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15 January 2026

Distribution Finance Capital Holdings plc
("DF Capital" or the "Company" together with its subsidiaries the "Group")

Full Year Trading Update & New Medium-Term Targets

Full year financial performance ahead of expectations with strong runway in place underpinning new medium-term targets

Distribution Finance Capital Holdings plc, a specialist bank providing financial solutions that support manufacturers, dealers and distributors across the UK, is pleased to provide a trading update for the year ended 31 December 2025 and to extend its medium-term financial targets to 2030.

Full-year financial performance

- The Group has seen strong momentum in lending throughout the year, which underpins record financial performance. This growth is driven by the Group's strong competitive advantages and increasing market share in resilient, well-understood and underserved market verticals.
- Record new loan origination in excess of £1.8bn, up c.27% on prior year (FY2024: £1.4bn)
- The Group's loan book exceeded a new high of £846m at the period end, up 27% on the prior year (FY2024: £666m) and ahead of previously guided range of £750m-£800m.
- Stock days in the core inventory finance lending product, being the average age of loans outstanding, has reduced and remains well within sector tolerances at 129 days at the period end (31 December 2024: 140 days)
- Portfolio quality remains strong and well within credit appetite. 39 dealers had arrears of more than one day past due and/or in legal recovery (30 September 2025: 43), representing 2.7% of total dealers. Total arrears and loan balances in legal recovery represented 0.95% (30 September 2025: 1.5%) of the Group's entire loan book. The breakdown is as follows:
 - o Dealers in early arrears (less than 30 days) totalled 2 cases, with aggregate arrears of £0.1m.
 - o Dealers in mid to late arrears (30 to 60 days) totalled 4 cases, with aggregate arrears of £0.5m.
 - o Dealers in default (>90 days past due), where balances are in legal recovery (i.e. non-performing loans¹), totalled 33 cases (30 September 2025: 31), with aggregate loan balances of £7.4m (30 September 2025: £10.4m), representing 0.9% of the Group's total loan book.
- In light of this performance, the Group now expects FY performance ahead of market expectations, with:
 - o Statutory pre-tax profit for the year to be at least £19m and adjusted pre-tax profit of at least £17.5m², up 22% on prior year (FY2024 adjusted pre-tax profit: £14.4m)
 - o Tangible net assets per share³ of at least 75 pence, up c.20% on prior year (31 December 2024: 63.8 pence)

Operational performance

- Following the launch of the Group's new asset finance product, the Company now has c.120 dealers and introducers signed up and accepted to originate loans, predominantly in the motorhome and caravan sector.
- Work is already underway, ahead of the spring sales season, to widen availability of the Group's consumer and business asset finance products to other core sectors in which the Group operates including holiday homes, business-critical assets and marine.
- The Group has completed its annual lending customer satisfaction survey and has received a net promoter score of +59, up 21pts on prior year (FY2024: +38), reflecting the Group's commitment to long-term customer relationships and service quality.
- The Group has taken part in the 'Great Place to Work' engagement survey, receiving 'excellent' ratings, the highest available, across all of the survey's employee satisfaction and engagement categories.

Medium-term targets

In addition to the Group's previously announced targets for 2028 which still stand, having reached the 5th year of trading as a bank in September 2025, the Group has completed its medium-term strategic and financial planning through to 2030 and lays out the following targets for the financial year ended 31 December 2030:

- Loan book in excess of £1.5bn
- Cost to income ratio in the range of 45%-48%
- Return on required equity⁴ of c.20%

The Group remains committed to support the sales and growth of manufacturers, dealers and distributors and has built a suite of lending products and services that underpin the vitality of the sectors in which it operates.

The Group expects to fund its medium-term growth targets through internally generated capital, primarily via retained earnings, without the requirement of a dilutive equity raise, growing tangible net assets by 10-15% per annum. Accordingly, the Group expects to be holding excess capital through the medium-term horizon, above acceptable buffers, which could enable an acceleration of the Company's growth strategy as opportunities arise, enable portfolio acquisitions, and/or returns of capital to shareholders by way of share buyback or dividends. Subject to regulatory approval at the appropriate time, the Board intends to initiate its first dividend following the year ending 31 December 2028. Further details on the Group's dividend policy will be communicated at the appropriate time.

The Group will provide more information on its medium-term targets and strategy alongside the announcement of its audited results for the financial year ended 31 December 2025, expected during March 2026.

Carl D'Ammassa, Chief Executive Officer, commented: *"2025 has undoubtedly been our best year so far. We have delivered growth and strong returns whilst also launching our new asset finance product, built from the ground up. This new product will allow us to further support our existing dealers, providing a lending product for their customers. With our dealers having annual sales of over £10bn, the market opportunity for us is significant and we expect this product to be a key component of achieving our 2030 loan book target of over £1.5bn."*

"It has been humbling to reflect on our five-year journey as a bank, generating four years of profit and a track record of delivery. As CEO it is most pleasing to see the positive feedback from our customers and that our products and services continue to resonate with them. I'm proud of the DF Capital team's achievements and delighted that they see our Company as a great place to work. I'm excited as we enter this next period, with all capabilities that support our growth ambitions already in our armoury. I feel confident about the Group's ability to deliver industry-leading returns underpinned by an exceptional service and best-in-class team."

1. A loan that is in default (>90 days past due) going through formal recovery of our assets and/or unlikely to pay in full, where interest and fees are no longer accruing. Non-performing loans have appropriate credit loss provisions in place.
2. Pre-tax profit adjusted for the benefit of a VAT reclaim of approximately £1.5m
3. TNAV per share is defined as net tangible assets attributable to each ordinary share (Group has shares in issue of 166,726,333, excluding Treasury Shares).
4. Given the Group hold excess capital, Return on Required Equity is defined as minimum regulatory capital plus an appropriate buffer.

The person responsible for arranging the release of this announcement on behalf of the Company is Karen D'Souza (Company Secretary).

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About DF Capital

DF Capital is a specialist independent bank providing award-winning commercial finance solutions and savings products to consumers and small businesses.

Founded in 2016, the Group is headquartered in Manchester with over 130 people. DF Capital's commercial lending supports, distributors and manufacturers across sectors including Automotive, Leisure and Luxury. In 2020, the Group became a fully authorised bank and started offering a range of consumer savings products.

The Group is listed on AIM on the London Stock Exchange under the ticker DFCH.

For more information, please visit www.dfcapital.bank

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