

September 18, 2013

# FINANCIAL TECHNOLOGY PARTNERS LP FTP SECURITIES LLC

*is pleased to announce its role as exclusive  
strategic and financial advisor to*



NETWORK MERCHANTS INC  
..... nmi.com .....

*in its growth investment by*



**Bregal**Sagemount

*for a total valuation of approximately*

## \$200,000,000

FINANCIAL  
TECHNOLOGY  
PARTNERS

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

[www.ftpartners.com](http://www.ftpartners.com)

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NETWORK MERCHANTS INC  
nmi.com



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# Network Merchants, Inc. Receives Growth Investment

## FT Partners Advises Network Merchants on its Growth Investment

### Transaction Overview and Rationale

**Network Merchant Inc.'s Growth Investment demonstrates FT Partners' continued success in the high growth e-Commerce / Payments space**

#### Overview of Transaction

- On September 18, 2013, Network Merchants, Inc. ("Network Merchants" or the "Company") announced that Bregal Sagemount has made a significant growth investment in the Company, valuing it at approximately \$200 million
- Bregal Sagemount is a private equity firm focused on investing in and acquiring high-growth companies; the firm is currently investing out of Bregal Sagemount I, LP, a fund with \$500 million of committed capital

#### Significance of Transaction

- The transaction is a highly attractive outcome for Network Merchants
- The transaction positions Network Merchants well to pursue additional growth opportunities and continue improving its market-leading platform by leveraging Bregal Sagemount's strategic relationships
- Bregal Sagemount gains a partnership with an elite, rapidly growing payments gateway

#### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Network Merchant's founders
- FT Partners leveraged its extensive network to help Network Merchants find the ideal partner

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## Network Merchants Comprehensive Product Suite

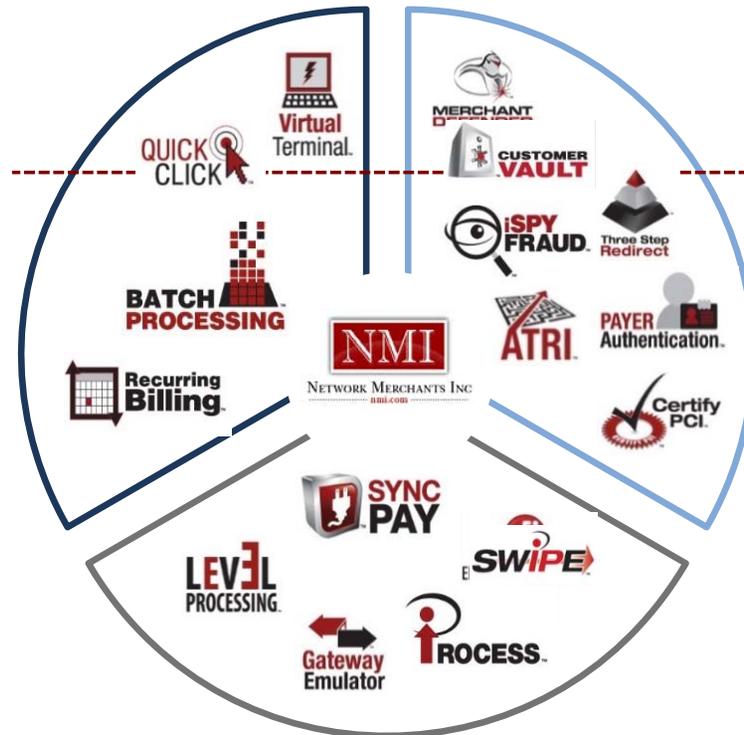
*Comprehensive suite of software and services that help merchants process emerging payments in a secure manner*

### Core Processing Products and Services

*Provides the primary functionality that allows merchants to process and store transactions using the NMI platform*

### Security Products and Services

*Provides end-to-end data encryption, ensures PCI compliance and mitigates fraud risk*



### Additional Revenue Generating Products and Services

*Provides functionality that can be used with the rest of the gateway platform or separately as an add-on service*

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## Bregal Sagemount Overview

- Bregal Sagemount is a private equity firm focused on investing in and acquiring high-growth companies
- Bregal Sagemount is currently investing out of Bregal Sagemount I, LP, a fund with \$500 million of committed capital and one of the largest debut funds in the growth segment
- The firm invests in a variety of industry sectors including: Software, tech-enabled services; business services; information, internet, data infrastructure; healthcare services; transaction processing, specialty finance; and consumer services
- Bregal Sagemount's investments typically have the following characteristics
  - Pure Growth Investing: Teams with market-leading companies in growth industries
  - Flexible and Solution-Oriented Capital: Provides capital structured to fit the needs of growth companies
  - Focused Experience: The team has deep domain expertise in targeted growth sectors
  - Collaborative Long-Term Partners: Supports exceptional management teams to build value

## Select Previous Investments

Year	Company	Value (\$ in mm)	Description
<b>eCommerce Solutions</b>			
2013	<b>NETRADA</b>	na	NETRADA is the fastest growing provider of end-to-end e-commerce solutions to the fashion and beauty industry.
<b>Software and Technology-Enabled Services</b>			
2013	 <b>MicroEdge</b>	na	MicroEdge is the leading provider of software and services to the giving community worldwide
<b>Healthcare Services and HIT</b>			
2013	 <b>ADREIMA</b>	na	Adreima is a provider of revenue cycle management services to the healthcare industry
2013	 <b>RECONDO</b>	20	Recondo is the leading provider of innovative revenue cycle services and proper payment solutions for the healthcare industry
2013	 <b>ZeOmega</b>	22	ZeOmega is a leading provider of population health management software

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Source: Company Website.



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# Network Merchants, Inc. Receives Growth Investment

## Selected FT Partners' Payments Transactions

Financial Technology Partners LP  
FTP Securities LLC

*is pleased to announce its exclusive role as sole strategic and financial advisor to*



**VERUS**  
in its sale to



**sage**

for cash consideration of approximately

**\$ 325,000,000**



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Financial Technology Partners LP  
FTP Securities LLC

*is pleased to announce its exclusive role as sole strategic and financial advisor to*



**FLEET ONE**  
in its cash sale to



**wex**

for total consideration of approximately

**\$ 369,000,000**



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Financial Technology Partners LP  
FTP Securities LLC

*is pleased to announce its exclusive role as sole strategic and financial advisor to*



**MERCURY**

in its approximately 60% Strategic Growth  
Investment by



**SILVERLAKE**



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Financial Technology Partners LP  
FTP Securities LLC

*is pleased to announce its exclusive role as sole strategic and financial advisor to*



**YAPSTONE**  
ePayments as a Service

in its minority investment led by



**ACCEL**  
PARTNERS

for total consideration of approximately

**\$ 50,000,000**



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Financial Technology Partners LP  
FTP Securities LLC

*is pleased to announce its exclusive role as sole strategic and financial advisor to*



**CentralPayment**

in its Strategic Investment by



**TSYS**



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Financial Technology Partners LP  
FTP Securities LLC

*is pleased to announce its exclusive role as sole strategic and financial advisor to*



**PROPAY**

in its sale to



**TSYS**



The Only Investment Bank  
Focused Exclusively on Financial Technology

Financial Technology Partners LP  
FTP Securities LLC

*is pleased to announce its exclusive role as sole strategic and financial advisor to*



**Lynk**  
in its sale to



**The Royal Bank  
of Scotland**

for cash consideration of approximately

**\$ 525,000,000**



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Financial Technology Partners LP  
FTP Securities LLC

*is pleased to announce its exclusive role as sole strategic and financial advisor to*



**Merchant  
Warehouse**

in its Significant Growth Recapitalization by



**PARTHENON  
CAPITAL PARTNERS**



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# Network Merchants, Inc. Receives Growth Investment

## Selected FT Partners' Private Capital Raise Transactions

**Financial Technology Partners LP  
FTP Securities LLC**  
*is pleased to announce its exclusive role as sole strategic and financial advisor to*







**The Only Investment Bank  
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**Financial Technology Partners LP  
FTP Securities LLC**  
*is pleased to announce its exclusive role as sole strategic and financial advisor to*



*in its financing, including investment from*







*for approximately*

**\$ 15,000,000**



**The Only Investment Bank  
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**Financial Technology Partners LP  
FTP Securities LLC**  
*is pleased to announce its exclusive role as sole strategic and financial advisor to*



*in its minority recapitalization for*

**\$ 110,000,000**



**The Only Investment Bank  
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**Financial Technology Partners LP  
FTP Securities LLC**  
*is pleased to announce its exclusive role as sole strategic and financial advisor to*



*in its financing for approximately*

**\$ 250,000,000**

*valued at approximately*

**\$ 1,800,000,000**



**The Only Investment Bank  
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**Financial Technology Partners LP  
FTP Securities LLC**  
*is pleased to announce its exclusive role as sole strategic and financial advisor to*



*in its recapitalization by*




*of approximately*

**\$ 238,000,000**



**The Only Investment Bank  
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**Financial Technology Partners LP  
FTP Securities LLC**  
*is pleased to announce its exclusive role as sole strategic and financial advisor to*



*in its financing for approximately*

**\$ 10,100,000**



**The Only Investment Bank  
Focused Exclusively on Financial Technology**

**Financial Technology Partners LP  
FTP Securities LLC**  
*is pleased to announce its exclusive role as sole strategic and financial advisor to*



*in its debt financing led by*




*totaling approximately*

**\$ 148,000,000**



**The Only Investment Bank  
Focused Exclusively on Financial Technology**

**Financial Technology Partners LP  
FTP Securities LLC**  
*is pleased to announce its exclusive role as sole strategic and financial advisor to*



*in its agreement of financing terms with*




**The Only Investment Bank  
Focused Exclusively on Financial Technology**

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NETWORK MERCHANTS INC  
nmi.com



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# Network Merchants, Inc. Receives Growth Investment

## FT Partners Named “Dealmaker” and “Investment Bank” of the Year

### Awards Overview

- FT Partners consistently receives top honors and recognition from national association:
  - **Dealmaker of the Year** (2007, 2008, 2009 and 2012)
  - **Professional Services Deal of the Year** (2012)
  - **Boutique Investment Bank of the Year** (2011)
  - **Deal of the Decade** (2011)
  - **Middle Market Deal of the Year, Cross-Border Deal of the Year and IT Services Deal of the Year** (2010)
  - **Investment Banking Firm of the Year** (2004 and 2006)
  - **Financing Professional of the Year** (2006)
  - **Product of the Year – IPO Advisory** (2006)
  - **Deals of the Year** (2005, 2006 and 2007)
  
- **2008’s top ranked** investment banker named on *Institutional Investors* annual “*Online Finance 40*” ranking
  - Consecutively ranked for 3 years (2008, 2007, 2006)
  
- Founder and Managing Partner, Steve McLaughlin, lauded **highest honors** as both “Dealmaker of the Year” and “Financing Professional of the Year”
  
- Top award winning Investment Bank collecting **more than 12 separate awards** for outstanding performance and client results
  - FT Partners has received over 75 award nominations across an unprecedented array of categories
  
- FT Partners’ “**IPO Advisory**” service – as demonstrated in one of the most successful Payments IPOs in history, VeriFone – received its third industry award in 12 months for Product of the Year
  - Previously recognized in our 2006 Financing Professional of the Year award and 2005 Deal of the Year



### ***Boutique Investment Bank of the Year Deal of the Decade***

#### **Selected Transactions:**

- The \$1.3 billion sale of AmWINS to New Mountain Capital
- The \$238 mm capital raise for SquareTrade
- The \$370 million sale of Custom House to Western Union
- The \$680 million sale of ATD to Citigroup
- The \$145 million sale of EDC to Cardtronics
- The \$50 million minority investment in YapStone led by Accel Partners
- The 60% strategic growth investment for Mercury Payment Systems by Silver Lake
- The \$525 million sale of Lynk to The Royal Bank of Scotland
- The \$325 million cash sale of Verus Financial Management to Sage Group PLC
- The \$245 million cash sale of Corillian Corp to CheckFree
- The \$110 million minority recapitalization of TradingScreen
- The \$250 million capital raise for Liquidnet