Condensed Consolidated Quarterly Financial Information (Unaudited)

Mizzen Mezzco Limited

Quarter ended 31 March 2016

Premium Credit is the No.1 Insurance Financing Company

Mizzen Mezzco Limited

Registered Number: 08179245

Mizzen Mezzco Limited

Table of Contents

Mizzen Mezzco Limited

Financial Highlights

Financial Data (£ in millions, except percentages and ratios)	For the quarter ended 31 March 2016 (unaudited)	For the quarter ended 31 March 2015 (unaudited)	Increase / (Decrease) (unaudited)
Net Advances[(a)]	834.0	786.4	47.6
Turnover	31.7	30.4	1.3
EBITDA	19.9	13.1	6.8
Adjusted EBITDA[(b)]	20.8	19.1	1.7
Adjusted EBITDA Margin[(b)]	65.6%	62.8%	2.8%
Adjusted Post-Securitisation EBITDA[(c)]	16.6	14.4	2.2
Adjusted Post-Securitisation EBITDA Margin[(c)]	52.4%	47.4%	5.0%
Cash Conversion[(d)]	82.5%	92.8%	(10.3%)

a. Net Advances 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. 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

Highlights for the quarter ended 31 March 2016

- EBITDA increased by £6.8 million or 51.9% to £19.9 million in the quarter ended 31 March 2016 (Q1 2015: £13.1 million). Adjusted post-securitisation EBITDA increased £2.2 million or 15.3%. Turnover growth of 4.3% combined with the positive operating leverage of the Group is driving this increase.
- We have increased the overall size of our net advances by 6.1% to £834.0 million for the quarter ended 31 March 2016 (Q1 2015: £786.4 million), due to the combination of relationships established with new intermediaries, greater penetration with our existing intermediaries and the increase in Insurance Premium Tax.
- Group turnover increased by £1.3 million, or 4.3%, to £31.7 million for the quarter ended 31 March 2016 (Q1 2015: £30.4 million). This increase is driven by the growth in net advances and the impact of the IPT increase.
- Operating expenses decreased by £25.1 million to £11.1 million for the quarter ended 31 March 2016 (Q1 2015: £36.2 million). This decrease is primarily driven by the write off of £13.2 million of goodwill and change of ownership costs in the quarter ended 31 March 2015, both driven by the Group's acquisition by Cinven.
- Securitisation interest expense decreased by £0.5 million, or 10.6%, to £4.2 million for the quarter ended 31 March 2016 (Q1 2015: £4.7 million) as we extended and amended the term of our securitisation facility; with effect from 1 July 2015, the facility has been reduced from £1.15 billion to £1.05 billion following the exit of Deutsche Bank and has been extended to September 25, 2018.

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

"The Group has continued to deliver another strong financial performance in the first quarter of 2016, with Adjusted Pro Forma Post Securitisation EBITDA of £16.6 million, an increase of 15.3% year on year. With our focus on developing the foundations to support and sustain business growth, and value creation, we remain confident that we will continue to deliver long term and sustainable value to our business partners, customers, employees and shareholders."

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 three months ended 31 March 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 13.

Use of Non-IFRS Financial Measures

Turnover

Turnover represents interest income and net fee commission expense. 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 7, 8 and 9. 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

Use of Non-IFRS Financial Measures (continued)

Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

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

Mizzen Mezzco Limited

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 2015, the company had 2.2 million customers and achieved gross advances of £3.4 billion, processing 29.3 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 December 2015, we bade farewell to Andrew Doman, our former Chief Executive. We wish him well and thank him for his contribution in developing the business during his term in office. Andrew was succeeded as Chief Executive by Thomas Woolgrove in January 2016. Tom's background in both banking and insurance will provide the industry expertise to steer the Group on the next phase of our journey.

We also welcomed David Young to the Board in January 2016 as an independent Non-executive director. David brings to the Board a wealth of experience in investment banking, together with expertise in wider corporate governance and risk management, all within Prudential Regulation Authority (PRA)/Financial Conduct Authority (FCA) regulated and directly supervised environments.

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.

Risks

The Company is predominantly exposed to Credit risk and Liquidity risk, arising from our lending portfolio and external funding respectively. Given much of our lending is on a recourse basis, underlying Credit experience continues to be positive. Our securitisation programme enables us to access sustainable funding. The Board oversees our risk exposure through a series of risk appetite statements around each of our principal and secondary risks. 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.

Mizzen Mezzco Limited

Management Discussion and Analysis – Business Review (continued)

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 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

We continue to invest in technology to improve our offering to, and integration with, our network partners and intermediaries, and to improve the experience and journeys of our customers.

Management Discussion and Analysis – Financial Review

Key Financial Results

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

Non-IFRS Measures

Financial Data **(£ in millions, except percentages and ratios)**	**For the quarter ended 31 March 2016** **(unaudited)**	**For the quarter ended 31 March 2015** **(unaudited)**	**Increase / (Decrease)** **(unaudited)**
Turnover	31.7	30.4	1.3
EBITDA	19.9	13.1	6.8
Adjusted EBITDA[(a)]	20.8	19.1	1.7
Adjusted EBITDA Margin[(a)]	65.6%	62.8%	2.8%
Adjusted Post-Securitisation EBITDA[(b)]	16.6	14.4	2.2
Adjusted Post-Securitisation EBITDA Margin[(b)]	52.4%	47.4%	5.0%
Cash Conversion[(c)]	82.5%	92.8%	(10.3%)

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 quarter ended 31 March 2016 and 31 March 2015:

Key Performance Indicators **(in millions)**	**For the quarter ended 31 March 2016**	**For the quarter ended 31 March 2015**	**Increase / (Decrease)**
Net Advances[(a)]	£834.0	£786.4	£47.6
Number of non-cancelled Agreements[(b)]	0.57	0.54	0.03
Number of direct debits processed[(c)]	7.34	7.21	0.13

(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 quarter ended 31 March 2016 and 31 March 2015:

(£ in millions, except percentages and ratios)	For the quarter ended 31 March 2016 (unaudited)	For the quarter ended 31 March 2015 (unaudited)	Increase / (Decrease) (unaudited)
Adjusted Post-Securitisation EBITDA (Last 12 months)…………………………………	68.7	53.8	14.9
Net debt [(a)]……………………………………………………………………………	131.8	154.9	(23.1)
Cash interest expense (excluding securitisation)………………………………………	13.3	13.3	-
Ratio of net debt to Adjusted Post-Securitisation EBITDA………………………………	1.9x	2.9x	(1.0x)
Ratio of gross debt to Adjusted Post-Securitisation EBITDA……………………………	2.8x	3.5x	(0.7x)
Ratio of Adjusted Post-Securitisation EBITDA to cash interest expense (excluding securitisation) ………………………………………………………………………	5.2x	4.0x	1.2x

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 £131.8 million represents pro forma total corporate borrowings (Senior Notes) of £189.4 million, less £57.6 million of Cash & Cash equivalents (which includes cash held in the SPV) as of 31 March 2016. This shows a decrease of £23.1 million, against £154.9 million as of 31 March 2015 due to an increase in Cash of £23.1 million.

The net debt to Adjusted Post-Securitisation EBITDA ratio improved to 1.9x for the quarter ended 31 March 2016 from 2.9x for the quarter ended 31 March 2015, due to a 27.7%, or £14.9 million increase in Adjusted Post-Securitisation EBITDA and the pro forma net debt decreasing by £23.1 million as explained 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 twelve months ended 31 March 2016 was at £13.3 million which is the interest payable on the bond.

The cash interest expense to Adjusted Post-Securitisation EBITDA ratio has increased to 5.2x for twelve months ended 31 March 2016 against 4.0x for the twelve months ended 31 March 2015 driven by increased Adjusted Post-Securitisation EBITDA.

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 quarter ended 31 March 2016 and 31 March 2015:

(£ in millions)	For the quarter ended 31 March 2016 (unaudited)	For the quarter ended 31 March 2015 (unaudited)	Increase/ (Decrease) (unaudited)
Profit for the period before taxation	**12.3**	**(17.6)**	**29.9**
Interest payable and similar charges[(a)]	8.4	10.5	(2.1)
Depreciation and amortisation	0.7	0.4	0.3
Securitisation fees	0.2	3.8	(3.6)
Goodwill written off	-	13.2	(13.2)
Currency gain/loss	(1.6)	1.6	(3.2)
Gain/loss on revaluation of interest rate swap	(0.1)	1.2	(1.3)
EBITDA	**19.9**	**13.1**	**6.8**
Transaction costs[(b)]	0.1	4.1	(4.0)
One-time information technology and other expenses[(c)]	0.8	1.9	(1.1)
Adjusted EBITDA	**20.8**	**19.1**	**1.7**
Securitisation interest expense[(d)]	(4.2)	(4.7)	0.5
Adjusted Post-Securitisation EBITDA	**16.6**	**14.4**	**2.2**

a. Includes financing costs of £0.5 million with respect to the Securitisation Facility and £0.4m with respect to Bond financing cost for the quarter ended 31 March 2016, whereas quarter ended 31 March 2015 includes £1.4 million with respect to the Securitisation Facility and £1.0m 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.

Consolidated Income Statement

(£ in millions, except percentages)	For the quarter ended 31 March 2016 (unaudited)	For the quarter ended 31 March 2015 (unaudited)	Increase/ (Decrease) (unaudited)
Group Turnover	31.7	30.4	1.3
Operating expenses	(11.1)	(36.2)	25.1
Group Operating profit/(loss)	**20.6**	**(5.9)**	**26.5**
Gain/(loss) on derivative financial instruments	0.1	(1.2)	1.3
Interest payable and similar charges [(a)]	(8.4)	(10.5)	2.1
Profit (loss) on ordinary activities before taxation	**12.3**	**(17.6)**	**29.9**
Tax on profit on ordinary activities	1.2	0.6	0.6
Profit / (loss) for the quarter	**13.5**	**(17.0)**	**30.5**

a. Includes amortisation of the securitisation facility fees of £0.5 million for the quarter ended 31 March 2016, and £1.4m for quarter ended 31 March 2015.

Mizzen Mezzco Limited

Consolidated Balance Sheet

(£ in millions)	Notes	As at 31 March 2016 (unaudited)	As at 31 March 2015 (unaudited)	Increase/ (Decrease)
Non-current assets				
Intangible assets…………………………………………	1	7.5	2.3	5.2
Tangible assets…………………………………………	2	3.2	3.6	(0.4)
Non-current debtors…………………………………………	3	1.2	0.4	0.8
Deferred tax…………………………………………		0.4	0.9	(0.5)
Total non-current assets……………………………		**12.3**	**7.2**	**5.1**
Current assets				
Current debtors…………………………………………	3	1,439.0	1,355.7	83.3
Cash and cash equivalents………………………………	4	76.6	40.4	36.2
Total current assets……………………………………		**1,515.6**	**1,396.1**	**119.5**
Total assets……………………………………………		**1,527.9**	**1,403.3**	**124.6**
Non-current liabilities				
Debt securities in issue…………………………………	5	1,097.1	1,020.0	77.1
Total non-current liabilities…………………………		**1097.1**	**1020.0**	**77.1**
Current liabilities				
Trade creditors…………………………………………	6	439.8	429.5	10.3
Finance lease liabilities…………………………………		-	0.2	(0.2)
Derivative financial instruments…………………………		1.4	2.2	(0.8)
Amounts owed to related parties…………………………	7	10.9	9.3	1.6
Accruals and deferred income……………………………	8	18.7	17.3	1.4
Total current liabilities…………………………………		**470.8**	**457.1**	**12.4**
Total liabilities………………………………………		**1,567.9**	**1,478.4**	**89.5**
Capital & Reserves				
Share capital…………………………………………		44.5	44.5	-
Reserves…………………………………………		(84.5)	(119.6)	35.1
Total shareholders' equity……………………………		**(40.0)**	**(75.1)**	**35.1**
Total liabilities and equity……………………………		**1,527.9**	**1,403.3**	**124.6**

1. Intangible Assets

Intangible assets consist of capitalised software costs of £7.5 million as at 31 March 2016, up £5.2 million from 31 March 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.

Mizzen Mezzco Limited

Consolidated Balance Sheet (continued)

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 £3.6 million as at the 31 March 2015, and decreased to £3.2 million as at 31 March 2016. The decrease of £0.4 million is driven by the depreciation charge in the period offset by additions relating to upgrades and investments to our existing information technology infrastructure platform.

3. Debtors

Debtors consist of trade debtors after deduction of provision for irrecoverable debts, unearned income and prepayments. The debtor balance as of 31 March 2016 was at £1,440.2 million (31 March 2015: £1,356.1 million) of which £1,439.0 million was current (31 March 2015: £1,355.7 million) and £1.2 million non-current (31 March 2015: £0.4 million). At 31 March 2016, loans and advance to customers were £1,430.2 million (31 March 2015: £1,349.2 million) and prepayments and other assets £10.0 million (31 March 2015: £6.9 million). 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 £76.6 million represents SPV cash from the Securitisation Facility of £29.0 million (which includes £16.5 million of prefunding, £2.5 million of other servicing fees/interest and £10.0 million of liquidity reserve) and cash held outside the SPV of £47.6 million as at 31 March 2016, against £40.4 million as at 31 March 2015 represented by SPV cash of £13.4 million (which includes £4.1 million of prefunding, £1.9 million of other servicing fees/interest, £7.4 million of liquidity reserve) and cash held outside the SPV of £27.0 million.

5. Debt securities in issue

Debt securities in issue consist of Securitisation Notes of £914.9 million (net of set up costs) and Senior Notes for £189.4 million as at 31 March 2016 which are stated as £182.2 million after netting the unamortised bond set up costs of £7.2 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 25th September 2018, 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 £917.4 million as at 31 March 2016, against £844.2 million as at 31 March 2015. The upward movement of £73.2 million primarily relates to the movements in the underlying assets.

6. **Trade creditors**

Trade creditors of £439.8 million as of 31 March 2016 increased £10.3 million from £429.5 million as at 31 March 2015. The increase is mainly due to increase in business volume originated.

Mizzen Mezzco Limited

Consolidated Balance Sheet (continued)

7. Amount owed to related parties

The amounts owed to related parties as at 31 March 2016 and 31 March 2015 represents amounts owed to Pomegranate Acquisitions Limited. The balance as at 31 March 2016 consists of expenses borne by Pomegranate Acquisitions on behalf of the Group and interest transferred from Mizzen Topco S.C.A. as part of the Cinven acquisition

8. Accruals and deferred income

Accruals and deferred income balance as of 31 March 2016 was £18.7 million, which increased by £1.4 million from £17.3 million as of 31 March 2015. This increase relates to primarily to additional overhead accruals driven by the growing business, which includes ongoing consultancy work and investment in software development.

Consolidated Cash Flow Statement

(£ in millions)	For the quarter ended 31 March 2016 (unaudited)	For the quarter ended 31 March 2015 (unaudited)	Change
Net cash inflow from operating activities	68.4	70.9	(2.5)
Net cash (outflow) from investing activities	(2.9)	(0.9)	(2.0)
Net cash (outflow) before financing	**65.5**	**70.0**	**(4.5)**
Net cash (outflow) from financing activities	(37.8)	(86.1)	48.3
Effects of foreign exchange	0.9	(0.7)	1.6
Increase/(decrease) in cash	**28.6**	**(16.8)**	**45.4**

Cash inflow from operating activities

Cash inflow from operating activities for the quarter decreased by £2.5 million to £68.4 million inflow for the quarter ended 31 March 2016 (Q1 2015: £70.9 million), with the growth and increasing profitability of the business offset by increasing working capital balances.

Cash (outflow) from investing activities

Cash outflow from investing activities for the quarter ended 31 March 2016 was at £2.9 million, which is £2.0 million higher than the quarter ended 31 March 2015. The outflow in both quarters represents capital spending, which has primarily increased due to investment in our infrastructure to improve customer journeys and enhance the quality of information available to the business.

Mizzen Mezzco Limited

Consolidated Cash Flow Statement (continued)

Cash (outflow) from financing activities

Cash outflow from financing activities decreased by £48.3 million, from the outflow of £86.1 million for the quarter ended 31 March 2015 to £37.8 million for the quarter ended 31 March 2016. The primary driver is the £50.7 million repayment of the intercompany loan principal with Mizzen Topco made in the first quarter of 2015.

Reconciliation – UK GAAP to IFRS

(£ in millions)	For the quarter ended 31 March 2015 (unaudited)
Profit/(loss) on ordinary activities before taxation – UK GAAP	**(4.1)**
Loss on financial derivative	(1.2)
Goodwill amortisation	0.7
Goodwill written off	(13.2)
Other	0.2
Profit/(loss) on ordinary activities before taxation - IFRS	**(17.6)**

(£ in millions)	For the quarter ended 31 March 2015 (unaudited)
EBITDA – UK GAAP	**13.0**
Other	0.1
EBITDA - IFRS	**13.1**

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 May 2015 for the first quarter of 2015 was prepared under UK GAAP. To assist the users of this information, the above tables provide a reconciliation of Profit/(loss) on ordinary activities before taxation and EBITDA for the quarter ended 31 March 2015 under the two standards, resulting in a reduction in Profit/(loss) on ordinary activities of £13.5 million under IFRS relative to UK GAAP and an increase in EBITDA of £0.1 million. The difference in profit before tax is primarily due to goodwill. Both the goodwill amortisation and write off 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

1. Securitisation Facility

Premium Credit Limited ("PCL") entered into a series of agreements on October 31, 2012 (the "Securitisation Closing Date"), as amended from time to time thereafter, to establish a securitisation facility (the "Securitisation Facility") backed by amounts owing to PCL by its customers ("Receivables") in respect of certain insurance premium and service fee payment products.

General overview

Pursuant to the Securitisation Facility, certain Receivables and any related rights (the "Securitised Assets") are sold and assigned to an SPV, a special purpose vehicle established for the purposes of the Securitisation Facility.

The SPV funds its purchase of the Securitised Assets with the proceeds from the issuance of Term Notes and Variable Notes (together, the "Securitisation Notes") to certain bank lenders (the "Securitisation Note Purchasers") pursuant to a note purchase agreement. Following an amendment on 30 June 2015, the Securitisation Facility (if fully drawn) now has an aggregate limit of £1.05 billion consisting of Term Notes with outstanding note balance of £400 million and VFNs have a note balance of £650 million. The final legal maturity date of the Securitisation Notes falls in September 2018. As security for the payment of its obligations in respect of the Securitisation Notes, the SPV has granted security over all of its assets including all of its rights in the Securitised Assets and the SPV Accounts (as defined below).

PCL (acting in its capacity as the "Servicer") provides certain collection, administration and reporting services in relation to the Securitised Assets and certain cash management and bank account operation services.

The cash flows generated by the Securitised Assets (the "Collections") are 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 SPV (the "SPV Accounts"). On a weekly basis, the SPV (or the Servicer on its behalf) then applies the amounts standing to the credit of the SPV Accounts pursuant to a priority of payments waterfall, to pay or provide for the payment of any interest, principal, fees and other amounts that are due and payable on such date, with any surplus Collections being repaid to PCL as deferred purchase price.

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.

Mizzen Mezzco Limited

Consolidated Financial Statements

Index to Financial Statements

Mizzen Mezzco Limited

Report and Financial Statements

(Unaudited)

Period ended 31 March 2016

Registered number - 08179245

Mizzen Mezzco Limited

Consolidated income statement

	Note	3 months ended 31 March 2016 (unaudited) £'000	3 months ended 31 March 2015 (unaudited) £'000
Interest income		**28,337**	26,604
Interest expense		**8,388**	10,540
Net interest income	3	**19,949**	**16,064**
Fee and commission income		**4,589**	4,415
Fee and commission expense		**1,189**	644
Net fee and commission income	4	**3,400**	**3,771**
Gain/(loss) on derivative financial instruments		**52**	(1,221)
Total income		**23,401**	**18,614**
Administrative expenses		**10,384**	35,840
Depreciation and amortisation		**736**	392
Operating expenses		**11,120**	**36,232**
Profit / (loss) before tax		**12,281**	**(17,618)**
Income tax expense		**1,172**	649
Profit/(loss) for the period		**13,453**	**(16,969)**

Consolidated statement of comprehensive income

	Note	3 months ended 31 March 2016 (unaudited) £'000	3 months ended 31 March 2015 (unaudited) £'000
Profit/(loss) for the period		**13,453**	(16,969)
Other comprehensive income			
Items that may subsequently be reclassified to the profit or loss:			
Foreign currency translation losses		**930**	(706)
Total items that may subsequently be reclassified to the income statement		**930**	(706)
Total comprehensive income/ (expense) for the period		**14,383**	**(17,675)**

Mizzen Mezzco Limited

Consolidated balance sheet

	Note	31 March 2016 (unaudited) £'000	31 March 2015 (unaudited) £'000
Assets			
Non-current assets			
Intangible assets	7	**7,487**	2,250
Property, plant and equipment	8	**3,173**	3,618
Loans and advances to customers	6	**1,219**	415
Deferred tax asset		**423**	947
Total non-current assets		**12,302**	**7,230**
Current assets			
Loans and advances to customers	6	**1,428,978**	1,348,767
Prepayments and other assets		**10,042**	6,875
Cash and cash equivalents	5	**76,583**	40,416
Total current assets		**1,515,604**	**1,396,058**
Total assets		**1,527,905**	**1,403,288**
Liabilities			
Non-current liabilities			
Deferred tax liabilities		**-**	33
Debt securities in issue	9,11	**1,097,143**	1,019,985
Total non-current liabilities		**1,097,143**	**1,020,018**
Current liabilities			
Trade payables		**439,815**	429,523
Finance lease liabilities		**-**	158
Derivative financial instruments		**1,420**	2,157
Amounts owed to related parties		**10,856**	9,302
Accruals and deferred income		**18,710**	17,238
Total current liabilities		**470,801**	**458,378**
Total liabilities		**1,567,944**	**1,478,396**
Equity			
Called up share capital	10,11	**44,502**	44,502
Retained earnings		**(84,788)**	(118,722)
Other reserves		**248**	(888)
Total shareholders' equity		**(40,038)**	**(75,108)**
Total liabilities & equity		**1,527,906**	**1,403,288**

Mizzen Mezzco Limited

Consolidated statement of changes in equity

	Note	Share capital (unaudited) £'000	Retained earnings (unaudited) £'000	Other reserves (unaudited) £'000	Total equity (unaudited) £'000
At 31 December 2014		**32,921**	**(90,172)**	**(182)**	**(57,433)**
Loss for the period		-	(16,969)	-	**(16,969)**
Foreign currency translation loss		-	-	(706)	**(706)**
Total comprehensive expense for the period		**-**	**(16,969)**	**(706)**	**(17,675)**
Transactions with owners					
Dividends paid		-	(11,581)	-	**(11,581)**
Shares issued		11,581	-	-	**11,581**
At 31 March 2015		**44,502**	**(118,722)**	**(888)**	**(75,108)**
At 31 December 2015		**44,502**	**(98,241)**	**(682)**	**(54,421)**
Profit for the period		-	13,453	-	**13,453**
Foreign currency translation loss		-	-	930	**930**
Total comprehensive income/ (expense) for the period		-	13,453	930	**14,383**
Transactions with owners					
Shares issued		-	-	-	**-**
Dividends paid		-	-	-	**-**
At 31 March 2016		**44,502**	**(84,788)**	**248**	**(40,038)**

Consolidated cash flow statement

	Notes	3 months ended 31 March 2016 (unaudited) £'000	3 months ended 31 March 2015 (unaudited) £'000
Operating activities			
Cash flow from operating activities	12	72,562	76,027
Interest paid		(4,165)	(5,131)
Income taxes paid		-	2
Cash flows generated from operating activities		**68,397**	**70,898**
Net cash flows from investing activities			
Purchase of non-current assets		(2,896)	(905)
Cash flows used in investing activities		**(2,896)**	**(905)**
Net cash flows from financing activities			
Finance lease payments		-	(53)
Repayment of borrowings		(37,834)	(86,003)
Proceeds on issue of preference shares		-	11,581
Dividends paid to shareholders		-	(11,581)
Net cash flows used in financing activities		**(37,834)**	**(86,056)**
Net increase/(decrease) in cash and cash equivalents		**27,667**	**(16,063)**
Cash and cash equivalents at beginning of period		47,987	57,185
Foreign currency translation loss		930	(706)
Cash and cash equivalents at end of period		**76,584**	**40,416**

Mizzen Mezzco Limited

Selected notes to the financial statements

1. General information

The condensed financial statements for the three months ended 31 March 2016 and for the three months ended 31 March 2015 have not been audited, as defined in section 434 of the Companies Act 2006.

Mizzen Mezzco Limited ("the Company"), and its subsidiaries (together "the Group"), is a financial services group specialising in funding and payment processing solutions. The Company is incorporated and domiciled in the UK. The Group has a branch in Ireland.

2. Accounting policies

The Group prepares its annual account financial statements in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the International Accounting Standards Board (IASB) as endorsed by the European Union (EU), and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The condensed financial statements have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements of the Group for the year ending 31 December 2015.

Going concern basis

The Group has strengthened its funding position and has made substantial progress in diversifying its funding base through the issue in 2014 of a high yield corporate bond to professional investors. In addition, a subsidiary entity that is ultimately controlled by the Company has extended the term of its securitisation facility and reduced its cost of funding.

Accordingly, the Directors have assessed the Group's cashflow forecasts and are satisfied that the Group has adequate resources to continue operations for the foreseeable future and thus the financial statements have been prepared on a going concern basis.

3. Net interest income

	3 months ended 31 March 2016 (unaudited) £'000	3 months ended 31 March 2015 (unaudited) £'000
Interest income on loans and advances to customers	**28,337**	**26,604**
Interest payable on:		
Securitisation notes	4,037	5,495
Senior loan notes	3,664	4,468
Derivative financial instruments	687	577
Interest expense	**8,388**	**10,540**
Net interest income	**19,949**	**16,065**

4. Net fee and commission income

Net fee and commission income consists of:	3 months ended 31 March 2016 (unaudited) £'000	3 months ended 31 March 2015 (unaudited) £'000
Fee and commission income		
Servicing and administration fees	**4,589**	**4,415**
Fee and commission expense		
Advanced finance commission	**1,189**	**644**

Selected notes to the financial statements (continued)

5. Cash and cash equivalents

	31 March 2016 (unaudited) £'000	31 March 2015 (unaudited) £'000
Bank balances	**76,583**	**40,416**

The currency profile of cash and cash equivalents is as follows:

	31 March 2016 (unaudited) £'000	31 March 2015 (unaudited) £'000
GBP	73,801	36,619
USD	359	281
EUR	2,423	3,516
Total cash and cash equivalents	**76,583**	**40,416**

The external credit rating of our banking counter parties are:

	31 March 2016 (unaudited) £'000	31 March 2015 (unaudited) £'000
AA	74,309	39,094
BBB-	2,274	1,322
Total cash and cash equivalents	**76,583**	**40,416**

Cash and cash equivalents include encumbered cash balances held by PCL Funding I Limited. The table below summarises the total assets that are capable of supporting future funding and collateral needs and shows the extent to which these assets are currently pledged for this purpose.

At 31 March 2016 Encumbered asset summary	**Encumbered (unaudited) £'000**	**Unencumbered (unaudited) £'000**	**Total (unaudited) £'000**
Cash and cash equivalents	28,988	47,595	76,583

At 31 March 2015 Encumbered asset summary	**Encumbered (unaudited) £'000**	**Unencumbered (unaudited) £'000**	**Total (unaudited) £'000**
Cash and cash equivalents	13,383	27,033	40,416

6. Loans and advances to customers

	31 March 2016 (unaudited) £'000	31 March 2015 (unaudited) £'000
Gross loans and advances to customers	1,434,335	1,352,478
Less: allowance for impairment	(4,138)	(3,296)
Net loans and advances to customers	**1,430,197**	**1,349,182**
Split as:		
Current	1,428,978	1,348,767
Non-current	1,219	415

The following table shows impairment provisions for loans and advances:

	2016 (unaudited) £'000	2015 (unaudited) £'000
At 1 January	3,840	3,059
Amounts written back/(off)	(1,172)	(1,386)
Increase in allowance, net of recoveries, charged to income statement	1,470	1,623
At 31 March	**4,138**	**3,296**

Selected notes to the financial statements (continued)

7. Intangible assets

	Goodwill (unaudited) £'000	Assets under construction (unaudited) £'000	Software (unaudited) £'000	Total (unaudited) £'000
Cost				
At 31 December 2014	13,158	2,025	1,164	16,347
Additions	-	237	-	237
Impairment	(13,158)	-	-	(13,158)
At 31 March 2015	**-**	**2,262**	**1,164**	**3,426**
Accumulated amortisation				
At 31 December 2014	-	12	1,164	1,176
Charge for the period	-	-	-	-
At 31 March 2015	-	**12**	**1,164**	**1,176**
Net book value at 31 December 2014	13,158	2,013	-	15,171
Net book value at 31 March 2015	**-**	**2,250**	-	**2,250**
Cost				
At 31 December 2015	-	3,830	2,529	6,359
Additions	-	2,677	-	2,677
Transfers	-	(1,951)	1,951	-
At 31 March 2016	-	**4,556**	**4,480**	**9,036**
Accumulated amortisation				
At 31 December 2015	-	-	1,288	1,288
Charge for the period	-	-	261	261
At 31 March 2016	-	-	**1,549**	**1,549**
Net book value at 31 December 2015	-	3,830	1,241	5,071
Net book value at 31 March 2016	-	**4,556**	**2,931**	**7,487**

Goodwill on the acquisition in 2012 of the Vendcrown Group, which includes the cash-generating unit Premium Credit Limited, was written off following the acquisition of the Group in 2015 by Cinven.

Mizzen Mezzco Limited

Selected notes to the financial statements (continued)

8. Property, plant and equipment

	Leasehold improvements (unaudited) £'000	Leasehold offices (unaudited) £'000	Vehicles and equipment (unaudited) £'000	Total (unaudited) £'000
Cost				
At 31 December 2014	1,830	4,100	9,412	15,342
Additions	-	-	668	668
At 31 March 2015	**1,830**	**4,100**	**10,080**	**16,010**
Accumulated depreciation				
At 31 December 2014	1,737	3,725	6,538	12,000
Charge for the period	30	60	302	392
At 31 March 2015	**1,767**	**3,785**	**6,840**	**12,392**
Net carrying value at 31 December 2014	93	375	2,874	3,342
Net carrying value at 31 March 2015	**63**	**315**	**3,240**	**3,618**
Cost				
At 31 December 2015	1,830	4,100	11,242	17,172
Additions	-	-	219	219
At 31 March 2016	**1,830**	**4,100**	**11,461**	**17,391**
Accumulated depreciation				
At 31 December 2015	1,830	3,966	7,947	13,743
Charge for the period	-	60	415	475
At 31 March 2016	**1,830**	**4,026**	**8,362**	**14,218**
Net carrying value at 31 December 2015	-	134	3,295	3,429
Net carrying value at 31 March 2016	**-**	**74**	**3,099**	**3,173**

Property, plant and equipment balances are non-current. The net book value of leasehold offices includes amounts held under finance leases as follows:

	31 March 2016 (unaudited) £'000	31 March 2015 (unaudited) £'000
Cost	4,100	4,100
Accumulated depreciation	(4,026)	(3,785)
Net book value	**74**	**315**

Selected notes to the financial statements (continued)

9. Debt securities in issue

	31 March 2016 (unaudited) £'000	31 March 2015 (unaudited) £'000
Non-current		
Securitisation notes	914,954	839,193
Senior secured loan notes	182,189	180,792
	1,097,143	**1,019,985**

Securitisation notes

Securitisation notes are issued by PCL Funding 1 Limited, an SPV, under a revolving sterling facility maturing on 25th September 2018.

Senior secured loan notes	Maturity date	31 March 2016 (unaudited) £'000	31 March 2015 (unaudited) £'000
Fixed rate corporate bond - issued 5 May 2014	2021	182,189	180,792

Interest is payable on the bond at a fixed rate of 7% per annum until maturity. The bond, issued by Mizzen Bondco Limited, is listed on the Irish Stock Exchange and secured by a fixed charge over certain Group assets. Debt securities are classified as non-current at the period end.

10. Called up share capital

	2015 Number	2015 £'000
Authorised		
Ordinary shares of £1	Unlimited	Unlimited
Preference shares of £1	11,581	11,581
Allotted and fully paid		
32,921,166 Ordinary shares of £1	32,921	32,921
11,581,089 Preference shares of £1	11,581	11,581
	44,502	**44,502**

The following table shows the aggregate movement in share capital in the period:

	Share capital 2016 £'000	Share capital 2015 £'000
At 1 January	44,502	32,921
Issued in the period	-	11,581
At 31 March	**44,502**	**44,502**

Approved by the shareholders' resolution, dated 25 February 2015, there was an allotment of 11,581,089 Preference shares at par in the capital of Mizzen Mezzco Limited to the sole member, Mizzen Topco S.C.A. Subsequently Mizzen Topco S.C.A. was liquidated as at 31 December 2015 and the shares were transferred to Pomegranate Acquisitions Limited.

Mizzen Mezzco Limited

Selected notes to the financial statements (continued)

11. Debt and equity

The debt and equity amounts for the Group at 31 December 2015 and 31 December 2014 were as follows:

£'000	31 March 2016 (unaudited) £'000	31 March 2015 (unaudited) £'000
Debt		
Securitisation notes	914,954	839,193
Senior loan notes	182,189	180,792
Loans from related parties	10,856	9,302
Less: unencumbered cash	(47,595)	(27,033)
Net debt	**1,060,404**	**1,002,254**
Equity		
Total equity	44,502	44,502
Total debt plus equity	**1,104,906**	**1,046,756**

12. Cash inflow from operating activities

	3 months ended 31 March 2016 (unaudited) £'000	3 months ended 31 March 2015 (unaudited) £'000
Profit/ (loss) before tax	**13,453**	**(16,969)**
Non cash items included in operating profit before taxation		
Loan impairment charges	1,470	1,623
Depreciation and amortisation	736	392
Impairment of goodwill	-	13,158
Finance costs - net	8,388	10,540
Fair value movements - swap	(52)	1,221
Non cash items included in operating profit before taxation	**10,542**	**26,934**
Changes in operating assets and liabilities		
Net movement in loans and advances to customers	18,071	30,176
Net movement in trade creditors	36,018	41,940
Net movement in prepayments, accrued income and other assets	(2,444)	(305)
Net movement in accruals and deferred income	(3,078)	(5,749)
Changes in operating assets and liabilities	**48,567**	**66,062**
Cash flows from operating activities	**72,562**	**76,027**