



EMERGING TECH RESEARCH

# Retail Fintech Report

VC trends and emerging opportunities

**Q4**  
2023

## REPORT PREVIEW

The full report is available through the PitchBook Platform.





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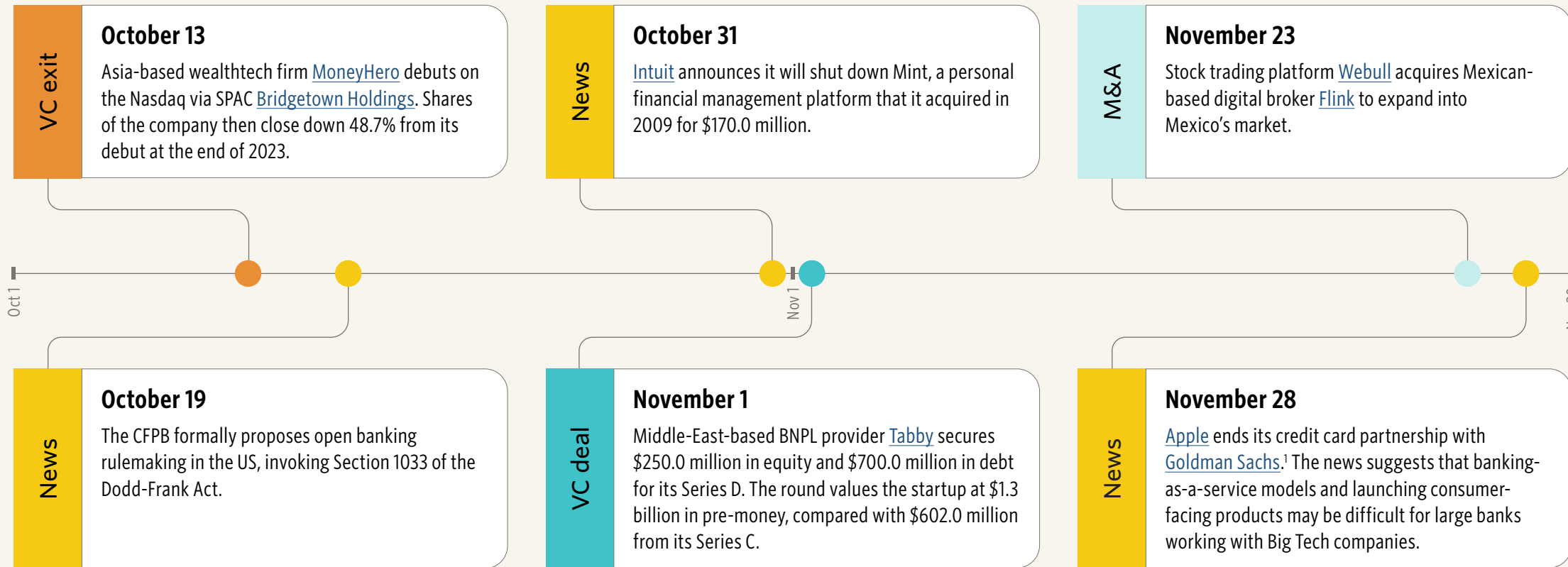
## Publishing

Report designed by **Jenna O'Malley**

Published on March 7, 2024



# Q4 2023 timeline



1: "Apple Pulls Plug on Goldman Credit-Card Partnership," The Wall Street Journal, AnnaMaria Andriotis, November 28, 2023.

## Q4 VC deal count summary

**148**  
total deals

**-10.8%**  
QoQ growth

**-32.1%**  
YoY growth

**-36.0%**  
YTD growth

## Q4 VC deal value summary

**\$2.6B**  
total deal value

**5.0%**  
QoQ growth

**-18.2%**  
YoY growth

**-57.5%**  
YTD growth



# Retail fintech landscape

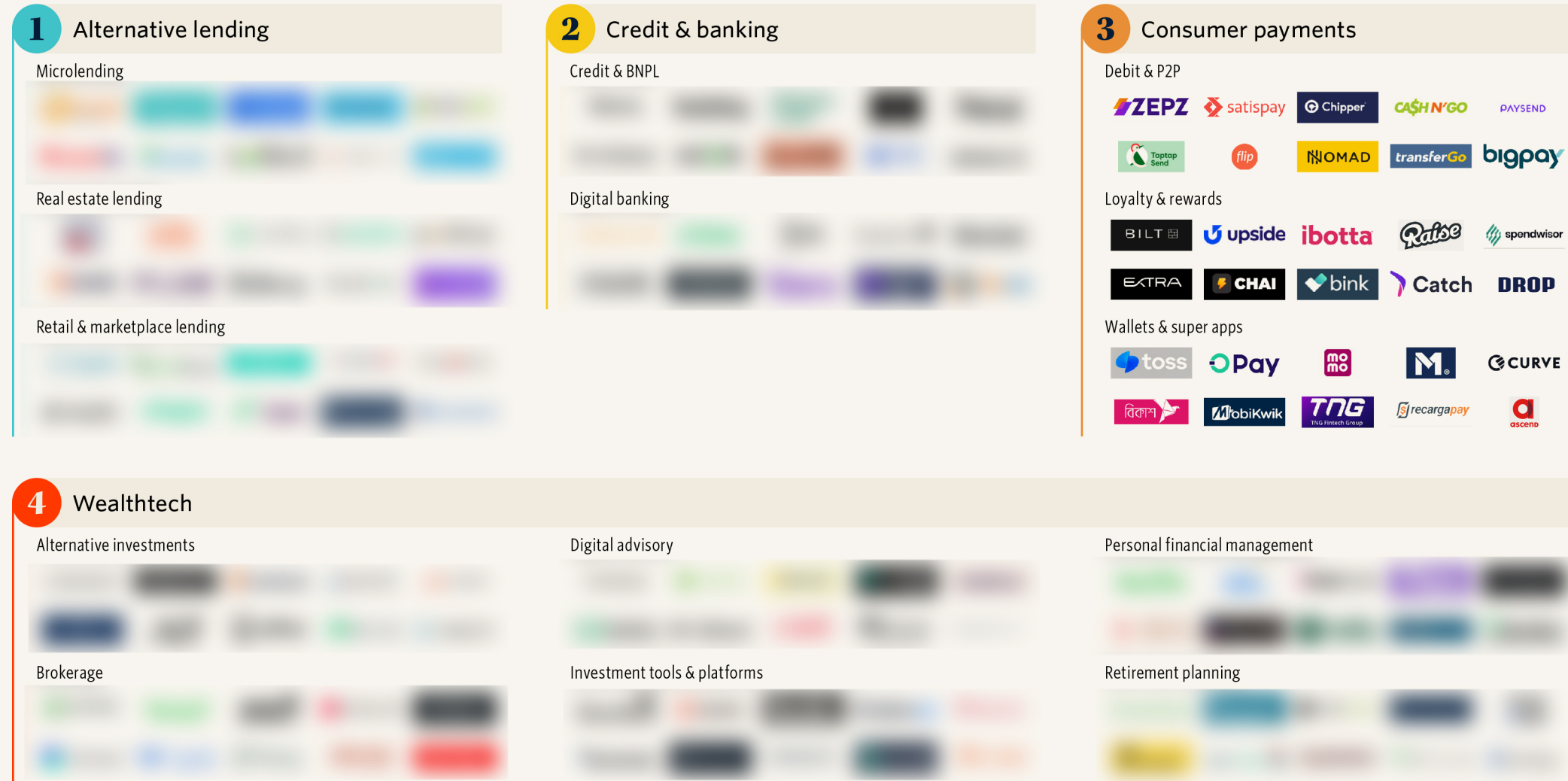
- 1** Alternative lending
- 2** Credit & banking
- 3** Consumer payments
- 4** Wealthtech





# Retail fintech VC ecosystem market map

This market map is an overview of venture-backed or growth-stage companies that have received venture capital or other notable private investments. [Click to view the full map on the PitchBook Platform.](#)





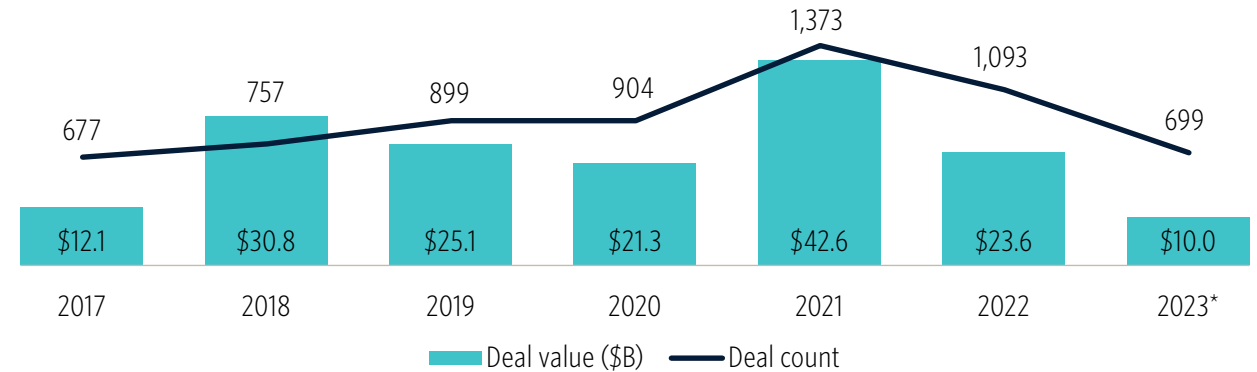
# VC activity

**Deal value:** Retail fintech VC deal value rose 5.0% QoQ to \$2.6 billion in Q4 2023, though deal value remained down by 18.2% YoY. While this represents the third quarter in a row where VC deal value increased QoQ, quarterly deal value continues to sit at its lowest level since Q1 2017. For the full year, retail fintech companies secured \$10.0 billion in venture capital, down 57.5% from the \$23.6 billion seen in 2022.

**Deal count:** In Q4, retail fintech companies recorded 148 VC deals. Compared with the 166 deals seen in Q3, this denotes a 36.0% QoQ decrease. On a YoY basis, deal count this quarter was down by 32.1% compared with the 218 deals seen in the prior year period. 699 deals were logged for 2023, representing a 36.0% drop from 1,093 deals in 2022.

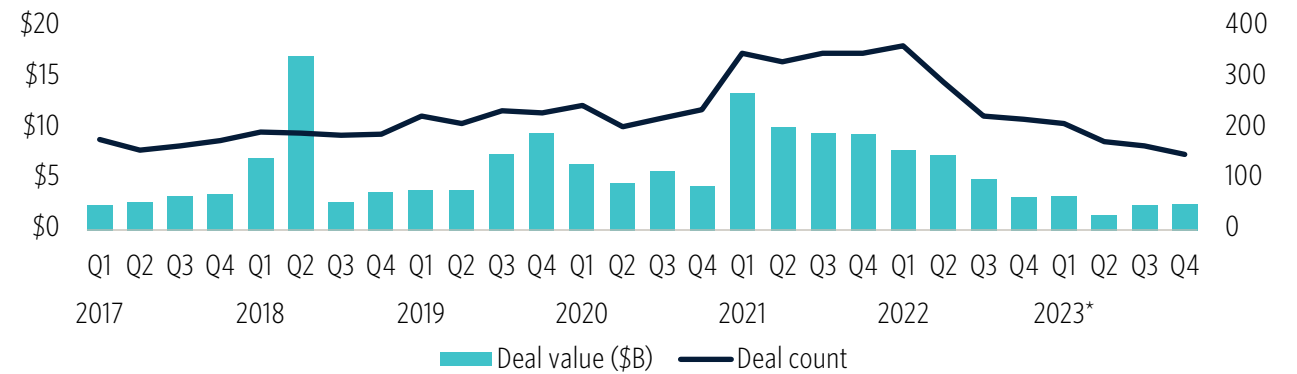
**Key deals:** Top deals in Q4 were primarily seen in credit & banking companies. These include [Tamara's](#) \$340.0 million Series C, [KOHO's](#) \$277.8 million Series D, and [Tabby's](#) \$250.0 million equity and \$700.0 million debt Series D. Other notable deals came from wealthtech and consumer payments; [Scalable Capital](#) raised a \$227.8 million Series E; [Stash](#) closed a \$40.0 million late-stage round; [PaySend](#) raised \$65.0 million in a late-stage round; and [YouTrip](#) secured \$50.0 million for its Series B.

## Retail fintech VC deal activity



Source: PitchBook • Geography: Global • \*As of December 31, 2023

## Retail fintech VC deal activity by quarter



Source: PitchBook • Geography: Global • \*As of December 31, 2023



## VC ACTIVITY

### Key retail fintech late-stage VC deals in Q4 2023\*

Company	Close date	Segment	Category	Deal value (\$M)	Post-money valuation (\$M)	Lead investor(s)	Valuation step-up
<a href="#">Tabby</a>	November 1	Credit & banking	Credit & BNPL	\$950.0	\$1,500.0	STV, Sequoia Capital, Wellington Management	1.9x
<a href="#">Tamara</a>	December 18	Credit & banking	Credit & BNPL	\$340.0	\$1,000.0	SNB Capital, Sanabil Investments	N/A
<a href="#">Órama</a>	December 12	Credit & banking	Digital banking	\$65.3	N/A	N/A	N/A
<a href="#">PaySend</a>	November 29	Consumer payments	Debit & P2P	\$65.0	N/A	N/A	N/A
<a href="#">YouTrip</a>	October 26	Consumer payments	Wallets & super apps	\$50.0	N/A	Lightspeed Venture Partners	N/A
<a href="#">AFEX</a>	November 2	Wealthtech	Brokerage	\$26.5	N/A	N/A	N/A
<a href="#">Moocho</a>	December 21	Consumer payments	Loyalty & rewards	\$23.0	N/A	N/A	N/A
<a href="#">HomeCapital</a>	November 9	Alternative lending	Real estate lending	\$15.0	N/A	NABVENTURES	N/A
<a href="#">Trust &amp; Will</a>	December 4	Wealthtech	Retirement planning	\$15.0	N/A	N/A	N/A
<a href="#">Lucent Block</a>	November 22	Wealthtech	Alternative investments	\$11.3	N/A	N/A	N/A

Source: PitchBook • Geography: Global • \*As of December 31, 2023



## VC ACTIVITY

### Top VC-backed retail fintech companies by total VC raised to date\*

Company	VC raised to date (\$M)	Segment	Category	IPO probability	M&A probability	No exit probability
<a href="#">Klarna</a>	\$4,612.9	Credit & banking	Credit & BNPL	92%	6%	2%
<a href="#">Chime</a>	\$2,646.6	Credit & banking	Digital banking	93%	5%	2%
<a href="#">Suning Finance</a>	\$2,211.8	Credit & banking	Digital banking	N/A	N/A	N/A
<a href="#">N26</a>	\$1,853.1	Credit & banking	Digital banking	90%	8%	2%
<a href="#">Revolut</a>	\$1,689.3	Credit & banking	Digital banking	66%	29%	5%
<a href="#">eToro</a>	\$1,671.4	Wealthtech	Brokerage	86%	12%	2%
<a href="#">Orange Retail Finance</a>	\$1,546.0	Alternative lending	Microlending	85%	8%	7%
<a href="#">Monzo</a>	\$1,301.3	Credit & banking	Digital banking	76%	22%	2%
<a href="#">Toss</a>	\$1,285.0	Consumer payments	Wallets & super apps	89%	9%	2%
<a href="#">Trade Republic</a>	\$1,230.8	Wealthtech	Brokerage	45%	53%	2%

Source: PitchBook • Geography: Global • \*As of December 31, 2023  
 Note: Probability data is based on [PitchBook VC Exit Predictor methodology](#).





## SELECT COMPANY HIGHLIGHTS: KLARNA

# Klarna.

### Overview

[Klarna](#) is a leading BNPL company that operates in the US, European, and Australian markets. The company's core product offerings are BNPL loans that can be paid either equally in four installments (interest-free), in a single instance within 30 days (interest-free), or equally in monthly payments up to 36 months (sometimes with interest). [Klarna](#) also offers separate products, such as debit cards, that can be used to pay for purchases in full or via interest-free installments, a monthly subscription service that waives fees and provides exclusive access to deals, and B2B offerings such as checkout solutions. One of [Klarna's](#) competitive moats is its [Klarna](#) app, which provides an online marketplace for over seven million monthly active users in the US.<sup>34</sup> App users can discover partner merchants and utilize an AI-powered feature allowing them to shop for items identified in photos. Because merchants can generate leads through the app, [Klarna](#) also recognizes revenues from affiliate marketing.

### Financials

[Klarna](#) currently recognizes 150 million global active users and two million daily transactions.<sup>35</sup> The company is also a strong near-term IPO candidate given its age and improving financials. In Q4 2023, [Klarna](#) grew revenues 26.0% YoY to \$704.2 million and improved its net loss by 76.1% YoY

<sup>34</sup>: "Klarna's US Growth Soars With GMV Up Nearly 50% YOY in Q3," Klarna, November 6, 2023.

<sup>35</sup>: Ibid.

### Key company information

<b>Founded</b> 2005	<b>Total raised</b> \$18.3M	<b>Last financing valuation</b> \$6.7B
<b>Employees</b> 5,567	<b>HQ location:</b> Stockholm, Sweden	<b>Last financing</b> Raised \$800.0M

### Exit Predictor



Note: Probability data is based on [PitchBook VC Exit Predictor methodology](#).



## SELECT COMPANY HIGHLIGHTS: KLARNA

to \$43.5 million. In 2023, the company reduced credit losses by 32.3% YoY to \$373.3 million, and saw a credit loss rate of 0.4%. In addition, over 500,000 retailers, merchants, and e-commerce platforms are now partnered with [Klarna](#), including high-profile names such as [Airbnb](#), [Instacart](#), [Lululemon](#), [Macy's](#), [Nike](#), [Sephora](#), [SHEIN](#), [Steve Madden](#), [Temu](#), [Yeti](#), and more. Given the company's highly engaging app, debit card offerings that allow access to offline spending, and robust network of retail partners, [Klarna](#) has continued to expand its GMV. The company saw its GMV expand 17.2% YoY to \$97.2 billion in full-year 2023, with a take rate of 2.40% (a 9 basis point YoY improvement).

## Valuation

[Klarna's](#) last disclosed post-money valuation from its funding round in July 2022 was \$6.7 billion. This was a significant 85.3% drop from its previous post-money valuation of \$45.6 billion in June 2021. As the company has furthered its preparations to go public, as evidenced by its recent establishment of a UK Holding company and comments from its CEO,<sup>36, 37</sup> headlines have emerged reporting the company may be worth a \$15 billion to \$20 billion valuation.<sup>38, 39</sup> [Klarna's](#) TTM full-year 2023 revenues currently sit at \$2.3 billion,<sup>40</sup> earning the company an enterprise value (EV)/TTM sales multiple of approximately 2.9x. A \$15 billion to \$20 billion valuation would imply an EV/TTM sales multiple of 6.4x to 8.6x. This multiple range brings it more in line with its closest public peer [Affirm](#)—the company delivered 47.9% YoY revenue growth in its latest quarter but is currently not profitable—which currently earns an EV/TTM sales multiple of 7.04x.

36: "Klarna Establishes UK Holding Company in Step to Listing," Bloomberg, Louise Moon, November 4, 2023.

37: "Fintech Klarna CEO Signals IPO in US May Happen 'Quite Soon,'" Bloomberg, Charles Daly, January 23, 2024.

38: "Buy Now Pay Later Giant Klarna Strides Towards \$15bn Float," Sky News, Mark Kleinman, November 4, 2023.

39: "Klarna in Talks With Banks for US IPO at \$20 Billion Value," Bloomberg, Dinesh Nair, Amy Or, and Swetha Gopinath, February 27, 2024.

40: We arrive at this number by converting quarterly financial results using the SEK to USD exchange rate at the end of each respective quarter.

## Leadership

- **CEO & co-founder:** Sebastian Siemiatkowski
- **CFO:** Niclas Neglén
- **COO:** Camilla Giesecke
- **CMO:** David Sandström
- **CCO:** Joaquín Calderón
- **Chief technical officer:** Yaron Shaer
- **Chief product and design officer:** David Fock
- **Chief information security officer:** Dave Currie
- **Chief credit risk officer:** Arvind Varadhan
- **Chief risk officer:** Joachim Reuss

## Board members

- **Chairman:** Michael Moritz
- Sebastian Siemiatkowski
- Mikael Walther
- Lise Kaae
- Sarah Smith
- Omid Kordestani
- Roger W. Ferguson Jr.
- Matt Miller



## SELECT COMPANY HIGHLIGHTS: KLARNA

### Financing history

Series A	Series B	Series C	Series D	Late-stage VC	Late-stage VC
<p><b>December 7, 2007</b></p> <p><b>Total raised</b> \$4.7M</p> <p><b>Pre-money valuation</b> N/A</p> <p><b>Investor(s)</b> N/A</p>	<p><b>May 6, 2010</b></p> <p><b>Total raised</b> \$9.0M</p> <p><b>Pre-money valuation</b> N/A</p> <p><b>Investor(s)</b> N/A</p>	<p><b>December 9, 2011</b></p> <p><b>Total raised</b> \$155.0M</p> <p><b>Pre-money valuation</b> N/A</p> <p><b>Investor(s)</b> DST Global, General Atlantic</p>	<p><b>March 14, 2014</b></p> <p><b>Total raised</b> \$124.0M</p> <p><b>Pre-money valuation</b> N/A</p> <p><b>Investor(s)</b> N/A</p>	<p><b>March 1, 2019</b></p> <p><b>Total raised</b> \$119.0M</p> <p><b>Pre-money valuation</b> \$3.3B</p> <p><b>Investor(s)</b> N/A</p>	<p><b>August 6, 2019</b></p> <p><b>Total raised</b> \$460.0M</p> <p><b>Pre-money valuation</b> \$5.1B</p> <p><b>Investor(s)</b> Dragoneer Investment Group</p>
	<p><b>Late-stage VC</b></p> <p><b>September 15, 2020</b></p> <p><b>Total raised</b> \$650.0M</p> <p><b>Pre-money valuation</b> \$10.0B</p> <p><b>Investor(s)</b> Silver Lake</p>	<p><b>Late-stage VC</b></p> <p><b>March 1, 2021</b></p> <p><b>Total raised</b> \$1.3B</p> <p><b>Pre-money valuation</b> \$29.7B</p> <p><b>Investor(s)</b> N/A</p>	<p><b>Series H</b></p> <p><b>June 10, 2021</b></p> <p><b>Total raised</b> \$639.0M</p> <p><b>Pre-money valuation</b> \$45.0B</p> <p><b>Investor(s)</b> SoftBank Investment Advisers</p>	<p><b>Late-stage VC</b></p> <p><b>July 11, 2022</b></p> <p><b>Total raised</b> \$800.0M</p> <p><b>Pre-money valuation</b> \$5.9B</p> <p><b>Investor(s)</b> N/A</p>	

Note: Key deals are included above. View the full deal history on the [PitchBook Platform](#).

# About PitchBook Industry and Technology 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 Industry and Technology 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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