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PERSPECTIVES by Eric F. Risley

M&A is driven by corporate strategy, but creativity can be critical as well.

Exodus, the publicly traded non-custodial wallet provider, has demonstrated its strategy of broadening its value proposition to include crypto payments for goods and services through the acquisition of Baanx and Monavate announced this week.

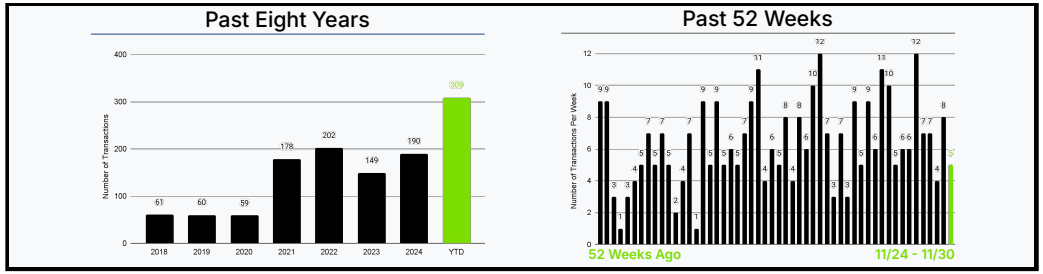
This transaction is a great case study with three particularly notable elements. First, this transaction is very meaningful from a size perspective for Exodus, representing 48% of the combined enterprise value just prior to announcement. This scenario is closely scrutinized and "voted on" by the market. In this instance, Exodus stock traded up in the aftermarket following the announcement, opening up 5%, which indicated a positive market reaction to the acquisition. Within two days, the stock had increased 17%.

The second notable element is that Exodus provided pre-close funding of between $58.8M and $68.8M, which is very unusual. This demonstrates how creative structuring can be integrated into M&A transactions to allow for unique requirements.

Lastly, Exodus funded this all-cash acquisition with a loan secured by Bitcoin it owns, raising cash without selling the Bitcoin at values well below recent highs.

A more detailed description and assessment can be found in our **M&A Alert**.

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

Target	Acquirer	Transaction Summary	M&A Alert
ht.digital	Bridgepoint Group	**Transaction Value:** £200.0M (~$262.96M) **Rationale:** To back its digital assets compliance prospect with tightening regulation trend **Sector:** Consulting & Services **Target Description**: Digital-asset-focused accounting, audit and proof-of-reserves advisory services provider	○
BAANX	EXODUS	**Transaction Value:** $175.0M (combined value with Monavate) **Rationale:** Constitutes its layout from custodial to payments with crypto-native banking and card programs **Sector:** Payments Infrastructure **Target Description**: Crypto banking and payments platform specialized in self-custody wallet cards programs	●
Monavate.	EXODUS	**Transaction Value:** $175.0M (combined value with Baanx) **Rationale:** Further constitutes its layout in payments with card issuance and processing rails **Sector:** Payments Infrastructure **Target Description**: Europe-regulated digital card issuer-processor and payment infrastructure provider	○
LedgerX	Robinhood / SUSQUEHANNA	**Transaction Value:** Not disclosed **Rationale:** To expand in blockchain and broader prediction derivatives with regulated venue secured **Sector:** Brokers & Exchanges **Target Description**: CFTC-regulated digital currency futures and options exchange	○
FORDEFI	PAXOS	**Transaction Value:** Not disclosed **Rationale:** To integrate Fordefi's institutional wallets and DeFi access into its regulated stablecoin infrastructure **Sector:** Investing & Trading Infrastructure **Target Description**: Institutional Web3 wallet and gateway for safely accessing DeFi	○

OVERALL CRYPTO M&A ACTIVITY LEVELS