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Augeo Sells Financial Institution Loyalty Business Unit for \$140 Million

ST. PAUL, Minn. — (September 26, 2018) — Augeo announced today that it has completed the sale of its financial institution loyalty business unit to investment funds affiliated with Lightyear Capital LLC, a New York-based private equity firm investing in financial services companies.

A longstanding leader in customer, member and employee engagement solutions, Augeo has delivered double-digit growth each year for over a decade and continues to serve more than 300 clients outside of financial institution loyalty.

“The sale of this business unit, which represents approximately one-third of our overall business, marks a first for Augeo, as we have been hyper-focused on growth and strategic acquisitions for many years,” commented David Kristal, Augeo CEO. “In 2012, we acquired the first of two companies in the financial institution loyalty sector. Since then, we have invested heavily in technology and operations, more than tripling the acquired revenue, and establishing a leadership position in the space.”

“With Augeo, the financial institution loyalty division has experienced consistent growth (year over year) in the rapidly advancing market of card-based loyalty/rewards and we are excited to further expand our services and proud to continue representing so many great banks, credit unions and partners as a standalone company in Lightyear’s portfolio,” commented Mike Knoop. Knoop, who has led the FI business since 2015, will become the CEO of Augeo FI as part of this transition. “Lightyear’s investment reinforces our continued advancement as a leader in the market. With this additional capital, we’ll be able to expand our capabilities, such as our pay-with-points offerings, and continue to invest in technology to deliver ever-more sophisticated and customized reporting back to our clients, giving them highly actionable insights they can use to better understand and serve their customers.”

Mark F. Vassallo, Managing Partner of Lightyear, commented, “With a proven ability to improve account growth and activity, Augeo FI has achieved a leading position helping middle-market banks and credit unions meet their individual clients’ needs. We are excited about the expansion opportunities for Augeo FI, especially as credit and debit card transaction volume and rewards card usage continue to rise. The business already has significant momentum, and we look forward to working with the Augeo FI management team to invest in and grow their business.”

Kristal added, “At Augeo, we have persistently challenged our product design and thinking, resulting in frequent product innovations in the many sectors we continue to serve, including customer loyalty, employee recognition and membership platforms. We are rapidly expanding our card-linked marketing business and growing this leading fintech platform, with more than 30 million cardholders currently using our solution. Moving forward, we will continue developing technology to advance with our clients, build elevated reward interfaces, strengthen social connections, and design optimized user experiences.”

The transaction closed September 25, 2018. Raymond James served as the investment bank for the transaction. Augeo was advised on the transaction by Lurie, LLP and Winthrop & Weinstine, P.A. Lightyear was advised by KPMG LLP and Davis Polk.

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About Augeo

Augeo is a North American leader in engagement, loyalty and incentive platforms with a focus on developing new solutions and innovative technology for clients, partners, merchants and consumers. Augeo operates business units in consumer and customer loyalty, employee recognition, membership benefit solutions and digital agency services. Augeo serves both domestic and international programs and currently supports over 55 countries in 8 languages. Headquartered in St. Paul, MN, Augeo also has offices in the metropolitan areas of Chicago, Boston, New York, Atlanta and Phoenix. For more information, visit www.augeomarketing.com.

About Augeo FI

Augeo FI is a market-leading, outsourced provider of customized loyalty program solutions for middle-market banks and credit unions. With over 20 years of managing loyalty programs in the financial services space and an experienced management team, Augeo FI operates an industry leading platform, supporting 1,200 loyalty programs for many banks and credit unions in the United States. The company is headquartered in Naperville, IL and operates within a PCI compliant environment, influencing spend for over 24 million cardholders. For more information, on Augeo FI, please visit www.augeofi.com.

About Lightyear Capital LLC

Founded in 2000, Lightyear Capital is a financial services-focused private equity firm based in New York. Through its affiliated private equity funds, Lightyear makes primarily control investments in North America-based, middle-market companies across the financial services spectrum, including asset and wealth management, banking, brokerage, healthcare financial services, insurance, payments and processing and specialty finance. The firm brings focus and discipline to its investment process, as well as operating, transaction and strategic management experience, along with significant contacts and resources beyond capital. For more information, please visit www.lycap.com.