

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 £810.5m in finance raised and £75.2m finance saved for UK SMEs.
- 172.6k funding applications received through the platform.
- 909 funding providers onboarded within the integrated marketplace
- Launched white label of our funding marketplace and broker portal for partners looking to offer funding solutions and funding application management to UK funding providers across debt, equity, and grants.
- 325k SMEs utilising Swoop Virtual CFO marketplace across Swoop and white label platforms.
- Launched a new grant and equity platform within Tide's banking application during the last quarter (Q321).
- New partnerships last quarter (Q321): itSettled (accelerating Invoice Payments), AXA Health (Health and Wellbeing for SMEs) and Sage Business Cloud (Online Accounting).

Assessment Period 9 (July 1st, 2021 – September 30th, 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 £2.5m 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 continued growth in the number of grant enquiries, applications and deals secured through our own platform, the NatWest Grant Finder Tool and the recently launched Grant and Equity journey within the Tide application. Some of the challenge we have faced is quickly integrating to lender APIs as often there are nuanced user journeys, so we are behind schedule in the volume of APIs we would like to have available to customers. The Top 5 most popular grants over the quarter were Help to Grow - Digital, BT Small Business Support Scheme, DIT

Internationalisation Fund, £20m Brexit Support Fund, Start in Business Programme. Lending applications increased across the quarter which was driven by new lenders coming on board the instant loan API journey. The average applications per lender API went from 327 to 408 between this quarter and last quarter. This helped see overall applications recorded across debt, equity, grants and R&D through Swoop and its associated white label platforms grow to 172,673 and funding secured to £810.6m.

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 has met this commitment and continues to add new products and functionality to help users better understand their data and access more savings opportunities through the platform. Swoop saw increases in usage across both its virtual call and chat bot platforms with the numbers of virtual calls at 3,978 and chatbot conversations at 2,399 across the previous quarter; up from 3,372 and 2,121 respectively. The level of satisfaction achieved through virtual chat increased by 0.9% across the last 84 days.

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 and continues to improve its UX/UI and mobile functionality. Mobile continues as the most used version of the platform with 52% of users choosing this version of the platform. Swoop released a new version of the accountancy platform with a new onboarding version to help accountants capture client funding needs earlier in the journey. Swoop also released an external version of its broker technology allowing external brokers to use Swoop's technology to access all funding products for the first time.

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 met this commitment but would like to ensure that they have more end-to-end banking journeys to offer a complete range of solutions to SMEs. Currently Barclays is the only fully integrated solution to open a bank account within the platform with all other banks requiring the user to go between two platforms. We are actively searching to work with more banks where this technology is available. The top 5 most popular business bank accounts across the last quarter were GoSolo, CashPlus, AnnaMoney, Lloyds and Barclays. The next business current accounts to be offered are HSBC and their digital bank offering, HSBC Kinetic, which will be available through the platform from November 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.

Swoop is behind track on the overall volume as set out in this commitment. An improvement in business travel and more intertrade movement has seen a slight increase in total FX savings achieved this quarter. To date SMEs on Swoop have generated over £13.6m in FX savings 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 the overall volume as set out in this commitment. Swoop is working to deepen the number of data insights it offers to SMEs, accountants, and brokers to help drive higher volume within this commitment. To date Swoop has helped unlock £75.2m in savings across banking, overdrafts, FX, insurance, and utilities across the platform and associated white label platforms.

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 continues to meet this commitment. Swoop saw a 32% increase in automated documents created within the platform and broker portal platform across the last quarter with 6,890 documents automatically created to help with funding applications for debt, equity, and grants. Swoop has agreed with the StartUp Loan Company to fully integrate the StartUp Loan journey into Swoop's platform to help drive higher volume and conversion for those early-stage businesses seeking StartUp Loans. Last quarter, we saw 9,000 new visitors come to the StartUp Loan page on Swoop with 3,200 leads sent across to the StartUp Loan Company.

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 74 providers on the platform in the last quarter across debt, lender API, equity, grants, banking, FX, and insurance. Swoop also added 7 new Recovery Loan Scheme providers.

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 met this commitment. Swoop has recently chosen to work with Whaley to help improve its data visualisation across the product verticals that run through the platform. Swoop has worked with 47 tech partners throughout the 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 is on track to meet this commitment. Swoop continued to add new employees via the KickStart graduate scheme and as a result are looking at another regional hub in Chester alongside Birmingham. Swoop added 3 new Midlands based employees during the quarter taking the total to 21 throughout the project.