

Swoop Finance Limited - £5M Award

CIF Key Achievements to Date

- Launch of new virtual CFO where SMEs can access loans, grants, and investment as well as cut costs across utilities, banking, and FX resulting in £256m in finance raised and saved for UK SMEs.
- 28,557 funding applications received through the platform
- 661 funding providers onboarded within the integrated marketplace
- Launched Broker Portal MVP with 3 Brokerages as alpha users.
- 101,000 SMEs signed up to Swoop Virtual CFO
- Launched national partnership with British Chamber of Commerce with regional hubs and members gaining access to their local chamber finance finder tool powered by Swoop.
- 11 new employees in the Midlands for 2020

Assessment Period 5 (July 1st, 2020 – September 30th, 2020)

COMMITMENT 1

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

Swoop is on track to meet this commitment.

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 continued to develop out its API gateway system with new APIs launched in conjunction with NatWest and Ulster Bank. Swoop also rolled out its API marketplace offering to the British Chamber of Commerce where over 30 regional chambers now have access to funding and finance products through their chamber finance finder tool powered by Swoop.

Swoop achieved total financing secured through the platform across debt, equity and grants of over £70m during the quarter with the largest volumes of secured deals done through CBILs and Bounce Back Loans. This was based on 8,601 applications.

While the equity investment market has yet to recover to pre COVID levels, there has been a marked increase in the number of applications made through the platform and a doubling of equity deals secured compared to the second quarter of the year.

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 enhanced this feature significantly over the last quarter. It introduced a banking insights API that gives users the ability to track monthly income and projected monthly income expenditure as well as analysing monthly income sources.

Further enhancements were added to the AI chat bot released in the previous quarter to be able to offer a deeper value added service across a number of product ranges including lending, equity, grants and start up loans. The AI Bot is now powered by a meeting scheduling service to allow Swoop customer service agents to assist SMEs throughout the application and product selection process. The bot engaged 31,638 customers which led to 2,371 applications (Up 520 on the previous 12 week period) over the 12 week period.

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 continued to add further features to its applications this quarter with a focus on onboarding and off boarding to partners within our marketplace. Swoop launched a direct integration with Barclays BIZZ to help users on board with their Barclays account more efficiently and utilise our data model to speed up application with pre-populating the onboarding form. Offboarding journeys were improved for utilities savings for customers both in app and on the website through tech integrations with our energy providers.

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.

This commitment is fully on track. Swoop has continued to add more banks to give greater choice to Swoop users seeking to open or switch bank accounts with new journeys released for Anna, Starling

and Cash Plus. Swoop saw a record number of SMEs save money from multi-banking and switching their bank with SMEs savings of £6.2m.

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.

Swoop added two more partners into its FX ecosystem - Ebury and AirWallex. During this quarter, Swoop SMEs saved over £2m in FX savings through the platform through utilising FX products. Swoop has improved its comparison service to be able to surface FX insights to SMEs, brokers and advisors - so that they can immediately see the biggest savings based on their current expenditure habits within FX.

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 set a record for the most amount saved by SMEs over a quarter with over £10m generated in savings for SMEs across banking, overdrafts, FX, insurance and utilities. Swoop's virtual CFO tool has been developed for advisors and brokers, so they can see savings insights on behalf of their customers via their dedicated portal. The three most popular accounts to open or switch to for a Swoop SME over the last 12 weeks were Revolut, Starling and The Co-operative Bank.

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 continued to increase its diverse geographic customer reach both directly and through key partners such as the British Chamber of Commerce with 53 chambers across the UK. Swoop has also continued its development plans for enabling customers to become investor ready by partnering with Virgin Start up and Seedlegals to ensure a user friendly digital and offline education journey to

achieving investment success. Swoop will continue its product development plans as set out in our commitments.

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.

Over the last 12 weeks, we have added 47 new funding providers into the marketplace across lending, grants, equity, credit insurance, debt recovery services, FX, business current accounts, energy and insurance.

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 achieved this commitment.

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 delivered on this commitment this quarter with the hire of two more employees to our Midlands team. Swoop continues to maintain its gender balance as set out in this commitment and is a signatory to the HMT Women in Finance Charter.