

Form3 Ltd - £5M Award

CIF Key Achievements to Date

- Several leading Financial Institution customers are now live with our domestic payments processing for Faster Payments, Bacs and SEPA. This is providing direct benefit to tens of thousands of SME customers in the UK. Feedback from SMEs, Financial Institutions and accountancy firms confirm they are delighted with the new capability, level of service and speed at which accounts can now be opened in a fully automated way and payments can be processed instantly. These experiences are being shared in our series of public podcasts and interviews.
- Extending the current success, we are now rolling out advanced features for International Payments with FX services to support SMEs with Export and Import. Early adopter Financial Institutions have made commitments for these services and project delivery is in progress.
- Sharing our experience with the community, championing the needs of SMEs and encouraging positive change for SMEs, we have launched a number of online initiatives to act as a catalyst to the bettering of the SME community in UK and Europe:
 - o Podcasts (6 episodes under the banner of “Future of Banking”; 3 episodes of “Pioneering Payments”; 4 episodes of Money2020’s MoneyPot)
 - o Fireside Online Chats with Service Providers to SME community in UK (with emphasis on those who provides financial services to aide international trade)

Assessment Period 5 (July 1st, 2020 – September 30th, 2020)

Commitment 1:

We will Build the first API global transaction platform for UK SMEs, to be distributed through FIs, with functionality for the following services and to the following timescales:

Q1 2020: Commence pilot for Forex and Hedging services

Q2 2020: Commence providing multi-country Domestic Payment services

Q3 2020: Live Payments and Forex, and Currency Account services

Q4 2020: Live Fixed Forward services

Q1 2021: Live Window Forward services

Q2 2021: Live Trade Finance services

We have met the timescales for Q1 and Q2 2020 as planned. However, releases from Q3 2020 onwards are likely to be delayed by some 4 months, as a result of having updated our build plans to align with customer timelines, and having decided to invest in an end to end test environment.

Commitment 2:

These services will be available to UK SMEs on a much more flexible basis and at substantially lower costs than what is currently available to them. We will monitor the adoption of these services by tracking volume and value of payments, FX spot and FX Forward transactions processed.

The Pilot and Q2 2020 releases to date are consistent with this commitment.

Commitment 3:

Form3 will provide £6.6m of its own funds in order to accelerate the product Build, speed of roll-out of services and the achievement of benefits to UK SMEs.

We confirm that Form3 will provide £6.6m of its own funds to support product Build, speed of roll-out and the achievement of benefits to UK SMEs.

Commitment 4:**Original commitment:**

Sales & Marketing resources (19 Executives) will be committed from Q3 2019, following the award in order to rapidly educate the market and prepare FIs in advance of service go-live

Updated commitment:

A Form3 Sales & Marketing team has been established and will grow to 7 executives by 2020. The dedicated team will be complemented by a Form3 general sales team (currently 10 strong and growing) and an Ebury sales team. Funds not deployed against the sales team build out will be allocated to technology delivery by June 2020.

Form3 continues to resource the project with the required Sales team, albeit currently in an online-only environment, and thus currently have 6 dedicated FTE equivalent running the Sales & Marketing function for this project, supported by the Form3 general sales team.

Commitments 5 and 6:

We commit to offering the services provided through at least 5, 13 and 23 FIs by year-end 2021, 2022 and 2023 respectively.

The services offered will be available to at least 150,000, 390,000 and 690,000 UK SMEs by year-end 2021, 2022 and 2023, respectively.

We see the impact of Covid both in terms of its direct impact on SMEs, and also as an inhibiting factor with respect to FI investment. This is affecting our pipeline currently, however we have a Pilot FI with an existing customer base of some 3,000 UK SMEs, and our wider FI pipeline extends to some 80,000 UK SMEs.

Commitment 7:

We commit to providing fully transparent reporting to the Independent Body against these commitments on a quarterly basis.

We value the open dialogue with the Independent Body, and remain committed to providing fully transparent reporting.