

## MarketFinance – £10m Award

### CIF Key Achievements to Date

- We are pleased to have launched our third funding solution FlexLoan (previously known as RCF or Revolving Credit Facility) and have seen great momentum during the MVP stage. We have received over 1200 applications and advanced nearly £2m through this new solution.
- Our new unified accounts dashboard was developed and implemented in Q3 and is now live. This means that we are now well on our way to offer multiple cashflow solutions and tailor made combinations of these to all of our customers under a single user-friendly dashboard.
- We are currently on track with our partnerships roadmap and commitments and have most recently launched our 4th partnership since we were awarded the grant in September 2020.

### Assessment Period 4 (June 1<sup>st</sup>, 2021 – August 31<sup>st</sup>, 2021)

These Public Commitments are based on MarketFinance's Updated Business Case which was approved in July 2021. The former Public Commitments, including rationale for the changes can be viewed [here](#).

#### **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
- **FRICIONLESS 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 seeing great traction with our new FlexLoan solution and have already approved ~200 new credit applications since launching MVP. In addition, we have also launched our Single Interface MVP in July-21, giving our SME customers a frictionless, user-friendly experience. We are currently monitoring key related metrics to continuously improve this experience.

#### **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 better serve these categories (including businesses such as sole traders, low turnover (<£250k) SMEs and startups).**

**We commit to start lending to at least two of the categories above by Q2-2022.**

**This will help enable us to lend £550m+ to >4.5k SMEs by 2022. We aim to have lent £1.6bn to 18k SMEs by 2024.**

We are on track to deliver this commitment. To date, we have already lent more than £160m to nearly 900 UK SMEs since the start of our BCR initiative and we are confident we are on track to deliver this commitment.

### **COMMITMENT 3 – Be a catalyst for innovation**

**We will collaborate with innovative players to expand our reach to more than 1m 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 2022 (at least 1 in 2021)**
- **5+ SME service providers (e.g. accounting software) by 2022, placing our offering at the point of need (at least two in 2021)**
- **1+ major bank, making our offering available to their customers who otherwise face much more limited choice, in 2022**
- **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 to date have launched 4 partnerships as of the end of the reporting period. Including, 1 challenger bank, 2 SME service providers and 1 innovative supplier. We are also on track to launch at least 1 more before the end of 2021.

### **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 are currently developing a new solution aiming for full market launch by the end of 2021, while working in close partnership with multiple credit insurance providers.**

We have delivered on this commitment. MarketFinance has launched a pilot product, MarketPay, which will allow SMEs to optimise cashflow management at the point of purchase. This product will be suited for a credit insurance wrapper once fully launched, and we expect to work with Euler Hermes and other providers on this basis.

### **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, having already welcomed more than 65 new team members with 17 outside London. We have prepared a new working policy where, post-COVID, a number of our teams will have the opportunity to move to fully remote working arrangements.

### **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 and we have already welcomed 10 new starters to our team. In addition, we continue to maintain at least 50% diversity in our team.

#### **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 already invested £3.7m of our own funds.