Breakthrough Founders
BY THE 200BN CLUB · LEAD PARTNER

ANONYMISED SAMPLE

SEED INVESTMENT MEMO

Seed Investment Memo: Nexora

FinTech, Open Banking / PSD3 Tooling

COMPANY
Nexora

VERTICAL
FinTech — Open Banking / PSD3 Tooling

STAGE
Seed

ROUND SIZE
£1.5m priced equity

PREPARED BY
Breakthroughfounders VC

DATE
11 February 2026

DOCUMENT BF-ICM-2026-02 **CLASSIFICATION** CONFIDENTIAL · IC **BACKED BY** INNOVATE UK

01 Deal Snapshot

ONE-LINER

FCA-authorised Open Banking infrastructure (AISP + PISP) offering a unified API for real-time bank data (AIS) and pay-by-bank payments (PIS); targeted at UK mid-market B2B platforms that cannot justify enterprise Open Banking providers, and/or are under-served by incumbent packaging.

MOMENTUM PROXY

Founder-claimed / unverified £135k to £150k ARR; 30+ paying customers (17 live, 13 in implementation); £350k contracted revenue (definition unclear: signed, invoiced, or including implementation fees); growth self-reported at 25–30% MoM over 6 months, accelerating to 40–50% MoM over 3 months (needs bank-statement-level proof via Stripe/Xero + cohort chart); GRR ~95%+ and early NRR claimed at 150–250% (plausible in tiny cohorts; requires cohort-level expansion and logo retention evidence).

ROUND

Raising £1.5m priced equity at £8–12m pre; ~£800k soft-circled, no lead yet. Prior pre-seed ~£300k at ~£2.5m post (07-2025). Capital efficiency appears strong on paper (burn £10k–£15k per month), but this is likely under-loaded for compliance, support, and incident response; burn will step up materially post-hiring and as payment volumes increase.

02 Investment Recommendation

RECOMMENDATION

Proceed with Conditions (and size discipline)

PROPOSED TERMS

Prefer not to underwrite this as a full lead unless pricing and proof materially de-risk the trust + distribution problem; target either (i) leading £1.0m–£1.5m only if valuation is at the low end (closer to £8m pre) *and* diligence closes the reliability and revenue-definition gaps; or (ii) a smaller option cheque (£0.5m–£0.8m) with pro-rata and information rights if the round prices above what the return physics supports. Governance to include a board observer seat; additionally, insist on explicit reporting covenants (monthly KPI pack including uptime/incidents, payment success, churn/NRR by cohort, and cash runway).

HIGH-CONVICTION THESIS

Nexora's wedge is regulated, production-grade AIS + PIS infrastructure for the mid-market, where incumbents are structurally inefficient (enterprise pricing, long cycles, heavy integration) and where AIS-only providers fail to monetise; if Nexora can (a) evidence superior reliability and payment success; (b) compress time-to-live via self-serve onboarding; and (c) build a repeatable distribution channel (partners or developer-led inbound that does not saturate), it can become embedded infrastructure with switching costs and attractive NRR. The thesis is not *regulatory moat*; it is *trust + distribution + productised implementation*.

KILL RISKS

01 **Distribution risk disguised as product differentiation:** Open Banking connectivity is increasingly commoditised; absent a repeatable GTM channel (partners, OEM distribution, or scaled sales), they will be outspent and out-bundled by TrueLayer, Tink, Plaid, and bank-adjacent platforms. Mid-market packaging is not a moat; it is a temporary pricing/positioning gap that incumbents can close quickly.

02 **Infra credibility gap (trust is the product):** They provide no hard reliability metrics (uptime, incident rate, bank coverage by endpoint, payment success rates, latency); in payments infrastructure, reputation is the moat, and it must be evidenced early. One high-profile outage or payment failure cluster can permanently cap growth; this is not a category where you get infinite retries.

03 Founder & Team

BACKGROUND & CREDIBILITY	CTO brings deep payments and regulatory background and has shipped FCA licensing to production within 12 months; CEO is a repeat fintech founder with Open Banking exposure. This is the correct archetype for regulated infra, where speed plus compliance literacy is rare; however, we should assume execution risk remains high until the company demonstrates operational maturity (incident response, change management, and support).
EVIDENCE OF PACE	Recent shipping cadence is oriented around onboarding friction and PIS reliability, which is directionally correct; the AIS-only to AIS+PIS pivot was customer-driven and improved commercial outcomes, which is a positive PMF learning signal. That said, *shipping is not the same as operating*; we need evidence they can run this as a 24/7 critical system.
HIRING GAPS	Commercial leadership is the obvious gap; Head of Sales is planned, not proven. Customer success and implementation capacity may become the hidden constraint if they continue to sell into platforms with compliance-heavy onboarding; if ACV remains low, high-touch onboarding will destroy margins and cap scale.
FOUNDER RISK & STRENGTH	Strength is execution under regulatory constraints; risk is overconfidence in regulatory moat as a substitute for distribution, plus inconsistent reporting (customer count, ARR versus contracted revenue). We should treat any inconsistent metric as a governance smell until reconciled.

04 Problem & Market Insight

THE PAIN	For accounting, ERP, lending, payroll, and fintech platforms, bank data and payments are mission-critical; manual reconciliation, card fees (1.5–3.5%), and settlement delays are direct margin leakage. This is closer to *hair on fire* than *nice to have*, particularly where platforms monetise transaction volume or need real-time cash visibility; however, *hair on fire* does not automatically mean they buy from a startup — risk tolerance in payments is low.
MARKET TIMING	PSD3 and continued regulatory push should increase standardisation and adoption; simultaneously, pay-by-bank is becoming a credible alternative to cards for certain flows. The timing argument is plausible, but it cuts both ways: standardisation lowers barriers, increases price pressure, and makes connectivity less defensible; it also enables incumbents to package down-market faster. PSD3 tailwind is therefore not a free growth lever; it is a competitive accelerant.
ICP	UK B2B platforms with 10–100 employees and £1m–£20m ARR; buyer is CTO/Head of Product with CFO influence. This is a reasonable early ICP because they have urgency and can buy without enterprise procurement; the risk is that this segment is also the most price-sensitive and least able to absorb compliance-heavy onboarding, which can trap Nexora in low ACV.
VALIDATION EVIDENCE	30+ paying customers and reported competitive wins against TrueLayer and Tink suggest real demand; however, we need to confirm whether these are true competitive displacements, or new build decisions where incumbents were not seriously evaluated, or deals won primarily on price (which is not durable).

05 Product & Technology

STATUS	Live, FCA-authorised AISP and PISP; production customers; claims broad coverage across UK commercial and business banks and unified AIS + PIS workflows. All of this is meaningful if evidenced; absent metrics, it is marketing.
DEFENSIBILITY	Regulatory authorisation plus production learnings create friction for new entrants; nonetheless, the durable moat in this category is reliability, developer experience, and distribution. Direct bank integrations can be a moat only if it yields measurably better uptime, latency, and data quality than aggregators; we should demand comparative evidence (not anecdotes).
ROADMAP (12–18 MONTHS)	Self-serve onboarding automation, bulk and scheduled payments, expanded EU bank coverage, GTM tooling. These are sensible; however, EU expansion is a distraction unless UK distribution is already repeatable and the operational playbook (support, incident response, compliance) is mature. EU also introduces fragmented bank behaviour and local competitive dynamics; it is not *copy-paste UK*.

TECHNICAL RISK

Payments reliability and bank connectivity edge cases are the long tail; without published SLOs and incident response maturity, scaling volume can expose fragility quickly. Additionally, security posture and third-party risk (pen tests, SOC2/ISO27001 roadmap, key management) are not optional in this buyer set.

06 Commercials & Adoption

METRIC	REPORTED	NOTE
VERTICAL METRICS		
ARR	£135k – £150k	*Founder-claimed / unverified*
GRR	~95%+	*Needs logo churn definition and time window*
NRR (claimed)	150–250%	*Tiny-cohort caveat; must be cohort-proven*
Gross margin	70–75% → 80–90% at scale	*Plausible only if onboarding doesn't scale linearly*
Implied ACV	Low (ARR ÷ paying customers)	*May not support venture-scale outcomes*
VELOCITY		
Sales cycle	2–5 weeks	*Unusually fast for regulated infra*
Blended CAC	£1,000 – £1,500	*Likely worsens with hired sales team*
CAC payback	3–6 months	*Founder-led; assume erosion at scale*

ANALYSIS

Vertical metrics. ARR is founder-claimed and unverified; GRR needs a clean logo-churn definition and time window; NRR at 150–250% is plausible in tiny cohorts but must be cohort-proven; gross margin reaching 80–90% only holds if onboarding, support, and compliance do not scale linearly with revenue. Current implied ACV (ARR divided by paying customers) appears low; unless usage ramps materially, the unit economics may not support venture-scale outcomes.

Velocity. A 2–5 week sales cycle is unusually fast for regulated infra, which is encouraging but also raises the question of deal size, procurement depth, and whether they are inadvertently onboarding customers who will churn once they hit real volume or compliance scrutiny. CAC and payback are attractive if they hold when sales becomes non-founder-led; we should assume they will worsen materially with a hired sales team and more mature buyers.

Benchmark. For Seed-stage Open Banking infra, the combination of live licensing, paying customers, and sub-6-month payback is above average; the missing piece is evidence that this persists beyond early adopters and founder-led selling, and that ACV can expand to a level consistent with the fund-return maths.

07 Go-to-Market Strategy

CHANNEL	Predominantly inbound (85–90%) via SEO and *AI search*, supplemented by founder outbound and early partnerships. Inbound is a good sign for developer tooling; it is also fragile (algorithm changes, competitor content spend, and saturation).
REPEATABILITY	Not yet proven. Inbound can be a strong wedge in developer tooling, but it often saturates and skews towards low ACV customers; partnership-led distribution is plausible, but they have not shown partner-sourced pipeline, conversion, or economics. The next 6 months must prove at least one scalable channel with non-founder sellers; otherwise, growth claims are noise rather than a system.

08 Market & Competition

REALITY CHECK	They are replacing a mix of incumbent Open Banking providers (TrueLayer, Tink, Plaid, Yapily) and internal glue (CSVs, manual reconciliation, multiple vendors). The real competitor is *good enough* bundling by incumbents plus internal build for larger platforms; additionally, banks and payment processors increasingly offer embedded bank rails, compressing the value of standalone connectivity.
WHY THIS TEAM WINS (INITIAL WEDGE)	Mid-market packaging, faster time-to-live, and combined AIS + PIS in one integration, assuming reliability is genuinely superior. If reliability is merely *good enough*, incumbents win on brand and procurement comfort.
REALISTIC SERVICEABLE MARKET (3–5 YEARS)	UK mid-market platforms is meaningful, but their stated 85,000 target platforms is not credible; we should re-underwrite with a tighter count of relevant software platforms and fintechs, then layer realistic penetration. Importantly, the fund-return maths likely requires EU scale and/or materially higher ACV than implied today; a UK-only mid-market wedge is unlikely to support £60m–£130m+ ARR outcomes.
WHY NOW	PSD3 tailwinds and pay-by-bank adoption are real; however, they also increase competitive intensity and compress differentiation. *Why now* only holds if Nexora can turn regulatory change into distribution (partnerships, OEM embeds) and prove trust metrics that incumbents cannot match in the mid-market.

09 Business Model & Scalability

UNIT ECONOMICS	Subscription plus usage-based pricing; 90–95% recurring, 5–10% one-time compliance/setup. Gross margin profile is consistent with infra SaaS, but only if onboarding and support are productised; if each customer requires bespoke compliance and hand-holding, margins will stay capped and scaling will be headcount-bound.

SERIES A READINESS

£1m+ ARR with cohort-proven NRR above 115%, low logo churn, and demonstrably repeatable GTM (partner-sourced or sales-led) with CAC payback under 12 months; additionally, publishable reliability metrics (SLOs, payment success rates, incident frequency) to de-risk *infra trust*. Given the category's valuation reality (fintech infra multiples), Series A investors will also look for ACV expansion and/or payments volume as proof of durable monetisation.

10 Financials

BURN & RUNWAY

Current burn £10k–£15k per month (*founder-claimed; needs bank statements*); post-round headcount plan implies burn will rise substantially, so runway claims (18–24 months) depend on disciplined hiring sequencing and realistic compliance/support costs. Cash balance is not provided, which is a diligence blocker for underwriting; additionally, we need to understand any FCA capital requirements and whether client money or safeguarding obligations apply (directly or indirectly).

CAPITAL EFFICIENCY

Burn multiple 1.5–2.0x is good, but likely flattered by low current burn and contracted revenue conversion; we need an ARR bridge and forward burn plan. For infra, the real test is whether gross margin and support burden improve as volume scales; early-stage numbers often lie.

USE OF FUNDS

45% product and engineering, 30% sales and partnerships, 15% compliance and ops, 10% marketing and brand; allocation is sensible provided GTM spend is tied to measurable channel experiments. We should explicitly gate sales hiring on (i) ACV uplift evidence; and (ii) a quantified ICP where implementation effort is predictable.

11 Risks & Watchpoints

01 **GTM scale risk:** founder-led motion may not translate; Head of Sales hire is a single point of failure. Additionally, inbound-led growth may cap out at low ACV unless they build a partner/OEM motion.

02 **Concentration risk:** top 10 customers are 65% of revenue; a small number of churns can break growth optics. This also implies NRR may be artificially inflated by a handful of expansions; we need cohort truth.

03 **Reliability and reputational risk:** infra failures can create irreversible brand damage; no metrics provided. We should assume incidents already exist; the question is whether they are measured, managed, and improving.

04 **Competitive response:** incumbents can move down-market via packaging, pricing, and bundling; differentiation must be more than *we move faster*. If the only wedge is price, the business becomes a margin-less commodity.

05 **Regulatory overhead:** FCA obligations can become a fixed-cost drag; current burn may be under-loaded. PSD3 transition may also impose additional compliance and reporting burdens; we need to understand the cost curve.

MITIGATION

Condition investment on evidence of reliability, ARR quality, and a credible GTM plan with measurable milestones; stage hiring to avoid premature burn expansion. Additionally, require a quantified ACV expansion plan (payments volume, new modules, or pricing power) consistent with venture-scale outcomes.

12 Exit Thinking

SCENARIO MODELLING

DOWNSIDE	Stalls at £300k–£700k ARR due to GTM and concentration; acqui-hire or small tuck-in (<£20m) by a payments or fintech infra player.
BASE	Reaches £3m–£8m ARR with mid-market dominance in UK, modest EU expansion; strategic acquisition at 6–10x ARR (£20m–£80m) depending on growth and reliability. *Correction:* for fintech infra, 6–10x is the top end and not the default; absent category leadership, 3–6x is more realistic in 2030–2032.
FUND-RETURNER UPSIDE	Becomes a credible European Open Banking infra layer with payments volume, £20m+ ARR and strong NRR; exit could be £300m–£800m+ (strategic or PE platform), contingent on category leadership and trust. *Correction:* given fintech infra multiple reality (typically ~3–5x ARR; maybe 6x if exceptional), a £300m–£800m exit implies roughly £50m–£200m ARR at exit; this requires a materially larger market footprint and ACV than the current data suggests.
POTENTIAL ACQUIRERS	TrueLayer, Tink (Visa), Plaid, Adyen, Checkout.com, Worldpay, Stripe, Marqeta, Wise Platform, Rapyd, as well as ERP/accounting platforms seeking embedded bank rails; PE-backed payments platforms looking for Open Banking capability. Realistically, acquirers will pay for (i) distribution and volume; (ii) unique connectivity/reliability; or (iii) strategic scarcity — none of which is yet proven.

OWNERSHIP TARGETS & FUND-LEVEL RETURN LOGIC

BASE CASE £1.5m at £8m pre, 65% dilution Seed → exit

CHEQUE		ENTRY STAKE		STAKE AT EXIT		EXIT VALUATION NEEDED
£1.5m	→	**15.8%** £1.5m ÷ £9.5m post	→	**5.5%** 15.8% × 35%	⇒	£20m return → **~£364m** £50m return → **~£909m**

WHAT CHANGES FROM BASE CASE	ENTRY %	AT EXIT %	NEED FOR £20M	NEED FOR £25M half-fund	NEED FOR £50M
Base case £8m pre · 65% dilution	15.8%	5.5%	~£364m	~£455m	~£909m
Priced higher at **£12m pre** cheque size unchanged	~12.0%	~4.2%	▲ ~£476m	▲ ~£595m	▲ ~£1.19bn
Light dilution path (**55%** Seed → exit) base entry · less follow-on raised	15.8%	~7.1%	▼ ~£282m	▼ ~£352m	▼ ~£704m
Heavy dilution path (**70%** Seed → exit) base entry · more follow-on raised	15.8%	~4.7%	▲ ~£421m	▲ ~£527m	▲ ~£1.05bn

Translating exit valuations to ARR at exit, applying conservative fintech-infra multiples of 3×–5×

£300m exit	**£60m – £100m** ARR	£500m exit	**£100m – £170m** ARR
£900m exit	**£180m – £300m** ARR	£1.2bn exit	**£240m – £400m** ARR

1. All scenarios assume a single Seed entry followed by **65% dilution from Seed to exit** — the standard underwriting assumption — except the *Light* and *Heavy* dilution rows, which stress-test that assumption (55% and 70% respectively).

2. Implied ARR at exit applies **conservative fintech-infra multiples of 3×–5× ARR**. Six to ten times is the top end and not the default; absent category leadership, three to six times is more realistic in the 2030–2032 window.

Conclusion on returns. This can be a fund-returner only if we secure 15%+ entry ownership and the company becomes a European-scale infra asset with high trust and scalable distribution; at lower ownership, the exit bar becomes structurally demanding for an Open Banking tooling company in a competitive market. The current ACV signal (implied by ARR and customer count) suggests the business must either (i) move upmarket; (ii) monetise payments volume materially; and/or (iii) expand geographically to reach the ARR required for venture outcomes. This is not a portfolio filler if priced correctly, but it is also not obviously power-law without proof of scalable distribution, reliability, and ACV expansion.

13 Fund Fit

THESIS ALIGNMENT	Strong alignment with our Open Banking and PSD3 tooling mandate; regulated infra with embedded workflows is exactly where venture outcomes can exist, provided distribution is solved. However, regulated infra alone is not a venture thesis; we need evidence of a scalable go-to-market and pricing power.
WHY THIS DEAL OVER ALTERNATIVES	The key differentiator is being live, licensed, and revenue-generating, rather than pre-regulatory or pre-production; however, we must be disciplined on valuation and evidence, as the category is crowded and multiples for fintech infra are structurally lower than classic SaaS.
PORTFOLIO CONSTRUCTION	Works if we can lead at meaningful ownership and reserve for Series A; otherwise, the return profile becomes overly dependent on a very large exit. Given the revenue-multiple reality, we should treat this as an *option on category leadership*; we should not pay as if leadership is already proven.

14 Diligence Next Steps

VERIFICATION ITEMS (MUST-HAVE)

01 **ARR bridge and quality of revenue:** contracted versus live ARR; churn and expansion by cohort; services versus software gross margin by customer; reconcile 30+ paying customers with invoicing and cash collection; provide a clean definition of ARR (recurring only, net of one-offs).

02 **Reliability pack:** last 6 months uptime, incident log, payment success rates, bank coverage by endpoint, latency, and SLOs; plus third-party pen test and security posture summary. Additionally, require evidence of operational maturity: on-call rota, post-mortems, change management, and monitoring.

03 **Customer calls (at least 5):** confirm displacement versus incumbents, time-to-live, ongoing support burden, and willingness to expand modules; specifically test whether they would still choose Nexora if priced at parity with incumbents (i.e., is it product, not price?).

04 **GTM repeatability:** pipeline sources, partner-sourced leads (if any), sales cycle distribution, and a plan for Head of Sales hiring with measurable 90-day targets; include an ICP segmentation showing which customer types are low-touch vs high-touch, and the resulting gross margin.

05 **Regulatory and compliance diligence:** FCA permissions scope, audit history, compliance resourcing, and any constraints under PSD3 transition; clarify any safeguarding/client-money exposure and the cost implications.

CONDITIONS BEFORE SIGNING

01 Lead pricing that supports 15%+ ownership for our cheque size, plus pro-rata; if pricing clears above this, we should downsize to an option cheque or pass.

02 Delivery of the reliability pack and ARR bridge; inconsistencies resolved (customer count, ARR definitions, contracted revenue composition).

03 Agreement on hiring sequencing, with GTM hires gated on early repeatability signals; additionally, agree explicit targets for ACV uplift and support burden reduction (otherwise the fund-return maths does not clear).

Prepared by Breakthroughfounders VC **Date** 2026-02-11