

The Power of the PayFac Model.

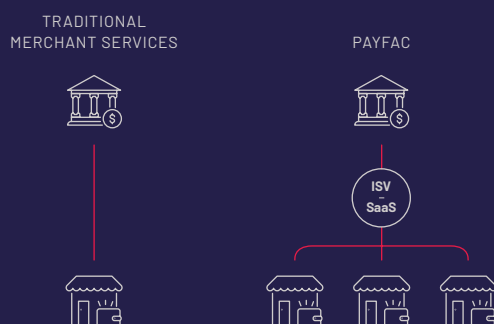
presented by  **cardknox**
A Fidelity Payments Company

What is a PayFac?

A payment facilitator is a merchant services provider that enables businesses to process credit card payments. An increasing number of ISVs and SaaS providers are becoming payment facilitators so that they can provide their clients with streamlined account onboarding and integrated payment processing features—all while growing their own revenue.

How Does it Differ from the ISO Merchant Services Model?

With a typical ISO model, your clients work directly with the payment processor to onboard and register to process payments. Together, ISOs and ISVs share in the revenue generated from processing fees. In contrast, a PayFac builds and maintains its payment infrastructure to interact directly with clients and control the user experience. PayFacs enjoy the opportunity to earn more revenue—however, they carry the increased costs and risks associated with payment processing.



The Growth of Payfac-as-a-Service

The traditional path to becoming a PayFac is complex, costly, and risky—requiring significant overhead costs and years dedicated to building a PayFac infrastructure from the ground up. ISVs choosing this path need to develop software, become compliant with numerous regulations, and carefully oversee risk management.

To simplify the PayFac journey for ISVs, payment solution providers like Cardknox offer the PayFac-as-a-Service (PFaaS) model. PFaaS products like Cardknox Go are out-of-box solutions that equip businesses with everything they need to become PayFacs: software, compliance, risk monitoring, and so much more.

\$15 Billion

Expected revenue generated by PayFacs in 2025 ¹

14x



Potential Increase in Revenue for SaaS Providers Who Become a PayFac ²

127x

Potential Increase in Valuation for SaaS Providers Who Become a PayFac

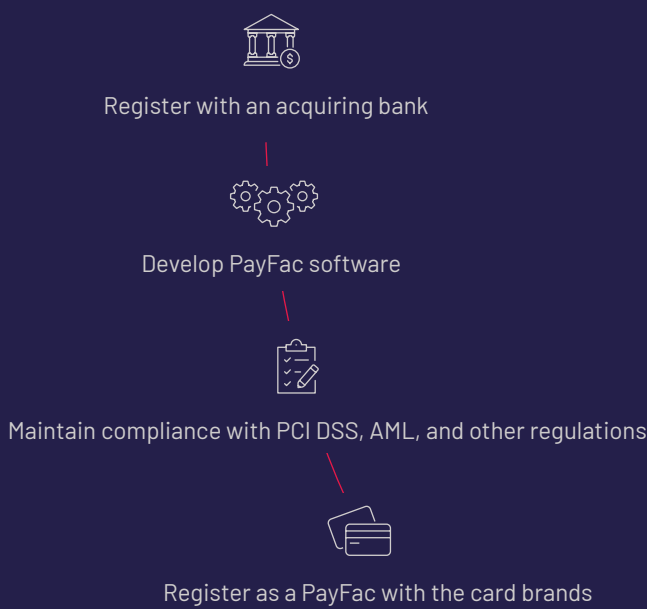
2010

The year the first PayFac program was launched by Mastercard ³

How to Become a PayFac

OPTION 1

Traditional PayFac



OPTION 2

PFaaS



Benefits of the PayFac Model

- ✓ High Earning Potential
- ✓ Rapid Onboarding
- ✓ Simple Flat-Rate Structure

Start onboarding clients

Benefits of the Cardknox Go PFaaS Solution

All the benefits of the traditional PayFac model, **plus:**

- ✓ Rapid Time-to-Market (months rather than years!)
- ✓ Reduced Risk Burden
- ✓ Easy Integrations That Minimize Scope of Development
- ✓ Advanced Payment Technology for In-Store, Online, & Mobile
- ✓ Greater Control Over Sub-Merchant Boarding & Payouts
- ✓ Industry-Leading Customer Service

Interested in becoming a PayFac?

Partner with Cardknox for the most hassle-free experience and generous revenue-sharing opportunities.

Visit cardknox.com/cardknox-go.

¹ prnewswire.com/news-releases/payment-facilitator-market-expected-to-reach-15b-in-payments-revenue-by-2025-301044649.html

² markets.businessinsider.com/news/stocks/vertically-focused-saas-companies-can-increase-revenue-1-5-to-14-times-and-valuation-8-5-to-127-times-by-becoming-a-payment-facilitator-1027735525

³ emarketer.com/content/why-payments-facilitators-worth-watching