

TransactionWatch

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

*Week of:
August 9th – August 13th*

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Deal Activity Summary

August 9th – August 13th

This Week's M&A Overview

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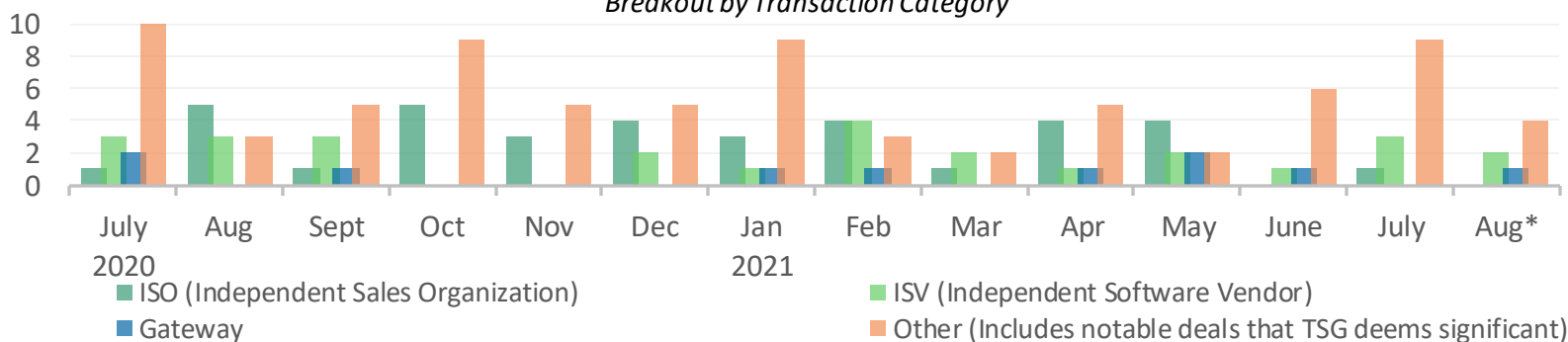
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M&A momentum continues this week in the merchant acquiring industry as Paymentus sets their sights on rapid product and geographic expansion. This week, the company announced their deal to acquire Payveris for approximately \$152.2 million, of which 56% will be paid in cash while the remaining 44% to be paid in Class A common stock. This acquisition complements Paymentus' existing product offerings and enables them to expand upon their network of financial institutions. Paymentus plans to offer their proprietary Instant Payment Network to new sales channels while also enhancing Payveris' MoveMoney platform with real-time capabilities. In addition to the Payveris acquisition, Paymentus also recently acquired Finovera, a bill aggregation technology provider, which they announced in their latest Q2 earnings release. These deals come on the heels of Paymentus' recent IPO in May of this year, in which the company raised \$210 million in capital as a result.

In other M&A news, U.S. Bank announced their agreement to acquire Bento Technologies (known as Bento for Business), a business spending management provider for the SMB market. With this acquisition, U.S. Bank is creating a more rounded payment offering as it relates to accounts payable/receivable capabilities that complements their existing Elavon and talech business units.

H2 2020 – 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: April 2021 – July 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 | 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 |



Historical M&A Tracker

Transaction History: April 2021 – July 2021

| Transaction Category | Buyer | Seller | Purchase Amount (\$ million) | Date |
|----------------------|--|------------------|------------------------------|-----------|
| 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 |
| Other | Lightspeed | Ecwid | \$500 | 6/7/2021 |
| Other | Lightspeed | NuORDER | \$425 | 6/7/2021 |
| Gateway | EVO Payments | Pago Facil | - | 6/3/2021 |



Historical M&A Tracker

Transaction History: April 2021 – July 2021

| Transaction Category | Buyer | Seller | Purchase Amount (\$ million) | Date |
|----------------------|------------------|--------------------------------|------------------------------|-----------|
| ISO | FortisPay | Change Merchant Solutions | - | 5/26/2021 |
| Gateway | FortisPay | EpicPay | - | 5/26/2021 |
| ISO | GreenBox POS | Northeast Merchant Services | \$3 | 5/25/2021 |
| Other | Sift | Chargeback | - | 5/25/2021 |
| Other | Stripe | Bouncer | - | 5/14/2021 |
| ISO | MiCamp Solutions | American Bank Payments | - | 5/11/2021 |
| ISO | REPAY | BillingTree | \$503 | 5/10/2021 |
| Gateway | Nuvei | Simplex | \$250 | 5/6/2021 |
| ISV | Bill.com | Divvy | \$2,500 | 5/6/2021 |
| ISV | Global Payments | Zego | \$925 | 5/4/2021 |
| Other | Stripe | TaxJar | - | 4/27/2021 |
| ISO | Paya | Paragon Payment Solutions | - | 4/26/2021 |
| ISO | Deluxe | First American Payment Systems | \$960 | 4/22/2021 |
| Other | Mastercard | Ekata | \$850 | 4/19/2021 |
| Other | Nuvei | Mazooma | \$315 | 4/16/2021 |
| ISO | DocuPhase | Clearwater Payments | - | 4/12/2021 |
| Other | Tipalti | Approve.com | - | 4/12/2021 |



Headline News

August 9th – August 13th

JPMORGAN CHASE & CO.

JPMorgan launches new real-time payments service

[Reuters](#) | [August 10th, 2021](#)

Global payments giant JPMorgan Chase & Co has launched a real-time payments option that it hopes will increase its edge in the financial industry's battle to handle more of the surging volumes of global digital payments. The new product, called request for pay, lets corporate clients send payment requests to the bank's roughly 57 million retail clients who use its app or website, cutting the cost and time it takes for those companies to get paid, said Cyrus Bhathawalla, the bank's global head of real-time payments.



NCR Receives Final Regulatory Approval to Combine with Cardtronics from UK Competition and Markets Authority

[BusinessWire](#) | [August 10th, 2021](#)

NCR Corporation, a leading enterprise technology provider, today (Aug. 10th) announced it has received final approval to combine with Cardtronics from the Competition and Markets Authority (CMA) of the United Kingdom. The CMA approved the transaction without any conditions. All regulatory approvals and consents are now secured, and the transaction is complete.



Venmo to allow credit card holders to automatically buy cryptocurrency with their cash back

[TechCrunch](#) | [August 10th, 2021](#)

PayPal-owned Venmo is expanding its support for cryptocurrency with today's launch of a new feature that will allow users to automatically buy cryptocurrency using the cash back they earned from their Venmo credit card purchases. Unlike when buying cryptocurrency directly, these automated purchases will have no transaction fees associated with them — a feature Venmo says is not a promotion, but how the system will work long term. Instead, a cryptocurrency conversion spread is built into each monthly transaction.



Partnership Activity

August 9th – August 13th



Corserve Partners with Boost Payment Solutions to Optimize the Acceptance of Commercial Cards

[PRWeb](#) | [August 11th, 2021](#)

Corserve, a company that empowers banks and fintechs with payment programs, has partnered with Boost Payment Solutions (Boost), the global leader in optimizing the use and acceptance of commercial card products, to expand the utilization of commercial card offerings for financial institutions.



TNM Mpamba and Mastercard partner to transform Malawi's payment landscape

[Mastercard Newsroom](#) | [August 10th, 2021](#)

In a country-first for Malawi, mobile money service provider TNM Mpamba today (Aug. 10th) launched a Mastercard virtual payment solution that will enable TNM Mpamba mobile money wallet customers to make safe and seamless local and international e-commerce transactions. This is expected to enhance financial inclusion and improve access to the digital economy.

Other Notable Partnerships:

- **Visa** and **Mashreq** team up to debut the new "Rapid Seller Onboarding" program in the United Arab Emirates (UAE).
- **Quickbit** partners with **Worldpay** for merchant acquiring and card-to-crypto services.
- **Mastercard** teams up with **Penny Software** to introduce Mastercard Track Business Payment Services across the middle east region.



Management Changes

August 9th – August 13th



One Inc Names Ian Drysdale As CEO

One Inc announced this week the appointment of Ian Drysdale to serve as the company's new CEO, effective August 5th. Since joining One Inc in January 2021 as Executive Chairman, Ian has played a critical role in leading key initiatives for the company. With more than 25 years of payments experience, Ian has held several leadership roles throughout his career including positions at Elavon, First Data (now Fiserv), Worldpay (now FIS), and others.

| Date Announced | Company | Personnel | New Position | Previous Position |
|----------------|-----------|---------------|--|--|
| 8/10/2021 | One Inc. | Ian Drysdale | CEO | Executive Chairman at One Inc. |
| 8/10/2021 | Paysafe | Chirag Patel | CEO of the Digital Wallets business unit | EVP Global Head of Payments at Banco Santander |
| 8/10/2021 | AffiniPay | Stuart Harvey | Board Member | Chairman of Paysafe |



TSG Payments Index

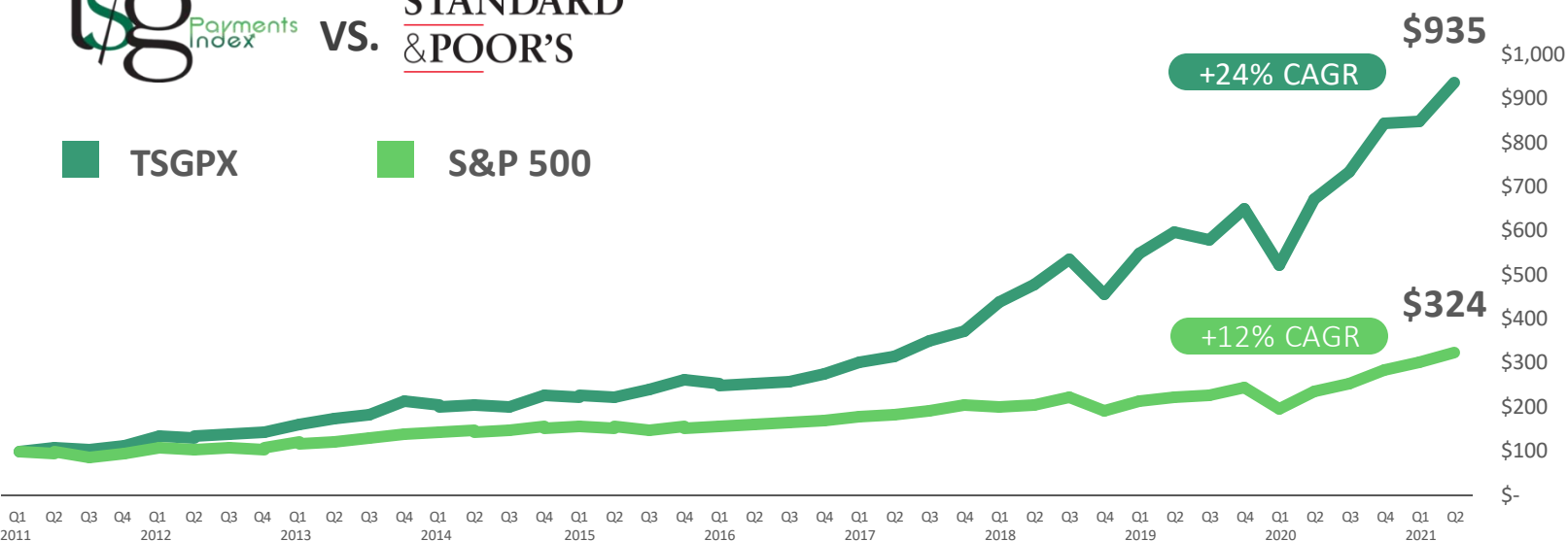
Q1 2011 – Q2 2021



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 \$935 in Q2 2021, as compared to \$324, if invested in the S&P 500.**

On average, payments companies grow at a compounded rate that is **12% 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 a debit card
sponsorship
portfolio sale to



In the
acquisition of



In the
acquisition of



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



In its
Merger with



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.

