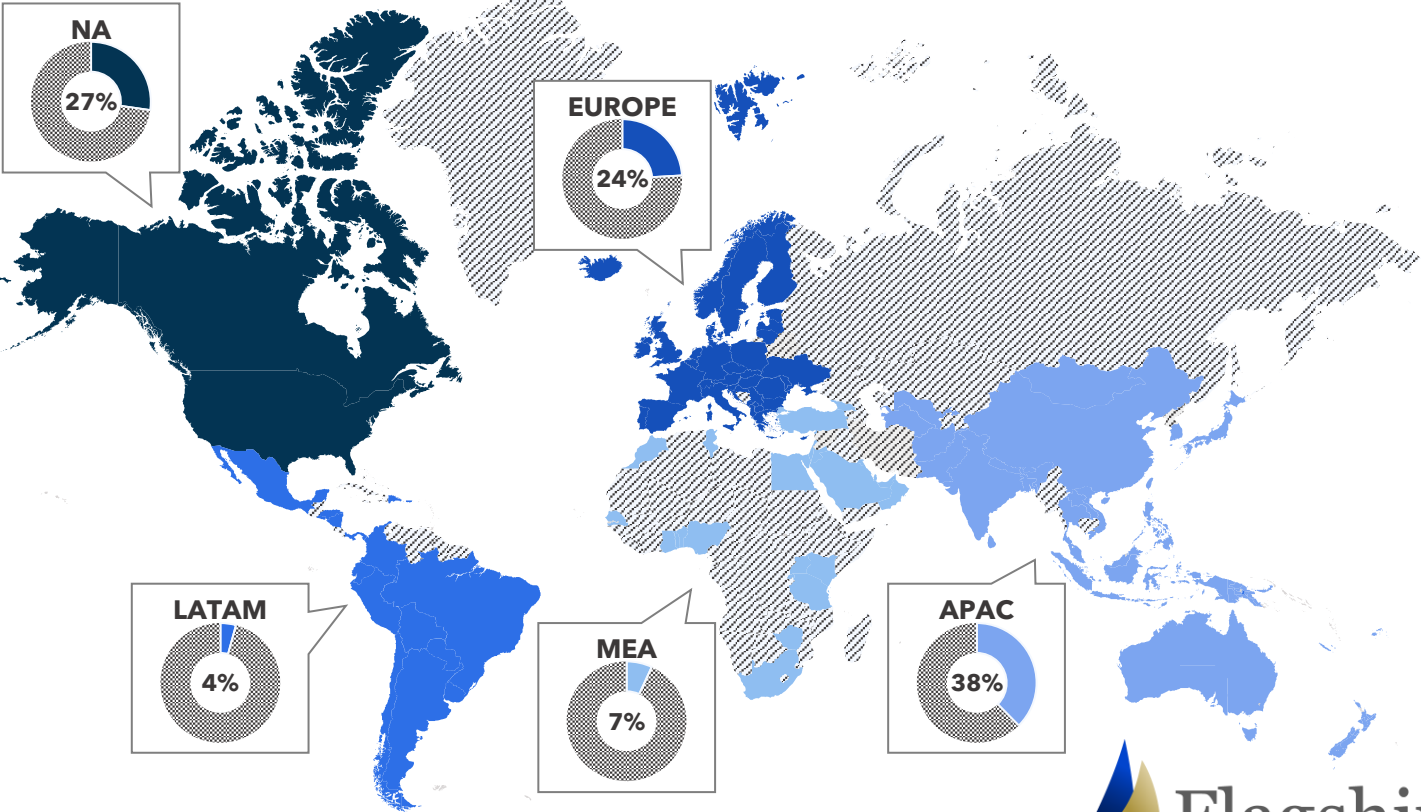


Regional Payments & Fintech Highlights

Q3 2024 Report Global Fintech M&A Witnesses Moderate Growth in Q3 2024

December 2024

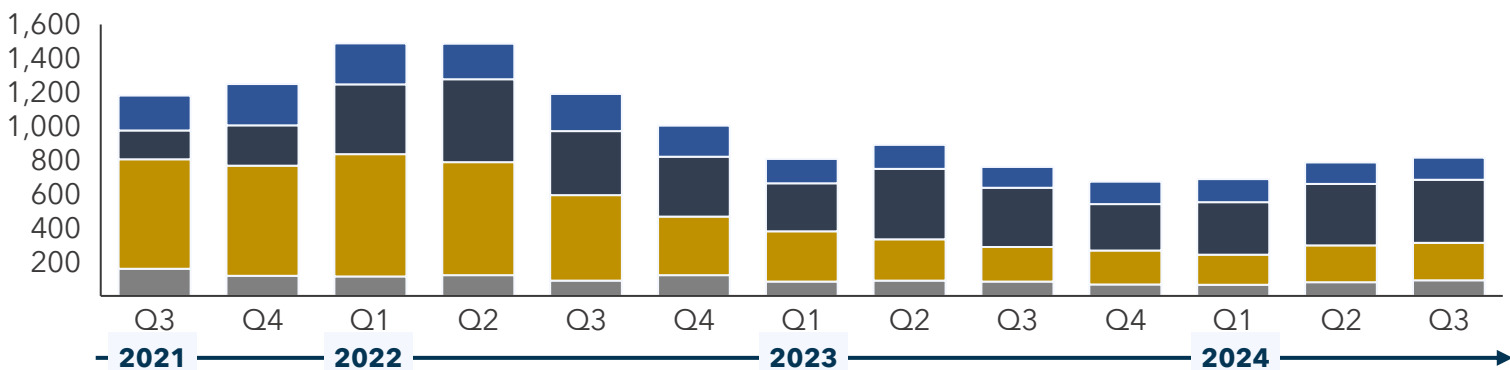
Deals in Fintech & Payments by Geography (% total announced deals; 12-month period; Q4'23 - Q3'24)



Global Fintech M&A Witnesses Moderate Growth in Deal Count in Q3 2024

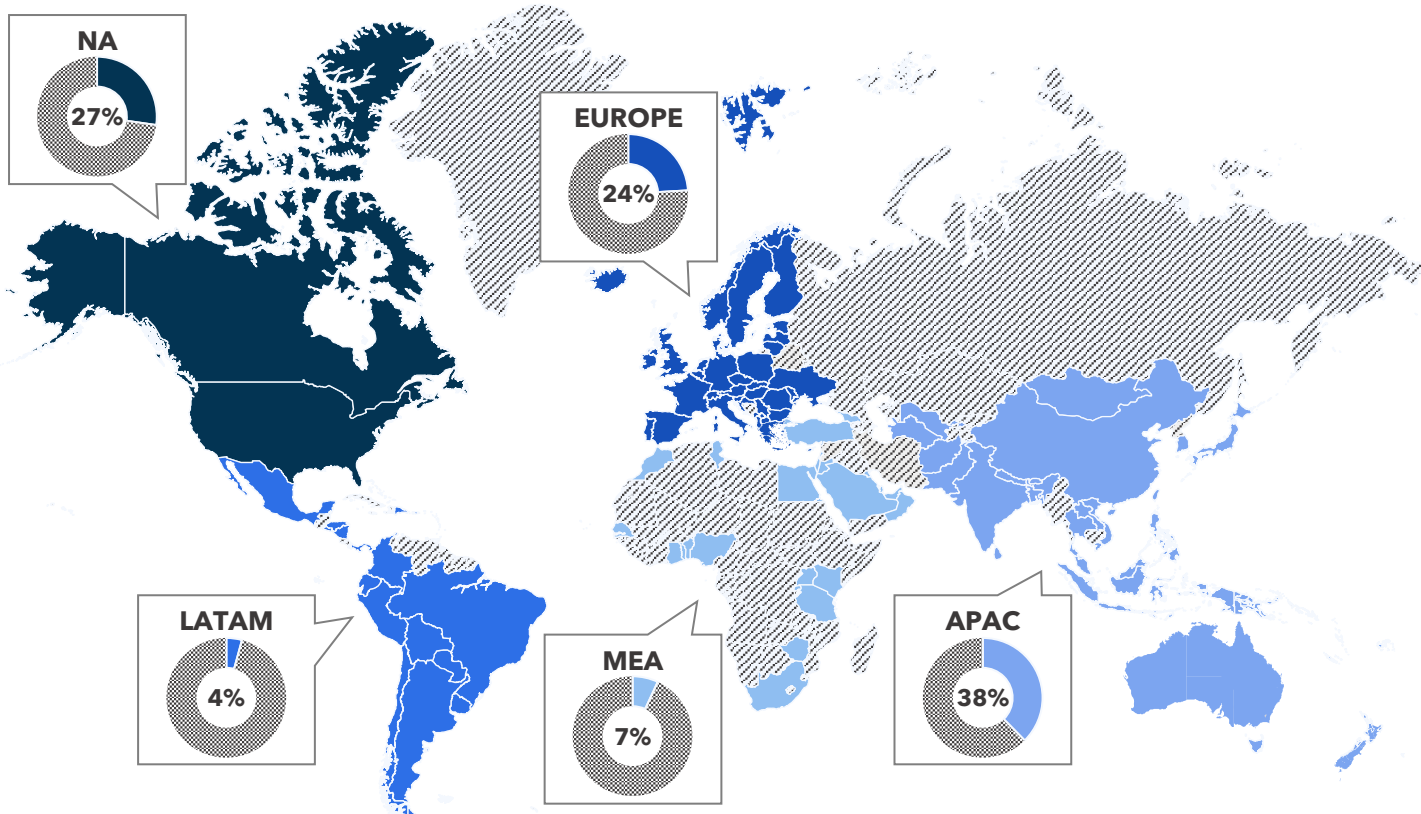
1 Global: Number of Deals in Payments & Fintech by Type (quarterly announced deals)

■ Mergers & Acquisitions ■ Debt Offerings ■ Venture Financing ■ Other Deals



Sources: Global Data, Company websites and press releases
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2 Global: Deals in Fintech & Payments by Geography (% total completed/announced deals; 12-month period; Q4'23 - Q3'24)



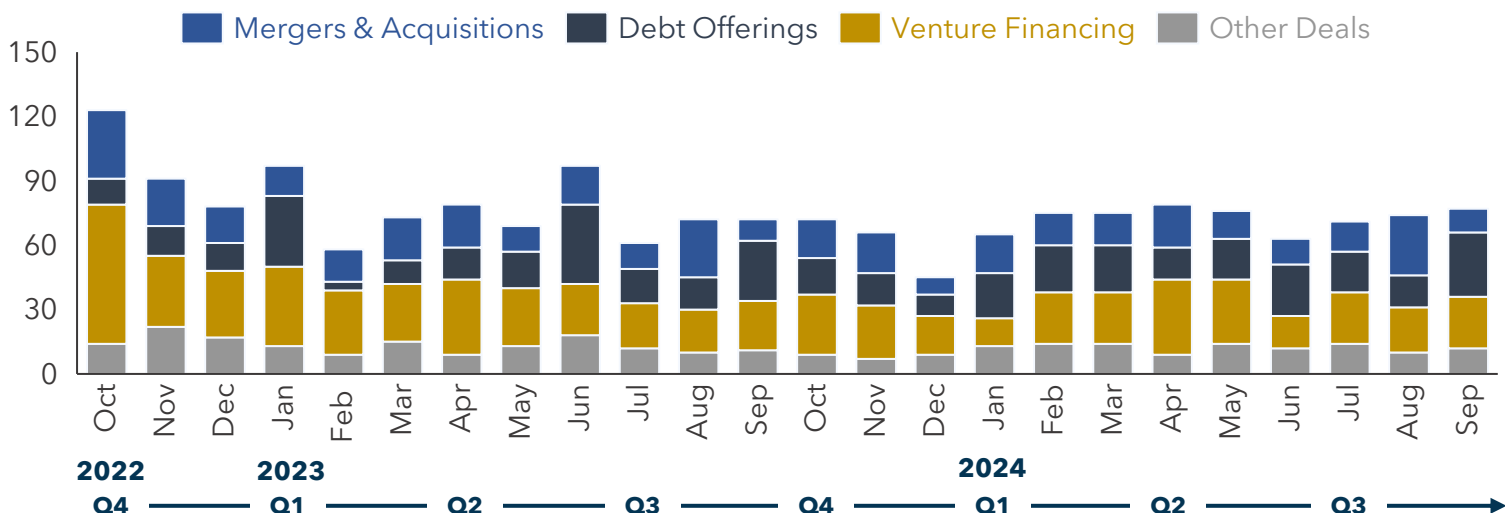
Sources: Global Data, Company websites and press releases
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Key Highlights

- Global fintech M&A deal volume showed steady growth during Q3 '24, increasing by mid-single digits compared to the same period in the prior year.
- Private equity-led M&A activity significantly contributed to the deal performance in Q3 '24.
- Strategic acquisitions also saw an increase in deal numbers, with notable players such as MasterCard and Visa actively acquiring fintech companies during Q3 '24.

North American Fintech M&A Activity Sustains Steady Momentum in Q3 2024

1 North America: Number of Deals in Fintech & Payments by Type (monthly announced deals, including global and regional deals)



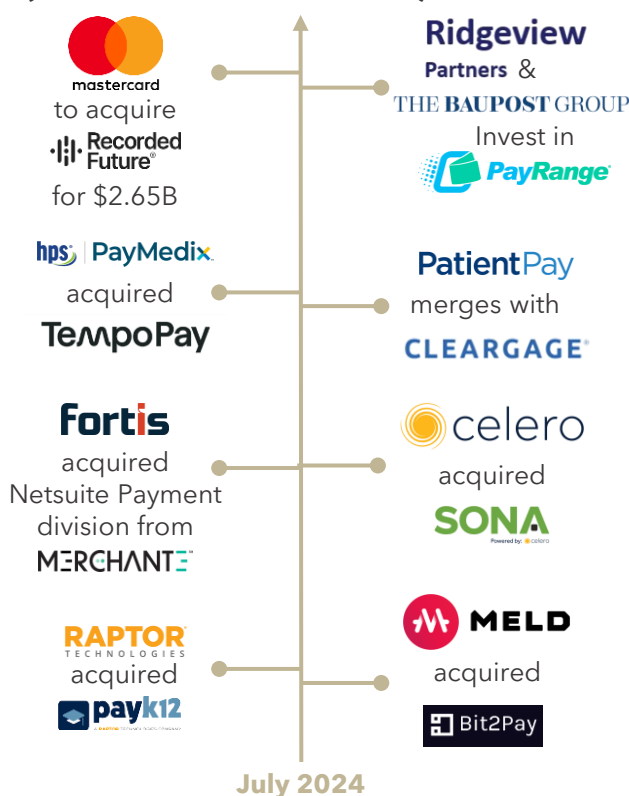
Sources: Global Data, Company websites and press releases
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2 North America: Deals by Geo (includes completed/announced deals)



Sources: Global Data, Company websites and press releases
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3 North America: Deals in Q3 '24 (non-exhaustive list of deals)



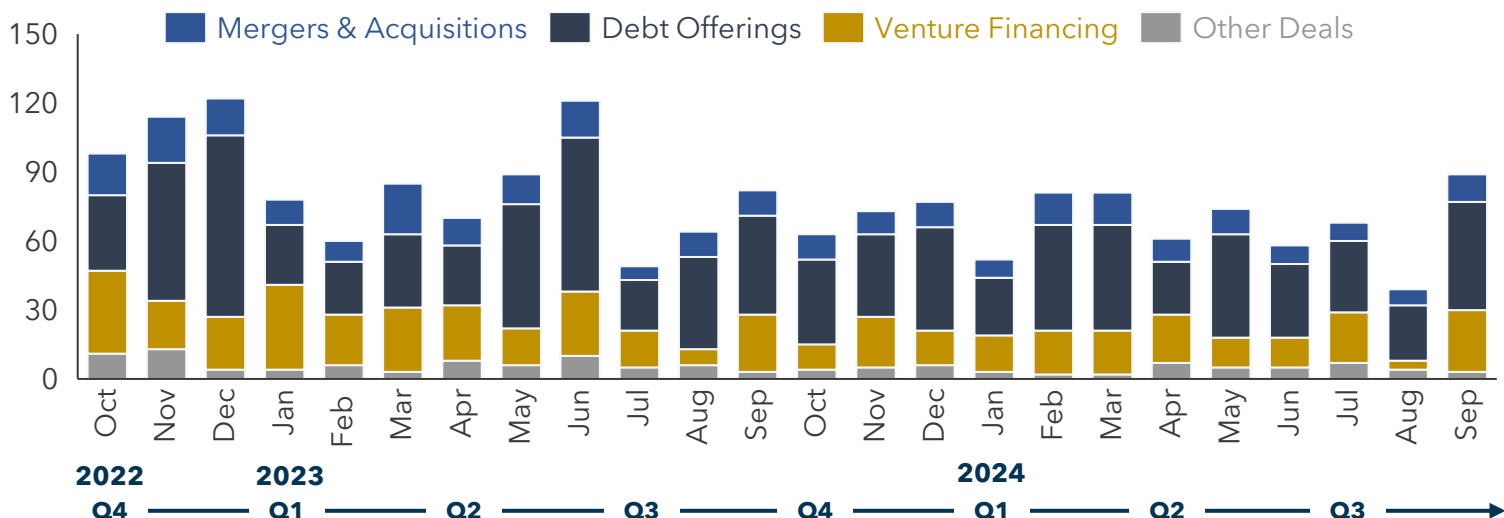
Sources: Crunchbase, Company websites and press releases
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Key Highlights

- In Q3 '24, North America experienced a gradual increase in fintech M&A deal volumes, with growth in the low to mid-single digits compared to the same period last year.
- Global US-based private equity firms significantly contributed to this modest uptick.
- Investors in North America have focused on strategic, value-driven deals this quarter.

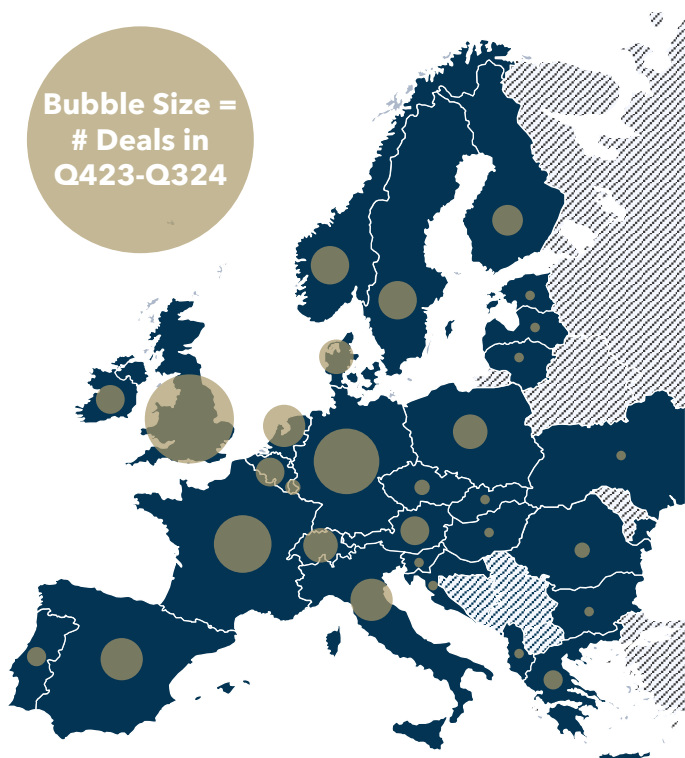
Europe's Fintech M&A Activity Rebounds After a Slow Summer Period

1 Europe: Number of Deals in Fintech & Payments (monthly announced deals, including global and regional deals)



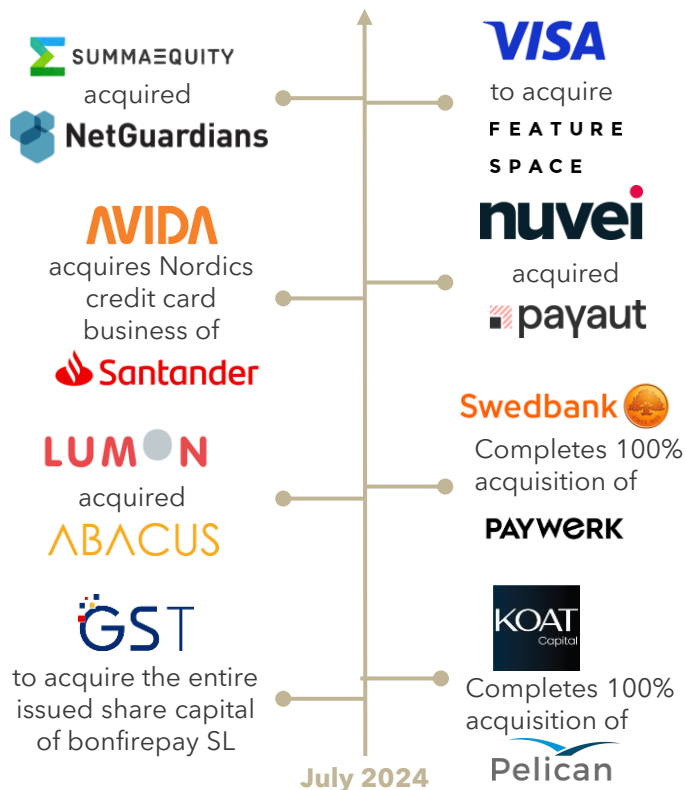
Sources: Global Data, Company websites and press releases © Flagship Advisory Partners December 2024

2 Europe: Deals by Geography (includes completed/announced deals)



Sources: Global Data, Company websites and press releases © Flagship Advisory Partners December 2024

3 Europe: Deals in Q3 '24 (non-exhaustive list of deals)



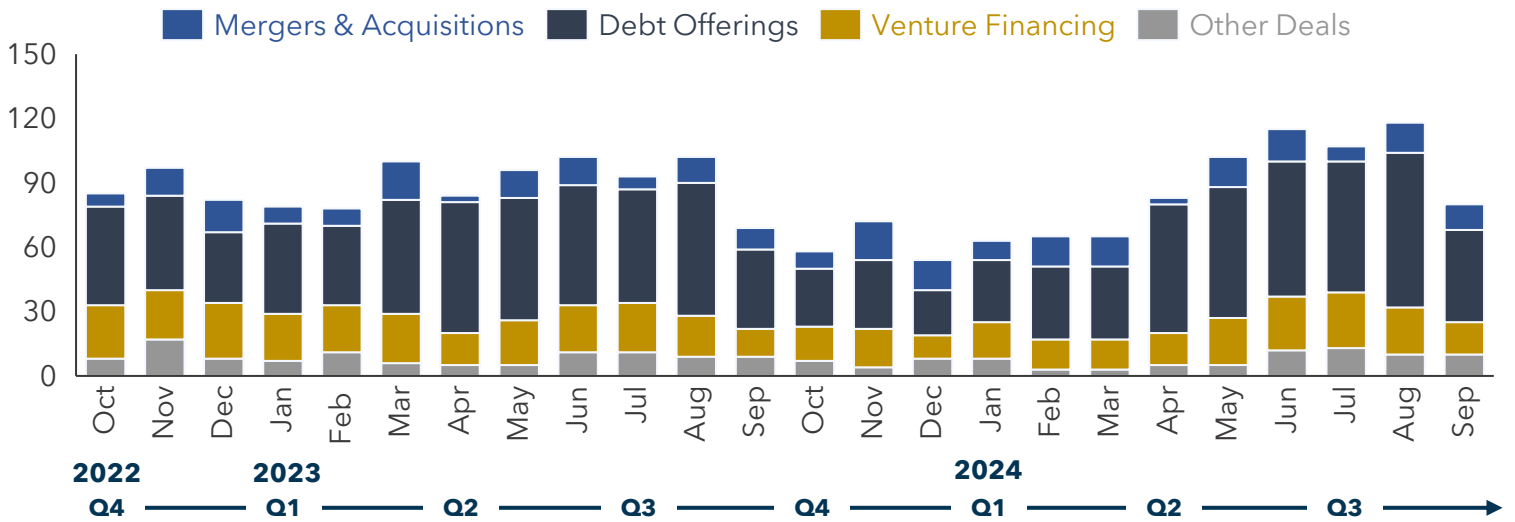
Sources: Crunchbase, Company websites and press releases © Flagship Advisory Partners December 2024

Key Highlights

- Europe's fintech sector saw a surge in M&A activity during the final month of Q3 '24.
- The UK market retained its leadership position in European fintech M&A in Q3 '24.
- Although deal activity saw a slight increase in Q3 2024 compared to the same period last year, overall funding has declined, reflecting a shift toward smaller, strategic investments.

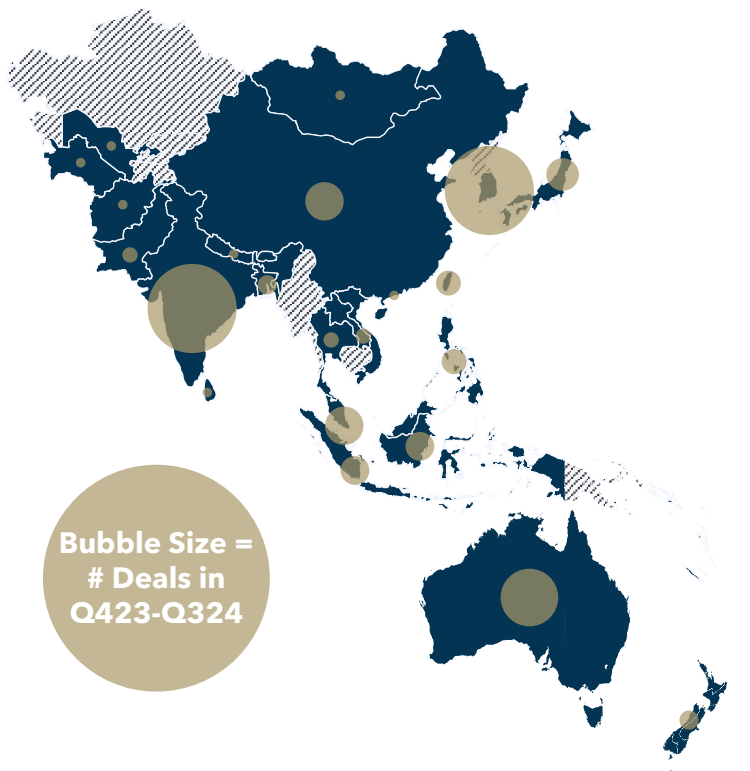
APAC Fintech M&A Activity Slows in Q3 2024

1 APAC: Number of Deals in Fintech & Payments (monthly announced deals, including global and regional deals)



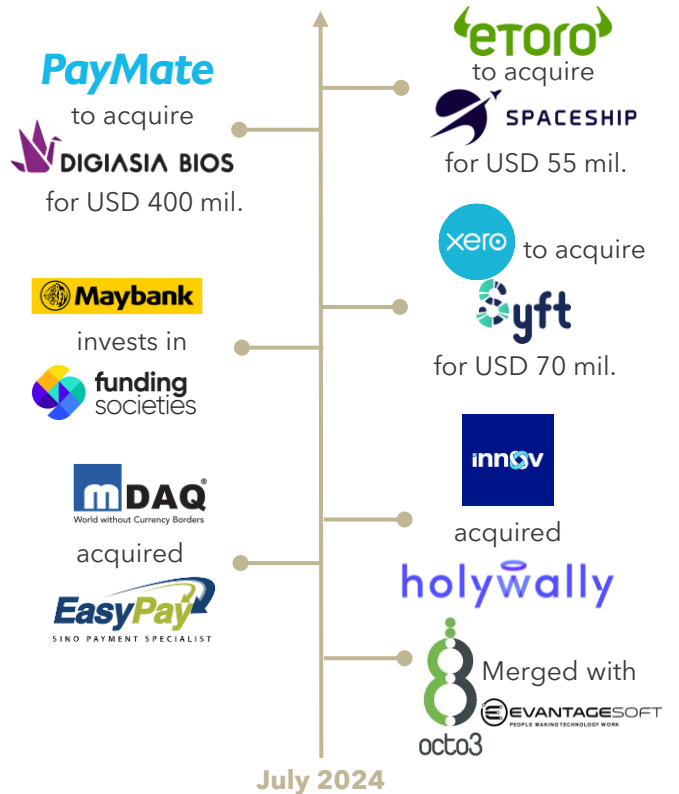
Sources: Global Data, Company websites and press releases
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2 APAC: Deals by Geography (includes completed/announced deals)



Sources: Global Data, Company websites and press releases
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3 APAC: Key Deals in Q3 '24 (non-exhaustive list of deals)



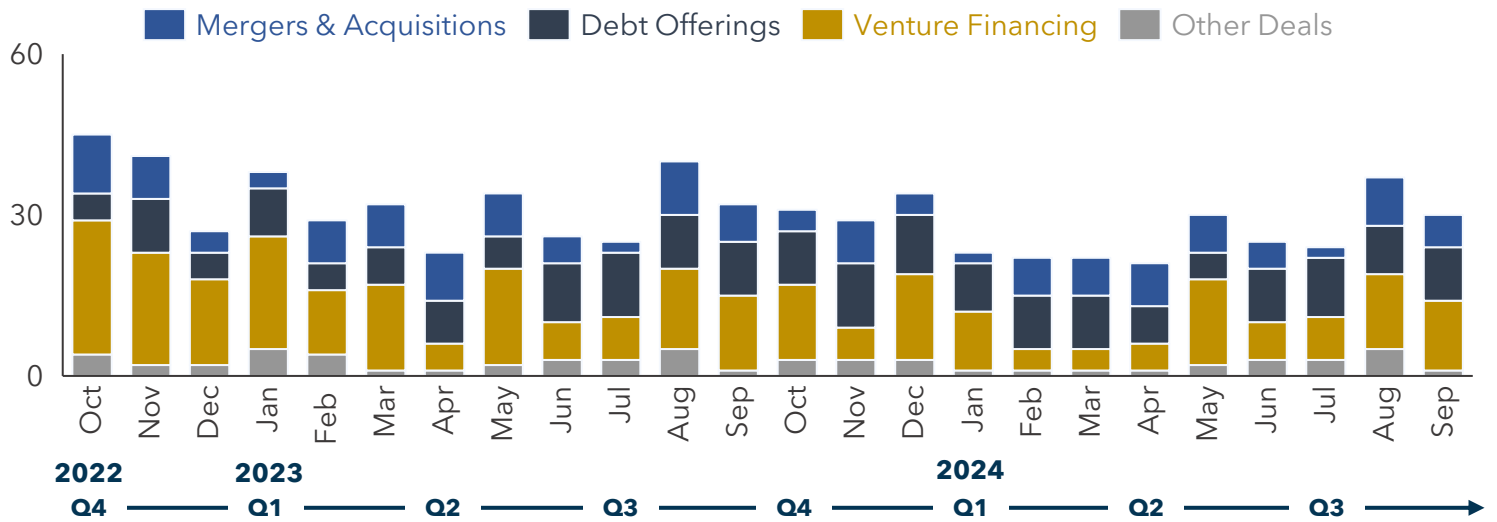
Sources: Crunchbase, Company websites and press releases
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Key Highlights

- The APAC fintech sector saw a notable decline in M&A activity at the end of Q3 2024, though overall, Q3 '24 outperformed the same period last year.
- Despite the downturn, some areas within the APAC fintech sector demonstrated resilience.
- While a swift recovery is unlikely, opportunities for deal-making remain in a few categories.

LATAM and MEA Regions Facing a Subdued Fintech M&A Environment in Q3 2024

1 LATAM & MEA: Number of Deals in Fintech & Payments (monthly announced deals, including global and regional deals)



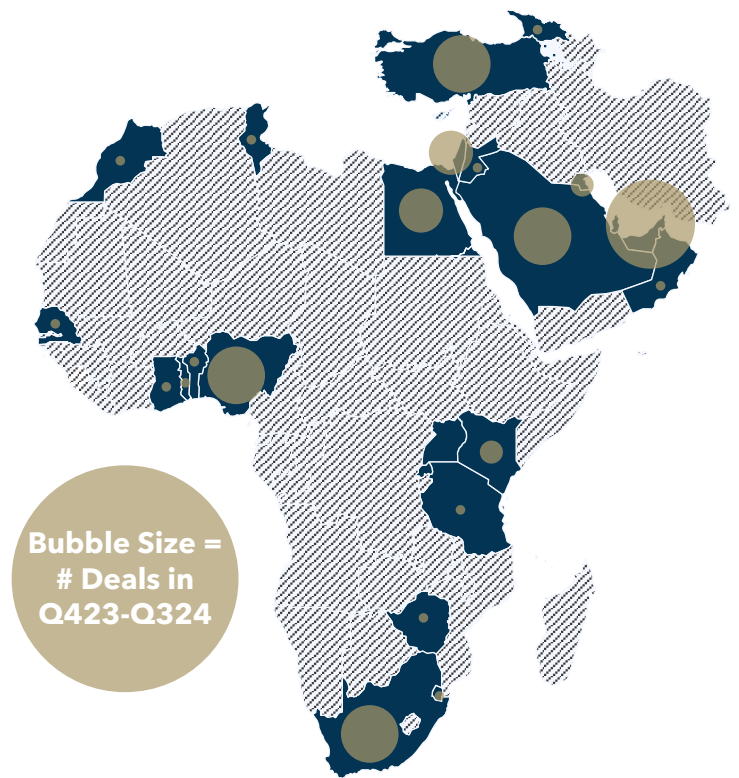
Sources: Global Data, Company websites and press releases
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2 LATAM: Deals by Geography (includes completed/announced deals)



Sources: Global Data, Company websites and press releases
© Flagship Advisory Partners December 2024

3 MEA: Deals by Geography (includes completed/announced deals)



Sources: Global Data, Company websites and press releases
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Key Highlights

- The LATAM fintech landscape experienced a modest surge in M&A activity during mid-Q3 2024, primarily driven by strategic acquisitions aimed at consolidating market positions.
- In contrast, the MEA region saw more subdued fintech M&A activity in Q3 2024, marked by targeted strategic investments rather than large-scale mergers and acquisitions.

Fintech M&A Deal of the Quarter: Visa Announced to Acquire Featurespace

Acquisition Participants

On 9/26/2024, Visa announced to acquire Featurespace in a £700M deal



FEATURE
SPACE

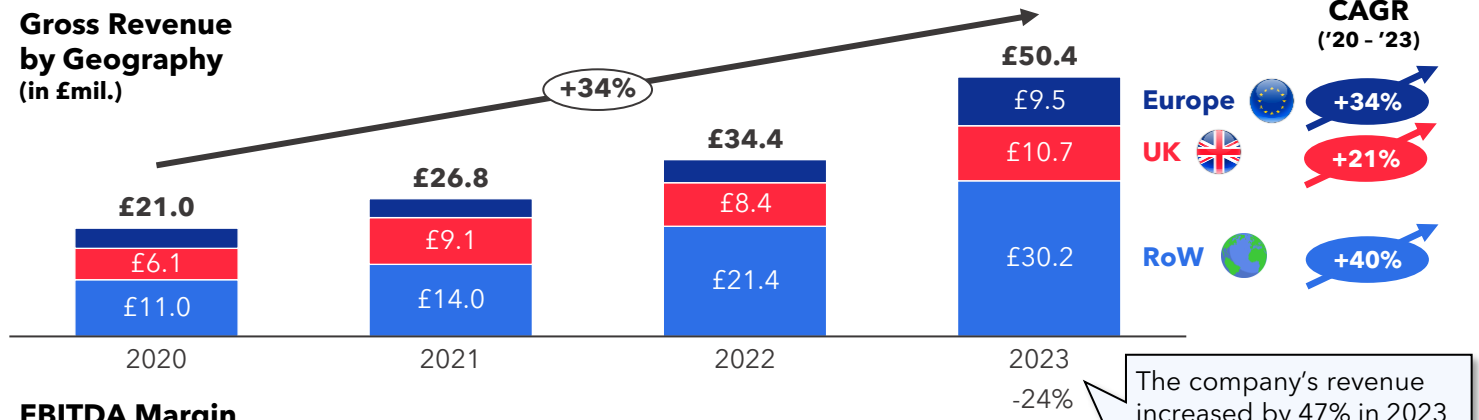
Company Overview

Visa (NYSE: V) is a global card network, facilitating transactions between consumers, merchants, FIs and government entities in more than 200 countries and territories.

Company Overview

Featurespace, based in UK, specializes in AI/ML fraud and financial crime prevention. It supports banks and financial institutions across +180 markets and serves +500 million consumers.

Business Performance and Overview (CAGR 2020-2023)



The company's revenue increased by 47% in 2023 due to successfully deploying software via transactional and license deals and strong international expansion (+41% yoy growth).

PRODUCT OFFERING AND SOLUTIONS

- Acquiring Prevention
- Check Fraud Prevention
- Gaming Fraud Prevention
- Fraud & AML
- Application Fraud Prevention
- Scam Detect
- Payment Fraud Prevention
- Card Fraud Prevention
- 3D Secure

Notable Customers (non-exhaustive)



Sources: Company websites, Press releases, UK Companies House © Flagship Advisory Partners December 2024

Flagship Commentary

- In September 2024, Visa announced its agreement to acquire Featurespace, a UK-based fintech specializing in real-time AI technology for payment protection.
- This strategic move aims to enhance Visa's fraud detection and risk-scoring capabilities.
- Featurespace's AI solutions will complement Visa's existing products and position Visa to offer more robust value-added services to banks, fintechs, and payment service providers.
- The acquisition is expected to close in 2025, subject to regulatory approvals.

Thank You!

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