Evolve
Capital Partners

Weekly Deals Update

Week Ending 03/30/18

SPECIALIZED INVESTMENT BANKERS AT THE INTERSECTION OF FINANCE AND TECHNOLOGY

Key Deals

M&A

Date	Target	Acquirer(s)	Sector	Amount ($mm)
3/28/18	credit karma	SilverLake	Bank Technology Solutions	$500
3/27/18	activepath is now part of Broadridge	Broadridge	Securities	$5,395
3/15/18	NEX	CME Group	Financial Management Solutions	NA

Financing

Date	Target	Lead Investor	Sector	Amount ($mm)
3/27/18	INTERCOM	KPCB Kleiner Perkins Caufield Byers	Financial Management Solutions	$125
3/27/18	oscar	FOUNDERS FUND	Healthcare Tech	$165
3/27/18	ROOT Car Insurance	Redpoint	Insurance	$51
3/21/18	sift science	STRIPES GROUP	Others	$53

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.

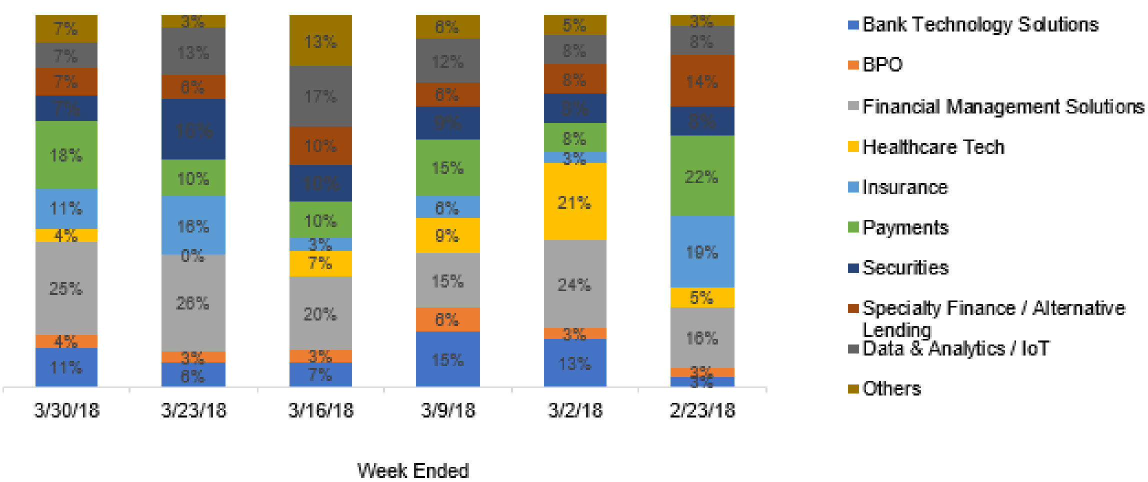
Sectors we cover at the intersection of finance and technology include:

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

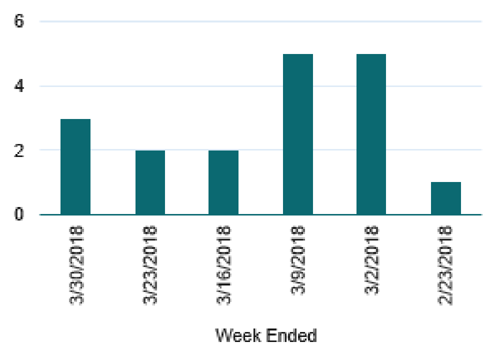
Deals Count

Sector	Number of Deals	% of Total
Bank Technology Solutions	3	10%
BPO	1	3%
Financial Management Solutions	7	24%
Healthcare Tech	2	7%
Insurance	3	10%
Payments	5	17%
Securities	2	7%
Specialty Finance / Alternative Lending	2	7%
Data & Analytics / IoT	2	7%
Others	2	7%
Total	**29**	**100%**

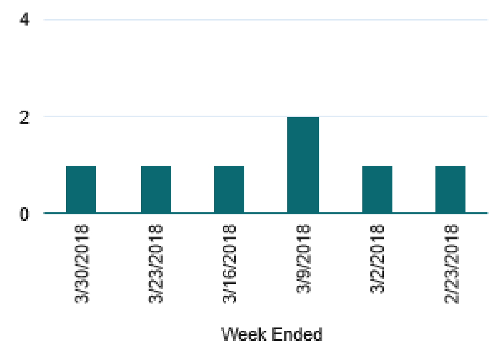
Sector-Wise Deals Breakdown



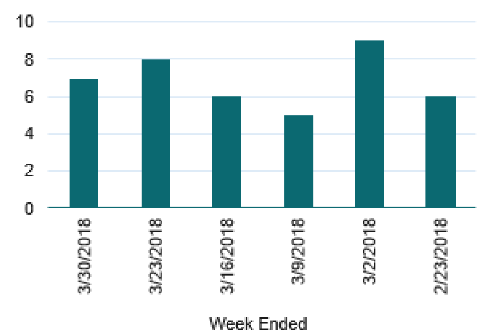
Bank Technology Solutions



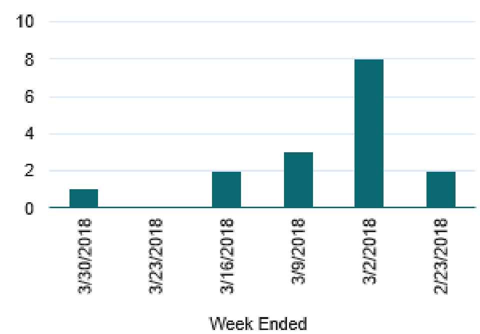
BPO



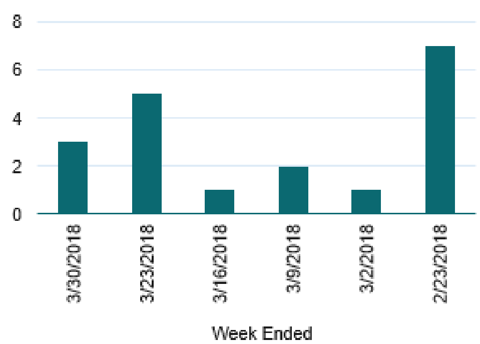
Financial Management Solutions



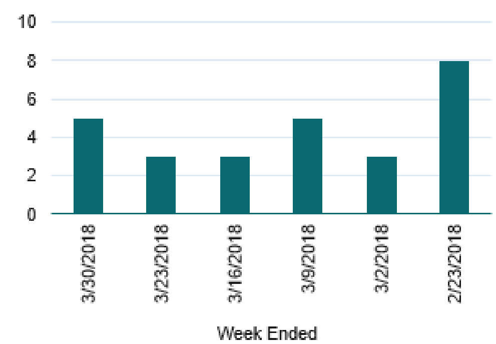
Healthcare Tech



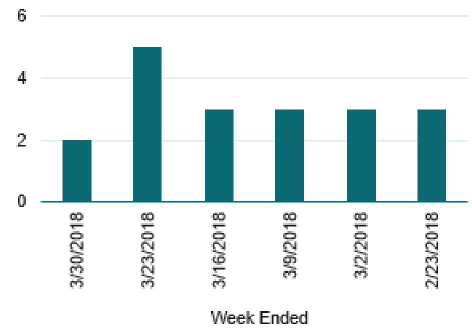
Insurance



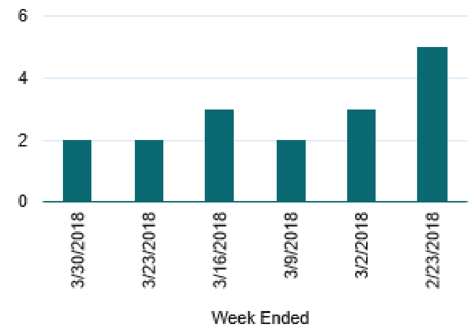
Payments



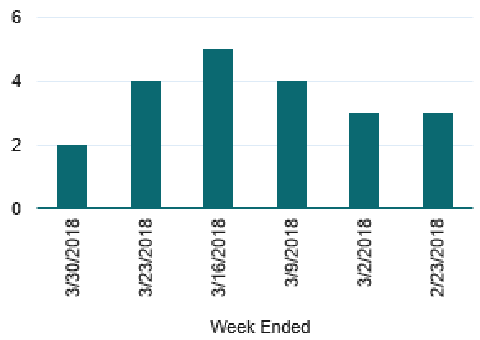
Securities



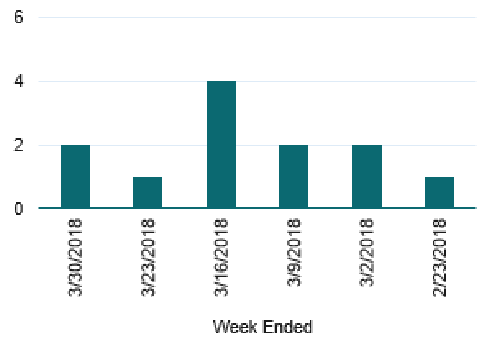
Speciality Finance / Alternative Lending



Data & Analytics / IoT



Others



BANK TECHNOLOGY SOLUTIONS

Silver Lake buys $500 million stake in Credit Karma

Bank Technology Solutions

3/29/18

Private equity firm Silver Lake is buying a $500 million stake in personal finance technology outfit Credit Karma from existing investors. The so-called secondary investment gives Silver Lake a "significant" minority stake in Credit Karma, although the fintech firm's founder Kenneth Lin will remain the largest shareholder and continue in his role as CEO.

Now more than 10 years old, Credit Karma started out offering credit scores, reports and monitoring to Americans who, in exchange, see personalised offers from advertisers based on their credit profiles.

It now offers a whole suite of personal finance services to more than 80 million North Americans and has originated more than $40 billion in credit products including credit cards, personal loans, mortgages, automotive financing, and student loan refinancing.

Consistently ranked the number one finance app in the US, the Silver Lake agreement is thought to value Credit Karma at around $4 billion.

Says Lin: ""As we planned for the future and our continued growth, we sought a partner that could support our growth trajectory and provide existing investors an opportunity to lock in some of the rewards they've earned for their support and hard work."

https://www.finextra.com/newsarticle/31890/silver-lake-buys-500m-stake-in-credit-karma

RBS to acquire book-keeping software firm FreeAgent

Bank Technology Solutions

3/28/18

Royal Bank of Scotland is to acquire UK accounting software vendor FreeAgent in a deal that values the firm at £53 million. More than 60,000 customers currently use the FreeAgent book-keeping system to manage and maintain their business accounts, track time, log expenses, create and send invoices, forecast their tax bills and file their Self Assessment and VAT returns directly to HMRC.

The firm's software is one of over 15 new mobile banking app features launched by the bank for business customers since 2017. RBS says up to 10,000 customers have currently downloaded the package.

"As part of a larger organisation we want to accelerate our growth ambitions in the micro-business and accountancy practice space, as well as significantly improve our core product," says Ed Molyneux, FreeAgent founder and CEO. "The lines between banking, accounting and tax are becoming increasingly blurred and there are new opportunities for a more integrated experience between banks and accounting software that we believe will benefit businesses."

Listed on AIM last year, 23.5% of the company's shares are owned by Molyneux and partners Olly Headey and Roan Lavery, who say they will contribute their holdings into the RBS bid vehicle as a sign of their ongoing commitment.

https://www.finextra.com/newsarticle/31885/rbs-to-acquire-book-keeping-software-firm-freeagent

Everledger closes $10.4 million investment round

Bank Technology Solutions
3/26/18

Everledger, the leader in real-world applications of emerging technology, today announced the successful closing of US$10.4 million in its Series A investment round. Toronto-based investment banking firm GMP Securities co-ordinated the round with lead investor, the Canadian arm of Fidelity Investments. The round attracted broad participation including Singapore-based Vickers Ventures Partners as well as US-based Graphene Venture Capital, who will join existing investors including FPV, Fenbushi, Bloomberg Beta and Rakuten. Fidelity Investments and GMP Securities together raised US$8.3 million (approx. C$11 million) of equity, with GMP Securities given an option to purchase additional units in an amount equal to 6% of the investment (exercisable in whole or in part) secured at any time up to two years from the closing date.

Everledger's legal counsel Proskauer (London) executed the round well after a deliberate selection of hybrid funding balanced with private equity as well as venture capital.

With this funding round, Everledger, as a leader in blockchain technology provenance solutions, that combines applications of various emerging technologies such as Machine Vision, IOT and Artificial Intelligence, is well-positioned to continue the strong progression of deploying its blockchain-based provenance tracking platform in the diamond & coloured gemstone markets.

Everledger Founder & CEO Leanne Kemp said, "Everledger started with the purpose of building trust amongst stakeholders in global markets. Having this round of financing supported by strong and credible investors is testament to our success to date in achieving that purpose, taking us from a startup to a scaleup in just three years."
"We are confident that having the support of such high calibre investors with a solid track record of accelerating growth, will enable further growth and success in our plans for entry to new markets where provenance matters."

New Board Member Everledger has also announced the appointment of Dr. Finian Tan as a Board Member. Dr. Tan is currently the chairman of Vickers Venture Partners, an international venture capital firm with a presence in Singapore, New York, Shanghai and California. Prior to co-founding Vickers Venture Partners, Dr. Tan was partner and Managing Director of Silicon Valley venture capital firm, Draper Fisher Jurvetson Eplanet, where he made an early investment in Chinese tech giant Baidu.

Dr. Tan stated, "Vickers is excited to participate in the round and we were impressed by the traction and innovation demonstrated by the Everledger team. Everledger is clearly a star in the future of supporting ethical trade through their strong blockchain based provenance platform. We look forward to supporting their vision through our networks and on the Board of Directors."

Everledger has reached important milestones including the world-first launch of the Diamond Time-Lapse Protocol which sets data protocol in diamond provenance tracking for the industry; partnerships with: Gübelin Gem Lab to track coloured gemstones as a world-first; Brilliant Earth to ensure that all materials used in bridal jewellery are ethically sourced; and Shping to build an industry-first GS1 EPCIS platform for the tracking of brand product information. Everledger has been recognised by the industry with an array of business technology and innovation awards; and the Everledger team has grown from strength to strength with 40 team members across five countries, with further expansion to around 100 employees over the next two years.

This new round of financing coincides with the opening of a new Mumbai-based office, in addition to a benchmark entry into China to leverage renewed consumer confidence as diamond retail sales in China bounced back in 2017.

As the world's largest, lowest-cost cutting and polishing centre, India accounts for about 90% of the global polished-diamond manufacturing by value, and the presence of an Everledger India office will contribute to further growth and operational efficiency for its diamond provenance tracking initiatives.

Further industry collaborations Over the next 12 months, Everledger will look to launch to market additional provenance tracking initiatives with further industry collaborations as well as a deeper commitment to sustainable and ethical supply chains through work with organisations such the World Economic Forum.

https://www.finextra.com/pressarticle/73207/everledger-closes-104-million-investment-round

BPO

Pipefy raises $16 million in Series A funding

BPO

3/27/18

Pipefy, a San Francisco, CA-based operations excellence platform to deploy efficient back-office processes without IT support, raised $16m in Series A funding.

The round was led by OpenView and Trinity Ventures with participation from existing investors Redpoint, eventures, Valor Capital, 500 Startups, Founders Fund and the founders of Zendesk, Morten Primdahl and Alexander Aghassipour. In conjunction with the funding, Dan Demmer, Managing Partner at OpenView, joined Pipefy's Board of Directors.

The company intends to use the funds to scale operations and expand its teams in both San Francisco and Brazil.

Led by Alessio Alionco, founder and CEO, Pipefy provides a cloud-based platform to roll out operations processes for departments like customer service, HR, finance, marketing and sales without IT holdup.

The solution powers the operations of more than 8,000 companies ranging from small businesses to venture-backed startups to large enterprises in 146 countries.

http://www.finsmes.com/2018/03/pipefy-raises-16m-in-series-a-funding.html

FINANCIAL MANAGEMENT SOLUTIONS

STRATACACHE announces acquisition of X2O Media from Barco

Financial Management Solutions

3/28/18

STRATACACHE today announces it has acquired Montréal-based X2O Media from Barco. As the global market leader in digital consumer engagement and digital signage, STRATACACHE offers enhanced focus and new growth opportunities for X2O.

After its acquisition in 2014, X2O became part of Barco's Enterprise division, which focuses on solutions for meeting and control rooms. Over the years, X2O secured top tier customers including John Deere, Verizon, Fox News and Accenture. All customer agreements will continue to be managed by X2O to ensure world class support and service for current customers. X2O Media employs about 45 people and will continue to operate from Montréal, Canada. The sale will be closed at the end of March 2018.

"With the acquisition of X2O Media, we will expand our portfolio with a complete solution for dynamic content display based on real-time data, plus add great new tools in the E-learning and broadcast markets," says Chris Riegel, CEO of the STRATACACHE family of digital media/marketing technology companies. "The X2O software platform versatility and its capability to address any display — be it fixed or mobile — will prove to be an important asset. This complementary technology will help us to further build on our core competences in the ever-expanding digital display and data visualization marketplace."

Dirk Huelsermann, managing partner of STRATACACHE Capital, who lead the acquisition said, "The X2O acquisition is a perfect example of the aggressive long-term growth strategy of the STRATACACHE Group. Working actively on over 400 deals per year, we are at the forefront of a long-awaited industry consolidation. Our investment strategy is to help unlock the potential in emerging digital media companies to grow faster."

"The decision to divest X2O Media comes after a careful evaluation of its profitability and growth opportunities," says Jan De Witte, Barco's CEO. As digital signage is no longer a strategic focus for Barco, we are convinced that selling X2O to a major player like STRATACACHE will provide the company with the focus and contacts it needs to reach the next level of global scale and success."

https://www.prnewswire.com/news-releases/stratacache-announces-acquisition-of-x2o-media-from-barco-300620511.html

SpyCloud secures $5 million in funding to eradicate account takeover

Financial Management Solutions

3/28/18

SpyCloud, the leader in account takeover (ATO) prevention, announced today it has closed a $5 million Series A funding round from existing investors Silverton Partners and March Capital Partners.

SpyCloud prevents ATO from being perpetrated by the most sophisticated cybercriminals. SpyCloud's platform proactively identifies exposed employee and customer accounts at the earliest possible juncture, empowering businesses to protect those accounts before criminals can act.

SpyCloud security researchers have used proprietary collection techniques to amass the industry's largest and highest quality repository of exposed accounts, leaked passwords and personally identifiable information (PII), with more than 32 billion current assets and billions of new assets being added every month. Last year, Verizon reported that 81 percent of hacking-related breaches leveraged either stolen or weak passwords.1 And in July 2017, Forrester estimated that ATO would cause at least $6.5 billion to $7 billion in annual financial losses across industries.2

Enterprises use SpyCloud's data and fully-automated tools to detect exposures and remediate employee accounts that have been impacted, by forcing password changes before those accounts can be used in nefarious ways and surfacing compromised devices that are infected with keyloggers or malware. Service providers take similar advantage of SpyCloud's data repository to detect and prevent their online customer accounts from ATO and resulting fraud or PII theft, making use of SpyCloud's developer-friendly API. Enterprise security teams also tap into SpyCloud's data for fraud investigation purposes.

Through a unique approach to underground data collection and an exact match prevention solution, SpyCloud identifies exposed accounts that would typically fall through the cracks with other solutions and does so before accounts and passwords are posted on criminal forums and dark markets. Furthermore, SpyCloud provides protection of employees' personal credentials, keeping them safe at home as well as at work.

"There isn't a company in the world that doesn't run the constant risk of having its employee or customer accounts exposed, and that leads to a host of other issues," said Ted Ross, CEO and co-founder of SpyCloud. "The only chance businesses stand against these increasingly-proficient criminals is to know as soon as possible which accounts have been exposed and to take preventative measures well before credentials make it onto the dark web."

Since emerging from stealth mode in June 2017, SpyCloud has already protected tens of millions of employee and customer accounts for notable companies across the finance, retail, healthcare and technology industries.

SpyCloud will use the new infusion of funding to rapidly grow by accelerating product development, conducting deeper security research, continuing to expand its database of assets, and hiring additional team members.

"The continued customer traction and growth SpyCloud has achieved is a testament to both the immediate demand for its technology and the unparalleled collective experience of the team," said Kip McClanahan, general partner of Silverton Partners. "We look forward to helping them capitalize on those strengths to make ATO prevention universal table stakes in the enterprise."

"SpyCloud's arrival has filled a devastating gap in the enterprise security realm," said Jim Armstrong, partner and co-founder of March Capital Partners. "When millions of accounts and billions of dollars are at risk and under attack daily, companies can't afford to sit idle. They need to arm themselves with every piece of technology, expertise, and data that can keep their assets safe."

https://www.prnewswire.com/news-releases/spycloud-secures-5-million-in-funding-to-eradicate-account-takeover-300620708.html

Broadridge acquires ActivePath

Financial Management Solutions

3/28/17

Broadridge Financial Solutions, Inc. (NYSE:BR), a global fintech leader, has completed the acquisition of ActivePath, an Israeli-based digital technology company. ActivePath's unique technology enhances the consumer experience associated with consumer statements, bills, and regulatory communications. ActivePath extends Broadridge's ability to transform and accelerate the pace of digital adoption, further strengthening Broadridge's leading Governance and Communications businesses.

Companies need to convert essential communications into interactive touchpoints distributed across multiple channels. ActivePath's unique platform lets enterprises, including banks, brokers, healthcare providers and other billers, quickly compose and project HTML experiences typically found on brand websites and apps into interactive email with new levels of personalization, engagement, and security. In addition to email, ActivePath when combined with the Broadridge platform enables full omni-channel capabilities including SMS, social, audio UI, chatbots and personal cloud solutions.

“Despite consumers' interest for all-things digital, many brands struggle to create a compelling digital experience and convert their customers from print communications,” said President of Broadridge Customer Communications, Doug DeSchutter. “Broadridge continues to invest to accelerate the digital transition for our clients and their customers, leveraging technology, data, and channel partnerships to make the experience better and more convenient. In ActivePath, we gain a founding management team with rich entrepreneurial experience and a proven track record of innovation, and we are delighted they are joining the Broadridge family.”

“ActivePath is aligned with the Broadridge mission to lead the transformation of communications into valuable touchpoints for both consumers and brands alike,” said Chief Executive Officer of ActivePath, Avi Weiss. “We are thrilled to support Broadridge's global growth and excited to welcome them to the innovative Israeli market.”

Terms of the deal were not disclosed.

https://www.finextra.com/pressarticle/73256/broadridge-acquires-activepath

Intercom raises $125 million to take on Salesforce

Financial Management Solutions

3/27/18

When it comes to sales software, Salesforce isn't the only game in town.

A number of startups have emerged to target the sales industry, with roughly $3 billion per year getting invested into marketing startups. Now one of the largest players is Intercom.

The seven-year-old startup is now announcing a $125 million Series D round led by Kleiner Perkins, with participation from Google Ventures. Veteran investor Mary Meeker will also be joining the board.

The valuation is $1.275 billion, meaning that the company is considered a "unicorn." The round brings the total amount raised to $241 million. Existing investors include Bessemer Venture Partners, Index Ventures, Jack Dorsey and Mark Zuckerberg.

Intercom is the "next generation customer database that's specifically built for internet businesses," co-founder and CEO Eoghan McCabe said in an interview with TechCrunch. "Salesforce is not built for internet businesses."

"When a business uses the Intercom Messenger, they see conversation rates increase," McCabe claims. Intercom says that customer sales go up an average of 82%.

The startup touts its "messaging-first approach," helping its clients with customer acquisition and support. It says it powers 500 million conversations per month across its 25,000 customers. Atlassian, New Relic and Shopify use Intercom.

Intercom says it will use the funding to further develop its customer platform. It plans to double its research and development teams. Says McCabe, Intercom is "putting our foot on the pedal."

Intercom, which has a strong presence in both the United States and Ireland, hopes to use the capital to expand its workforce beyond 500 employees.

It also would like to further expand its geographic footprint, adding customers across Europe and Asia.

https://techcrunch.com/2018/03/27/intercom-raises-125-million-to-take-on-salesforce/

Canopy secures $30 million in new funding; aims to disrupt $100 billion tax market

Financial Management Solutions

3/27/18

Canopy, the leading cloud-based practice management platform for tax and accounting professionals, announced its largest funding round, closing $30 million in new financing and totaling $60 million secured to date. Led by New Enterprise Associates (NEA), with participation from Wells Fargo Strategic Capital, Pelion Ventures, University Growth Fund, and EPIC Ventures, the additional funding will support Canopy's momentum in disrupting the $100B+ tax software and services market.

"Canopy is tapping into a market that has been notoriously underserved when it comes to technology," said Kurt Avarell, Canopy founder and CEO. "Our connected suite of products improves organization, transparency, and collaboration for tax practices, increasing productivity and saving tax professionals precious time and money. Canopy allows tax professionals to provide their clients a more modern and convenient customer experience. It's a win-win for both practitioners and their clients."

Founded in 2014, Canopy quickly established itself as an innovator in the space and has empowered tax practitioners to match the convenience of do-it-yourself tax options while still providing consumers with a professional advisor to help navigate the intricate tax code.

"The need for greater digitization and automation, to reduce the workload on tax professionals, is overdue in this industry," said Matthew Raubacher, managing director, Wells Fargo Strategic Capital. "We are pleased to now be equity investors in Canopy as they help modernize the way tax professionals operate their practices and interact with their clients."

Canopy has experienced exponential growth and now provides a holistic suite of cloud-based solutions including Practice Management and Tax Resolution to more than 5,000 tax and accounting professionals.

Those professionals in turn serve more than 1 million clients through the Canopy platform. This growth is a testament to both the need in the industry for improved technology and the effectiveness of Canopy's solution addressing the ever-changing tax laws and processes affecting tax and accounting professionals.

"There is an increasing amount of energy aimed at helping the tax industry automate a cumbersome and complex process for individuals and accounting practitioners alike," said Chetan Puttagunta, General Partner at NEA. "And rightfully so—the need for better technology solutions is pervasive. Canopy has succeeded at building not only a solution that accurately and efficiently addresses the pain points in this industry, but also an agile team of experts, intimately familiar with these challenges—which is why we are thrilled to partner with the company through its continued growth.”

https://www.businesswire.com/news/home/20180327005507/en/Canopy-Secures-30-Million-New-Funding-Aims

Blockchain leader aXpire raises $20 million

Financial Management Solutions

3/22/18

aXpire, a leader in blockchain applications for spend management and fund administration announces today that it successfully raised $20 million in funding in a short 89 hours. CEO Gary Markham shares, "There is increasing demand for real time, immutable data, which blockchain software provides."

aXpire's vision is simple. Businesses waste money; aXpire helps reduce waste and improve profitability. In more detail, they enable seamless spend management, in real time, through secure blockchain technology and machine learning.

About The Raise

Going forward, aXpire will expand its spend management technologies across industries outside of asset management, e.g., natural resources, travel & leisure, healthcare, food & beverage, transportation, etc., removing human-manual processes in the expense management lifecycle through a highly secure SaaS model. This raise will help fuel that growth into new industries. aXpire will also explore the use of blockchain management through its P2P freelancing product, MatchBX.

https://www.prnewswire.com/news-releases/blockchain-leader-axpire-raises-20-million-in-89-hours-300617908.html

Welsh, Carson, Anderson & Stowe to lead majority investment in Avetta

Financial Management Solutions

3/21/18

Avetta (www.avetta.com), a leading provider of cloud-based supply chain risk management solutions, today announced that Welsh, Carson, Anderson & Stowe (WCAS), a leading private equity firm focused exclusively on the technology and healthcare industries, will acquire a majority equity interest in the Company. In addition, TCV, a leading provider of capital to growth-stage private and public companies in the technology industry, will acquire a minority equity interest in Avetta. Norwest Venture Partners (Norwest), a premier multi-stage investment firm that partnered with Avetta in 2012, intends to retain a portion of its investment in the Company, alongside the founders and management.

Avetta provides cloud-based supplier risk management and compliance software that allows enterprises to more effectively manage and qualify service providers performing activities across their global operating sites to drive better safety, regulatory compliance and sustainability outcomes. The Company's platform centralizes the management of contractors in a single system, enabling efficient assessment of safety, compliance and performance records. Avetta's customers include more than 220 enterprises in over 100 countries. Over 55,000 suppliers and service providers use Avetta's platform to manage their relationships with enterprise clients.

"We are proud of the role played by Avetta today in connecting the world's leading organizations with qualified suppliers, contractors and vendors, and look forward to the next phase of our Company's growth," said John Herr, Chief Executive Officer of Avetta. "As we welcome WCAS and TCV on board as new partners to Avetta, we also thank Norwest for the support they have provided to our team over the past six years. We are excited to benefit from the combined support and expertise of WCAS, TCV and Norwest."

Christopher Hooper, General Partner of WCAS, said, "Avetta is a compelling network-based platform given its clear and quantifiable value proposition to both enterprise clients and suppliers, underpinned by a scalable cloud-based software platform and distinguished by a strong leadership team. We look forward to partnering with and supporting John Herr and the broader Avetta team to capitalize on the Company's significant growth opportunities to build the premier global supply chain risk management platform and continue to enhance safety, compliance and sustainability outcomes for its customers."

David Yuan, General Partner at TCV, said, "The Avetta platform is unique in that it helps transform how enterprises assess and mitigate risk within their supply chains, simplifying the engagement and evaluation of suppliers to ensure alignment with each client's unique operating requirements. We are excited to partner with the Avetta team as it pursues a broad range of market opportunities."

Jon Kossow, Managing Partner at Norwest, said, "This is a fantastic outcome for Avetta's founders, management team and shareholders. The Company's technology platform, product roadmap and huge greenfield market opportunity suggest a future that's just as bright for all parties involved."

https://www.prnewswire.com/news-releases/welsh-carson-anderson--stowe-to-lead-majority-investment-in-avetta-alongside-tcv-and-norwest-venture-partners-300617252.html

HEALTHCARE TECH

Oscar Health, the health insurance start-up, raises $165 million from Alphabet and others

Healthcare Tech

3/27/18

Disrupting health insurance is no easy feat, but the investors behind Oscar Health, the start-up co-founded by Joshua Kushner, believe the company has got the model right and is poised for massive growth.

Oscar Health has raised $165 million in new funding in a round led by Founders Fund, with participation from two branches of Google's parent company Alphabet: the Capital G growth investment arm, and the Verily life sciences segment.

The company shared the news in a blog post, which it shared exclusively with CNBC.

That brings the insurer's valuation to $3.2 billion, according to sources familiar, a jump from its last-reported valuation of $2.7 billion from 2016.

Oscar was founded in 2012 by current CEO Mario Schlosser, Kevin Nazemi (who is no longer with the company), and Joshua Kushner, brother of senior Trump advisor Jared Kushner. Its mission was to take advantage of the new marketplaces for individuals to buy health insurance created by the Affordable Care Act (Obamacare). It started out in New York, but has now expanded to five other states.

The company believes it can beat larger insurers like UnitedHealth and Aetna through its focus on customer service and technology, which includes a mobile app for booking appointments and consulting with a physician. It's geared toward individual insurance buyers rather than company insurance plans.

Schlosser told CNBC that Oscar has the "highest member engagement" of any insurer.

Investors have become interested in the company again after a recent shift in business model.

In the past few years, Oscar has started charging higher premiums, and it is now offering a so-called "narrower network," which encourages members to access a curated list of high-quality medical providers.

It also has tight relationships with health systems, notably Cleveland Clinic, which allows it to get its costs under control by negotiating more competitive pricing with hospitals.

The company told CNBC it achieved "gross margin profitability" in 2017, meaning it generated more money from premiums than it paid out in members' medical claims. That follows years of losses in the tens of millions of dollars across several states, including New York, Texas and

California. But it means the company is poised for profitability, as each additional member should help the bottom line.

"And before you know it, we'll be profitable," said Brian West, the company's chief financial officer. "It's around the corner."

The company says its medical loss ratio in 2018 should be in line with broader industry targets of spending about 85 percent of premiums on claims, down about 10 percentage points from 2017. (Anything over 90 percent typically means the company is losing money on each claim.) It also says it's on track for $1 billion in gross premium revenue by year's end.

The company says it plans to grow at a measured rate of four to five cities per year, and is expecting to reach 260,000 members in 2018, up from a peak of 100,000 in 2017.

"Hockey stick business models don't work in health care," said Brian Singerman, an investor at Founders Fund, who led the round.

"Mario and Josh knew that Oscar had to earn the trust of patients and rebuild each piece of the insurance stack with technology, completely from scratch," he said.

Health insurance experts say Oscar still has a long road ahead to prove its valuation.

"While start-up insurers have the potential to show massive revenue growth, underlying profitability for companies that actually have viable businesses is limited through market forces and regulatory requirements," said Ari Gottlieb, a consultant who specializes in health insurance.

"(Oscar's) valuation per member is six to eight times that of established, publicly traded health plans that have actually achieved consistent profitability."

Oscar's Schlosser says the company's valuation is warranted, given that it has built "everything in house," including technology for processing claims and managing its members, which it describes as unique.

Down the road, he described Oscar as having big plans to move into other markets, like Medicare, and he didn't rule out a partnership with the company's newest investor: Verily. Alphabet, as CNBC recently reported, is considering its own move into a lucrative corner of the health insurance market.

Other investors that participated in the round include Joe Lonsdale's 8VC, Fidelity, General Catalyst, Khosla Ventures and Thrive Capital, among others.

https://www.cnbc.com/2018/03/27/oscar-health-raises-165-million-at-3-point-2-billion-alphabet-founders.html

Iggbo rebrands as Workpath, announces $1.5 million in new funding

Healthcare Tech

3/27/18

Iggbo — a Richmond, Virginia-based startup founded in 2015 known for its technology-enabled network for facilitating on-demand blood draws and medical testing — announced yesterday that it has changed its name to Workpath and secured $1.5 million in additional funding, according to a statement from company.

Workpath, which was founded in 2015, also announced that it will be moving to a new office in Richmond proper, where it will use the new funding to continue developing its digital labor coordination and mobile workforce management products.

"We build technology that enables any healthcare organization to automate the process of organizing, dispatching, tracking, and managing its labor to perform important services," said Eddie Peloke, CEO of Workpath. "Along the way, our award-winning platform has evolved and can now be used to bridge gaps and create new efficiencies in a variety of complex industries in healthcare and far beyond."

According to the company, Workpath's platform allows users working in healthcare to monitor their appointments, assign workers, track and manage teams, address issues, reschedule appointments, and facilitate communications with patients. The system is designed with a number of healthcare industry players in mind, including national health systems, home health agencies, nursing organizations, laboratories, clinical trial operators, and insurance providers.

Workpath receives funding from Structure Capital and Heritage Group, the latter of which led a $13 million funding round that was announced in 2016. At the time, Iggbo's pitch was primarily focused on on-demand blood draws and digital tracking of samples to ensure that they reach the ordering physician or testing lab.

"We continue to be enthusiastic about our partnership with Workpath and are energized by the impressive traction the company has made," Graham Hunter, principal at Heritage Group, said in a statement. "Healthcare labor providers will need to adapt and embrace the gig economy, especially if they want to stay relevant in the competitive labor market that exists today. Workpath's technology simplifies complexities in healthcare workforce management and equips labor providers with the tools necessary to operate with maximum efficiency."

http://www.mobihealthnews.com/content/iggbo-rebrands-workpath-announces-15m-new-funding

INSURANCE

Root raises $51 million to fuel further growth of telematics-based auto insurance business

Insurance

3/27/18

Root, an auto insurance startup centered around telematics, closed a $51 million venture financing designed to fuel expansion into more states and enable further investment in its core technology.

Redpoint Ventures led the Series C round, though Scale Venture Partners also participated along with existing investors Ribbit Capital and Silicon Valley Bank Partners.

Root's coverage is now available in 12 states: Ohio (where it is headquartered), Montana, Utah, Arizona, Texas, Oklahoma, Louisiana, Mississippi, Illinois, Indiana, Kentucky and Pennsylvania. Approval is pending in: Oregon, Alaska, North Dakota, Iowa, Arkansas, North Carolina, New Mexico, Maryland, Delaware and Washington, D.C., according to the company's website.

Plans call for being "nearly national" by 2019, Root said. The company debuted in 2016, launching with $7 million in initial funding from venture capital firm Drive Capital. Munich Re, Odyssey Re and Maiden Re are providing reinsurance, and Silicon Valley Bank backs Root's reserves.

Root rewards good drivers with cheaper insurance rates based on their use of the company's app and its telematics/smartphone-related technology that helps measure driver behavior. Once the app is downloaded, potential customers do a test drive over two to three weeks, depending on driving frequency. Root provides a quote, based on driving behavior the app collects, such as hard brakes, aggressive turns and mileage driven. In the end, drivers can save up to 52 percent on premiums. After they sign on to Root, they can request cancellation of their old policy through their mobile phone, the company said.

When Root launched in October 2016, CEO and co-founder Alex Timm described Root's telematics-based approach and business model as "enabling us to get the best drivers much, much better rates than currently on the market, which we feel is the rate they deserve."

Last July, Root expanded into rental car coverage via a partnership with ridesharing firm Lyft. For policyholders with short-term needs for alternate transportation after an incident, Root offers a choice between a rental car or a comparable amount of Lyft credits for free rides.

https://www.carriermanagement.com/news/2018/03/27/177166.htm

Cloud-Based insurtech startup Insly raises $2.7 million in funding

Insurance

3/23/18

Insly, a cloud-based insurance platform, announced an investment of €2.2 million (US$2.7 million), led by Concentric and Black Pearls VC.

Founded in 2015, Insly offers insurance policy management for insurance brokers and agents, as well as MGAs and wholesale. The London-based company said its goal is to make insurance easy to understand, manage, and buy for both service providers and end users.

Insly said it serves 180 customers in 40 countries, with close to €2 million euros ($2.5 million) of revenue in 2017.

The raised funds will go towards developing the platform further, scaling the business and expanding into new markets, the company added.

“We have proven the value of our product on several markets,” said Risto Rossar, CEO of London-based Insly. “It is now a matter of scaling it all up. We will strengthen our position in the MGA and P/C insurance companies segment as well as continue with the geographical expansion.”

“Although our main focus in terms of the MGA business remains in the UK, we now serve MGA-type customers elsewhere as well, with particularly good up-pick in Canada,” commented Insly’s CCO Ott Kell.

“We have been keeping an eye on the insurtech landscape for some time and it has been a challenge to find a company that has a long-term vision and an actual, proven value proposition,” says Kjartan Rist, managing partner of Concentric. “Insly has shown its capability to change the archaic insurance industry.”

The investment round also was supported by the National Center for Research and Development from the Polish side, and the London Co-Investment Fund from the UK side.

https://www.insurancejournal.com/news/international/2018/03/23/484239.htm

iPipeline acquires AlphaTrust

Insurance

3/23/18

iPipeline, a leading provider of cloud-based software solutions for the life insurance and financial services industry – today announced the acquisition of AlphaTrust, an expert and global leader in electronic signature process automation solutions. Since 1998, AlphaTrust has provided its eSignature and document process automation technology to some of the world's most trusted brands.

AlphaTrust's PRONTOSign™ is a next-generation eSignature and document process automation platform. PRONTOSign™ automates the creation of legally enforceable, permanent business records, which are the commercial and legal equivalent of paper records.

The solution creates electronic signatures that comply with applicable laws and regulations around the world.

"Digital transformation is drastically altering how the life insurance and financial services industry thinks about eSignature. Paper is undergoing an obsolescence, rapidly being replaced by automated solutions that meet the expectations of today's digital customers," said Tim Wallace, CEO, iPipeline. "The acquisition of AlphaTrust enables us to tightly integrate eSignature and document process automation into our platform for the industry. PRONTOSign™ will meet our customers' immediate needs while being flexible enough to accommodate emerging business requirements and integrations. We expect to make PRONTOSign™ the industry standard within the next year."

"The AlphaTrust acquisition immediately provides iPipeline's customers with new levels of flexibility and control. While competing products offer a single workflow to secure an eSignature, PRONTOSign™ can accommodate the more complex and robust document workflows used in the life insurance and financial services industry," said Bill Brice, CEO, AlphaTrust. "We process millions of critical business transactions each year, and our solution can be deployed in a data center, embedded as part of a technology stack, or used as a service, with public and private cloud options. Customers seeking customization, rapid scalability, and strong support for application connectivity and integration will achieve more control, predictability and speed as they digitize and automate various document and signature processes with PRONTOSign™."

"Our ability to successfully execute strategic acquisitions allows us to continue to deliver the industry's most extensive offering to meet the needs of agents, advisors and their digital consumers," said Larry Berran, COO & CFO, iPipeline. "AlphaTrust brings document process automation and eSignature solutions that are fully compliant with North American, European and various Asia Pacific laws and regulations. Importantly, we can now embed eSignature directly within our applications and customers will immediately benefit from faster performance, tighter integration, and more control of their branding while remaining in compliance with specific industry standards, including those for insurance, financial services, and banking."

https://www.businesswire.com/news/home/20180322005031/en/iPipeline-Acquires-AlphaTrust

PAYMENTS

LLR Partners invests $30 million in Midigator, the leading provider of chargeback management solutions

Payments

3/27/18

LLR Partners today announced the closing of a $30 million minority growth equity investment in Midigator. Midigator provides an industry-leading, fully-automated software platform to prevent, analyze and manage payment card chargebacks, thereby increasing merchant revenue and lowering costs. Key features of the platform include automated chargeback prevention alerts, intelligent chargeback representments with industry leading win-rates and real-time data analytics and reporting.

"Merchants, small and large, are struggling to keep pace with the rapid growth of fraud and payment card chargebacks. Midigator's fully-automated software platform is uniquely positioned to help processors, acquiring banks, ISOs and merchants prevent and manage chargebacks," said Corey Baggett, Founder & CEO of Midigator. "We are excited to welcome LLR as a strategic investor in our company – their deep payments experience and relationships across the financial services and technology ecosystems should help accelerate our next stage growth. This partnership is another step towards our goal of becoming the global standard for chargeback management and fraud mitigation."

LLR is partnering with the existing Midigator management team to help expand product capabilities, fuel sales growth and build upon Midigator's market leadership position in the rapidly growing, $6 billion per year card-not-present fraud market. Midigator's technology automates chargeback management and provides a more effective solution to combating fraud and chargebacks compared to other third-party, manually intensive service providers.

"Corey is a great example of a smart and highly capable entrepreneur that created a solution to solve a problem he was dealing with on a daily basis," said Ryan Goldenberg, Vice President at LLR Partners. "Corey developed the core Midigator platform to help his prior eCommerce business handle its own chargebacks. The result was a customer-centric approach to product development underpinned by a fundamental understanding of customer and market needs."

"We are excited to partner with Corey, Mark Standfield, President of Midigator, and the rest of the Midigator team as they build upon a one-of-a-kind platform that is applicable to all participants in the payments ecosystem," added Mitchell Hollin, Partner at LLR Partners.

https://www.businesswire.com/news/home/20180327005177/en/LLR-Partners-Invests-30-Million-Midigator-Leading

Equistone to acquire cross-border payments provider Small World

Payments

3/27/18

Equistone Partners Europe has signed an agreement to acquire a majority stake in Small World Financial Services, an international, U.K.-based cross-border payment service provider.

Small World's investors, including FPE Capital and MMC Ventures, will sell their shareholdings in the company as part of the transaction, with management reinvesting for a minority stake, according to a press release. The financial terms of the deal are undisclosed and, as Small World is regulated in multiple countries, completion of the transaction remains subject to regulatory approvals.

Small World's technology-driven platform enables customers to make cross-border payments via its physical network of over 6,000 third-party send-side agents and 80 branches. The company also has mobile app and online portals.

"Demand for cross-border payments is increasing due to macro-demographic trends, and Small World's high-quality customer proposition and scalable business model position it to achieve further organic and acquisitive growth," Andrew Backen, partner at Equistone Partners Europe, said in the release. "Equistone has a successful track record of investing in financial services businesses in the U.K. and internationally, and we are excited about working with Nick and his team to support the company's continued development."

https://www.mobilepaymentstoday.com/news/equistone-to-acquire-cross-border-payments-provider-small-world/?utm_source=MPT&utm_medium=email&utm_campaign=EMNA&utm_content=2018-03-27

Payconiq to merge with Bancontact in Belgium

Payments
3/27/18

Payconiq, the mobile payments app supported by a host of Belgian and Dutch banks, is to merge with Bancontact, the Belgian market leader in electronic payments.

Created from a merger of ING's Payconiq with loyalty platforms Qustomer and KBC's CityLife, the all-in-one Payconiq app has drawn the added support of Belfius, AXA Bank and BNP Paribas Fortis in Belgium and four further Dutch banks - ASN Bank, Rabobank, Regiobank and SNS.

The merger with Bancontact, which follows a recent takeover of Digicash in Luxembourg, is part of a bold move by Payconiq to create a multi-functional pan-European mobile wallet capable of initiating payments online, on the high street and from peer-to-peer via a direct connection with the customer's payment account at one of the participating banks.

In 2017, Payconiq and Bancontact together processed some 15 million mobile payments - quadruple the number in 2016.

Ivo De Meersman, chairman of the board of Payconiq Belgium, says: "The new company has the ambition to bring mobile payments within reach of all merchants, including those who currently cannot accept such payments."

The merger is expected to be completed in the second quarter of 2018.

https://www.finextra.com/newsarticle/31882/payconiq-to-merge-with-bancontact-in-belgium?utm_medium=dailynewsletter&utm_source=2018-3-28&member=93489

Amex acquires Cake Technologies, a payments fintech

Payments

3/26/18

American Express has acquired Cake Technologies, a U.K.-based mobile payment technologies provider, for $13.3 million.

The deal, which was never publicly announced, was officially completed last October, TechCrunch reported today. Cake will allow payments provider Amex to expand its payment options to cardholders.

American Express told TechCrunch in a statement today: Last year, American Express acquired Cake Technologies. This year, we will be on-boarding Cake and their technologies to collaborate on ways to provide our Card Members with enhanced service and value in the dining space, which is an area many of our Card Members are passionate about.

Prior to its acquisition, Cake's mobile payment technology was aimed at bars and restaurants, seeking to eliminate cash payments, while also driving more data (and revenue) to these businesses. The startup was founded in 2015. The company's co-founders now hold vice president and director titles at American Express.

https://bankinnovation.net/2018/03/amex-will-enhance-payment-capabilities-with-cake-technologies/

Candex raises $3.5 million to conquer the pain of enterprise payments

Payments

3/23/18

Candex, the simplest way businesses engage, track and pay for high volume services, has raised $3.5 million of series seed funding from Edenred Capital Partners, Partech Ventures, Advisors.Fund, Camp One Ventures, NFX, Tekton Ventures, Big Sur Ventures and fintech angel Mark Goines. The financing positions Candex to accelerate its business in Fortune 500 customers and beyond.

Companies are taking advantage of the gig economy and using more vendors than ever to compete and stay nimble. In the typical large enterprise organization, admin layers across departments inefficiently cope with the 90 percent of tail service vendors that account for only five percent of spend. Sometimes the administrative costs exceed what is actually paid.

“It is amazing how much time and effort gets wasted when a typical organization tries to work with small vendors,” says Candex co-founder and CEO Jeremy Lappin. “Candex brings the speed and ease of consumer payment apps to large businesses, leveraging a private blockchain to ensure compliance and massively streamline financial system records.”

Candex allows creation of private eMarketplaces where employees engage with approved vendors through a chat interface, track activities and performance, and authorize payments below $100,000 with a few clicks. It empowers companies to remove thousands of vendor records from their financial systems and gives them a single counterparty for tax and compliance purposes.
“Candex fulfills stringent compliance requirements while also providing value to line managers,” says Philip Bodell of First Data. “Their demonstrated success serving many companies, including our own, is a key reason we invited Candex to join the Commerce.Innovated program.”

Enterprises that work with Candex are freed from repetitive admin burdens in vendor setup, payment exchange, taxes, and audits. Candex charges a small percentage of each payment and works with existing approval methodologies across hundreds of entities.

“The Candex eMarketplace approach is a brilliant solution for the tail spend needs of today’s enterprise, and this financing is perfectly timed to enhance the company’s leadership position,” says new Candex board member Mark Goines.

https://globenewswire.com/news-release/2018/03/23/1449422/0/en/Candex-Raises-3-5-Million-To-Conquer-The-Pain-Of-Enterprise-Payments.html

SECURITIES

CME Group reaches deal to acquire NEX for $5.5 billion

Securities

3/29/18

Futures trading giant CME Group has reached a deal to buy U.K.-based trading firm NEX Group for £3.9 billion ($5.49 billion).

CME will acquire London-based NEX in a transaction valued at £10 ($14) per share, consisting of £5 in cash and 0.0444 CME Group shares, based on CME's closing share price of $158.84 on Wednesday, the companies said in statements Thursday.

The transaction is expected to close in the second half of 2018, pending on the approval of regulators and NEX shareholders.

NEX is a provider of currency and fixed income platforms, and other over-the-counter (OTC) post-trade products and services.

The two companies said earlier this month that CME had approached NEX with a takeover offer, a move that triggered speculation that there could be rival takeover bids from other players like International Exchange Group or the London Stock Exchange.

As part of the acquisition, NEX shareholders will be entitled to receive £5 in cash for each NEX share and 0.0444 shares of CME Group.

"At a time when market participants are seeking ways to lower trading costs and manage risk more effectively, this acquisition will allow us to create significant value and efficiencies for our clients globally," CME Group Chairman and Chief Executive Officer Terry Duffy said Thursday.

"As one organization, we will be able to employ the complementary strengths of each company to serve a wider client base while diversifying our combined businesses across futures, cash and OTC products and post-trade services."

NEX CEO Michael Spencer will join CME's board of directors as part of the deal.

The transaction is expected to generate cost synergies of $200 million annually by the end of 2021, assuming the deal is completed this year.

The deal puts the U.S. derivatives giant in a prime position to shake up the U.S. Treasurys market. NEX provides one of the world's largest platforms for U.S. Treasurys trading, BrokerTec.

https://www.cnbc.com/2018/03/29/cme-group-deal-to-buy-nex-for-5-point-5-billion.html

Ascensus acquiring third-party administrator Avintus

Securities

3/27/18

Ascensus is acquiring third-party administration firm Avintus, an Ascensus spokeswoman said in an email.

Terms of the deal were not disclosed. The deal is expected to close April 2.

Avintus administers defined contribution and cash balance plans in the manufacturing, hospitality, construction, technology, non-profit and professional services industries. It has more than $1 billion in assets under administration, Ascensus' spokeswoman said. The entire Avintus team is expected to join Ascensus, she added.

Genstar, Aquiline to acquire AscensusAscensus acquires Dedicated Defined Benefit ServicesAscensus announces deal to acquire KravitzAscensus to acquire Qualified PlansAscensus acquires Retirement Strategies Inc.

Ascensus, a defined contribution record keeper and administrator of 529 college plans and health savings accounts, had more than $163 billion in assets under administration as of Dec. 31.

http://www.pionline.com/article/20180327/ONLINE/180329873/ascensus-acquiring-third-party-administrator-avintus

SPECIALTY FINANCE / ALTERNATIVE LENDING

Lending startup, Branch secured $70 million

Specialty Finance / Alternative Lending

3/29/18

You don't hear of many $2 loans in the United States, where $2 won't buy you more than a chocolate bar. But in cities like Lagos, Nigeria, and Nairobi, Kenya, $2 has the buying power of roughly $40, making such "micro" loans useful when you're running a small business. And borrowing $2 from a startup called Branch is a way onto a platform that promises much bigger loans, based on your credit worthiness.

What is Branch and why is it bothering with such small amounts of money? For answers to those questions, we talked this week with its founder and CEO Matt Flannery, who previously cofounded and co-led Kiva, a now 14-year-old micro-lending platform that enables families to make small loans to entrepreneurs in developing countries.

Flannery realized while running Kiva that a nonprofit — which Kiva is — can only get so far when it comes to fundraising. Meanwhile, fascinated by the spread of smart phones and digital payment systems in Africa, Flannery knew that if he could raise serious capital, he could make even more loans to small business owners without needing to meet and interview them first.

In service to that idea, what Branch built is an app that analyzes all kinds of information on users' phones that determines how to score their credit. For example, in Nigeria, every time you use an ATM, the bank sends you an SMS message with your bank balance. That's useful information to Branch. In Kenya, every time you pay your energy bill, the receipt comes via SMS. Knowing if you pay it and how big a bill you're paying is valuable information, too.

Users apparently don't see the app as invading their privacy — or it's worth the trade-off to them if they do. Since its 2015 founding, Branch has been downloaded onto more than one million mobile phones in Sub-Saharan Africa, says Flannery.

Based on that momentum, Branch has attracted the kind of financial muscle Flannery was seeking when he left Kiva to start the company. In fact, Branch is announcing today that it has lined up $70 million in Series B funding to expand its financial offerings to additional countries, including India.

Trinity Ventures led the $20 million equity portion of the round, along with participation from International Finance Corporation, Andreessen Horowitz and CreditEase Fintech Investment Fund. Branch also secured a $50 million debt facility from Victory Park Capital, an investment firm with a focus on alternative credit whose portfolio includes LendUp.

Altogether, Branch has now raised $80 million. The kind of funding suggests that lending incremental amounts isn't just helpful to small business owners in developing countries; there's a lucrative opportunity in it.

"The banking infrastructure in the U.S. is so robust and complete," says Schwark Satyavolu, the general partner at Trinity Ventures who led the round for his firm. Meanwhile, Branch, he says, "seems like an application of Silicon Valley tech to create financial services. But it's substantially more interesting, because Branch is doing it in emerging markets where you don't have a robust stack or credit bureaus or information that's nearly as rich or as deep as in the Western world."
It's worth noting that Branch is not a bank, despite that it calls itself a "branchless bank." Its straightforward terms of use are just one giveaway. Branch charges 15 percent interest on a loan as low as $2 at the end of one month. It also charges a 15 percent APR on its largest loans, which are $1,000 and can be paid over a 12-month period. Branch basically loses money on the $2 loan in order to drum up repeat business — and the strategy is working, according to Flannery. New customers borrow from Branch 20 times on average in the first year after they've downloaded the app.

If that sounds like a risky proposition for new borrowers, the good news, in our view, is that Branch never charges its users overdraft fees. "I've worked in microfinance long enough to know that late fees create a cycle of debt," Flannery says.

What investors like even more is that Branch — which has 100 employees in San Francisco, Lagos, and Nairobi — was profitable before taking on this new funding.

The company is also growing 20 percent month over month, and it plans to roll out savings accounts next.

"We see savings as a critical next step," says Flannery. "People typically don't have them, or the yield is super low to non-existent."

It will be a "big regulatory issue for us," he says, explaining such accounts could be as much as a year out, based on Branch's dealings with the banks it needs as partners.
It's worth it, though, he adds. There's a "big opportunity in these places."

https://techcrunch.com/2018/03/28/this-young-lending-startup-just-secured-70-million-to-lend-2-at-a-time/

LendingCrowd secures £2 million funding for ongoing growth

Specialty Finance / Alternative Lending

3/29/18

After a strong 2017 Lending Crowd, the innovative Peer-to-peer (P2P) funding company, has secured £2 million of new funding, to drive sales and marketing for ongoing growth.

LendingCrowd, the only Peer-to-Peer (P2P) lending platform headquartered in Scotland, is looking forward to a successful year ahead, after the fintech company completed deals worth a total of around £16 million to SMEs across the UK over the last 12 months.

Following this record start to the year, CEO and co-founder Stuart Lunn has set a target of approximately £40m in 2018, more than double the company's record to date.

The company's latest round of funding was led by the Equity Gap angel syndicate and included several notable private investors from Scotland's entrepreneurial and finance scene, as well as the Scottish Investment Bank.

LendingCrowd is now hoping to scale significantly over the course of 2018 and intends to seek Series A funding in the next 12 months.

Increasing Investments

Investor funds on the platform have grown rapidly, with much of the expansion attributed to the launch of one of the first Innovative Finance ISA (IFISA) products in February 2017. After a full 12 months of opening the LendingCrowd Growth ISA, 82% of investors have beaten the advertised 6% target return.

As part of its drive to build market position, LendingCrowd recently launched its first television advert to, bring the opportunities of P2P lending to a wider audience.

LendingCrowd, which is fully authorised by the Financial Conduct Authority, has over 4,500 investors signed up to its platform and is on track to significantly increase investor numbers this year. It now offers three IFISA products – the passive Growth ISA, the Income ISA and the active Self Select ISA.

Next Phase of Growth

Stuart Lunn, LendingCrowd CEO and co-founder, said: "Having laid solid foundations for the business over the last couple of years, we now have a position in the market that is starting to pay dividends. We have a strong pipeline of both investors and SME demand and with such a strong trajectory, we are now actively speaking to the venture capital and private equity communities about our next phase of growth."

Jock Millican from Equity Gap said: "We are extremely pleased that our syndicate members once again backed LendingCrowd, with this raise being the largest single investment by Equity Gap to date. Existing and new investors in LendingCrowd recognise the progress to date and the potential for the business to scale."

Kerry Sharp, director of the Scottish Investment Bank, commented: "We are delighted to provide continued support to LendingCrowd who have demonstrated real market traction with their innovative peer-to-peer lending platform in Scotland."

https://digit.fyi/lendingcrowd-funding-2m/

DATA & ANALYTICS / IoT

Infogix acquires Lavastorm to improve data quality product capabilities

Data & Analytics / IoT

3/28/18

Data management provider Infogix recently announced that it has acquired Lavastorm, effective immediately. Lavastorm Server integrates data with operational ETL and allows users to scale their applications via extensible nodes. The product also touts an immediate start up with pre-configured components that hasten common data preparation work.

Download Link to Data Management Buyers Guide
Infogix is known for its data quality tools, and has made sizable investments in big data, machine learning, and advanced analytics in recent months. The merger will enable Infogix to integrate its existing capabilities with Lavastorm's advanced analytics. The company's combined product will feature stronger data management capabilities and improved functionality.

Infogix was acquired by private investment firm Thoma Bravo back in 2016. The company acquired both Data3Sixty and Data Clairvoyance Group last year to add to its data governance portfolio. Infogix believes that the acquisition of yet another notable name in the space will help to establish their brand as a major one to know in the immediate future.

In a press statement, the company's Senior Vice President of Product said: "Gaining a competitive advantage isn't just about an ability to leverage analytics; it's about empowering users to easily run analytics and quickly get answers. It is about speed to insights. By integrating capabilities into our platform, we can stay ahead by providing our customers with more intuitive, visual interfaces allowing them to acquire, prepare, design and analyze data in record time."

Lavastorm gained considerable notoriety in the industry this year, and was recently included in analyst house Gartner's new report on the data preparation marketplace. Additionally, Solutions Review included the company as a Data Preparation Vendor to Watch in 2018.

Neither company has disclosed financial details surrounding the merger.

https://solutionsreview.com/data-management/infogix-acquires-lavastorm-to-improve-data-quality-product-capabilities/

Kenna Security announces $25 million Series C

Data & Analytics / IoT

3/27/18

Kenna Security, a leader in predictive cyber risk, announced today that it has secured $25 million in Series C funding.

Bessemer Venture Partners led the round, with participation from US Venture Partners, Costanoa Ventures, PeakSpan Capital, Hyde Park Angels and OurCrowd. Alex Ferrara, partner at Bessemer Venture Partners, will join Kenna's board of directors.

"Strong market demand has validated Kenna's risk-based approach to vulnerability management with CISOs, security teams, and IT operations staff leveraging Kenna's machine learning and data science to proactively manage cyber risk," said Karim Toubba, CEO of Kenna Security. "Kenna sees a world where teams work in collaboration to quickly and easily measure risk, prioritize remediation, and make a substantive difference in efficacy across the global attack surface and this investment is an endorsement of what we have achieved and our vision for the future."

The company will use the funds to continue its strong growth and momentum, investing to attract new talent, expand its sales capabilities, and continuing to drive innovation.

"Kenna is pioneering a new category of enterprise security to solve a pain point that is high on the priority list for CISOs, Security, and IT Ops teams, and we believe that Kenna is best situated to maintain its lead in the emerging vulnerability prioritization market," said Alex Ferrara, partner at Bessemer Venture Partners and member of the board of directors at Kenna Security. "Kenna's risk-based approach offers customers a way to cut through the volumes of data and threat reports to get to actionable information. We're excited to invest and support Kenna as they transform the way that enterprises align around cyber risk."

One of the first venture firms to invest in cyber security startups, Bessemer has invested in more than 45 leading cyber security startups over the past two decades. Recent successful cyber security investments include: LifeLock (acquired by Symantec), Postini (acquired by Google), Tripwire (acquired by Belden), iSight (acquired by FireEye).

As organizations shift to a risk-based approach to vulnerability management, many of the world's most trusted brands have turned to Kenna Security, including elite members of the Fortune 100, to manage cyber risk at scale, preparing them to confront the volume and diversity of contemporary cyber threats.

For the third year in a row, Kenna's sales more than doubled in 2017 and the number of organizations using the Kenna Security Platform grew by more than 60 percent to more than 300 customers worldwide. Other milestones for Kenna in 2017 include the launch of its EMEA business with a new head of sales and partnerships and new staff in the UK and a significant increase in Kenna's go-to-market and branding capabilities. Kenna more than doubled its employee headcount in 2017 and continues to add key personnel to grow the company.

This round brings Kenna's total funding to $50 million.

http://www.vcnewsdaily.com/kenna-security/venture-capital-funding/dhkrbfxpjt

OTHERS

Spring Labs raises $14.75 million for blockchain-based fintech identity business

Others

3/27/18

Spring Labs has raised $14.75 million to create a blockchain-based network to solve identity and credit data problems for financial institutions and consumers.

Spring Labs is creating the Spring Network, which uses the blockchain for data exchange. Blockchain is an internet-based ledger that relies on distributed computers to verify the ledger's accuracy and is used by cryptocurrencies such as Bitcoin to handle transactions. It is transparent and secure, which is why Spring Labs is using it for financial transactions.

The Spring Network is designed to allow lenders, banks, and data providers to easily and cheaply exchange data with one another. August Capital led the investment, with participation from Victory Park Capital, GreatPoint Ventures, Jump Capital, and Multicoin Capital.

The company, which is based in Los Angeles and Chicago, will use the capital to expand its platform in the coming months, grow its world-class engineering team, and deliver on its vision to decentralize credit and identity services.

Founded by members of Avant's founding team and board, Spring Labs has witnessed firsthand the misaligned incentives and security problems of today's credit and identity ecosystem. The company wants to upend the credit and identity sharing process through a decentralized network that enables a more transparent, efficient, and secure model for sharing information related to identity and credit.

https://venturebeat.com/2018/03/27/spring-labs-raises-14-75-million-for-blockchain-based-fintech-identity-business/

Sift Science raises $53 million to bolster machine learning for fighting fraud online

Others

3/21/18

Sift Science, a San Francisco company that builds software to fight fraud online and recently opened a Seattle office, has raised a massive $53 million funding round.

The round is led by New York equity firm Stripes Group and investors include heavily funded Seattle startup Remitly. The investment doubles Sift's lifetime funding to $107 million.

Some big-name customers like Airbnb, Zillow, and OpenTable, use Sift Science to identify bad actors by flagging risky or abusive behaviors before they commit fraud. The software helps e-commerce companies and other online brands reduce chargebacks, fraudulent transactions, and account abuse.

GeekWire last month reported on the company's Seattle office, which is led by Matt Green, a former senior manager at Amazon who spent 17 years at tech giant. Sift said the office is already up to 14 people and growing.

In a LinkedIn blog post at the end of February, Green wrote that Sift Science aims to have at least 20 people at in Seattle by the end of the year, and by that time the office will own an entire product.

The company's co-founders Jason Tan and Brandon Ballinger both have ties to the Seattle area as graduates of the University of Washington's Paul G. Allen School of Computer Science & Engineering. Tan is Sift's current CEO and Ballinger left in 2013.

https://www.geekwire.com/2018/sift-science-raises-53m-bolster-machine-learning-fighting-fraud-online/