Condensed Consolidated Quarterly Financial Information (Unaudited)

Mizzen Mezzco Limited

Year and quarter ended 31 December 2016

Premium Credit is the No.1 Insurance Financing Company

Mizzen Mezzco Limited

Registered Number: 08179245

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Financial Highlights

Financial Data (£ in millions, except percentages and ratios)	For the year ended 31 December 2016 (unaudited)	For the year ended 31 December 2015[e] (unaudited)	Increase / (Decrease) (unaudited)
Net Advances[(a)]	3,551.1	3,423.5	127.6
Turnover	132.8	126.2	6.6
EBITDA	79.9	69.1	10.8
Adjusted EBITDA[(b)]	85.4	81.3	4.1
Adjusted EBITDA Margin[(b)]	64.3%	64.4%	-0.1%
Adjusted Post-Securitisation EBITDA[(c)]	68.7	63.5	5.2
Adjusted Post-Securitisation EBITDA Margin[(c)]	51.7%	50.3%	1.4%
Cash Conversion[(d)]	82.8%	91.5%	-8.7%

Financial Data (£ in millions, except percentages and ratios)	For the quarter ended 31 December 2016 (unaudited)	For the quarter ended 31 December 2015[e] (unaudited)	Increase / (Decrease) (unaudited)
Net Advances[(a)]	807.7	799.7	8.0
Turnover	34.5	33.4	1.1
EBITDA	19.0	21.6	(2.6)
Adjusted EBITDA[(b)]	20.8	21.6	(0.8)
Adjusted EBITDA Margin[(b)]	60.3%	64.7%	-4.4%
Adjusted Post-Securitisation EBITDA[(c)]	17.0	17.3	(0.3)
Adjusted Post-Securitisation EBITDA Margin[(c)]	49.3%	51.8%	-2.5%
Cash Conversion[(d)]	74.1%	77.5%	-3.3%

a. Net Advances represents gross advances net of loans for policies or services that have been cancelled by end customers, or service provider

b. Adjusted EBITDA represents EBITDA as adjusted for certain transaction costs, one-time information technology and other expenses, Adjusted EBITDA margin as a % of Turnover.

c. Adjusted Post-Securitisation EBITDA adjusted for funding costs; Adjusted Post-Securitisation EBITDA margin as a % of Turnover.

d. Cash conversion as % of Adjusted Post-Securitisation EBITDA; Free Cash Flow represents Adjusted Post-Securitisation EBITDA – CapEx

e. Due to a misclassification of an IFRS restatement in 2015 of One time IT and other expenses, 2015 Adjusted Post-Securitisation EBITDA has decreased £3.1 million from previously reported £66.6 million to £63.5 million. The 2015 and Q415 comparative in this report reflect the corrected results and any ratios, percentages or other metrics impacted recalculated as required. This has no impact upon Profit before Taxation or Net Assets.

Highlights for the year ended 31 December 2016

- We have increased the overall size of our net advances by 3.7% to £3,551.1 million for the year ended 31 December 2016 (year ended 31 December 2015: £3,423.5 million), due to the combination of relationships established with new intermediaries, greater penetration with our existing intermediaries and the increase in Insurance Premium Tax.
- EBITDA increased by £10.8 million or 15.6% to £79.9 million in the year ended 31 December 2016 (31 December 2015: £69.1 million). Adjusted post-securitisation EBITDA increased £5.2 million or 8.2% to £68.7 million (2015: £63.5 million). Turnover growth of 5.2%, combined with the improved funding costs of the Group, is driving this increase.
- Looking at the components of Adjusted post-securitisation EBITDA in more detail:
  - Group turnover increased by £6.6 million, or 5.2%, to £132.8 million for the year ended 31 December 2016 (year ended 31 December 2015: £126.2 million). This increase is driven by the growth in net advances and the impact of the Insurance Premium Tax increase.

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Financial Highlights (continued)

- Credit losses including provisions increased £0.8 million to £6.7 million for the year ended 31 December 2016 (year ended 31 December 2015 £5.9 million).
- Operating expenses increased by £1.7 million to £40.7 million for the year ended 31 December 2016 (year ended 31 December 2015: £39.0 million) due to incremental staff and facility costs as we invest in the organisation.
- Securitisation interest expense decreased by £1.1 million, or 6.2%, to £16.7 million for the year ended 31 December 2016 (year ended 31 December 2015: £17.8 million) as we extended and amended the terms of our securitisation facility in July 2015. With effect from 16 June 2016, the facility was increased from £1.05 billion to £1.25 billion, with £100 million of this increase provided by Royal Bank of Scotland (RBS) entering the facility. In December 2016, the final legal maturity of the securitisation notes was extended to December 2019.

* In December 2016, a Master Trust facility structure was put in place which became effective 2 February 2017, replacing the existing securitisation facility; on this date, the overall facility was also reduced to £1.15 billion. This provides access to the same sources of funding as under the securitisation facility, plus funding for an excess concentration series, and will allow future access to public Asset-backed security (ABS) funding. This will diversify our funding base, further reducing liquidity risk.
* The Group made a cash distribution of £31.0 million in December 2016.

Highlights for the quarter ended 31 December 2016

* We have increased the overall size of our net advances by 1.0% to £807.7 million for the quarter ended 31 December 2016 (Q4 2015: £799.7 million), due to the combination of relationships established with new intermediaries, greater penetration with our existing intermediaries and the increase in Insurance Premium Tax.
* EBITDA decreased by £2.6 million or 12.0% to £19.0 million in the quarter ended 31 December 2016 (Q4 2015: £21.6 million). Adjusted post-securitisation EBITDA decreased £0.3 million or 1.7% to £17.0 million (Q4 2015: £17.3 million) due to increased operating expenses offsetting an increase in turnover and lower funding costs.
* Looking at the components of Adjusted post-securitisation EBITDA in more detail:
    - Group turnover increased by £1.1 million, or 3.3%, to £34.5 million for the quarter ended 31 December 2016 (Q4 2015: £33.4 million). This increase is driven by the growth in net advances and the impact of the Insurance Premium Tax increase.
    - Credit losses including provisions decreased £0.1 million to £2.3 million for the quarter ended 31 December 2016 (Q4 2015 £2.4 million).
    - Operating expenses increased by £1.9 million to £11.4 million for the quarter ended 31 December 2016 (Q4 2015: £ 9.5 million), primarily due to incremental staff and facilities costs as we invest in the organisation.
    - Securitisation interest expense decreased by £0.5 million, or 11.6 %, to £3.8 million for the quarter ended 31 December 2016 (Q4 2015: £4.3 million) due to a reduction in swap interest of £0.2 million and a reduction of the base rate by 25 bps in August 2016.

Financial Highlights (continued)

Tom Woolgrove, Chief Executive, commenting on the results said:

“The Group has continued to deliver another strong financial performance in the year to December 2016, with Adjusted Post Securitisation EBITDA of £68.7 million, an increase of 8.2% year on year.

We have also made progress in delivering on a number of strategic priorities, including putting in place a Master Trust facility structure, and implementing a new loan administration system, migrating from our legacy platform, and new point of payment platform (‘EPICC’).

In January 2017, we announced that Robert Allan, Chief Financial Officer of Premium Credit, will be leaving the business in April 2017. We would like to thank Rob for his significant contribution and many years of loyal service to Premium Credit. Nayan Kisnadwala will remain as Group Chief Financial Officer.”

Basis of Preparation

The Group converted from presenting its financial statements under UK GAAP to IFRS in 2015, and prepared the Annual Report and Financial Statements for 2015 under IFRS. The financial information contained in this report has been prepared under IFRS, which includes a restatement of the 2015 results to IFRS. For the year and quarter ended 31 December 2015, a reconciliation of the Profit before tax and EBITDA as previously presented under UK GAAP and the restated results under IFRS is shown on page 20.

Use of Non-IFRS Financial Measures

Turnover

Turnover represents interest income and net fee and commission income. Turnover is not specifically defined under, or presented in accordance with, IFRS or any other generally accepted accounting principles and you should not consider it as an alternative to Total income for the period or any other performance measures derived in accordance with IFRS.

EBITDA

EBITDA-based measures are non-IFRS measures. The Group uses EBITDA-based measures as internal measures of performance to benchmark and compare performance, both between its own operations and as against other companies. EBITDA-based measures are measures used by the Group, together with measures of performance under IFRS, to compare the relative performance of operations in planning, budgeting and reviewing the performances of various businesses. The Group believes EBITDA-based measures are useful and commonly used measures of financial performance in addition to operating profit and other profitability measures under IFRS because they facilitate operating performance comparisons from period to period and company to company. By eliminating potential differences in results of operations between periods or companies caused by factors such as depreciation and amortisation methods, financing and capital structures, taxation positions or regimes and exceptional items, the Group believes EBITDA-based measures can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. For these reasons, the Group believes EBITDA-based measures and similar measures are regularly used by the investment community as a means of comparison of companies in the Group's industry. Different companies and analysts may calculate EBITDA-based measures differently, so making comparisons among companies on this basis should be done very carefully. EBITDA-based measures are not measures of performance under IFRS and should not be considered in isolation or construed as substitutes for operating profit or net profit as an indicator of the Group's operations in accordance with IFRS.

EBITDA represents profit for the period before taxation, interest payable and similar charges, depreciation and amortisation, goodwill amortisation and amortisation of Securitisation Facility refinancing fees. EBITDA is not specifically defined under, or presented in accordance with, IFRS or any other generally accepted accounting principles and you should not consider it as an alternative to profit for the period or any other performance measures derived in accordance with IFRS.

Adjusted EBITDA represents EBITDA as adjusted for certain transaction costs, pro forma standalone expenses and one-time information technology and other expenses identified in the tables on page 13. In evaluating Adjusted EBITDA, we encourage you to evaluate each adjustment and the reasons we consider it appropriate as a method of supplemental analysis. You should be aware that, as an analytical tool, Adjusted EBITDA is subject to all of the limitations applicable to EBITDA. You should be aware that we may incur expenses similar to the adjustments in this presentation in the future and that certain of these items could be considered recurring in nature. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

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Use of Non-IFRS Financial Measures (continued)

Adjusted EBITDA Margin represents Adjusted EBITDA divided by turnover.

Adjusted Post-Securitisation EBITDA represents Adjusted EBITDA as adjusted to exclude any add-back to profit for the period before taxation of interest expense related to the Securitisation Facility. In evaluating Adjusted Post-Securitisation EBITDA, we encourage you to evaluate each adjustment and the reasons we consider it appropriate as a method of supplemental analysis. You should be aware that, as an analytical tool, Adjusted Post-Securitisation EBITDA is subject to all of the limitations applicable to EBITDA and Adjusted EBITDA.

Adjusted Post-Securitisation EBITDA Margin represents Adjusted Post Securitisation EBITDA divided by turnover.

Cash conversion represents EBITDA less capital expenditure as a percentage of EBITDA.

Other

In addition to EBITDA-based measures, the Group has included other non-IFRS financial measures in this report, some of which the Group refers to as "key performance indicators". The Group believes that it is useful to include these non-IFRS measures as they are used by the Group for internal performance analysis and the presentation by its business divisions of these measures facilitates comparability with other companies in the Group's industry, although the Group's measures may not be comparable with similar measurements presented by other companies. These other non-IFRS measures should not be considered in isolation or construed as a substitute for IFRS measures in accordance with IFRS.

Pro forma net debt (excluding securitisation) represents pro forma total corporate borrowings less cash on the balance sheet excluding SPV cash from the Securitisation Facility ("PCL Cash").

Pro forma cash interest expense represents cash interest expense excluding interest payable to SPV under the Securitisation Facility and certain associated interest rate hedges. Pro forma cash interest expense (excluding securitisation), has been presented for illustrative purposes only and does not purport to represent what our interest expense would have actually been had the issue of the Notes occurred on the date assumed, nor does it purport to project our interest expenses for any period or our financial condition at any future date.

Notice

These accounts have been prepared at the level of Mizzen Mezzco Limited.

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Management Discussion and Analysis – Business Review

Principal Activities

We believe we are the leading independent provider of insurance premium and other service fees advances in the UK and Ireland, excluding insurers and independent brokers. We believe we accounted for a majority of total Net Advances excluding advances made by insurers and independent brokers. For the year ended 31 December 2016, the company had 2.9 million customers and achieved net advances of £3,551.1 million, processing 30 million direct debits.

The company's principal objective is to provide the best service to its customers and its partners by providing efficient, profitable and successful business solutions. The company aims to achieve sustainable organic growth through offering new products and utilising new technologies, deepening its intermediary relationships and developing opportunities in new markets.

Our results are largely driven by the size of our advances portfolio, the margin between the interest rate at which we make our advances and our cost of borrowing the funds for our advances, our ability to collect amounts due under the advances we make, and, to a lesser extent, our administrative and overhead costs. Our loss rates have historically been low and generally have not had a significant impact on our results. The size of our advances portfolio is primarily driven by our relationships with intermediaries, competition in the insurance premium and service fees market in which we operate, demand for insurance and other services, and the availability of funds for the advances.

Leadership

In January 2016, Tom Woolgrove was appointed as the Chief Executive. It is clear we are in a strong financial position and are a market leader, but there is absolutely no room for complacency. We will continue to focus on growth by being the trusted payments and finance provider in all of our chosen markets.

During the year, we have made two important appointments to the Board and Executive Committee.

In January 2016, we welcomed David Young as an independent non-executive director. With a background in investment banking David brings a wealth of experience in insurance, together with expertise in wider corporate governance, regulatory compliance and risk management, all within environments regulated and directly supervised by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).

Mark Dearnley, our new Chief Information Officer, joined Premium Credit on 19 September 2016 from HMRC, where he was Chief Digital and Information Office, and was responsible for the significant enhancement and digitalisation of HMRC's services. Mark has replaced Gopi Chelliah, who indicated his wish to transition out of Premium Credit into the next phase of his career.

In January 2017, we announced that Robert Allan, Chief Financial Officer of Premium Credit, will be leaving the business in April 2017. We would like to thank Rob for his significant contribution and many years of loyal service to Premium Credit. Nayan Kisnadwala will remain as Group Chief Financial Officer.

Market

The premium finance market continues to develop and evolve. We continue to see consolidation amongst insurance brokers, whilst technology and regulation continue to shape both ourselves and our partners. More widely, we continue to see new payment service providers coming to market. The low interest rate environment seems set to continue.

Funding

With effect from 16 June 2016, the securitisation facility has been increased from £1.05 billion to £1.25 billion, with £100 million of this increase provided by RBS entering the facility. The increased facility will provide the additional funding required as we continue to grow our business, whilst the inclusion of RBS in the facility further diversifies our sources of funding.

In December 2016, a Master Trust facility structure was put in place, which became effective 2 February 2017, replacing the existing securitisation facility. This provides access to the same sources of funding as under the securitisation facility, with the addition of funding through an excess concentration series. The new structure will enable future access to public Asset-backed security (ABS) funding. This has diversified our funding base, further reducing liquidity risk.

Risks

The Group is predominantly exposed to a variety of risks, particularly Credit risk, Liquidity and Conduct risk. For Credit risk, the Group has multiple layers of credit protection available. These protections arise as our earnings stream derives predominantly from the financing of cancellable and rebateable services. As a result, our loss rates are low, and show little volatility through the economic cycle. We will continue to invest resources in strong credit underwriting to maintain these low loss rates, and are enhancing our affordability and credit assessment to ensure appropriate outcomes for our customers.

A full description of the principal risks facing the business, together with how they are managed, are set out in our latest Annual Report and Financial Statements. We believe there have been no material changes to these risks in this financial period.

Regulatory Landscape

On 1 April 2014, the regulation of Consumer Credit firms moved from the Office of Fair Trading to the Financial Conduct Authority. With effect from 1 April 2014, the Group’s principal trading subsidiary, Premium Credit Limited, was given interim permission by the FCA. In May 2015, we submitted an application for full authorisation to conduct regulated consumer credit business. The application process is still ongoing. Meanwhile, the Board and Executive Committee continue to invest considerable resources to ensure the conduct of our business is in compliance with the principles and spirit of the regulatory environment within which is operates.

Technology

As part of our commitment to improving our technologies, we've been working on replacing our legacy system with a more modern and flexible solution. The new loan administration system; launched in July 2016, initially provides the same functionality as the old system but on a modern platform that will enable us to build enhancements that will improve our customer experience.

Our continuing investment in technology has three key strategic aims:

1. To develop an unrivalled customer experience in all of our chosen markets.
2. To provide improved efficiency for our network partners and intermediaries.
3. To build a digital sales process, which enables all our partners to consistently present finance offers at the point of sale, and acquire and retain more customers, while meeting regulatory and compliance expectations.

Management Discussion and Analysis – Business Review (continued)

During the year we launched our new loan administration system to replace our legacy system. This new system provides a dynamic new platform which is more efficient and offers significant potential for developing the future of our business and deploying new enhancements to support our investment in continuing innovation. Like any major system implementation, this had some initial issues, but these were resolved, and the legacy platform has been decommissioned.

We also launched our new ‘Point of Payment’ EPICC (Electronic Payments for Insurance Customers and Clients) platform. EPICC allows our partners to consistently present all clients with installment finance alongside other payment options. This maximises their ability to offer a financial solution to suitable customers at the point of sale. This unique service provides customers with informed choices about their payment options, improves our analytics and increases our partners’ efficiency. We plan to roll this platform out across our business, beginning with Corporate and Commercial brokers.

Premises

In Q4 2016 we completed our office move from East Street**,** Epsom to Ermyn House, Leatherhead.

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Management Discussion and Analysis – Financial Review

Key Financial Results

The tables below shows the Group's key consolidated financial results for the year and quarters ended 31 December 2016 and 31 December 2015:

Non-IFRS Measures

Financial Data (£ in millions, except percentages and ratios)	**For the year ended 31 December 2016** (unaudited)	**For the year ended 31 December 2015** (unaudited)	**Increase / (Decrease)** (unaudited)
Turnover	132.8	126.2	6.6
EBITDA	79.9	69.1	10.8
Adjusted EBITDA[a]	85.4	81.3	4.1
Adjusted EBITDA Margin[a]	64.3%	64.4%	-0.1%
Adjusted Post-Securitisation EBITDA[b]	68.7	63.5	5.2
Adjusted Post-Securitisation EBITDA Margin[b]	51.7%	50.3%	1.4%
Cash Conversion[c]	82.8%	91.5%	-8.7%

Financial Data (£ in millions, except percentages and ratios)	**For the quarter ended 31 December 2016** (unaudited)	**For the quarter ended 31 December 2015** (unaudited)	**Increase / (Decrease)** (unaudited)
Turnover	34.5	33.4	1.1
EBITDA	19.0	21.6	(2.6)
Adjusted EBITDA[a]	20.8	21.6	(0.8)
Adjusted EBITDA Margin[a]	60.3%	64.7%	-4.4%
Adjusted Post-Securitisation EBITDA[b]	17.0	17.3	(0.3)
Adjusted Post-Securitisation EBITDA Margin[b]	49.3%	51.8%	-2.5%
Cash Conversion[c]	74.1%	77.5%	-3.3%

a. Adjusted EBITDA represents EBITDA as adjusted for certain transaction costs, one-time information technology and other expenses, Adjusted EBITDA margin as a % of Turnover.
b. Adjusted Post-Securitisation EBITDA adjusted for funding costs; Adjusted Post-Securitisation EBITDA margin as a % of Turnover.
c. Cash conversion as % of Adjusted Post-Securitisation EBITDA; Free Cash Flow represents Adjusted Post-Securitisation EBITDA – CapEx

The table below shows the Group's key other financial metrics for the years and quarters ended 31 December 2016 and 31 December 2015:

Key Performance Indicators (in millions)	**For the year ended 31 December 2016**	**For the year ended 31 December 2015**	**Increase / (Decrease)**
Net Advances[a]	£3,551.1	£3,423.5	£127.6
Number of non-cancelled Agreements[b]	2.47	2.44	0.03
Number of direct debits processed[c]	30.09	29.32	0.77

Key Performance Indicators (in millions)	**For the quarter ended 31 December 2016**	**For the quarter ended 31 December 2015**	**Increase / (Decrease)**
Net Advances[a]	£807.7	£799.7	£8.0
Number of non-cancelled Agreements[b]	0.53	0.56	(0.03)
Number of direct debits processed[c]	7.62	7.59	0.03

(a) Represents gross advances net of loans for policies or services that have been cancelled by end customers, or which have been cancelled by the insurance policy or service provider
(b) Consists of loan agreements which are expected to complete to term.
(c) Represents the number of direct debit transactions that we processed during the period.

Management Discussion and Analysis – Financial Review (continued)

The table below shows the Group's other pro-forma financial data for the year and quarter ended 31 December 2016 and 31 December 2015:

(£ in millions, except percentages and ratios)	For the year ended 31 December 2016 (unaudited)	For the year ended 31 December 2015 (unaudited)	Increase / (Decrease) (unaudited)
Adjusted Post-Securitisation EBITDA (Last 12 months)…………………………………	68.7	63.5	5.2
Gross debt ………………………………………………………………………………	189.4	189.4	-
Net debt [(a)]………………………………………………………………………………	149.5	148.2	1.3
Cash interest expense (excluding securitisation)…………………………………………	13.3	13.3	-
Ratio of gross debt to Adjusted Post-Securitisation EBITDA……………………………	2.8x	3.0x	(0.2x)
Ratio of net debt to Adjusted Post-Securitisation EBITDA………………………………	2.2x	2.3x	(0.1x)
Ratio of Adjusted Post-Securitisation EBITDA to cash interest expense (excluding securitisation) ………………………………………………………………………..	5.2x	4.8x	0.4x

a. Net debt (excluding securitisation) represents gross debt less cash & cash equivalents as of the last day of the mentioned period.

Net Debt

Net debt (excluding securitisation) of £149.5 million represents pro forma total corporate borrowings (Senior Notes) of £189.4 million, less £39.9 million of Cash & Cash equivalents (which includes £10.0 million cash held in the SPV) as of 31 December 2016 (as at 31 December 2015: £189.4 million, less £41.2 million of Cash and cash equivalents). Net debt has increased by £1.3 million, against £148.2 million as of 31 December 2015 due to a decrease in cash of £1.3 million.

The net debt to Adjusted Post-Securitisation EBITDA ratio improved to 2.2x for the period ended 31 December 2016 from 2.3x for the period ended 31 December 2015, due to an 8.2%, or £5.2 million, increase in Adjusted Post-Securitisation EBITDA (Last 12 months) and the pro forma net debt increasing by £1.3 million as noted above.

Cash interest expense represents cash interest expense, excluding interest payable to SPV under the Securitisation Facility and associated interest rate hedges. Pro forma cash interest expense for the year ended 31 December 2016 was £13.3 million (31 December 2015: £13.3 million) which is the interest payable on the bond.

The cash interest expense to Adjusted Post-Securitisation EBITDA ratio improved to 5.2x for the year ended 31 December 2016 against 4.8x for the year ended 31 December 2015, driven by the increase in Adjusted Post-Securitisation EBITDA (Last 12 months).

Management Discussion and Analysis – Financial Review (continued)

The following table reconciles profit for the period to EBITDA to Adjusted EBITDA and to Adjusted Post Securitisation EBITDA for the quarters and years ended 31 December 2016 and 31 December 2015:

(£ in millions)	For the year ended 31 December 2016 (unaudited)	For the year ended 31 December 2015 (unaudited)	Increase / (Decrease) (unaudited)
Profit/(loss) for the period before taxation	**47.1**	**3.9**	**43.2**
Interest payable and similar charges[(a)]	35.1	38.6	(3.5)
Depreciation and amortisation	3.4	2.0	1.4
Refinancing fees	1.2	6.4	(5.2)
Impairment of fixed assets	0.9	-	0.9
Goodwill written off	-	13.2	(13.2)
Currency (gain)/loss	(6.3)	1.3	(7.6)
(Gain)/loss on revaluation of interest rate swap	(1.5)	0.5	(2.0)
Loss on disposal of fixed assets	-	0.3	(0.3)
VCP Project	-	2.9	(2.9)
EBITDA	**79.9**	**69.1**	**10.8**
Transaction costs[(b)]	0.4	4.6	(4.2)
One-time information technology and other expenses[(c)]	5.1	7.6	(2.5)
Adjusted EBITDA	**85.4**	**81.3**	**4.1**
Securitisation interest expense[(d)]	(16.7)	(17.8)	1.1
Adjusted Post-Securitisation EBITDA	**68.7**	**63.5**	**5.2**

a. Includes amortisation of financing costs of £3.6 million with respect to the Securitisation Facility and £1.4 million with respect to Bond financing cost for the year ended 31 December 2016, whereas the year ended 31 December 2015 includes £5.2 million with respect to the Securitisation Facility and £2.1 million with respect to Bond financing cost.
b. Represents costs relating to the Acquisition, including consultancy, accounting and legal, other advisory fees and Sponsor expenses.
c. Represents one-time and IT project change costs.
d. Represents interest expense payable to SPV under the Securitisation Facility and is presented on an actual basis.

(£ in millions)	For the quarter ended 31 December 2016 (unaudited)	For the quarter ended 31 December 2015 (unaudited)	Increase / (Decrease) (unaudited)
Profit/(loss) for the period before taxation	**9.5**	**9.4**	**0.1**
Interest payable and similar charges[(a)]	9.5	8.7	0.8
Depreciation and amortisation	0.9	0.6	0.3
Impairment of fixed assets	0.9	-	0.9
Refinancing fees	(0.1)	2.1	(2.2)
Currency (gain)/loss	(1.2)	-	(1.2)
(Gain)/loss on revaluation of interest rate swap	(0.5)	(0.7)	0.2
Loss on disposal of fixed assets	-	0.3	(0.3)
VCP Project	-	1.2	(1.2)
EBITDA	**19.0**	**21.6**	**(2.6)**
Transaction costs[(b)]	0.1	0.2	(0.1)
One-time information technology and other expenses[(c)]	1.7	(0.2)	1.9
Adjusted EBITDA	**20.8**	**21.6**	**(0.8)**
Securitisation interest expense[(d)]	(3.8)	(4.3)	0.5
Adjusted Post-Securitisation EBITDA	**17.0**	**17.3**	**(0.3)**

a. Includes amortisation of financing costs of £2.0 million with respect to the Securitisation Facility and £0.3m with respect to Bond financing cost for the quarter ended 31 December 2016, whereas the quarter ended 31 December 2015 includes £0.7 million with respect to the Securitisation Facility and £0.3m with respect to Bond financing cost.
b. Represents costs relating to the Acquisition, including consultancy, accounting and legal, other advisory fees and Sponsor expenses.
c. Represents one-time and IT project change costs.
d. Represents interest expense payable to SPV under the Securitisation Facility and is presented on an actual basis.

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Consolidated Income Statement

(£ in millions, except percentages)	For the year ended 31 December 2016 (unaudited)	For the year ended 31 December 2015 (unaudited)	Increase / (Decrease) (unaudited)
Group Turnover	**132.8**	**126.2**	**6.6**
Operating expenses	(52.1)	(83.3)	31.2
Group Operating profit/(loss)	**80.7**	**42.9**	**37.8**
Gain/(loss) on derivative financial instruments	1.5	(0.5)	2.0
Interest payable and similar charges [(a)]	(35.1)	(38.6)	3.5
Profit (loss) on ordinary activities before taxation	**47.1**	**3.8**	**43.3**
Tax on profit on ordinary activities	(3.3)	(0.3)	(3.0)
Profit / (loss) for the year	**43.8**	**3.5**	**40.3**

a. Includes amortisation of financing costs of £3.6 million with respect to the Securitisation Facility and £1.4 million with respect to Bond financing cost for the year ended 31 December 2016, whereas the year ended 31 December 2015 includes £5.2 million with respect to the Securitisation Facility and £2.1 million with respect to Bond financing cost.

(£ in millions, except percentages)	For the quarter ended 31 December 2016 (unaudited)	For the quarter ended 31 December 2015 (unaudited)	Increase / (Decrease) (unaudited)
Group Turnover	**34.5**	**33.4**	**1.1**
Operating expenses	(15.9)	(16.0)	0.1
Group Operating profit/(loss)	**18.6**	**17.4**	**1.2**
Gain/(loss) on derivative financial instruments	0.5	0.7	(0.2)
Interest payable and similar charges [(a)]	(9.6)	(8.7)	(0.9)
Profit (loss) on ordinary activities before taxation	**9.5**	**9.4**	**0.1**
Tax on profit on ordinary activities	(5.0)	1.6	(6.6)
Profit / (loss) for the quarter	**4.5**	**11.0**	**(6.5)**

a. Includes amortisation of financing costs of £2.0 million with respect to the Securitisation Facility and £0.3 million with respect to Bond financing cost for the quarter ended 31 December 2016, whereas the quarter ended 31 December 2015 includes £0.7 million with respect to the Securitisation Facility and £0.3m with respect to Bond financing cost.

Mizzen Mezzco Limited

Consolidated Balance Sheet

(£ in millions)	Notes	As at 31 December 2016 (unaudited)	As at 31 December 2015 (unaudited)	Increase / (Decrease) (unaudited)
Non-current assets				
Intangible assets	1	9.8	5.1	4.7
Tangible assets	2	6.2	3.4	2.8
Non-current debtors	3	7.4	0.2	7.2
Deferred tax		0.5	0.4	0.1
Total non-current assets		**23.9**	**9.1**	**14.8**
Current assets				
Current debtors	3	1,502.7	1,457.1	45.6
Cash and cash equivalents	4	51.0	48.0	3.0
Total current assets		**1,553.7**	**1,505.1**	**48.6**
Total assets		**1,577.6**	**1,514.2**	**63.4**
Non-current liabilities				
Borrowings	5	1,172.1	1,134.0	38.1
Trade and other payables	6	9.6	9.6	-
Total non-current liabilities		**1,181.7**	**1,143.6**	**38.1**
Current liabilities				
Trade and other payables	6	435.5	423.5	12.0
Derivative financial instruments	7	-	1.5	(1.5)
Total current liabilities		**435.5**	**425.0**	**10.5**
Total liabilities		**1,617.2**	**1,568.6**	**48.6**
Capital & Reserves				
Share capital		44.5	44.5	-
Reserves		(84.1)	(98.9)	(14.8)
Total shareholders' equity		**(39.6)**	**(54.4)**	**(14.8)**
Total liabilities and equity		**1,577.6**	**1,514.2**	**63.4**

1. Intangible Assets

Intangible assets consist of capitalised software costs of £9.8 million as at 31 December 2016, up £4.7 million from 31 December 2015 relating to internally generated software. Intangible assets reflect our investment in our infrastructure to improve customer journeys and enhance the quality of information available to the business. As at 31 December 2016 £0.9 million of internally generated software was impaired (as at 31 December 2015 was £nil).

2. Tangible Assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment in value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. All tangible fixed assets are depreciated on a straight-line basis by reference to their estimated useful life. Leasehold assets are written off over the period of the lease. Tangible assets were at a net cost of £6.2 million as at the 31 December 2016 (£3.4 million as at 31 December 2015). The increase of £2.8 million is driven by the additions relating to upgrades and investments to our existing information technology infrastructure platform and partially offset by depreciation charge in the period.

3. Debtors

Debtors consist of trade debtors after deduction of provision for irrecoverable debts, unearned income and prepayments. The debtor balance as of 31 December 2016 was at £1,510.1 million (31 December 2015: £1,457.3 million) of which £1,502.7 million was current (31 December 2015: £1,457.1 million) and £7.4 million non-current (31 December 2015: £0.2 million). At 31 December 2016, loans and advance to customers were £1,500.2 million of which £ 1,496.8 million were current and £3.4 million non - current (31 December 2015: £ 1,449.7 million, of which £0.2 million were non-current). Prepayments and other assets were £9.9 million of which £ 5.9 million were current and £4.0 million non-current (31 December 2015: £7.6 million of which £7.6 million were current). The increase in debtors is primarily due to the increase in loans and advances to customers which has been driven by the increase in net advances.

4. Cash at Bank and in Hand

Cash at bank and in hand of £51.0 million represents SPV cash from the Securitisation Facility of £21.1 million (which includes £11.1 million of other servicing fees/interest and £10.0 million of liquidity reserve) and cash held outside the SPV of £29.9 million as at 31 December 2016, against £48.0 million as at 31 December 2015 represented by SPV cash of £16.8 million (which includes £6.8 million of other servicing fees/interest, £10 million of liquidity reserve) and cash held outside the SPV of £31.2 million.

Consolidated Balance Sheet (continued)

5. Borrowings

Borrowings consist of Securitisation Notes of £988.9 million (net of £1.5 million of set up costs) and Senior Notes for £189.4 million as at 31 December 2016 which are stated as £183.2 million after netting the unamortised bond set up costs of £6.2 million. The Securitisation notes relate to external funding provided to the group through a Special Purpose Vehicle (SPV), PCL Funding I Limited. The SPV has a Sterling denominated term note, which is fixed up to 16th December 2019, and a Sterling denominated Variable Note Issuance Programme in place. The notes are repaid or issued as the underlying assets decrease or increase. The note holders receive interest and receive or pay principal on a weekly basis. The drawdown amount on the Securitisation facility was at £990.4 million as at 31 December 2016, against £955.2 million as at 31 December 2015. The upward movement of £35.2 million primarily relates to the movements in the underlying assets.

6. Trade and other payables

Trade and other payables of £445.1 million as of 31 December 2016 were up by £12.0 million from £433.1 million as at 31 December 2015, of which trade creditors were £411.9 million at 31 December 2016 (31 December 2015: £403.8 million). Trade creditors relates primarily to premiums payable to producers.

7. Derivative financial instruments

Derivative financial instruments relate to the valuation of the interest swaps. The swaps expired and were not renewed in 2016 and the balance as of 31 December 2016 was nil (2015: £1.5 million).

Mizzen Mezzco Limited

Consolidated Cash Flow Statement

(£ in millions)	For the year ended 31 December 2016 (unaudited)	For the year ended 31 December 2015 (unaudited)	Increase / (decrease) (unaudited)
Net cash inflow/(outflow) from operating activities……	13.3	(32.8)	46.1
Net cash inflow/(outflow) from investing activities……	(11.9)	(5.4)	(6.5)
Net cash (outflow) before financing……	**1.4**	**(38.2)**	**39.6**
Net cash inflow/(outflow) from financing activities……	0.8	29.4	(28.6)
Effects of foreign exchange……	0.8	(0.5)	1.3
Increase/(decrease) in cash……	**3.0**	**(9.3)**	**12.3**

(£ in millions)	For the quarter ended 31 December 2016 (unaudited)	For the quarter ended 31 December 2015 (unaudited)	Increase / (decrease) (unaudited)
Net cash inflow/(outflow) from operating activities……	32.4	30.5	1.9
Net cash inflow/(outflow) from investing activities……	(4.6)	(3.9)	(0.7)
Net cash (outflow) before financing……	**27.8**	**26.6**	**1.2**
Net cash inflow/(outflow) from financing activities……	(47.6)	(2.8)	(44.8)
Effects of foreign exchange……	(1.5)	(0.3)	(1.2)
Increase/(decrease) in cash……	**(21.3)**	**23.5**	**(44.8)**

Cash inflow/(outflow) from operating activities

Cash inflow from operating activities for the year ended 31 December 2016 was £13.3 million (year ended 31 December 2015: outflow of £32.8 million), with net cash inflow increased by £46.1 million compared to the prior year, primarily as a result of the growth and increasing profitability of the business (£27.7 million after non cash items) and reduced working capital requirements (£11.6 million).

Cash inflow from operating activities for the quarter increased by £1.9 million to £32.4 million inflow for the quarter ended 31 December 2016 (Q4 2015: inflow £30.5 million).

Cash inflow/(outflow) from investing activities

Cash outflow from investing activities for the year ended 31 December 2016 was at £11.9 million, which is £6.5 million higher than the year ended 31 December 2015. The outflow in both periods represents capital spending, which has increased due to investment in our infrastructure to improve customer journeys and enhance the quality of information available to the business and spending relating to our office relocation.

Consolidated Cash Flow Statement (continued)

Cash outflow from investing activities for the quarter ended 31 December 2016 was at £4.6 million, which is £0.7 million higher than the quarter ended 31 December 2015.

Cash inflow/(outflow) from financing activities

Cash inflow from financing activities decreased by £28.6 million, from an inflow of £29.4 million for the year ended 31 December 2015 to an inflow of £0.8 million for the year ended 31 December 2016. A dividend of £31.0 million was paid in for the year ended 31 December 2016. A dividend of £11.6 million for the year ended 31 December 2015 was paid from the proceeds of an issue of preference shares for £11.6 million. The remaining movement reflects changes in cash flows from borrowings.

Cash outflow from financing activities increased by £44.8 million, from an outflow of £2.8 million for the quarter ended 31 December 2015 to £47.6 million for the quarter ended 31 December 2016 due to the £31.0 million dividend payment in Q4 2016 and cash flows from changes in the level of borrowings.

Mizzen Mezzco Limited

Reconciliation – UK GAAP to IFRS for 2015 Financial Information

(£ in millions)	For the year ended 31 December 2015 (unaudited)	For the quarter ended 31 December 2015 (unaudited)
Profit/(loss) before taxation – UK GAAP	**9.9**	**2.8**
(Gain)/Loss on financial derivative	(0.5)	0.7
Goodwill amortisation	2.0	-
Goodwill written off	(7.5)	5.7
Other	-	0.2
Profit/(loss) before taxation - IFRS	**3.9**	**9.4**

(£ in millions)	For the year ended 31 December 2015 (unaudited)	For the year ended 31 December 2015 (unaudited)
EBITDA – UK GAAP	**68.7**	**21.2**
Other	0.4	0.4
EBITDA - IFRS	**69.1**	**21.6**

The Group converted from presenting its financial statements under UK GAAP to IFRS for the 2015 Consolidated Financial Statements and this report has been prepared on an IFRS basis. Financial Information presented in the Condensed Consolidated Information issued in April 2016 for the quarter and year ended 31 December 2015 was prepared under UK GAAP. To assist the users of this information, the above tables provide a reconciliation of Profit/(loss) before taxation and EBITDA for the quarter and year ended 31 December 2015 under the two standards.

For the year ended 31 December 2015 the change from UK GAAP to IFRS resulted in a reduction of £6.0 million in the Profit/(loss) before taxation and an increase to EBITDA of £0.4 million. The difference in Profit/(loss) before taxation is primarily due to goodwill. The goodwill amortisation, goodwill write off and interest rate swap revaluation are added back as part of the EBITDA calculation and therefore have no impact upon the Group's EBITDA.

For the quarter ended 31 December 2015 the change from UK GAAP to IFRS resulted in an increase of £6.6 million in the Profit/(loss) before taxation and an increase in EBITDA of £0.4 million. The difference in Profit/(loss) before taxation is primarily due to the loss on revaluation of interest rate swap and amortisation of goodwill. The goodwill written off and interest rate swap revaluation impact are added back as part of the EBITDA calculation and therefore have no impact upon the Group's EBITDA.

Mizzen Mezzco Limited

Description of Certain Financing Arrangements

Securitisation Facility

Premium Credit Limited ("**PCL**") originally entered into a series of agreements on October 31, 2012, as amended from time to time thereafter, to establish a securitisation facility (the "**Original Securitisation Facility**") backed by amounts owing to PCL by its customers ("**Receivables**") in respect of certain insurance premium and service fee payment products. Pursuant to the Original Securitisation Facility, certain Receivables and any related rights (the "**Securitised Assets**") were sold and assigned to PCL Funding I Limited, a special purpose vehicle established for the purposes of the Original Securitisation Facility (the "**VFN Issue**r").

On 16th December 2016, PCL and the other parties entered into certain amendments to the Original Securitisation Facility (thereafter, the "**Amended Securitisation Facility**") (as more fully described below) which became effective as of 2 February 2017 (the "**Amendment Date**"). The Amended Securitisation Facility facilitates the issuance of additional note series in the future which provides the optionality of accessing the capital markets with a public issuance that has diversified PCL's funding base, further reducing liquidity risk.

Asset Trust

Pursuant to the Amended Securitisation Facility, a newly incorporated special purpose vehicle, PCL Asset Trustee Limited (the "**Asset Trustee**"), acquired (in a one off purchase) certain Securitised Assets from PCL Funding 1 Limited, and on an on-going basis has acquired and will acquire Securitised Assets from PCL (the "**Amended Securitisation Facility**"). The purchase price for any Securitised Assets purchased by the Asset Trustee, which is payable on the Purchase Date, will be equal to 100% of the principal balance of such Receivable.

The Asset Trustee holds the Securitised Assets on trust (the "**Asset Trust**") for the persons that make a contribution thereto (each a "**Beneficiary**"). As at the date of this report, there are three Beneficiaries of the Asset Trust, the VFN Issuer, PCL ITN Issuer I Limited (the "**ITN Issuer**") and PCL (in its capacity as "**Seller Beneficiary**").

The Asset Trustee holds the Securitised Assets which meet the eligibility criteria on trust for the 'Eligible Trust Beneficiaries' and the remaining Securitised Assets on trust for the 'Ineligible Trust Beneficiaries'. As at the date of this report, the "**Eligible Trust Beneficiaries**" are the VFN Beneficiary, the Series 2017-1 Issuer and the Seller Beneficiary; and the "**Ineligible Trust Beneficiary**" is the ITN Issuer. It is expected that in the future, new Beneficiaries will be established which will accede to the terms of the Asset Trust, either as Eligible Trust Beneficiaries or Ineligible Trust Beneficiaries. In order to acquire its beneficial interest in the Asset Trust, each of the Beneficiaries (other than the VFN Issuer which contributed assets) has made or will make a cash contribution to the Asset Trustee. The Asset Trustee will fund its acquisition of the Securitised Assets through such contributions and/or amounts (broadly derived from unutilised collections on the Securitised Assets) reinvested in the Asset Trust by the Beneficiaries.

Servicing of the Securitised Assets

Pursuant to the Amended Securitisation Facility, PCL will now act as servicing agent (the "**Servicer**") for the Asset Trustee in relation to the Securitised Assets pursuant to the terms of a servicing agreement (the "**Servicing Agreement**"). The Servicer will continue to, amongst other things, collect payments in respect of the Securitised Assets, administer the Securitised Assets and all related contracts, perform certain other administrative services (including, but not limited to, the provision of certain recovery services) and report on the performance of the Securitised Assets.

Notes

On the Amendment Date, the term notes previously issued by the VFN Issuer were cancelled and instead the balance of the outstanding the variable funding note (the "**VFNs**") issued to each bank lender (each, a "**Securitisation Note Purchaser**") was increased by an amount equal to the principal balance of the cancelled term note held by such Securitisation Note Purchaser. The aggregate limit of VFNs (if fully drawn) was also amended to be £1.15 billion (the "**VFN Facility Limit**"). As previously, the aggregate principal balance of the VFNs and the VFN Facility limit may be increased from time to time in accordance with and subject to the terms of the Note Purchase Agreement.

In addition, on the Amendment Date the VFN Issuer issued (i) a subordinated note to PCL to provide the overcollateralization to replace the prior deferred purchase price mechanic and (ii) a further variable funding note (the "**ECN**") to the ITN Issuer to fund excess concentration amounts related to the VFN Issuer's beneficial interest in the Asset Trust. The ECN facility provides liquidity protection from excess concentrations resulting from the merger of brokers/insurers or the loss of a material element of the PL&S book. As security for the payment of its obligations in respect of the VFNs and the ECN, the VFN Issuer has granted security over all of its assets including all of its rights in respect of its beneficial interest in the Asset Trust.

Cashflows

The cash flows generated by the Securitised Assets (the "**Collections**") continue to be initially collected in bank accounts held by PCL (the "**Collection Accounts**") and, on a daily basis, the amounts standing to the credit of the Collection Accounts are transferred into accounts held by the Asset Trustee . The Asset Trustee (or the Servicer on its behalf) will then allocate Collections to each Beneficiary based on its respective invested amount. Each of the VFN Issuer and the ITN Issuer will apply the amounts allocated to it (i) on each Business Day, firstly to make provision for interest, costs and expenses expected to be fall due on the next weekly settlement date and thereafter to make a reinvestment in the Asset Trust and (ii) on each weekly settlement date, pursuant to a priority of payments waterfall which similarly ranks payments in respect of the Securitisation Notes and certain transaction expenses ahead of the payment of amounts owning to the Asset Trustee or PCL. Amounts reinvested in the Asset Trust will also be applied in accordance with a priority of payments waterfall which first makes provision for expenses and thereafter funds are available to pay purchase price for new Securitised Assets due on such day.

Hedging

Under the Original Securitisation Facility, the VFN Issuer maintained two fixed/floating interest rate swaps. These swaps ran-off in October 2016 on their scheduled termination date and were not renewed.

2. Senior Notes

The issuer of the 7% Senior Notes is the group company Mizzen Bondco Ltd, an exempted company incorporated with limited liability under the laws of the Cayman Islands. 7% Senior Notes totalling £200 million in aggregate were issued on 8th May 2014 (the "Notes), with a maturity date of 1st May 2021. On February 27, 2015, £10.6 million of the Senior Notes were redeemed at a premium of 7%.

The Notes are fully and unconditionally guaranteed on a senior basis by the Parent Guarantor and the Subsidiary Guarantor.