

## **Swoop Finance Limited - £5M Award**

### **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 £658m in finance raised and saved for UK SMEs.
- 123k funding applications received through the platform.
- 835 funding providers onboarded within the integrated marketplace.
- Launched new unsecured lending partnership with BNP Paribas to give SMEs access to unsecured lending from £500k to £5m
- Developed Equity Scorecard in conjunction with NatWest for their high growth business customers.
- Launched white label of our funding marketplace with ICAEW with over 100 accountancy practices onboard to date
- Launched Grant Finder in partnership with NatWest that has had over 10,000 users to date.
- 248k SMEs utilising Swoop Virtual CFO marketplace.
- 18 new employees in the Midlands

### **Assessment Period 8 (April 1<sup>st</sup>, 2021 – June 30<sup>th</sup>, 2021)**

#### **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. Swoop has invested over £2.1m to date.

#### **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 is on track to meet this commitment. Swoop saw a significant growth in the number of SMEs applying for finance through the Virtual CFO product and the NatWest Grant Finder tool. Swoop has seen a healthy uptake amongst SMEs on the platform for its APIs with YouLend and iwoca. Swoop relaunched a new version of the API with NatWest that covers early stage lending across NatWest

and Ulster Bank. The continued success of the NatWest Grant Finder tool and the keen interest from SMEs in the Innovate UK product Smart Grants has continued to lead to a record number of applications for grant products across our platforms. Equity interest has also increased significantly compared to previous quarters with applications on the rise by 275%. Swoop has been developing an equity scorecard in reaction to the increased application flow to assist SMEs understand the suitability proposition to equity financing. The scorecard will be available across both the Swoop and NatWest platforms. To date, there have been over 120,000 applications recorded across debt, equity, grants and R&D through Swoop and its associated platforms which has seen over £658m funding secured.

### **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 continues to innovate in this space and is on track to meet this commitment. It has delivered a comparison tool for SMEs.. Swoop helped SMEs unlock £13.8m in savings from analysis carried across the platform. Swoop made improvements within its broker portal to leverage insights from technology partners Codat and TrueLayer, so that advisors and brokers can get a better understanding and visual representation of their customers' data in relation to products they currently use and products they are eligible for.

### **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 met this commitment. Swoop launched its first mobile version in H12020 and continues to improve the mobile version of the application. Mobile users have now overtaken desktop users for the first time ever this quarter at 52.88% with 20,104 of users consumed via iOs and 13,753 users via Android.

### **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 continues to improve its business current account service through the platform and is on track to meet this commitment. We saw a significant decrease in the number of SMEs switching business current accounts following the end of February which was the deadline to consent for the NatWest Group's Incentivised Switching Scheme. However, we saw an increase in the number of SMEs opening new business current accounts on the Swoop marketplace across the quarter for Swoop SMEs opening accounts with Fair Everywhere, CashPlus, Barclays, Lloyds, Bank of Scotland and Tide. With Barclays opening up again for new business current account customers, we moved

our API into Barclays Biz to the business current account landing page, so that users can access opening an account digitally without having to sign into the platform.

#### **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 continues to assist SMEs in saving money through moving their FX activities to specialised accounts with over 2,000 SMEs saving £3.5m from moving their FX activities to specialised accounts in the last quarter. Swoop is not on track to hit the savings target for this commitment as the demand has been below our expected volumes. However, Swoop will be improving its FX service offering for SMEs on the platform through deeper integrations with FX partners, so that we can get back on track to meet this commitment. Swoop has started a new partnership with Equals Money to drive more FX savings across this commitment and also create a specialised FX offering for SMEs who are carrying out significant trade volumes. To date SMEs on Swoop has generated £9.7m in FX savings for 7,533 SMEs through the platform.

#### **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 behind track on overall savings volume targets for this commitment but hopes to continue to increase the volume in the next quarter with new partnerships in place with Vanquis, All Star, Shawbrook and Bulb. To date 26,243 SMEs on Swoop have generated over £56m in savings through the platform.

#### **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 is on track to meet this commitment as Swoop has continued to see an increase in equity activity over the last two quarters and continues to showcase a diverse range of users across the United Kingdom. Swoop is currently building out equity scorecards and improved investor readiness documentation in conjunction with NatWest for both the Swoop and NatWest platforms. We have seen good success with our partnership with Seed Legals where SMEs are mutually benefitting from the two platforms services for SEIS advance assurance and equity fundraising respectively.

#### **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.**

Swoop is on track to meet this commitment and added a further 48 providers onto the platform over the last quarter across debt, equity, grants, banking and FX. This year there have been 94 providers added to date. Swoop has also secured its first external partner where we will plug our lender API into their software, so that all of their customers will be able to access instant lending decisions and lending products through that software.

#### **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 already achieved this commitment but continues to work with more technical partners across this initiative. As part of the Microsoft Startup Programme we have started to engage Spanish Point in assisting with our Azure and data management processes going forward.

#### **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 is on track to meet this commitment. We welcomed 3 new members to the team across the last quarter taking our total to 18 for this commitment. With Covid and an increasing virtual working experience, Swoop has expanded the reach of its employee base across the UK with the workforce now coming from across the North West, E & W Midlands, South West, Yorkshire & Humber, South East, East of England and London. Swoop has also joined the KickStart graduate scheme and took on its first two graduates from the scheme during the last quarter.