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Target:  Independent Reserve

Buyer: **IG Group**

### UK-Based IG Group Acquires Independent Reserve

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#### Transaction Overview

On September 19<sup>th</sup>, 2025, IG Group, a UK-based trading platform specializing in leveraged trading, acquired a 70% stake in Independent Reserve, an Australian cryptocurrency exchange for A\$109.6 million (\$72.5 million) in upfront consideration and A\$15 million (\$9.9 million) in contingent consideration.

#### Target: Independent Reserve

Independent Reserve is a Sydney-based cryptocurrency exchange founded in 2013 that serves retail, self-managed super funds, and institutional clients in Australia and Singapore.

Key offerings include spot trading in 30+ digital assets, multi-currency funding and trading (AUD, SGD, NZD, USD), an OTC desk for large orders, and APIs and workflows tailored to institutions. The firm also touts its ability to be the sole custodian of client's crypto assets, utilizes cold storage, maintaining asset segregation and no rehypothecate.

Independent Reserve's revenue for the 12 months ended June 30, 2025 was A\$35.3 million (\$23.2 million), which is up 88% year over year. Furthermore, Independent Reserve custodies A\$1.7 billion (\$1.1 billion) in assets and has 129,400 funded accounts and 11,600 monthly active customers.

Competitors are Caleb & Brown, Swyftx, BTC Markets and Coinspot, all based in Australia, Coinhako Privé and QCP Trading for regional institutional flow and Coinhako, Crypto.com, and Coinbase in Singapore.

Independent Reserves sold a 25% stake in the business to Mike Tilley and KTM Ventures / Capital in 2018.

#### Buyer: IG Group

IG Group is a London-headquartered FTSE 250 online trading and investments company founded in 1974. Through the IG and tastytrade brands it allows its clients to trade via spread betting, contracts for difference, options, forex, and share dealing across roughly 19,000 markets. It broadened its direct-to-consumer reach with the ~\$1B tastytrade acquisition in 2021 and a January 2025 agreement to acquire Freetrade for an enterprise value of £160 million (\$196 million) funded from existing cash.

Clients trade and invest on IG's own web and mobile platforms, which bundle real-time data, research tools, structured education, and daily tastytrade programming to keep users learning and engaged. This content-led approach supports client retention and helps investors progress from basic to advanced strategies. The company operates under local regulation in 16 countries, enabling consistent service with jurisdiction-specific protections and product availability.

In 2025 it launched crypto trading in the UK in partnership with Uphold, while in the U.S. tastytrade provides crypto access and custody infrastructure through Zero Hash, including 24/7 stablecoin account funding. The Freetrade transaction completed on 1 April 2025, the UK crypto launch went live in June 2025, and tastytrade's stablecoin funding capability rolled out in July 2025.

For FY25, the year ended 31 May 2025, IG reported total revenue of £1,075.9 million (\$1,448.2 million), up 9% year over year, and adjusted profit before tax of £535.8 million (\$721.2 million).

#### Transaction Parameters

IG Group will be acquiring 70% of Independent Reserve, paying A\$109.6 million (\$72.5 million) upfront, with A\$15 million (\$9.9 million) being contingent upon performance on June 30th, 2026, for a total of A\$124.6 million (\$82.5 million).

Finally, IG group has the option to acquire the remaining 30% stake in the future, with valuation being determined by 2027 and 2028 financial performance. The firm, however, has put a maximum cap on the value of the 30% stake of A\$160.5 million (\$106.2 million). Meaning at most, IG Group would have to pay A\$285.1 million (\$188.7 million). However, as it stands today, the multiple on the consideration paid upfront, A\$109.6 million (\$72.5 million) is 3.1x. Finally, the transaction is expected to be cash-EPS accretive in the first full year post-close and to exceed WACC on a three-to-five-year view.



Notable similar transactions include Figure Markets | Figure Technology ([M&A Alert](#)) Caleb & Brown | Swyftx for \$100 - \$200M ([M&A Alert](#)), WonderFi | Robinhood for \$179M ([M&A Alert](#)) Coinbase | Deribit for \$2.9B ([M&A Alert](#)), Hidden Road | Ripple ([M&A Alert](#)), NinjaTrader | Kraken for \$1.5B ([M&A Alert](#)), FairX | Coinbase ([M&A Alert](#)), and Robinhood | Bitstamp for \$200M ([M&A Alert](#)).

### **Strategic Rationale**

The deal closes a product gap in a priority region by giving it immediate, licensed exchange and OTC presence in Australia and Singapore, with optionality to expand across Asia Pacific and the Middle East; it keeps Independent Reserve's leadership and brand, and plans to integrate its product into IG's trading platforms starting in Australia and Singapore.

### **Architect Partners' Observations**

While headlines are great, the details matter more. In this case, IG Group is acquiring only 70% of Independent Reserve, and a portion of the closing consideration is being held back and is contingent upon performance in the fiscal year ending June 30, 2026. IG Group has the option to acquire the remaining 30% stake in the future, with the purchase price dependent on financial performance in fiscal years 2027 and 2028.

The bottom line: the actual consideration at closing is \$72.5 million for control of a business that generated \$23.2 million in revenue over the past twelve months, a modest 3.1x revenue multiple. Yes, the structure allows for future payments, the amount of which will depend on future performance. This may result in a higher valuation multiple in retrospect.

Why this structure? Almost certainly to bridge a gap between the valuation expectations of the acquirer and the seller. In M&A, there are many ways to create structures that can be win-win if certain future events unfold. In this case, IG Group can acquire the remaining 30% ownership stake at pre-negotiated values that vary with financial performance over the next three years. The shareholders of Independent Reserve are effectively putting that future consideration at risk because they believe they can perform well and "earn" an even better outcome. The nuances here are only partially disclosed, so it's impossible for an outsider to assess the specifics. However, these types of structures, and the required leap of faith, can be an effective mechanism to align buyer and seller needs.

### **Sources**

[PitchBook](#), [IG Group Press Release](#), [Architect Partners Insights](#).