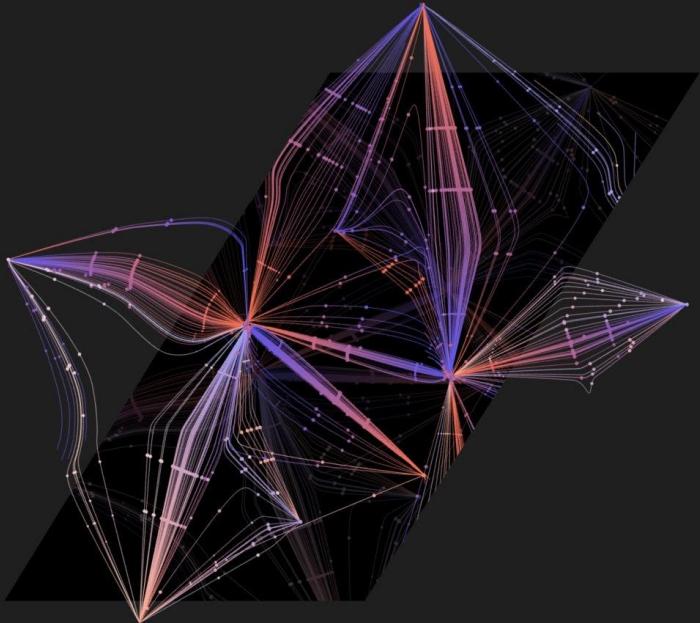


F·PRIME

State of Fintech

2022



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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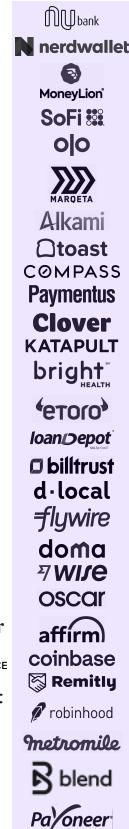
Public Fintech Overview and F-Prime Fintech Index



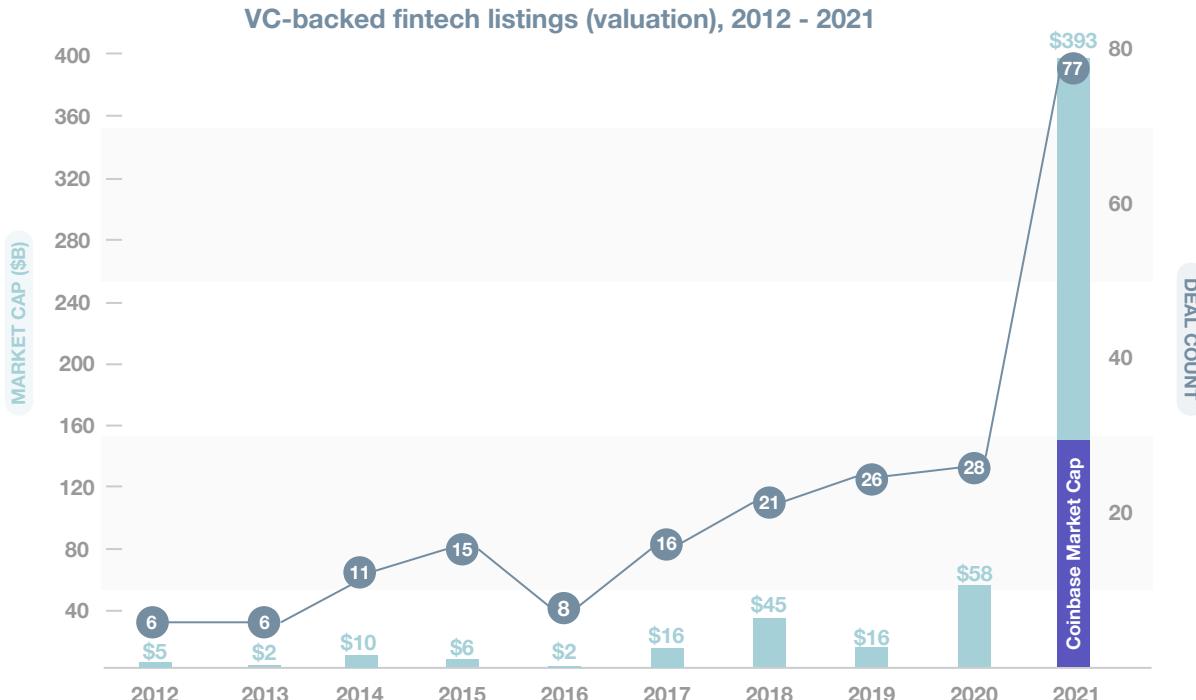
Fintech is exploding in the public markets with a record number of public listings in 2021



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

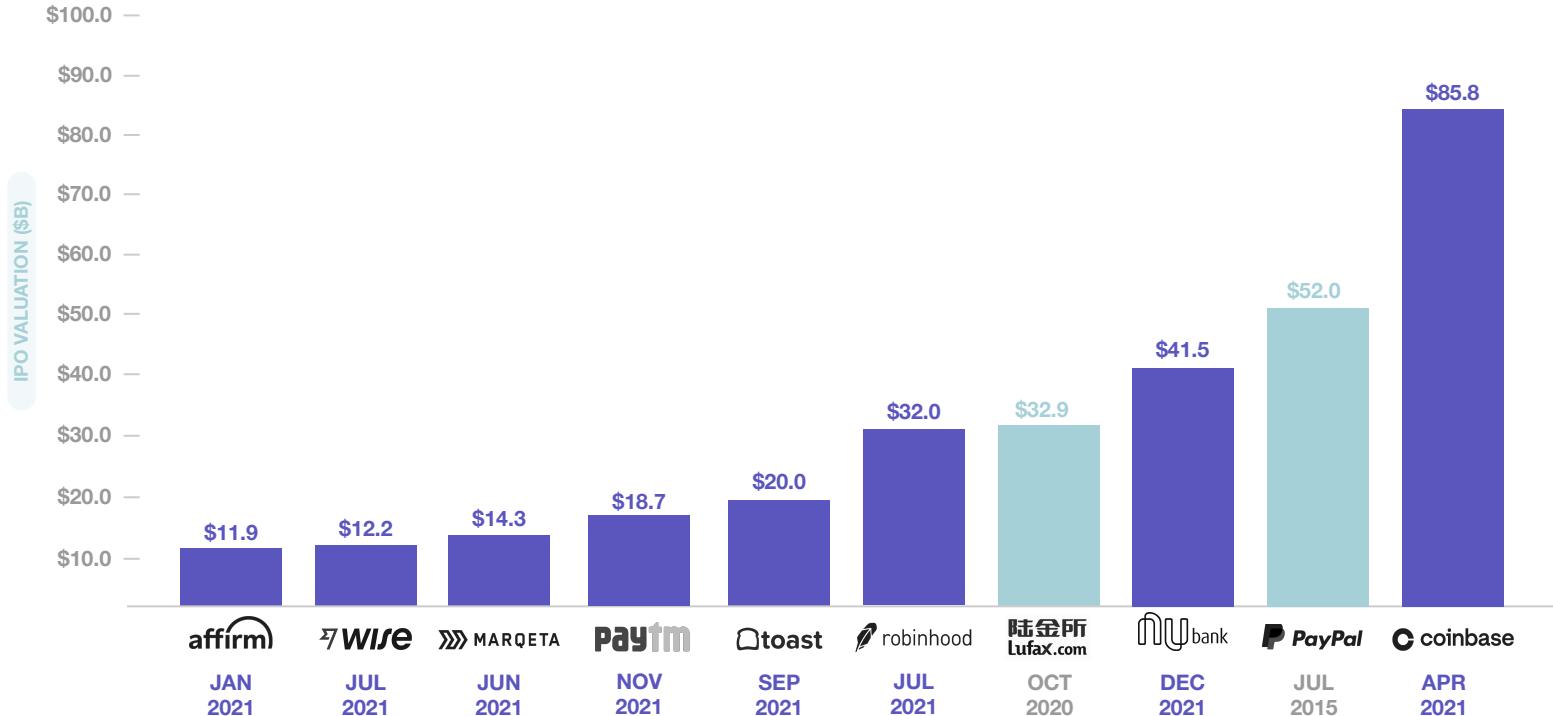
| COMPANY | VALUATION |
|-------------|-----------|
| coinbase | \$85.8B |
| ✉️ nubank | \$41.5B |
| ⚡ robinhood | \$32.0B |
| -toast | \$20.0B |
| paytm | \$18.7B |
| » MARQETA | \$14.3B |
| WISE | \$12.2B |
| affirm | \$11.9B |

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 |



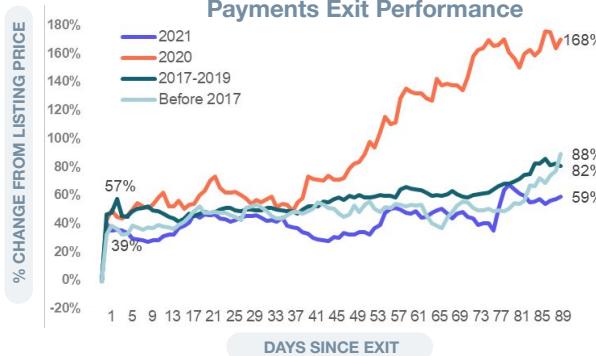
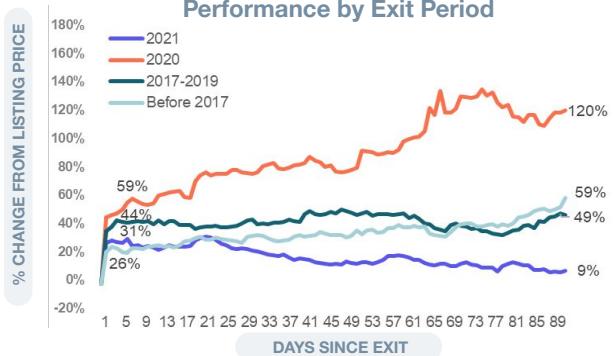
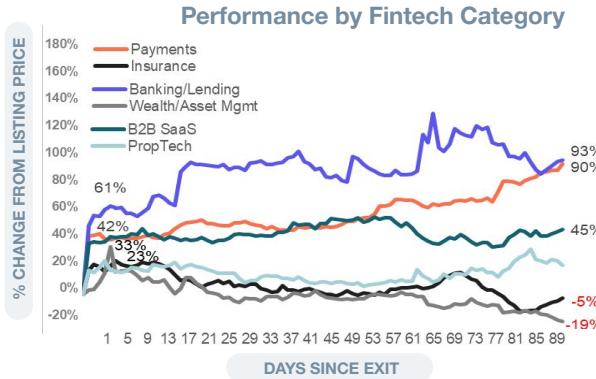
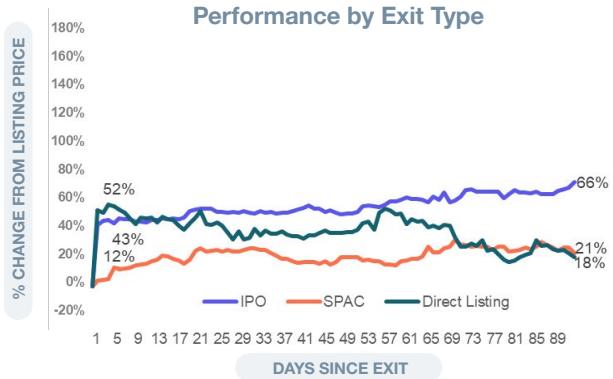
8 of the largest 10 fintech IPOs have occurred in 2021



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

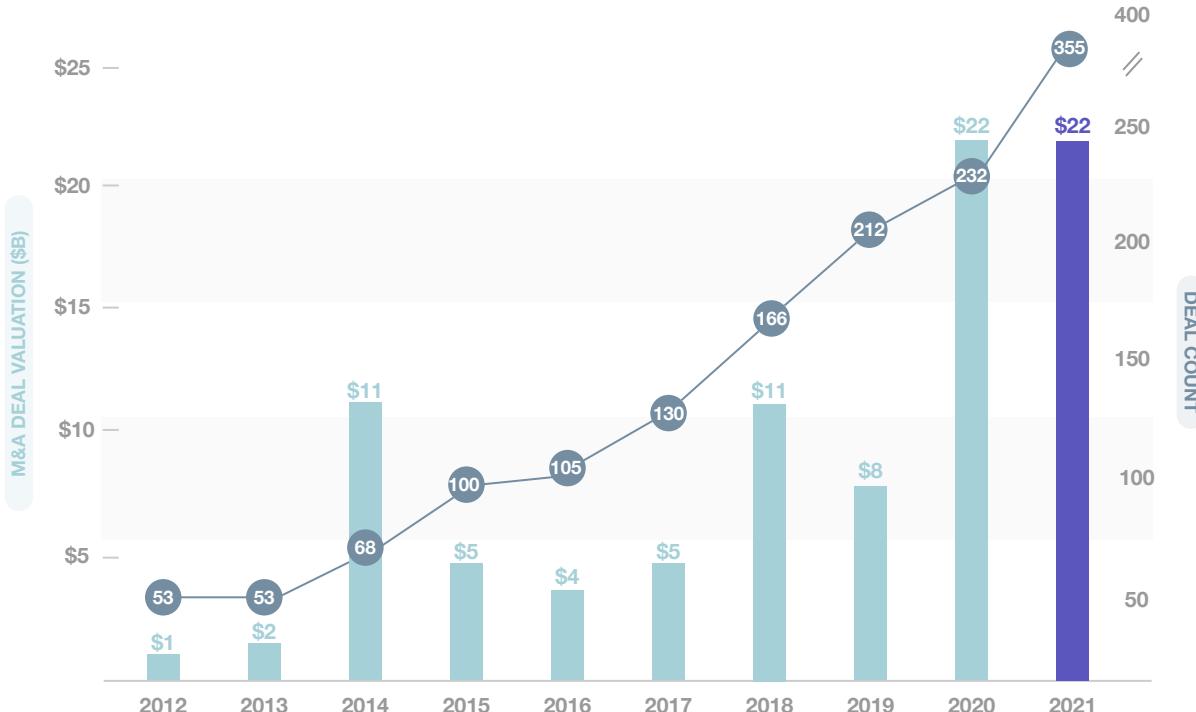


Source: Capital IQ, F-Prime team analysis

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



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)

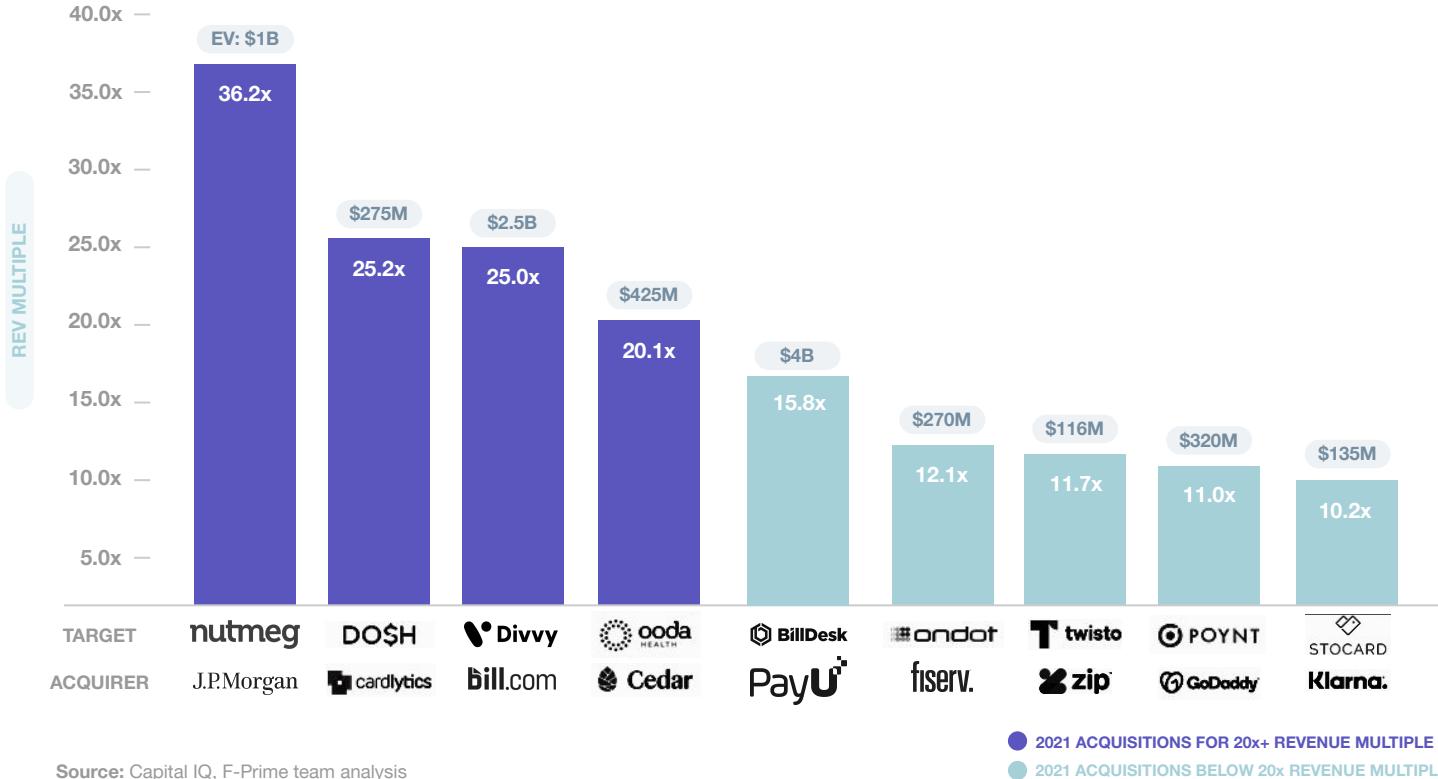
Note: M&A activity above is of private venture-backed startups; figures exclude public market acquisitions (e.g., Square's acquisition of AfterPay)

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



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 |  stone ⁺ |
|  bright [™] HEALTH |  flywire |  doma |  billtrust |  Clover |  sezzle |
|  COMPASS |  oscar |  EVERQUOTE |  Opendoor |  coinbase |  d-local |
|  loanDepot [®] |  mncino. |  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

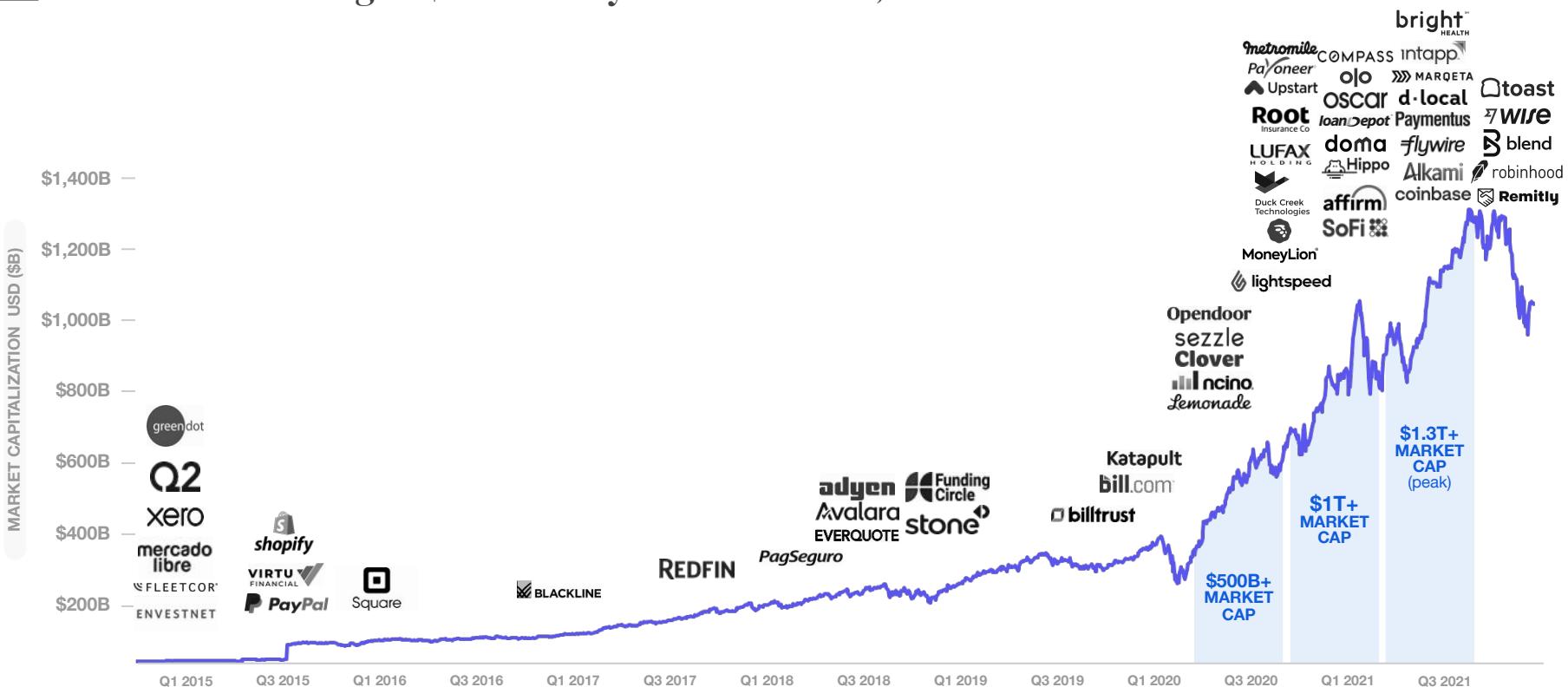
62%
Annual revenue
growth rate

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

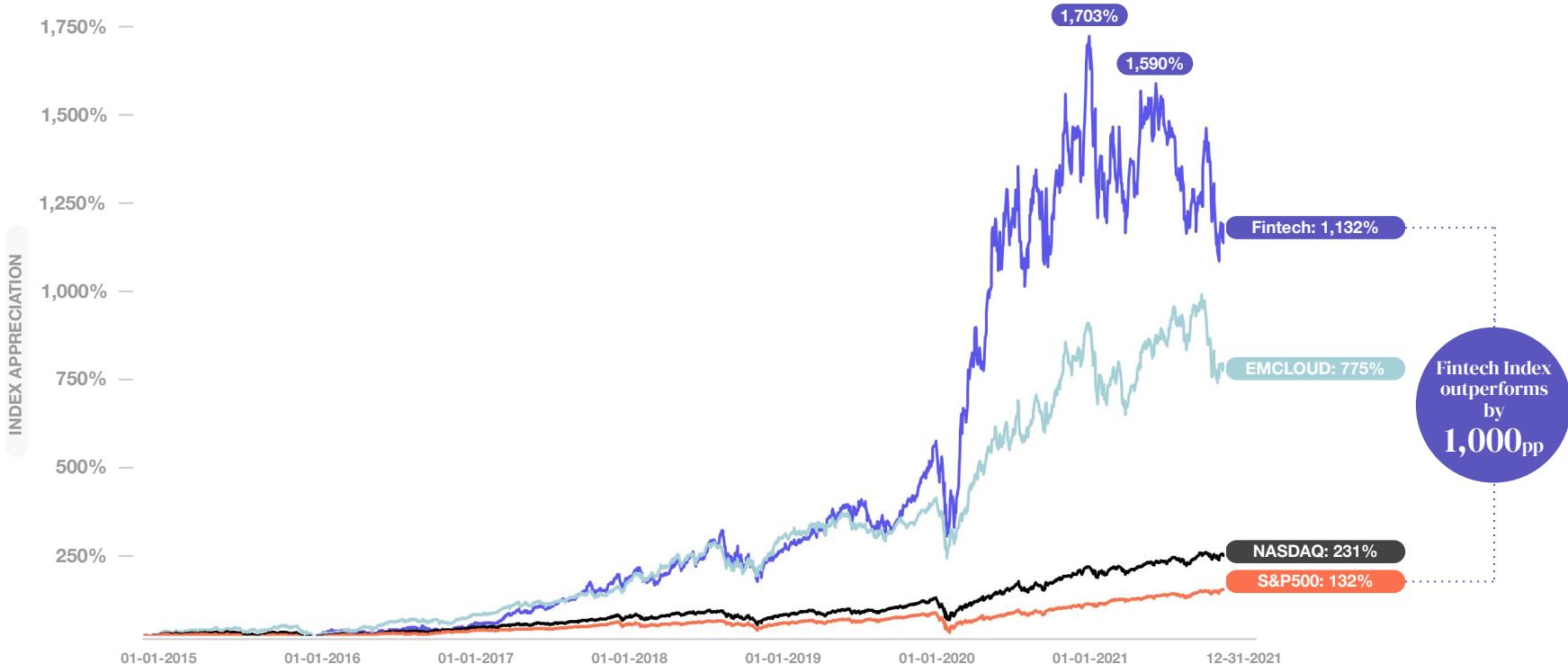


Source: Capital IQ, Yahoo Finance, F-Prime team analysis

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



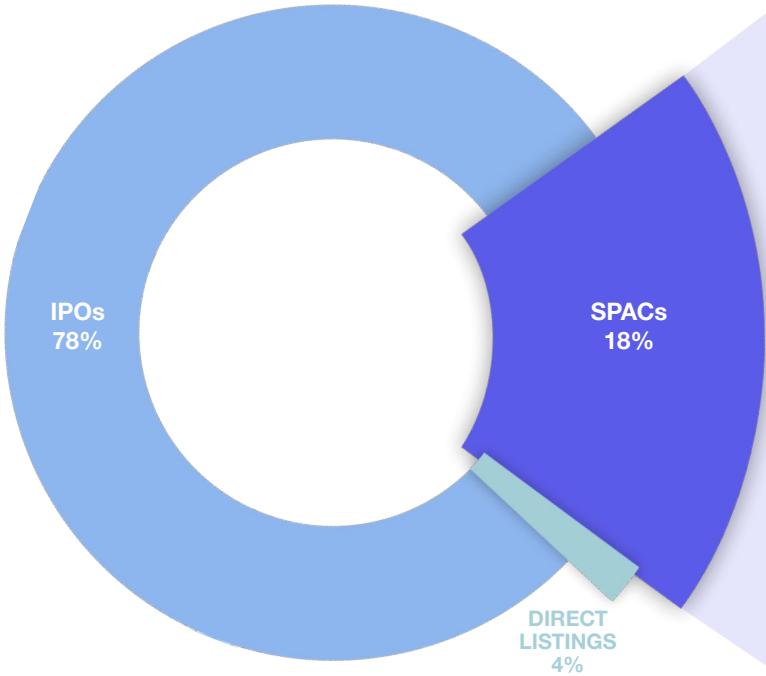
The F-Prime Fintech Index has outperformed the S&P 500 by 1,000 percentage points over the last seven years



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.

SPACed fintechs

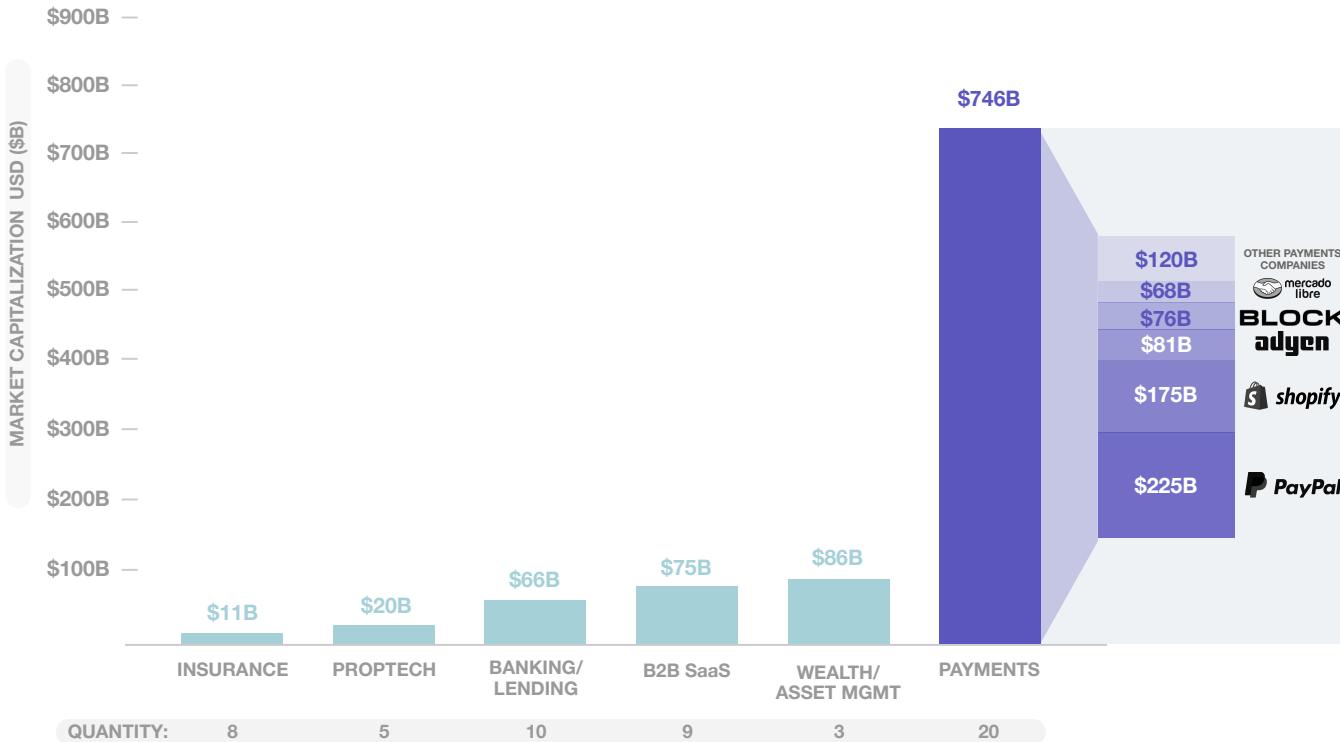
| COMPANY | VALUATION | MERGER DATE |
|-----------|-----------|-------------|
| Opendoor | \$18B | Dec 2020 |
| SoFi | \$9B | Jun 2021 |
| Hippo | \$5B | Aug 2021 |
| Clover | \$4B | Jan 2021 |
| Payoneer | \$4B | Jun 2021 |
| doma | \$3B | Jul 2021 |
| MoneyLion | \$3B | Sep 2021 |
| Bakkt | \$2B | 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

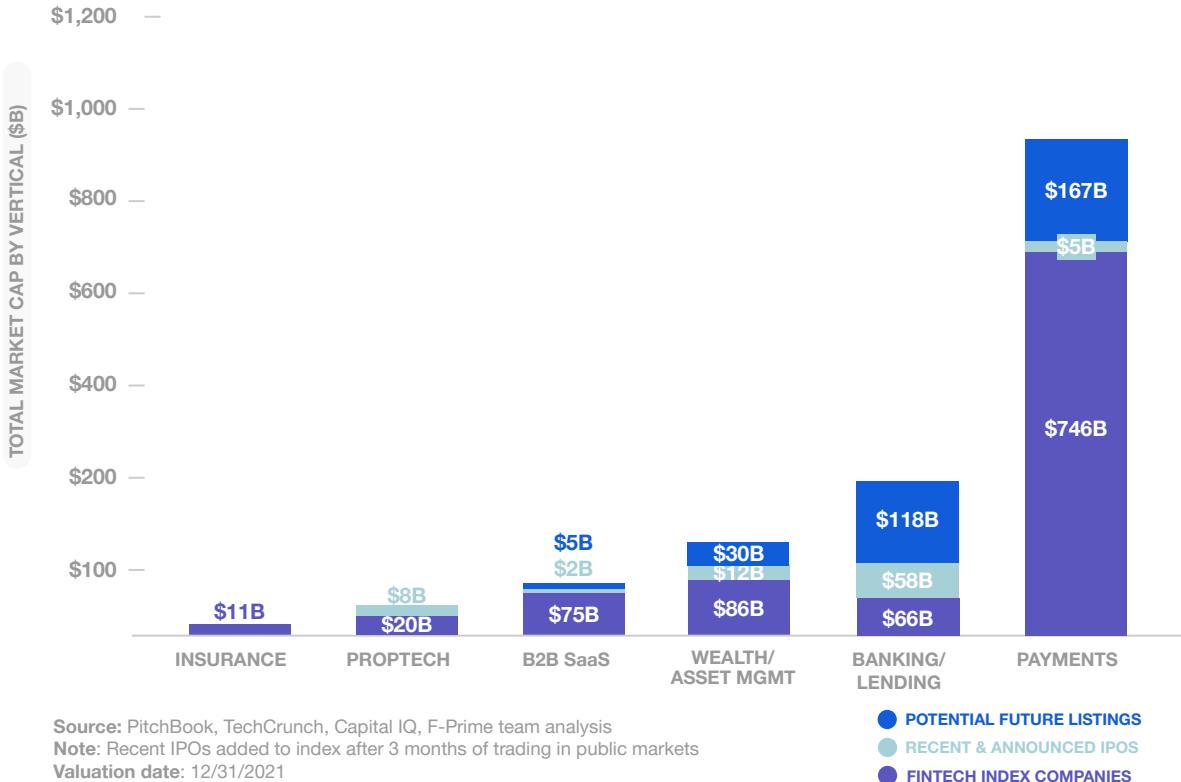


Source: Capital IQ, F-Prime team analysis
Note: Market cap as of 12/31/2021

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

3 largest companies account for 48% of market cap

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 |

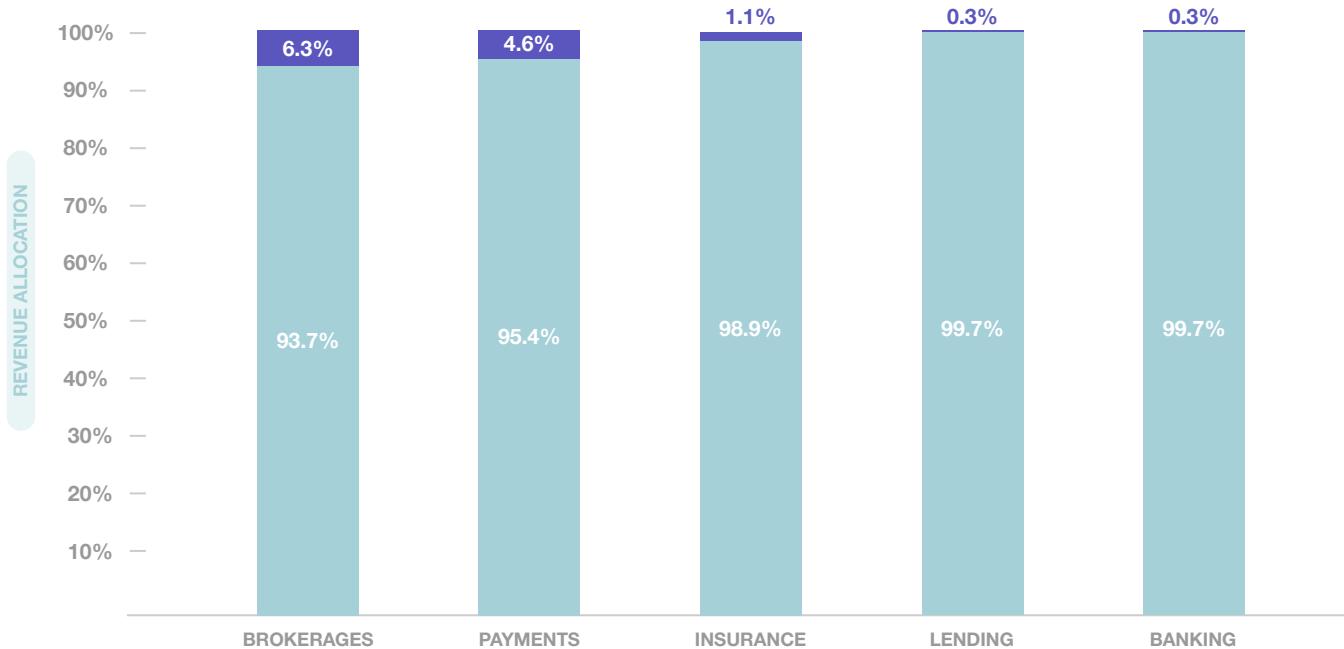


Startups in the F-Prime Fintech Index have generated \$120B+ in revenue over the LTM to Q4 2021



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



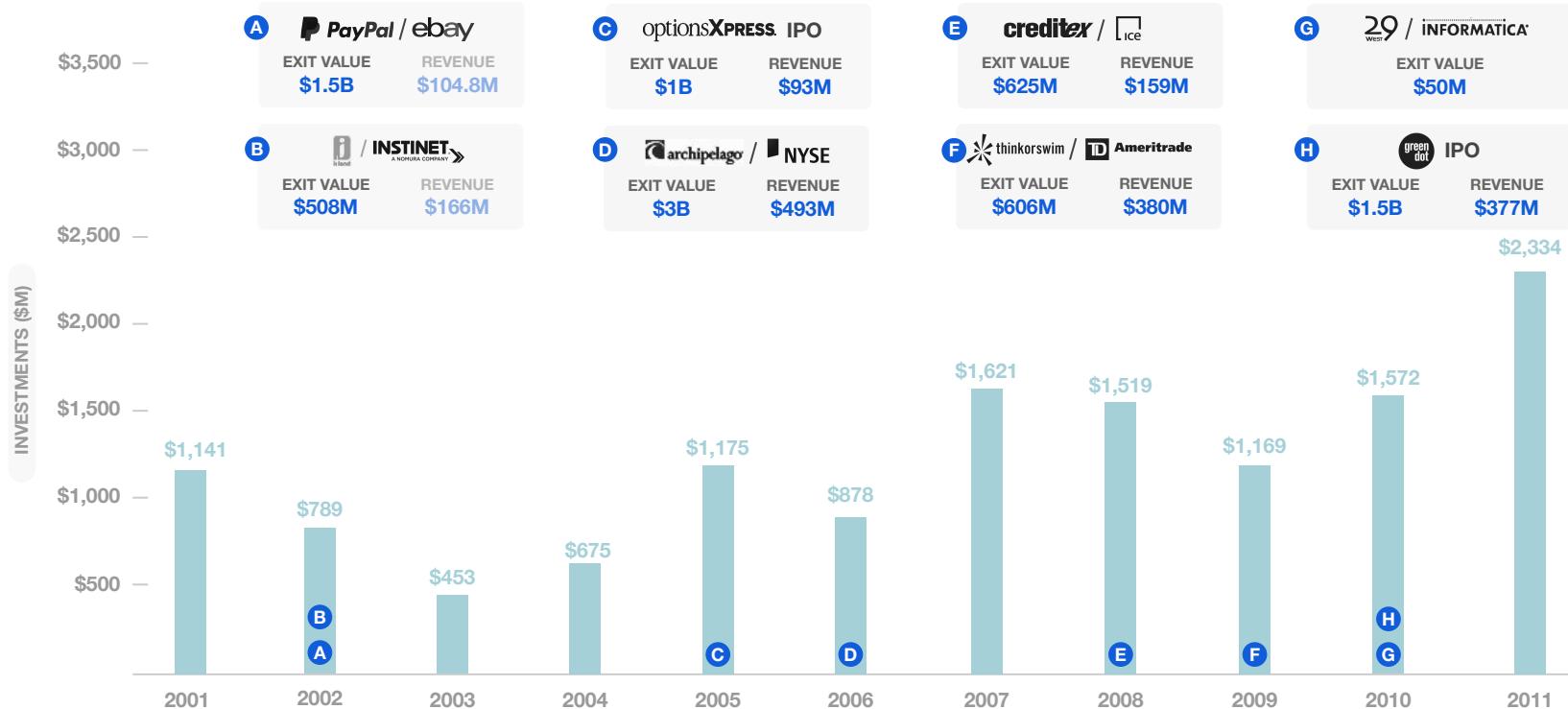
Source: IBIS World Industry Report, Company 10Ks, PitchBook, F-Prime team analysis

● INCUMBENTS
● DISRUPTORS

Private Startups and Funding



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

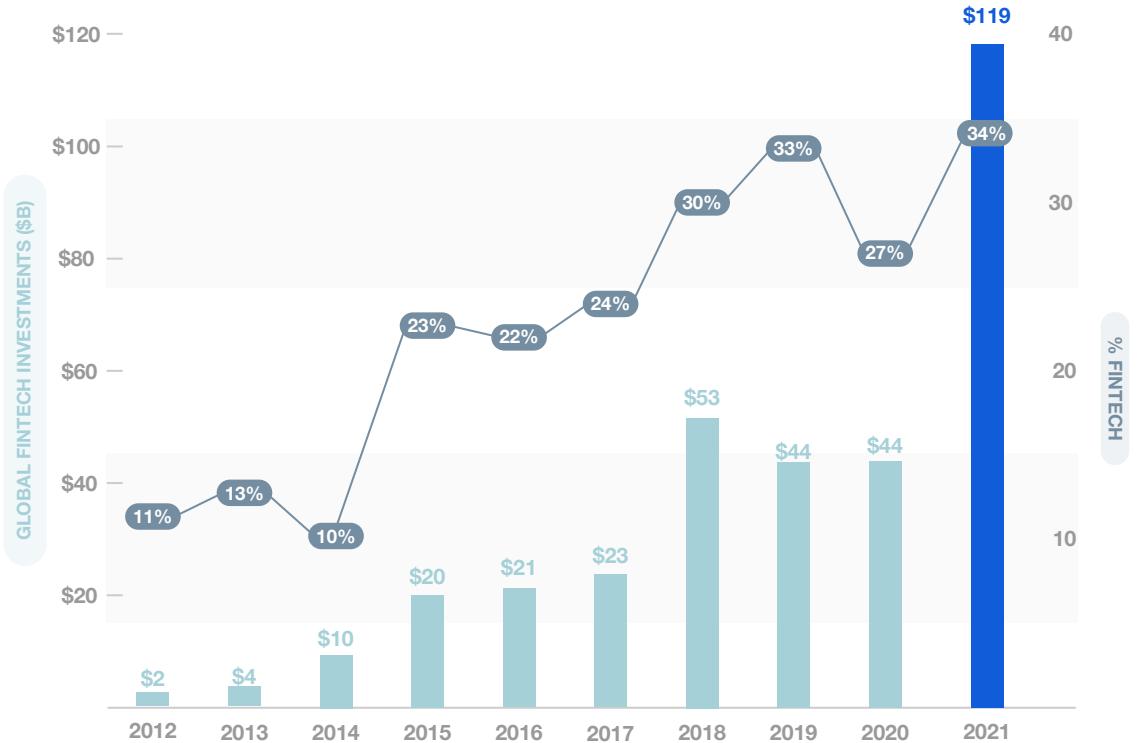


Source: PitchBook, F-Prime team analysis

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

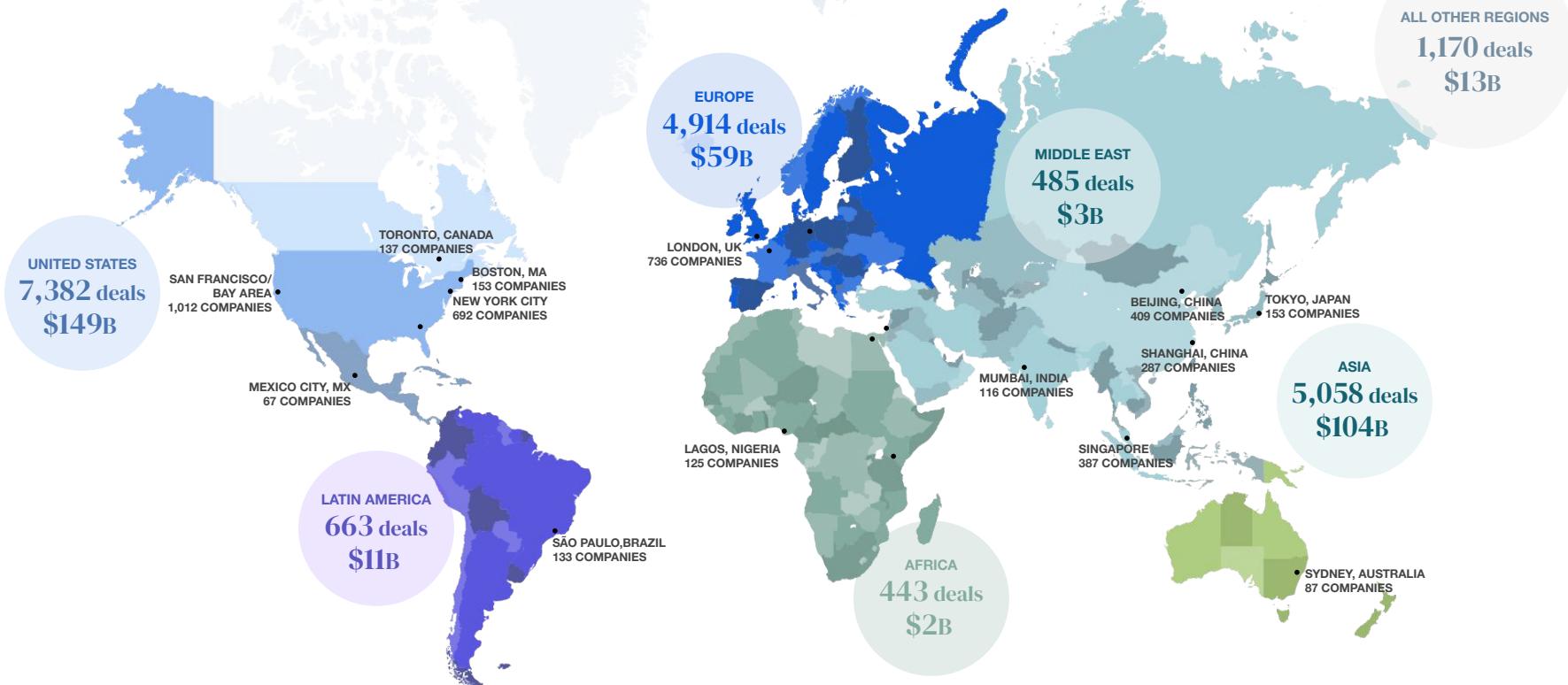


Source: PitchBook, F-Prime team analysis

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

Fintech
funding
has nearly
tripled in
2021

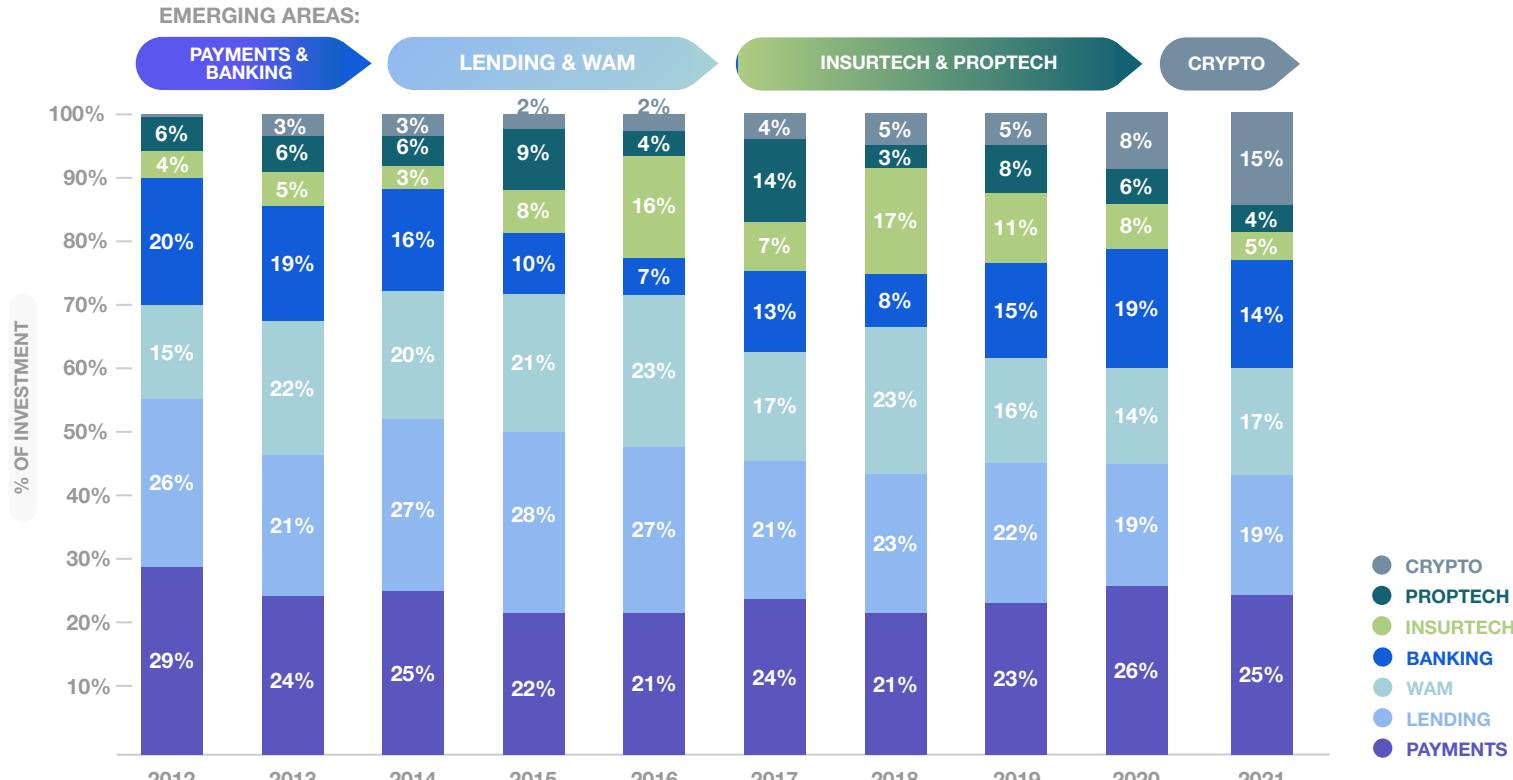
Since 2012, nearly 45% of capital invested in fintech
has been deployed to U.S. based startups



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

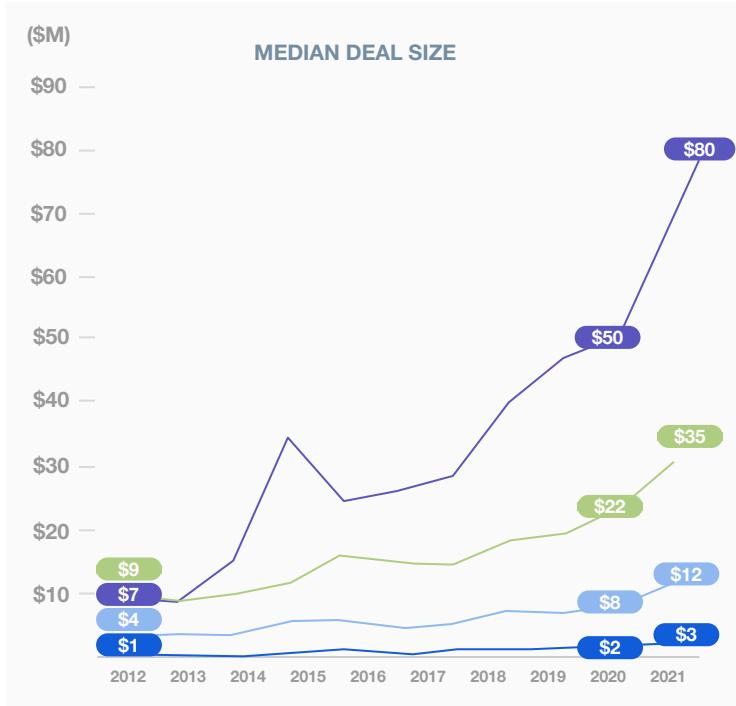


Source: PitchBook, F-Prime team analysis

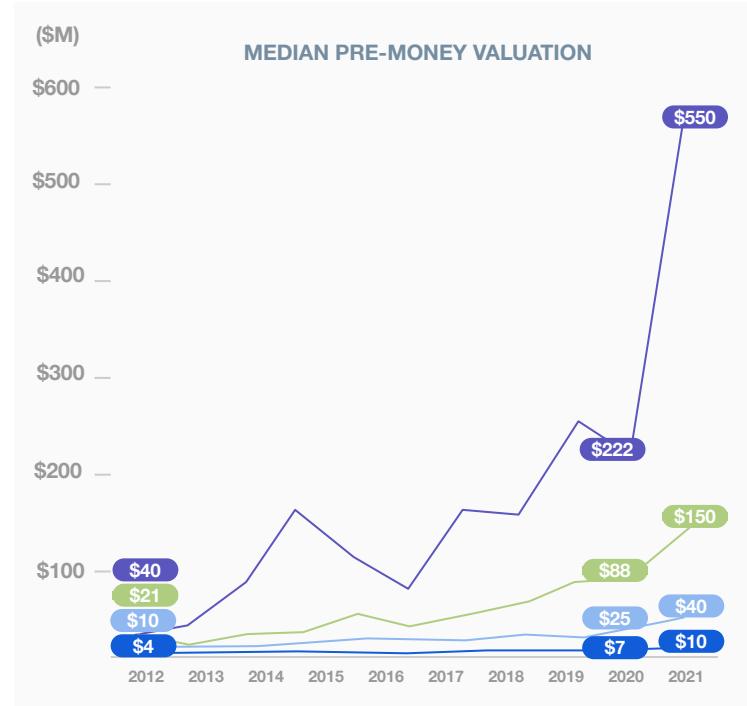
Note: Not mutually exclusive fintech categories



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

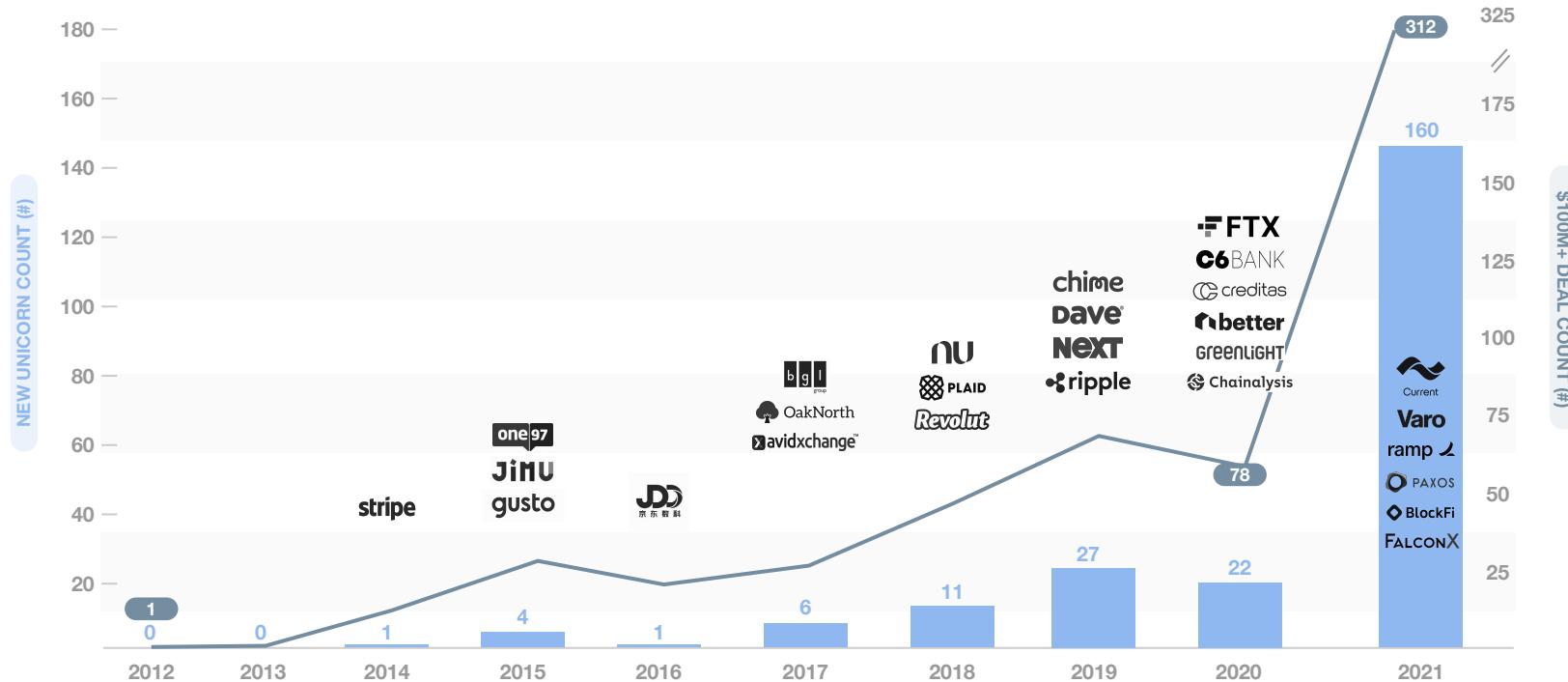


Source: PitchBook, F-Prime team analysis



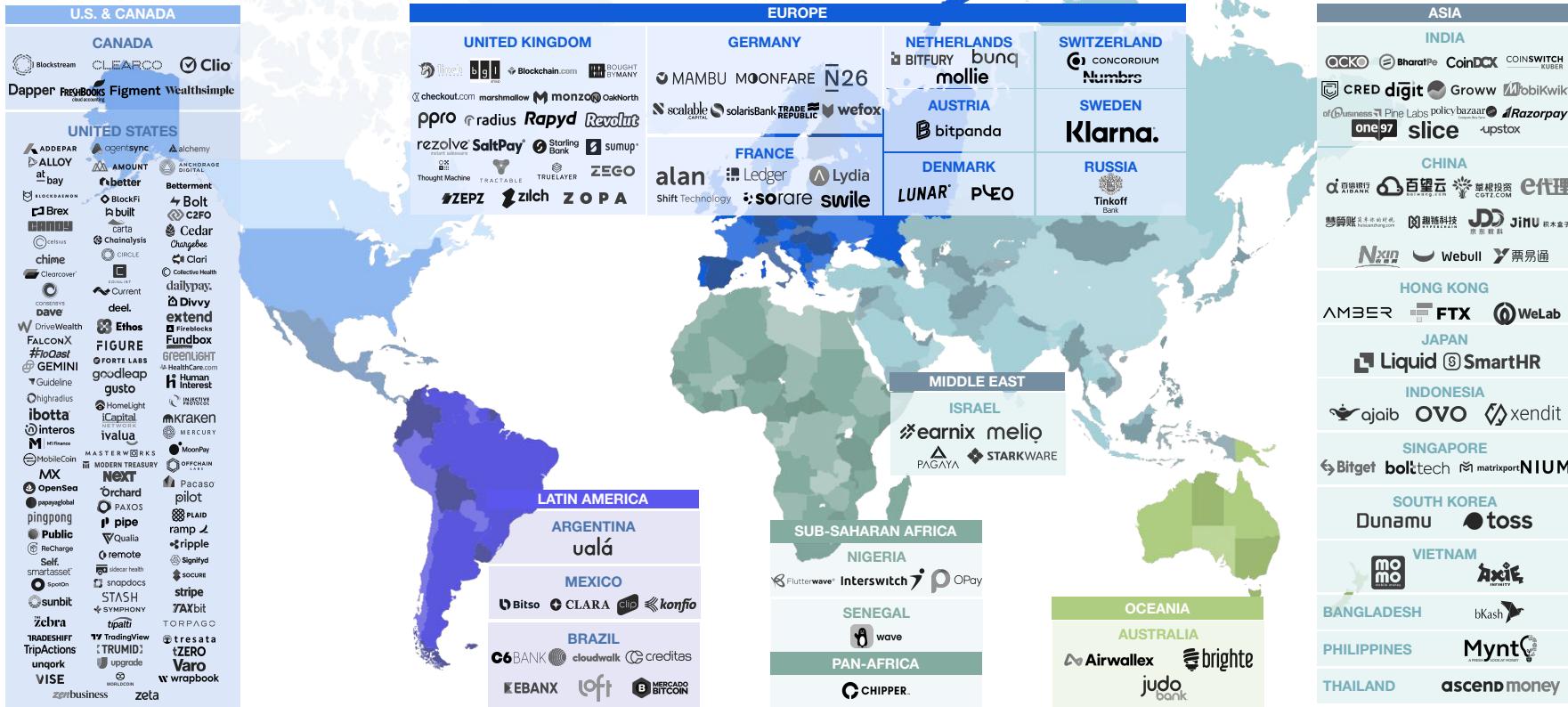
● SEED ● SERIES B
● SERIES A ● SERIES C

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