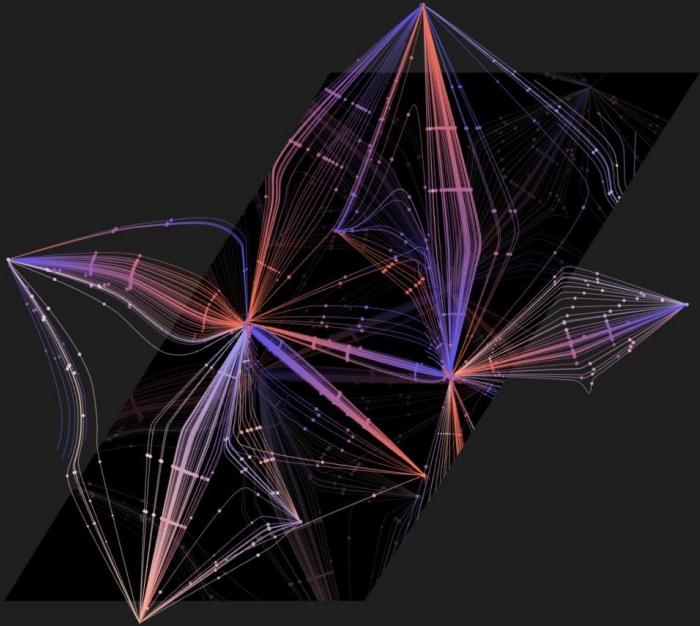


F·PRIME

State of Fintech

2021



State of Fintech Team



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Context

Fintech is on fire in both public & private markets

- Fintech startups have raised nearly \$120B of capital in private markets this year, with over 300 mega rounds (\$100M+).
- Fintech startups are exiting to public markets with increasing velocity and the market is rewarding them with higher revenue multiples and valuations (nearly \$400B in listing valuations for 77 fintech exits in 2021). This enabled public fintech companies to surpass \$1.3T in market cap in Q3 2021.
- To better track fintech disruptors, we've launched the F-Prime Fintech Index and this accompanying State of Fintech Report. The F-Prime Fintech Index has outperformed the S&P 500 and the NASDAQ by 1,000 and 900 percentage points, respectively since 2015.

Fintech disruptors across most fintech categories are collectively capturing significant market share and have generated the majority of industry growth over the past decade

- Payments startups have attracted the largest amount of fintech investments (\$118B+) over the past decade and comprise 74% of the F-Prime Fintech Index by market cap.
- Banking has attracted \$64B+ in investments over the past decade and is seeing significant activity with Nubank (\$40B) & Dave (\$4B) listings and upcoming Aspiration (\$8B) listing.



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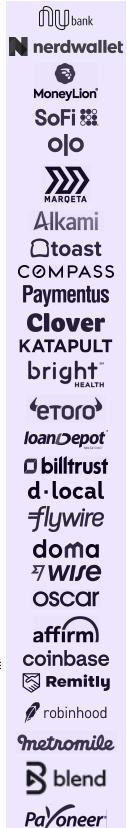
Public Fintech Overview and F-Prime Fintech Index



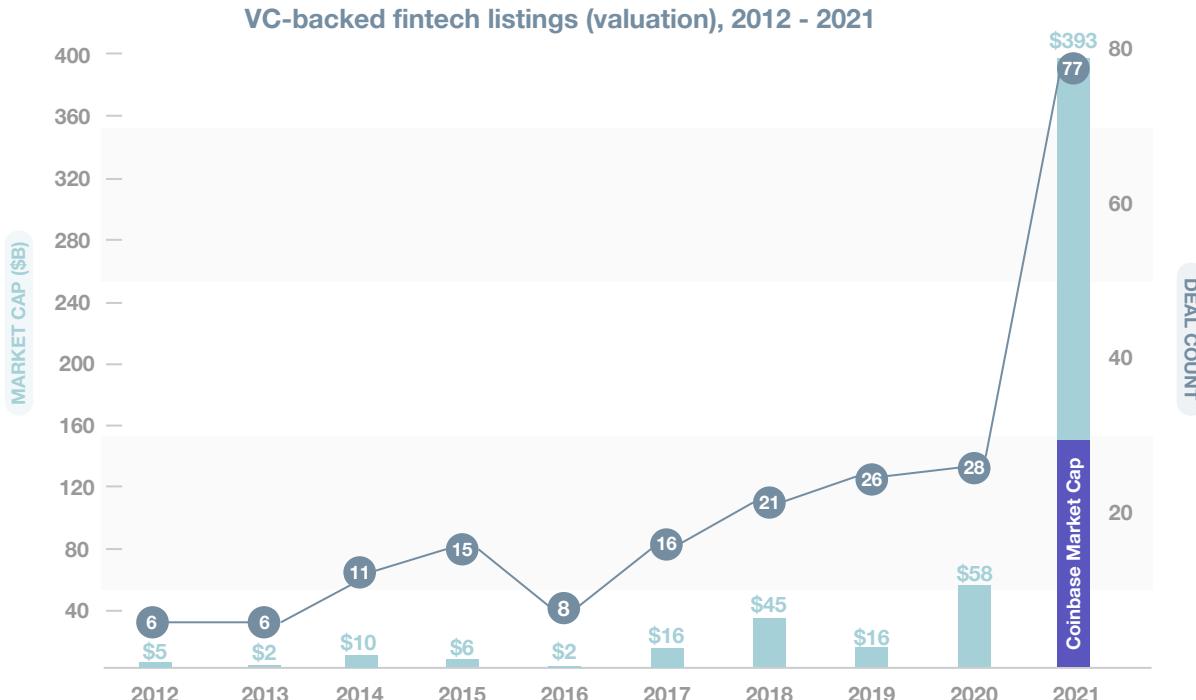
Fintech is exploding in the public markets with a record number of public listings in 2021



Source: Capital IQ, PitchBook, F-Prime team analysis



In 2021, 77 fintech companies listed for \$393B



Source: PitchBook, F-Prime team analysis

Note: The listed top 2021 IPOs & SPACs account for 2/3 of \$393 total exit value (at \$261B using IPO valuation)

2021 Top IPOs

COMPANY	VALUATION
coinbase	\$85.8B
✉️ u bank	\$41.5B
⚡ robinhood	\$32.0B
-toast	\$20.0B
paytm	\$18.7B
» MARQETA	\$14.3B
WISE	\$12.2B
affirm	\$11.9B

2021 Top SPACs

COMPANY	VALUATION
SoFi	\$8.7B
Clover	\$4.5B
○ Payoneer	\$3.3B
MoneyLion	\$2.4B
Aspiration	\$2.4B
Bakkt	\$2.1B
billtrust	\$1.3B



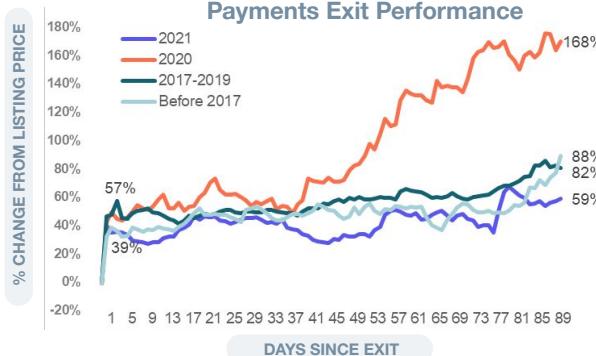
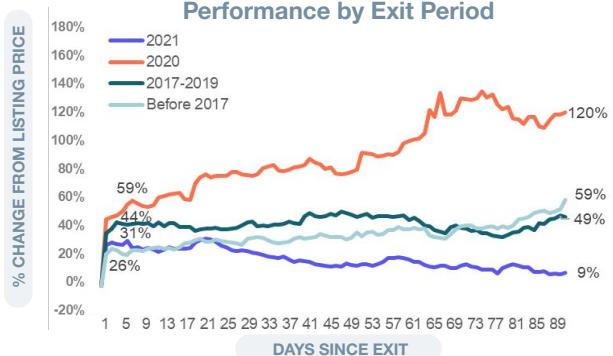
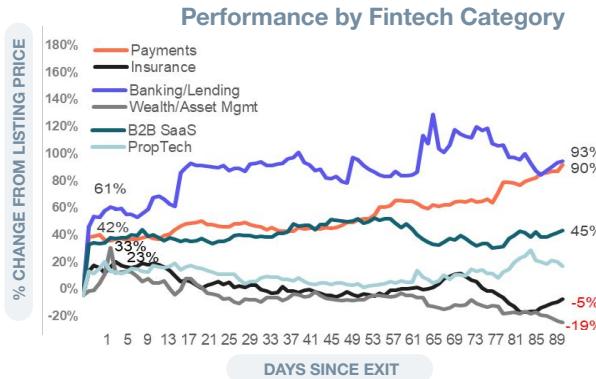
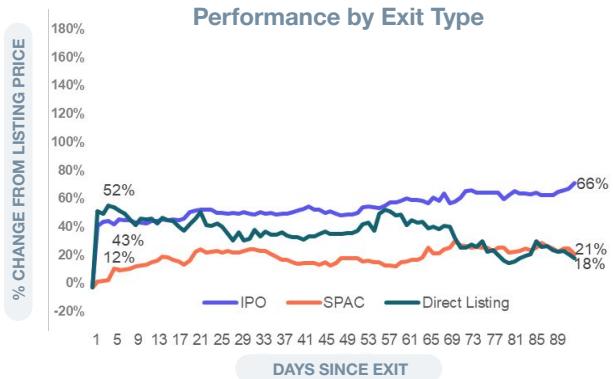
8 of the largest 10 fintech IPOs have occurred in 2021



Source: PitchBook, F-Prime team analysis

Note: PayTm is currently only registered in the National Stock Exchange of India (NSE) and not included in the F-Prime Fintech Index.

Fintech stocks have a high variability in performance in the first 90-days following their public listing



Source: Yahoo Finance, F-Prime team analysis

Note: The companies included in the above analysis are the F-Prime Fintech Index Companies

Public investors are differentiating as they learn more about public fintech stocks



Fintech companies obtained historically high valuation multiples in 2021; these multiples declined in Q4 along with the broader tech sector



Source: Capital IQ, F-Prime team analysis

Note: The companies included in the above analysis are the F-Prime Fintech Index Companies

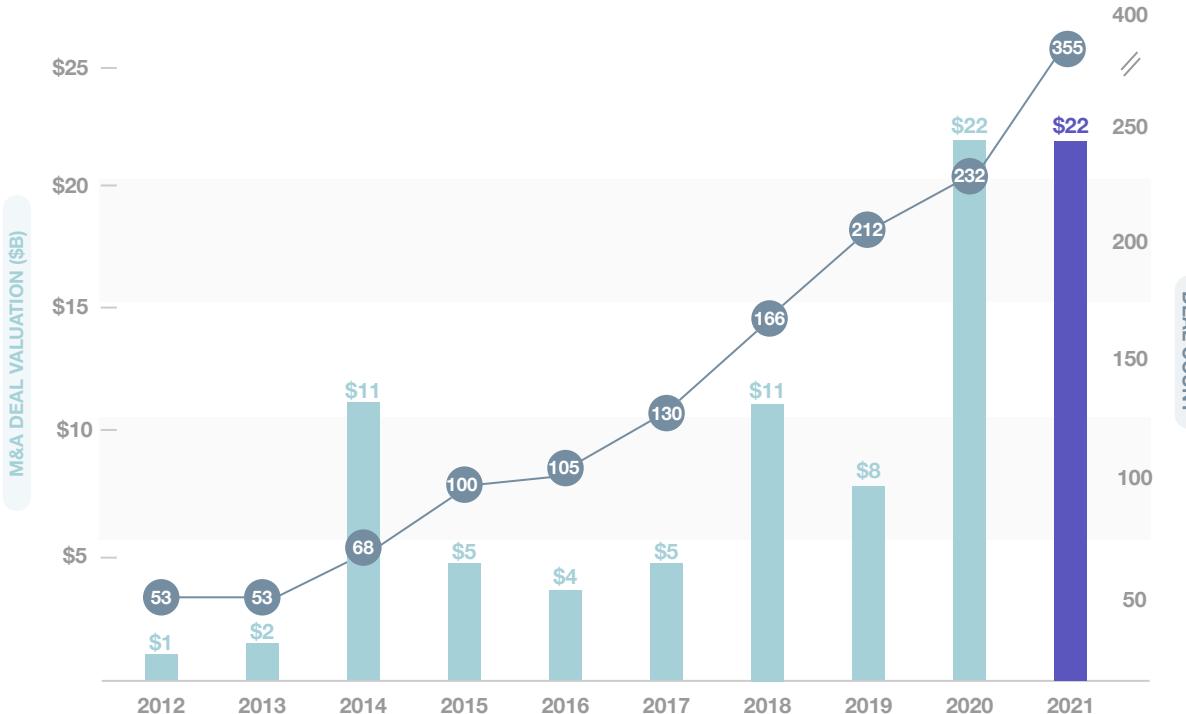
GREATER THAN 40%

LESS THAN 20%

BETWEEN 20-40%



In addition to a vibrant IPO market, there have been 355 fintech acquisitions in 2021, totaling \$22B+



Source: PitchBook, F-Prime team analysis

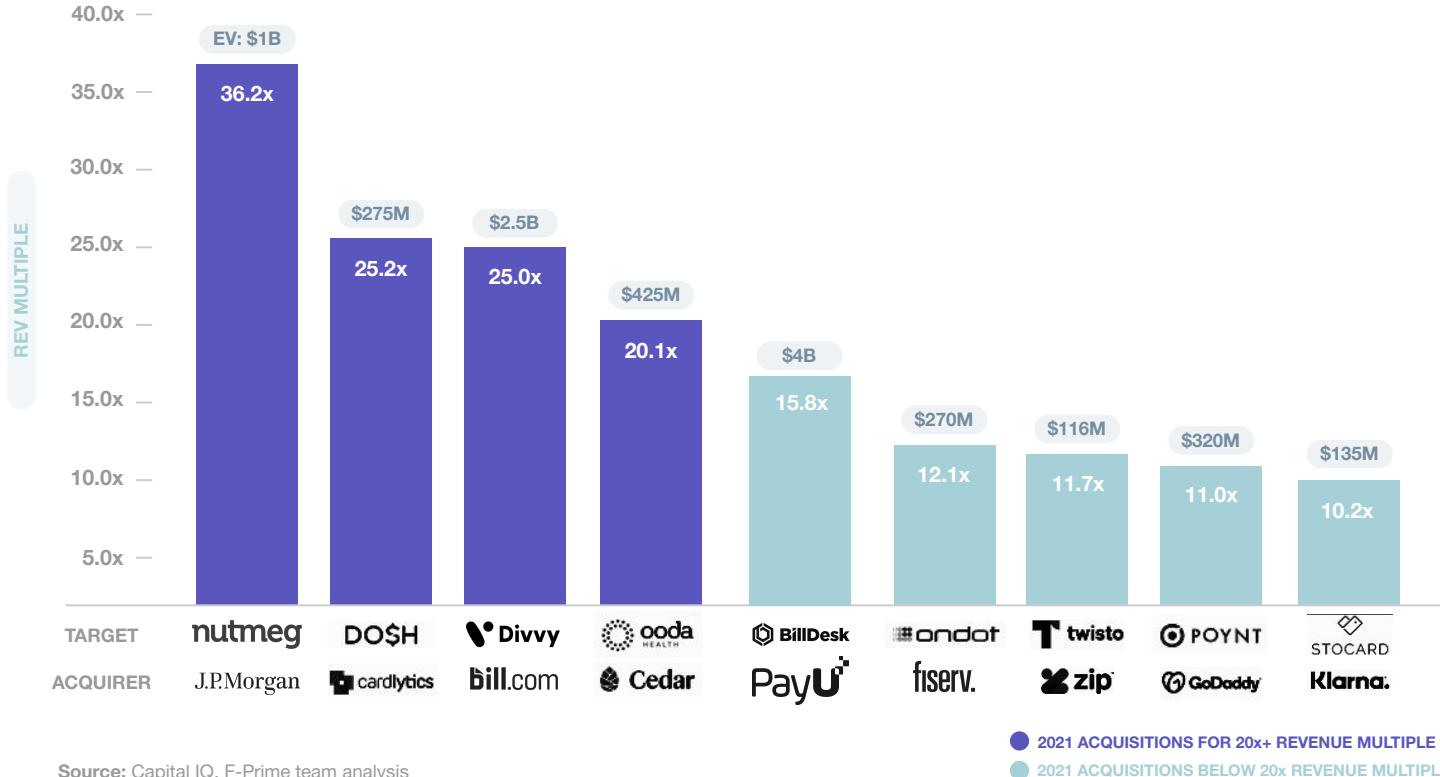
Note: The listed top 2021 M&As account for 75% of \$22.1B total (at \$16.7B)

Note: M&A activity above is of private venture-backed startups; figures exclude public market acquisitions (e.g., Square's acquisition of AfterPay)

2021 Top M&A		
COMPANY	ACQUIRER	VALUATION
BillDesk	PayU	\$4.7B
pafy	PayPal	\$2.7B
Divvy	bill.com	\$2.3B
tink	VISA	\$2.2B
BitGo	GALAXY DIGITAL	\$1.2B
nutmeg	J.P.Morgan	\$1.0B
Currencycloud	VISA	\$930M
Invoice2go	bill.com	\$625M
LEVELSET	PROCORE	\$500M
mineraltree	globalpayments	\$500M

F-Prime/Eight Roads Portfolio

Several large fintech acquisitions have mirrored the high public valuation multiples



Source: Capital IQ, F-Prime team analysis

F-Prime Fintech Index Overview

The F-Prime Fintech Index comprises the following emerging financial technology companies. Criteria include capitalization, liquidity, growth rates, founding year and listing exchange.

 REDFIN	 affirm	 Alkami	 Paymentus	 bill.com	 stoneP
 bright[™] HEALTH	 flywire	 doma	 billtrust	 Clover	 sezzle
 COMPASS	 oscar	 EVERQUOTE	 Opendoor	 coinbase	 d-local
 loanDepot[®]	 mIncino	 KATAPULT	 Lemonade	 Avalara	 PayPal
 Hippo	 adyen	 lightspeed	 Payioneer	 Upstart	 Intapp
 SoFi	 FLEETCOR[®]	 Root Insurance Co	 PagSeguro	 toast	 ENVESTNET[®]
 Q2	 olo	 陆金所 Lufax.com	 VIRTU FINANCIAL	 Funding Circle	 mercado libre
 green dot	 BLOCK	 shopify	 MoneyLion[®]	 MARQETA	 xero
 Duck Creek Technologies	 BLACKLINE	 robinhood	 Remitly	 blend	 wise

Source: Capital IQ, PitchBook, Yahoo Finance, F-Prime team analysis

54
Companies

\$1T
Market cap

\$45B
Raised

11x
Revenue multiple

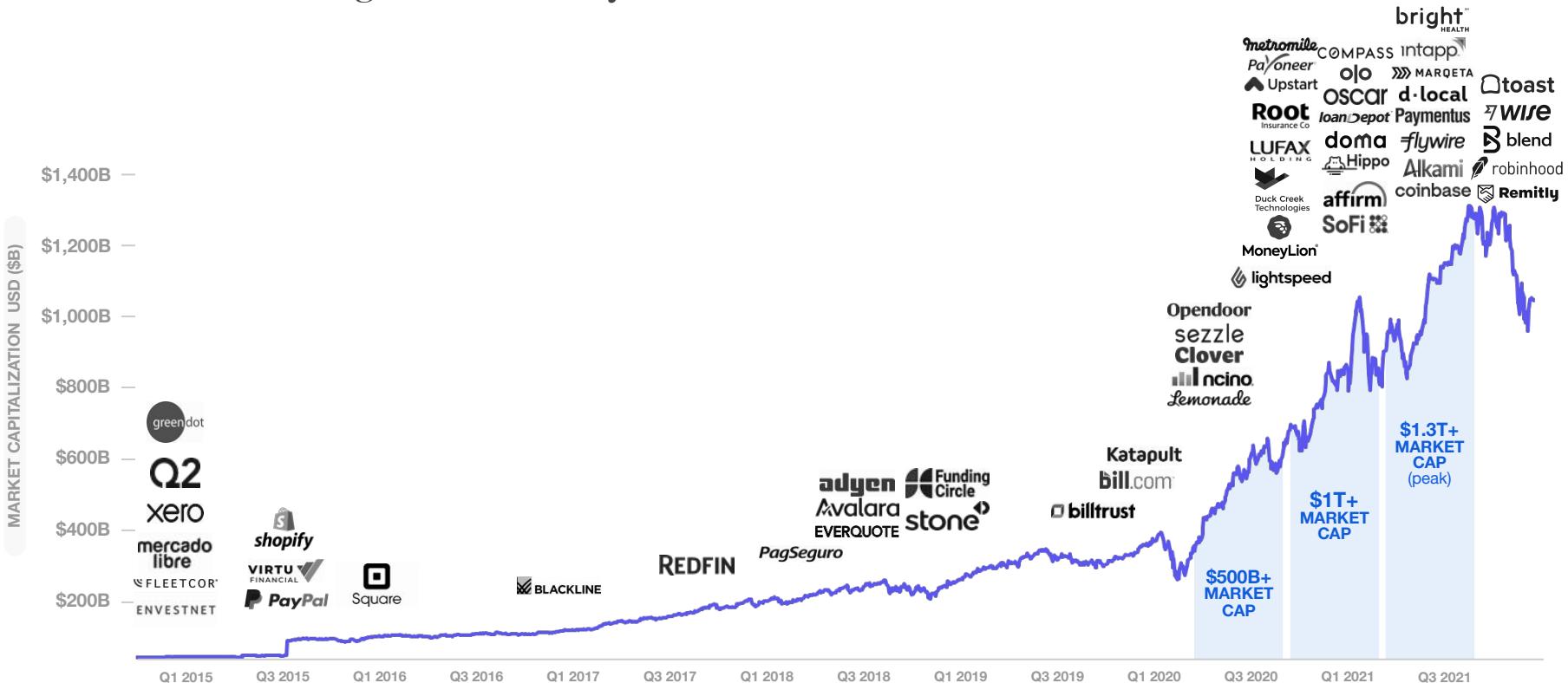
62%
**Annual revenue
growth rate**

Note: All figures as of 12/31/2021

With the unprecedented level of activity, we created the F-Prime Fintech Index to track performance of disruptive public fintech companies



The F-Prime Fintech Index surpassed \$1.3 trillion in market cap in Q3 2021, before declining to \$1 trillion by December 31st, 2021

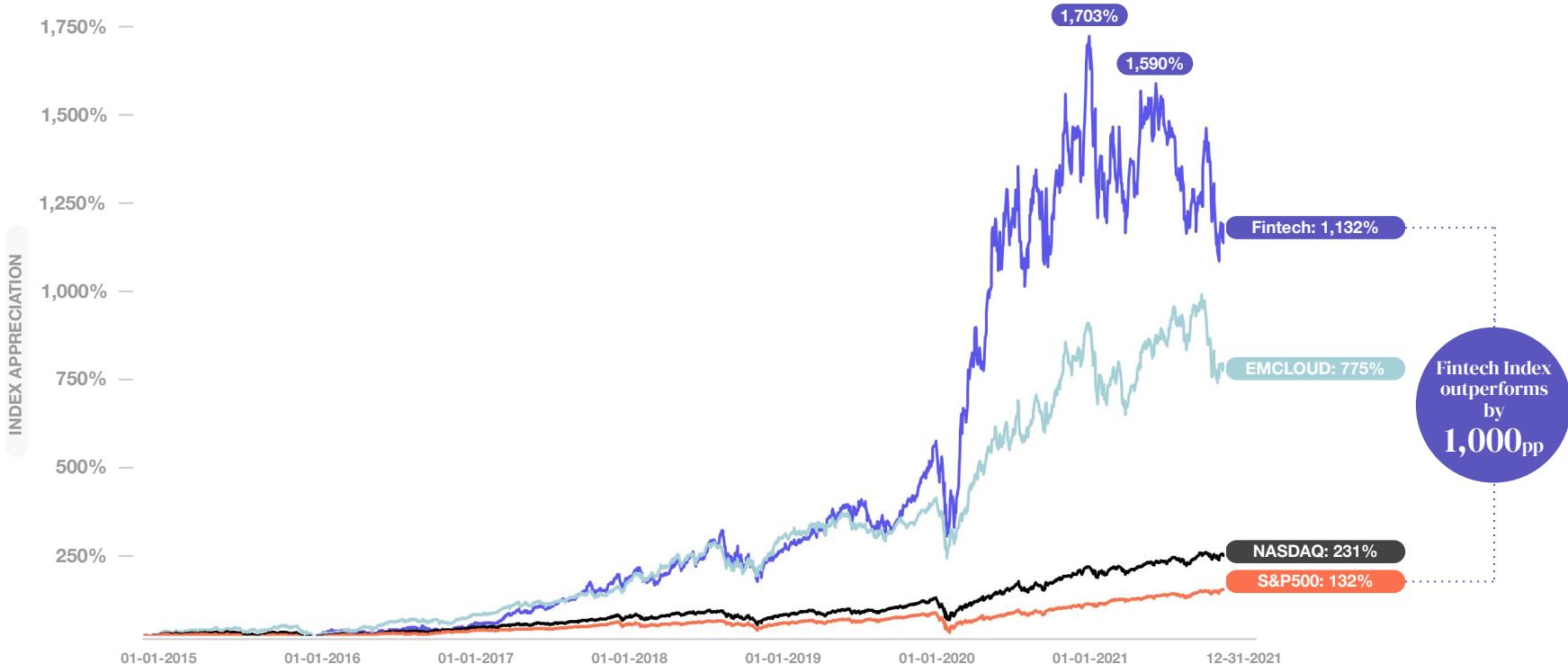


Source: Capital IQ, Yahoo Finance, F-Prime team analysis

Note: Metromile subsequently removed from F-Prime Fintech Index due to pending acquisition.



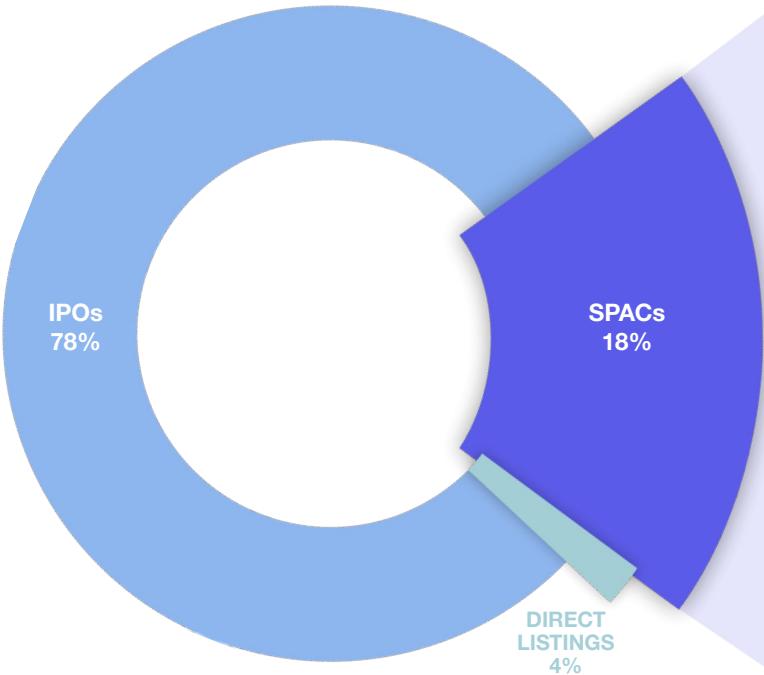
The F-Prime Fintech Index has outperformed the S&P 500 by 1,000 percentage points over the last seven years



Source: Yahoo Finance, F-Prime team analysis

Note: All indexes are market cap weighted with exception of EMCLOUD. See [F-Prime Fintech Index website](#) for live performance.

18% of F-Prime Fintech Index companies have gone public via Special Purpose Acquisition Companies (SPACs), all since December 2020



Note: Upon seasoning, we will add a number of fintech companies that have already gone or will go public to the F-Prime Fintech Index, if they continue to meet the F-Prime Fintech Index inclusion criteria.

Coinbase & Wise are the only company in the F-Prime Fintech Index that went public via direct listing.

SPACed fintechs

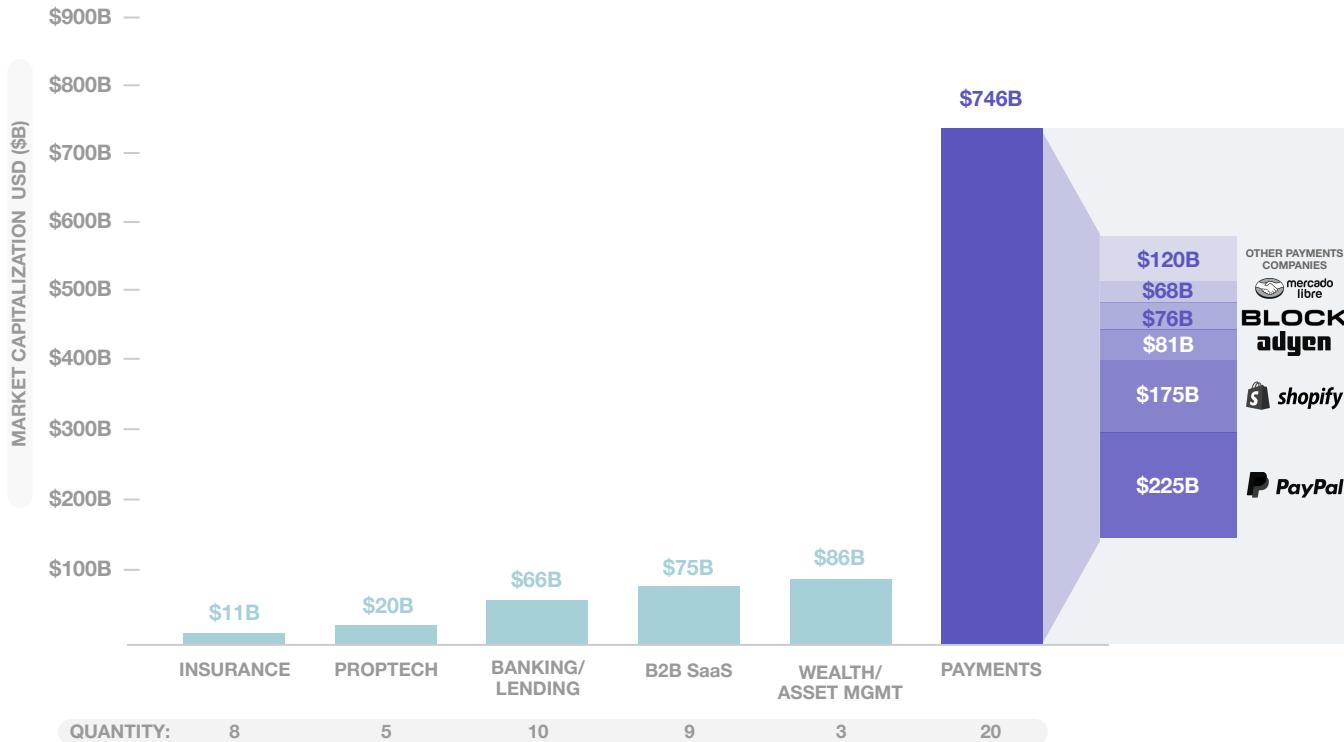
COMPANY	VALUATION	MERGER DATE
Opendoor	\$18B	Dec 2020
SoFi	\$9B	Jun 2021
Hippo	\$5B	Aug 2021
Clover	\$4B	Jan 2021
○ Payoneer	\$4B	Jun 2021
doma	\$3B	Jul 2021
MoneyLion	\$3B	Sep 2021
Bakkt	\$2B	Oct 2021
billtrust	\$1B	Jul 2021
metromile	\$1B	Feb 2021
Katapult	\$1B	Jun 2021

Upcoming SPAC mergers

COMPANY	VALUATION	DATE ANNOUNCED
etoro	\$10B	Jun 2021
better	\$8B	May 2021
APEX Clearing [“]	\$5B	Feb 2021
Dave	\$4B	Jun 2021
acorns	\$2B	May 2021



Payment companies make up the majority of F-Prime Fintech Index at \$746B in market cap



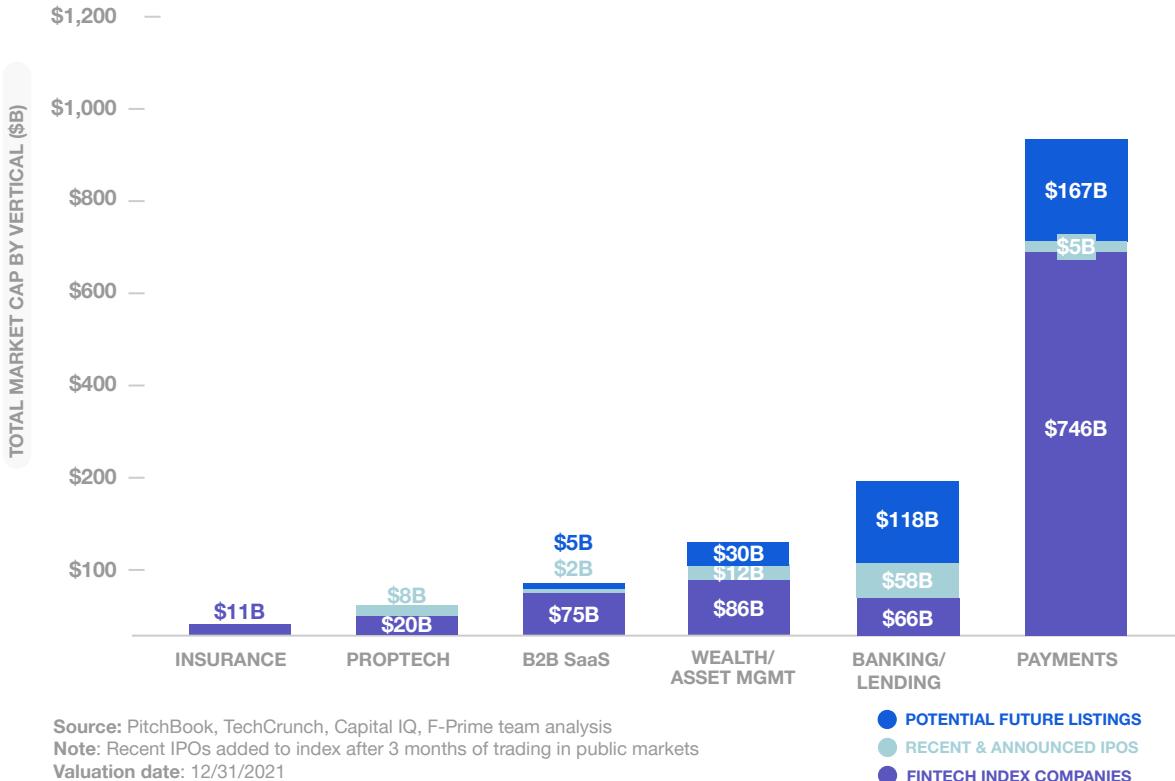
Payment companies account for **74%** of the total F-Prime Fintech Index market cap

3 largest companies account for **48%** of market cap

Source: Capital IQ, F-Prime team analysis
Note: Market cap as of 12/31/2021



With recent and upcoming listings, the F-Prime Fintech Index is likely to add another ~\$500B over the next few years



Recent & Announced Exits

COMPANY	VALUATION	IPO DATE
NU	\$40B	Q4 2021
eToro	\$10B	Q1 2022
Aspiration	\$8B	Q1 2022
Better	\$8B	Q1 2022
avidxchange™	\$4B	Q4 2021
Dave	\$4B	Q1 2022
finNaccel	\$3B	Q1 2022
Bakkt	\$2B	Q4 2021
Expensify	\$2B	Q4 2021

Potential Listing Candidates

COMPANY	VALUATION
stripe	\$152B
Klarna	\$46B
Revolut	\$33B
chime	\$25B
FTX	\$25B
checkout.com	\$15B
PLAID	\$14B

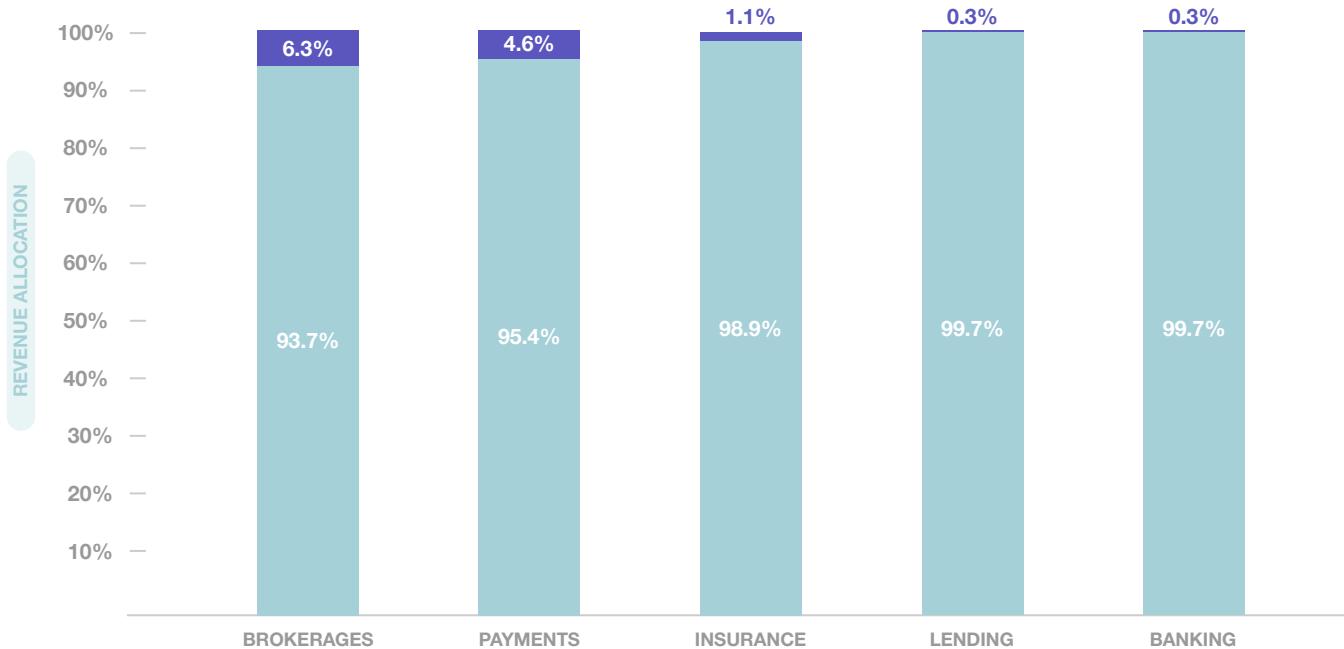


Startups in the F-Prime Fintech Index have generated \$120B+ in revenue over the LTM to Q4 2021



Source: PitchBook, F-Prime team analysis

Despite this remarkable rise in fintech, venture-backed startups have captured less than 10% of U.S. industry revenue with tremendous room for growth



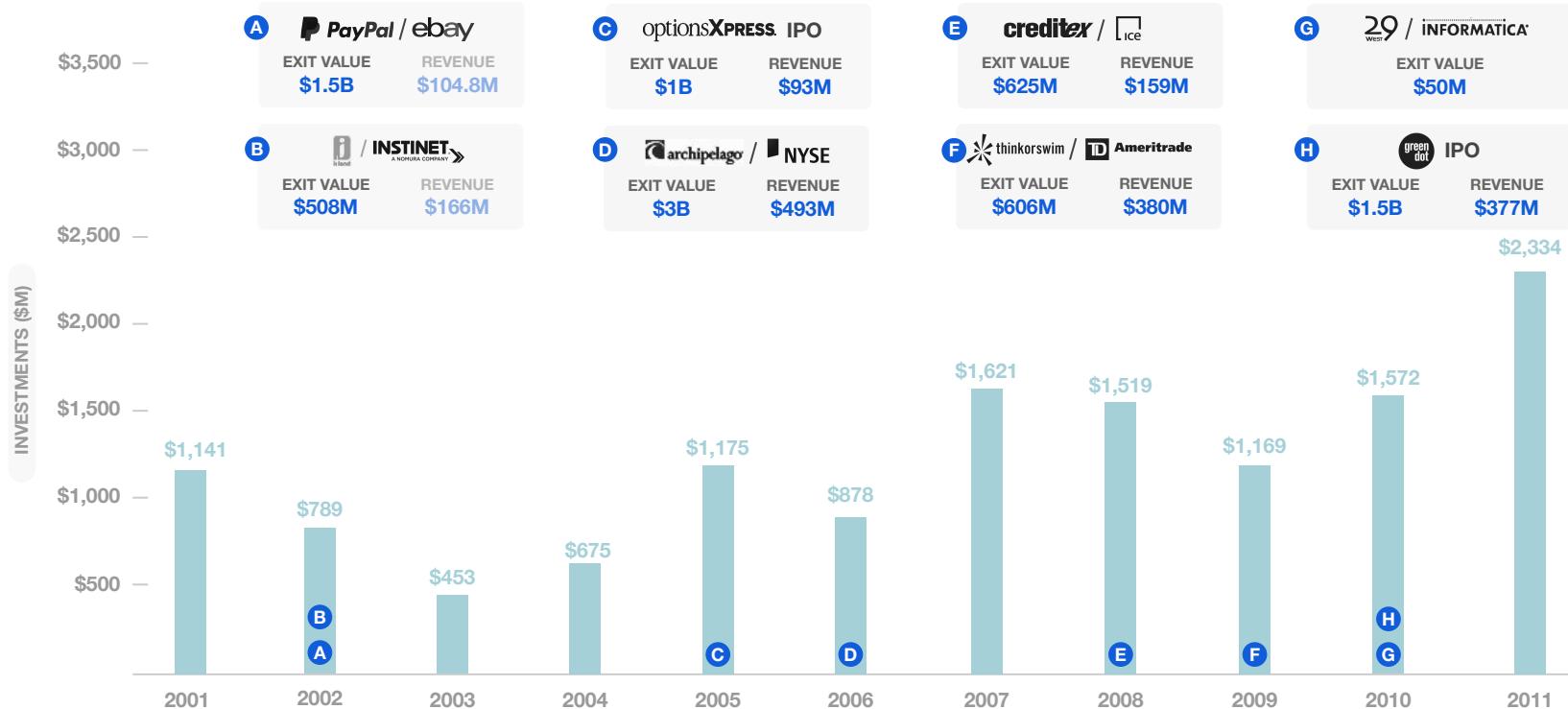
Source: IBIS World Industry Report, Company 10Ks, PitchBook, F-Prime team analysis

● INCUMBENTS
● DISRUPTORS

Private Startups and Funding



Fintech used to be a sleepy niche in venture and was limited to selling tech to financial institutions...

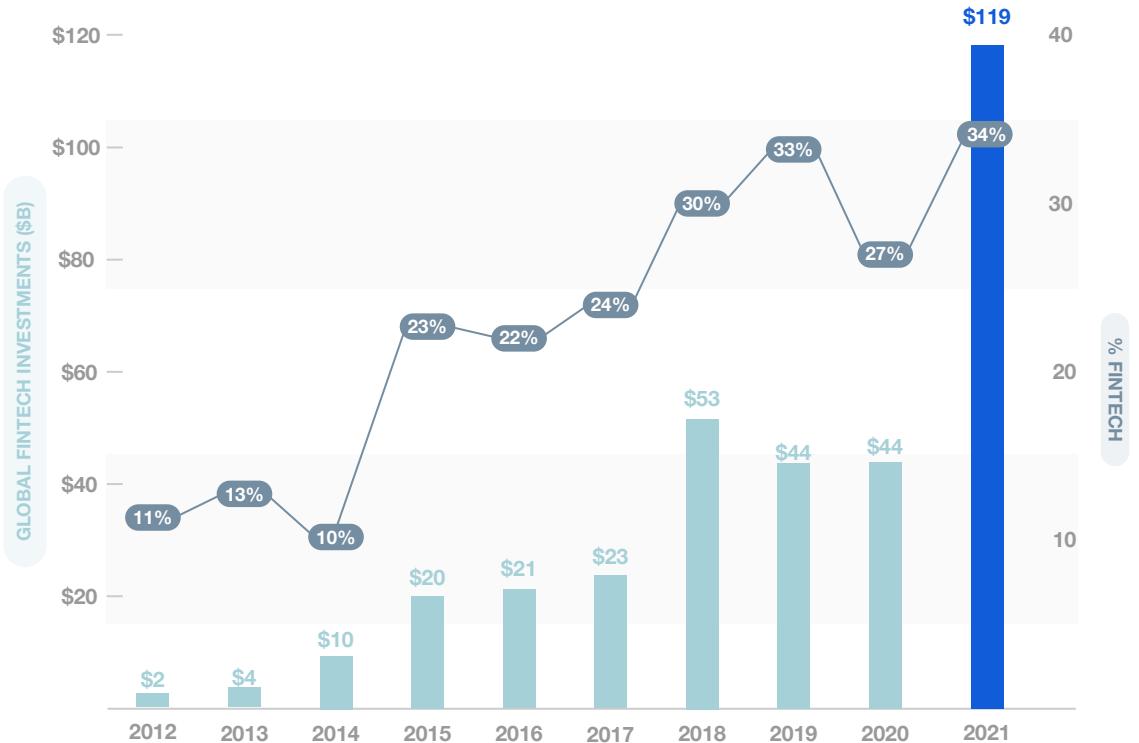


Source: PitchBook, F-Prime team analysis

Note: Includes venture-backed financial institutions, financial management software, and financial services software; GreenDot is the first F-Prime Fintech Index IPO

● FINTECH INVESTMENTS
● FINTECH EXITS

...But over the last few years, fintech has become one of the largest segments in tech venture capital, accounting for over 30% of global tech investments

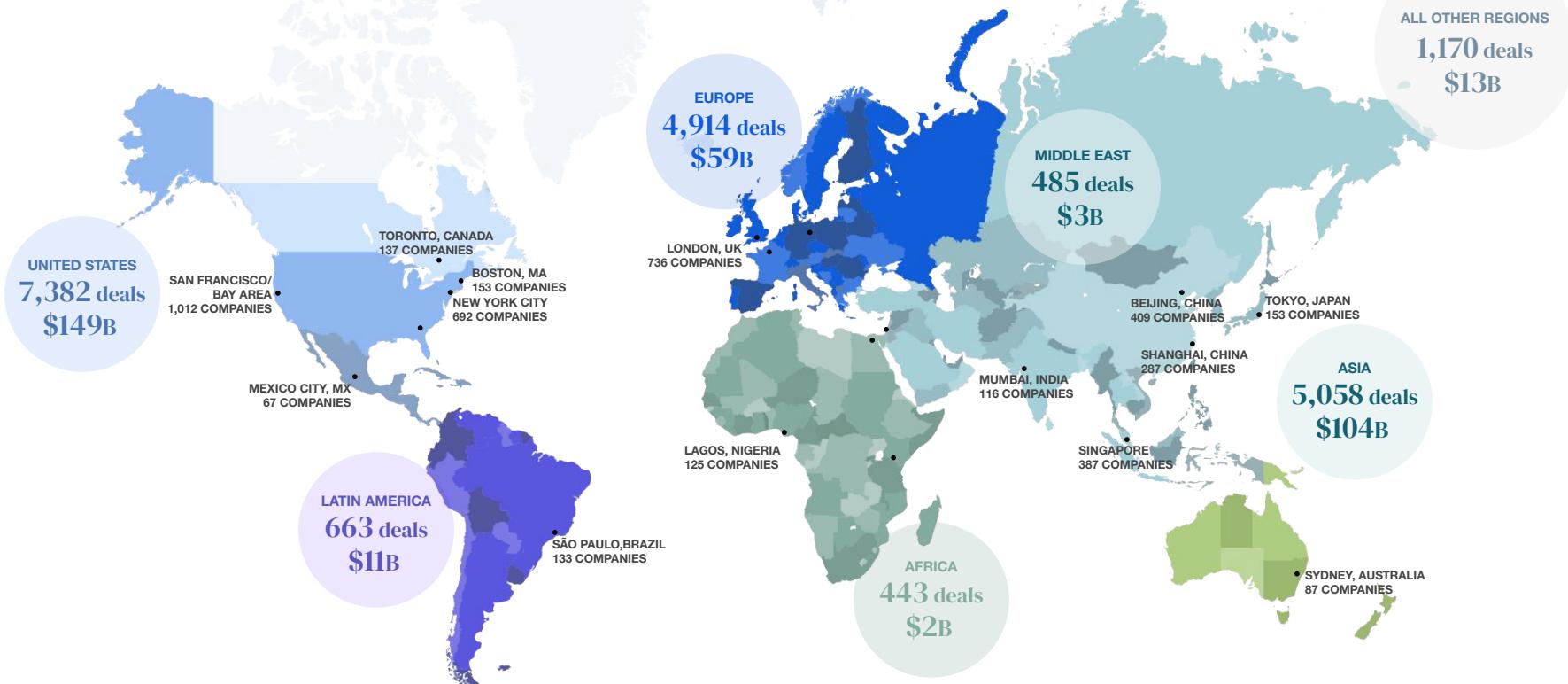


Source: PitchBook, F-Prime team analysis

2021 represents
nearly 35%
of \$342B
invested in fintech
since 2012

Fintech
funding
has nearly
tripled in
2021

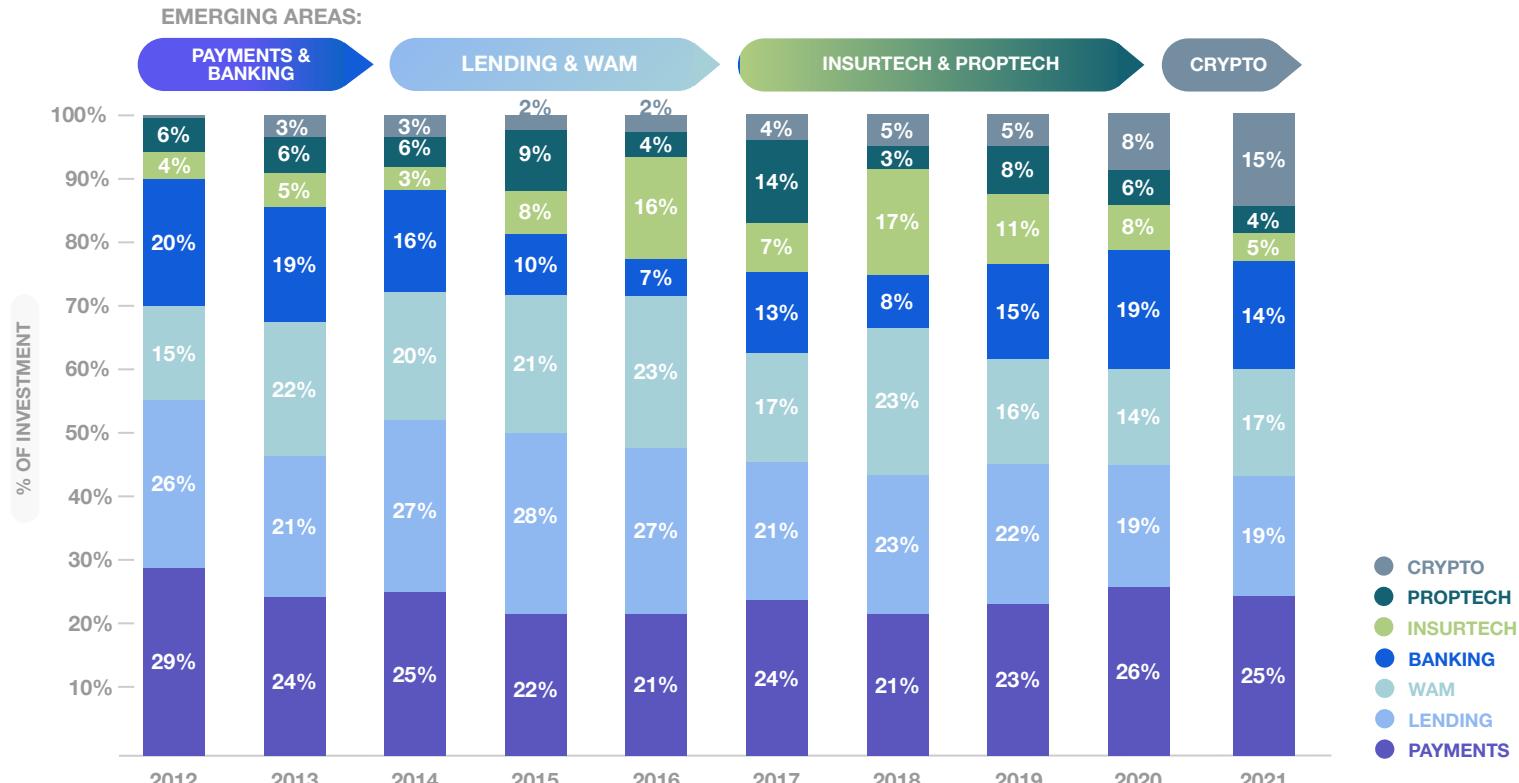
Since 2012, nearly 45% of capital invested in fintech
has been deployed to U.S. based startups



Source: PitchBook, F-Prime team analysis



Payments and lending were first to ignite, but startups and venture capital are now active across all financial sectors



Source: PitchBook, F-Prime team analysis

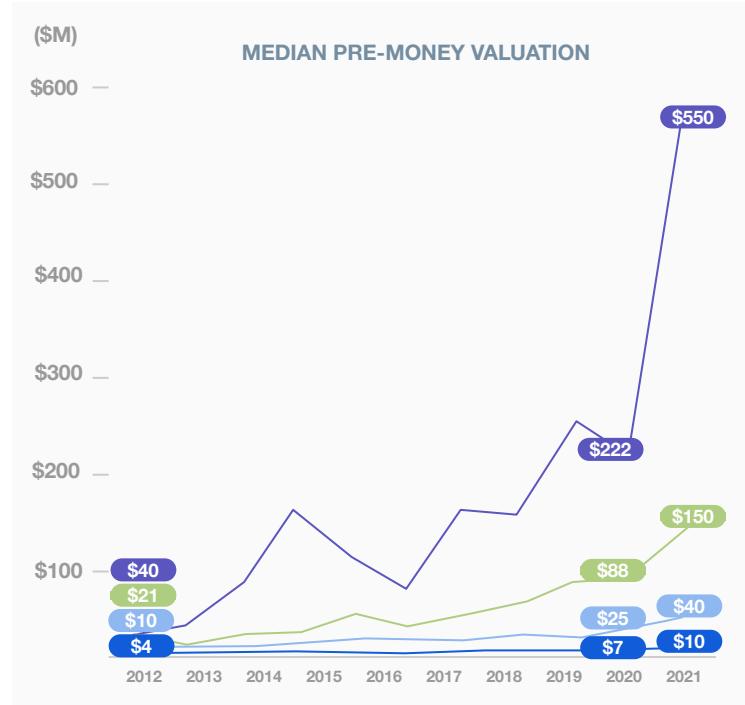
Note: Not mutually exclusive fintech categories



Median deal size and valuations continue to trend upwards across all deal stages – most notably for later-stage companies

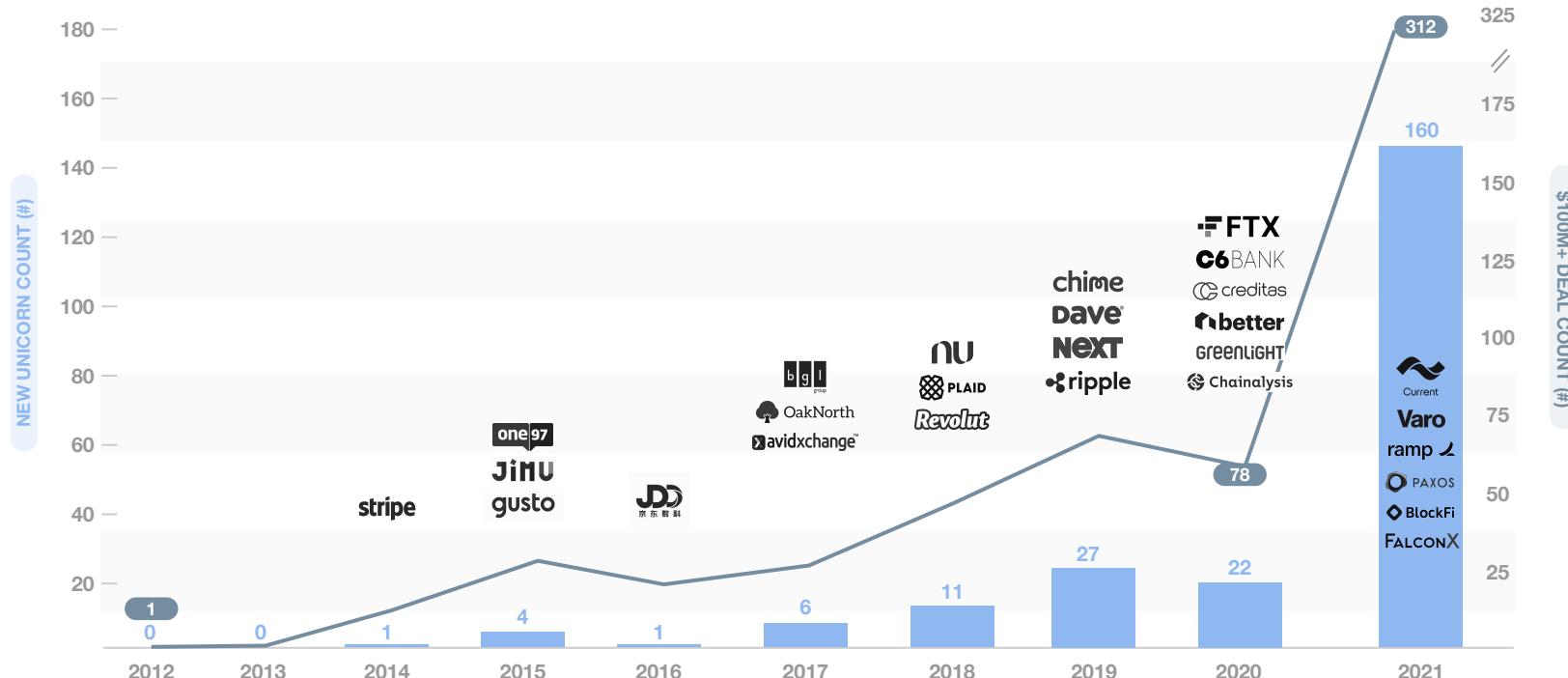


Source: PitchBook, F-Prime team analysis



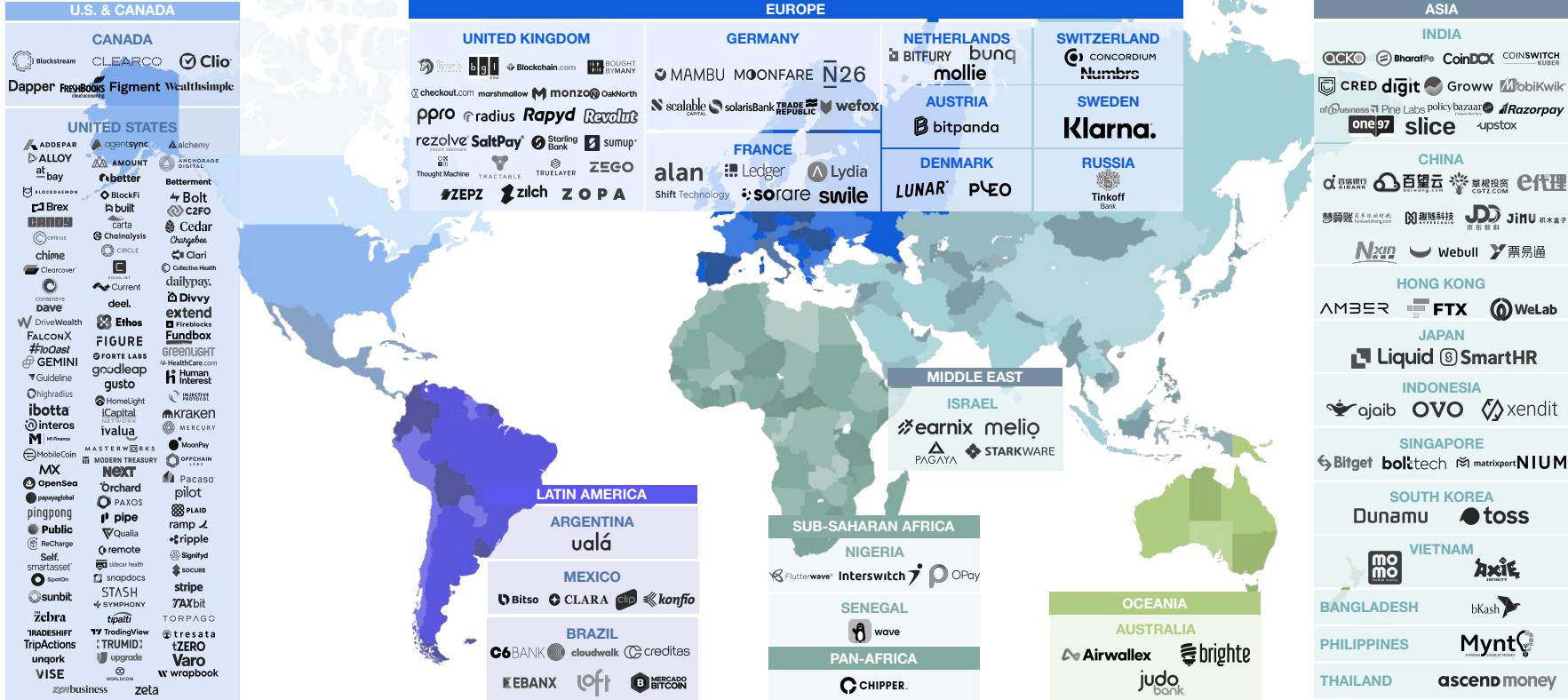
● SEED ● SERIES B
● SERIES A ● SERIES C

A significant increase in the number of \$100M+ rounds has fueled the creation of a record 150+ newly minted fintech unicorns in 2021



Source: CB Insights, PitchBook, F-Prime team analysis

There are now 200+ private fintech unicorns globally



Source: CB Insights, PitchBook, F-Prime team analysis