together.
SINCE 1974

Common sense lending for over four decades.

45
years

Q2 2020 Results

Investor Presentation

28th February 2020

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Management team participants

Gary Beckett, Group Managing Director and Chief Treasury Officer

- Gary is one of the longest serving colleagues at Together, joining the Group in 1994. He has overseen much of the organic growth of the Group, undertaking a number of roles within the Finance, Operations and Risk functions
- Group CFO between 2001 and February 2018, Gary contributed to the strategic development of the Group, with specific responsibility for financial reporting, taxation and treasury. From 1st March 2018 he took on the role of Group Managing Director and Chief Treasury Officer, and along with continuing to oversee Treasury and Investor Relations, will additionally support the Group CEO in developing and implementing the Group's strategy as Together continues to expand
- Gary created the group structure in 1996, led the original private equity buy in during 2006 and buy out in 2016, and arranged the Group's inaugural RCF Syndication, Securitisation Programme, RMBS, Senior Note issuance facilities and PIK Toggle Note issuance
- Gary is a qualified Chartered Accountant

Mike Davies, Director of Corporate Affairs

- Mike joined Together in 2017 to lead the Group's reputation and investor relations programmes
- He was previously Managing Partner of the Financial Institutions Group at international communications consultancy, Instinctif Partners, where his experience included advising Shawbrook, Arrow Global, Hastings and Pollen Street Capital
- Earlier in his career, Mike led Investor Relations at 3i Group, The Rank Group and Invensys, during the group's £2.7bn equity, debt and bond refinancing in 2004
- Mike is a former investment banker and a qualified Chartered Accountant

Jordan Foster, Director of Strategic Finance

- Jordan joined Together in 2014, providing corporate finance expertise and leading strategic projects across the business
- Jordan has played a key role in the last four Senior Secured Notes issuances as well as the PIK Toggle Notes issuance to support the buy back of the minority private equity investment in 2016 and the subsequent refinancing of the PIK Toggle Notes in 2018
- Previously, he has 10 years M&A experience at KPMG
- Jordan is a qualified Chartered Accountant

Agenda

1. Key highlights
2. Operating update
3. Loan book performance
4. Financial review
5. Funding update
6. Summary and outlook
7. Q&A
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Key highlights [1]

Continued growth in loan book and profitability driven by strong lending volumes

- Average monthly lending up 19.8% to £205.8m (Q2 '19: £171.7m)
- Loan book reaches £4.2bn - up 28.0% compared with Q2 '19 (£3.2bn)
- Underlying EBITDA up 18.3% to £71.6m (Q2 '19: £60.5m) and underlying PBT up 17.0% to £36.5m (Q2 '19: £31.2m)
- EBITDA up 0.1% to £60.6m (Q2 '19: £60.5m) and PBT down 18.2% to £25.5m (Q2 '19: £31.2m) incorporating £11.0m customer provisions in respect of historical forbearance and written customer communication matters

Enhanced operations and governance

- Gerald Grimes appointed Group CEO Designate, effective 6th April
- John Hooper joined Personal Finance Board as NED
- Periodic rotation of auditors from Deloitte to EY
- SM&CR adopted in December 2019

Increased scale and diversity of funding on improved terms and extended maturities

- Issued third RMBS (£315m, 'TABS 3') and increased Lakeside ('LABS') facility to £500m
- S&P rating of Together Financial Services enhanced to 'Positive Outlook' and Fitch rating of PIK Toggle Notes upgraded from B to B+
- Issued £435m 4⅞% SSNs due 2026 on improved terms, upsized from £385m given significant demand

£2.2bn
LTM Originations
+ 21.6%
(LTM Dec '18: £1.8bn)

57.8%
LTM Weighted average Origination LTV
(LTM Dec '18: 58.1%)

£4.2bn
Loan Book
+ 28.0%
(Q2 '19: £3.2bn)

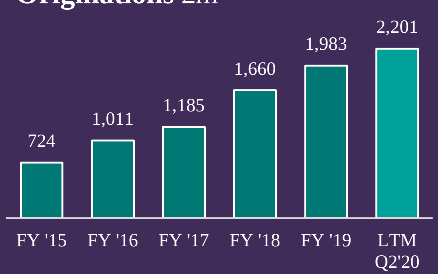
£270.5m
LTM Underlying EBITDA[4]
+ 16.4%
(LTM Dec '18: £232.4m)

£139.8m
LTM Underlying PBT[4]
+ 15.8%
(LTM Dec '18: £120.7m)

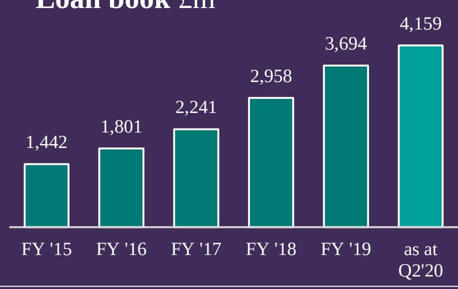
£4.0bn
Total pro forma facility size[2]
+ 18.0%
(Q2 '19: £3.4bn)

6.5%
LTM Net interest margin
(LTM Dec '18: 7.4%)

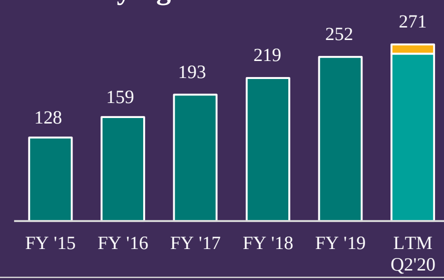
Originations £m



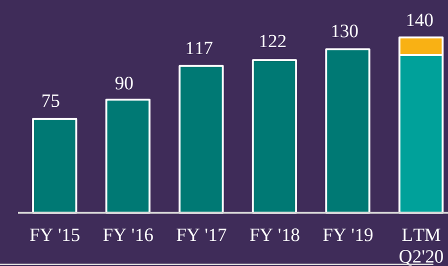
Loan book £m



Underlying EBITDA [3][4] £m



Underlying PBT [3][4] £m



(1) All figures from 1 July 2018 are presented on an IFRS 9 basis. Prior to this figures are presented on an IAS 39 basis.
(2) Assumed as if SSN21s transacted at 31 Dec 2019.
(3) FY '17 EBITDA and PBT adjusted for £8.2m and £23.0m, respectively, of exceptional costs in respect of the acquisition of the minority interest (£8.2m) and the refinancing of the Senior Secured Notes (£14.8m)
(4) LTM Underlying EBITDA and PBT to Dec-19 adjusted to exclude £14.0m of exceptional customer provisions; £3.0m posted in Q1'20 and £11.0m posted in Q2'20
Note: LTM: last twelve months

Adjustment made to EBITDA and PBT

Agenda

…with a unique and successful model based on 45 years' experience…

Objective

- Build long-term value by helping individuals, families and businesses to achieve their financial ambitions

Strategic focus

- Increase secured lending to underserved customers in attractive growing markets
- Deliver positive customer outcomes with flexible products, experienced underwriters and high levels of service
- Maintaining high asset quality with prudent underwriting based on security, low LTVs, affordability and appropriate risk adjusted margins
- Increase scale and diversity of funding and reinvest profits to support future growth ambitions

Our customers

- Owner Occupiers
- Landlords
- Businesses and the self employed
- Developers

Our products

- 1st and 2nd charge mortgages
- Bridging loans
- Buy-to-let mortgages
- Commercial term loans
- Development finance

Established multichannel distribution

- Mortgage intermediaries
- Professional networks
- Direct sales and repeat customers

Our service

- In-house originations and servicing
- Speed and flexibility
- High quality service
- Continuous investment

Compelling investment case

- 45 year through-the-cycle track record
- Privately owned with emphasis on long-term value focus
- Focus on low LTVs and affordable, sustainable lending
- Diversified loan book
- Creating value for our customers
- Experienced senior management and high quality Board
- Strong growth and industry leading returns

Deep and diverse funding platforms

- Senior secured notes
- Private securitisations
- Public securitisations (RMBS)
- Revolving credit facility
- PIK toggle notes (Bracken Midco1)
- Shareholder funds

…and continued investment in our platform and governance to support future growth

Modernisation

- Initiated Modernisation Programme to enhance core infrastructure, improve efficiencies, refocus human resource on value add activities and deliver improved experience for customers, brokers and colleagues
- Conscious focus on maintaining personal underwriting as key differentiator while providing capability to scale platform efficiently
- Calendar year 2020 - creating a more digitised lending process with move to paperless lending, introduction on electronic disbursements and direct debits and introduction of machine learning applications
- Trialling new technologies with pilots for open banking, secure instant messaging and introduction of robotic process automations to free resource from low value add repetitive tasks
- Started work to improve architecture, processes and technology for back office and securitization systems

Culture, governance and systems

- Gerald Grimes appointed Group CEO Designate, effective 6th April
- John Hooper joined Personal Finance Board as NED
- SM&CR adopted December 2019
- Periodic rotation of auditors from Deloitte to EY

Regulatory update

- **Background:** Internal reviews in regulated division identified instances where some past written customer communications should have been clearer and more complete regarding customer balances not expected to repay by contractual maturity and, for certain arrears customers, outcome of our forbearance may have improved if different forbearance measures applied
- **Actions:** resolved issues; notified FCA and maintained regular dialogue; appointed experienced third parties to provide additional resource and assurance; made appropriate provisions and contingent liability disclosures (Q1 - provided £3.0m provision with a estimated financial impact range of £1.0m - £5.0m in respect of forbearance measures and disclosed contingent liability in financial statements in respect of clarity of written communications)

Q2 update:

- Continued phased approach to remediation, with forbearance activity prioritised, applying defined parameters and criteria to enable timely and appropriate redress. Estimated financial impact range narrowed to £3.0m to £5.0m, with provision revised to £4m at Q2 '20
- Additional provision of £9m made in Q2 '20, with estimated financial impact range of £6m to £12m, in respect of customers for whom past written communications should have been clearer in respect to customer balances not expected to repay by contractual maturity.
- £1m operational provision made in Q2
- Continue to keep FCA informed of progress

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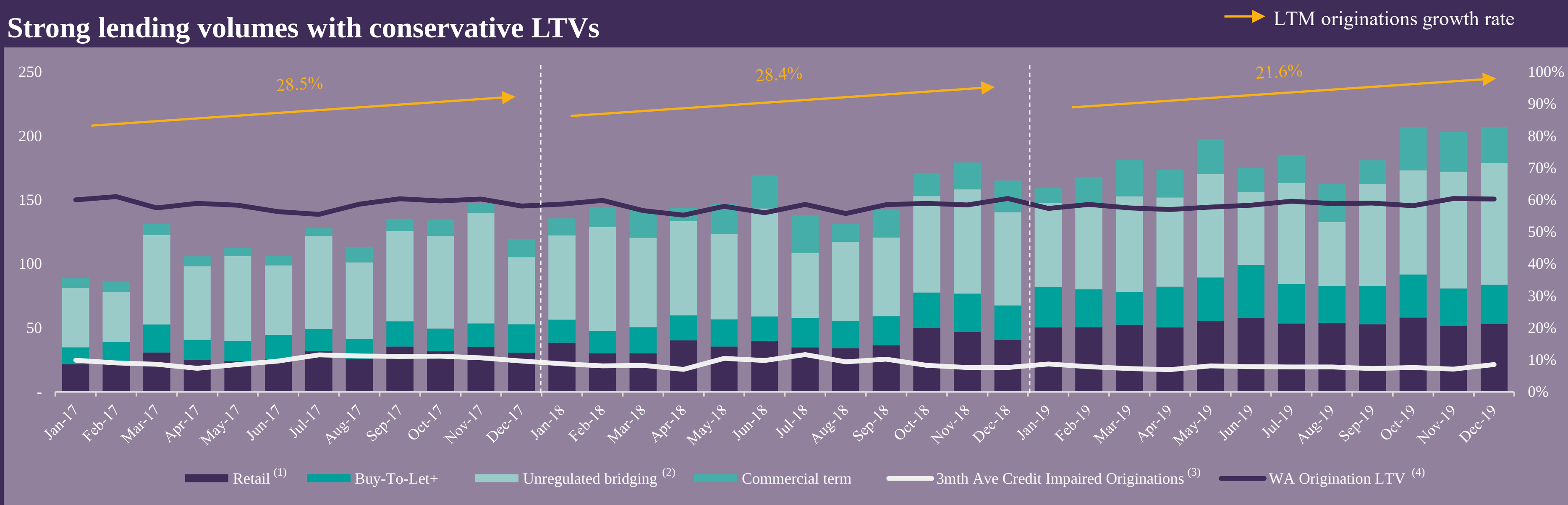
Strong lending volumes with conservative LTVs



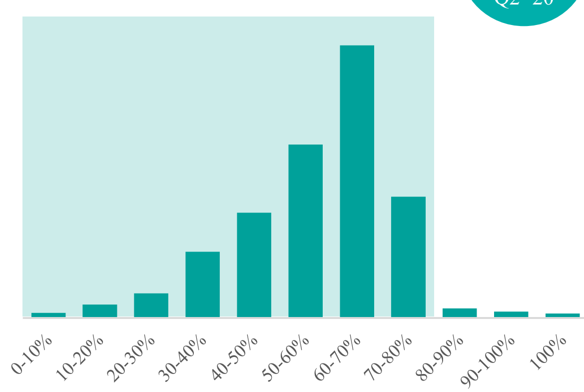
Strong lending volumes

- Quarterly originations up 19.8% to £617.3m (Q2 '19 £515.2m)
- Robust credit quality maintained in the quarter
  - Weighted average origination LTVs remain very conservative at 58.0% (Q2 '19: 58.9%)
  - Credit impaired originations[3] remain low, with recent underlying vintage arrears for the first 21 months showing no deterioration in credit quality.
  - The FY18 Q1 and Q2 increases from 1% to 3% between months 21-24 equates to c.£6-7m per vintage, with Q1 increase relating to 1 customer (63% LTV) and 50% Q2 increase relating to 1 customer (62% LTV) – no correlations or trends identified.
- Q2 '20 new business nominal rates reduced to 7.7% (Q2 '19: 8.1%), due to increased competition and slight shift in product mix towards lower yielding products

Conservative origination LTVs [4]

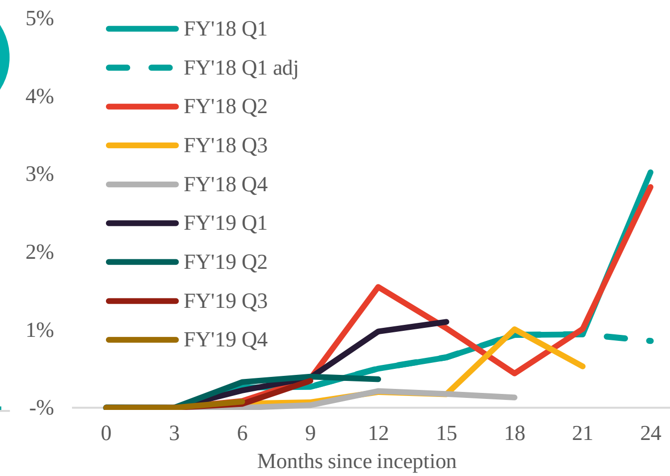
97.4% of Q2 '20 originations < 80% LTV

58.0%
WA LTV
Q2 '20



Strong recent vintage performance [5]

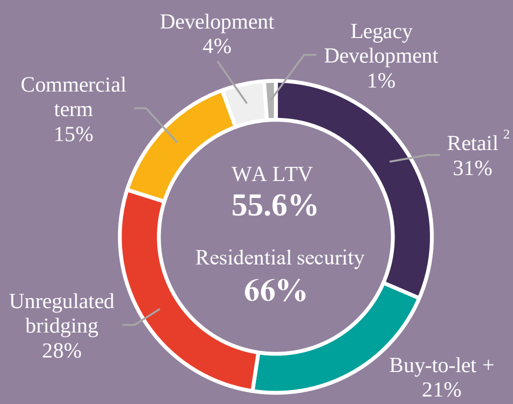
(>3m arrears by quarterly vintage)



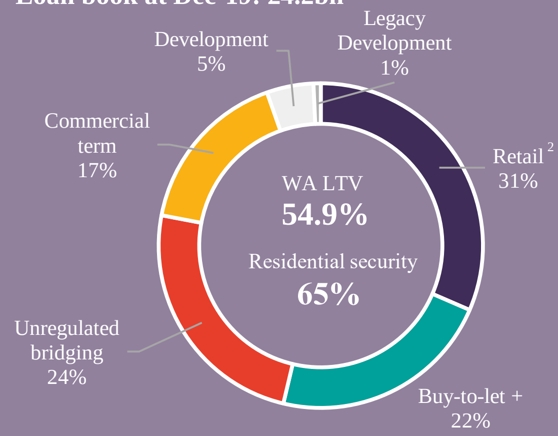
(1) Includes CBTL and Regulated Bridge accounting for £7m and £45m of Q2 '20 originations, respectively, compared to £8m and £46m, respectively, in Q2 '19
(2) Includes development loans
(3) 3-month rolling average of credit impaired customers as % of total new business written, using FCA definition of 'credit impaired'
(4) This analysis is prepared on a loan-by-loan basis, and as such does not take into account any cross-charges which provide additional security
(5) Origination balance of loans > 3months arrears / total originated in the quarter

High quality portfolio focused on affordability and low LTVs (1)

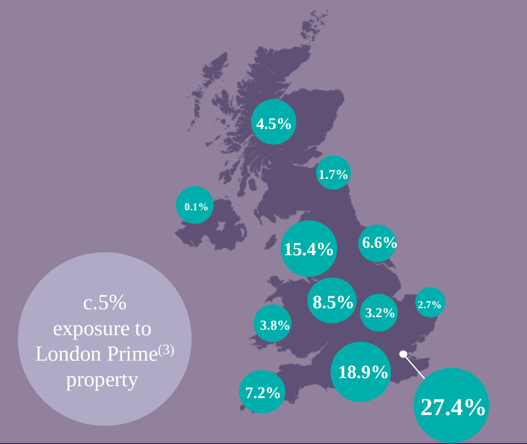
Loan book at Dec-18: £3.3bn



Loan book at Dec-19: £4.2bn

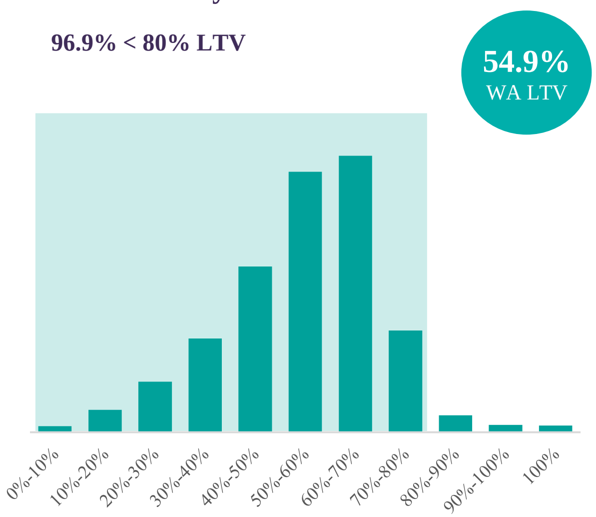


Loan book diversified across geography

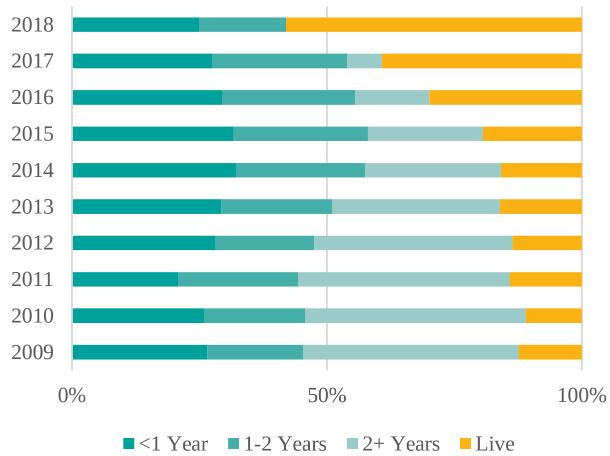


Loan book by indexed LTV at Dec '19

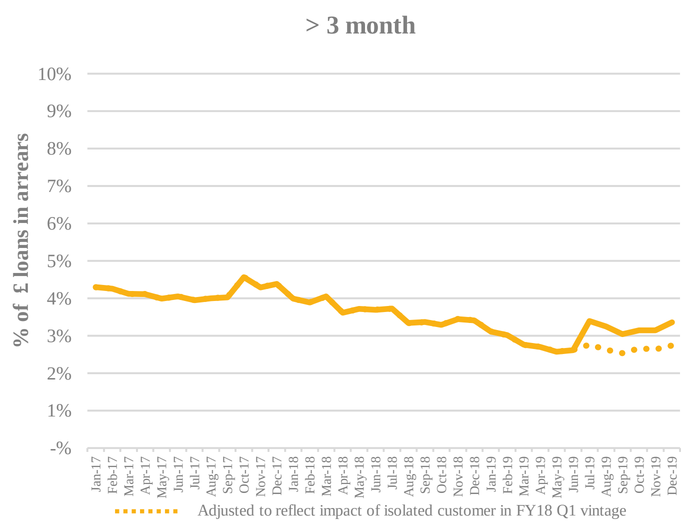
96.9% < 80% LTV



Redemption rates (4) (by loan vintage)



Arrears (5)



(1) Loan book analysis for core operating subsidiaries is presented after loss allowances
(2) Includes CBTL and Regulated Bridge, accounting for £77.7m and £170.4m as at 31 December '19 compared to £60.4m and £143.3m at 31 December '18.
(3) As defined by the Coutts London Prime Index – residential property only
(4) Based on calendar year
(5) Analysis presented as loans in arrears >3 months (including whether classed as performing or non performing arrears) as a percentage of total loan book excluding development loans, repossession, loans past term and non serviced loans

Low LTVs provide significant downside protection (1)

LTVs remain conservative at 54.9%

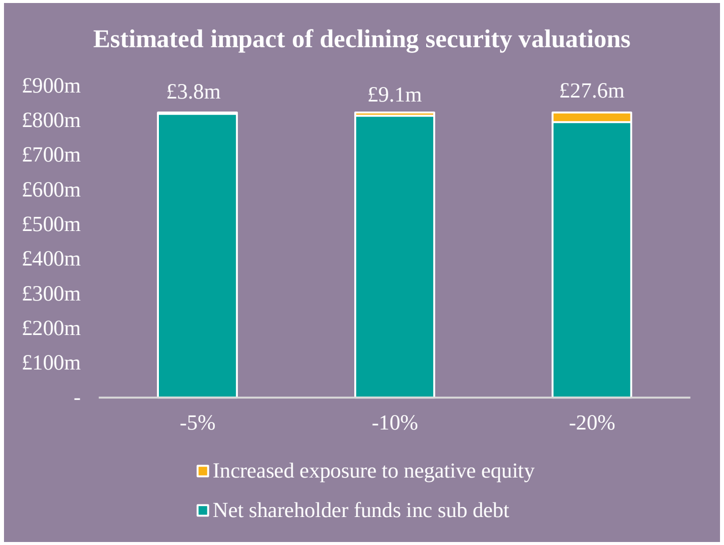
- Weighted average indexed LTV of total loan portfolio 54.9% (58.4% for the Borrower Group)
- Percentage of loans with indexed LTV of > 80% is 3.1% (9.4% for the Borrower Group)

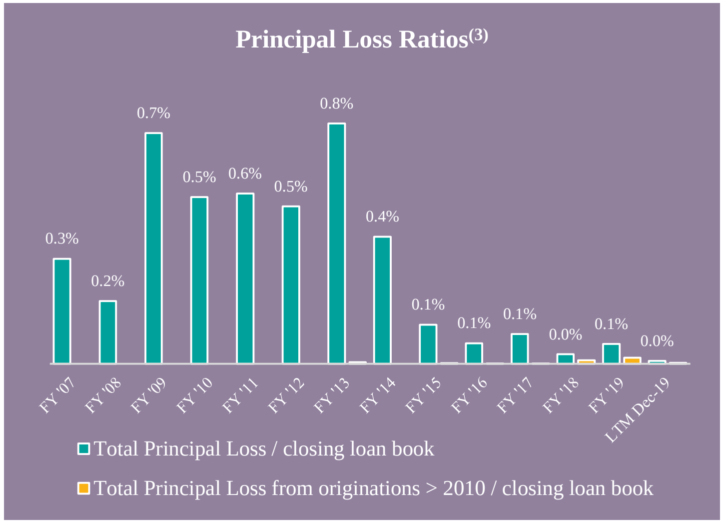
Loans in negative equity

- Group had negative equity exposure of £25.5m
- Compared to £51.7m of IFRS9 impairment loss allowances (2) for total loan portfolio

Downside scenario analysis

- Additional Group exposure to negative equity from falls in property values: 10% = £9.1m and 20% = £27.6m
- Additional Borrower Group exposure to negative equity from falls in property values: 10% = £8.8m and 20% = £25.0m
- Peak principal loss ratio only 0.8% during financial crisis, reducing to 0.1% in recent years. Since we tightened our underwriting policies in 2010, loss ratios have consistently been below 0.02%





(1) FY'19 and FY'20 figures and KPIs are presented on an IFRS 9 basis. Prior year figures and KPIs are presented on an IAS 39 basis
(2) IFRS9 provisions excludes impairment allowance for shortfalls fully provided for
(3) Principal losses = total principal advances + 3rd party costs (i.e. foreclosure costs) less total receipts

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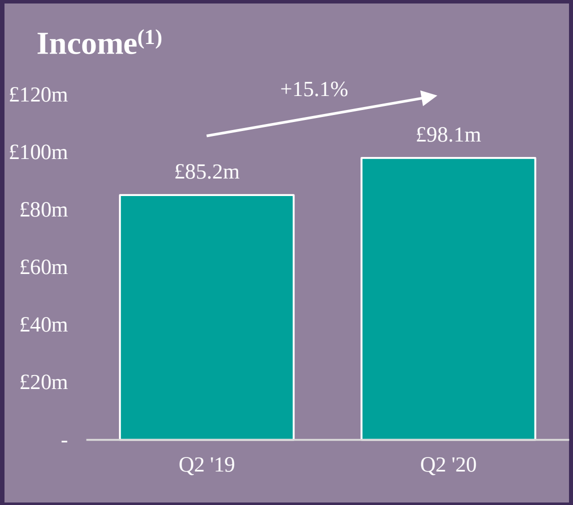
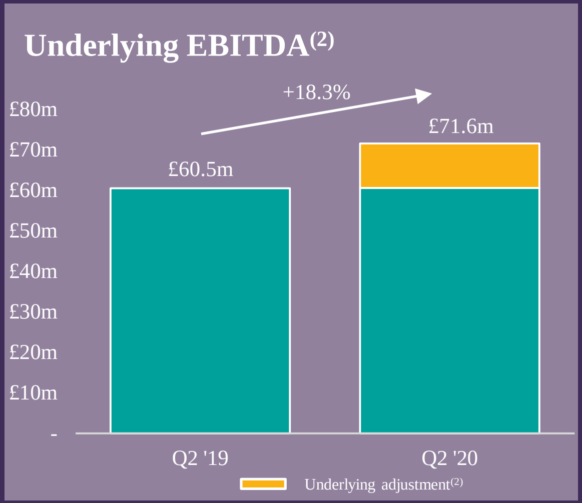
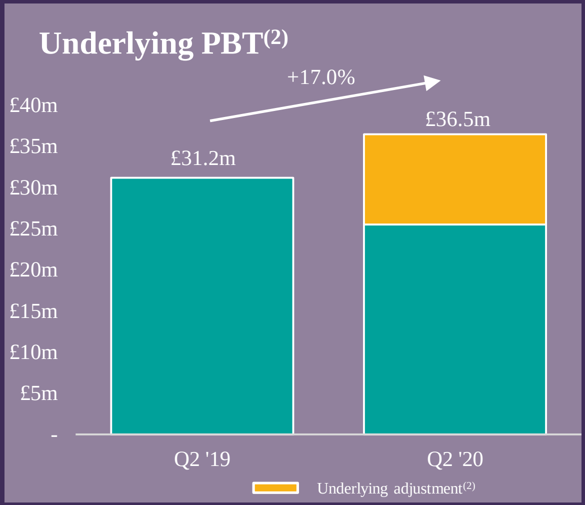
Continued growth in income and EBITDA







Income & expenditure

	Q2 '19	Q1 '20	Q2 '20
Income[1] £m	85.2	93.6	**98.1**
Interest Payable £m	28.3	31.8	**33.6**
NIM[3][4]	7.4%	6.8%	**6.5%**
Cost of Risk[5]	0.5%	0.5%	**0.5%**
Underlying Cost / Income Ratio[2][3][6]	36.9%	35.8%	**35.1%**
Underlying EBITDA[2]	60.5	67.6	**71.6**
Underlying PBT[2]	31.2	34.5	**36.5**
EBITDA £m	60.5	64.6	**60.6**
PBT £m	31.2	31.5	**25.5**
Underlying Return on Equity[2][3][7]	15.0%	15.1%	**15.3%**

- Continued strong earnings performance while maintaining significant investment in colleagues, governance and systems improvements to support future growth
- Income increased by 15.1% to £98.1m (Q2 '19: £85.2m) reflecting continued loan book growth of 28.0% offset by reduction in yield
- NIM at 6.5% (Q2 '19: 7.4%), reflecting lower yield due to increased competition, product mix and higher gearing, partly mitigated by lower costs of funds
- Underlying cost / income ratio has decreased to 35.1% as we benefit from economies of scale given prior years investment and continues to remain low compared with peers
- Cost of risk remains broadly consistent with Q2 '19 and Q1 '20
- Underlying PBT increased in Q2 '20 by 17.0% to £36.5m, compared to prior year comparable quarter (Q2 '19: £31.2m). PBT in Q2 '20 of £25.5m including £11m exceptional customer provisions
- Consistently strong underlying ROE despite margin compression demonstrating more effective use of capital given introduction of more efficient funding programs

(1) Includes fees & commission receivables
(2) Q2 '20 EBITDA, PBT and related metrics adjusted for £11m of exceptional customer provisions recognised in the quarter
(3) All figures from 1 July 2018 are presented on an IFRS 9 basis. Prior to this figures are presented on an IAS 39 basis.
(4) Calculated as rolling 12 month net interest income / average opening and closing loan assets
(5) Based on rolling 12 months impairment charge / average of net loan book
(6) Rolling 12 months operating expenses excluding impairment, financing costs, and tax / rolling 12 months net operating income
(7) Calculated as rolling last 12 months PAT / average of opening and closing shareholder funds (including subordinated debt)

Strong balance sheet and attractive credit metrics

- Robust loan growth with stable and low LTVs
- Prudent capitalisation and very conservative levels of gearing relative to peers
- Strong underlying asset cover

		Consolidated Group			Borrower Group		
		Q2 '19	Q1 '20	**Q2 '20**	Q2 '19	Q1 '20	**Q2 '20**
Balance sheet / asset quality	Net loan book (£m)	3,248.4	3,878.4	**4,159.2**	1,151.0	1,182.9	**1,147.4**
	Shareholder funds (£m) (1)	746.4	814.9	**823.2**	426.4	411.6	**396.4**
	Weighted average indexed LTV of portfolio	55.6%	55.0%	**54.9%**	58.9%	58.0%	**58.4%**
Key credit metrics	Underlying EBITDA (£m) (2)	60.5	67.6	**71.6**	45.8	49.9	**52.2**
	Gearing (1)(3)(4)	76.5%	78.6%	**79.5%**	62.7%	64.5%	**64.3%**
	Underlying asset cover (2)(5)	42.5%	43.2%	**43.6%**	36.9%	37.4%	**37.5%**
	Net debt : Underlying EBITDA (2)(6)	10.7x	11.7x	**12.2x**	4.0x	3.9x	**3.7x**
	Gross debt : shareholder funds (1)	3.4x	3.9x	**4.2x**	1.7x	1.9x	**1.9x**
	Interest cover (2)(7)	2.2x	2.2x	**2.2x**	4.0x	4.1x	**4.3x**
	Tangible equity (1) / tangible assets	22.5%	20.2%	**18.8%**	n/a	n/a	**n/a**

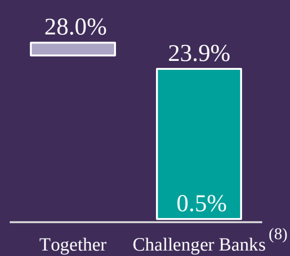
28.0%
Growth in loan book to £4.2bn
(Q2 '19 £3.2bn)

WA indexed LTV at Q2 '20
54.9%
(Q2 '19: 55.6%)

£823.2m
Shareholder funds(1)
(Q2 '19: £746.4m)

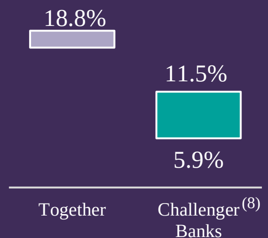
Underlying asset cover (5)
43.6%
(Q2 '19: 42.5%)

Loan growth (LTM)



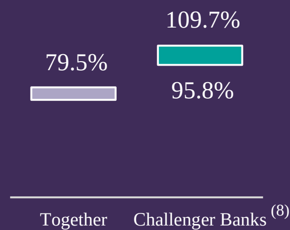
Median: 21.9%

Tangible equity / tangible assets



Median: 7.6%

Net debt / net book value of loans on balance sheet



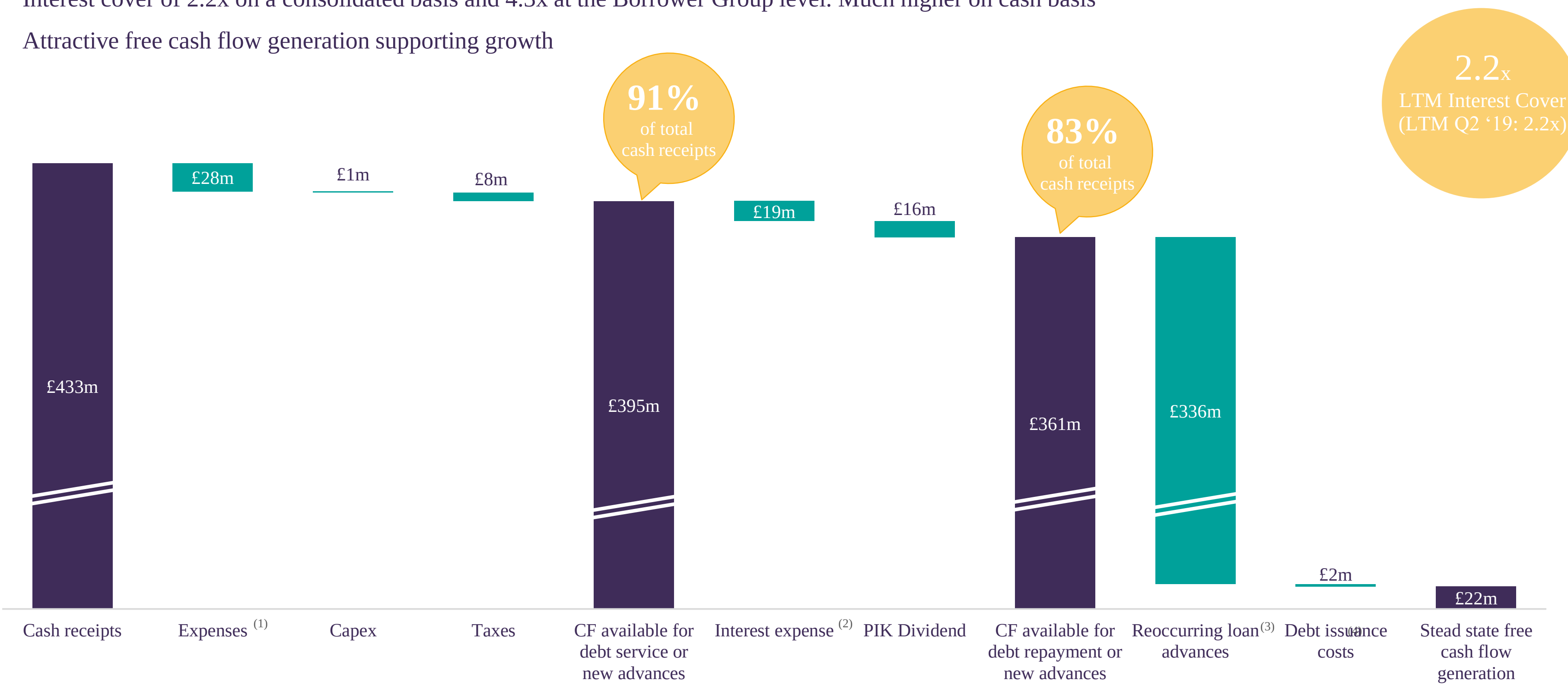
Median: 104.3%

(1) Subordinated shareholder loans and notes treated as equity
(2) Q2 '20 EBITDA and related metrics adjusted for £11m of exceptional customer provisions recognised in the quarter
(3) Ratio of net borrowings to the value of the net loans and advances to customers of the consolidated group and Borrower Group, respectively
(4) Excludes lease liability classified as borrowings on adoption of IFRS16
(5) Ratio of net borrowings to the value of the underlying security valuation of the consolidated group and Borrower Group, respectively
(6) Previously reported as Net debt : EBITDA with Q1 '20 being11.9x and 4.0x prior to Underlying EBITDA adjustment
(7) On an Underlying LTM basis. In respect of the Borrower Group represents Borrower Group EBITDA divided by cash interest payable on the senior secured notes and the RCF
(8) Challenger Banks consist of Charter Court Financial Services, Close Brothers, One Savings Bank, Paragon, Secure Trust and Shawbrook. Data based upon latest available public figures as at 25th January, 2020

Consistently high levels of cash generation

Quarterly cash flows (Q2 '20)

- Consolidated group cash receipts up 19.2% to £432.6m (Q2 '19 of £363.0m) representing 43% of average loan assets on an annualised basis
- Cash available for debt service and new advances of £395.4m (Q2 '19: £335.1m), cash available for debt repayment or new advances (after interest serviced) of £360.7m (Q2 '19 £320.5m)
- Interest cover of 2.2x on a consolidated basis and 4.3x at the Borrower Group level. Much higher on cash basis
- Attractive free cash flow generation supporting growth



Strong cash flow profile underpinned by secured property lending

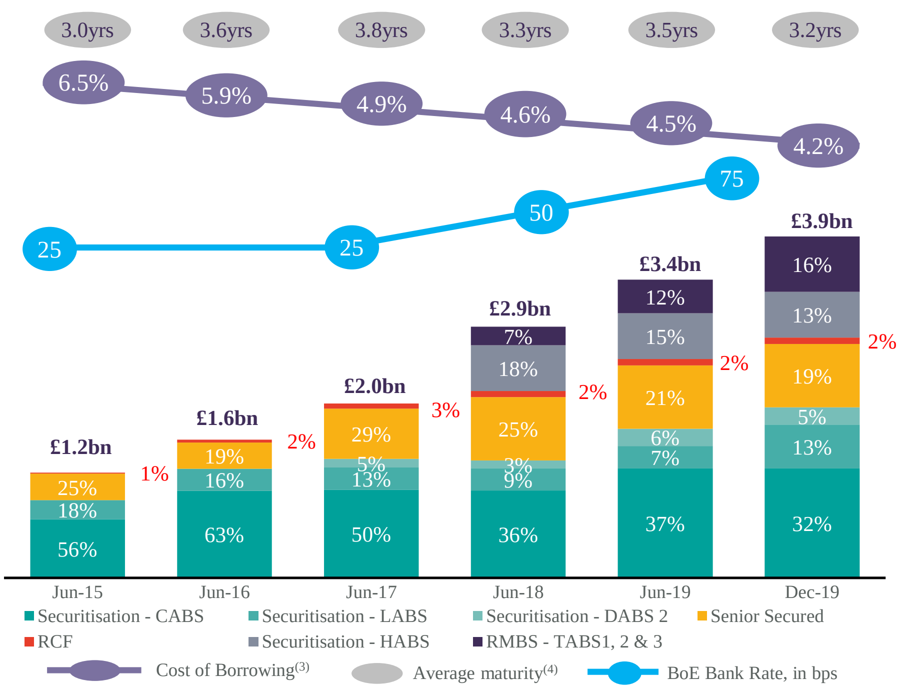
(1) Principally represents staff costs and overheads
(2) Excludes debt issuance costs
(3) Reoccurring loan advances are loan advances required to maintain the size of the loan book at the beginning of period. Calculated as loans originated in the last twelve months less growth in loans & advances over the last twelve months
(4) Debt issuance costs adjusted proportionately to reflect costs associated with reoccurring loan advances only

Agenda

Significant additional funding to support growth ambitions

- Oct-19: Completed third public RMBS ('TABS 3') raising £315.4m against a portfolio of £332m, resulting in £300m repayment of CABS facility
- Nov-19: Refinanced LABS, increasing commitments from £255m to £500m on improved terms, extending maturity and adding 2 new banks
- Feb-20: Issued £435m 4⅞% SSNs due 2026 to refinance 6¼% 2021 SSNs, increasing issue amount from original target of £385m due to demand
- Increasing facilities to a pro forma basis of £4.0bn, headroom to £0.5bn and an average maturity on drawn balances of 3.8 years(1)
- S&P rating of Together Financial Services enhanced to 'Positive Outlook' and Fitch rating of PIK Toggle Notes upgraded from B to B+

Diversified funding base as at 31 December 2019 (1)(2)



Bracken Midco1 Plc
Senior PIK Toggle Notes 2023
£350m
5yr NC2
S&P and Fitch: B+

Together Financial Services Limited
Loan book £4.2bn

Commercial Finance (unregulated)
BTL+, Commercial term, Bridging Loans, Developments

Personal Finance (FCA regulated)
1st & 2nd Lien Mortgages, Regulated Bridging Loans, Consumer BTL

Bonds

SSN 2026
£435m
6yr NC2
S&P: BB-; Fitch: BB

SSN 2024
£350m
7yr NC3
S&P: BB-; Fitch: BB

Bank Facilities

RCF 2021
£71.9m Commitment

Private Securitisations

Charles St ABS "CABS" 2023
£1,255m Commitment
Moody's: Aa2 (sf); DBRS: AA (sf)(5)

Lakeside ABS "LABS" 2023
£500m Commitment

Delta ABS 2 "DABS 2" 2023
£200m Commitment
Refinanced March 2019

Highfield ABS "HABS" 2022
£525m Commitment

Public Securitisation - RMBS

Together ABS "TABS 1"
£132.8m rated notes in issue(6)
81% rated Aaa/AAA

Together ABS 2 "TABS 2"
£196.7m rated notes in issue (6)
78.5% rated AAA

Together ABS 3 "TABS 3"
£305.1m rated notes in issue(6)
79% rated AAA

Total shareholder funding £823.2m (7)
(Borrower Group: £396.4m) (7)

As at September 30th 2019(1)

(1) Assumed if Senior Secured transacted at 31 Dec 2019.
(2) Presented based on total facility size
(3) Cost of Borrowing is calculated as total interest payable on an LTM basis (excluding interest on subordinated debt) divided by opening and closing gross debt. Total interest payable includes core interest, non-utilisation fees and fee amortisation. FY17 adjusted for exceptional interest payable of £14.8m
(4) Based on drawn balances
(5) Rating in respect to the senior notes only
(6) As at December 2019, net of cash receipts received in the month to be applied to reduce notes
(7) Includes shareholder debt

Post 31 Dec, 2020

Agenda

1. Key highlights
2. Operating update
3. Loan book performance
4. Financial review
5. Funding update
6. **Summary and outlook**
7. Q&A
8. Appendix

Summary and outlook (1)

£2.2bn
LTM Originations
+ 21.6%
(LTM Dec '18: £1.8bn)

57.8%
LTM Weighted average Origination LTV
(LTM Dec '18: 58.1%)

£4.2bn
Loan Book
+ 28.0%
(Q2 '19: £3.2bn)

£270.5m
LTM Underlying EBITDA(4)
+ 16.4%
(LTM Dec '18: £232.4m)

£139.8m
LTM Underlying PBT(4)
+ 15.8%
(LTM Dec '18: £120.7m)

£4.0bn
Total pro forma facility size(2)
+ 18.0%
(Q2 '19: £3.4bn)

6.5%
LTM Net interest margin
(LTM Dec '18: 7.4%)

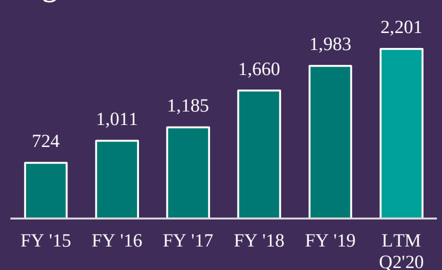
Summary

- Continued strong growth in new lending drives loan book to over £4bn
- Underlying EBITDA and profitability continue to grow robustly
- Strong performance maintained into January 2020, with £170.5m lending at conservative origination LTV
- Progressed Modernisation Programme to enhance core infrastructure to facilitate platform scaling and delivery of improved experiences
- Further enhanced governance with new senior appointments
- Ratings enhancements to Senior Secured and Senior PIK Toggle notes
- Increased scale, diversity and maturity of funding to support growth

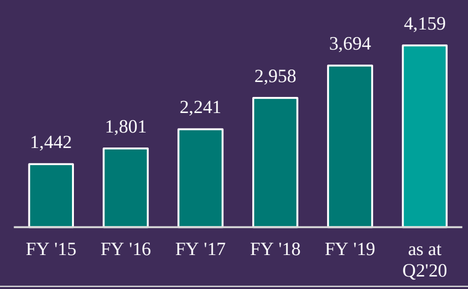
Outlook

- Lead indicators remain mixed: business confidence higher following General Election, passing of EU Withdrawal Bill and possible early signs of UK economic recovery offset by financial market volatility due to spread of coronavirus and continued US / Iran tensions
- Together continues to see strong demand from customers and remains well placed to deliver on growth plans

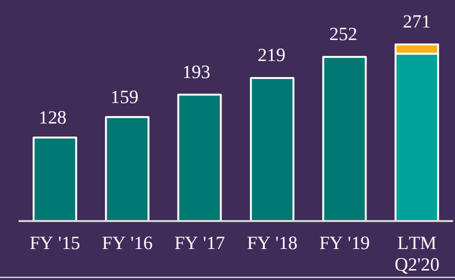
Originations £m



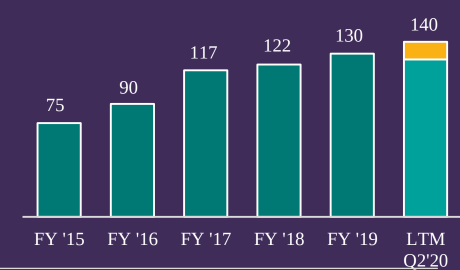
Loan book £m



Underlying EBITDA (3)(4) £m



Underlying PBT (3)(4) £m



(1) All figures from 1 July 2018 are presented on an IFRS 9 basis. Prior to this figures are presented on an IAS 39 basis.
(2) Assumed if SSN21s transacted at 31 Dec 2019.
(3) FY '17 EBITDA and PBT adjusted for £8.2m and £23.0m, respectively, of exceptional costs in respect of the acquisition of the minority interest (£8.2m) and the refinancing of the Senior Secured Notes (£14.8m)
(4) LTM Underlying EBITDA and PBT to Sep-19 adjusted to exclude £14.0m of additional customer provisions, £3.0m posted in Q1'20 and £11.0m posted in Q2'20
Note: LTM: last twelve months

Adjustment made to EBITDA and PBT

Agenda

1. Key highlights
2. Operating update
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7. **Q&A**
8. Appendix

Q&A
session

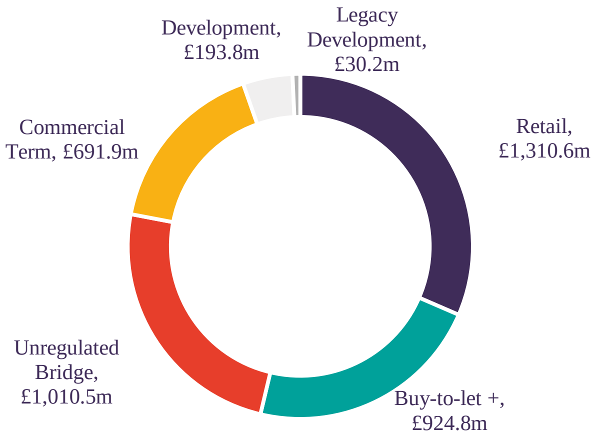
Appendix:
additional information

Agenda

Diversified loan book – consolidated group [1][2]

Loan portfolio breakdown by loan purpose

Total [1] £4,161.8m



65% secured on residential security

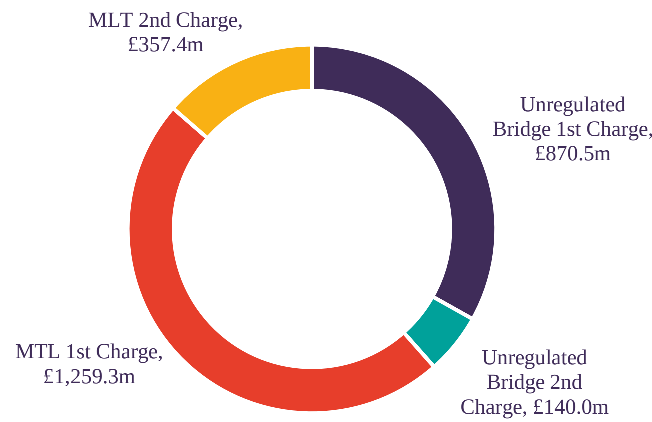
Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
Retail	60.9	7.3%	49.7%
Commercial	170.5	8.8%	56.3%
Development	906.9	10.7%	68.2%
Total	**111.9**	**8.4%**	**54.9%**

Retail loan book breakdown

100% secured on residential security

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
1st Charge	105.1	6.3%	47.4%
2nd Charge	40.3	8.5%	52.6%

Commercial loan book breakdown [3]



49% secured on residential security

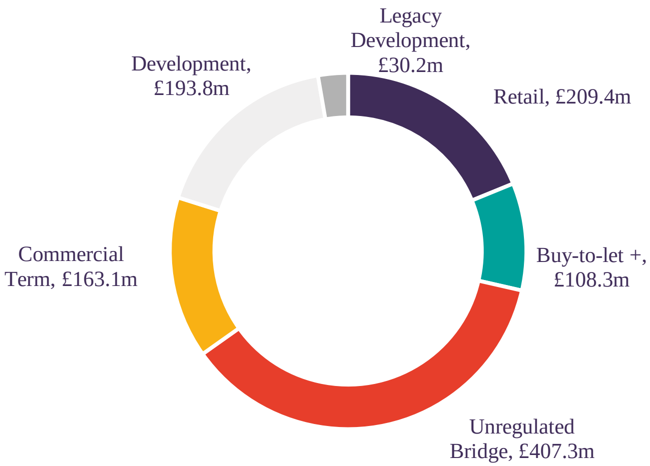
Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
Unregulated bridge 1st Charge	315.8	10.3%	56.7%
Unregulated bridge 2nd Charge	294.1	11.4%	62.4%
MLT 1st Charge	159.6	7.6%	55.2%
MLT 2nd Charge	83.4	8.4%	56.6%

Note: MLT = Medium + Long term which includes BTL+ and Commercial term loans
(1) Loan book analysis for core operating subsidiaries is presented after allowances for impairments.
(2) All figures are presented on an IFRS 9 basis
(3) Excludes development loans

Diversified loan book – borrower group [1][2]

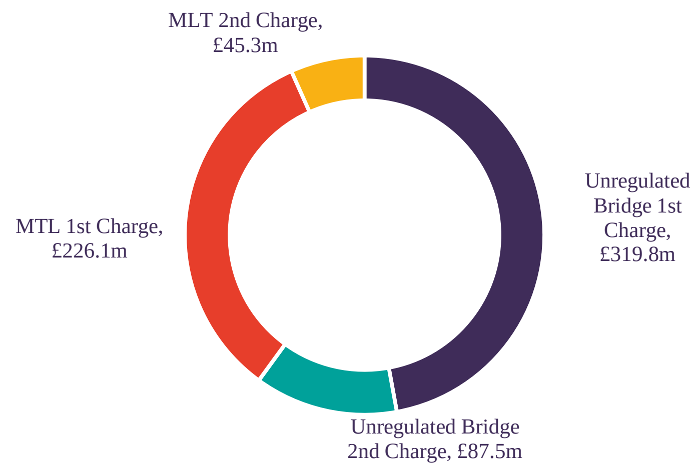
Loan portfolio breakdown by loan purpose

Total [1] £1,112.1m



Retail loan book breakdown

Commercial loan book breakdown [3]



45% secured on residential security

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
Retail	46.6	8.6%	50.1%
Commercial	275.9	9.7%	57.6%
Development	906.9	10.7%	68.2%
Total	**154.5**	**9.7%**	**58.4%**

100% secured on residential security

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
1st Charge	146.6	7.3%	49.8%
2nd Charge	23.4	10.5%	50.4%

33% secured on residential security

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
Unregulated bridge 1st Charge	446.1	10.7%	56.6%
Unregulated bridge 2nd Charge	390.5	11.3%	64.4%
MLT 1st Charge	222.1	7.9%	57.4%
MLT 2nd Charge	90.4	9.4%	53.9%

Note: ST = Short term; MLT = Medium + Long term. which includes BTL+ and Commercial security term .
(1) Loan book analysis for core operating subsidiaries is presented after allowances for impairments
(2) All figures presented are on an IFRS 9 basis.
(3) Excludes development loans

Overview of private securitisation structures

Issuer	Charles Street Asset Backed Securitisation	Lakeside Asset Backed Securitisation	Delta Asset Backed Securitisation 2	Highfield Asset Backed Securitisation
Structure	• Class A – 6 Senior Lenders • Class B / C – 5 investor's • Sub Note – Together Financial Services	• Senior – 5 Senior Lenders • Sub Note – Together Financial Services	• Senior – 1 Senior Lender • Sub Note – Together Financial Services	• Senior – 4 Senior Lenders • Sub Note – Together Financial Services
Facility size	• £1,255m facility size • £1,135.3m issued	• £500m facility size • £305.0m issued	• £200m facility • £190.0m issued	• £525m facility size • £405.0m issued
Maturity	• Revolving period September 2022 • Full repayment September 2023	• Full repayment October 2023	• Revolving period March 2022 • Full repayment March 2023	• Revolving Period June 2021 • Full Repayment June 2022
Rating	• Rated by Moody's and DBRS Class A – Aa2 / AA Class B – Baa1 / BBB (high) Class C – Ba1 / BB (high)	• NR	• NR	• NR
Facility purpose	• Flexible facility to fund residential property for retail and commercial purpose loans • Concentration limits on % of short term loans	• Primarily to fund unregulated bridge loans and regulated bridge loans	• Primarily to fund unregulated bridge loans and commercial term loans	• To fund term loans backed by small balance commercial real estate
Purchase & recycling of assets	• Beneficial interest in qualifying loans transferred to Securitisation on a random basis in consideration for full principal balance • The Borrower Group buys back assets that no longer meet the eligibility criteria. Primarily this is where a loan no longer meets the relevant arrears criteria (3–5 months)			
Delinquency(1) and loss rate	• Delinquency rate (arrears >1m) 3.32% • Rolling 3 month average default rate 0.30%	• Delinquency rate (arrears >1m) 3.18% • Rolling 3 month average default rate 0.80%	• Delinquency rate (arrears >1m) 1.95% • Rolling 3 month average default rate 0.85%	• Delinquency rate (arrears >1m) 3.01% • Rolling 3 month average default rate 0.30%
Excess spread and subordinated debt interest (LTM)	• Average monthly excess spread of £5.6m • Average monthly subordinated debt interest of £0.3m	• Average monthly excess spread of £2.6m • Average monthly subordinated debt interest of £0.2m	• Average monthly excess spread £1.6m • Average monthly subordinated debt interest £0.1m	• Average monthly excess spread of £2.1m • Average monthly subordinated debt interest of £0.2m

Note: Data as at December 31, 2019.
(1) Delinquency rate includes technical arrears

Contacts

Gary Beckett
Group Managing Director & Chief Treasury Officer
gary.beckett@togethermoney.com
+44 7733 364 686

Mike Davies
Director of Corporate Affairs
mike.davies@togethermoney.com
+44 7753 138 185

Jordan Foster
Director of Strategic Finance
jordan.foster@togethermoney.com
+44 7702 338 884