**Funding Circle Holdings plc**
**Half Year 2026 Results**

**STRONG REVENUE AND PROFIT GROWTH; CONTINUED STRATEGIC PROGRESS**
**UPGRADED FY26 GUIDANCE**

Funding Circle Holdings plc ("Funding Circle" or the "Group") today announces results for the six months ended 30 June 2026.

### Lisa Jacobs, Funding Circle CEO, commented:

*"It has been another strong half for Funding Circle, reflecting the momentum across our business and continued execution against our multi-product strategy. We delivered record revenue performance, up 50% year-on-year, and PBT grew fourfold to £24m. As a result of our strong performance, we are upgrading our full year 2026 guidance to more than £255m in revenue and more than £40m in PBT. Upon the conclusion of our current share buyback we will commence a further share buyback of up to £25m, bringing the total to £100m since March 2024.*

*"Our Term Loans business is highly cash-generative, powered by a capital-light platform and sustainable institutional funding. This enables us to invest in scaling our FlexiPay and Credit Card products, which deepen our engagement with SMEs and meet more of their needs. During the first half, we're proud to have backed a record 18,000 SMEs to access the finance they need to win, extending £1.7bn of credit, with a customer transaction every 20 seconds.*

*"The opportunity in front of us remains substantial. Economic growth starts with small businesses - every day, entrepreneurs across the UK are investing, hiring and innovating, and Funding Circle exists to help them do exactly that. UK small businesses remain underserved by traditional lenders, and our technology, data capabilities and continued product innovation mean we are well-placed to meet their needs. We remain focused on continuing to deliver profitable growth as we back even more small businesses across the UK as their trusted financial partner."*

| **Group** | **H1 2026** | H1 2025 |
|---|---|---|
| | **£m** | £m |
| Credit extended[1] | **1,690** | 1,111 |
| Assets under Management[2] | **3,253** | 2,829 |
| Revenue[3] | **138.2** | 92.3 |
| Profit before taxation | **24.1** | 6.0 |
| Profit for the period | **22.6** | 5.8 |
| Unrestricted cash[4] | **136.5** | 115.0 |

1. Credit extended includes Term Loan originations and FlexiPay and Credit card transactions.
2. Assets under Management ("AuM") is the total value of term loan principal and interest due from borrowers and drawn lines of credit and Credit card spend balances (excluding defaulted balances).
3. Net income is also referred to as "Revenue".
4. Unrestricted cash refers to total cash less cash restricted in use.

### Financial Highlights

- **Credit extended:** Increased 52% to **£1,690m** (H1 2025: £1,111m).
- **Assets under Management ("AuM"):** Increased to **£3,253m** (31 December 2025: £2,961m, 30 June 2025: £2,829m).
- **Revenue:** Increased 50% to **£138.2m** (H1 2025: £92.3m), continuing the strong momentum seen at the end of 2025.
- **Profitability:** Profit before tax ("PBT") grew fourfold to **£24.1m** (H1 2025: £6.0m), demonstrating the operating leverage of the business with 17.4% PBT margin (H1 2025: 6.5%).

### Business Unit Performance

<u>Term Loans</u>

- **Originations:** Grew 43% to **£1,050m** (H1 2025: £736m), driven by product innovation and borrower demand, particularly in Q1 2026.
- **AuM:** Increased to **£2,953m** (31 December 2025: £2,755m, 30 June 2025: £2,660m) driven by growth in originations.
- **Profitability:** PBT increased to **£28.6m** (H1 2025: £12.7m), reflecting strong operating leverage and further margin improvement to 26.4% (H1 2025: 16.7%).
- **Robust and attractive returns through the cycle:** annualised net returns to institutional investors continued to be in line with investor expectations across our product suite, resulting in continued investor demand with £2.4bn in committed forward flows.

<u>FlexiPay & Credit Card</u>

- **Transactions:** Increased 71% to **£640m** (H1 2025: £375m), reflecting new customer growth and continued strong usage from existing customers. 90% of revenue was from pre-2026 customer cohorts.
- **AuM:** Increased to **£300m** (31 December 2025: £206m, 30 June 2025: £169m).
- **Performance:** Continued progress toward profitability, with a reduced loss before tax of **£4.5m** (H1 2025: £6.7m loss).
- **Funding capacity for continued growth:** Renewed and upsized long-standing funding facility with Citi in April 2026 with improved terms; it now stands at £320 million and extends for a two-year term, giving lending capacity of £400 million including Funding Circle equity.

## Capital Allocation & Cash

- **Unrestricted cash** increased to **£136.5m** (31 December 2025: £100.9m), reflecting positive cash flows (including FlexiPay now free cashflow breakeven) and the monetisation of the shorter-term loan portfolio, partly offset by the ongoing share buyback programme.
- **Distributions:** Since launching our first buyback in 2024, we have bought back c.£72m of shares, representing c.18% of our issued share capital to date. Our third share buyback programme of up to £25 million, announced in 2025, is currently ongoing. We will commence a further share buyback of up to £25 million once the existing programme completes.

## Operational & Strategic Progress

- **Powerful data driving risk differentiation:** Our AI-powered credit models are 3x better at differentiating risk than traditional bureau scores. 16 years of proprietary data including 10 billion data points feeds our model development, deepens the competitive moat around the business, and enables us to say "yes" to more businesses.
- **Technology advantage:** Our instant decision technology enhances the customer experience and our platform allows for fast product development and new feature launches.
- **AI-native business:** We are actively deploying and embedding AI across the business, with targeted investment in Product & Engineering, Marketing & Distribution, Customer Service & Operations, and Credit, Underwriting & Analytics.
- **High customer satisfaction & strong brand awareness:** With a Customer NPS of 77 and Trustpilot score of 4.5, our brand reputation drives 80% consideration amongst our target market.
- **Strong track record and funding pipeline:** Our capital-light platform is built for scale. We have delivered consistent and robust loan returns to our institutional funders, with whom we have long-standing arrangements and £2.4bn of future forward flow capacity in place, including three agreements announced in the year to date.
- **Multi-product capabilities:** We have diversified and expanded our product suite beyond our longer-term loan offering. We now have a customer transaction once every 20 seconds, up from once every 30 minutes in 2021. 31% of customers have more than one product, as we deepen engagement and capture a larger share of our customers' financing needs. We continue to attract new audiences to the Funding Circle ecosystem; more than 50% of our credit card customers are new to Funding Circle.
- **Engaged and talented team:** Our mission-led culture is a differentiator. We achieved a record engagement of 74% in 2025, and in May, we were named one of the UK's Best Places to Work by The Sunday Times.
- **Meaningful impact:** In 2025, lending through Funding Circle supported over 117,000 jobs and contributed £7.9bn to UK GDP. Every £1 million of lending through our platform contributed £2.7 million to GDP, 39 jobs and £700,000 in tax revenue.

## Looking ahead

Our strategic priorities are focused on customer-led profitable growth:

- **Get to yes:** get the right product to the right business, through credit excellence and product improvements.
- **Expand our audience:** target new segments; deepen and expand our distribution channels.
- **Scale our products:** capitalise on the large market opportunity by focusing on refining and scaling our products to drive growth and margin expansion.
- **Build a seamless lifetime customer experience:** deliver an exceptional experience throughout our customers' lifetime journey with our expanded product set, as their trusted financial partner.

## Guidance

As a result of strong H1 2026 performance, we have upgraded FY26 guidance and are trending toward the upper end of our FY29 medium-term revenue guidance, assuming a stable macro environment.

| Period | Growth | Profit |
|---|---|---|
| FY26 Guidance | Revenue more than £255m<br>*(previously c.£235m)* | PBT more than £40m<br>*(previously at least £35m)* |
| Medium term (FY29) | Revenue of c.£300m–£350m | PBT margins of low to mid-20s (%) |

## Analyst presentation

Management will host a presentation and conference call for institutional investors and analysts at 9:30am UK time (BST) on Tuesday 8 September 2026. To watch and listen to the webcast, with the opportunity to submit written questions, please use this link to register and gain access to the event. For conference call access, please dial +44 33 0551 0200 or +1 786 697 3501. Quote 'Funding Circle Half Year Results' when prompted by the operator. An on-demand replay and transcript will also be available on the Funding Circle website following the presentation.

**For further details:**

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**Forward looking statements and other important information:**
This document contains forward looking statements, which are statements that are not historical facts and that reflect Funding Circle's beliefs and expectations with respect to future events and financial and operational performance. These forward looking statements involve known and unknown risks, uncertainties, assumptions, estimates and other factors, which may be beyond the control of Funding Circle and which may cause actual results or performance to differ materially from those expressed or implied from such forward looking statements. Nothing contained within this document is or should be relied upon as a warranty, promise or representation, express or implied, as to the future performance of Funding Circle or its business. Any historical information contained in this statistical information is not indicative of future performance.

The information contained in this document is provided as of the dates shown. Nothing in this document should be construed as legal, tax, investment, financial, or accounting advice, or solicitation for or an offer to invest in Funding Circle.

**About us:**

Funding Circle (LSE: FCH) is the UK's leading SME finance platform. Since 2010, we have extended more than £18bn in credit to over 135,000 UK businesses, helping them power the economy and their communities.

By combining proprietary AI-powered credit models with a human touch, we provide a seamless experience that allows SMEs to borrow, pay later, and spend through a single ecosystem. For institutional investors, Funding Circle offers access to an attractive, underserved asset class through a platform built on deep data and a proven track record of robust returns.

# Financial review

## Strong growth trajectory continues

**Overview of the six months ended 30 June 2026**

Building on our successful 2025, we are pleased to report that the Group delivered strong revenue and profit growth in the first half of 2026. This was underpinned by continued product innovation, including the shorter-term loan offering launched at the end of H1 2025 which contributed throughout H1 2026, and by strong SME demand in Q1 2026 which carried through from late 2025 before normalising in Q2 2026.

The Group comprises two business units which are at different stages of maturity:

- **Term Loans:** our more established business unit, comprising longer-term loans used by SMEs for investment and working capital needs, alongside our shorter-term loan product; and
- **FlexiPay and Credit Card (collectively "FlexiPay"):** cashflow products meeting the daily and monthly spending needs of SMEs.

| | **Credit extended (Originations and Transactions)** | | | **Assets under Management** | | |
|---|---|---|---|---|---|---|
| | **H1 2026 £m** | H2 2025 £m | H1 2025 £m | **30 June 2026 £m** | 31 December 2025 £m | 30 June 2025 £m |
| Term Loans | **1,050** | 902 | 736 | **2,953** | 2,755 | 2,660 |
| FlexiPay | **640** | 440 | 375 | **300** | 206 | 169 |
| **Total** | **1,690** | 1,342 | 1,111 | **3,253** | 2,961 | 2,829 |

Overall, credit extended in the half grew to £1.7bn, up 52% from H1 2025, with AuM at £3.3bn and credit performance in line with institutional investor expectations.

**Segmental highlights**

| | **30 June 2026** | | | 30 June 2025 | | |
|---|---|---|---|---|---|---|
| | **Term Loans £m** | **FlexiPay £m** | **Total £m** | Term Loans £m | FlexiPay £m | Total £m |
| Transaction fees | **77.8** | **1.4** | **79.2** | 47.8 | 0.5 | 48.3 |
| Servicing fees | **21.0** | **—** | **21.0** | 18.3 | — | 18.3 |
| Interest income (net of cost of funds)[1] | **2.7** | **28.5** | **31.2** | 3.1 | 15.8 | 18.9 |
| Other fees | **2.3** | **0.1** | **2.4** | 2.3 | 0.1 | 2.4 |
| Investment income (net of cost of funds and fair value)[1] | **4.4** | **—** | **4.4** | 4.4 | — | 4.4 |
| **Net income ("revenue")** | **108.2** | **30.0** | **138.2** | 75.9 | 16.4 | 92.3 |
| **Profit/(loss) before tax** | **28.6** | **(4.5)** | **24.1** | 12.7 | (6.7) | 6.0 |

1. See note 4 for the statutory segmental analysis.

Revenue increased by 50% to £138.2m (H1 2025: £92.3m). The Group made a profit before tax of £24.1m (H1 2025: £6.0m).

**Term Loans**

Our Term Loans business continues to grow strongly, with originations of £1,050m in H1 2026, up 43%, (H1 2025: £736m) driven by the shorter-term loan offering (launched at the end of H1 2025) and strong demand in Q1 2026.

AuM grew to £3.0bn (31 December 2025: £2.8bn; 30 June 2025: £2.7bn), as new lending continued to outpace the amortisation of the legacy Covid-19 government-guaranteed loans which represent only 4% of AuM at 30 June 2026 (31 December 2025: 8%).

The Term Loans business delivered revenue of £108.2m, growing 43% (H1 2025: £75.9m). This growth came principally from origination growth (driven by our shorter-term loan product and strong Q1 performance) and the corresponding transaction fees. Term Loans generated profit before tax of £28.6m (H1 2025: £12.7m), demonstrating strong operating leverage and scalability.

Term Loans originations are funded through forward flow agreements with institutional investors (a "platform" model). The loans are owned by these institutional investors who take the credit risk, and do not form part of Funding Circle's balance sheet. We have announced three forward flow agreements so far this year, maintaining a strong funding pipeline for future originations of £2.4bn.

Alongside our principal longer-term financial product, we met business needs through a range of other products. We participated in the government's Growth Guarantee Scheme ("GGS") which enabled us to serve a broader range of SMEs at a lower cost. We have also continued to grow originations through our Marketplace network of third-party finance providers. This allows us to support even more SMEs with access to a wider range of financing options.

Over 2025 we expanded our product offering with a shorter-term loan (6 to 24-month terms). Whilst we tested and iterated the product, we funded it through our balance sheet. The portfolio was sold in early 2026 to Waterfall Asset Management, resulting in net invested capital of £26 million being monetised. The same investor funds the loans originated after the cut-off date under a platform model and we now earn an upfront transaction fee and a servicing fee, in line with our other Term Loans products.

In H1 2026, we simplified the application journey for existing customers making it easier for them to re-apply for another loan, added more self-service features into our borrower portal and expanded our credit product availability through our Marketplace network.

**FlexiPay and Credit Card (collectively "FlexiPay")**

Revenue for FlexiPay was £30.0m in H1 2026, up 83% (H1 2025: £16.4m). Loss before tax reduced to £4.5m (H1 2025: £6.7m loss), with continued investment to support product momentum. Marketing costs and expected credit losses, which are recognised upfront, give rise to a "j-curve" effect. Expected credit losses grew to £15.2m (H1 2025: £8.4m), driven by growth in FlexiPay AuM with the credit performance for these lines of credit in line with management expectations.

Our line of credit product, FlexiPay, has demonstrated significant growth to date and we continue to innovate in response to customer feedback. Recent features include the launch of multiple company cards, adding Apple Pay and Google Pay and offering flexible repayment options in the mobile app. Our line of credit product offers the instant ability to settle invoices or withdraw cash. A one-off drawdown fee is charged and repayment is spread over 1–12 months. There is no additional interest. On our credit card, we earn an interchange fee of 1.75% when a customer transacts, alongside interest on any revolving balances. The product offers customers 2% cashback in the first six months, followed by 1% thereafter.

FlexiPay transactions increased 71% to £640m (H1 2025: £375m), driven by repeat usage, scaling credit card and targeted credit line increases. Active customers reached c.25,000, up 48% from H1 2025. Drawn lines of credit ("AuM") grew to £300m at 30 June 2026 (31 December 2025: £206m; 30 June 2025: £169m), in line with transaction growth.

FlexiPay is funded through Funding Circle's own capital and a senior debt facility with Citi, the interest on which is shown in "cost of funds" and is based on SONIA plus a margin. The facility was renewed and upsized in April 2026 on better pricing and improved leverage; lending capacity now stands at £400 million including our equity.

There is strong repeat usage of these products, 90% of H1 2026 revenues came from customers onboarded pre-2026 and earlier cohorts are now cash generative.

| **Profit and loss** | **30 June 2026 £m** | 30 June 2025 £m |
|---|---|---|
| Transaction fees | **79.2** | 48.3 |
| Servicing fees | **21.0** | 18.3 |
| Interest income (net of cost of funds)[1] | **31.2** | 18.9 |
| Other fees | **2.4** | 2.4 |
| Investment income (net of cost of funds and fair value)[1] | **4.4** | 4.4 |
| **Revenue** | **138.2** | 92.3 |
| | | |
| **Expected credit loss charge** | **(15.2)** | (8.4) |
| | | |
| People costs | **(39.8)** | (32.7) |
| Marketing costs | **(39.9)** | (27.6) |
| Depreciation, amortisation and impairment | **(6.0)** | (6.1) |
| Other costs | **(13.2)** | (11.5) |
| **Operating expenses** | **(98.9)** | (77.9) |
| **Profit before tax** | **24.1** | 6.0 |

1. See note 4 for the statutory segmental analysis.

**Transaction fees**, representing fees earned on originations, increased to £79.2m (H1 2025: £48.3m), driven by growth in originations as the business continued to expand its Term Loans offering. Average yields in the Term Loans business grew to c.7.5% (H1 2025: 6.5%) driven by product and channel mix.

**Servicing fees**, representing income for servicing AuM, were £21.0m (H1 2025: £18.3m), increasing in line with growth in AuM.

**Interest income** increased to £31.2m (H1 2025: £18.9m), driven principally by FlexiPay interest income (net of cost of funds) of £27.7m (H1 2025 £15.1m) and group interest earned on cash and money market funds of £3.4m (H1 2025: £3.7m) which is allocated between Term Loans and FlexiPay, alongside £0.1m (H1 2025: £0.1m) other immaterial items.

**Other fees** of £2.4m (H1 2025: £2.4m) arose principally from collection fees recovered on defaulted loans.

**Investment income** (net of cost of funds and fair value) was £4.4m (H1 2025: £4.4m), this reflected interest earned up to the date of the sale of the shorter-term loan portfolio in 2026 and interest earned while held on the balance sheet during the 2025 R&D phase.

**Expected credit losses** relate to the IFRS 9 charge for FlexiPay where we account for actual and future expected credit losses from SMEs defaulting on their lines of credit. The charge increased to £15.2m (H1 2025: £8.4m), driven by growth in FlexiPay AuM while the credit performance for these lines of credit remains in line with management expectations.

**Operating expenses** increased to £98.9m (H1 2025: £77.9m), with the primary drivers of cost growth being the variable expenses associated with marketing and volume-related people costs. Costs continue to be actively and tightly managed, with a 27% increase in expenses versus a 50% increase in revenue.

**People costs (including contractors)** include salary-related costs plus share-based payments. Total people costs were £39.8m (H1 2025: £32.7m). The national insurance cost of share awards is based on the share price at exercise and therefore fluctuates with share price movement. The increase driven by this in H1 2026 was c.£1m. Average headcount grew by 7% to 777, predominantly driven by volume-led hiring in the sales team and AI investment in the technology team.

| | **30 June 2026 £m** | 30 June 2025 £m | Change % |
|---|---|---|---|
| Salary costs | **40.2** | 34.5 | 17 |
| Less capitalised development spend ("CDS") | **(5.3)** | (4.4) | 20 |
| **Salary costs net of CDS** | **34.9** | 30.1 | 16 |
| Share-based payments | **4.9** | 2.6 | 88 |
| **Total people costs** | **39.8** | 32.7 | 22 |
| Average headcount (incl. contractors) | **777** | 725 | 7 |
| Period-end headcount (incl. contractors) | **796** | 727 | 9 |

**Marketing costs** increased to £39.9m (H1 2025: £27.6m), comprising broker commissions and direct marketing. The increase reflects growth in credit extended and we continue to spend c.30% of revenue on marketing. We have also renewed our partnership with PREM Rugby for the fifth season and continue our business partnership with TNT Sports.

**Depreciation, amortisation and impairment costs** of £6.0m (H1 2025: £6.1m) largely represent the amortisation of capitalised technology development and the depreciation of right-of-use assets.

**Other costs** of £13.2m (H1 2025: £11.5m) consist of loan processing costs, data and technology, professional fees and office-related costs, increasing with higher volumes and inflation.

**Balance sheet and investments**

The Group's net equity was £241.9m at 30 June 2026 (31 December 2025: £228.4m). This increase reflects the profit generated in the period, partly offset by share buybacks.

The majority of the Group's balance sheet is represented by cash and invested capital. The invested capital is in the FlexiPay lines of credit and certain SME loans, either directly or historically through investment vehicles.

| | **Operating business** | | **Investment** | | |
|---|---|---|---|---|---|
| | **Term Loans £m** | **FlexiPay £m** | **CBILS/ RLS/GGS £m** | **30 June 2026 Total £m** | 31 December 2025 Total £m |
| SME loans and lines of credit | **2.1** | **256.8** | **8.4** | **267.3** | 307.7 |
| Cash – unrestricted | **136.0** | **0.5** | **—** | **136.5** | 100.9 |
| Cash – restricted | **—** | **48.2** | **3.0** | **51.2** | 51.5 |
| Other assets/(liabilities) | **—** | **14.3** | **—** | **14.3** | 8.3 |
| Borrowings | **—** | **(249.2)** | **—** | **(249.2)** | (267.3) |
| **Cash and net investments** | **138.1** | **70.6** | **11.4** | **220.1** | 201.1 |
| Other assets | **61.7** | **—** | **—** | **61.7** | 65.7 |
| Other liabilities | **(36.9)** | **—** | **(3.0)** | **(39.9)** | (38.4) |
| **Equity** | **162.9** | **70.6** | **8.4** | **241.9** | 228.4 |

The table below provides a summation of Funding Circle's net invested capital:

| | **30 June 2026 £m** | 31 December 2025 £m |
|---|---|---|
| CBILS/RLS/GGS co-investments[1] | **8** | 12 |
| Shorter-term loans[1] | **—** | 26 |
| **Net invested** | **8** | 38 |
| FlexiPay[1] | **71** | 56 |
| **Total net invested capital** | **79** | 94 |

1. The vehicles through which the funding and lending are generated are set up to be bankruptcy remote.

**CBILS/RLS/GGS co-investments** – as part of our historical participation in the CBILS and RLS government-guaranteed loan schemes and our ongoing involvement in GGS, we were required to co-invest c.1% alongside institutional investors.

**Shorter-term loans –** this relates to our shorter-term loan offering which we launched during 2025 as part of our Term Loans business. Whilst we tested and iterated the product, we funded it through our balance sheet. The portfolio was sold in early 2026 to Waterfall Asset Management with an economic cut-off date of 31 December 2025. Shorter-term loans are now offered under a platform model, in line with our other Term Loans products.

**Cash flow**

At 30 June 2026, the Group's total cash position was £187.7m (31 December 2025: £152.4m). Of this, £136.5m (31 December 2025: £100.9m) is unrestricted in its use, with £51.2m (31 December 2025: £51.5m) being restricted. Restricted cash primarily relates to cash held in the FlexiPay funding facility which has increased with transactions. There is also some restricted cash relating to amounts owed to the British Business Bank ("BBB") for guarantee fees collected from institutional investors under the participation of the CBILS, RLS and GGS schemes, this fluctuates with the collection schedule.

Unrestricted free cash flow, which is an alternative performance measure, represents profit before tax adjusted for the items listed below. It excludes restricted cash, as well as cash flows related to warehouse and securitisation financing, funding, and the drawdown and repayment of FlexiPay lines of credit. The table below shows how the Group's cash has been utilised:

| | **30 June 2026 £m** | 30 June 2025 £m |
|---|---|---|
| **Profit before tax** | **24.1** | 6.0 |
| Depreciation, amortisation, impairment and modification gains | **6.0** | 6.1 |
| Purchase of tangible and intangible assets and payment of lease liabilities | **(6.4)** | (5.6) |
| Share-based payments and social security costs | **3.9** | 2.1 |
| Fair value adjustments | **(0.9)** | (2.0) |
| Working capital/other | **0.9** | (2.6) |
| **Unrestricted free cash flow** | **27.6** | 4.0 |
| Net movement in trusts, co-investments and SME loans at amortised cost | **4.4** | 2.0 |
| Net movement in lines of credit (net of borrowings) | **(9.6)** | (6.8) |
| Net movement in loans at fair value (net of borrowings) | **26.5** | (9.4) |
| Share buyback/purchase of own shares | **(13.3)** | (25.9) |
| Other (distribution from associates and proceeds from the exercise of share options) | **—** | 0.6 |
| **Movement in the period** | **35.6** | (35.5) |
| Unrestricted cash and cash equivalents at the beginning of the period | **100.9** | 150.5 |
| **Unrestricted cash and cash equivalents at the end of the period** | **136.5** | 115.0 |

**Share buybacks and share purchases**

In May 2025, we announced our third share buyback programme, for up to £25m, which is currently ongoing. This follows two earlier share buyback programmes announced in 2024 which returned £50m to shareholders. Of this total of £75m, c.£72m has been purchased to date (representing c.18% of our issued share capital) leaving up to c.£3m remaining.

In the six months to 30 June 2026, the Group bought back 5.8m shares for £8.3m consideration that were held in treasury. Since the start of the buyback programmes, 56.6m shares have been bought back and cancelled and 8.1m shares have been bought back and held in treasury either to be cancelled or to satisfy share awards.

A further 3.5m ordinary shares were purchased by the EBT for consideration of £5.0m for the purposes of satisfying employee share option plans.

We will commence a further share buyback of up to £25 million once the existing programme completes.

# Principal risks and uncertainties

The Group's principal risks and uncertainties were disclosed on pages 61 to 68 of the Funding Circle Holdings plc 2025 Annual Report and Accounts after review and approval by the Board. The Group considers that the overall principal risks and uncertainties, risk appetite, key risks and management of risks remain unchanged for the six months ended 30 June 2026.

The principal risks include:

- Strategic risk, including strategy execution and environmental, social and governance risk;
- Funding and finance risk, including funding risk and corporate liquidity;
- Regulatory, reputation and conduct risk;
- Operational risk, including process risk, financial crime, change risk and people risk;
- Credit risk, including borrower acquisition and portfolio management risk;
- Technology risk, including technology resilience and cybersecurity risk; and
- Emerging risks, including new technology risk, economic and geopolitical risks and exogenous risks.

# Statement of Directors' Responsibilities

The Directors confirm that these condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority, give a true and fair view of the assets, liabilities, financial position and profit and loss as required by DTR 4.2.4 and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

• an indication of important events that have occurred during the first six months and their impact on the condensed set of interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

• material related-party transactions in the first six months and any material changes in the related-party transactions described in the last Annual Report and Accounts.

The maintenance and integrity of the Funding Circle Holdings plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that might have occurred to the interim financial statements since they were initially presented on the website.

The Directors of Funding Circle Holdings plc are listed in the Funding Circle Holdings plc Annual Report and Accounts for 31 December 2025 as updated with the board changes highlighted in note 12. A list of current directors is maintained on the Funding Circle Holdings plc website: www.corporate.fundingcircle.com.

By order of the Board

Lisa Jacobs, Chief Executive Officer
8 September 2026

Tony Nicol, Chief Financial Officer
8 September 2026

# Condensed consolidated statement of comprehensive income

for the six months to 30 June 2026 (unaudited)

| | Note | **Six months to 30 June 2026 £m** | Six months to 30 June 2025 £m |
|---|---|---|---|
| Transaction fees | | **79.2** | 48.3 |
| Servicing fees | | **21.0** | 18.3 |
| Interest income[1] | | **37.6** | 23.1 |
| Other fees | | **2.4** | 2.4 |
| Investment income | | **3.5** | 2.6 |
| Fair value gains | | **0.9** | 2.0 |
| Cost of funds | | **(6.4)** | (4.4) |
| **Net income**[2] | 4 | **138.2** | 92.3 |
| **Expected credit loss charge** | 3, 9, 10, 13 | **(15.2)** | (8.4) |
| | | | |
| People costs | 5 | **(39.8)** | (32.7) |
| Marketing costs | 5 | **(39.9)** | (27.6) |
| Depreciation, amortisation and impairment | 5 | **(6.0)** | (6.1) |
| Other costs | 5 | **(13.2)** | (11.5) |
| **Operating expenses** | 5 | **(98.9)** | (77.9) |
| | | | |
| **Profit before taxation** | | **24.1** | 6.0 |
| Income tax charge | 6 | **(1.5)** | (0.2) |
| | | | |
| **Profit for the period** | | **22.6** | 5.8 |
| | | | |
| **Other comprehensive income** | | | |
| Items that may be reclassified subsequently to profit and loss: | | | |
| Exchange differences on translation of foreign operations | | **—** | — |
| **Total comprehensive income for the period** | | **22.6** | 5.8 |
| | | | |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Parent | | **22.6** | 5.8 |
| | | | |
| **Earnings per share** | | | |
| Basic earnings per share | 7 | **7.6p** | 1.9p |
| Diluted earnings per share | 7 | **7.4p** | 1.7p |

1. Interest income recognised on assets held at amortised cost under the effective interest rate method and £2.1 million (2025: £3.3 million) on money market funds held at fair value through profit and loss.
2. Net income is also referred to as “revenue”.

The notes form part of these financial statements.

# Condensed consolidated balance sheet

as at 30 June 2026 (unaudited)

| | Note | **30 June 2026 £m** | 31 December 2025 £m |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | | **21.6** | 21.3 |
| Property, plant and equipment | | **7.0** | 7.9 |
| Investment in trusts and co-investments | 10 | **8.4** | 11.9 |
| SME loans held at amortised cost | 10 | **0.8** | 1.2 |
| Deferred tax asset | 3, 6 | **25.0** | 26.1 |
| | | **62.8** | 68.4 |
| **Current assets** | | | |
| SME loans held at amortised cost | 10 | **0.6** | 0.9 |
| SME loans held at fair value through profit and loss | 10 | **0.7** | 120.8 |
| Lines of credit | 3, 10 | **256.8** | 172.9 |
| Trade and other receivables | 10 | **22.4** | 20.5 |
| Cash and cash equivalents | 11 | **187.7** | 152.4 |
| | | **468.2** | 467.5 |
| **Total assets** | | **531.0** | 535.9 |
| **Current liabilities** | | | |
| Trade and other payables | 10 | **29.3** | 30.8 |
| Bank borrowings | 8, 10, 11 | **249.2** | 267.3 |
| Short-term provisions and other liabilities | 9 | **4.4** | 2.5 |
| Lease liabilities | 11 | **1.8** | 1.8 |
| | | **284.7** | 302.4 |
| **Non-current liabilities** | | | |
| Long-term provisions and other liabilities | 9 | **0.6** | 0.6 |
| Lease liabilities | 11 | **3.8** | 4.5 |
| **Total liabilities** | | **289.1** | 307.5 |
| **Equity** | | | |
| Share capital | | **0.3** | 0.3 |
| Share premium account | | **0.5** | 0.5 |
| Foreign exchange reserve | | **5.3** | 5.3 |
| Share options reserve | | **17.6** | 21.1 |
| Retained earnings | | **218.2** | 201.2 |
| **Total equity** | | **241.9** | 228.4 |
| **Total equity and liabilities** | | **531.0** | 535.9 |

The notes form part of these financial statements.

# Condensed consolidated statement of changes in equity

for the six months to 30 June 2026 (unaudited)

| | Share capital £m | Share premium account £m | Foreign exchange reserve £m | Share options reserve £m | Retained earnings £m | Total equity £m |
|---|---|---|---|---|---|---|
| Balance as at 1 January 2025 | 0.3 | 0.1 | 5.3 | 20.6 | 190.2 | 216.5 |
| Profit/(loss) for the period | — | — | — | — | 5.8 | 5.8 |
| Other comprehensive income | | | | | | |
| Exchange differences on translation of foreign operations | — | — | — | — | — | — |
| Total comprehensive income | — | — | — | — | 5.8 | 5.8 |
| Transactions with owners | | | | | | |
| Issue of share capital/exercise of share options | — | 0.3 | — | — | — | 0.3 |
| Purchase of own shares held in employee benefit trust (“EBT”) | — | — | — | — | (6.9) | (6.9) |
| Buyback of own shares | — | — | — | — | (19.0) | (19.0) |
| Transfer of share option costs | — | — | — | (2.6) | 2.6 | — |
| Employee share schemes – value of employee services | — | — | — | 2.0 | — | 2.0 |
| Balance at 30 June 2025 | 0.3 | 0.4 | 5.3 | 20.0 | 172.7 | 198.7 |
| **Balance as at 1 January 2026** | 0.3 | 0.5 | 5.3 | 21.1 | 201.2 | **228.4** |
| Profit/(loss) for the period | — | — | — | — | 22.6 | **22.6** |
| **Other comprehensive income** | | | | | | |
| Exchange differences on translation of foreign operations | — | — | — | — | — | **—** |
| **Total comprehensive income** | — | — | — | — | 22.6 | **22.6** |
| **Transactions with owners** | | | | | | |
| Issue of share capital/exercise of share options | — | — | — | — | — | **—** |
| Purchase of own shares held in employee benefit trust (“EBT”) | — | — | — | — | (5.0) | **(5.0)** |
| Buyback of own shares | — | — | — | — | (8.3) | **(8.3)** |
| Transfer of share option costs | — | — | — | (6.7) | 6.7 | **—** |
| Employee share schemes – value of employee services | — | — | — | 3.2 | — | **3.2** |
| Tax credit on exercise of share options | — | — | — | — | 1.0 | **1.0** |
| **Balance at 30 June 2026** | **0.3** | **0.5** | **5.3** | **17.6** | **218.2** | **241.9** |

The notes form part of these financial statements.

# Condensed consolidated statement of cash flows

for the six months to 30 June 2026 (unaudited)

| | Note | **6 months to 30 June 2026 £m** | 6 months to 30 June 2025 £m |
|---|---|---|---|
| **Net cash outflow from operating activities** | 11 | **(52.0)** | (34.4) |
| **Investing activities** | | | |
| Purchase of intangible assets | | **(5.3)** | (4.4) |
| Purchase of property, plant and equipment | | **(0.2)** | (0.3) |
| Originations of SME loans held at amortised cost | 10 | **—** | (1.2) |
| Cash receipts from SME loans held at amortised cost | 10 | **0.6** | 0.5 |
| Originations of SME loans held at fair value through profit and loss | 10 | **(27.0)** | (50.0) |
| Cash receipts from SME loans held at fair value through profit and loss | 10 | **10.5** | 2.8 |
| Proceeds from sale of SME loans held at fair value through profit and loss | 10 | **31.5** | 2.5 |
| Investment in trusts and co-investments | 10 | **(0.4)** | (0.4) |
| Cash receipts from investments in trusts and co-investments | 10 | **4.2** | 3.1 |
| Redemption in associates | | **—** | 0.3 |
| **Net cash inflow/(outflow) from investing activities** | | **13.9** | (47.1) |
| **Financing activities** | | | |
| Proceeds from bank borrowings | 8, 10, 11 | **94.7** | 73.2 |
| Repayment of bank borrowings | 8, 10, 11 | **(7.1)** | (4.3) |
| Proceeds from the exercise of share options | | **—** | 0.3 |
| Purchase of own shares by EBT | | **(5.0)** | (6.9) |
| Buyback of own shares | | **(8.3)** | (19.0) |
| Payment of lease liabilities | 11 | **(0.9)** | (0.9) |
| **Net cash inflow from financing activities** | | **73.4** | 42.4 |
| **Net increase/(decrease) in cash and cash equivalents** | | **35.3** | (39.1) |
| Cash and cash equivalents at the beginning of the period | | **152.4** | 187.6 |
| Effect of foreign exchange rate changes | | **—** | 0.1 |
| **Cash and cash equivalents at the end of the period** | 11 | **187.7** | 148.6 |

The notes form part of these financial statements.

# Notes to the condensed interim financial statements

for the six months to 30 June 2026 (unaudited)

## 1. Basis of preparation

### General information

Funding Circle Holdings plc (‘the Company’) is a public limited company which is listed on the London Stock Exchange and is domiciled and incorporated in the United Kingdom under the Companies Act 2006. The Company’s registered office is 71 Queen Victoria Street, London, EC4V 4AY.

These condensed interim financial statements have been prepared as at, and for the six months to, 30 June 2026. The comparative financial information presented has been prepared for the six months to 30 June 2025 and as at 31 December 2025.

The interim financial information presented as at, and for the six months to, 30 June 2026 comprise the Company and its subsidiaries (together referred to as the “Group”). The consolidated financial statements of the Group as at, and for the year to, 31 December 2025 are available on request from the Company’s registered office and via the Company’s website.

### Going concern

The Group made a total comprehensive income of £22.6 million during the six months to 30 June 2026 (30 June 2025: £5.8 million). As at 30 June 2026 the Group had net assets of £241.9 million (31 December 2025: £228.4 million). This included cash and cash equivalents of £187.7 million (31 December 2025: £152.4 million) of which £51.2 million (31 December 2025: £51.5 million) is held for specific purposes and is restricted in use. Within the net assets the Group holds £79.0 million (31 December 2025: £94.5 million) of invested capital, some of which is capable of being monetised if liquidity needs arise.

The condensed interim financial statements are prepared on a going concern basis as the Directors are satisfied that the Group has the resources to continue in business for the foreseeable future (which has been taken as at least 12 months from the date of approval of the condensed interim financial statements).

The Group has prepared detailed cash flow forecasts for the next 15 months to 31 December 2027.

The base case scenario assumes:

- the economic environment remains as is with no improvement or deterioration in the macro environment forecast;
- growth in Cashback credit card alongside FlexiPay lines of credit;
- the Group continues to fund the lines of credit through its balance sheet along with the senior banking facility;
- costs are controlled with any growth driven by variable costs such as marketing, expected credit losses (“ECL”) and cost of funds. Remaining costs grow but predominantly through inflation;
- strict control of headcount, with limited increases; and
- corporation tax begins to be paid in 2026 alongside utilising brought forward tax losses and getting patent box tax relief on a proportion of profits.

Management prepared a severe but plausible downside scenario in which:

- a UK recession runs from H2 2026 to H1 2028 comprising sharp credit deterioration resulting in a significant tightening of credit risk on new originations and close management of the existing book;
- it is assumed credit losses spike to 2x normal rate with deterioration of credit performance across all products;
- FlexiPay and Cashback card credit limits are reduced; and
- discretionary spend is curtailed.

The severe but plausible downside scenario results in a maximum cash outflow of £45.0 million, which is the level of unrestricted cash and cash equivalents the Group holds at all times (referred to as “management’s stress buffer”).

Management has reviewed its limited regulatory capital requirements. In the downside scenario, the risk of capital requirement breach is considered remote. With the exception of the committed facility used for originating FlexiPay lines of credit, there are no committed or uncommitted borrowing facilities available to the wider Group.

The Directors have made enquiries of management and considered budgets and cash flow forecasts for the Group and have, at the time of approving these financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, specifically assessed for the 15 months to 31 December 2027.

### Basis of preparation

These condensed interim financial statements, which have been reviewed and not audited, have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with UK adopted IAS 34, “Interim Financial Reporting”. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year to 31 December 2025 which have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial information included in these condensed interim financial statements does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 (the 'Act'). The statutory accounts for the year ended 31 December 2025 have been reported on by the Company's auditors and were delivered to the Registrar of Companies following the Company's Annual General Meeting. The auditor's report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 of the Act.

**Significant changes in the current reporting period**

The financial position and performance of the Group were affected by the following events and transactions during the six months to 30 June 2026:

i) Sale of shorter-term loan product (see notes 10 and 11)

In 2025, the Group expanded into a shorter-term loan product. Shorter-term loans were financed through the same leveraged warehouse used to fund the FlexiPay and Cashback credit card products, Kanaloa 2 Limited ("K2"). The loans were measured at fair value through profit and loss due to being held under a business model intending to sell them.

The loans were sold in early 2026 to an institutional investor with an economic cut-off date of 31 December 2025. Shorter-term loans of £27.0 million continued to be originated by the Group between the economic cut-off date and the settlement date with £10.3 million of collections received and £18.5 million of borrowings drawn to fund these. £3.0 million of investment income was recognised on the loans between the economic cut-off date and the settlement date. The sale of loans was settled net of £105.7 million borrowings novated to the purchaser resulting in £31.5 million net cash receipt on sale of loans. This is included within 'Proceeds from sale of SME loans held at fair value through profit and loss' in the condensed consolidated statement of cash flows. A £0.7 million gain on sale is also shown within 'fair value gains' within the condensed consolidated statement of comprehensive income. A small pool of defaulted loans were excluded from the sale pool and continue to be held by the Group. See notes 10 and 11 and condensed consolidated statement of cash flows.

For loans originated after the sale date under the platform model the Group receives a servicing fee and an origination fee paid by the investor which are recognised within servicing fees and transaction fees respectively.

## 2. Changes in material accounting policies

The accounting policies, methods of computation and presentation adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended 31 December 2025 with the exception of the below.

***Write-offs:*** The Group introduced a write-off policy for its loans and lines of credit held at amortised cost. Defaulted loans which have not received a payment from the borrower in 24 months or more are treated as written off, with the balance outstanding net of expected credit loss impairment removed from the balance sheet and recognised within the condensed consolidated statement of comprehensive income. Where instances of fraud are identified the net balance is also written off.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adoption.

IFRS 18 Presentation and Disclosure in Financial Statements is a new accounting standard which will be effective for periods starting on or after 1 January 2027. The Group will adopt this standard for the first time in its reporting for the half year ended 30 June 2027 and year ended 31 December 2027 with the comparative periods of 30 June 2026 and 31 December 2026 restated.

The standard will replace IAS 1 Presentation of Financial Statements. It will focus on the income statement and reporting of financial performance, specifically, classifying income and expenses into three new defined categories – "operating", "investing" and "financing", and two new subtotals – "operating profit" and "profit before financing and income tax", introducing disclosures of management-defined performance measures ("MPMs") and enhancing general requirements on aggregation and disaggregation.

The impact assessment of adopting the standard is well advanced ahead of the adoption date and further details will be included in the 2026 Annual Report and Accounts.

## 3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the condensed consolidated interim financial statements requires the Group to make estimates and judgements that affect the application of policies and reported amounts. Critical judgements represent key decisions made by management in the application of the Group accounting policies. Where a significant risk of materially different outcomes exists due to management assumptions or sources of estimation uncertainty, this will represent a key source of estimation uncertainty.

Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The significant judgements and estimates applied by the Group in the financial statements have been applied on a consistent basis with the financial statements for the year to 31 December 2025, except for ECL where the model methodology has been refined (see note 10).

***Critical judgements***

*a) Loans originated through the platform*

The Group originates SME loans through its platform which have been funded primarily by banks, asset managers, other institutional investors, funds, or by usage of its own capital. Judgement is required to determine whether these loans should be recognised on the Group's balance sheet. Where the Group, its subsidiaries or SPVs which it consolidates have legal and beneficial ownership to the title of those SME loans, they are recognised on the Group's balance sheet. Where this is not the case, the loans are not recognised at the point of origination.

***Key sources of estimation uncertainty***

The following are the key sources of estimation uncertainty that the Directors have identified in the process of applying the Group's accounting policies and have the most significant effect on the amounts recognised in the financial statements.

*a) Expected credit loss impairment of FlexiPay lines of credit (notes 9, 10 and 13)*

At 30 June 2026, the Group held £299.6 million of drawn FlexiPay lines of credit and £630.7 million of undrawn lines of credit, gross of expected credit loss impairment allowances (31 December 2025: £205.1 million drawn and £446.7 million undrawn).

While other financial assets of the Group are held at amortised cost, the FlexiPay lines of credit are the most sensitive to estimation uncertainty due to the higher balance outstanding and more limited historical data.

An expected credit loss impairment allowance is held against the lines of credit of £47.2 million (£42.8 million related to drawn lines of credit and £4.4 million related to undrawn) (31 December 2025: £34.7 million split £32.2 million drawn and £2.5 million undrawn).

The Group estimates the expected credit loss allowance following IFRS 9 through modelling the exposure at default based on observed trends related to the overall line of credit facility and the proportion drawn at the time of default. The probability of default is estimated utilising observed trends and combining these with forward-looking information including different macroeconomic scenarios which are probability weighted. The loss given default is driven by assumptions regarding the level of recoveries collected after defaults occur.

The area most sensitive to estimation uncertainty is the probability of default ("PD") related to stage 1 and 2 lines of credit which is modelled based on observed trends and adjusted using probability-weighted forward-looking scenarios. Currently a baseline scenario, upside scenario, downside scenario and severe downside scenario are utilised which are probability weighted as outlined below which provide a blended stage 1 and 2 average probability of default of 9.2%.

If 100% probability weighting was to be applied to each scenario, the weighted PD related to stage 1 and 2 lines of credit and the expected credit loss impairment provision would change as follows:

| ECL scenario | Scenario weighting % | 100% weighting to scenario | Average PD % | ECL £m | Change in average PD compared to blended scenario % | Change in ECL compared to blended scenario £m |
|---|---|---|---|---|---|---|
| Base case | 60 | 100% | 9.0 | 46.8 | (0.2) | (0.4) |
| Upside | 15 | 100% | 8.5 | 45.9 | (0.7) | (1.3) |
| Downside | 20 | 100% | 9.9 | 48.7 | 0.7 | 1.5 |
| Severe downside | 5 | 100% | 10.4 | 49.7 | 1.2 | 2.5 |
| **Blended weighted scenarios** | **100%** | **100%** | **9.2%** | **47.2** | **—** | **—** |

The above reflects the impact of both drawn and undrawn elements of the ECL impairment allowance.

The loss given default ("LGD") of the expected credit loss impairment allowance is estimated based on observation of the blended portfolio recoveries to date on defaulted lines of credit projected out into the future using an average 87.4% LGD. While the LGD expectation is based on the trajectory of recoveries to date, the lifetime LGD may differ from the estimated amount. A +/- 500bps increase/decrease in the estimated lifetime LGD would increase/decrease the expected credit loss impairment allowance by £1.3 million/(£1.3 million). It is considered that the above sensitivities represent the range of reasonably possible outcomes in relation to the LGD on FlexiPay lines of credit.

b) Estimation and judgements related to deferred tax asset (note 6)

In 2025, the Group recognised a total deferred tax asset of £26.1 million related to the UK business for the first time. This comprised £23.6 million in relation to carried forward losses for which the recognition and valuation incorporated significant judgements and estimates, and a further £2.5 million in relation to RDEC Step 2 credits. In order to support the recognised deferred tax asset, modelling was undertaken to assess the level of forecast profits which were probability weighted.

This is a significant estimate, while the forecasting period used for determining the probable profits is a significant judgement. The forecasts utilised in the estimate have not changed since those used at 31 December 2025, on the basis that there has not been an updated assessment of the Board-approved five-year medium-term plan ("MTP") on which taxable profits are forecast. As a result, the sensitivity of judgements and estimates presented as at 31 December 2025 remain applicable to 30 June 2026, while the balance is currently £25.0 million comprising £23.6 million on carried forward losses and £1.4 million on RDEC Step 2 credits.

## 4. Segmental information

IFRS 8 Operating Segments requires the Group to determine its operating segments based on information which is used internally for decision making. Based on the internal reporting information and management structures within the Group, it has been determined that there are two business operating segments. Reporting on this basis is reviewed by the Executive Committee (“ExCo”), which is the chief operating decision maker (“CODM”).

The ExCo is made up of the Executive Directors and other senior management and is responsible for the strategic decision making of the Group. Reporting segments are identified by the required reporting information determined by the CODM which tends to be by products with similar characteristics. The Term Loans segment comprises the Term Loan products. The FlexiPay segment contains our line of credit products including Cashback card.

The ExCo measures the performance of each segment primarily by reference to profit before tax. The segment results include an allocation of central and shared costs which are allocated on the basis of budgeted revenue generation between the segments.

| | **30 June 2026** | | | 30 June 2025 | | |
|---|---|---|---|---|---|---|
| | **United Kingdom** | | | United Kingdom | | |
| | **Term Loans** | **FlexiPay** | **Total** | Term Loans | FlexiPay | Total |
| | **£m** | **£m** | **£m** | £m | £m | £m |
| Transaction fees | **77.8** | **1.4** | **79.2** | 47.8 | 0.5 | 48.3 |
| Servicing fees | **21.0** | **—** | **21.0** | 18.3 | — | 18.3 |
| Interest Income | **2.7** | **34.9** | **37.6** | 3.1 | 20.0 | 23.1 |
| Other fees | **2.3** | **0.1** | **2.4** | 2.3 | 0.1 | 2.4 |
| Investment income | **3.5** | **—** | **3.5** | 2.6 | — | 2.6 |
| Fair value gains | **0.9** | **—** | **0.9** | 2.0 | — | 2.0 |
| Cost of funds | **—** | **(6.4)** | **(6.4)** | (0.2) | (4.2) | (4.4) |
| **Net income (“revenue”)** | **108.2** | **30.0** | **138.2** | 75.9 | 16.4 | 92.3 |
| **Profit/(loss) before tax** | **28.6** | **(4.5)** | **24.1** | 12.7 | (6.7) | 6.0 |
| Depreciation, amortisation, impairment and modification gains | **(3.9)** | **(2.1)** | **(6.0)** | (4.9) | (1.2) | (6.1) |
| Expected credit loss credit/(charge) | **—** | **(15.2)** | **(15.2)** | — | (8.4) | (8.4) |

## 5. Operating expenses

| | **30 June 2026** | 30 June 2025 |
|---|---|---|
| | **£m** | £m |
| Depreciation | **1.1** | 1.2 |
| Amortisation | **4.2** | 4.8 |
| Impairment of intangibles | **0.7** | 0.1 |
| Employment costs (including contractors) | **39.8** | 32.7 |
| Marketing costs (excluding employment costs) | **39.9** | 27.6 |
| Data and technology | **4.8** | 4.1 |
| Other expenses | **8.4** | 7.4 |
| **Total operating expenses** | **98.9** | 77.9 |

### 6. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The estimated effective tax rate used for the six months to 30 June 2026 (excluding the tax charge on Research and Development Expenditure Credits (RDEC)) is 6.34%, compared to (3.12%) for the six months to 30 June 2025.

The major components of income tax expense in the condensed consolidated statement of comprehensive income are:

| | **30 June 2026** | 30 June 2025 |
|---|---|---|
| | **£m** | £m |
| **Current tax** | | |
| Corporation taxation | **0.4** | 0.2 |
| Total current tax | **0.4** | 0.2 |
| **Deferred tax** | | |
| Deferred taxation | **1.1** | — |
| Total deferred tax | **1.1** | — |
| **Total tax charge** | **1.5** | 0.2 |

The above tax charge includes the amount of tax deducted from the gross RDEC credit receivable for 2026 of £0.2 million (2025: £0.2 million).

The above deferred tax charge includes £1.1 million for the utilisation of RDEC Step 2 Credits.

### 7. Earnings per share

| | **30 June 2026** | 30 June 2025 |
|---|---|---|
| | **Total** | Total |
| Profit for the period £m | **22.6** | 5.8 |
| Basic weighted average number of ordinary shares in issue (million) | **296.5** | 307.2 |
| Basic earnings per share | **7.6p** | 1.9p |
| Profit for the period £m | **22.6** | 5.8 |
| Diluted weighted average number of ordinary shares in issue (million) | **304.7** | 341.5 |
| Diluted earnings per share | **7.4p** | 1.7p |

### 8. Borrowings

During 2026 the Group continued to operate a leveraged warehouse for the purposes of funding the FlexiPay product (and temporarily the shorter-term loan product until it was sold) with a total committed facility of up to £320 million (31 December 2025: £291 million). The drawn balance on the facility at 30 June 2026 was £249.2 million (31 December 2025: £267.3 million). Interest is charged on the drawn balance at SONIA plus a margin, together with a commitment fee on the undrawn portion.

The forward flow period of the facility was extended to mature in April 2028 effective April 2026 and the facility was temporarily downsized to £240 million in the period in order to remove excess capacity after the sale of the shorter-term loans. This was followed by an upsize to £320 million as further lines of credit were originated.

### 9. Provisions and other liabilities

| | Dilapidation | Undrawn expected credit loss liability[1] | Total |
|---|---|---|---|
| | £m | £m | £m |
| **At 1 January 2025** | 0.6 | 3.6 | 4.2 |
| Additional provision/liability | — | — | — |
| Amount utilised | — | (0.9) | (0.9) |
| Amount reversed | — | (1.1) | (1.1) |
| **At 30 June 2025** | 0.6 | 1.6 | 2.2 |
| Additional provision/liability | — | 0.9 | 0.9 |
| Amount utilised | — | — | — |
| Amount reversed | — | — | — |
| **At 31 December 2025** | 0.6 | 2.5 | **3.1** |
| Additional provision/liability | — | 1.9 | **1.9** |
| Amount utilised | — | — | **—** |
| Amount reversed | — | — | **—** |
| **At 30 June 2026** | **0.6** | **4.4** | **5.0** |

1. Undrawn expected credit loss liability includes £4.4 million (31 December 2025: £2.5 million) of expected credit loss impairment allowance related to undrawn FlexiPay lines of credit. See notes 10 and 13.

### Current and non-current

| | **30 June 2026 £m** | 31 December 2025 £m |
|---|---|---|
| Current provisions and other liabilities | **4.4** | 2.5 |
| Non-current provisions and other liabilities | **0.6** | 0.6 |
| | **5.0** | 3.1 |

The dilapidation provision represents an estimated cost for dismantling the customisation of offices and restoring the leasehold premises to its original state at the end of the tenancy period. The provision is expected to be utilised by 2030.

### 10. Financial risk management

The Group's financial risks and risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year to 31 December 2025.

Financial risks arising from financial instruments are analysed into credit risk, liquidity risk, market risk (including currency risk, interest rate risk and other price risk) and foreign exchange risk. These condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements. Details of how these risks are managed are discussed in the Funding Circle Holdings plc's financial statements for the year ended 31 December 2025.

There has not been a significant change in the Group's financial risk management processes or policies since the year end. The assumptions and methodology used in determining the level of defaults and recoveries which determine the fair value of loans remain consistent with those used at 31 December 2025 except where highlighted further below.

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- SME loans;
- investments in trusts and co-investments;
- lines of credit;
- trade and other receivables;
- cash and cash equivalents;
- trade and other payables;
- bank borrowings; and
- lease liabilities.

### *Categorisation of financial assets and financial liabilities*

The table shows the carrying amounts of financial assets and financial liabilities by category of financial instrument:

| | 30 June 2026 | | | 31 December 2025 | | |
|---|---|---|---|---|---|---|
| | **Fair value through profit and loss** | **Amortised cost** | **Total** | Fair value through profit and loss | Amortised cost | Total |
| | **£m** | **£m** | **£m** | £m | £m | £m |
| **Assets** | | | | | | |
| SME loans held at amortised cost | — | 1.4 | **1.4** | — | 2.1 | 2.1 |
| SME loans held at fair value through profit and loss | 0.7 | — | **0.7** | 120.8 | — | 120.8 |
| Lines of credit | — | 256.8 | **256.8** | — | 172.9 | 172.9 |
| Investment in trusts and co-investments | 8.4 | — | **8.4** | 11.9 | — | 11.9 |
| Trade and other receivables[1] | 0.4 | 14.5 | **14.9** | 0.3 | 11.8 | 12.1 |
| Cash and cash equivalents[1] | 121.3 | 66.4 | **187.7** | 84.8 | 67.6 | 152.4 |
| | **130.8** | **339.1** | **469.9** | 217.8 | 254.4 | 472.2 |
| **Liabilities** | | | | | | |
| Trade and other payables | — | (5.5) | **(5.5)** | — | (6.7) | (6.7) |
| Bank borrowings | — | (249.2) | **(249.2)** | — | (267.3) | (267.3) |
| Lease liabilities | — | (5.6) | **(5.6)** | — | (6.3) | (6.3) |
| | **—** | **(260.3)** | **(260.3)** | **—** | (280.3) | (280.3) |

1. Cash and cash equivalents held at fair value relate to money market funds, and trade and other receivables held at fair value through profit and loss relate to accrued interest on money market funds.

### *Financial instruments measured at amortised cost*

Financial instruments measured at amortised cost, rather than fair value, include cash and cash equivalents, trade and other receivables, SME loans held at amortised cost, FlexiPay lines of credit, bank borrowings, lease liabilities and trade and other payables. Due to their nature, the carrying value of each of the above financial instruments approximates their fair value.

### *Financial instruments measured at fair value*

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements (year ended 31 December 2025: none).

**Fair value measurement using**

| | 30 June 2026 | | | 31 December 2025 | | |
|---|---|---|---|---|---|---|
| | **Quoted prices in active markets (level 1)** | **Significant observable inputs (level 2)** | **Significant unobservable inputs (level 3)** | Quoted prices in active markets (level 1) | Significant observable Inputs (level 2) | Significant unobservable inputs (level 3) |
| | **£m** | **£m** | **£m** | £m | £m | £m |
| **Financial assets** | | | | | | |
| SME loans held at fair value through profit and loss | — | — | 0.7 | — | — | 120.8 |
| Trade and other receivables | 0.4 | — | — | 0.3 | — | — |
| Investment in trusts and co-investments | — | — | 8.4 | — | — | 11.9 |
| Cash and cash equivalents | 121.3 | — | — | 84.8 | — | — |
| | **121.7** | **—** | **9.1** | 85.1 | — | 132.7 |

The fair value of all SME loans held at fair value has been estimated by discounting future cash flows of the loans using discount rates that reflect the changes in market interest rates and observed market conditions at the reporting date. The estimated fair value and carrying amount of the SME loans held at fair value through profit and loss was £0.7 million at 30 June 2026 (31 December 2025: £120.8 million). The reduction in the period is primarily driven by the sale of shorter-term loans which resulted in a fair value gain on sale of £0.7 million.

Investment in trusts and co-investments represents the Group's investment in the trusts and other vehicles used to fund CBILS, RLS, GGS and certain commercial loans and is measured at fair value through profit and loss. The government-owned British Business Bank will guarantee up to 80% of the balance of CBILS loans in the event of default (and between 70% and 80% of RLS loans and 70% for GGS loans). The estimated fair value and carrying amount of the investment in trusts and co-investments was £8.4 million at 30 June 2026 (31 December 2025: £11.9 million).

The most relevant significant unobservable inputs relate to the default rate estimate and discount rates applied to the fair value calculation. However, it was determined that the reasonably possible range of outcomes from these inputs into the estimates are not material to the accounts.

There was a £0.9 million net fair value gain (30 June 2025: £2.0 million gain) during the period, primarily driven by the gain on sale of shorter-term loans.

Fair value movements on SME loans held at fair value through profit and loss and investments in trusts and co-investments are recognised through the condensed consolidated statement of comprehensive income in ‘fair value gains’.

The majority of additions of SME loans held at fair value through profit and loss in the period relate to the origination of loans under the shorter-term lending product, which were temporarily originated on the Group’s balance sheet and were also sold in the period.

A reconciliation of the movement in level 3 financial instruments is shown as follows:

| | **SME loans held at fair value through profit and loss £m** | **Investment in trusts and co-investments £m** |
|---|---|---|
| Balance as at 1 January 2025 | 1.2 | 17.8 |
| Additions | 50.0 | 0.4 |
| Repayments | (2.8) | (3.1) |
| Net gain on the change in fair value of financial instruments at fair value through profit or loss | 0.9 | 1.1 |
| Sale of loans | (2.5) | — |
| Balance as at 30 June 2025 | 46.8 | 16.2 |
| Additions | 130.6 | 0.4 |
| Repayments | (49.0) | (5.1) |
| Net (loss)/gain on the change in fair value of financial instruments at fair value through profit or loss | (9.1) | 0.4 |
| Accrual of interest | 2.9 | — |
| Sale of loans | (1.4) | — |
| Balance as at 31 December 2025 | 120.8 | 11.9 |
| Additions | 27.0 | 0.4 |
| Repayments | (10.5) | (4.2) |
| Net gain on the change in fair value of financial instruments at fair value through profit or loss | 0.6 | 0.3 |
| Accrual of interest | — | — |
| Sale of loans | (137.2) | — |
| **Balance as at 30 June 2026** | **0.7** | **8.4** |

## Financial risk factors

### *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and cash and cash equivalents held at banks.

The Group's maximum exposure to credit risk by class of financial asset is as follows:

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | **£m** | £m |
| **Non-current** | | |
| SME loans held at amortised cost | **0.8** | 1.2 |
| Investment in trusts and co-investments | **8.4** | 11.9 |
| **Current** | | |
| SME loans held at amortised cost | **0.6** | 0.9 |
| SME loans held at fair value through profit and loss | **0.7** | 120.8 |
| Lines of credit | **256.8** | 172.9 |
| Trade and other receivables | | |
| - Trade receivables | **0.8** | 0.2 |
| - Other receivables | **5.5** | 6.7 |
| - Accrued income | **7.7** | 4.3 |
| - Rent and other deposits | **0.9** | 0.9 |
| Cash and cash equivalents | **187.7** | 152.4 |
| **Total gross credit risk exposure** | **469.9** | 472.2 |
| Less bank borrowings[1] | **(249.2)** | (267.3) |
| **Total net credit risk exposure** | **220.7** | 204.9 |

1. Bank borrowings are related to the FlexiPay and shorter-term lending warehouse.

An expected credit loss allowance related to undrawn lines of credit on the FlexiPay product of £4.4 million (31 December 2025: £2.5 million) is held within provisions and other liabilities. The Group's maximum exposure to credit risk on the undrawn lines of credit if they were all to be fully drawn would be £630.7 million (31 December 2025: £446.7 million). The Group has the ability to freeze, reduce or withdraw lines of credit as a way of managing associated credit risk.

### *Credit risk associated with SME loans held at amortised cost and lines of credit*

Under IFRS 9, the Group is required to provide for loans measured at amortised cost under the expected credit loss ("ECL") model. The impairment related to each loan is based on the ECLs associated with the probability of default of that loan in the next 12 months unless there has been a significant increase in credit risk of that loan since origination.

*Model changes since 31 December 2025:*

The Group has refined its ECL accounting estimate since 31 December 2025. The key changes are as outlined below. The overall impact of the model methodology updates on a like for like basis with the previous methodology is not material to the overall ECL figure.

| **Model component** | **Change since 31 December 2025:** |
|---|---|
| PD | No change. |
| EAD | Minor updates were made to the EAD of cashback card and FlexiPay based on observed customer behaviours slightly increasing the EAD used in the estimate. |
| LGD | The LGD utilised was previously heavily based on term loan assumptions due to limited historical recovery data available for FlexiPay and cashback card. As more recovery data has been collated from these products, the trajectory of related recoveries from default cohorts has been used to update the estimate and has led to a slightly higher LGD assumption used in the estimate. |
| Macro scenarios | See "*Key changes to macro scenarios used in 2026"* below. |
| Write-offs | A write-off policy was introduced for defaulted loans that have not made a payment in over 24 months. This led to an additional £2.9 million of write-offs from both the gross line of credit and related ECL in stage 3 to 30 June 2026. |

SME loans held at amortised cost also include loans which have been brought back from investors with the intention of collecting contractual cash flows.

Lines of credit comprises £256.8 million (31 December 2025: £172.9 million) of drawn amounts through the FlexiPay product net of expected credit loss impairment.

The gross principal value of SME loans held at amortised cost is £3.3 million (31 December 2025: £4.0 million) and drawn lines of credit is £299.6 million (31 December 2025: £205.1 million), totalling £302.9 million (31 December 2025: £209.1 million), and an allowance for expected credit losses of £1.9 million (31 December 2025: £1.9 million) and £42.8 million (31 December 2025: £32.2 million) respectively, totalling £44.7 million (31 December 2025: £34.1 million), is held against these loans and drawn lines of credit as detailed below.

An impairment charge of £13.3 million (30 June 2025: impairment charge of £9.5 million) was recognised through the condensed consolidated statement of comprehensive income for the six months to 30 June 2026 within expected credit loss charge in the income statement related to drawn lines of credit and SME loans held at amortised cost.

Additionally, an expected credit loss impairment charge relating to undrawn FlexiPay lines of credit of £1.9 million (30 June 2025: credit of £1.1 million) was recognised as detailed in notes 9 and 13.

The Group bands each loan investment at origination using an internal risk rating and assesses credit losses on a collective portfolio basis by product. Credit risk grades are not reported to management on an ongoing basis and the only borrower specific information that is produced and used is past due status.  There is no significant concentration of credit risk to specific industries or geographical regions.

| | **Stage 1 Performing:** | **Stage 2 Underperforming:** | **Stage 3 Non-performing:** | **POCI** | **Total** |
|---|---|---|---|---|---|
| **Reconciliation of opening to closing gross carrying amounts** | **£m** | **£m** | **£m** | **£m** | **£m** |
| At 1 January 2025 | 99.1 | 3.2 | 10.4 | 8.6 | 121.3 |
| New lending and purchased assets | 355.2 | — | — | 0.6 | 355.8 |
| Exchange differences | — | — | — | 0.2 | 0.2 |
| Change in SICR definition | (7.2) | 7.2 | — | — | — |
| Loans transferred between stages | (14.1) | 10.1 | 4.0 | — | — |
| Loans repaid | (297.3) | (3.0) | (0.1) | (0.1) | (300.5) |
| Written off loans | — | — | (0.3) | — | (0.3) |
| Sale of loans | — | — | — | — | — |
| At 30 June 2025 | 135.7 | 17.5 | 14.0 | 9.3 | 176.5 |
| New lending and purchased assets | 423.4 | 0.8 | — | 0.3 | 424.5 |
| Exchange differences | — | — | — | 0.1 | 0.1 |
| Loans transferred between stages | (11.8) | 5.0 | 6.8 | — | — |
| Loans repaid | (382.7) | (0.4) | (0.3) | (0.2) | (383.6) |
| Written off loans | — | — | (0.1) | (3.7) | (3.8) |
| Sale of loans | — | — | — | (4.6) | (4.6) |
| At 31 December 2025 | 164.6 | 22.9 | 20.4 | 1.2 | 209.1 |
| New lending and purchased assets | 579.3 | 53.7 | — | — | **633.0** |
| Exchange differences | — | — | — | — | — |
| Loans transferred between stages | (23.4) | 14.0 | 9.4 | — | — |
| Loans repaid | (481.0) | (54.4) | (0.5) | (0.1) | **(536.0)** |
| Written off loans | — | — | (3.2) | — | **(3.2)** |
| Sale of loans | — | — | — | — | — |
| **At 30 June 2026** | **239.5** | **36.2** | **26.1** | **1.1** | **302.9** |

| Reconciliation of opening to closing ECL | Stage 1 Performing: 12-month ECL £m | Stage 2 Underperforming: Lifetime ECL £m | Stage 3 Non-performing: Lifetime ECL £m | POCI Lifetime ECL £m | Total £m |
|---|---|---|---|---|---|
| At 1 January 2025 | 2.8 | 1.4 | 9.4 | 8.5 | 22.1 |
| Impairment against new lending and purchased assets | 10.0 | — | — | 0.6 | 10.6 |
| Exchange differences | — | — | — | 0.2 | 0.2 |
| Change in SICR definition | (0.2) | 3.3 | — | — | 3.1 |
| Impairment against loans transferred between stages | (0.4) | 4.6 | 3.0 | — | 7.2 |
| Loans repaid | (8.4) | (1.3) | (0.2) | (0.1) | (10.0) |
| Impairment provision derecognised related to written off loans | — | — | (0.3) | — | (0.3) |
| Change in probability of default or loss given default assumptions | 2.0 | (4.4) | 1.7 | 0.1 | (0.6) |
| At 30 June 2025 | 5.8 | 3.6 | 13.6 | 9.3 | 32.3 |
| Impairment against new lending and purchased assets | 11.7 | — | — | — | 11.7 |
| Exchange differences | — | — | — | 0.1 | 0.1 |
| Impairment against loans transferred between stages | (0.3) | 2.3 | 5.5 | — | 7.5 |
| Loans repaid | (10.7) | (0.2) | (0.1) | (0.1) | (11.1) |
| Impairment provision derecognised related to written off loans | — | — | — | (3.8) | (3.8) |
| Sale of loans | — | — | — | (4.6) | (4.6) |
| Change in probability of default or loss given default assumptions | 1.6 | (0.9) | 1.2 | 0.1 | 2.0 |
| At 31 December 2025 | 8.1 | 4.8 | 20.2 | 1.0 | 34.1 |
| Impairment against new lending and purchased assets | 28.5 | 11.2 | — | — | **39.7** |
| Exchange differences | — | — | — | — | — |
| Impairment against loans transferred between stages | (1.2) | 3.0 | 9.3 | — | **11.1** |
| Loans repaid | (23.6) | (11.4) | (0.5) | — | **(35.5)** |
| Impairment provision derecognised related to written off loans | — | — | (3.2) | — | **(3.2)** |
| Change in probability of default or loss given default assumptions | (0.6) | 0.2 | (1.2) | 0.1 | **(1.5)** |
| **At 30 June 2026** | **11.2** | **7.8** | **24.6** | **1.1** | **44.7** |

| | Expected credit loss coverage % | Basis for recognition of expected credit loss impairment | Gross lines of credit and SME loans held at amortised cost £m | Provision for expected credit loss £m | Net carrying amount £m |
|---|---|---|---|---|---|
| As at 31 December 2025 | | | | | |
| Stage 1 – Performing | 4.9 | 12-month ECL | 164.6 | (8.1) | 156.5 |
| Stage 2 – Underperforming | 21.0 | Lifetime ECL | 22.9 | (4.8) | 18.1 |
| Stage 3 – Non-performing | 99.0 | Lifetime ECL | 20.4 | (20.2) | 0.2 |
| POCI | 83.3 | Lifetime ECL | 1.2 | (1.0) | 0.2 |
| | | Total | 209.1 | (34.1) | 175.0 |
| **As at 30 June 2026** | | | | | |
| **Stage 1 – Performing** | **4.7** | **12-month ECL** | **239.5** | **(11.2)** | **228.3** |
| **Stage 2 – Underperforming** | **21.5** | **Lifetime ECL** | **36.2** | **(7.8)** | **28.4** |
| **Stage 3 – Non-performing** | **94.3** | **Lifetime ECL** | **26.1** | **(24.6)** | **1.5** |
| **POCI** | **100.0** | **Lifetime ECL** | **1.1** | **(1.1)** | **—** |
| | | **Total** | **302.9** | **(44.7)** | **258.2** |

| Of which is drawn FlexiPay lines of credit | Expected credit loss coverage % | Basis for recognition of expected credit loss impairment | Gross lines of credit £m | Provision for expected credit loss £m | Net carrying amount £m |
|---|---|---|---|---|---|
| As at 31 December 2025 | | | | | |
| Stage 1 – Performing | 4.9 | 12-month ECL | 162.6 | (8.0) | 154.6 |
| Stage 2 – Underperforming | 21.0 | Lifetime ECL | 22.9 | (4.8) | 18.1 |
| Stage 3 – Non-performing | 99.0 | Lifetime ECL | 19.6 | (19.4) | 0.2 |
| POCI | — | Lifetime ECL | — | — | — |
| | | Total | 205.1 | (32.2) | 172.9 |
| **As at 30 June 2026** | | | | | |
| **Stage 1 – Performing** | **4.7** | **12-month ECL** | **238.1** | **(11.2)** | **226.9** |
| **Stage 2 – Underperforming** | **21.5** | **Lifetime ECL** | **36.2** | **(7.8)** | **28.4** |
| **Stage 3 – Non-performing** | **94.1** | **Lifetime ECL** | **25.3** | **(23.8)** | **1.5** |
| **POCI** | **—** | **Lifetime ECL** | **—** | **—** | **—** |
| | | **Total** | **299.6** | **(42.8)** | **256.8** |

The finance and risk functions of the Group monitor the performance of the FlexiPay lines of credit and SME loans held at amortised cost and calculate the ECL estimate required for financial reporting purposes. These teams report to the Chief Financial Officer ("CFO") and Chief Risk Officer ("CRO"). Discussions of estimates processes and results are held regularly at Balance Sheet and Valuation Committee meetings along with regular updates provided to the Audit Committee.

The allowance for expected credit losses requires estimation to assess individual loans or when applying statistical models for collective assessments based on the Group's past experience of historical delinquencies and loss trends, as well as forward-looking information in the form of macroeconomic scenarios governed by a Balance Sheet and Valuation Committee, which obtains macroeconomic forecasts such as changes in interest rates, GDP, risk-free rates, unemployment and inflation which are considered for incorporation into scenarios and probability weighted. These scenarios are utilised to derive an adjustment to the PD projections, to reflect the impact of forward-looking information on the underlying PD projections established from historical experience.

*Key changes to macro scenarios used in 2026:*

The IFRS 9 macro-economic forecasting methodology has been updated for 2026 to improve the comprehensiveness of our stress scenarios. All UK-specific forecast data is sourced from a third-party economics provider.

The macro-economic variables have been updated to include personal disposable income and remove the risk-free rate, with GDP and UK unemployment retained. The rationale is that statistical modelling shows personal disposable income offers similar predictive value for insolvencies as the risk-free rate, but yields a more comprehensive range of outcomes across different economic stress scenarios.

The scenario generation methodology has been updated. The previous approach utilised internally generated upside and downside scenarios using a mathematical "Cyclicality Index" (CI), based on historical distributions relative to a baseline forecast. The Group now directly utilises expert projections from our third-party economics provider to define four specific scenarios: baseline, upside, downside, and a new severe downside. The rationale for this is sourcing direct expert projections provides a more plausible range of near-term economic outcomes compared to the purely mathematical CI methodology used previously.

Previously the 3 scenarios were weighted 15% downside, 70% baseline and 15% upside. The probability weighting attributed to the scenarios at 30 June 2026 has been updated to reflect the addition of a fourth scenario and the updated composition and severity of the stress scenarios utilised. Information related to the macroeconomic drivers utilised in creating the base case scenario and the probability weightings attributed to the scenarios is illustrated below. In informing weights used management takes into consideration suggested weightings from the economics provider, benchmarking against peers, and management's own assessment of forecast conditions impacting SMEs relative to the credit cycle.

| Macroeconomic drivers (average for the forecast year) | ECL scenario | H2 2026 | 2027 | 2028 | 2029 | 2030 | H1 2031 |
|---|---|---|---|---|---|---|---|
| Unemployment rates % | Base case | 5.6 | 5.6 | 5.1 | 4.7 | 4.5 | 4.4 |
| Unemployment rates % | Upside | 5.3 | 4.9 | 3.9 | 3.6 | 3.7 | 3.7 |
| Unemployment rates % | Downside | 6.1 | 6.8 | 7.1 | 6.8 | 6.5 | 6.3 |
| Unemployment rates % | Severe downside | 6.3 | 7.1 | 7.6 | 7.4 | 7.0 | 6.8 |
| Personal disposable income YoY% | Base case | 3.5 | 2.8 | 3.6 | 3.8 | 3.5 | 3.4 |
| Personal disposable income YoY% | Upside | 4.1 | 4.2 | 5.0 | 4.6 | 3.7 | 3.5 |
| Personal disposable income YoY% | Downside | 2.0 | 0.4 | 1.6 | 2.6 | 3.0 | 3.1 |
| Personal disposable income YoY% | Severe downside | 1.4 | (0.7) | 0.9 | 2.1 | 2.7 | 2.8 |
| GDP YoY% | Base case | 0.7 | 0.8 | 1.8 | 1.7 | 1.5 | 1.5 |
| GDP YoY% | Upside | 2.3 | 3.2 | 2.6 | 2.3 | 1.5 | 1.4 |
| GDP YoY% | Downside | (2.5) | (2.3) | 1.1 | 1.3 | 1.6 | 1.6 |
| GDP YoY% | Severe downside | (4.1) | (4.0) | 0.6 | 1.1 | 1.6 | 1.7 |

The baseline scenario assumes near term growth is impacted by geopolitical shipping disruptions in the Strait of Hormuz and elevated energy prices. Forecast unemployment to peak at 5.7% by late 2026 due to high energy prices and low business profitability, before gradually recovering to a long-run average of 4.3%.

GDP year-on-year is forecast to slow in early 2027 to a trough of 0.3% year on year growth before gradually reverting to a long-run average of c.1.3-1.5%.

Personal disposable income is forecast to experience a near term squeeze from elevated inflation and household costs easing in late 2027 as inflation hits its 2% target.

The upside scenario assumes a demand boom with increases in business investment and a major productivity boost from widespread successful adoption of AI. There is personal disposable income growth, low unemployment and GDP growth accelerates.

The downside scenario assumes a pronounced global demand shock triggered by heightened geopolitical uncertainty, financial market turmoil, and severe drops in business and consumer confidence. There are widespread lay offs leading to an elevated spike in unemployment, personal disposable income is squeezed and GDP contracts over a pronounced recession.

The severe downside scenario assumes extreme global distress with systematic tail risks to financial stability, with defaults from a sharp correction in commercial property prices and private credit markets. There is a large contraction in GDP on the scale of the global financial crisis, unemployment spikes and remains elevated, a large reduction in personal disposable incomes leads to a surge in insolvencies comparable to 2008.

| | Probability weighting applied % | |
|---|---|---|
| ECL scenario | **30 June 2026** | 31 December 2025 |
| Base case | **60** | 70 |
| Upside | **15** | 15 |
| Downside | **20** | 15 |
| Severe downside | **5** | — |

A sensitivity to the impact these assumptions have on the estimated ECL is disclosed within note 3.

*Credit risk associated with other financial assets:*

SME loans held at fair value through profit and loss relate to the underlying pool of SME loans from the legacy warehouses and SPVs that have since been purchased or novated into other Funding Circle entities, but remain held at FVTPL with the business model of holding the loans for sale. Additionally, loans originated by the Group with the intention of selling onwards are included in this category including the shorter-term loans.

Trade receivables includes the invoiced amounts in respect of servicing fees due from institutional investors. The risk of financial loss is deemed minimal because the counterparties are well established financial institutions.

Ongoing credit evaluation is performed on the financial condition of other receivables and, where appropriate, a provision for expected credit losses is recorded in the financial statements.

**Interest rate risk**

**a) Interest rate risk sensitivity analysis – fixed rate** Interest on SME loans is fixed until the maturity of the investment and is not impacted by market rate changes.

**b) Interest rate risk sensitivity analysis – floating rate** Interest on cash and cash equivalent balances is subject to movements in base rates. The Directors monitor interest rate risk and note that rates have begun to decrease having previously plateaued following a period of sustained rate rises with an expectation of further base rate decreases going forward. The Directors believe that a reasonable decrease in the base rate of 100bps could reduce interest income recognised in the statement of comprehensive income from the Group's cash by £1.9 million based on the 30 June 2026 cash and cash equivalent balances.

Interest on bank borrowings related to the FlexiPay lines of credit and shorter-term loans are subject to movements in SONIA. The Group has partially protected itself through the use of an interest rate cap with a strike price of 6.5% and a notional amount that increases in line with the projected draw downs on the senior borrowing facility.

If SONIA were to increase/(decrease) by 100bps, based on the drawn balance at 30 June 2026, the annualised interest expense recognised in cost of funds would increase/(decrease) by £2.5 million.

Some of the Group's investment in trusts are through warehouse vehicles where the Group is a minority equity investor. The senior borrowing facilities utilised in these vehicles receive interest on borrowings in priority to payments to the equity investors at SONIA plus a margin. Increases in SONIA or anticipated future increases, could result in increased borrowing costs, reducing the expected cash returns to the equity investors of the investment held at fair value through profit and loss. The impact would be recognised in fair value gains and losses in the statement of comprehensive income. The vehicles had interest rate caps or interest rate swaps within their structures which can mitigate the impact of future rate rises.

## 11. Notes to the condensed consolidated statement of cash flows

### *Cash outflow from operating activities*

| | **30 June 2026 £m** | **30 June 2025 £m** |
|---|---|---|
| Profit before taxation | **24.1** | 6.0 |
| **Adjustments for:** | | |
| Depreciation of property, plant and equipment | **1.1** | 1.2 |
| Amortisation of intangible assets | **4.2** | 4.8 |
| Impairment of intangible assets | **0.7** | 0.1 |
| Interest payable | **0.2** | 0.3 |
| Non-cash employee benefits expense – share-based payments and associated social security costs | **3.9** | 2.1 |
| Fair value adjustments | **(0.9)** | (2.0) |
| Movement in other provisions | **—** | (2.0) |
| ECL impairment | **15.2** | 8.4 |
| Other non-cash movements | **0.6** | 2.0 |
| **Changes in working capital** | | |
| Movement in trade and other receivables | **(5.5)** | (2.4) |
| Movement in trade and other payables | **(0.8)** | (0.7) |
| Tax (paid)/received | **—** | 2.1 |
| Originations of lines of credit | **(602.1)** | (354.7) |
| Cash receipts from lines of credit | **507.3** | 300.4 |
| Net cash outflow from operating activities | **(52.0)** | (34.4) |

### *Cash and cash equivalents*

| | **30 June 2026 £m** | 31 December 2025 £m |
|---|---|---|
| Cash and cash equivalents | **187.7** | 152.4 |

The cash and cash equivalents balance is made up of cash and money market funds. The carrying amount of these assets is approximately equal to their fair value. Included within cash and cash equivalents above is a total of £51.2 million (31 December 2025: £51.5 million) in cash which is restricted in use. Of this, £3.0 million (31 December 2025: £3.7 million) of cash is held which is restricted in use to repaying investors in CBILS and RLS loans and paying CBILS and RLS-related costs to the UK government. A further £48.2 million (31 December 2025: £47.8 million) of cash is held which is restricted for use in the FlexiPay warehouse.

At 30 June 2026, money market funds totalled £121.3 million (31 December 2025: £84.8 million).

### *Analysis of changes in liabilities from financing activities*

| | 1 January 2025 £m | Cash flow £m | Other non-cash movements £m | 30 June 2025 £m |
|---|---|---|---|---|
| Bank borrowings | (101.9) | (68.9) | — | (170.8) |
| Lease liabilities | (7.6) | 0.9 | (0.3) | (7.0) |
| Liabilities from financing activities | (109.5) | (68.0) | (0.3) | (177.8) |

| | **1 January 2026 £m** | **Cash flow £m** | **Other non-cash movements £m** | **30 June 2026 £m** |
|---|---|---|---|---|
| **Bank borrowings** | **(267.3)** | **(87.6)** | **105.7** | **(249.2)** |
| **Lease liabilities** | **(6.3)** | **0.9** | **(0.2)** | **(5.6)** |
| **Liabilities from financing activities** | **(273.6)** | **(86.7)** | **105.5** | **(254.8)** |

The 2026 non-cash movements in bank borrowings arose from the sale of the shorter-term loans by the Group in the period. As part of the sale, the associated borrowings of £105.7 million were novated to the purchaser and netted against the sale proceeds of £137.2 million resulting in net proceeds of £31.5 million. See notes 1 and 10 for details.

### 12. Related party transactions

The basis of remuneration of key management personnel remains consistent with that disclosed in the 2025 Annual Report and Accounts, with the exception of the appointment of Tamsin Todd as an independent Non-Executive Director in July 2026. Tamsin Todd joined the Remuneration and Audit Committees. Neil Rimer will step down as a Non-Executive Director with effect from 30 September 2026. Lisa Jacobs has informed the Board on 8 September 2026 of her intention to step down as CEO, by no later than September 2027.

### 13. Contingent liabilities and commitments

As part of the ongoing business, the Group has operational requirements with its investors. At any point in time, it is possible that a particular investor may expect the Group to purchase their loan in the event of a breach of representation or warranty, operational errors or control issues or where agreed eligibility criteria have not been complied with. Where a loan is purchased it is presented within SME loans held at amortised cost on the face of the condensed consolidated balance sheet and held at amortised cost under IFRS 9.

In common with other businesses, the Group is involved from time to time in disputes in the ordinary course of business. There are no active cases expected to have a material adverse financial impact on the Group.

The Group has commitments related to undrawn amounts on issued FlexiPay lines of credit. At 30 June 2026, there were undrawn commitments of £630.7 million (31 December 2025: £446.7 million). An expected credit loss impairment allowance is held within other provisions by the Group of £4.4 million (31 December 2025: £2.5 million) in relation to the estimated credit losses the Group may be exposed to on these undrawn lines of credit.

### 14. Subsequent events

Subsequent to the 30 June 2026 there were changes to the composition of the Board as detailed in note 12.

In September 2026 the Group announced its intention to extend the share buyback programme by a further £25.0 million upon conclusion of the current programme.

# Glossary

### Alternative performance measures

The Group uses a number of alternative performance measures ("APMs") within its financial reporting. These measures are not defined under the requirements of IFRS and may not be comparable with the APMs of other companies. The Group believes these APMs provide stakeholders with additional useful information in providing alternative interpretations of the underlying performance of the business and how it is managed and are used by the Directors and management for performance analysis and reporting. These APMs should be viewed as supplemental to, but not as a substitute for, measures presented in the financial statements which are prepared in accordance with IFRS.

| APM | Closest equivalent IFRS measure | Adjustments to reconcile to IFRS measure | Definition |
|---|---|---|---|
| **Cash flow** | | | |
| Unrestricted free cash flow | Profit before tax. | Refer to Financial review. | Profit before tax ("PBT") less the cost of purchasing intangible assets, property, plant and equipment, and lease payments, depreciation amortisation and impairment, share-based payments and fair value adjustments. It excludes the warehouse and securitisation financing and funding cash flows and excludes cash flows on drawdowns and repayment of FlexiPay lines of credit. This excludes restricted cash.<br>This is a conversion metric representing the cash-backed realisation of profit and therefore PBT is considered the most directly comparable IFRS measure. |

# Independent review report to Funding Circle Holdings plc
# Report on the condensed consolidated interim financial statements

**Our conclusion**

We have reviewed Funding Circle Holdings plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half Year 2026 Results of Funding Circle Holdings plc for the 6 month period ended 30 June 2026 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed consolidated balance sheet as at 30 June 2026;
- the Condensed consolidated statement of comprehensive income for the period then ended
- the Condensed consolidated statement of changes in equity for the period then ended;
- the Condensed consolidated statement of cash flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Year 2026 Results of Funding Circle Holdings plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

**Basis for conclusion**

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half Year 2026 Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

**Conclusions relating to going concern**

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

# Responsibilities for the interim financial statements and the review

**Our responsibilities and those of the directors**

The Half Year 2026 Results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half Year 2026 Results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half Year 2026 Results, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year 2026 Results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

**Use of this report**

This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London

8 September 2026