

## ezbob Ltd – £2.5M Award

### Key Achievements to Date

- The underlying infrastructure has been developed and tested for multitenancy support allowing for the on-boarding of new lenders quickly.
- The internal rule and pricing-engines are now fully developed. This will provide configuration of policy rules and a pricing matrix allowing for high levels of flexibility to reflect the lender's risk appetite.
- We have developed a User Interface framework which is delivered with a set of pre-packaged widgets enabling 'no-code' changes for onboarding data flows.
- A flexible interaction engine has been completed which allows for effective communication with applicants by email to improve conversion rates and data collection.

### Assessment Period 2 (December 1<sup>st</sup>, 2020 – February 28<sup>th</sup>, 2021)

**COMMITMENT 1: We will radically reduce the entrance costs for new SME lenders in the UK and help digitize legacy lending processes for existing lenders.**

**We will deliver twelve-month proof of concepts to five new and existing SME lenders at a cost of £150K each. This will comprise: a flexible UI framework and configurable smart onboarding flow; centralised data hub delivering access to big data (Open Banking), HMRC, Credit Bureaux, KYC, AML, fraud and verification; configurable risk and decision engine including affordability and pricing; and finally, monitoring and reporting supporting operational and regulatory requirements.**

**The first will launch no later than January 2021. Following that, we will launch approximately one a quarter ensuring that all are live before the end of 2021. These POCs will entitle lenders to use our LaaS solution and provide access to our breadth of expertise, experience and knowledge. For new lenders, we will make entering the UK SME lending market possible at a vastly reduced cost - at least 80% lower than today. For existing lenders, we will enable digitisation of their legacy lending processes at a fraction of our normal full price.**

We are currently not on track with this commitment. In the past 6 months we have invested heavily in building brand awareness resulting in a high level of interest and enquiries from a diverse array of financial firms. However, while there is a desire to digitise SME Lending practices, the market remains extremely challenging. The uncertainty brought about by Covid means that investment decisions are taking longer than expected or in some cases are being shelved. Banks are also over-exposed to the unsecured term lending market. In spite of the difficult market conditions, ezbob has concluded initial agreements with a financial institution very much in our target segment. This was not achieved according to our original prediction of January 2021 due to the fact that decisions are taking longer resulting from lack of market predictability. Planned date for live operation of our first PoC is now second half of 2021. Our view is that reaching Commitment 1 will be more difficult to achieve until the lending market normalises.

**COMMITMENT 2 – We will deliver more than £130m of lending to UK SMEs by December 2022 and £900m within 5 years**

**Our track record with this model conservatively indicates we will deliver more than £130m of lending by December 2022 and £900m within 5 years. Our aim will be to use the CIF grant and the delivery of our public commitments to extend this model beyond the CIF period to continue to increase competition in the UK SME Lending market on an ongoing basis.**

We are currently not on track. Based on current market conditions we expect reduced demand for the PoC programme and therefore anticipate that we will deliver a lower number of PoCs than originally

forecast. Concerning the overall lending volumes in our original CIF application, we have seen the govt backed lending programmes draining demand for normal non-govt backed unsecured credit. This factor in addition to the general conservative approach of the market pointed out earlier will reduce demand for new lending.

**COMMITMENT 3 – Co-investment: We will match every £ received from BCR with £1 of our own funds. We are committed to matching with £1 each £1 that we are awarded by a CIF award.**

We are on track to deliver this commitment and have matched every £1 of the CIF award spent so far, with £1 of our own.

**COMMITMENT 4 – We will provide complete transparency to the Independent Body on the metrics that will measure our progress.**

**At the point that the first POC pilot goes live, we will provide BCR with access to real time dashboards that will allow full visibility on progress towards lending volume targets and process improvement aims. We will also provide our POC clients with a detailed, comprehensive range of metrics to help them to understand their lending performance and what levers they can adjust to improve performance, accessibility and affordability. We will offer digital access to all SME borrowers, both pre and post authorization, allowing a clear picture of the status of their loan at all times.**

We are currently not on track with this commitment as a result of delays in taking the first of our PoCs live. The first POC will now be delivered in the second half of this year, at which point, we will provide BCR and our POC clients with complete transparency.

**COMMITMENT 5 – We will deliver the following enhancements to our LaaS system to support the 5 POCS**

- **A flexible UI framework encompassing a branding kit, a flexible and configurable on-boarding flow delivered in January 2021 and a designer (WISiWIG) studio delivered in March 2021.**
- **A Data Sources Hub - to enable a rapid setup of services, we will re-use existing connections to various data sources. To achieve that we will build a data source sharing and control layer that builds on existing APIs delivered in December 2020.**
- **A configurable risk and decision engine that allows implementing new risk models and FI policies as configuration delivered in January 2021.**
- **Monitoring – we will introduce POC level monitoring of both technical and business health alerts to allow our NOC to effectively support and monitor multiple POCs delivered in March 2021.**

ezbob is partly on track with this commitment. We have met the Data source Hub in December 2020 and Risk and Decision engine in January 2021. In addition to this we have developed a flexible UI framework including the on-boarding flow and branding kit. The kit has been extended to more components to support the additional flows necessary to meet the requirement of our first POC. The WISiWIG component development has not yet started in accordance with the plan and will be delayed to a later stage.

**COMMITMENT 6 – Diversity and Inclusion**

**ezbob commits to continuing to be a diverse and multi-cultural company welcoming of all religions and ethnicities. We commit to maintaining our active gender diversity programme comprising 35% females across all disciplines and levels. Respect for the individual forms part of our core values as does support for people with disabilities.**

We are on track with this commitment. Currently 7 of the 20 employees which are assign for this project are female (35%) across all disciplines and levels.