

TRACXN GEO QUARTERLY REPORT

FINTECH - UK - Q3 2024



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Tracxn Insights (1/4)

- The UK FinTech startup ecosystem ranks 3rd in terms of overall funding after the US and China in the global Fintech space
- With more than 10k active companies in the UK Fintech space, this region accounts for 9% of the total FinTech companies in the globe
- Despite the important position of the UK in the FinTech space, there has been a decline in the funding in recent years. Q3 2024 has witnessed a 72% decline in funding compared to the previous quarter
 - The decline can be attributed to the fact that UK economy continues to brace the impact of the funding winter, rising inflationary pressures, and increased energy prices, among other macroeconomic headwinds that are affecting economies globally
- Despite, the outlook for the UK economy is positive considering various factors:
 - UK GDP in Q2 2024 was 2.9% above its pre-pandemic level of Q4 2019
- The UK boasts a quality talent pool, higher fintech adoption rate, higher concentration of financial and professional services firms and forward-thinking regulations

Tracxn Insights (2/4)

- The UK FinTech space in Q3 2024 witnessed a total of \$533M which is a 72% drop as compared to \$1.9B raised in Q2 2024 and 24% decline from \$706M in Q3 2023
 - Late-stage rounds in Q3 2024 saw funding of \$268M, a 44% reduction compared to \$479M raised in Q2 2024 and a decline of 27% compared to \$367M raised in Q3 2023
 - Early-stage rounds in Q3 2024 saw funding of \$240M, a drop of 82% compared to \$1.3B raised in Q2 of 2024, and also a drop of 11% compared to \$271M raised in Q3 2023
 - Seed-stage rounds in Q3 2024 saw funding of \$24.9M, a 77% drop compared to \$109M raised in Q2 2024 and also a 63% drop from \$67M raised in Q3 2023
- Finance & Accounting Tech, Banking Tech, and Payments are top-performing segments in the FinTech sector in Q3 of 2024
 - The Finance & Accounting Tech segment witnessed a total funding of \$172M, an increase of 59% compared to \$108M raised in Q2 2024 and a 975% increase compared to \$16M raised in Q3 2023

Tracxn Insights (3/4)

- 69% of the funding in this space is due to a single \$120M funding round raised by Cloudpay, a cloud-based payroll management software for businesses
- The Banking Tech segment has received \$170M in Q3 of 2024, a drop of 40% compared to \$284M raised in Q2 of 2024 although it is a growth of 215% compared to \$54M raised in Q3 2023
- The Payments segment has witnessed a total funding of \$153M, a growth of 595% compared to \$22M raised in Q2 of 2024 although it is a decline of 5% compared to funding raised in Q3 2023
- Alternative Lending and Insurance IT are the most affected segment in Q3 2024
 - Funding in the Alternative Lending segment has dropped by 98% from \$958M in Q2 2024 to \$18.7M in Q3 2024
 - Funding in Insurance IT dropped by 86% from \$173M in Q2 2024 to \$24.6M in Q3 2024
- There is only 1 \$100M+ funding rounds in Q3 2024
 - Cloudpay, a Cloud-based payroll management software for businesses has raised funding of \$120M
- No IPOs were witnessed in Q3 2024
- No new unicorns were observed in Q3 2024 similar to Q2 2024 and Q3 2023

Tracxn Insights (4/4)

- Q3 2024 saw 19 acquisitions, a rise of 46% from 13 acquisitions in Q2 2024 and Q3 2023
 - Landvault, a platform helping users build metaverse economy was acquired by Infinite Reality at a price of \$450M
 - Onconnect, an open banking API solutions for banks and financial institutions was acquired by PayPoint at a price of \$13.5M
- London leads the funding in UK FinTech space, followed by Andover and Edinburgh
- Seedcamp, Techstars and Anthemis Group are the top investors in this space
 - Speedinvest, Fenbushi Capital and LVT Capital emerged as the top seed stage investors in Q3 2024
 - Bessemer Venture Partners, Index Ventures, and Lightspeed Venture Partners were top early-stage investors in Q3 2024

FinTech - UK Snapshot - Q3 2024

 **\$533M** (vs \$706M, ▼24%)

\$ Funding

 **39** (vs 72, ▼45%)

Funding rounds

 **24** (vs 30, ▼20%)

Series A+ rounds

 **5** (vs 40, ▼87%)

First Time Funded Companies

 **2** (vs 3, ▼33%)

New additions to Soonicorn Club

 **-** (vs -, -)

New Unicorns

 **19** (vs 13, ▲47%)

Acquisitions

 **-** (vs 1, ▼100%)

IPOs

FinTech - UK All time Stats

Summary

All Companies	14,789
Funded Companies	2,206
Total Funding	\$66.8B
Funding in last 24 months	\$10.7B
Cumulative Valuation of all Unicorns	\$91.8B

Exits






Acquisitions	644
IPOs	59

Companies Covered

Unicorns	32
Soonicorns	121
Minicorns	323
Editor's Pick	1,319
Series A+	633
Series C+	147
Acqui-Hires	163
Deadpooled	4,551

Top Cities
London (\$51.1B)
Manchester (\$1.2B)

Top Funding Rounds

Company	Round Details
 CloudPay (1996, Andover)	\$120M - Series F
 Form3 (2016, London)	\$60.0M - Series C
 The Bank of Lo.. (2016, London)	\$55.0M - Series D
 Novatus Global (2019, London)	\$40.0M - Series B
 Datamaran (2014, London)	\$33.0M - Series C

Top Feeds

Feed	\$Funding
Finance & Accounting Tech	\$172M
Banking Tech	\$170M
Investment Tech	\$116M
Digital Remittance	\$38.2M
Forex Tech	\$33.2M

Top Cities

City	\$Funding
London	\$401M
Andover	\$120M
Edinburgh	\$5.0M
Tortola	\$4.5M
Sheffield	\$2.6M

*Data from 01-Jul-2024 to 30-Sep-2024 is considered in report

Note: Numbers in bracket indicate the values of Q3 2023

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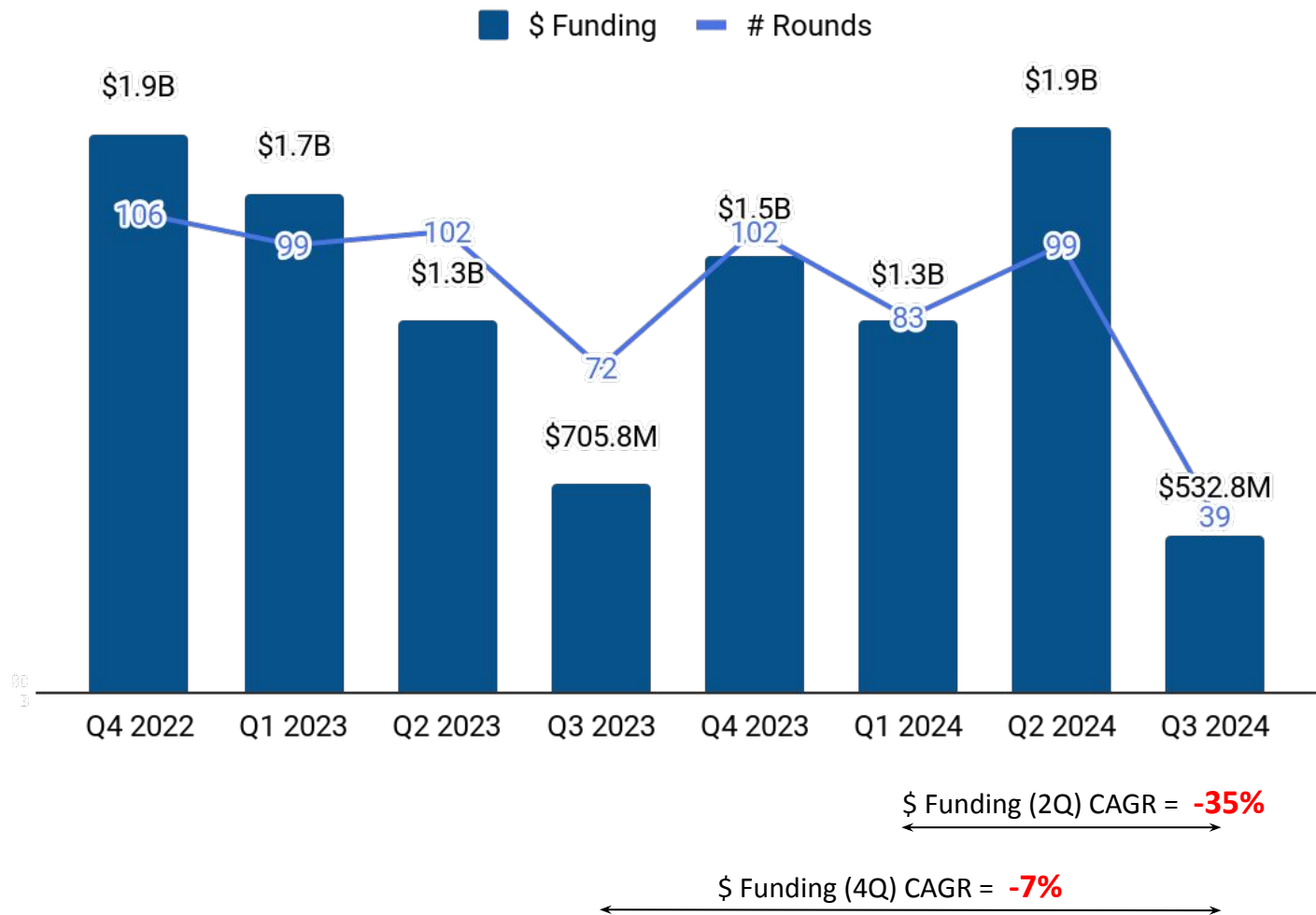
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Q-o-Q Funding Trends

Q-o-Q Stage-wise Funding Trends

Top Funded Business Models - last 1 quarter

Q-o-Q Funding Trends



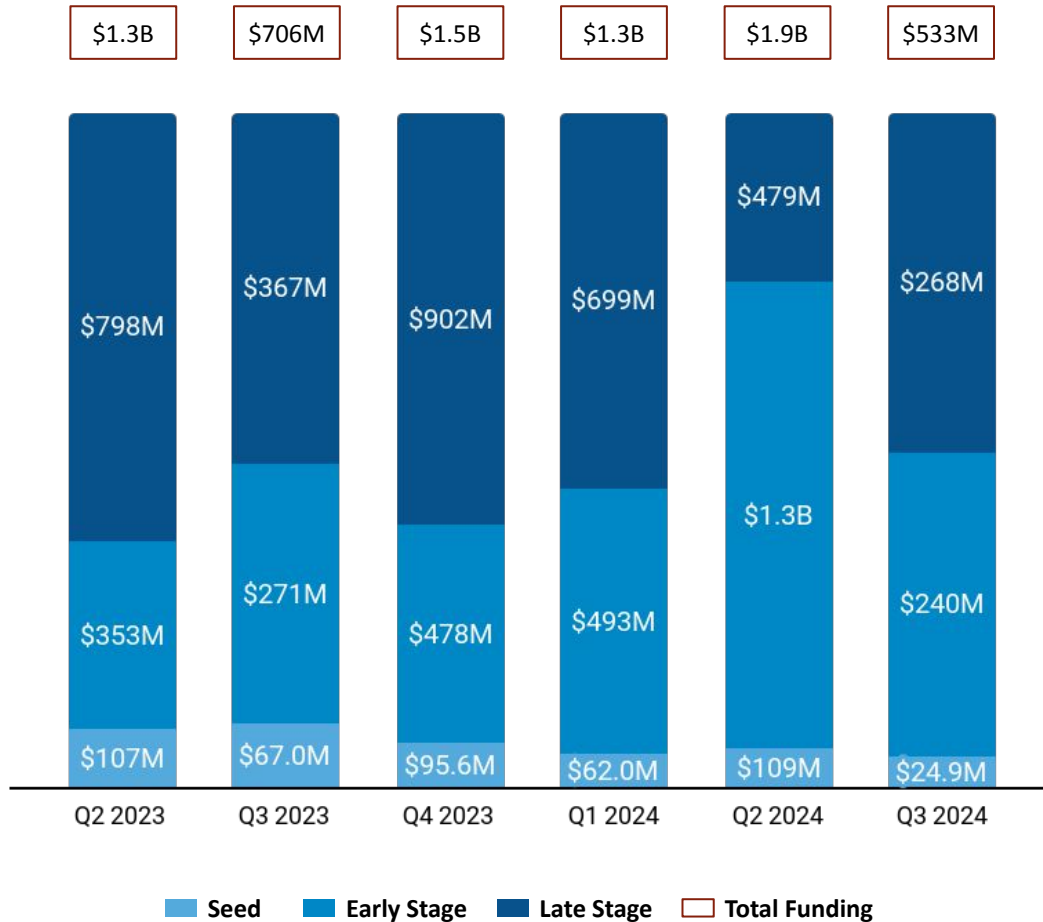
Top Funding Rounds in last 8 quarters

Company	Funding Round
Abound (2020, London)	\$862M - Series B
BitGoldEx (2015, London)	\$715M - Series A
Abound (2020, London)	\$602M - Series B
CheBots (2018, London)	\$500M - Series D
Monzo (2015, London)	\$430M - Series I
SumUp (2012, London)	\$307M - Series E
Copper (2018, London)	\$196M - Series C
Monzo (2015, London)	\$190M - Series I
Quantopay (2016, London)	\$165M - Series D
OneTrust (2016, London)	\$150M - Series D

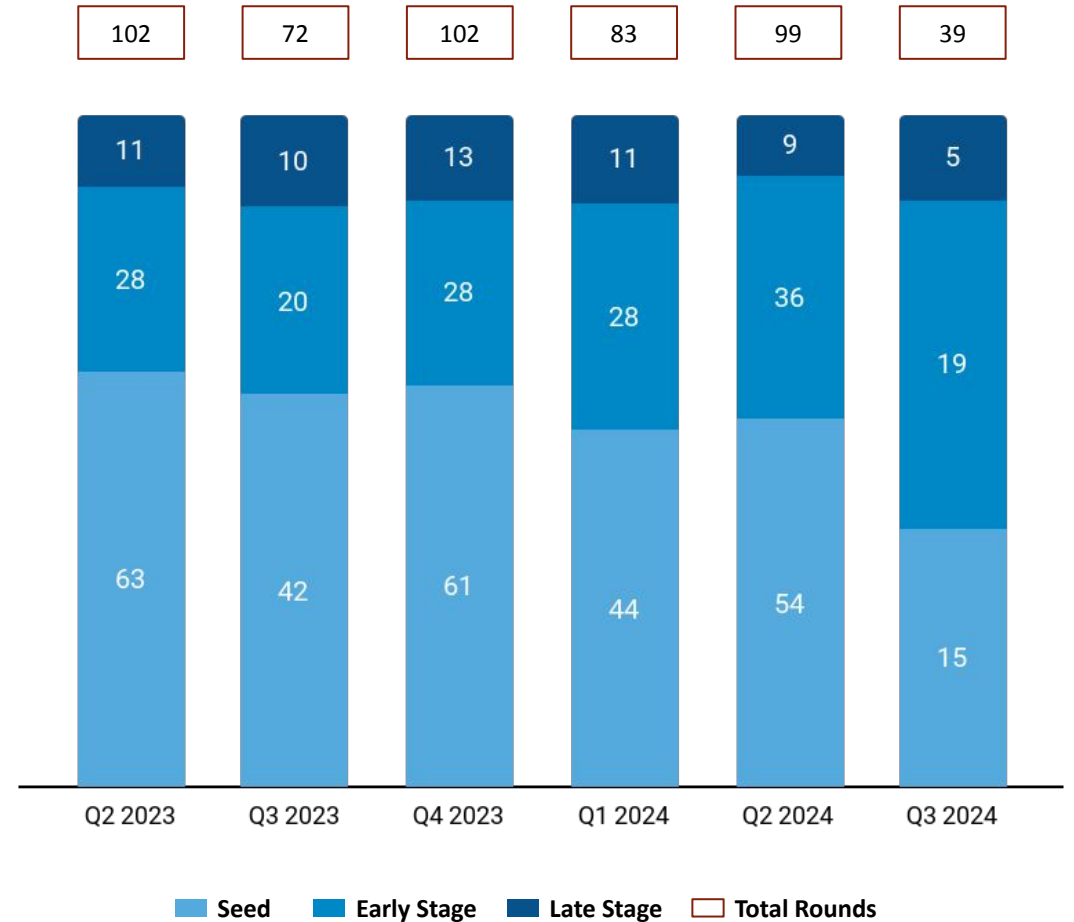
Note: Funding includes only Equity Funding. It excludes Debt, Grant, Post-IPO and ICO funding.

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 ..	Payroll Management Solutions	\$134.6M	3	 CloudPay \$120.0M - Series F
2 ..	Merchant Banking Payment Automation	\$60.0M	1	 Form3 \$60.0M - Series C
3 ..	Open Banking	\$55.0M	1	 The Bank of .. \$55.0M - Series D
4 ..	RegTech Suite	\$40.0M	1	 Novatus Global \$40.0M - Series B
5 ▲ ₈	B2B Online Remittance	\$36.0M	2	 Sokin \$31.0M - Series A
6 ..	Bank Marketing Analytics	\$33.0M	1	 Datamaran \$33.0M - Series C
7 ▲ ₁	Accounts Payble Automation	\$30.0M	1	 Apron \$30.0M - Series B
8 ..	CRM for Banks	\$21.6M	1	 Twenty7Tec \$21.6M - Series A
9 ..	Account Linked Expense Management	\$20.3M	2	 Plum \$17.3M - Series B
10 ▲ ₃	Crypto-based Financial Services	\$13.0M	2	 ParFin \$10.0M - Series A

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

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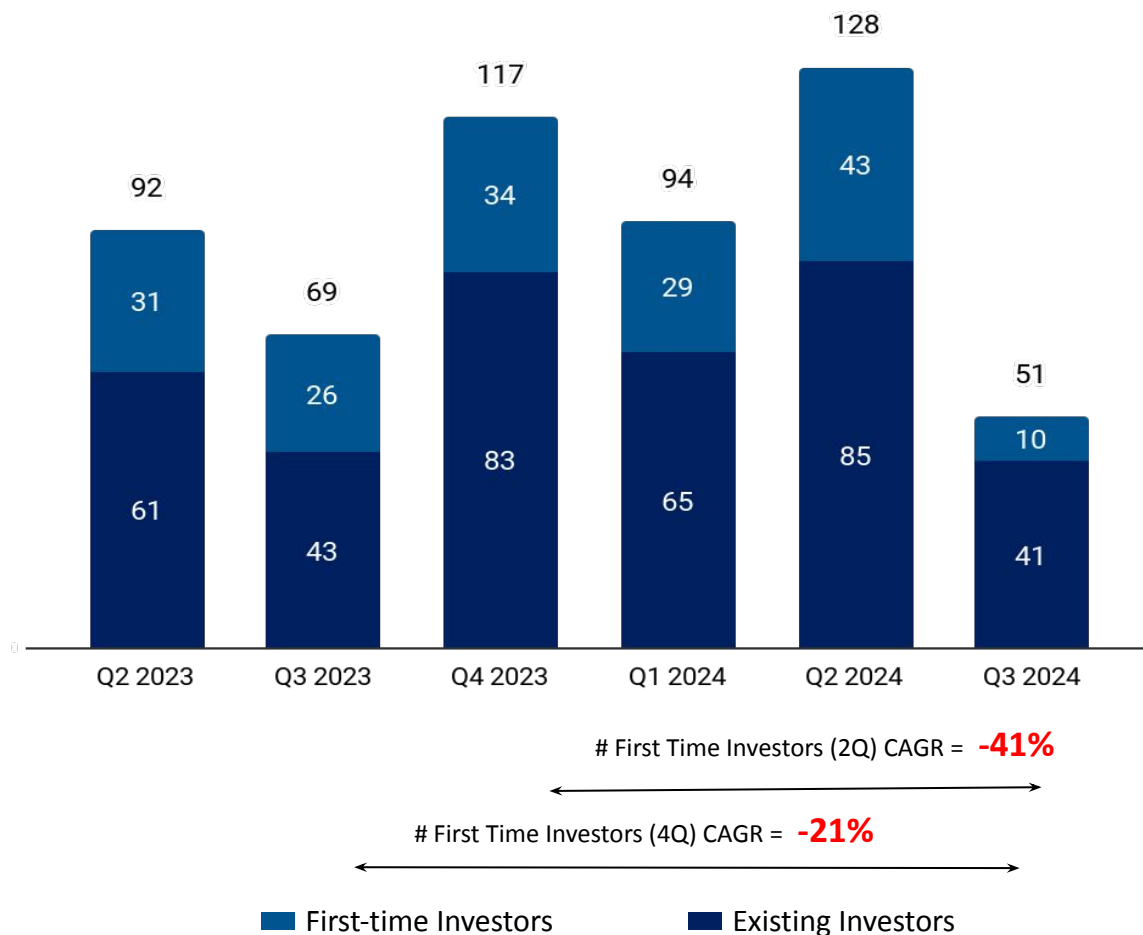
Q-o-Q Investors

Q-o-Q Global Investors







Most Active Investors

Q-o-Q Investors

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



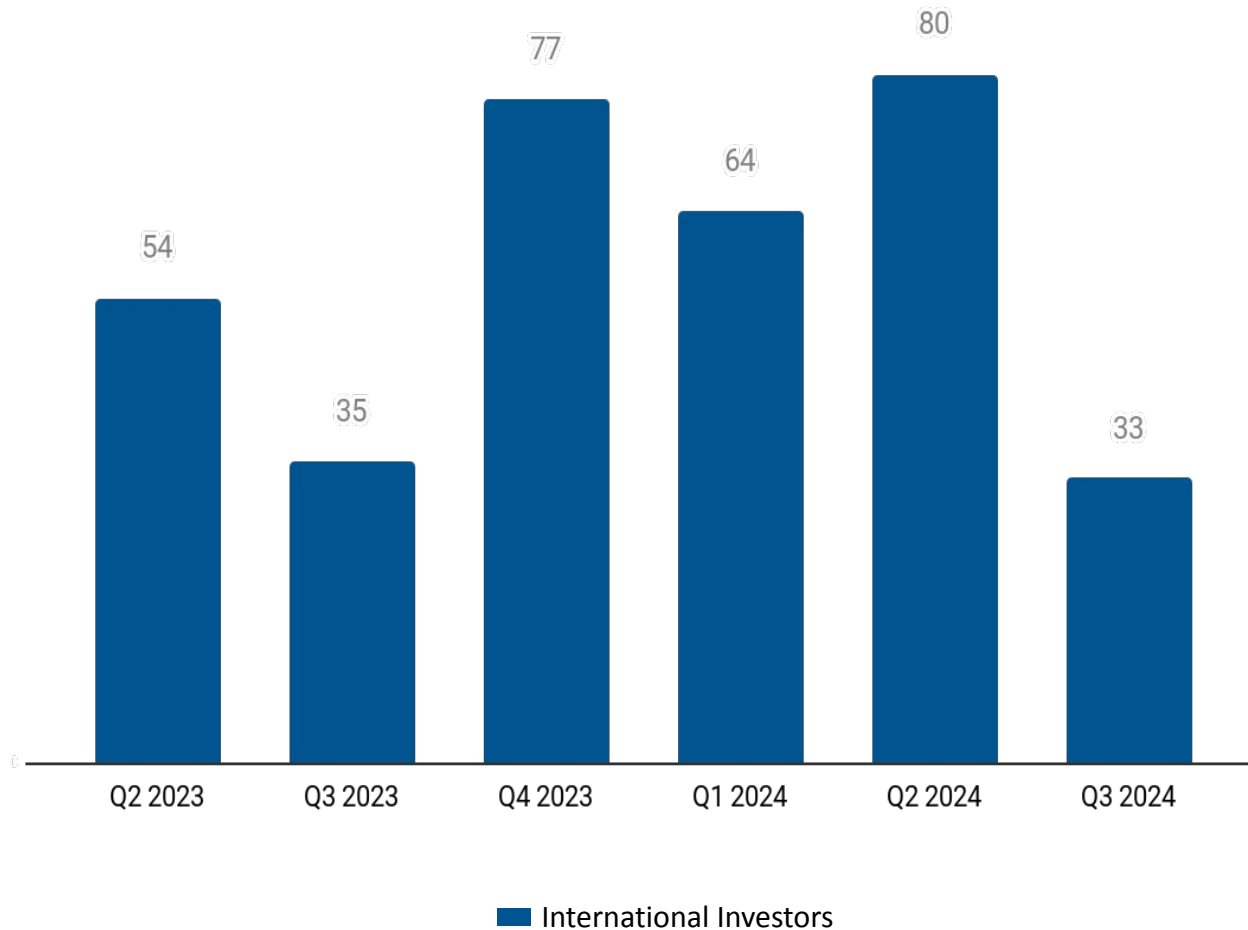
Top Institutional Investors in Q3 2024

Stage	Investor name	# Investments in Q3 2024
Seed Stage	 Speedinvest	1 (--)
	 Fenbushi Capital	1 (--)
	 LVT Capital	1 (--)
Early Stage	 Bessemer Venture Partners	1 (< 0%)
	 Index Ventures	1 (< 0%)
	 Lightspeed Venture Partners	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 Q3 2023.

Q-o-Q International Investors

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









Top International Institutional Investors in Q3 2024

Stage	Investor name	# Investments in Q3 2024
Seed Stage	 Speedinvest	1 (--)
	 Fenbushi Capital	1 (--)
	 LVT Capital	1 (--)
Early Stage	 Bessemer Venture Partners	1 (<> 0%)
	 Lightspeed Venture Partners	1 (--)
	 Creandum	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 Q3 2023.

Most Active Investors: Accelerators & Incubators

#	Investor Name	Country	# Overall investments	# Investments in Geo* - Q3 2024	Notable Portfolio Investments in Geo*
1	 Speedinvest	Austria	290	1	Palm (\$6.1M)
2	 LVT Capital	Australia	49	1	Freebnk (\$3.0M)
3	 Alliance DAO	-	34	1	Legion (\$2.0M)
4	 Lavender Capital	United Kingdom	29	1	Freebnk (\$3.0M)
5	 Founder Heads	Lithuania	9	1	Freebnk (\$3.0M)
6	 L4 Venture Builder	Brazil	6	1	ParFin (\$31.5M)











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* - Q3 2024	Notable Portfolio Investments in Geo*
1	 Fenbushi Capital	China	168	1	Lukka (\$208.8M), ZKEX (\$2.5M)
2	 Target Global	Germany	156	1	Palm (\$6.1M)
3	 Liquid 2 Ventures	United States	259	1	Palm (\$6.1M)
4	 Primo Ventures	Italy	58	1	Xbooks (\$1.6M)
5	 NGC	China	303	1	ZKEX (\$2.5M)
6	 Lince Capital	Portugal	37	1	Paynest (\$3.9M)
7	 IDG Blockchain	Vietnam	19	1	ZKEX (\$2.5M)


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* - Q3 2024	Notable Portfolio Investments in Geo*
1	 Bessemer Venture Partners	United States	799	1	Apron (\$50.5M)
2	 Index Ventures	United Kingdom	617	1	Apron (\$50.5M)
3	 Lightspeed Venture Partners	United States	883	1	Lemon Markets (\$30.0M)
4	 BGF	United Kingdom	455	1	Twenty7Tec (\$21.6M)
5	 Calculus Capital	United Kingdom	65	1	Optalitix (\$8.0M)
6	 Creandum	Sweden	148	1	Lemon Markets (\$30.0M)
7	 AlbionVC	United Kingdom	106	1	Instinct Digital (\$14.8M)
8	 Ventura Capital	United Kingdom	36	1	Plum (\$75.8M)
9	 Morpheus Ventures	United States	35	1	Recast (\$24.3M)
10	 CommerzVentures	Germany	37	1	Lemon Markets (\$30.0M)

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* - Q3 2024	Notable Portfolio Investments in Geo*
1	 Heliad	Germany	39	1	Lemon Markets (\$30.0M)
2	 BlackPeak Capital	Bulgaria	18	1	Leanpay (\$13.7M)

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 - Q3 2024

IPOs - Q3 2024
(vs Q3 2023)

 **0** (vs 1)
IPOs

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

 - (vs -)
Avg. Funding raised before IPO

 - (vs -)
Avg. IPO Mcap

Acquisitions - Q3 2024 (vs Q3 2023)






 **19** (vs 13)
Acquisitions

 **5.5** (vs 6.2)
Avg. yrs from first funding to Acq.

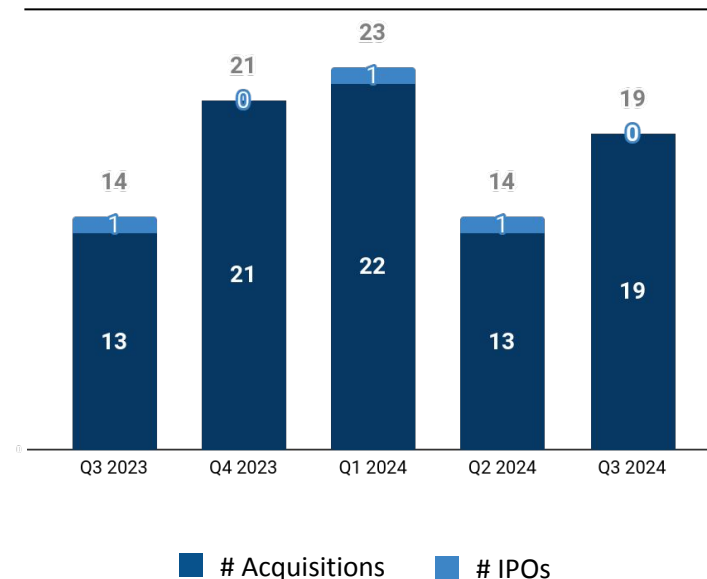
 **\$29.3M** (vs \$91.0M)
Avg. Funding raised before Acq.

 **\$232M** (vs \$2.1B)
Avg. Acq. Price




Top Investors by # Exits - Q3 2024

Investor	# Exits	Notable Exit
 Seedcamp	2	TaxScouts, Vyne
 Speedinvest	2	LandVault, TaxScouts
 18 Capital	1	ActiveQuote
 6 Degrees Capital	1	LandVault
 Arrington Capital	1	Vektor











Q-o-Q Exit Trends












Top Exits - Q3 2024

Type	Company	Acq. Price/IPO Mcap
Acq.	 LandVault (2017, London, \$37.0M)	\$450M
	 obconnect (2019, Watford, \$3.6M)	\$13.5M
	 Featurespace (2008, Cambridge, \$111M)	-

List of Acquisitions - Q3 2024 (1/2)











Company	Acquirer(s)	Acq. Date	Acq. Price
 LandVault (2017, London, \$37M)	Infinite Reality	Jul 2024	\$450M
 obconnect (2019, Watford, \$4M)	PayPoint	Aug 2024	\$13.5M
 Featurespace (2008, Cambridge, \$111M)	Visa	Sep 2024	NA
 Substantive Research (2015, London, \$981K)	Euronext	Sep 2024	NA
 Vektor (2020, London)	Nirvana Labs	Sep 2024	NA
 Vyne (2018, London, \$16M)	Tarabut	Sep 2024	NA
 Executive Wealth Management (2010, Swindon)	Fairstone Group	Aug 2024	NA
 ETC Group (2016, London)	Bitwise	Aug 2024	NA
 Movo Partnership (2018, Chislehurst)	AUB Group	Aug 2024	NA
 InsureandGo (2000, Southend on Sea)	NSM Insurance Group	Aug 2024	NA

List of Acquisitions - Q3 2024 (2/2)

Company	Acquirer(s)	Acq. Date	Acq. Price
 AllClear (2001, Romford)	NSM Insurance Group	Aug 2024	NA
 ActiveQuote (2008, Cardiff)	Howden Broking	Aug 2024	NA
 Dancerace (1992, Bath)	Norland	Aug 2024	NA
 Pelican (1993, London)	-	Jul 2024	NA
 KMG (2004, Crawley)	Skerritt Consultants	Jul 2024	NA
 Bupa Global (1971, Wilmslow)	Bisaseguros	Jul 2024	NA
 TaxScouts (2017, London, \$8M)	Taxfix	Jul 2024	NA
 Switch Health (2015, Gloucester)	Partner	Jul 2024	NA
 Pluto Finance (2011, London)	Robinhood	Jul 2024	NA

View all 19 companies on [Tracxn Platform](#)

Most Active Acquirers

#	Acquirer	Country	# Acq.	Average Acq. Price	Companies Acquired
1	 NSM Insurance Group	United States	2	-	AllClear, InsureandGo
2	 Infinite Reality	United States	1	\$450M	LandVault (\$450M)
3	 PayPoint	United Kingdom	1	\$13.5M	obconnect (\$13.5M)
4	 Visa	United States	1	-	Featurespace
5	 Euronext	France	1	-	Substantive Research
6	 Nirvana Labs	United States	1	-	Vektor
7	 Tarabut	Bahrain	1	-	Vyne
8	 Fairstone Group	United Kingdom	1	-	Executive Wealth Management
9	 Bitwise	United States	1	-	ETC Group
10	 AUB Group	Australia	1	-	Movo Partnership

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

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Unicorn Trends

Unicorn Trends in Q3 2024

FinTech - UK - Q3 2024 (vs Q3 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 FinTech - Q3 2024 (vs Q3 2023)

 **2** (vs 4)

Total Unicorns

 **9.4** (vs 5.6)

Avg Years from Series A to Unicorn Round

 **\$215M** (vs \$336M)

Avg \$ Funding before Unicorn Round

 **8** (vs 3.3)

Avg # Funding Rounds before Unicorn Round

 **15** (vs 12.7)

Avg Institutional Investors before Unicorn Round

Note: Investors refers to Institutional Investors only. Top Investors are calculated based on investments before the Unicorn Round.

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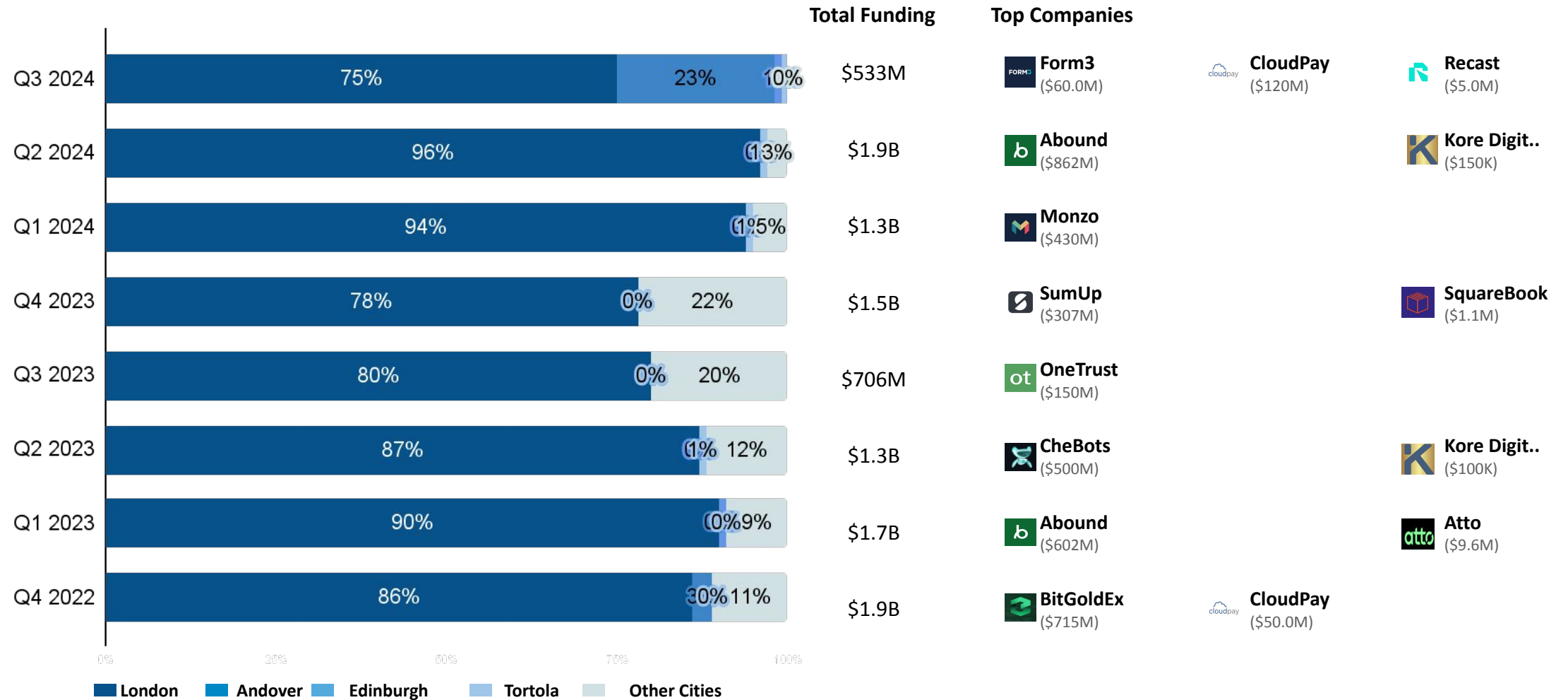
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Cities by Total Funding

Cities by Funding raised in last 2 quarters










Citywise Trends - Total Funding

Distribution by Cities - Total Funding (\$)



Citywise Trends - Funding raised in last 2 Quarters

Funding raised in 2 Qtrs (Market Share %)

Rank	City	Q3 2024		Q2 2024		Top Funded Companies in Q3 2024		
		#	%	#	%			
1	London	\$400.6M	75 %	\$1.8B	96 %	 Form3 \$60.0M	 The Bank o.. \$55.0M	 Novatus Gl.. \$40.0M
2	Andover	\$120.0M	23 %	-	-	 CloudPay \$120.0M		
3	Edinburgh	\$5.0M	1 %	\$150.0K	0 %	 Recast \$5.0M		
4	Tortola	\$4.5M	1 %	\$10.0M	1 %	 ZKEX \$2.5M	 Legion \$2.0M	 CrossCurve -
5	Sheffield	\$2.6M	0 %	-	-	 FinLegal \$2.6M		

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