

 **multifi**

FINANCE

s h o u l d n ' t b e a n

F - W O R D

**The future
of cashflow**

2023



03 Introduction

- 03 Executive summary
- 04 Background of the fintech industry
- 06 Overview of multifi and its mission
- 07 Purpose of the white paper

13 The problem

- 13 The challenges small and medium businesses face in accessing credit
- 16 The importance of cashflow management for small and medium-sized businesses
- 17 The impact of macroeconomic factors on the financial health of small and medium sized businesses

18 The solution

- 18 The multifi approach to finance & cashflow management
- 19 How multifi addresses the challenges faced by small and medium-sized businesses
- 20 Unique features of the product

22 How it Works

- 22 Credit process and criteria

- 23 Overview of the account and lending facilities

- 23 Regulatory and Governance

25 Benefits for SMEs

- 25 Improving access to credit for small and medium-sized businesses
- 26 Helping small and medium-sized businesses manage cashflow more effectively
- 27 Supporting small and medium sized business growth and development

28 Case studies

- 28 Empowering business growth with multifi
- 33 How multifi helps Small and medium-sized businesses overcome challenges
- 34 Results achieved using multifi

35 Conclusion

- 35 The multifi platform services and benefits
- 36 Future outlook for small and medium-sized businesses using the platform
- 37 Take the faff out of finance

FINANCE shouldn't be an F-WORD

Small and medium-sized businesses are the lifeblood of the UK economy, accounting for 99% of all companies¹, and employing over 16 million people². But despite their crucial role, many struggle to access the credit they need to grow and thrive. 11% of these businesses face closure or administration each year³, and in 82% of cases cashflow is cited as the main reason for failure⁴. While small and medium-sized businesses are the backbone of the economy, their growth potential is being hindered by the lack of working capital.

Finance shouldn't be an F-word. Business finance is overly complex, often leading to immediate rejection for enterprises needing funding. Business owners find business finance frustrating, fussy and often futile. Finance processes need to be revolutionised and access to finance needs to be simplified.



Rob Keown-Boyd

Chief Executive

Addressing this critical challenge, multifi aims to empower growing businesses across various sectors, including e-commerce, retail, manufacturing, and distribution, by offering an accessible and streamlined business finance solution. Through multifi's intuitive online platform, businesses can swiftly determine their eligibility for up to £200,000 in credit. Once approved, they can make unlimited payments to suppliers within their credit limit. With competitive and transparent fixed rates, multifi ensures a hassle-free and user-friendly experience for its clients.

This white paper demonstrates how multifi's business finance platform can help SMEs overcome financial challenges and unlock their full potential. Case studies and data analysis, showcase the benefits of the platform and highlight the role that fintech companies like multifi can play in supporting the growth and success of small businesses in the UK.



Background of the fintech industry

Innovative fintech companies are changing the game in financial services by providing faster, cheaper, and more efficient solutions than traditional banks. However, the larger multi-national fin-techs, while offering similar services, focus on corporate customers and not small businesses. Furthermore historically, whilst there has been great tech developed, many platforms did not have the end user experience at its core.

There is a gap in the market for accessible cashflow and lending solutions for small and medium sized businesses.

The multifi credit platform fills this gap, providing a unique solution that embeds banking, payments, and finance products in a single, user-friendly system with a single-point registration and login. One of our core principles is to create a platform that simplifies business finance and cashflow for the end user. As the fintech market continues to evolve, platforms will need to have lending capabilities and core functionality like the multifi credit platform, requiring significant investment and development.

There is a gap in the market for accessible cashflow and lending solutions for small and medium sized businesses.

The multifi credit platform fills this gap, providing a unique solution that embeds banking, payments, and finance products in a single, user-friendly system

A timeline of technology in finance:

Introduction of Mainframe Computers

Mainframe computers revolutionized data processing and laid the foundation for modern financial systems.

First ATM

The world's first automated teller machine (ATM) was installed by Barclays Bank in London, providing customers with 24/7 access to cash.

NASDAQ Stock Market

NASDAQ became the world's first electronic stock market, pioneering electronic trading and making transactions more efficient.

Advent of Spreadsheet Software

The introduction of spreadsheet software, such as Lotus 1-2-3 and Microsoft Excel, improved financial modeling and analysis capabilities.

Online banking

Stanford Federal Credit Union launched the first online banking platform, enabling customers to access their accounts and conduct transactions remotely.

Dotcom Bubble Burst

The dotcom bubble burst, leading to the collapse of many internet-based companies. This event highlighted the importance of sustainable business models in the digital realm.

Bitcoin and Blockchain

Bitcoin, the first decentralized digital currency, was introduced, along with blockchain technology, which revolutionized secure, transparent transactions.

Introduction of Mobile Payments

Companies like Square and PayPal introduced mobile payment solutions, allowing individuals and businesses to accept payments through smartphones and tablets.

Rise of Peer-to-Peer Lending

Companies like LendingClub and Prosper popularized peer-to-peer lending, connecting borrowers directly with individual lenders through online platforms.

Introduction of Robo-Advisors

Robo-advisors, such as Betterment and Wealthfront, emerged, offering automated investment advice and portfolio management services, disrupting the traditional wealth management industry.

Initial Coin Offerings (ICOs)

ICOs gained popularity as a crowdfunding method for blockchain-based startups, allowing them to raise funds by issuing tokens to investors.

Open banking

Open Banking initiatives were introduced, requiring financial institutions to share customer data securely with third-party providers, promoting innovation and competition in financial services.

COVID-19 Pandemic Impact

The COVID-19 pandemic accelerated the adoption of digital financial services, highlighting the importance of remote access, contactless payments, and online banking.

Increased Regulatory Scrutiny

Fintech companies faced heightened regulatory scrutiny worldwide, addressing concerns regarding consumer protection, data privacy, and financial stability.

multifi

1950s

1967

1971

1980s

1994

2000

2009

2010

2014

2015

2017

2018

2020

2022

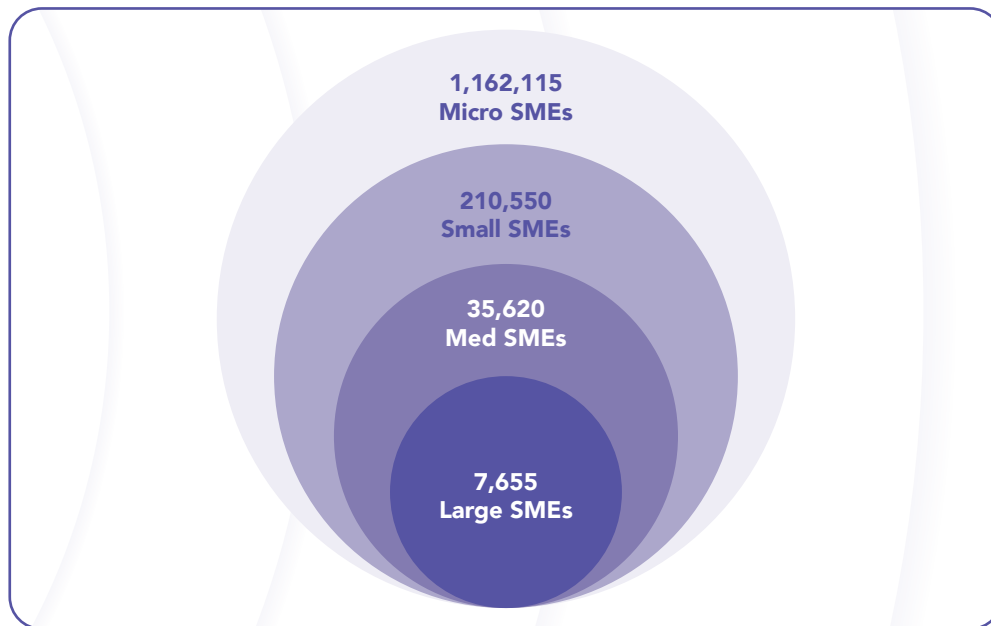
2023

Overview of multifi and the market

multifi is here to help UK small and medium sized businesses flourish by providing fast access to finance via an online credit account. Cashflow is the lifeblood of all businesses, and with 82% of failed businesses citing cashflow as the primary reason, it's clear that efficiently managing cashflow is crucial.

There are circa 1.4m trading small and medium-sized businesses with 1 or more employees, the majority of which are micro SMEs employing less than 10 people.

Graph 1. Addressable market



Source: gov.uk data 2021

multifi can initially support businesses with 10 to 250 employees. These businesses are dealing with regular cashflow challenges and have also proven to be early adopters of cashflow management apps and platforms.

After establishing itself in this market multifi can open support to businesses with 1 – 250 employees, accounting for 1.4m businesses in the UK.

The core principle that will drive customers to the platform is that good cashflow management is crucial for business success. The multifi platform offers a live service for credit whereby companies can send payments to approved payees using a revolving credit facility. Providing cashflow via credit allows customers to manage their borrowing in a simple platform and grow their business:

- Small-medium sized businesses need cashflow.
- multifi offers fast and simple access to credit with responsible terms
- multifi provides cashflow pivotal to business success.

As multifi grows, it plans to expand its support to micro businesses with banking embedded services. With one registration process, small businesses can go live with a bank account and other essential services.

The multifi mission

TAKE THE FAFF out of business finance

Business finance is fussy, frustrating and often futile. Small and medium-sized account for 99% of all UK companies and employ over 16 million people. Despite their crucial role, many struggle to access the credit they need to grow and thrive. 11% of these businesses close each year, and in 82% of cases, cash-flow is cited as the main reason for failure.

multifi is on a mission to empower UK small and medium-sized businesses with the resources they need to succeed. Small businesses are the backbone of the economy, and we are committed to supporting their growth plans through our credit platform. We have secured £10 million in business finance and are building a simple platform and proposition for small and medium businesses to access up to £200,000 credit. Alternative and specialist B2B lenders in the UK accounted for 55 per cent of all the overall UK business lending market with £35.5bn

in loans, according to the British Business Bank⁵. We intend to increase that figure and push incumbent lender banks firmly into the minority.'

Driving this activity is a desire to take the faff out of finance. Our mission is to increase awareness of the current challenges small and medium-sized businesses face, offer support through helpful and memorable experiences with our customers, and to drive change for the better for small and medium sized businesses. Recent research suggests that 22% of small medium businesses have no cash flow projection with a further 6% unsure if they had or not. We do not expect every business to be accomplished with understanding finance, and this is why we are going to educate as well as offering finance. A true partner to small and medium-sized businesses⁶.

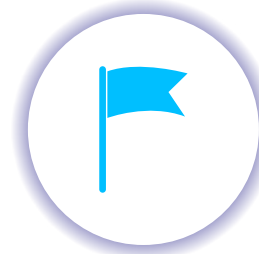
Three fundamental behaviours will drive this change:



**Make things easy
and accessible**



**Be upfront and
transparent**



**Support the small
and medium-
sized business
community**

Keep it simple

All aspects of multifii should be flexible, convenient and give financial control to the business.

In an industry like ours, financial products can start to look similar. At multifii, we aim to stand out because of the ease of service we provide. Once customers have access to their credit limit, they can repeatedly access finance with only a personal guarantee needed to ensure our commitments are aligned. This acts a buffer for established businesses that either have cash flow challenges or are seeking finance to grow. We want to make it easy for businesses to access financial support via our product, giving significant benefits in return:

Flexibility: Access to extra funds when needed for bills, unexpected expenses, or purchases.

Convenience: Access to extra cash without applying for a secured loan.

Control: Manage finances with a safety net for unexpected expenses or cash flow problems.

Improved credit history: Using multifii responsibly can improve credit history and make future borrowing easier.

Access: As a multifii community member you will have access to the other essentials a small medium business require, such as industry partnerships and discounted business tools.



**Make things easy
and accessible**

What customers see is what they should get.

multifi will display all fees and processes upfront.

The trouble with business finance is that what banks claim to offer doesn't match up with their experience. Small and medium-sized businesses are frustrated with the lack of support and the lack of access to finance in the crucial stages of Small and medium-sized business growth. As a new product in the market, we're not weighed down with layers of historical process and complexities. We can be open and transparent about how we operate.

In our commitment to delivering transparent and fair pricing, multifi ensures that our rates remain competitive within the market. While it is important to note that our rates may not always be the lowest available, we strive to offer pricing that is competitive and reflective of the value we provide. We firmly believe in transparency and will not engage in misleading practices, such as advertising headline rates that differ significantly from the actual rates offered during the onboarding process. Our customers can trust that what they see is what they can access. We prioritise simplicity and clarity, making it effortless for customers to understand our operations and how we operate.

- Unsecured finance up to £200,000
- Revolving credit facility
- Setup fee: 0%.
- Monthly fee: 0.3% of credit limit.
- Interest fee: 1.99% per 30 days on used credit.



**Be upfront and
transparent**

Fuss free finance.

We empower businesses, champion their successes and fight in their corner.

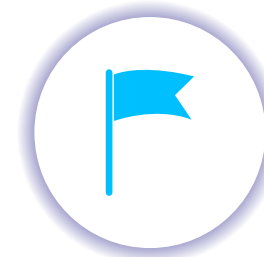
We understand that small and medium-sized businesses find access to finance frustrating. With 82% of business failures stemming from cashflow challenges, multifi aims to provide fast access to finance and practical guidance to help small and medium-sized businesses manage their working capital and invest in their growth. The multifi platform helps unlock the full potential of SMEs, ensuring they continue to be a key driver of the UK's economy.

Our aim is to:

TAKE THE FAFF out of business finance

Through our service and through wider brand activity we aim to build a platform that can shine a light on parts of business finance that could be improved. We will enthusiastically support UK industry schemes such as the British Chamber of Commerce and where possible drive the community with multifi initiatives. Our own culture mirrors that of small and medium-sized businesses, so we understand the needs of our customers' communities and are in a unique position to move the industry forward.

We are passionate about supporting economic growth in the UK, and we are committed to playing a key role in helping small businesses achieve success. So much so that as the platform matures we are keen to explore how functionality is further expanded to provide a full suite of cashflow management services, exploring the idea of 'business-in-a-box' that houses a suite of business cashflow management tools.



**Support the small
and medium-
sized business
community**

Purpose of the white paper

This whitepaper shows how multifi's online credit platform can help small and medium-sized businesses overcome financial challenges and support UK economic growth. It highlights the challenges that small and medium-sized businesses face in accessing credit and managing their cashflow, and how multifi provides fast access to finance and a simple lending process.

This whitepaper also aims to outline the business approach detailing particular behaviours and incentives that are vital for establishing multifi as a competitive option for those seeking business finance.

Through case studies and data analysis, it showcases the benefits of multifi's platform and how it offers practical guidance and advice to small and medium-sized businesses. Ultimately, the whitepaper demonstrates how fintech companies like multifi play a vital role in supporting the growth and success of small and medium-sized businesses in the UK.





The challenges small and medium businesses face in accessing credit

SMEs struggle to get credit from traditional banks, hindering their growth. There are a significant number of pain points specific cashflow management that SMEs face on an ongoing basis:

Registration and account set-up

Setting up a new bank account is a drawn-out process and launching new businesses could be significantly delayed by onerous account set-up processes. Each cashflow management service (Business Finance, Financial Exchange, etc.) requires a separate registration process, often involving different Know-Your-Customer Anti-Money-Laundering registration in multiple formats.

Login

Completing one business process often requires access to multiple platforms. As an example, to pay salaries, a manager may need to login to his HR platform, payroll system and online banking. Also, separate logins for each platform result in multiple user accounts with many separate usernames and passwords. Access control and authority levels cannot be centrally managed.

Data

Without a fully integrated solution and centralised database, it is impossible for small and medium-sized businesses to have a holistic view of their cashflow. Information is fragmented, so cashflow forecasting cannot be fully automated and credit assessment/lending decisions are less informed.

Payments

Calculating and processing payments to suppliers, HMRC and employees is a two-step process that requires logging into multiple systems. This is not only time consuming but open to human error as information is transferred between applications.

Finance

Finance is accessed either from a separate loan account or via standalone services such as an Invoice Finance platform. Lenders do not have such extensive access to real-time cashflow data, which reduces their scope to lend. From a borrower's perspective paying a supplier with debt is often a disconnected, multi-stage process.

Automation & Connectivity

Due to the disparity of systems, there is little scope for streamlining processes and automating actions across multiple platforms.

Ultimately there are three different areas that are stalling UK Small and medium-sized businesses from reaching their full potential:

No standardisation

Setting up new bank accounts and each cashflow management service involves a separate registration process with varying information formats.

No centralisation

Calculating and processing payments require logging into multiple systems, causing errors and wasting time.

No real insight

Lenders have limited access to real-time cashflow data, making borrowing and paying suppliers with debt a disconnected process.

The problems small and medium businesses face when trying to accessing finance

Business owner seeks finance to cover salary payments

International corporate customer has a 120 day invoice payment schedule causing strain on business cashflow.

Approaches banks for finance, entering...

The maze of business finance

Lack of collateral

Insufficient assets hinder loan eligibility and collateral requirements.

Limited credit history

Inadequate credit records make proving creditworthiness difficult.

Stringent eligibility criteria

Strict requirements for revenue, profitability, and business history limit access.

Lack of transparency

SMEs struggle to find clear information on available financing options.

High-interest rates

SMEs face costly borrowing with elevated interest rates.

Lengthy approval processes

Time-consuming evaluation and paperwork cause delays in loan approvals.

Limited access to bank loans

Banks have restricted lending appetite for certain SMEs.

Overreliance on personal finances

SME owners resort to personal funds, limiting business growth potential.

Complex application requirements

Detailed documents and financial statements complicate loan applications.

Lack of financial education

Limited awareness of financing options hampers SMEs' decision-making.

Regulatory compliance

Meeting Know-Your-Customer and Anti-Money-Laundering regulations adds complexity to financing processes.

Difficulty in securing venture capital

Attracting Venture Capitalists investors for early-stage businesses is challenging.

The importance of cashflow management for small and medium-sized businesses



**Businesses need
cashflow to
survive**



**multifi has credit
ready to lend to
small and medium-
sized businesses**



**Businesses can
access cash via the
multifi's easy to use
credit platform**

Effective cash flow management is crucial for SME success. Poor management can lead to financial difficulties and bankruptcy. We have previously outlined circa 30% of small and medium-sized businesses don't know how to cashflow forecast or are unaware if they have anything in place. Small and medium-sized businesses must monitor expenses, forecast cashflow, and balance inflows and outflows. They should negotiate better deals, cut costs, and consider financing options like short-term loans or invoice financing.

The multifi platform offers a comprehensive solution, integrating banking, payments, and finance. It opens fully functioning current accounts, manages payments, and collaborates with lenders for credit assessments. Effective cash flow management enables SMEs to avoid difficulties, maintain relationships, and achieve long-term growth.

The Impact of macroeconomic factors on the financial health of small and medium sized businesses

The COVID-19 pandemic has posed unprecedented challenges for UK SMEs. Lockdowns, travel restrictions, and reduced consumer spending have led to a decline in sales and revenue. Small and medium-sized businesses struggle to sustain operations and meet financial obligations.

Brexit and the Russia-Ukraine conflict add to the economic uncertainty, making it harder for Small and medium-sized businesses to access credit and manage cashflow. Lenders and investors are cautious in their decisions.

Small and medium-sized businesses are vital to the UK economy, employing many and contributing to output. If they can't manage cashflow or access credit, they may lay off staff or shut down.

The government offers support through loan schemes, grants, and tax deferrals, providing temporary relief. However, the long-term impact of the pandemic and economic challenges remains uncertain. Small and medium-sized businesses must adapt and seek support for ongoing financial health.

The COVID-19 pandemic, Brexit, and the Russia-Ukraine conflict have created a perfect storm for UK SMEs. These challenges have made it harder for businesses to access credit, manage cashflow, and sustain operations. As a result, many businesses are struggling to survive.

It is therefore essential for small and medium-sized businesses to adapt and seek support for ongoing financial health in order to maintain business output. With small and medium-sized making up so much of the total business landscape this action will ultimately have a huge positive impact on the health of the UK economy.



The multifi platform

multifi offers fast access to finance in a user-friendly platform with fixed, competitive interest rates. All services are accessed through the multifi platform with one-time registration and single-point login. The platform integrates with Open Banking and Credit Rating Agencies, providing real-time credit analysis for pre-approved working capital finance options from 3rd Party lenders on a Lending as a Service (Laas) basis.

The platform includes selected white-label providers for cash-management solutions, starting with finance, payments and foreign exchange services.

Extensive testing will be conducted to validate product/market fit before scaling the business. Iterations and analysis will optimise pricing, product offering, and marketing strategy to address any shortcomings.

Key features:

- One-time registration for accessing all products, no need for resubmitting Anti-Money-Laundering and Know-Your-Customer information.
- Single-point login for all cash management and finance services, with centralized access control.
- Seamlessly make payments for payroll, expenses, and other transactions, reducing admin and errors.
- Enhanced data from platform services and external sources stored in a central database for holistic cashflow view and forecasting.
- Data-driven credit analysis integrated with Open Banking and Credit Rating Agencies for real-time insights and informed credit decisions.
- Automation options to optimise cashflow, reduce borrowing costs, and streamline processes.

How multifi addresses the challenges faced by small and medium-sized business

multifi tackles small and medium-sized business challenges with fast credit access, improved cashflow management, and flexible payments.

Key benefits for small and medium-sized businesses include:

Simple application process

Businesses will be able to instantly check their indicative credit limit through the multifi website. Following a full eligibility check (usually within 24 hours), businesses can access their credit through the platform and make payments.

Fixed rates

All fees, terms and conditions are stated clearly from the outset so businesses immediately understand what they can access. These fees are fixed, meaning there are no surprise payments at a later stage.

No setup fees

There are no up-front fees to use the platform. Customers pay a monthly fee of 0.3% of their credit limit for a minimum of 12 months plus an interest rate of 1.99% on used credit.

For example,

- **Credit limit:** £100,000 (monthly fee £300)
- **Credit used:** £30,000 (£597 interest per 30 days)
- **Total cost:** £897 per month

Unsecured credit

multifi provides unsecured credit based on business performance. This enables a faff-free approval process. We require a personal guarantee to ensure our commitments are aligned.

Revolving payments

Customers borrow, repay, and borrow again up to their credit limit without needing to reapply each time.

This ultimately creates a unique proposition:

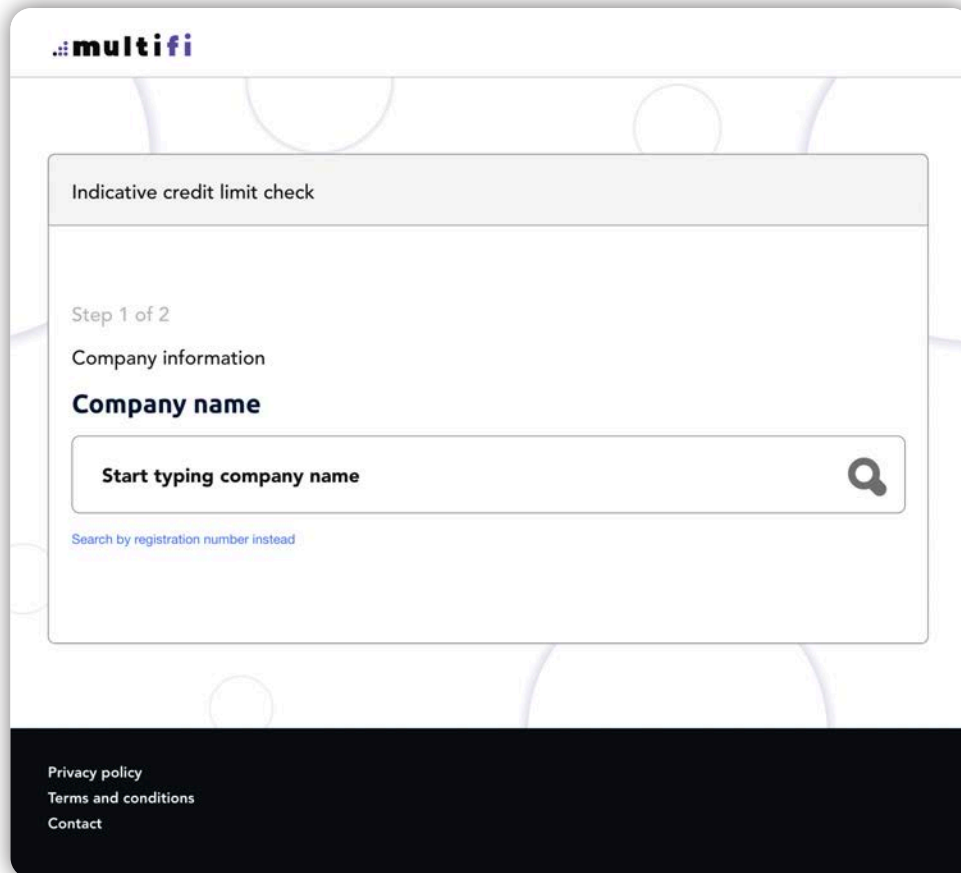
 **multifi**

Fixed rates
Fast payments
No faff

Unique features of the product

multifi's unique features include personalized lending solutions, customizable payment plans, and real-time cashflow monitoring. The platform utilises virtual banking technology to create instant current accounts for direct payments to suppliers.

multifi benefits from acquiring existing SME lending technology, originally developed by Kactus Technologies, which addressed the lack of short-term, flexible cashflow finance for SMEs. This technology, onboarded over 2,000 SMEs, processed 5,500 loan transactions, and funded over £150m of loans. The multifi Platform will build upon and expand this existing platform.

A screenshot of the multifi web application. The header shows the multifi logo. The main content area is titled 'Indicative credit limit check' and shows 'Step 1 of 2' for 'Company information'. Under 'Company name', there is a search bar with the placeholder text 'Start typing company name' and a magnifying glass icon. Below the search bar is a link that says 'Search by registration number instead'. At the bottom of the page, there is a dark footer with links for 'Privacy policy', 'Terms and conditions', and 'Contact'.

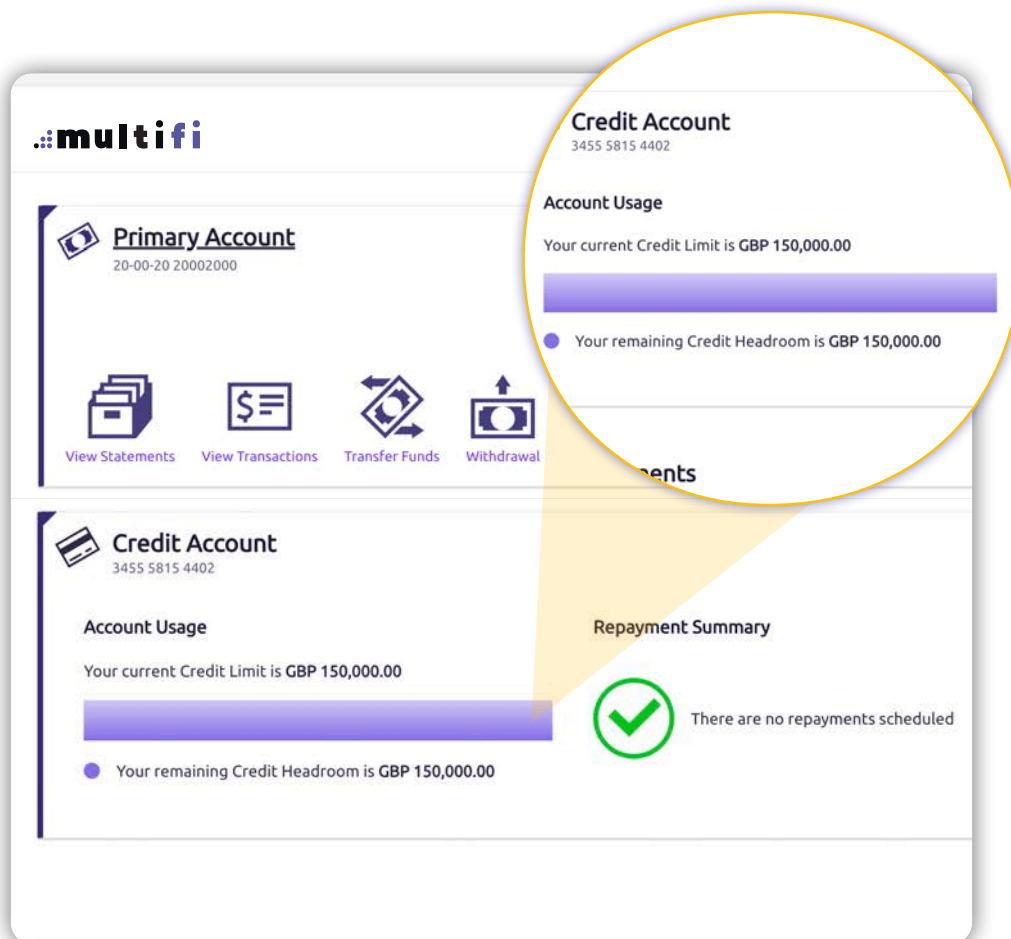
Key functionalities of the multifi Platform include:

Paperless Onboarding:

- Efficient digital signing of contracts and electronic Know-Your-Customer and Anti-Money-Laundering checks.

Credit Assessment:

- Proven Credit Assessment technology utilising external data sources like Credit Reference Agencies and Open Banking.
- Data-driven credit scorecard for evaluating customer creditworthiness.
- Continuous assessment with real-time data to maintain an understanding of default risk.
- multifi loan-book control for LaaS Partners.



Customer Dashboard:

- Provides customers with a summary of their credit account, including usage and upcoming or overdue repayments.
- Offers easy access to payments, administration, reporting, and loan management processes.

Accounts Payable Loan Account:

- Approved customers can initiate payments to payees, with fees calculated based on available credit-headroom.
- Payments are automatically processed through a payment processing partner.
- Loan Management System and Business Process Engine track and manage all stages of the process.

Business Process Engine:

- Drives all business functions through pre-defined processes, generating tasks for users and running automated business logic.
- Comprehensive authorization capabilities ensure tasks are completed by the intended user(s) in the correct sequence.

Introducer Portal:

- Designed for registered introducers (brokers, accountants) to register potential customers, track onboarding progress, and view earned commissions.
- Provides instant indicative credit decisions for potential customers, indicating lending eligibility and available credit limits (pending full credit assessment).



Overview of the account and lending facilities

multifi offers fast access to finance in a user-friendly platform with fixed, competitive interest rates. Customers can apply for credit directly through the platform, and the platform provides an integrated Business Account for receiving and making payments.

Key points:

Credit Application

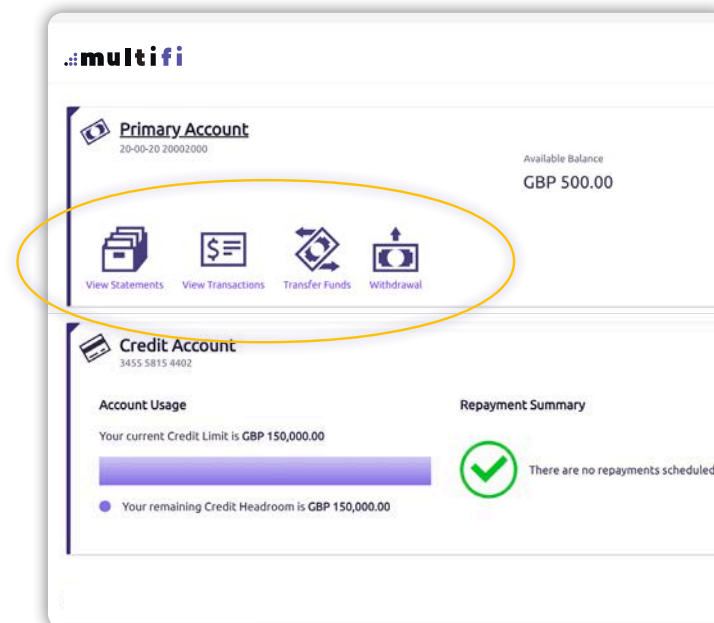
- Customers can directly apply for credit through multifi, which offers a simple application process.

Business Account Functionality

- multifi offers fully integrated Business Accounts for customers to receive and hold cash, as well as make payments.
- Payments can be initiated directly from platform services, such as expenses and payroll, without leaving multifi.
- multifi has partnered with Modulr, the same provider as Revolut, to enable instant account setup and payments through the platform.
- Each customer automatically receives a multifi Business Account during the onboarding process.

Credit

- multifi emphasises quick and easy access to cost-effective funding solutions.
- Initially, multifi will launch its own Accounts Payable Loan Account and Term Loans using its technology.
- Specialist third-party products will be added later to provide further support for business growth.



Credit process and criteria

The underwriting process in multifi is designed for speed and efficiency, assessing customer creditworthiness within the platform for personalised lending solutions.

Accounts Payable Finance:

- Credit approved customers receive funding through a Credit Account alongside their Business Account.
- The Credit Account is used to settle supplier invoices and make other payments.
- Customers accept the term, up to 120 days, with a single repayment of capital and fees.
- Once repaid, the balance can be re-drawn.
- Payments are made directly to suppliers, HMRC, or employees for Payroll and Expenses.

Regulatory and Governance

Strong compliance and corporate governance are crucial for multifi, as it manages third-party cash, data, and provides services to lenders.

The multifi management team has extensive experience in regulated industries and understands the importance of aligning compliance with evolving regulations. multifi adheres to General Data Protection Regulation, Information Commissioner's Office, and financial services best practices. While the Business Account services do not require direct regulation, they fall under the regulatory umbrella of the Virtual Banking Partner and comply with their policies and general PSD2 requirements. The lending facilitation and other services provided by multifi are not regulated activities.

To ensure proper attention to regulatory and governance risks, multifi

has hired a position of 'Head of Corporate Governance' overseeing compliance matters. An Enterprise Risk Committee will be set up to manage corporate governance, focusing on enterprise risk factors, economic risk, regulatory risk, liquidity and funding, credit risk, and business performance.

Although multifi doesn't bear direct credit risk, it maintains control over credit risk on behalf of its LaaS partners. The team has significant lending experience and has developed robust policies, processes, and tools for credit risk assessment. These systems are continuously updated through integration with external data sources and the development of AI-based analysis tools.

At multifi, we operate with utmost compliance, aligned with UK laws and regulations (FCA). This allows us to offer regulated products and services to our valued clients. However, as a result, certain responsibilities have been entrusted to us by the regulator. These responsibilities serve the greater purpose of maintaining a safe financial system and preventing illicit activities like fraud and money laundering.

At multifi, simplicity is at the core of our mission. We leverage cutting-edge technology to ensure that our processes are easy to comprehend and provide a genuinely customer-friendly experience. Our primary challenge lies in verifying the identity of the entities and individuals we engage with. To address this, we employ market-leading technology, minimizing administrative burdens for our customers and ensuring a streamlined journey.

Product schematic

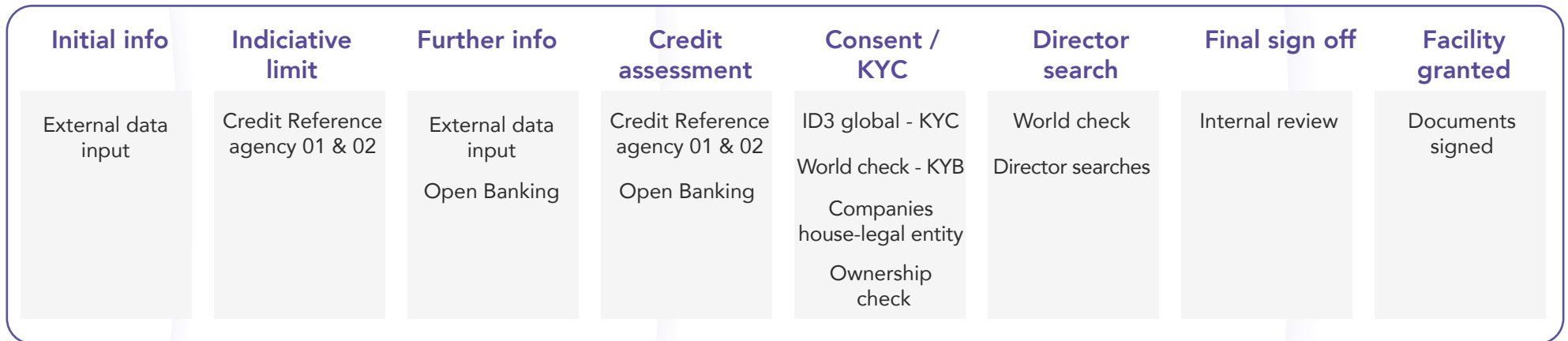


multifi

Online credit platform

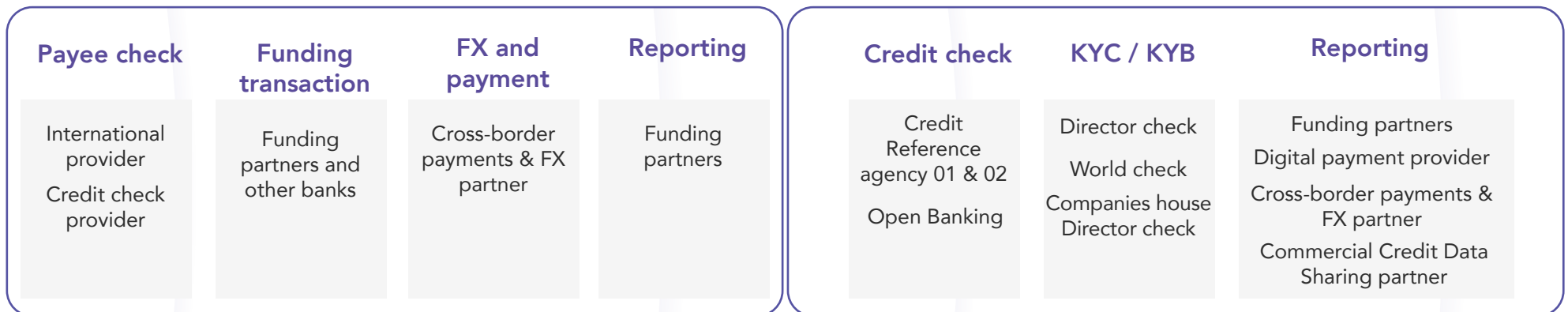
Onboarding

Services managed through 3rd party API integration



Transacting – funding and Foreign Exchange

Ongoing customer monitoring and reporting



Benefits for small and medium-sized businesses



Improving access to credit for small and medium-sized businesses

Access to credit and effective cash flow management are of paramount importance for UK businesses, especially for small and medium-sized businesses. Limited cash flow can be a significant barrier to growth and success, hindering businesses from seizing opportunities, investing in expansion, and meeting their financial obligations. A fast and accessible finance solution will empower small and medium-sized businesses to bridge the cash flow gap. Instant access to credit, transparent monitoring, and flexible repayment options would equip UK businesses with the financial resources they require to navigate market fluctuations, invest in innovation, and fuel their growth ambitions, ultimately driving economic prosperity and resilience across industries.

multifi aims to capture these opportunities in one central platform.

By offering simple access to a credit limit multifi can reduce application time, improve success rates, and allow small and medium-sized businesses to compare offers for optimal terms. While savings will vary, the platform delivers significant time and

cost benefits, along with improved credit access, for small and medium-sized businesses. Once credit is approved businesses can then focus on making quick payments, investing in their business and promptly pay suppliers, ultimately freeing up time and resource to make their businesses thrive.

By offering simple access to a credit limit multifi can reduce application time, improve success rates, and allow small and medium-sized businesses to compare offers for optimal terms.

Helping small and medium-sized businesses manage cashflow more effectively

multifi is a revolutionary business finance platform that is specifically designed to assist small and medium-sized businesses in managing their cash flow more effectively. With its user-friendly online platform and flexible financing options, multifi addresses the common challenges faced by small and medium-sized businesses and empowers them to optimise their financial operations.

One of the key ways multifi aids small and medium-sized in cash flow management is by providing fast and accessible financing solutions. small and medium-sized often struggle to secure timely funding, which can hinder their growth and operational efficiency. multifi streamlines the process by offering instant access to credit, with businesses being able to check their eligibility for up to £200,000 in credit within minutes. This swift access to finance ensures that small and medium-sized have the necessary funds to meet their immediate cash flow requirements, such as paying suppliers or covering operational expenses.

multifi offers a revolving credit facility, enabling businesses to make unlimited payments to their suppliers up to their approved credit limit. This flexibility allows SMEs to manage their cash flow more effectively by ensuring that they can fulfil their financial obligations without delay. By eliminating the need for reapplication for each transaction, multifi simplifies the payment process, saving businesses valuable time and effort.

multifi's platform provides transparency and control over cash flow management. Businesses can easily monitor their credit usage, track payments, and view their outstanding balances through the intuitive online interface. Real-time visibility into financial transactions empowers small and medium-sized businesses to make informed decisions and effectively plan their cash flow. With multifi's fixed and competitive interest rates, businesses can accurately forecast their financial obligations and budget accordingly, minimising the risk of unexpected cash flow shortfalls.

multifi goes beyond financing by offering practical guidance and support to small and medium-sized. The platform serves as a resource hub, providing valuable insights and educational materials to help businesses enhance their financial management practices. Through expert guidance and personalized assistance, multifi empowers SMEs to strengthen their cash flow management skills and make informed financial decisions.

In conclusion, multifi revolutionizes cash flow management for small and medium-sized businesses by providing fast and accessible financing, flexible repayment options, transparent monitoring, and practical guidance. By addressing the cash flow challenges faced by small and medium-sized businesses, multifi empowers businesses to optimise their financial operations, drive growth, and succeed in today's competitive business landscape.

Supporting small and medium sized business growth and development



Cashflow is cited as the primary reason for failure by 82% of closed small and medium-sized businesses.



Furthermore, 37% of small and medium-sized businesses face cashflow issues due to late payments.



Yet approximately one third of small and medium-sized businesses are denied access to finance every year.

The multifi platform will have a significant impact on UK small and medium-sized businesses, benefiting the economy as a whole. We originally outlined that small and medium-sized businesses account for 99% of all companies. 11% of these businesses face closure each year, of which 82% cite cashflow as the main reason for failure. By bridging the cashflow gap, multifi has the potential to help 9% of all UK companies.

Furthermore, 37% of small and medium-sized businesses face cashflow issues due to late payments, spending an average of 1.2 working days per month chasing payments⁷. By using the multifi platform, small and medium-sized businesses can better understand their financial

position and address late payment issues, leading to improved cashflow management and continuous operation through periods of low cashflow.

Late payments also cost SMEs £2.5 billion annually⁸. By mitigating the impact of late payments, the multifi platform can contribute to reducing this figure and benefiting the wider UK economy.

Ultimately, multifi is in a unique position to offer support in a period where small and medium sized businesses are struggling to find finance providers to cover payment shortfalls often caused by larger firms in their supply chain.



Empowering business growth with multifi

multifi, aims to support businesses through finance solutions tailored to their unique needs and help overcome financial challenges and unlock new growth opportunities.

From our research we believe that there are a range of key industries who can benefit from the multifi credit platform, namely:

- Business services
- Travel, personal and leisure
- Wholesale
- Retail
- Utilities
- Transport, Freight and storage,
- Media and broadcasting
- Industrial, electric and electronic machinery
- Communications
- Metals and metal products
- Printing and publishing
- Transport manufacturing
- Wood, furniture and paper manufacturing,
- Textiles and clothing manufacturing
- Leather, stone, clay and glass products
- Computer hardware

The following case studies represent just a glimpse into the transformative power of multifi's finance solutions. We remain committed to partnering with businesses across the UK, enabling them to overcome financial barriers, seize growth opportunities, and thrive in their respective industries.

These case studies were curated from customers who have used the Kactus Technologies Lending-as-a-Service (Laas) software system, the same technology on which the multifi platform is built.

Maximizing operational efficiency for manufacturers

In a developing nation, a renowned manufacturing company sought to optimize its operations and increase profitability. To address challenges with cash flow, supply chain pressures, and equipment maintenance, the company turned to multifi for tailored solutions.

Through multifi, manufacturers gained a £100,000 revolving credit limit, ensuring a steady cash flow for essential expenses like supplier payments, maintenance, and repairs.

Benefits and Improvements for Manufacturers:

By utilizing multifi's business finance solution, manufacturers experienced significant advantages, including:

- **Strengthened Supply Chain:** Improved cash flow allows timely supplier payments, reducing strain and fostering strong vendor relationships.
- **Enhanced Efficiency:** Access to funds enables optimization of production processes, reducing costs and increasing overall efficiency.
- **Upgraded Logistics:** multifi financing facilitates investment in delivery vehicles and transportation infrastructure, leading to improved logistics and superior customer service.
- **Swift Emergency Response:** Readily available funds help address breakdowns and emergencies promptly, minimizing downtime and preserving reliability.
- **Increased Profit Margins:** Streamlining operations and leveraging multifi's credit platform result in enhanced profitability, supporting further business growth and economic development.



Multifi provides better financial control, allowing manufacturers to focus on core operations, maximize profits, and adapt to market demands. Access to necessary funding helps overcome challenges, drive growth, and contribute to economic progress.

Accelerating success in the fashion retail sector

A successful independent boutique specializing in designer fashion faced supply chain pressures and a working capital gap despite its impressive sales growth. To bridge this gap and meet the unique needs of the retailer, they turned to multifi for an innovative finance solution.

Multifi provided a £100k revolving credit facility to address these challenges, allowing the retailer to smooth cash flow and alleviate supply chain pressure. The credit was used to pay suppliers in the UK and globally, providing an additional 120 days for settling stock payments, effectively closing the working capital gap.

The retailer experienced several improvements through multifi:

- **Increased Efficiency:** Accessing the revolving credit facility enabled the retailer to place larger orders, optimizing the purchasing process and increasing overall efficiency.
- **Managed Seasonal Demand:** By spreading out invoicing, the retailer could navigate the peaks and troughs of seasonal demand and align payment schedules with sales patterns effectively.
- **Faster Response to Trends:** Improved cash flow allowed the retailer to stock essential items early in the season, responding swiftly to industry trends and sustaining growth, supporting further business growth and economic development.

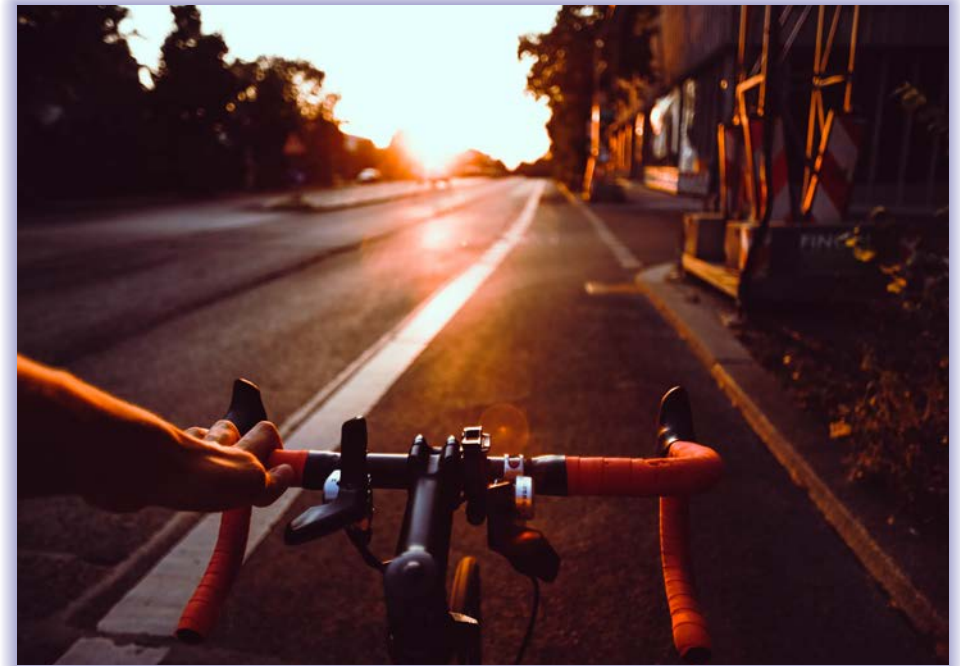


Fashion retailers can leverage multifi's business finance solution to address working capital gaps, enhance operational efficiency, and capitalize on growth opportunities in the dynamic fashion industry.

Fuelling growth for distributors

A leading UK balance bike company faced challenges with timely payments to manufacturers due to low cash flow. To address this issue, multifi provided a £200k revolving credit facility, bridging the working capital gap and unlocking a range of benefits:

- **Healthy Cash Flow:** multifi's revolving credit facility ensured a steady cash flow, allowing distributors to cover expenses such as manufacturer and supplier payments without disruptions.
- **Optimized Stock Levels:** Improved working capital enabled distributors to maintain optimal stock levels, meet customer demands more effectively, and fulfill larger orders efficiently.
- **Seize Growth Opportunities:** Enhanced cash flow and increased capacity empowered distributors to respond effectively to growth opportunities, solidifying their position as market leaders.
- **Negotiate Improved Customer Terms:** Strengthened financial position allowed distributors to negotiate better terms with customers, resulting in faster and more reliable payment cycles.
- **Enhance Forecasting:** Access to funds through the revolving credit facility improved cash flow forecasting, enabling effective planning for future growth and investments.
- **Strengthened Relationships:** By meeting financial obligations promptly, distributors built stronger relationships with manufacturers and suppliers, ensuring a reliable supply chain and favorable terms.



multifi's business finance provided the necessary support to fuel growth, improve operational efficiency, and strengthen the market position of the distribution business. Multifi helped nurture business growth and unleash its potential as a leading distributor.

Machinery provider scales up with multifi

A successful high-end ground care machinery provider in the UK faced cash flow challenges due to upfront payments required for stock and delayed customer payments. To address this, they sought an innovative finance solution that could bridge their working capital gap.

multifi provided the ideal solution by paying the company's suppliers upfront and allowing up to 120 days for repayment. This aligned with the company's buying cycle and business requirements, addressing their cash flow issues in the supply chain.

The provider experienced several benefits through multifi:

- **Improved Supply Chain:** Upfront payment to suppliers resulted in a more reliable and efficient supply chain, reducing delivery times and enabling prompt fulfillment of customer needs.
- **Reduced Cash Flow Issues:** multifi's flexible facility provided the necessary funds to pay international suppliers in advance, ensuring smooth operations and sustaining the growing order book.
- **Increased Flexibility:** The reliability and efficiency of multifi allowed the company to gain more flexibility from their suppliers, accommodating demand fluctuations and enabling larger orders when necessary.
- **Strong Growth and Customer Satisfaction:** Improved supply chain financing and reduced delivery times fueled remarkable growth. The company could meet customers' urgent requirements with shorter lead times, enhancing satisfaction and loyalty.
- **Discounts for Larger Orders:** With multifi's support, the company took advantage of supplier discounts, further improving their profitability.



multifi's finance solution played a crucial role in the ongoing success of the company, facilitating growth and exceptional customer service. By addressing working capital needs and optimizing the supply chain, the company is well-positioned for continued expansion and industry leadership.

How multifi helps Small and medium-sized businesses overcome challenges

multifi offers a range of benefits that can help small and medium-sized businesses overcome their challenges and achieve growth and success. Regardless of the industry, businesses leveraging multifi's business finance can experience the following advantages:

Strengthened cash flow

multifi provides businesses with access to revolving credit facilities, ensuring a steady cash flow to cover essential expenses such as supplier payments, maintenance, and emergency repairs. This improves financial stability and reduces the strain on cash flow management.

Enhanced efficiency

By having access to necessary funds, businesses can optimise their operations, streamline processes, and increase overall efficiency. This includes bringing critical steps in-house, reducing costs, and improving production processes.

Improved supply chain

multifi's financial support enables timely payments to suppliers, reducing strain on the supply chain and fostering strong vendor relationships. This results in smoother operations, reliable deliveries, and enhanced logistics.

Agility and adaptability

With readily available funds, businesses can respond swiftly to unforeseen breakdowns, emergencies, and market demands. This ability to adapt and act quickly helps minimize downtime and preserve the company's reputation for reliability.

Growth opportunities

By addressing working capital gaps and improving operational efficiency, businesses can seize growth opportunities and capitalise on new markets or product lines. This leads to increased profit margins, reinvestment in further business growth, and contributions to economic development.

By leveraging multifi's business finance solutions, small and medium-sized businesses can gain better financial control, focus on core operations, maximize profits, and adapt to evolving market demands. multifi's versatile and tailored approach to financing provides businesses with the necessary support to overcome their specific challenges and drive growth, ultimately contributing to their success and the overall economic progress of their respective industries and countries.

Results after using multifi

From the case studies provided there are clear results that customers can expect with multifi:

Financial stability:

Better control over cash flow. The revolving credit facilities ensure steady funds to cover essential expenses, minimising financial strain and providing stability for businesses.

Streamlined operations:

Unlocked efficiency and optimised production processes. By accessing necessary funds, critical steps can be brought in-house, reducing costs, and increasing overall operational efficiency.

Stronger supply chain:

Strengthened relationships with suppliers and foster a reliable supply chain. With improved cash flow, timely payments can be made, reducing strain on vendors, creating smoother operations and deliveries.

Swift Response to challenges:

Better preparation ahead of unexpected breakdowns and emergencies. multifi's readily available funds enable unforeseen issues to be addressed promptly, minimizing downtime and preserving a reputation for reliability.

Seize growth opportunities:

New growth prospects and expanded business. multifi's financial support helps address working capital gaps, capitalise on new markets or product lines, and increase profit margins.

Enhanced customer satisfaction:

Exceptional service for customers. With improved efficiency and faster response times, urgent requirements can be met with shortened lead times, and enhanced customer satisfaction and loyalty.

Competitive advantage:

Keeping businesses at the forefront of industry. By optimizing supply chains, streamlining operations, and having access to flexible financing, businesses have a competitive edge and the agility to adapt to changing market demands.

Sustainable growth:

Maintain business success and achieve long-term growth. multifi's tailored financing solutions provide the necessary support to address working capital needs, optimise operations, and position businesses for continued expansion and industry leadership.

Customers can anticipate achieving these outcomes and more through the utilisation of multifi's business finance solutions. multifi comprehends the distinctive obstacles encountered by small and medium-sized businesses and offers the necessary financial assistance to surmount them. Multifi propels businesses towards advancement, optimised profitability, and makes substantial contributions to industry's expansion and overall economic development.

Conclusion



The multifi platform services and benefits

In conclusion, the multifi platform offers small and medium-sized businesses easy access to business finance.

Customers can see instantly how much credit they can access.

- Fixed fees and rates avoid confusion and offer a reliable finance solution.
- Streamlined processes offer fast access to credit.
- A user-friendly system allows payments to be made promptly.
- Revolving credit offers a flexible and sustainable solution.

With multifi, businesses gain access to revolving credit facilities, ensuring steady cash flow and financial stability. This enables them to optimize operations, strengthen supply chains, and respond swiftly to challenges.

By addressing working capital gaps, businesses can seize growth opportunities, increase profitability, and contribute to economic progress. multifi's tailored financing solution provides the necessary support for businesses to overcome their unique challenges and achieve sustainable growth. With multifi, businesses can drive success, enhance efficiency, and position themselves as leaders in their respective industries.

The screenshot shows a mobile app interface for multifi. At the top is the multifi logo. Below it is a header 'Indicative credit limit'. The main content area is titled 'Step 2 of 2' and 'Credit limit LOINKMENT LIMITED'. It displays 'Indicative credit limit' followed by 'Based on the information provided we estimate that we can provide the following credit limit: £200,000'. There is a link for 'More details'. Below this, it lists terms: 'Make payments direct to payees and repay within 120 days.', 'Credit limit access fee: 0.3% per month.', 'Interest rate applied to borrowed funds: 1.99% per 30 days.', and 'Credit limit reinstated upon repayment.' The section 'How would you like to proceed?' has three radio button options: 'Apply', 'No thanks', and 'Arrange a call with one of our experts'. At the bottom, a note states: 'We estimate that 94% of all applicants at this stage are offered their indicative credit limit following a full credit check. We aim to confirm this within 24 hours.'

Future outlook for small and medium-sized businesses using the platform

The future outlook for small and medium-sized businesses utilizing the multifi platform is highly promising. As businesses continue to face evolving challenges and navigate a rapidly changing business landscape, multifi's personalised credit limits will play a pivotal role in their success.

By leveraging multifi's platform, small and medium-sized businesses can expect enhanced financial control, improved operational efficiency, and increased resilience. The ability to access revolving credit will provide a steady cash flow, enabling businesses to overcome working capital gaps and meet their financial obligations promptly.

multifi's support will empower businesses to adapt and seize growth opportunities in their industries. By optimizing supply chains, streamlining operations, and capitalising on new markets or product lines, businesses can position themselves as industry leaders and drive sustainable growth.

With multifi's focus on 'taking the faff out of finance', small and medium-sized businesses can look forward to continued innovation and flexibility. multifi will continue to evolve and expand its offerings, ensuring that businesses have the necessary tools to thrive in an ever-changing business landscape.

Businesses using the platform can expect increased financial stability, operational efficiency, and growth potential. multifi will remain a trusted partner, supporting businesses as they navigate challenges, adapt to market dynamics, and achieve long-term success.



With multifi's focus on 'taking the faff out of finance', small and medium-sized businesses can look forward to continued innovation and flexibility. multifi will continue to evolve and expand its offerings, ensuring that businesses have the necessary tools to thrive in an ever-changing business landscape.

Taking the faff out of finance



Finance shouldn't be an F-word for small and medium-sized businesses in the UK.

Many of these businesses struggle to access the credit they need to grow and thrive, hindering their potential and contributing to high closure rates. Recognising this challenge, multifi aims to revolutionise business finance by offering an accessible and streamlined solution.

Through multifi's online platform, SMEs can quickly determine their eligibility for up to £200,000 in credit. Once approved, they gain unlimited payment capabilities within their credit limit. With

competitive rates and a user-friendly experience, multifi simplifies the financing process for SMEs across sectors such as e-commerce, retail, manufacturing, and distribution.

This white paper showcases how multifi's business finance platform can help small and medium-sized businesses overcome financial challenges and unlock their full potential. Through case studies and data analysis, the benefits of the platform are highlighted, demonstrating the role that fintech companies like multifi can play in supporting small business growth and success in the UK.

As the fintech market matures, platforms like multifi will play a crucial role in providing small and medium-sized businesses with the necessary funding and core functionality. Businesses are encouraged not to miss out on the opportunity to improve their cash flow and unlock their full potential with multifi.

In conclusion, multifi's business finance platform offers small and medium-sized businesses the opportunity to overcome financial challenges, access the credit they need, and drive their growth and success in the competitive business landscape.

Contact



For commercial and partner opportunities,
please contact:



Sunil Dial

Head of Commercial
sunil.dial@kactus-tech.com

For press, media and marketing opportunities,
please contact:

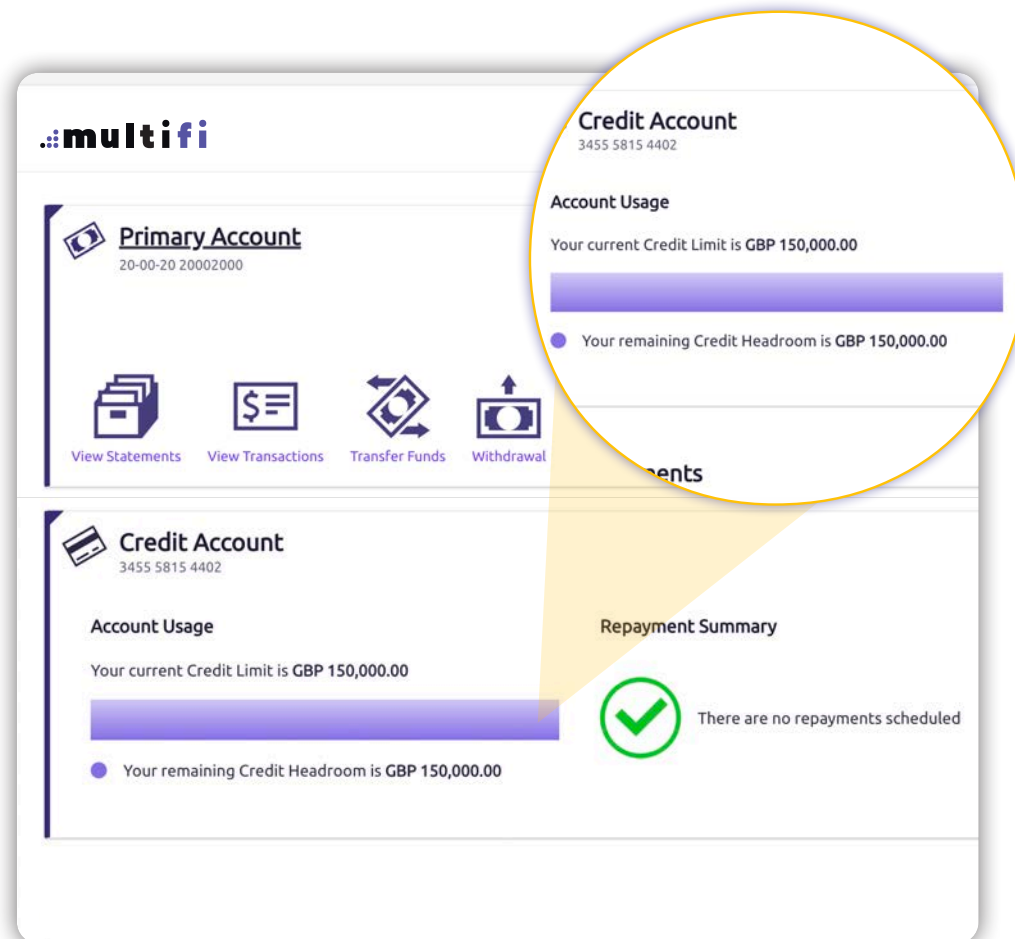


Kris Makuch

Head of Marketing and
Communications
kris.makuch@kactus-tech.com



multifi.co.uk
multifi



References



1. [https://www.gov.uk/government/statistics/business-population-estimates-2022/business-population-estimates-for-the-uk-and-regions-2022-statistical-release-html#:~:text=SMEs%20\(small%20and%20medium%2Dsize,4.1%20million%20had%20no%20employees](https://www.gov.uk/government/statistics/business-population-estimates-2022/business-population-estimates-for-the-uk-and-regions-2022-statistical-release-html#:~:text=SMEs%20(small%20and%20medium%2Dsize,4.1%20million%20had%20no%20employees)
2. <https://www.gov.uk/government/statistics/business-population-estimates-2022/business-population-estimates-for-the-uk-and-regions-2022-statistical-release-html#:~:text=the%20SME%20share%20of%20total,28%20of%20the%20detailed%20tables>
3. <https://www.ons.gov.uk/businessindustryandtrade/changetobusiness/businessbirthsdeathsandsurvivalrates#:~:text=Business%20demography%2C%20UK%3A%202020&text=The%20number%20of%20UK%20business%20deaths%20decreased%20from%20324%2C000%20to,and%20death%20rate%20at%2012.1%25>
4. <https://preferredcfo.com/cash-flow-reason-small-businesses-fail/>
5. <https://www.altfi.com/research/alternative-lending-during-a-downturn-strategic-insights-from-b2b-lenders-less-than-coming-soon>
6. <https://www.accountancytoday.co.uk/2023/02/09/22-of-smes-have-no-cash-flow-projection-study-finds/>
7. <https://www.fsb.org.uk/static/517120db-2555-473f-a6ceb5c661d569fb/Time-to-Act.pdf>
8. <https://www.fsb.org.uk/resources-page/stop-late-payments-save-50-000-small-businesses.html>