

An aerial night view of a city skyline with numerous skyscrapers and light trails from traffic. Overlaid on the city are several glowing green arcs and lines that connect various points, suggesting a network or data flow.

N1H Update

3 July 2023

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Executive Summary

Opportunities in property-backed alternative lending in times of economic uncertainty, inflationary pressures and rising interest rates.

Highlights of FY23

- N1 has stayed resilient in light of the cumulative ~4% interest rate rises during the financial year.
- Increase of loan receivables from \$54mil to \$98mil+ in 6 months.*
- Maintenance of granular loan size and safe weighted average loan-to-value ratio (**LVR**).
- Back-book pricing and valuations close to 100% reset since FY23 first half.
- Streamline of business model via disposal of property business.
- Adoption of tech enabler across credit and reporting activities.

*Loan receivables includes receivables from the N1-managed mortgage fund.

Please note the figures contained in this slide are unaudited.

Who is N1H

N1 is positioned in the market as a property-backed lender in the Australian SMEs sector, the largest employers group in Australia. N1 is funded by a set of resilient funding source including balance sheet capital, an N1-managed mortgage fund (**One Lending Fund**) and debt facilities. 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 and sophisticated property investors through this changing lending environment and debt/capital market.

N1 Holdings also provides strategic financing advice to SMEs, and sophisticated property investors seeking new capital/debt or refinancing of 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 business lending, N1's core business also includes mortgage management (N1 Plus), cross-border corporate financing, project funding, and fund trustee services.

For more information, please visit our website www.n1holdings.com.au



N1H Milestones



- 2023:** 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
- 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
Ren Wong ranked national #7 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 17 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 Holmes 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.

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).



John Lau
Head of Business Strategic & Partnerships

Mr Lau has been in the Finance and Mortgage broking industry for over 10 years. He brings a great extent of knowledge and experience in managing SME clients and broker channels. He has won many industry awards including the 2015 TOP 10 Mortgage Broker in Australia.



Mick Ye
**ACL Responsible Manager
Commercial Loan Credit**

Mr Ye is an experienced commercial lending manager with 15 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 10 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 10 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.

N1H value to investors

Property-backed lending only, one of the least volatile asset classes.

N1H has a diversified credit offering via lending with its own balance sheet capital or through the One Lending Fund.

Rigid board governance, public company compliance & strong property credit experience.

Strong deal flow in robust Australian real estate market, diversified lead sources via strong network of mortgage brokers and other referrals partners.

Balanced risk reward via mix of residential/commercial properties, residential-heavy book and weighted average LVR below 65%.

Investment Stats

- Current funding pool of ~\$115mil and growing.
- First loan deployed Dec 2017.
- \$0 capital loss since inception.
- 100% target returns met.
- Zero liquidity events.

Please note the figures contained in this slide are unaudited.

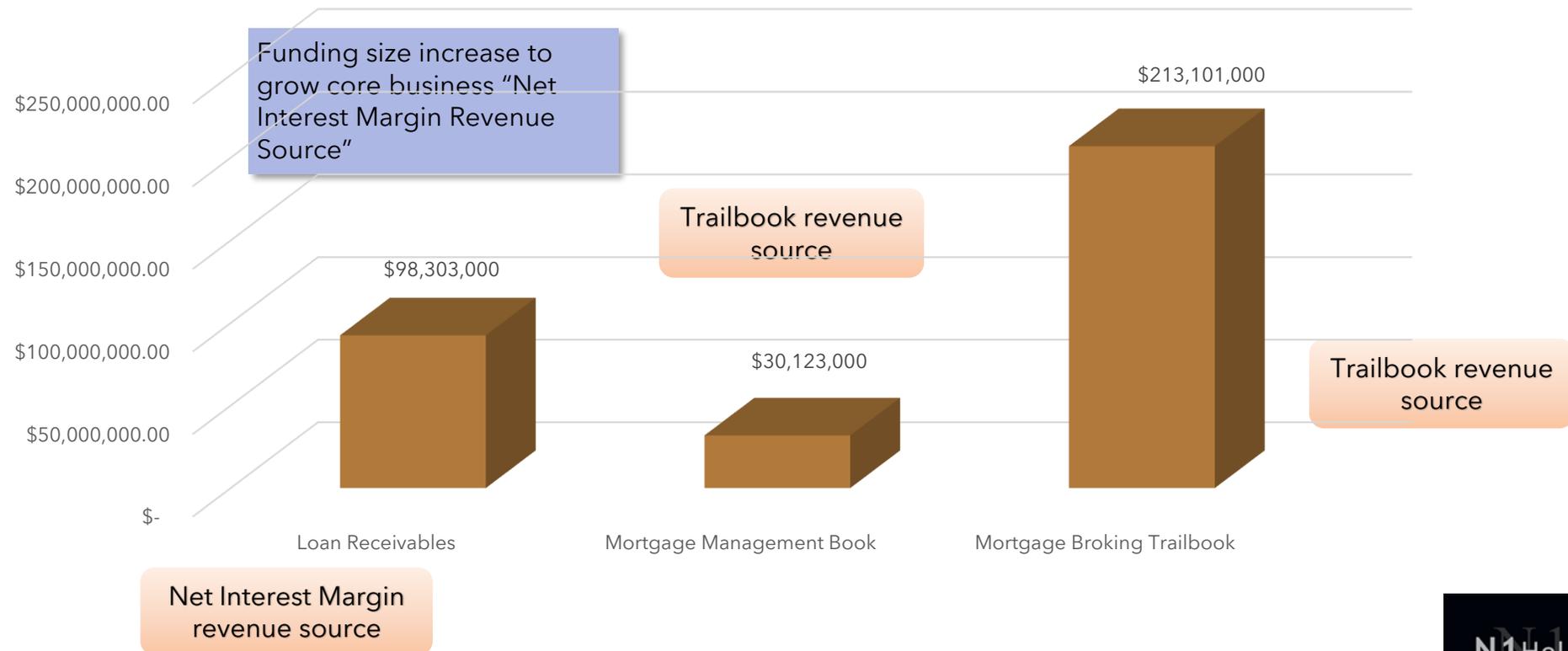
Key Business

Business unit	Description	Revenue %
SME Lending	Short term lending solutions to empower the growth of Australia's largest group of employers, allows property-owning SME owners to tap into their property equity for business purposes.	84%
Broking & Mortgage Management	Complimentary business unit of N1, focused on helping <u>self-employed</u> 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.	10%
Asset Management	Provide custodial and trustee services to third parties, expand fund managers capabilities via more authorisations and enable fund managers to unload administrative tasks.	2%
Others	Complimentary business units centered around N1's core business of lending, providing client stickiness and improving business retention via financial planning services, property services, etc.	4%

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Loans Portfolio Summary

End of June 2023



*Loan receivables includes receivables from the One Lending Fund.

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Core Revenue



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

N1's revenue model is comprised of:

1. lending net interest margin and fees;
2. mortgage management commissions; and
3. mortgage broking commissions.



Market Opportunities (Australia only)

2.5m

Australia has approx. 2.5 million SMEs.

142b

Small business outstanding loans is about \$142 billion.

15%

Growth in average value of small business loans 12 months to July 2022.

The major banks and other traditional lenders have been retreating from the SME lending space, particularly in respect of loans with a principal of \$5m or less. Less funders are also doing deals below \$50m. Consequently, SMEs are seeking alternative lenders.

Purpose for additional finance, SMEs, %, August 2021 & August 2022

	Aug 2021	Aug 2022
Cashflow / working capital	65%	54%
Purchase plant, machinery, or equipment	23%	27%
Fund merger / acquisition	19%	19%
Fund growth in Australia	24%	15%
Fund growth into new markets	13%	9%
Trade finance to fund import / export activity	11%	6%

Source: ACA, SME Sentiment tracker

Note: Numbers add to greater than 100% as respondents were able to provide multiple responses

Source: "SME lending in Australia", Australian Banking Association Economic Report 2022

Navigating Current Market

- Maintain strong margin of safety via lower LVRs.
- Building residential-heavy portfolio.
- Focus on asset strong borrowers.
- Averse of construction loans and no “as-if” valuations.
- Focus on properties with yield.
- Focus on front-book pricing
- Back-book reset pricing and valuations due to short term lending.

Execution of strategic plan



Current lending pool parameters

AVERAGE LOAN SIZE

Loan size at a relatively granular range to ensure liquidity

\$ 1,072,000
(since inception)

AVERAGE LVR

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

Weighted LVR 62.03%
(since inception)

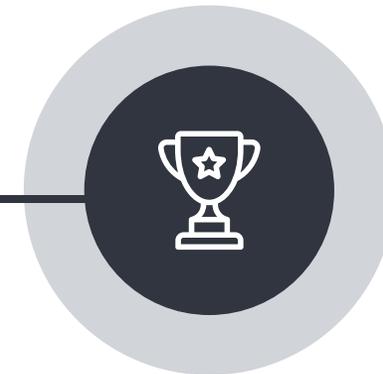
226 days
(since inception)

AVERAGE LOAN TERM

All of our loan terms are between 3 - 12 months

LOAN RECEIVABLES*

\$ 98 m

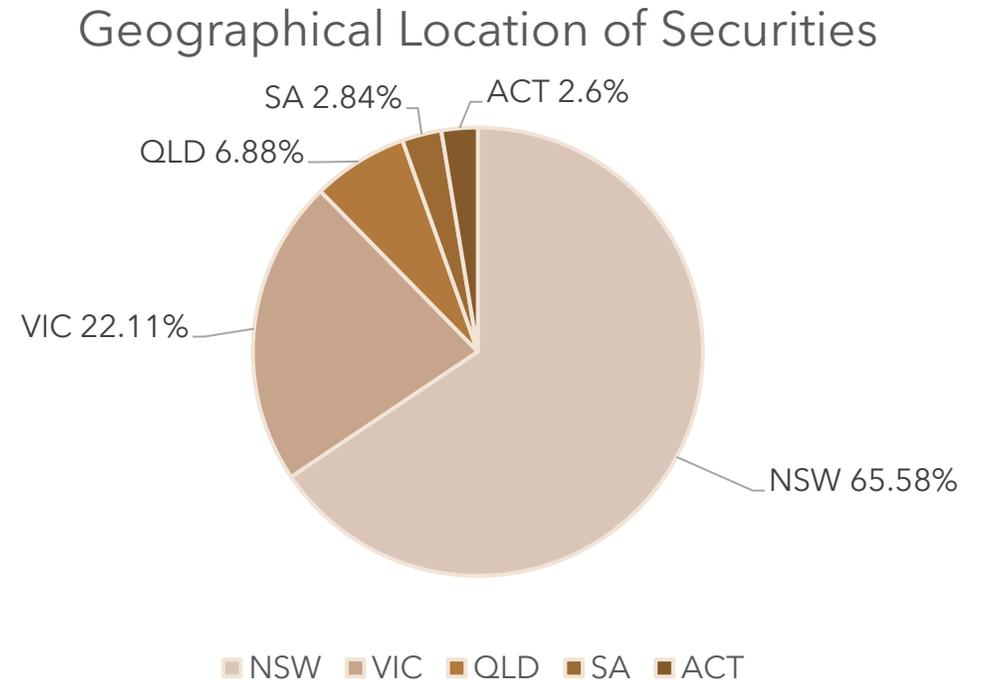
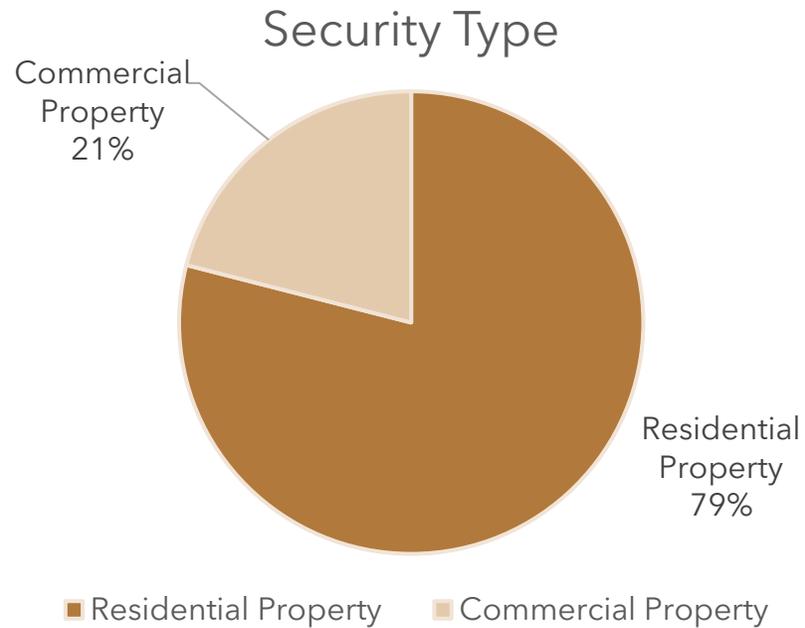


Performance data as at 28/06/2023

*Loan Receivables includes One Lending Fund

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Current lending pool parameters - cont.



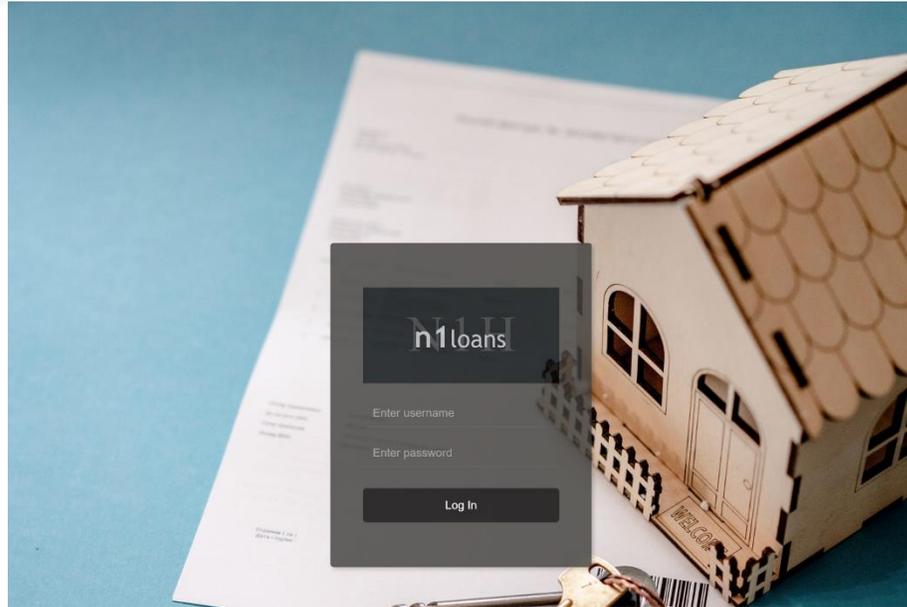
Why N1 can keep lending to high quality deals?



Technology Enabler

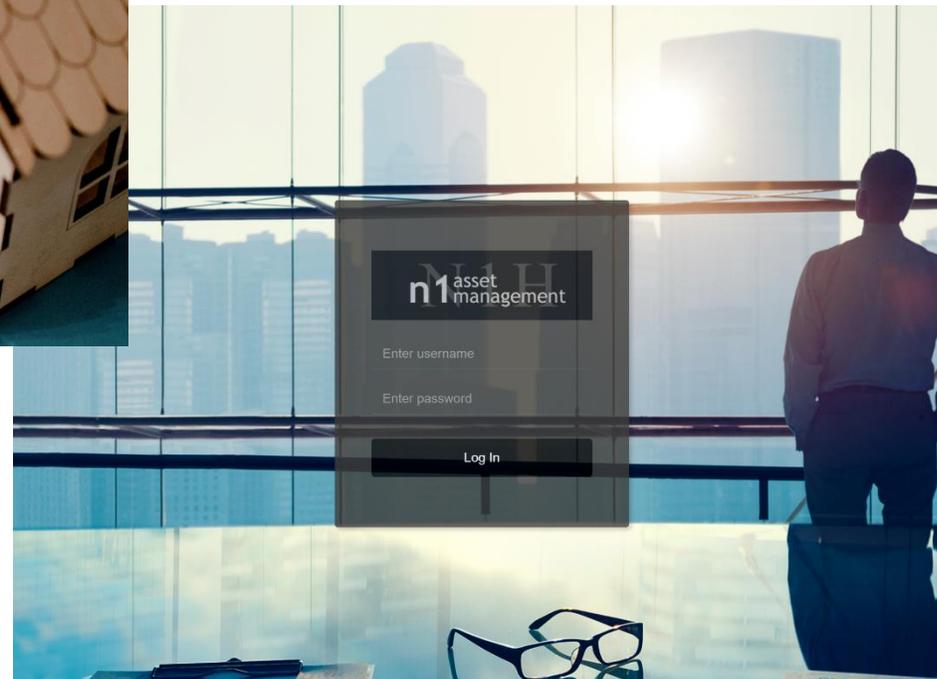
N1H

Self-developed technology



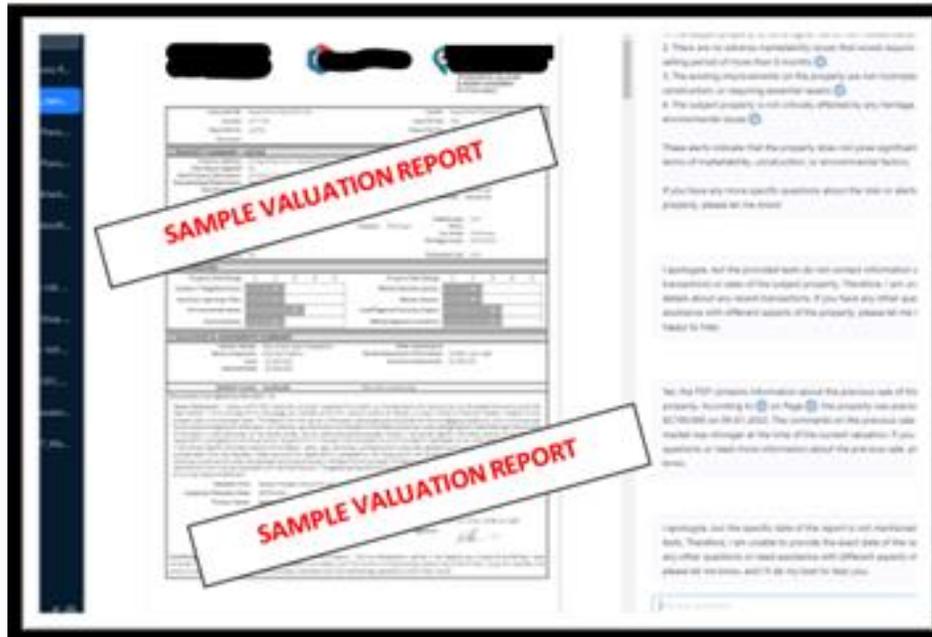
N1 Customer Relationship Management System + Pipelines
"MUSHROOM"

N1 Fund Management System + Data Reporting
"ZILLION"



N1Holdings

Technology Enabler



N1 **CREDIT TEAM** adoption of AI/Smart PDF scanning and info extracting tools to streamline process

Data Security



- **AWS cloud base** - We use Amazon Web Services to store our data and maintain the database regularly.
- **Access limit** - Several verifications step to get access to the database, and we limit the IP address for access as advanced protection.
- **Three-step verification** - helps to prevent unauthorised access to N1's systems as three levels of verification are required.
- **Username and password** - passwords are required to be changed every three months.
- **Four levels of authority** - Lending managers can only view the cases they manage. They are not allowed to make changes to closed transactions without admin permission.



Launch templates
Spot Requests
Savings Plans
Reserved Instances **New**
Dedicated Hosts
Capacity Reservations

▼ Images
AMIs

▼ Elastic Block Store
Volumes
Snapshots
Lifecycle Manager

▼ Network & Security
Security Groups **New**
Elastic IPs **New**
Placement Groups
Key Pairs
Network Interfaces **New**

▼ Load Balancing
Load Balancers
Target Groups **New**

▼ Auto Scaling
Launch Configurations
Auto Scaling Groups

EC2 > ... > sg-f154479a - launch-office-rule-1

Type	Protocol	Port range	Source	Description - optional
Custom TCP	TCP	8080	90/32	
Custom TCP	TCP	8080	4.206/32	
Custom TCP	TCP	8080	4.205/32	
Custom TCP	TCP	8080	7.190/32	
Custom TCP	TCP	8080	160/32	
Custom TCP	TCP	8080	5.243/32	
Custom TCP	TCP	8080	2.101/32	
Custom TCP	TCP	8080	9.147/32	
Custom TCP	TCP	8080	1.127/32	
Custom TCP	TCP	8080	138/32	
Custom TCP	TCP	8080	1.45/32	
PostgreSQL	TCP	5432	4.206/32	
PostgreSQL	TCP	5432	4.205/32	
PostgreSQL	TCP	5432	1.45/32	
SSH	TCP	22	4.206/32	
SSH	TCP	22	4.205/32	
SSH	TCP	22	188/32	
SSH	TCP	22	1.45/32	
Custom TCP	TCP	587	4.205/32	



THANK YOU



N1Holdings

Ren Hor Wong (CEO & Executive Chair)
renwong@n1holdings.com.au
Level 5, 77 King Street Sydney NSW 2000