



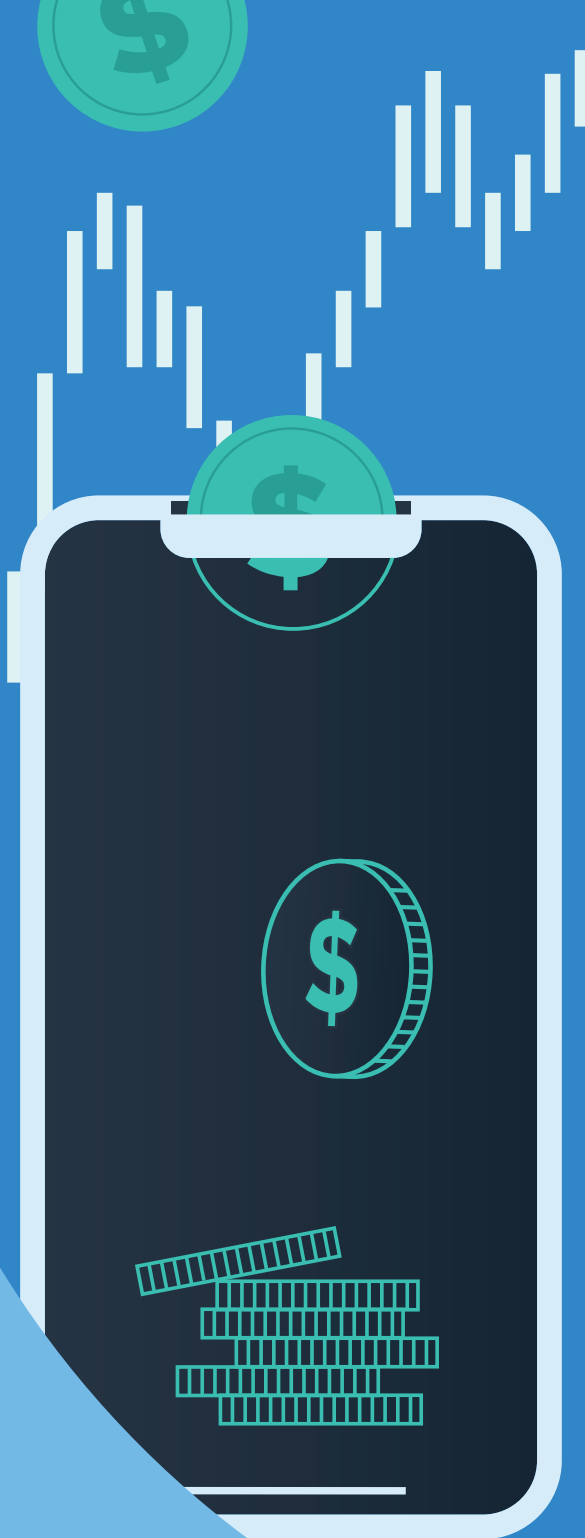
EMERGING TECH RESEARCH

Fintech

Q2 2021 VC update

Report preview

The full report is available through the PitchBook Platform





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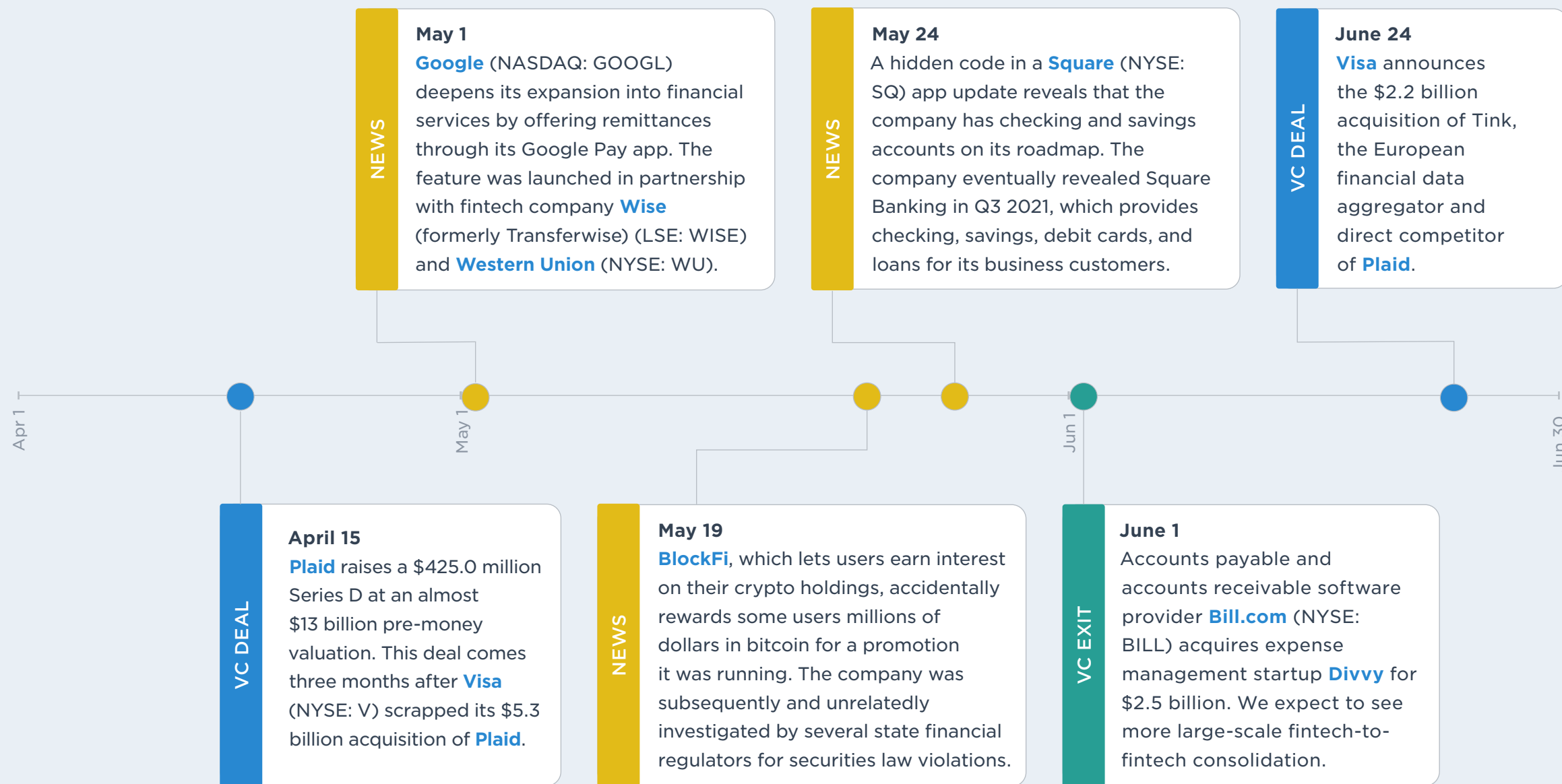
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Q2 2021 timeline



Q2 VC DEAL COUNT SUMMARY

1,081
total deals

0.0%
QoQ growth

62.1%
YoY growth

Q2 VC DEAL VALUE SUMMARY

\$30.9B
total deal value

29.2%
QoQ growth

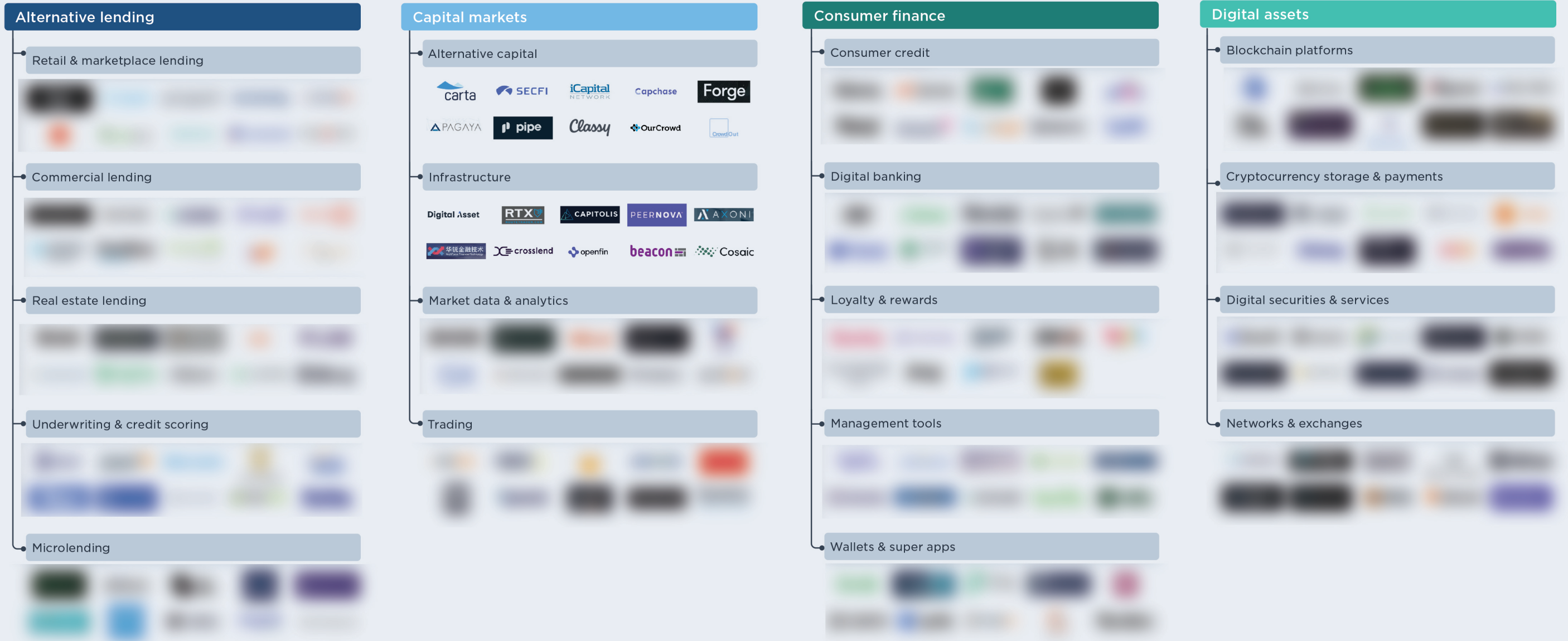
241.4%
YoY growth



Fintech VC ecosystem market map

Click to view interactive market map on the PitchBook Platform.

Market map is a representative overview of venture-backed or growth-stage providers in each segment. Companies listed have received venture capital or other notable private investments.





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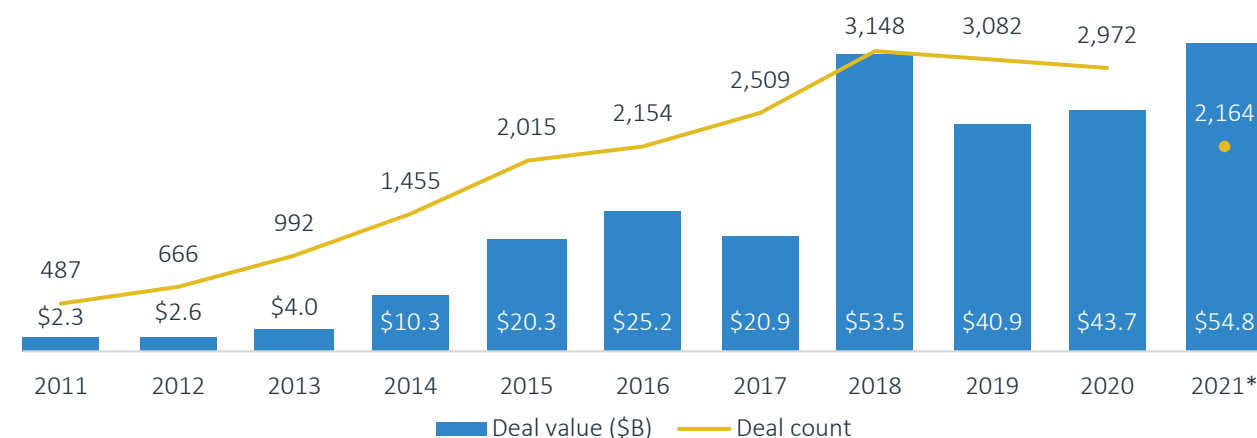


VC activity

In Q2 2021, fintech companies globally raised \$30.9 billion in VC across 1,801 deals. This far surpassed the previous record high of \$21.4 billion from Q2 2018—a quarter that included **Ant Group**'s \$14.0 billion Series C. Payments companies continue to drive a large proportion of deal value, at \$7.8 billion, a 25.0% QoQ increase. Netherlands-based **Mollie**, a direct competitor of **Stripe**, raised the largest round of the quarter with its €665.0 million (\$805.8 million) Series C led by Blackstone. Other notable payment deals of the quarter include point-of-sale (POS) hardware and software developer **SaltPay**'s \$500.0 million Series C, B2B payments and expense card management provider **Brex**'s \$425.0 million Series D, and Mexico-based POS hardware provider **Clip**'s \$250.0 million late-stage round. Alternative lending also had a strong quarter, fueled by startups offering home-buying solutions during this surging real estate market. Of the largest real estate lending rounds of the quarter, **Better.com** raised a \$500.0 million late-stage round, **Generation Home** raised a \$452.6 million Series A, and **Unison** raised a \$210.0 million late-stage round. Other notable alternative lending deals beyond real estate include earned wage access provider **DailyPay**'s \$500.0 million Series D and auto lending platform **Lendbuzz**'s \$360.0 million Series C.

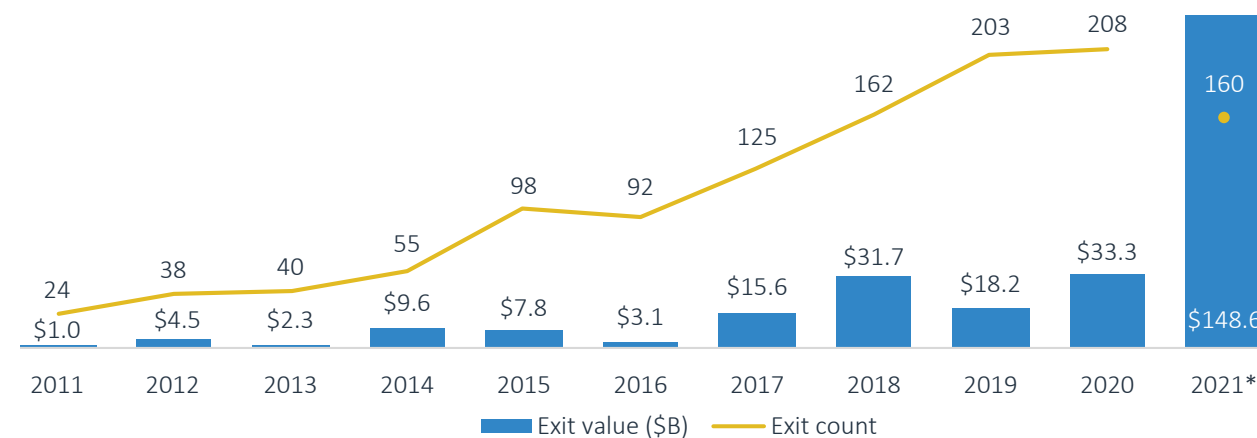
During the quarter, the median pre-money valuation for VC-backed, late-stage fintech remained elevated, at \$301.0 million. Early-stage median valuations continue to reach new highs, at \$35.0 million—up from \$30.0 million in Q1. Valuation multiples have also continued to climb, with the median reaching 19.5x revenue in Q2 from 16.0x in 2020. If this holds through the end of the year, it will represent the highest recorded median revenue multiple for VC-backed fintech companies.

Figure 2. FINTECH VC DEAL ACTIVITY



Source: PitchBook | Geography: Global | *As of June 30, 2021

Figure 3. FINTECH VC EXIT ACTIVITY



Source: PitchBook | Geography: Global | *As of June 30, 2021



VC ACTIVITY

Figure 8.

Key fintech seed deals

COMPANY	CLOSE DATE	SUBSEGMENT	DEAL SIZE (\$M)	LEAD INVESTOR(S)	VALUATION STEP-UP*
Arrived Homes	June 16, 2021	Alternative investments	\$46.5	Core Innovation Capital	N/A
WonderFi	May 25, 2021	Digital securities and services	\$20.0	Kevin O'Leary	N/A
MAJORITY	June 22, 2021	Digital banking	\$19.0	Valar Ventures	N/A
Globe	May 4, 2021	Networks and exchanges	\$18.0	Y Combinator, Pantera Capital	N/A
Sorbet	June 24, 2021	Payroll and AP/AR automation	\$15.0	Group 11	3.4x
re:ceeve	May 6, 2021	Payroll and AP/AR automation	\$13.5	Seaya Ventures	N/A
Qredo	May 3, 2021	Blockchain platforms	\$11.0	N/A	N/A
Ramp	June 15, 2021	Digital securities and services	\$10.2	NFX, Galaxy Digital Holdings	N/A
Pagos	April 15, 2021	Platforms and APIs	\$10.0	N/A	N/A
Weavr	June 4, 2021	Platforms and APIs	\$9.9	N/A	3.3x

Source: PitchBook | Geography: Global | *As of June 30, 2021



VC ACTIVITY

Figure 9.
Key fintech late-stage VC deals

COMPANY	CLOSE DATE	SUBSEGMENT	STAGE	DEAL SIZE (\$M)	LEAD INVESTOR(S)	VALUATION STEP-UP*
Nubank	June 8, 2021	Digital banking	Series G	\$1,150.0	Government of Singapore Investment Corporation (GIC), Berkshire Hathaway, Sands Capital, Invesco, Whale Rock Capital Management	N/A
Trade Republic	May 20, 2021	Brokerage	Series C	\$900.0	Sequoia Capital	17.1x
Mollie	June 22, 2021	Payment platforms and POS	Series C	\$805.8	The Blackstone Group	5.7x
Klarna	June 10, 2021	Credit and BNPL	Late-stage VC	\$639.0	SoftBank Investment Advisers	11.7x
Wealthsimple	May 3, 2021	Digital advisory	Series D	\$600.7	Greylock Partners, Meritech Capital Partners	3.3x
Better	April 13, 2021	Real estate lending	Late-stage VC	\$500.0	N/A	1.4x
DailyPay	May 18, 2021	Microlending	Series D	\$500.0	Carrick Capital Partners	1.8x
SaltPay	April 9, 2021	Payment platforms and POS	Series C	\$500.0	N/A	N/A
Starling Bank	June 22, 2021	Digital banking	Series D	\$453.7	Fidelity Management & Research	N/A
Brex	April 26, 2021	B2B payments	Series D	\$425.0	Tiger Global Management	2.6x

Source: PitchBook | Geography: Global | *As of June 30, 2021



SELECT COMPANY HIGHLIGHT | MK DECISION



Founded
2015

Total VC raised
\$75,000

HQ location
San Diego, CA

Overview

MK Decision developed a credit card and loan origination platform for community and regional banks. The platform lets banks digitally onboard customers and streamline back-office operations. MK leverages three primary integration products: CreditConnect, IdentityConnect, and CoreConnect. CreditConnect allows banks to instantly gain access to credit history from any applicant via API. IdentityConnect automates identity verification processes to prevent fraud and deploy real-time know-your-customer (KYC) checks. CoreConnect provides an end-to-end data connection to a bank's core, thereby reducing the friction and operational costs of manually entering data or processing payments. MK's customers include **Sutton Bank**, **Bankers' Bank**, and **Citizens State Bank**.

Leadership

MK Decision was co-founded by CEO Har Khalsa and COO Guru Khalsa. Har previously held sales roles at various financial companies. Guru was previously CEO for 108 Solutions, a financing and lending company for government employees and active-duty military. CIO Mostafa Raddaoui previously spent more than 15 years in technology roles at **MUFG** (NYSE: MUFG) and Fannie Mae.

Financing history

MK Decision graduated from The Venture Center's 2019 ICBA ThinkTECH Accelerator in March 2019, where it received \$75,000 in funding.



About PitchBook Emerging Tech Research

Independent, objective, and timely market intel

As the private markets continue to grow in complexity and competition, it's essential for investors to understand the industries, sectors and companies driving the asset class.

Our Emerging Tech Research provides detailed analysis of nascent tech sectors so you can better navigate the changing markets you operate in—and pursue new opportunities with confidence.

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