

Marketplace Lending | HQ: Toronto, ON, Canada | Founded: 2015 | Employees: 1 – 20

Lendified is Canada's fastest growing online lender for small businesses and offers a customizable platform available to financial institutions throughout the world. The company also, through its Vault Circle subsidiary, became the first digital lender to secure OSC approval for an exempt market dealer license, which allows the company to offer its small business loans to investors.

Lendified's fast and easy business loans have become a popular alternative to traditional bank loans and expensive merchant advance financing. Small businesses can apply online in under 10 minutes, get an instant decision, and receive funding in as fast as 48 hours. The process is powered by Lendified's proprietary technology which has been featured by The Globe and Mail, Financial Post, Bloomberg, Toronto Star, and more.

Lendified's team, located in Toronto and Vancouver, consists of entrepreneurs, former bank executives, technologists, and service experts dedicated to supporting small businesses across Canada.

LEADERSHIP

Troy Wright, CEO & Founder:

- Previous Work Experience:
 - o Troy was the President and CEO of the Scotiabank Group Mexico, and before that was Executive Vice President of Canadian Retail Branches and Channels at Scotiabank
- Education:
 - o Troy is a graduate of the Harvard Business School, Advancement Management Program; Western University with a BA; and, the Harvard Business School YPO Presidents' Program.

Kevin Clark, President:

- Previous Work Experience
 - o He was the Senior Vice President and Global Head of Sales for Scotiabank's Transaction Banking business, and before that he was Senior Vice President, International Corporate and Commercial Banking
- Education:
 - o Graduate of the Executive Leadership Program and MBA Program at the Richard Ivey School of Business

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KSFs

- Customer base
- Organic growth
- Expertise in not only technology, but financial services

BUSINESS MODEL HIGHLIGHTS (SIZE-UP)

STRATEGY

- Lendified leverages its technology platform to streamline the loan application and approval process. *The platform's credit engine assesses risk, financial health, and carry capacity via AI-fueled proprietary algorithms.*
- Positioning itself as an affordable option, Lendified is cheaper than other alternative lenders and much faster than a bank.

PRODUCT / PRICING

- The company's loans range from \$5,000 to \$150,000 and have terms between 3 and 24 months. The loans can be used for anything that a business owner needs, and the terms of the loan are determined during Lendified's approval process.
- Customers can apply and have a loan decision within 10 minutes
- Funding is released as fast as 48 hours after the loan approval. There is a 1.5% to 3.5% loan origination fee.

TECHNOLOGY

- Using a proprietary data and analytics engine, Lendified aggregates and analyzes thousands of data elements and attributes that pertain to a business, its owner, industry, and other metrics that are reflective of a business' creditworthiness.

MARKETING

- Lendified has 6 channels of promoting their services
 1. Their Site: <https://www.lendified.com>
 - Key is to maintain trust in this business - need to seem bank-like
 - Undergoing web development over next 3 months to "clean-up"
 2. Instagram: <https://www.instagram.com/lendified/>
 3. Twitter: <https://twitter.com/lendified>
 4. Google +: <https://plus.google.com/+Lendified>
 5. Blog: blog.lendified.com
 6. LinkedIn: <https://www.linkedin.com/company/lendified>

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- Tendency to use the slogan “It’s Grow Time” in their marketing (“Get a Lendified loan to help your business grow now”)
- These channels usually spotlight the stories of small business and respective owners that have used their services, and their own blog posts.
- The blog’s content targeted at small business owners. This content includes financial advice, operational strategies, etc.
- The website also features a client rating system (provided by Trust Pilot) to enhance the credibility of their services
- Offer a promotional deal where referring a business that can use their services will earn you \$300

FUNDING / FINANCIALS

- In August 2016, Lendified secured a \$20 million credit facility

INDUSTRY / ADDRESSABLE MARKET OPPORTUNITY

- As opposed to other traditional and alternative lenders, Lendified differs in the following ways:
 - o Same day approval
 - o Valuation of intangibles, not just credit score
 - o Benefits for repeat customers
 - o Builds business credit

KEY CORPORATE DEVELOPMENTS (e.g. Partnerships)

- Acquired *Mentio Technologies*, a company that specializes in automated cash flow forecasting, in March 2016.
- This marks an expansion into global markets, as *Mentio’s* multi-currency technology serves customers in the USA, Canada, Ireland, New Zealand, and Australia.
- Joined the MaRs FinTech cluster with the goal of sharing financial services experience and technology and collaborating with other FinTech startups in October 2015.
- Partnered with Chase Paymentech whom can provide complementary cost analysis, competitive rates to accept credit and debit cards, fast & reliable payment processing and online reporting
- Partnered with TruShield Insurance whom offers simple and affordable Small Business insurances
- Members of: MaRs FinTech Cluster, Canadian Chamber of Commerce, Canadian Federation of Independent Business, Italian Chamber of Commerce of Ontario, Markham Board of Trade

SWOT ANALYSIS

Strengths

Lendified's main strength comes from the fact that it is the most convenient and easy to use loan request method for small businesses and entrepreneurs. Same day acceptances, as well as an easy to use platform enables Lendified to be a market leader in the loan industry.

Weaknesses

Lendified's current team is very small, and lacks the operational capabilities to continuously expand and innovate their platform. To counteract this, Lendified looks for acquisition plays like with *Mentio Technologies* to expand and better their business model.

Opportunities

Lendified has the potential to become a market leader in the loan market for small businesses due to the convenience that it offers its customers.

Threats

Competitors with large amounts of capital (ie. Big banks) can emerge within the market and establish themselves within the small-business loan market and take away Lendified's market share. As big banks are constantly looking for ways to integrate technology within their services, Lendified faces a significant potential threat of market cannibalization. Although banks offer significantly inferior loan services, as Lendified continues to grow big banks will inevitably adapt their services to better compete with Lendified.