



Q1 2018 presentation

Oslo, 25 May 2018

B²HOLDING[®]
Making each other better

B2Holding status update Q1 2018

Overview

Financial developments

- All-time high gross cash collection of NOK 775m up 35% (NOK 575m in Q1 2017)
- Cash EBITDA increased by 46% to NOK 581m (NOK 399m in Q1 2017)
- Operating profit increased by 53% to NOK 326m (NOK 213m in Q1 2017) after record strong operations
- High portfolio acquisition volume of NOK 1,485m, 337% increase from Q1 2017 (NOK 340m)
- Successfully completed equity issue of NOK 748m in Q1
- Increased RCF with EUR 150m and successfully placed EUR 200m bond in Q2
- Solid investment capacity NOK 4.1bn

Operational- and organisational developments

- Two new markets
 - Acquisition of Group NAAC, one of the leading players within debt purchase and servicing in France
 - Small servicing platform in Portugal added in Q2 2018 through Verifica
- B2H now has platforms in 23 countries and portfolios in 19 countries

A leading pan-European debt purchaser

Northern Europe

- Finland
- Estonia
- Sweden
- Latvia
- Lithuania
- Denmark
- Norway
- Lithuania

Part of B2 Holding

Part of B2 Holding

Part of B2 Holding

Part of B2 Holding

Poland

- Poland

Central Europe

- Croatia
- Slovenia
- Serbia
- Czech Rep.
- B&H
- Montenegro
- Hungary

Part of B2 Holding

Western Europe

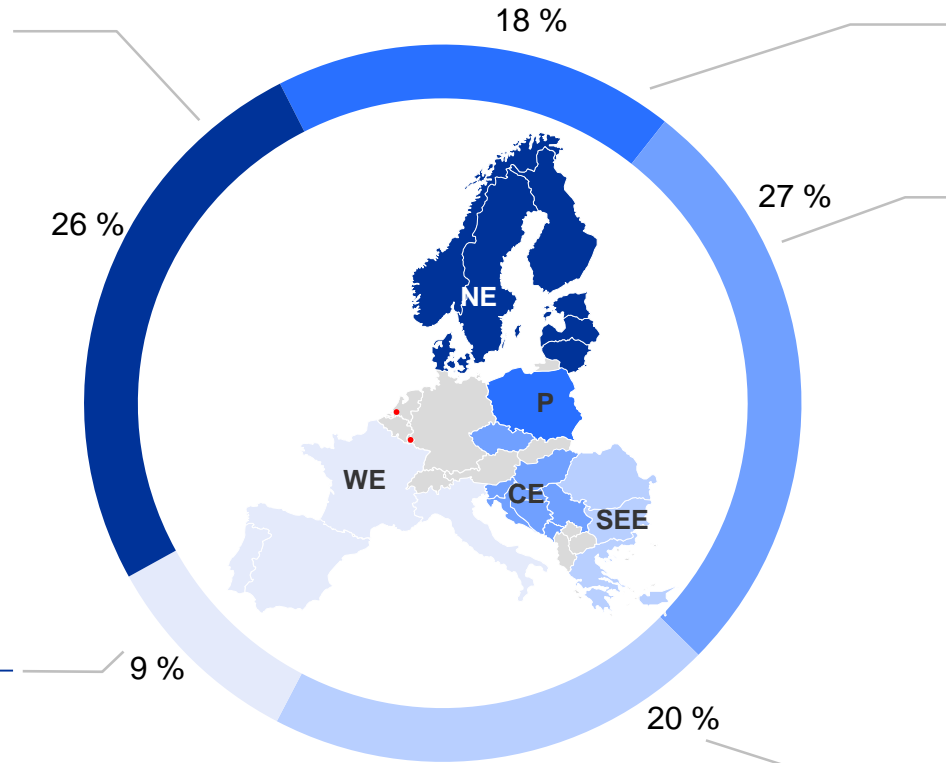
- France
- Italy
- Spain
- Portugal

Part of B2 Holding

Southeastern Europe¹

- Romania
- Greece
- Cyprus
- Romania
- Bulgaria

Part of B2 Holding



23
Platforms

19
Countries with portfolios

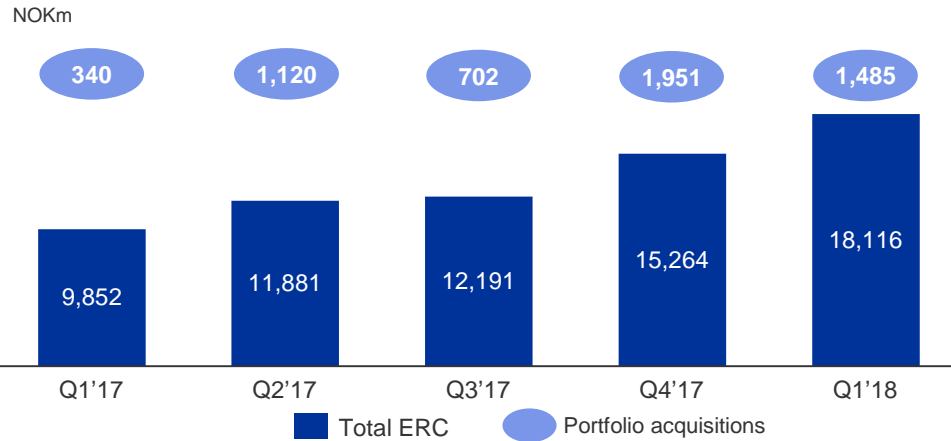
2,204
Employees (FTEs)

18.1bn
Total ERC (NOK)¹

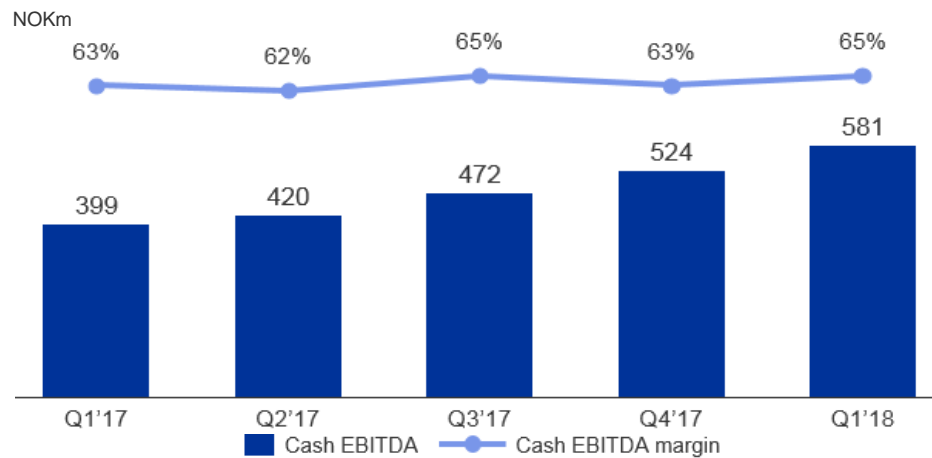
¹Split and total ERC includes ERC attributable to JV with EOS in Romania

Strong financial performance

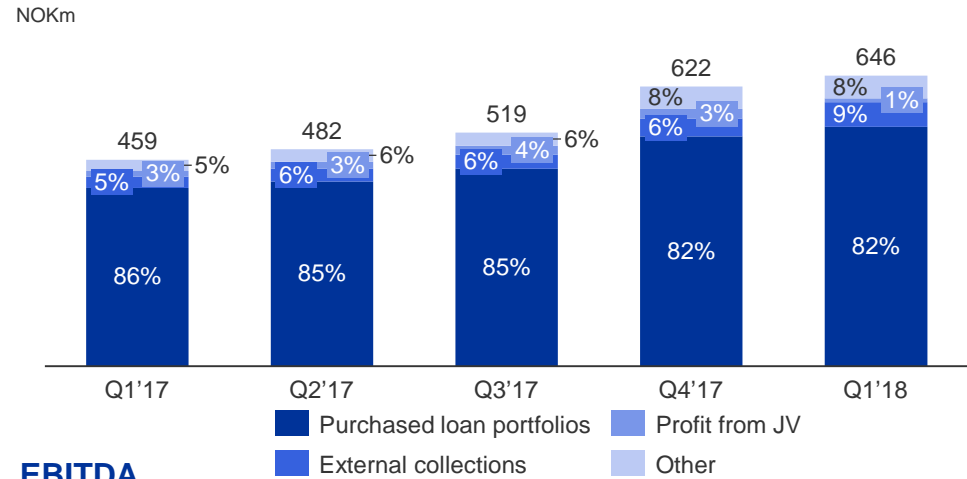
Total ERC and portfolio acquisitions



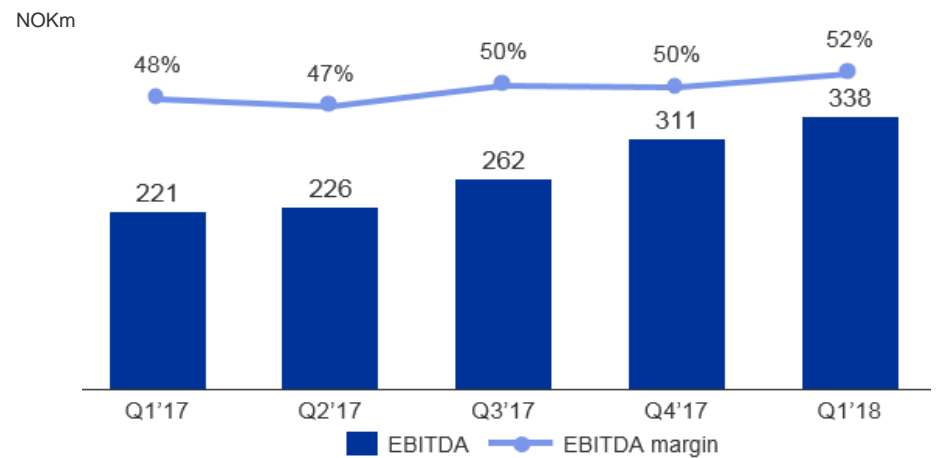
Cash EBITDA



Total revenues



EBITDA



Strict code of conduct across all geographies

Significant countries ranked by ERC	Specific license	Data protection system in place	Clearly defined statute of limitation	Collection activity limitations ¹	Collection activity recording and monitoring	Complaints management procedure in place	Current / past litigation	Regulatory inspections / fines
Croatia 	Not required <i>Comply with CNB² regulation</i>	✓	✓	✓	✓	✓	None	None
Poland 	✓ ³	✓	✓	✓	✓	✓	None	None
Finland 	✓	✓	✓	✓	Monitored but not yet recorded	✓	None	None
Sweden 	✓	✓	✓	✓	Monitored but not yet recorded	✓	None	None
Romania 	✓	✓	✓	✓	✓	✓	None	None
Italy 	✓	✓	✓	✓	Recording in implementation	✓	None	None
Bulgaria 	✓	✓	✓	✓	✓	✓	None	None
Latvia 	✓	✓	✓	✓	Monitored but not yet recorded	✓	One, now closed ⁴	None
Greece 	✓	✓	✓	✓	✓	✓	None	None
Spain 	Not required <i>Regulated by Data Protection Authority</i>	✓	✓	✓	✓	✓	None	One, now closed with fine of EUR 2,400

¹Restricts frequency of client contacts as well as limits hours of the day clients can be contacted as well as on weekends

²Croatian National Bank

³Debt collection does not require license. Company holds license for receivables management, securitisation fund management and consumer lending

⁴Related to credit information service provided in Latvia. Non-monetary claim and no regulatory authority involved



Financial performance

Another record quarter across the board

Financial summary

NOKm	2018 Q1	2017 Q1	% change
Total operating revenues ¹⁾	646	459	41 %
EBITDA	338	221	53 %
Operating profit (EBIT)	326	213	53 %
<i>Profit margin</i>	50 %	46 %	
Cash Revenue	889	637	39 %
Cash EBITDA	581	399	46 %
Profit for the period after tax	152	104	46 %
Earnings per share (EPS)	0.41	0.28	46 %
Cash flow from operating activities	457	295	55 %
Operating cash flow per share	1.22	0.80	53 %
Portfolio acquisitions	1,485	340	337 %
Cash collection from portfolios	775	575	35 %
ERC (at end of month) ²⁾	18,116	9,852	84 %

Comments

- Record-high portfolio purchase volume for first quarter
- Profit margin remains high in Q1 at 50%
- Another record quarter in terms of cash collection, EBITDA, cash EBITDA and EBIT
- NAAC will be included in P&L from 1st of April

1) Figures and alternative performance measures (APMs) have been restated due to change in classification of "Profit from shares and participation in associated companies and joint ventures", see note 1 in the financial report for further information.

2) Including the Group's share of portfolio acquired and held in joint venture

Financial highlights: Income statement

Income statement

NOKm	2018 Q1	2017 Q1	2017 audited
Revenue from purchased loan portfolios	532	397	1,757
Profit from shares, associated companies and JVs	9	13	70
Other operating revenues	105	50	256
Total operating revenues	646	459	2,083
External costs of services provided	-74	-85	-286
Personnel costs	-153	-94	-490
Other operating expenses	-81	-59	-287
Depreciation and amortisation	-12	-8	-36
Operating profit (EBIT)	326	213	984
Financial income	1	0	3
Financial expenses	-126	-74	-358
Net exchange gain (loss)	1	-1	18
Net financial items	-124	-75	-337
Profit before tax	202	138	648
Income tax expense	-51	-35	-166
Net profit	152	104	481
Non-recurring items (net of tax)	0	0	0
Adjusted net profit	152	104	481
Cash revenue	889	637	2,878
Cash EBITDA	581	399	1,815
EBITDA	338	221	1,020

Comments

- Gross cash collection in line with curves and a minor revaluation of both secured and unsecured
- Cost to collect reduced to 25% in Q1 2018 (31% in Q1 2017) due to improved efficiency in operations and economies of scale. Some quarterly variations expected
- Record-high EBITDA, cash EBITDA and EBIT
- Higher interest costs due to higher drawn amount

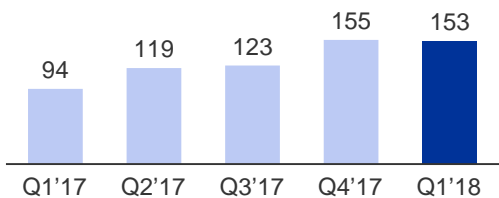
Focus on cost and economies of scale

– cost of collect trending down

Operational costs split

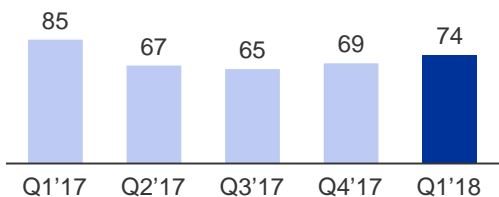
NOKm

Personnel costs



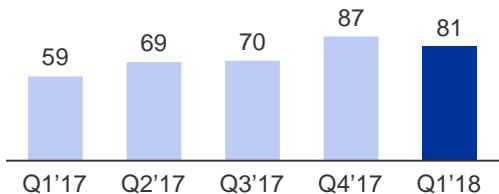
Personnel costs at Q4 level - Verifica included for the full quarter

External costs



Higher legal costs due to high portfolio purchases

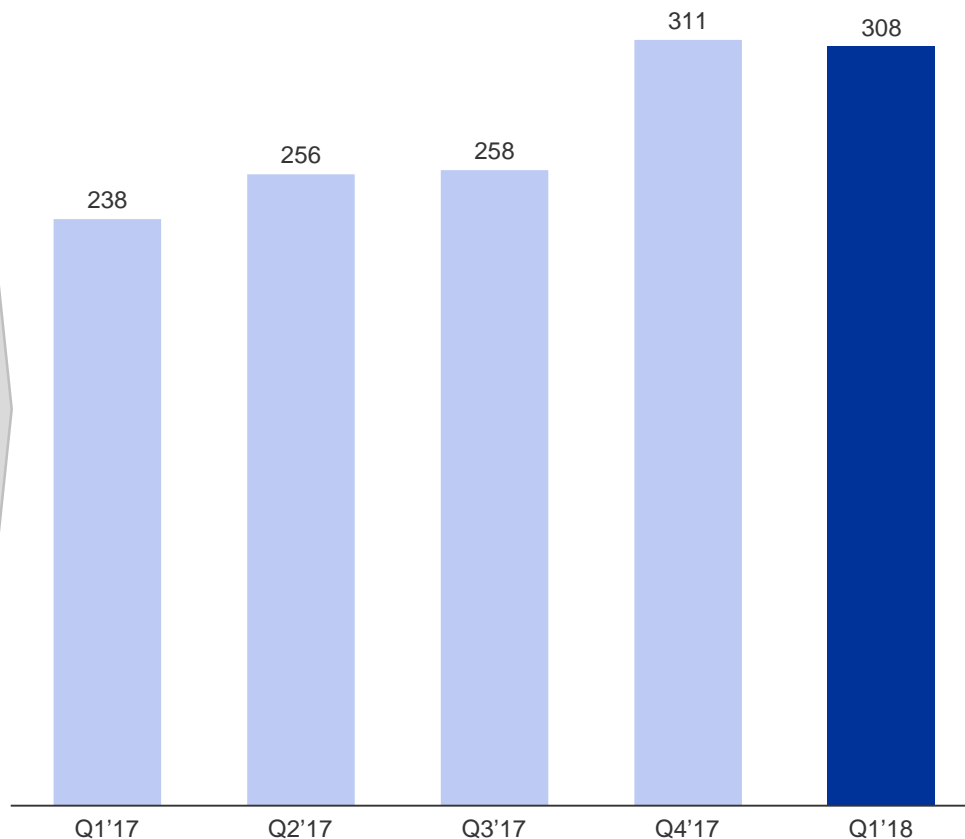
Other operating costs



Include costs related GDPR, new project related costs

Total operational costs per quarter

NOKm



Balance sheet

Balance sheet

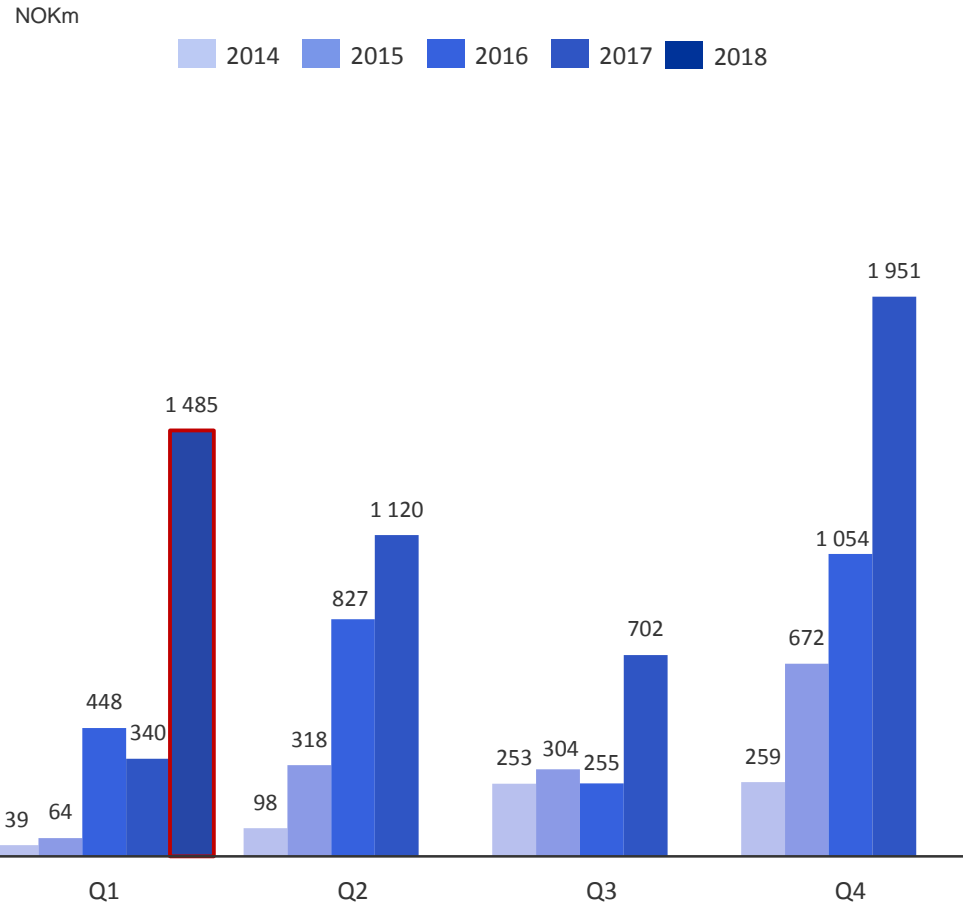
NOKm	2018 Q1	2017 Q1	2017 audited
Tangible and intangible assets	213	93	201
Goodwill	730	409	522
Purchased loan portfolios	10,418	5,051	8,732
Other long-term financial assets	524	519	618
Deferred tax asset	64	73	66
Total non-current assets	11,949	6,145	10,139
Other short-term assets	255	132	207
Cash & short-term deposits	569	223	452
Total current assets	824	354	659
Total assets	12,773	6,499	10,797
Total equity	3,875	2,620	3,148
Long-term interest-bearing loans and borrowings	6,457	3,396	5,739
Deferred tax liabilities	159	56	96
Other long-term liabilities	170	77	70
Total non-current liabilities	6,786	3,529	5,905
Short-term interest-bearing loans and borrowings	963		989
Accounts and other payables	804	82	267
Income tax payable	49	83	57
Other current liabilities (incl. bank overdraft)	297	185	432
Total current liabilities	2,113	350	1,744
Total equity and liabilities	12,773	6,499	10,797

Comments

- Increase in purchased loan portfolios of 106% LTM
- Goodwill in connection with NAAC acquisition included in BS
- Equity ratio 30%
- Investment capacity NOK 4.1b
- Net interest-bearing debt NOK 6,855m
- Covenant headroom for future growth

Record-high purchase volume: NOK 1.48bn in Q1

Portfolio purchase volumes

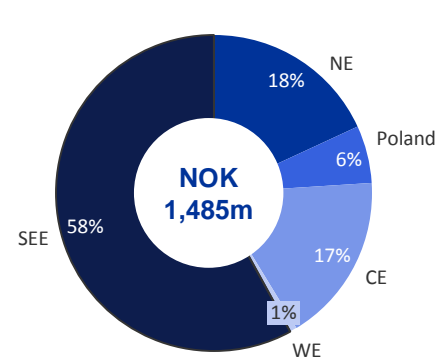


Comments

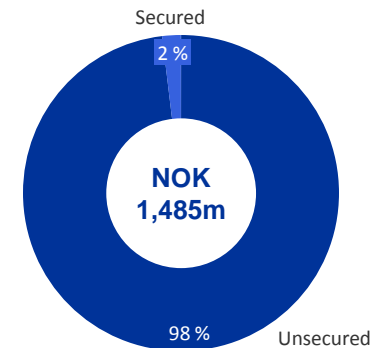
- Record strong volume for a first quarter
 - 337% increase compared to Q1 2017
 - EUR 120 previously announced to be closed in Q2
- Portfolios acquired in all major markets, 98% unsecured
- Portfolio of EUR 90m acquired in Greece
 - Co-investor interest in the Greek portfolio

Key details portfolio purchase volume

Geography distribution



Distribution by type



Highly diversified portfolio yielding stable and predictable cash flows: Total gross ERC of approx. NOK 18.1bn (84% growth y-o-y)

Development in total gross ERC

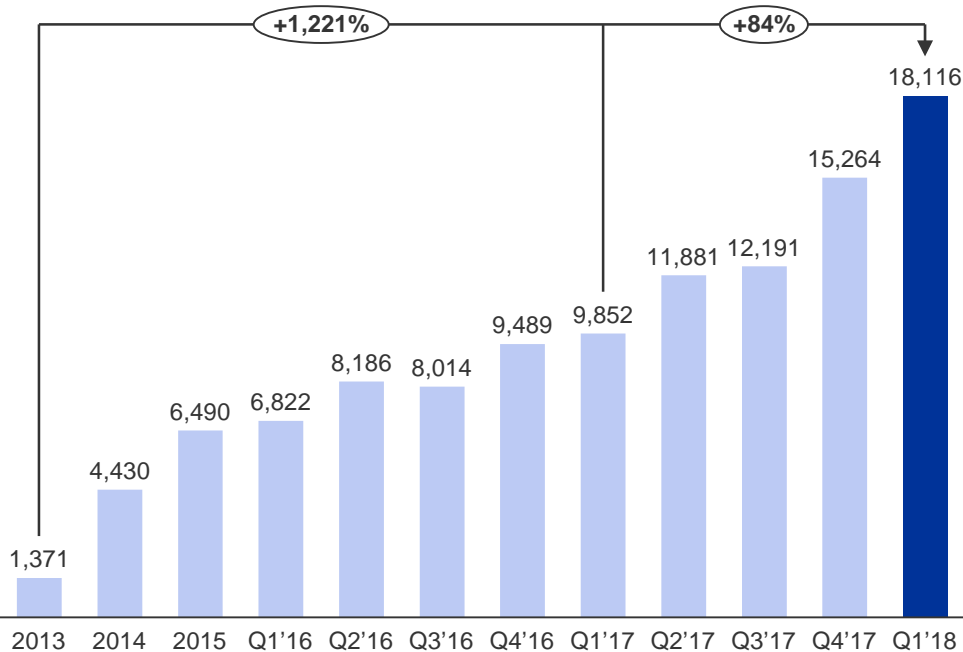
NOKm

Claims (#):

~6.49m

Face value (NOK):

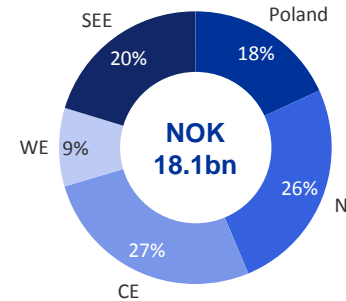
~133bn



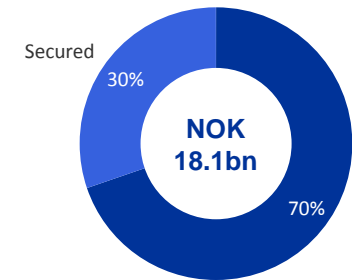
Portfolio details (total gross ERC)

NOKm

Geography distribution



Distribution by type



Unsecured											120m	Total
	1	2	3	4	5	6	7	8	9	10	ERC	ERC
Poland	778	647	472	343	250	184	137	102	73	47	3,033	3,120
NE	929	726	593	480	385	307	245	185	135	104	4,090	4,552
CE	326	292	232	196	165	130	100	80	31	8	1,559	1,587
WE	77	69	68	60	48	40	31	24	18	7	441	443
SEE	420	573	539	458	345	247	176	115	56	-	2,929	2,929
Sum	2,529	2,307	1,904	1,538	1,193	908	688	506	313	167	12,054	12,631

Secured											120m	Total
	1	2	3	4	5	6	7	8	9	10	ERC	ERC
Poland	33	63	44	11	3	2	2	1	1	1	159	163
NE	13	16	13	9	6	5	4	3	3	0	72	72
CE	1,386	1,116	534	119	54	14	3	3	29	0	3,257	3,259
WE	305	460	202	127	37	51	36	16	8	2	1,245	1,245
SEE	315	277	119	34	-	-	-	-	-	-	745	745
Sum	2,051	1,931	911	300	100	71	45	23	41	4	5,479	5,484

Total	1	2	3	4	5	6	7	8	9	10	120m	Total
4,580	4,238	2,815	1,838	1,294	979	733	530	354	171	17,532	18,116	

Estimated remaining collection year 1 – secured and unsecured

ERC

Secured	Q2 18	Q3 18	Q4 18	Q1 19	Year 1
Poland	6	9	8	9	33
NE	3	3	3	4	13
CE	262	525	322	276	1,386
WE	68	89	112	35	305
SEE	69	76	84	87	315
Total	408	703	529	411	2,051

Unsecured	Q2 18	Q3 18	Q4 18	Q1 19	Year 1
Poland	205	196	191	185	778
NE	255	227	249	198	929
CE	81	83	84	78	326
WE	18	19	25	15	77
SEE	90	96	109	125	420
Total	648	620	659	603	2,529

Total	Q2 18	Q3 18	Q4 18	Q1 19	Year 1
Total	1,056	1,323	1,188	1,013	4,580

Comments

- Secured collection with larger variation quarter by quarter
- Unsecured collection more stable, but with some seasonality

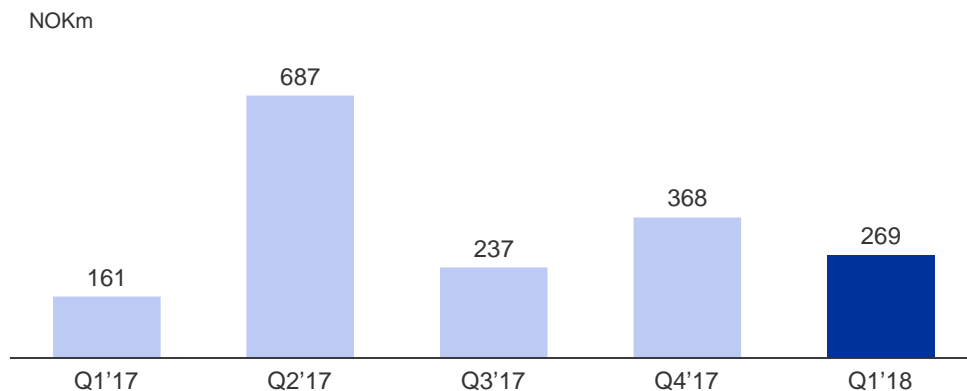
Segment financials: Northern Europe (NE)



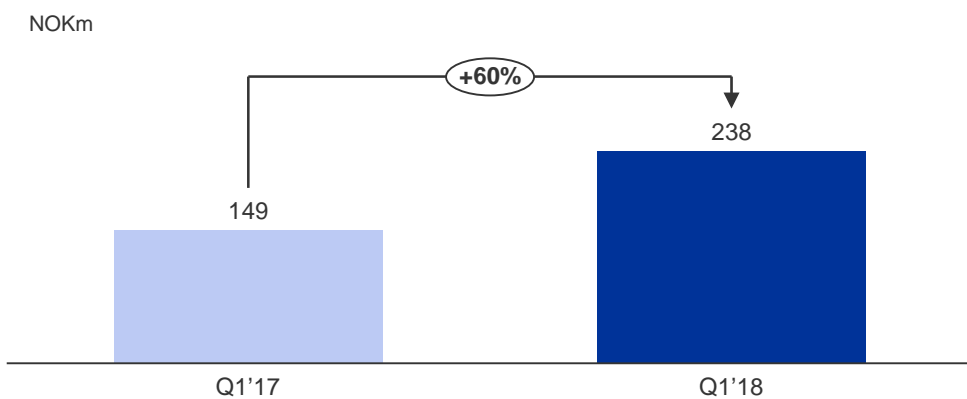
Comments

- Portfolio purchase volume of NOK 269m in the quarter
- Gross cash collection NOK 238m
 - Net credit loss of NOK 16.7m mainly due to collection delays in Finland
- Operating margin 46%
- Cost to collect 18%
- All-time high collection
- Forward flow agreements are increasing

Purchased loan portfolios



Gross cash collection on portfolios



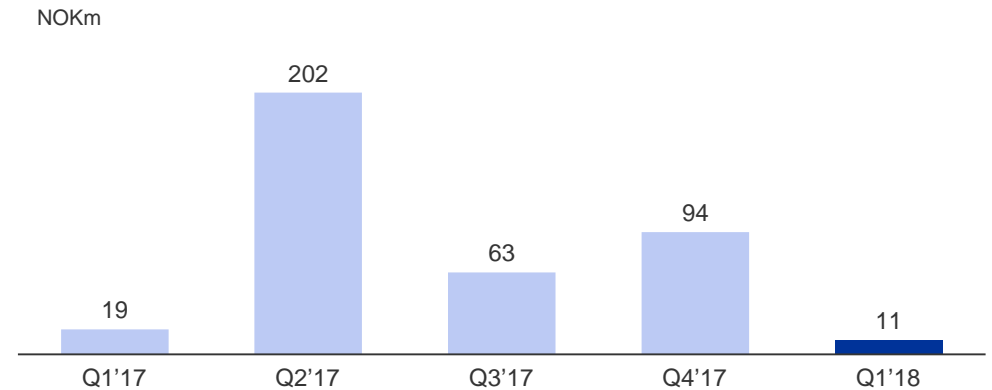
Segment financials: Western Europe (WE)



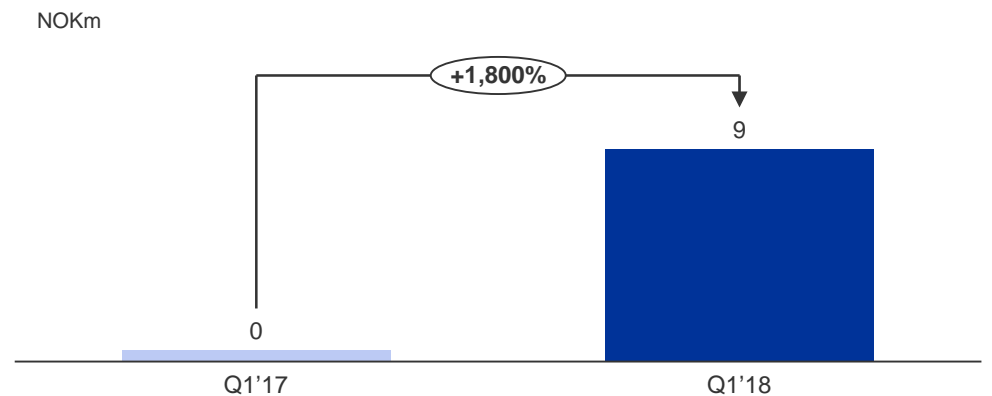
Comments

- Western Europe established as a new region as of Q1 2018
- Portfolio purchase volume of NOK 11m in the quarter
- Gross cash collection in line with curve
- Two new platforms:
 - Entered France through the acquisition of NACC
 - Entering Portugal through small servicing platform
- Good pipeline in the region

Purchased loan portfolios



Gross cash collection on portfolios



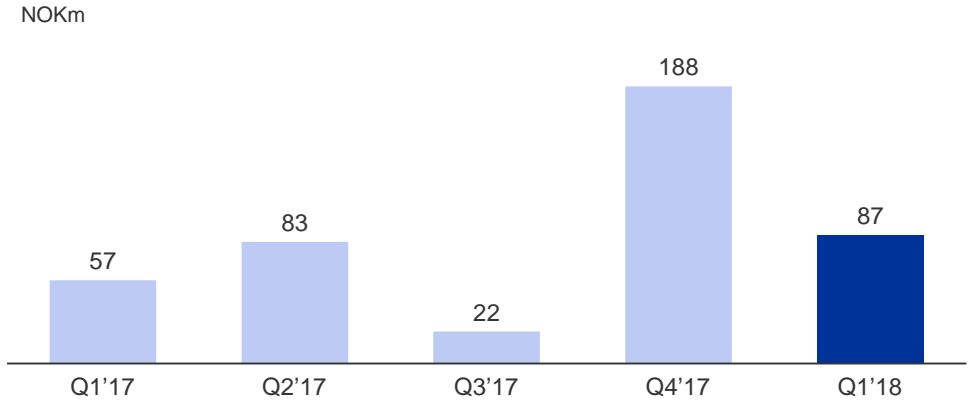
Segment financials: Poland (P)



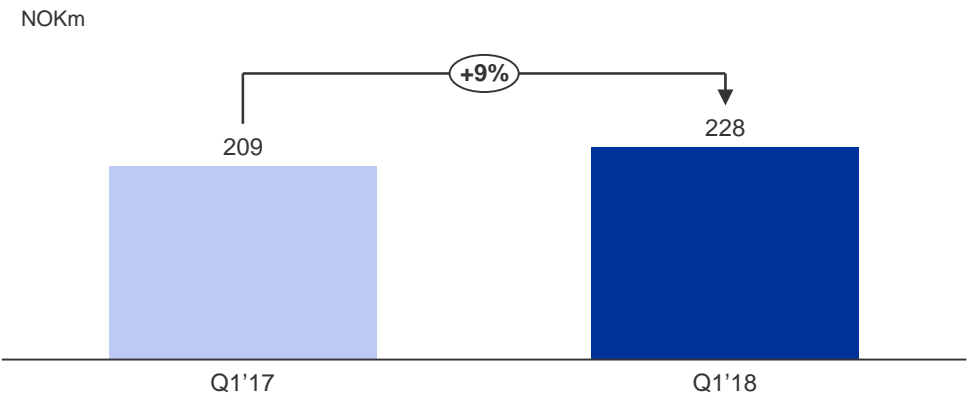
Comments

- Portfolio purchase volume of NOK 87m in the quarter
- Gross collection of NOK 228m
 - Collection in line with curve
 - NOK -4m revaluation of the curve
- Cost to collect is 32%. Some quarterly variations expected
- Competitive market landscape is changing and portfolios seem to be less competitively priced

Purchased loan portfolios



Gross cash collection on portfolios



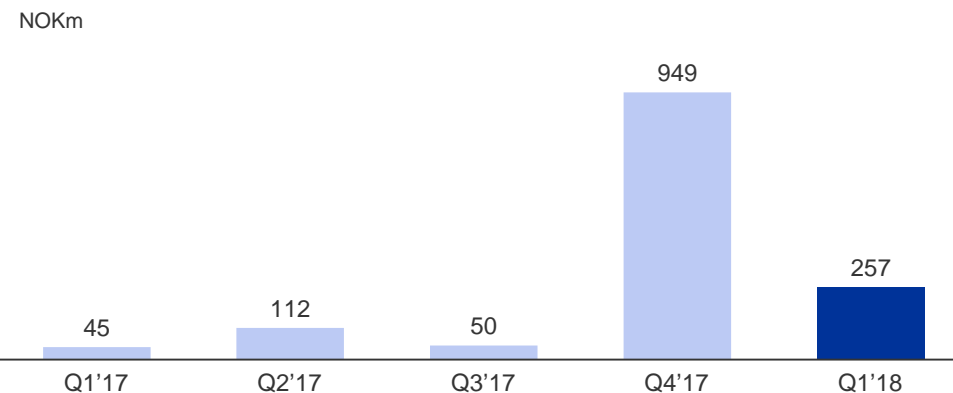
Segment financials: Central Europe (CE)



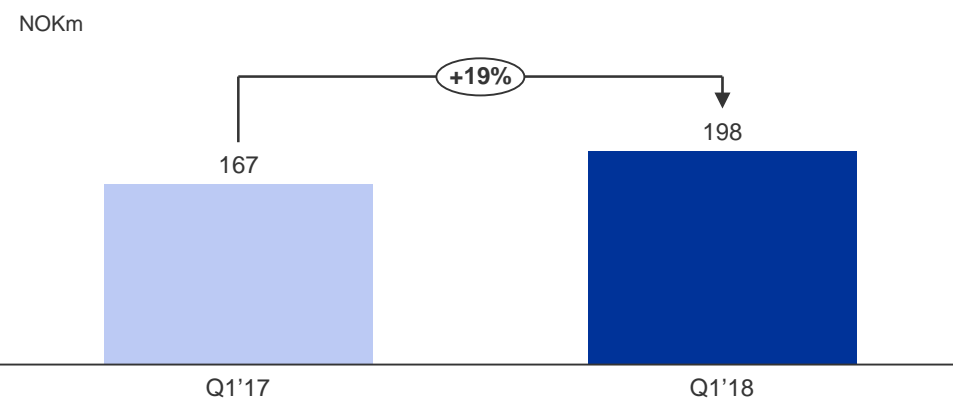
Comments

- Portfolio purchase volume of NOK 257m in the quarter
- Gross collection of NOK 198m and collection is in line with curves
- Cost to collect is 15%, some quarterly variations expected
- Strong portfolio pipeline in all of the major countries in the region
- Strong economic growth in the region

Purchased loan portfolios



Gross cash collection on portfolios



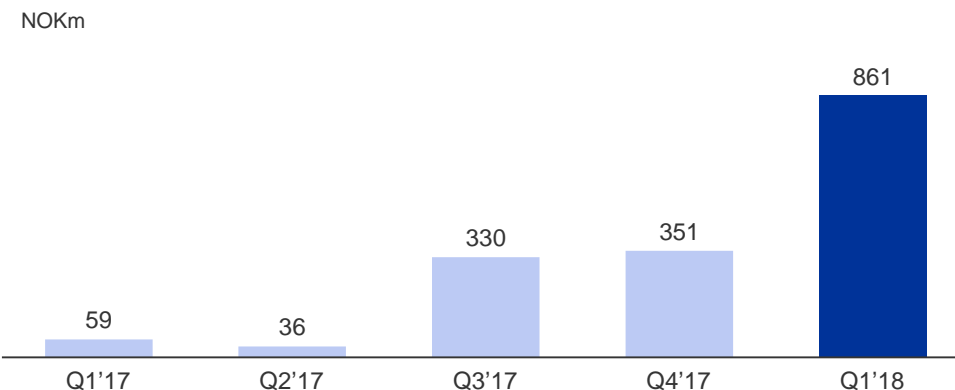
Segment financials: Southeastern Europe (SEE)



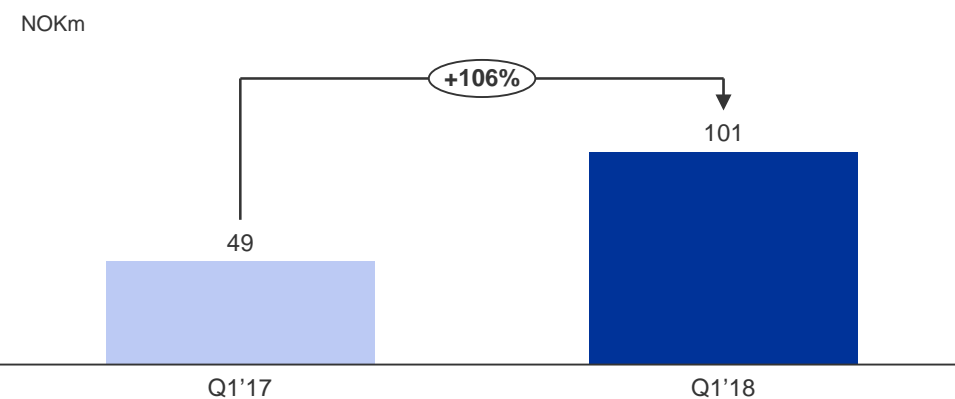
Comments

- Portfolio purchase volume of NOK 861m in the quarter
- Gross cash collection NOK 101m, NOK 9m over curve
- All-time high collection, strong operational performance
- Cost to collect is 39%
- Good visibility of portfolio pipeline in all countries
- Cyprus added in Q1 2018 and license obtained from the Central Bank of Cyprus in Q2 2018

Purchased loan portfolios



Gross cash collection on portfolios



Outlook

Expected continued growth in 2018 – strong focus on operational performance

Financial

- Well positioned for further growth with platforms in 23 markets
- Significant investment capacity of NOK 4.1bn and covenant headroom for future growth
- Focus on financial targets

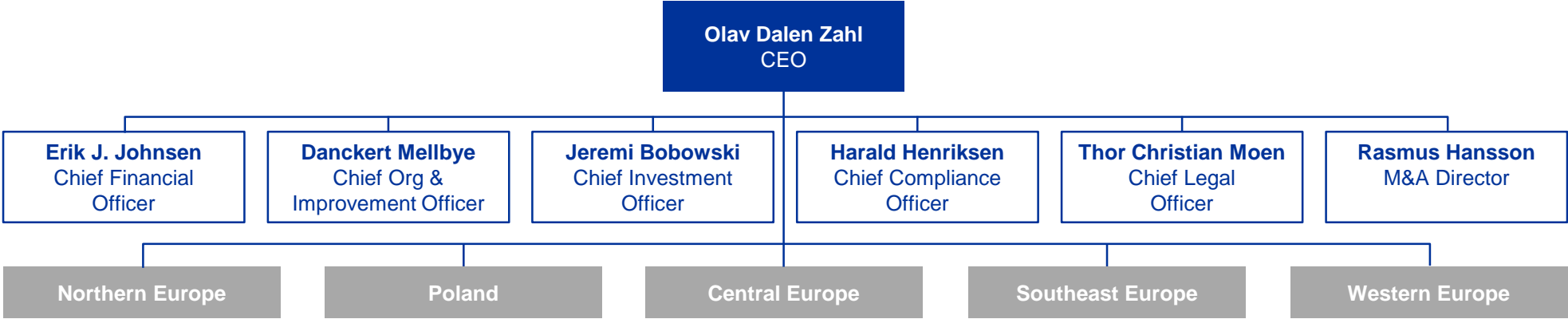
Operational and organisational

- Strong pipeline within both secured and unsecured portfolios – geographically diversified
- Strong focus on operational efficiency
- Access to the four largest NPL markets in Europe through the platforms in France, Greece, Spain and Italy

Q&A



Organisational overview

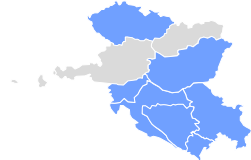


Scandinavia:
RD: Tore Krogstad
 - Norway
 - Sweden
 - Denmark

Finland & Baltics:
RD: Kari Ahlström
 - Finland
 - Estonia
 - Latvia
 - Lithuania



RD: Adam Parfiniewicz
 - Poland



RD: Ilija Plavcic
 - Croatia
 - Slovenia
 - Serbia
 - Hungary
 - Bosnia and Herzegovina
 - Montenegro
 - Czech Republic



RD: Christos Savvides
 - Bulgaria
 - Romania
 - Greece
 - Cyprus



RD: Rasmus Hansson
 - Italy
 - Spain
 - France (from 1st of April)
 - Portugal (from 2nd of May)

Financial highlights: Cash flow

Consolidated cash flow

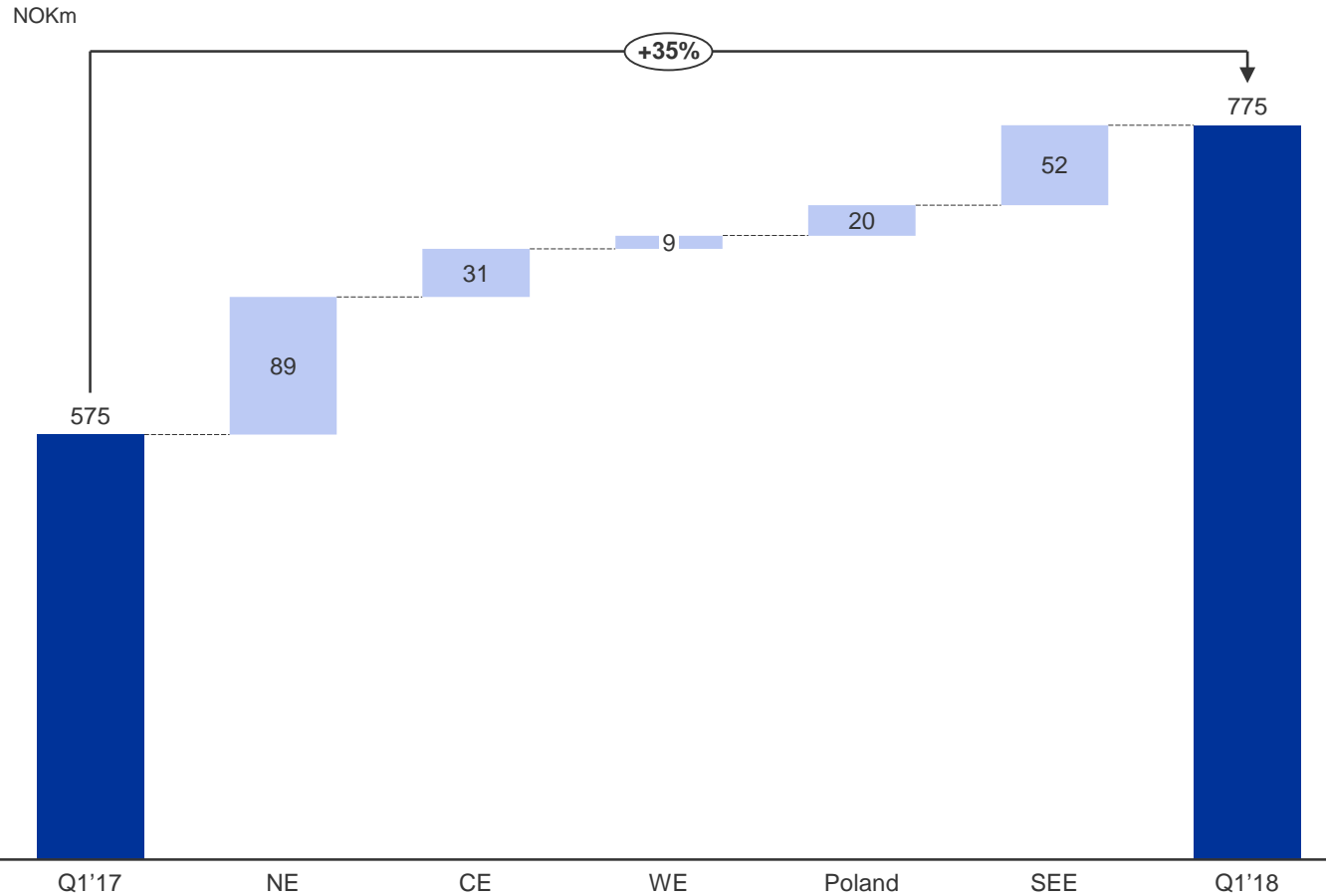
NOKm	2018 Q1	2017 Q1	2017 Full year
Profit for the period before tax	202	138	648
Amortisation/revaluation of purchased loan portfolios	243	178	795
Adjustment other non-cash items	15	7	36
Interest expense on loans	125	73	357
Interest paid on loans and borrowings	-111	-65	-318
Unrealised foreign exchange differences	-2	-7	-98
Income tax paid during the year	-39	-12	-138
Change in working capital	58	-41	69
Change in other balance sheet items	-34	23	-62
Net cash flow from operating activities	457	295	1,289
Purchase of loan portfolios	-988	-424	-4,073
Net investments in intangible and tangible assets	-9	-7	-53
Investments in business acquisitions	-269	0	-144
Net cash flow from investing activities	-1,266	-431	-4,270
Net new share issue	728	0	4
Net receipts (payments) on loans / borrowings	328	125	3,115
Dividends paid	0	0	-0
Net cash flow from financing activities	1,057	125	3,064
Net cash flow in the period	247	-11	83
Cash and cash equivalents at beginning of the period	326	218	218
Exchange rate difference on cash	-8	6	26
Cash and cash equivalents at end of the period	565	213	326

Comments

- Net cash flow from operating activities increases

Record gross collection: +35% to NOK 775m

Bridge Q1'17-Q1'18: Gross cash collection on portfolios



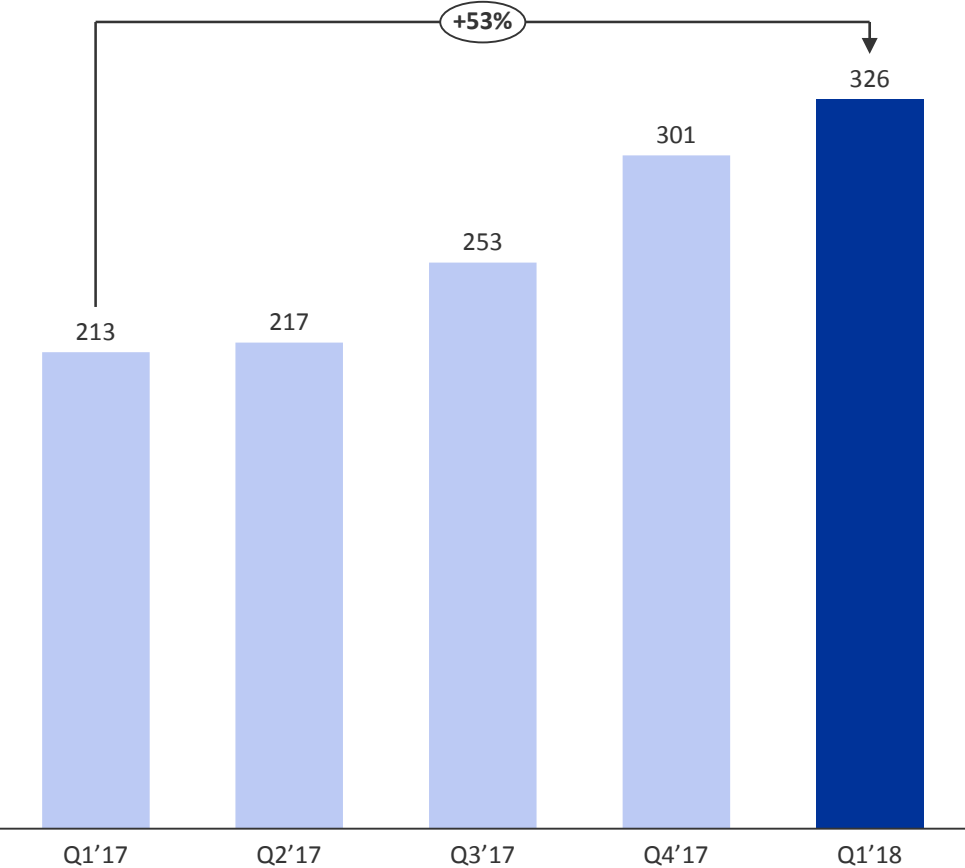
Comments

- Strong gross cash collection
- Solid growth in NE (+60%) and SEE (+106%)
- Expect continued strong growth in CE and SEE going forward

Seventh consecutive record quarter in terms of cash EBITDA

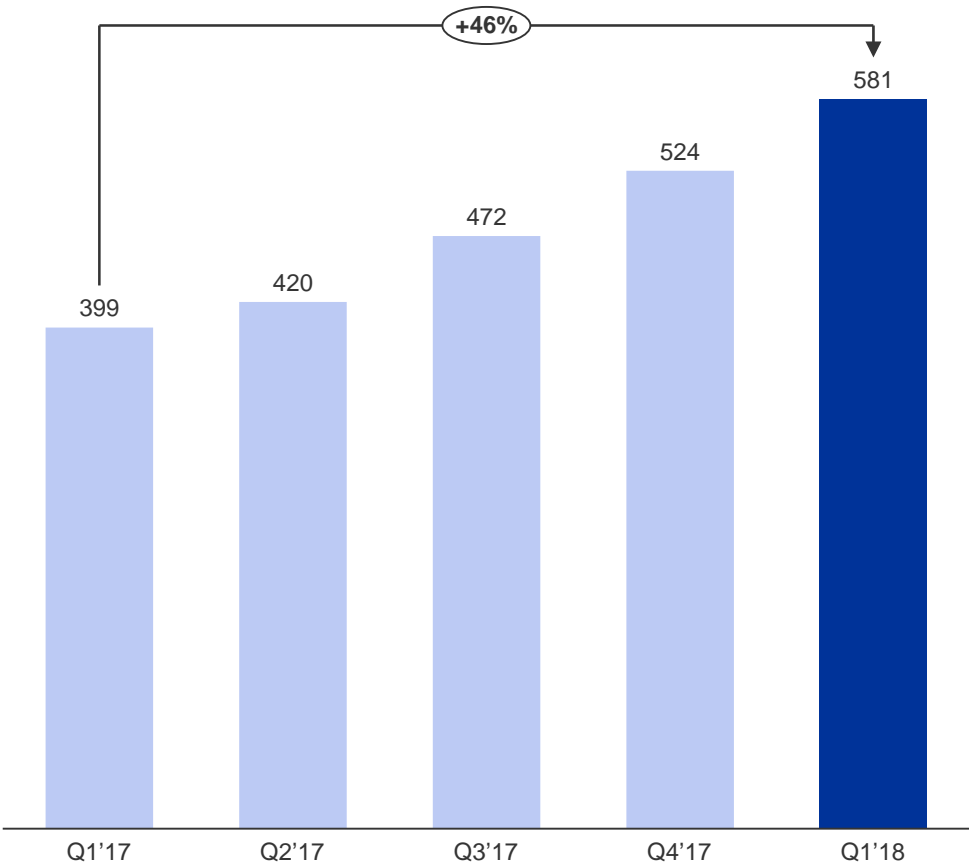
EBIT

NOKm



Cash EBITDA

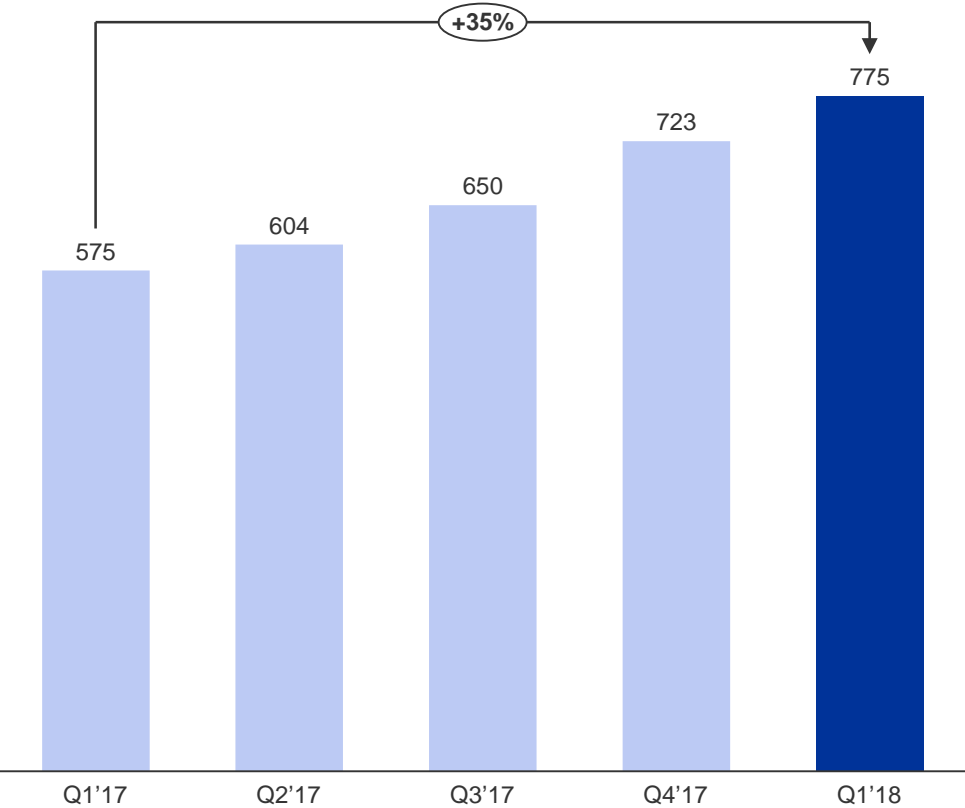
NOKm



Cash collection and net operating revenue at record-high levels

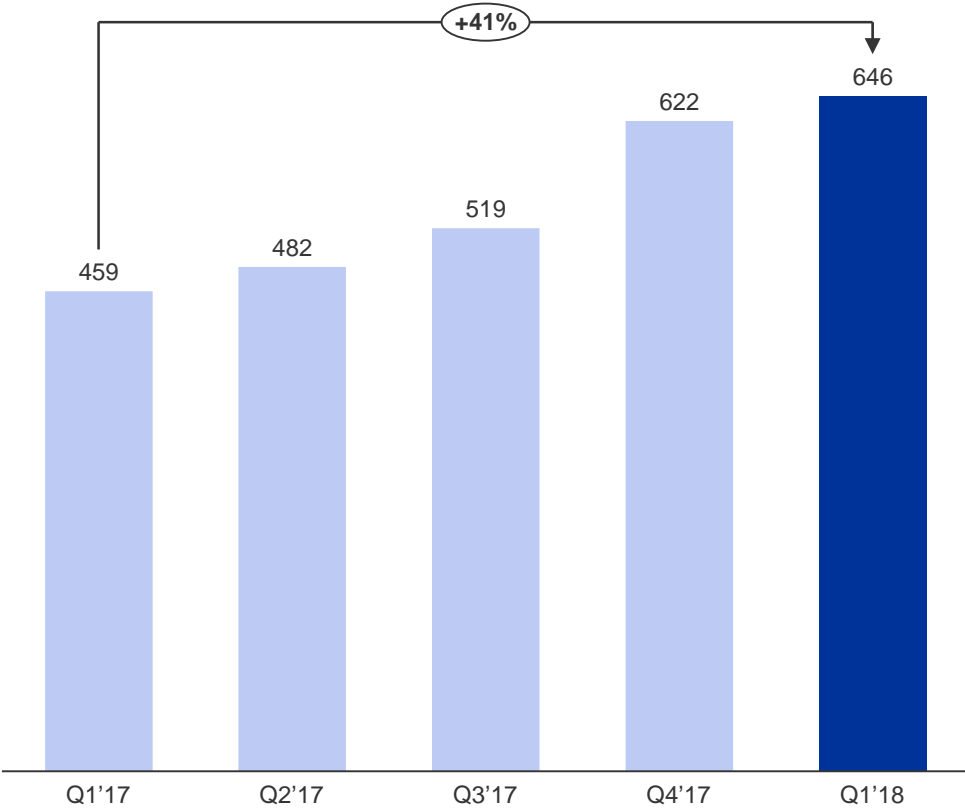
Gross cash collection on portfolios

NOKm



Total operating revenue

NOKm



20 largest shareholders

#	Shareholder	No of shares	Percentage
1	PRIORITET GROUP AB	51 118 519	12,58 %
2	RASMUSSENGRUPPEN AS	43 073 236	10,60 %
3	VALSET INVEST AS	24 500 000	6,03 %
4	STENSHAGEN INVEST AS	17 393 376	4,28 %
5	INDIGO INVEST AS	16 383 360	4,03 %
6	VERDIPAPIRFONDET DNB NORGE (IV)	11 093 265	2,73 %
7	JPMORGAN CHASE BANK, N.A., LONDON	9 061 613	2,23 %
8	BRYN INVEST AS	8 676 690	2,13 %
9	VERDIPAPIRFONDET ALFRED BERG GAMBA	7 553 369	1,86 %
10	ARCTIC FUNDS PLC	7 334 734	1,80 %
11	GREENWAY AS	5 802 368	1,43 %
12	FOREIGN AND COLONIAL INVESTMENT	5 584 759	1,37 %
13	STOREBRAND NORGE I VERDIPAPIRFOND	5 318 044	1,31 %
14	VERDIPAPIRFONDET DNB NORGE SELEKTI	5 288 911	1,30 %
15	VEVLEN GÅRD AS	5 190 160	1,28 %
16	SWEDBANK ROBUR NORDENFON	5 000 000	1,23 %
17	EVERMORE GLOBAL VALUE FUND	4 442 267	1,09 %
18	VERDIPAPIRFONDET ALFRED BERG NORGE	4 392 938	1,08 %
19	VERDIPAPIRFONDET PARETO INVESTMENT	3 790 370	0,93 %
20	LIN AS	3 501 670	0,86 %
	Other	161 932 949	39,84 %
	Total	406 432 598	100,00 %

Note: Updated per 22 May 2018



B²HOLDING®
Making each other better

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