

## Previsé Ltd – £2.5m Award

### Key Achievements to Date

- We continued to make very strong progress with the Good Business Pays campaign in Q1 2022 attracting a wide range of backers. To date over 57,000 businesses have used the online tools we have made available to improve transparency on payment practices.
- We continue to see strong traction with suppliers that have identified a current need and our InstantFinance solutions are now available to over 43,000 SMEs in excess of £10.5m advanced to date.
- Work has continued during Q1 2022 with a large global bank with a strong UK presence to deploy InstantFinance powered solutions to SMEs. An early Q2 launch is planned.
- The extensions to our capability and introduction of a direct marketing approach in Q1 2022 now mean that InstantFinance products should be comfortably available to at least double the number of SMEs originally committed to (100k+) by Dec '22.
- During Q1 2022 we conducted further validation of the open market deployment model with a global e-invoicing and trade finance platform. We expect to be able to report further progress on this in the coming months.

### Assessment Period 6 (December 1<sup>st</sup>, 2021 – February 28<sup>th</sup>, 2022)

#### **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.

New product and channel developments for InstantFinance lending solutions mean that the InstantFinance products should now comfortably be available to at least double the number of SMEs committed to (100k+) by Dec '22.

Additional partnerships due to launch in the coming months with corporates and banks which will further accelerate availability beyond the original commitment of 50,000.

Pricing of InstantFinance products remains broadly in line with overdraft pricing seen in the SME banking market and significantly better than invoice finance products. Upcoming partnerships in the coming months will further reduce pricing for SME users of InstantFinance powered products.

#### **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 currently not on track to meet this commitment. Multiple realistic scenarios exist where we will achieve this commitment by year end but due to success being reliant on the pace of third-party corporates and banks we are being conservative in our positioning.

We are highly confident that this commitment will be met in the first half of 2023.

#### **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.

Some highlights delivered over Q1 2022 are noted below -

1. We have completed our integration with Codat which provides us with the access to all of the most common UK bookkeeping services so this aspect of the commitment has been met.
2. We have successfully delivered 2 ERP integrations to date and by the end of 2022 we will deliver a further 4 integrations bringing the overall total to 6 which will exceed our original commitment.
3. We have met this aspect of the commitment. We completed a Proof of Concept for a data pipeline orchestration tool that enables InstantFinance data pipelines to be aligned with industry best practices used for other Previs developed services, a key infrastructure component to ensure the reliability, maintainability, and scalability of data integrations.

**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.

The Good Business Pays campaign received significant support over the period with NatWest becoming an official supporter and McDonalds, American Express and United Utilities amongst many other businesses raising awareness of the initiative with its customers.

The market activity delivered to support our new solution, with limited budget has reached 100k businesses and we are excited about the pipeline of planned activity in the next reporting period to extend this significantly further.

**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 ahead of plan to meet these commitments.

This is a key area of investment for Previsé and we have increased the number of partners involved by over 33% in the last reporting period. This collaboration is being done with banks and other traditional providers of finance such as invoice discounting, B2B networks like e-invoicing platforms and AP automation solutions, procurement management networks and payment providers.

#### **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 £1,538,830 of matching Previsé funds.

#### **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. We have exceeded the original target having recruited 19 new team members as of February 2022.**
- 2. We continue to invest in our team in Scotland.**
- 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.**