

IWOCA: ACTON AND COMMERZVENTURES LEAD \$20M EQUITY INVESTMENT INTO THE FINTECH LENDER AS PART OF A SERIES B FUNDING ROUND.

London, July 30th; iwoca, one of the fastest growing SME lending platforms in Europe, has today announced a \$20m Series B equity financing round. The round was led by Acton Capital Partners, the specialist German venture capital firm, and CommerzVentures, the corporate venture capital subsidiary of Commerzbank. Redline Capital and other existing investors also participated.

The Series B investment will be used to support the rapid expansion of iwoca's UK operations, further enlarge its footprint across Europe and accelerate the ongoing development of its tech-driven business lending platform.

Christoph Rieche, co-founder and CEO of iwoca, said, "We're aiming to offer a flexible finance option to all of Europe's twenty million small businesses. Raising investment from Acton and CommerzVentures is a vote of confidence in iwoca and a sign of the growing interest not only of financial investors but also of leading banks in alternative fintech lenders. This will be crucial to increasing access to credit and supporting growth amongst European SMEs."

iwoca achieved over 250% year-on-year growth in loan issuance in the twelve months to June 2015, demonstrating that alternative lenders represent a key lever for economic growth as traditional banks have struggled to meet the funding gap. The alternative finance market in the UK is expected to jump to \$7bn in 2015 up from \$2.5bn in 2014¹.

iwoca operates across four European markets: UK, Germany, Poland and Spain and this investment round will allow the company to issue an additional \$150m of loans to new and existing customers, supporting the growth of thousands of SMEs across Europe. As part of the investment round Frank Seehaus, Managing Partner at Acton, will be joining the board as a non-executive director. He said: "We are impressed by iwoca's technology platform which has the power to fundamentally disrupt the SME finance market. With their European reach and strong execution capabilities, iwoca are set to become the European market leader."

Patrick Meisberger, Managing Director at CommerzVentures, said, "Digital disruption is transforming the banking landscape. We respond to these changes by investing in players who offer visionary and game changing solutions."

"iwoca's cutting-edge technology provides a scalable way to understand and lend to small businesses, and is therefore a very attractive business model. With its impressive track record, we are convinced the company is set to show extraordinary growth," he added.

Alastair Cookson, Partner at Redline Capital, said: "Since our initial investment iwoca has performed strongly, successfully expanding to Europe. We are excited to be joined by Acton and CommerzVentures and believe that iwoca's differentiated technology will enable the company to seize this sizeable market opportunity."

iwoca has developed a leading proprietary risk model that assesses businesses based on real-time performance data obtained from integrations with high-street banks, online business platforms such as Amazon, eBay, PayPal, and Sage Pay and a spectrum of other sources including company financials and personal and business credit reports. iwoca's technology allows the company to assess, approve and fund credit facilities of up to \$150,000 within hours.

¹ Understanding Alternative Finance. 2014. Cambridge University & Nesta:
<https://www.nesta.org.uk/sites/default/files/understanding-alternative-finance-2014.pdf>