Evolve Capital Partners

Weekly Deals Update

Week Ending 03/23/18

SPECIALIZED INVESTMENT BANKERS AT THE INTERSECTION OF FINANCE AND TECHNOLOGY

Key Deals

M&A

Date	Target	Acquirer(s)	Sector	Amount ($mm)
3/20/18	MuleSoft	salesforce	Financial Management Solutions	$6801
3/13/18	EDR	SilverLake	Bank Technology Solutions	$205
11/28/17	ullink	ITIVITI	Securities	NA

Financing

Date	Target	Lead Investor	Sector	Amount ($mm)
3/21/18	CommonBond	Fifth Third Bank	Specialty Finance / Alternative Lending	$50
3/21/18	eToro	中民金融 CM Financial	Securities	$100
3/20/18	N26	Allianz	Bank Technology Solutions	$160
3/15/18	robinhood	DST	Securities	$350

Preface

Each week, Evolve Capital Partners compiles select M&A and financing transactions across the finance and technology sectors. We analyze multiple 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.

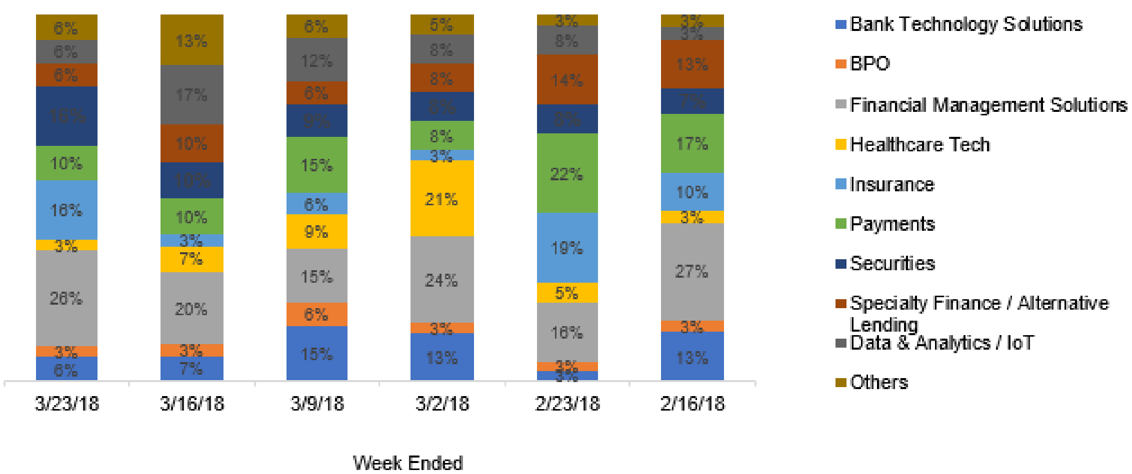
Sectors we cover at the intersection of finance and technology include:

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

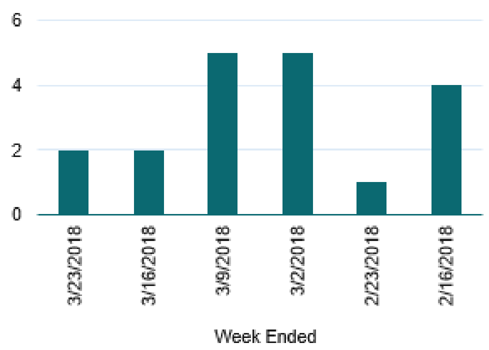
Deals Count

Sector	Number of Deals	% of Total
Bank Technology Solutions	2	6%
BPO	1	3%
Financial Management Solutions	8	26%
Healthcare Tech	0	0%
Insurance	5	16%
Payments	3	10%
Securities	5	16%
Specialty Finance / Alternative Lending	2	6%
Data & Analytics / IoT	4	13%
Others	1	3%
Total	**31**	**100%**

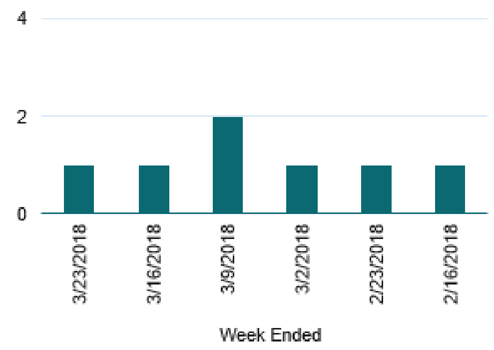
Sector-Wise Deals Breakdown



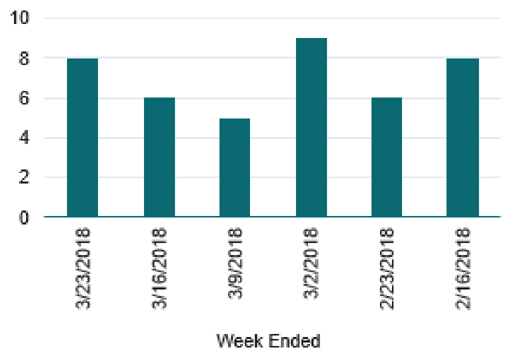
Bank Technology Solutions



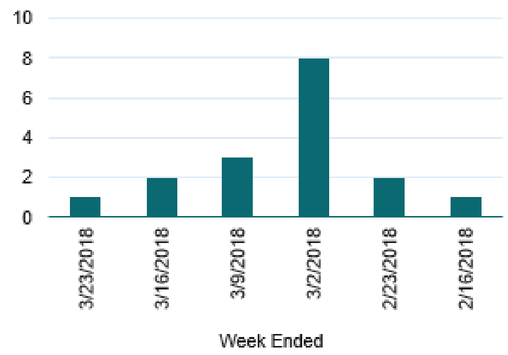
BPO



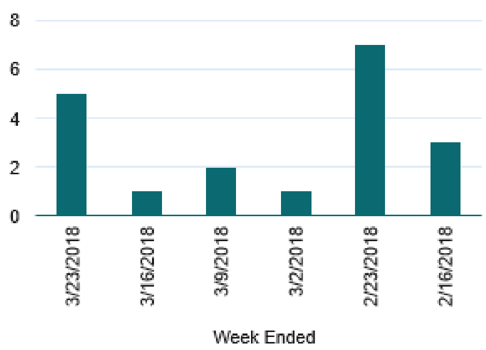
Financial Management Solutions



Healthcare Tech



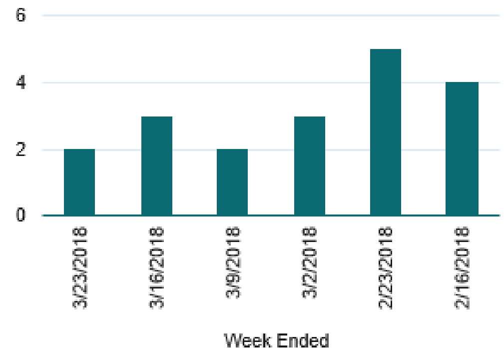
Insurance



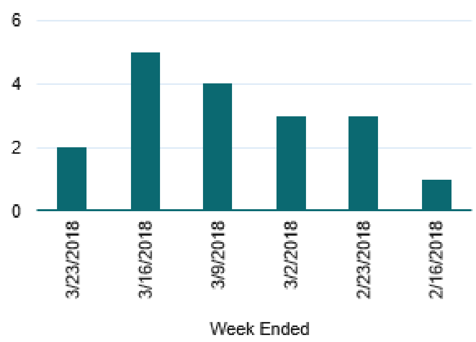
Payments

Securities

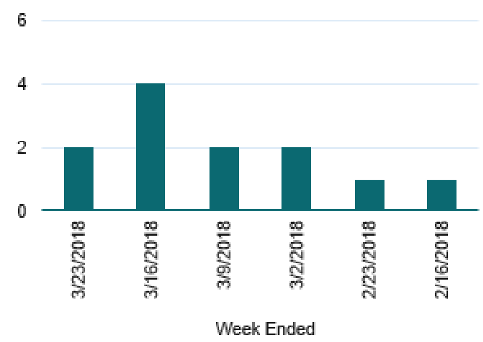
Speciality Finance / Alternative Lending



Data & Analytics / IoT



Others



BANK TECHNOLOGY SOLUTIONS

The challenger bank N26 raises $160 million ahead of U.S. launch

Bank Technology Solutions
3/20/18

The mobile-first bank N26 in Berlin has raised $160 million in preparation for its launch of a challenger bank in the United States.

Allianz X, the digital investment unit of Allianz Group, and Tencent Holdings, the investment conglomerate that owns WeChat, co-led the Series C funding round.

All told, N26 has raised $215 million. Previous investors have included Peter Thiel’s Valar Ventures, Earlybird Venture Capital and Li Ka-Shing’s Horizons Ventures.

Want to partner with us?
N26 seeks "a trusted brand name; we want our deposits to be FDIC-insured, and we’re looking for a partner that has a similarly innovative mindset to us,” CEO Nicolas Kopp says in discussing the German company's quest for a partnership with a bank in the United States.

Part of the $160 million will be used on product development for the existing offering in Europe, according to U.S. CEO Nicolas Kopp. The rest — and he would not say how much this is — will be used for international expansion, most immediately into the U.K. and U.S. markets.

N26 started out with the notion of creating a prepaid card for teenagers and their parents. It realized the features its developers were building, like real-time spending notifications, could be used by anyone.

It officially launched in Europe in January 2015 and now operates in 17 countries. It has acquired more than 850,000 customers; its goal is to reach more than 5 million customers by the end of 2020.

It is building its U.S. operation from a New York City base where it has “somewhere under 10” employees.

“We’re in a hiring ramp-up — we need the best people to bring the product to market here in the U.S.,” Kopp said. The company is looking for people in marketing, engineering, product development and operations.

N26 has also been searching for a U.S. banking partner.

“We’re looking for a trusted financial institution that’s large enough to absorb a high volume of customers,” Kopp said. “We’re also looking for a trusted brand name; we want our deposits to be FDIC-insured, and we’re looking for a partner that has a similarly innovative mindset to us.”

The plan is to announce the U.S. company in the second half of 2018.

Kopp intends to bring the German bank's focus on transparency and simplicity to the U.S. He's also going to introduce savings features in N26 products because research has found that Americans are terrible at saving; Europeans are five times better at it.

At more than 80 million strong, Millennials are the largest generation ever. They're also the most N26 will also offer real-time services, Kopp said.

"A lot of banking today still doesn't happen fully real time," he said. "Millennials and Gen Z appreciate fully real-time products — we're used to on the spot, on the go all the time, and that's something N26 focuses on as a mobile company and something that here in the U.S. we'll preach and make sure our product reflects."

N26 also plans to build an array of financial services that can be accessed by mobile phone, including lending products. In Europe, N26 partners with TransferWise for foreign exchange, Raisin for savings, Clark and Allianz for insurance, and auxmoney for credit. It also wants to use artificial intelligence to recommend products to customers that are beneficial to them, based on their life situation.

https://www.americanbanker.com/news/the-challenger-bank-n26-raises-160m-ahead-of-us-launch

Private equity firms buying real estate data and software provider EDR for $205 million

Bank Technology Solutions

3/16/18

Two prominent private equity firms are buying EDR, a provider of real estate data and software-as-a-service, for $205 million, the companies announced earlier this week.

EDR was previously owned by Daily Mail and General Trust, which announced late last year that it planned to sell off EDR.

The buyers for EDR, which provides property due-diligence and risk management technology and information, are Silver Lake and Battery Ventures.

“The sale of EDR marks further progress against DMGT’s strategic priorities of increasing portfolio focus and enhancing financial flexibility,” said Paul Zwillenberg, CEO of DMGT. “Silver Lake and Battery Ventures are ideally positioned to support EDR's evolving business model and future growth. We wish the team at EDR all the best in this next phase of their journey.”

Silver Lake is no stranger to investing in real estate-related technology. Last year, Silver Lake led a $500 million round of funding in SoFi, the online lender.

Now, Silver Lake and Battery Ventures are joining together to buy EDR.

“The real estate sector is continuing to evolve with the introduction of new technologies,” said Joe Osnoss, managing director at Silver Lake. “EDR has a rich history of thought leadership in this area, and we plan to invest behind the company's developing product roadmap to serve its important client ecosystem.”

EDR’s signature offering is its Collateral360 platform, which is an enterprise SaaS platform that “ensures compliance with risk policies by consolidating disparate processes and constituencies into one collaborative workspace.”

EDR CEO Chris Aronson said the company is looking forward to its next phase.

“We are thrilled to partner with world-class technology investors Silver Lake and Battery Ventures as EDR begins this exciting new chapter of innovation,” Aronson said. “I also would like to thank the team at DMGT for their steadfast support over the past two decades.”

Battery Ventures General Partner Scott Tobin said that buying EDR will enable the company to grow.

“We look forward to working closely with Chris Aronson and EDR's management team,” Tobin said. “We believe that our investment will enable EDR to accelerate growth -- including in the state-of-the-art Collateral360 SaaS platform -- and extend its reputation as a leader in real estate data and software with a developing range of products and services.”

https://www.housingwire.com/articles/42774-private-equity-firms-buying-real-estate-data-and-software-provider-edr-for-205-million

BPO

Dynamo Organic acquires Q-Biz Solutions, a leading software and services provider for alternative investments

BPO

3/22/18

Dynamo Software, the premier provider of software and data solutions for the alternative investment industry, announced today that it has acquired Q-Biz Solutions, LLC. Q-Biz has a long, successful history of providing software and services for the private equity back office. Q-Biz is the developer of PEViewTM, a back-office software solution for private equity fund managers, family offices, and fund administrators. The acquisition strengthens Dynamo's capabilities in the Private Equity, Venture, Real Estate and similar private funds space by deepening its finance and accounting offerings, including adding significant expertise to the Dynamo team.

The two companies have been working together for years on behalf of many shared clients. The ongoing collaboration successfully improved back-to-front office workflows by integrating PEView with the DynamoTM platform. With the official combining of the two companies, both firms' clients will recognize the immediate value and will retain their existing system licenses and services agreements while also having the opportunity to expand into newly integrated solutions.

"We are excited to welcome the Q-Biz team to the Dynamo family," commented Hank Boughner, Dynamo's CEO. "Their strengths are a perfect complement to Dynamo's solutions, and we look forward to joining forces to serve an industry seeking software and service solutions that streamline their front, middle and back-office operations. Importantly, Jayne Thompson and Nield Montgomery are recognized experts in the industry, with deep expertise in building software for the finance and accounting needs of private equity firms. We are thrilled they are joining our team as they continue to scale the Q-Biz platform."

Jayne Thompson, Q-Biz Co-Founder, commented: "After over nine years of tremendous growth of our software and services client base, Nield and I couldn't have found a better partner for the next chapter of our business. Our clients and employees will realize major benefits from our joining the Dynamo family."

Krassen Draganov, Dynamo's Founder and Head of Product, has known Jayne and Nield for over a decade and credits a strong, productive relationship as a cornerstone for this acquisition. "I'm thrilled to be working alongside Jayne, Nield and the rest of the Q-Biz team. This was exactly what we had in mind when we joined up with Francisco Partners last fall and brought in Hank to position us to act on these types of opportunities. Our product, services, and sales groups are very excited to leverage the expertise of the Q-Biz team and continue to jointly innovate for our clients."

https://www.dynamosoftware.com/dynamo-acquires-q-biz-solutions/

FINANCIAL MANAGEMENT SOLUTIONS

Clari raises $35 million for its AI-based sales platform, expands into marketing and supply chain management

Financial Management Solutions

3/22/18

Clari — a startup that has built a predictive sales tool that provides just-in-time assistance for sales people close deals and for those who work in the bigger chain of command to monitor the progress of the sales operation — is capitalising on the big boom in interest for all things AI in the business world. The company is today announcing that it has closed a Series C round of $35 million, funding that it will be using to build out its own sales and marketing team and expand its platform capabilities.

The round was led by Tenaya Capital, the VC fund that started its life as a part of Lehman Brothers, along with participation from other new investors Thomvest Ventures and Blue Cloud Ventures, and previous investors Sequoia Capital, Bain Capital Ventures and Northgate Capital. It brings the total raised by Clari to $61 million.

Andy Byrne, the founder and CEO who is a repeat entrepreneur and has been involved in several exits, said the funding closed "definitely at an upround, and much bigger than we thought it was going to be," but declined to give a number. For some context, Clari, according to Pitchbook, had a relatively modest post-money valuation of $83.5 million in its last round in 2014, so my guess is that it's now comfortably into hundred-million territory, once you add in this latest $35 million.

The funding comes at an interesting time for AI startups, particularly those aimed at enterprise IT.

When Clari first emerged from stealth in April 2014, the idea of applying AI to solve pain points for non-technical people in organizations was a fairly nascent and still-novel concept.

Fast forward to today, things have moved very fast, as is often the case in the tech world. Now, you can't seem to move for all the enterprise IT startups that are either using or claiming to use AI in their solutions. There are so many startup hopefuls, and so many organizations looking for the best way to use AI to improve their business and operations, that there are even startups being founded to manage that opportunity of connecting the two pieces together, such as Element AI.

"I'm not saying we were clairvoyant for targeting the idea of using AI for sales in 2013," Byrne said. "There was a macro trend on the rise and we happened to be at the right place at the right time. When we first launched, we had this thesis about AI for sales. Now it's not the number three or two priority for sales teams, it's number one. It's everywhere. Businesses want to invest and spend more money on AI and making things more efficient."

Clari says that its customer base has tripled in the last year, with customers including Adobe, Audi, Check Point Software, Equinix, Epicor Software Corporation, GE, and PerkinElmer.

Clari's approach for using AI for the sales team comes in two main areas. First, the company's system is aimed to reduce some of the busywork that salespeople have in maintaining and updating files on people, by bringing in a number of different data sources and using them to provide composite pictures of target companies that salespeople might have had to otherwise compile with more manual means. Second, Clari puts a lot of focus on its "Opportunity-to-Close (OTC) solutions" — a type of risk-analysis for salespeople and their managers to help them figure out which leads and strategic direction would be the most likely to produce sales.

https://techcrunch.com/2018/03/21/clari-ai-sales/

Salesforce buys MuleSoft for $6.5 billion in expansion quest

Financial Management Solutions

3/21/18

Salesforce Inc. agreed to buy MuleSoft Inc. for about $6.5 billion in its largest-ever acquisition, as the market leader in customer-relationship software makes an aggressive play for new products and corporate users.

San Francisco-based Salesforce is paying $36 in cash and 0.0711 shares of its common stock for each MuleSoft share, according to a statement. That's 36 percent more than MuleSoft's closing share price on Monday. Salesforce said the $6.5 billion total price represents MuleSoft's enterprise value.

Salesforce has tried to compete with larger rivals including Oracle Corp. and Microsoft Corp. by expanding its corporate software offerings. Tuesday's deal, scheduled to close by July 31, will give Salesforce access to MuleSoft's 1,200 customers and the chance to sell them complementary products.

The company aims to double annual revenue by 2022, but growth had slowed recently. MuleSoft expanded rapidly by helping companies like McDonald's Corp. and Coca-Cola Co. connect applications, data sources and devices using in-house servers or public cloud providers.

"The success and integration of MuleSoft into Salesforce will be a strategic priority for us as we head toward $20 billion" in sales, Salesforce Chief Executive Officer Marc Benioff wrote in an email to MuleSoft employees.

Salesforce shares dipped 2.2 percent in extended trading, after closing at $125.12 in New York on Tuesday. The company said it will pay for the cash part of the acquisition with existing funds and by borrowing $3 billion.

The transaction prompted Salesforce to increase its revenue goal for the fiscal year that ends Jan. 31, 2022, by $1 billion, to $21 billion to $23 billion, according to a filing. The company also said its operating profit margin won't improve as much as previously projected.

Adding MuleSoft may help mitigate a recent slowdown in Salesforce's growth. The target company reported revenue growth of 58 percent last year and is on course to expand at about 40 percent in 2018, according to data compiled by Bloomberg.

Revenue from Salesforce's existing business that helps companies build custom applications gained 37 percent -- the biggest jump of any unit -- to $536.3 million in the most-recent quarter.

Salesforce said MuleSoft will help it create an "Integration Cloud" service that combines the best of traditional in-house corporate computing with data and apps from the public internet.

A company may want to tap startup Stripe's digital payments capabilities and combine that with Google Maps, plus some internal data and an older software program. Pulling all that together into a custom application used to be a nightmare involving manually writing code, especially for non-tech companies. MuleSoft technology makes this easier.

Salesforce said companies will spend more than $4 billion writing integration software from scratch this year. The broader market for this is worth as much as $30 billion a year, it said.

"This is thinking about the next 10 years," Salesforce Chief Operating Officer Keith Block said on a call with analysts after the deal was announced. "We're looking at the best asset in the marketplace and we're very excited to have them join us."

The deal will also bolster Salesforce's strategy of targeting specific sectors, Block said, including government agencies, health care and financial services.

"This acquisition will expand Salesforce.com's Platform-as-a-Service portfolio of products," said Anurag Rana, an analyst at Bloomberg Intelligence. These platforms let companies easily build applications that suit their specific needs, he added.

https://www.bloomberg.com/news/articles/2018-03-20/salesforce-agrees-to-buy-mulesoft-for-about-6-5-billion

Ansarada raises $18 million Series A to expand business readiness platform globally

Financial Management Solutions

3/21/18

Ansarada, a global business readiness platform provider, today announced it has raised $18 million USD in Series A funding to accelerate expansion in the United States and EMEA. With this investment, Ansarada will meet surging demand for its Material Information Platform (MIP) that enables businesses and their advisors to improve ongoing operations and eliminate risks, while supporting superior outcomes during business-critical events such as M&A, capital raises and audits. This capital raise was led by Ellerston Capital, alongside Tempus Partners, Belay Capital and Australian Ethical Investments. All advisory fees from the deal will be donated to charity projects in Uganda and Nepal via Adara Partners.

"Ansarada has grown fast to become the go-to platform for companies in executing their most important transactions, like mergers and acquisitions," said David Leslie, investment director of Ellerston Ventures. "Ansarada's new innovations and products build on their impressive experience to deliver value to any company in the world. Ellerston's investment will help Ansarada capitalize on the global demand for their solution, and accelerate the company's pace of product innovation."

Ansarada recently launched its AI-powered MIP to empower advisors, investors and companies to unify critical information scattered across silos and provide a complete overview of business performance. Ansarada's user-friendly technology then harnesses the power of machine learning to identify risks and opportunities and generate unique insights from more than 20,000 business-critical events worth over $2 trillion. Companies using MIP gain an advantage in their biggest events, while the holistic view enables them to improve ongoing operations across the business.

"Ansarada's high-value products enable companies to significantly enhance how they manage critical corporate information around material events," said Alister Coleman from Tempus Partners. "In an increasingly global environment, where data and information security is paramount, Ansarada enables companies to optimize and share their most important information securely. Tempus Partners is excited to back a great founding team as they plot Ansarada's next wave of product development and global growth."

For this capital raise, Ansarada has adopted an innovative model that donates all advisory fees to benefit people in extreme poverty. Through a groundbreaking partnership with Adara Partners, hundreds of thousands of dollars in fees will directly support vulnerable communities in Nepal and Uganda with health, education and other essential services. Ansarada has been working with Adara for years, and has pledged one percent of its equity, time and product to support the group's acclaimed international development work.

"Global titans from Google to PwC have seen first-hand how Ansarada technology unites information and artificial intelligence to help business flourish," said Sam Riley, CEO of Ansarada. "Ansarada is honored to team up with some of the biggest names in dealmaking to help more companies seize opportunities in today's fast-moving market. This spirit of innovation has also influenced our breakthrough donation model for corporate advisory services that delivers help to those who need it most and can inspire professionals to serve a greater purpose.

https://www.prnewswire.com/news-releases/ansarada-raises-18m-series-a-to-expand-business-readiness-platform-globally-300617713.html

Chargebee raises $18 million to help businesses manage subscriptions

Financial Management Solutions

3/21/18

The subscription model is growing in popularity as a way to monetize a service, netting in trends in SaaS, media, e-commerce and other verticals that are in search of more predictable, recurring revenues. Now, a startup built to provide a subscription platform to businesses has raised a round of funding to grow.

San Francisco and Chennai-based Chargebee has raised an $18 million Series C round to help companies manage recurring billing. The funding was led by Insight Venture Partners, with participation from Accel Partners and Tiger Global Management. Tiger previously led a $5 million Series B in 2015.

Chargebee works with payment platforms like Stripe, Braintree, PayPal, Adyen and others to help its 7,000 customers keep tabs on recurring revenue, with customers that include Okta and Freshworks as well as other businesses in digital media, e-commerce and SaaS. It also helps companies manage accounting and taxation compliance across 53 countries.

Chargebee has similarities to Zuora, which recently filed to go public. But Krish Subramanian, co-founder and CEO, tells TechCrunch that the two companies focus on different-sized customers. “Our focus on a business-user-first billing system that delivers a way to manage any exceptional billing scenario via the user interface makes us different from payment gateways as well as other billing systems.”

He also acknowledged that Chargebee competes with in-house billing solutions, but ultimately he hopes that its API integrations like those with Xero and QuickBooks help set it apart. “Just like how businesses don’t build their own CRM / help desk, we believe that businesses don’t need to build their own billing systems,” said Subramanian.

Harley Miller, vice president at Insight Venture Partners, is joining the board. They invested because they “saw a strong macro trend toward recurring revenue business models and their underlying need for flexible billing/invoicing solution not being well served.”

Subramanian is also very bullish on more businesses shifting to subscriptions. “You can see that even legacy technology businesses like SAP and Oracle are shifting towards recurring revenue model and it’s just the beginning of the shift of a $500 billion software market.”

But in competitor Zuora’s recent IPO filing, the company warned that there are no subscription market growth guarantees. “If the shift by companies to subscription business models, including consumer adoption of products and services that are provided through such models, and, in particular, the market for subscription management software, develops slower than we expect, our growth may slow or stall, and our operating results could be adversely affected."

The funding round brings Chargebee's total raised to $24.7 million since it was founded in 2011.

https://techcrunch.com/2018/03/20/chargebee-raises-18m-to-help-businesses-manage-subscriptions/

Customer Engagement Company ZineOne raises $2.5 million funding from Omidyar Network

Financial Management Solutions

3/20/18

Silicon Valley-headquartered customer engagement company ZineOne has raised $2.5 Mn in Series A round of funding led by Omidyar Network. The company currently has an office in India.

Others who participated in the funding round include Harvard Business School Alumni Angels, Touchstone Equities, as well as existing investors Hyderabad Angels and Golden Seeds.

It plans to use the funds towards aggressively accelerating sales, marketing and the execution of a product roadmap that is focussed on building the most intelligent system within its category, with significant investments toward securing top talent in machine learning and artificial intelligence.

As part of the fundraise, Omidyar Network's Venture Partner Ken Miller has joined ZineOne's board.

Commenting on the funding, Debjani Deb, CEO, ZineOne said, "More and more enterprises around the world are recognising the need to move their customer engagement efforts beyond emails and call centres into an immediate, contextual and real-time world. The year 2018 presents an inflection point in the industry and with this new funding, ZineOne is well positioned to lead the market in this emerging segment."

With this Series A round of funding, ZineOne's total fundraise has reached $5 Mn. Earlier in June 2017, the company raised $2.5 Mn from New York-based Golden Seeds Angels, India-based Hyderabad Angels and other prominent investors.

Commenting on the development, Ken Miller said, "We are excited to see how artificial intelligence, machine learning and other new technologies are coming together to personalise and enhance the consumer experience. ZineOne delivers on this promise and benefits banks and retailers who are looking to better serve their clients, but most importantly consumers, who now have products and services tailored to meet their unique needs and delivered when they need them."

Founded in 2014 by Debjani Deb, Manish Malhotra and Arnab Mukherjee, ZineOne uses machine learning algorithms to provide banks and retailers with the ability to engage with their customers real-time, in a highly contextual and personalised manner.

On its website, the company mentions that its "mission is to help traditional brick-and-mortar enterprises re-imagine customer engagement in a new, real-time, high-touch, digital world."

It also claims that, at present, ZineOne enables more than 100 Mn users, processing over 5 Bn events a year, and generating 100 GB of data every hour worldwide.

In India, ZineOne is enabling financial institutions to provide a seamless digital experience to their customers by using personalised context to nudge consumers to better financial behaviours, such as increasing savings.

The company also claimed that one of its customers is HDFC Bank, which is leveraging ZineOne's value proposition across all its digital channels and experiencing significant gains in customer engagement, including a growth in the click-through rate that is three times greater than with traditional methods.

In the customer engagement hub segment, ZineOne competes with the likes of Servion, Dimension Data, etc. In its statement, the company claimed that the customer engagement hubs are expected to disrupt an estimated $10 Bn currently spent on marketing automation and customer experience software worldwide, by moving the industry away from batch emails, push messaging and call centres, to "in the moment" interactions.

Amid the growing technology and very few companies currently in the sector, the latest funding from Omidyar Network is bound to help ZineOne expand its services and get a stronghold in the market.

https://inc42.com/buzz/customer-engagement-hub-company-zineone-raises-2-5-mn-funding-from-omidyar-network/

Eximchain secures $20 million for blockchain platform

Financial Management Solutions

3/20/18

Eximchain, a blockchain-based platform developed in the Massachusetts Institute of Technology's media lab, has raised $20 million for its supply chain financing solution.

Reports in BlockTribune on Monday (March 19) said Eximchain raised the investment from China-based cryptocurrency hedge fund FBG Capital. INBlockchain and Kenetic Capital also participated, reports said.

Eximchain uses blockchain to facilitate supply chain financing via smart contracts and a token system. The technology aims to increase transparency over the supply chain and facilitate communication between buyers and their suppliers while automating supply chain financing processes like contracting and negotiation.

Following the investment, Eximchain said it's readying for its token airdrop, which aims to provide 1.5 million EXC tokens that can be converted to native tokens on the company's blockchain when it launches.

"After experimenting [with proofs of concept] on Ethereum or private blockchains, the enterprise world is looking for technical solutions that can be deployed immediately to solve real supply chain problems," said Eximchain Co-Founder and CEO Hope Liu in a statement. "There is a huge potential for blockchain technology to revolutionize supply chain processes, and we are all excited to see the progress that Eximchain will help bring to this industry."

Supply chain finance and management are some of the largest targets of blockchain innovators today.

Earlier this month, bBiller spoke with PYMNTS about its own supply chain solution that uses blockchain and smart contracts to enhance transparency and efficiency of B2B transactions, for instance. IBM has similarly experimented with blockchain-based supply chain solutions.

Last year, Chain Business Insights released a report that found more than a third of supply chain executives already have blockchain-based technologies in their own systems, and a quarter said they're at least knowledgeable about the technology. Supply chain executives most often cited the ability to track product movement through supply chains as a top benefit of blockchain, while communication and data sharing with suppliers, as well as payment information tracking, were also commonly cited focuses.

https://www.pymnts.com/news/b2b-payments/2018/eximchain-blockchain-supply-chain/

Ideaspring Capital, The Hive invest in AI startup Peritus

Financial Management Solutions

3/15/18

Artificial intelligence startup Peritus.ai has raised $2 million (Rs 12 crore) in funding from early-stage venture capital firm Ideaspring Capital and early-stage fund The Hive, a company statement said.

The firm will use the money to strengthen its development team in India, it said in the statement.

Based in California, US, Peritus.ai Inc. was founded by Santhosh Srinivasan and Kamesh Raghavendra in 2017 with support from The Hive, which incubates startups and focuses on applications of AI in the enterprise segment.

“We are looking forward to help from Ideaspring for support in building and guiding our development team in India,” said Srinivasan, co-founder and vice president for engineering at Peritus.ai.

The company automates professional services, support delivery and incident resolution for data centres. It leverages recent advancements in AI to automate and customise end-to-end service workflows. It also proactively predicts support needs and incident features from patterns mined across product designs, past incidents, configurations and log data, the statement said.

“Data centre growth over the last 15 years has created significant growing pain in data centre management. Tasks that once could be done manually by IT teams have hit the limits of scalability, cost, and efficiency and Peritus is solving that by automating it,” said Arihant Patni, managing director, Ideaspring Capital. The company claims that its solution reduces the support requirement by two-thirds.

Peritus.ai’s product is currently being deployed by leading data centre vendors and managed service providers, the company said with identifying the clients. Its competency in cognitive support transforms the economics of support delivery for enterprises, cloud service providers, and data centre system vendors, the statement added.

The Hive India was floated in September 2013 by Patni Computers’ scions Amit and Arihant Patni. It typically invests between $200,000 and $2 million in three to five companies a year and picks 20-40% stake in startups in return for the investment. It also backs startups at the idea-stage.

The fund invests in big data firms operating in multi-channel marketing, CRM, security, IT management, e-commerce, retail, advertising, media, financial services and insurance, telecom and healthcare.

Ideaspring is a Rs 125-crore early-stage fund launched in April 2016 by angel investors Naganand Dorasami and Prashant Deshpande along with Arihant and Amit Patni, among others. It invests in enterprise tech startups operating in the space of machine-learning and deep learning, computer vision and image processing, big data analytics, Internet of Things, augmented and virtual reality, health-tech and fin-tech.

The fund was looking achieve its first close of Rs 90 crore within a month of its launch. The fund invests up to $450,000 (around Rs 3 crore) in early-stage tech startups, besides participating in pre-Series A and Series A rounds where it pumps in up to $750,000 (around Rs 5 crore) as a co-investor.

It has four general partners, or GPs in industry parlance, including Infosys veterans V Balakrishnan (founder and chairman, Exfinity Venture Partners) and TV Mohandas Pai (chairman, Manipal Global Education Services and Aarin Capital), Rajiv C Mody (owner of Sasken Communication Technologies) and Amit Patni.

Doraswamy is managing director and CEO at Ideaspring while Arihant Patni and Deshpande are managing directors. Suryaprakash Konanuru is chief technology officer at the firm.

Some of its earlier bets include workflow management startup Zapty, augmented reality startup Whodat and enterprise networking startup Lavelle Networks.

https://www.vccircle.com/ideaspring-capital-the-hive-invest-in-ai-startup-peritus/

MINDBODY to acquire Booker Software

Financial Management Solutions

3/12/18

MINDBODY, Inc. (NASDAQ: MB), the leading technology platform for the wellness services industry, today announced that it has entered into a definitive agreement to acquire Booker Software, a leading cloud-based business management platform for salons and spas, and the provider of Frederick, a fast-growing, automated marketing software for wellness businesses.

The acquisition of Booker will add approximately 10,000 salons and spas to the MINDBODY marketplace, combining MINDBODY's leadership in boutique fitness studios and its vast consumer network with Booker's leadership in high-value salons and spas.

"MINDBODY and Booker power the local businesses that help tens of millions of people lead healthier, happier lives," said Rick Stollmeyer, MINDBODY CEO and co-founder. "By combining our technology and teams, we will help our customers grow by connecting them to even larger consumer audiences. Our intention is to rapidly expand our wellness and beauty platform by delivering more value to customers, consumers and partners alike."

"MINDBODY and Booker have long shared a common purpose: delivering a platform that empowers wellness and beauty professionals to run and grow their businesses," said Josh McCarter, Booker CEO. "By joining forces, we can deliver the game-changing technologies the wellness industry has been waiting for, and accelerate growth for our customers."

Booker was founded in 2010 to serve the beauty industry and earned approximately $25 million in subscription and payments revenue in 2017. Today, Booker serves approximately 10,000 high end salons and spas, and its platform processed over $1.4 billion in payments volume in 2017.

Under the terms of the agreement, MINDBODY will acquire Booker Software for approximately $150 million in cash and the assumption of unvested option awards. The transaction is expected to close in Q2 2018, and if closed, additional financial information will be shared when MINDBODY reports its Q1 2018 results.

Centerview Partners is acting as financial advisor to MINDBODY. Raymond James is acting as financial advisor to Booker. Cooley LLP is acting as counsel for MINDBODY and Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP is acting as counsel for Booker.

https://www.prnewswire.com/news-releases/mindbody-to-acquire-booker-software-300612588.html

HEALTHCARE TECH

INSURANCE

Zensar to acquire insurance-tech company Cynosure for $33 million

Insurance

3/21/18

Mid-tier IT services firm Zensar will acquire US-based insurance-tech company Cynosure for $33 million, to expand its foothold in the fast-growing property and casualty insurance space.

Cynosure focusses on providing 'Guidewire' platform implementation services to property and casualty (P&C) insurance carriers, and had revenues of about $20 million in 2017. The Guidewire platform is a large insurance platform that allows insurance companies to integrate various insurance practices and allows them to go digital.

"Cynosure is an integral part of our return-to-digtial strategy," Sandeep Kishore, CEO and MD, Zensar, told BusinessLine. "Insurance is 15 per cent of our business, and this acquisition will help us grow it. Moreover, property and casualty insurance is a $2-trillion sector globally, growing much faster than life insurance. We already have 1,200 people working under our insurance practice." Kishore said the overall cost of acquisition will be $33 million, plus some earnouts, which will be based on business performance and goals. "Cynosure is a Guidewire partner, and is well-respected in the marketplace, making it an expert in this area. It brings successful implementations, providing core system modernisation with rich customer relationships that will serve as a significant value addition to our offerings," Kishore said.

Zensar Technologies Ltd will acquire the entire share capital of Cynosure Interface Solutions (Cynosure India), and the former's wholly owned subsidiary, Zensar Technologies Inc, will acquire the entire share capital of Cynosure Inc. Cynosure Inc is headquartered in Chicago. Cynosure India is headquartered, and has an offshore development centre, in Bengaluru. The acquisition will be funded by a mix of internal accruals and external debt.

This is Zensar's third acquisition in less than 18 months as the company tries to pivot majority of its business towards digital technologies such as automation, machine learning, artificial intelligence and blockchain. In November 2016, Zensar acquired Foolproof and three of its subsidiaries for an undisclosed sum, to build its digital portfolio. Four months later, it acquired Keystone Logic Solutions, a Bengaluru-based digital supply chain company, for an undisclosed amount.

Through a mix of acquisitions and organic growth, Zensar has begun generating over 38 per cent of its business from the digital space.

Harsh Goenka, Chairman of RPG Enterprises and Zensar, said: "Insurance is one of the focus areas for Zensar. The combined capabilities of Cynosure, with its industry-leading Guidewire capabilities in the P&C insurance sector, and Zensar's digital expertise will augment the company's growth."

"As part of Zensar, we have the opportunity to offer more robust integrated solutions combined with its digital transformational and infrastructure capabilities. Our expertise in Guidewire platforms have enabled our customers in the P&C insurance space to reap long-lasting benefits which is now fortified by this combined entity." said Sid Wadhwa, CEO and co-founder, Cynosure.

Post the acquisition, Cynosure will continue to be managed by its founders. The management and team of Cynosure in the US and Bengaluru, will become a part of Zensar's insurance vertical.

https://www.thehindubusinessline.com/info-tech/zensar-to-acquire-insurance-tech-company-cynosure-for-33-million/article23313613.ece

Spectrum Equity invests in Origami Risk

Insurance

3/19/18

Origami Risk, the industry leading risk and insurance Software as a Service (SaaS) technology firm, announced today that it has received an investment from Spectrum Equity, a leading growth equity firm. Representing a minority position, this is the first institutional capital in the company, which will facilitate access to additional insights and resources, as well as the ability to selectively pursue accretive acquisitions.

Origami Risk has grown to become the preeminent risk and insurance technology platform serving all members of the risk management community from insured corporate and public entities, to insurance carriers, brokers, TPA's and risk consultants. The company provides an integrated platform of products including RMIS, GRC, Claims, Safety, Analytics, Underwriting and Data Tools. Origami Risk has the most experienced team in the RMIS industry, ensuring that client service and success is the central focus of each engagement. The company is led by CEO and Co-Founder Robert Petrie, who is an industry veteran and thought leader with over 20 years of operating experience.

"We are excited to partner with Spectrum Equity and look forward to leveraging Spectrum's expertise with SaaS businesses and domain knowledge of risk and information services sectors," said Robert Petrie, CEO of Origami Risk. "Our singular focus on client success will continue to drive our innovation and business model, which has always centered on delivering the best available technology and deeply skilled experts in order to help our customers meet their business objectives."

Mike Farrell, Spectrum Equity Managing Director, said, "The Origami Risk management team has built an innovative, high growth business, and we have been continuously impressed with their accomplishments while getting to know them over the last five years. We are thrilled to support the team as they continue to invest in the industry's leading RMIS platform and provide strategic insights to help achieve the company's vision of continued leadership in risk and insurance technology."

Financial terms of the transaction were not disclosed.

https://www.pehub.com/2018/03/spectrum-equity-invests-origami-risk/

Fidelity National Financial to acquire Stewart Information Services

Insurance

3/19/18

Fidelity National Financial, Inc. (NYSE: FNF) today announced that it has signed a merger agreement to acquire Stewart Information Services Corporation ("Stewart") (NYSE: STC) for $50.00 per share of common stock, subject to potential adjustment as described below, representing an equity value of approximately $1.2 billion. The consideration will be paid 50% in cash and 50% in FNF common stock. Stewart stockholders will also have the option to elect to receive their consideration in all cash or all stock, subject to pro rata reductions to the extent the cash or stock option is oversubscribed. The FNF common stock component will be subject to a fixed exchange ratio that is based on FNF's volume weighted average price ("VWAP") for the twenty trading days prior to the signing of the merger agreement. For those Stewart stockholders who elect to receive all FNF stock, the exchange ratio will be equal to 1.2850, subject to potential adjustment as described below and proration to the extent the stock option is oversubscribed.

FNF intends to achieve at least $135 million in operational cost synergies and expects the acquisition to be at least 15% accretive to pro forma 2017 adjusted net earnings per share at that operational cost synergy target.

Stewart is one of the leading title insurance companies in the country, providing residential and commercial title insurance, closing and settlement services, appraisal and valuation services and other offerings to the real estate industry.

"We are excited to welcome Stewart, its employees and its customers to the FNF family," said FNF Chairman William P. Foley, II. "The venerable Stewart brand has a long and respected history in the title insurance industry and we see tremendous potential in working with the Stewart management team to invest in and grow the Stewart brand on a national basis as part of our long-time, successful strategy of operating multiple title insurance brands under the FNF umbrella."

"We are very familiar with Stewart in the marketplace and see multiple areas where we can assist and accelerate Stewart's growth plans," said FNF CEO Raymond Quirk. "We also believe there are significant operational efficiencies we can bring to bear by leveraging FNF's shared services infrastructure that will provide meaningful long-term value creation opportunities for our shareholders."

Under the terms of the merger agreement, if the combined company is required to divest assets or businesses for which revenues exceed $75 million up to a cap of $225 million in order to receive required regulatory approvals, the purchase price will be adjusted down on a pro-rata basis to a minimum purchase price of $45.50 per share of common stock.

FNF currently intends to fund the $1.2 billion purchase price through a combination of cash on hand at FNF, debt financing and the issuance of FNF common stock to Stewart stockholders. Including the assumption of $109 million of Stewart debt, pro forma debt to total capital is expected to be no more than approximately 20% at the close of the transaction.

https://www.prnewswire.com/news-releases/fidelity-national-financial-inc-announces-signing-of-a-merger-agreement-to-acquire-stewart-information-services-for-50-per-share-in-combination-of-cash-and-fnf-common-stock-300615694.html

Figo Pet Insurance raises $4 million in funding

Insurance

3/14/18

Figo Pet Insurance, a Chicago, IL-based insurtech startup for pet owners, raised $4m in funding.

The round was led by HCS Capital Partners.

The company intends to use the funds to continue to expand operations and its business reach.

Led by Rusty Sproat, CEO & Founder, Figo provides cloud-based health insurance plans for cats and dogs, enabling users to get a quote, submit claims from their mobile device, and get reimbursed electronically. The company's free cloud based services feature real time record management, smartphone applications, pet gps location services, among others.

Figo is a National Pet Insurance MGA company.

http://www.finsmes.com/2018/03/figo-pet-insurance-raises-4m-in-funding.html

Kelly Klee raises $4.5 million in funding

Insurance

3/7/18

Kelly Klee, Inc., an Aspen, CO-based digital insurance broker, raised $4.5m in Seed funding across two closings.

Backers included Gary Tolman, the former CEO of Esurance; David Fitzgerald, former head of business development for Google Compare Insurance; David Wong, former General Partner at Brentwood Associates; Matt Coffin, LowerMyBills founder; Jon Kelly, Kelly Klee CEO; and Langdell Investments.

The company intends to use the funds to continue to expand its business reach.

Kelly Klee has just released a hybrid human-robo advisor for personal insurance, providing coverage for homes, cars, valuables, and personal liability. The firm now provides coverage for over $1.2 Billion in assets, underwritten by the very best affluent-focused insurers, such as Chubb, AIG Private Client Group, PURE, Nationwide Private Client, Encompass, and Cincinnati Financial. Kelly Klee is licensed in all 50 states.

http://www.finsmes.com/2018/03/kelly-klee-raises-4-5m-in-funding.html?utm_source=Insurance+Tech+Newsletter&utm_campaign=866d569e5b-InsuranceNL_1_16_2018&utm_medium=email&utm_term=0_0c441eb5f9-866d569e5b-89035253

PAYMENTS

Aldrich makes $26 million investment in procure-to-pay startup Paymerang

Payments

3/21/18

Aldrich Capital Partners has made a $26 million growth investment in Paymerang, LLC, a leading provider of electronic payment solutions for businesses.

This investment, announced Monday, will buy out company investors and help Richmond-based Paymerang grow in the Procure-to-Pay space with new jobs, products, sales channels and operational infrastructure. Paymerang intends to significantly expand operations in the Richmond metro area and add over 100 jobs over the next five years.

“From its inception, Paymerang has transformed the way businesses pay their suppliers electronically, enabling them to be more efficient, secure and profitable,” said CEO Nasser Chanda. “We are proud of what Paymerang has delivered to our clients over the years and excited about the journey ahead. Our market is ripe for innovation and we intend to work fast to develop solutions to the complex problems businesses face today. To be able to do this from Richmond, with our incredibly dedicated Paymerang team and this backing from a top-caliber investment group like Aldrich, is a dream come true.”

The Procure-to-Pay market is primed for disruption, with manual, paper-laden processes that create friction between businesses. Paymerang’s founder, Steve Winston, along with talented company employees, delivered a revolutionary way to help businesses automate supplier payments with elegant simplicity and a proven reduction in accounts payable’s work. Now, Paymerang is armed with capital and support to expand throughout the procurement cycle, facilitating the automation of the accounts payable and accounts receivable functions. Improving the entire cycle will help Paymerang achieve its vision of enabling “The Perfect Payment.”

“Aldrich Capital is the entrepreneur behind the entrepreneur,” said Mirza Baig, founding partner of Aldrich. “We are delighted to invest in an innovative company like Paymerang that is defining the future of business payments. We think very highly of the employees and the management team, and know this will be a wonderful journey.

“Procure-to-Pay is in the process of disruption and Paymerang is the vehicle to do it,” Baig added. “We expect to provide significant operational support to rapidly grow Paymerang through organic and acquisition-based growth. This is a vast market that is still in early innings and we look forward to proving out our investment thesis over the coming years.”

Aldrich Capital Partners helps private companies attain their growth objectives by tapping into the resources, knowledge base and network of relationships of the investment group, which has invested over $1 billion in technology companies since 1999.

Virginia Gov. Ralph Northam's visit Monday to Paymerang headquarters solidified Aldrich's milestone investment. Northam greeted the entire Paymerang team and spoke about the impact this financing will have on the Virginia economy.

"Virginia is proud to call itself home to innovators like Paymerang and I am pleased to join them in celebrating Aldrich Capital's investment in their future," said Governor Northam. "This significant step means Paymerang can provide even more entrepreneurs and businesses with the solutions they need to be more efficient, effective, and successful and as a result, have an even broader impact on the growth of 21st-century jobs and Virginia's economy."

Aldrich's $26 million investment represents the single largest investment in a financial technology company in the history of Virginia, according to CB Insights & CrunchBase.

"Aldrich Capital is the right partner for Paymerang at this stage," Chanda said. "Throughout the investment process, Aldrich's vision for Paymerang impressed us. Our values of ethics, teamwork and innovation aligned toward solving today's complex business problems. We look forward to Aldrich's support in building our talent, products, infrastructure, sales channels and acquisition strategies as we grow our leadership position in the industry."

https://www.finextra.com/pressarticle/73153/aldrich-makes-26-million-investment-in-procure-to-pay-startup-paymerang?utm_medium=dailynewsletter&utm_source=2018-3-22&member=93489

Wibmo acquires Mypoolin to explore corporate payments

Payments

3/15/18

U.S. payments company Wibmo is acquiring India-based Mypoolin, and plans to explore the B2B payments industry as a result.

Reports in the Economic Times of India on Wednesday (March 14) said the companies, which have a mutual investor in Accel Partners, have focused mainly on consumer payments. Wibmo enables payment authentication services for eCommerce transactions as well as mobile payments, bill payments, recharge and payment gateway solutions, reports said.

Mypoolin, meanwhile, focuses on peer-to-peer payments with its Unified Payments Interface (UPI). The company links its services to retailers and merchants, enables them to send and receive money directly, and similarly offers bill payment solutions.

"Mypoolin is a very strong technology company in the bank account-based payment space in India," said Wibmo CEO Govind Setlur in a statement. "With UPO and Aadhaar-based market leading solutions in this rapidly growing segment, Mypoolin expands our offering in consumer payments and opens up some very exciting opportunities."

Despite their focuses in consumer and P2P payments, the companies also said the acquisition will enable them to explore corporate payments.

"We will also look to have a large focus on B2B payments through the acquisition," said Mypoolin cofounder Ankit Singh in another statement.

Financial details of the takeover were not revealed.

In 2016, Wibmo announced the launch of Wibmo One Step, an authentication solution that enables an integration of payments data, personal credentials and validation solutions on a consumer's device for easier authentication and payments.

Last month, Cortex MPC announced it would be acquired by Uphold, combining their authentication and payments security features with a focus on blockchain and tokenization. That deal follows Uphold's $57.5 million partnership with former Ripple executive Greg Kidd to enhance its connection to financial systems.

https://www.pymnts.com/news/b2b-payments/2018/wibmo-mypoolin-acquire/

PayMaxx pro auto dealer payments platform acquired by REPAY

Payments

3/13/18

Preston Todd Advisors has successfully advised PayMaxx Pro, a niche automotive industry payments platform, on their sale to REPAY – Realtime Electronic Payments, a premier provider of advanced payment technology products and electronic transaction processing services to the consumer finance industry. Both companies will benefit from shared resources and cutting-edge technology.

"It was our pleasure to advise Chris Leedom, CEO of PayMaxx Pro on the transaction. We believe there's an exceptional fit between PayMaxx Pro and REPAY and the combined entity will be a significant force in the automotive payments space.", said Lane Gordon, Managing Director of Preston Todd Advisors.

2017 was a record year for Preston Todd's payments and fintech mergers and acquisition practice. "The market for fintech and payments properties is white hot", according to Gordon, "at this point in 2018, we are representing a variety of payments technology companies, including gateways and international payments platforms, large merchant acquirers, and SaaS . We're actively engaged in a number of buy-side projects as well."

https://www.prnewswire.com/news-releases/paymaxx-pro-auto-dealer-payments-platform-acquired-by-repay-300613145.html

SECURITIES

Social trading firm eToro raises $100 million

Securities

3/21/18

Social trading network eToro is set to double down on its work in blockchain-based technologies after raising $100 million in a Series E financing round led China Minsheng Financial.

SBI Group, Korea Investment Partners and The World Wide Investment Company participated in the round, which takes eToro's total capital raised to $162 million.

Founded in 2007, eToro enables participants to see, follow and automatically copy the actions of other investors in real time. It now has a community of over nine million users, receiving over $1 billion in customer deposits in 2017 alone.

The funding will be used to push into new markets but also R&D on blockchain technology and the digitisation of assets. The firm credits demand for investment in the cryptocurrency markets for its strong growth over the last year.

Yoni Assia, CEO, eToro, says: "EToro was built with the vision of democratizing financial markets by making trading and investing accessible to all.

"Since launching, we've seen strong customer demand for our approach and today's announcement is an important milestone in marking the success that we've had and signalling a new period of growth and expansion for our business."

https://www.finextra.com/newsarticle/31849/social-trading-firm-etoro-raises-100m?utm_medium=newsflash&utm_source=2018-3-21&member=93489

Franklin Resources acquires machine-learning lending firm Random Forest Capital

Securities

3/20/18

Franklin Resources on Tuesday announced it acquired Random Forest Capital, an emerging money management firm that invests in marketplace, or peer-to-peer, lending by using machine learning and statistical algorithms.

Terms were not disclosed, nor were Random Forest's assets under management.

Random Forest's staff — including co-founders Austin Trombley, chief technology officer, and Kevin Farrelly, chief operating officer — will become part of the Franklin Templeton (BEN) Fixed Income Group, said Roger Bayston, senior vice president and director, fixed income, in an email.

The Random Forest team will continue to manage a private fund "in addition to bringing their data science and marketplace lending expertise" to Franklin's fixed-income business, Mr. Bayston said.

"We have been researching the marketplace lending asset class, but have not invested yet," Mr. Bayston said. "Such investments will be new activity that complements our existing capabilities. We do not have any immediate plans to offer new products. Our initial focus will be on incorporating Random Forest's data science and marketplace lending expertise into our existing capabilities."

Random Forest uses machine learning and statistical algorithms to find and analyze private lending investment opportunities, primarily from non-bank, technology-focused, web-based loan originators, according to a news release from Franklin. The firm also has a scalable cloud infrastructure used to take massive amounts of unstructured data to use for predictive investment insights.

Franklin Resources had $744 billion in assets under management as of Feb. 28, according to the release. Franklin Templeton Fixed Income Group had more than $280 billion in AUM as of Dec. 31.

http://www.pionline.com/article/20180320/ONLINE/180329987/franklin-resources-acquires-machine-learning-lending-firm-random-forest-capital

Finantix acquires Asian fintech start-up smartfolios

Securities

3/19/18

Finantix, global provider of enterprise solutions in WealthTech, InsurTech and RegTech, is proud to announce its acquisition of smartfolios, the creators of quant-enabled investment tools that support all the key stages of the digital advisory value chain.
With this acquisition, Finantix is set to combine its enterprise-grade technology and its recently launched AI offering with smartfolios quantitative analysis solutions to deliver a peerless digital wealth management platform with a unique breadth of features and real-time thematic-style analytics.

Finantix provides end-to-end digital wealth advisory services and hybrid robo-advisory solutions to wealth managers, top tier private banks and insurers in more than 40 markets. Together, Finantix and smartfolios will harness the power of quantitative analysis to provide an engine that covers the full range of investment processes including: strategy building, house view distribution, robo-personalised portfolios, advanced analytics and continuous portfolio fine tuning. The technology will support an extensive product taxonomy and provide real-time thematic-style analysis.

Ralf Emmerich, Co-founder and Director of Finantix, said: “We are delighted to have smartfolios join the group. The addition of smartfolios will add a critical quantitative analysis element to our well-established digital wealth offering. This acquisition will extend our coverage and support for key actors like CIOs and Investment Strategists and provide a solid foundation for strategic robo-advisory initiatives that don’t follow a low-end formula.”

For Finantix’ clients this acquisition means that they will be able to further tailor their customers’ experience and services and proactively anticipate their needs. In addition, they will be able to understand what’s happening in their book of business across multiple views including: performance, regulatory compliance, house view adherence, customer behaviour, key opportunities and events detection, next best action generation and proposal building, advice reasoning and research personalisation.

Julien Le Noble, Co-founder and CEO of smartfolios, added: “By coming under the Finantix brand, and leveraging Finantix’ API-driven enterprise-grade architecture, we can fully realise our vision to build the market-leading quantitative investment advisory, insight and portfolio management platform.”

https://www.finextra.com/pressarticle/73089/finantix-acquires-asian-fintech-start-up-smartfolios?utm_medium=dailynewsletter&utm_source=2018-3-20&member=93489

Investing app Robinhood is raising $350 million, valuing it at $5 billion

Securities

3/15/18

Stock-trading app Robinhood is in talks with investors to raise about $350 million in new venture funding at a $5.6 billion valuation, according to the Wall Street Journal. The startup, which has raised $176 million to date, was valued at $1.3 billion last April.

The new round was led, the Journal reports, by DST Global, the firm run by Russian billionaire Yuri Milner, which also led the company's last funding round. The new valuation would make the startup worth about a third of the value of online brokerage E*Trade.

In just three years, Robinhood has attracted over 4 million users. With its slick mobile experience and attractive price (free), Robinhood has found a niche serving first-time investors eager to buy and sell their favorite public brands. The company makes money on its premium margin product, dubbed Robinhood Gold, interest on cash stored on its platform, and fees from market makers who pay for the company's "dumb money" order flow.

Over the last several months, with cryptocurrency trading app Coinbase on the rise, Robinhood made a mad dash to enter the crypto market. Robinhood Crypto went live in select states in February, a testament to the company's ability to rapidly ship product.

In the past, Robinhood cofounders Vladimir Tenev and Baiju Bhatt have hinted at their ambition to eventually offer customers a full suite of financial services. The company's new valuation suggests that investors believe they will be able to make good on that broader vision.

https://www.fastcompany.com/40545250/investing-app-robinhood-is-raising-350-million-valuing-it-at-5-billion

Itiviti and ULLINK complete merger to build a global technology force in the capital markets industry

Securities

3/14/18

Itiviti and ULLINK complete merger to build a global technology force in the capital markets industry; Torben Munch appointed CEO

The Board of Directors of Itiviti AB announces that the transaction to merge the company with ULLINK was completed on March 14, 2018.

With annual sales exceeding $200 million, 1,000 employees and local presence in major financial markets across Europe, Asia-Pacific and the Americas, the combination of Itiviti and ULLINK creates a full-service technology and infrastructure provider for global and regional financial institutions.

The intention to combine Itiviti and ULLINK was jointly communicated by the companies and owner Nordic Capital on November 28, 2017.

The Board has appointed Torben Munch as Chief Executive Officer of the combined entity.

“Torben Munch’s leadership has been instrumental for shaping Itiviti’s organization from a diverse group into a unified team and for developing a solid, coherent offering aligned with market requirements and individual customer needs,” says Per E. Larsson, Chairman of the Board, Itiviti. “Torben has built a great team and has successfully applied a keen strategic vision coupled with a passion for customer satisfaction. Now as we unite the teams of ULLINK and Itiviti to reach for the next level, we are glad that Torben has accepted to lead the new combined team on this exciting mission.”

A union of equals, Itiviti with ULLINK will immediately be recognized as a powerhouse in capital markets technologies and services. The companies bring similar industry experience to the new organization, each carrying a heritage of technology leadership. The combination will offer customers the industry’s broadest range of solutions and services spanning asset classes and trading applications (high-touch, low-touch, market making, connectivity) based on modern, flexible technology architected for performance and updated to meet latest compliance requirements. The business focus will be on growth and expansion, guided by clients’ demands for a technology partner to support their current and future needs and business strategies.

Chairman Per E. Larsson adds: “As ULLINK’s CEO Didier Bouillard has elected to leave the company I would like to thank Didier for his significant contributions, including his support for facilitating this merger. I wish Didier all the best in his future endeavors.”

CEO Torben Munch comments: “Entering a new phase as the head of Itiviti’s business, I am fortunate to lead an organization with outstanding credentials, in terms of what ULLINK and Itiviti together bring to the table. With a new team taking shape from our combined pool of talents, I want to share our enthusiasm for this union with all our customers. Ultimately though, this merger will be judged by our delivery. Our products, solutions and the services we provide must validate that we are growing into an even more capable supplier and partner; one that can best satisfy the needs of the customers’ business, enabling their strategic initiatives as well as providing unfaltering daily support to sell-side and buy-side financial institutions. Knowing the eminent qualities of ULLINK and Itiviti, I have every reason to believe we are bound for success in this pursuit.”

https://www.ullink.com/itiviti-and-ullink-complete-merger-to-build-a-global-technology-force-in-the-capital-markets-industry/

SPECIALTY FINANCE / ALTERNATIVE LENDING

Student lending fintech nabs another $50 million in series D

Specialty Finance / Alternative Lending

3/21/18

A number of banks have participated in the platform's latest funding round.

CommonBond, a leading student lending platform in the US, has announced a $50m series D funding round.

Fifth Third Capital Holdings, LLC, a wholly-owned subsidiary of Fifth Third Bancorp, led the round, with money also coming from First Republic Bank and Columbia Seligman Investments. Existing investors Neuberger Berman, August Capital and Nyca Partners also piled in.

CommonBond has now raised over $130m to date. Its last fundraise came in July 2016, a $30m fundraise led by Neuberger Berman. At that time, CommonBond also announced the acquisition of personal finance platform Gradible, paving its way into the 401(k) student loan market, which entails enabling employers to offer student loan products to their workers. The technology that delivers this service has been branded CommonBond for Business. As of today, more than 200 firms are signed up to the service.

CommonBond has funded over $1.5bn loans to date. It claims to offer a complete suite of student loan solutions, including refinancing options, new loans for current students and student loans as an employee benefit.

"This round of equity powers our expansion as a leader in fintech, enabling more ways for us to improve the financial health of our members," said David Klein (pictured), CEO and co-founder of CommonBond.

"We've set out to build a great company for the long term by focusing on the fundamentals – exceptional customer experience, best-in-class technology, and a culture of respect and discipline. I'm incredibly proud of the team for maintaining maniacal focus on our customers and broader stakeholders, positioning the company exceedingly well to continue scaling on behalf of our members."

Tim Spence, head of payments, strategy and digital solutions and Fifth Third Bank described student debt as the "number one challenge" faced by the bank's millennial customers. He added that he looks forward to working with CommonBond to bring "powerful capabilities to market".

CommonBond has been in-and-out of the news a fair bit lately, scoring its first triple A-rated securitisation just a few weeks ago.

http://www.altfi.com/article/4203_student_lending_fintech_nabs_another_50m_in_series_d

Funding XChange raises £1.5 million to help fund SMEs

Specialty Finance / Alternative Lending

3/21/18

Small business funding firm Funding Xchange (FXE) has raised £1.5m in Series A funding, provided by Calibrate Management Ltd and Kimera.

The company will use the cash injection to continue developing its cloud-based automated decisioning technology.

FXE allows small business to find funding from a host of 45 competing investors. They use Open Banking, Cloud Accounting and other means to enable "one-click" funding applications to banks, alternative lenders and specialist financing providers.

Katrin Herrling, co-founder and CEO of Funding Xchange, said: "We are delighted to welcome Calibrate and Kimera as investors in Funding Xchange. They share our vision for re-shaping the future of lending for small businesses.

"The SME finance landscape is changing rapidly – regulatory reform, open banking and innovation from lenders are all helping to create transparency and are enabling small businesses to take control of their finances. The role of Funding Xchange in this changing eco-system is to provide solutions that help SMEs to grow, by accessing the best finance terms that are available to them."

This new pot of money will also be used to incorporate live transactional data sources, enable digitalisation and automatic underwriting to reduce funders' costs and accelerate speed of serving small businesses.

Remy Kesrouani, fund manager and partner at Calibrate spoke about the news: "We believe that technology is the key to unlocking funding for small businesses and that transparency being created in the SME landscape will bring with it rapid change.

"We are confident that Funding Xchange will be the platform to shape the way small business owners optimise and manage their funding to help them grow in the future," he added.

As part of its mandatory referral process, HM Treasury has designated FXE to work with nine of the UK's leading banks to help small businesses secure funding.

https://www.uktech.news/news/investment-news/funding-xchange-raises-1-5m-to-help-fund-smes-20180321

DATA & ANALYTICS / IoT

AllyO raises $14 million in funding

Data & Analytics / IoT

3/21/18

AllyO, a Sunnyvale, Calif.-based provider of AI recruiting technology, is emerging from stealth and announcing a $14m round of funding.

The round was led by Bain Capital Ventures with participation from Cervin Ventures, Gradient Ventures (Google's AI fund), and Randstad Innovation Fund. In conjunction with the funding, Indy Guha, partner at Bain Capital Ventures, is joining AllyO's board.

The company intends to use the new financing to continue to expand AI capabilities, to more than double its headcount, to further enhance the candidate and hiring team experience, and to strengthen the recruiting automation workflow.

Co-founded by Ankit Somani and Sahil Sahni, AllyO uses technology to build a customizable AI recruiter that utilizes natural language processing and machine learning to automate and self-optimize the end-to-end recruiting workflow.

http://www.finsmes.com/2018/03/allyo-raises-14m-in-funding.html

BNP Paribas leads $30 million round in AI firm Digital Reasoning

Data & Analytics / IoT

3/20/18

BNP Paribas has led a $30 million funding round in artificial intelligence outfit Digital Reasoning. Barclays and Square Capital also participated, as well as previous investors Goldman Sachs, Nasdaq, Lemhi Ventures, HCA, and the Partnership Fund for New York City.

Digital Reasoning's AI platform parses unstructured communications data to add context to human coversations, spotlighting compliance failings and potential fraudulent behaviour and delivering insights on future client interactions.

Founded in 2000, the firm moved into financial market in 2012, with clients including UBS and Point72 Asset Management, who use the company's Synthesys technology to scan internal e-mails in search of unfamiliar patterns between employees.

Previous investors include the CIA and Credit Suisse.

The firm says the new round of funding will be used to expand its product portfolio for capital markets and wealth management and work on technology for natural language processing.

Tim Estes, president and founder of Digital Reasoning, says: “The new investment will enable us to use our novel and patented AI technology to turn all forms of communications data - including now audio and voice data - into discoverable, understandable, and actionable insights that help to accelerate customer-centric data strategies in the world’s largest Enterprises.”

For BNP Paribas, the investment is in line with its 2020 digital transformation strategy. "It’s a transformation based on reinventing our clients experience, advancing the use of data and analytics and improving our operating efficiency,” notes Olivier Osty, head of global markets BNP Paribas. “The partnership amplifies BNP Paribas’ commitment to innovative technology and harnessing it to help us better serve our clients.”

https://www.finextra.com/newsarticle/31833/bnp-paribas-leads-30-million-round-in-ai-firm-digital-reasoning?utm_medium=dailynewsletter&utm_source=2018-3-21&member=93489

Baloise invests in omni:us – core business optimisation driven by artificial intelligence

Data & Analytics / IoT

3/20/18

The Baloise Group is investing in another start-up business through its investment partnership Anthemis Baloise Strategic Ventures. The investment target is omni:us, a Berlin-based service provider that specialises in the extraction of relevant data points from heterogeneous document streams using artificial intelligence. The software products developed by omni:us are tailored to the needs of the insurance industry. They can analyse a variety of documents and classify and extract specific information required to execute the relevant workflows via automated processes. At present, this task often still has to be done manually. A particularly impressive feature is that these programmes are even capable of recognising handwritten texts and putting current and historical documents into their appropriate context. This use of artificial intelligence prevents human errors and lets a computer take care of monotonous administrative tasks, which are costly and time-consuming when carried out by staff.

As part of its 'Simply Safe' strategy, Baloise has announced plans to invest up to CHF 50 million in start-up businesses in collaboration with the UK-based investment and consultancy firm Anthemis. The investment in omni:us comes with twofold benefits for Baloise. "First of all, it is an attractive investment opportunity, because many insurance companies are very interested in this new technology. But we also benefit internally, because Baloise gets to use the new products right from the start," says Adrian Honegger, Head of Group Strategy and Digital Transformation at the Baloise Group. "We are going to launch a pilot project at Baloise in Luxembourg soon and we are looking closely into possibilities for further projects at all of our national subsidiaries. Document mapping – i.e. the process of identifying the document type and extracting data automatically – is a crucial capability for the optimisation of processes. The technology developed by omni:us will enable us to enhance our core business even further across all national Baloise companies."

Following investments in Insurdata and Trov in 2017, this is the third joint venture investment within twelve months for Baloise in collaboration with its partner Anthemis.

https://www.baloise.com/en/home/media/news/2018/baloise-invests-in-omni-us-core-business-optimisation-driven-by-artificial-intelligence.html

Seismic Foundry fintech fund invests in second capital markets startup

Data & Analytics / IoT

3/19/18

Seismic Foundry closed its second investment this week, acting as lead investor in a RegTech start-up called Enforcd, which uses technology to aid regulatory compliance.

Their flagship product is EDB, The Enforcement Database, uses global regulatory enforcement data, related news and insights to help firms to identify, manage and mitigate the conduct risks they face. Thy aggregate all the facts to enable contextual analysis of enforcement activity using their in-house developed algorithms to create a unique and highly intuitive service. Their relevance has been proven by acceptance into the Bank of England FinTech Accelerator and Accenture FinTech Innovation Lab last year and they are currently actively engaged in the Hong Kong SuperCharger FinTech Accelerator while working on a number of paid Proof of Concepts and securing their first batch of clients licensing the platform in this quarter.

“Enforcd is delighted to have secured investment from the leading industry figures who make up Seismic Foundry. They really understand our space and the potential of our global regulatory intelligence platform. Seismic’s input on our strategy and model will help us to scale effectively, bringing the power of Enforcd to many more people in regulated firms across the world. At a time when the focus on personal accountability has never been higher, Enforcd is well placed to help managers and staff learn from the lessons of the past and keep up to date with an ever more complex and fast moving regulatory environment,” said Jane Walshe, Co-Founder and CEO.

Cathy Lyall, a Co-founder of Seismic Foundry, commented, “Seismic are thrilled to have added Enforcd as the second investment to the fund, not only as a valuable addition to the future performance of the fund but also as they seek to help firms improve culture, conduct and outcomes for market participants, which is a core value promoted by Seismic within all of our portfolio companies. In addition, we are pleased to be joined by a strong list of co-investors that have relevant experience in the capital markets space.”

The Seismic Foundry Capital Markets FinTech SEIS Fund 2017-18 closed for investments at the end of February 2018 and will make announcements on a further two investments in the coming weeks before the end of March 2018. They have already started the process of raising funds for next year’s funds which should include both an SEIS (seed level) and EIS (growth) fund.

https://www.finextra.com/pressarticle/73099/seismic-foundry-fintech-fund-invests-in-second-capital-markets-startup?utm_medium=dailynewsletter&utm_source=2018-3-20&member=93489

OTHERS

Trusted Key raised $4.85 million

Others

3/16/18

Trusted Key, a developer of a blockchain based identity security software raised $4.85 million of venture funding from Ironfire Ventures, Kernel Labs and other undisclosed investors on March 16, 2017.

The software enables digitization of official documents and protection against identity theft using public-key cryptography and blockchain technologies.

Source: Pitchbook; DealID: 79509-07T