AI-native fraud, compliance and risk infrastructure

Stage	2026 Funding	Total Raised	Illustrative Entry	Recommendation
Series C	**$25M extension**	**$170M**	**$900M post-money***	**INVEST / diligence**

*Illustrative valuation assumption for work-sample modeling; not a disclosed Sardine financing valuation.

Executive recommendation

Recommendation: INVEST, subject to commercial, technical, and valuation diligence. Sardine has credible evidence of product-market fit in a strategically important category for a bank: fraud prevention, identity risk, AML/compliance operations, and emerging AI-driven financial crime. The company reported 130% year-over-year ARR growth in 2024, more than 300 enterprise customers across 70 countries, and more than 2.2 billion profiled devices at the time of its 2025 Series C. In 2026, National Bank of Canada expanded a commercial relationship with Sardine while leading a $25 million Series C extension, bringing total capital raised to $170 million.

Investment thesis

- A unified risk platform can consolidate point solutions across onboarding fraud, transaction monitoring, AML, credit risk, investigations, and workflow automation.
- Behavioral and device intelligence can remain useful even as synthetic identity, deepfake, and generative-AI fraud reduce the reliability of traditional identity signals.
- Sardine's consortium and network data create a potential compounding advantage: more customers generate more fraud signals, which can improve detection across the network.
- The company has moved beyond fintech-only adoption toward large banks and institutional financial services, which improves strategic relevance to a bank.
- a strategic investor can potentially create both financial return and strategic option value through commercial engagement, subject to investment and commercial diligence.

Key issue for IC

The core debate is not whether fraud technology matters. It is whether Sardine is differentiated enough from existing fraud and identity solutions—including Feedzai, Socure, Prove, Incode, Callsign, Riskified and others—to justify a new position at a late-stage valuation.

Primary sources: Sardine, “Announcing our $70M Series C,” Feb. 11, 2025; Sardine press release on National Bank of Canada partnership and $25M Series C extension, 2026; Analyst strategic-fit and competitive assessment. Accessed Oct. 6, 2026.

1. Company and product

Founded in 2020, Sardine positions itself as an agentic financial-crime platform for fraud prevention, compliance, and credit underwriting. The product architecture combines device intelligence and behavioral biometrics with rules, machine learning, KYC, AML transaction monitoring, investigations, credit risk, and AI agents intended to automate manual risk operations.

Why the product can matter

- Fragmentation: banks and fintechs frequently operate multiple vendors across identity, fraud, AML, disputes, investigations and monitoring.
- Signal quality: device behavior and cross-merchant/network signals can supplement static identity data that may be compromised or synthetically generated.
- Operating leverage: AI agents may reduce analyst workload in investigations, alert review, evidence gathering and case management, if accuracy and controls meet bank standards.

2. Traction and validation

Metric / event	Reported evidence	Investment relevance
2024 ARR growth	130% YoY	Strong growth signal, though absolute ARR is undisclosed.
Enterprise footprint	300+ companies in 70 countries	Suggests product breadth and international adoption.
Network scale	2.2B+ profiled devices in Feb. 2025; company site shows materially higher scale in 2026	Potential data/network effect.
Series C	$70M led by Activant; total raised $145M	Institutional validation and expansion capital.
2026 extension	$25M led by NAventures; total raised $170M	Bank investor paired financing with commercial adoption.

3. Strategic fit with a bank

A strategic bank investor can evaluate both financial returns and potential commercial engagement with portfolio companies. Sardine maps directly to several bank-level use cases:

- Application and account-opening fraud: device and behavioral signals layered with identity verification.
- Card, ACH and payments fraud: real-time decisioning and cross-network fraud intelligence.
- Account takeover and scams: behavioral anomalies and shared intelligence can supplement authentication controls.
- AML / investigations: workflow automation and AI-agent support could improve analyst productivity, subject to model governance.
- Merchant and small-business risk: unified risk signals can potentially support onboarding, payments and credit workflows.

Strategic tension

Competitive overlap is meaningful. Established vendors include Feedzai (fraud decisioning), Socure (identity/fraud), Prove (identity verification), Incode (biometrics/authentication), Callsign (risk-based authentication), Riskified (e-commerce fraud) and other security providers. The investment case therefore requires proof that Sardine's unified platform, network intelligence and agentic workflows are additive rather than duplicative.

Sources: Sardine Series C announcement; Sardine company/product pages; Analyst strategic-fit and competitive assessment. Metrics are company-reported and should be verified in diligence.

4. Market and competitive positioning

The financial-crime software market is structurally attractive because fraud losses, faster payments, digital onboarding, regulatory obligations and AI-enabled attacks increase the need for real-time risk infrastructure. The category is also crowded. Sardine competes against specialist vendors, broad risk platforms and internal bank systems.

Segment	Examples	Primary strength	Sardine angle
Identity / KYC	Socure, Prove, Incode, Persona	Identity resolution, verification	Combine identity with behavioral, device, fraud and AML signals.
Fraud decisioning	Feedzai, Featurespace, Sift	Transaction and behavioral fraud models	Broader platform plus consortium intelligence and workflows.
Risk orchestration	Alloy, Unit21	Rules, vendor orchestration, investigations	Native risk signals plus orchestration rather than orchestration alone.
Internal bank stack	Proprietary models and rules	Data access, control, customization	Faster deployment and cross-industry signals unavailable inside one bank.

Potential moat

- Network data: a growing pool of device, consumer, business and transaction signals can improve cross-customer pattern recognition.
- Unified architecture: one decision layer across fraud, AML and credit can reduce integration burden and signal fragmentation.
- Workflow embedding: investigations, rules and AI agents can increase switching costs once incorporated into risk operations.
- Domain team: founders and senior operators have experience across Coinbase, Revolut, Uber, PayPal and other high-scale financial platforms.

5. Illustrative investment economics

Because Sardine has not publicly disclosed the valuation of its latest financing in the primary sources reviewed, the work sample uses a $900 million post-money entry valuation solely as an analytical assumption. A $15 million investment would imply approximately 1.67% ownership before future dilution.

Scenario	Exit equity value	Assumed dilution	Implied proceeds	Gross MOIC
Downside	$1.5B	40%	$15.0M	1.0x
Base	$4.0B	35%	$43.3M	2.9x
Upside	$8.0B	30%	$93.3M	6.2x

Illustrative math: initial ownership = $15M / $900M = 1.67%; exit ownership reflects stated dilution. Proceeds exclude preferences, taxes, fees, pro rata participation, and timing effects. IRR should be calculated in the companion model using explicit hold periods.

Return interpretation

The base case is investable only if IC believes Sardine can become a multi-billion-dollar category leader. At a late-stage entry price, downside protection is limited: moderate operating success may produce only venture-like or even sub-venture returns. Strategic value therefore matters, but it should not be used to excuse weak financial underwriting.

Note: Valuation, investment size, dilution and exit values above are assumptions for the work sample, not disclosed terms.

6. Principal risks

Valuation risk: Rapid growth and AI positioning can support premium pricing; paying too much compresses return even if the company performs well.

Competitive overlap: Large incumbents and well-funded specialists can match features, bundle products, or compete on bank relationships.

Bank adoption cycles: Enterprise security, procurement, model validation, privacy and regulatory reviews can slow sales and implementation.

Model / AI governance: Agentic workflows in regulated risk operations require auditable controls, explainability, human oversight and reliable error handling.

Data and privacy: Network effects depend on lawful, secure and contractually permissible use of cross-customer signals across jurisdictions.

Concentration / proof quality: Headline customer counts and growth rates are useful, but diligence needs ARR concentration, retention, gross margin, win/loss and cohort data.

7. Diligence required before approval

Question	Evidence required
Is growth durable?	2024-26 ARR bridge, NRR/GRR, logo retention, pipeline conversion, cohort expansion, customer concentration.
Does the network create measurable lift?	Fraud-loss reduction, false-positive rates, precision/recall, time-to-detect, incremental lift vs. customer-only data.
Can Sardine win banks?	Reference calls with National Bank of Canada and other regulated institutions; implementation timelines and renewal/expansion data.
Is AI automation production-grade?	Agent accuracy, escalation rates, auditability, hallucination/error controls, model governance, incident history.
Is the price rational?	Latest cap table, financing terms, liquidation preferences, option pool, secondary activity, pro rata rights and next-round expectations.
Is strategic overlap manageable?	Mapping against a bank's internal stack and existing vendors; identify a specific commercial pilot where Sardine is uniquely stronger.

8. IC recommendation

Proceed to confirmatory diligence and commercial evaluation. Sardine appears to satisfy the strategic threshold for a strategic investor: it operates in a priority financial-services technology category, has credible enterprise traction, and offers a plausible path to commercial engagement. The strongest aspect of the case is not simply fraud prevention; it is the possibility that Sardine becomes a unified, networked risk layer across fraud, AML, credit and investigations.

Approval should be conditional on three findings: (1) the network and behavioral data create demonstrable performance advantage versus existing vendors; (2) bank customers show strong retention and expansion economics; and (3) entry valuation supports a credible path to at least ~3x gross MOIC in a reasonable base case. If diligence does not validate those points, a bank can still pursue a commercial relationship without making the investment.

Source notes

1. Strategic-fit framework — analyst assessment of potential bank use cases and commercial engagement. strategic imperatives.

2. Competitive landscape — analyst assessment of fraud and identity vendors, including Feedzai, Socure, Prove and Incode.

3. Sardine, "Announcing our $70M Series C," Feb. 11, 2025 — $70M round; total raised $145M; 130% YoY ARR growth in 2024; 300+ enterprises in 70 countries; 2.2B+ devices profiled.

4. Sardine, National Bank of Canada partnership / Series C extension, 2026 — $25M extension led by NAventures; total funding $170M; commercial deployment with a major bank.

5. Sardine product and cross-industry fraud intelligence pages, accessed Oct. 6, 2026 — current platform description and network scale. Company-reported metrics should be independently verified.