

Codat Limited - £5M Grant

Key Achievement to Date

- Codat's platform has been used by banks, alternative lenders, insurers, payments/point of sale providers, cash flow forecasting tools and many more to accelerate development of new and improved integrated products for SMEs.
- Codat has increased the proportion of UK SMEs covered, the variety of use cases supported, and the number of financial services providers using our platform.
- Codat's platform now enables financial products to integrate with Xero, Quickbooks Online, Quickbooks Desktop, Sage Business Cloud, Sage 50, Kashflow, FreeAgent, Freshbooks, Clearbooks, Exact, Wave and Zoho Books all via a single, developer friendly API.
- Codat successfully ran the first iterations of our Enablement and Access programmes, and we are pleased to report that a number of participants have gone on to offer native accounting integrations as a permanent feature, particularly to accelerate access to finance.
- We continue to track ahead of target for commitments 4, 5 and 7 which will ultimately measure the value delivered to UK SMEs with CIF funding.
- Codat's CIF funded development has taken on greater significance in the wake of COVID-19. We have leveraged development already completed to build and deliver a solution for the Coronavirus Business Interruption Loan Scheme (CBILS) and Bounce Back Loan Scheme (BBLS) which has been deployed by UK Tier 1 & 2 lenders. Codat was pleased to enable c.£1bn of funding applications with 100% uptime on day 1 of the BBLS and has enabled c.£9bn of funding applications across all schemes to date, demonstrating the value of scalable data infrastructure to avoid some of the well publicised challenges other lenders experienced in the early weeks of CBILS and BBLS.

Assessment Period 3 (January 1st, 2020 – March 31st, 2020)

Commitment 1

To accelerate the development for two of Codat's existing product modules:

- **Achieve push and pull capability of all available data types for currently supported accounting packages in Codat Core, and 5 further accounting packages used by UK SMEs which are not currently supported (within 12 months of award). Codat Core is a single, developer-friendly API allowing providers of SME financial services to exchange data with their SME customers' accounting packages. Codat Core handles end user authorisation/authentication, standardisation of data into a single format, and synchronisation of data on an ongoing basis.**
- **Addition of 3 major e-commerce platforms as data sources in Codat Commerce Sync (within 18 months of award). Codat Commerce Sync is a module for POS and eCommerce solution providers to sync their SME customer's sales and payment data to their accounting software.**

We are on track to deliver this commitment.

We have delivered two new accounting integrations and one new commerce integration in Q1 2020.

We have continued to expand our engineering teams and make strong progress with supporting additional data types that benefit SMEs. As an example, the team are currently working towards enabling an SME to share Trial Balances from their accounting system and we are collaborating with software providers who plan to build this connectivity into their products. This will save time on year-end and tax processes for the many thousands of SMEs which they currently serve.

Commitment 2

To implement a new Codat FinTech Access Programme, enabling 12 FinTech providers at a time to develop new SME products (including banking, lending, payments, insurance and other financial services) from initial concept to Minimum Viable Product using the Codat Core platform for six months, with full support, free of charge (initiated immediately, first cohort of 12 in the programme within 6 months of award).

We are on track to deliver this commitment.

The first nine months of the Fintech Access Programme has been a success with a good level of interest in the programme. We look forward to seeing some of the participants going to market with their SME facing products in the latter half of 2020.

Commitment 3

To implement a new Codat Enablement Programme, enabling 12 UK non-Tier 1 SME lenders at a time to conduct testing and refinement of new SME products using the Codat Core platform, with full technical and client enablement support, free of charge (initiated immediately, first cohort of 12 in the programme within 9 months of award).

We are on track to deliver this commitment.

The Enablement Programme has taken on greater significance in the wake of COVID-19. SMEs currently have acute funding requirements which are being delayed by the inability of lenders to process unprecedented application volumes, and get access to the required up-to-date financial data to approve loans. The Codat Enablement Programme helps to solve this problem by enabling lenders to deploy digital application journeys including the collection of complete and up-to-date accounting data. We took the decision to go further by building a loan application solution based on the UK Government backed 'Coronavirus Business Interruption Loan Scheme' (CBILS) to help lenders instantly deploy a digital application journey. Our solution includes all CBILS loan criteria, Companies House integration and accounting software integration using the Codat Core API. We are supporting as many tier 2 and 3 lenders as possible with this solution. We have additionally already deployed this solution for a UK Tier 1 bank in order to assist the greatest possible number of UK SMEs. Overall we continue to support a variety of lenders both inside and outside of the CBILS programme through this commitment, both with the Codat Portal and with a purpose built solution in response to COVID-19. In doing so we are delivering beyond our original commitment in this area and will continue to assist as many UK SME lenders as we can.

Commitment 4

To enable, through commitments 1-3, no fewer than 20 new SME lending products or services which use real-time accounting integrations to improve user experience and reduce funding time for UK SMEs to reach the market within 36 months. To include no fewer than:

- **5 non-Tier 1 UK banks**
- **15 UK non-bank alternative lenders**

We are on track to deliver this commitment.

Commitment 5

To enable, through commitments 1-3, no fewer than 10 non-lending SME FinTech products and services use realtime accounting integrations to improve SME user experiences to reach the market within 36 months. To include no fewer than:

- **2x SME insurance providers**
- **2x FX Solution providers**
- **3x EPOS or Payment providers**
- **3x cash flow forecasting or business management software providers.**

We are on track to deliver this commitment.

Commitment 6

To develop and launch an SME facing consent management portal for SMEs to view and control data sharing permissions linked to their accounting platform (within 18 months of award).

We are on track to deliver this commitment.

Commitment 7

To enable a minimum of 100,000 UK SMEs to benefit from new integrated products and services developed on the Codat platform (within 36 months of award).

We are on track to deliver this commitment.

This metric measures the actual number of SMEs benefiting from products and services that use Codat. The first nine months has seen us tracking comfortably ahead of this target. The recent acceleration in platform usage driven by SMEs applying for funding has further increased the rate of growth. We remain confident of reaching 100,000 connections ahead of target and going on to significantly over deliver on this success metric.