

PORTUGAL  
FINTECH

# Portugal Fintech Report 2022

POWERED BY



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& ASSOCIADOS

# Portugal Fintech Report 2022

# Welcome

Our team is motivated by all the great work that is done in the fintech ecosystem and for that reason the Portugal Fintech Report is always a celebration moment.

At Portugal Fintech we have been playing the role of connectors of the ecosystem, creating the platform for all stakeholders to accelerate their growth. Beyond that, we have become proactive partners of the ecosystem, supporting the co creation of the future of financial services.

As from 2016, our vision is to create a world class ecosystem, combining the direct support to each individual startup to the promotion of transversal change across the financial sector.

The year of 2022 represents a new stage in the fintech ecosystem, a more mature cycle in all fronts, marked by:

- **Portugal as a world class hub for fintechs**, a trend that started in 2016 but gains additional strength with several unicorns opening operations and teams in Portugal;
- **Startups seek peers and specialized communities** – after two years of operations **the Fintech House launched this year its new building**, growing three times in size and moving its community of 80 fintechs to a new location. The capacity to

concentrate all players from the fintech ecosystem is the key to make it the choice of startups;

- **Collaboration becomes mainstream** – after years of internal transformation, mature players are now showing capacity to co create with the ecosystem, choosing to work with startups to go faster to the market and to focus on core operations. Banks and insurance players have moved beyond pitching competitions and work to truly collaborate and test with fintechs.
- **Regulatory evolution** on several fronts – the world is passing through deep changes and 2022 showed great progress in presenting regulation in different areas. ESG and taxonomy will force banks to acquire new skills and to better manage data, a blue ocean for fintech startups to present solutions. On the crypto side, MiCA and the evolution of CBDC will mark how the crypto world evolves after turbulent moves in the market;

As for the future, we hope this report inspires you to connect with the Portuguese Fintech community. At Portugal Fintech we put efforts into leveraging the Fintech ecosystem's potential, generating value through a strong market cooperation and development of our community into a world class Fintech hub. Innovation never stops. Neither do we.

# A vibrant ecosystem with no signs of slowing down

The year of 2022 was a year of great change, combining the phase out of a world pandemic, the beginning of a large-scale international conflict in Europe, the crash of large crypto projects and the VC engine slowing down. However, the Portuguese Fintech Ecosystem has shown resilience and investment, talent, business and innovation continue to speed up in Portugal. Portugal Fintech Association is here to celebrate that.

## 2021

### DECEMBER

Anchorage achieves unicorn status creating Portugal's 7th unicorn

## 2022

### MARCH

Utrust becomes the fourth entity authorized by the central bank to provide the full range of services with crypto activities

### APRIL

European Commission submits a proposal for a Regulation of the European Parliament and of the Council Laying Down Harmonised Rules On Artificial Intelligence

First meeting of the Bank of Portugal's Contact Group for the Digital Euro

Bank of Portugal grants a license to Bison Bank to act as the first crypto bank in the country.

### MAY

The Portuguese financial regulators, ASF, CMVM and Bank of Portugal launch the 4th edition of Portugal FinLab

The European Commission launches a public consultation on open finance framework – enabling data sharing and third-party access in the financial sector

The European Commission launches a public consultation on the review of PSD2

Luxembourg's Finance Minister, Yuriko Backes, signs an agreement between the Luxembourg House of Financial Technology (Loft) and Portugal Fintech

Fintech Solutions launches Insurtech Solutions and Trends Report, a study with more than 70 startups with B2B use cases of collaboration with incumbents

### JUNE

CMVM publishes a reflection and consultation document on AI

European Parliament and the Council public regulation 2022/858 on a pilot regime for market infrastructures based on distributed ledger technology

BPI and The Fintech House join forces to accelerate technological and financial innovation

### JULY

Binance, the biggest crypto platform, enters Portugal

KPMG and The Fintech House sign partnership to support the fintech startup ecosystem in Portugal

Swedish digital payment fintech Klarna announces a product development center in Lisbon

### SEPTEMBER

Fintech House moves to new building in Lisbon housing 4 times more startups

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CHAPTER

# 1 Portugal Fintech Association

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# About us



portugalfintech.org

Portugal Fintech is a startup-centric network which brings together the key stakeholders of the industry – from founders, investors, regulators, and academia, to incumbents in banking, insurance consultancy and law firms – **to create the best conditions for the development of the Fintech ecosystem.**

Since 2016, we drive our mission by closely engaging with and connecting the ecosystem – promoting a common ground for dialogue and supporting the growth of Fintech in a sustainable way.

Our activity is, thus, sustained by four pillars of action: connection to partners and clients, privileged contact with capital and investors, communication channel with regulators, and proximity to top talent.

## Mature players

Bringing together Fintechs and Incumbents to foster collaborative win-win partnerships. Promoting co-creation of the future of financial services and creating fast tracks for testing between the two universes.

## Regulation

Aiding startups in developing solutions that are compliant by collaborating with regulatory agencies and legislators to promote a quicker and clearer environment for innovation.

## Talent

Understanding the startups' needs in terms of talent and connecting them with Universities and HR partners, while raising awareness about opportunities of working in the fintech ecosystem.

## Investors

Connecting startups with national and worldwide investors, through networking events and 1-on-1 meetings. From Business Angels to Corporate Investors and Venture Capital Funds, we help startups gather smart money to speed up business growth.

## Portugal Fintech fosters the ecosystem through

### The Research

Portugal Fintech Report as an annual portrait of the Portuguese ecosystem, since 2017

### The Hub

Fintech House as the physical incubator for fintech in Lisbon, since 2020

### The Advisory

Fintech Solutions as the advisory arm that closes the gap between startups and incumbents, since 2020



thefintechhouse.com



## One of the largest fintech hubs in Europe

Two years after the launch of the first fintech-dedicated co-working space in Portugal, the Fintech House opens a new technology hub and triples its capacity to support startups.

Fintech House was born from the collaboration between the non-profit association Portugal Fintech and the largest network of coworking spaces in Portugal, Sítio. More than just an office space, the incubator seeks to support startups from access to capital, connection to talent, proximity to banks, insurers and other mature players and regulators.

The hub, which integrates the national network of incubators, has 6 official partners that continually invest in innovation and technology, working closely to support these startups, with monthly mentoring meetings, conferences and workshops that promote an open dialogue and knowledge sharing. They are Banco BPI, Fidelidade, INCM, KPMG, Morais Leitão and VISA.



## The must go place for fintech

The Fintech House is not only a place for startups, but a place for everyone in the community to be involved. Now more than ever, we are aware of the need to connect key players and promote open communication. As such, we host the community-exclusive Fintech House Talks, which consist of discussions where founders are invited to share past experiences, lessons and challenges about different areas of the industry. Additionally, The Fintastic Fridays are monthly gatherings open to investors, mature players, startups and partners that wish to get to know the faces and the work of our community members.

And other open events, such as legal breakfast to talk about central bank digital currencies, conferences about open banking, data, ESG, and creative mornings with inspiring founders.



## How we support the ecosystem

- 1. CONNECTION WITH MATURE PLAYERS**  
Direct connections with mature players and opportunity to be featured in relevant events to the industry along with potential clients
- 2. RECRUITMENT SUPPORT**  
Office hours with experts on talent acquisition and HR consultants; promotion of open vacancies through the Fintech House's network of newsletter subscribers, LinkedIn followers and a talent-dedicated page on the website
- 3. ACCESS TO CAPITAL**  
Office hours with experts on investment plans and strategy, pitch deck and how much to raise, such as startup founders and VCs. Direct connection with investors based on investment needs and value proposition
- 4. LEGAL & REGULATION SUPPORT**  
Office hours with our main partner, Morais Leitão, for legal advice on fundraising, growth, scaling, exits, compliance and regulatory issues

### FINTECH HOUSE MAIN PARTNERS



## BPI and KPMG join the main partners

This year, the Fintech House established two new key partnerships with Banco BPI and KPMG Portugal. This partnership aims to contribute to the ecosystem, support startups in the connection with banks and in their growth and development, through internationalization.

# +80 STARTUPS

On the network from all the corners of the world

# +2400 M<sup>2</sup>

# +400 SEATS

At the Fintech House in the business district of Lisbon

# +100 EVENTS

Organized until the moment for the community

"The partnership with Fintech House, although recent, has been very advantageous for BPI. The knowledge of companies with innovative solutions, as well as the conferences and debates promoted, reinforce the Bank's culture of innovation and help us to look at part of the challenges we face in a transformative and collaborative way." explains Afonso Fuzeta Eça, executive director of BPI's Center of Excellence for Innovation and New Businesses.

"Continuing its commitment to innovation and technology, KPMG Portugal reinforces, with this partnership, its commitment to this community, in order to contribute to its growth and development, enhancing the use of these resources for its clients but also for the market." states Nasser Sattar, Head of Advisory at KPMG Portugal.

## The advisory arm of Portugal Fintech, closing the gap between startups and mature players.

### CX RESEARCH AND FINTECH JOURNEYS

Understand how your journeys are experienced by users

### SCOUTING AND MATCHMAKING

Get to know top technologies that answer you needs

### PILOT EXECUTION SUPPORT (PMO)

Conduct relevant experiments that will lead to durable relations with business drive

### INTERNAL INNOVATION AND HACKATHONS

Strengthen internal capacity to innovate and to create accountable innovation processes

At the launch of Fintech Solutions our vision was grounded on two beliefs that still guide our work.

- Open innovation must be balanced with internal entrepreneurs, if not there will no handover for implementation once a pilot is completed,
- Innovation cannot be entirely embedded into everyone's responsibility - you must give space for internal labs and innovation managers to empower innovation.

Based on these premises we have been growing as a fintech innovation lab, advisory firm, product designers and program managers. A new way of conducting innovation, focused on internal engagement, business drive and accountability.

## What we have achieved

1. Launched the first **fintech focused innovation program** and preparing the second edition;
2. Managed an **internal innovation program** reaching over 1000 thousand employees, delivering **3 pilots**;
3. Delivered over **10 design thinking sessions** and designed **CX journeys** in credit, insurance, onboarding, loyalty, etc;
4. Researched over **1000 startups** to run more than **15 proofs of concept or MVPs**;

## The traditional narratives

### Corporate Innovator

You run an open innovation program. Great engagement with the ecosystem, several PoCs executed, but struggle to handover to business. Open innovation programs often face the challenge of getting the projects to be adopted by internal areas.

You are starting to review an existent or new journey. You want to get some early feedback and present a potential vision. You want to go beyond on existent assumptions. Lateral thinking is needed and also a in depth comprehension of existent journeys from other sectors.

You had an internal initiative that gathered potential ideas. The idea started small, then went big, now is a drawer to be tested. The typical constraint is that your idea does not win against other business cases in the internal roadmap.

### Fintech Solutions

Rethink open innovation and work upstream with internal teams on the use cases that will generate engagement.

Test new journeys. Research current or potential customers, get mockups to test CX, develop a business plan and find the best startups.

Test your idea, get results, gain credibility, replicate. Fintech Solution supports the PMO to run "build, measure, learn" cycles.

## The PoC Guide for successful proofs of concept

The recent study "Streamlining Innovation with Fintechs" crosses the opinion of more than 70 mature players and startups to present actionable strategies to work with the ecosystem.

Download at [thefintechsolutions.com](http://thefintechsolutions.com)





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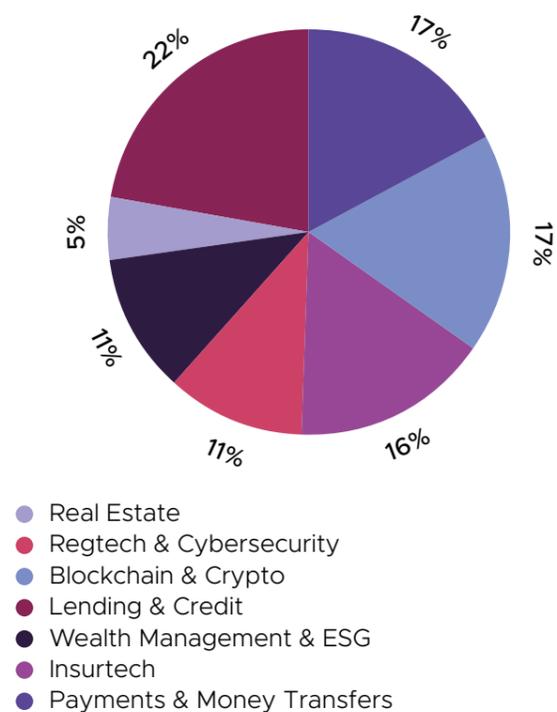
# Ecosystem Snapshot

Every year Portugal Fintech conducts an open survey to the truest source of information, our Fintechs, and develops a deep analysis on the sector. Numbers speak for itself, grounding the great development that the ecosystem had in the most recent years.

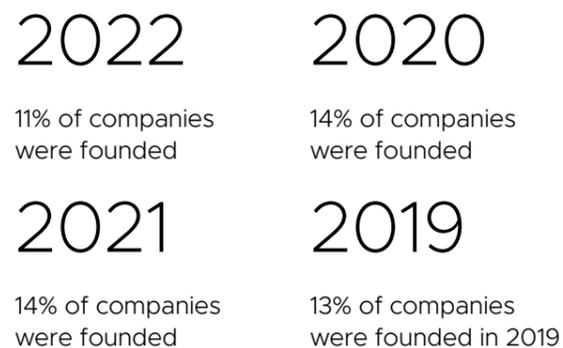
For the purpose of this sub-chapter, the data displayed refers to the ecosystem members except international fintechs operating in Portugal.

## Fintechs Per Vertical

In terms of distribution per vertical, Portuguese Fintechs are biasing towards Payments & Money transfers, Insurtech and Blockchain and Crypto Verticals.



## Most Popular Year Of Foundation



Source: 2022 Portugal Fintech Survey

## Total Funding to Date from the Fintech Ecosystem

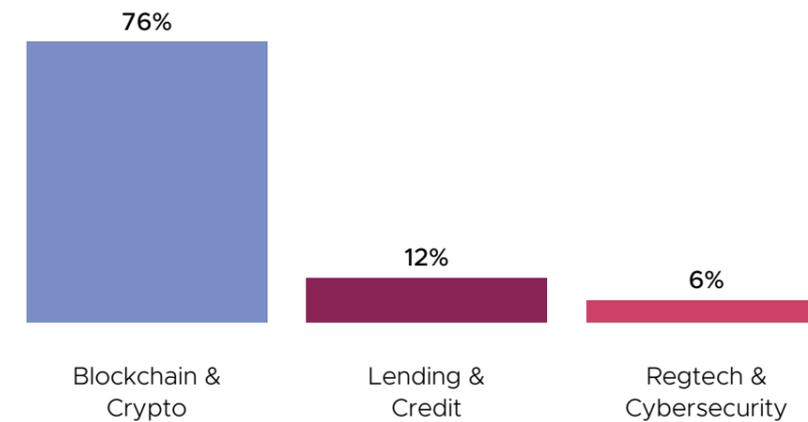
\*Excludes International Fintechs Operating in Portugal

€ 1,079,745,694

The top Fintechs have raised on aggregate over € 1 billion euros

## More Insights On Funding...

The top three verticals with regards to funding, in percentage of amount raised:



On average

**48%**

of companies have funding from international investors, considering 21% of those have no Portuguese investors

## Geographic Distribution



Lisbon and Porto are the main Fintech hubs for the Portuguese-based companies. Outside of Portugal, other common countries of headquarters of Top Portuguese Fintech are France, Germany, the US, the UK and the Netherlands.

## Size

On average, teams are composed of

**45 EMPLOYEES**

with more than 12% being larger.

## Business Model

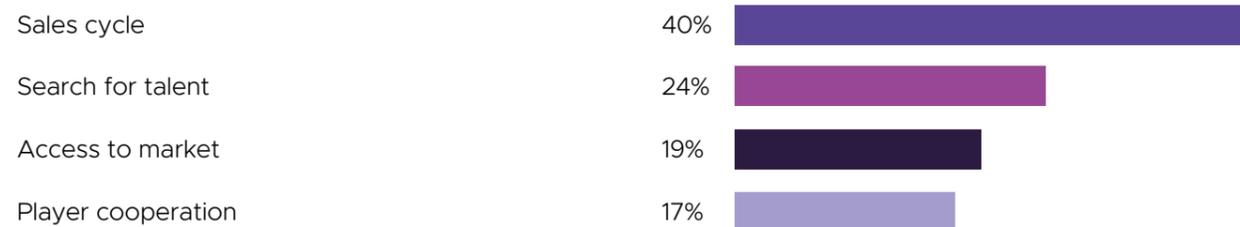
Approximately 75% are

**B2B**

companies.

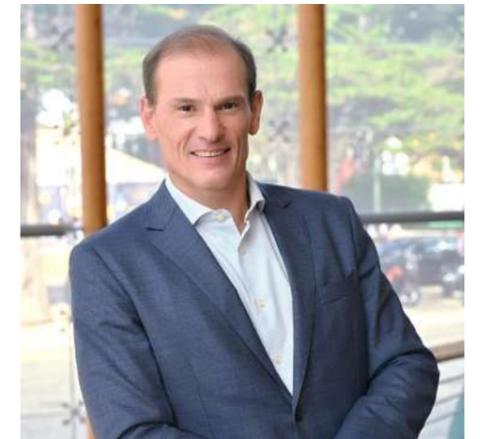
## Greatest Hardship

The greatest hardship for the Top Portuguese Fintech is the sales cycle, which for an ecosystem of predominantly B2B companies is particularly large. The second hardship mostly felt is the search for talent - although Portugal is a highly skilled country in terms of tech, both remote work and the establishment of hubs from larger players have increased competition for qualified workforce.



Source: 2022 Portugal Fintech Survey

# Portuguese Startup Ecosystem



Gabriel Coimbra,  
Group Vice President and  
Country Manager, IDC

## Insights brought by Gabriel Coimbra, Group Vice President and Country Manager at IDC

The Portuguese startup ecosystem is evolving positively and bearing fruit, the evidence is in the emergence of Portuguese unicorns. The country attracts the gaze of foreigners, is recognized as a European country with better quality of life, safety, climate, and favourable geographical location. Portugal has gone from a country of tourism to a country with huge potential for innovative businesses, especially after hosting the Web Summit, an event that put Portugal on the investors' map.

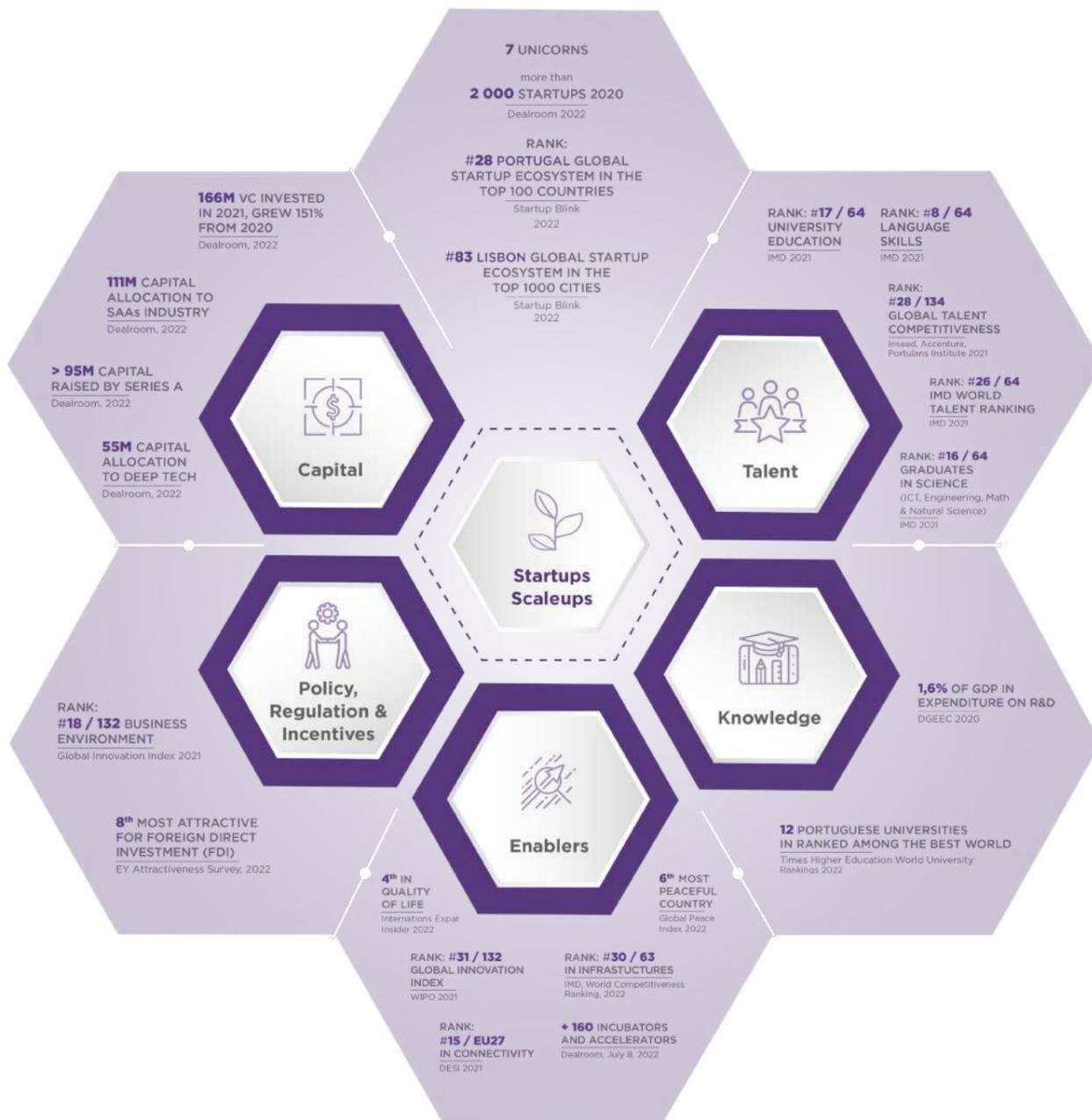
In the last 5 years there have been many significant changes, one can notice this evolution when we analyse the mindset of entrepreneurs which is much more disruptive than in the past. This change is due to preparation through entrepreneurship programmes both at university level and at the level of accelerators and incubators, which together add up to a very important role in this transformation of talent. Portugal has skilled talent, although there is a need for investment and measures to keep them here and boost the Portuguese economy.

In terms of technology, the country has made many advances and investments for the digital transition, has created support instruments to facilitate the advance of companies in this transition, as well as introducing legislation that allows more talent capture and creation of startups such as: startup visa, tech visa and visa for digital nomads. The technology industry is preferred by investors in the startup ecosystem, becoming the majority of the investments made in the last year.

A major differential of Portuguese startups is that they are born thinking about the international market. Being a small country also has its advantages, as it forces companies to be more strategic and creative, and it is also much easier to make connections both within the Portuguese ecosystem and with European countries and countries in the Portuguese Language Community (CPLP), as Portugal is a gateway to growing markets.

## KEY KPI OF THE PORTUGUESE STARTUP ECOSYSTEM

Exclusive draft preview from the second edition of the “Startup & Entrepreneurial Ecosystem Report, Portugal”, a report from IDC in partnership with Startup Portugal.



Preliminary version. Final version will be published on the Startup & Entrepreneurial Ecosystem Report, Portugal 2022 by IDC

# EMEA Fintech Snapshot



João Patrone,  
Director at KPMG



Vasco Mendes,  
Director at KPMG

## Insights brought by João Patrone and Vasco Mendes, Directors at KPMG

The optimism that permeated the fintech market at the end of 2021 quickly transformed into concerns about a potential recession in H1'22 as uncertainties related to the Russia-Ukraine conflict, ongoing supply chain challenges, and rising inflation and interest rates took their toll on public and private companies alike.

Looking back, H1'22 can be defined by one word: unexpected. Consider some of the key trends we've seen across the fintech sector over the past 6 months: (i) declining investment across most jurisdictions, particularly between Q1'22 and Q2'22; (ii) shuttering of IPO window in wake of turmoil in public markets and rapid decline in valuations; (iii) ongoing strength of payments sector across numerous jurisdictions; (iv) increasing focus on automation and extreme automation in cybersecurity given the ever-increasing number of issues in need

of investigation; (iv) growing diversity of jurisdictions attracting fintech investments, particularly \$100 million+ VC rounds. Heading into the second half of 2022, market challenges are expected to continue, with investors increasingly focusing on top-line revenue growth, profitability, and cash flow. M&A activity is well-positioned to grow as mature sectors see consolidation and investors look for attractive deals amidst the downward pressure on valuations and as some startups contemplate alternatives to down rounds.

Whether you're the CEO of a large financial institution or the founder of an emerging fintech, understanding how market dynamics have shifted could be critical to your competitiveness and sustainability — while finding ways to become more efficient could help minimize cash burn. These are the key highlights from the fintech ecosystem in the EMEA region:

## Banks transforming into tech companies

In the EMEA region, some banks that have developed AML and AI-focused solutions and tools in-house are now looking at how they can commercialize these to other financial institutions. During H1'22, Belgian bank KBC launched a new subsidiary focused on bringing its AI applications and tools to other banks, with the first product targeted at combating financial crime.

## Investors focusing on business fundamentals

Faced with numerous uncertainties, including the Russia-Ukraine conflict, rising inflation, and rising interest rates, investors in the EMEA region have shifted their primary focus from growth to value. Valuation multiples have decreased significantly for some players (e.g., buy-now-pay-later giant Klarna which heavily focused on growth, saw its valuation drop 85 percent compared to last year<sup>2</sup>). There is now a lot more emphasis on business fundamentals when making investment decisions, evaluating the sustainability of business models, how profits are generated, and whether cash is being generated or consumed for growth.

## Embedding finance and banking as a service high on the agenda

Profitable players such as Starling Bank<sup>3</sup> and ClearBank<sup>4</sup> that facilitate non-financial companies to move into financial services have been able to raise extra funding to grow their expansion further.

## Regtech automation gaining attention

Juggling the ongoing avalanche of regulation in the EMEA region and the constant need for more resources to manage compliance has been a major struggle for businesses. With inflation driving operating costs up, there is further increasing interest in affordable compliance solutions and regtech automation that can help make compliance affordable, efficient, and manageable.

## Regulatory environment for blockchain continuing to evolve

During H1'22, the blockchain space reached a significant milestone in Europe with the publication of the Regulation on the EU pilot regime for market infrastructures that use distributed ledger technologies<sup>5</sup>. The regime is effectively a regulatory sandbox. This new program aims to breathe extra institutional interest into blockchain technology in financial services along with the much-anticipated

Markets in Crypto Assets Framework (MiCA), and the growing interest in central bank digital currencies, with the digital euro potentially to come as soon as 2026.

## Trends to watch for in H2'22

- Investors spending more time with their current investment portfolio companies to help them through the uncertainty that exists rather than focusing on diversification and new investments.
- Rising interest rates giving banks more cash to spend and more ammunition to invest in strategic players.
- Increasing consolidation across the fintech space as investors become more discerning, weaker fintechs struggle to survive, and well-capitalized companies look to take out some of their competition.
- Fintechs focused on broader ESG and sustainable finance starting to secure more funding than has been seen to-date as regulators have made clear their expectations on firms monitoring and managing their financial risks.<sup>7</sup> The investment of capital markets actor Euroclear in Greenomy is a case-in-point.<sup>8</sup>
- The fallout of the collapse of the crypto space and any side effects it has on the traditional investment world and on future regulatory action.

# Capital & Investment

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For the purpose of this sub-chapter, we reflect only on data collected from all respondents to the open survey, as well as other public sources of information duly identified.

# Insights

Capital capacitates fintechs to bring innovation to the sector. In Portugal, raising capital is a process that takes 6 months or more, but accessibility to investors has improved. Investment demand in early-stages is fulfilled by national investors, whereas in later stages international investors are the ones to respond to demand.

Source: 2022 Portugal Fintech Survey

DO YOU THINK THERE HAS BEEN AN IMPROVEMENT IN ACCESSIBILITY TO INVESTORS?



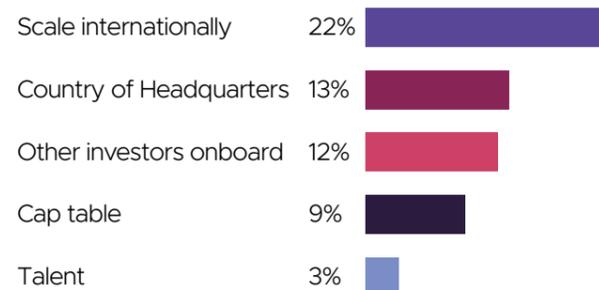
No Yes

HOW LONG DOES IT TYPICALLY TAKE TO FUNDRAISE?

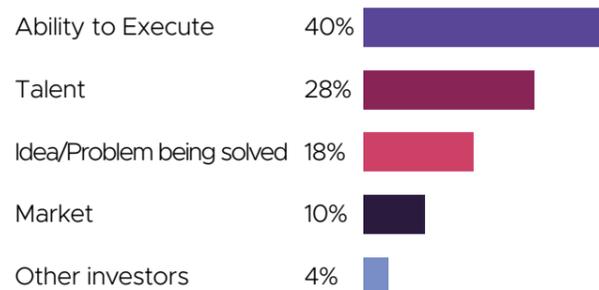
## >6 MONTHS

According to 48% of those surveyed, it takes longer than 6 months to raise capital

WHAT ARE THE GREATEST OBSTACLES WHEN APPROACHING INVESTORS?



WHICH CHARACTERISTICS DO YOU SEE INVESTORS POINTING OUT AS POSITIVE FROM PORTUGUESE FINTECHS?



TOTAL AMOUNT RAISED UNTIL JUNE YTD

## € 627 MILLION

By Portuguese startups in a total of 52 rounds, according to a monthly activity report.

Source: Portugal Startup Scene by Pedro Almeida

# Fintech deals in 2022

Despite falling tech stocks and concerns about an economic downturn, global fintech venture capital (VC) dealmaking remained strong in 2022. Below is a list of relevant fintech deals from fintechs based in Portugal or with Portuguese founders taken place during 2022:

| NAME OF THE STARTUP | CAPITAL RAISED | INVESTORS  | PURPOSE  |
|---------------------|----------------|--|--|
| uphold              | € 30.6 MILLION | Hard Yaka  | International Expansion, Access to Licensing, Increase team, Marketing |
| elucidate           | € 6.2 MILLION  | AV8, Elevator Ventures and existing investors  | Sales and Marketing  |
| habit               | € 5.2 MILLION  | SixThirty, OneTier, Bright Pixel, Iberis   | Marketing  |
| ZHARTA              | € 4 MILLION    | GreenField One, Shilling VC, Possible Ventures, SpaceShipDAO, UniwhalesDAO, Olisipo Way, CleverWeb3, Founders Head, Several Industry BAs | Increase team  |
| biometrid           | € 4 MILLION    | Portuguese Entrepreneurs   | International Expansion  |
| Fraudio             | € 4.3 MILLION  | Shilling, Portugal Ventures, Onetier/BiG, BYND and Saltpay Europe  | International Expansion  |
| impact market       | € 3 MILLION    | Davoa Capital, Celo co-founders, Allegory  | International Expansion  |
| GOPARITY            | € 2 MILLION    | Mustard Seed Maze, Schneider Electric's Energy Access impact fund, Crowdfunding  | International Expansion  |

# Interview / Investing in portuguese fintechs

## Which advice would you share to portuguese startups raising funds internationally

The first advice is you should not put the horse before the carriage to raise funds internationally. If you want to raise funds internationally, you have first to put people on the ground in these areas. But first and foremost, you need to win clients. So if you want to raise funds internationally the first thing is to win some clients locally. Then put employees first, employees nurture these clients and upsell them. From this stage you can draw the interest of International VCs or Growth Equity Funds to invest and to accelerate what you've already started. The second piece of advice is to clearly define why you want raise funds internationally. Usually, the answer is because the startup believes there is a profitable market in that geography. Thus, it is important to execute an analysis of market and hire local employees.

**Jscrambler is the most recent portuguese fintech in which Ace Capital has invested on. Can you mention some of Jscrambler's traces that made you interested in them?**

One of Jscrambler's key features we were drawn to was their ability to generate revenue from oth-

er geographies. Jscrambler was able to win clients from Portugal and clients internationally. The second element is the ability of the management team to drive the company and make sure that it can deliver value to their clients.

Lastly, the promise of the product is simple. It protects the website. Usually you protect server, you protect the computer, you protect infrastructure, but you don't really protect the website. Jscrambler has a clear value proposition, and we believe that there is a tremendous potential for their offering that is clearly underestimated today in terms of risk from malicious activities. The way the product was delivered in a very simple, explainable, and almost obvious manner was very well executed.

**VC ecosystem was shaken recently. Do you think physical location will more or less relevant in the following months?**

In the postcovid world, physical location clearly matters less than before. The gap of the arbitrage between France and Portugal for instance, is not relevant that an investor would favor. European markets are clearly more open. You can unlock the German market by hiring German guys, but not be-



Augustin Blanchard,  
Ace Capital Executive Director

ing a German company is possible. What's going to be critical in the coming months to raise money is to be able to deliver growth and the highest growth possible while being cost conscious.

VCs are focused on companies that can generate sustainable growth, meaning that they are not expecting companies to turn profitable overnight, but the businesses that are able to raise money will be the ones who require the less money. If you are a startup now and you want to raise in the next six months, demonstrate clearly to your prospective investors a path to profitability, the ability to be cost conscious and to make savings on your business.

**In your opinion what is an important decision early-stage startups will face and what would you recommend?**

Early-stage startups founders are faced with two choices. Either to grow big and fast or start small and see what happens. My advice is to recruit highly experienced profiles. If you're serious about creating a startup and you believe that there is much potential, don't hesitate to hire experienced people very early on. Not only because of the value they will create, but it's also a positive signal from the CEO and the founders realizing their own limitations and ambitions. Even though the startup has limited resources it is eager to invest in its growth and is able to conduct everyone like an orchestra conductor. This is what investors are looking when they invest. They are not looking for someone that knows everything and how to do everything, but rather a conductor who is able to manage a high-value team.

**How do you see Ace Capital's connection with the Portuguese fintech ecosystem in the future?**

Ace Capital is not a fintech investor per se. It invests in cybersecurity. However, beyond hospitals, who are the first target of cyber-attacks? Banks or ground infrastructure. So, as a cyber security investor, we tend to develop close relationship with the fintech ecosystem and overall, the financial sector, especially in countries where we have invested already, like with Jscrambler in Portugal. We would like to be more involved with Portugal to identify interesting startups to invest in, and to be able to support the startups we invest in to grow in Portugal.

# M&A in Fintech — A growing trend?

## Global M&A fintech activity

The end of 2021 for the fintech market was unprecedented, as we saw high numbers for M&A deals and funding alike. With the beginning of 2022, there was a rise in geopolitical and economic issues that deeply affected the capital markets, such as the Russia-Ukraine conflict, the ongoing supply chain challenges, and rising inflation and interest rates. However, global fintech M&A activity, related to private fintech being acquired, did not decline when compared to the previous semester but rather increased, as valuations remained steady, and the number of deals went up to a record high of **591** deals, representing a **16%** increase from H2'2021 and **46%** increase when compared to H1'2021. In addition, from a survey conducted by KPMG, 80% of executives signaled their appetite for deals is stronger than in 2021 and **61%** indicated that they expect M&A activity in their sector to increase over the next year.

When it comes to market multiples, we see an increase of **9%** in EBITDA multiples at **14,2x** when compared to **13,0x** from H1'2021, but no change from H2'2021. In addition, revenue multiples have maintained relatively constant as we see barely any change when compared to the previous year at around **3,1x**.

Given a potential economic recession, the current M&A activity levels are not expected, however, it is worth noting that deployable private capital from investment funds have reached an all-time value of \$3,6 trillion. In addition, public companies with lots of capital are actively looking to maintain their technological competitive advantage through acquisitions of fintech firms, meaning that the M&A activity in this sector is not showing any signs of slowing down.

### Lessons learnt from M&A - from both sides

The key involved parties in an M&A transaction have several key risks involved during the deal period that could be detrimental to the post-merger success of both firms. Below, we provide three examples of fintech startups involved in M&A process - Lovys, Saltpay and Drivit.



### Lovys — Acquirers

#### How to run the preparation and the process.

I would say there are three golden rules: know what the red lines are for both parties; know why you are going for a merge and what you want to achieve with it; define a management plan that is clear and not disruptive to the companies' objectives.

#### How to keep a business running through a merger?

**We need to be both very transparent and very clear to the teams.** Sometimes companies fall into the error of hiding what is happening from their teams, with the aim of protecting them and protecting the company's core objectives. I believe that this is counter-productive and may generate some insecurity. I believe it is important to give teams full visibility, while being clear about what is to be done and when. Thereafter, to break the merge into several parts and execute each one in a way that does not deviate the company from our initial strategy and objectives.

#### How to retain talent after and during the M&A process?

Knowing what you want with the acquisition helps quite a lot. If the acquiring company has a well-defined plan for the teams' uptake, clear objectives and is able to explain the reason for the acquisition clearly, talent retention ends up being natural. **The best talent likes ambitious projects and likes to be shown the vision in a well-articulated way.** What can go wrong with this process is trying to take structural decisions in the middle or after the acquisition process. The vagueness and leaving important matters hanging.

#### How to deal with management change after the process?

Management change is inevitable, and it never pleases 100% of people involved. This is absolutely human and normal, if you think that the merge process was not democratically decided by a huge group of people on both sides. In this sense, the most productive and also the most correct thing to do is to be honest and transparent about what the new way of running things is.

### How to retain synergies of an acquired product by the acquirer?

This is perhaps the most important question. Synergies should be the main purpose of an acquisition, where 1+1=3. This happens when the second order impact is as or more important than the first one. Putting this into an example of an insurtech, the first order impact can be the acquisition of the portfolio at an interesting cost. But the second order impact can be the acquisition of skills that improve our capacity to source clients for certain products. The third order impact could be that those same skills could be applied to a bigger market segment. That's when the magic happens! I would say the only justification for a startup or scaleup to go through the effort of an acquisition is to achieve these synergies.



## SaltPay — Acquirers

### How to run the preparation and the process?

Every transaction is different. The preparation and process for acquiring a small founder-led business is inevitably different from that of a larger company with institutional shareholders. However, there have been some learnings from our 20+ transactions in the last two years:

1. **Focus on the people;** understand their aspirations, concerns and build a relationship with the main stakeholders.
2. **Understand what is key to executing the transaction and simplify the rest;** we have internalized most of our M&A and Legal processes and built execution and integration playbooks that allow us to focus on each deal's specifics while not reinventing the wheel.
3. **Be upfront about how we see a successful integration process;** ideally, the post-acquisition expectations of the direction of the business, how it will contribute to our vision, and the new role of senior leadership should be aligned before the deal is closed.

We usually start our preparation by running an assessment of the acquired company's products and operations. We try to be open-minded, listening and evaluating carefully if and how to evolve them. We also make it clear from the beginning what our firm stances are during the process.

### How to keep a business running through a merger?

**Being transparent and upfront about how we see our combined business,** and moving fast in the execution of the deal, are the best ways we believe we can minimize disruption in the execution of our post-acquisition plan. We are careful with the things we do during the merger, so we don't kill people's motivations, creativity and all the things that make the company successful.

This means accelerating with the hygiene elements of integration, such as HR, Reporting, Security and IT processes and systems, while working together to define what the future looks like when integrating Products, Sales and Operations. We also find quick wins during the first months of the merge and execute them as a team, as achieving results together really helps with the integration.

### How to retain talent after and during the M&A process?

During the acquisition and integration process, we aim to provide as much detail as possible about our journey so far and plans together. **We over-communicate our mission and values,** respecting the fact that this wasn't necessarily what the new employees signed up for. We don't think there's a way to accelerate this decision individually, so we don't push for it.

Being a fast-growing company with lots of new opportunities and a vision which is, in most cases, aligned with that of the acquired companies is key to talent retention. Broad-based stock option compensation to all acquired company employees also helps align with the new vision.

### How to deal with management change after the process?

Change is uncomfortable, and each person has their reaction and pace of adaptation to it. To make this smoother, can aim to prepare and support individuals, teams and the organisation with their journey. We are honest and upfront about the upcoming changes, sharing what we know and what we don't yet. We also have a fully dedicated M&A Integration and People teams available to listen to them and communicate what's happening in each stage of the process.

As suggested earlier, achieving things together as soon as possible helps by making people bring their attention back to work and creating a good sense of belonging and teamwork. It is also a great way for both sides to assess culture and ways of working, which ultimately defines much of a deal's success.

### How to retain synergies of an acquired product by the acquirer?

**There are two types of synergies during a merger; quick wins and the wins that allow us to scale together as one company.** What's key is to avoid unnecessary disruption in what the company has as its foundation that makes it successful. It can be its people, tech stack, regulatory licenses, sales processes, or customer support processes.

For quick wins to happen, it usually takes little effort and no disruption. For the latter, being able to integrate products, processes and teams, it takes more time and lots of care. After a good assessment, a plan needs to be designed with all relevant stakeholders and a project tracker to ensure we evolve and achieve our joint ambitions.



## Drivit — Acquired by Zego

### How to run the preparation and the process?

They were our clients and at the time, we were not in an urgent need of capital, and as such, the acquisition proposal came as a surprise so there was no previous preparation. My recommendation for prepping would be to have good metrics in place, good understanding of your business, meaning knowing your strengths and limitations, try to keep your financial and legal processes as simple and transparent as possible to simplify due diligence processes.

When you actually know that the acquisition is happening, you should start by getting all investors on board, then you need to have people with experience in this type of deal, as well as having a good legal team. The biggest thing you should not do is treat the deal like it is done, always keep all parties engaged and have an alternative plan.

### How to keep a business running through a merger?

It is a demanding process, so you need to be able to prioritize certain aspects throughout many tasks that you will have to do. I would say to try to be even leaner, more focused on key parties that you cannot lose support on, ensuring that the key processes and deals are prioritized.

### How to retain talent after and during the M&A process?

This was actually our case as the deal terms were to acquire our technology but also our talent. The most important thing is providing incremental benefits, while maintaining people's current position and benefits. The hard part for us was not to retain talent but to convince them to move to Zego. In the end, the biggest criteria were financial conditions and future prospects.

### How to deal with management change after the process?

It is a big change because you change the company's direction, vision, and mission and the biggest issue is to align this as to keep people working for

a meaningful purpose. Obviously, we do lose some freedom and autonomy, but having more resources and being able to create more impact for our customers has made the process easier.

### How to retain synergies of an acquired product by the acquirer?

In our case it was a bit swifter, since we were selling to a company that was already integrated with us. It was essentially a technology that was plugged in but now was managed by them. The biggest thing you can do is to preserve the value that you provide to the end customer, since you better than anyone know the product, you can support the acquirer in understanding your product's full value and synergies.

# Interview

## /

# Raising funds in 2022 for crypto technology

Zharta is a DeFi Web3 startup that provides instant loans using NFTs as collateral, enabling NFT holders to get liquidity without having to sell their NFTs.

**First of all congratulations on your seed round! How would you describe the process you went through to close this round?**

This round came at a very stressful time, during a market downturn. Fortunately, we had a solid plan, which gave investors confidence and allowed us to secure the funding we believed necessary to face market cycles.

Closing the round despite the circumstances only intensified our sense of accomplishment – we're thrilled. It gave us the resources to execute our vision. It will ensure we have the necessary runway to attract talent and grow sustainably while keeping some elbow room to experiment.

**Would you say there are differences in the fundraising approach between crypto/blockchain startups and fintechs? What are they?**

Definitely. Startups and normal fintechs have fairly standardized investment procedures that typically feature VCs, traditional institutions, and Business Angels. New founders still have a steep learning curve ahead of them, from learning how to do a fair evaluation of their company to reading up on, and understanding, the numerous legal documents

involved in structuring investment rounds - a herculean task when you consider it comes in addition to the already challenging job of managing your startup. Having said that, there's an established and well-documented format that they can follow. That is not at all the case for web3 companies. There are several financing routes - via IDOs, IFOs, Governance Tokens, and selling financial NFTs, among other options. Furthermore, there are new ways to structure your business, namely as a DAO (decentralized autonomous organization).

As a result, web3 founders have the added work of identifying the financing method that best suits their company's needs and objectives. All options have their pros and cons. So, while there is more choice, that also translates into more responsibility. Ultimately, you tend to end up with a rather eclectic mix of players in your seeding round, from the more traditional investors to those coming from the web3 space themselves.

**When would you say is the right time to raise capital? How did you know this was the right time to do so?**

An investor at a web summit once told me – as a joke, but one not without its grain of truth – that

“the right time to raise capital is whenever you can find it at the right price”. Getting funding is a complex and time-consuming process. At least one founder will have to dedicate their full attention to it - and that's time they cannot spend on their startup. Raising capital gives you more resources and some peace of mind during the runway period, but it's a tricky juggling of factors in which a misstep can have dire consequences. It's not something you can afford to neglect.

**How would you describe the process of finding the right investors to match your needs and preferences?**

It's crucial to have investors that understand your market. It makes for a completely different relationship. They'll be able to understand issues or competitive advantages you might have, and can often open doors for you by expanding your network with valuable contacts.

Another essential factor is an alignment of values and goals, as it helps in fostering a relationship of mutual respect and assistance. Finally, and more generically, it helps if your investors are founder-friendly.

I would say that identifying the right investors depends on doing your homework regarding the key players in the space. You have to learn to be flexible to adapt depending on the feedback you get and to take your failures in stride no matter how bad the many “noes” can feel. It also requires a lot of networking. Finally, you need to learn to take advantage of any lucky breaks you may get since opportunities are always a mix of actions you can take and circumstances that are never 100% under your control.

**Was there something you wish someone would have told you before beginning the raising process? Any piece of advice?**

I do have one piece of advice: if you find good investors interested in joining the round, with good fundamentals, and who align with your values, close the deal. Don't hold out for pie in the sky. You'll save time, effort, and focus as well as win peace of mind.

**What are the 5 most important best practices a founder should keep in mind when raising investment?**

- Pitch a lot and gather good feedback that you can use;
- Getting to know others, and letting others get to know you, is the best way to network;
- Keeping track of contacts and engagement levels is essential for 360° vision;
- Build good products and be ready to showcase your capacity for execution;
- An attitude of transparency, humility and a genuine drive to create will bring you the right investors.



Nuno Cortesão,  
CEO and co-founder of Zharta

# Talent / What fintechs are made of

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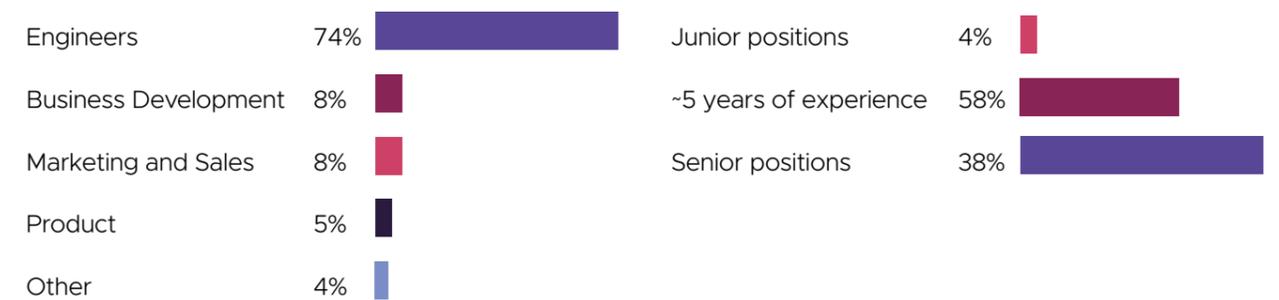
For the purpose of this sub-chapter, we reflect only on data collected from all respondents to the open survey, as well as other public sources of information duly identified.

# Insights

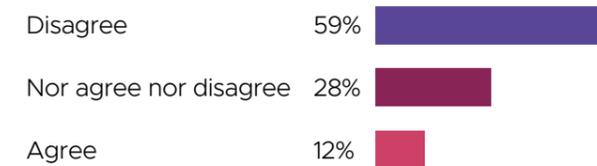
To grow and scale, talent is crucial for fintechs. The most difficult position to hire in the job market is Engineers, and in terms of seniority it is more difficult to find people with ~5 years of experience. Most founders believe there are not enough developers in Portugal to fulfil the demand, and the cost of talent is expected to increase 1.5x in 2022.

Source: 2022 Portugal Fintech Survey

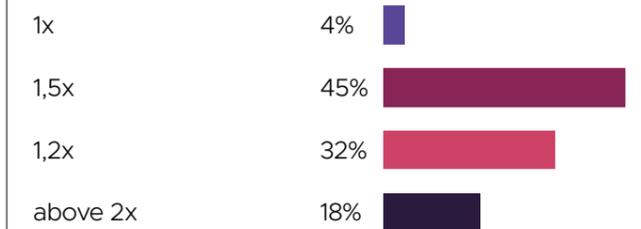
## WHAT IS THE MOST DIFFICULT TO FIND OR HIRE IN THE JOB MARKET?



## IS THE SUPPLY OF DEVELOPERS IN PORTUGAL ENOUGH?



## HOW MUCH DO YOU ESTIMATE THE INCREASE IN THE COST OF TALENT TO BE?



# Portugal as the Tech Hub for European Startups /

## About Pleo

Pleo is the business spending solution for forward-thinking teams everywhere. Our smart company cards and automated expense reports are helping thousands of businesses across Europe leave behind the pains of old-fashioned financial processes, while helping everyone feel valued and trusted at work.

## Pleo raised \$200 million in December to expand into new markets. Why Portugal?

Over the past few years Portugal has emerged as a key fintech hub in Europe, full of innovative and forward-thinking businesses and so it has always been a key step in our expansion strategy. We see a huge potential for growth as expense management is currently one of the most time and resource consuming tasks for businesses today. Over half of SMB's across Portugal use spreadsheets to manually enter spending data, leading to human error and creating a real drain on time when they should be focused on their growth and success. This example really shows the need for digitalization in the market.

## And why is now the time?

The last few years have hit small and medium sized businesses hard. Already having contended with the impact of the pandemic, inflation is now at an all time high and the cost of living is creating a strain to both consumers and businesses alike, with raw materials, goods, services, and fuel all becoming more expensive. As we edge closer to a recession, businesses need to invest in tools like Pleo to drive productivity levels, reduce costs and eliminate unnecessary inefficiencies, whilst keeping a firm eye on both business spend and financial forecasting.

## What were the biggest obstacles to overcome in the expansion process? (Regulatory, market behavior, existent competitors, etc...)

This year alone we have moved into 6 new markets and so our expansion has been ambitious but measured; we're very proud of our growth.

When we prepare to move into any new market, we strive to achieve a strong product fit and to do so with due care and consideration. We always pre-launch within a country to ensure the product is right for the market and of course fully localized. But we need to stay agile within the market and make quick decisions as and when we learn from customers that they have a specific product need. Although a relatively small country, Portugal has a progressive business ecosystem and is at the forefront of fintech innovation. Despite this we've found companies tend to like to stick to what they know. The challenge is to show them that although their current process is working, there's a better, more efficient way to do it. Once they're shown this, prospects are very keen to jump on a call, demo and start the process of moving to Pleo.

## How would you describe Portugal's typical company spending culture and how can Pleo answer the current needs?

Pleo was created to address the pressing needs of small to medium sized businesses to have a simple expense management solution.

Finance teams across Portugal spend hours every month-end chasing and reconciling expense claims from employees, using valuable time that should be focused on building strategy and being engaged in business development. As well as the 55% of Por-

# / The case of Pleo



Vera Dias,  
Commercial Market Launcher, Pleo

tuguese SMB's still using outdated software with spreadsheets for manual entry of expenses, a further 38% of SMBs we spoke to in the country indicated that the time taken to manage bookkeeping, keeping on top of a large volume of expense reports and chasing employees for expense info were core pain points.

Staff often pay out of their own pockets, waiting weeks to be reimbursed – potentially incurring interest charges – only to have submissions queried. The potential for fraud is always there, but scrutinizing employees creates resentment. No one likes to feel untrusted, meaning some staff might actively avoid filing minor claims.

This all amounts to a regular but unnecessary source of friction. With Pleo, these issues are avoided as employees can pay for meals, conferences, subscriptions, advertising expenses, office supplies and transport fees with their debit Pleo card, meaning they are not left out of pocket whilst the finance teams have full real-time visibility over all company spending and receipts are automatically uploaded and reconciled.

## Pleo is not the first big fintech expanding to Portugal. Why do you think Portugal is becoming a new European Hub for Tech Companies?

Portugal, and in particular Lisbon is increasingly becoming known as a hub of fintech innovation. I'd put this down to a few key things; a welcoming and lively creative environment, a high quality of life paired with a safe environment, and crucially a prolonged effort by the country to create high quality talent.

## Regarding hiring perspectives, are you seeking only local talent? What are the main advantages you see on Portuguese talent?

We currently plan to hire 70 employees as a result of our Portuguese opening, across departments that impact all markets. We're keen to create local jobs as well as to open the opportunity to talent all around the world to get to know Lisbon and its quality of life, contributing to the city's international and multicultural environment.

## What does Pleo's future in Portugal hold?

Our goal is to accelerate our growth by providing Pleo to even more forward-thinking companies across Portugal. We know that currently many Portuguese businesses are using old systems for managing expenses, leading to a slow and inefficient process plagued with human error. We want to show those businesses there is a better way, freeing up both employees and finance teams.

# First Impressions Last — The Importance of Onboarding & Retention



Frederico Câmara,  
Coverflex's country manager for Portugal

## What do people want?

It is often said that our lives and the relationships we build can be forever marked by first impressions.

The first day of school. The first solo trip. The first job interview. The first salary. The first child. In my case, a second and a third, all unique and unrepeatable, each experienced for the first time.

Every new professional challenge is a fresh start, with many first impressions to be created. With co-workers, but also with customers and partners.

I recently arrived at Coverflex, and I remember my first day at work very well. I left Porto very early, took a flight, landed in Switzerland, but before the process of getting in the plane my onboarding had already started. The team that boarded with me in Porto made a point of introducing itself, and immediately showed a particular – and, I confess, unexpected – complicity, considering that Coverflex is a 100% remote company.

**Being 100% remote means** that each of the 71 people who make up the team can choose, every day, where they want to work. Sometimes this reality leads people to meet face to face, whenever they find it beneficial and necessary. Alternatively, people meet virtually, when it's either impossible or unnecessary for them to do so in a face-to-face logic. This onboarding - on the plane and in the company - coincided with my debut: I was lucky that my entry into Coverflex, to lead a new team dedicated to the Portuguese market, occurred at the same time as the company retreat in Italy.

Let me explain: Coverflex and the pandemic are practically contemporary. This means that, when the initial idea of Coverflex began to take shape a new work logic was also being born, in line with the times we were living in.

**“Remote team” means** a global talent market, asynchronous communication - as much as possible -, process transparency, a lot of planning and a lot of documentation.

**“Remote team” means** a specific budget that allows us to work where it is most beneficial - 1,000 euros per year per Coverflexer, which can be spent on expenses related to work away from home, be they travel, accommodation or coworking, among others.

**“Remote team” means** having a budget to “build” my home office, to my liking and that meets my needs, whether because I like to be among many plants, work at a table that allows me to stand up, or get together with colleagues on top of a pilates ball. Creating an environment in which freedom and flexibility are key foundations is a challenging task, even more so in scenarios of “great resignation” and “quiet quitting”. Or rather, thinking about an

environment in which these are the pillars is, perhaps, the best answer to this challenge.

Much is said about how much the world has changed in the last two years. But the world wouldn't change if there wasn't a profound transformation in the way people want to live.

**Attracting and retaining talent in a scenario of enormous market competitiveness is, for people and company managers, perhaps the biggest business challenge they have ever faced in their careers.** Every day at Coverflex, in conversations with clients, partners and colleagues, I realise that the happiness and well-being of each person, within organisations, varies in proportion to individual freedom. And this implies that each person is looked at in a unique way, with all their individual characteristics, aspirations for personal and professional development, and with attention to their particular life context.

It was thinking about this impact on people's lives, ours and those of our customers and partners, that Coverflex was created. And it's with that in mind that we make it grow.

Through the possibility of implementing a benefits policy suited to each employee, with our all-in-one solution, we help managers and companies to create the best first impression on each of their employees, making them feel welcome. and understood, as well as helping to make the organisation-wide compensation offering process more efficient.

Our starting point is our obsession with people. Our arrival point too.

# Startups and new leadership styles / The case of Lovys and rotating CEOs



João Cardoso, CEO (author) and João Janes, CMO, respectively

In recent years, things have changed drastically in almost all business sectors. And something that is common to all of them is the evolution of the role of the CEO and how organically the management model has abandoned vertical structures to introduce horizontal models. The Co - CEO position at Lovys has a mix of all of this. It was something that started happening informally because of our environment (internal as external) and suddenly we understood it was the right path to follow. It was inevitable!

My previous experience in Brazil when I created TaCerto taught me the importance of building a team made of people bringing in totally different perspectives to the table. **I was very careful and rigorous when recruiting Lovys' founding team. I knew since day 1 that they would be taking lots of responsibilities and that we needed to create a very horizontal type of culture.** I had to make sure that decisions were not being taken individually by me, in a biased and shortsighted way. From then on, it became natural that according to the challenges we were facing as a team I had a go-to person to help me in different ways. This is how the Co- CEO position came about. I was looking for another perspective on the same matter based on expertise.

The Co-CEO position is decided during the monthly strategic meetings with the board members. What I do is to propose some names and then we all discuss the final decision. The board meetings are quarterly and every month a formal report on the state of the company is sent out. They take place in our offices.

I am suggesting someone for the position based on a few points that I consider important:

1. **the timing of the company** (it is normal for certain areas to have a little more relevance at specific times).
2. **the profile of the person and how they fit** with the challenges we have in mind for the position at that time
3. **the most recent performance** of the person I am suggesting.

Our strategic committee is consulted based on this logic and at the end the choice is put to a vote. The final say is with the entire committee, but since this selection is very thorough and we have agreed on the criteria from day one, it has always been a very consensual and natural decision. At Lovys, rotating co-CEOs are in place for six months and always maintain their regular responsibilities. During their

tenure as co-CEO, they each **create and manage a project related to one of the four main areas of the company: people, strategy, execution, or finance.**

This position is an opportunity for the more senior members of our teams to step up and have more power and autonomy. I see it as a very positive stimulus for the more senior team, and it pushes us to solve only those problems that either require a very long-term view, have a high impact on the organization, or that are very complex.

I also see it as a challenge in terms of legitimacy. Our culture is based much more on merit than it is on titles. It is not because someone is Co-CEO that she/he will be more heard. A Co-CEO must enter a field that is not entirely their comfort zone, which requires the ability to solve problems or add value in a different way. Listening, connecting the dots, understanding the context, and asking the right questions are skills far more important than making a snap judgment or feeding the team technical with technical expertise.

If any company is now confronting the dilemma whether to start applying this position or not, my recommendation would be to do so. They will see the results: they will notice things that you had not noticed so far due to lack of time, they will make the most of their team's capabilities and they will realize that this position can be a great improvement at many levels within their company.

# Where regulation meets innovation

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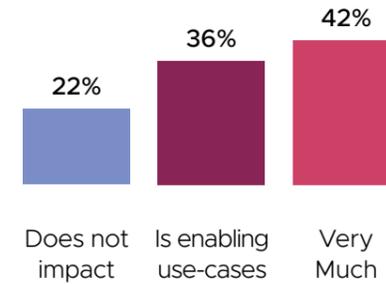
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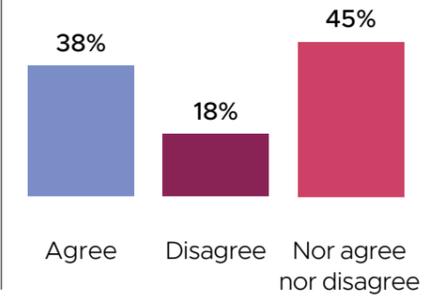
# Insights

Policymakers and regulators have the power to unlock the potential of innovation in a country. In Portugal, regulators have put effort into increasing accessibility but there is still a pain with regulation fragmentation.

HOW DOES CURRENT REGULATION RESTRICT YOUR BUSINESS DEVELOPMENT?



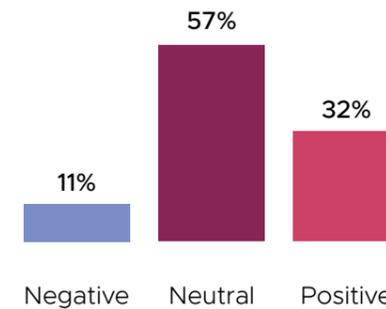
DO YOU BELIEVE THERE IS AN IMPROVEMENT IN ACCESSIBILITY TO REGULATORS?



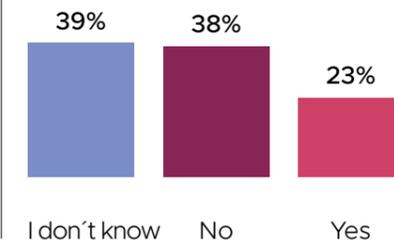
WHAT DO YOU THINK THE AGENDA FOR 2022 REGULATORY YEAR SHOULD BE?

- Payments**
- Cybersecurity**
- Credit & Real Estate**
- Licensing
- Security
- Investment
- Insurance
- Identity
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- Governance

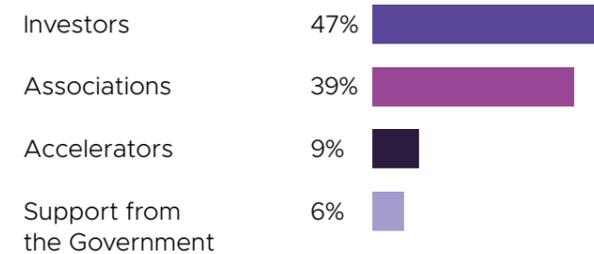
WHAT IMPACT HAS REGULATION IN EUROPE HAD ON YOUR FINTECH IN THE PAST 12 MONTHS?



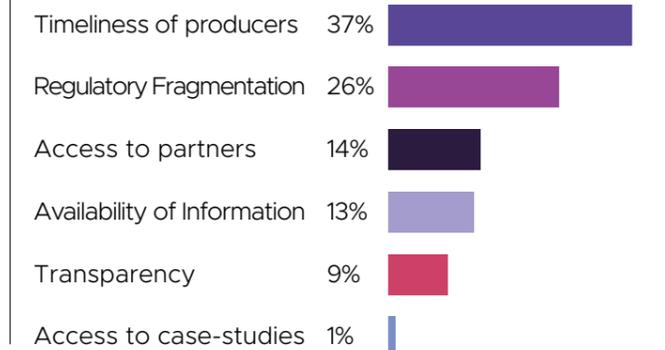
WILL THE MICA REGULATION IMPACT YOUR BUSINESS



WHAT HAS BEEN YOUR GREATEST ENABLER?



WHAT IS YOUR GREATEST HARDSHIP IN REGULATION?



For the purpose of this sub-chapter, we reflect only on data collected from all respondents to the open survey, as well as other public sources of information duly identified.

Source: 2022 Portugal Fintech Survey

# Ecosystem Regulatory Overview



Combined article from Banco de Portugal (BdP), Autoridade de Supervisão de Seguros e Fundos de Pensões (ASF), and Comissão de Mercado dos Valores Mobiliários (CMVM)

## The perspective of Portugal Finlab

Portugal FinLab is a privileged communication channel established in 2018 between innovators in the financial sector – start-ups and incumbents – and the three regulatory authorities in Portugal, namely, Autoridade de Supervisão de Seguros e Fundos de Pensões, Banco de Portugal and Comissão do Mercado de Valores Mobiliários (hereinafter, the “Authorities”).

The purpose of the Portugal FinLab is to support the sound development of innovative solutions in the financial sector by ensuring the clarification of regulatory uncertainties and the compliance with the applicable regulatory framework through cooperation and mutual understanding.

To the innovators, Portugal FinLab is a unique opportunity to meet simultaneously with the three regulatory authorities in the financial sector and to obtain regulatory clarifications to understand their boundaries and possibilities within the Portuguese regulatory framework. On the other hand, the initiative allows the Authorities to closely interact with the fintech sector and be aware of new market trends and emerging needs as well as the risks driven by financial innovation.

The value, success and usefulness of Portugal FinLab are demonstrated by the continuous interest of innovators and by the testimonies of the several participants in the first three editions. Nevertheless, the Authorities consider that there is always room for improvement. After all, the development of initiatives targeting innovators should itself be subject to periodical innovation to keep up to date with how the fintech market trends are changing.

With this in mind, the Authorities have conducted a thorough analysis and reflection on Portugal FinLab. The experience gathered so far signalled a concentration of projects in the first batch – usually the second batch received roughly only half of the number of applications received on the first batch – and the advantages of selecting for pitch day all the projects that fall within the competences of any of the Authorities.

Based on this reflection, the Authorities have decided to launch the 4th edition of the Portugal FinLab, with only one batch of applications and with all projects falling within the competences of any of the Authorities’ being selected for pitch day.

The pitch day is an opportunity for the innovators to present the projects and explain their regulatory

questions to the Authorities. After each pitch day, and after evaluation of the received applications, the Authorities select five projects for a detailed analysis in the form of a report.

This report provides a comprehensive and detailed assessment, addressing possible regulatory obstacles and critical issues identified, which may, in whole or in part, affect or hinder the implementation or execution of the innovative project.

To the remaining projects, even though they were not selected for the report, the Authorities provide additional clarifications to the regulatory doubts.

During the four editions of Portugal FinLab, close to one hundred and twenty applications were received. The majority of the applications were Portuguese, accounting for almost 80% of the total, and were still on a pre-seed or seed stage of development.

In terms of activity sector, over the four editions of Portugal FinLab, the most representative categories were RegTech, Payments, Capital Markets & Wealth Management, Blockchain & Crypto and Lending & Credit. Furthermore, a trend which has been more evident in the last editions of Portugal FinLab was the increase in cross-sectorial projects, i.e. projects that combine various financial activities, which can be perceived as an indicator of the increasing complexity of the new business models presented to the innovation hub.

The 4th edition of Portugal FinLab was launched on the 17th of May and it is expected to be concluded by the end of October.

In this 4th edition, the Authorities have received 16 applications, from which the majority were Portuguese (also accounting for more than 80%). Cross-sectorial projects were dominant, representing 44% of the applications, followed by Lending & Credit and Blockchain & Crypto, both categories with 13%. Payments and RegTech accounted both for 12% of the applications. In terms of stage of development, the projects were predominantly pre-seed (44%) and seed (25%). Projects in early-stage and growth stage represented 19% and 12% of the total, respectively.

The selected participants for analysis by the Authorities were: ALGAE, Art2Trading, Lombongo, Rauva and Something Legendary.

For more information about Portugal FinLab 4th edition, please visit our website.

**APPLICATIONS OPENING**  
17<sup>th</sup> May 2022

**APPLICATIONS CLOSING**  
17<sup>th</sup> June 2022

**NOTIFICATION FOR PITCH DAY**  
4<sup>th</sup> July 2022

**PITCH DAY PRESENTATIONS**  
14<sup>th</sup> July 2022

**PARTICIPANTS ANNOUNCEMENT**  
5<sup>th</sup> August 2022

**REPORTS**  
21<sup>th</sup> October 2022

# Fintech Licensing Overview

Mariana Albuquerque, Senior Associate  
 Margarida Torres Gama, Partner  
 Luís Roquette Geraldes, Corporate Partner  
 At Morais Leitão



## Introduction

Fintech is often used as a catch-all buzz word. It literally means financial technology which is enough to say that it is not, in itself, a separate sector of financial services, but depicts a model where some sort of technology is employed in a new or disruptive way to either a traditional or mature financial activity or segments of it. This also means that there is not, at least not at the European Union level and

in Portugal, specific licenses applicable to fintechs. Therefore, if you are playing with the idea of starting a fintech you must understand exactly what your enterprise will offer and where does it stand within the financial regulated space. The legal framework applicable to your business model and services will result from finding those coordinates.

## Financial regulation in the EU

At the same time, it is worth having a high-level notion of the EU financial regulation, its main players, the interplay between EU laws and national laws of member states and what does it mean for financial regulated activities.

The main idea to keep in mind is that, contrary to other commercial activities, financial regulated activities cannot be freely pursued. They require entry-level authorisation and continuing monitoring, as they are regarded as being of public interest to the stability of the economy and financial markets and to the protection of investors/ consumers. In short, this is the rationale underpinning most of the financial regulation rules and principles.

In the EU, there are three European supervisory authorities (ESAs) which represent the three axes

of the financial services industry: the European Banking Authority (EBA), the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA). These entities work to create a levelling playing field and to ensure financial stability in the EU. In Portugal, the financial supervision system is also divided in three areas with the following supervisory authorities: Banco de Portugal (BdP), Comissão do Mercado de Valores Mobiliário (CMVM) and Autoridade de Supervisão de Seguros e Fundos de Pensões (ASF).

There are several EU legal sources which extensively regulate the conditions to access certain activities. The list below includes examples without being exhaustive:

| ACTIVITY (SUMMARIZED)   | TYPE OF INSTITUTION  | LEGAL BASIS           |
|---|--|-----------------------|
| <b>Activities generally regarded as banking services</b>  |  |                       |
| <ul style="list-style-type: none"> <li>- Taking deposits and other repayable funds.</li> <li>- Any form of lending</li> <li>- Financial leasing</li> <li>- Payment services</li> <li>- Issuing and administering other means of payment not covered by payment services</li> <li>- Issuing guarantees and commitments</li> <li>- Trading for own account or for account of customers in: money market instruments, foreign exchange, financial futures and options, exchange and interest-rate instruments, transferable securities.</li> <li>- Participation in securities issues and the provision of services relating to such issues</li> <li>- Advice to undertakings on capital structure, industrial strategy and related questions and advice as well as services relating to mergers and the purchase of undertakings</li> <li>- Money broking</li> <li>- Portfolio management and advice.</li> <li>- Safekeeping and administration of securities</li> <li>- Credit reference services</li> <li>- Safe custody service</li> <li>- Issuing electronic money</li> </ul> | Credit institution<br>Financial institution                        | CRD IV <sup>(1)</sup> |
| <b>Activities generally regarded as payment services</b>  |  |                       |
| <ul style="list-style-type: none"> <li>- Placing cash on a payment account and operating a payment account</li> <li>- Cash withdrawals from a payment account and operating a payment account</li> <li>- Execution of payment transactions, including execution of direct debits, execution of payment transactions through a payment card or a similar device and execution of credit transfers</li> <li>- Execution of payment transactions where the funds are covered by a credit line for a payment service user</li> <li>- Issuing of payment instruments and/or acquiring of payment transactions</li> <li>- Money remittance.</li> </ul>  | Payment institution  | PSD2 <sup>(2)</sup>   |
| <ul style="list-style-type: none"> <li>- Payment initiation services.</li> </ul>  | Payment initiation service provider                                |                       |
| <ul style="list-style-type: none"> <li>- Account information services.</li> </ul>   | Account information service provider                               |                       |
| <ul style="list-style-type: none"> <li>- Issuing electronic money</li> </ul>  | Electronic money institution (+ the payment services listed above) | EMD <sup>(3)</sup>    |

| ACTIVITY (SUMMARIZED)   | TYPE OF INSTITUTION | LEGAL BASIS                       |
|---|---------------------|-----------------------------------|
| <b>Activities generally regarded as investment services</b>   |                     |                                   |
| <ul style="list-style-type: none"> <li>- Reception and transmission of orders in relation to one or more financial instruments</li> <li>- Execution of orders on behalf of clients</li> <li>- Dealing on own account</li> <li>- Portfolio management</li> <li>- Investment advice</li> <li>- Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis</li> <li>- Placing of financial instruments without a firm commitment basis</li> <li>- Operation of a multilateral trading facility</li> <li>- Operation of an organized trading facility</li> <li>- Ancillary services</li> <li>- Safekeeping and administration of financial instruments for the account of clients</li> <li>- Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction</li> <li>- Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings</li> <li>- Foreign exchange services connected to the provision of investment services</li> <li>- Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments</li> <li>- Services related to underwriting.</li> <li>- Investment services, activities and ancillary services related to the underlying of derivatives</li> </ul> | Investment firm     | CRD IV<br>MiFID II <sup>(4)</sup> |

The services mentioned above are extensively regulated in the EU sources indicated in the table, as well as other related EU legal acts (some apply directly in each member state, and some must be transposed into national legislation).

These EU legal sources mentioned in the table above establish a harmonized legal framework throughout the EU, applicable in each member state in accordance with the relevant national transposition legal act, and benefit from a mutual recognition principle. This is what enables firms authorised to perform one or more of the activities indicated in one EU member state to passport their services to other EU countries or to set up a branch in other EU countries, pursuant to, respectively, the EU principle of freedom to provide services and freedom of establishment which are cornerstones of the EU's single market. This passport is an extremely powerful tool enabling regulated entities (notably high growth companies) to scale within the EU with less much lessened regulatory burden and a much faster pace.

## Licensing procedures

There is not a "one size fits all" licensing procedure for all of the abovementioned sectors of activities. Each legal source establishes a specific framework applicable to the authorisation procedure for the relevant type of institution (e.g. credit institution, investment firm, payment institution, insurance company).

At the same time, a specific type of institution will not automatically be authorised to perform all the activities which that type of company can pursue. The actual scope of activities that the company will be able to develop is defined by the authorisation procedure. This means that, for example, a payment institution may not be allowed to grant credit ancillary to payment if this is not comprised in the authorisation granted.

All EU regulators include a public database where you can check the companies which are allowed to provide regulated activities, and in some cases, they also include the detail of the activities which are comprised in the authorisation. This is very helpful to understand what a company is or is not allowed to do within its license.

Even though there is not one single authorisation procedure for all financial services regulated activities, it is possible to narrow down the main categories which are the focus of an authorisation procedure. Taking the example of an authorisation procedure to set up a credit institution, these categories can somewhat be arranged as follows:

**BUSINESS:**

**What is the value proposal of your company?**

Any authorisation procedure entails the preparation of a thorough business plan and activities program that must evidence the viability of the company, its strategic and commercial positioning and detail its products and/or services. Other documentation concerned with operations will have to be provided to show that the company will be able to operate the business continuously, without undue interruptions, considering the importance that regulated services have to the market and its users.

**FINANCIALS:**

**What are the provisional accounts of the company? How much regulatory capital do you need? Who/where will you get it from?**

One of the main issues relating to supervised entities is compliance with minimum regulatory capital requirements.

Capital requirements are set taking into consideration the type of company, as well as the specific business and operational context of the company, as laid out in its business plan. This means that your business plan needs to fully detail all the business assumptions and projections, including, for example, number of operations, type of operations, clients, geographies, size of the organization, human resources, risk, etc to adequately forecast the financial statements and make prudential calculations of own funds, on a provisional basis. Financial forecasts should include its assumptions and simulate different best, worse case scenarios, including stress scenarios.

Additionally, regulators will be concerned with confirming the sources and availability of the funds that will capitalize the company, which means that you should thoroughly explain the financing plan and obtain assurances that the company will have immediate access to the capital it legally requires to operate.

**QUALIFYING HOLDINGS:**

**Who owns the company? Is their profile aligned with the long-term interests of stakeholders of and the public interest in the regulated company?**

Overall, you will need to show that the shareholding structure ensures the stability of the institution. This requires the complete identification of direct and indirect shareholders that hold qualifying holdings, of the beneficial owners, as well as of their respective holdings.

The standard threshold for qualifying holdings is 10% direct or indirect shares and voting rights in the company. There are other rules that establish a qualifying holding, such as shareholders agreements or other arrangements giving control or the power to exercise significant influence over the regulated entity. Ultimate beneficial owners (“UBOs”) are the ultimate natural persons who sit at the top of the chain and meet the legal criteria to be considered beneficial owners, e.g. control or direct or indirect shareholdings above a certain threshold.

In the case of group companies, in principle it will be necessary to include corporate information for the companies in the participation chain, including their corporate documentation, list of members of the management body, financial statements, list of shareholders, group chart, and explanatory note on the structure of the group.

Additionally, UBOs and shareholders will need to provide information to assess their suitability, professional experience, and qualifications, which includes sharing their criminal record certificates, curriculum vitae, information about any refusal, cancellation or termination of a registration or authorisation to act in the capacity of board member, by a supervisory authority, or its prohibition by a judicial or supervisory authority. Information about investigations, judicial processes, judgments, fines for administrative offences of relevance (e.g. financial crimes, fraud, insolvency), information regarding conflicts of interest, and financial information required to show their availability and capacity to provide funds to the regulated company, if needed. Ultimately, regulators want to be sure of the adequacy of the shareholding structure to ensure the stability of the institution.

#### ORGANIZATION AND GOVERNANCE:

**How will decisions be made? Will the internal organization of the company be adequate to mitigate risks?**

The governance of the company sets its management profile. Applicants must detail the company’s governance models and related documents, including, for example, regulations of the administration board, supervisory board and internal commissions or committees, governance manual and organic structure. In addition, it is important to identify executive management and functions, delegation of competences, and the organization structure chart. Furthermore, all members of the statutory bodies

to be designated must go through an individual and collective fit and proper assessment to determine their suitability for the performance of functions as members of those statutory bodies, including the board, to ensure the sound and prudent management of the regulated entity. The collective assessment is made to ensure that the relevant individual qualifications and experience are balanced.

The assessment of suitability, professional experience and qualifications of members of the statutory bodies covers the curriculum vitae, which must show evidence of the relevant qualifications and experience in the sector/position (i.e. experience must be adequate for the role, function and responsibilities to be assumed), information on any refusal, cancellation or termination of a registration or authorisation to act in the capacity of member of a statutory body, by a supervisory authority, or its prohibition by a judicial or supervisory authority, information in respect of investigations, judicial processes, judgments, fines for administrative offences of relevance (e.g. financial crimes, fraud, insolvency), information in respect of any conflicts of interest and criminal record certificates. The assessment also includes an evaluation of the availability and independence of the proposed member, and it is expected that board executives dedicate a minimum reasonable amount of time to the company.

#### POLICIES:

The number of policies that must be developed for a regulated entity vary greatly depending on the type of company and its size and complexity. This is one of the most burdensome requirements in terms of paperwork. Policies should document and translate the processes, flows and principles existing in the company and they should be revised periodically to ensure an organic development and adaptation to the specificities of each company and the risks they face. When starting an authorisation procedure from scratch, policies will be developed in a more sterile environment and will work to conform the future operation of the company.

#### RESOURCES AND TECHNOLOGY:

**How many people does your organization need? What is the technological infrastructure that it will have?**

This is one of the most challenging requirements of an authorisation procedure since it entails working backwards from your end goal to design the internal organizational structure (including description of functions by area of business), detail the growth in human resources and relevant training programs, identify key personnel who will take up

control functions, among other requirements. In addition, regulated entities should identify its outsourced services or function and third-party service providers/suppliers (additional requirements apply to outsourcing by regulated companies). The identification of the distribution and commercialization channels are also relevant to design the company’s organization, since regulated entities must control all endpoints.

The architecture of information systems, technical and material resources allocated to the activity must be detailed, as well as the relevant procurement (e.g. payment systems, core banking system, reporting, accountancy, AML/CTF/KYC onboarding and support) to ensure the sufficiency, robustness and security of the system.

It is important to note that, in addition to any information and guidelines provided at a national level, the ESAs have developed extensive guidelines that cover the requirements to set up different financial services regulated entities. These guidelines are followed by most national competent authorities, and therefore are instrumental for applicants seeking to understand the burden and granularity of information and documentation to be provided for an authorisation procedure.

However, the level of application of these requirements should be set in accordance with a proportionality principle to the size and complexity of the institution. This is probably one of the most challenging principles to apply and one where some arbitrage may occur within the EU considering that the proportionality criteria applicable by each national competent authority may differ.

## Timings

The timing of the procedure is usually one of the main concerns for companies, considering that they will be pressured to yield results and accelerate time to market.

Licensing procedures are lengthy considering that there is substantial amount of work that goes into the preparation of the submission which can take months.

Ultimately, the applicant controls the timing of the procedure depending on the type of regulated company, the clarity of its business plan and organization, and its specific complexity, by ensuring *de facto* fulfilment of the legal requirements required to set the regulated entity, and the availability of internal resources that can pull the weight of the organization, including an internal or external project manager that ensures that the procedure is kept on track, and by engaging competent advisors to help prepare the submission and its documents. At the end of the day, no one will know the business, its needs, and complexities better than the people within the organization and they should be as involved as possible to ensure its success.

Setting a good professional relationship with the relevant regulator is also crucial from the start as they will be working to ensure that you have the business and financial conditions, competence, reputability, resources and means required to tackle all the challenges and demands of managing a regulated entity and ensuring compliance with the relevant legal framework.

After the initial submission is made, there will be follow up and clarification requests from the regulator, and after the authorisation is granted there will still be a period until the final registration of the entity for it to be able to put its systems into operation and tackle any other requirements or conditions set by the regulator to enable it to start its activity. Only after registration, is the company authorised to conduct a regulated business.

# How Portugal is creating fast tracks to attract new Fintechs to Portugal



Combined article from Startup Portugal and IAPMEI

## What is the Startup VISA and to whom was it designed for?

The Startup Visa exists due to the Portuguese government's strategic priority of promoting employment and economic growth, based on a specialized profile and internationalization potential, to attract and retain highly qualified professionals and foreign investment. Therefore, this program was designed for entrepreneurs living in countries outside of the Schengen area, to whom Portugal has relevant qualities to implement their projects and/or companies that must be innovative, viable, and relevant to a Portuguese economy differentiation. This program has no financial incentives but allows entrepreneurs to have a residency visa and, if so, access to the Portuguese entrepreneurship ecosystem, which is prepared to support them in their project development. To make that possible, the candidates should apply accordingly to the program spirit embodied in the selection criteria, as predicted by reglementary standards.

## How do you describe the role of the incubators that welcome the new startups?

The StartUp Visa is a program for startups and companies in a more mature stage, but also for projects that are just in a phase of a structured idea at the application date. The incubators certified by IAPMEI guarantee that foreign entrepreneurs have the necessary conditions to develop their project in a foreign country, supporting and guiding them. The incubators have significant knowledge of the ecosystem and about cultural, legal, and socio-economic issues that can strategically contribute to the project development.

## Based on the experience until now, what are the key reasons for entrepreneurs to choose Portugal and apply to the program?

Our StartUp Visa has gained progressive notoriety that largely contributes to stimulate the entrepreneur's interest, but the positive consolidation of national socioeconomic status and Portugal being globally known as an attractive destiny to investors and entrepreneurs, sunny, secure (6th in the Global Peace Index), with welcoming people and good quality of live are, undoubtedly, determinants to the program impact. It is also important to refer that other major competitive factors are our geographical position, which is an international market

advantage, and our talented human resources in the STEM and business areas and their proficiency in English.

Finally, there are interrelated internal and external factors that influence attractiveness of the program, as the establishment of the Web Summit in Lisbon, since 2016.

## What are the main sectors of interest for the applicants and how does the fintech ecosystem positions in this context?

The majority of applications submitted to the program are in the areas of industry, agriculture, environment and commerce and services sectors. Fintech is an area in great expansion in Portugal, in line with the current national and European governmental policies and economic development predictions.

## The VISA is a critical step, but how do you think Portugal can go beyond attracting founders to our geography?

After obtaining a VISA, developing their project and integrating it in the business ecosystem, the entrepreneurs can have access to any available funding programs, as long as their projects fall within their

scope and meet the appropriate conditions. The talent that we produce in Portugal, as well as the lifestyle all over the country, are factors that have been decisive in attracting highly qualified people from abroad. In a short period of time, seven unicorns emerged in Portugal, attracting the attention of international funds and investors.

# Innovation through collaboration

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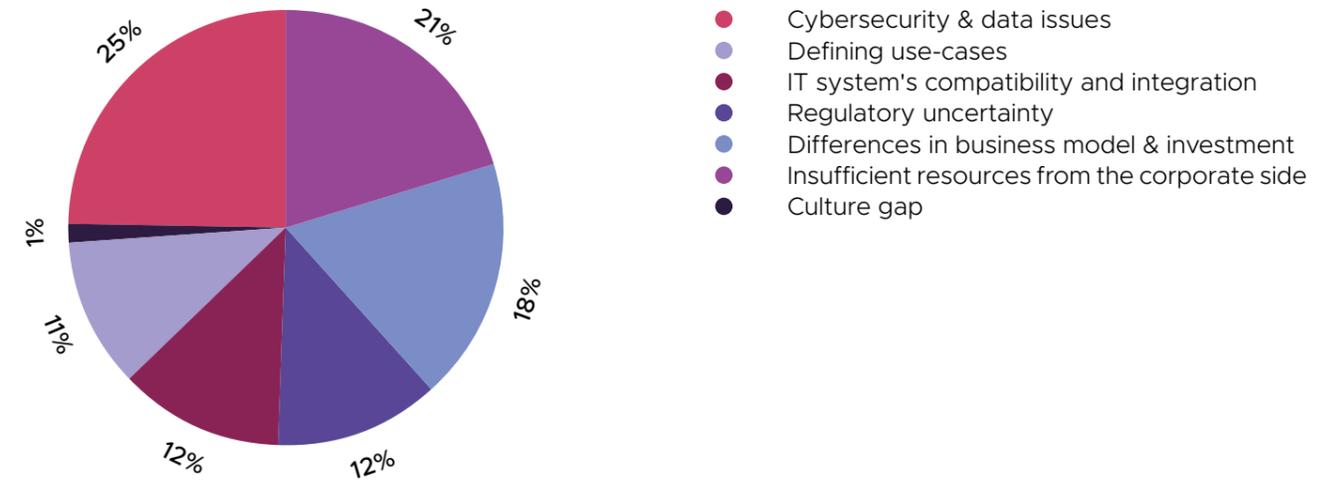
64 Trends of 2022 and 2023

For the purpose of this sub-chapter, we reflect only on data collected from all respondents to the open survey, as well as other public sources of information duly identified.

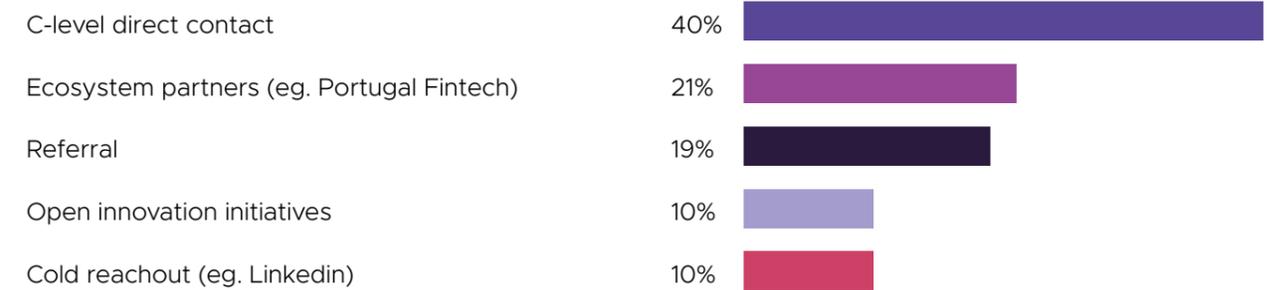
Source: 2022 Portugal Fintech Survey

# Insights

WHICH ARE THE GREATEST HARDSHIPS WHEN WORKING WITH INCUMBENTS?



WHAT DO YOU THINK WAS THE MAIN CHANNEL TO ENGAGE WITH INCUMBENTS IN 2022?



ON AVERAGE

# 30%

Of startup founders think that a **faster decision-making process** should be the development area for incumbents to work with Fintech innovation

# Innovation Partnerships

| CORPORATE   | FINTECH   | PROJECT   | TARGET                               | METHOD              |
|---|---|---|--------------------------------------|---------------------|
|    |    | Innovation program to scout startups who want to partner with ABANCA to develop a product and validate value proposition.   | Businesses                           | PoC                 |
|    |    | BiG's partnership with Finlayer has the goal of solving the main pain points in the wealth management sector, that results in the lack of efficiency for financial advisors. As one integrated platform, it enhances the advisory experience through main features such as bank account aggregation from different institutions, digital signature, automated proposal and report generation for clients and regulators and automated execution of orders. Thus, Finlayer provides access to disruptive value-added features. | Businesses                           | PoC                 |
|  | <br><br> | <b>End to End Digital Onboarding Process</b><br>In this project we are developing an E2E digital onboarding solution based in different features provided by 3 Fintechs:<br><b>LOQR</b> – Digital KYC and Signature features<br><b>hAPI</b> – Connection with Tax Authority and Social Security gateways to export customer data (relevant for KYC).<br><b>Kontomatik</b> – Open Banking solution.  | Individuals                          | PoC                 |
|  |    | <b>New Digital Onboarding Process</b><br>LOQR is helping BPG to set up a 100% digital onboarding process for its individual clients, as well a unique and authentic digital signature solution for communications (transactions, instructions, orders, mail).   | Individuals                          | No testing involved |
|  |    | <b>New digital Onboarding Process</b><br>Process that allows to simplify and automate the customer journey in the onboarding process, increase data reliability and response time.  | Businesses<br>Internal<br>Operations | Pilot               |

| CORPORATE   | FINTECH   | PROJECT   | TARGET                     | METHOD              |
|---|---|---|----------------------------|---------------------|
|    |    | Visor.ai developed a chatbot for Fidelidade's Facebook Messenger that knew how to answer the most frequent interactions.  | Individuals                | PoC                 |
|    |    | <b>Tech Safe Go</b><br>Development of a solution that allows the status of a used mobile phone to be evaluated so that insurance can be made.   | Individuals,<br>Businesses | Pilot               |
|    |    | <b>MDS Distribution Platform</b><br>Development of end to end insurance distribution platform to allow our clients to connect with insurance companies and final clients.   | Individuals                | No testing involved |
|    |    | <b>Employee benefits</b><br>Commercial partnership.   | Businesses                 | No testing involved |
|    |    | <b>Automation</b> Development of robots to automate processes.  | Businesses                 | No testing involved |
|  |  | <b>User profiling through Edge-AI</b><br>The PoC in place aims to update and correct customer data asking the APP users to do so in the best moment to engage with them. The solution has the potential to generate revenue through personalized marketing campaigns, reduce underwriting expenses while enhancing the relationship with customers.   | Individuals                | PoC                 |
|  |  | Visionaries777, ltd. has developed an SDK with an immersive experience, fully customizable and the first in the insurance world that combines, augmented reality, video and outsystems. The partnership provided a:<br><ul style="list-style-type: none"> <li>– Fully controlled process, with step-by-step interactive follow-up and constant feedback;</li> <li>– Efficiency gains with mitigation of fraud, digital self-service and immediate result by integrating the video with computer vision algorithms to detect damages for an immediate response of process result.</li> </ul> | Individuals,<br>Businesses | PoC                 |



# Black Ink Tech & Yoonik

## Linking the online and in-person worlds while prioritizing truth and transparency in every transaction

### About Yoonik

Yoonik provides decentralized face authentication that doesn't require the verifier or any company to have access or control any biometric information of the user. This enables private hands-free authentication, unlocking a vision where users can authenticate with any kind of credential to any device with a simple look and in full privacy.

Our solutions enable businesses to verify any customer credentials — identity documents, loyalty numbers, payment methods — in a frictionless handsfree experience, with personal identifiable information protection that goes well-beyond GDPR, and an extra security layer using four-factor authentication.

### Transparency in all business transaction

Founded in 2019, Black Ink Tech produces end-to-end immutability which reduces or eliminates friction to increase efficiency and allows for full transparency. Initially starting in construction, the company has expanded its product offering of digital asset creation vastly, to reach to every industry and market.

Operating on the Black Ink Tech platform, Sportafi is able to create NFTs of physical sports memorabilia items through metadata. Enthusiasts can pair physical memorabilia items such as cards, balls, jerseys, and more with an NFT that is held in their digital wallets. The NFTs data contains ownership and asset location history along with the associated transactions and event data, and over time the value will change while continuing to confirm its authenticity. The Sportafi platform also uses smart contracts which can automatically compensate identified stakeholders including the league,

team, and players associated with the memorabilia, creating a transparent, autonomous, recurring residual income stream.

### Convenience and security in the NFT marketplace

Black Ink Tech was already using Auth0 for login and authentication but needed an effective two-factor authentication system that met the company's philosophy of giving users transparency and accountability for daily operations. Furthermore, since the Black Ink Tech platform users share credentials across all the company's products, proof of identity is crucial for making the experience seamless and highly secure.

Black Ink Tech uses Yoonik's solution for Sportafi to bring an extra layer of security and convenience to the NFT marketplace — for both creators and buyers. With Yoonik's solution deployed on their technology, Sportafi users' identity is verified, keeping the experience seamless and highly secure.

Three distinguishing factors in Yoonik solution that enable Black Ink Tech's vision:

- **Plug and play**  
Simple and scalable solution that integrates in minutes on any platform or device.
- **Private**  
Decentralized zero-knowledge privacy that provides companies with the peace of mind of full privacy compliance.
- **Secure**  
Top-tier accuracy certified by NIST with robust anti-spoofing technology that decrease security risks and fraud.

# Novobanco

## Implement a fast track for internal innovation, focused on product testing



### Hackathon

#### Bringing all stakeholders together

The Innovation lab collected more than 50 applications of potential ideas and selected 10 for the hackathon. The objective of executing an hackathon for internal teams is to bring different teams together and concentrate specialists and decision makers that can validate the idea.

During the 12 hour workshop, teams worked across areas, with clients, partners and startups to propose a final proof of concept to be approved.

The process resulted in three ready to test ideas and other that were channeled to other roadmaps.

#### Bruno Jivan, Head of Digital Planning & Innovation

Partnering-up with Fintech Solutions for the first edition of our Innovation and Talent Lab was a highlight of the program for all stakeholders: not only through the benefits brought by the in-depth access to the fintech ecosystem, but also due to the team drive and the creative energy infused along all the innovation process.

### RESULTS

#### Pilot for non financial offering

Novobanco is going to test a new non financial offering, answering new consumer behavior trends. The project is ready to be tested and counts with external partners and the engagement of distinct internal areas.

#### Data driven interaction with clients

Study a new way of interacting with clients, focusing on establishing a positive relationship and empathy along the process. The project raised awareness to a dimension of interaction and prepared a test to sustain the impact.

#### Going full digital on traditional processes

The team challenged traditional processes, studying how new technologies can replace traditional processes, especially how this change will impact consumer trust and confidence.

#### João Dias, Chief Digital Officer

novobanco's first Innovation and Talent Lab was such a positive and surprising experience – not only it generated an impressive amount of energy amongst our best talent, it also generated concrete innovation opportunities with credible potential impact. Fintech Solutions were, no doubt, the right partner in this success. Its methodologies, people and ecosystem added tremendous value to our internal innovation practice.

# Cofidis & Tink

## Automated KYC and Risk management with Open Banking



2022 was the year that Cofidis Portugal started to roll out pilots with Open Banking to discover if we could solve user and business problems, prioritizing the following outcomes:

- Instant credit decision for the user applying for a credit loan via the website;
- Replace the mandatory payslip with Open Banking for small credit amounts (below 7.050€);
- Collect anonymous data points to create better risk algorithms.  
Cofidis Website.

The process that we applied is based in our Product Innovation Framework and followed the steps:

- Started with a Discovery phase, where a Cofidis Product Trio (Product Manager, Product Designer and a Tech Lead) did User Research;
- The trio ran a Design Sprint for the use case selected, involving all the relevant stakeholders - Legal, Risk, Risk Management, DPO, and the IT with the goal of ideating a couple of solutions;
- With the results a prototyped was built to perform user tests and learn what could be improved or if we discovered any blocks to the solution adoption;
- A Proof of Concept was built in partnership with our open banking provider Tink;
- A live PoC was tested with internal users to gather feedback and start to collect anonymous data points;
- The PoC evolved to a MVP that is being deployed in a automated KYC journey, combining Chave Móvel Digital and Open Banking, in the Cofidis Website.

Our roadmap related with Open Banking is:

### NOW

- Automated KYC journey with Open Banking for instant credit decision when a user applies for a credit loan via the website;
- Collect and analyze anonymous data points to create better risk algorithms and help Cofidis to build better products to our customers;
- Continue to improve Cofidis analytics engine with Tink's Risk Decisioning solutions in Portugal.

### NEXT

- Deploy the automated KYC journey with Open Banking for other digital products;
- Help improve our customers' financial wellness by automatically grouping and categorising their expenses via Automated Financial Check Ups.

**João de Freitas,**  
Digital Products and Value Creation,  
Executive Board Member at Cofidis Group

"Open Banking is a driving force in transforming financial services as we know it. It will help companies transform both their processes and user experience, design value-adding services for customers and catalyze data standardization for the Open Economy. Our partnership with Tink is highly strategic for the future of Cofidis".

### About Cofidis Portugal

Cofidis Portugal was founded in Portugal in 1996, . Since then, it has been a leader in financial solutions for consumers. Today, it counts with more than 500.000 customers in a sustainable and personalized relationship. Cofidis' mission is to improved the quality of life for our customers, contributing to improving the quality of life of our customers, through the development and management of credit products portfolio. We seek to offer the best and most appropriate solution to satisfy the needs and fulfill the aspirations of each our customers.

**Bimal Melwani,**  
Senior Account Manager at Tink.

"Our successful partnership with Cofidis is a testament to their commitment to digitally transform and innovate the lending sector in Portugal. Tink's risk products enable Cofidis to obtain a deeper understanding of their customers' financial needs, and deliver an instant credit decision. I look forward to continuing to grow our partnership even further in the future".

### About Tink

Tink is Europe's leading open banking platform that enables banks, fintechs and startups to develop data-driven financial services. Through one API, Tink allows customers to access aggregated financial data, initiate payments, enrich transactions, verify account ownership and build personal finance management tools. Tink connects to more than 3,400 banks that reach over 250 million bank customers across Europe. Founded in 2012 in Stockholm, Tink became a wholly owned subsidiary of Visa in 2022. Tink's 500 employees serve more than 300 banks and fintechs in 18 European markets, out of offices in 13 countries. For more information, visit tink.com.

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As the ecosystems grows in volume and diversity, selecting 6 trends for the fintech ecosystem becomes a challenge. This year's selection focus on elements that are shaping the fintech ecosystem from the outside and bringing new opportunities to startups. Since PSD2 went 'live' Open Banking ePayments (OBEP) are now one of the fastest-growing payment methods in EMEA. From a regulatory perspective, ESG agenda is becoming grounded in taxonomy and

CBDC regulation start-ed presenting initial results and POCs. From a market perspective, the pressure to offer the 10-star UX pressures players to create innovative journeys that are still safe and hence cybersecurity and em-bedded finance are opportunities to explore. Lastly, after a year of uncertainty on the VC side, the eco-system is now more mature and robust, opening new alleys for investment.

## The trends of 2022 & 2023 are:

- 1.Open Banking
- 2.Startup Fundraising
- 3.Embedded Finance
- 4.Cybersecurity
- 5.ESG
- 6.CBDC

# Open Banking

## Where we are and what's on the road ahead

Eva Ruiz,  
Head Of Fintech At Visa In Southern Europe



### What are the main benefits that Open Banking can bring to the whole ecosystem?

At Visa, we believe Open Banking has the power to extend financial products to consumers and small businesses around the world. It can provide access to those who have previously been excluded from the financial ecosystem, and present new options and open new doors for those who haven't found all they need from traditional banking services.

A foundational element of open banking is that it empowers consumers and helps them take ownership of their financial data. They can choose whether to share their data and, perhaps for the first time, gather the data they have in different accounts and platforms in one place. This gives them more control over their financial lives – enabling them to make decisions about how they want to pay, save, borrow and plan for their financial futures.

For small business-owners, open banking allows them to provide a view of their bank account to a lender – helping them to prove that they are trustworthy and secure funding for their business.

Much as Open Banking helps consumers to aggregate and organise their financial data, small busi-

nesses are able to upload banking transactional data to accounting software – reconciling their invoices and bills and better assess their cash flows and profits. It removes some of the complexity of the finance of running a business – allowing a business-owner to focus on what they love.

Meanwhile, as consumers move to a more “digital” world – Open Banking helps to remove friction. By removing the need to type in short codes and IB-ANs and send micro-deposits to prove who you are it removes some of the barriers to banking – creating more movement in an increasingly mobile world.

### How can organizations improve to accelerate adoption of Open Banking?

Our wider experience shows us that, when consumers know they are participating in a clear value exchange, consumers and small businesses alike will routinely provide access to their data. To register for airport Wi-Fi, for example, or get the results from a price comparison site, or download a white-paper from LinkedIn, we know that people, in their droves, will make the trade.

Experience with open banking has also demonstrated that, when the value is compelling and the

trade is clear, the impact can be transformative, fostering competition and innovation. For a small business, when using a cloud-based accounting platform, hours of tedium can be avoided by channeling data directly from your bank account to your books. Similarly, with some new buy now pay later solutions, credit decisioning can be simple, immediate, and non-intrusive. And, with the new generation of financial management services, adopting better financial habits can suddenly become simple, desirable, and even fun.

Consumers and small businesses alike can benefit from the value these services bring, combined with the pain-free delivery of that value and the backing of a trusted brand. If these three components are present – the clear value, plus the pain-free delivery, plus the trusted brand – success is more likely to follow.

By delivering the type of value that can be unlocked with open banking (and, in truth, we are only just scratching at the surface), we also set the example, lay the groundwork, and establish the appetite to go progressively further – into open finance and, ultimately, into open data economies.

#### How will Open Finance impact the fintech ecosystem?

For us, collaboration is part of our DNA. We believe that this is the only way to develop and implement the most innovative technology in the payments sector and to respond to the new demands (especially digital) of consumers, merchants, and governments.

From our point of view, it is fundamental to ensure competition between small startups / fintechs and large incumbents / banks to develop the continuous innovation that Open Banking and Open Finance requires. We believe that Open Banking has highlighted the need for each other. That is, incumbents need the agility of Fintechs and to be able to give agile answers to new challenges. And Fintechs need the customer base, brand, and reputation of traditional banks.

Visa, being in a privileged position as the center of the payments system, acts as an enabler of this collaboration between the two worlds. We will therefore continue to work to make personalized products and services available to consumers from both Fintechs and banks, based on Visa's innovation and the analytical capabilities of our network.

Proofpoint:

- A recent example is our partnership with US neobank First Boulevard. This is a pilot project whereby First Boulevard will be the first to test Visa's new set of crypto APIs, which will enable its customers to buy, hold and exchange digital assets held by Anchorage, a digital asset bank.
- WhatsApp Pay in Brazil. In partnership with Visa, Facebook has launched a new payment feature on WhatsApp in Brazil. WhatsApp users in the country can now send and receive money quickly and securely to family, friends, and small businesses.

#### VISA has acquired Tink, a clear bet in open banking. What is the vision of VISA on the most interesting use cases to explore in 2022 and beyond?

Financial services in Europe are rapidly evolving, giving consumers more choice in how and where they share their financial data. In Tink, we have found a strong partner with whom we can help accelerate innovation in open banking for the benefit of our collective clients and the citizens of the U.K. and the E.U.

By bringing together Visa's network of networks and Tink's open banking capabilities we plan to enable our clients to deliver increased value to European consumers and businesses with tools to make their financial lives more simple, reliable, and secure.

Another priority for us, and in line with the above, is to respond to the growing popularity of digital currencies and the crypto world. At Visa we are in a unique position, thanks to our global presence, partnerships and the value and trust of our brand, to promote digital currencies as secure and applicable to different payment use cases.

Use cases are proliferating and the best examples we are seeing from leading providers is incremental use cases.

- Get on board – removing manual and clunky processes – better for consumer, better for you.
- Providing consumer with more information – aggregated account experiences in the past often have been difficult to use and didn't add value – today you can put all that together and put a carbon score against it. Set rules against how you want to spend it. That's important in a world where payments become more invisible.
- Use this to improve costs and operational efficiency as well as delight customers.

There's been too much focus on what open banking is – it's the engine of the car. If you bring expe-

riences people love and give them control and empower them to make decisions. Most major banks across Europe are actively experimenting with open banking use cases.

#### What are still the main challenges for Open Banking adoption by mature players?

Despite its promise, some believe that Open Banking has yet to shake up the European banking industry as much as it could. But great changes take time. Banks and financial service providers are little by little embracing open banking to add value for their customers – to smooth and improve the user journey and make their bank account work for them:

- Onboard customers and aggregate accounts
- Understand spending habits and priorities to tailor financial products and services Offer fair access to credit at micro and macro levels
- Enable simple onboarding to other services through their bank accounts

However, we are aware that there are still some barriers to Open Banking acceleration:

- **Resilience:** In this always-on digital world, our expectation is that services always work. This means that Open Banking products – and specifically the APIs that enable them – must be resilient and continuously available. If they aren't, consumers and SMBs may abandon these services – viewing them as unreliable.
- **Customer experience:** And in this digital world, where consumers have multiple devices and platforms at their fingertips, it is not enough for open products and services to “work” – they must be instinctive to use, engaging and quick.
- **Trust:** Finally, when consumers engage with products and services that leverage open banking they must make a choice to share their financial data with a (perhaps unknown) third-party. They will only do so if they trust that their data is safe and that their data is being used responsibly. Certainly, open banking could present an increased risk of fraud if consumer data is held by firms with poor system security.

#### What is your vision on the PSD3 and what impact we should expect?

As Visa, we believe that the future of payments and retail financial services at large is open. There is a clear, global shift towards open banking, open finance and open data. However, it is still early days for open banking in Europe with limited uptake of open banking account information services.

While open banking has been lauded as a success there is still tremendous potential to be unlocked. Open Finance builds upon the foundations of Open Banking with the potential to address the challenges and shortcoming of the existing framework, allowing for the full use of the benefits of enhanced data sharing in the financial services as long as they are safe and don't expose customers to any data privacy, financial, or cyber risk.

Open Finance will unleash the development of numerous new businesses and services increasing the complexity of the current Open Banking ecosystem, making it increasingly necessary to address the challenges to ensure data security and data privacy while managing new permissions and levels of access. Data controls are one way to address that complexity. The development of APIs and premium APIs can play a crucial role to help people connect their accounts across thousands of financial services providers and to have full control over the financial data and the ability to choose to share it with their personal digital finance tools.

Financial firms must be given not only the legal clarity necessary to develop new businesses and services but also both clear strategic and commercial benefit and have confidence of a stable and secure legal and regulatory environment around data sharing, to invest and develop new products.

# Investment

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# A new chapter in VC Funding

João Menano,  
Product leader at Google &  
Venture Partner at Startup Ventures



**It is undeniable that the economic uncertainty on the market downturn is already having effects on VC fundraising. From a VC perspective what changes do you foresee in the funding market?**

In a nutshell there are two things that I see changing, (1) lower valuations and (2) founders being asked to raise money for an at least 18-24 months runway.

Macro economic concerns and the reset of Venture Capitalist's expectation has a downstream effect on founders who are now asked to be much more focused on keeping burn rate low and work on sustainable growth in opposition to what we had seen in the last few years where the motto was growth at any cost.

For VCs with funds available to deploy, I think this time presents a great opportunity as we will see deals closing at a discount which means greater returns in the long run.

**What would you recommend to founders trying to grow during a down economy?**

Focus on your users and customers, solve important/urgent problems for them and everything else will follow. I would also stress that execution excellence is paramount, more so during an eco-

nomic downturn where capital is more expensive and scarcer. These are times where war time CEOs tend to do better than peacetime CEOs.

**Do you identify any verticals like blockchain, crypto and cybersecurity that continue to see interest from investors? Why is That?**

The fundamentals of the technology and its potential for disruption is unchanged. I think we will see an increase in the quality of companies and founders in these verticals as a consequence of the crypto winter market washout and more regulation clarity - I think that is good news for everyone investing in the space.

**What advice would you give to a startup struggling to get investment during this period?**

Again, focus on your users, your customers and the rest will follow. Founders with ambitious vision and great execution track record will always be able to raise money despite the economic cycle.

I would also encourage founders struggling to keep the company afloat to explore alternative forms of financing, there are plenty of great businesses that were built from the ground up without any VC money, success comes in a pallet of colours, you

need to find the one that works best for your company and stakeholders - VC money might not be the best option for all tech founders.

I would also encourage founders to think about exit options. Are there any potential acquirers which might be a good fit in terms of culture, complementary skills and capabilities that are needed to scale faster? What would an early exit mean to users/customers, employees and investors? Founders that are truly motivated to drive impact and to solve big problems will more easily find allies that can help them achieve their vision.

**Are there different ways to raise capital founders should be looking at?**

There are many ways to fund growth and Venture Capital is not always the right answer. For some businesses private equity is the right answer, for some others borrowing money from banks. It is all about what the founders need to grow the business and usually capital is just a small part of the story. Venture Capital money is best for companies that enjoy massive economies of scale (e.g. software), but remember, tech valuations come with expectations of constant high growth. Is that a good fit for you and your company?

If yes, founders should look for VCs that ultimately have expertise, know-how or access that is critical to the success of the business. If not, then founders should ask themselves: what do we need to accelerate growth besides money (e.g. expertise, know-how, distribution, etc)? Which partners are better equipped to help us in those areas? Bottom-line is, founders should look for partners that fit their needs and ambition.

**From your experience as founder, did you experience market recessions while raising capital? How did you manage it and what do you wish someone would have told you at that time?**

I've never raised money during a downturn, but I can say raising money wasn't always easy. In CrowdProcess/James.Finance's particular case that was mainly because of the two pivots we did before finding product market fit. We were fortunate enough to have BA and VCs that believed in us (the founders) and backed us through thick and thin. My advice to founders starting a business for the first time is to find people that deeply believe and trust them. In a way it's like marriage, you want someone to be there in sickness and in health, so be wise, choose carefully.

# Embedded Finance

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# Customer's appetite for integrated experiences

Joaquim Marques,  
Commercial Director at Weavr



**Congratulations on your launch in PT! How open do you think the Portuguese companies are to integrate experiences on their current infrastructure?**

At Weavr's launch event in Portugal, we asked: "How likely are you to embed finance into your product over the next 12-months?" Over 60% answered with at least "likely" and 35% "very likely". The data speaks volumes - there's a clear appetite in Portugal for embedded finance.

Portugal is seen as a startup hub for companies and investors alike. News articles have put the country at the epicentre of innovation and investment, with Lisbon being voted the 4th most popular destination to start a business.

Embedding financial products into user experiences adds value to end users who consume them and provides a straight-forward way for businesses to multiply revenue from the financial features. It's a win-win. We believe the Portuguese market is ripe to adopt new embedded-finance technologies and will continue to help businesses thrive across the country.

**What are the main issues of businesses when they reach out to Weavr, and how do you solve them?**

To date, offering financial services has presented a number of insurmountable challenges for digital businesses. Offering financial services requires tak-

ing on the responsibility to ensure compliance with financial regulations, sourcing and contracting with third parties, introducing new support processes that deal with sensitive customer data and more. It can seem like the investment needed to become a bank - it comes with a corresponding level of oversight, and taking on new levels of risk and responsibilities that board directors might be reluctant to accept. Hence, the traditional way to deploy financial services - "Banking as a Service" (Baas) - is far from a palatable solution for most.

Contrastingly, Weavr provides a simple plug-and-play solution that removes the complexity - all of the requirements are built into our product and include the specialist supporting processes provided by Weavr in the background. Hence, a digital business embedding finance through Weavr only needs on average 5 weeks to launch - and a fraction of the cost of BaaS.

**Is there a type of business that is more challenging to convert to embedded finance? Why?**

Embedded finance is primarily intended for digital businesses. Hence, if you're not digital, it's unlikely to be for you. In addition, embedded finance is unlikely to be a good fit with software businesses that do not involve activities that enable or result in financial activity at some point in the customer journey

- such as those that focus on providing simple productivity tools. That leaves plenty of opportunities: for any software or online business that deals with a human or business activity that eventually results in a financial transaction, embedded finance is relevant. As the barriers to entry drop, we'll see greater democratisation of access to embedded finance.

**Is embedded finance suitable for all levels of maturity? What is the level of maturity that is more likely to embrace integration?**

Yes. However, the rigidities in the embedded-finance market have resulted in clear discrimination of access in favour of companies that are ready and able to spend millions of euros to contract with banking and financial technology partners, build embedded finance integrations, and take on the complexity and staff to manage financial processes. For small-to-medium businesses, that's not an option.

That's changing with the advent of simpler solutions, such as Weavr. Since launch, digital disruptors have been among the first to adopt embedded finance given their digital nature and need to launch quickly. But, more and more often, we are partnering with established businesses and corporations that understand how embedded finance can help them gain competitive advantage and find new routes to high growth.

**Which will be the embedded finance trends of 2023?**

There are a number of key trends expected for 2023:

1. Greater regulation: the BaaS model, which is being enthusiastically embraced by many banks, even large ones, will come under increasing scrutiny. It is very hard for a bank to provide effective oversight when its interactions with customers are limited to the data exchanged via APIs, and where the customer interactions are largely or wholly controlled by the fintech or programme manager.
2. Growing feature parity with 'normal' banking: the embedded finance industry extends to any financial service - from payments to lending and buy-now-pay-later. As the depth and breadth of what can be offered by non-banks increases, we see 'feature parity' with banks getting closer.
3. Drive for simplicity. In the journey of adoption of embedded finance the reduction of complexity is going to be key. Companies want the benefits of embedded finance, but not the hassle. Providers that can make the adoption of embedded finance as simple as adding checkout pages to your website are going to very much be the winners.

# Cybersecurity

## From reactive to proactive posture

### What is changing in web3 cybersecurity and what to expect in this times ahead



Dyma Budorin,  
Co-Founder & CEO at Hacken  
and Andrii Matiukhin,  
CTO at Hacken, respectively



First things first. What exactly is cybersecurity? In simple terms, security means protecting any value from threats.

**Security = Protecting value from threats**

There are only two variables in the equation security: value and threat.

Value is crucial for understanding the need for cybersecurity as users want to protect their digital assets. The total value of the entire crypto market is around \$1 trillion. While this figure tends to fluctuate depending on the price of key cryptocurrencies, the focal point is that the crypto industry has amassed a very considerable value throughout the years. Investors, businesses, and just regular people put anywhere between a few bucks to entire life savings in crypto assets. In all cases, they don't want to lose their stake.

Despite the ubiquitous desire to avoid any losses due to cybersecurity weaknesses, people still lose money. The amount of stolen funds in crypto rises every year because the total pool is increasing. But who is losing money the most?

It turns out that the biggest players in crypto, such as centralized crypto exchanges and large and established blockchains, don't lose money to scammers and hackers anymore because they adopt robust cybersecurity measures. As a result, most cyberattacks target decentralized finance, the so-called DeFi protocols as implementing impenetrable layers of security is much harder when all your systems are scattered across dozens of on-chain entities. At the same time, they are lucrative targets for hackers as the decentralized segment shows the largest growth in terms of the processed transaction value.

The vast majority of DeFi projects are startups lacking professional expertise and internal resources for dealing with complex threats. The most successful startups adapt to this environment by compensating for their innate lack of security resources/expertise with open-source libraries and best development practices. But even these measures are not enough as hackers always find their way. Indeed, according to Dyma Budorin, Hacken's Co-Founder and CEO, "A new type of attack can be developed any time, and nothing can protect you from this."

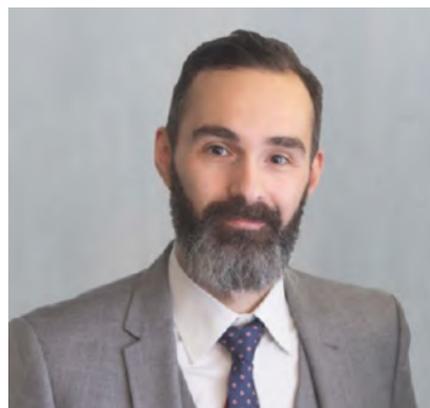
There are two basic types of threats: exploits and scams. Exploits are those threats where the attacker takes advantage of a weakness in software.

For example, the hacker detects a logical error in a smart contract function and creates specific conditions for exploiting the error to steal funds. Exploits are common in crypto because deciding who's in control of what boils down to the automatic execution of a computer code. Poor quality of code brings more risks of errors and thus more threats. Scams, on the other hand, are efforts to trick users into giving away their funds. For example, phishing scams operate fake websites to deceive unsuspecting users into authorizing transactions bound for malicious addresses. Both exploits and scams have dozens of variations, so protecting against them is not that simple, but there's no other way around it.

As a cybersecurity company, Hacken protects digital assets owned or controlled by crypto companies from hackers and scammers who want to steal them. Hacken reviews and fixes weaknesses in smart contracts and blockchain protocols, assesses the trustworthiness of crypto projects, and provides community with security best practices and education. According to Andrii Matiukhin, Hacken's CTO, "Blockchain protocols are the foundation of Web3, and vulnerabilities in them can result in dozens of projects being exploited by bad actors." That's why securing blockchain protocols is the ongoing and necessary step of Web3 evolution. Due to enormous monetary and reputational losses of the lagging cybersecurity, the market will only favor those crypto projects that protect their users' value from threats.

# ESG

## Clarity ahead as the dust settles



Carlos Eduardo Martins,  
Sustainable Finance Expert

### What were the main ESG related regulatory developments of 2022?

ESG considerations and integration into business models and decisions have increased significantly over the last three years. While the majority has been done within a strict regulatory framework, recent attempts to increase transparency, comparability and, ultimately, reduce greenwashing risks has changed that approach.

Companies and organizations now face increased non-financial reporting and disclosure obligations that are piling up in tandem with the speedy release of new regulations. For example, existing rules, such as the Sustainable Finance Disclosure Regulation and Non-financial Reporting Directive, will enlarge their scope in light of the new Corporate Sustainability Reporting Directive requiring all large companies and companies listed on regulated markets to publish regular reports on their environmental and social impact activities.

But the key regulatory development this year, the release of EU taxonomy regulation, will dramatically change the approach to sustainability by most organizations and have a significant impact on the future.

### How have these developments brought clarity over ESG obligations to the financial ecosystem?

The EU taxonomy classification is designed to enhance financial products' transparency and comparability for investors. By deploying a framework that allows for full comparable measurement of sustainability in economic activities, investors will be able to make better informed choices, notably between the percentage of taxonomy alignment among their available investment products.

Each investment product will have to list its taxonomy alignment with the six environmental objectives presented by the European Commission. To make that measurement possible, the regulation forces companies to measure the capital expenditure, operational expenditure, and turnover for each economic activity against those objectives, using the Taxonomy-defined Technical Screening Criteria. To achieve alignment, none of the proposed eligible economic activities can do "significant harm" to any of the other environmental objectives and must pass the minimum safeguard criteria.

Once each company reports on its taxonomy alignment, it is possible to compute the taxonomy alignment of any investment fund. Companies then must

categorize the degree of sustainability for each investment product and, depending on the level of commitment advertised, the reporting obligations increase accordingly.

This new sustainability infrastructure is poised to dramatically change the investment landscape in respect to environmental concerns.

**The EU recently published the results of the survey on climate stress testing frameworks. What do you think is slowing down adoption of these methodologies by the banking system?**

The amount of new legislation can be regarded as overwhelming, but I widely expect the banking system to catch up quickly within the next months.

**As a consequence of ESG regulations, what do you think is going to change regarding how retail consumers and SMEs engage with banks?**

The regulatory changes primarily aim to drive and channel more funds towards sustainable projects and investments. As such, it is widely expected that the embedded incentives will change the way economic participants position themselves in relation to new sustainability concerns.

More specifically, as credit institutions face non-financial reporting disclosure obligations, it is expected (and probably intended) that loans to either consumers or to SMEs evolve towards higher sustainability concerns. As those loans will be measured at the light of the taxonomy criteria in the banks' balance sheets, there is an embedded incentive for credit institutions to prioritize loans with the highest level of alignment with the taxonomy's environmental objectives.

Ultimately, as markets adjust, loans that target greener projects may enjoy lower financing costs.

**How does Portugal compare to Europe and what are the specific challenges of our financial system?**

The changes in sustainability-related regulation, and sustainability concerns in general, must be regarded as a great opportunity, rather than a challenge.

Portugal has shown in recent years its extraordinary potential regarding start-ups and fintechs, increasingly becoming an important international hub for entrepreneurs and digital nomads, seeking favourable business conditions, infrastructure and, of course, a great place to live.

The current European economic context is not without challenges, as the current inflationary environment represents a danger to growth. The financial system must retain a good level of robustness while keeping an open mind for innovation.

If Portuguese economic players don't lag in implementing and assimilating the newly created regulation and embrace the opportunities presented by sustainability considerations, then Portugal will be particularly well-positioned to harvest the benefits of the growth potential stemming from projects combining sustainability and innovation.

**How do you think ESG can be an opportunity for fintech start-ups?**

I would say, rather, that fintech start-ups are essential for successful ESG implementation. Sustainability considerations require considerable changes and upgrades in most organizations, both in technological and cultural terms. Fintech start-ups bring both.

As sustainability-related reporting must be published in machine-readable format, a large amount of workable data will be available for use, and even better processed, by artificial intelligence. Similarly, taxonomy alignment and other relevant disclosures will feed databases for ESG rating agencies and similar entities. The integration of blockchain-based contracts into sustainable financial products is being seriously considered and may gain renewed traction in the future, particularly for use-of-proceeds bonds (which includes the known green and social bonds), for sustainability-linked products (through KPIs), but also eventually for covered bonds (which are increasingly issued as social bonds).

Ultimately, the increasing need for innovation and data from all players is an incredible opportunity for the dynamic fintech landscape.

# CBDC and a cashless society



José Alexandre Correia,  
IT Advisory Partner at KPMG Portugal

## What are the advantages of the digital euro?

Portugal is still not a full cashless society but there has been a great success on the use of SIBS, namely using their latest innovation with MB Way, that allows direct money transfers between individuals, digitally and wire transfers across Europe using the SEPA agreement.

Nevertheless, CBDC's will prevail as society will continue to move towards a cashless system, as it has already happened in the UK. When we reach out to this vision, some of the political decisions around Europe can be implemented using the digital euro rails. And the second change will then be related to the cross-border transfers, mainly outside Europe.

On the other hand, the question of privacy in the transactions will be intensified, such as a wholesale system where the central bank issues currency, but the bank network does the last mile to the clients. Around trade finance and international markets, the solution can be a new form of digital rails to keep the business that we already do today, but with a stronger process around security, traceability, and anti-money laundering.

**The implementation of a CBDC in Europe is a long process. What are the main decision and risks still to be considered and decided?**

One of the main concerns is of cyber risks, because at the end of the day, even though there is an increase in the implementation of technical security, most of the risks are related to social risks. For that reason, there is a lot of education around do's and don'ts for the end consumer. Hence, to ensure safeguards on these risks there is great effort to be done on the technical side.

The second risk for Europe is privacy. Europeans value their privacy and to spend money wherever they want. At the moment there's a lot of discussion on the digital legacy, and the digital data trail consumers leave behind, while using several technologies and social media sites. Hence, CBDCs design should ensure that privacy is accommodated to create trust.

Finally, currently the digital euro has not yet been created. However, on the crypto side, there are tokens, that can act as coins. There is of course the need to ensure that if a corporation or end user is looking at the digital euro it should be backed by the European Central Bank and the European Commission to say that it has value and guarantee trustworthiness.

**The digital euro can only be successful if it is used by Europeans in their daily life. How would the adoption of the digital euro look like?**

The CBDC's will be an add on for the banking system to use, to leverage, to bundle, to create new products for clients. For instance, companies with branches in Europe and outside of Europe must transfer money regularly. Currently this system goes through a company called Swift. CBDC's can guarantee that there is a digital way to validate information through the banking system and ECB, which should lower commissions and deliver better services to the end clients. There is great potential on how CBDCs can innovate, increase efficiency, and bring new products to the banking systems.

## What kind of pilots and test are being executed to test this interoperability and usability of CBDC?

The following examples show how countries are testing different structures and technologies to benefit from CBDC's and digital currencies.

Firstly, there is the example of China using EU yuan. China has already given away millions of dollars' worth of the digital currency in real-world trials in a number of cities including Shenzhen, Chengdu and Suzhou. These involve the local government handing out a certain amount of yuan via a lottery. Users usually download a separate app to receive the currency.

More specifically, China is using non fungible money by defining on where the money can be spent or not, for example food, education, or the dentist. Other examples are in the Marshall Islands and the Bahamas with the Sand Dollar. These use cases are called CBDCs but are basically a digital version of the electronic cash that exists.

In France the central bank is working with a technology provider, in this case IBM, to create a blockchain that acts as a digital ledger to support some of the transactions for corporate banks. In another case it was a unit from Société Générale. The bank issued bonds and supported them with a loan from the DeFi platform MakerDAO using a stablecoin named DAI. This was performed outside the regular ECB and France's Central Bank Rails. Société Générale issued €40 million of covered bonds as security tokens directly registered on a public blockchain. These Tokens were fully subscribed by Société Générale which simultaneously paid the issuer in a digital form of euros issued by Banque de France through a blockchain platform. The ones who bought the bonds from Société Générale had access to the blockchain. They could read that lead digital ledger and the central bank was giving the trustworthy support.

## How do you think Portugal is positioning itself in this process?

The Web Summit is a good example of attracting innovation and talent to the country and being open to try new things. The worldwide technology conference, where KPMG is one of the founding sponsors back in Dublin when it started, was brought to Lisbon by our current Prime Minister António Costa when he was the Mayor of the city. Other examples of innovation are Via Verde or Multibanco, but besides these cases, there is a policy on innovation with different politics, the creation of Technological Free Zones (ZLT), which are physical spaces for the testing and demonstration of new technologies and innovations, under special legislation and controlled by regulatory entities and on the crypto side, the Portuguese Central Bank (BdP) is already issuing digital assets, licensing to several organizations.

In addition, Portugal has a very innovative financial system. For example, checks are not common anymore in Portugal, whereas in France or the US people still use it and most of the transactions in the country are through SIBS and SEPA, the European protocol. On the regulator side, the Portuguese Central Bank is open to understand and work with the market through programs such as Portugal Fin-Lab. Finally, I would give some advice for FinTechs who are starting today. Don't wait to understand every article. Start today. Work with the regulators, work with the ecosystems to comprehend the concerns and try to add value on the actual law that will be written beyond the discussion. If you make part of the discussion, it will make your life easier so that the concerns are addressed at the end.



CHAPTER 3 Fintech Ecosystem

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- 134 International Operating in Portugal

# Anchorage Digital / Portugal's first crypto unicorn

Diogo Mónica,  
President of Anchorage Digital



The San Francisco company, founded by Diogo Mónica and Nathan McCauley, has achieved the status of a company which is worth over €1Bn.

In its mission to make it safe and accessible for institutions to participate in the rapidly evolving digital asset space, Anchorage is the first crypto-native company to receive a banking charter from the Office of the Comptroller (OCC) in January 2021 and is the first ever unicorn in the crypto assets area of Portuguese origin.

**Our first question is, how does it feel to have reached the status of 'unicorn' and especially, given that Anchorage is the first crypto unicorn in Portugal?**

How does it feel? I don't have an answer. The interesting thing here is that valuation is not really the metric that we measure ourselves by. Unicorn is evaluation. It's just a recognition of the growth of the business. I think the things that feel a lot better than being a unicorn is really the type of team, how much customers love it. Those are the metrics that I measure myself by and that we measure ourselves by. I think the valuation is just something the unicorns' people have attached themselves to. Evaluation is something that is unique. It's less and less unique, as now during the downturn, more and more unique again. We track ourselves by the metrics that we care about, which is delighting our customers and the team and the culture that we've built. It's an interesting milestone, like any other milestone, like 100 people, like 400 people. They're all milestones and they're all part of the path. But the most interesting things are not the valuation, they're the product and the people.

**Thank you. How is Anchorage responding to the downturn in the crypto market? We've heard you're expanding your reach to Asia and also still actively hiring, can you tell us more about this?**

During crypto downturns, we've capitalized the company well enough to last one cycle to the other side without requiring strong capital. And this just means that when we raised the \$350,000,000 last year, that money needed to be executed immediately. It gave us a buffer so we could last for many years of downturn without having to do significant changes in terms of plans. We are currently finishing our hiring up until the end of the year, and we are expanding to Asia to then monitor the market, analyze as the market comes back and strategically grow more in all corners of the world. Overall, the strategy has been to create a buffer, last to the other side, and have enough capitalization so we don't have to raise doing a town market.

**And what is unique about Anchorage's product? How has this evolved throughout the years?**

Anchorage has built something unique from a security perspective. It is very hard to build a solution that can custody private keys that are worth tens of billions, if not hundreds of billions of dollars.

We have built it in a unique way, even though it's a very hard technical cybersecurity challenge. For the past five years it has been battle-tested and some of the largest companies in the world are now using it.

Since day one, we've been able to push forward a lot of the innovation, from a technology and security perspective, which is something I'm extremely proud of.

**Portugal is currently in a competitive advantage from a fiscal point of view. However, there are governmental plans to change that. What's your opinion on this?**

I think Portugal has many competitive advantages. I think no taxation for crypto is not that big of an advantage. It's only an advantage for individuals since companies and professionals still must pay taxes. Overall, it's mostly a marketing campaign than a real advantage. It's attractive and it's putting Portugal on the map as crypto friendly. This is candidly the way we should be continue writing that Portugal is crypto friendly and supporting businesses. It has nothing to do with taxation itself.

**And what other advantage does Portugal have?**

In the United States it's so hard to get visas, especially post Trump which means that all European countries have been looking for a place to flock to. Portugal has all the obvious ones. It's the western-most point of Europe, it has direct flights to San Francisco and New York. It has a great location in terms of weather, no natural events that are dangerous and as of 2021, the third safest country in the world. It obviously has great culture, very high penetration of English, incredibly high penetration of higher order education, and thus incredible engineers, incredible potential employees, and potential entrepreneurs. If you tie all these things together, you really have a great cocktail of talent, lifestyle, connectivity to the rest of the world and infrastructure, which is extremely important to have a perfect place to grow your startup and to grow your company. And none of that has anything to do with corporate taxation or taxation in general. Yes, the tax burden should be low because low tax burden means that people come, bet, and spend more money, which in turn creates a higher GDP, and ultimately creates more jobs. The most important thing is to for as long as possible, stay incredibly competitive. And it does not have to be zero taxes or at the outline taxation of zero, but rather extremely competitive.

**Thank you. And the last question. Do you expect to collaborate with the Portuguese fintech and crypto community?**

Yes, we love cooperating with the Portuguese ecosystem and community. Portugal is not actually the biggest place from a client perspective for Anchorage. Most of our businesses are in the United States and there are some businesses in Europe, but the regulatory regime is unfriendly because it's piecemeal. By the time MiCA regulation comes to place and gradually unifies the policy around Europe, we might think about coming in a more meaningful manner to Europe with a regulated entity. But for now, Portugal continues to be where we have product design, engineering, talent base, but not really where we sell our products and where we're where we are part of the crypto community.

# Portuguese Fintech



# Ecosystem

| EMERGING FINTECHS  | FINTECH ECOSYSTEM   |  | INTERNATIONAL OPERATING IN PT   |
|--|---|--|---|
| Rauva<br>Algae<br>Flexity<br>Zaisan<br>Relocare<br>Finvex.tech | <b>INSURTECH</b><br><br>Lovys<br>Toolto<br>Visor.ai<br>Mudey<br>Think Future<br>Coverflex<br>Habit<br>Iluni<br>Kooli<br>Uthere                                | <b>REGTECH &amp; CYBERSECURITY</b><br><br>YData<br>Biometrid<br>Jscrambler<br>Loqr<br>Fraudio<br>Yoonik<br>Elucidate<br>Probely  | Arcopay<br>Sfera<br>Weavr<br>Unify Giving<br>Yapily<br>Coinscrap<br>Klarna<br>Block Green<br>Younited<br>Anachron<br>Nowcm<br>Fcb.ai<br>SutHub<br>Apiax |
|  | <b>PAYMENTS &amp; MONEY TRANSFERS</b><br><br>InvoiceXpress<br>Sway<br>Swood<br>Ubirider<br>Gofact<br>Easy pay<br>If Then Pay<br>deGrazie<br>Eupago<br>Phoebus | <b>LENDING &amp; CREDIT</b><br><br>hAPI<br>Raize<br>GoParity<br>Finsolutia<br>StudentFinance<br>Parcela Já<br>Querido Investi Numa Casa<br>Doutor Finanças<br>ZoomiMoney<br>Collector<br>Its Credit<br>ExxoTrade |   |
|  | <b>BLOCKCHAIN &amp; CRYPTO</b><br><br>Zharta<br>Utrust<br>Revault<br>Velvet Formula<br>ImpactMarket<br>Polkastarter<br>Uphold<br>Ubits<br>Earhart             | <b>WEALTH MANAGEMENT &amp; ESG</b><br><br>Lynxai<br>nBanks<br>Reflora<br>Profidata<br>Art2Trading<br>Tagpeak<br>Finvex.tech  |   |
|  | <b>REAL ESTATE</b><br><br>Unlockit<br>Propdata  |  |   |

## The New Kids On The Block Fintechs created in 2022

### PAYMENTS & MONEY TRANSFERS

# rauva



Jon Fath,  
Co-Founder & CEO

Rauva believes that SME's and Freelancers spend too much time focusing on their finances rather than on the job they are passionate about.

#### ABOUT

Rauva, built by entrepreneurs for entrepreneurs, is currently developing a leading financial super-app for Europe's Mediterranean region. The solution is specifically designed to provide a country-by-country compatible, automated, integrated experience of banking and financial management needs. Rauva aims to tap into a 20 million strong SME and Freelancer market in early 2023 with first launches planned for Portugal and Spain. Headquartered in Portugal, the company recently received a multi-million dollar funding package and has started to kick off development of their new solution. Rauva aims to expand globally over time.

#### TARGET CLIENTS

SMEs and Freelancers

#### USE-CASE

Banking and credit for SMEs and freelancers in the mediterranean Region

#### KEY DIFFERENTIATION

AI/ML credit score, fully digital onboarding, compliant with bookkeeping

#### HEADQUARTERS

Lisbon, Portugal

#### PRESENCE

Portugal, Spain, Italy, Greece, France

#### STAGE

Pre-seed

#### WWW

rauva.com



Adrien Hardy,  
CEO



Jérémy André,  
CTO

## ALGAE wants to digitalize real estate ownership and make it more accessible

### ABOUT

We are building Algae, a tokenizing platform whose mission is to empower the world to build wealth and resilience through modern and regenerative real estate investing from 10€. Algae will enable collective financing and a fully digital underwriting process; the holding of real estate assets; The real estate management of these assets and the search for returns (rents).

### TARGET CLIENTS

The typical target clients are individuals, located in Europe. Millennials, digital nomads, freelancers who have difficulty invest in real estate and getting a mortgage, looking for flexibility and education to invest easily from 10€ in consciousness.

### USE-CASE

Portugal Finlab 4th, creation of the Blue Green Lab

### KEY DIFFERENTIATION

Fully mobile app developed to improve liquidity, security and portability of ownership; Benefits attached to tokens like community, social benefits, investors rewards, time-sharing, discounts, governance; Polygon Blockchain as registry to become the leader with a DLT (distributed ledger technology); The tokens are ERC-1400 to make the bridge between C-Fi and D-Fi

### HEADQUARTERS

Paris, France and  
Lisbon, Portugal

### PRESENCE

Portugal and France

### STAGE

Pre-seed

### WWW

algae-app.com

#realestate #investment #blockchain



Diogo Cunha,  
CEO



Francisco Grave,  
COO

## Flexty has proven its value within the RE/MAX network. Currently we work with more than 300 offices empowering RE/MAX agents to control when they get paid.

### ABOUT

Flexty is an embedded contract finance solution for the real estate sector. We partner with real estate networks and offices to enable agents to get paid on their terms.

### TARGET CLIENTS

Real estate agents, offices and networks.

### USE-CASE

Flexty has proven its value within the RE/MAX network. Currently we work with more than 300 offices empowering RE/MAX agents to control when they get paid.

### KEY DIFFERENTIATION

We are embedded, focused in the real estate market and so very easy and quick to use.

### HEADQUARTERS

Lisbon, Portugal

### PRESENCE

Portugal with a pilot starting in France before end of year.

### STAGE

Bootstrapped

### WWW

flexty.pt/en

#embeded #realestate #fintech



Rhett Oudkerk Pool,  
CEO



Daniel Liven,  
COO



Adam Bouktila,  
CPO

#KYC #Blockchain #wallet

ZAISAN is representing the EOS ecosystem in Europe and Dubai on trade shows, showing what this blockchain can do for Fintech and other industries.

**? ABOUT**

Providing enterprises with a suite of tools and services to enable the rapid development of web3 products and concepts in an EU compliant and enterprise-grade. This includes Consulting, Project Management, Software Development & Training.

**🎯 TARGET CLIENTS**

Fintech companies

**👛 USE-CASE**

Upto now most (Fintech) Blockchain and Crypto projects have been ignoring regulations and that is getting them into trouble or never gets them from Proof of Concept to production. With our suite of products (Europechain and KYC Identity tools) they can start there legal compliant journey.

**★ KEY DIFFERENTIATION**

We are building the next generation Web3 foundational tools for the global Fintech community.cused the real estate market and so very easy and quick to use.

**🏠 HEADQUARTERS**

Quarteira, Portugal

**🌐 PRESENCE**

Europe

**📊 STAGE**

Bootstrapped

**WWW**

zaisan.io



Dmitry Prostov,  
CEO



Gennady Telegin,  
CTO



João Cabrita,  
Advisor

#CreditScore #CreditCard #Banking

Relocare is trying to solve discrimination in access to financial services and knowledge

**? ABOUT**

Credit card and Global Credit Score for Immigrants. We help immigrants go from 0 to mortgage or any other type of loan.

**🎯 TARGET CLIENTS**

Immigrants and expats

**👛 USE-CASE**

Relocare provides: 1.Credit card for immigrants that helps fund relocation and provides money for a rainy day; 2.A credit score that moves with you and allows immigrants to get a mortgage, car, or business loan in a new country; 3. Mobile app that shows how your credit score improves and gives you a local bank account.

**★ KEY DIFFERENTIATION**

We create a Global Credit Score and find partners who give credit to use this score.

**🏠 HEADQUARTERS**

Lisbon, Portugal

**🌐 PRESENCE**

Europe

**📊 STAGE**

Pre-seed

**WWW**

relocare.io



Rezaan Daniels,  
CEO



Danielle Gonsalves,  
COO



Ronaldo Oliveira,  
CTO

#API #Cloud #B2B

## Finvex.tech has launched its Supply Chain Finance product in Portugal in 2022

### ABOUT

At Finvex.tech we disrupt B2B payment terms across supply chains. We provide automated access to crucial long-term working capital funding and support the digital transformation, growth, and resilience of supply chains.

### TARGET CLIENTS

Multinational enterprises with complex supply chains.

### USE-CASE

We process over 40,000 invoices per day. We handle all supplier onboarding for the multinational corporation (5,000 suppliers onboarded to date). We unlock working capital across supply chains at below market rate. Our multinational corporate clients support their critical local small suppliers by giving them access to working capital that helps their businesses to grow.

### KEY DIFFERENTIATION

Our API allow us to automate the collection of data to make financing suppliers easier. Competitors do this process manually now - losing time and high cost because of labor.

### HEADQUARTERS

Lisbon, Portugal

### PRESENCE

South Africa,  
Brazil, Portugal

### STAGE

Pre-seed

### WWW

finvex.tech



Rui Pedro Alves,  
Founder & CEO

#Invoicing #Payments #API

InvoiceXpress is an online invoicing software that allows businesses to take care of their invoices effortlessly while being compliant with the Portuguese Tax Authority.

**?** ABOUT

InvoiceXpress is an online invoicing software that allows businesses to take care of their invoices effortlessly while being compliant with the Portuguese Tax Authority.

**🎯** TARGET CLIENTS

SME & Mobility Companies.

**👛** USE-CASE

It only takes three steps to invoicing: set up an account, fill out your invoice, send it to your client. If an InvoiceXpress client needs to make an integration with their e-commerce, there's an API he can use for that purpose.

**★** KEY DIFFERENTIATION

InvoiceXpress believes that invoicing should be the easiest and simplest outcome of a business.

**🏠** HEADQUARTERS

Lisbon, Portugal

**🌐** PRESENCE

Portugal

**📊** STAGE

Bootstrapped

**🚩** FOUNDED

2010

**WWW**

invoicexpress.com



Niek Volkert,  
CPO



Isaac Hinman,  
CTO



Marco Brito,  
CEO

#Payments #OpenBanking #AccountToAccount

Instant bank transfers as a safer, cheaper and more connected alternative to cards and cash.

**?** ABOUT

Sway turns phones into payment terminals to allow businesses to accept payments without transaction fees.

**🎯** TARGET CLIENTS

Small businesses taking in-person payments

**★** KEY DIFFERENTIATION

We bring A2A payments to the physical world, allowing businesses to get paid through their phones without transaction fees

**🏠** HEADQUARTERS

London, UK

**🌐** PRESENCE

UK, Netherlands, (Germany and Portugal by the end of 2022)

**📊** STAGE

Pre-seed

**🚩** FOUNDED

2021

**WWW**

sway.money



Julia Cohen,  
CEO



Bruno Lima,  
CSO

Reaching 50 partners in less than 3 months in Portugal, Swood helps companies take care of their talent through an all-in-one platform.

**?** ABOUT

Swood helps companies take care of their talent through its all-in-one platform that combines financial services and people management features.

**🎯** TARGET CLIENTS

Small to medium-sized businesses.

**👛** USE-CASE

In partnership with one of our customers, we offered its almost one thousand employees a special Easter gift, with flexibility so that people could buy everything from chocolates to ingredients for Easter lunch.

**★** KEY DIFFERENTIATION

We make people happier while saving people management time and money.

**🏠** HEADQUARTERS

Aveiro, Portugal

**🌐** PRESENCE

Portugal, Brazil

**📊** STAGE

Seed

**🚩** FOUNDED

2020

**WWW**

useswood.com

#employeebenefits #hr #payments



Paulo Ferreira dos Santos,  
CEO



Luís Neves,  
Chairman



Jorge Pinto,  
CTO



Inês Faria,  
Product Design Manager

Ubirider allows cheaper, simpler, faster and more transparent purchase and payment processes through our mobility marketplace.

**?** ABOUT

Ubirider englobes mobility operations for cities, operators, travelers and businesses. Ubirider is transforming how we move by creating a mobility marketplace with cheaper, faster and more transparent payment process for all kinds of trips.

**🎯** TARGET CLIENTS

Public and private transport operators, cities and agencies, businesses (mobility-as-a-benefit) (B2B) and travellers (B2C).

**👛** USE-CASE

Ubirider provides the complete mobility management system for Trevo's bus operation, in Évora, including daily operation management, payments and analytics, being the first operator in Europe to have Contactless Tap-On-Phone technology for transit. Ubirider, in collaboration with Fertagus, also allows users to recharge Lisbon's Metropolitan Area monthly pass on their phone using Pick Hub app, transacting almost 5M€ in one year.

**★** KEY DIFFERENTIATION

Ubirider's products generate value for both riders and transport providers (public, private, cities, agencies), creating seamlessness between all mobility stakeholders and simplifying payment through direct, cheaper and more transparent processes. Ubirider provides real-time information and communication, key to managing all aspects of mobility operations and, at the same time, creating optimised travel experiences for riders.

**🏠** HEADQUARTERS

Porto, Portugal

**🌐** PRESENCE

Portugal, Spain

**📊** STAGE

Seed

**🚩** FOUNDED

2018

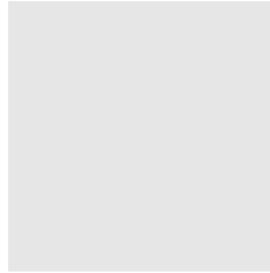
**WWW**

pick.ubirider.com

#maas #payments #cloudbased



Hugo Pinto,  
CEO & Founder



Rui Vala,  
Board Member



Carlos Oliveira,  
Board Member



Rui Almeida,  
Executive Director

Having reached a 21% growth in revenues in 2022, Gofact facilitates integration and automation of management support systems with banking and finance functions.

**ABOUT**

Gofact develops integrated solutions that provide a greater efficiency and democratization of financial management processes.

**TARGET CLIENTS**

SME's

**USE-CASE**

SibsPayForward: Gofact was featured in the SIBS acceleration program, and was one of the first integrators of SIBS APIs

**KEY DIFFERENTIATION**

The company has a proven record of addressing the B2B market with technological solutions that promote efficiency in management and administrative processes. The level of experience and competency of its team enables it now to focus on the consumer market, with the potential to respond to the needs of households and the personal finances market.

**HEADQUARTERS**

Braga, Portugal

**PRESENCE**

Portugal

**STAGE**

Seed

**FOUNDED**

2012

**WWW**

fact.pt

#DigitalArchive #PFM #invoicing



Diogo Nesbitt,  
Co-Founder



Frederico Mangas,  
Co-Founder

hAPI streamlines the digital transformation of onboarding data intensive processes, avoiding waste of resources, efforts, and time.

**ABOUT**

hAPI software works in the B2B space and provides, through APIs, aggregated information and documents about a person from different sources and in a format ready to be used in new services. hAPI helps applications and services connect to information from banks, social security, tax authority and a range of different other sources.

**TARGET CLIENTS**

Banks, Insurers, Financial Services and Fintechs.

**USE-CASE**

We are focused on the credit process. Most of our clients are banks and financial institutions and 95% of the cases uses our technology to facilitate and speed up the credit process. However hAPI also adds a lot of value on document authentication, filling in forms, management software and risk analysis.

**KEY DIFFERENTIATION**

hAPI provides accurate, trustable and structured information that you can use directly in any of your apps. It will give you the tools to reduce latency, eliminate manual input and typing errors, automate information processing and reduce risk in the processes.

**HEADQUARTERS**

Lisbon, Portugal

**PRESENCE**

Portugal

**STAGE**

Pre-seed

**FOUNDED**

2017

**WWW**

hapi.pt

#aggregatedinformation #onboardingprocess  
#digitaltransformation #trustableinformation

# RAIZE



José Maria Rego,  
CEO & Co-Founder



António Marques,  
CTO & Co-Founder

Having been recognized within innovation and customer satisfaction awards, Raize provided over € 70 Million in financing to SMEs and Consumers.

## ABOUT

Raize is a payments institution and marketplace lender providing financing for SME and consumers, and providing alternative investment services for retail, banks and institutional investors.

## TARGET CLIENTS

Small businesses, consumers, retail investors, institutional investors and banks.

## USE-CASE

SME and consumer financing, Deposit Brokerage service for banks and retail investors, Crowdfunding services and alternative investment services for retail, banks and institutional investors, insurance services for SME.

## KEY DIFFERENTIATION

Quick, agile and digitalized access to financing and robust capability of delivering through the cycle returns on credit investments proposed to investors.

## HEADQUARTERS

Lisbon, Portugal

## PRESENCE

Portugal

## STAGE

IPO

## FOUNDED

2015

## WWW

raize.pt

# GOPARITY



Nuno Brito Jorge,  
CEO



Luís Ferreira Couto,  
CFO



Manuel Nina,  
CCO

With 17M€+ lent by investors from +65 countries, Goparity has reached 22+ tonnes of CO<sub>2</sub> avoided per year.

## ABOUT

Goparity is an impact finance and investment platform that empowers people and companies to use their money for good. Its community of 24 thousand users has already funded 200 impact projects in several countries around the world, across Europe, South America and Africa.

## TARGET CLIENTS

People and companies looking for a sustainable and ethical alternative to traditional investment; companies promoting projects that contribute to the fulfillment of the United Nations 2030 Agenda that require funding

## KEY DIFFERENTIATION

We fund single impact projects directly to the promoters

## HEADQUARTERS

Lisbon, Portugal

## PRESENCE

We have users from 80 countries; The top 10 are: PT, ES, BR, IT, FR, PL, NL, DE, GB, SE. We have projects in 11 countries promoted by companies with headquarters in PT, SP, IT, UK, IR, LT

## STAGE

Seed

## FOUNDED

2017

## WWW

goparity.com

#Lending #Investments #Payments

crowdfunding, impactinvesting, ethicalbanking



Finsolutia has signed a partnership with the largest Portuguese bank as the technological and operational service provider for residential mortgages loan origination business.

**ABOUT**

Finsolutia is a leading Fintech Servicer in Iberia, offering independent loan and Real Estate management services through innovative business processes and disruptive proprietary technology. It was the first to have been rated successfully by Standard & Poor's (S&P) for 5 consecutive years in Spain and the only rated in Portugal, with an overall "Above Average" rating as Special Servicer of Residential Mortgages.

**TARGET CLIENTS**

Banks, RE Funds Investors, REO Managers, Mortgage Brokers, Mortgage Portfolio Managers, Mortgage Distributors, Servicers (PL, NPL, Secured and Unsecured Loans)

**USE-CASE**

Finsolutia partnered with Banco CTT (a neo bank) as the technological and operational service provider for residential mortgages loan origination and servicing business processes, launch the new businesses leveraged by Finsolutia's Fin-Tech DNA and 4 Sight LaaS platform - TWINKLOO (a brand-new mortgage broker) and SELL AND GO (Instant Real Estate Buyer). Finsolutia has also launched Launching of 2 new Iberian platforms: Bridge Lending IZILEND with €200M of committed capital and the realtor NOLON (for Portugal and Spain). It's also use its LaaS platform (4 Sight) as a global and centralized platform for 7 international Servicers which are Servicing providers of a Global Management Investor.

**KEY DIFFERENTIATION**

A full E2E Lending Managment Platform, specialized in the Mortgage segment (including ion).



Nuno Espírito Santo,  
C-Level  
Miguel Madeira,  
C-Level

**HEADQUARTERS**

Portugal

**PRESENCE**

Portugal, Spain, rest of Europe and outside Europe

**STAGE**

Later Stage

**FOUNDED**

2007

**WWW**

finsolutia.com

#LaaS #SaaS #BPaaS



Marta Palmeiro,  
Co-founder & CFO



Mariano Kostelec,  
Co-founder & CEO

Student Finance enables access to upskilling and economic mobility.

**ABOUT**

StudentFinance is a Global Career Mobility Fintech platform for reskilling and upskilling the global workforce. Their expertise in loan and real estate management enables them to identify, analyse, advise and provide active management services on an array of heterogeneous portfolios rapidly and diligently.

**TARGET CLIENTS**

Education providers, individuals and corporates upskilling their employees.

**USE-CASE**

Partnership with the European Investment Fund under the Skills & Education Guarantee Facility Programme

**KEY DIFFERENTIATION**

Key differentiators are the cross border approach and job placement support.

**HEADQUARTERS**

London, UK

**PRESENCE**

Spain, UK, Germany

**STAGE**

Series A

**FOUNDED**

2020

**WWW**

studentfinance.com

#embeddedfinance #careermobility #reskilling #upskilling



Tiago Freire de Andrade,  
CEO



Eduardo Rebelo,  
CTO

Having won the LHOFT Catapult  
Kickstarter Programme 2022, Lynxai  
has raised 285.000€ of Capital.

**? ABOUT**

Lynxai is a data-driven platform that makes ESG investment more efficient.

**🎯 TARGET CLIENTS**

Financial Institutions: Banks; Asset Managers; Investment Funds

**★ KEY DIFFERENTIATION**

We help the client navigate through any government regulations - like EU Taxonomy - and control any red flags from their investments; We provide quantitative and qualitative data to facilitate the investment analysis. The provided data is adapted to the client ESG standards; We collect data from non-financial and financial reports, big data and score providers, institutional news, Reddit, Glassdoor, blogs, social media, and more, so that all information is covered.

**🏠 HEADQUARTERS**

City of Dover,  
County of Kent, State  
of Delaware.

**🌐 PRESENCE**

Europe, US

**📊 STAGE**

Pre-seed

**🚩 FOUNDED**

2021

**WWW**

lynxai.tech



Orlando Gomes Costa,  
CEO



Nuno Oliveira,  
CFO



Ricardo Vieira,  
CTO



Fernando Mazzocchi,  
Head of Development

Making the relationship between clients,  
accountants and financial institutions  
simpler, more transparent and practical

**? ABOUT**

nBanks is a SaaS specialized in independent Open Banking & Open Finance for the B2B segment. It enables the total domain of cash management in real time for any type of company, without borders, and entropies and facilitates a shared ecosystem between companies and accountants, eliminating the complexity of bank reconciliation

**🎯 TARGET CLIENTS**

All kind of companies, accountants and auditors

**📁 USE-CASE**

Reference platform for real-time treasury management by Mota Engil in Africa, First Open Banking event in Angola in cooperation with KPMG and with several of its clients to adopt nBanks technology for the daily management of their cash-flow among other use relevant use cases.

**★ KEY DIFFERENTIATION**

We are the first independent SaaS Open Banking platform fully focused on the business end user, with fully focused features for real-time cash management and bank reconciliation in a shared environment between business customers and accountants. Also the 1st SaaS to enable Open Banking services in dozens of African countries and the only SaaS that has a special algorithm that corrects and eliminates the typical entropies of the PSD2 API service.

**🏠 HEADQUARTERS**

Porto, Portugal

**🌐 PRESENCE**

Europe, Africa

**📊 STAGE**

Seed

**🚩 FOUNDED**

2018

**WWW**

nbanks.net



Nicholas Phillips,  
Co-Founder, Partner



Marcela Vinhatico,  
Co-Founder & Head of  
Business Development



António Leitão,  
Co-founder, Head of  
Projects & Partners

#ESG #carbonmarket #climateaction

## Reflora had more than 35 Forest Carbon Projects analysed using its ESG-framework.

### ABOUT

Reflora's vision from the beginning was to provide the market with superior service and solutions through the combination of a world-class team and innovative technologies.

### TARGET CLIENTS

Companies around the world that want to understand and reduce the impacts of their carbon footprints.

### USE-CASE

One of our key clients used our ESG assessment of forest projects to select two projects to support, and jointly we developed a strategy to promote the product line's carbon neutrality. In one year they have reported a 17% sales growth, and 25% engagement growth in social networks, a performance that was attributed to choosing projects indicated by our tool.

### KEY DIFFERENTIATION

At Reflora, we understand carbon credits as a financial instrument that generates long-term economic incentives to make forest conservation and regeneration perennial. This means that along with the environmental impact, we also consider the social and governance aspects of the forestry projects creating greater value for our customers and partners.

### HEADQUARTERS

Lisbon, Portugal

### PRESENCE

Portugal, Spain, Brazil

### STAGE

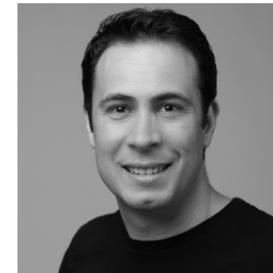
Seed

### FOUNDED

2020

### WWW

reflorainitiative.com



João Cardoso, Founder



António Castro, CFO



João Janes, CMO



João Macedo Pinto, CTO



Ghislain Averty, COI

## B2C and B2B2C insurtech (France, Spain and Portugal)

### ABOUT

Lovys is the first and only all-in-one insurtech in Europe and the first 100% digital neo- insurance company that offers tailor-made insurance products that meet the needs of new generations and accompany them at every stage of their lives. Lovys offers an all-in-one monthly subscription that allows you to subscribe simply and separately to a whole range of tailor-made insurances: home, smartphone, car, and pets.

### TARGET CLIENTS

Young, urban, and digital

### USE-CASE

We're the proud insurance partners of the digital banking arm of La Poste, called Ma French Bank, in France. The group La Poste attempted to offer insurance solutions to its clients via its insurance branch, LPBAI, but those solutions didn't match the needs and expectations of Ma French Bank digital native clients. This is why MFB chose Lovys to protect its clients and cater to their wishes. We have integrated our products within MFB's ecosystem and, thanks to this collaboration, MFB is able to keep putting its clients first offering them tailor-made, simple, and digital insurances.

### KEY DIFFERENTIATION

Lovys offers an all-in-one monthly subscription for all-things insurance, so clients have full control over their coverage and contracts.

### HEADQUARTERS

France, Paris. Portugal, Lisboa, Porto, Leiria. Spain, Madrid.

### PRESENCE

France, Portugal, Spain

### STAGE

Series A

### FOUNDED

2017

### WWW

lovys.com

#insurtech #insurance

# TOOLTO



Nuno Sobral,  
CEO



Rui Penim,  
COO



Peter Brito e Cunha,  
Chairman

#CX, #mobility, #fix

With a consolidated activity of 8M€ in 2021, 70.000 RSA files managed, 2M KM towed and 150.000 contact center tickets handled, TOOLTO is a mobility tool that is increasing customer loyalty at a lower cost.

## ? ABOUT

TOOLTO is a mobility tool. A tool for mobility players that serves for servicing clients in the new mobility paradigm, where new players are entering like UBER, like CRUISE (self driving vehicles) competing with vehicle manufacturers, insurers and utilities. Customer Experience will be critical in a market that will increase a lot.

## 🎯 TARGET CLIENTS

Insurers, Vehicle Manufacturers, Fleet Management Companies, Rent a Cars, Utilities, Banks and ride hailing platforms

## 👛 USE-CASE

Dedicated Assistance Team, Dedicated Contact Center Team and International Assistance Teams for foreigners in Portugal and Portuguese abroad.

## ★ KEY DIFFERENTIATION

Key differential factors are business model & usage of native digital platforms. The business model is more simple, services sold instead of re insurance and delivery is done with dedicated resources with fully tailor made work flows. Being native digital brings agility and faster continuous evolution with scalability.

## 🏠 HEADQUARTERS

Lisbon, Portugal

## 🌐 PRESENCE

Portugal

## 📊 STAGE

Series C

## 🚩 FOUNDED

2017

## WWW

toolto.com

# VISOR.AI



Gianluca Pereyra,  
Co-Founder and CEO



Gonçalo Consiglieri,  
Co-Founder & COO



Bruno Matias,  
Co-Founder & CTO

#Automation #AI #VirtualAssistants

Working with more than two dozen clients, including some of the largest national banks and insurance companies.

## ? ABOUT

Visor.ai helps Customer Service teams deliver a better experience with AI and automation. Visor.ai is the Conversational AI Platform for non-technical Customer Service teams. Its ease of use empowers your company from day one.

## 🎯 TARGET CLIENTS

Companies with huge contact centres, mainly Banks and Insurance companies.

## 👛 USE-CASE

Banking sector: Intelligent Virtual Assistants on the web or mobile channels can help opening a bank account by addressing initial queries, document collection and follow-up communication with customers.

Insurance Sector: Reporting an Insurance Claim is made easier through a chatbot that collects the info from the user and start the process right on time. The chatbot can also facilitate payment of insurance bills, by delivering the payment details simply and effectively.

## ★ KEY DIFFERENTIATION

The Visor.ai platform allows contact center teams to work independently and at the same time comply with all the compliance and security requirements demanded by large companies.

## 🏠 HEADQUARTERS

Aveiro, Portugal

## 🌐 PRESENCE

Aveiro, Lisbon

## 📊 STAGE

Seed

## 🚩 FOUNDED

2016

## WWW

visor.ai

# mudey



Ana Teixeira,  
Founder & CEO



Sónia Teixeira,  
CCO

Launched in July 2020 with a B2C proposition, Mudey has, to date, 15.000 users acquired directly or via strategic distribution partnerships.

## ? ABOUT

MUDEY provides an intelligent digital platform for customers to buy and manage insurance. End users can purchase a wide range of insurance products, from various insurance companies, with a jargon-free, personalised and fully digital experience. Customers can also gain access to Mudey complementary services by using Mudey tech platform to manage their existing insurance policies.

## 🎯 TARGET CLIENTS

B2C and B2B2C

## 👛 USE-CASE

1st B2C insurance digital platform in Portugal

## ★ KEY DIFFERENTIATION

Digital platform, range of insurance products available online, simplicity of UX, catered experiences based on usage of data

## 🏠 HEADQUARTERS

Porto, Portugal

## 🌐 PRESENCE

Portugal, Brazil

## 📊 STAGE

Seed

## 🚩 FOUNDED

2020

## WWW

mudey.pt

#digitalinsurance

# THINK FUTURE



Duarte Abreu,  
CEO



Nuno Silva,  
Innovation

Think Future provides fully digital and customizable experiences for the insurance market using state-of-the-art technologies.

## ? ABOUT

Think Future has been developing cutting edge solutions for the insurance market, working with insurance, brokers and reinsurance companies boosting the digital transformation process through the provision of new digital tools that aim to improve mitigation and underwriting processes as well as new channels that enable greater proximity to their customers with a tailor-made service.

## 🎯 TARGET CLIENTS

Insurance companies, brokers and reinsurance

## 👛 USE-CASE

FlySafeGO: provides drone operators with personalized location information, such as weather conditions, NOTAM, restrictions as well as a real-time insurance subscription service. SafeGo.Solutions: multichannel platform that enables brokers to provide insurance subscription platform directly to the distribution and retail networks, where we have been working with luxury items, bikes and e-bikes, hearing aids. TechSafeGO: validation process for the main components of the mobile device

## ★ KEY DIFFERENTIATION

myMDS app/portal - for MDS clients  
Our ability to think, design, architect and develop end to end, combined with a highly motivated, young and resilient team has enhanced us to develop multiple solutions in a short time using different channels, implementing different models and helping insurance companies to transform standard products in to a digital solution.

## 🏠 HEADQUARTERS

Castelo Branco,  
Portugal

## 🌐 PRESENCE

Europe, India

## 📊 STAGE

Pre-seed

## 🚩 FOUNDED

2017

## WWW

thinkfuture.pt

#ondemand #digitalsubscription #riskmitigation



With over 3.000 companies as customers, more than 35.000 users and having entered to their second market in 2022, Coverflex helps businesses unlock their full potential.



Miguel Santo Amaro, CEO



Luís Rocha, CMO



Rui Carvalho, COO



Nuno Pinto, CBO

**ABOUT**

Coverflex is remodelling compensation, starting with benefits and building an all-in-one platform for any company to personalise benefits and rewards, from micro to SMEs and large enterprises.

**TARGET CLIENTS**

We want all kinds of companies, regardless of their budget or size, to be able to have a simple experience managing compensation and give their people the possibility of improving their quality of life.

**USE-CASE**

1. Address the needs of companies wanting to pay the meal subsidy to their employees with a card; 2. Tackle the needs of companies that wanted to unify their extra-salary compensation management efforts, by merging it all into one platform; 3. Serve companies that want to increase salaries or offer bonuses to their employees without “breaking the bank”, thus opting to do it with Coverflex’s flexible benefits

**KEY DIFFERENTIATION**

All-in-one platform, aggregating benefits, insurance, meal card and discounts; Fixed, transparent pricing with no added commissions or hidden fees; Superior employee experience with an app and a smart VISA card.

**HEADQUARTERS**

Braga, Portugal (100% Remote)

**PRESENCE**

Portugal, Italy

**STAGE**

Pre-seed

**FOUNDED**

2019

**WWW**

coverflex.com

#Compensationandbenefits #Fintech #HR



Domingos Bruges, CEO



Sasha DeWitt, COO



Cristina Lopes, CTO

Having transacted more than 1M insurance policies, Habit enables innovative insurance distribution.

**ABOUT**

Habit enables companies with a large customer base to embed insurance products into their existing customer journey.

**TARGET CLIENTS**

Telcos, Consumer Finance Entities and Specialized Retailers

**USE-CASE**

One business case would be within the Telco industry, where Habit leverages realtime telco data such as Network cell registrations, Roaming or physical-store purchases data to attach a one click action to purchase an insurance product. Additionally, having a ready-made and umbilical connections with the Telco's major systems, such as billing, Habit offloads most of the IT and all of the policy management activities from the insurer and the distribution partner, while guaranteeing high conversion rates and the best customer experience.

**KEY DIFFERENTIATION**

Habit is the truly single API to interface with any insurance product, enabling companies with a large customer base with all the required tools to distribute and seamlessly embed insurance products in their customer journey. Habit enables high conversion rates by leveraging contextual data to place the right insurance product at the right moment to the right customer through the right channel.

**HEADQUARTERS**

Lisbon, Portugal

**PRESENCE**

Globe

**STAGE**

Series A

**FOUNDED**

2019

**WWW**

habit.io

#insurtech #embeddedinsurance #habit



Gonçalo Martins Ribeiro,  
CEO



Fabiana Clemente,  
Chief Data & Product Officer

## YData accelerates and increases the ROI of AI solutions by improving the quality of data

### ABOUT

YData provides a data-centric development platform for data scientists that make it easy to understand data quality through an automated quality profiling, access, and improve datasets by leveraging state-of-the-art synthetic data generation and creating scalable data pipelines.

### TARGET CLIENTS

FSI, Banking, Insurance, FinTech, InsurTech, RegTech

### USE-CASE

ML-based use cases, such as Fraud Detection, Credit Risk Scoring, Predictive Modelling, Risk Modelling, Model Robustness, Data Quality standardization, Data Sharing, Data Monetization, Data Privacy, Innovation, Anomaly detection, Customer churn, Forecasting, among others.

### KEY DIFFERENTIATION

YData offers a complete solution in data quality for data science: from accessing data with privacy by design, to data understanding and data improvement - all at scale.

### HEADQUARTERS

Aveiro, Portugal

### PRESENCE

Europe, North America

### STAGE

Seed

### FOUNDED

2019

### WWW

ydata.ai

#AML #AI #Payments



Miguel Côrte-Real,  
COO

## No-code Identity Verification Solution. Biometrid brings trust in the person behind the screen from sign-up to checkout

### ABOUT

Biometrid is a technology-based company, which developed a digital platform for remote identification and authentication, using namely documentation validation systems, multimodal biometric technology, life, emotion and behavior detection systems, among others, used to prove identities and the live and real-time presence of a person in a digital relationship.

### TARGET CLIENTS

Banking & Finance, Defense & Security, Telecommunications, Healthcare

### USE-CASE

Instead of clients having to visit a bank's branch to join Digital Banking, now customers can register online using their mobile phone camera. We helped financial entities develop a highly efficient

### KEY DIFFERENTIATION

Biometrid is a no-code identity verification solution with a drag and drop interface that connects the client to the best tech in identity verification. Setting up a customer journey complying with regulations and the company's brand guidelines. Placing a piece of code into the client's website or app and deploying any changes without ever needing an IT department.

### HEADQUARTERS

Porto, Portugal

### PRESENCE

Europe, Africa, South America, South East Asia

### STAGE

Series A

### FOUNDED

2015

### WWW

biometrid.com

#AML #AI #Payments #Verification #Authentication #Liveness



Rui Ribeiro,  
Founder & CEO



Pedro Fortuna,  
Founder & CTO

## Jscrambler protects more than 1 million app builds, in 150 countries

### ABOUT

Jscrambler is a leader in client-side web security. Jscrambler's unique approach to security protects every application component, providing companies with full visibility and control of their applications against tampering and reverse-engineering. Trusted by the Fortune 500 and major companies in sectors such as finance, e-commerce, media, and software development.

### TARGET CLIENTS

eCommerce, Retail, Financial Services

### USE-CASE

JScrambler helps customers defend against client-side attacks, including: JavaScript protection, Magecart mitigation, Data Leakage prevention, Supply-Chain protection, Customer Hijacking prevention, Mobile App protection, User Data protection and compliance

### KEY DIFFERENTIATION

Jscrambler has been breaking barriers in application security since 2009. Many innovations and patents in this area were introduced through our continuous R&D efforts. We have the largest and most powerful set of JavaScript code transformations, many of which are unique, like Jscrambler's Control Flow Flattening, Self-Healing and robust source maps. We actively monitor threats and show real-time alerts whenever anti-bugging and anti-tampering features are activated. Our solution is continuously updated to resist all reverse engineering tools and techniques and to assure its resiliency.

### HEADQUARTERS

Porto, Portugal

### PRESENCE

North American,  
Europe, Middle East,  
Latin America

### STAGE

Series A

### FOUNDED

2014

### WWW

jscrambler.com



Ricardo Costa,  
Founder & CEO



Pedro Borges,  
COO



João Cerdeira,  
CTO



Richard da Silva,  
VP

## With more than 85 employees and 16+ current customers, LOQR helps banks accelerate their digital transformation and offer digital solutions to their customers.

### ABOUT

LOQR provides a customer-centric platform that allows banks to offer faster, easier, and compliant services and experiences to their customers. Their expertise in AI, security, and compliance, combined with a solid banking business experience, are the foundations to deliver journeys through a Journey-as-a-Service platform

### TARGET CLIENTS

Banking industry

### USE-CASE

LOQR's journey builder platform offers journeys as Online Account Opening, Customer Data Update, Online Access Recovery, Buy Now, Pay Later / Online Loans for Goods and Services, among others valued-added services that can be deployed in customers' journeys.

### KEY DIFFERENTIATION

At LOQR, we are subject matter experts on AI and compliance, with the mission of helping every client to empower their customers' digital lives through certified journeys that are regulatory compliant and delivered within an end-to-end platform.

### HEADQUARTERS

Felgueiras, Porto

### PRESENCE

Portugal, Spain

### STAGE

Series B

### FOUNDED

2015

### WWW

loqr.com

#applicationsecurity #javascriptobfuscation #clientsidesecurity

#ai #digital banking #regtech



João Moura,  
CEO, CTO



Nathan Trousdell,  
COO



Robin Vastenou,  
Data Scientist



Claire Scott-Hayes,  
Head of Product



Oswin Frans,  
Lead ML Engineer

Disrupting the payment fraud detection and anti-money laundering industries with a patent-pending AI empowered by a centralised database.

**ABOUT**

Fraudio is helping companies of all sizes in the payments ecosystem fight payment fraud and financial crime. Fraudio is powered by secure, scalable, and future proof technology and prides itself on being the fastest, and easiest to integrate with, delivering value from day one.

**TARGET CLIENTS**

Merchant acquirers, payment facilitators, payment service providers, issuers

**USE-CASE**

Viva Wallet, a Greek unicorn in the payment industry, uses Fraudio's Merchant Initiated Fraud product to stop merchants from defrauding them while facilitating hyper-growth at the same time. With the Fraudio product, their fraud team is 600% more efficient while experiencing 7x growth in transactions at the same time. Fraud attempts are caught 3 weeks earlier than their previous solutions and they have experienced 8x return on their investment.

**KEY DIFFERENTIATION**

Fraudio gathers billions of data points from merchant acquirers, payment service providers (PSPs), card issuers and issuer processors into a centralised dataset that is being used to train the AI and produce better results with 10x faster integration and setup times.

**HEADQUARTERS**

Amsterdam,  
Netherlands

**PRESENCE**

Europe, Latin America,  
Asia-Pacific

**STAGE**

Seed

**FOUNDED**

2019

**WWW**

fraudio.com

#frauddetection #AML #AI



Miguel Lourenço,  
CTO



Vitor Pedro,  
VP Engineering



Pedro Torres,  
CEO

With 14 employees today, Yoonik decreases onboarding times and drop rates, with higher security and compliance and more responsible handling of private data.

**ABOUT**

Yoonik provides private handsfree authentication on any device to unlock a vision where users can authenticate with any kind of credential to any connected object with a simple look.

**TARGET CLIENTS**

Software companies or communities in the financial, web3, digital workplace, hospitality, and retail sectors.

**USE-CASE**

Passwordless, multi-factor authentication as well as eKYC in Banking, Online and Web3. Employee authentication using corporate accounts. Remote check-in.

**KEY DIFFERENTIATION**

Top-tier accuracy and anti-spoofing. Fully private using zero knowledge decentralized face authentication. Plug and play that can be integrated by any developer in minutes.

**HEADQUARTERS**

Lisbon, Portugal

**PRESENCE**

Europe, Middle East,  
America

**STAGE**

Seed

**FOUNDED**

2021

**WWW**

yooink.me

#privacy #identity #biometrics #ai



Shane Riedel,  
CEO



Filipe Garcia,  
CTO

Having reached a 500k Annual Recurring Revenue, Elucidate aspires to become the market standard for Financial Crime risk management.

**? ABOUT**

Elucidate is a data analysis and ratings company for financial crime risk, with the mission to rid the world of financial crime. We enable financial institutions to tackle one of the major systemic risks in the finance industry: financial crime risk.

**🎯 TARGET CLIENTS**

Main focus is on financial institutions globally. In the medium term we are expanding to the Public Sector and NBFIs.

**👛 USE-CASE**

Portfolio Risk Assessment and Benchmarking - for a financial institution to assess risk of their counterparties; Risk Profile Self Assessment- for a financial institution to assess their own risk; Portfolio Risk-based pricing - for a financial institution to dynamically price-in their counterparties risk profile

**★ KEY DIFFERENTIATION**

We have a fully automated model that sets the baseline for the industry.

**🏠 HEADQUARTERS**

Berlin, Germany

**🌐 PRESENCE**

Global

**📊 STAGE**

Seed

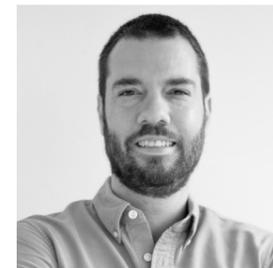
**🚩 FOUNDED**

2018

**WWW**

elucidate.co

#FinancialCrimeRisk #amlisolutions #pricingfinancialcrimerisk



Nuno Cortesão,  
Co-Founder



Pedro Granate,  
Co-Founder & COO



Diogo Pires,  
Co-Founder & CTO

Zharta is creating solutions that enable real time credit that support several industry-wide usecases.

**? ABOUT**

Zharta is creating liquidity in the NFT market by enabling instant non-custodial loans backed by NFT collaterals. Zharta is eliminating bureaucracy in credit allocation, giving access to high end assets by retail investors through liquidity syndication, and creating capital efficiency by building fully automated lending pools.

**🎯 TARGET CLIENTS**

B2C; B2B2C; DeFi users and NFT Holders

**👛 USE-CASE**

CX Real Time Loan provision using NFTs as collaterals

**★ KEY DIFFERENTIATION**

Machine Learning Appraisal Engine for NFTs combined with a Peer2Pool Smart Contract Protocol enabling a full non-custodial solution

**🏠 HEADQUARTERS**

Lisbon, Portugal

**🌐 PRESENCE**

Globe

**📊 STAGE**

Seed

**🚩 FOUNDED**

2021

**WWW**

zharta.io

#NFT #DEFI #web3



Sanja Kon,  
Founder & CEO

Utrust contributes to a wider adoption of digital assets as a fast, secure and reliable payment method.

**?** ABOUT

Utrust is a Web3 payments technology, enabling businesses to easily accept cryptocurrency payments from their clients. At online checkout or by invoicing, it is the radically better way to pay and get paid globally. Powered by Elrond Network.

**🎯** TARGET CLIENTS

Typically e-commerce businesses looking to accept payments in virtual assets from their clients.

**👛** USE-CASE

Since inception, we have been focused on a single use case. A use case with one of the highest sustainable potentials in the whole cryptocurrency industry - Payments. Specifically, borderless cryptocurrency online payments.

**★** KEY DIFFERENTIATION

Utrust turns the complex process of transacting with cryptocurrencies into a seamless experience. Merchants cut up to 90% transaction fees, eliminate the costs of inconvenient chargebacks, and have no risk, since we allow them to settle in fiat without the need to touch crypto.

**🏠** HEADQUARTERS

Braga, Portugal

**🌐** PRESENCE

European Union

**📊** STAGE

Acquired

**🚩** FOUNDED

2017

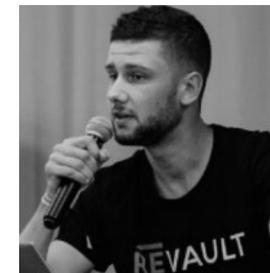
**🌐** WWW

ustrust.com

#payments #cryptocurrency #ecommerce



Kevin Loaec,  
Founder & CEO



Antoine Poinot,  
Founder & CTO

Revault is going to market after 2 years of product building.

**?** ABOUT

Revault provides open source security solutions for Bitcoin. Their flagship product is a trustless custody infrastructure for institutions using Bitcoin. The team also works on backup safety, inheritance solutions and more institutional products launching soon.

**🎯** TARGET CLIENTS

Bitcoin organizations, banks, exchanges.

**★** KEY DIFFERENTIATION

The only solution that is self-hosted and open source for institutional Bitcoin custody.

**🏠** HEADQUARTERS

Terra-Chã, ilha Terceira, Portugal

**🌐** PRESENCE

Globe

**📊** STAGE

Seed

**🚩** FOUNDED

2020

**🌐** WWW

revault.dev

#security #bitcoin #open-source

# Velvet Formula



Misha Alefirenko,  
CEO



Artyom Zavrin,  
CTO

#crypto #defi

Velvet Formula is an advanced market making software provider for digital assets.

## ABOUT

Velvet Formula's software solutions ensure liquid and efficient markets on centralised and decentralised exchanges. Using low latency technologies and special pricing algorithms we offer the best services for upstart crypto exchanges. We built our culture through bringing together people that feel involved, connected, considered and empowered to deliver their full potential with us.

## TARGET CLIENTS

Decentralised exchanges, Token issuers, CEXes

## USE-CASE

Crypto currency market is very fragmented. Our aim is to help upstart crypto exchanges to boost liquidity in their orderbooks from the day one. On the other hand we are aimed at letting token-holders to benefit from the smooth quoting.

## KEY DIFFERENTIATION

At Velvet Formula we combine high performance technologies and best practices, based on our experience of trading in traditional financial market. Our approach represents a mix of forefront blockchain innovation and low latency solutions.

## HEADQUARTERS

Lisbon, Portugal

## PRESENCE

Globe

## STAGE

Seed

## FOUNDED

2020

## WWW

velvetformula.com

# impact market



Marco Barbosa,  
CEO



Bernardo Vieira,  
CTO



Afonso Barbosa,  
CPO

#web3 #defi #financialinclusion

impactMarket has reached 50K beneficiaries, \$3M distributed and \$7.2M transacted.

## ABOUT

ImpactMarket provides a Human empowerment protocol that unlocks access to finance and UBI to the most vulnerable communities in 30+ developing countries

## TARGET CLIENTS

Unbanked/Underserved

## USE-CASE

Providing basic income in vulnerable communities in Afghanistan, Togo, Mali, Venezuela, etc

## KEY DIFFERENTIATION

Mobile-friendly, use stable coins, On-demand, decentralized

## HEADQUARTERS

Braga, Portugal

## PRESENCE

Developing countries

## STAGE

Series A

## FOUNDED

2020

## WWW

impactmarket.com

# Polkastarter



Daniel Stockhaus, CEO & Co-Founder



Miguel Leite, Co-Founder



Tiago Martins, Co-Founder

#fundraising #blockchain #web3

Polkastarter has launched 111 projects, raising over \$49 million, with +35,000 unique participants.

## ABOUT

Polkastarter is a decentralized Launchpad for Web3 Fundraising, providing a safe and profitable for investors accelerator for credible projects.

## TARGET CLIENTS

Web3 projects and companies hoping to fundraise through a token sale

## USE-CASE

EPNS (+6.913% ATH ROI), WilderWorld (+14.472% ATH ROI) and Highstreet (+3.800% ATH ROI) IDO's

## KEY DIFFERENTIATION

- Strict due diligence process via our DAO council, selecting less than 1% of applicants. We continue to support the most popular and adopted chains, offering secure and scalable decentralized token swaps;
- Full long term support from incubation to advisory, from idea to market, while ensuring their fundraising is fair and tamper-proof using our token incentivized lottery and ticket system;
- Early-stage blockchain investments

## HEADQUARTERS

Lisbon, Portugal

## PRESENCE

Globe

## STAGE

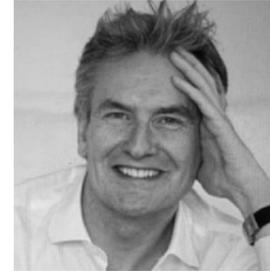
Pre-seed

## FOUNDED

2020

## WWW

polkastarter.com



Simon Mcloughlin, CEO



Anthony Johnson, COO



Tiago Ribeiro, Co-CTO



Rui Marinho, Co-CTO

Uphold is a digital money platform serving over 7M customers in more than 150 countries.

## ABOUT

Uphold watches the market, does the research and curation, and packages all of that into an easy to use trading platform, so that users can discover better opportunities and stay ahead in the market. Leveraging blockchain technology, the platform provides both consumers and businesses with easy access to over 200 crypto assets, 28 national currencies, four precious metals and 50 fractional U.S. equities.

## TARGET CLIENTS

Retail investors on the B2C side, and financial services companies on the B2B side.

## USE-CASE

Uphold is the wallet powering the Brave Browser Basic Attention Token reward program, with over 50M monthly active users. Brave Browser is a privacy driven alternative browser lead by Brendan Eich, creator of JavaScript and co-founder of Mozilla. Uphold is powering IMVU, the world's largest avatar-based social network, with over 200M registered users. Uphold's systems power its trading capabilities, along with their network currencies.

## KEY DIFFERENTIATION

Uphold is one of 32 companies issued a Cryptoasset Firm Registration by the FCA, holds over 100% of the assets under management, and connects to 26 different trading platforms, providing a superior price discovery, shopping the market so users don't have to. This includes 6 DEXs, enabling users to uncover hidden gems typically exclusive to DeFi. Uphold's API enables 3rd parties to move money and create unlimited sub-accounts, benefiting from Uphold's licensing and compliance.

## HEADQUARTERS

New York, USA

## PRESENCE

Global, except sanctioned territories

## STAGE

Series C

## FOUNDED

2014

## WWW

uphold.com

#trading #crypto #payments



Gonçalo Abreu,  
Co-founder



Mário Gamas,  
Co-Founder



Guilherme Farinha,  
Co-Founder

#proptech #ai #realestate

Propdata addresses the lack of quantitative information in the real estate market. With over 7000 monthly active users, they produce 50k+ real estate market reports monthly and distribute 60k+ leads annually.

**?** ABOUT

Propdata focuses on the use of artificial intelligence models and advanced computing methods for the development of innovative technological solutions for analysis and decision support for different stakeholders in the real estate market

**🎯** TARGET CLIENTS

Real estate agencies, banking institutions, investment funds and public institutions

**👛** USE-CASE

Our subscription-based platform allows users to access a unique dataset of more than 10 million listings of properties currently on the market. This data allows us to calculate metrics that reflect local market dynamics, making our tool invaluable to any stakeholder: Real estate professionals (agents and certified valuers) with a statistical report for any property in the Portuguese, Spanish and English residential market; Servicing/insurance companies through an automated way to estimate a portfolio's value by uploading an excel sheet; Banks through risk analysis in real time of the assets currently under management

**★** KEY DIFFERENTIATION

Develop a robust and scalable set of technologies that ensured the necessary flexibility to minimize our product's iteration time during the customer development process

**🏠** HEADQUARTERS

Lisbon, Portugal

**🌐** PRESENCE

Portugal, Spain, UK

**📊** STAGE

Bootstrapped

**🚩** FOUNDED

2019

**WWW**

propdata.uk



Daniel Stockhaus,  
CEO & Co-Founder

#DLT #permissioned #transactionautomation #smartcontracts #tokenization

Unlockit is creating a convenient, secure, collaborative and transparent way of transacting properties.

**?** ABOUT

Unlockit is a proptech & regtech company which is disrupting the market by digitising the whole process of buying, selling or renting a property, turning it seamless, transparent, collaborative and secure for those involved whilst ensuring its fully compliance with the latest EU regulations (eIDAS, AML6 & GDPR). Unlockit believes in a Europe where barriers to fair real estate transactions, investments and ownership do not exist.

**🎯** TARGET CLIENTS

Realtors

**👛** USE-CASE

Private Blockchain, Smart Rent B2B, Smart Rent B2C and smart audit for Realtors.

**★** KEY DIFFERENTIATION

Our Digital Transaction Management Solution built on top of a distributed ledger has the potential to greatly reduce the burden in real estate transactions. From a social perspective our solution can build trust, save time and money to all parties, increase sustainability, reduce the risks of fraud and scams, promote full transparency, streamline cross-border transactions and fairer taxation and commissions in real estate transactions. From the public administration perspective, our DLT solution can streamline the process of collecting taxes related to real estate transactions, as well as managing them in analytical terms.

**🏠** HEADQUARTERS

Lisbon, Portugal

**🌐** PRESENCE

European Union

**📊** STAGE

Pre-seed

**🚩** FOUNDED

2021

**WWW**

unlockit.io

| CORPORATE   | VERTICAL                   | ABOUT   |
|---|----------------------------|---|
|    | Payments & Money Transfers | deGrazie is a self-checkout solution designed to seamlessly connect payment technology with invoicing software. Specifically targeted to the hospitality industry, it brings a dramatic upgrade both to merchants and consumers when it's time to leave. deGrazie simplifies and automates all checkout processes so that humans get time for what matters most.  |
|    | Payments & Money Transfers | Easypay is a fin-tech that helps businesses to scale. It is highly specialised in innovation applied to payments. We have an online payment gateway easy to integrate with any open sourced system. We offer the most popular payment methods, as well as specific payment solutions for Marketplaces, Subscriptions, Split Payments, and Outpayments.  |
|    | Payments & Money Transfers | Eupago is a Fintech that is specialized in e-commerce payments and payments solutions   |
|    | Payments & Money Transfers | IFTHENPAY is a payment institution regulated by the Bank of Portugal. It works with several payment methods such as ATM Reference, MB-way, Visa/Mastercard, among others. It moves more than 900 million euros per year and has more than 21,000 merchants, most of them for online commerce.   |
|  | Payments & Money Transfers | Phoebus is a technology company in physical and online payments with an independent white label and Omnichannel gateway called PayStore. PayStore is much more than payments. We provide a complete POS, smartPOS capture platform experience for acquirers, sub-acquirers, banks, and your customers   |
|  | Lending & Credit           | We are a customer centric Fintech, in the field of financial well-being. We help 100.000 clients every year to make better financial decisions, mainly when it comes to mortgages, personal loans or insurance. Our secret ingredient? We kept the human touch in our Tech. Financial decisions involve lots of emotions, so we designed a customer journey that blends technology with humans - our Doctors. |
|  | Lending & Credit           | ExxoTrade brings together sustainable finance with open banking in a Web3 platform to help companies get finance and payments when trading while offsetting emissions in their supply chain, allowing users to join or create networks connecting with banks, buyers, suppliers, and funders in one ecosystem of trust with ESG performance.  |
|  | Lending & Credit           | We are working to shape the future of debt collections. Starting with an A.I. Augmented interaction automation, Invisible Collector has the ability to experiment and dwell in the mind of an individual, thus knowing him better than he knows himself, creating a favorable environment for both creditors and debtors, putting them on the same page.  |

| TARGET CLIENTS   | STAGE                         | WWW                    | HASHTAGS   |
|--|-------------------------------|------------------------|--|
| Hospitaly, Health sector   | Seed                          | degrazie.com           | #Payments<br>#Checkout<br>#QRCode                                      |
| From small businesses that need simple payments solutions to larger companies that need complex payment solutions. | Series A                      | easypay.pt             | #Payments-gateway#marketplace#subscriptions                            |
| The target market is e-commerce merchants  | Bootstrapped                  | eupago.pt              | #Payments #PaymentsGateway<br>#e-commerce                              |
| Companies of euro zone   | Bootstrapped                  | ifthenpay.com          | #payments<br>#e-commerce<br>#methods                                   |
| acquirers, banks, sub-acquirers, Retails   | Later Stage                   | phoebus.com.br         | #gateway #payments #pos  |
| Consumers and Banks  | Bootstrapped, from 0€ to 10M€ | doutorfinancas.pt      | #personalfinance #loanorigination<br>#customertech                     |
| SMEs - Buyers and suppliers with unfunded trades. ESG Funds and Banks. Climate Startups.                           | Bootstrapped                  | exxotrade.com          | #Blockchain<br>#Open Finance<br>#Sustainability<br>#ESG #Digital Trade |
| Financial Institutions, Telcos, Utilities  | Bootstrapped                  | invisiblecollector.com | #AI #DebtCollections #predictivemodeling                               |

| CORPORATE   | VERTICAL                | ABOUT  |
|---|-------------------------|--|
|    | Lending & Credit        | ITSCREDIT offers an omnichannel platform, focused on the dematerialization, improvement and standardization of credit processes and digital transformation. We enable the implementation of an end-to-end credit origination solution in a short period of time and optimize risk analysis models through intelligent algorithms applying artificial intelligence, to prevent credit defaults. |
|    | Lending & Credit        | Parcela Já offers an up to 12 installments and zero interests payments solution to end consumers. Present in hundreds of stores/retailers the solution can be found in a physical POS terminal at a retailer checkout counter; in an online website checkout or; through the app.  |
|    | Lending & Credit        | Real Estate Crowdfunding Platform.   |
|    | Lending & Credit        | Saving 7 years of struggle for 70m young people and creating higher yield safe/prime investments worth €26tn, our company is impacting and disrupting global banking and investment markets. Investments that fund mortgages can include years of on-time rent history ("pre-seasoning"). A lower default risk, higher LTV mortgage is possible and our unique solution.                       |
|  | Wealth Management & ESG | At Art2Trading we're changing the way people invest and analyse the financial markets. We're a team of passionate people dedicated to developing proprietary automated trading software with artificial intelligence algorithms and digital applications for analysis, management and trading of financial assets.   |
|  | Wealth Management & ESG | Profidata specializes in the development and marketing of sophisticated investment management solutions and services. As well as product development, our one-stop service includes consulting and implementation for our customers.   |
|  | Wealth Management & ESG | Tagpeak combines shopping with investments to give customers unlimited money back on any purchase made at partners' stores. We partner with sellers across the world that pay us a fee for each purchase made using Tagpeak. We invest that fee in the financial markets and share the gains with customers.   |
|  | Insurtech               | Having the customer at the center of health insurance business strategy, we are developing a platform with new technological solutions and digital tools, that will help to connect the entire stakeholders, on fully digital way, to allow them to manage the entire health insurance benefits and facilitate the access to healthcare.   |

| TARGET CLIENTS  | STAGE        | WWW                | HASHTAGS  |
|---|--------------|--------------------|---|
| Banks and financial institutions  | Bootstrapped | itscredit.com      | #digitaltransformation #lending #credit                   |
| Retailers & End Customers   | Bootstrapped | parcelaja.pt       | #BNPL #Installments #Credit                               |
| Individual and qualified investors and real estate developers                         | Series B     | queridoinvesti.pt  | #crowdfunding. #lending #real-estate                      |
| Renters aged 18 to 35 trying to save enough money to purchase a home                  | Series A     | zoomimoney.com     | #mortgages #investments #risk                             |
| B2C - Financial market traders and investors<br>B2B2C - Financial Institution         | Seed         | art2trading.com    | #AITrading #Robo-Adviser #Algotrading                     |
| Fund / Wealth management companies, Depository Banks, Insurance's Investment managers | Later Stage  | profidatagroup.com | #xentis #profidata  |
| Individual consumers  | Bootstrapped | tagpeak.com        | #cashback #investments #ecommerce                         |
| Health insurance, Health Plans and healthcare financers                               | Seed         | kooli.io           | #insurtech #healthinsurance #digitalinsurance#health-tech |

| CORPORATE  | VERTICAL                | ABOUT  |
|--|-------------------------|--|
|    | Insurtech               | lluni is oriented towards the development of solutions for the Insurance Broker Market through innovative products and technologies that provide business models with a high level of integration. Automate bureaucratic processes immediately.  |
|    | Insurtech               | uthere provides digital personalized insurance almost instantaneously. Built from scratch, sits at the intersection between a digital broker and a modern insurer. Inspired by you not by insurance  |
|    | Regtech & Cybersecurity | Probely is a web vulnerability scanner for agile teams. It finds vulnerabilities or security issues in web applications & APIs and provides guidance on fixing them. It can be integrated into development processes (SDLC) and continuous integration pipelines (CI/CD) to automate and scale security testing. Probely empowers Security and Development teams working together towards releasing secure applications. |
|    | Blockchain & Crypto     | Earhart is a trusted and secure smart aviation network. Blockchain powered. All intervenients can record, share and monetize data instantly, increasing the efficiency of the data operations.   |
|  | Blockchain & Crypto     | Blockchain fundraising platform that allows any investor access to the best assets anywhere in the world, from US\$10, in a simple way, without intermediaries or international transfers with minimum bureaucracy.  |

| TARGET CLIENTS   | STAGE    | WWW              | HASHTAGS   |
|--|----------|------------------|--|
| Insurance Brokers  | Seed     | lluni.com        | #InsuranceBrokersOptimize<br>#ERP #b2b2c               |
| Clients looking for better, more transparent and easier insurance interactions - from quoting, to buying and claiming. Current focus on Retail Clients | Pre-seed | uthere.eu        | #segurosvida,<br>#creditohabitacao, #protecao-familiar |
| Enterprises that provide services to their clients or partners online.   | Series A | probely.com      | #AppSec<br>#CyberSecurity<br>#SecurityTesting          |
| Aviation Ecosystem   | Pre-seed | earhart.dev      | #Aviation<br>#Blockchain<br>#AviationIndustry          |
| Startup ans SMBs that need to raise funds  | Seed     | ubitscapital.com | #blockchain #equitycrowdfunding<br>#moneytransfers     |

## PAYMENTS & MONEY TRANSFERS

# afterbanks arcopay

### ? ABOUT

Afterbanks Arcopay, part of Minsait Payments, has a technology (API) that allows extracting and aggregating bank details and initiating payments in real time between any bank in Spain, Italy, Greece, Portugal, Romania, Mexico, and Argentina. They develop their technology in Spain, complying with the ISO-27001 and European PSD2 standards. Arcopay is a Payment Institution authorized by the Bank of Spain, and Afterbanks Ltd. is a Payment Institution authorized by the Financial Conduct Authority of the United Kingdom.

### 🎯 TARGET CLIENTS

ERPs, Fintech, Banks, Neobanks, Cloud accounting companies, etc

### 🏠 HEADQUARTERS

Madrid, Spain

### 🌐 PRESENCE

Spain, Italy, Portugal, Greece, Romania, Mexico and Argentina

### 📊 STAGE

Later Stage

### 🚩 FOUNDED

2012

### WWW

arcopay.io

#API #Payments #PSD2

## PAYMENTS & MONEY TRANSFERS



### ? ABOUT

"SFERA is not just a messenger with a lot of built-in services to find jobs, friends, but also a whole digital ecosystem aimed at the development of users in their personal life and hobbies, in real life."

### 🎯 TARGET CLIENTS

The target audience

### 🏠 HEADQUARTERS

Russia

### 🌐 PRESENCE

England, Czech, Russian

### 📊 STAGE

Pre-seed

### 🚩 FOUNDED

2019

### WWW

sfera.zone

#Payments #Socialnetwork #Usefulness

PAYMENTS & MONEY TRANSFERS



ABOUT

Weavr enables digital businesses to seamlessly embed financial services into their application via a radically simplified model, called Plug-and-Play Finance. In 5 weeks, businesses can launch and monetise financial services - and at a fraction of the cost of the traditional method, Banking-as-a-Service. By making embedded finance results achievable for a far wider range of digital businesses, we are helping drive a new wave of expansion in the frontiers of embedded finance innovation.

TARGET CLIENTS

B2B SaaS

HEADQUARTERS

London, United Kingdom

PRESENCE

UK and EU today. We will open in the APAC Q4 2022 and US Q1 2023

STAGE

Series A

FOUNDED

2018

WWW

weavr.io

#embeddedfinance #plugandplayfinance #payments

PAYMENTS & MONEY TRANSFERS



ABOUT

Yapily is an infrastructure platform enabling businesses to unlock the power of open banking. It connects its customers to thousands of banks using a secure open API, removing complexity and enabling seamless access to financial data and payment initiation.

TARGET CLIENTS

Any business that wants to enhance its offering by embedding open banking into its products and services. It currently has customers ranging from financial institutions to start-ups in the following verticals: accounting, lending, payments, wealth management, banking, crypto, and insurance.

HEADQUARTERS

London, United Kingdom

PRESENCE

19 countries

STAGE

Series B

FOUNDED

2017

WWW

yapily.com

#openfinance #innovation #payment

PAYMENTS & MONEY TRANSFERS



ABOUT

Unify Giving is a mobile application which connects donors directly with homeless individuals to receive and store donations in a safe and effective way in an ever-increasing cashless society.

TARGET CLIENTS

Kind-hearted donors who already donate to homeless causes.

HEADQUARTERS

Cardiff, United Kingdom, C-level - Portuguese residents with Vida e Paz partnership to operate in Portugal once subsidiary set up.

PRESENCE

U.K, Portugal and Spain

STAGE

Bootstrapped

FOUNDED

2021

WWW

unifygiving.com

#Payments #Contactless #Cashless

LENDING & CREDIT



ABOUT

We support leading European banks and insurance companies in extending their value proposition to younger customer generations by personalizing their digital experience and developing new data-driven business models.

TARGET CLIENTS

Banks and insurance companies

HEADQUARTERS

Pontevedra, Spain

PRESENCE

Europe and LATAM

STAGE

Series A

FOUNDED

2016

WWW

coinscrapfinance.com

#Creditscoring #FinancialInsights #Microsavings

LENDING & CREDIT



ABOUT

Klarna is the leading global payments and shopping service, providing smarter and more flexible shopping and purchase experiences to 150 million active consumers across more than 450,000 merchants in 45 countries. Klarna offers direct payments, pay after delivery options and instalment plans in a smooth one-click purchase experience that lets consumers pay when and how they prefer to.

TARGET CLIENTS

Mainly any player in the shopping ecosystem (shoppers and merchants)

HEADQUARTERS

Stockholm, Sweden

PRESENCE

Global

STAGE

Later Stage

FOUNDED

2005

WWW

klarna.com

#BNPL #Shopping #Payments

LENDING & CREDIT



ABOUT

The leading instant credit provider for the e-economy in Europe.

TARGET CLIENTS

Digital customers looking for credit and financial institutions or merchants choosing Younited to engineer their loan solutions.

HEADQUARTERS

France

PRESENCE

France, Italy, Spain, Germany and Portugal

STAGE

Later Stage

FOUNDED

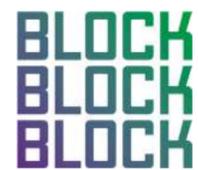
2009

WWW

pt.younited-credit.com

#instantcredit #younitedpay #openbanking

LENDING & CREDIT



ABOUT

Block Green is a lending protocol offering revenue based financing for green BTC mining operations.

TARGET CLIENTS

We are onboarding the largest BTC miners worldwide and institutional clients with bitcoin.

HEADQUARTERS

Lisbon, Portugal and Zug, Switzerland

PRESENCE

Global

STAGE

Seed

FOUNDED

2021

WWW

block.green

#DeFi #lending #BTC

WEALTH MANAGEMENT & ESG



ABOUT

Embedded Personal Finance Platform enabling Fintechs to launch Roboadvisory & Financial Planning products in a fraction of the time and cost.

TARGET CLIENTS

Budgeting Apps, eWallets, Payment Apps, NeoBanks, Brokerages, Banks, Asset Managers.

HEADQUARTERS

Company incorporated in the UK (Opening a branch in Portugal soon), CEO is based in Lisbon, team is global.

PRESENCE

Jordan, Dubai, London with operations in 10+ countries.

STAGE

Pre-seed

FOUNDED

2021

WWW

anachrontech.com

#Fintech #EmbeddedFinance #WealthTech

## WEALTH MANAGEMENT & ESG



### ABOUT

NowCM has a fundamental belief in the power of capital markets to finance economies and distribute capital efficiently. The process of issuing debt in capital markets has remained manual and inefficient and entry barriers have kept them out of reach for most borrowers across the globe. NowCM focuses on not only digitalising the entire primary issuance value chain for those already active in the debt capital markets, but we also seek to bring down barriers to entry through our regulated issuance vehicle (CSSF) and marketplace (AMF and ACPR). As such, we go well beyond just software solutions and provide a full CMaaS (capital markets as a service) for our clients.

### TARGET CLIENTS

Issuers (borrowers) and dealer banks. Distinction between established issuers and new entrants.

### HEADQUARTERS

Portugal, Luxembourg, France, Austria, UK, Germany.

### PRESENCE

International

### STAGE

Series A

### FOUNDED

2020

### WWW

nowcm.eu

#capitalmarkets #digitisation #sustainablefinance

## INSURTECH



### ABOUT

SUTHUB is an Infratech created to simplify the Insurance market through technology.

### TARGET CLIENTS

Digital Channels, Mobile Platform, Insurance and Assistance companies, Financial Services, Retail (physical and online).

### HEADQUARTERS

São Paulo - Brazil

### PRESENCE

Brazil and Portugal

### STAGE

Series A

### FOUNDED

2017

### WWW

suthub.com

#insurance #fintech #saas

## INSURTECH



### ABOUT

FCB.ai offers powerful solutions to help businesses revolutionise customer experiences and achieve high-performance results. Integrated digital solutions, managed, and optimised for performance, to seamlessly onboard, serve and retain customers in a more personalised and efficient way

### TARGET CLIENTS

Financial Service providers, telecoms.

### HEADQUARTERS

Luxembourg

### PRESENCE

Portugal, Luxembourg, France, Kenya, Botswana, South Africa, Ivory Coast, UK, Zambia

### STAGE

Series A

### FOUNDED

2017

### WWW

fcb.ai

#RPA #ConversationalAI #UX

## REGTECH & CYBERSECURITY



### ABOUT

Apiax is a technology company that builds the compliance infrastructure for the digital world. Businesses of every size – from FinTechs to globally operating banks – use our product to bring compliance into their applications and operational processes.

### TARGET CLIENTS

Financial institutions

### HEADQUARTERS

Zurich, Switzerland

### PRESENCE

Lisbon, Portugal  
Singapore, Singapore  
Frankfurt, Germany  
London, United Kingdom

### STAGE

Series A

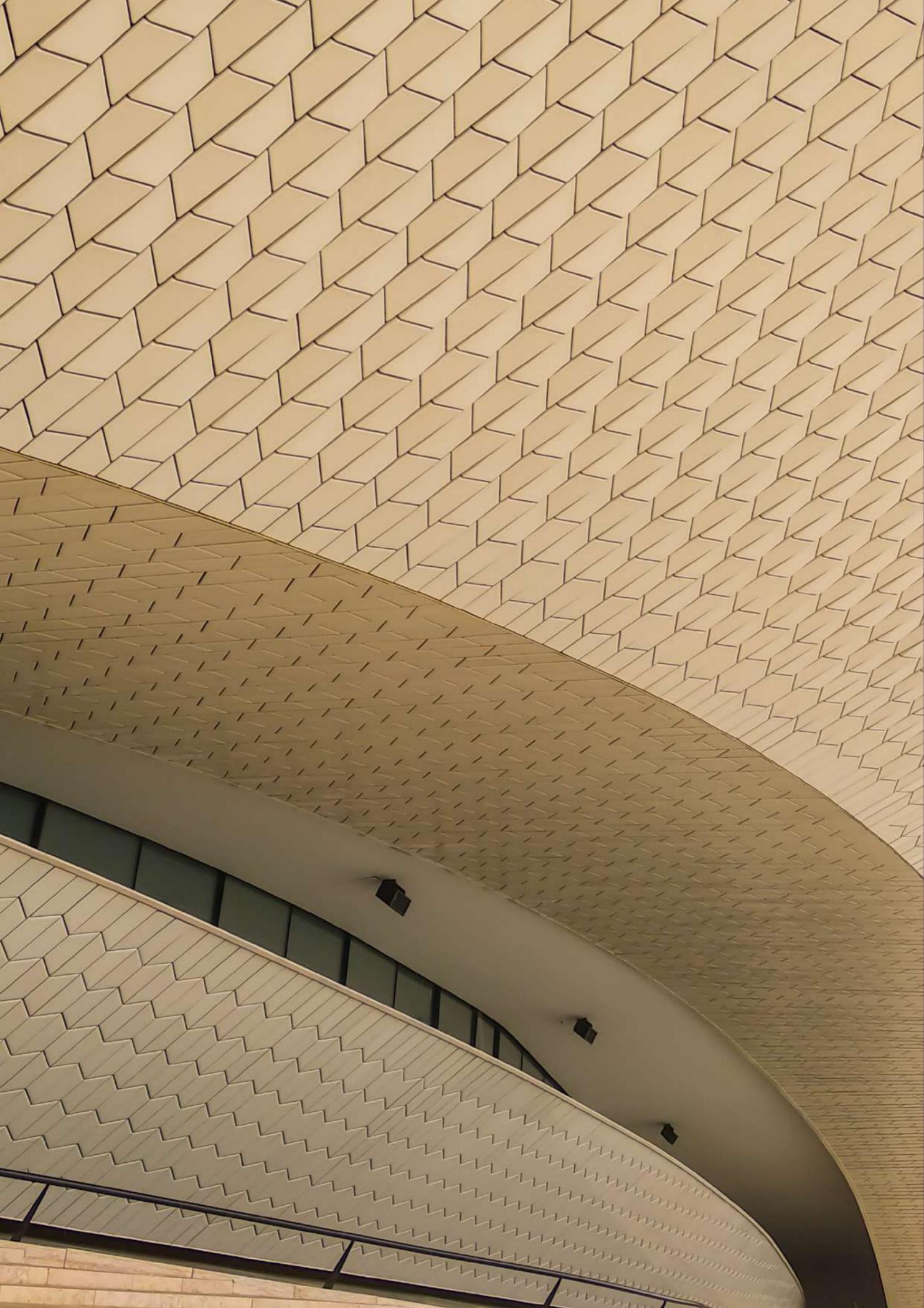
### FOUNDED

2017

### WWW

apiax.com

#embeddedcompliance #digitalcompliance #regtech



CHAPTER **4** Decentralized Finance

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- 154 How can financial institutions take advantage of the crypto scene?

# Portuguese Crypto Ecosystem Map

Blockchain is all about community and Portugal is no exception. Communities serve as catalysts for talent, policy making, startups, researchers, and enthusiasts. Below is a collection of examples of associations



FACE was born in 2022 from the growing collaboration between the 3 key associations: APBC, ALL2BC and New Economy. FACE believes that the blockchain industry is at a crucial crossroads, facing intense regulatory scrutiny. This warrants great attention and care to create policies which don't harm innovation and put our builders in an unfair competitive position. FACE promote the crypto economy to consolidate Portugal's currently fragile status as a global crypto hub. To achieve this, FACE works towards favourable legislative action by engaging with regulators, the government, and members of the parliament.



Established in 2018, the Portuguese Blockchain Alliance is an ecosystem composed of companies, startups and universities to develop national skills in Blockchain. Amongst other initiatives, the association is exploring the application of blockchain technology for public administration.



The Portuguese Blockchain and Cryptocurrencies Association aims to promote blockchain technology focusing on cryptocurrencies by gathering the community, developing events, collaborating with public and private entities and providing knowledge to the market.



Instituto New Economy is a collaborative association of industry leaders, professionals and interested citizens who wish to increase Portugal's global standing and its participation in the digital economy that rules the modern society.

The Portuguese blockchain community is connected to the European movement so it makes sense to highlight 3 relevant institutions that operate at EU level.



Combine and leverage blockchain-related activities of European corporations, startups, venture capitalists, and academic institutes. The European Blockchain Association is a neutral body to aggregate blockchain activities throughout Europe.



The EU Crypto Initiative aims to shape EU regulation to favor open, permissionless, decentralized applications leveraging blockchain technology.



A European Commission initiative to accelerate blockchain innovation and the development of the blockchain ecosystem within the EU.

# Events

Solana  
4–7 November  
Lisbon

WOW Summit  
1–3 November 2022  
Lisbon

FillLisbon  
30 October–4 November  
Lisbon

Immerse Global Summit  
29–30 September  
Madeira Island, Funchal

ETH Lisbon  
28–30 October 2022  
Lisbon

Porto Tech Hub Conference  
27 October 2022  
Porto

Nearcon  
11–14 September  
Lisbon

Risks and opportunities  
of cryptoasset adoption  
June 2022

Non-Fungible Conference  
4–5 April  
Lisbon

# Financial Literacy in the crypto world

"Crypto has been acting as catalysts towards wider equalization of knowledge, mostly due to its global reach and lower barrier to entry, while requiring only internet access and a willingness to learn and improve one's standing."



Sanja Kon,  
CEO at Utrust

Crypto is becoming accessible beyond the crypto communities and raising awareness in general society. How do you see current financial literacy and are there disparities between geographies?

Indeed cryptocurrency is serving as a way for people in different societies to increase their financial literacy. This is due to the fact that most newcomers to the ecosystem are intrinsically interested in its fundamental workings, and by proxy many of the financial theories that underpin its use cases and perceived market value. At the same time, this increased knowledge of the fundamentals also translates into a higher awareness of many fundamental aspects of money, finance, drivers of value and the wider financial system that they are part of. Although this is a general trend across the globe, disparities still persist across geographies, as different nations have widely different economic conditions, institutions and policies. In this area, crypto has been acting as catalysts towards wider equalization of knowledge, mostly due to its global reach and lower barrier to entry, while requiring only internet access and a willingness to learn and improve one's standing.

**Portugal occupies the last position of the 19 countries of the euro zone in the European financial literacy ranking according to a study from ECB in 2020. Can fintech and crypto act as a tool to increase financial literacy? How so?**

Fintech and crypto can and are becoming a tool for financial literacy. Their technology underpinnings are serving as facilitators for people that wouldn't otherwise be required to understand financial concepts to do so. However, this requires access to productive capital to employ, individual willingness and commitment to learn, a predictable fiscal environment, a focus on future gains in opposition to immediate gratification.

While Portugal still ranks the lowest in terms of financial literacy due to different factors, it's also in a great position to leverage most of the benefits of the technology elements to close the gap and catch-up with the rest of the ECB. This of course depends on individuals' initiative to seek out and create opportunities for themselves and their communities, rather than passively waiting for a third party to deliver the opportunity to them.

Are crypto B2C businesses and other exchange platforms responsible for promoting the financial literacy of their users? What is Utrust doing to promote this?

While business and exchange platforms have a role and underlying responsibility to make available clear and concise information on the products they provide, the wider component of financial literacy is not always within the direct scope of responsibility of the company. Effective financial literacy is not something that can be simply pushed in a top-down manner, requiring the individual to have a proactive interest in the topic (and it is in their best interest to do so), to understand and internalize the concepts and behaviors in their own life. Despite this, there is a lot that companies can do to help users access information and resources in a structured and user-friendly way, explaining complex concepts in a visual, engaging and interactive way. At Utrust, we do this by periodically providing articles on different topics of the cryptocurrency ecosystem, in our blog, newsletter and direct community engagements. Utrust also contributes to financial literacy of the ecosystem in a practical way, by virtue of its own open ended mission and services provided - as an enabler of on-chain payments for its merchants. This means that the clients of merchants can use any wallet, as part of an open ecosystem to safely pay for their goods and services.

**What should be done within the next 5 years to reach better literacy than the European average?**

In the next 5 years, literacy can be improved by a concerted effort between traditional financial institutions, Fintechs and Academia. More topics and concepts of financial literacy should be included as part of the mandatory pre-college curriculum (one should not need a Financial major to be versed in the elementary elements of financial literacy, such as principal, interest, correlation of risk vs reward). This should be reinforced by Fintechs institutions, which could provide engaging and informative content to their users, enticing them to expand their knowledge by proactive discovery.

**How can crypto startups drive financial literacy?**

Crypto startups can definitely drive financial literacy, by providing their users with appropriate material knowledge and insights that foster self-learning of financial topics. This is a long continuous effort and process that should be reinforced with the practical application of the acquired knowledge in a safe and controlled environment, which Fintechs are in a prime position to provide.

# MiCA is coming Crypto for the win?

"MiCA shall provide rules on important matters, such as the issuing of assets and requirements for their commercialization and custody. It shall also establish the terms for the regulatory relation of cryptoassets concerning other EU financial rules on payments, crowdfunding, e-money and financial instruments."

Martinho Lucas Pires,  
Policy Affairs Board Member of Portugal Fintech



Law and technological innovation do not always go hand in hand. While the former tries to stabilize market dynamics, the latter tries to reinvent them. However, the constant transformation of services through technological solutions, leading to more digitalization, automation, and inter-connectedness between market operators (businesses and consumers), has made regulatory policy a priority. Since the core of fintech is the use of new technologies to bring benefits of efficiency and efficacy, it is no surprise that regulatory developments will catch up with the sector.

There are areas in clear need of renewed regulatory standards. Cyber security is already a pressing issue in the provision of financial services. Automated decision-making mechanisms will continue to get more sophisticated, requiring more duties of transparency for better consumer protection. The growth of micro-credit and buy-now-pay-later mechanisms and the continuous surging of web3 projects require new forms of regulatory licensing and updated normative frameworks to serve as tools for a vibrant and secure market to exist.

**MiCA shall provide rules on important matters, such as the issuing of assets and requirements for their commercialization and custody. It shall also establish the terms for the regulatory relation of crypto assets concerning other EU financial rules on payments, crowdfunding, e-money and financial instruments**

2022 was a year marked by discussions surrounding the approval of the Market in Crypto Assets Regulation ("MiCA"). The purpose of MiCA is to provide normative benchmarks for the issuing and commercialization of cryptoassets in the EU. The goal, according to the proposal of regulation issued by the Commission, is to guarantee more legal certainty, while supporting innovation, instill satisfactory levels of consumer and investor protection, and ensure financial stability.

The current status of cryptoasset regulation in the continent is far from satisfactory. It is not easy, in practice, to incorporate the market in cryptoassets within current rules of financial services and compliance. To make matters more complicated, different States have adopted different perspectives, with some jurisdictions advancing with friendlier regulations (like Malta or France), while others adopt more precautionary positions. The discrepancies invariably generate market distortions that need to be covered.

MiCA shall provide rules on important matters, such as the issuing of assets and requirements for their

commercialization and custody. It shall also establish the terms for the regulatory relation of cryptoassets concerning other EU financial rules on payments, crowdfunding, e-money and financial instruments.

The process of approval has not been easy given developments in the sector, such as the growing NFT and DeFi markets, and debates surrounding the hosting of wallets. It is also unclear how certain realities, such as staking, protocol governance, play-to-earn, among others, shall be covered – or not – by MiCA.

It is important to understand that MiCA will not be the end of the story in the regulation of cryptoassets in the EU. Financial rules will have to be updated in the future to cover situations where cryptoassets are used by regulated entities providing such services. Furthermore, new developments and updates will be required to deal with the continuous innovation that the next years will bring. Still, MiCA represents a major step and an important milestone for the sector, given that it will be directly applicable and effective in the whole of the EU. The recently approved Regulation on a pilot regime for market infrastructures based on distributed ledger technology (the blockchain market infrastructure) is another element that will provide further certainty for companies wishing to enter the market of tokenization. Although the rules of this regulation apply only from March 2023 onwards, we may not be too far away to see blockchain and crypto getting mass adoption.

2022, therefore, was a year of significant steps, even if small in terms of impact. A lot is being prepared, that will produce significant effects. Predictions on how such proposed developments will shape the digital finance market in the EU are premature. There will undoubtedly be improvements, but there will also be shortcomings, given the continuous range of innovations that the creativity of developers and entrepreneurs continues to bring. No law is perfect nor messianic; the focus should be on following the approval procedures and preparing to adopt the new standards.

At this stage, a level playing field for crypto markets in Europe is essential, one that is sufficiently stable for providing trust and enough dynamic to accommodate innovation. Or, in other words, a robust regulatory framework that is not too onerous on businesses that advance the market with new ideas and products. Easier said than done, for sure. Let's see what the future brings.

# Blockchain and Crypto are a different world

Simão Cruz,  
Founding Managing Partner at Lightshift Capital



Companies in the blockchain industry have a set of unique characteristics that differentiate them from traditional fintech or digital industry companies.

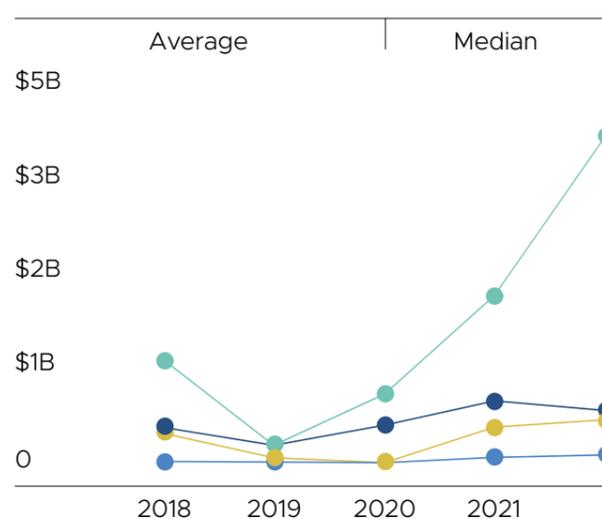
Scalability always comes first. For most blockchain companies, it is a must from day one. The code is typically flexible enough to accommodate the growth of the application to any number of users in any part of the world.

Open source is always key. This is what allows any group of people to swiftly start building on top of whatever appears that is truly strong. The level of experimentation and innovation this setup allows for is something we haven't seen before in information technology, and it's created an impact that has become wildly attractive to investors.

According to PitchBook, valuations in blockchain grew rapidly. Several new funds were launched during 2021 and the competition for projects led to an increase in early stage prices. On top of that, established investors, with larger ticket sizes and looking for more traditional business models, set their entry point in the industry through late stage companies which would in turn drive even faster growth on its valuations.

Fundraising went up more than 6 times to \$34.3 billion in 2021. In one year, M&A increased from \$1.1B in 2020 to more than \$55 billion according to PwC.

Blockchain valuations soar, others sputter



## Lisbon as a main hub

In a context of such cutting-edge technology, and in a market where everything is still so recent, talent, skills and experience became the most valuable resource. This created excellent economic incentives for projects to start building remote teams recruited from anywhere in the world and individuals to move to wherever offered optimal conditions.

US residents often chose Puerto Rico as a place to move, as well as NY (still the center of financial services and boasting a strong connection with the blockchain industry). In Asia, Singapore has seen a lot of innovation. Finally, Lisbon emerged as one of the main global hubs.

There are more than 10 unicorns coming out of Portugal, and the trend is continuing with the emergence of leading founders in the blockchain industry, such as Diogo Mónica (Anchorage), Pedro Gomes (Wallet Connect), Roberto Machado (Utrust), or Gonçalo Sá (Consensys Diligence), to name a few.

The ecosystem started attracting some of the leading investors, founders and builders in the space. It is remarkable to note that even though we see them establish their companies outside of the country, the Portuguese capital is where they mostly live and work from.

Some material effects of these migrations are now being felt, with Lisbon hosting some of the largest events in the ecosystem. Leading projects are now choosing it as the place to organize global events such as Near Con or Solana Breakpoint. Other notable events for 2022 include ETHLisbon (hosted in 2021 at the Fintech House), the Websummit or the Filecoin Summit.

\* As of April 21, 2022  
Source: PitchBook data  
Valuations are post-money

● Global VC late stage ● Global VC early stage ● Crypto late stage ● Crypto early stage

## Community and Collaboration

While Web2 had accustomed us to seeing a founder as the hero of a story at least until the IPO, in blockchain the community quickly has to become bigger than the founder for the project to thrive.

Capital quickly became a commodity in the past two years. Projects need skills and experience more than ever. Specifically, talent with the knowledge to build great projects, something that is exceedingly rare as of yet.

The same goes for supporters or even investors that come to the table. The need for them to differentiate and add value is becoming exceedingly evident. **At Lightshift, we believe in being partners and builders, with a core team of engineers that can directly contribute to our portfolio companies, and the organization of events at a much larger scale to create a community around them.**

## The future

As with any nascent technology, the ecosystem will go through extremely different evolving phases. Overall, we look forward to the growth of the industry and to many more builders to come. The transition from traditional industries (and even Web2) is evident. While the first years were focused on building Layer 1s and other technologies that work as a foundation, we expect more customer focused applications to arrive and the main use cases to be deployed.

# Binance / Why a crypto lab in PT



João Pedro,  
Growth Lead at Binance

**Binance recently announced its request to get a license from Banco de Portugal (BdP). What are the plans for Portugal?**

On April 23, 2021 Banco de Portugal (BdP) adopted a regulation that would require companies that provide virtual assets services to get registered with the regulator. Besides being a requirement to operate in the country, this registration testifies that entities like Binance comply with the legal procedures and have at their disposal tools that allow them to prevent money laundering and terrorism financing. **By submitting our registration we are sending a clear message to anyone that is planning to use Binance for illicit reasons: “you are not welcome on our platform”.**

On top of that, **Binance also wanted to establish itself in Portugal and hire local talent to drive Web3 adoption and ensure users will be served with the same level of security and trust as they are used to from local companies.**

**What do you find special about Portugal?**

Portugal has drawn quite a lot of attention over the past few years especially from some of the tech-giants that have already demonstrated their interest in joining the blooming hub in the country - when we talk about the Web3/Crypto industry, this interest is even more emphasized.

The reasons that make Portugal an attractive place for some of these players are most likely the same identified by us. First, its **unquestionable pool of talent allows companies to hire top skilled individuals.** Second, **the clear focus that the country and its government has dedicated to establishing Portugal as a hub for technology and innovation with both public and private-backed initiatives such as Portugal Fintech, Startup Portugal, Made Of Lisboa and many others.** Lastly, the fact that the quality of life found in Portugal has made it one of the top destinations for expats and migrants around the globe.

**Europe is about to launch its MiCa regulation and that will have an impact on crypto assets. What are the main impacts you expect to have?**

The EU has taken a more progressive approach than others when it comes to regulating crypto assets, recognizing the particular characteristics of cryptocurrencies compared to traditional finance, and therefore the need for a bespoke legal framework MiCA will change the way crypto assets are listed, held in wallets and traded. It has the potential to provide much needed certainty for crypto companies to operate and strong safeguards for users. Because it is a regulation, it will apply in the same way across the EU, ensuring a level playing field and creating a single market for crypto.

On the other hand, in some parts, MiCA introduces an excessive burden or creates legal uncertainty. Stablecoins and DeFi are two cases in point. This is partly the consequence of Europe moving fast in devising rules for a sector that is in its infancy and rapidly developing. To mitigate these drawbacks, it is important that regulators are open to dialogue with the industry on how to implement the rules in a sensible manner.

**What are your views on the current crypto crisis?**

The Web3 and Crypto industry is still in its early stages and therefore the valuation of crypto-assets can be subject to steeper price fluctuations than those observed in traditional and more established markets.

**Overall, we like to look at these cycles as a healthy and necessary means to weed out the weak projects and leave room for the strong ones to grow.** In such an embryonic industry with so many projects appearing every day it is very easy to lose focus on the ones that have actual substance and bring real value to the ecosystem and ultimately to the community/end-user. These “crises” often serve as a reminder that our focus should be on them.

**How do you envision Binance overcoming this period of widespread industry crisis?**

We understand how it may feel when we see many projects that spent a lot of money during the so-called “bull market”, especially some that have recently joined the industry, and now find themselves in a corner with a tight budget and need of cutting down on expenses.

While we do not want to diminish or belittle any industry companion that might be going through rough times, we truly believe that for projects that have responsibly realized profits, conserved cash and avoided increasing their spending as a result of a positive market fluctuation this sentiment of crisis shouldn't affect or limit their growth and operations - this is the case of Binance.

Throughout this period we will continue to do what we do best which is building great products that are safe, reliable, easy to use and aligned with our community's needs and wants.

As recently mentioned by our CEO, “(...) we're still fine, we're still hiring, we're still growing”.

**How do you expect to collaborate with the local fintech and crypto ecosystem?**

Binance fosters collaboration and empowers blockchain entrepreneurs, startups, and communities to facilitate positive impact in the crypto space and the decentralized web.

Furthermore, Binance has excellent mentors with extensive experience in both crypto and the traditional/wider start-up space and so we definitely seek to establish ourselves as the facilitator to connect startups with our vast network of industry leaders and investors in the crypto ecosystem.

On top of this, **Binance has its own venture capital arm and innovation incubator - Binance Labs - that is committed to financing industry projects that promote Web3 and blockchain technologies and is continuously seeking to identify, invest, and empower viable blockchain entrepreneurs, startups, and communities around the globe.**

Knowing that Portugal is now a breeding ground for startups, having as many unicorns as Spain, Italy and Greece combined, we are also undoubtedly keeping a close look on any investment opportunities that may arise.

# How can financial institutions take advantage of the crypto scene?



António Veiga Ferrão,  
Fintech Solutions Director

As the cryptocurrency adoption is becoming more attractive to individuals and companies all over the world, Traditional Finance Business Models, which usually represent a source of security and trust, start looking at crypto as an opportunity to diversify and innovate their services/products. As a recent study mentioned, 81% of Bitcoin Holders would move their holders to a bank if it had secure storage.

## Portugal

Focusing on Portugal's environment for cryptocurrencies, it is possible to say that is one of the European countries leading in terms of percentage of investments in cryptocurrencies. According to Chainalysis, Portugal showed a total volume of cryptocurrency transactions superior to what was expected considering Portugal's economy size. With no taxes in capital gains from crypto transactions, Portugal has been considered one of the European most crypto-friendly countries, having attracted several investors over the past few years.

### Call to Action for Traditional Financial Institutions

As previously mentioned, traditional financial institutions such as banks, should leverage their operation into innovation and growth by taking advantage of the cryptocurrency scene. For that, there are several strategies that one could follow:

#### 1. Contribute to financial literacy on crypto related topics

With the great increase of platforms and tools for financial education, customers may feel vulnerable to amount of information and its complexity. To face this problem, banks can act as vehicles of information, helping to educate and inform customers about the crypto opportunities, to help them navigate through their possible choices and to understand how to take the best advantage of it. With this, they are deepening customer relationships, as well as creating a better customer journey experience. For example, Caixa Geral de Depósitos, a Portuguese bank, used its content platform Saldo Positivo, to present 10 best practices on how to deal with crypto assets.

#### 2. Being a digital asset holder

As mentioned above, with the strong increase in cryptocurrencies holding, the majority of investors would prefer to hold it on Banks, as they are usually providers of security and safety. By adapting to this opportunity, banks would increase customer interest and awareness. In Portugal, Bison Bank is the first bank allowed to operate in virtual assets' custody and exchange, having created the Bison Digital Assets for that purpose.

#### 3. Facilitating investments in crypto currencies

Allowing for the investment in cryptocurrencies will allow to increase customers trust in the bank, as well as differentiate by the services provided. The German Banking Group Sparkasse is now developing a crypto wallet for its customers, allowing for the direct purchase of cryptocurrencies through their wallets.

#### 4. Processing payments

With the global payment systems becoming more digitalized, cryptocurrencies are gaining space in the market, which creates the need for banks to adapt and provide innovative solutions to customers wanting to explore this new environment. To face this challenge, banks should start developing payments processors that will accept cryptocurrencies as a form of payment.

**In conclusion, similarly to the fintech revolution, whose startups were in first place competitors and only later partners of traditional banking, the same will happen with DeFi.** In the future, both realities will coexist and what currently appears as competition will convert to synergies. The rhythm of this change will just depend on regulation, openness to innovate and customers' drive for digital services.

# Crypto Case Study / Bison Digital Assets



Diogo Brás,  
Chief Crypto Business Officer at Bison Bank

## What is Bison Digital Assets' strategy and what markets does it intend to address?

Bison Digital Assets aims to serve as a bridge between the traditional financial world (or TradFi) and the new reality of cryptocurrencies or digital assets. In this scope, we are the first company fully owned by a Portuguese Bank to operate the Custody and Exchange business of digital assets with a license granted by the Bank of Portugal.

Bison Digital Assets' positioning is global and is mainly focused on two sectors: High Net Worth Individuals and Institutional Clients that want to exchange, acquire or sell digital assets (cryptocurrencies) in a safe way, and with formal procedures characteristic of a bank without leaving aside the technology inherent to the blockchain, that is, with ease of deposit and withdrawal.

## Do your customers perceive and value the added security of Bison Digital Assets having a bank behind it?

We count on it, The value proposition that Bison Digital Assets brings to the market is that it is the first entity owned by a Portuguese bank that is regulated by the Bank of Portugal.

We aim to provide a safe channel of exposure that is strategically limited - it will only have instruments such as Bitcoin and Ethereum - the two largest cryptocurrencies in the world.

In addition to Custody and Exchange services on these two assets, Bison Digital Assets does not expect to provide "Stablecoins", thus limiting the potential risk for its issuers. Thus, fiat Custody will be done exclusively by the bank and cryptocurrency Custody will be done by Bison Digital Assets. For this, Bison Digital Assets will use partners that enable the latest and best practices in blockchain.

## How will the fintech startup ecosystem be able to partner/client with Bison Digital Assets' services?

In the financial sector, Bison Digital Assets stands out for its openness to products that involve digital assets. We are in Portugal and beyond borders one of the few entities with unprecedented banking support in terms of auditing and compliance. We fully believe in the financial revolution through technology and especially when framed in the context of the Portuguese market, which, precisely because it has not yet matured, presents an enormous opportunity for disruption. It is therefore in

our interest to support and mainly cooperate with fintech start-ups in which we see a huge compatibility both in culture and establishment stage.

## How do you think the rest of the national and European banking sector is looking at this topic?

Portugal is in a relevant position among the countries that enable the development of organizations and businesses in the digital asset economy.

We have a globalized approach to innovation and the development of this sector in Portugal has attracted a very significant level of talent and foreign capital that has allowed the birth of several startups and organizations linked to crypto-active and web3, becoming a key ingredient for Portugal to have an outstanding chance in the birth and consolidation of the sector.

Thus, we know that the remaining national banking sector is attentive to all developments in this ecosystem. However, we note that the adoption of this trend is taking some time.

We are pioneers and our doors are always open for cooperation. We see opportunities and not rivalry in the rest of the market. We support businesses and partners in adopting digital assets without the need to involve third parties that include risk in this value chain.

## What advice do you leave, both to mature players and startups, to accelerate collaboration in these areas?

We are in a consolidation phase in which more than a competitive spirit, we must have a spirit of unity and cooperation. There is room for all players to grow, and both Bison Bank and Bison Digital Assets are clearly available to collaborate and add value.

An acknowledgement of gratitude to all our collaborators, which worked along the Portugal Fintech Team on the production of this report: Gabriel Coimbra from IDC, Augustin Blanchard from Ace Capital, Nuno Cortesão from Zharta, Vera Dias from Pleo, Frederico Câmara from Coverflex, João Cardoso from Lovys, Banco de Portugal, Autoridade de Supervisão de Seguros e Fundos de Pensões, and Comissão de Mercado dos Valores Mobiliários (BdP, ASF and CMVM), Startup Portugal, IAPMEI, Black Ink Tech & Yoonik, Cofidis & Tink, novobanco, João Menano, Joaquim Marques from Weavr, Dyma Budorin and Andrii Matiukhin from Hacken, Carlos Eduardo Martins, Diogo Mónica from Anchorage Digital, Rauva, Algae, Flexty, Zaisan, Relocare, Finvex.tech, Invoicexpress, Sway, Swood, Ubirider, GoFact, Hapi, Raize, GoParity, Finsolutia, StudentFinance, Lynxai, nBanks, Re flora, Lovys, Toolto, Visor.ai, MUDEY, ThinkFuture, Habit, YData, Biometrid, Jscrambler, LOQR, Fraudio, Yoonik, Zharta, Utrust, Revault, ImpactMarket, VelvetFormula, Polkastarter, Arcopay, Sfera, Weavr, Yapily, Coinscrap, Unify Giving, Klarna, Younited, Block Green, Anacrhon Technologies, Now CM, SUTHUB, FCB.ai, APIAX, Sanja Kon from Utrust, João Pedro from Binance, Diogo Brás from Bison Bank.

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Neither do we.

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