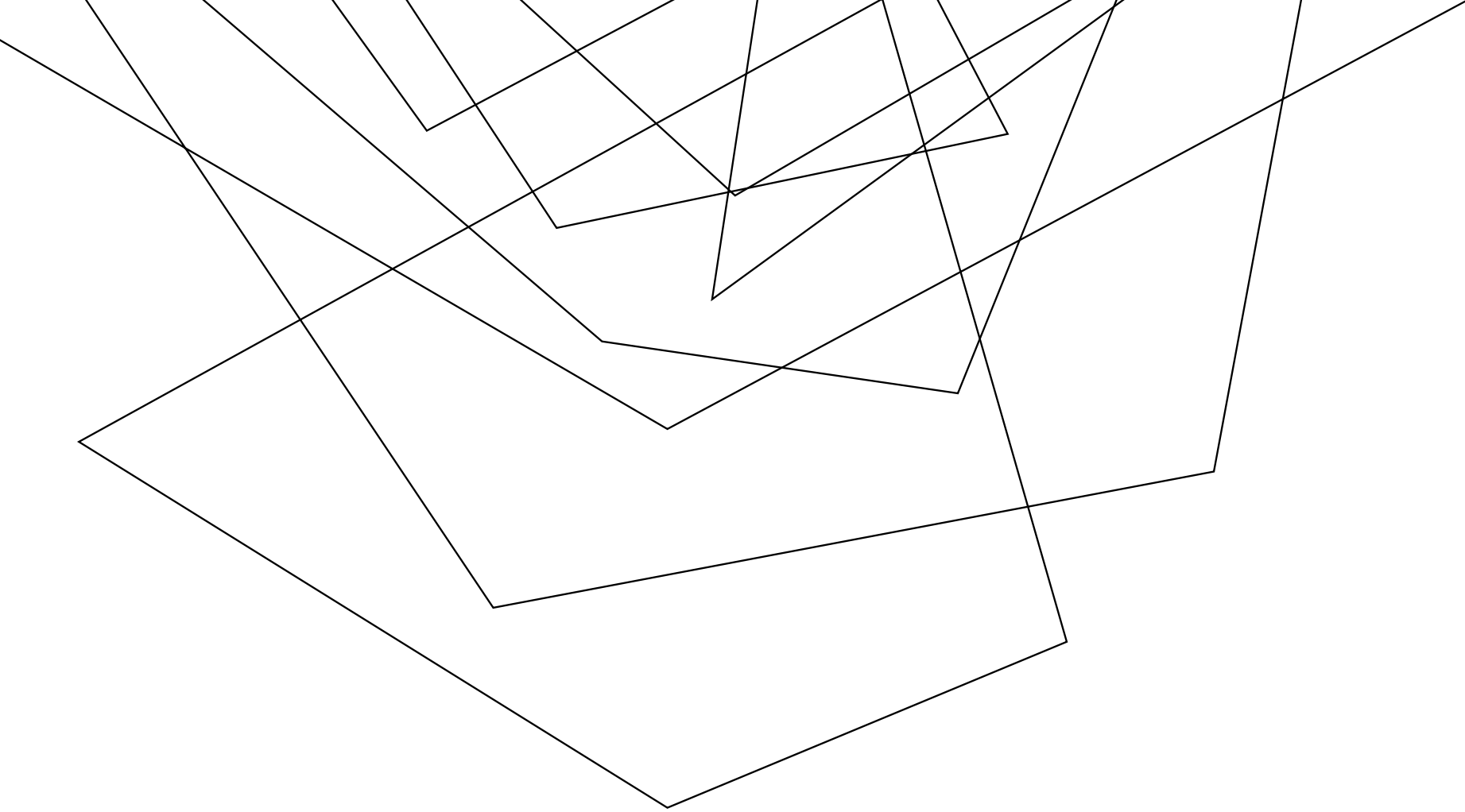




DE-MYSTIFYING EMBEDDED FINANCE





YouLend at a glance

Geographies

(2025)



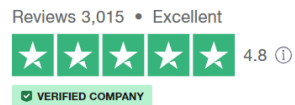
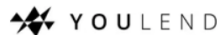
Platform capability

- >10,000 facilities / month
- >\$100million / month
- 200% YoY growth

Business finance product

- £/€/ \$500 - 1,000,000
- 3 – 18 month "term"
- 3 – 25% fee (the only cost)

Best in class



Net promoter score

- Avg. NPS of **84** across all partnerships

Selected clients



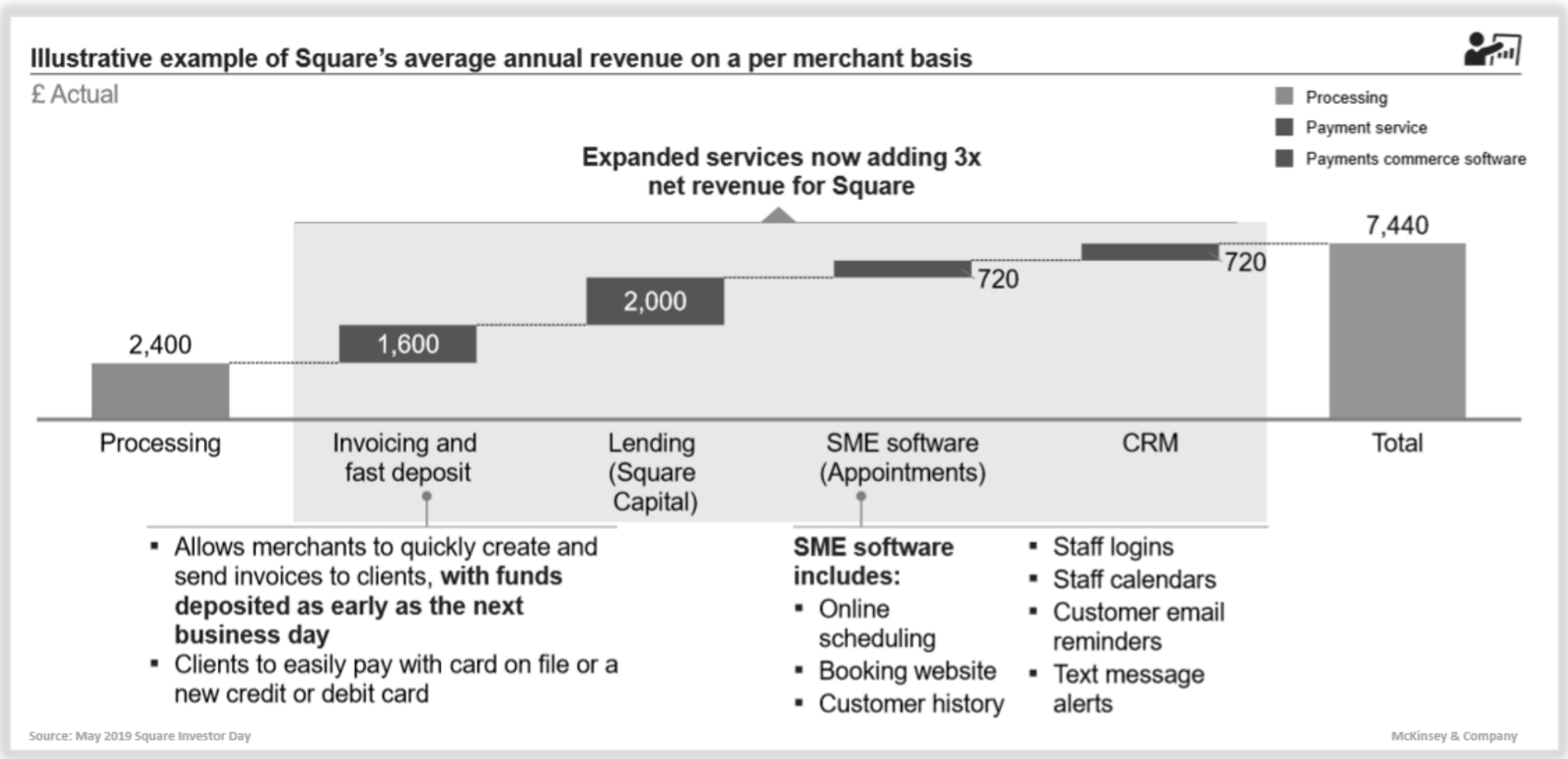
IMPACT

Business models that have doubled down on financial services the most (TOST, LSPD, MIND, AVDX, BILL) see these profit streams account for **most to all of steady-state EBITDA**.

Financial Services: as a % of Net Revenue, Gross Profit, Steady-State EBITDA, '24E

	C2B & Horizontal				C2B & Vertical							B2B & Horizontal	
	SHOP	BIGC	WIX	SQSP	TOST	ESMT	LSPD	MIND ¹	BLKB	PHR	OLO	AVDX	BILL
% of Net Revenue	35%	18%	4%	2%	81%	57%	34%	38%	9%	11%	3%	70%	70%
% of Gross Profit	40%	21%	5%	2%	83%	68%	43%	45%	9%	12%	6%	76%	84%
% of SS EBITDA	65%	48%	6%	1%	161%	19%	217%	102%	1%	6%	11%	314%	290%

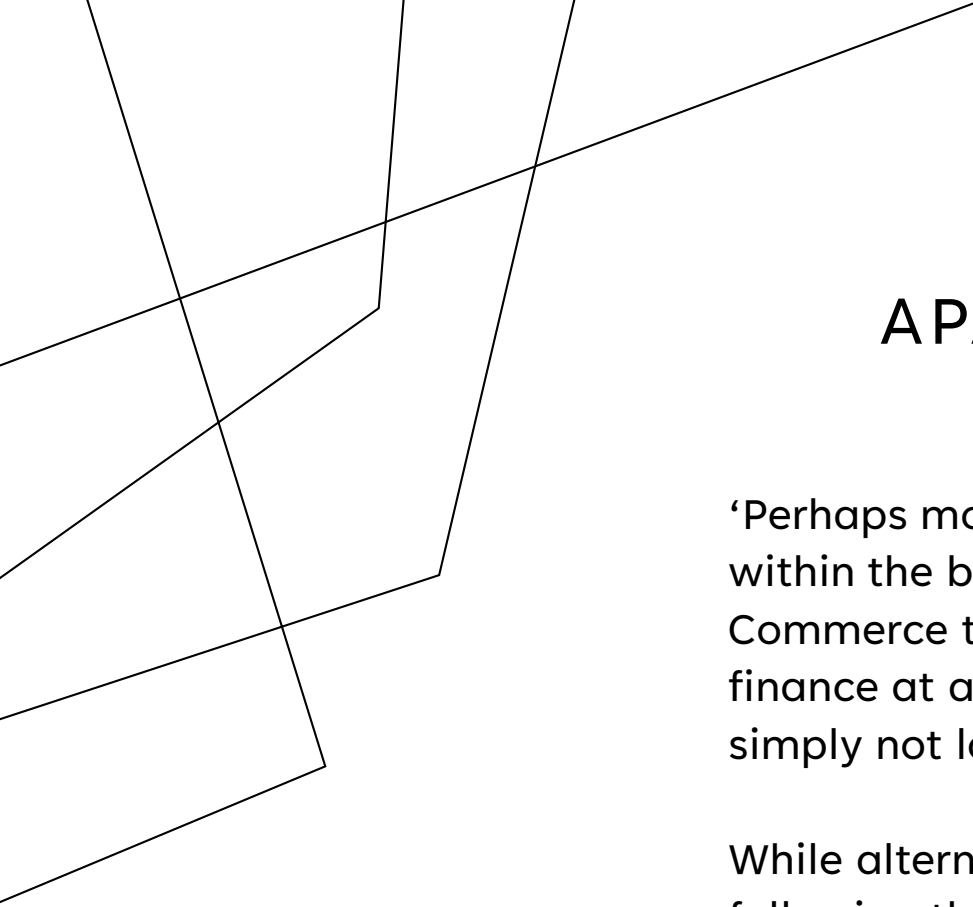
MARKET LEADERS



MEETING UNMET DEMAND

- The Impact Investing Institute, a non-profit focusing on a sustainable economy, found that the success rate of SME applications for bank loans fell from 80 per cent in 2018 to around 50 per cent as of 2023
- Likewise, the Federation of Small Businesses (FSB) reported that the success rate for all types of finance fell from 65 per cent before the pandemic to a low of 45 per cent in 2022
- Data from the Bank of England observed a sustained reduction in large bank lending to SMEs between 2012 and 2019 and Innovate Finance, the trade body for FinTechs, argued that a decline in SME funding by large high street banks after the crisis had led to a c.£95bn finance gap between 2015 and 2022





APATHY AND IGNORANCE

‘Perhaps more concerning is increasing ‘finance apathy’ within the business population. The British Chambers of Commerce told us that many SMEs are now not seeking finance at all because they expect to be unsuccessful or are simply not looking to grow.

While alternative providers may have emerged in the years following the financial crisis, SMEs are not necessarily aware of them and do not tend to seek them out.’

House of Commons Treasury Committee May ‘24

PERFECT IS THE ENEMY OF GOOD



‘Don’t build a spaceship when a bicycle will do!’

The demand for embedded lending is growing fast, as businesses increasingly expect frictionless, integrated financing options. If platforms delay entry or improvement waiting for a "perfect" product, they risk losing out to competitors who are ready to meet current needs with a "good enough" solution.

The demand for capital is voracious, capitalise on it!

REMOVE LEGAL AND REGULATORY COMPLEXITY, PRESERVE DEVELOPMENT RESOURCE, BUILD TRUST

Work with a provider(s) that can offer a turn-key solution with downstream integration options

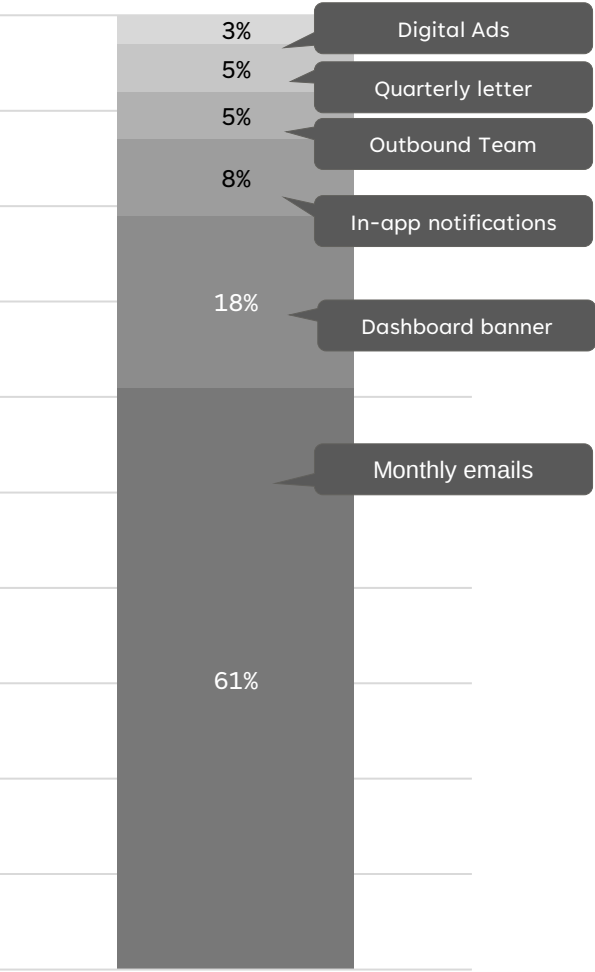
Embedded lending products benefit from agile, iterative development. By launching an initial version that is good (but not perfect), payment platforms can gather data, receive user feedback, and adjust accordingly.

This approach lets platforms learn directly from real-world usage and improve continuously, rather than spending excessive time and resources trying to anticipate user preference, challenges etc.

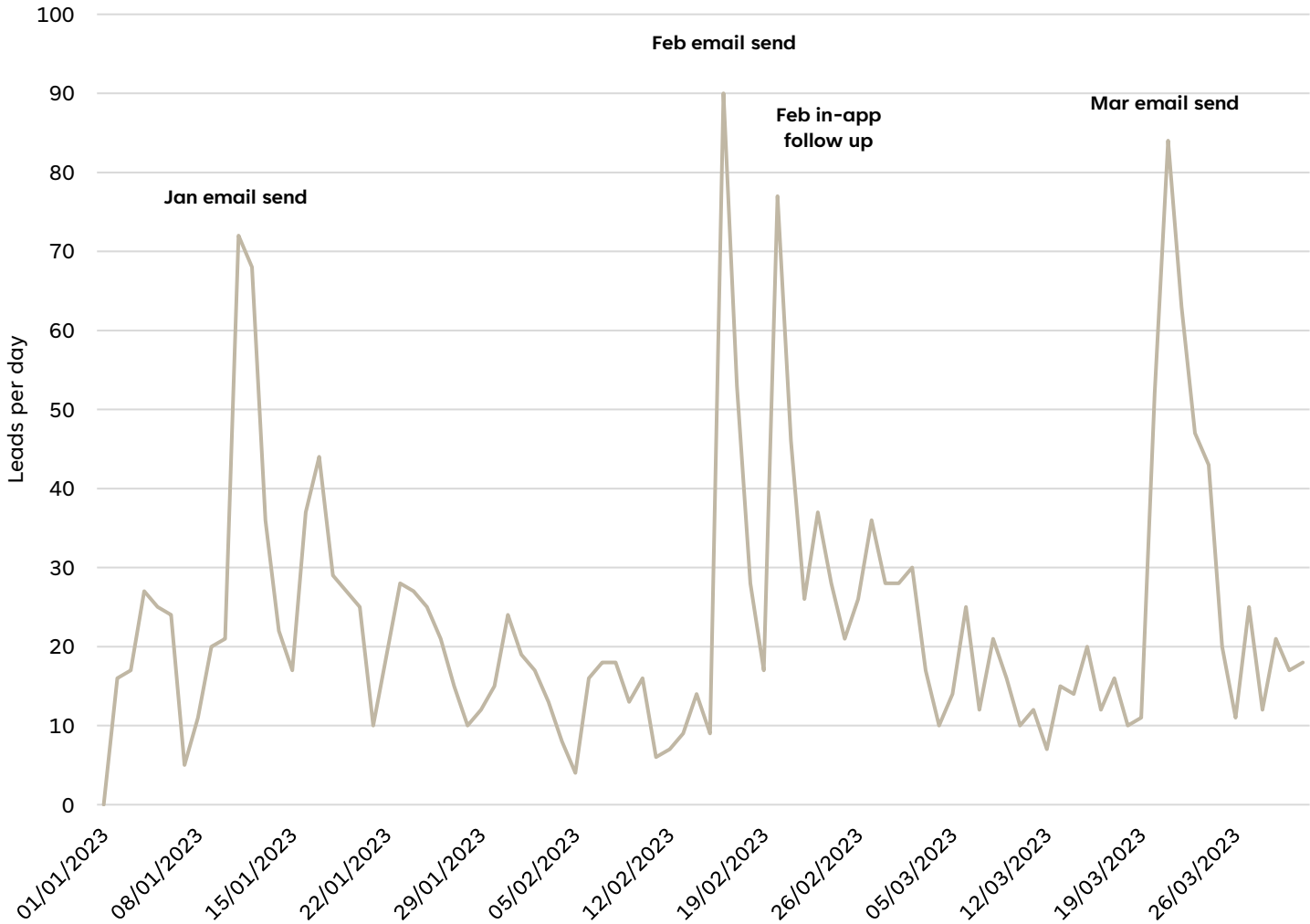


A SIMPLE WELL EXECUTED MARKETING CAMPAIGN IS ALL IT TAKES

Example: ~30k prequalified merchants – quarterly lead generation split by channel



Example: Existing partner with ~30k prequalified merchants - daily lead generation over 3 months



SIMPLE SAMPLE SAAS SEND

A well executed plan

The campaign for the first 2 months days consisted of 5 touchpoints:

- **Touch-point 1: Email 1 : in app notification 1 (Day 1)**
 - Message direction: Informs customers that their business is pre-qualified for funds
 - Target Audience: All pre-qualified users in UK
- **Touch-point 2: Email 2 : in app notification 2 (Day 7)**
 - Message direction: Offer recall/reminder [Get funds OR apply now]
 - Target Audience: All excluding those that registered from Touch-point 1
- **Touch-point 3: In app notification 3 (Day 20)**
 - Message: Offer reminder
 - Target: exclude users that change status (no longer qualified) and users that registered
 - Action: Activate notification for 30 more days
- **Touch-point 4: Email + in app notification (Day 32)**
 - Message direction: Informs customers that their business is pre-qualified for funds
 - Target Audience: All pre-qualified users in UK
- **Touch-point 5: Email + in app notification (Day 39)**
 - Message direction: Informs customers that their business is pre-qualified for funds
 - Target Audience: All pre-qualified users in UK



*7% of marketed base went on to become a lead using marketing plan

WHAT DOES GOOD LOOK LIKE

SCALE _____ £175,000,000 funded, 16,000 fundings

GROWTH _____ >15% increase in GMV

RETENTION _____ 70% churn reduction

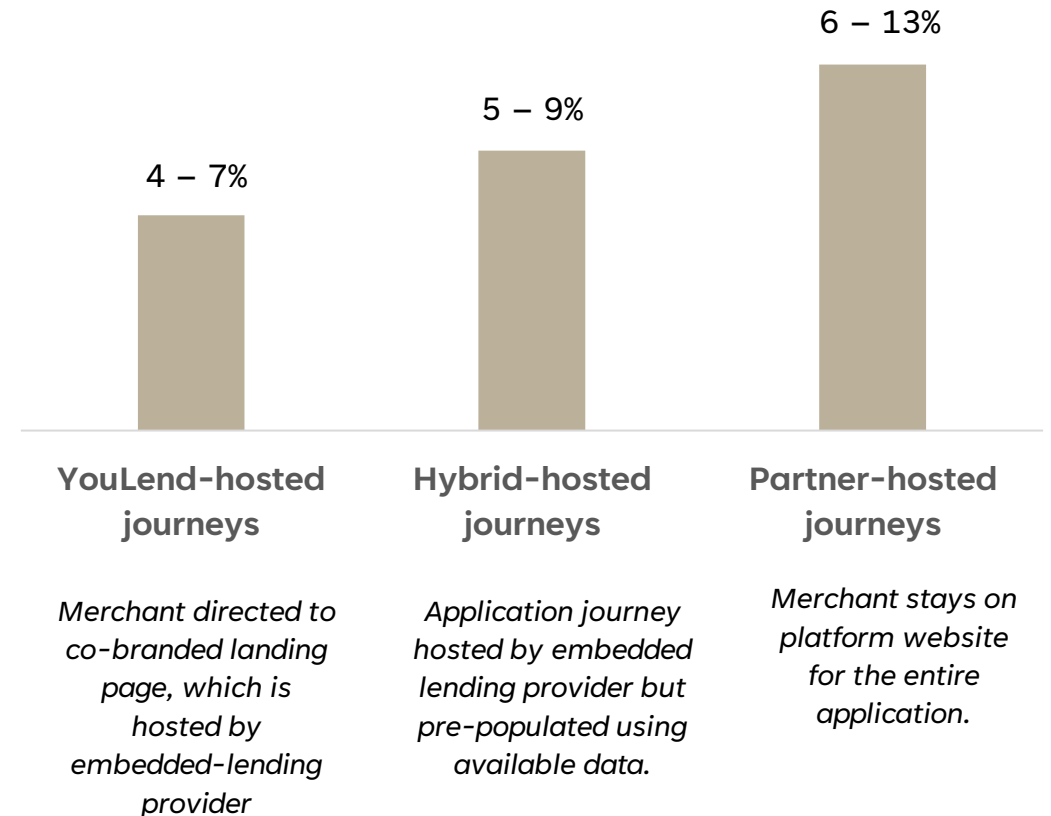
REVENUE _____ >15% of gross revenue, 20% penetration rate

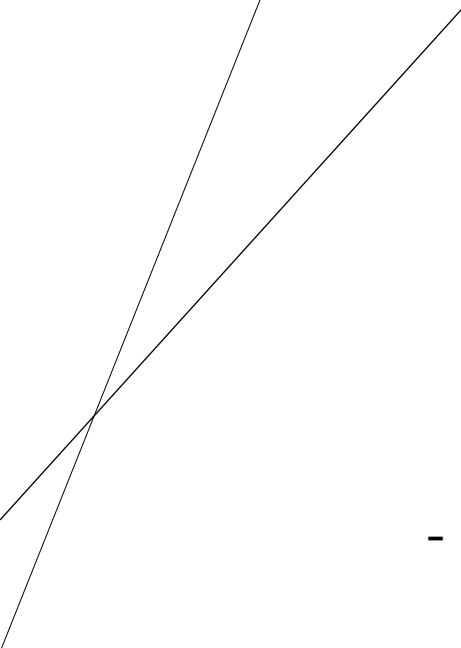
YOU CAN STILL BUILD A SPACESHIP!



The impact of partner-hosted journeys

The chart shows the average penetration rate in the first year of partnership (%), based on actual data from partners.





SUMMARY

- Select a provider(s) that can offer a turn-key solution (champion/challenger in a pilot if needs be)
- Execute a consistent and relevant marketing campaign; multi-channel if possible but just email is good enough!
 - Make sure you know what good looks like!
- Listen to the data and let it inform next steps