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.
- The Flexible UI has been extended to support new use cases for existing bank users including activation, legal documentation and content management system.
- An interaction engine has been completed which allows for effective communication with applicants by email to improve conversion rates and data collection.
- We developed the Broker API to meet the anticipated needs of brokers and the marketplace.
- We have created a set of reports and these have been implemented to track platform business performance.

Assessment Period 3 (March 1st, 2021 – May 31st, 2021)

These Public Commitments are based on ezbob's Revised Business Case which was approved in May 2021.

Original Commitment:
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.

Rationale for change:
Our market research has revealed that ezbob's original Express packaging as a full platform is restrictive for some firms, particularly those that have already made some investment in digitisation. We also see an opportunity with smaller niche finance firms looking to renew their technology but unable to invest in the full platform. For these firms there is an interest in licencing components of Express to support gaps in their technology architecture. To meet this need, we have repackaged ezbob Express as a modular deployment option. Modules can be used to either supplement an existing in-house build for firms looking for quick time to market, or as the first automation step for firms looking to evolve from a manual onboarding and decisioning process.

New Commitment:

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 up to £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 June 2021. Following that, we will launch approximately one a quarter ensuring that all are live before mid-2022. These POCs will entitle lenders to use either the full ezbob express solution or specific modules 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 whole or parts of its lending processes at a fraction of our normal full price.
Partly on track. Ezbob has completed development of all components listed under the commitment. The HMRC Link is scheduled for August 2021. The first PoC has been deployed into UAT and we are finalising contractual agreements before hand-over to the customer.

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.

Rationale for Change:
We have adjusted commitment 2 to reflect the change in our deployment options i.e., ezbob Express or modular. The commitment has been adjusted to reflect overall lending volumes based on the delay in deployment. We are confident that the flexibility offered to financial firms through the combination of our full express or modular packaging will make a difference both in the short and longer term.

New Commitment:
COMMITMENT 2 – We will deliver more than £87m of lending to UK SMEs by December 2022 and £665m within 5 years
Our track record with this model conservatively indicates we will deliver more than £87m of lending by December 2022 and £665m 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.
Partly on track. Our first PoC is about to be handed to our customer and the tracking of this commitment will be measured once the client is in live mode.

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 are progressing according to the plan. We match every £1 that we were awarded by the CIF award 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.
Ezbob is on track to meet this commitment.

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.**

Rationale for Change:
As a result of the market changes brought about by Covid-19 and a renewed focus by financial firms on existing rather than new to bank customers, some elements of our solution offering have been revised. In addition to new packaging allowing for a modular implementation, we have also seen demand for multi-product support as financial institutions seek to diversify their portfolio. For example, firms that today offer unsecured term lending may as a result of Government incentives wish to also offer asset finance. Finally, as a result of a requirement for 'Activation' by our first customer, ezbob has added this functionality as a standard feature to the platform.

New Commitment:
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.**
- **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.**
- **Activation - Support loan activation and legal content management system by June 2021**
- **Multi-products - Support multiple financial products flow side by side for the same lender by October 2021**
Ezbob is on track to meet this commitment. All committed deliverables up to the end of March 2021 were delivered according to the plan. Development of the new multi-product support functionality is also on track.

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 assigned to this project are female (35%) across all disciplines and levels.