

Assessment Period 2 (October 1st, 2019 – December 31st, 2019)

Swoop Finance Limited - £5M Grant

COMMITMENT 1

Swoop is committed to supplementing the CIF award with an investment of £3.3m throughout the project.

Swoop has supplemented the CIF award at a ratio of £0.4 per £1 for the overall project investment for the current Assessment Period.

COMMITMENT 2

Swoop will further invest in its proprietary, cloud-based technology and API enabled platform to deliver a sophisticated all-in-one SME finance platform. This will include a fully integrated marketplace of lenders, grant agencies, equity investors and finance product providers. Where providers have APIs available, Swoop will integrate these into its platform to deliver real-time finance decisions to customers. Swoop will deliver this integrated marketplace by Q2 2020 and will continually add more finance provider APIs as they become available. This integrated marketplace will lead to increased demand and access to funding for SMEs. Swoop will onboard 540,000 SMEs (15% of the business current account market) with at least 270,000 SMEs applying for external finance generating £11.8 billion in financing secured for those SMEs by Q4 2023. Of these 270,000 SMEs:

- **40,000 will apply for grants and/or R&D Tax Credits through Swoop generating £942m in money awarded to over 6,000 SMEs.**
- **200,000 will apply for debt finance through Swoop generating £9.9 billion in debt finance secured.**
- **30,000 will apply for equity finance generating £1 billion in money raised for 3,000 SMEs.**

Swoop remains on track to deliver an integrated marketplace by Q2 2020 both from a technology and partnership perspective. We have successfully onboarded over 400 funders and are satisfied that we will meet all tech roadmap timelines with the exception of a delay of one quarter for the equity investment digital journey. Despite the significant progress Swoop faced a challenging environment in Q3 and Q4 of 2019 with regards to the external funding market. As reported across the industry, lenders strengthened criteria and overall lending declined. Similarly, investment volumes and values for Q4 2019 fell by 20% with grants being affected by SMEs experienced significant delays in R&D tax credit claims being processed by HMRC. We expect this challenging climate to remain in 2020 while uncertainty around the final EU trade position is negotiated.

COMMITMENT 3

Swoop will enhance its award-winning comparison and business intelligence tools to deliver AI based advisory features. Examples include monitoring spending habits and identifying the best providers based on usage; notifying customers when they can refinance to more favourable lending terms; automated reading of loan documentation; and real time monitoring of business performance against covenants. Expert help will be available whenever a customer needs support including virtual assistance, expert help on demand via video chat, and instant scheduling for an appointment with a specialist. Swoop will deliver these intelligent tools with the first feature release in Q2 2020.

Swoop is happy with the current timelines set out for this commitment with some early gains across its documentation reading development and real time notifications.

Swoop has built on its bank comparison switching tool to be able to specifically pull out and compare foreign payment charges and compare those transactions against alternative FX products in the market.

Swoop has partnered with Cerebreon Technologies to build a prototype to read PDF bank statements for character definition, so that users wishing not to integrate their BCA can still benefit from switching insights by uploading their bank statements into our tool.

Swoop finished its notification tool for customers to garner insights from their current financial products and services against alternative productive services.

COMMITMENT 4

Swoop will build digital features that are beautifully designed, and secure to use. SME customers will be able to move effortlessly between finance products and accounts to manage their finances on the go. Swoop understands that many SMEs wish to manage their finances through mobile applications as well as online, so to support this, it will launch its mobile applications in H1 2020.

Swoop has redesigned and repurposed its features and functionality into modular components, so that the current mobile experience has improved and to help support the mobile development roadmap. Swoop has started working on the UX/UI for its mobile development with a view to having a beta MVP ready for H1 2020.

COMMITMENT 5

Swoop will continue to work with all UK banks and CASS to deliver an end-to-end automated process for business current account opening to remove the hassle from BCA switching.

Swoop has added two new digital bank opening journeys into the platform.

Swoop has begun building an end to end digital switching and opening journey into a major UK bank. A large part of the initial work around this commitment is to help SMEs onboard quicker to partner banks and work with partner banks on how they want to receive data that they can use to help quicken the current process. We have engaged a broad range of partner banks to date and are confident we can work with those banks and CASS to be able to deliver a hassle free switching journey by Q3 2021.

COMMITMENT 6

Swoop commits to helping UK SMEs save over £4bn FX charges - mainly on market spread charged by banks. Swoop will end this practice by analysing the bespoke cost to SMEs of making international payments with their banks. We will compare bank rates received with independent provider rates in real time via API integration and identify the best value option for our customers. SMEs will be able to open and manage an independent FX account within Swoop and will be able to take advantage of currency trend notifications. Swoop will assist 270,000 SMEs to move their FX to an independent provider generating £1.62 billion in savings by Q4 2023.

A big driver in achieving our goal within the timelines set out is onboarding a broad range of providers within Swoop. We're happy that we have a healthy number of integrations in the backlog to release to give SMEs a varied choice of product and service.

Across the last quarter in 2019, Swoop has generated £218,000 in savings for 476 SMEs moving their FX from their business current account.

Swoop has continued to add new FX providers to its FX comparison tool and will look to introduce hedging in Q2 2020.

COMMITMENT 7

Swoop commits to helping SMEs reduce overdraft, unsecured loan rates, and bank fees by enabling SMEs to see the value of their account and easily switch away when rates are uncompetitive - overcharges are estimated at £650m pa. Swoop's virtual CFO will be continuously scanning the market for better rates and service and will automate switching for individual or all financial products.

- **Swoop will assist 135,000 SMEs to either switch their business current account with an overdraft to a new provider, or replace with a better value invoice finance facility, generating £158m in savings.**
- **Swoop will assist 162,000 SMEs to open additional accounts to perform particular functions such as fast payments and deposits generating £243m in savings.**
- **216,000 SMEs will switch their utilities provider through Swoop generating £222m in savings.**
- **108,000 SMEs will move their business insurance provider through Swoop generating £47m in savings for those SMEs. These savings will be achieved across all categories by Q4 2023.**

Swoop is on track to deliver their virtual CFO solution.

Swoop has seen SMEs generate £717,000 in savings for Swoop switching business current accounts since launching and has helped 476 SMEs save £400,000 moving their FX provider.

Swoop has started building its first end to end insurance automated journey and by the end of Q1 2020 will have this live. Swoop is progressing well with automated journeys across insurance, lending and deposits with releases ongoing throughout 2020 and 2021. We have experienced difficulties in developing a fully automated business utilities journey but have identified a new partner to be able to make this a reality for SMEs.

COMMITMENT 8

Swoop commits to reducing the funding disparity between London and the rest of the UK particularly for equity finance. Swoop will deliver access and SAAS workflows for customers to not only be matched to investors but to build quality investor documents.

Swoop has finished the design of its Swoop Funder Portal to help drive more equity investments in businesses outside of London. It will see this go live in Q2 2020.

Swoop has continued to onboard both regional funds and angel investors to bolster funding options across the UK.

Swoop has started developing its document workflow system for investors to manage deal flow through Swoop. We are expecting to release the product around 7 weeks behind schedule with a go live version in May/June 2020.

COMMITMENT 9

Swoop will continue expanding the breadth and depth of its market network with funding and service providers. Swoop will onboard at least 90% of UK funding providers by H2 2020. This will include investors registered with the EIS Association and the BVCA as well as the regional and sectoral funds supported by the British Business Bank. Swoop will onboard all government grant schemes as set out by gov.uk. Swoop will onboard all UK bank loan products and at least 90% of all alternative finance providers as set out by the Peer-to-Peer Finance Association.

We are happy with progress across this commitment and are confident of meeting the timelines set out in our application. Swoop has continued to add a wider set of products across funding and savings since engaging in the BCR project. Since July, Swoop has added 375 new funding providers across banks, alternative lending providers, grant agencies, funds, angel investors and savings product providers across banking, FX, and utilities.

COMMITMENT 10

Swoop will continue its collaborative approach to delivering innovation. It has identified seven UK SME tech partners to assist on this initiative. Swoop will engage with four of these partners in H2 2019 and three of these partners in H1 2020.

Swoop has fully completed this public commitment and is already engaged with eight partners as part of the BCR project to date.

COMMITMENT 11

Swoop commits to building on its culture of diversity and inclusion as it grows its workforce by 50 in the Midlands. We are proud that Swoop is led by a female CEO, with a 49:51 gender workforce.

Swoop has established an office in Birmingham and has become building its Midlands team with four new team members coming on board over the opening two quarters. Swoop will be actively recruiting from the Birmingham office throughout 2020 and 2021 to meet our BCR commitments.