

Newtek Business Services Corp. NASDAQ: NEWT

Third Quarter 2021
Financial Results Conference Call
November 9, 2021 8:30 am ET

Hosted by:
Barry Sloane, CEO & President and Nicholas Leger, EVP & CAO

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Note Regarding Forward-Looking Statements

The matters discussed in this Presentation, as well as in future oral and written statements by management of Newtek Business Services Corp., that are forward-looking statements, are based on current management expectations that involve substantial risks and uncertainties which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. Forward-looking statements relate to future events or our future financial performance. We generally identify forward-looking statements by terminology such as “may,” “will,” “should,” “would,” “allows,” “outlook,” “seeks,” “desires,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. Important assumptions include our ability to close the pending acquisition of the National Bank of New York City (the “Acquisition”), obtain required regulatory approvals for the pending Acquisition and obtain shareholder approval to withdraw our election as a BDC, as well as projections concerning the pending Acquisition, our ability to originate new investments, achieve certain margins and levels of profitability, the availability of additional capital and the ability to maintain certain debt to asset ratios. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this Presentation should not be regarded as a representation by us that our plans or objectives will be achieved. The forward-looking statements contained in this Presentation include statements as to: the pending Acquisition and the potential benefits thereof, our future operating results; our business prospects and the prospects of our portfolio companies; the impact of investments that we expect to make; our ability to enter into joint venture agreements and the joint ventures abilities to originate loans; the ability to maintain key personnel and hire new personnel; our ability to expand our product offering; our ability and that of our portfolio companies to achieve their objectives; our expected financings and investments; our regulatory structure and tax status; our ability to operate as a BDC and a RIC; the adequacy of our cash resources and working capital; the timing of cash flows, if any, from the operations of our portfolio companies; the timing, form and amount of any dividend distributions; the impact of fluctuations in interest rates on our business; the valuation of any investments in portfolio companies, particularly those having no liquid trading market; and our ability to recover unrealized losses. The following discussion should be read in conjunction with the section entitled “Risk Factors,” and our consolidated financial statements and related notes and other financial information appearing in our quarterly and annual reports filed with the U.S. Securities and Exchange Commission (“SEC”). We may not actually achieve the plans, intentions or expectations disclosed in forward-looking statements, and you should not place undue reliance on forward looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in forward-looking statements. We do not assume any obligations to update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law. In addition to factors previously disclosed in our reports filed with the SEC and those identified elsewhere in this Presentation, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: our ability to obtain regulatory approvals (and the timing of such approvals) and meet other closing conditions to the Acquisition; modification or termination of certain businesses to comply with regulatory requirements; delay in closing the Acquisition; the occurrence of any event, change or other circumstance that could give rise to the right of one or both parties to terminate the Acquisition; the risk that any announcements relating to the proposed Acquisition could have adverse effects on the market price of our common stock; difficulties and delays in integrating the NBNYC business; diversion of management’s attention from ongoing business operations and opportunities; our ability to operate as a bank holding company and the increase in regulatory burden and compliance costs; the attractiveness of our banking products to our existing customer base and our ability to cross-sell; any change in our dividend payout due to no longer operating as a BDC and RIC. These are representative of the factors that could affect the outcome of the forward-looking statements. In addition, such statements could be affected by general industry and market conditions and growth rates, general economic and political conditions, either nationally or in the states in which Newtek or NBNYC does business, including interest rate fluctuations, changes and trends in the securities markets and other factors.

Proven Shareholder Value Creation: Track Record of Successful Growth



- Total return¹ year to date through November 5, 2021 (including reinvested dividends):

NEWT	73.3%	S&P 500	26.5%	Russell 2000	24.3%
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- Current market capitalization is over \$700 million (as of November 5, 2021)
- Newtek believes that its size could open Newtek to greater acceptance by small-cap investors with a \$500 million market capitalization minimum
- Total return as of November 5, 2021 (including reinvested dividends)

10-Year Total Return ²		5-Year Total Return		3-Year Total Return		1-Year Total Return	
NEWT	1162.8%	NEWT	264.2%	NEWT	124.4%	NEWT	105.1%
S&P 500	358.0%	S&P 500	147.2%	S&P 500	81.0%	S&P 500	35.8%
Russell 2000	273.3%	Russell 2000	123.2%	Russell 2000	63.6%	Russell 2000	48.2%

¹Source: total return data from Bloomberg as of November 5, 2021. ²Includes the period before becoming a BDC.

Returning to Pre-Pandemic Business Operations With Focus on Core Lending Activities and Operations



- The Company is emerging from the pandemic and is now “firing on all cylinders”, and with this renewed focus on its growth drivers - originating lending products out of the BDC and its controlled portfolio companies, including SBA 7(a) loans, SBA 504 loans, non-conforming conventional loans, and secured lines of credit
- Since January 1, 2021, NSBF and our lending portfolio companies have increased headcount by 51 individuals, representing a 26.8% increase in total lending staff. The new hires have allowed us to upgrade and enhance the companies and our portfolio companies’ lending talent pools
- We believe Newtek and its portfolio companies are extremely well positioned to capture market opportunities for the remainder of 2021 and in 2022 across Newtek’s and its portfolio companies’ business and finance solutions, led by our loan product offerings, merchant solutions, managed technology solutions, payroll solutions and insurance agency solutions
- The Company has provided forecasts across several key metrics that reflect the Company’s anticipated growth trajectory particularly in lending, payments and technology
- We want to note that we do not believe that the 2021 year-over-year comparisons of loan origination volumes of 2021 to 2020 are as meaningful due to the pandemic effects on our lending platforms in 2020. As a result, we are providing loan origination comparisons between 2021 and 2019 during this presentation, which was a pandemic-free business environment, and which we feel provides a more meaningful depiction of the growth of our core lending platform during this period

SBA 7(a) Lending Highlights

- During the third quarter 2021, our resources were refocused on our efforts on funding SBA 7(a) loans, SBA 504 loans, non-conforming conventional loans and secured lines of credit, as well as on the growth of our portfolio companies' business service product offerings
- Newtek Small Business Finance, LLC (“NSBF”) funded \$163.9 million of SBA 7(a) loans during the three months ended September 30, 2021, an increase of 1160.8% over the \$13.0 million of SBA 7(a) loans funded for the three months ended September 30, 2020, and an increase of 43.4% over the \$114.3 million of SBA 7(a) loans for the three months ended September 30, 2019
- NSBF funded \$362.6 million of SBA 7(a) loans during the nine months ended September 30, 2021, an increase of 336.3% over \$83.1 million of SBA 7(a) loans funded for the nine months ended September 30, 2020, and an increase of 8.3% over \$334.7 million of SBA 7(a) loans during the nine months ended September 30, 2019
- NSBF had \$102 million in SBA 7(a) loans in October 2021 that are approved pending closing; a record for a single month
- NSBF increased the lower end of its full year 2021 SBA 7(a) loan funding forecast range, and updated the forecast range to between \$560 million to \$600 million
- NSBF funded a total of \$1.9 billion PPP loans from 2020 through the nine months ended September 30, 2021

Note: Income earned in connection with the PPP for the 12 months ended December 31, 2020 and the nine months ended September 30, 2021 should not be viewed as recurring.

- We currently have a robust pipeline of lending opportunities across all of Newtek and its portfolio companies' lending products, as we move through the fourth quarter of 2021, which we believe will continue to fuel our earnings growth
- We anticipate Newtek and its portfolio companies' lending products to be at the forefront of our growth, replacing the pandemic-oriented PPP loan program

Newtek & Its Portfolio Companies: Lending Pipeline Breakdown at September 30, 2021, 2020, and 2019



Newtek & Its Portfolio Companies Lending Pipeline at September 30, 2021

	SBA 7(a) Loans	SBA 504 Loans	Non-Conforming Conventional Loans	Combined
Prequalification	\$206,653,833	\$ 135,596,000	\$ 97,422,250	\$ 451,113,905
Underwriting	\$100,838,263	\$ 38,842,000	\$ 26,801,750	\$ 154,796,534
Approved Pending Closing	\$160,539,673	\$ 50,484,445	\$ 13,450,000	\$ 186,765,581
Total	\$468,031,769	\$ 224,922,445	\$ 137,674,000	\$ 792,676,020

Newtek & Its Portfolio Companies Lending Pipeline at September 30, 2020

	SBA 7(a) Loans	SBA 504 Loans	Non-Conforming Conventional Loans	Combined
Prequalification	\$229,870,312	\$ 83,062,500	\$ 2,250,000	\$ 315,182,812
Underwriting	\$109,519,800	\$ 63,536,305	\$ -	\$ 173,056,105
Approved Pending Closing	\$22,555,350	\$ 25,328,910	\$ -	\$ 47,884,260
Total	\$361,945,462	\$ 171,927,715	\$ 2,250,000	\$ 536,123,177

Newtek & Its Portfolio Companies Lending Pipeline at September 30, 2019

	SBA 7(a) Loans	SBA 504 Loans	Non-Conforming Conventional Loans	Combined
Prequalification	\$163,096,774	\$ 38,059,150	\$ 29,800,000	\$ 230,955,924
Underwriting	\$88,956,132	\$ 34,441,893	\$ 44,834,100	\$ 168,232,125
Approved Pending Closing	\$116,531,600	\$ 42,823,345	\$ 17,195,000	\$ 176,549,945
Total	\$368,584,506	\$ 115,324,388	\$ 91,829,100	\$ 575,737,994

Growth in Loan Referrals

- We received approximately 72,747 loan referrals in units for the three months ended September 30, 2021, compared to 12,883 for the same period in 2019
- We received approximately 367,502 loan referrals in units for the nine months ended September 30, 2021, compared to 42,609 for the same period in 2019
- We closed 214 loan units in the three months ended September 30, 2021
- Newtek's database of customer opportunities is extensive
- Newtek's database of client referrals is currently 1.5 million business referrals
- Cross-selling efforts are expected to be enhanced through the NewtekOne Dashboard™, the "One Solution for all of Your Business Needs"™
 - We have a separate PowerPoint presentation today detailing the NewtekOne Dashboard™, which will be rolled out regardless of the bank acquisition
- Newtek has 18 years of loan assembly, underwriting and technological expertise making it a leader in this area of lending, and it looks forward to returning to a more normalized process. Newtek has materially improved its technological lending applications to improve operational efficiencies in loan assembly, underwriting, approvals and closings

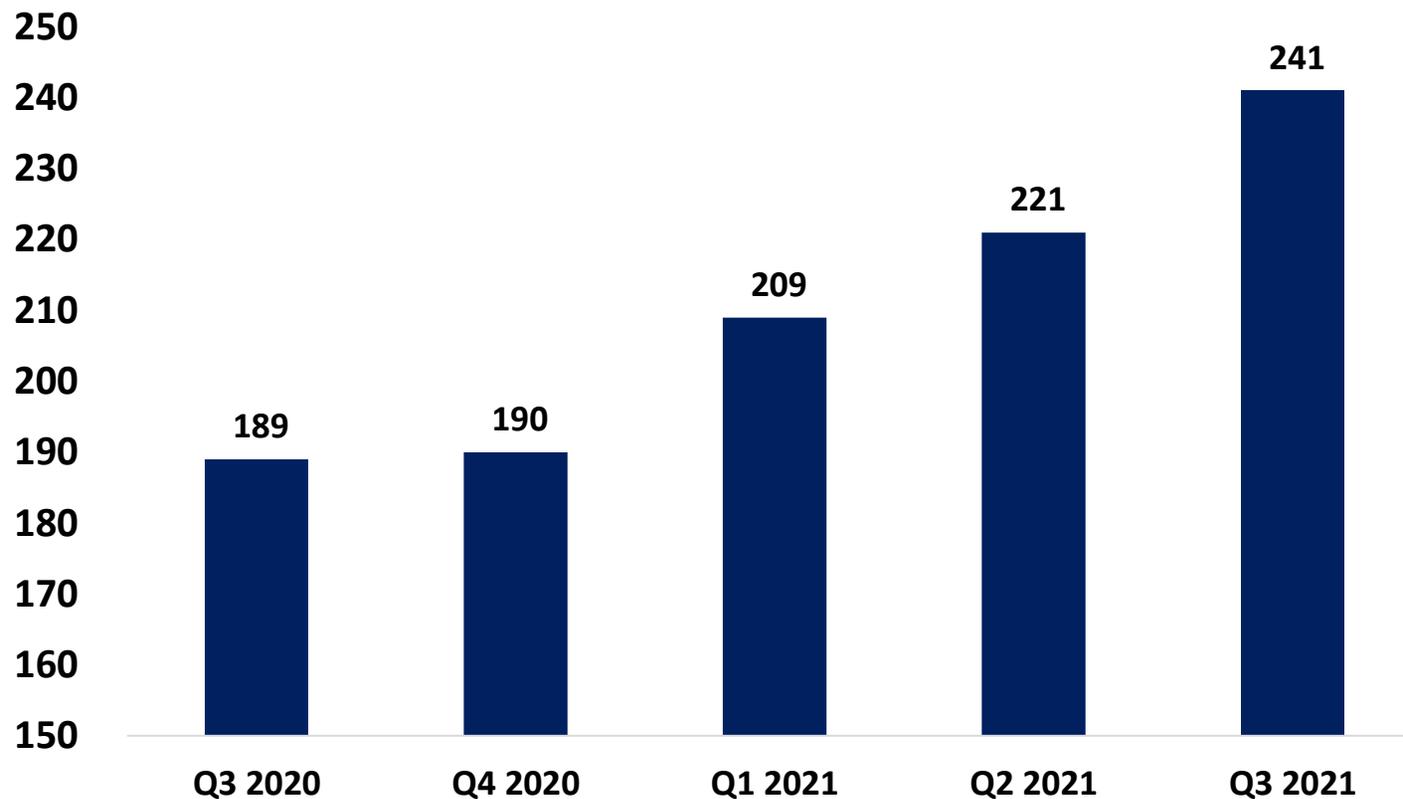
Macro-Economic Demand for Small Business Administration Lending Programs

Demonstrates Stability and Optimism in the Independent-Business-Owner Community

- The Small Business Administration (“SBA”) shattered its record for its traditional lending programs and reached \$44.8 billion in funding in the 2021 fiscal year² across 61,000 loans from its 7(a) and 504 lending programs, which is in addition to the \$1.0 trillion in Covid-19 SBA-offered rescue programs
- The 7(a) program funded nearly 52,000 loans for approximately \$36.5 billion, which is higher than any year since SBA data available going back to 1991
- In fiscal 2020, the SBA funded \$22.5 billion in loans through its 7(a) program, which was a five-year low
- The SBA funded 9,600 loans totaling \$8.2 billion through its 504 program
- The SBA still has tens of billions of dollars left in its Targeted Economic Injury Disaster Loan (“EIDL”) Advance Grant program with two full months remaining for small-business owners to claim it
- So far the \$10,000 grant program has funded 447,473 grants for a total of approximately \$3.8 billion, according to SBA data through October 21, 2021
- The SBA has also disbursed millions of loans under its EIDL program. So far the agency has approved more than 3.8 million loans for more than \$283 billion
- Small-business owners can also now apply for EIDL loans of more than \$500,000 and up to \$2 million

¹Data from the SBA according to article in South Florida Business Journal as of November 1, 2021. ²The SBA’s fiscal year end is September 30

Newtek and its Portfolio Companies Total Lending Staff by Quarter 2020-2021



Third Quarter 2021 Financial Highlights

- Total investment income of \$12.4 million for the three months ended September 30, 2021; a decrease of 16.7% compared to total investment income of \$14.9 million for the three months ended September 30, 2020
- Net investment income (loss) of \$(6.7) million, or \$(0.30) per share, for the three months ended September 30, 2021; a decrease of \$(0.38) per share compared to net investment income of \$1.7 million, or \$0.08 per share, for the three months ended September 30, 2020
- Adjusted net investment income (“ANII”)¹ of \$12.6 million, or \$0.56 per share, for the three months ended September 30, 2021; an increase of 1300.0%, on a per share basis, compared to ANII of \$0.9 million, or \$0.04 per share, for the three months ended September 30, 2020
- Debt-to-equity ratio of 1.37x at September 30, 2021; proforma debt-to-equity ratio was 1.24x after taking into account the sales of government-guaranteed portions of SBA 7(a) loans prior to September 30, 2021, which sales settled subsequent to the balance sheet date
- Total investment portfolio increased by 11.7% to \$712.5 million at September 30, 2021, from \$637.6 million at September 30, 2020
- Net asset value (“NAV”) of \$366.0 million, or \$16.23 per share, at September 30, 2021; an increase of 5.0%, on a per share basis, compared to NAV of \$15.45 per share at December 31, 2020

¹Please see page 43 for definition of ANII, and pages 44 and 45 for reconciliation of ANII.

Nine Months Ended September 30, 2021: Financial Highlights



- Total investment income of \$83.7 million for the nine months ended September 30, 2021; an increase of 8.1% over total investment income of \$77.4 million for the nine months ended September 30, 2020
- Net investment income of \$24.0 million, or \$1.07 per share, for the nine months ended September 30, 2021, which represents a 28.2% decrease, on a per share basis, compared to net investment income of \$31.1 million, or \$1.49 per share, for the nine months ended September 30, 2020
- ANII of \$63.1 million, or \$2.81 per share, for the nine months ended September 30, 2021; an increase of 74.5%, on a per share basis, compared to ANII of \$33.8 million, or \$1.61 per share, for the nine months ended September 30, 2020

Financial Highlights: Nine Months Ended September 30, 2021 vs. September 30, 2019



- Newtek's year-over-year comparisons for the nine months ended September 30, 2021 compared to the same periods in 2020 and 2019, depict strong growth across all metrics compared to the quarterly comparisons, which are less consistent due to the pandemic effects and other factors
- Total investment income of \$83.7 million for the nine months ended September 30, 2021; an increase of 90.7% over total investment income of \$43.9 million for the nine months ended September 30, 2019
- Net investment income of \$24.0 million, or \$1.07 per share, for the nine months ended September 30, 2021, which represents a 864.3% decrease, on a per share basis, compared to net investment loss of \$(2.6) million, or \$(0.14) per share, for the nine months ended September 30, 2019
- ANII of \$63.1 million, or \$2.81 per share, for the nine months ended September 30, 2021; an increase of 70.3%, on a per share basis, compared to ANII of \$31.5 million, or \$1.65 per share, for the nine months ended September 30, 2019

Key-Metric Forecasts: Well Positioned for Growth



Dividend

- With the payment of the fourth quarter 2021 dividend, the Company will have paid \$3.15 per share in dividends in 2021, which would represent a 53.7% increase over dividends paid in 2020
- The Company forecasts a first quarter 2022 dividend of \$0.65 per share¹, which would represent a 30% increase over the first quarter 2020 dividend, if declared and paid

SBA 7(a) Funding

- NSBF forecasts full year 2021 SBA 7(a) loan fundings of approximately \$560 million to \$600 million

SBA 504 Funding

- Newtek Business Lending (“NBL”), Newtek’s wholly owned portfolio company which originates SBA 504 loans, forecasts approximately \$125 to \$150 million SBA 504 fundings and/or closings for the full year 2021

Non-Conforming Conventional Loans

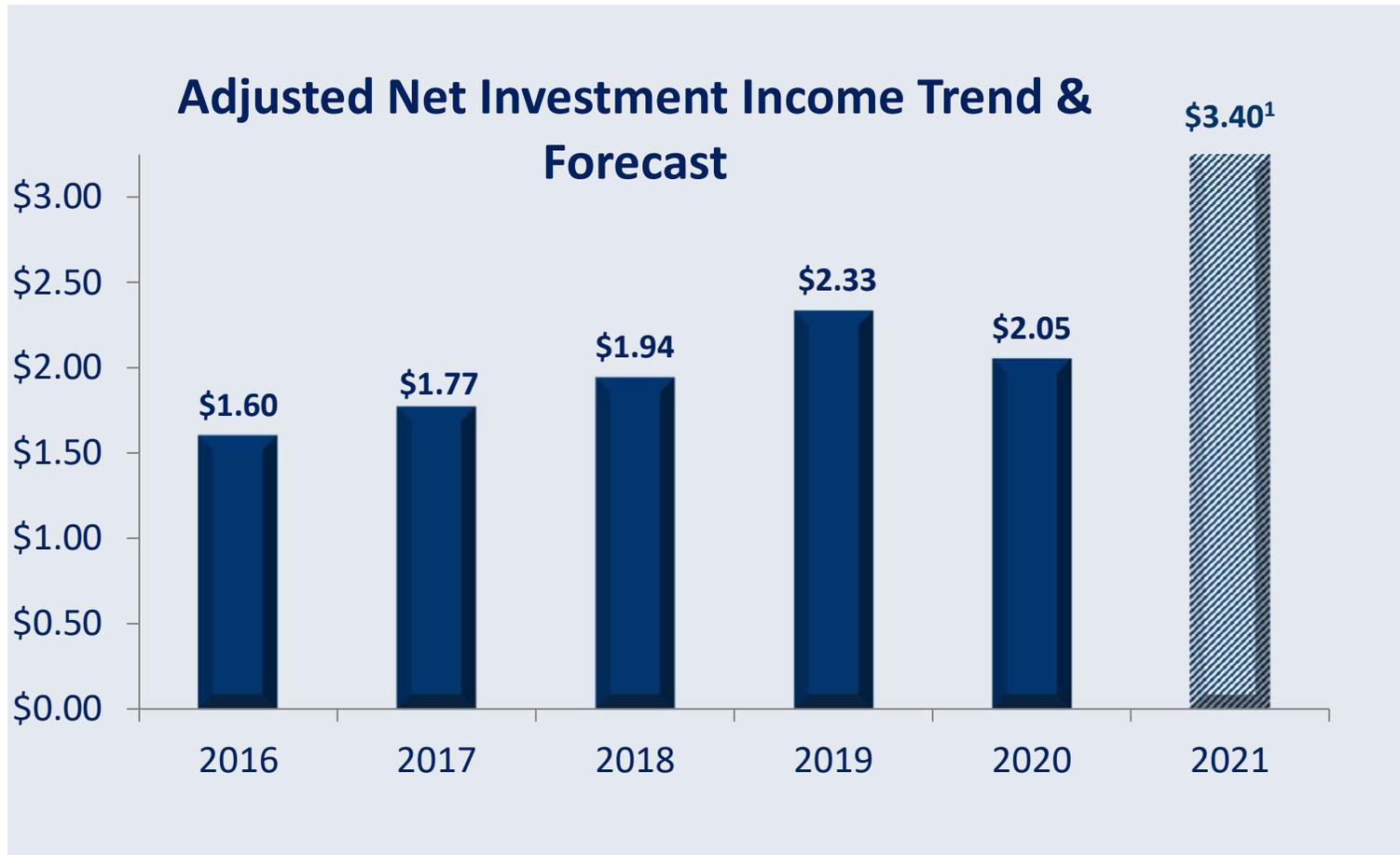
- In April 2021, the Company signed a joint-venture agreement with a leading U.S.-based middle market investment firm with over \$1.0 billion in assets under management
 - The intended purpose of the joint venture is to originate commercial loans to middle-market companies as well as small businesses
- The Company expects to fund up to \$50 million of non-conforming conventional loans during the second half of 2021
- The Company is currently negotiating an additional joint-venture agreement with a global investment management firm with over \$500 billion in assets under management¹
- The Company anticipates that Newtek Conventional Lending LLC (NCL) will securitize its portfolio of non-conforming conventional loans in Q4 2021²

¹Amount and timing of dividends, if any, remain subject to the discretion of the Company’s Board of Directors. ² There are no assurance that these transactions can be consummated.

2021 Dividends & First Quarter 2022 Forecast

- On October 20, 2021, the Company's board of directors declared a fourth quarter 2021 cash dividend of \$1.05 per share payable on December 30, 2021 to shareholders of record as of December 20, 2021
- The payment of the fourth quarter 2021 dividend would represent a 123.4% increase over the fourth quarter 2020 dividend of \$0.47 per share
- With the payment of the fourth quarter 2021 dividend, the Company will have paid \$3.15 per share in dividends in 2021, which would represent a 53.7% increase over dividends paid in 2020
- The Company forecasts a first quarter 2022 dividend of \$0.65¹ per share, which would represent a 30% increase over the first quarter 2020 dividend, if declared and paid
- On September 30, 2021, the Company paid a third quarter 2021 cash dividend of \$0.90 per share to shareholders of record as of September 20, 2021, which represented a 55.2% increase over the third quarter 2020 dividend of \$0.58 per share
- Newtek's portfolio companies did not distribute income individually to the BDC for the first three quarters of 2021 (except \$450,000)

¹Amount and timing of dividends, if any, remain subject to the discretion of the Company's Board of Directors.



¹Forecasted 2021 ANII

Proforma Debt-to-Equity Reconciliation

Newtek Business Services Corp. and Subsidiaries	
Debt to equity ratio, actual as of September 30, 2021	
Actual Debt to Equity ratio at September 30, 2021	
Total senior debt	\$ 500,838
Total equity	366,020
Debt to equity ratio - actual at September 30, 2021	<u>1.37x</u>

- Newtek funds both the unguaranteed and guaranteed portions of SBA 7(a) loans through its credit facility. The guaranteed portions of its SBA 7(a) loans are levered until the loans are sold and settled, typically within 10-14 days of origination
- Based on timing of when the guaranteed portions of SBA 7(a) loans are sold and settled, the debt-to-equity ratio will fluctuate
- As of September 30, 2021, there were approximately \$54.1 million of guaranteed portions of SBA 7(a) loans sold pending settlement (broker receivable) against our line of credit

Newtek Business Services Corp. and Subsidiaries	
Debt to equity ratio - proforma at September 30, 2021	
<i>(in thousands):</i>	
Broker receivable, including premium income receivable	60,950
Less: premium income included in broker receivable	<u>(6,836)</u>
Broker receivable	54,114
90% advance rate on SBA guaranteed non-affiliate portions of loans sold, not settled	<u>48,703</u>

Proforma debt adjustments:	
Total Senior Debt as of September 30, 2021	500,838
Proforma adjustment for broker receivable as of September 30, 2021, as calculated above	<u>(48,703)</u>
Total proforma debt at September 30, 2021	<u>452,135</u>

Proforma Debt to Equity ratio at September 30, 2021:	
Total proforma debt	<u>452,135</u>
Total equity	<u>366,020</u>
Debt to equity ratio - proforma at September 30, 2021	<u>1.24x</u>

Lowering Cost of Capital

- The Company's ability to call existing baby bond debt
 - Nasdaq: NEWTL: Newtek Business Services Corp. 5.75% Notes due 2024 (callable as of 8/2021)
 - Nasdaq: NEWTZ: Newtek Business Services Corp. 5.50% Notes due 2026 (callable on or after 2/2022)
- Intends to utilize securitizations and other capital market tools to refinance this existing debt, in whole or in part

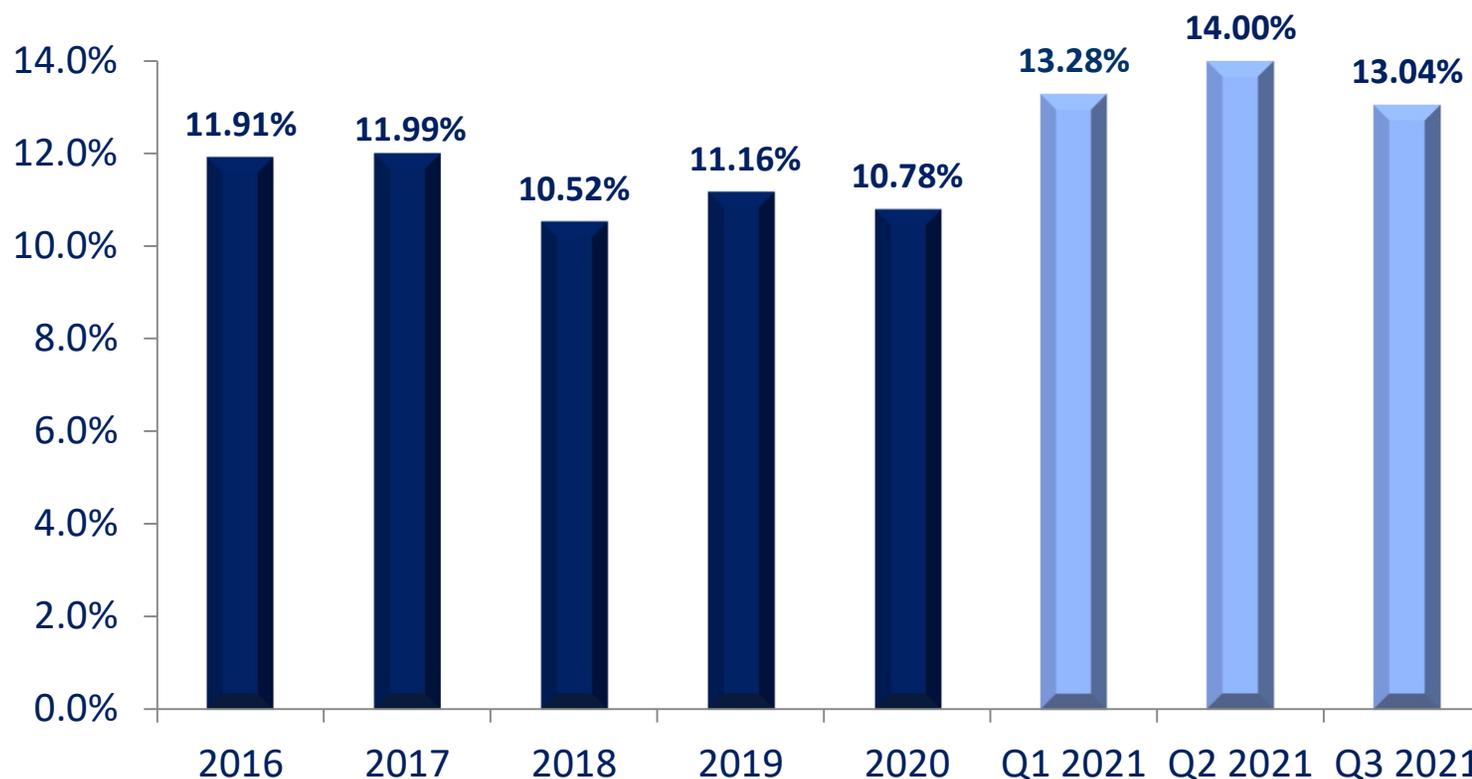
Newtek Small Business Finance Overview:

SBA 7(a) Loans



- Currently the largest non-bank lender (with PLP status) licensed by the SBA under the federal Section 7(a) loan program, based on annual origination volume
- One of 14 Non-Bank SBA Government-Guaranteed Lender Licenses
- 3rd largest SBA 7(a) lender by lending volume as of September 30, 2021 (including banks)
- National SBA 7(a) lender to small businesses since 2003; 18-year history of loan default frequency and severity statistics
- Issued 10 AA & A S&P-rated securitizations since 2010
- Small balance, industry and geographically diversified portfolio of 2,594 loans
 - Average loan size is approximately \$161K of average unguaranteed retained loan balance
- Floating rate at Prime plus 2.75% with no caps and quarterly rate adjust; currently equivalent to 6.00% cost to borrower
- No origination fees (in addition to the SBA guaranty fee) with 7- to 25-year amortization schedules; receiving a high-quality loan product
- Secondary market established for SBA 7(a) government-guaranteed loans for over 30 years, and Newtek establishes liquidity for unguaranteed portions through securitizations

Net Premium Trends



- For the three months ended September 30, 2021, the weighted average net premium received on the sale of guaranteed portions of SBA 7(a) loans was 13.04%
- The Company had \$28.5 million in guaranteed portions of SBA 7(a) loans on its balance sheet as of September 30, 2021 were available for sale

Note: Post conversion to a BDC in November 2014, amounts are recorded as Net realized gains on non-affiliate investments in the consolidated statements of operations. Premiums above 10% are split 50/50 with the SBA as reflected above.

Loan Portfolio Weighted-Average Seasoning

- The following shows the SBA 7(a) loan portfolio's weighted average seasoning at September 30, for the past three years:
 - At September 30, 2019: 28.9 Months
 - At September 30, 2020: 35.1 Months
 - At September 30, 2021: 39.4 Months

- Defaults tend to accelerate between 18 and 40 months, and flatten thereafter

Portfolio Currency Analysis of Unguaranteed Portfolio

- The following chart shows the SBA 7(a) loan portfolio aging and currency at September 30, 2021, June 30, 2021 and September 30, 2020 **on accrual loans only**¹

	9/30/2021			6/30/2021			9/30/2020		
Days Past Due	# of Loans	Retained Principal Balance	% of Portfolio	# of Loans	Retained Principal Balance	% of Portfolio	# of Loans	Retained Principal Balance	% of Portfolio
Current	2,341	\$ 339,203,646	94.53%	2,247	\$ 342,245,558	93.81%	2,103	\$ 346,777,441	98.50%
31 - 60	43	\$ 8,968,373	2.50%	56	\$ 14,441,067	3.96%	19	\$ 5,236,832	1.49%
61 - 90	0	-	0.00%	28	\$ 8,147,866	2.23%	0	-	0.00%
91 - 120	35	\$ 8,194,494	2.28%	0	-	0.00%	1	\$ 28,750	0.01%
> 120	7	\$ 2,483,601	0.69%	0	-	0.00%	0	-	0.00%
Accrual Total	2,426	\$ 358,850,113	100%	2,331	\$ 364,834,491	100%	2,123	\$ 352,043,023	100%

¹ The SBA made principal and interest payments on behalf of eligible borrowers pursuant to Section 1112 of the CARES Act. September 30, 2021, June 30, 2021 and September 30, 2020 data do not include PPP loans.

Note: The table above does not include accrual loans in which NSBF owns 100% as a result of NSBF repurchasing the guaranteed portions from the SBA. The total amortized cost of the 100% NSBF-owned accrual loans at 9/30/2021, 6/30/2021 and 9/30/2020 was \$7.0 million, \$7.0 million and \$4.4 million, respectively, and is included in SBA unguaranteed non-affiliate investments on the consolidated statements of assets and liabilities.

Loan Servicing Metrics and Functionality

- Loan servicing staff (SBL and NSBF) reached approximately 60 full-time employees at September 30, 2021
- Tools to enhance credit worthiness of borrowers
 - PPP financing (3 rounds-program ended on May 31, 2021)
 - Section 1112 of the CARES Act, which ended on September 27, 2021
 - Economic Injury Disaster Loan (EIDL loans)
 - Employee Retention Credit Program (ERC Program)

Illustrative SBA 7(a) Loan Sale Transaction

Net Cash Created on SBA 7(a) Loan Sale Transaction – An Example*

Key Variables in Loan Sale Transaction	
Loan Amount	\$1,000,000
Guaranteed Balance (75%)	\$750,000
Unguaranteed Balance (25%)	\$250,000
Realized Gain (Premium) ¹	13.04%
Term	25 years

Illustrative Net Cash Created	
Guaranteed Balance	\$750,000
Realized Gains on Guaranteed Balance ²	\$97,800
Cash Received in Securitization ⁽³⁾	\$208,750
Total	\$1,056,750
Net Cash Created (Post Securitization) ^{4,5}	\$56,750

* There is no assurance that this can occur.

¹Realized gains (premiums on loan sales) above 10% are split 50/50 with the SBA. This example assumes guaranteed balance is sold at a 116.08% premium. The additional 6.08% (16.08% -10%) is split with SBA. NSBF nets 13.04%.

²Assumes 13.04% of the Guaranteed balance.

³Assumes 83.5% advance rate in securitization on unguaranteed balance.

⁴Assuming the loan is sold in a securitization in 12 months.

⁵Net cash created per \$1 million of loan originations.

Illustrative SBA 7(a) Loan Sale Transaction

Direct Revenue / Expense of an SBA 7(a) Loan Sale Transaction – An Example*

Key Variables in Loan Sale Transaction		Illustrative Resulting Revenue (Expense)	
Loan Amount	\$1,000,000	Associated Premium ²	\$97,800
Guaranteed Balance (75%)	\$750,000	Servicing Asset ³	<u>\$13,200</u>
Unguaranteed Balance (25%)	\$250,000	Total Realized Gain	\$111,000
Realized Gain (Premium) ¹	13.04%	Packaging Fee Income	\$2,500
Term	25 years	FV Non-Cash Adjustment on Uninsured Loan Participations ⁴	\$(6,250)
		Referral Fees Paid to Alliance Partners	<u>\$(7,500)</u>
		Total Direct Expenses	<u>\$(13,750)</u>
		Net Risk-Adjusted Profit Recognized ⁵	\$99,750

* There is no assurance that this can occur.

¹Realized gains (premiums on loan sales) above 10% are split 50/50 with the SBA. This example assumes guaranteed balance is sold at a 116.08% premium. The additional 6.08% (16.08% - 10%) is split with SBA. NSBF nets 13.04%.

²Assumes 13.04% of the Guaranteed balance.

³Fair value estimate of servicing asset.

⁴Example assumes a 2.5% discount to reflect cumulative estimate of default frequency and severity among other assumptions.

⁵Net risk-adjusted profit recognized per \$1 million of loan originations.

Portfolio Company Review

- Newtek Business Lending (“NBL”), the Company's wholly owned portfolio company, originates and funds SBA 504 loans; and originates non-conforming conventional loans on behalf of the Company’s joint venture Newtek Conventional Lending (“NCL”)
- Newtek Small Business Lending closes and services SBA 504 loans originated by NBL
- NBL funded and/or closed \$38.9 million in SBA 504 loans for the three months ended September 30, 2021
 - NBL funded one SBA 504 loan transaction in the three months ended September 30, 2020 totaling \$409,500
- NBL funded and/or closed \$100.1 million in SBA 504 loans for the nine months ended September 30, 2021, a 359.2% increase over \$21.8 million SBA 504 loans funded during the same period in 2020, and a 280.6% increase over \$26.3 million SBA 504 loans during the same period in 2019
- SBA 504 loan closing statistics for the nine months ended September 30, 2021
 - 31 Loans - \$92,449,860 total financing
 - (16) 1st Mortgage Loans = \$61,809,944
 - (15) 2nd Mortgage Loans = \$30,639,916 (taken out or expected to be taken out by SBA debentures)
- NBL forecasts closing and/or funding approximately \$125 million to \$150 million SBA 504 loans for the full year 2021, which would represent an increase over \$87.2 million of closed and/or funded SBA 504 loans in 2020, which would represent an 57.7% increase over the midpoint of the 2021 forecasted range
- NBL has a \$100 million credit facility with Deutsche Bank AG, which has an initial two-year term, in addition to its \$75 million line of credit with Capital One Bank N.A., both for SBA 504 lending
- NBL sold \$41.5 million and 18 units in SBA 504 first liens to third-party investors for a gain on sale of \$1.4 million for the first nine months of the year

Sample SBA 504 Loan Structure

An example of a typical SBA 504 loan structure is detailed below:

Real Estate Acquisition Loan				
	\$ Amount		\$ Amount	Percent of Total
Purchase Price	\$800,000	1st Mortgage Funded by NBL	\$500,000	50%
Renovations	150,000	Bridge Loan Originally Funded by NBL*	400,000	40%
Soft & Closing Costs	50,000	Borrower Equity Injection	100,000	10%
Total	<u>\$1,000,000</u>	Total	<u>\$1,000,000</u>	<u>100%</u>

- Up to 50% first mortgage
- Up to 40% second mortgage provided by CDC (\$250,000 to \$4.0 million)
- At least 10% equity contribution

*Taken out by CDC funded second mortgage of \$400,000 typically within 60-90 days of funding.

Illustrative Loan Sale Transaction - SBA 504 Loan

Net Cash Created in SBA 504 Loan Sale Transaction – An Example*

Key Variables in Loan Sale Transaction	
Total Projected Financing	\$1,000,000
Senior Loan Balance	\$500,000
Junior Bridge Loan Balance ⁽¹⁾	\$400,000
Premium	3.00%
Rate	Fixed
Term	10 Years

Illustrative Net Cash Created Pretax	
Total Senior & Junior Debt	\$900,000
Funded Under Bank Facility	<u>\$630,000</u>
NBL Equity	\$270,000
Net Origination Fees	\$18,000
Interest Earned Before Sale ⁽²⁾	\$22,750
Interest Expense	(\$7,963)
Premium Earned Upon Sale	<u>\$15,000</u>
Total Net Cash Created ⁽³⁾	\$47,788
Return on Investment (Gross Operating Profit/ Equity) ⁽⁴⁾	<u>35.4%</u>

* There is no assurance that this can occur.

- (1) Funded by NBL, to be taken out within 90 days by a junior lender through SBA guaranteed debenture.
- (2) Interest earned on Senior and Junior Bridge loans are outstanding prior to takeout from CDC and loan sale.
- (3) Net cash created equals the addition of Net Premium Earned, Net Interest Earned Before Sale, Origination Fees, less Interest Expense.
- (4) The first year return on investment is based on net cash created of \$48,400 divided by NBL equity of \$270,000. The holding period for the loan is assumed to be 6 months. In this illustrative example, return on investment is shown annualized for the full year and does not account for \$120,000 of equity returned early after 90 days due to the Junior Bridge Loan replacement via SBA

Conventional Loan Portfolio

- Newtek Conventional Lending LLC (“NCL”), the Company’s joint venture, was formed to fund non-conforming conventional loans
- Newtek Small Business Lending closes and services non-conforming conventional loans funded by NCL
- At September 30, 2021, the NCL the portfolio of non-conforming conventional loans had a total principal balance of approximately \$87.0 million, consisting of 15 loans, all of which are current with payments
- NCL ceased funding non-conventional conforming loans during 2020 due to the COVID-19 pandemic
- Newtek targets it will fund \$50 million of non-conforming conventional loans in the second half of 2021

- The Company restarted its non-conforming conventional loan program in the third quarter 2021
- In April 2021, the Company signed a joint-venture agreement with a leading U.S.-based middle market investment firm with over \$1.0 billion in assets under management
 - The intended purpose of the joint venture is to originate commercial loans to middle-market companies as well as small businesses
- The Company is currently negotiating an additional joint-venture agreement with a global investment management firm with over \$500 billion in assets under management¹
- The Company is negotiating new lending warehouse facilities for its new JV partners¹
- The Company anticipates that NCL will securitize its non-conforming conventional loan portfolio in Q4 2021¹
- The Company targets to fund up to \$50 million of non-conforming conventional loans during the second half of 2021

¹ There is no assurance that these transactions can be consummated.

Portfolio Companies: Newtek Payment Processing Companies



- Newtek Merchant Solutions and Mobil Money had a combined equity fair market value of \$115.0 million at September 30, 2021
- Total enterprise value (“TEV”) of \$121.7 million, including debt and excess cash, equates to a total enterprise value multiple of 8.7x 2021 forecasted EBITDA of \$14.0 million for the combined Newtek Payment Processing Companies

Market Comparables		
Ticker	Company	TEV/ 2021 EBITDA ¹
EVTC	EVERTEC, Inc.	11.5x
GPN	Global Payments Inc.	13.4x
EVOP	EVO Payments	12.3x
IIIV	i3 Verticals, Inc.	13.4x

¹Source: S&P Capital IQ as of November 5, 2021.

NMS Points to Consider for 2021

- NMS' payment processing business has been recovering from the effects of the pandemic on processing volume
- NMS experienced a 14.3% increase in monthly sales volume for the third quarter of 2021 compared to the same period last year
- We believe this is a result of increased consumer spending as local and state economies continued to reopen across the U.S.
- NMS anticipates continued growth in processing volumes in 2021 compared to 2020, and has added senior talent to the NMS team to assist in the growth of NMS
- Covid-19 impact on Mobil Money

Newtek Payment Systems – POS on Cloud

- In Q3 2019, NBSC acquired a 51% interest in POS on Cloud d/b/a Newtek Payment Systems which owns a cloud-based Point of Sale (POS) system for a variety of restaurant, retail, assisted living, parks and golf course businesses providing not only payments and purchase technology solutions but also inventory, customer management, reporting, employee time clock, table and menu layouts, and ecommerce solutions as the central operating system for an SMB
- Provides NMS with its own branded POS system
- NMS offers the Newtek Payment Systems POS system to its clients and is in the process of updating and further commercializing the software
- Several major clients include a state government and a large assisted-living company
- POS on Cloud has been co-branded Newtek Payment Systems and will be white labeled for our alliance partners so they will be able to offer POS payment systems to their clients including credit unions, banking institutions, trade associations and investment banking clientele
- POS on Cloud is an all-encompassing system that can:
 - Process payments
 - Integrate with ecommerce
 - Integrate with all food delivery services like Uber Eats, Grubhub, DoorDash etc.
 - Integrate with general ledger accounting software
 - Include the Newtek Payroll Solutions payroll product to provide payroll solutions, workman's compensation, health insurance, and a window into 401K
- Our depository alliance partners will be able to manage and operate accounts for payroll and payments and distribute and sell their own 401K

Technology Portfolio Companies

- **We continue to see a dramatic turnaround in NTS, our Phoenix-based cloud-computing portfolio company that primarily provides managed services**
- Newtek's technology portfolio companies include Newtek Technology Solutions ("NTS"), IPM¹, and Sidco, LLC, d/b/a Cloud Nine Services ("C9"), which have a combined equity fair market value of \$36.0 million, (net of debt) as of September 30, 2021
- Combined TEV including debt and excess cash is \$47.9 million (as of January 1, 2021, IPM¹ and C9 are subsidiaries of NTS and were consolidated for reporting purposes)
- NTS forecasts 2021 revenue between **\$40 and \$45 million**, and 2021 EBITDA of approximately **\$6.5 million** (7.4x TEV/ 2021E EBITDA multiple)

¹ IPM was merged into NTS in July 2021.

Technology Portfolio Companies: NTS & Sidco

- On January 1 2021, Newtek contributed its technology portfolio companies, IPM and Sidco, which were acquired in 2017, to NTS, our core technology portfolio company, which we have developed and owned since 2004
 - Will present as one branded solution, Newtek Technology Solutions, to our core customer base
 - You can visit our website at <https://www.newtekone.com> and view the very robust offerings of technology solutions our portfolio companies offer

Cloud Services: Significant Market Opportunity

- We believe that significant opportunity exists in the cloud services space
- NTS has a full suite of IT infrastructure services
- Existing and potential clients have the ability to leverage NTS' existing data centers in lieu of building their own data center which may be costly and time consuming
- We believe NTS can provide cost effective and timely cloud solutions to its clients providing a significant market opportunity for NTS
- ITaaS, DaaS, DRaaS, SaaS, secure email, hybrid cloud, private cloud and public cloud
- Broker dealer initiatives to provide secure, efficient remote work at home environments for broker dealer registered reps and registered investment advisors

- Expanded Newtek’s Payroll & Benefits Solutions offering with its revamped management and iSolved[®] software in 2021
 - Samantha Razon, Director of Payroll Operations, has joined Shannon Vestal, Senior Vice President of Newtek Payroll Solutions, to enhance, grow and develop our state-of-the-art payroll, health and benefits offerings
- Expanded Newtek’s Insurance Agency Solutions (“NIA”) offering with its revamped management in 2021
 - New additions to our NIA team as part of the core management team for their expertise in the property and casualty arena include:
 - Rick Carpenter, Director of Property & Casualty Insurance
 - Kathryn Ingram, Senior Vice President, Property and Casualty Insurance – Commercial Lines Specialist

Introducing
The NewtekOne Dashboard™
“The One Dashboard for All Your Business Needs”™

The NewtekOne Dashboard

The one dashboard for all your business needs™

Loan Account Balances	This Week's Credit & Debit Card Sales	Payroll, Health & Benefits
\$1,248,646 NEXT PAYMENT DUE Dec 1, 2021	\$122,452 7,342 Transactions ↑ 4% from last week	\$16,133 MTD Gross Payroll NEXT PAYROLL DUE Dec 5, 2021
View Loans	View Merchant Accounts	Go to Payroll

Account Balances	Monthly Website Traffic	Corporate Document Storage						
\$236,070	12,300 ↑ 7% from last month	View All						
Deposit Money	View Stats Start Health Check	<table border="1"> <tr> <td>Tax Return Schumm Group</td> <td>↓</td> </tr> <tr> <td>Article of Incorporation Schumm Group</td> <td>↓</td> </tr> <tr> <td>BPP Policy Schumm Group</td> <td>↓</td> </tr> </table>	Tax Return Schumm Group	↓	Article of Incorporation Schumm Group	↓	BPP Policy Schumm Group	↓
Tax Return Schumm Group	↓							
Article of Incorporation Schumm Group	↓							
BPP Policy Schumm Group	↓							

HR Tools	Insurance
Employee Handbook →	Property & Casualty →
Offer Letters →	Health & Benefits →
Code of Ethics →	Voluntary Benefits →

- Please turn your attention to the presentation titled “NewtekOne Dashboard™” located below our third quarter 2021 earnings presentation in the ‘Events and Presentations’ section of the ‘Investor Relations’ portion of our corporate website at www.newtekone.com

Investment Summary

- Diversified business model provides multiple streams of revenue
- Proven track record; Established in 1998; publically traded since September 2000
- Newtek has consistently outperformed the Russell 2000 and the S&P 500 for over a decade
- Over 19-year lending history through multiple lending cycles; great depth and breadth of experience
- Management's interests aligned with shareholders; management and Board combined own approximately 5.1% of outstanding shares as of June 11, 2021
- The Company has demonstrated an ability to succeed in different financial structures that are available based upon changes in the economy and market conditions.
- We have used technology as a solutions provider to be a disrupter in our industry. Whether as a BDC or other type of corporate structure, we will always be an innovator, which we believe underscores our strong performance

Financial Review

Nicholas Leger, Chief Accounting Officer

Consolidated Statements of Operations

Newtek Business Services Corp. and Subsidiaries



(in thousands except per share data amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Investment income:				
Interest income	\$ 7,851	\$ 6,464	\$ 21,405	\$ 20,912
Interest income - PPP loans	269	3,085	49,989	37,742
Dividend income	23	2,265	121	8,955
Servicing income	2,819	2,875	8,346	8,367
Other income	1,446	240	3,829	1,449
Total investment income	12,408	14,929	83,690	77,425
Expenses:				
Salaries and benefits	2,351	3,669	12,727	10,856
Interest	5,177	3,939	15,217	13,727
Depreciation and amortization	72	93	236	312
Professional fees	1,418	651	3,465	2,822
Origination and servicing	4,586	1,120	10,555	5,666
Origination and servicing - related party	3,177	2,705	10,830	8,438
Change in fair value in contingent consideration liabilities	—	—	—	54
Loss on extinguishment of debt	—	—	955	—
Other general and administrative costs	2,322	1,082	5,663	4,415
Total expenses	19,103	13,259	59,648	46,290
Net investment income (loss)	(6,695)	1,670	24,042	31,135
Net realized and unrealized gains (losses):				
Net realized gain on investments	19,272	(722)	38,079	2,577
Net realized gain (loss) on derivative transactions	(268)	—	(268)	—
Net unrealized (depreciation) appreciation on investments, net of deferred taxes	5,921	(194)	5,060	(14,652)
Net unrealized depreciation on servicing assets	(1,616)	(1,207)	(3,322)	(1,299)
Net realized and unrealized gains	23,309	(2,123)	39,549	(13,374)
Net increase in net assets resulting from operations	\$ 16,614	\$ (453)	\$ 63,591	\$ 17,761
Net investment income (loss) per share	\$ (0.30)	\$ 0.08	\$ 1.07	\$ 1.49
Net increase in net assets resulting from operations per share	\$ 0.74	\$ (0.02)	\$ 2.85	\$ 0.85
Weighted average shares outstanding	22,541	21,192	22,468	20,942

Non-GAAP Financial Measures

Newtek Business Services Corp. and Subsidiaries

In evaluating its business, Newtek considers and uses ANII as a measure of its operating performance. ANII includes short-term capital gains from the sale of the guaranteed portions of SBA 7(a) loans and conventional loans, and beginning in 2016, capital gain distributions from controlled portfolio companies, which are reoccurring events. The Company defines ANII as Net investment income (loss) plus Net realized gains recognized from the sale of guaranteed portions of SBA 7(a) loan investments, less realized losses on non-affiliate investments, plus the net realized gains on controlled investments, plus or minus the change in fair value of contingent consideration liabilities, plus loss on extinguishment of debt, plus or minus an adjustment for gains or losses on derivative transactions.

We do not designate derivatives as hedges to qualify for hedge accounting and therefore any net payments under, or fluctuations in the fair value of, our derivatives are recognized currently in our GAAP income statement. However, fluctuations in the fair value of the related assets are not included in our income statement. We consider the gain or loss on our hedging positions related to assets that we still own as of the reporting date to be “open hedging positions.” While recognized for GAAP purposes, we exclude the results on the hedges from ANII until the related asset is sold and/or the hedge position is “closed,” whereupon they would then be included in ANII in that period. These are reflected as “Adjustment for realized gain/(loss) on derivatives” for purposes of computing ANII for the period. We believe that excluding these specifically identified gains and losses associated with the open hedging positions adjusts for timing differences between when we recognize changes in the fair values of our assets and changes in the fair value of the derivatives used to hedge such assets.

The term ANII is not defined under U.S. generally accepted accounting principles, or U.S. GAAP, and is not a measure of operating income, operating performance or liquidity presented in accordance with U.S. GAAP. ANII has limitations as an analytical tool and, when assessing the Company’s operating performance, investors should not consider ANII in isolation, or as a substitute for net investment income, or other consolidated income statement data prepared in accordance with U.S. GAAP. Among other things, ANII does not reflect the Company’s actual cash expenditures. Other companies may calculate similar measures differently than Newtek, limiting their usefulness as comparative tools. The Company compensates for these limitations by relying primarily on its GAAP results supplemented by ANII.

Non-GAAP Financial Measure: Adjusted Net Investment Income



Newtek Business Services Corp. and Subsidiaries Adjusted Net Investment Income For the Three Months Ended September 30, 2021 and 2020

<i>(in thousands, except per share amounts)</i>	Three months ended		Three months ended	
	September 30, 2021	Per share	September 30, 2020	Per share
Net investment income (loss)	\$ (6,695)	\$ (0.30)	\$ 1,670	\$ 0.08
Net realized gain (loss) on non-affiliate investments - SBA 7(a) loans	19,272	0.85	(722)	(0.03)
Adjustment for realized gain/(loss) on derivatives ¹	(7)	0.00	-	-
Adjusted Net investment income	<u>\$ 12,570</u>	<u>0.56</u>	<u>\$ 948</u>	<u>0.04</u>

¹The following is a reconciliation of GAAP net realized gain/(loss) on derivative transactions to our adjustment for realized gain/(loss) on derivatives on closed transactions presented in the computation of ANII in the preceding tables:

<i>(in thousands, except per share amounts)</i>	Three months ended		Three months ended	
	September 30, 2021	Per share	September 30, 2020	Per share
Net realized gain/(loss) on derivatives	\$ (268)	\$ (0.01)	\$ -	\$ -
Hedging realized result on open hedging positions	261	0.01	-	-
Adjustment for realized gain/(loss) on derivatives	<u>\$ (7)</u>	<u>0.00</u>	<u>\$ -</u>	<u>-</u>

Note: Per share amounts may not foot due to rounding

Non-GAAP Financial Measure: Adjusted Net Investment Income



Newtek Business Services Corp. and Subsidiaries Adjusted Net Investment Income For the Nine Months Ended September 30, 2021 and 2020

<i>(in thousands, except per share amounts)</i>	Nine months ended		Nine months ended	
	September 30, 2021	Per share	September 30, 2020	Per share
Net investment income (loss)	\$ 24,042	\$ 1.07	\$ 31,135	\$ 1.49
Net realized gain on non-affiliate investments - SBA 7(a) loans	38,079	1.69	2,577	0.12
Adjustment for realized gain/(loss) on derivatives ¹	(7)	0.00	-	-
Change in fair value of contingent consideration liabilities	-	-	54	0.00
Loss on debt extinguishment	955	0.04	-	-
Adjusted Net investment income	<u>\$ 63,069</u>	<u>\$ 2.81</u>	<u>\$ 33,766</u>	<u>\$ 1.61</u>

¹The following is a reconciliation of GAAP net realized gain/(loss) on derivative transactions to our adjustment for realized gain/(loss) on derivatives on closed transactions presented in the computation of ANII in the preceding tables:

<i>(in thousands, except per share amounts)</i>	Three months ended		Three months ended	
	September 30, 2021	Per share	September 30, 2020	Per share
Net realized gain/(loss) on derivatives	\$ (268)	\$ (0.01)	\$ -	\$ -
Hedging realized result on open hedging positions	261	0.01	-	-
Adjustment for realized gain/(loss) on derivatives	<u>\$ (7)</u>	<u>0.00</u>	<u>\$ -</u>	<u>-</u>

Note: Per share amounts may not foot due to rounding