

TransactionWatch

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

*Week of:
October 4th – October 8th*

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Deal Activity Summary

October 4th – October 8th

This Week's M&A Overview

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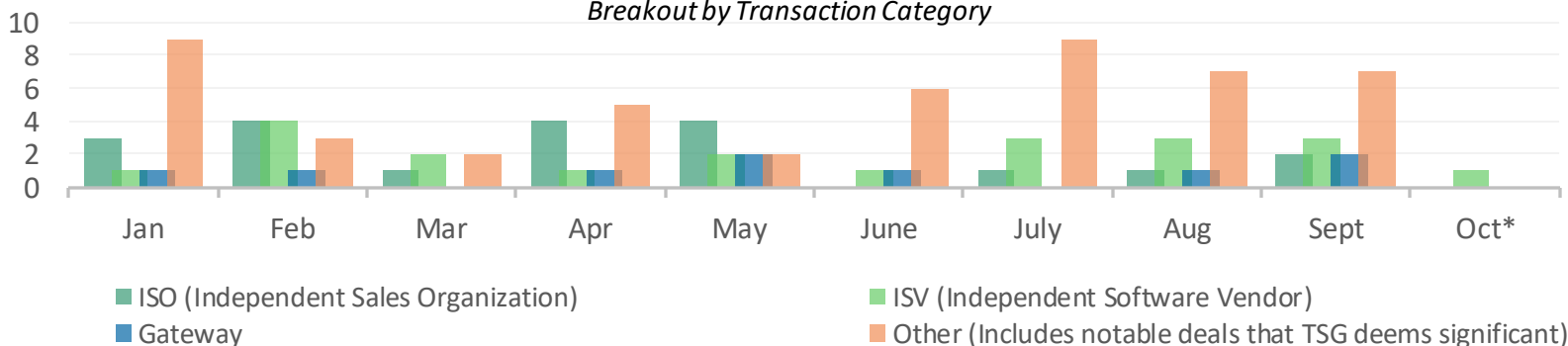
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M&A momentum continues to make headway this week as we emerge into the fourth quarter of the year. To start, I3 Verticals announced this week of an undisclosed acquisition which aims to further strength the company's position in the healthcare vertical. This acquisition, which will be further disclosed in I3 Verticals' upcoming earnings call in November, had an aggregate cash value of \$60 million at closing. This new acquired business offers revenue cycle management services for hospitals and marks I3 Verticals' fourth acquisition in the healthcare space. Separately, this Monday (Oct 4th), Nuvei announced their filing for a U.S. IPO, which will propose an offering of 1.5 million subordinate shares. This comes more than a year after their debut on the Toronto Stock Exchange, which raised \$700 million and what was at the time the largest technology company offering on the index. Nuvei has applied to list their U.S. shares on the Nasdaq under the symbol "NVEI".

In other M&A news, the cloud-based accounting ISV provider, FreshBooks, announced their acquisition of FastBill for an undisclosed sum. FastBill, based in Germany, provides cross-border bill payment solutions across 16 countries. This deal complements FreshBooks' existing products and services, and largely supports their global expansion efforts.

2021 YTD M&A Activity

Breakout by Transaction Category



*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@thestrwegroup.com



Historical M&A Tracker

Transaction History: June 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	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
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



Historical M&A Tracker

Transaction History: June 2021 – September 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
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



Historical M&A Tracker

Transaction History: June 2021 – September 2021

Transaction Category	Buyer	Seller	Purchase Amount (\$ million)	Date
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
Other	REPAY	Kontrol Payables	\$11	6/22/2021
Other	Atlantic-Pacific Processing Systems (APPS)	Clique Payments	-	6/18/2021
Other	Checkout.com	Icefire	-	6/15/2021
ISV	Toast	xtraCHEF	-	6/10/2021



Headline News

October 4th – October 8th



Nuvei Announces Initial Public Offering In The United States

[Nuvei Press Release](#) | [October 4th, 2021](#)

Nuvei Corporation, the global payment technology partner of thriving brands, has announced today (Oct. 4th) the launch of a marketed offering of 1,500,000 subordinate voting shares of the Company in the United States and Canada, representing Nuvei's initial public offering in the United States (the "Offering"). In connection with the Offering, Nuvei has applied to list its subordinate voting shares on Nasdaq Global Select Market (the "Nasdaq") under the symbol "NVEI".



Payments firm AvidXchange files for U.S. IPO

[Reuters](#) | [October 4th, 2021](#)

AvidXchange Holdings Inc is looking to raise up to \$506 million in a U.S. initial public offering (IPO), according to a regulatory filing on Monday (Oct. 4th), that could value the business payments firm at about \$4.4 billion. The company, which is backed by billionaire Peter Thiel, was valued at \$2 billion in a funding round in April last year. Reuters reported in March that AvidXchange had hired investment banks to prepare for an IPO.



Visa Installments Expands to Australia, Offering a New Way to Buy Now, Pay Later

[Visa Newsroom](#) | [October 7th, 2021](#)

Visa, the world's leader in digital payments, today (Oct. 7th) announced the expansion of Visa Installments in Australia in partnership with ANZ, one of the country's largest financial institutions, and merchant payment provider Quest. The Visa solution lets Australian shoppers access popular "Buy Now, Pay Later" (BNPL) financing via their existing ANZ credit cards, during checkout and without any extra steps.



Partnership Activity

October 4th – October 8th

Klarna®

Klarna and FreedomPay partner to provide stores across the United States a modern payments makeover ahead of the holidays

[PR Newswire](#) | [October 7th, 2021](#)

FreedomPay, a leading consumer-centric commerce platform, today (Oct. 7th) announced an integration with Klarna, the leading global retail bank, payments and shopping service. Starting today, FreedomPay's US merchants can offer Klarna's flexible, interest-free payment solutions at checkout in-store, maximizing sales and bringing added ease and convenience to shoppers across America ahead of the most anticipated shopping season yet.



Mastercard and Citi expand partnership to further financial inclusion and sustainability efforts

[Mastercard Newsroom](#) | [October 7th, 2021](#)

Mastercard and Citi today (Oct. 7th) announced a new partnership to support local residents and small businesses through greater public-private sector collaboration. Through City Possible, Mastercard's partnership and co-creation framework for cities, the two global leaders will bring their collective resources, expertise, and integrated urban development frameworks to the City Possible network.

Other Notable Partnerships:

- **Target** teams up with **Sezzle** and **Affirm** to offer BNPL at checkout.
- **Sila** and **Arcus** partner to provide bill payment services to more than 18,000 U.S. billers.
- **Western Union** is collaborating with **major financial institutions in Africa** for cross border payments.
- **Datacap Systems** partners with **iStream Financial Services** to support their automated clearing house payments processing.
- **Mastercard** teams up with **Digital PayGo** to launch a mobile payments solutions across Zambia.
- **UniCredit** and **JP Morgan** have partnered to allow small businesses and consumers send fast and secure real-time cross border payments.



Management Changes

October 4th – October 8th



Jason Bahnsen



Mana Thongvanh



VizyPay Appoints Two New Executives From Outside Of The Payments Processing Industry

VizyPay announced this week the appointments of two new individuals to help drive the company forward. While these individuals have varied backgrounds outside of payments, they've shown prominent leadership skills and will bring a new perspective for the company. Jason Bahnsen joins VizyPay as General Counsel and Director of Risk/Compliance, and Mana Thongvanh as Director of Operations.

Date Announced	Company	Personnel	New Position	Previous Position
10/4/2021	SumUp	Michael Schrezenmaier	<i>CEO, Europe</i>	Co-CEO at Pipedrive
10/5/2021	Dopay	Ron Vollebregt	<i>Chairman of the Board</i>	Co-Founder and COO at GlobalCollect
10/5/2021	CPI Card Group	Amintore Schenkel	<i>CFO</i>	Managing Member at InterContinental Advisory and Accounting Services
10/6/2021	VizyPay	Jason Bahnsen	<i>General Counsel and Director of Risk/Compliance</i>	Compliance Officer in Consumer Lending Compliance at Wells Fargo
10/6/2021	VizyPay	Mana Thongvanh	<i>Director of Operations</i>	Project Management at Baxter Construction



TSG Payments Index

Q1 2011 – Q3 2021

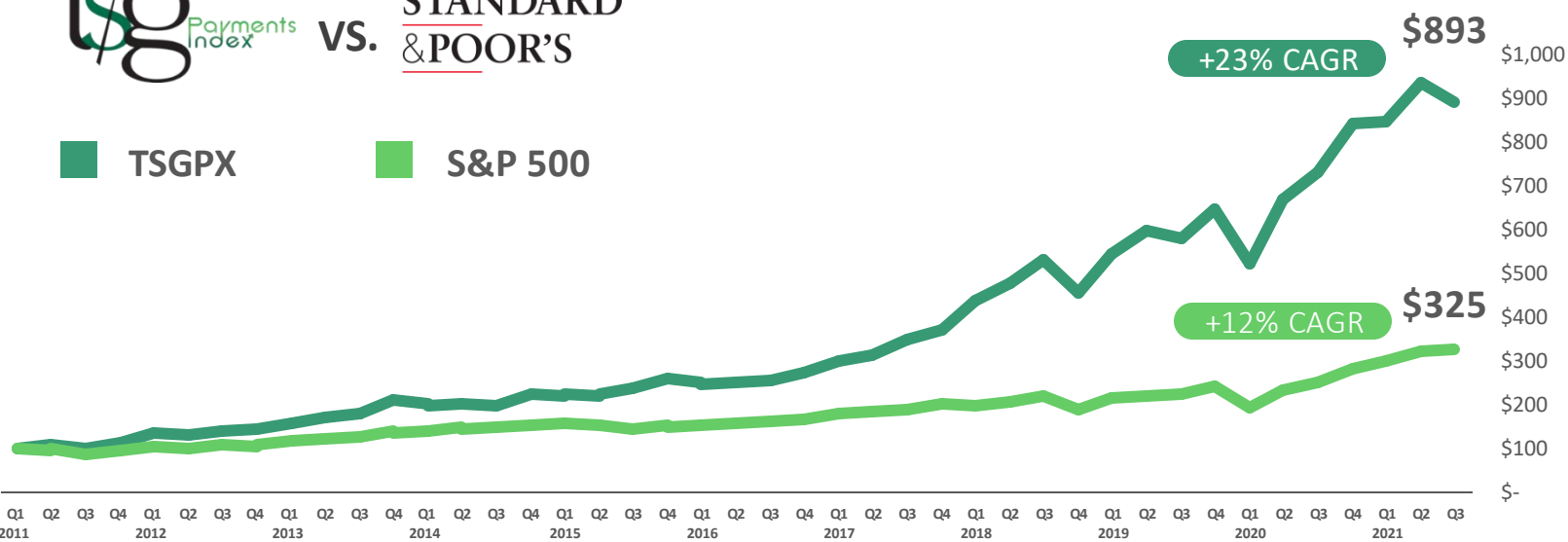
tsg
Payments
Index

VS.

STANDARD
& POOR'S

TSGPX

S&P 500



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



In its
sale to



In a debit card
sponsorship
portfolio sale to



In the
acquisition of



In the
acquisition of



In the
acquisition of
NXGEN
& **pay**scape



In its
sale to



On their funding
event with



On their funding
event with



In the
acquisition of



In due diligence support
of its investment into



THE BEEKMAN GROUP LLC

In its
recapitalization of



In a merchant portfolio
purchase from



In its
merger with



On the organization of
its joint venture with



On their
investment in



In the
acquisition of



In its
sale to



In acquisition of the
operation assets of



In the
acquisition of



On their joint
venture with





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.

