TransactionWatch

Weekly Newsletter For Payments Executives That Covers The Most Important And Relevant Merchant Acquiring Deals And Activity

Week of:

October 11th – October 15th

Deal Activity Summary

October 11th – October 15th

This Week's M&A Overview

Growth through software has evidently been a major focus this week with the announcements of several notable M&A deals surrounding ISVs and their growing role in payments. To start, the European-based POS and payments provider, SumUp, announced their acquisition of Fivestars for $317 million in cash and stock. Last valued at $285 million in October 2020, Fivestars offers loyalty, marketing and payment solutions to about 12,000 SMBs across the U.S. This deal marks SumUp's first acquisition in the U.S. and will serve as a large steppingstone for growing their customer base within the country. Separately, Mindbody announced their acquisition of ClassPass, a complementary fitness marketplace provider. Mindbody, a pioneer in monetizing payments through software, will be able to significantly increase payment volume going through their platform. Details of this deal were not disclosed; however, it is suspected to be an all-stock deal. In addition to the acquisition, Mindbody also revealed it has secured a $500 million investment led by Sixth Street.

In other M&A news, BillTrust announced this week they have acquired the complementary B2B collections software provider, iController, for $58 million in cash. iController is based out of Belgium and has a growing presence of about 3,000 users across the region. This acquisition positions BillTrust to expand their global reach and ultimately increase their customer footprint.

2021 YTD M&A Activity
Breakout by Transaction Category

- ■ ISO (Independent Sales Organization)
- ■ ISV (Independent Software Vendor)
- ■ Gateway
- ■ Other (Includes notable deals that TSG deems significant)
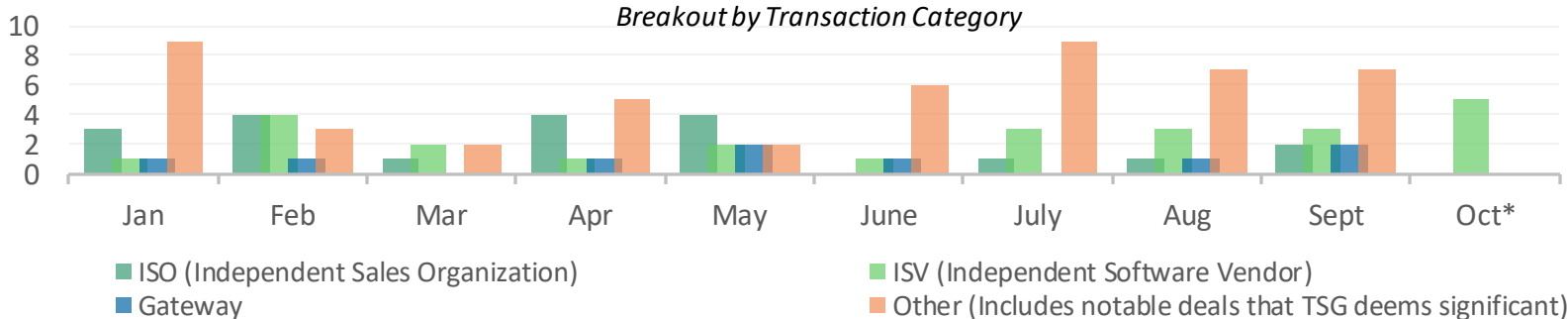
As of publication.

Note: TSG's selected M&A activity monitors specific markets relating to the acquiring industry and the general payments market.

B2B Payment Network

Navigating Through The B2B Payment Network

The B2B Payment Network has evolved significantly. Are you up to speed on the market opportunities currently available? TSG has proven results of helping clients navigate the emerging B2B space. Whether starting new or improving the program you already have, there are critical questions you must ask.

LOOKING TO START A NEW AP PROGRAM?

▶ Do you know there is a simple way to start this program at **no cost to you**?

▶ Do you know how much **additional revenue** you could potentially be generating?

▶ Are you aware that you could **be reducing manual processes and costs**?

▶ Are you looking for a way to **improve reconciliation processes** for yourself and your suppliers?

DO YOU ALREADY HAVE AN AP PROGRAM?

▶ How **old** is your AP program?

▶ Are you **optimizing your returns**? Do you know you could potentially be leaving money on the table?

▶ The competition among AP Automation companies is aggressive when bidding for new business, **do you know how your program compares** against the industry?

▶ Are you looking to **exceed supplier acceptance targets**?

Whether you're looking to start a new program or improve your current accounts payable system, The Strawhecker Group is fully equipped to guide you through this initiative. TSG can help you partner with the right issuer to derive the most benefit from your program and maximize your ROI.

For more information, please email Info@thestrawgroup.com

Historical M&A Tracker

Transaction History: July 2021 – September 2021

Transaction Categories:

ISO
Independent Sales Organization

ISV
Independent Software Vendor

Gateway

Other
Includes notable deals that TSG deems significant

Transaction Category	Buyer	Seller	Purchase Amount ($ million)	Date
ISV	**SumUp**	**Fivestars**	$317	10/14/2021
ISV	**Paystone**	**NiceJob**	-	10/13/2021
ISV	**Mindbody**	**ClassPass**	-	10/13/2021
ISV	**BillTrust**	**iController**	$58	10/12/2021
ISV	**FreshBooks**	**FastBill**	-	10/7/2021
ISV	**Epicor**	**CBC Computer Systems**	-	9/30/2021
Gateway	**Mint Payments**	**IPG Group**	-	9/30/2021
Other	**Entrust**	**Antelop Solutions**	-	9/22/2021
Gateway	**Deutsche Bank**	**Better Payment**	-	9/20/2021
ISO	**FortisPay**	**OmniFund**	-	9/14/2021
ISV	**Intuit**	**Mailchimp**	$12,000	9/13/2021

Historical M&A Tracker

Transaction History: *July 2021 – September 2021*

Transaction Category	Buyer	Seller	Purchase Amount ($ million)	Date
ISV	SpotOn	Appetize	-	9/13/2021
Other	Mastercard	CipherTrace	-	9/9/2021
Other	Global Payments	MineralTree	$500	9/8/2021
ISO	Nuvei	Paymentez	-	9/7/2021
Other	PayPal	Paidy	$2,700	9/7/2021
Other	Mastercard	Aiia	-	9/7/2021
Other	Zilch	NepFin	-	9/2/2021
Other	Zip	Payflex	-	9/1/2021
ISO	PayU	BillDesk	$4,700	8/31/2021
Other	LexisNexis	TruNarrative	-	8/25/2021
ISV	NCR	Foremost Business Systems	-	8/23/2021
Other	Paysafe	Viafintech	-	8/22/2021
Other	Paysafe	SafetyPay	$441	8/16/2021
ISV	U.S. Bank	Bento Technologies	-	8/12/2021
Other	Paymentus	Payveris	$152.2	8/10/2021
Gateway	EVO Payments	Anderson Zaks	-	8/2/2021
Other	Paysafe	PagoEfectivo	-	8/2/2021

t/g

Historical M&A Tracker

Transaction History: July 2021 – September 2021

Transaction Category	Buyer	Seller	Purchase Amount ($ million)	Date
ISV	NCR	LibertyX	-	8/2/2021
Other	Fleetcor	ALE Solutions	-	8/2/2021
Other	Square	Afterpay	$29,000	8/1/2021
ISV	Klarna	APPRL	-	7/27/2021
Other	Klarna	Stocard	$133	7/22/2021
Other	Visa	Currencycloud	$963	7/22/2021
ISO	GreenBox POS	Transact Europe	$35	7/19/2021
Other	Bill.com	Invoice2go	$625	7/19/2021
ISV	Waystar	Patientco	-	7/15/2021
ISV	Square	Crew	-	7/14/2021
Other	Payroc	ACHeck21	-	7/14/2021
Other	AvidXchange	FastPay	-	7/12/2021
Other	Klarna	HERO	$160	7/9/2021
Other	Concord Acquisition Corp.	Circle	-	7/8/2021
Other	Nium	Wirecard Forex	-	7/7/2021
Other	Rapyd	Valitor	$100	7/1/2021
Other	Visa	Tink	$2,150	6/24/2021

globalpayments

Global Payments CEO says open to big deals again

Reuters | *October 11th, 2021*

Global Payments Inc CEO Jeff Sloan said in an interview he would be open to a large acquisition again, two years after acquiring peer TSYS in a $21.5 billion all-stock deal, while continuing to chase small bolt-on purchases to bolster growth. "I certainly see deals as big as TSYS in our future," Sloan, who has led the Atlanta-based payments processor since 2013, told Reuters last week.

fortis

Commerce Technology Leader Rebrands as Fortis

Fortis Press Release | *October 12th, 2021*

Fortis Payment Systems, LLC, a payment and commerce technology leader for software providers, marketplaces, developers and businesses, announced today (Oct. 12th) the company has refreshed its brand look and feel to better reflect the new technology stack, solutions and value proposition it offers to partners and developers. Now doing business as Fortis, the commerce technology leader is on a mission to deliver a holistic payments experience, guiding businesses to reach uncharted growth and scale. Sensing industry fundamentals were shifting toward seamless experiences, the company's leaders staked out a new vision: to meet the future of payments by moving commerce closer to invisible.

lightspeed

Lightspeed launches new flagship restaurant platform in North America with innovative analytics, payments, inventory management

PR Newswire | *October 14th, 2021*

Lightspeed Commerce Inc., the one-stop commerce platform for merchants around the world to simplify, scale, and create exceptional customer experiences, today announced the launch of the all-new Lightspeed Restaurant, a unified hospitality commerce and point-of-sale (POS) platform. Dining out in the US and Canada is on the rise again, but business needs have fundamentally changed. Through strategic global acquisitions, Lightspeed has combined the power of Upserve, Gastrofix, Kounta and iKentoo with new solutions and modules, to simplify processes and enable merchants to build thriving businesses for the future.

Nuvei taps Visa Direct for fast payouts

Finextra | October 11th, 2021

Nuvei Corporation, the global payment technology partner of thriving brands, announced today (Oct. 11th) its collaboration with Visa, the world's leader in digital payments, to offer Nuvei's U.S. clients access to fast payouts via implementation of Visa Direct, Visa's real-time2 push payments platform. Initially available in Europe, this offering will now enhance Nuvei's payout capabilities in the U.S. and help create a more efficient, secure and seamless payments experience for its merchant clients across virtually any industry.

Synchrony And Fiserv Expand Strategic Partnership With Payment Options For Merchants And Their Customers Via Clover

PR Newswire | October 14th, 2021

Synchrony, a leading consumer financing company, today (Oct. 14th) announced an expanded strategic partnership with Fiserv, Inc., a leading global provider of payments and financial services technology solutions. Small businesses will now be able to access Synchrony products and services and accept private label credit card payments via the Clover® point-of-sale and business management platform from Fiserv, accelerating growth for small businesses and offering more flexibility and choice in how consumers make purchases.

Other Notable Partnerships:

- **Spreedly** teams up with **Stripe Connect** to improve their merchant onboarding process.
- **Jack Henry** opens integrations with **Finicity**, **Akoya**, and **Plaid** onto their Banno Digital Platform.
- **Markaaz** partners with **Mastercard** for credit card products and services, specifically around payments and security.
- **Neon One** and **Visa** team up on expanding digital payment solutions for year-end charity giving.
- **Veem** collaborates with **Visa** for domestic and cross-border payments via Visa Direct.

Management Changes
October 11th – October 15th

Paya Expands Their Executive Team With The Appointments Of Michele Shepard And Balaji Devarasetty
Paya declared this week the appointments of Michele Shepard and Balaji Devarasetty to their executive team. Michele joins Paya from Insurity and will serve as the company's new Chief Commercial Officer. Balaji comes to Paya from Bakkt and will assume the position of Chief Technology Officer.

Michele Shepard   *Balaji Devarasetty*

| Date Announced	Company	Personnel	New Position	Previous Position
10/12/2021	Paya	**Michele Shepard**	*Chief Commercial Officer*	Chief Revenue Officer at Insurity
10/12/2021	Paya	**Balaji Devarasetty**	*Chief Technology Officer*	Head of Technology at Bakkt
10/12/2021	BlueVine	**Mira Srinivasan**	*Chief Risk Officer*	VP of Risk (Credit and Fraud) at Brex
10/14/2021	Western Union	**Shannon Armbrecht**	*Chief Diversity and Talent Officer*	Head of People Strategy and DEI Lead at Western Union

TSG Payments Index

Q1 2011 – Q3 2021

TSG **Payments Index** **VS.** **STANDARD &POOR'S**

■ **TSGPX**   ■ **S&P 500**

+23% CAGR **$893**

+12% CAGR **$325**

$1,000
$900
$800
$700
$600
$500
$400
$300
$200
$100
$-

| Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| 2011 | | | | 2012 | | | | 2013 | | | | 2014 | | | | 2015 | | | | 2016 | | | | 2017 | | | | 2018 | | | | 2019 | | | | 2020 | | | | 2021 | | |
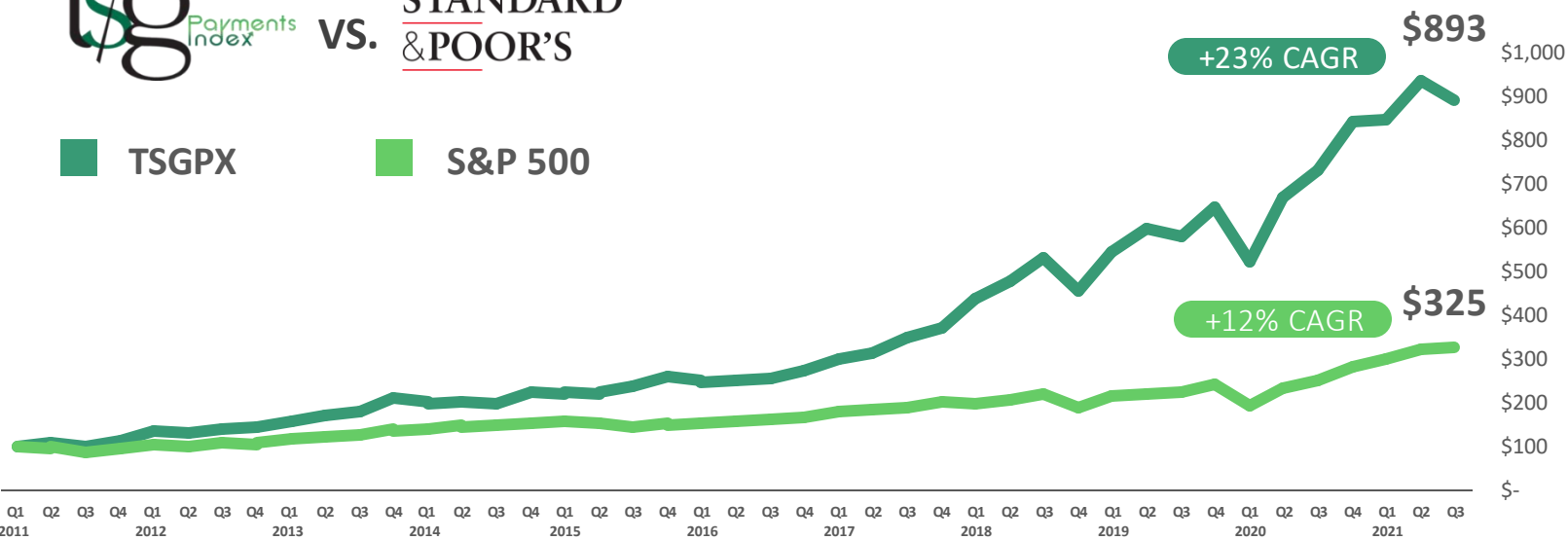
Payments companies have been thriving in recent years and are becoming more valuable and profitable for the company and its investors. With strong earnings year after year, many payments companies are rapidly increasing their market capitalization and gaining the attention of additional stakeholders.

The chart displays the performance of a $100 investment in an index of selected payments companies which represent the "TSG Payments Index" – this index is calculated on a value weighted basis using market capitalization and is compared to the S&P 500 which is also calculated using the same methodology. **A $100 investment in the TSGPX in Q1 2011 would be valued at approximately $893 in Q3 2021, as compared to $325, if invested in the S&P 500.**

On average, payments companies grow at a compounded rate that is **11% higher** than that of the industry average. This growth rate is more than double of the industry average and represents the attractiveness of the payments market. The Payments Index is depicted to portray the growing nature of the payments market and hints at where this market is headed in the coming years.

TSG Buy/Sell Consulting Services

Buy-Side

- Buyers use TSG's due-diligence subject matter experts for support on a variety of key decision criteria can affect the value of the property. TSG assists buyers by acting as their advisor as they evaluate the financial value, benchmarking key performance metrics, determine risk, and evaluate the value of any technology assets.

Sell-Side

- The key factor in a successful asset sale is understanding the true value of your enterprise. Value is defined as the "amount a buyer is willing to pay." TSG has a pulse of the market and performs an extensive evaluation of value drivers to ensure potential "sellers" understand the value of their company in the marketplace – prior to starting the sales process. In addition, buyers can use the data to assess offers that have been received for an accurate and fact-based assessment of the offer.

Private Equity

- TSG can help private equity firms understand the landscape before investing and can build a market analysis to determine which investment is the best fit to create the highest ROI. TSG provides investors and financial institutions with the documented valuation information needed to support funding events.

Restructuring & Re-Capitalization

- TSG can facilitate strategic exercises to help forge a new path ahead and can help with implementation of a new structure to ultimately maximize the value and performance of the entity.

30+
ACQUISITIONS AND INVESTMENT TRANSACTIONS

250+
COMPLETED PAYMENTS CO. VALUATIONS

8 of 12
OF THE LARGEST PAYMENTS TRANS IN THE LAST YEAR

$10-100M
TYPICAL DEAL RANGE

TSG Buy/Sell Consulting Services

TSG Has Advised For Many Leading Companies in the Payments Industry

POS PROS POINT OF SALE ADVISORS
In its
sale to
Paysafe:

WesBanco
In a debit card
sponsorship
portfolio sale to
PB&T BANK
Local People Making Local Decisions Since 1889

payroc STABILITY IN PAYMENTS
In the
acquisition of
Integrity

CLARUS MERCHANT SERVICES
In the
acquisition of
NAMS

PARTHENON CAPITAL PARTNERS
In the
acquisition of
NXGEN & **payscape**

Terrapin Financial Services, LLC
In its
sale to
BluePay

Goldman Sachs
On their funding
event with
Newtek "The Small Business Authority"

Goldman Sachs
On their funding
event with
Bluefin Payment Systems

PIVOTAL PAYMENTS
In the
acquisition of
CAPITAL PROCESSING NETWORK

B BregalSagemount
In due diligence support
of its investment into
YAPSTONE POWERING PAYMENTS

THE BEEKMAN GROUP LLC
In its
recapitalization of
Direct Connect

sage
In a merchant portfolio
purchase from
Heartland PAYMENT SYSTEMS

PRIORITY PAYMENT SYSTEMS
In its
merger with
cynergydata

MutualofOmahaBank
On the organization of
its joint venture with
First Data

SIG SUSQUEHANNA GROWTH EQUITY, LLC
On their
investment in
PaySimple

CAYAN
In the
acquisition of
CPS CARD PAYMENT SERVICES

S4 Shift4 PAYMENTS
In its
sale to
LIGHTHOUSE NETWORK

talus pay
In acquisition of the
operation assets of
PROLIFIC BUSINESS SOLUTIONS

BluePay
In the
acquisition of
Primax Defining Card Processing

KeyBank
On their joint
venture with
Elavon

![The Strawhecker Group logo — tsg — Payments Experts. Powerful Data. THE STRAWHECKER GROUP®]

ANALYTICS + CONSULTING

The Strawhecker Group (TSG) is a fast-growing analytics and consulting firm. The company serves the entire payments ecosystem, from fintech startups to Fortune 500 companies. The firm provides its clients with advisory services, research and analytics to help them plan and execute their strategic initiatives. Based in Omaha, a recognized payments industry hub, TSG is an established leader in this high-growth, ever-evolving space.

40+
Of the top 50 merchant acquirers served, including 9 of the top 10

250+
Completed payments company valuations; as well as ~30 buy/sell/investment advisements

1,000+
Clients advised, including many in the Fortune 500

23+ Years
Average Associate experience in the payments industry

3.7+ Million
Card-accepting merchants in TSG's AIM analytics platform, driving millions of dollars in ROI for its users