

## Previs Ltd – £2.5m Award

### Key Achievements to Date

- Made significant progress with the Good Business Pays campaign experiencing very high levels of SME engagement with the number of users engaging and coming forward with their support growing to over 45,000.
- Seeing good traction with suppliers that have identified a current need and our InstantFinance solutions are now available to over 3,400 SMEs. Over £4,300,000 has been advanced to SMEs through an InstantFinance underwritten product.
- Developed and deployed a new autotrial feature that allows SMEs to try the early invoice payment service with minimal effort.
- Delivered another corporate ERP plug-in for Oracle.
- Upgraded infrastructure security for partner integrations to monitor for vulnerabilities and infosec policy adherence and, as a result, reducing barriers to adoption of InstantFinance by 3rd parties.
- Built a data-based tool to identify suspicious linkages between entities. Pairs of entities with a high degree of linkage are flagged for investigation.
- Developed a series of contract templates to maximise partner / funder flexibility and ease of deploying InstantFinance technology.

### Assessment Period 4 (June 1<sup>st</sup>, 2021 – August 31<sup>st</sup>, 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 seeing good traction with suppliers that have been identified as having a current need and this will have a good impact on the number of SMEs financing working capital using InstantFinance products in the next quarter.

We are happy to report that our InstantFinance solutions are now available to over 3,400 SMEs. These SMEs are reporting very strong satisfaction scores, with lots of anecdotal evidence collected on how InstantFinance services are a significant improvement on more traditional finance solutions.

A number of new partnerships are currently being progressed which we expect to extend availability via discrete channels later this year and into 2022.

Despite all of the success we have seen we have faced some challenges due to external market forces which has resulted in a slower than anticipated take up to date but we expect this to recover over the coming months.

#### **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 this.

Current external market forces remain challenging, but we are making good headway with targeted groups of businesses where their need for working capital financing does still exist.

To date we have advanced just over £4,300,000 to SMEs through an InstantFinance underwritten product and while this is significant, we acknowledge that it is trailing behind where we wanted to be at this point.

We will continue to adopt this strategy to increase the trajectory through the next reporting period and will be further helped by the economic activity that is now starting to emerge as we move into the pandemic recovery.

**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) Developed and deployed a new autotrial feature that allows SMEs to try the early invoice payment service with minimal effort.
- 2) Our 2nd corporate ERP plug-in for Oracle has been delivered on schedule and we have started work on the 3rd ERP.
- 3) Completed architecture design for CRM & reporting modules ahead of schedule.
- 4) Built a data-based tool to identify suspicious linkages between entities.
- 5) Developed a series of contract templates that are available to our partners to use as is or to customise as per their needs.

Overall as part of this commitment we have completed our integration to Codat to support access to the most common UK bookkeeping services and we have completed 2 (out of a total of 5) ERP integrations for Oracle and SAP - The remaining integrations will be completed as planned over the coming months. In addition we have completed the automated onboarding and portal development noted under this commitment.

**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 ahead of plan to meet these commitments.

Good Business Pays continues to attract very strong public attention and raise awareness of the factors that influence the need for working capital and the solutions that need to be in place to address them.

Tens of thousands of SMEs have been using the tools available to research the payment practices of their customers and manage their working capital.

In July the movement published research that showed that adoption of the solutions available would generate up to 460,000 extra jobs for the UK economy as a result of growth created by the SME sector.

Large corporates are now engaging in greater numbers and proactively looking for ways in which they can support. The audience reached by the public campaign stands at well over 1,000,000 and this has driven hundreds of businesses of all sizes to come forward with their support.

#### **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.

Our InstantFinance technology is now broadly available to anyone who wishes to avail of it meeting our commitments in this regard to make this fully available by June 2021. We are now actively engaging with lots of Buyers and Partners to broaden the number of SMEs who can take advantage of the benefits of InstantPay.

The partnership engagement has been instrumental in moving the initiative forwards and we now have over 20 engagements at different stages from those live, in market to the earlier evaluation stages.

Strong partnerships for InstantFinance solutions have been established with a number of the largest banks, P2P solution providers and other financial services organisations globally which have an extensive UK footprint.

The Good Business Pays movement continues to identify and exploit opportunities for collaboration with partners. Recent examples include roundtable events held by Good Business Pays which invited business leaders from the FTSE 350, and other partners, to explore how further working capital support can be extended to SMEs and joint initiatives with the 5 largest business interest groups.

#### **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 £980,584 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.**

Previsé 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 12 new team members as part of our overall commitment of 12 by the end of 2022 and have therefore successfully achieved this aspect of our commitment.
- 2) We continue to invest in our team in Scotland and since September we have added 2 additional team members to our engineering team.
- 3) We positively promote diversity and equality of opportunity at all times and this is a key part of Previsé'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.