

TRACXN GEO QUARTERLY REPORT

FINTECH - UK - Q1 2024



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Tracxn Insights (1/4)

- The UK is home to more than 13k FinTech companies and has always been the Fintech hub on a global scale. Funding in this space witnessed a surge in the last quarter Q4 2023. However, Q1 2024 has witnessed a slight decline that can be attributed to the ongoing macroeconomic scenario across the globe
 - In Q1 2024, the UK FinTech startup ecosystem ranks 2nd globally in terms of funding
- The GDP of the country has witnessed a slight growth of 0.2% in Jan 2024 compared to the 0.1% fall that was observed in Dec 2023
- The UK FinTech startup ecosystem has witnessed a total of \$1.1B in funding in Q1 2024 , a drop of 15% as compared to the \$1.3B raised in both Q4 2023 and Q1 2023. The number of funding rounds also has decreased from 71 rounds in Q4 2023 to 55 rounds in Q1 2024
 - Seed-stage funding has been affected the most in Q1 2024 with a 55% drop compared to the funds raised last quarter. Q1 2024 witnessed \$36.1M compared to \$80.4M raised in the previous quarter. This is also a drop of 68% drop compared to the \$113M funding raised in Q1 2023
 - Early-stage rounds witnessed \$366M in Q1 2024, a slight drop of 4% compared to \$380M raised in Q4 2023 and a growth of 15% from \$318M raised in Q1 2023

Tracxn Insights (2/4)

- Late-stage funding in Q1 2024 has dropped to \$694M from \$845M raised in the previous quarter. This is an 18% drop from Q4 2023 and a 23% drop compared to the \$902M raised in Q1 2023
- In Q1 2024, the UK FinTech sector experienced 2, \$100M+ funding rounds, while Q4 2023 witnessed 5 such funding rounds and Q1 2023 witnessed 1 such round
 - Monzo, a neo bank, and Flagstone, a cash deposit comparison platform have raised funds of over \$100M
 - Monzo has raised \$430M in a Series H round, valuing the company at \$5B
- Banking Tech, Alternative Lending, and Payments are the top-performing sectors based on funding in Q1 2024
 - The Banking Tech sector has received a total of \$705M in funding in Q1 2024 which is an 88% and 249% increase compared to \$375M and \$202M raised in Q4 2023 and Q1 2023 respectively
 - Companies like Monzo, Flagstone, Napier, 10x have raised funds above \$50M in this space
 - The Alternative Lending segment has received \$285M in funding in Q1 2024, up by 517% as compared to \$46.2M received in the previous quarter. However, it is a drop of 64% as compared to \$793M raised in Q1 2023.

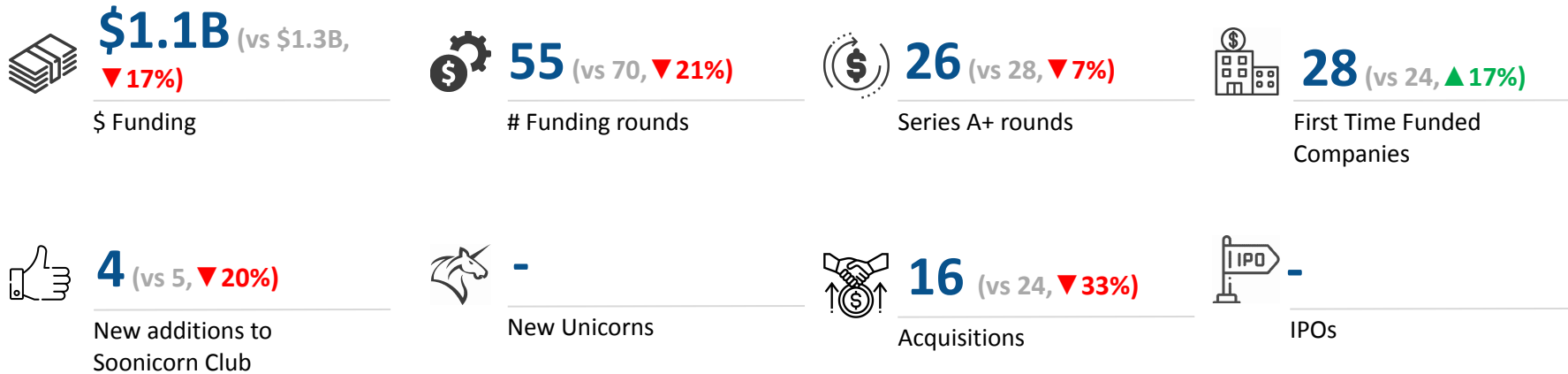
Tracxn Insights (3/4)

- The Payments segment has received a total of \$244M in Q1 2024 which is a 27% decrease compared to \$335M raised in Q4 2023 and also an increase of 591% compared to \$35.3M raised in Q1 2023
- The UK government is taking various measures to boost the funding and growth in this sector
 - CFIT(Centre for Finance, Innovation, and Technology) has launched an Open Finance Coalition to congregate banks, Big Tech, data providers, Fintech, and policymakers. CFIT is predicting that this measure will boost UK GDP by \$30.5B.
 - In the Spring Budget of 2024, the Government introduced a residency-based system for taxation. The new arrivals in the UK will have four years before being taxed. This can show a beneficial effect on the investment managers of private funds.
- No Unicorns were witnessed in Q1 2024, compared to 1 unicorn witnessed in Q4 2023
- No companies went public in Q1 2024 and Q1 2023
- This space has witnessed 16 acquisitions in Q1 2024, as compared to 24 acquisitions in Q1 2023, a drop of 33%. This is also a drop of 11% as compared to 18 acquisitions in Q4 2023

Tracxn Insights (4/4)

- London, Manchester, and Leeds are the top-funded cities in this space in Q1 2024
 - London has contributed almost 97% of the funding raised in Q1 2024
- Seedcamp, Techstars, and Anthemis Group are the top investors in the UK FinTech space
 - MS&AD Ventures, SV Angel, and Nauta Capital are the lead investors in the seed-stage funding in Q1 2024
 - Portage, Fidelity International Strategic Ventures, and QED Investors are the most active investors in the early stage investments in Q1 2024
 - CapitalG and Sprints are the leading investors actively involved in late-stage in Q1 2024

FinTech - UK Snapshot - Q1 2024



FinTech - UK All time Stats

Summary

All Companies	13,497
Funded Companies	1,722
Total Funding	\$53.1B
Funding in last 24 months	\$11.7B
Cumulative Valuation of all Unicorns	\$78.9B

Exits

Acquisitions	754
IPOs	53

Companies Covered

Unicorns	30
Soonicorns	120
Minicorns	315
Editor's Pick	1,341
Series A+	519
Series C+	122
Acqui-Hires	176
Deadpooled	3,517

Top Cities	London (\$44.1B)
	Shoreditch (\$1.0B)

Top Funding Rounds

Company	Round Details
Monzo (2015, London)	\$430M - Series H
Flagstone (2013, London)	\$139M - Series B
PPRO (2006, London)	\$92.9M - Series D
Kriya (2010, London)	\$63.4M - Convertible Debt
Blend Network (2016, London)	\$63.1M - Series B

Top Feeds

Feed	\$Funding
Banking Tech	\$705M
Alternative Lending	\$285M
Payments	\$244M
RegTech	\$150M
GRC Software	\$147M

Top Cities

City	\$Funding
London	\$1.1B
Manchester	\$27.5M
Leeds	\$3.0M
Tortola	\$3.0M
Southampton	\$158K

*Data from 01-Jan-2024 to 31-Mar-2024 is considered in report

Note: Numbers in bracket indicate the values of Q1 2023

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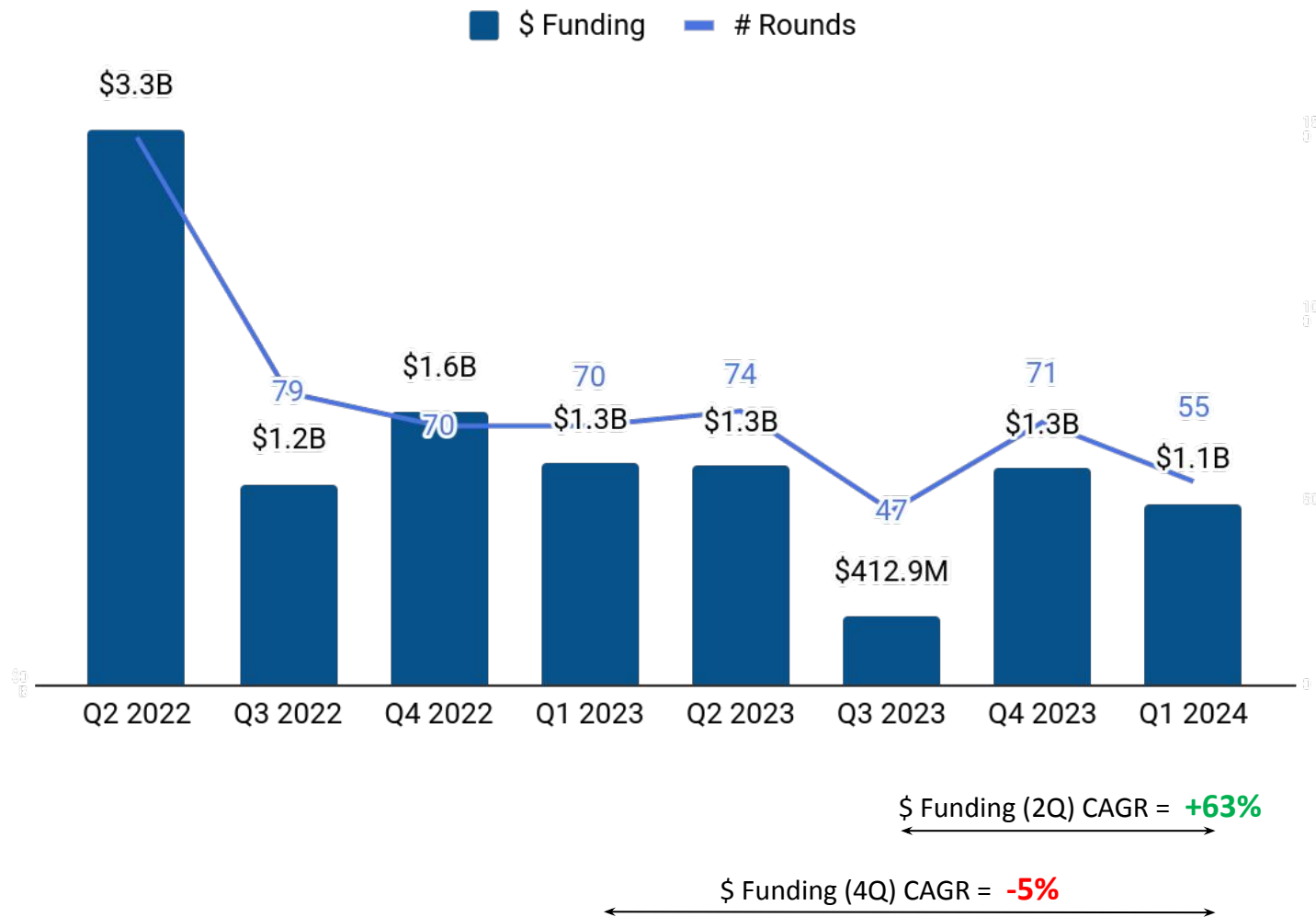
Q-o-Q Funding Trends

Q-o-Q Stage-wise Funding Trends

Top Funding Rounds in last quarter

Top Funded Business Models - last 1 quarter

Q-o-Q Funding Trends



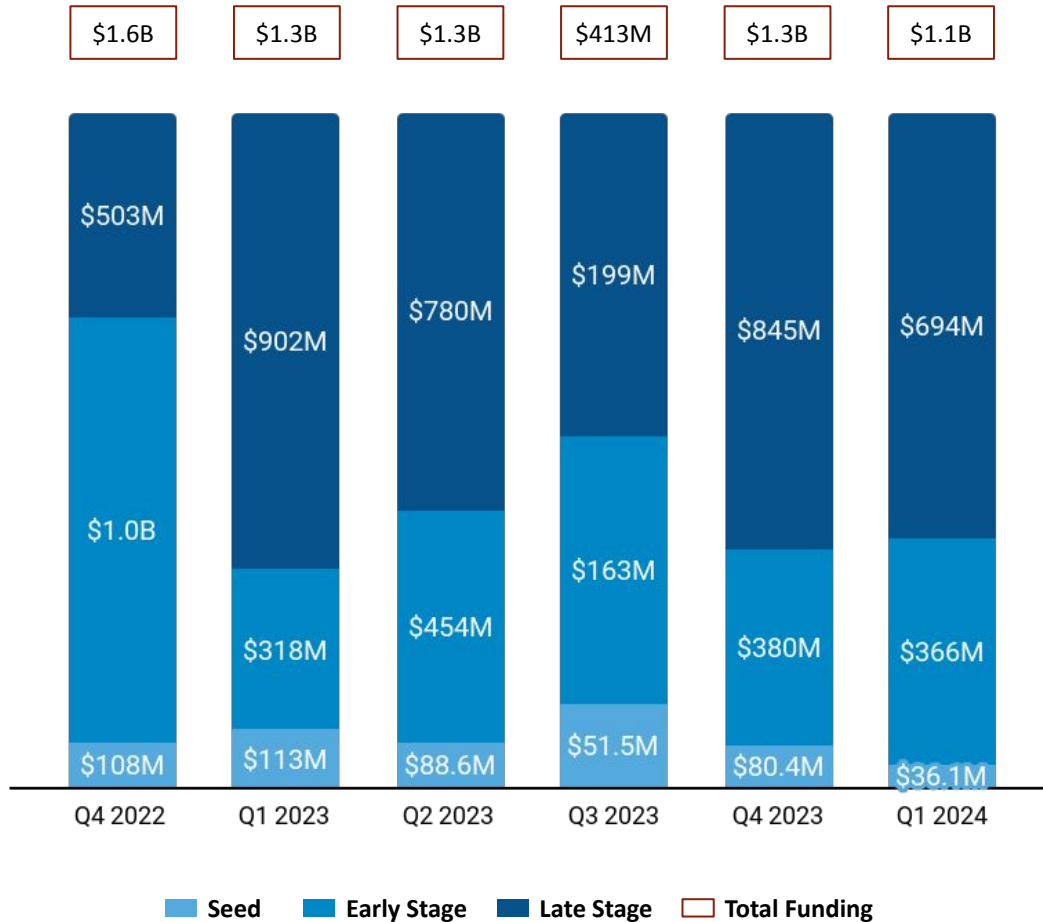
Top Funding Rounds in last 8 quarters

Company	Funding Round
BitGoldEx (2015, London)	\$715M - Series A
SumUp (2012, London)	\$622M - Series E
Abound (2020, London)	\$602M - Series D
Copper (2018, London)	\$500M - Series C
CheBots (2018, London)	\$500M - Series D
Monzo (2015, London)	\$430M - Series H
SumUp (2012, London)	\$307M - Series E
Paddle (2012, Corby)	\$200M - Series D
Copper (2018, London)	\$196M - Series C
Starling Bank (2014, London)	\$166M - Series D

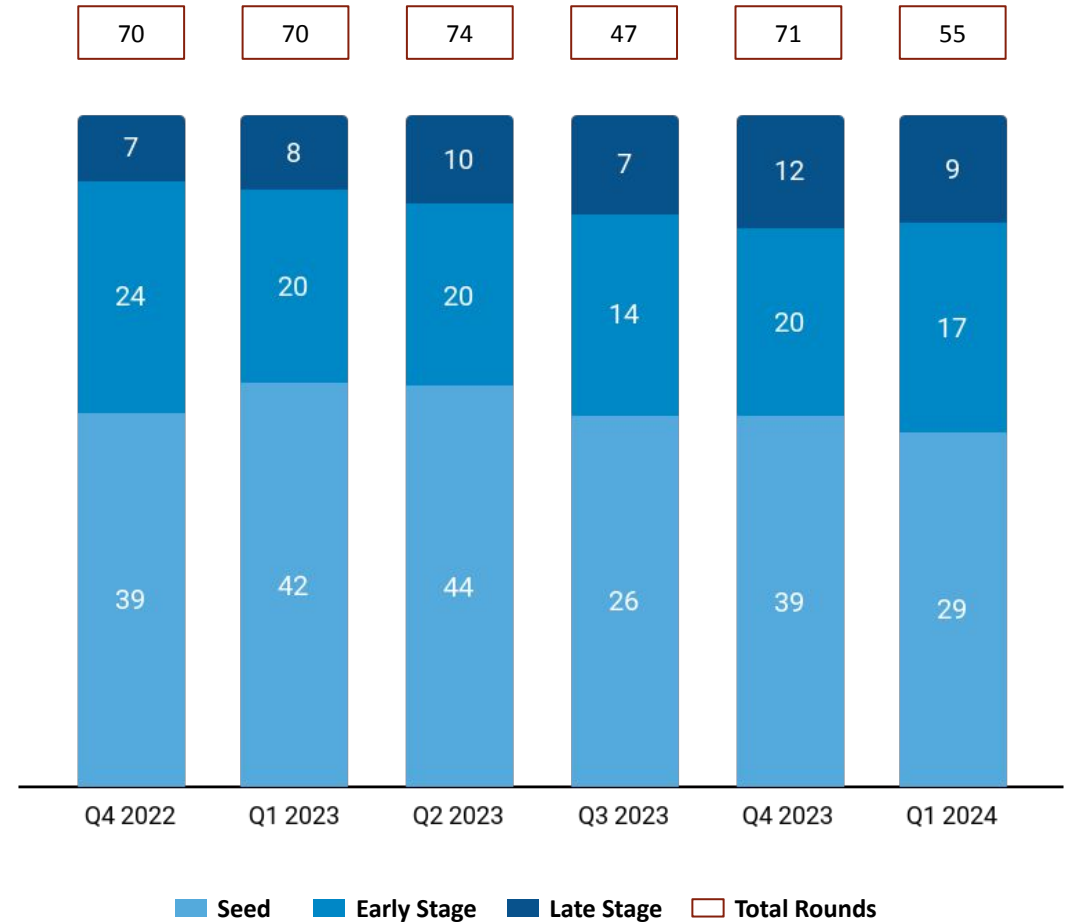
Note: Funding includes only Equity Funding. It excludes Debt, Grant, Post-IPO and ICO funding.

Q-o-Q Stage-wise Funding Trends

Stage-wise \$ Invested








Stage-wise Number of Rounds



Note: Seed includes Seed, Angel rounds. Early Stage includes Series A,B rounds. Late Stage includes Series C+, PE, Pre-IPO rounds.

Top Funded Business Models - last 1 quarter

Rank	Business Model	\$ Funding	# Rounds	Top Funding Round
1 ..	Digital Native Banks	\$430M	1	 Monzo \$430M - Series H
2 ..	Savings Comparison Platform	\$139M	1	 Flagstone \$139M - Series B
3 ..	Payment Routing Solutions	\$92.9M	1	 PPRO \$92.9M - Series D
4 ..	RegTech for Banks	\$56.7M	1	 Napier \$56.7M - Series C
5 ..	Core Banking Platforms	\$54.4M	2	 10x \$50.9M - Series C

* Rank is based on \$Invested in last 1 quarter in the Business Model. ▲ - Indicates change in Rank from previous quarter.

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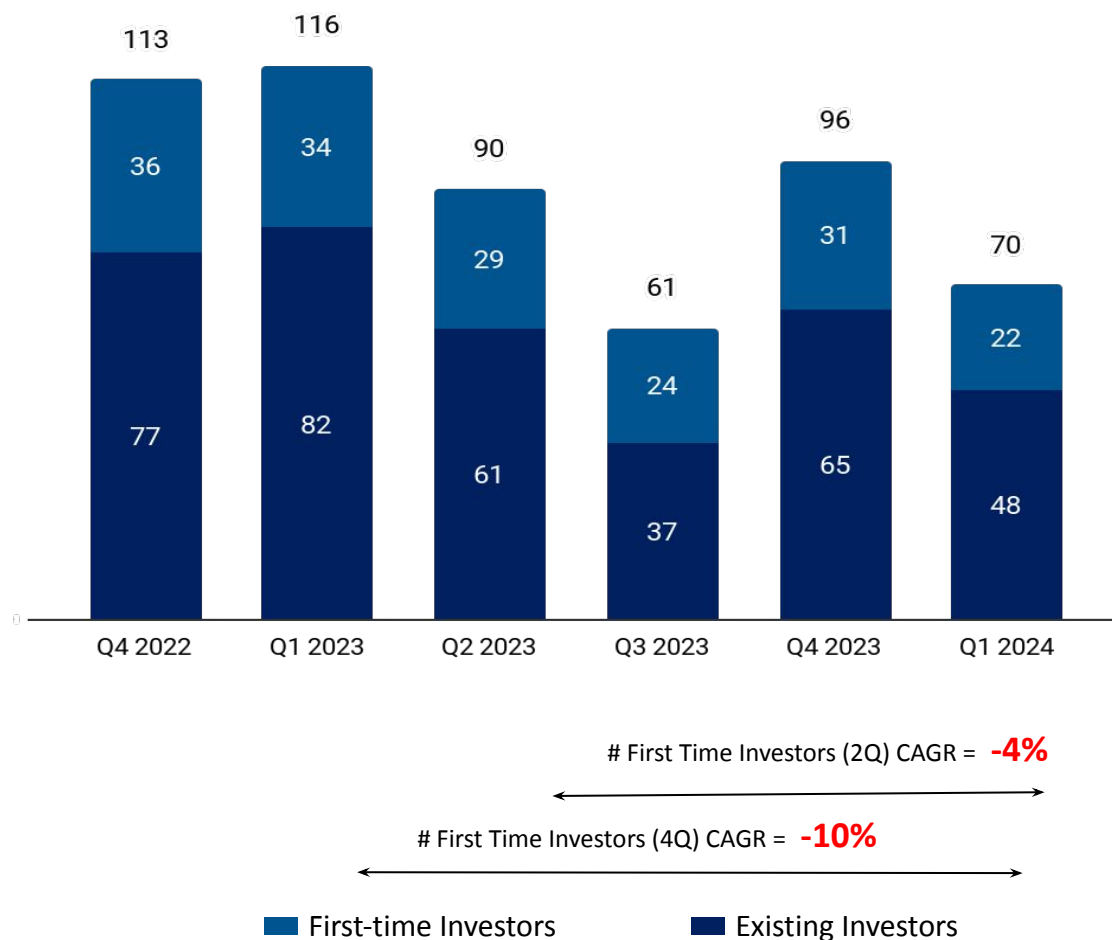
Q-o-Q Investors

Q-o-Q Global Investors

Most Active Investors

Q-o-Q Investors

Q-o-Q # of unique Institutional Investors in FinTech - UK



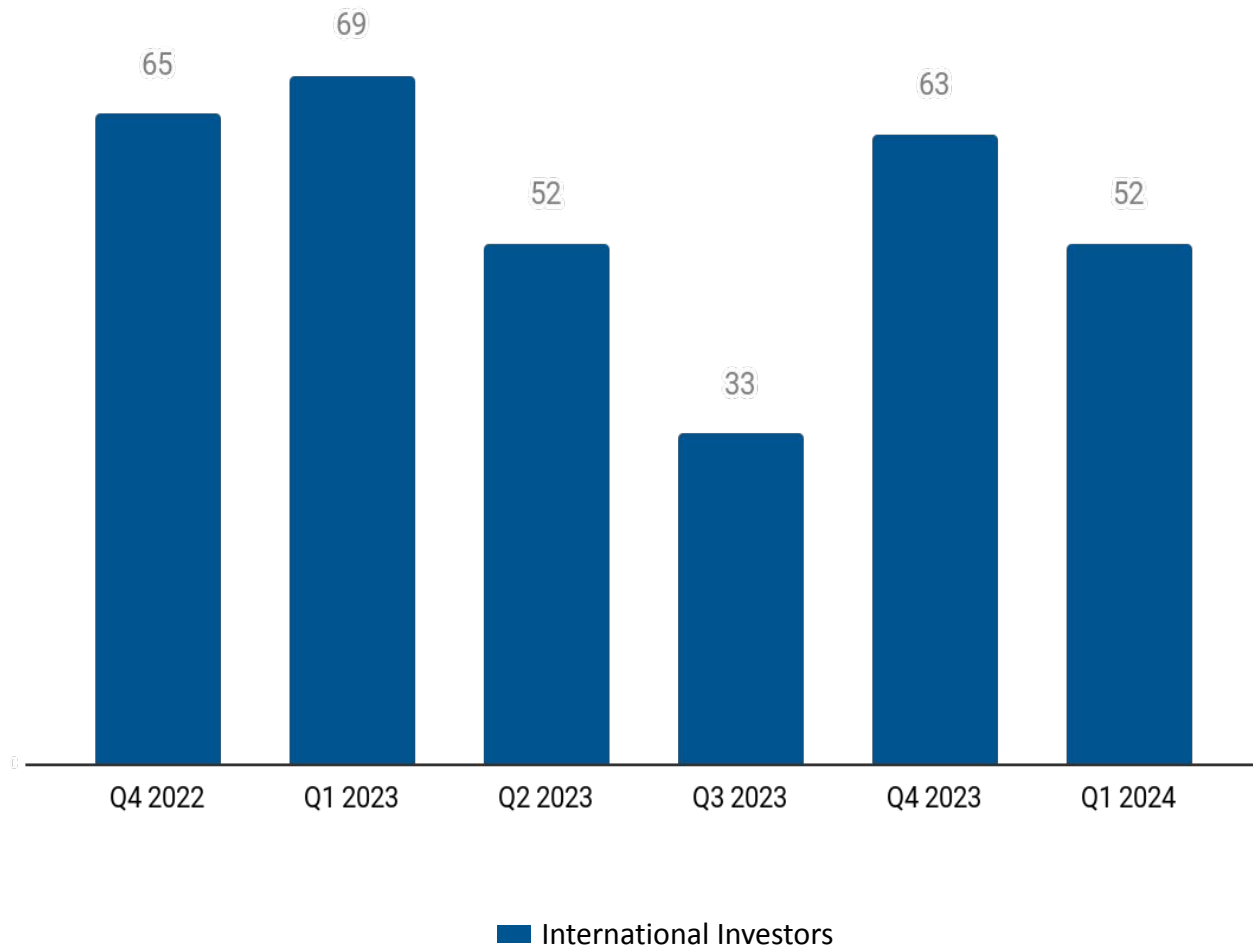
Top Institutional Investors with in Q1 2024

Stage	Investor name	# Investments in Q1 2024
Seed Stage	MS&AD Ventures	1 (--)
	SV Angel	1 (--)
	Nauta Capital	1 (--)
Early Stage	Portage	1 (--)
	Fidelity International Strategic Ventures	1 (--)
	QED Investors	1 (< 0%)
Late Stage	CapitalG	1 (--)
	Sprints	1 (--)








Note: First-time investors and Existing Investors are calculated from the available Equity Funding Rounds on Tracxn Platform. 1.The numbers in bracket correspond to the change from Q1 2023.

Q-o-Q International Investors

Q-o-Q # of unique Institutional Investors in FinTech - UK









Top International Institutional Investors in Q1 2024

Stage	Investor name	# Investments in Q1 2024
Seed Stage	 Y Combinator	1 (--)
	 MS&AD Ventures	1 (--)
	 Blockchain Founders Fund	1 (--)
Early Stage	 Portage	1 (--)
	 QED Investors	1 (< 0%)
	 Beringea	1 (--)
Late Stage	 CapitalG	1 (--)











Note: International Investors are the investors who are based outside of the Geo mentioned in the report. 1.The numbers in bracket correspond to the change from Q1 2023.

Most Active Investors: Accelerators & Incubators

#	Investor Name	Country	# Overall investments	# Investments in Geo* - Q1 2024	Notable Portfolio Investments in Geo*
1	 Y Combinator	United States	4684	1	Monzo (\$1.6B), nsave (\$4.1M)
2	 Blockchain Founders Fund	Singapore	126	1	Baanx (\$20.7M), Scallop (\$3.0M)
3	 AlleyCorp	United States	154	1	Carmoola (\$65.3M)
4	 InMotion Ventures	United Kingdom	32	1	Carmoola (\$65.3M)
5	 Fongit	Switzerland	128	1	nsave (\$4.1M)
6	 Skyland Ventures	Japan	99	1	Superfluid (\$14.1M)










Note: *Geo = FinTech - UK. The number in bracket refers to the total funding raised by the company.

Most Active Investors: VC - Seed

#	Investor Name	Country	# Overall investments	# Investments in Geo* - Q1 2024	Notable Portfolio Investments in Geo*
1	 MS&AD Ventures	United States	103	1	Artificial Labs (\$27.1M), Agio Ratings (\$4.6M)
2	 SV Angel	United States	725	1	nsave (\$4.1M)
3	 Nauta Capital	United Kingdom	90	1	ESPROFILER (\$3.5M)
4	 TQ Ventures	United States	96	1	nsave (\$4.1M)
5	 Kenetic	China	76	1	Ooga Booga (\$1.0M)
6	 6MV	United States	132	1	Scallop (\$3.0M)
7	 gumi Cryptos	United States	76	1	Arkis (\$2.3M)
8	 Veridian Ventures	United Kingdom	16	1	Maji (\$633K)
9	 Rubik Ventures	United States	21	1	Ooga Booga (\$1.0M)
10	 Love Ventures	United Kingdom	24	1	Detected (\$10.1M)



Note: *Geo = FinTech - UK. The number in bracket refers to the total funding raised by the company.

Most Active Investors: VC - Early Stage

#	Investor Name	Country	# Overall investments	# Investments in Geo* - Q1 2024	Notable Portfolio Investments in Geo*
1	 Portage	Canada	48	1	ZILO (\$31.8M), Agio Ratings (\$4.6M)
2	 Fidelity International Strategic Ventures	United Kingdom	22	1	Smart (\$519M), ZILO (\$31.8M)
3	 QED Investors	United States	208	1	Carmoola (\$65.3M)
4	 Beringea	United States	136	1	AccessPay (\$44.0M)
5	 Route 66 Ventures	United States	68	1	AccessPay (\$44.0M)
6	 Motive Partners	United States	28	1	Navro (\$20.5M)
7	 Augmentum Fintech	United Kingdom	33	1	Artificial Labs (\$27.1M)
8	 Praetura Ventures	United Kingdom	52	1	AccessPay (\$44.0M)
9	 Taavet+Sten	Estonia	5	1	Superfluid (\$14.1M)
10	XTX Ventures		2	1	WealthKernel (\$20.5M)







Note: *Geo = FinTech - UK. The number in bracket refers to the total funding raised by the company.

Most Active Investors: VC - Late Stage

#	Investor Name	Country	# Overall investments	# Investments in Geo* - Q1 2024	Notable Portfolio Investments in Geo*
1	 CapitalG	United States	74	1	Monzo (\$1.6B)
2	 Sprints	United Kingdom	26	1	PPRO (\$463M)

Note: *Geo = FinTech - UK. The number in bracket refers to the total funding raised by the company.

Most Active Investors: PE

#	Investor Name	Country	# Overall investments	# Investments in Geo* - Q1 2024	Notable Portfolio Investments in Geo*
1	 Eurazeo	France	257	1	PPRO (\$463M)
2	 Bridgepoint Capital	Germany	67	1	Kerv (\$12.0M)
3	 Alpha Sigma Capital	United States	50	1	Alvara
4	 Bowmark Capital	United Kingdom	28	1	CubeLogic
5	 HPE Growth	Netherlands	17	1	PPRO (\$463M)
6	 Kenzoll Capital	Netherlands	1	1	Traianus Partners

Note: *Geo = FinTech - UK. The number in bracket refers to the total funding raised by the company.

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Exit Snapshot


List of Acquisitions


Most Active Acquirers


Exit Snapshot - Q1 2024

IPOs - Q1 2024 (vs Q1 2023)

 **0** (vs 0)
IPOs

 - (vs -)
Avg. yrs from first funding to IPO

 - (vs -)
Avg. Funding raised before IPO


 - (vs -)
Avg. IPO Mcap

Acquisitions - Q1 2024 (vs Q1 2023)






 **16** (vs 24)
Acquisitions

 **8.1** (vs 5.5)
Avg. yrs from first funding to Acq.

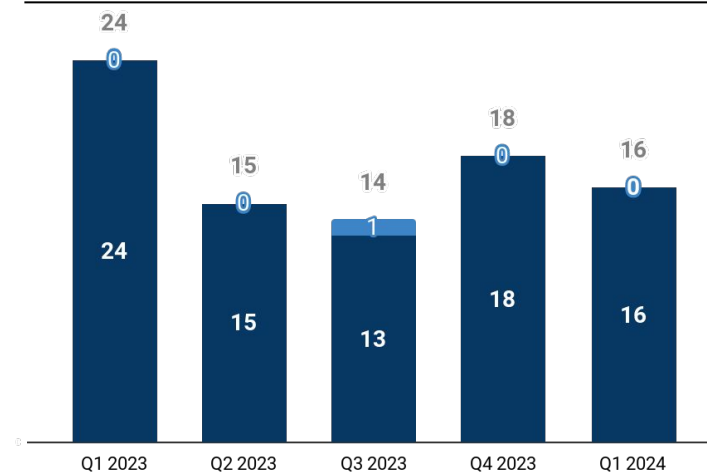
 **\$104M** (vs \$49.4M)
Avg. Funding raised before Acq.

 - (vs \$320M)
Avg. Acq. Price




Top Investors by # Exits - Q1 2024

Investor	# Exits	Notable Exit
 SFC Capital	2	Onfido, WaymarkTech
 ACE & Company	1	Abaka
 ABS Ventures	1	Sage Group
 Acequia Capital	1	Onfido
 7percent Ventures	1	So-Sure





Q-o-Q Exit Trends



Top Exits - Q1 2024











Type	Company	Acq. Price/IPO Mcap
Acq.	 Greenfin (2020, Liverpool, \$2.7M)	-
	 SmartSearch (2011, Leeds)	-
	 Nuapay (2015, London)	-

List of Acquisitions - Q1 2024

Company	Acquirer(s)	Acq. Date	Acq. Price
 Greenfin (2020, Liverpool, \$3M)	Paynetics	Mar 2024	NA
 SmartSearch (2011, Leeds)	-	Mar 2024	NA
 Nuapay (2015, London)	GoCardless	Mar 2024	NA
 So-Sure (2016, London, \$3M)	Open	Mar 2024	NA
 MyPAYE (2009, Peterborough)	Pennine Ventures	Mar 2024	NA
 Pento (2016, London, \$54M)	Bob	Feb 2024	NA
 Third Financial (2007, London, \$11M)	Nucleus Financial	Feb 2024	NA
 Onfido (2012, London, \$242M)	Entrust	Feb 2024	NA
 Abaka (2016, London, \$16M)	ieDigital	Jan 2024	NA
 Sage Group (1981, Newcastle Upon Tyne, \$400M)	Central PA Law Group	Jan 2024	NA

View all 16 companies on [Tracxn Platform](#)

Most Active Acquirers

#	Acquirer	Country	# Acq.	Average Acq. Price	Companies Acquired
1	 Paynetics	Bulgaria	1	-	Greenfin
2	 GoCardless	United Kingdom	1	-	Nuapay
3	 Open	Australia	1	-	So-Sure
4	 Pennine Ventures	United Kingdom	1	-	MyPAYE
5	 FIS	United States	1	-	Torstone Technology
6	 Sumer group	-	1	-	MHA Monahans
7	 Nukk	United States	1	-	Mercury
8	 Bob	Israel	1	-	Pento
9	 Nucleus Financial	United Kingdom	1	-	Third Financial
10	 Ascent	United States	1	-	WaymarkTech

Note: Numbers in bracket indicate the Acquisition Price of the company.

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Unicorn Trends

Unicorn Trends in Q1 2024

FinTech - UK - Q1 2024 (vs Q1 2023)

 **0** (vs -)

Total Unicorns

 - (vs -)

Avg Years from Series A to Unicorn Round

 - (vs -)

Avg \$ Funding before Unicorn Round

 - (vs -)

Avg # Funding Rounds before Unicorn Round

 - (vs -)

Avg Institutional Investors before Unicorn Round

Global - Q1 2024 (vs Q1 2023)

 **24** (vs 13)

Total Unicorns

 **3.6** (vs 1.9)

Avg Years from Series A to Unicorn Round

 **\$233M** (vs \$263M)

Avg \$ Funding before Unicorn Round

 **3.7** (vs 1.9)

Avg # Funding Rounds before Unicorn Round

 **8.1** (vs 4.4)

Avg Institutional Investors before Unicorn Round

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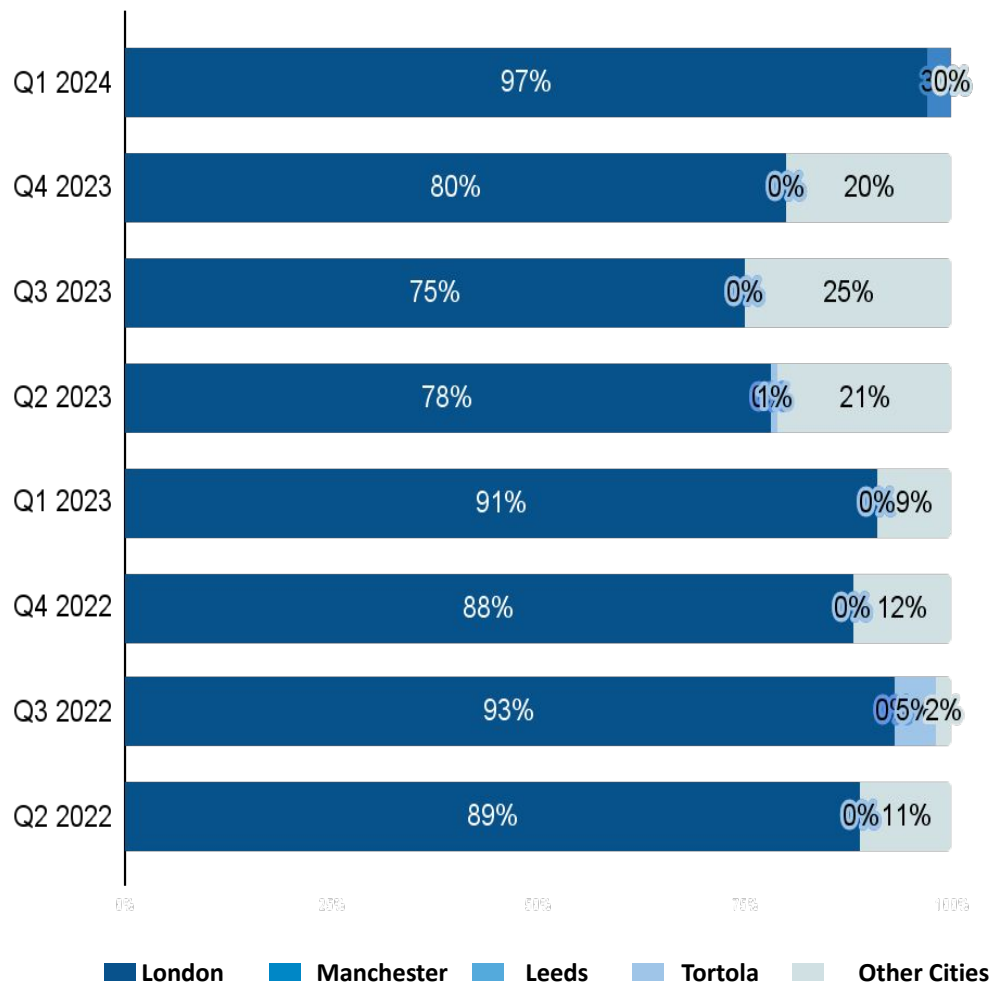
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▶ Cities by Total Funding

Cities by Funding raised in last 2 quarters

Citywise Trends - Total Funding


Distribution by Cities - Total Funding (\$)





Total Funding

Top Companies


\$1.1B

 **Monzo**
(\$430M)

 **AccessPay**
(\$24.0M)

 **Kulipa**
(\$3.0M)


\$1.3B


 **SumUp**
(\$307M)

\$413M

 **Curve**
(\$71.8M)

\$1.3B


 **CheBots**
(\$500M)

 **Frost**
(\$2.3M)

\$1.3B


 **Abound**
(\$602M)

\$1.6B

 **BitGoldEx**
(\$715M)

 **Hydr**
(\$333K)


\$1.2B


 **Copper**
(\$500M)

 **BankiFi**
(\$4.9M)

\$3.3B









 **SumUp**
(\$622M)

 **SwooshTran..**
(\$NaN)

 **Tred**
(\$887K)

Citywise Trends - Funding raised in last 2 Quarters

Funding raised in 2 Qtrs (Market Share %)

Rank	City	Q1 2024		Q4 2023		Top Funded Companies in Q1 2024		
		#	%	#	%			
1	London	\$1.1B	97 %	\$1.0B	80 %	 Monzo \$430M	 Flagstone \$139M	 PPRO \$92.9M
2	Manchester	\$27.5M	3 %	0	-	 AccessPay \$24.0M	 ESPROFILER \$3.5M	
3	Leeds	\$3.0M	0 %	0	-	 Kulipa \$3.0M		
4	Tortola	\$3.0M	0 %	\$3.2M	0 %	 Scallop \$3.0M		
5	Southampton	\$158K	0 %	0	-	 Sibstar \$158K		

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