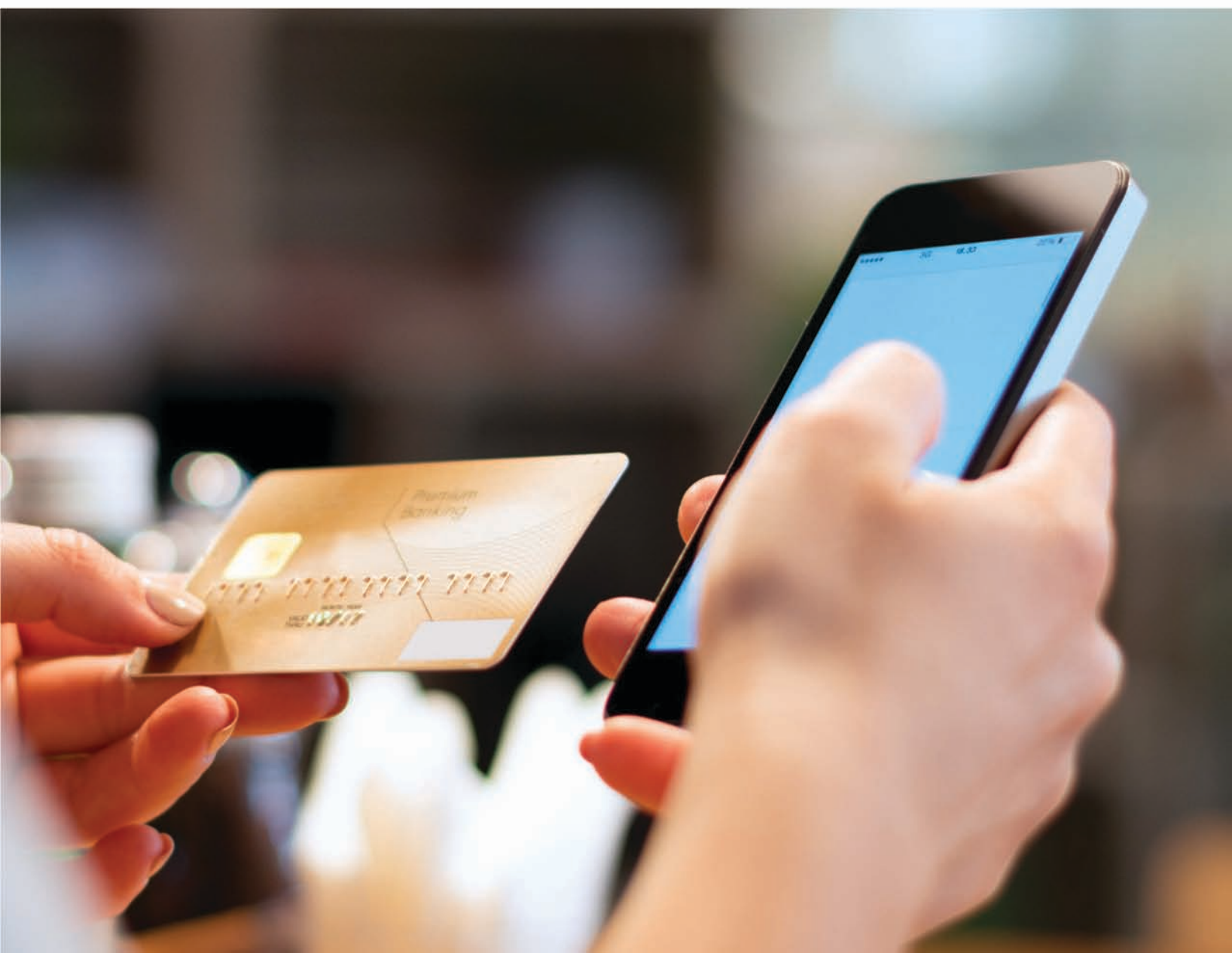


2020

GEORGIA'S
FINTECH
ECOSYSTEM

BRIEF  | FinTech



Georgia's Fintech Ecosystem – Dynamic Growth and Artful Adaptation

The Fintech Society of The Technology Association of Georgia (TAG) has been tracking the dynamic growth of the Fintech industry in our state since 2013. And what a ride it has been. Fintech now boasts 170 companies, an impressive 143% increase over our 2013 count. In turn, Georgia-based employees have increased 52% during the same period driven by unique opportunities across the Fintech spectrum. And 2019 revenues of the top 15 public companies now exceeds \$114 billion.

Fintech's dramatic expansion in Georgia is evident across all sectors of the financial services community. Large organizations continue to innovate, acquire, and merge while new companies find market opportunities to launch groundbreaking new technologies and services.

Georgia's Fintech ecosystem has seen a good bit of exciting activity including the mega acquisitions/mergers including FIS's acquisition of Worldpay, Fiserv's acquisition of First Data, and Global Payments merger with TSYS, all in 2019; and more recently American Express' planned purchase of Kabbage, Paya's landing of a robust Series C financing and its announced plans to IPO, and Greenlight Financial's well-deserved multiple financing rounds.

Georgia's Fintech Ecosystem – By the Numbers	
2019 data (except where noted)	
Georgia Fintech Companies (as of October 2020) ¹	170
Estimated Number of Georgia-based Employees ¹	38,000
Estimated Increase in Georgia-based Employee Count Documented Since 2013 ¹	52%
Estimated Revenue of Top 15 Georgia-based Fintech Companies ¹	\$114 Bil.
Estimated U.S. Payment Card Transactions Running Through Georgia Companies ²	120 Bil
Estimated U.S. Purchase Transactions by Georgia-Based Acquirers ²	60.85 Bil

1. TAG Fintech Research 2. The Nilson Report (2018)

2020 saw a new change agent ride into town and bring the world to its knees. In a short couple of months, the coronavirus pandemic forced uncomfortable change in the way the world works. Suddenly, digital transactions became the best way to exchange money. Lockdowns, social distancing, and business shutdowns have become the norm.

Social distancing demanded that consumers use online ordering to put food in the pantry and strained supply chain lines and delivery methods. Merchants, in turn, scrambled to implement contactless payments.

Fintech technology that was predicted to be adopted in five years is now on track to be embraced in mere months.

If today is in fact the new normal, the Fintech industry, more than ever, is an essential cornerstone of the evolving worldwide digital economy.

Initial worldwide transaction numbers are better than many imagined indicating that the consumers and merchants are adapting and fulfilling core human needs.

- According to Visa, 78 percent of consumers have changed the way they pay to reduce human contact when purchasing goods and services. In turn, 67 percent of small businesses have made changes to their business model and payments acceptance options to keep their businesses on track during COVID-19.
- Walmart reported in its 2020 Q2 earnings that U.S. e-commerce sales were up 97%— an increase attributed to more customers shopping online during the pandemic, stocking up on household supplies and shopping for grocery items online.
- Buy online, pick up in-store (BOPIS) surged 259% year-over-year in August 2020 due to the coronavirus pandemic, with many shoppers wary about the safety of in-store shopping. This equates to a 59% month-over-month increase in August compared to July (reported by ROI Revolution Blog, September 2020).

The financial impact of the pandemic though will likely take its toll. Juniper Research predicts that the economic disruption caused by the COVID-19 pandemic will lower total digital commerce transaction values from \$11.3 trillion in 2019 to \$9.7 trillion in 2020, then rise again in 2021. Juniper also estimates that digital commerce spend is expected to recover next year and may exceed 2019's levels by 4 percent.

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Fintech Academy

Tommy Marshall
Executive Director, Georgia FinTech Academy



Georgia has one of the greatest university systems in the world. 330,000 students show-up to learn in our institutions each morning. The fintech industry is growing massively and the 'war for talent' is real and a strategic priority for these fintech companies. The Georgia

Fintech Academy is uniquely positioned to help our fintech ready students to engage in the opportunities the fintech industry has to offer. We also have a highly diverse student population from a gender, race, and ethnic standpoint -- 50% of our students are from under-represented groups. The fintech industry (like the entire technology industry) is ready to improve its diversity profile and we can help that happen through the Georgia Fintech Academy.

The Academy is organized around four major areas. Curriculum. Research. Placement. Professional Education. The undergraduate curriculum includes five (5) courses on topics like "Foundations of Fintech," "Financial Technologies," "Banking and Fintech," "Financial Data Analytics," and "Information Security in Fintech." Research involves corporations bringing difficult research problems to the Fintech Academy window to be matched with outstanding PhD research teams at Georgia Tech, Georgia State, or University of Georgia. Placement involves helping students identify great jobs and internships at fintech companies. Professional Education includes offering courses to employers and employees to learn more about the ever-changing field of fintech.

The Georgia Fintech Academy has ambitious plans for growth, student engagement, and fintech business connections. In 2020 our goals are to have 900+ students take at least one Georgia Fintech Academy course (we have 454 students enrolled in the spring semester 2020); We want to place over 200 interns and over 200 full-time hires this year. We aim to put 5-7 professional education courses in market. By 2025 we intend to have over 5,000 students placed in full-time roles annually in the fintech industry and

we will self-sustain our initiative through revenues from a successful professional education course offering that is vital and relevant. By 2025 we also intend to have a successful student fintech entrepreneurship program launching 10-20 new fintech companies a year that are recent graduate founded and led.

This platform is one of kind in the USA and we should all be proud that initiatives like this one are turning Georgia into the technology capital of the east coast. We hope that any Georgia fintech companies that are not yet engaged with us will get engaged soon.

Follow our podcasts on Spotify, track our activities on social media, and visit our website.
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Analysts guesstimate that the economic disruption from the pandemic may last well into 2021.

Nonetheless digital services are better positioned than offline commerce for recovery, as the considerable migration from offline spend to online continues.

As we have noted in prior Fintech Ecosystem Reports, Georgia continues to represent "the last mile" when it comes to bringing new financial technologies to market. In other words, in the worldwide payments space, the mega-Fintech organizations such as FIS, Fiserv, Global Payments, Fleetcor and NCR are the juggernauts in the payments sector and if upstart companies want to field their new technology, Georgia's thriving ecosystem is certainly the place to be.

An important element of a mega Fintech ecosystem like Georgia is the startup community. Over the last 10 years, 45 Fintech companies have been founded in Georgia, 38 of which were based in the

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Georgia's Thriving and Constantly Evolving Fintech Ecosystem As of October 2020

Private Companies

2Checkout	Corserv	Greenlight Financial Technology	OmegaFi	Steady
Agora	DataSeers	GroundFloor	ParkMobile USA	Strategic Link Consulting
Alias Pay	Davis + Henderson	Harland Clarkel	Patientco	Synet Global Solutions
Alogent	DefenseStorm	IDology	Paya	Telrock
Aquina Health	Delta Data Software	iLumen	Paybaks	Ternio
Arcanum	Drum Technologies	InComm	Payrix Payments Technology	Thanks Again
Artis Technologies	eBanqo	Ingo Money	Payscape	TransCentra
Authomate	Ebates (Cartera)	Instant Financial	PilotHSA	Trusted Sale
Bakkt	Ebix	IOU Financial	Pindrop	TrustStamp
Bank of America Merchant Services	Econocheck	IPC Systems	PPRO	UL Transaction Security
Bank Shot	eCredable	Ivy Lender	PrimeRevenue	Urjanet
BearTax	edea	Kabbage	Priority Payment Systems	Vanco Payment Solutions
Benchmark Technology Group	Entersekt	KyckGlobal	ProfitStars	Vendormate (GHX)
Birch Global	Esgro	Layr	Purchasing Power	Verady
Bitcoin Depot	eVance Processing	Lazlo	Qoins	Verde International
BitMinutes	eVestment	LBA Ware	Qwikcheck	VeriCheck
BitPay	FattMerchant	Lending Science	Revel Systems	Verifone
Bluefin Payment Systems	Featurespace	Lucena Research	RoadSync	Vesta
Bridge2 Solutions	FI Navigator	MAXEX	Safe Systems	Vital4
Brightwell Payments	Finastra	MaxRewards	Safely	VSoft
CAN Capital	FINSYNC	Medxoom	SAI Global US	Wela
Capital Slack	First Performance Global	Mercury Exchange	Salary Finance	Worldnet Payments
CapWay	FirstView	MeridianLink	Securegive	WorldWatch
Chosen Payments	FivePoint Payments	MicroBilt	Sionic Mobile	Yellow Card
ConnexPay	FSS Technologies	Monetizr	SmartPath	Zurly
ControlScan (EchoSat)	FTRANS	Monotton	Softgiving	
CoreCard Software	Funding University	nFront Security	Split	
Corlytics	GoProcure	NOWaccount Network	Stackfolio	

Public Companies

ACI Worldwide (NASDAQ: ACIW)	Global Payments (NYSE: GPN) (Includes TSYS)
ADP (NASDAQ: ADP)	GreenSky Financial (NYSE: GSKY)
Atlanticus Holdings (NASDAQ: ATLC)	Ingenico (OTC: INGI)
Bottomline Technologies (NASDAQ: EPAY)	InterContinental Exchange (NYSE: ICE)
Cardlytics (NASDAQ: CDLX)	Invesco (NYSE: IVZ)
CoreLogic (NYSE: CLGX)	Jack Henry & Associates, Inc. (NASDAQ: JKHY)
Deluxe (NYSE: DLX)	LexisNexis Risk Solutions (NYSE: RELX)
E*Trade (NASDAQ: ETEC)	Merchant eSolutions (Cielo,OTC: CIOXY)
Elavon (unit of US Bank, NYSE: USB)	NCR Corporation (NYSE: NCR)
Equifax (NYSE: EFX)	Paymetric (Worldpay, NYSE: WP)
EVO Payments Inc (NASDAQ: EVOP)	Q2 (Gro Solutions) (NYSE: QTWO)
FactorTrust (TransUnion, NYSE: TRU)	REPAY (Thunder Bridge, NASDAQ: TBRG)
FIS (NYSE: FIS) (Includes Worldpay)	Synchrony Financial (NYSE: SYF)
Fiserv (NASDAQ: FISV) (Includes First Data)	TASQ Technology (First Data, NYSE: FDC)
FleetCor Technologies (NYSE: FLT)	Transunion (NYSE: TRU)

Visit tagonline.org/societies/fintech/ for the latest updates and company descriptions

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2020 (as of October 2020)

- Greenlight raises \$215 million in C-Round funding, valuing it at \$1.2 billion
- Payroc acquires Gateway Payments
- Payroc acquires Strategic Payment Systems
- AMEX acquires Kabbage
- Paya acquires The Payment Group
- Paya goes public via SPAC merger
- Trust Stamp raises \$7.7 million in Series A and crowdfunding equity
- EVO Payments raises an additional \$150 million in equity capital
- Featurespace raises \$37 million in funding
- Intercontinental Exchange acquires Bridge2Solutions, plans to integrate it with ICE's subsidiary Bakkt.
- RoadSync raises \$5.7 million in venture funding
- Bakkt raises \$300 million in Series B funding from investors including Microsoft and Boston Consulting Group

- Venture capital, IPO and spinoff transactions
- Mergers and acquisitions

Visit tagonline.org/societies/fintech/ for transactions from 2015 and prior, plus the latest updates

2019

- Global Payments merges with TSYS in a deal valued at \$21.5 billion
- FIS acquires Worldpay for \$43 billion (includes assumption of debt)
- Fiserv acquires First Data for \$22 billion
- Elavon acquires the Sage Pay unit of Sage Group for \$300 million
- FLEETCOR acquires Travelliance
- REPAY acquires TriSource Solutions
- Drum Technologies raises \$11 million in funding from a group led by Propel Venture Partners (BBVA) and American Express Ventures
- Greenlight Financial Technology raises \$54 million in investment capital from Drive Capital, JPMorgan Chase and Wells Fargo
- DefenseStorm raises \$15 million in a funding round led by Georgian Partners
- Incomm acquires Meridian Loyalty
- Payrix closed \$22 million funding led by Blue Star Innovation Partners
- NCR acquires D3 Technology
- ConnexPay closed a Series A funding round of \$7 million led by BIP Capital
- Incomm acquires Hallmark Business Connections
- Payscape merges with NXGEN
- IDology acquired by GBG for \$300 million
- LinQ3 Technologies acquired by Incom
- Kabbage raises \$700 million in debt financing
- Thunder Bridge acquires REPAY for \$653 million
- Featurespace raises \$32 million in venture capital
- FLEETCOR acquires Nvoicepay
- Paya acquires First Billing Services

2018

- Q2 acquires Gro Solutions
- NCR acquires JetPay
- Elavon acquires Electronic Transaction Systems
- Patientco raises \$28 million in venture capital
- Fattmerchant raises \$10.5 million in venture capital
- GreenSky completes \$874 million IPO
- EVO Payments completes \$244 million IPO
- Ebix acquires Transcorp Int'l and Centrum Direct
- BitPay raises \$40 million in venture capital
- Kabbage acquires Orchard Platform Markets
- Cardlytics completes \$70 million IPO
- Greenlight raises \$20 million in venture capital
- BMW acquires Parkmobile

2017

- BitPay raises \$30 million in venture capital
- Cardlytics raises \$12 million in venture capital
- Ebix acquires ItzCash, via.com, Paul merchants
- Equifax acquires ID Watchdog
- EVO Payments acquired Sterling Payment Technologies
- Exela acquires TransCentra
- First Data acquires Acculynk, BluePay, and CardConnect
- First Performance Global raises \$17.5 million in venture capital
- Fleetcor acquires Cambridge Global Payments
- Fiserv acquires Dovetail, Monetise, PCLender
- GreenSky raises \$200 million in venture capital
- InterContinental Exchange acquires eVestment
- Kabbage raises \$200 in venture capital and \$250 million in debt financing
- TSYS acquires Cayan
- Urjanet raises \$20 million in venture capital
- Vantiv acquires Paymetric
- Vantiv acquires Worldpay, adopts the Worldpay name

FINTECH

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Atlanta metro area. Other Fintech companies as well have seen the logic of moving their operations to Georgia to enjoy closer proximity to partners, a robust talent pool, and access to an international customer corridor. A great example of local expansion is Deluxe's plan to open a customer innovation center in the metro Atlanta area.



TAG's Fintech Society will do its best keep pace with documenting the ever-growing Fintech community and its impact on Georgia's economy. We encourage you to join in and help us keep track of the state of the ecosystem. To learn more about Georgia's Fintech community, please join us at www.tagonline.org/societies/Fintech.

Authors



Don Campbell, Managing Principal of RightCourse, a management consulting firm focused on helping organizations match their IT strategies to their business strategies.



Chip Harden, Regional Sales Manager at Ondot Systems, a digital card services platform provider for financial institutions.



Glen Sarvady, Managing Principal of payments strategy firm 154 Advisors and a regularly published thought leader. Glen is a 20-year veteran of Atlanta FinTech including leadership roles at CheckFree and McKinsey & Company.

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