

4 December 2019

Pollen Street Secured Lending plc (the "Company")

Equity Investment in Zopa

As recently reported in the October newsletter, the Company continues to see an increase in Net Asset Value ("NAV") returns as the strategic repositioning delivers higher and more stable risk adjusted margins. The legacy credit assets have been substantially reduced to under 8% of the total credit asset exposure and the underlying returns are now substantially driven by the continuing portfolio with annualised NAV returns having exceeded 6% for the past three months.

However, the Company continues to be exposed to the legacy equity portfolio. The valuation of this portfolio has been impacted by a decrease in the valuation of Zopa following its latest £140m fund raise to support its banking application. This has led to a valuation mark down for the Company of £4.9m which represents a 63% mark down on the position or 0.7% of the Company's NAV, with the position now valued at £2.9m. This leaves the legacy equity portfolio at £27m or 3.7% of NAV. The Manager continues to look to realise these equity positions where possible and has successfully sold two positions this year totalling £12.1m of NAV.

This mark down does not impact the Company's ability to pay dividends as it is treated as a capital account item under the accounting standards and therefore does not impact revenue reserves.

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Notes

This announcement contains inside information for the purposes of the Market Abuse Regulation (EU) No. 596/2014.

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