

Investors Presentation

FY2021 N1 HOLDINGS LIMITED
ASX:N1H



N1 Holdings

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WHO is N1 Holdings Ltd (ASX:N1H)

N1 Holdings is positioned in the market as a specialist direct lender and property financier (both as a balance sheet lender and manager of mortgage fund) in the Australian SMEs sector, the largest employers group in Australia. With the growth in lending from non-traditional sources, such as alternative banks and non-bank funders and lenders, N1 with its unique competitive advantages is perfectly placed to advise businesses through this changing lending environment and debt/capital market.

N1 Holdings also provides strategic financing advice to SMEs, project developers and sophisticated property investors seeking new capital/debt, or refinancing existing debt. We assist borrowers through the complex processes of obtaining debt capital from Australian major banks, private funds, and offshore debt capital providers.

Apart from property-backed direct lending, N1 core business also includes mortgage management, mortgage brokerage, project funding, fund trustee services and vendor finance solutions.

For more information, please visit our website

www.n1holdings.com.au



N1H – The Mission

To be ethical,
To preserve integrity, &
To create value

Business Model



N1 business model includes property-backed direct lending, mortgage management and broking in the space of residential and commercial sector.

Business Purpose loans may include residential properties as security.



Key Business - Current

Business unit	Description	Revenue %
Property-backed Direct Lending	short term lending solutions to empower growth of Australia's largest group of employers, allowing asset strong SME owners to tap into their property equity for business purpose	63%
Mortgage Management and Broking	complimentary business unit of N1, focus on helping self employed property investors and home buyers attaining home ownership dream, investment properties portfolio growth as well as regular review of existing home loans either via refinancing or review of products	22%
Asset Management	act as custodial and trustee on behalf of other investors, expand fund managers capabilities via more authorisations and enable fund managers to unload administrative tasks	5%
Others	complimenting business units centred around N1 core business of lending, provide clients stickiness and improve repeating business retention via financial planning services, property services, etc	9%

Market Opportunities (Australia only)

2.3m

Australia has approx. 2.3 million SMEs.

20b

The potential market opportunity of SME lending is about \$20 billion.

1 in 5

Small business owners need cash flow finance at least once a year

N1H established itself in the niche of providing financing solutions to Australia's largest employer group – Small and Medium size Businesses, seeking alternative debt financing

Top Reason for SMEs seeking finance



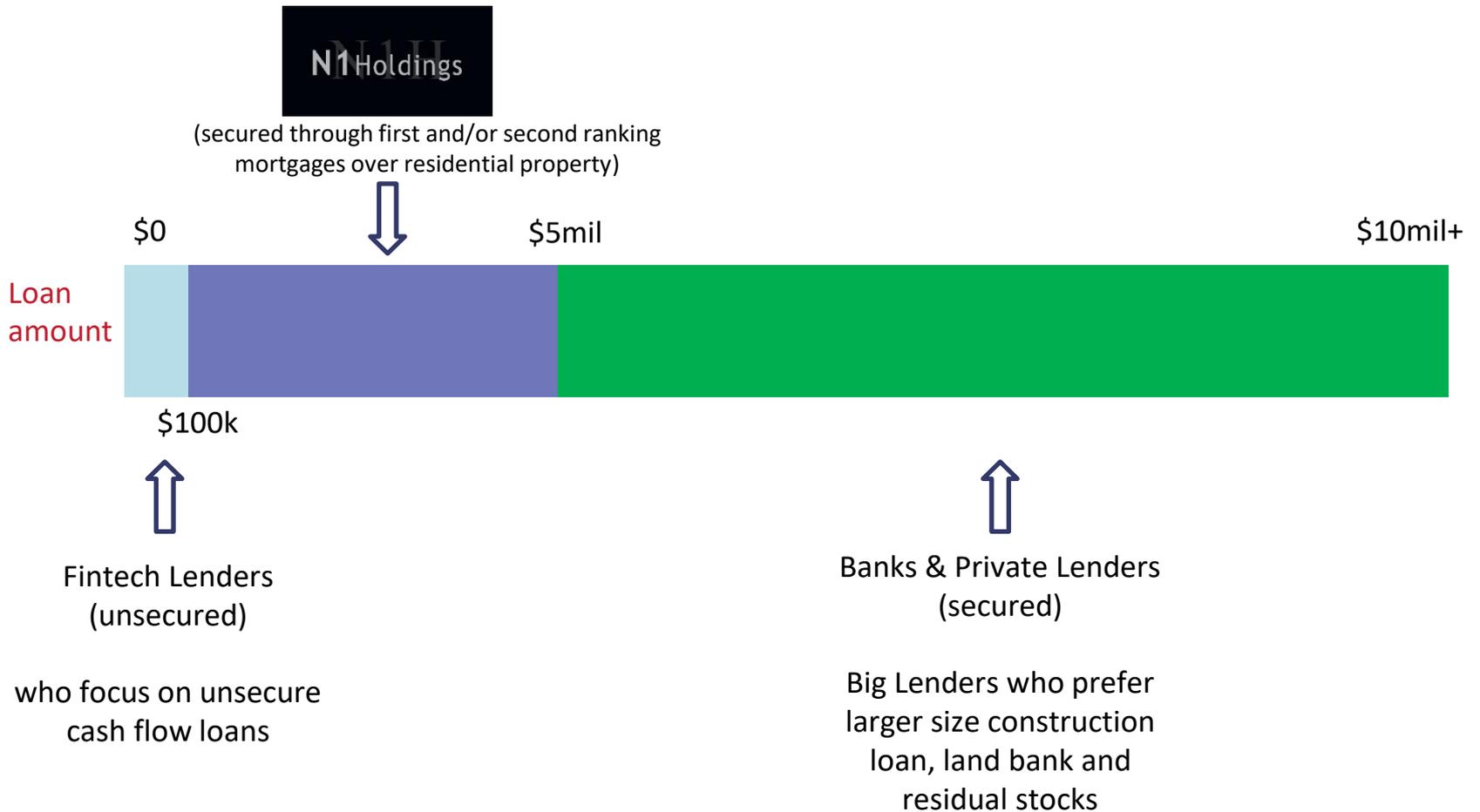
Maintain short-term cash flow or liquidity



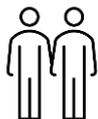
32%

of small innovation-active businesses say that a barrier to innovation is a lack of access to additional funds.

N1H's Market Niche



Target Borrowers



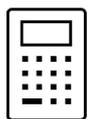
SME owners and professional investors in need of short term, temporary/interim financing solution up to 12 or 24 months



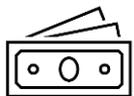
Possess existing properties as asset, with sufficient equity



Need quick financing for interim purpose



Competitive rate in relative to credit cards or unsecured cash flow loans



Need larger sized loan typically over 200k



In need of credit repair solution in transition to banks' products

Target Borrowers



Business use:
mechanics, printers,
gyms, etc.



Interim financing
solution, quick
settlement



SME Business owner/
Professional investors



N1H seeks long-term
relationship with
these borrowers



Asset rich

FY2021 Performance Metrics (Unaudited)

Financial Metrics – Revenue & Profitability



\$5,387,485

FY2021 Group Revenue
SME Lending, Fund Advisory and
Management, Mortgage
Management, etc.



+30.15%

FY2021 \$5,387,485
vs
FY2020 \$4,139,470



63.22%

Core Business via
SME Lending



+\$74,997

Profit



+\$1,071,902

EBIDTA

*Note: FY2021 figures are unaudited

Financial Metrics – Cash Receipts Growth



\$4,508,000

FY2021 Group Cash Receipts
SME Lending accounted for
65.13% of cash receipts from
customers



+6.39%

Cash Receipts Growth
FY2021 \$4,508,000
vs
FY2020 \$4,237,000



+12.40%

Cash Receipts Growth from
SME Lending
FY2021 \$2,935,841
vs
FY2020 \$2,611,910

*Note: FY2021 figures are unaudited

Financial Metrics - One Lending Fund (Not consolidated into N1H)



\$2,937,578

FY2021 Revenue: Property-
backed direct lending mortgage
fund



+30%

FY2021 \$2,937,578

vs

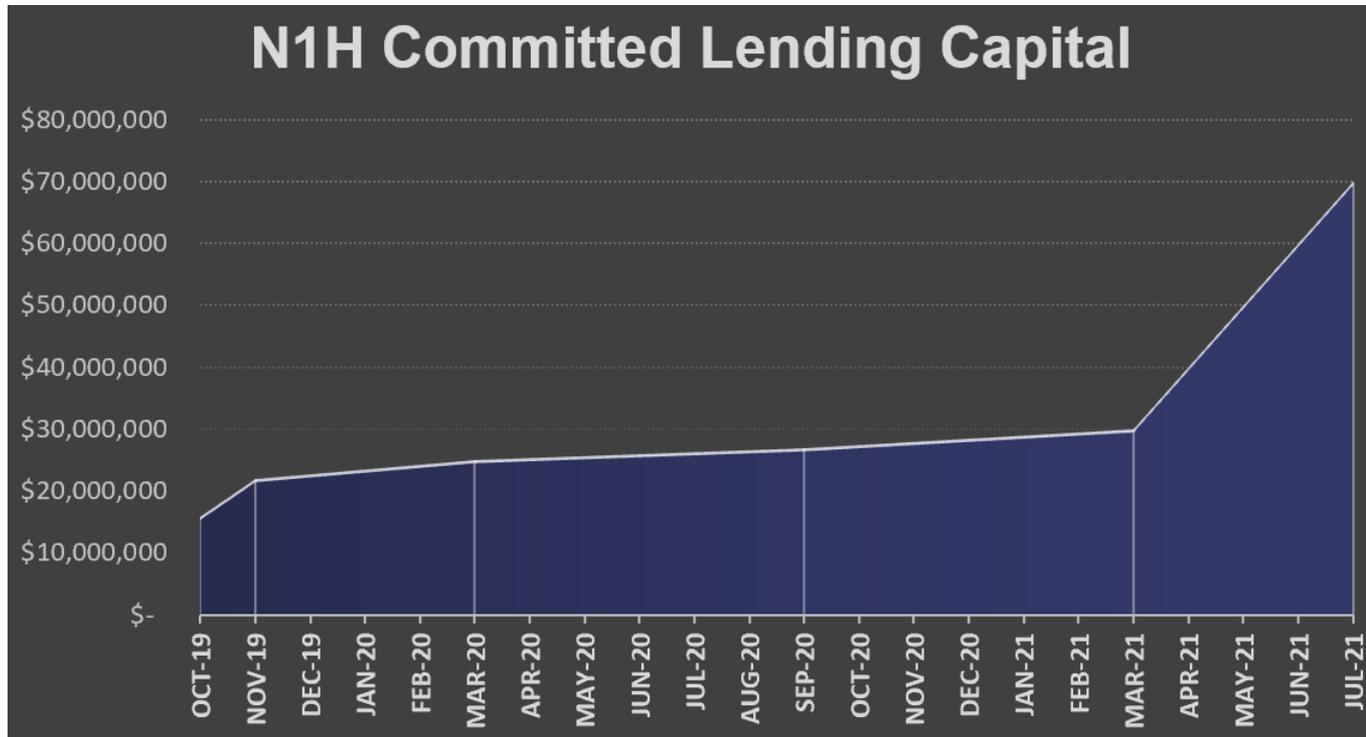
FY2020 \$2,259,884

* Not to be consolidated into N1H financials

* N1H derived management fee revenue \$851,490 and processing fee revenue \$268,235

* Note: FY2021 figures are unaudited

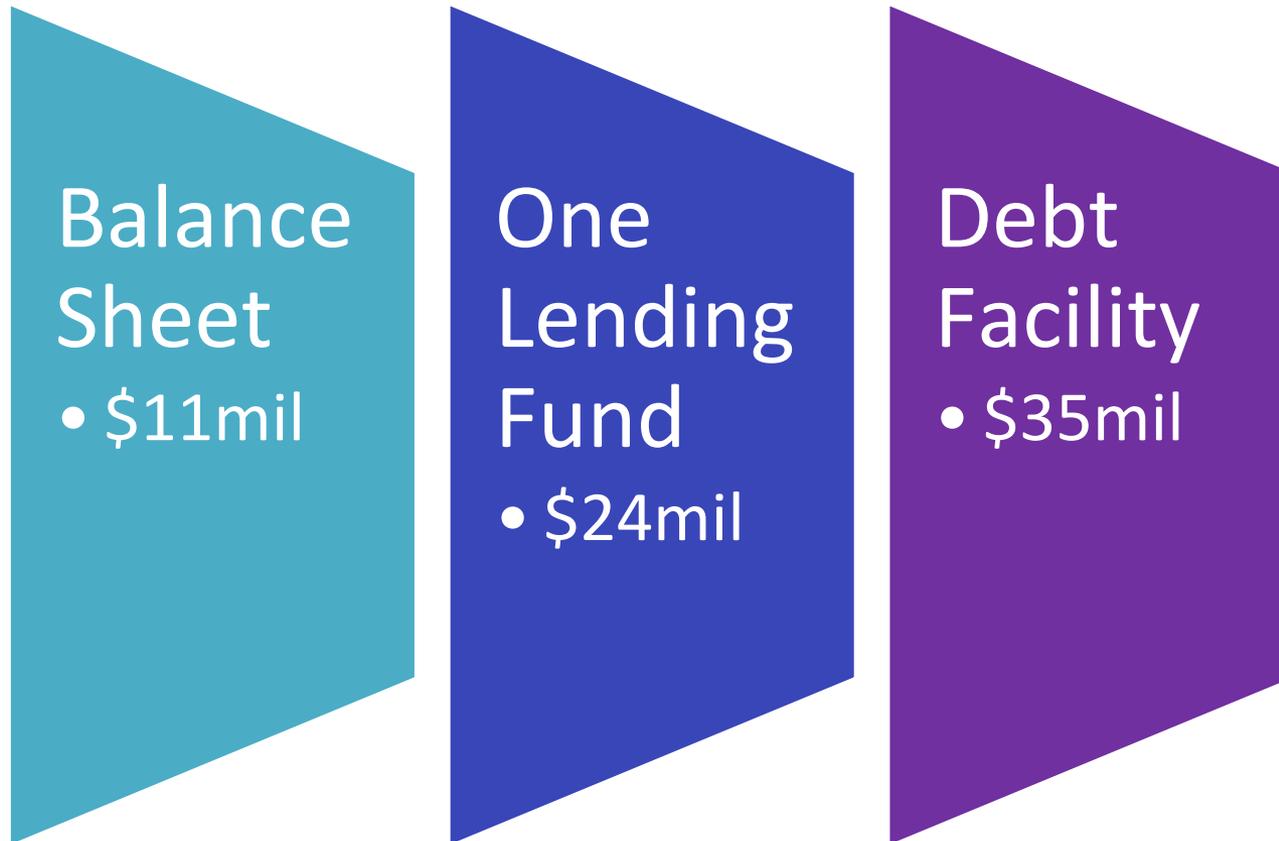
Capital Raising Milestones



* Graph is not indicative of trend

* As of July 2021

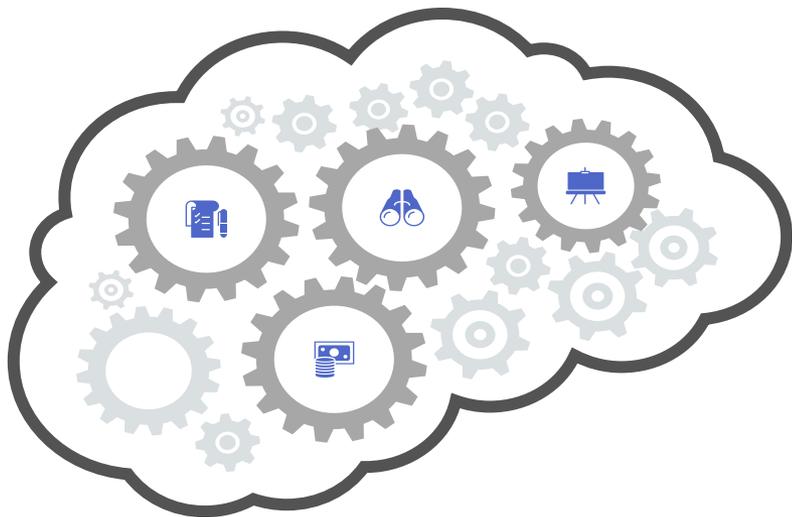
Capital Structure – AUD\$70mil



* Committed lending capital as of July 2021

Overview and Strategy

WHAT is N1H Unique Strength



N1H's multiple business lines with over **2,000** client data base provide a robust **cross-referral** origination network.

N1H possesses **efficient infrastructure** for direct and rapid capital deployment, uniquely positioned as a direct lender in the market that access to large pool of quality borrowers with the ability to deploy capital up to **\$200m** under current operational capacity.

N1H's internal credit risk team has significant credit experience with over **\$2.3b** settlement in both residential and commercial loans since inception.

N1H has established a **vast network of brokers and SME clients** which needs in the non-coded lending space.

N1H's fully owned subsidiaries hold multiple licences. N1 Loans holds an Australian Credit Licence **#473016**, Zillion Finance holds an Australian Credit Licence **#389330**. N1 Asset Management holds an Australian Financial Services License **#477879**.

N1H has been Australia's Top 10 Independent Mortgage Brokerage and Australia's Top 20 Mortgage Brokerage Group. Top 10 Commercial and business loan writer in 2019 and 2020. **Strong credit experience across lenders' policy in the market.**

N1H has access to **strong deal flows** which is a major consideration in lending sector, allowing investment manager to pick and choose quality deals, balancing risk return ratio, with considerations given to Leverage ratio, security location, borrower financial position, funding purpose and exit strategy.



N1H management and board of directors have derived and documented well thought strategic growth plan:

1. Understand competition
 2. Identify niche position
 3. HR capacity and team planning
 4. Costs Management
 5. Distribution and Risks Management
 6. Efficiency and Scalability
 7. Business Continuity Plan
-



N1 Holdings Limited Board



Ren Hor Wong
Executive Chairman and CEO

Mr Wong is the founder, Executive Chairman and Chief Executive Officer for N1 Holdings Ltd. Mr Wong has been responsible for developing N1's business strategy and expanding the business into Asia Pacific.



Jia Penny He
Executive Director & CFO,
AFSL Responsible Manager

Ms He is a Certified Practising Accountant with over 15 years combined industry experience in accounting, finance and mortgage broking. Ms He is the Responsible Manager of N1's Australian Financial Services Licence.



Anand Sundaraj
Company Secretary

Mr Sundaraj is a principal of Sundaraj & Ker, a corporate law firm based in Sydney. Mr Sundaraj has worked at international law firms Herbert Smith Freehills, King & Wood Mallesons and Allen & Overy, as well as for global investment bank Credit Suisse.



David Holmes
Non-Executive Director

Mr Homes has over 30 years' experience in the financial services industry having held senior roles in the UK and Australia. He was one of the founding Executives at Pepper Money and served as COO and Global Head of Credit with responsibility for the establishment and maintenance of credit policies throughout Australia, Ireland and South Korea.



Frank Ganis
Non-Executive Director

Mr Ganis has over 38 years' domestic and international experience in banking and finance and is recognised as a pioneer and influential industry leader in Australia. Mr Ganis spent 28 years at Macquarie Group including 17 years as an Executive Director. He also fulfilled a broad range of board and chair roles for a number of Macquarie's domestic and international subsidiaries and was a member of various regulatory and credit committees.

Lending Key Personnel



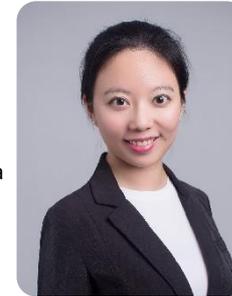
Rob McWilliam
Compliance Manager

Mr McWilliam is a specialist compliance consultant over 25 years experiences on advising boutique funds management groups and sitting as an external compliance committee member for responsible entities.



Heather Zhang
Head of Distribution & Sales

Ms Zhang has over 10 years extensive experience in the property and finance industry as a mortgage broker and has a Master's Degree from Sydney University and a Diploma of Finance and Mortgage Broking Management as well as a Licensed Real Estate Agent (LERA).



Briney He
Reporting Manager

Ms He is responsible for analysing investment portfolios and producing performance reporting as well as investment operations and compliance support. Ms He holds bachelor's degree of Mathematics and master's degree in Computational Statistics and Machine Learning focusing on risk management.



Mick Ye
ACL Responsible Manager
Commercial Loan Credit

Mr Ye is an experienced commercial lending manager with 12 years' experience in financial services, risk management, project finance and assessment as well as commercial banking. This includes 8 years' service in ANZ Bank and 4 years in other financial services companies.



Vincent Yao
ACL Responsible Manager
Commercial Loan Credit

Mr Yao has over 7 years industry experience and gained professional expertise across the full spectrum of financial service industry including mortgage lending, credit assessment, business finance and commercial lending. Banking industry experience with Westpac prior to N1.



Sarah Li
Commercial Loan Credit

Ms Li has over 8 years' experience in financial services, gained in a diverse range of expertise in residential mortgage lending and commercial lending area, backed by a strong knowledge in risk management. Prior to N1, Ms Li worked for CBA.

N1 core business
Direct Lending
Origination

Distribution Strategy

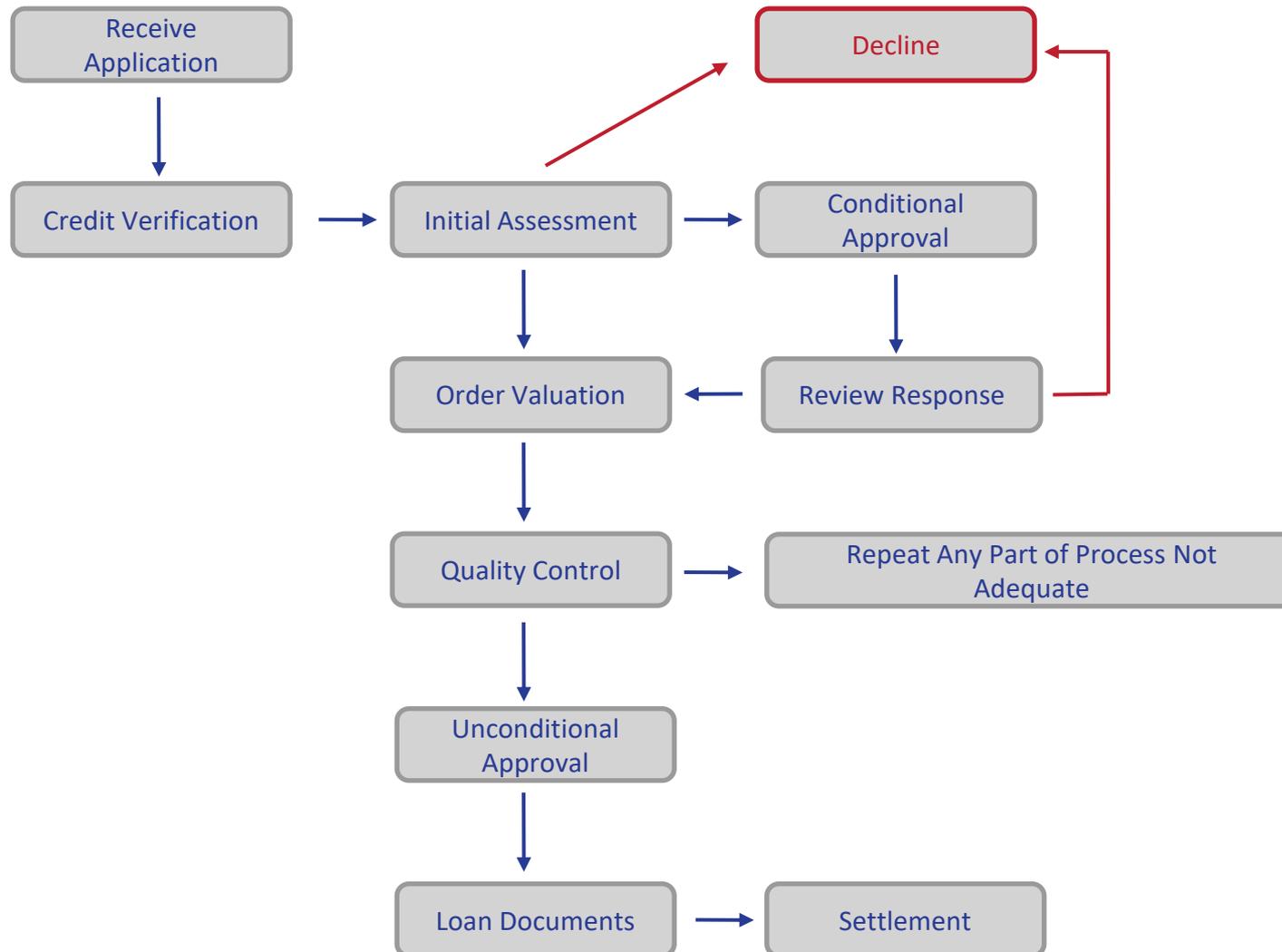
Channels	Existing	%	Plan	%
Internal Sales Team	Major	69%	√	10%
Independent Mortgage Brokers Network	√	26%	√	35%
Aggregators Panel of Lenders	√	N/A	1500	30%
<u>Pending</u> Aggregators Panel of Lenders	X	N/A	5000	N/A
Accountants, Liquidation firm, Legal, Financial Planners	√	5%	√	20%
Commercial associations / Chamber of Business / Events	X	N/A	√	5%

Recent initiative



N1 Direct Lending Credit and Underwriting

Credit procedure

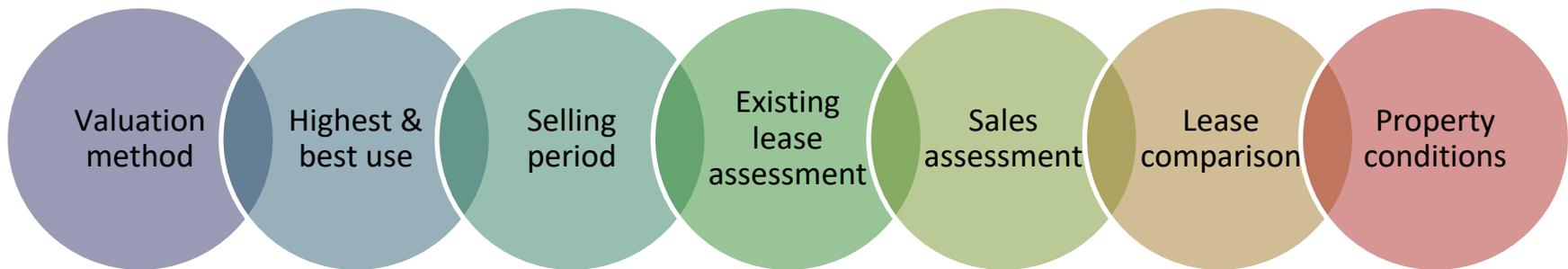


Security Valuation

- Property Inspection
 - Physical onsite inspections required
 - Virtual video site inspection during COVID-19
 - Land tax valuation accepted if the loan amount is lower than 50% of the land value (approval by Credit Committee)
- Valuer insurance is required
- Valuation Cross-check via other resources, to ensure relevance of value range
- The “fire sale” assessment will be instructed to the valuer when the loan is in default and highly likely it will proceed mortgage sale.

Security Valuation

- In the report, we focus on the following points,



Other points such as,

- whether the property is of traditional, or non-traditional construction
- obvious signs of damp, structural damage, faulty wiring, roof damage etc.
- if the building has been modernised or refurbished, has approval been obtained

Quality Control

- In-house underwriting and loan management - None of the credit assessment process is outsourced
- Comprehensive credit paper - Written by the credit manager with comments on background search, structure, compliance and risk assessment

Risks Management & IT System

Risk Management

1

Compliance and Audit

- Compliance manual annual reviews and updates when necessary
- Internal file audit quarterly
- N1H external comprehensive audit/review half yearly

2

Quality Control manual

- QC manual reviews and updates annually
- QC Assessment & reports done by compliance manager
- Files are randomly picked up and reviewed on a quarterly basis

3

Business Continuity Plan

- Developed to ensure the continuation of N1H's business during and following any critical incident that results in disruption to the normal operational capability.
- PPRR framework - Prevention, Preparedness, Response and Recovery
- Including risk management planning, business impact analysis, incident response plan, recovery, rehearse, maintain and review.



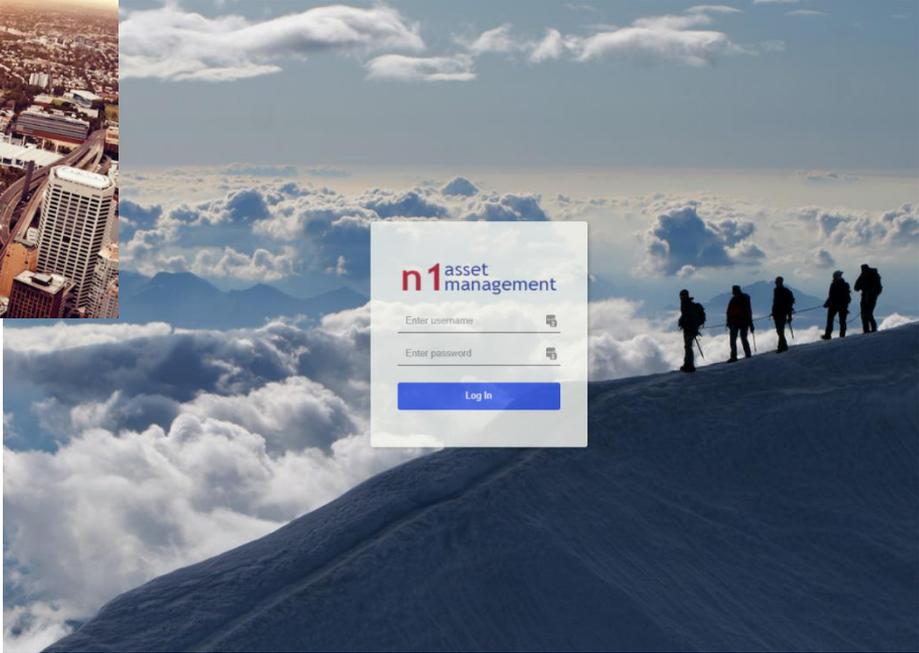
Self-developed

System support

N1 Fund Management System +
Data Reporting



N1 Customer Relationship
Management System + Pipelines



For more information please contact
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THANK YOU



N1 Holdings