



Paddle raises \$200m to supercharge SaaS companies' global growth

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- *The investment, at a valuation of \$1.4bn, follows a period of rapid growth for the payments infrastructure company*
- *The round is led by KKR with participation from existing investors FTV Capital, 83North, Notion Capital, Kindred Capital, with additional financing from Silicon Valley Bank*
- *Founded in the UK, Paddle will use the investment to accelerate its global expansion amid rapidly growing demand from scaling Software-as-a-Service (SaaS) companies*

London, Tuesday 10th May: Paddle, the provider of a complete payments infrastructure for SaaS companies, today announces it has raised \$200m in Series D equity and debt financing at a valuation of \$1.4bn, making it the UK's latest unicorn. Led by KKR, a leading global investment firm, with participation from existing investors FTV Capital, 83North, Notion Capital, Kindred Capital, and debt financing from Silicon Valley Bank, the investment brings the total Paddle has raised to date to \$293m.

Paddle will use this investment to strengthen the growth of its platform and to meet the market opportunity that exists for a complete payment infrastructure provider for software companies globally, which will assist in enabling them to scale and sell their products faster, with less risk and lower costs.

SaaS companies are experiencing a period of sustained growth, a trend that was accelerated by the surge in digital transformation during the Covid-19 pandemic and is set to continue as businesses and consumers become ever more used to using digital tools like Zoom to communicate, Miro to collaborate, or Canva to create. The SaaS sector, which was worth \$397 billion in 2021, is expected to grow to [\\$692 billion in 2025](#).*

SaaS companies now have an incredible opportunity to compete and sell their products in any market in the world, but to do so they must also manage payments and operations across multiple geographies and navigate an increasingly complex web of local and international tax and data regulations.

By integrating checkout, payment, subscription management, invoicing, international taxes and financial compliance processes, Paddle offers SaaS companies a completely different approach to payments infrastructure. Instead of assembling and maintaining a complex stack of payments-related apps and services, Paddle acts as a merchant of record for its customers. This enables sellers to activate new business models and enter new markets faster, more easily and with fewer operational and compliance issues.

Paddle's complete payments infrastructure is used by over 3,000 software companies in more than 200 markets worldwide. With a suite of new platform features and integrations - including the announcement of an alternative In-App Purchasing (IAP) system for iOS developers - as well as rapid international expansion, Paddle has more than doubled its revenue growth since November 2020, contributing to an impressive average annual revenue growth of over 175% over the last four years. It has also scaled its team from 140 to 275 across offices in London and New York, with more hires expected to match its acceleration as a business.

Christian Owens, CEO and co-founder of Paddle, said: "The opportunity in software is enormous, with tens of thousands of incredibly innovative businesses bringing great products to market every year. Unfortunately, many SaaS companies still find their growth hindered by the operational challenges that arise when scaling; from handling subscriptions management or tax compliance to localizing payment options in every market. Paddle was created to remove these invisible barriers so that SaaS companies can just focus on building and selling software. 2021 was a fantastic year for us, but we are only just getting started. We have big plans for 2022 and beyond and we're delighted to have the backing of so many fantastic investors who all share our vision."

Patrick Devine, Director at KKR, added: "Paddle is solving a significant pain point for thousands of SaaS companies by reducing the friction and costs associated with managing payments infrastructure and tax compliance. By simplifying the payments stack, Paddle enables faster, more sustainable growth for SaaS businesses. Christian and the team have done a phenomenal job building a category-defining business in this space, and we are excited to be supporting them as they embark on the next phase of growth."

KKR's investment was made through its growth equity fund, Next Generation Technology Growth Fund II.

About Paddle:

Paddle helps SaaS companies grow faster with fewer distractions. Instead of wasting time, money, and resources assembling, maintaining, securing, and constantly updating a 'best of breed' payments stack, Paddle does it all.

Because Paddle is a SaaS merchant of record, it takes away 100% of the payments complexity—handling all payment routing, tax collection, compliance, invoicing, subscription management, renewals, reporting, and fraud protection.

Paddle has 275 employees serving over 3,000 software sellers in 245 countries and territories globally. Backed by investors including KKR, FTV Capital, Kindred, Notion, and 83North, Paddle aims to define the next wave of B2B SaaS leaders. Visit www.paddle.com or www.twitter.com/PaddleHQ for more information.

About KKR

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter [@KKR_Co](https://twitter.com/KKR_Co).

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