

Atlanta's  
Technology Executives Roundtable  
July 20, 2021

The Convergence of FinTech  
and Software

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*Please hold until  
the session begins*

TEER | Technology  
Executives  
Roundtable



Rob Pinataro  
President, Technology  
Executives Roundtable

CEO, Payspan, Inc.

Your Forum  
Candid discussion  
CEOs, CFOs & Investors  
Subject Matter Experts  
Complex leadership issues  
Share, challenge & test ideas

Technology  
Executives  
Roundtable

# TIER

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**Wm Leonard & Company:** Real estate specialists for high growth companies

# Zoom Etiquette

--"Pin" the TER video box on your Zoom feed

--Please mute audio/video during presentations.

--Chat if you want to ask a question.

--We are recording for educational purposes; this is not specific legal, accounting or tax advice; consult your advisor

# SVERICA

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**Targeting profitable, growth-oriented North American services, technology, software and advanced industrial businesses in the lower middle market**

**Driving organic growth to build successful small-cap market leaders**

*Senior team has over 50 years of combined investment experience*



**Dave Finley**  
*Managing Partner*  
15 years at Sverica  
USNA / Tuck  
Prior: Bain & Co.,  
The Parthenon Group



**Jordan Richards**  
*Managing Partner*  
13 years at Sverica  
Dartmouth/ Tuck  
Prior: JPM Partners,  
Citadel, DLJ



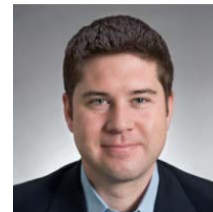
**Frank Young**  
*Managing Partner*  
15 years at Sverica  
Wake Forest / Fuqua  
Prior: CEO – PsPrint,  
Alpine Investors



**George Aggouras**  
*CFO / CCO*  
5 years at Sverica  
Babson College; CPA  
Prior: CFO to Multiple  
PE funds



**Ryan Harstad**  
*Partner*  
10 years at Sverica  
Wake Forest / Wharton  
Prior: FF&L; Lehman  
Brothers



**Gregg Osenkowski**  
*Partner*  
15 years at Sverica  
Northeastern / NYU  
Prior: Greenwich  
Strategy Consulting

## Location & Size

- Growth companies in lower middle market
- Up to \$200 MM EV; U.S. and Canada

## Market Fundamentals

- Underlying market must be growing and/or underpenetrated, creating a tailwind for the target company

## Revenue Models

- Business model selection reduces volatility of smaller company performance
  - Recurring or highly repeating revenue
  - Replicable unit economics
  - Pure growth

## Industries

- *Pursue*: Technology and Business Services, Software, Healthcare, High-Value Industrial
- *Avoid*: Restaurants, consumer, real estate, turnarounds, growth restarts

## Upside Opportunity

- Opportunity to unlock value
  - Reinvest back into the business throughout the hold period, allowing the business to achieve material operating leverage in years-3 and beyond
  - Take calculated and informed risks to seek outlier returns

## Industry Focus

Rigorous adherence to sectors with favorable fundamentals in which we have spent years developing domain expertise and we have experienced past success

## Disciplined Investment Thesis

Seeing value where others may not into industry segments and revenue models, driving deal origination and portfolio construction

## Process-Driven Approach

Standardization around key activities for consistency and repeatability in buying, managing and selling companies guided by an industrial-grade investment committee

## Investment Playbook

Post-close focus on talent management, operational improvements, business development capabilities and strategic M&A activity that enhances value

## Calculated Risk-Taking

Proactively identifying untapped growth levers, and purposefully taking calculated risks to drive break-out performance at the individual portfolio company level and realize overall fund return objectives



T h a n k   Y o u !



# VACmobile™

Digital Vaccination Records for Maximum Safety & Convenience

Jennifer Sparks

CEO & Founder

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[www.Vacmobile.app](http://www.Vacmobile.app)



# Vacmobile Genesis



When we moved across the country, I learned my children's New Mexico shot records were not a valid proof of immunization to register them for school in Georgia.



#### On This Page

[How to Locate Your Vaccination Records](#)

[What To Do If You Can't Find Your Records](#)

[Tools to Record Your Vaccinations](#)



## How to Locate Your Vaccination Records

Unfortunately, there is no national organization that maintains vaccination records. The CDC does not have this information. The records that exist are the ones you or your parents were given when the vaccines were administered and the ones in the medical record of the doctor or clinic where the vaccines were given.

### Problem:

- **Vaccination records management antiquated paper-based process**
- **No national or global repository for vaccination records**
- **Massively acute problem**

# Vacmobile Overview

- Digital transformation of all vaccination records not just Covid-19
- Complete patent-pending solution:
  - Patient logging mobile app,
  - HIPAA protected database, (AWS FedRamp Compliant)
  - Multiple methods for authenticating a vaccination record
  - Third Party Integration through standard API
- Top subject matter experts on team
- Federal contracting and deal with major commercial reseller in place
- Total Addressable Market approximately 44B
- Robust sales pipeline, in-depth discussions with
  - Hotels, sports teams, K-12 and higher ed, airlines, and others
- 5-year Exit Strategy

# Market Dynamics





## Software Convergence

- Software vendors are employing strategies to monetize payments in their workflows, driving ARPU and ROI
- Public and private investors continue to drive capital formation around vertical-specific, payments-enabled software providers
- Valuation multiples continue to increase as a result, further driving the “virtuous circle” of market entry and software convergence

## Relevant Deals

|          |   |   |
|----------|---|---|
| May 2021 |    |    |
| Nov 2020 |    |    |
| Sep 2020 |  |  |
| Jul 2020 |  |  |
| Mar 2020 |  |  |

## Market Share

| Channel   | Mkt Share | Growth         | Attrition |
|---|-----------|----------------|-----------|
|  National Banks       | 46%       | below market   | ~17%      |
|  Scaled Acquirers     | 25-30%    | above market   | ~17%      |
|  ISO / Regional Banks | 10-15%    | below market   | ~17%      |
|  Integrated Providers | ~12%      | 2x+ the market | ~5%       |

✓ US total bankcard volume was ~\$2.9TN in 2020

✓ Integrated providers have limited payments market share, but leading growth

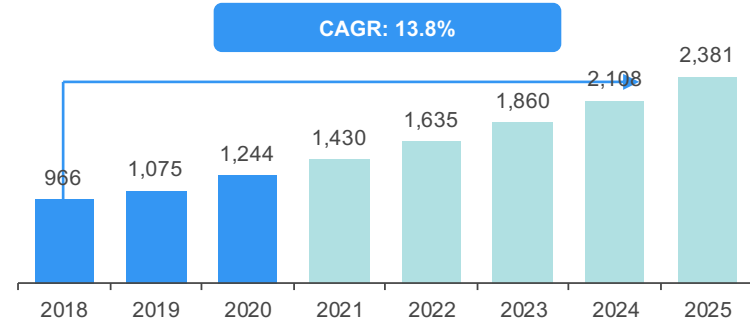
# Integrated Payments Market Opportunity

The Payment Facilitator (PayFac) model has rapidly been adopted by non-payments companies and will continue to be popular as SaaS companies realize opportunities to monetize their payments

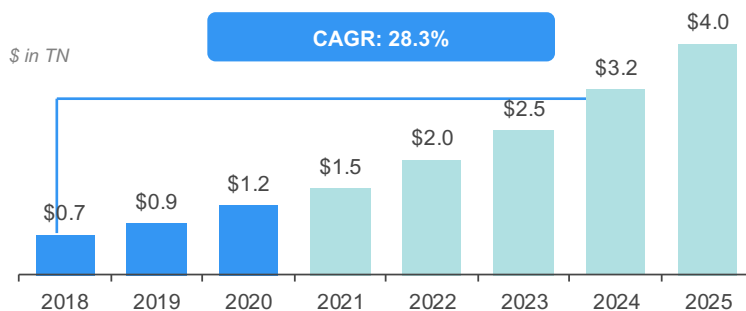
## Trends and Industry Drivers

- **Rapidly growing market opportunity:** payment volumes flowing through PayFacs and the revenue opportunity from those volumes is expected to grow significantly
- **New PayFacs expected to enter market quickly:** the number of global PayFacs is forecasted to nearly double by 2025
- **Growing share of global volume:** the global share of transactions that run through PayFacs is expected to grow as more players adopt the model

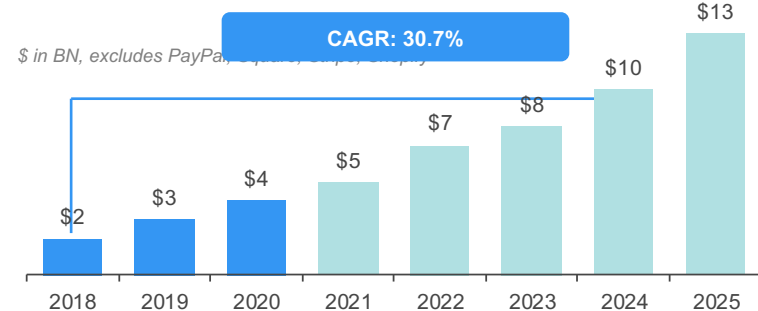
## Number of Global Payment Facilitators



## Global PayFac GPV Forecast


















## Global PayFac Revenue Forecast



Sources: Barclays, Infincept

# Industry KPIs

| Traditional Payments   | Software   | Integrated   |
|--|--|--|
|  Total Volume                             |  Contracted Annual Recurring Revenue (CARR) |  Average Revenue Per Unit (ARPU)      |
|  Gross and Net Volume Margin (BPS)        |  Gross and Net Revenue Retention            |  Integration % & Type (Owned vs. ISV) |
|  Residual Payout %                        |  Customer Lifetime Value (LTV)              |  Gross and Net Volume Margin (BPS)    |
|  Volume, Revenue, and Merchant Attrition |  Customer Acquisition Cost (CAC)           |  Rule of 40                          |
|  Active Merchant Count                  |  Deferred Revenue Balance                 |  Cash EBITDA and Margin             |





**MODERATOR:**  
**Chris Mandozzi**  
**Managing Director**  
**Truist Securities**



**Jake Moore**  
**EVP - Corporate**  
**Development &**  
**Strategy**  
**REPAY**



**Chris Wassenar**  
**Chief Risk Officer &**  
**Gen. Counsel**  
**Versapay**



**Jim Douglass**  
**Partner**  
**Fulcrum Equity**

## Presenters' Contact Information

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**Please join our  
August Meeting  
(tentatively in-person)**

**Ransomware Prevention: Best  
Practices for Reducing Your  
Technology Exposure and Legal  
Liability (And Saving Your Job!)**

**August 17, 2021**

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## UPCOMING TER EVENTS

**Tentatively in person:  
Check [ter-atlanta.com](http://ter-atlanta.com) in late July for final plan**

**September 21, 2021**

***Social Media, Privacy & Your Tech Company Policies:  
How to protect your brand (and avoid from being sued)***

**October 12, 2021**

***Diversity & Inclusion for Tech Companies – How to recruit  
and support diverse talent leadership***

Please stay after  
for

Q&A  
with today's Speakers