

Previs Ltd – £2.5m Award

Key Achievements to Date

- We continued to make very strong progress with the Good Business Pays campaign in Q2 2022. To date over 64,000 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 75,000 SMEs with more than £14.7m advanced to date.
- Work has continued during Q2 2022 with a large global bank (with a strong UK presence) to deploy InstantFinance powered solutions to UK SMEs. Due to internal delays within the bank this has lagged expectations – However we continue to experience strong engagement and we are expecting an initial launch in Q3 2022.
- With the launch of our new direct to market solution we have significantly increased the number of SMEs that our InstantFinance underwritten products are now available to. The activity delivered in Q2 2022 has been successful in generating £3,100,000 of qualified opportunities with further acceleration expected in Q3.
- We successfully completed our technical build for an Oracle Ariba data connector which further supports our goals of frictionless data extraction to minimise the costs of connecting corporate data sources.
- We have now signed an MoU with one of the largest global SME e-invoicing networks and we expect to deliver this by the end of 2022 / early 2023.

Assessment Period 7 (March 1st, 2022 – May 31st, 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 have exceeded this commitment with over 75,000 SMEs now able to access our solutions as we extend the roll out of new product developments to new customer segments.

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.

Our BCR commitments are a combination of those that are in Previs's control, and those that are out of our control and dependent on third party performance.

For this specific commitment it is behind target due to the macro and micro economic factors affecting SME working capital finance (WCF) demand. The same factors have resulted in delaying the engagement of third parties such as corporates and banks. For example government support for SMEs throughout the C19 crisis has fundamentally distorted SME working capital levels and persistent global supply chain issues have resulted in corporates having to continuously re-prioritise development projects. Banks in turn have started tightening their approach to strategic investments and delaying new product and investment decisions given the current levels of economic uncertainty.

We continue to experience significant interest in our InstantFinance technology and the value it brings and we expect to make further progress later in 2022 and have much higher confidence in being able to achieve this target in 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 have now met/delivered all aspects of 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 continue to make good progress towards this commitment.

The Good Business Pays campaign has strengthened its position as the leading movement championing better payment practices for SMEs, positively impacting their cash flow. Since the end of May 2022 we have launched a new part of the campaign, which has gathered support from over 15 business interest groups and corporates. This is the first time such an initiative has ever gathered this level of backing and is well timed given the current economic climate.

Our new partnerships have significantly increased the number of SMEs with connected data to our platform and the corporates engaged with trading data is expected to increase as we progress with our bank partner.

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.

The collaborative/partnership lead model is at the core of our business and now extends across over 50 banks/non-traditional lenders, technology platforms and 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 £1,943,754 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 all of which have now been met or exceeded.