



EMERGING TECH RESEARCH Fintech Report

VC trends and emerging opportunities

Q2
2022

REPORT PREVIEW

The full report is available through the PitchBook Platform.





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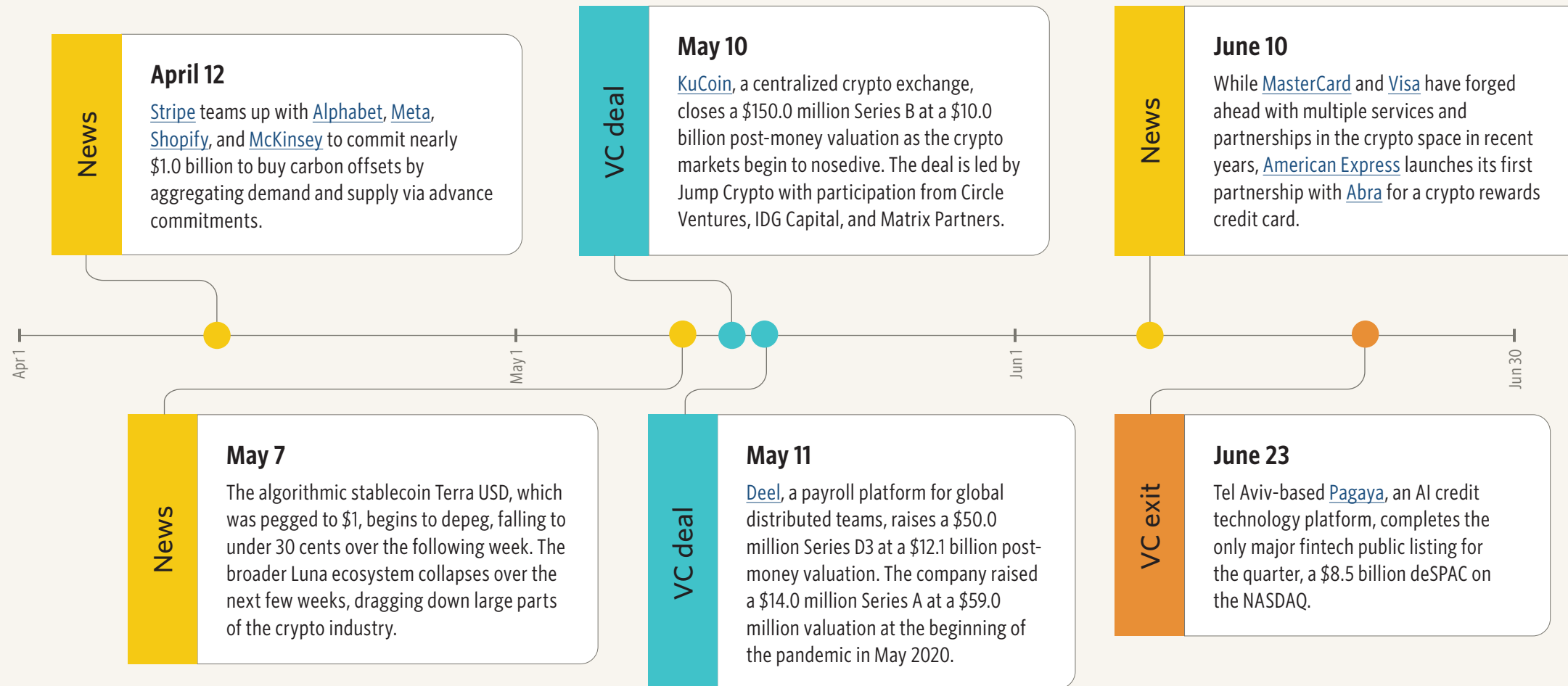
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This report serves as a quarterly snapshot of the fintech vertical in Q2 2022. For a comprehensive, detailed analysis of the fintech industry by segment, please see our latest [annual report](#).



Q2 2022 timeline



Q2 VC deal count summary

1,103

total deals

-24.4%

QoQ growth

-19.0%

YoY growth

Q2 VC deal value summary

\$24.1B

total deal value

-17.8%

QoQ growth

-15.9%

YoY growth



Fintech landscape

- 1 Alternative lending
- 2 Capital markets
- 3 Consumer finance
- 4 Digital assets
- 5 Financial services IT
- 6 Payments
- 7 Regtech
- 8 Wealthtech

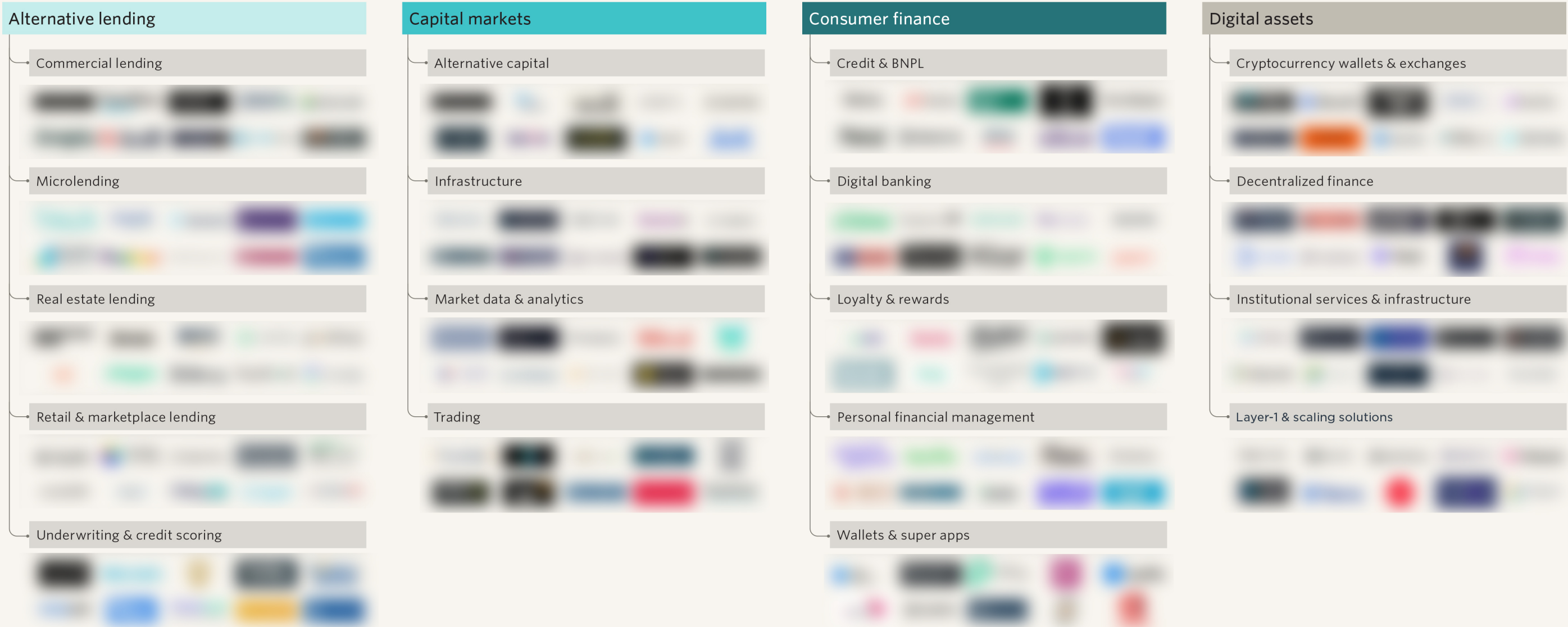




Fintech VC ecosystem market map

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.





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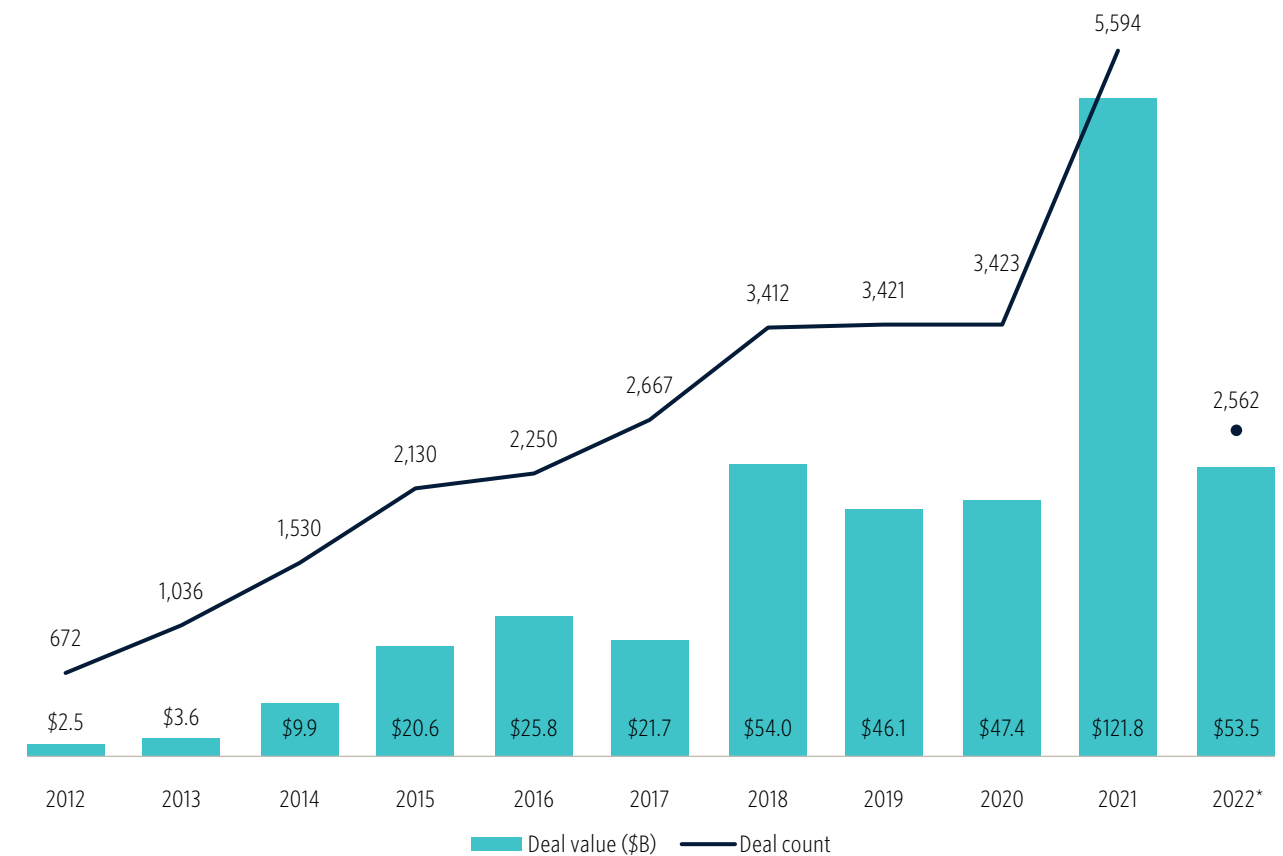
VC activity

In Q2 2022, fintech companies globally raised \$24.1 billion in venture capital (VC) across 1,103 deals, representing a 17.8% decrease in quarter-over-quarter deal value. This is the largest percentage drop in deal value since Q3 2018. Payments companies continue to lead the largest portion of deal value, at \$7.6 billion, yet this sum was 18.7% lower than the \$9.3 billion in Q1.

[Ramp](#), an expense management platform, raised the largest round of the quarter in the segment, a \$748.3 million Series C at an \$8.1 billion post-money valuation. Other notable payment deals of the quarter include point-of-sale software and hardware developer [SumUp](#) (a \$626.6 million late-stage round at an \$8.5 billion valuation), two rounds from application programming interface (API)-based payments companies: [Scalapay](#), which raised a \$524.0 million Series B, and [GoCardless](#), which raised a \$312.0 million Series G at a \$2.1 billion post-money valuation. Alternative lending also had a strong quarter, raising \$4.7 billion across 176 deals. These deals include a \$306.0 million Series A for Italian software-as-a-service (SaaS) financing platform [Bloom](#), a \$270.0 million Series C at a \$750.0 million valuation for Indian-based consumer lender [Stashfin](#), and a \$170.0 million Series B for commercial real estate financing platform [Lev](#). Financial services IT and regtech companies had the largest VC investment increase during the quarter, up 83.8% and 3.2%, respectively. These fundraises support [our view](#) that fintech companies with contract-based recurring revenues from enterprises, banks, and other financial institutions will likely thrive in the current environment.

During the quarter, the median pre-money valuation for VC-backed, late-stage fintech companies decreased 40.6% to \$153.0 million from Q1's \$257.5 million. This is roughly a flat valuation compared to 2021's full-year figure of \$151.3 million. Early-stage median pre-money valuations

Fintech VC deal activity



Source: PitchBook | Geography: Global | *As of June 30, 2022



VC ACTIVITY

Key fintech late-stage VC deals*

Company	Close date (2022)	Subsegment	Stage	Deal size (\$M)	Lead investor(s)	Valuation step-up
Trade Republic	June 3	Brokerage	Late-stage VC	\$1,152.7	Ontario Teachers' Pension Plan, Sequoia Capital	N/A
Ramp	April 1	Business products & services payments	Late-stage VC	\$748.3	Founders Fund	2.0x
SumUp	June 22	Payment platforms and POS	Late-stage VC	\$626.6	Bain Capital Tech Opportunities	N/A
Liquidity Group	April 5	Alternative capital	Late-stage VC	\$475.0	Apollo Global Management, MUFG Innovation Partners	N/A
ConsenSys	April 1	Institutional services and infrastructure	Late-stage VC	\$450.0	ParaFi Capital	2.1x
Circle	April 12	Institutional services and infrastructure	Late-stage VC	\$400.0	BlackRock	N/A
GoCardless	May 9	Payment platforms and POS	Late-stage VC	\$312.0	Permira	6.9x
SpotOn	May 18	Payment platforms and POS	Late-stage VC	\$300.0	Dragoneer Investment Group	1.1x
Xendit	May 19	Payment platforms and POS	Late-stage VC	\$300.0	Coatue Management, Insight Partners	N/A
Stashfin	June 21	Credit and BNPL	Late-stage VC	\$270.0	Abstract Ventures, Fasanara Capital, Uncorrelated Ventures	N/A

Source: PitchBook | Geography: Global | *As of June 30, 2022



VC ACTIVITY

Key fintech VC exits*

Company	Close date (2022)	Subsegment	Exit size (\$M)	Exit type	Acquirer(s)/index	Post-money valuation (\$M)
Qwil	May 26	Business products & services payments	N/A	Buyout	Ares Capital Corporation BDC, LSQ Funding Group, Lovell Minnick Partners, Techstars	N/A
Pagaya	June 23	Platforms and APIs	\$8,500.0	Public listing	EJF Acquisition	\$8,500.0
Finxact	April 1	Enterprise architecture	\$650.0	Acquisition	Fiserv	\$650.0
StreetShares	April 1	Platforms and APIs	N/A	Acquisition	MeridianLink	N/A
Embed	June 21	Platforms and APIs	N/A	Acquisition	FTX US	N/A
Sentio	May 11	Advisortech	\$185.0	Acquisition	AlphaSense	N/A
OrderBird	May 12	Payment platforms and POS	N/A	Acquisition	Nexi	N/A
Superhero	June 8	Brokerage	\$1,060.4	Acquisition	Swyftx	\$1,060.4
ErisX	May 2	Cryptocurrency wallets and exchanges	\$400.0	Acquisition	Cboe Global Markets	N/A
Finiata	May 4	Commercial lending	N/A	Buyout	Manta Ray Ventures	N/A

Source: PitchBook | Geography: Global | *As of June 30, 2022



SELECT COMPANY HIGHLIGHTS



Founded
2018

Located
New York, NY

Total raised:
\$18.5M

Last financing:
Raised \$12.5M in a Series A

Last financing valuation:
\$45.5M post-money valuation

Lead investors:
B Capital Group, White Star Capital, Recharge Thematic Ventures, Revel Partners

Overview

[Percent](#) is a private credit investment platform for individual and institutional investors. The platform enables investors to access a historically hard-to-reach and opaque \$1.2 trillion asset class.⁸ The demand for investing in private credit has increased significantly in recent years, primarily because private credit is one of the highest yielding asset classes, comes with investor protections (covenants), is viewed as having inflation protection due to floating rates, and is typically lower in volatility due to illiquidity.⁹ [Percent](#)’s platform connects borrowers, investors, and underwriters—streamlining the private credit deal process for each stakeholder.

Borrowers have access to a platform that provides real-time market data. That way they can view their offering against others on the market, including terms and asset performance. Once a borrower’s deal goes live, it can gauge investor interest during syndication with a live view of the order book. Investors with access to the platform can view all live deals and can invest in some

deals with as little as \$1,000. Underwriters have access to a platform that supports the entire deal process, including sourcing, structuring, syndicating, and servicing.

In June 2022, [Percent](#) partnered with DeFi private credit protocol [Anzen](#) to provide a CDS-like protection for some of the assets on [Percent](#)’s platform. [Anzen](#) provides the loss protection through its stablecoin reserve treasury and staking pools. [Percent](#) has seen strong growth over the last 12 months, having roughly doubled the volume of private credit transactions on its platform to more than \$900 million, with a 3x increase on revenue and annual recurring revenue during the time period.

Leadership

[Percent](#) was founded by CEO Nelson Chu. Chu previously worked at [Bank of America](#) in wealth management and at BlackRock in fixed income. Chu is also cofounder of [MySupport](#), a platform acquired by [RISE Services](#) that is designed to help seniors and people with disabilities on Medicaid.

8: “Private Credit’s Rapid Growth: A Secular Trend,” Blackstone, April 2022.
9: “Private Credit Outlook,” JP Morgan Asset Management, Meg McClellan, et al., January 12, 2022.



SELECT COMPANY HIGHLIGHTS

Financing history

Seed	Seed	Seed	Series A
June 2018	April 2019	April 2020	March 2021
Total raised: \$300,000	Total raised: \$1.7M	Total raised: \$4.0M	Total raised: \$12.5M
Pre-money valuation: \$1.0M	Pre-money valuation: \$6.3M	Pre-money valuation: \$11.0M	Pre-money valuation: \$33.0M
Lead investor(s): N/A	Lead investor(s): Recharge Thematic Ventures	Lead investor(s): Revel Partners	Lead investor(s): B Capital Group, White Star Capital



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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