

March 19, 2012

# Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as exclusive  
Capital Markets Advisor to*

## Performant



*in its debt financing  
totaling*

# \$147,500,000

*Courtesy of:*



**Financial Technology Partners LP**  
601 California St., 22<sup>nd</sup> Floor  
San Francisco, CA 94108  
Tel: 415.512.8700  
Fax: 415.512.8701

*The Only Investment Bank  
Focused Exclusively on Financial Technology*

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

**Steve McLaughlin**  
*Managing Partner*  
Tel: 415.512.8704  
Fax: 415.358.5620  
[steve.mclaughlin@ftpartners.com](mailto:steve.mclaughlin@ftpartners.com)

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# FT Partners as Capital Markets Advisor to Performant

## Transaction Summary: Performant Secures \$147,500,000 Credit Facility

### Transaction Overview and Rationale

#### Overview of Transaction

- On March 19, 2012, Performant Financial (“Performant”) announced it had secured a new \$147,500,000 credit facility
- Proceeds will be used to refinance the existing credit facility and buy out a portion of the Company’s preferred equity
- FT Partners worked with a number of lenders, and the Company ultimately chose Madison Capital as Lead Arranger for the facility

#### Significance of Transaction

- Transaction allowed the Company to significantly reduce interest expense and increase flexibility to pursue future strategic acquisitions

#### FT Partners’ Role

- FT Partners served as the exclusive capital markets advisor to Performant and its management team
- Transaction highlights FT Partners’ ability to successfully and efficiently help clients to execute complex capital markets transactions
- FT Partners worked with the Company and Madison Capital to develop a detailed and comprehensive set of marketing and financial materials to highlight the unique value proposition of Performant and to enable efficient and thorough investor diligence

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive capital markets advisor to*

**Performant**



*in its debt financing led by*

**Madison Capital Funding LLC**

*totaling*

**\$147,500,000**



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***Due to its unique model infusing technology, data and analytics into its platform, Performant has become one of the fastest growing private BPO companies, with adjusted EBITDA of nearly \$60 million and y-o-y growth exceeding 38%***



# FT Partners as Capital Markets Advisor to Performant

## Company Overview

### Company Overview

**CEO:** Lisa Im  
**Chairman:** Jon Shaver  
**Employees:** ~1,300  
**Financial Sponsor:** Parthenon Capital Partners

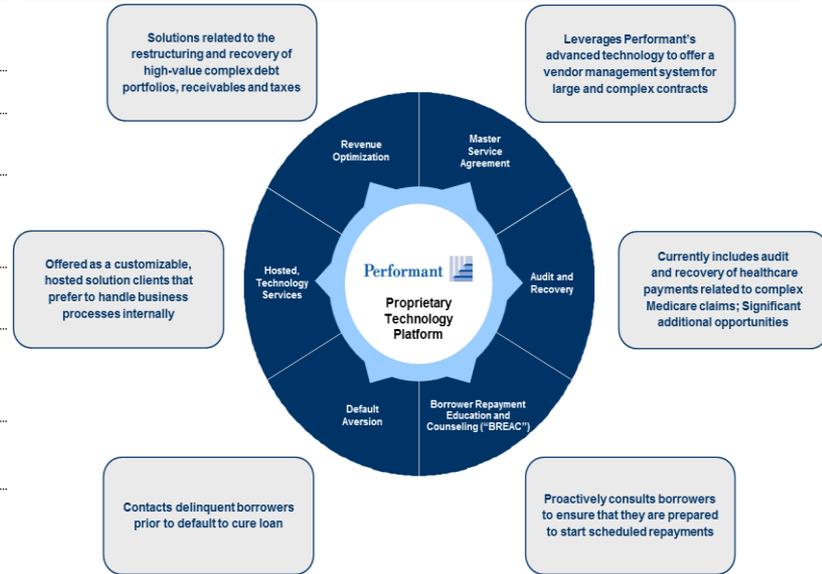
- Performant is a unique, industry-leading and fast growing technology management services company supporting complex, high dollar-value workflows, revenue optimization tools, and process-based case management
- Best-in-class knowledge and processes based upon years of experience; established, sophisticated workflow management techniques deliver to clients differentiated and quantifiable results
- Has leveraged its core competencies (and legacy student loan recovery excellence) to pursue additional strategic business expansion opportunities across the broadly-defined Government, Healthcare (including its critical role as contractor in the highly successful Medicare Parts A and B recovery) and Financial Services verticals

**Due to its unique model infusing technology, data and analytics into its platform, Performant has become one of the fastest growing private BPO companies, with adjusted EBITDA of nearly \$60 million and y-o-y growth exceeding 38%**

### Complex Recovery Services Across Diversified Clientele

Department of Education	Key contractor; 20+ year relationship
Guaranty Agencies	Relationships with 12 of 32
Centers for Medicare / Medicaid Services ("CMS")	One of four contractors on groundbreaking "RAC" contract
Private Loans	Recovery of high-value asset classes, including mortgages and private student loans
State Tax	Recovery of individuals' delinquent state tax obligations
Treasury Assets	Recovery of governmental agency debt subrogated to the Department of Treasury
Data Analytics	Services within program integrity and Fraud, Waste and Abuse
Risk Advisory Services	Enables financial institutions to proactively manage loan portfolios and reduce defaulted loan assets

### Flexible Client Recovery and Payment Integrity Services



# Overview of FT Partners' Capabilities

Award-Winning Investment Banking Franchise Focused on Financial Technology

Performant 

**FT Partners has been recognized as Investment Banking Firm of the Year and regularly achieves Merger and Financing Deal of the Year recognition**



- 2011
  - **Boutique Investment Bank of the Year**
  - Deal of the Decade
  - *10 Deal of the Year Nominations Across 9 Categories*
- 2010
  - **Upper Middle Market Deal of the Year, Above \$500 mm**
  - IT Services Deal of the Year, Below \$500mm
  - Cross-Border Deal of the Year, Below \$500mm
- 2007
  - **Dealmaker of the Year – Steve McLaughlin**
  - Business to Business Services Deal of the Year
  - Computer and Information Technology Deal of the Year, Above \$100mm
  - Financial Services Deal of the Year, Above \$100mm
- 2006
  - **Boutique Investment Bank of the Year**
  - M&A Product of the Year
  - Consumer/Payment Services Deal of the Year
  - Middle Market Deal of the Year



- 2006-2008 ■ Steve McLaughlin consecutively ranked (2006, 2007 and 2008) among the top Bankers in Financial Technology



**Middle Market Financing Awards**

- 2008
  - **Equity Financing Dealmaker of the Year – Steve McLaughlin**
  - **Information Technology Deal of the Year**
  - **Financial Services Deal of the Year**
- 2006
  - **Financing Professional of the Year – Steve McLaughlin**
  - Financing Deal of the Year - Equity
  - Financing Deal of the Year - Debt

Note: Awards won highlighted in bold, Italics denote categories where Financial Technology Partners was a finalist.

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## II. Capital Markets Advisory Expertise



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# Capital Markets Advisory Expertise

## FT Partners' World-Class Capital Markets Advisory Services

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- **FT Partners has established itself as the only boutique investment bank truly focused on providing a full suite of world-class Capital Markets Advisory services**
  - Ability to, in an industry-targeted manner across the entire financial technology spectrum, consistently raise large amounts of capital of all kinds at all stages
  - Flawless track record of success in capital markets / capital raising assignments
  - Both Directly (Private Equity / Debt) and Indirectly (Public Equity, Public Debt)
  
- **FT Partners directly sources Private Capital (Debt / Equity / Hybrid) from sources all over the world, typically for shareholder liquidity at superior and often “record-setting” valuations**
  - \$240 mm for SquareTrade
  - \$250 mm for Liquidnet
  - \$50 mm for Yapstone
  - \$110 mm for TradingScreen
  - Large growth equity financing for Mercury Payment Systems, many more
  
- **FT Partners' award winning IPO Advisory services have allowed us to revolutionize the IPO process for a very select group of clients, as we manage the full process and underwriter execution from start to finish**
  - Accretive Health's \$1.2 bn valuation was deemed one of the most successful IPOs in Financial / HCIT
  - FT Partners has uniquely and successfully coupled IPO Advisory services with Private Capital raising and M&A practice to provide a multitude of attractive options (SquareTrade, Liquidnet, Mercury, others)
  - Typical significant conflicts of interest, bait-and-switch valuation dynamics, inefficiencies and value leakage have been minimized, while dramatically increasing valuation positioning
  
- **FT Partners has also managed a significant number of highly successful Debt Capital Markets Advisory mandates, including in support of balance sheet strengthening, M&A financing and dividend recapitalizations**
  - FT Partners meticulously helps clients prepare for, evaluate, select and manage a highly competitive auction for global underwriter commitments
  - \$100mm-\$2bn+ for public / privates (VeriFone, Jack Henry, ITG, Performant, Verus, Fifth Third, others)
  
- **Clients truly get the best of all worlds, using FT Partners as dominant industry / valuation / positioning specialists in financial technology—while leveraging enormous balance sheets of the largest i-banks**

# Capital Markets Advisory Expertise

FT Partners Offers a Comprehensive Range of Capital Markets Advisory Capabilities

FINANCIAL  
TECHNOLOGY  
PARTNERS

## Global Private Capital

- \$250 mm dividend recapitalization for Liquidnet
- \$240 mm shareholder liquidity for SquareTrade, led by Bain Capital and Bain Capital Ventures
- \$110 mm liquidity for Trading Screen from a consortium of PE and Strategic Investors
- Provided large shareholder liquidity investment for Mercury Payment Systems from Silver Lake Partners
- \$50 mm shareholder liquidity for Yapstone from Accel Partners
- Currently working on \$600-700 mm shareholder liquidity for major PE backed company
- Significant consortium building from all areas of financial services, mobile, technology, etc.

## IPO Advisory

- \$1.2 bn valuation achieved in \$138 mm IPO Advisory Role for Accretive Health's Initial Public Offering
- IPO Advisory Role for Envestnet's \$69 mm Initial Public Offering
- IPO Advisory Role for Ellie Mae's \$86 mm Initial Public Offering
- IPO Advisory Role for FXCM's \$210 mm Initial Public Offering
- \$177 mm IPO Advisory Role for VeriFone's Initial Public Offering
- Dual-track process (IPO / Private Placement) for Mercury Payment Systems, which drove higher transaction value
- Dual-track process (IPO / Recap) for a Government-related Healthcare BPO Firm
- Dual-track process (IPO / Recap) for SquareTrade

## Debt Advisory

- \$300 mm debt financing for significant acquisition by Jack Henry
- \$200 mm+ staple financing by Credit Suisse / BAML for \$325 mm sale of Verus to Sage
- \$700+ mm staple financing for specialty financial services / analytics firm
- \$205 mm bank debt for ITG's acquisition of MacGregor
- \$292 mm bank financing for VeriFone
- \$540 mm debt financing for VeriFone to support the Lipman acquisition
- \$1.4 bn acquisition financing for \$1.8 bn potential acquisition of Fifth Third Processing Solutions
- \$800 mm private debt offering for private company

# Capital Markets Advisory Expertise

## Case Study: SquareTrade

### Overview of Situation

#### Financial Technology Partners LP FTP Securities LLC

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



*in its Growth Equity Investment by*

**BainCapital**  
**BainCapital Ventures**

*of approximately*

**\$238,000,000**

FINANCIAL  
TECHNOLOGY  
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- Top-notch management team and company in financial technology space; innovated around traditional warranty paradigm to create truly disruptive online model
- Significant capital raised from world class investor, Bain Capital / Bain Capital Ventures
- Numerous large scale PE firms, financial institutions, asset managers and other strategics interested in the Company
- 100% revenue growth and significant momentum
- Although SquareTrade competed in the traditional warranty space, Company positioned as innovative / disruptive service provider in space utilizing branded, online platform and technology to create differentiation
- Appropriate comparables were SaaS companies and High Growth Tech IPO Companies based on future cash flow generation and / or growth trajectory
- Process included IPO advisory services, including detailed review by third party investment bank regarding positioning of Company in an IPO
- Highest multiple achieved at the time in its category; not likely to be duplicated in the future



# Capital Markets Advisory Expertise

## Case Study: Mercury Payment Systems

### Overview of Situation

#### Financial Technology Partners LP FTP Securities LLC

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



*in its approximately 60% Strategic Growth  
Investment by*

### SILVERLAKE

FINANCIAL  
TECHNOLOGY  
PARTNERS

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- FT Partners chosen to represent one of the top performing companies, with one of the top shelf management teams in the payments industry
- Significant capital raised from world-class investor, Silver Lake Partners
- Numerous interested parties including large scale PE firms and strategics
- Process included IPO Advisory product, including valuation and IPO alternative using several top tier global underwriters
- Creative earnout structure utilized to provide additional upside
- Achieved one of the highest multiples in the space, including on top of 4-5 other top tier multiples achieved in payments by FT Partners' clients
- Mercury Payment Systems has delivered completely on its mission to build shareholder value post transaction

# Capital Markets Advisory Expertise

## Case Study: Accretive Health

 ACCRETIVE HEALTH  
Mary Tolan, Accretive Health  
"I would highly recommend FT Partners to any CEO considering or executing an initial public offering."

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as exclusive  
Capital Markets & IPO Advisor to*



NYSE: AH

*in its*  
**\$138,000,000**

*Initial Public Offering  
valuing the equity at approximately*

**\$1,200,000,000**

FINANCIAL  
TECHNOLOGY  
PARTNERS

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### Overview of Situation

- \$138 mm initial public offering for one of the best managed companies in all of HCIT
- Management team second to none, widely understood by investors
- Valuation of \$1.2 bn at IPO
- Drew significant interest from every major underwriter across Wall Street
- Market leadership position as highly differentiated provider of revenue cycle management solutions
- Process included IPO Advisory services and assisting company in proper positioning when presenting to potential underwriters
- Represents significant transaction in the HCIT space
- Executed highly successful offering under depressed and extremely volatile market conditions

# Capital Markets Advisory Expertise

## Debt Capital Markets Advisory, Selected Diverse Examples

**FT Partners works on a full breadth of capital markets products for its clients including debt capital raising**

Financial Technology Partners LP  
FTP Securities LLC

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



*in its acquisition of*



*for cash consideration of approximately*

**\$300,000,000**



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**Buy-Side Debt**

- FT Partners acted as sole debt capital markets advisor to Jack Henry
- Executed a competitive bidding process, which yielded proposals from lenders and resulted in the timely availability of debt financing with favorable terms and conditions

Financial Technology Partners LP  
FTP Securities LLC

*is pleased to announce its exclusive role as structuring agent to*



*in its successful recapitalization*

Senior Secured Revolving Credit Facility  
Senior Secured Term Loan  
Second Lien Loan

*of approximately*

**\$292,000,000**



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**Pre-IPO Debt Recap**

- FT Partners served as financial advisor to VeriFone and as the structuring agent in arranging this recapitalization financing
- Market reception to the transaction was tremendous, resulting in significant over-subscription
- Able to “flex” the transaction to obtain more favorable deal terms, saving ~\$2 mm / year in interest expense

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*

Senior Revolving Credit Facility  
Senior Term Loan

*of approximately*

**\$205,000,000**



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**Buy-Side Debt**

- FT Partners served as sole strategic and financial advisor to ITG in this financing
- Financing was critical to ITG in its acquisition of MacGregor

Financial Technology Partners LP  
FTP Securities LLC

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

**Large, International  
Specialty Insurance Services Firm**

**Arranged Staple Financing**

*of approximately*

**\$750,000,000**



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**Staple Financing**

- FT Partners served as strategic and financial advisor to the Company and its Board of Directors on its pending sale transaction
- Attracted interest from virtually every top tier global private equity firm
- Arranged staple financing as part of advisory assignment