

A background image of a street lined with houses, partially obscured by a dark blue overlay. The houses have gabled roofs and some have flower boxes. A car is parked on the street in the distance.

Peer Funding Limited Trading as Sourced Capital Outcomes Statement

Financial Year-Ending 31st December 2025.

Introduction

This Outcomes Statement is designed to help current and potential investors understand how the loan portfolio at Sourced Capital has performed during the most recently reported trading period.

In keeping with the Financial Conduct Authority's rules, Sourced Capital must publish this statement within four months of our financial year-end.

This Outcomes Statement will include (as applicable):

- (1) the expected and actual default rate of all P2P agreements the firm has facilitated by risk category, by reference to the risk categories set out in the risk management framework;
- (2) a summary of the assumptions used in determining expected future default rates; and
- (3) where the firm offered a target rate, the actual return achieved.

Loan Performance – NB All loans presented for Investor Participation have been “Medium Risk.”

Year	2020 and earlier *	2021 *	2022 *	2023	2024	2025
Loan Facilities drawn the year to 31/12 (£) (Note 1)		£6,229,330	£14,956,000	£12,015,250	£5,765,035	£3,034,749
Cumulative value of total facilities (£) (Note 2)	£15,805,953	£22,035,283	£36,991,283	£49,006,533	£54,771,568	£57,707,318
Live Loan total facilities (£) (Note 3)		£11,371,779	£20,630,000	£27,270,245	£24,519,182	£16,164,396
Projected capital bad debt write-off as a percentage of Live Loans (%) (Note 4)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Value of Loans in default as a percentage of Live Loans (%) (Note 5)	0.0%	0.0%	0.0%	1.26%	4.3%	17.9%
Value of Loans in default as a percentage of cumulative loans (%) (Note 6)	0.0%	0.0%	0.0%	0.7%	1.9%	5.03%
Actual capital bad debt written off during the current reporting period (£) (Note 7)	Nil	Nil	Nil	Nil	Nil	£174,038
Actual capital bad debt written off cumulatively (£) (Note 8)	Nil	Nil	Nil	Nil	Nil	£174,038
Actual capital bad debt written off as a % of cumulative total loans (%) (Note 9)	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
Capital repaid during the current reporting period (£) (Note 10)		£6,035,204	£5,697,779	£5,375,005	£9,698,103	£11,621,575

Capital repaid cumulatively (Note 11)	£4,628,300	£10,663,504	£16,361,283	£21,736,288	£31,434,391	£41,542,921
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- 1.Total of loan facilities drawn down in the year.
- 2.Total Cumulative Lending drawn to date.
- 3.Total of the 'Live' Loan Facilities (i.e. drawn down but not repaid)
- 4.Potential losses for investors (capital bad debt write off) is projected at 1% of capital invested. This low projected rate reflects the secured nature of the loans provided, the maximum LTGDV of 70%, the use of tranche drawdowns for developments and the actual performance metrics.
- 5.Total loans in Default. "Default" is specifically defined by the FCA for P2P loans secured on property as being past the contractual payment date by more than 180 days. This is shown as a percentage of Live Loans. Loans may be classified as defaulted purely because they have operated beyond their expected timeline, however, this classification does not reflect the expected loss on these loans, which may still be fully recoverable.
- 6.Total loans in Default. "Default" is specifically defined by the FCA for P2P loans secured on property as being past the contractual payment date by more than 180 days. This is shown as a percentage of Cumulative Loans.
- 7.Total of all capital bad debts written off as an actual £ amount during the reporting period.
- 8.Total of all capital bad debts written off as an actual £ amount, reported as a cumulative figure.
- 9.Actual capital bad debt written off as an actual % of cumulative total loans.
- 10.Loan balances repaid and distributed to investors during the reporting period. This is capital only, with the interest distribution showing in the following section of this Outcomes Statement
11. Loan balances repaid and distributed to investors during on a cumulative basis. This is capital only, with the interest distribution showing in the following section of this Outcomes Statement

This Outcomes Statement provides a transparent overview of loan performance and investor returns for the financial year ending 31 December 2025. Key highlights include:

- Expected Default Rate:

Sourced Capital has established a pre-determined expected default rate of 7%, which it considers to be an acceptable level of risk within its peer-to-peer lending framework. This threshold aligns with the Financial Conduct Authority's (FCA) definition of default for property-backed P2P loans, which occurs when a loan is past its contractual payment date by more than 180 days. For the reporting period ending 31 December 2025, Sourced Capital continues to apply a prudent expected default rate of 7%, consistent with its risk management framework and FCA rules. Actual default levels during the period were 17.9% of live loans and 5.03% of cumulative loans, based on the FCA definition of default. While this increase reflects several

loans extending beyond their anticipated timelines, the majority of these cases are supported by strong underlying security, and a material proportion of these defaulted loans is expected to be recovered through enforcement process or agreed revised repayment strategies.

- Loan Repayment Adjustments:

In cases where a P2P loan exceeded its expected repayment date, the situation was resolved through a majority lender vote. This democratic process led to a revised repayment schedule, and all such loans were subsequently repaid in full, maintaining the platform's strong repayment record.

- Performance Metrics:

During the 2025 reporting period, £174,038 of capital was written off, making the first recorded capital bad debt write-off for the platform. Despite this, loan performance remained broadly robust with £11,621,575 of capital repaid to investors during the year. Interest returns continued to exceed targeted rates across investment tiers, reflecting strong repayment outcomes on the majority of facilities and the continued resilience of the secured lending model, which benefits from first-charge security and conservative LTGDV criteria.

This statement reinforces Sourced Capital's commitment to transparency, investor protection, and consistent performance in the P2P lending space.

* With effect from 1/2/2022 Jark 2 Limited completed the acquisition of Peer Funding Limited with full FCA approval. From 1st February 2022 all new loans were provided via the directly authorised P2P Platform of Peer Funding Limited trading as Sourced Capital. Prior to this date, Sourced Capital had been an authorised representative of Rebuilding Society. All the figures in the above table are accurate but, with consideration given to the revised structure from 1/2/2022, anything prior to 2021 is shown as cumulative.

Sourced Capital will be displaying this comparative information available for ten years, so wants to keep the data relevant to the current structure of Peer Funding Limited being the directly authorised party. Historic data is included to demonstrate the performance of the management team and actual returns provided to investors by Jark 2 Limited t/as Sourced Capital.

Interest Paid to Investors

Year	2020 and earlier *	2021 *	2022 *	2023	2024	2025
Targeted interest rate for investments below £20,000 (Notes 1 & 5)	10.00% pa	10.00% pa	10.00% pa	10.00% pa	10.00% pa	10.00% pa
Interest rate received by investors for investments below £20,000 (Note 2)	10.24% pa	10.23% pa	10.24% pa	11.67% pa	11.87% pa	11.54% pa
Targeted Interest Rate for investments above £20,000 (Notes 1 & 5)	12.00% pa	12.00% pa	12.00% pa	12.00% pa	12.00% pa	12.00% pa
Interest rate received by investors for investments above £20,000 (Note 2)	12.29%	12.27%	12.28%	13.87% pa	14.02% pa	13.84% pa
Projected interest write-off from targeted rate a percentage of targeted interest (%) (Note 3)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Actual interest write-off from targeted rate during the current reporting period (£) (Note 3)	Nil	Nil	Nil	Nil	0.5%	1.99%
Actual interest write-off from targeted rate cumulatively (£) (Note 3)	Nil	Nil	Nil	Nil	0.28%	0.74%
Interest paid during the current reporting year (£) (Note 4)		£712,200	£1,392,500	£1,173,300	£2,128,000	£3,071,520
Interest paid cumulatively (Note 4)	£698,900	£1,411,100	£2,803,600	£3,976,900	£6,104,900	£9,176,420

1. All loans have been presented to investors under a consistent targeted interest rate structure, aligned with their classification as “Medium Risk.” While the risk category remains uniform, the advertised target rates vary based on investment size—10% per annum for investments between £1,000 and £19,999, and 12% per annum for investments of £20,000 and above. This tiered approach reflects the platform’s strategy to offer competitive returns while maintaining a secured lending model, with all loans backed by a first charge on UK property and a maximum loan-to-value (LTV) of 70%.
2. Interest is paid to investors upon repayment of the loan (or closure in case of default). If the interest rate payable is higher than the targeted rate, there must have been an element of forbearance provided in return for an enhanced return – or a period where default interest was paid.
3. The targeted interest rate represents the return Sourced Capital aims to deliver to investors based on the stated investment tier. While the platform projects up to a 1% interest write off from the targeted rate to allow for timing delays, extensions, or restructuring events, the actual write off varies from year to year depending on loan performance and repayment behaviour.

In earlier years 2020, 2021, 2022, 2023, no interest write-off was required, reflecting strong borrower performance and timely repayments. As the loan book matured, a small proportion of loans required revised repayment terms. This led to minor deviations from the targeted rate, specifically:

2024: An actual interest write-off of 0.5%, primarily arising from a small number of loans where agreed returns were adjusted during extension or workout periods.

2025: An actual interest write-off of 1.99%, reflecting extended repayment timelines and negotiated adjustments on a limited number of loans.

Cumulatively, this equates to:

0.28% cumulative write-off by the end of 2024

0.74% cumulative write-off by the end of 2025

These levels remain well within the projected 1% annual allowance and demonstrate that, despite fluctuations, investor returns have consistently remained close to or above the targeted rates.

4. As detailed in Note 2 above, interest is paid to investors upon repayment of the loan. The interest paid to investors relates only to those loans where capital repayments (or partial repayments) have been received and interest applied. This figure does not include accrued interest which is to be paid to investors as loans are repaid throughout 2026 and beyond.

5. As of 01/01/2026, the minimum investment for new loans listed will be £20,000 and the target interest rate will be 12% PA.

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