Evolve Capital Partners

Weekly Deals Update

Week Ending 06/29/2018

SPECIALIZED INVESTMENT BANKERS AT THE INTERSECTION OF FINANCE AND TECHNOLOGY

Key Deals

M&A

Date	Target	Acquirer(s)	Sector	Amount ($mm)
06/27/2018	MOLINA HEALTHCARE	DXC.technology	Securities	$266
06/27/2018	H&D International Group	HCL	BPO	$35
06/26/2018	Slice RE	StraightUp	Securities	NA

Financing

Date	Target	Lead Investor	Sector	Amount ($mm)
06/26/2018	jama software	INSIGHT VENTURE PARTNERS	Financial Management Solutions	$200
06/25/2018	policybazaar.com Compare. Buy. Save.	SoftBank Investment Advisers	Insurance	$200

Preface

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

Evolve Capital Partners is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology. We are a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements. Founded in 2012, we are based in New York.

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

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

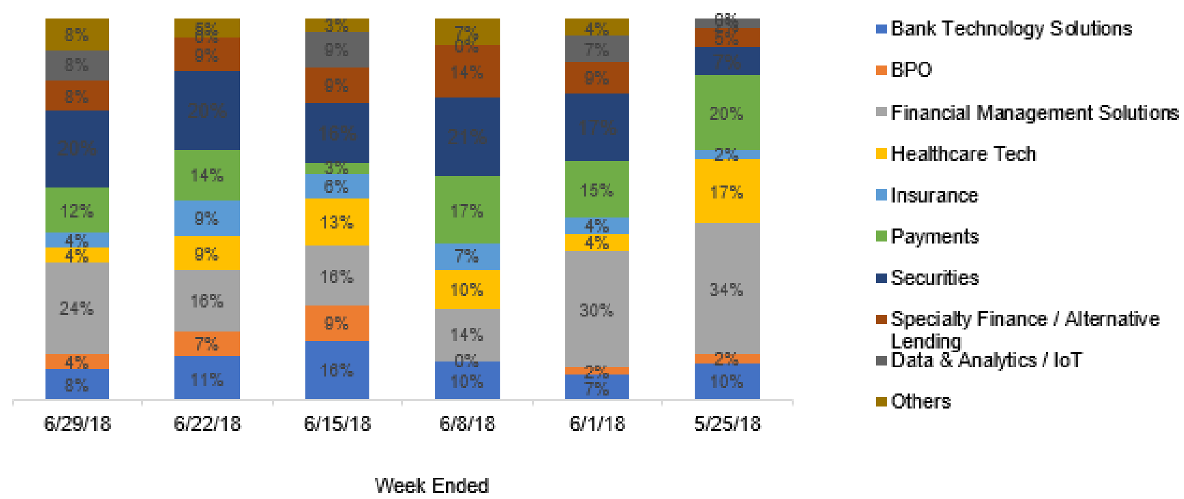
Sectors we cover at the intersection of finance and technology include:

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

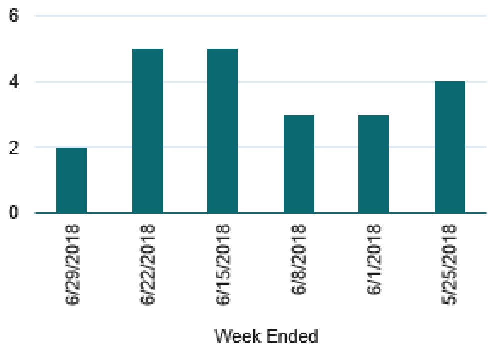
Deals Count

Sector	Number of Deals	% of Total
Bank Technology Solutions	2	7%
BPO	1	4%
Financial Management Solutions	6	22%
Healthcare Tech	3	11%
Insurance	1	4%
Payments	3	11%
Securities	5	19%
Specialty Finance / Alternative Lending	2	7%
Data & Analytics / IoT	2	7%
Others	2	7%
Total	**27**	**100%**

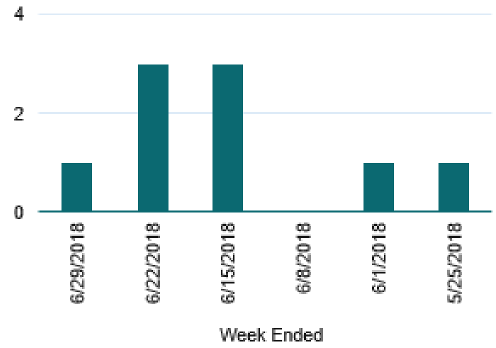
Sector-Wise Deals Breakdown



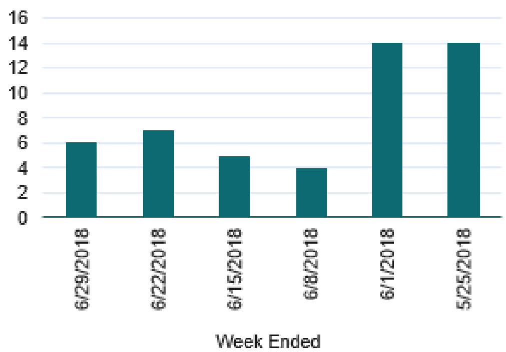
Bank Technology Solutions



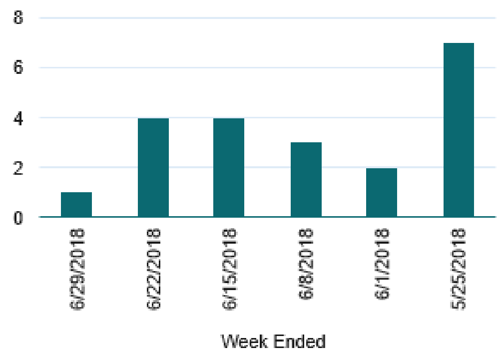
BPO



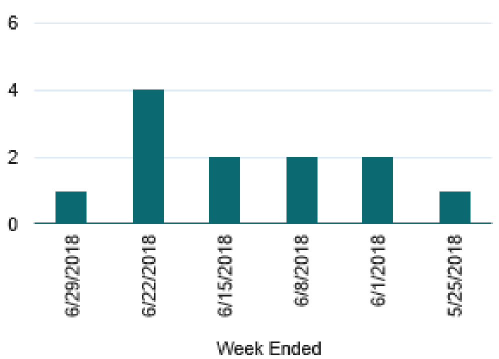
Financial Management Solutions



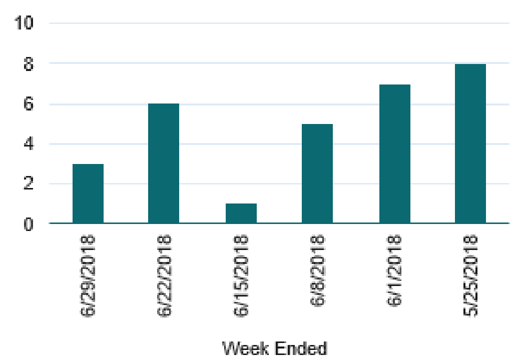
Healthcare Tech



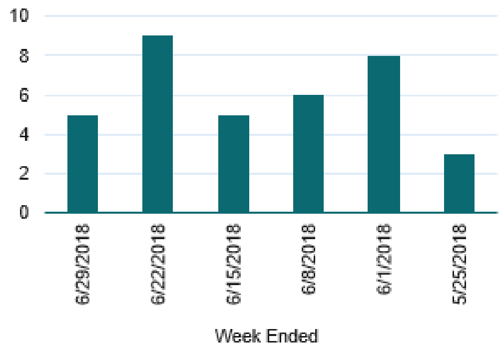
Insurance



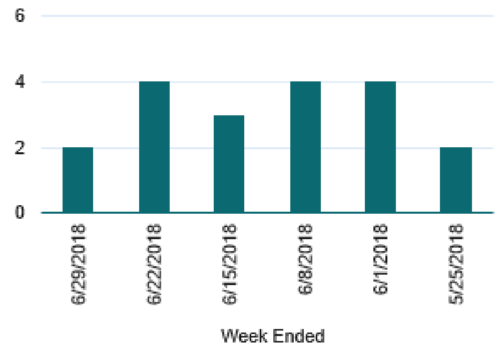
Payments



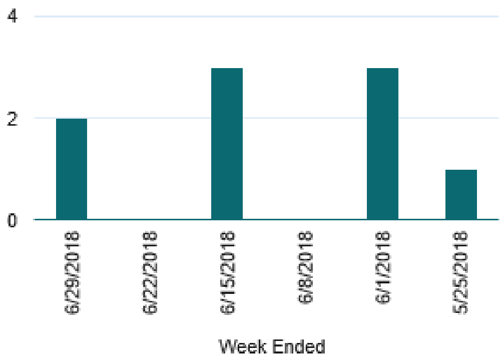
Securities



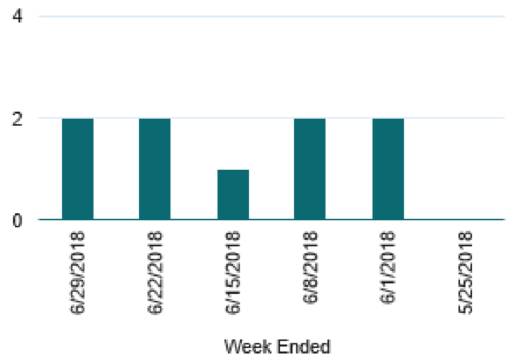
Speciality Finance / Alternative Lending



Data & Analytics / IoT



Others



BANK TECHNOLOGY SOLUTIONS

SimpleNexus raises $20 million in growth capital

Bank Technology Solutions

06/27/2018

Mortgage tech company SimpleNexus announced today it has raised $20 million in capital from Insight Venture Partners to fuel its plans for future growth.

The company, which was a 2018 winner of HousingWire's Tech100, offers a private-label digital mortgage platform and mobile app designed to connect lenders with borrowers and real estate agents.

The platform allows loan officers to become "mobile originators," using their smartphones to view applications, pull credit reports and basically oversee all aspects of the loan process while connecting in real-time to their LOS. The SimpleNexus app also enables all parties to the transaction to exchange documents easily throughout the loan cycle.

SimpleNexus says 15 of the top 25 retail mortgage lenders in the U.S. use its platform, which has also serviced more than 450,000 borrowers and managed the flow of $100 billion in transactions.

"Our unprecedented growth clearly demonstrates the leading role SimpleNexus occupies in the digital mortgage movement and an industry-wide embrace of our mobile-first technology that is making the mortgage process more efficient," SimpleNexus Founder and CEO Matt Hansen said in a statement. "As we historically have been self-funded, we know that this new partnership with Insight Venture Partners will catalyze our growth and provide our executive team with the additional resources to drive market expansion."

https://www.housingwire.com/articles/43784-simplenexus-raises-20m-in-growth-capital

ING leads $16 million investment in TradeIX

Bank Technology Solutions

06/22/2018

Trade finance platform TradeIX has closed a Series A investment round of $16 million, led by ING Ventures with participation from Kistefos, BNP Paribas and Tech Mahindra.

TradeIX has established partnerships with various leading banks, corporates and enterprise resource planning (ERP) providers. The company also works with enterprise software firm R3 to lead the Marco Polo initiative involving international trade banks aimed at further developing the use of distributed ledger into trade transactions.

TradeIX's platform is powered by APIs (application programming interfaces) that connect with existing trade platforms and applications to enable trade business to become transparent, faster, and more efficient. The solution is decentralised, allowing each client to add it to their existing platforms and applications to improve their connectivity to the wider trade ecosystem.

The cash injection will be used to boost hiring, further accelerate customer acquisition and to invest in the development of the company's open platform for trade finance.

TradeIX chief executive and founder, Rob Barnes, said the round is a significant stepping stone. "We are very excited to bring in ING Ventures, BNP Paribas, Tech Mahindra as new investors, and to continue our partnership with Kistefos. After having proven our technology with DHL and multiple banks, the investment will help us to further develop our open platform."

http://www.fstech.co.uk/fst/TradeIX_16m_SeriesA_Investment.php

Crowd lending fintech raises more than $17 million

Bank Technology Solutions
06/21/2018

The crowd lending startup P2Binvestor has secured more than $17 million in funding from more than 20 participants to expand its bank partnership program, the company announced Thursday.

It was the fourth round of funding for the Denver company. The combination of debt and equity brings P2Binvestor's total equity raise to over $13 million since 2013. The round was led by angel investors.

P2Binvestor, which was founded in 2012, acts as a middleman between small and midsize businesses and banks.

Managing a commercial client relationship and a team of accredited investors, the startup helps community banks provide such business customers with growth capital at lower interest rates. These businesses are sometimes ones that would not qualify for a traditional commercial line of credit.

P2Binvestor's lending portfolio is mainly made up of loans originated by banks as well as private and institutional investors. Because of debt funding, the fintech is also able to provide its own lines of credit.

In October 2017, the fintech startup began its bank partnership program with New Resource Bank, a part of Amalgamated Bank. Since then, the bank has closed seven loans worth more than $16 million through the startup.

"Over the course of the past few months, P2Bi has focused on building a new partnership model with community banks that is proving to be very successful," Krista Morgan, P2Binvestor CEO and co-founder, said in a press release.

"Growing businesses love the idea that we can graduate them to cheaper financing without the hassle of switching, and banks love that they can be the first lender to a growing business building a valuable, long-term relationship. This raise enables us to onboard new banks into the program."

https://www.americanbanker.com/news/crowd-lending-fintech-raises-more-than-17m

BPO

HCL Tech acquires H&D International for 30 million Euros

BPO

06/27/2018

HCL Technologies today said it has signed an agreement to acquire Germany-based IT and engineering services provider, H&D International Group, to help expand its presence in the European nation. The company however did not disclose the acquisition price.

"This landmark deal sees HCL attain significant in-country front office and delivery capabilities and will further enhance the company's domain expertise in the global automotive sector," HCL said in a statement.

H&D is one of the largest IT service providers in the German automotive industry and operates in over 20 locations globally including Germany, the US, the Czech Republic and Poland.

It specialises in IT infrastructure, application services particularly in R&D IT and has extensive expertise in SAP, computer-aided technologies (CAx), engineering services and customer-specific product development.

H&D's existing delivery centre in Gifhorn, Germany, will become part of HCL's global delivery footprint and will focus on IT and engineering services both in Germany and globally.

"Germany is a critical market for HCL as we continue to expand our business in Europe. We feel the German market is at an inflection point and it is the right time for HCL to expand and make significant investments here," said Ashish Gupta, Corporate Vice President at HCL Technologies.

Bernhard Honigsberg, CEO of H&D International Group, said: "By combining H&D's delivery capabilities with those of HCL, we have an unprecedented opportunity to add tremendous value to the services we provide to support our clients' IT transformation ambitions.

"Furthermore, the experience and know-how of HCL and H&D complement each other perfectly and our employees are set to benefit significantly from the new opportunities that lie ahead."

Klaus Holzhauser, Managing Director of independent European research and consulting firm, Pierre Audoin Consultants (PAC) Germany, said HCL already has a strong presence in Germany and the automotive sector. "Its investment in H&D strengthens its capabilities and positioning even further in two crucial regions.

https://www.moneycontrol.com/news/business/hcl-tech-acquires-hd-international-for-30-mn-euros-2641021.html

FINANCIAL MANAGEMENT SOLUTIONS

LeaseAccelerator raises $30 million funding from Insight Venture Partners

Financial Management Solutions

06/27/2018

LeaseAccelerator, an Enterprise Lease Accounting software vendor announced a $30 million investment from Insight Venture Partners, a New York-based venture capital and private equity firm.

In conjunction with the financing, Peter Sobiloff, managing director at Insight Venture Partners, will join the board and Jon Rosenbaum, senior associate, will be a board observer. The new financing round will be used to fund the company's product roadmap, partner ecosystem and international expansion as LeaseAccelerator continues to pursue its tremendous growth in the Enterprise Lease Accounting software market.

Market demand for LeaseAccelerator's applications is being driven by a new set of lease accounting standards that public companies will need to adopt starting on January 1, 2019. These new standards for U.S. GAAP and IFRS will require companies to move trillions of dollars of "operating leases" onto their balance sheets. The average Fortune 500 company has between 1,000 and 10,000 leases representing a dollar value of between $100 million and $1 billion. Despite the large dollar value of these portfolios, few companies have an enterprise application to manage their leases. Instead, real estate, computers, vehicles and other equipment leases have often been tracked on spreadsheets. LeaseAccelerator offers an Enterprise Lease Accounting software application that automates the record-to-report business processes required to comply with the ASC 842 and IFRS 16 standards.

Following a year of record growth in which LeaseAccelerator tripled revenues and quadrupled its customer base, the company will use the new funding to accelerate its growth strategy. LeaseAccelerator will expand its international operations to better support multinational customers. Additionally, the company will invest in expanded training, technical support and success programs for its customers. LeaseAccelerator will also significantly expand its R&D organization to support a wider variety of industry-specific use cases.

"The biggest challenge in the Enterprise Lease Accounting software market in 2018 is a lack of capacity. There is explosive demand for technology to transition to the new lease accounting standards, but most software providers are capital constrained," said Michael Keeler, CEO of LeaseAccelerator. "With the new funding from Insight Venture Partners, we will be able to aggressively invest in product development, testing, training and implementation support resources to meet the rapidly evolving needs of our customers."

"We are thrilled to welcome LeaseAccelerator into our portfolio and partner with them to accelerate their expansion in the Enterprise Lease Accounting space," said Peter Sobiloff, managing director at Insight Venture Partners. "LeaseAccelerator's impressive growth has been demonstrated by their technology, expertise and network. We look forward to helping the team continue their expansion and evolve their product to best serve their customers."

Atlas Technology Group acted as the sole financial adviser to LeaseAccelerator in conjunction with the transaction.

LeaseAccelerator offers the market-leading SaaS solution for Enterprise Lease Accounting, enabling compliance with the current and new FASB and IFRS standards. Using LeaseAccelerator's proprietary Global Lease Accounting Engine, customers can apply the new standards to all categories of leases including real estate, fleet, IT and other equipment at an asset level. On average, LeaseAccelerator's Lease Sourcing and Management applications generate savings of 17 percent on equipment leasing costs with smarter procurement and end-of-term management.

https://www.monitordaily.com/news-posts/leaseaccelerator-raises-30mm-funding-insight-venture-partners/

Noodle.ai raises $35 million to feed the Beast, its AI-as-a-service platform

Financial Management Solutions

06/26/2018

San Francisco-based enterprise artificial intelligence (AI) startup Noodle.ai today announced a $35 million round led by Dell Technologies Capital and TPG Growth. “Noodle.ai provides AI-as-a-service. Companies give us their data, and our product people take it from there,” Noodle.ai CEO Stephen Pratt told VentureBeat in a phone interview. “The output is a finished AI application they subscribe to on a monthly basis.”

The company, which owns its own datacenter, spends about three months building custom AI solutions for its customers and another three months integrating the results into their systems.

Its engineers and data scientists use an in-house platform, playfully named the Beast, to build three-component machine learning systems that consist of a Sensory Engine that finds patterns in data, a Prediction Engine that calculates what’s likely to happen in a business, and a Recommendation Engine that surfaces actions to meet objectives. Results selected from the Recommendation Engine are fed back into the system, starting the cycle over.

The startup’s clients include XoJet, one of the world’s largest private aviation platforms, and American steel producer Big River Steel. In XoJet’s case, Noodle.ai produced a learning algorithm that takes into account thousands of variables to determine the right prices for airfare, which boosted the company’s profitability by 5 percent. And for a Big River Steel mill in Arkansas, it used more than 30,000 sensors and AI to predict how much electricity would be consumed by the mill’s machines so it could sell excess energy back to the electric company.

“I’m a firm believer that AI and machine learning hold the keys not only to companies performing better, but to helping our society and our planet,” Pratt said. “The mission of Noodle.ai is to apply artificial intelligence technologies to do extraordinary good.” He estimates that collectively, the two machine learning algorithms save more than 10,000 tons of CO2 emissions per year.

“Even after two decades of decision support software … you see the results of bad business decisions every day: empty store shelves, wasted energy, packages that don’t arrive on time, labor forces over- or underworked, even factories closing,” Pratt said. “It’s high time that changed. Learning algorithms are now practical and affordable, so there’s no reason not to use them to make better decisions.”

Noodle.ai was founded in May 2016 and has raised $51 million to date.

https://venturebeat.com/2018/06/26/noodle-ai-raises-35-million-to-feed-the-beast-its-ai-as-a-service-platform/

Jama Software receives $200 million to accelerate predictive product development

Financial Management Solutions

06/26/2018

Jama Software, the leading product development platform provider for building complex products and integrated systems, today announced a $200 million growth equity investment led by Insight Venture Partners with participation from Madrona Venture Group.

The investment will propel Jama's long-term global growth and drive the expansion of the Predictive Product Development software category.

"Traditional product development processes and tools are not keeping up with the growing complexity of creating new breakthrough products. Jama gives product development organizations a single platform, enabling customers to realize revenue potential faster and achieve an ongoing competitive advantage," said Scott Roth, Jama Software CEO. "The investment from Insight Venture Partners will speed our product roadmap, as well as support ongoing global expansion."

The Jama Product Development Platform is the most comprehensive solution for guiding the strategic and operational aspects of product development for complex industries. The platform brings value to the entire development process — from requirements management to providing a combined workflow, content management and analytics solution that overlays all other tools and processes to govern and predict current and future product development. From idea to launch to strategic decision-making about the next innovation, Jama is setting a new standard for mitigating risk, improving quality and accelerating time to market.

"Product development organizations are facing the challenges of increasing complexity, regulation, and cross-functional collaboration, putting pressure on outdated tools and processes. Jama is enabling the world's most innovative companies to compete and win in the digitally converged future," said Richard Wells, Managing Director at Insight Venture Partners. "We are excited to partner with Jama to bring this vision to fruition and further advance the company's strategic goals."

The investment comes as Jama closed out a record-breaking fiscal year. Highlights include:

- 80% annual growth in adoption of Jama's platform by market-leading product development organizations across every industry, including Wells Fargo, NASA Kennedy Space Center, Qualcomm, Eli Lilly, Roche, Canon, Caterpillar, and Jabra;
- Significant feature enhancements to the Company's flagship Jama Connect product, including Live Traceability, which connects test plan and result details to requirements, as well as an easily accessible Review Center;

- Jama's acquisition of Notion – a business intelligence platform purpose-built for product development teams – recently relaunched as Jama Analyze;
- The one-year anniversary of Jama's European HQ in Amsterdam and the addition of key executive leaders in engineering, business development and marketing.

https://www.prnewswire.com/news-releases/jama-software-receives-200-million-to-accelerate-predictive-product-development-300672257.html

BigID scores $30 million Series B months after closing A round

Financial Management Solutions
06/25/2018

BigID announced a big $30 million Series B round today, which comes on the heels of closing their $14M A investment in January. It’s been a whirlwind year for the NYC data security startup as GDPR kicked in and companies came calling for their products.

The round was led by Scale Venture Partners with participation from previous investors ClearSky Security, Comcast Ventures, Boldstart Ventures, Information Venture Partners and SAP.io.

BigID has a product that helps companies inventory their data, even extremely large data stores, and identify the most sensitive information, a convenient feature at a time where GDPR data privacy rules, which went into effect at the end of May, require that companies doing business in the EU have a grip on their customer data.

That’s certainly something that caught the eye of Ariel Tseitlin from Scale Venture Partners. “We talked to a lot of companies, how they feel more specifically about GDPR, and more broadly about how they think about data within in their organizations, and we got a very strong signal that there is a lot of concern around the regulation and how to prepare for that, but also more fundamentally, that CIOs and chief data officers don’t have a good sense of where data resides within their organizations,” he explained.

Dimitri Sirota, CEO and co-founder, says that GDPR is a nice business driver, but he sees the potential to grow the data security market much more broadly than simply as a way to comply with one regulatory ruling or another. He says that American companies are calling, even some without operations in Europe because they see getting a grip on their customer data as a fundamental business imperative.

The company plans to expand their partner go-to market strategy in the coming the months, another approach that could translate to increased sales. That will include global systems integrators.

Sirota says to expect announcements involving the usual suspects in the coming months. “You’ll see over the next little bit, several announcements with many of the names that you’re familiar with in terms of go-to market and global relationships,” he said.

Finally there are the strategic investors in this deal, including Comcast and SAP, which Sirota thinks will also ultimately help them get enterprise deals they might not have landed up until now. The $30 million runway also gives customers who might have been skittish about dealing with a young-ish startup, more confidence to make the deal.

BigID seems to have the right product at the right time. Scale's Tseitlin, who will join the board as part of the deal, certainly sees the potential of this company to scale far beyond its current state.

"The area where we tend to spend a lot of time, and I think is what attracted Dimitri to having us as an investor, is that we really help with the scaling phase of company growth," he said. True to their name, Scale tries to get the company to that next level beyond product/market fit to where they can deliver consistently and continually grow revenue. They have done this with Box and DocuSign and others and hope that BigID is next.

https://techcrunch.com/2018/06/25/bigid-scores-30-million-series-b-months-after-closing-a-round/

CloudBolt announces $23 million investment from Insight Venture Partners to accelerate growth of hybrid cloud management platform

Financial Management Solutions
06/21/2018

CloudBolt Software Inc., developers of a leading self-service hybrid cloud platform, today announced a $23M Series A funding round led by Insight Venture Partners, a New York-based venture capital and private equity firm.

CloudBolt transforms Enterprise IT with its Enterprise Hybrid Cloud Platform that unifies access to public cloud and private data center environments. By directing end user cloud access through a single portal, CloudBolt customers gain the ability to track, control, and simplify how IT resources are consumed in the face of rising demand for agility, elasticity, and cost containment. Serving tens of thousands of users globally, including industry leading enterprises Airbus, Electronic Arts, The Home Depot, and Xerox, CloudBolt plans to use proceeds to expand into new markets and verticals while further developing their offering and integrations.

As the trajectory of enterprise Cloud growth continues to surpass expectations, the need for Hybrid Cloud tools that allow IT to transition from on-premise to hybrid cloud models is increasing. The global hybrid cloud market was valued at USD 40.62 billion in 2017 and is expected to reach a value of USD 138.63 billion by 2023, at a CAGR of 22.70% for 2018-2023. This increasing need to transition to hybrid cloud models presents a tremendous opportunity, but Enterprise IT departments often struggle to realize that vision quickly and cost effectively. CloudBolt dramatically simplifies that transition by taking a flexible approach to cloud that maintains customer choice.

CloudBolt provides a unified platform for managing cloud resources:

- Hybrid cloud delivery and management with support for 18+ different virtualization systems and public clouds (partnerships and integrations with AWS, VMware, Google Cloud, and Microsoft Azure, among others)
- Cross Cloud Blueprints that support Anything as a Service (Xaas)
- Role-based access control that enables compliance and governance and enterprise security enforcement
- Cost transparency, chargeback and reporting for resources running in both a data center and public cloud
- Sprawl control and cost reduction via expiration dates, quotas, and power schedules

"Today's Enterprise IT team is under tremendous pressure to deliver value to the business at an unprecedented rate. Delivering self-service access to hybrid cloud resources while maintaining compliance and cost management is no longer a nice to have. It is a requirement." said Brian Kelly, CEO of CloudBolt. "CloudBolt helps organizations harness the power of cloud to deliver and deliver faster, more efficient workflows and systems at scale. The partnership with Insight Venture Partners is going to allow us to deliver a richer experience to users at a faster pace, grow our team, and continue our focus on providing customers with a great experience."

"Leveraging cloud technologies will only become more commonplace in the foreseeable future, and developers will need tools to help them simplify this process for end-users – that's where CloudBolt comes in," said Phil Vorobeychik, Principal, Insight Venture Partners. "We are thrilled to welcome CloudBolt to our portfolio and are looking forward to helping drive this next stage of growth together."

https://www.softwarebusinessgrowth.com/doc/cloudbolt-announces-m-investment-from-insight-venture-partners-to-accelerate-growth-0001

Seal Software unveils global partnership with DocuSign, announces $30 million in growth capital from Toba

Financial Management Solutions

06/20/18

Seal Software, the leading provider of content discovery and analytics solutions, today unveiled a global partnership with DocuSign (NASDAQ: DOCU) in support of DocuSign's broader System of Agreement strategy to automate and connect the entire process of how agreements are prepared, signed, enacted and managed. Concurrent with today's announcement, Seal Software also disclosed that it has secured a $30 million investment from Toba Capital, the company's principal existing investor, to support its next stage of growth.

DocuSign's cloud-based System of Agreement platform connects the leading e-signature technology, already used by more than 400,000 customers and hundreds of millions of users worldwide, to other aspects of the agreement process. As part of this, DocuSign will now distribute Seal Software technologies through its platform extensions program.

DocuSign Total Search (powered by Seal) is designed to drive 'human discovery': it will enable customers to centralize all of their digital agreements, organize them using metadata (structural data), and search inside them using natural language terms (unstructured data). DocuSign Intelligent Insights (powered by Seal) is designed to drive 'machine discovery': it will use artificial intelligence and machine learning to automatically extract mission critical legal concepts like indemnification, warranty and most favored nation, among others. DocuSign Compliance Packs (powered by Seal) use the same artificial intelligence and machine learning to extract concepts derived from key regulations, including GDPR.

These integrated platform extensions from Seal, available later this year, bring powerful new capabilities to the 'manage' stage of modern Systems of Agreement. Customers can instantly and easily find agreements, regardless of their origin or storage location. They can then compare sections of similar agreements to identify inconsistent contracted terms, areas of exposure, and potential revenue leakage. And they can review auto-extracted terms and concepts to ensure compliance and minimize exposure to risk.

"Our partnership with DocuSign highlights the commitment, passion and innovation that has reaffirmed Seal's undisputed market-leader status," said Ulf Zetterberg, co-founder and CEO of Seal Software. "DocuSign's System of Agreement strategy transforms one of the foundational elements of business—the agreement process—and that aligns with our own vision for the extraction of insights from content using artificial intelligence. This partnership, coupled with our additional funding from Toba, confirms our commitment to a new era of intelligent content analytics (ICA) and expands our reach into the enterprise." Aragon Research, a technology-focused research and advisory firm, recently identified Seal Software as a key provider in the emerging ICA market, which is forecast to grow to more than $10 billion by 2025.

"Seal Software's intelligent content discovery and analysis capabilities are making the promise of AI real today," said Mark Register, SVP business development and channels at DocuSign. "We are excited to have Seal as a platform extension partner within our System of Agreement portfolio."

Toba Capital Extends Investment in Seal Software

Ranked as one of the fastest growing companies in North America by Deloitte in its most recent list of the Technology Fast 500, Seal Software is considered one of the most authoritative and innovative developers of AI technologies for the enterprise.

"We have believed in Seal's massive potential since we first invested in the company more than four years ago, and we are convinced now more than ever that Seal has the right ingredients in place to become a major enterprise software player," said Vinny Smith, founder of Toba Capital. "With a world-class executive team, blue-chip customers and industry leading partners like DocuSign, there is no doubt that Seal will continue its impressive growth trajectory."

With recent investments in services delivery and product development as well expansion at its worldwide headquarters in California's Silicon Valley, Seal Software has grown to more than 200 employees and is experiencing growth of more than 85 percent year-on-year.

"It is our customers that are fueling this growth and our innovation," said Zetterberg. "More use cases for content analytics are regularly emerging, keeping us in the vanguard of the machine learning and NLP market. Some of the largest Fortune 100 companies and many Global 2000 firms benefit every day from the Seal platform, and we are deeply humbled at the confidence shown by Toba Capital in our future."

https://www.prnewswire.com/news-releases/seal-software-unveils-global-partnership-with-docusign-announces-30-million-in-growth-capital-from-toba-300669504.html

HEALTHCARE TECH

Molina Healthcare reaches agreement with DXC Technology to sell Medicaid management information systems business

Healthcare Tech

06/27/2018

Molina Healthcare, Inc. (NYSE: MOH) announced that it has entered into a definitive agreement to sell its wholly owned subsidiary, Molina Medicaid Solutions (MMS), a Medicaid management information systems (MMIS) business, to DXC Technology (NYSE: DXC). The divestiture, which is expected to close in the third quarter of this year, is subject to the satisfaction of customary closing conditions and the receipt of certain third party consents and regulatory approvals.

“The sale of Molina Medicaid Solutions will give us the flexibility to invest and refocus resources in our core health plan business,” said Joe Zubretsky, president and chief executive officer for Molina Healthcare, Inc. “We are confident that DXC will be an excellent partner for Medicaid agencies, providers, and employees moving forward, and that this transaction represents an opportunity for MMS to grow and unlock value in its business.”

“For many years DXC Technology’s goal has been to provide the highest quality services to state agencies in the administration of Medicaid programs, including business processing, information technology development, and administrative services,” said Mike Lawrie, DXC Technology chairman, president and CEO. “Both MMS and DXC Technology have proven track records and a shared commitment to these important programs. Together, our deep experience and technology expertise can bring new benefits to state agencies and Medicaid recipients.”

The net purchase price for the equity interests of MMS is estimated to be approximately $220 million after certain adjustments, and the transaction is expected to close in the third quarter of this year. MMS provides support to state Medicaid agencies in the administration of the states’ Medicaid programs, including business processing, information technology development, and administrative services. MMS is under contract with Medicaid agencies in six states and the U.S. Virgin Islands.

DXC Technology provides health and human services to government agencies across the United States through more than 8,000 professionals, offering fiscal agent services, MMIS, program integrity, care management, immunization registry, and eligibility services. Molina was advised on financial matters by BofA Merrill Lynch and on legal matters by Orrick, Herrington & Sutcliffe. DXC was advised by J.P. Morgan Securities LLC on financial matters, and Latham & Watkins LLP and Crowell & Moring LLP on legal matters.

https://www.cnbc.com/2018/06/19/business-wire-veritas-capital-backed-verscend-to-acquire-cotiviti-for-4-point-9-billion.html

HealthTech startup Cedar raises $36 million for 'patient-friendly billing' business

Healthcare Tech

06/26/2018

Cedar, a SoHo, New York based startup that helps large medical groups and hospitals issue more understandable bills, will announce today that it has raised $36 million in a Series B funding round.

Cedar's software helps billing departments generate easier-to-read bills that explain to customers what they are paying for. The software also enables billing departments to chat with patients online.

"We strongly believe patients really want to pay their bill if we make it transparent and easy for them," Cedar co-founder and CEO Florian Otto said. "Reducing friction increases the likelihood for patients to pay and increases the collection rate."

Providers are now collecting more payments, but sending bills by mail and following up by phone is an antiquated approach, said Vicki McKinney, chief operating officer of Westmed Practice Partners, the management-service organization for the 450-physician Westmed Medical Group, based in Westchester County. Depending on patient preference, bills can be sent by email, and practices can send reminders by text message.

In the metro area, consumers spent $854 in out-of-pocket medical costs on average in 2015, up 15% compared to 2012, according to an analysis by the Health Care Cost Institute last year.

"Self-pay has definitely gone up," McKinney said. "It has become more important. High deductibles play a big part here. People are paying a lot more money."

In the three-month trial period, McKinney said, Westmed increased collections by 32%, and its average payment time dropped 64% to 14 days compared to mailing bills out from its in-house print center.

After completing the free pilot, Westmed recently signed on to become a paying customer.

By August it will conduct all its direct-to-patient billing through Cedar. McKinney also said Westmed's parent company, UnitedHealthcare's Optum, is exploring adding the software at its U.S. medical practices. Otto and McKinney declined to disclose the pricing for Cedar, but McKinney said Cedar takes a percentage of collections, a common practice among revenue-cycle vendors.

The funding round was led by Kinnevik, a Swedish investment company, and included money from Founders Fund, Thrive Capital, Lakestar, Sound Ventures, Instagram's Kevin Systrom and Flatiron Health's Nat Turner. To date, Cedar has raised $50 million from investors.

Otto said Cedar uses data such as a patient's payment history, the size of the bill and the median home price in the patient's ZIP code to personalize how to reach them and develop a payment plan.

"We're coming up with the best outreach strategy for every single patient," he said.

The company was founded in 2016 by Otto, who became a maxillofacial surgeon in Germany before working as a consultant for McKinsey & Co. in Brazil, and Arel Lidow, a former vice president of product management at AppNexus. Most recently Ott was vice president of sales for Zocdoc for three and a half years before leaving to found Cedar in early 2016.

Cedar is now located around the corner from Zocdoc, whose co-founder, Cyrus Massoumi, was an early investor. The company has 26 full-time employees and contracts with eight large health systems as well as some major local medical groups. Crystal Run Healthcare, Montefiore Medical Center, Maimonides Medical Center and Southampton Hospital are all clients.

"We're going to build our team here," Otto said.

https://www.healthcare.digital/single-post/2018/06/26/HealthTech-Startup-Cedar-raises-36M-for-patient-friendly-billing-business

BillingTree acquires iPayX expanding Healthcare and B2B portfolio offerings

Healthcare Tech
06/21/2018

BillingTree, the leading payment technology and services provider, today announced it has completed the integration of additional digital payment solutions into its suite following the acquisition of Toledo-based electronic payment firm, Internet Payment Exchange (iPayX).

iPayX's XprsPay and CareView payment platforms are now fully supported BillingTree offerings aimed to help organizations in the B2B, and healthcare sectors to drive revenue through a flexible, easily manageable digital platform handling invoicing, bill presentment, customer communications and multi-channel payment acceptance.

BillingTree CareView is an end-to-end solution to the Healthcare market that improves patient payment experience by enabling providers to set up a range of payment channels across text, phone, online, live-agents and point of care. It delivers a billing and payment process based on individual patient preferences and offers the freedom to pay via debit, credit, ACH, e-check, FSA or HSA. When it comes to capturing payments, providers can immediately begin billing and processing patient payments via a HIPAA, PCI and SSAE compliant platform.

BillingTree XprsPay is an eBilling solution designed to digitize the previously time-consuming method of making and accepting commercial payments. Commercial organizations can offer customers an electronic billing platform to facilitate the delivery, management and ultimate payment of invoices between business partners.

Customers have a simple channel to settle and manage their accounts with email and/or text reminders to prompt timely payments. The solution automatically posts payments to inventory systems and general ledgers, vastly reducing paper-based expenditure and FTE time by allowing more accurate cash flow reporting and reduced days sales outstanding (DSO) figures.

The latest integrations are part of a progressive product strategy following the BillingTree acquisition of iPayX in late December 2017. The Toledo-based iPayX offices have become a fully integrated part of BillingTree operations, bringing a wealth of technology expertise and industry experience to the BillingTree team.

"True to the company's technology roots, BillingTree saw an opportunity to take the next step in its development by acquiring iPayX as they fit within two of the focus BillingTree vertical markets of healthcare and B2B payments," explained Edz Sturans, CEO & President, BillingTree. "There are significant opportunities for commercial firms and healthcare providers to drive revenue and improve customer satisfaction with CareView and XprsPay.

Healthcare patients expect flexible multi-channel communication and payment options when dealing with healthcare providers. Commercial customers are looking for more streamlined, digital invoicing and payment options to better manage their client relations.

https://www.prnewswire.com/news-releases/billingtree-acquires-ipayx-expanding-healthcare-and-b2b-portfolio-offerings-300668217.html

Veritas Capital-backed Verscend to acquire Cotiviti for $4.9 billion

Healthcare Tech

06/19/2018

Cotiviti Holdings, Inc. (NYSE: COTV) ("Cotiviti"), a leading provider of payment accuracy and analytics-driven solutions focused primarily on the healthcare industry, and Verscend Technologies, Inc. ("Verscend"), a portfolio company of Veritas Capital ("Veritas") and a leader in data-driven healthcare solutions, announced today that they have entered into a definitive agreement whereby Verscend has agreed to acquire Cotiviti for $4.9 billion in cash.

Under the terms of the agreement, Cotiviti shareholders will receive $44.75 in cash per share of Cotiviti common stock, and Verscend will assume all of Cotiviti's outstanding debt, resulting in an enterprise value of approximately $4.9 billion. The offer price represents a 32% premium to Cotiviti's unaffected share price as of June 4, 2018 and a 136% premium to the initial public offering price of Cotiviti's common stock.

The combined business will operate as a private healthcare information technology company with unique, data-driven capabilities. Together, the companies are expected to have greater impact in the healthcare IT market by increasing affordability, reducing waste and improving outcomes and quality as well as offer new opportunities to create substantial value for clients, including complementary solutions across multiple intervention points in the payment process.

"We are thrilled to partner with Cotiviti, which has become an important player in the growing and increasingly important and complex healthcare payment accuracy space," said Emad Rizk, M.D., President and CEO of Verscend. "Together, Verscend and Cotiviti will offer our clients a comprehensive, integrated end-to-end solution to address the estimated $900 billion in healthcare waste and abuse across the claims payment and care continuum. Financial data coupled with clinical data from our Risk Adjustment, Quality, and Population Health lines of business offer increased value to commercial payers, government entities, and providers."

Doug Williams, CEO of Cotiviti said, "We expect today's transaction to deliver compelling value for Cotiviti shareholders and allow us to continue to execute our strategic growth plan. We are excited to be combining with Verscend, and believe that together we will create an organization with robust data assets, expanded offerings and innovative technologies that will allow us to bring a broader portfolio of new and existing payment accuracy analytical solutions to our valued customers."

"We believe Cotiviti is a perfect fit with both our investment strategy and with Verscend, and we look forward to taking the platform to the next level through this exciting combination," said Ramzi Musallam, CEO and Managing Partner of Veritas Capital. "The aggregation of Cotiviti and Verscend's complementary data sets and analytical capabilities, coupled with the unrelenting focus and commitment to support our customers, is expected to further drive value-added solutions and differentiated product development."

Veritas Capital has a proven track record of driving growth for companies within the Healthcare Technology IT space, as illustrated by the firm's recent acquisition of GE Healthcare's Value-Based Care Division and investments in Truven Health Analytics and Verscend Technologies. Veritas has a deep understanding of the urgent need to digitalize our healthcare system and brings a culture of intense customer focus and a drive for growth through focused R&D and product innovation.

https://www.cnbc.com/2018/06/19/business-wire-veritas-capital-backed-verscend-to-acquire-cotiviti-for-4-point-9-billion.html

INSURANCE

SoftBank vision fund leads $200 million investment in PolicyBazaar

Insurance

06/25/2018

ETechAces Marketing & Consulting Pvt. Ltd, the operator of online insurance selling platform PolicyBazaar.com and lending marketplace PaisaBazaar.com, has raised $200 million (Rs 1,360 crore) in a round led by SoftBank Vision Fund.

Existing investors including Info Edge (India) Ltd, the parent of jobs portal Naukri.com, also took part in the Series F round, PolicyBazaar said in a statement on Monday. It didn't give any details of the round or the valuation.

However, a person close to the company said PolicyBazaar existing investors Temasek, Tiger Global Management, True North and PremjiInvest also took part in this round.

The person, who didn't wish to be identified, also said that PolicyBazaar raised this round at a valuation of $1 billion, making it the newest entrant to the Indian unicorn club.

Separately, in a regulatory filing, Info Edge said that the company and SoftBank and invested about $45 million each, for a total stake of 8.93% stake. This also translates to a valuation of about $1 billion.

The new round comes a little less than eight months after PolicyBazaar raised $77 million in a Series E round at a valuation of $500 million. It also comes days after another Indian tech startup, food delivery company Swiggy, joined the unicorn club after raising $210 million.

As for SoftBank, it adds to its growing investments in India. The Japanese tech investor—either itself through its $100 billion Vision Fund—has previously backed online retailers Flipkart, Snapdeal and Paytm, ride-hailing firm Ola, online grocer Grofers, hotel room aggregator Oyo, mobile advertising firm InMobi and instant messaging app Hike. Last month, however, the SoftBank Vision Fund agreed to sell its stake in Flipkart to US-based retailer Walmart Inc.

"We believe that the Indian insurance market continues to remain massively under-developed and PolicyBazaar…..is uniquely positioned to dramatically increase the adoption of insurance products in the country," said Munish Varma, partner at SoftBank Investment Advisers.

The Info Edge filing also said that PolicyBazaar clocked Rs 358.27 crore in revenue for the financial year through March 2018. This is up from Rs 212.87 crore for 2016-17 and Rs 109.54 crore the year before.

The filing didn't disclose the profit or loss number. According to VCCEdge, the data research platform of News Corp VCCircle, PolicyBazaar had swung to a net profit of Rs 75.8 crore for 2016-17 from a loss of Rs 79.5 crore the year before.

The company was also exploring an initial share sale in India as well as in the US. Late last year, it had met merchant bankers for the proposed $1.5-2 billion (Rs 9,660-12,900 crore) IPO, VCCircle reported at the time.

Founded in 2008 by Dahiya and Alok Bansal, PolicyBazaar has raised capital across at least five rounds. Its early backers were Info Edge, Intel Capital and Inventus Capital, according to VCCEdge. It also counts Steadview Capital, ABG Capital and Ribbit Capital among its investors.

PolicyBazaar offers various financial products, including insurance policies and loans, and helps consumers select a scheme based on an analysis of products, price, quality and key benefits.

PaisaBazaar, which is its online loan and credit cards marketplace was set up in 2014 and was en-route to clock Rs 400 crore in revenue, Dahiya had said at the time of it Series E fundraise. He had also said that the company had plans to launch overseas operations, with West Asia, and more specifically Dubai, likely to be its first port of call.

https://www.vccircle.com/softbank-vision-fund-leads-200-mn-round-in-policybazaar/

PAYMENTS

Payments gateway Billdesk nears $250 million funding round from Visa at a valuation of $1.5-$2 billion

Payments

06/25/2018

Mumbai-based payments gateway BillDesk is raising $250 Mn in a fresh funding round at a valuation of $1.5-2 Bn. According to reports, the global payments technology company, Visa is leading the round which is currently in the final stages.

The reports further mentioned that the deal will be a mix of primary and secondary transactions.

The two companies are currently negotiating valuation and it's speculated that the BillDesk founders are negotiating a higher value of $2 Bn following a successful IPO of Dutch fintech startup and PayPal rival Adyen.

Ayden had IPOed at over $8 Bn valuation and saw its shares surge 90% as it doubled its market cap.

"With RuPay and UPI gaining share, it has led to players like Visa and Mastercard, looking to tap newer avenues and bolster their space in the fast-growing digital payments market in India," the report added.

It is being suggested that with the investment in BillDesk, Visa would strengthen its position in the Indian digital payments ecosystem, which has seen disruption with the introduction of new modes like the Unified Payments Interface (UPI).

Last year, the two companies also announced the enablement of 50 large service providers for Bharat QR payments acceptance. With this move, the two have expanded to digital payment facility to potentially over 300 million consumers.

With global players like WhatsApp Pay and Google Tez; homegrown players like Flipkart's PhonePe, Paytm etc have made the UPI platform extremely competitive.

At the same time, Visa's investment will also give BillDesk a strong foothold in the online merchant acquisition side of the business.

Visa spokesperson said, "As a policy, the company doesn't comment on partnerships or investment speculation."

Founded in 2000 by three former Arthur Andersen executives - M N Srinivasu, Ajay Kaushal and Karthik Ganapathy - BillDesk is one among the rare profitable Internet companies in India.

The company processes payments worth almost $50 Bn per year and leads the charts for online bill payments. In the ecommerce segment, BillDesk gives major competition to PayU, CCAvenue and others.

In FY17, the company posted a revenue of INR 950 Cr and has been profitable for over a decade now. It is to be noted that generally, payments firms generate around 1-2% of gross revenue which comes from the commission that they fetch from merchants, in a widely known low margin business.

Recently, the reports had surfaced that BillDesk was looking for a strategic sale for which it held discussions with PayU, American Express and PayPal. However, the discussions fell flat with valuation mismatch.

Earlier in 2016, General Atlantic had picked up a 20% stake in BillDesk from its existing investors, valuing the company at $800 Mn.

A report by Credit Suisse predicted that India's digital payments industry, which is currently worth around $200 Bn, is expected to grow five-fold to reach $1 Tn by 2023.

While, the digital spending by consumers is expected to grow nearly 2.5 times to $100 Bn by 2020, according to a Google-BCG report.

https://m.dailyhunt.in/news/india/english/inc42-epaper-inc/payments+gateway+billdesk+nears+250+mn+funding+round+from+visa+at+a+valuation+of+1+5+2+bn-newsid-90860043

PayPal gets anti-fraud ability with $120 million acquisition of Simility

Payments

06/22/2018

Following on from its $400 million purchase of Hyperwallet on 20 June, it has now acquired fraud prevention and risk management platform Simility for $120 million.

Bill Ready, COO and EVP, PayPal, says this acquisition, like the ones of Swift Financial, iZettle, Jetlore and Hyperwallet over the last twelve months, is “part of a concerted effort to strengthen the suite of services” it can provide to merchants to become the “one-stop solution for global commerce”.

He adds: “Digital commerce has exploded, and fraudsters have taken note, adapting and developing new methods to carry out their crimes.”

PayPal invested in Simility last year because it says it built a suite of fraud tools that allow merchants to adjust individual risk rules to reduce fraudulent payment activity and, in some cases, verify transactions that may have otherwise failed.

Following the close of the deal, merchants on the PayPal platform will gain access to fraud tools that can be customised through their existing account management dashboard.

Ready says PayPal will begin integration efforts with Simility at the close of the acquisition, which is expected in the third quarter of 2018.

Once the acquisition closes, Simility CEO Rahul Pangam and the Simility team will report to VP of enterprise services platforms Tushar Shah.

PayPal will also get an office in Hyderabad, India. Could be handy as that country is a real battle ground in the fight for payments and e-commerce.

https://www.bankingtech.com/2018/06/paypal-gets-anti-fraud-ability-with-120m-acquisition-of-simility/

Crypto firm Fantom menaces rivals with $40 million funding

Payments

06/22/2018

Fantom Foundation has completed its $40 million fundraising round to build the "world's first" directed acyclic graph (DAG)-based smart contract platform for improved transaction speeds.

The funding support included Hyperchain Capital, Signum Capital, 8Decimal, Arrington XRP Capital, Bibox Fund, Link VC, Nirvana Capital and JRR Crypto.

The money will be used to develop Fantom's platform, which it says will enable cryptocurrency transaction speeds "significantly faster than traditional payment systems like Visa and Mastercard".

According to Fantom, popular cryptocurrency systems like Bitcoin and Ethereum are only able to handle around seven, and 15-20 transactions per second (TPS) respectively.

The firm's DAG-based protocol, however, will be able to process up to 300,000 transactions per second.

"More so than any other project currently out there, Fantom has the credible potential to bridge the gap between existing blockchain innovation and the mainstream user adoption, which is needed to bring cryptocurrency usage into the economics of daily life," says Stelian Balta, founder of Hyperchain Capital.

Fantom clearly wants to spook its rivals and plans to secure partnerships with a range of industries, among them food technology, telecom, banking and financial services, insurance, electricity, and real estate sectors.

It has got a non-fintech partnership with the Korea Food-Tech Association – an organisation with over 90 food tech member companies valued at KRW 200 trillion ($180.6 billion).

Fantom adds that Oracle and SBCK (a subsidiary of Softbank Korea) are also onboard as partners

https://www.bankingtech.com/2018/06/crypto-firm-fantom-menaces-rivals-with-40m-funding/

SECURITIES

BitSight, a provider of security ratings, raises $60 million at a valuation of around $600 million

Securities
06/28/2018

As the tech world continues to grapple with how best to deal with the growing issue of malicious hacking and other security breaches, a startup that has developed a ratings system to track how well businesses are faring has raised a large growth round to expand its business. BitSight, which provides an ongoing, changing “risk security posture” of some 1,200 organizations, has raised $60 million in a Series D round led by Warburg Pincus, funding that it will use to expand its risk management solutions — specifically in areas like analytics — and overall business development.

This brings the total raised by BitSight to $155 million. Tom Turner, BitSight’s CEO, said the company was not disclosing its valuation with this round, but he hinted that it was ten times more than the company’s valuation at its Series A. That round, according to figures from PitchBook, was at $60 million post-money, meaning that the company is now valued at around $600 million.

Others in this round include Menlo Ventures, GGV Capital and Singtel Innov8, all previous investors.

Security ratings, if you are relatively unfamiliar with them, are just what they sound like: “an objective, continuous, external measure of an organization’s overall cyber security posture,” in the words of Turner.

At a time when businesses have to integrate with third parties and different divisions in their own operations on a regular basis, these ratings give a security officer the ability to track the relative security is of different aspects of the overall operation. “The ratings platform provides them with agility, enabling them to focus their scarce resources to address the biggest risks and conduct data-driven conversations with vendors to enable them to remediate issues quickly, reducing overall risk to the organization,” says Turner. Typical customers include large to mid-sized organizations, and while BitSight doesn’t provide specific names it says the list includes seven of the top 10 cyber insurers, 20 percent of Fortune 500 companies, and three of the top five investment banks, an impressive list.

Others that use these ratings are cyber insurance companies, when devising what kind of rates to charge customers, and also to monitor those customers after they are insured. And they are also used by companies, Turner says, to assess acquisition targets when a company is going through due diligence; or before making investments. The bigger picture is not just to identify security flaws or risks, but to use the data provided by BitSight to work on fixing the problems as well: there are some 100,000 third parties’ services and operations mapped and tracked in its “risk ecosystem.”

It's a relatively new area of business insight that BitSight credits itself with having devised in 2011 — so in a way it's not too much of a surprise that it's the leader in its field. However, there are other competitors that have emerged, such as Security Scorecard, RiskRecon and FICO.

If you think that "security ratings" sound a little like "credit ratings", you are not wrong. They are devised, Turner said, "using an approach similar to credit ratings for financial risk," with external data, user behavior and public disclosures all going into the mix. Scores calculated on a scale of 250-900 with a higher rating indicating better security performance.

Ironically the fall of the latter has helped the rise of the former, with a security rating now helping to form the overall financial profile of a company, given the high costs of fixing a breach — and the impact that can have on a company's overall valuation (just ask Verizon and Yahoo). "Following the Equifax breach, 95% of the ratings reports sent to a large financial organization were BitSight's," Turner said. Those who are BitSight customers can share their vendors' security rating free of charge and can invite the vendor into the platform to see the prioritized issues to remediate. "As breaches happen, we see an uptick of vendor access reports."

It's the increased risk of security breaches and how BitSight might be able to help manage that, or at least make the risk more apparent to the company and those it works with, that attracted investors in this round.

"With ever-increasing security threats, cybersecurity ratings are becoming an important part of leading companies' cyber-defense. BitSight created the category and is the leader in the security ratings market, with a proven approach and platform to help customers continuously and effectively monitor cyber risk in their business ecosystem," said Cary Davis, MD of Warburg Pincus, in a statement. "We believe there is tremendous opportunity for BitSight globally, and we look forward to working with Tom and the rest of the talented management team in the company's next phase of growth."

Davis will join BitSight's board of directors with this round.

https://techcrunch.com/2018/06/28/bitsight-a-provider-of-security-ratings-raises-60m-at-a-valuation-of-around-600m/

Cyber startup Baffin Bay Networks takes in $6.4 million funding led by EQT Ventures

Securities

06/28/2018

For a long time, it has been hard to buy a cloud-first security platform that delivers full-stack security in a single data path. Current market solutions offer a "one-trick pony," leaving companies with overly complex routing setups or abnormal latency of traffic to get a solution that fulfills their needs.

Swedish cybersecurity startup Baffin Bay Networks thinks it has the answer, with distributed "threat protection centers" which interfere with the traffic before it reaches its customers' services and removes any potential threats.

It has today announced the closing of a $6.4 million Series A round. The investment was led by European VC EQT Ventures and the capital will be used for further international expansion.

"We're passionate about building a world-class threat protection platform – one that is easy to use for any company or service provider to protect their key assets and services," said Joakim Sundberg, CEO at Baffin Bay Networks .

Competitors include Incapsula, Cloudflare, Akamai, Arbor and the like.

Via the customer portal Riverview, users can configure their own security settings and level of protection. The user interface allows for real-time tracking of traffic and delivers real-time results from threat analysis, providing current and complete information on the activity in their online environment.

Should users wish not to configure settings on their own, they can rely on preset, sensible defaults, which are calculated using sophisticated algorithms.

https://techcrunch.com/2018/06/28/cyber-startup-baffin-bay-networks-takes-in-6-4m-funding-led-by-eqt/

Real estate investment platform StraightUp announces merger with Slice, a blockchain-powered platform for cross-border investors

Securities

06/26/2018

StraightUp, an innovative real estate-focused platform giving investors access to previously unavailable development opportunities, announced today a merger with Slice, the first blockchain-based REIT for investors around the world.

The merger will disrupt the real estate investing space, providing increased transparency and liquidity backed by secure blockchain technology and the tokenization of securities, opening new doors for international investors interested in prime U.S. real estate.

StraightUp was designed to democratize access to previously unattainable high-potential investment opportunities in New York City. As a result of merging with Slice, the new and improved platform will give international investors access to premium equity opportunities in desirable cities across the country, including New York City, Los Angeles and San Francisco.

Slice's secure blockchain-powered platform allows foreign investors to immediately own equity in developments, providing a layer of security and trust that has been missing from the real estate investment space until now.

"Our goal at StraightUp was always to increase access to the real estate investment market for those who are not well-connected or the super-rich elite," said Omer Amsel, co-founder and COO at StraightUp. "By merging with Slice, we now have access to their innovative technology and international investors, giving us the resources we need to further democratize real estate investments while maintaining our core value: transparency. We believe the future of real estate investing is rooted in a combination of new development and new technology, which is precisely what our merger with Slice brings to the market."

To support Slice's mission to make investing in small amounts both easy and affordable – which perfectly aligns with StraightUp's core goal – Slice uses blockchain-powered tokens, which can be purchased by either fiat or cryptocurrency, to represent stakes in an investor's real estate portfolio.

By tokenizing assets, investors can easily identify the properties backing their investment, prove their ownership, receive returns in real-time, and freely exchange ownership with others on the blockchain.

"At Slice, we leverage innovative blockchain technology and the tokenization of securities to advance the state of real estate investing, a longstanding and classic investment option. Our vision is to be the largest issuer of real-estate backed compliant security tokens. We also prioritize working with regulators across all jurisdictions, ensuring our platform always offers top-notch security and compliance," said Ari Shpanya of Slice. "Our merger with StraightUp will result in never-before-seen access, transparency and liquidity for investors thanks to the perfect combination of our groundbreaking technology and StraightUp's core real estate-focused platform and values."

The U.S. commercial real estate investable market space is currently comprised of $15 trillion and shows no signs of slowing.

https://www.prnewswire.com/news-releases/real-estate-investment-platform-straightup-announces-merger-with-slice-a-blockchain-powered-platform-for-cross-border-investors-300671917.html

Blockchain firm Conio closes Series A2 with $3 million of funding

Securities

06/25/2018

Conio, the blockchain company, has completed its series A2 round of funding of around $3 million.

This raises the total valuation of the firm to over $40 million, a move supported by advisor Innova et Bella.

Christian Miccoli, Conio's co-founder, business development director, says: "The funds raised by Conio will enable further development of our service offer to support our retail and corporate clients in the use of blockchain protocols and banking e-wallets for digital asset management."

Conio was founded in San Francisco in 2015, and claims to be the first in Europe to provide blockchain-based integrated solutions for digital asset management to financial institutions, banks and insurance companies.

The offerings range from e-wallets to manage cryptocurrency holdings to the integration of blockchain protocols within cards and smartphone payment services, all offered in white and private label versions.

Vincenzo Di Nicola, Conio's co-founder, technology director, adds: "The new funds raised by Conio allow us to ramp up our research and development activities in key industries and in others that will soon make use of digital currencies: from e-commerce to telecom, from financially smart cars to smart insurance contracts."

Di Nicola states: "In each of these markets, we are striving to be able to meet the growing demand of partnerships that we are getting from banks and insurance companies, enterprises and institutions."

Conio counts among its shareholders Poste Italiane, Banca Finanziaria Internazionale, Fabrick, Boost Heroes, the Italian Angels for Growth network, David Capital and a wide group of professional investors.

https://www.bankingtech.com/2018/06/blockchain-firm-conio-closes-series-a2-with-3m-of-funding/

US financial planner Grove gets groovy with $8 million funding

Securities

06/21/2018

San Francisco-based financial planner Grove has raised $8 million in a Series A funding round led by Defy.vc.

The round also included participation from Tusk Ventures, Bullish, Winklevoss Capital, NextPlay Capital, Kevin Durant and Rich Kleiman of The Durant Company, 500 Fintech, Rabil Ventures, and Patrick Kerney.

If that's not enough names, Grove also got the support of some of its seed investors, including First Round Capital, SV Angel, Upside Partnership, Fuel Capital and NerdWallet co-founder Jake Gibson. The start-up was founded in 2015, and like many other firms cites democracy as a cornerstone of its approach.

Chris Hutchins, co-founder and CEO of Grove, says: "In talking to friends, family, and colleagues – and, frankly, based on our own experiences – we recognised that financial advice you can trust was too hard to find and too expensive."

It's the same old line used by other start-ups.

This new round of funding will be used to expand its product offering. Grove is also hiring – and is looking for engineers, financial planners, marketers and a chief of staff. It publicly launched four months ago.

Grove works by asking users to fill out an online profile and syncing their accounts. People then speak with a financial planner to discuss their current situation, and create a personalised plan. Users' plans include actionable steps, like how to allocate money between savings and investment accounts and how to take advantage of employers' retirement benefits.

Grove says it will monitor customers' progress, such as offering updates on important actions to take, and scheduling an annual check-up to keep plans up to date.

Hutchins previously worked as "entrepreneur in residence" and as a partner at Google Ventures.

Chris Doyle is the other co-founder and its chief investment officer. His experience includes Barclays Capital and C12 Capital Management.

https://www.bankingtech.com/2018/06/us-financial-planner-grove-gets-groovy-with-8m-funding/

SPECIALTY FINANCE / ALTERNATIVE LENDING

Crowd lending fintech raises more than $17 million

Specialty Finance / Alternative Lending

06/21/2018

The crowd lending startup P2Binvestor has secured more than $17 million in funding from more than 20 participants to expand its bank partnership program, the company announced Thursday.

It was the fourth round of funding for the Denver company. The combination of debt and equity brings P2Binvestor's total equity raise to over $13 million since 2013. The round was led by angel investors.

P2Binvestor, which was founded in 2012, acts as a middleman between small and midsize businesses and banks.

Managing a commercial client relationship and a team of accredited investors, the startup helps community banks provide such business customers with growth capital at lower interest rates. These businesses are sometimes ones that would not qualify for a traditional commercial line of credit.

P2Binvestor's lending portfolio is mainly made up of loans originated by banks as well as private and institutional investors. Because of debt funding, the fintech is also able to provide its own lines of credit.

In October 2017, the fintech startup began its bank partnership program with New Resource Bank, a part of Amalgamated Bank. Since then, the bank has closed seven loans worth more than $16 million through the startup.

"Over the course of the past few months, P2Bi has focused on building a new partnership model with community banks that is proving to be very successful," Krista Morgan, P2Binvestor CEO and co-founder, said in a press release.

"Growing businesses love the idea that we can graduate them to cheaper financing without the hassle of switching, and banks love that they can be the first lender to a growing business building a valuable, long-term relationship. This raise enables us to onboard new banks into the program."

https://www.americanbanker.com/news/crowd-lending-fintech-raises-more-than-17m

Linked Finance secures €50 million in backing from Portuguese digital bank

Specialty Finance / Alternative Lending

06/21/2018

Peer-to-peer (P2P) lending platform Linked Finance has obtained €50m in backing from Portugal-based digital bank Banco BNI Europa.

The digital bank will deploy up to €5m over a two-year period to lend to Irish SMEs. Linked Finance connects Irish SMEs who need loans with an online lending community of more than 19,000 users. That community is made up predominantly of ordinary Irish people who wish to earn attractive returns lending to creditworthy local businesses.

The fintech-driven future

The agreement will further boost liquidity on the P2P platform, which has already provided more than 1,400 loans to Irish SMEs. The company has demonstrated an impressive growth trajectory since its establishment in 2013, lending over €59m to date while recording its strongest quarter in Q1 2018.

"Banco BNI Europa's decision to deploy capital on the Linked Finance platform is great news for Irish SMEs," said Niall Dorrian, CEO of Linked Finance. "It is yet more evidence of how the world is changing and through technology Linked Finance is making it easier for SMEs to borrow money. This arrangement with Banco BNI Europa will allow us to immediately increase lending to local businesses.

"It complements the funding available from our existing users – ordinary members of the Irish public – who will continue to play a crucial role in helping us to fulfil our mission of providing fast and affordable finance for Ireland's SME sector."

Banco BNI Europa is a digital bank and alternative lending investor that has partnered with alternative lending platforms across Europe since 2016. These include leading P2P lending platforms in Germany, Belgium and Finland.

"As a fintech-driven bank, a partnership with Linked Finance is a natural fit for our business, supporting our strategy of growth and diversification within our European portfolio," explained the bank's chair Pedro Coelho. "Over the past years, we have successfully built a network of strategic partnerships with fast-moving fintech companies across Europe. Ireland is a market we have been keen to enter and, as the leading P2P lending platform here, Linked Finance is the obvious partner."

https://www.siliconrepublic.com/start-ups/linked-finance-banco-bni-europa-p2p-lending

DATA & ANALYTICS / IoT

DroneDeploy raises $25 million of Series C funding to bring drones to every job site

Data & Analytics / IoT

06/26/2018

DroneDeploy today announced that they have raised $25 million in series C funding. DroneDeploy is the largest cloud-based drone data platform with a community of 30,000 users having mapped 30 million acres in 180 countries on 400,000 job sites.

The round is led by the Invenergy Future Fund, a venture capital firm focused on making technology investments into early-stage companies that make energy and industrial operations more affordable, reliable, and secure.

The round is also backed by AirTree, one of the largest venture capital firms in Australia, as well as existing investors, Scale Venture Partners, Uncork Capital, Emergence Capital and AngelPad. The Series C funding round brings the total amount of equity investment raised by DroneDeploy to over $56 million.

"We started DroneDeploy to make drones accessible tools to everyone, and we've since become the world's largest commercial drone software platform by providing drone software that's both easy to use, and powerful," said Mike Winn, CEO and co-founder of DroneDeploy.

"With this new funding round, we have the opportunity to work with more customers who will bring our platform to new industries, and transform workflows on every job site."

DroneDeploy plans to use the funds to extend its position as the market leader by expanding their ecosystem of over 80 platform apps and integrations, and accelerating a series of industry-focused solutions.

With increasing adoption in the Energy, Construction, and Agriculture industries, DroneDeploy plans to invest heavily in artificial intelligence to build new workflows that solve some of the toughest challenges facing companies today.

"Our investment process into this market was customer-led," says John Tough, a Partner at the Invenergy Future Fund. "The consistent theme we heard from customers is that DroneDeploy's product and accompanying applications help achieve significant ROI and reduce risk on the job site. We are excited about the early and growing market leadership the company has established in power and energy industries."

DroneDeploy has seen unparalleled growth in 2018 through the continued release of new features and developing strategic partnerships with SoftBank, Accenture, and The Climate Corporation.

Most recently, they launched the industry's only real-time mapping solution, Live Map, which stitches RGB and thermal imagery on the edge using iOS devices—providing instant insights on the job site.

Their newly released enterprise cloud capabilities provide the management and security tools necessary to scale drone operations across large organizations. And DroneDeploy's App Market now has more than 80 software integrations, making it the largest drone data ecosystem on the planet.

https://www.businesswire.com/news/home/20180626005532/en/DroneDeploy-Raises-25M-Series-Funding-Bring-Drones

Surgical.AI completes $20 million investment in Caresyntax, raising Caresyntax's total first round financing to $31.9 million

Data & Analytics / IoT

06/22/2018

Caresyntax, a surgical data, analytics and automation company, announced it has successfully concluded its first funding round with a total of $31.9 million in collected funds. Norgine Ventures, a European business supporting innovative healthcare companies with debt-like financing, provided caresyntax with financing of up to €10 million ($11.9 million), and surgical.AI, a Berlin and Boston-based specialized healthcare artificial intelligence (AI) investor, invested $20 million.

Caresyntax will use this financing to grow its U.S. business further, and to develop machine learning and value-added applications for surgical risk management. The company helps hospitals and ambulatory surgical centers identify and manage risk, automate workflows, enhance knowledge sharing and reduce surgical variability.

"We believe that AI and robotics applications in healthcare are one of the foremost investment opportunities of our times, and we are proud to support the growth of caresyntax, which has created the largest data marketplace in surgical services," said Bjoern von Siemens, Managing Partner of surgical.AI. "With an installed base of more than 6,000 operating rooms, 10,000,000 procedures, and yearly generation of 100 petabytes of unique, high-fidelity data, caresyntax is uniquely positioned to create AI applications, enable robotics, and to support clinical and business decisions in hospital systems. As a vendor neutral company, caresyntax can leverage its technologies for the benefit of patients and caregivers, while putting ultra-high standards of data privacy and ethical data use first."

The caresyntax platform aggregates structured and unstructured data from operating room (OR) devices, electronic health records (EHRs) and other sources, and presents it in a unified dashboard to inform surgeons' clinical decisions. The platform allows surgeons to reduce time spent on documenting their cases, while generating quality data for improved decision making and training. With a granular focus unique among data analytics products, caresyntax deciphers the causes of surgical variations and makes recommendations for fixing them, resulting in reduced readmissions, improved patient safety and better clinical workflows.

"In an era when hospitals and ambulatory surgery centers are focused on improving quality and lowering costs, caresyntax technology is reducing risk and increasing efficiency with its data-driven OR integration platform, which gives surgeons and hospital decision makers the information they need to make optimal decisions," said Dr. Paul Summerside, MD, CMO of caresyntax and investor in surgical.AI. "The success of caresyntax technology, which is used around the world in more than 1,800 hospitals, is just what healthcare providers here need to boost their ORs to a higher level of performance."

Used by Chiefs of Surgery, OR Managers and Quality Management officials, the vendor-neutral caresyntax platform consists of PRIME365 OR integration and qvident® surgical performance management software. It addresses surgical outcomes variability, automates workflow processes, improves training protocols, and safeguards reimbursement. Usability, easy reporting and workflow automation are hallmarks of the platform.

Caresyntax was launched in 2013 in Germany, and established its full-time North American operations and headquarters in Boston in October.

https://idataresearch.com/surgical-ai-completes-20-million-investment-in-caresyntax-raising-caresyntaxs-total-first-round-financing-to-31-9-million/

OTHERS

Balbix raises $20 million for a predictive approach to enterprise cybersecurity

Others

06/27/2018

Security breaches are a disaster for corporate companies, but good news if you're someone who offers preventative solutions. In 2018, wide-ranging attacks on the likes of Equifax, Sony Pictures and Target have only added value to those charged with safeguarding companies.

Balbix, one such solutions provider, has pulled in a $20 million Series B to grow its business and try to prevent high-profile cybersecurity disasters using a predictive model of measuring and assessing threats.

The round is led by Singtel Innov8, the corporate fund of Singapore telco Singtel, which owns Trustwave and is active in the security space, and Mubadala Ventures, the Abu Dhabi firm that's well-known for backing SoftBank's $100 billion Vision Fund. Existing Balbix investor Mayfield Fund also took part alongside angels, including ex-Cisco CEO John Chambers, former Cisco EVP Pankaj Patel and entrepreneurs BV Jagadeesh and Gary Gauba.

Balbix raised $8.6 million a year ago when it came out of stealth, although the company was first founded 2.5 years ago by CEO Gaurav Banga (photographed above), who was a founder of Bromium, a fellow security company that has raised more than $115 million from investors.

This time around with Balbix, Banga is turning predictive. The company's platform uses a combination of smarts like artificial intelligence and machine learning to essentially map out all potential vulnerabilities within an organization. That could range from varying operating system version numbers to weak employee passwords, one employee's poorly secured laptop and beyond. The Balbix system plugs into existing operational security products to offer reactive responses and to create a real-time view of an organization's security health and any weaknesses.

"At enterprise scale, keeping everything up to snuff is very hard," CEO Banga told TechCrunch in an interview. "Most organizations have little visibility into attack surfaces, the right decisions aren't made and projects aren't secured."

"We started this company so that we could use cutting-edge machine learning algorithms to automatically and comprehensively measure the security and attack surface, and to produce relevant insights for all stakeholders," he added. "You look at the numbers and you could easily have hundreds of millions or tens of billions of data points to watch for vulnerabilities — you have to make sure they are OK."

The timing certainly seems opportune, with data breaches seemingly in the headlines on a regular basis. In particular, in the case of Equifax, the implications of the attack went to the C-level management and boardroom.

“2017 was special,” Banga said. “Ask any CIO, CEO or board member of a public company and that was the year that everyone woke up [and] figured their careers were at risk. It should have happened before but it took the Equifax breach… they realized this thing is real and it can have a career-altering impact on their work and personal life.”

“The CSO was always the fall guy before, but now it can go all the way up,” he added. “One of our challenges we face now is how do you answer a board member or CEO’s questions on security. For us, the answer is simple: if you can’t measure something then you can’t improve it, the right decisions are based on data so go ahead and find that data.”

Unlike other solutions, Balbix doesn’t charge security companies by the event — aka attacks — so it remains invested in preventing those kinds of scenarios from happening.

For this round, Banga said the company was focused on raising “smart money” that goes beyond simply providing capital to offer strategic value, too. The company does have international reach in terms of customers — which include both enterprise customers and global managed security service providers (MSSP) — and sales, but for now its only office is in San Jose.

Internationalization is certainly an area where Singtel Innov8 and Mubadala Ventures — located in Southeast Asia and the Middle East, respectively — can lend a hand, and the company itself is weighing up international offices.

https://techcrunch.com/2018/06/27/balbix-raises-20m/

Threat prevention company Cylance raises $120 million in funding

Others

06/19/2018

Cylance Inc., an Irvine, CA-based AI-powered threat prevention company, closed a $120m funding round.

The round was led by funds managed by Blackstone Tactical Opportunities with participation from other investors.

The company intends to use the funds to bolster sales, marketing and development efforts to increase market share, further expand its global presence across Europe, the Middle East, and Asia Pacific, and extend its product offerings.

Led by CEO Stuart McClure, and CFO Brian Robins, Cylance provides an artificial intelligence and machine learning platform for all cybersecurity attacks to prevent the most advanced security threats in the world. Using a predictive process, CylancePROTECT identifies what is benign and what is a threat, and prevents malicious code from ever executing on a targeted system.
To date, the company has prevented over 23 million attacks worldwide, including more than four million previously unidentified attacks. The types of attacks prevented include both known and unknown threats such as ransomware, exploit and memory attacks, fileless attacks, script-based attacks and living off the land attacks.

http://www.finsmes.com/2018/06/threat-prevention-company-cylance-raises-120m-in-funding.html