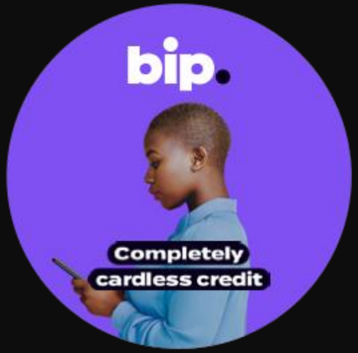
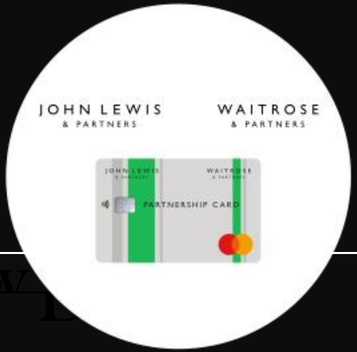
2022 Results Presentation

NewDay BondCo plc

23 March 2023





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2022 was another year of progress for NewDay

1. 18% growth in profitability with underlying PBT of £203m
2. Continued growth in market share issuing 1-in-5 credit cards in the UK
3. Credit metrics demonstrate strong underwriting and good credit discipline despite challenging macro environment
4. Costs remain well controlled reflecting an increasingly efficient and scalable platform
5. Growth deliberately slower into 2023 to safely navigate uncertain outlook

Our long term strategy is underpinned by near-term actions to navigate an uncertain macroeconomic environment

Near-term actions

Commercial levers

D2C
- Slower new account origination in 2023
- Responsible and risk based re-pricing

Merchant
- Focus on growing existing merchant partnerships
- Stimulate usage among customers from previous merchant partnerships

PaaS
- Launching first platform clients
- Create forward flow revenues from personal loans

Operational levers

Credit
- Maintain tight settings on credit and affordability criteria
- Support customers through forbearance "toolkit"

Funding / Operational
- Continue to actively manage maturities and funding sources
- Disciplined cost control
- Continue to build capability

Our strategy

- ✓ Leading issuer of credit card and digital PoS credit in the UK
- ✓ Acquire new customers and extend the customer lifecycles
- ✓ Pursue new partnerships and increase Newpay penetration
- ✓ Leverage leading digital platform
- ✓ Deliver strong controlled growth and high performance predictability

Helping people move *forward with credit*

2022 – good growth in profits and receivables

£203M

Underlying PBT[1]
(+18% growth on 2021)

29%

Receivables growth[2]
(£4.3bn gross receivables)

1.3M

New customers

£136M

Free cash flow available for growth and debt service

£238M

HYB Refinanced to 2026

29.1%

Market leading cost: income ratio

Momentum in forming new partnerships

JOHN LEWIS & PARTNERS

Launched in August

aqua | antelopeloans

Commenced personal lending in partnership with Antelope Loans. First loan in Dec 22

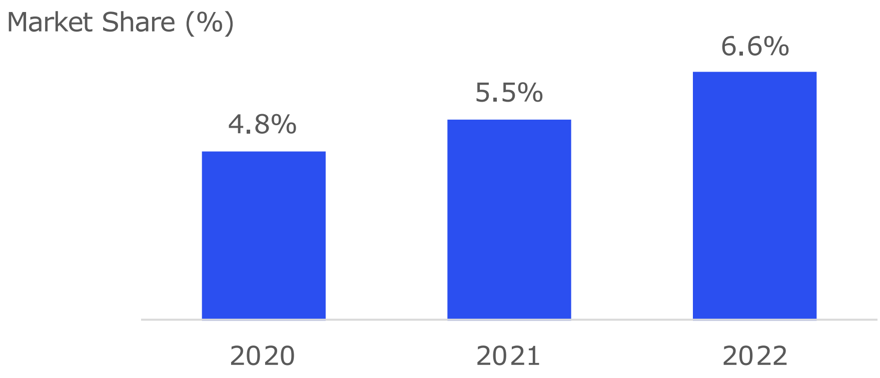
THG

Newpay partnership launched

Note:
All Statistics are for 2022 unless otherwise stated
(1) Underlying PBT from continuing operations
(2) YoY receivables growth

We have grown our market share in a controlled manner

110bps increase in share of UK credit card receivables

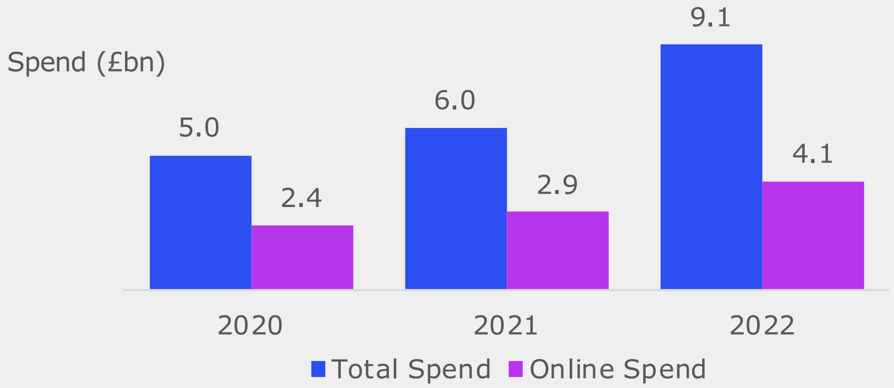


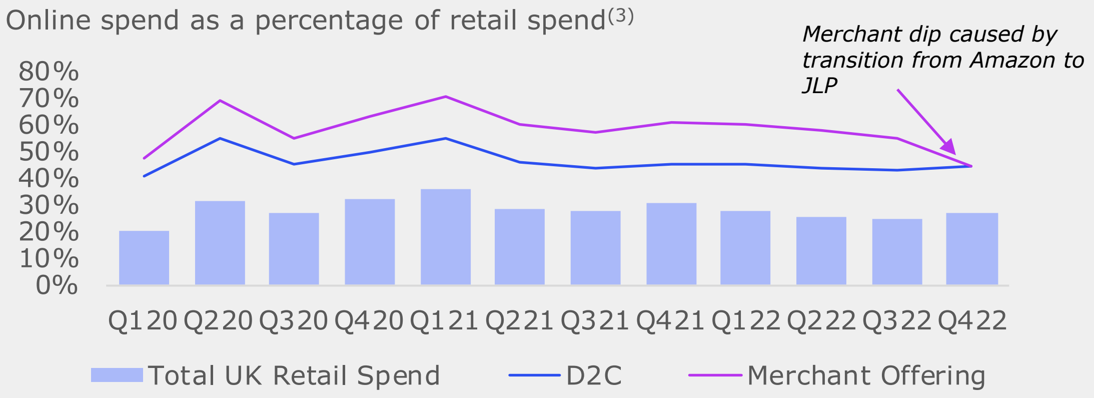
Share of UK credit card receivables[1] (%)

1-in-5 UK credit cards issued in 2022[2]

(2021: 1-in-6)

£9.1bn total spend, 52% higher than 2021





Note:
(1) UK Credit Cards Bank of England data as at 31 December 2022. % share metrics calculated as total NewDay volumes as a proportion of Bank of England data credit card volumes. NewDay share includes Newpay receivables. Total UK credit card market is £64bn at 31 December 2022 per Bank of England data, sitting within wider c.£74bn market (including Point of Sale lending)
(2) Estimated based on eBenchmarkers data up to 31 December 2022. NewDay share includes Newpay originations
(3) Office for National Statistics. Internet % of total retail spend

We continue to drive innovation on our digital platform

Enhancements in 2022

Continued improvement in API integration to offer guaranteed pricing via key aggregators

Launched an in-app carbon footprint tracker allowing customers to understand the carbon impact of their spending behaviour(1)

Improvements to persistent debt related journeys offering enhanced payment options

Full credit report, credit score simulations and history available at a single click through *Aqua Coach*

Launch of platform to originate unsecured personal loans in partnership with a third party funder

JOHN LEWIS & PARTNERS

Successful launch of major new merchant partnership with digital loyalty solution

Upcoming developments

Launch Newpay products

Enhance in-house collections platform

Enhanced complaints platform

Extending the use of Open Banking from payments to lending decisions

Note:
(1) Available to Bip and Aqua customers

Improving the sustainability of our business is key to our strategy

EcoVadis Gold rating (2021: Silver)

Awarded to Top 5% of financial services companies evaluated

Three pillars to our sustainability strategy

1 Being a responsible lender

2.1M Improved credit scores (2021: 2.2m)

532k Customers signed-up for Aqua coach (2021: 336k)

166k Payment holidays offered to our customers (2021: 109k)

Continue to enact our purpose

- *To help people move forward with credit*
- *Removing barriers to credit and rewarding good credit management*
- *Supporting our customers at every stage of their credit journey*

2 Minimising our impact on the environment

0.3 Tonnes of CO2e per average FTE employee (2021: 0.4 tonnes)

453k Customers on a cardless product (1) (2021: 338k)

Carbon Neutral Achieved on own operations across Scope 1 and 2 CO_2 Emissions

Climate action

- *Achieve Net Zero by 2040*
- *Monitor customer engagement on carbon-footprint tracker to inform future strategy*

3 Being an inclusive and diverse workplace

78% Employee engagement(2) (2021: 80%)

82% Inclusion and diversity index(2) (2021: 83%)

47% Colleagues that identify as female (2021: 48%)

Expand diversity metrics

- *Increase proportion of females in senior management roles to 40% by 2026*

Note:
(1) Assumes one account equal to one customer
(2) Based on latest Employee Survey (2022)

D2C – continued growth with 526k new customers and 14% receivables growth

New Customers and spend

526k New Customers (-0.8% vs 2021)

£3.9BN Spend (+22% vs 2021)

Launch of Aqua Gold – rewarding customers with good credit track-record

Strong momentum in digital cardless credit

bip.

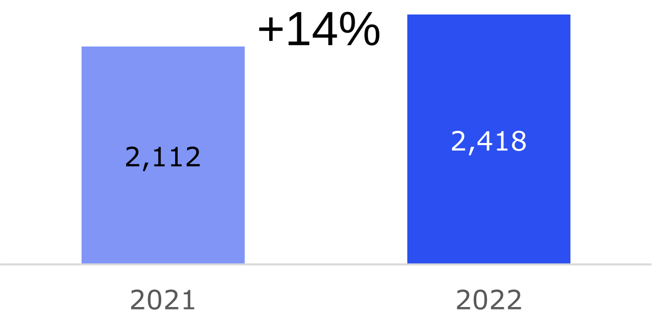
58k customers[2]

£43m+ receivables

£100m+ spend[2]

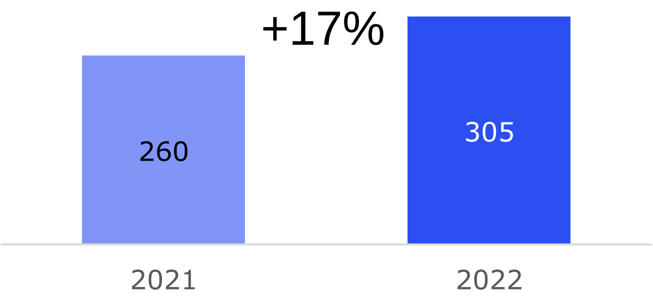
'Innovation of the year' 2022 Consumer Credit Awards

14% YoY Receivables growth outperformed market growth[1] of 8%



Period-end gross receivables (£m)

RAI 17% higher YoY reflecting increased income offsetting cost of growth



Underlying risk-adjusted income (£m)

- ✓ **Market leader in near-prime**
- ✓ **Credit well controlled**
- ✓ **Strong demand for Aqua and Bip**
- ✓ **Controlled new account growth**

Note:
(1) UK Credit Cards Bank of England data as at 31 December 2022
(2) Since launch of product

Merchant Offering – 56% receivables growth driven by new partnership with John Lewis

Customer accounts

811k New accounts +115% vs 2021

2.9M Open accounts +2.1%[(1)] vs 2021

Spend financed with our partners during 2022[(2)]

£890M +43% vs 2021

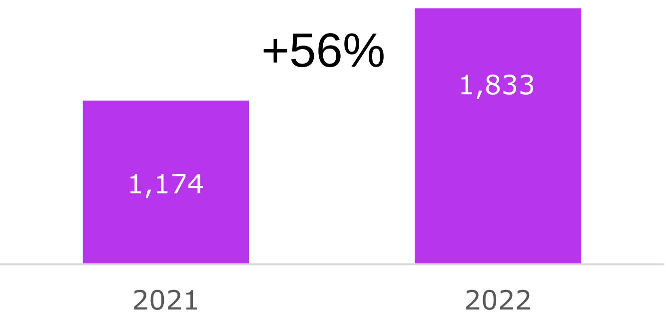
Continue to engage customers from previous merchant partnerships with successful Pulse campaign

amazon.com[(4)]

HOUSE OF FRASER

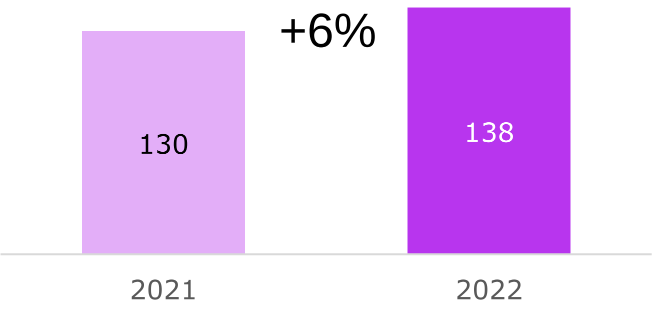
JOHN LEWIS & PARTNERS | Argos | ao | THG | newpay

56% YoY Receivables growth outperformed market growth[(3)] of 8%



Period-end gross receivables (£m)

RAI up 6% reflecting John Lewis launch in H2



Underlying risk-adjusted income (£m)

- ✓ **Ability to manage large-scale loyalty programs**
- ✓ **Multi-product cards and digital PoS within a single, scalable platform**
- ✓ **Focus remains on Newpay proliferation**
- ✓ **Strong pipeline of potential new partnerships**

Note
(1) Reflects new account offset by account closures from partners closed to new business
(2) Reflects spend financed directly with our Partners and excludes spend with external retailers, Balance Transfers, Money Transfers and cash spend
(3) UK Credit Cards Bank of England data as at 31 December 2022. NewDay share includes Newpay receivables
(4) Originations ceased in June 2022 with transition to Pulse in November 2022. Contract formally terminated in January 2023

Case study: successful launch of partnership with John Lewis

630k+

Customer accounts onboarded since launch

£2bn+

Total spend financed (1),(2)

96%

Customers accepted through supported application process(2)

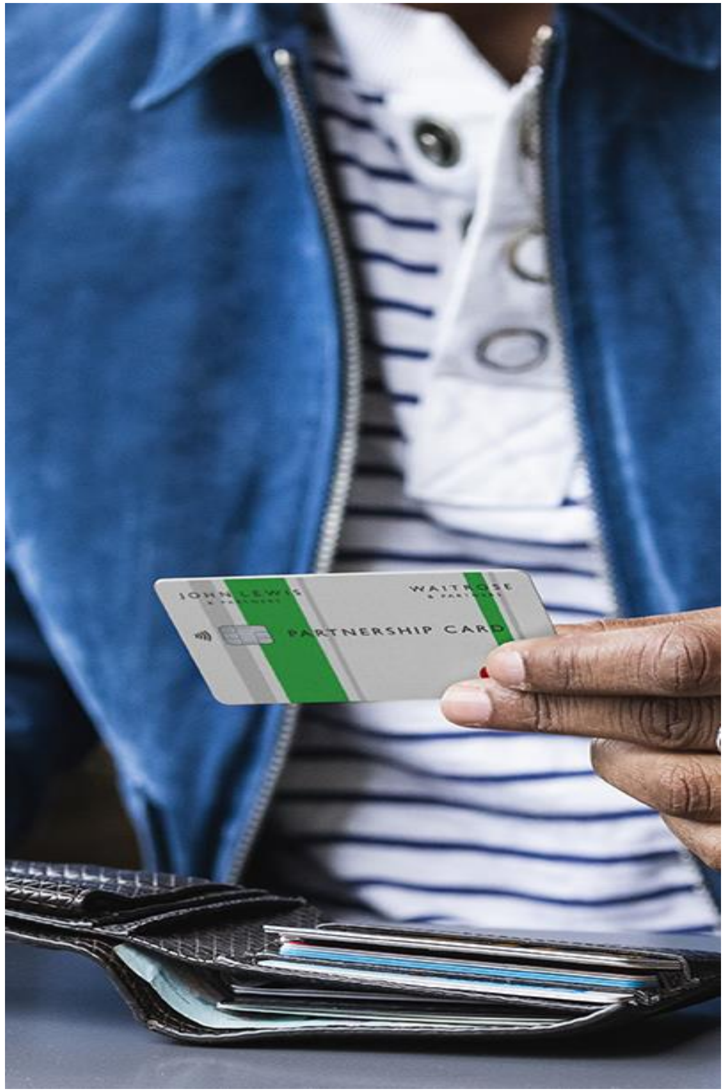
83%

Customers offered the same or higher credit limits(2)

Dedicated c.£650m bank facility to support JLP receivables

Successful transition for existing Partnership Card customers

New co-branded credit card targeting an evolving customer base



Note:
(1) Includes Balance Transfers as part of supported application process
(2) From partnership launch in August 2022

NewDay

Well positioned in a challenging macro-economic environment

Double-digit inflation | **Rising interest rates** | **Low GDP growth**

Impacts on NewDay

1 Credit quality

Household disposable income under pressure

- Additional affordability buffers / range of forbearance options ✓
- Through-the-cycle underwriting experience underpinned by new-gen credit models ✓

2 Higher funding costs

Securitisation cost of funds rates linked to SONIA/SOFR

- Responsibly pass-through rate rises to majority of customers ✓
- Interest rate hedging strategy for residual exposure ✓

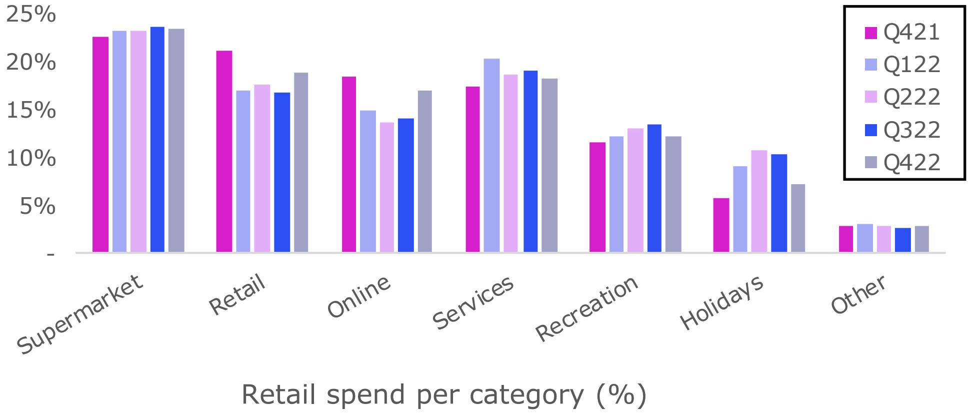
3 Cost pressure

Inflationary pressures driving wage rises and increasing supplier costs

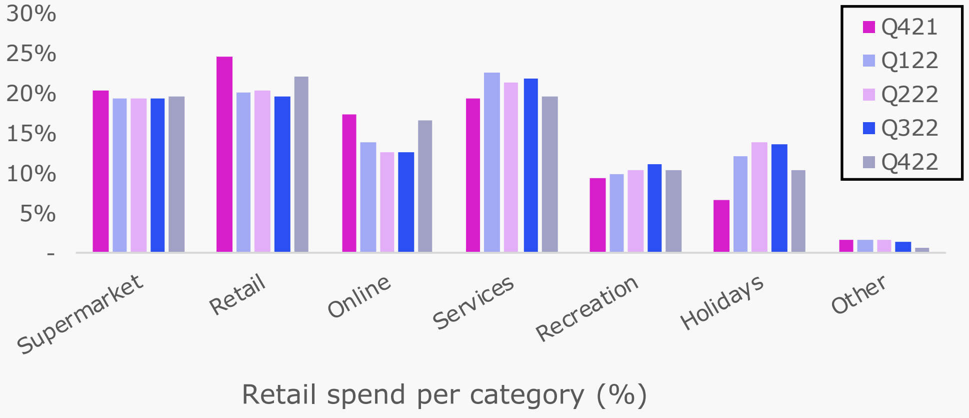
- Contractual caps on most major supplier contracts ✓
- Disciplined cost control track-record ✓
  - 2022 CIR: 29.1%
  - 2021 CIR: 31.8%

No significant adverse change in customer spend trends despite inflationary pressures

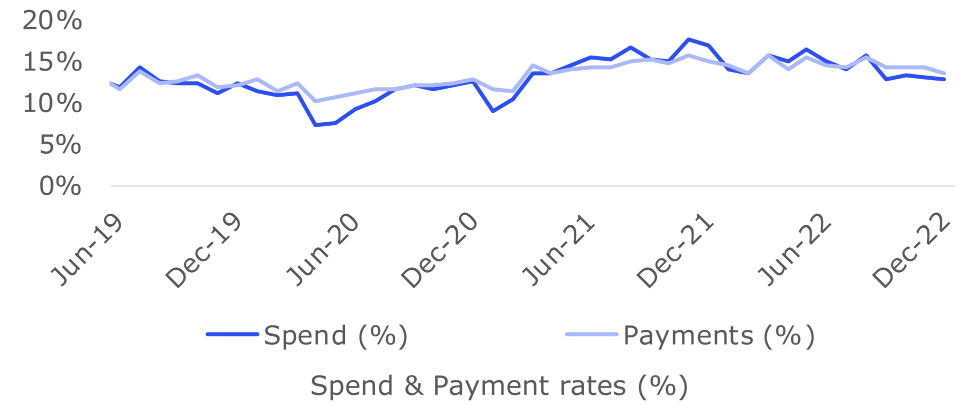
D2C spend trends remain consistent across key segments during the year



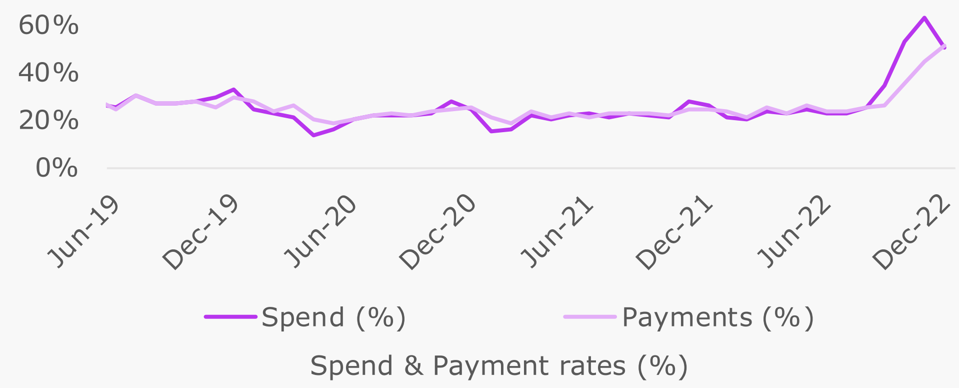
Broadly consistent merchant spend with an increase in holiday spend and reduction in retail spend Q4 22 vs Q4 21



No material change in net spend rates for D2C customers despite inflationary pressures



Onboarding of JLP drives increase in net spend in Q4 but remains within expectations



NewDay

We have enhanced our credit framework in order to provide robust performance during the macro downturn

1 Tightened underwriting framework

- Additional buffers built into affordability assessments
- Tightened credit risk for new and existing lending
- Updated income and expenditure assessment criteria for our “toolkit” of forbearance products

2 Incremental portfolio monitoring

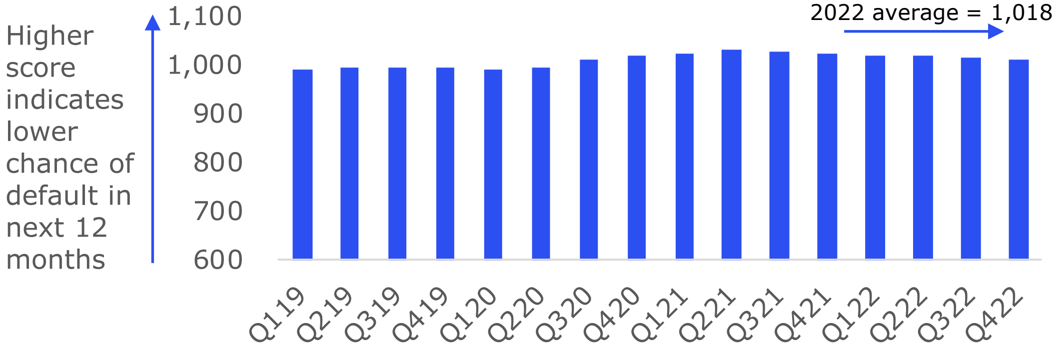
- Early warning system developed with Capital Economics tracks leading macro indicators
- Affordability solutions developed through monitoring of estimated disposable income and assess inflation impacts in real-time
- Weekly tracking of spend patterns, payments and collections data

3 Enhanced stress testing

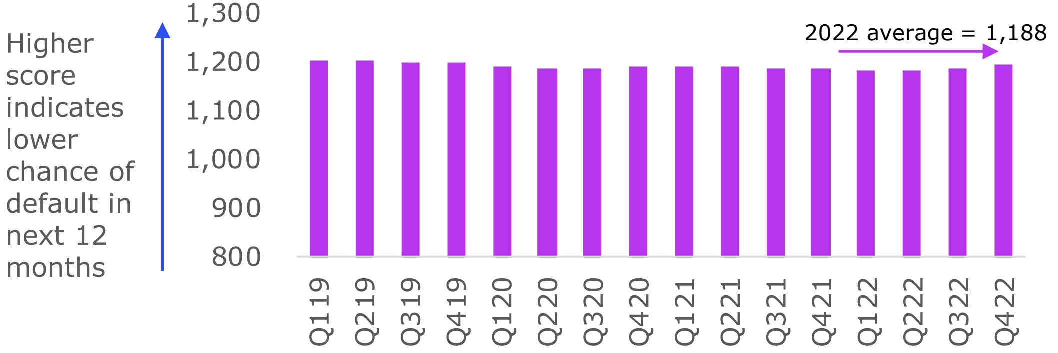
- Continued development of effective and proportionate scenario stress tests completed on a regular basis
- Two downside macroeconomic scenarios used across NewDay for stress testing
- Liquidity stress test reviewed on a monthly basis

Credit performance has normalised post-Covid with performance in-line with long term experience

Recent credit quality broadly flat in both D2C and Merchant Offering

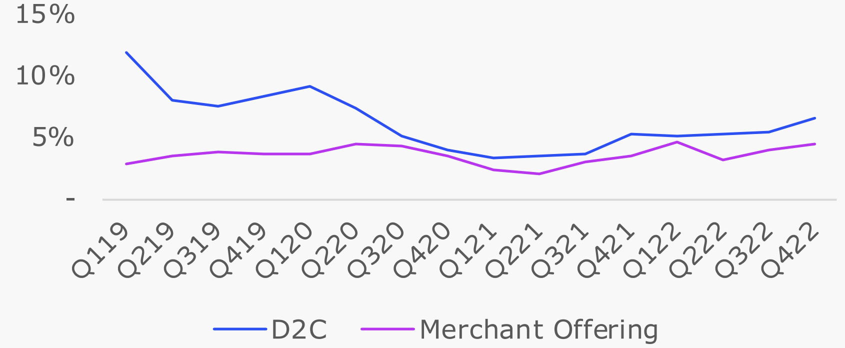


D2C Average Delphi Score(1)

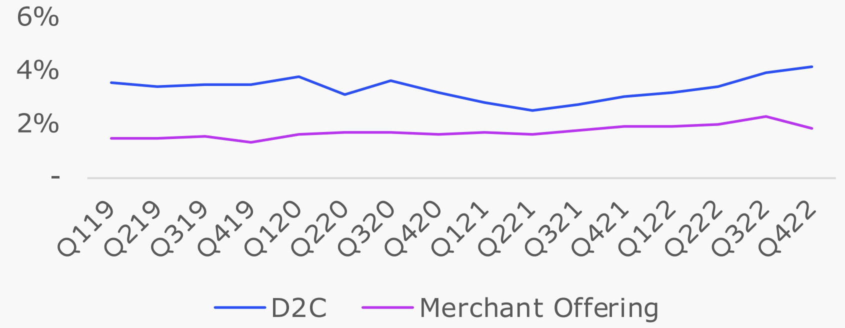


MO Average Delphi Score(1)

Early credit indicators normalising and remain within expectations



% of receivables with two or more missed payments after 6 months[2]



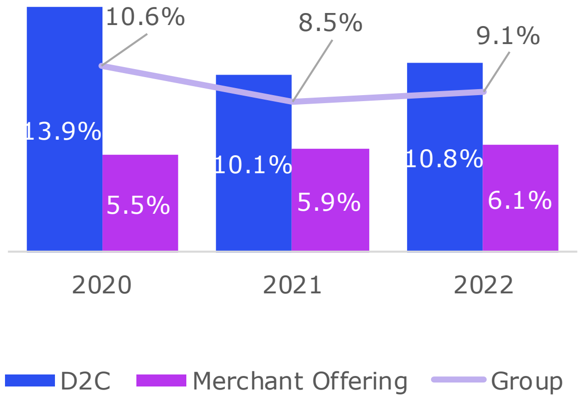
% of receivables entering delinquency(3)

Note:
(1) Experian Delphi for Customer Management AAM score, which predicts the likelihood of delinquency within the next 12 months
(2) This represents credit losses and excludes fraudulent balances
(3) Delinquency shows the proportion of receivables that are one payment in arrears as a proportion of up to date receivables in a given month. Also includes receivables that were already delinquent in prior month that are still one month in arrears

NewDay

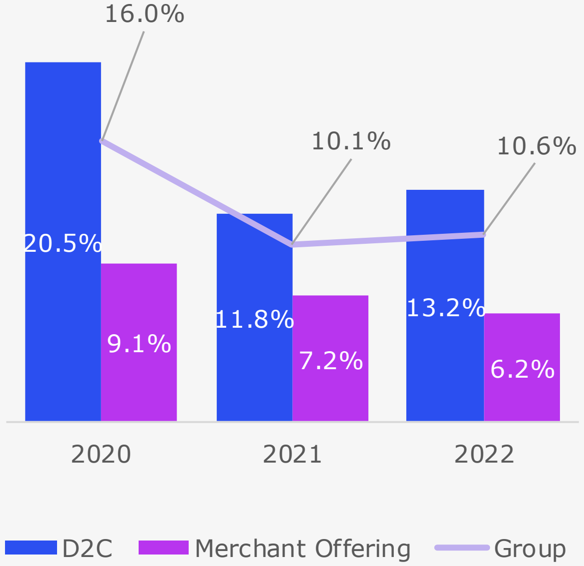
Impairment rates normalised post-Covid with coverage rates still above 2019 levels (exc. JLP)

Charge-offs increased by 60bps over 2021 but still 150bps lower than 2020



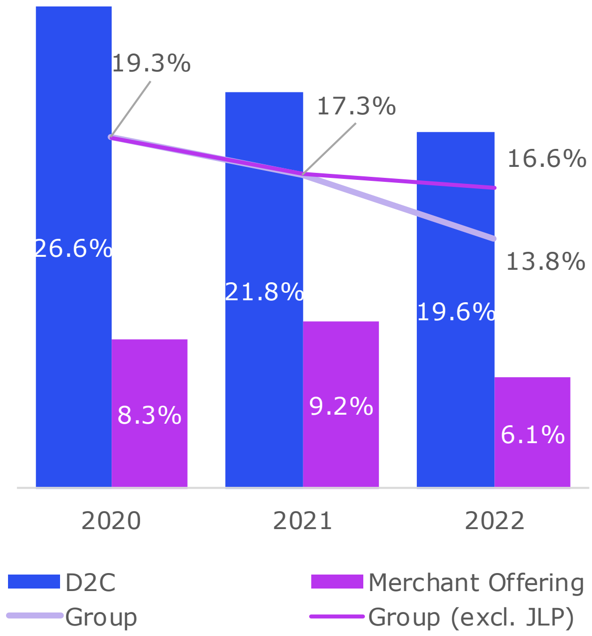
Charge-off Rate (%)

YoY 50bps increase in impairment due to impact of higher in-year receivables growth



Impairment Rate (%)

Coverage rate reduced by 350bps, lowered by onboarding of JLP

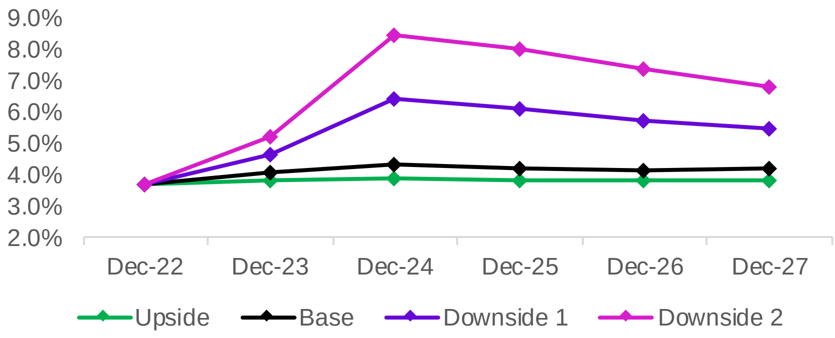


Coverage Rate (%)

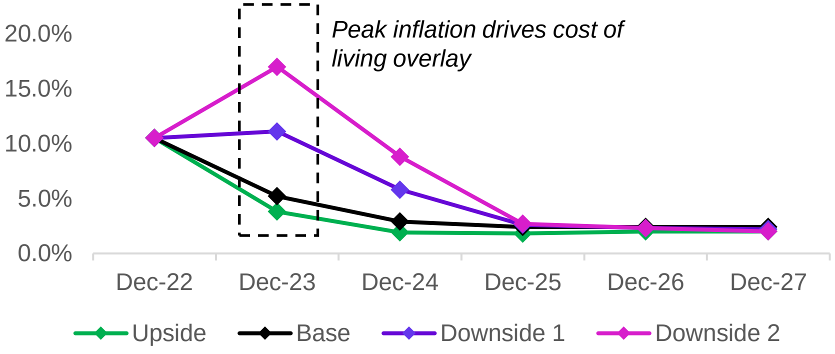
	2019	2022
Group (excl. UPL)	14.2%	13.8%
Group (excl. UPL & JLP)	14.2%	16.6%

Increase in ECL[1] driven by growth alongside higher coverage for costs of living

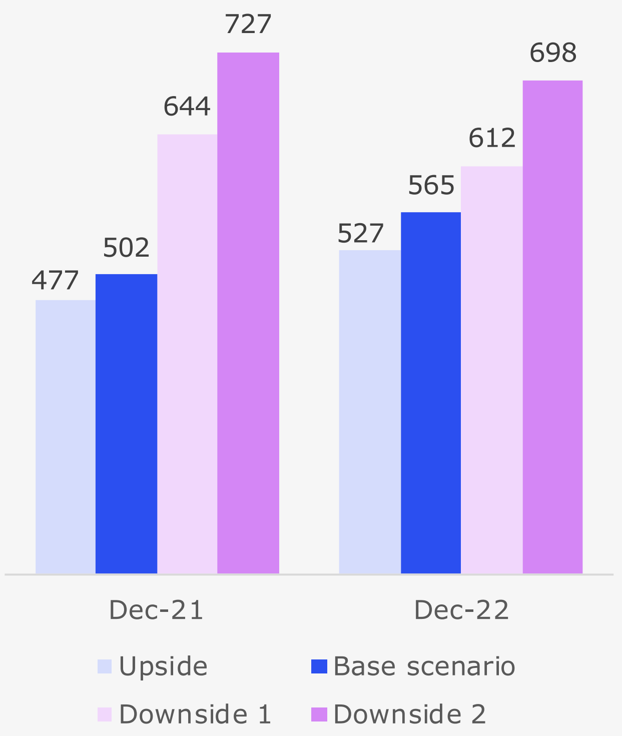
Year end unemployment scenarios



Year end inflation scenarios



ECL Base scenario has increased by £63m driven by receivables growth



ECL scenarios (£m)

Increasing base ECL reflects worsening base case at Dec 22 vs Dec 21

	Unemployment Peak	Unemployment 5 yr avg	ECL (£m) assuming 100%	Probability weighting
Dec-22				
Upside	4.0%	3.8%	527	5%
Base Scenario	4.4%	4.2%	565	55%
Downside 1	6.4%	5.6%	612	35%
Downside 2	8.5%	7.0%	698	5%

	Dec-21	Dec-22
Core ECL[2]	481	536
Cost of living	22	29
Base Scenario	**502**	**565**
Macro uplift	67	21
ECL allowance	**569**	**586**
Coverage Rate	17.3%	13.8%

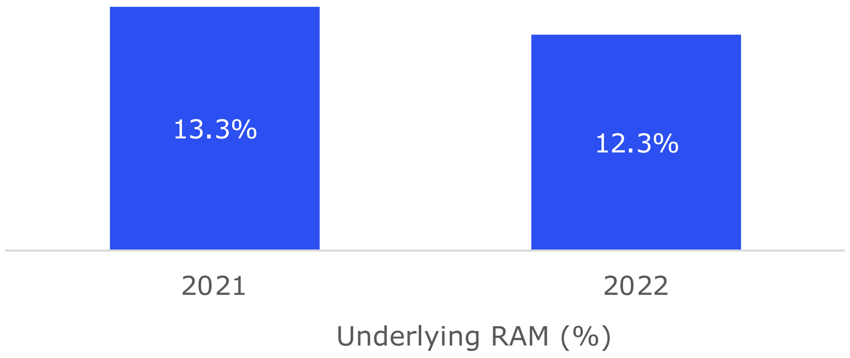
Macroeconomic scenarios (£m)

Note:
(1) Expected Credit Loss
(2) Core ECL is the Base Scenario excluding Cost of living overlay

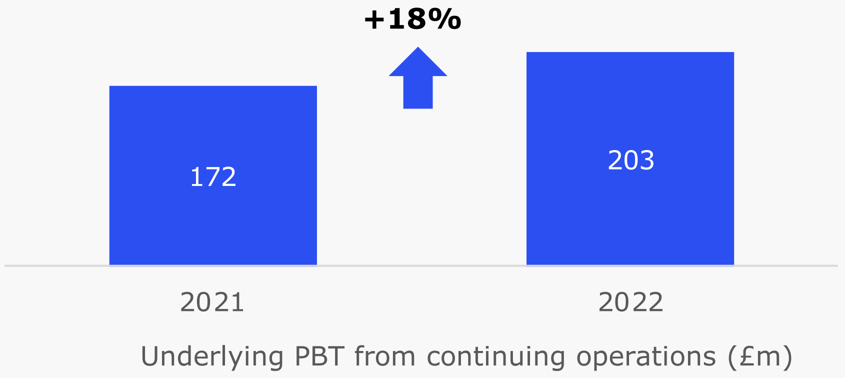
NewDay

Net Revenue growth of 21% with strong cost control delivered 18% profit growth to £203m

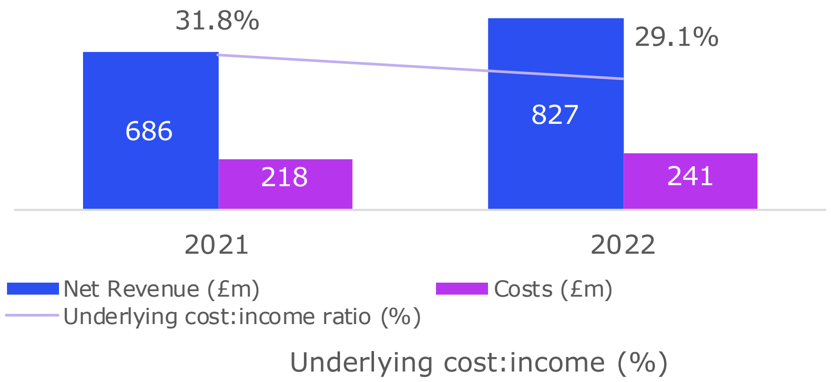
Underlying RAM[1] of 12.3% driven by mix change towards prime



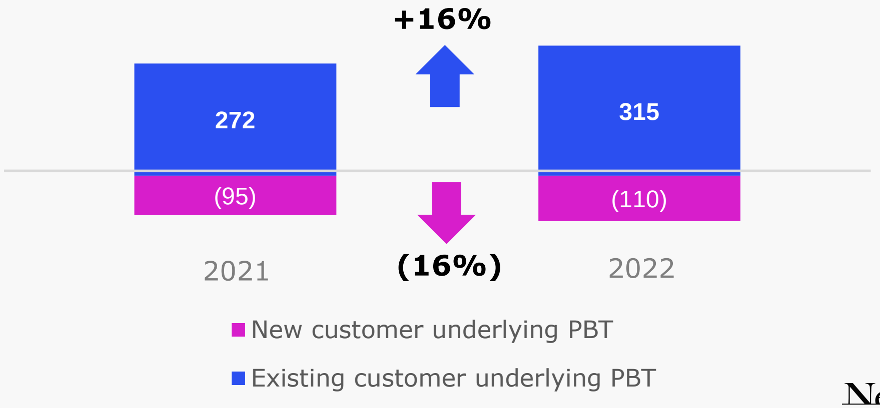
Double-digit profit growth



Underlying cost:income ratio below 30% underpinned by scalable platform



Increasingly profitable back book underpins investment into growing receivables, particularly John Lewis

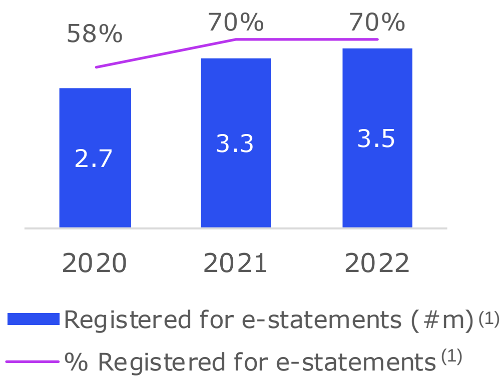


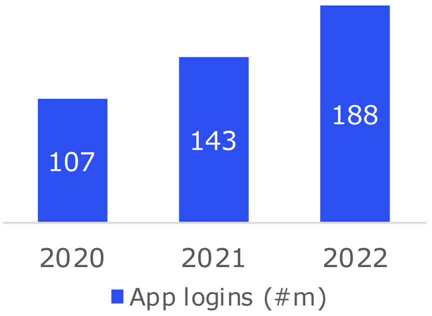
Note:
(1) Underlying RAM calculated as Underlying risk-adjusted income over average receivables

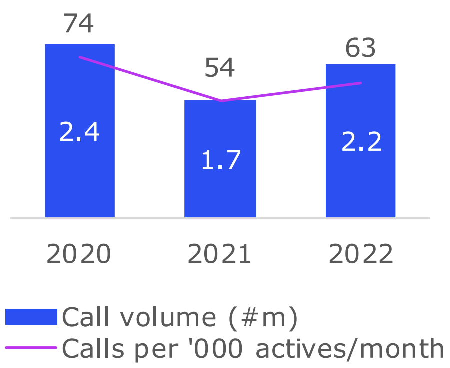
NewDay

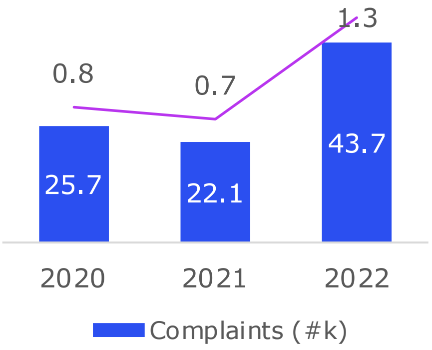
Continued focus on operational efficiency and strong levels of customer experience despite short term impact with JLP onboarding

Increased automation driving cost efficiencies with customers adopting digital solutions more readily



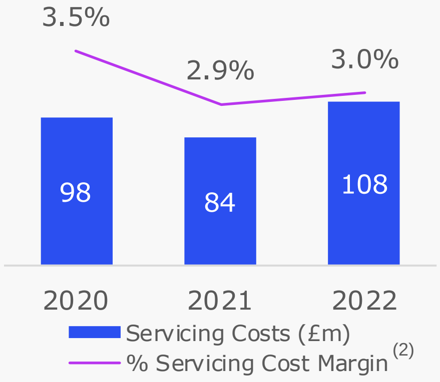


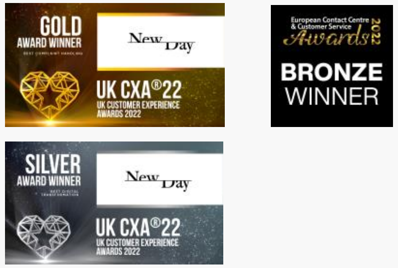




Note:
(1) At period end
(2) Defined as Servicing Costs / Average Receivables
(3) Net Easy Score / Net Promoter Score (average of monthly scores over the year)

Servicing costs remain broadly stable at c.3% of average receivables alongside strong customer satisfaction metrics





+64
NPS(3)
(2021: +70)

+67
NES(3)
(2021: +73)

Customer satisfaction metrics impacted by John Lewis assisted transfer process owing to minor operational issues which have since been resolved.

Expect to revert back to normalised levels

Strong underlying PBT of £203m driven by receivables growth and continued operational efficiency

£m	2021	2022	% Change
Interest income	700	884	
Cost of funds	(62)	(124)	
Net interest income	**639**	**760**	**19%**
Fee and commission income	48	67	
Net Revenue	**686**	**827**	**21%**
Impairment	(296)	(383)	**(29%)**
Underlying risk-adjusted income	**390**	**444**	**14%**
Servicing costs	(84)	(108)	
Change costs	(44)	(43)	
Marketing and partner payments	(42)	(46)	
Collection fees	24	30	
Contribution	**244**	**277**	**14%**
Salaries, benefits and overheads	(72)	(74)	
Underlying PBT from continuing operations	**172**	**203**	**18%**
Add back: depreciation and amortisation	11	12	
Adjusted EBITDA	**183**	**215**	**17%**

Gross receivables (£m)	3,286	4,252	29%
Average gross receivables (£m)	2,931	3,601	23%
Net Revenue margin (%)	23.4%	23.0%	
Impairment (%)	10.1%	10.6%	
Underlying RAM (%)	13.3%	12.3%	
Underlying operating expenses (£m)	(218)	(241)	(11%)
Cost:income ratio (%)	31.8%	29.1%	
Net Senior Secured Debt to Adjusted EBITDA	0.4x	(0.1)x	
Adjusted EBITDA to pro forma cash interest expense	7.6x	5.9x	

Net Revenue Growth

+21%

- 23% growth in average gross receivables
- Marginal net revenue dilution from higher cost of funds, gross yield impacted by portfolio repricing and higher prime mix in overall book

Impairment charge growth

+29%

- Tracking higher receivables

Cost:income improvement

+270bps

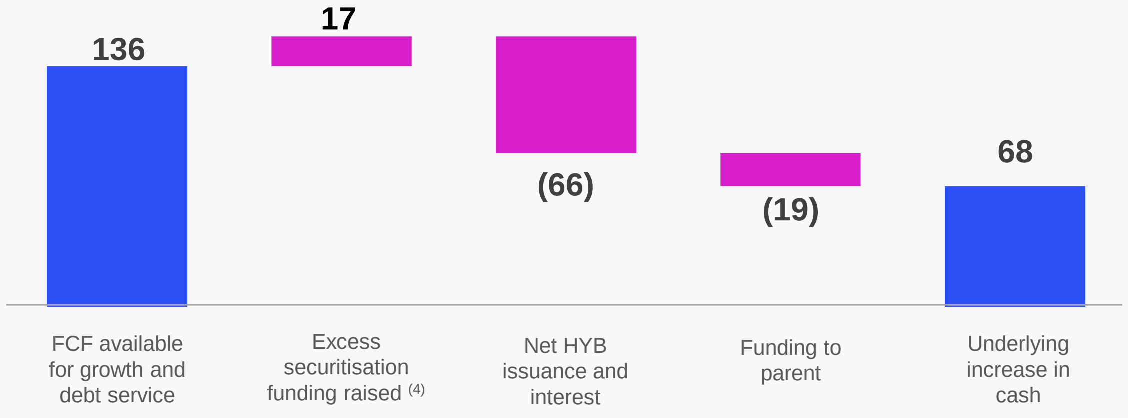
- Servicing costs increase reflects larger receivables and significant John Lewis transfer
- All other costs relatively stable reflecting scalable platform

NewDay

2022 focus on reinvesting cash flows into growth

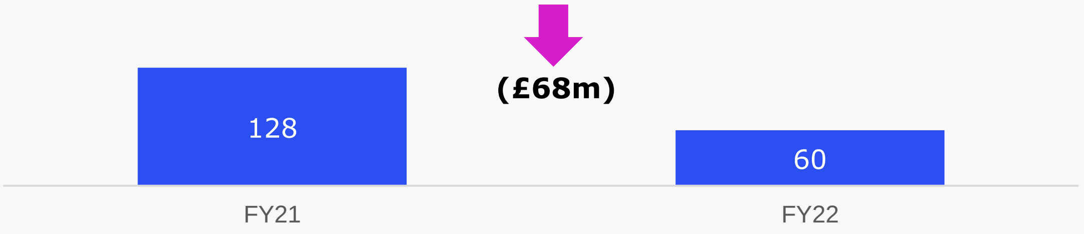
£m	2021	2022	%
Adjusted EBITDA	**183**	**215**	**17%**
Change in impairment provision	19	19	
Adjusted EBITDA excl. provision	**202**	**234**	**16%**
Change in working capital	17	(43)	
PPI provision utilisation	(2)	(2)	
Capital expenditure	(9)	(22)	
Tax paid	(17)	(22)	
Exceptional costs	(2)	(10)	
FCF available for growth and debt service	**189**	**136**	**(28%)**
Increase in loans and advances to customers [1]	(459)	(981)	
Net financing cash flow[2]	390	997	
FCF available for Senior Secured Debt interest	**119**	**152**	**27%**
Payback of RCF	(30)	-	
Repayment of High Yield Bond due 2024	(100)	(264)	
High Yield Bond issuance due 2026		229	
Funding loan to parent[3]	(10)	(19)	
Debt service - cash payments	(28)	(31)	
Cash generated from discontinued operation	18	-	
Underlying net increase in cash and cash equivalents	**(30)**	**68**	
Net movement in funding overlap	(244)	-	
Net increase in cash and cash equivalents (excl. restricted cash)	**(275)**	**68**	
Movements in restricted cash	(6)	10	
Net increase in cash and cash equivalents	**(280)**	**78**	
Net increase in cash and cash equivalents (excl. funding overlap)	**(36)**	**78**	

Underlying increase in cash of £68m supported by strong profitability reinvested into receivables growth. Excess funding supports future receivables growth



Cash flow (£m)

£60m of cash outside the securitisation vehicles with strong underlying cash generation offset by investment in receivables and high-yield bond repayment

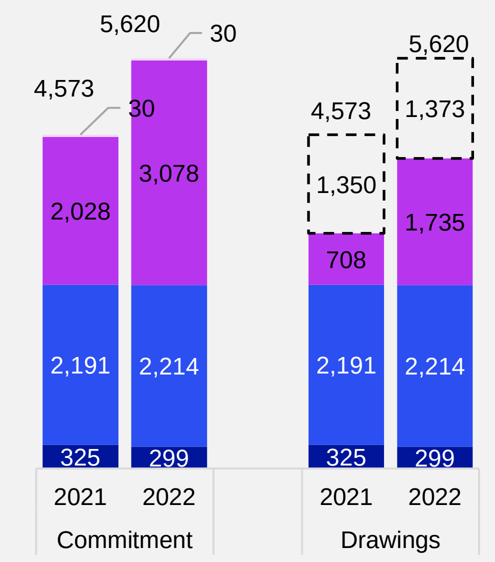


Cash outside of securitisation vehicles[1] (£m)

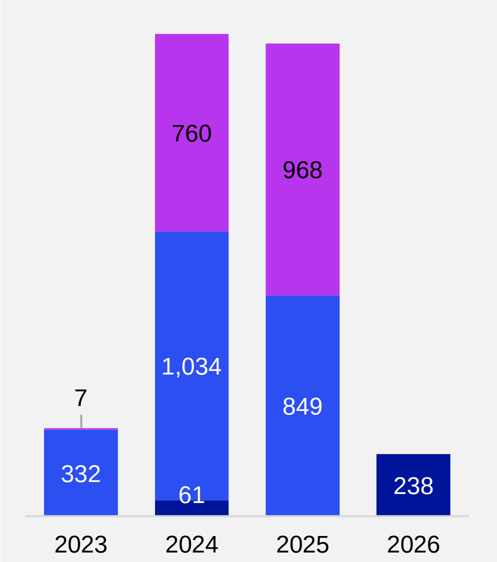
Note:
(1) Loans and advances to customers are a statutory equivalent of Gross Receivables and include EIR and accrued interest
(2) Excludes restricted cash
(3) Payment to the Group's immediate parent company, Nemean MidCo Limited
(4) Largely cash drawn on facilities / excess repayments used for future receivables growth

£1.4bn funding headroom[(1)] for future growth – HYB successfully refinanced

Diverse and growing funding structures - High Yield Bond refinanced alongside 3 ABS deals and specific facility for JLP in 2022. Only 1 ABS deal maturing in 2023



Commitment and drawings Debt[(2)] (£m)



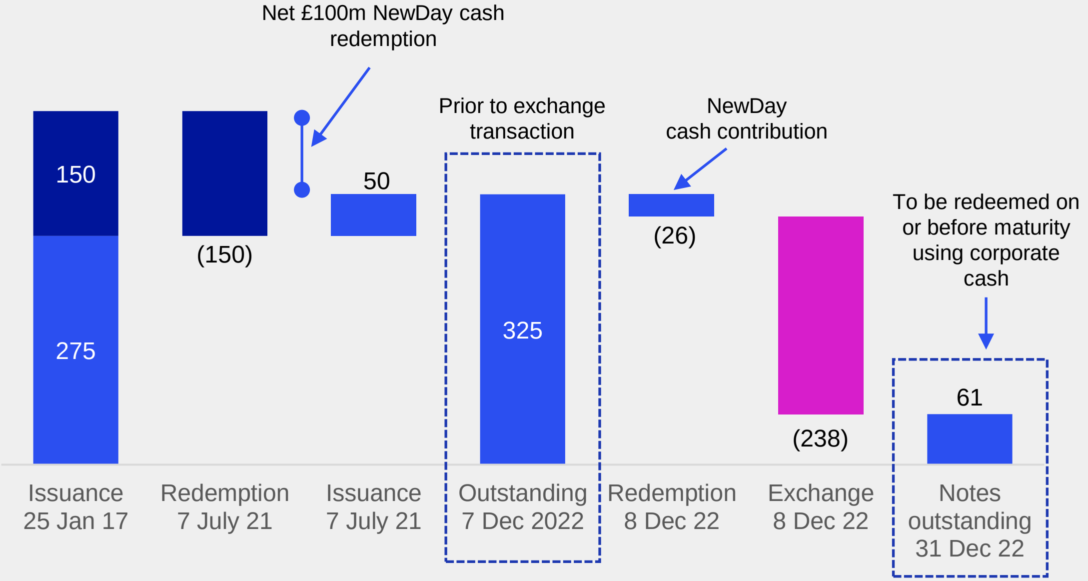
Maturity profile Drawn debt[(2) (3)] (£m)

■ Senior Secured Debt ■ Asset-backed term debt ■ VFN ■ RCF ⌜ Undrawn capacity

Upcoming ABS maturities in 2023

2023 ABS term debt maturity (£m)		
MO 2020-1	332	Nov-23
Total	**332**	

High Yield Bond refinanced through a mixture of exchange and redemption



Strong leverage metrics

Net Senior Secured Debt to Adjusted EBITDA

(0.1x)

Adjusted EBITDA to pro forma cash interest expense

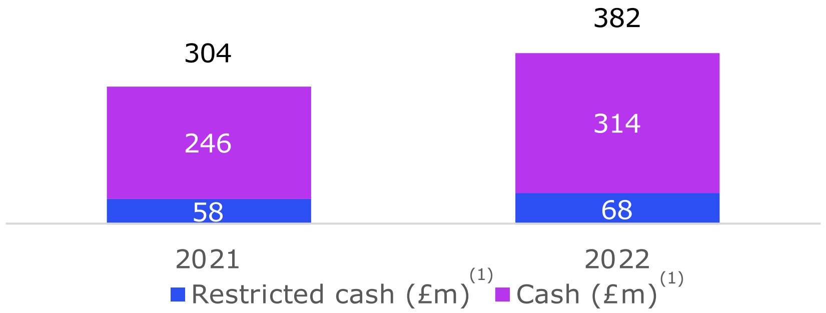
5.9x

Note:
(1) £1,373m funding headroom includes VFN, RCF and specific JLP facility headroom
(2) Amounts shown are balance sheet carrying values except for Senior Secured Debt which excludes £8m discount on the new issuance
(3) Excluding accrued interest

NewDay

Strong cash position and substantial VFN headroom

Cash £78m higher than 2021 driven by underlying growth and liquidity in securitisation vehicles



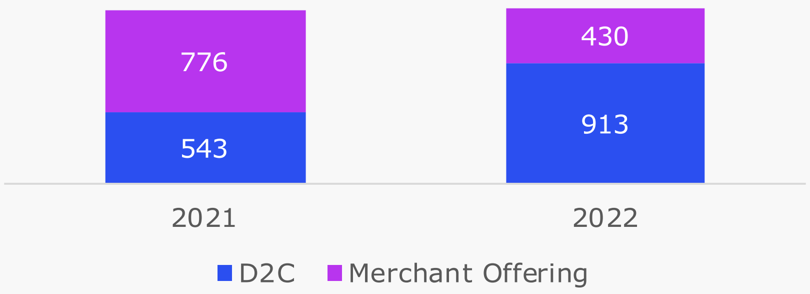
Total Cash (£m)(1)

Advance Rates increased year on year

D2C	**Group**	Merchant Offering
87.8%[2]	**92.0%**[2]	97.4%[2],[3]
(2021: 86.5%)	(2021: 88.6%)	(2021: 92.3%)

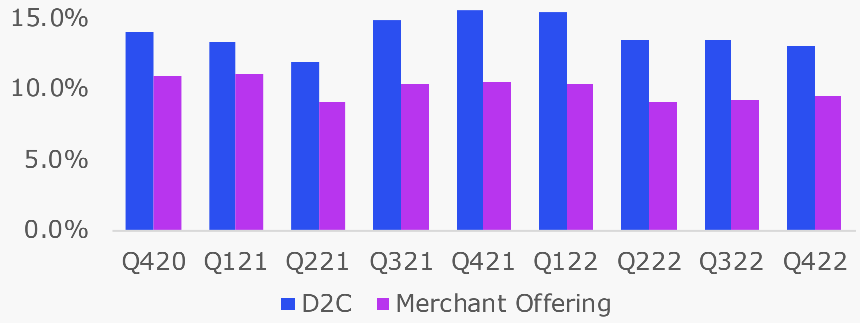
Advance Rates[2] excluding cash held for ABS refinance

Substantial VFN headroom (£1,343m) available for future growth



VFN Headroom (£m)

Excess spread[4] levels remain healthy, with D2C and Merchant Offering at 13.0% and 9.5% respectively



Excess spread on Merchant VFNs and Secondary funding facilities are c.3% lower than Merchant ABS facilities owing to lower yield from JLP

Note:
(1) 2022 Cash includes £133m cash drawn on Merchant facilities
(2) Advance rates calculated based on the hedged currency position.
(3) MO Advance Rate at Dec-22 includes £133m cash pre-drawn on Merchant facilities and would otherwise be c.90% and Group advance rate c.89%
(4) Excess spread: Key trigger across funding vehicles, broadly defined as debited interest and fee income and recoveries, less gross charge-offs, funding costs and senior fees including senior servicing fees divided by average gross receivables, calculated on a 3 month average basis. Excess spreads shown exclude VFNs and Secondary Funding facilities as they are not directly comparable.

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Appendix

Statutory Earnings

£m	2021	2022
Underlying Profit from continuing operations	**172**	**203**
Senior Secured Debt interest and related costs	(31)	(30)
Other	-	(1)
Platform development costs	(2)	(9)
Fair value unwind	1	-
PPI	(5)	1
Amortisation of Acquisition intangibles	(57)	(54)
Profit before tax from continuing operations	**79**	**110**
Discontinued operation	3	-
Statutory PBT	**82**	**110**

Senior Secured Debt interest and related costs: includes the interest charge and other costs associated with the issuance and servicing of the Senior Secured Notes issued by NewDay BondCo plc (the Senior Secured Debt) and the Super Senior Revolving Credit Facility entered into by the Company on 25 January 2017 (the Revolving Credit Facility)

Other: relates to non-recurring expenses incurred on specific projects that are not representative of underlying performance

Platform development costs: reflects expenses incurred to enhance the capabilities of the Group's in-house operating platforms. These costs relate to a one-off project

Fair value unwind: reflects the amortisation of fair value adjustments on the Group's acquired receivables. The fair value adjustments were fully unwound at the end of 2021

PPI: reflects revisions to expected PPI remediation expenses including costs incurred from third parties that process customer complaints on behalf of the Group

Amortisation of Acquisition intangibles: represents the amortisation of the purchase price that was attributed to intangible assets arising on completion of the Acquisition

Discontinued operation: represents the results of the UPL segment which was discontinued in 2020 with the receivables portfolio subsequently being sold in Q1 2021

Contribution by segment

D2C income statement & KPIs £m	2021	2022	% Change
Interest income	488	640	
Cost of funds	(41)	(78)	
Fee and commission income	31	44	
Net Revenue	**478**	**607**	**27%**
Impairment	(218)	(302)	
Underlying risk-adjusted income	**260**	**305**	**17%**
Servicing costs	(44)	(57)	
Change costs	(22)	(23)	
Marketing costs	(22)	(24)	
Collection fees	15	21	
Contribution	**187**	**222**	**19%**
Gross receivables	2,112	2,418	14%
Average gross receivables	1,843	2,292	24%
Net Revenue margin (%)	25.9%	26.5%	
Impairment rate (%)	11.8%	13.2%	
Underlying RAM (%)	14.1%	13.3%	
Charge-off rate (%)	10.1%	10.8%	
Coverage rate (%)	21.8%	19.6%	

Merchant income statement & KPIs £m	2021	2022	% Change
Interest income	213	244	
Cost of funds	(21)	(46)	
Fee and commission income	16	21	
Net Revenue	**208**	**219**	**5%**
Impairment	(78)	(81)	
Underlying risk-adjusted income	**130**	**138**	**6%**
Servicing costs	(41)	(52)	
Change costs	(16)	(17)	
Marketing and partner payments	(20)	(21)	
Collection fees	9	9	
Contribution	**63**	**58**	**(8%)**
Gross receivables	1,174	1,833	56%
Average gross receivables	1,088	1,309	20%
Net Revenue margin (%)	19.1%	16.7%	
Impairment rate (%)	7.2%	6.2%	
Underlying RAM (%)	11.9%	10.6%	
Charge-off rate (%)	5.9%	6.1%	
Coverage rate (%)	9.2%	6.1%	

Note: £(3)m of additional Contribution is included within the Platform Services segment (2021: £(5)m)

Balance sheet

£m	2021	2022
Gross receivables	3,286	4,252
Impairment provision	(569)	(586)
Other	128	143
Net receivables	**2,845**	**3,808**
Restricted cash	58	68
Cash	246	314
Intangible assets	154	112
Goodwill	280	280
Other assets	69	234
Total assets	**3,652**	**4,816**
Asset-backed term debt	2,192	2,218
Variable funding notes	709	1,742
Senior Secured Debt	335	294
PPI provision	8	1
Other provisions	3	4
Other liabilities	92	142
Total liabilities	**3,339**	**4,401**
Net assets	**312**	**414**

Fair value of total assets following the Acquisition in 2017 introduced £396m of intangible assets, primarily relating to the customer and retailer relationships, the brand, trade names and intellectual property. The carrying value of these assets was £80m at Dec-22

Asset-backed term debt represents the term series notes issued by the D2C and Merchant Offering master trust structures

Variable funding notes represents the debt drawn down under the five VFNs across the Group

Leverage and interest ratios

£m	2021	2022
Adjusted EBITDA	**183**	**215**
Senior Secured Debt	325	299
Cash	(246)	(314)
Net corporate Senior Secured Debt	**79**	**(16)**
Net Senior Secured Debt to Adjusted EBITDA	0.4x	(0.1)x
Senior corporate interest expense	**24**	**36**
Adjusted EBITDA to cash interest expense	7.6x	5.9x

Glossary

ABS: Asset-backed security

Acquisition: The purchase by NewDay Group (Jersey) Limited of NewDay Group Holdings S.à r.l. and its subsidiaries on 26 January 2017

Adjusted EBITDA: Earnings before Senior Secured Debt interest (and related costs), tax, depreciation and amortisation

Advance Rate: (ABS + VFN drawn debt)/Gross Receivables

Charge-off Rate: Charge-offs/Average Gross Receivables

Coverage Rate: ECL/Year-end Gross Receivables

Delinquency: A customer is considered delinquent if they have not made their contractual minimum payment by the date of their following monthly statement/cycle date

D2C (Direct to Consumer): Our business that markets credit products directly to consumers, comprising our own branded cards. Formerly referred to as 'Own-brand' and includes the Aqua, Fluid, Marbles and Bip brands

ECL: Expected Credit Loss

Excess spread: Key trigger across funding vehicles, broadly defined as debited interest and fee income and recoveries, less gross charge-offs, funding costs and senior fees including senior servicing fees divided by average gross receivables, calculated on a 3-month average basis. Excess spreads shown exclude VFNs and Secondary Funding facilities as they are not directly comparable.

FCF: Free cash flow

Impairment Rate: Impairment/Average Gross Receivables

Merchant Offering: Our business that partners with leading brands to offer credit products to customers, which includes carded loyalty platforms, revolving digital credit, retail finance, BNPL and bespoke credit solutions. Formerly referred to as 'Co-brand'

N/M: Not meaningful

Retail spend: Total spend excluding cash, balance transfers, money transfers and refunds

RAI: Risk-adjusted income

RAM: Risk-adjusted margin

RCF: Revolving credit facility

Senior Secured Debt: Comprises the High Yield Bonds and RCF

Underlying PBT from continuing operations: Earnings before Senior Secured Debt interest (and related costs), tax and one-off items

UPL: Unsecured Personal Loans

VFN: Variable funding note

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