

PORTUGAL

Europe's Atlantic platform for investment and innovation

A stable, competitive and future-focused economy connecting global investors to talent, technology and high-growth sectors

In 2025, *The Economist* magazine named Portugal its global Economy of the Year — a testament to the fact that the gross domestic product (GDP) of the westernmost European Union (EU) member has been growing significantly faster than the bloc's average since 2022.

Furthermore, Portugal has successfully shifted its economy toward high-value and tech-driven industries, and attracted numerous international investors to its shores. Between 2019 and 2024, for example, US investment stocks rose 149% to about \$12 billion, with much of that flowing into sectors like information, communication and other technologies, renewable energy, business services, life sciences and tourism.

Portugal's value proposition for investors is enticing. "The most important point is predictability," asserts Minister of Economy and Territorial Cohesion Manuel Castro Almeida. "We offer strong political, social and economic stability. To illustrate the latter, we have had a budget surplus for the past four years and have brought our public debt to below 90%."

Another advantage is that the Atlantic nation is outward-looking. At the crossroads of Europe, Africa and the Americas, it offers free access to 450 million people in the EU, the US is its biggest non-European trade partner and it has close ties to all Portuguese-speaking countries. "Exports represent around 45% of our GDP. Our goal is to increase that to 50%," notes Castro Almeida, adding that one way the government is encouraging that is by helping businesses with the costs of internationalization.

Portugal has also fostered a highly skilled, multilingual talent base — particularly connected to engineering and advanced technologies — while universities in cities around the country are at the heart of expanding sector-specific innovation hubs. On top of this, the nation is cost-competitive. For instance, the price of its electricity is roughly 25% below the EU average and most of it is green. The government has also invested in transport and digital infrastructure, and in targeted investment incentives.

"Our most important tax incentive today is for research and innovation, aimed at entrepreneurs, scientists, researchers and business-oriented



The Vasco de Gama Bridge in Lisbon, an enduring symbol of Portugal's progress and connectivity.



Manuel Castro Almeida
Minister of Economy and Territorial Cohesion

investors," he states. "Portugal is a very attractive destination for international talent, some of whom are our diaspora that we want to return. The situation here is very different from when many of them left. We have a stable economy, we are reducing taxes and salaries are increasing."

Overall, Portugal is now the fourth most open country for foreign investment, says the Organisation for Economic Co-operation and Development. According to Miguel Farinha, Portugal country managing partner for professional services giant EY, "The country has entered a new phase in attracting investment, with the number and quality of projects rising each year. The market is being driven by technology, and the growth in startups and unicorns is also remarkable."

Castro Almeida insists that the government is striving to draw in more investors. "Firstly, we are carrying out a major fight against bureaucracy,"

MANUEL CASTRO ALMEIDA
MINISTER OF ECONOMY
AND TERRITORIAL COHESION

"Our goal is for knowledge and science to be transformed into business and economic value."

he details. "Secondly, we are reforming our innovation administrative system and linking science with industry better." This year, the government created a new agency for science and innovation through which it will invest more in innovation in both companies and the country's research system. As the minister explains: "Our goal is for knowledge and science to be transformed into business and economic value. Economic growth is our priority."



Wind power currently generates around a quarter of Portugal's electricity.

Driving green growth

Renewable-energy leadership is supporting global investors and industrial growth

Last year, 83% of Portugal's electricity came from renewables, the third-highest proportion in the European Union. "We have very ambitious targets for decarbonization," notes Maria da Graça Carvalho, Minister of Environment and Energy. Those goals include becoming net-zero by 2045, which will require substantially more generation capacity. Fortunately, Portugal has multiple renewable resources, including wind, solar, hydropower, geothermal and biomass, and it is at the forefront of exploiting these. For example, it is home to continental Europe's first floating offshore wind farm, and has led pioneering projects in tidal and wave energy. "We have always defended an open market. So technological neutrality is the line we follow," she explains.

Portugal offers stability in energy policies and regulations to investors along with a business environment that keeps improving. "We have recently reduced two taxes and are simplifying processes," she states. The government has also launched a \$70 million fund for batteries and is investing in attracting large-scale hydrogen and other initiatives to boost grid resilience and green exports.

As a result of the government's efforts and the maturity of Portugal's renewables market, it hosts a full value chain for the sector, with revenues of over \$6 billion in 2024. This includes global manufacturers such as Siemens Gamesa and CS Wind, plus homegrown specialists like developer Greenvolt



Maria da Graça Carvalho
Minister of Environment and Energy

that was bought by US private equity fund KKR for \$1.4 billion in 2024. The nation is also a magnet for energy-intensive industries seeking cheap, clean power. "For example, we have many proposals for data centers," reveals da Graça Carvalho, who welcomes more entrants to the green economy. "We have one of the highest renewable energy potentials in the world and are doing everything we can to create a friendly environment for investors."

Atlantic Macro-Region: Europe's western gateway emerges as a new investment frontier

A coordinated transnational strategy is transforming the Atlantic into a hub for growth, innovation and global connectivity

As Europe redefines its economic priorities in a shifting global landscape, the Atlantic Macro-Region is gaining momentum as a strategic initiative with strong investment potential. Bringing together Portugal, Spain, France and Ireland, the project aims to reposition the Atlantic seaboard from a peripheral space into a central platform for trade, innovation and sustainable development.

The rationale is compelling. Despite its historical role as a gateway for global exchange, the Atlantic area today faces structural challenges — from limited connectivity to uneven innovation performance. The Atlantic Macro-Region project addresses these gaps by aligning existing cooperation frameworks into a unified strategy, improving governance and channeling funding toward shared priorities.

Portugal, and particularly the Lisbon and Tagus Valley region, is at the heart of the transformation. With its strategic Atlantic location and growing innovation ecosystem, Lisbon is emerging as a key node in this new geography of growth.

The Portuguese capital is the only European capital on the Atlantic coast and, as the most westerly capital in continental Europe, it acts as a key bridge to the Americas. As Teresa Almeida, president of the Lisbon and Tagus Valley Regional Coordination and Development Commission, explains: "The region benefits from a privileged global location as Europe's Atlantic gateway ... Lisbon has gained geostrategic relevance and is actively engaged in the development of the new Atlantic Macro-Region."

The initiative that has been given a mandate by the European Union's main council is structured around four investment-driven priorities: building an innovative and sustainable econo-

my, enhancing connectivity, strengthening climate resilience and promoting social cohesion. These translate into tangible opportunities for investors across a range of high-growth industries.

Among the Atlantic Macro-Region's flagship projects are the Atlantic Clean Industry Valley that seeks to accelerate industrial decarbonization, large-scale offshore renewable energy deployment and the creation of integrated maritime innovation platforms. The Atlantic already leads in marine renewable energy, offering strong potential for investors aligned with the energy transition.

Connectivity is another cornerstone. Plans to modernize rail corridors, develop green shipping routes and expand hydrogen infrastructure aim to reduce bottlenecks and reinforce the Atlantic's role in global logistics and energy networks. Ports across the region are set to become key interfaces between Europe and international markets.

The macro-region also leverages a dense network of universities, research centers and industrial clusters, supporting innovation and talent development. For investors, this means access to skilled human capital and collaborative ecosystems capable of driving high-value industries.

Sustainability is embedded throughout the strategy, with initiatives addressing climate adaptation, biodiversity and coastal resilience — key considerations for long-term, responsible investment.

Ultimately, the Atlantic Macro-Region represents a strategic shift in Europe's economic map. By turning its western edge into a new center of gravity, it offers international investors a scalable, future-oriented platform at the crossroads of continents.

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PORTUGUESE SPACE AGENCY

Madeira

Building Europe's most open talent ecosystem

From global universities to industry-driven innovation, Portugal aligns education with economic ambition

Portugal's higher education system contains 97 universities, polytechnics and other institutions. 36 are public and five are in the top 500 of the latest QS World University Rankings. Every year, these institutions educate over 450,000 students and produce approximately 90,000 new graduates.

According to Minister of Education, Science and Innovation Fernando Alexandre, Portuguese education stands out for its internationalization. "As a country on Europe's western edge, openness and international engagement are deeply embedded in our identity and the DNA of our institutions," he states. "That is one of the main reasons for the success of our universities. They are always looking at global trends, aiming to understand the skills and competencies needed for the labor market."

Around 17% of university students come from abroad, a much higher percentage than the European Union (EU) average. And as many programs are taught in English, a significant number come from North America. "Our geographic position places us close to the US, which is a clear strategic advantage over other European nations. Portugal is an Atlantic country, with a long-standing transatlantic connection," says Alexandre. "In fact, we recently renewed the fourth phase of our international partnerships with US universities: Massachusetts Institute of Technology, the University of Texas at Austin, Carnegie Mellon University and the University of California, Berkeley. This represents an investment of more than \$107 million for the 2025-2030 period."

Portuguese universities also stand out for creating a dynamic training and research ecosystem that is connected to industry and national economic development policies — 30% of the country's annual graduates study science, math, technology and engineering, for instance.

As the minister explains: "We actively promote strong, close partnerships between universities, companies and other stakeholders and create incentives for universities to interact with industry and with society." The government also incentivizes international researchers to join the country's universities or wider innovation network through its Temporary Stay Visa for Work



Fernando Alexandre
Minister of Education, Science and Innovation

and Investigation. Partly as a result of this initiative, the share of foreign doctoral students in Portugal has increased by 44 points in the EU's annual Innovation Scorecard since 2018.

Beyond education and research, Portuguese universities are key contributors to one of the EU's fastest-growing ecosystems for entrepreneurs, alongside numerous incubators, accelerators, technology centers and coworking laboratories. In 2025, the country contained 5,091 startups, 8% more than the year before, that generated combined revenues of \$3.3 billion.

Portugal has also nurtured eight unicorns, ranging from the e-commerce specialist Farfetch to Feedzai in artificial-intelligence-based fintech and Tekever in aerospace and defense technologies. "Many of the most promising firms in Portugal are relatively young and have strong links to the operate worldwide, although the majority of their operations remain in Portugal because we have good engineering talent and a competitive combination of quality and cost."

To facilitate the transition of innovation from laboratories to the marketplace, the government has updated legislation that previously prevented university staff from running startups. "Without the opportunity to experiment, most researchers



At the University of Minho, cutting-edge research is driving innovation.

would never attempt to translate their ideas into real-world applications. This legislative change allows them to test their ideas," he comments.

Comprehensive structural reform

Alexandre's ministry is currently leading a program of reforms that span higher education, science and innovation. As well as acting as minister, he is a respected economics professor who has spent years researching how to maintain Portugal's position as a competitive economy that offers a good quality of life. "The conclusions have been remarkably consistent: improving education is essential and our development model must be increasingly based on skills, research and innovation," he asserts. "We still have room to improve education in Portugal for the Portuguese population, while also creating the conditions to attract more talent from abroad to study, work and build their lives here."

Elements of this comprehensive structural reform include establishing a new agency for research and innovation, strengthening the autonomy of universities and reducing bureaucracy. "This transformation is guided by clear priorities. Equality of opportunities is the first. Secondly, we want to generate knowledge that is more closely aligned with the country's needs and can be translated into social and economic value," details Alexandre. "We want our systems to be flexible and to enable our institutions to adapt more quickly to technological developments, labor market shifts and broader societal changes."

As part of the reform process, his ministry is bringing together the country's entire scientific and innovation community — including research centers, universities, polytechnics, tech companies and startups — to discuss and define priority focuses for education and research. Some of these will be connected to the nation's commitments to EU research programs, which allow it to play a major role in large-scale projects with European partners.

One of those project areas is space. Portugal has been investing in space research for over two

decades, its universities offer space engineering courses and it has a substantial industrial base in the sector. In 2025, the government increased its contribution to the European Space Agency by 51% to about \$240 million, with 57% of that coming from the Ministry of Education, Science and Innovation's budget.

"We need to look at all the competitive advantages we have in Portugal, based on capacities that already exist here. One clear example is engineering and scientific fields connected to digital technologies and artificial intelligence. We have a very strong engineering base and have success-

FERNANDO ALEXANDRE
MINISTER OF EDUCATION,
SCIENCE AND INNOVATION

"Improving education is essential and our development model must be increasingly based on skills, research and innovation."

fully attracted significant foreign investments from places such as the US, Canada and Europe, largely due to the recognized quality of our talent," he says. "We have competitive energy from renewables and growing digital infrastructure too, including submarine cables connecting global data networks to Portugal, making the country an important hub for digital technologies."

Portugal has also partnered with Spain so that its scientists and small businesses can utilize the MareNostrum 5 supercomputer in Barcelona. "Another dimension of our strategy is to develop advanced scientific and technological infrastructures in Portugal to make us more competitive globally in attracting talent," Alexandre states. "We want to further facilitate the mobility of international researchers, entrepreneurs and students and actively encourage them to choose Portugal as a place to develop their careers and projects."



Nova School of Business and Economics' campus overlooks the Atlantic.

Educating global leaders

How Nova SBE is connecting international talent and companies to strengthen Portugal's position as a leading destination for innovation and hub for business education

One way Portugal stands out on the global knowledge stage is as a hub for business education, with five of its universities ranking in the *Financial Times'* top 70 worldwide for their master's in finance programs, for example.

"Portugal was historically known for soccer and tourism, but in the past decade, it's gained recognition for high-quality universities, especially in management, economics and finance. We are becoming a key destination for global students. This year, international applications have reached record levels, continuing a trend we have seen growing every year," states Pedro Oliveira, dean at Nova School of Business and Economics (Nova SBE).

Triple-crown-accredited Nova SBE has played a pivotal role in shaping the country's international profile in this area. "Two decades ago, we had to explain where Portugal was — now, Nova SBE is known globally for our faculty, research and institutes," he reveals. Indeed, the *Financial Times* rates the school fourth in the world for its master's in management, its largest program, sixth for its master's in finance and first for its hospitality and customer experience program. As well as other master's courses, the public institution also offers highly regarded bachelor's, doctoral and executive education programs, all of which are taught in English.

Every year around 6,500 students attend the school's modern campus on the coast at Carcavelos, just outside Lisbon. 40% of its students come from over 100 countries other than Portugal and about 60% of its faculty are international. "Students choose Nova SBE for its academic excellence, including its institutes involving Nobel laureates. It's not the weather, beaches or campus facilities — even though those are nice perks," the dean asserts. "Admission is highly competitive;

we accept only the strongest candidates. Those who are admitted are here because they are truly outstanding academically."

Nova SBE's strong global outlook extends to its academic partnerships. "It used to be hard to convince schools like Massachusetts Institute of Technology (MIT) or Harvard to collaborate with Portugal. Today, the situation is reversed: Nova SBE attracts requests for partnerships, reflecting both the school's and Portugal's growing international visibility," he says. Some of its notable collaborations include an MBA that is delivered with MIT Sloan, giving people the chance to study in both Lisbon and Boston, a master's in management of technology dual program with New York University, and joint artificial intelligence (AI) research projects with Harvard.

The school also has deep educational and research ties with global industry partners. "Hundreds of executives from around the world visit us daily for training and often participate in other classes. We tailor programs to their needs, while preparing our students to work in real companies, using project-based learning where students tackle real business challenges," details Oliveira. "Companies value these projects because students bring fresh, innovative ideas. Students benefit too, gaining hands-on experience and building relationships. We focus on issues that matter to companies, like AI, which we have embraced."

In addition, the school's nine knowledge centers work closely with industry in areas such as energy, finance, healthcare and environmental economics in order to generate research with real-world impact. "Nova School of Business and Economics aims to have a global impact and we are building up the school's thought leadership so that our research and educational materials continue to influence companies and universities worldwide," he discloses.

The Atlantic gateway to space: A new frontier

A rapidly scaling ecosystem combining infrastructure, talent and regulatory agility

Portugal launched its first satellite in 1993. This one small initiative started a process that has turned the country into an important emerging hub for the global space economy.

"Joining the European Space Agency (ESA) back in 2000 was a major milestone — a vision to transform Portugal digitally and technologically," says Ricardo Conde, president of the body that is driving the sector's advance, the Portuguese Space Agency. "We saw an opportunity. As an Atlantic nation, Portugal could leverage its potential to develop satellite constellations to monitor our vast ocean territory and strengthen international cooperation through space diplomacy. Our goal was to build on that initial satellite, creating a foundation from our strong universities and partnerships to develop home-grown space and satellite technology."

To give an indication of the nation's progress since then, when it joined the ESA, only three or four local companies were active in the industry. This has multiplied to around 85 firms that generated around \$220 million in revenue in 2024. "Now, in 2026, we are finally launching the foundations to develop our own constellations and industrial capabilities. Today, our vision continues: nurturing skills, fostering innovation and positioning Portugal as a meaningful player in the global space sector. What has also remained stable is our belief that space can transform society and complement our universities."

The next milestone came in 2018, when the government realized that the industry had reached a high enough level of maturity to be able to approach its growth more strategically and it introduced a National Space Strategy to coordinate and guide the sector's expansion.

"One of the main motivations for initiating the strategy was to turn our vision into reality. With existing ground infrastructure in our Azores islands and the potential to support satellite launches, we saw an opportunity to become a full space nation — building, launching and operating satellites independently," Conde says. "By combining our companies, research centers and universities, we focused the strategy on four pillars: leveraging infrastructure; developing launch and satellite capabilities; enhancing monitoring for defense, security and sustainability; and integrating education and research to create a full ecosystem. This allows us to plan the next steps for Portugal in space."

Two key outcomes arose from the strategy the following year: a national space law that provides a flexible and agile framework for sectoral activities, and the establishment of the Portuguese Space Agency. The agency's role is to promote and strengthen the industry's value chain by, among other things, implementing and continuing to shape the strategy, anticipating future needs, connecting all the actors in the country's space ecosystem, overseeing national involvement in international partnerships such as ESA and attracting investment.

Since the agency's creation, the ecosystem's expansion has accelerated and spread across the country. "We are developing strategies at national and regional levels, leveraging local strengths, and each region is driving its own initiatives: in the north, center and Lisbon, for example, companies are developing their own satellites, propulsion systems and rockets," he says.



Ricardo Conde
President, Portuguese Space Agency

In addition to the growing number of businesses, the ecosystem currently includes 38 research centers, five universities with advanced research programs and all Portuguese technical universities offer courses in space technologies. As a result, talent — especially connected to engineering and technology — is one of the country's biggest competitive advantages in the sector. As Conde puts it: "Leading in space isn't just about building satellites — every country can do that. It's about innovating new sensors, systems and services. Satellites and rockets are tools; what matters is how we use them."

Portugal's greatest strategic asset, however, is its location. On the western edge of Europe, the country and its Azores archipelago that lies about 900 miles off the coast of the mainland in the North Atlantic Ocean offer prime spots for launches.

RICARDO CONDE
PRESIDENT, PORTUGUESE SPACE AGENCY

"Access to space is a key opportunity for Portugal. Our geography positions us well as Europe enters a new era of rockets."

"Access to space is a key opportunity for Portugal. Our geography positions us well as Europe enters a new era of rockets beyond traditional institutional launches like Ariane. New players are emerging, and we aim to attract them to launch from our territory as these developments unfold," he reveals. "This year, we aim to launch suborbital and orbital missions, including Europe's first return space hub. These efforts rely on international cooperation, particularly with European partners, to respond quickly and effectively to space and environmental challenges."

Strong government commitment

Over the past three years, the government has solidified space's status as a strategic future economic and innovation pillar for the country by channeling huge investments toward the sector. In 2025, for instance, it raised the budget for space from Portugal's European Union (EU) post-COVID Recovery and Resilience Plan from \$159 million to \$483 million. That funding will be directed at increasing national



Ricardo Conde and ESA's Josef Aschbacher sign an accord for the Azores space hub.

capacity to develop, integrate and operate space systems and services, as well as bolstering the industry's value chain and competitiveness.

In the same year, the government also expanded the country's investment in ESA by 51% to around \$240 million for the 2026-2030 period — a clear signal to all stakeholders that Portugal is fully committed to the sector. One of the flagship initiatives supported under this new framework is Space Rider, which aims to develop a reusable orbital vehicle capable of conducting scientific experiments in micro-gravity and testing technologies for future missions. The planned landing zone for the vehicle is the island of Santa Maria in the Azores, where a new space technology center is being developed that will assist the project.

Growing international presence

Rising public sector investment has strengthened Portugal's presence and impact in the global space sector and encouraged more international businesses to operate in the country. Just a few examples of these are Germany's Rocket Factory Augsburg that develops low-cost micro-launchers, the Swiss satellite-component manufacturer Beyond Gravity and California-based Leolabs, which is one of the world's leading space debris specialists.

"Our national strategy has also created momentum, attracting many international companies to Portugal," notes Conde. "We actively promote our strategy worldwide — in the US, Australia, the Emirates and Europe — showing that Portugal is a peaceful, stable, investment-friendly hub. Unlike traditional space agencies, we focus on promotion and facilitation: supporting companies, connecting them to European programs and showcasing Portuguese expertise globally."

There are other benefits to investing in the country. For example, through public investment in areas such as access to space, return missions, defense systems and satellite-monitoring programs over land and at sea, the nation is creating export opportunities and economic growth that is helping it retain its homegrown skilled talent and attract international talent.

"Portugal offers abundant talent, government support and integration into European value chains, making it a gateway for companies to Europe. We also lead networks in Latin America and Africa, strengthening international partnerships. Furthermore, we are uniquely positioned as a European yet Atlantic nation," he states.

One targeted area for the Portuguese Space Agency in terms of foreign investment is smart public-private partnerships. "While the space economy involves private companies, the main customers are governments — companies build and operate systems, but governments define the strategic objectives. GPS data, for example,

may seem free to consumers, but it is ultimately funded by taxpayers, making it a critical regional tool," he explains. "Government investment drives impact, but we need results, so we carefully select partners. Portugal is small, so instead of forcing consolidation, we keep niche strengths while supporting one or two mid-size players to lead in Europe."

According to the president, the EU's current priorities include space applications for environmental sustainability, defense and security, fields in which satellite technology plays a central role. "The focus now is on security and fast operational capabilities to leverage the industry. In the US, space budgets are split roughly 50/50 between civilian and defense usage. In the EU, it's currently 80/20, but by 2027 it could shift to 70/30 or even 50/50 as we develop our own communication systems and reduce dependence on international providers," Conde details.

RICARDO CONDE
PRESIDENT, PORTUGUESE SPACE AGENCY

"Leading in space isn't just about building satellites — every country can do that. It's about innovating new sensors, systems and services."

"The EU is developing its own navigation system, so we no longer rely solely on GPS, and preparing Earth observation services for government programs. With communications, positioning, timing and cybersecurity, space becomes a strategic domain — the fifth military domain."

Today's geopolitical situation offers Portugal a unique opportunity to leverage its geographic advantage to create value and be a major contributor to the EU's push for resilience and autonomy. "This is similar to the 15th century, when Portugal, with less than one million people, launched global discoveries. Historically, Lisbon was a hub for intelligence and neutrality, and now we are reclaiming that role," he says. "Our Atlantic location remains our raw material. We see Portugal as the bridge between Europe and the West, and an entry point to the Global South."

In Conde's opinion, the challenge for the EU and neighboring partners — such as the UK, Norway and Switzerland — in meeting their combined space ambitions is in coordinating all national initiatives while respecting each country's autonomy. "However, Europe excels at reacting and uniting when needed — strong cooperation will make Europe resilient and globally influential. I believe that by the end of this decade, Europe will emerge as a true space power."

Portugal's innovation engine

The nation's new national research and innovation agency AI² will accelerate research, startups and partnerships to establish the country as a more competitive place for technology and investment in Europe

This May, Minister of Education, Science and Innovation Fernando Alexandre and Minister of Economy and Territorial Cohesion Manuel Castro Almeida formally contracted the first board of directors for the new Agency for Research and Innovation (AI²), ushering in the next era for public science funding in Portugal.

Part of the country's comprehensive structural reform of its education, research and innovation systems, AI² combines the roles of two existing bodies — the Science and Technology Foundation and the National Innovation Agency — under a single institutional framework. "This is not just a merger; it introduces a new paradigm," Alexandre clarifies. "We are introducing a multiannual budget for science. This five-year framework marks a significant change from the previous annual budgeting approach. With a multiyear budget, we can plan more effectively for the medium and long term."

The agency's initial five-year funding cycle is expected to begin in January 2027 and it will immediately differentiate Portugal from most other European countries that still finance innovation in a short-term manner. As well as enhancing the administration's planning, the country's new approach will allow strategic and integrated funding throughout a project's entire lifecycle, from initiation in universities and research centers to commercialization, resulting in more stability and predictability for researchers, startups, established companies and investors in innovators.

Science with real-world impact

"One of the core objectives of AI² is to bring research, science and innovation closer together, with the goal of producing more and better science with greater impact. Researchers benefit from being close to companies, innovation hubs and venture capitalists, and it fosters a stronger innovation culture," he explains.

In addition to accelerating innovation and knowledge transfer, objectives for the agency include streamlining governance of funding, improving the system's efficiency, encouraging more interdisciplinary and global partnerships, supporting the development of young science-based companies and expanding innovation in the private sector overall. The government also sees AI² as a key tool in catalyzing economic growth, competitiveness and a rise in research and development spending from 1.7% of gross domestic product in 2024 to 3% by 2030.

The new agency will operate independently from the government, although it will follow a predetermined strategy that includes a set of five-year funding priorities, alongside instruments for their implementation.

The strategy itself should be completed this year, with the priority industrial sectors being selected on the basis of both government decisions and the results of a national discussion among the Portuguese education, research and innovation community — a discussion that began in February and will finish at the end of October.

"We will identify some strategic domains, which will provide top-down incentives, although most funding will remain bottom-up and we will maintain a dedicated budget for fundamental research," states Alexandre. "The agency will fund science publicly, ensuring researchers have the independence to define their own agendas. Freedom in research drives originality, new ideas and innovation, and we must balance strategic priorities with the principle of supporting creative, original thinking that is not top-down."

Despite being independent, AI²'s board will be accountable for the agency's results and will be assessed on metrics such as growth in the number of startups, patents, scientific jobs and investment in innovation.

While the funding priorities on which it will be judged have yet to be confirmed, the background of João Barros, who has been chosen to head the board, suggests the agency's remit will be tech-centric. Until earlier this year, he was the national co-director of the Carnegie Mellon University Portugal Program, a collaboration between the Pittsburgh-based research university and Portuguese universities, research centers and companies that focuses on promoting world-class education, research and an innovation ecosystem in fields relating to information and communication technologies.

Asked to sum up the philosophy behind his ministry's establishment of AI² and the modernization of the country's funding approach, Alexandre replies: "Education, science and innovation are, by definition, future-oriented domains. It does not make sense to manage their ecosystems with a backward-looking perspective, and that was how the budget was set before. Ultimately, our goal is simple but fundamental: to foster a culture that is consistently oriented toward the future, supported by an institutional setting that makes such an approach not only possible, but inevitable."

Launching Portugal into the space economy

Geography, fast licensing and Atlantic Spaceport Consortium give investors easy access to space and make Portugal a strategic node for space launches



The Malbusca Launch Centre on Santa Maria island is now fully operational.



Bruno Carvalho
CEO, Atlantic Spaceport Consortium

Last August, Portugal granted its first national license for a spaceport to the Atlantic Spaceport Consortium's (ASC's) Malbusca Launch Centre on the island of Santa Maria — a milestone that signals the country's ambitions in the global space economy.

Located about 900 miles west of mainland Portugal in the Atlantic Ocean, Santa Maria presents space launchers with a huge geographic advantage. "Launching south over open ocean means simpler coordination with air traffic and maritime traffic, better safety and lower risk. It is a privileged location for accessing space," explains Bruno Carvalho, CEO of ASC, a consortium of two Portuguese companies: Optimal Structural Solutions, which provides infrastructure manufacturing capabilities, and Ilex Space that leads commercial strategy. The launch center was constructed in 2024, test launches have been carried out and the center is now operational.

In addition to the country being ideally located for the space sector and containing one of Europe's few active launch bases, Carvalho highlights other key benefits: strong support and strategy from the Portuguese Space Agency, and a clear regulatory framework aligned with international treaties, United Nations requirements and European Union (EU) legislation. Portugal designed its framework to be competitive, focusing on speed and simplicity. "For example, our law requires regulators to decide on a license within 90 business days, far faster than most countries, and licensing is streamlined into four main types: launch vehicle, spaceport operations, satellite command and control and reentry. Im-

portantly, all licenses are managed through a single point of contact," he states. "This approach opens opportunities for new space services, such as in-orbit manufacturing. Companies from the UK and the US are now coming to Portugal, benefiting from our regulatory framework while gaining access to the EU market."

Portugal's space competitiveness is seen in the strong demand to use Malbusca Launch Centre. ASC is currently negotiating with various European, UK and US firms and has secured its first commercial contract with South Korea's INNOSPACE, a developer of hybrid rocket-based launch vehicles. "Portugal's regulatory frame-

work made it easy for INNOSPACE to establish operations at Santa Maria, while our being within the EU simplifies customs, import-export controls and other regulatory requirements," he notes.

ASC is also supporting US firms in areas such as satellite licensing. "A major benefit for those companies is EU data policy," reveals Carvalho. "Satellites operated from the EU follow EU regulations, including access to programs like Copernicus, which provides free data for commercial use. This allows companies to combine US and EU resources, enhancing global market opportunities."

As well as operating the launch infrastructure, ASC offers clients a wide range of services for launches and recoveries, including ground operations, liaison with local authorities, legal guidance, logistics, range support, safety and security. "Think of it like an airport for space:

just as an airport provides runways, fueling, passenger processing and screening, we provide the same comprehensive support for launch vehicles," he says. "We aim to be the go-to operator for launch providers and are deliberately flexible, helping companies save time and resources so they can focus on making their operations sustainable and profitable."

ASC expects to launch two suborbital and one orbital mission this year, a few more in 2027 and it will then scale up to Santa Maria's annual capacity of 14 to 20 launches. Carvalho outlines the consortium's longer-term intentions: "Full investment recovery is expected by 2029-2030 and we have plans for growth. We are considering other islands and locations to expand with multiple spaceports and we are also evaluating external investment carefully — we are assessing opportunities case by case while building a sustainable, scalable model."



Atmos Space Cargo aims to make returning from orbit routine and accessible.



Marta Oliveira
Co-Founder and Chief Operating Officer
ATMOS Space Cargo



Michael Hurowitz
Co-Founder and CEO
Weather Stream

Portugal's space tech takeoff

Young innovators like ATMOS Space Cargo, Weather Stream and INNOSPACE are bolstering Portugal's status as center for aerospace innovation, climate intelligence and next-generation technology investment

As the Portuguese space ecosystem matures, young and innovative companies from across the world are leveraging the country's many advantages in the sector to develop next-generation applications that can help drive the global shift from space exploration to commercialization.

One example of a business that has been attracted to Portugal is Germany-based ATMOS Space Cargo, which is developing Europe's first commercial orbital transport and reentry vehicles. Its chief operating officer, Marta Oliveira, explains why this is important: "It is the missing link for a fully functioning space economy. For the past 20 years, the focus in space has been almost entirely on launch access to orbit and launch costs have dropped dramatically. As a result, we now have many more satellites in space. However, returning payloads has not scaled at the same pace."

MARTA OLIVEIRA
CO-FOUNDER AND CHIEF OPERATING OFFICER, ATMOS SPACE CARGO

"Our long-term goal is to be Europe's standard solution for returning payloads from orbit with routine, monthly return missions."

What this means in practice is there are currently only a handful of systems worldwide that can bring meaningful cargo back to Earth, with most of those being tied to government programs and the International Space Station. This gap has created a bottleneck for industries such as pharmaceuticals, biotech and semiconductors, which are increasingly interested in microgravity research and high-value manufacturing that can only be performed in space.

For these activities to become economically viable, they need safe and relatively cheap return missions to Earth. ATMOS is building this commercial return capability for both Europe and the global market.

"SpaceX showed with launches that when a system becomes standardized, frequent and lower cost, it turns into infrastructure rather than a one-off event. That is what we want to achieve for return from orbit. Our goal is to make it routine and accessible," she states. The company has differentiated itself by developing a lightweight return technology that becomes more efficient with scale, lowering flight expenses.

"Customers ultimately care about three things: cost, frequency and reliability. Our Phoenix capsule addresses this with an inflatable heat shield, which significantly reduces system mass and therefore lowers launch costs while increasing payload capacity," details Oliveira.

"We also use a controlled atmospheric re-entry and descent, improving both safety and the potential for reuse. This allows customers to transport more payload at lower cost and plan regular, predictable flight schedules. In addition, the capsule includes a propulsion and inflation system for free-flight operations, with part of the inflation process completed in space using stored gas systems."

ATMOS is an international company: in addition to Germany, it has operations in France and its first prototype launch was in Brazil with SpaceX. In March this year, it expanded to Portugal, securing the country's first-ever commercial reentry license — which is also the first issued under a national framework for

the controlled return and recovery of a commercial spacecraft to a European territory.

"For us, this was a major milestone. Our aim was always to return to Santa Maria in the Azores," reveals Oliveira. "The licensing process was very thorough, and we worked closely with Portuguese authorities, including the Navy and Air Force, as well as local partners such as the Atlantic Spaceport Consortium (ASC), to ensure safe return operations and avoid populated areas. Securing this corridor is extremely important for our future missions and it confirms that the Azores can serve as a gateway for returns."

Speaking when the license was awarded, Ricardo Conde, president of the Portuguese Space Agency, explained: "Supporting licensed reentry operations from Portuguese jurisdiction reinforces Portugal's role in enabling a European two-way space economy, including research, manufacturing and other high-value applications that depend on reliable return logistics. With this license, Portugal becomes the European return gateway from space."

In April, ATMOS closed a \$30 million Series A financing round led by European venture capital firms, with participation from the European Innovation Council. This funding will support the construction of three Phoenix 2 vehicles and development of a Phoenix 3. Equipped with independent propulsion and power systems, these models will increase ATMOS's mission frequency and raise per-flight payload capacity from about 200 pounds today to roughly one metric ton.

"Our long-term goal is to be Europe's standard solution for returning payloads from orbit with routine, monthly return missions," she asserts. "Once that level of access exists, microgravity manufacturing, research and development can move beyond experiments and begin to support real industrial activity."

Ideal location for Earth observation

Another new entrant to Portugal is Weather Stream, a US startup that grew out of the University of Colorado Boulder. This company creates meteorological data-as-a-service solutions based on its innovative microwave sensors that can see through clouds and darkness, unlike traditional optical and infrared systems. Once installed on satellites, Weather Stream can provide detailed real-time weather data far more cost-effectively than competitors in the market.

MICHAEL HUROWITZ
CO-FOUNDER AND CEO
WEATHER STREAM

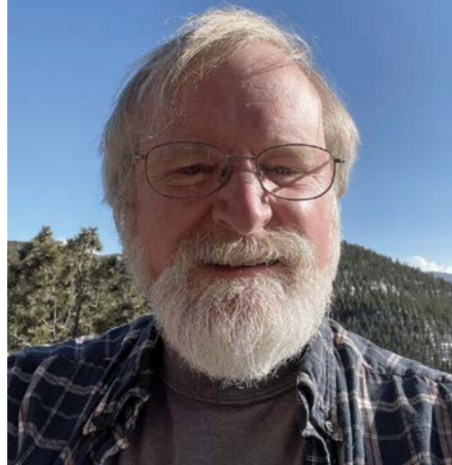
"There is strong willingness to partner across government, academia and civil institutions ... it is a very collaborative, forward-looking environment."

"We handle the complex back-end science, which is then integrated into a client's user-facing platforms. We believe this horizontal model gives broader reach and stronger impact than trying to build everything in-house," notes co-founder and CEO, Michael Hurowitz.

The company's solutions support better decision-making across a wide range of commercial sectors, including insurance, agriculture, energy, aviation and emergency management. Dave Gallaher, technical fellow in geospatial data science, gives three practical examples: "For energy companies, it could mean understanding how cloud cover affects solar produc-



INNOSPACE has created affordable, reliable and fast satellite launch services.



Dave Gallaher
Technical Fellow, Geospatial Data Science
Weather Stream



Soojong Kim
Founder and CEO
INNOSPACE

tion and when to adjust supply. For aviation, it supports route planning to avoid storms and reduce fuel use. In both cases, better nowcasting — knowing what is happening right now — is critical.

"The same applies to disaster preparedness. Recent flooding events in Europe highlight how valuable earlier warning could be. In many regions, such as parts of Africa and Southeast Asia, there is still limited radar coverage, creating major gaps in situational awareness. We can help fill those gaps by providing more frequent, reliable observations."

While the startup's technology is manufactured in the US, in March 2026 it launched its first satellite from Portugal. It is also receiving and processing data from the sensors on that satellite in the country. "We were originally in the UK, but Brexit made it clear we needed a stronger base in the European Union (EU)," explains Gallaher. "After exploring several options, Portugal stood out as the most welcoming environment. Ultimately, if you want to do business in Europe, you need to be in Europe — and Portugal gave us the right combination of support, talent and stability."

Support has come from the government, as well as a research institute and the university in Coimbra, the central Portuguese city where Weather Stream is based. "Rather than just financial incentives, there was a genuine effort to support companies setting up and navigating licensing, which was very attractive for satellite operations. In addition, there is strong academic talent in Coimbra, particularly in applied research, which aligns well with our needs on the downstream side of our business," Gallaher adds.

DAVE GALLAHER
TECHNICAL FELLOW, GEOSPATIAL DATA SCIENCE, WEATHER STREAM

"If you want to do business in Europe — and Portugal gave us the right combination of support, talent and stability."

Hurowitz has also been struck by the opportunities for collaboration with other stakeholders in space-related sectors relating to developing systems and data products in areas such as weather forecasting and environmental intelligence. "There is strong willingness to partner across government, academia and civil institutions," he states. "There is also a clear interest in developing domestic capabilities in meteorological and Earth observation satellites. Overall, it is a very collaborative, forward-looking environment to operate in."

A further advantage for companies like Weather Stream is the chance for their data to be included in the EU's Earth-observation Copernicus program. "If we achieve certification under Copernicus standards, it significantly increases credibility and opens access to broader markets. It effectively becomes a quality stamp that enables us to commercialize satellite data much more widely," Gallaher notes. "Portugal can play an important role here, particularly in helping navigate the technical and regulatory steps required for calibration and certification. That support is critical for us. Once that approval is in place, it creates a strong foundation for global expansion and data monetization."

Beyond Europe, the country's close links with South America, Africa and the Atlantic region are another strategic benefit for the company. "These are areas where weather and Earth observation capabilities are highly needed," says Hurowitz. "Time zones also matter more than people think. Working within closer time alignment makes coordination much easier compared to projects spread across multiple continents."

As a result of its early success in the country, the startup is preparing a Series A round, with significant funding already committed for it to build out operations in Coimbra. Its plans include establishing a constellation of 48 satellites, all of which will be registered in Portugal. According to Gallaher, "Having a strong

base in Portugal offers clear advantages for operations and customer engagement, while investor support and potential co-funding for missions — particularly if key components are built locally — make this an attractive place to scale."

Fast, reliable and affordable launches

A final illustration of the diverse entrepreneurs being drawn to the country is South Korea's Soojong Kim, founder and CEO of INNOSPACE, which is addressing the ever-increasing global demand for small commercial satellite launches. Kim has spent a considerable amount of time in both aerospace academic research and industry.

"These experiences shaped my belief that space access must move beyond technology toward operational efficiency and commercial viability. If I had to define my vision in one phrase, it would be 'easy access to space,'" he says. "At INNOSPACE, this means a clear focus: delivering affordable, reliable and fast launch services to enable broader, more frequent access to space."

The company achieves affordability by simplifying propulsion and manufacturing. For example, its launch vehicle combines a hybrid rocket engine in the first stage of a launch with a liquid-methane rocket engine in the second, which brings cost efficiency and high performance. It also uses metal 3D printing for some key components, reduces part counts, streamlines production, enhancing quality control and improving design flexibility.

INNOSPACE's reliability stems from the extensive testing it carries out to verify all its technologies, while the agility of its services comes from an expanding global footprint. "In terms of infrastructure, securing launch sites ahead of demand is critical. Rather than relying on limited third-party availability, we are building a geographically distributed launch network to reduce congestion-related delays and optimize mission timelines and locations," Kim explains.

By the end of 2025, INNOSPACE had partnerships with launch sites in Brazil and Australia — Europe was next on the agenda. It selected Portugal, and signed a multiyear agreement with ASC to secure usage of Malbusa Launch Centre in January.

"Our decision to establish a launch base in the Azores was driven by strategic and operational priorities," he discloses. "From a market perspective, Europe is a fast-growing region for small satellite demand. Establishing a presence in the Azores allows us to be closer to European customers and deliver more responsive, regionally optimized services. The location also offers strong operational advantages. As an island-based spaceport in the Atlantic, it provides greater independence in airspace and maritime operations, enabling more flexible and optimized mission profiles."

SOOJONG KIM
FOUNDER AND CEO, INNOSPACE

"Establishing a presence in the Azores allows us to be closer to European customers and deliver more responsive, regionally optimized services."

INNOSPACE is now preparing for its first Portuguese satellite launch, which will take place in the fourth quarter of this year. Over time, the company aims to evolve into an integrated platform spanning the entire value chain from satellite development to data services.

The Portuguese Space Agency's Ricardo Conde sees INNOSPACE's partnership with ASC as a major step on the country's journey to becoming a full space nation. When the deal was announced, he described it as "a strong signal of international confidence in Portugal's space ambitions. This agreement helps accelerate the path toward safe, sustainable and regulated orbital launch services from the Azores, creating opportunities for high-value activity in the region."

Guimarães: From industrial legacy to innovation hub

A model city in the Minho region where heritage, culture, sustainability, industry and the cutting edge converge

Unlike many other countries where socioeconomic progress is concentrated in just a few metropolises, leaving many others behind, Portugal's development is more balanced — all around the nation, regions containing vibrant cities are moving forward by capitalizing on their distinct and complementary local strengths.

A prime example is Guimarães in the northern Minho region. Home to about 157,000 residents and with a backdrop of stunning mountains, this municipality is located close to both the Atlantic coast and Portugal's second busiest international airport in Porto. Known as the cradle of Portugal — as the site of a decisive battle nearly 900 years ago that shaped the nation's formation — Guimarães boasts a rich history and culture. This is reflected in its well-preserved center, which is a UNESCO World Heritage site, and its designation as European Capital of Culture in 2012.

Guimarães also has a substantial industrial heritage in sectors such as textiles, footwear, manufacturing and mechanics. Today, it is still a major exporter in those industries, with many of its companies recognized as global leaders in their fields. "These sectors remain extremely important to our local economy, and we are proud of that. We have a strong industrial culture in Guimarães, rooted in these traditional sectors," says Ricardo Araújo, president of Guimarães City Council. "This culture is embedded in our society and communities. Our people understand what a factory is and what it means to work in one."

As Europe begins to enter a new phase of re-industrialization, that culture underpins the continued strength and growth of the city's industrial base. However, there is one other vital factor behind the ongoing success of its traditional sectors: they are constantly innovating, which has positioned them among the most advanced in their

RICARDO ARAÚJO
PRESIDENT GUIMARÃES CITY COUNCIL

"Each investor who comes to Guimarães will have a high-level dedicated team supporting them across all areas necessary to implement their investment."

specialties worldwide. "It is a dynamic, vibrant and competitive city at the forefront of innovation. I often use an expression that summarizes Guimarães: from the birthplace of the nation to the birthplace of innovation," states Araújo.

That transition has been driven by an extensive and robust innovation ecosystem in the city and its surrounding area. Key players include the Instituto Politécnico do Cávado e do Ave, a higher technical education institution; CESP/ — International Health Business School, a private university specialized in health sciences, with a school focused on health management headquartered in Guimarães; the United Nations University's unit in Guimarães dedicated to electronic governance; and the University of Minho (UMinho), which is an influential force on the region.

"UMinho's engineering department is based in Guimarães and it is a major asset for us. Every year, it brings nearly 10,000 students to the city and within its system are more than 10 research and development (R&D) centers. They are focused on key areas for innovation, such as polymers, materials, textiles, artificial intelligence and aerospace," he reveals. "This makes Guimarães a unique environment for creating and implementing innovation — we combine industrial tradition with the capacity to develop advanced skills and competencies in crucial innovation sectors."

According to Araújo, the council's long-term investment in establishing the right framework for the city's innovation ecosystem to thrive has turned Guimarães into a national benchmark for fostering partnerships between academia, research centers and industry. "If you want to be at the forefront of innovation, collaboration is not optional, it is essential. For me, this is very clear,



Ricardo Araújo
President, Guimarães City Council

and we need to accelerate our strategy in this area," he insists. "At the same time, we face the challenge of diversifying our economy. We want to attract new industries with high added value that can contribute to improving quality of life."

A new economic vision

In collaboration with UMinho, the council will initiate a new 10-year economic development plan later this year that will set a strategic vision for the future of the city's economy. However, Araújo reveals in advance that some of the new industries prioritized in the plan will be technology, healthcare and aerospace, where the council is already investing heavily.

The foundations for building an aerospace cluster were laid when UMinho introduced courses including master's programs connected to the sector. Then in 2025, the council, in partnership with the university, the country's Centre of Engineering and Product Development (CEiA) and the private sector, inaugurated the new Guimarães Space Hub in the heart of the city.

"We see this as a strategic network that must be developed in order to position ourselves at the top of the European agenda in the space," explains Araújo. "We are rehabilitating an old factory to serve as the headquarters of the hub, creating the best possible conditions for laboratories and R&D in the aerospace sector, all in one location." The city is also planning for dedicated economic and industrial centers to host startups and companies that want to invest in the field — although the Space Hub will focus on R&D, the council wants to create an environment that supports the sector and attracts new businesses.

Despite its very recent launch, the hub has already secured its first industrial tenant. In May, it was announced that the site will host Portugal's first optical satellite manufacturing and testing facility, which will be managed by CEiA. Other businesses expected to follow include ones working in fields such as space support services and satellite data generation and analysis.

The Space Hub project involves an investment of about \$58 million, some of which is coming from European Union (EU) funding, reflecting the project's alignment with both the Portuguese government's and the EU's prioritization of expanding space capabilities. A second area where substantial EU funding could be directed in the future is data centers, supported by the city's access to renewable energy and water resources.

"We are actively exploring this sector, preparing the territory and creating the conditions to host investments in data centers. Portugal has a strategic location in Europe for these investments and Guimarães can play an important role within the national strategy for data." The city already has a supercomputer, Deucalion, at the university's campus. Part of the EU's European High Performance Computing program, UMinho's supercomputing facility is now being expanded to add an "AI factory" and has been renamed as Minho Advanced Computing Center. It is currently the largest and most advanced hub for supercomputation in Portugal and is accessible to private companies. "There is significant potential

Sustainability from ground up

Smart, circular and green utility solutions make the region of Minho future-ready

As Portugal intensifies its push for sustainability, public utilities are emerging as innovators for change at the local level. This is evident in the Minho region city of Braga, where Empresa de Águas, Efluentes e Resíduos de Braga (AGERE) delivers water, wastewater and solid waste services to a population of just over 200,000.

"For example, we are investing in circular economy solutions, such as converting sludge into biogas for energy production," says CEO Alexandra Roeger. "Sustainability is integrated into every aspect of our work and we ensure that it is part of daily decision-making across all teams, whether it is reusing materials, optimizing processes or designing green infrastructure."

AGERE's innovations have influenced national guidelines, international projects and many other utilities. Roeger cites the digitalization of operational processes as an example: "Field teams use tablets to record all interventions in real time, allowing us to track costs, materials and performance indicators. This improves efficiency significantly," she explains. Another illustration is water safety, where the utility

has pioneered planning based on risk assessment at every stage of the water cycle. "This plan is continuously updated to reflect new challenges, such as climate change or unexpected disruptions like energy failures," adds Roeger. "These tools ensure that our system remains resilient and capable of delivering uninterrupted service."

AGERE maintains close partnerships with universities and polytechnic institutes, particularly in northern Portugal, to guarantee it remains at the vanguard of innovation. For instance, students are encouraged to work on real-world projects within the organization. "This creates a 'living lab' environment where they can test and implement their ideas. Many of them stay with us after completing their studies because they can see their work becoming reality," she states.

Roeger highlights Braga's appeal for both talent and investors: "It offers a stable environment, strong collaboration between public entities, academia and industry and access to European funding. It is a city that is growing rapidly, supported by robust infrastructure, particularly in water and environmental services."



Guimarães' city center is a UNESCO World Heritage site.



Despite its industrialization, Guimarães is surrounded by pristine green spaces.

for Guimarães in economic sectors connected to data and we also have the trained talent, as UMinho offers programs in artificial intelligence, data analytics and related fields," he says.

Becoming a reference for life quality

Although the council is firmly committed to continuing to channel investment into innovation, Araújo points out that its metrics for measuring return have shifted in recent years. "It is time to ensure that our investment generates tangible results. We must transfer knowledge from research centers and universities to the real economy, and this knowledge must translate into improved quality of life for people. My priority in every decision is to create a better life for citizens," he states. "We are currently investing significantly in the aerospace hub, for example, but my focus is on how this generates economic activity, how we attract companies, create jobs and develop high-value employment opportunities — retain local talent, attract new talent and ensure that it stays here."

RICARDO ARAÚJO
PRESIDENT GUIMARÃES CITY COUNCIL

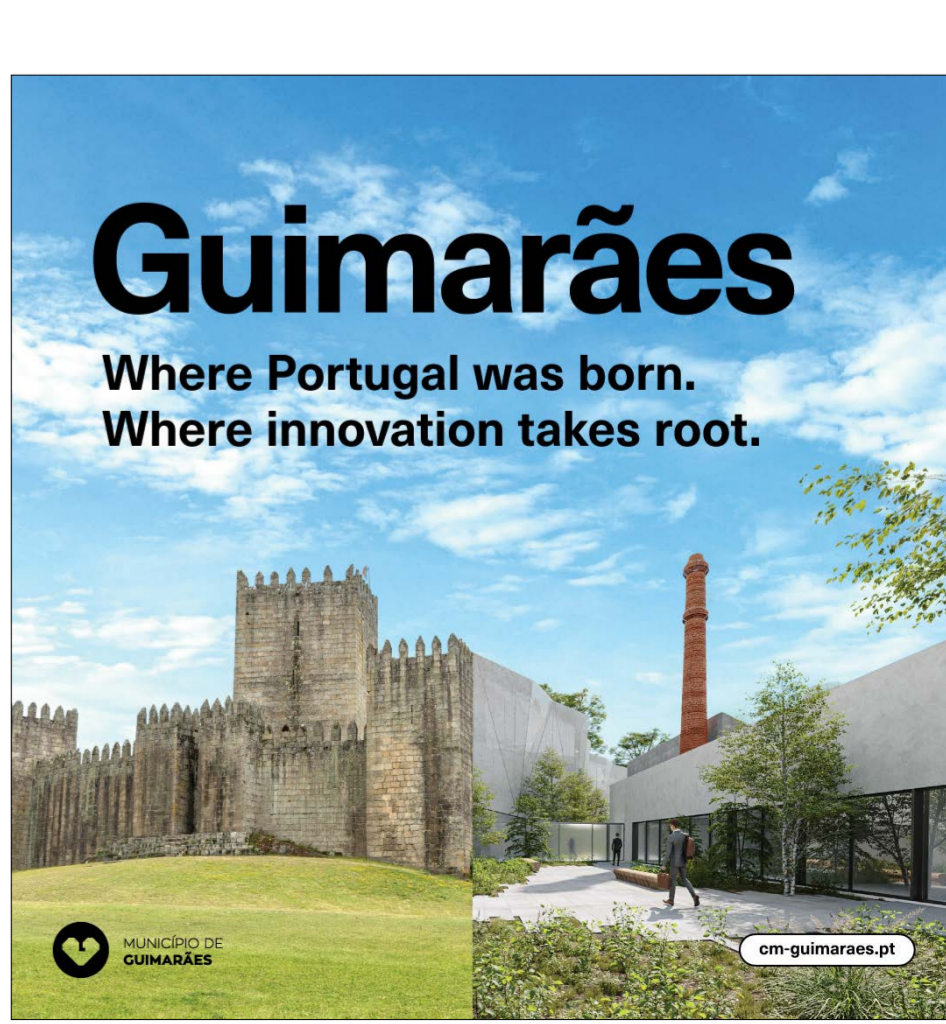
"Being European Green Capital 2026 represents a commitment to future generations, a commitment that Guimarães will lead the green transition."

That concern for enhancing life quality brings opportunities for investors in public-private partnerships (PPPs). "We are very open to collaboration between the public and private sectors and face several challenges in our territory that can be addressed more efficiently through such partnerships," Araújo discloses. "One example is a housing shortfall, which is a major challenge in Portugal as a whole and in Guimarães. To address it, we need to increase the supply of both public and private housing, and we are open to partnerships to accelerate development."

A second big challenge is public transport. The council wants to revolutionize and expand mobility both within the city and through links with other urban centers in the Minho region. One landmark PPP project in the study phase is a bus rapid transit Metrobus connection between Guimarães and Braga, another dynamic industrial city in the Minho region located about 10 miles away. Estimates indicate this project may

have a high-level dedicated team supporting them across all areas necessary to implement their investment. We want to make it clear that Guimarães is ready and international investors are very important for our strategy," says the president. "We already have history, culture, sports, industrial heritage and we are a city of innovation. Now, we need to address housing challenges, improve mobility and implement an economic strategy that continues to transform Guimarães into a European reference for quality of life."

In order for investors to better navigate the myriad opportunities in the sustainable, innovative city, the council is establishing Invest Guimarães, a one-stop shop that will implement the upcoming municipal economic development strategy and attract investment. The council will also fast-track international investors to ensure they encounter minimal bureaucracy and can start projects quickly.



Where industry meets innovation: The UMinho model

Long-term university-industry partnerships generate cutting-edge research, commercial applications, patents, spin-offs and talent pipelines

Founded in the 1970s in one of Portugal's most industrialized regions, the University of Minho (UMinho) was created to work alongside and support local industry. Over time, UMinho has expanded. It now has a main campus in the district capital Braga, two more in neighboring Guimarães, 12 schools and institutes covering a broad range of fields, 31 research units and a student body of over 20,500.

UMinho's original role, however, remains central to its mission, and it has developed a distinctive model for building long-term, high-value collaborations with companies, an approach that has gained international recognition. A flagship example is its partnership with the global engineering and technology giant Bosch, a major employer in Braga. The partnership began in 2013 and focuses on areas such as connected mobility and smart manufacturing. From the outset, it was designed as a multiyear strategic alliance and, unlike in traditional academia-industry contracts, investment in infrastructure, equipment and research activities was shared.

"Trust has been another cornerstone of this partnership. Bosch was confident that the research was scientifically meaningful and bene-



Pedro Arezes
Rector, University of Minho

cial for their operations, while the university ensured the work contributed to wider scientific development. This trust enabled the creation of joint labs, such as one focused on additive manufacturing and 3D printing," says UMinho's rector,

Science-to-market biotech breakthrough

UMinho spin-off Solfarcos is combining cutting-edge biotechnology, talent and ambition to compete globally in cosmetics science and pharmaceuticals

One of the most prominent spin-offs from the University of Minho (UMinho) is still in Braga: Solfarcos, an innovative biotechnology company centered on creating specialized solutions from peptides and proteins. Established in 2016, the company researches, develops and manufactures high-value unique ingredients, primarily for the cosmetics and pharmaceutical sectors.

Its breakthrough was a revolutionary peptide for cosmetic hair repair that delivers immediate results, which emerged from research carried out by its founders at UMinho. Solfarcos produces this patented ingredient for K18, a haircare company that scaled quickly as consumer demand for the technology rose. K18 is now sold in over 100 countries and was acquired by Unilever in 2023.

K18's success has driven Solfarcos' rapid expansion. It now operates from a large building in Braga containing laboratories and a manufacturing unit. "We have invested in state-of-the-art infrastructure, including advanced robotic systems for peptide synthesis and genetic engineering processes. These capabilities position us to compete at a global level in biotechnology and cosmetic science," says CEO and co-founder, Artur Cavaco-Paulo. "We have also been among the pioneers in incorporating advanced computational models, including artificial intelligence, molecular docking and molecular dynamics simulations, to identify and optimize peptide candidates."

He notes that about 80% of the workforce holds PhD-level qualifications. "What distinguishes Sol-



Artur Cavaco-Paulo
CEO, Solfarcos

facos is that its foundation remains firmly rooted in biotechnology," he adds. "This combination of talent and specialization has enabled us to attract strategic partners, including Unilever, which has taken a minor stake in our company."

Solfarcos' focus is on high-quality innovative products for niche markets — exclusive products that command a premium price due to their distinctiveness. Having a steady income from K18 allows the firm to continuously reinvest in research, giving it a defensible competitive advantage in this specialized area. "Solfarcos is structured around a

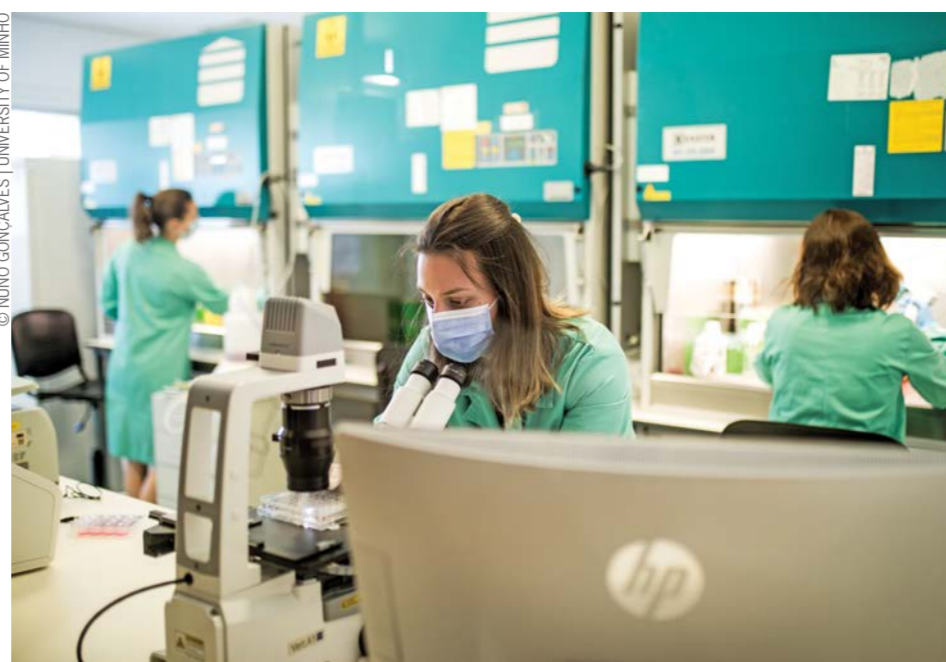
Stepping ahead by reinventing safety footwear

Advanced technology, manufacturing expertise, innovation and a sense of style has made the TOWORKFOR brand a European leader

With a history dating back to the 14th century, footwear is one of Portugal's most important traditional industries. Today, it manufactures 17% of all European footwear, and 90% of the 80 million pairs of shoes and boots the country makes every year are exported to over 170 nations around the world. More than 40,000 skilled employees work for the sector's 1,600 companies, which generated a combined revenue of \$2.7 billion in 2024 — a 14% increase in turnover since 2020.

Mainly clustered in the north of the country, the industry's success is based on its combination of expert craftsmanship, advanced manufacturing, innovation and understanding of fashion. One company that exemplifies all those characteristics is AMF Safety Shoes, which was founded in 1999 by its CEO, Albano Fernandes, who studied at the University of Minho in Guimarães, gaining a degree in production engineering and a PhD in business.

His startup has evolved into one of the world's leading fashion safety shoe brands. "Last year,



The University of Minho has 31 research units engaged in a broad range of studies.

Pedro Arezes. "We also established integrated research teams, with our researchers and Bosch staff working together."

"The collaboration goes beyond the university's research units into its extended innovation ecosystem, which includes autonomous technical centers headquartered on its campuses that specialize in fields like advanced materials, composites, digital technology and polymer engineering.

"Overall, our partnership with Bosch and similar ones with other companies have created sustained, mutually beneficial collaboration that supports both cutting-edge research and practical industrial applications," he states. "One of the clearest measurable impacts has been a significant increase in patents. Last year alone, we recorded nearly 30 patents with real-world applications and economic potential. While the university may not capture all the financial value, the transformation in our researchers' mindset is invaluable — they are bridging the gap between academic research and industrial innovation." Entrepreneurship has been positively impacted as well, and UMinho currently supports 61 active spin-offs spanning multiple sectors from artificial intelligence (AI) to biotech and advanced materials.

Braga's mayor, João Rodrigues, notes that the university and its connection to industry attracts international investors and students, many of whom stay after finishing their studies: "Demographically, we are the youngest city in Portugal. It is a vibrant, evolving place to live and work."

Academic partnerships are also seen as crucial at UMinho, and it actively encourages multidisciplinary collaboration across its schools and research units. "For example, in AI projects, ethics and ontology issues require input from social sciences and psychology, even when the core project is technological," he explains. "We are formalizing this approach by building these multidisciplinary teams from the ground up."

The university has a large network of national and international academic collaborators too, including particularly active partnerships with prestigious US institutions, such as Carnegie Mellon University, the University of Texas at Austin, and the Massachusetts Institute of Technology. "These collaborations have significantly influenced our strategic goals and research approach," says Arezes. "Working with top-tier US universities challenges us to elevate our practices and enables us to compete and innovate on a global scale."

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Braga-based Solfarcos is a global pioneer in peptide and protein technologies.

strong research and development core with heavy emphasis on intellectual property," he explains. "Our priority is the quality of our IP, ensuring that it can be translated into products and services. Turnover follows naturally from this approach and our financial indicators are very strong."

Patented technologies resulting from this approach cover ingredients for hair and skin cosmetics, as well as pharmaceuticals. Among them is a genetically engineered protein that neutralizes odors for use in dry shampoos. "This ingredient makes us one of the very few companies worldwide to incorporate recombinant or genetically engineered proteins into cosmetic products," explains Cavaco-Paulo. Another example is a treatment for rheumatoid arthritis. By encapsulating methotrexate — the first-line medication for the disease — within a liposome with a signaling mechanism, Solfarcos enables targeted delivery to inflamed joints. Compared with conventional delivery methods, it also offers controlled drug release, lower dosages and improved ease of use.

While the firm's core operational model remains business-to-business (B2B), it is planning to bring its liposomal methotrexate platform to market on a business-to-consumer (B2C) basis. "We have successfully conducted Phase 2 clinical trials with a small group of patients. However, scaling up is a completely different challenge and we are very open to partnering with someone who can help bring it to market," he states. "Our clinicians estimate a 70-75% chance of success, as we are reformulating an existing drug with fewer side effects."

The company is also developing a pipeline of other ingredients and products, some of which are at the intersection of cosmetics and longevity. Details about many are under wraps to protect its IP. Looking ahead, Cavaco-Paulo envisions the company evolving into an ecosystem: "I see Solfarcos as a group, with a central B2B entity, around which there would be several B2C companies or partnerships that leverage Solfarcos' IP to deliver innovative products and services."

we grew 25-35% and, historically, we have maintained double-digit growth," Fernandes notes. To accommodate its growth, the company now operates two factories and a huge logistics facility, all of which are either in Guimarães or nearby.

Originally, AMF was an outsourcer for other footwear firms in the Guimarães area. That changed in 2005, when it spotted a gap in the market. "Our goal was to create safety shoes that people could wear all day — comfortable, lightweight and functional — while also looking modern and stylish," he explains. "Traditional safety shoes often looked unattractive, and that didn't make sense to us. We believed safety footwear should combine protection, comfort and design." To fill this gap, AMF created the TOWORKFOR brand and started developing fashion-oriented safety shoes for export within Europe.

Innovation brings competitiveness

The company has always been innovative in design, presentation and technologies. "To create a light, fashion-forward safety shoe that still meets strict standards, we had to find exceptional materials. In 2005, anti-perforation soles were mostly steel, which is heavy and inflexible. We decided to use Kevlar, inspired by bulletproof vests, and switched from steel toes to polycarbonate toes, making shoes much lighter and more comfortable," he details. "We also explored innovations outside the shoe industry to adapt technologies and create truly different, high-performance footwear. As a result, we became the first in Europe to launch a full collection of injected safety shoes with a cement-style design."

The need for innovation really hit home when competitors started reproducing many of AMF's unique selling points, and one copied an entire collection. "Innovation became essential for us because it is the only way to stay competitive in the market," says the CEO. "Fashion without

technology is easy to copy, so we decided to focus much more on innovation and technical development, developing shoes with unique technologies that could not easily be copied."

This strategy led to one of the company's biggest innovations in 2009: Tubeless outsole technology. "Before Tubeless, safety shoes were heavy and comfort was limited. To change this, we partnered with a Spanish company to create air tubes inside the outsole, giving fantastic all-day comfort," he discloses. "Many competitors tried to copy this style, but we maintain the Tubeless patent, paying royalties to secure exclusivity. This allowed us to target premium customers across Europe and positioned us in the top segment of the market. The combination of comfort, safety and proprietary technology has kept the style a bestseller, despite being priced higher than competitors."

Another key industry partnership is with Michelin, leveraging its expertise in rubber to create models that are closer to everyday fashion footwear. In 2017, this collaboration gave rise to a safety shoe weighing less than 12.5 ounces made from a unique lightweight rubber compound. "We had two years of market exclusivity with the technology before others could adopt it," he says. "For us, being first and innovative is always a challenge, but it is what drives our team and the success of the brand."

The COVID-19 pandemic pushed the company to widen its innovation, and it started making branded textile face masks containing a valve that stopped glasses fogging. High sales proved the strength of the TOWORKFOR brand, which has since been extended to a range of clothing. AMF is also expanding internationally, targeting regions like the US, Canada and the Middle East. According to Fernandes, "Our goal is to enter these markets with the same focus on quality, compliance and brand positioning that has driven our success in Europe."

Connecting Portugal to tomorrow

Major developments in transport infrastructure and housing are promoting long-term countrywide competitiveness

Portugal is embarking on a vast infrastructure investment cycle backed by substantial public funding. This year's state budget alone allocated nearly \$7 billion to 116 infrastructure and housing projects, financed through national tax revenues and the European Union (EU) Recovery and Resilience Plan.

The lion's share of investment is focused on transport and logistics, with high-speed rail developments set to be the most transformative projects. New lines will link Lisbon with Porto, the country's second-biggest city, and Spain. "Our \$24 billion investment in high-speed rail will reduce travel time to one hour between Lisbon and Porto and three hours to Madrid," says Minister of Infrastructure and Housing Miguel Pinto Luz. "It will be a game changer for the country, effectively creating a macro-city corridor from Lisbon to Porto." The other flagship project is a new airport in Lisbon, a \$9 billion investment that will be Europe's first greenfield airport in decades.

Beyond these, around \$6 billion is being invested in ports. The government plans to turn Portugal's largest port, Sines, into a major Iberian hub with new road and rail links, data centers and energy infrastructure. 15 new port concessions are also being launched along the coast to boost logistics capacity. Other standout projects include two new River Tagus crossings, expanding four subway systems and new bus rapid transit networks. "Altogether, our transport investment pipeline exceeds \$70 billion," states Pinto Luz.

MIGUEL PINTO LUZ
MINISTER OF INFRASTRUCTURE AND HOUSING
"Our \$24 billion investment in high-speed rail will reduce travel time to one hour between Lisbon and Porto and three hours to Madrid."

To maximize impact, his ministry is working with the Ministry of Economy and Territorial Cohesion to ensure new transport developments and existing infrastructure are fully integrated and support countrywide economic growth. "We are creating a dense, connected mobility network," he explains. "It will serve the economic fabric of the country, connecting cities, industrial plants, investments and international investors, bringing a more balanced and competitive Portugal."

This network will also be green. For example, the new Lisbon airport will be compatible with



Miguel Pinto Luz
Minister of Infrastructure and Housing

the production and use of sustainable aviation fuels, and all new port concessions are aligned with the decarbonization of shipping, including charging infrastructure and hydrogen use. "Sustainability is an opportunity for Portugal to be one step ahead of the rest of Europe," Pinto Luz notes.

The minister's most pressing priority, however, is building homes. There are two pillars to his strategy for expanding housing supply. One is injecting nearly \$12 billion in state and EU funding into public housing, which will finance more than 133,000 new homes. The other is incentivizing domestic and international private sector investment through newly simplified licensing processes, credit lines and substantial tax benefits.

An additional incentive is the state's real estate portfolio. Previously under the Ministry of Finance's umbrella, Pinto Luz's ministry now has shared responsibility for this. "It gives us thousands of plots and assets that we can use for public-private partnerships to develop housing, and we have already approved the first 20 of these PPPs," he says. By unlocking land and accelerating approvals, the government aims to scale up construction quickly and efficiently.

Pinto Luz points out that one reason for the current pressure on Portuguese real estate is an influx of global purchasers. "Year after year, Portugal is breaking records in foreign direct investment, attracting unicorns, international companies and people buying houses," he says. "Portugal now is a no-brainer for investors because we are disrupting all the legacy systems that used to slow down business. Not many countries in Europe or the world provide such favorable conditions for investment."

Lisbon: Fostering a new era of dynamism

Portugal's capital region is one of Europe's most competitive, innovative and future-ready hubs for foreign investors

Generating around 43% of Portugal's gross domestic product, the Lisbon and Tagus Valley region is the country's economic engine. It is home to roughly 28% of the population while covering just 3% of the national territory, illustrating its high urban density and strong economic centrality.

"It is also the country's fastest-growing region, with a 5.0% population increase between 2013 and 2023, reflecting strong economic attractiveness," says Teresa Almeida, president of the Lisbon and Tagus Valley Regional Coordination and Development Commission (CCDR LVT), which plays a central role in shaping the region's economic, environmental and territorial strategy.

The public institute oversees major development frameworks that channel Portuguese and European Union (EU) funding into the region. Among them is the Lisbon 2030 Regional Program, which has allocated nearly \$450 million to competitiveness and innovation, sustainability and resilience, mobility, inclusion and urban development.

The region also benefits from Portugal's \$26 billion Transformation, Recovery and Resilience plan, partly focused on infrastructure. Almeida describes the frameworks CCDR LVT is delivering as "strategic, programming and financial instruments with strong transformative potential," noting they are built through collaboration with businesses, universities, institutions and civil society.

The region is attracting a growing number of global investors, supported by excellent connectivity with the rest of Portugal and countries along the Atlantic. Lisbon is Europe's only Atlantic-coast capital and the region is a key participant in the Atlantic Arc Commission, an EU-backed network spanning Portugal, Ireland, the UK, France, Spain and Canada, which is developing a new Atlantic Macro-Region to address shared opportunities and challenges.

Sustainability is another defining priority. Lisbon was recognized as European Green Capital in 2020 and CCDR LVT is advancing urban development through coordinated public and private initiatives focused on serviced areas, vacant buildings and zones selected on economic, social and environmental criteria. Climate efforts include renewable energy storage, hydrogen adoption, carbon capture and expanded electric mobility.

According to Almeida, three factors make the region truly competitive for investors: "talent concentration, a mature innovation ecosystem and outstanding quality of life. At its core, the region's greatest asset is knowledge."



Teresa Almeida
President, Lisbon and Tagus Valley Regional Coordination and Development Commission

Lisbon — often called Unicorn City — hosts one of Europe's largest startup systems. It was named European Innovation Capital 2023 and attracted 15 international unicorns over the next two years. This entrepreneurial environment is supported by five universities and leading research centers, including the Champalimaud Foundation, ranked 11th globally in neuroscience. Institutions collaborate closely with local companies, and the overall innovation ecosystem accounts for 45% of national research and development spend.

The combination of talent and innovation is driving investment into sectors like biotechnology, digital technologies and energy. "Even the region's largest sectors are evolving," Almeida says, highlighting advances in gene therapies, automotive robotics and new materials. Other knowledge-intensive high-potential sectors include mobility, aerospace, ocean engineering, defense, decarbonization, agrifood and creative industries.

"The region emphasizes high-quality infrastructure investment, leveraging natural assets, culture, gastronomy, resilient networks and strong connectivity," she adds. "The focus is on high-impact, catalytic investments... The challenge is to translate opportunities into cohesive and competitive outcomes that serve the common good and drive progress."

CCDR LVT
Comissão de Coordenação e Desenvolvimento Regional de Lisboa e Vale do Tejo, I.P.



Portugal is investing \$24 billion in high-speed rail, including a new link to Spain.

Steering the nation's infrastructure transformation

Led by Infraestruturas de Portugal, the country is becoming more interconnected

The scale of Portugal's transport infrastructure ambitions can be seen in the investment program of Infraestruturas de Portugal (IP), the state-owned company responsible for planning, constructing, maintaining, operating and modernizing the country's road and rail networks.

In 2024 and 2025 alone, IP pumped over \$1.6 billion into development projects. "Over the next decade, we are looking at approximately \$41 billion in infrastructure investment. This includes high-speed rail, conventional rail upgrades and new road connections," reveals IP's president, Miguel Cruz. "These investments will play a critical role in driving economic growth, improving mobility and supporting decarbonization goals."

The company's current priority is the rollout of high-speed passenger and freight rail projects linking the Portuguese capital to the northern city of Porto and Spain's capital. "The first phase of the Lisbon-Porto line is expected by 2029, with the full network completed around 2032. The Lisbon-Madrid connection should follow by approximately 2034," he details. These projects will enhance international connectivity and territorial cohesion, as Cruz explains: "Beyond direct connections, hybrid services will allow passengers to transfer to the conventional rail network, extending benefits to other cities. This ensures that improved mobility is distributed across the country. Additionally, stations will act as development hubs, fostering economic activity."

For roads, IP's focus is on upgrading existing infrastructure, alongside selected new projects aimed at improving safety, efficiency and connections to industrial areas. A key example is the modernization of the 60-mile east-west IP3 corridor in

central Portugal, a vital and heavily trafficked trade route linking the cities of Coimbra and Viseu.

Public-private partnerships are key to IP's infrastructure strategy. Last year, for instance, it signed a \$1.9 billion PPP contract for a 44-mile section of the Lisbon-Porto rail line with a consortium led by Spain's Serena Industrial Partners and Portugal's Mota-Engil Group. The agreement includes a 25-year concession for maintenance.

"High-speed rail presents the most significant opportunities for investors, with multiple PPP phases underway or planned," says Cruz. "Rail investments are also particularly attractive due to their alignment with green financing criteria." Other substantial projects — such as a third crossing of the River Tagus and parts of the IP3 — are also strong candidates for PPP development, as are cross-border connections, new road projects and infrastructure like bridges and tunnels.

"We are looking for partners who bring financing, technical expertise, execution capacity and long-term management capabilities," he explains. "We also value innovation, especially in areas like digitalization, resilience and sustainability. Investors must be able to adapt over concession periods of 25 to 30 years."

He is confident in the country's appeal for long-term investors in transport infrastructure. "Portugal offers a unique combination of large-scale infrastructure transformation, strong sustainability alignment and a highly skilled workforce. There is also broad political consensus supporting these investments, ensuring stability and predictability," asserts Cruz. "These investments will fundamentally transform mobility in Portugal and serve as the backbone for the country's next phase of growth."

JNcQUOI

Experience PORTUGAL, the JNcQUOI Way

JNcQUOI where Food meets Fashion meets Hospitality

Discover our World



Designed by Promontorio, Norfin's boutique Sutaya residential development project in the Algarve features sustainable design elements that integrate with nature.

Opportunity, reform and demand in real estate

The Portuguese real estate sector is entering a new phase, balancing structural challenges with unprecedented global interest

Portugal's real estate sector has emerged as one of the country's most dynamic economic pillars, fueled by sustained foreign investment, a strong tourism industry and a growing reputation as a safe, high-quality place to live and work. From Lisbon to the Algarve and increasingly into secondary cities, demand continues to outpace supply, creating both urgency and opportunity for investors seeking exposure to one of Europe's most resilient markets.

At the heart of this momentum lies a combination of macroeconomic stability, international appeal and targeted reforms. "Portugal is one of the most open economies in Europe ... attracting a significant amount of foreign direct investment," says Hugo Santos-Ferreira, president of the Portuguese Association of Real Estate Developers and Investors, highlighting how real estate has become a central driver of growth. This openness, combined with political stability and security, has made the country a preferred destination for global capital, particularly from Europe, Brazil and increasingly the US.

Yet the sector's strength also underscores one of its most pressing challenges: while homeownership rates are high, affordability is a critical issue. "The problem is not housing itself but access

to housing," Santos-Ferreira notes, emphasizing that younger generations and newcomers struggle to enter the market. An imbalance between supply and demand is echoed across the industry and is now shaping both public policy and private investment strategies.

The Portuguese government has responded with an ambitious agenda aimed at unlocking supply and improving market efficiency. Housing has become a national priority, supported by a mix of public investment and private-sector incentives. "We are investing nearly \$12 billion in public housing ... and financing over 133,000 new homes," explains Minister of Infrastructure and Housing Miguel Pinto Luz. At the same time, reforms such as tax reductions, streamlined licensing and public-private partnerships (PPPs) are designed to accelerate development and attract international investors.

These measures reflect a broader recognition that the state alone cannot resolve the housing crisis. "Without PPPs, it would be impossible to address the housing crisis because the state does not have the capacity to act alone," Pinto Luz says. For investors, this creates a structured and increasingly transparent framework, reducing risk while opening access to large-scale development opportunities.

Beyond policy, structural drivers reinforce Portugal's appeal. Improved legal stability and reforms to rental legislation have played a transformative role over the past decade. "The change in the law was probably the starting point of a major revolution of the real estate sector in Portugal," says Carlos Vasconcelos, founder partner at Quest Capital, a real estate investment and asset management company. Combined with incentives such as reduced VAT for renovation and new construction, these reforms have revitalized urban centers and unlocked value in previously underutilized assets.

This transformation is particularly visible in cities like Lisbon and Porto, where large-scale renovation has reshaped neighborhoods and attracted international buyers. New segments are also gaining traction, including premium residential, hospitality-driven real estate and next-generation office spaces. "There is a huge demand for a new style of offices ... places where you live, work and stay," Vasconcelos adds, pointing to evolving lifestyle expectations.

The luxury segment, once niche, has matured into a key pillar of the market. Developers are increasingly focusing on low-density, high-quality projects that differentiate the country from more saturated Southern European destinations. "Portugal still provides lower-density projects and greater privacy," says Henrique Rodrigues da Silva, CEO of property developer Vanguard Properties, emphasizing the country's competitive positioning. This approach aligns with global demand for sustainability, lifestyle and long-term value, particularly among high-net-worth investors.

In tandem, the hospitality sector is reshaping real estate dynamics, catalyzed by Portugal's status as a top global tourism destination. Innovative investment models are emerging, particularly in the repositioning of existing assets. "Portugal's hospitality market has boomed, creating significant opportunities," says Alex Ohnona, co-founder of Vida Capital, which focuses on transforming underperforming hotels. The fragmentation of the hotel market — dominated by small, family-owned properties — offers unique entry points for investors seeking value-add strategies.

Tourism's importance to the broader economy further reinforces real estate demand. As João Jesus at global hospitality leader Minor Ho-

tels notes, "tourism is our main gross domestic product driver," underscoring the sector's central role in economic resilience and recovery. This interdependence between tourism and real estate continues to attract capital across hospitality, residential and mixed-use developments.

However, the sector is not without constraints. One of the most significant bottlenecks lies in construction capacity, where labor shortages and rising costs challenge the pace of development. "The lack of manpower is a problem," says José Rui Meneses e Castro of MAP Group, a major operator in real estate and construction, pointing to the need for innovation and industrialization in construction processes. Companies are increasingly turning to prefabrication, new materials and collaborative models to improve efficiency and sustainability.

Despite these challenges, investor confidence remains strong, supported by a unique combination of lifestyle, affordability and geopolitical stability. "Portugal is becoming a boutique country, very niche, very attractive," note the founders of luxury real estate consulting firm Quintela & Penalva, highlighting the country's growing appeal among international buyers. Safety, climate, healthcare and education further cement the nation's status as a destination not just for investment, but for long-term living.

Looking ahead, major infrastructure projects are set to amplify these trends. Investments in high-speed rail, new airports and logistics networks are expected to enhance connectivity and create new real estate corridors. These developments will likely expand growth beyond traditional hotspots, unlocking opportunities in secondary cities and emerging regions.

Ultimately, Portugal's real estate sector stands at a pivotal moment. Structural reforms, strong fundamentals and global demand are driving expansion, while challenges in affordability, supply and construction capacity require continued innovation and collaboration. For investors, the equation is increasingly clear: a stable, transparent market with diverse opportunities across residential, hospitality and commercial segments.

As Pinto Luz puts it, "investors value predictability, low risk, and clear procedures — and that is what we provide." In a volatile global environment, that promise may be Portugal's most valuable asset of all.



JNcQUOI Club Comporta's villas blend seamlessly with the forest surrounding them.

JNcQUOI: Portugal's contemporary luxury story

Blending hospitality, fashion, gastronomy and culture, JNcQUOI has become a symbol of the country's rising global appeal, offering international audiences a refined vision of modern Portuguese sophistication

Eight years ago, Miguel Guedes de Sousa invested \$6 million in creating a highly distinctive premium restaurant in the center of Portugal's capital. JNcQUOI Avenida became the starting point for what is now the unique and integrated JNcQUOI-branded lifestyle ecosystem spanning restaurants, bars, private clubs, designer fashion and homeware retail, branded residences, hotels and a resort.

At the outset, "Many people said I would go bankrupt within a year — but since opening, every day has felt like a Saturday," says Guedes de Sousa, the co-founder and CEO of Amorim Luxury Group (ALG). "Strong brands can create destinations, and that is exactly what we are doing."

His vision for JNcQUOI was shaped by a lifetime in hospitality: his grandfather was one of the owners of the Ritz Hotel in Lisbon, his father was deeply passionate about gastronomy and, before founding the brand, Guedes de Sousa spent over 20 years traveling and working in luxury hospitality around the world.

"I learned an important lesson from that experience: to be relevant, you have to belong somewhere," de Sousa reveals. "When I was working abroad, I chose to return again and again to the same restaurants, bars and social places until I became part of the community. That idea of being 'together, even when alone' stayed with me. When we developed our JNcQUOI concept, I wanted to create spaces where people could arrive alone but never feel alone — places that feel welcoming, social and connected."

Home-from-home in Lisbon

This philosophy remains at the core of everything he has built. In Lisbon, the JNcQUOI ecosystem is concentrated across a single boulevard, the iconic 19th-century Avenida da Liberdade that is often compared to New York's Fifth Avenue due to its boutiques and hotels. Along the avenue are six stunningly designed JNcQUOI restaurants offering diverse cuisines, alongside various bars and nightlife venues and a private club.

The club serves as a stylish home-from-home for an international community of members, brought together by a shared love of gastronomy, wine, music and the arts. On its rooftop are a restaurant and bar that supply not only exceptional food and drink, but amazing panoramic views of the city. The avenue is also home to three Fashion Clinic stores showcasing leading fashion and homeware brands such as Balenciaga, Givenchy, Dior, Prada, Saint Laurent and Bang & Olufsen and many more.

MIGUEL GUEDES DE SOUSA
CO-FOUNDER AND CEO
AMORIM LUXURY GROUP

"Today, luxury is no longer about possession or access — it's about time, connection and a true sense of belonging. That is the experience we are creating."

At the moment, ALG is working to complete its Lisbon hub with branded residences and a hotel, JNcQUOI House — an ultra-luxury townhouse property with 16 grand suites scheduled to open this year.

Guedes de Sousa explains that spreading JNcQUOI's spaces along one street provides guests with easy access to venues, flexibility and a personal experience. "They can choose different spaces depending on their mood — from fine dining to casual restaurants, private club spaces or social bars. For instance, if I want traditional Portuguese food, I go to JNcQUOI Avenida and for fine dining at a Michelin-star level, I go to JNcQUOI Table," he details. "Guests staying in our rooms become members during their stay, with privileged access to all our venues, cultural programming, retail spaces and wellness experiences. This creates a strong sense of belonging, which is at the heart of our concept."

An exclusive coastal sanctuary

Guests can also enjoy the JNcQUOI beach and lifestyle projects in Comporta on the Atlantic coast, just an hour south of the capital. Still relatively undiscovered, this area has been described as a quieter, more understated version of the Hamptons — attracting a similar mix of affluent travelers, creatives and second-home buyers seeking space, privacy, authenticity, a slower pace of life and "barefoot luxury." Covering roughly 30,000 acres of a protected nature reserve, Comporta is defined by olive



A vibrant clubhouse will anchor JNcQUOI's luxury lifestyle resort.



Miguel Guedes de Sousa
Co-Founder and CEO, Amorim Luxury Group

just six hours from New York."

Passion and knowledge

The overall JNcQUOI universe stands out for the way it operates as a "public-within-private" ecosystem. Everyone is welcome in its public spaces, and through that experience, many visitors become members, which ALG views as its core business. JNcQUOI's second commercial pillar is retail and the third is real estate and hospitality through branded residences, where ALG aims to provide a turnkey lifestyle service, with owners being treated like hotel guests in their own homes.

"We stay involved long term, managing everything from housekeeping and maintenance to food, transportation and property services," Guedes de Sousa notes. "Today, luxury is no longer about possession or access — it's about time, connection and a true sense of belonging. That is the experience we are creating. For example, our branded residences are offered to members first. It is a seamless, immersive approach that ensures every guest feels fully cared for and connected."

To ensure this level of service is delivered, the JNcQUOI workforce maintains daily 30-minute training sessions. "We are obsessed with training. Our model allows fast growth, but it requires discipline and dedication — that commitment makes all the difference and is a key reason for our success," he discloses. "We bring in the best trainers and have effectively become a school for hospitality. Our staff are among the most skilled in the market, and because we invest in their development, retention is high. Our chefs travel abroad to learn from top restaurants, visit vineyards and meet

suppliers, for example. We bring passion and knowledge into every part of our ecosystem."

JNcQUOI's innovative model has attracted global interest, not only from potential guests, members and homeowners, but from potential partners asking ALG to expand internationally. Guedes de Sousa believes the timing is not yet right for this, although the group is exploring opportunities in the US and Brazil, where the brand is well-known among its high-income clients and their social networks.

When the time comes to internationalize, ALG will be seeking to develop fully integrated projects combining private members' clubs, restaurants, shops, branded residences and hotels in prime city-center locations that can host the full JNcQUOI ecosystem. Each project will retain the brand's signature luxury service levels and connection with its guests, while adapting to local culture — if JNcQUOI arrived in New York, for instance, the project's design would be authentically American.

"Some models are timeless because they are rooted in authenticity and strong values. Our strength comes from blending Portugal's ancient traditions with a humble, modern ethos, creating experiences that are powerful and unique. We don't aim to be the biggest — we aim to be exceptional," he asserts. "Wherever we go, quality and authenticity will always be paramount. Whether in New York or Miami, my focus is on experiences that are genuine, high-quality and long-lasting — never hype. Staff, service and attention to detail make all the difference."

Redefining luxury through experience

Guedes de Sousa believes that JNcQUOI is setting a benchmark for the rest of Portugal's hospitality sector. Tourism is the nation's largest industry, generating \$34 billion in revenue in 2025 and accounting for 21% of total gross domestic product. While high-end travelers drive 80% of tourism revenue across Europe, Portugal is only capturing a small share of this — although its position is steadily improving as awareness of its appeal grows and operators like JNcQUOI, Nobu, Six Senses, Hyatt and Arrow Global expand the nation's luxury offering.

"We are a small country with limited infrastructure, so we cannot rely on mass tourism," he asserts. "Portugal should aim for a balanced tourism model, with space for everyone but a stronger focus on higher-value visitors who bring greater sustainability and less pressure on cities and infrastructure."

MIGUEL GUEDES DE SOUSA
CO-FOUNDER AND CEO
AMORIM LUXURY GROUP

"Our Comporta resort ranks among the top five in the world for design, integration with nature and overall experience."

The CEO points out that global travel motivations have changed in recent years, with both well-heeled vacationers and backpackers now looking for authenticity and enriching experiences above other factors. "Tourism is no longer just about comfort or status, it is about connection, simplicity, time and belonging. True luxury is about who you share the experience with," he says. "If we understand this shift, we can create tourism that is more meaningful, more sustainable and more economically valuable. In the end, it's about creating experiences that truly make people happy."

Portugal has everything needed to deliver this for discerning tourists, and those same strengths also make the country highly attractive to entrepreneurs and international investors. For example, it has a remarkable history and heritage, incredible weather and excellent quality of life. "What makes Portugal really special is its culture, gastronomy and diversity. Within a short drive, you can experience completely different landscapes, architecture, flavors and traditions. It is an easy and inspiring country to explore," he enthuses.

The nation already has modern infrastructure and robust global flight connectivity, and the CEO notes that the upcoming high-speed train to Madrid will make a real difference to both tourism and the country's commercial links with the rest of Europe. Rapid rail connections will also allow more people to live in Portugal's beautiful coastal and rural areas and commute into city centers. Guedes de Sousa adds that another key draw lies in the country's character: "Our authenticity, simplicity and openness create a natural connection with people everywhere. In many ways, we were the first global nation, and that spirit remains part of who we are. We are naturally welcoming and that creates a very positive atmosphere."

He explains that this openness resonates particularly with American travelers and investors, noting that JNcQUOI projects attract a significant number of US investors who recognize their value, uniqueness and long-term vision. As he puts it, "We are building one of the world's most desirable lifestyle platforms, born in Portugal, with global appeal — a place where people don't just visit, they stay, return and belong."

Investing in Portugal's growth cycle

Norfin is helping investors access one of Europe's most attractive destinations for real-estate investment and long-term value creation

Portugal is "one of the most dynamic real estate markets in Europe," asserts Francisco Sottomayor, CEO of Norfin Group, a leading local real estate asset and investment manager. He points to the residential sector, where demand in urban and coastal areas is driven by domestic migration and international purchasers, many of them high-income. "Foreign buyers account for about 5-6% of total residential transactions. In terms of investment, however, foreign capital represents the vast majority," he says, adding that a mismatch between ageing housing stock and modern needs, coupled with limited construction capacity, means prices are resilient. As a result, Sottomayor sees strong potential for new residential developments and the same is true across the wider real estate sector.

Norfin has a track record of identifying opportunities in Portugal and delivering development projects, from site acquisition, through design, construction and marketing. Part of Arrow Global — the pan-Western-Europe alternative asset manager with capabilities across the full real estate value chain — Norfin was established 27 years ago and now manages \$3.1 billion in assets. Over that time, it has adapted to market trends. "Today, we are mostly focused on residential and hospitality, although we have extensive experience in offices and logistics," he states. "In a small market, if you want to be relevant, you need to operate across a broad spectrum. We do that across sectors, investment strategies and with both core and value-added investors."

Beyond development, Norfin manages income-producing assets covering offices, logistics



Francisco Sottomayor
CEO, Norfin Group

and residential. For example, it oversees around 900 apartments in Lisbon for a European investor, which is the largest private rented sector housing portfolio in Portugal.

One specialization is in projects combining hospitality, residential and amenities. A key illustration of this is Arrow's luxury coastal resort Vilamoura in the Algarve, which contains hotels, residences and facilities such as golf courses and a marina. "Our focus is on quality. When you enhance an entire ecosystem, the quality uplift has a significant impact on returns," he explains.

Another major recent project is Campo Novo, a \$350 million mixed-use development on over



Arrow Global's Vilamoura is an award-winning ultra-luxury coastal resort.

860,000 square feet of land in central Lisbon with condominiums, office buildings, outdoor retail and a lot of open space. Norfin has been involved at every stage since assisting a US fund to acquire the site of the capital's former soccer stadium, and it is now nearing completion. More than 95% of the residential units have been sold, while the office and retail units are fully let.

The group sees scope to replicate this model in Lisbon and is evaluating opportunities. "Lisbon and Porto are key markets for us, but we are looking at secondary cities. We are also very active in the Algarve and other coastal regions," the CEO details, adding that Norfin has offices in those three places. "You need to be embedded in the local system. Our teams on the ground have a background in engineering or architecture and strong financial expertise. We have the financial knowledge to understand investors' perspectives and align them with local execution."

Norfin has built a reputation as a dynamic, entrepreneurial investment manager acting on be-

half of diverse capital sources and often targeting sectors that others have overlooked. "Many opportunities come to us directly, but we also have dedicated teams sourcing the best opportunities in the market, looking at different angles, sectors, locations and strategies," he says. "At the same time, our capital-raising team is constantly trying to match the right capital with the right assets and strategy. That defines our approach."

For investors considering Portugal, Sottomayor highlights the country's stability, the clear fundamentals of a mature real estate market with momentum and an effective bureaucratic system. "There is growing recognition that development is essential for the country, creating a positive environment for investment," he states. "Portugal has also been relatively undercapitalized compared to other European nations. Part of the current growth is fueled by foreign capital entering the country and activating opportunities that existed but lacked funding. That capital is very welcome."



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JNcQUOI Club Comporta will include 64 secluded residential villas.



The Comporta resort's restaurants will offer the brand's signature quality levels.

Smart capital in Portugal's resilient commercial property market

Through innovative investment models and long-term, low-risk strategies, Square Asset Management is delivering strong returns

Foreign direct investment (FDI) from the US into Portugal's real estate sector rose 10% between 2024 and 2025, surpassing \$4.5 billion and accounting for 46% of the country's total inflows. A decade earlier, the sector represented just 19%.

According to Pedro Coelho, CEO of Portugal's largest independent open-ended real estate fund management company, Square Asset Management, the market's growing appeal to international investors began around 2014. The main catalysts at that time were tourism and incentivized residency programs, although changes to those schemes have since reduced their pull for real estate investors. New drivers, however, had emerged. "Low office rents and highly skilled, multilingual talent started attracting multinational companies and shared service centers," he says. "More recently, geopolitical tensions and remote work have encouraged companies and individuals — especially from the US and South America — to relocate to Portugal."

The US is now Portugal's third-biggest source of FDI, while over 19,250 US citizens were registered as living in the country in 2024, 36% more than in 2023. "Given the current geopolitical and economic environment, I believe Portugal will continue attracting companies and individuals across sectors — offices, logistics, retail, hospitality and residential — which should support real estate growth in the coming years," Coelho reveals. "Portugal offers a combination of advantages: safety, climate, lifestyle, infrastructure, talent and increasing international connectivity. With numerous direct flights to major US cities, Portugal has effectively become a gateway to Europe for American investors and residents."

He also highlights the nation's fundamentals, including steady economic growth, unemployment at about 5% and a debt-to-gross domestic product ratio that has fallen below 90%. This positive macroeconomic climate has reinforced the real estate sector's strength, with demand driven by both international and domestic buyers and renters seeking high-quality residential and com-



Pedro Coelho
CEO, Square Asset Management

mercial properties.

Foreign investors in the country's real estate funds enjoy additional benefits. For example, their capital gains from the redemption of fund units are normally taxed at just 10%, compared with 28% for local investors. Furthermore, Portugal is a mature and well-supervised market. "As a regulated asset manager, transparency is a key advantage for Square AM's clients," notes the CEO. "Investors can see every asset in our portfolio, including purchase price, valuation, tenants and rental income."

Established in 2005 and headquartered in Lisbon, the company has secured a 13% share of the country's real estate fund management market with its award-winning income funds, specialized funds and strategic consultancy services. It currently manages assets worth over \$3.2 billion, which are centered on income-generating investments in sectors such as offices, retail, logistics, hospitality and mixed-use properties in Portugal and Spain.

Square AM's core activity is open-ended real estate funds, an area in which it has been a Por-



Pestana Carlton Madeira is one of Square Asset Management's flagship assets.

tuguese trailblazer. For example, its 20-year-old CA Património Crescente is the largest fund of this type in the Iberian Peninsula, with more than 22,000 subscribers and \$1.7 billion in assets under management. This fund received the Morgan Stanley Capital International award for best portfolio in Portugal or Iberia for 14 consecutive years through 2025, when another of Square AM's open-ended funds took the title.

Surprisingly, given those accolades for performance, the company's investment strategy is focused on stable, low-risk returns. Despite this, its funds typically bring returns of roughly 4–5% above inflation. "Our funds delivered around 6–6.5% last year without leverage, mainly from rental income," discloses Coelho. "This performance attracted around \$400 million in new capital last year, particularly from retail investors. On the standard one-to-seven risk scale, our funds are mainly classified at level one or two — it is unusual for products at those levels to be delivering returns around 6%."

"The company takes a rigorous, disciplined and long-term approach to risk management — its top priority — in order to generate consistent returns for investors. It generally avoids borrowing to acquire assets, meaning investors benefit from returns rather than interest rate exposure, and it has developed a highly diverse investor base by setting a minimum investment amount below \$120. In addition, the firm reinvests a significant portion of its income to strengthen its liquidity and growth."

"On the asset side, our philosophy differs from the traditional 'location, location, location' approach," he discloses. "For us, the priority is quality of the tenant, length of the lease, return metrics and location. A strong tenant with a long lease provides stable income — even if the property is not in a prime location." Recent asset acquisitions that have met the company's in-

vestment criteria include a 418,000-square-foot shopping mall in the country's second city, Porto, a 200,000-square-foot logistics center in a strategic spot between Porto and Lisbon, and German manufacturing giant Siemens' 700,000-square-foot office on the outskirts of the capital, which was purchased through a sale-leaseback transaction.

Coelho is confident that commercial real estate in Portugal contains many more prime investment opportunities, "largely because demand exceeds supply." The office segment provides a clear example: available buildings are in short

PEDRO COELHO
CEO, SQUARE ASSET MANAGEMENT
"With numerous direct flights to major US cities, Portugal has effectively become a gateway to Europe for US investors and residents."

supply in cities, international companies are trying to establish a presence, and many domestic businesses want larger premises as enthusiasm for remote working starts to decline. As a result, rent prices are rising rapidly.

His team at Square AM is increasingly engaging with US investors looking to better understand the wider opportunities and complexities in Portugal's commercial real estate market. "Thirty years ago, many Americans barely knew the country. Today, Portugal is well connected to the US, internationally recognized, and attractive for both living and investing," he explains. "At Square AM, we aim to assist both US individual investors and institutional partners, offering local expertise and strong risk-adjusted returns in the European real estate market."



Find out more about Avenue's NoLiPa residential project in Lisbon at nolipa.pt.

Transformative urban spaces

By blending heritage, innovation and premium living, Avenue is contributing to the ongoing transformation of Portugal's largest cities

Portugal's real estate market benefits from strong fundamentals, including social and political stability and an economy that has steadily grown by an average of 2% a year since 2012. "Quality of life is another major strength, particularly in terms of education. The country has good universities across all regions, which is crucial because it ensures a pipeline of highly skilled talent," says Aniceto Viegas, CEO at Avenue, a leading Portuguese developer. These factors have contributed to attracting international companies, investors and individuals looking to relocate. Furthermore, they have supported robust performance in both segments of Portugal's real estate sector: residential that works on a business-to-consumer basis and commercial, where assets are typically acquired by investors to generate rental income.

Another driver for real estate development over the past decade has been concerted efforts to revitalize cities throughout the country to balance socioeconomic progress. As a result of this policy, the capital is not the only thriving business, investment and cultural hub in Portugal. A key illustration is the second-biggest city, Porto, on the northwest coast. Named *JDi Intelligence's* Best Large European City of the Future for Foreign Direct Investment Strategy 2025, it now hosts substantial clusters in digital technology, life sciences and other sectors, as well as over 700 startups, eight unicorns and at least 45 research and development centers. In the same year, it was crowned Europe's Leading City Destination at the



Aniceto Viegas
CEO, Avenue

World Travel Awards, indicating its rising appeal for tourists and international residents.

Avenue specializes in urban rehabilitation and regeneration projects that add dynamism and value, and its developments have been landmark contributors to rejuvenating both Lisbon and Porto. Just two illustrations in the capital are the 750,000-square-foot EXEO Office Campus, an open, high-tech and sustainable development redefining modern workspaces, and the conversion of an iconic newspaper headquarters into 34 luxury apartments and retail space that has main-



Avenue's Fernão Magalhães 127 development in Porto, fernaomagalhaes127.pt.

tained the building's character and history.

Similarly transformative projects in Porto include its sensitive repurposing of a striking six-floor building on the city's most prestigious avenue to create one of its first large-scale luxury residential developments. Another is Fernão Magalhães 127, a major solar-powered regeneration project covering around 525,000 square feet and containing apartment buildings, offices, shops, green spaces and a wide range of amenities. "This development reflects our commitment to sustainability, quality, innovation and technology, while also showing the commercial viability

ANICETO VIEGAS
CEO, AVENUE
"Our portfolio demonstrates a balance between preserving historical value, creating high-quality modern offices and delivering large-scale residential projects."

of combining large-scale residential and office projects," states Viegas. "Overall, our portfolio demonstrates a balance between preserving historical value, creating high-quality modern offices and delivering large-scale residential projects that meet market demand."

With 25 years' experience in the Portuguese market, Avenue is an end-to-end developer, managing every step of the process from market analysis to concept design, obtaining permits, building and delivering the final product to clients. According to the CEO, having offices in Lisbon and Porto has been critical to the company's success: "It keeps us close to our developments, enabling us to manage every aspect effectively. We can also carefully study market trends, evaluate opportunities and make decisions that minimize mistakes."

Avenue's current portfolio consists of 1,300 residential units built and under construction, over 1 million square feet of office space and a number of retail developments. Looking ahead, the company's main focus is likely to remain on mid- to high-end residential projects, especially in Lisbon and Porto. "We believe this segment offers the strongest potential for continued growth," he reveals. "We are also exploring opportunities in build-to-rent, entering the leasing market."

Viegas sees this as among the most interesting emerging trends in Portuguese real estate. Historically, institutional involvement in the residential rental market has been limited due to high taxes and outdated minimum unit size requirements, making it difficult to develop rental apartments cost-effectively. However, the government is dramatically reducing the tax burden and considering a change to size regulations. "If implemented, it could have a major impact on the market by attracting institutional and professional investors into the residential rental sector in a more structured way," he asserts, adding that the new fiscal measures are also expected to support investment in the traditional for-sale residential market.

Around 70% of Avenue's own investment capital comes from banks or pre-sales and the remainder from private equity investors, although it occasionally partners with family offices. "Our role is to apply equity wisely, guided by our deep understanding of the market and its trends," Viegas says. "Portugal presents a compelling opportunity for investors looking for both security and growth. What we offer investors, including ones from the US, is a comprehensive view of the Portuguese market, built on years of specialization and experience. In addition, we speak the same language as these investors. We fully understand their concerns and share their approach to management and communication. This makes it easier for investors to navigate the market, while allowing us to maximize the value of their investment."

Finangeste: Engineering value in real estate

How strategic innovation and local expertise are helping unlock opportunities in one of Europe's most attractive property markets

Portugal's real estate market has become one of Europe's most attractive investment destinations, drawing international capital with its combination of stability, quality of life, strong infrastructure and long-term growth potential. At the forefront of this evolution is Finangeste, a Portuguese investment and development company that has spent decades identifying opportunities and transforming complex real estate assets into value-generating projects.

Founded in 1978 and today managing more than \$1.1 billion in assets, Finangeste has evolved from an asset recovery specialist into one of Portugal's leading real estate investment and development platforms. Under the leadership of CEO Paul-Henri Schelthout, the company has built a reputation for combining entrepreneurial agility with institutional-grade execution while remaining focused on the long-term trends shaping Portugal's economy.

According to Schelthout, the transformation of Portugal's tourism ecosystem has been one of the key drivers behind the country's real estate success story. Over the past decade, Lisbon, Porto, Comporta and the Algarve have undergone a remarkable upgrade in hospitality, gastronomy, retail and healthcare infrastructure. The result is a destination that increasingly attracts not only tourists but also permanent residents and international investors.

"What has changed is the quality of the entire ecosystem," Schelthout explains. "People

come for the weather, but they stay because Portugal now offers an exceptional quality of life."

This evolution has fueled demand across multiple real estate segments, particularly residential, hospitality and mixed-use developments. Portugal's connectivity to major European capitals, combined with a safe environment and attractive lifestyle, continues to draw foreign buyers looking for long-term value.

Yet Portugal also presents a challenge familiar to many investors: supply struggles to keep pace with demand. Lengthy licensing procedures and planning processes can extend development timelines to eight or even ten years. While this supports property values, it also requires a strategic approach to investment.

Rather than treating these constraints as obstacles, Finangeste has turned them into a competitive advantage. The company has rethought the traditional development model by structuring partnerships across the value chain, from landowners and builders to institutional investors. This approach reduces risk, accelerates project execution and allows capital to be deployed more efficiently.

"The key is understanding how to manage time," Schelthout says. "In Portugal, time is often the biggest development risk."

One of Finangeste's defining strengths is its ability to anticipate market cycles well before they become obvious. The company studies demographic, economic and social trends, po-



Paul-Henri Schelthout
CEO, Finangeste

sitioning itself three to five years ahead of demand. This long-term perspective has become a central pillar of its investment strategy.

"We are constantly asking what Portugal will need five years from now, not what it needs today," Schelthout explains.

This philosophy has guided Finangeste through multiple market cycles. While many investors focus on immediate opportunities, the company looks at structural trends that will shape demand over the next decade.

A clear example is the company's focus on senior-oriented housing. Rather than developing traditional retirement facilities, Finangeste is creating integrated living environments designed for active older residents.

At the same time, Finangeste continues to pursue opportunities in urban regeneration, a sector that has played a major role in transforming Portuguese cities. The company has repeatedly demonstrated its ability to identify underutilized assets and reposition them into vibrant residential and mixed-use developments that generate value for investors while contributing positively to local communities.

Innovation is equally important in construction. Faced with labor shortages and lengthy delivery schedules, Finangeste has invested heavily in industrialized construction methods. Unlike conventional modular construction, the company focuses on manufacturing key building components off-site and integrating them into projects through highly coordinated processes.

The benefits are significant: shorter construction timelines, greater efficiency, enhanced quality control and reduced operational risk. At the same time, Finangeste remains committed to architectural quality, ensuring that industrialized processes do not come at the expense of design.

"Our ambition is to create the highest possible quality of life within every project," Schelthout says, emphasizing the importance of natural light, space, functionality and design.

The market has responded positively. Several recent developments sold out within months of launch, some even before construction com-

menced, demonstrating strong confidence in both the product and the company behind it.

Technology is another area where Finangeste has positioned itself ahead of the curve. The company has become a pioneer in digital real estate sales in Portugal, with nearly 30% of transactions now generated through targeted online channels. Data-driven marketing allows the company to reach specific demographic groups with precision, improving efficiency while reducing dependence on traditional brokerage models.

This combination of innovation, market intelligence and operational expertise has transformed Finangeste's relationship with international investors. A decade ago, the company actively promoted Portugal abroad, traveling to financial centers such as London and New York to present opportunities. Today, the dynamic has shifted.

Increasingly, global funds, family offices and private investors are approaching Finangeste directly, seeking access to opportunities in the Portuguese market and looking for a trusted local partner capable of navigating its complexities. The company also reports growing interest from high-net-worth individuals seeking professional support to manage development projects and lifestyle investments in Portugal.

PAUL-HENRI SCHELTHOUT
CEO, FINANGESTE
"For international investors — particularly those from the US — Portugal offers a compelling proposition"

According to Schelthout, "For international investors — particularly those from the US — Portugal offers a compelling proposition. Political stability, legal certainty, quality of life and long-term growth prospects." While the market may not offer rapid speculative returns, it provides something increasingly rare in today's global economy: predictability.

"Portugal is stable, safe, and consistent," Schelthout says. "It rewards investors who understand the long-term nature of the market."

As Portugal strengthens its position among Europe's most attractive investment destinations, Finangeste continues to distinguish itself through strategic foresight, operational expertise and an ability to anticipate change. By combining innovation with deep local knowledge and a proven capacity to stay ahead of market cycles, the company is helping shape the future of Portuguese real estate while creating sustainable value for investors from around the world.



FINANGESTE

Shaping the future of living in Porto

With a focus on timeless architecture, sustainability and long-term value, RAR Imobiliária is redefining high-end living for a new generation of international investors and residents

When Portugal emerged from the global financial crisis, many buildings and streets in Porto lay abandoned. It has since undergone a remarkable transformation to become a vibrant, modern and sophisticated city for living, working and visiting. At the same time, it has maintained the characteristics that make the whole country special. "Portugal has a unique charm, with rich history, beautiful landscapes, pleasant weather and a high quality of life," says Paula Fernandes, CEO of the premium residential developer RAR Imobiliária.

According to her, this combination is turning tourists into investors and home seekers, who are benefiting from a sharp rise in the quality of housing options — with RAR's projects being emblematic of a new generation of high-end real estate.

The company stands out for many reasons. For example, it works on only a few developments at a time so it can dedicate full attention to each project and its clients. "One of our key strengths is the long-term relationship we build with clients," she notes. "Some people joke that I look at our buildings as my babies and, in truth, it's not far from reality. Each project is nurtured with care, attention and pride, and anyone who chooses a home with RAR doesn't just make a purchase — they join a family."

RAR also has a set of core development principles on which it never compromises. Three of these are quality that appreciates over time, prime locations and design supported by leading Portuguese architects. "We make a point of collaborating with different architects across projects to bring diverse perspectives," says Fernandes.

Another principle is that developments must have a sense of place and be integrated into their surroundings. She highlights RAR's Montebelo Villas as an example. Winner of the Luxury Lifestyle Awards' Best Luxury Villa Development in Portugal 2026, the project contains 12 homes constructed from natural materials that combine timeless architecture and contemporary design. "We knew we had to build something that truly belonged there," Fernandes asserts, referring to the project's coastal location in one of Porto's most historic and exclusive areas.

Sustainability is also non-negotiable, with RAR going beyond sourcing local materials and resource-efficient solutions to anticipating future regulatory changes within its designs. In addition, the company's projects are always luxurious. "For us and our clients, luxury is about



Paula Fernandes
CEO, RAR Imobiliária

quality of life. It is not only about the quality of construction or interior, but also about space, natural light and connection to the outdoors," she explains. "It is durability too. One of our main concerns is how a building ages externally and we put great emphasis on exterior quality. People need to trust that their investment will hold its value."

Having announced investment plans of around \$46 million through 2027, RAR is currently designing three projects for land it has acquired in Porto. It is also exploring opportunities for collaboration on future developments, although not for capital — as part of Grupo RAR, one of Portugal's leading diversified conglomerates, it has a solid foundation for investments.

While the company maintains a low profile outside the city, the quality of its developments is attracting increasing international interest, particularly from US clients. The CEO points out that Porto is just one example of how Portugal's new growth phase and rising real estate standards are drawing in investors — naming Braga, the Douro region and smaller cities around Porto, Coimbra and central Portugal as some of the other areas undergoing transformational revitalization.

"There has been a shift in mindset: today, the focus is on quality of life for residents. We are not just selling houses, we are selling a lifestyle!" states Fernandes. "This mindset is shared across government, municipalities and developers. I think this makes Portugal a very interesting country,"



RAR Imobiliária's Montebelo Villas is in one of Porto's most exclusive settings.

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With nearly 1,000 berths, Vilamoura's marina is the largest in Portugal.



Vilamoura is home to Europe's only Els Club, which is hosting a PGA event this year.

Europe's new premium destination

Lifestyle and investment potential converge at Vilamoura, a benchmark for integrated, sustainable and high-end real estate development

Set in the heart of the world-famous Algarve Golden Triangle in the south of Portugal, a comprehensive 3,700-acre master plan is transforming the coastal resort of Vilamoura into the ultimate lifestyle destination. The group behind this groundbreaking project is Arrow Global, a leading European alternative asset manager specializing in private credit and real estate. "Arrow manages over \$145 billion in assets across Europe, with a particularly strong presence in Portugal, where we currently manage more than \$13 billion," says co-founder and head of real estate and hospitality, John Calvão. "I lead the group's hospitality and leisure vertical, managing all investments across geographies in this sector. In Portugal and Southern Europe, I personally oversee our investments, leveraging my Portuguese background."

Arrow stands out for the local knowledge and expertise it brings to all its investments. Headquartered in London, the group employs 4,700 professionals across offices in each of the countries it operates in. Its portfolio also contains asset management and service platforms in those locations. In the case of Portugal, for instance, that includes real estate asset and investment manager Norfin, hospitality and sports asset operator Details, restructuring and investment firm Restart Capital, construction company Transfor and luxury furniture manufacturer and hotel concept designer Viriato. This vertically integrated structure spans the whole value chain, allowing the group to manage every aspect of its investments directly.

What distinguishes Arrow in the hospitality sector specifically is that its focus goes far beyond standalone properties. "We aim to develop and elevate entire destinations, creating synergies across assets we own. Vilamoura is a planned city-resort ecosystem, positioned as a fully integrated, year-round destination, underpinned by a diverse and carefully curated pipeline of investment opportunities," explains Calvão. "Ultimately, the ambition is to create a destination where residential, hospitality and lifestyle components are seamlessly integrated, delivering a compelling, long-term value proposition for residents, visitors and investors alike."

Vilamoura was a natural fit for this concept, not least because of its surrounding environment. The resort is lined by almost two miles of tranquil sandy beaches and clear Atlantic waters, making it a paradise for diving, parasailing, surfing, yachting and other water sports. Inland are the lush banks of the Ribeira de Quarteira that are home to abundant birdlife, as well as lakes, agricultural fields and orchards of fruits and nuts — all framed by dramatic sandstone cliffs.

This environment has been attracting people for millennia, as evidenced by Vilamoura's ancient Roman villa archaeological site, which provides an insight into the area's rich heritage. Compared to other European hotspots, it also offers excellent year-round weather with over 300 sunny days a year, fewer crowds, authentic local culture and the chance to attend major

JOHN CALVÃO
CO-FOUNDER AND HEAD OF REAL ESTATE AND HOSPITALITY, ARROW GLOBAL

"Vilamoura is a planned city-resort ecosystem, positioned as a fully integrated, year-round destination, underpinned by a diverse and carefully curated pipeline of investment opportunities."

international sporting events that are regularly held close by, such as golfing tournaments, Ironman Triathlon, Chefs on Fire, Tour of Portugal cycling and F1 racing.

On top of that, the resort is just 20 minutes from Portugal's third-biggest airport in Faro, which has direct flights to 89 global destinations, including Toronto and nine US cities — a number that is rising as airlines like United, Delta and American add new routes. "This proximity makes Vilamoura easily accessible, which is a huge advantage for the destination," he states, adding that a high-speed rail link in the pipeline will further enhance accessibility.

Already well developed

Vilamoura's appeal has been drawing in summer vacationers since the 1960s. However, ownership of its infrastructure — such as its golf courses, marina and hotels — was historically fragmented, with each owner focused on their own asset rather than the destination as a whole. When Arrow acquired the site, it initiated a program of consolidation to unify the ecosystem under its vision. "Our main goal was to truly elevate Vilamoura's quality and turn it into a 365-day destination," says Calvão.

To achieve this, the group has invested in revitalizing the infrastructure it has purchased and



John Calvão
Co-Founder and Head of Real Estate and Hospitality, Arrow Global

developing new assets. All projects have been designed to integrate with and respect Vilamoura's environment, in line with the group's emphasis on sustainable investment services.

"We prioritize sustainability across all our developments," he confirms. "We have investors from around the world, ranging from institutional sovereigns to high-net-worth families, and Arrow Global invests alongside them — our own balance sheet contributes meaningful capital to each fund, so we have real skin in the game."

An illustration of this approach is the renovation

of its five championship golf courses, one of which has been redesigned by four-time major winner Ernie Els and will host Europe's first-ever PGA Tour event this year. Els Club Vilamoura is the Algarve's first private course and, as well as unbeatable golfing experiences, it now features a sophisticated clubhouse, advanced training facilities and a professional golf academy. As part of the course's modernization, water consumption has been reduced by 60% with the use of smart irrigation systems, while 70% of the water used by four of its courses should be coming from recycled supplies next year.

Sustainability was also central in Arrow's redevelopment and expansion of a marina that is the largest in Portugal. This award-winning facility can now accommodate nearly 1,000 yachts with lengths of up to 200 feet, is designed to support electric boats and has been equipped with desalination systems for cleaning.

In order to put the city resort on the wider global sporting map, the group has invested in a new world-class equestrian center that will open in October with capacity for 1,000 horses, which will later be extended to 1,500. This will be the stage for international showjumping competitions and is expected to receive around 4,000 visitors a week between November and March. Arrow is also currently redeveloping the resort's old sports center, creating a state-of-the-art premium facility capable of attracting professional teams for winter training programs and tailored to numerous sports, including tennis, soccer, rugby, athletics and pickleball.

A place to vacation and to live

The group currently owns seven hotels with over 2,000 rooms in Vilamoura. All have undergone, or are undergoing, extensive refurbishment, with several being rebranded in partnership with leading global operators. Within its hospitality portfolio are, for example, the 5-star Hilton Vilamoura As Cascatas Golf Resort and Spa, the

4-star Hotel Hyatt Regency and an adults-only boutique Canopy by Hilton hotel. One notable project is luxury operator Fairmont's rebranding of a 5-star hotel and spa. "Located on the Ernie Els course, everything about it is designed for golf lovers. There is even an underground passage from the course's clubhouse to the hotel," Calvão says, adding that there are plans for the Fairmont property to have branded residences.

Premium residential development is an important pillar of Arrow's strategy. "Across our 3,700-acre master plan, we are advancing a significant number of real estate projects, offering a broad spectrum of residential products, from beachside apartments, townhouses and homes on golf courses to luxury villas, designed to cater to different lifestyles and investment profiles," he

JOHN CALVÃO
CO-FOUNDER AND HEAD OF REAL ESTATE AND HOSPITALITY, ARROW GLOBAL

"We are advancing a significant number of real estate projects, offering a broad spectrum of residential products, from beachside apartments, townhouses and homes on golf courses to luxury villas."

explains, pointing out that the group provides full concierge and property management services to owners who rent their homes out temporarily.

"Our residential pipeline is complemented by substantial capacity for future development, ensuring long-term growth across the destination," he adds. "At the same time, we are expanding into complementary segments such as senior living, reinforcing Vilamoura's appeal as a place to live, not just to visit."

The full city-resort ecosystem

To facilitate its vision for a city-resort ecosystem designed for full-year living, Arrow is investing heavily in amenities, with two of the most striking developments being a new hospital and a private international school. As would be expected, an ever-growing number of shops can now be found around the resort, as well as new and renovated bars, clubs and restaurants serving first-class Portuguese and international cuisines, with options ranging from fine dining to gourmet beach snacks and family-friendly eateries. This reflects the fact that the group is designing experiences for every generation, including multi-generational families.

"I have always focused on creating a place where people of all ages can live actively. That is why we are building an ecosystem with a wide range of lifestyle and recreational facilities, including a beach club, an American-style country club with a lazy river, pools, high-performance gyms and a retro playhouse for teenagers with a cinema, arcade and diner, as well as trails in our environmental park for biking, jogging and bird-watching," Calvão details. "It is all about creating a destination people want to live in and visit year-round."

That inclusivity extends to digital nomads — there is reliable high-speed connectivity throughout Vilamoura and office spaces are being introduced. "Few places in the world provide such a comprehensive lifestyle within one community," he enthuses.

The group considers the city resort's employees to be key members of that community and is investing in infrastructure that directly improves their lives. "For example, we are delivering two affordable housing projects to support staff and modernizing a local nursery to increase capacity," he says. "We are also working closely with the municipality to support long-term urban planning, including expanding infrastructure, improving traffic flow and adding water systems. This approach ensures Vilamoura's growth is thoughtful and sustainable rather than piecemeal."

While much of the resort's planned amenity base has already been completed, Calvão sees considerable potential for continuing to enhance the destination in the years ahead, further strengthening Vilamoura's appeal as an integrated, year-round lifestyle destination to live, visit and invest in. It will also carry on augmenting its wider Portuguese investment portfolio, which contains projects such as Tróia near Lisbon that follows a similar concept to Vilamoura on a smaller scale, as well as a number of more traditional resorts all along the country's coastline.

"Arrow has been investing in Portugal for nearly two decades, and it remains a core market for us. From an investment perspective, Portugal still offers relative value. It is safe and offers an exceptional quality of life. It is also the westernmost country in Europe, with fast connections to the US — Lisbon is just 5.5 hours from New York — and English is widely spoken," he states. "We continue to see strong fundamentals, particularly in hospitality and destination-led real estate, and Vilamoura is a clear expression of that strategy in action."



The Vilamoura master plan spans 3,700 acres.



The exclusive Springs residential development is next to the Els Club golf course.



All of Vilamoura's diverse residential options emphasize outdoor space.