

Codat Limited – £5m Award

Key Achievements to Date

- Codat's platform has been used by banks, alternative lenders, insurers, payments/point of sale providers, cash flow forecasting tools and many more to accelerate development of new and improved integrated products for SMEs.
- Codat has successfully built and launched the Sync for Commerce API to enable automatic reconciliation of sales transactions into the major UK accounting software providers. The product is now being used by 3 payment providers.
- Codat has successfully built and launched our new 'Assess' product which allows lenders to connect and derive insight from SMEs' sales data. It has already been used to evaluate more than 4,000 SMEs.

Assessment Period 4 (July 1st, 2022 – September 30st, 2022)

Original Commitment

Commitment 1: Offer automated payment reconciliation

Codat will build, test and release a new Sync API to enable the automatic synchronisation and reconciliation of transaction data from the payment service providers used by SMEs into their accounting platforms. We commit that new payment reconciliation products, powered by Codat, will enable at least 50,000 businesses to eliminate manual bookkeeping, reduce manual errors, streamline tax preparations, and build a high-quality financial data history within their accounting system (within 14 months of award).

Rationale for change:

The growth of connected companies has been slower than originally forecasted because of external factors impacting clients' implementation period. Therefore, we sought a 12-month amendment to the timeline to reach our SME target numbers

New Commitment

Commitment 1: Offer automated payment reconciliation

Codat will build, test and release a new Sync API to enable the automatic synchronisation and reconciliation of transaction data from the payment service providers used by SMEs into their accounting platforms. We commit that new payment reconciliation products, powered by Codat, will enable at least 50,000 businesses to eliminate manual bookkeeping, reduce manual errors, streamline tax preparations, and build a high-quality financial data history within their accounting system (within 26 months of award).

We are on track to meet this commitment. We have successfully built and launched our new Sync API and this is currently being implemented by 3 payment providers.

Commitment 2: Open up small business sales data for modern lending products

Codat will build, test and release a new Insights product to increase competition in the lending market, by enabling SMEs to leverage real-time sales transaction data to access revenue-based working capital solutions. We commit that this product will enable UK lenders to easily view and

interpret consented financial data from the sales tools used by more than 50% of UK SMEs without writing a line of code (within 14 months of award).

We are on track to meet this commitment. We have successfully built and launched our Assess product that allows lenders to connect and derive insights from SMEs' sales data. Over 4,000 SMEs have shared their commerce data via Codat since being awarded BCR Pool F funds.

Commitment 3: Co-investment

Codat will match the £5m CIF award with £5m of additional internal investment, doubling the total committed spend on scalable, reusable connectivity which will benefit SMEs.

We are on track to meet this commitment. We have now co-invested more than £3.4 million of our own funds, in line with our budgeted spend.

Commitment 4: Reporting

Codat will commit to full and transparent reporting to BCR Limited to enable clear tracking of our progress as we complete our Pool F commitments by the end of 2022.

We are on track to meet this commitment.