

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 £1.25bn in finance raised and saved for UK SMEs.
- 313k funding applications received through the platform.
- 1,333 funding providers onboarded within the integrated marketplace.
- Released online education platform for advisors on SME funding landscape.
- Built integrations into Salesforce and AirCall for portal offering for brokers.
- Launched new white label platform with UMI.
- Launched new lender API with RetailCap
- 517k SMEs utilising Swoop Virtual CFO marketplace.
- 29 new employees in the Midlands.

Assessment Period January 1st, 2022 – March 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 having contributed £121,400 during Q1 2022 and has made a total contribution of £2,796,069 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 the volume of funding secured due to the impact Covid-19 had on the funding market and the large focus placed on two products in the lending space for a large period of time in Bounce Back Loans and Coronavirus Business Interruption Loans. Swoop continued to see growth across all funding products in Q1 2022. The Retail Cap API was added to help drive further growth in our automated lender API. The release of our Advisor Portal SaaS product helped drive greater funding volumes which helped see overall applications recorded across debt, equity, grants and R&D through Swoop and its associated white label platforms grow to 313,408 and funding secured to £1.13bn.

While Swoop is now, in line with recent market changes, seeing demand for its equity and debt finance products increasing, it has submitted a revised business case due to the fact that it will take it more time to reverse the impact that COVID-19 and the resultant govt lending schemes has had on the market for Swoop solutions the varied market conditions brought on by Covid-19 over the last two years and has put forward a revised set of targets and timelines in relation to this commitment.

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 is starting to work on V2 of the Credit Passport API in order to offer SMEs and funders better credit insights.

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 overall product experience for users. In Q1 2022, Swoop changed its onboarding journeys and released a new flow for property finance. All of which were optimised for mobile experience with mobile users now accounting for 57% of overall site traffic. It was another strong quarter for customer acquisition referrals with good increases across all users, registrations, referrals and organic search. The entire SME customer on-boarding journey, matching and application system was white labelled which means that any partner can now have a version of the technology to help add access to finance as part of their offering.

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 and would like to ensure that it has more end-to-end banking journeys to offer its SME customers. No new business banks were onboarded during Q1 2022. Swoop has onboarded a total of 16 business banks to date.

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 has seen a slight pick-up in Q1 2022 and is actively looking to deepen the FX offering to help drive engagement amongst its userbase. To date, Swoop has assisted 15,784 SMEs with their FX generating £26.6m in savings. Swoop has submitted a revised business case due to the varied market conditions brought on by Covid-19 over the last two years and has put forward a revised set of targets and timelines in relation to this commitment.

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. As a result, Swoop has submitted a revised business case due to the varied market conditions brought on by Covid-19 over the last two years and has put forward a revised set of targets and timelines in relation to this commitment.

Swoop launched its white label marketplace at the end of quarter and has lined up a number of partners to go live this quarter which should lead to an increase in savings volumes. To date Swoop has helped unlock £94.7m 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 Q1 2022 with 11,550 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 and added a further 182 providers on the platform in Q1 2022 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 DecisionRules during Q1 2022 to enhance its eligibility criteria and decision rules engine.

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 to its midlands base, welcoming in 3 new team members during Q1 2022 taking total team members to 26.