



Capital Markets Day

June 2025



Welcome



Lisa Jacobs
Chief Executive Officer

The UK's leading online SME lender

Customers & brand



SMEs across the UK

- 10 years trading
- 7 employees
- £1 million in revenue

Customer NPS of 79

Products



Borrow, pay later & spend

- Term Loans
- FlexiPay
- Cashback Credit Card
- Marketplace (Referrals)



Platform capabilities



Unique tech and credit:

- Proprietary tech platform
- AI powered risk models
- 15 yrs of data

Funding



Capital light funding model

- 96% LuM funded by institutions
(Term Loans)
- 4% LuM funded by FC
(FlexiPay & CC; R&D)

Attractive and resilient returns

Leading UK online SME finance platform with attractive growth and profitability

FY2024

Credit extended £1.9bn
(+47% YoY)

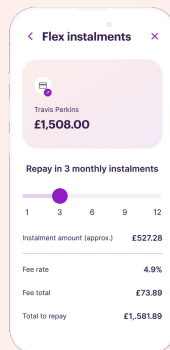
Revenue £160m
(+23% YoY)

PBT £3.4m

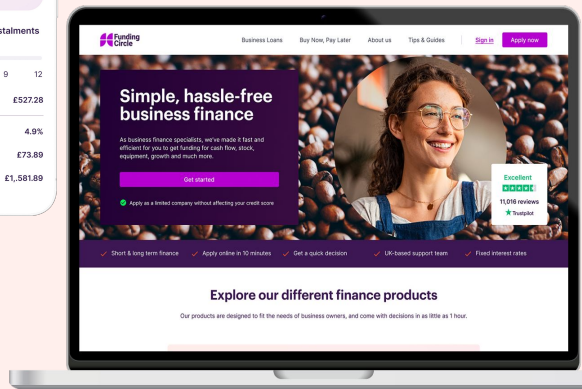
FY 2026

Revenue > £200m
PBT at least £30m

£15bn credit extended
to SMEs since 2010



Pay later Monthly



Borrow Longer term

Spend Daily



Large and underserved market

Data & tech competitive advantage

Delivering superior customer experience

Robust and attractive loan returns

Our customers, brand and term loans



Alexander Allen

Term Loans MD &
Chief Customer Officer

Large addressable market across our full product suite

Supporting underserved UK SMEs to fuel jobs and economic growth

Borrow

>5.4m

SMEs in
the UK

£84bn+

SME debt
origination
market

A significant growth opportunity as we
continue to expand to serve more SMEs

Pay later & spend

£1.3trn

SME B2B
payments

£80bn+

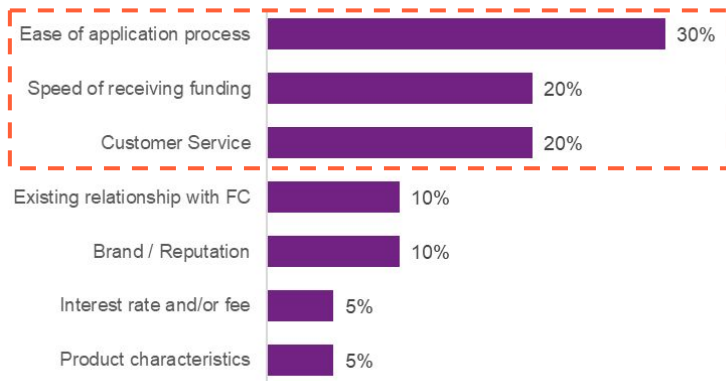
SME card
transactions

65%

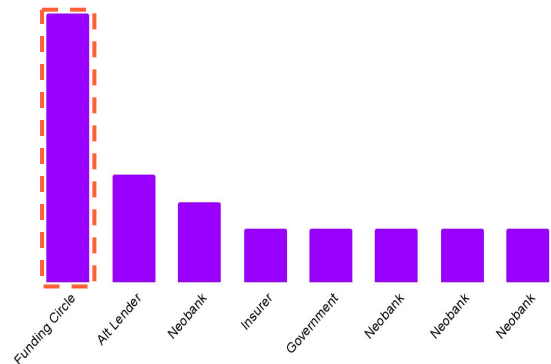
of SMEs say that late payments
from customers are a problem

Best known brand for SME lending outside of the high street banks, with leading customer NPS (+79)

Why did you choose FC for your finance needs? (NPS = +79)



Unprompted Brand Awareness excl main high street banks, February 2024¹



1. Source: ¹ Funding Circle Brand Tracker. February 2024 502 respondents Q15. When you think about business loan providers that aren't banks, which brands can you think of?

This has been supported by sponsorship of **Premiership Rugby**, driving brand engagement



Video content hitting >20m views

Funding Circle OFFICIAL PARTNER **PREMIERSHIP RUGBY** **FINAL**

Win a VIP experience at The Final

Just like a strong rugby team, your business needs the right support to thrive. Funding Circle is here to back you with the finance you need to succeed.

Enter our competition for a chance to win VIP hospitality for nine at the Gallagher Premiership Rugby Final 2025. Enjoy pitchside access with a rugby legend and take home a signed shirt from each of the finalist clubs.

Plus, watch our 'Team Behind The Shirt' series with rugby stars Sam Underhill, George Ford, and

Funding Circle OFFICIAL PARTNER **PREMIERSHIP RUGBY**

Fancy watching the game in style?

Jamie George
Funding Circle brand ambassador

Brand ambassador 2023/2024

Funding Circle OFFICIAL PARTNER **PREMIERSHIP RUGBY**

Team Behind The Shirt – where business and rugby collide

Like rugby, running a business takes a good team of people behind you, and we've got your back all the way. In our **new Team Behind The Shirt series**, we talk to **Sam Underhill, George Ford and Ellis Genge** about how they got started in business, and how the right backing has helped them thrive in both sport, and as entrepreneurs.

Check out the candid interviews and discover how we can support your business with finance on our website.

Trustpilot Excellent

Visit fundingcircle.com/rugby

We go-to-market direct to SMEs and via intermediaries; performance marketing is via direct mail, online and email

Direct to customer

The screenshot displays the Funding Circle website. The top navigation bar includes 'Products', 'Business needs', 'Support', 'About us', 'SBCS', and 'Apply now'. The main content area features a 'Business finance that backs you' section with a 'Get started' button and a 'Not sure which product is for you?' link. Below this, there are four categories: 'Short & long term finance', 'Apply online in 7 minutes', 'Get a bank decision', and 'UK based support team'. A secondary section titled 'Explore our different finance products' shows a 'Finance designed to help your business grow.' card with a 'Trustpilot' rating. To the right, a 'NEW' offer for 'Overpay or settle our loans early for no fee' is highlighted, featuring a '6.9% per year' rate and an 'Apply online' QR code.

Intermediaries

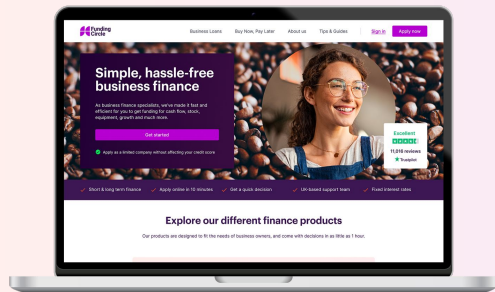
The screenshot shows a social media post from NACFB (National Association of Commercial Finance Brokers) with 8,519 followers. The post text reads: 'We're thrilled to announce that Funding Circle UK has taken home the NACFB's Unsecured Funder of the Year award'. It includes the hashtags #CommercialLenderAwards, #LendingExcellence, and #NACFBEvents. Below the text is a video player showing a 'Winner' announcement for 'UNSECURED FUNDER OF THE YEAR' by 'Funding Circle'.



NACFB Unsecured Funder of the Year
2019, 2020, 2021,
2022, 2023, 2024

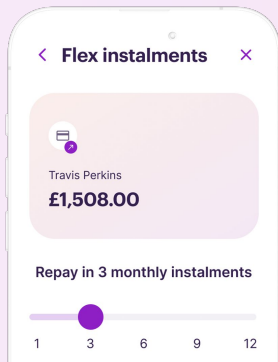
Our multi-product offering enables SMEs to **borrow, pay later and spend**, powered by proprietary technology

Borrow Term Loan



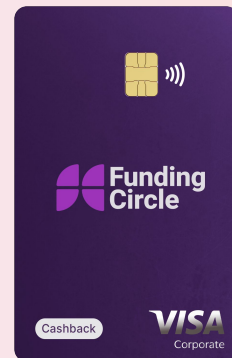
Loan for **long term investment purposes** to support business growth or **working capital** and shorter term finance needs

Pay later FlexiPay Line of Credit



Flexible line of credit for paying bills, supplier invoices and managing short term cash flow using bank transfer or card

Spend Cashback Credit Card



Cashback credit card for **everyday business spending**

Borrow: market leading Term Loan for investment and working capital



Loans to support business growth or long-term cash flow management. Loan size of **£10,000 to £750,000 (average about £75K)**



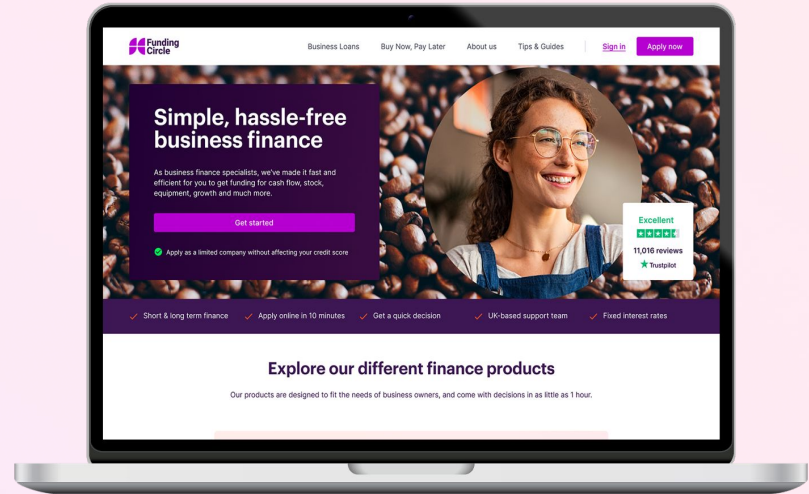
Available **from six months to six years**.
Amortises monthly, repayable anytime with no fee



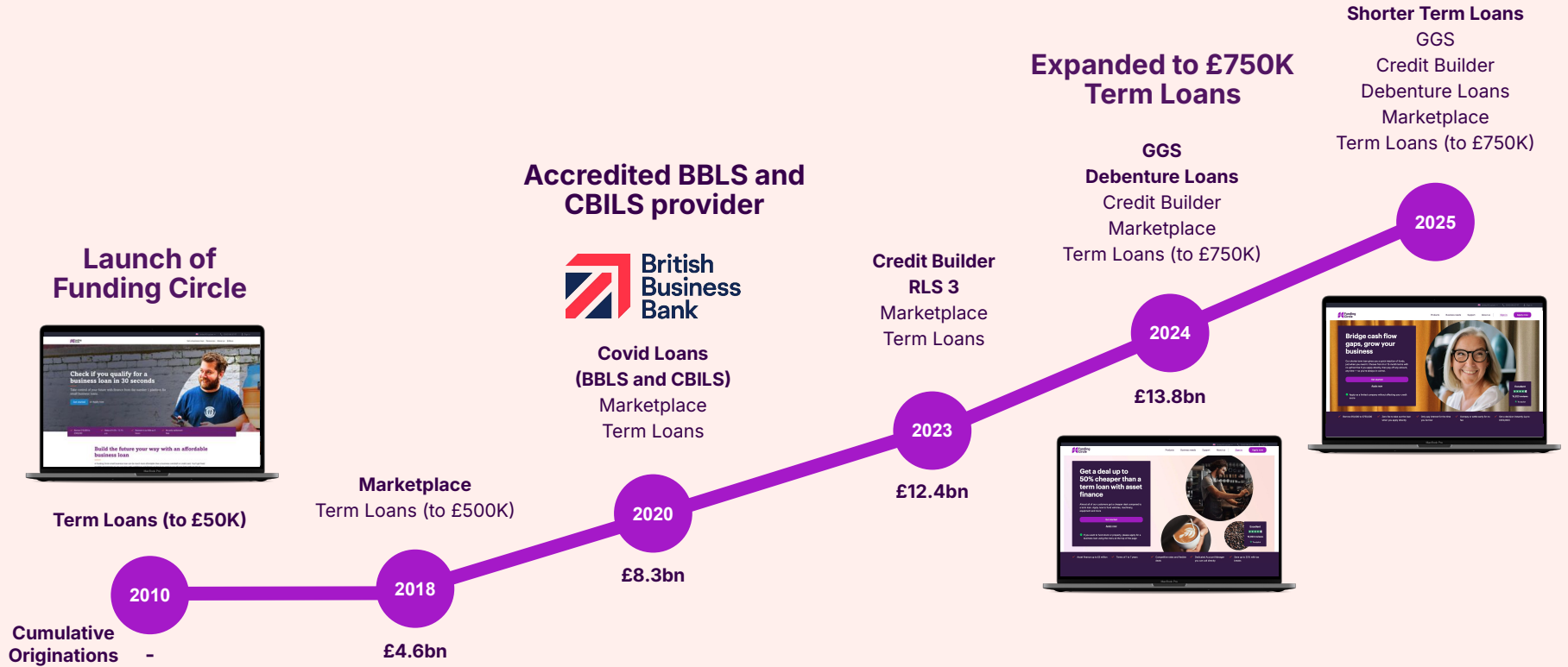
Use cases: long-term **investment or working capital**



Typical borrower business is **10 years old, revenue £1M and 7 employees**



Growing our Term Loan products over the last 15 years, continuing to innovate and adapt to serve more SMEs



Our Term Loan products serve a range of customer needs enabling us to support even more SMEs

Investment & Working Capital



Asset Finance (via Marketplace)

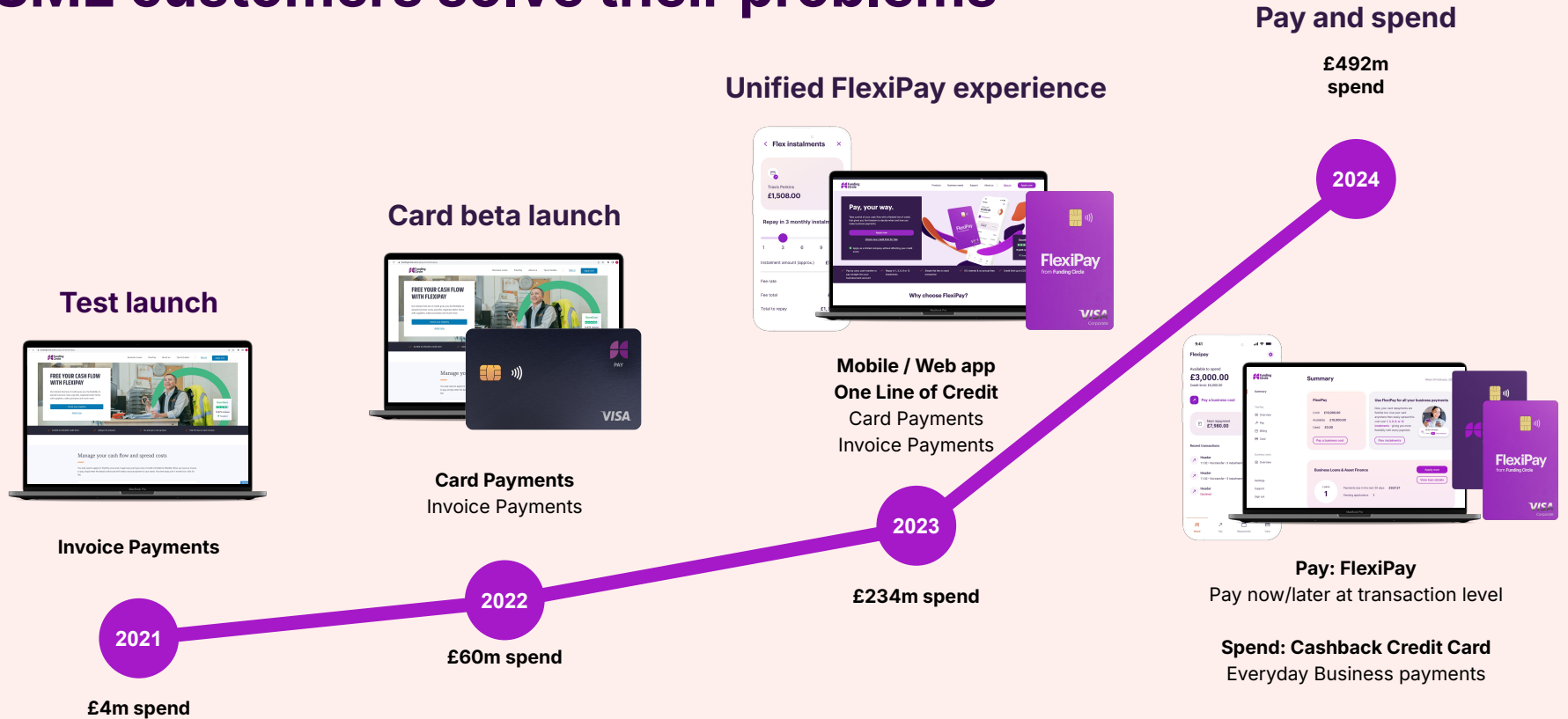


FlexiPay & Credit Card businesses



Jerome Fernandez
FlexiPay and Credit Card MD

We have evolved our products to help our SME customers solve their problems



Pay Later: FlexiPay, empowering our customers to pay on their terms



Pay by card, transfer funds to a supplier or drawdown straight into a business bank account.
Avg. credit limit of ~£16k



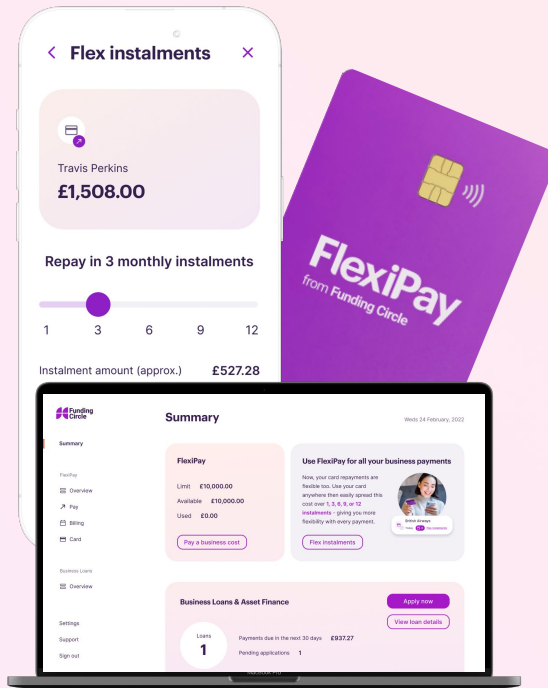
Repayments available across **1, 3, 6, 9 or 12 monthly instalments**



A simple, flat fee per transaction starting from just 1.99%, with **no interest charges, monthly costs, or annual product fees**



Diversified use cases. HMRC, Bank transfer, Supplier Payments. Average transaction size £3-4k



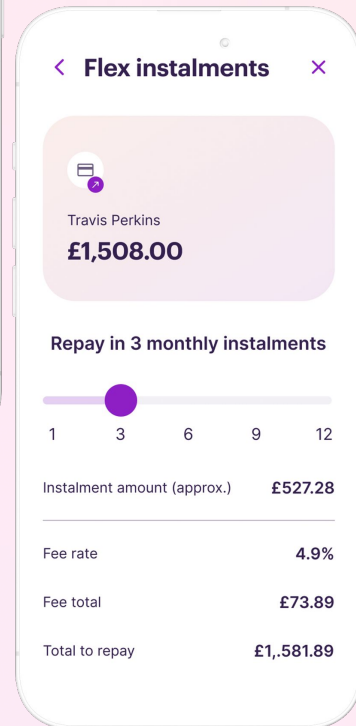
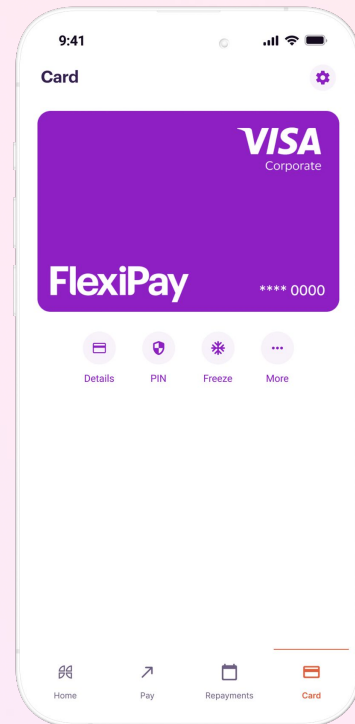
£1bn+ Transactions to date

Simple, fast and easy: how FlexiPay works

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

// It's a great back up when there is a large outgoing like VAT to pay. It helps us to pay for stock orders and keeps the continuity of our business cash flow steady.

// 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. It is really clear how repayments work and how much I owe.



Spend: Cashback Credit Card enabling SMEs to earn whilst they spend



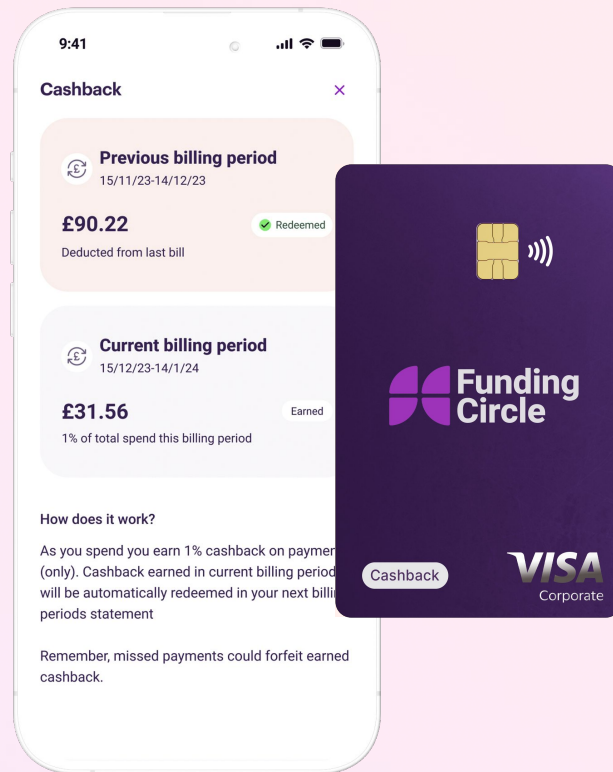
APRs starting from 14.9%. No interest for up to 42 days. **Avg. credit limit of ~£15k**



Earn up to **£2,000 with 2% for the first 6 months**, plus 1% uncapped cashback on everything you spend after that



Zero monthly fees, no hidden costs and **no need to switch your business banking**



How we underwrite and manage credit risk



Belkacem Krimi

Chief Risk Officer

How we risk assess businesses using advanced analytics and in-house expertise

6 minutes

Online application

Data set



Application data

77% instant decision

Algorithmic credit risk assessment

Data set



Publicly available company financials



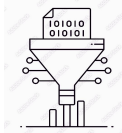
Internal Performance



Commercial bureaux



Consumer bureaux



Alternative Data



Company registry

Remaining applications

Combination of algorithmic and expert credit assessment

Data set

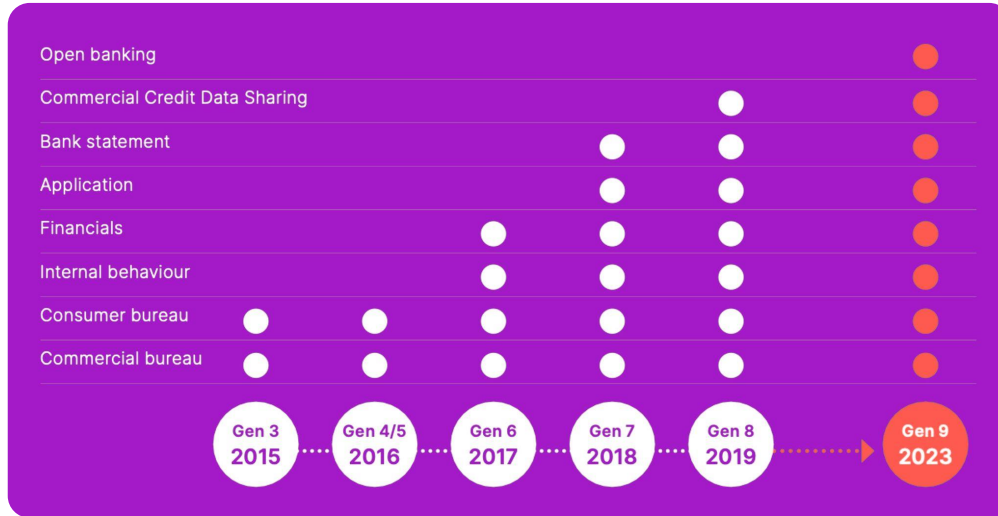


Bank statements



Private company financials

Competitive edge driven by rich proprietary data, credit risk expertise and continued model evolution



Our performance data so far

150,000
Term loans

228,000
FlexiPay transactions

Our risk analytics delivers a competitive edge

- 15 years of public & proprietary data
- Predictive AI (machine learning) tools and approaches
- Experienced credit risk team
- Data gets richer every day

On ninth generation risk model

- >15% relative uplift in Gini vs Gen 8
- Benefits from COVID period validating effectiveness in a stressed environment

Flexible Decision platform

Our models deliver 3x better risk discrimination than the bureau score

Default rates (by quintiles)

Risk Band	Bureau	Funding Circle
Highest Risk 1	10.8%	14.4%
2	8.8%	8.5%
3	6.0%	6.1%
4	4.7%	3.6%
Lowest Risk 5	3.9%	1.6%

X2.8 risk differentiation

x9 risk differentiation

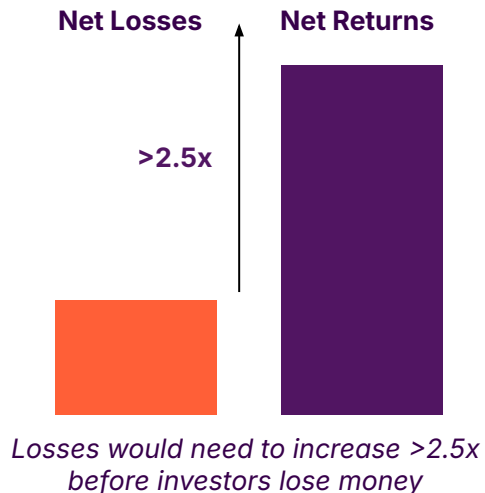
Funding Circle Model
3x more powerful than
Bureau Model

- Compared to the UK bureau score, our model achieves **3 times greater separation between low- and high-risk borrowers**
- This supports **more accurate lending and pricing decisions**, resulting in a credit underwriting and commercial advantage

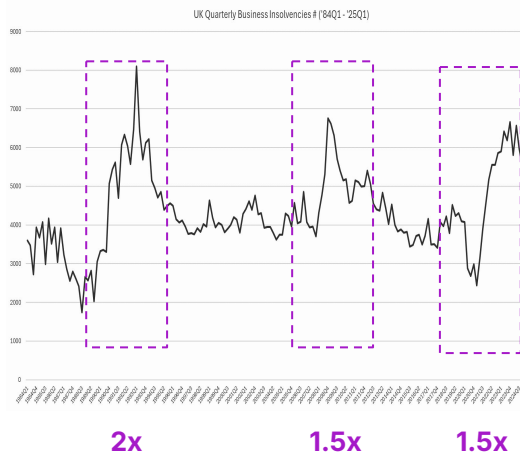
Source: Funding Circle internal performance data as of Q4 2024 for Term Loans originations. Consists of originations made in Q2 2022 to Q3 2023.

Well positioned to weather cycles and deliver positive through the cycle returns to investors

Our loss coverage is >2.5x



Higher than historic peaks of business insolvency *



And we have strong portfolio management in place

Advanced portfolio monitoring & stress-testing

Skilled & flexible capacity

Fair & bespoke treatment of special situations

Continuous quality assurance

* Source: <https://www.gov.uk/government/statistics/company-insolvencies-march-2025>

Track record of delivering robust and attractive loan returns

~5% Annualised net returns, above cost of capital, to institutional investors



¹ Year-end 2024 expected returns are as at point of origination

Technology, Data & AI



Greig McEwan
Chief Technology Officer

Our **proprietary** Technology & Data platform has been built for **speed, ease and scale**

Highly flexible front end

Versatile, modular platform

AI Powered risk models

Proprietary data and models

Multi-product

Scalable and secure cloud infrastructure

Delivering speed and ease for our customers

Designed to scale and launch new products



6 min
Application time



77%
Instant decisions

>100%
Growth in
transactions*

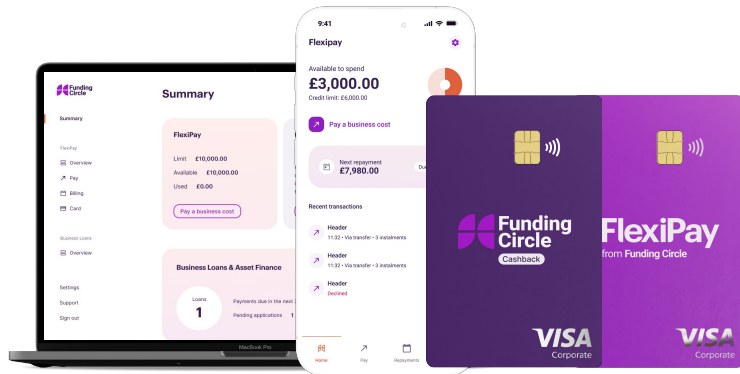
>4x
Growth in mobile
MAU*

Multi-product
Expansion of product
portfolio

* 2023 comparison

Continuous focus on delivering a superior customer experience and enabling faster access to funds

FlexiPay & Credit Card



2x increase
FlexiPay & Credit Card
applications processed
straight through*

30 mins
FlexiPay record from
application
to first payment

Term Loans



Ensuring Borrowers get their money faster

- Post offer check automation
- Digitised document processing

We are using GenAI to improve productivity, enhance customer experience and drive innovation

Enhance customer experience

Live

Customer sentiment analysis

Testing

GenAI enabled Sales interactions

Enhanced Underwriting process

Future

Tailored customer experiences

Improve efficiency and enhance productivity

Live

Co-pilot for Software Engineering

GenAI access for every team member

Future

Core process automation

Enriched knowledge access

Foster business and product innovation

Live

Product and feature prototyping

Multiple proof of concept ideas

Future

Identification of further use-cases across the business

Protecting Funding Circle and Customer data in an ever evolving threat landscape



- Comprehensive multi-layered protection
- Internal expertise
- 24h Security Operations Centre (SOC)
- Industry leading tooling
- Security awareness programme
- Continuous threat landscape monitoring
- Robust and proactive risk management

The view from the debt investor



Dipesh Mehta
Chief Capital Officer

Capital light funding model

Funders

Institutional Investors

- 96% of LuM
- Fund Term Loans
- £2.1bn future funding in place

Funding Circle

- 4% of LuM
- Funds FlexiPay and Cashback Credit Card
- £300m financing facility from Citi in place



£2.8bn

Loans and Balances
Under Management
("LuM")

UK Small Businesses

>£15bn

**Credit Extended to
UK Small businesses
since 2010**

Term Loans
FlexiPay
Cashback Credit Card

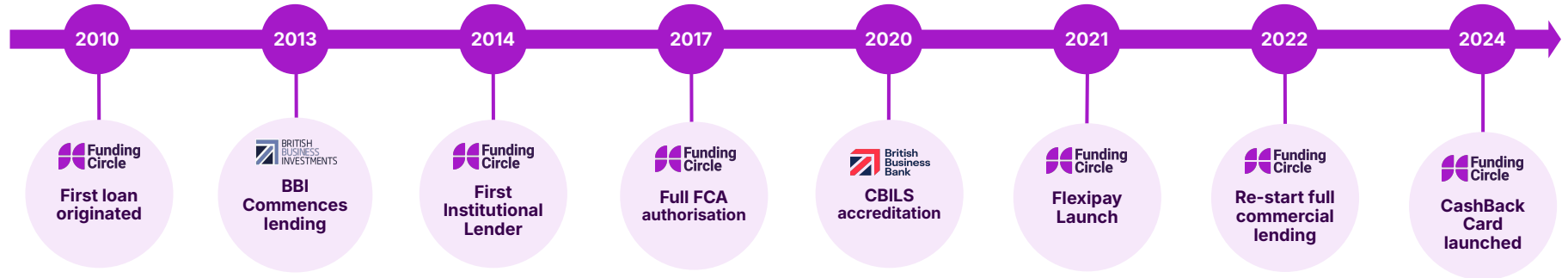
Marketplace

A strong track record in delivering investor returns

Strong **investor brand** with extensive experience structuring & executing transactions

Over **150 institutional investors** have supported the funding of UK SMEs

Facilitated **9 public securitisations** on behalf of investors totaling almost £2.2bn



Key messages

- **Great customer experience and brand awareness** with a differentiated product offering
- **Product innovation and growth** in large markets
- **Unique technology and credit assessment capabilities** that continually learn and evolve
- **Attractive and resilient investor returns** with a strong funding pipeline
- **Improving profitability and strong ongoing growth** with significant market opportunity

Thank you.

**Business finance
that backs you**

