

INVESTMENT OPPORTUNITY

Madrid, July 2020

**Secondary Market for SME Loans and
Professional Investors**



LENDMARKET

Secondary Market for SME Loans and Professional Investors



For **INSTITUTIONAL** loans **ORIGINATORS** and **INSTITUTIONAL INVESTORS**.

- ✓ Technology-driven platform
- ✓ Make loans investable for professional investors
- ✓ Provide standardized loan data

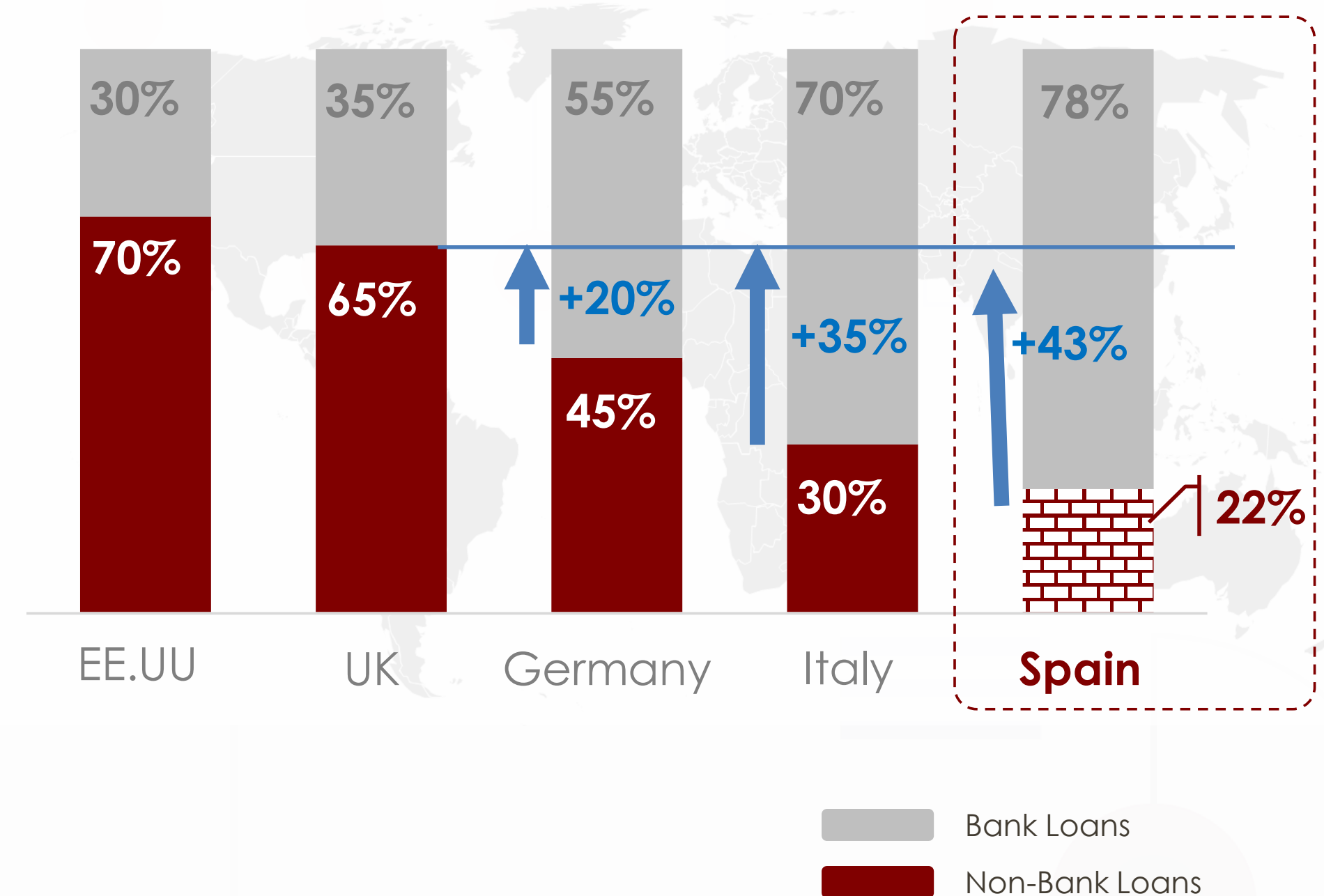
For **CONSUMER** loans **ORIGINATORS** and **RETAIL INVESTORS**.

MARKET OPPORTUNITY

2021 will be the momentum for performing loans originated by private debt funds

Alternative Lenders continue to increase across Europe and industries

- ✓ The financial disintermediation and the economic crisis will force the banks to initiate an aggressive deleveraging process.
- ✓ Will Increased private debt market to accommodate the SME financial needs rejected by banks.
- ✓ Debt funds will need a secondary market for funding their loans and expand their financial capacity.



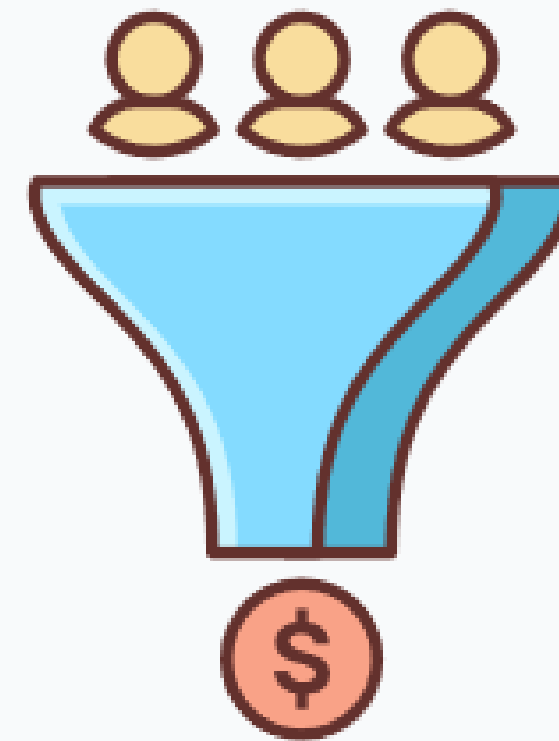
PROBLEM

Investors have difficult access to alternative investment products from Direct Lending

Professional investors needs:

- New ways to enhance their risk-adjusted returns.
- Diversifying the exposure across SME and asset classes.
- Access not only to traditional sources of loan origination, but also to small and mid-tier loan originators.

BUT



Diversify your investments

Very few can invest in DL.

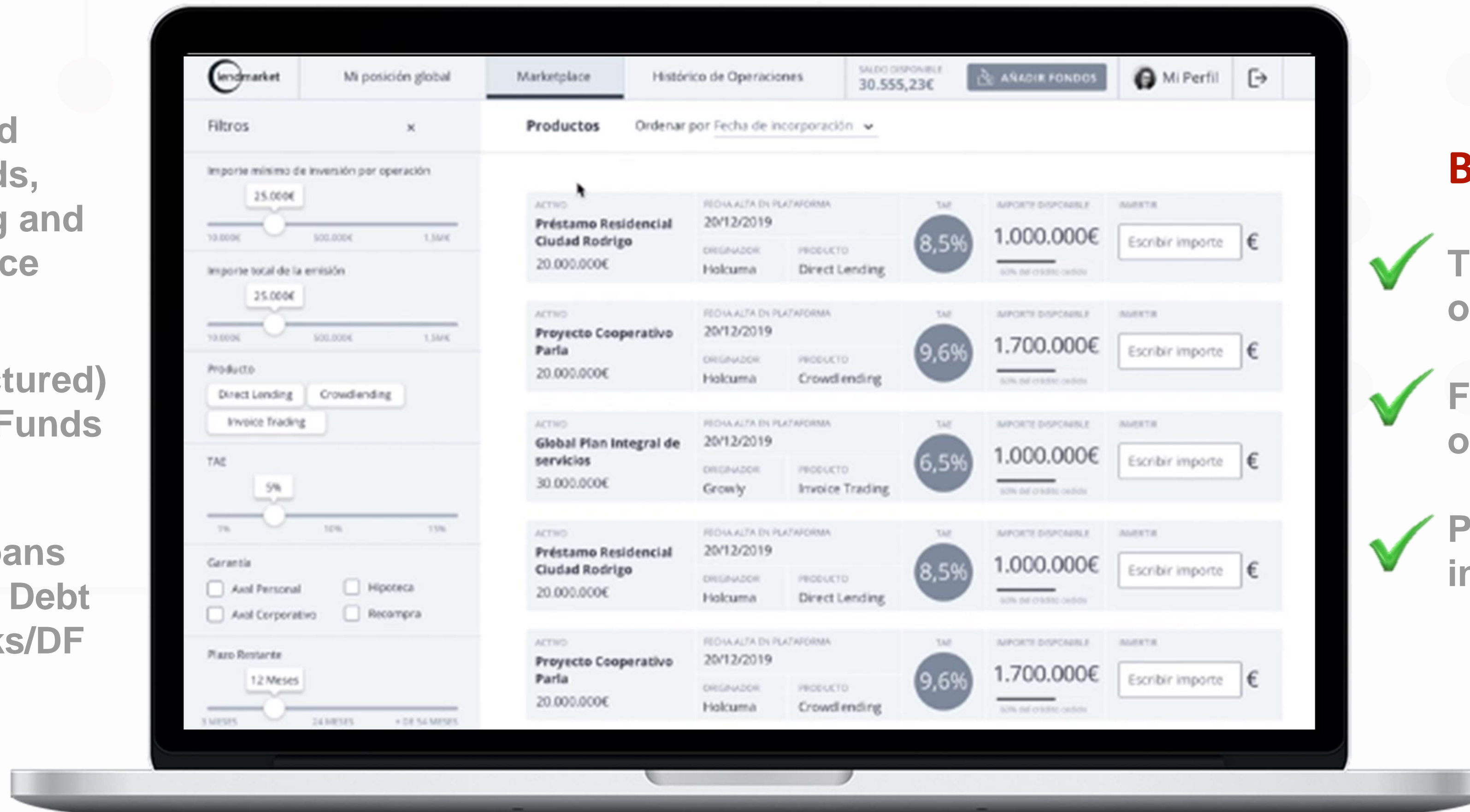
- Very high investment tickets
- Not liquid

SOLUTION

A web Platform where Lenders can sell their loans and investors can buy it

Type of Loans

- ✓ PLs originated by Debt Funds, Crowdlending and Invoice Finance
- ✓ SPLs (restructured) – Distressed Funds
- ✓ Syndicated loans structured by Debt Funds – Banks/DF



Benefits of lendmarket

- ✓ Turns illiquid assets into liquid ones
- ✓ Frees up capital for the originator
- ✓ Provides fix income for investors

Financials disintermediation as an investment opportunity, reducing costs and time to close the deal.

lendmarket

VALUE PROPOSITION

Lenders empowered to lend more and investors able to deploy their capital efficiently

Professional Investors

- New ways to **enhance their risk-adjusted returns.**
- Access to **low-correlation asset class** (hist. attractive returns)
- Investment into otherwise **difficult-to-access opportunities**
- Loans from **selected originators** and full transparency



**Credit Risk
Acceptance Model**

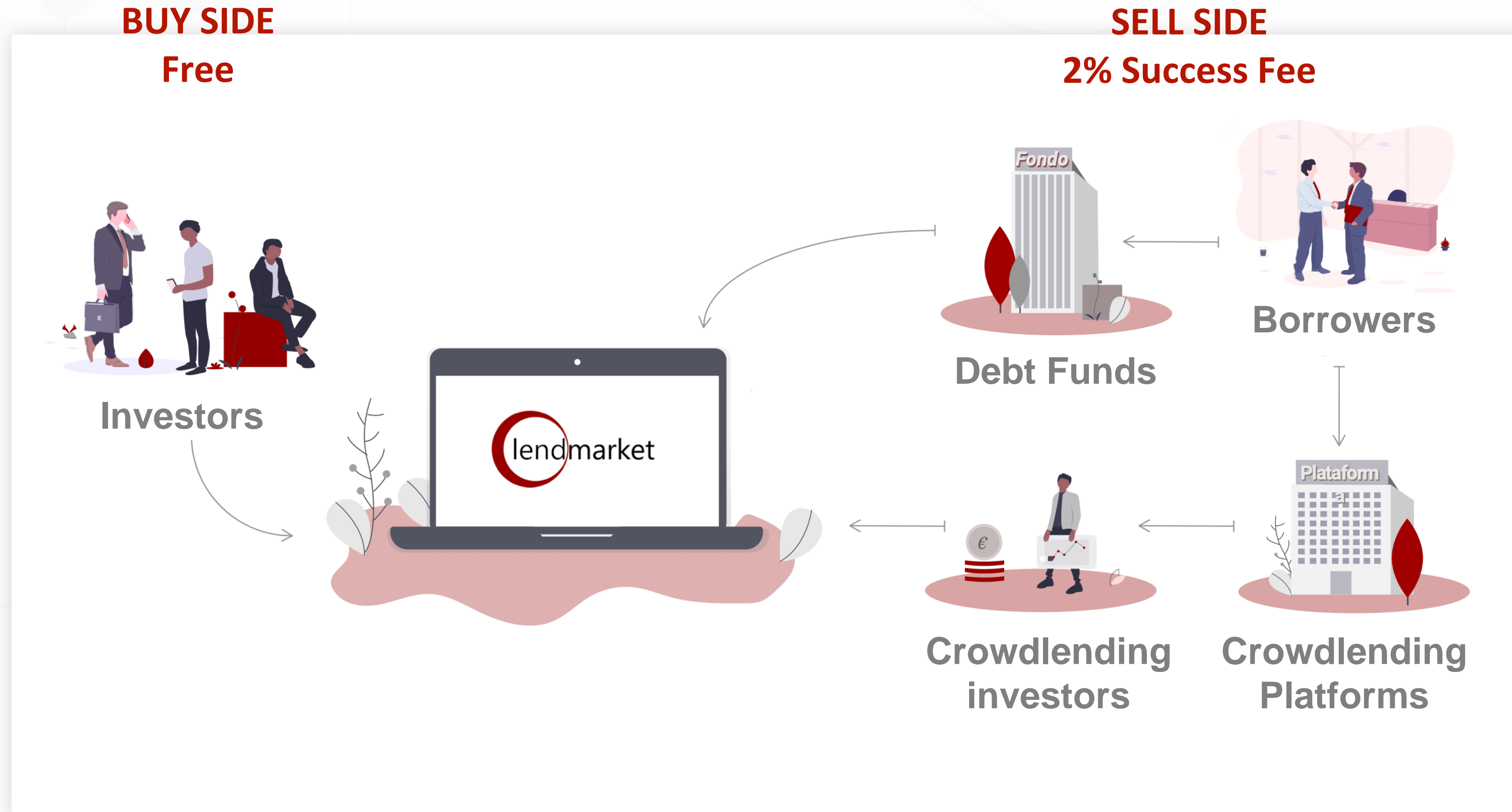
A win-win situation for all

Loan Originators

- New ways to **enhance their funding** and increase their profits
- **Access to diverse investors** through a single marketplace
- **Liquidity** is available to flow where it is needed
- **Speed, simplicity and cost reduction**

BUSINESS MODEL

Taking a success fee on each transaction within secondary market



Will take 0,5% on each transaction within tertiary market

TEAM

Key Advantage



Mariano Sanchez
CRO



Alberto Ibañez
Investor Relations



Alejandro Villalonga
CEO



Cecilia Moreno
Digital Sales Manager



Medir García
Marketing Manager &
Operations



Laura Marches
Back Office

Part time



Rodrigo Imaz
Fund's Relations



Antonio Moreno
CFO



Lucas de Mendoza
CTO (interim)



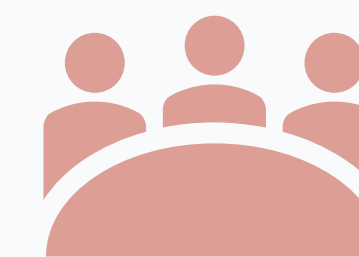
**Board with extensive
experience in the
sector**

INDEPENDENT BOARD

Aitor Elustondo



Lucas de Mendoza



**Reference
shareholders : FO
and Business Angels**

TRACTION

Milestones from 2018

Buy side Key Milestones

- ✓ 400 professional investors
- ✓ Organic growth and leads (41%)
- ✓ High Quality MQL (professional investors)
- ✓ Great LTV € 1.762
- ✓ Great CAC € 645 with reduction margin, by 27%
- ✓ 2021: LTV/CAC expected 2,73

Corporate Key Milestones

- ✓ Equity raised € 800K from 2018
- ✓ Marketplace in-house and ready to scale-up
- ✓ Admission risk model in-house and ready to scale-up
- ✓ Team ready to scale-up

Sell side Key Milestones

- ✓ Working with 40 loan originators and dealflow higher than € 100 M
- ✓ The acceptance ratio is 75%

More than 40 Loan Originators

DEBT FUNDS



E-PLATFORMS



SEED STAGE: SCALE-UP PHASE NEXT 18-24 MONTHS

Demonstrate traction and scale in the local market with defined milestones

OBJECTIVES 2022:

- ✓ CLOSED DEALS € 100 M.
- ✓ 1,300 INVESTORS (90% DIGITAL CHANNEL)
- ✓ 100 ORIGINATORS THE END OF 2022
- ✓ BREAK EVEN EARLY 2022.

ASSETS

KPI's
Q4 2021

35,7 M
AUM

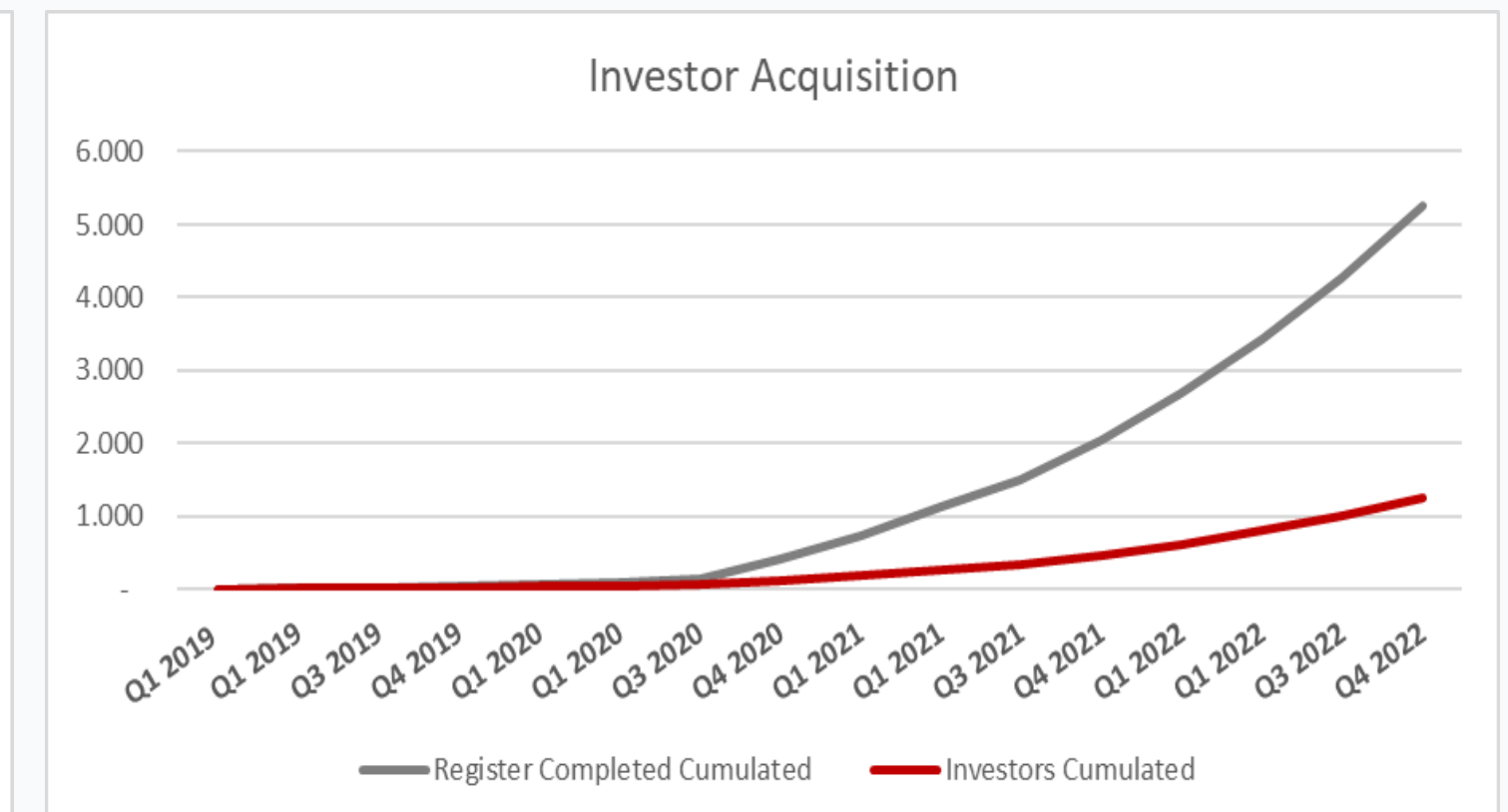
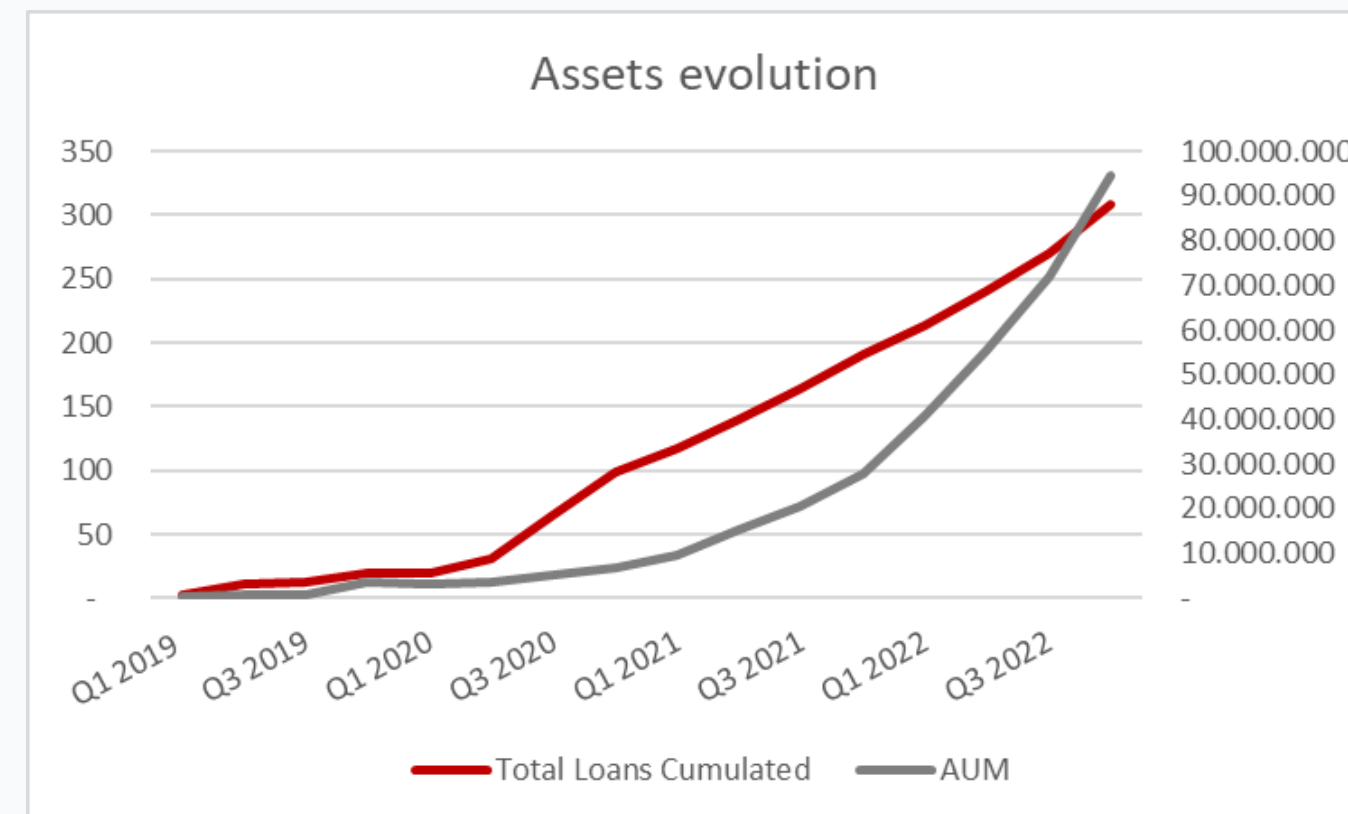
325 K
Avg. Loan

INVESTORS

460

77,7 K
Avg. Invest.

Tendencias



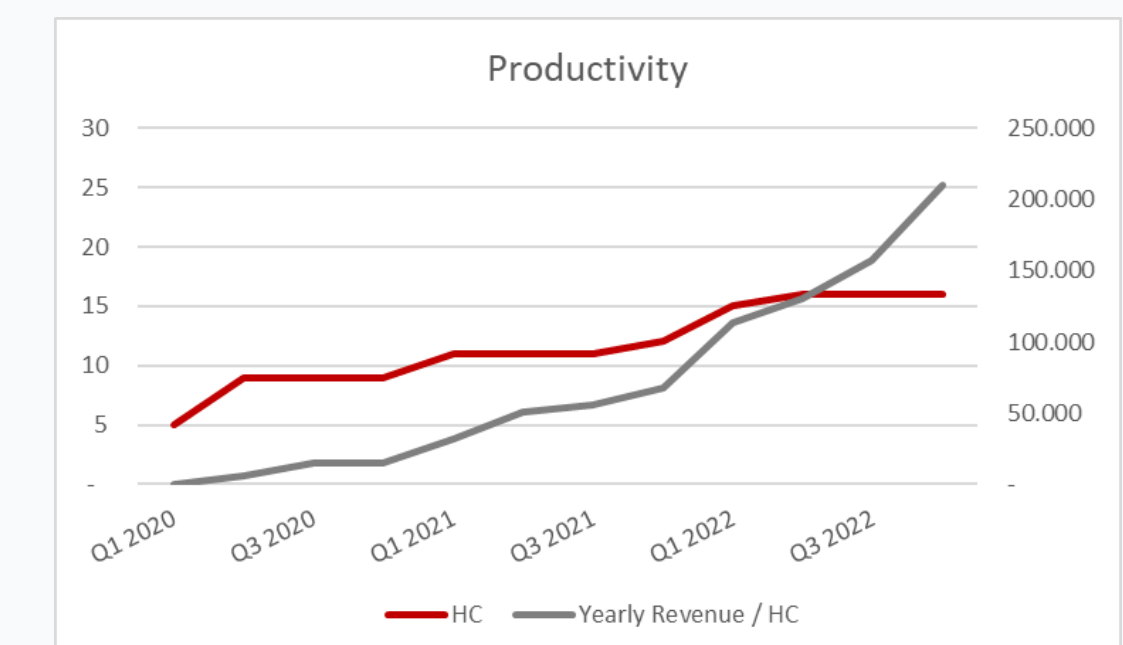
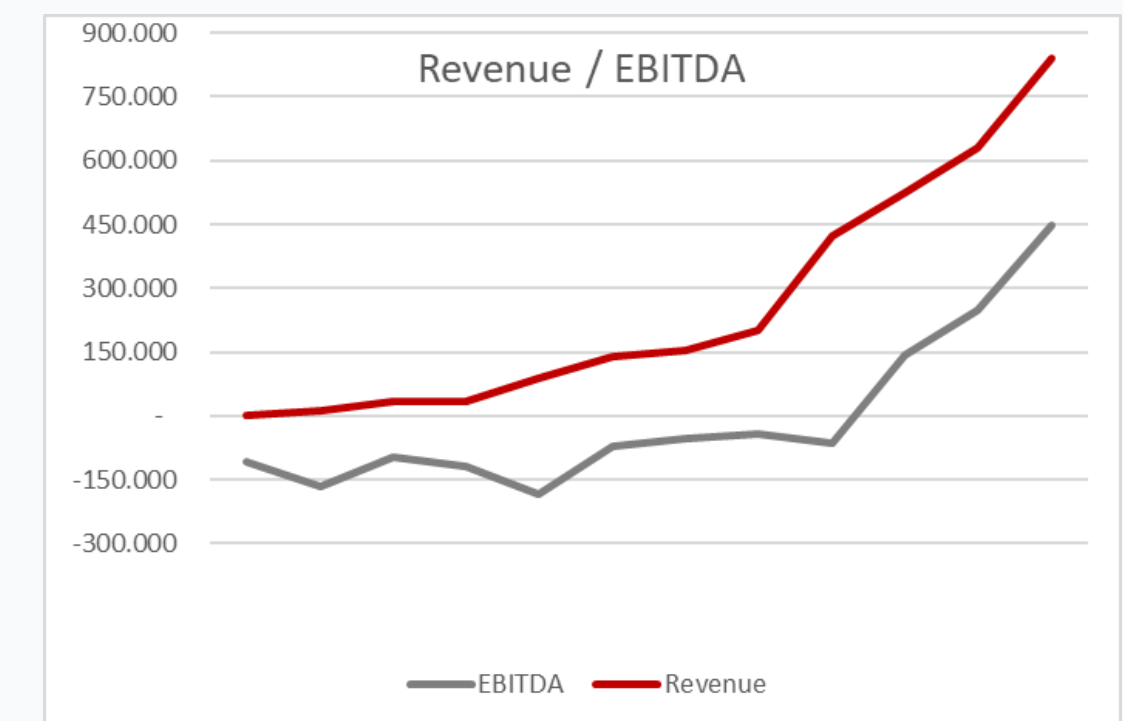
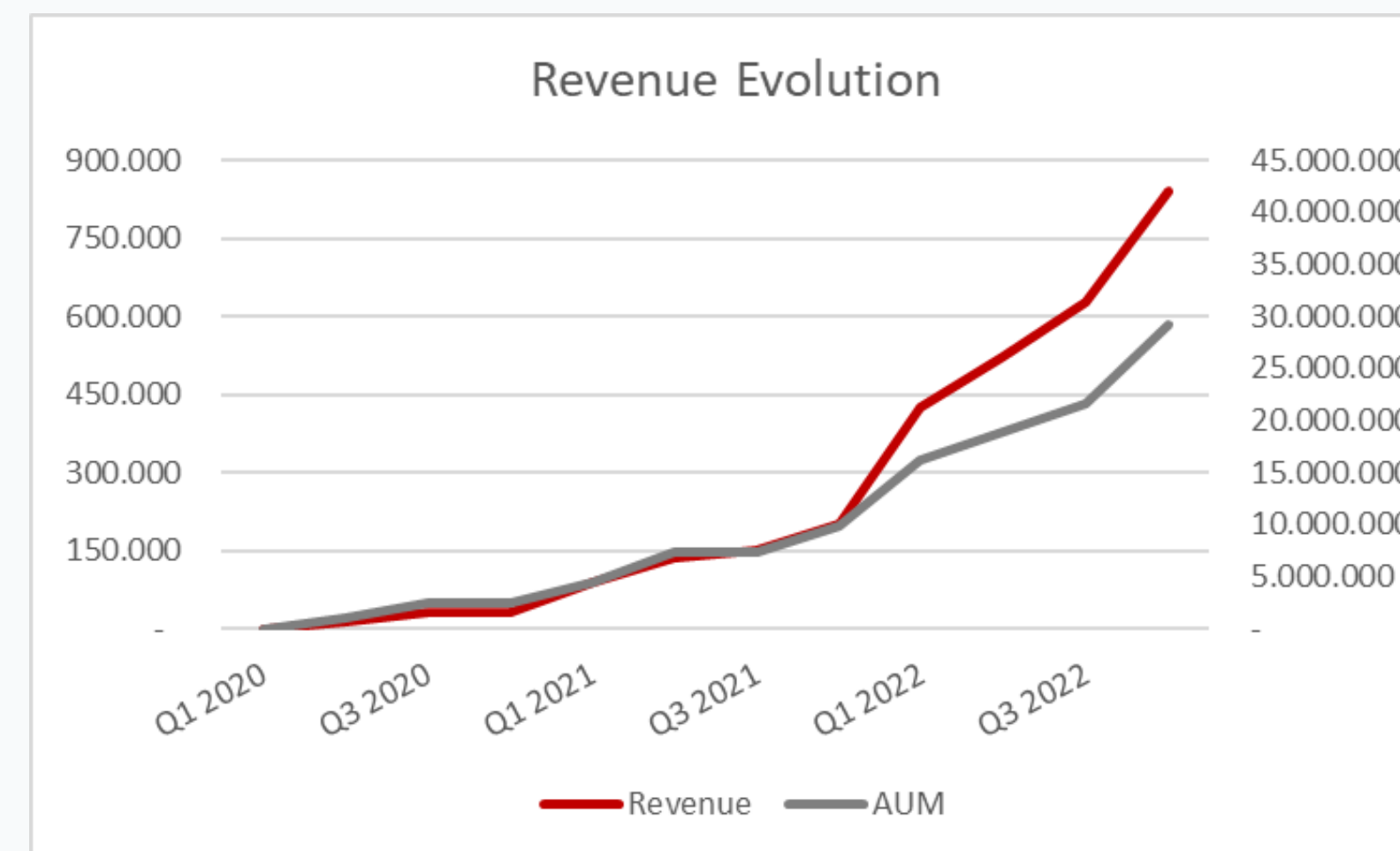
SEED STAGE: SCALE-UP PHASE NEXT 18-24 MONTHS

Financials

Financial Forecast

	2020	2021	2022
Loans	€ 5,8 M	€ 31,7 M	€ 105,6 M
Rev.	+ € 79 k	+ € 581 k	+ € 2,4 M
Costs	- € 696 k	- € 978 k	- € 1,7 M
Profit	- € 618 k	- € 398 k	+ € 726 k
Ebitda	- € 474 k	- € 346 k	+ € 778 k

Trends



INVESTMENT OPPORTUNITY

Fund Raising (seed capital stage)

Scale-up next 6 months, will be the path for the potential anchor investor



100%

1

Raised from 2018

- ✓ € 800 K
- ✓ Management Team, Business Angels and Family Offices



40%

2

**2020 BBVA
Acceleration Program**

- ✓ € 250-300 K
- ✓ € 2 M Pre-Money Valuation

To Achieve

- ✓ 1.000 professional investors
- ✓ Dealflow € 150 M
- ✓ Closed deals € 6 M
- ✓ 50 loan originators

3

2021 Anchor Investor
(€ 1MM Expected)

- ✓ 40% - Team
- ✓ 10% - New developments in blockchain
- ✓ 10% - New functionalities (tertiary market)
- ✓ 40% - Marketing



Alejandro de Villalonga

Chief Executive Officer

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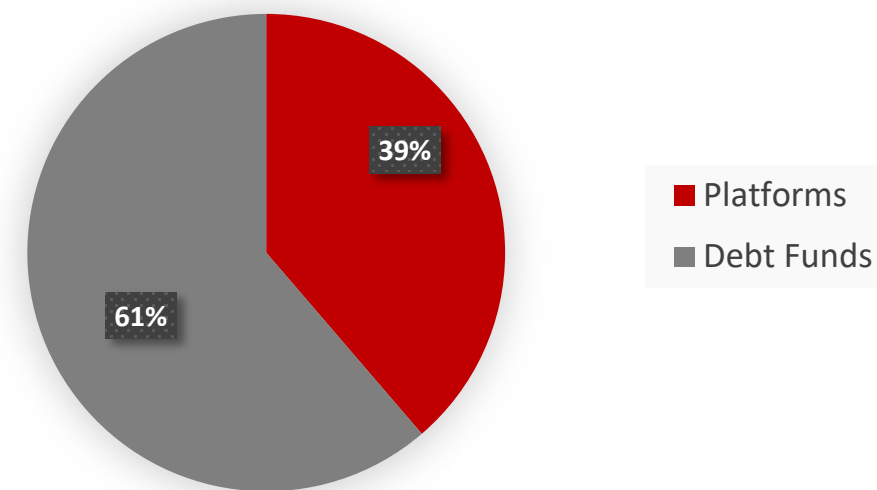
Alejandro.villalonga@lendmarket.es

KPIs (LOAN ORIGINATORS)

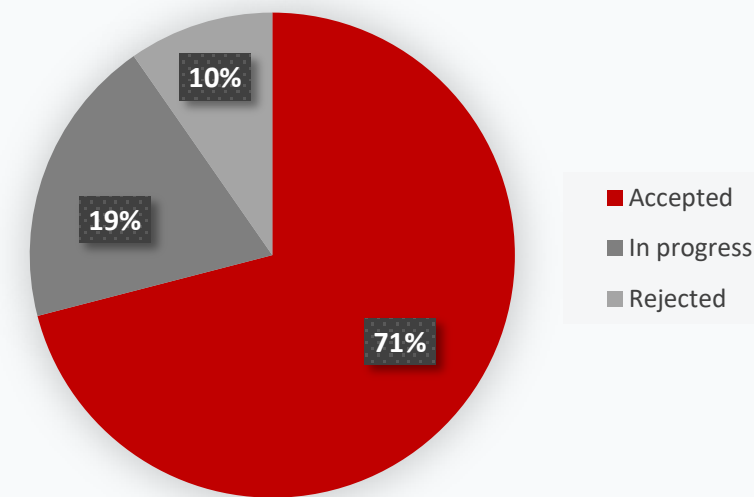
Great market interest to offer product on the digital channel

May'20

Type Originator



Status



Key Milestones June'20

- ✓ Working with 40 loan originators
- ✓ Dealflow of 50 loans and € 100 M up to date, average ticket loan € 1M.
- ✓ The acceptance ratio is 75%

Accepted Ratio

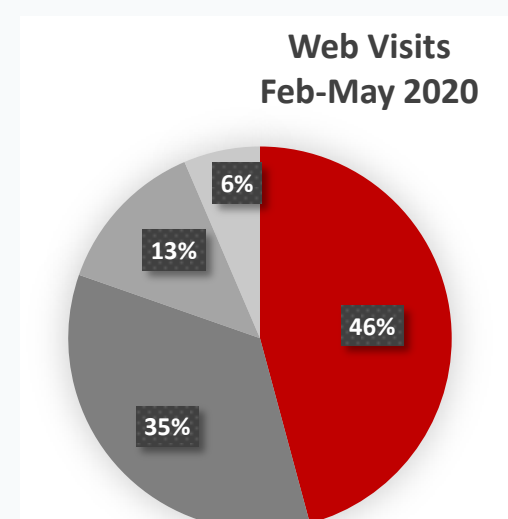
	Value	%	Volume	%
Loans in Risk analysis May 2020	€ 66.136.515	100%	50	100%
Loans Accepted May 2020	€ 41.893.565	63%	38	76%

KPIs (INVESTORS)

Improving KPIs since 2018

Current KPIs

WEB Visits	Feb-May 2020	%
New Users	2.159	100%
Direct	989	46%
Organic	746	35%
Social	285	13%
Referrall / Other	139	6%



Social Media

510 followers (Δ 200% anualizado)

Blog LM & Newsletter - Live!

Conversion Funnel	Feb-May 2020	% (1)	% (2)
New Users	2.159	100%	100%
Lead	950	44%	44%
Qualified Lead	254	12%	27%
Cliente Activo	64	2,9%	25%

Expected

Key Milestones

- ✓ 400 professional investors
- ✓ Organic growth and leads (41%)
- ✓ High Quality MQL (professional investors)
- ✓ 2021: LTV/CAC expected 2,73
- ✓ Great CAC reduction margin, by 27%

Unit economics Forecast

CAC Calculation - 2021

Clientes captados 2021 (Digital) 330

User Acquisition Costs

Marketing	88.000	Press and Mass Communications Agency	
Team Marketing & Sellers	125.160	Website content production and SEO	
		Online Marketing	
		Head of Digital Sales	60%
		Marketing & Operations Mng.	70%
		Investor relations Jr	100%

CAC € 645,52

LTV Calculation - 2021

Average Ticket in loans	€ 34.808	Professional Investors	
Average annual rotation, invested in loans	0,75	Asset allocation around 10-15% in loans	
Investment years expectation	4,50	Type of investor for invoice finance	
Average Fees per ticket invested in loan	1,50%	Short term investments required	
		Savings	
		Long Term investement required	
		Advantage for non-correlated investment products	
Lifetime Value (LTV)	€ 1.762		

% (1) Conversion s/ Total Traffic
% (2) Conversion s/ Previous Stage

CHANNELS

Strategy channel

