



# LIGHTHOUSE RESEARCH REPORT FALL 2021

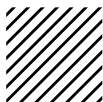
PROGRAM SUMMARY AND INSIGHTS



mastercard.



Lighthouse



[www.mclighthouse.com](http://www.mclighthouse.com)

# TABLE OF CONTENTS

**03**

**WORDS OF INTRODUCTION**

A welcome from Mats Taraldsson

**04/06**

**LIGHTHOUSE FINITIV**

Overview of the second 2021  
FINITIV cohort

**08/09**

**LIGHTHOUSE MASSIV**

Overview of the second 2021  
MASSIV cohort

**11**

**PROGRAM WINNERS**

Presentation of program winners

**12/13**

**KEY TOPIC: SMART PAYMENTS**

Trend spotting with Lighthouse  
participants

**14/15**

**ALUMNI SERIES – RECEIPTHERO**

How digital receipts will simplify  
our lives

**16/17**

**ALUMNI SERIES – SALV**

AML bridge to fight financial  
crime

**18/19**

**ALUMNI SERIES – SPENN**

Banking the unbanked in Africa

**20/21**

**MASTERCARD SUSTAINABILITY  
INNOVATION LAB**

A new innovation lab is opening  
in Stockholm

**22**

**LIGHTHOUSE 2022 SPRING  
SEMESTER**

How to apply to Lighthouse





**For the second time this year, we are happy to share insights, case histories and success stories from the Lighthouse program. What is different this time, is that we are finally back to a world that at least somewhat resembles the way we worked before the pandemic. In addition to holding many of the program's workshops and events onsite instead of online, we are also delighted to be back at SLUSH, the world's leading start-up event. The report you are reading will not focus on "getting back to a new normal". Instead, we want to convey and exemplify the great opportunities that arise from partnerships, and how working together in the Nordic and Baltic ecosystem facilitates innovation that would otherwise be difficult to achieve.**

#### **The winners of the programs**

Selecting the overall program winners among such an outstanding group of companies is not an easy task. However, after some tough discussions and great input from the program partners, the two companies that impressed us the most were Single.Earth for FINITIV and Investure for MASSIV. On page 11 we list both the overall program winners as well as the other awards presented in November's Showcase event, including the People's Choice award, Investor award, Impact Potential award, MASSIV finalists and FINITIV country winners' awards.

#### **Smart payment solutions stood out as a common theme in the fall cohort**

Across the 20 impressive companies, one aspect that stood out was how several are providing exciting solutions that will take payment experiences into the future. On page 12 you will read more about how the best payment experience is likely to be invisible. We will not have to think about payments at all, it will be just something that happens in the background. The dimensions of payments are also changing; payments will be made in more ways than just exchanging some form of cash equivalent (if that is even a thing

anymore), or blipping cards and smartphones. Instead, payers and payees will shift into automation, with transactions being enacted by machines and possible to conduct with any type of artifact.

#### **Alumni companies once again illustrate the power of partnerships**

Since its launch in 2018, the Lighthouse program has already played a part in many partnerships between fintechs / impact startups, as well as with our partners and with Mastercard. The Lighthouse team has interviewed three alumni companies with impressive partnership stories; ReceiptHero partners with Mastercard and banks to overcome hurdles for digital receipts, SPENN is banking the unbanked through digital wallets in Africa, partnering with Mastercard; Salv is revolutionizing AML in Estonia by enabling secure information exchange between banks to catch criminals.

**We hope you will have a great read – and that we see you again in 2022!**



**MATS TARALDSSON**

**HEAD OF INNOVATION,  
FINTECH AND IMPACT-TECH ENGAGEMENTS**

# LIGHTHOUSE CONSISTS OF TWO TRACKS: LIGHTHOUSE FINITIV & LIGHTHOUSE MASSIV

## LIGHTHOUSE FINITIV



The FINITIV program is a part of Mastercard's continuous effort to support the fintech community in the Nordics and Baltics by connecting startups with our corporate partners, with growth as the end goal for all partners involved. FINITIV is especially designed for fintechs in the region who dare to challenge the status quo and address key needs for the players in the market.

**ABILIO**

LATVIA

Abilio, based in Latvia, is developing a gig-economy cross-border payments gateway.

**BILLENDER**

SWEDEN

Billender is a Buy Now Pay Later solution for paying utility bills. We simplify bill payment and give the user a better overview of their finance.

**BLEAM**

FINLAND

Bleam offers an automatic customer authentication platform enabling frictionless payments.

**CUPLOOP**

ESTONIA

Cuploop provides a fully automated last-mile solution for collecting and sorting reusable packaging and refunding deposits.

**EASI**

SWEDEN

Easi is a patented service focusing on digitization, automation, control and reduced costs in managing the administration of B2B transaction information.

**ECOFRIC**

NORWAY

Ecofric simplifies sustainability (ESG) activities for SMEs and helps financial institutions with the EU taxonomy.





## EMABLER

 FINLAND

eMabler is creating a more sustainable future by making eMobility more accessible with our API-first electric vehicle charging platform.



## FAIROWN

 ESTONIA

Fairown is a subscription financing API for global brands like Apple, Stihl, HP and others.



## FIMENTO

 SWEDEN

Fimento is a SaaS company developing tools for embedded finance solutions.



## PELT8

 SWITZERLAND

Pelt8 is a Swiss-based startup enabling organizations to aggregate their sustainability data, enrich it with suppliers' information, and share it in various formats with any stakeholder - all on one platform.



## SINGLE.EARTH

 ESTONIA

Single.Earth is incentivizing nature protection by tokenizing natural resources (forests, wetlands, etc) and making them tradable as carbon/biodiversity assets.



## TAPSTER

 SWEDEN

Tapster is making everyday life easier in a contactless world by replacing the wallet with an accessory that is designed for the requirements of a modern lifestyle.

***Continues...***



Trust Anchor Group

## TRUST ANCHOR GROUP

 SWEDEN

Trust Anchor Group is making the world smarter by connecting existing infrastructure with cutting edge IoT technology and smart payments.

WREBIT

## WREBIT

 SWEDEN

Wrebit is a complete accounting and invoicing program, fully automated and free, all in one app, only for self-employed.

 powered by  
yonoton

## YONOTON

 FINLAND

Yonoton is a versatile omnichannel SaaS platform for digital ordering and payments.



## LANA BRANDORNE

PROGRAM MANAGER  
LIGHTHOUSE FINITIV

*"Once again we have had the pleasure to welcome 15 great companies to the Lighthouse FINITIV program."*

*The Fall 2021 cohort features various futuristic and cutting-edge solutions, including several related to smart payments.*

*We are certain that this cohort will also find great partnerships and reach new heights, in the same way as we have seen many of our alumni companies flourish"*







# LIGHTHOUSE MASSIV



The MASSIV program is Mastercard's social impact partnership program dedicated to finding and scaling the next impact unicorn. By partnering with startups that have a high potential to improve the prosperity of the planet and supporting them to scale globally, the program aims to help one billion people live more prosperous and secure lives by 2025.



## GAIA

 DENMARK

Gaia is an investing app for the conscious investor community to vote with their money by investing in companies that drive change towards a sustainable future. Gaia's mission is to offer a broad financial solution that ensures all aspects of an individual's financial needs, from debit cards to loans, are aligned with a sustainable future.



## IMAGILABS

 SWEDEN

imagiLabs builds tools to inspire, educate, and funnel the next generation of technologists. Their solutions include a product, imagiCharm, targeted towards teaching 300 million pre-teen girls globally how to code.

## INVESTURE

## INVESTURE

 SWEDEN

Investure is an impact exchange working to bridge the excessive funding gap in developing markets. Our blockchain-based solution eliminates investment barriers through digitization of private market transactions, asset servicing and creates liquidity through a secondary market.



## OTHALO

 NORWAY

OTHALO has developed a patented technology that allows organisations to upcycle local plastic waste into building systems, to build adequate and affordable housing locally, on an industrial scale. This solves two global problems: The world's growing plastic waste situation and housing deficiency in the growing economies of the world.



## SKRYM

 SWEDEN

Skrym provides a data-driven solution to eliminate unnecessary air in the transport of goods. By calculating optimal package sizes based on actual order history and automating the package choice in real-time, Skrym enables organisations to pack smaller, faster and more sustainably - without any need to invest in hardware.



”

***"It is exciting to see that the Mastercard Lighthouse MASSIV program resulted in more than 80 partnerships for the 21 impact tech startups that participated since early 2020. Mastercard provides a local and global network to startups, which truly helps them in their scaling journey to make more impact and get closer to achieving their UN Sustainable Development Goals.***

***If you run a sustainability or social impact-focused startup that is ready to scale, then you should definitely join the Spring 2022 program."***



**ELEONORE  
HINLOPEN**

**PROGRAM MANAGER  
LIGHTHOUSE MASSIV**







# LIGHTHOUSE PROGRAM WINNERS



## SINGLE.EARTH



We need new types of solutions to fight climate crises. Single.Earth has devised an innovative way to incentivize landowners to conserve biodiversity. Now we only need solutions such as those provided by the Lighthouse companies to act as enablers for this development, and for banks and other corporates to partner and play their role in this journey. While their solution is rather 'outside the box', the team at Single.Earth has won both corporate and venture capital hearts. The Lighthouse team is very excited to see the amount of engagement that the company achieved through the FINITIV program and we look forward to continue supporting their growth.

### COUNTRY WINNERS

Baltic

SINGLE.EARTH

Finland

BLEAM

Sweden

ERASI

## INVESTURE



Investure has developed a very promising solution aiming to decrease the funding gap for initiatives in developing markets. Lighthouse MASSIV's vision of touching the lives of one billion people by 2025 gets closer to achievement when we support companies like Investure. Their team showed an impressive partnership potential and has made tremendous progress in the program. Investure impacts both people and the planet, and the Lighthouse team is excited to support their growth journey further to deliver on the UN's Sustainable Development Goals.

### FINALISTS

INVESTURE

imagi  
Labs



### OTHER AWARDS

Impact potential 

OTHALO

Investor

SINGLE.EARTH

People's Choice

OTHALO

# HOW DOES YOUR COMPANY WORK WITH SMART PAYMENTS?

## BLEAM

**Bleam:** We enable automatic customer authentication, settled by Bluetooth and AI, so that payments can happen automatically in the background. This is done by analyzing the behavior of the registered end users, which tells us what use case we can trigger for a payment. For example, customers can already enjoy seamless refueling at some gas stations in Finland, as we can monitor and follow the location and behavior of the connected car and the smartphone of the driver. We aim to equip 15,000 vehicles with this solution during next year but will also implement other use cases such as flawless shopping experiences in unmanned retail stores.

## eMabler

**eMabler:** We solve the issues that currently exist with electric vehicle (EV) charging by connecting the existing payment methods and solutions on the market. As an example, in Norway alone, there are 30 different mobile payment apps for EV charging. In contrast to plug-in hybrids that you could choose to charge only at home and then drive with fuel, EVs will also need to be charged when you are away from home, which exposes you to the myriad of solutions out there. Our white label solution can be integrated with APIs to any existing app, including those for shopping centers, airports, and others who want to offer EV charging.

## Trust Anchor Group

**Trust Anchor Group:** We work with digital assets and the new value streams arising in society, whereby we connect new infrastructure to create new assets and achieve interoperability. TAG has three different solutions combined in one; digital ID, wallets and next generation ledger to handle information. Our solution also makes it possible for machines to have a unique ID, which enables Machine-to-Machine (M2M) exchanges. Applications include a partnership we have with IBM for automatic payments in cars, automatic delivery of packages, and harmonizing regional digital ID systems into a unified solution, which we are currently doing with four ID systems in Brazil.

## TAPSTER

**Tapster:** We offer a range of wearable products, including watches, rings, keyrings and other wearables that you can connect to your payment card. Our wearables are 'passive', meaning that they do not need any charging, network coverage or similar to perform a payment. Each product has a chip; when the chip comes close to a terminal, it receives power and can transfer information through NFC connectivity. With our solutions, you can basically leave your wallet and your mobile device at home and still be able to make payments. We are working together with Fidesmo, a Lighthouse alumnus, for the underlying technical solution.

## THE FUTURE OF SMART PAYMENTS

### Payments will happen in the background

Few will have missed the many wonders emerging in the developments towards a more convenient payment experience, driven by forces such as open banking, digitization, and a never-ending focus on a great user experience (UX). One might wonder where all of this will lead in the future; this is exactly what many of the companies in the Fall 2021 Lighthouse cohort is already working on. A common theme among the participants of this year's Lighthouse program is smart payments and Internet-of-Things (IoT). The upsurge of new solutions coming into the market is not surprising to Alexander Polash, Director Digital Consumer Products at Mastercard Nordics and Baltics. "In our own data, we see that card-based

mobile payment transactions have increased significantly over the last couple of years, with no signs of slowing down" he says, "and the trend is taking us to a world merging online with offline".

He adds, "as the market is following a vision that 'every device is a payment device', plastic cards will be replaced by a payment experience where the payer moves between mobile, wearables and cards". This notion is shared by Ludvig Scheja, CMO at the wearables



**ALEXANDER POLASH**  
Director Digital Consumer Products  
at Mastercard Nordics and Baltics

company Tapster: "we believe that people will not even have a wallet at all in five years from now; once the world moves fully into contactless payments, physical cards and wallets will become irrelevant".

### Consumer convenience will drive the development

Despite the notion that the world is becoming increasingly connected, Tapster's solution actually enables us to be disconnected. "We want people to have their payment option available even when they do not have their card or their phone", Ludvig tells us, "which is where wearables come in". Having more convenient ways of making payments and making things easier for consumers is high on the agenda; all the interviewed companies mentioned convenience as a key driver of development. As an example, eMabler wants to simplify the burning payment challenge in the developing electrical vehicle charging system. "In Norway alone there are currently 30 different electrical vehicle charging apps; consumers need to know which one to use and where to use it - it is currently impossible", Juha Stenberg, CEO of eMabler tells us. Looking into the future, eMabler also sees the demise of physical cards and



the introduction of alternative payment methods as a likely end stage. "The charging station will already recognize the card, without you having to show it, and will finalize the payment" he says.

### Payment systems are becoming more complex and reliant on technology

The team from Bleam further confirms that customer centricity is key but sees a risk, in that the complexity of the systems make it difficult to work together. "A major problem we see in user tech is the integration of a lot of different types of technology, which is making it very complex for the end user," says CEO of Bleam, Ilya Sokolov. Tommy Andorff, CEO of Trust Anchor Group agrees: "just in Brazil for example, they have four different ID systems. Our solution aims to harmonize these and add payment functionality on top".

Bleam CTO, Dimitri Ivanov further elaborates on the challenge, "the main challenge for payments is to stay simple when the world is becoming more complex. The way to fix this challenge is by applying more tech, AI, automation, using the customer data efficiently. Everything will be happening in the background and will depend on AI. Everything will happen independently." Both Bleam and Trust Anchor Group further agree that the future will



comprise an economy of robotic payments, with settlements being automatically handled between machines, i.e. a world with so-called Machine-to-Machine (M2M) payments. However, the new payee would also require innovation in the banking system. "The economy of robotic payments is going to grow tremendously. Just think about autonomous vehicles - they need to be able to handle themselves without human intervention, and this includes the ability to settle payments. This is a major growth area that we will need to see in the tech industry. Machines need to settle payments somehow, but banks are not even thinking about machines



having bank accounts. This development will be in the junction between robotics and automated payments." Ilya at Bleam tells us.

As an additional opportunity, enabling the individual identity of a machine can also generate new value streams. This is something for which Trust Anchor Group is developing solutions. "One example is when the car not only makes payments by itself, but also monetizes the data it collects while being on the road, such as information about road or air quality" says Pär Kempe, CFO of Trust Anchor Group.

The Lighthouse team concludes that we are likely to see an exciting and sci-fi like future within payments in the coming years. We wish all the participating companies the best of luck going forward in bringing that future to us all.



# HOW RECEIPTHERO WILL REVOLUTIONIZE THE WAY WE USE RECEIPTS

Have you ever stored a box of "important receipts" in the inner corner of your wardrobe and then forgot about it? Have you also experienced finding that box a few months too late, after you needed to access the receipt for a product that broke? This is something that the writers know all too well. Fortunately, this painful era is approaching its end. By digitizing our receipts, the Lighthouse alumnus company ReceiptHero is exactly that: a receipt hero aiming to save us from the mountains of faded receipts lurking in the forgotten corners of our lives. But this is only half the story. As we soon realized when sitting down with Chris Moore, COO at ReceiptHero, there is much more to digital receipts than just being able to access them at any time from your devices.

An important part of ReceiptHero's success story is their establishment of a partnership with Mastercard following their participation in the Lighthouse program. Consequently, we also held a conversation with Caroline Barnekow, Director of fintech and impact-tech engagements at Mastercard Nordics and Baltics, to hear her views on this partnership.

## The first step was to focus on integration...

The seed of what later became ReceiptHero was a spin-off company from a travel expense solution that enabled SMEs to digitally scan receipts. "It was a good solution and we reached around 50% of Finnish SMEs. But then we started to think about the next steps – what happens if you do not need to scan the

receipts at all?". Chris tells us that the original company was sold back in 2019, which then enabled the founders to think freely and find new solutions to better solve the market need for digital receipts. After some exploration, the team realized that the key could be summarized in one word: integration. As a newly-founded company, ReceiptHero focused on creating the required integration between terminals and cash register systems, and soon built partnerships with Finnish and international POS solutions and partners.

However, the team realized that this model had some challenges. Firstly, scaling the business required a lot of work. Caroline at Mastercard explains: "To access authorization data, a digital receipt company operating with this model needs individual agreements with the terminal suppliers. This has proved difficult as terminal integration is often not transferable even within a terminal provider." Furthermore, scalability issues also arise when a digital receipts company enters a new country, as this requires a completely new set of integrations as there are different laws and regulations that apply. Secondly, there are also entry barriers when entering a new country as the company will not have a network of partners to build from but needs to build two sides of the platform simultaneously. Finally, the POS integrations needed to onboard merchants might differ between markets. "It was a 'chicken-and-egg' scenario – if you don't have the merchants you don't get the banks, and vice versa" Chris tells us.



**CHRIS MOORE**

COO AT RECEIPTHERO

## ...the second step was even smarter integration

Then the lanterns of the Mastercard Lighthouse program illuminated the way to scalability. ReceiptHero realized that an integration with a technical aggregator as well as with Mastercard would enable them to circumvent the heavy work of integrating separate payment terminal providers. Furthermore, unlike email or paper receipts, a digital receipt matches structured purchase data automatically to the right transaction in real-time. The Mastercard network is already adapted to all individual rules and laws of each country and has therefore removed the scalability barrier, making growth significantly more feasible. But the scalability doesn't stop there. The next step for ReceiptHero was to become a PCI DSS compliant company, which enables them to prove to banks that they have undertaken the correct compliance work

and so can scale even faster. "If we wanted to build the platform properly, we had to become a proper PCI DSS level 1 certified company – this will enable us to enroll millions of cards already next summer" Chris says. To make this happen, ReceiptHero had to comply with all the required security standards, but also have a lot of grit. "ReceiptHero is the first receipt vendor that we have onboarded, mainly due to their persistence and engagement to move forward. Mastercard supports the digitization of the payment cycle, where digital receipts represent one part of the puzzle." says Caroline. "The ReceiptHero solution is being launched with Mastercard in Q4 2021."

**ReceiptHero has laid the groundwork not only for fast scale-up, but also for value-added services**

One of the most exciting aspects of the new model is that it does not only enable scaling fast, but also frees up a lot of operational time that can instead be invested in building value-added solutions on top of the core digital receipt solution. In addition to solving the problem of faded receipts, benefits can be reaped in areas such as sustainability, personal financial management, and loyalty solutions.

When it comes to sustainability, the direct benefit is that each digital receipt means one fewer receipt being printed and thrown away, preventing countless tons of waste, especially for low value purchases. However, as receipts contain line-item data they can also be used to calculate the impact of spend, both in terms of environmental footprint as well as in personal financial management, helping consumers to spend more consciously. Finally, there are almost endless possibilities regarding loyalty solutions, with examples such as digital stamp cards and the possibility for customers to provide feedback to the merchant directly on the receipt. "Imagine a restaurant that asks the consumer what they thought about the meal at bottom of the receipt, giving them a

real-time Net Promoter Score score", Chris says. However, the access to data also comes with great responsibility and Chris highlights that data privacy for consumers is the number one priority in developing all these solutions.



**CAROLINE BARNEKOW**

**DIRECTOR OF FINTECH AND IMPACT-TECH  
ENGAGEMENT, MASTERCARD  
NORDICS AND BALTICS**

OK – we are convinced that digital receipts are the future, but when will we see this fully rolled out? "I believe the establishment of digital receipts will benefit the whole ecosystem, driven by consumer preferences" says Caroline. "Five years from now, all receipts will most likely have the option of being digital". With this great news, we wish ReceiptHero success in their expansion and look forward to following the company's progress in the future!



# THIS IS HOW LIGHTHOUSE ALUMNUS SALV WANTS TO FIGHT FINANCIAL CRIME – PARTNERING WITH THE MAJOR BANKS

In our increasingly digital society, financial crime and fraud continue to be growing problems, at the top of the agenda in the financial industry. This creates challenges not only for private individuals who need to stay alert and distinguish friends from foes, but also for banks who are required to detect and prevent fraudulent activities. One such challenge is that a common practice among criminals is to make the stolen money 'disappear' through complex transaction chains where funds move between banks, making them practically untraceable. This is where Lighthouse alumnus Salv comes into the picture. By creating an infrastructure for faster information sharing between banks, Salv has given them the possibility to track these transaction flows more easily, enabling them to intervene.

The Lighthouse team has interviewed Jeff McClelland, COO at Salv, to hear more about their solution and their journey during as well as after participating in Lighthouse. We have also talked to representatives from SEB and Swedbank, both of whom decided to partner with Salv following the company's participation in Lighthouse.

## Pivoting their solution enabled bank partnerships

When joining Lighthouse in January 2020, Salv's business idea was to support banks in improving their anti-money laundering ("AML") processes with solutions for transaction monitoring and screening within the bank. However, Jeff revealed how this original idea soon changed as a result of meeting the banking partners within the Lighthouse program. "SEB and Swedbank challenged our AML business idea and together we realized that each bank was working alone in fighting criminals; there was no way for banks to securely exchange information between each other". Although this idea was not completely new to Salv, they had thought it was not feasible to start from that angle. "We had also considered the idea earlier, but before Lighthouse, we saw it as too big of a task to work on without a first user. But now we were introduced to SEB and Swedbank who actively encouraged us to pursue this path". The seeds of the partnership were planted and after signing a Memorandum of Understanding with both SEB and Swedbank, a few months after completing the Lighthouse program they started to develop the idea with the working title "AML Bridge Project".

SEB's AML Strategy Team Lead in Estonia, Katrin Sonajalg-Pihlik, adds that many factors played a role in creating the right conditions for taking on the task of bank information exchange: "First, for fintechs it might be difficult to understand how the big banks work. But Salv really understood how to navigate through our processes and make our lives and work easier. Second, the fact that they involved the Estonian FSA and the data protection agency early on ensured that we had confirmation from the start that this would actually work. It was the ideal project from the very beginning, and the market really needed this solution" Katrin tells us. Swedbank paints a similar picture. Ülle Eelmaa, AML/Fraud Investigations Legal and Framework Expert at Swedbank, also shed some light on the determination from Salv to make it work: "The beginning was difficult with many participants and options for the future scope. We overcame it by having almost weekly meetings led by Salv as well as early involvement of security specialists, privacy managers, lawyers and Data Protection Officers internally".



**JEFF MCCLELLAND**

COO AT SALV

## The AML Bridge is already preventing financial fraud in Estonia

The solution is currently in place and used on a daily basis among Estonian banks who can now send and receive almost instant information requests from each other. But has it worked? The stakeholders interviewed agree that this is the case. "As the AML Bridge Project enables secure information exchange from one-to-one or one-to-many banks in close to real-time, banks can track





the money much faster and even stop transaction chains in some cases before they disappear off the radar." Jeff says.

Tanel Pärss, head of Swedbank's AML Fraud Investigations department concurs that the pilot has been a success: "We can confirm that the three-month pilot project with Salv has been successful and is worth the money invested. The timeliness and speed with which we exchange information is really key compared to previous methods", he says. Katrin at SEB tells us that they too have already seen a measurable impact of the solution, and that this would have been much more difficult to build in-house without the support from a player such as Salv. "We are very impressed by the way Salv managed to adapt to the needs of each stakeholder and can already confirm that the AML Bridge Project has worked in practice. Due to data privacy and legacy systems that are different in each bank, developing a solution like this would have been very difficult and taken a lot more time if we did it ourselves." she tells us. Üllar Rannik, data scientist for SEB in Estonia, confirms this view and elaborates on the value of the solution. "From the analytical point of view, financial crime happens cross-banking and it is difficult to address the patterns based on information only available in one bank", he says.

### What are the next steps?

While the AML Bridge is currently only live in Estonia, SEB and Swedbank have agreed to move to phase two. Jeff highlights that the natural next step is to expand it to new countries while also adding additional functionalities to the solution. The first step is to onboard banks in the neighboring countries across the Baltics, with banks in countries such as the UK also relevant as part of the near-term plan. Jeff explains that improvements to the functionality of the AML Bridge, will involve ways to make it even more automated to ensure that the data exchange happens as fast as possible, enabling them to act even more quickly to stop the bad guys of the financial world. The Lighthouse team is convinced that Salv will continue growing as a valued partner. We will end the article with the words of Tanel from Swedbank "The importance of fraud prevention and AML will continue to increase in the future, banks cannot drop the ball now. Salv is here to stay".

## HOW TO HAVE A SUCCESSFUL BANK PARTNERSHIP

### Fintech perspective

- Do not underestimate the skills of the bank; the banks have expertise based on working in the field for a very long time
- Enter with an investigating mindset – the bank is best-placed to understand their own problems
- Be proactive and keep the conversation going; follow up on any "to-do's" agreed. This helps you get to the next meeting

### Bank perspective

- Be patient and flexible, partnerships with banks are difficult and take time
- Fintechs should approach us with a viable product that can offer mutual benefits / help to solve a problem for the bank
- Think about the extra values you can offer the bank (workshops, communications, ambassadors etc.)

# HOW SPENN IS BANKING THE UNBANKED - PARTNERING WITH MASTERCARD

Who would have thought that what started as a casual conversation between SPENN and Mastercard in Norway a couple of years ago would lead to a solid partnership? A key enabler for this was the Lighthouse MASSIV program, which SPENN joined (and then won) in Spring 2021. The Lighthouse team caught up with Mitchell De Young, Chief Product Officer of SPENN, and Mats Taraldsson, Head of Innovation Fintech and Impact-tech Engagements at Mastercard Nordics & Baltics, to talk about SPENN's solution, the partnership with Mastercard and how participation in Lighthouse accelerated their success.



**MITCHELL DE YOUNG**

**CPO OF SPENN**

## First, a short introduction to SPENN

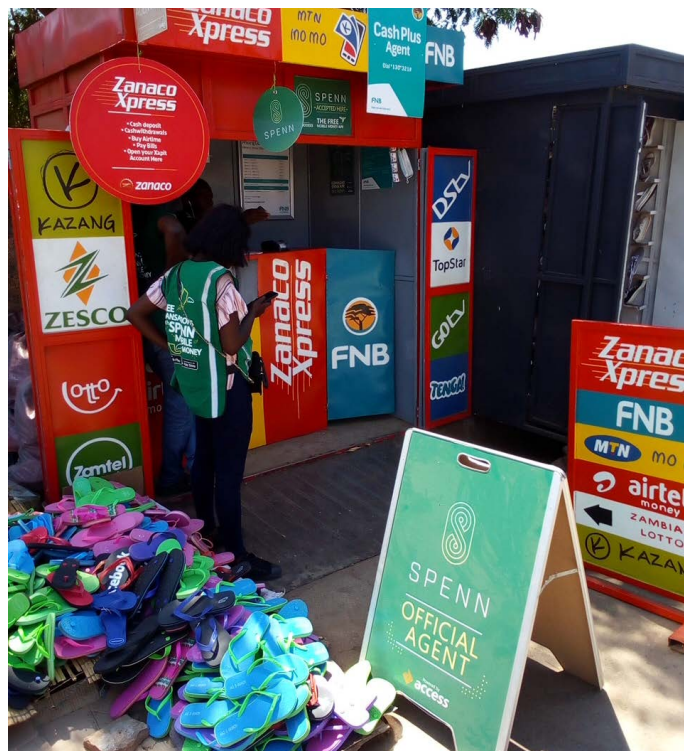
Founded in 2014, SPENN has a vision of empowering people, "our mission is to give everyone equal financial opportunity" Mitchell tells us. The SPENN solution is accessed through a mobile phone app and combines chat, real-time payments, and bank accounts to enable users to manage their money, payments, and investments at zero cost. "SPENN is a wallet provider, leveraging blockchain

technology to make things work frictionlessly; our solution also solves KYC and AML requirements for bank accounts," Mitchell explains. "We want to create an ecosystem and therefore have one foot in the "traditional" world as well as one in fintech. We believe this is the best approach as we aim to bank the unbanked, which

requires contact and partnering with local banks to ensure we are doing things correctly." The approach is successful – the SPENN team has already grown to 160 full-time employees, over a million customers, and has enabled more than three million transactions. All of this while expanding to new countries, of which several are in Africa.

## The founding story of SPENN - Mastercard partnership in Lighthouse

Although it took a couple of years to enter an actual partnership, the realization that the two companies could be a perfect fit was there from the beginning. "We were attracted to Mastercard from the beginning when meeting in Oslo. We share the vision of banking one billion people and we were both open to reach that target through innovative set ups", Mitchell says. Mats agrees and adds "it was love at first sight; the MASSIV program has further acted as a perfect platform for us to elaborate on how to work together". The opportunities for a collaboration soon crystalized, and the key was Mastercard's wide global presence. "I could see the potential to use our network to help SPENN reach new markets, and we then managed to bring together six







country managers of Mastercard in Africa for a conversation on how we could work together with SPENN," Mats says. The conversations bore fruit and the collaboration started in Zambia. "We needed a sponsor bank that had a licensing agreement with Mastercard to operate in the country; it only took 1.5 months to get this in place", Mitchell tells us. He has confirmed that development of a virtual card powered by Mastercard is already underway.

#### **The Lighthouse participation also opened new doors for SPENN**

Since the Lighthouse MASSIV program functioned as a bridge between the initial conversations and an actual partnership, we were curious to learn what other benefits came from SPENN's participation. Mitchell says that he has many clear examples of the benefit of having close contact with Mastercard. Firstly, coaching from the advisors of the Lighthouse program prompted a big shift in how SPENN thought about their own solution. One consideration they had before Lighthouse was how to balance the vision of helping the unbanked, while at the same time becoming a profit-making company. "The coaching we got from the advisors helped us to realize that we could do both. The product could stand on its own and be both a young hip urban banking app while simultaneously banking the unbanked. People don't want to think about themselves as a group in need of support, they just want to be banked and our solution enables this", he says. The participation in Lighthouse further gave SPENN the opportunity to pitch to the Bill and Melinda Gates Foundation, with whom they launched a digital vaccine credential delivered in an app called SPENN: Health. "We talked about a health pass product utilizing the security within the SPENN product. Now it is possible for the users to declare their vaccine status when paying for a show ticket for example."

#### **The robust partnership with Mastercard is built on trust**

As SPENN is now continuing to grow, they are not only looking at additional countries in Africa but also expanding their view to countries outside of Africa, such as in Asia. Mats expects that as

the company grows, it will be natural for him and Mastercard to continue to be involved, "I want to see a continued expansion of SPENN in Africa, in addition to a re-launch into the Philippines and more countries in Asia. Here, we would like to expand and deepen the collaboration even further; maybe we can develop more solutions together" Mats suggests. Mitchell further adds "I agree, for me, we deserve each other. We have put a lot of effort into cultivating this partnership and will not give it up. Going forward, when we enter a new country, we will offer the SPENN wallet with the Mastercard solution on top. Our solution will enable people to continue to pay with their local currencies but make international transactions with cryptocurrencies between countries. This is a reality thanks to our partnership."

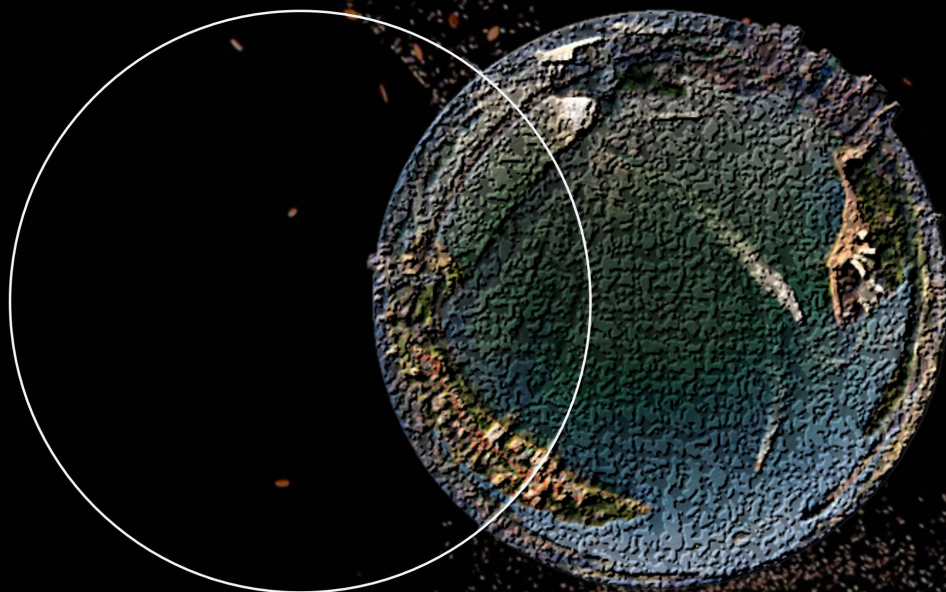
#### **Finally, do you have any advice for future Lighthouse participants?**

##### **SPENN:**

- Choose one or two mentors and stick with them all the way through.
- Have achievable goals that can be accomplished within the timeframe of the program, otherwise you cannot show that you have successfully reached your targets. We focused on the user numbers and managed to onboard 80,000 new customers during the program.
- Do not be afraid to pivot.

##### **Mats:**

- Commitment to the program and delivering on that commitment.
- It is what you make of it – you will be successful if you are active in making use of the resources of the program.



# LAUNCHING MASTERCARD SUSTAINABILITY INNOVATION LAB

Not long ago, we were happy to learn that Mastercard had selected the Nordic and Baltics region to become the hub for the new Mastercard Sustainability Innovation Lab in support of the EU Green Deal. The choice of location recognized that, despite being relatively small, we have one of the most sustainably progressive regions in the world with strong consumer, political and business commitment to transitioning to a low-carbon economy. We took the chance to interview the lead for the new Sustainability Lab, Malin Berge, Vice President Strategic Growth, to hear more about this new investment.

## We are curious, how come Mastercard is investing in a Sustainability Innovation Lab?

It all started with a conversation between our group CEO, Michael Miebach, and Frans Timmermans, Vice-President of the European Commission, about how Mastercard can mobilize European citizens and support the innovation we need to achieve the EU Green deal. To make this happen, we have joined the European Climate Pact and worked together with experts to translate the latest in research and identify where our potential lies. For example, as 60% of global emissions can be associated with consumption, this would be an impactful area to focus on in order to reach our ambitious targets.

When you think about it, Mastercard holds a unique position connecting 2.9 billion people and 22,000 banks around the world. We want to develop our capabilities in connecting the ecosystem and working together to make the transition towards sustainable consumption. The lab's goal is that our solutions should enable every individual paying with Mastercard to make sustainable consumption choices and have a positive impact on the planet.

In the launch announcement, Mastercard's Chief Sustainability Officer Kristina Kloberdanz summarized it well: "As we continue to build a more sustainable digital economy, the Sustainability Innovation Lab will enable us to co-create a robust portfolio of environmentally-friendly solutions, uniting everyone – businesses and consumers alike – in climate action".



**MALIN BERGE**

**VICE PRESIDENT STRATEGIC GROWTH**

## What will the Sustainability Innovation Lab look like?

The Sustainability Innovation Lab will consist of three separate services: 1) an **R&D Center** focused on building solutions for sustainable consumption and value chains; 2) a **"Labs as a Service"** platform to convene partners and customers in the co-creation of sustainable shared-value solutions; and 3) a **Mastercard Experience Center** for hands-on product demos and in-person engagement. We will set up teams locally here in Stockholm to work



on the solutions and enable customers from around the globe to access the insights virtually as well.

**What is next on the agenda for the Sustainability Lab?**

The Experience Center will open in Stockholm before the summer of 2022. We already have a significant intake of new business ideas and innovations for our two initial R&D portfolios, sustainable value chains and sustainable consumption. One example includes iterating on the Mastercard Carbon Calculator feature in collaboration with the Lighthouse alumnus company Doconomy, as the feature is now embedded across the company's global network. Other topics include renewable energy, agriculture and farm-to-fork solutions, sustainability-centric consumer payment value propositions, consumer engagement in our Priceless Planet mission to plant 100 million trees by 2025, as well as traceability of raw materials.

**What synergies do you see with Lighthouse, and especially the MASSIV program?**

I see many areas where we can benefit and learn from each other. One example is how the R&D Lab can increase visibility and transparency in supply chains through solutions enabling traceability – between all the stakeholders, from sourcing raw material to the point at which something is purchased by a consumer.

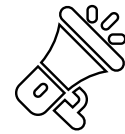
Also, we want to address the cognitive dissonance of consumers between aspiration and behavior of living a more sustainable lifestyle and making more sustainable consumption choices. We see in our research that a majority of consumers want to live more sustainably but for various reasons are not doing so. To address these challenges, we will need new third party solutions such as our work with the Åland Index (a CO2 emission calculation solution for payments), and I believe Lighthouse companies can continue to play a valuable role here. We could for example look at technology solutions created by innovative start-ups that have solutions in line with the Lab's focus areas and projects. If we find such solutions through Lighthouse, we could act as a powerful enabler for the start-ups to refine their solutions and gain a global reach while they support us in reaching our sustainability ambitions.

**Is it possible for Lighthouse companies (and others) to get into contact with you and the Lab?**

Yes, of course! Feel free to reach out to us on:  
[sustainabilitylab@mastercard.com](mailto:sustainabilitylab@mastercard.com)



# TAKE THE OPPORTUNITY TO APPLY!



Applications for the spring semester are now open and we look forward to welcoming 20 new companies!

*Are you a fast-growing & innovative (fin)tech company looking to partner with Mastercard and leading banks in the Nordics and Baltics?*

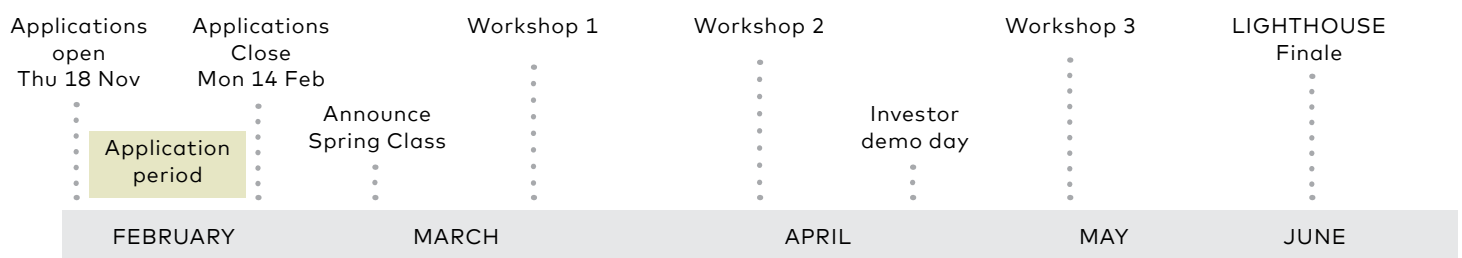
**- Or**

*Are you an impact company with roots in the Nordics & Baltics ready to take the next step in scaling your business and creating positive change in the world? Then Mastercard Lighthouse, our partners and advisors want to support you!*

**Apply to the Spring 2022 FINITIV or MASSIV program before Mon Feb 14**

Read more on [mclighthouse.com](https://mclighthouse.com)

## Lighthouse 2022 Spring Timeline



# THANK YOU TO EVERYONE INVOLVED!

## Program team and Mastercard

### Contributors

Anders Ostensvig  
Audrius Rutkauskas  
Casper Bjørner  
Chang (Kathy) Hao-Hsuan  
Fredrik Nilzén  
Geetha Selvakumar  
Ida Louise Schulin-Zeuthen  
Jim Runsten  
Lennaert Jonkers  
Lisbeth Zacho  
Maria Pellborn  
Maria Archontoulis  
Marie Claire Maxwell  
Morten Schwaner

Simon Engelbrecht  
Stine Kirstein Junge  
Susanne Hannestad  
Joakim Höglund  
Robin Egerot  
Cilia Holmes Indahl  
Maria Bergsten  
Armando Coppola  
Alexander Polash  
Katrín Sönajalg-Pihlik  
Üllar Rannik  
Jeff McClelland  
Mitchell DeYoung

Malin Berge  
Chris Moore  
Ulle Eelmaa  
Tanel Pärss  
Tommy Andorff  
Pär Kempe  
Juha Stenberg  
Ville Parviainen  
Ludvig Scheja  
Ilya Sokolov  
Dimitri Ivanov

**The startups in the  
Lighthouse 2021 cohort**

**Our investor circle**

### Banking Partners



### Program Partners



### Community Partners



**Do you want to become a Lighthouse partner?**  
**Contact [info@mclighthouse.com](mailto:info@mclighthouse.com)**





Lighthouse

**FOR YOUR INQUIRIES ABOUT LIGHTHOUSE,  
PLEASE CONTACT**

**Mats Taraldsson**

Head of Innovation,  
Fintech and Impact-tech Engagements  
Mats.Taraldsson@mastercard.com

**Caroline Barnekow**

Director,  
Fintech and Impact-tech Engagements  
Caroline.Barnekow@mastercard.com

**Lana Brandorne**

Program Manager,  
FINITIV  
Lana.Brandorne@mastercard.com

**Eleonore Hinlopen**

Program Manager,  
MASSIV  
Eleonore.Hinlopen@mastercard.com

**FOR QUESTIONS ON CONTENT OF THIS REPORT,  
PLEASE CONTACT**

**Harry Brunow**

VP, Business Development  
Harry.Brunow@mastercard.com

**David Sucasas Wictorén**

Managing Consultant,  
Mastercard Data & Services  
David.SucasasWictoren@mastercard.com

**Therese Høijer**

Consultant,  
Mastercard Data & Services  
Therese.Hoijer@mastercard.com