



Electronic Merchant Systems Announces Strategic Majority Investment from BharCap Partners

Investment Empowers Next Stage of Growth and Innovation for Leading Merchant Services Provider

Cleveland, Ohio – August 1, 2024 – Financial Technology company Electronic Merchant Systems (EMS), an industry-leading merchant solutions and payments provider, is pleased to announce a strategic majority investment by BharCap Partners, LLC (“BharCap”), a Greenwich, CT based private investment firm focused on the financial services sector. The investment marks a significant milestone in EMS’ growth journey and enables the company to accelerate growth and enhance its client service offerings.

EMS offers payment processing solutions for retail and eCommerce merchants through three distinct go-to-market sales channels, with a focus on eCommerce and small-to-medium sized merchants. EMS processes approximately \$6 Billion in transaction volume for 25,000 merchants nationwide. With a seasoned leadership team, a scalable platform, and unique distribution channels, EMS is well-positioned to capitalize on growth opportunities and expand its merchant network.

Afshin Yazdian, who joined EMS as CEO and Executive Chairman in 2023, commented, “This is a big moment for EMS and our incredible team, and we look forward to working with a great partner in BharCap. We are now well positioned to continue the transformation of EMS into a leading FinTech Platform. I am grateful for BharCap’s belief in our vision and strategy. I am excited to work with the team and BharCap to continue to build our amazing organization.”

EMS was previously majority-owned by Jim Weiland, who founded the company in 1988. The company began as a local three-person sales office and has expanded to operate nationwide. Jim will retain a minority ownership stake in EMS and will remain on the EMS Board of Directors post-transaction.

Jim noted, “I could not be happier about the outcome for EMS. Afshin has a proven track record of building great companies and established himself as a highly effective leader who can now take EMS to another level of size and scale. I am also grateful to FT Partners for their support throughout this transaction. I look forward to working with Bharath and the team at BharCap as I believe they are the perfect partner for me and the EMS management team. I admire BharCap’s approach and style when working with founders; it is clear they have walked in our shoes. The BharCap team’s operational and strategic orientation, coupled with their sector expertise, will help drive our next phase of growth. I also would like to thank our dedicated and hardworking employees, who play an integral part in the growth and achievements of EMS. Our company’s success is a reflection of their efforts. I am excited for the growth opportunities that will be available to them as EMS enters this new chapter.”



Bharath Srikrishnan, Co-Founder and Managing Partner of BharCap, noted, “The payment processing industry was the first financial services sub-sector I worked in 24 years ago, and I have always considered it to be one of the most attractive sub-sectors in which to invest. We first met EMS almost a decade ago, and we have deep respect for EMS’ ability to deliver unparalleled service to their partners in the digital economy. As entrepreneurs ourselves, we have tremendous empathy for founders, and are therefore often chosen to be a company’s first capital partner – and we do not take this responsibility lightly. We hope to build on EMS’ great legacy while also leveraging our proven toolkit to help management execute its next phase of innovation and expansion.”

In the past 15 months, BharCap has invested approximately \$700 Million of equity, comprising \$1.7 Billion in enterprise value, in five companies in the payment processing, insurance services, insurance distribution, wealth management and specialty finance sub-sectors of financial services, in each case backing proven management teams to capitalize on demonstrated secular growth trends.

With BharCap’s investment and partnership, EMS expects to become an active player in the M&A market. In January 2024, EMS further bolstered its distribution channels and significantly expanded its technology stack through the acquisition of Los Angeles, California-based PaymentCloud.

Ethan Wang, BharCap Co-Founder and Partner, added, “Afshin brings considerable M&A expertise to EMS, which coupled with BharCap’s resources, will enable the company to become a credible acquiror of payment processing businesses and merchant portfolios. We look forward to helping EMS develop into a reliable and repeatable strategic acquiror.”

In conjunction with BharCap’s investment, BharCap Operating Partners and strategic advisors Raj Date and Karl Mehta will join the EMS Board of Directors alongside Bharath Srikrishnan, Ethan Wang, Jim Weiland and Afshin Yazdian. Both Raj and Karl are financial technology veterans who bring decades of experience to the EMS Board.

Financial Technology Partners (FT Partners) served as exclusive financial advisor and Sullivan & Cromwell along with UB Greensfelder served as legal counsel to EMS. Simpson Thacher & Bartlett LLP served as legal counsel to BharCap. The terms of the transaction were not disclosed.

About Electronic Merchant Systems:

Headquartered in Cleveland, Ohio, Electronic Merchant Systems is an industry-leading merchant services provider that businesses depend on for their processing needs. Over 25,000 retail, internet, and omnichannel customers nationwide rely on the firm's diverse suite of modern payment solutions.



From credit card processing and risk management to gateways and virtual terminals, sales software, and web management, EMS offers comprehensive tools that empower businesses to thrive. EMS enables frictionless onboarding, swift underwriting, and exemplary post-approval merchant support. Our operations encompass research and development, underwriting, sales, marketing, and end-to-end innovation. EMS further leverages the robust services of its subsidiaries, MaxxPay, Total Touch, Paysley and PaymentCloud, to drive success for clients. Discover more at <https://www.emscorporate.com>.

About BharCap Partners:

BharCap Partners, LLC is a private investment firm investing in businesses across the financial services industry including financial technology and tech-enabled services; insurance distribution and insurance services; and asset and wealth management. BharCap manages over \$2 billion of capital across 12 investments.