PitchBook

EMERGING TECH RESEARCH

Fintech Report

VC trends and emerging opportunities

Q1 2022

REPORT PREVIEW

The full report is available through the PitchBook Platform.

Contents

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Publishing

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Published on May 5, 2022

Q1 2022 timeline

News

January 7

PayPal confirms it is developing a stablecoin after "PayPal Coin" was discovered within the code of its iPhone app. This trend follows other major companies, including Visa, developing stablecoin strategies.

News

January 22

The Diem project sells its technology assets to Silvergate for around $200 million. Led by Facebook, and originally called Libra, the project aimed to bring stablecoins to the masses.

VC deal

January 31

FTX raises a $400.0 million Series C at a $32.0 billion post-money valuation. Late-stage crypto companies continue to see strong valuation growth during the quarter.

News

March 9

President Biden issues an executive order calling for researching and supporting digital assets, including an exploration of a US central bank digital currency (CBDC). This comes as over 90 other countries around the world are evaluating or piloting CBDCs.

News

March 21

The SEC proposes new rules that would compel public companies to disclose carbon emissions and the impact of climate change on their businesses.

VC exit

March 22

Forge Global, an exchange for private company shares, completes a deSPAC for one of the largest VC exits during the quarter. We expect fintech exits to remain relatively muted over the next few quarters.

Jan 1 · Feb 1 · Mar 1 · Mar 31

Q1 VC deal count summary

1,233
total deals

-3.7%
QoQ growth

-6.5%
YoY growth

39.0%
YTD growth

Q1 VC deal value summary

$29.3B
total deal value

-7.3%
QoQ growth

13.8%
YoY growth

113.0%
YTD growth

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Fintech landscape

1 Alternative lending

2 Capital markets

3 Consumer finance

4 Digital assets

5 Financial services IT

6 Payments

7 Regtech

8 Wealthtech

Fintech VC ecosystem market map

Click to view the 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.

Alternative lending

- Commercial lending
- Microlending
- Real estate lending
- Retail & marketplace lending
- Underwriting & credit scoring

Capital markets

- Alternative capital
- Infrastructure
- Market data & analytics
- Trading

Consumer finance

- Credit & BNPL
- Digital banking
- Loyalty & rewards
- Personal financial management
- Wallets & super apps

Digital assets

- Cryptocurrency wallets & exchanges
- Decentralized finance
- Institutional services & infrastructure
- Layer-1 & scaling solutions

Fintech VC ecosystem market map

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Financial services IT

Enterprise architecture

Platforms & APIs

Payments

B2B payments

Cross border & FX

P2P & remittance

Payment platforms & POS

Payroll & AP/AR automation

Regtech

Crime surveillance

Regulatory affairs & compliance

Risk management

Wealthtech

Retirement planning

FIGURE, Aspiration, Guideline, Human Interest, Smart Pension, fraction, Facet Wealth, XEMPUS, iTRUSTCAPITAL, Vestwell

Wealthtech (cont.)

Advisortech

ADDEPAR, CAIS, QRAFT, deepki, VISE, HALO, Asset Pro 理享家, 迅策科技, Altruist, Sentieo

Alternative investments

LANDBAY, roofstock, FUNDRISE, iSEGO FINANCE, Yieldstreet, MOONFARE, MYND, Titan., CADRE, Rally

Brokerage

TRADE REPUBLIC, STASH, Groww, M1 Finance, eToro, public.com, PrimaryBid, ajaib, Webull, PayPay 証券

Digital advisory

Wealthsimple, acorns, Betterment, scalable CAPITAL, moneyfarm, Wealthfront, Albert, INDmoney Super Money App, LIQID, ELLEVEST

Investment tools & platforms

raisin., 懒财网贷, TIPRANKS, CLARITY AI, origin, Vestmark, 盈盈金科 WIN-WIN FINTECH, True Link, Stocktwits, EndowUs

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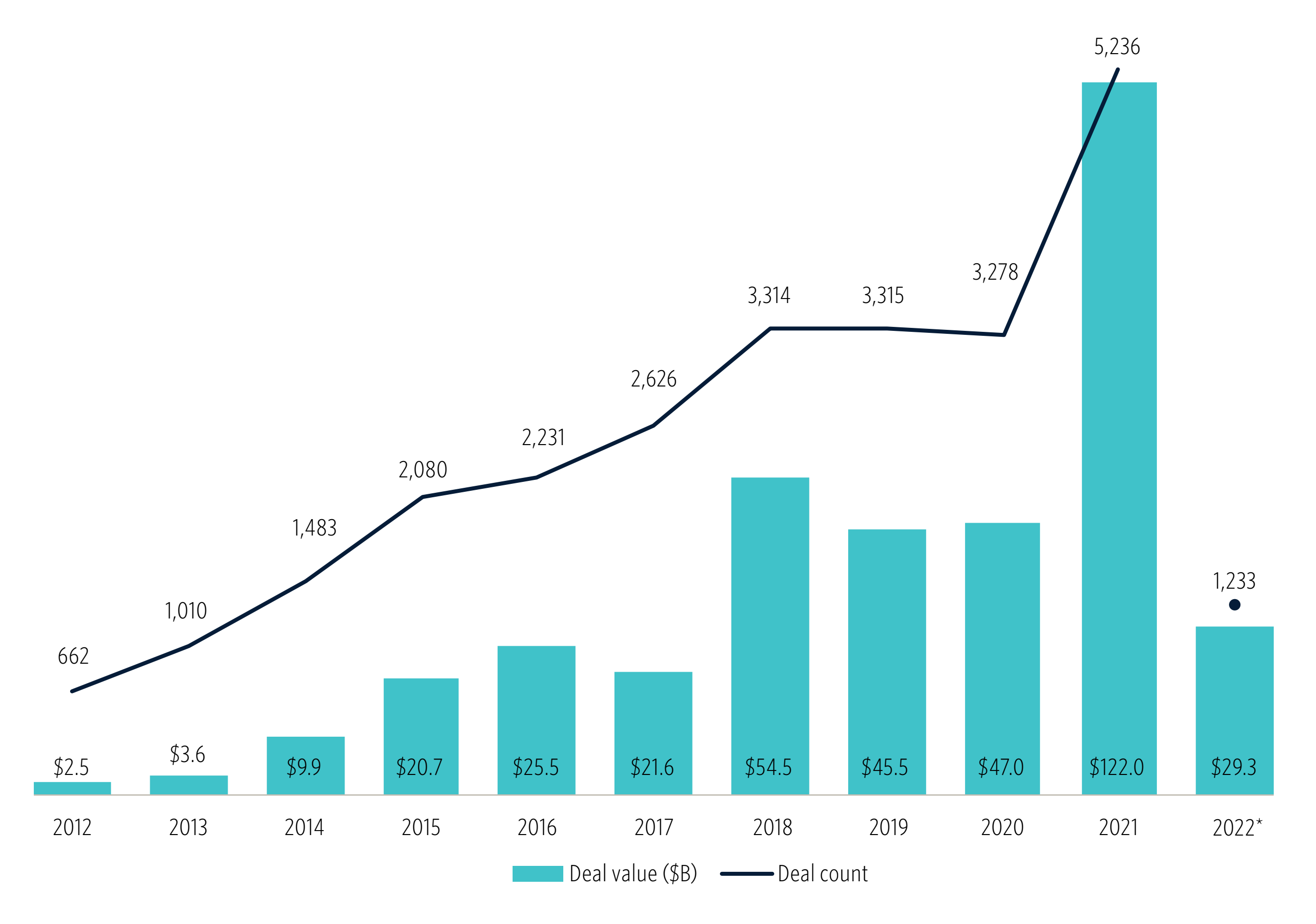
VC activity

In Q1 2022, fintech companies globally raised $29.3 billion in VC across 1,233 deals, representing a 7.3% decrease in QoQ deal value. However, this still represents a 13.8% YoY increase. Payments companies continue to lead the largest portion of deal value, at $9.1 billion, representing 12.4% QoQ growth. Checkout.com, a Stripe direct competitor, raised the largest round of the quarter in the segment: a $1.0 billion Series D at a $40.0 billion post-money valuation. Other notable payment deals of the quarter include one-click checkout platform Bolt ($355.0 million Series E at a $11.0 billion valuation), two rounds from B2B payments and expense card management companies: Qonto, which raised a $549.8 million Series D at a $5.0 billion post-money valuation, and Brex, which raised a $300.0 million Series D2 at a $12.3 billion post-money valuation. Alternative lending also had a strong quarter, with some of the largest deals in the segment going to fintech companies outside of the US. These deals include a $294.0 million Series C for Singapore-based small and medium-sized enterprise (SME) lending platform Funding Societies, a $260.0 million Series F for Brazil-based consumer lender Creditas, and a $189.2 million late-stage VC round for UK-based consumer loan origination and servicing platform Oakbrook Finance. Consumer finance and financial services IT companies had the largest VC investment contractions during the quarter, declining 40.8% and 72.7% QoQ, respectively.

During the quarter, the median pre-money valuation for VC-backed, late-stage fintech companies increased 44.5% to $257.5 million from 2021's full-year figure of $178.3 million. Early-stage median pre-money valuations also continued to increase, reaching new highs at $63.0 million—up 57.5% from 2021. This leads to the highest pre-money valuation step-ups, a measure to gauge valuation accretion between stages, for both early- and late-stage fintech companies, which reached 3.1x and 2.5x, respectively.

Figure 2. **Fintech VC deal activity**



Source: PitchBook | Geography: Global | *As of March 31, 2022

Figure 10. **Key fintech late-stage VC deals**

Company	Close date	Segment	Stage	Deal size ($M)	Lead investor(s)	Valuation step-up*
Checkout.com	January 12, 2022	Payments	Series D	$1,000.0	N/A	2.6x
Fireblocks	January 27, 2022	Digital assets	Series E	$550.0	D1 Capital Partners, Spark Capital	0.4x
Qonto	January 10, 2022	Payments	Series D	$549.8	TCV, Tiger Global Management	4.9x
ConsenSys	March 11, 2022	Digital assets	Series D	$450.0	N/A	2.1x
FTX	January 31, 2022	Digital assets	Series C	$400.0	N/A	1.26x
Market Financial Solutions	March 21, 2022	Alternative lending	Late-stage VC	$398.0	N/A	N/A
Bolt Financial	February 9, 2022	Payments	Series E	$355.0	BlackRock	1.8x
Lunar	March 10, 2022	Consumer finance	Series D	$314.1	Heartland, IDC Ventures, Kinnevik, Tencent Holdings	N/A
GoCardless	February 8, 2022	Payments	Series G	$312.0	Permira	6.9x
Brex	January 11, 2022	Payments	Series D2	$300.0	Greenoaks Capital Partners, TCV	1.6x

Source: PitchBook | Geography: Global | *As of March 31, 2022

Figure 11. **Key fintech VC exits**

Company	Close date	Subsegment	Exit size ($M)	Exit type	Acquirer(s)/index	Post-money valuation ($M)*
Dave	January 4, 2022	Digital banking	$3,536.0	Public listing	VPC Impact Acquisition Holdings III	$4,000.0
Forge Global	March 22, 2022	Alternative capital	$1,349.0	Public listing	Motive Capital	$2,000.0
SimpleNexus	January 10, 2022	Platforms & APIs	$1,200.0	Acquisition	nCino	$1,200.0
Technisys	March 3, 2022	Enterprise architecture	$1,100.0	Acquisition	SoFi	$1,100.0
Fair	March 15, 2022	Retail & marketplace lending	N/A	Acquisition	Shift Technologies	N/A
Pollinate	February 4, 2022	Platforms & APIs	N/A	Acquisition	Canadian Imperial Bank of Commerce	N/A
Taulia	March 10, 2022	Commercial lending	N/A	Acquisition	SAP	N/A
Terraform Labs	March 9, 2022	Layer-1 and scaling solutions	N/A	Acquisition	BTCS	N/A
CommerceSync	February 24, 2022	Payroll and AP/AR automation	N/A	Acquisition	Constellation Software, FOG Software Group	N/A
Payrix	February 14, 2022	Payment platforms & POS	N/A	Acquisition	Fidelity National Information Services	N/A

Source: PitchBook | Geography: Global | *As of March 31, 2022

Founded
2017

Located
San Francisco, CA

Total raised:
at least $57.2 million

Last financing:
Raised $20.0M in a Series A

Lead investors:
Andreessen Horowitz

Overview

Celo is a mobile-first, Layer-1 blockchain compatible with the Ethereum Virtual Machine (EVM). The protocol leverages a proof-of-stake consensus mechanism to enable faster and cheaper transactions than Ethereum. Celo differs from many other Layer-1 blockchains in that it targets disadvantaged users, including many in developing countries with low-end smartphones and basic internet connections. Instead of public keys, which are typically 256-bit encryption keys that are 42 characters long and used by many other Layer-1s, Celo's dApps only require a phone number for users to access services. The blockchain's lightweight design also enables it to overcome high-latency and low-bandwidth difficulties prevalent in many other blockchains. These features enable applications built on Celo to have a lower barrier to entry and reach a wider audience. Celo also aims to be a carbon-negative blockchain by contributing funds from the network to carbon offsets. Many ReFi startups develop on or work with Celo, including Flow Carbon, Loam, MOSS, and Regen Network.

Leadership

Celo was cofounded by President Rene Reinsberg, CTO Marek Olszewski, and Sepandar Kamvar, who all met during their time at Massachusetts Institute of Technology. Reinsberg and Olszewski previously founded Locu, a platform that connected local businesses with consumers. Kamvar served on the board of Locu. Locu was acquired by GoDaddy for $70 million through its financial sponsors KKR, Silver Lake, and TCV. Reinsberg and Olszewski stayed at GoDaddy for around three years running product and engineering, respectively, before leaving in 2017 to cofound Celo along with Kamvar.

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Figure 19. **Celo financing history**

Late-stage VC	Late-stage VC	Series A	Late-stage VC	Accelerator/Incubator	Early-stage VC
July 2021	**April 2021**	**February 2021**	**January 2020**	**September 2018**	**June 2018**
Total raised: N/A	**Round size:** N/A	**Round size:** $20.0M	**Round size:** $30.7M	**Round size:** N/A	**Round size:** $6.5M
Pre-money valuation: $57.2M	**Total raised:** $57.2M	**Total raised:** $57.2M	**Total raised:** $37.2M	**Total raised:** $6.5M	**Total raised:** $6.5M
Investors: Prosus, Hack VC, Birchaven Group, Intersection Fintech Ventures	**Investors:** T-Systems International, Caffeinated Capital, DTCP and Deutsche Telekom	**Investors:** Andreessen Horowitz, Greenfield One, Electric Capital, Floem Capital, KSK Angel Fund	**Investors:** Andreessen Horowitz, Spectra Investments, CMT Digital, Dragonfly Capital Partners, Electric Capital, Future\Perfect Ventures, Polychain Capital, Valor Capital Group	**Investors:** Google for Startups Accelerator	**Investors:** Coinbase Ventures, Andreessen Horowitz, General Catalyst, Social Capital, 9Yards Capital, Dragonfly Capital Partners, Polychain Capital, among others

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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