



INNOVATION ISLAND SERIES



TECHIRELAND

FINTECH REPORT 2021



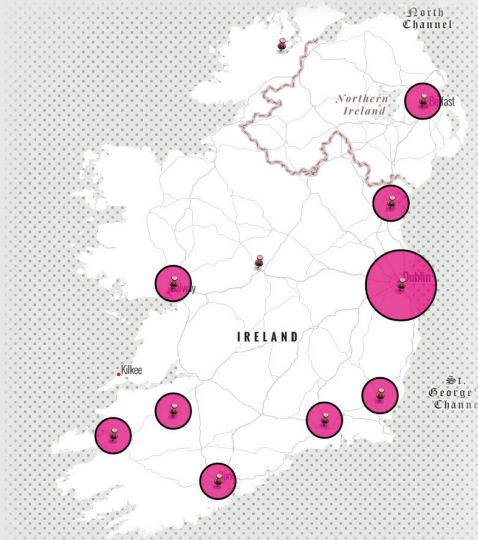
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FINTECH CLUSTERS ON THE ISLAND

FOR INTERACTIVE MAP [CLICK HERE](#)



249

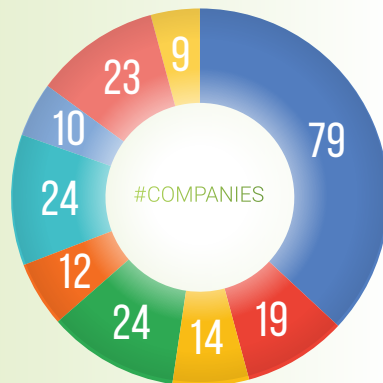
COMPANIES

EXITS 28 ACQUISITIONS 25 AND 3 IPOs

Jobs	Total Historical Funding	Female Founded	New Startups since 2018
13,500	€1.19B	31	24

FINTECH SUB-SECTORS

- Payments
- RegTech
- Insurance
- Funds & Trading
- FinOps
- Banking
- Credit/Lending
- Blockchain
- Foreign Exchange



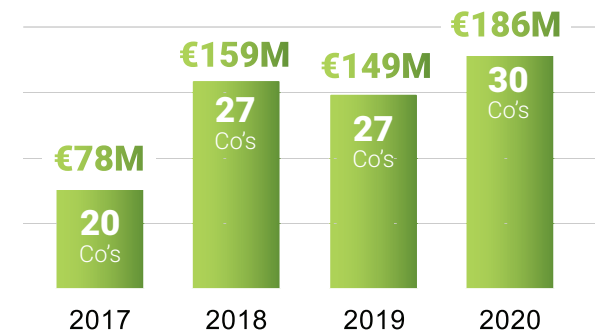
REGIONS 77
FEMALE LED 31

FUNDING TRENDS

REGIONS 6.1K

REGIONS €120M

REGIONS 8%
FEMALE LED 29%



FINTECH ECOSYSTEM

TOP FUNDED FINTECHS



TOP EMPLOYERS



FINTECH MULTINATIONALS



[VIEW ALL HERE](#)
[CLICK](#)

FINTECH COURSES @



COMMUNITIES & HUBS



Note: This is not an exhaustive list, please email us for more information.

INTRODUCTION

TechIreland's database features 249 indigenous FinTech businesses and in addition over forty fintech multinationals, including some of the largest names in the sector. While Dublin is the main hub, a third are located outside Dublin, with operations spread throughout Ireland.

FinTech is one of our three most important tech sectors, along with Enterprise Software and Health Tech.

Our vibrant FinTech ecosystem boasts of some great success stories like Fexco, Fenargo, Taxback, TransferMate and Ireland is home to multinationals like Stripe, Paypal and Mastercard.

Ireland and Northern Ireland have a unique opportunity to build on the changes to the European FinTech sector post Brexit.

Covid hasn't dampened the sector. Irish FinTechs raised more than

COVID HASN'T DAMPENED THE SECTOR. IRISH FINTECHS RAISED MORE THAN €200 MILLION IN THE FIRST HALF OF THIS YEAR, UP FROM €70 MILLION IN THE SAME PERIOD LAST YEAR.

€200 million in the first half of this year, up from €70 million in the same period last year. At least ten FinTechs have already raised significant investments this year, and Fenargo became a unicorn!

Our FinTech sector is well diversified, with some strong clusters emerging. There are more than 70 payments businesses, over 23 Blockchain-based, and at least twenty that we've tagged as 'Banking' on our database.

This report, the latest in our Innovation Island series, provides insights from some of the leading experts in the sector. Thanks to Anna Scally of KPMG, Karl Ahern of Fexco, Hilary Mahon of The FinTech Corridor, Chris Gregg of LightYear, Patrick Pinschmidt of NadiFin Accelerator, Mike Brennan of Finch Capital and Cormac Quinn of LoyalBe for their contributions.

Thanks also to Fexco, our FinTech partners for the support and to our Foundation Partners - Enterprise Ireland, IDA Ireland, Google and InterTradelreland for supporting our work. If you are seeking to connect with the FinTech sector here, we are always happy to help.

JOHN O'DEA
TechIreland



TECHIRELAND'S INTERACTIVE FINTECH MAP

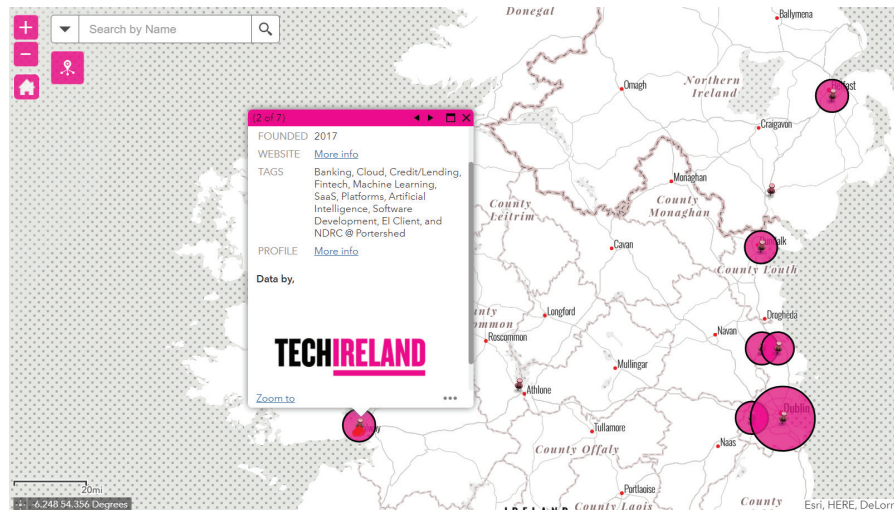
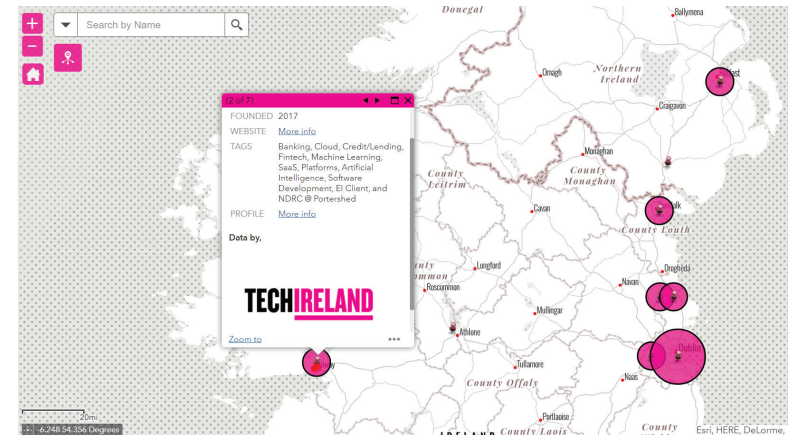
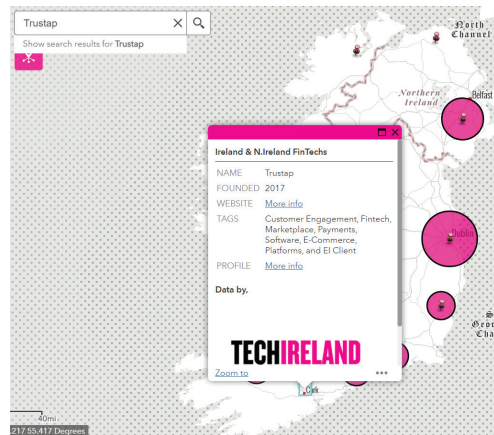
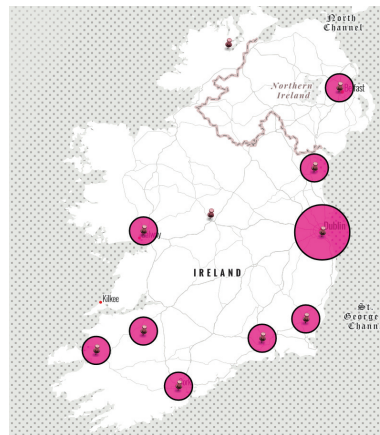
Go to
TechIreland's Interactive FinTech Map
[Click here](#)

Zoom into cluster bubbles to view companies and popups.

Popups provide links to Company websites and TechIreland profiles.

This map is supported by TechIreland's data, companies Acquired or No Longer Active are not displayed here.

For heat maps based on jobs, funding raised, founder diversity, sub domains, [email us](mailto:info@techireland.com).





LIVELY START TO THE YEAR FOR THE FINTECH SECTOR

**IN H1 2021,
TECHIRELAND'S DATA
SHOWS AT LEAST €200
M INVESTED IN 10 IRISH
FINTECH COMPANIES**

Fintech got off to a very lively start in H1 2021, TechIreland's data shows at least €200 M invested in 10 Irish FinTech companies and another two very significant transactions in the market.

In terms of fundraising, Carne Group, the digitally driven platform

for the asset management industry raised €100 M in growth equity from Vitruvian Partners, who were advised by our Deal Advisory team. Wayflyer, who provides finance for merchants and other partners to accelerate their growth over the internet, raised €62 M to aid its expansion. Brightflag, which offers a legal spend management solution, raised €22.5 M and Accounts IQ and Assure Hedge raised €5.8 M and €5 M respectively.

But it wasn't just fundraising which made the headlines. Fenergo, the regtech company which is the leading provider of Know-Your-Customer

(KYC) and Client Lifecycle Management (CLM) software solutions for financial institutions, was involved in a very significant buyout by PE firms Astorg and Bridgepoint. This transaction helped jump Fenergo's valuation up to unicorn status. Indeed, investor interest in regtech is particularly strong right now, and it's only expected to grow over the next few years given the changing regulations in financial services.

In addition, Taxamo which is focussed on-helping clients meet their global tax compliance obligations, became part of the Vertex group in a \$200 M transaction.

Most FinTechs in Ireland are globally focussed, making them very attractive to global investors. We can see that from the foreign acquirers who have spotted real quality Irish fintechs and sought a piece of the action either through the provision of funds, or through acquisition. Attracting serious finance from Irish and foreign VC's is imperative for Irish FinTech companies if they are to continue to grow and scale internationally. And we need to continue to showcase the best of Irish fintech companies to



ANNA SCALLY
KPMG

ensure that they are supported to enable them to grow and compete internationally.

COVID-19 has accelerated phenomenally the digitization of businesses and business models. That offers huge opportunities for well funded fintech businesses. I expect to see more significant growth in the Irish fintech's that are capable of raising sufficient capital to enable them to scale and compete at a global level. However, we need to ensure that Irish fintech's are not snapped up by international investors too early, and instead

are given the chance to grow and scale internationally. KPMG is looking for the next global tech innovator, which could be in Fintech. To find out more or to enter, visit kpmg.ie/GTI. Applications are open until late August 2021.

Anna Scally is a Partner in KPMG in Ireland where she leads their Fintech Practice.

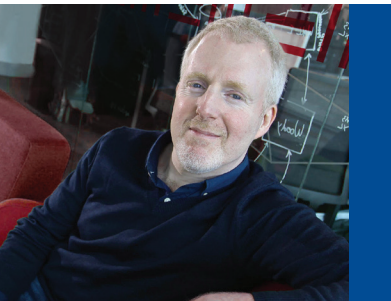
Link

[KPMG Ireland](https://kpmg.ie)





WHEN 1% OF THE EU'S POPULATION PUNCHES WELL ABOVE ITS WEIGHT



KARL AHERNE
COO at Fexco

As an Atlantic island, off the coast of another island, off mainland Europe, Ireland has nevertheless become a leading home for global financial services. With a little over 1% of the EU population, we have become the third largest exporter of financial services from the European Union. Ireland is the defining example of a successful cluster strategy, with multiple elements working in sync to deliver a compelling proposition. And that's what Ireland has done for financial services. We have government supported business enablement policies, we have strong regulation, a stable policy base, supportive tax regime, and we have the intellectual skills and behaviours.

There are challenges and headwinds but we are nimble and adaptable and when needed we can effect rapid change and this has helped to keep us at the forefront of global financial services.

IRELAND HAS BECOME
A LEADING HOME FOR
GLOBAL FINANCIAL
SERVICES.

One such challenge is housing. You can't attract and retain people, whether they are commercial, technical, regulatory, legal, etc., corporate or start-up, if the surrounding infrastructure and environment is not sufficient to meet their needs. Our cities are choking and will take time to fix, but we have alternatives that for some aren't a compromise but are a godsend. All over Ireland we have locations with high speed broadband, affordable housing, available school places and an abundance of outdoor amenities – and for many people, who are tired of city-living and able to remote work or establish a remote team office, the regions can offer a viable and exciting alternative.

Fexco, along with Munster Technology University and Kerry County Council, has developed one such state-of-the-art location, the RDI Hub. 12,000 square feet, co-located with Fexco's Drive division, focused on providing a world-class infrastructure for established, scaling and early-stage businesses, whether taking part in the NDRC start-up accelerator programmes, a city-based company looking for a remote working option, or a global multinational seeking an EU, English-speaking landing zone, the Southwest of Ireland, and the RDI Hub is a great location. Less than an hour from Dublin by plane, with train and motorway connectivity across

Ireland, Kerry manages the contradiction of being disconnected from the stress and strain of the city, while being connected to a productive community and infrastructure to get business done.

With a combination of city and regional based offerings, a continuing supportive environment, the financial services sector in Ireland will continue to create new value and thrive.

Links

[Fexco](#)

[RDI Hub](#)

rdihub
Research | Development | Innovation





AN EMERGING FINTECH CLUSTER

The FinTech Corridor is the primary cross-border FinTech cluster organisation on the island. It is a grouping of FinTechs and allied stakeholders working with multiple FinTechs, academic institutions and economic development agencies along the Dublin to Belfast route. Supported by Inter-Tradelreland and straddling the two jurisdictions, The FinTech Corridor is promoting the region as a gateway for companies to Europe, whilst connecting the EU and UK.

The concept was developed by a team of leaders from e-payment and transactional companies along the corridor. It provides opportunities for like-minded companies to connect and discuss real life problems, with opportunities to share knowledge and to collaborate. The focus is on innovation and growth, and a vision for the region that includes encouraging engagement between north and south.

Amongst the industry partners are a number of 'brand ambassadors' with global influence, who are committed to making The FinTech Corridor a major cluster of innovation internationally. These include Invest NI, NI Cyber, Technation, DigitalDNA, Lightyear, IDA Ireland, FPAI, PayPal, Vesta, Yapstone, Amazon Web Services, and Stripe. TFC facilitates introductions, mentoring, webinar discussions and guest speaker spots at Brand Ambassador meetings.

The FinTech Corridor encourages innovation and provides opportunities for collaboration for FDI and larger indigenous companies and showcases Ireland as a leader in the sector, as well as fostering links between academic and state bodies as well as international partnerships.

**THE FINTECH
CORRIDOR'S VISION IS
FOR THE BELFAST TO
DUBLIN REGION TO BE A
RECOGNISED AREA OF
FINTECH EXCELLENCE
AND A SIGNIFICANT
HOTBED OF INNOVATION.**

Linking the FinTech ecosystems between Ireland and N.Ireland will benefit the all-island economy. The corridor provides opportunities for startups and first-time exporters in the cross-border market through shared support, greater collaboration between indigenous and FDI



HILARY MORAN
The FinTech Corridor



companies and increased academic partnerships via joint R&D and collaboration in 3rd level hubs. Membership opens doors and helps businesses grow and succeed.

The FinTech Corridor's vision is for the Belfast to Dublin region to be a recognised area of fintech excellence and a significant hotbed of innovation. It is capitalising on the opportunities created by the growing Irish fintech sector and the unique opportunities that the border provides for servicing both the UK and European markets.

The FinTech Corridor is availing of the strong cluster of fintech companies in the region - both indigenous fintech startups and scale ups and an impressive cluster of multinational companies. It also is well linked with academia to help foster innovation and keep us at the forefront of new and exciting developments in FinTech.

Links

[The FinTech Corridor](#)

[InterTradelreland](#)



Dublin to Belfast
THE FINTECH CORRIDOR





WHAT ATTRACTS FINTECH STARTUPS TO NI, BELFAST?



CHRIS GREGG
Lightyear

TechIreland's database shows that over 7% of startups in Northern Ireland are FinTechs. Ireland more broadly has incredible networks such as The FinTech Corridor, Tech Nation, Catalyst & FinTech Ireland to name just a few. The community has been an incredible support network as we have scaled our business. Shared learnings, introductions and referrals are readily exchanged.

So when founding Lightyear we evaluated many global options as locations for our Head of Office. InvestNI's help and guidance ensured that there was only one logical choice. InvestNI helped us to find premises, set up operations and provided R&D support to build our product. That kind of early stage facilitation has a huge impact on why a startup selects a location to grow. Since establishing in Belfast we have found the standard of talent available to be world class. There are incredible offices at

SINCE ESTABLISHING
IN BELFAST WE HAVE
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TALENT AVAILABLE TO BE
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affordable costs and the infrastructure allows us to operate as a global software leader at scale. Our staff love the laid back lifestyle and affordability of Belfast.



Our business, Lightyear, is a multi-award winning 5* rated app across Capterra, Xero, Netsuite and Quickbooks. The Lightyear Platform is designed

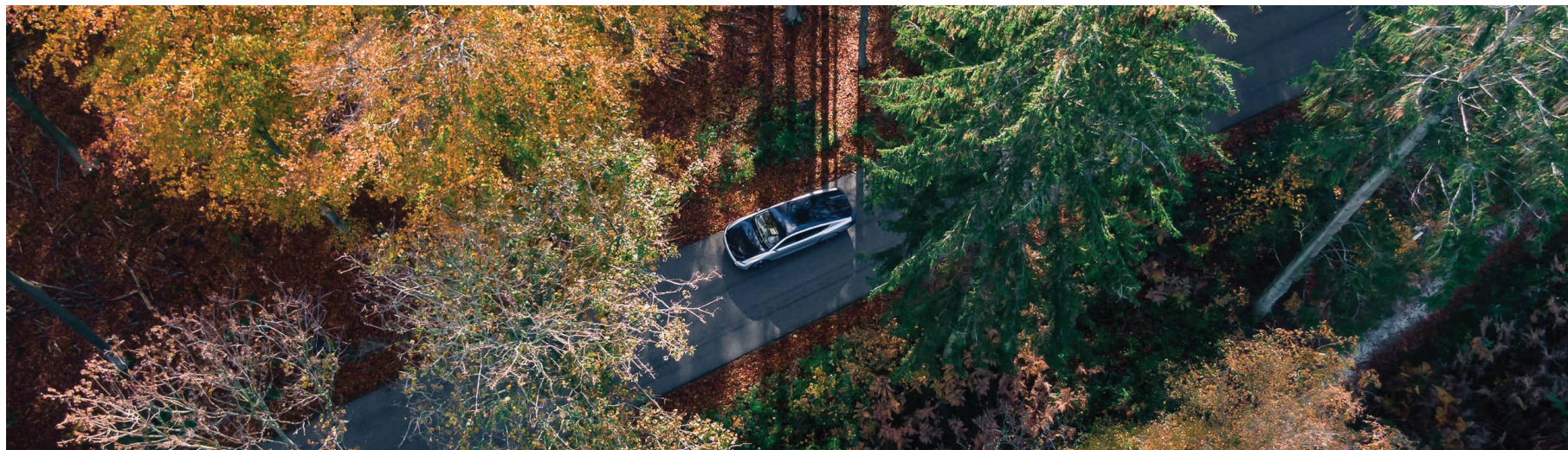
for large and mid-market businesses across all industries. It allows them to consolidate their bookkeeping with automated line item data extraction, bill approvals and purchasing, all within one intuitive cloud platform.

With an investment round last year, we have been able to expand our team in Belfast and are looking forward to working with the community across the island. Ireland allows us to offer full support across Europe and America as it is positioned in the middle of timezones and this has allowed us to scale to new markets quickly.

The FinTech community in Ireland keeps getting better with some amazing innovative companies emerging. I'm excited for the future.

Links

[Lightyear](#)





MIKE BRENNAN
Finch Capital

IRISH FINTECHS ARE DISRUPTING INDUSTRIES GLOBALLY

Just as the last downturn triggered the digitalisation of financial services, the covid pandemic has made the need for digital transformation immediate and urgent with large banks and insurers partnering with vertically focussed fintechs to make this happen which many see as the next wave of financial services where fintech becomes intrinsically more connected to the economy. For this reason, FinTech continues to be Europe's most value creative and vibrant investment sector, creating over €150 B in value, through jobs, better experiences & digital products for European consumers.

Ireland's place on the world FinTech map has been achieved in part due to public support, like Enterprise Ireland, and early stage accelerator programmes, like NDRC, that have contributed to the development of the Irish FinTech and AI ecosystem by fostering global ambition through equity

**FINTECH
CONTINUES TO BE
EUROPE'S MOST
VALUE CREATIVE
AND VIBRANT
INVESTMENT
SECTOR, CREATING
OVER €150 B IN
VALUE**

funding, supporting founder development, and helping local startups. Furthermore, ISIF (The Irish Strategic Investment Fund which is a state owned sovereign development fund) has been playing its part too and announced a €42 M investment in Irish founded Stripe earlier this year to help anchor it's EMEA and R&D efforts here in Ireland. While more can be done to incentivise entrepreneurs, like CGT relief and stimulate early stage angel investment (through EIIS), it is clear to international VCs, like Finch Capital, that the Government is supportive.

Finch Capital recognises Ireland's strengths in enabling technologies, such as AI and data analytics, with many Irish FinTechs doubling down on particular problems or verticals across financial services. Finch's investments in Ireland, Webio and Aylien, are testaments to this. Webio leverages conversational AI to disrupt the credit and collections industry, a sector overlooked for far too long. Finch believes that Webio will lead the industry in a new direction where customer engagement across the debt cycle is a positive experience. Aylien was the overall winner in the Deloitte Financial Services Innovation awards 2021, beating FinTechs like Revolut and giants like Mastercard to the top prize. From Ireland, Aylien sells its AI/NLP news intelligence and Risk Radar products to some of the world's top financial institutions like Aon, Moodys, Wells Fargo and IHS Markit.

Our traditional strength in payments continues with emerging payment leaders like Colm Lyon's Fire.com providing fintech businesses of all sizes access to payment services and the ability to automate payment pro-

cesses. When Then a no-code payments orchestration platform founded by ex-Mastercard VP Kirk Donohoe, as well as Finch Capital backed Nomu Pay that provides state of the art payment solutions across EMEA and Asia with a focus on high-growth emerging and frontier markets.

Links

[Finch Capital](#)





ACCELERATING IRISH FINTECHS

MiddleGame Ventures (MGV) – founded by Pascal Bouvier, Michael Meyer, and Patrick Pinschmidt – is a FinTech venture capital firm focused on backing world class teams creating transformative companies that will re-architect financial services.

MGV is headquartered in Luxembourg with offices in Dublin and Washington DC. The fund has completed two investments into the Irish market over the past year, Wayflyer and Payslip. MGV believes that the Irish fintech ecosystem dovetails nicely with many the fund's key investment themes – e.g., business-to-business focus of many startups offering technology solutions in areas such as capital markets and open banking.

Ireland has a great infrastructure via legacy financial services and technology operations, but financial services requires global touchpoints. MGV views a key part of its job as helping connect the best and most promising startups with a broader network of business partners, customers, and investors in the US and across Europe.

As part of its engagement with the broader European ecosystem, MGV runs the NadiFin FinTech accelerator. NadiFin brings together fintech startups from around the globe for workshops in two weeklong sessions (previously held in Luxembourg and Dublin), to learn and engage through a

**HELPING CONNECT
THE BEST AND MOST
PROMISING STARTUPS
WITH A BROADER
NETWORK OF
BUSINESS PARTNERS,
CUSTOMERS, AND
INVESTORS IN THE US
AND ACROSS EUROPE**

unique curriculum to help entrepreneurs scale their businesses. Program participants are immersed in a curriculum that integrates mentors, speakers, investors, and peers to help the companies drive growth across all key strategic vectors (e.g., value proposition, team, business model mapping, fund-raising).

The program is uniquely built from the ground up with experienced investor knowledge from MGV, supplemented by key learnings from previous participants and input from financial services part-

ners, such as previous program sponsors Brown Brothers Harriman and Standard Chartered. MGV has also tailored NadiFin to the Irish market, operating a bespoke one-week accelerator in early 2020 for seed-stage Irish FinTechs. Covid necessitated an online-only version of NadiFin in 2020, but the team looks forward to returning to an in-person pan-European and Irish program when feasible.

There is significant energy at the seed stage level in the Irish FinTech market. With a commitment to the Irish market via its accelerators and Dublin office, the MGV team is keen to partner with early stage FinTechs.

Links

[NadiFin](#)

[MiddleGame Ventures](#)



PATRICK PINSCHMIDT
Middlegame Ventures
NadiFin Accelerator



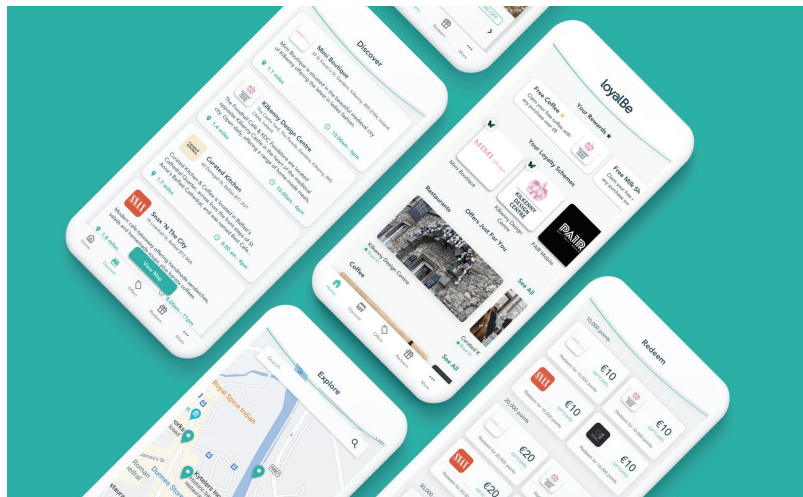
We asked Cormac Quinn of LoyalBe, a FinTech startup in Belfast about what he thinks has been the impact of Brexit on the tech sector. Here's what we found out.

HAS BREXIT AFFECTED NORTHERN IRELAND'S TECH ECOSYSTEM?

It's still early days. I don't think we'll know the full impact of Brexit for some time. There is certainly a talent shortage in NI and, anecdotally, I think that Brexit has made things worse in this department. However, it's too early to know for sure.



CORMAC QUINN
LoyalBe



HOW HAS BREXIT IMPACTED LOYALBE, AS AN EMERGING FINTECH START-UP?

When the UK was part of the EU, we were able to passport our regulatory licence into most EU countries with relative ease. Due to Brexit, we had to acquire regulatory cover from a third party in the EU, which disrupted our user experience and has been fairly costly. In order to be licenced ourselves in the EU now, we must create an EU subsidiary and have a staff presence in the country we acquire our licence in. This is obviously expensive and time-consuming.

Aside from that, thankfully we haven't had any major adverse consequences thus far - our partnerships and collaborations are still thriving. We're continually onboarding customers both inside and outside the EU. This has been possible thanks to the fact that the EU legislation on 31 December 2020 is now UK domestic legislation, which makes it simpler to serve both sets of customers. However, we anticipate that legislation might diverge in future, which is why we created separate policies for EU and UK customers.

Links

[LoyalBe](#)

CONTACT US

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