

Sancus Lending Group Limited

**Interim Report and
Unaudited Condensed Consolidated Financial Statements
For the six month period ended 30 June 2025**

Sancus Lending Group Limited

For the period ended 30 June 2025

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Sancus Lending Group Limited

For the period ended 30 June 2025

HIGHLIGHTS

Rory Mepham, Chief Executive Officer of Sancus Lending Group Limited, commented:

"The Group has had an encouraging start to 2025 in what remains, especially in the UK and Channel Islands, a somewhat challenging market environment. In the first half of the year our residential lending businesses in the UK and Ireland, along with our Channel Islands property lending joint venture, have all made further progress in strengthening their market positions and operating platforms. This allowed us to achieve a 9% increase in Assets Under Management ("AUM") to £258.8m (31 December 2024: £237.6m; 30 June 2024: £209m) and deliver Group revenue of £9.7m, a 29% increase on revenue of £7.5m in H1 2024. We have reported a profit before tax of £0.1m compared to a loss before tax of £(0.6m) in H1 2024, supported by a gain of £1.0m from the buy-back of ZDP shares. We know that we need to deliver sustained operating profitability. Our recently strengthened teams, new business pipeline and enhanced funding diversity gives me confidence that we are on track to achieve this ambition."

FINANCIAL HIGHLIGHTS

- Group revenue increased 29% to £9.7m (H1 2024: £7.5m).
- Profit before tax of £0.1m compared to a loss before tax of £(0.6m) in H1 2024.
- New loan facilities written increased 64% to £84.4m (H1 2024: £51.3m).
- AUM increased 9% to £258.8m as at 30 June 2025 from £237.6m as at 31 December 2024 (30 June 2024: £209m).

STRATEGIC AND OPERATING HIGHLIGHTS

- Achievement of £0.1m profit before tax, reflecting improved operating performance and also supported by £1.0m of gains from the buy-back of £1.4m of ZDP shares in H1 2025.
- Good progress in strengthening operating platforms, including further deepening of UK and Irish teams.
 - UK AUM increased 14% to £95.6m (31 December 2024: £84.0m; 30 June 2024: £75.8m) with the business writing new facilities of £34.4m (H1 2024: £27.8m).
 - Irish AUM increased 29% to £61.7m (31 December 2024: £47.8m; 30 June 2024: £39.2m) with the business writing new facilities of £25.4m (H1 2024: £14.7m).
 - Channel Islands AUM decreased slightly to £101.6m (31 December 2024: £105.8m; 30 June 2024: £93.9m) reflecting positive momentum in winding down the legacy Sancus Jersey loan book, with the business also writing £24.6m of new facilities within the joint venture with Hawk ("JV") (H1 2024: £8.8m).
- Further diversification and strengthening of the Group's funding sources:
 - Agreement of revised terms for the Company's funding facility with Pollen Street Capital with the facility being increased to £200m and extended to June 2030. We announced in August 2025 that we have entered into a 3 year £20m committed facility with Paragon Bank plc to increase our capacity to grow our lending book in England, Wales and Scotland.
 - Continued growth of our private wealth and asset management joint venture, Amberton, helping support diversification of the Group's funding. As at 30 June 2025 Amberton Loan Note AUM were £60.9m, a 46% increase on Loan Note AUM of £41.7m as at 31 December 2024.
- Further strengthening of the Group's capital position and flexibility:
 - Repurchase of £1.4m of ZDP shares and adjustment to the terms of the remaining ZDP shares in issue to extend their maturity date to 5 December 2030 and, from 24 June 2025, ceasing the accrual of further interest on these shares.

Sancus Lending Group Limited

For the period ended 30 June 2025

HIGHLIGHTS (Continued)

- The Group also received the necessary approval to amend its corporate bonds to include a payment-in-kind interest option, enabling bondholders to receive rolled-up interest payable at maturity at an annual rate of 8.5% instead of the previous 8% quarterly cash payments.
- Provision of a £10m junior funding commitment by Somerston, the Group's largest shareholder, to support growth in the Group's loan financing facilities. As at 30 June 2025, £4.4m had been drawn down under this commitment.

Sancus Lending Group Limited

For the period ended 30 June 2025

CHAIRMAN'S STATEMENT

BUSINESS PERFORMANCE AND OUTLOOK

The Group has had an encouraging start to 2025 against an economic backdrop that remains uncertain. The £0.1m profit before tax compares to a loss before tax of £(0.6m) in H1 2024 and was supported by a gain of c. £1.0m on the buy-back of £1.4m of ZDP shares. The 64% increase in the volume of new facilities written of £84.4m (H1 2024: £51.3m), along with the 9% increase in the Group's AUM to £258.8m (31 December 2024: £237.6m) and the Group's encouraging new business pipeline gives the Board confidence that the Group is on track to deliver sustained operating profitability.

CAPITAL AND FUNDING

The Group has successfully taken more steps to diversify its funding and strengthen its capital position.

We have renegotiated the facility we have with funds managed by Pollen Street Capital, increasing the size of the facility to £200m and extending its maturity to June 2030. This, along with the continued growth in the Loan Note Programme managed by our private wealth and asset management joint venture (Amberton), will help support further growth in our AUM. The provision of a £10m junior funding commitment by Somerston, the Group's largest shareholder, will also help support growth in the Group's loan financing facilities.

Our capital position was also strengthened by the repurchase of £1.4m of ZDP shares and adjustments to the terms of the remaining ZDP shares in issue to extend their maturity date to 5 December 2030 and, from 24 June 2025, cease the accrual of further interest on these shares.

DIVIDEND AND SHAREHOLDERS

It is the Board's intention to reinvest surplus resources for growth. As such, the Group does not intend to declare a dividend for the half year period to 30 June 2025. The dividend policy will be revisited when the Company starts to generate capital. In the short term, that capital generation will be deployed into scaling the business.

On behalf of the Board, I would like to thank all shareholders for their continuing support and patience and for the efforts of the management and employees.

As I noted in the Chairman's statement in the 2024 annual report, we remain cautious about the continuing challenges ahead. I firmly believe that we have the right strategy, systems and personnel to put the business onto a stronger footing and return to profitability and I look forward to reporting more positive developments in the coming periods.



Steve Smith

Chairman

Date: 3 September 2025

Sancus Lending Group Limited

For the period ended 30 June 2025

CHIEF EXECUTIVE OFFICER'S REVIEW

OVERVIEW

The first half of 2025 has been one of contrasts for Sancus Lending Group. While we have delivered encouraging financial and operational progress the environment in which we operate – particularly in the UK – has been far from easy.

Confidence across the UK economy remains fragile. Persistent uncertainty, coupled with a broadly negative sentiment in the business and consumer sectors, continued to hold back activity levels in some areas of the lending market. This has created a challenging backdrop for our UK operations. That said, there are some early signs that the downward trajectory of interest rates in the UK could start to stimulate greater momentum in the residential market during the second half of the year and beyond. If this trend continues, we believe it will lead to more positive lending conditions, though we will remain disciplined in our underwriting and selective in our growth.

By contrast, our Irish business has performed strongly in H1 2025 where the market appears to be benefitting from its position in the interest rate cycle, with sentiment and transaction volumes improving. This favourable environment supported a 29% increase in Irish AUM and a 73% increase in new facilities written compared with H1 2024. It is a clear demonstration of how differing macroeconomic dynamics can influence market performance.

Despite the UK headwinds, we grew Group AUM by 9% to £258.8m and increased revenue by 29% to £9.7m. Loan book origination was particularly strong, with £84.4m of new facilities written in the first half, up 64% on H1 2024. Our disciplined approach has allowed us to deliver a profit before tax of £0.1m, a notable turnaround from the £0.6m loss in the prior period, also helped by a gain from the ZDP share buy-back.

OUR STRATEGY

We provide an update below against the strategic pillars set out in our 2024 Annual Report:

- Focussing on Revenue Growth
 - Revenue rose by 29% to £9.7m compared to £7.5m in H1 2024. This increase reflects fee income growth, and the benefits of AUM growth across most of the business.
 - UK AUM increased 14% to £95.6m (31 December 2024: £84.0m; 30 June 2024: £75.8m) with the business writing new facilities of £34.4m (H1 2024: £27.8m).
 - Irish AUM increased 29% to £61.7m (31 December 2024: £47.8m; 30 June 2024: £39.2m) with the business writing new facilities of £25.4m (H1 2024: £14.7m).
 - Channel Islands AUM decreased slightly to £101.6m (31 December 2024: £105.8m; 30 June 2024: £93.9m) with the business writing new facilities of £24.6m (H1 2024: £8.9m).
- Achieving operating and cost efficiency
 - Our reported operating expenses were £3.0m versus £2.8m in H1 2024. This increase primarily reflects the cost of recruiting additional staff to support planned business growth, especially in the UK. We continue to take steps to improve our use of technology, including AI, to drive greater efficiency.
- Become a capital efficient business
 - We continued to make progress in diversifying our sources of funding. As at 30 June 2025, the Loan Note programme funding managed via the Amberton joint-venture was £60.9m, 46% higher than the balance as at 31 December 2024 (£41.7m). The £25m Morton Family facility which was agreed as part of the joint venture with Hawk Lending Limited is now live. Both the Loan Note programme and the Morton Family facility have interest rates lower than our institutional funding lines.

Sancus Lending Group Limited

For the period ended 30 June 2025

CHIEF EXECUTIVE OFFICER'S REVIEW (Continued)

- During the period we also successfully renewed the facility with Pollen Street Capital, increasing its size to £200m and extending its maturity to June 2030 whilst also reducing the cost of funds. As at 30 June 2025 £113.9m of our loans were financed by this facility (31 December 2024: £90m). We announced in August 2025 that we have entered into a 3 year £20m committed facility with Paragon Bank plc to increase our capacity to grow our lending book in England, Wales and Scotland.

AUM, pro-forma for the joint venture with Hawk Lending, increased by 9% from £237.6m as at 31 December 2024 to £258.8m as at 30 June 2025.

FINANCIAL SUMMARY

H1 2025 profit before tax was £0.1m versus a loss before tax of £(0.6m) in H1 2024. In addition to the revenue growth outlined above, this reflects:

- Operating expenses of £3.0m versus £2.8m in H1 2024, primarily reflecting the costs of recruiting additional staff to support planned business growth, especially in the UK.
- Group borrowing costs of £1.2m remaining flat from £1.2m in H1 2024 following the purchase of 1.2m ZDP shares in June 2025. This purchase of ZDP shares also resulted in an accounting gain of £1.0m (recorded within "Other net gains").
- £0.2m reduction in expected credit losses (versus a £0.5m credit in H1 2024), reflecting our continued focus on disciplined credit risk management.
- Our share of the profit from our joint venture with Hawk Lending was £0.2m (H1 2024: loss £0.3m).

ESG

At Sancus, we are committed to taking Environmental, Social and Governance ("ESG") factors seriously. We recognise our responsibility to incorporate sustainability throughout the operations of our business, to be custodians of the environment and to practise good stewardship of our stakeholders' interests.

Alongside the publication of our 2024 annual report and accounts, we published our second Environmental, Social, and Governance report, marking the start of our journey towards greater transparency and sustainability. The report highlights our progress and achievements in the areas of environmental protection, social responsibility and governance, as well as the challenges and opportunities that we face.

OUTLOOK

We continue to believe there are grounds for optimism and that with our strategic focus and progress the long-term profitable growth potential for our business is clear. Whilst the operating environment was somewhat uncertain in H1 2025 we are cautiously optimistic having entered H2 2025.



Rory Mepham
Chief Executive Officer
3 September 2025

Sancus Lending Group Limited

For the period ended 30 June 2025

RISKS, UNCERTAINTIES AND RESPONSIBILITY STATEMENT

Risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remainder of the financial year. These include, but are not limited to, Capital and liquidity risk, Regulatory and compliance risk, Market risk, Credit risk with respect to the loan book (primarily bridging loans and, increasingly, development loans), Operational risk and the execution of Sancus strategy. These risks remain unchanged from the year ended 31 December 2024 and are not expected to change in the 6 months to the end of the 2025 financial year. Further details on these risks and uncertainties can be found in the 2024 Annual Report.

Responsibility statement

The Directors confirm that to the best of their knowledge:

- The Interim Report has been prepared in accordance with the AIM rules for Companies; and
- This financial information has been prepared in accordance with IAS 34 as adopted by the UK.



Approved and signed on behalf of the Board of Directors
3 September 2025

Sancus Lending Group Limited

For the period ended 30 June 2025

INDEPENDENT REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 which comprise the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in shareholders' equity, the condensed consolidated statement of cash flows and related Notes 1 to 21.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the AIM Rules of the London Stock Exchange.

Basis of 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 for use in the United Kingdom. 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.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with UK adopted International Accounting Standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting'.

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 of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management 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 this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules for Companies of the London Stock Exchange.

In preparing the half-yearly financial report, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Sancus Lending Group Limited

For the period ended 30 June 2025

INDEPENDENT REVIEW REPORT ON INTERIM FINANCIAL INFORMATION (Continued)

Use of our report

This report is made solely to the Company 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. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Moore Kingston Smith LLP

Moore Kingston Smith LLP

9 Appold Street,
London,
EC2A 2AP

3 September 2025

Sancus Lending Group Limited

For the period ended 30 June 2025

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

		Period ended 30 June 2025 (unaudited) £'000	Period ended 30 June 2024 (unaudited) £'000
	Notes		
Revenue	4	9,683	7,499
Cost of sales	5	(6,816)	(5,445)
Gross profit		2,867	2,054
Operating expenses	6	(3,002)	(2,846)
Group borrowing costs	7	(1,159)	(1,182)
Changes in expected credit losses	19	232	466
Operating loss		(1,062)	(1,508)
Other net gains	8	1,004	1,158
Share of net profit / (loss) of joint ventures accounted for using the equity method	11	192	(262)
Profit / (loss) for the period before tax		134	(612)
Income tax expense		(7)	(35)
Profit / (loss) for the period after tax		127	(647)
Items that may be reclassified subsequently to profit and loss			
Foreign exchange arising on consolidation		90	(30)
Other comprehensive income / (loss) for the period after tax		90	(30)
Total comprehensive income / (loss) for the period		217	(677)
Basic earnings per share	9	0.04p	(0.12)p
Diluted earnings per share		0.04p	(0.12)p

The accompanying Notes on pages 15 to 34 form an integral part of these financial statements.

Sancus Lending Group Limited

As at 30 June 2025

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)

		30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000
ASSETS	Notes		
Non-current assets			
Property, plant and equipment	10	662	473
Other intangible assets	12	–	–
Sancus loans and loan equivalents	19	13,570	7,373
FinTech Ventures investments	19	–	–
Investments in equity-accounted joint ventures and associates	11	14,571	14,379
Other investments	13	100	100
Total non-current assets		28,903	22,325
Current assets			
Sancus loans and loan equivalents	19	101,793	85,331
Trade and other receivables	14	14,934	11,937
Cash and cash equivalents		11,248	2,529
Total current assets		127,975	99,797
Total assets		156,878	122,122
EQUITY			
Share capital	15	–	–
Share premium	15	118,340	118,340
Treasury shares	15	(1,172)	(1,172)
Other reserves		(119,012)	(119,229)
Total Equity		(1,844)	(2,061)
LIABILITIES			
Non-current liabilities			
Borrowings		154,822	121,158
Lease liabilities		476	423
Total non-current liabilities	16	155,298	121,581
Current liabilities			
Trade and other payables		1,472	1,296
Hedging contracts		26	2
Tax liabilities		7	10
Lease liabilities		91	20
Provisions		–	11
Interest payable		1,828	1,263
Total current liabilities	16	3,424	2,602
Total liabilities		158,722	124,183
Total equity and liabilities		156,878	122,122

The financial statements were approved by the Board of Directors on 3 September 2025 and were signed on its behalf by:



Director: John Whittle

The accompanying Notes on pages 15 to 34 form an integral part of these financial statements.

Sancus Lending Group Limited
For the period ended 30 June 2025

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)

	Share Premium £'000	Treasury Shares £'000	Warrants Outstanding £'000	Foreign Exchange Reserve £'000	Retained Earnings / (Losses) £'000	Total Equity £'000
Balance at 31 December 2024 (audited)	118,340	(1,172)	–	(70)	(119,159)	(2,061)
Total comprehensive income for the period	–	–	–	90	127	217
Balance at 30 June 2025 (unaudited)	118,340	(1,172)	–	20	(119,032)	(1,844)
Balance at 31 December 2023 (audited)	118,340	(1,172)	–	15	(119,159)	(1,976)
Total comprehensive loss for the period	–	–	–	(30)	(647)	(677)
Balance at 30 June 2024 (unaudited)	118,340	(1,172)	–	(15)	(119,806)	(2,653)

Sancus Lending Group Limited

For the period ended 30 June 2025

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

		Period ended 30 June 2025 (unaudited) £'000	Period ended 30 June 2024 (unaudited) £'000
	Notes		
Cash outflow from operations, excluding loan movements			
	17	(2,194)	(3,175)
(Increase) / decrease in Sancus loans		(376)	126
Increase in Sancus Loans Limited loans		(22,283)	(8,862)
Net cash outflow from operating activities		(24,853)	(11,911)
Cash outflow from investing activities			
Investment in joint ventures	11	(250)	(427)
Property, plant and equipment and other intangibles acquired	10	(89)	(18)
Net cash outflow from investing activities		(339)	(445)
Cash inflows from financing activities			
Drawdown of Pollen facility	17	29,574	10,000
Issue of preference shares	17	2,500	5,000
Issue of bonds	17	3,289	–
Capital element of lease payments	17	(36)	(108)
Debt issue costs	17	(116)	–
Purchase of ZDPs	17	(1,390)	(1,501)
Net cash inflow from financing activities		33,821	13,391
Effects of foreign exchange		90	(30)
Net increase in cash and cash equivalents		8,719	1,005
Cash and cash equivalents at beginning of period		2,529	4,990
Cash and cash equivalents at end of period		11,248	5,995

The accompanying Notes on pages 15 to 34 form an integral part of these financial statements.

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

1. GENERAL INFORMATION

Sancus Lending Group Limited (the “Company”), together with its subsidiaries, (the “Group”) was incorporated, and domiciled in Guernsey, Channel Islands, as a company limited by shares and with limited liability, on 9 June 2005 in accordance with The Companies (Guernsey) Law, 1994 (since superseded by The Companies (Guernsey) Law, 2008). Until 25 March 2015, the Company was an Authorised Closed-ended Investment Scheme and was subject to the Authorised Closed-ended Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (“GFSC”). On 25 March 2015, the Company was registered with the GFSC as a Non-Regulated Financial Services Business (“NRFBS”), at which point the Company’s authorised fund status was revoked. The Company’s Ordinary Shares were admitted to trading on the AIM market of the London Stock Exchange on 5 August 2005 and its issued zero dividend preference shares were listed and traded on the Standard listing Segment of the main market of the London Stock Exchange with effect from 5 October 2015. The Company changed where its business is managed and controlled, from Guernsey to Jersey, effective 1 April 2023. The Board agreed that the Company should revoke its NRFBS status, which was completed on 23 June 2023.

The Company does not have a fixed life and the Company’s Memorandum and Articles of Incorporation (the “Articles”) do not contain any trigger events for a voluntary liquidation of the Company. The Company is an operating company for the purpose of the AIM Rules for Companies. The Executive Team is responsible for the management of the Company.

The Company has taken advantage of the exemption conferred by the Companies (Guernsey) Law, 2008, Section 244, not to prepare company only financial statements which is consistent with the 2024 Annual Report.

2. ACCOUNTING POLICIES

(a) *Basis of preparation*

These condensed consolidated financial statements (“financial statements”) have been prepared in accordance with International Financial Reporting Standard (IAS) 34 ‘Interim Financial Reporting’, as adopted by the United Kingdom and all applicable requirements of Guernsey Company Law. They do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company’s annual audited financial statements for the year ended 31 December 2024, which have been prepared in accordance with UK adopted International Accounting Standards.

The Group does not operate in an industry where significant or cyclical variations, as a result of seasonal activity, are experienced during any particular financial period.

These financial statements were authorised for issue by the Directors on 3 September 2025.

(b) *Principal accounting policies*

The same accounting policies and methods of computation are followed in these financial statements as in the last annual financial statements for the year ended 31 December 2024.

(c) *Going Concern*

The Directors have considered the going concern basis in the preparation of the financial statements as supported by the Directors’ assessment of the Company’s and Group’s ability to pay its liabilities as they fall due and have assessed the current position and the principal risks facing the business with a view to assessing the prospects of the Company. The Directors have prepared a cash flow forecast for the period to 30 June 2026 which shows that the Company and the Group will have sufficient cash resources to meet their ongoing liabilities as they fall due for at least twelve months from the date of approval of these financial statements. The Group is also profitable with a profit before tax of £0.1m generated in H1 2025 compared to a loss before tax of £0.6m in H1 2024. Following the extension of the ZDP shares and Pollen facility, the Company does not have any debt liabilities that fall due within the next 12 months. Based on this, the Directors are of the opinion that the Company and the Group has adequate financial resources to continue in operation and meet its liabilities as they fall due for the foreseeable future.

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

2. ACCOUNTING POLICIES (continued)

It is however expected, whereby equity is required to facilitate an increase in drawdown from institutional funding lines that the Company will require growth capital to fund the continued growth of the loan book. The Company's largest shareholder, Somerston has indicated their willingness to support the Company's growth plans. The Company will be looking at options available to raise such additional growth capital over the course of the year.

The Directors therefore believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

(d) **Critical accounting estimates and judgements in applying accounting policies**

The critical accounting estimates and judgements are as outlined in the financial statements for the year ended 31 December 2024.

3. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the manner in which the Executive Team reports to the Board, which is regarded to be the Chief Operating Decision Maker (CODM) as defined under IFRS 8. The main focus of the Group is Sancus. Bearing this in mind, the Executive team have identified four segments based on operations and geography.

Finance costs and Head Office costs are not allocated to segments as such costs are driven by central teams who provide, amongst other services, finance, treasury, secretarial and other administrative functions based on need. The Group's borrowings are not allocated to segments as these are managed by the Central team. Segment assets and liabilities are measured in the same way as in these financial statements and are allocated to segments based on the operations of the segment and the physical location of those assets and liabilities.

The four segments based on geography, whose operations are identical (within reason), are listed below. Note that Sancus Loans Limited, although based in the UK, is reported to the Board separately as a stand-alone entity and, as such, is considered to be a segment in its own right.

1. **Offshore**

Contains the operations of Sancus Lending (Jersey) Limited, Sancus Lending (Guernsey) Limited, Sancus Properties Limited, Sancus Group Holdings Limited and the JV.

2. **United Kingdom (UK)**

Contains the operations of Sancus Lending (UK) Limited and Sancus Holdings (UK) Limited.

3. **Ireland**

Contains the operations of Sancus Lending (Ireland) Limited.

4. **Sancus Loans Limited**

Contains the operations of Sancus Loans Limited and Sancus Loans No.3 Limited.

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

3. SEGMENTAL REPORTING (continued)

Six months to 30 June 2025

	Offshore £'000	UK £'000	Ireland £'000	Sancus Loans Limited (SLL) £'000	Sancus Debt Costs £'000	Total Sancus £'000	Head Office £'000	SLL Debt Costs £'000	Other £'000	Consolidated Financial Statements £'000
Revenue	246	2,230	966	(249)	-	3,193	-	6,490	-	9,683
Operating profit / (loss)*	(85)	17	461	(269)	-	124	(258)	-	(1)	(135)
Credit losses	232	-	-	-	-	232	-	-	-	232
Debt costs	-	-	-	-	(1,159)	(1,159)	-	-	-	(1,159)
Other (losses) / gains	(135)	(4)	(67)	419	-	213	1,041	-	-	1,254
Profit / (loss) on JVs and associates	192	-	-	-	-	192	-	-	(250)	(58)
Taxation	-	-	(7)	-	-	(7)	-	-	-	(7)
Profit / (loss) After Tax	204	13	387	150	(1,159)	(405)	783	-	(251)	127

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

3. SEGMENTAL REPORTING (continued)

Six months to 30 June 2024

	Offshore £'000	UK £'000	Ireland £'000	Sancus Loans Limited (SLL) £'000	Sancus Debt Costs £'000	Total Sancus £'000	Head Office £'000	SLL Debt Costs £'000	Other £'000	Consolidated Financial Statements £'000
Revenue	350	2,056	719	(720)	-	2,405	-	5,094	-	7,499
Operating profit / (loss) *	(66)	252	261	(741)	-	(294)	(493)	-	(5)	(792)
Credit losses	395	24	-	47	-	466	-	-	-	466
Debt costs	-	-	-	-	(1,182)	(1,182)	-	-	-	(1,182)
Other (losses) / gains	(44)	-	18	103	-	77	1,131	-	-	1,208
Loss on JVs and associates	(262)	-	-	-	-	(262)	-	-	(50)	(312)
Taxation	-	-	(35)	-	-	(35)	-	-	-	(35)
Profit / (loss) After Tax	23	276	244	(591)	(1,182)	(1,230)	638	-	(55)	(647)

* Operating Profit / (loss) before credit losses and debt costs

Sancus Loans Limited is consolidated into the Group's results as it is a 100% owned subsidiary of the Group. Sancus Loans Limited is considered a Co-Funder, the same as any other Co-Funder. As a result, the Board reviews the economic performance of Sancus Loans Limited in the same way as any other Co-Funder, with revenue being stated net of debt costs. Operating expenses include recharges from Offshore to Ireland £37,000 (2024: £37,000) and Head Office to Offshore £62,500 (2024: £62,500). "Other" includes FinTech (excluding fair value and forex).

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

3. SEGMENTAL REPORTING (continued)

At 30 June 2025

	Offshore £'000	UK £'000	Ireland £'000	Sancus Loans Limited (SLL) £'000	Total Sancus £'000	Head Office £'000	Fintech Portfolio £'000	Other £'000	Company Balances £'000	InterConsolidated Financial Statements £'000
Total Assets	43,888	9,792	3,269	143,990	200,939	42,388	-	1	(86,450)	156,878
Total Liabilities	(53,956)	(19,243)	(576)	(143,838)	(217,613)	(27,558)	-	(1)	86,450	(158,722)
Net Assets / (liabilities)	(10,068)	(9,451)	2,693	152	(16,674)	14,830	-	-	-	(1,844)
At 31 December 2024										
Total Assets	43,602	6,949	2,843	110,572	163,966	41,512	-	3	(83,359)	122,122
Total Liabilities	(53,870)	(16,418)	(628)	(110,570)	(181,486)	(26,053)	-	(3)	83,359	(124,183)
Net Assets / (liabilities)	(10,268)	(9,469)	2,215	2	(17,520)	15,459	-	-	-	(2,061)

Head Office liabilities include borrowings £27.2m (December 2024: £25.7m). Other FinTech assets and liabilities are included within "Other".

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

4. REVENUE

	30 June 2025 (unaudited) £'000	30 June 2024 (unaudited) £'000
Co-Funder fees	1,457	1,577
Earn out (exit) fees	344	350
Transaction fees	1,188	1,129
Total revenue from contracts with customers	2,989	3,056
Interest on loans	52	26
Pollen interest income	6,241	4,375
Asset management fees	401	42
Total Revenue	9,683	7,499

5. COST OF SALES

	30 June 2025 (unaudited) £'000	30 June 2024 (unaudited) £'000
Pollen interest cost	6,040	4,955
Preference share interest costs	412	140
Irish loan note interest costs	38	–
Other cost of sales	326	350
Total cost of sales	6,816	5,445

6. OPERATING EXPENSES

	30 June 2025 (unaudited) £'000	30 June 2024 (unaudited) £'000
Administration and secretarial fees	14	61
Amortisation and depreciation	60	112
Audit fees	151	184
Corporate insurance	31	54
Directors' remuneration	64	88
Employment costs	1,930	1,662
Investor relations expenses	–	30
Legal and professional fees	104	93
Marketing expenses	30	2
NOMAD fees	75	70
Other office and administration costs	437	431
Pension costs	75	40
Registrar fees	22	15
Sundry	9	4
Total operating expenses	3,002	2,846

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

7. GROUP BORROWING COSTS

Group borrowing costs reflect the interest cost of the corporate bond and ZDP shares (see note 16).

	30 June 2025 (unaudited) £'000	30 June 2024 (unaudited) £'000
Group borrowing costs	<u>1,159</u>	<u>1,182</u>

8. OTHER NET GAINS / (LOSSES)

	30 June 2025 (unaudited) £'000	30 June 2024 (unaudited) £'000
Gains on foreign exchange	352	121
Loss on joint ventures and associates	(250)	(50)
Joint venture recharges	(110)	(44)
Lease interest	(28)	–
Gain on ZDPs	<u>1,040</u>	<u>1,131</u>
	<u>1,004</u>	<u>1,158</u>

9. EARNINGS PER SHARE

Consolidated profit / (loss) per ordinary share has been calculated by dividing the consolidated profit / (loss) attributable to ordinary shareholders in the period by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the period.

Note 15 describes the warrants in issue which are currently out of the money and therefore are not considered to have a dilutive effect on the calculation of profit / (loss) per ordinary share.

	30 June 2025 (unaudited)	30 June 2024 (unaudited)
Number of shares in issue	584,138,346	584,138,346
Weighted average number of shares outstanding	584,138,346	584,138,346
Profit / (loss) attributable to ordinary shareholders in the period	£217,000	(£677,000)
Basic profit / (loss) per ordinary share	0.04p	(0.12)p
Diluted profit / (loss) per ordinary share	0.04p	(0.12)p

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

10. PROPERTY, PLANT AND EQUIPMENT

	Right of use assets £'000	Property & Equipment £'000	Total £'000
Cost			
At 31 December 2024	467	439	906
Additions in the period	160	89	249
At 30 June 2025	<u>627</u>	<u>528</u>	<u>1,155</u>
Accumulated depreciation			
At 31 December 2024	13	420	433
Charge in the period	47	13	60
At 30 June 2025	<u>60</u>	<u>433</u>	<u>493</u>
Net book value 30 June 2025	<u>567</u>	<u>95</u>	<u>662</u>
Net book value 31 December 2024	<u>454</u>	<u>19</u>	<u>473</u>

11. INVESTMENTS IN JOINT VENTURES

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000
At beginning of year	14,379	14,255
Additions – joint venture	250	564
Impairment of joint venture	(250)	(150)
Share of net profit / (loss) of joint ventures accounted for using the equity method	192	(290)
	<u>14,571</u>	<u>14,379</u>

The Group has a 50% share in Amberton Limited. Additions in the period include £250,000 of investment in Amberton Limited and which was subsequently written down to a carrying value of £Nil. Amberton Limited, which is a Jersey registered entity, was incorporated in January 2021 and has been established as a joint venture to manage the loan note programme going forward.

On 5 December 2023, the Group entered into a Joint Venture (“JV”) agreement with Hawk Family Office Limited for a new bridge and development lending business in the Channel Islands. Sancus Lending (Jersey) Limited (“SLJL”) entered into a Business and Asset Purchase Agreement (“BAPA”) with Hawk Lending Limited (the previous lending business of Hawk Family Office Limited) and Hawkbridge Limited (the new joint venture lending business) (“Hawkbridge”). Under the terms of the BAPA, SLJL sold to Hawkbridge Limited its business as a going concern including goodwill, business information, movable assets, records and third party rights. The consideration for the business of SLJL was the issue of 12 shares in the newly formed JV holding company, Hawkbridge Limited, giving Sancus Group Holdings Limited a 50% ownership in the JV. Hawkbridge Limited has two wholly owned subsidiaries, Hawkbridge Lending Limited and Westmead Debt Services Limited.

Under the joint venture shareholder agreement, all new Channel Islands lending business will be written through Hawkbridge. Hawkbridge will also provide administration and other services to SLJL and Hawk Lending Limited.

Under IFRS 11, this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method.

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

11. INVESTMENTS IN JOINT VENTURES (continued)

Summarised financial information in relation to the joint venture is presented below:

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000
Current assets	683	2,835
Non-current assets	30,617	28,520
Current liabilities	2,158	2,596
<i>Included in the above amounts are:</i>		
Cash and cash equivalents	34	133
Current financial liabilities (excluding trade payables)	2,095	2,471
Net assets (100%)	29,142	28,759
Group share of net assets (50%)	14,571	4,379

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000
Revenues	666	710
Profit / (loss) and total comprehensive income / (loss) for the period (100%)	384	(580)
Group share of total comprehensive income / (loss) (50%)	192	(290)
<i>Included in the above amounts are:</i>		
Depreciation and amortisation	2	2

No dividends were received from the JV during the period ended 30 June 2025.

The JV is a private company; therefore no quoted market prices are available for its shares.

The Group has no additional commitments relating to the JV.

12. OTHER INTANGIBLE ASSETS

	£'000
Cost	
At 30 June 2025 and 31 December 2024	1,584
Amortisation	
At 31 December 2024	1,584
Charge for the period	—
At 30 June 2025	1,584
Net book value at 30 June 2025	—
Net book value at 31 December 2024	—
Other Intangible assets comprise capitalised contractors' costs and costs related to core systems development. The assets have been fully amortised.	

13. OTHER INVESTMENTS

Other investments of £100,000 (31 December 2024: £100,000) represents the investment by the Group in non-voting capital in its Loan Note programme entities.

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

14. TRADE AND OTHER RECEIVABLES

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000
Current		
Loan fees, interest and similar receivable	14,305	10,943
Receivable from associated companies	–	3
Other trade receivables and prepaid expenses	629	991
	14,934	11,937

15. SHARE CAPITAL, SHARE PREMIUM & DISTRIBUTABLE RESERVE

Sancus Lending Group Limited has the power under the Articles to issue an unlimited number of Ordinary Shares of nil par value.

No Ordinary Shares were issued in the period to 30 June 2025 (period to 30 June 2024: Nil).

Share Capital

Number of Ordinary Shares – nil par value

At 30 June 2025 (unaudited) and 31 December 2024 (audited)	584,138,346
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Share Premium

Ordinary Shares – nil par value

	£'000
At 30 June 2025 (unaudited) and 31 December 2024 (audited)	118,340

Ordinary shareholders have the right to attend and vote at Annual General Meetings and the right to any dividends or other distributions which the Company may make in relation to that class of share.

Treasury Shares

	30 June 2025 (unaudited) Number of shares	31 December 2024 (audited) Number of shares
Balance at start and end of period / year	11,852,676	11,852,676
	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000
Current		
Balance at start end of period / year	1,172	1,172

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

15. SHARE CAPITAL, SHARE PREMIUM & DISTRIBUTABLE RESERVE (continued)

Warrants in Issue

As at 30 June 2025 there were 89,396,438 warrants in issue to subscribe for new Ordinary Shares at a subscription price of 2.25 pence per ordinary share. The warrants are exercisable on at least 30 days notice within the period ending 31 December 2025. The warrants in issue are classified as equity instruments because a fixed amount of cash is exchangeable for a fixed amount of equity, there being no other features which could justify a financial liability classification. The fair value of the warrants at 30 June 2025 is £Nil (31 December 2024: £Nil).

16. LIABILITIES

Non-current liabilities

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000
Corporate bond (1)	20,576	16,948
Pollen facility (2)	119,262	89,610
ZDP shares (3)	6,626	8,773
Preference shares (4)	7,500	5,000
Irish loan note (5)	858	827
Lease liability	476	423
Total non-current liabilities	155,298	121,581

Current liabilities

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000
Accounts payable	737	316
Accruals and other payables	735	980
Taxation	7	10
Interest payable	1,828	1,263
Hedging contracts (note 19)	26	2
Provisions for financial guarantees	–	11
Lease liability	91	20
Total current liabilities	3,424	2,602

Movement on provision for financial guarantees

	£'000
At 31 December 2023	18
Profit and loss credit in the year	(7)
At 31 December 2024	11
Profit and loss credit in the period	(11)
At 30 June 2025	–

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

16. LIABILITIES (continued)

Provisions for financial guarantees are recognised in relation to Expected Credit Losses ("ECLs") on off-balance sheet loans and receivables where the Company has provided a subordinated position or other guarantee (see Note 20). The fair value is determined using the exact same methodology as that used in determining ECLs (Note 19).

(1) **Corporate bond**

The corporate bond outstanding at 30 June 2025 was £20.6m (31 December 2024: £17m). During the prior year, bondholders approved an extension in the maturity date of the bonds to 31 October 2027 from 31 December 2025 and an increase in the coupon to 8% (2024: 7%). In June 2025, bondholders approved an amendment to the terms of the bonds to introduce a payment-in-kind interest option, allowing bondholders to elect to receive interest rolled up and paid on maturity at an increased rate of 8.5% per annum, instead of the 8% cash coupon paid quarterly.

(2) **Pollen facility**

Sancus signed a £125m facility agreement with funds managed by Pollen Street PLC ("Pollen") in November 2022. In June 2025, Sancus signed a new 5 year facility agreement with Pollen increasing the facility up to £200m and with a 5 year expiry date (June 2030). This new facility enables Sancus to draw funds in both GBP and EUR.

The Pollen facility has portfolio performance covenants, including that actual loss rates are not to exceed 4% in any twelve month period and underperforming loans are not to exceed 10% of the portfolio. Sancus Group participates 10% on every drawdown with a first loss position on the Pollen facility. Sancus has also provided Pollen with a guarantee, capped at £4m that will continue to ensure the orderly wind down of the loan book, in the event of the insolvency of Sancus Group, given its position as facility and security agent. Refer to Note 20 Guarantees.

(3) **ZDPs**

The ZDP shares have a maturity date of 5 December 2030 following ZDP shareholders approving a 3 year extension of the final capital entitlement repayment date on 24 June 2025. On this date, the ZDP shareholders also approved the suspension of any further capital growth from 24 June 2025, resulting in the final capital entitlement being £2.0990 per ZDP share. Prior to this date, the ZDP shares accrued interest at an average of 9% per annum.

Under the Companies (Guernsey) Law, 2008 shares in the Company can only be redeemed if the Company can satisfy the solvency test prescribed under that law. Refer to the Company's Memorandum and Articles of Incorporation for full details of the rights attached to the ZDP shares. This document can be accessed via the Company's website, www.sancus.com.

In accordance with article 7.5.5 of the Company's Memorandum and Articles of Incorporation, the Company may not incur more than £30m of long term debt without prior approval from the ZDP shareholders. The Memorandum and Articles (section 7.6) also specify that two debt cover tests must be met in relation to the ZDP shares. At 30 June 2025, the Company was in compliance with these covenants as Cover Test A was 2.32 (minimum of 1.7) and the adjusted Cover Test B was 4.72 (minimum of 2.05). At 30 June 2025, senior debt borrowing capacity amounted to £20.6m. The Pollen facility does not impact on this capacity as it is non-recourse to Sancus.

The Company purchased 1,388,889 ZDP shares of no par value at a price of £1.08 per ZDP share on 29 April 2024 and a further 1,854,910 ZDP shares at a price of £1.08 per ZDP share on 9 December 2024. The ZDP shares purchased in April 2024 are held as treasury shares and the shares purchased in December 2024 were cancelled. 1,157,417 ZDP shares were acquired under a tender offer in June 2025 at a price of 120p per ZDP share. This was financed by the issuance of c. £1.4m Sancus Bonds to Somerston Fintech Limited. The ZDP shares acquired under this tender offer were cancelled.

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

16. LIABILITIES (continued)

At 30 June 2025, the Company held 11,894,628 ZDP shares in Treasury (31 December 2024: 11,894,628) with an aggregate value of £24,966,824 (31 December 2024: £23,956,091).

(4) Preference Shares

In April 2024, Somerston Fintech Limited, a subsidiary of Somerston Group, the majority shareholder of the Company, subscribed for £5,000,000 of preference shares in Sancus Loans Limited ("Sancus Loans"). A further £2,500,000 preference shares have been subscribed for in the period to 30 June 2025. The Preference Shares have a non-cash, cumulative coupon of 15% and a maturity date of 23 November 2026.

(5) Irish Loan Note

In November 2024, Sancus Loans No.3 Limited issued a €1,000,000 loan note to Aatazar Unlimited Company. The loan note bears interest at 9% and is repayable in November 2027.

17. NOTES TO THE CASH FLOW STATEMENT

Cash outflow from operations (excluding loan movements)

	30 June 2025 (unaudited) £'000	30 June 2024 (unaudited) £'000
Profit / (loss) for the period	127	(647)
Adjustments for:		
Other net gains	(754)	(1,158)
Finance costs	858	763
(Profit) / loss on joint venture	(192)	262
Changes in expected credit losses	(232)	(466)
Taxation	(3)	(1)
Amortisation / depreciation of fixed assets	60	112
Amortisation of debt issue costs	142	138
Changes in working capital:		
Trade and other receivables	(2,765)	(2,292)
Trade and other payables	565	114
Cash outflow from operations (excluding loan movements)	<u>(2,194)</u>	<u>(3,175)</u>

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	1 January 2025 £'000	Payments ¹ £'000	Receipts ¹ £'000	Debt issue costs ¹ £'000	Amortisation of debt issue costs Non-cash ² £'000	Other Non-cash ² £'000	30 June 2025 £'000
ZDP Shares	8,773	(1,390)	–	(116)	22	(663)	6,626
Corporate Bond	16,948	–	3,289	–	10	329	20,576
Pollen Facility	89,610	–	29,574	–	110	(32)	119,262
Preference Shares	5,000	–	2,500	–	–	–	7,500
Irish Loan Note	827	–	–	–	–	31	858
Lease Liability	443	(36)	–	–	–	160	567
Total liabilities	121,601	(1,426)	35,363	(116)	142	(175)	155,389

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

17. NOTES TO THE CASH FLOW STATEMENT (continued)

	1 January			Debt	Amortisation		30 June
	2024	Payments ¹	Receipts ¹	issue	of debt	Other	2024
	£'000	£'000	£'000	costs ¹	Non-cash	Non-cash ²	£'000
ZDP Shares	13,967	(1,501)	–	–	13	(495)	11,984
Corporate Bond	14,950	–	–	–	13	–	14,963
Pollen Facility	77,169	–	10,000	–	112	–	87,281
Preference Shares	–	–	5,000	–	–	–	5,000
Lease Liability	282	(108)	–	–	–	–	174
Total liabilities	106,368	(1,609)	15,000	–	138	(495)	119,402

1 These amounts can be found under financing cash flows in the cash flow statement.

2 Comprises Interest accruals and unpaid debt issue costs where applicable.

18. RELATED PARTY TRANSACTIONS

Transactions with the Directors / Executive Team

Non-executive Directors

In the period ended 30 June 2025, the non-executive Directors' annualised fees, excluding all reasonable expenses incurred in the course of their duties which were reimbursed by the Company, were as detailed in the table below:

	30 June 2025	30 June 2024
	£	£
Stephen Smith (Chairman)	50,000	50,000
John Whittle	42,500	42,500
Tracy Clarke	35,000	35,000

Total Directors' fees charged to the Company for the period ended 30 June 2025 were £63,750 (30 June 2024: £87,500).

Executive Team

For the period ended 30 June 2025, the Executive Team members' remuneration from the Company, excluding all reasonable expenses incurred in the course of their duties which were reimbursed by the Company, were as detailed in the table below:

	30 June 2025	30 June 2024
	£'000	£'000
Aggregate remuneration in respect of qualifying service – fixed salary	120	149
Aggregate amounts contributed to Money Purchase pension schemes	6	6
Aggregate bonus paid	65	–

All amounts have been charged to Operating Expenses.

Carlton Management Services Limited sub-lease office space in the Group's offices in Jersey, with a sub lease end date of 30 August 2036 at an annual cost of c.£100,000 p.a.

Somerston Capital Limited sub-lease office space in the Group's offices in the UK at an annual cost of £58,000 p.a.

Tracy Clarke is Managing Director of Carlton Management Services Limited.

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

18. RELATED PARTY TRANSACTIONS (continued)

From time to time, the Somerston Group may participate as a co-Funder in Sancus loans, on the same commercial terms available to other co-Funders.

In April 2024, Somerston Fintech Limited ("Somerston"), a subsidiary of Somerston Group, the majority shareholder of the Company, subscribed for £5,000,000 of preference shares in Sancus Loans Limited ("Sancus Loans").

On 30 January 2025, Somerston Fintech Limited committed to subscribe for up to £10m of junior funding in the existing or future loan financing facilities of the Group, subject to standard conditions precedent. As at 30 June 2025, Somerston Fintech had provided junior funding of £4.4m under this commitment. This comprised the issuance of £1.9m of Sancus Bonds and the issuance of £2.5m of Preference Shares in Sancus Loans. The Preference Shares have a non-cash, cumulative coupon of 15% and a maturity date of 23 November 2026.

Somerston Fintech Limited also subscribed for c.£1.4m of the Sancus Bond in June 2025 in order to facilitate the buyback of some ZDP Shares.

The Group has not recorded any other transactions with any Somerston Group companies for the period ended 30 June 2025 (2024: none).

Directors' and Persons Discharging Managerial Responsibilities ("PDMR") shareholdings in the Company

As at 30 June 2025, the Directors had the following beneficial interests in the Ordinary Shares of the Company:

	30 June 2025		31 December 2024	
	No. of Ordinary Shares Held	% of total issued Ordinary Shares	No. of Ordinary Shares Held	% of total issued Ordinary Shares
John Whittle	2,138,052	0.37	2,138,052	0.37
Rory Mepham	7,000,000	1.20	6,000,000	1.03
Robert Morton	5,000,000	0.86	5,000,000	0.86
James Waghorn	3,160,204	0.54	3,160,204	0.54
Keith Lawrence	923,712	0.16	923,712	0.16

In the six month period to 30 June 2025 and the year to 31 December 2024, none of the above received any amounts relating to their shareholding.

Transactions with connected entities

There were no significant transactions with connected entities that took place during the period ended 30 June 2025.

There is no ultimate controlling party of the Company.

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

19. FINANCIAL INSTRUMENTS – Fair values and risk management

Sancus loans and loan equivalents

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000
Non-current		
Sancus loans	–	–
Sancus Loans Limited loans	13,570	7,373
Total Non-current Sancus loans and loan equivalents	13,570	7,373
Current		
Sancus loans	762	386
Sancus Loans Limited loans	101,031	84,945
Total Current Sancus loans and loan equivalents	101,793	85,331
Total Sancus loans and loan equivalents	115,363	92,704

Fair Value Estimation

The financial assets and liabilities measured at fair value in the Consolidated Statement of Financial Position are grouped into the fair value hierarchy as follows:

	30 June 2025 (unaudited)		31 December 2024 (audited)	
	Level 2 £'000	Level 3 £'000	Level 2 £'000	Level 3 £'000
Fintech Ventures investments	–	–	–	–
Derivative contracts	(26)	–	(2)	–
Total assets / liabilities at fair value	(26)	–	(2)	–

The classification and valuation methodology remains as noted in the 2024 Annual Report.

All of the FinTech Ventures investments are categorised as Level 3 in the fair value hierarchy. In the past the Directors have estimated the fair value of financial instruments using discounted cash flow methodology, comparable market transactions, recent capital raises and other transactional data including the performance of the respective businesses. Having considered the terms, rights and characteristics of the equity and loan stock held by the Group in the FinTech Ventures investments, the Board's estimate of liquidation value of these assets is £Nil at 30 June 2025 (31 December 2024: £Nil). Changes in the performance of these businesses and access to future returns via its current holdings could affect the amounts ultimately realised on the disposal of these investments, which may be greater or less than £Nil. There have been no transfers between levels in the period (2024: None).

For the period ended 30 June 2025

19. FINANCIAL INSTRUMENTS – Fair values and risk management (continued)

	30 June 2025	31 December 2024
	(unaudited)	(audited)
	£'000	£'000
Sancus loans and loan equivalents	115,363	92,704
Trade and other receivables	14,305	10,946
Cash and cash equivalents	11,248	2,529
Total assets at amortised cost	140,916	106,179

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000
ZDPs	6,626	8,773
Corporate bond	20,576	16,948
Pollen facility	119,262	89,610
Preference shares	7,500	5,000
Irish Loan Note	858	827
Trade and other payables	3,874	3,012
Provisions in respect of guarantees	–	11
Total liabilities at amortised cost	158,696	124,181

FinTech Ventures Investments

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Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

19. FINANCIAL INSTRUMENTS – Fair values and risk management (continued)

Credit Risk

Credit risk is defined as the risk that a borrower/debtor may fail to make required repayments within the contracted timescale. The Group invests in senior debt, senior subordinated debt, junior subordinated debt and secured loans. Credit risk is taken in direct lending to third party borrowers, investing in loan funds, lending to associated platforms and loans arranged by associated platforms. The Group mitigates credit risk by only entering into agreements related to loan instruments in which there is sufficient security held against the loans or where the operating strength of the investee companies is considered sufficient to support the loan amounts outstanding.

Credit risk is determined on initial recognition of each loan and re-assessed at each balance sheet date. It is categorized into Stage 1, Stage 2 and Stage 3 with Stage 1 being to recognise 12 month ECLs, Stage 2 being to recognise Lifetime ECLs not credit impaired and Stage 3 being to recognise Lifetime ECLs credit impaired.

Foreign Exchange Risk – Derivative instruments

The Treasury Committee Team monitors the Group's currency position on a regular basis, and the Board of Directors reviews it on a quarterly basis. Loans denominated in Euros which are taken out through the Pollen facility are hedged. Forward contracts to sell Euros at loan maturity dates are entered into when loans are drawn in Euros. At 30 June 2025 the following forward foreign exchange contracts were open:

June 2025

Counterparty	Settlement date	Buy Currency	Buy Amount £'000	Sell currency	Sell amount €'000	Unrealised gain/(loss) £'000
Corpay	Jun 2025 to Jul 2025	GBP	4,265	Euro	5,000	(26)
						(26)

December 2024

Counterparty	Settlement date	Buy Currency	Buy Amount £'000	Sell currency	Sell amount €'000	Unrealised gain/(loss) £'000
Alpha	Jan 2025	GBP	7,667	Euro	9,245	20
Lumon Risk Management	Jan 2025	GBP	36,530	Euro	44,170	(22)
						(2)

No hedging has been taken out against investments in the FinTech Ventures platforms (2024: £Nil).

Provision for ECL

Provision for ECL is made using the credit risk, the probability of default (PD) and the probability of loss given default (PL) all of which are underpinned by the Loan to Value (LTV), historical position, forward looking considerations and on occasion, subsequent events and the subjective judgement of the Board. Preliminary calculations for ECL are performed on a loan by loan basis using the simple formula: Outstanding Loan Value x PD x PL and are then amended as necessary according to the more subjective measures as noted above.

A probability of default is assigned to each loan. This probability of default is arrived at by reference to historical data and the ongoing status of each loan which is reviewed on a regular basis. The probability of loss is arrived at with reference to the LTV and consideration of cash that can be redeemed on recovery.

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

19. FINANCIAL INSTRUMENTS – Fair values and risk management (continued)

Movement of provision for ECL

	Loans £'000	Trade Receivables £'000	Guarantees £'000	Total £'000
Loss allowance at 31 December 2023	8,484	6,462	18	14,964
Credit for the year 2024	(330)	(65)	(7)	(402)
Utilised in the year 2024	(5,093)	(1,047)	–	(6,140)
Loss allowance at 31 December 2024	3,061	5,350	11	8,422
Credit for the period to June 2025	(221)	–	(11)	(232)
Utilised in the period to June 2025	(276)	(45)	–	(321)
Loss allowance at 30 June 2025	2,564	5,305	–	7,869

20. GUARANTEES

The Group undertakes a number of Guarantees and first loss positions which are not deemed to be contingent liabilities under IAS37 as there is no present obligation for these guarantees and it is considered unlikely that these liabilities will crystallise.

Pollen Facility

Sancus Group participates 10% on every loan funded by the Pollen facility, taking a first loss position. Sancus Group Lending Limited has provided Pollen with a guarantee capped at £4m and that it will continue to ensure the orderly wind down of the Pollen funded loan book, in the event of the insolvency of Sancus Group, given its position as facility and security agent. No provision has been provided in the financial statements (2024: £Nil).

Sancus Loan Notes

Loan Note 8 was launched in January 2022 and is closed for new subscriptions with AUM of £33.068m. Loan Note 8 matures on 1 December 2026 and has a coupon of 8% p.a. (payable quarterly), with Sancus providing a 20% first loss guarantee.

Loan Note 9 was launched in October 2024 and is gathering new subscriptions with an AUM of £22.5m as at 30 June 2025. Loan Note 9 matures on 1 October 2029 and has a coupon of between 7.5% and 8.5% p.a. depending on participation level (payable monthly), with Sancus and Hawkbridge providing a 20% first loss guarantee jointly.

Amberton Loan Note 1 is a bespoke note that launched in May 2025, the note has AUM of £5.4m as at 30 June 2025. Loan Note 1 matures on 14 May 2030 and has a coupon of 8% (payable monthly).

Unfunded Commitments

As at 30 June 2025 the Group has unfunded commitments of £66.0m (31 December 2024: £68.4m). These unfunded commitments primarily represent the undrawn portion of development finance facilities. Drawdowns are conditional on satisfaction of specified conditions precedent, including that the borrower is not in breach of its representations or covenants under the loan or security documents. The figure quoted is the maximum exposure assuming that all such conditions for drawdown are met. Directors expect the majority of these commitments to be filled by Co-Funders.

Sancus Lending Group Limited

For the period ended 30 June 2025

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

21. EVENTS AFTER THE REPORTING DATE

On 14 August the Group announced that it had entered into a 3 year £20m committed facility with Paragon Bank plc to increase its capacity to grow our lending book in England, Wales and Scotland. The junior capital required for this facility will be provided under the £10m junior funding commitment provided by Somerston Fintech Limited (see Note 18).

Sancus Lending Group Limited

For the period ended 30 June 2025

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Non-executive: Steve Smith
John Richard Whittle
Tracy Clarke

Executive Rory Mephram

The address of the Directors is the Company's registered office.

Executive Team:

Chief Executive Officer: Rory Mephram

Chief Financial Officer: Keith Lawrence

Chief Investment Officer: James Waghorn

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Sancus Lending Group Limited

For the period ended 30 June 2025

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