responded.

https://www.crowdfundinsider.com/2018/03/129045-tzero-acquired-verifyinvestor-12-million-cash/

DATA & ANALYTICS / IoT

S&P Global agrees to buy AI startup Kensho

Data & Analytics / IoT

3/7/18

S&P Global has agreed a $550 million cash and stock deal to buy Kensho Technologies, a provider of analytics, AI, machine learning and data visualisation systems to Wall Street banks.

Founded out of Harvard University in 2013, Kensho works with financial institutions and the national security community, using AI to "solve some of the hardest analytical problems of our time".

Built by a team of veteran software engineers with backgrounds at giants including Google and Apple, the firm scored an early investment from Goldman Sachs.

S&P says that the deal boosts its AI, natural processing language and data analytics capabilities, helping it to improve the user experience of its clients.

Douglas Peterson CEO, S&P Global, says: "In just a short amount of time, Kensho's intuitive platforms, sophisticated algorithms, and machine learning capabilities have established a wide following throughout Wall Street and the technology world

Daniel Nadler, founder and CEO, Kensho, adds: "Combining our unique and industry-leading expertise in machine learning with S&P Global's deep data sets, global-scale analytics platforms, essential benchmarks, illustrious reputation, and strong leadership team will allow Kensho to expand and innovate faster, further and in new ways."

S&P Global is paying $550 million, net of cash acquired, in a mix of cash and stock for Kensho, which will continue to operate independently in Cambridge, Massachusetts and remain a distinct brand under Nadler's leadership.

https://www.finextra.com/newsarticle/31780/sp-global-agrees-to-buy-ai-startup-kensho?utm_medium=dailynewsletter&utm_source=2018-3-8&member=93489

ThoughtWire announces closing of $20 million financing to drive the future of smart cities, smart healthcare and advanced manufacturing powered by IIoT

Data & Analytics / IoT

3/5/18

ThoughtWire, developers of the award-winning Ambiant™ IIoT platform, today announced the closing of a combined $20 million debt and Series A financing. ThoughtWire will use the financing to further the company's geographic growth using Ambiant to make cities smarter, buildings more automated and energy efficient, and hospitals and workplaces safer, by interconnecting and orchestrating people, workflows, data and things in real-time.

The investment round includes a respected syndicate of new and current investors including Yaletown Partners, BDC Capital, Round13 Capital, Epic Capital and Comerica.

"We are proud to have new partners who are invested in our vision and mission to orchestrate a healthier, safer and cleaner world, and the enormous market opportunity that lies ahead for ThoughtWire," says Michael Monteith, CEO of ThoughtWire. "We're excited to have the opportunity to apply this latest investment to grow our team and expand the impact of our forward-thinking technology on Smart Cities and buildings, better healthcare and advanced manufacturing."

Over the last two years, after attracting worldwide recognition from both Gartner and Frost & Sullivan for Ambiant's use in healthcare, the Ambiant IIoT platform is now being applied across diverse industries to deliver intelligent automation and provide real-time guidance to machines and staff to predict and resolve issues, ensure safety, and achieve energy efficiency. Originally utilized in Smart Healthcare, Ambiant applies real-time machine intelligence to improve operations, care delivery and the patient experience. For smarter buildings and cities, Ambiant is used to guide proactive maintenance, improve cost and energy efficiency, and deliver a more personalized tenant experience. In manufacturing, Ambiant is being applied to develop self-optimizing production lines to reduce downtime and prevent component failures, for advanced efficiency and clean operations.

"ThoughtWire holds the promise of our earlier IIoT investment, Bit Stew, which we successfully helped to scale into Canada's largest venture financed exit of 2016, and today is part of GE," says Salil Munjal, Managing Partner at Yaletown Partners the firm leading the funding round. "ThoughtWire is on a growth path to be the next great Canadian IIoT success story and we're excited to be making this first investment in Ontario from our new Innovation Growth Fund."

"With capital-efficient initial growth, ThoughtWire has demonstrated the market appeal of a technology platform that equips businesses to enhance resource productivity," commented Tony Van Bommel, BDC Senior Managing Partner, Industrial, Clean and Energy (ICE) Technology

Venture Fund. "We see great potential for the Ambiant platform to lead in the high-growth IIoT global market."

"Round13's focus is on investing in technology businesses that are already on a path to becoming a breakout success, giving them the capital to scale," says Bruce Croxon, Round13 Capital. "The growth achieved by the ThoughtWire team so far, shows their ability to execute and that they see the vast growth potential of bringing their IIoT platform to multiple industries."

https://www.prnewswire.com/news-releases/thoughtwire-announces-closing-of-20-million-financing-to-drive-the-future-of-smart-cities-smart-healthcare-and-advanced-manufacturing-powered-by-iiot-300608109.html

Imanis Data raises $13.5 million in funding and names John Mracek as CEO

Data & Analytics / IoT

3/5/18

Imanis Data, the creator of a machine learning-based data management platform that includes cloud migration and backup/recovery tools for modern data platforms, today announced that it has raised $13.5 million in capital and named John Mracek as its new CEO. Imanis Data will leverage the funding and top executive talent to capitalize on the strong demand the company is seeing for its suite of data management solutions and strengthen relationships with major cloud players. Participants in the round include existing investors Canaan, ONSET Ventures, Intel Capital, and Wipro Ventures, as well as new investor Asset Plus Capital. Former Imanis Data CEO Nitin Donde will continue with the company as Chief Operating Officer (COO), where he will lead product and technology.

Organizations are increasingly adopting hybrid strategies to deploy modern platforms, such as NoSQL databases, Hive and HBase, on-premises and in the cloud. Mission-critical applications on these platforms are exposed to data loss, ransomware attacks and personally identifiable information (PII) exposure that can cost companies millions of dollars. Ensuring that data is protected, archived, and made available to application developers is absolutely essential.

Imanis Data simplifies data management. Its intelligent solution enables migration from on-premises data platforms to the cloud; protects data in the event of a ransomware attack, accidental deletion, or corruption; copies production data for testing and development without creating data security risks; and archives data for long-term retention to ensure business continuity.

“With the proliferation of modern big data platforms, organizations are struggling with basic data management needs for these platforms and are looking for solutions. The recent acquisition of Datos IO by Rubrik is evidence of this expanding market segment. Imanis Data is the best solution on the market and is trusted by leading Fortune 500 companies from the finance, retail and healthcare industries. I’m excited to join Imanis Data and take the business through its next phase of growth,” said Imanis Data CEO John Mracek.

An industry veteran, Mracek brings executive leadership experience in big data, machine learning, advertising technology and enterprise software. Previously, he was CEO of NetSeer, Inc., a machine learning-based advertising technology company where he experienced the challenges and opportunities of managing modern data in real time on a massive big data scale. While there, he grew the venture-backed company from pre-revenue through the company’s sale in 2017. He has also held leadership roles at AdKnowledge, eBay, Yahoo!, Adobe and Apple, as well as other startups.

"Imanis Data was just too good of an investing opportunity to pass up – the right product, at the right time with the right team in place to execute on the tremendous potential," said Niles Ho, Managing Partner at Asset Plus Capital.

"We're thrilled to add John to the Imanis Data leadership team to continue the company's explosive growth trajectory," said board member Deepak Kamra, a general partner at Canaan. "He has a proven track record of success and deep expertise scaling companies, so we're looking forward to seeing the great strides the company will make."

https://globenewswire.com/news-release/2018/03/05/1414821/0/en/Imanis-Data-Raises-13-5-Million-in-Funding-and-Names-John-Mracek-as-CEO.html

Orix invests $60 million in Chinese fintech startup

Data & Analytics / IoT

3/2/18

Japanese financial services group Orix bought a 6.4 billion-yen ($59.8 million) stake in Wecash, a Chinese startup that uses big data and artificial intelligence to rate consumer credit.

Wecash can calculate a consumer's creditworthiness in 10 seconds or less using phone records and other personal information and has partnered with dozens of financial institutions so far. It also suggests potential lenders to consumers looking to take out a loan.

The startup relies on information collected with consumers' consent through social media, workplaces and other sources.

Only about 30% of the Chinese population is believed to borrow money from banks. Instead, peer-to-peer lending and other alternative forms of financing are on the rise. Wecash has a strong reputation for its technological prowess and ability to keep information secure.

Orix also invested in Chinese peer-to-peer lender Dianrong back in January. It is looking to accelerate its penetration into China's financial technology sector. The Japanese company also aims to use its own network in Southeast Asia and other markets to create new opportunities for the companies it has invested.

https://asia.nikkei.com/Business/Deals/Orix-invests-60m-in-Chinese-fintech-startup

OTHERS

CryptoMove raised $8 million of Series A funding

Others

3/7/18

CryptoMove, provider of a cybersecurity platform that gives advanced enterprise data defense protection, raised $8.04 million of Series A venture funding in a deal led by Social Capital and Pathbreaker Ventures on March 7, 2018. The company will use the funds to expand operations and develop its solutions and business reach.

The company's cybersecurity platform is a decentralized datastore that breaks the data into pieces and continually moves it around, making it virtually impossible for hackers to do anything, protecting enterprise data with dynamic movement, mutation, fragmentation and re-encryption, on any algorithm, in any environment cloud, edge, fog or IoT.

Source: Pitchbook; DealID: 99928-00T

Synk raised $7 million

Others

3/6/18

Synk, a provider of security analysis tools designed to identify open-source packages, raised $7 million of Series A venture funding in a deal led by Boldstart Ventures and Canaan Partners on March 6, 2018. The tools secure authoring and consuming of open-source code and help to find, fix and monitor known vulnerabilities in open source dependencies, enabling clients to use open source without compromising security.

Heavybit, FundFire, Peter McKay and other undisclosed investors also participated in the round. The funding will be used to deploy additional product offerings that improve the secure usage of open source for developers.

Source: Pitchbook; DealID: 102333-97T