

TransactionWatch

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

Week of:

September 6th – September 10th

This report is based upon information considered reliable by The Strawhecker Group® (TSG), but the accuracy and completeness of such information is not guaranteed or warranted to be error-free. Information provided is as reasonably available, not to be deemed all inclusive. TSG assumes no obligation to update the content hereof. This report is subject to the terms and conditions of a separate license with recipient, is further protected by copyright under U.S. Copyright laws and is the property of TSG. Recipient may not copy, reproduce, distribute, publish, display, modify, create derivative works, transmit, exploit, or otherwise disseminate any part of this report except as expressly permitted under recipient's license with TSG. The Strawhecker Group (TSG) is not endorsed, sponsored by, or in any other way affiliated with any companies identified in this presentation. The trademarks of third parties displayed herein are the property of such parties, and, are provided merely for identification purposes. TSG claims no rights therein. This document has not been prepared, approved or licensed by any entity identified in this report.

© Copyright 2021. The Strawhecker Group®. All Rights Reserved.











Deal Activity Summary

September 6th – September 10th

This Week's M&A Overview

Table of Contents

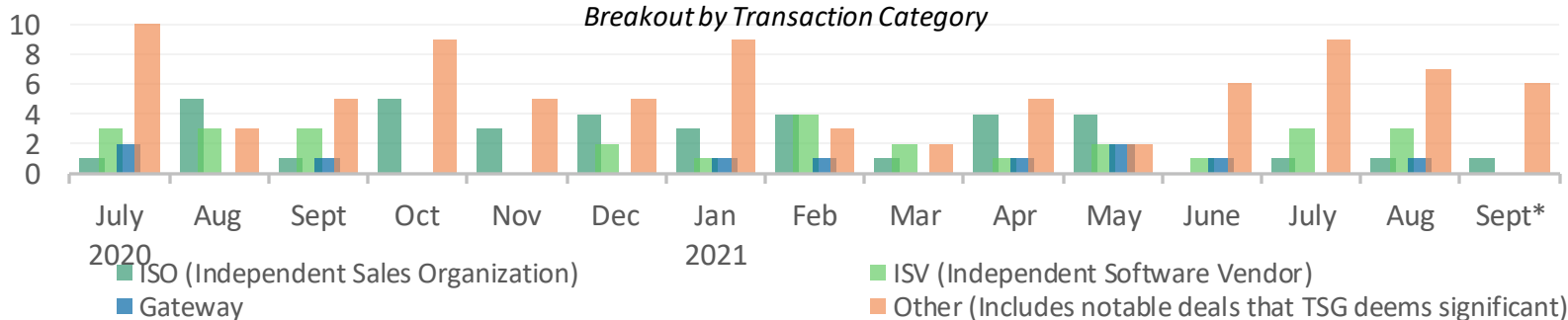
-  [Deal Activity Summary](#)
-  [B2B Payment Network](#)
-  [Historical M&A Tracker](#)
-  [Headline News](#)
-  [Partnership Activity](#)
-  [Management Changes](#)
-  [TSG Payments Index](#)
-  [TSG Buy/Sell Services](#)

Another bustling week in payments M&A with several large and notable acquisitions announced. To start, Mastercard revealed two acquisitions as they seek to further expand their capabilities in emerging technological areas. Their acquisition of Aiaa, a European open banking technology provider, follows suite with their transaction of Finicity in 2020, as well as their majority purchase of Nets' Corporate Services business which aims to offer a broad set of account-to-account and open banking solutions. Similarly, Mastercard is set to acquire CipherTrace, a cryptocurrency intelligence company, for an undisclosed sum. This deal is positioned to aid in Mastercard's digital assets strategy, specifically around the continued emergence of cryptocurrency's use in the market.

In other M&A news, PayPal is further committing to the Buy Now, Pay Later trend with their deal to acquire Paidy for approximately \$2.7 billion in cash. Paidy is based out of Japan and will allow PayPal to expand their capabilities and presence within the country while also complementing their existing cross-border eCommerce business in the region. Separately, Global Payments has agreed to acquire the AP automation provider, Mineraltree, for \$500 million in cash. Mineraltree will combine with Global Payments' existing B2B payment offerings as it will largely expand their target addressable markets. Lastly, Nuvei to set to acquire Paymentez as they continue their expansion into the Latin American market. Paymentez is used by more than 4,000 merchants in the region and compliments Nuvei's existing market verticals.

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: May 2021 – August 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	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: May 2021 – August 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



Historical M&A Tracker

Transaction History: May 2021 – August 2021

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



Headline News

September 6th – September 10th



Amazon's Project Santos Developing SMB POS to Rival Shopify, PayPal

[PYMNTS](#) | [September 9th, 2021](#)

Amazon's crew at Project Santos is developing an innovative point-of-sale (POS) solution for third-party retailers that is intended to compete with Shopify, PayPal, and others, Business Insider (BI) reported, citing an internal Amazon document the news outlet reviewed. The proposed POS can reportedly process transactions online and in physical stores and has the technological chops to provide data analytics for inventory and other business functions, per the internal document.

JPMORGAN CHASE & CO.

J.P. Morgan to Take Majority Ownership of Volkswagen Payments Business

[BusinessWire](#) | [September 8th, 2021](#)

J.P. Morgan announces today (Sept. 8th) that it has entered into a strategic deal with Volkswagen Financial Services, with plans to acquire a controlling interest of close to 75% in the car manufacturer's payments platform, operated by Volkswagen Payments S.A., subject to regulatory approvals. The deal will expand the bank's digital payment capabilities and see the platform extended and accessible to the broader auto industry for the first time. Over time, the alliance between the two firms will seek to develop the platform for new markets and industries outside of the automotive sector where mobility-focused payments will become central.



NMI Announces Strategic Growth Investment From Insight Partners

[BusinessWire](#) | [September 9th, 2021](#)

NMI, a leading global full commerce enablement technology company, today (Sept. 9th) announced a significant new equity investment from New York-based global private equity and venture capital firm Insight Partners. Insight Partners joins existing investors Francisco Partners and Great Hill Partners. The company will continue to be led by Chief Executive Officer, Vijay Sondhi, and the current management team, who invested alongside Insight Partners, Francisco Partners, and Great Hill Partners.



Partnership Activity

September 6th – September 10th



UATP Partners With BitPay To Tap Into Cryptocurrency's Growing Payment Popularity

[PR Newswire](#) | September 8th, 2021

UATP is proud to be partnering with the world's largest provider of Bitcoin and cryptocurrency payment services, BitPay, to offer its Network the ability to accept payments quickly and easily in Bitcoin, Dogecoin, Ethereum, Litecoin and six other popular cryptocurrencies for travel. Travel and leisure are among the top five items purchased with cryptocurrency based on a recent Pymnts.com survey.



Marqeta Partners with Zip Co. in Australia to Fuel Growth of Buy Now, Pay Later Offering

[BusinessWire](#) | September 9th, 2021

Marqeta, the global modern card issuing platform, today (Sept. 9th) announced a continued partnership with Zip Co. in Australia, completing the first year of powering the global Buy Now Pay Later (BNPL) company which provides fast and seamless solutions that simplify how people pay, everywhere.

Other Notable Partnerships:

- **UnionPay** teams up with **Worldline** to increase their payment acceptance in the Nordic region.
- **JCB** and **Checkout.com** extend their strategic partnership to bring JCB's J/Secure(TM) 2.0 to the U.K.
- **Lightspeed** announced a partnership with data-analytics firm **Fobi AI Inc.**
- **MX** teams up with **Payveris** on API digital payment solutions.
- **Fiserv** partners with **NPCI** to issue RuPay credit cards for fintechs and banks.
- **MVB Bank** and **Victor Technologies** are entering a partnership which will integrate Bitcoin into MVB Bank's banking-as-a-service solutions.
- **Flutterwave** announced a mobile money partnership with **MTN Group**.



Management Changes

September 6th – September 10th



Darin Horrocks



Philip Tau

REPAY

Realtime Electronic Payments

REPAY Re-enforces Its B2B Payments Team With Two New Executive Appointments

REPAY announced this week the appointments of two executives to lead their B2B payments initiatives. Darin Horrocks, who joined REPAY through their acquisition of cPayPlus, is now appointed as EVP of B2B Business. Additionally, Philip Tau joins the company as VP of B2B Strategy and Business Development. Philip joins REPAY from Divvy, where he most recently served as Head of Business Development and Strategy.

Date Announced	Company	Personnel	New Position	Previous Position
9/6/2021	Railbank	Stuart Gregory	<i>Chief Product Officer</i>	Managing Director at Wise (formerly TransferWise)
9/8/2021	Chargebacks911	Brad Dillahunt	<i>Chief Product Officer</i>	VP at Mastercard
9/8/2021	FIS	Stephanie Ferris	<i>Chief Administrative Officer</i>	CFO of Worldpay
9/9/2021	REPAY	Darin Horrocks	<i>EVP, B2B Business</i>	President and Co-founder of cPayPlus
9/9/2021	REPAY	Philip Tau	<i>Vice President of B2B Strategy and Business Development</i>	Head of Business Development and Strategy at Divvy
9/9/2021	Payoneer Global	Keren Levy	<i>President</i>	COO at Payoneer Global



TSG Payments Index

Q1 2011 – Q2 2021

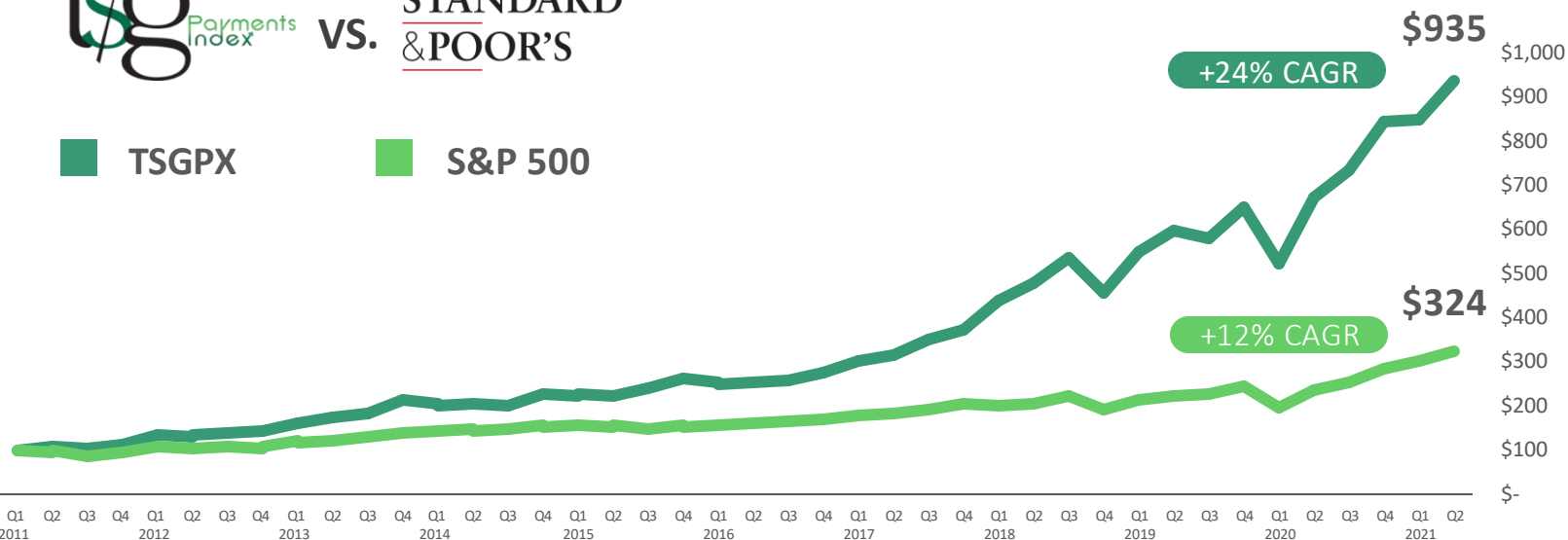
tsg
Payments
Index

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 \$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.

