

FinTech Facing Forward

Monitor **Q1 2024**



April 2024

Introducing the **FinTech Facing Forward** monitor

As you may know, Roodhals Capital has been involved in Financial Services transactions over a decade. We have been working on investment & funding solutions for our clients, being either seasoned lending platforms, institutional investors or ambitious start-ups.

From 2022 onwards, we have decided to share insights structurally through this *FinTech Facing Forward* monitor, which keeps track of the latest developments in the various segments of the Dutch (and Western-European) FinTech landscape (see below).

You can expect us to be (slightly) biased. What can we say? We love our clients. Cleanly looking at global size (in terms of market capitalization), you should be all over Payments. However, our expertise is more along the lines of lending platforms, mortgages and real estate, wealth management and insurance solutions.

Enough about that. Here we go...



Big Data Analytics | Blockchain | Cloud computing | Internet of Things | Artificial Intelligence | Automation (RPA) | Open Banking



In-sider Out-look

Q1 2024 – The Return of the Tech premium

We have witnessed a continued recovery across financial markets, during the first quarter of 2024. (Tech) stocks continue to rally, credit spreads are tightening and even crypto is back in boom-zone.

The most remarkable segment of the rally has been tech. As a consequence, the Roodhals Fintech Index (+8.5%) has outperformed the MSCI benchmark as well as financial services in general (page 8). Particularly, the Payments sector was the real winner.

The IPO market is showing some sign of life (page 11) and M&A is heating up (page 12). M&A in European (online) banking was notable (Virgin Money and KNAB), but no IPOs yet. *Klarna, what are you waiting for?*

Debt funding has not picked up much yet, but you can expect debt issuance to follow equity issuance. Roodhals is working hard to get those numbers up...

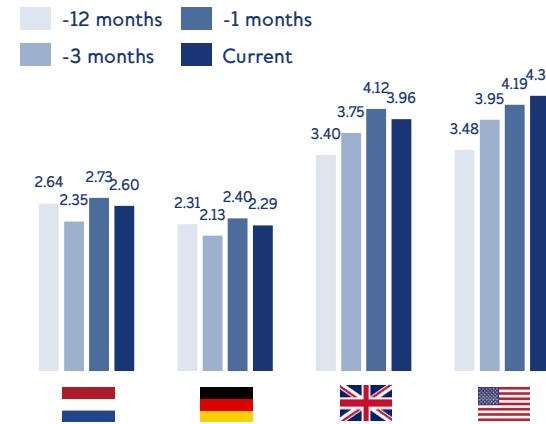
In this edition, we **dive deeper into bitcoin's gradual move into mainstream**. With the SEC is allowing Bitcoin ETF's and Blackrock and Fidelity actively involved, it is a matter of time before the \$100 billion ETF invested capital is achieved.

With valuations recovering, we expect pent-up demand to resurface and transaction numbers to go up. Granted, commodity inflation and higher (or at least not lower) rates could spoil things. But markets think otherwise -> see stability in VIX, credit spreads

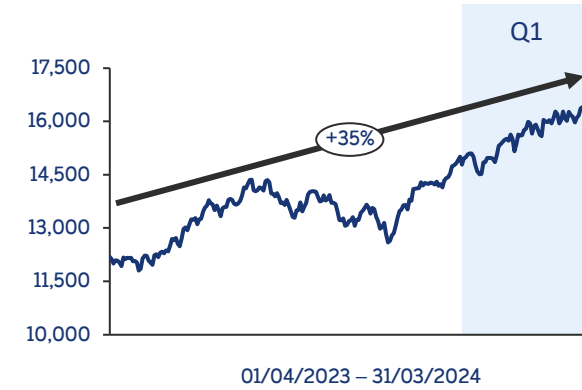
We can't wait to see whether the initial tailwind of 2024 will indeed turn into a more powerful transaction storm...

Graphs

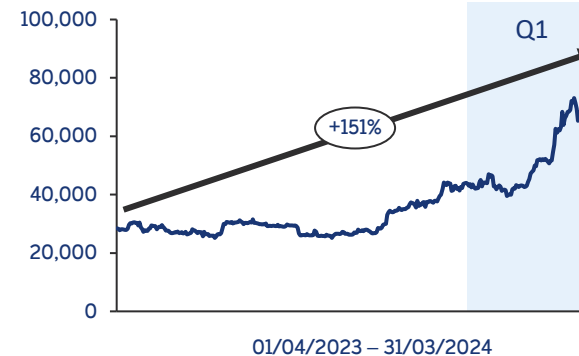
10Y Government Bond rate development



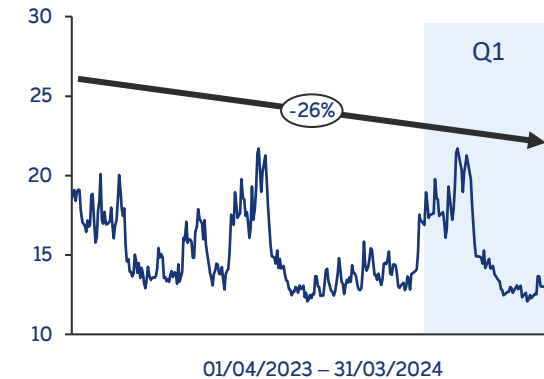
NASDAQ Composite Index – LTM



Bitcoin (BTC-USD) – LTM



CBOE Volatility Index (VIX) – 2023



Theme: Bitcoin spot ETF | Crypto gradually going mainstream

Introduction

Bitcoin spot Exchange Traded Fund (BTC ETF): An investment fund, traded on stock exchanges, that directly holds Bitcoin as underlying asset. This represents an innovative investment instrument that merges the world of FinTech with traditional finance.






After years of disapproved filings, the SEC approved the listing and trading of 11 US BTC ETF on January 10th, 2024.

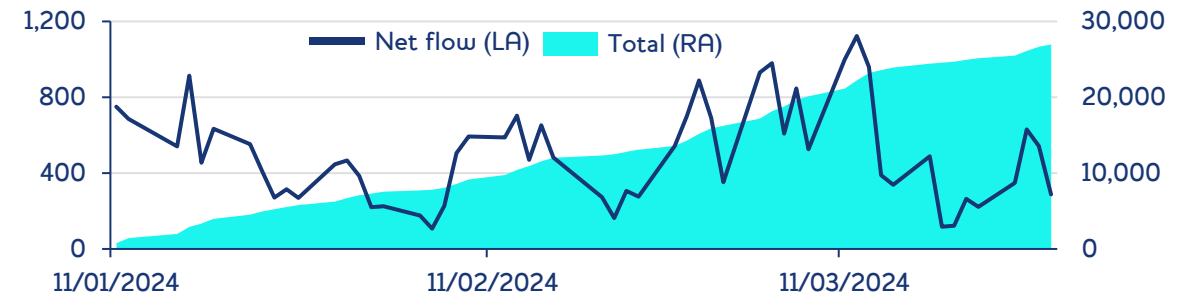
Approved fund managers for BTC ETF (sized by exposure)



BTC ETF implications

- 
Convenience — Provides an easy and safe way BTC investment method that removes the requirement for investors to set up a digital wallet
- 
Engagement — Increased market liquidity and decreased market volatility as BTC distribution increases in US
- 
Spread reduction — Historically, ETFs have resulted in decreased spreads. This lowers one-off investment costs, impacting smaller ticket sizes most.

US BTC ETF exposure levels in €m



What is next?

- “Bitwise files request for Ethereum ETF”** – BitcoinMagazine 29/03/2024
- “Bloomberg analyst makes \$97 billion prediction for bitcoin ETFs”** – BitcoinMagazine 29/03/2024
- “CIO of Bitwise projected that bitcoin can exceed \$200,000 in 2024 based on demand seen for new investment products.”** – CNBC Television 29/02/2024

In the news

January

Ant Group to acquire MultiSafepay for €200m
8 January 2024



Hewlett Packard aids AI network capabilities with \$14bn Juniper acquisition
10 January 2024



SEC approves first spot bitcoin ETFs in boost to crypto advocates
10 January 2024

Plural launches a new €400M fund to back world-changing startups
23 January 2024



Swedish Fintech Klarna Eyes for an US IPO
24 January 2024



Klarna.

US proposal on non-bank payment providers slammed by industry, consumers and bipartisan politicians
30 January 2024

bunq sets its eyes on UK as it reports first full year of profitability
30 January 2024



Sources: Roodhals analysis.

February

ASR Nederland to Sell Online Bank Knab to BAWAG for EUR510 Mln
1 February 2024



Mastercard invests \$200 million to acquire a minority stake in MTN's fintech division
6 February 2024



Viva Wallet CEO Accuses JPMorgan of Stunting Company Growth
15 February 2024

OpenPayd and TrueLayer forge strategic partnership to revolutionize instant payments
20 February 2024



Capital One to acquire Discover Financial for \$35 billion
20 February 2024



Judge Approves Binance's \$4.3 Billion Settlement For Anti-Money Laundering, Sanctions Violations
23 February 2024



EU Council Adopts Instant Payments Regulation
28 February 2024

March

Council adopts new law for more efficient digital public services across the EU
4 March 2024



Morgan Stanley to Deploy OpenAI Chatbot for Financial Advisors
16 March 2024

Reseda Group deploys \$6.2m across 8 FinTech companies
6 March 2024



Artificial Intelligence Act: Members of the European Parliament adopt landmark law
13 March 2024

Dutch revenue-based fintech Levenue acquires MidFunder to accelerate growth in the Swiss market
14 March 2024



Apple is adding to its arsenal of AI startups with a little-known Canadian firm
14 March 2024



Roodhals Capital FinTech Index

The Roodhals FinTech index consists of 124 publicly listed financial technology companies that are active in developed markets (primarily Europe and North America). Every quarter, our team evaluates the index constituents and potential additions/removals based on quantitative and qualitative criteria. The Index is market capitalisation weighted.

124 
Companies

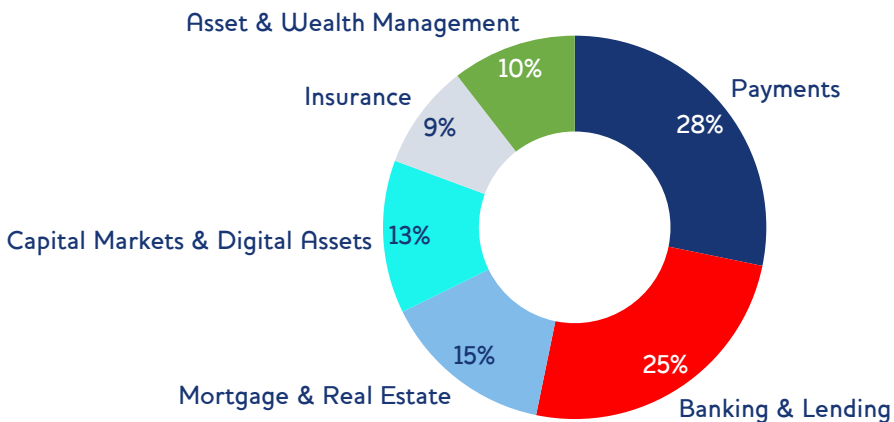
€2.137t 
Total market cap

3.9x 
Revenue multiple

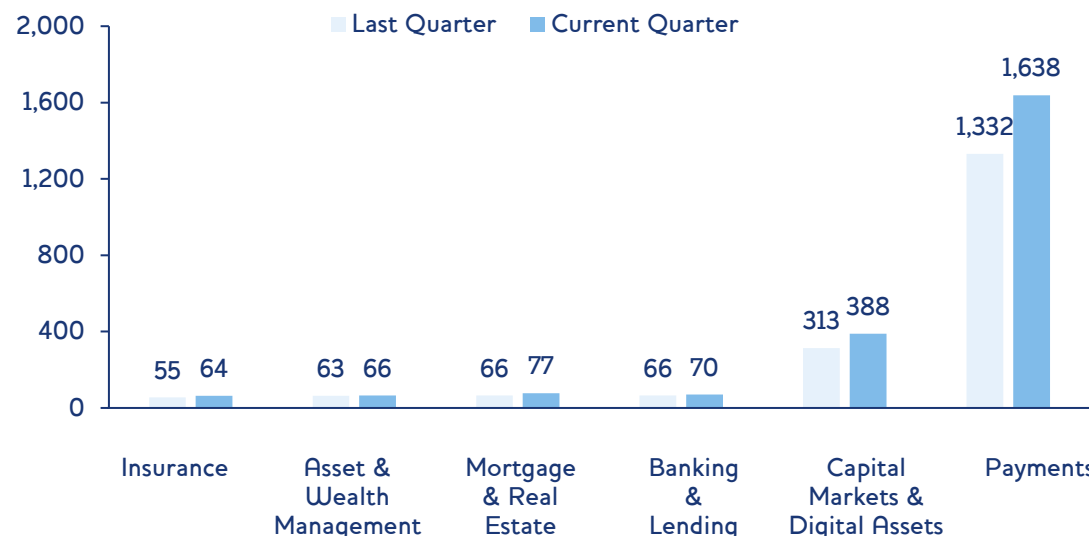
16.7x 
EBITDA multiple

N/A 
Index leavers

Segment by number of companies



Segment by market capitalisation in €b



Comments

- The largest segments in our index are Payments and Banking & Lending by the number of firms.
- Note that the Payments segment is the largest considering the market capitalisations.
- All segments of The Roodhals Fintech Monitor have increased in total market capitalisation since last quarter.

Roodhals Capital FinTech Index

Index constituents

Mortgage & Real Estate



Asset & Wealth Management



Insurance



Banking & Lending



Capital Markets & Digital Assets



Payments

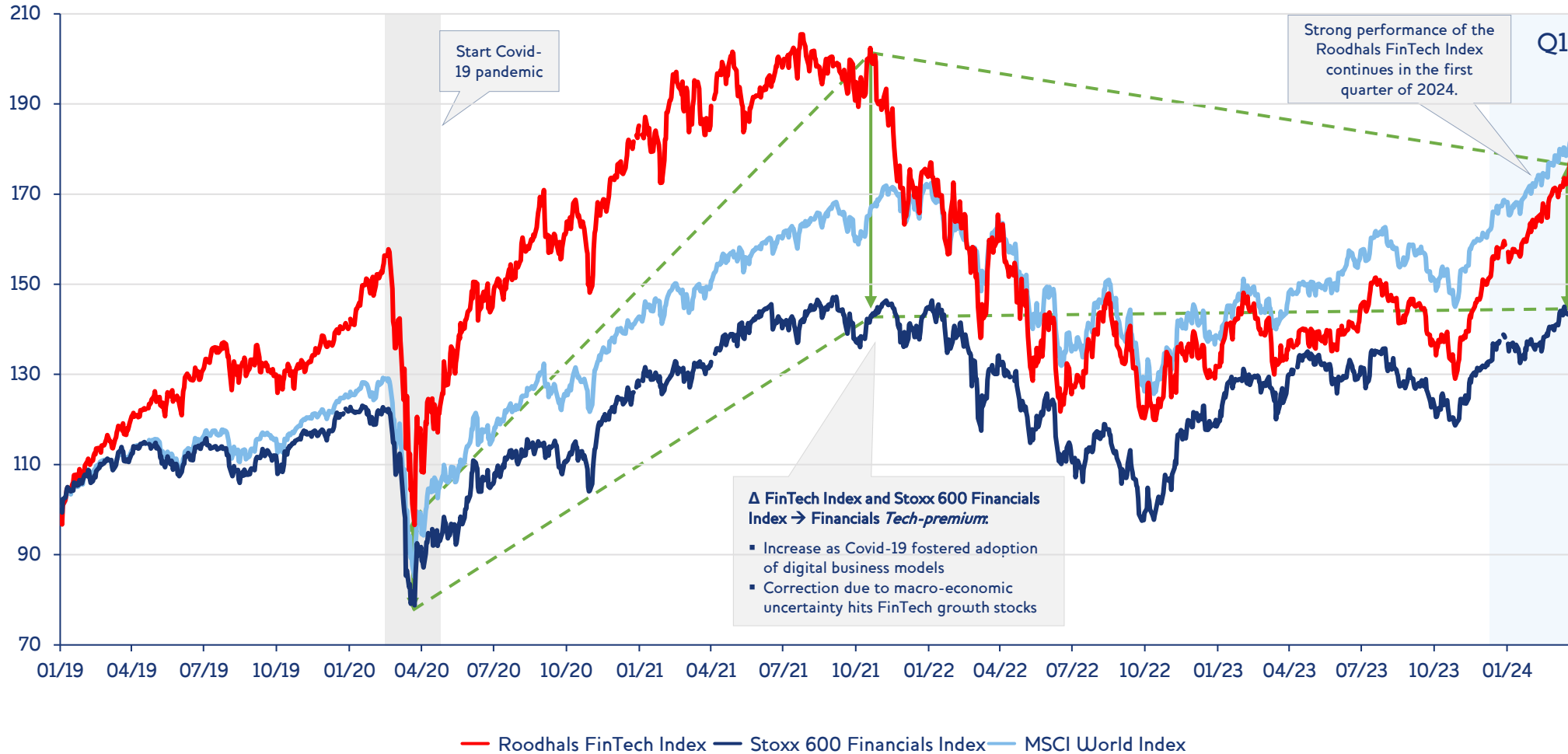


Note: companies can be active in multiple segments; we categorize on primary activity.
Sources: Capital IQ, Roodhals analysis.

Roodhals Capital FinTech Index



The Financials Tech-premium has surged in the last 6 months (01/01/2019 = 100)



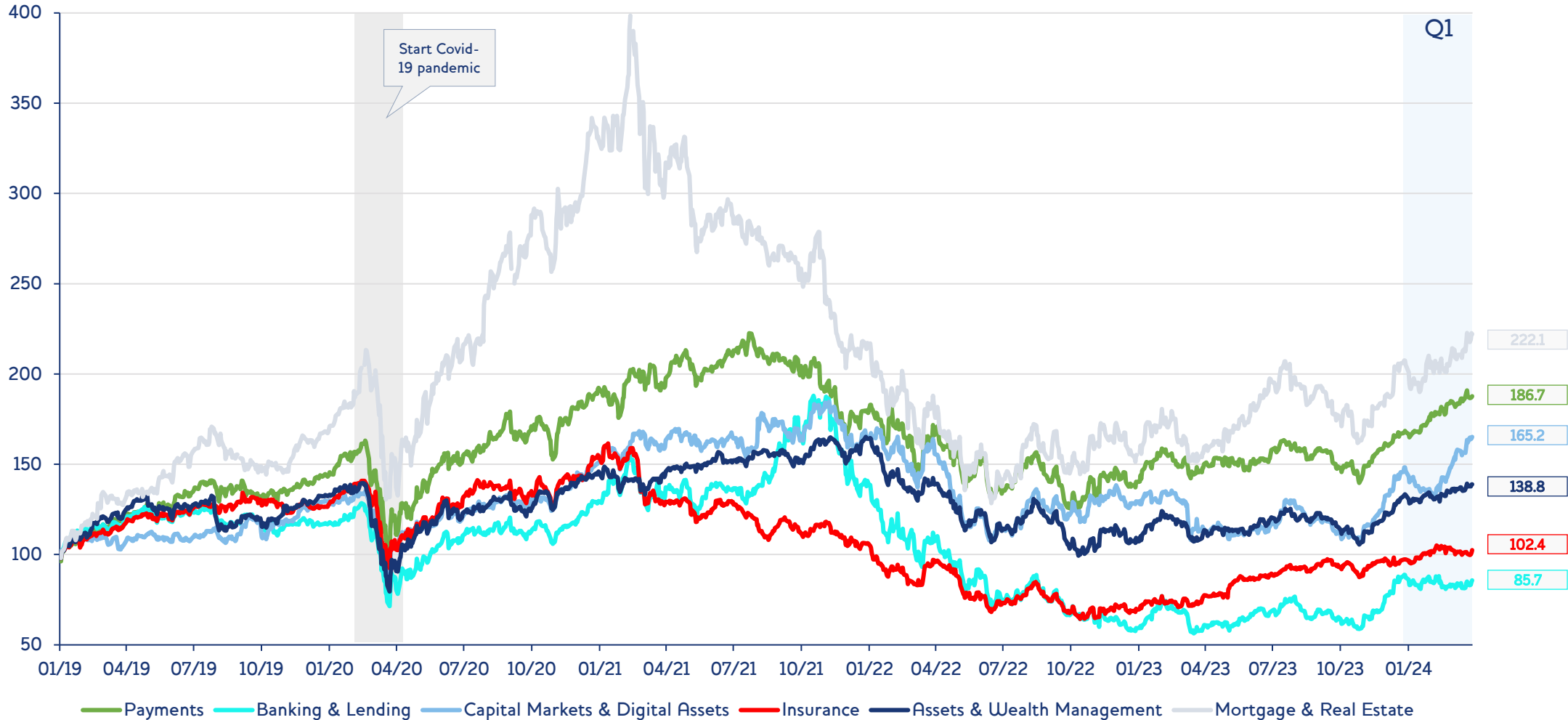
Roodhals FinTech Index return*	
YTD	8.5%
1 month	3.0%
3 months	8.5%
6 months	20.5%
1 year	23.1%
Inception	82.4%

*Not adjusted for dividends
Sources: S&P Capital IQ, Roodhals team analysis

Roodhals Capital FinTech Index | Segments

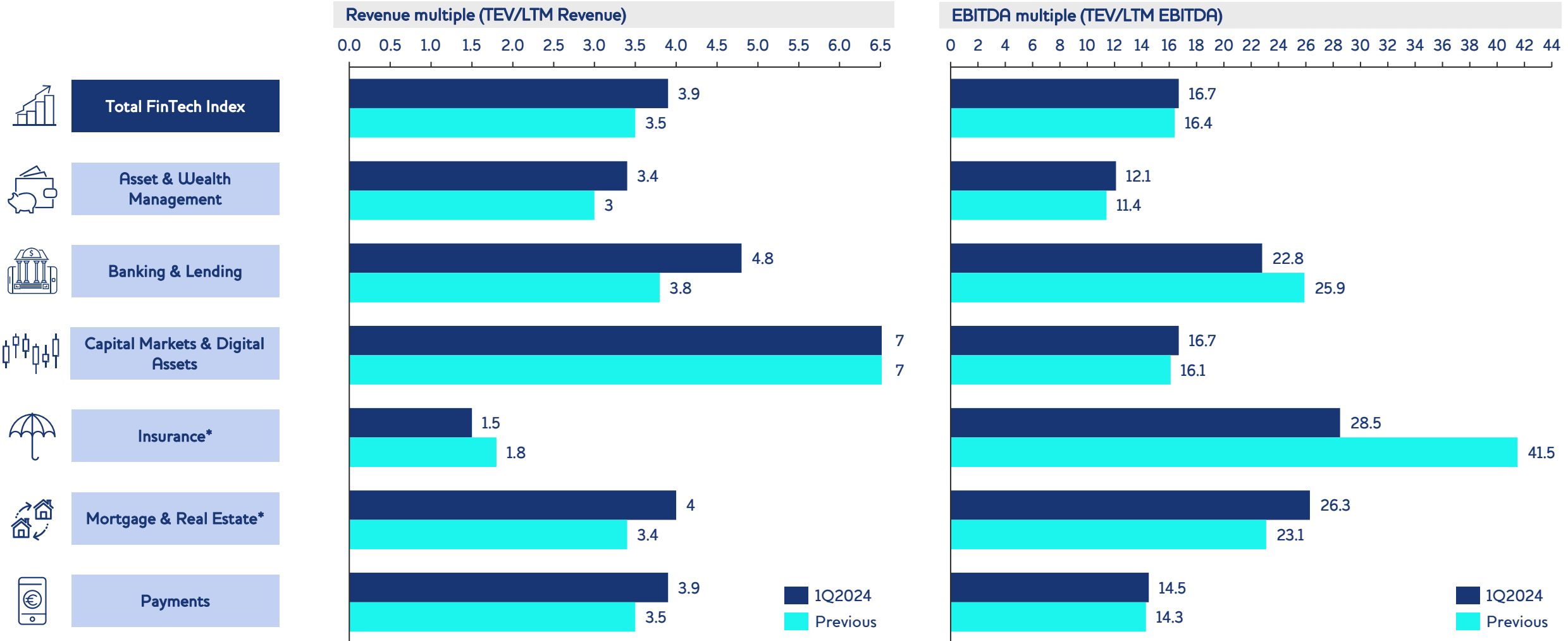


Segment performance (01/01/2019 = 100)



Roodhals Capital FinTech Index | Multiples

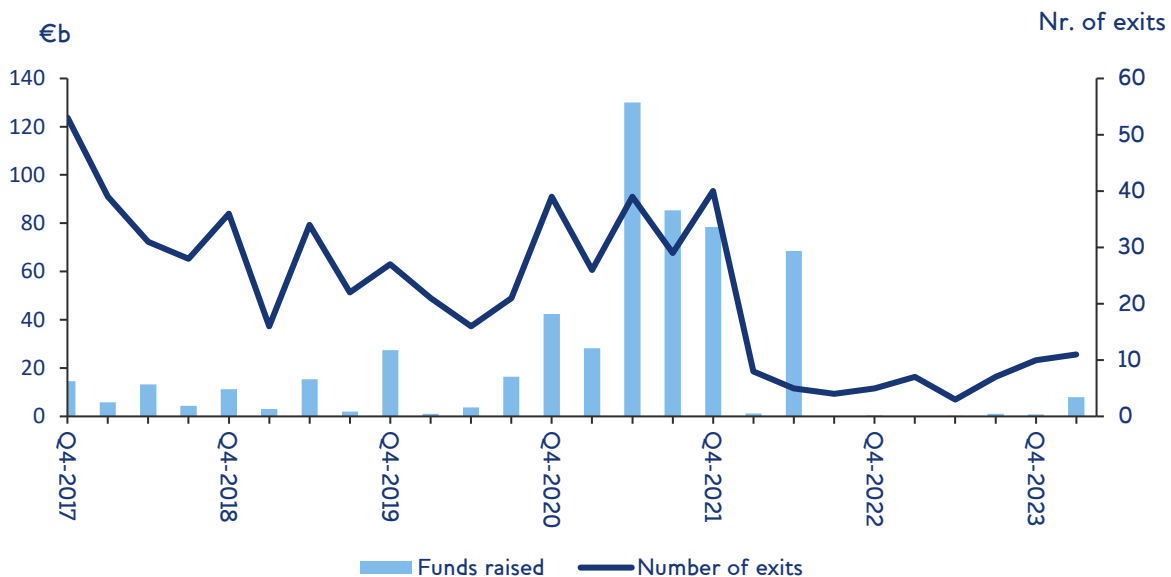
Multiples (median value)



Extreme value due to negative and limited availability of EBITDA values
Sources: S&P Capital IQ, Roodhals team analysis

IPOs

More IPOs with larger volumes relative to the previous quarter










- The number of IPOs **increased to 11, up from 10** in previous quarter; total IPO value **increased significantly** as the IPOs that took place were larger in size.
- Companies to watch in 2024: Stripe and Klarna will most likely have an IPO in 2024.
- Uncertainty about the future of FinTech IPOs is readily available in the news

Fintech companies 'cautiously optimistic' about IPOs after 2-year doldrums
 – S&P 10/01/2024

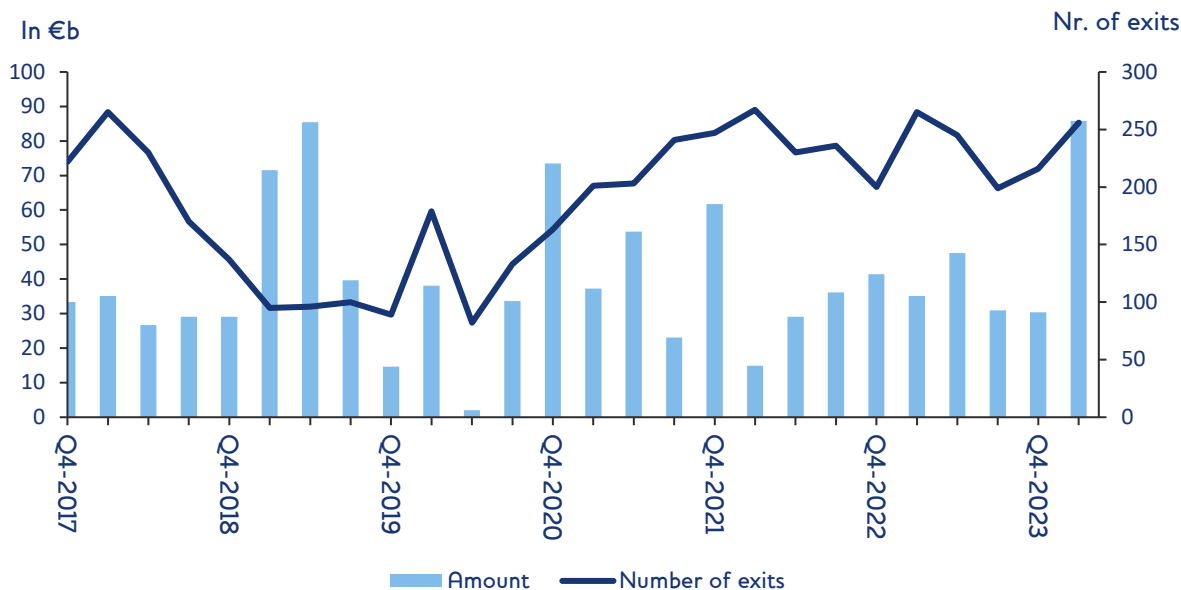
No big fintech is going to IPO soon, says top European fintech investor
 – Sifted 23/01/2024

Selected IPOs of last quarter

Company	Segment	IPO date	Market Cap
 TRUST	SaaS – B2B financial solutions	Mar 2024	€10m
 QUARA FINANCE	Marketplace lending	Mar 2024	€116m
 Webull	Trading platforms	Feb 2024	€7.3b
 Boleron	Insurance FinTech	Feb 2024	€11m
 BRYPHON	Blockchain & cryptocurrency	Jan 2024	€78m
 fuse machines	SaaS AI-based applications	Jan 2024	€186m
 kaspi	Financial & Banking services	Jan 2024	€17.2b

Global M&A activity

M&A volume



- M&A activity surged, reaching the **highest deal volume** since we started tracking these figures.
- The number of exits increased slightly, signalling that the main driver of the surge in volume is an increase in average deal size.















**Rebound of financial services M&A:
Focus on growth and capabilities**

– McKinsey 29/02/2024

Banks, fintechs back in the M&A game

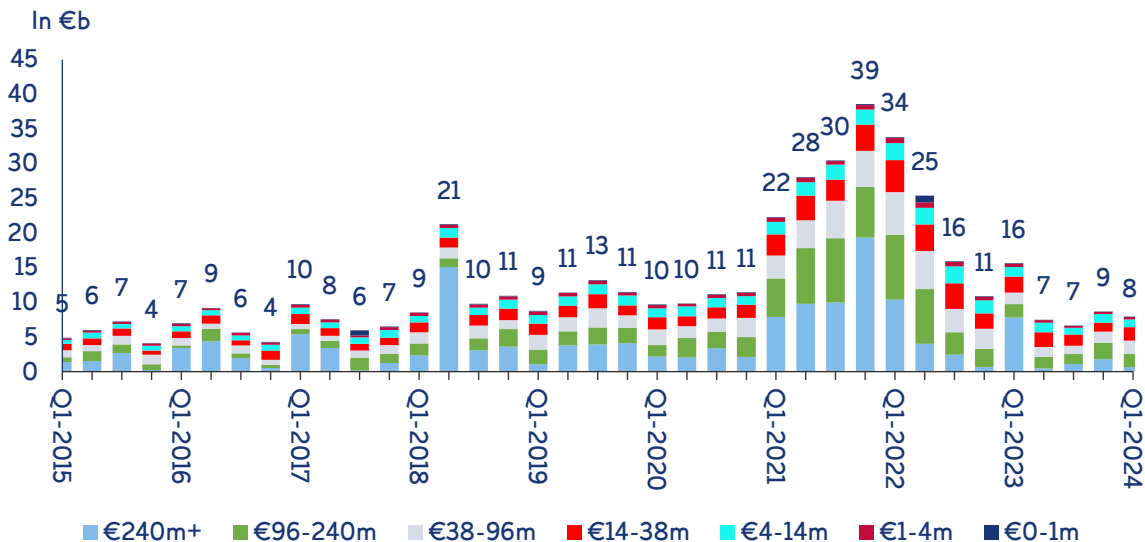
– BAN 28/03/2024

Selected M&A transactions of last quarter

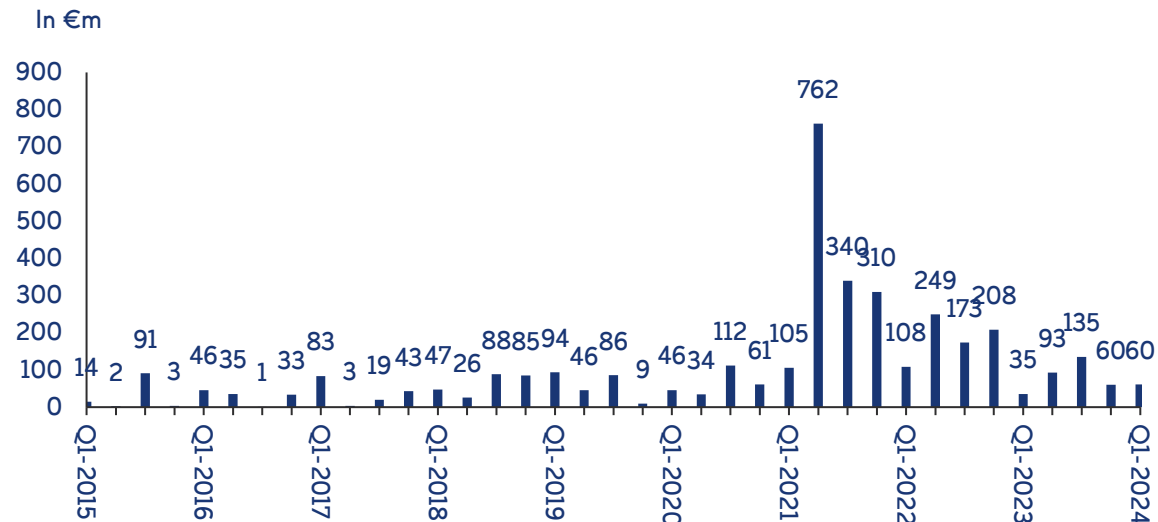
Target	Target segment	Acquirer	Date	Deal size*
 VOXEL	Payments	amaDEUS	11-03-2024	€118m
 Virgin money	Mortgage and savings platform	 nationwide	07-03-2024	€3.4b
 OPENGOV	Software platform	 COX ENTERPRISES	27-02-2024	€1.7b
 AVANT	Lending platform	 REAL CHEMISTRY	06-02-2024	Undisclosed
 ASSUPOL <small>SERVING THOSE WHO SERVE SINCE 1913</small>	Financial Solutions	 Sanlam	05-02-2024	€315m
 knab	Online Banking	 BAWAG	01-02-2024	€510m
 Procure SOLUTIONS	Software platform	 Roper TECHNOLOGIES	25-01-2024	€1.6b
 Ansys	Software platform	 SYNOPSYS	16-01-2024	€32b
 MultiSafepay <small>Smart Payment Services</small>	Software platform	 ANT GROUP	08-01-2024	€183m

Funding rounds

Global funding rounds



Dutch funding rounds



















Largest global funding rounds of Q1
















January			February			March		
ZIP \$225m Post-IPO debt	FundPark \$250m Debt financing	ID FINANCE €139.5m Debt financing	PAGAYA \$396m Post-IPO debt	meridianlink \$85.5m Post-IPO Secondary	BlackRock \$3b Post-IPO debt	OCTANE \$300m Debt financing	coinbase \$1.1b Post-IPO debt	
ARES \$1b Post-IPO debt	auxmoney \$500m Debt financing	sunbit \$310m Debt financing	PAGAYA \$280m Post-IPO debt	baubap \$120m Debt financing	monzo £430m Venture-series unknown	Bitfarms \$375m Post-IPO equity	AGORA \$200m Debt financing	

Currency conversion based on current exchange rates
Sources: Crunchbase, Dealroom, Roodhals analysis

Private funding rounds in NL

Company	Description	Segment(s)	Date announced	Funding stage	Amount	Lead investor(s) & funder(s)
 KEYNS	Provides fiscal (collaboration) solutions for companies globally	Financial solutions	25 Mar 2024	Series B	€10m	 ALEA Capital Partners  MOUNTAINVIEW CAPITAL PARTNERS
 zarttech	Specialises in custom software development and provides remote tech teams and startup investments	Information Technology	14 Feb 2024	Seed round	€400k	Undisclosed
 FINOM	Provides financial solutions for entrepreneurs, self-employed, and freelancers.	Financial solutions	17 Jan 2024	Series B	€50m	GENERAL  CATALYST
 Silverflow	A payment platform focused on backend modernisation of payment processing	Payments	16 Nov 2023	Series B	€15m	 GLOBALPAYTECH
 levenue	A revenue-based financing platform	Financing	15 Nov 2023	Series A	€8m	 Truffle Capital
 FERO PAYMENT SCIENCE	A service that allows for the personalisation of the checkout experience for every customer	E-commerce payments	2 Nov 2023	Seed	€2.8m	 VOLTA VENTURES
 carbon equity	A climate investing platform pioneering in climate tech through private equity	Climate tech	11 Oct 2023	Series A	€6m	 BLACKFIN CAPITAL PARTNERS
 hypeal.com	A pioneering platform for crowdfunding that enables the monetisation of startup investment	Digital Assets	26 Jul 2023	Pre-Seed	€180k	 techstars

Private funding rounds in NL

Company	Description	Segment(s)	Date announced	Funding stage	Amount	Lead investor(s) & funder(s)
	An independent neobank which offers users mobile banking services	Banking	24 Jul 2023	Unknown	€100m	
	One stop platform for business payments and trade management	Payments	18 Jul 2023	Debt financing	€94m	
	Providing ticketing solutions, event financing, token, white-label, and digital twin NFT services	Payments & Digital Assets	12 Jul 2023	Seed	€4m	
	A data analysis SaaS solution which combines public and private data	Data & Analytics	11 Jul 2023	Seed	Undisclosed	
	Insify is an insurance platform for freelancers, entrepreneurs and self-employed people.	InsurTech	08 Jun 2023	Series A	€10m	
	Klearly is a mobile app that allows people to use their phone to receive card payments.	Payments	31 May 2023	Pre-seed	€2.1m	
	Anyone.com is a platform that allows people to arrange financing for their home.	Banking & lending	01 May 2023	Pre-seed	€3m	Reza Sardeha
	Plumery is a digital engagement platform that enables banks to implement mobile and web experiences for their customers.	Banking & lending	25 Apr 2023	Seed	€4.5m	

Financial Services & FinTech Team

Offering in-depth industry knowledge/expertise through advisory and deal structuring & execution services

Services



Private capital raising (debt & equity)



M&A - buy-side & sell-side



Portfolio advisory and sales



Valuation services & fairness opinions



Board & Investment Committee Advisory



Market research & reports



Strong relationships with (institutional) private debt investors

Roodhals has an extensive network among investors in The Netherlands and Western Europe. From HNWIs to credit funds and institutional investors such as pension funds.



In-depth understanding of complex capital raising and structuring processes

Our team has ample relevant structuring and documentation experience.



Latest insights in dynamics of private markets

Roodhals has access to all necessary information (systems) to perform credit analyses and pricing research. More importantly, we speak to many types of investors & have insight into their “market appetite”.



Pragmatic approach

We support our clients with a no-nonsense, forthright approach where and when necessary, along the entire process.

Team



Willem Appel
Partner

- Roodhals founder
- Origination, structuring
- 25+ years of intl. experience



Sander Bierman
Partner

- Origination, structuring
- Investment risk services
- 15+ years of experience



Boudewijn Hoogenraad
Partner

- Marketplace lending
- Funding, placement
- 20+ years of intl. experience



Nick Hurkmans
Associate

- Structuring, execution
- Financial modelling & valuation
- Market research



Rowin Willemse
Analyst

- Market research
- Financial modelling



Menno Post
Analyst

- Market research
- Financial modelling

Disclaimer

This document has been provided to you by the principals of Roodhals Capital B.V. (Roodhals) for information purposes only. Roodhals Capital B.V. is incorporated in The Netherlands and is not regulated by the Dutch Authority for the Financial Markets (AFM) or any other body in any other country.

This document is for private circulation only. The information and opinions contained in this document are for background purposes only, do not purport to be full or complete and do not constitute investment advice nor the arranging of deals in investments. No reliance may be placed for any purpose on the information and opinions contained in this document or their accuracy or completeness. No representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information contained in this document and no liability is accepted for the accuracy or completeness of any such information or opinions.

Certain of the statements contained in this release are statements of future expectations and other forward-looking statements. These expectations are based on current views and assumptions and involve known and unknown risks and uncertainties. Many of the factors that will determine these results and values are beyond the subject's ability to control or predict. These statements are necessarily based upon various assumptions involving judgments with respect to the future, including, among others, the ability to achieve synergies and revenue growth; national, international, regional and local economic, competitive and regulatory conditions and developments; technological developments; capital markets conditions; inflation rates; interest rates; the political and economic stability of certain nations; business and regulatory or legal decisions; the timing and success of business development efforts; and other uncertainties. Actual results, market developments or events may differ materially from those in forward looking statements. You are cautioned not to put undue reliance on any forward looking statement. Roodhals assumes no obligation to update any forward looking information contained in this document.

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any investment nor shall it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefore. Specifically, neither Roodhals nor its principals or agents has provided you with this document for the purpose of soliciting any investment in the securities of any company contemplated herein, whether by you or any other person.