

The background of the slide is an aerial night view of a city, likely Shanghai, with numerous skyscrapers and illuminated streets. Overlaid on this are glowing orange and yellow light trails from traffic and a network of glowing orange arcs and lines connecting various points across the city, symbolizing connectivity and infrastructure.

# N1H Operational Update HY23

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February 2023

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# Executive Summary

Opportunities in Property-backed Alternative Lending in  
Rising Rates Environment



# N1H Milestones

- 2023 Jan:** Lending Capital reached **\$115m**
- 2022:** Lending Capital reached **\$100m**  
Expansion of distribution channel to tap 17,000 mortgage brokers network
- 2021: OneLend on approved lender list with multiple mortgage aggregators
- 2020: Top 10 Commercial Broker  
N1 Positioned as SME Lender
- 2019: N1 Plus lending products launched  
Everone Consulting Shanghai launched
- 2018: N1 Fund Launched
- 2017:** **N1 ranked among top 10 brokerage & AFR top 46 fast growing companies**  
N1 Realty reached revenue milestones
- 2016:** **N1 IPO on ASX**  
N1 Realty established  
Ren Wong ranked Top 10 Commercial Broker
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- 2015: N1 ranked Top 10 Brokerage firm & N1 Migration established  
N1 launched chengdai.com.au
- 2014: N1 Group was formed by starting accounting & financial planning business  
N1 recognised with 5 aggregator awards  
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Ren Wong ranked national #7 broker
- 2013: Ren Wong ranked national #17 broker
- 2013: Ren Wong ranked national #17 broker
- 2012: N1 achieved first \$100m home loan volume
- 2011:** **N1 Finance established**



# N1 Holdings Ltd 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 polices throughout Australia, Ireland and South Korea.

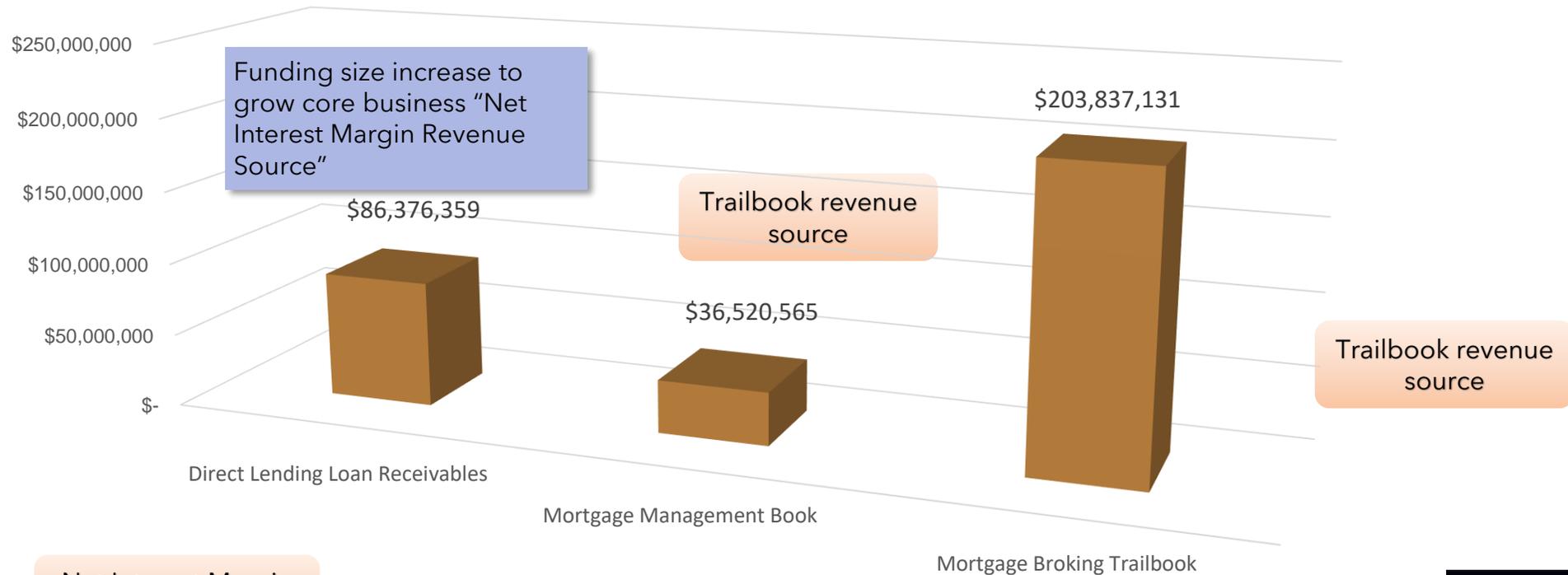


**Frank Ganis**  
**Non-Executive Director**

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.

# Loans Portfolio Summary

End of Jan 2023



Loan Receivables includes receivables from the N1-managed mortgage fund (**One Lending Fund**).

Please note the figures contained in this slide are unaudited.

# Current lending pool parameters

## AVERAGE LOAN SIZE

Loan size at a relatively conservative range to ensure liquidity

**\$1,220,397**  
(since inception)

## AVERAGE LOAN TO VALUE RATIO

Risk is kept as low as possible via low leverage ratio, subject to security type

**Weighted LVR 63.59%**  
(since inception)

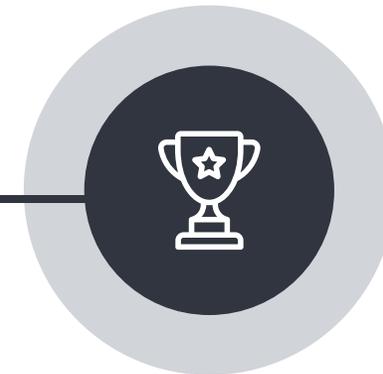
**290 days**  
(since inception)

## AVERAGE LOAN TERM

All of our loan terms are between 3 - 12 months

## LOAN RECEIVABLE

**\$ 74 m**



Performance data as at 31/12/2022

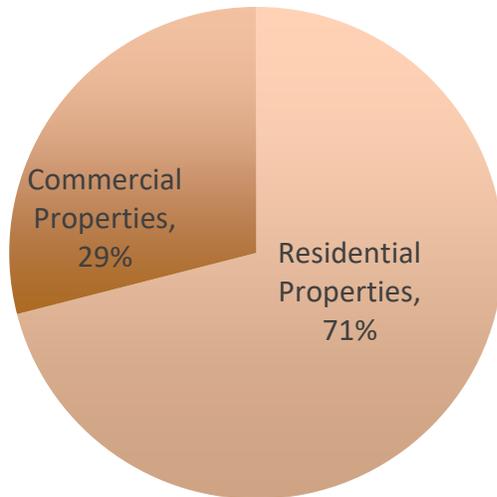
Loan Receivables includes receivables from the One Lending Fund

Please note the figures contained in this slide are unaudited.

**N1**Holdings

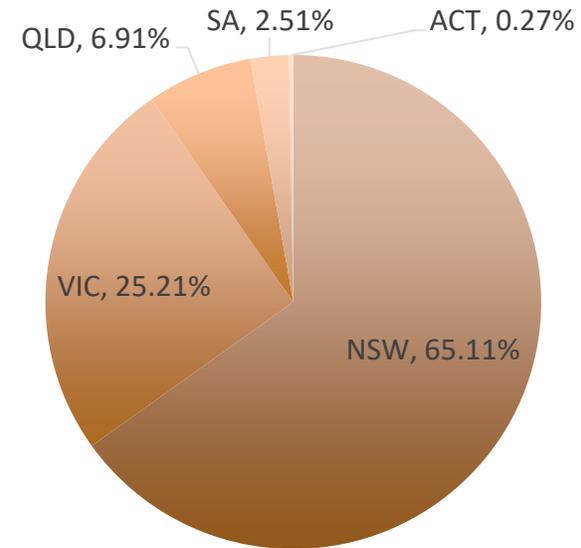
# Current lending pool parameters - cont.

## Properties Type



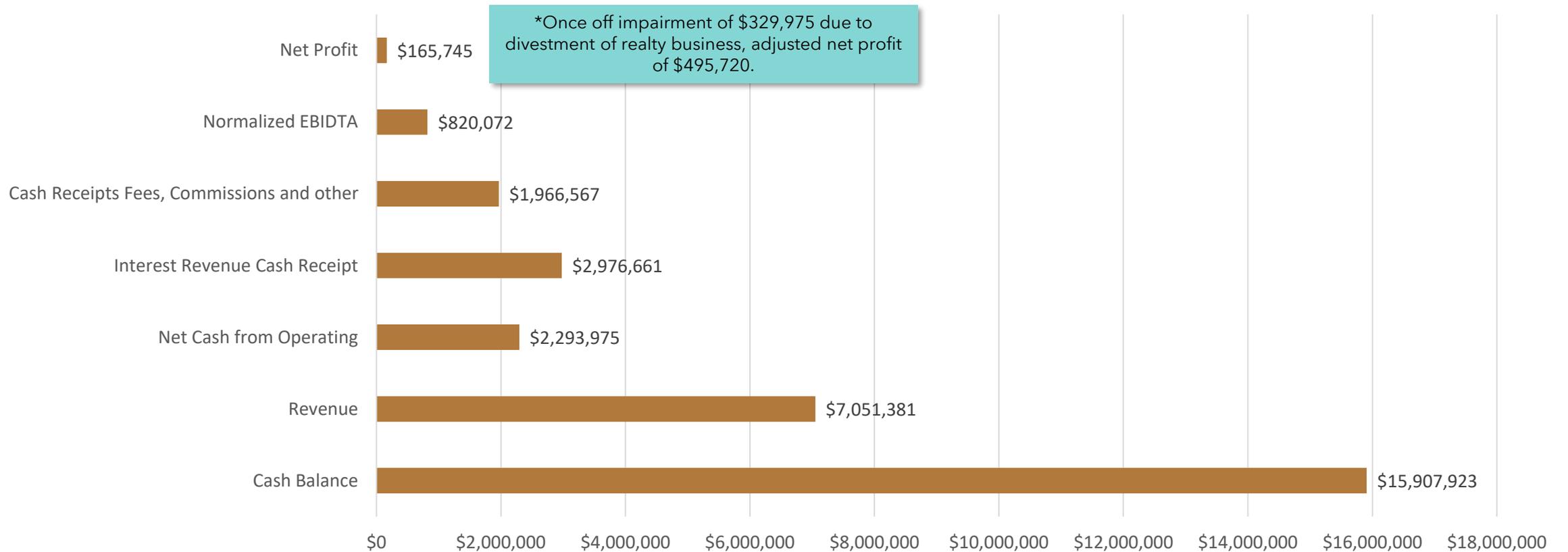
■ Residential Properties ■ Commercial Properties

## Geographical Allocation of Properties



■ NSW ■ VIC ■ QLD ■ SA ■ ACT

# Financial Summary HY23



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# Key Business

Business unit	Description	Revenue %
<b>SME Lending</b>	Short term lending solutions to empower growth of Australia's largest group of employers. Allows asset strong SME owners to tap into their property equity for business purposes.	82%
<b>Broking &amp; Mortgage Management</b>	A complimentary business unit of N1, focus on helping self employed property investors and home buyers attain home ownership, investment properties portfolio growth as well as regular review of existing home loans either via refinancing or review of products.	12%
<b>Asset Management</b>	N1 acts as custodian and provides trustee services to investors. Expansion of fund managers' capabilities via authorisations under N1's AFS licence. Enables fund managers to unload administrative tasks.	1%
<b>Others</b>	Complimenting business units centred around N1's core business of lending which assists with client retention and improves repeat business. Services include financial planning services and property services.	5%

# Core Revenue



N1's business model includes both lending and broking in residential and commercial sectors.

Revenue model is comprised of:

1. Net interest margin & other fees from lending;
2. Commissions from mortgage management; and
3. Commissions from mortgage broking.



# 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

The major banks and other traditional lenders have been retreating from the SME lending space, particularly in respect of loans of \$5m or less and less funders are engaging in transactions below \$50m. SMEs are seeking alternative lenders.

## 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.

# Market outlook and investment strategy

## Outlook:

Alternative lending and private credit gaining awareness and acceptance

Long-term real estate demand aligned to population growth

Rising rate environment empowers alternative lending

Rising rate environment improve Net Interest Margin

## Investment Strategy:

Focus on short term 3mth to 36mth portfolio, resilient to pricing and valuation reset

Focus on strength of property and borrower's financial position

Income-generating asset with no construction loan

Residential-heavy portfolio, risk-adjusted return via income-generating commercial property

# N1H unique strength



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 the 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'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 with access to a large pool of quality borrowers with the ability to deploy capital up to **\$400m** under current operational capacity.



N1H's internal credit risk team has significant credit experience with over **\$2.5b** settlement in both residential and commercial loans since inception.

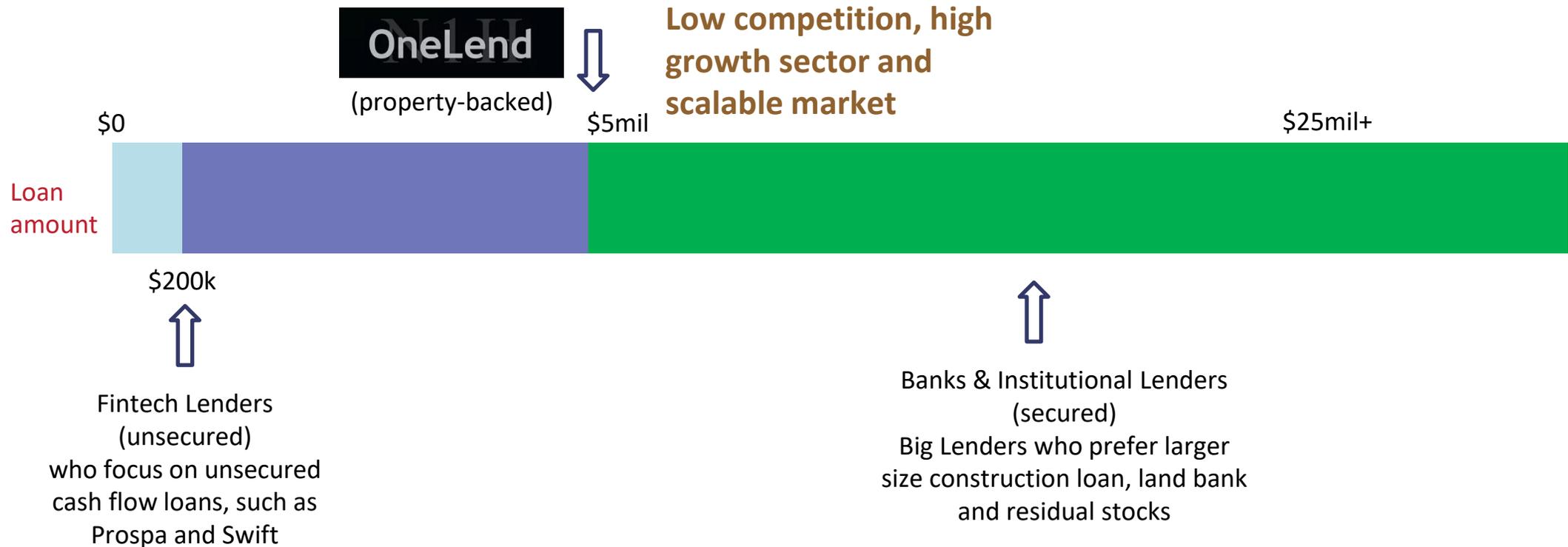


N1H has established a **vast network of brokers and SME clients** with needs in the non-coded business lending space.



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 property-backed lending business model



# Execution of strategic plan





# Origination strategy

Plan for future and sustainable growth

# Distribution strategy

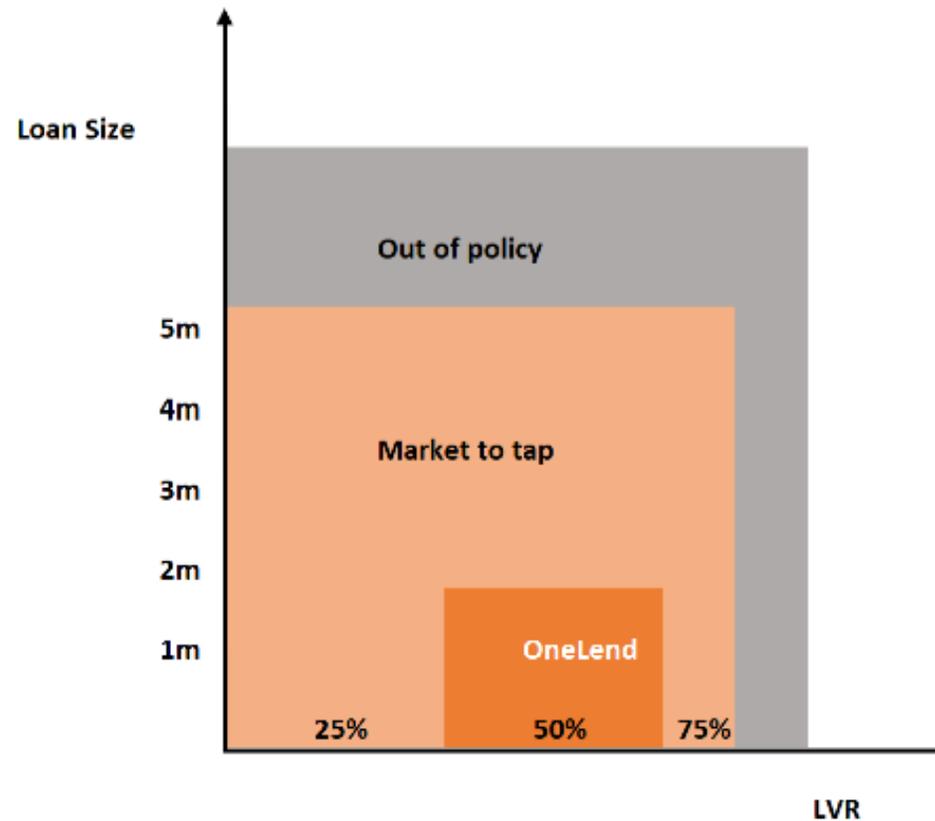
## Current:

- Average loan size sub \$1.5mil, Average LVR sub 65%
- Strong asset rich SME borrower

## Future:

In addition to the current distribution strategy

- Sharpen pricing to attract lower LVR blue-chip locations (as security)
- Increase funding size
- On more lender panels



# Distribution strategy built on relationships and reputation

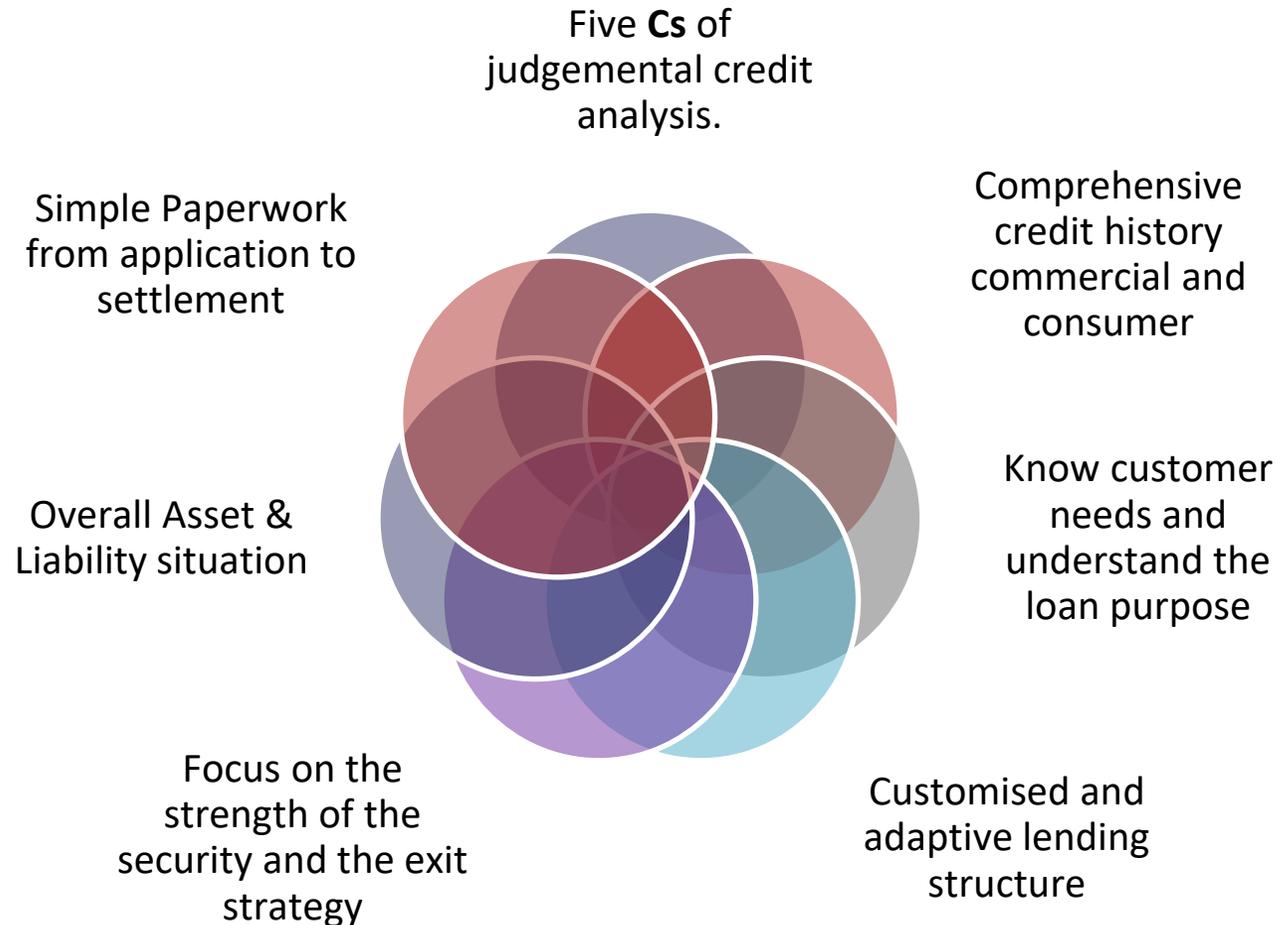
Channels	Existing	%	Future	%
Internal Sales Team	✓	25%	✓	10%
Independent Mortgage Brokers Network	Major	35%	✓	35%
Aggregators Panel of Lenders	✓	25%	2000	30%
<u>Additional</u> Aggregators Panel of Lenders	X	N/A	5000	N/A
Accountants, Liquidation firm, Legal, Financial Planners	✓	10%	✓	20%
Commercial associations / Chamber of Business / Events	✓	5%	✓	5%



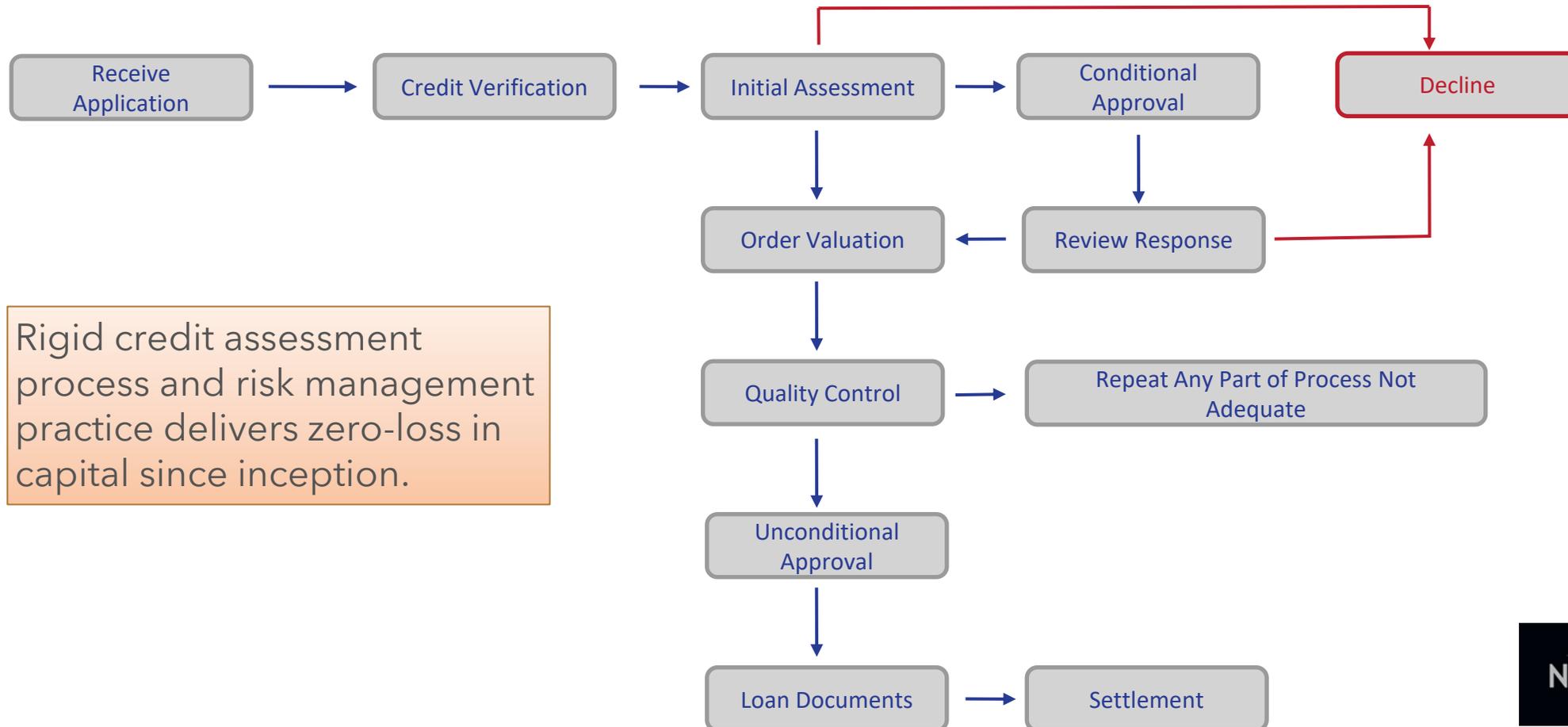
# Credit & Underwriting

Solid risk management plan, track record in zero capital loss

# Key points in credit risk management



# Credit timeline



Rigid credit assessment process and risk management practice delivers zero-loss in capital since inception.



# THANK YOU



**N1**Holdings

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