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Distribution Finance Cap. Hldgs PLC
10 September 2026

This announcement contains inside information as stipulated under the UK version of the Market Abuse Regulation (EU no. 596/2014) as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended from time to time).

10 September 2026

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

Results for the six months ended 30 June 2026

Another period of significant growth and strong momentum towards our 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 announce its results for the six months ended 30 June 2026.

Half-Year Performance Highlights

- **Strong H1 financial performance**, with profit before tax up 49% to £13.4m (H1 2025: £9.0m), materially ahead of expectations at the start of the year, and gross revenues up 26% to £55.0m (H1 2025: £43.7m).

- **Growth driven by a broader lending franchise and product mix**
  - Record new loan origination of £1.1bn (H1 2025: £828m), up 31% which drove a 27% increase in the loan book to £932m (30 June 2025: £732m).
  - DFRNT, the Group's asset finance lending product, continues to gain traction, with balances increasing to £40m at 30 June 2026 (30 June 2025: £6m). Momentum continued to accelerate post period end with balances increasing to c.£65m at 31 August 2026.
  - Structured finance balances increased to c.£174m (30 June 2025: £88m), reflecting strong demand for tailored finance solutions across chosen sectors.

- **Disciplined execution: resilient margin, cost control and credit quality**
  - Net interest margin of 7.5% (30 June 2025: 7.8%), falling in line with expectations given the wider range of lending products.
  - The Group maintained strong cost control delivering an improving cost-to-income ratio of 53% (H1 2025: 58%).
  - Credit performance remained resilient, with arrears reducing to 0.7% of the gross loan book (30 June 2025: 1.5%) and annualised cost of risk reducing to 0.49% (H1 2025: 0.63%).

- **Statutory return on tangible equity increased** to 15.3% (H1 2025: 11.4%). Adjusting for surplus capital resources, returns were closer to 20%, demonstrating the strength of the Group's underlying return profile and progress towards its long-term 2030 target.

- **Strong funding and capital position support continued progress towards medium-term targets**
  - Customer deposits of c.£1bn (30 June 2025: £688m), a CET1 ratio of 17.8% (30 June 2025: 19.7%) and a total capital ratio of 20.8% (30 June 2025: 21.7%).
  - Tangible net asset value[1] per share increased to 82.2p (30 June 2025: 70.2p), up 17% and remains consistent with the Group's target to deliver 10%-15% growth per annum.

(1) Non-dilutive tangible net asset value

	30 June 2026 6-month	30 June 2025 6-month	Change
Performance			
Deposit book (£m)	999	688	45%
Loan book (£m)	932	732	27%
New loans advanced to customers (£m)	1,083	828	31%
Financial			
Gross revenue (£m)	55.0	43.7	26%

Net income (£m)	50.7	43.3	17%
Net interest margin (%)	7.5	7.8	-28bps
Cost of risk (bps)	0.49	0.63	-14bps
Cost to income ratio (%)	53.0	58.1	-5.1pp
Profit before tax (£m)	13.4	9.0	49%
CET1 ratio (%)	17.8	19.7	-1.9pp
TCR (%)	20.8	21.7	-0.9pp
Return on tangible equity (%)	15.3	11.4	+3.9pp
Earnings per share (pence)	6.0	3.8	+2.2p
Tangible net asset value per share (pence)	82.2	70.2	17%

Carl D'Ammassa, Chief Executive Officer, commented: *"I am delighted with the progress we have made in the first half of 2026. These results show the strength of our business as we build a larger and more diversified lending franchise. Our growth story continues with strong and sustainable levels of returns. Our recently launched asset finance proposition, DFRNT, is gaining significant traction, structured finance is growing well, and the investments we have made in our platforms and customer journeys allow us to serve customers more quickly and effectively."*

"Whilst the macro-economic and geo-political environment presents uncertainty, we feel well placed to navigate these over the longer term. We have all the ingredients in place to support our ambitions, with real excitement across the business about the significant opportunity ahead as we look to deliver on our 2028 and 2030 financial targets."

An overview video of the results by CEO Carl D'Ammassa is available to watch here**:** https://bit.ly/DFCH_HY26_Overview and on the Company's website: https://www.dfcapital-investors.com/

Analyst presentation

The Company will host an analyst webinar relating to the results at 9:00am today. Analysts wishing to join can register by emailing dfcapital@almastrategic.com.

Investor presentation

The Company will also provide a presentation to existing and potential shareholders via the Investor Meet Company platform at 3:00pm today. Investors can register for the webinar here: https://www.investormeetcompany.com/distribution-finance-capital-holdings-plc/register-investor

A recording of the presentation will be made available on the Company's website following the conclusion of the investor presentation.

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

For further information contact:

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About DF Capital

DF Capital is a speciality lender providing flexible financing solutions that support the sales and growth of

DF Capital is a speciality lender providing flexible financing solutions that support the sales and growth of manufacturers, dealers and distributors operating in attractive underserved retail markets across the UK. As a bank, DF Capital's lending is underpinned by its award-winning savings products, straightforward digital platform, and exceptional customer service.

The Group is listed on AIM on the London Stock Exchange under the ticker DFCH. For more information, please visit www.dfcapital.bank

Chief Executive's Statement

Strategic progress and strong financial delivery

The momentum and strategic progress made in 2025 has carried into the first half of 2026. We have delivered across all our key performance metrics, continued to create value for our customers and shareholders, and demonstrated the quality of our niche lending proposition, depth of customer relationships and the strength we've built as a multi-product lender, which underpins our growth strategy.

During the period under review, we have remained focused on our strategic ambitions and our purpose - to support the growth of manufacturers, dealers and distributors who operate in our chosen markets. Our commitment to these attractive niche areas of lending continues to underpin our financial performance and remains a clear point of differentiation against other banks and lenders.

Our results for the period are supported by record loan origination, resilient margins, a stable funding base, robust credit quality, continued focus on cost control and a capital position that supports our strategic ambitions and growth plans.

Accordingly, I'm delighted to report pre-tax profit is up almost 50% to £13.4m for the first half of 2026 (30 June 2025: £9.0m), materially ahead of expectations at the start of the year. The Group's Statutory Return on Tangible Equity increased strongly to 15.3% (30 June 2025: 11.4%). Adjusting for excess equity, returns were closer to 20%, partly supported by the low cost of risk in the period, but fundamentally demonstrating our ability to deliver attractive and sustainable shareholder returns as we continue to grow - well on our way to our 2030 target of c.20%. We've built further shareholder value through the quality of our earnings: Basic Earnings Per Share (EPS) and Tangible Net Asset Value[1] (TNAV) per share ended the period at 6.0p and 82.2p respectively (30 June 2025: EPS 3.8p and TNAV 70.2p).

Broader franchise driving record originations and returns

Six years on from achieving full bank authorisation, the Group has built a materially larger and more diversified lending franchise, funded by a now well-established retail savings platform. Our laser-focused approach to supporting manufacturers, dealers and distributors has unlocked the Group's growth. We have a scalable operating platform, with latent capacity for further growth. We have all the lending products in our armory to deliver our ambitious targets to 2030 and beyond. We have more new areas to lend than our projected capital position can support, giving us significant levels of optionality to allocate our capital where returns can be maximised.

Through the period we have demonstrated continued momentum in all areas of lending. We've seen strength in our core inventory finance business and increasing scale of asset finance - supporting the sales of our manufacturers and dealers with end-user financing. We've also been pleased with the success of our bespoke lending solutions and the halo effect that lending has on our wider relationships, but also the virtuous impact it has on the sectors in which we operate. We know our customers and markets well and continue to build market share.

New loan originations reached a record £1.1 billion in the first half of 2026, an increase of 31% compared to the prior period (30 June 2025: £828 million). Gross loan book also reached another record of £932m (30 June 2025: £732m; 31 December 2025: £850m), up c.27% on the prior year and marginally ahead of expectations given the slower repayment of a small number of shorter tenor loans. Gross revenue, which predominantly consists of net interest income, increased by c.26% to £55.0m (H1 2025: £43.7m). As expected, net interest margin reached c7.5% (30 June 2025: 7.8%), reflecting the evolving mix of new products and in line with our medium-term expectation of this trending to c.7% over time.

As our inventory finance business has matured and grown, we have shifted emphasis from the pace of customer acquisition to the overall credit quality and scalability of manufacturer and dealer relationships. Having now firmly expanded the Group's lending proposition, we support a broader and increasingly diversified base of borrowers. Accordingly, Inventory Finance and Structured Finance customers totalled 1,457 at period end (30 June 2025: 1,410; 31 December 2025: 1,467). Asset Finance customers increased to 893 (30 June 2025: 127; 31 December 2025: 299), reflecting the growth of the asset finance proposition. At the end of June, we supported 109 manufacturer

299), reflecting the growth of the asset finance proposition. At the end of June, we supported 109 manufacturer partners (30 June 2025: 97; 31 December 2025: 109), with these relationships continuing to play a critical role across our dealer and distributor network.

[1]*Non-dilutive tangible net asset value*

The following table shows portfolio analysis at the reporting date by gross loan book balance:

	30 June 2026		30 June 2025		31 December 2025	
	£million	**%**	**£million**	**%**	**£million**	**%**
Inventory Finance:						
Motorhome & Caravan	238.8	25.6%	220.4	30.1%	236.9	27.9%
Transport	118.5	12.7%	110.6	15.1%	158.8	18.7%
Marine	103.5	11.1%	84.5	11.5%	96.8	11.4%
Automotive	58.4	6.2%	39.3	5.4%	50.8	6.0%
Motorcycle	38.2	4.1%	39.9	5.4%	33.2	3.9%
Lodges	86.9	9.3%	81.2	11.1%	75.2	8.8%
Industrial	47.2	5.1%	40.8	5.6%	48.3	5.7%
Agricultural	19.0	2.0%	20.7	2.8%	18.5	2.1%
Other Serialised Assets	8.0	0.9%	1.6	0.2%	3.6	0.4%
	718.5	**77.0%**	**639.0**	**87.2%**	**722.1**	**84.9%**
Structured Finance:						
Invoice Finance	10.2	1.1%	7.7	1.0%	11.1	1.3%
Secured Business Loan	93.3	10.0%	20.6	2.8%	38.3	4.5%
Wholesale Finance	70.6	7.6%	59.2	8.1%	63.4	7.5%
	174.1	**18.7%**	**87.5**	**11.9%**	**112.8**	**13.3%**
Asset Finance	**39.9**	**4.3%**	**6.0**	**0.9%**	**15.2**	**1.8%**
Total gross loan book[1]	**932.5**	**100%**	**732.5**	**100%**	**850.1**	**100%**

[1] *Gross loan book balance (principal, interest and fees) at the reporting date for loans and advances to customers.*

Inventory Finance: resilient markets and portfolio breadth

Notwithstanding the general macro-economic and geo-political headwinds, our inventory finance markets continue to perform well. We have built a diversified portfolio across a broad range of end-user sectors. This breadth positions the Group well to deliver continued loan book growth with no undue reliance on any single market.

Our commitment to the markets in which we operate underpins our growing market share. We've leveraged our specialist underwriting, consistency in service and track record at times when some competitors have made decisions to reorganise their businesses, thus curtailing their lending or choosing to deploy capital to other commercial opportunities, often not truly understanding the virtues of our markets or seeing them as too small.

Aggregate dealer loan facilities in our inventory finance portfolio reached £1.4 billion at the end of the period, up c.9% year-on-year (30 June 2025: £1.3 billion). This latent capacity gives us room to support customers through the latter part of the year, as they head into their re-stocking period.

Following a number of years of reduced demand from holiday parks, the lodge sector saw signs of renewed stability with material growth in activity over the period, we expect this to continue as the market continues to stabilise and moves back towards historic levels of activity. The resurgence of staycations and the convenience of holidaying in the UK is undoubtedly favourably impacting this sector alongside increasing demand for rental holiday homes.

Our success in the motorhome and caravan sector continues as we maintain our competitive advantage, extending what we believe to be our long-standing leadership position as the largest inventory finance provider to UK-based dealers. We've deepened our relationship with manufacturers further, giving us greater access to their dealer network. We are consistently told that our proposition is second to none and we are, in the main, the funder of choice.

Across our commercial sectors, particularly transport and industrial, we have seen a reduction in demand compared with the end of 2025. In industrial, this reflects some softening in underlying market demand, although we are in advanced discussions with potential new manufacturer partners to support future activity in this area. In transport, activity has moderated as dealers work through existing inventory and utilise cash generated from recent trading to support stock holdings, following particularly strong stocking demands towards the end of 2025 and an unwinding, to more normalised levels in early 2026. We have also consciously made the decision to reduce concentration towards a single manufacturer in the light-commercial vehicle market, which has seen our loan book in the transport sector reduce since year-end. We expect, in the near-term, to replace some of this lending with new manufacturer marques in the bus, coach and HGV markets.

Our marine business continued to grow through the period, growing our market share with existing customers, notably at the larger vessel end of the market.

In the agricultural market, our smallest area of lending, low confidence across the farming community persists but there are early signs of a recovery.

We also continue to selectively support existing caravan and motorhome manufacturer and dealer relationships in Europe. Whilst relatively small in aggregate, this lending continues to provide valuable intelligence and experience as we consider future opportunities. We closed the period with loan balances of c.£27m (30 June 2025: £23m; 31 December 2025: £27m) to this cohort of customers.

The strength of our lending growth and continued increase in new loan originations reinforces our confidence that our inventory finance proposition remains highly relevant to manufacturer and dealer customers. Customer advocacy also remains strong, with feedback continuing to highlight the ease of working with us, our accessibility and the responsiveness of our team, supported by effective technology. We see incremental opportunities to extend lending further across both existing and new sectors. We have a solid, early-stage, pipeline of prospective new manufacturer and dealer relationships.

Building momentum in Asset Finance: significant growth opportunity

Lending in the recently launched asset finance product is progressing well, being a natural extension to our manufacturer and dealer relationships, where we provide finance to their customers unlocking sales and extending our lending beyond the forecourt. As a reminder, the average effective tenor of a loan in asset finance is expected to be c.5 years vs c.150 days in our core inventory finance product; as a result we expect our loan book in asset finance to grow at pace and this is key to hitting our 2030 targets.

Total loan book in asset finance reached £40m - a notable acceleration from both the first and second half of 2025 (30 June 2025: £6m; 31 December 2025: £15m), demonstrating excellent momentum which has continued post period end. Of this, business customers represented £15m and consumer customers £25m.

Distribution is predominantly through our large network of existing dealer relationships. We have over 270 dealers signed up, representing over 370 retail locations. At the end of August 2026, we have originated well over £50m of new loans this year already from 154 unique dealers, delivering an asset finance loan book of c£65m.

We have made major inroads in the static caravan and holiday park market, which is poorly served by existing lenders. Our online journey and broad credit appetite, where we differentiate our pricing on the quality of the counterparty, has been well received. We have recently onboarded a number of larger well-established holiday park groups to supplement smaller operators where we have had early success. We've also built system integration to these larger holiday park groups that will go-live during the second half of this year, speeding up the application journey and helping support more of their sales.

We continue to build momentum in motorhomes and caravans, and although these markets are better served by existing lenders and brokers, we still see significant opportunity for us to grow lending. Our motorhome and caravan manufacturer partners are selecting us to support sales campaigns, which demonstrates the ease of our proposition relative to other providers of finance. We believe there are incremental opportunities in other sectors, such as horseboxes, marine and prestige cars, as well as financing the acquisition of business-critical assets. Our proposition is flexible and ready to support manufacturers and dealers across a number of the very large sectors in which we already operate.

The next stage of evolution of our asset finance proposition includes the launch of a "direct-to-customer" proposition, which supports customers who do not want to obtain finance through a dealer or want greater flexibility on where they make their purchase. Many smaller dealers do not offer finance direct and we believe the potential here could be significant over time.

The asset finance markets are significantly larger than those of our core inventory finance. We estimate, from our existing relationships alone, that over £10bn of retail sales are transacted per year, many of those financed or have the potential to be financed in whole or in part. The size of these market opportunities materially outstrips the extent of our medium-term ambition and the base case new lending we need to achieve our 2030 targets.

Structured Finance: Virtuous bespoke lending

Offering bespoke lending solutions, tailored to the needs of manufacturers, dealers, distributors and sector participants is additive to our growth strategy. By solving more complex funding needs, we not only strengthen existing relationships but reinforce our role as a long-term partner in the sectors we serve. Our aim is to support the growth and vitality of those sectors building a virtuous dynamic that feeds lending growth in our inventory and asset finance products.

We achieve this by providing short-term working capital (invoice financing), business-related secured loans, receivables financing and wholesale lending (lending to lenders). Each opportunity is considered on its own merits against our risk appetite and a high-bar of risk adjusted returns for the Group.

Despite operating a more responsive and reactive approach to opportunities, rejecting c.8 out of 10 of propositions, demand for these tailored solutions has been strong through the period. Loan book balances reached £174m at period end (30 June 2025: £88m; 31 December 2025: £113m).

Whilst important to our overall proposition, given the short-term nature of some lending in this space, we do expect lending balances to fluctuate and are unlikely to exceed 10-15% of the Group's overall loan book by 2030 as other areas of lending (e.g. asset finance) grow, with the potential to be a higher percentage of the whole in the near-term.

Funding strength underpinning balance sheet growth

The Group maintained a strong funding position throughout the period, underpinned by a diversified and stable retail savings franchise. This remains central to financing the continued growth and broadening of our balance sheet.

As at 30 June 2026, total deposits stood at £999 million (30 June 2025: £688 million; 31 December 2025: £841 million), across approximately 21,500 accounts (30 June 2025: 15,500 accounts; 31 December 2025: 18,500 accounts).

Our savings proposition remained attractive and competitive during the period, offering a range of variable, notice and fixed rate products, including longer-term options for customers seeking certainty in a period of market uncertainty. Our savings principles, anchored in fairness, value, transparency and strong service, continue to support funding growth. We remain visible and accessible to savers through "Best Buy" tables and offer a straight-through application journey that enables customers to open an account in minutes. We continue to develop and improve our proposition and expect to release a savings app for our customers in H1 2027. Our service continues to be recognised through Feefo Platinum Trusted Service Awards and our sustained 4.8-star rating from our savings customers.

Cost discipline supporting operating leverage

Cost discipline remains central to how we manage the business. Following significant investment during 2024 and 2025, including the organic build of our asset finance capability, we entered 2026 with scalable platforms and infrastructure already supporting greater efficiency and unlocking further operational leverage. As volumes grow, whilst we expect absolute costs to increase, the jaws between income and costs will widen further, absorbing increased activity without a proportionate increase in cost. Our seamless digital capabilities allow us to point our employees towards activities where we can enrich our service and customer relationships.

The Group's headcount reached 183 employees at the period end (30 June 2025: 153 employees). Total operating expenses for the half year were £17.6m (30 June 2025: £15.6m), reflecting targeted investment alongside robust underlying cost control. The cost-income ratio stood at 53% (30 June 2025: 58%), in line with expectations and consistent with our journey towards the 2030 target range of 45%-48%.

We will continue to develop the business through targeted investment in our strategy, technology and operational capability.

Credit resilience underpinned by disciplined risk management

External conditions have remained uncertain through 2026, with geo-political tensions contributing to volatility in global energy prices and exposing supply chain risks across a number of sectors. The Group's credit performance has remained resilient, with no evidence of widespread or systemic deterioration in credit quality. We have a high-quality customer base, underpinned by the strength of our security position and the effectiveness of our disciplined credit risk and portfolio management approach.

We remain close to our dealers and customers, tracking observable trends in trading activity, repayments, arrears, stock ageing and wider market conditions, and staying alert to any change in portfolio profile. This approach allows us to mitigate credit losses.

In line with our prudent risk framework, we classify any account with payments one day or more overdue as in arrears. The number of dealers in arrears continues to be very low, closing the period at 36 (30 June 2025: 38), representing just 2.5% of the total dealer base. 30 of these cases were in legal recovery, with appropriate credit loss provisions recognised based on expected recoveries. The Group's total arrears balance accounted for 0.7% of the loan book (30 June 2025: 1.5%).

Annualised cost of risk for the period was 0.49% (30 June 2025: 0.63%), reflecting our proactive approach to credit risk management and our ability to mitigate dealer defaults and losses on dealer failure through repurchase of products by manufacturers; redistribution of products within our existing dealer network; or, where necessary and in the case of used assets, by the sale to third parties. In circumstances where we choose to remarket assets ourselves or where workout situations are complex in nature, our aim is to always maximise value, never flooding the market with stock.

In light of the uncertain economic and geo-political outlook, we remain prudent in our assumptions and expect the Group's cost of risk to increase through the balance of the year but remain within our annualised target of c.1%. At the time of this report, we have seen some challenges across different sectors leading to a small (low single digit) number of dealer failures, each being a function of unique circumstances relating to that business. We expect to release our asset security on these cases through the second half of the year and have recognised credit loss provisions where appropriate.

	30 June 2026 £'000	30 June 2025 £'000	31 December 2025 £'000
Arrears - principal repayment, fees and interest:			
1 - 30 days past due (early)	789	478	175
31 - 90 days past due (mid/late)	1,058	1,145	350
>90 days past due (in default)	4,823	8,965	6,670
	6,670	**10,588**	**7,195**
Total % of gross loan book	**0.7%**	**1.5%**	**0.9%**

The balances in default (ie. over 90 days past due) are in legal recovery. As at 30 June 2026, the associated net realisable value from asset sales for this cohort is c.£2.7m (30 June 2025: £6.2m; 31 December 2025: £3.7m), with the remaining balance being appropriately provided for.

Capital strength enabling strategic flexibility

The Group is well capitalised to meet its regulatory obligations and support its lending growth. As at 30 June 2026, the Group's equity stood at £138m (30 June 2025: £118m; 31 December 2025: £127m), with regulatory capital of £142m (30 June 2025: £112m; 31 December 2025: £128m), comprising Common Equity Tier 1 capital and Tier 2 capital. This translated into a CET1 ratio of 17.8% and total capital ratio of 20.8%, providing significant headroom over our regulatory requirements.

Capital, and access to capital instruments, is not a constraint to our growth targets to 2030.

The renewal of the British Business Bank ENABLE Guarantee scheme is an important reinforcement of this position. The scheme was renewed in June 2026 for a further two years, on terms more closely aligned to our lending profile, improving its strategic relevance and capital efficiency. We expect to utilise the maximum pool size of £350m, enabling us to access the full benefit of the scheme and support further lending growth without requiring additional Tier 1 equity capital.

During the period, we also drew the final £5m available under our Tier 2 facility, taking total Tier 2 capital drawn to £20m (30 June 2025: £10m). This adds further resilience and flexibility to our regulatory capital base, while retaining latent capacity for additional Tier 2 issuance as the loan book grows and our retained earnings increase.

At the same time, our profit trajectory is building organic capital, creating a virtuous cycle in which earnings growth increases our capacity to execute our growth plans to 2030.

Looking forward, we have a clear opportunity to review the shape of our capital stack between Tier 1 and Tier 2 capital, optimising our position, whilst preserving flexibility to the scale, mix and trajectory of the business.

The Group is also preparing to transition to the Small Domestic Deposit Taker capital regime under Basel 3.1 from 01 January 2027, with any revised capital requirement framework confirmed through the Prudential Risk Authority's assessment process in due course.

The Group has significant regulatory headroom, additional capital optionality and growing organic capital generation. Together, these factors provide a solid foundation to execute our strategic plans and pursue growth in a disciplined and capital-efficient way.

Outlook: delivering against our medium-term ambitions

The macro-economic environment remains uncertain and challenging in nature. We have a strong track record of navigating recent similar uncertainties well, but remain vigilant and disciplined in our approach through these increasingly challenging times. We're excited about our ambitions through to 2028 and 2030 - although delivering on our plan is unlikely to be a function of linear performance, our customers are unlikely to be entirely insulated from near-term economic challenges. We have however, built a strong and scalable platform, with excellent levels of risk management. We have the breadth of products and depth of relationships in very large markets to make our ambitious targets realistically achievable.

We have seen strong execution of these growth ambitions through the first half of the year; diversifying our lending and supporting our customers with more products and services, which has delivered record originations; loan book growth; resilient margins; funding strength, and strong levels of profit generation.

We remain on track to deliver our 2030 targets: a loan book in excess of £1.5bn; deliver operating leverage with a cost-income ratio in the range of 45%-48%; and achieve an equity return of c.20% whilst increasing tangible net assets by 10%-15% per annum.

Carl D'Ammassa
Chief Executive Officer

Financial Highlights and Key Performance Indicators

Summarised Statement of Comprehensive Income

	30 June 2026 6-month £'000	30 June 2025 6-month £'000	31 December 2025 12-month £'000

Gross revenues[1]	55,005	43,740	90,936
Interest expense	(21,888)	(16,950)	(34,897)
Net income	**33,117**	**26,790**	**56,039**
Other operating expenses	(17,552)	(15,565)	(32,131)
Impairment charges	(2,151)	(2,187)	(4,267)
Profit before taxation	**13,414**	**9,038**	**19,641**
Taxation	(3,455)	(2,432)	(4,482)
Profit after taxation	**9,959**	**6,606**	**15,159**
Other comprehensive income/(loss)	-	-	-
Total comprehensive income for the period	**9,959**	**6,606**	**15,159**
Basic earnings per share (pence)	**6.0p**	**3.8p**	**8.9p**

[1] Sum of interest and similar income, fee income less fee expenses, net gains/(losses) from derivatives measured at fair value through profit or loss and foreign currency movements.

Summarised Statement of Financial Position

	30 June 2026 £'000	**30 June 2025 £'000**	**31 December 2025 £'000**
Cash and balances at central banks	228,021	84,856	131,676
Loans and advances to banks	6,621	11,599	5,894
Investment securities	3,278	-	5,722
Loans and advances to customers	921,167	722,031	839,526
Taxation asset	1,540	2,110	1,952
Other assets	15,855	11,388	15,042
Total assets	**1,176,482**	**831,984**	**999,812**
Customer deposits	999,331	688,128	840,565
Lease liabilities	2,447	2,643	2,444
Subordinated liabilities	20,502	10,234	15,302
Taxation liabilities	126	189	-
Other liabilities	16,310	13,165	14,271
Total liabilities	**1,038,716**	**714,359**	**872,582**
Total equity	**137,766**	**117,625**	**127,230**
Adjusted tangible net asset value per share (pence)	**82.2p**	**70.2p**	**75.9p**

	30 June 2026 6-month	**30 June 2025 6-month**	**31 December 2025 12-month**
Financial Highlights			
Gross revenues (£m) [1]	55.0	43.7	90.9
Adjusted profit before taxation (£m) [2]	13.4	9.0	18.1
Adjusted profit after taxation (£m) [3]	10.0	6.6	14.1
Gross loan book (£m) [4]	932	732	850
Net assets (£m) [5]	138	118	127
Customer deposits (£m)	999	688	841
Regulatory capital (£m) [6]	142	112	128
Common Equity Tier 1 capital ratio [7]	17.8%	19.7%	18.0%
Regulatory capital (as a % of RWA) [8]	20.8%	21.7%	20.5%
Net interest margin [9]	7.5%	7.8%	7.8%
Average customer rate for retail deposits [10]	4.40%	4.80%	4.42%
Cost of risk [11]	0.49%	0.63%	0.59%
Impairment loss coverage on loans to customers[12]	1.05%	1.06%	1.00%

Cost to income ratio [13]	53%	58%	57%
Adjusted basic earnings per share (pence) [14]	6.0	3.8	8.3
Tangible net assets per share [15]	82.2	70.2	75.9
Key Performance Indicators			
Loans advanced to customers (£m)	1,083	828	1,828
Number of inventory and structured finance customers [16]	1,457	1,410	1,467
Number of asset finance customers [17]	893	127	299
Number of manufacturer partners [18]	109	97	109
Total credit available to inventory finance customers (£m) [19]	1,366	1,250	1,385

[1] *Sum of interest and similar income, fee income less fee expenses, net gains/(losses) from derivatives measured at fair value through profit or loss and foreign currency movements.*

[2] *Profit before tax adjusted for the one-off VAT recovery of £1.5m in 2025 relating to prior periods. No adjustment was required for 2026.*

[3] *Profit after tax adjusted by £1.1m which is the post-tax impact of the one-off VAT recovery of £1.5m in 2025 relating to prior periods. No adjustment was required for 2026.*

[4] *Gross carrying amount of loans and advances to customers at period end.*

[5] *The equity held in the Group.*

[6] *Regulatory capital is the Common Equity Tier 1 capital (which includes current year profit) together with Tier 2 capital.*

[7] *Common Equity Tier 1 capital (which includes current year profit) divided by Risk Weighted Assets.*

[8] *Regulatory capital divided by Risk Weighted Assets.*

[9] *Total operating income less net gains/(losses) from derivatives measured at fair value through profit or loss and foreign currency movements as a % of average gross receivables.*

[10] *The weighted average interest rate we pay our depositors.*

[11] *Impairment charges and recoveries and provisions in the period (annualised) as a % of average principal balance.*

[12] *Impairment allowance as a % of gross carrying amount of loans and advances to customers at the period end.*

[13] *Operating cost as a % of total operating income.*

[14] *Adjusted profit after tax divided by the weighted average number of shares in issue excluding treasury shares.*

[15] *Net assets less intangible assets divided by the weighted average number of shares in issue excluding treasury shares.*

[16] *Consists of inventory finance and structured finance customers.*

[17] *Consists of consumer and business asset finance customers.*

[18] *Number of vendors and manufacturers with whom we have programs that support our lending.*

[19] *Amount of credit available to our inventory finance customers to draw (uncommitted) including existing drawings.*

Alternative Performance Measures

Certain financial measures disclosed in the Interim Financial Report do not have a standardised meaning prescribed by International Financial Reporting Standards (IFRS) and may therefore not be comparable to similar measures presented by other issuers. Gross revenues and net interest margin are deemed to be Alternative Performance Measures ("APMs") and are defined in the Appendix.

APMs may be considered in addition to, but not as a substitute for, the reported IFRS results. The Group believes that these APMs together with the other metrics presented above, when considered together with reported IFRS results, provide stakeholders with additional information to better understand the Group's financial performance.

Principal Risks

Based on the Group's strategy and business model, there are six principal risk categories used to help shape our policy and control framework. This categorisation creates structure for the risk policy framework and clear ownership/responsibility for assessing risk performance.

There are certain risk themes that run across many or all of these risk types. We have chosen at this stage to not pull them out individually, but instead to manage them across the principal risks framework. A good example of this are the risks created by climate change. Such risks may crystallise in full over longer-time horizons, but are latent in our exposure and business operations and cut across more than one of the principal risk categories below.

Principal Risks		
Operational risk	Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. We have a framework in place which sets out our approach to Operational Risk, with associated roles and responsibilities further defined in a number of risk policies and standard operating procedures covering the various types of Operational Risk. Although the overall scope of Operational Risk would cover areas of Conduct and Compliance (i.e. regulatory) risks, we believe it makes sense to separate these items out as individual principal risks - Conduct Risk and Compliance Risk respectively given the importance of these risks in the context of the bank's activities and regulatory environment.	**Key risk mitigation tools:** operational risk policies, standard operating procedures, Risk and Control Self Assessments ("RCSAs"), risk event analysis, key controls testing, ongoing monitoring of risk metrics and limits, scenario analysis, information security and cyber defences, operational risk training, operational risk training, change management framework, operational resilience framework, physical security and safety, regular risk training, Group Risk Committee oversight.
Compliance Risk	Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss to reputation the firm may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its activities. DF Capital operates within the context of the UK legal and regulatory environment. Our Compliance Framework sets out the responsibilities within the firm to ensure awareness of both current and upcoming legal and regulatory changes and how the firm plans and implements those requirements appropriately. Compliance risk also includes the Group's obligations under the Money Laundering Regulations and covers the Groups exposure to customer-specific risk assessments, compliance monitoring plan, ongoing monitoring of risk metrics and limits, customer risk assessments, regulatory compliance training, Executive Risk Committee oversight.	**Key risk mitigation tools:** compliance policies, regulatory monitor, enterprise-wide compliance and customer-specific risk assessments, compliance monitoring plan, ongoing monitoring of risk metrics and limits, customer risk assessments, regulatory compliance training, Group Risk Committee oversight.
Conduct Risk	We define conduct risk as the risk of detriment caused to DF Capital's customers or financial markets due to inappropriate execution of its business activities and processes, including the sale of unsuitable products and inappropriate behaviours. The Conduct Risk Framework outlines our approach for ensuring good customer outcomes in line with the New Consumer Duty. It is supported by specific policies covering topics such as product governance, complaints, and vulnerable customers, which detail the specific steps and responsibilities across the firm. The scope of conduct risk coverage includes our AIM requirements, with policies such as a Market Abuse Regime Policy (including Share Dealing Code) and a Substantial and Related Party Transactions Policy.	**Key risk mitigation tools:** conduct risk policies, product governance, enterprise- wide conduct risk assessment, ongoing monitoring of risk metrics and limits, monitoring of complaints and customer feedback, key controls testing, Code of Ethics, conduct risk training and Group Risk Committee oversight.
Prudential Risk	Prudential risk covers three financial risks relating to the bank maintaining sufficient resources to ensure it is financially resilient: · Funding and liquidity risk: The risk that DF Capital is not able to meet its financial obligations as they fall due or that it does not have the tenor and composition of funding and liquidity to support its assets. · Capital risk: The risk that DF Capital has an insufficient amount or quality of capital to support the regulatory requirements of its business activities through normal and stressed conditions. · Market risk (including interest rate risk): The risk of	**Key risk mitigation tools:** treasury policies, ICAAP, ILAAP, funds transfer pricing policy, additional stress testing, ongoing monitoring of risk metrics and limits, financial planning and forecasting, monitoring of external environment, Asset & Liability Committee and Group Risk Committee oversight.

	Market risk (including interest rate risk): The risk of financial loss through un-hedged or mismatched asset and liability positions due to interest rate changes. This also includes the risk that assets and liabilities reference different interest rate bases and the risk of adverse financial impact from movements in market prices in the value of assets and liabilities. Roles, responsibilities, and requirements for Liquidity and Capital management are outlined in the Treasury Policy, with risk appetite taking into account the results of the bank's ILAAP and ICAAP. The Treasury Policy also outlines the roles and responsibilities required for identifying, measuring, monitoring and controlling any interest rate risk which arises due to the mismatch between assets and liabilities.	
Credit Risk	Credit risk is the risk of financial loss arising from a customer or counterparty failing to meet their financial obligations to DF Capital. Credit risk is considered the most significant risk faced by DF Capital and can be broken down into the following categories: · Client Default Risk: The risk of loss arising from a failure of a borrower to meet their obligations under a credit agreement. · Credit Concentration Risk: The risk of loss due to the concentration of credit risk to a specific customer, counterparty, geography, or industry. · Repurchase Risk: The risk of loss arising from the failure of a third-party to meet a claim under a repurchase agreement. · Security Risk: The risk that an asset used as security to mitigate a credit loss does not provide the protection to the Company that is expected, leading to unanticipated losses. · Counterparty Risk: The failure of a Group counterparty or derivative provider. A credit framework and policies are in place to manage DF Capital's credit risk exposure, covering the roles and responsibilities of the Group's lending and investment activities.	**Key risk mitigation tools:** Credit underwriting criteria, asset audits, sector deep-dive reviews, portfolio monitoring, ongoing monitoring of risk metrics and limits, hindsight reviews of default events, monitoring of external environment, Credit Committee and Group Risk Committee oversight.
Strategic Risk	Strategic risks are the risks which can adversely impact the ability of DF Capital in achieving its strategic objectives. These risks may impact shareholder value, earnings or growth from poor strategic decisions, improper implementation of business strategies or from external events. The level 2 principal risks which fall under this category include: · Strategic Planning Risk: The risk of strategic plans being unachievable or unrealistic. · Execution Risk: The risk of failing to execute the Group's strategy and failing to deliver key strategic initiatives required to meet the financial and commercial targets of the Group. · Strategic Projects Risk: The risk of delay or failure of strategic projects and programmes. · External Environment: The risk of failing to address the impact of external events and competitive threats. Strategic risks are considered as part of DF Capital's strategic and financial plans. Stress scenarios are modelled as part of the ICAAP and ILAAP to determine what level of capital and liquidity the Group will need to hold in support of its strategic and financial plans.	**Key risk mitigation tools:** Executive Committee and Board oversight, comprehensive risk assessments of strategic and financial plans, stress testing, horizon scanning, ongoing monitoring of macro and microeconomic environment, change management framework.

Statement of Directors' Responsibilities

We, the Directors, confirm that to the best of our knowledge:

§ the interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the United Kingdom (UK);

§ the interim report includes a fair review of the performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and

§ the interim report and financial statements, taken as a whole, are fair, balanced and understandable.

By order of the Board

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Carl D'Ammassa
Director
09 September 2026

Independent Review Report to Distribution Finance Capital Holdings plc

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 2026 which comprises the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated cashflow statement and related notes 1 to 30.

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 2026 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the AIM Rules of the London Stock Exchange.

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 inquiries, 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 1, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion 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 entity to cease to continue as a going concern.

Responsibilities of the directors

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

In preparing the half-yearly financial report, 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 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 financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our conclusion 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.

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it 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.

Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
09 September 2026

Condensed Consolidated Statement of Comprehensive Income

	Note	6 months ended 30 June 2026 (Unaudited) £'000	6 months ended 30 June 2025 (Unaudited) £'000	Year ended 31 December 2025 (Audited) £'000
Interest and similar income	4	54,590	43,945	90,698
Interest and similar expenses	5	(21,888)	(16,950)	(34,897)
Net interest income		**32,702**	**26,995**	**55,801**
Fee income	6	916	607	1,684
Fee expenses	7	(681)	(796)	(1,608)
Gains/(losses) on derivatives at fair value through profit or loss		1,273	(519)	(773)
Other income	8	3	25	28
Foreign currency (loss)/gain		(1,096)	478	907
Total operating income		**33,117**	**26,790**	**56,039**
Staff costs	9	(11,045)	(9,499)	(20,684)
Other operating expenses	10	(6,507)	(6,066)	(11,497)
Net impairment loss on financial assets	12	(2,151)	(2,187)	(4,267)
Other provisions	11	-	-	50
Total operating profit		**13,414**	**9,038**	**19,641**
Profit before taxation		**13,414**	**9,038**	**19,641**
Taxation charge	13	(3,455)	(2,432)	(4,482)
Profit after taxation		**9,959**	**6,606**	**15,159**
Total comprehensive income for the period		**9,959**	**6,606**	**15,159**
Earnings per share:		**Pence**	**Pence**	**Pence**
Basic EPS	28	6.0	3.8	8.9
Diluted EPS	28	5.7	3.6	8.4

Condensed Consolidated Statement of Financial Position

	Note	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Assets:				
Cash and balances at central banks		228,021	84,856	131,676
Loans and advances to banks		6,621	11,599	5,894
Investment securities	25	3,278	-	5,722
Derivatives held for risk management		989	306	411
Fair value adjustments on hedged assets	26	(34)	-	-
Loans and advances to customers	14	921,167	722,031	839,526
Trade and other receivables	15	8,027	6,486	7,734
Current taxation asset	16	126	-	40
Deferred taxation asset	18	1,414	2,110	1,912
Property, plant and equipment		3,857	1,026	3,797
Right-of-use assets	19	2,228	2,744	2,355
Intangible assets		788	826	745
Total assets		**1,176,482**	**831,984**	**999,812**
Liabilities:				
Customer deposits	22	999,331	688,128	840,565
Derivatives held for risk management		1,245	495	819
Fair value adjustments on hedged liabilities	26	(719)	287	375
Lease liabilities	23	2,447	2,643	2,444
Trade and other payables		15,513	11,961	12,822
Provisions	11	271	422	255
Current taxation liability	17	126	189	-
Subordinated liabilities	24	20,502	10,234	15,302
Total liabilities		**1,038,716**	**714,359**	**872,582**
Equity:				
Issued share capital	21	1,793	1,793	1,793
Merger relief	21	94,911	94,911	94,911
Merger reserve		(20,609)	(20,609)	(20,609)
Own shares		(781)	(473)	(548)
Treasury Shares	21	(4,755)	(4,877)	(4,755)
Retained earnings		67,207	46,880	56,438
Total equity		**137,766**	**117,625**	**127,230**
Total equity and liabilities		**1,176,482**	**831,984**	**999,812**

Condensed Consolidated Statement of Changes in Equity

	Issued share capital £'000	Merger relief £'000	Merger reserve £'000	Own shares[1] £'000	Treasury Shares[2] £'000	Retained earnings/(loss) £'000	Total £'000
Balance at 31 December 2024 (Audited)	**1,793**	**94,911**	**(20,609)**	**(440)**	**-**	**39,699**	**115,354**
Profit after taxation	-	-	-	-	-	6,606	6,606
Share-based payments	-	-	-	-	-	614	614
Employee Benefit Trust[1]	-	-	-	(33)	-	(39)	(72)
Share buyback[2]	-	-	-	-	(4,877)	-	(4,877)
Settlement of share options[3]	-	-	-	-	-	-	-
Deferred tax asset on share-based payments	-	-	-	-	-	-	-
Share-based payments settlement reserve[5]	-	-	-	-	-	-	-
Balance at 30 June 2025 (Unaudited)	**1,793**	**94,911**	**(20,609)**	**(473)**	**(4,877)**	**46,880**	**117,625**

2025 (Unaudited)							
Profit after taxation	-	-	-	-	-	8,553	8,553
Share-based payments	-	-	-	-	-	640	640
Employee Benefit Trust[1]	-	-	-	(75)	-	(45)	(120)
Share buyback[2]	-	-	-	-	-	-	-
Settlement of share options[3]	-	-	-	-	122	(6)	116
Deferred tax asset on share-based payments	-	-	-	-	-	416	416
Share-based payments settlement reserve[5]	-	-	-	-	-	-	-
Balance at 31 December 2025 (Audited)	**1,793**	**94,911**	**(20,609)**	**(548)**	**(4,755)**	**56,438**	**127,230**
Profit after taxation	-	-	-	-	-	9,959	9,959
Share-based payments	-	-	-	-	-	423	423
Employee Benefit Trust[1]	-	-	-	(233)	-	(171)	(404)
Share buyback[2]	-	-	-	-	-	-	-
Settlement of share options[3]	-	-	-	-	-	-	-
Deferred tax asset on share-based payments[4]	-	-	-	-	-	498	498
Share-based payments settlement reserve[5]	-	-	-	-	-	60	60
Balance at 30 June 2026 (Unaudited)	**1,793**	**94,911**	**(20,609)**	**(781)**	**(4,755)**	**67,207**	**137,766**

[1] The Group has adopted look-through accounting (see note 1 of the 2025 Annual Report and Financial Statements) and recognised the Employee Benefit Trust (EBT) as Own Shares within the consolidated financial statements.

[2] During 2025, the Group repurchased 12,966,866 shares at a total cost of £4,877,000 inclusive of commission. These treasury shares do not carry voting rights or rights to dividends while held by the Company.

[3] During 2025, the Group used treasury shares to settle the vesting of a share option scheme.

[4] During 2026, the Group increased the deferred tax asset in respect of share-based payments by £486,000, with £498,000 recognised directly in retained earnings and £12,000 increase to the 2026 tax charge.

[5] The Group's share-based payments settlement reserve relates to the cumulative difference between the expense recognised in the statement of comprehensive income and the cash payments made on settlement.

Condensed Consolidated Cash Flow Statement

	Note	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Cash flows from operating activities:				
Profit before taxation		13,414	9,038	19,641
Adjustments for non-cash items and other adjustments included in the income statement	20	3,803	4,788	7,794
Increase in operating assets	20	(84,886)	(65,630)	(186,354)
Increase in operating liabilities	20	161,689	41,532	195,168
Taxation paid		(2,419)	(1,631)	(3,296)
Net cash generated from/(used in) operating activities		**91,601**	**(11,903)**	**32,953**
Cash flows from investing activities:				
Purchase of investment securities		-	-	(498)
Proceeds from sale and maturity of investment				

Proceeds from sale and maturity of investment securities		-	-	500
Dividend received on money market fund		36	21	57
Interest received from investment securities		-	-	2
Purchase of property, plant and equipment		(433)	(570)	(3,557)
Cash received on disposal of property, plant and equipment		60	-	34
Purchase of right of use assets		-	(87)	(81)
Purchase of intangible assets		(186)	(9)	(80)
Net cash (used in)/generated from investing activities		**(523)**	**(645)**	**(3,623)**
Cash flows from financing activities:				
Repayment of lease liabilities	23	(137)	(108)	(108)
Issuance of subordinated liabilities		5,000	-	5,000
Coupon paid on subordinated liabilities		(944)	(630)	(1,269)
Purchase of own shares		(404)	(72)	(192)
Purchase of treasury shares	21	-	(4,877)	(4,877)
Employee share scheme contribution		60	-	-
Receipt of cash from settlement of share options		-	-	116
Net cash generated from/(used in) financing activities		**3,575**	**(5,687)**	**(1,330)**
Net increase/(decrease) in cash and cash equivalents		**94,653**	**(18,235)**	**28,000**
Cash and cash equivalents at start of the period		140,563	112,563	112,563
Cash and cash equivalents at end of the period		**235,216**	**94,328**	**140,563**

Notes to the Interim Financial Report

1. Basis of preparation

1.1 General information

The interim condensed consolidated financial statements of Distribution Finance Capital Holdings plc (the "Company" or "DFCH plc") include the assets, liabilities and results of its wholly owned subsidiaries, DF Capital Bank Limited, DF Capital Financial Solutions Limited and DF Capital Retail Finance Limited, which together form the "Group".

DFCH plc is registered and incorporated in England and Wales under company registration number 11911574. The
registered office is Express Building, 9 Great Ancoats Street, Manchester, England, M4 5AD. The Company's ordinary shares are listed on the Alternative Investment Market ("AIM") of the London Stock Exchange.

The principal activity of the Company is that of an investment holding company. The principal activity of the Group is as a specialist commercial lending and savings banking group. The Group provides niche working capital funding solutions to distributors and manufacturers, enabled by competitively priced savings products.

These financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Group operates, and are rounded to the nearest thousand pounds, unless stated otherwise.

1.2 Basis of accounting

The condensed consolidated set of financial statements included in this Interim Financial Report have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ('IAS 34').

The condensed set of financial statements included within this Interim Financial Report for the six months ended 30 June 2026 should be read in conjunction with the annual audited financial statements of Distribution Finance Capital Holdings plc for the year ended 31 December 2025.

The annual consolidated financial statements of Distribution Finance Capital Holdings plc are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the UK adopted IFRS.

The condensed consolidated financial information for the six months ended 30 June 2026 has been prepared using accounting policies consistent with IFRS. The interim information does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006. The financial information for the periods ending 30 June 2026 and 30 June 2025 are unaudited but have been reviewed by the Company's auditor, Deloitte LLP, and their report appears on page 17 of this Interim Financial Report. The comparative figures for the year ended 31 December 2025 are the Group's statutory accounts and have been reported on by its auditor and delivered to the Registrar of Companies. The report of the auditor on those statutory accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

1.3 Principal accounting policies

The principal accounting policies adopted in the preparation of this financial information are set out below. These policies have been applied consistently to all the financial periods presented.

1.4 Going concern

The financial statements are prepared on a going concern basis as the Directors are satisfied that the Group has adequate resources to continue operating for a period of at least 12 months from the date of approval of the financial statements.

In making this assessment the Directors have considered the Group's current available capital and liquidity resources, the financial projections of the Group, including the outcome of stress testing. Based on this review, the Directors believe that the Group is well placed to manage its business risks successfully within the expected economic outlook. Accordingly, the Directors have adopted the going concern basis in preparing the interim financial statements.

1.5 Critical accounting estimates and judgements

In accordance with IFRS, the Directors of the Group are required to make judgements, estimates and assumptions in certain subjective areas whilst preparing these financial statements. The application of these accounting policies may impact the reported amounts of assets, liabilities, income and expenses and actual results may differ from these estimates.

Any estimates and underlying assumptions used within the statutory financial statements are reviewed on an ongoing basis, with revisions recognised in the period in which they are adjusted, and any future periods affected.

Further details can be found in note 3 on the critical accounting estimates and judgements used within these financial statements.

1.6 Foreign currency translation

The financial statements are expressed in Pounds Sterling, which is the functional and presentational currency of the Group.

Transactions in foreign currencies are translated to the Group's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the statement of income.

1.7 New accounting standards issued but not yet effective which are applicable to the Group

In April 2024 the IASB issued IFRS 18 - "Presentation and Disclosure in Financial Statements". This is expected to impact the way in which information is disclosed in financial statements without impacting materially on the underlying accounting.

IFRS 18 is expected to apply to the Group with effect from annual reporting periods beginning on or after 1 January 2027, if the standard is endorsed for use in the UK. This is a retrospective application standard and, as such, will affect the 31 December 2026 comparative figures presented. A detailed exercise to determine the impact of the new standard on the Group's annual reporting will be carried out before the implementation date.

In May 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)". These amendments are effective for annual reporting periods beginning on

(Amendments to IFRS 9 and IFRS 7) . These amendments are effective for annual reporting periods beginning on or after 1 January 2026. An exercise has been performed which concluded that the amendments to the standard will have no impact on the Group's annual reporting.

Other than the above, there are no new reporting standards and interpretations in issue but not effective which address matters relevant to the Group's accounting and reporting.

1.8 Operating segments

IFRS 8 Operating segments requires particular classes of entities to disclose information about their operating segments, products and services, the geographical areas in which they operate, and their major customers. The Group's products and the markets to which they are offered are so similar in nature that they are reported as one class of business.

2. Summary of material accounting policies

The same accounting policies, presentation and methods of computation are followed in the condensed consolidated set of financial statements as applied in the Group's latest annual audited financial statements for the year ended 31 December 2025, unless stated below.

2.1 Macro Fair Value Hedge Accounting

The Group applies IAS 39 in respect to its macro fair value hedge ("MFVH") of the benchmark interest rate risk on a portfolio of fixed-rate asset finance agreements. The Group de-designates the MFVH relationship each time retrospective testing is performed and then re-designate in a new MFVH relationship.

Regression analysis is used to test hedge effectiveness. This method is performed by comparing actual clean fair value changes between the hedged item and the hedging instrument arising from changes in the hedged risk during the measurement period.

The Group measures the fair value of each hedging instrument monthly. The value is included in derivatives held for risk management in either assets or liabilities as appropriate, with the change in value recorded in 'Gains/(losses) from derivatives at fair value through profit or loss' in the income statement. The hedged item is recorded on the balance sheet as 'Fair value adjustments on hedged assets', with the change in value recorded in 'Gains/(losses) from derivatives at value through profit or loss'. Any hedge ineffectiveness is recognised in the income statement as the difference between the change in fair value of the hedged item and the change in fair value of the hedging instrument.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial information in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Judgements

3.1. Expected credit losses loan impairment

Significant increase in credit risk for classification in stage 2
Counterparties are classified into stage 2 where the risk profile of the borrower has significantly increased from inception of the exposure. This increase in credit risk is signified by either increases in internal or external credit ratings, the counterparty becoming over 30 days past due, or forbearance measures being applied.

Due to the short-term behavioural profile of the majority of the current lending portfolio, the Group has not applied a probationary ("cooling off") period to exposures which are no longer triggering the stage 2 threshold criteria so these will move back to stage 1 once the classification criteria is no longer met.

Definition of default
The Group aligns its definition of default to the regulatory definition for default in all periods presented. The Group applies the regulatory guideline of 90+ days in arrears and also uses internal and external information, along with financial and non-financial information, available to the Group to determine whether a default event has either occurred or is perceived to have occurred.

Should a default event occur the Group applies a probationary ("cooling off") period to stage 3 counterparties before being transferred back to either stage 1 or 2. During the probationary period the counterparty must no longer meet the criteria for stage 3 inclusion for the entire applicable period.

Estimates

The Group has made the following estimates in the application of the accounting policies that have a significant risk of material adjustment to the carrying amount of assets and liabilities:

3.2. Expected credit losses loan impairment

Probability of default ("PD")
In the absence of sufficient internal historical default data, the Group uses an external credit rating agency to provide credit ratings and corresponding probability of defaults ("PDs") for the vast majority of the Group's counterparties. These are "Through-the-Cycle" PDs which represents a long-run average probability of default, opposed to "Point-in-Time" PDs which are shorter term and partially reflect the current economic outlook. Further, the primary data points which impact credit ratings and PDs are derived from past events, therefore, PDs are inherently a lagging indicator of expected default activity over the following 12-month period and longer. The Group have implemented a management overlay, increasing PDs by 64%, to address the difference between modelled and observed default rates.

The Group utilises external macro-economic forecast data sourced from an external economics research company and to account for estimated movements in the macro-economic environment over the next 12 months and their impact on PDs. Following this exercise, as at 30 June 2026 the Group has applied a 1% economic scalar reflecting a deterioration in the macro-economic environment (30 June 2025: 8% improvement; 31 December 2025: 8% improvement). The net impact of the management overlay and economic scalar is an overall PD increase of 66% (30 June 2025: 63%; 31 December 2025: 86%).

A 100% deterioration in the average PD of 4.83% to 9.66% (excluding stage 3 exposures, which are already in default), would result in an additional impairment charge of £4,508k at 30 June 2026 (30 June 2025: £3,900k; 31 December 2025: £3,449k).

Loss given default ("LGD")
The Group analyses historical default events by different sectors, products, "sold-out-trust" (SOTs) probabilities and observed loss rates to validate whether its current LGD methodology is reasonable. The Group may apply managerial overlays to its LGD assumptions to accommodate for deviations in expected LGD rates over the following 12 month period and longer from historical observed LGD rates.

A 10% reduction in the expected discounted cashflows from the collateral held by the Group would result in an additional baseline impairment charge of £2,194k at 30 June 2026 (30 June 2025: £1,751k; 31 December 2025: £2,268k).

Forward looking macroeconomic scenarios
The Group considers four economic stress scenarios within its impairment modelling whereby the Group stresses PD and LGD inputs in accordance with expected macro-economic outlooks. This provides an ECL impairment allowance for each scenario which is multiplied by the likelihood of occurrence over the next 12-month period from the balance sheet date to give a probability weighted ECL.

The following forward-looking macroeconomic scenarios, together with their probability weighting and key economic variables, were used in calculating the ECLs used for determining impairment provisions:

Scenario	Probability Weighting (%)	ECL Impairment (£'000)	ECL Coverage[1] (%)
30 June 2026 (Unaudited)			
Upside	20%	8,074	0.85%
Base	50%	8,839	0.93%
Downside	20%	10,697	1.13%
Severe downside	10%	15,794	1.66%
Weighted total	**100%**	**9,753**	**1.03%**
30 June 2025 (Unaudited)			
Upside	20%	6,293	0.86%
Base	50%	6,842	0.93%
Downside	20%	8,275	1.13%
Severe downside	10%	14,274	1.95%
Weighted total	**100%**	**7,762**	**1.06%**
31 December 2025 (Audited)			
Upside	20%	6,988	0.81%
Base	50%	7,654	0.89%
Downside	20%	9,308	1.08%
Severe downside	10%	14,146	1.64%
Weighted total	**100%**	**8,501**	**0.98%**

[1] *ECL Coverage is calculated by dividing the ECL impairment by the Exposure at Default (EAD). EAD is typically higher than the gross loan receivable balance.*

The following table details the additional impairment allowance charge/(credit) should one of the macroeconomic scenarios be assigned a 100% probability weighting:

Scenario	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Upside	(1,679)	(1,469)	(1,513)
Base	(914)	(920)	(847)
Downside	944	513	807
Severe downside	6,041	6,512	5,645

4. Interest and similar income

	6 months ended 30 June 2026 (Unaudited) £'000	6 months ended 30 June 2025 (Unaudited) £'000	Year ended 31 December 2025 (Audited) £'000
<u>At amortised cost (using effective interest rate method):</u>			
On loans and advances to customers	49,765	41,310	84,951
On loans and advances to banks	4,023	2,609	5,403
On investment securities	36	18	60
	53,824	**43,937**	**90,414**
<u>At FVOCI:</u>			
On investment securities	-	-	2

On investment securities	-	-	2
At FVPL:			
Interest income on derivatives	766	8	282
Total interest and similar income	**54,590**	**43,945**	**90,698**

5. Interest and similar expenses

	6 months ended 30 June 2026 (Unaudited) £'000	6 months ended 30 June 2025 (Unaudited) £'000	Year ended 31 December 2025 (Audited) £'000
At amortised cost (using effective interest rate method):			
On customer deposits	20,219	16,307	33,330
On subordinated liabilities	1,140	629	1,331
	21,359	**16,936**	**34,661**
At FVTPL:			
Interest expense on derivatives	529	14	236
Total interest and similar expenses	**21,888**	**16,950**	**34,897**

6. Fee income

	6 months ended 30 June 2026 (Unaudited) £'000	6 months ended 30 June 2025 (Unaudited) £'000	Year ended 31 December 2025 (Audited) £'000
Facility-related fees	916	607	1,684
Total fee income	**916**	**607**	**1,684**

7. Fee expenses

	6 months ended 30 June 2026 (Unaudited) £'000	6 months ended 30 June 2025 (Unaudited) £'000	Year ended 31 December 2025 (Audited) £'000
Enable guarantee charges	490	414	866
Financial guarantee charges	179	364	708
Undrawn commitment facility fees	2	10	19
Non-incremental direct costs	6	8	15
Broker fees	4	-	-
Total fee expenses	**681**	**796**	**1,608**

8. Other income

	6 months ended 30 June 2026 (Unaudited) £'000	6 months ended 30 June 2025 (Unaudited) £'000	Year ended 31 December 2025 (Audited) £'000
HMRC grants and relief income	-	10	14
Insurance claim income	3	15	14

Total other income	**3**	**25**	**28**

9. Staff costs

	6 months ended 30 June 2026 (Unaudited) £'000	6 months ended 30 June 2025 (Unaudited) £'000	Year ended 31 December 2025 (Audited) £'000
Wages and salaries	8,012	7,193	15,381
Share-based payments	423	614	1,254
Contractor costs	145	72	400
Social security costs	1,476	1,105	2,601
Pension costs arising on defined contribution schemes	989	515	1,048
Total staff costs	**11,045**	**9,499**	**20,684**

Contractor costs are recognised within staff costs where the work performed would otherwise have been performed by employees. Contractor costs arising from the performance of other services is included within other operating expenses.

10. Other operating expenses

	6 months ended 30 June 2026 (Unaudited) £'000	6 months ended 30 June 2025 (Unaudited) £'000	Year ended 31 December 2025 (Audited) £'000
Finance costs	156	117	263
Depreciation	426	588	945
Amortisation of intangible assets	142	132	279
Loss/(gain) on disposal of fixed assets	13	-	(3)
Loss on disposal of intangible assets	-	1	6
Professional services expenses	1,698	1,414	3,450
Audit and accountancy fees	275	293	602
IT-related expenses	1,926	1,812	3,740
Other operating expenses	194	130	288
Premises costs	286	248	814
Other staff costs	442	370	830
Bank charges/fees	118	101	207
Charitable donations	11	6	119
Release of dilapidation provision	-	-	(167)
Impairment of fixed assets	-	275	275
Irrecoverable VAT	820	579	(227)
Corporation tax interest	-	-	76
Total other operating expenses	**6,507**	**6,066**	**11,497**

In August 2025, the Group received a VAT recovery of £1,463,314 from HMRC in respect of an updated Partial Exemption Special Method.

11. Provisions

Analysis for movements in other provisions:

	Leasehold dilapidations £'000	Other provisions £'000	Total £'000
6 months ended 30 June 2026 (Unaudited)			
At start of period	255	-	**255**
Additions	-	-	**-**
Utilisation of provision	-	-	**-**

Unused amounts reversed	-	-	**-**
Unwinding of discount	16	-	**16**
Lease modification	-	-	**-**
At end of period	**271**	**-**	**271**
6 months ended 30 June 2025 (Unaudited)			
At start of period	235	50	**285**
Additions	126	-	**126**
Utilisation of provision	(4)	-	**(4)**
Unused amounts reversed	-	-	**-**
Unwinding of discount	15	-	**15**
Lease modification	-	-	**-**
At end of period	**372**	**50**	**422**
Year ended 31 December 2025 (Audited)			
At start of period	235	50	**285**
Additions	234	-	**234**
Utilisation of provision	(84)	-	**(84)**
Unused amounts reversed	(167)	(50)	**(217)**
Unwinding of discount	37	-	**37**
Lease modification	-	-	**-**
At end of period	**255**	**-**	**255**

12. Net impairment loss on financial assets

	6 months ended 30 June 2026 (Unaudited) £'000	**6 months ended 30 June 2025 (Unaudited) £'000**	**Year ended 31 December 2025 (Audited) £'000**
Movement in impairment allowance in the period	1,225	1,391	2,264
Write-offs	813	666	1,826
Recovery transaction costs	113	130	207
Bad debt VAT relief	-	-	(30)
Total net impairment loss on financial assets	**2,151**	**2,187**	**4,267**

See note 14 for further analysis of the movement in impairment allowances on loans and advances to customers.

13. Taxation

Analysis of tax charge recognised in the period:

	6 months ended 30 June 2026 (Unaudited) £'000	**6 months ended 30 June 2025 (Unaudited) £'000**	**Year ended 31 December 2025 (Audited) £'000**
Current taxation charge:			
UK corporation tax on profit for the current period	2,459	562	1,998
Adjustments in respect of prior years	-	-	1
Total current taxation charge	**2,459**	**562**	**1,999**
Deferred taxation charge:			
Current period	996	1,870	3,078
Adjustments in respect of prior years	-	-	(595)
Total deferred taxation charge	**996**	**1,870**	**2,483**
Total taxation charge	**3,455**	**2,432**	**4,482**

Current tax on profits reflects UK corporation tax levied at a rate of 25% for the period ended 30 June 2026 (30 June 2025: 25%; 31 December 2025: 25%). The Company is not subject to the banking surcharge levied at a rate of 3% on the profits of banking companies' chargeable to corporation tax after an allowance of £100 million per annum.

Expenses that are not deductible in determining taxable profits/losses include impairment losses, amortisation of intangible assets, depreciation of fixed assets, share-based payment expenses, client and staff entertainment costs, and professional fees which are capital in nature.

The Group had recognised a deferred tax asset in relation to prior period losses. During the period ended 30 June 2026, the Group's residual brought forward losses were fully utilised. Further detail on the deferred taxation asset is provided in note 18.

14. Loans and advances to customers

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Inventory finance and other lending:			
Loan book principal	888,090	722,126	830,734
Accrued interest and fees	4,509	4,339	4,141
Total inventory finance and other lending	**892,599**	**726,465**	**834,875**
Asset Finance:			
Asset finance receivable	56,838	7,340	19,146
Unearned income	(16,938)	(1,328)	(3,914)
Total asset finance	**39,900**	**6,012**	**15,232**
Gross carrying amount	**932,499**	**732,477**	**850,107**
less: impairment allowance	(9,753)	(7,762)	(8,501)
less: effective interest rate adjustment	(1,579)	(2,684)	(2,080)
Total loans and advances to customers	**921,167**	**722,031**	**839,526**

Refer to note 12 for further details on the impairment loss on financial assets recognised in the periods.

Ageing analysis of gross loan receivables:

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Not yet past due	925,829	721,889	842,912
Past due: 1 - 30 days (early arrears)	789	478	175
Past due: 31 - 90 days (mid/late arrears)	1,058	1,145	350
Past due: 90+ days (default)	4,823	8,965	6,670
Total gross carrying amount	**932,499**	**732,477**	**850,107**

Analysis of gross loans and advances to customers:

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2026 (Audited)	**785,729**	**54,741**	**9,637**	**850,107**
Transfer to Stage 1	46,653	(46,267)	(386)	-
Transfer to Stage 2	(139,506)	139,756	(250)	-
Transfer to Stage 3	(1,714)	(3,618)	5,332	-
Net lending/(repayment)	152,605	(63,993)	(5,432)	83,180
Write-offs	-	-	(788)	(788)
Total movement in receivables	**58,038**	**25,878**	**(1,524)**	**82,392**
As at 30 June 2026 (Unaudited)	**843,767**	**80,619**	**8,113**	**932,499**
Loss allowance coverage at 30 June 2026	0.57%	1.94%	41.85%	1.05%

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2025 (Audited)	**643,513**	**18,484**	**7,779**	**669,776**
Transfer to Stage 1	5,333	(5,067)	(266)	-
Transfer to Stage 2	(35,268)	35,268	-	-
Transfer to Stage 3	(10,811)	(7,655)	18,466	-
Net lending/(repayment)	94,114	(16,629)	(14,150)	63,335
Write-offs	(4)	(1)	(629)	(634)
Total movement in receivables	**53,364**	**5,916**	**3,421**	**62,701**
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

As at 30 June 2025 (Unaudited)	**696,877**	**24,400**	**11,200**	**732,477**
Loss allowance coverage at 30 June 2025	0.63%	0.79%	28.23%	1.06%

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2025 (Audited)	**643,513**	**18,484**	**7,779**	**669,776**
Transfer to stage 1	16,598	(13,352)	(3,246)	-
Transfer to stage 2	(101,638)	102,896	(1,258)	-
Transfer to stage 3	(16,207)	(15,798)	32,005	-
Net lending/(repayment)	243,479	(37,489)	(23,949)	182,041
Write-offs	(16)	-	(1,694)	(1,710)
Total movement in gross loan receivables	**142,216**	**36,257**	**1,858**	**180,331**
As at 31 December 2025 (Audited)	**785,729**	**54,741**	**9,637**	**850,107**
Loss allowance coverage at 31 December 2025	0.56%	1.30%	35.51%	1.00%

Analysis of impairment losses on loans and advances to customers:

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2026 (Audited)	**4,368**	**711**	**3,422**	**8,501**
Transfer to Stage 1	427	(427)	-	-
Transfer to Stage 2	(1,043)	1,043	-	-
Transfer to Stage 3	(191)	(546)	737	-
Remeasurement of impairment allowance	(1,157)	1,326	1,363	1,532
Net lending/(repayment)	2,392	(545)	(1,339)	508
Write-offs	-	-	(788)	(788)
Total movement in impairment allowance	**428**	**851**	**(27)**	**1,252**
As at 30 June 2026 (Unaudited)	**4,796**	**1,562**	**3,395**	**9,753**

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2025 (Audited)	**3,692**	**166**	**2,719**	**6,577**
Transfer to Stage 1	90	(90)	-	-
Transfer to Stage 2	(229)	229	-	-
Transfer to Stage 3	(35)	(64)	99	-
Remeasurement of impairment allowance	(922)	46	2,112	1,236
Net lending/(repayment)	1,811	(94)	(1,090)	627
Write-offs	-	-	(678)	(678)
Total movement in impairment allowance	**715**	**27**	**443**	**1,185**
As at 30 June 2025 (Unaudited)	**4,407**	**193**	**3,162**	**7,762**

	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 1 January 2025 (Audited)	**3,692**	**166**	**2,719**	**6,577**
Transfer to stage 1	214	(161)	(53)	-
Transfer to stage 2	(690)	712	(22)	-
Transfer to stage 3	(68)	(139)	207	-
Remeasurement of impairment allowance	(2,189)	384	4,616	2,811
Net lending/(repayment)	3,409	(251)	(2,351)	807
Write-offs	-	-	(1,694)	(1,694)
Total movement in loss allowance	**676**	**545**	**703**	**1,924**
As at 31 December 2025 (Audited)	**4,368**	**711**	**3,422**	**8,501**

15. Trade and other receivables

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Trade receivables	5,115	4,559	6,425
Impairment allowance	(529)	(422)	(556)
	4,586	**4,137**	**5,869**
Other debtors	737	265	470
Prepayments	2,704	2,084	1,395
	3,441	**2,349**	**1,865**
Total trade and other receivables	**8,027**	**6,486**	**7,734**

All trade receivables are due within one year and typically due for payment within 30 days of invoice.

The trade receivable balances are assessed for expected credit losses (ECL) under the 'simplified approach', which requires the Group to assess all balances for lifetime ECLs and is not required to assess significant increases in credit risk.

Ageing analysis of trade receivables:

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Not yet past due	4,541	4,004	5,792
Past due: 1 - 30 days (early arrears)	172	165	357
Past due: 31 - 90 days (mid/late arrears)	65	198	41
Past due: 90+ days (default)	337	192	235
Total trade receivables	**5,115**	**4,559**	**6,425**

Analysis of movement of impairment losses on trade receivables:

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
At 1 January	**556**	**216**	**216**
Amounts written off	(25)	(63)	(116)
Change in loss allowance due to new originations net of repayments	(2)	269	456
At period end	**529**	**422**	**556**

16. Current taxation asset

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
At 1 January	**40**	-	-
Credit to profit and loss account	86	-	-
Payments	-	-	40

At period end	**126**	**-**	**40**

17. Current taxation liability

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
At 1 January	**-**	**1,259**	**1,259**
Charge to profit and loss account	2,545	561	1,996
Payments	(2,419)	(1,631)	(3,256)
Adjustments in respect of prior years	-	-	1
At period end	**126**	**189**	**-**

18. Deferred taxation asset

The table below shows the movement in net deferred tax assets:

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
At 1 January	**1,912**	**3,980**	**3,980**
Charge to profit and loss account	(996)	(1,870)	(3,078)
Deferred tax directly included in equity	498	-	416
Adjustments in respect of prior years	-	-	594
At period end	**1,414**	**2,110**	**1,912**

Deferred tax assets have only been recognised to the extent the Group finds it probable be utilised against future taxable profits. As at 30 June 2026 the Group's deferred tax asset relates to temporary timing differences attributable to future corporation tax relief on share-based payments and fixed assets.

The Group had recognised a deferred tax asset in relation to historical losses on the balance sheet at 31 December 2022. During the period ended 30 June 2026, the Group's residual brought forward losses were fully utilised and no deferred tax asset in relation to prior period losses remains.

19. Right-of-use assets

	Buildings £'000
Cost:	
As at 31 December 2024 (Audited)	**1,299**
Additions	2,768
Disposals and write-offs	-
As at 30 June 2025 (Unaudited)	**4,067**
Additions	(217)
Disposals and write-offs	(1,299)
As at 31 December 2025 (Audited)	**2,551**
Additions	-
Disposals and write-offs	-
As at 30 June 2026 (Unaudited)	**2,551**
Accumulated depreciation:	
As at 31 December 2024 (Audited)	**1,097**
Charge for the period	226
Disposals and write-offs	-
As at 30 June 2025 (Unaudited)	**1,323**
Charge for the period	172
Disposals and write-offs	(1,299)

As at 31 December 2025 (Audited)	**196**
Charge for the period	127
Disposals and write-offs	-
As at 30 June 2026 (Unaudited)	**323**
Carrying amount:	
At 30 June 2025 (Unaudited)	2,744
At 31 December 2025 (Audited)	2,355
At 30 June 2026 (Unaudited)	**2,228**

The Group's right-of-use asset relates to the lease of its office premises. The lease agreement commenced in March 2025, at which point a right-of-use asset and lease liability were initially recognised in accordance with IFRS 16.

In December 2025, the Group increased the estimated restoration costs associated with the leased premises based on an updated assessment performed by an independent third-party specialist. In addition, the Group increased the incremental borrowing rate used to discount future lease payments. The combined impact of these updates results in a net decrease in the right-of-use asset. As the revised restoration costs and incremental borrowing rate represent the estimates and assumptions that should have been applied on initial recognition of the lease, the resulting change to the right-of-use asset is included as a negative addition in the table above for the year ended 31 December 2025.

The maturity analysis of lease liabilities is presented within note 23.

20. Notes to the cash flow statement

See below for reconciliation of balances classified as cash and cash equivalents, which are recognised within the consolidated cash flow statement:

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Cash and balances at central banks	228,021	84,856	131,676
Loans and advances to banks	3,917	9,472	3,165
Euro liquidity fund	3,278	-	5,722
Total cash and cash equivalents	**235,216**	**94,328**	**140,563**

Adjustments for non-cash items and other adjustments included in the income statement:

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Depreciation of property, plant and equipment	299	362	547
Depreciation of right-of-use assets	126	226	398
Impairment of property, plant and equipment	-	275	275
Loss/(gain) on disposal of property, plant and equipment	13	-	(3)
Amortisation of intangible assets	142	132	279
Loss on disposal of intangible assets	-	1	6
Share-based payments	423	614	1,254
Impairment allowances on receivables	2,038	2,187	4,060
Movement in other provisions	-	-	(217)
Dividend income on money market fund	(36)	(18)	(60)
Interest income on debt securities	-	-	(2)
Finance costs	139	102	226
Unwind of discount	16	15	37
Interest on subordinated liabilities	1,140	629	1,331
Amortisation of subordinated liabilities acquisition costs	5	5	10
Movement in effective interest rate adjustment	(502)	258	(347)
Total non-cash items and other adjustments	**3,803**	**4,788**	**7,794**

Net change in operating assets:

	30 June 2026	30 June 2025	31 December 2025

	(Unaudited) £'000	(Unaudited) £'000	(Audited) £'000
Increase in loans and advances to customers	(82,863)	(63,020)	(181,714)
Derivative financial instruments (asset)	(1,476)	(11)	(123)
Fair value adjustments for portfolio hedged risk (asset)	34	-	-
Increase in other assets	(581)	(2,599)	(4,517)
Increase in operating assets	**(84,886)**	**(65,630)**	**(186,354)**

Net change in operating liabilities:

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Increase in customer deposits	158,766	38,463	190,900
Derivative financial instruments (liability)	428	489	812
Fair value adjustments for portfolio hedged risk (liability)	(196)	151	247
Increase in other liabilities	2,691	2,429	3,209
Increase in operating liabilities	**161,689**	**41,532**	**195,168**

21. Equity

	30 June 2026 (Unaudited) No.	30 June 2025 (Unaudited) No.	31 December 2025 (Audited) No.	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Authorised: Ordinary shares of 1p each	179,369,199	179,369,199	179,369,199	1,793	1,793	1,793
Allotted, issued and fully paid: Ordinary shares of 1p each	179,369,199	179,369,199	179,369,199	1,793	1,793	1,793

Included in the ordinary shares above are a total of 12,642,866 treasury shares. In the year ended 31 December 2025, the Company repurchased 12,966,866 ordinary shares at a total cost of £4,876,862 inclusive of commission, these were held in treasury shares. 324,000 of these shares were used to settle the vesting of share option schemes during the year ended 31 December 2025. This reduced the carrying value of treasury shares by £121,857 to £4,755,005 as at 31 December 2025. These treasury shares do not carry voting rights or rights to dividends while held by the Company.

Analysis of the movements in equity:

	No. of shares #	Share Capital £'000	Merger Relief £'000	Total £'000
Balance at 1 January 2025 (Audited)	**179,369,199**	**1,793**	**94,911**	**96,704**
No transactions within the period	-	-	-	-
Balance at 30 June 2025 (Unaudited)	**179,369,199**	**1,793**	**94,911**	**96,704**
No transactions within the period	-	-	-	-
Balance at 31 December 2025 (Audited)	**179,369,199**	**1,793**	**94,911**	**96,704**
No transactions within the period	-	-	-	-
Balance at 30 June 2026 (Unaudited)	**179,369,199**	**1,793**	**94,911**	**96,704**

Own shares:

At 30 June 2026 the Group's Employee Benefit Trust held 2,618,325 (30 June 2025: 2,635,658; 31 December 2025: 2,635,660) ordinary shares in Distribution Finance Capital Holdings plc to meet obligations under the Company's share and share option plans. The shares are stated at cost and their market value at 30 June 2026 was £1,662,636 (30 June 2025: £1,027,907; 31 December 2025: £1,344,187).

22. Customer deposits

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Customer deposits	999,331	688,128	840,565
Total customer deposits	**999,331**	**688,128**	**840,565**
Amounts repayable within one year	777,048	609,584	638,211
Amounts repayable after one year	222,283	78,544	202,354
	999,331	**688,128**	**840,565**

23. Lease liabilities

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
At 1 January	**2,444**	**90**	**90**
Initial recognition	-	2,561	2,238
Interest expense	140	100	224
Lease payments	(137)	(108)	(108)
Lease modification	-	-	-
At period end	**2,447**	**2,643**	**2,444**

The Group's lease liability relates to the lease of its office premises. The lease agreement commenced in March 2025, at which point a right-of-use asset and lease liability were initially recognised in accordance with IFRS 16.

In December 2025, the Group increased the incremental borrowing rate used to discount future lease payments. The revised rate reflects the rate that should have been applied on initial recognition of the lease, therefore the resulting update to the lease liability is included in the initial recognition line in the table above for the year ended 31 December 2025.

The lease agreement includes a rent-free period in the first 12 months from inception of the lease, and a further half-rent-free period for 30 months. As a result, in the 12 months from the reporting date the expected lease repayments are lower than the associated finance cost. Therefore, the liability is increasing in over the rent-free periods, hence the current portion of the lease liability is negative, whilst the non-current portion is higher than the amount presented on the face of the balance sheet.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

All lease obligations are denominated in currency units.

The maturity analysis of lease liabilities is as follows:

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Current	(9)	(78)	(7)
Non-current	2,456	2,721	2,451
Total lease liabilities	**2,447**	**2,643**	**2,444**
Maturity analysis of expected lease payments:			
Year 1	274	138	275
Year 2	275	274	275

Year 3	544	275	408
Year 4	544	544	544
Year 5	543	544	544
Onwards	1,901	2,444	2,174
Total lease payments	**4,081**	**4,219**	**4,220**
Less: unearned interest	(1,634)	(1,576)	(1,776)
Total lease liabilities	**2,447**	**2,643**	**2,444**

24. Subordinated liabilities

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Tier 2 notes	20,000	10,000	15,000
Accrued interest	525	267	330
Deferred acquisition costs	(23)	(33)	(28)
Total subordinated liabilities	**20,502**	**10,234**	**15,302**

25. Investment securities

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Investments not measured at fair value:			
Money market fund	3,278	-	5,722
Total investment securities	**3,278**	**-**	**5,722**
Analysis of movements during the period:			
At 1 January	**5,722**	**769**	**769**
Purchased investment securities	9,291	5,031	21,080
Proceeds from sold or maturing securities	(11,719)	(5,818)	(16,267)
Interest income	36	18	62
Unrealised (losses)/gains	(52)	-	78
At period end	**3,278**	**-**	**5,722**
Maturity profile of investment securities:			
Within 12 months	3,278	-	5,722
Over 12 months	-	-	-

As at the period ended 30 June 2026, the Group's only active investment security was a Euro liquidity short term low volatility money market fund which the Group use to invest surplus funds from cross currency swaps which are not yet used to fund customers. The fund invests in a range of cash holding and short dated securities held to maturity, this materially removes exposure to market movements, meaning the fund consistently trades at par value. The Group have therefore treated the investment as a cash and cash equivalent with related purchases and sales not recognised in the cash flow statement. The Group receives dividends on the outstanding balance in the money market fund, however, this is accounted for as interest income due to the nature of the fund trading at par, which generates an agreed yield not driven by market conditions.

In comparative periods, the Group held other investment securities such as Government gilts and UK treasury bills which were not treated as cash and cash equivalents and as such were included in the cash flow statement.

In accordance with IFRS 9, all investment securities were assessed for impairment and treated as stage 1 assets in both reporting periods in both reporting periods.

26. Hedge accounting

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Hedged assets:			
Current hedge relationships	(34)	-	-
Swap inception adjustment	-	-	-
Fair value adjustments on hedged assets	**(34)**	**-**	**-**
Hedged liabilities:			
Current hedge relationships	(710)	305	484
Swap inception adjustment	(9)	(18)	(109)
Fair value adjustments on hedged liabilities	**(719)**	**287**	**375**

During the period ended 30 June 2026, the Group established a new macro fair value hedge of the benchmark interest rate risk on a portfolio of long term fixed-rate asset finance agreements, which generate fixed-rate income. The Group manages this risk exposure by entering into pay fixed and receive floating interest rate swaps.

The Group also has micro fair value hedges for its liabilities, in the form of its fixed rate customer deposits and subordinated liabilities.

At present, the Group expects its hedging relationships to be highly effective as the Group hedges assets and liabilities for which the fair value movements between the hedged item and hedging instrument are expected to be highly correlated.

Further, the Group does not anticipate having to rebalance the hedging relationship once entered into due to the contractual terms of the hedged liabilities meaning that the contractual cash flows are highly predictable, with any deviation likely to be negligible. In the period ended 30 June 2026, there has been no cancelled or de-designated hedge relationships due to failed hedge accounting relationships.

27. Financial instruments

Analysis of financial instruments by valuation model

The Group measures fair values using the following hierarchy of methods:

- Level 1 - Quoted market price in an active market for an identical instrument
- Level 2 - Valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for similar instruments that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Financial assets and liabilities that are not measured at fair value

30 June 2026 (Unaudited)	Carrying amount £'000	Fair value £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets not measured at fair value:					
Cash and balances at central banks	228,021	228,021	228,021	-	-
Loans and advances to banks	6,621	6,621	6,621	-	-
Investment securities					

Investment securities	3,278	3,278	3,278	-	-
Loans and advances to customers	921,167	921,167	-	-	921,167
Trade receivables	4,586	4,586	-	-	4,586
Other receivables	737	737	-	-	737
	1,164,410	**1,164,410**	**237,920**	**-**	**926,490**
Financial liabilities not measured at fair value:					
Customer deposits	999,331	997,488	-	-	997,488
Other financial liabilities	2,447	2,447	-	-	2,447
Subordinated liabilities	20,502	21,040	-	21,040	-
Trade payables	274	274	-	-	274
Other payables	10,396	10,396	-	-	10,396
	1,032,950	**1,031,645**	**-**	**21,040**	**1,010,605**

30 June 2025 (Unaudited)	**Carrying amount £'000**	**Fair value £'000**	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
Financial assets not measured at fair value:					
Cash and balances at central banks	84,856	84,856	84,856	-	-
Loans and advances to banks	11,599	11,599	11,599	-	-
Investment securities	-	-	-	-	-
Loans and advances to customers	722,031	722,031	-	-	722,031
Trade receivables	4,137	4,137	-	-	4,137
Other receivables	265	265	-	-	265
Financial assets	**822,888**	**822,888**	**96,455**	**-**	**726,433**
Financial liabilities not measured at fair value:					
Customer deposits	688,128	686,851	-	-	686,851
Other financial liabilities	2,643	2,643	-	-	2,643
Subordinated liabilities	10,234	10,524	-	10,524	-
Trade payables	221	221	-	-	221
Other payables	8,448	8,448	-	-	8,448
Financial liabilities	**709,674**	**708,687**	**-**	**10,524**	**698,163**

31 December 2025 (Audited)	**Carrying amount £'000**	**Fair value £'000**	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
Financial assets not measured at fair value:					
Cash and balances at central banks	131,676	131,676	131,676	-	-
Loans and advances to banks	5,894	5,894	5,894	-	-
Investment securities	5,722	5,722	5,722	-	-
Loans and advances to customers	839,526	839,526	-	-	839,526
Trade receivables	5,869	5,869	-	-	5,869
Other receivables	470	470	-	-	470
	989,157	**989,157**	**143,292**	**-**	**845,865**
Financial liabilities not measured at fair value:					
Customer deposits	840,565	838,673	-	-	838,673
Other financial liabilities	2,444	2,444	-	-	2,444
Subordinated liabilities	15,302	15,727	-	15,727	-
Trade payables	311	311	-	-	311
Other payables	6,523	6,523	-	-	6,523
	865,145	**863,678**	**-**	**15,727**	**847,951**

Where assets and liabilities are not measured at fair value, the Group has calculated their fair values at the reporting date as follows:

Cash and balances at central banks

This represents cash held at central banks where fair value is considered to be equal to carrying value.

Loans and advances to banks

This mainly represents the Group's working capital current accounts with other banks with an original maturity of less than one month. Fair value is not considered to be materially different to carrying value.

Investment securities

The investment securities carried at amortised cost represent the Group's investment in a money market fund.

Due to the short-term nature of the underlying investments which are held to maturity, the fund has never deviated from par value. The carrying value is therefore considered to be approximately equal to the fair value.

Loans and advances to customers

The Group has performed an assessment to determine the fair value of loans and advances to customers, and it was determined that due to the majority being short-term in nature, their carrying value is materially equal to their fair value.

Customer deposits

The fair value of fixed rate customer deposits has been estimated by discounting future cash flows at current market rates of interest which are currently higher than current customer rates offered and as such the discounting is higher and the fair value is estimated to be less than carrying value.

Subordinated liabilities

The fair value of the subordinated liabilities is estimated by discounting the expected cashflows using an interest rate for similar liabilities with the same remaining maturity rate and credit profile.

Trade and other receivables, other borrowings and other liabilities

These represent short-term receivables and payables and as such their carrying value is considered to be equal to their fair value.

Financial assets and liabilities included in the statement of financial position that are measured at fair value:

30 June 2026 (Unaudited)	Carrying Amount £'000	Principal Amount £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets measured at fair value:					
Derivative assets	989	101,804	-	989	-
	989	**101,804**	**-**	**989**	**-**
Financial liabilities measured at fair value:					
Derivative liabilities	1,245	236,921	-	1,245	-
	1,245	**236,921**	**-**	**1,245**	**-**

30 June 2025 (Unaudited)	Carrying Amount £'000	Principal Amount £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets measured at fair value:					
Derivative assets	306	25,000	-	306	-
	306	**25,000**	**-**	**306**	**-**
Financial liabilities measured at fair value:					
Derivative liabilities	495	55,156	-	495	-
	495	**55,156**	**-**	**495**	**-**

31 December 2025 (Audited)	Carrying Amount £'000	Principal Amount £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets measured at fair value:					
Derivative assets	411	83,776	-	411	-
	411	**83,776**	**-**	**411**	**-**
Financial liabilities measured at fair value:					
Derivative liabilities	819	119,444	-	819	-
	819	**119,444**	**-**	**819**	**-**

Derivatives

The fair values of derivative instruments are determined using observable market data. Interest rate swap (IRS) valuations are calculated internally using discounted cash flow valuation techniques and market interest rate curves. Cross-currency swap (CCS) valuations are provided by a third party and are based on the market values of similar financial instruments.

Financial risk management

The Group's activities and the existence of the above financial instruments expose it to a variety of financial risks.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce ongoing risk as far as possible without unduly affecting the Group's competitiveness and flexibility

The Group is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Interest rate risk

Further details regarding these policies are set out below.

Credit risk

Credit risk is the risk of financial loss arising from a client, customer or counterparty failing to meet their financial obligations to the Group or repay in accordance with agreed terms. Credit risk is considered the most significant risk faced by the Group.

Credit risk management

The Group has a dedicated credit risk function, which is responsible for implementing a credit framework and complying with lending policy and standards. The overriding objective of the framework is to ensure that the Group operates within its agreed credit appetite, as set by the Board. The main categories of credit risk are:

- Client default risk - risks arising from the failure of a borrower.
- Credit concentration risk - risk of loss from concentration of credit risk to a specific individual (or aggregated group), counterparty, asset class or industry sector.
- Repurchase risk - risk of loss arising from the failure of a manufacturer to meet a claim under a re-purchase agreement.
- Security risk - losses from the realisation of assets charged or pledged to the Group. This includes a sale out of trust.
- Counterparty risk - the failure of a bank counterparty or derivative provider.

The credit risk function ensure that credit risk exposures are compliant with regulatory and legal requirements and protect customers from harm. Policies are continually developed to reflect changes to regulation, economic conditions and lessons learned. Policies, standards and procedures are designed to ensure that Board approved appetite is not exceeded, transactions are consistently documented, and vulnerable customers are identified and treated appropriately.

Credit risk and credit applications are sanctioned by appropriately skilled bankers within the discretion matrix.

Emphasis is placed on maintaining a diverse and balanced portfolio, within clearly defined industry sectors and security requirements. Credit risk is monitored throughout the lifecycle of each facility and we use rating-based models to assess the quality of the portfolio.

Significant increase in credit risk

The Group continuously monitors all assets subject to Expected Credit Loss as to whether there has been a significant increase in credit risk since initial recognition, either through a significant increase in Probability of Default ("PD") or in Loss Given Default ("LGD").

The short tenor of inventory finance loan facilities, which continue to represent the majority of loans and advances to customers, reduce the possible adverse effect of changes in economic conditions and/or the credit risk profile of the counterparty.

The Group nonetheless measures a change in a counterparty's credit risk mainly on payment performance and end of contract repayment behaviour. The regular collateral audit process and interim reviews may highlight other changes in a counterparty's risk profile, such as the security asset no longer being under the control of the borrower.

Identifying loans and advances in default and credit impaired

The Group's definition of default for this purpose is:

- A counterparty defaults on a payment due under a loan agreement and that payment is more than 90 days overdue;
- A counterparty commits an event of default under the terms and conditions of the loan agreement which leads the lender to believe that the borrower's ability to meet its credit obligations to the lender is in doubt; or
- The Group is made aware of a severe deterioration of the credit profile of the customer which is likely to impede the customers' ability to satisfy future payment obligations.

Maximum exposure to credit risk:

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Loans and advances to banks	6,621	11,599	5,894
Derivative assets	989	306	411
Loans and advances to customers	921,167	722,031	839,526
Trade and other receivables	5,323	4,402	6,339
	934,100	**738,338**	**852,170**

Collateral held as security:

	30 June 2026 (Unaudited) £'000	30 June 2025 (Unaudited) £'000	31 December 2025 (Audited) £'000
Collateralised lending:			
Loan-to-value* ratio:			
Less than 50%	43,549	25,567	21,117
51% to 70%	106,046	53,720	82,754
71% to 80%	184,145	128,025	159,959
81% to 90%	169,826	133,613	123,373
91% to 100%	384,005	381,675	445,367
Hire purchase	39,900	6,011	15,232
Total collateralised lending	**927,471**	**728,611**	**847,802**
Unsecured lending	**5,028**	**3,866**	**2,305**

* Calculated using wholesale collateral values. Wholesale collateral values represent the invoice total (including applicable VAT) from the invoice received from the supplier of the product. The wholesale amount is less than the recommended retail price (RRP) of the product.

The majority of the Group's lending activities are asset based so it expects that its exposure is secured by the collateral value of the asset that has been funded under the loan agreement. The Group has title to the collateral which is funded under loan agreements. The collateral includes boats, motorcycles, recreational vehicles, caravans, light commercial vehicles, industrial and agricultural equipment. The collateral has low depreciation and is not subject to rapid technological changes or redundancy. There has been no change in the Group's assessment of collateral and its underlying value in the reporting period.

The assets are generally in the counterparty's possession, but this is controlled and managed by the asset audit process. The audit process checks on a periodic basis that the asset is in the counterparty's possession and has not been sold out of trust or is otherwise not in the counterparty's control. The frequency of the audits is initially determined by the risk rating assessed at the time that the borrowing facility is first approved and is assessed on an ongoing basis.

Additional security may also be taken to further secure the counterparty's obligations and further mitigate risk. Further to this, in many cases, the Group is often granted, by the counterparty, an option to sell-back the underlying collateral or redistribute the asset within their underlying network to prevent losses resulting from defaults.

Based on the Group's current principal products, the counterparty repays its obligation under a loan agreement with the Group at or before the point that it sells the asset. If the asset is not sold and the loan agreement reaches maturity, the counterparty is required to pay the amount due under the loan agreement plus any other amounts due. In the event that the counterparty does not pay on the due date, the Group's customer management process will maintain frequent contact with the counterparty to establish the reason for the delay and agree a timescale for payment. Senior Management will review actions on a regular basis to ensure that the Group's position is not being prejudiced by delays.

In the event the Group determines that payment will not be made voluntarily, it will enforce the terms of its loan agreement and recover the asset, initiating legal proceedings for delivery, if necessary. If there is a shortfall between the net sales proceeds from the sale of the asset and the counterparty's obligations under the loan agreement, the shortfall is payable by the counterparty on demand.

As at 30 June 2026, 99.5% of the loan portfolio was fully collateralised (30 June 2025: 99.5%; 31 December 2025: 99.7%).

Concentration of credit risk

The Group maintains policies and procedures to manage concentrations of credit at the counterparty level and industry level to achieve a diversified loan portfolio.

The below table analyses gross carrying amount and impairment allowance by counterparty industry sector:

	30 June 2026 (Unaudited)		30 June 2025 (Unaudited)		31 December 2025 (Audited)	
	£'000	**Portfolio %**	**£'000**	**Portfolio %**	**£'000**	**Portfolio %**
Inventory finance:						
Motorhome & caravan	238,789	25.6%	220,375	30.1%	236,893	27.9%
Transport	118,496	12.7%	110,560	15.1%	158,813	18.7%
Marine	103,536	11.1%	84,566	11.5%	96,812	11.4%
Automotive	58,354	6.2%	39,273	5.4%	50,750	6.0%
Motorcycle	38,213	4.1%	39,884	5.4%	33,167	3.9%
Lodges	86,929	9.3%	81,240	11.1%	75,228	8.8%
Industrial	47,231	5.1%	40,796	5.6%	48,273	5.7%
Agricultural	18,961	2.0%	20,749	2.8%	18,536	2.1%
Other serialised assets	7,981	0.9%	1,568	0.2%	3,649	0.4%
	718,490	**77.0%**	**639,011**	**87.2%**	**722,121**	**84.9%**
Structured finance:						
Invoice finance	10,181	1.1%	7,633	1.0%	11,133	1.3%
Secured business loan	93,346	10.0%	20,599	2.8%	38,225	4.5%
Wholesale finance	70,582	7.6%	59,223	8.1%	63,396	7.5%
	174,109	**18.7%**	**87,455**	**11.9%**	**112,754**	**13.3%**
Asset finance	**39,900**	**4.3%**	**6,011**	**0.9%**	**15,232**	**1.8%**
Total gross carrying amount	**932,499**	**100%**	**732,477**	**100%**	**850,107**	**100%**

	£'000	**ECL coverage %**	**£'000**	**ECL coverage %**	**£'000**	**ECL coverage %**
Leisure:						
Motorhome & caravan	(2,040)	0.9%	(1,268)	0.6%	(1,489)	0.6%
Transport	(458)	0.4%	(429)	0.4%	(750)	0.5%
Marine	(600)	0.6%	(619)	0.7%	(643)	0.7%

Automotive	(1,354)	2.3%	(1,062)	2.7%	(1,289)	2.5%
Motorcycle	(1,480)	3.9%	(841)	2.1%	(894)	2.7%
Lodges	(1,415)	1.6%	(1,242)	1.5%	(1,732)	2.3%
Industrial	(213)	0.5%	(217)	0.5%	(270)	0.6%
Agricultural	(152)	0.8%	(860)	4.1%	(164)	0.9%
Other serialised assets	(55)	0.7%	(17)	1.1%	(34)	0.9%
	(7,767)	**1.1%**	**(6,555)**	**1.0%**	**(7,265)**	**1.0%**
Structured finance:						
Invoice finance	(84)	0.8%	(66)	0.9%	(111)	1.0%
Secured business loan	(1,044)	1.1%	(241)	1.2%	(294)	0.8%
Wholesale finance	(427)	0.6%	(831)	1.4%	(566)	0.9%
	(1,555)	**0.9%**	**(1,138)**	**1.3%**	**(971)**	**0.9%**
Asset finance	**(431)**	**1.1%**	**(69)**	**1.2%**	**(265)**	**1.7%**
Total Impairment allowance	**(9,753)**	**1.0%**	**(7,762)**	**1.1%**	**(8,501)**	**1.0%**

Credit quality

The risk rating is an internal rating system of counterparty credit risk whereby the Group will allocate a rating from 1 to 9, 1 being the highest level of credit quality and 9 being the lowest level of credit quality. The Group uses Experian Delphi scores to set risk ratings which in turn determine the probability of default for each counterparty. In the majority of cases, the Experian Delphi score will be used without management override adjustments. However, where the Delphi score differs from the Group's assessment of credit risk and/or where a Delphi score cannot be derived such as in the case of sole traders or unincorporated partnerships, either a Delphi score uplift or a Delphi score equivalent is utilised to calculate an internal risk rating. The risk rating for each counterparty is reviewed on an ongoing basis and recorded as at the reporting date.

An analysis of the Group's credit risk exposure for loan and advances to customers, internal risk rating and "stage" is provided in the following tables. A description of the meanings of stages 1, 2 and 3 was given in the accounting policies set out above. See below table of gross loan receivables by risk rating and IFRS 9 stage allocation:

30 June 2026 (Unaudited)	**Stage 1**		**Stage 2**		**Stage 3**		**Total**	
	£'000	**Portfolio %**	**£'000**	**Portfolio %**	**£'000**	**Portfolio %**	**£'000**	**Portfolio %**
Gross carrying amount:								
Above average (Risk rating 1-2)	507,087	54.4%	170	0.0%	25	0.0%	507,282	54.4%
Average (Risk rating 3-5)	273,914	29.4%	31,285	3.4%	190	0.0%	305,389	32.7%
Below average (Risk rating 6+)	62,766	6.7%	49,164	5.3%	7,898	0.8%	119,828	12.9%
Total gross carrying amount	**843,767**	**90.5%**	**80,619**	**8.7%**	**8,113**	**0.8%**	**932,499**	**100.0%**
	£'000	**ECL coverage %**	**£'000**	**ECL coverage %**	**£'000**	**ECL coverage %**	**£'000**	**ECL coverage %**
Impairment allowance:								
Above average (Risk rating 1-2)	(1,736)	0.3%	(2)	0.1%	(19)	73.8%	(1,757)	0.3%
Average (Risk rating 3-5)	(2,025)	0.7%	(242)	0.8%	(65)	34.1%	(2,332)	0.8%
Below average (Risk rating 6+)	(1,035)	1.6%	(1,318)	2.7%	(3,311)	41.9%	(5,664)	4.7%
Total impairment allowance	**(4,796)**	**0.6%**	**(1,562)**	**1.9%**	**(3,395)**	**41.8%**	**(9,753)**	**1.0%**

30 June 2025 (Unaudited)	**Stage 1**		**Stage 2**		**Stage 3**		**Total**	
	£'000	**Portfolio %**	**£'000**	**Portfolio %**	**£'000**	**Portfolio %**	**£'000**	**Portfolio %**
Gross carrying								

amount:								
Above average (Risk rating 1-2)	496,124	67.7%	768	0.1%	2,138	0.3%	499,030	68.1%
Average (Risk rating 3-5)	182,682	24.9%	15,832	2.2%	4,177	0.6%	202,691	27.7%
Below average (Risk rating 6+)	18,071	2.5%	7,800	1.1%	4,885	0.6%	30,756	4.2%
Total gross carrying amount	**696,877**	**95.1%**	**24,400**	**3.4%**	**11,200**	**1.5%**	**732,477**	**100.0%**
	£'000	**ECL coverage %**	**£'000**	**ECL coverage %**	**£'000**	**ECL coverage %**	**£'000**	**ECL coverage %**
Impairment allowance:								
Above average (Risk rating 1-2)	(1,838)	0.4%	(1)	0.1%	(343)	16.0%	(2,182)	0.4%
Average (Risk rating 3-5)	(2,177)	1.2%	(95)	0.6%	(538)	12.9%	(2,810)	1.4%
Below average (Risk rating 6+)	(392)	2.2%	(97)	1.2%	(2,281)	46.7%	(2,770)	9.0%
Total impairment allowance	**(4,407)**	**0.6%**	**(193)**	**0.8%**	**(3,162)**	**28.2%**	**(7,762)**	**1.1%**

31 December 2025 (Audited)	**Stage 1**		**Stage 2**		**Stage 3**		**Total**	
	£'000	**Portfolio %**	**£'000**	**Portfolio %**	**£'000**	**Portfolio %**	**£'000**	**Portfolio %**
Gross carrying amount:								
Above average (Risk rating 1-2)	514,559	60.5%	-	-	-	-	514,559	60.5%
Average (Risk rating 3-5)	244,556	28.8%	27,623	3.2%	737	0.1%	272,916	32.1%
Below average (Risk rating 6+)	26,614	3.1%	27,118	3.2%	8,900	1.1%	62,632	7.4%
Total gross carrying amount	**785,729**	**92.4%**	**54,741**	**6.4%**	**9,637**	**1.2%**	**850,107**	**100.0%**
	£'000	**ECL coverage %**	**£'000**	**ECL coverage %**	**£'000**	**ECL coverage %**	**£'000**	**ECL coverage %**
Impairment allowance:								
Above average (Risk rating 1-2)	(1,768)	0.3%	-	-	-	-	(1,768)	0.3%
Average (Risk rating 3-5)	(2,034)	0.8%	(175)	0.6%	-	-	(2,209)	0.8%
Below average (Risk rating 6+)	(566)	2.1%	(536)	2.0%	(3,422)	38.4%	(4,524)	7.2%
Total impairment allowance	**(4,368)**	**0.6%**	**(711)**	**1.3%**	**(3,422)**	**35.5%**	**(8,501)**	**1.0%**

See note 14 for analysis of the movements in gross loan receivables and impairment allowances in terms of IFRS 9 staging.

Analysis of credit quality of trade receivables:

	30 June 2026	**30 June 2025**	**31 December 2025**

	(Unaudited) £'000	(Unaudited) £'000	(Audited) £'000
Status at balance sheet date:			
Not past due, nor defaulted	4,542	3,984	5,780
Past due but not in default	197	345	390
Defaulted	376	230	255
Total gross carrying amount	**5,115**	**4,559**	**6,425**
Impairment allowance	(529)	(422)	(556)
Carrying amount	**4,586**	**4,137**	**5,869**

Financial guarantee schemes

As at 30 June 2026, the Group continues to utilise financial guarantee schemes which allow the Group to reduce its regulatory capital requirements, which includes an ENABLE guarantee scheme with the British Business Bank for a maximum facility limit of £350m. The Group also holds a trade credit insurance policy covering a portion of the Group's loan book exposure in the case of default. The Group has considered the impact of the financial guarantee schemes on its expected credit losses which has been deemed to have an immaterial net impact given the recourse criteria thresholds on the scheme.

Amounts written off

The contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity is £nil at 30 June 2026 (30 June 2025: £nil; 31 December 2025: £nil).

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations as they fall due or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance operations and can be affected by a range of Group-specific and market-wide events.

Refer to the audited Annual Report and Financial Statements of the Group for the year ended 31 December 2025 for further details of the Group's approach to liquidity risk management.

Market risk

Market risk is the risk that movements in market factors, such as foreign exchange rates, interest rates, credit spreads, equity prices and commodity prices will reduce the Group's income or the value of its assets.

The principal market risk to which the Group is exposed is interest rate risk in the banking book (IRRBB).

The Group's Treasury function is responsible for managing the Group's exposure to all aspects of market risk within the operational limits set out in the Group's treasury policies, with the overall objective of managing market risk in line with the Group's risk appetite. The Asset and Liability Committee approves the Group's treasury policies and receives regular reports on all aspects of market risk exposure, including IRRBB.

Refer to the audited Annual Report and Financial Statements of the Group for the year ended 31 December 2025 for further details of the Group's approach to market risk management.

28. Earnings per share

Earnings attributable to ordinary shareholders	**30 June 2026 (Unaudited) £'000**	**30 June 2025 (Unaudited) £'000**	**31 December 2025 (Audited) £'000**
Profit after tax attributable to the shareholders	9,959	6,606	15,159

Weighted average number of shares, thousands			
Basic	166,726	173,077	169,876
Dilutive impact of share-based payment schemes	9,269	10,231	9,914
Diluted	175,995	183,308	179,790
Earnings per share, pence per share			
Basic	6.0	3.8	8.9
Diluted	5.7	3.6	8.4

The earnings per share figures for the six months ended 30 June 2026 and 30 June 2025 are based on profit after tax attributable to shareholders for the respective six-month period. The earnings per share figure for the year ended 31 December 2025 is based on profit after tax attributable to shareholders for the full financial year.

29. Related party disclosures

During the six months period ended 30 June 2026, related party transactions have had no material effect on the financial position or performance of the Group. The related party transactions remain similar in nature to those disclosed in the audited financial statements of the Group for the year ended 31 December 2025.

30. Subsequent events

There have been no subsequent events between 30 June 2026 and the date of this report which would have a material impact on the financial position of the Group.

Alternative Performance Measures

Certain financial measures disclosed in this Interim Report do not have a standardised meaning prescribed by International Financial Reporting Standards (IFRS) and may therefore not be comparable to similar measures presented by other issuers. These measures (defined below) are deemed to be alternative performance measures ("APMs").

APMs may be considered in addition to, but not as a substitute for, the reported IFRS results. The Group believes that these APMs, when considered together with reported IFRS results, provide stakeholders with additional information to better understand the Group's financial performance.

APMs that incorporate figures from the statement of comprehensive income and are expressed as percentages have been annualised to facilitate meaningful comparison with full-year reporting periods.

Adjusted profit before tax (£m):

	30 June 2026 (Unaudited)	**30 June 2025 (Unaudited)**	**31 December 2025 (Audited)**
Profit before tax (£m)	13.4	9.0	19.6
Less: impact of VAT recovery in 2025	-	-	(1.5)
Adjusted profit before tax (£m)	**13.4**	**9.0**	**18.1**

This adjusted profit before tax figure deducts a one-off VAT recovery in 2025 relating to prior periods.

Cost of risk (%):

	30 June 2026 (Unaudited)	**30 June 2025 (Unaudited)**	**31 December 2025 (Audited)**
Impairment charges (£m)	(2.2)	(2.2)	(4.3)
Average gross receivables (£m)	885.1	689.7	720.0
Adjusted cost of risk (%)	**0.49%**	**0.63%**	**0.59%**

Impairments charges in the period as a % of average gross receivables.

Adjusted basic earnings per share (pence):

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Audited)
Profit after tax (£m)	10.0	6.6	15.2
Less: impact of VAT recovery in 2025 (£m)	-		(1.1)
Adjusted profit after tax (£m)	10.0	6.6	14.1
Weighted average number of ordinary shares outstanding ('000)	166,726	173,077	169,876
Adjusted basic earnings per share (pence)	**6.0p**	**3.8p**	**8.3p**

Profit after tax adjusted for a one-off VAT recovery in 2025 relating to prior period divided by the weighted average number of shares in issue during the year.

Adjusted return on tangible equity (%):

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Audited)
Profit after tax (£m)	10.0	6.6	15.2
Less: impact of VAT recovery in 2025 (£m)	-	-	(1.1)
Adjusted profit after tax (£m)	10.0	6.6	14.1
Average equity (£m)	131.2	116.2	118.6
Adjusted return on tangible equity (%)	**15.3%**	**11.4%**	**11.9%**

Profit after tax adjusted for a one-off VAT recovery in 2025 relating to prior periods divided by average tangible equity.

Gross revenues (£m):

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Audited)
Interest and similar income	54.6	43.9	90.7
Fee income	0.9	0.6	1.7
Fee expenses	(0.7)	(0.8)	(1.6)
Net (losses)/gains from derivatives and other financial instruments at fair value through profit or loss	1.3	(0.5)	(0.8)
Other income	-	-	-
Foreign currency gain/(loss)	(1.1)	0.5	0.9
Total gross revenues (£m)	**55.0**	**43.7**	**90.9**

Sum of interest and similar income, fee income and expenses, other operating income and net gains/(losses) from derivatives and foreign currency movements.

Net interest margin (%):

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Audited)
Total operating income (£m)	33.1	26.8	56.0
Less: Net (gains)/losses from derivatives and other financial instruments (£m)	(0.2)	-	(0.1)
Adjusted total operating income (£m)	32.9	26.8	55.9
Average gross receivables (£m)	885.1	689.7	720.0
Net interest margin (%)	**7.5%**	**7.8%**	**7.8%**

Total operating income less net (gains)/losses from derivatives and other financial instruments, as a % of gross receivables at the period end.

Tangible net asset value per share:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Audited)
Total assets (£m)	1,176.5	832.0	999.8
Total liabilities (£m)	(1,038.7)	(714.4)	(872.5)
Net assets (£m)	137.8	117.6	127.2

Less: Intangible assets	(0.8)	(0.8)	(0.7)
Net assets less intangible assets (£m)	137.0	116.8	126.5
Period end number of shares in issue	179,369	179,369	179,369
Less: treasury shares ('000)	(12,643)	(12,967)	(12,643)
Adjusted period number of ordinary shares outstanding excluding treasury shares ('000)	166,726	166,402	166,726
Tangible net asset value per share (pence)	**82.2p**	**70.2p**	**75.9p**

Net assets less intangible assets divided by the number of shares in issue at the period end.

Impairment loss coverage on loans to customers (%):

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Audited)
Impairment allowance on loans and advances to customers (£m)	9.8	7.8	8.5
Gross carrying amount of loans and advances to customers (£m)	932.5	732.5	850.1
Impairment coverage on loans to customers (%)	**1.05%**	**1.06%**	**1.00%**

Impairment allowance as a % of gross carrying amount of loans and advances to customers at the period end.

Regulatory capital (£m):

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 December 2025 (Unaudited)
Common Equity Tier 1 capital	121.3	101.7	112.4
Tier 2 capital	20.5	10.2	15.3
Regulatory capital (£m)	**141.8**	**111.9**	**127.7**

Regulatory capital is the Common Equity Tier 1 capital together with Tier 2 capital.

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