



Executive Summary

Disrupting the \$9 trillion payment processing market

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Strategic Advisory Request

Given our pre-revenue status, growth-first philosophy accepting near-term losses, the capital-intensive nature of our internal treasury operations, and the scalability requirements for market disruption across multiple B2B financial service verticals, we seek your expertise in structuring the optimal financing approach that maximizes growth potential while maintaining strategic flexibility and minimizing dilution risk during this critical early-stage expansion phase.

Key Strategic Considerations

- **Growth-first philosophy:** Accepting near-term losses for market penetration
- **Capital-intensive operations:** Internal treasury strategies require significant funding
- **Multi-vertical disruption:** Scalable across B2B financial services
- **Strategic flexibility:** Multiple financing pathways available
- **Dilution minimization:** Preserving equity value during expansion

Investment Thesis

Treasury Yield Arbitrage Strategy

We are deploying a sophisticated customer acquisition strategy utilizing internal treasury yield arbitrage to fund merchant fee rebate programs. This approach enables us to build market share and customer relationships at below-market acquisition costs while positioning for entry into the high-margin payment processing sector.

Strategic Advantages

- Below-market customer acquisition costs
- Treasury yield arbitrage funding model
- Pre-qualified merchant pipeline development
- Entry pathway to high-margin processing

Market Position

- Disrupting \$9 trillion payment processing market
- Novel treasury-backed rebate approach
- First-mover advantage in yield-funded acquisition
- Scalable across multiple financial verticals

Current Stage & Market Traction

Development Status

- **Stage:** Pre-revenue startup in initial development
- **Operations:** Recently commenced with merchant waitlist development
- **Platform:** Anticipated launch with qualified pipeline
- **Focus:** Market validation and demand confirmation

Market Intelligence

- Merchant frustration with current processor fees
- Lack of transparency in vendor relationships
- Adversarial processor-merchant dynamics
- Strong demand for rebate-first approach

Dual-Purpose Waitlist Strategy

The waitlist serves dual purposes: confirming market demand at the earliest stage and creating a qualified pipeline for immediate deployment upon platform launch. Early merchant feedback consistently highlights frustration with current processor fee structures, lack of transparency, and adversarial vendor relationships.

Growth Strategy & Profitability Timeline

Growth-First Philosophy

Our model prioritizes aggressive market share acquisition over near-term profitability. We anticipate operating at a loss during the initial customer acquisition phase, as internal treasury yields will be fully deployed toward merchant rebate subsidies to maximize growth velocity.

Strategic Objectives

- Establish dominant market position
- Build strong customer relationships
- Transition to high-margin processing model
- Maximize growth velocity over short-term profits

Financial Approach

- Treasury yields fund merchant rebates
- Investment in future market share
- Mirrors successful fintech disruption models
- Platform monetization follows market dominance

Strategic Note: Short-term financial performance will reflect investment in future market share rather than immediate returns. This growth-first approach mirrors successful fintech disruption models where initial customer acquisition costs exceed immediate revenue generation, with profitability emerging through subsequent platform monetization and market dominance.

Strategic Feint & Revenue Diversification

Beyond Payment Processing

The merchant rebate program serves as a strategic feint that positions us for multiple revenue opportunities beyond payment processing. Once we establish these merchant relationships and demonstrate value, we gain access to additional high-margin revenue streams.

Revenue Stream Expansion

Affiliate Partnership Opportunities

- Business insurance products
- Business financing solutions
- Merchant cash advances
- Additional B2B financial services

Platform Value Creation

- Comprehensive B2B financial services platform
- Multiple monetization vectors
- Reduced dependence on processing margins
- Diversified revenue streams

Strategic Value: This merchant relationship foundation becomes a distribution platform for multiple financial products, creating diversified revenue streams and reducing dependence on payment processing margins alone. The strategic value extends beyond payment processing to encompass the entire merchant financial services ecosystem.

Internal Treasury Operations & Yield Generation

Sophisticated Financial Engineering

Our internal treasury strategy employs sophisticated financial engineering to enhance base Treasury yields through five complementary approaches, delivering approximately **8.7% blended yields** - over 100% enhancement above base Treasury rates.

Five-Pillar Treasury Strategy

- **TIPS Inflation Protection:** Real return preservation
- **Duration Management:** Yield curve optimization
- **Strategic Rate Timing:** Dollar-cost averaging approach
- **Hybrid Allocation:** Treasury/corporate/REIT diversification
- **Conservative Positioning:** No-leverage capital preservation

Risk Management & Professional Oversight

Critical Note: All internal treasury strategies remain subject to market evolution and internal expert guidance. We will rely exclusively on specialized internal professionals to optimize performance and adapt strategies based on changing market conditions.

Capital Structure Decision Point

We require strategic guidance on optimal financing structure across four potential models:

True Sale/Securitization Model

Utilizing Ratio Tech for asset-backed securitization, enabling rapid scaling through institutional capital markets while maintaining operational control.

Local Equity Holdings Model

Establishing regional holding companies with equity participation, each managing 100+ merchant relationships to create diversified revenue streams with local investor participation.

Full Equity Growth Model

Traditional venture scaling approach prioritizing rapid market capture over near-term profitability, focusing on revenue growth metrics to maximize enterprise valuation for subsequent funding rounds.

Private Placement Bond Strategy

Initial capital raising through private placement bond offerings to sophisticated investors, establishing credit history and operational track record. Targeting BBB rating achievement within 24 months.

Revenue Model Progression

Phase One

Market Entry & Relationship Building

- Internal treasury yields fund rebate subsidies
- Establish merchant relationships
- Validate market demand
- Operate at intentional losses to maximize growth

Phase Two

Platform Transition

- Transition pre-qualified relationships to proprietary platform
- Target 1% transaction fee capture
- Begin revenue generation from payment processing
- Scale processing operations

Phase Three

Revenue Diversification

- Leverage established merchant relationships
- Affiliate revenue streams: insurance, financing, B2B services
- Processing revenues scale internal treasury operations
- Self-reinforcing growth mechanism across multiple verticals

Strategic Framework

Treasury-Funded Market Entry

Our model leverages internal treasury operations to subsidize merchant rebates as a market entry vehicle. Rather than traditional marketing expenditure, we deploy internal capital returns to create immediate value propositions for target merchants while simultaneously conducting market intelligence gathering.

Strategic Benefits

- Dual-purpose capital deployment
- Measurable customer relationship creation
- Enhanced enterprise valuation
- Demonstrated market traction
- Investor confidence building

Competitive Advantages

- Novel treasury-backed approach
- Below-market acquisition costs
- Self-funding growth mechanism
- Scalable across financial verticals
- First-mover market position



Strategic Advisory Partnership

Treasury-Funded Market Disruption Strategy

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