



MILANO — FOR — FINTECH

MILANO
— FOR —
FINTECH

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WHY MILANO

A GATEWAY
TO EUROPE

INTERNATIONAL
FINANCIAL HUB

THRIVING
START-UP
ECOSYSTEM

WORLD CLASS
TALENT POOL

A WELCOMING
AND PROACTIVE
GOVERNMENT

QUALITY
OF LIFE

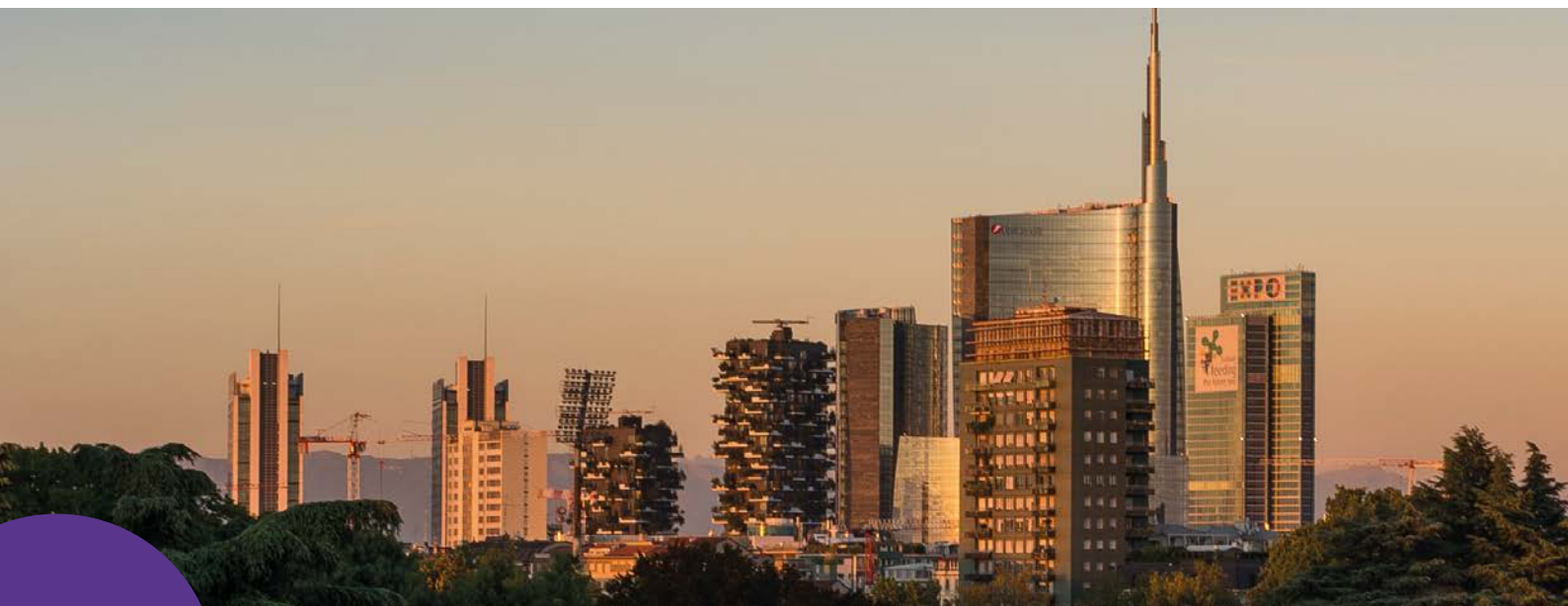
COMPETITIVE
INCENTIVES

EXCELLENT
INFRASTRUCTURE

ONE OF THE
WEALTHIEST
REGIONS
IN EUROPE

INTERNATIONAL
OUTLOOK

WHY MILANO



10 good reasons to invest in Milano:

- 1 The economic and financial capital of Italy:** home to over **13,800 financial companies**, including the Italian Stock Exchange
- 2 A leader in Smart Payment, Insurtech, "Regtech", Capital Markets and Trading, Money Management and Lending**
- 3 An international talent hub:** 130,000 financial services employees, **227,000 university students** and over 2,800 start up companies
- 4 One of the wealthiest region in Europe:** €49,198 GDP per capita, 30% higher than the EU average
- 5 A thriving fintech community:** Milano's Fintech District has a community of over 250 fintech players and 14 corporate partners
- 6 The scaling European innovation hub:** with its strategic location, diversified economy and fast-growing business environment, the city is rapidly becoming an important VC investment destination
- 7 The gateway to Italy:** a market of 60M people, 3rd largest economy in Europe and 8th in the world. At the heart of EMEA region with 3,600 weekly flights to 185 destinations, at full capacity (2019)
- 8 A proactive city government** who is leading and is determined to strengthen its international and national standing. The first major city in the world to launch 5G, with efforts to educate residents about access and opportunities
- 9 A favourable business environment:** highly competitive corporation tax, super- and hyper-depreciation, tax credits for training and R&D, and employment incentives
- 10 Quality of life among the best in the world:** high quality housing at competitive prices, international schools, state-of-the-art health system, efficient public transport system, and thriving cultural and food scene

2023 REALITY CHECK



Between 2020-2023, the global fintech market has evolved significantly. Despite the macroeconomic turmoil caused by COVID-19, the war in Ukraine, and the gas prices increase, in 2021 the market attracted unprecedented investments worldwide, resulting in the industry with the highest number of Unicorns. However, starting from 2022, there has been a significant slowdown. Global fintech funding dropped 46% YoY, along with the valuation of some of the most profitable fintech companies.

In the same years, the Italian fintech market showed increasing stability and maturity, gaining pace and filling the gap with European fintech hubs, and attracted unprecedented international investments.

The Italian fintech landscape has been characterized by three main phenomena:

Predominance of Early Growth stage startups:

The Italian fintech ecosystem is heterogeneous with a positive predominance of Early Growth stage startups. It has seen a squeeze of Early Stage startups in favor of Early Growth stage, indicating a general market development.

Growth of average funds raised:

Italian fintechs are growing in terms of average funds raised and are looking at international investors to scale up.

Collaboration and open innovation:

The growing number of fintech players and growing interest shown by incumbents towards innovation and technology providers fueled the collaboration and synergies between traditional financial players and fintechs. Whereas initially fintech in Italy was perceived as a competitor alternative to the traditional financial system, today they operate in synergy with financial intermediaries and integrate their offerings with those of partner companies to offer specialized products and services, expand innovative distribution channels or intercept new customer segments.

ECOSYSTEM'S SNAPSHOTS



The Italian Fintech Ecosystem is a heterogeneous and fast-growing market with a high potential.

From 2011 to 2023, FinTech companies in Italy grew from 16 to 630, with Milano leading this growth and attracting increasing investments.

Many fintech companies now choose Milano as the city for their headquarters or regional hubs, thanks to the city's favorable environment for startups and early technology adoption, as well as its broad expertise in ancillary and tech solutions.

630

fintech companies in Italy

+45%

Italy has seen +45% growth in the number of fintech companies and +70% growth in fintech revenue

41%

of all the fintech firms in Italy are actually located in Milano

2

fintech unicorns located in Milano

7 of the world's top 10 multinational companies operating in the country have their branch office in Milano, including Google, Facebook, Microsoft and Cisco. Being the Italian economic capital, Milano is home to **5300 multinational** companies, employing more than 569,000 residents.

A SCALING EUROPEAN INNOVATION HUB



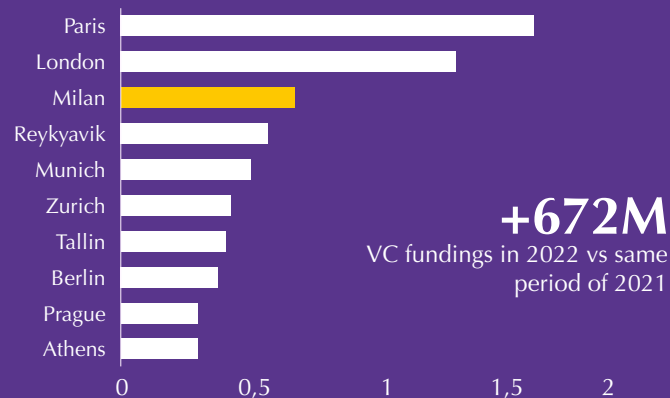
Milano is the second city in Europe for fastest growing startups and is rapidly making its mark on the European tech map.

In 2022, the region attracted unprecedented levels of venture capital
€1.3 B (**62% of the Italian total and +90% compared to 2021**).

Milano is increasingly attracting the attention of international VC investors. With its strategic location, strong and diversified economy and fast-growing business environment, the city is rapidly becoming an important VC investment destination.

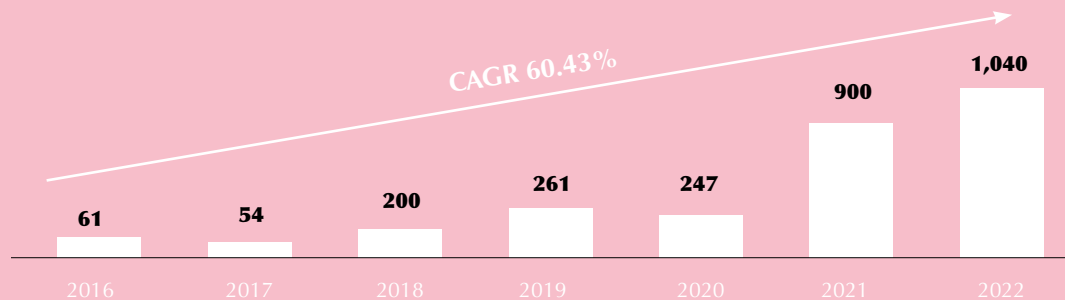
In 2022, Milano received **€672M** more VC funding compared to 2021 and ranked **3rd in EU for fastest growing VC ecosystems**, behind the much more established hubs of Paris and London.

VC funding increase by city (2021 vs 2022)



A SCALING EUROPEAN INNOVATION HUB

Over 2016-2022, funding to Italian fintech companies grew at a CAGR of over 60%. In 2022, Italian fintech startups received €1,040 M (vs. €900 M in 2021) setting a new record for the Country and performing better than the average of EU leading economies.



Ey Intelligence based on BeBeez Private Data, Crunchbase, and Dealroom.co

In 2022, 69% of all the investments in Italian fintech startups were directed to companies located in Milano and the city attained its first two homegrown fintech Unicorns: Scalapay and Satispay.



CDP Venture Capital is the national innovation fund that aims to make Venture Capital a strategic pillar to Italy's economic growth and innovation.

Its mission is to expand direct and indirect investments, overseeing existing funds while encouraging the emergence of new funds to support startups at all stages of their growth cycle.

Through its Corporate Partners I Fund, CDP Venture Capital supports the development of innovative startups and SMEs in the digital transformation sector (with a focus on the fintech, insurtech and B2B information sectors) by investing in post-seed entities that have validated their solution on the market and are ready to scale up both in Italy and abroad, with tickets up to €7 million.

For further information, visit: <https://www.cdpventurecapital.it>

MILANO, WHERE INNOVATION TAKES ROOTS

2,800
innovative
startups

**38.6 newborn
startups per
100,000
inhabitants**

70+
accelerators
and incubators

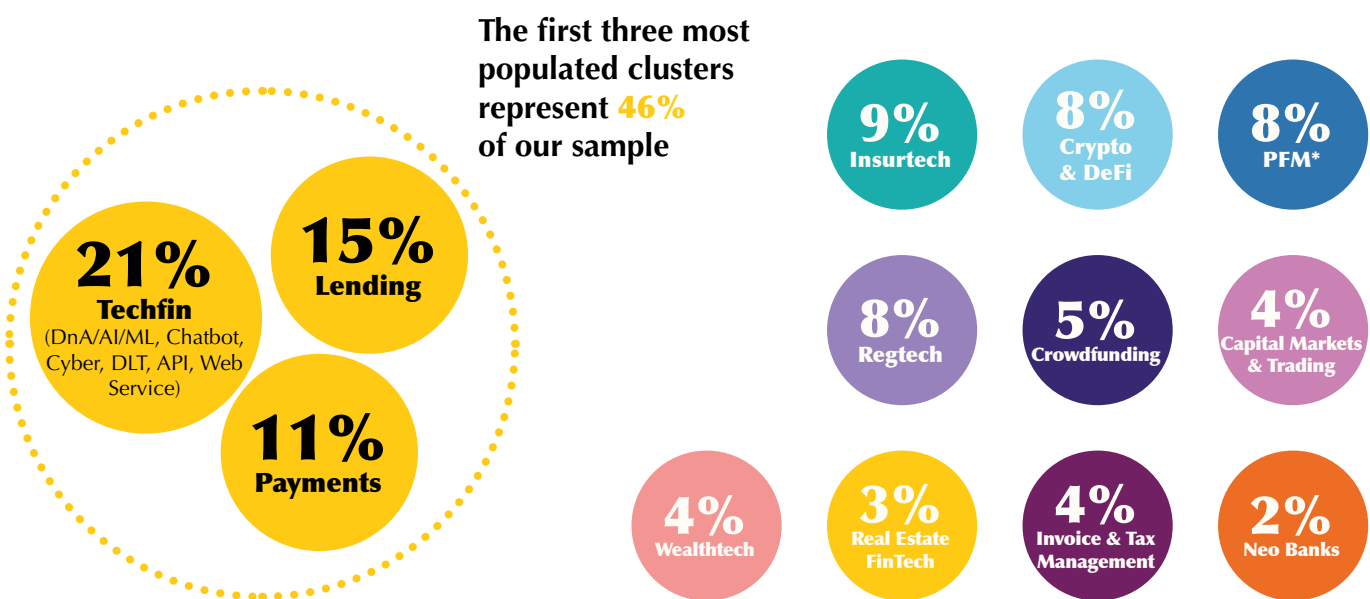
60+
coworking
facilities

FINTECH COMMUNITY

Milano is a vibrant and international fintech ecosystem with a diversified supply of products and solutions. The startup community is strongly supported by government, regulators — Banca d'Italia and Consob — universities and large financial institutions.

In 2017, the Fintech District was created in Milano, which has become the established reference point for Italy's fintech ecosystem. It aggregates leading fintech operators and technology, media and capital partners for the development of the industry, by promoting collaboration, competition, service interoperability and open innovation.

Ecosystem composition



Sources: FinTech Waves 2023, EY and Fintech District

*Personal Finance Management/ Money Management Account Aggregator

PAYTECH & NEW BANKS



MONEY MANAGEMENT & CAPITAL TRADING



TECH ENABLER & CYBERSECURITY



CROWDFUNDING, WEALTH & ASSET MANAGEMENT



INSURTECH



LENDING & INVOICE TRADING



REGTECH



*Non-exhaustive list. For a complete list, please contact invest@yesmilano.it

Milano has given birth to more than 250 fintech companies focused on Insurtech, Regtech, Capital Markets and Trading, Payments, Money Management and Lending. They are enjoying rapid growth, both in terms of numbers and revenues.

The community boasts ItaliaFintech and AssoFintech business associations, which advocate for regulations and standards which will support the continued growth of new fintech instruments. Many traditional Milanese financial services companies are embracing the fintech community, not seeing it as a threat, but as a stimulus and starting point for future partnerships.

The city has over 70 incubators and accelerator programs for startups and scaleups. In 2018, Credit Agricole opened an innovation hub “Le Village” in Milano, while in 2021 CDP Venture Capital launched Fin+Tech, Italy’s first accelerator program dedicated to Fintech and Insurtech.

ITALIAFINTECH

ItaliaFintech is the Italian association of leading entrepreneurs in the fintech sector.

Founded in 2018 with the aim of promoting the knowledge and adoption of fintech solutions among consumers, households and businesses, the association represents a point of reference and dialogue between institutions, regulators and companies, aimed at facilitating the growth and development of a culture of innovation in financial services. ItaliaFintech is a member of EDFA - European Digital Finance Association, the association representing the fintech sector at the European level, which includes 16 fintech associations from 16 EU Member States.

For further information, visit: www.italiafintech.org

FIN+TECH

L'ACCELERATORE FINTECH E INSURTECH DELLA RETE NAZIONALE CDP

Fin + Tech is the fintech and insurtech accelerator of CDP's National Accelerators Network: born from an initiative of CDP Venture Capital SGR together with Digital Magics, Startupbootcamp, Fintech District, Credem Group and Nexi.

The program is dedicated to startups that develop fintech and insurtech solutions and services that boosts Italian innovative ecosystem and it supports the most promising international companies looking to set up their business in Italy.

In 2022 the program received more than 400 applications, of which about 50% from abroad, as evidence of the relevance of the Italian market for fintech and insurtech. 13 startups have been selected and had the opportunity to access the program benefiting from an initial investment, an acceleration path of 4 months with the support of a network of mentors, corporates and venture capital companies, and the chance of a follow-on investment of up to 300.000€.

For further information, visit: www.finplustech.eu

MILAN FINTECH DISTRICT

Italy's fintech community

Based in Milan, the Fintech District is Italy's biggest fintech community, gathering together over 250 fintech players. It aims to create the best conditions so that all its stakeholders (startups, financial institutions, corporate companies, professionals, authorities, investors) can work in synergy and find opportunities to grow, both locally and internationally.

Created in 2017, it acts as the main gateway to the Italian Fintech Ecosystem and it supports the growth and consolidation of the entire industry, with an inclusive system approach aimed at promoting a new perspective of financial services, enhancing the Italian ecosystem at an international level and attracting foreign investments, while promoting innovation, collaboration and business growth.

Thanks to their network of relationships with equivalent international innovation hubs, they strengthen the Italian fintech market relevance, while thanks to the Soft Landing Program realized in collaboration with Milano&Partners they support foreign fintechs in increasing their knowledge of the Italian ecosystem and in enhancing their positioning among the market with networking and match making opportunities, as well as marketing & communication activities and national and international events.



Fintech District

Clelia Tosi -
Head of Fintech District

"It's incredible to think how much fintech has grown in Italy since the birth of the Fintech District in 2017 till now. Fintech has continued to assert itself and to show its potential. Funding has reached 1 billion euros in 2022 and Milano proves to be the undisputed capital of fintech with 69% of total investments. That's why we are proudly based here, yet globally connected with international hubs and companies, to help the Italian ecosystem grow at international level.

We do that by creating opportunities and initiatives, such as the Milano Fintech Summit, our flagship event born with the aim of turning the spotlight on Milano's central role as Europe's innovation capital and attracting interest and investments also from international players".

www.fintechdistrict.com



SMART PAYMENT & NEW BANKS

Milanese payment tech giants, such as Nexi, and unicorns, such as Satispay and Scalapay, are at the vanguard of smart payment solutions.

Italy is experiencing a fast increase in the adoption of digital payments, especially among younger generations, and a progressive reduction of cash penetration compared to the total consumption of Italian households, aligning itself with more mature markets.

In 2022 the volume of digital payments transactions reached €400B (+20% vs. 2021).

Mobile payments and payments from smartphones and wearables are driving the growth of digital payments.

In 2022, 6.4M Italians used mobile payments solutions (+28% vs. 2021) and the volume of transactions with smartphones or wearable devices reached €16.3B (+122% vs. 2021)⁵.

BNPL

As per BNPL, in 2022 transactions in Italy reached €2.3B (+253% vs. 2021) and is expected to reach over €3B by 2026.

86% of the value concerns purchases made on the Internet, representing 4% of penetration in online purchase⁶.

In 2022, 87% of the Italian population regularly used at least one app for payments, banking, loans or other financial activities in their personal or professional life, reaching as much as 93% in the 18-24 age group⁷.



Qonto

Mariano Spalletti - Country Director @Qonto

"Italy is a country of entrepreneurs. Its business community consists of 4.4M of SMBs & professionals ready to ride the wave of digitalisation. Milano is one of the key business cities, offering valuable opportunities to the economic system, including modern infrastructures and innovation hubs. Milano also embodies the Italian values of excellence, wellbeing and networking, encouraging all businesses to further innovate."



Zendesk

Carlo Valentini - Marketing Manager Italy @Zendesk

"Milano is the aggregation point of the main innovation and economic dynamics in Italy.

If you work in Italy and you want things to happen, in Milano you can get in contact with the right people, the right companies and the right environment much more easily than anywhere else in Italy."

Sources:

⁵ Innovative Payments Observatory of the School of Management of the Milan Polytechnic

⁶ Scalapay 2023

⁷ Osservatorio Qonto 2023

THE LEADING EUROPEAN PAYTECH BASED IN MILANO

Nexi is Europe's PayTech company operating in high-growth, attractive European markets and technologically advanced countries. Listed on Euronext Milano, Nexi has the scale, geographic reach and abilities to drive the transition to a cashless Europe. With its portfolio of innovative products, e-commerce expertise and industry-specific solutions, Nexi provides flexible support for the digital economy and the entire payment ecosystem globally, across a broad range of different payment channels and methods. Nexi's technological platform and the best-in-class professional skills in the sector enable the company to operate at its best in three market segments: Merchant Solutions, Issuing

Solutions and Digital Banking Solutions. Nexi constantly invests in technology and innovation, focusing on two fundamental principles: meeting, together with its partner banks, customer needs and creating new business opportunities for them. By simplifying payments and enabling people and businesses to build closer relationships and grow together, Nexi promotes progress to **benefit everyone.**

nexi
every day, every pay



MILANO HOME OF UNICORNS



Satispay

Alberto Dalmaso - CEO and Co-Founder

“After reaching the milestone of €1 billion valuation, the new headquarter is another testament to Satispay’s strong growth and truly speaks to the company’s ambition to become the number one payment network in Europe. We believe Milano is a strategic place to continue to lead our Italian and European operations.”



Satispay, the everyday mobile payment solution, is a thriving European payment app with the goal to change the way people pay in stores and online, thanks to a network that serves customers and supports merchants.

Launched in 2015, despite the markets’ downturn and a slowdown in investments, in 2022 it closed a €320M investment round and became a Unicorn.

Today Satispay has a fast-growing community of over 3,5 million consumers and 250,000 merchants.

In 2023, it plans to open a new headquarters in Milano to host a large part of its workforce, which - as of May 2023 - has already reached 380 people. A team for which continued growth is expected to support the spread of the innovative mobile payment service in Italy and Europe.

The new Satispay headquarters will be located in the young and vibrant neighborhood of Isola. The 8,500 sqm, 8-story building will be one of the most advanced in the country in terms of sustainability and energy efficiency.

Satispay’s investment in a new Milano headquarter not only demonstrates the company’s expansion, but also confirms the momentum in the Italian tech ecosystem, which is becoming more attractive than ever, with Milano playing a key role in the country’s startup space. Several tech companies and startups are choosing to base their headquarters or regional offices in Milano thanks to the city’s strategic position and its great access to talent and capital.



Scalapay is the first Italian Fintech to launch the BNPL payment formula in Italy. The company chose Milano as the city in which to establish its headquarters because of its cultural liveliness and the ferment linked to issues such as innovation and digitalisation.

Founded in 2019, Scalapay is the Italian leader in Buy Now, Pay Later payments and among the most widely used payment methods in Europe. In two years, Scalapay has brought the deferred payment service in three installments to Italy, France, Germany, Spain, Portugal, Finland, Belgium, the Netherlands and Austria. Scalapay is based in Milano, where it employs more than 250 people.

In 2022, having raised \$497M in a Series B investment round, Scalapay gained the status of unicorn.



Scalapay

Simone Mancini - CEO

"Milano, a city of a thousand possibilities and the capital of fashion, fully interprets our tagline 'If you love it, scalapay it'. The city offers everything you love and allows you, just like Scalapay, to achieve it. The choice was also guided by the strong centrality that the themes of innovation and digitalisation play in the Lombardy capital, an undisputed pioneer in this respect."

MILANO IS KLARNA'S ITALIAN HUB

Klarna.



Klarna arrived in Italy in October 2020, then grew rapidly and consolidated its position as a leader in flexible payments with an omnichannel value proposition. Milano sits at the heart of Klarna's operations in Italy. Indeed, Milano hosts Klarna's Italian headquarters, and with a team of 200 professionals covering everything, from product development to sales and partner success.

In just two years, Klarna has become the leading shopping and payments platform in Italy with over 12 million consumers and 16,000 partner merchants among all categories that trust it to grow their businesses in Italy and abroad. Samsung, Benetton, LUISAVIAROMA and Costa Crociere are just a few of the brands and retailers that have chosen Klarna, benefiting from its high adoption rate across all age groups and popularity in key international markets such as the US, the UK and Germany.

Klarna

Luigi Traldi - Country Manager Italy and Greece

"Milano is the ideal place for us at Klarna to do business as the leading shopping and payments platform in Italy.

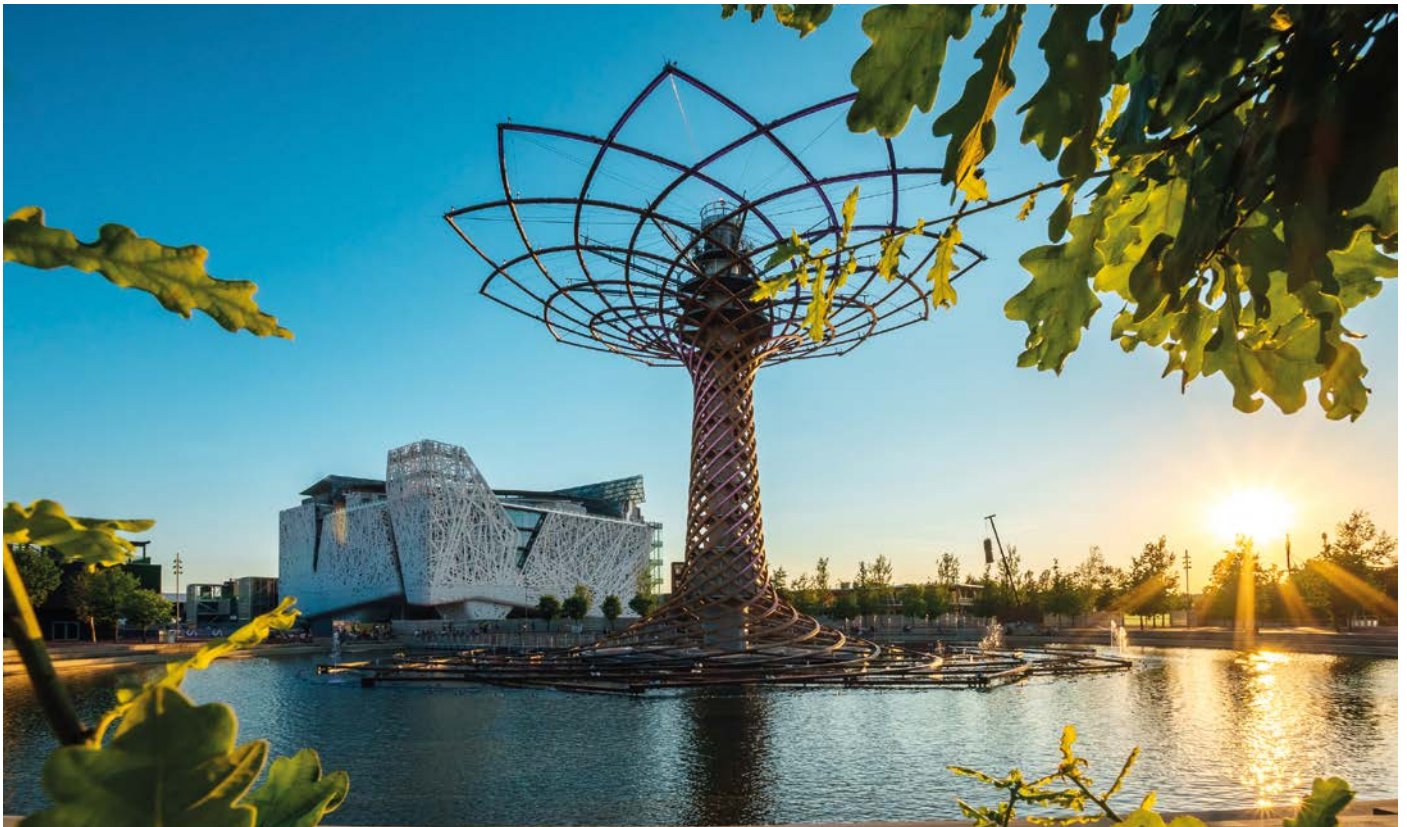
Milano's reputation as a tech hub, coupled with its pool of high-skilled professionals, play an important role in our success. The city attracts top professionals from prestigious universities and tech-focused institutions, allowing us to hire the best in the industry and stay at the forefront of the payments landscape.

In addition, its strategic location also facilitates our operations. The city's easy connections with other major cities enable us to travel and meet merchants in person, providing exceptional customer service and support throughout Italy.

Furthermore, the city's unique blend of tradition and modernity, combined with its cosmopolitan culture, fosters a dynamic business environment. Milano is known for its cutting-edge startups, innovative companies, and collaborative networks that encourage entrepreneurship and growth. Its history of innovation and reputation as a trendsetter in fashion, design, and art inspire us to think creatively and push boundaries in our offerings.

We are excited to have strengthened our commitment to Milano with local partnerships with AC Milan and Inter FC. These collaborations underline our dedication to being part of the diverse and vibrant Milanese community and growing our presence in Italy."

ALTERNATIVE LENDING



Milano's alternative lending sector is strong and mature, being home to 45% of the alternative lending companies in Italy, whose revenues have grown 29% YoY.⁷

The city is home to numerous alternative lending companies which enable credit scoring, focus on business and/or consumer lending, do invoice financing and offer comparison tools and marketplaces. The large number of micro and small enterprises has pushed a rapid growth of alternative lending solutions.

In 2022, more than **€4.5B** was disbursed to Italian SMEs through innovative digital platforms that enable short- and long-term financing for companies. This brings the total to **€9.9B** between 2018-2022, marking a CAGR of **+86.5%** over the four-year period.⁸

More than 28,000 SMEs were able to access finance thanks to fintech, with the average amount disbursed amounting to €400K in 2022.

Sources:
⁷ Tracx, 2023
⁸ Italia Fintech, 2023



October is a leading small business lending platform. It opened its Milano office in 2017 and employs 19 people for its Italian operations. October's instant lending uses machine learning techniques to assess the risk of corporate default and is based on the previous analysis of the more than 204,000 loan applications received by the platform from 2015 to date in the various countries in which it is active. Concerning the Italian market, October has financed 1,100 business projects for over €250M.

EQUITY CROWDFUNDING

Since 2016, Italian Equity Crowdfunding market has experienced a rapid growth and greater stability, maturing from an early adopter phase to a more capacious and structured one. Despite Covid-19 pandemic, the Equity Crowdfunding in Italy has reacted resiliently, leading to new trends and opportunities.



The market is now ready to open to and compete with the European market, as it will be designed by the new European Regulation on Equity and Lending crowdfunding.

Italy is one of the few EU countries to have a specific regulation policy on equity crowdfunding, introduced in 2012, allowed to innovative startups, innovative SMEs, SMEs and Investing Vehicles and monitored by CONSOB. The growth of the equity crowdfunding market in Italy has also been favored by the introduction of tax incentives for investors.

KEY DATA

2022

- Almost 90 campaigns closed successfully in the first six months of 2022
- €58.99M raised (10.33 % from investment vehicles and 37.28% from real estate sector)
- Over 5.74K total investors

2021

- €148.26M raised (+46.7% compared to 2020)
- 215 campaigns closed successfully (+31.1% compared to 2020)
- 90% of the campaigns closed successfully and 30% of fundings are in the real estate sector
- The average size of the campaigns has increased reaching over €695K in 2021 (+13% compared to 2020)
- 107 average investors per campaign in 2021
- 11.8 K investors

Since 2013

- 1,055 Equity Crowdfunding campaigns in Italy (76% successfully completed)
- 930 companies launched Equity Crowdfunding initiatives, collecting €429M
- Since 2019, sustainable Equity Crowdfunding campaigns have been playing a central role with over 100 campaigns collecting €53.2M

Innextra

The gateway to Italian banks and SMEs

Innextra is the inhouse firm of the Italian Chamber of Commerce' system, specialized in the finance and credit field for the SMEs. It focuses on complementary tools, services and models. As a Fintech ecosystem aggregator, it supports companies in accessing credit, complementary finance and innovative financial tools and promotes Fintech solutions among SMEs. It offers different services aimed at connecting innovative finance players to Italian SMEs and entrepreneurs to foster collaboration and Fintech penetration among the country, such as:

- [Fintech Digital Index](#)
- [Crowdinvesting Hub](#)
- [ESGpass](#)
- Events, webinars, and training sessions

Innextra has its own Equity Crowdfunding platform, FINNEXTA, accessible via the link www.finnextra.it where companies can collect risk capital.

GROWING WITH EQUITY CROWDFUNDING IN MILANO

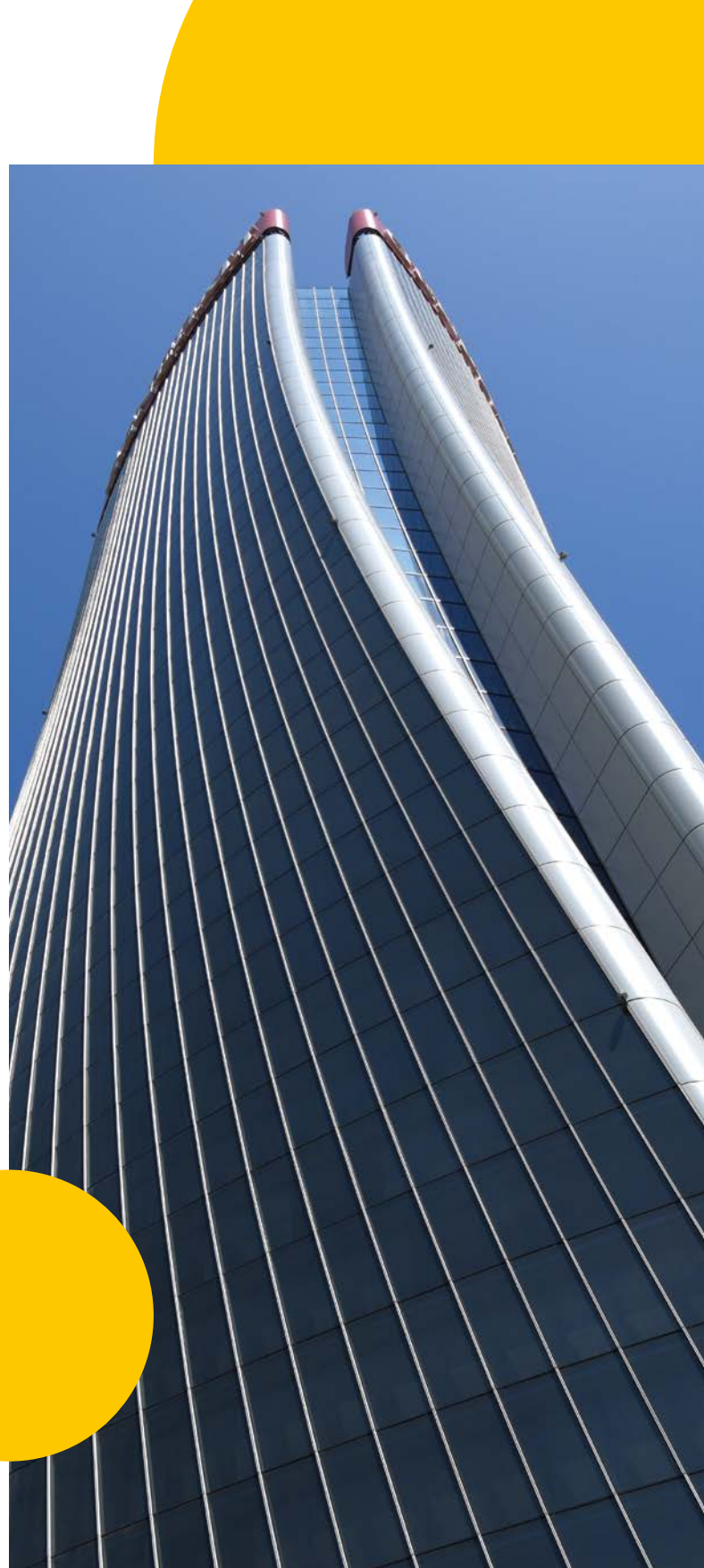
- **Lokky** is the Italian Insurtech focused on Small Businesses, Professionals and Freelancers. With a 100% digital and personalized offer, Lokky raised €2.6M, making it the largest campaign in the entire Milano area.
- **Zago Milano** is the Italian brand specialized in skin-prep and undermakeup. With €2.7M raised, Zago is the second largest campaign for a Milano company in 2022.
- **Wikipoint** is one of the most significant examples of community funding. With 355 investors, Wikipoint represents the biggest Equity Crowdfunding round in terms of crowd's participation.

INSURTECH

The Italian insurtech market has seen exponential growth in recent years, with insurtech companies' revenues growing by 97% in 2016, 71% in 2017, 46% in 2020 and 95% in 2022.

In 2022, there are 120 Italian insurtech startups active that have raised the €450 million of investments (+61% vs. 2021). Milano represents the main hub of Insurtech in the country, being home to 35% of all the insurtech companies in Italy, and raising alone €31 million in 2022.⁹

*Sources:
9 Osservatorio Fintech&Insurtech 2022,
Politecnico Milano and Osservatori.net*



prima.it

Launched in 2015, Prima.it is a Milanese Insurtech firm, which distributes online insurance policies for cars, motorcycles, and vans. Through its online services, Prima.it enables its users to save time and manage all aspects of their insurance policies. In 2018, Prima.it became the first company in Italy to raise €100M in a single VC round and in 2020 it became the market leader in the online motor sector in Italy. With 2.6M customers, more than €600M of Gross Written Premium and offices in Milano, Rome, London and Madrid, Prima is one of the most successful InsurTech player in the world.

OPEN FINANCE, COLLABORATION & PARTNERSHIPS

Being a major financial center in Europe, Milano has been at the forefront of open finance. The city has a thriving fintech ecosystem consisting of plenty of startups and companies that collaborate with traditional financial institutions to provide innovative solutions. One of the key areas of focus for open finance in Milano is creating more opportunities

for small- and medium-size enterprises to access funding. Through open finance solutions, Italian SMEs found easier and agile access to credit.

According to Bank of Italy, in 2022 27% of banking projects in Italy concern the development of Open Banking activities, with a cash flow generated of nearly €100M.

46% of intermediaries have entered at least one Fintech collaboration relationship. In a third of cases, collaborations involve developing and using APIs and other integration tools in the logic of Open Banking. In 71% of cases, collaborations are entered to implement a specific investment project.¹⁰

fabrick
SHAPING FINANCE, TOGETHER

Source: 10 Bank of Italy, 2023

Founded in Milano in 2017, Fabrick is a European pioneer in Open Finance. Through its open, modular and data-driven platform and its ecosystem of relationships, Fabrick enables the development of new business models and innovative services in finance, by supporting the collaboration of fintechs, businesses and financial institutions.

The digitization of commerce has massively expanded opportunities to embed finance in non-financial customer experiences. That's

why over the next five years global revenue from embedded financial services will grow by 182%, increasing from \$65 billion in 2022 to \$183 billion in 2027.

In this new world, Fabrick helps businesses to stay ahead of the curve, achieving their strategic goals. Whether streamlining E2E payment processing, enhancing the customer experience, or improving overall business efficiency, Fabrick has the tools, technology, and expertise to make it happen.

Collaboration in action:

The M&A powered by Fintech District enables OCS to supply the first mobile, instant and compliant consumer micro-credit solution. Thanks to the M&A with Redo, OCS Instant 'nano-lending' provides micro-loans up to €500, to be repaid within 60 to 180 days. The entire process is managed via the

smartphone app, including calculating the probability of repayment, opening a payment account and disbursing the loan. Together with Redo, OCS takes a further step in the transformation from software provider to Fintech Digital Partner, capable of bringing innovation to its customers.¹¹



Source: 11 Fintech District

FINTECH FOR GOOD

In Milano, sustainability has become a central discussion topic within financial organizations and the focus on sustainable products and services is growing, with players such as banks, insurance companies, startups, and consumers increasingly concerned with the impact of environmental, social, and governance (ESG) factors.

The number of ESG FinTechs and related investment volumes in Italy have steadily increased in recent years. Currently, **Italy ranks 4th in Europe for number of ESG fintechs in the country** (8% of total companies in EU) and Milano is recognized as one of the 5 crucial ESG FinTech Hubs in Europe, together with London, Berlin, Paris and Stockholm.

Sources: Fintech Waves 2023, EY and Fintech District



Doconomy

Ulrika Hoonk - Country Manager Italy & Switzerland
@Doconomy

Why did you choose Milano?

Milano is the financial hub of Italy generating one-fifth of Italy's GDP, hosting some of the largest domestic and global banking groups in the city. They demand the best-in-class services also including sustainability-as-a service, where Doconomy plays an important role through disrupting the banking sector, by introducing new digital tool that connects financial transactions to its impact on the planet.

Why Italy is a need to be market? How big is its potential?

Italy is the 3rd largest economy in Europe with a substantial financial sector investing into Fintech's offering new digital and green solution with an important amount of fundings from the Recovery Funds (equals to a total of Euro 220 billion), made available for companies to access during the next couple of years with the aim to drive the innovation and the digitalization of the country going forward. This is a unique opportunity for many young and international companies worldwide.

Can you describe Milan's best qualities for living and doing business?

Milano is a very pleasant city offering a unique experience in food, culture and fashion and the city has a very strategical position that makes it very interesting from a business point of view as well, being able to reach very interesting nearby markets like Switzerland.





Building from the ground up in Milano



Illimity is a “neobank” startup which raised about €600M mainly from foreign investors and subsequently merged with Banca Interprovinciale. In 2019, Illimity listed on the Italian Stock Exchange and now accounts assets of around €6B and €75.5M net profit. It has over 850 illimiters from more than 300 companies, over 20 business sectors and 22 different countries.



Credimi is a lending platform in Milano, dedicated to Italian companies of any size, which makes the financing of invoices quicker, simpler and more transparent than any other alternative available. Founded in 2015, it has since then disbursed over €2B to Italian companies.



Opyn is a European leader in business lending. Born in Milano in 2012, it makes access to credit quick and easy for companies. It has served over 5,000 companies, disbursing over €1B.



Aidea is a Milanese challenger bank for SMEs and VAT holders. Founded in 2020, it has raised €45 M, the largest first round of funding for a fintech start-up in Italy, and serves 7M entrepreneurs (vat holders, medium and small enterprises).



Moneyfarm is a digital wealth manager that provides a unique combination of simple investment advice and discretionary management to help people grow their wealth over time. It is a fast growth company with more than 50,000 active investors and has secured over €185M in capital.

TALENT BASE

Milano has highly ranked universities that offer diverse and challenging approaches to education

Milano also has one of the lowest unemployment rates in Europe, which is attractive to international students. The city's 11 universities and academies admit 230,000 students, of which 10% are international, 10,000 are studying software engineering and 29,000 are studying economics, management and finance.

1st Bocconi University

Bocconi University ranked first in EU for accounting and finance and for economics and econometrics. Second in EU for business and management.¹²

2nd Politecnico di Milano

Politecnico di Milano is ranked second in EU for technology and engineering and third for computer science and IT.¹³

140K people

employed in the ICT sector.

3rd city in Europe

for innovation & human capital costs.¹⁴

The city also has a wide expat community compared to its peer cities, and is increasingly known as a laboratory for creativity and innovation. As a result, it registers 20% of all Italian patents, despite only being 8% of the Italian workforce. Milano's young, diverse population are early technology adopters, making the city the perfect testing ground for new fintech products and services. The chart below shows the average salaries for the most researched profiles in the Industry.

Sources 12 QS, 2023

13 QS, 2023

14 fDi Intelligence

Role	RAL/Junior (1/2 years)*	RAL/Senior (+4 years)**
SW Engineer or Full Stack Developer	€ 28-32K	€ 40-45K
Data Scientist	€ 25-30K	from €40K
Cybersecurity Specialist or IT Security Manager	€ 29/30K-35K	from €45K
SW Sales Representative / Manager	€25/29K + bonus	from €38/40K
IT Product Manager	€ 25-29K	from €36K
	€ 25,519	

*Average Gross Annual Income (Junior, 1-2y of experience)

** Average Gross Annual Income (Senior, +4y of experience)

BORSA ITALIANA

Milano is home to the Italian Stock Exchange, which has 455 listed companies and a market cap of over €688 billion. Borsa Italiana was recently acquired by Euronext, becoming the largest revenue contributor of the Combined Group, thus playing a key role in its future operations, strategy and governance.

Milano is home to major financial institutions such as Unicredit, Mediobanca, Banca BPM and Intesa Sanpaolo, as well as global players like BNP Paribas, HSBC, Citibank and ING.



Elite is a global community that spans 33 countries, with a clear vision to give startups access to capital, skills and networks needed to scale up and make a lasting economic impact. Elite is part of the Euronext group, with headquarters in Milano.



BANCA D'ITALIA FOR FINTECH

MILANO FINTECH DIVISION

The Milano Fintech Division was established to promote the dialogue between market operators, academia and the Bank of Italy. It aims at supporting the good innovation in finance, in coordination with other Bank of Italy's innovation facilities.

It is a touchpoint in Milano for fintech market players to deepen specific topics in the fintech field. The Milano Fintech Division organizes technical conferences in Milano and participates to events, giving support to local institutions in the fintech activities. In order to contribute to the theoretical and empirical debate, it releases Research Papers on different topics.

For further information: Milano.Fintech@bancaditalia.it

MILANO HUB

In July 2021 Bank of Italy inaugurated "Milano Hub", the new innovation center dedicated to support the digital evolution of the financial market. Milano Hub acts as an accelerator to support the development of innovative projects and the promotion of high-quality and safe innovations, through a series of services to financial intermediaries, startups, and research centers.

Milano hub launches Calls for Proposals focused on specific themes. Projects can be submitted by Italian and foreign operators. Within each Call for Proposals, Milano Hub grants the admitted projects with a six-months period of support, provided by dedicated teams of experts.

For further information: www.bancaditalia.it

Fintech Channel

Italian and foreign start-ups, firms, banking and financial intermediaries proposing innovative solutions in the field of financial and payments services can contact easily and informally the Bank of Italy to present their ideas.

The Fintech Channel pursue the objectives to support the digital evolution of Italy's financial market as part of the development of the regulatory framework and to showcase the opportunities linked to the Bank of Italy's innovation facilities.

The Fintech Channel assess the requests using a multifunctional and flexible approach in terms of time frames and methods; organize dedicated meetings; provide guidance or responses to operators. Operators can contact the FinTech Channel by compiling a specific form available on the website: www.bancaditalia.it



Established in 1893, Banca d'Italia is a public law institution regulated by national and European standards. Its main function is to achieve price stability and the efficiency of the financial system in implementation of the principle of protection of savings enshrined in the Constitution.

THERE'S A SANDBOX TO GROW

In July 2021, the Italian Ministry of Economy and Finance (MEF) enforced the first Regulatory Sandbox, a controlled environment where fintech operators can test their innovative products and services in constant dialogue with the supervisory authorities (Banca d'Italia, Consob and IVASS).

The sandbox offers companies a simplified transitional regulatory regime.



Through the sandbox, the supervisory authorities aim to support the growth and development of the Italian FinTech market, thanks to the introduction of innovative models in the banking, financial and insurance sectors, while guaranteeing adequate levels of consumer protection and competition, and safeguarding financial stability.

Interested parties can start informal talks with the Bank of Italy by filling in and submitting an ad hoc form available on the website.

For further information: www.bancaditalia.it

MILAN FINTECH SUMMIT

**Milan Fintech Summit
is Italy's most relevant
International fintech
event, organized by
Fintech District and
Business International,
with the support of
Milano&Partners.**

The fourth edition is scheduled for
October 9th-11th, 2023.

Reinforcing Milano's role as an international fintech ecosystem, bringing to the world the most promising fintech companies and the best in-class innovators is the aim of the event, which will also be an opportunity to strengthen the ties between the innovation sector and the many incumbents, headquartered in the city. The event will host international experts and the most innovative companies. An opportunity to present new ideas and products and to foster open innovation.

Milan Fintech Summit confirms the city's international role in the Fintech sector, and it's a token of its continuous growth.

<https://www.milanfintechsummit.com/>

2022 INSIGHTS:

92
International
partners

more than 1100
registered attendees
from 540 different
companies

129
international
speakers

5
unicorns

www.milanfintechsummit.com

SOME OF MILANO SUCCESS STORIES



The French scaleup founded in 2016 to help companies optimize cash flow management opened its Italian HQ in Milano in 2021. Only one year later, in 2022, with more than 1,000 customers and a team of more than 40 people, Italy is Agicap's fastest growing market in Europe.



The German Open Banking platform designed to connect banks and depositors, today one of the fintech unicorns in Europe, chose Milano as one of its major financial hub in 2018.



The French fintech that provides an online platform designed to connect and facilitate financial transactions between lenders and borrowers in 2016 chose Italy as first destination for its international expansion. Only two years after the launch in Italy, Younited credit reached 100 million disbursed, earning the title of first reality in Italian social lending to overcome this goal.



The British scaleup fintech that assists companies in all major operations involving money transfers abroad in 2019 was the first fintech company to obtain the approval for Guarantee Italy to provide Italian SMEs with guaranteed loans.



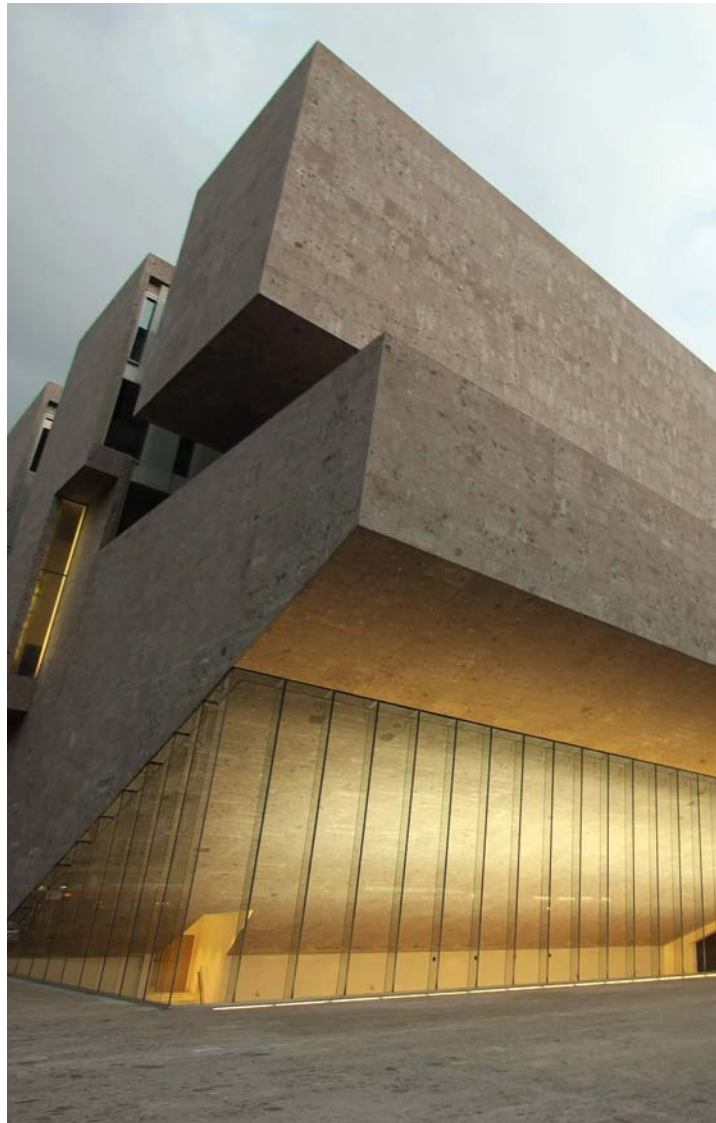
The Dutch platform for payment management opened its first Italian office in Milano in 2018 and now counts over 130 Italian clients such as Boggi, Benetton, Furla, Etro and Eataly. Ayden chose Italy in its international expansion path for: "The fashion and retail market, because the volume of digital payments is now at interesting levels, because ecommerce is growing at double-digit rates and mobile ecommerce is growing at 60% year on year".



The Austrian unicorn, leading digital investment platform in Europe, opened its Italian headquarter in Milano in 2021. In its first year of operation attracted around 100,000 of the total 4 million customers. In 2022 it announced its registration in the Italian Virtual Asset Services Provider (VASP) register.



The Spanish bank arrived opened its Italian HQ in Milano in 2021. In its first year in Italy it retained 160,000 customers and was elected in 2022 4th best bank in Italy by Forbes and Statista.



IN THEIR OWN WORDS



N26

Andrea Isola - General Manager Italy & Southeast Europe @N26

Why did you choose to open up your office in Milano?

Milano is increasingly becoming the reference point of the fintech landscape in Italy, which is why we believe it is strategic to have chosen it as the headquarter of the Italian branch of N26. In fact, Milan is hosting most of the Italian team of N26, from marketing and communication to the legal department, from compliance to business development.

Why does Italy is a need to be market? How big is its potential?

The potential of the Italian market, especially as regards fintech and the world of challenger banks, is really impressive. Italians are showing more and more interest in online banking services, due to their friendly user experience, immediacy and security. It is no coincidence that many challenger banks, including Italian ones, were born in this last year.

Can you describe Milano's best qualities for living and doing business?

Milano is definitely open to news and changes, in any environment. It knows how to welcome them and how to guide its citizens towards improvements, in fact it is a city that is constantly changing face, not only from an urban and architectural point of view (being one of the most developed smart cities in Europe), but also cultural and social. I believe these aspects are crucial for any entrepreneur who decides to do business in a specific city.



HiPay Italy

Paola Trecarichi - General Manager @HiPay Italy

Why did you choose to open up your office in Milano?

Lombardy is the richest region in Italy and one of the strongest economies in Europe. It's one of the four motors of European economy. The region is an "international business hub": has the highest density of multinationals (92 of the top 100 multinationals operating in Italy are based in Lombardy) and attracts over 60% of all foreign direct investment arriving in Italy.

Why Italy is a need to be market? How big is its potential?

HiPay HQ believed in the Italian market and they decided to invest there. Italy is a growing market and, according to the International Trade Centre, is the 2nd most competitive country in the world wide. It has great potential, for example, we have seen the beginnings of e-commerce growth following the strict COVID-19 restrictions

Can you describe Milano's best qualities for living and doing business?

Milano is the most European and open city in Italy; it's multicultural, active and innovative, as well as the cradle of fashion and design. Thanks also to the fashion week and design week, at least for 5 times per year, Milan becomes the Italian epicenter of creativity and offers beautiful events that enrich the city and those who live there.

IN THEIR OWN WORDS



SOLARIS

Federico Roesler Franz - General Manager Italy @Solaris

Why did you choose to open up your office in Milano?

Milano is a major international economic/financial hub. Particularly for fintech, it is a city at the forefront of development and innovation, as well as a nerve center for many players, an aspect that facilitates business development and networking thanks to participation in major industry events.

Why Italy is a need to be market? How big is its potential?

Italy is one of the key markets for Solaris: we are here with the aim of driving the growth of embedded finance in the country and helping Italian companies to offer the best financial solutions to their customers. With bank accounts with local IBANs, prepaid and debit cards (based on Visa or Mastercard), we enable our partners to further localise their offerings and tailor them to the needs of their end customers. And more products to be launched in the coming years.

Can you describe Milano's best qualities for living and doing business?

As it is quite easy to get around in Milano, mobility is a key aspect of the city. In your free time, you are inspired by art, fashion and big events. In terms of business, one works here with a concrete and pragmatic approach, the network of relationships is solid and business is dynamic. Having an office in Milano, especially for certain investment areas and sectors, is now essential.

COMPETITIVE BUSINESS ENVIRONMENT

In recent years, the Italian government has introduced reforms to make the country more competitive and attractive for foreign investments.

As a result, Italy has now a very generous fiscal regime and incentives package that includes the reduction of the main corporate tax from 27.5% to 24%, a flat-tax rate for income or capital gains on investments earned abroad realized by individual taxpayer and special visas for entrepreneurs that want to start a company in Italy.

The **2020 Budget Law** introduced new tax incentives with the aim of facilitating the transition to a more **digitalized economy** and promoting industry in Italy. Incentives are available in the form of capital grants, easy-term loans and tax credits and includes tax credits for new investments in tangible and intangible assets, R&D, employees' training.

Thanks to these reforms and to the strength of its industry, Italy ranks **7th** in the **Global FDI Confidence Index, 2022**.



ECONOMIC INCENTIVES

Startups

Innovative Startups

Startups founded by <5y with <€5 mln revenues are exempted from certain taxes and access to flexible employment contracts. Either 15% of their costs are in R&D or 2/3 of personnel hold a Master's Degree or they are the owner/licensors/depositaries of a registered patent/software. Tax relief for investors in innovative startups (cap at €1mln for individuals, €1.8 mln for companies).

Development Contract

The Development Contract supports large investments in the sectors of industry, tourism and environmental protection. It is made up of one or more investment projects combined to an interconnected **research, development, and innovation** project, for a minimum capex of €20 mln (€7.5 mln for agricultural products transformation projects). Multiple parties might apply to the **network contract**. Projects presented by foreign companies providing an investment of at least €50 mln gain access to the Fast-Track procedure. It may also include the construction of public utility infrastructure. It includes:

- non-repayable grant towards facilities
- non-repayable grant towards expenses
- subsidised financing
- interest subsidy

The incentives depend on the type of project, the location of the initiative, and the size of the company.

Innovation

New Enterprises “Zero Interest Rate”

Investment programs with eligible expenses up to €1.5 mln to be implemented by micro and small companies established by no more than 12 months and composed, for more than half of members and shares, of people aged between 18 and 35 years old or by women. Program duration not less than 3 years from project completion. Benefits are granted in the form of a subsidized loan (max. 8y) with a zero- interest rate covering up to 75% of the eligible expenses.

Innovation agreement

The Innovation Agreement is aimed at projects concerning industrial research and experimental development activities with eligible costs at least equal to €5 mln for the development of new products, processes or their improvements. Projects may have a duration of at least 18 months and not exceeding 36 months. Mix of grant and soft loan. Eligible subjects may also apply as a network. Applying companies must have at least two approved financial statements. Funds availability is announced by the Ministry of Economic Development.

FISCAL BENEFITS

Startups

Smart&Start Italia

To support innovative startups, established for no more than 60 months with a strong technological dimension. Interest-free loan up to 80% of the total investment (10y repayment). Up to 90% if the startup is composed exclusively by women or people aged <35, or if it includes at least one Italian PhD working abroad and willing to return in Italy.

Patent Box

50% tax reduction for incomes arising from direct use or licensing of qualified intangible assets: property rights, industrial patents, trademarks, designs and models, etc.

Tax Credit on Assets

Companies investing in tangible and intangible capital goods accordingly to the Industry 4.0 national strategy can benefit of a wide range of tax credits from 15% (intangible assets) to 20-40% (tangible assets). Companies investing in ordinary tangible assets can benefit of a 6% tax credit.

Innovation

Industry 4.0 training

40% tax credit on the cost of personnel employed in training courses for the acquisition and consolidation of skills in "4.0" fields.

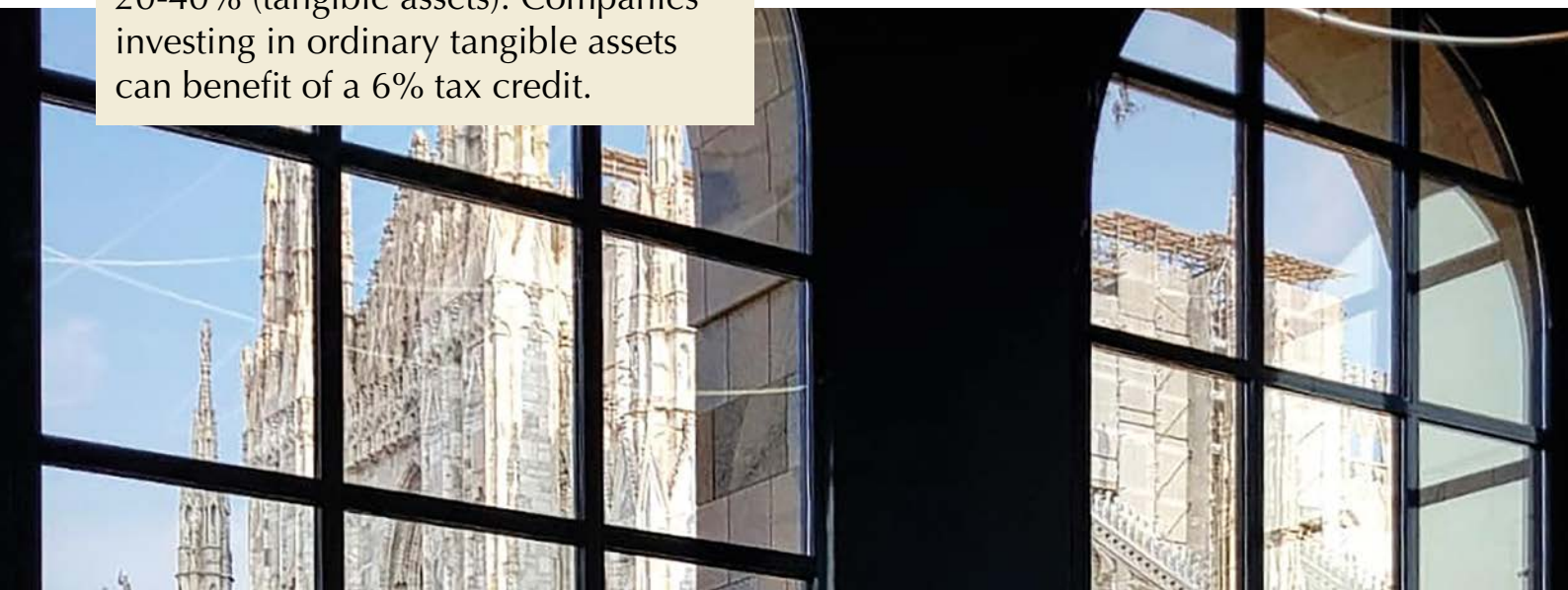
Employment

Firms that employ workers under the age of 35 are granted a reduction in the labor taxes for the first three years of their employment, up to a maximum of € 3,000 per year.

New Residents

Employees, self-employed, researchers and professors who move to Italy and have not been resident in Italy in the prior 2 years can benefit of a special tax regime with a tax exemption equal to 70% of their incomes for 5 years (extendible under certain circumstances).

Human Capital



ITALIAN QUALITY OF LIFE

Milano and its attractive surroundings offer a modern, sophisticated way of life, in a safe, tolerant and open social and cultural environment. It is a city that makes everyone feel at home right away and has opened its doors to foreign investors and workers.

English is widely spoken. Its quality of life is among the best in the world, with high-quality housing, a comprehensive network of international schools, a state-of-the-art healthcare system, a thriving artistic and cultural environment, a unique food scene, and efficient public transportation systems.



Milano stands at the heart of Europe, connected to all the continent's great cities.

Intercontinental Direct Flights to:

San Francisco, New York, Shanghai, Hong Kong, Tokyo, Istanbul, Tel Aviv, Riyadh, Abu Dhabi, Cyprus

Milano has efficient and rapid connections with Italy, Europe and the world. The city is two hours by plane to most EU capital cities, and two hours drive from the Alps in the North and the seaside in the South.

Milano has three major airports: Malpensa-MPX for intercontinental destinations, Linate-LIN with convenient connections to European and Italian cities, and Orio al Serio-BGY, which is an operating base for European low-cost airlines.

Milano Central railway station is a major hub for international railway travel, with daily trains to Paris, Munich, Barcelona, Vienna, Bern, Lugano, Nice, and Marseille. The city is also at the junction of major highways networks, which connect the city to France, Switzerland, Germany, Austria and Slovenia, as well as to the ports of Genoa and Venice-Mestre.

High accessibility by train & plane

1,001 Direct weekly trains and high-speed trains to and from EU capitals

3,681 weekly flights to Milano's 3 international airports (2019)



FIND OUT MORE

Milano&Partners is the promotion agency of the city of Milano, founded by Milano's Municipality and Milano's Chamber of Commerce. We support the soft landing of foreign investments in the metropolitan area and promote Milano's excellence by attracting foreign talents and boosting its competitive environment.

With our [Soft Landing Program](#), run in collaboration with Fintech District, we act as a business integrator and facilitator to ensure a smooth and successful landing of your fintech company in Milano, by offering top quality connections and services throughout all the steps of your expansion project.

- Preliminary information, guidance, analysis & research
- Introduction to local stakeholders, institutions, authorities and regulators
- Access to market, brand awareness and business matchmaking
- Access to capital, incentives and financing
- Accesso to talent, recruitment & HR
- Location scouting
- Bureaucratic and legal support, business set-up



In collaboration with:

MILANO&PARTNERS

Fintech District

* Information concerning Companies that are part of the Fintech community are updated periodically. We apologize in advance for potential omissions. If you notice any missing or wrong information please feel free to reach out

With the creative support of:

Creative Bulls

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[Milano & Partners](#)

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