

Previs Ltd – £2.5m Award

Key Achievements to Date

- 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.
- Good Business Pays - The movement was publicly launched during Reporting Period 3 and has achieved strong levels of engagement from the press and media alongside support from leading business interest groups such as the FSB, CBI, British Chambers of Commerce, Small Business Commissioner and the Small Business Minister Paul Scully.
- Corporates such as MasterCard and GoCardless have also come onboard as backers to the movement and hundreds of thousands of SMEs are now receiving information about the initiative, encouraging them to use the support and data available to manage their working capital more effectively via our Good Business Pays microsite.
- We have selected Codat to expand our SME ERP connectivity, user testing is planned in the coming months with further integration development planned for late 2021.
- SME portal - Usage data and user feedback has been gathered from InstantView, onboarding and remittance communications. We have incorporated this, and corporate data which has been enriched with 3rd party data to design new InstantView Select & Pulse features that will allow SMEs to take more control over their payments with smarter and more accessible finance options.
- Open market deployment - we have co-designed a reusable InstantFinance integration model with a Tier 1 trade finance bank that allows transactions to be booked into their existing systems while retaining the innovative ML-driven financing and automated reconciliation features on InstantFinance.
- 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.
- Fraud Detection and prevention- the advanced outlier detection algorithm for Suspicious Invoices has been integrated into InstantFinance.
- We have upgraded our infrastructure to improve security / selected a partner to support SOC2 certification, which will reduce barriers to adoption of InstantFinance by 3rd parties.

Assessment Period 3 (March 1st, 2021 – May 31st, 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 very pleased to report that a number of our programmes have agreed extensions to the original scope of the roll out allowing us to reach more suppliers in line with target and we are happy to report that our InstantFinance solutions are now available to over 2,800 SMEs.

We are in the process of adding a number of new corporate data sets that will extend the availability of InstantFinance solutions in line with expectations later this year.

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.**

We are on track to meet this commitment and remain confident in our business plan and ability to achieve the KPI targets.

Despite the current external market forces, which remain challenging, the increased availability of InstantFinance solutions has brought a step change in the number of SMEs utilising them to finance their working capital requirements and to date we have advanced just under £3,000,000 to SMEs through an InstantFinance underwritten product.

We expect this trajectory to continue through the next reporting period which will be helped further by the reopening of the wider economy.

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 on track with the 3rd party services & data integration framework, evaluation & orchestration engine development.
- 2) We have selected Codat to expand our SME ERP connectivity, related testing and integration work is on track.
- 3) Our first ERP plug-in was delivered in February, another is lined up to be delivered in June and the remaining 3 are on track to be delivered on time.
- 4) We are expanding and improving InstantView with new Select & Pulse features that will 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.

The Good Business Pays movement was publicly launched during Reporting Period 3 and has achieved strong levels of engagement from the press and media.

The initiative has drawn support from all of the leading business interest groups such as FSB, CBI, British Chambers of Commerce and Institute of Directors, along with the Small Business Commissioner and Small Business Minister Paul Scully.

Hundreds of thousands of SMEs are now receiving information about the initiative and encouraging them to use the support and data available to manage their working capital more effectively and we have to date just under 12,000 actively engaged users in the Good Business Pays movement.

The next phase of the launch is now live which is aimed at establishing the economic argument for providing access to corporate data that helps SMEs and engaging corporates in the discussion.

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 inhibits 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 range of partnerships have now been established and are supporting the programme of activity:

- FSB, CBI, IoD, British Chambers of Commerce, MakeUK, Creative Industries Federation are all supporting the Good Business Pays movement to drive better awareness in the market
- Mastercard and goCardless are participating as key progress enablers to bring technology that helps the delivery.
- Key enablers such as P2P solution providers are now engaged in partnership roll out activity to provide easier access to the solution for SMEs.
- We have co-designed a reusable InstantFinance integration model with a Tier 1 trade finance bank.

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 £696,336 of matching Previsé 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.**

Previsis 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 9 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.
- 3) We positively promote diversity and equality of opportunity at all times and this is a key part of Previsis'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.