

OPEN & BUSINESS



H1 2021 Results Presentation

Results for the 6 months to 30 June 2021

Summary

H1 2021

- Record Loans under Management of c.£5bn and originations of £1.6bn, helping thousands of businesses - UK originations up 109% year-on-year.
- Our technology platform is transforming the SME borrowing experience with instant decisions for 60% of applications.
- Improving loan performance demonstrates quality and resilience of portfolio.
- High levels of demand from institution investors to fund loans.
- Strong financial performance:
 - Total income: £120.6m (H1 2020: £101.2m) up 19% year-on-year.
 - Profit: £53.3m AEBITDA (H1 2020: -£84.1m) and £35.5m operating profit (H1 2020: -£113.5m).
 - Strong growth in net assets to £254.1m (Dec-20: £217.6m)

Looking ahead

- Acceleration in adoption of online small business lending, will benefit Funding Circle going forward.
- Operating our core loan product alongside government guarantee programmes in the UK and US.
- Continue to scale Instant Decision Lending with long term target of 80% of loan decisions automated.
- Leveraging our technology to launch new solutions to help SMEs:
 - Embedded finance
 - FlexiPay
 - Business Charge Card
- Attractive financial profile: powered by UK, we expect to be AEBITDA profitable on an ongoing basis and will invest in additional growth opportunities.



Our mission:

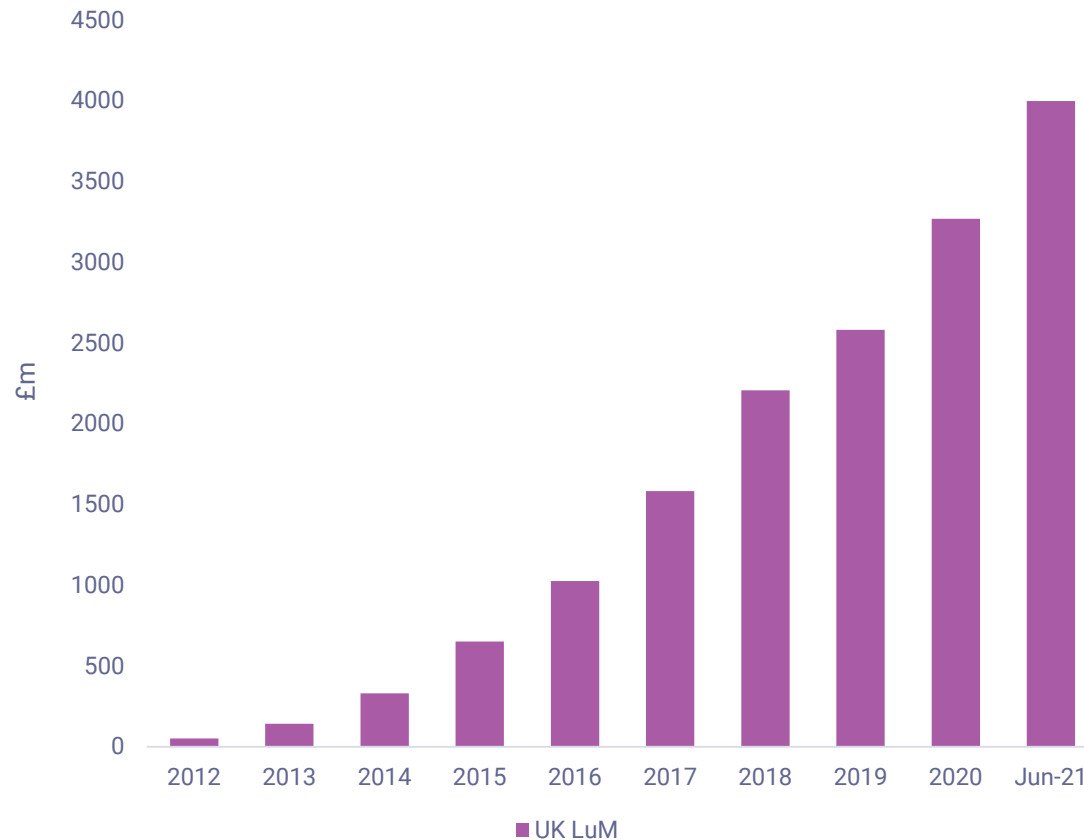
Build the place where small businesses get the funding they need to win.

How we do it:

We deliver an amazing experience for small businesses powered by machine learning and technology.

Long term strategy benefiting from structural changes accelerated by Covid

Growth in loans under management over 10+ years

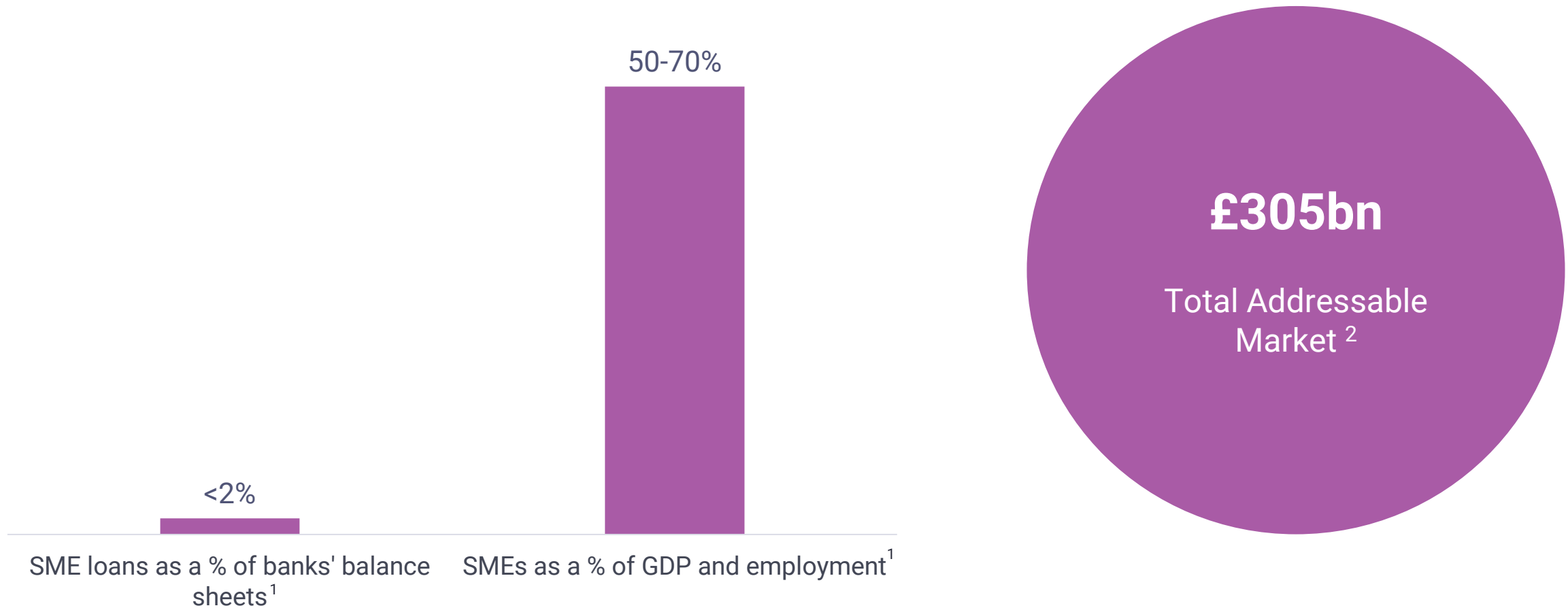


Structural changes accelerated by Covid will benefit Funding Circle

- Significant acceleration in adoption of online borrowing
- Strong demand from investors looking for attractive risk-adjusted returns
- SMEs have ongoing financing needs
- Government support shows SMEs are strategically important to economic growth



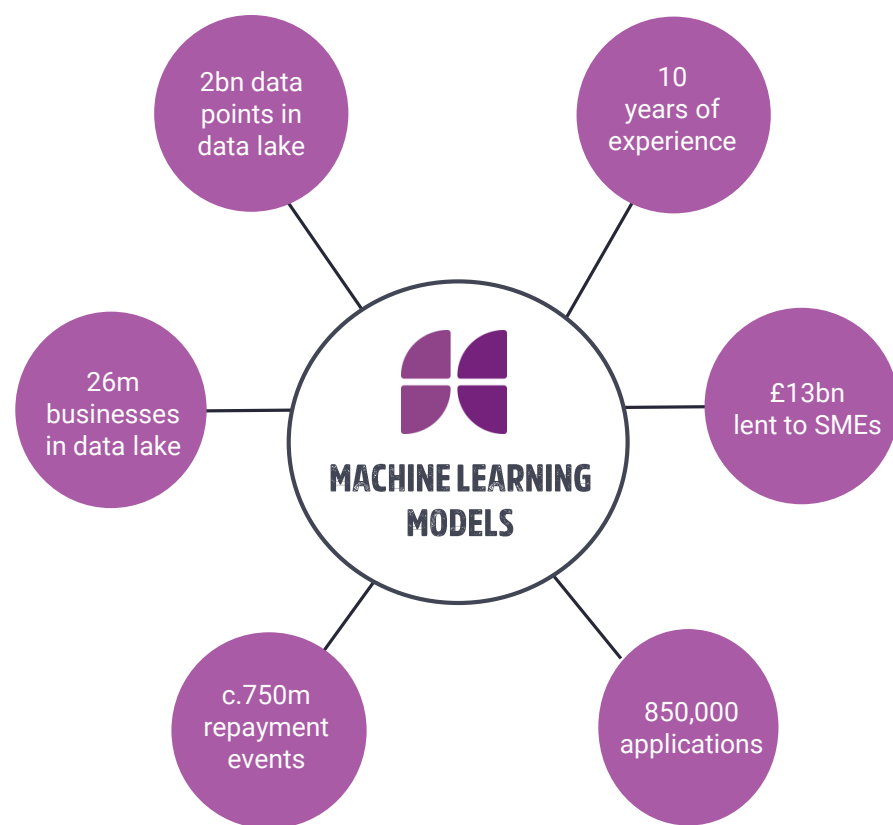
Small business lending is underserved by traditional lenders



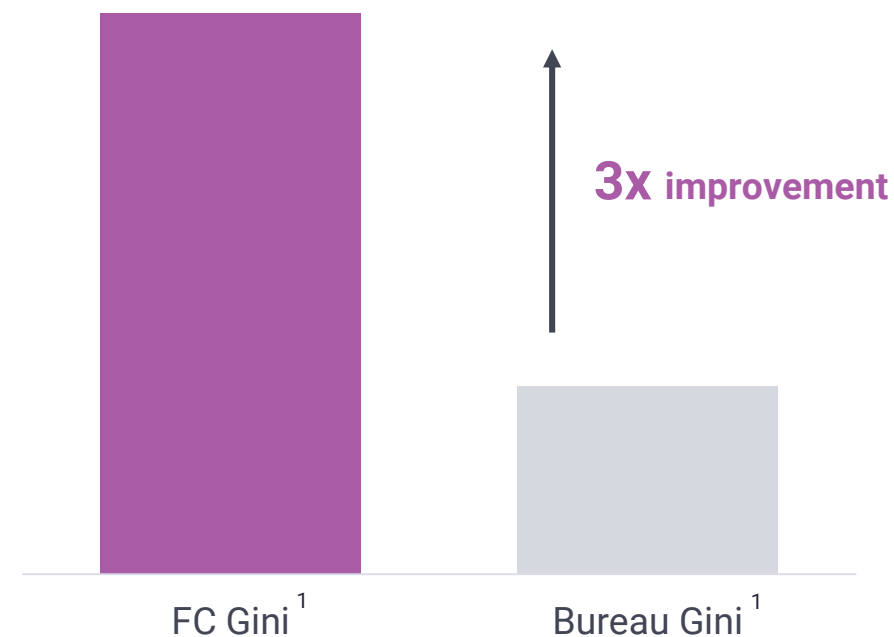
1. OECD SME and Entrepreneurship Outlook 2019
2. OC&C analysis: Target addressable market in UK and US. Excludes commercial mortgages, loans / debt products <5k and >500k in local currency and loans with APR >25%. In US, higher minimum threshold of \$25k

Our risk models are 3X better than bureau scores

Machine learning risk models



8th Generation risk models

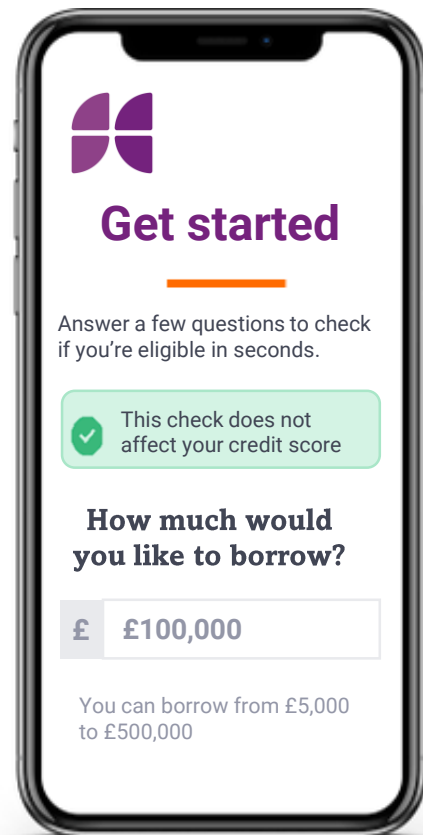


1. A measurement of the effectiveness of a risk model at ranking likely defaults

Our Instant Decision Lending technology is revolutionising SME lending

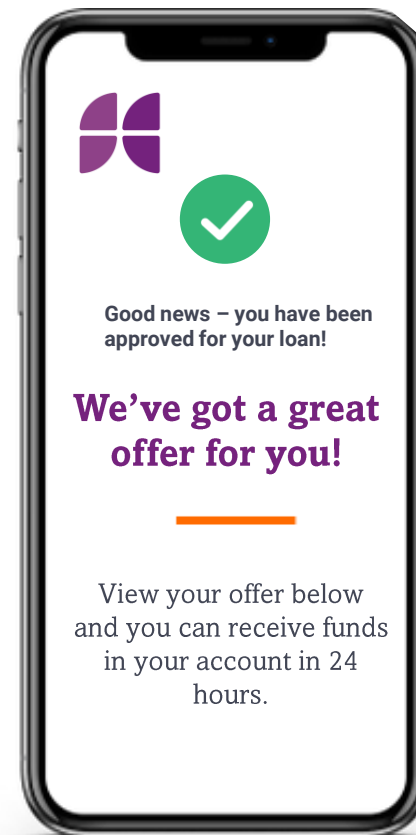
Instant decision enables SME owners to receive a decision in minutes with annual interest rates from 4.9%¹

Application



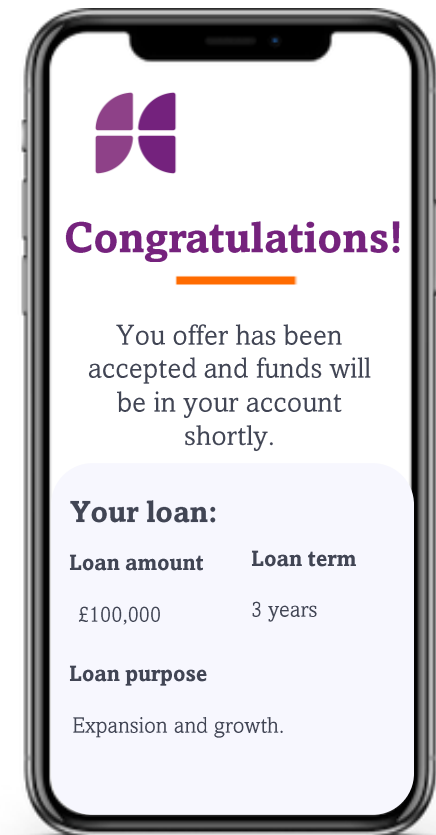
c.6 minutes

Decision



9 seconds

Funded



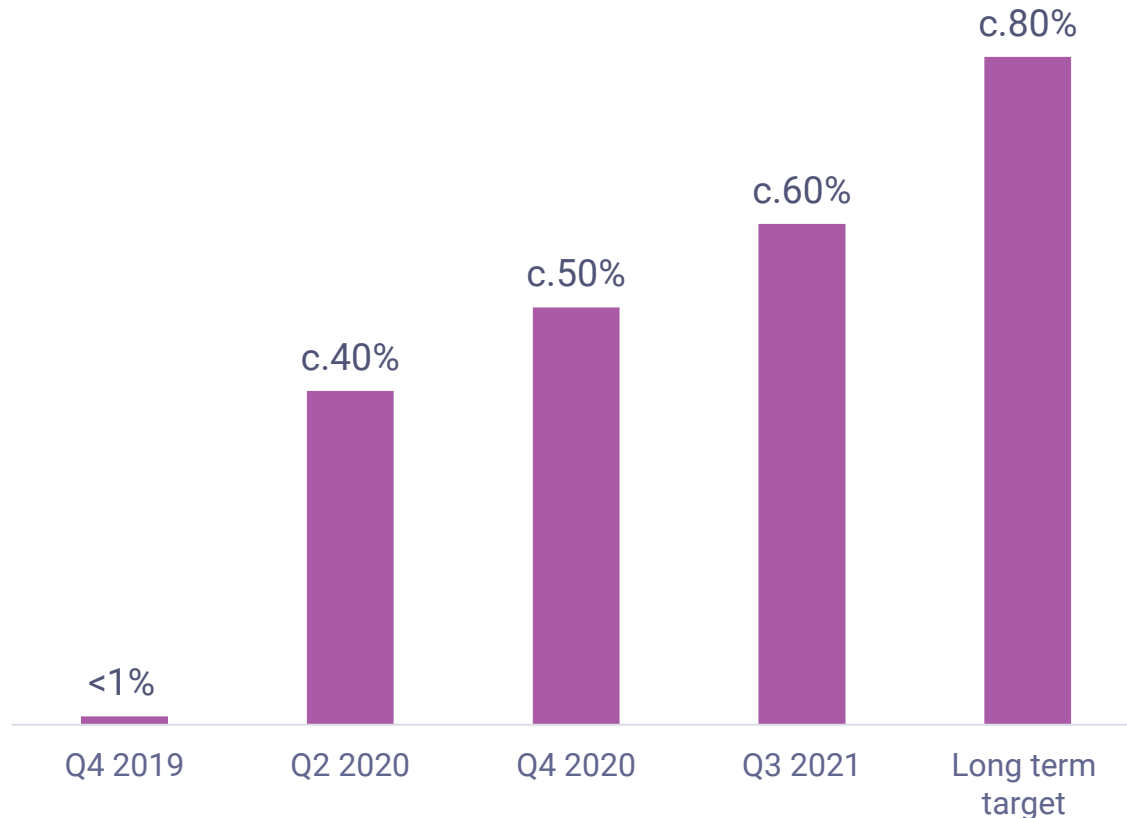
24 hours



1. Average interest rate for Core loans for A+ borrowers

This technology has huge benefits for Funding Circle

Long term target of 80% loan decisions automated



Instant Decision Lending delivers:

Credit performance as accurate as non-IDL loans

- IDL leverages the same risk models, developed over 10 years, as non-IDL loans.

Higher conversion

- Getting an instant decision can improve borrower conversion by up to 25%.

Lower processing costs and scalability

- H1 2021 UK originations up 109% year-on year, without adding additional headcount.

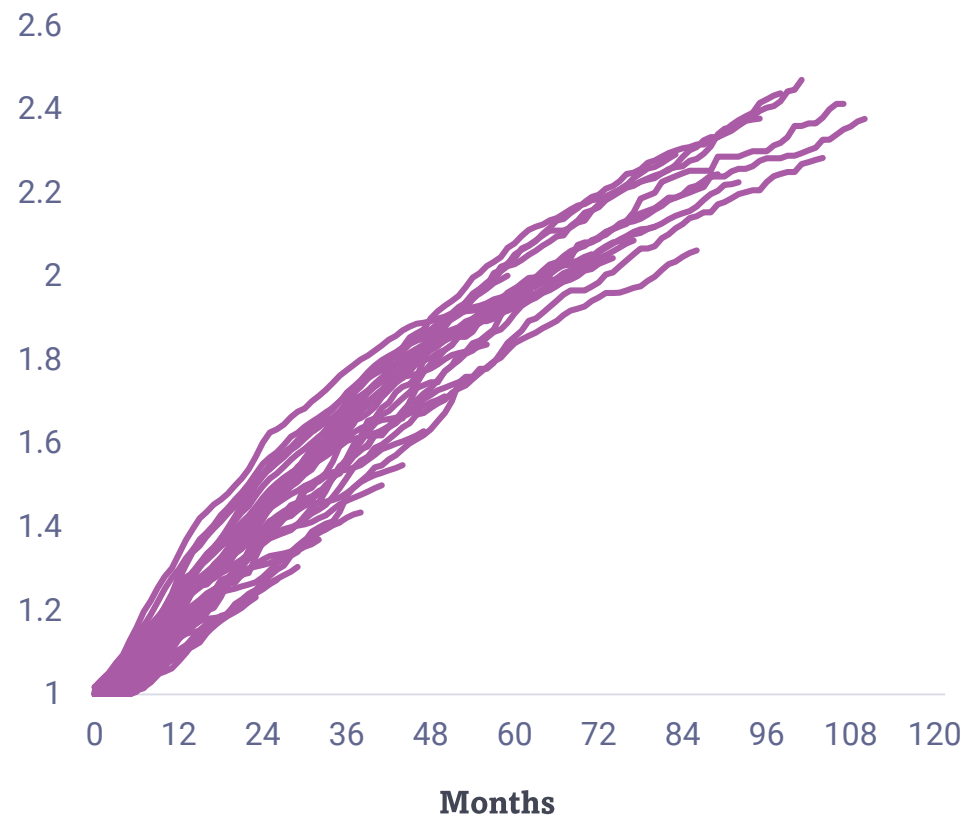
Ability to launch new products

- FlexiPay beta testing launched in August.



Great experience leads to stable repeat rates and attractive unit economics

Average # of UK loans by quarterly cohorts since 2012



Lifetime Value / Customer Acquisition Costs¹



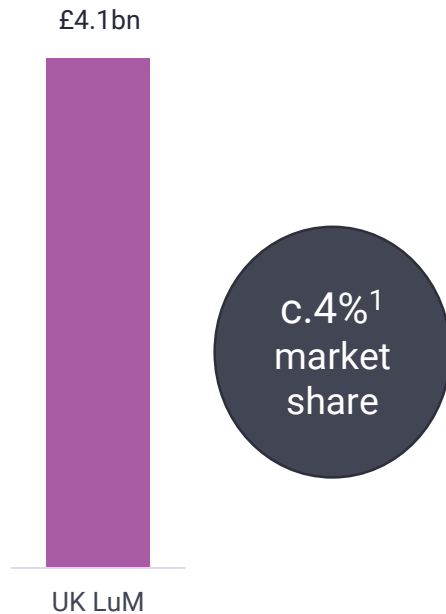
48% of operating income came from existing UK borrowers and investors in H1 2021



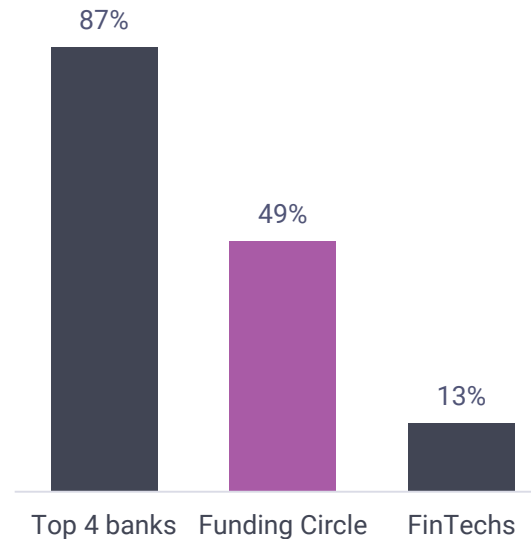
1. LTV/CAC by number of loans per borrower

Large scale, brand awareness and customer satisfaction

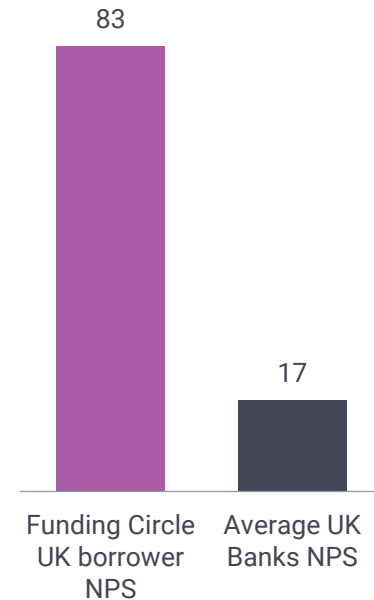
Largest UK lending platform



Leading SME FinTech brand awareness²



High customer satisfaction rates³



1. Target addressable market in UK based on OC&C analysis. Excludes commercial mortgages, loans / debt products <5k and >500k in local currency and loans with APR >25%
2. Hall & Partners brand awareness research for Funding Circle – October 2020
3. Net Promoter Score ("NPS") scores from Funding Circle NPS survey 2021. and average NPS of UK main banks via Customer Guru: <https://customer.guru/>

Huge societal impact: £13bn lent to c.120,000 small businesses since 2010



Typical Funding Circle borrowers

- 12 years trading history
- 8 employees
- £1m revenue
- £80k loan size
- 50 months average term

“

"Following lockdown, our online orders increased massively, so there was a challenge trying to source new stock. Funding Circle's technology meant the whole experience was easy and super quick."

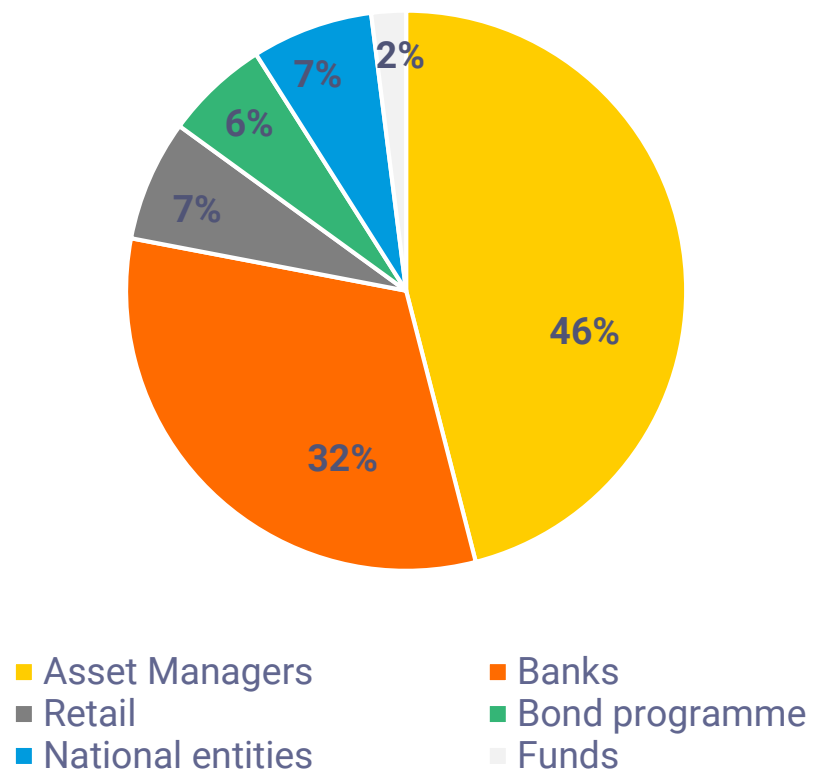
”

Mike Turner co-founder and MD of Bird and Blend

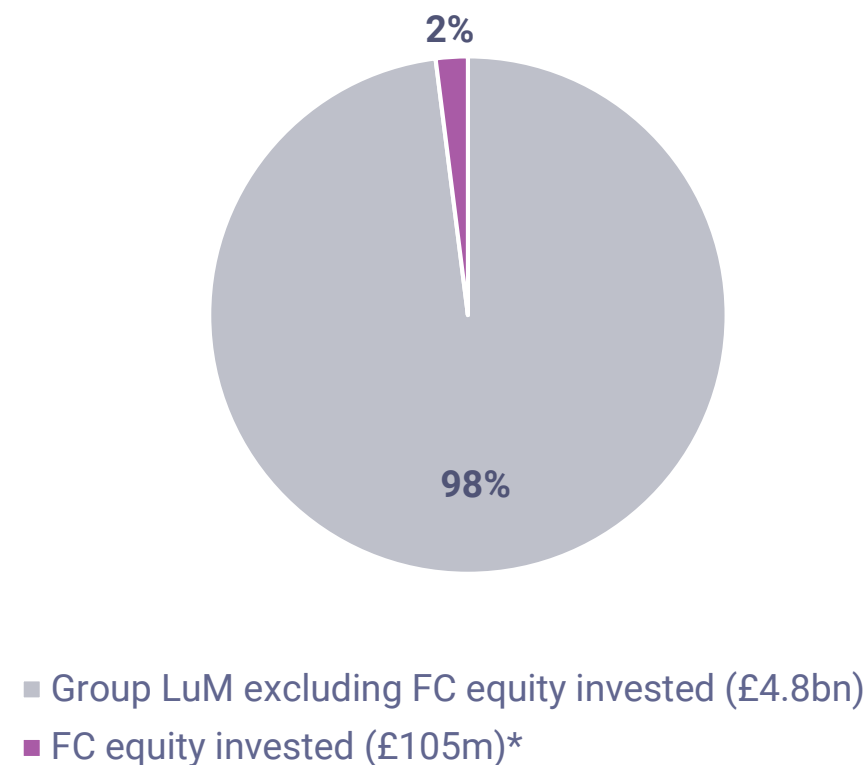
135,000 jobs created and sustained and £10bn contributed to GDP in 2020¹

£4.9bn of loans under management funded via a platform model

Diverse mix of investor types on the platform



Funding Circle equity invested is only 2% of LuM

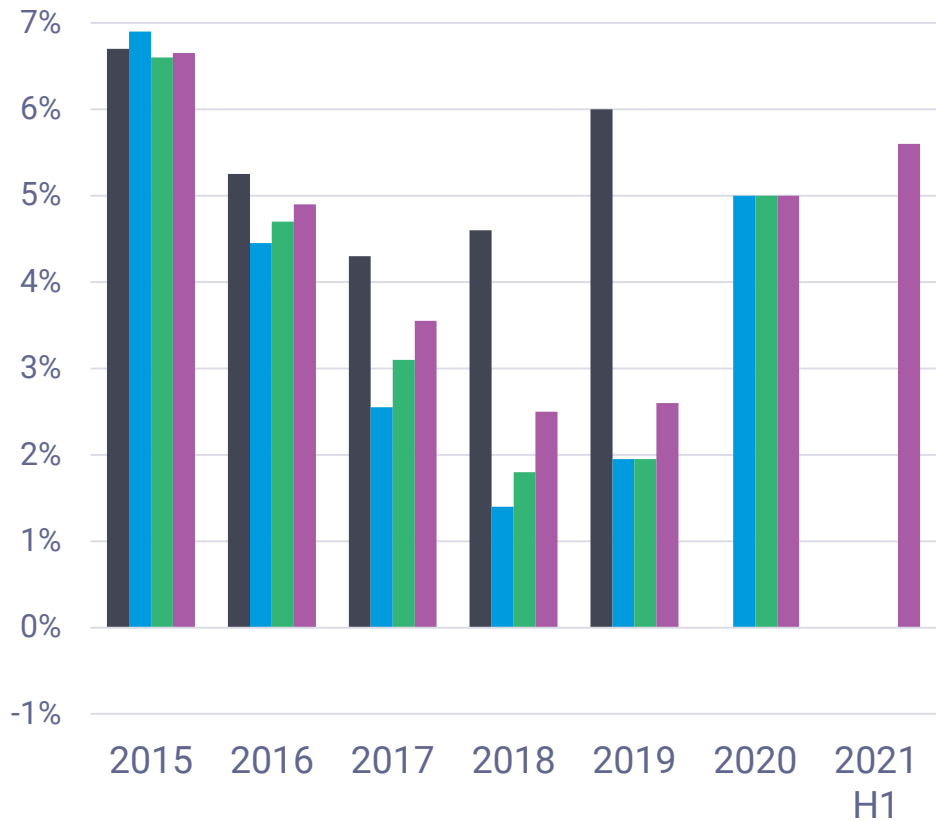


* Absolute equity invested at Jun-21 within year-end 2020 guardrails (Jun-21: £105m, Dec-20: £118m)

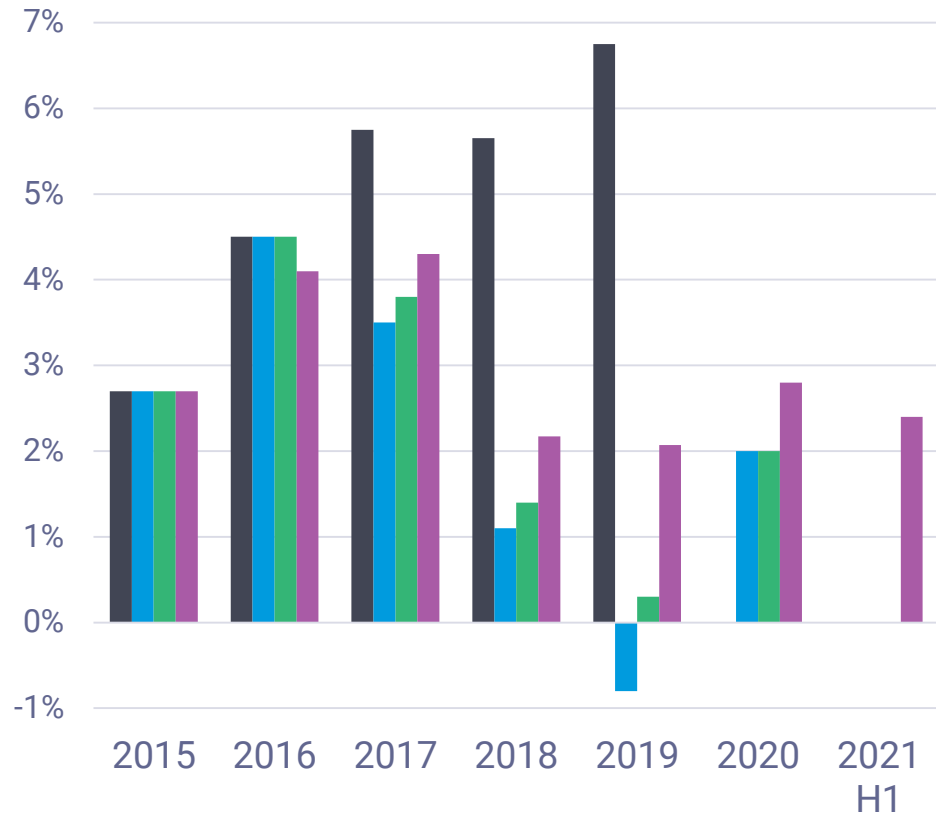
Improving loan performance demonstrates quality and resilience of portfolio



Projected annualised returns
by cohort



Projected annualised returns
by cohort



■ H2 2019 forecast ■ H1 2020 forecast ■ H2 2020 forecast ■ H1 2021 forecast

UK and US annualised returns by cohort show mid-point estimates. H1 2020 forecast as at 30 June 2020; H2 2020 forecast as at 31 December 2020; H1 2021 forecast as at 30 June 2021. The US cohort for H1 2021 has a relatively low projected annualised return as these are PPP loans

Revenue model - Fee income based model with equity invested where it makes platform stronger

		H1 21 Driver	Typical Yield % ¹	% of H1 21 Total Income
Operating	Transaction Fee	Originations £1.6bn	c.5%	58%
	Servicing Fee	LuM £4.9bn	c.1% per annum	18%
Investment	Investment Income	Equity Invested £105m	Variable% ²	22%

1. Typical Yield may vary depending on government schemes and marketplace mix.

2. Go-forward yield will depend on the nature of where Funding Circle's equity is invested e.g. investments such as ABS typically yield higher returns but with higher volatility. Co-investments in loans, will typically earn lower returns but with lower volatility.



Group Financial Performance



Key Financial Metrics

£m	H1 2020	H2 2020	H1 2021
<i>Loans Under Management (LuM)</i>	3,722	4,214	4,933
<i>Originations</i>	1,112	1,630	1,635
Operating income	64.8	90.9	94.5
Investment income	36.4	29.9	26.1
Total income¹	101.2	120.8	120.6
Fair value (losses)/gains ²	(96.1)	(22.2)	8.1
Net income	5.1	98.6	128.7
Expenses above AEBITDA	(89.2)	(78.3)	(75.4)
AEBITDA²	(84.1)	20.3	53.3
<i>Operating AEBITDA</i>	<i>(24.4)</i>	<i>12.6</i>	<i>19.1</i>
<i>Investment AEBITDA</i>	<i>(59.7)</i>	<i>7.7</i>	<i>34.2</i>
Expenses below AEBITDA	(12.5)	(11.3)	(13.9)
Exceptionals	(16.9)	(1.8)	(3.9)
Operating profit (loss)	(113.5)	7.2	35.5
Profit (Loss) before taxation	(115.1)	7.0	35.4
<i>Cash³</i>	<i>131.2</i>	<i>103.3</i>	<i>168.1</i>
<i>Net Assets</i>	<i>216.9</i>	<i>217.6</i>	<i>254.1</i>

- **Total income:** £120.6m up 19% year-on-year
- **Profit:** £53.3m AEBITDA and £35.5m operating profit
- **Net assets:** strong growth in net assets to £254.1m

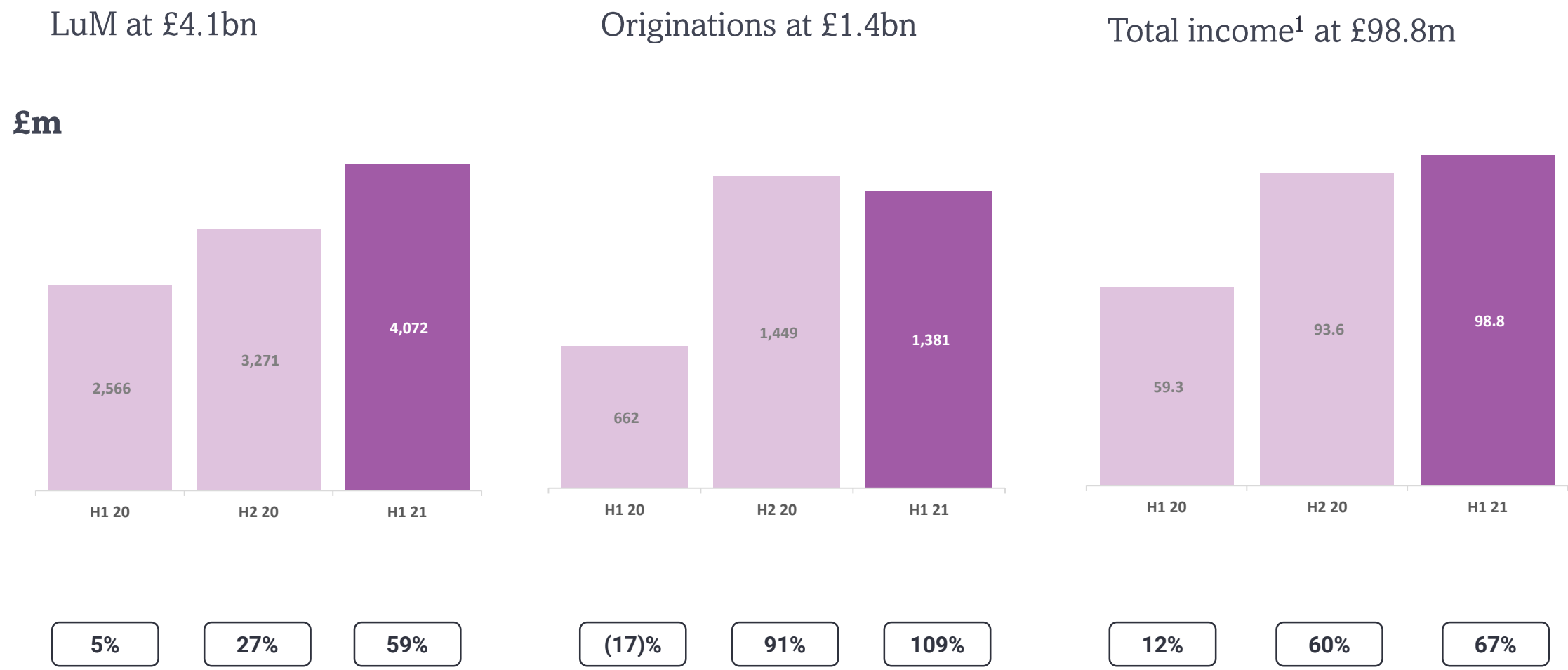
1. Total income is defined as fee income and investment income less investment expense and before non-cash fair value gains/losses

2. Adjusted EBITDA represents EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) excluding share-based payments, exceptional items and foreign exchange gains or losses. Investment AEBITDA represents investment income, investment expense and fair value adjustments and operating AEBITDA represents AEBITDA excluding investment AEBITDA

3. £38m of cash in H1 2021 crystallized from US warehouse sale



UK LuM, originations and total income¹



YoY
growth

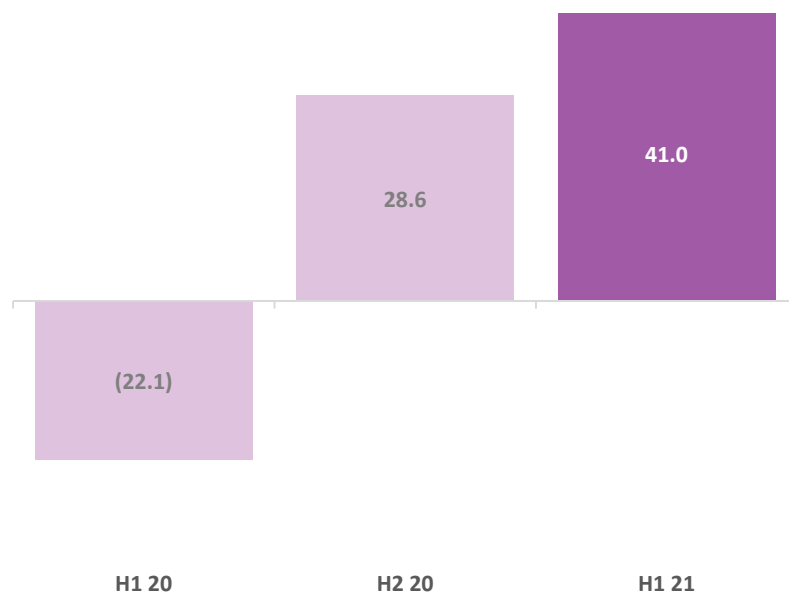


1. Total income is defined as fee income and investment income less investment expense and before non-cash fair value gains/losses

UK AEBITDA¹ and operating profit

£41.0m AEBITDA¹ in H1 2021

£m



£31.2m operating profit in H1 2021



Margin

(37)%

31%

41%

(49)%

23%

32%

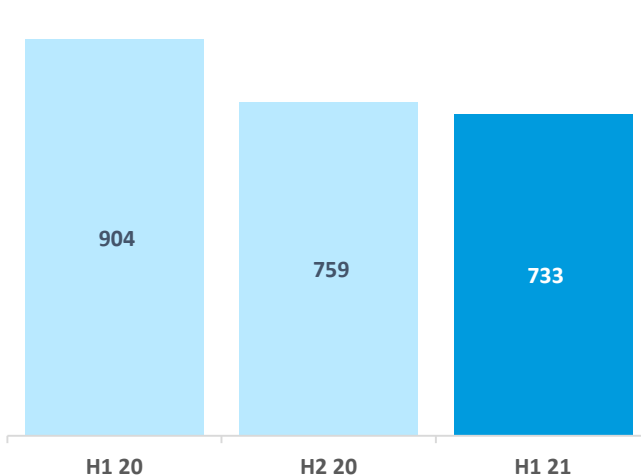
1. Adjusted EBITDA "AEBITDA" represents EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) excluding share-based payments, exceptional items and foreign exchange gains or losses



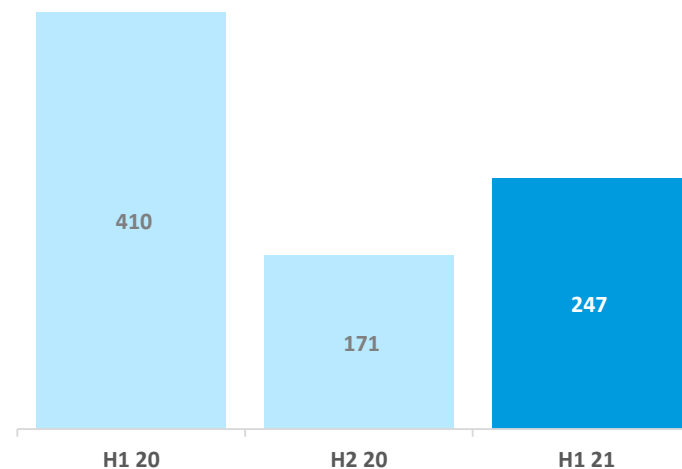
US LuM, originations and total income¹

LuM² at £733m

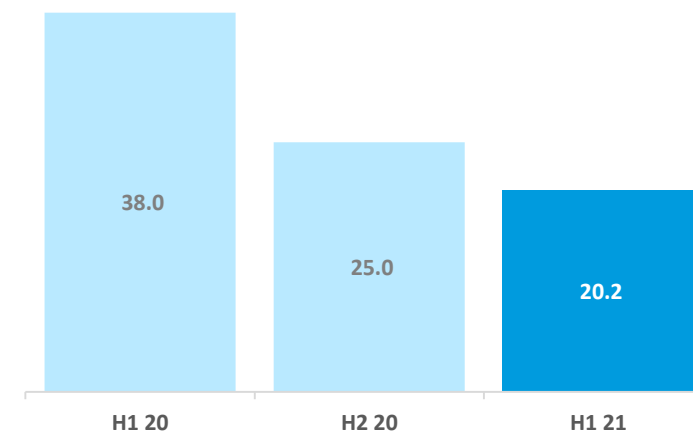
£m



Originations of £247m



Total income¹ at £20.2m, with a further £16m of PPP transaction fees deferred



YoY
growth³

3%

(11)%

(9)%

28%

(43)%

(34)%

67%

(15)%

(42)%



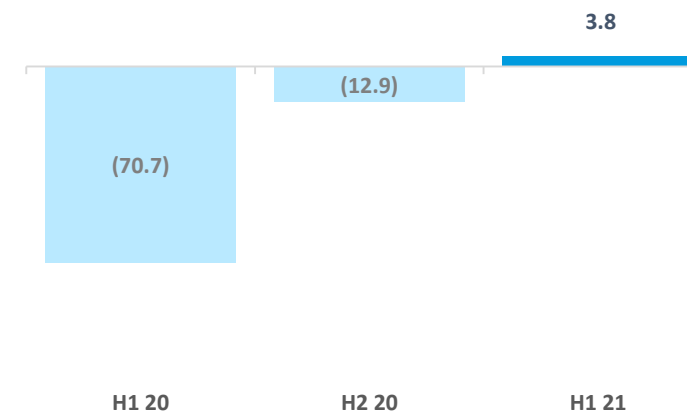
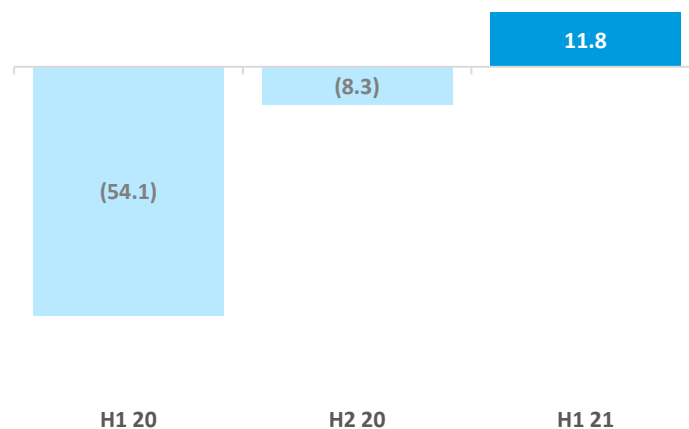
1. Total income is defined as fee income and investment income less investment expense and before non-cash fair value gains/losses. PPP deferred revenues of £16 million being spread over the future expected term of the PPP loans on balance sheet.
2. H1 21 LuM includes £333m PPP loans
3. Geographic segment growth stated in local currency to eliminate FX variations

US AEBITDA¹ and operating profit

£11.8m AEBITDA¹ in H1 2021 driven by
Investment AEBITDA

£3.8m operating profit in H1 2021

£m



Margin

(142)%

(33)%

58%

(186)%

(52)%

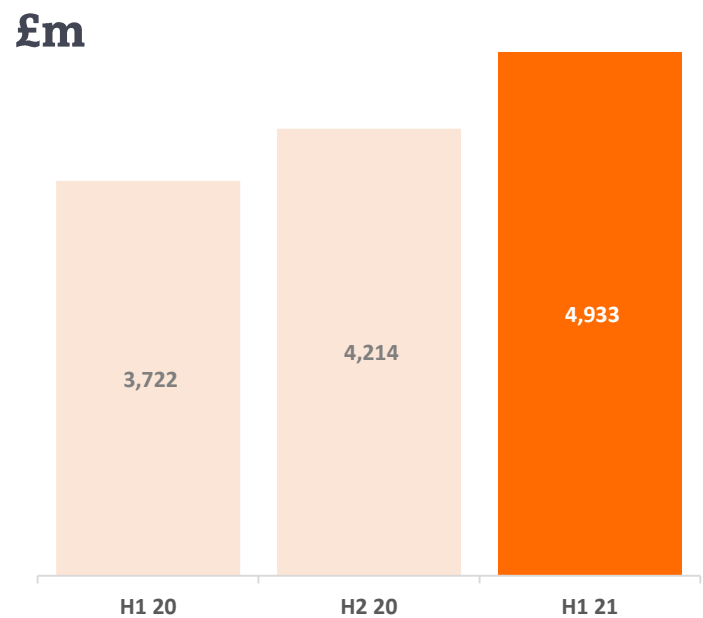
19%



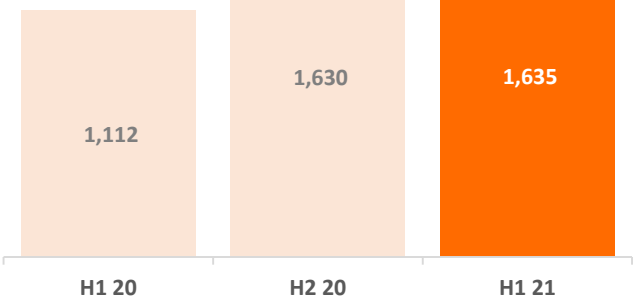
1. Adjusted EBITDA "AEBITDA" represents EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) excluding share-based payments, exceptional items and foreign exchange gains or losses

Group LuM, originations and total income¹

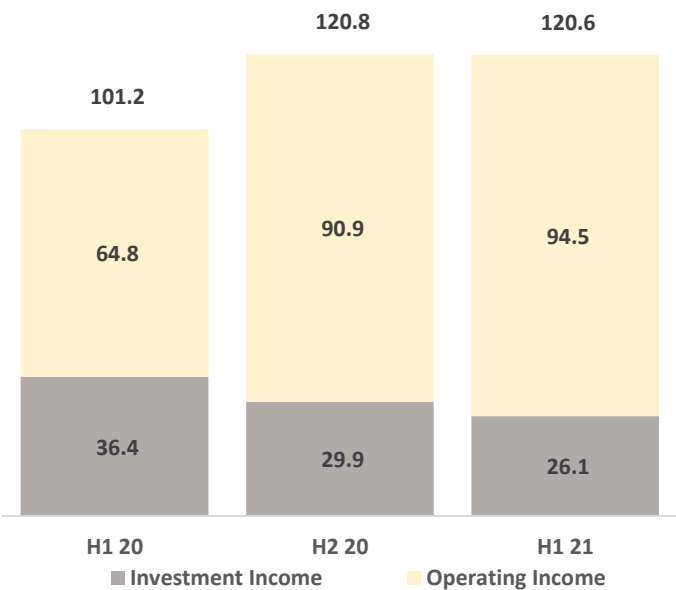
LuM at £4.9bn



Originations at £1.6bn



Total income¹ at £121m



YoY growth

5%

13%

33%

(7)%

41%

47%

24%

26%

19%

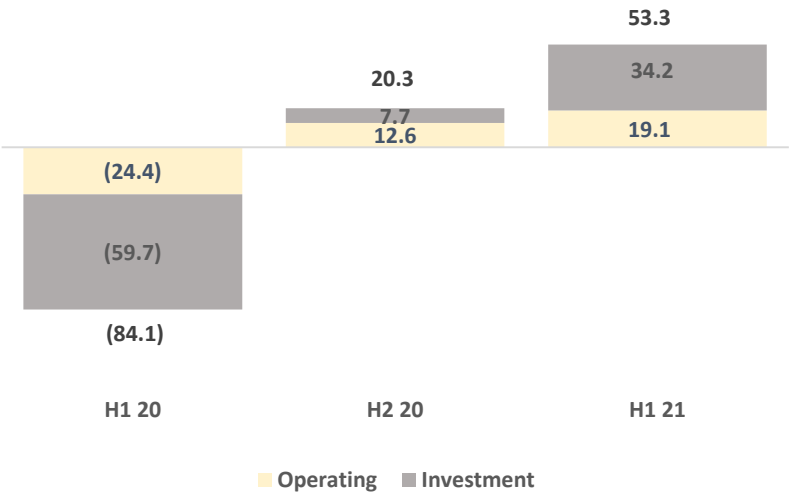


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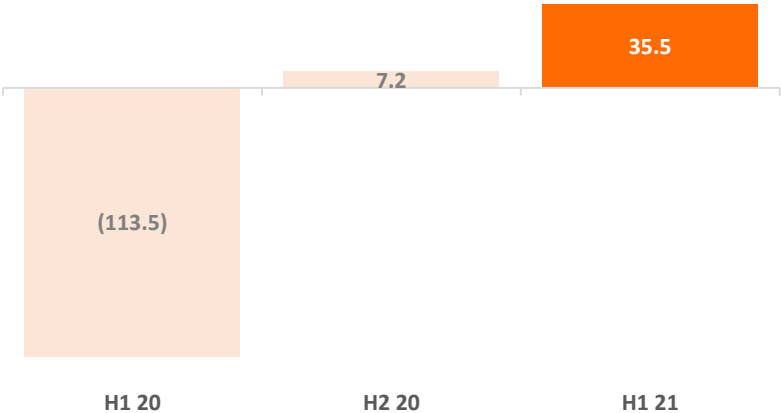
Group AEBITDA¹ and operating profit

AEBITDA¹ £53m in H1 21

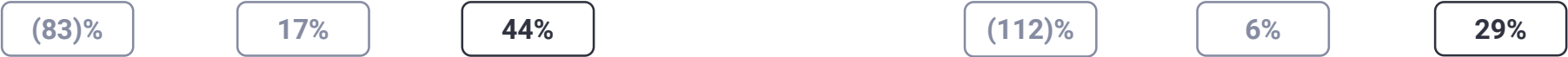
£m



Operating profit of £36m in H1 21



Margin



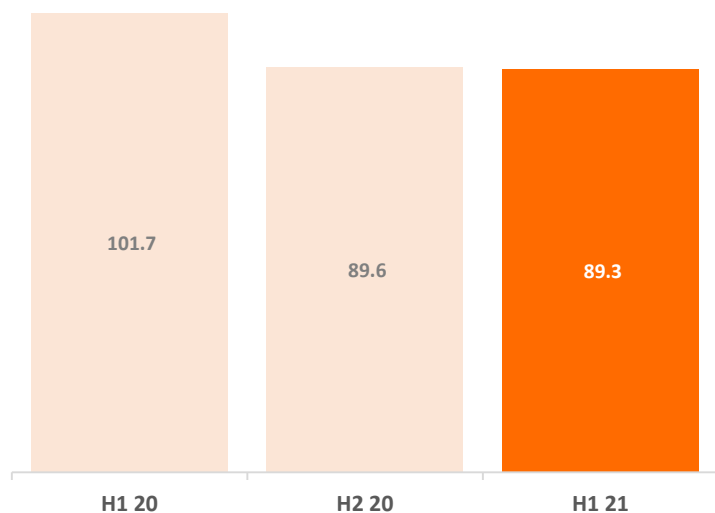
1. Adjusted EBITDA represents EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) excluding share-based payments, exceptional items and foreign exchange gains or losses. Investment AEBITDA represents investment income, investment expense and fair value adjustments and operating AEBITDA represents AEBITDA excluding investment AEBITDA



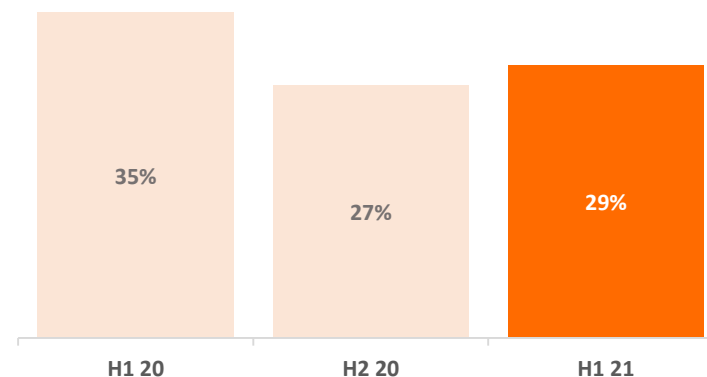
Operating expenses

Cost management initiatives led to a 12% decrease H1 20 vs H1 21

£m



Reduced marketing costs from 35% in H1 20 to 29% of operating income in H1 21



YoY
decrease

(10)%

(15)%

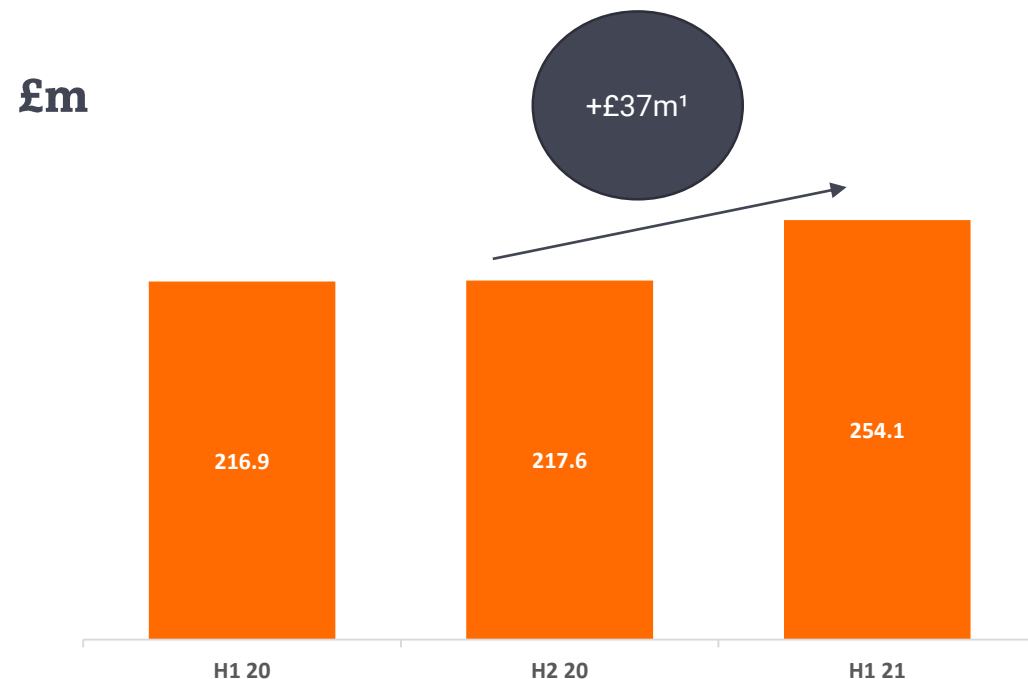
(12)%

1. Operating expenses are before exceptional items and include the following cost areas: people; marketing; depreciation, amortization and impairment; loan repurchase charge; other costs



Net Assets

Net assets of £254m, up £37m¹ (17%) since 31-Dec 20. This includes cash of £168m.



- Funding Circle deploys its equity where it makes the platform stronger. This may include limited co-investment and investment in new products.
- We see the ability to do this as a source of competitive advantage. We don't deploy capital with the sole purpose of deepening profit through investment returns.
- Absolute equity invested at Jun-21 of £105m is in-line with the guardrail we communicated at the FY results of being within the Dec-20 absolute level of £118m.
- We intend to re-cycle the investments over time as opportunity for realisations allow and we will continue to leverage some of our co-investments where appropriate. This is demonstrated by the sale of the US warehouses in Jun-21.

1. £37m equates to £33.4m profit for H1 2021, plus share awards of £3.5m, minus FX of £0.4m



Looking ahead



The Funding Circle flywheel drives competitive advantage



2021 priorities

UK



- Core loans for borrowers that do not require a guarantee.
- Operate Recovery Loan Scheme for other borrowers.
- Launch new products using technology platform.

US



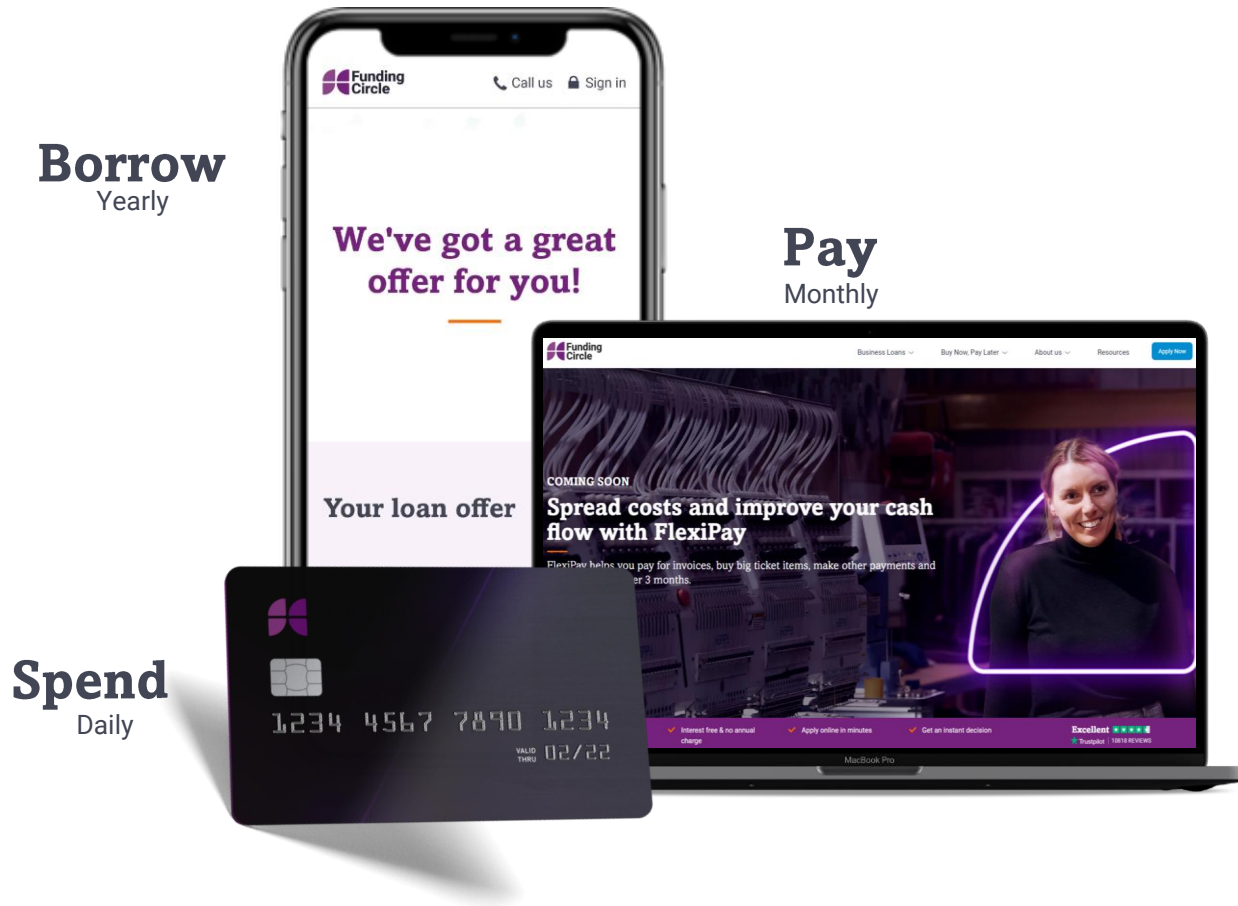
- Core loans for borrowers that do not require a guarantee.
- Originate permanent government guarantee loans on behalf of banks.
- Continue to operate our referral model for other borrower needs.

Embedding Funding Circle natively into partners' websites and platforms

- Application Programming Interface (API) beta launched in Q3
- Sandbox launched and working with 5 initial partners in finance broking sector
- Beta launch will enable embedded offers in partner environments. Plan to on-board new partners and optimise API from 2022



Helping solve more small business problems



Benefits of new solutions

Leverage proprietary technology to help more SMEs

- Using Funding Circle to settle monthly payments and for daily spend requirements brings us into more frequent part of customers' lives.

Support growth in core product

- Reinforces usage by existing customers and enables Funding Circle to accept more customers who in time graduate to longer term core loan product.

Grow ecosystem

- TAM for UK SME payments c.£1 trillion.

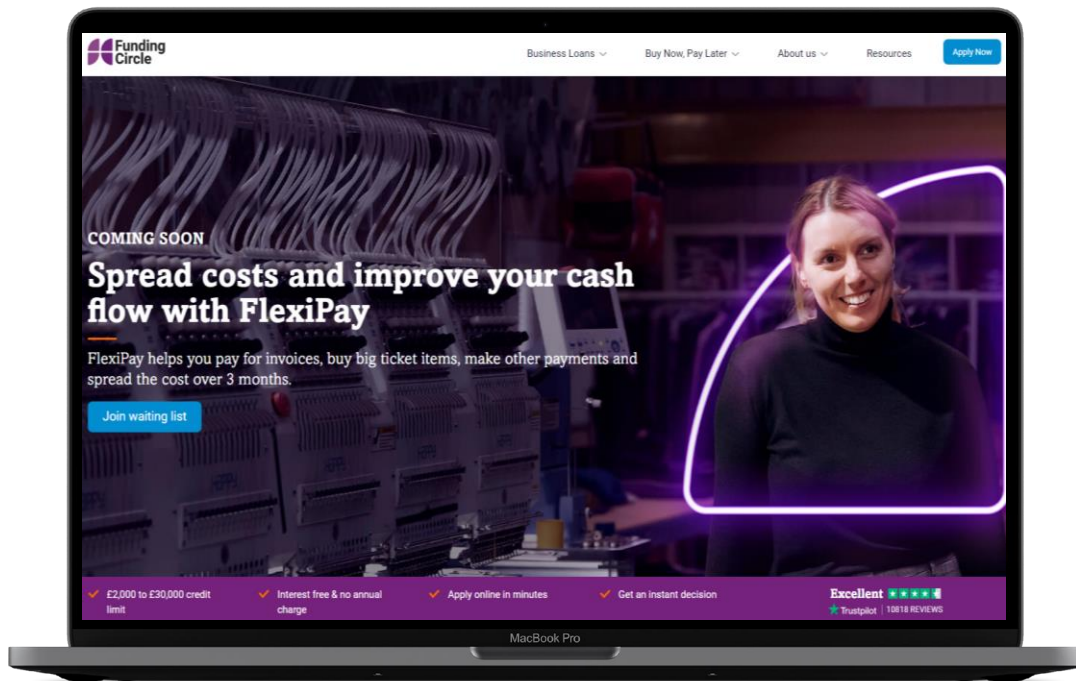
Align with long term mission

- Build the place where small businesses get the funding they need to win.



Bringing flexibility to SME payments

FlexiPay^{NEW}



Key features

- Unique BNPL¹ product for spreading the cost of paying invoices
- Instant ability to settle invoices, one-off 3% fee and then spread the repayment over 3 months interest free
- Running in beta phase for existing borrowers

Early customer feedback highlights the attraction of FlexiPay

Livity, Intrit Facilities Management

“FlexiPay is a brilliant idea which will help me bridge the gap between supplier payments and to negotiate better with my suppliers. The application was simple and easy.”

Paul, P&W Waste Solutions

“I signed up to FlexiPay as I had a payment due to a supplier and it allowed me to buy extra supplies which I needed. FlexiPay is one of the best ideas for small businesses and I will definitely be using it on an ongoing basis and telling people about it.”

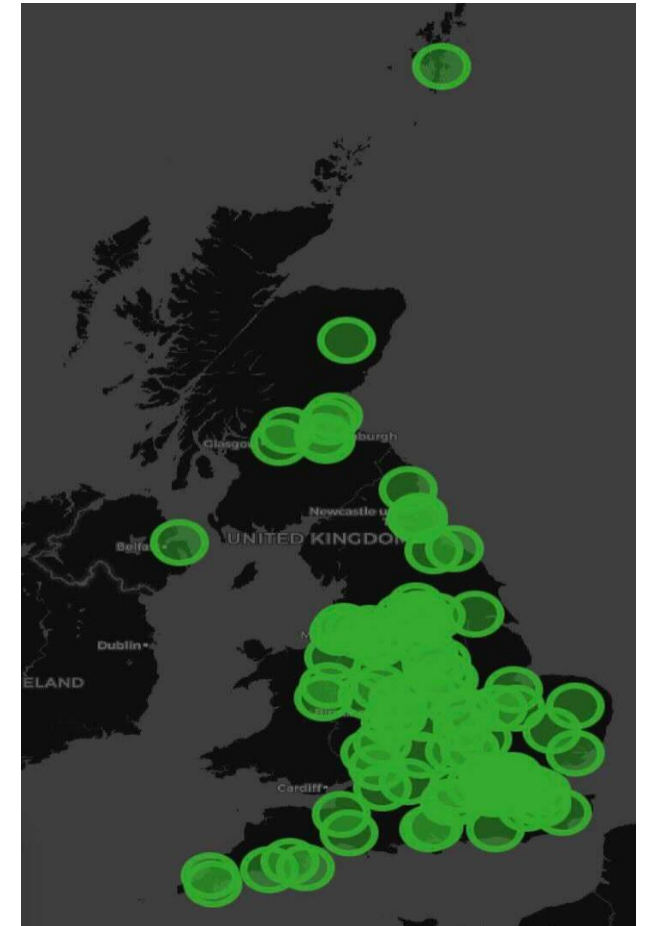
Carl, Advanced Joinery

“I like the product as it helps me pay suppliers on time, keep a good reputation and manage cash flow. The application process was straightforward and it only took a few minutes to complete.”

Will, MWP Frames

“I was attracted to FlexiPay because it allows me to pay my suppliers early and manage cash flow. I plan on using this product a few times each month and would recommend to others.”

**Early FlexiPay customers
are located across the UK**



Supporting customers to manage their daily spending activities

Business Charge Card^{NEW}



Key features

- 1% cashback and nothing to pay for one month
- Opportunity to settle the balance in full at the end of the month or spread the repayment FlexiPay
- Wait list now open, roll out in 2022

Strong H1 result; H2 expectations unchanged

Full year outlook:

- The business performed strongly in H1 2021 and the financial performance was above expectations.
- We remain mindful of the uncertain economic environment. In line with our expectations, there has been an initial reduction in lending as we have transitioned to operating our core loan product alongside government guarantee programmes in the UK and the US.
- As the economic environment becomes clearer we anticipate an acceleration in lending and are well placed to capture this going forward.
- We continue to expect AEBITDA will be skewed towards H1 with an expectation of H2 AEBITDA profit in the low single digit millions.



Funding Circle in the medium term

UK

- **UK:** represented c.80% of Group total income in H1 2021. The business continues to offer operational leverage, is AEBITDA and Operating Profit profitable (and has been AEBITDA profitable since 2018), and cash generative.
- Strong growth opportunities in core market over the medium term.

Additional growth opportunities

- **US:** The US is 5x the size of the UK market, but at an earlier stage of development. PPP provided a boost to volumes and revenues in H1 2021. Post PPP as we invest to grow market share, the US will likely be AEBITDA loss making for the next few years. We will carefully manage the level of investment.
- **New products:** there is a big but early stage opportunity to support more customers by leveraging our technology platform. We announced the beta launch of FlexiPay. These new products will generate a small income contribution initially; stepping up in the future following successful roll out.

Group

- **Group:** powered by UK, we expect to be AEBITDA profitable on an ongoing basis and will invest in additional growth opportunities.



Q&A



Financial appendices



Government support for businesses during Covid-19

Coronavirus Business Interruption Scheme (CBILS)

- CBILS started in March 2020. Loans available up to £5 million, available on repayment terms of up to six years. No personal guarantees for facilities under £250,000.
- The scheme provides the lender with an 80% government-backed guarantee against the outstanding balance of the finance. The borrower remains 100% liable for the debt.
- The Government pays the first year's interest and fees to the borrower, known as a Business Interruption Payment (BIP).
- Lenders pay a guarantee fee to participate on the scheme.
- CBILS applications ended on 31 March 2021, with ongoing fulfilment in Q2.

Recovery Loan Scheme (RLS)

- RLS launched in April 2021 with loans available up to £10 million on repayment terms of up to six years. No personal guarantees for facilities under £250,000.
- The scheme provides the lender with an 80% government-backed guarantee against the outstanding balance of the finance.
- Businesses are required to meet the costs of interest payments and any fees associated with the facility.
- Borrowers can have existing CBILS/BBLS facilities.
- Lenders pay a guarantee fee to participate on the scheme.
- The scheme is initially set to run until 31 December 2021, subject to review.

Paycheck Protection Programme (PPP)

- PPP originally ran April-August 2020 and then restarted in January 2021.
- Loans are designed to help businesses keep their workforce employed during Covid.
- These loans have an interest rate of 1% and maturity of 5 years*.
- PPP loans are 100% forgivable if all employee retention criteria are met and the funds are used for eligible purposes.
- SBA pays the lender an origination fee that is a % of the loan amount accessed.
- PPP ended in May 2021.

*maturity of 2 years if loan issued prior to June 5 2020



Group Income Statement

	H1 2020	H2 2020	H1 2021		
	Total £m	Total £m	Before exceptional items £m	Exceptional items £m	Total £m
Transaction fees	47.8	74.7	70.5		70.5
Servicing fees	13.8	16.4	21.9		21.9
Other fees	3.2	(0.2)	2.1		2.1
Operating income	64.8	90.9	94.5	-	94.5
Investment income	49.8	39.2	33.5		33.5
Investment expense	(13.4)	(9.3)	(7.4)		(7.4)
Total income	101.2	120.8	120.6	-	120.6
Fair value (losses)/gains	(96.1)	(22.2)	8.1		8.1
Net income	5.1	98.6	128.7	-	128.7
People costs	(48.3)	(37.0)	(39.4)		(39.4)
Marketing costs	(22.4)	(24.4)	(27.4)		(27.4)
Depreciation, amortisation and impairment	(20.6)	(10.3)	(8.3)	(3.9)	(12.2)
Loan repurchase charge	(5.5)	(0.7)	(0.1)		(0.1)
Other costs	(21.8)	(19.0)	(14.1)		(14.1)
Operating expenses	(118.6)	(91.4)	(89.3)	(3.9)	(93.2)
Operating profit (loss)	(113.5)	7.2	39.4	(3.9)	35.5
Finance income	0.3	0.1	0.1		0.1
Finance costs	(0.8)	(0.6)	(0.6)		(0.6)
Share of net loss of associates	(1.1)	0.3	0.4		0.4
Profit (Loss) before taxation	(115.1)	7.0	39.3	(3.9)	35.4

1. Exceptional items related to US lease exit £3.9m



Segment profit split

Operating and investment income¹ and AEBITDA² (£m)

		H1 2020			H2 2020			H1 2021		
		Operating	Investment	Total	Operating	Investment	Total	Operating	Investment	Total
Group	Income	64.8	36.4	101.2	90.9	29.9	120.8	94.5	26.1	120.6
	AEBITDA	(24.4)	(59.7)	(84.1)	12.6	7.7	20.3	19.1	34.2	53.3
UK	Income	43.3	16.0	59.3	80.6	13.0	93.5	85.8	13.0	98.8
	AEBITDA	(3.3)	(18.8)	(22.1)	24.8	3.9	28.6	27.7	13.3	41.0
US	Income	17.6	20.4	38.0	8.1	16.9	25.0	7.1	13.1	20.2
	AEBITDA	(13.2)	(40.9)	(54.1)	(12.1)	3.9	(8.2)	(9.1)	20.9	11.8
DM	Income	3.9	-	3.9	2.2	-	2.2	1.6	-	1.6
	AEBITDA	(7.9)	-	(7.9)	-	-	-	0.5	-	0.5

Segment AEBITDA to Operating profit / (loss) (£m)

Segment profit	H1 2020				H2 2020				H1 2021			
	United Kingdom	United States	Developing Markets	Total	United Kingdom	United States	Developing Markets	Total	United Kingdom	United States	Developing Markets	Total
Adjusted EBITDA	(22.1)	(54.1)	(7.9)	(84.1)	28.6	(8.3)	-	20.3	41.0	11.8	0.5	53.3
Depreciation and amortisation	(4.1)	(3.4)	(0.7)	(8.2)	(5.3)	(3.1)	(0.6)	(9.0)	(5.6)	(2.7)	-	(8.3)
Share-based payments and social security costs	(3.0)	(1.2)	(0.1)	(4.3)	(2.0)	0.0	(0.3)	(2.3)	(4.2)	(0.6)	-	(4.8)
Foreign exchange losses										(0.8)	-	(0.8)
Exceptional items	-	(12.0)	(4.9)	(16.9)	-	(1.5)	(0.3)	(1.8)	-	(3.9)	-	(3.9)
Operating profit / (loss)	(29.2)	(70.7)	(13.6)	(113.5)	21.3	(12.9)	(1.2)	7.2	31.2	3.8	0.5	35.5

1. Total income is defined as fee income and investment income less investment expense and before non-cash fair value gains/losses

2. Adjusted EBITDA represents EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) excluding share-based payments, exceptional items and foreign exchange gains or losses. Investment AEBITDA represents investment income, investment expense and fair value adjustments and operating AEBITDA represents AEBITDA excluding investment AEBITDA



Projected annualised returns ranges – H1 2021 forecast

Cohort	2015	2016	2017	2018	2019	2020	2021
UK	6.6% - 6.7%	4.7% - 5.1%	3.3% - 3.8%	2.0% - 3.0%	2.1% - 3.1%	4.5% - 5.5%	5.1% - 6.1%
US	2.6% - 2.8%	4.0% - 4.2%	4.1% - 4.6%	1.7% - 2.7%	1.6% - 2.7%	2.5% - 3.1%	2.3% - 2.5%



Funding Circle's investment in vehicles

£m	Investment as shown on Balance Sheet ("Committed Capital")									Downside / upside on valuation ¹			Estimated future cash flows
	Dec-19	Additional investment / withdrawals	Investment income	Fair value adjustment	Dec-20	Additional investment / withdrawals	Investment income	Fair value adjustment	Jun-21	Downside	Upside 1	Upside 2	
Vertical securitisation retention	13	(1)	-	-	12	(4)	-	-	8	8	8	8	9
Co-investments	-	21	-	-	21	13	3	-	37	37	37	37	51
Other investments and PPP	13	(2)	-	-	11	(1)	-	-	10	10	10	10	11
Warehouses	94	(10)	28	(42)	70	(48)	10	5	37	31	39	41	42
Horizontal securitisation retention	25	17	38	(76)	4	(6)	13	3	13	7	16	20	18
Invested	145	25	66	(118)	118	(46)	26	8	105	92	110	116	130

Investment AEBITDA
impact: (£52)m

Investment AEBITDA
impact: £34m

1. Downside and upside scenarios reflect scenarios for planning purposes and are based on higher/lower default stress assumptions which decrease/increase future projected cash flows. Only default assumptions are stressed and other variables such as discount rate remain static. No change for downside / upside valuation for Co-investments and Other investments, and PPP, as these investments have lower volatility.

Net Assets and investment in vehicles

							As at 30 June 2021	As at 31 December 2020	As at 30 June 2020
	Trading business	Investments in PPP	Warehouses	Securitisations ¹	Investments in trusts and co- investments	Other ²	Total	Total	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Investment in SME loans	0.7	226.5	108.8	207.1	37.0	9.7	589.8	558.8	758.6
Cash & cash equivalents	134.2	0.8	9.5	15.7	7.9	-	168.1	103.3	131.2
Other assets	-	1.0	-	2.7	(7.9)	-	(4.2)	11.1	13.3
Borrowings/bonds	-	(228.3)	(81.3)	(204.1)	-	-	(513.7)	(489.8)	(717.4)
CASH & INVESTMENTS	134.9	-	37.0	21.4	37.0	9.7	240.0	183.4	185.7
Other assets	95.3	-	-	-	-	-	95.3	109.0	102.0
Other liabilities	(81.2)	-	-	-	-	-	(81.2)	(74.8)	(70.8)
NET ASSETS	149.0	-	37.0	21.4	37.0	9.7	254.1	217.6	216.9



Investments of £105m

Our intention remains to sell elements of the warehouses and securitisations investments when appropriate



* All investments in warehouses and securitisations are bankruptcy remote from the core business

1. Securitisations include vertical tranche of £8m and horizontal tranche of £13m

2. Other includes £9.7m investment in Private Funds

Statement of changes in equity

£m	H1 20	H2 20	H1 21
Net Assets b/f	319.0	216.9	217.6
Profit/(Loss) for year	(115.2)	6.9	33.4
FX	8.7	(7.0)	(0.4)
Issue of share capital	0.3	-	0.3
Employee share schemes	4.1	0.8	3.2
Net Assets c/f	216.9	217.6	254.1

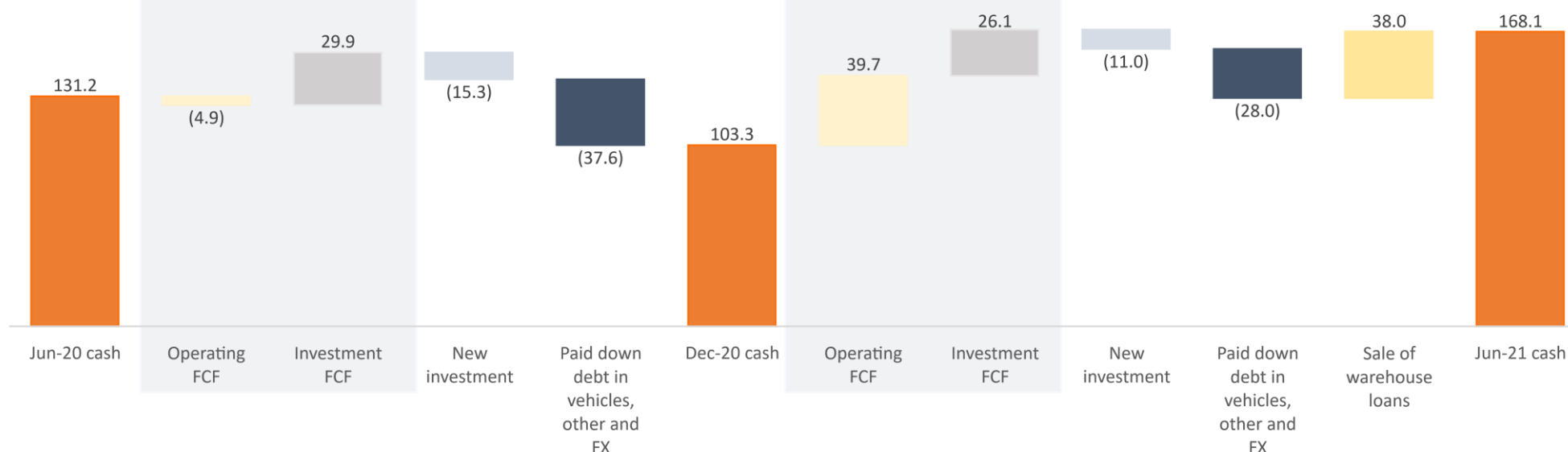


AEBITDA to FCF reconciliation and cash flow

AEBITDA to FCF reconciliation (£m)

	H2 2020		H1 2021	
	Operating	Investment	Operating	Investment
AEBITDA	12.6	7.7	19.1	34.2
Payment of lease liabilities	(4.3)	-	(3.8)	-
Purchase of tangible/intangible assets	(4.4)	-	(4.6)	-
Fair value adjustments	-	22.2	-	(8.1)
Working capital/other	(8.8)	-	29.0	-
Free cash flow (FCF)	(4.9)	29.9	39.7	26.1

1 Positive operating FCF in H2 2020 once CBILS payment received from UK government (paid quarterly in arrears).



1. Adjusted EBITDA "AEBITDA" represents EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) excluding share-based payments, exceptional items and foreign exchange gains or losses
2. Free Cash Flow represents net cash flows from operating and investment activities, including the payment of lease liabilities, but excludes net investment in new products and is stated before financing activities
3. Other and FX is £(2.6)m in H2 2020 and £nil in H1 2021



Disclaimer

Information regarding forward-looking statements

This Presentation includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Group's current beliefs and expectations about future events.

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