

Form3 Ltd – Public Commitments

£5 Million Grant

Form3 Financial Cloud and our partner Ebury Partners (Ebury) will build the first API-based global transaction platform for UK SMEs, to be distributed at scale through Financial Institutions (FIs).

We passionately believe that FinTech and financial services should be made available to UK SMEs on a much wider scale and at a much lower cost than is currently the case. SMEs are critical to the UK economy, and we believe that empowering them to grow and focus on delivering for their customers will benefit the economy and society more widely.

SME are poorly served by banks today with wide forex spreads, high payment fees and sophisticated forward hedging and trade financing services largely unavailable to them.

Combining Form3's powerful APIs and Ebury's sophisticated forex, trade finance and payment and collection capabilities will enable a wide range of new and existing FI providers in the SME space to offer capabilities that traditionally only global institutions have been able to offer to their corporate customers. As a result, SMEs will be able to procure better services at lower costs from a wide range of FIs, fully integrated by their relationship bank and with no separate KYC, account opening, settlement, payments reconciliation etc.

Our offering, enabled by the CIF Grant, will transform the finance function of UK SMEs trading internationally, allowing them to focus on serving their customers and growing their businesses, without the undesirable business risks associated with currency exposure, and with the ability to transfer monies real time at low cost in and across their markets.

Form3's FIs API payment technology and Ebury's global SME transaction services are already disrupting payments and forex. Our plan is to combine these unique capabilities to significantly disrupt the market and give UK SMEs access to these services at scale through our FI clients, enabling UK SMEs to grow their businesses internationally and focus on their core businesses.

Form3 and Ebury are two highly innovative, fast-growing and cloud-native UK FinTech companies. Our model is designed to scale rapidly and provide substantial benefits to SMEs by offering them access to our services. This indirect approach allows us to reach the UK SME market rapidly and at scale, thus realising the desired benefits at pace.

Should we be successful in our application for the CIF Grant, we are honoured to make the following public commitments:

Commitment 1

1. We will build the first API global transaction platform for UK SMEs, to be distributed through FIs, with functionality for the following services and to the following timescales:

Q1 2020: Commence pilot for Forex and Hedging services

Q2 2020: Commence providing multi-country Domestic Payment services

Q3 2020: Live Payments and Forex, and Currency Account services

Q4 2020: Live Fixed Forward services

Q1 2021: Live Window Forward services

Q2 2021: Live Trade Finance services

Commitment 2

These services will be available to UK SMEs on a much more flexible basis and at substantially lower costs than what is currently available to them. We will monitor the adoption of these services by tracking volume and value of payments, FX spot and FX Forward transactions processed.

Commitment 3

Form3 will provide £6.6m of its own funds in order to accelerate the product build, speed of roll-out of services and the achievement of benefits to UK SMEs.

Commitment 4

Sales & Marketing resources (19 Executives) will be committed from Q3 2019, following the award in order to rapidly educate the market and prepare FIs in advance of service go-live.

Commitment 5

We commit to offering the services provided through at least 5, 13 and 23 FIs by year-end 2021, 2022 and 2023 respectively.

Commitment 6

The services offered will be available to at least 150,000, 390,000 and 690,000 UK SMEs by year-end 2021, 2022 and 2023, respectively.

Commitment 7

We commit to providing fully transparent reporting to the Independent Body against these commitments on a quarterly basis.