



Avalara Announces \$100 Million Investment by Warburg Pincus

Bainbridge Island, WA and New York, NY – November 10, 2014 – [Avalara, Inc. \(“Avalara” or “the company”\)](#), a leading provider of cloud-based software for sales tax and other transactional tax compliance, today announced it has raised \$100 million in a financing round from an affiliate of Warburg Pincus, a global private equity firm focused on growth investing.

Avalara pioneered a leading cloud-based software platform for sales tax automation a decade ago and today delivers a broad and growing array of compliance solutions related to sales tax and other transactional taxes, such as VAT and excise tax. Its end-to-end suite of solutions enables businesses of all sizes to automate the process of determining taxability, identifying applicable tax rates, calculating taxes, preparing and filing returns, remitting taxes, maintaining tax records, and managing tax exemption certificates.

“Warburg Pincus is a world-class private equity firm with significant experience helping companies like Avalara grow into successful businesses of scale,” said Scott McFarlane, founder and CEO of Avalara. “This investment by Warburg Pincus will allow us to put more dollars to work in our growth initiatives. It also validates our fundamental belief that sales tax compliance automation is inevitable, and Avalara is at the forefront of this movement. We look forward to leveraging the expertise and funding of our new partners to accelerate our growth.”

The company’s growth initiatives include international expansion and strategic acquisitions, which will extend the company’s tax content, product and service offerings, customer base, cross-selling opportunities, and geographic reach.

Justin Sadrian, Managing Director at Warburg Pincus and newest member of the Avalara board of directors, commented, “Avalara has secured a leading position in tax software and compliance, bringing new and sophisticated technology solutions to help its customers navigate an increasingly complex regulatory environment. The company fits squarely into our investment thesis of compliance-driven SaaS software and data businesses, and we are incredibly excited to partner with Scott and the talented Avalara team as they continue to build their business and expand their product offerings.”

Including this investment by Warburg Pincus, Avalara has raised more than \$200 million in capital since 2004 from a list of investors that includes Sageview Capital and Battery Ventures, as well as other entities and individuals.

Avalara marks Warburg Pincus' third active technology investment in a company in the Seattle area, following A Place for Mom and, most recently, PayScale (in April 2014). Warburg Pincus previously has invested in the tax software companies Chipsoft, the maker of TurboTax, which was acquired by Intuit, and MLM Information Services/CorpTax, which was acquired by Corporation Service Company (CSC).

In connection with this transaction, DLA Piper LLP (US) acted as legal counsel to Avalara and Willkie Farr & Gallagher LLP served as legal counsel to Warburg Pincus.

About Avalara

Avalara helps businesses of all sizes achieve compliance with sales tax, excise tax, and other transactional tax requirements by delivering comprehensive, automated, cloud-based solutions that are fast, accurate, and easy to use. Avalara's end-to-end suite of solutions is designed to effectively manage complicated and burdensome tax compliance obligations imposed by state, local, and other taxing authorities in the United States and internationally.

Avalara offers hundreds of pre-built connectors into leading accounting, ERP, ecommerce and other business applications. The company processes millions of tax transactions for customers and free users every day, files hundreds of thousands of transactional tax returns per year, and manages millions of exemption certificates and other compliance related documents.

A privately held company, Avalara's venture capital investors include Sageview Capital, Battery Ventures, Warburg Pincus, Arthur Ventures, and other institutional and individual investors. Avalara employs more than 800 people at its headquarters on Bainbridge Island, WA and in offices across the U.S. and in London, England and Pune, India. More information at: www.avalara.com

About Warburg Pincus

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than \$37 billion in assets under management. The firm's active portfolio of more than 120 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 14 private equity funds, which have invested more than \$50 billion in over 720 companies in more than 35 countries.

Since inception, Warburg Pincus has invested more than \$15 billion in technology, media and tech-enabled services companies including BEA Systems, Bharti Airtel (BSE: BRTI), Coyote Logistics, Endurance International Group (NASDAQ: EIGI), FacilitySource, FIS (NYSE: FIS), GrubHub (NYSE: GRUB), iParadigms Holdings LLC, NeuStar (NYSE: NSR), New Breed, Nuance (NASDAQ: NUAN), RDA Microelectronics Inc. (NASDAQ:RDA), Service Repair Solutions, UGS Capital Corp., and VERITAS Software.

The firm is headquartered in New York with offices in Amsterdam, Beijing, Frankfurt, Hong Kong, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo and Shanghai. For more information please visit www.warburgpincus.com.

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