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PRESS RELEASE

Lloyds Bank partners with Satago to reinvent invoice financing for UK SMEs

- *Satago powers first end-to-end digital Single Invoice Finance and Whole-Book Invoice Factoring solution on a single platform offered by a UK bank*
- *Lloyds Banking Group* announces £5m investment with UK fintech to help British businesses get paid quicker*

London, UK - 9 March 2022: Satago, the cash management platform that provides automated credit control, risk management and invoice finance to SMEs and accountants, today announces that it has partnered with Lloyds Bank to transform access to short-term finance for its business customers across the UK.

The agreement builds on the existing partnership, extending the use of Satago's technology to help Lloyds Bank customers get access to cash against invoices due. It will power a single unified solution for customers of all sizes and facility requirements that dramatically improves the client's user experience while minimising risk exposure and cost to serve.

To reflect the strengthening of the partnership, Lloyds Banking Group has also invested £5m in the UK fintech in exchange for a 20% equity stake, which demonstrates its ongoing commitment to reinventing existing invoice financing practices and delivering the best possible outcomes for its SME customers.

Recent research has revealed that five out of ten (54%) firms that have seen a change in customer payment time since the start of the pandemic have experienced slower payments**, with debtors most commonly citing overdue payments from their own customers and cashflow pressures as their reasons for paying late.

Satago pioneered the use of intelligent technology to simplify SME finance, digitising invoice factoring for businesses of all sizes. Its platform provides SMEs with cashflow management tools which not only free up time and create efficiencies, but also allow them to unlock value from their accounting assets, which can be invested in growing their businesses and pivoting in response to market challenges.

Gwynne Master, Managing Director, Working Capital, Lloyds Bank Commercial Banking, said: "Our partnership with Satago goes beyond a supplier-buyer relationship. The equity stake we have taken in the business underscores our commitment to deliver best-in-class, future-focused solutions for UK businesses by partnering with a market leading provider with proven capability."

"Our new platform enhances both the choices and the speed at which finance solutions will be offered to small and medium sized businesses. We are leveraging the advanced technology of Satago's platform to digitally match businesses needs and solutions for either Single- or Whole-Book Invoice Factoring to produce tailored customer-centric outcomes, quickly.



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“Most important, the solution gives more businesses better control of their cashflow. We can now make it easier for customers to identify their invoices that can be financed, reduce payment times, and simplify end-to-end processes. Businesses are now able to focus on running their day-to-day business and grow, rather than chase payments.”

Quick and easy access to funding is critical to the ability of every business to innovate and sustain their operations. Historically, SMEs have struggled to maintain cashflow while tied into long-term lending agreements, leaving them vulnerable to rapid changes in the market and reliant on challenging debt to remain operational.

Satago's invoice financing platform leverages open banking APIs to give SMEs flexibility and speed they need from lending and bring the transparency of personal finance to their business banking. Lloyds Bank Commercial Banking customers will benefit from real-time insights into which companies pay their invoices on time, and a suite of tools including automated invoices, reminders, payment requests and integrated credit reporting to help them track their finances and outstanding payments.

Sinead McHale, Chief Executive Officer of Satago, comments: “The last two years have been hugely difficult for businesses everywhere to navigate. Across the country we've seen countless examples of SMEs that have had to innovate and pivot quickly to maintain their critical role in the economy, all while chasing late payments and challenging debts.

“That's why we are extremely excited to partner with Lloyds Banking Group to bring invoice financing into the 21st century. It's a market that has changed very little in decades, so we're delighted that Lloyds shares our vision to make it available to all UK businesses regardless of size or sector. Lloyds' investment in our company is testament to the ability of our intelligent technology, and our innovative use of data, to put SMEs across the UK back in control of their own finances and bounce back stronger.”

The final terms of the commercial agreement are subject to negotiation.

Case Study:

- **Controlled Space** is an SME business based in Leeds. They hold SIA, an approved contractor scheme status for the provision of Door Supervision, Security Guarding, CCTV and Close Protection services. Controlled Space provide staff across all sectors from corporate events to music festivals.
- Before Single Invoice Finance, the company was using a whole-book invoice finance solution. While only occasionally drawing funds, the company was paying monthly minimum charges. Single Invoice Finance offered them flexibility with access to a facility, only drawing on it when they needed, and saving them money.
- What Controlled Space likes most about the facility is the flexibility. This gives the company peace of mind knowing they can access funds quickly and simply when they need to. And it doesn't cost them when they don't.

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About Satago

Satago is an invoice finance, credit control and risk insight platform that helps businesses get paid on time. It pioneered the use of intelligent technology to simplify SME finance, initially with its single invoice finance



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offering and now its whole ledger solutions, which significantly improve a client's user experience while minimising risk exposure and cost to serve.

The company is an accredited partner with players in the accountancy and cloud accounting software sectors. You can find out more by visiting: www.satago.com.

ABOUT LLOYDS BANKING GROUP

- *Lloyds Bank is part of Lloyds Banking Group
 - Lloyds Banking Group is a leading UK based financial services group providing a wide range of banking and financial services, focused on personal and commercial customers
 - Lloyds Banking Group helps businesses from all parts of the UK, and across all different sectors and sizes, giving them the funding and support they need to grow both at home and abroad
 - Lloyds Banking Group provided over £31bn of business lending in 2020, including £13bn of government-backed loans to support customers through the pandemic
 - Lloyds Banking Group remains committed to helping our customers with their lending needs and typically approve 9 out of 10 applications
 - Lloyds Banking Group is also helping British businesses grow back greener and have committed £5bn in green financing
 - Lloyds Banking Group was awarded **Fast Payer Accreditation** status for 2021 by Good Business Pays as one of only 125 out of 5000 UK companies that are covered by the Government's Duty-to-Report Regulations so achieving the award puts the Group in the very top bracket of 2.5%.
- **The Business Barometer results provide early signals about UK economic trends. The survey started in January 2002 and research is carried out monthly on behalf of Lloyds Bank by BVA BDRC.

This survey was conducted with 1,200 companies – including 239 manufacturers – between the 26th November and 10th of December 2021.

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