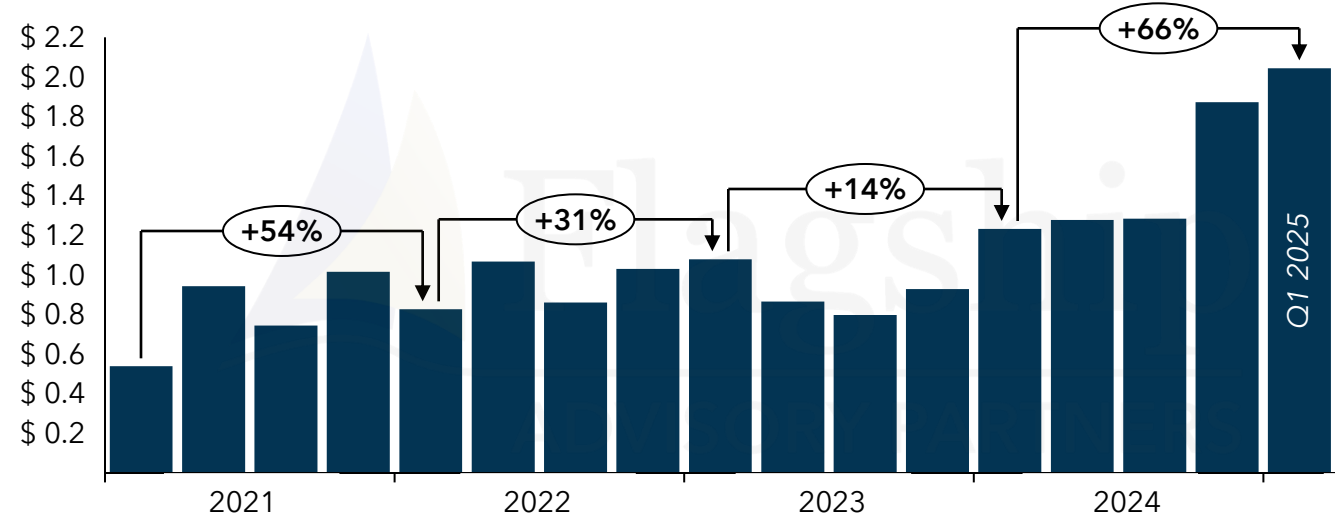


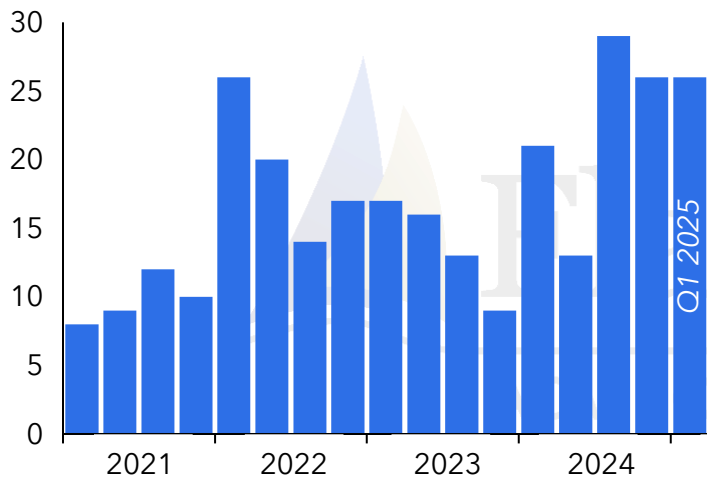
2025 is the Year of Stablecoins, With Record Volumes and M&A Momentum

1 Size & Growth: Stablecoin Transaction Volume¹ (in trillion of USD)



Notes: ¹ Adjusted to exclude inorganic activity (trading, bots, etc.)
Sources: Visa Onchain Analytics, Flagship Advisory Partners

2 M&A Activity: Number of Stablecoins' Payments Deals (including select key events)



Date	Deal
Oct 2024	stripe acquires Bridge for \$1.1B
Mar 2025	MoonPay acquires IRON for \$1.1B
Apr 2025	ripple acquires HiddenRoad for \$1.25B
May 2025	VISA invests in BVNK
Jun 2025	CIRCLE debuts in the NYSE
Jun 2025	stripe acquires privy

Sources: Company press releases, RootData, Flagship Advisory Partners market research

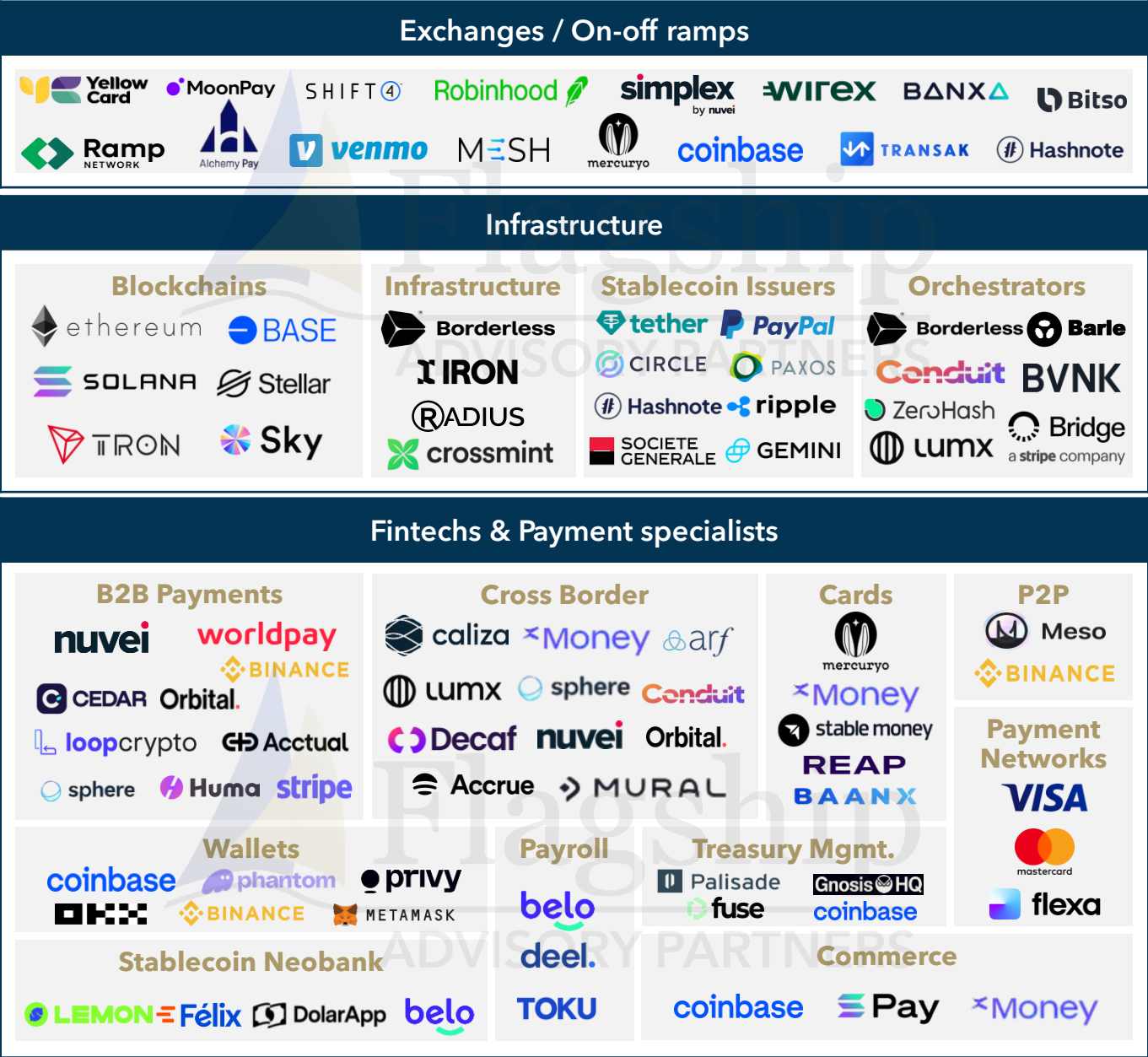
Select Key Observations

- Stablecoins have demonstrated strong momentum, with transaction volumes surging to \$5.7 trillion in 2024 and accelerating further with a **66% spike in Q1 2025**.
- Investor interest is growing**—evidenced by a recent increase in M&A activity, predominantly driven by strategic buyers rather than financial sponsors.
- A standout example is Stripe’s landmark \$1.1 billion acquisition of Bridge, signaling a major **strategic shift toward stablecoin-enabled payments**.

Inside the Fast-Changing World of Stablecoins: Mapping the Ecosystem

3

Stablecoin Market Ecosystem
(non-exhaustive)



Sources: Artemis, Flagship Advisory Partners research

Select Key Observations

- **The stablecoin ecosystem is expanding**, with a growing number of specialists offering solutions across a range of payment use cases, particularly in B2B and cross-border transactions.
- While adoption of stablecoin-based payments remains **in its early stages**, the landscape presents both compelling opportunities and material challenges. We maintain a cautious optimism, recognizing that sustained growth will depend on broader market adoption, enabling regulatory frameworks, commercially attractive incentives, and ongoing technological innovation.

Latest Regulatory Changes Presenting Opportunities for Payment Providers

4











Introduction to GENIUS Act in the US
(select key information)

<div>Overview</div> <ul style="list-style-type: none">Passed on: June 18, 2025The GENIUS Act is a bipartisan regulatory framework for stablecoins, aiming to set clear rules for stablecoin issuance & operations.1st stablecoin-related legislation to be passed by either chamber of Congress.	<div>How are they treated/defined?</div> <p>"Payment Stablecoin" are Digital Assets, they are not treated as Securities or Commodities.</p> <div>Reserve Mechanism?</div> <ul style="list-style-type: none">High-quality liquid assets (Cash, T-bills, etc.)Reserves cannot be lent out, pledged, or otherwise rehypothecated by the issuer, preventing leverage or reuse of the collateral <div>Federal licensing required to issue stablecoins</div>
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Sources: Congress.gov, Flagship Advisory Partners

5

Key Impacts on Payment Providers
(select observations)

Key Impact	Description	Impact on PSPs
<div> Regulatory Clarity & Legal Certainty</div>	The Act legally defines "payment stablecoins," clarifying who issues them and under which rules . PSPs gain a clearer roadmap on compliance and oversight.	
<div> Clear Reserve Requirements</div>	All issued stablecoins must be fully backed by liquid assets (e.g., USD) . This builds trust in these coins and ensures PSPs using them rest on reliable collateral .	
<div> Charter & Licensing Requirements</div>	Issuers must operate under a regulated bank-style charter. PSPs integrating stablecoins will need to partner with chartered issuers , which may streamline partnerships & reduce compliance uncertainties.	
<div> Enhanced Consumer Protections</div>	The Act requires safeguards like AML/KYC compliance. Reducing counterparty risk for PSPs and supports responsible digital payment services.	
<div> Impact on Cross-Border & Innovation Use Cases</div>	With more stablecoins backed by regulated issuers, PSPs can expect more stable infrastructure for international payments	

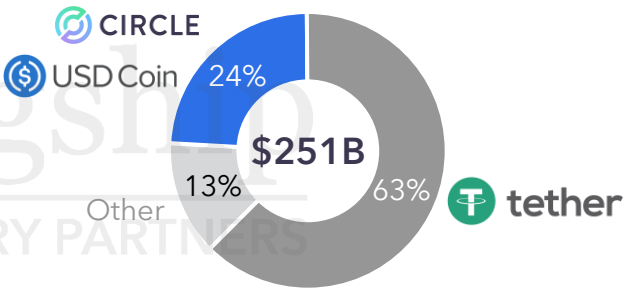
Sources: Flagship Advisory Partners

Circle Debuts on the NYSE on June 5th, Fueled by High Demand from Investors

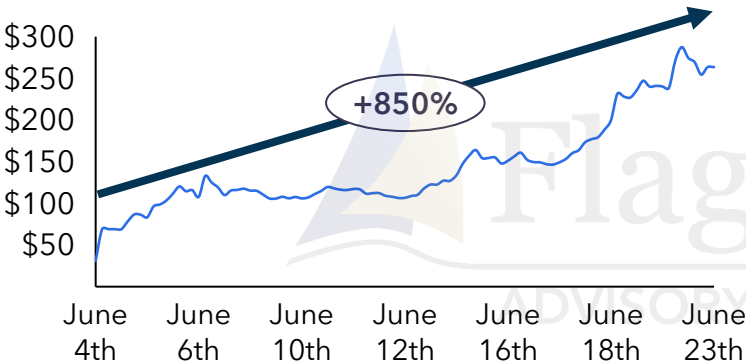
6 Stablecoin Market Cap (as of June 23rd)

Circle (NYSE: CRCL) is a global financial technology company providing transactional services, business accounts, and platform APIs. As of June 5, 2025, Circle, the issuer of USD Coin (USDC), a stablecoin pegged to USD and the second-largest stablecoin by market cap, finalized its IPO (NYSE: CRCL).

Sources: Artemis, DeFiLlama, Flagship Advisory Partners



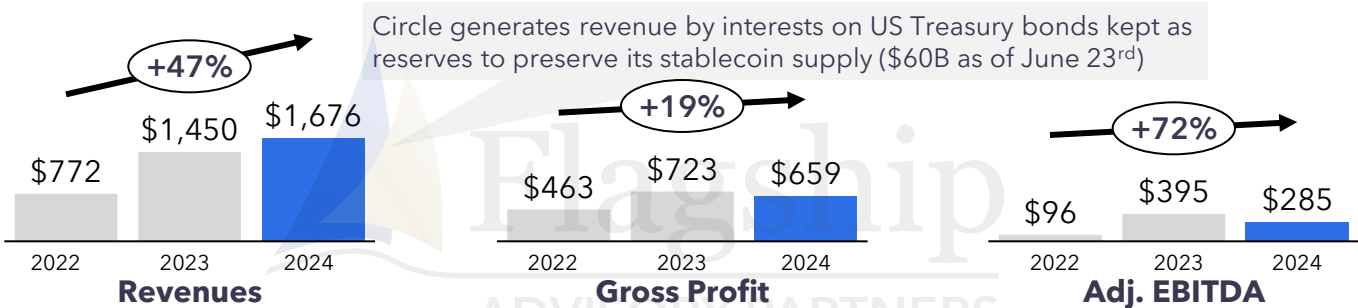
7 Circle Share Cap and IPO Highlights (as of June 23rd)



Sources: Yahoo Finance

- Circle raised **\$1.1 billion pre-IPO sales at \$6.9 B valuation**, and the stock was massively oversubscribed.
- 34 million** Class A common stock shares at **\$31.00 per share** (above the expected \$27 to \$28 range).
- As of June 23rd, **Circle's share price reached \$263.45 and \$63.9 B valuation**

8 Circle Business Performance (in \$ millions, 2022 - 2024)



Sources: Public company filings, press releases, Flagship Advisory Partners

Flagship Commentary

- Circle's business model is concentrated, **relying on USDC adoption and high U.S. Treasury yields**. It recently launched the Circle Payments Network (CPN), a platform aimed to connect financial institutions to enable payments using its stablecoin suite.
- Circle's Gross Profit and Adj. EBITDA declined in 2024 due to higher distribution costs, **primarily from the Coinbase revenue share agreement** signed in Aug. 2023, (~90% of its COGS).
- Despite declining profitability and a market-driven revenue model, Circle's IPO was well-received, **underscoring strong investor appetite for exposure to stablecoin-based payments**.

NAVIGATING FINTECH INNOVATION

Flagship Advisory Partners is a boutique strategy and M&A advisory firm focused on payments and fintech. We serve clients globally and have a team of 30+ professionals who have a unique depth of knowledge in payments and fintech.



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