

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 £1.06bn in finance raised and saved for UK SMEs.
- 224k funding applications received through the platform.
- 1,151 funding providers onboarded within the integrated marketplace.
- Released white label version of the platform for Brokers and Accountants.
- Launched new equity and grants partnership with Tide.
- Launched new FX platform in partnership with AssureHedge.
- Launched Grant Finder in partnership with NatWest that has had over 40,000 users to date.
- 420k SMEs utilising Swoop Virtual CFO marketplace.
- 26 new employees in the Midlands.

Assessment Period 10 (October 1st, 2021 – December 31st, 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 partially on track to meet this commitment. Swoop is behind target in relation to the volume of funding secured due to the impact Covid-19 had on the funding market including and the large focus placed on two products in the lending space for a substantial period of time in BBLS and CBILs. Swoop continued to see growth across all funding products in Q4 2021. The Fibr API was added to help drive further growth in our automated lender API. This helped to see overall applications recorded across debt, equity, grants and R&D through Swoop and its associated white label platforms grew to 224,324 and funding secured to £968.2m.

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 but continues to add new products and functionality to help users better understand their data and access more savings opportunities through the platform. Swoop saw its strongest growth in credit reports amongst business owners on the platform across Q4 2021 with over 200 Credit Passports issued. Swoop also saw the launch of its advisor portal at AccountingWeb in December 2021.

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 but continues to improve its UX/UI and mobile functionality. Mobile continued to remain the most used version of the platform with 56% of user's choosing to use the mobile version of the platform. Swoop has started a new product discovery phase to change onboarding for business owners, brokers and advisors. The results of this discovery phase will help shape new digital designs being rolled out for better onboarding for customers in Q1 2022.

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 we have more end-to-end banking journeys to offer a complete range of solutions to SMEs as 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. HSBC and HSBC Kinetic were added to the platform during Q4 2021 and the top 5 most business current accounts on the platform were: GoSolo, Tide, Barclays, Lloyds and Bank of Scotland.

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. Swoop partnered with AssureHedge to release its white label FX platform, Swoop FX, which was completed at the end of December 2021. A big focus of Q1 2022 will be to drive engagement on the platform. To date, SMEs on Swoop have generated over £17.8m 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. Covid-19 impacted the FX business quite substantially and energy price increases across the board have impacted expected saving scenarios for utilities. Swoop launched Swoop for Advisors at the end of Q4 2021 to help drive the number of savings opportunities identified in Q1 2022. To date, Swoop has helped to unlock £95.8m 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 27% increase in automated documents created within the platform and broker portal platform across Q4 2021 with 8,750 documents automatically created to help with funding applications for debt, equity and grants.

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](https://www.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. We added a further 85 providers on the platform in Q4 2021 across debt, lender API, equity, grants, banking, FX 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 met this commitment. Swoop worked with AssureHedge during Q4 2021 to develop the Swoop FX white label product.

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 and opened a new office in Birmingham at the beginning of December 2021, welcoming in an additional 5 people into the team.