

Previs Ltd – £2.5m Award

Key Achievements to Date

- Since receiving the BCR grant we have continued our focus on building the foundations and infrastructure that will enable us to scale the commercialisation of InstantFinance AI technology while driving a national campaign supported by FSB and others to encourage corporates to unlock affordable SME finance with their data.
- We have launched an additional InstantFinance programme with a large international Healthcare provider, making affordable and competitive working capital finance available to thousands more UK SMEs and we have a strong pipeline of new programmes which is expected to result in further go-live announcements throughout 2021.
- Significant work has been accomplished on the planning and execution of the pre-launch phase of the Good Business Pays movement, which has been syndicating with a wide range of stakeholders such as the Small Business Commissioner, BEIS, other interest groups and high-profile individuals.
- We have completed development of our Good Business Pays microsite including the corporate payment profile & survey functionality and this will be released widely in conjunction with the national media campaign commencing in Q2.
- We have delivered key parts of our 3rd party services & integration framework, evaluation & orchestration engines (all ahead of plan).
- Our first corporate ERP plug-in (SAP) has been delivered ahead of schedule and development partners have been selected for the next corporate and SME ERP plug-ins.
- Our new platform InstantView has now been released, including new features: Select & Pulse, that allow SMEs to take more control over their payments. SMEs can now avail of a buyer supported risk-free trial making it even easier to get paid instantly.
- Significant progress has been made on our plans to enhance the fraud detection and prevention aspects of our technology - the advanced outlier detection algorithm for suspicious invoices has now been integrated into InstantFinance. Further work in this area will be delivered throughout 2021.

Assessment Period 2 (December 1st, 2020 – February 28th, 2021)

COMMITMENT 1 – We will increase the availability of InstantFinance products to 50,000 SMEs who trade with large corporates by December 2022

1. **InstantFinance products will be made available to SMEs of all sizes.**
2. **The pricing of InstantFinance products will be equal to or better than overdraft pricing and will be significantly better than invoice finance products.**

We are on track to meet this commitment.

We are pleased to announce the launch of another InstantFinance programme with a large international Healthcare provider in the last reporting period, making affordable and competitive working capital finance available to thousands more UK SMEs.

We have a strong pipeline of new programmes which is expected to result in further go-live announcements in Q2 2021.

COMMITMENT 2 – We will lend £100m+ to SMEs by December 2022

1. **By December 2022 we will have built an InstantFinance-enabled outstanding lending book to SMEs of £100m+, providing funding for over £1bn in SME orders and invoices per annum.**

Despite the current external market forces, which are impacting the short term delivery of this commitment, our pipeline of new business activity gives us confidence and we remain on track to achieve the overall programme goals and objectives by the end of 2022.

Now that we have a firmer date for the wider economy to reopen it is likely to drive increased working capital demands by UK SME's

The launch of our Good Business Pays movement in Q2 has been received well in the pre-launch phase and is expected to drive further traction.

COMMITMENT 3 – We will invest in the scalability, accessibility and usability of data-driven financing products for UK SMEs

- 1. The most common UK bookkeeping services will be integrated to enhance data analysis by June 2021.**
- 2. We will create standardised ERP data extraction plugins for the 5 most common corporate ERP systems to minimise the cost of connecting corporate data sources, the first will be released in January 2021 with the other 4 launching every 3 months thereafter.**
- 3. Automated onboarding and improved usability for SMEs through a new portal and reconciliation tools will be available to users within 9 months from receipt of grant.**

We are on track to meet these commitments and all deliverables are on or ahead of plan.

- 1) We are ahead of plan with the 3rd party services & data integration framework, evaluation & orchestration engine development.
- 2) We are on track to deliver on our commitment to integrate with the most common UK bookkeeping services by May 2021.
- 3) We delivered our first corporate ERP plug-in, ahead of target. Work has started on the next corporate and SME ERP plug-ins.
- 4) We have released the SME portal, InstantView with new Select & Pulse features that allow SMEs to take more control over their payments.

COMMITMENT 4 – We will engage and work with the FSB and other 3rd parties to empower SME to corporate trade through technology and data by December 2022

- 1. We will launch a SmartData program with the FSB and their 300k active SME members by February 2021.**
- 2. This program will leverage SME banking and bookkeeping data, as well as public and private data to empower SMEs to better negotiate, track, manage and optimise the financing of their trade with larger corporates. We forecast that 120k SMEs will be using this platform and data in their day to day financing operations by December 2022.**
- 3. The SmartData program will also vastly increase the type and depth of data available to improve underwriting and funding of SME trade (such as the InstantFinance products), by gaining support from at least 20 FTSE 350 (or equivalent) corporates to engage with their trading data by December 2022.**

We are on track to meet these commitments.

We have met our milestone to have the SmartData program live by Feb 2021. The initiative is now called the Good Business Pays movement and we are out in market directly engaging with SMEs, corporates, interest groups, departments within Government and high profile individuals with the aim of getting them to provide their support.

- 1) The FSB began steps to mobilise their field teams into engaging with their SME membership base and there is a program of activity due to go live in Q2.

- 2) Pre-launch branding and collateral assets have been created and are being used in the go-to-market activity.
- 3) The Good Business Pays portal is now live and makes the BEIS prompt payment reporting data on thousands of corporates available to SMEs.
- 4) As part of our commitment to vastly increase the breadth and depth of data available (to support improving the underwriting and funding of SME trade) we have to date, gained the support of 5 corporates to help us further our objectives.

COMMITMENT 5 – We will collaborate across the industry, for the benefit of SMEs

We will make our AI-powered InstantFinance technology available to all parties in the UK who wish to finance trade between SMEs and large corporates, including traditional banks, specialist trade finance providers, alternative lenders and FinTech entrants, delivering a connected and collaborative ecosystem by June 2021.

1. **All banks, non-traditional lenders and any other party who wishes to finance trade between SMEs and their large corporate customers in the UK will have access to InstantFinance services.**
2. **We commit that the pricing of our technology to third parties will not exceed the gross margin that we earn on our own use of the technology, so that pricing never inhibit the funding of SME trade.**
3. **We will partner with all interested parties, such as banks, FinTechs, bookkeeping providers, small business lobbying groups and Government groups to maximise awareness, engagement, understanding and adoption of InstantFinance for the benefit of SME.**

We are on track to meet these commitments.

A number of partnerships piloted in period 1 are now in preparation for wider roll out.

- 1) We have packaged the latest version on our technology to ensure ease of use by FIs & others
- 2) We have market tested our offering with two banks. We are working with one to add InstantFinance to their product portfolio and the other as a programme funder.
- 3) Pricing of our technology is as per our commitment, i.e. the gross margin does not exceed the gross margin that we earn going direct to the market.
- 4) We have numerous conversations underway with other fintech's, providers of small business services, interest groups and government departments which are exploring partnership opportunities.

COMMITMENT 6 – Co-investment

The £2.5m of BCR funds will be matched with £2.5m of Previsé funds.

We are on track to meet this commitment.

We continue to honour our commitment to matching the BCR funding with £2.5 million of Previsé funds and to date have spent £334,306 of matching funds in line with our business plan.

COMMITMENT 7 – We will continue to be a positive impact employer, supporting the regions and embracing inclusion and diversity in all its forms

1. **We commit to hiring 12 additional high-quality staff in the UK over the next 2 years.**
2. **We will continue our commitment to the North, maintaining our data science and software engineering centre in Scotland.**
3. **We will continue our over-representation of minorities in our work-force, including based on socio-economic background, education level, age, gender, ethnicity, religion, disability, sexual orientation and national origin.**

4. We will continue to play a leading role in the broader debate on the impact of Artificial Intelligence on society and promote AI for good.

Previsе remains fully aligned to the stated commitments and we are on track to meet them. Some specific updates are below

- 1) Since receiving the BCR award we have recruited 5 new team members as part of our overall commitment of 12 by the end of 2022.
- 2) We continue to invest in our team in Scotland and since September we have added 1 additional team member to our engineering team who is based in Scotland.
- 3) We positively promote diversity and equality of opportunity at all times and this is a key part of Previsе's core values. We celebrate multiple approaches and points of view and we believe diversity drives innovation.

Some specific targets we are striving towards are as follows -

By December 2021 at least 25% of our technology positions will be held by a female member of staff and 20% of our company board & advisors will be filled by individuals with a diverse or minority background.

We are very strong advocates of the exceptional benefits and opportunities that can be derived from Artificial Intelligence and it is one of the core foundations of our business.