

MarketFinance – £10m Award

Assessment Period 1 (September 1st, 2020 – November 30th, 2020)

COMMITMENT 1 – Introduce a product giving SMEs funding tailored to their needs by H1-2021

We know that customers find it hard to manage multiple products across multiple providers; it's why many stay with the incumbent banks.

We will deliver a solution that radically reduces the complexity of managing finances for our customers, combining the product sophistication of a large lender, with the user- friendliness of a FinTech:

- **3 SOLUTIONS, 1 INTERFACE:** Loans, Revolving Credit, and Invoice Finance in a single interface to meet the varied funding needs of SMEs
- **FRictionLESS EXPERIENCE:** minutes to apply, same day decisions, dedicated customer support team, removing all friction from the process of obtaining finance
- **UNPARALLELED FLEXIBILITY:** fully featured account management portal, giving customers the ability to pay off debt, manage credit limits, and optimise their working capital position with our intelligent Working Capital Manager tool.

We are on track to deliver this commitment. We are planning an MVP launch for our Revolving Credit Facility offering and in Q4 we have already launched our unified application journey which is the first step towards delivering the single interface MVP.

COMMITMENT 2 – Expand our offering to SMEs who need it most

Smaller SMEs (<10 employees) comprise >90% of SMEs but are at the greatest borrowing disadvantage. We will expand our target market to include sole traders, low turnover (<£250k) SMEs and startups.

We commit to start lending to all three categories above by Q2-2021.

This will help enable us to lend £1bn+ to >22k SMEs by 2022. We aim to have lent £2.4bn+ to >74k SMEs by 2024.

We are on track to deliver this commitment and have already advanced close to £25m during the first quarter.

COMMITMENT 3 – Be a catalyst for innovation

We will collaborate with innovative players to expand our reach to c.2m SMEs through a range of partnerships.

We will create a lending engine that can be simply embedded in the following 3rd party customer journeys:

- **3+ challenger banks** who don't have the balance sheet or risk appetite to lend to SMEs, bringing more choice to SMEs and increasing competition in SME lending in 2021
- **5+ SME service providers** (e.g. accounting software) by 2022, placing our offering at the point of need (at least one in 2021)
- **1+ major bank**, making our offering available to their customers who otherwise face much more limited choice, in 2021

- **2+ innovative suppliers (e.g. API or payments providers) to fuel growth of wider ecosystem in 2021**

We aim for 50%+ of our lending to be originated through these partnerships by 2022.

We are on track to deliver this commitment and are already having active conversations with multiple potential partners.

COMMITMENT 4 – Embed the benefits of credit insurance into our products

We want to transform the way SMEs manage their cashflows through offering a credit-insured invoice finance product, facilitating prompt payment and competitively priced lending for SMEs. We will co-develop this offering with Euler Hermes, the world leader in credit insurance. A joint team will develop a pilot product with the shared aim of a full launch by H1-2021.

We are on track to deliver this commitment and are working closely with Euler Hermes.

COMMITMENT 5 – Expand our geographic footprint to secure the UK's best talent

We serve SMEs across the UK and will reflect that in our own geographical footprint creating 50+ jobs outside London by 2022, including in our existing Manchester office.

Throughout the next 4 years and beyond we will continue recruiting to support our commitments and aim to create 200+ jobs in total across the UK by 2024.

We are on track to deliver this commitment and we have created 10 new jobs during the first quarter.

COMMITMENT 6 – Diversity & Inclusion

MarketFinance's success to date has been driven by the dynamism that comes with having a highly diverse team. Over 50% of our team are from diverse backgrounds - something we strive to maintain.

We believe in engaging with talent at grassroots levels - and so we commit to partnering with at least 2 organisations promoting underrepresented talent pools.

This will play a key part in facilitating our aim of hiring 20+ new starters (including any apprentices) from diverse backgrounds by 2022.

We are on track to deliver this commitment as we continue to maintain diversity in our team and 40% of the new jobs created have been filled with candidates from diverse backgrounds during the first quarter.

COMMITMENT 7 – Co-investment

We will provide at least £14m of our own funding to deliver our commitments outlined above.

We are on track to deliver this commitment and have invested more than £500k of our own funds to date.