lendinvest Group

6 Months Results Ended 30 September 2024

9 December 2024

Introduction

Rod Lockhart
Chief Executive Officer

Hugo Davies
Chief Capital Officer &
Managing Director LI Mortgages

Stephen Shipley
Chief Financial Officer

Agenda

About LendInvest

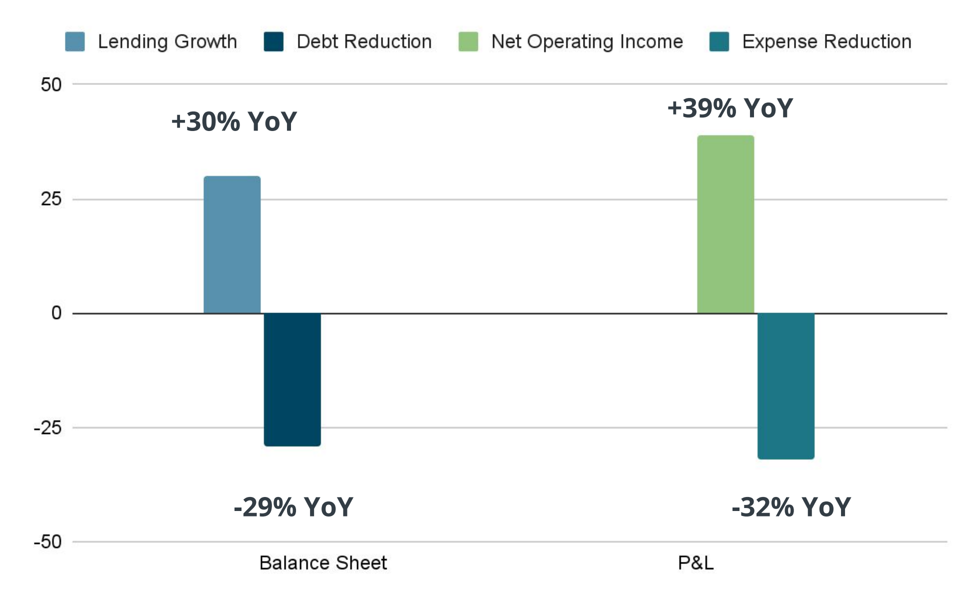
- **Transforming Property Finance:** Redefining mortgages and property lending through technology, customer-focused products, and dynamic pricing for speed and simplicity.
- **Fast-Growing Assets Under Management:** Delivering consistent Investor returns at class-leading industry levels, supported by a robust and scalable funding model.
- **Innovative Funding Model:** Connecting borrowers to an international network of capital, with diverse and sustainable funding solutions.
- **Track Record of Excellence:** Over £7.5 billion in loans funded, supporting thousands of property projects across the UK.
- **Driving Change in Property Finance:** Bridging the gap between traditional mortgage models and the end-to-end digital future of property finance.
- **Trusted partner** for leading global financial institutions like Barclays, BNP Paribas, HSBC, J.P. Morgan, Lloyds Bank and National Australia Bank.

J.P.Morgan HSBC LLOYDS BANK nab BARCLAYS BNP PARIBAS

Performance & Strategy Update

FY25 - HY1 Summary

- **Positive signs of market recovery** - but interest rates remain volatile, fueled by macro-economic & socio-political uncertainties.
- **Key Objectives Progressing:**
    - Lending Growing
    - Debt Reducing
    - Net Operating Income increasing
    - Costs Lowering
- **Path to Profitability On Track - Profit Achieved in September**



Strategic Progress in H1

1

Continuing to Attract High Quality Capital

- **Growth in Funds Under Management (FuM)**: Increased by 12% year-on-year to £4.67bn
- **Expanded Partnership with JP Morgan to £1.5bn, and renewed £300 Million Financing Syndicate with BNP Paribas, Barclays, and HSBC**
- **Assets Under Management (AuM)**: Grew by 9% year-on-year to £2.95bn
- **Net Fee Income rose 71% YoY to £11.3m**

+

2

Lending Growth and Operational Efficiency

- **Increase in new lending**: Up 30% YoY to £539.1m
- **Strong Growth in Mortgages Division**: Lending grew 67% YoY
- **Technological Efficiency**: Productivity improvements include reducing mortgage application-to-offer times by 20%

Strategic Progress in H1

+

3

Fortifying the Balance Sheet

- **Debt Reduction**: Debt fell by 29% year-on-year to £601.7m
- **Credit Risk Mitigation**: Balance sheet assets reduced to 19% of AuM (from 31% at Sep'23)
- **Improved Liquidity**: Cash and equivalents rose to £71.6m (from £55.7m at Mar'24)
- **Net Assets**: Stable marginally reducing to £56.4m (from £56.5m at Mar'24)

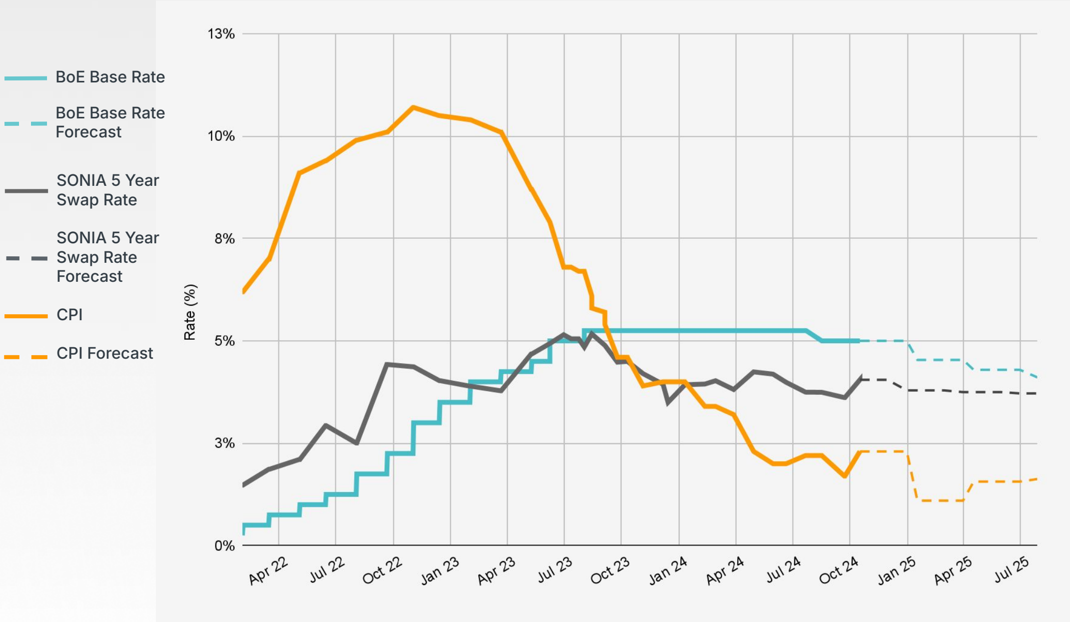
=

Path to Profitability

- **Reduced Loss Before Tax**: First-half loss narrowed to £1.7m - 89% improvement YoY.
- **Increased Net Operating Income**: Rose by 39% YoY to £17.4m
- **Administrative Expense:** Reduced by 20% YoY to £16.9m
- **Profitable in the month of September on a PBT and PAT basis & YTD on an EBITDA basis**

Market & Business Review

Housing Market Green Shoots



- **Base Rate[1]:** The base rate stands at 4.75%, after 0.25% cuts in August and November.
- **Swap Rates:** Less volatile than FY24; dipped below 4% in September but now slightly above.
- **CPIH[2]:** The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 3.2% in the 12 months to October '24, up from 2.6% in September.
- **House Prices[3]:** Up 2.9% year-on-year to September '24, averaging £292,000 - the fastest growth since February 2023.
- **Mortgage Approvals[4]:** Up 52% YoY to September '24, the highest since August 2022, signaling renewed confidence.
- **Rental Market[3]:** Rents rose 8.7% in the 12-months to October '24.

[1] Source: BoE, 'Official Bank Rate history'
[2] Source: CPIH - incl. owner-occupier housing costs; Source - ONS
[3] Source: ONS Private Rent and House Prices Index
[4] Source: BoE Money and Credit - September 2024

Mortgages Division

Driving Growth in Lending, Funding, and Customer-Focussed Innovation to Deliver Stable Profitability

Growth in Lending

- Significant increase in new mortgage lending
- Strong performance in BTL
- Robust pipeline for future growth

Capital Raising

- Successful securitisation
- Upsized JP Morgan & Barclays, BNP and HSBC partnerships
- Improved financing arrangements

Products & Enhancements

- New product launches
- Enhanced short-term mortgages
- Strong customer satisfaction

Capital Division

Scaling investment opportunities with resilient growth - a significant driver of profitability for the group.

Asset Management Model

- Shifting to an asset management approach for scalable growth.
- Co-investment and syndication models enable efficient capital deployment

Key Metrics

- 71% YoY growth in Net Fee Income.
- £2.95bn AUM (up 9% YoY).
- 81% of AUM now Third Party Managed Assets.

Growth Drivers

- Secured Credit Fund III launched, targeting 7-10% returns.
- Development loan pipeline up 50% from Q1 to Q2.

Buy-To-Let: Tech-Driven Transformation

Scaling Efficiency Across Operations to Strengthen Profitability

Operational Improvements

- BTL now operates on a highly scalable model.
- Increased operational capacity without proportional cost increases.
- Laying foundations to replicate success in Bridging and Residential.

Scalable Model

- 40% reduction in cost to originate since FY24.
- Automation removed non-value tasks, increasing capacity for critical work.
- Enhanced workflows streamline processes and reduce manual intervention.

Tangible Benefits

- Increased underwriter capacity: 100+ applications per underwriter monthly.
- Improved Service Level Agreements across pipeline management and automation.
- YoY efficiency targets support sustainable growth.

Financial Review

Group Profit & Loss

Unaudited	6 months ended 30 September 2024 £'m	6 months ended 30 September 2023 £'m (restated)	Change
Platform Assets under Management	**2,945.1**	**2,695.1**	**9%**
Principal Investments	556.3	822.0	(32%)
3rd Party Funded	2,388.8	1,873.1	28%
New Lending	**539.1**	**415.2**	**30%**
Net Interest Income	6.0	5.7	5%
Net fee income	11.3	6.6	71%
Net gains on derecognition of financial assets	0.0	0.1	(100%)
Net other operating income	0.1	0.1	0%
Net operating income	**17.4**	**12.5**	**39%**
Administrative expenses	(16.9)	(21.1)	20%
Impairment losses on financial assets	(2.2)	(7.1)	69%
Total operating expenses	**(19.1)**	**(28.2)**	**32%**
Loss before tax	**(1.7)**	**(15.7)**	**89%**
Losses from derivative hedge accounting	0.4	0.3	0%
Exceptional professional costs	0.0	0.9	100%
Underlying loss before tax	**(1.3)**	**(14.5)**	**91%**
Loss after tax	**(1.2)**	**(11.8)**	**90%**
Gain/(loss) in adjusted EBITDA	**0.3**	**(11.4)**	**103%**

- The **loss before tax** has improved 89% to £1.7m, with underlying loss before tax of £1.3m and an adjusted EBITDA gain of £0.3m.
- **Net Interest Income** has increased 5% in line with 32% lower Principal Investments AuM reflecting the ongoing implementation of our capital-light strategy and improved margins. Consequently, only 19% (2023: 31%) of total Platform AuM remains in balance sheet investments.
- In contrast **Net fee income** has increased 71% reflecting the successful execution of our strategy to shift focus toward third-party managed assets, a fee-driven model enabling us to reduce our risk profile.
- **Administrative expenses** were reduced by 20%, falling to £16.9m, reflecting our ongoing focus on operational efficiency.
- The **impairment charge** for the period reduced significantly to £2.2m, down 69%, returning to more normalised levels.

Balance Sheet

Unaudited	As at 30 September 2024 £'m	As at 31 March 2024 £'m (restated)	Change
Cash and cash equivalents	71.6	55.7	29%
Trade and other receivables	8.2	8.1	1%
Loans and advances	556.3	477.0	17%
Investment securities	37.0	41.1	(10%)
Other assets	20.1	19.1	5%
Total assets	**693.2**	**601.0**	**15%**
Trade and other payables	(29.0)	(25.6)	(13%)
Lease liabilities	(3.6)	(2.3)	(57%)
Derivative financial liability	(2.5)	(2.0)	(25%)
Interest bearing liabilities	(601.7)	(514.6)	(17%)
Total liabilities	**(636.8)**	**(544.5)**	**17%**
Net assets	**56.4**	**56.5**	**(0%)**
Total Equity	**56.4**	**56.5**	**(0%)**

- **Cash and Cash Equivalents** have increased 29% over the period with £9.2m in unrestricted cash available at the end of the period as we lead up to our next securitisation transaction.
- **Loans and Advances** rose by 17% to £556.9m. This growth was primarily driven by a 30% growth in new lending.
- **Looking ahead,** we remain focused on maintaining a prudent capital structure while pursuing opportunities that drive innovation and profitability.

Strengthening The Balance Sheet & Reducing Risk Profile

81%

of AuM managed on behalf Third Party Capital

+12pps vs March 2024

£71.6m

cash & cash equivalents

+29% vs March 2024

£2.2m

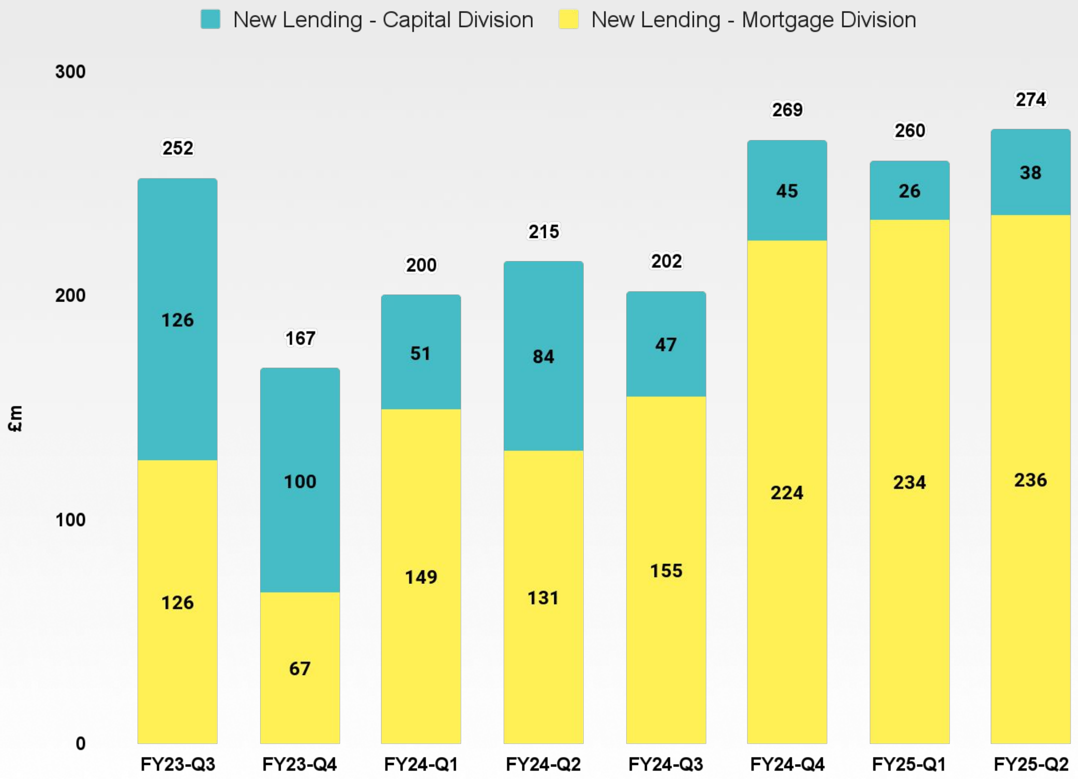
impairments

-69% vs Sep 2023 (£7.1m)

- Material increase in proportion of loan book funded by third Party capital as a result of deleveraging the business contributing to lower impairments
- Strong focus on cash management including accelerated debt recovery

Strategic Priorities & Long-term Opportunity

Growing Lending and Expanding Product Reach



- Lending continues to show strong signs of growth, especially for out **Buy-to-let products**
- Streamlined **Residential Mortgage** Proposition will be launched in H2, to support further growth in the owner-occupied market.
- **Further iteration** of products will continue - focussing on areas such as product transfers and higher use of Automated Valuation Models. Meanwhile, our platform allows us to iterate quickly and adapt to market opportunities

Securing Capital: Enabling Scalable Growth

Immediate Opportunities:

- Drive growth through new separate account partnerships.
- Expand and optimise financing structures.
- Focus on NFI growth to reinforce the capital-light model.

Medium-Term Growth Drivers:

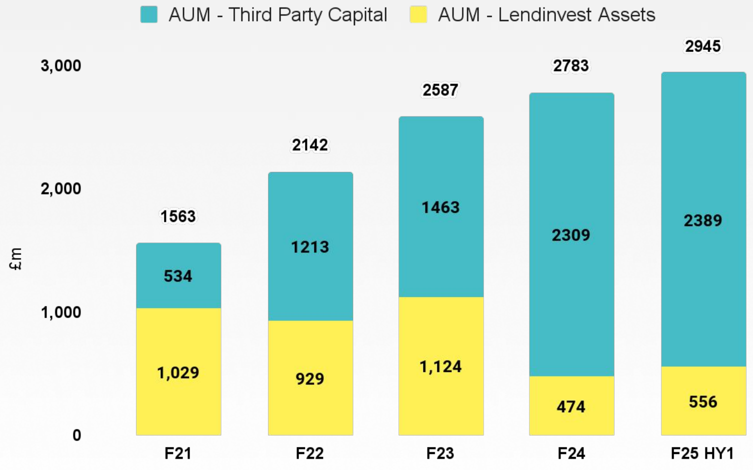
- Raise capital for Fund III to unlock lending capacity.
- Develop investment solutions for SME housebuilders to support market growth.

Strategic Alignment:

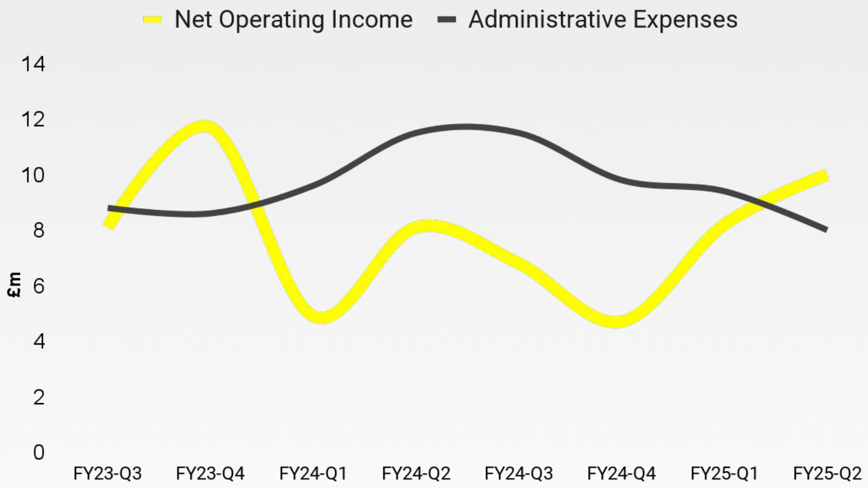
- Diversify funding through global partnerships.
- Scale the fee-based model with a £1bn capital-raising pipeline.

AuM +9% YoY to £2.94 billion

- **3rd Party Managed Assets** increased as a % of total AuM to 81% (69% : 2023)
- **Mortgage Division** AuM is up 17% year-on-year lead by strong growth in Buy to Let new lending and Short Term Mortgages
- **Net Fee Income** is up 71% YoY



Driving Profitability & Managing Costs



- **Expanding Efficiency Gains**: Scaling operational improvements to widen "positive jaws."
- **Profitability Momentum**: Building on September's run-rate profitability with disciplined growth.
- **Strategic Cost Focus**: Realising sustained savings through optimised operations.
- **Resilient Income Streams**: Strengthening fee-based revenues for long-term stability.

Q&A

Disclaimer

Certain statements in this presentation are forward-looking statements. In some cases, these forward looking statements can be identified by the use of forward looking terminology including the terms “anticipate”, “believe”, “intend”, “estimate”, “expect”, “may”, “will”, “seek”, “continue”, “aim”, “target”, “projected”, “plan”, “goal”, “achieve” and words of similar meaning or in each case, their negative, or other variations or comparable terminology. Forward-looking statements are based on current expectations and assumptions and are subject to a number of known and unknown risks, uncertainties and other important factors that could cause results or events to differ material from what is expressed or implied by those statements. Many factors may cause actual results, performance or achievements of LendInvest plc (“LendInvest” or the “Group”) to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results, performance or achievements of LendInvest to differ materially from the expectations of LendInvest, include, among other things, general business and economic conditions globally, industry trends, competition, changes in government and changes in regulation and policy, changes in its business strategy, political and economic uncertainty and other factors. As such, undue reliance should not be placed on forward-looking statements. Any forward-looking statement is based on information available to LendInvest as of the date of the statement. All written or oral forward-looking statements attributable to LendInvest are qualified by this caution. Other than in accordance with legal and regulatory obligations, LendInvest undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Nothing in this presentation, or any related presentation/webcast, should be regarded as a profit forecast.

In the reporting of financial information, the directors of LendInvest (the “Directors”) have adopted various alternative performance measures (“APMs”). APMs should be considered in addition to IFRS measurements. The Directors believe that these APMs assist in providing useful information on the underlying performance of the Group, enhance the comparability of information between reporting periods, and are used internally by the Directors to measure the Group’s performance, not necessarily comparable to other entities’ APMs. APM’s are defined and reconciliations, where relevant, to IFRS measure are available in LendInvest’s full year results for the year ended 31 March 2024.

The information, statements and opinions contained in this presentation do not constitute an offer to sell or an invitation to buy any securities of LendInvest or any of its subsidiaries or an invitation or inducement to engage in any other investment activities.

Past performance cannot be relied upon as a guide to future performance.

Property finance made simple.

For more information:

investorrelations@lendinvest.com

lendinvest.com
corporate.lendinvest.com

lendinvest Group