

05.11.2019 – 13:08 Uhr

Wirecard expands its global financial platform services with market entry into China, investing in licenses for digital payments

Aschheim (Munich) (ots) -

- Controlling stake in Beijing-based Payment Service Provider
- Unique license portfolio including cross-border license
- Strong growth potential by supporting Chinese and international companies in their business inside and outside China

Wirecard, the global innovation leader for digital financial technology, is investing in a comprehensive license portfolio for digital payments through an acquisition in China. Wirecard will gradually acquire all shares in the Beijing-based AllScore Payment Services. AllScore Payment Services is currently controlled in its majority by its founder and CEO Mr. Yao Lin and Shanghai Aiwu Investment Management Co. Ltd.. The framework agreement was signed in Beijing today. After the closing, which is subject to customary and regulatory closing conditions, Wirecard will hold 80 percent of all shares in AllScore. A call option enables Wirecard to acquire the remaining 20 percent of shares after two years.

This step underlines Wirecard's strategy to expand its global technology platform by way of cross-border licenses. In the current industry-wide effort to enter China, Wirecard is among the first movers in its peer group.

AllScore Payment Services, founded in 2007, is a local Payment Service Provider owning an attractive license portfolio and employing a dedicated team of more than 120 people. The license portfolio enables Wirecard to offer internationally oriented Chinese merchants local acquiring services, cross-border acquiring including settlement in their local currency and innovative digital value added services. Additionally, the international merchants of Wirecard gain access to Chinese consumers and are enabled to accept widely-used digital mobile payments methods and receive settlements in their respective local currency. The license portfolio also provides Wirecard with the capability to issue payment cards to consumers and companies in China.

Markus Braun, CEO at Wirecard: "We are excited to share the news of Wirecard entering China. The Chinese market represents a tremendous opportunity for Wirecard. The licenses are a perfect match to the global platform strategy of Wirecard."

Yao Lin, CEO, Chairman and Founder of AllScore Payment Service Co., Ltd.: "We welcome Wirecard to China and are proud that they have selected us to enter the market, joining in on the efforts of the Chinese Government to open the financial sector and improve the regulatory environment for market access to foreign investors. Wirecard's demonstrated history in expanding a global, digital business and their professional approach to execution, combined with our local knowledge and licenses make us an ideal combination to serve Chinese merchants, as well as international clients doing business in China."

The consideration in connection with this transaction comprises cash payments, including a capital increase of AllScore Payment Services, of up to EUR 72.4 million until closing. Subject to customary closing date account adjustments the minimum payment will amount to EUR 38.6 million. Furthermore, an earn-out payment of up to EUR 16.7 million has been agreed to, subject to EBITDA targets in the fiscal year 2020. Wirecard holds a call option to acquire the remaining 20 percent of shares after two years for up to EUR 20.2 million, subject to post-closing EBITDA targets.

For fiscal 2020, Wirecard projects a low single-digit EBITDA contribution in EUR after integration costs. The integrated company will generate more than EUR 35 million of EBITDA in 2021 and an EBITDA in excess of EUR 50 million in 2022.

More information on ir.wirecard.com:

Ad hoc announcement dated 5 November 2019

About Wirecard:

Wirecard (GER:WDI) is one of the world's fastest growing digital platforms in the area of financial commerce. We provide both business customers and consumers with a constantly expanding ecosystem of real-time value-added services built around innovative digital payments by using an integrated B2B2C approach. This ecosystem concentrates on the areas payment & risk, retail & transaction banking, loyalty & couponing, data analytics & conversion rate enhancement in all sales channels (online, mobile, ePOS). Wirecard operates regulated financial institutions in several key markets and holds issuing and acquiring licenses from all major payment and card networks. Wirecard AG is listed on the Frankfurt Stock Exchange (DAX and TecDAX, ISIN DE0007472060). Visit us on www.wirecard.com, follow us on Twitter @wirecard and on Facebook @wirecardgroup.

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