

TransactionWatch

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

Week of:

November 1st – November 5th

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Deal Activity Summary

November 1st – November 5th

This Week's M&A Overview

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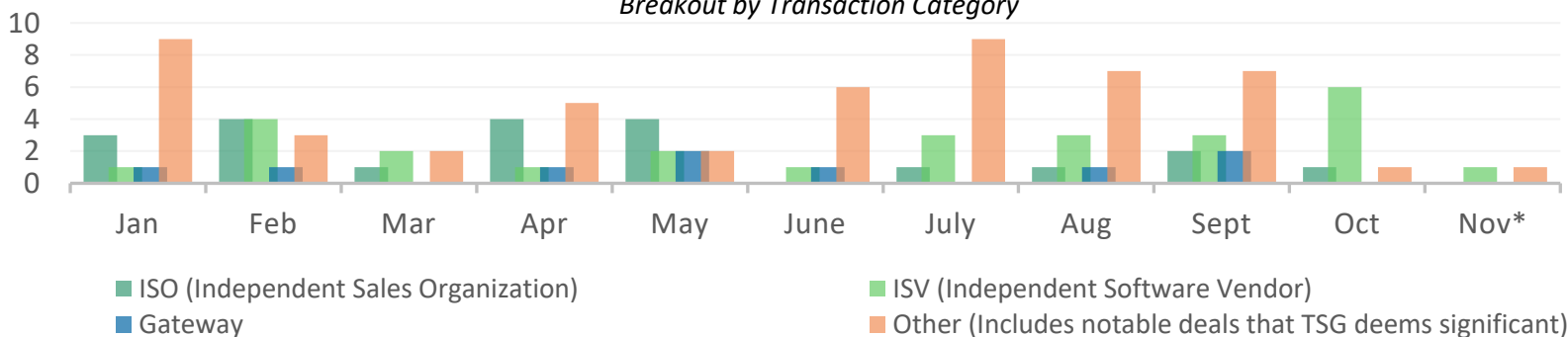
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Klarna continues their acquisition streak this week with their intention to acquire PriceRunner for a reported \$124 million. Once closed, this deal will mark Klarna's sixth acquisition of 2021 to date as they continue to seek rapid growth through external means. Upon closing, Klarna will pay approximately 40% of the purchase price in cash and the remaining in shares of their common stock. With this acquisition, Klarna aims to further enhance their mobile app through the addition of product reviews, pricing comparisons, and other features. In addition to this acquisition, Klarna also launched a new feature for their mobile app, which allows users to pay in monthly installments for purchases at online retailers regardless of whether the retailer is partnered with Klarna or not. This new feature, accompanied with their deal to acquire PriceRunner, allows Klarna to continue their rapid expansion into new markets and become easier accessible to more end-users.

In other M&A news, Cross River Bank announced their intention to acquire Betterfin, a financial platform offering a suite of solutions including capital market data and lending and cash flow management for the SMB market. Ultimately, this acquisition will fully digitalize Cross River's loan application process for their SMB customers.

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: July 2021 – October 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
Other	Klarna	PriceRunner	\$124	11/2/2021
ISV	Cross River Bank	Betterfin	-	11/2/2021
Other	Stripe	Recko	-	10/20/2021
ISV	Fiserv	BentoBox	-	10/18/2021
ISO	MiCamp Solutions	Express Payment Solutions	-	10/18/2021
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



Historical M&A Tracker

Transaction History: July 2021 – October 2021

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



Historical M&A Tracker

Transaction History: July 2021 – October 2021

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



Headline News

November 1st – November 5th



Lightspeed Payments Availability Expands to New APAC and US Customer Locations

[PR Newswire](#) | [November 2nd, 2021](#)

Lightspeed Commerce Inc., the one-stop commerce platform for merchants around the world to simplify, scale and create exceptional customer experiences, today (Nov. 2nd) announced the expansion of Lightspeed Payments in Australia and to U.S. merchants who joined via the acquisition of Vend, extending merchant reach for Lightspeed Payments across new geographies and products. Lightspeed Payments is a powerful and easy-to-use integrated payment processing solution that has transformed the way merchants run their businesses.



Rectangle Health Announces Investment from GI Partners to Accelerate Growth

[PR Newswire](#) | [November 1st, 2021](#)

Rectangle Health, a leading provider of healthcare financial technology and patient engagement solutions, today (Nov. 1st) announced a recapitalization by GI Partners, a leading private investment firm with deep healthcare technology and payments investing experience. GI Partners' investment, in conjunction with existing investor TA Associates, a leading global growth private equity firm, will further accelerate Rectangle Health's growth as the company continues to drive innovative consumer-centric solutions to the healthcare industry.



Paysafe Completes Acquisition of viafintech

[BusinessWire](#) | [November 1st, 2021](#)

Paysafe, a leading specialised payments platform, today (Nov. 1st) announced that it has completed its acquisition of market-leading German fintech company, viafintech. viafintech, known under the brand viacash, offers one of the largest bank-independent alternative payments infrastructures in Europe, allowing a popular alternative to the traditional banking system. For Paysafe, the investment allows it to expand in critical markets and position itself as the essential payments partner to challenger banks around the world.



Partnership Activity

November 1st – November 5th

Paysafe:

Paysafe Using AWS to Deliver Fast and Innovative Services for Digital Wallet Customers

[BusinessWire](#) | November 3rd, 2021

Paysafe, a leading specialized payments platform, today (Nov. 3rd) announces the latest milestone in its strategy to become a fully cloud-based payments provider with the migration of its digital wallets, Skrill and NETELLER, and all associated business services to Amazon Web Services (AWS). The completion of the Digital Wallets cloud migration is part of a global multi-year agreement with AWS that supports Paysafe's cloud strategy.

ACI Worldwide

ACI Worldwide Partners with Affirm to Deliver Pay-Over-Time Option for U.S. Merchants

[BusinessWire](#) | November 1st, 2021

ACI Worldwide, a leading global provider of real-time digital payment software and solutions, today (Nov. 1st) announced a partnership with Affirm, the payment network that empowers consumers and helps merchants drive growth. U.S. merchants using ACI Secure eCommerce can now seamlessly offer consumers the ability to make purchases with Affirm and pay-over-time without any late or hidden fees.

Other Notable Partnerships:

- **BlueSnap** has partnered with **Gaviti** to offer global payment processing to Gaviti clients.
- **Jack Henry & Associates** teams up with **Zelle** on making faster payments more available for minority-owned depository institutions.
- **Paynetics** partners with **ClearBank** on providing real-time payments and banking services to their customers.
- **Avalara** connects to **Shopify's** global commerce hub, Shopify Markets, for import tax features.
- **Boost Payment Solutions** and **Mastercard** team up on expanding commercial card use and acceptance globally.



Management Changes

November 1st – November 5th



EVO Payments Appoints Nikki Harland To Serve On The Company's Board of Directors

This week, EVO Payments named Nikki Harland to serve on its Board of Directors effective March 1st, 2021. Ms. Harland is currently the Chief Operating Officer of Paradies Lagardere where she oversees the general operations and customer services initiatives for their retail and dining divisions. For EVO Payments, Ms. Harland will bring her extensive expertise in retail to help lead the company to new and improved endeavors.

Date Announced	Company	Personnel	New Position	Previous Position
11/1/2021	One Inc	Sarah Owen	<i>Chief Product Officer</i>	Senior VP, Customer Engagement Products at TSYS
11/2/2021	EVO Payments	Nikki Harland	<i>Board Member</i>	Current COO of Paradies Lagardere



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 2011 Q2 2011 Q3 2011 Q4 2011 Q1 2012 Q2 2012 Q3 2012 Q4 2012 Q1 2013 Q2 2013 Q3 2013 Q4 2013 Q1 2014 Q2 2014 Q3 2014 Q4 2014 Q1 2015 Q2 2015 Q3 2015 Q4 2015 Q1 2016 Q2 2016 Q3 2016 Q4 2016 Q1 2017 Q2 2017 Q3 2017 Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018 Q1 2019 Q2 2019 Q3 2019 Q4 2019 Q1 2020 Q2 2020 Q3 2020 Q4 2020 Q1 2021 Q2 2021 Q3 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
Payments
Index

Euronet
WORLDWIDE

EVERI

EVOPAYMENTS
INTERNATIONAL

FIS

ACI
UNIVERSAL
PAYMENTS.

AllianceData.

AMERICAN
EXPRESS

Diebold Nixdorf

mastercard

fiserv.

shopify

Square

DISCOVER

Paysafe:

jack henry
& ASSOCIATES INC.

usbank

globalpayments

paysign

toast

PayPal

VISA

WESTERN
UNION WU

green
dot

USIO

VERISIGN

NCR

wex

paya

lightspeed

evertec

Shift4
PAYMENTS



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



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.

