Stockholm FinTech Guide
Welcome to the city where innovation and equality go hand in hand
Ready to explore the Stockholm FinTech ecosystem?

Stockholm is home to one of the most vibrant tech ecosystems in Europe and ranks #10 globally according to Global Startup Ecosystem Report 2020 released by Startup Genome. The city produces more billion-dollar companies per capita than any other region in the world after Silicon Valley. Skype, King, Mojang, Klarna, Spotify and iZettle are all unicorns founded in Stockholm.

In 2019 Stockholm scaled FinTech investments to a new level. Based on the three-year average from 2017-2019, Stockholm ranks third after London and Berlin in Europe. For the first two quarters in 2020, FinTech investments have focused on large and later-stage deals. In a recent survey conducted by the Swedish FinTech Association, even though 93% of the responding FinTechs stated that they have been impacted by Covid-19, 63% have experienced an increased transactional volume since the beginning of the pandemic. More than 400 FinTech ventures in Sweden were scouted and reviewed for this report. Reflecting the sector’s rapid expansion, this edition of the Stockholm FinTech Guide includes new categories such as decentralized finance, Legal Tech, and Equity Token Offering.

Highlights in the last 18 months include Klarna becoming Europe’s most valuable privately-owned FinTech startup, the Bank of International Settlements establishing an Innovation Hub in Stockholm, and Tink – the open banking platform – buying Instantor. Ventures have not only been established, bought, or invested in, they also grew their offering horizontally to combine previously unrelated sectors.

This guide encapsulates the latest investment statistics, trends, and changes to the FinTech scene in Stockholm. In addition, we have carefully curated a number of FinTech stories in this guide to represent the diverse nature of the Swedish FinTech ecosystem and individuals that are the key contributors to our thriving FinTech scene. Together, they showcase what Stockholm is best at – constant collaboration based on trust and transparency.

Authors responsible for the report: Jenny Berthling, Invest Stockholm; Michal Gromek, Nordics FinTech Advocate. With gratitude to Paul O’Mahony, Maiko Schaffrath as well as David Ban for their editing, fact-checking and hard work, which has enhanced this report’s quality and accuracy.

The guide’s co-author Michal Gromek has carefully curated the FinTech stories of selected Stockholmers, with an ambition to present the diverse nature of the Swedish FinTech ecosystem.
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Stockholm is where business makes a global impact

Stockholm is the capital of Sweden, a country that has proved successful in fostering innovation and entrepreneurship. Several factors help explain this. For example, the country’s social stability and the access to government support, as well as the high degree of equality between men and women.

The World Economic Forum ranks Sweden as one of the top ten most competitive countries in the world, with top grades for innovation capacity. We prove our commitment to innovation by investing more than 3.3% of the country’s GDP in research and development (as of 2019) – one of the highest rates in the world.

Government agencies such as Vinnova play an important part in Swedish research by promoting and finding projects in a wide range of fields. Tillväxtverket, the Swedish Agency for Economic and Regional Growth, strengthens competitiveness and facilitates entrepreneurship around the country.

Stockholm is among the world’s most attractive regions/cities

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Where innovation and equality go hand in hand

Sweden has long established itself as a country where innovation is the norm. Highly respected in tech circles as a hub of entrepreneurial activity, Stockholm is second only to Silicon Valley in generating billion-dollar, venture-capital-backed companies per capita.

Our startups have one of the highest survival rates in the world, with 74% during the past three years. What’s more, Swedish companies that survive for at least three years typically create five new jobs for every existing 100 jobs in the economy.

Here are some reasons why:

- **We have a great education system**
  Swedish citizens enjoy free education, with an emphasis placed on interdisciplinary studies where innovation, design and engineering intersect.

- **We are early adopters**
  Sweden made one of the earliest investments into broadband in the 1990s, has become the world’s most cashless society and has pioneered for example digital video consultations with doctors. The country moves fast when adopting new innovations.

- **We love tech**
  18% of the Swedish capital’s citizens are employed in the tech sector, which continues to expand and attracts considerable talent from abroad. Furthermore, 82% of Swedish employers declared an increased demand for programmers in a recent survey.

- **We focus on gender diversity in tech**
  The Nordics are often lauded for their commitment to gender equality. The City of Stockholm has taken a uniquely proactive approach to improving gender equality in the workplace. Over 100 of Stockholm’s tech companies have declared themselves ‘A Woman’s Place’ to support equal opportunities for women and men.

- **We think globally from day one**
  The Swedish economy relies heavily on exports, which encourages entrepreneurs and investors to consider international expansion early on.

- **We are sustainable and embrace the pay-it-forward culture**
  Successful entrepreneurs commonly invest financially in the next generation of startups and lead the way in inspiring a new generation of startup founders. Entrepreneurs in Sweden have access to co-working spaces, startup hubs, events, innovation grants, and a growing number of angel investors and venture capital firms.

- **We are trustworthy and transparent**
  In Stockholm, the notions of equality, flexibility, and shared responsibility run deep. This is apparent in progressive attitudes to work-life balance and flat hierarchies that aim to give everyone a voice.

Where sustainability is never optional

Swedish companies of all sizes are at the forefront of integrating the UN Sustainable Development Goals into their business models. Impact-driven entrepreneurs play an important role in driving this change as they build strong businesses and prove that it is possible to generate profit with low environmental impact.

Norrskens House, “Europe’s biggest hub for impact and technology”, is home to more than a hundred companies that Klarna co-founder Niklas Adelberth believes will define a new class of unicorn. Instead of a company achieving a billion dollar valuation, these unicorns positively influence one billion people.
"Insurance provision can unlock massive growth for circular economy platforms", says Ola Lowden, Co-founder and CEO at Omocom.

Why insuring the circular economy makes sense for investors

“The circular economy is not only good for the environment, it is also an excellent investment opportunity which is not getting enough attention yet. We see a shift from ownership to access. It is now possible to share virtually anything, from caravans to sailing boats. However, there have been concerns regarding the trust that can be built on platforms that allow people to share their belongings. What happens if an object isn’t returned or if it’s damaged? We are confident that the Swedish ecosystem has cracked this challenge.”
The circular economy is here to stay. Who’s going to insure it?

Although we currently close more sales within two days than we did within a two-week period prior to Covid-19, we didn’t find many Nordic investors happy to invest in a circular economy startup like ours. We assume that this is due to their inexperience with the sector. This is why we sought the majority of our investments from other European investors and were happy to close an investment round with firms based in Portugal and Spain.”

Ola Lowden Omocom

Insurance provision can unlock massive growth for circular economy platforms.

While on parental leave with his second child, Ola Lowden considered the rise of the circular economy and how the insurance market was failing to keep up. Seeing a gap, he and Emanuel Badehi Kullander founded Omocom and set about preparing comprehensive insurance solutions for multisided platforms.

From his time working on a sharing economy report for the Swedish Ministry of Finance, Ola knew that traditional insurance providers tended to underestimate the long-term impact of the sharing economy. But with consumer behavior patterns changing fast, Ola was convinced of the need for solid insurance products on Peer to Peer and resale platforms. In Sweden in particular the need seemed clear: the country is already practically cashless, environmental awareness is high as is interpersonal trust, while Swedes are also quick to adopt new technologies.

Instead of building systems and processes from scratch, Omocom partnered with the insurance companies and now acts as an intermediary between insurance and sharing economy platforms. Having hired leaders from companies like the Swedish FinTech unicorn Klarna, Omocom was quickly able to replicate the simplicity of FinTech products in the insurance industry.

The company achieved a significant breakthrough by partnering with TipTapp, an app that helps users transport items such as furniture when resold through second hand platforms such as Blocket. The cooperation allows users to insure the items while they are in transit. Omocom’s ‘insurance on-demand’ product costs the user between €2 and €6 and covers damages up to €150-€1000 with no deductibles. As of Q3 2020 Omocom’s services are being provided on 13 platforms in three countries.

While the long-term trajectory remains promising, Omocom’s path to profitability has been rocky at times. As a young father, it was challenging to resign from stable employment at the National Board of Trade to embark on the uncertain journey of entrepreneurship. What’s more, insurance and reinsurance are strongly regulated and obtaining licenses from the regulatory authorities is a complex and capital-intensive process.

Despite the many challenges, including the unforeseen coronavirus pandemic, Omocom has now closed a seed round, although they had to seek the majority of our investments from other European investors and were happy to close an investment round with firms based in Portugal and Spain.

Recently both co-founders decided to add a new member to each of their families and will make use of parental leave again. As their first parental leave resulted in Omocom, perhaps the new ideas and strategies developed this time around may result in Omocom becoming Sweden’s first InsurTech unicorn.
Sweden has always been one of the first countries in embracing new technologies. This is noticeable throughout our country’s history and our financial system is no exception. From the first banknotes to cryptocurrencies, we have forged an impressive history within financial and technological innovation over the past 350 years:

1661
Stockholms Banco, a predecessor of Sweden’s central bank, made history by issuing banknotes.

1863
Stockholm Securities Exchange (Stockholms Fondbörs) is founded.

1959
Bankgirot, Sweden’s proprietary clearing system owned by the banks, is founded.

1967
The first offline ATMs appeared from different companies within a week of each other — each without knowledge of the other’s plans. One was from De La Rue/Barclays Bank and the other was the Bankomat from Swedish company Metior.

1991
World’s first integrated derivatives trading and clearing system appears at Stockholm Stock Exchange.

2003
The first BankID is issued. BankID is the leading electronic identification solution in Sweden. Today around eight million people use BankID on a regular basis for a wide variety of private and public services.

2005
Klarna is founded by Niklas Adalberth, Sebastian Siemiatkowski and Victor Jacobsson as an e-commerce payment company.

2007
American stock exchange NASDAQ acquires OMX.

2011
iZettle (founded 2010) launches its first card reader for iPhone.

2012
Mobile payment system Swish is launched by six large Swedish banks.

2014-16
Deal activity in Swedish FinTech rises consistently YoY at a CAGR of 40.8%.

2017
Klarna receives a banking license.

2018
Sweden’s financial regulatory body, Finansinspektionen, launches its innovation centre.

2018
iZettle is acquired by Paypal for US$ 2.2 billion.

2019
Swedish central bank, Sveriges Riksbank, announces it is investigating if the Swedish kronor can be made available in electronic form: the e-krona.

2019
Swish celebrates one billion transactions.

2020
Banks of International Settlements decides to establish an Innovation Centre in Stockholm.

2020
Q1+Q2
Klarna becoming Europe’s most valuable private FinTech startup.

2020
Q3
Swedish central bank, Sveriges Riksbank, announces it is investigating if the Swedish kronor can be made available in electronic form: the e-krona.

Where innovation in finance happens
All Nordic countries are making considerable headway in the transition towards cashless societies but Sweden tops the list. According to the Swedish National Bank, cash transactions in commerce constitute as little as 1% of the total volume of transactions, 40% of the population has not used cash within an entire month and more than one out of five shops have stopped accepting cash as a means of payment. The cash volume to GDP has been more than ten times lower in Sweden (1%) than the Eurozone (11%). Such a high level of penetration of digital payments represents a fertile ground for the incorporation and growth of FinTech ventures.

As interest in cash diminishes, the use of electronic payments has surged over the past five years. With more than 70% of the eligible users in Sweden connected to Swish, an instant C2C and C2B e-cash solution that processes mostly small payments, both cash usage and cash withdrawals continue to decline further. In 2018 Swedes completed an average of 40 Swish transactions per year, representing an increase by a factor of 133 (!) compared to 2013. The implementation of the Payment Service Directive 2 (PSD2) as well as the 5th AML Directive into the Swedish regulation allows the user to have greater control of its customer data, choose from a more extensive palette of payment service providers and increase both the anti-fraud and anti-money requirements.

Covid-19 was the first pandemic to happen in an environment of a highly interconnected world which already relied on a high amount of virtual communication. When the world shifted to nearly 100% remote work for most office jobs there was a functioning system in place through which people could collaborate.

Sweden is in a unique position as, according to Swedish Radio, the country already processes 99% of all commercial transactions electronically. This has triggered a need to review how such transactions could be managed, supervised, issued and kept track of.
Where financial services are being transformed

**E-krona**

Though no final decision has been taken on whether to implement a centralized digital currency (e-krona) controlled by Sweden’s central bank, further investigations have taken place. As of the end of February 2020, Accenture has been selected as a technological partner to explore a range of possibilities for how such a technical implementation might be facilitated. Two of the concepts to investigate include the possibility for individuals to have a direct account at the Riksbank (account-banked) or to store value on for example a mobile app (value-based) that would be traceable and connected to an underlying register.

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**Stockholm**

Stockholm means living in one of the most advanced financial economies in terms of a cashless society, internet and mobile usage, and knowledge of financial instruments. There are pros and cons just like any other city, but Stockholm is one of the best places to start a FinTech company.

*Jay Jensen, Invenio Growth*

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**An e-krona could be an important part of a future ecosystem for payments. It could constitute an open and competitive neutral platform where payment services can freely compete. It would, I think, have a very positive effect on innovation in payments and perhaps also in the long term on other parts of the FinTech sector.**

*Gabriel Söderberg, Sveriges Riksbank*

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**Payments by Swish are increasing and the use of cash is declining**

The figure shows that the value (SEK per person and year) of cash withdrawn from ATMs has fallen in recent years while the value of Swish payments has risen sharply.

Source: Swedish Central Bank

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**There’s a lot of talk in the industry about when Sweden will be cashless. The Riksbank has set the forecast at 2030 but according to a new study this could happen as early as 2023.**

*Hanna Blom, Visa*

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**Sweden is ahead in living in a cashless society and this creates opportunities that can be applied globally.**

*Frank Schuil, Safello*
The Bank of International Settlements (BIS) is often referred to as the ‘central bank of central banks’. It is owned by 62 central banks that represent countries accounting for about 95% of the world’s GDP.

In June 2020, BIS chose Stockholm to establish its Nordic Innovation Hub within the next two years. The hub’s objective is to keep Denmark, Iceland, Norway and Sweden at the forefront of research into digital solutions and innovation in financial technology.

The Nordic hub is expected to research crucial trends in FinTech that might be relevant for central banks and is set to promote international cooperation to enhance the functioning of global financial systems. BIS has already opened hubs in cities including Toronto, Frankfurt, London and Paris. The new hub in Stockholm will collaborate with the global network BIS has established to advance work at the intersection of digital currency and distributed ledger technology (DLT). So far, digital payments, artificial intelligence and cyber security have been the core focus areas, according to Innovation Hub Chief Benoit Coeure.

The upcoming innovation hub in Stockholm is a part of the Innovation BIS 2025 plan that aims to prepare the institution for the challenges ahead. The center in Stockholm is a part of the global BIS Innovation Hub, which has the goal of identifying and developing in-depth insights into critical trends in financial technology that are relevant to central banks. The goal is for the BIS Innovation Hub to become a contact point for innovation experts at central banks around the world and foster collaboration on innovative financial technology within the next two years.

With this expansion, the Innovation Hub will be well placed to advance work on a broad range of issues of importance to the central banking community, including digital currency and digital payments, cyber security, distributed ledger technology and artificial intelligence. This expansion is a testament to the central banking community’s commitment to innovation and cooperation.

Benoît Cœuré Head of the BIS Innovation Hub
“As FinTechs operate on the edge of different industries, dialogue with regulators and legislators is vital”, says Frank Schuil, Co-founder and CEO at Safello.

Stockholm firm brings transparency to the cryptocurrency market

“it was a personal decision for me to join my wife and move from Amsterdam to Stockholm as we fell in love with the city. However, we also found that Stockholm was the perfect place to incorporate as a FinTech that would be attractive for some of the best talent to relocate to. We were looking for a stable place with a thriving dialogue between regulators, legislators and startups. Since moving to Stockholm in 2013 Safello has served over 140,000 users.”
Frank Schuil, the CEO of Safello, decided to embark on the journey of innovating in the cryptocurrency space in 2013 and base his company in Stockholm. When he first moved to Stockholm it was nearly unthinkable that a cryptocurrency company could reach 140,000 customers by Q3 2020.

Safello was able to contribute by enhancing transparency, accountability and traceability into the previously opaque cryptocurrency world and to show government agencies that compliance requirements and cryptocurrencies are not a contradiction in terms. When the Covid-19 crisis arose, it mattered that the firm was based in Sweden, a near-cashless society where the overwhelming majority of commercial transactions are digital. As an example of the country’s openness to change, the National Bank of Sweden, Riksbanken, recently tasked Accenture with developing a technical solution for an e-krona, a trial digital currency project.

For Frank, another criterion for establishing Safello in Stockholm was the access to talented programmers from the financial sector who understand and thrive on the complex challenges posed by blockchain development.

When developing the venture, Frank found the regulators to be constructive – they asked relevant questions and showed a high level of understanding for this emerging industry. The Swedish culture of consensus and the willingness for dialogue was crucial to finding solutions that would work well for both regulators and startups.

“Innovating isn’t easy and all startups that are working on establishing new paradigms will know how hard it can be to work with regulators while driving product innovation. However, the willingness of the Swedish regulators as well as the Riksbank to take the development of blockchain technology seriously make Sweden one of the best places for digital currency startups to be based at”.

As with many FinTech founders, Frank’s decision to relocate to Stockholm was taken together with his family. Sweden’s excellent universal healthcare system and generous paternity and maternity leave of more than 480 days were just some of the deciding factors.

Frank, a father of five-year-old twins, had a vision to build a company that allowed for work-life balance. Safello aimed to be a company that would build innovative products while also supporting employees with family benefits. It is now clear that this vision has been fulfilled: Safello multiplied the number of orders within the last 12 months eight times while all co-founders and key members of the management team had young children and were able to take some time off. This is simply unheard of in many other startup ecosystems in Europe and especially in the US.

“Stockholm has a truly unique FinTech ecosystem compared to other European cities. We have access to some of the best talent and capital from some of the leading firms globally and we can combine this with a high quality of life that allows young families to thrive even if they work for fast-growing technology startups”, says Frank.
Stockholm is where FinTech is really happening

Stockholm is home to one of the largest and best-known FinTech scenes in Europe. It comprises banks, startups, scaleups, investors, legal advisors, management consultants, and many others.

The Financial Supervisory Authority (Finansinspektionen) supervises nearly 2000 entities in Sweden that hold permits to offer financial services; companies that have registered other financial operations and also foreign companies that have registered cross-border transactions to Sweden.

80%

out of 381 FinTech companies in Sweden are incorporated in the Stockholm region.
Opening the Pandora’s Box of FinTech taxonomy

According to our stringent taxonomy, there are 381 FinTech companies in Sweden, that are often ahead of banks when it comes to adopting new digital trends and seizing lucrative opportunities.

Today, FinTech still lacks commonly accepted definitions that result in big discrepancies while comparing reports from different geographies. For example, comparisons are greatly complicated by decisions such as whether or not to include InsurTech as a subfield in the FinTech ecosystem.

Furthermore, as companies grow across industries and offer different products to various customer groups, it becomes harder to categorize them clearly into a subdomain. At the same time, there is a risk that the desire to visualise the development of FinTech results in trend analysis being unrepresentative of underlying shifts, changes that might lead to oversimplification of trends in the industry.

The companies featured in this guide have been selected according to the following criteria:

- Those which have been incorporated before May 15th, 2020 in Sweden using any legal form (excluding sole-trader)
- Offer financial and technology products or services to customers in one of the categories listed below
- Offer a digital-first product, not operating more than two branch offices
- International companies with an active branch office employing at least one person in Sweden
- They serve as aggregators or online brokers
- Companies which serve as e-identification solutions (like Bank ID)

Companies which fulfilled the criteria have been placed in one of the following categories and subcategories:

**Capital Debt and Equity**
- Broker, Consumer Lending
- Crowdfunding
- Mortgage Lending Real Estate

**Decentralized Finance**
- Cryptocurrency
- Custodial Services
- Smart Contracts in Finance
- Wallets, Escrow
- Private Markets
- Stable Tokens
- Initial Coin Offering Ventures (ICO)
- Security Token Offering (STO)
- Equity Token Offering (ETO)
- Payments Services Providers
- Stablecoins
- Prediction Markets
- Derivatives

**Innovation in Accounting**
- Invoice trading
- Invoice Management
- Payment monitoring
- Payment reminder
- Brokers
- Online
- Debt Management

**Insurtech**
- Claims Management and Processing (includes: Automated Claims Journeys)
- Risk Detection & Prevention (includes: Internet of Things, Big Data Analysis in Insurance, Risk Screening, Proactive insurance)
- Underwriting and Reinsurance (includes Policy Administration)
- On-Demand Insurance (includes: Componentization, Episodic Insurance)
- Product Insurance
• Consumer Communities in Insurance
• Customer Engagement (includes: preference-based, customer communication)
• Distribution (digital brokers, comparison portals for digital insurers)
• Personalization (insurance wallets, financial partners)

**Payment and Transfer**
- Bill Payments
- Domestic Transfers
- Neobanks
- Transaction Accounts
- International Transfers

**Regtech**
- Financial Crime
- Actor Management
- Transaction Reporting Market Integrity
- Monitor and Detect
- Data Management and Technologies
- E-identification
- RPA
- Legal Tech

**Trade and Exchange**
- Backend
- Clearing Technology
- Hedging
- Trading System

**Wealth and Cash Management**
- Crowdfunding Equity
- Debt Investment
- Execution Only
- Investment Advisory
- Robo-advisory
- Marketplace
- Private Equity
- Savings Accounts

In order to ensure the highest data quality, it has been decided that the following types of companies are specifically excluded from this guide:

- Companies in the process of being incorporated, but not yet successfully registered
- Companies that provide services such as card printing, ATM services, physical security, software and payment card networks to banks
- Software and ITO providers
- Consulting companies in the area of FinTech, Insurtech and Regtech
- Hardware producers (e.g. producers of TAN Generators)
- Computer security providers
- Mobile services that deliver SMS TANs and second-level verification
- Financial providers that provide offline traditional financial services to primarily financial institutions
- Projects being initiated at incubators or companies which are not incorporated yet
- Core banking infrastructure services, serving primarily incumbents
- Investment management services, hedge funds and advisors
- FinTech companies that are difficult to be categorized as they do not possess a website or social media presence or have not replied to direct contact requests from co-authors of the report within a reasonable time
- Companies that are in bankruptcy or become bankrupt

**Other limitations:**
- Technologies such as AI and blockchain do not represent a separate category as they are used by various startups across categories
- If companies are active in more than one subcategory, the one with the largest amount of revenue in 2019. If unavailable, 2018 is selected
- Where registered names of the companies differ from their trading names, the trading name will be used
To find out more, we asked people from the FinTech ecosystem in Stockholm about the latest trends:

**Open banking has arrived**
Many point to the Payment Services Directive (better known as PSD2) as a catalyst for innovation and the beginning of a new era within FinTech. Releasing account and payment data so that it can be shared more easily between authorized organizations online is expected to generate greater financial transparency and a new wave of financial innovation.

“PSD2 and open banking are hugely important. What we are seeing now is just the beginning of a roadmap for the next few years. Also, credit scoring and the way we use data needs to be shared and made scaleable. These are massive opportunities.”

_Ester Sundström_ Deloitte

“Open banking has arrived

Lending is entering the limelight
Favorable economic and financial regulatory conditions make Sweden an attractive marketplace for lending platforms. Unsecured consumer lending in Sweden is worth around €200 billion.

“Uber and Airbnb have democratized their respective industries and today it is the most natural thing in the world to sleep in a stranger’s bed or get a ride home in a stranger’s car. Why not save and borrow money in the same way? We want to move the power from the major banks to the customers where we think it belongs.”

_Jonathan Klein_ Brocc

“Lending is entering the limelight

Swedish Neobanks on the rise
Rocker, NorthMill, Klarna and P.F.C (Personal Finance Co.) are just a few examples of Swedish-based neobanks that have grown their presence in recent months. With Pleo launching its corporate service in Sweden, NorthMill receiving a Swedish banking license, Rocker (former Bynk) raising nearly €50M EUR in funding and Klarna increasing its consumer finance portfolio, traditional financial providers face increased competition in an increasingly crowded space targeting primarily younger users.

“Personalization is the future of banking. FinTech has lots of niche players solving individual problems, but few players acting as one-stop shop for personal finance.”

_Eli Daniel Keren, P.F.C._ Personal Finance Co.
We are rethinking insurance
A highly regulated sector, insurance has seen the adoption of tech at a comparatively slower pace than other financial services. This is now changing. The past two years have seen a record level of venture capital investment and deal volume in the insurtech space. The biggest investment recipient in this space over the past few years is BIMA, which offers micro insurance services to customers in developing countries, and Hedvig, which offers home insurance via an app.

“Insurance has been dominated by a handful of very old companies and hasn’t seen quite the level of disruption that banking or finance has but that is starting to change.”

Andres Sehr Hedvig

Crowdfunding is maturing
Crowdfunding has become an important source of financing for small and medium-sized enterprises in Sweden in recent years. Sweden boasts some of the Nordic region’s top crowdfunding platforms, such as real-estate platform Tessin and FundedByMe. The Swedish government encourages crowdfunding as a credible way for SMEs to raise money.

“Crowdfunding has emerged as an increasingly serious phenomenon and more and more venture capital companies are starting to enter crowdfunded companies.”

Julia Reuszner Pepins

Regtech is on the rise
Regulatory technology holds a great deal of potential to be the next big thing in financial services by helping banks and insurance companies comply with all the complex financial directives that have seen the light of day over the last decade.

“RegTech is now being seen as its own field, not just helping the financial services sector, but rather has the potential to help a large number of sectors that have to deal with regulations, using ever-evolving new technologies.”

Richard Rosenholtz
Nordic RegTech Association

Due to the continuously evolving regulations and complex frameworks, financial services institutions are looking for effective solutions to digitize, automate and streamline, as well as further their compliance standards and capabilities.

Nikos Patsiogiannis norbloc
Knowledge sharing and strong networks have always been at the core of Sthlm FinTech Week’s DNA. The event is a community-driven convention with the goal to share knowledge across the sector. Its second edition which took place in February 2020 gathered over 750 participants, 140 speakers and hosted eight different tracks over the course of five days.

Sthlm FinTech Week features two verticals in the space of one day. The first vertical covered Public FinTech Initiatives & Regulations which touched upon the future of the e-krona, a digital currency project of the Swedish National Bank. The content provided discussion material on the evolution of Regtech. Participants had heated discussions at times but agreed that the recipe for success in fostering an efficient FinTech ecosystem is facilitating the ongoing collaboration between the public and private sectors.

On the second day, the convention started with the Insurtech vertical. As Sthlm FinTech Week Team released the first Nordic Insurtech Report, participants shared insights and learnings from the development of the FinTech ecosystem that could easily be applied to the growing Insurtech ecosystem. Representatives of Insurtech startups, incumbents as well as international keynote speakers discussed the impact of decentralized finance, artificial intelligence, and blockchain on both the transparency of the offering and the future of employment. “Combating the Dark Side of FinTech” was the second vertical covered in the day. It provided a unique platform for law enforcement agencies, Regtech representatives and compliance officers of FinTech ventures to foster new routes of collaboration in fighting financial crime.

The popular ‘Artificial Intelligence’ track focused on how AI can be used to benefit the FinTech ecosystem and which level of government should be tasked with regulating it. Meanwhile, the ‘Decentralised Finance’ track touched on how blockchain technology could be used beyond its current use case of payment systems.
Building bridges of innovation requires discussions, dialogue and solution orientation. Sthlm FinTech Week acts as a platform to overcome communication-gaps to offer solutions to bring the entire ecosystem forward. It is a little bit more difficult than how it sounds but for at least one week a year we aim to prove what Stockholm is best at: a constructive dialogue.

Anna Blyablina
Co-Founder Sthlm FinTech Week

After participants gained insights from six focus verticals it was time for the ‘Main Day’. On this day the starting payment session set the tone with the discussion on the future of payments the next two-three years, facing an expanding new market with instant payment between accounts and probably cross currencies.

The key players in the sector also shared their experiences such as implementing P2D2 and the way to test the system with a bank’s test-environment as it does not currently mirror the production environment for TPPs. The following Cyber Security session emphasized the crucial role of digital identity in creating a competitive advantage.

In cooperation with Invest Stockholm, invite-only investors and incumbents were invited to meet with selected startups. Participants joined sessions with regional VC firms, public agencies providing funding to startups and international experts who enriched the Swedish ecosystem with their global expertise.

Sthlm FinTech Week hosted a broad spectrum of actors in the financial ecosystem such as Swedish tier banks, FinTech unicorns, technology providers, startups, legal and consultancy firms as well as public and private ecosystem builders under the same roof for five days. The diverse audience provided countless pitching possibilities, training sessions and deep-dive workshops. With more than 35 community and network partners, the Sthlm FinTech Week engages everyone who is willing to share knowledge and contribute to the development of the ecosystem.

News stories about our FinTech scene from the past 12 months:

Anyfin raises $30m Series B led by EQT Ventures (FinTechIO)
BIS Plans New Central Banking FinTech Research Hubs in Europe, North America (CoinDesk)
Blackrock Invests In Swedish Payments FinTech Trustly (Finance Magnates)
Chinese Payments Giant Ant Financial Buys A Stake In Swedish FinTech Start-up Klarna (CNBC)
FinTech Loft: AWS And Wellstreet Launch A New FinTech Program In Stockholm (Forbes)
Klarna Becomes Most Valuable Eu FinTech With $5.5bn Valuation (Financial Times)
Our Cash-free Future Is Getting Closer (NY Times)
Sweden Set For Dramatic Growth In Digital Wealth Management, Says Nucoro (Wealth Adviser)
Swedish startup Willa raises $3 million to help freelancers get paid for their work, on time no less (TechEU)
Tink Aims To Be The Brains Of Open Banking (Financial Times)
What are people saying about Stockholm’s FinTech ecosystem?

“The Swedish FinTech ecosystem is good right now. It has lots of smart people with good ideas and the will to change the world.”

Henrik Wagenius, Eucaps

“The Nordics are very strong when it comes to FinTech. We think this is because of the distributed nature of the Nordics as well as the small size—Nordic companies must expand internationally.”

Erik Bennerhult, Näktergal

“Sweden has had a great start-up community for quite some time, including the FinTech scene.”

Johan Lorenzen, Handelsbanken

“Sweden is performing very well with role models such as iZettle and Klarna alongside hundreds of FinTechs, of which many are well funded. I would still deem FinTech as a very attractive segment, with the Nordics acting as frontrunners.”

Siam Choudhury, Pliance

“Nordic FinTech industries are in very good shape and are going in the right direction to take on entrenched competitors.”

Joakim Sjöblom, Minna Technologies

“Having a strong presence in Stockholm’s ecosystem of FinTechs is essential for us. By collaborating with FinTechs, we can implement new technology in our existing processes to make them more efficient and increase our time-to-market capabilities.”

Stefan Granlund, Danske Bank
Zaliia Gindullina
Head of Business Development
Kidbrooke AB

"While working at the Russian Ministry for Economic Development, I wondered how Nordic countries stayed on top of innovation rankings. After completing my Master studies in Stockholm, I had an opportunity to experience that first-hand. I joined a team helping banks and insurers to create innovative tools for empowering users to achieve financial freedom. Just as the internet has lowered costs in the travel industry through comparison sites, we can apply the same for wealth management by making it easier to understand and more accessible."

"We are applying the success of Spotify to the wealth management industry. We are shifting the paradigm from ownership to access by providing companies such as Skandia with a turn-key solution," says Zaliia Gindullina Head of Business Development at Kidbrooke.

Why the Spotify model works for wealth management

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“We are applying the success of Spotify to the wealth management industry. We are shifting the paradigm from ownership to access by providing companies such as Skandia with a turn-key solution,” says Zaliia Gindullina Head of Business Development at Kidbrooke.
As wealth management firms move towards cutting out the middlemen, a trend already seen in the travel and music industries, dozens of companies in Stockholm are poised to break the mould.

Alongside firms like Tessin and Lysa is Kidbrooke, a company founded in London before moving the headquarters to the buzzing Stockholm FinTech scene.

And business is booming: in Summer 2020 the major Swedish financial services corporation Skandia released a new pension advisory tool running on Kidbrooke’s backend. The system crunches users’ numbers before providing near-instantaneous bespoke financial advice.

“We are applying the success of Spotify to the wealth management industry. We are shifting the paradigm from ownership to access by providing companies such as Skandia with a turn-key solution”, says Zaliia. When working with Skandia, the expectations to provide excellent quality of services were high. Kidbrooke and Skandia spent about 4 months seamlessly integrating the APIs with incumbent infrastructure and frontend.

The challenges in this type of collaboration lie not only in the legacy IT systems of large financial providers, but also in the requirements of complex decision-making structures involving teams responsible for compliance, user experience, marketing, frontend and backend development. The success of a project depends on how well a company like Kidbrooke and the customer can manage these complex decision-making processes in close collaboration with the stakeholders.

She is convinced that Kidbrooke would have found it more difficult to establish their model outside of Sweden. However, as the firm now has proof of concept, it plans to re-enter the UK market while maintaining Stockholm as its headquarters.

The company’s strategy is supported by a wider move to digital services: 60% of wealth management clients already prefer digital channels for receiving advice, whereas only 34% of wealth managers favour giving advice digitally. And it’s a growing market, stretching far beyond the super-rich as more and more people worldwide seek savvy wealth management solutions.

“A large part of the industry has simply become complacent, spoiled by traditionally high margins and little outside competition. However, it is now clear that it is time to wake up for the traditional wealth managers if they hope to take advantage of the customer bases they have accumulated over the years. We think that collaboration with wealth managers is more likely to yield the most significant impact of technological innovation rather than going against them. The only thing that is needed is the willingness to adapt to new customer demands”, says Zaliia.

Early adopters like Skandia can gain a competitive advantage by adopting digital processes early on while other companies are still debating whether they should embrace digital transformation. Customer needs have already changed; the wealth management industry will follow.

Since I joined my partner in Sweden and first learned about WealthTech, I saw opportunities for reinventing the sector well beyond digitization. Having implemented similar solutions for a bank and an insurer, our team realized that consulting was not scalable enough to make a real impact on the industry. Instead, we decided to offer turnkey solutions that would enable our technology to reach considerably more end-customers. Implementing our APIs with our first customers has been a challenging but rewarding journey so far.”

Zaliia Gindullina Kidbrooke
If you’re a startup searching the globe for the best place to set up shop, Stockholm should top your list. Stockholm offers startups, scaleups, and investors many things they won’t find in large cities like London, Beijing, or New York.

Access to the tech ecosystem is unparalleled in Stockholm. Networking is made simple through a wide range of events, conferences, and meetups, which are typically found in the city centre and accessible by public transport. A truly international atmosphere, combined with distinct lack of hierarchies, open up a wealth of career and financing opportunities. What’s more, our famous work-life balance and popular international schools make the city a great place to raise a family.
Here are some key players in tech:

**Antler**  
www.antler.co

With hubs in Europe, Asia-Pacific, North America and Africa, Antler offers guidance and funding for individuals interested in becoming a startup. Antler breaks the barriers to entrepreneurship by providing funding from day one and building strong teams from the ground up, while enabling founders to rapidly launch and scale their ideas.

**Epicenter**  
https://weareepicenter.com

Epicenter runs innovation labs, hackathons, ideathons and offers flexible workplaces, studios, meetings rooms as well as world-class workshops and international lectures all year long. It is famous for its voluntary radio-frequency identification (RFID) implants that enable members to unlock doors, access printers, and pay cashless at vending machines.

**Impact Hub**  
https://stockholm.impacthub.net

Impact Hub is the world’s largest community and accelerator for positive change. With 100+ locations across five continents, in more than 50 countries. Impact Hub builds community for impact at scale.

**NFT Ventures**  
www.nftventures.com

NFT Ventures primarily focuses on FinTech and works with established startups with strong, scalable concepts and dedicated teams. With offices in Stockholm, Helsinki and London, NFT is active across Northern European markets. Through its partnership network, they also help entrepreneurs to grow locally and expand further.

**Mastercard Lighthouse Program**  
www.mclighthouse.com

A joint effort between Mastercard and NFT Ventures to put their partnership values into practice. Lighthouse program is a collaboration platform that fosters symbiotic growth between banks, FinTechs and Mastercard. The program takes place over three workshops that exist to bring partnership projects to life. The partnerships that make the most progress will be invited to continue the program and the company that makes the greatest improvement overall will be declared the program winner.

**Norrsken House**  
www.norrskenhouse.org

Norrsken House is Europe’s biggest tech hub dedicated to social impact and houses people with the vision to change the world. Norrsken is an ecosystem consisting of Norrsken House, a co-working space for over 350 impact entrepreneurs in Stockholm, and seed fund Norrsken Founders Fund which invests in companies with the potential to radically improve the world.

**Startup Sweden**  
www.startupsweden.com

Startup Sweden is a boot camp arranged by the Swedish Agency for Economic and Regional Growth (Tillväxtverket). It offers digital startups across all industries the opportunity to work on their business development skills and get tailored business and legal coaching as well as unique access to the Stockholm startup community and network.

**Sting**  
https://sting.co

Sting has been around since 2002, supporting hundreds of promising Stockholm-based startups. Named the Best Accelerator in the Nordics, and the Main Runway for Startups in Stockholm, Sting offers coaching from top entrepreneurs and ex-venture capital investors, support from Sweden’s largest startup recruitment service, free office space and a worldwide network of early-stage investors and partners.
SUP46
http://sup46.com
Startup hub SUP46 was founded in 2013 to gather the startup community. Located in the heart of Stockholm, it is home to more than 60 startups and a natural meeting place for the startup community. Members are cherry-picked and offered funding, mentorship and co-working space.

Wellstreet
www.wellstreet.se
Wellstreet builds sustainable and profitable tech companies for a better tomorrow. The Factory, a 14,000+ sqm glass building in Sollentuna, is another endeavor by Wellstreet striving to become the biggest innovation and tech hub in the Nordics. Wellstreet has strategic partnerships with Google for startups as well as with AWS to build the next generation of Fintech.

WeWork
www.wework.com
In 2019, the American community platform WeWork, the leading provider of shared office space around the globe opened its doors at the newly renovated property Urban Escape in Stockholm, offering office, education, mentorship and community space for 1,000 future members.

Sthlm FinTech Week
https://sthlmFinTechweek.com
Sthlm FinTech Week is an independent initiative and the largest annual FinTech event in Sweden, which gathers the community and serves the purpose of sharing knowledge and experience. It acts as an umbrella that collects the fragmented initiatives within the FinTech community.
What are individuals from the Stockholm FinTech ecosystem saying about it?

“Stockholm has lots of good peers, and a vibrant and knowledgeable FinTech scene concentrated in a smaller geographical area than some other tech hubs in capitals. Stockholm is good for networking and there’s a great sense of collaboration.”

Ester Sundström, Deloitte

“Stockholm has a good infrastructure for startups and good social security, which makes investment cheaper.”

Númi Östlund, AidHedge

“Stockholm is an international leader in design, technology and gender equality—and a critical node connecting the Nordics & Baltics to the rest of the world. From the days when Securitas partnered with Swedish banks to produce the world’s first connected ATMs to today’s P27 initiative [another world first], we see an ecosystem where banks understand their limitations and default to collaboration as a way forward. We believe that this culture will continue to bring FinTechs and other partnership specialists into the spotlight.”

Jay Jensen, Invenio Growth

“Stockholm offers access to impressive FinTech and tech expertise. The infrastructure allows individuals to take business risks without risking their personal livelihood. Be prepared to compete for talent and funding. There’s a growing ecosystem with events and opportunities to meet and network, as well as find great partnerships.”


“We’d definitely recommend to anyone to start a FinTech company in Stockholm, primarily because of the access to talent and ease of doing business. The ecosystem is gradually growing and gives a great starting boost to grow a solid company with global reach.”

Nikos Patsiogiannis, norbloc

“It is easy to find talent and advisors to help you kickstart business here. Stockholm probably has the best fall back system in the world, so if you fail starting a company here you will be taken care of.”

Hamed MP, Finna

“Stockholm is booming. The FinTech playground is growing and new players are coming up all the time. There’s a huge interest from investors as well.”

Hanna Johansson, Revolut
Thinking of starting up in Stockholm?

Agencies and resources you should know about when you begin your adventure in Stockholm:

**Almi**
www.almi.se

Owned by the Swedish government, Almi offers loan and advisory services.

**Bolagsverket**
www.bolagsverket.se

The Swedish Companies Registration Office can help register your company name, in case you seek to protect it.

**Business Sweden**
www.business-sweden.se

Business Sweden is jointly owned by the Swedish Government and Swedish industry. It helps Swedish companies grow global sales and international companies to invest and expand in Sweden.

**Finansinspektionen**
www.fi.se/en/fs-innovation-center

A point of contact for FinTech companies intending to provide innovative financial services in Sweden. The centre provides seminars, events and participates in innovation activities across the Financial Sector. Furthermore, the centre can provide initial guidance on cooperation with Swedish and foreign government authorities.

**Findec**
https://findec.co

Findec is the Swedish hub for FinTech, including RegTech and InsurTech, with the mission to boost the ecosystem. The community currently has over 150 members – from early stage to fast-growing scale-ups. Findec is a private initiative and a non-profit organization funded mainly by business partners and supporting organizations. Among all its activities, in partnership with PwC Findec runs a growth program – “The Bonfire”.

**Invest Stockholm**
www.investstockholm.com

Invest Stockholm is the official investment promotion agency of Stockholm, owned by the city of Stockholm. We provide information and advice for companies wanting to establish a new business in the region, as well as for companies wanting to expand an existing business. We assist investors to identify relevant investment opportunities within the region.

**Move to Stockholm**
www.movetostockholm.com

This guide offers you tons of useful information and listings of things to consider before, during and after you move to Stockholm.

**The Entrepreneur’s Guide to Stockholm**

This guide offers step-by-step help for starting a business, getting funding, finding a home or an office, attracting and recruiting talent, and networking opportunities.

**Skatteverket**
www.skatteverket.se

One of the most important agencies is the Swedish Tax Agency. Skatteverket would also be the first point of contact in registering your entity.

**Swedish FinTech Association**
www.swefinTech.se

It aims to develop a well-functioning FinTech market by initiating meetings and cooperation with relevant officials, authorities, agencies, politicians and other business organizations.

**Verksamt**
www.verksamt.se

A collaboration among several Swedish government agencies, this one-stop-shop aims to provide information across most of the practicalities in setting up a business here.
"A strong LegalTech ecosystem in Sweden will have a positive effect on the regional FinTech sector as well, in terms of making it easier and more efficient for it to prosper", says Karola Xenia Kassai, founder and CEO at KassaiLaw.

Redefining Legal Services for Swedish FinTech

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“While reviewing different locations for our second HQ, I felt that being a female CEO of a law firm exclusively working with high tech and financial entities might not raise eyebrows in Sweden. This has not been so obvious in other locations.”
Innovation in the legal services leads to unique opportunities for FinTech companies

As the FinTech revolution takes place behind closed doors it impacts more industries than initially anticipated. Legal services will be next in line to be disrupted, even if some actors refuse to recognize this threat yet.”

Karola Xenia Kassai KassaiLaw

When Karola Xenia Kassai launched KassaiLaw in Budapest in 2012, aside from implementing the principle of digital by default into a traditional industry, she also embraced a unique philosophy: lawyers with entrepreneurial mindset. Despite the challenges posed by the Covid-19 pandemic, her company is continuing to grow and she has just incorporated a second HQ in Stockholm. The Swedish capital was an obvious choice for Karola due to its innovation-leadership status in Europe, entrepreneur-friendly environment, gender equality, and her great memories from previous visits.

The innovative nature of many new digital projects forces companies to navigate a set of complex, often contradictory and incomplete regulatory frameworks with hardly any established practices available. For the 380+ FinTech companies in Sweden, many of which have very small fraud and compliance teams, dealing with an ever-changing legal background is daunting to say the least. This is where the entrepreneurial lawyers at KassaiLaw step in. What’s more, the EU-wide harmonisation of regulations for financial services means the company can apply an innovative approach that is not wedded to a single territory.

FinTech companies need strong partners that truly understand the project dynamics and can work in an agile, customer-focused and solution-oriented way. KassaiLaw’s mission is to support FinTech companies on this road. Karola’s experience shows that law firms need to make an effort to truly comprehend the reality of their clients. The lawyers at KassaiLaw took programming courses, volunteered during Sthlm FinTech Week and have been mentoring FinTech start-ups in order to get an understanding of the practical challenges on the frontlines. Providing clear answers to what FinTechs can and can’t do might be difficult but KassaiLaw shows that it is possible and necessary. "Someone has to answer these questions for innovation to thrive", says Karola.

Besides the need for a changed mindset, Karola also believes that her industry must embrace LegalTech, for example by using artificial intelligence to manage a complex web of regulations. She notes however that many legal challenges in FinTech cannot yet be addressed through LegalTech solutions as their complexity often requires legal experts to read between the lines, balance national and European regulations, and provide case-by-case customized analyses.

KassaiLaw is in the right place to get the best out of LegalTech, a sector that has been on the rise across the Nordics for a few years. As an example of this, in early 2020 the Stockholm-based law firm Synch launched Synch Sandbox, a LegalTech incubator and accelerator to help the sector grow. This growth will eventually lead to lower costs and time spent on traditionally manual legal tasks. Artificial intelligence could help analyze and screen thousands of pages of legal documents within minutes, not hours and days. A strong LegalTech ecosystem in Sweden will have a positive effect on the regional FinTech sector as well, in terms of making it easier and more efficient for it to prosper.
Stockholm is where collaboration spells success

An increasingly popular route towards growth for FinTech companies is to seek partnerships with incumbent banks and other FinTechs. New and traditional financial services models are evolving as companies begin to collaborate rather than compete for market share.

PwC found that 82% of banks, insurers and asset managers intend to increase the number of partnerships they have with FinTech firms over the next three to five years.

This trend is bolstered by the fact that Swedish companies tend to be less hierarchical than companies in many other countries – this applies not only to internal organization but also when it comes to competing in the market.

This is evident in the many examples of where collaboration is trumping competition in the Stockholm FinTech ecosystem. In the three years since its banking products were first announced on stage at STHLM Tech Meetup, Minna Technologies has emerged as one of the most significant contributors to making subscription management easy with financial technology. The scaleup received in 2019 a €5.6 million Series A investment led by Zenith Group accompanied by Visa and Swedbank.

What are people saying about collaboration?

“Visa is a champion of FinTechs. We support them, partner with them and invest in them because we believe by working together we can deliver the next generation of payment solutions. This approach has led to us establishing partnerships with a wide range of European FinTech companies, from helping Minna to scale its platform to Visa’s European retail banking clients to helping Klarna bring secure, online commerce to many more consumers in Europe.”

Helene Pødsadni Nilsson Visa

“The competitive mindset has been replaced by a much more collaborative mindset. Banks are moving towards a competitive landscape and investing heavily in new user values and experiences to stay relevant.”

Joakim Sjöblom Minna Technologies

“In a rapidly changing market our role as a bank depends on us using new technology to improve the value proposition to our customers. Stockholm has a fantastic ecosystem of FinTechs which allows us to focus on building our own core processes and partnering with third party provider to improve the processes that we don’t want to build our self. Having so many FinTechs in one place makes it much easier for us to find new potential partners than having to search globally.”

Stefan Granlund Danske Bank

“Swish is a perfect example of collaboration in competition, which has resulted in a successful innovation easing the life of millions. It’s a reflection of the inclusive business ecosystem that makes up Sweden.”

Anna-Lena Wretman Swish

“We don’t have centralised but rather very decentralised organizations in Sweden, which means you don’t have to go through different ceilings to work. Working and co-creating is pretty easy here.”

Paula Kjellin The Swedish Bankers’ Association
Where you can test your innovations

Test and demonstration environments, referred to as testbeds, are becoming increasingly important for the public and private sectors as goods and services are developed at a more rapid pace and they become increasingly complex.

Many think of Stockholm as a giant testbed to try out and test innovative new products. Government innovation agency Vinnova is working to strengthen the prospects for testbeds in Sweden. The aim is to inform more businesses and organizations, large and small, of the available environments.

The Swedish government launched Testbed Sweden in 2017 in cooperation with Vinnova and RISE Research Institutes of Sweden. The aim is to provide the necessary tools to meet societal challenges, enable cooperation between different sectors actors in society, and generate references for export and to attract investments.

Sweden ranks as the innovation leader in Europe followed by Denmark, Finland, Luxembourg and the Netherlands.

Source: European innovation scoreboard 2020

What are people saying about collaboration?

“Having a strong presence in Stockholm’s ecosystem of FinTechs is essential for us. By collaborating with FinTechs, we can implement new technology in our existing processes to make them more efficient and increase our time-to-market capabilities.”

Stefan Grandlund Danske Bank

“FinTech companies are becoming increasingly global. They can now build products that could be easily transferred to multiple markets simultaneously without having a local presence.”

Nikos Patsiogiannis norbloc

“Using Stockholm as a test market is a great way to see how fast you can grow. I think FinTech and tech markets can use Stockholm so much more. If you are a company that wants to test your product and services, I think Stockholm is a great place.”

Paula Kjellin The Swedish Bankers’ Association

“Sweden is considered a good environment for FinTechs and for trying out new products. Finansinspektionen offers information for and a dialogue with companies that want to pursue innovative business activities. Via our Innovation Center, we provide information and guidance – for example for companies that have innovative ideas and would like to progress towards introducing an innovation on the market.”

Per Nordkvist Finansinspektionen (Swedish Regulatory Authority)
Fraudsters have exploited the fact that law enforcement, traditional financial providers and FinTech ventures still do not have a pan-European regulatory framework for sharing information in order to combat financial crime. Apparently, even small concerted efforts of the Swedish FinTech sector have a significant impact on financial crime. Namely, shortly after a concerted effort of a few Swedish FinTech representatives to share ideas for improvement, the Police were able to shut down a narcotic dark market and identify more than 8,000 suspects. The Police stated that not a single FinTech actor had refused to cooperate. This is just one example of how crucial it is for us to leave our silos and seek new pathways for pursuing a common interest and understanding each others’ perspectives.

“Stockholm allows me to combine multiple passions in one place and it encourages me to retain an interdisciplinary approach to FinTech”, says Michal Gromek, founder at Gromek.
For Michal Gromek, collaboration is key. After moving from Berlin to Stockholm in 2014 he made it his mission to ensure that the city’s flourishing FinTech startups, scaleups and unicorns didn’t get trapped in silos that would hamper their growth.

Fortunately, Stockholm is a city that prides itself on innovation, openness and flat hierarchies, meaning that the barriers to communication across company lines are unusually low. In a recent Nordic InsurTech report co-authored by Michal, representatives from both sides of the aisle came up with a list of 84 different types of challenges they faced when collaborating on innovation projects.

From a FinTech startup perspective, these are the four challenges most frequently raised when dealing with established finance companies (aka incumbents):

1. Lack of a single point of contact to receive pitch decks, take meetings and answer questions
2. Black boxes of internal processes that make it difficult for startups to access information and documentation about required steps, documents and decision-making processes
3. Long turnover times between the first meeting and implementation including signing agreements, transfer of intellectual property and agreement on terms & conditions
4. Uncertainty about expectations from incumbents regarding required startup maturity before a partnership can be formed.

For incumbents these five challenges were deemed the most pressing:

1. Legacy systems and the difficulty of technical integration using new programming languages
2. Confusing technology with solutions as incumbents request FinTechs to wait for a partnership agreement until the core system has been replaced
3. Approved IT vendors, as framework agreements and ongoing SLAs make them hard to replace
4. Unclear mandates within the organization, as FinTech startups often require interdisciplinary collaboration, a range of mandates from different incumbent departments is necessary
5. Lack of communication with the ecosystem as incumbents work primarily with consultancy companies but yet rarely with FinTechs to solve their challenges.

The pressure to implement a portfolio of recent regulations such as MiFID II, PSD2 or the 5th AML Directive has forced FinTech companies to upgrade their compliance processes and has brought them closer towards traditional financial providers in terms of regulation and processes. This development has made FinTechs more attractive to work with for traditional financial providers as regulatory risk has steadily decreased.

As some of Michal’s engagements include the covering of the Nordic FinTech scene a contributor for Forbes.com, acting as a COO at a FinTech startup, co-founding of a FinTech innovation foundation, various keynote speaking and panel gigs, co-authoring and teaching at different business schools, he has a multifaceted and to an extent unique insight into the Swedish FinTech ecosystem. Although Michal is aware of and humble ahead of the many challenges that both the Swedish and international FinTech arenas are facing, his strong belief in collaboration, as one of the key success factors, is fueling his mission to bring and glue together different FinTech areas.

“

There is nothing more rewarding to me than to design and lead workshops with bank and insurance executives, law enforcement representatives, politicians or other decision-makers and see them experiencing eureka moments that lead to more collaboration with FinTechs. Triggering and seeing change and learning in action fills me with energy and it fills my heart with joy to see that we all take an active role in making the world a better, more sustainable and safer place”.

Michal Gromek Gromek
Initiatives and opportunities for scaleups

**Capgemini – ScaleUp Qualification Program**
www.capgemini.com

Capgemini offers innovation-as-a-service to traditional firms who are looking for FinTech partners. Supported by a ScaleUp Qualification program, Capgemini helps orchestrate the right partner ecosystem, enabling effective collaboration.

**Deloitte – Scouting Services**
www.deloitte.com

Deloitte has an international network within the FinTech ecosystem, including scouting services where they match needs and potential solutions between FinTechs and incumbent financial service providers.

**PwC – Future of Shopping**
www.pwc.se/future-of-shopping

PwC has launched a program to boost innovation and partnerships to build relevant ecosystems to solve challenges that the market is facing. The first two programs in Sweden – Future of Homes and Future of Health will be followed by Future of Shopping. This industry-wide program aims to attract interesting scaleups with sharp technologies to work together with corporates.

**SEB – Greenhouse**
https://seb.se/foretag/greenhouse

Greenhouse is SEB’s solution for entrepreneurs with ambitions to grow and develop their business (pre-requisite is SEK 10M in turnover and upwards). Greenhouse and bank advisors have set together with other cooperation partners a palette of events and scale-up programs to help and assist scaleups throughout the journey.

**Danske Bank – The Hub**
www.danskebank.com

The Hub is a free-of-charge community platform tailored to the needs of growth startups. Powered by Danske Bank, The Hub gives an overview of the Swedish and Nordic startup community by providing visibility to all Swedish startups. Via the platform, startups can get assistance with their recruitment of talent, connection with investors and access best practice tools, such as employment contracts and pitch decks.

**EIT Digital**
www.eitdigital.eu

EIT Digital enables European digital innovation and supports internationalization through collaboration activities. It drives digital transformation of the EU’s financial industry within retail banking, digital wealth management and modernized corporate banking and insurance. EIT Digital also provides education and skills and offers industrial doctorate student support. EIT Digital offers an international accelerator for innovative digital scaleups in the field of digital finance.

**Visa – Fast Track**
www.visa.com

Visa's Fast Track programme makes it easier for FinTechs to access Visa’s network and leverage their capabilities so they can grow their business. The program provides turnkey access to Visa’s ecosystem partners, online licensing, Visa’s APIs as well as extensive go-to-market toolkits, online education and expert advice to help FinTechs scale their business.

**Nasdaq First North**
www.nasdaqomxnordic.com

Nasdaq First North serves as an important growth platform, enabling Nordic and international entrepreneurs to access growth capital to develop and expand their businesses. Currently, more than 260 companies are traded. There is a well-functioning ecosystem surrounding Nasdaq First North, with advisers facilitating a smooth listing process and a range of investors supporting the market, from retail investors to institutional capital.
What are people saying about scaling up in Stockholm?

Many of SEB’s recent FinTech investments are much more than just an equity injection, it is also a close partnership. We dedicate teams for co-development, set joint strategic and operational milestones and support each other in the innovation of banking and financial services. We have for example collaborated in this way with PE Accounting, Tink and Capcito. In the best of worlds we have together created new and better solutions for our customers. The minority ownership from SEB Venture Capital is not a prerequisite for a close partnership with SEB, but it proves to be an important factor of speed and prioritization for both SEB and our companies.

Kristina Söderberg SEB Venture Capital

We understand the importance of having a strong startup scene both from an innovation and inspiration perspective but also creating new job opportunities, we therefore make sure that we as a banking partner provide the platforms to help startups scaling up by accessing our knowledge base and infrastructure when needed.

Stefan Granlund Danske Bank

Global expansion is a major theme nowadays. FinTech actors are quickly taking on new markets and further increasing competition with traditional banks.

Eli Daniel Keren P.F.C– Personal Finance Co.

The ecosystem is gradually growing and gives a great starting boost to grow a solid company with global reach. There’s a very advanced banking infrastructure, high levels of interpersonal trust and a willingness to collaborate between different players. Definitely an efficient location to expand from.

Nikos Patsiogiannis norbloc
Stockholm is where deal flow goes in the Nordics

The FinTech industry in the Nordics has shown strong growth in investments between 2015 and 2019. The level of investment increased from 180 MEUR in 2015 to over €1.1bn at the end of 2019.

Deal activity has also increased steadily during this period, peaking at 115 funding rounds in 2019 before slowing down in the first two quarters of 2020. In 2019, a record high amount of capital was invested, driven by a massive 418 MEUR funding round of Klarna, the Swedish digital payments and e-commerce unicorn.

FinTech investment in the region had a strong start in 2020 with 388 MEUR invested despite the overall negative economic impact caused by Covid-19. The funding came mainly from two deals completed by both Stockholm-based Klarna and Tink, an API provider for open banking.

FinTech investments in the Nordics, 2015 – Q1+Q2 2020 (M EUR, number of deals)

FinTech 2019 – Q2 2020

<table>
<thead>
<tr>
<th></th>
<th>Funding M EUR</th>
<th>Funding rounds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2020</td>
</tr>
<tr>
<td>Nordics</td>
<td>1,146</td>
<td>388</td>
</tr>
<tr>
<td>Sweden</td>
<td>898</td>
<td>325</td>
</tr>
<tr>
<td>Stockholm</td>
<td>894</td>
<td>315</td>
</tr>
</tbody>
</table>

Over half of FinTech deals in the Nordics since 2015 have been completed by Swedish companies. Although there has been a slight decline in deal activities, Sweden’s share of deal flow in the Nordics was at a stable level reaching 50-60% in 2019 and for the first two quarters of 2020. Stockholm continues to lead the way and accounts for between 85-90% of all FinTech deal activities in Sweden.

In 2019 Stockholm scaled FinTech investments to a new level. Based on the three-year average from 2017-2019, Stockholm ranks third with 382 MEUR after London (€2.8bn) and Berlin (689 MEUR) – despite a significantly lower number of inhabitants. This is unsurprising given the capital region’s tech-savvy population, which is quick to adopt new technologies and Sweden’s supportive government, which continuously invests over 3.3% of GDP in research and development efforts.

*Source: Startup Heatmap Europe
10 Top FinTech investments 2019

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Company</th>
<th>Investment (M EUR)</th>
<th>Round</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>Tink</td>
<td>56</td>
<td>Late VC</td>
</tr>
<tr>
<td></td>
<td>Bynk</td>
<td>48</td>
<td>Early VC</td>
</tr>
<tr>
<td>Q2</td>
<td>Lendify</td>
<td>144</td>
<td>Growth Equity</td>
</tr>
<tr>
<td></td>
<td>Klarna</td>
<td>84</td>
<td>Growth Equity</td>
</tr>
<tr>
<td></td>
<td>Tink</td>
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<tr>
<td>Q3</td>
<td>Klarna</td>
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<tr>
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<td>Lendify</td>
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</tr>
<tr>
<td></td>
<td>Mitigram</td>
<td>10</td>
<td>Early VC</td>
</tr>
<tr>
<td></td>
<td>Hedvig</td>
<td>9</td>
<td>Series A</td>
</tr>
<tr>
<td>Q4</td>
<td>Dream</td>
<td>9</td>
<td>Early VC</td>
</tr>
</tbody>
</table>

Five top FinTech investments in 2020 (Q1+Q2)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Company</th>
<th>Investment (M EUR)</th>
<th>Round</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>Klarna</td>
<td>170</td>
<td>Late VC</td>
</tr>
<tr>
<td></td>
<td>Tink</td>
<td>90</td>
<td>Late VC</td>
</tr>
<tr>
<td>Q2</td>
<td>Anyfin</td>
<td>25</td>
<td>Series B</td>
</tr>
<tr>
<td></td>
<td>Lendify</td>
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</tr>
<tr>
<td></td>
<td>Insurello</td>
<td>6</td>
<td>Early VC</td>
</tr>
</tbody>
</table>

The top 10 FinTech deals in Stockholm collectively raised 806 MEUR in funding, which accounts for nearly 90% of total capital raised by FinTech companies in Sweden during 2019.

Stockholm FinTech investments per funding stages 2019 – Q2 2020

![Chart showing investments per funding stage]

In 2019 investment activity included a broad range of stages from seed to Series C and beyond. In 2020, however, investments have focussed on large, later-stage deals. The decline in early-stage deals was most probably caused by the economic uncer-
tainty amid the Covid-19 pandemic.

With Stockholm being the FinTech hub in the Nordics, it’s worthwhile to dive deeper into the ecosystem and understand which categories have been driving Sweden’s FinTech growth. According to our investment review, categories such as Payments & Transfer, Wealth & Cash Management and Capital Debt & Equity have been dominating the FinTech scene since 2015. In 2019 and for the first two quarters of 2020, they were responsible for 96% of all FinTech deals in the country.

Once again, an extremely tech-savvy population with well-developed digital infrastructure forces businesses to be present in all digital channels with a more engaging customer experience than before. Such trends can in particular be spotted in the categories where many startups develop products to help financial providers access digital channels.

When excluding Klarna’s recent massive rounds, other interesting insights can be derived from the analysis. Wealth & Cash Management advances to be the category that accounts for 36% of all investments in Sweden. This may be explained by a growing pool of wealth in Sweden that is to a certain extent derived from the technology and telecommunications sectors. This may imply that many Swedes are comfortable using digital wealth management services.
The Covid-19 pandemic has disrupted the FinTech industry’s growth journey by putting digitalization and financial efficiency in a new perspective. The market is rapidly turning to cloud-based solutions allowing people to work from home, personal finance apps supporting people experiencing financial difficulties, and alternative credit solutions enabling small enterprises to continue their operations. As a result, the FinTech industry is facing an increasing demand for its services.

Johan Lundberg  
NFT Ventures

If you invest in the right company the return of investment could be fantastic, there are several examples of that from the Stockholm region. The challenges are mainly within housing and public transport. The opportunities are high in all kinds of business with a fast growing population.

Göran Almgren  
Enigio Time

FinTech is on the verge of breaking out globally. Companies that started four or five years ago are starting to see real mainstream growth. This will drive a whole new wave of interest in the FinTech sector in the coming years.

Andres Sehr  
Hedvig

As a super-active early-stage investor, we have been part of creating successes like Tibber, DanAds, Regily, Scrive, and roughly 30 more. By investing in companies that have a net positive impact in their value chain, we drive the development step by step in the right direction. We have proven that when using technology and digitization to enhance value propositions and disrupt verticals you can build both financially as well as environmentally sustainable companies.

Armando Coppola  
Wellstreet
Where equality, diversity and inclusion are valued

In the next ten years, I want half of Stockholm’s unicorn companies to be created by women. It would be great to have a female Prime Minister in Sweden and to see more female leaders in the business community, as well as female innovators.

Anna König Jerlmyr Mayor of Stockholm

Women in FinTech Network
www.wiftn.com

WIFN was born out of an initiative in Stockholm to help girls break through glass roofs in their career. The goal is a 50/50 gender distribution, increased diversity, inclusion and better working culture within FinTech in Sweden and internationally. WIFN is a non-profit membership organisation and provides a platform for women to share experiences and knowledge to promote equality of opportunity, reward, and professional mobility. Activities include seminars, podcasts, and a mentorship program.

Femininvest
www.femininvest.nu

Femininvest is a new investor network for women. Its purpose is to promote women’s ownership and influence on the stock market. In the long run, more active female shareholders lead to increased influence for women in companies and in society, and to a more equitable stock market. Other gains are a more diversified ownership structure for companies and a stronger private economy for women.

SweBlocks Academy
www.sweblocksacademy.com

SweBlocks Academy is an education platform with a focus on decreasing the gender gap in the blockchain and cryptocurrency space. Its educational platform is the first in Sweden to offer content with a focus on practical use cases from the industry. SweBlocks Academy is primarily run by women for women and organises regular workshops, meetups, and lunch & learns.

SmartCoding
www.smartcoding.se

With support from Stockholm-based companies, such as FinTech unicorn Klarna, Nordea Bank, and gaming company MRG Gametek, SmartCoding offers evening programming courses for women of different ages who desire to become developers based on the ‘ultra learning’ teaching method.
Reasons to invest in Stockholm

**The largest market in the Nordics**
In the rapidly growing FinTech sector of the Nordic region, Sweden spearheads the industry ahead of its Scandinavian neighbours. According to the Nordic Tech List, Swedish FinTech companies locked in more than 50% of the total invested FinTech capital in the Nordic region in 2018.

**80% of Stockholmers own a smartphone**
Swedish consumers are among the most tech savvy in the world. Sweden is third on the list of countries by smartphone penetration with 80% of the population owning a smartphone.

**Big spender on R&D**
More than any other European nation so that the world’s most innovative tech companies continue to view Sweden as a place to be at the forefront of technology.

**One of the best business climates in the world**
Our well educated population has access to free education and this gives entrepreneurs the start they need. Our generous social security system makes sure they dare to be creative and take risks. This, in combination with political stability and long term economic growth provide Stockholm with the best business climate in the world.

**40% of Stockholmers have a degree**
Stockholm has a highly skilled workforce. More than 40% of the population has a bachelor’s degree or more. Stockholm is in fourth place in the Times Higher Education World University Ranking.

**80% of Swedish citizens use digital services**
According to the UN, more than 80% of Swedish citizens use e-government services. Sweden ranks among the top 10 countries in e-government development. In addition, 94% of its population is connected to the internet. This high rate of connectivity allows practically everyone to use digital services.

**Third best in the world at English**
Sweden ranks third of 72 countries around the world in the world’s largest ranking of English skills as a second language.

**Low corporate taxes**
Sweden has amongst the lowest corporate taxes at 21.4% and there are no local taxes for companies. The corporate tax rate will be further lowered to 20.6% in 2022.

**R&D Incentives**
Sweden has implemented an incentive to stimulate R&D activities. The incentive works as a deduction of the monthly employer cost and directly lowers labor costs.

**Solid infrastructure**
Stockholm is one of the world’s premier regions for information and communications technology (ICT) in terms of both technological development and use. The world’s first ever 4G network was brought online here in 2009. Stockholm enjoys 100% broadband coverage, both fixed and mobile. Our network is the world’s largest open-fibre network. Built and maintained by Stokab, and owned by the City of Stockholm, the network stretches the equivalent of more than 30 times around the earth.
As over 90% of Swedish FinTech founders are men, you do not have to be a rocket scientist to realize that we have a long way to go as a society. However, Stockholm is a brilliant place to enable that change. After running our programs for almost three years, we finally understand the challenge and what can be done to address it.”

“Using its innovative approach, SmartCoding takes the fear out of coding. Crucially, it connects graduates directly with companies looking for talent”, says Despina Stamkou, co-founder at SmartCoding.

Stockholm code school means business about closing the gender gap

Stockholmer FinTech Stories:

<table>
<thead>
<tr>
<th>NAME</th>
<th>Despina Stamkou</th>
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</thead>
<tbody>
<tr>
<td>TITLE</td>
<td>Co-founder</td>
</tr>
<tr>
<td>COMPANY</td>
<td>SmartCoding</td>
</tr>
<tr>
<td>IN STHLM SINCE</td>
<td>2010</td>
</tr>
<tr>
<td>MOVED FROM</td>
<td>Athens</td>
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</table>

“As over 90% of Swedish FinTech founders are men, you do not have to be a rocket scientist to realize that we have a long way to go as a society. However, Stockholm is a brilliant place to enable that change. After running our programs for almost three years, we finally understand the challenge and what can be done to address it.”
A tool for women to overcome career challenges

I moved to Stockholm because I wanted to balance being an executive in a technology company, help women start careers in programming, start a family and create an impact-based company that closes the gender gap in IT. In order to come closer to our mission, SmartCoding received support from multiple companies, such as Klarna and Nordea Bank. As there is significant support for diversity initiatives in Stockholm. I hope our venture will be obsolete when my daughter is older, but we have a long way to go.”

Despina Stamkou
SmartCoding

For decades women have been underrepresented in technology roles. Post-corona economic recovery strategies might be a good opportunity for the tech industry to embrace gender diversity due to the current shortage of women in tech.

This best-case scenario would be a dream come true for Despina Stamkou, who has made it her mission to help women launch careers in the IT sector.

With a 23-year international career in tech and at least five million lines of code under her belt, Despina is well equipped to help job seekers and technology firms find a mutually beneficial pathway to a better gender balance.

As with all tech and innovation-driven verticals, FinTech’s success is highly dependent on the supply of a high number of qualified developers. Even though tech teams rarely hit the headlines, they play a crucial role in developing the software we all take for granted.

Despina and her co-founder Margareta Kowalska were frustrated after attending multiple gender-diversity conferences in 2017. The industry talked a lot about diversity, but the real action was in short supply. With the financial support of Stockholm’s FinTech unicorn Klarna, alongside Nordea Bank and gaming company MRG Gametek, SmartCoding began offering evening programming courses for women. The tutors are practitioners and active developers in the FinTech industry. The courses are based on the ultralearning method which is a practice-based and solution-oriented method that allows participants to make progress within a very short amount of time.

Applicants can choose between a beginner or junior level depending on their prior knowledge of programming.

After completion of a 12-week junior developer course, SmartCoding supports each graduate with an IT career development program. The program consists of an internship at an established company or a startup, which is usually followed by a full-time job offer by the same venture. During the course, tutors guide the students who solve practical programming challenges while working on real-life IT projects, presented by regional startups, and using established dev processes.

Participants include women who have recently arrived in Sweden, with different backgrounds – lawyers, translators and PhD graduates. More than 80% of graduates have already found either an internship or employment.

Despina is proud of what she and Margareta have accomplished so far: “We are preparing for our fifth course starting in September 2020. We know the whole struggle with looking for a job in a new country and we see SmartCoding as a tool for women to overcome career challenges. Because of the current pandemic, those might be even bigger than usual. We have proven that our model works in Stockholm. We are looking forward to bringing our courses to other locations in the future.”

Using its innovative approach, SmartCoding takes the fear out of coding. Crucially, it connects graduates directly with companies looking for talent.
Stockholm is where great things are happening

**Sweden Demo Day**, the country’s largest unconference – a meeting designed by its participants. It is designed to connect the startup ecosystem and address the most pressing issues startup founders face.

**Money for the People** is a Stockholm initiative in support of the UN75 anniversary. In a time of significant disruption caused by Covid19, the team is dedicated to teaching individuals to use the power of decentralized blockchain technology to increase individuals’ understanding of the financial system.

**FinTechopedia** is an initiative of the Innobridge tech foundation where FinTech thought leaders share their key learnings from their entrepreneurial journeys. It helps individuals who are looking to launch companies avoid making the same mistakes and follow well-established best practices. The series is action-focused and drills down to the details that matter.

From 14-15 of October 2020, industry leaders will come together to discuss ‘Measures against money laundering and other financial crime’. The goal is to foster stronger collaboration between leaders across the FinTech ecosystem.

**Sthlm FinTech Week** will return in February 2021 to host industry leaders during multiple deep-dive verticals and bring hundreds of enthusiasts together to discuss and resolve the biggest FinTech challenges.

**Care of Business** is a platform for entrepreneurs who moved to Sweden from outside the EU. The main goal is to support entrepreneurs that came to Sweden for humanitarian reasons. The program is hosted by Impact Hub Stockholm and helps early-stage founders understand Swedish business culture, build their network & gain customers.

“The FinTech sector in Stockholm has developed at lightning speed. A key focus for us now is to ensure that the city continues to foster an attractive ecosystem where innovative startups can get the investment and talent they need to thrive.”

**Hans Aspgren** CEO, Invest Stockholm
Stockholm is leading the way within sustainable finance with a wide range of initiatives such as the Stockholm Sustainable Finance Centre (SSFC), a unique initiative by the Government of Sweden, Stockholm Environment Institute and Stockholm School of Economics. Together with Stockholm Green Digital Finance, SSFC aims to accelerate and promote the shift in capital investments required to deliver the Sustainable Development Goals (SDGs) and climate targets by combining research, education, and innovation on levels of sustainability, economics, finance and new technologies.

Other leading actors in the sustainable finance space are SEB and Nordea. SEB is one of the largest institutional investors in the Nordic region with a considerable amount of assets under management for private, corporate and institutional clients. They invest in businesses that actively manage the environmental, social and governance aspects of their business. Nordea enables the transition towards a sustainable future through awareness and also products such as Stars Funds, a Climate and Environmental Fund, green bonds and green loans.

Mastercard’s Lighthouse MASSIV program is open to all tech social impact scale-ups in the Nordics and Baltics. The program has the primary focus on impact companies, which have fully functional teams and are capable of entering partnerships and scaling globally with the help from advisors, MasterCard, banks and other major organizations in the program.

+impact is a cost-free platform where purpose-driven startups share their challenges with experts and get the advice they need. The platform is fostered by Danske Bank’s wish to support impact startups and make it easier for them to create positive change in the world.
“FinTech is more than just services for intermediaries; it offers new solutions to the traditional production industry that Sweden is famous for”, says Henrik Roosna, Co-Founder at Fairown Finance.

Innovative FinTech solutions fuel subscription model growth
I previously co-led the introduction of subscriptions for products at Apple. We learned that approximately one-third of our customers chose to pay a monthly fee instead of buying the product during the checkout process. We leveraged this success story and applied similar logic to other products which are used for a limited time and do not significantly deteriorate in value.”

Hendrik Roosna  Fairown Finance

Thanks to new FinTech developments in online payments and e-identification solutions, the subscription economy is on the rise in the Nordics. Traditionally people have paid monthly fees for home deliveries of daily newspapers or milk, or for landline phone subscription plans. Fast forward to 2020 and as many as a third of Apple users in the Nordics choose to pay a monthly subscription fee with upgrade options instead of owning their devices outright.

As a former co-lead of the subscription-based checkout for Apple products in the Nordics, Hendrik Roosna knew all about this trend before striking out on his own to set up Fairown. His company now helps others replicate the success of pioneers of the subscription economy such as Netflix and Spotify. And two years after opening the company headquarters in Tallinn, Hendrik identified Stockholm as the ideal location for a Northern Europe hub.

Success has come quickly. The German power tool enterprise Stihl was one of the first companies to partner with Fairown to offer its products by subscription, and the firm has subsequently teamed up with multiple businesses in sectors as diverse as IT and fashion.

FinTech is more than just services for intermediaries; it offers new solutions to the traditional production industry that Sweden is famous for.

While Fairown provides a simple and straightforward process for the end-user, it has developed sophisticated systems to underpin its services. When the customer checks out, Fairown initiates an unsecured loan agreement with a Swedish consumer bank so the seller is paid immediately.

Subscription-based business models like Fairown’s not only have financial benefits for manufacturers and their customers, they also provide a clear pathway to the circular economy for the manufacturing sector; subscriptions incentivize manufacturers to produce long-lasting products that can be effectively reused or recycled. The model also caters to customer needs more effectively by allowing users to replace their devices regularly, or to buy or lease discounted refurbished devices.

As subscription-based businesses flourish worldwide, the model is increasingly attracting positive attention from authorities and investors alike. Meanwhile, Fairown’s success highlights the value of being able to leverage the expertise and networks that Stockholm has to offer as well as a business-friendly environment that fosters fast growth.

The entrance of Fairown to Sweden is proof that our ecosystem provides a well-developed digital infrastructure which is ready for new financial solutions and distribution channels. Sweden has been able to build a high level of trust with FinTech companies from the Baltics. Our mobile payment and e-identification systems are widely adopted and provide a great foundation for innovative ventures to expand to our country.

Jenny Berthling
FinTech, Invest Stockholm
Interested in knowing more or exploring this region further? get in touch!

Invest Stockholm

Invest Stockholm is the official investment promotion agency of Stockholm, owned by the City of Stockholm. The Stockholm region covers 56 municipalities and attracts more than 50% of the total foreign direct investments into Sweden. Our team will provide tailor-made information and advice for companies wanting to establish a new business in the region, as well as for companies wanting to expand an existing business. For investors we assist you to identify relevant investment opportunities within the region.

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