

Financial Results Briefing for FY2020

Achieve 25% sustainable growth by solidifying position as a platformer

November 12, 2020

GMO Payment Gateway, Inc.

(3769; Tokyo Stock Exchange First Section)

The 63rd IR Meeting

GMO PAYMENT GATEWAY

<https://www.gmo-pg.com/corp/>

Safe Harbor Statement

The contents of this document are based on generally recognized economic and social conditions, as well as assumptions judged to be reasonable by GMO Payment Gateway as of November 12, 2020.

Please note that the contents are subject to change without prior notice in the event of changes in the business environment or other unforeseen occurrences.

Agenda

1. Milestone
2. Summary of Financial Results for FY2020
3. Guidance for FY2021
4. Key Initiatives and Growth Strategies
5. Financial Highlights

1. Milestone

1.1 Progress towards 2025 target OP of ¥25bn

Since 2015 profits from new businesses have exceeded plans

OP portfolio (breakdown) as of FY2015 (plan) ➡

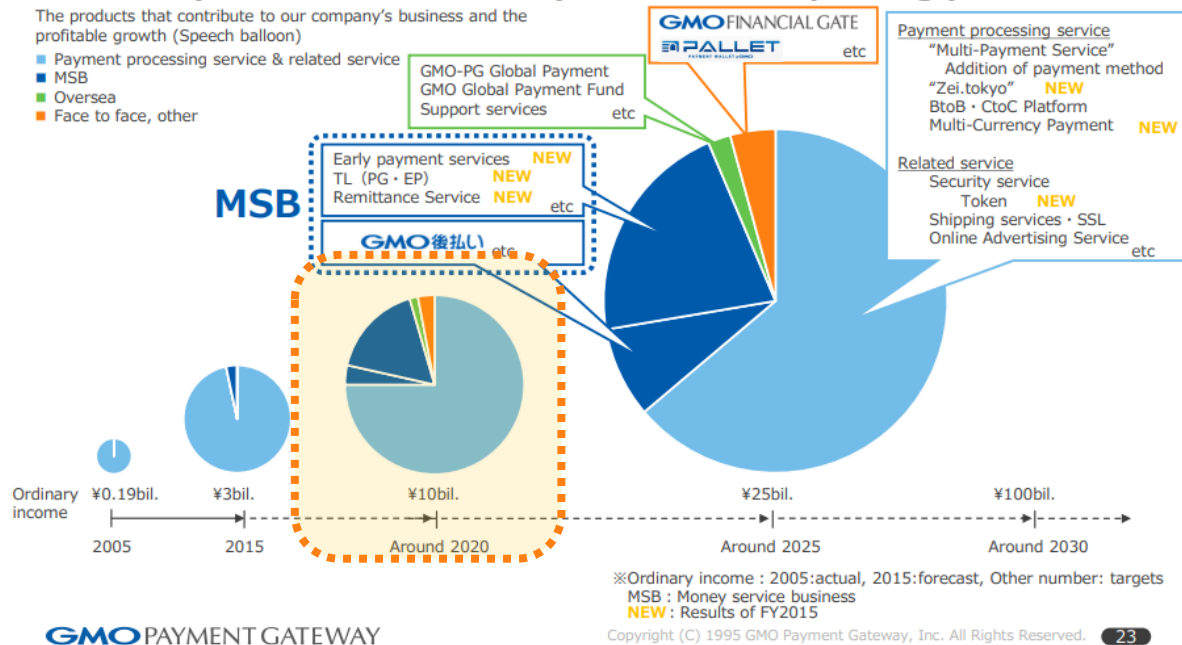
FY2020 Actual OP portfolio

2.5 Portfolio of income (Image)

Growing with the target of the ordinary income of 10 billion yen around the fiscal year 2020 as a passing point

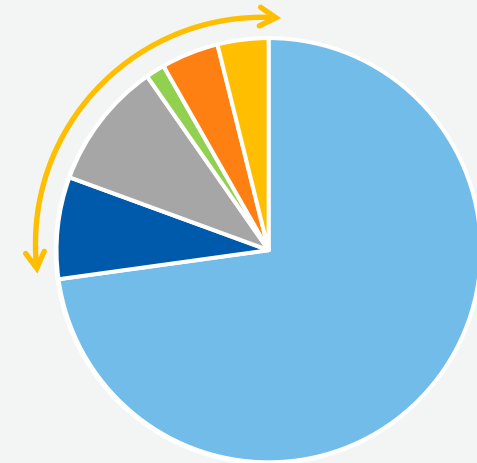
The products that contribute to our company's business and the profitable growth (Speech balloon)

- Payment processing service & related service
- MSB
- Oversea
- Face to face, other



(Excerpt from FY2015 presentation materials)

- Online payment processing & peripheral services
- Payment After Delivery (FinTech)
- Domestic Transaction Lending etc. (FinTech)
- Overseas (Global)
- Offline Payment (IoT)
- Financial Institution services (Cashless)



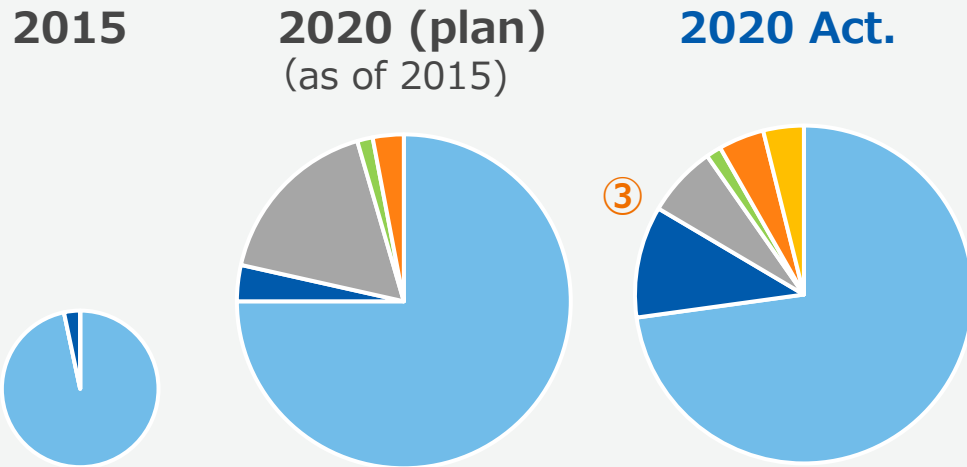
Operating Profit ¥10.3bn

※TL : Transaction Lending

1.2 Background for change in FY2020 OP portfolio

Acceleration of business expansion and optimizing earnings structure to the changes in business environment

■ Actual and Plan of FY2020 Operating Profit portfolio^{※1}



Operating profit

¥3 bn

GMV^{※2}

¥2 trn

B2C EC

¥13 trn

Market growth

+ 15%

EC

penetration

4%

2020 (plan)
(as of 2015)

¥10.0 bn

②

¥4 trn

①

¥30 trn

+ 15%

10%

2020 Act.

¥10.3 bn

③

¥6 trn

¥20 trn

+ 10%

7%

Factors

① Lower than expected growth of B2C EC market

Rapid expansion of C2C market

(Not included in METI statistics)

Macro-economic factors, but COVID-19 accelerated trends

② Outperformed initial plan for GMV

Sector-specific strategy (focus on non-merchandise)

	2015	2020
Non-merchandise ratio	57%	69%

Focused on acquiring large merchants and projects

Large retailer, digital content, financial, C2C, etc.

(5 yr CAGR)^{※4}

	2015	2020
TRX Volume	+ 26%	+ 29%
TRX Value	+ 14%	+ 27%

③ FinTech (Money Service Business) Expanded

→ 1.4

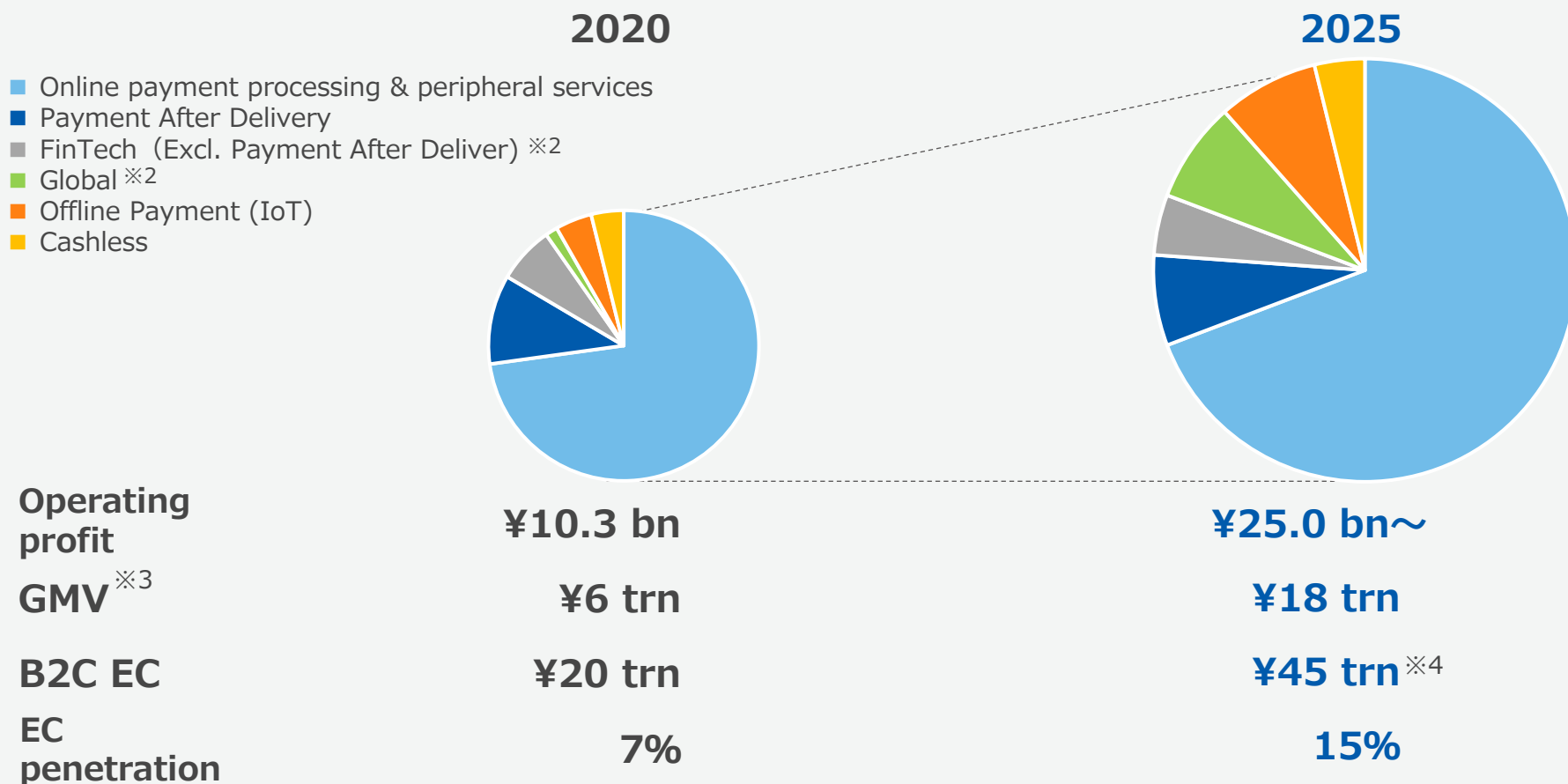
※1 Figures on this page are estimates. The B2C EC market growth and EC penetration are our estimates based on the market's performance one year before the estimates were compiled in 2015.

※2 GMV: Figures are estimates and includes offline transaction. ※3 Non-merchandise ratio of TRX value of PG Multi-payment service ※4 5-yr CAGR excluding offline TRX volume and value.

1.3 OP portfolio plan for 2025

Achieve target by expanding the existing business and creating new services

■ Operating Profit plan for 2025^{※1}



※1 Figures on this slide are estimates. ※2 There is some overlap in operating profit from FinTech (excl. Payment After Delivery) and Global.

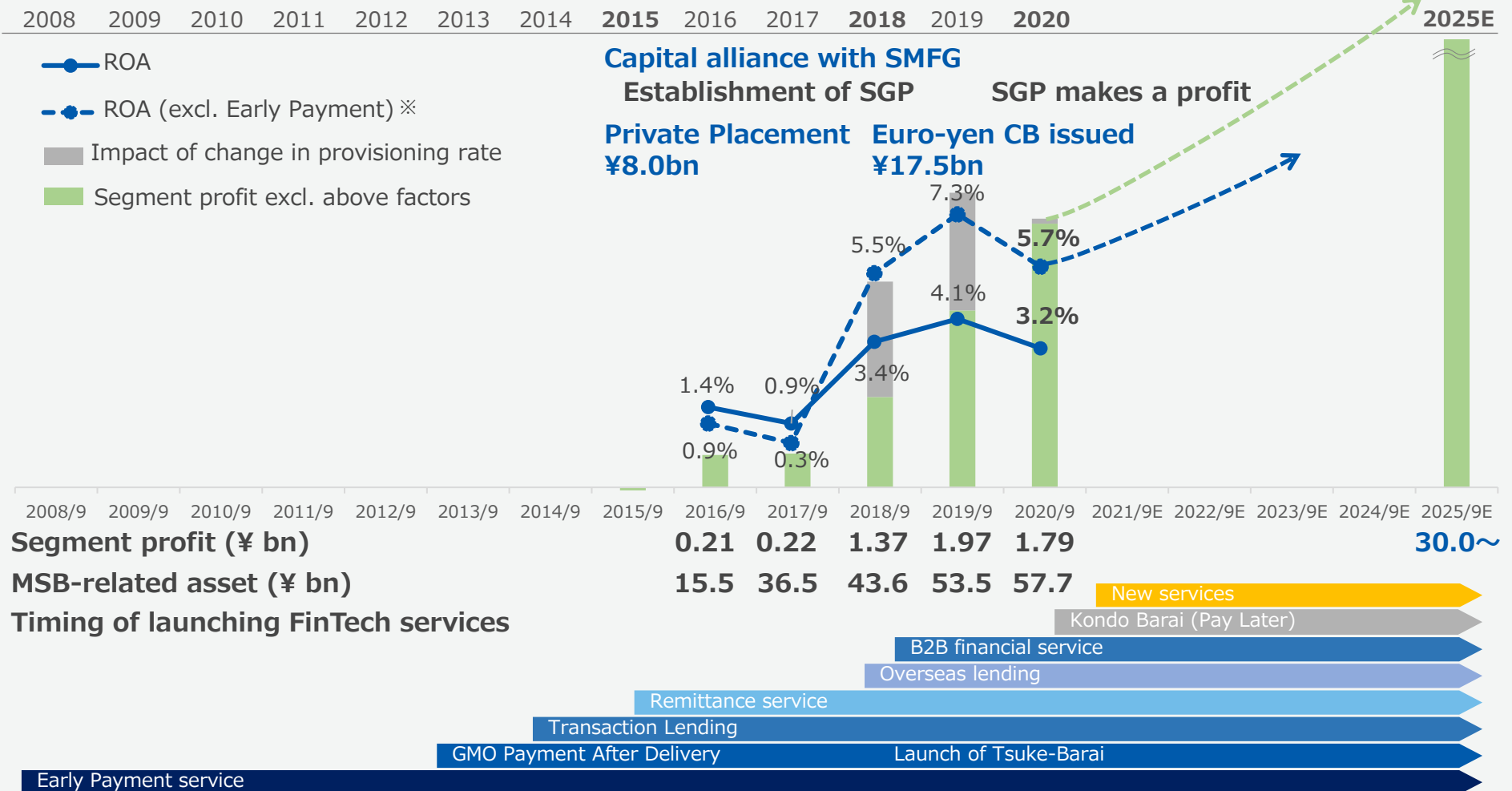
※3 GMV: Figures are estimates of consolidated TRX value including offline payment.

※4 Figures are our estimates based on METI's statistics on B2C EC market and other online payment markets.

1.4 Progress of FinTech Business

Improve profitability by shifting assets to high-margin services and expanding these services

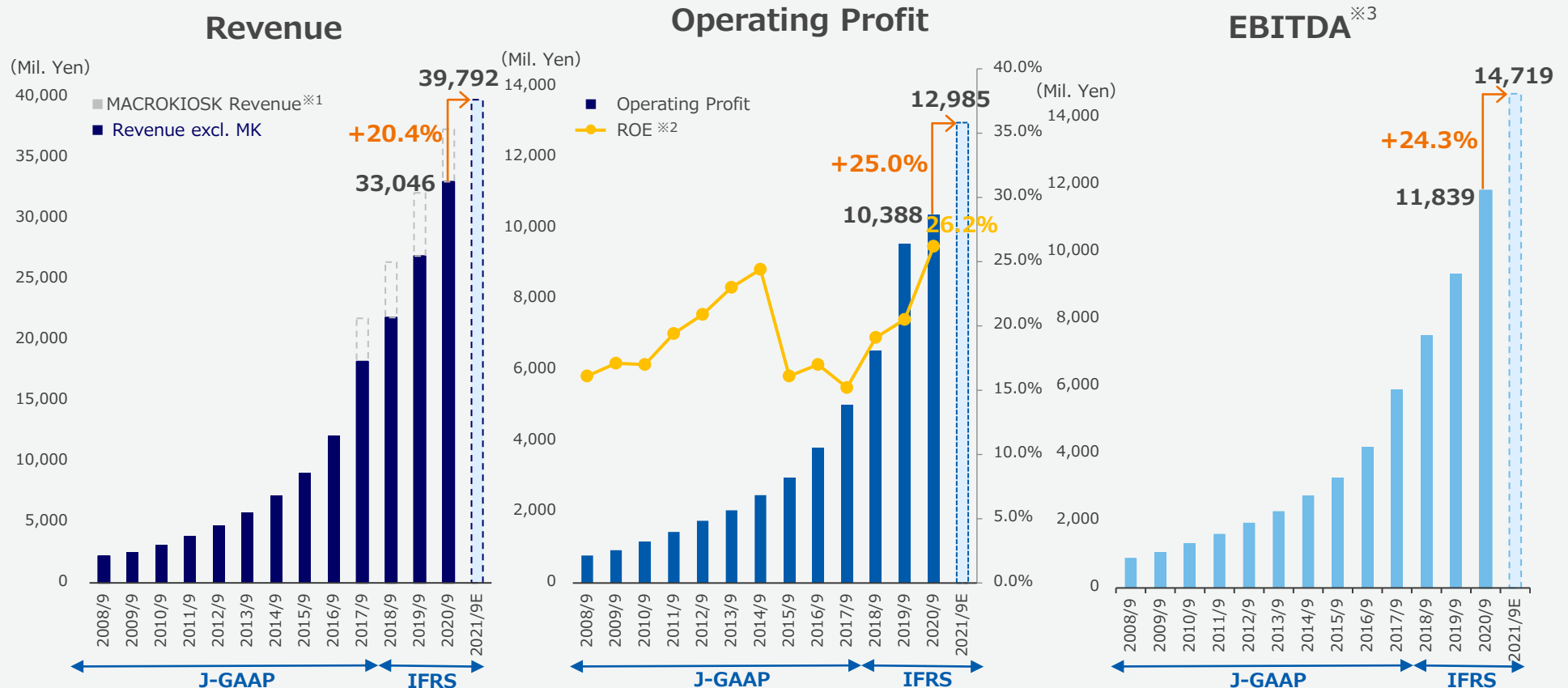
■ Trend of Money Service Business segment profit (operating profit) and ROA



※ROA (excl. Early Payment) is computed by dividing the segment profit (excl. Early Payment) and the MSB-related assets (excl. Early Payment); MSB-related asset is the average of the opening and closing balance of the year. SGP : SMBC GMO PAYMENT

1.5 Our Track Record of Growth

The product of management policy focused on sustainable growth



※1 Macro Kiosk's earnings has been reclassified as discontinued operations with it's deconsolidation in May 2020 and presented separately from the continuing operations as "Profit/Loss from Discontinued Operations", as per IFRS accounting standards. The revenue, operating profit and profit before incomes taxes present the figures for continuing operations only and exclude the discontinued operations.

※2 ROE: The ratio of Profit to Equity ratio is used for J-GAAP and the ratio of Profit to Equity Attributable to Owners of Parent is used for IFRS.

※3 EBITDA: The sum total of operating profit and depreciation and amortization is used for J-GAAP; the sum total of operating profit and depreciation is used for IFRS.

2. Summary of Financial Results for FY2020

2.1 Financial Results Summary (IFRS)

Outperformed Guidance, increased dividends and reclassified MK as discontinued business from Q3

(Mil. Yen)	FY2019 Actual	FY2020 Guidance	FY2020 Actual	% Achievement vs. Guidance	Year-on-Year
Revenue	26,922	31,418	33,046	105.2%	+ 22.7%
Operating Profit	9,562	10,376	10,388	100.1%	+ 8.6%
Pre-tax Profit	9,297	9,867	10,989	111.4%	+ 18.2%
Profit Attributable to Owners of Parent	5,267	6,110	7,624	124.8%	+ 44.7%
EBITDA ※1	10,458	-	11,839	-	+ 13.2%
DPS (Yen/shr)	¥36	¥42	¥52	¥16 increase YoY	
	Operating Stores (End-4Q)※2		TRX Volume (4Q standalone)		TRX Value (4Q standalone)
KPI (%: YoY)	141,573 stores (+ 27.1%)		Approx. 720 mil. (+47.5%) Approx. 740 mil. incl. offline (+48.6%)		Approx. ¥1.3 trn (+22.6%) Approx. ¥1.5 trn incl. offline(+28.6%)

※1 EBITDA = Operating Profit + Depreciation.

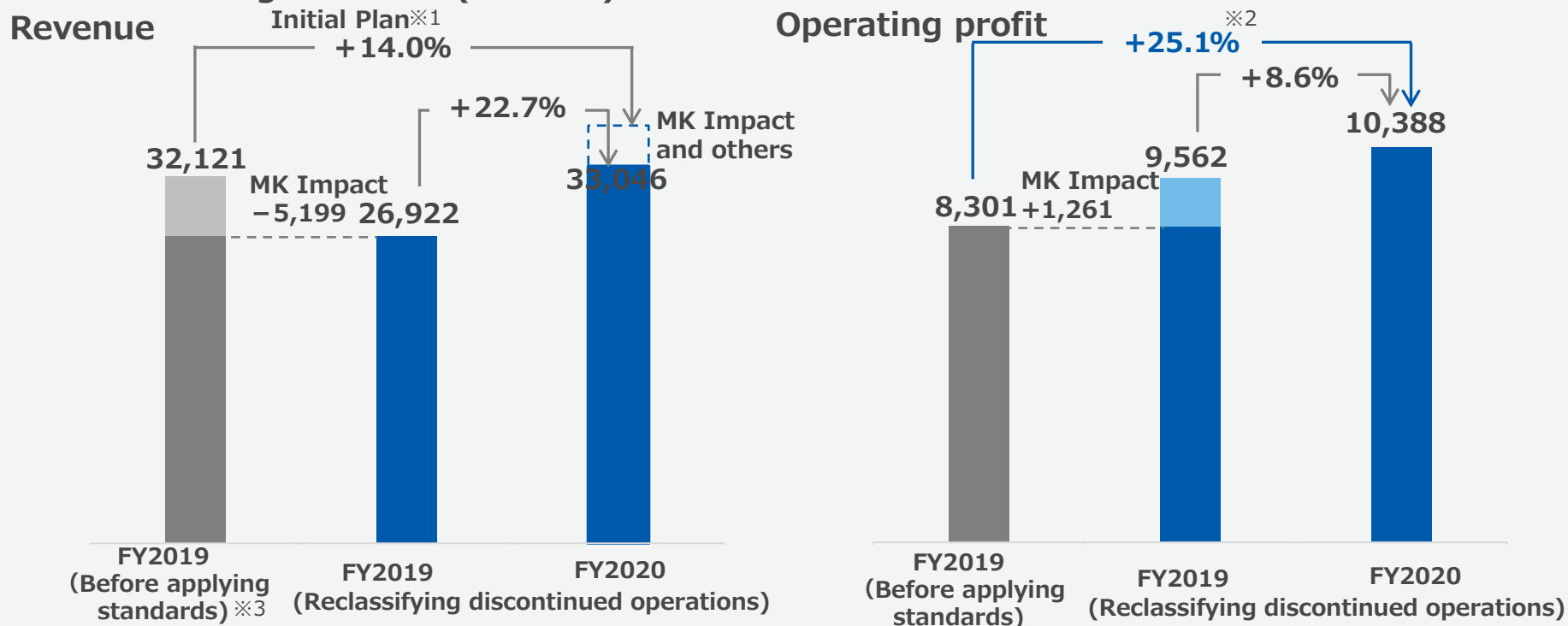
※2 Figures exclude the recent increase in operating stores from a specific merchant. If included, the number of operating stores is 324,062 stores (up +41.7% YoY) for the same period.

2.2 Operating Profit Growth

Previous year's OP was uplifted due to IFRS standards; OP growth rate of 25% if compared to initial OP plan

■ FY2020 Earnings and YoY (Mil. Yen)

(%: YoY)



With the deconsolidation of MACROKIOSK in May 2020 the profit or loss from MK is reclassified as discontinued operations and presented separately from continued operations. The figures for revenues, operating profit and pre-tax profit for FY2020 and FY2019 present continued operations only and exclude the discontinued operations.

※1 Figure shows the FY2020 revenue YoY change compared to previous year's amount before reclassifying discontinued operations which was announced on November 12, 2019 at the FY2019 results announcement.

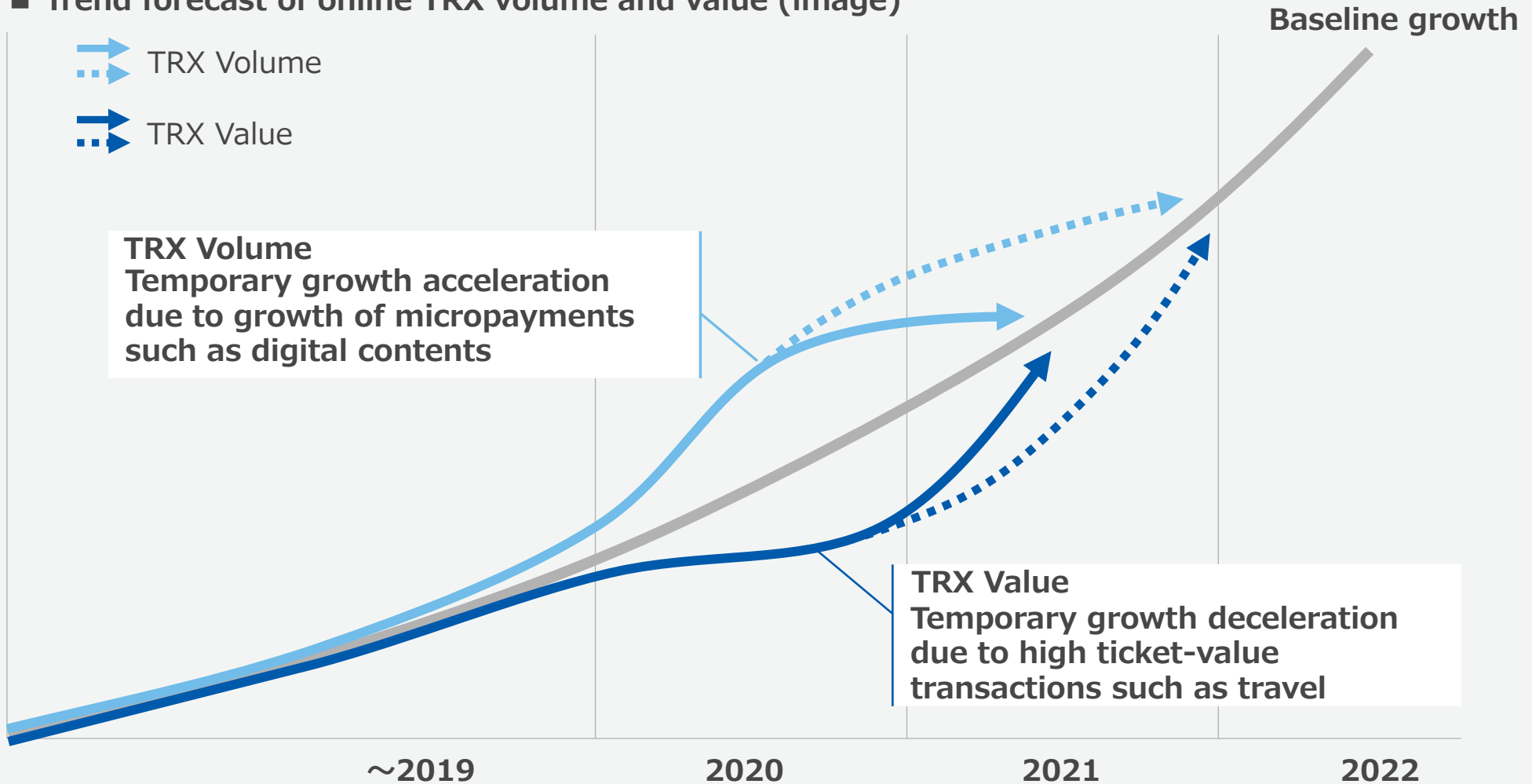
※2 Figure shows the FY2020 OP YoY change compared to FY2019 amount before reclassifying discontinued operations.

※3 Figure shows the FY2019 amount before reclassifying discontinued operations, which as announced on November 12, 2019 at the FY2019 results announcement.

2.3.1 Transaction volume and value

Return to baseline growth trajectory next FY, after the temporary blip caused by COVID-19

■ Trend forecast of online TRX volume and value (image)

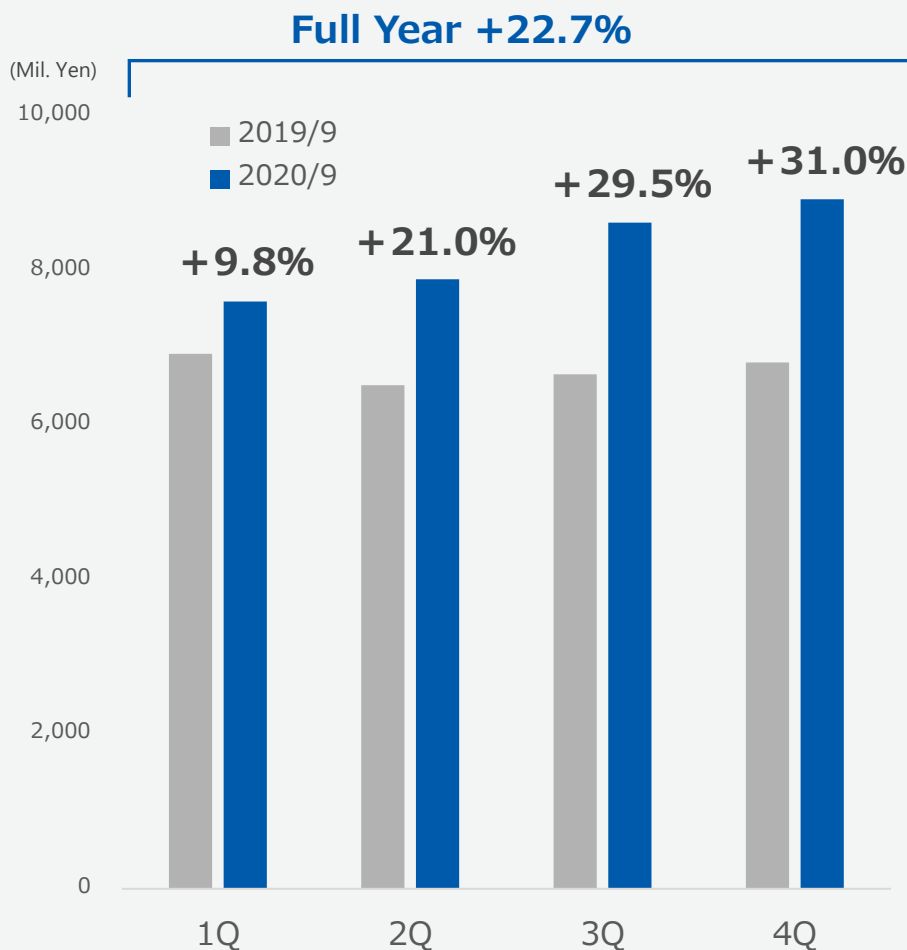


※ Above figures exclude offline payments.

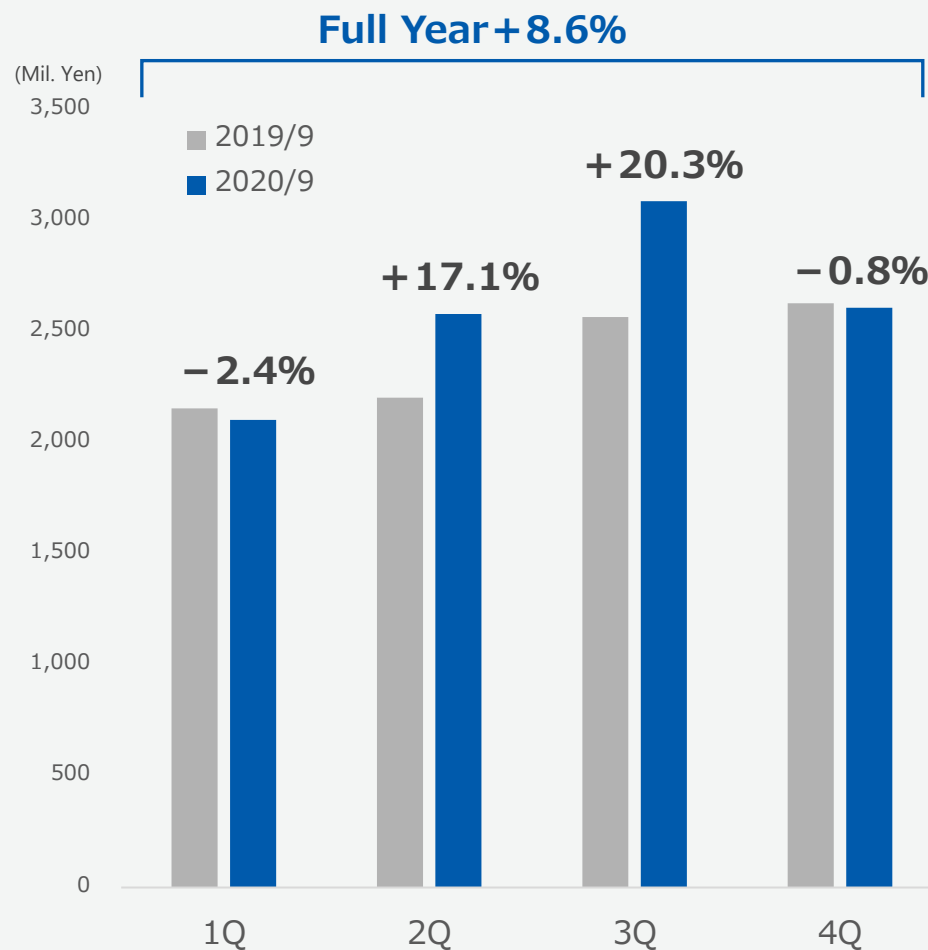
2.3.2 Revenues and Operating Profit

Revenue growth rate accelerated each quarter as planned

■ Quarterly trend of revenues (%: YoY)



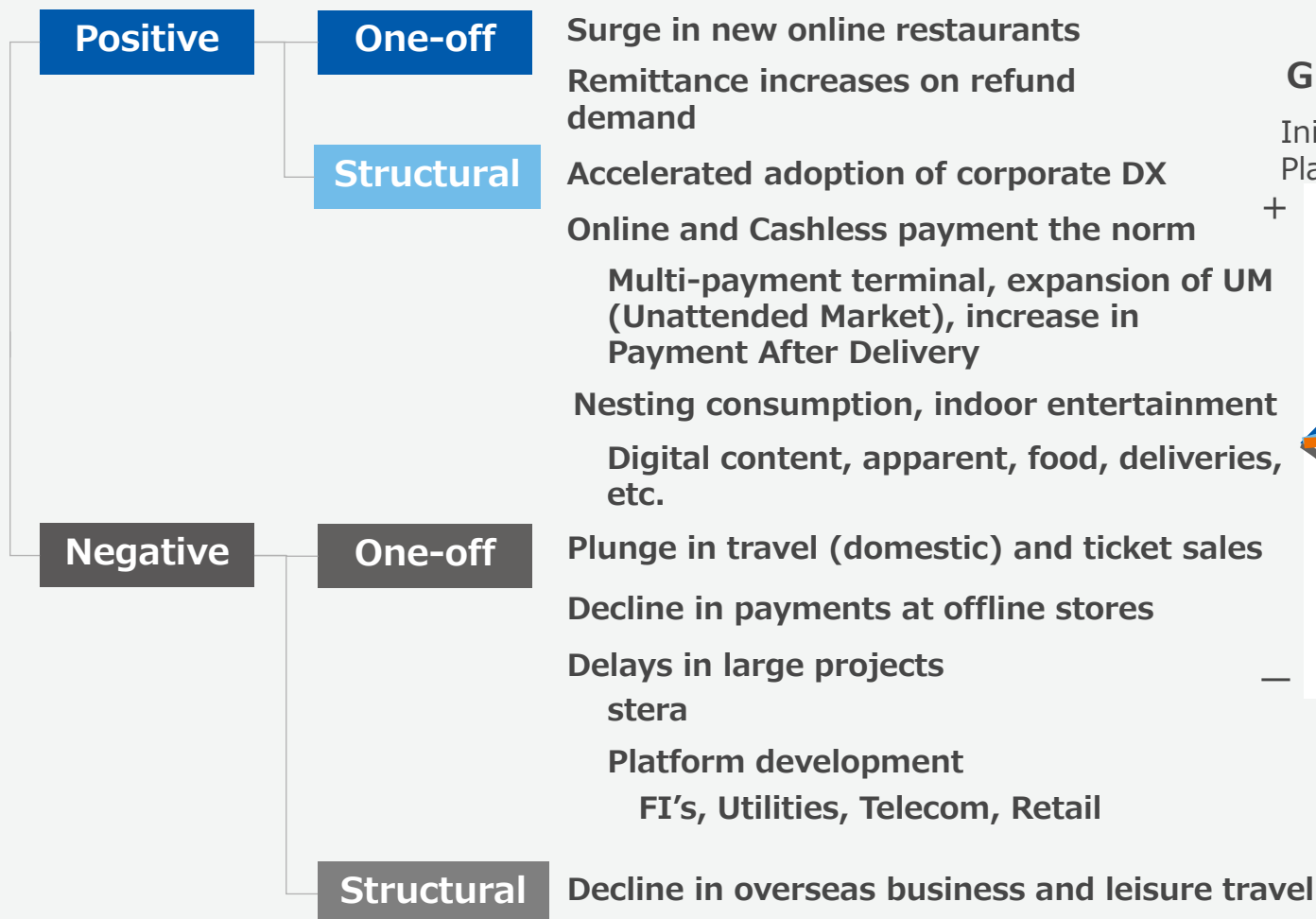
■ Quarterly trend of operating profit (%: YoY)



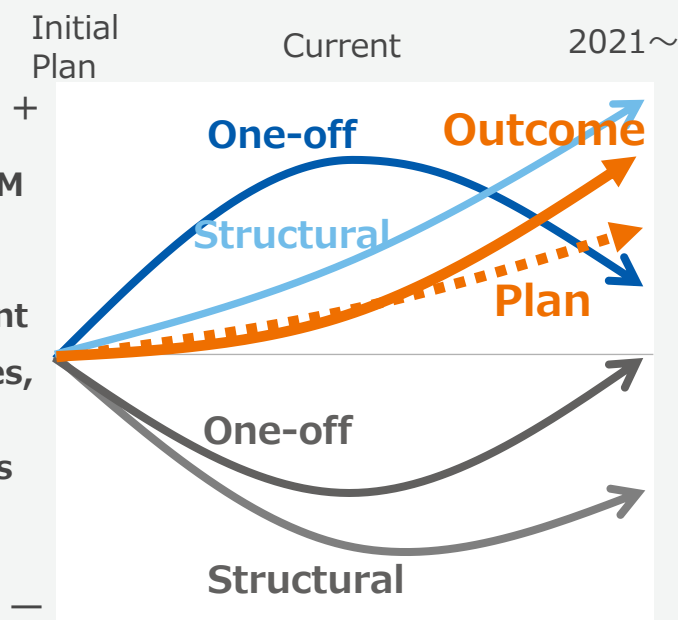
2.4 Summary

Expect growth to outperform plans despite the unforeseen changes in business environment

■ COVID-19 Impact



Growth trendline (image)



3. FY2021 Guidance

3.1 Guidance for Consolidated FY2021 (IFRS)

Plan to achieve revenue growth of 20% and OP growth of 25%

■ Consolidated FY2021 Guidance (IFRS)

(Mil. Yen, % are YoY changes)

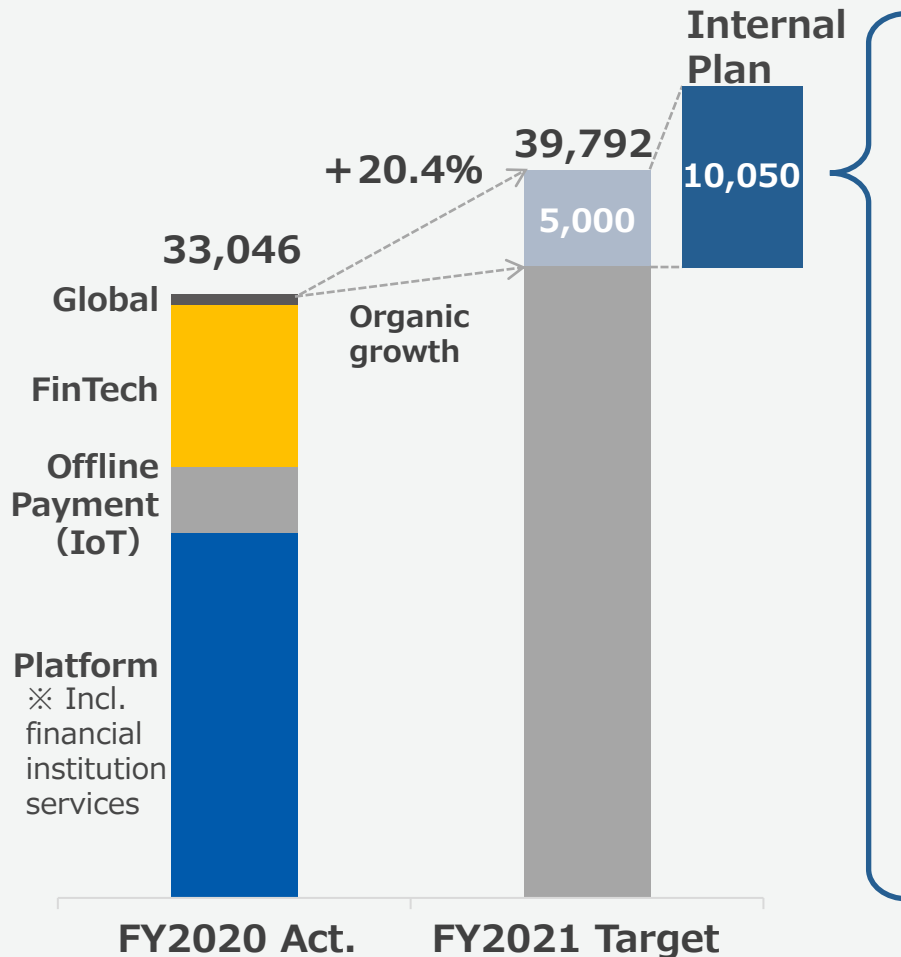
	FY2020 Initial Plan ※	FY2020 Actual	FY202 Guidance	YoY	(Reference) Vs. FY2020 Initial Plan
Revenues	31,418	33,046	39,792	+ 20.4%	+26.7%
Operating Profit	10,376	10,388	12,985	+ 25.0%	+25.1%
Pre-tax Profit	9,867	10,989	12,426	+ 13.1%	+25.9%
Profit	6,216	7,693	8,042	+4.5%	+29.4%
Profit Attributable to Owners of Parent	6,110	7,624	7,930	+4.0%	+29.8%
Dividend per share	¥42	¥52	¥54	+¥2	+¥12

※ Figures shows the revised guidance amounts as announced on August 7, 2020.

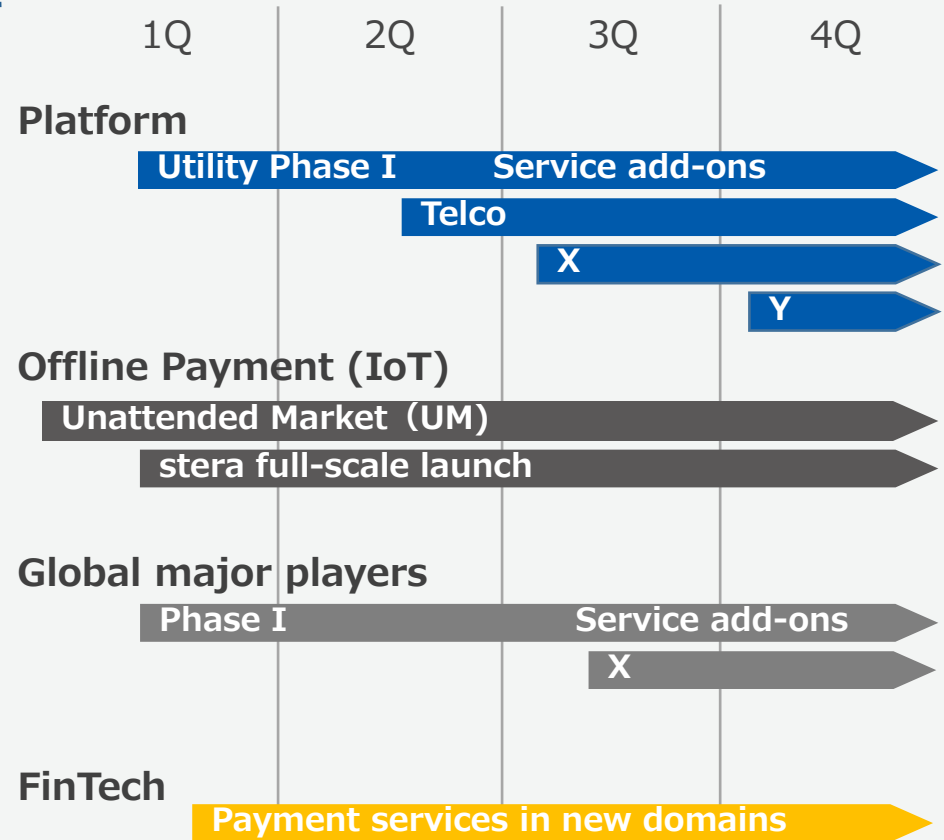
3.2 Initial plan of achieving targets

Planned to achieve targets by executing on priority initiatives to generate incremental revenues of ¥10 bn

■ FY2021 Revenue target and priority initiatives (Mil. Yen)



Priority initiatives and timing of contribution to FY2021 earnings

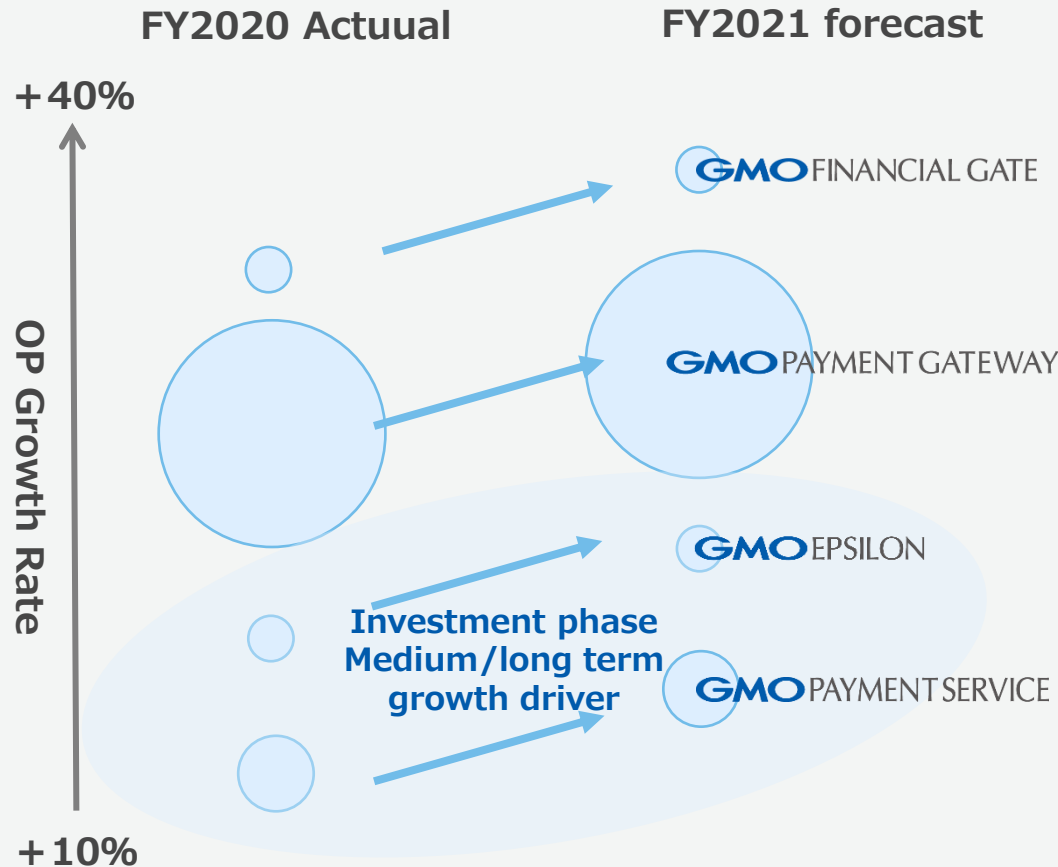


3.3 Operating Profit Forecast by Company

Sustain high growth on consolidated basis while deploying upfront investments to secure medium to long-term growth

■ Revenue size and OP growth rate by company: Drivers of FY2021 growth

Revenue size (image)



Growth Drivers

Plan to install 300K stera terminals in 5 yrs
Unattended Market: 4.5 mil. units

※FG current share: 41K of a 4 mil. unit market

Sep.~ Global major players
Nov.~ Utility (TEPCO Energy Partners)
Rollout of large projects starts
Expect contribution from GoTo campaign and
COVID-19 related demand

Achieve org. structure that can sustain 25% growth
New payment solution for small operators

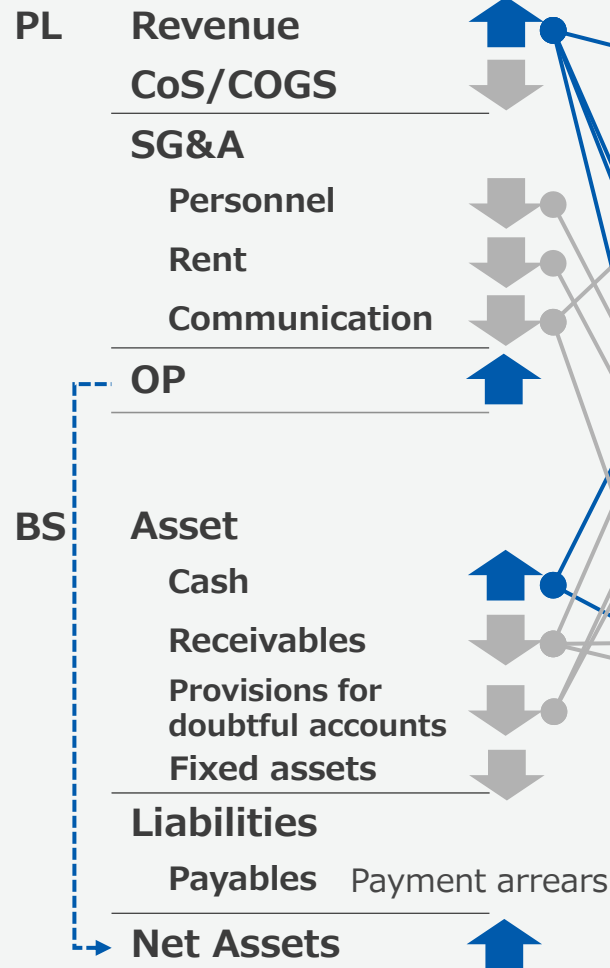
Market growth of 30% (Deferred Payment)
Service start in new domains (upfront
investments required)

4. Key Initiatives and Growth Strategies

4.1 Our position in a New Normal

DX support services that improves client's PL & BS

Customer needs & PL/BS changes



Examples

Online shop, Utility bills

- Multiple payment methods
- Paperless (lowered postal cost)
- CF improvement service
- Improve collection rate
- Prevent suspicious transactions

Restaurants

- Delivery sales
- Cashless implementation
- Reduced headcount (lower personnel cost)
- Store closures (lower rent expense)
- CF improvement service

Event, Ticket Sales

- Merchandise sale
- Refund demand (lower postal cost)

Our DX support services

- PG Multi-Payment service
- NEW** TEPCO EP "SMS Payment Choice"
- NEW** Cycle byGMO
- GMO BtoB Early Payment
- NEW** Invoice Smartphone Payment
- NEW** Fraud prevention service (Sift)
- NEW** Online sales support
- NEW** GMO Cashless Platform
- NEW** Electronic Invoice Early Payment
- GMO B2B AR Guarantee
- NEW** Online sales support
- Remittance service (for refunds)

※NEW = Press release made during FY2020

4.2 Expansion of TAM and Profit Targets

Expand scope of business in the enormous market to achieve 2025 OP target of ¥25 bn

■ TAM by market segment, GMV, OP target and Priority Initiatives

Market Segment	Broader EC		FinTech		Offline		BaaS		Global	
	2020	2025	2020	2025	2020	2025	2020	2025	2020	2025
TAM (¥ trn)	20 (B2C EC)	45	1 (Deferred payment market)	3	87 (Cashless market)	118	2 (IT investment by Financial Institutions)	X times 2x	50 (Lending in US/Asia)	X times 50x
GMV (¥ trn)	5	13	—	—	1	5	—	—	—	—
OP (¥ bn)	7.5	18.0	1.8	3.0	0.5	2.0	0.5	1.0	0.5	5.0
Priority Initiatives	Platform		FinTech		Offline Payment (IoT)		Platform		Global	
	Global major players		B2B payment service		FinTech				FinTech	
	B2B payment service									

※Figures for TAM, GMV, OP (operating profit) are our estimates and targets. Figures are estimates and are rounded down to the nearest whole number.
 There is some overlap in OP for the FinTech and OP figures. Offline OP includes companies other than GMO Financial Gate.
 TAM: Total Addressable Market, BaaS: Bank as a Service, GMV: transaction (TRX) value.

4.3 Platform: Broader EC

Launch of phase I of platform to enable paperless and lower cost

OP potential of broader EC

	2020		2025	
TAM	20	2.3x	45	(B2C EC)
(¥ trn)	352	X times	352x	(B2B EC)
OP	7.5	2~2.7x	16.0~20.0	
(¥ bn)				

■ Customer needs

Paperless and lower cost of payment

Payment service to global operators

Quick & cheaper payment implementation at SMEs

■ Priority Initiatives

Industry specific platform

Service launch in November to
TEPCO Energy Partners **NEW**

Omni-channel

Global major players **NEW**

Strengthen position in SME space

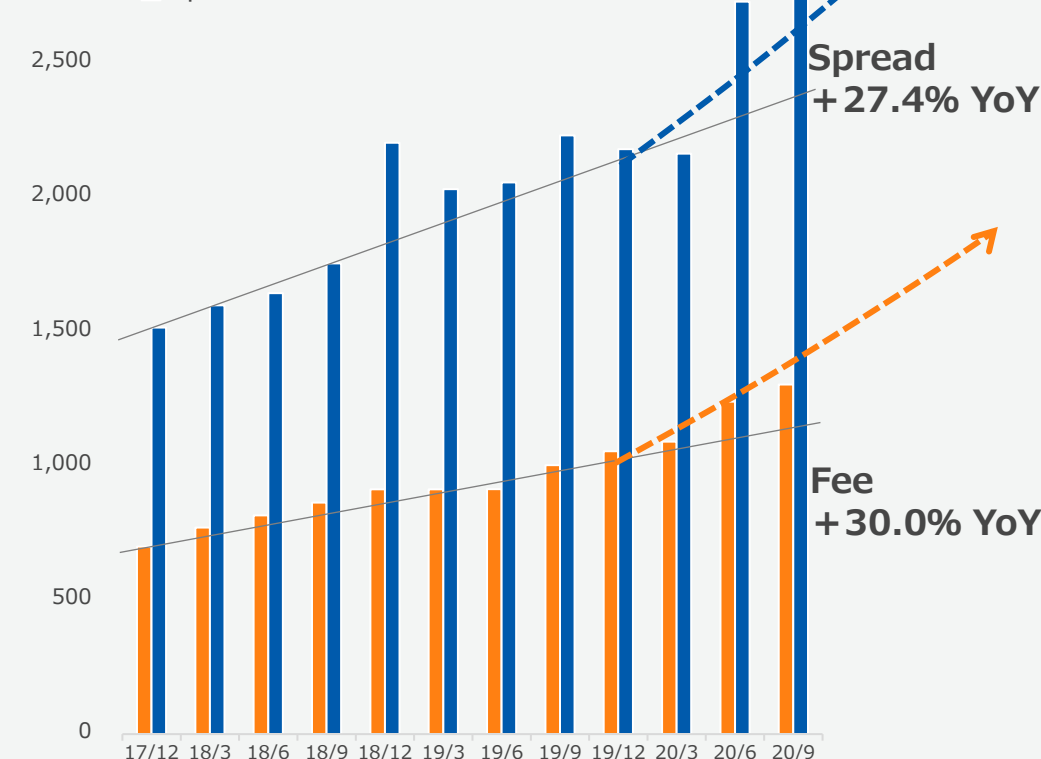
■ Fee and spread revenue in online payment

(Mil. Yen)

3,000

■ Fee

■ Spread



■ GMO-EP TRX value and acquisition of new merchants

Q4 standalone TRX value +62.0% YoY

Q4 standalone new merchant acquisitions +62.4% YoY

4.4 Platform to Financial Institutions

Increase number of services to FI's to expand stock revenue

OP Potential of Financial institution platform

	2020		2025	
TAM (¥ trn)	2	X times	2x	(IT system investment by FIs)
OP (¥ bn)	0.5	2x~	1.0~	

■ Customer needs

Need to realize cashless initiatives
Low cost and high security needs

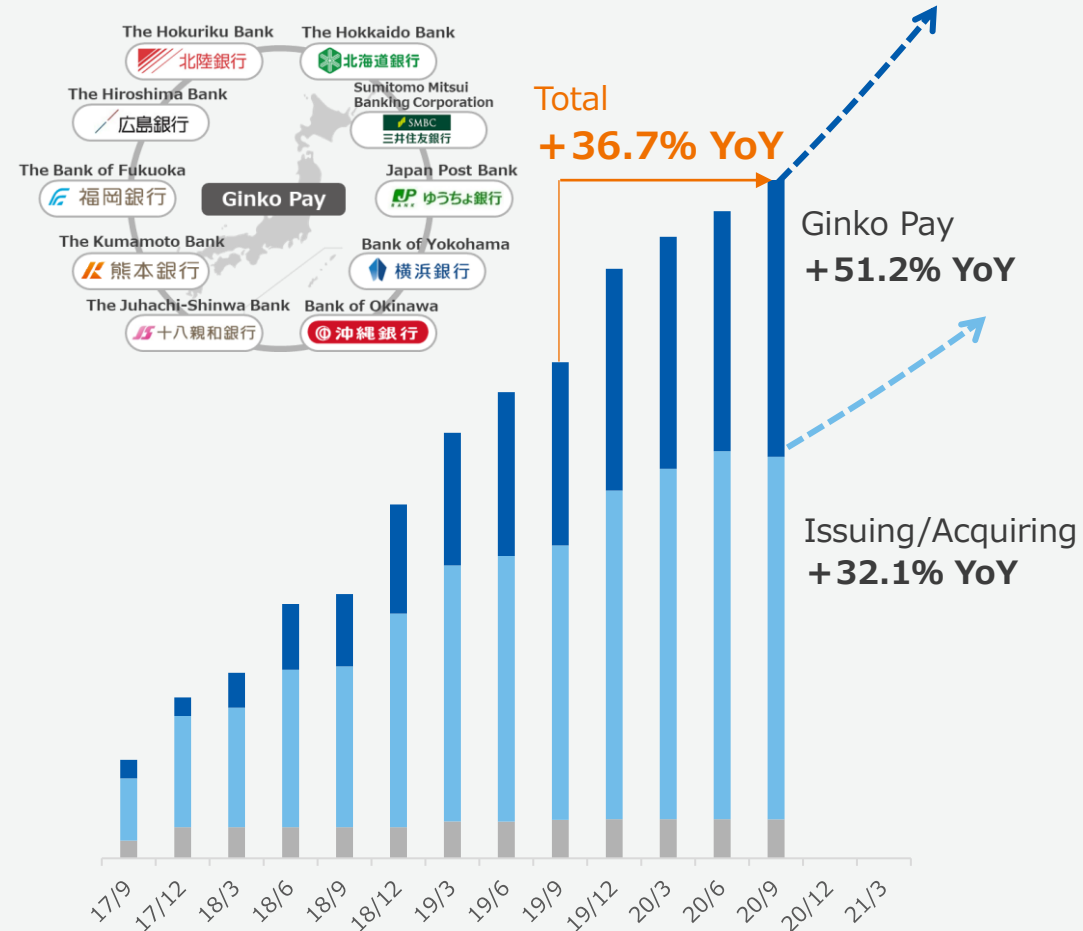
■ Growth strategy and progress to date

Platform to financial institutions

Ginko Pay

Issuing/Acquiring

■ Quarterly trend of stock revenue from financial institution businesses



※GCP : GMO Cashless Platform

4.5 FinTech

Expand Payment After Delivery and high-margin services, improve revenue growth rates and capital efficiency

OP potential of FinTech

	2020		2025	
TAM (¥ trn)	1	3x	3	(Deferred payment market)
OP (¥ bn)	1.8	1.5x~	3.0~	

■ Customer needs

Non-credit card payment methods

Refunds for travel and event cancellations

The 'funding gap' faced by SMEs

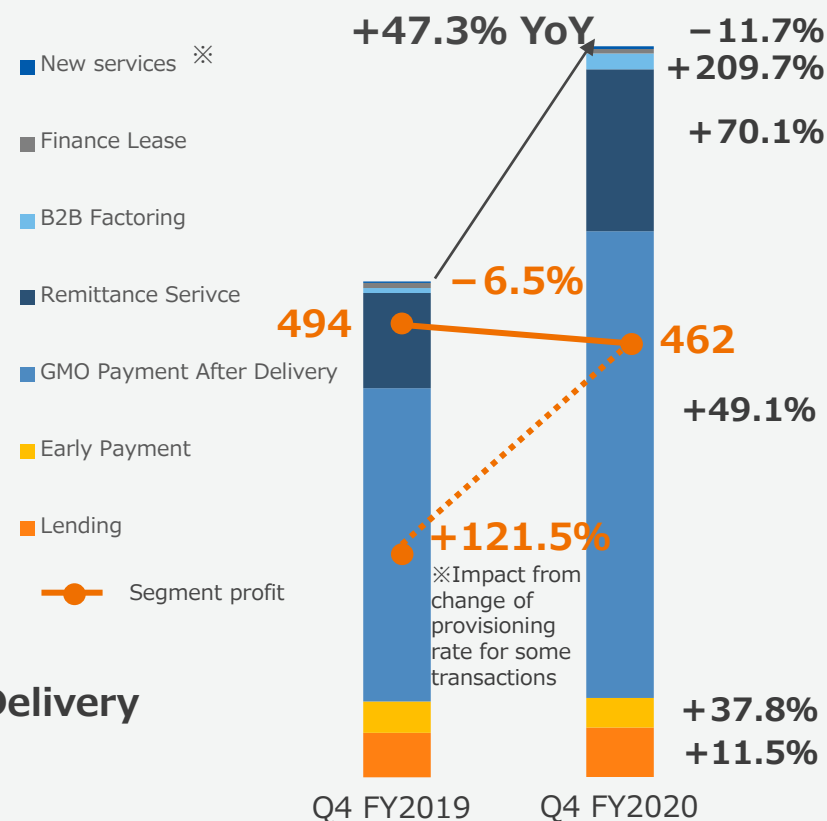
■ Growth strategy and progress to date

Shift assets to high margin services^{※1}

B2B financial services, expand Payment After Delivery

Creation of new services

■ Segment revenues and profit (Q4 standalone)



※1 Services where ROIC exceeds WACC: Payment After Delivery, overseas Lending, B2B Factoring (Invoice Early Payment, B2B Early Payment), B2B AR Guarantee. (ROIC = Annual estimated NOPAT ÷ monthly average BS balance)

※2 The YoY figures are not available for B2B AR Guarantee (launched May 2018) and Kondo Barai ("Pay Later", launched June 2020).

4.6 Offline Payment / IoT

Cashless adoption accelerates with cashier-less payment technologies and omni-channel shift

OP potential of offline payment (IoT)

■ Quarterly trend of TRX volume and value of GMO-FG

	2020		2025	
TAM (¥ trn)	87	3x	118	(Cashless market)
OP (¥ bn.)	0.5	4.5x~	2~	(Incl. companies other than GMO-FG group)

■ Customer needs

Cashless and unmanned payment
Cost reduction

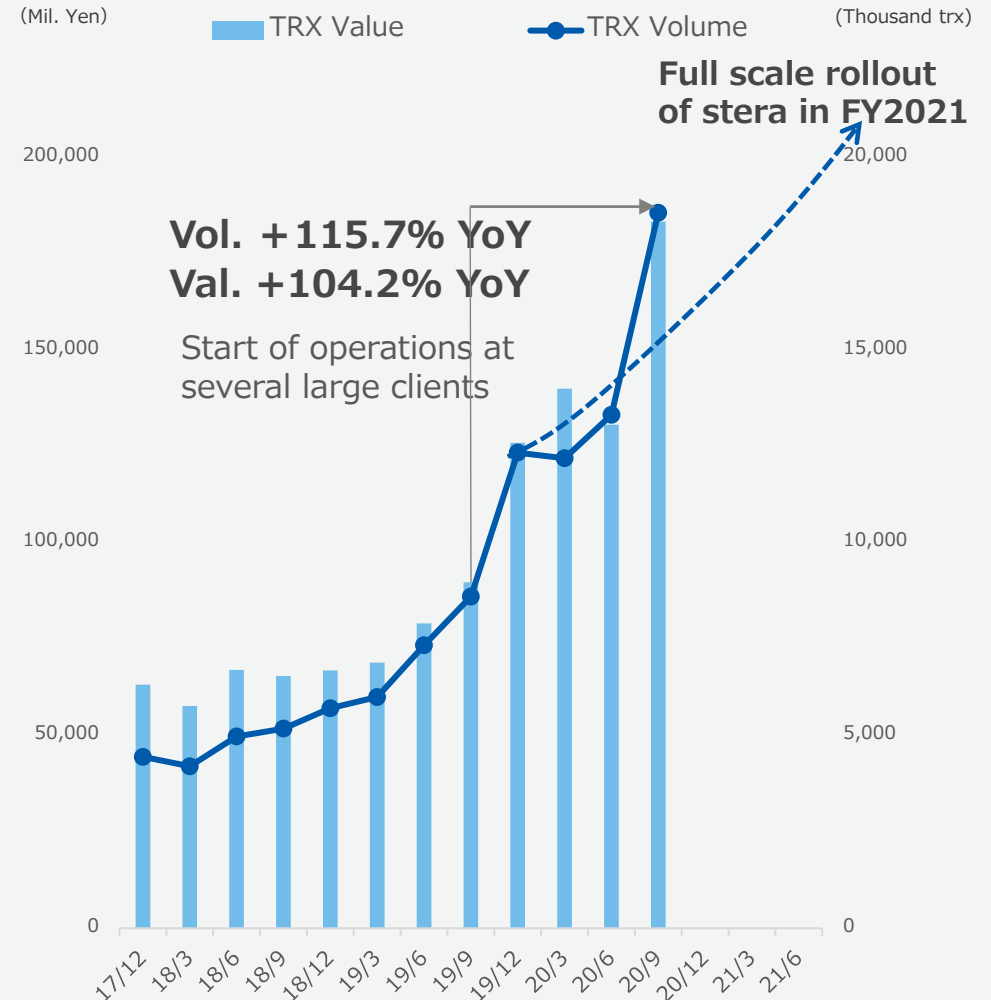
■ Growth strategy and progress to date

Unattended Market (UM)

Full scale rollout of stera **NEW**

Sales expansion of next generation multi-payment terminal

O2O, Omni-channel strategy (group synergy)



4.7.1 Global: Business Portfolio

2C2P turns profitable; profit expansion from a sound asset base that can withstand a crisis

Global's OP potential

	2020		2025
TAM (¥ trn)	50	X times	50x (US/Asia Lending)
OP (¥ bn.)	0.5		5 (overall Global OP)

■ Global's business areas



■ Global business earnings and related BS items

(¥ Mil.)	Payment Processing Business			Money Service Business			Sum Total		
	19/9	20/9	YoY	19/9	20/9	YoY	19/9	20/9	YoY
① Revenue	42	53	+26%	387	575	+48%	429	630	+45%
OP	—	—	—	—	—	—	117	235	+100%
Equity income from 2C2P							② -19	514	—
Profit incl. equity income							98	749	—
Asset	2C2P cumulative equity investments			Avg. lending balance					
Equity	2,198	2,198	—	2,900	4,204	—	2,900	4,204	+44%
							2,198	2,198	—

※ There has been no occurrence of payment in arrears, irrecoverable for the global lending service.

4.7.2 Global: FinTech supporting MSB services (Lending)

Developing pipeline towards Phase 2 adjusted to the timing of recovery in each country

■ Current environment

USA MSB

- Gradual recovery, infection cases continue
- Intensifying competition in loan market

Asia MSB

Indonesia

- Gradual recovery, infections cases continue
- Slowing down of competition

India

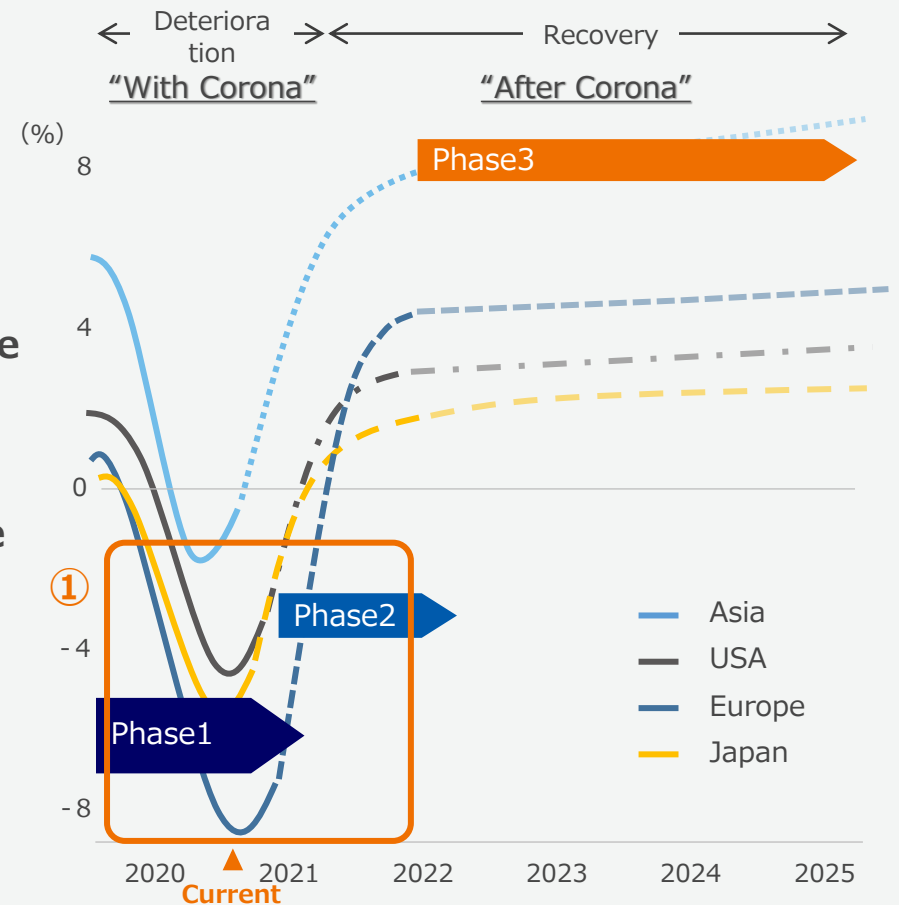
- On recovery path, infection cases continue
- Low visibility of loan market

■ Current stance

Continuation of Phase I

Building up pipeline towards Phase 2,
but continue to take a cautious stance
on extending credit

■ Country-specific strategies[※] (GDP growth rate forecasts)

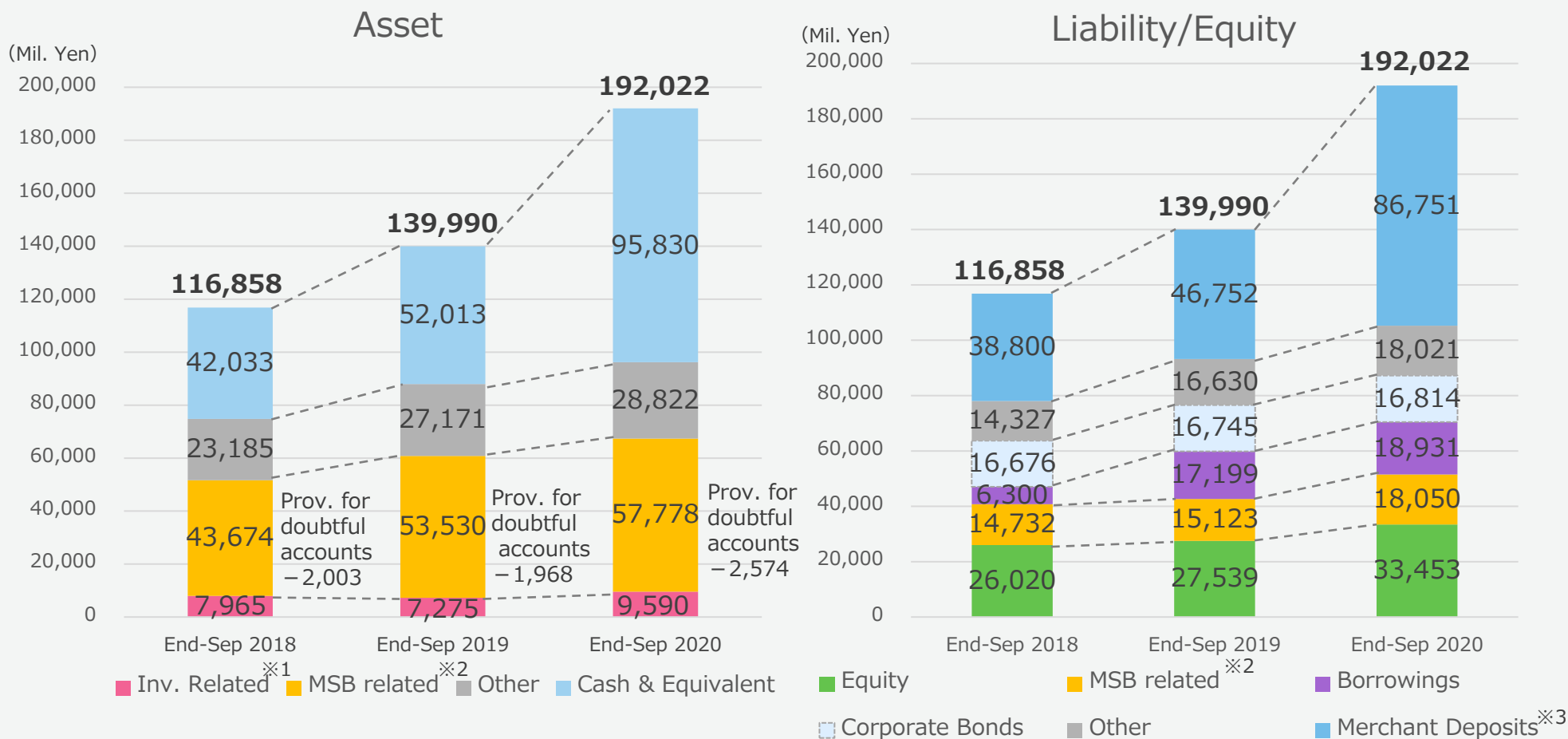


※Referenced IMF's "World Economic Outlook, October 2020: A Long and Difficult Ascent", figures for 2022 and onward are our estimates.

5. Financial Highlights

5.1 Balance Sheet Changes

Increase in deposits received and MSB-related assets



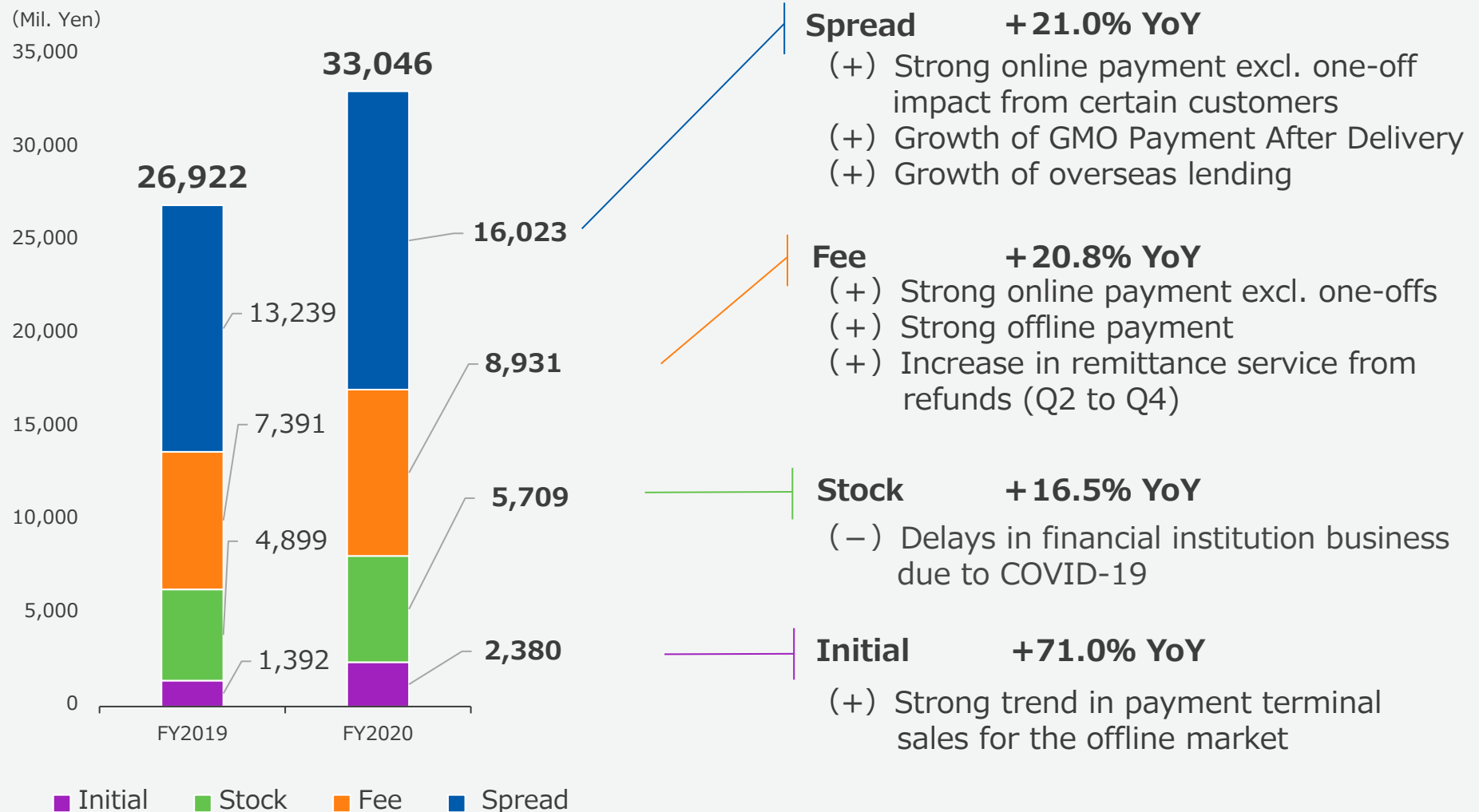
※1 Securities classified under Investment Securities and Equity-Method Affiliates

※2 MSB Related Asset = Lease assets, Short term loans, Advance payment, Accrued revenue (net of provision for doubtful accounts)

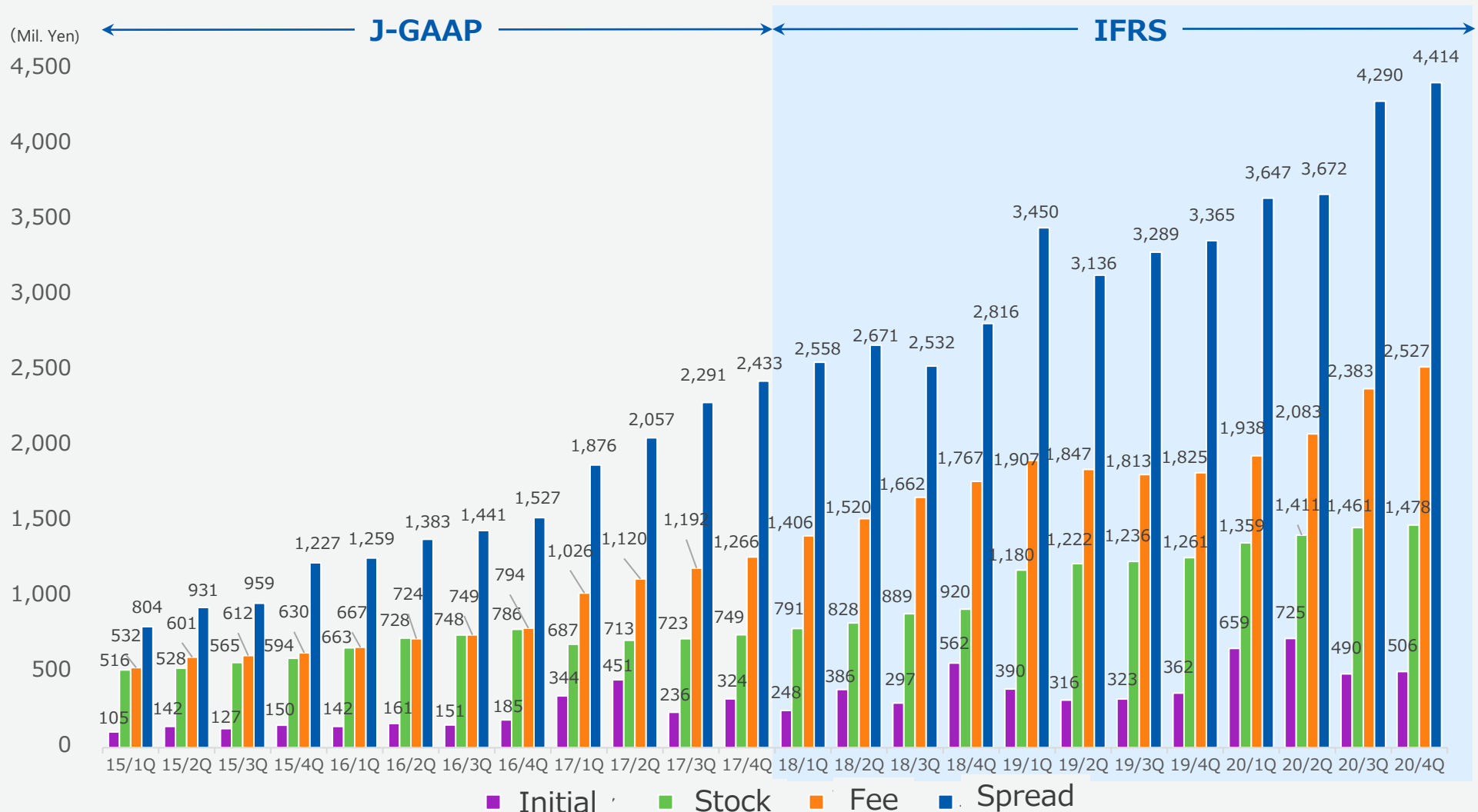
MSB Related Liabilities = Accrued expenses

※3 Deposits received from merchants under the Representative Contract. ※4 Some figures are shown in net amounts of financial assets and liabilities.

5.2.1 Revenue by business model (FY2020, continuing operations)



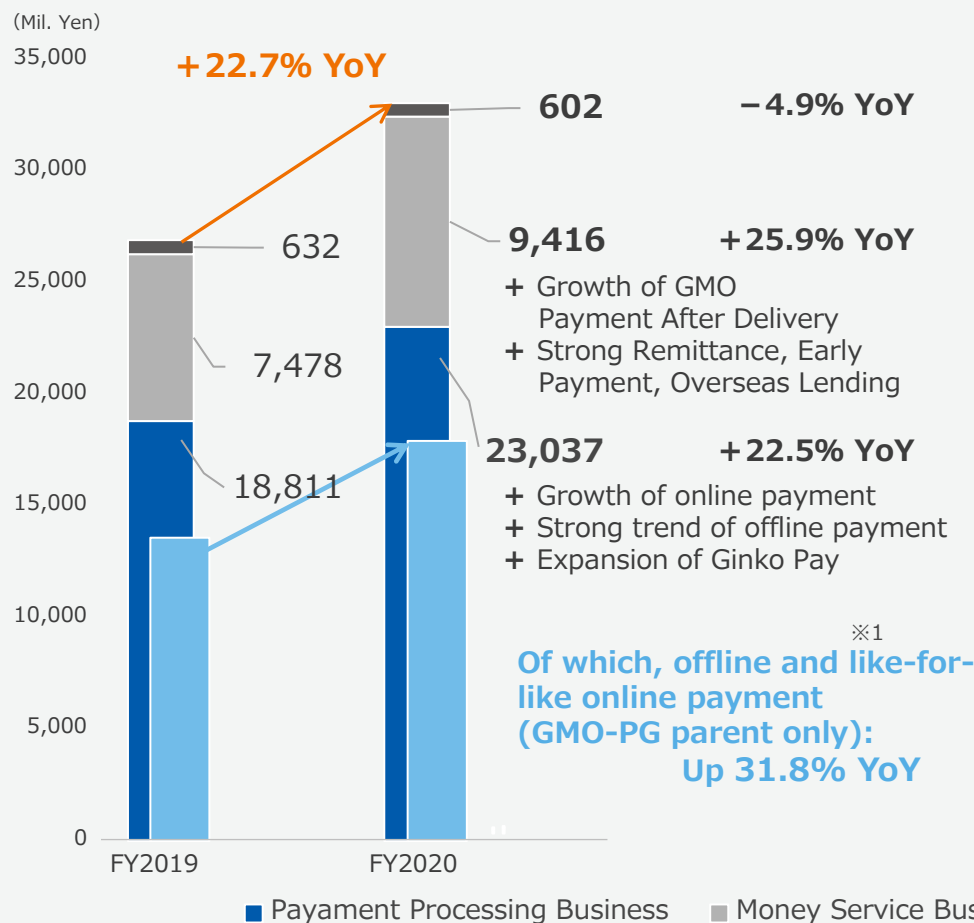
5.2.2 Quarterly trend of revenue by business model



※Online advertising service (stock) and finance lease (spread) revenues are recognized as a net amount with the IFRS adoption rather than the gross method from FY Ending September 2018
The figures for revenues by business model present the continuing operations only and exclude MACROKIOSK, due to its deconsolidation in May 2020.

5.3 Segment revenue and OP YoY (FY2020, continuing operations)

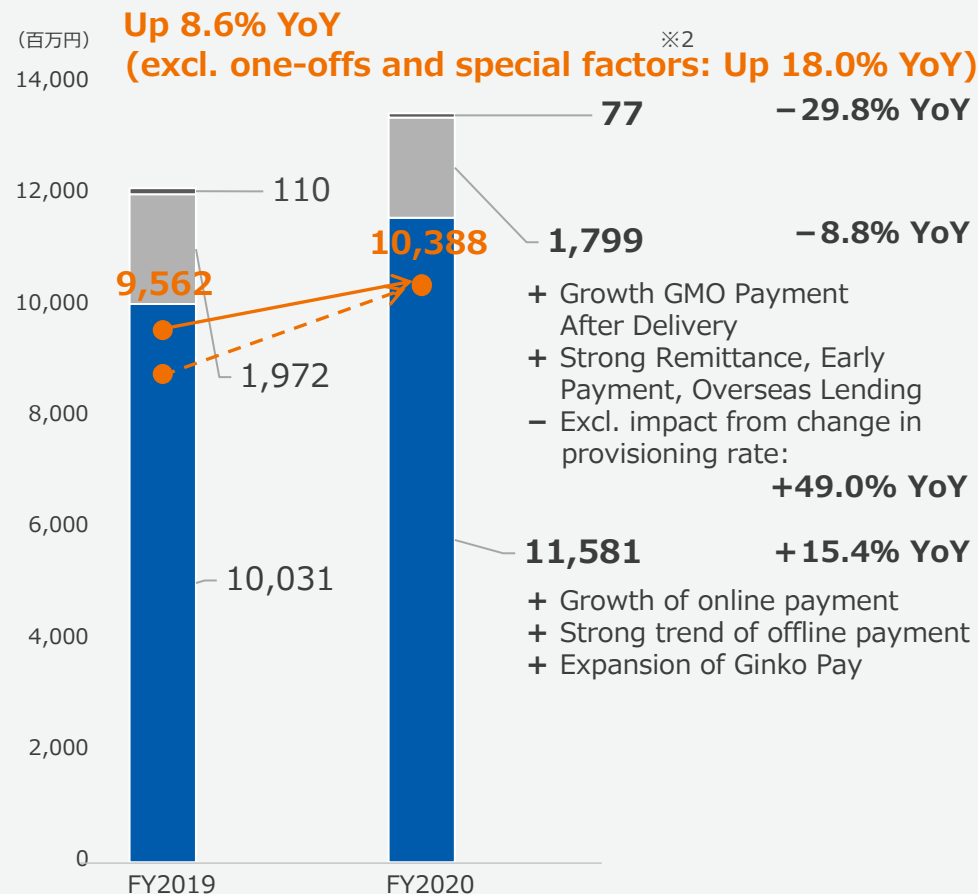
■ Segment revenue



※1 Like-for-like online payment excludes: ① Contract expiration of a large merchant in the previous Q2, ② contract termination of a certain merchant in the previous Q2, ③ change in contract terms to certain merchants in the current term's Q1.

※2 Special factors: excluding the impact from the change in provisioning rate for certain transactions.

■ Segment operating profit (mil. Yen)



+ Growth GMO Payment After Delivery
+ Strong Remittance, Early Payment, Overseas Lending
- Excl. impact from change in provisioning rate:

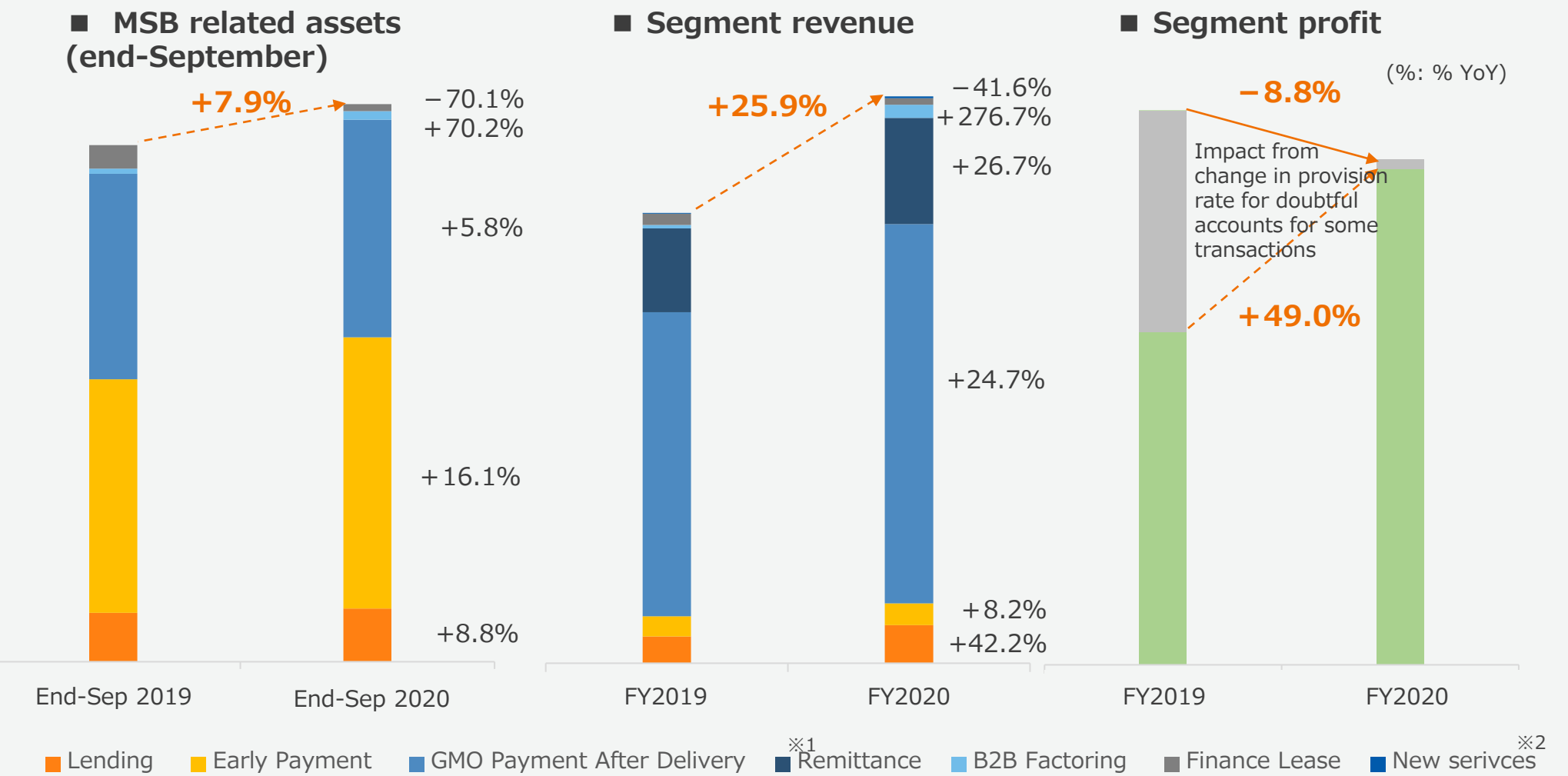
+49.0% YoY

+ Growth of online payment
+ Strong trend of offline payment
+ Expansion of Ginko Pay

+15.4% YoY

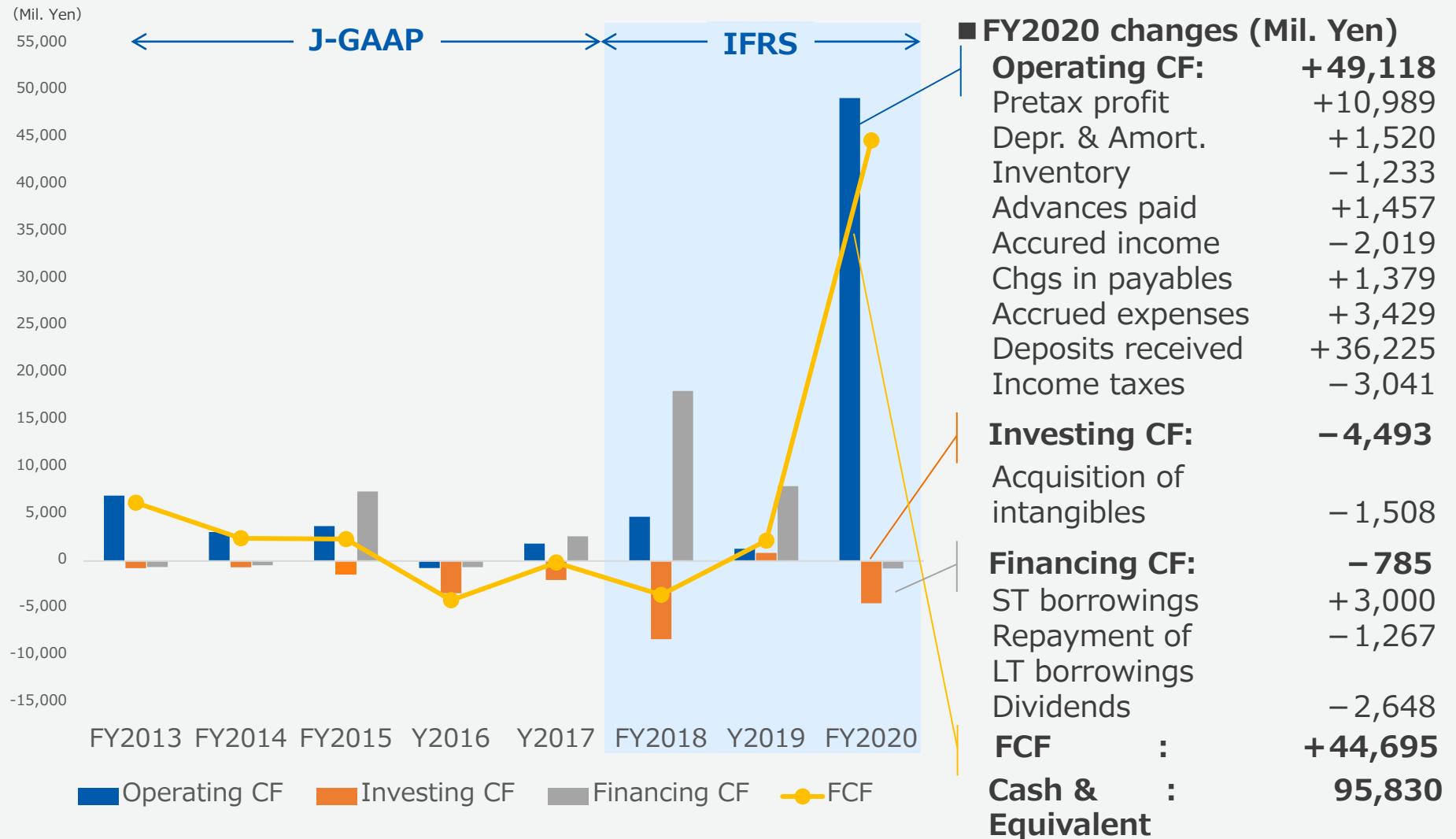
5.4 FinTech: Assets & profit growth (cumulative basis)

Expansion of high-margin services; YoY decline from reversals of provisions booked in the previous year



※1 Figures for GMO Payment After Delivery assets (accrued revenue) are net of provision for doubtful accounts.
※2 B2B AR Guarantee (launched May 2018), "Kondo Barai" ("Pay Later", launched June 2020). YoY figures are not displayed.

5.5 Consolidated Cashflow Statement

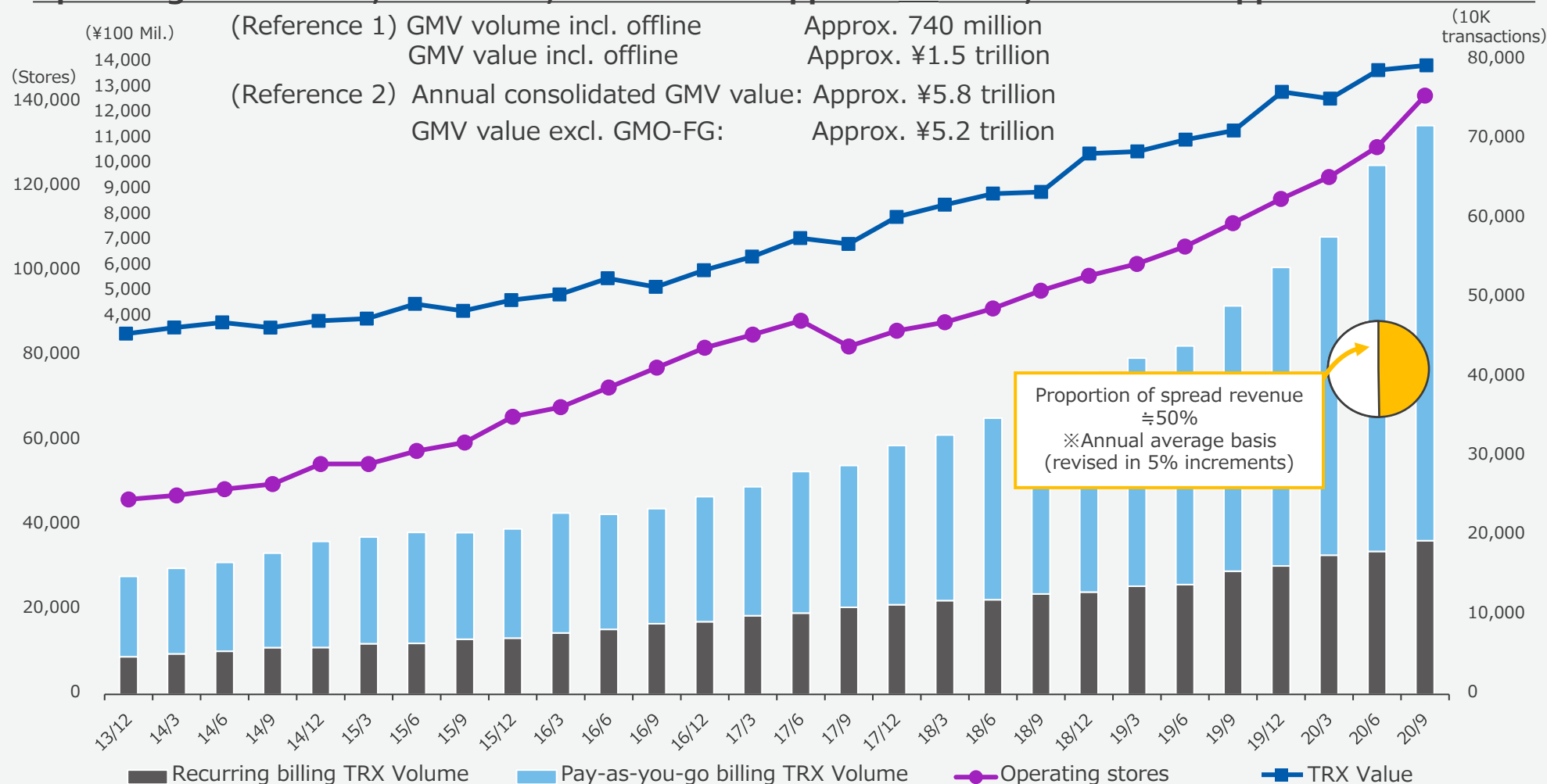


※ FCF is calculated as the sum total of Operating CF and Investing CF. Only major items of the cash flow statement are shown on this page.

5.6 Major Quarterly KPIs

Group-wide annual GMV value reaches ¥5.8 trillion

Operating stores: 141,573 stores^{※1}, GMV volume approx. 720 mil., GMV value approx. ¥1.3 trillion.^{※2}



※1 Figure excludes a significant increase in operating stores from a specific merchant. If included, operating stores would be 324,062 outlets as of end-September 2020 (up 41.7% YoY).

※2 Operating stores are measured on an end-of-quarter basis. GMV value and volume are the total for the respective quarter and exclude GMO Financial Gate.

Thank You Very Much

GMO PAYMENT GATEWAY

GMO Payment Gateway, Inc.
(3769; Tokyo Stock Exchange, Section 1)

URL : <https://www.gmo-pg.com/en/corp/>

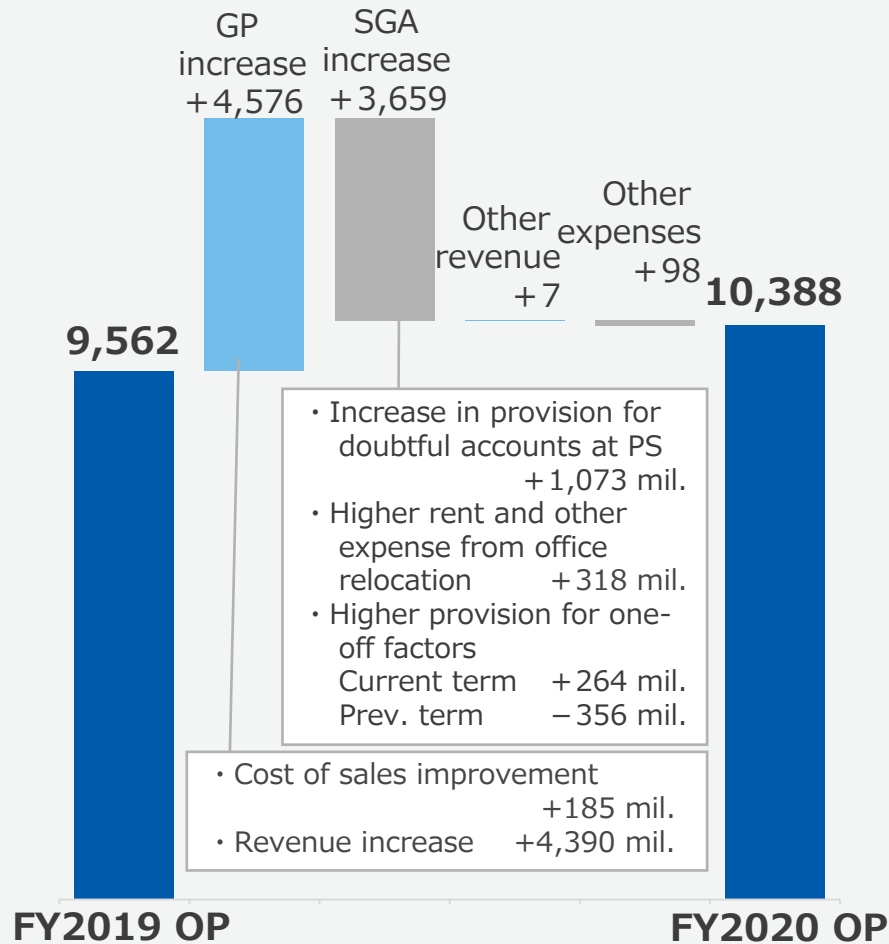
For inquiries please contact our IR team at the telephone number below:
Corporate Value Creation Strategy Division (IR Department)
TEL: +81-3-3464-0182
E-mail : ir-contact@gmo-pg.com

Reference Materials

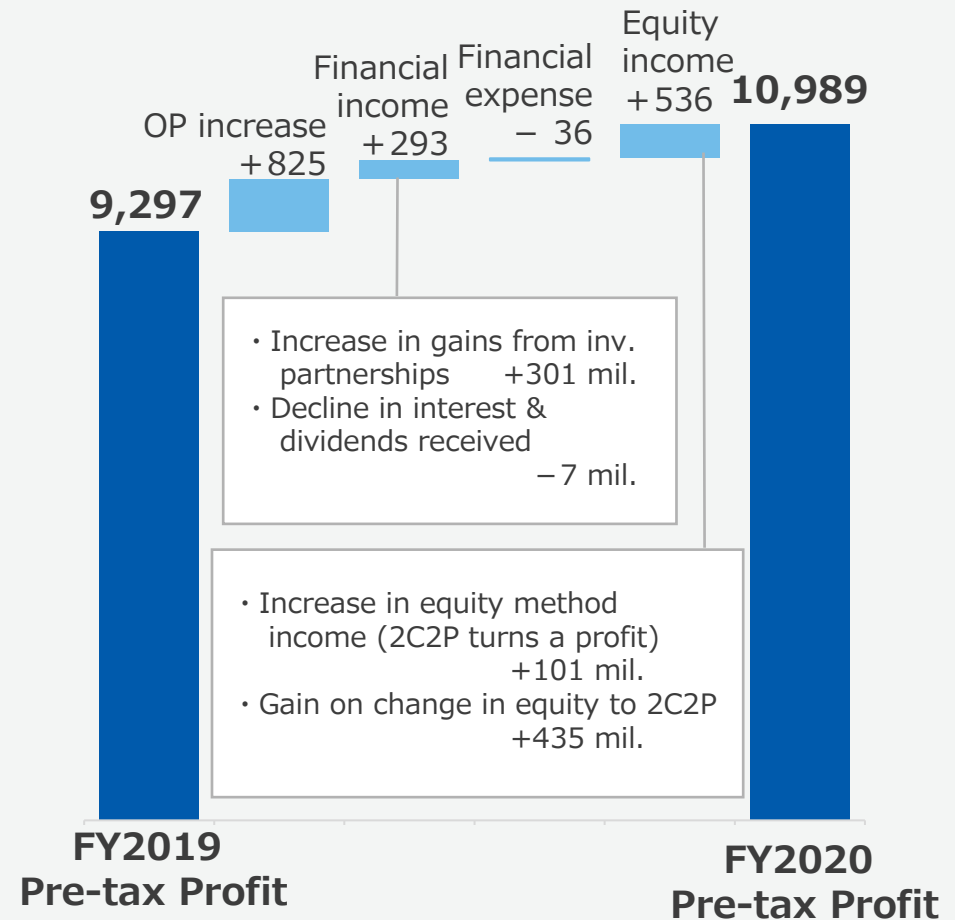
Factors affecting OP & Pretax Profit (FY2020)

SG&A increase due to higher provisions; Pre-tax profit uplifted from increase in equity method income

■ OP Waterfall chart (Up 8.6% YoY) (Mil. Yen)

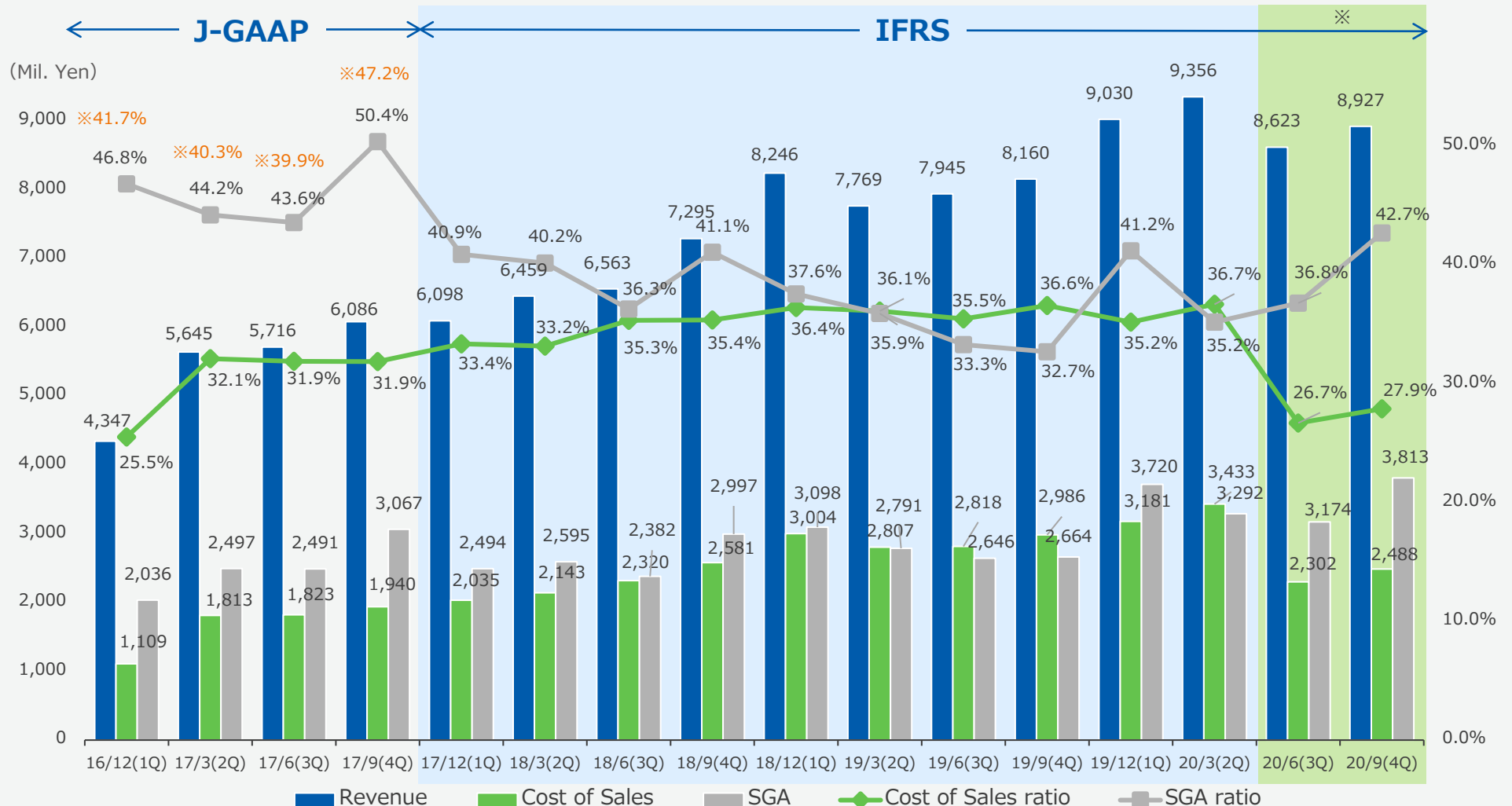


■ Pre-tax profit waterfall chart (Up 18.2% YoY) (Mil. Yen)



Quarterly trend of CoS and SGA ratio

CoS ratio fluctuates with changes in revenue mix,
deconsolidation of MK caused ratio to decline



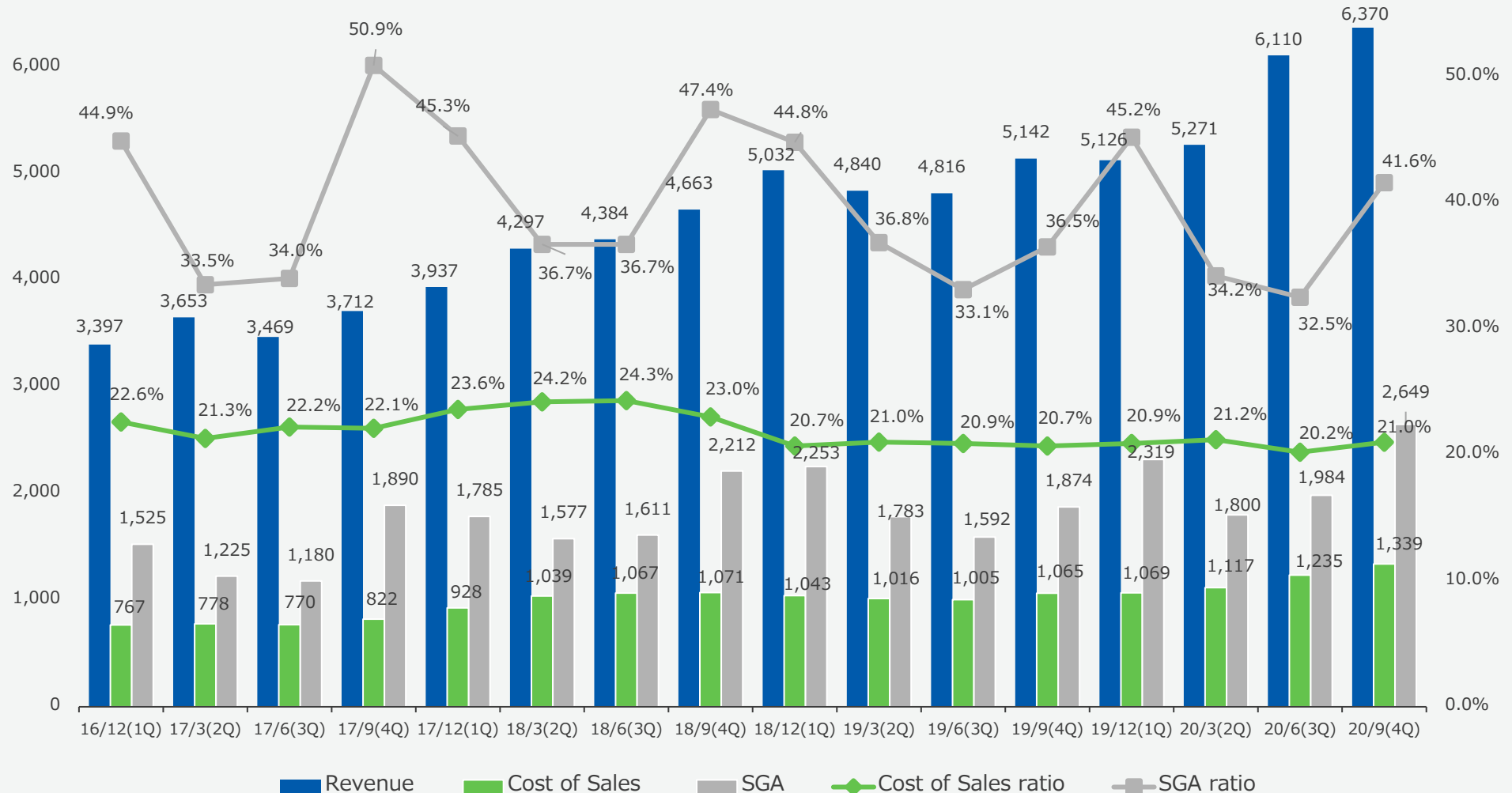
※Figures with asterisk exclude outsourcing expense related to MSB. These outsourcing expenses are not recorded in SG&A from December 2017 (Q1) due to IFRS adoption.

※Figures only present the continuing operation from Q3 FY2020 and onwards and exclude MACROKIOSK (reclassified as discontinued operation) due to its deconsolidation in May 2020.

Quarterly trend of PG and EP's CoS and SGA ratio

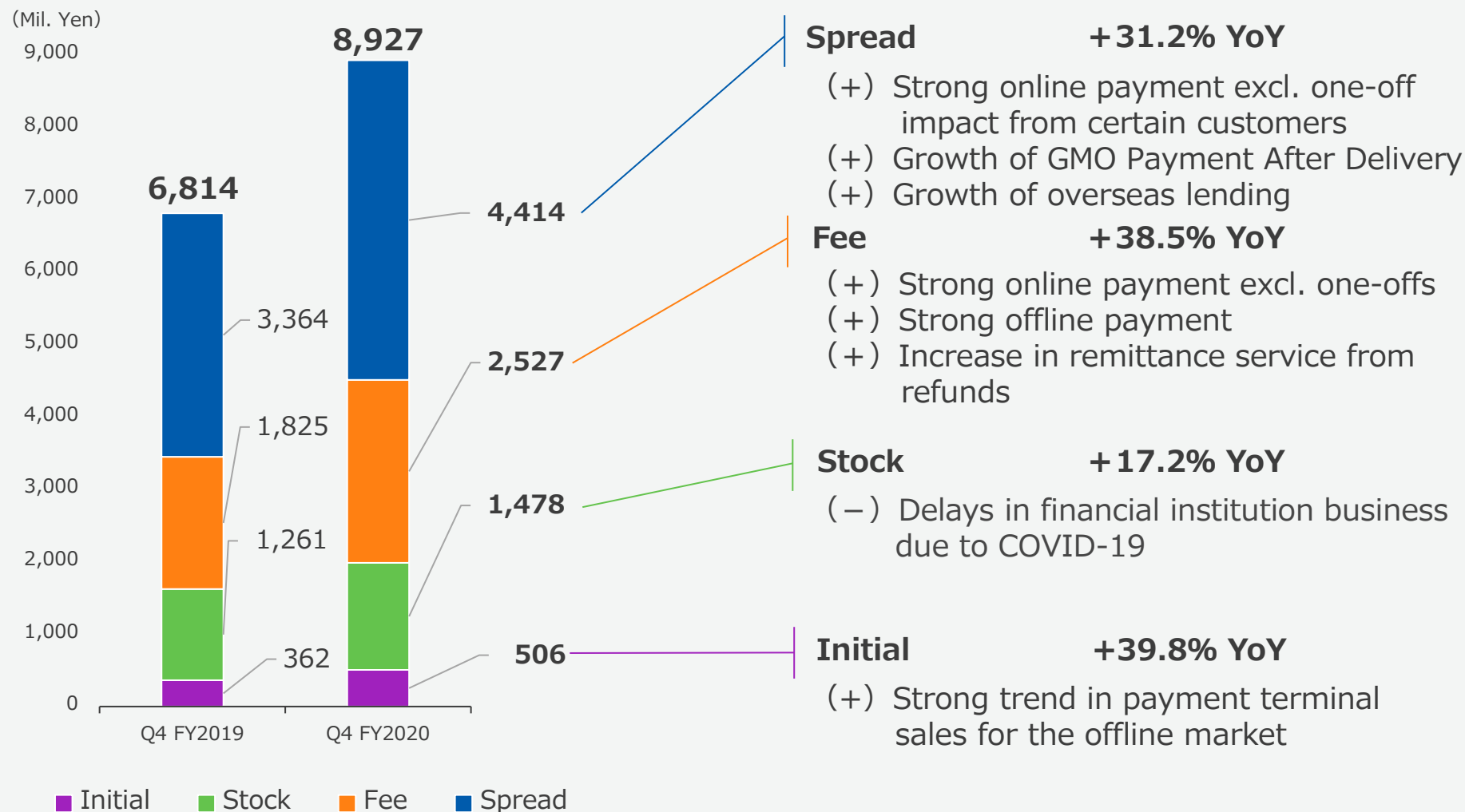
CoS ratio of online payment business remains stable

(Mil. Yen)

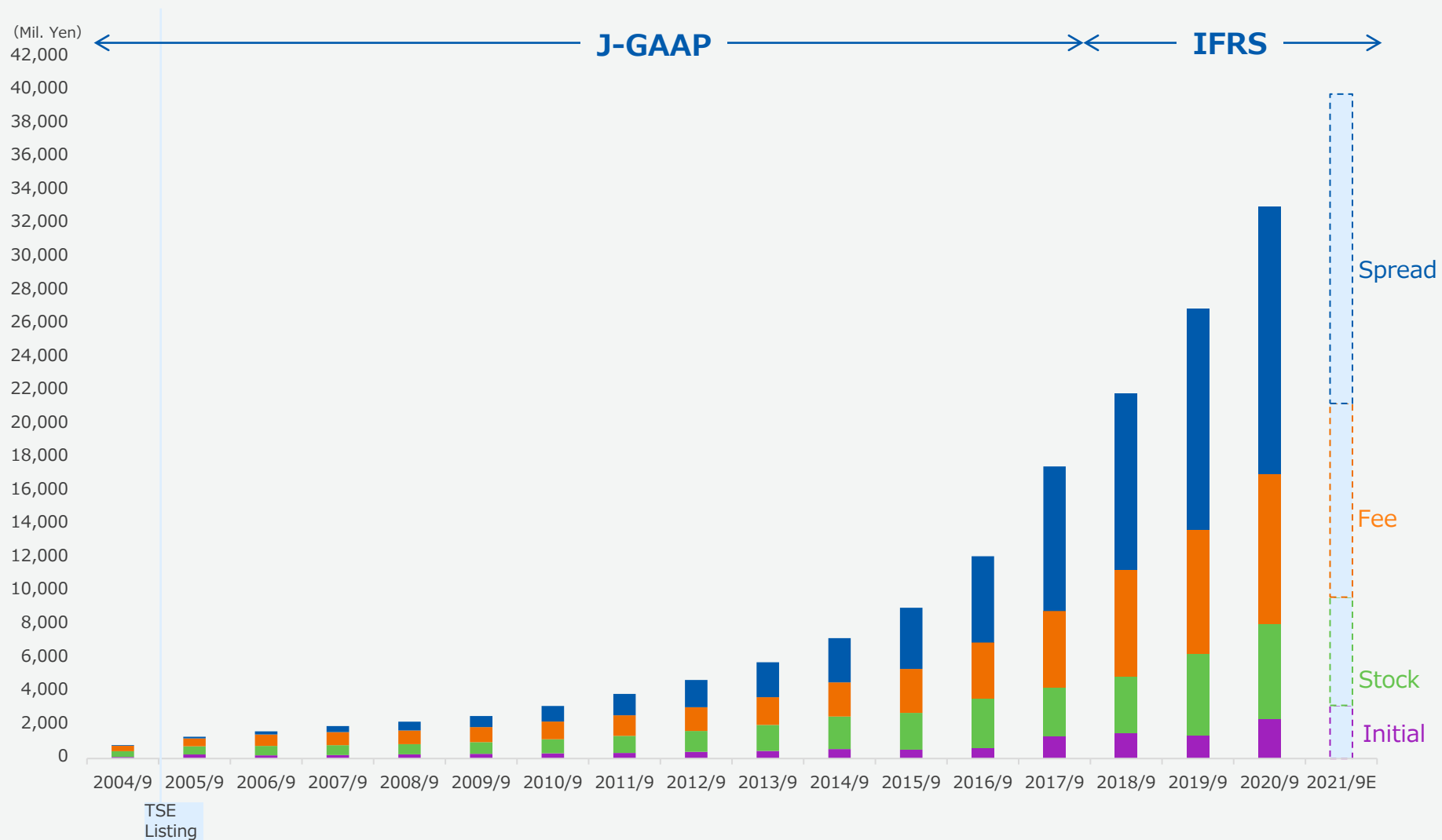


※Based on J-GAAP

Revenue by business model (Q4 standalone, continuing operations)



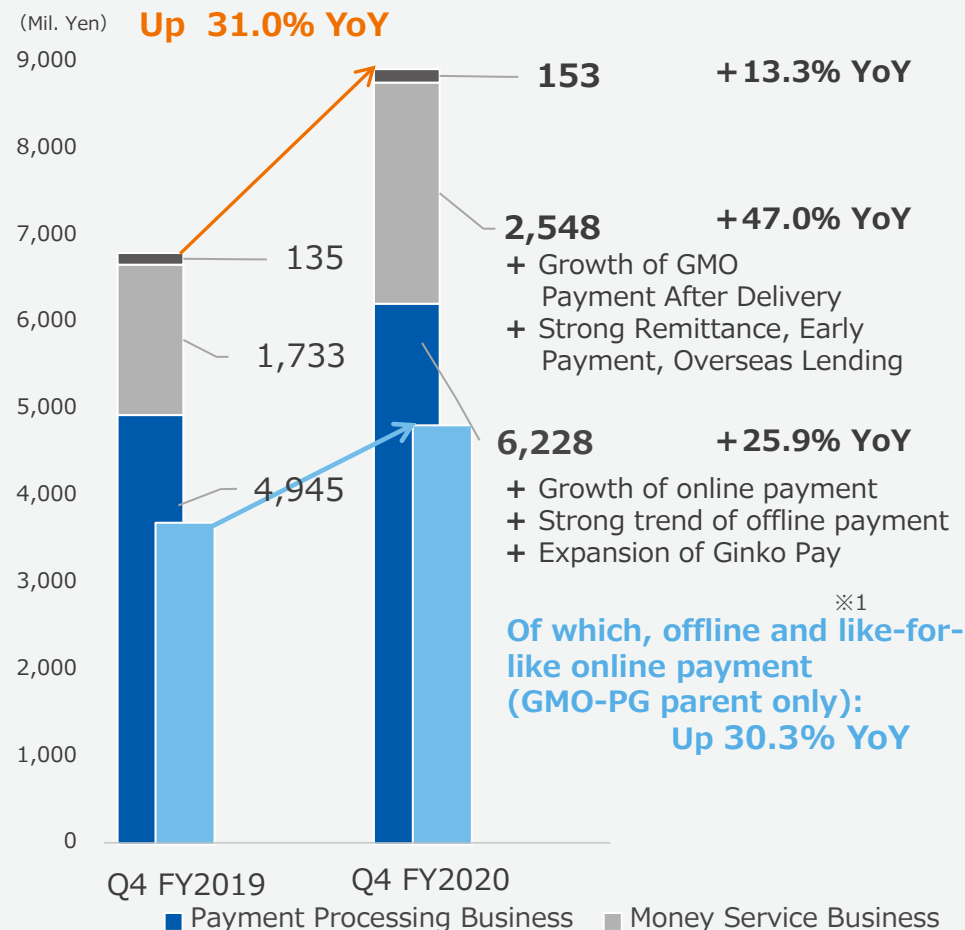
Revenue trend by business model (annual)



※Online advertising service (stock) and finance lease (spread) revenues are recognized as a net amount with the IFRS adoption rather than the gross method from FY Ending September 2018. The figures for revenues by business model present the continuing operations only and exclude MACROKIOSK, due to its deconsolidation on May 2020.

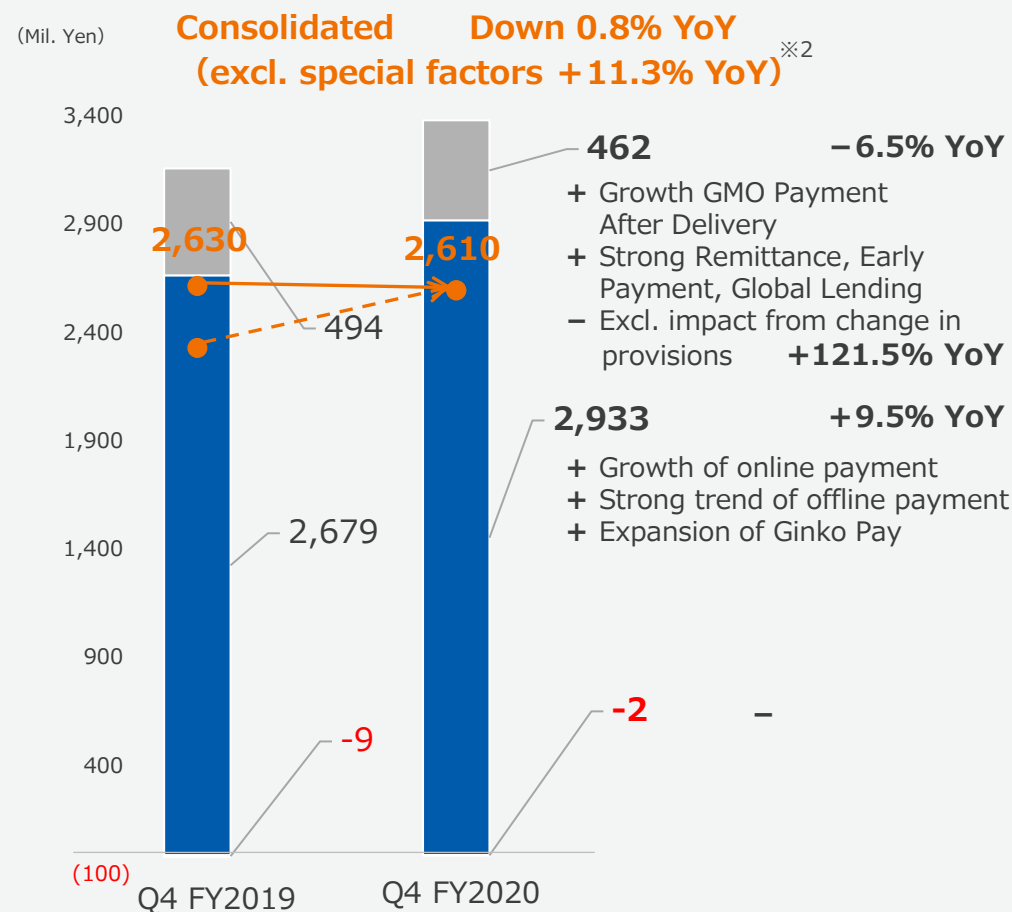
Segment revenue and OP YoY (Q4 standalone, continuing operations)

■ Segment revenue



■ Segment operating profit

(Mil. Yen)



※1 Like-for-like online payment excludes: ① Contract expiration of a large merchant in the previous Q2, ② contract termination of a certain merchant in the previous Q2, ③ change in contract terms to certain merchants in the current term's Q1.

※2 Special factors: excluding the impact from the change in provisioning rate for certain transactions.

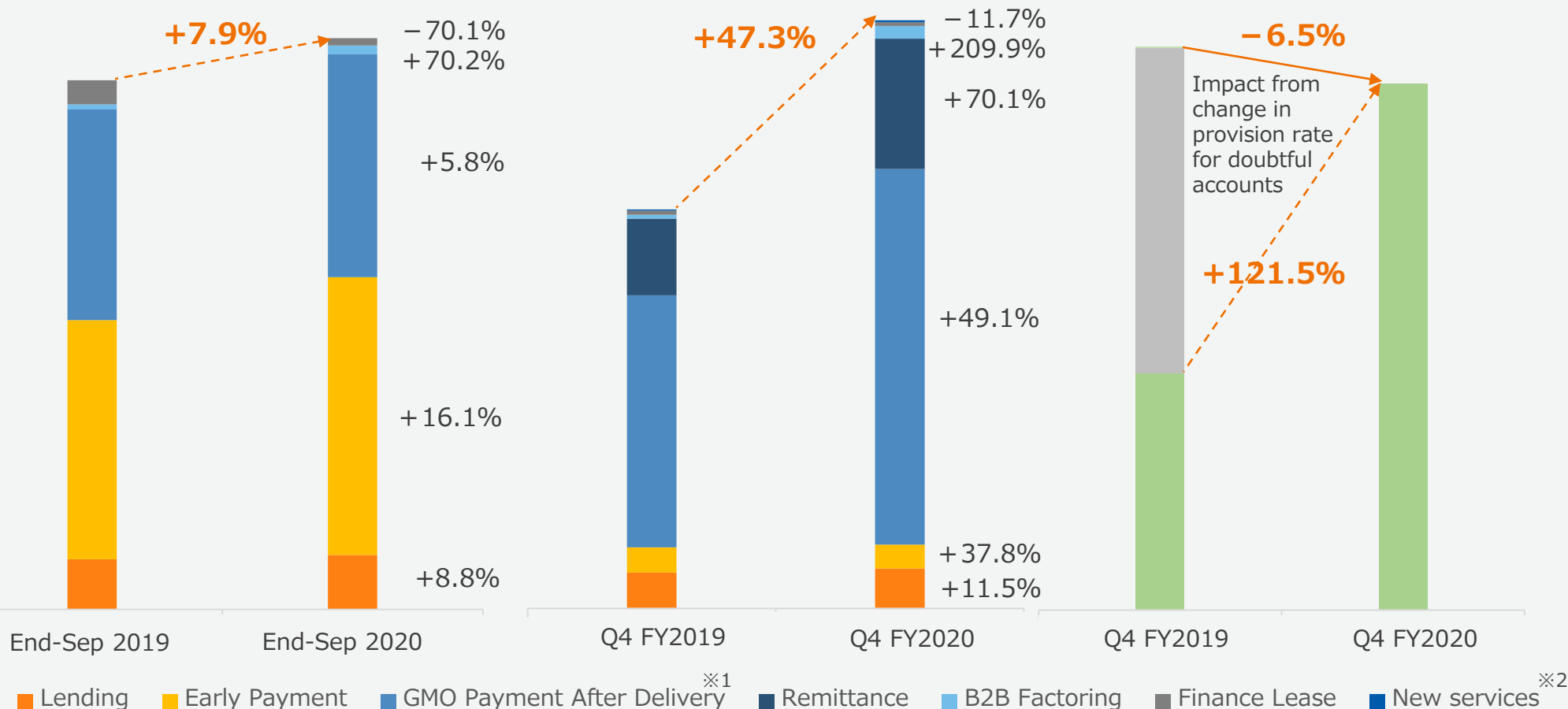
FinTech: Assets & profit growth (Q4 standalone)

Expansion of high-margin services; YoY decline from reversals of provisions booked in the previous year

■ MSB related assets
(end-September)

■ Segment revenue

■ Segment profit
(%: % YoY)



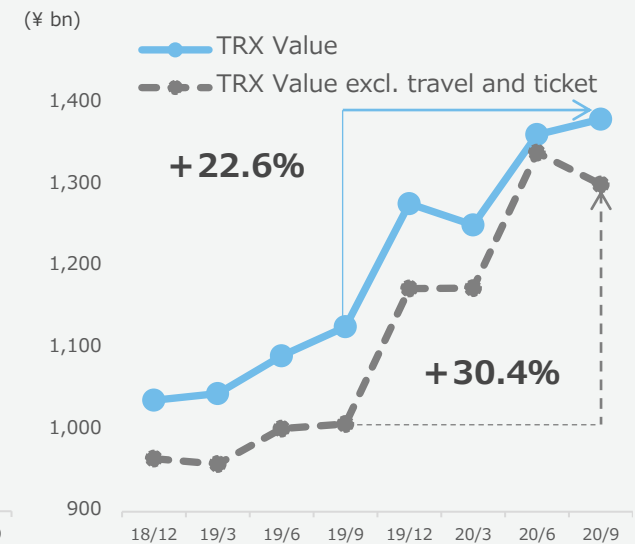
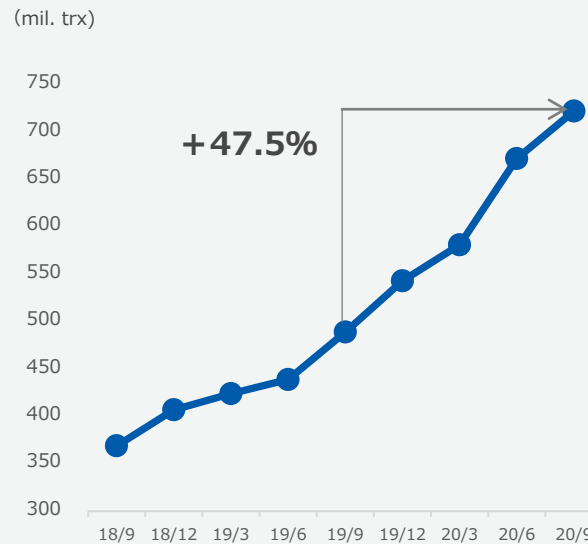
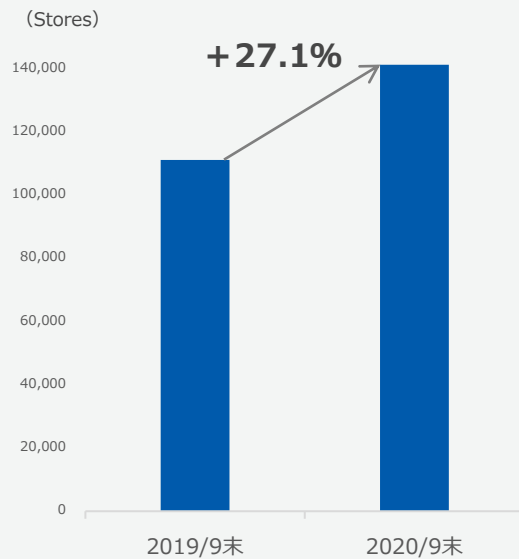
※1 Figures for GMO Payment After Delivery assets (accrued revenue) are net of provision for doubtful accounts.

※2 B2B AR Guarantee (launched May 2018), Kondo Barai ("Pay Later", launched June 2020). YoY figures are not displayed.

Consolidated KPI analysis (Q4 standalone)

Accelerating DX adoption by customers and services, TRX volume surges, TRX Volume also in uptrend

Operating stores	+27.1%	TRX Volume	+47.5% ^{※1}	TRX Value	+22.6% ^{※1}
Prev. Q4	+16.7% ^{※2}	Prev. Q4	+32.6% ^{※2}	Prev. Q4	+27.1% ^{※2}



- Excl. increase in delivery related stores +17.1%
- Excl. increase in communications related stores +26.2%

- Sectors with particularly high TRX volume growth^{※3}

Utility	+ 48.0%
Delivery/Newspaper	+177.4%
Digital content	+129.0%
Apparel	+ 86.5%

- High value-per-transaction sectors such as travel and ticket sales recovering somewhat in Jul-Sep quarter
- Excl. travel/ticket +30.4%^{※3}

- Acceleration of merchandise EC

※1 Excludes offline payment. If offline is included, the Q4 (July~September 2020) TRX volume grew +48.6% (prev. Q4 up 33.1%), TRX value grew 28.6% (prev. Q4 up 27.8%)

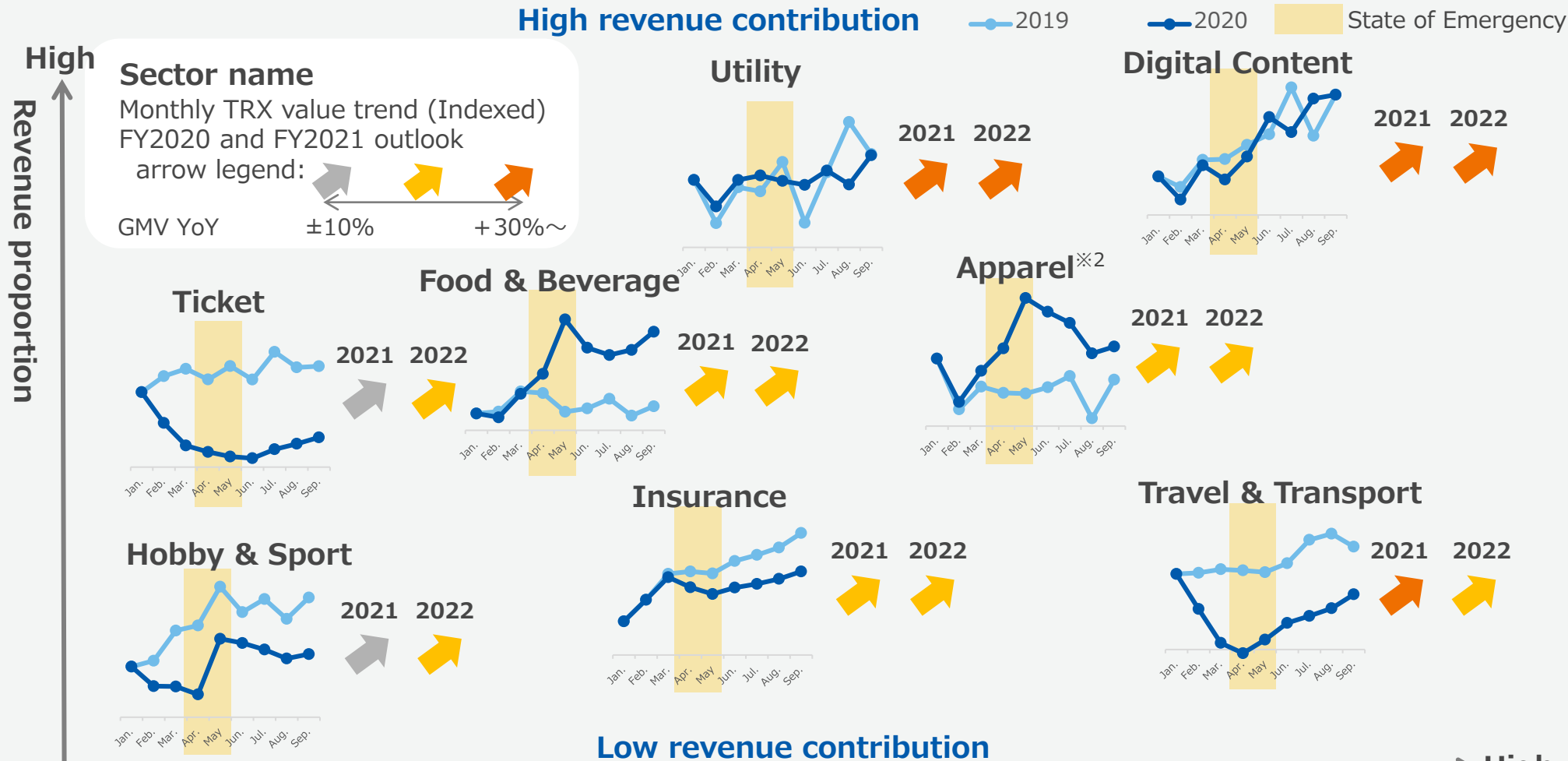
※2 Figures show the YoY growth rates for Q4 FY2019 (July~September 2019, end-Sep 2019).

※3 Figures are YoY growth rates of GMV values by sector for PG Multi-Payment Service for the Q4 period (Jul~Sep). Apparel excludes a large merchant.

YoY comparison of GMV value by sector

Travel, hobby and sports show some recovery, accelerated online shift of food & beverage and apparel

■ Scatter diagram of major merchant sectors by GMV and Revenue proportion



※1 Shows the relative position of each merchant sector based on the TRX value and revenue during Q4 FY2020 for the PG Multi-Payment Service which accounts for 80% of total TRX value.

※2 Excludes certain large merchants.