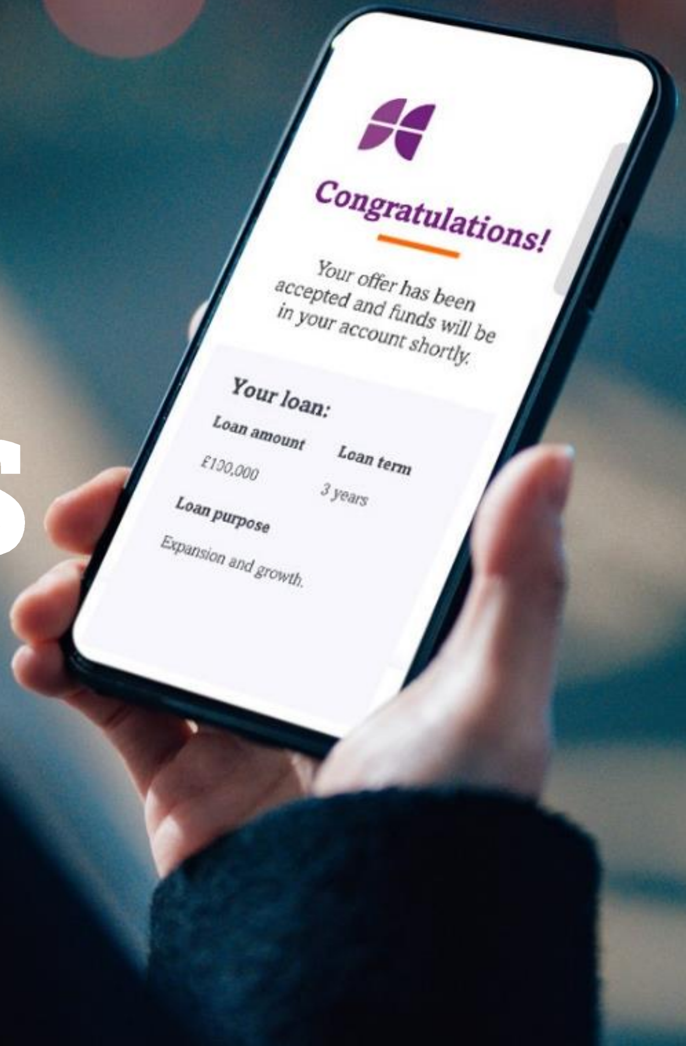
Funding Circle

FULL YEAR 2021 RESULTS

10 March 2022



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.

Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned", "anticipates" or "targets" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Presentation and include statements regarding the intentions, beliefs or current expectations of the Group concerning, among other things, the future results of operations, financial condition, prospects, growth, strategies, and dividend policy of the Group and the industry in which it operates.

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Such forward-looking statements contained in this Presentation speak only as of its date. The Group expressly disclaims any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in its expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law, the Listing Rules, the Disclosure Guidance and Transparency Rules of the FCA or the Market Abuse Regulation.

Executive summary

Full Year 2021

Proven business model:

- Positive investor returns through the cycle
- Resilience of loan portfolio proves credit quality
- Strong demand to fund loans in UK and US

Market leadership position in UK:

- Continued market leadership, high brand awareness and customer advocacy with Net Promoter Score (NPS) of 82

World class technology platform transforming borrower experience:

- Instant decision for 70% of UK applications

Strong financial performance:

- Total income: £206.9m (2020: £222.0m)
- AEBITDA: £91.8m (2020: negative £63.8m)
- Operating profit: £64.2m (2020: negative £106.3m)
- Strong growth in net assets: £288.0m (2020: £217.6m) inc. £224.0m cash (2020: £103.3m)

Looking ahead

Rapid acceleration in adoption of online borrowing here to stay:

- 68% of SMEs looking to manage more of their business online[1]

Continue to scale automated lending:

- Medium-term target of 80% of loan decisions automated

Attractive growth opportunities over the medium-term:

- Medium-term plan focused on three strategic pillars

A multi-product platform solving more problems for SMEs:

- FlexiPay roll out in Q3 2022
- FlexiPay Card beta launch in Q4 2022
- Lending as a Service (LaaS) US pilot to launch in Q2 2022
- API to continue rolling out in 2022

1. https://www.ey.com/en_gl/banking-capital-markets/the-five-step-journey-to-sme-banking-transformation

Funding Circle has a huge societal impact: £14bn lent to more than 120,000 small businesses since 2010

"We've seen a significant increase in orders over the past 12 months. Having support from Funding Circle enabled us to buy more stock and put us in a position where we could expand even faster than we had expected."

Mark Robinson
Founder, Just Strong

100,000 jobs created and sustained and £7bn contributed to GDP in 2021 in the UK alone

Typical Funding Circle borrowers:

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

Source: Funding Circle data and from the Oxford Economics and Funding Circle 2021 Economic Impact Report

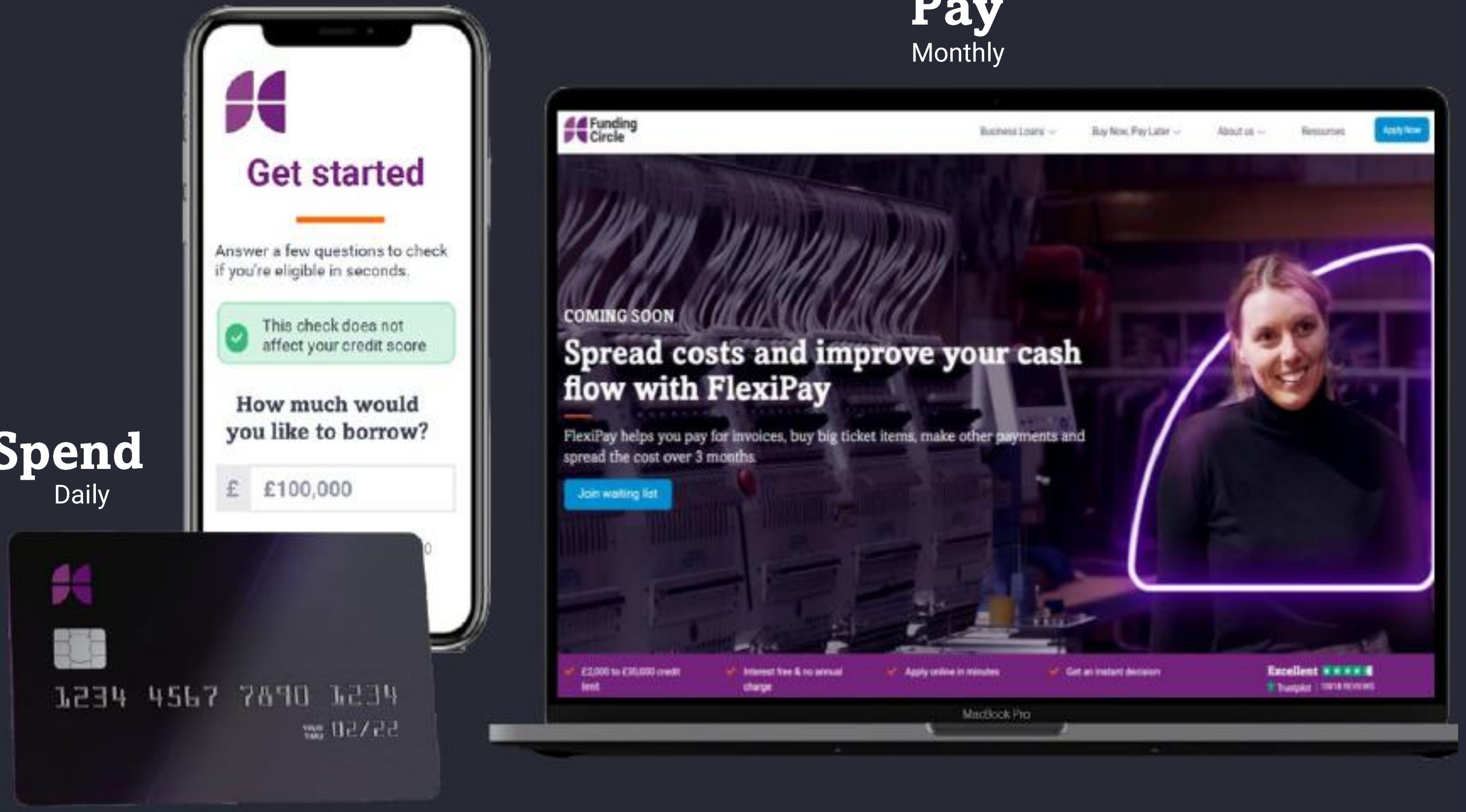
Looking ahead: we are at an inflection point

A combination of our strong financial position, world class technology and superior customer experience provides a platform to become multi-product, serving a direct and embedded audience.

Borrow
Yearly

Pay
Monthly

Spend
Daily



Why we exist: small businesses have been underserved by traditional financial institutions

SME loans as a % of banks' balance sheets[1] — <2%

SMEs as a % of GDP and employment[1] — 50-70%

>£305bn

Total Addressable Market[2]

1. % of banks' balance sheets: Bank of England, US Federal Reserve, FDIC. SMEs as a % of GDP and employment: OECD SME and Entrepreneurship Outlook 2019.
2. OC&C and Frontier Economics 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 solution: over the past 10 years, we've revolutionised SME lending through technology and data science

Our unique capability is shaped by:

- 10+ years of experience
- £14bn lent to SMEs
- >900,000 applications
- 26m businesses in our Data Lake
- 2bn data points
- 8th generation UK risk models

Today, 70% of applications receive an instant decision in the UK

- Application in 6 minutes
- Decision in 9 seconds
- Money in borrower's account in 24 hours

Our data and tech platform delivers significant benefits to our customers and forms a moat around our business

Instant Decision Technology

Growing data lake with over 2bn data points

Machine learning and AI

Leading statistical and predictive models

Decision Engine platform

Ten years of proprietary learning

Strong risk discrimination delivers attractive investor returns

- ✓ Credit models outperform traditional bureau scores, optimising access whilst delivering strong investor returns.

Superior customer experience drives advocacy and conversion

- ✓ Decision engine generates personalised customer journeys, pricing and propositions which increase conversion.
- ✓ Continuous data optimisation reduces friction in application and delivers instant decision to SME owners.

Marketing optimisation and operating leverage drives margins up

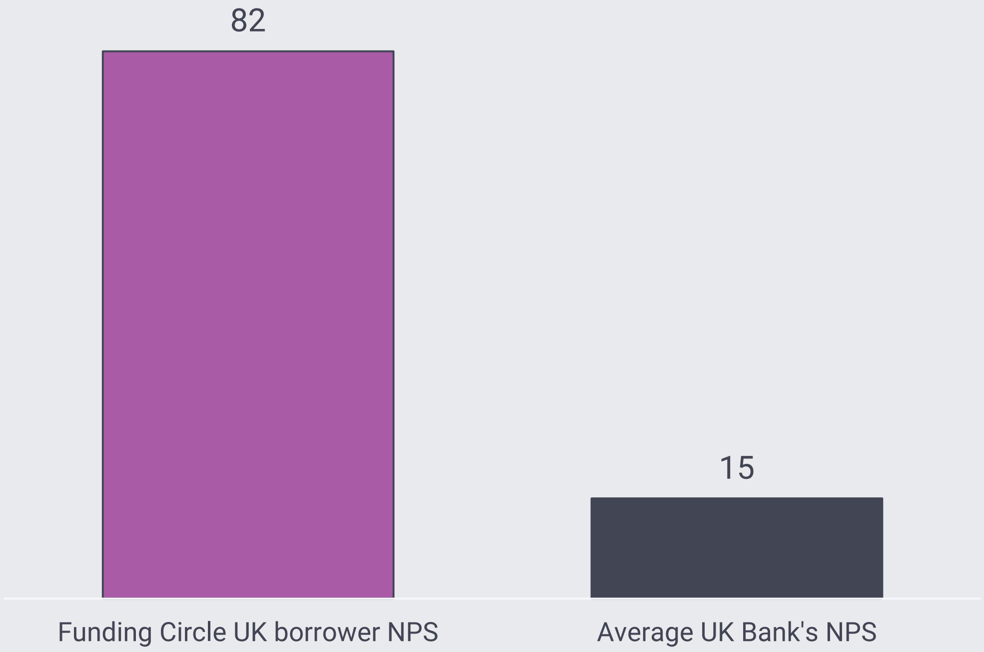
- ✓ Predictive marketing models lead to accurate targeting and relevant offers.
- ✓ Automation delivers lower processing costs and scalability.

The strength of our platform enables us to expand into new areas

- ✓ Enables us to offer additional products, solving more problems for SMEs.
- ✓ Ability to embed directly with partners to enhance distribution.

The superior experience we deliver leads to high customer advocacy and stable repeat rates

Net Promoter Score for UK borrowers[1]



High NPS scores lead to stable repeat rates amongst customers:

- UK borrowers take out approximately 2 Funding Circle loans every 5 years.
- 54% of UK operating income came from existing borrowers and investors in 2021.

1. Net Promoter Score ("NPS") scores from Funding Circle NPS survey 2021 and average NPS of UK main banks via Customer Guru: https://customer.guru/

Financial Performance

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

		FY 21 Driver	Typical Yield %[1]	% of FY 21 Total Income
Operating	Transaction Fee	Originations **£2.3bn**	**c.5%**	**57%**
Operating	Servicing Fee	LuM **£4.5bn**	**c.1% per annum**	**23%**
Investment	Investment Income	Equity Invested **£70m**	**Variable%[2]**	**20%**

1. Typical Yield may vary depending on core 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.

Key Financial Metrics

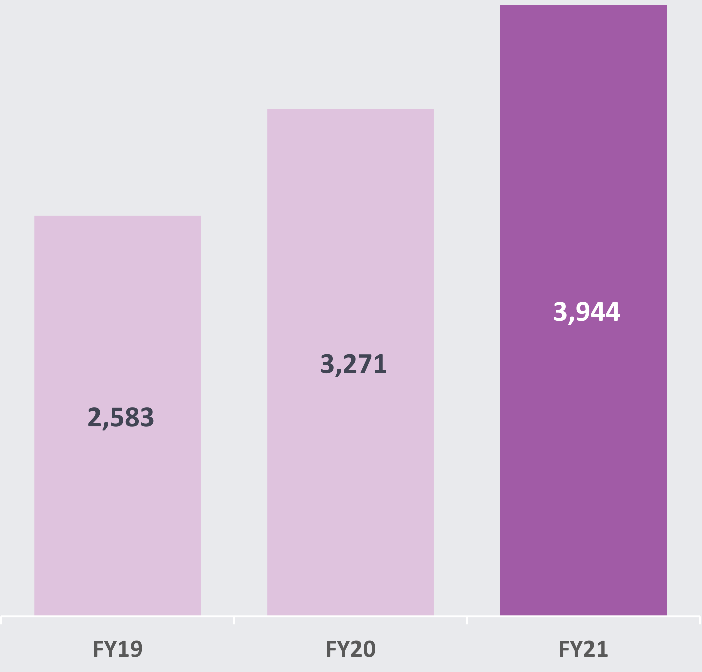
£m	H1 20	H2 20	H1 21	H2 21	FY20	FY21
Loans Under Management (LuM)	*3,722*	*4,214*	*4,933*	*4,457*	*4,214*	*4,457*
Originations	*1,112*	*1,630*	*1,635*	*661*	*2,742*	*2,296*
Operating income	64.8	90.9	94.5	71.0	155.7	165.5
Investment income	36.4	29.9	26.1	15.3	66.3	41.4
Total income[1]	**101.2**	**120.8**	**120.6**	**86.3**	**222.0**	**206.9**
Fair value (losses)/gains	(96.1)	(22.2)	8.1	20.5	(118.3)	28.6
Net income	**5.1**	**98.6**	**128.7**	**106.8**	**103.7**	**235.5**
Expenses above AEBITDA	(89.2)	(78.3)	(75.4)	(68.3)	(167.5)	(143.7)
AEBITDA[2]	**(84.1)**	**20.3**	**53.3**	**38.5**	**(63.8)**	**91.8**
Operating AEBITDA	*(24.4)*	*12.6*	*19.1*	*2.7*	*(11.8)*	*21.8*
Investment AEBITDA	*(59.7)*	*7.7*	*34.2*	*35.8*	*(52.0)*	*70.0*
Expenses below AEBITDA	(12.5)	(11.3)	(13.9)	(9.8)	(23.8)	(23.7)
Exceptionals	(16.9)	(1.8)	(3.9)	-	(18.7)	(3.9)
Operating profit (loss)	**(113.5)**	**7.2**	**35.5**	**28.7**	**(106.3)**	**64.2**
Finance income	0.3	0.1	0.1	-	0.4	0.1
Finance costs	(0.8)	(0.6)	(0.6)	(0.5)	(1.4)	(1.1)
Share of net loss of associates	(1.1)	0.3	0.4	0.5	(0.8)	0.9
Profit (Loss) before taxation	**(115.1)**	**7.0**	**35.4**	**28.7**	**(108.1)**	**64.1**
Cash[3]	*131.2*	*103.3*	*168.1*	*224.0*	*103.3*	*224.0*
Net Assets	*216.9*	*217.6*	*254.1*	*288.0*	*217.6*	*288.0*

- H1: operated PPP scheme in the US and CBILS in the UK
  H2: returned to core lending/RLS in UK & core lending in US
- High levels of investor demand to fund originations
- **LuM:** at £4.5bn, up 6% YoY
- **Originations**: £2.3bn, down 16% YoY. Record H1; H2 reduction in demand as government schemes ended
- **Operating income:** £165.5m, up 6% YoY
- **Investment income:** £41.4m down 38% YoY as loans amortise and warehouses sold
- **Fair Value**: positive revaluations, reflecting improving underlying performance of loans and investor returns
- **Costs**: expenses above AEBITDA down 9% through restructuring actions, whilst continuing to invest in technology
- **Profit**: £91.8m AEBITDA and £64.2m operating profit
- **Net assets**: strong growth in net assets to £288m; cash of £224m

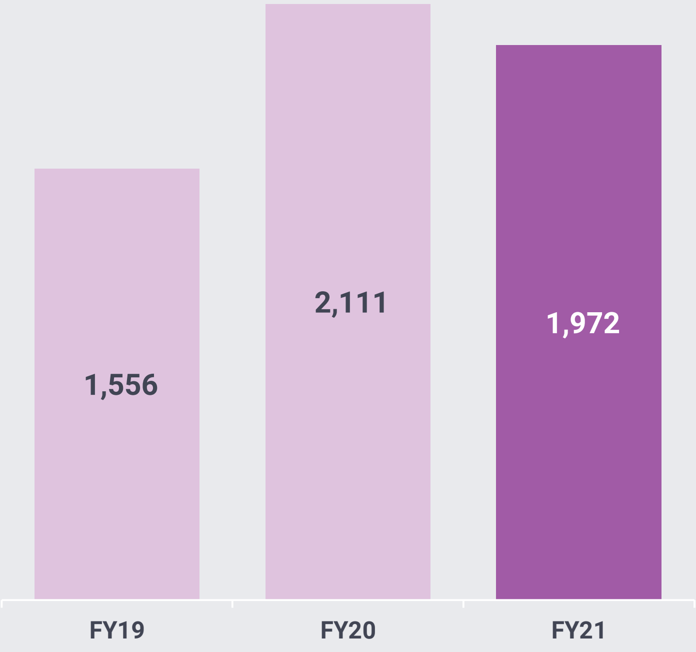
1. Total income is defined as operating income and investment income less investment expense and before fair value gains/losses
2. Adjusted EBITDA represents EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) excluding share-based payments, exceptional items and foreign exchange gains or losses. Investment AEBITDA represents investment income, investment expense and fair value adjustments and operating AEBITDA represents AEBITDA excluding investment AEBITDA
3. c.£38m of cash in FY 2021 crystallised from US warehouse sale and c.£32m from UK warehouse sale

UK LuM, originations and total income[1]

LuM at £3.9bn

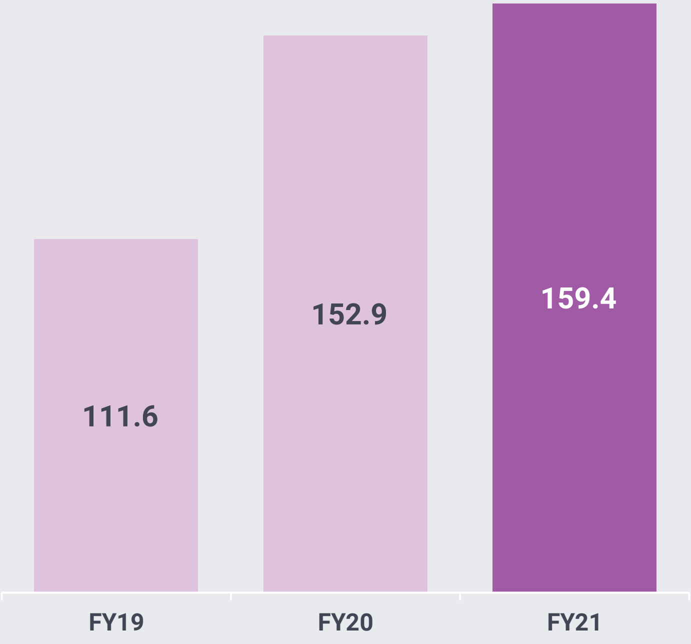


Originations at £2.0bn



	FY19	FY20	FY21
H1	798	662	1,381
H2	758	1,449	591

Total income[1] at £159.4m

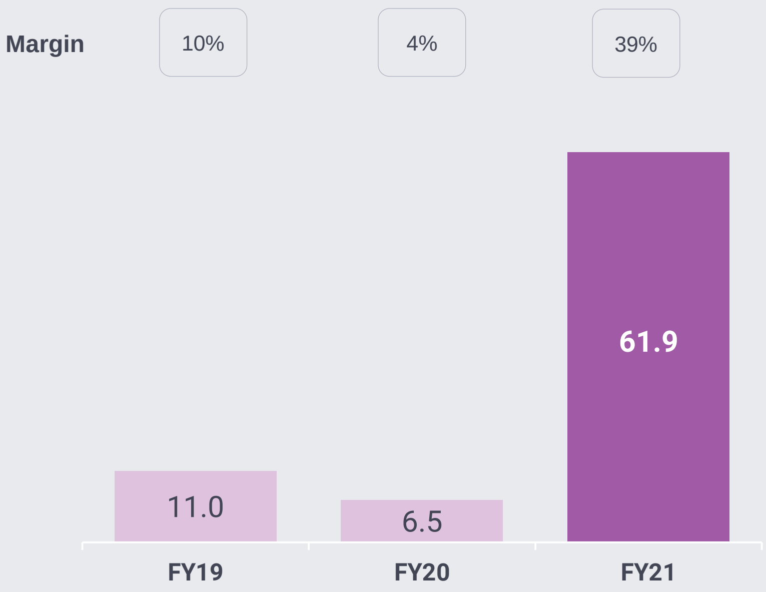


	FY19	FY20	FY21
H1	53.0	59.3	98.8
H2	58.6	93.6	60.6

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

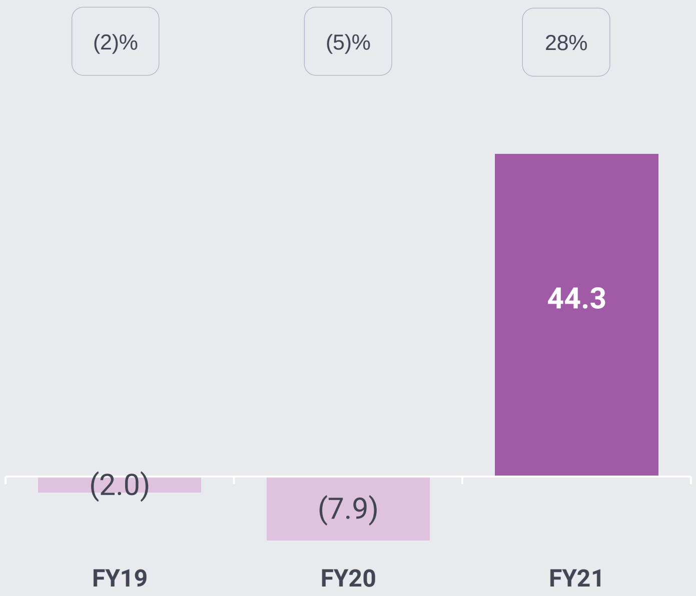
UK AEBITDA[1] and operating profit

£61.9m AEBITDA[1] in FY21



	FY19	FY20	FY21
H1	1.5	(22.1)	41.0
H2	9.5	28.6	20.9

£44.3m operating profit in FY21

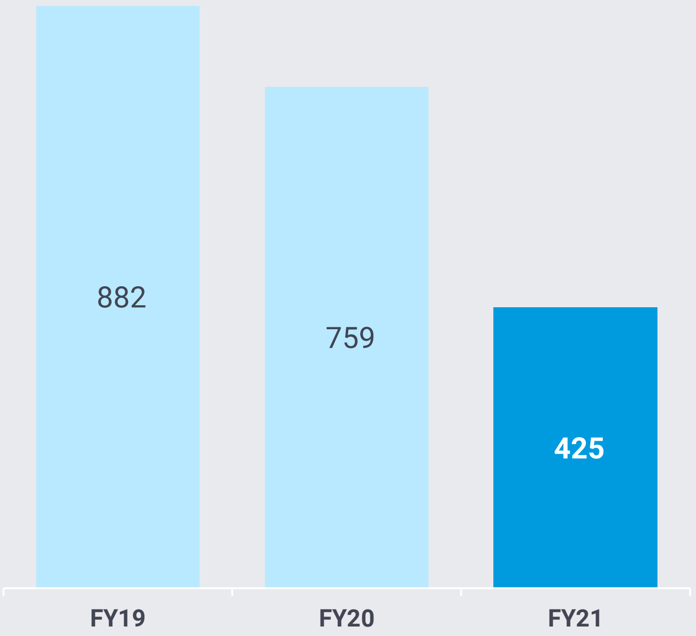


	FY19	FY20	FY21
H1	(5.0)	(29.2)	31.2
H2	3.0	21.3	13.1

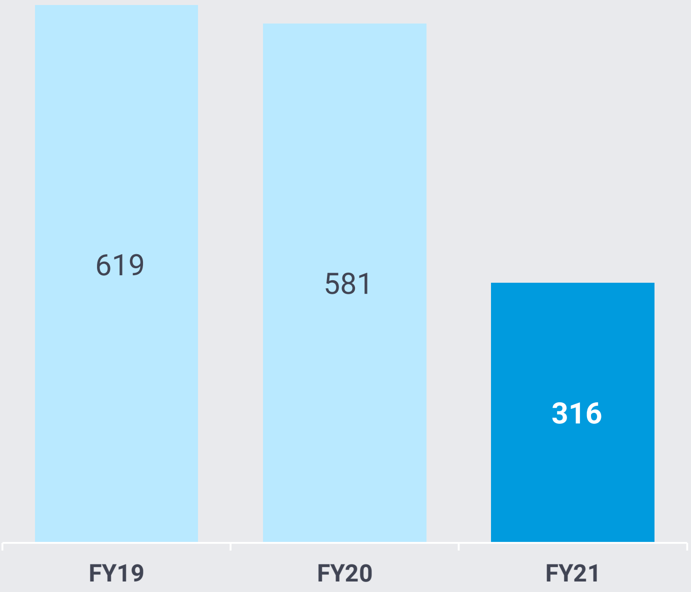
1. Adjusted EBITDA "AEBITDA" represents EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) excluding share-based payments, exceptional items and foreign exchange gains or losses. FY21 Operating AEBITDA was £29.7m (FY20: £21.4m) and Investment AEBITDA £32.2m (FY20: (£14.9m))

US LuM, originations and total income[1]

LuM[2] at £425m

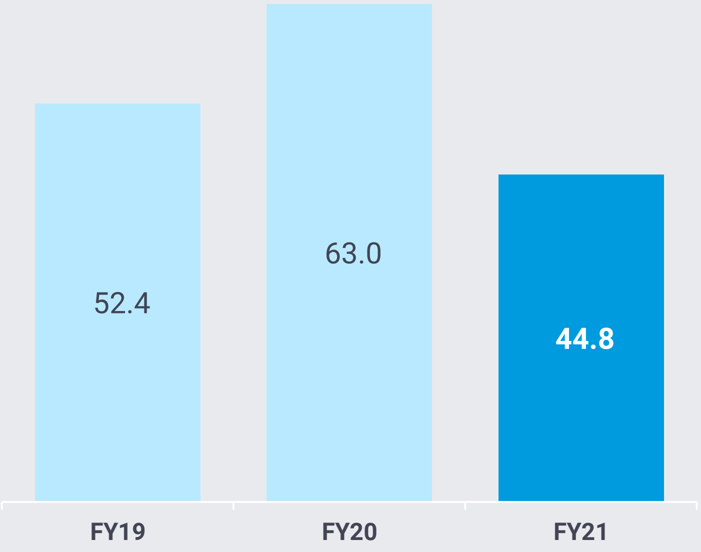


Originations of £316m



	FY19	FY20	FY21
H1[3]	311	410	247
H2	308	171	69

Total income[1] at £44.8m



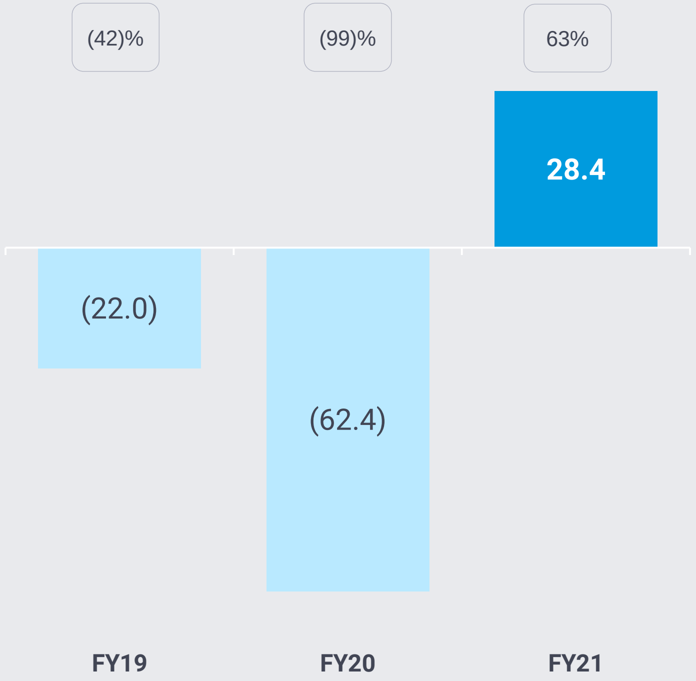
	FY19	FY20	FY21
H1	22.2	38.0	20.2
H2	30.2	25.0	24.6

1. Total income is defined as fee income and investment income less investment expense and before non-cash fair value gains/losses. PPP transaction fees were £5m in H1 ‘21 with further £14m deferred from H1 ‘21 into H2 ‘21 and further £2m into FY22
2. FY21 LuM includes £125m PPP loans.
3. PPP originations in H1 ‘21 were £224m

US AEBITDA[1] and operating profit

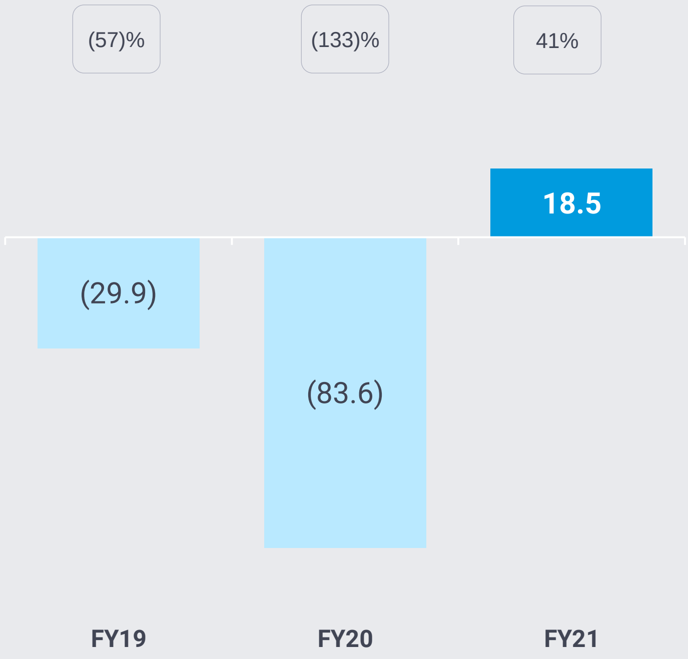
£28.4m AEBITDA[1] in FY21

Margin



	FY19	FY20	FY21
H1	(13.0)	(54.1)	11.8
H2	(9.0)	(8.3)	16.6

£18.5m operating profit in FY21

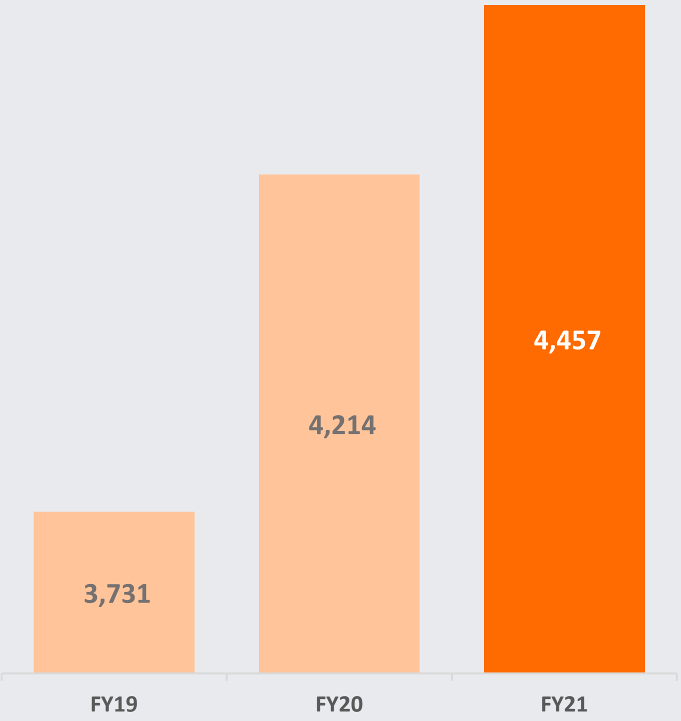


	FY19	FY20	FY21
H1	(17.1)	(70.7)	3.8
H2	(12.8)	(12.9)	14.7

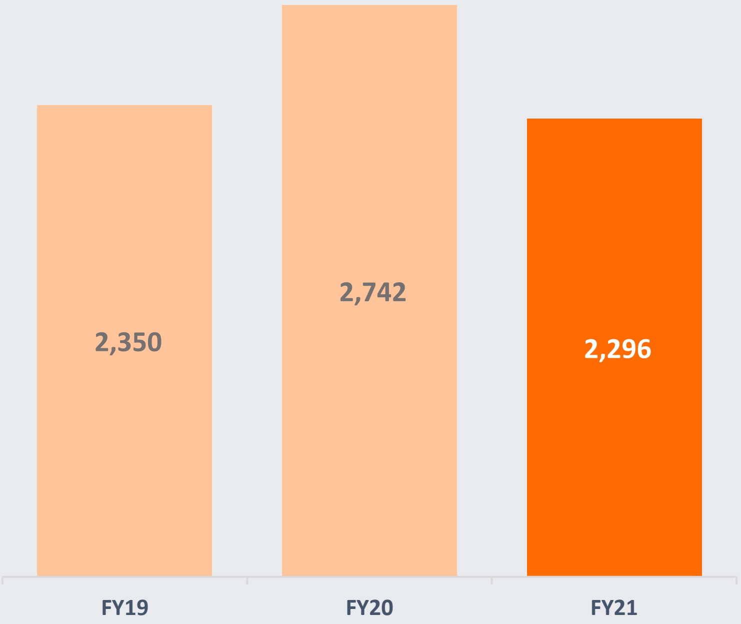
1. Adjusted EBITDA "AEBITDA" represents EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) excluding share-based payments, exceptional items and foreign exchange gains or losses
FY21 Operating AEBITDA was (£9.4m) (FY20: (£25.3m)) and Investment AEBITDA £37.8m (FY20: (£37.1m))

Group LuM, originations and total income[1]

LuM at £4.5bn

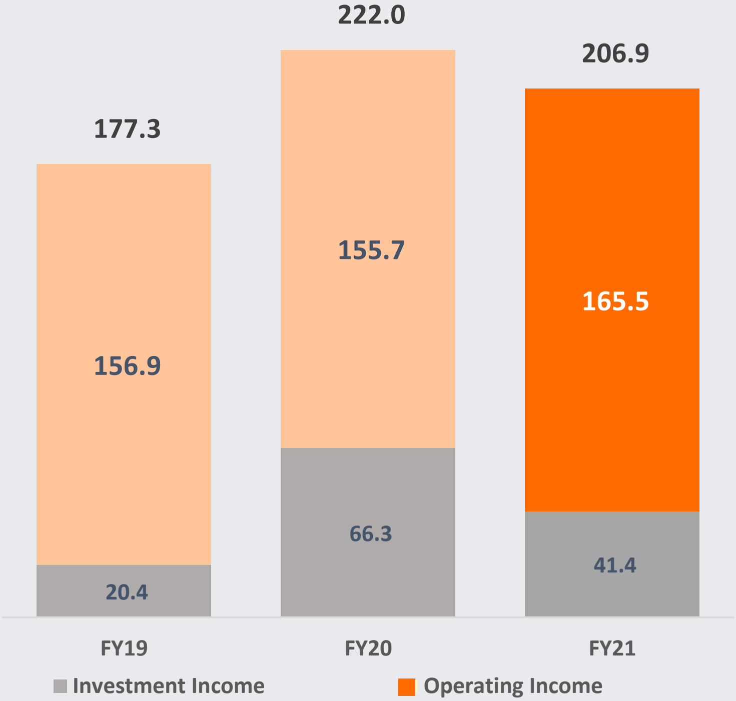


Originations at £2.3bn



	FY19	FY20	FY21
H1	1,192	1,112	1,635
H2	1,158	1,630	661

Total income[1] at £206.9m

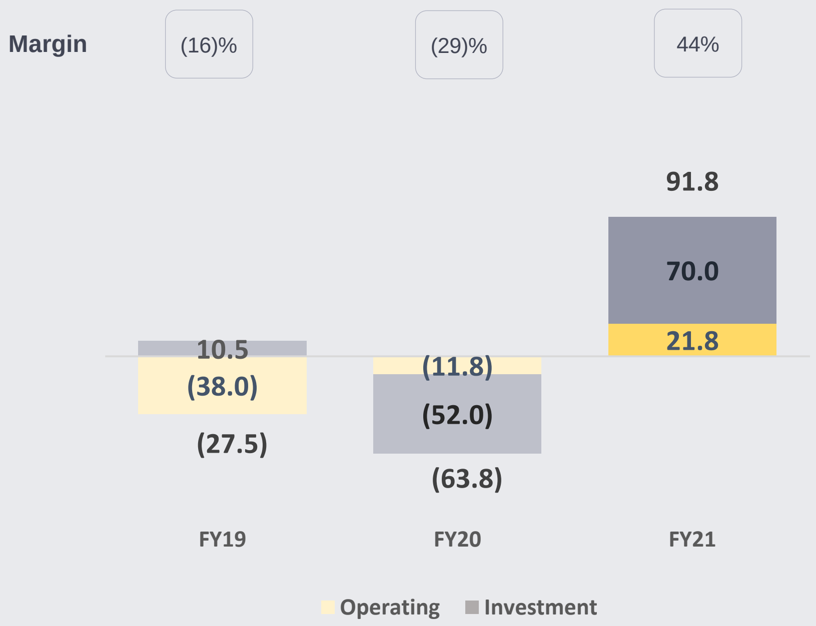


	FY19	FY20	FY21
H1	81.7	101.2	120.6
H2	95.6	120.8	86.3

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

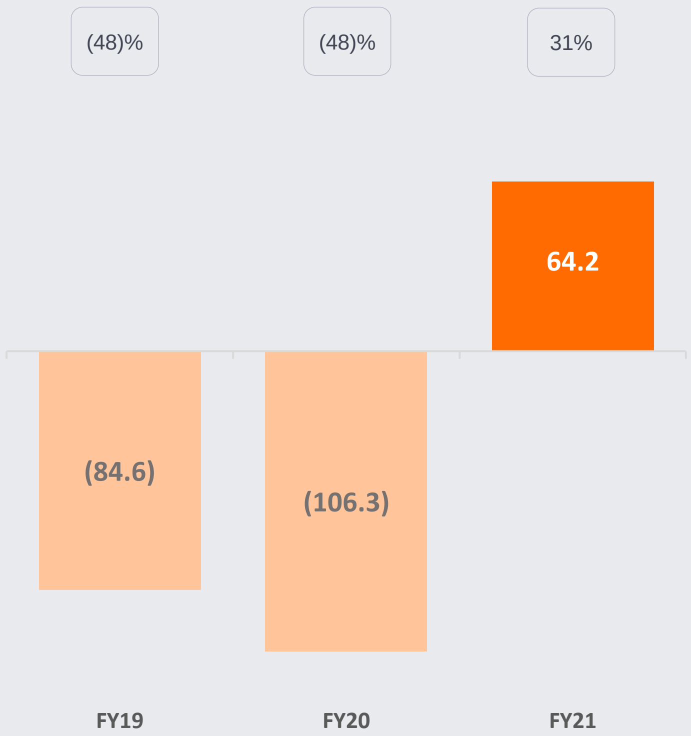
Group AEBITDA[1] and operating profit

AEBITDA[1] £91.8m in FY21



	FY19	FY20	FY21
H1	(19.7)	(84.1)	53.3
H2	(7.8)	20.3	38.5

Operating profit of £64.2m in FY21



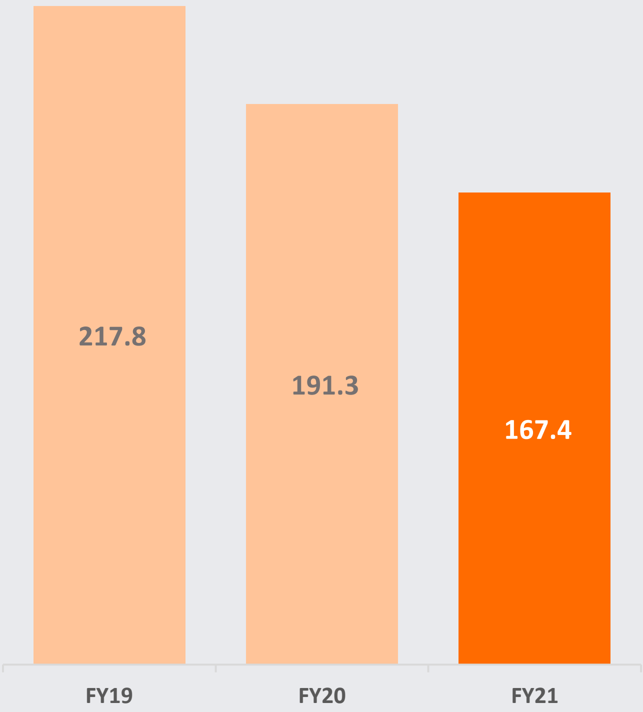
	FY19	FY20	FY21
H1	(31.3)	(113.5)	35.5
H2	(53.3)	7.2	28.7

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[1]

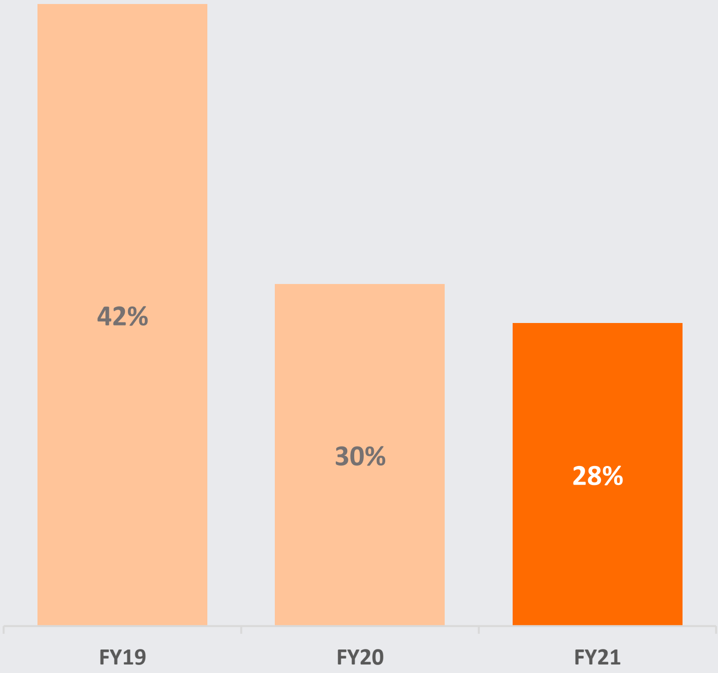
Cost management initiatives led to a 12% decrease in FY21 vs FY20

Movement: 17% | (12)% | (12)%



	FY19	FY20	FY21
H1	112.7	101.7	89.3
H2	105.1	89.6	78.1

Reduced marketing costs from 30% in FY20 to 28% of operating income in FY21

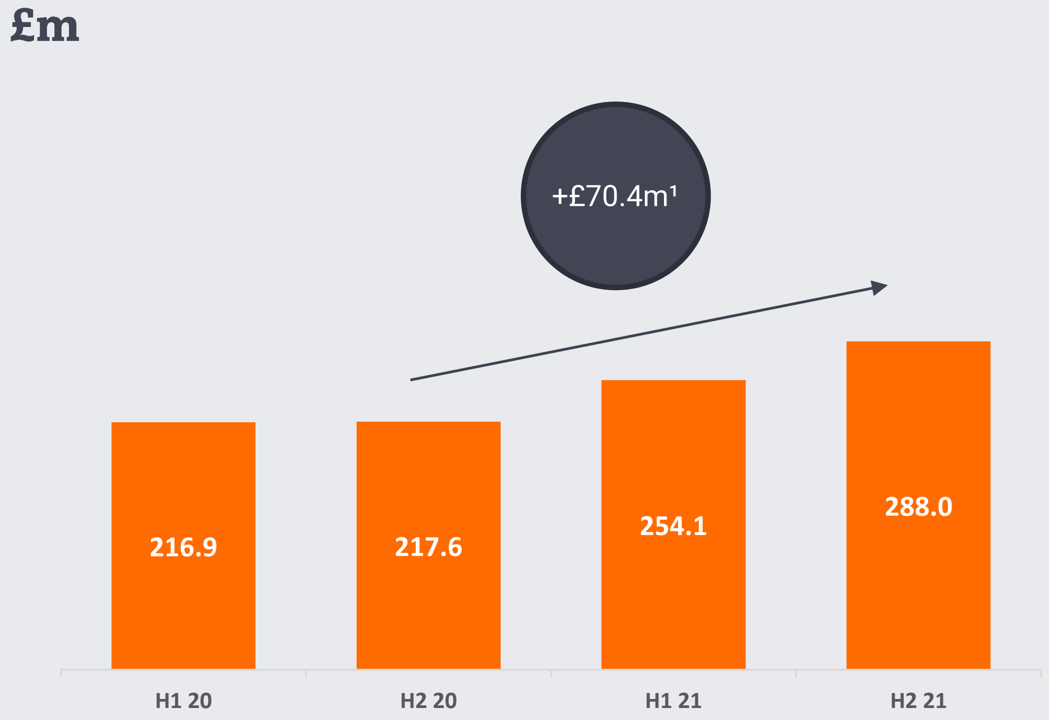


	FY19	FY20	FY21
H1	44%	35%	29%
H2	41%	27%	27%

1. Operating expenses are shown before exceptional items.

Net Assets

Net assets of £288m, up £70.4m[1] (32%) since H2 20. This includes cash of £224m.

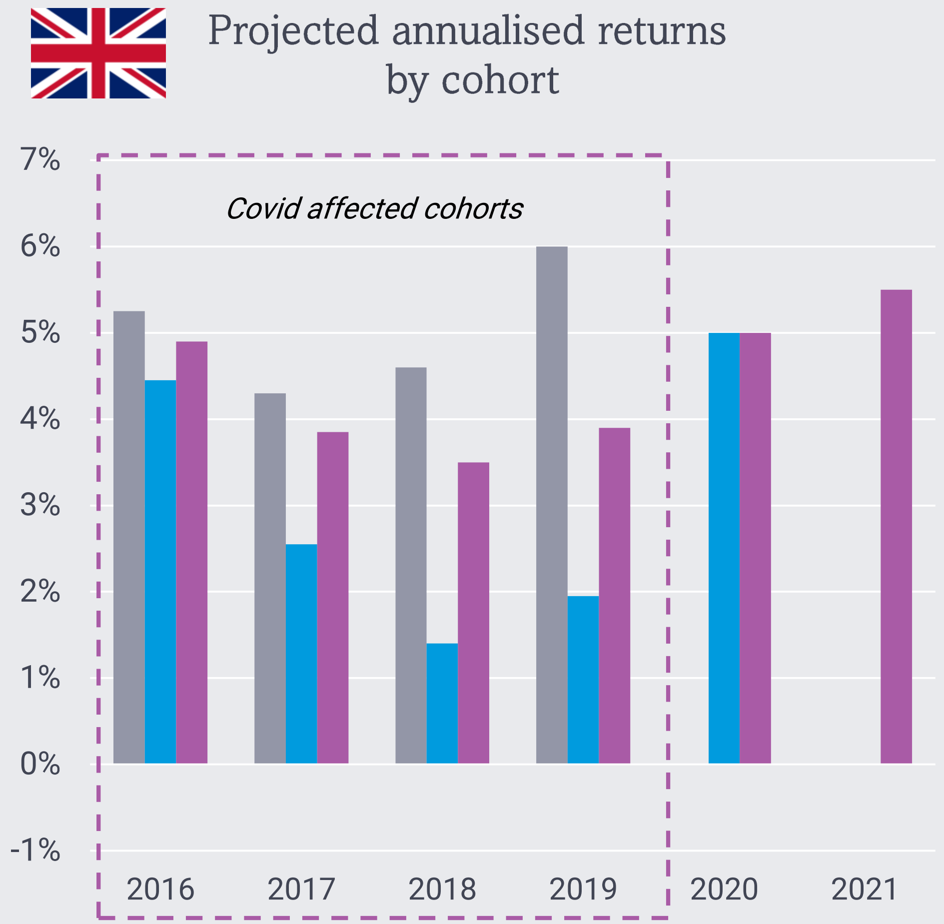


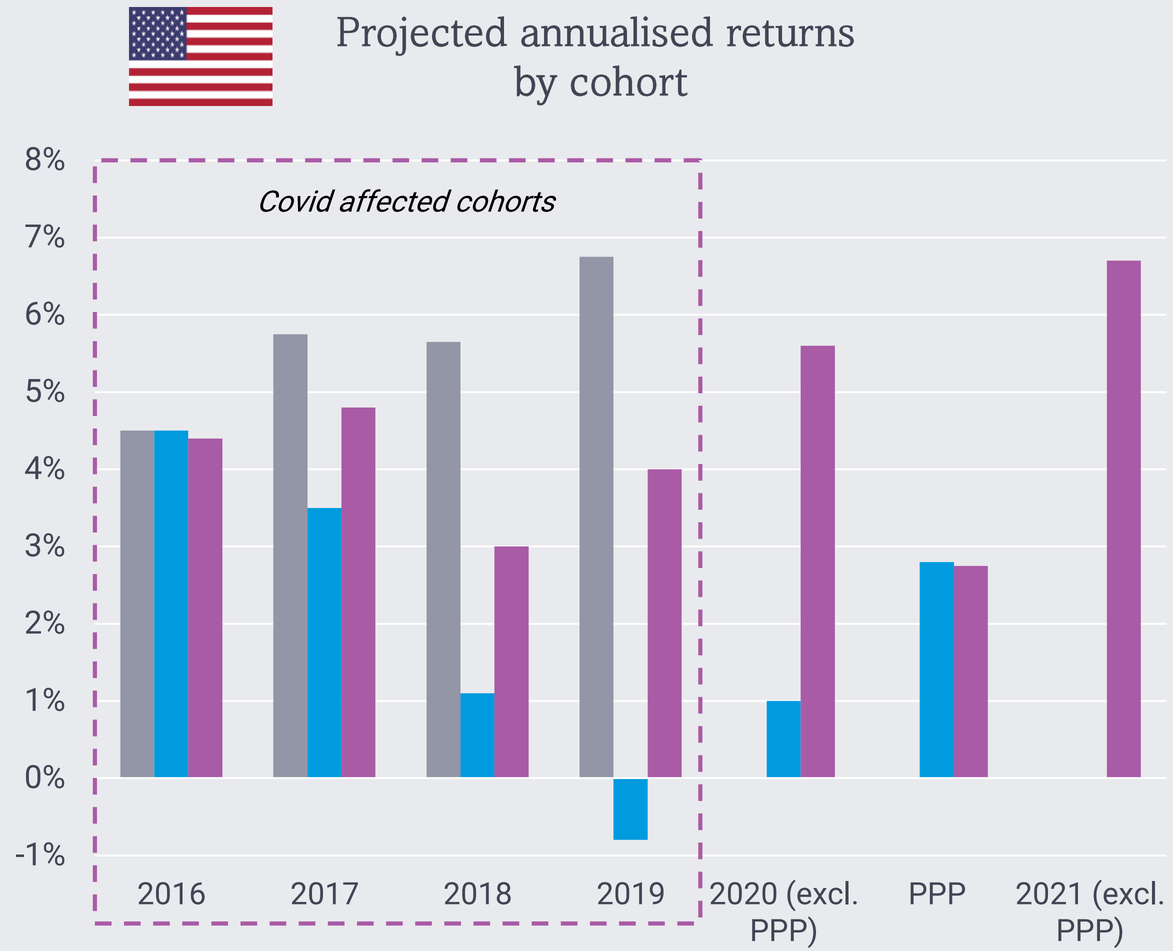
In FY21, we have:

- Simplified the balance sheet with securitisation vehicles paying down and warehouse loans sold for £70m cash.
- Funding Circle equity invested is now £70m, within our capital guardrails.
- £288m net assets including cash of £224m (up from £103m at Dec 20).

1. £70.4m equates to £61.2m profit for FY 2021, plus share awards of £7.8m, plus FX of £1.4m

Loan performance demonstrates the quality and resilience of portfolio





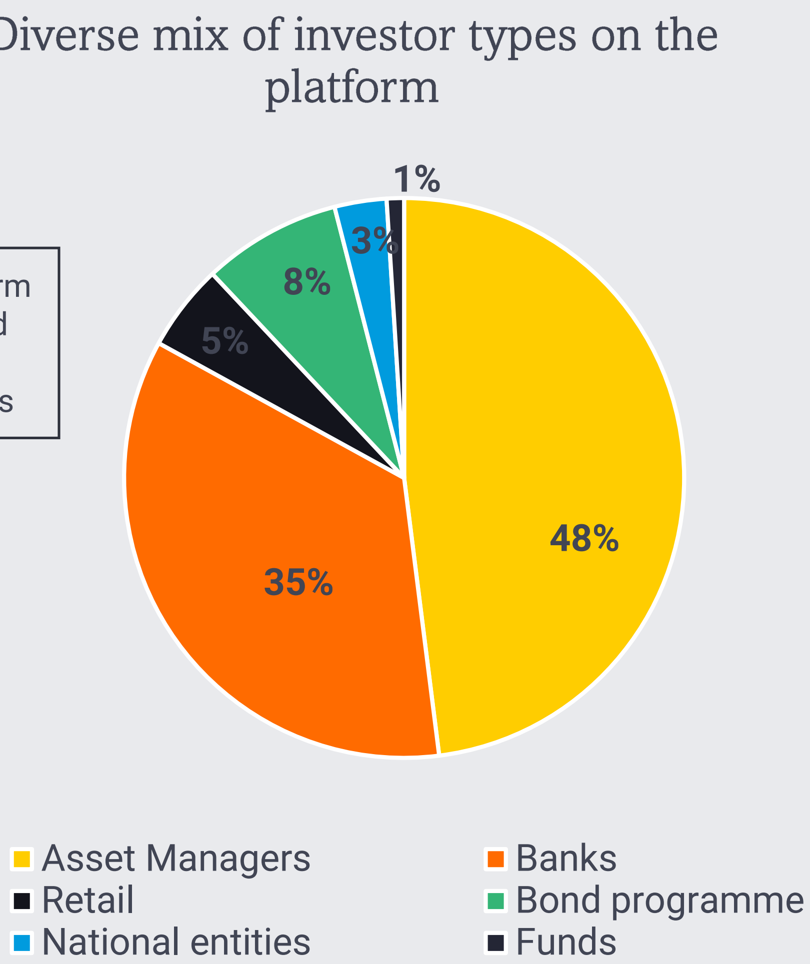
Pre-Covid expectations (H2 2019)

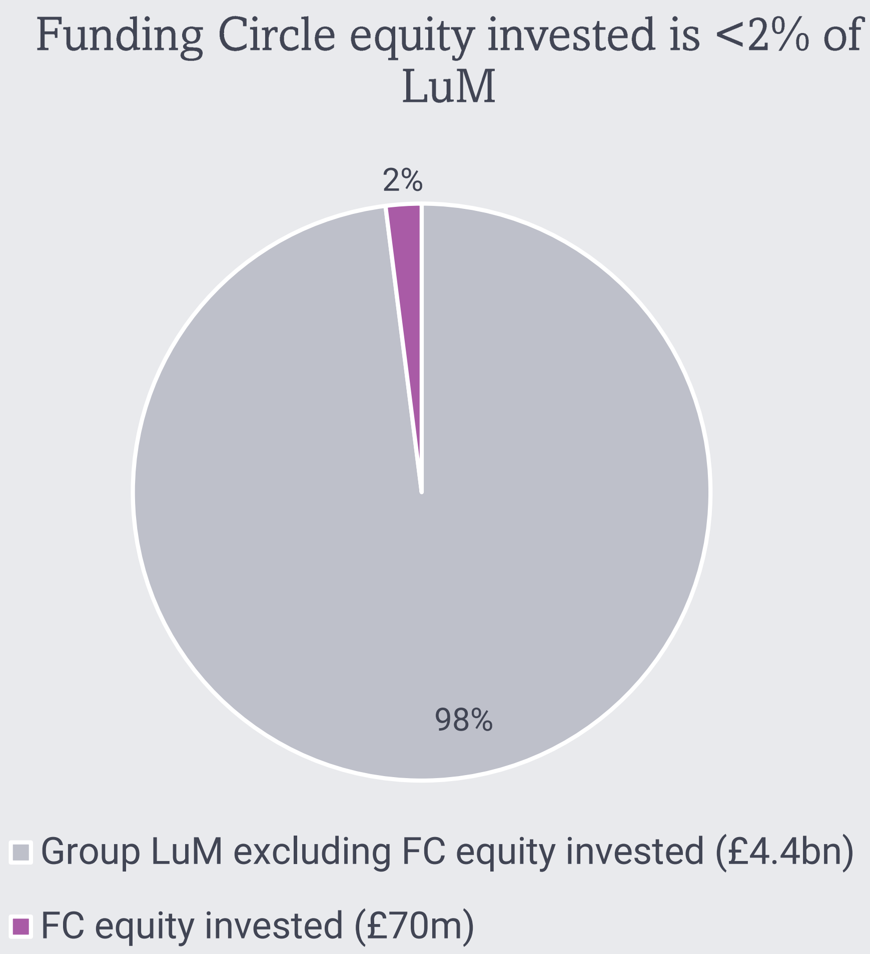
Immediate Covid impact (H1 2020)

Most recent expectations (H2 2021)

£4.5bn of loans under management funded via a platform model

Retail platform now closed for new investments





Looking ahead

Our medium-term plan has three strategic pillars and builds on our strong foundations

Our strategy for UK term loans

Attract more businesses

Increase number of applications

- Natively embed in partner environments via our API.
- Leverage expertise in digital channels to take advantage of acceleration in online.

Say Yes to more businesses

Increase conversion of quality applications

- Personalised customer journeys, pricing and proposition.
- Deepen and broaden marketplace offers.
- Expand term loan credit range to support a broader risk spectrum of businesses.

US: we have built a number of powerful capabilities, however the market is larger and more fragmented than the UK

Over 8 years we have built powerful capabilities

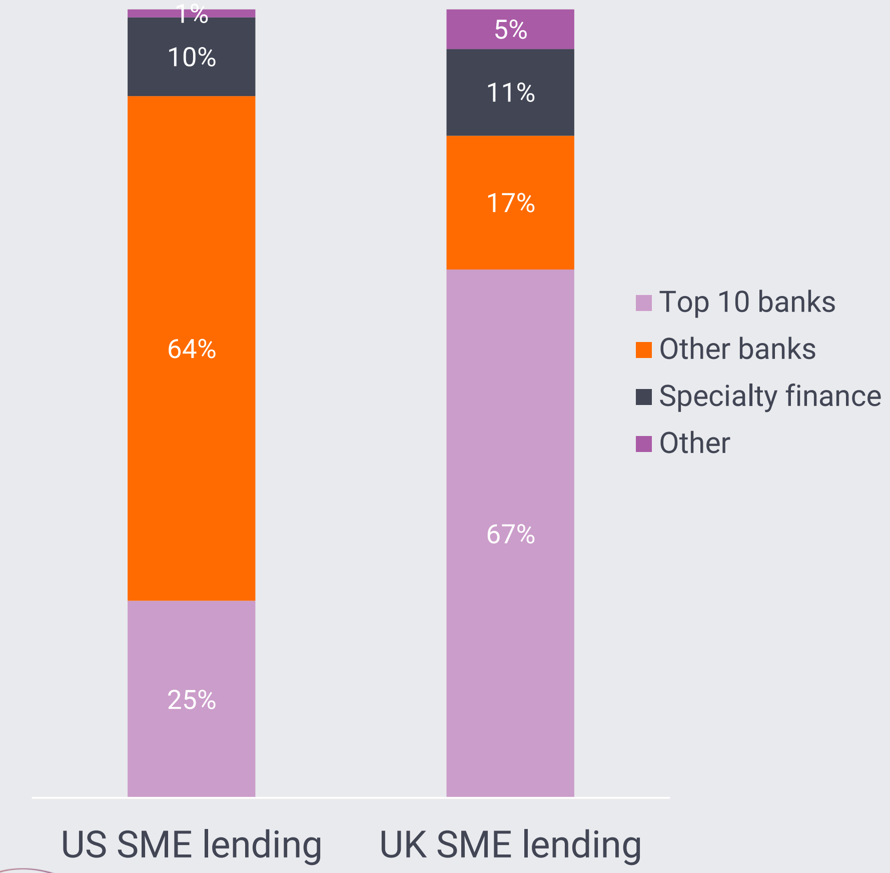
Significant scale and customer base

- Since 2015, approximately $4bn originated.
- Run-rate originations of $1bn annually pre-pandemic.

Advanced analytics delivering positive returns through the cycle

- 5th generation risk model.
- All cohorts expected to deliver positive annualised returns.

The US has a fragmented SME lending market



Our US strategy has a stronger focus on partnerships

Attract more businesses

Increase number of applications through deeper partnerships

- Launch Lending as a Service (LaaS) partnership programme with banks and other large SME providers who are looking to leverage our technology platform to provide small business loans to their customers.
- Continue to add new referral partners.

Say Yes to more businesses

Increase conversion of quality applications

- Launch new prime risk segments funded by new lenders, primarily banks.
- Enhance frictionless loan process for small loans.

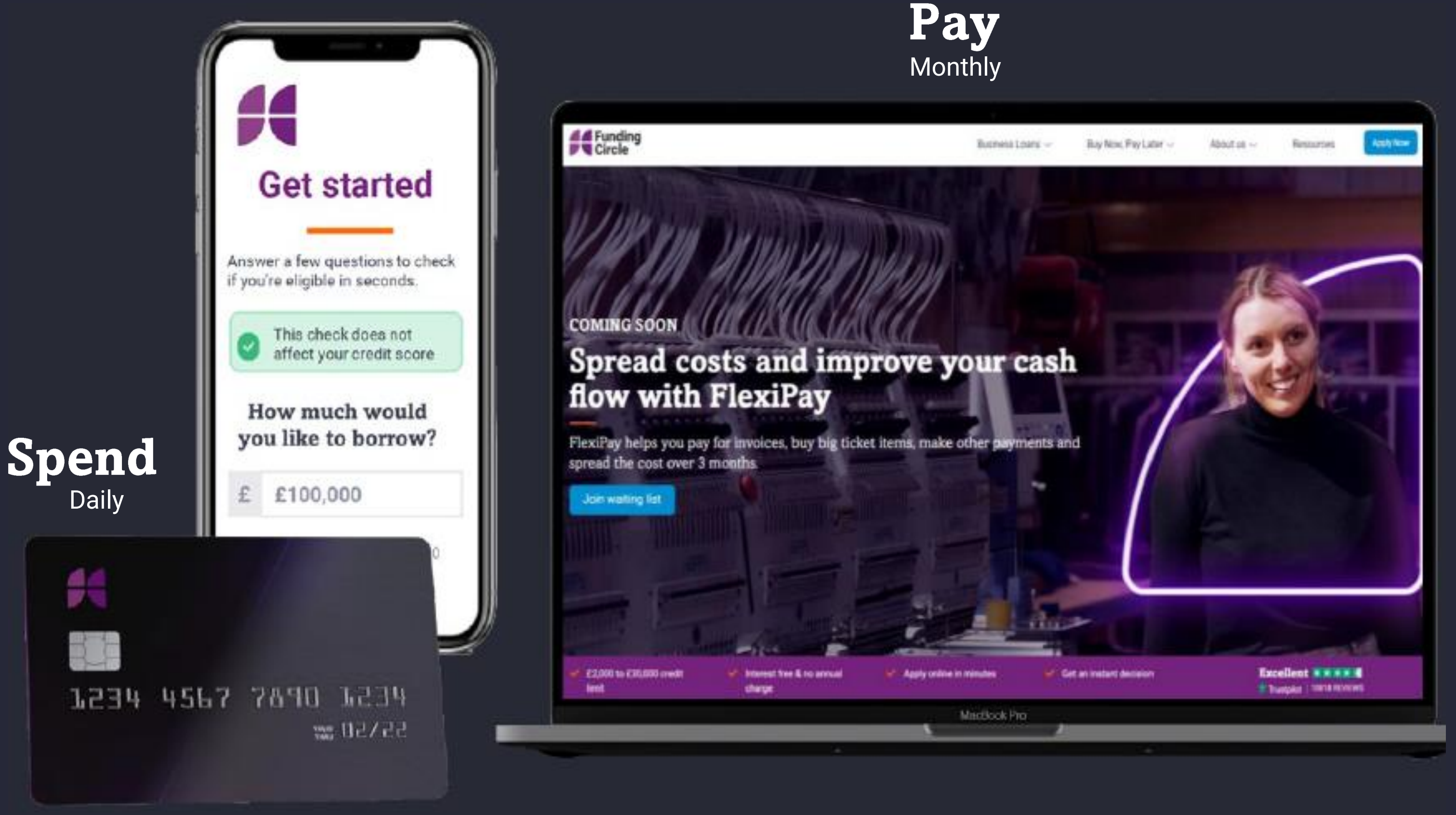
Our new products help solve more small business problems, increase customer engagement and grow our ecosystem

#1 in new products

Borrow
Yearly

Pay
Monthly

Spend
Daily



Strong customer engagement with FlexiPay has exceeded beta trial expectations

FlexiPay enables businesses to spread the cost of paying suppliers over 3 months for a one off 3% fee.

High engagement in beta trial with c.850 existing customers.

- Total value of credit limits: £11.8m with £7.6m originated
- Average FlexiPay payment is 20% higher than expected
- Average value of transactions is double expectations

Beta trial expanded to new customers in Q1 2022.

Wait list open for full launch of FlexiPay (Q3 2022) and beta launch of FlexiPay Card (Q4 2022).

Forward Guidance

The business is in the strongest position it has been and we have proven the resilience of our model over the last two years. The economic environment is uncertain and, as previously highlighted, the market continues to be distorted as a result of Covid Government loan schemes. However, as demand returns to pre-Covid levels through 2022, we are well placed to capture the opportunity going forward.

2022

- Group operating income will be in the range of £145m - £155m as we start to see demand normalising.
- Group investment income will continue to decline. Investment income will be in the £10m - £15m range.
- Group total income will therefore be in the range of £155m - £170m.
- The business will continue to be AEBITDA positive with a skew to H2.

2025

- By 2025 we expect UK total income (primarily operating income) of at least £220m. 2025 AEBITDA margins at 30-35%.
- We anticipate at least £70m of US total income (primarily operating income) by 2025 having reached AEBITDA breakeven during 2024 (incurring maximum cumulative losses of c.£25m to get to breakeven).
- For FlexiPay (including FlexiPay Card), we see significant growth opportunities between now and 2025 but it remains too early to be precise on income expectations.
- By 2025, all segments of the Group to be profitable.

CEO conclusion

- We are now at an inflection point – we are becoming a multi-product platform
- We have a proven business model and a leadership position in the UK
- Our world class technology delivers superior customer experience and a deep moat
- Our financials are strong with a healthy balance sheet
- We have attractive growth opportunities over the medium-term

Q&A

Financial appendices

Government support for businesses during Covid-19

Coronavirus Business Interruption Scheme (CBILS) UK	• 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) UK	• 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 70-80% 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 ends on 30 June 2022.
Paycheck Protection Programme (PPP) US	• 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 2021			H2 2021			2020			2021		
	Before exceptional items £m	Exceptional items £m	Total £m	Before exceptional items £m	Exceptional items £m	Total £m	Before exceptional items £m	Exceptional items £m	Total £m	Before exceptional items £m	Exceptional items £m	Total £m
Transaction fees	70.5	-	70.5	44.5	-	44.5	122.5	-	122.5	115.0	-	115.0
Servicing fees	21.9	-	21.9	25.1	-	25.1	30.2	-	30.2	47.0	-	47.0
Other fees	2.1	-	2.1	1.4	-	1.4	3.0	-	3.0	3.5	-	3.5
Operating income	**94.5**	**-**	**94.5**	**71.0**	**-**	**71.0**	**155.7**	**-**	**155.7**	**165.5**	**-**	**165.5**
Investment income	33.5	-	33.5	20.2	-	20.2	89.0	-	89.0	53.7	-	53.7
Investment expense	(7.4)	-	(7.4)	(4.9)	-	(4.9)	(22.7)	-	(22.7)	(12.3)	-	(12.3)
Total income	**120.6**	**-**	**120.6**	**86.3**	**-**	**86.3**	**222.0**	**-**	**222.0**	**206.9**	**-**	**206.9**
Fair value (losses)/gains	8.1	-	8.1	20.5	-	20.5	(118.3)	-	(118.3)	28.6	-	28.6
Net income	**128.7**	**-**	**128.7**	**106.8**	**-**	**106.8**	**103.7**	**-**	**103.7**	**235.5**	**-**	**235.5**
People costs	(39.4)	-	(39.4)	(38.3)	-	(38.3)	(81.3)	(4.0)	(85.3)	(77.7)	-	(77.7)
Marketing costs	(27.4)	-	(27.4)	(19.5)	-	(19.5)	(46.8)	-	(46.8)	(46.9)	-	(46.9)
Depreciation, amortisation and impairment	(8.3)	(3.9)	(12.2)	(5.6)	-	(5.6)	(17.2)	(13.7)	(30.9)	(13.9)	(3.9)	(17.8)
Loan repurchase charge	(0.1)	-	(0.1)	0.2	-	0.2	(6.2)	-	(6.2)	0.1	-	0.1
Other costs	(14.1)	-	(14.1)	(14.9)	-	(14.9)	(39.8)	(1.0)	(40.8)	(29.0)	-	(29.0)
Operating expenses	**(89.3)**	**(3.9)**	**(93.2)**	**(78.1)**	**-**	**(78.1)**	**(191.3)**	**(18.7)**	**(210.0)**	**(167.4)**	**(3.9)**	**(171.3)**
Operating profit (loss)	**39.4**	**(3.9)**	**35.5**	**28.7**	**-**	**28.7**	**(87.6)**	**(18.7)**	**(106.3)**	**68.1**	**(3.9)**	**64.2**
Finance income	0.1	-	0.1	-	-	-	0.4	-	0.4	0.1	-	0.1
Finance costs	(0.6)	-	(0.6)	(0.5)	-	(0.5)	(1.4)	-	(1.4)	(1.1)	-	(1.1)
Share of net loss of associates	0.4	-	0.4	0.5	-	0.5	(0.8)	-	(0.8)	0.9	-	0.9
Profit (Loss) before taxation	**39.3**	**(3.9)**	**35.4**	**28.7**	**-**	**28.7**	**(89.4)**	**(18.7)**	**(108.1)**	**68.0**	**(3.9)**	**64.1**

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

Segment profit split

Operating and investment income[1] and AEBITDA[2] (£m)

		H1 2020			H2 2020			H1 2021			H2 2021		
		Operating	Investment	Total	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	71.0	15.3	86.3
	AEBITDA	(24.4)	(59.7)	(84.1)	12.6	7.7	20.3	19.1	34.2	53.3	2.7	35.8	38.5
UK	Income	43.3	16.0	59.3	80.6	13.0	93.6	85.8	13.0	98.8	51.9	8.7	60.6
	AEBITDA	(3.3)	(18.8)	(22.1)	24.7	3.9	28.6	27.7	13.3	41.0	2.0	18.9	20.9
US	Income	17.6	20.4	38.0	8.1	16.9	25.0	7.1	13.1	20.2	18.0	6.6	24.6
	AEBITDA	(13.2)	(40.9)	(54.1)	(12.1)	3.8	(8.3)	(9.1)	20.9	11.8	(0.3)	16.9	16.6
DM	Income	3.9	-	3.9	2.2	-	2.2	1.6	-	1.6	1.1	-	1.1
	AEBITDA	(7.9)	-	(7.9)	-	-	-	0.5	-	0.5	1.0	-	1.0

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

Segment profit	H1 2020				H2 2020				H1 2021				H2 2021			
	United Kingdom	United States	Developing Markets	Total	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**	**20.9**	**16.6**	**1.0**	**38.5**
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)	(4.1)	(1.4)	(0.1)	(5.6)
Share-based payments and social security costs	(3.0)	(1.2)	(0.1)	(4.3)	(2.0)	-	(0.3)	(2.3)	(4.2)	(0.6)	-	(4.8)	(3.4)	(0.7)	-	(4.1)
Foreign exchange losses	-	-	-	-	-	-	-	-	-	(0.8)	-	(0.8)	(0.3)	0.2	-	(0.1)
Exceptional items[3]	-	(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**	**13.1**	**14.7**	**0.9**	**28.7**

1. Total income is defined as operating 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. Exceptional items in FY21 relate to the impairment of the US San Francisco lease and in FY20 related to US goodwill impairment of £12.0 million and restructuring costs of £1.5 million in the US and £5.2 million in the European business

Funding Circle's investment in vehicles

	Investment as shown on Balance Sheet ("Committed Capital")													Downside/upside on valuation			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	Additional investment / withdrawals	Investment income	Fair value adjustment	Dec-21	**Downside**	**Upside 1**	**Upside 2**	
Vertical securitisation retention	13	*(1)*	-	-	12	*(4)*	-	-	8	*(2)*	-	-	6	6	6	6	6
Co-investments	-	*21*	-	-	21	*13*	*3*	-	37	*(2)*	*5*	*(1)*	39	39	39	39	54
Other investments	13	*(2)*	-	-	11	*(1)*	-	-	10	*(2)*	*1*	-	9	9	9	9	9
Warehouses	94	*(10)*	*28*	*(42)*	70	*(48)*	*10*	*5*	37	*(50)*	*1*	*12*	-	-	-	-	-
Horizontal securitisation retention	25	*17*	*38*	*(76)*	4	*(6)*	*13*	*3*	13	*(16)*	*9*	*10*	16	13	22	25	22
Invested	**145**	*25*	*66*	*(118)*	**118**	*(46)*	*26*	*8*	**105**	*(72)*	*15*	*21*	**70**	**67**	**76**	**79**	**91**

Investment AEBITDA impact: (£52)m

Investment AEBITDA impact: £34m

Investment AEBITDA impact: £36m

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 31 December 2021	As at 31 December 2020
	Trading business £m	Investments in PPP loans £m	Securitisations[1] £m	Investments in trusts and coinvestments £m	Other[2] £m	Total £m	Total £m
Investment in SME loans	5.8	71.6	148.1	39.1	9.2	273.8	558.8
Cash & cash equivalents	208.3	1.3	14.4	-	-	224.0	103.3
Other assets/(liabilities)	-	0.3	(0.8)	-	-	(0.5)	11.1
Borrowings/bonds	-	(73.2)	(140.3)	-	-	(213.5)	(489.8)
CASH & INVESTMENTS	**214.1**	**-**	**21.4**	**39.1**	**9.2**	**283.8**	**183.4**
Other assets	67.9	-	-	-	-	67.9	109.0
Other liabilities	(63.7)	-	-	-	-	(63.7)	(74.8)
NET ASSETS	**218.3**	**-**	**21.4**	**39.1**	**9.2**	**288.0**	**217.6**

Investments of £70m

* All investments in warehouses and securitisations are bankruptcy remote from the core business
1. Securitisations include vertical tranche of £6m and horizontal tranche of £16m
2. Other includes investment in Private Funds

Statement of changes in equity

Statement in equity changes

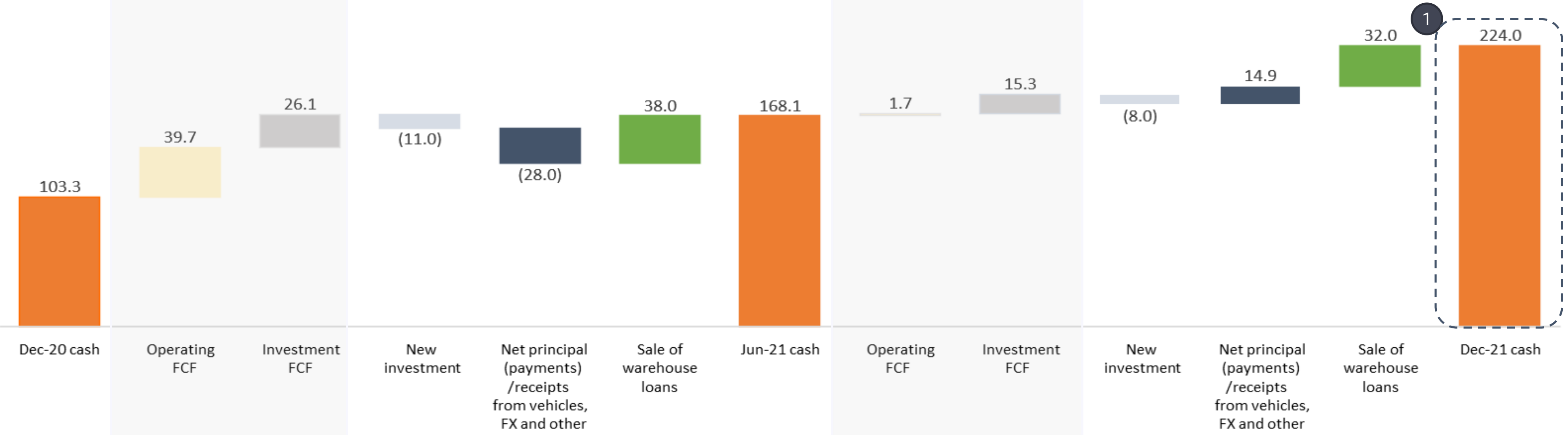
£m	H1 20	H2 20	H1 21	H2 21	2020	2021
Net Assets b/f	319.0	216.9	217.6	254.1	319.0	217.6
Profit/(Loss) for year	(115.2)	6.9	33.4	27.8	(108.3)	61.2
FX	8.7	(7.0)	(0.4)	1.8	1.7	1.4
Share awards	4.4	0.8	3.5	4.3	5.2	7.8
Net Assets c/f	**216.9**	**217.6**	**254.1**	**288.0**	**217.6**	**288.0**

AEBITDA to FCF reconciliation and cash flow

AEBITDA to FCF reconciliation (£m)

1 **Strong cash position at 31 Dec 21 following monetisation of UK and US warehouses**

	H1 2021		H2 2021	
	Operating	**Investment**	**Operating**	**Investment**
AEBITDA	**19.1**	**34.2**	**2.7**	**35.8**
Payment of lease liabilities	(3.8)	-	(4.1)	-
Purchase of tangible/intangible assets	(4.6)	-	(4.8)	-
Fair value adjustments	-	(8.1)	-	(20.5)
Working capital/other	29.0	-	7.9	-
Free cashflow (FCF)	**39.7**	**26.1**	**1.7**	**15.3**



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