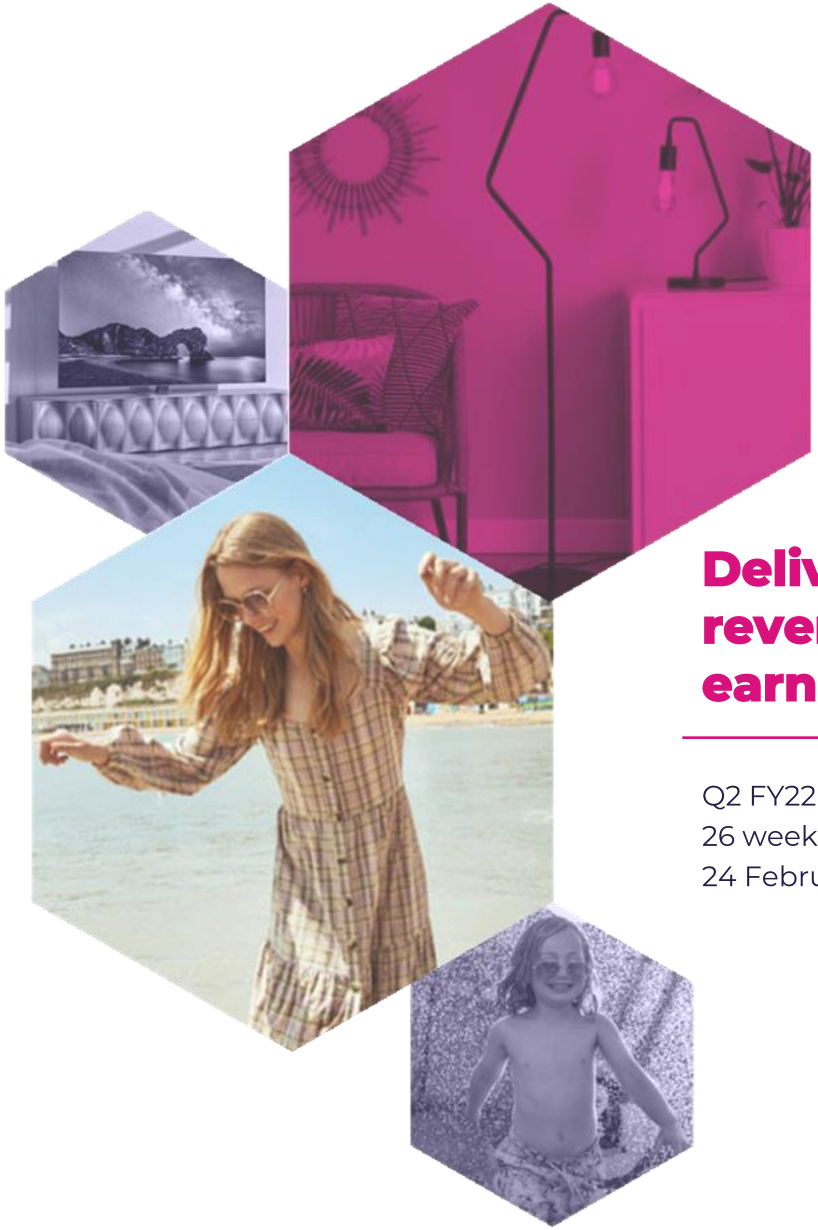
THE VERY GROUP



Delivering strong revenue and earnings growth

Q2 FY22 results
26 weeks ended 1 January 2022
24 February 2022

DISCLAIMER

This presentation (the “Presentation”) has been prepared by The Very Group Limited (“The Very Group” and, together with its subsidiaries, “we,” “us” or the “Group”) solely for informational purposes and has not been independently verified, and no representation or warranty, express or implied, is made or given by or on behalf of the Group. The Very Group reserves the right to amend or replace this Presentation at any time. This Presentation is valid only as of its date, and The Very Group undertakes no obligation to update the information in this Presentation to reflect subsequent events or conditions. This Presentation may not be redistributed or reproduced in whole or in part without the consent of The Very Group. Any copyrights that may derive from this Presentation shall remain the sole property of The Very Group. By attending or receiving this Presentation, you are agreeing to be bound by these restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

We may from time to time access the capital markets to take advantage of favorable interest rate environments or other market conditions. This Presentation does not constitute or form part of, and should not be construed as, an offer or invitation or inducement to subscribe for, underwrite or otherwise acquire, any securities of The Very Group, nor should it or any part of it form the basis of, or be relied on in connection with, any investment decision with respect to securities of The Very Group or any other company, in each case including in the United States. Any such offer will only be made by means of a prospectus or offering memorandum, and in compliance with applicable securities laws.

Certain statements in this Presentation are forward-looking statements. When used in this Presentation, the words “expects,” “believes,” “anticipate,” “plans,” “may,” “will,” “should”, “scheduled”, “targeted”, “estimated” and similar expressions, and the negatives thereof, whether used in connection with financial performance forecasts, expectation for development funding or otherwise, are intended to identify forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. Actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, but not limited to, future global economic conditions, changed market conditions affecting the online retail industry, intense competition in the markets in which the Group operates, costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting the Group’s markets, and other factors beyond the control of the Group). Neither The Very Group nor any of its respective directors, officers, employees, advisors, or any other person is under any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak of the date of this Presentation. Statements contained in this Presentation regarding past trends or events should not be taken as a representation that such trends or events will continue in the future. In particular, no statements in this Presentation should be construed as concrete guidance as to the results of operations, cash-flows, balance sheet data or any non-financial metrics as of or for the financial year ending 30 June 2022 or any subsequent financial period.

This Presentation includes certain financial data that are “non-IFRS financial measures”. These non-IFRS financial measures do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. Although we believe these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of the Group, you are cautioned not to place undue reliance on any non-IFRS financial measures included in this Presentation.

Certain information contained in this Presentation (including market data and statistical information) has been obtained from various sources. We do not represent that it is complete or accurate. All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of the matters described herein. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and to the extent that they are based on historical information, they should not be relied upon as an accurate prediction of future performance. Such data and forward-looking statements data has not been independently verified and we cannot guarantee their accuracy or completeness.

The information contained in this Presentation does not constitute investment, legal, accounting, regulatory, taxations or other advice and the information does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation, or particular needs. You are solely responsible for forming your own opinions and conclusion on such matters and the market and for making your own independent assessment of the information herein. You are solely responsible for seeking independent professional advice in relation to the information in this Presentation and any action taken on the basis of such information. Investors and prospective investors in the securities of any issuer mentioned herein are required to make their own independent investigation and appraisal of the business and financial condition of such issuer and the nature of the securities.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

AGENDA

1.

Performance overview

2.

Financial review

3.

Forward view

4.

Q&A

Presenter

Ben Fletcher
Group CFO

PERFORMANCE OVERVIEW

OVERVIEW

Our resilient business model delivered outstanding earnings growth despite challenging market conditions

Annualising against record sales in FY21 and despite market volatility, Very.co.uk revenue increased 1.3% to £1,026m (Q2 FY21: £1,013m) and increased 19.7% compared with PY-1 (Q2 FY20: £857m)

Very Pay Platform continued to grow as our customers took advantage of flexible ways to pay, with revenue up by 8.1% to £195m (Q2 FY21: £180m), in turn contributing to a growth in margin

The Group's focus on earnings saw underlying EBITDA increase year on year by 12.8% to £153m (Q2 FY21: £136m). PBT has further increased by 141.3% to £58m (Q2 FY21: £24m) as a result of our lower interest and exceptional costs

Continued positive underlying free cashflow of £77m (Q2 FY21: £121m) and full repayment of £150m RCF at the end of the quarter

Note: All FY22 figures are cumulative year to date ('YTD') encompassing Q1 FY22 and Q2 FY22, unless otherwise indicated

FINANCIAL REVIEW

REVENUE

Financial results reflect relevance and resilience of our business model

very — Q2 FY22 YTD vs Q2 FY21 YTD performance

+1.3% to £1,026.2m

- Strong Christmas trading period saw customers return to Fashion & sports
- Developing categories continued to grow, driven by beauty and personal care
- Electrical and Home continue to normalise to pre-pandemic levels
- This represents an increase of 19.7% compared with Q2 FY20

Littlewoods — Q2 FY22 YTD vs Q2 FY21 YTD performance

(15.3)% to £204.8m

- Managed decline strategy continues
- Littlewoods declined an average of 12% per year on a two year basis
- Littlewoods Ireland revenue declined 22.6% as further COVID-19 restrictions impacted consumer confidence over peak period

THE VERY GROUP — Q2 FY22 YTD vs Q2 FY21 YTD performance

(1.9)% to £1,231.0 m

- Annualising against a record breaking peak in FY21, the group has broadly maintained sales in a shrinking market*

*Source: British Retail Consortium data for 12 months shows online non-food market has declined by 16.4%

IMPROVED PROFITABILITY & COST CONTROL

As previously guided, our focus this year remains on earnings and liquidity, underpinned by growth at both the gross margin and EBITDA level

THE VERY GROUP

Q2 FY22 YTD vs Q2 FY21 YTD performance

Gross margin rate
35.2%

- Gross margin increased from 34.2%, with investment in retail margin and increased contribution from Very Finance

Costs as % of revenue
22.5%

- Savings in distribution and head office costs resulted in lower operating costs as a percentage of revenue (Q2 FY21: 23.8%)

Underlying EBITDA
+12.8% to £153.2m

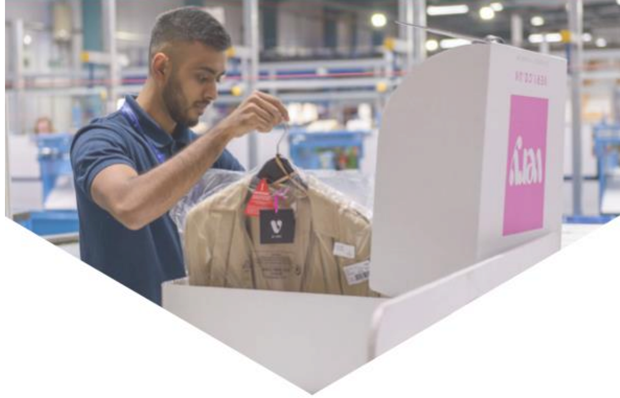
- Increase in EBITDA supported by strong Very Finance performance, lower bad debt and strong cost control

PBT
+141% to £57.9m

- Increase in PBT as a result of our lower interest and exceptional costs

Underlying free cashflow
£76.9m

- Continued positive underlying free cashflow of £77m (Q2 FY21: £121m) and full repayment of £150m RCF at the end of the quarter



RETAIL

Annualising against record growth in FY21, Very.co.uk revenue continues to increase as customers prioritise Fashion & Sport

- Very.co.uk retail revenue grew by 0.2%, driven by strong fashion & sports sales. Compared with Q2 FY20 (pre-pandemic), this represents growth of 22.9% for Very.co.uk and 12.6% for Group
- Fashion & sports performed well, with sales of ladies' fashion reflecting an increase in regular social and festive activity versus last year
- From September 2023 we will no longer sell Nike products via our online stores, but this will not have a material impact on our sales
- Electrical sales were slightly down on FY21, as expected, though substantially ahead of FY20, with gaming and consoles performing well over the Christmas peak
- Home declined against strong prior year comparatives as customers shifted away from one-off spend on large home items towards a more typical basket, which prioritised clothing and sportswear, as we had predicted
- Developing categories grew by 3.8%, with beauty and personal care sales increasing as our customers continue to focus on wellness

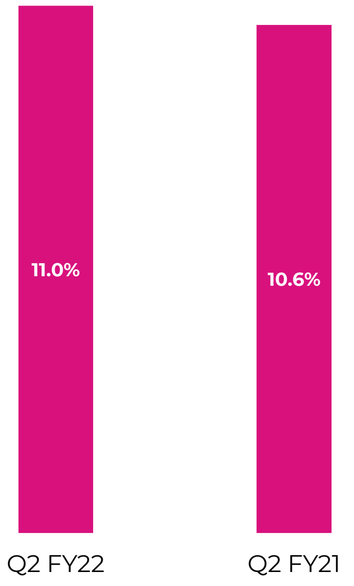
Retail revenue

	Fashion and sports	Electrical	Home	Developing categories (including toys and beauty)
				
Very.co.uk YoY	**+13.6%**	**(3.9)%**	**(17.1)%**	**+3.8%**
Very.co.uk PY-1	+14.3%	+36.7%	+13.9%	+10.2%
Group YoY	+8.1%	(5.5)%	(19.6)%	(0.5)%
Group Q2 FY22 mix	32.7%	43.4%	11.6%	12.3%
Group Q2 FY21 mix	29.3%	44.6%	14.0%	12.0%

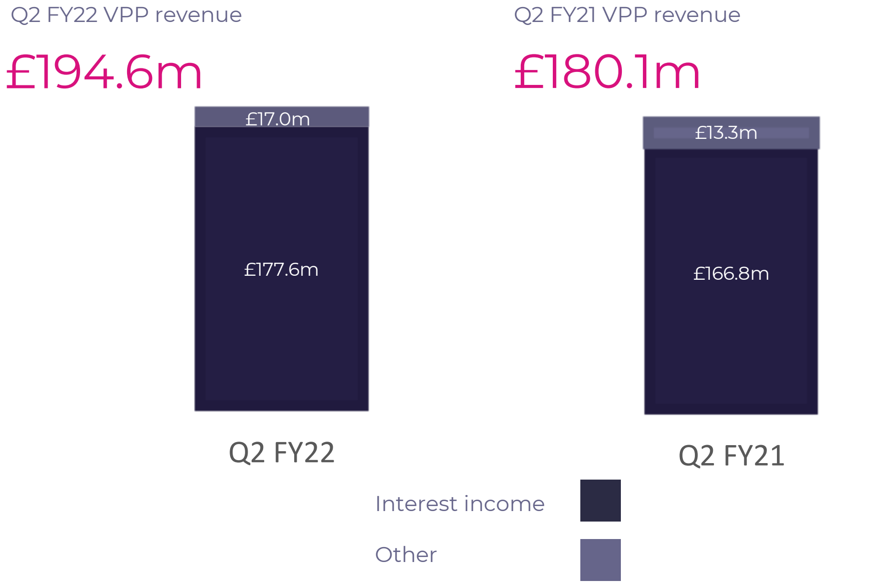
VERY PAY PLATFORM

As previously indicated, our Very Pay Platform has returned to growth and is supporting our earnings growth

Interest Income as % of average debtor book



Very Pay Platform income



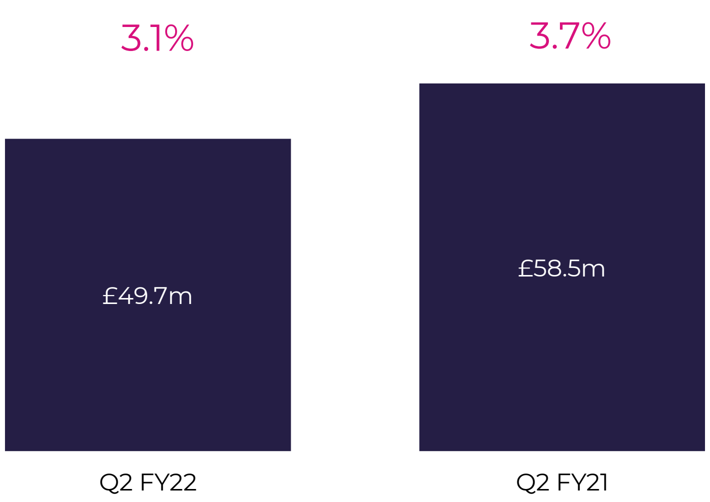
- Interest income continued to grow in line with the increase in the Very debtor
- The group average debtor book grew by 2.8% to £1,614.0m and the Very.co.uk average debtor book grew by 8.0% to £1,304.1m, showing how our customers continue to value flexible ways to pay
- The higher customer payment rates seen in Q1 continued as a result of customers having greater levels of disposable income

BAD DEBT

Focus on improving quality of earnings through continued management of bad debt

- Bad debt as a percentage of the average debtor book decreased 0.6%pts versus prior year, driven by strong paydowns of debts and a lower level of write offs
- As we have previously communicated, higher payment rates were seen in Q1 and this continued in Q2, driven by households having greater levels of disposable income over the last 6 months. This is expected to normalise in Q4 FY22
- We continue to focus on risk management, responsible lending and improvements in collections strategy

Bad debt as a % of average debtor book (£m)



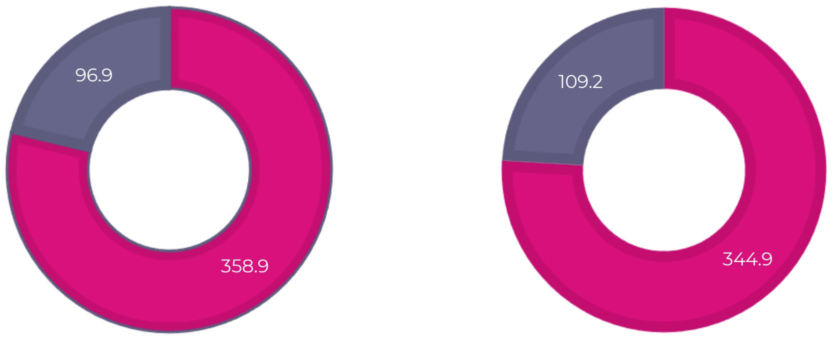
GROSS MARGIN

Strong performance in Very Pay contributed towards a 100 bps improvement in group gross margin.

Gross margin by brand (£m)

Q2 FY22

Q2 FY21



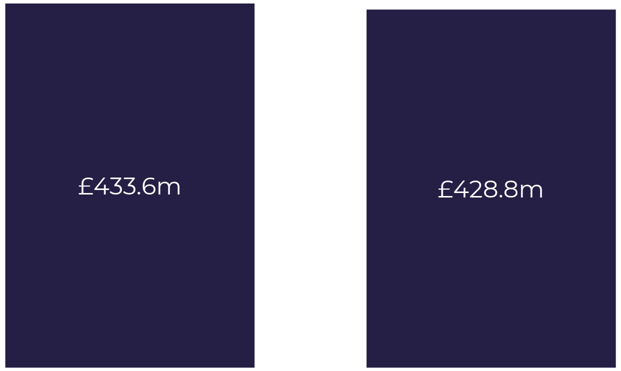
Very

Littlewoods

Group gross margin (£m) and gross margin rate

35.2%

34.2%



Q2 FY22

Q2 FY21

- Group gross margin continued to improve, rising by 1.0%pt vs Q2 FY21
- Retail gross margin has stayed relatively stable, with a slight decline of 0.7%pts due to the impact of discounting
- Very Finance margin increased due to higher levels of interest income and lower bad debt expense, offsetting the lower retail margin

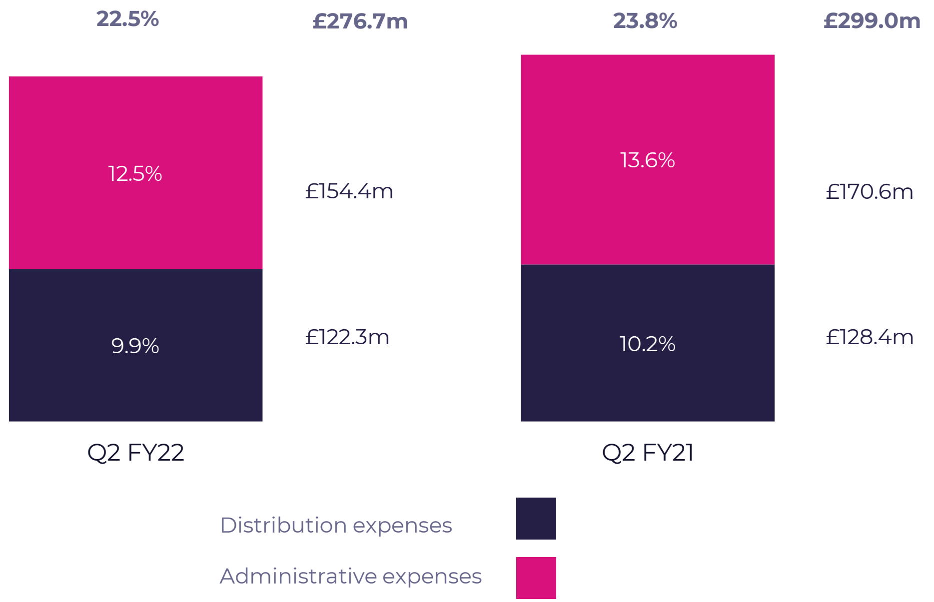
Note: Gross margin by brand does not include some centrally allocated costs, but these are included in the overall gross margin figure

COST CONTROL

Continued focus on cost control with significant reduction in head office costs and benefits of automation leading to lower labour costs per unit

- Operating costs as a percentage of revenue reduced by 1.3%pts to 22.5% (Q2 FY21: 23.8%)
- Compared with Q2 FY21, distribution costs have decreased by 0.3%pts as a percentage of revenue
- Compared with the Group's former fulfilment operation, high levels of automation meant that the labour cost per unit at Skygate was circa 60% lower than under our previous distribution model
- Administrative costs as a percentage of revenue decreased by 1.1%pts to 12.5%, driven by lower retail and Very Finance head office costs

Operating costs as % of revenue (£m)



ECONOMIC VALUE MODEL

We have a consistent focus on the drivers of earnings, earnings quality and liquidity

Q2 FY22 YTD vs Q2 FY21 YTD performance

Revenue

+1.3%

Growth in Very.co.uk revenue

Debtor book

+8.0%

Increase in Very.co.uk average debtor book with focus on improved quality

Return on assets

+0.6%pts

Improvement in year-on-year bad debt as % of average debtor book

Gross margin

35.2%

Improved gross margin from Very Pay

Costs

22.5%

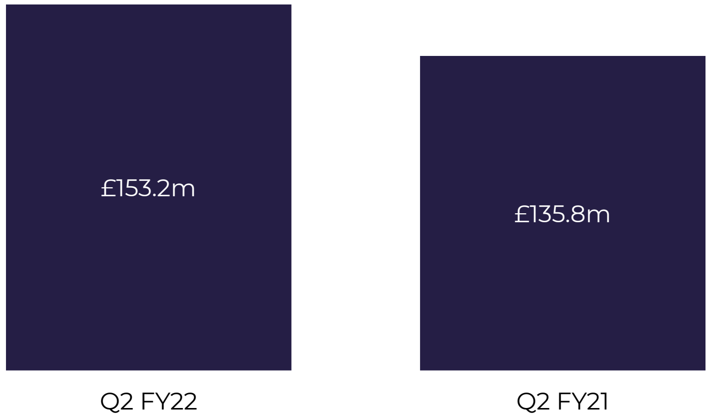
Operating costs as % of revenue reduced by 1.3% pts

UNDERLYING EBITDA

Effective cost control and Very Pay income driving EBITDA growth

- Underlying EBITDA increased 12.8% to £153.2m, despite adverse fair value adjustments
- Increase reflects higher Very Pay income, a favourable gross margin rate and strong cost control across the business
- Adjusted EBITDA post securitisation interest increased by 15.6% to £132.4m

Underlying EBITDA

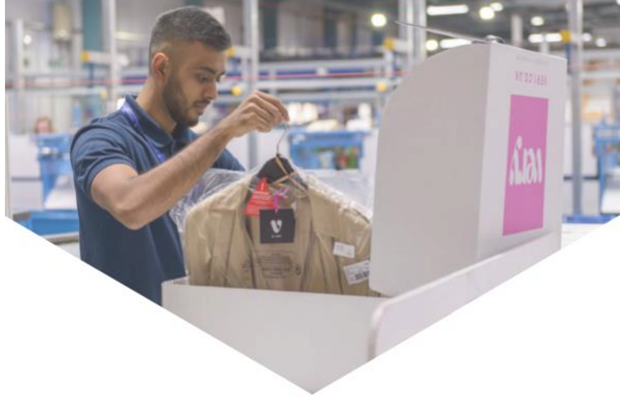


Year-on-year underlying EBITDA reconciliation

(£ millions)	Q2 FY22 £m	Q2 FY21 £m	
Reported EBITDA	158.3	130.5	21.3%
Adjusted for			
Fair value adjustments to financial instruments	(2.9)	5.9	
Foreign exchange translation movements on trade creditors	(2.2)	(1.8)	
IAS19 pension adjustments	-	1.2	
Management / underlying EBITDA	153.2	135.8	12.8%
Adjusted for			
Management fees	3.8	2.5	
Securitisation interest	(24.6)	(23.8)	
Adjusted EBITDA post securitisation interest	132.4	114.5	15.6%

UNDERLYING FREE CASHFLOW

Underlying free cashflow remains strong with RCF fully repaid at quarter-end



£76.9m

Q2 FY22 underlying free cashflow

Cash flow

(£ millions)	Q2 FY22 £m	Q2 FY21 £m
Adjusted EBITDA (post securitisation interest)	**132.4**	**114.5**
Net working capital movement:		
Movement in inventories	(16.5)	(35.8)
Movement in trade receivables	(193.9)	(164.3)
Movement in prepayments and other receivables (exc. refinancing costs)	(47.5)	(29.7)
Movement in trade and other payables (exc. refinancing costs)	129.9	181.7
Movement in securitisation facility	110.2	85.2
Net working capital (post securitisation funding)	**(17.8)**	**37.1**
Pension contributions	-	(1.3)
Capital expenditure	(37.7)	(29.4)
Underlying free cashflow	**76.9**	**120.9**
Increase in bond amounts	25.0	-
Bond refinancing costs	(20.9)	-
Free cashflow (post refinancing)	**81.0**	**120.9**
Dividends paid	(25.0)	-
Free cashflow (post dividends)	**56.0**	**120.9**

- Underlying free cash flow position remains strong at £76.9m (Q2 FY21: £120.9m)
- Inventory held at Q2 FY22 is £118.7m (Q2 FY21: 101.2m), the movement is lower compared with FY21 due to a higher opening inventory position
- The movement in trade receivables reflects the growth of the Very debtor book
- Resurgence in Very Pay drives a short term cash outflow but improves our profitability in the medium term
- The movement in prepayments and trade and other payables outflow reflects the timing of trade payables
- Our cash flow position also reflects the impact of the redemption premium of £10.7m and £10.2m of costs previously accrued to the balance sheet in relation to the refinancing of our bond and RCF which were cash settled in the last 6 months
- Total net debt at Q2 FY22 increased slightly as a result of the cash timing differences to £584m (Q2 FY21: £495m)

LITTLEWOODS PENSIONS SCHEME

Expected pension contribution reduced from £9.4m to £nil, following agreement with the Trustees

On 31 October 2021 we gave instruction to the Trustees of the The Littlewoods Pensions Scheme ("Scheme") to commence wind up of the Scheme

This progresses the buy out of the Scheme, which should occur in the second half of calendar year 2022 and will result in all benefit obligations being formally transferred to insurance providers

We had previously advised that we expected to make a contribution of £9.4m to the the Scheme on or before 31 January 2022

On 21 December 2021 we reached a formal agreement with the Trustees of the Scheme that this contribution was no longer required by the Company as Scheme funding was now in surplus

FORWARD VIEW

FORWARD VIEW

Our combined business model means we are well positioned to navigate continued market uncertainty with a focus on achieving improved profitability in FY22

Performance in the year to date has continued to demonstrate the resilience of our business model against a background of an ongoing pandemic and supply chain issues, whilst annualising against a record year

Over the next six months we anticipate there may be increased pressure on consumer spending in 2022 as factors such as increased inflation, high energy bills and interest rate rises come into affect

Whilst remaining cognisant of these challenges, we believe our integrated model, combining flexible ways to pay with products our customers value, will provide a compelling reason to shop with us when demand arises

Our focus for the remainder of FY22 continues to be on strengthening the underlying earnings and liquidity of our business

Q&A

APPENDICES

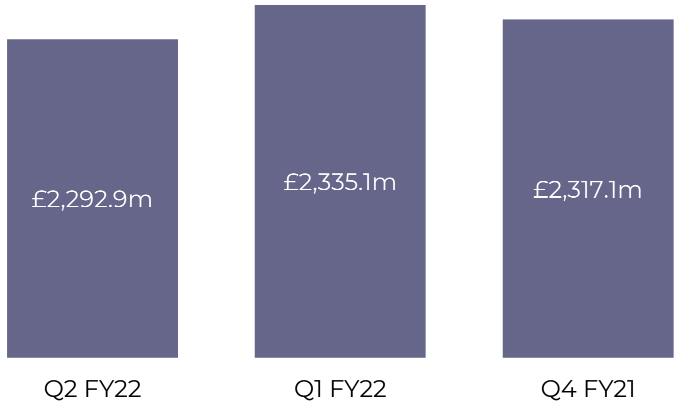
APPENDIX A: INCOME STATEMENT

Income statement

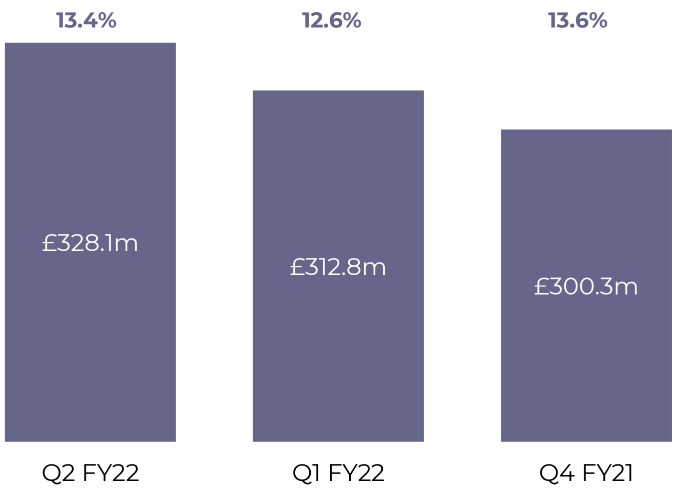
(£ millions)	26 weeks ended 1 January 2022 £m	26 weeks ended 26 December 2020 £m	Variance %
Very	1,026.2	1,013.3	1.3%
Littlewoods	204.8	241.9	(15.3)%
Group revenue	1,231.0	1,255.2	(1.9)%
Gross margin	433.6	428.8	1.1%
% margin	*35.2%*	*34.2%*	
Distribution expenses	(122.3)	(128.4)	(4.8)%
Administrative expenses	(154.4)	(170.6)	(9.5)%
Other operating income	1.4	0.7	100.0%
Pre-exceptional Reported EBITDA	158.3	130.5	21.3%
% reported EBITDA margin	*12.9%*	*10.8%*	
Operating costs as % of revenue	*22.5%*	*23.8%*	
Pre-exceptional Underlying EBITDA	153.2	135.8	12.8%
% underlying EBITDA	12.4%	10.8%	

APPENDIX B: LTM KPIs

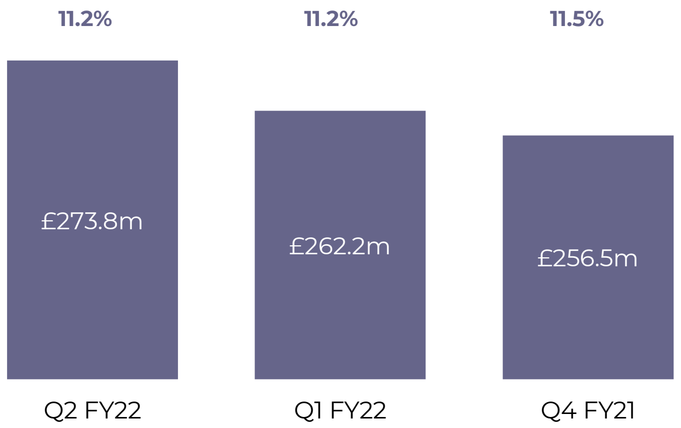
LTM revenue (£m)



LTM reported EBITDA (£m)



LTM Adjusted EBITDA post securitisation interest



APPENDIX C: CASH FLOW STATEMENT

Cash flow statement

(£ millions)	Q2 FY22 £m	Q2 FY21 £m
Adjusted EBITDA (post securitisation interest)	**132.4**	**114.5**
Net working capital movement:		
Movement in inventories	(16.5)	(35.8)
Movement in trade receivables	(193.9)	(164.3)
Movement in prepayments and other receivables (exc. refinancing costs)	(47.5)	(29.7)
Movement in trade and other payables (exc. refinancing costs)	129.9	181.7
Movement in securitisation facility	110.2	85.2
Net working capital (post securitisation funding)	**(17.8)**	**37.1**
Pension contributions	-	(1.3)
Capital expenditure	(37.7)	(29.4)
Underlying free cashflow	**76.9**	**120.9**
Increase in bond amounts	25.0	-
Bond refinancing costs	(20.9)	-
Free cashflow (post refinancing)	**81.0**	**120.9**
Interest paid (excluding securitisation interest)	(10.2)	(27.7)
Income taxes (paid) / received	(1.4)	(0.8)
Cash impact of exceptional items (excluding customer redress)	(4.9)	(20.4)
Management fees	(3.8)	(2.5)
Cash paid to parent company	(2.5)	(2.5)
(Repayments of) / draw downs from finance leases	(8.8)	(8.9)
Movement in revolving credit facility	(90.0)	(150.0)
Net increase/(decrease) in cash and cash equivalents pre customer redress and dividend	**(40.6)**	**(91.9)**
Customer redress payments	(6.9)	(58.8)
Net increase/(decrease) in cash and cash equivalents post customer redress	**(47.5)**	**(150.7)**
Dividend paid	(25.0)	-
Net increase/(decrease) in cash and cash equivalents	**(72.5)**	**(150.7)**

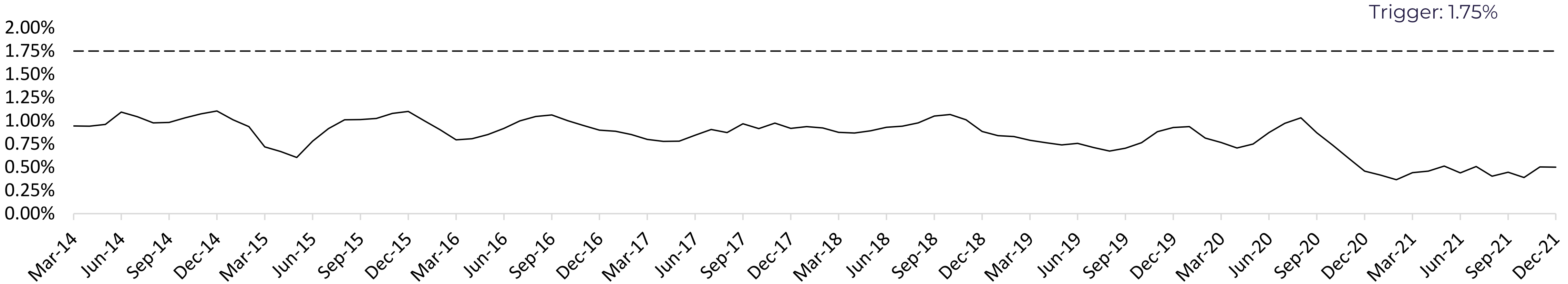
APPENDIX D: NET LEVERAGE

Net leverage

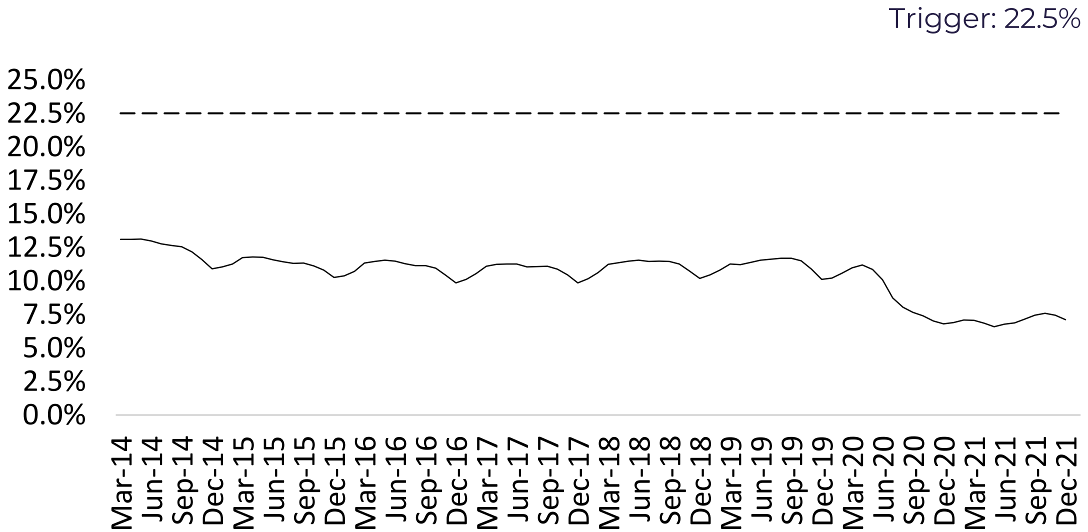
(£ millions)	Q2 FY22	Q1 FY22	Q4 FY21	Q3 FY21	Q2 FY21	Q1 FY21	Q4 FY20
Cash and bank balances	5.6	22.0	78.1	92.5	55.7	120.5	206.4
Fixed rate notes	(581.7)	(575.0)	(550.0)	(550.0)	(550.0)	(550.0)	(550.0)
Revolving credit facility	-	(90.0)	(90.0)	(150.0)	-	(150.0)	(150.0)
Other debt	(8.2)	(2.7)	(0.7)	(0.8)	(1.1)	(1.6)	(3.1)
Total gross debt (excluding securitisation)	(589.9)	(667.7)	(640.7)	(700.8)	(551.1)	(701.6)	(703.1)
Total net debt (excluding securitisation)	(584.3)	(645.7)	(562.6)	(608.3)	(495.4)	(581.1)	(496.7)
LTM adjusted EBITDA (post securitisation interest)	280.1	262.2	256.5	262.5	247.3	239.4	230.5
Net leverage	2.1x	2.5x	2.2x	2.3x	2.0x	2.4x	2.2x

APPENDIX E: SECURITISATION PERFORMANCE COVENANTS

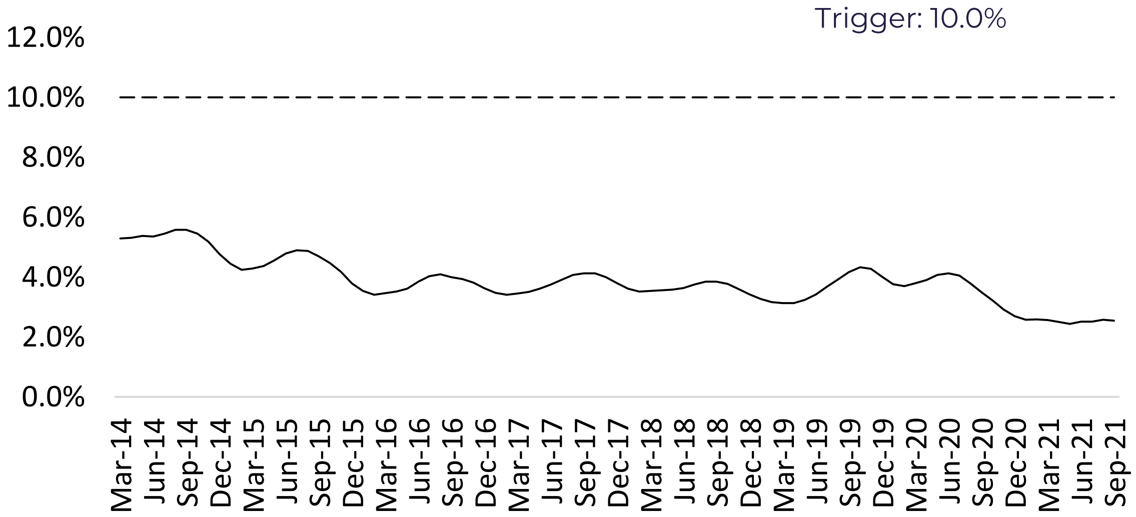
Default three month moving average



One to five month delinquency rates



Five-plus months delinquency rates



APPENDIX F: BALANCE SHEET

- Non-current assets increased driven by capitalisation of Skygate assets and an increase to right of use assets
- Inventories increased vs prior year, with associated decrease in cash, with inventory management ahead of expected Q3 sales
- Customer redress provision has reduced significantly with the remaining balance expected to be fully utilised by 30 June 2022
- Retirement benefit obligations reduced following agreement between the Group and the Trustees of the Littlewoods Pension Scheme documented in a revised Schedule of Contributions
- The securitisation facility expires in January 2025 for 'AS' Notes (£1,072.2m), 'AJ' notes (£139.7m), 'B' Notes (£105.0m), 'C1' Notes (£105.0m). The 'C2' Notes (£50.0m) expire in December 2023. The Group also has access to a €35m commitment in relation to the receivables of Shop Direct Ireland Ltd

Balance sheet

(£ millions)	Q2 FY22 £m	Q2 FY21 £m
Non-current assets	**815.1**	**758.6**
Current assets	**2,450.8**	**2,427.0**
Of which:		
Inventories	118.7	101.2
Trade and other receivables	2,323.7	2,267.3
Cash and bank balances	5.6	55.7
Current liabilities	**(760.0)**	**(871.3)**
Of which:		
Trade and other payables	(692.8)	(717.1)
Customer redress provision	(4.2)	(55.2)
Retirement benefit obligations	-	(18.7)
Non-current liabilities	**(2,269.6)**	**(2,195.3)**
Of which:		
Retirement benefit obligations	(1.6)	(1.1)
Securitisation borrowings	(1,499.4)	(1,470.5)
Equity attributable to owners of the company	**(236.3)**	**(119.0)**
Total equity and liabilities	**(3,265.9)**	**(3,185.6)**

Investor.relations@theverygroup.com

www.theverygroup.com
@TheVeryGroup