Why We Invested in Mesh
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Read Mesh's press release announcing its investment from PayPal Ventures here.

Over the last decade, fintech has experienced exponential growth with more than $500 billion invested across the category. Fintech investments have comprised at least 10% of total venture capital dollars deployed in any single year since 2013 (Source: DealRoom). Commensurately, from our vantage point at PayPal Ventures, we've seen a surge in the number of apps from startups, as well as a renewed focus on the digital experience from incumbents across every category of financial services – from banking, payments, insurance, wealth management, lending, remittances, and much more.

The digitization of finance has provided tremendous value in the form of increased convenience, lower fees, and broader accessibility. However, it has also created a complex landscape of fragmented solutions – making it challenging for consumers and businesses alike to manage their financial lives across an expanding range of services that don't always interoperate well. Part of this issue is technical, because most infrastructure products that enable communication between applications are developed primarily in "read only" mode, meaning they are able to send and receive data, but cannot execute (or "write") transactions on your behalf.

This issue is at the crux of what Mesh's technology is helping to solve. Mesh eliminates the technical constraints presented by a lack of app interoperability by offering enterprises a new connectivity layer that enables activity like transfers, payments, and payouts across a network of more than 300 integration partners. We are investing in Mesh because we believe that their mission to build an open, connected, and secure financial ecosystem that gives users more control over their assets is where the puck is headed. Our investment in Mesh was made almost entirely in PayPal USD (PYUSD), an Ethereum-based stablecoin that is 100% backed by U.S. dollars, short-term U.S. treasuries and similar cash equivalents. This marks the first time that PayPal Ventures has used PYUSD as the funding instrument for an investment since it was launched by PayPal in August 2023, and the funds were transferred on-chain using Mesh's Application Programming Interfaces (APIs).

Cryptocurrency is a key focus for Mesh. This ecosystem is unique in that it operates with a strong ethos around decentralization and user ownership and control. Furthermore, crypto rails are inherently global and permissionless. This means that the industry is predisposed to creating an open, connected, and borderless financial system, where the dream of open finance is actually viable. Mesh's product suite helps crypto companies deliver these experiences to their end users, while also creating better connectivity to other, non-crypto companies that sit outside of crypto rails. Mesh has seen significant traction within crypto – and we believe that the rest of financial services will follow suit as several key tailwinds play out.

We believe that Mesh is well positioned to capitalize on several tailwinds in the fintech space. At PayPal Ventures, we are continuing to see embedded finance take hold outside of the financial services space, with more and more companies across various industries incorporating financial products into their offerings, as well as the increasing financialization of everything. This is further compounding the fragmentation issue for users, as assets and value now exist outside of traditional venues like banks and wallets and can now also be embedded within spaces like video games, social media accounts, or crypto wallets. We believe that Mesh stands out because they are taking a more comprehensive approach to building a network of endpoints, compared to incumbents, which are primarily focused on financial institutions.

We're excited to invest in Mesh because we believe the company can become a critical infrastructure layer connecting all pockets of value in a fragmented landscape. Further, we believe that the way Mesh has enabled a new level of interoperability beyond sending and receiving data can open the door to new product experiences for users across the board. As we layer in tailwinds like regulatory changes around open finance and platform advancements across areas like crypto or generative AI, we strongly believe that Mesh can help realize the dream of open finance and become the bedrock of a modern financial user experience, regardless of asset class or financial product.

If you're interested in learning more about Mesh, or exploring career opportunities, please visit: https://www.meshconnect.com/