upvest

The future of investing

A new world needs **new investment infrastructure**

Upvest API

Your interface
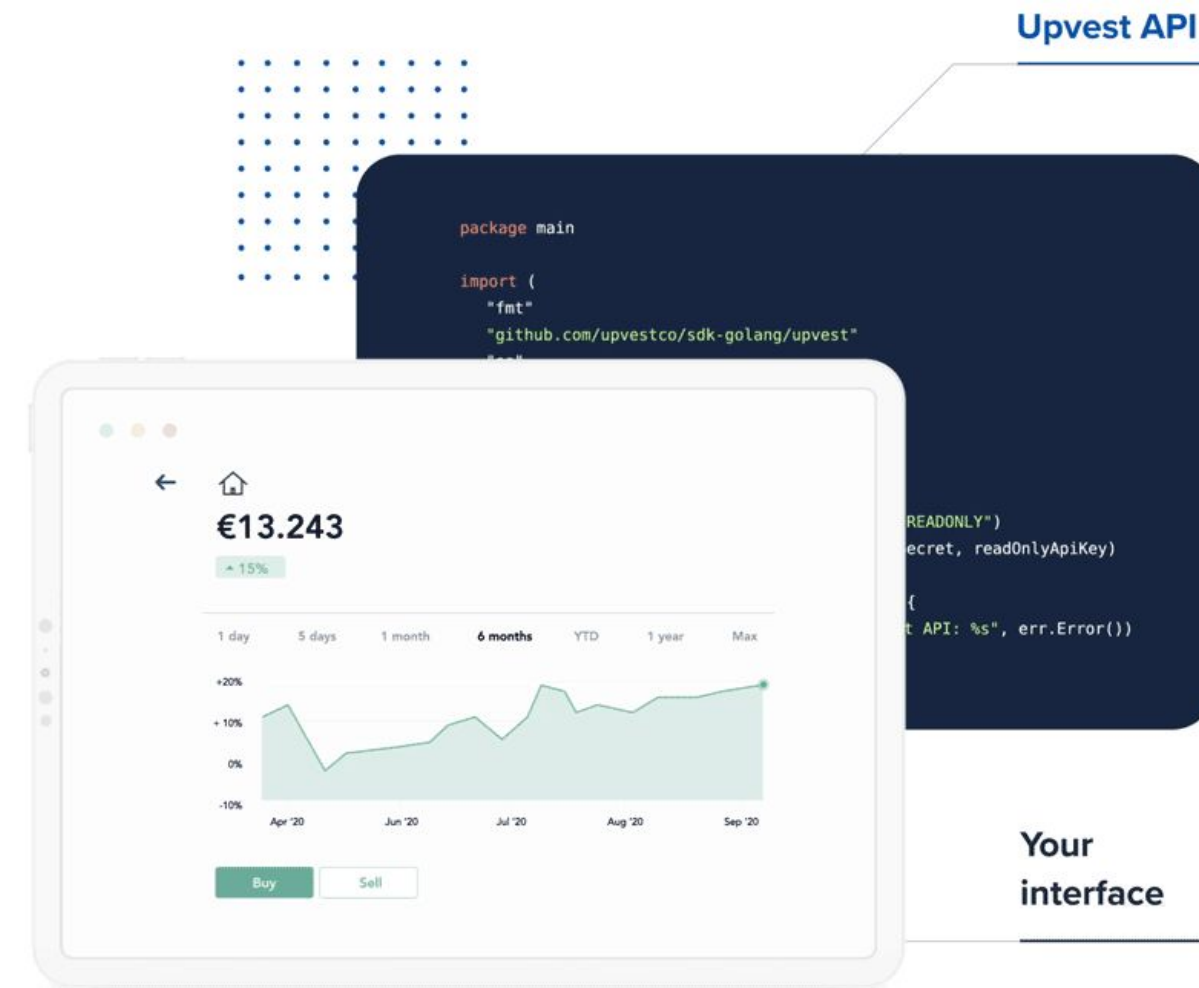
Agenda **today**

01 The future of investing - Towards more inclusive retail investments

02 The problem: The engine room for retail investments is broken

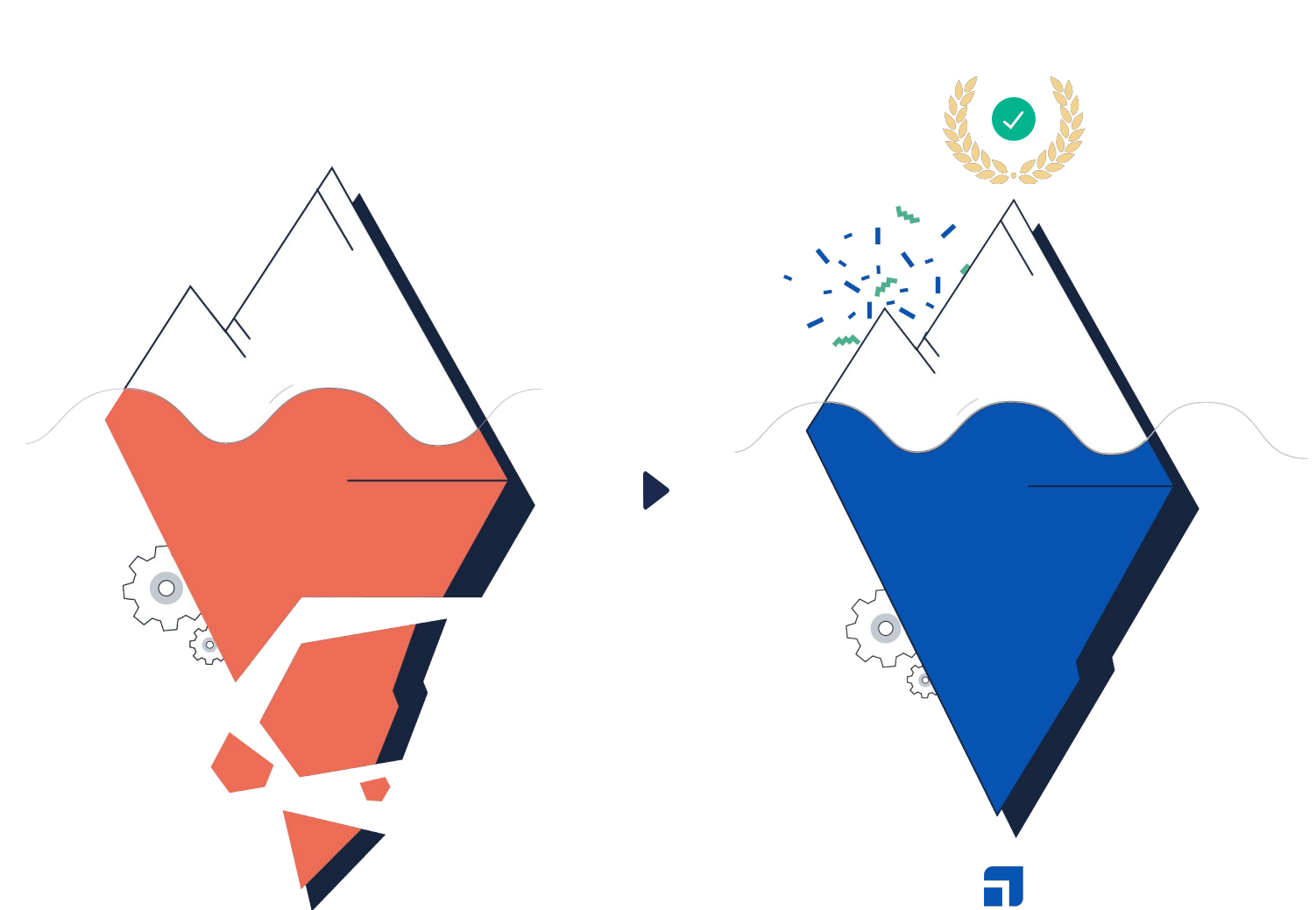**03** The solution: Infrastructure as an enabler

04 Upvest Investment API

01
The future of investing

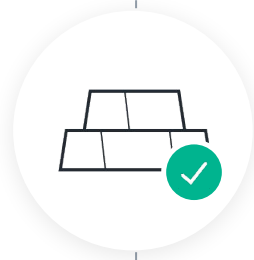Towards **more inclusive** retail investments

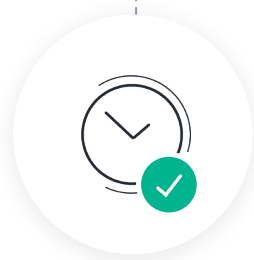# The next-generation of investors needs true innovation

Embedded experiences
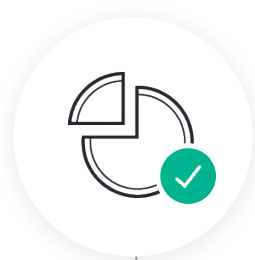
"Every company will be a Fintech company"

All asset classes
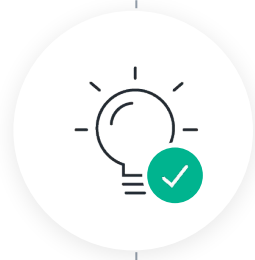
All assets vs securities only

Instant accessibility
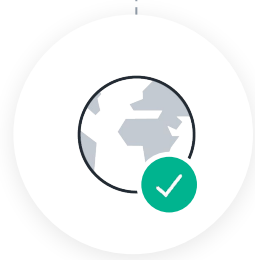
Minutes vs days

Fractional trades

Small tickets vs large portfolios

Personalization at scale

Individual products and solutions

International setup

Global vs local

Embedded investing will enable novel investor experiences

Round-ups

Invest spare change into securities

VISA · mastercard · Apple Pay

EUR 100

AUM per year/user

Cashbacks

Convert cashback into securities

Lufthansa

zalando

Uber

EUR 300

AUM per year/user

Contextual investing

Invest at non-banks
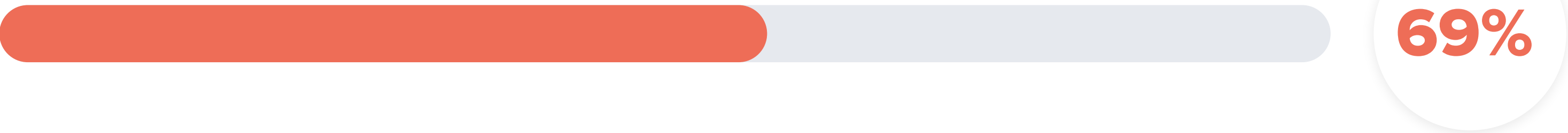
CHECK24

axel springer

100m+

Unique visitors

Next-gen investors demand broad choice of **asset classes**

Prominence of asset classes among German 14 to 24-year olds

Stocks

69%

Bitcoin

85%
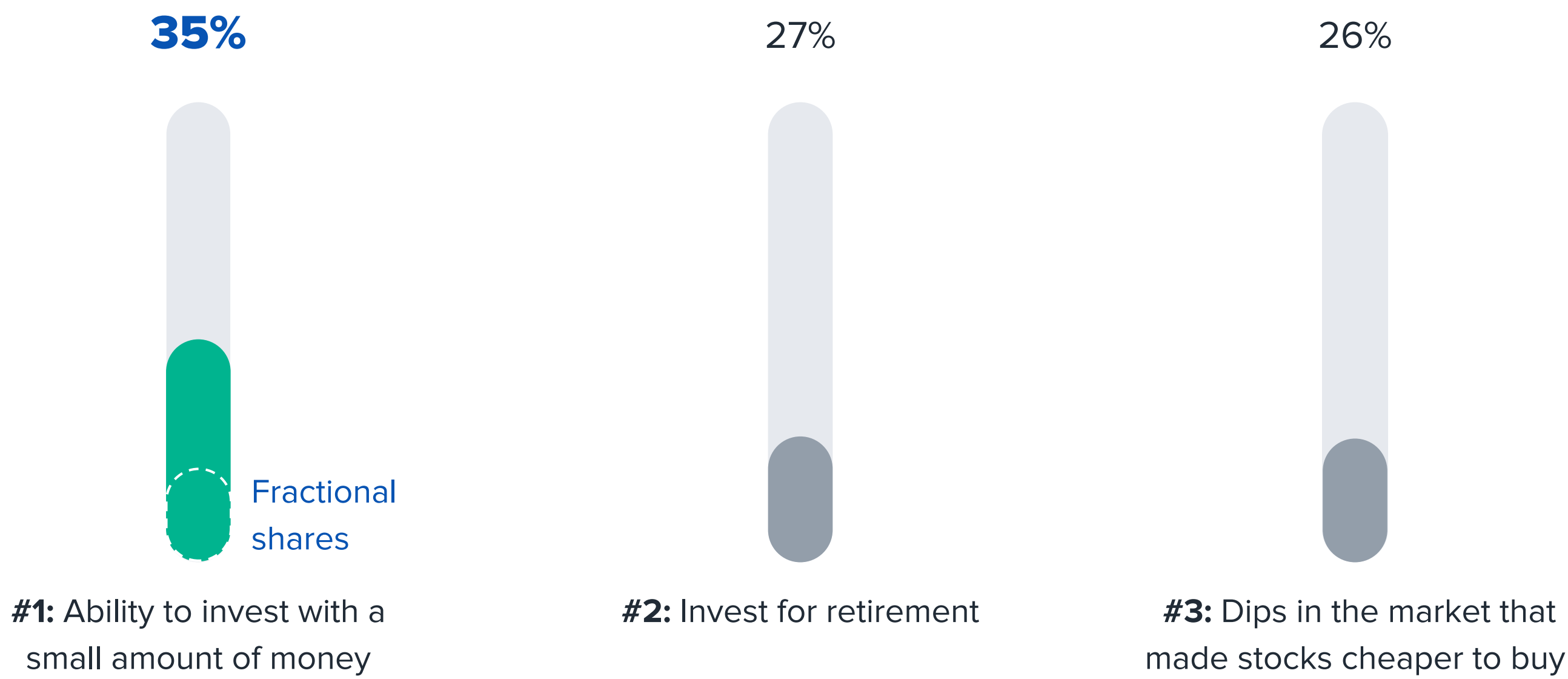
Fractional trades make investing accessible for everyone

Top three reasons for why new investors open securities accounts

35%   27%   26%

Fractional shares

#1: Ability to invest with a small amount of money

#2: Invest for retirement

#3: Dips in the market that made stocks cheaper to buy

Personalization of investment experiences accelerates

Yearly net inflows into European sustainable funds

€65B

€125B

€250B

2018 2019 2020
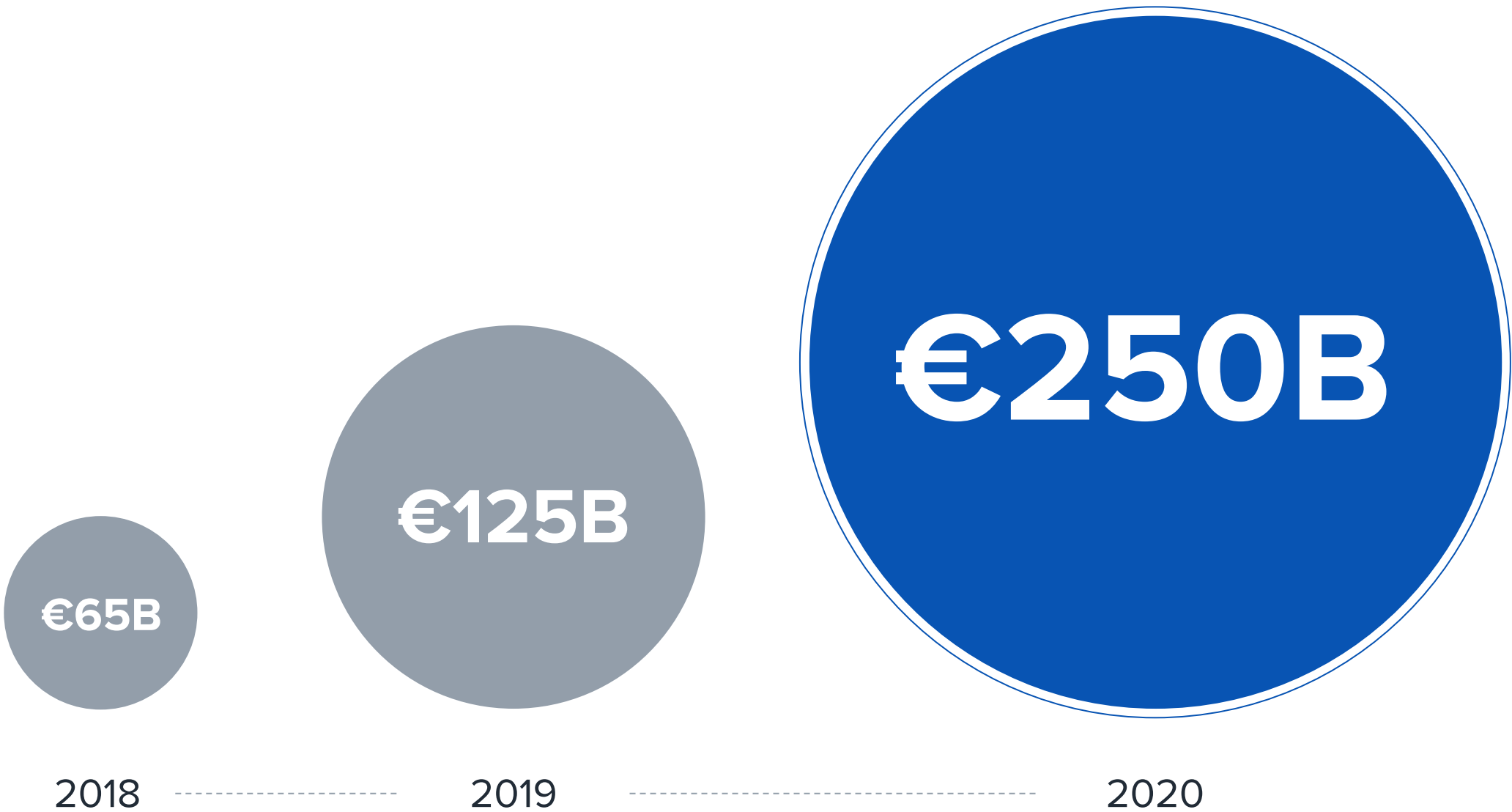
81%

of investors want their investments to match their personal values

02

The problem

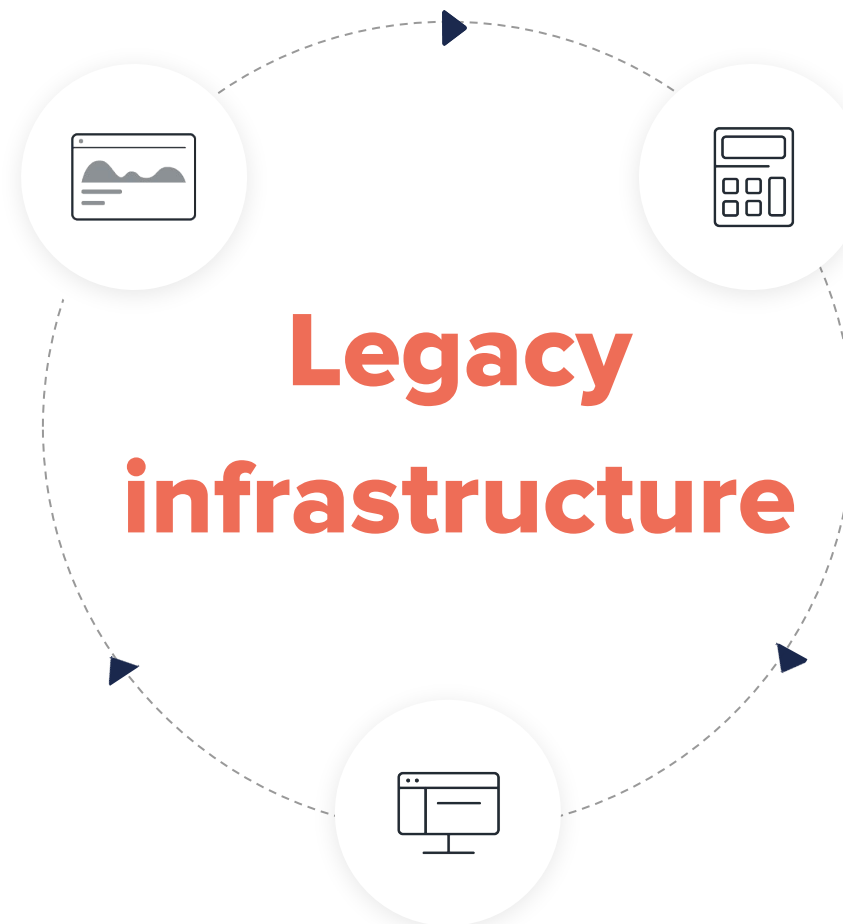The engine room for retail investments is **broken**

Legacy infrastructure blocks innovation

High barriers to market entry
Costly technology, operations and licenses

High unit costs
Layered setup, underutilization and lack of automation
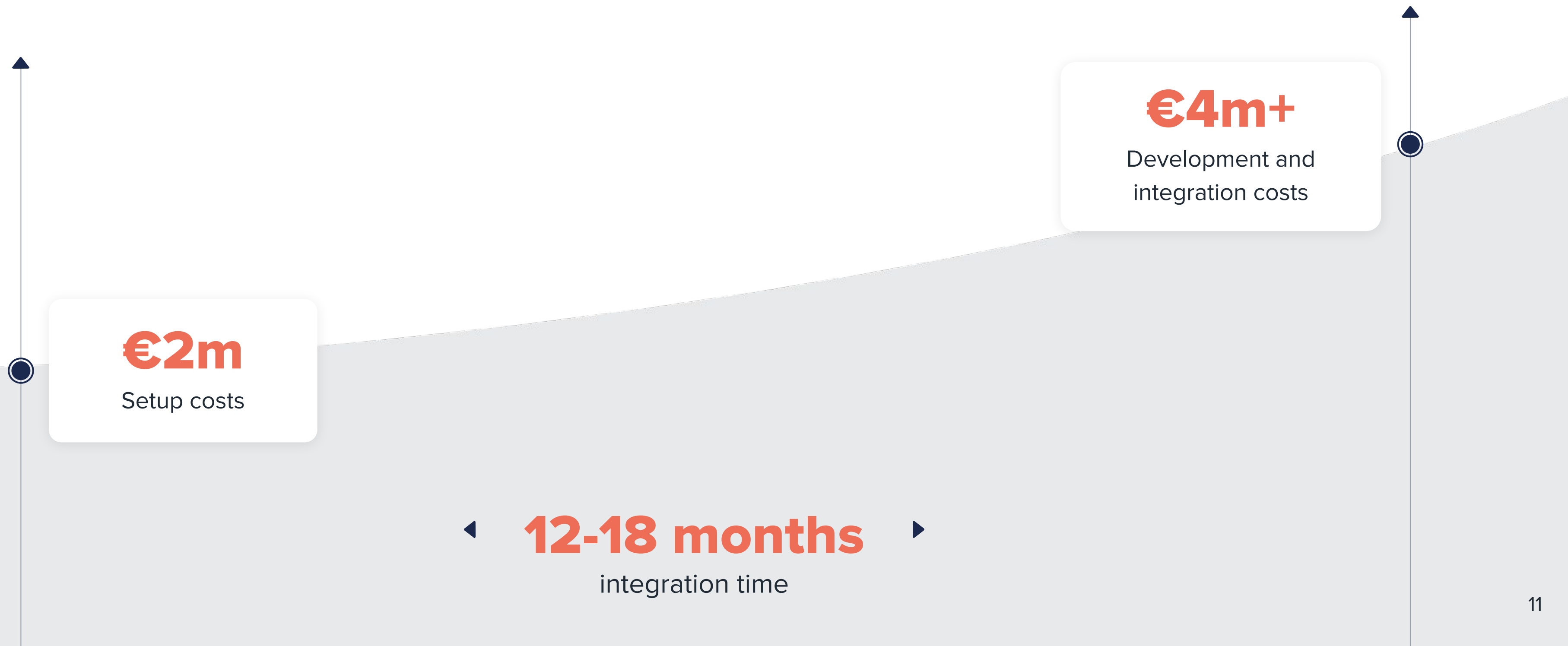
Legacy infrastructure

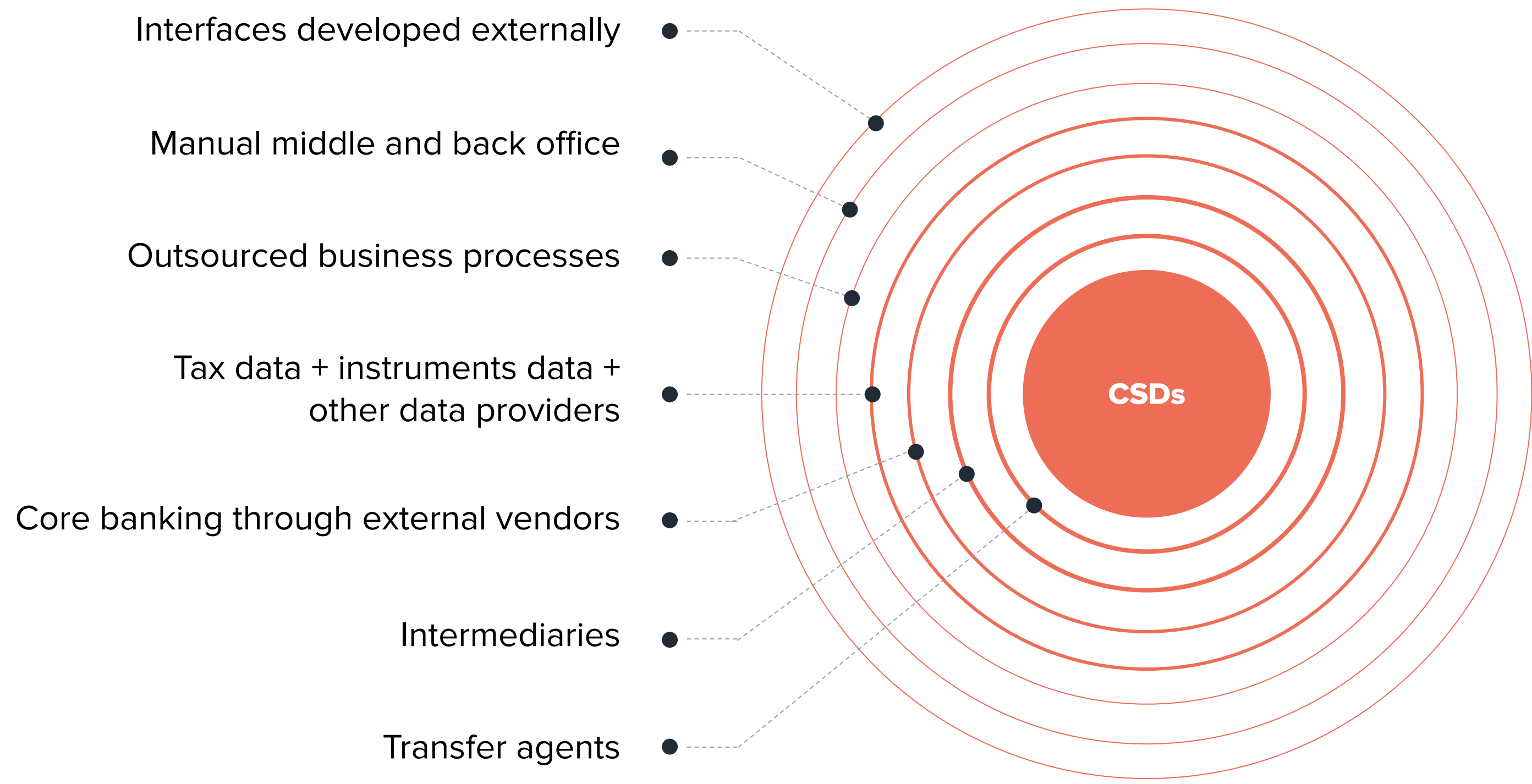## **Bad user experience**
No support for new use cases, lack of speed, complex processes

10

Strong barriers make market entry expensive

Infrastructure project costs when working with established players

€4m+

Development and integration costs

€2m

Setup costs

◄ **12-18 months** ►

integration time

High unit costs hinder new business models

Interfaces developed externally

Manual middle and back office

Outsourced business processes

Tax data + instruments data + other data providers

Core banking through external vendors

Intermediaries
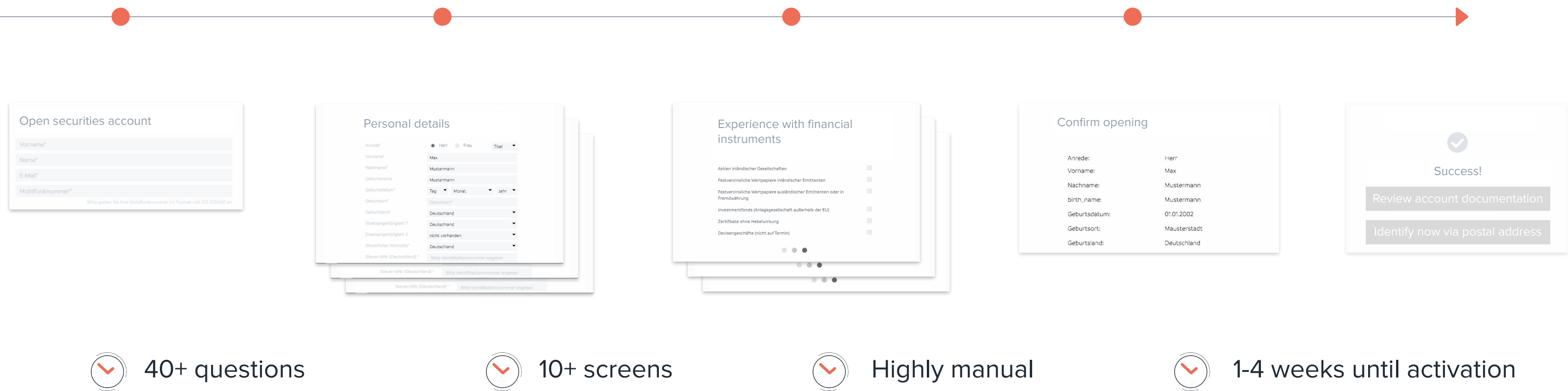
Transfer agents

CSDs

Up to

50€

Onboarding costs per user

Up to

30€

Annual costs per user

Bad user experience kills adoption at scale
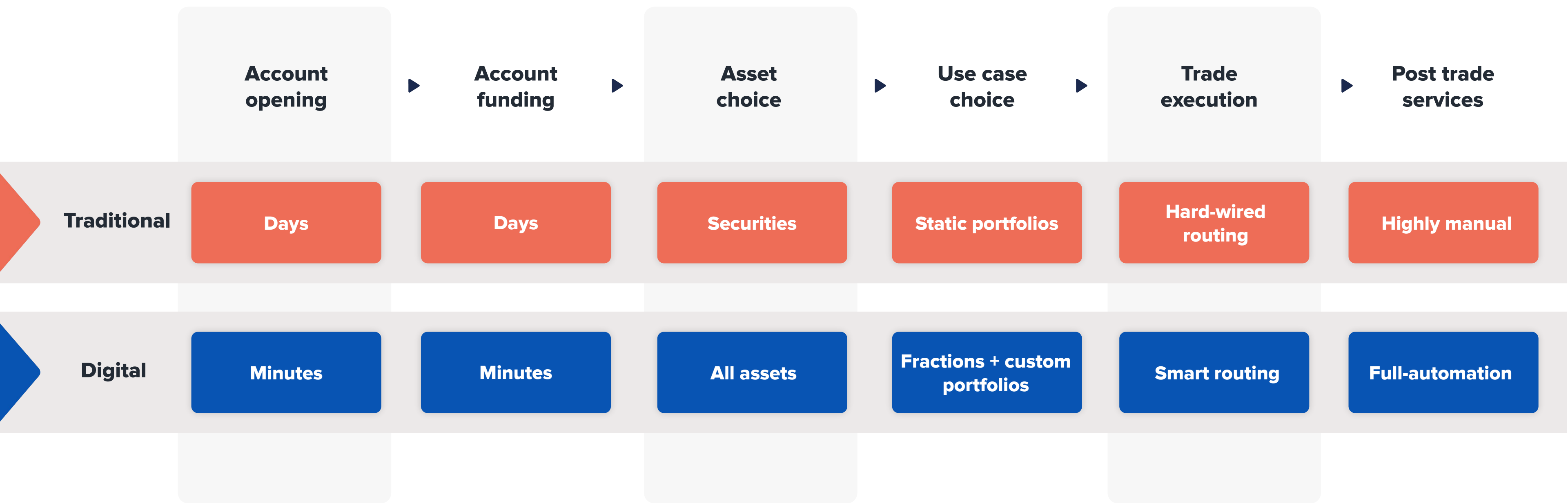
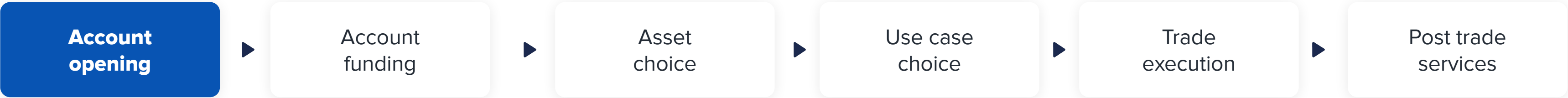## Traditional user onboarding journey

| 40+ questions | 10+ screens | Highly manual | 1-4 weeks until activation |

03

The solution

Infrastructure as an **enabler**
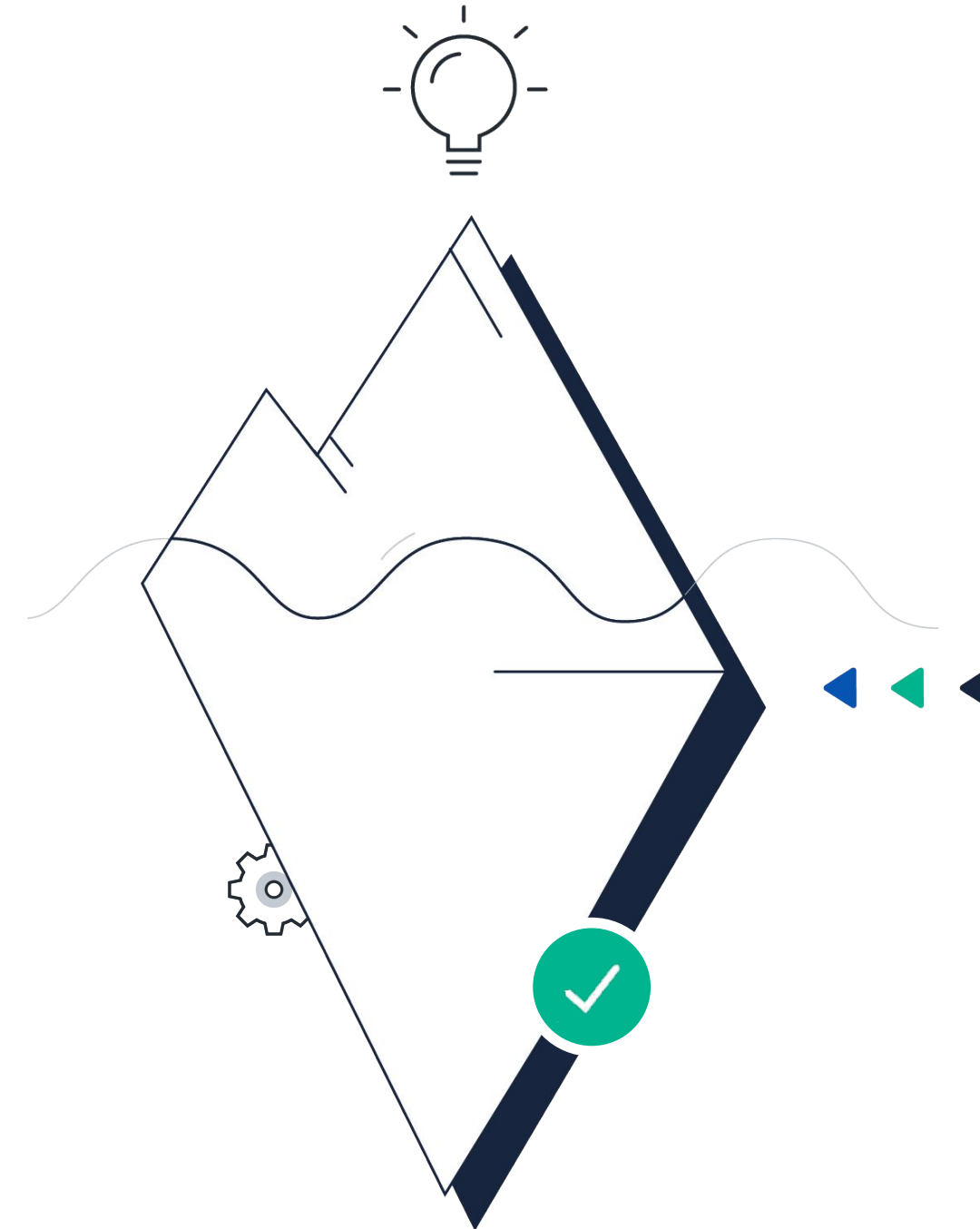
How new infrastructure can delight end users

	Account opening		Account funding		Asset choice		Use case choice		Trade execution		Post trade services
Traditional	Days	▶	Days	▶	Securities	▶	Static portfolios	▶	Hard-wired routing	▶	Highly manual
Digital	Minutes		Minutes		All assets		Fractions + custom portfolios		Smart routing		Full-automation

Users can sign up instantly

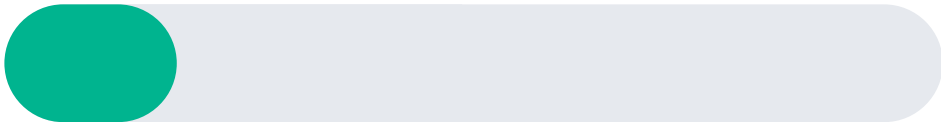| Account opening | ▶ | Account funding | ▶ | Asset choice | ▶ | Use case choice | ▶ | Trade execution | ▶ | Post trade services |

Account opening

Digital

Minutes

Traditional

2-5 days

- **Instant** user and account creation via API call

- **100% automated** KYC/AML onboarding via algorithmic checks
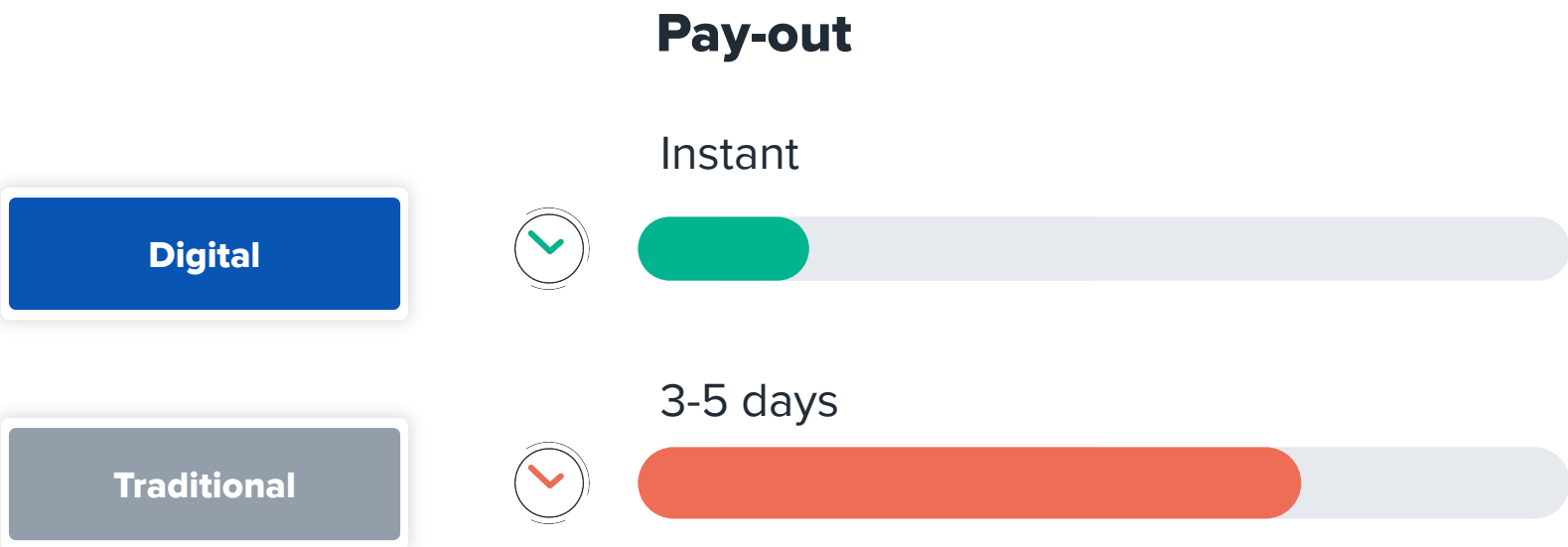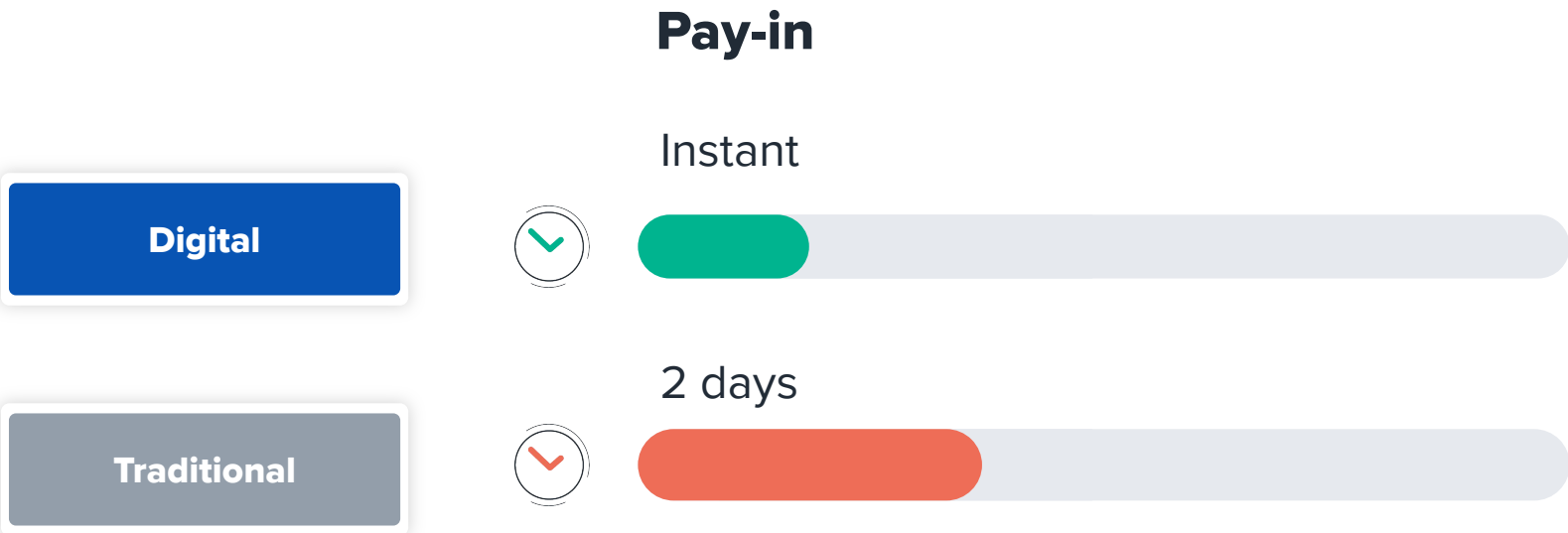
- **Best-in-class MiFID II** digital compliance

Users can start trading instantly

| Account opening | ▶ | **Account funding** | ▶ | Asset choice | ▶ | Use case choice | ▶ | Trade execution | ▶ | Post trade services |

Pay-in

Digital

Instant

Traditional

2 days

Pay-out

Digital

Instant

Traditional

3-5 days

● **Direct integration** into core banking system or BaaS partner

● **Real-time payment instructions** via API calls

● **Full transparency** on payment and order status via webhooks
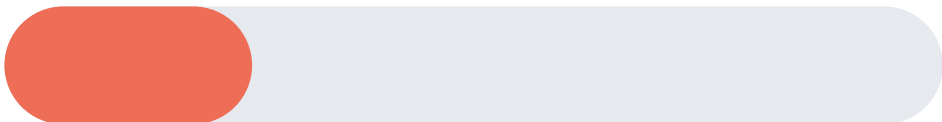
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Users have access to all asset classes

Account opening ▶ Account funding ▶ **Asset choice** ▶ Use case choice ▶ Trade execution ▶ Post trade services
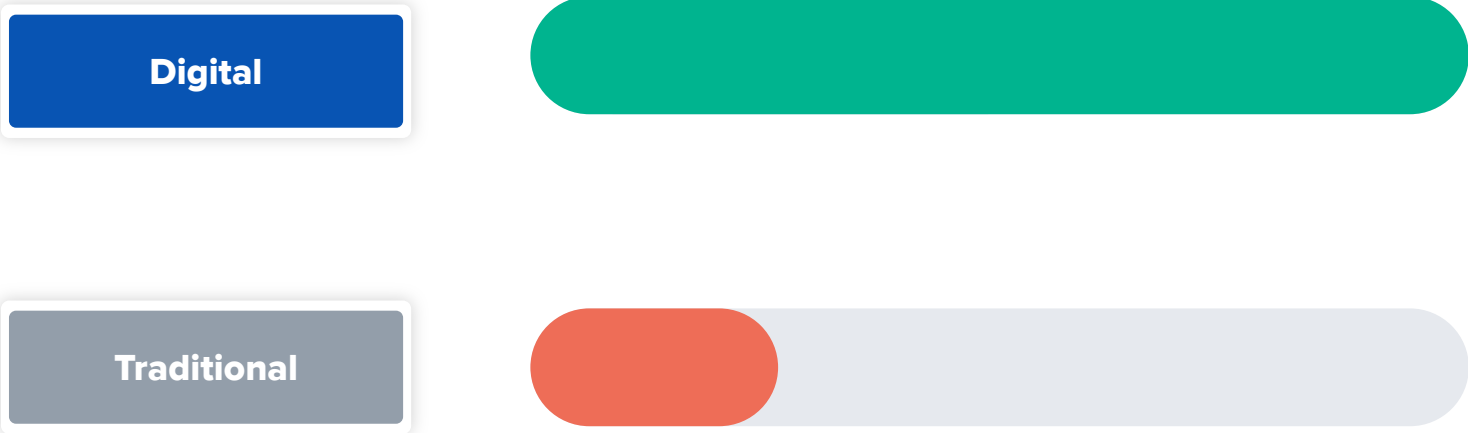
Asset coverage

Digital

Traditional

● **All assets** via single API (e.g., securities + crypto)

● **Modular onboarding** of new assets via flexible data model and microservices architecture
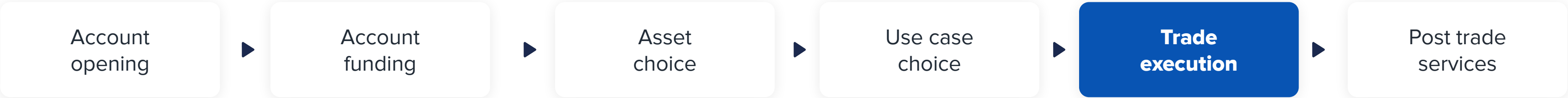
Users have access to new use cases

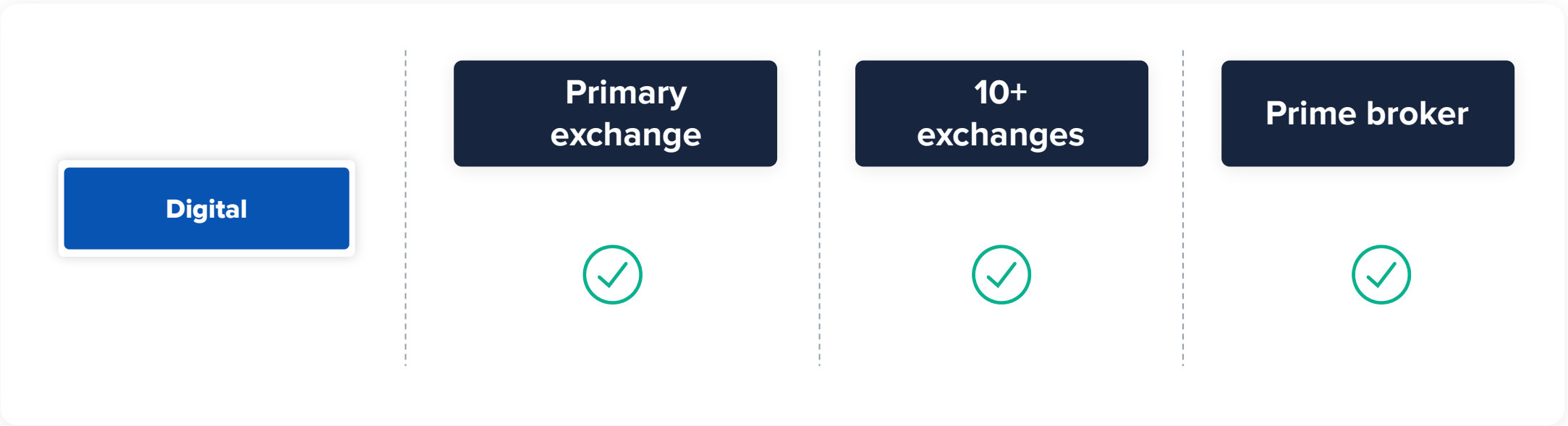| Account opening		Account funding		Asset choice		**Use case choice**		Trade execution		Post trade services

Use case coverage

Digital

Traditional

⊙ **Fractions** enabled via new digital and risk booking logic

⊙ **Portfolio engine** enabling direct indexing and adjustments via API
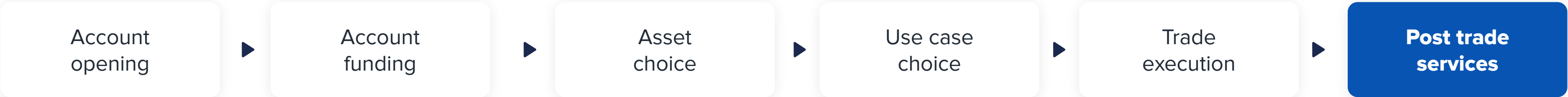
Users can execute trades reliably

Account opening		Account funding		Asset choice		Use case choice		**Trade execution**		Post trade services

Exchange connectivity

	Primary exchange	10+ exchanges	Prime broker
Digital	✓	✓	✓

● **Smart order routing** with true best execution

● **Dynamic risk models** to switch exchanges for liquidity and reliability

Users enjoy digital reports and corporate actions

| Account opening | ▶ | Account funding | ▶ | Asset choice | ▶ | Use case choice | ▶ | Trade execution | ▶ | **Post trade services** |

Post trade automation
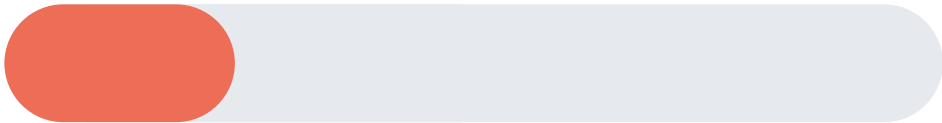
Fully-automated

Digital

Semi-automated

Traditional

⬤ **Reports** on demand with custom design

⬤ **Tax reconciliations** and adjustments fully automated
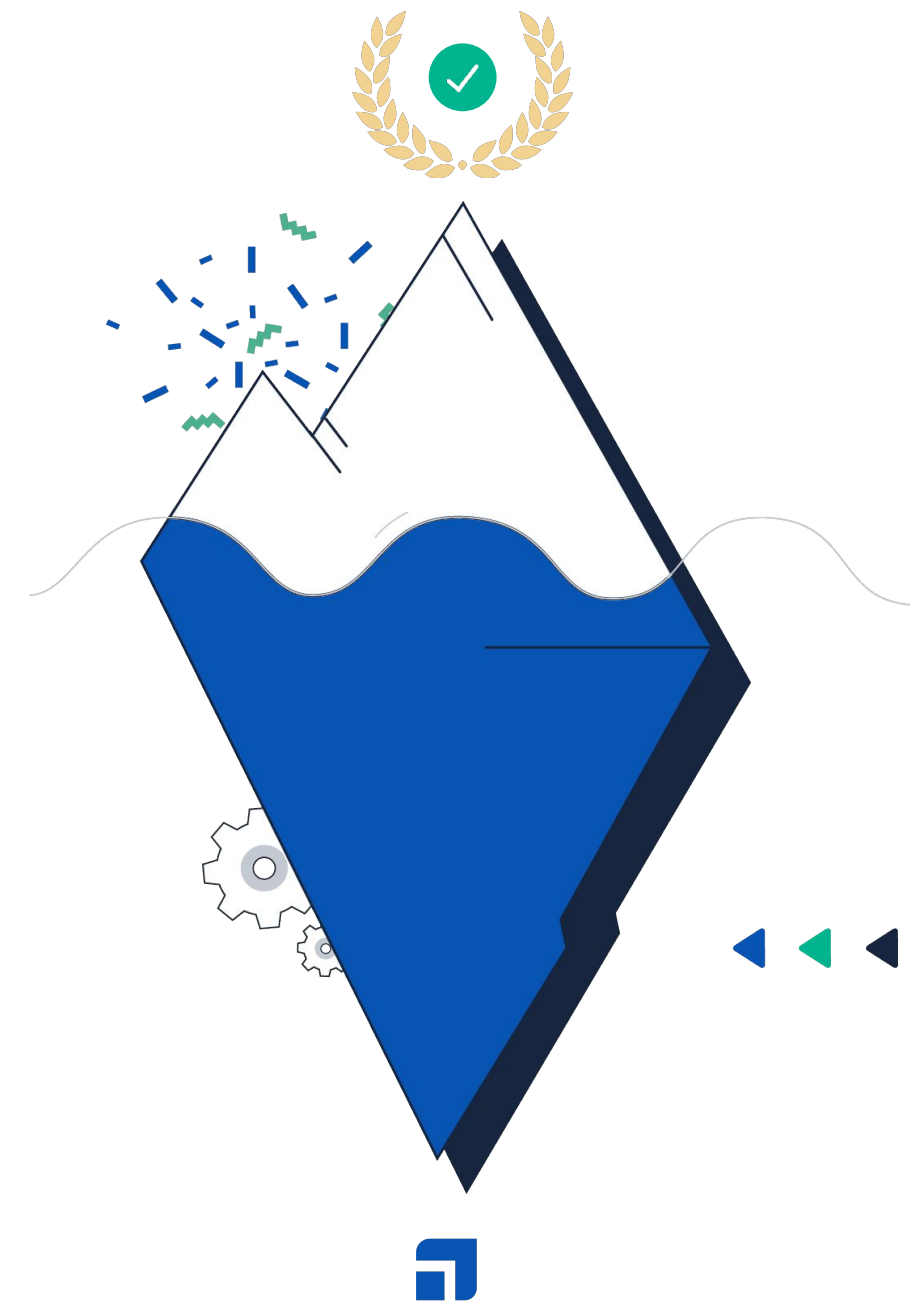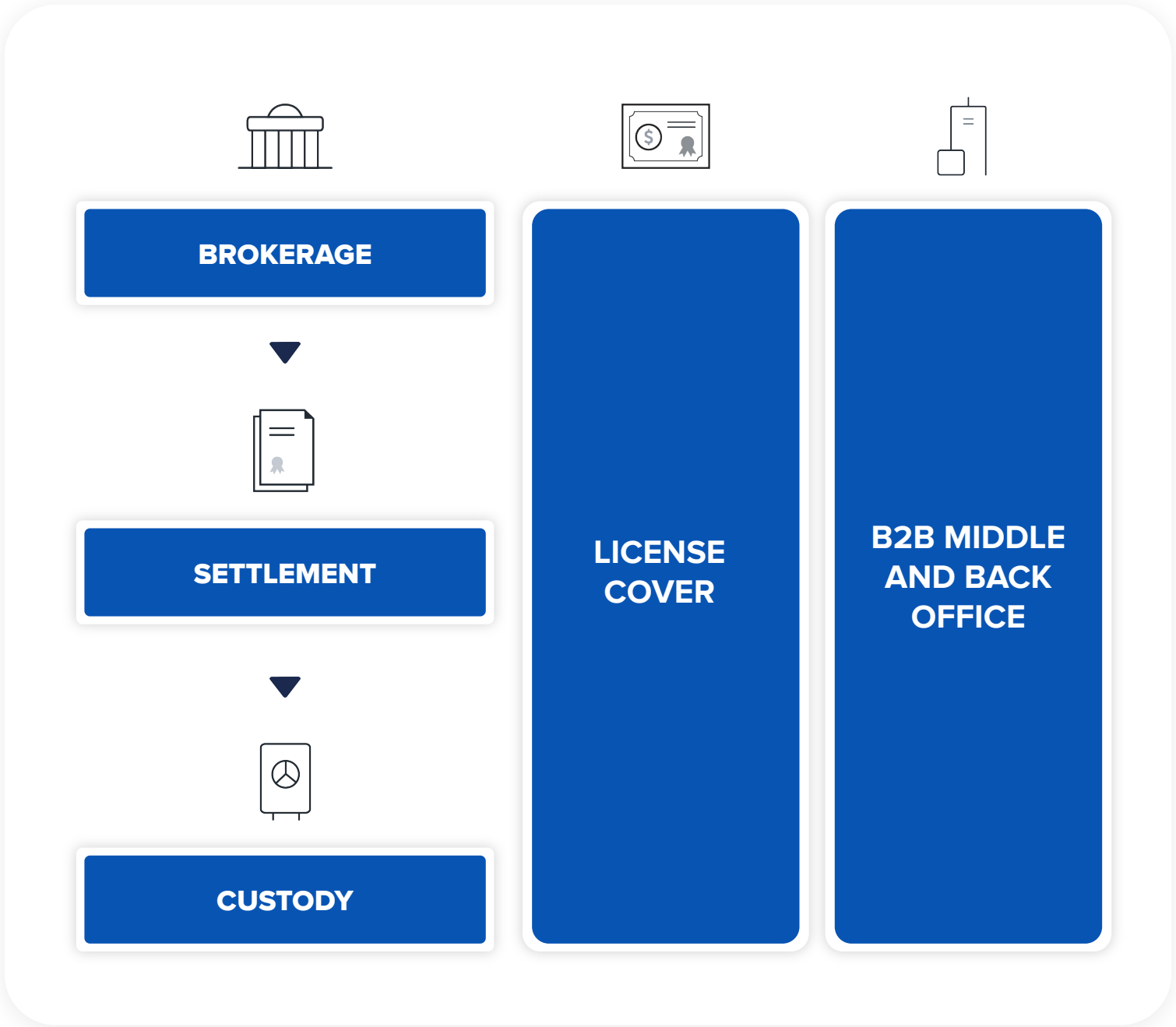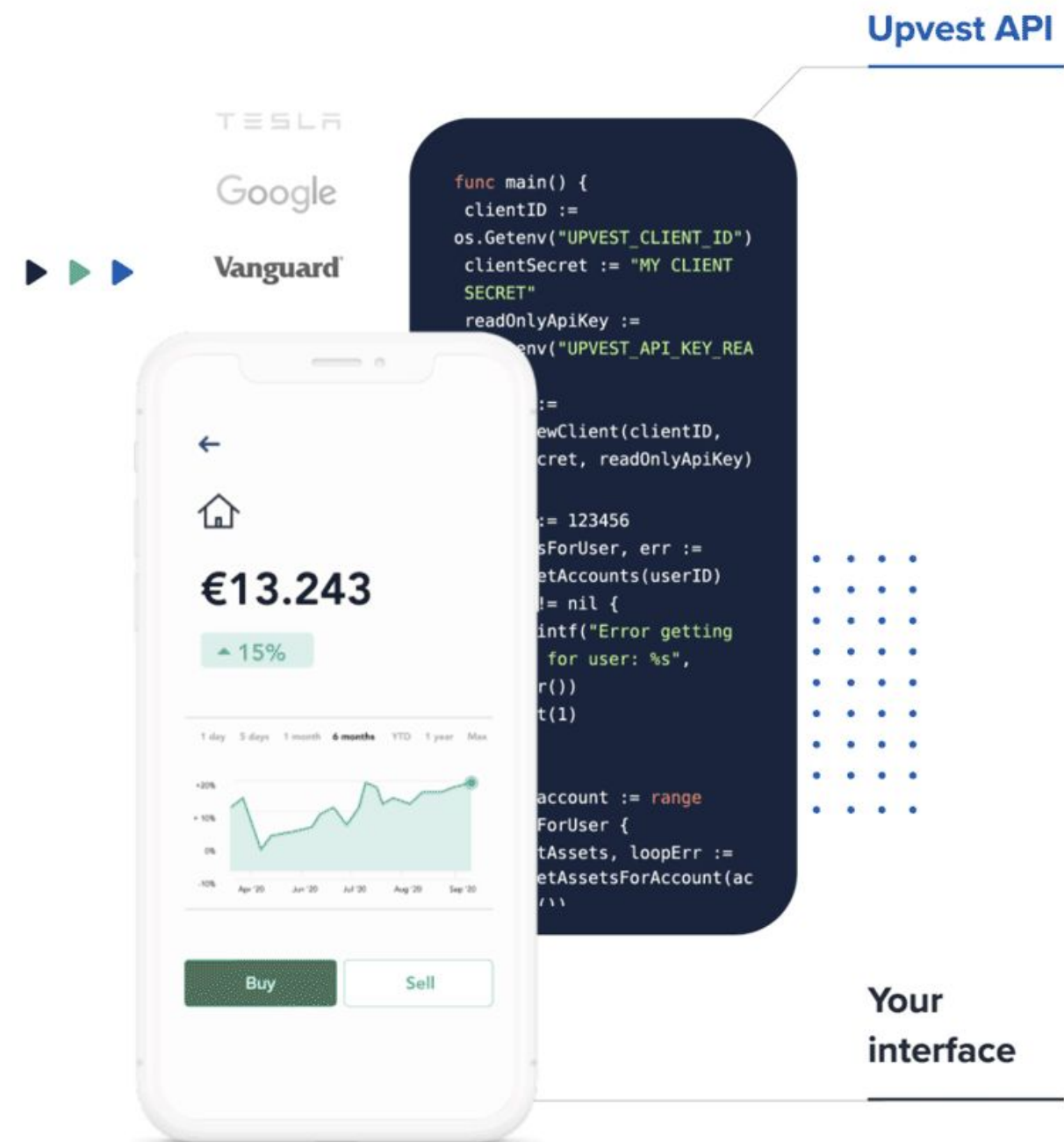
⬤ **Digital corporate actions** via API calls

04

The **Upvest**
Investment API

The **Investment API**

Upvest approach

01
Greenfield build

02
100% focus on user, client and developer experience

03
API first

04
Cloud-native, microservices architecture

05
Modular by design

06
Ownership of core components
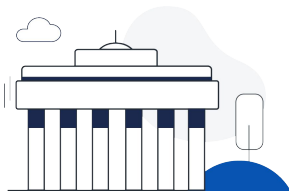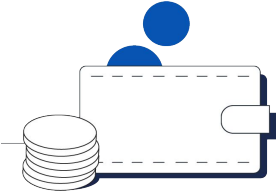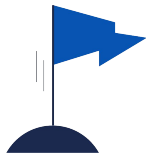
07
Full-stack

08
International setup

We rethink today's **investment infrastructure**

Berlin
Based

€20m+
Funding

2017
Founded

50+
Employees

Si Speedinvest

HV CAPITAL

partech

EARLYBIRD

NOTION
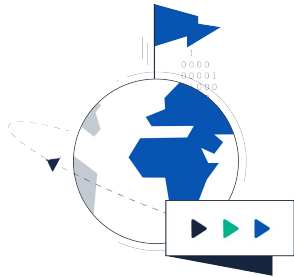
ABN·AMRO VENTURES

Thank you and let's connect!

Dr. Til Rochow

Chief Product Officer

www.upvest.co