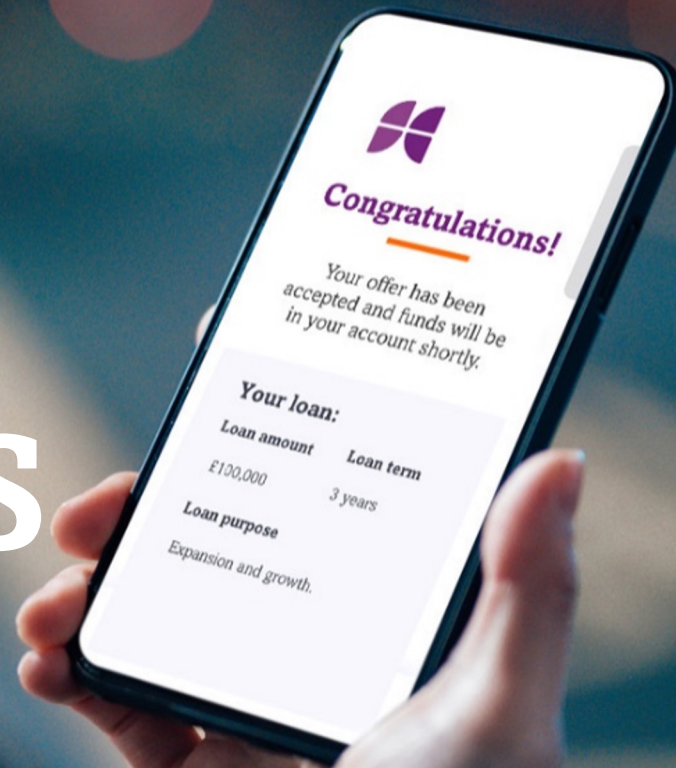


# HALF YEAR 2022 RESULTS

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8 September 2022



# Disclaimer

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## 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.

These forward-looking statements and other statements contained in this Presentation regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements.

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.





# Building the place where small businesses get the funding they need to win



£14.5bn lent to 130,000 small businesses since 2010

“ We had a great experience when we used Funding Circle previously, so decided to go back. They ticked all our boxes and everything was clear and easy. We’ve got loads of things going on at any one time, and Funding Circle gave us one less thing to worry about. ”

David Cohen,  
Founder,  
Flower Station



# Well positioned and executing on growth potential

## World-class technology

- Market-leading technology continues to deliver a superior customer experience
- 70% of UK applications receive an instant decision
- Borrower application in 6 minutes, decision in 9 seconds, money in account in 24 hours
- Net Promoter Score of 80 in UK and 83 in US

## Proven platform model

- Investor returns through the platform remain robust and attractive, with upgrades to most loan cohorts
- Continued investor demand to fund loans; continued borrower demand
- Well prepared to manage the business through the uncertain macro environment
- Prudent approach to originations and borrower price adjustments in a rising base rate environment

## Significant growth opportunities

- Early execution against the three strategic pillars of our medium-term plan
- **Attract more businesses:** launched two Lending as a Service (LaaS) pilot partnerships in US
- **Say yes to more businesses:** expanded core product set in UK and US; strong origination growth in US
- **#1 in new products:** tripled FlexiPay drawdowns from March to August

## Resilient financial performance

- H1 2022 performance ahead of expectations, driven by investment AEBITDA
- Group: £77.3m total income, £10.6m AEBITDA, £1.5m operating profit
- £299.3m net assets and £183.4m unrestricted cash
- Prudent approach to the uncertain macro environment with £15m reduction to income outlook now £140m - £155m
- Reaffirm AEBITDA positive guidance for the Full Year





# Financial Performance

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

		H1 2022 Driver	Typical yield % <sup>1</sup>	% of H1 2022 Total income
Operating	Transaction fee <sup>2</sup>	Originations £0.8bn	c.5%	55%
	Servicing fee	LuM £4bn	c.1% per annum	31%
Investment	Investment income	Equity invested £85m <sup>3</sup>	Variable% <sup>3</sup>	14%

1. Typical yield may vary depending on core and marketplace mix.
2. Transaction fee includes monies earned on FlexiPay product and other fees.
3. Equity invested excludes £7m of FlexiPay lines of credit. The 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 21	H2 21	H1 22
<i>Loans Under Management (LuM)</i>	4,933	4,457	4,071
<i>Originations</i>	1,635	661	803
Operating income <sup>3</sup>	94.5	71.0	66.4
Investment income	26.1	15.3	10.9
<b>Total income<sup>1</sup></b>	<b>120.6</b>	<b>86.3</b>	<b>77.3</b>
Fair value gains	8.1	20.5	1.5
<b>Net income</b>	<b>128.7</b>	<b>106.8</b>	<b>78.8</b>
Expenses above AEBITDA	(75.4)	(68.3)	(68.2)
<b>AEBITDA<sup>2</sup></b>	<b>53.3</b>	<b>38.5</b>	<b>10.6</b>
<i>Operating AEBITDA</i>	19.1	2.7	(1.8)
<i>Investment AEBITDA</i>	34.2	35.8	12.4
Expenses below AEBITDA	(13.9)	(9.8)	(9.1)
Exceptionals	(3.9)	-	-
<b>Operating profit (loss)</b>	<b>35.5</b>	<b>28.7</b>	<b>1.5</b>
Finance income	0.1	-	0.5
Finance costs	(0.6)	(0.5)	(0.5)
Share of net profit of associates	0.4	0.5	0.1
<b>Profit (Loss) before taxation</b>	<b>35.4</b>	<b>28.7</b>	<b>1.6</b>
Cash	168.1	224.0	200.7
Net Assets	254.1	288.0	299.3

- **LuM:** at £4.1bn, down 8.7% on H2 2021 following early expected repayment of CBILS loans and PPP loan forgiveness
- **Originations:** £0.8bn, up 21% on H2 2021, but down 51% on H1 2021 when the UK and US govt lending schemes were operating
- **Operating income:** £66.4m, down 6.5% on H2 2021 and 30% down on H1 2021. Operating income was distorted by the deferral of PPP fees. Excluding this, the underlying operating income grew from £57.0m in H2 2021 to £63.9m in H1 2022
- **Investment income:** £10.9m down 29% on H2 2021 and 58% down on H1 2021 as both the UK and US warehouses were sold in Full Year 2021 and remaining vehicles amortise down
- **Fair value:** gain of £1.5 million following positive revaluations in both H1 and H2 2021, reflecting underlying credit performance.
- **Costs:** expenses above AEBITDA remain controlled and were flat on H2 2021 and down 9.5% on H1 2021
- **Profit:** £10.6m AEBITDA and £1.5m operating profit
- **Cash:** £200.7m of which £183.4m is unrestricted<sup>4</sup>
- **Net assets:** grew to £299.3m

1. Total income is defined as operating income and investment income less investment expense and before fair value gains/losses.

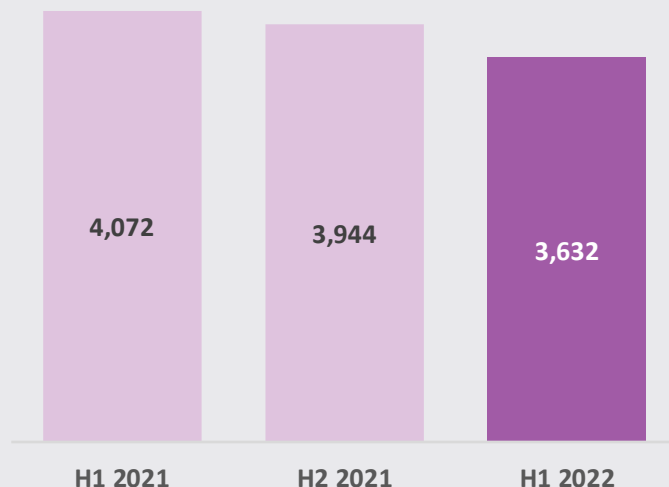
2. Adjusted EBITDA represents EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) excluding share-based payments, exceptional items and foreign exchange gains or losses. Investment AEBITDA represents investment income, investment expense and fair value adjustments and operating AEBITDA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

3. Operating income was distorted by PPP fees where £16m was required to be deferred from H1 2021 with £14m and £2m recognised in H2 2021 and H1 2022 respectively. Excluding this, the underlying operating income grew from £57m in H2 2021 to £63.9m in H1 2022.

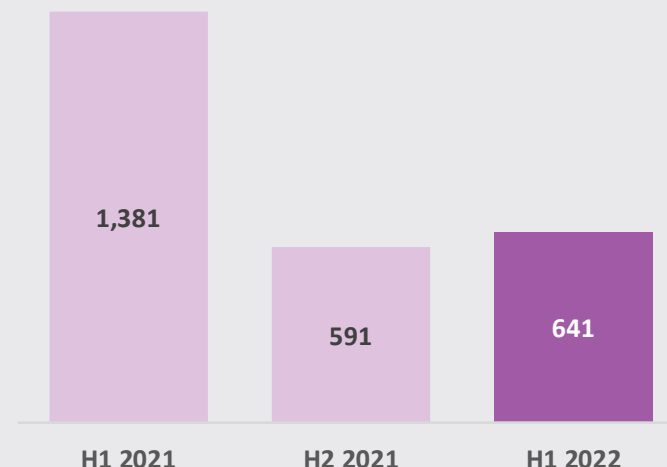
4. Refer to slide 13 for further detail on uses of cash. Unrestricted cash refers to total cash less cash that is restricted in use. The restricted cash is cash that is not available for general use by the Company as it is held within investment vehicles.

# UK originations reduced from H1 2021 at peak of government schemes; up 8% on H2 2021

**LuM at £3.6bn**

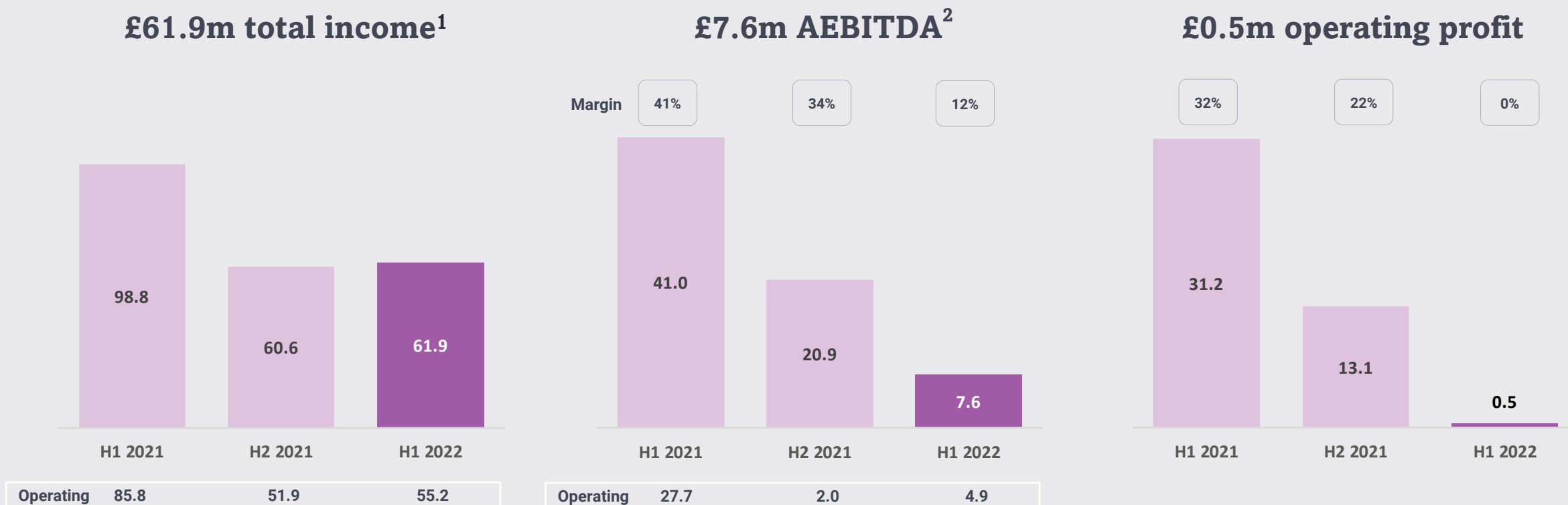


**Originations at £641m**





# UK operating income and operating AEBITDA growing from H2 2021 as investment income declines



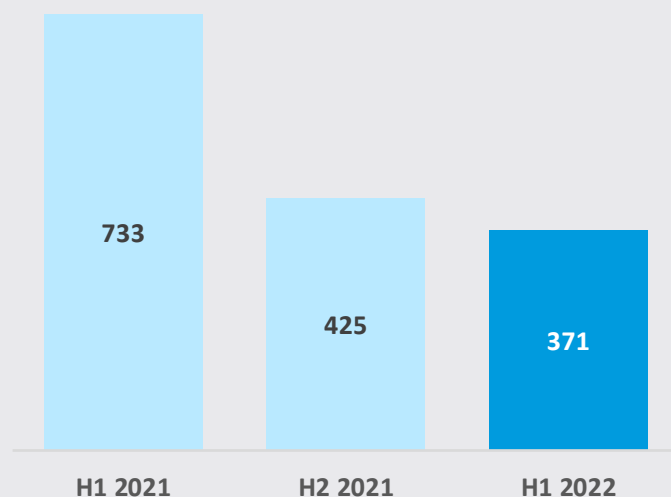
1. Total income is defined as fee income and investment income less investment expense and before non-cash fair value gains/losses. Further breakdown of operating and investing is provided in the appendices.

2. Adjusted EBITDA "AEBITDA" represents EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) excluding share-based payments, exceptional items and foreign exchange gains or losses. Further breakdown of operating and investing is provided in the appendices.

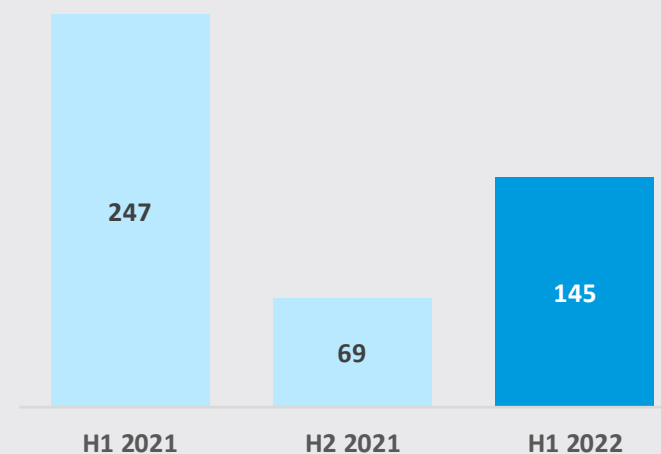


# US originations down from H1 2021 at peak of government schemes; more than double H2 2021

**LuM at £371m**



**Originations at £145m**



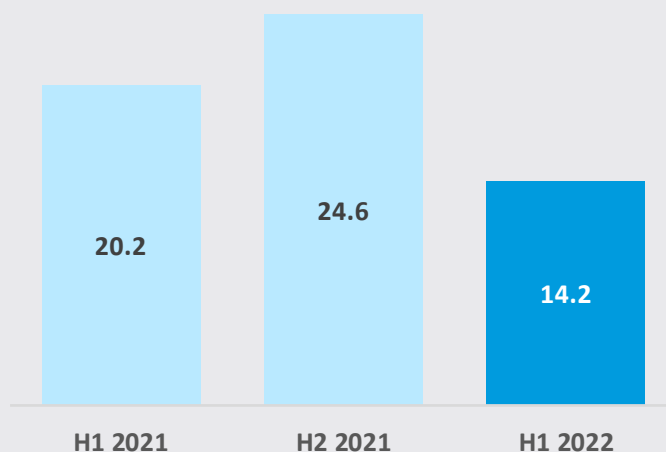
LuM (PPP)	£333m	£125m	£48m
LuM (commercial)	£400m	£300m	£323m





# US underlying operating income and operating AEBITDA improving from H2 2021 as investment income declines

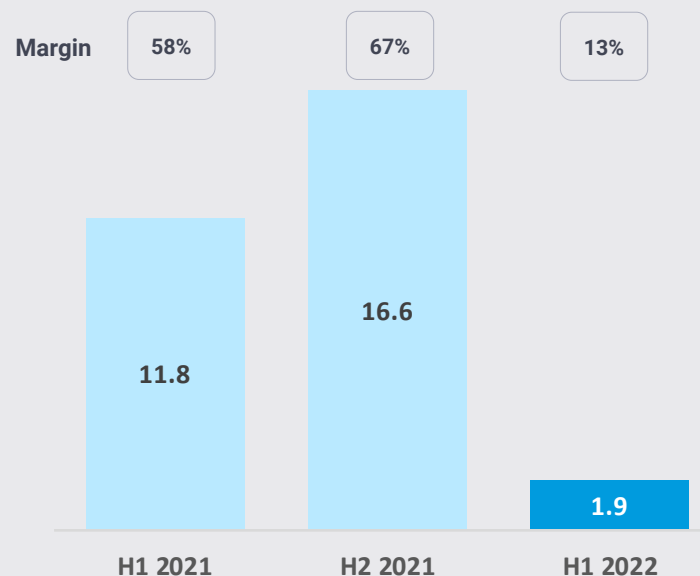
## £14.2m total income<sup>1</sup>



Operating	7.1	18.0	10.0
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Operating	23.2	4.0	7.6
(excl. PPP deferred income)			

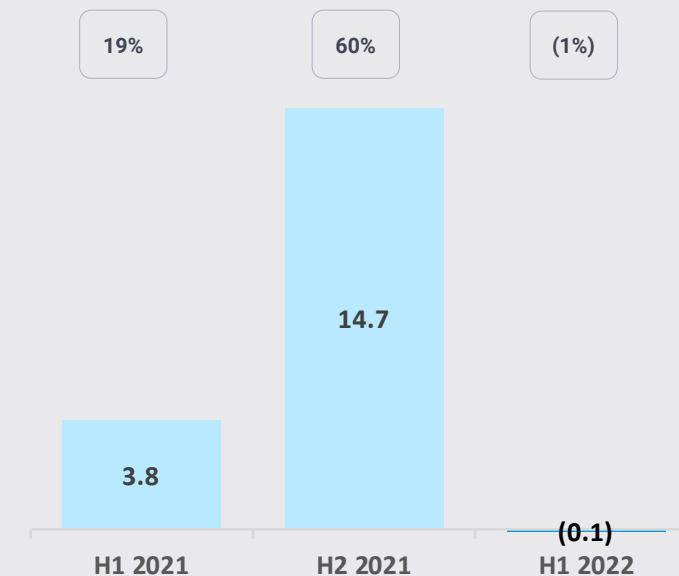
## £1.9m AEBITDA<sup>2</sup>



Operating	(9.1)	(0.3)	(7.8)
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Operating	5.6	(13.1)	(10.1)
(excl. PPP deferred income)			

## (£0.1m) operating loss



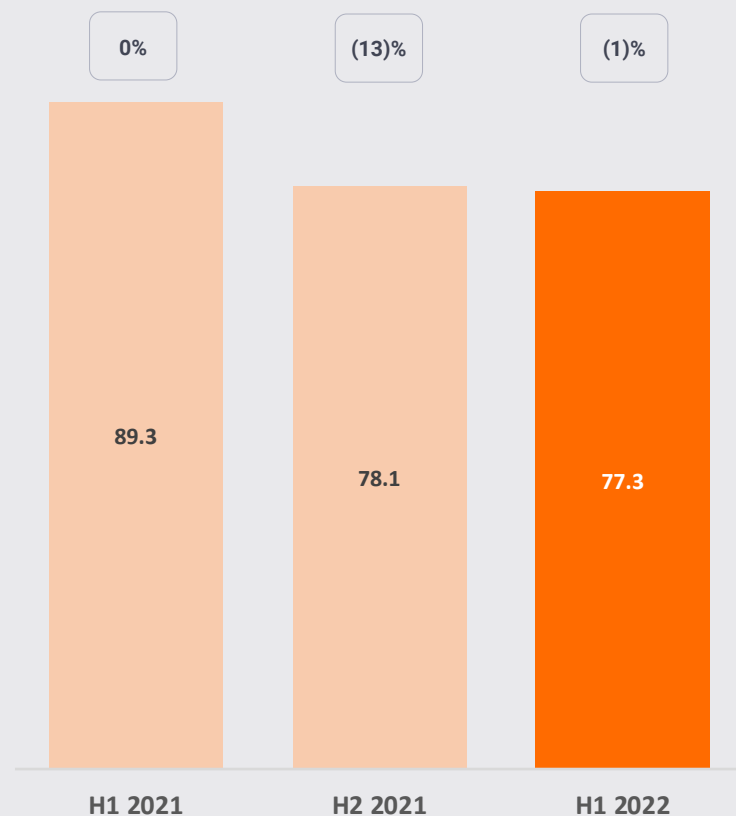
1. Total income is defined as fee income and investment income less investment expense and before non-cash fair value gains/losses. Further breakdown of operating and investing is provided in the appendices.
2. Adjusted EBITDA "AEBITDA" represents EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) excluding share-based payments, exceptional items and foreign exchange gains or losses. Further breakdown of operating and investing is provided in the appendices.



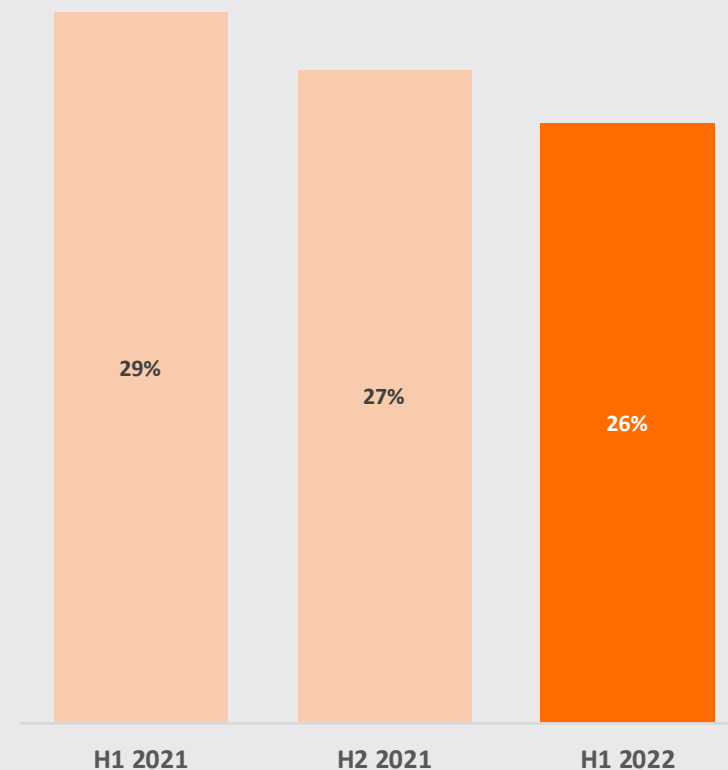
# Operating expenses in line with H2 2021<sup>1</sup>

## Costs remained flat on H2 2021

Movement



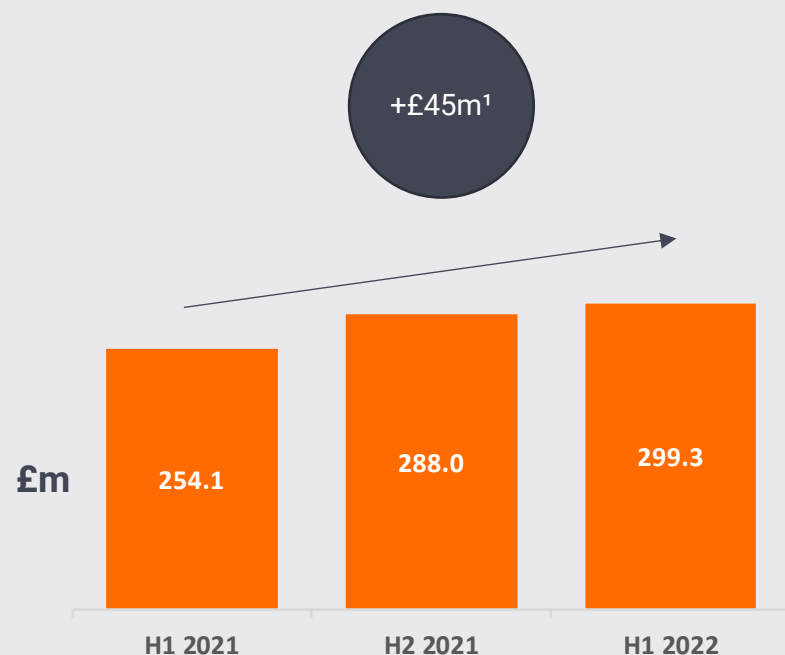
## Marketing costs expected to remain below 30% of operating income going forward



1. Operating expenses are shown before exceptional items.

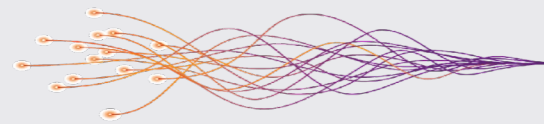


# Net assets of £299m, up £45m<sup>1</sup> since H1 2021. This includes unrestricted cash of £183m



- Net assets of £299m predominantly made up of unrestricted cash of £183m, restricted cash of £18m and equity invested in our loans of £92m
- Unrestricted cash of £183m has reduced by £16m since Dec 2021 driven by:
  - winding up and exiting the UK securitisation with cash outflow of £16m in H1 2022 (£10m inflow by Dec 2022, remainder 2023, and simplifies the balance sheet)
  - supporting the Employee Benefit Trust to purchase £5m of shares; reduces dilution of share schemes
  - initial funding of the FlexiPay product of £5m
  - cash inflows of £10m from equity invested in our loans as it amortises down
- Funding Circle equity invested in our loans is £92m, up from £70m at Dec 2021, driven by the above items and within our capital guardrails of £118m

1. £45m equates to £35m profit since H1 2021, plus share awards of £8m, plus FX of £8m, less purchase of own shares of £5m.



# We have ample cash to support business investment and growth as we execute our medium-term plan

Going forward, cash will be used for the following:

CAPITAL ALLOCATION HIERARCHY	Stresses and covenants	<ul style="list-style-type: none"><li>• Cash retained for prudential stress and covenants, totalling c.£75m</li></ul>
	Operating flows	<ul style="list-style-type: none"><li>• UK continues to be cash generative</li><li>• US requirement until projected to be cash generative during FY24</li><li>• FlexiPay requirement until projected to be cash generative during FY24</li></ul>
	Investing flows	<ul style="list-style-type: none"><li>• Sole investor in FlexiPay product until it reaches maturity</li><li>• Winding up and exiting securitisations (initial cash outflow but quick payback and simplifies the balance sheet)</li></ul>
	Future growth and new products	<ul style="list-style-type: none"><li>• Dry powder for investment in future growth and new products</li></ul>
	Managing dilution	<ul style="list-style-type: none"><li>• Employee Benefit Trust (EBT) to purchase up to 5% limit. Reduces dilution to shareholders</li><li>• No present plans to commence distributions to shareholders</li></ul>

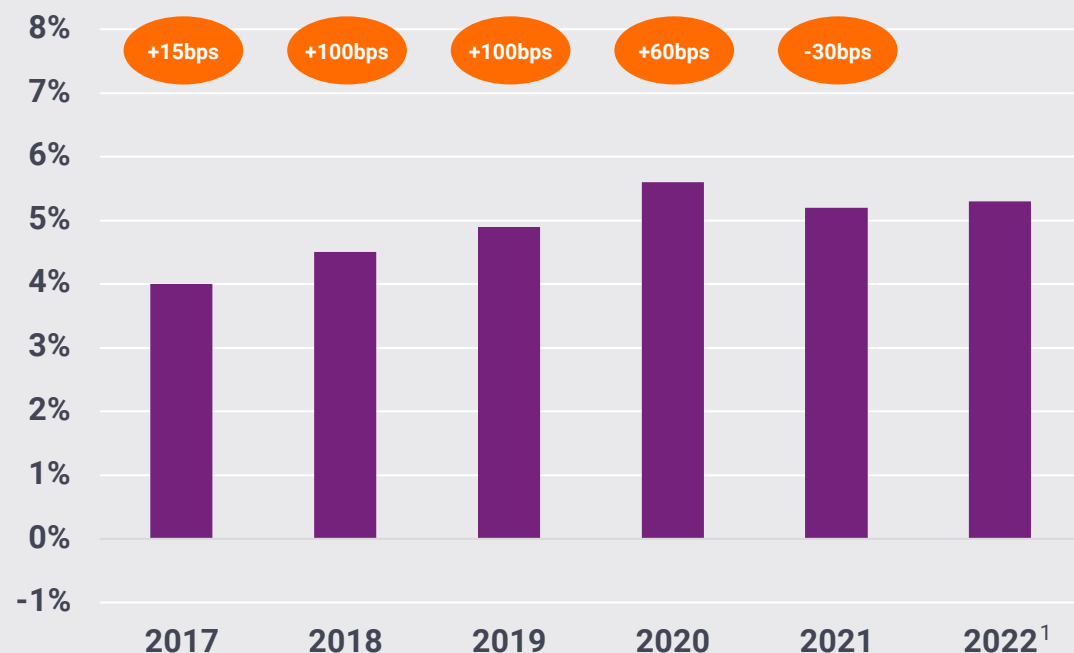




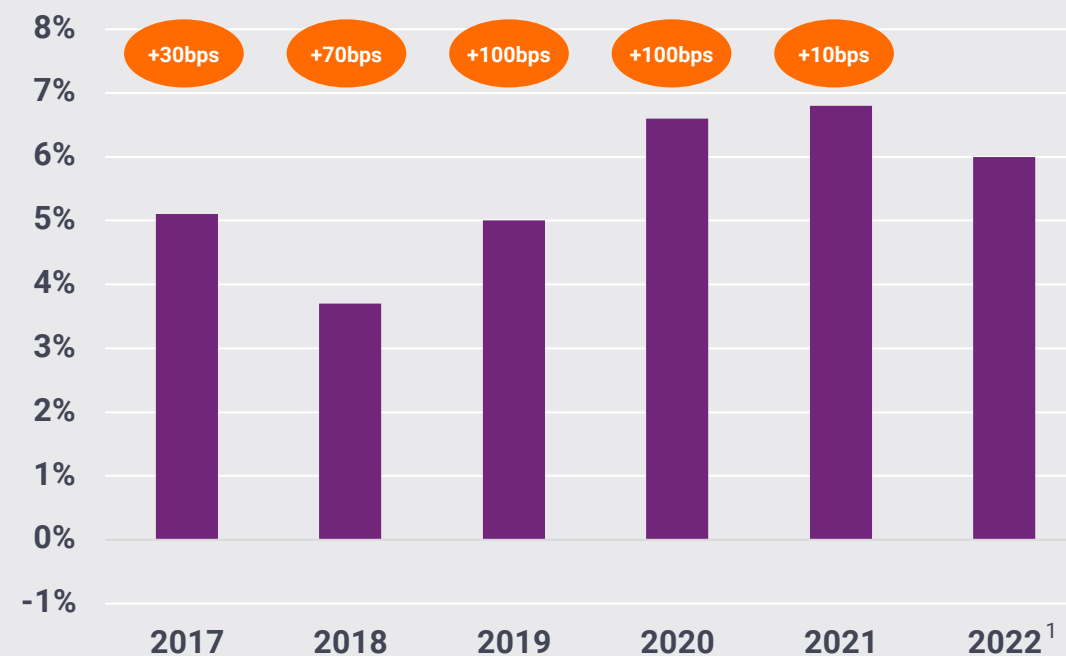
# Loan performance shows the quality and resilience of portfolio with improvement in most cohorts since Dec 2021



*Projected annualised returns by cohort*



*Projected annualised returns by cohort*



**Most recent expectations (H1 2022)**



**Change vs H2 2021 expectations**

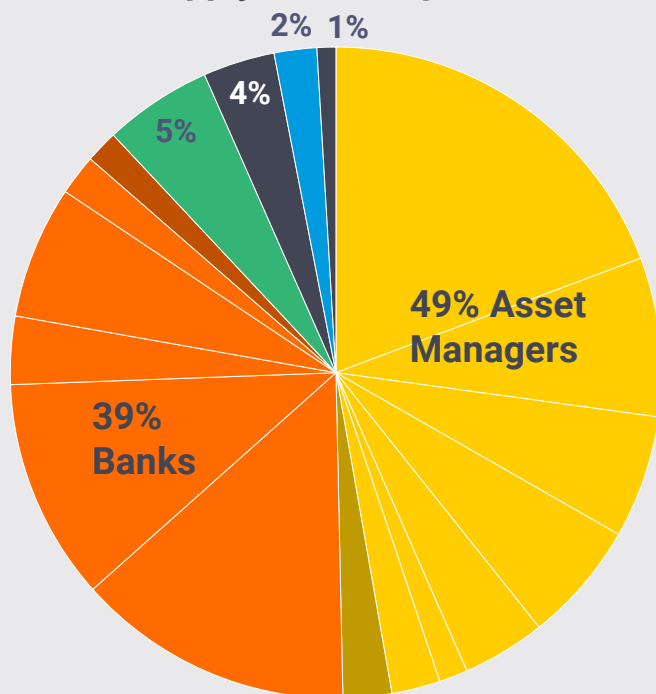
To note: The projected annualised return shows the return, after fees and bad debt, that loans are currently estimated to achieve. It can take up to five years for loans to be fully repaid, so our estimations may change. This is particularly the case for more recent cohorts, where the majority of loans are still to repay.

1. 2022 expected returns are as at point of origination as the cohort is too immature for any revisions.



# Actively managing the business through the uncertain macro environment

Long-term focus on diversification ensures supply of funding



■ Asset Managers (7 biggest) ■ Asset Managers (9 grouped) ■ Banks (5 biggest)  
■ Banks (8 grouped) ■ Bond programme ■ Retail  
■ National entities ■ Funds

**Maintaining robust and attractive investor returns:**

- Credit model refinement to sustain a prudent approach to originations
- Borrower price adjustments in a rising base rate environment

**Continued investor demand to fund loans:**

- In UK, signed new forward flow agreements with Waterfall Asset Management, Varadero and Magnetar Capital (£1.7bn total)<sup>1</sup>
- In US, signed new forward flow agreements with four banks and credit unions<sup>1</sup>
- Active forward-pipeline, expect new investors in H2 2022

**We continue to look for opportunities to serve SME finance needs.**

# Forward guidance

- The business is in a good position and we are well prepared to manage through the challenging macro environment
- We are taking a prudent approach to the macro environment in the UK and the US in H2 2022 with a £15m reduction to income outlook now £140m - £155m
- We reaffirm that the business will be AEBITDA positive for the Full Year. Medium-term guidance is unchanged

	2022		Medium-term guidance (2025) unchanged		
	Revised guidance	Original guidance	UK	US	FlexiPay
<b>Group total income<sup>1</sup></b>	£140m - £155m	£155m - £170m	At least £220m	At least £70m	Too early to be precise
<b>Group AEBITDA</b>	Remain AEBITDA positive, although now skewed to H1, following strong performance of investment AEBITDA		Margins at 30-35%	AEBITDA breakeven during 2024	AEBITDA profitable

1. Revised guidance: Group operating income £130m-£140m and Group investment income £10m-£15m. Original guidance: Group operating income £145m-£155m and Group investment income £10m-£15m.



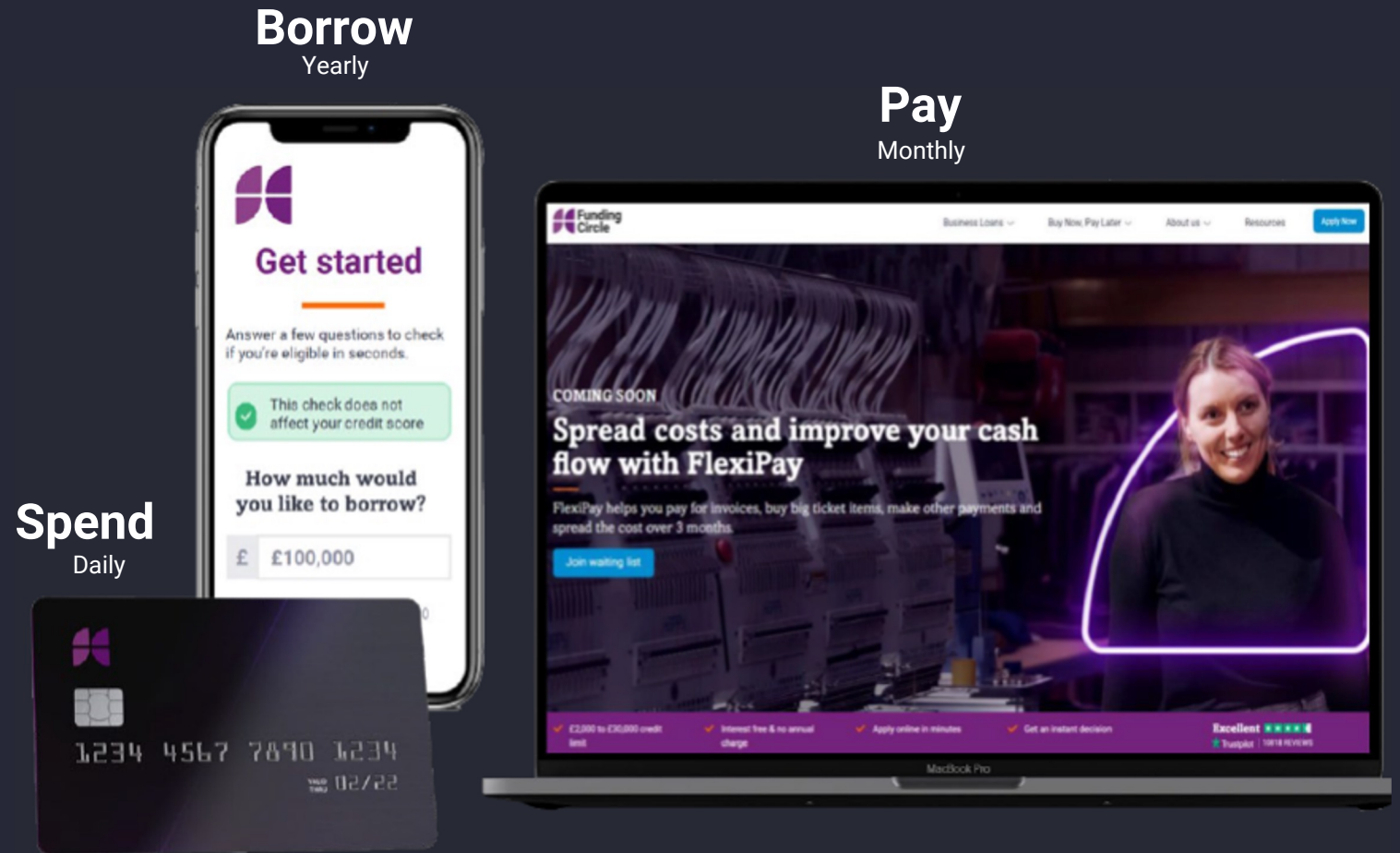
**Looking ahead**

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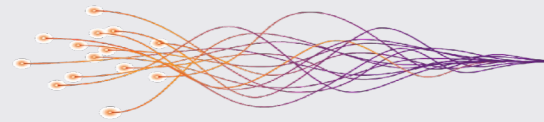
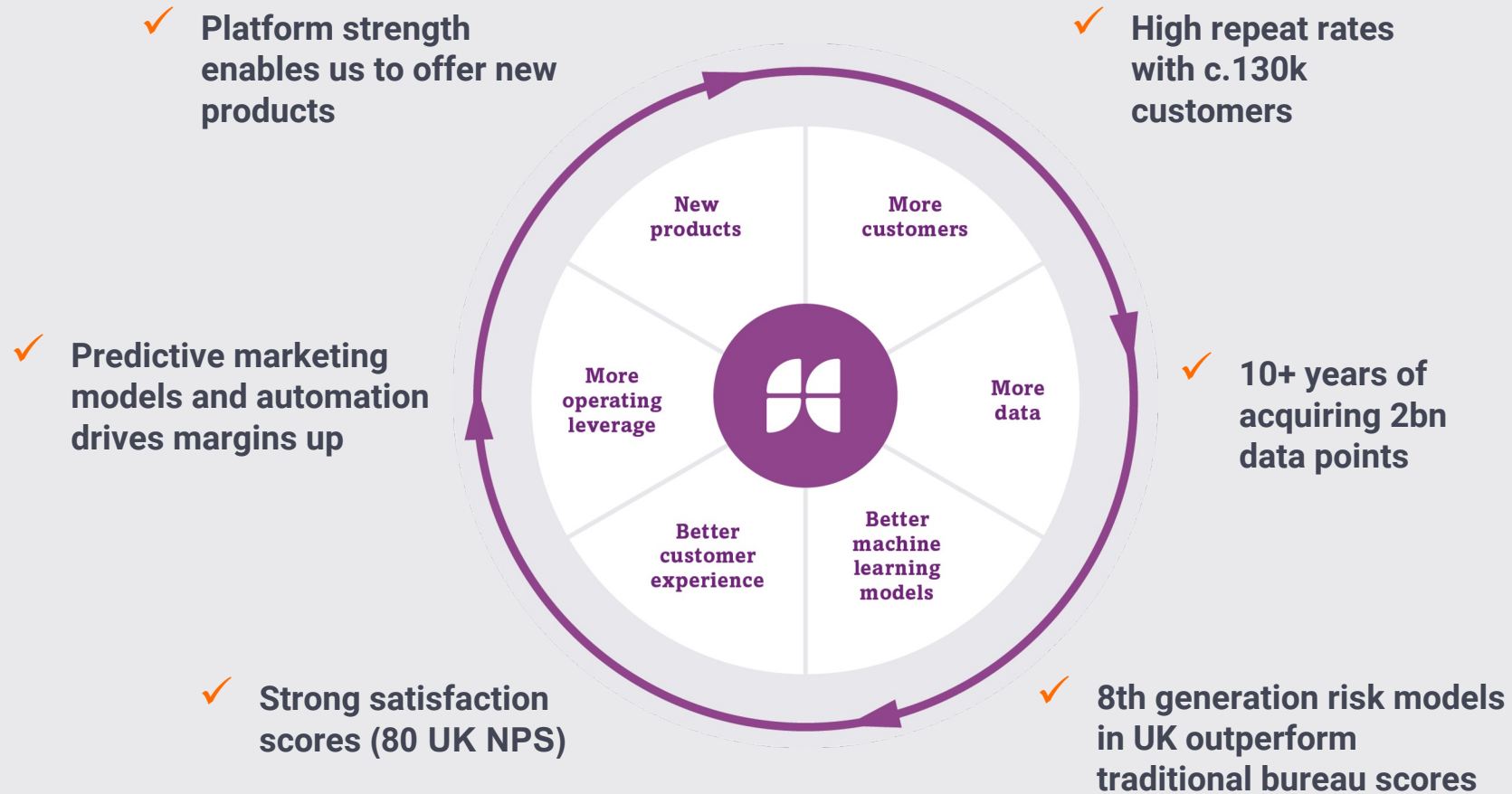


# In March, we said we were at an inflection point and set out our medium-term plan

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.

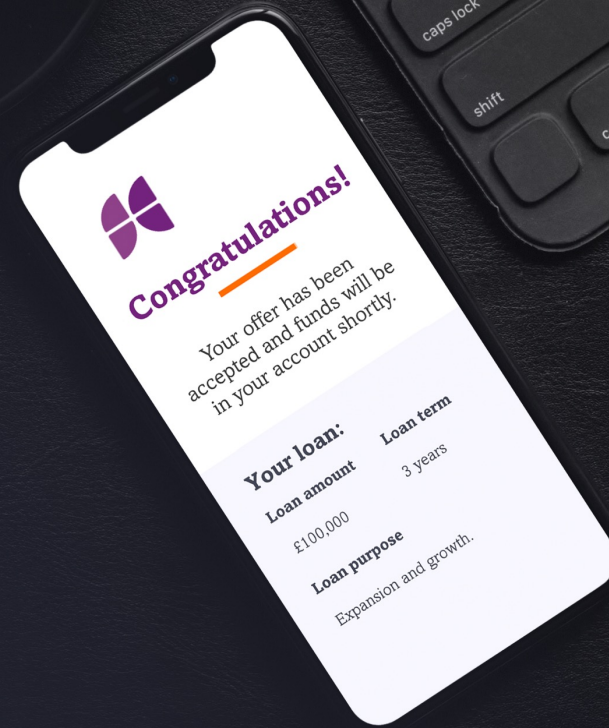


# Our technology is revolutionising SME lending and delivering a superior borrower experience



# Today, 70% of UK applications receive an instant decision

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



# Six months into our medium-term plan, we are delivering against the three strategic pillars

## Attract more businesses:

- Leveraged platform to launch two Lending as a Service pilot partnerships, with Pitney Bowes and DreamSpring in US
- Continued to refine our embedded finance solution in UK

1

## Say yes to more businesses:

- Expanded US core proposition to serve super prime businesses
- Expanded UK core proposition to serve select younger businesses

## #1 in new products:

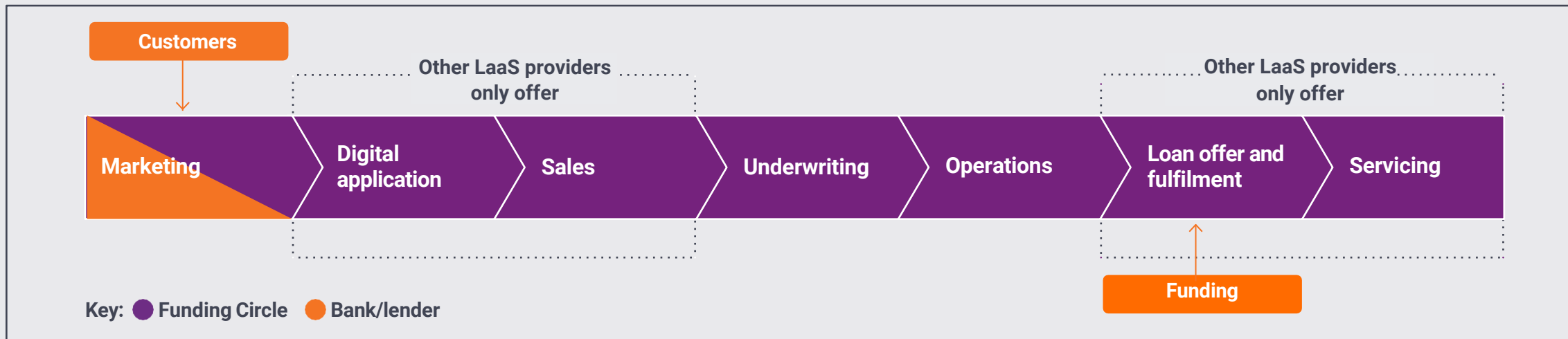
- Strong momentum in FlexiPay – tripled drawdowns from March to August
- Beta launch for FlexiPay Card on track for Q4 2022 in UK

2



# Attract more businesses: Our end-to-end SME lending solution for partners is unique to the market

## Funding Circle Lending as a Service: full embedded offering



### Why institutions choose us:

- Fast and accurate underwriting
- Customisable platform
- Originate more loans with lower operating costs
- Seamless, end-to-end customer journey
- On-demand customer support
- Programmes implemented in as little as 15 days



# Attract more businesses: LaaS launched with two pilots and positive early feedback

Pitney Bowes and DreamSpring are now offering their borrowers the 'Funding Circle' experience

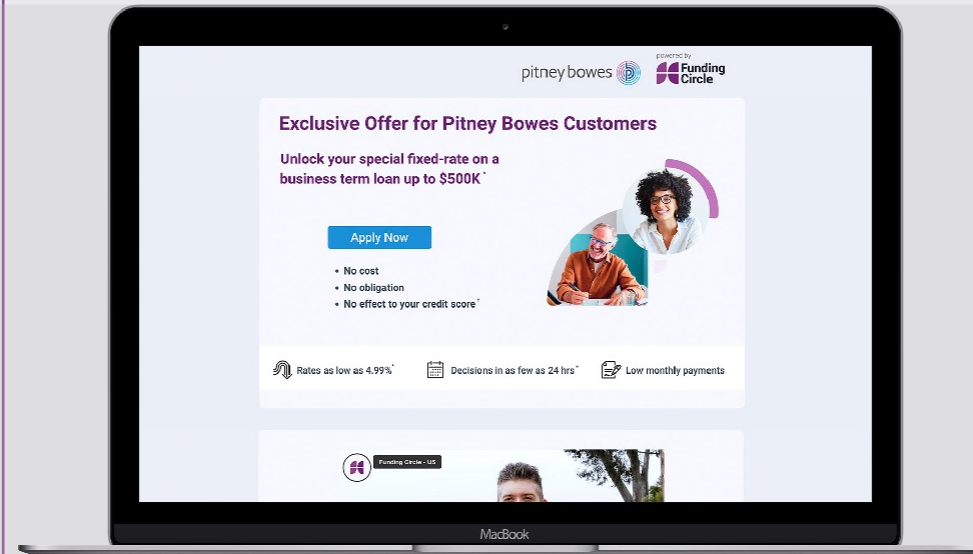
Our partnership with Funding Circle has accelerated our ability to serve the needs of our small business clients.

Christopher Johnson, Senior VP at Pitney Bowes

Blazingly fast.

Erik, Pitney Bowes customer

Seamless co-branded application



Pilot learnings will help us refine our capability as we scale

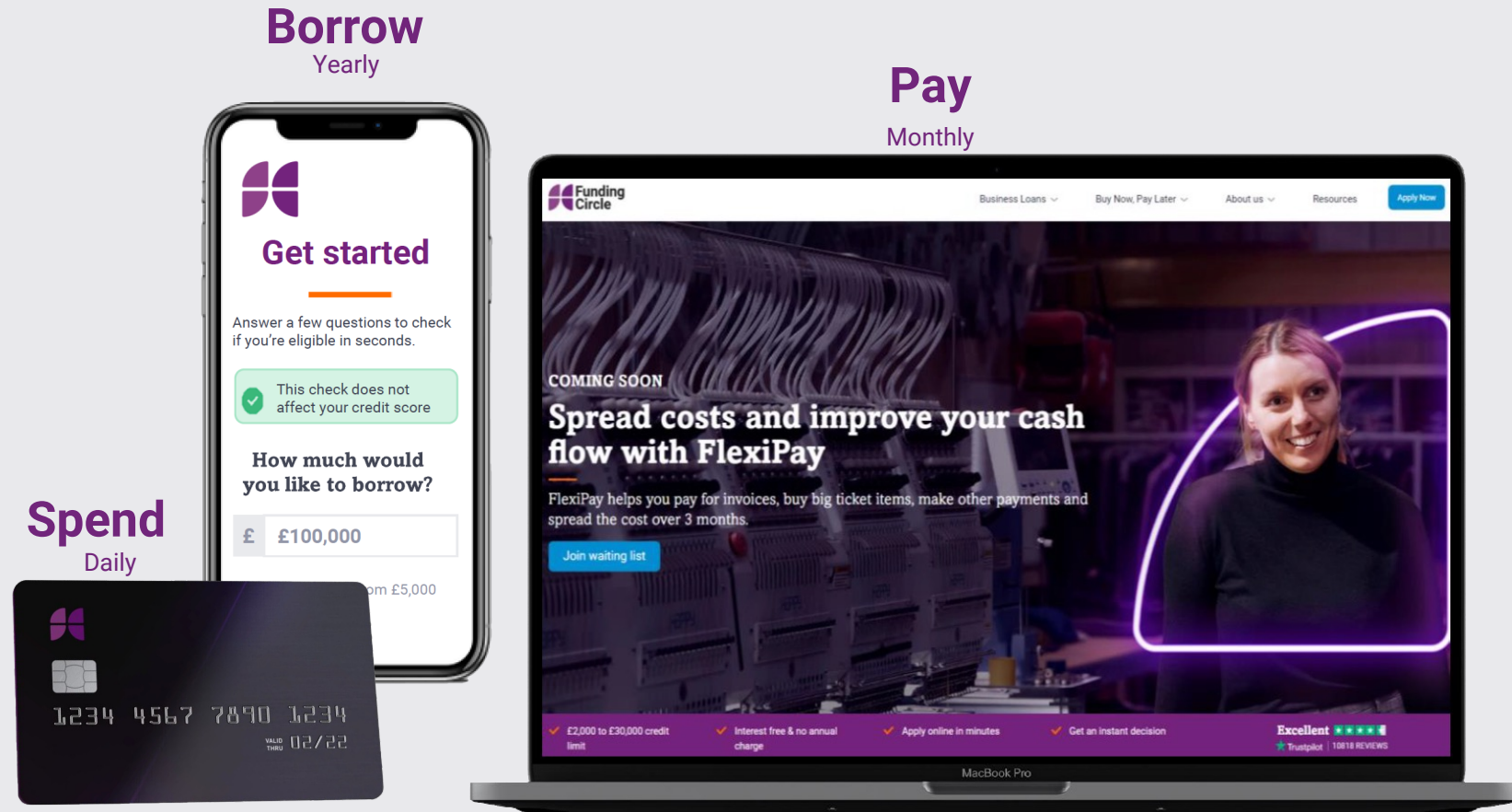


DreamSpring



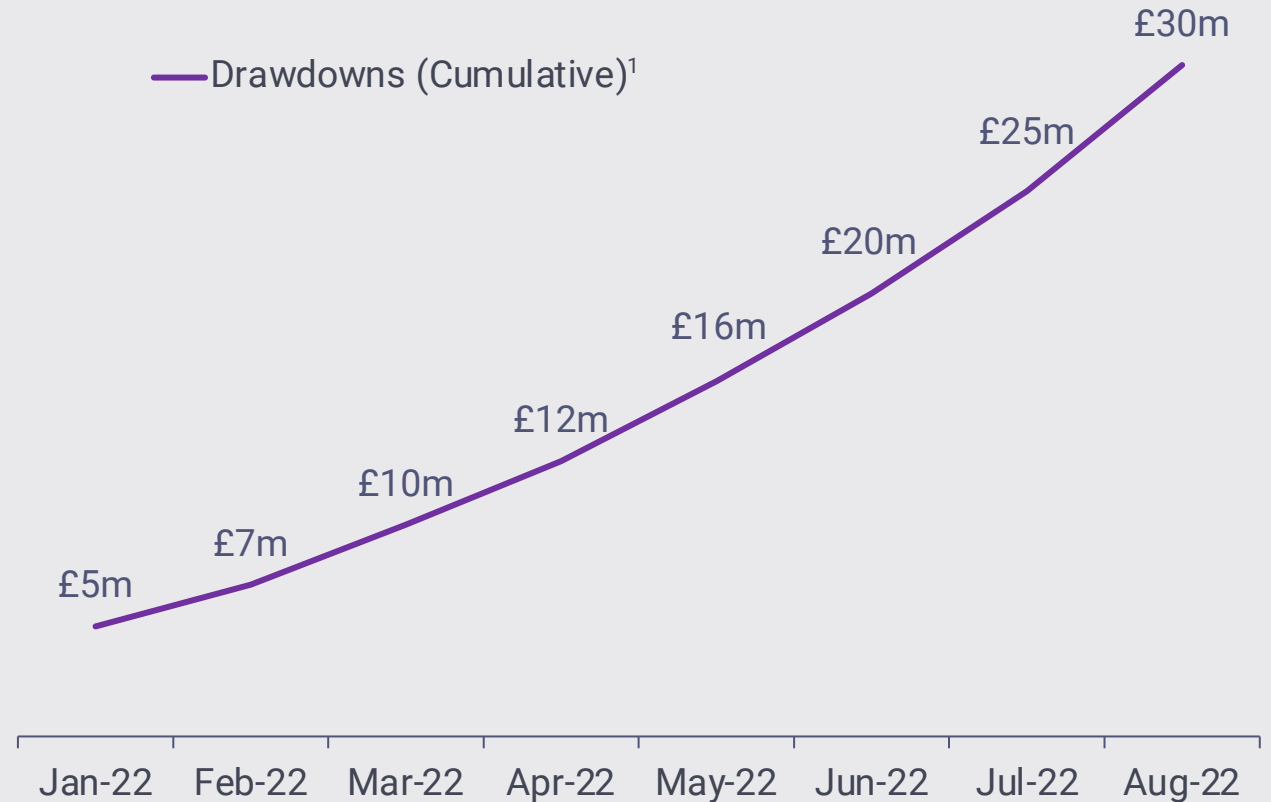


# #1 in new products: Helping SMEs manage their cashflow, increasing engagement and tapping into a large new market



# #1 in new products: Strong momentum in FlexiPay

- FlexiPay enables businesses to spread the cost of paying suppliers over three months for a one-off 3% fee
- 1.5 transactions per month for an average active customer, with the most being 30
- Continuing to scale and open up to new customer segments
- Beta launch for FlexiPay Card in Q4 2022



1. Cumulative originated amount includes originations in 2021 totalling £3.6m.



# CEO conclusion

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- Financial performance in line with expectations with a healthy balance sheet
- Robust and attractive investor returns through the platform
- Continued demand on both sides of the platform
- Well prepared to manage the business through the challenging macro environment
- Our technology provides attractive growth opportunities over the medium-term
- Six months in, and executing against our strategic plan





# Financial appendices

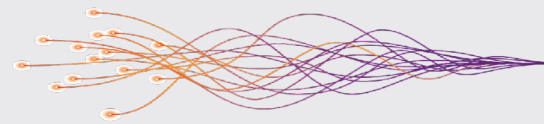
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# Group income statement

	H1 2021			H2 2021			H1 2022		
	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	40.7	-	40.7
Servicing fees	21.9	-	21.9	25.1	-	25.1	24.2	-	24.2
Other fees	2.1	-	2.1	1.4	-	1.4	0.9	-	0.9
Interest income	-	-	-	-	-	-	0.6	-	0.6
<b>Operating income</b>	<b>94.5</b>	<b>-</b>	<b>94.5</b>	<b>71.0</b>	<b>-</b>	<b>71.0</b>	<b>66.4</b>	<b>-</b>	<b>66.4</b>
Investment income	33.5	-	33.5	20.2	-	20.2	14.1	-	14.1
Investment expense	(7.4)	-	(7.4)	(4.9)	-	(4.9)	(3.2)	-	(3.2)
<b>Total income</b>	<b>120.6</b>	<b>-</b>	<b>120.6</b>	<b>86.3</b>	<b>-</b>	<b>86.3</b>	<b>77.3</b>	<b>-</b>	<b>77.3</b>
Fair value gains	8.1	-	8.1	20.5	-	20.5	1.5	-	1.5
<b>Net income</b>	<b>128.7</b>	<b>-</b>	<b>128.7</b>	<b>106.8</b>	<b>-</b>	<b>106.8</b>	<b>78.8</b>	<b>-</b>	<b>78.8</b>
People costs	(39.4)	-	(39.4)	(38.3)	-	(38.3)	(41.4)	-	(41.4)
Marketing costs	(27.4)	-	(27.4)	(19.5)	-	(19.5)	(17.3)	-	(17.3)
Depreciation, amortisation and impairment	(8.3)	(3.9)	(12.2)	(5.6)	-	(5.6)	(6.9)	-	(6.9)
Loan repurchase credit/(charge)	(0.1)	-	(0.1)	0.2	-	0.2	0.4	-	0.4
Other costs	(14.1)	-	(14.1)	(14.9)	-	(14.9)	(12.1)	-	(12.1)
<b>Operating expenses</b>	<b>(89.3)</b>	<b>(3.9)</b>	<b>(93.2)</b>	<b>(78.1)</b>	<b>-</b>	<b>(78.1)</b>	<b>(77.3)</b>	<b>-</b>	<b>(77.3)</b>
<b>Operating profit (loss)</b>	<b>39.4</b>	<b>(3.9)</b>	<b>35.5</b>	<b>28.7</b>	<b>-</b>	<b>28.7</b>	<b>1.5</b>	<b>-</b>	<b>1.5</b>
Finance income	0.1	-	0.1	-	-	-	0.5	-	0.5
Finance costs	(0.6)	-	(0.6)	(0.5)	-	(0.5)	(0.5)	-	(0.5)
Share of net profit/(loss) of associates	0.4	-	0.4	0.5	-	0.5	0.1	-	0.1
<b>Profit (Loss) before taxation</b>	<b>39.3</b>	<b>(3.9)</b>	<b>35.4</b>	<b>28.7</b>	<b>-</b>	<b>28.7</b>	<b>1.6</b>	<b>-</b>	<b>1.6</b>

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



# Segment profit split

## Operating and investment income<sup>1</sup> and AEBITDA<sup>2</sup> (£m)

		H1 2021			H2 2021			H1 2022		
		Operating	Investment	Total	Operating	Investment	Total	Operating	Investment	Total
Group	Income	94.5	26.1	120.6	71.0	15.3	86.3	66.4	10.9	77.3
	AEBITDA	19.1	34.2	53.3	2.7	35.8	38.5	(1.8)	12.4	10.6
UK	Income	85.8	13.0	98.8	51.9	8.7	60.6	55.2	6.7	61.9
	AEBITDA	27.7	13.3	41.0	2.0	18.9	20.9	4.9	2.7	7.6
US	Income	7.1	13.1	20.2	18.0	6.6	24.6	10.0	4.2	14.2
	AEBITDA	(9.1)	20.9	11.8	(0.3)	16.9	16.6	(7.8)	9.7	1.9
DM	Income	1.6	-	1.6	1.1	-	1.1	0.8	-	0.8
	AEBITDA	0.5	-	0.5	1.0	-	1.0	1.8	-	1.8
New Product	Income	-	-	-	-	-	-	0.4	-	0.4
	AEBITDA	-	-	-	-	-	-	(0.7)	-	(0.7)

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

	H1 2021				H2 2021				H1 2022				
	United Kingdom	United States	Developing Markets	Total	United Kingdom	United States	Developing Markets	Total	United Kingdom	United States	Developing Markets	New Product	Total
Adjusted EBITDA	41.0	11.8	0.5	53.3	20.9	16.6	1.0	38.5	7.6	1.9	1.8	(0.7)	10.6
Depreciation and amortisation	(5.6)	(2.7)	-	(8.3)	(4.1)	(1.4)	(0.1)	(5.6)	(5.3)	(1.6)	-	-	(6.9)
Share-based payments and social security costs	(4.2)	(0.6)	-	(4.8)	(3.4)	(0.7)	-	(4.1)	(1.9)	(0.4)	-	-	(2.3)
Foreign exchange losses	-	(0.8)	-	(0.8)	(0.3)	0.2	-	(0.1)	0.1	-	-	-	0.1
Exceptional items <sup>3</sup>	-	(3.9)	-	(3.9)	-	-	-	-	-	-	-	-	-
Operating profit / (loss)	31.2	3.8	0.5	35.5	13.1	14.7	0.9	28.7	0.5	(0.1)	1.8	(0.7)	1.5

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.



# Cash, capital and net assets

## Unrestricted cash £183m

Unrestricted cash utilisation	
Dec '21	199
Free cashflow	(2)
Investment / funding cashflows	12
Securitisation loan buyout <sup>1</sup>	(16)
Share purchase for employee benefit trust	(5)
<b>Subtotal</b>	<b>188</b>
Flexipay lines of credit	(5)
<b>Jun '22</b>	<b>183</b>

## Equity invested of £92m

Equity invested movement	Dec '21	Mov't	Jun '22
Securitisations			
Horizontal	16	(2)	14
Vertical	6	(3)	3
Securitisation loan buyout <sup>1</sup>	-	24	24
CBILS / RLS / Core	39	(1)	38
Private funds	7	(1)	6
<b>Subtotal</b>	<b>68</b>	<b>17</b>	<b>85</b>
Flexipay lines of credit	2	5	7
<b>Total</b>	<b>70</b>	<b>22</b>	<b>92</b>

## Net assets of £299m

Net Assets	Dec '21	Jun '22
Cash		
Unrestricted	199	183
Restricted	25	18
Equity invested	70	92
Other	(6)	6
<b>Total</b>	<b>288</b>	<b>299</b>

- Equity invested of £92m within the guardrail (set in December 2020) of £118m

1. The SBOLT 19-3 call option was exercised to wind up the structure. As a result Funding Circle bought out the remaining bond tranches for £16m. As Funding Circle had £8m invested in the SBOLT vehicle, it retains the underlying loans totalling £24m. These loans are mature and have a quick payback with c.£10m of cash expected to be received during H2 2022.



# Net assets and investment in vehicles

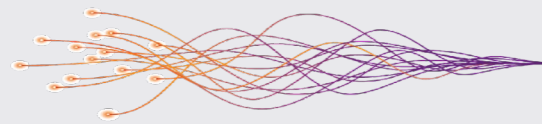
								As at 30 Jun 2022	As at 30 Dec 2021
Operating business				Investments business					
	Trading business	Investment in New Products	PPP loans	Securitisation SPVs	Investment in trusts and co-investments	Investment in core loans	Other investments	Total	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Investment in SME loans	2.9	7.1	35.1	63.7	34.5	27.6	5.9	176.8	273.8
Cash & cash equivalents	193.1		0.7	6.9	-	-	-	200.7	224.0
Other assets	-		(0.2)	1.8	-	-	-	1.6	(0.5)
Borrowings/bonds	-		(35.6)	(55.4)	-	-	-	(91.0)	(213.5)
<b>CASH &amp; INVESTMENTS</b>	<b>196.0</b>	<b>7.1</b>	<b>-</b>	<b>17.0</b>	<b>34.5</b>	<b>27.6</b>	<b>5.9</b>	<b>288.1</b>	<b>283.8</b>
Other assets	66.9		-	-	-	-	-	66.9	67.9
Other liabilities	(55.7)		-	-	-	-	-	(55.7)	(63.7)
<b>NET ASSETS</b>	<b>207.2</b>	<b>7.1</b>	<b>-</b>	<b>17.0</b>	<b>34.5</b>	<b>27.6</b>	<b>5.9</b>	<b>299.3</b>	<b>288.0</b>



**Investments of £92m**

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

1. Securitisations include vertical tranche of £3m and horizontal tranche of £14m.
2. Other includes investment in Private Funds.





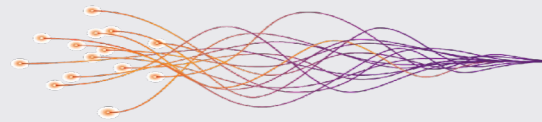
# Funding Circle's investment in vehicles

													Estimated future cash flows
	Jun-21	Additional investment / withdrawals	Investment income	Fair value adjustment	Dec-21	Additional investment / withdrawals	Investment income	Fair value adjustment	Jun-22	Downside	Upside		
Securitisations													
Horizontal	13	(16)	9	10	16	(12)	6	4	14	10	15		18
Vertical	8	(2)	-	-	6	(3)	-	-	3	3	3		3
Securitisation loan buyout	-	-	-	-	-	21	-	3	24	23	25		27
CBILS/RLS/Core	37	(2)	5	(1)	39	-	5	(6)	38	36	40		48
Private Funds	10	(3)		-	7	(1)	-	-	6	6	6		7
Warehouses	37	(50)	1	12	-	-	-	-	-	-	-		-
<b>Subtotal</b>	<b>105</b>	<b>(73)</b>	<b>15</b>	<b>21</b>	<b>68</b>	<b>5</b>	<b>11</b>	<b>1</b>	<b>85</b>	<b>78</b>	<b>89</b>		<b>103</b>
FlexiPay lines of Credit	0	2	-	-	2	5	-	-	7	7	7		7
<b>Total</b>	<b>105</b>	<b>(71)</b>	<b>15</b>	<b>21</b>	<b>70</b>	<b>10</b>	<b>11</b>	<b>1</b>	<b>92</b>	<b>85</b>	<b>96</b>		<b>110</b>

Investment AEBITDA  
impact: £36m

Investment AEBITDA  
impact: £12m

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 and recovery assumptions are stressed and other variables such as discount rate remain static. No change for downside / upside valuation private funds and FlexiPay lines of credit as these investments have lower volatility.



# AEBITDA to FCF reconciliation and cash flow

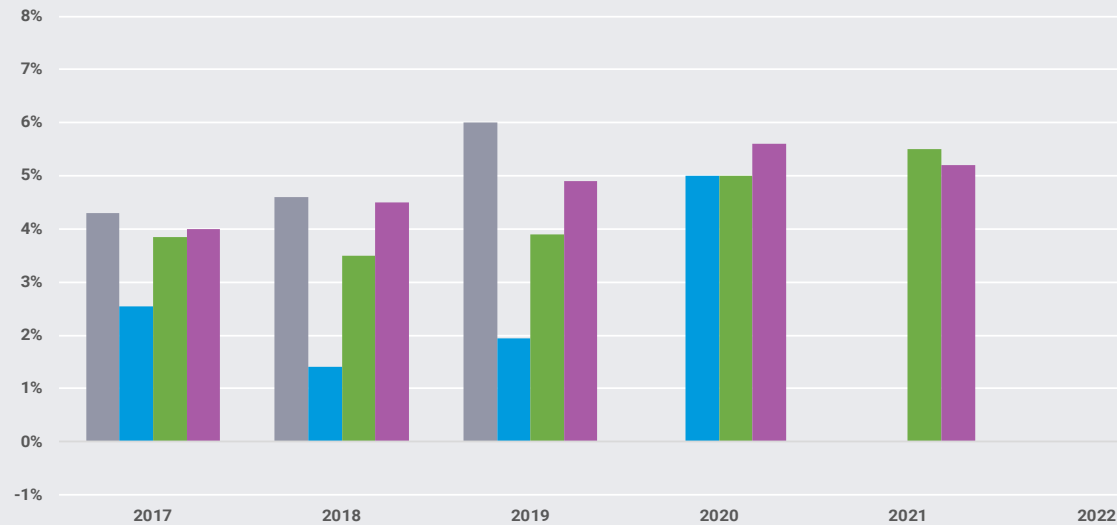
	H1 2021			H2 2021			H1 2022		
	Operating	Investment	Total	Operating	Investment	Total	Operating	Investment	Total
<b>AEBITDA</b>	<b>19.1</b>	<b>34.2</b>	<b>53.3</b>	<b>2.7</b>	<b>35.8</b>	<b>38.5</b>	<b>(1.8)</b>	<b>12.4</b>	<b>10.6</b>
Payment of lease liabilities	(3.8)	-	(3.8)	(4.1)	-	(4.1)	(3.0)	-	(3.0)
Purchase of tangible/intangible assets	(4.6)	-	(4.6)	(4.8)	-	(4.8)	(6.6)	-	(6.6)
Fair value adjustments	-	(8.1)	(8.1)	-	(20.5)	(20.5)	-	(1.5)	(1.5)
Working capital/other	29.0	-	29.0	7.9	-	7.9	(1.4)	-	(1.4)
<b>Free cashflow (FCF)</b>	<b>39.7</b>	<b>26.1</b>	<b>65.8</b>	<b>1.7</b>	<b>15.3</b>	<b>17.0</b>	<b>(12.8)</b>	<b>10.9</b>	<b>(1.9)</b>
Net investment in associates	-	1.4	1.4	-	2.5	2.5	-	2.0	2.0
Net investment in PPP loans	-	3.5	3.5	-	(4.9)	(4.9)	-	0.2	0.2
Net investment in lines of credit	-	-	-	-	-	-	(5.6)	-	(5.6)
Net investment in Trusts and co-investments	-	(15.7)	(15.7)	-	(3.1)	(3.1)	-	(1.7)	(1.7)
Net investment in warehouses	-	24.9	24.9	-	38.9	38.9	-	-	-
Net investment in securitisations	-	(15.1)	(15.1)	-	4.7	4.7	-	(15.3)	(15.3)
Purchase of own shares	-	-	-	-	-	-	(4.6)	-	(4.6)
Other	-	0.3	0.3	-	(0.4)	(0.4)	-	(0.7)	(0.7)
						-	-	-	-
<b>Net cashflow</b>	<b>39.7</b>	<b>25.4</b>	<b>65.1</b>	<b>1.7</b>	<b>53.0</b>	<b>54.7</b>	<b>(23.0)</b>	<b>(4.6)</b>	<b>(27.6)</b>
Foreign exchange			(0.3)			1.2			4.3
Cash brought forward			103.3			168.1			224.0
<b>Cash carried forward</b>			<b>168.1</b>			<b>224.0</b>			200.7



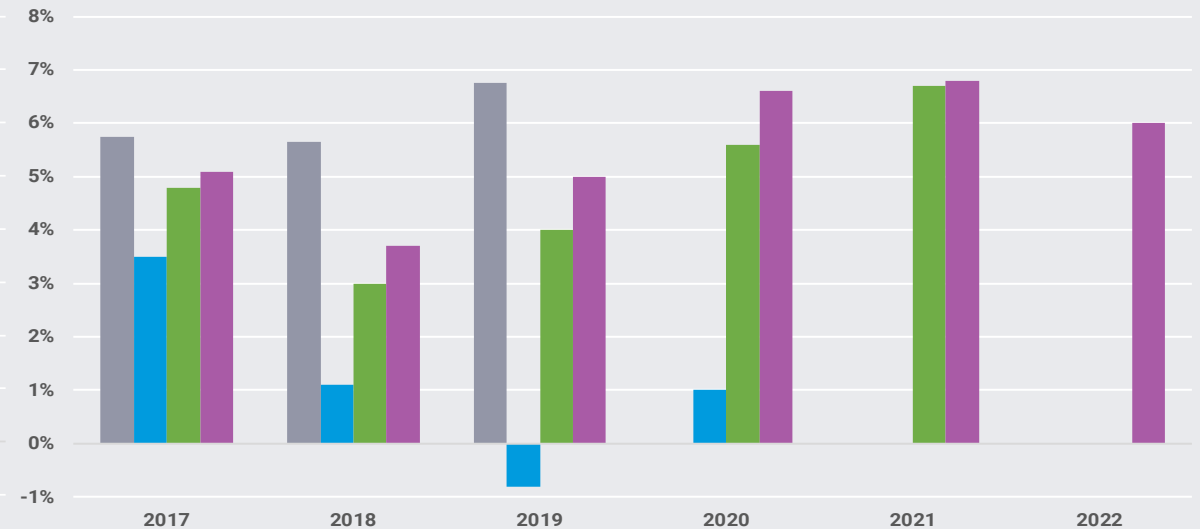
# Loan performance shows the quality and resilience of portfolio with improvement in most cohorts since Dec 2021



*Projected annualised returns by cohort*



*Projected annualised returns by cohort*



**Pre-Covid expectations**  
(H2 2019)



**Immediate Covid impact**  
(H1 2020)



**Expectations at H2 2021**  
(H2 2021)



**Most recent expectations**  
(H1 2022)

