

March 17th - March 23rd

PERSPECTIVES by Eric F. Risley

Broker and exchange consolidation is in full swing, finally.

Kraken's acquisition of NinjaTrader made headlines as the largest crypto M&A transaction in the industry's history. NinjaTrader offers futures and foreign exchange trading services across a wide variety of assets—beyond just crypto—to retail investors. As highlighted previously, acquisitions between traditional financial services and crypto businesses are becoming increasingly common. In this case, the crypto specialist is embracing traditional financial markets, with Kraken adding the trading of futures contracts for stock market indices, bonds, gold, crude oil, and foreign exchange to complement its historical crypto-only focus. We have a more detailed analysis in our M&A Alert [here](#).

Three additional broker and exchange transactions were announced this week, marking a record for any single week. Swyftx, the second-largest crypto broker in Australia, acquired EasyCrypto, the largest crypto broker in New Zealand. In line with geographic expansion, LPT acquired Turing Capital Brokerage, offering MiCA-licensed access to Spain and the EU.

Although still a work in progress, regulatory clarity is improving. As highlighted below—taken from our Year-End 2024 Crypto M&A and Financings Report in January—this topic remains a critically important gating factor for the broadening of crypto M&A activity, particularly regarding the entry of traditional financial institutions.

"There are several gating factors preventing additional buyers from jumping in, starting with regulatory clarity. When we see bridge transactions (TradFi buying crypto natives) we know those regulatory hurdles are low enough to commit capital. Really only Robinhood acquiring Bitstamp fits, but it is something we closely monitor. Also favorable are reverse bridge transactions (crypto native buying TradFi), and crypto.com has done two of them in Q4. The weaving together of TradFi and crypto natives makes sense to us and we expect more to come."

In sum, not enough activity to say it's a healthy market, but we are hearing optimism we haven't heard for the past two years. This optimism is coming from large and small players, with several large players sharing they are reviving acquisition efforts of scale. So we expect headline consolidation deals in the upcoming year."

Michael Klena, Partner

RECENT CRYPTO M&A TRANSACTIONS (click here for full AP M&A Tracker)

Target	Acquirer	Transaction Summary	M&A Alert
NINJATRADER	kraken	Transaction Value: \$1,500M Rationale: Unlocks ability to offer crypto futures and derivatives, global expansion for NinjaTrader Sector: Brokers & Exchanges Target Description: Futures & forex trading, market analytics, trade simulation, brokerage services	●
Laine Validator	Sol Strategies	Transaction Value: \$24M Rationale: Expands staking solutions capabilities Sector: Mining & Staking Target Description: Blockchain infrastructure for validator operations & decentralized network solutions	○
Sonic Strategy	spetz Specialists Now	Transaction Value: \$5M Rationale: Expands blockchain infrastructure and staking solutions Sector: Mining & Staking Target Description: Staking company focused on Sonic Blockchain	○
currency.com	CXNEST	Transaction Value: ND Rationale: Combining technology with new investor expertise as a platform Sector: Brokers & Exchanges Target Description: Cryptocurrency exchange	○
EASycRYPTO	swyftx	Transaction Value: ND Rationale: Regional expansion, customer acquisition Sector: Brokers & Exchanges Target Description: New Zealand's cryptocurrency exchange	○
expand.network	BLOCKDAEMON	Transaction Value: ND Rationale: Expands ability to connect businesses to blockchains with an API Sector: Developer Tools & Infrastructure Target Description: API that allows institutions, wallet providers, to connect across multiple ecosystems	○
Turing Capital	LTP	Transaction Value: ND Rationale: Allows LTP to expand into Europe as a regulated industry Sector: Brokers & Exchanges Target Description: Spanish brokerage firm with a Markets in Crypto-Assets (MiCA) license	○

OVERALL CRYPTO M&A ACTIVITY LEVELS

