Evolve Capital Partners

Weekly Deals Update

Week Ending 05/25/18

SPECIALIZED INVESTMENT BANKERS AT THE INTERSECTION OF FINANCE AND TECHNOLOGY

Key Deals

M&A

Date	Target	Acquirer(s)	Sector	Amount ($mm)
5/21/18	IPREO	IHS Markit	Securities	$1,855
5/21/18	Magento	Adobe	Payments	$1,680
5/20/18	semanticmachines	Microsoft	Financial Management Solutions	NA
5/18/18	HPS Healthcare Payment Specialists	TransUnion	Healthcare Tech	NA

Financing

Date	Target	Lead Investor	Sector	Amount ($mm)
5/24/18	GreenSky	Public Investment	Specialty Finance / Alternate Lending	$874
5/16/18	OFFERPAD	LLC Funds	Securities	$150
5/15/18	CIRCLE	BITMAIN	Payments	$110

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.

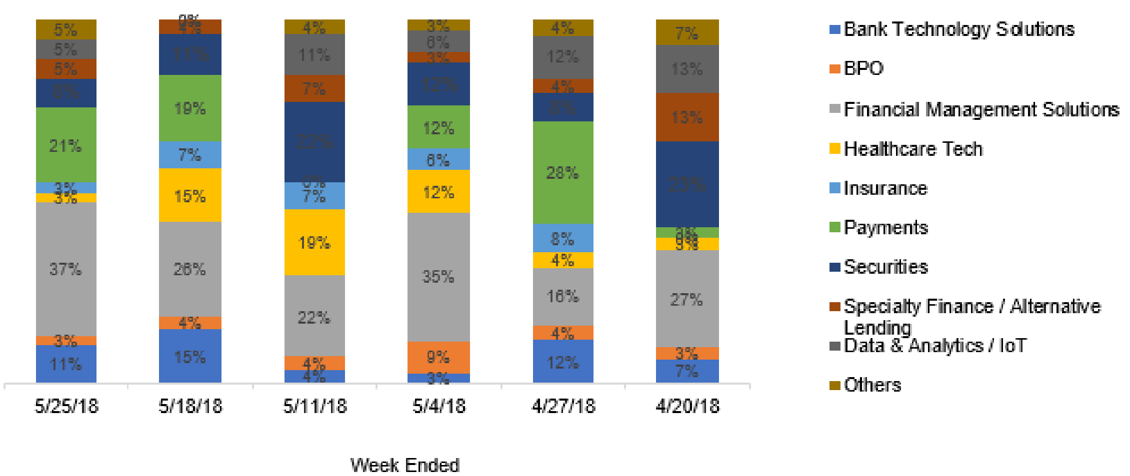
Sectors we cover at the intersection of finance and technology include:

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

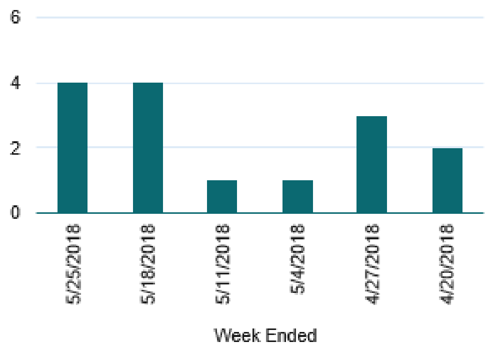
Deals Count

Sector	Number of Deals	% of Total
Bank Technology Solutions	4	10%
BPO	1	2%
Financial Management Solutions	14	34%
Healthcare Tech	7	17%
Insurance	1	2%
Payments	8	20%
Securities	3	7%
Specialty Finance / Alternative Lending	2	5%
Data & Analytics / IoT	1	2%
Others	0	0%
Total	**41**	**100%**

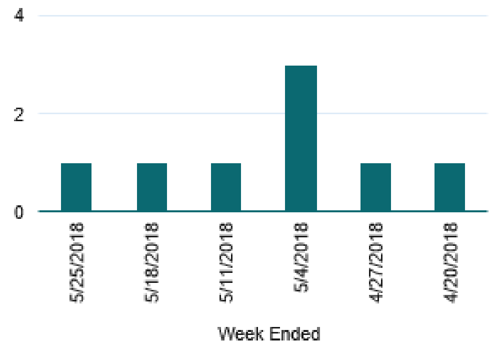
Sector-Wise Deals Breakdown



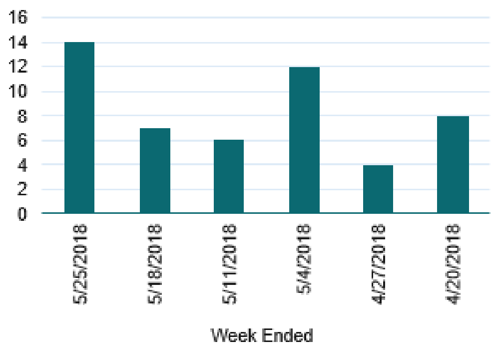
Bank Technology Solutions



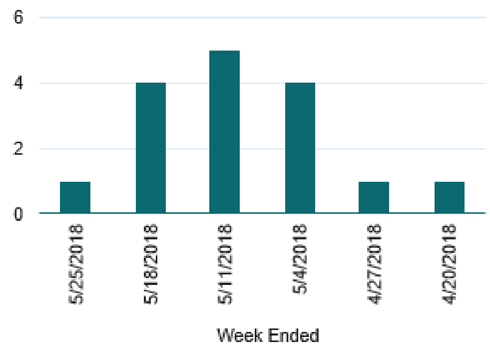
BPO



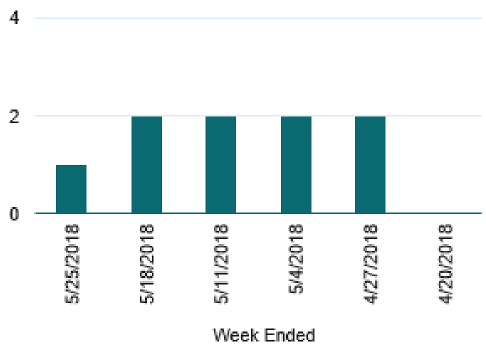
Financial Management Solutions



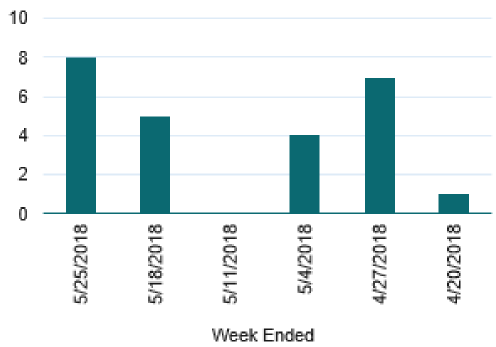
Healthcare Tech



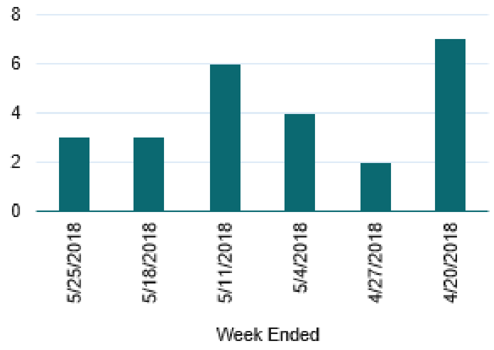
Insurance



Payments

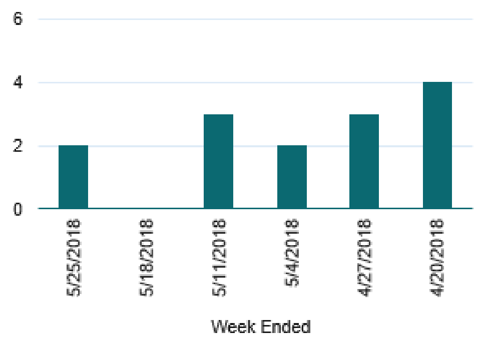


Securities

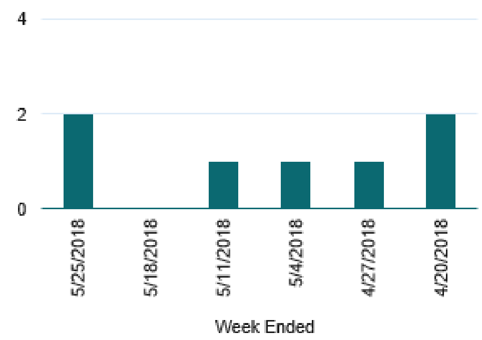


Speciality Finance / Alternative Lending

Data & Analytics / IoT



Others



BANK TECHNOLOGY SOLUTIONS

ABN Amro takes stake in data collection startup Ockto

Bank Technology Solutions

5/24/18

ABN Amro's Digital Impact Fund (DIF) is acquiring a minority stake in local fintech startup Ockto, which specialises in helping consumers and businesses to safely collect and share personal data. The Ockto app collates user data from multiple Dutch government sites for taxation, benefits and pensions and makes it accessible to financial advisors, banks and other parties, for instance when applying for a mortgage or loan. The data is presented first in the app, where consumers can check it and submit to any third party via a secure online connection.

Robert Harreman, CEO and co-founder of Ockto, says: "Ockto is a platform through which we serve not only financial institutions, but also other sectors that rely heavily on consumer data, such as debt counselling, rented housing and municipalities. We see that consumers want to do things independently, but find it takes them a lot of time to collect their personal data from multiple institutions. Ockto performs this search for them. The implementation of GDPR and PSD2 will enable consumers to take control of their personal data more simply and securely. Ockto facilitates that."

He says the new financing will be used to fund growth and seed expansion to other countries.

Ockto is the sixth startup to benefit from the Dutch bank's fintech venture fund. Other companies in the portfolio include solarisBank, Cloud Lending Solutions, BehavioSec, Tink, and a block chain initiative in trade & commodity finance.

https://www.finextra.com/newsarticle/32157/abn-amro-takes-stake-in-data-collection-startup-ockto?utm_medium=dailynewsletter&utm_source=2018-5-25&member=93489

Canada's NorthOne raises $2 million for SMB mobile banking platform

Bank Technology Solutions

5/23/18

Canada's NorthOne has raised $2 million in seed funding to build a mobile-first, API-enabled banking platform for startups and small businesses.

Investors Peter Graham, Tom Williams, and Ferst Capital Partners participated in the round, backing NorthOne's "mission...to eliminate the devastating impact that poor financial literacy and financial management has on small business failure rates and costs".

The NorthOne app and API-enabled bank account promises to connect to all the financial management tools businesses already use and gives them clarity on their finances in real time while automating the most time-consuming money management tasks.

The startup, which is working with a licensed bank for its service, claims to have already seen 4000 businesses request an account ahead of launch later this year.

In the meantime, it has been testing a prototype with a small number of beta users and has also built and released free tools to help SMBs with challenges such as incorporation, finding the best bank account and understanding financial basics.

The new money will be used to triple the team from five members to 15 to ensure that the app and platform are ready to launch by the end of 2018.

Eytan Bensoussan, co-founder and CEO, NorthOne, says: "Our team is focused on creating a banking experience that is designed to save entrepreneurs money, time and stress. We're talking about hundreds of dollars in savings each month."

https://www.finextra.com/newsarticle/32144/canadas-northone-raises-2m-for-smb-mobile-banking-platform?utm_medium=newsflash&utm_source=2018-5-24&member=93489

TransUnion announces agreement to acquire iovation to strengthen fraud and identity solutions

Bank Technology Solutions

5/18/18

TransUnion (NYSE:TRU) has agreed to acquire iovation, one of the most advanced providers of device-based information in the world, strengthening its leadership position in fraud and identity management.

“iovation has unique device identity and consumer authentication capabilities that help businesses and consumers seamlessly and safely transact in a digital world,” said Jim Peck, TransUnion’s president and chief executive officer. “TransUnion has long been at the forefront of developing innovative fraud and identity solutions, and together with iovation, we will create an unmatched network of offline and online identities that will help make transactions faster and more secure, while providing a frictionless experience for consumers.”

iovation pioneered the device intelligence industry and provides a highly advanced digital device reputation consortium, with insight into nearly 5 billion unique devices from more than 35,000 leading brands across more than 50 countries. With technologies that can dynamically identify new fraud patterns as they emerge, TransUnion and iovation’s combined solutions will empower customers to quickly incorporate and adapt strategies to the fast-changing and evolving fraud landscape.

“Our combined solutions will empower trusted relationships by identifying, monitoring and protecting both businesses and consumers as they interact online all around the world,” said Chris Cartwright, president of TransUnion’s USIS division. “Furthermore, our broad coverage of identities and devices will enable continued innovation in advanced analytics to confidently detect threats across channels, markets and geographies, to equip customers to grow and differentiate their businesses by emphasizing superior user experiences at all touchpoints.”

iovation offers customers a broad range of highly advanced real-time fraud prevention products, a risk-based dynamic authentication suite, and a global consortium of shared fraud insights that delivers risk decisions in milliseconds. Products include:

- FraudForce: Real-time device reputation and verification insight identifies good customers, reduces reviews and helps prevent online fraud -- SureScore:Machine learning that predicts transaction outcomes based on device trust, transaction, and contextual or behavioral indicators
- ClearKey: Passwordless authentication based on rigorous device fingerprinting and contextual insight -- LaunchKey: Multi-factor authentication lets mobile apps deliver advanced knowledge factors, cutting-edge biometrics, and location and proximity methods for strong, simplified access to any site or service

"Our mission has always been to make the digital world a safer place for both businesses and consumers, which perfectly supports TransUnion's belief in using information for good," said Greg Pierson, founder and chief executive officer of iovation. "My team is committed to working together with TransUnion to set the standard for stopping fraud and abuse while improving customer experience."

iovation's extensive customer base and channel partners -- including Callcredit, TransUnion's pending acquisition in the U.K. -- will also expand the company's footprint globally and in markets like gaming and retail. TransUnion already provides fraud and identity solutions worldwide across a variety of sectors including financial services, government, healthcare and insurance.

The acquisition is anticipated to close late in the second quarter or early in the third quarter pending regulatory approval.

Separately, TransUnion also announced today an agreement to acquire Healthcare Payment Specialists, a leader in helping healthcare providers optimize Medicare reimbursement, strengthening TransUnion Healthcare's Revenue ProtectionTM portfolio.

http://www.omaha.com/money/consumer/transunion-announces-agreement-to-acquire-iovation-to-strengthen-fraud-and/article_f6f4a81b-d1c9-5fc0-8488-b47d1f2a5134.html

Deutsche Bank acquires Indian open banking software house Quantiguous Solutions

Bank Technology Solutions

5/15/18

Deutsche Bank has acquired Mumbai-based startup Quantiguous Solutions to help build an Open Banking platform connecting corporate clients to third party partners and its global transaction banking franchise. As part of the acquisition, Deutsche Bank will take over all employees of Quantiguous, who will join the core team responsible for the development and roll-out of the transaction bank's global API programme.

“The future of banking depends on connectivity which is key to drive growth for our global franchise,” says John Gibbons, head of global transaction banking. “The need to provide an easy-to-use, seamless customer experience, with new digital services offered across a broad number of touchpoints has never been greater.”

The four year-old Quantiguous has a strong track record of success within its home market, developing standardised interfaces and applications for Yes Bank, RBL Bank, and the National Payments Corporation of India among others.

Thomas Nielsen, chief digital officer, global transaction banking at Deutsche Bank, says: “This acquisition significantly ups the game for Deutsche Bank's Open Banking strategy. The injection of this high-quality talent pool from Quantiguous into the bank's digital franchise will help us go to market faster."

Terms of the transaction have not been disclosed.

https://www.finextra.com/newsarticle/32105/deutsche-bank-acquires-indian-open-banking-software-house-quantiguous-solutions

BPO

Accenture acquires Chinese digital marketing agency HO Communication

BPO

5/23/18

Accenture has agreed to acquire Shanghai-based HO Communication, a Shanghai-based independent digital marketing agency with offices in Shanghai, Beijing, Chengdu and Nanjing with more than 200 employees.

With a focus on omni-channel brand experiences and customer engagement in China, the acquisition of HO Communication is expected to expand the ability of Accenture Interactive to seamlessly serve clients in Greater China.

“We are committed to China and our clients to continuously uplift our capabilities, especially in an area as critical as digital to help our clients transform and grow,” said Wei Zhu, chairman of Accenture Greater China.

“China is the world’s largest digital consumer market. HO Communication will strengthen our ability to meet the growing digital demands of our clients, be their partner of choice in digital transformation, and help them achieve better business performance,” he said.

HO Communication’s leading omni-channel engagement capabilities will also add to Accenture Interactive’s existing offerings in Greater China, according to Jason Chau, the managing director of Accenture Interactive in Greater China.

“Combined with Accenture’s scale across all our capabilities Greater China, [HO Communication] will provide a compelling client proposition for maximum impact to business performance,” he said, melding the creativity of a digital marketing agency with the insights of a business consultancy.

The acquisition is subject to customary closing conditions and is merely the latest addition to Accenture Interactive’s portfolio in Greater China.

Previous acquisitions include Fjord, a global leader in design and innovation consultancy; PacificLink, an independent set of digital agencies in Hong Kong; Altima, a digital commerce agency; and Mackevision, a leading producer of CGI and immersive content.

https://www.enterpriseinnovation.net/article/accenture-acquires-chinese-digital-marketing-agency-ho-communication-1926873867

FINANCIAL MANAGEMENT SOLUTIONS

Reltio scores $45 million Series D

Financial Management Solutions

5/25/18

Reltio, innovator of the Self-Learning Data Platform, today announced that it has secured a $45 million Series D investment to accelerate innovation, fuel international expansion, and ramp support for global enterprise customers. With current investor New Enterprise Associates (NEA) leading this round, and participation from other existing investors, Crosslink Capital, .406 Ventures, and Sapphire Ventures, Reltio has now raised $117 million in total.

“Reltio’s platform is at the nexus of the technologies needed to enable companies to innovate with data,” said Chetan Puttagunta, General Partner at NEA. “The combination of continuous enterprise data organization with measurable, actionable insight that can be refined and improved through self-learning is a capability that can benefit every business. We’re thrilled to continue partnering with Reltio as it accelerates growth with marquee customers in critical markets. We’re also pleased to see existing customers significantly expand their use of Reltio, and it reaffirms our confidence in the platform’s ability to add value to any type of business.”

Reltio’s market momentum continues to accelerate: In 2017, it was ranked No. 153 in Inc. Magazine’s prestigious “Inc. 5000” list of the fastest growing private software companies in America, thanks to over 2,568% revenue growth in three years. Reltio also ranked No. 7 among all San Francisco companies and No. 10 among all software providers in America.

“We’ve been able to deliver fast time to value by organizing enterprise data for some of the largest companies in the world, and we’re just getting started,” said Manish Sood, CEO of Reltio. “Reltio is now a trusted data foundation upon which the promise of new technologies, such as AI and machine learning, combined with our self-learning graph and other technologies, can truly be realized. Credit goes to our dedicated employees, whose laser focus on making our customers and partners successful continues to be the driving force behind our rapid growth.”

With Reltio’s Self-Learning Data Platform, companies can deliver on their digital transformation initiatives with personalized customer experiences while meeting regulatory compliance such as GDPR. The journey starts with the organization of data of all types and from all sources at scale to form a trusted data foundation, followed by relevant analytics for operational execution and recommended actions. Ultimately, this enables companies to become Self-Learning Enterprises that measure outcomes related to actions and use data in a continuous cycle of improvement.

“We’ve been investors in Reltio from the very beginning and have witnessed rapid cross-industry adoption by household brands in retail, high tech, life sciences and healthcare, and the list continues to grow,” said Jim Feuille, General Partner, Crosslink Capital. “We are more convinced than ever that the market opportunity for Reltio is sizeable. The Reltio team continues to innovate and execute, and we are delighted to increase our investment, and help the company scale globally.”

Having doubled headcount in 2017, Reltio continues to hire IT and business professionals around the globe as it expands into new markets in Europe and beyond. The company has opened an office in London and moved to larger facilities in Bangalore, India.

https://www.finextra.com/pressarticle/74041/reltio-scores-45-million-series-d/wholesale

SafetyCulture completes AUD$60 million Series C funding round

Financial Management Solutions

5/24/18

SafetyCulture, a Sidney, Australia-based workplace solutions tech company, raised AUD$60M in Series C funding.

The round was led by Tiger Global Management with participation from Blackbird Ventures, Index Ventures, Morpheus Ventures and Scott Farquhar (co-founder at Atlassian).

The company, which has raised a total of $98m and is now valued at $440m, intends to use the funds to accelerate its global go--to--market expansion, build out its product and engineering teams in Australia, and invest in new areas such as internet of things (IoT) and workplace training.

Led by founder and CEO Luke Anear, SafetyCulture provides a checklist app, called iAuditor, which allows teams to improve safety and quality in the workplace by reporting safety issues and non-compliances as they happen.

Companies using iAuditor – which include Coca-Cola, Coles, Ausgrid, BHP Billiton and Qantas – can create smart checklists, conduct on-site inspections, analyze data and share insights in real time.

The company also recently released its second app, Spotlight, which is an incident reporting app that allows teams to act immediately, with real time alerts for incidents, hazards and near-misses.

http://www.finsmes.com/2018/05/safetyculture-completes-aud60m-series-c-funding-round.html

Sentry raises $16 million Series B from NEA and Accel to help developers squash bugs more quickly

Financial Management Solutions

5/24/18

Created to help app developers find and fix bugs more efficiently, Sentry announced today that it has raised a $16 million Series B led by returning investors NEA and Accel. Both firms participated in Sentry's Series A round two years ago.

Co-founder and CEO David Cramer tells TechCrunch that the new round puts Sentry's post-money valuation at around $100 million. The company recently launched Sentry 9, which, like its other software, is open source. Sentry 9 lets app developers integrate error remediation into their workflows by automatically notifying the developers responsible for that part of the code, letting them filter by environment to hone in on the issue, and manage collaboration among different teams. This reduces the amount of time it takes to fix bugs from "five hours to five minutes," Sentry claims.

The company will "double down on developers and their adjacent roles," in particular product teams, Cramer says. Next in the pipeline is tools that will answer more in-depth questions related to app performance management.

"Today we answer 'this specific thing is broken, why?' Next we'll expand that into deeper insights whether it's 'these sets of things are broken for the same reason' as well as exploring non-errors. For example, if you deploy an update to your product and traffic to your sign-up form goes to zero that's pretty serious, even if you're not generating errors," Cramer says.

Sentry's technology originated as an internal tool for exception logging in Djana applications while its founders, Chris Jennings and Cramer, were working at Disqus. After they open-sourced it, the software quickly expanded into more programming languages. Sentry launched a hosted service in 2012 to answer demand. It now claims to have 9,000 paying customers (including Airbnb, Dropbox, PayPal, Twitter and Uber), be used by 500,000 engineers and process more than 360 billion errors a year.

In a press statement, Accel partner Dan Levine said "Sentry's growth is a testament to the now-universal truth that app users everywhere expect a flawless experience free of bugs and crashes. Poor user experience kills companies. In order to keep moving forward as quickly as possible, product teams need to know that customers will never leave because of a broken app update. Sentry lets every developer build software that is functionally error-free."

https://techcrunch.com/2018/05/24/sentry-raises-16m-series-b-from-nea-and-accel-to-help-developers-squash-bugs-more-quickly/

FairMarkIT raises first institutional fundraising round to transform procurement

Financial Management Solutions

5/24/18

FairMarkIT is proud to announce its first round of institutional funding and their new board of directors. FairMarkIT is a Boston-based tail spend management firm and will use this funding to support their continued growth. The Board of Directors will provide leadership and guidance as they oversee the ongoing activities of the organization.

FairMarkIT's SaaS platform enables companies to achieve increased savings on their tail spend purchases, by delivering a highly functional product to mitigate risks, reduce costs and drive business value. Gathering insights from unstructured tail spend data and applying machine learning techniques to automate RFQs, FairMarkIT's data analysis platform empowers companies to obtain the best price from the ideal supplier, with much less time and effort.

"FairMarkIT is quickly becoming the preeminent tail spend solution provider. They equip the procurement team with the tools and actionable insights they need to deliver value," said CPO, Greg Tennyson.

FairMarkIT plans to use the new funds to scale their team to support their growing customer base. Investors in the round include NewFund Capital, NewStack Ventures, MassVentures, VT Technology Ventures and several prominent Boston and San Francisco-based angel and seed investors.

"We are excited to have experienced rapid growth in our business to date and to have the full confidence of our investors as we continue to develop," said Kevin Frechette, CEO of FairMarkIT.

https://www.prnewswire.com/news-releases/fairmarkit-raises-first-institutional-fundraising-round-to-transform-procurement-300654120.html

First Leads Inc., a Durham software company, raises $5 million in equity round

Financial Management Solutions

5/24/18

Durham-based First Leads Inc., which use data science to help real estate agents obtain more listings, has raised more than $5 million in an equity offering, according to a filing with the U.S. Securities and Exchange Commission.

The company raised more than $2 million in equity and $750,000 in debt in February.

The company raised more than $757,000 in equity and $500,000 in debt in 2015.

First Leads, which started doing business in 2016, analyzes a real estate agent's network: the contact list, database, social connections, using complex data science to identify people most likely to sell in the next six to 12 months.

It analyzes more than 700 factors on 215 million people across 100 million households to suggest ways the agent's can follow up on leads more effectively. The company web site says, "It's like donning infrared googles on a pitch dark night. The technology reveals."

https://www.wraltechwire.com/2018/05/24/first-leads-inc-a-durham-software-company-raises-5m-in-equity-round/

Swiftpage primed for growth with strategic investment from SFW Capital Partners

Financial Management Solutions

5/23/18

Swiftpage, the provider of Act! CRM software, a leading cloud-enabled platform aimed at helping small and mid-sized businesses grow, today announced that it has received a significant strategic investment from SFW Capital Partners (SFW), a specialized private equity firm that invests in mid-sized companies across the information value chain with a particular focus on information, software, and analytical instrumentation. The investment will accelerate Swiftpage's strategy to expand the Act! brand and product offering to better serve the SMB market.

"SFW brings more than just capital to Swiftpage and we are looking forward to leveraging their expertise and resources to help accelerate our product roadmap – enabling our growth and the growth of our customers," said H. John Oechsle, CEO of Swiftpage. "SFW has the industry experience and operational expertise to help us more quickly realize our goal to continually deliver the most advanced, easy-to-use CRM that is built specifically for small business success. Act! has been the trusted choice in SMB CRM for over 30 years and we are excited for the opportunities that our SFW partnership will bring."

Act! makes it easy for small businesses to grow with powerful sales and marketing tools and a flexible CRM platform that is trusted by over 500,000 users worldwide. The cloud-enabled platform provides small business owners with an easily customizable CRM complete with rich customer management and powerful marketing automation, dynamic sales pipeline management with actionable business insights and the ability to connect with hundreds of business optimization tools. Today, Swiftpage supports the success of over 200,000 customers on the Act! platform across the globe, ranging in industries from financial services, wealth management and real estate, to home and professional services.

"Swiftpage exhibits the key characteristics that we look for in our investments within the information management and workflow solutions sectors: mission-critical products, large addressable markets, and a potential to unlock meaningful growth through a range of strategic and operational initiatives," said Omair Sarwar, a Principal at SFW who will be joining the Swiftpage Board of Directors. "We are excited about partnering with John Oechsle, Swiftpage's CEO, and the Swiftpage team to continue building the business and accelerating its growth."

https://www.prnewswire.com/news-releases/swiftpage-primed-for-growth-with-strategic-investment-from-sfw-capital-partners-300653249.html

Okera raises $12 million to simplify data governance within companies

Financial Management Solutions

5/22/18

As companies start to gather more and more data on their users and customers, including a firehose of information from a nigh-endless flow of tests, managing and maintaining that data isn't the only place companies are hitting a wall — and figuring out who can actually access it is becoming just as big of a problem.

That was the experience Amandeep Khurana had throughout his career and as he kept talking to more and more larger companies. So he and his co-founder decided to start Okera, which is looking to make it easier for stewards of various sets of data to ensure the right people have the right access. With data coming in from a myriad of sources — and hopefully ending up in the same database — it can be increasingly complex to track who has access to what, and the hope is that Okera can reduce that problem to flipping a few switches.

Okera is coming out of stealth mode and said it has raised a new $12 million financing round led by Bessemer Venture Partners, with existing investors Felicis Ventures and Capital One Growth Ventures participating. Bessemer's Ethan Kurzweil and Felicis' Wesley Chan are joining the company's board of directors, and Okera has raised $14.6 million to date.

"I was very underwhelmed by what other vendors were offering, there was pretty much nothing happening," co-founder Khurana said. "There were not a lot of good solutions, and no vendor was incentivized to solve the problem. What we'd hear is, [employees] were spending so much time in data management and plumbing. We saw a trend — as more and more enterprises are moving into the cloud, so they can be agile, these problems amplified. There is a lot of friction around data management, and people spent a lot of time and resources and money making one-off solutions."

Part of the problem stems from larger companies looking to move their operations into the cloud. Those companies can run into the problem of data coming in from various discrete locations, where everyone is handling something differently, and everyone has varying levels of access to that data. For example, an analyst might be trying to dig into some customer usage data in order to tweak a product, but they only have access to half of the records they need. To fix that, they would need to hunt down the people who are in control of the rest of the information they need and get the right copies or permissions to access it. All of this includes a robust audit trail for those handling security within the company.

it is going to be an increasingly crowded space just by virtue of the problem, especially as companies collect more and more data while they look to better train various machine learning models. There are startups like Collibra also looking to improve the data governance experience for companies, and Collibra raised an additional $58 million in January this year.

But streamlining all this, in theory, reduces the overhead of just how much time it takes for those employees to hunt down the right people, and also make sure it's easier to access everything and get to work faster. For modern systems, it's an all-or-nothing approach, Khurana said, and the goal is to try to make it easier for the right people to get access to the right data when they need it. That isn't necessarily limited to analysts, as employees in sales, marketing, and other various roles might also need access to certain databases in their day-to-day jobs.

https://techcrunch.com/2018/05/22/okera-raises-12m-to-simplify-data-governance-within-companies/

Roper Technologies to acquire PowerPlan

Financial Management Solutions

5/21/18

Roper Technologies, Inc. (NYSE:ROP), a diversified technology company, today announced that it has reached a definitive agreement to acquire PowerPlan in an all-cash transaction valued at $1.1 billion. PowerPlan is a leading provider of software and solutions for asset-centric companies, enabling its customers to optimize their financial performance and achieve regulatory compliance.

PowerPlan’s award-winning software platform integrates highly detailed financial and operational data to help enhance operational efficiency, minimize tax obligations, improve cash flow, and mitigate compliance risk. This comprehensive software solution delivers insight into the impact of complex rules and regulations on areas such as lease accounting, income and property tax provisions, and capital planning, enabling customers to make decisions that improve financial performance.

“We are excited to add another industry-leading, niche application software business to our family,” said Brian Jellison, Roper’s Chairman, President, and CEO. “The PowerPlan transaction demonstrates our disciplined capital deployment strategy, which results in the acquisition of high performing, niche businesses that grow and compound our cash flow.”

Neil Hunn, Roper’s Executive Vice President and Chief Operating Officer, noted, “PowerPlan provides the technology backbone enabling its customers to get the enhanced financial, tax, and operational information they need to improve financial performance. We look forward to working with PowerPlan’s leadership team to continue to grow their innovative product suite, loyal customer base, and strong cash profile.”

PowerPlan will continue to manage the business from its Atlanta, Georgia headquarters. PowerPlan’s name and brands are not expected to change as a result of the transaction.

https://globenewswire.com/news-release/2018/05/21/1509233/0/en/Roper-Technologies-to-Acquire-PowerPlan-Leading-Provider-of-Software-and-Solutions-for-Financial-and-Compliance-Management.html

Sales automation startup Outreach raises $65 million round led by Spark Capital to fuel growth

Financial Management Solutions

5/21/18

Outreach is adding more fuel to the fire with a $65 million funding round led by Spark Capital.

It's a big venture round for a enterprise software company which almost didn't survive its initial incarnation and was initially passed over by many in the venture capital community.

That's no longer the case.

In addition to Spark Capital, the Seattle-based sales automation firm on Monday announced financing from new investor Sapphire Ventures, and existing backers DFJ Growth, Four Rivers Group, Mayfield, MHS Capital, Microsoft Ventures and Trinity Ventures.

Total funding in the 4-year-old company is now $125 million. The round is this year's fourth-largest for a Seattle-area startup, according to PitchBook. Outreach said its valuation has doubled since raising a $30 million Series C round last year, with Business Insider pegging the company's valuation at about $500 million.

Outreach will use the fresh cash to grow its sales automation platform now used by more than 2,400 sales teams and 22,000 users across the world. In 2017, the company doubled its customer count and saw revenue grow by more than 100 percent. It now employs 245 people with plans to reach 325 by the end of 2018 across offices in Seattle, San Francisco, and Tampa Bay.

Outreach uses machine learning to help customers like Cloudera, Adobe, Microsoft, DocuSign, and others automate and streamline communication with sales prospects. It offers one system to track all touch points, from phone calls to emails to LinkedIn messages. The software integrates with existing tools like Salesforce and Gmail.

The company tracks sales statistics, helps teams collaborate and sends automated alerts to make sure prospective buyers don't slip through the cracks. The idea is to increase the volume of sales meetings and create a more efficient workflow for salespeople.

A 'punch in the gut': Fast-growing Seattle startup eyes Bellevue after tax vote
Outreach CEO and co-founder Manny Medina said the company plans to double its revenue over the next two years, but didn't reveal specific numbers. He explained that Outreach has created a new category for sales teams, giving them a one-stop shop that houses both account data and process tools. More than 75 percent of Outreach customers use the product daily.

"Now salespeople have a place to live," Medina said.

Medina, a former director at Microsoft, originally launched a recruiting software startup called GroupTalent in 2011 with his co-founders Andrew Kinzer, Gordon Hempton, and Wes Hather. But the entrepreneurs pivoted in 2014 to focus on building tools for salespeople.

Outreach plans to expand its platform to “every customer-facing role.” It recently announced Amplify, a new sales automation program, and hired former Microsoft data scientist Pavel Dmitriev as its new vice president of data science. Competitors include InsideSales, Intercom, Pipedrive, and others.

“Outreach has been instrumental in creating and evolving the customer engagement category, which is growing at an exponential rate,” Megan Quinn, Spark Capital general partner, said in a statement. “Outreach’s technology, approach and leadership team make it poised to capture this multi-billion dollar opportunity and we are excited to have the company as part of our portfolio.”

Spark Capital also led a separate $65 million round last year in another Seattle-based company, dog-sitting platform Rover.

https://www.geekwire.com/2018/sales-automation-startup-outreach-raises-65m-round-led-spark-capital-fuel-growth/

Microsoft acquires conversational AI startup Semantic Machines to help bots sound more lifelike

Financial Management Solutions

5/21/18

Microsoft announced today that it has acquired Semantic Machines, a Berkeley-based startup that wants to solve one of the biggest challenges in conversational AI: making chatbots sound more human and less like, well, bots.

In a blog post, Microsoft AI & Research chief technology officer David Ku wrote that "with the acquisition of Semantic Machines, we will establish a conversational AI center of excellence in Berkeley to push forward the boundaries of what is possible in language interfaces."

According to Crunchbase, Semantic Machines was founded in 2014 and raised about $20.9 million in funding from investors, including General Catalyst and Bain Capital Ventures.

In a 2016 profile, co-founder and chief scientist Dan Klein told TechCrunch that "today's dialog technology is mostly orthogonal. You want a conversational system to be contextual so when you interpret a sentence thing don't stand in isolation." By focusing on memory, Semantic Machines claims its AI can produce conversations that not only answer or predict questions more accurately, but also flow naturally, something that Siri, Google Assistant, Alexa, Microsoft's own Cortana and other virtual assistants still struggle to accomplish.

Instead of building its own consumer products, Semantic Machines focused on enterprise customers. This means it will fit in well with Microsoft's conversational AI-based products. These include Microsoft Cognitive Services and Azure Bot Service, which the company says are used by one million and 300,000 developers, respectively, and its virtual assistants Cortana and XiaoIce.

https://techcrunch.com/2018/05/20/microsoft-acquires-conversational-ai-startup-semantic-machines-to-help-bots-sound-more-lifelike/

GTCR and Sycamore partners complete acquisition of CommerceHub

Financial Management Solutions

5/21/18

Affiliates of GTCR and Sycamore Partners, two leading private equity firms, today announced the closing of the acquisition of CommerceHub, Inc. ("CommerceHub" or the "Company"), a leading distributed commerce network for retailers and brands.

"The closing of this transaction represents a new and exciting chapter for CommerceHub," said Frank Poore, CommerceHub's Founder, President and CEO, who will continue in these roles. "GTCR and Sycamore Partners each bring deep industry expertise to help us to execute our vision for the future of retail. Together, we look forward to accelerating the development of CommerceHub's platform to transform how retailers and brands drive growth through ecommerce."

"CommerceHub benefits from a highly strategic position in ecommerce due to its differentiated platform that enables retailers' most critical growth strategies," said Mark Anderson, Managing Director of GTCR. "We are excited to build on CommerceHub's momentum and deliver on its vision for a platform and network to tie together all sources of demand, supply and delivery in global ecommerce."

"We are excited about this opportunity to build on CommerceHub's unique position as a valued strategic partner to leading retailers," said Stefan Kaluzny, Managing Director of Sycamore Partners. "We look forward to working with Frank and CommerceHub's talented team as we leverage the Company's leading platform to drive continued growth."

CommerceHub's stockholders approved the transaction on May 18, 2018. With the completion of the transaction, CommerceHub's Series A and Series C common stock are no longer listed for trading on NASDAQ, effective today. In addition, CommerceHub's Series B common stock will no longer be quoted on the OTC Markets.

https://globenewswire.com/news-release/2018/05/21/1509425/0/en/GTCR-and-Sycamore-Partners-Complete-Acquisition-of-CommerceHub.html

Sageworks acquired by private equity firm AKKR

Financial Management Solutions

5/18/18

The financial information and software company Sageworks has been acquired by AKKR, a private equity firm based in Menlo Park, California. The amount of the transaction was not disclosed.

Sageworks' flagship product, ProfitCents, brought to market in 1998 and based on a proprietary artificial intelligence system, was originally designed to convert financial numbers into plain language to help business owners understand their financial statements. Since its inception, Sageworks further broadened its offerings into financial institutions through lending, credit risk and portfolio risk software products. Its technologies are used by more than 1,200 U.S. banks and credit unions, and its financial analysis solutions are used by thousands of accounting professionals in the U.S. and abroad. To date, the company has generated millions of analytical reports aimed at making finance easier to understand and at helping people make better decisions.

Brian Hamilton, founder of Sageworks, stated, “We are pleased with the purchase by Accel-KKR, a leading firm that has vast experience in our specific industry. The purchase will allow Sageworks to have an even bigger footprint in the financial industry and to help more people, which is what we are all about."

According to Park Durrett, managing director at Accel-KKR, “Companies like Sageworks are essential partners to financial services institutions that are both under pressure to grow but also comply with a constantly changing regulatory environment. We are excited about the opportunity to work with the Sageworks team to continue to innovate and deliver increasing value to its customer base.”

http://www.cpapracticeadvisor.com/news/12413124/sageworks-acquired-by-private-equity-firm-akkr

InsightSquared scores $23 million to advance sales and marketing software

Financial Management Solutions

5/16/18

Here's an update on a quintessential Boston tech startup. InsightSquared, which got started in 2011, said Wednesday it has pulled in $23 million in Series D funding.

The round was led by Tola Capital, with previous investors Accomplice, DFJ, Two Sigma Ventures, and NextView Ventures also participating. The new money brings InsightSquared's total funding to $50 million. The company currently has 113 employees, according to a spokeswoman.

When I visited InsightSquared's offices in Copley Square last fall, the company seemed to be going through a rebirth. It started out as a business intelligence and data visualization company, focused on analyzing sales data and looking to disrupt the IBMs and SAPs of the world. It went through some ups and downs, including layoffs, and in the past year it has refocused on what it calls "revenue intelligence"—basically, giving sales and marketing organizations more sophisticated tools to analyze business metrics and make better decisions (and more accurate revenue forecasts).

Fred Shilmover (pictured), the company's CEO and co-founder, told me InsightSquared has ridden a wave of "data-driven sales"—which came after data analytics started making an impact on marketing departments. In a promising sign, Shilmover said his startup "has been moving up and working with larger and larger companies." Like a lot of business software startups, InsightSquared started out selling its products to small and medium-sized businesses (SMBs), but has moved into enterprise sales as it matured.

The company's 800-plus customers now include Thomson Reuters and business communications company Mitel. But Shilmover said, "We haven't abandoned our SMB roots. … We learned if you make a product easy to use for smaller customers, then bigger ones can, too."

A big trend Shilmover pointed to is companies of all sizes working to optimize their sales processes, often in conjunction with marketing. There's "a huge change afoot in sales," he said. "If you're not a data-fluent sales leader, you're going to become a dinosaur. The job of sales is changing dramatically."

https://www.xconomy.com/boston/2018/05/16/insightsquared-scores-23m-to-advance-sales-and-marketing-software/

8x8 acquires MarianaIQ to strengthen AI capabilities for enterprise communications

Financial Management Solutions

5/15/18

8x8, Inc. (NYSE:EGHT), a leading provider of cloud phone, meeting, collaboration and contact center solutions, today announced the acquisition of MarianaIQ (MIQ), a high-growth Silicon Valley startup, as part of the strategic investments it has been making in AI and Machine Learning. MIQ brings deep learning capabilities to the newly announced X Series to transform both employee and customer experience. The MIQ team, including founders Soumyadeb Mitra and Venkat Nagaswamy, have been leaders in applying AI and deep learning to practical business problems since 2013, and join 8x8 to strengthen AI capabilities for enterprise communications.

“8x8 has continuously evolved itself to provide best-in-class enterprise communications to our customers. With the acquisition of MarianaIQ, we are fundamentally transforming how customers and employees interact through one system of engagement, and how companies optimize valuable moments of customer engagement with one set of data in one system of intelligence,” said Dejan Deklich, Chief Product Officer, 8x8. “We are thrilled to add top notch AI talent to strengthen 8x8’s market leadership in the $40 billion-dollar enterprise engagement management market.”

Customer experience is the CIOs’ new battlefield. According to Gartner’s 2018 CIO Agenda Survey, nearly half of CIOs plan to deploy artificial intelligence to improve customer experience. The 8x8 AI and Machine Learning team will help CIOs win the customer experience battle with these key capabilities:

Context-rich Customer Engagements: The8x8 AI team will enhance the X Series single System of Intelligence Platform to weave in contextual personalization for omni-channel services. By infusing MIQ's deep learning capabilities into 8x8's X Series, contact center agents can have detailed information on previous interactions, complete customer history, and a 360-degree context before they even start a conversation.

Intelligent Call Routing: 8x8’s AI capabilities will bring intelligent call routing to call centers. As a critical component of the customer experience transformation, intelligent routing will identify the caller and the reason for the call to assign the customer to the right agent, executive or subject matter expert. This significantly speeds first-call resolution and transforms the overall customer experience.

Speech Analytics: Voice of the customer insights enable companies to optimize customer experiences through data-driven decisions. With powerful Speech Analytics enabled by 8x8, companies can now analyze customer interactions for compliance, deeper insights, and agent performance purposes. 8x8’s Speech Analytics powered by Natural Language Processing technology can help agents, inside sales, and customer success teams effectively identify upsell opportunities or escalate at-risk customers to the highest-level of service.

"Acquisitions remain a key part of our strategy to continuously innovate and disrupt the enterprise communications space," said Bryan Martin, CTO, 8x8. "We acquired Sameroom last year to enhance our team collaboration capabilities, and we are one of the very few players offering an interoperable chat system that can speak to Slack, Stride, and other enterprise-level chat applications. The acquisition of MarianaIQ is the right investment in making X Series, a single system of engagement and intelligence to deliver exceptional experience for both employees and customers."

The financial terms of the acquisition are not being disclosed.

https://investors.8x8.com/press-releases/press-release-details/2018/8x8-Acquires-MarianaIQ-to-Strengthen-AI-Capabilities-for-Enterprise-Communications/default.aspx

HEALTHCARE TECH

Anthem, Inc. to acquire Aspire Health

Healthcare Tech

5/23/18

Anthem, Inc. (NYSE:ANTM) today announced that the company has entered into an agreement to acquire Aspire Health, the nation's largest non-hospice, community-based palliative care provider.

"Anthem is focused on enhancing our ability to offer innovative, integrated clinical care models that can improve the quality of healthcare and deliver better outcomes," said Gail K. Boudreaux, President and CEO, Anthem. "Aspire Health shares our perspective on the increasingly important role of integrated care and has built a unique model that provides palliative care and support services for patients and their families. With the addition of Aspire Health to Anthem's other clinical care assets such as CareMore Health and AIM, we will be able to offer our consumers, customers, and other health plan and provider partners a broader array of programs and services that meet their diverse needs and drive future growth opportunities for our company."

Aspire currently provides services under contracts with more than 20 health plans to consumers in 25 states. The company uses proprietary predictive clinical and claims-based patient algorithms to identify patients with a serious illness who may benefit from an extra layer of support. Once patients are identified, Aspire assigns a comprehensive care team that includes physicians, nurse practitioners, nurses, social workers and chaplains. The team works in an integrated approach to address symptom management, patient-family communication, advance care planning and to coordinate care with other medical professionals including primary care, specialty care and in-home care providers. The company also offers 24-7 support to patients, including nurse practitioner home visits any time if necessary.

Aspire was founded in 2013 by former U.S. Senator and physician William Frist and Brad Smith, who serves as Chief Executive Officer of the company.

"Several studies have repeatedly demonstrated how advanced illness programs can provide high patient and family satisfaction, reduce hospitalization, and decrease costs," said Smith. "As part of Anthem, we believe we will be able to further scale our model and positively impact the lives of even more consumers and families, making home-based advanced illness care available to patients who need it."

Financial terms of the transaction were not disclosed. The acquisition is expected to close in the third quarter of 2018 and is subject to standard closing conditions and customary approvals required under the Hart-Scott-Rodino Antitrust Improvements Act. The transaction is expected to be neutral to earnings in 2018 and accretive to earnings in 2019.

https://www.businesswire.com/news/home/20180523005625/en/Anthem-Acquire-Aspire-Health

GreenLight Medical raised $1.17 million

Healthcare Tech

5/23/18

GreenLight Medical, a provider of a medical technology procurement platform raised $1.17 million of venture funding from undisclosed investors on May 23, 2018. The company's platform streamlines workflow coordination, project management, decision-support, and comprehensive product knowledge to promote cost and quality conscious purchases, enabling hospital providers and medical suppliers to collaborate and streamline new medical technology introduction, review and purchasing decisions.

Source: Pitchbook; DealID: 106347-61T

Patient medication, health management platform CareZone raises $50 million

Healthcare Tech

5/23/18

This morning CareZone, a platform for managing chronic illness and organizing health information, announced that it landed $50 million in a series D funding round led by NEA, with participation from McKesson Ventures, and Marc Benioff. This brings the company's total funding to $150 million.

Founded in 2012, the platform aims to help users keep track of their medications and make managing chronic conditions simpler.

"Our average user on CareZone is on six medications [and] has had a chronic issue to manage, whether it is a child who needs to be on transplant meds or an individual who is facing a cancer diagnosis or taking care of an elder," Jonathan Schwartz, cofounder and CEO of CareZone, told MobiHealthnews. "The audience we serve are people who are having a hard time managing complicated health issues."

In order to document medications using the technology, patients open up their medicine cabinet and point their smartphone camera at each medication. The platform can then scrape the data off of those medication labels and automatically populate the information on the app.

"That app now has become your system of record for your medication list. Often if you find yourself in a healthcare setting a doctor will ask what medications are you on," Schwartz said. "We give people the ability to answer that by just taking out their phone and saying that is my list."

Based on the medications that the patient or caregiver has scanned, the platform will give the user prompts when it is time to take or refill their medication. It can also give users information about the best insurance plans for them based on their medication list. Users can also get medication delivered for free via the app.

Schwartz said that managing chronic conditions and helping loved ones manage their care is personal for the founders at CareZone.

"All of us were grappling with these issues in our own families so we decided back in 2012 to use technology to address the problem we hadn't seen many people addressing," he said. "It is easy to buy things online or reserve a scooter or watch a movie, it is a lot more complicated to take care of yourself or a loved one."

Schwartz said the new funding will help the company expand its services, noting that there is an increasing focus on consumer-facing tools with multiple functions in one place.

“It is clear if you look at the industry that health insurers, retail, and a lot of diagnostics are converging. Big companies are merging like Express-Scripts [and] CVS-Aetna, and you see Amazon waiting in the wings,” Schwartz said. “What we believe they are all heading towards is the integration of pharmacy, insurance, and healthcare all in a single platform, and that is what CareZone provides."

With these industry trends in mind, Schwartz is optimistic about the trajectory of his growing company.

"So the funding is to continue our growth. At this point we generate a million dollars in pharmacy orders every week or so, so we are growing very quickly. And the scale of the market is really unlimited," he said. "We connect to existing providers and we work with an independent network of pharmacy and payers … we help provide that seamless e-commerce experience on the front end and are able to connect it to all to the complex and complicated back end. In a simplistic way we make healthcare the same delightful e-commerce experience in every other aspect of your life, but we do it for the one area that has been under attended.”

http://www.mobihealthnews.com/content/patient-medication-health-management-platform-carezone-raises-50m

Honor raises $50 million to expand caregiver support as CMS adds flexibility for home care services

Healthcare Tech

5/22/18

Honor, a digital health startup that provides a set of tools to help partner organizations provide caregiver support at clients' homes, has a closed a $50 million Series C round to support its expansion in California, Texas and New Mexico. The funding will be used to extend its partner network, Honor President Nita Sommers said in a phone interview.

"We're taking our technology and operational capabilities and making it available to select partners," Sommers said. "We are going to companies and providing our technology to them for workforce management and recruiting.

She broke down Honors partners into three categories: home health agencies and provider networks; local hospitals, payers, and Medicare Advantage plans; and innovative technology companies that provide opportunities to pair Honor's services. One example from this third group is how to bring a greater level of visibility to adult children using caregivers to look after parents remotely, such as providing a better understanding of their diet and pain levels. Another example of how it is working with some of these partners is to add a level of transparency to care coordination — what's happening to patients once they leave the hospital? Are they taking their medications and sticking to their care plan? Honor is working with companies developing in-home sensors and devices and sees a lot of potential for these businesses over the next five to 10 years.

Sommers, who joined Honor in 2017 from Castlight Health where she served as Chief Strategy Officer, said that in the past year Honor has shifted away from providing a caregiver-on-demand service and evolved into one that supports home healthcare providers. The home health industry is experiencing a staff shortage which will continue to grow as the Baby Boomer generation continues to advance in age. Trump's tough stance on immigration has exacerbated the staffing challenges in the sector.

Naspers Ventures led the funding round, with participation from existing investors. Some of those investors include Thrive Capital, whose managing partner and co-founder, Joshua Kushner, also co-founded health insurance startup Oscar, 8VC, Andreessen Horowitz, and Syno Capital. To date, Honor has raised $115 million, according to a company news release.

The new development follows the decision in April by the Centers for Medicare and Medicaid Services that Medicare Advantage plans will be able to cover non-medical home care services as a supplemental benefit starting in 2019.

The company's network currently includes 13 cities, according to Honor's website. Although a collaboration with Walmart announced two years ago went no further than the pilot stage, the business has expanded its business beyond Dallas to include Arlington, North Richland Hills, and Plano. Most recently, the company has added Albuquerque. In California, Honor has a presence in Los Angeles, Long Beach, Pasadena, San Francisco, Oakland, San Jose, Palo Alto, and Concord. Looking ahead to the next 12 months, Sommers said the company plans to expand in California and Texas to cities such as San Diego, Sacramento, Houston, and Austin.

In recent years the company has refined the services it offers, adding a “wellness check” app in 2016 as a way to help caregivers establish a baseline for their clients, as a way to determine whether clients were active, eating, drinking or sleeping less or more than usual. The goal is to spot problems earlier to avoid the need for an emergency room visit or hospitalization. Among the conditions Honor’s technology is designed to support include cancer, Alzheimer’s disease, Parkinson’s disease, dementia, COPD, heart disease, diabetes, and multiple sclerosis.

Honor is not the only startup supporting home health caregivers, but its experience highlights some of the opportunities and challenges of scaling in this subsector of digital health. Other companies include New York-based Hometeam, which appointed new CEO Randy Klein from Remedy Partners this week, and Toronto-based Mavencare.

https://medcitynews.com/2018/05/honor-raises-50m/?rf=1

Heal's app-based house call service collects $20 million

Healthcare Tech

5/22/18

Heal, a company that allows patients to book physician house calls through an app-driven digital scheduling and processing platform, announced this morning that it has raised $20 million in new investment capital, bringing the company's raised total to more than $69 million.

The investment came from Bascom Ventures, Inflection Capital, IRA Capital, RLJ Equity Partners, Trans-Pacific Technology Fund, and others. They join the company's earlier collection of investors, which include Fidelity Contrafund, Lionel Richie, Dr. Paul Jacobs, Jim Breyer, and others.

"We are reestablishing relationship-based house calls for primary, preventive, and urgent care to both deliver primary care in its correct form — which is an unhurried visit with a doctor who knows you and knows your family in the privacy of your own home environment — and using that as a gateway for better health outcomes, better life, and cost controls across the healthcare continuum," Heal CEO and cofounder Nick Desai told MobiHealthNews. "Effective primary care is the most effective way to identify issues early or prevent them entirely, and to lower costs and improve health outcomes for patients of all ages."

Patients can use Heal's app or website to request a licensed doctor for routine illness or urgent care seven days a week, from 8 am to 8 pm. Appointments are, on average, more than twice the length of the national average and, according to Desai, offer physicians a chance to better engage the patient and incorporate factors of their home life into an assessment of overall health.

"We're taking private care doctors out of environments where they're seeing 40-plus patients a day, they're spending less than seven minutes with a patient, they have about 700 hours a year of unpaid time doing charting, bureaucracy, and paperwork," he said. "We're paying them competitive full-time salaries to see 12 to 14 patients a day, spend more time with the patients, use state-of-the-art technologies in charting, encoding, and providing that care, and … increasing their happiness, their effective hourly wages, and most importantly the quality of care they provide."

Key to Heal's approach is its technology platform. Through the app, patients can easily request and schedule an appointment while much of the back-end administrative work — doctor assignments, patient records, credit card charges, prescriptions, care plan delivery, charting, and more — is handled automatically. Importantly, Desai stressed that it's a platform that doesn't remove the necessary human element of a healthcare encounter.

"The way we're using technology is not to replace the doctor or further disintermediate doctor and patient like a lot of approaches do where it's AI, or it's a bot, or it's a telemedicine call with a doctor, or those kinds of things," he said. "We're doing exactly the opposite. We're having doctors spend more time with patients, see less patients in a day, and treat the patient effectively for their overall health."

Since launching in early 2015, Heal says that it has delivered more than 60,000 house calls and fueled total healthcare cost savings exceeding $41 million ($1,050 average savings per patient per year), which Desai said primarily comes from fewer wasted medications, improved accuracy, and earlier diagnoses and treatments.

Currently the company operates in the major markets of California, northern Virginia, and Washington D.C., although Desai said that the company has plans to expand beyond these regions with the new funding. Other goals enabled by the investment include a business model expansion from fee-for-service to managed care plans, and continued product development specifically targeting technologies that can improve the efficacy of a doctor-patient interaction such as remote diagnostics or sensors, Desai said.

"Over the last three years, we've re-established unhurried, relationship-based house calls as a gateway for cost controls and improved outcomes throughout the healthcare industry," Dr. Renee Dua, chief medical officer and cofounder of Heal, said in a statement. "Now it's time to realize the full potential of Heal to truly reboot the US healthcare system for patients, providers, and payers."

http://www.mobihealthnews.com/content/heals-app-based-house-call-service-collects-20m

TransUnion to acquire Healthcare Payment Specialists

Healthcare Tech

5/21/18

Credit and information management company TransUnion has entered into an agreement to acquire Healthcare Payment Specialists, a vendor providing technology solutions for Medicare reimbursement to hospitals and health systems.

TransUnion said it is buying HPS to “add innovative technology that helps healthcare providers identify and recover Medicare reimbursements that they otherwise would not have received.” According to the company, Medicare accounts for 20 percent of total U.S. healthcare expenditures, and the market for reimbursement optimization solutions is rapidly growing.

In particular, TransUnion notes that HPS helps providers maximize Medicare reimbursement in two payment areas: automating the Medicare bad debt review process to help hospitals accurately and efficiently identify bad debts that are reimbursable, as well as helping hospitals serving low-income populations to maximize their Medicare Disproportionate Share (DSH) reimbursement by integrating multiple data sources to identify all DSH-eligible patients and patient days.

“HPS’s impressive product suite is a great complement to TransUnion Healthcare that strengthens our revenue protection solutions,” said Gerry McCarthy, president of TransUnion Healthcare, a wholly owned subsidiary of TransUnion. “Our combined capabilities will provide even greater value to providers and patients by helping to maximize reimbursement and ultimately improve the patient financial experience.”

A dollar value for the deal was not announced, but TransUnion expects the HPS acquisition to close in the second quarter of 2018 pending regulatory approval. TransUnion Healthcare, which is focused on post-discharge revenue recovery, currently has its own revenue protection solutions that help hospitals prevent revenue leakage by engaging patients early, ensuring that their earned revenue gets paid, and optimizing their collection strategies. According to the company, it works with more than 1,500 hospitals and health systems and has protected more than $3 billion in net revenue and cash to date for its clients.

“TransUnion Healthcare’s leading revenue protection solutions leverage our extensive information assets and capabilities to help healthcare providers prevent revenue leakage and maximize reimbursements, aiding in their ability to prioritize patient health and well-being,” said Jim Peck, president and CEO of TransUnion. “HPS’s solutions are a great addition that will strengthen TransUnion Healthcare, consistent with our growth strategy of extending into attractive markets.”

https://www.healthdatamanagement.com/news/transunion-to-acquire-healthcare-payment-specialists

Canary Medical raises first funding round

Healthcare Tech

5/21/18

Canary Medical, Inc., a Vancouver, British Columbia, Canada-based medical data company, raised its first funding round of undisclosed amount.

The round was led by Quark Venture Inc and GF Securities, with participation from Relentless Pursuit Partners' Venture Fund and BioScience Managers, through BioScience Managers Ventures Fund I.

The company will use the funds to continue to expand operations.

Led by Bill Hunter, CEO, Canary Medical provides the Canary Health Implantable Reporting Processor (CHIRP), which uses innovative sensor and novel communication technology in medical devices to enable remote patient monitoring. "Smart" medical devices will self-report on everything from patient activity to recovery and treatment failure, without the need for physician intervention or a dependence upon patient compliance.

http://www.finsmes.com/2018/05/canary-medical-raises-first-funding-round.html

INSURANCE

Bestow raises $15 million in Series A financing

Insurance

5/21/18

Bestow Inc., the company expanding insurability and democratizing access to consumer life insurance, today announced it closed $15 million in Series A funding, led by Valar Ventures, with participation from existing investors New Enterprise Associates (NEA), Core Innovation Capital, 8VC, and Morpheus Ventures. This closing brings Bestow's total financing to more than $18 million to-date.

Today, less than 44% of households have individual life insurance, yet 85% of consumers recognize the need for it. Bestow focuses on activating this consumer demand with a full stack approach that introduces consumers to modern life insurance products that can give millions of uncovered Americans affordable coverage, all delivered in a fully digital experience. Powered by a proprietary algorithmic underwriting engine, Bestow leverages predictive analytics to instantly determine risk and give consumers immediate access to comprehensive life insurance solutions, without any of the traditional challenges of working with an agent, lengthy applications, or medical exams.

The funding, which is one of the largest Series A financing rounds in Texas this year, comes ahead of the company's national launch and aggressive growth trajectory.

"It's clear there is a gap for consumers between the demand for life insurance protection and their ability to navigate the friction typically involved in getting covered," said Melbourne O'Banion, CEO of Bestow. "We've built an entirely new model, essentially eliminating many of the principal pain points associated with researching and buying life insurance. Using advanced technology, we've developed an affordable, quick, and easy-to-use solution that allows people to obtain coverage in a matter of minutes without having to talk to an agent or get a medical exam."

"Bestow is reshaping the life insurance process by bringing much needed innovation to one of the most regulated and stationary industries in existence," said Andrew McCormack, a General Partner at Valar Ventures. "Using data and technology to turn a frustrating process into a seamless user experience, Bestow is breaking down the barriers for obtaining financial protection. We're proud to be part of the team that is working to improve the lives of millions of American families, and shaking up a massive industry."

Bestow is backed by two of the most trusted names in the insurance industry, both of which are rated A+(Superior) by A.M. Best. Bestow is currently live in Texas and Utah and will be nationwide this year.

https://www.prnewswire.com/news-releases/bestow-raises-15-million-in-series-a-financing-300651762.html

PAYMENTS

Visa invests in Latin American mobile payments outfit YellowPepper

Payments

5/24/18

Visa has made a strategic investment in YellowPepper in an effort to push the adoption of mobile payments and tokenisation in Latin America and the Caribbean.

The investment follows a multi-year partnership established last year between the two firms and is part of a $12.5 million Series D funding round for YellowPepper.

Founded in 2004, YellowPepper helps banks and startups in six Latin American countries offer digital payment services, powering 480 million transactions a year.

Preliminary efforts of the Visa investment will focus on growing opportunities for tokenized payments, increasing access to Visa APIs, and expanding the usage of push payments via Visa Direct.

Eduardo Coello, regional president, Visa Latin America and the Caribbean, says: "Through our investment in YellowPepper, we want to bring the best of Visa's technology and capabilities to a broader set of partners and clients across the region.

"YellowPepper's extensive experience in the region and the strength of their existing client base makes them an ideal partner to build the future of payments."

https://www.finextra.com/newsarticle/32156/visa-invests-in-latin-american-mobile-payments-outfit-yellowpepper?utm_medium=dailynewsletter&utm_source=2018-5-25&member=93489

Payments processor EVO Payments stock jumps in Nasdaq debut

Payments
5/23/18

Shares of EVO Payments Inc (EVOP.O) rose as much as 26 percent in their debut on Wednesday, giving the company a market valuation of $1.54 billion.

EVO's shares opened at $20.05, above their initial public offering price of $16.

The offering of 14 million Class A shares by EVO Payments and selling stockholders raised $224 million, after being priced at the upper-end of its projected range.

The Atlanta, Georgia-based company facilitates payments by linking stores to customers' bank accounts and has operations in 50 markets worldwide including the United States, Canada, Mexico and Europe.

EVO said in its IPO filing that it competes with independent merchant acquirers and payment processors including First Data, Global Payments, Vantiv and TSYS.

The company intends to use proceeds from the IPO for buying a 19.8 percent economic interest in parent company EVO Investco LLC, through which the firm will operate and control all of the business and affairs of the parent.

EVO Payments, which collects fees primarily from the number and value of transactions processed, said revenue for full-year 2017 rose 20.4 percent to $504.7 million from a year earlier. The company recorded a loss of $32.3 million compared with a profit of $57.5 million in 2016.

J.P. Morgan, BofA Merrill Lynch, Citigroup, Deutsche Bank Securities and SunTrust Robinson Humphrey are lead underwriters to the offering.

https://www.reuters.com/article/us-evo-payments-ipo/payments-processor-evo-payments-stock-jumps-in-nasdaq-debut-idUSKCN1IO2BL

Klarna acquires universal shopping cart Shop.co

Payments

5/22/18

Klarna has acquired Shop.co, a small German startup that wants to simplify online shopping by offering a universal shopping cart. There's little known about the deal, but according to Klarna it's mostly about the acquisition of intellectual property and taking over a mere Shop.co employees.

The news came first from German magazine t3n, which based it information on an email the Düsseldorf startup Shop.co sent to its customers. In the mail, founder Jay Habib confirmed the company was acquired by a 'leading European tech company', but for t3n it was clear they were talking about Klarna. Mostly because several Shop.co employees had already identified the company as their new employeer in their LinkedIn profiles.

According to t3n, a purchase sum somewhere in the mid double-digit millions is also likely. But later on, Klarna told another media outlet, Tech.eu, that the purchase price is far lower than some media have been speculating. It also said that it's most acquiring intellectual property and employees.

As part of the acquisition, Shop.co's browser extension, which allows online shoppers to buy from different stores in one go and check out with just one click, will be discontinued.

https://ecommercenews.eu/klarna-acquires-universal-shopping-cart-shop-co/

Adobe buys Magento for $1.68 billion to target e-commerce

Payments

5/21/18

Adobe Systems Inc. agreed to buy e-commerce company Magento for $1.68 billion, in a bid to capture a bigger slice of the digital-commerce industry from Salesforce.com Inc. and Oracle Corp. The Photoshop software provider is making its third-biggest acquisition to create an end-to-end system for designing digital ads, building e-commerce websites and other online customer experiences and completing transactions, the company said Monday in a statement.

Campbell, California-based Magento offers software to build and run web stores, handle online purchases, shipping and returns. It also helps merchants sell products through social media ads and competes with Shopify Inc. Magento technology supports more than $155 billion in gross merchandise volume, and customers include Canon Inc. and Rosetta Stone Inc. EBay Inc. sold Magento in 2015 and it has been backed by private equity firm Permira Holdings LLP since then. Adobe has sought to diversify from the digital media products that made it one of the world's largest software companies. The deal is slightly smaller than Adobe's 2009 purchase of Omniture, which made the company a player in digital advertising. The Magento purchase would see the company battle cloud-based commerce services Salesforce, Oracle and SAP SE. This part of Adobe's business, known as its Experience Cloud, generates less revenue and grows more slowly than its creative software offerings like Photoshop.

Adobe also announced an $8 billion share buyback program through fiscal year 2021. The program is expected to be funded from its future cash flow from operations and won't have a material impact on the company's earnings this fiscal year. It expands on the company's current $2.5 billion repurchase plan scheduled through fiscal year 2019, Adobe said in a statement. The company's shares rose about 1 percent in extended trading after closing at $238.10 in New York.

The deal for Magento is expected to close in the third quarter of Adobe's fiscal year, pending regulatory approval. Adobe will gain access to Magento's mid-market and large corporate customers, and gain a foothold in physical store and online transactions.
Magento Chief Executive Officer Mark Lavelle said the sale would accelerate his company's commerce progress and reflected a shared vision between the two firms, which were partners before the transaction.

https://www.paymentssource.com/articles/adobe-buys-magento-for-168-billion-to-target-e-commerce?utm_campaign=payments%20update-may%2023%202018&utm_medium=email&utm_source=newsletter&eid=612c38991240c132b70c2ae0a0cb16f9

TransferGo nets $10 million Series B to expand internationally

Payments

5/18/18

Money transfer company TransferGo has raised $10m in Series B funding to expand across the globe.

The company, based in London, has raised $20.6m to date.

Daumantas Dvilinskas, the CEO of TransferGo,said: “European FinTech startup ecosystem is really dynamic and has a lot of growth potential.

“The last quarter for our team have been very special. We doubled monthly acquisition and exceeded a £1bn transferred using our service, growing 100% year-on-year new investments will be used to fuel expansion, as well as enable us to expand the range of services we offer.”

“Based on the performance of the last six months, we forecast up to 150% next year for company growth. This year alone the number of transactions carried out by TransferGo should reach 2-3 million. Moreover it is also important that we use the attracted investments really efficiently – according to the efficiency of the capitalisation, our closest competitors are quenched two to three times,” added Dvilinskas.

“TransferGo has been a true disruptor in the European remittance market, and has been showing immense growth in every corridor they have launched to date. We are proud to become a part of this story and help this great team launch Turkey as a gateway market between Europe, MENA and APAC. With near-real-time payouts and an impending wave of exciting fintech announcements, we believe Transfergo will truly change cross-border payments in our region,” said Berkin Toktas, a partner at Revo Capital.

MedicSpot raises £1m to provide online checkups at your local pharmacy
Currently, TransferGo claims to have about 600,000 clients all over the world.

Over the past two years, the firm has become more established in the UK, Poland, Germany and Scandinavian markets. It’s also extended its services to Ukraine, Russia and Asian countries, and partnered with Ripple.

Today’s news comes after TransferGo announced the closure of a Series A in 2016, raising from Vostok Emerging Finance (VEF).

https://www.uktech.news/news/investment-news/transfergo-nets-10m-series-b-to-expand-internationally-20180518

Palette Software acquires cloud company Centsoft

Payments

5/17/18

Palette Software, a market-leading vendor for financial process automation, has today announced the acquisition of software-as-a-service (SaaS) invoice automation specialist Centsoft. Under the terms of the acquisition Centsoft will continue to develop as a separate company within Palette Software, while coordinating core functions from headquarters in Stockholm.

”With Centsoft, we will be able to strengthen our offering within purchase to pay process automation. The SaaS service provided by Centsoft is well established among small and medium-sized businesses, as it is both easy to use and quickly and easily automates the flow of incoming invoices”, says Johan Harrysson, CEO at Palette Software.

”My colleagues and I look forward to developing Centsoft further together with Palette and to continuing our Nordic journey, while at the same time being able to take our offering to new markets. We will now invest even more in product development for the benefit of all of our customers”, says Christoffer Hartung, CEO at Centsoft.

Centsoft’s main products will be made available via Palette’s local companies in Denmark, Norway, Finland, UK and the US, and through Palette’s international channel partners in Europe, Australia, and the US.

Together, Palette Software and Centsoft will continue to grow and plan to hire 20 new employees in 2018, within product development, application consulting and marketing. With its newly launched cloud solution PaletteOnline and the acquisition of Centsoft, Palette can now offer complete, modern and easy to use solutions that automate financial processes for small to large-sized businesses.

https://www.finextra.com/pressarticle/73918/palette-software-acquires-cloud-company-centsoft

Plastiq secures $27 million in new funding round to accelerate growth of payments platform for small business

Payments

5/16/18

Plastiq, the best way to pay your bills and business expenses by credit card, today announced it has raised $27 million in additional financing from Atlas Venture, Khosla Ventures and Top Tier Capital Partners. Plastiq will use the funds to roll out new payment services and accelerate growth in the small business market.

The latest investment comes as Plastiq is experiencing record growth with business owners and consumers who are looking for a reliable and convenient way to pay virtually any bill, while benefiting from credit card points programs, early payment discounts, or a few days' float while an invoice settles. The company works with all major credit card providers, including American Express, Discover, Mastercard, Visa, and JCB, and its payments platform has served more than one million clients, processing billions in payments for a wide range of expenses, from business supplier payments, to contractors, to taxes and rent.

"We have a singular vision to make it easy to pay for virtually any expense with your credit card. Whether you are a small business owner looking to take advantage of hard-earned credit to pay for inventory or a commercial lease, or a consumer looking to maximize points by using Plastiq to pay your rent or tuition, Plastiq helps fund your most important payments—the ones you need to grow, compete, and win." said Eliot Buchanan, Plastiq CEO.

"Plastiq has a unique opportunity to change the way businesses manage their payments and bring new levels of flexibility and convenience that business owners crave," said Garth Timoll, managing director, Top Tier Capital Partners.

Plastiq plans to use the funds from this round to acquire new business customers and develop additional payment services designed for small and medium-sized businesses.

https://www.prnewswire.com/news-releases/plastiq-secures-27-million-in-new-funding-round-to-accelerate-growth-of-payments-platform-for-small-business-300649154.html

Circle raised $110 million to launch U.S. dollar-backed cryptocurrency

Payments

5/15/18

The founders of Circle Internet Financial have a lofty vision for the nascent world of cryptocurrencies and blockchain systems—and their startup's role in it. Now, they have more resources to try and execute that vision.

Boston-based Circle announced Tuesday it raised $110 million in a Series E equity funding round, and it plans to launch a new cryptocurrency pegged to the price of the U.S. dollar and backed by reserves of the fiat currency.

The new funding was led by Bitmain Technologies, a China-based developer of computer chips and computing equipment used to "mine" the cryptocurrency Bitcoin. Other investors in this financing round include previous Circle backers IDG Capital, Breyer Capital, General Catalyst Partners, Accel, Digital Currency Group, and Pantera Capital, as well as new Circle investors Blockchain Capital and Tusk Ventures, Circle said in a blog post.

The latest investment values Circle at nearly $3 billion, a spokesman told Xconomy. Circle has raised a total of $250 million in venture capital since Sean Neville and Jeremy Allaire (pictured above) founded the company in 2013. Its other investors include Goldman Sachs (NYSE: GS) and Baidu (NASDAQ: BIDU).

Circle is essentially trying to create a new kind of banking and financial services firm, powered by cryptocurrencies and the blockchain software underpinning them. Circle's products and services include a mobile payments app, a cryptocurrency trading desk for large "institutional" buyers and sellers, a new app that lets individuals invest in cryptocurrencies, and a cryptocurrency exchange.

Circle is having a big year. It added the cryptocurrency exchange when it acquired Poloniex in February for a rumored price of $400 million, according to a Fortune report based on anonymous sources.

Bringing Poloniex into the fold put Circle on track to generate more than $1 billion in annual revenue, Fortune reported. In a recent interview with Xconomy, Allaire, Circle's CEO, declined to disclose the company's revenues, but he said it has been profitable since last year.

With business apparently humming, the company is making more moves. The new cryptocurrency, dubbed USD Coin, is a so-called "stablecoin" designed to avoid the volatile price swings some cryptocurrencies have suffered from. But with USD Coin, Circle says it aims to address some of the weaknesses of existing fiat-backed cryptocurrencies by "providing detailed financial and operational transparency, operating within the regulated framework of U.S. money transmission laws," and working with banks and auditors.

Working with regulators and established banks has been one of Circle's operating principles, unlike some in the cryptocurrency sector. "As I like to say, go in through the front door—don't go hide in the shadows," Allaire told Xconomy recently.

USD Coin will be overseen by Centre, a venture Circle created last year. Bitmain will be a partner in the effort; the plan is for the company to help Centre launch multiple fiat-backed cryptocurrencies, Circle said.

If blockchain tech and cryptocurrencies take off in the way Circle and its partners envision, people will be able to "transmit value to anyone, anywhere, instantly, at zero cost, the same way I can share my opinion globally at zero cost or share content with someone instantly, globally," Allaire told Xconomy. "And so, you have a more open, global, inclusive economy that's made possible when this stuff gets delivered at scale."

https://www.xconomy.com/boston/2018/05/15/circle-grabs-110m-will-launch-u-s-dollar-backed-cryptocurrency/

SECURITIES

Data firm IHS Markit to buy rival Ipreo for $1.86 billion

Securities

5/21/18

Data firm IHS Markit said on Monday it will buy smaller rival Ipreo from private-equity funds of Blackstone and Goldman Sachs for $1.86 billion to expand its contracts business and shore up its financial services operations.

IHS, whose diverse set of businesses range from selling data on automotive and technology industries to publishing Jane's Defence Weekly, said the deal will be funded through debt financing from HSBC.

The deal is a windfall for the buyout arm of Blackstone and Goldman Sachs, which acquired Ipreo from KKR in April 2014 for little less than $975 million.

Ipreo's valuation has gained about four times since 2011 when KKR took over Ipreo in a $425 million deal.

The company was created in 2006 when private-equity firm Veronis Suhler Stevenson merged i-Deal and Hemscott, with backing from Citigroup and Bank of America/Merrill Lynch.

Ipreo supports banks, public and private companies raise capital. The deal is expected to close in the second half of 2018, subject to regulatory approvals.

Thomson Reuters, the parent company of Reuters News, competes with Ipreo and IHS Markit in some segments of the financial data business.

Barclays and HSBC are the financial advisers for IHS Markit, which is based in London.

https://www.cnbc.com/2018/05/21/data-firm-ihs-markit-to-buy-rival-ipreo-for-1-point-86-billion.html

Cryptocurrency and a stock market boom pushes TradingView to $37 million in new funding

Securities

5/21/18

Fueled by last year's greed-inducing visions of a cryptocurrency boom and a stock market largely untethered from classical economics, TradingView, a developer of social networking and data analysis tools for financial markets, has raised millions in new venture funding.

The New York-based company just scored $37 million in funding led by the growth-stage investment firm Insight Venture Partners .

TradingView has developed a proprietary, JavaScript-based programming language called PineScript, which lets anyone develop their own customized financial analysis tools. The company "freemium" software as a service model that lets most users connect and exchange trading tips and tricks for free, but begins charging when customers want access to more charts, data and real-time server-side alerts.

There are three payment plans beginning at $15, with a mid-tier at $30 and a high-end $60 per-month premium option.

The company had previously boosted its growth by offering its charting software for free to partner websites like SeekingAlpha, Bitfinex and the Nasdaq. That strategy helped it grow to 8 million monthly active users with around 61 percent coming from direct traffic as of March of this year.

These days the company derives nearly 75 percent of its revenue from those monthly subscription plans to individual traders. TradingView's executives think the company still has an opportunity to expand its footprint among those retail investors, but it's also planning to make a push to serve more institutional clients with its toolkit.

For the past seven years the company has enjoyed consistent growth, according to TradingView co-founder and chief operations officer, Stan Bokov.

For Paul Szurek, a vice-president at Insight Venture Partners, the investment in TradingView is building off of broad consumer interest in amateur speculative trading. Looking at RobinHood, Bux and eToro as gateways for new investors who eventually move on to more sophisticated tools, Szurek said that TradingView was often their next step into market investing.

"The rise of cryptocurrencies… and trading those assets… has flywheeled into a broader interest in investing across asset classes," Szurek said.

While TradingView was never crypto-focused, according to Bokov, the company was supportive from the beginning and it's been a boon to the broader business. "They came for crypto. They stayed for the other stuff," Bokov said.

And crypto might just be the gateway drug for younger speculative traders to start investing in financial markets more broadly, according to Szurek. "October to January, during the real core of the crypto boom here, there were a lot of users coming in starting out researching that asset class broadly. Eighty percent move on to research other asset classes," he said. "As TradingView kind of pushed through the [first quarter], trends in growth really diverged from what we were seeing in purely crypto-focused business and that's a testament to users leveraging this one-stop-shop component of the platform."

Additional investors in the new TradingView include DRW Venture Capital and Jump Capital. The company was a graduate of the 2013 Techstars Chicago batch and was seeded by Irish Angels, Techstars, iTech Capital and undisclosed angel investors.

"TradingView was built for non-professional traders, but its accessible trading tools and powerful-yet-intuitive charting capabilities have attracted the attention of institutional investors," said Kimberly Trautmann, head of DRW Venture Capital, in a statement. "As an investor, we are excited about the diverse cross section of the industry that TradingView has reached and its rapid growth. As a proprietary trading firm on an institutional level, we're looking forward to leveraging the platform and contributing to its further development."

https://techcrunch.com/2018/05/21/cryptocurrency-and-a-stock-market-boom-pushes-tradingview-to-37-million-in-new-funding/

OfferPad secures $150 million in new financing

Securities

5/16/18

Phoenix based direct home buyer and seller OfferPad announced today on the closing of $150 million of new equity and debt financing. The closing of $100 million in debt is an extension of OfferPad's existing credit facilities. Leading the round was LL Funds, LLC., which is currently managing $1.4 billion for endowments, foundations, individuals and family offices through multiple private-equity and fixed-income investment vehicles. In the last 16 months, OfferPad raised more than $410 million in equity and debt. Based on current monthly volume, OfferPad is projected to purchase and sell more than $1.5 billion of single-family homes over the next year.

OfferPad was founded by two established entrepreneurs, Brian Bair and Jerry Coleman, who are pioneers in the unprecedented growth of the single-family rental industry over the past decade. According to the company, combined, OfferPad's leadership team has purchased, renovated, rented or sold more than 100,000 homes. The company's goal is to reinvent the traditional home sale transaction by eliminating many of the challenges and uncertainties sellers and buyers face today. OfferPad has plans to grow significantly in existing markets and expand into several new markets in the future. Currently, OfferPad is buying and selling homes in Atlanta, Charlotte, Las Vegas, Los Angeles, Orlando, Phoenix, Salt Lake City and Tampa.

OfferPad isn't the only tech-enabled direct home buyer out there. Zillow recently expanded to direct buying, and is testing a buying program in Las Vegas and Phoenix. Redfin began buying homes back in the first quarter of 2017. While those two real estate giants have significant real estate businesses, OpenDoor, has been the first to launch its platform back in 2014. OpenDoor has already raised $320 million from notable investors including NVP, NEA, Khosla Ventures and GGV Capital. Most recently, Perch announced raising $30 million to fund its expansion.

OfferPad's product aims at reducing the stress for homeowners. With its offering, sellers no longer need to stress about when or what their house will sell for, or deal with surprise showings to strangers. If renovations are needed to get the home buyer-ready, sellers no longer need to manage contractors or spend money on improvements that they will never get to enjoy. OfferPad takes on those responsibilities, giving sellers the ability to move freely. According to a new survey commissioned by OfferPad and conducted online by The Harris Poll, among over 1,600 U.S. adults who are current homeowners or have ever owned a home, 70% believe that it should take two months or less to sell a home. In addition, 41% believe it should take one month or less.

OfferPad customers select their own timeline and those seeking an immediate move, closed on average at 20-days in the first quarter of 2018. "Having previously invested in OfferPad, LL Funds is excited to lead this round. We've seen the company help define a new industry, establish its role in the marketplace and expand offerings to consumers," said Jim Morrissey, partner at LL Funds and executive chairman of OfferPad. "OfferPad has a passion for providing a better way to buy and sell a home; creating tangible value for consumers. Together, OfferPad and LL Funds have the real estate and capital markets experience to make the company a leader in the iBuyer space."

"We believe homeowners should be in control of every step of the real estate transaction, and our goal is to allow people to make the best decision for themselves and their family," said Jerry Coleman, cofounder and co-CEO of OfferPad. "Our approach fundamentally changes the way people buy and sell homes, meeting the needs of today's consumer. This new capital investment will allow us to continue to expand our service offerings throughout the U.S. and provide new offerings to streamline the entire process of buying or selling a single-family home. We are confident that OfferPad has the most experienced real estate team, the best technology, and the best experience for buyers and sellers, and we are excited to help more people across the country."

https://www.forbes.com/sites/omribarzilay/2018/05/16/offerpad-secures-150-million-in-new-financing/#e80f3044b155

SPECIALTY FINANCE / ALTERNATIVE LENDING

GreenSky, an online lending unicorn, raises over $800 million in IPO

Specialty Finance / Alternative Lending

5/24/18

GreenSky co-founder and CEO David Zalik has made billions by figuring out a better way to finance home improvement projects. (Photo credit: Jamel Toppin for Forbes)

GreenSky, which facilitates loans for home improvement projects via a smartphone app and has quietly become one of the largest financial technology companies in the country, made its public debut on Thursday.

The Atlanta-based company saw shares end the day at $23.36, which was 1.5% higher than the $23 set on Wednesday evening. GreenSky had originally priced shares between $21 and $23 apiece. It also ultimately sold 38 million shares, above its original expectations to sell 34 million shares.

GreenSky raised $874 million in going public and plans to use the proceeds to allow its management team and investors take some chips off the table. "We've been building this company for the last 12 years and investors and the original founding team has sold a relatively small portion of ownership," says cofounder and CEO David Zalik in a phone interview. He personally held onto a majority of the company, giving him a net worth of $2.5 billion, through Thursday.

The company has quickly and quietly become one of the largest (and most profitable) financial technology upstarts in the nation. It was founded by serial entrepreneur and math whiz Zalik in 2006 and offers loans of up to $65,000 on home improvement projects like a new roof or a pool. It's a classic digital-era middleman, relying on contractors to pitch the loans and banks to fund them, and since its inception has sat in the middle of $12 billion in loans to 1.7 million consumers.

Before going public, it raised $560 million in financing from an all-star investor roster including the likes of PIMCO, TPG and ICONIQ Capital. After its last infusion of funding in December, it fetched a valuation of $4.5 billion. Investors have been attracted to the company's track record of profitability, which has lasted for the previous six years and counting. In 2017, it recorded a profit of $139 million on $326 million in revenue, according to a regulatory filing. That's up from a profit of $124 million and revenue of $264 million in 2016.

In 2016, it began a foray into the healthcare space, partnering with doctors and dentists to offer GreenSky financing on elective procedures like LASIK and teeth straightening to patients. It has also experimented with financing furniture and other big-ticket online purchases, but that venture hasn't taken off and faces intense competition from players like Affirm, Klarna and PayPal Credit.

Because of its place in the online lending space, it will invite comparison to marketplace lenders like LendingClub and OnDeck, which have struggled mightily as public companies. However, GreenSky has always been a different breed. It transfers much of the risk inherent to lending to its deposit-rich bank partners, like SunTrust, Regions and Fifth Third, who fund the loans and hold them on their balance sheets. GreenSky itself isn't on the hook for defaults. (Its pay from the banks, however, does vary based on loan performance.) Not only that, but it profits from the relationship: Banks pay GreenSky an estimated 1% of the balance each year to generate and service the loans.

GreenSky also has 12,000 active contractors doing much of the heavy lifting. They pitch home improvement loans of up to $65,000 to homeowners—and then pay GreenSky, on average, 6% of the loan amount for the opportunity.

GreenSky has capitalized on the billions of dollars that Americans spend on home improvement every year—to the tune of $315 billion in 2017, according to the Joint Center for Housing Studies of Harvard University. However, in its regulatory filings, it warns investors that its success depends on the health of the economy and going interest rates. It is acknowledged that it is dependent on the continuing participation of its banking partners and contractors. Nearly 90% of its funding comes from just four banks: SunTrust, Regions, Fifth Third and Synovus.

Zalik came to the U.S. from Israel with his parents when he was four, then went on to start his first business at the age of 14, buying computer parts from distributors and assembling them himself. He never attended high school (opting to enroll at Auburn University straight out of eighth grade) and then dropped out of college so he could devote his time to his growing computer business.

"I never thought I would be a public company CEO," said Zalik. The 44-year-old has spent the last decade with his head down, largely shying away from interviews, press releases and conference invitations, as he built his business. Will that change? He says he is looking forward to participating in earnings calls, but sounds less committal about whether he'll be taking the stage at conferences anytime soon.

Zalik, who has taken cash out of the business before, will now take the opportunity to sell over 18 million shares, according to filings. These shares were valued at $414 million at the high end of the pricing. He says will remain CEO and possess nearly 50% of the voting power through his ownership of Class B shares, which have ten votes to every one vote for Class A shares. Regular investors will have just 2.8% of the voting power.

GreenSky listed its stock on Nasdaq under the ticker symbol GSKY. The lead underwriters on the offering were Goldman Sachs, J.P. Morgan and Morgan Stanley.

https://www.forbes.com/sites/laurengensler/2018/05/24/greensky-ipo/#74db68fa611b

Lending Express garners $2.7 million

Specialty Finance / Alternative Lending

5/22/18

Lending Express, the only AI-powered marketplace for business loans, today announced the securing of a $2.7 million investment round led by Entrée Capital, iAngels, and existing investors. The funds will be used to build out their innovative loan-matching technology and scale up operations in the United States and Australia.

Lending Express' technology matches businesses with the most relevant lenders and provides a fast, simple funding solution at no cost. Through their proprietary AI-powered AlgoScore™ and MatchScore™ algorithms they are able to predict the likelihood of a potential business to be funded and match the most relevant SMBs with the right lender, financial solution, and terms, providing lenders with the most qualified customers and thus increasing conversion rates from application to loan. This creates a win-win for businesses and lenders. This funding round comes on the heels of an immense growth period – over the past 12 months, Lending Express has increased total number of loans matched six-fold, connected SMBs to $44.8M in funding since operations began in 2016 Q4, and expects to quadruple their amount of US funding in three quarters from $1.3M to $5.2M, demonstrating strong and consistently increasing demand.

"The online alternative finance market is expanding at an incredibly rapid rate, and yet until now, has remained shamefully archaic and rudimentary," said Eden Amirav, CEO and co-founder of Lending Express. "Charting a new path for SMBs to access loans, our proprietary technology not only matches SMBs with their ideal lenders at an unprecedented success rate, but also does so painlessly. As we expand, we look forward to supporting the ever-growing SMB sector, in the US and Australia, and beyond."

"The Lending Express team has built a fantastic product," said Eyal Lifshitz, CEO of online SMB lender Bluevine. "Their mission is perfectly aligned with our own goal of providing small businesses access to capital when they need it most – with speed, simplicity, and transparency. Lending Express helps makes our job that much easier by ensuring that we are meeting businesses we can help."

"We are proud to be leading this funding round for Lending Express, having proven their model in Australia to become the market leader within a matter of months," commented Mor Assia of iAngels. "Looking at the industry, it is clear that this innovative approach is the future. We are excited for the opportunity to play a part in bringing about the next big trend in loan lending, and have full confidence Lending Express will become a leader in the market."

https://www.pehub.com/2018/05/lending-express-garners-2-7-mln/

DATA & ANALYTICS / IoT

Mitek acquires AI check processor A2iA

Data & Analytics / IoT

5/24/18

Mitek Systems, Inc., a leader in digital identity verification solutions, announced that it has acquired A2iA, a leader in artificial intelligence (AI) and image analysis.

The deal is for €42.5 million in cash and shares of Mitek's common stock. Mitek software is used in 6,100 U.S. banks, including all of the top 10 largest U.S. financial institutions.

"The acquisition of A2iA combines two market leaders in image recognition and processing, creating a powerful force with a deep expertise in image analytics," industry expert Bob Meara, senior analyst at Celent said in a press release.

A2iA uses AI and machine learning to create proprietary algorithms that process millions of checks, IDs and documents each day for banks, retailers, insurance companies, mobile operators, healthcare providers and governments in more than 42 countries and 11 languages. Its software is used by top U.S. banks, as well as 100 percent of U.K. banks, 90 percent of French banks, 90 percent of Brazilian banks and more than 75,000 ATMs worldwide.

"With the addition of A2iA's technology and team, Mitek's digital identity verification platform will extend its lead in the industry," said James B. DeBello, CEO and chairman of Mitek. "Mitek's Mobile Verify® product will be able to read government-issued identity documents even more accurately and quickly than today, and authenticate them using A2iA's advanced AI algorithms, thereby increasing companies' trust that their customers are who they say they are."

Through the acquisition, Mitek doubles the size of its existing Mitek Labs team to create the largest private research group of PhD scientists in computer vision, machine learning and artificial intelligence for this industry.

"We are excited to be a part of the Mitek team," added Jean-Louis Fages, A2iA president and chairman. "The combination of our company's industry-leading technologies with Mitek's resources as a publicly-traded U.S. company will provide our partners in Europe, the Americas and across the globe with unparalleled capabilities."

https://www.pymnts.com/news/partnerships-acquisitions/2018/mitek-acquires-ai-check-processor-a2ia/