B2HOLDING®

Making each other better

Q4 2018 presentation

Oslo, 28 February 2019

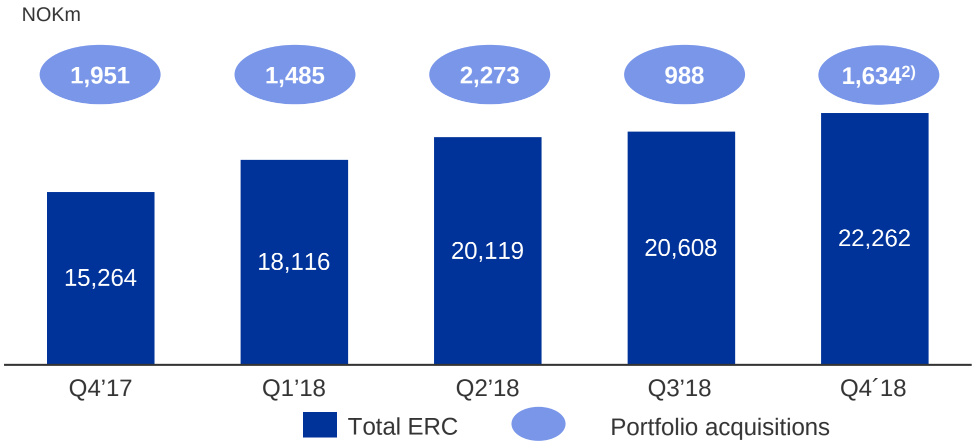
Highlights Q4 2018

Overview

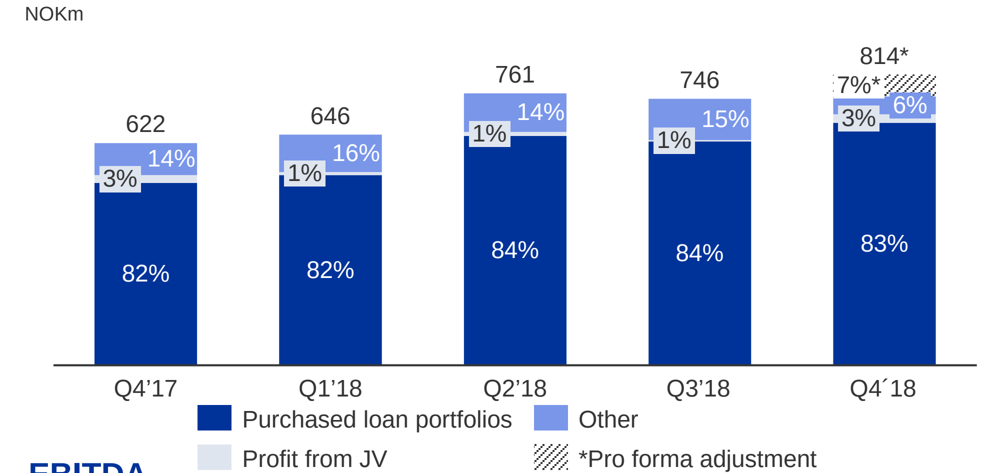
Financial developments	▪ All-time high gross cash collection of NOK 1,169m up 62% (NOK 723m in Q4 2017) ▪ Cash EBITDA increased by 59% to NOK 833m (NOK 524m in Q4 2017) ▪ Portfolio acquisition volume of NOK 1,634m in Q4 led to record high portfolio purchases in 2018 - 55% higher than 2017 ▪ Solid investment capacity of NOK 1.3bn plus monthly cash flow ▪ Board propose increased dividend with 50% to NOK 0.45 per share
Operational- and organisational developments	▪ Cost to collect (CtC) down with 5 percentage points to 24%, due to improved operational efficiency, economies of scale and secured portfolios ▪ New Regional Director for Western Europe, Maria Haddad from 25 October ▪ New co-investment structures with Waterfall Asset Management and EBRD on NPL portfolios in Greece (October 2018) ▪ New 50/50 co-investment with DDM Group on NPL Portfolio in Croatia (January 2019) ▪ Growth in third party servicing ~ NOK 46bn in AUM (Assets under Management)

Strong financial performance

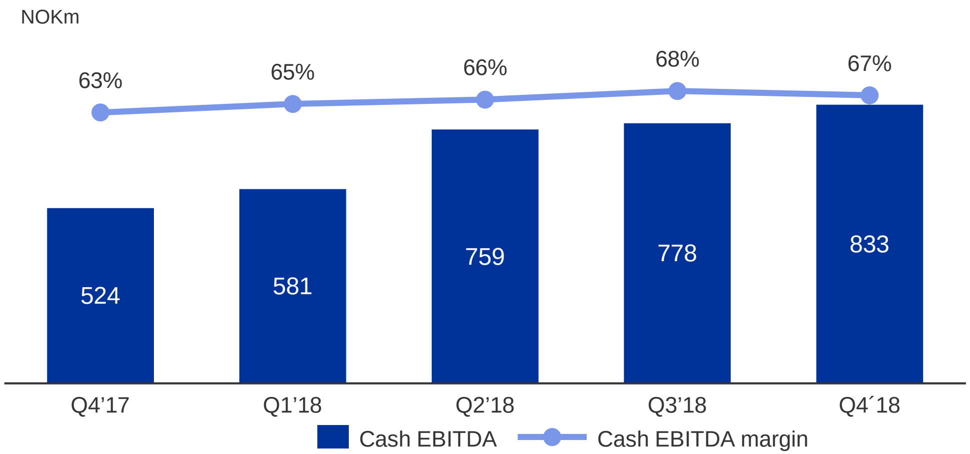
Total ERC[1] and portfolio acquisitions



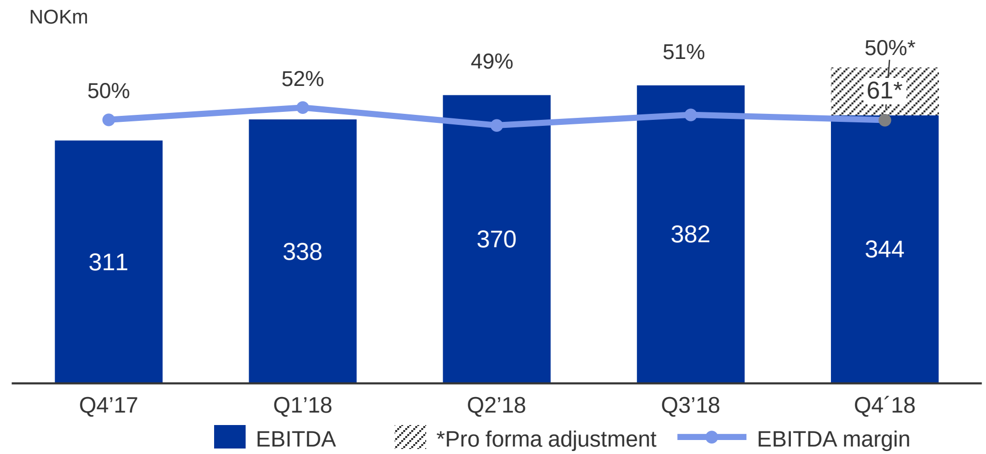
Total revenues



Cash EBITDA



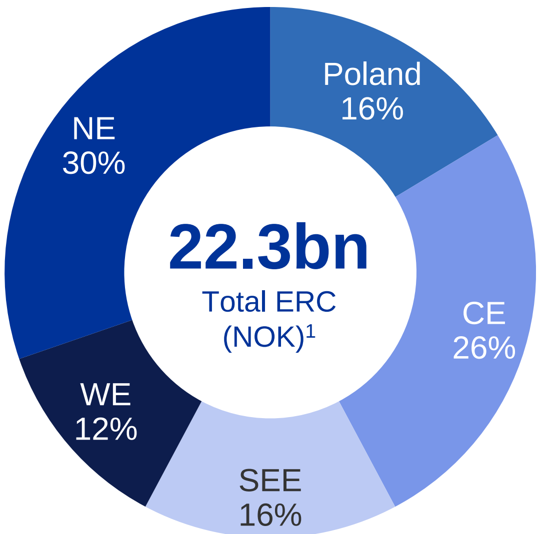
EBITDA

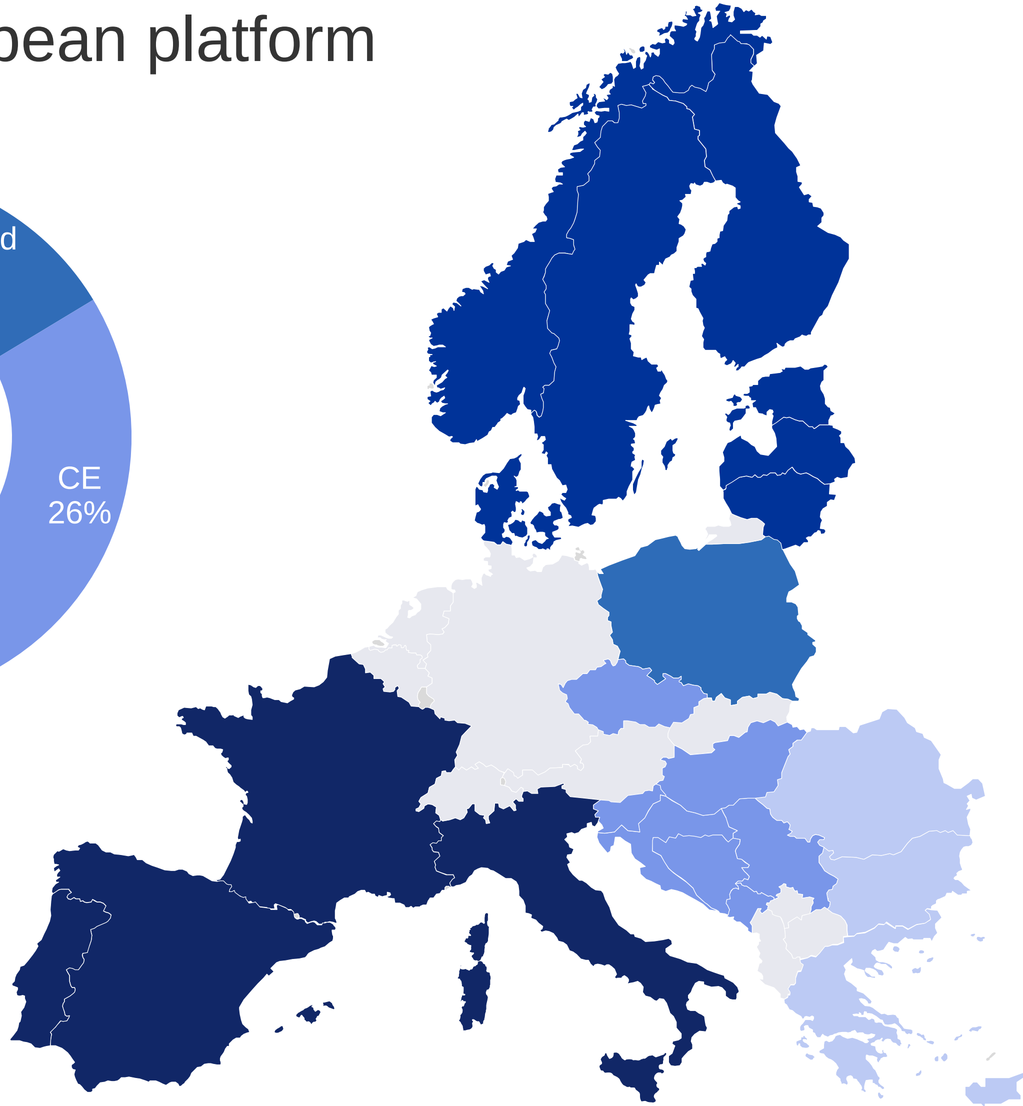


[1)] Including the Group's share of portfolio acquired and held in joint ventures

2) Including the Group's participation notes issued to joint venture for portfolio purchases in 2018

A solid Pan-European platform





198bn
Total AUM (NOK)[2]

2,420
Employees (FTEs)

23
Platforms

23
Countries with portfolios

GROUP REGIONS

Northern Europe (NE)

Norway, Sweden, Denmark, Finland, Latvia, Lithuania, Estonia

Poland

Poland

Western Europe (WE)

Spain, Portugal, Italy, France

Central Europe (CE)

Czech Republic, Slovenia, Croatia, Hungary, Serbia, Bosnia and Herzegovina and Montenegro

South East Europe (SEE)

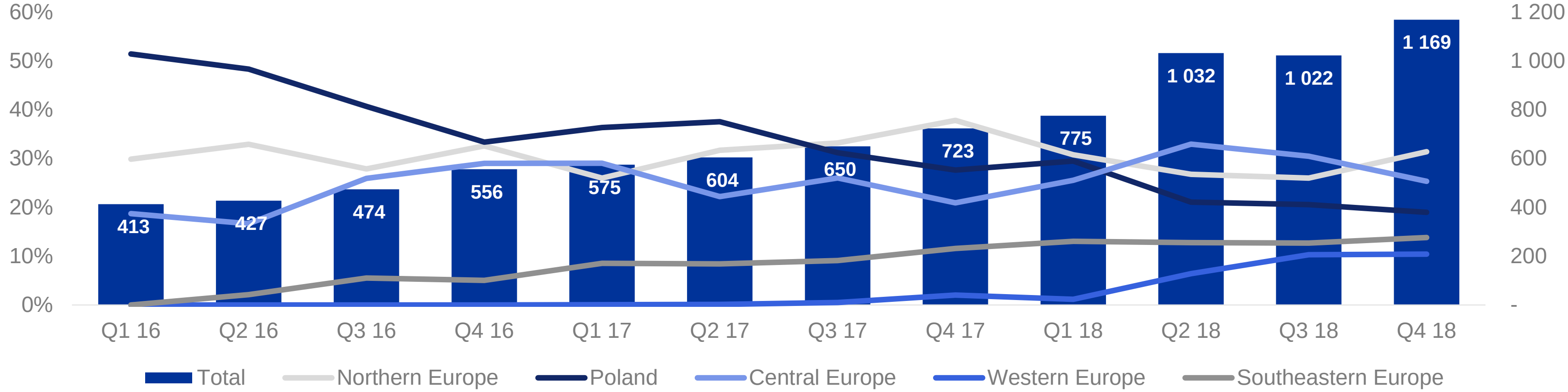
Greece, Romania, Bulgaria, Cyprus

1) Including the Group's share of portfolio purchased and held in joint ventures

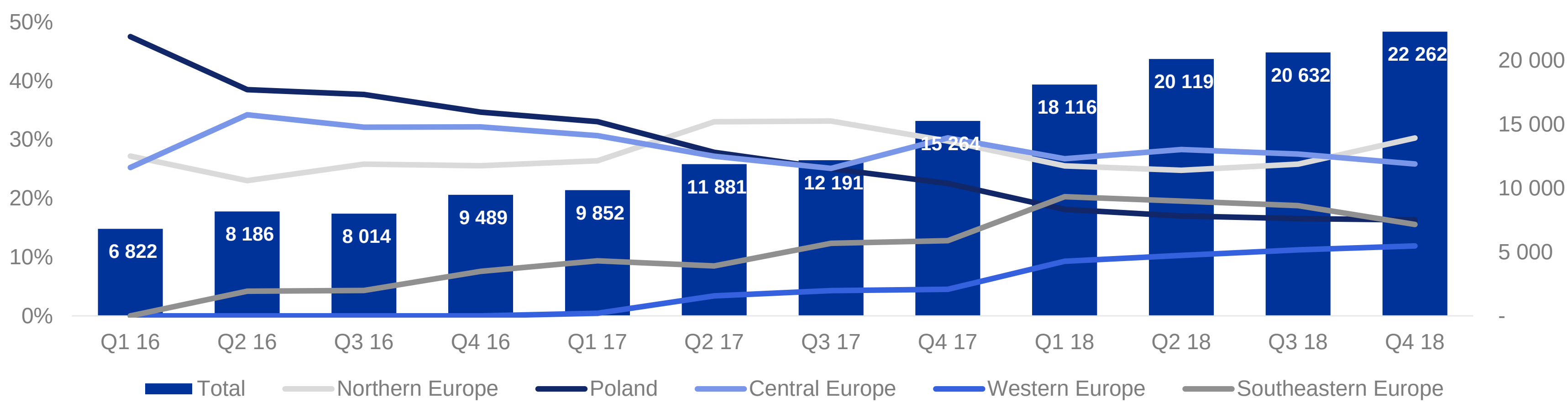
2) Assets Under Management = Face Value of owned portfolios + JVs, master servicing and third party servicing.

Increased diversification

Quarterly collection & relative distribution



Total ERC & relative distribution[1)]



[1)] Including the Group's share of portfolio purchased and held in joint ventures

Organisational overview

Olav Dalen Zahl
CEO

Harald Henriksen
Chief Governance Officer

- **Erik J. Johnsen** – Chief Financial Officer
- **Danckert Mellbye** – Chief Operation Officer
- **Jeremi Bobowski** – Chief Investment Officer
- **Harald Henriksen** – Chief Legal and Compliance Officer[1]
- **Thor Christian Moen** – General Counsel
- **Rasmus Hansson** – Director M&A

Northern Europe

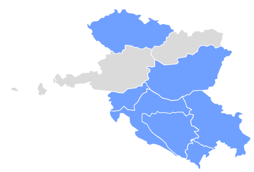
Scandinavia:
RD: Tore Krogstad
- Norway
- Sweden
- Denmark

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

Poland

RD: Adam Parfiniewicz
- Poland

Central Europe

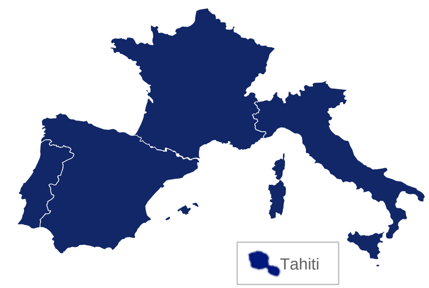


RD: Ilija Plavcic
- Croatia
- Slovenia
- Serbia
- Hungary
- Bosnia and Herzegovina
- Montenegro
- Czech Republic

South East Europe

RD: George Christoforou
- Bulgaria
- Romania
- Greece
- Cyprus

Western Europe



RD: Maria Haddad
- Italy
- Spain
- France
- Portugal

1) New «Chief Legal and Compliance Officer» to be recruited. Harald Henriksen will continue to cover this position as until new recruitment.

Key development areas

Operational excellence

- Continuous efforts through our Best Practice projects – improving processes and building culture
- Increased efficiency through
  - Automation of manual processes
  - Digitalisation of the interface with debtor
- Increased effectiveness through
  - Improved recovery process in secured assets
  - Increased use of analytics to develop new strategies in unsecured

Grow local assets in core markets

- Actively pursue asset growth based on a well defined portfolio strategy:
  - Distribute risks across geographies and asset classes
  - Increase volume of forward flow agreements
- Increase alternative revenue streams other than portfolio yields, e.g. third party servicing

Acquire or build further competencies

- Establish centres of competence across the platforms
  - Build upon our REOs platform (B2Assets), by adding new resources or acquiring a special servicer
  - Enhance our strong Corporate/SMEs force with specialist restructuring resources
- Explore further the concept of establishing a refinancing partner in economies with low lending ability/capacity by traditional lenders

Financial performance

Strong fourth quarter

Financial summary

NOKm	2018 Q4	2017 Q4	% change	2018 Full year	2017 Full year	% change
Total operating revenues[1)]	753	622	*21 %*	2,906	2,083	*40 %*
EBITDA	344	311	*10 %*	1,434	1,020	*41 %*
Operating profit (EBIT)	326	301	*8 %*	1,378	984	*40 %*
Profit margin	*43 %*	*48%*		*47 %*	*47 %*	
Cash Revenue[1)]	1,242	835	*49 %*	4,424	2,878	*54 %*
Cash EBITDA	833	524	*59 %*	2,952	1,815	*63 %*
Profit for the period after tax (PAT)	156	157	*0 %*	649	481	*35 %*
Earnings per share (EPS)	0.38	0.42	*-9 %*	1,63	1,30	*25 %*
Cash flow from operating activities	532	432	*23 %*	2,291	1,289	*78 %*
Operating cash flow per share	1.31	1.17	*12 %*	5,74	3,49	*64 %*
Portfolio acquisitions[3)]	1,634	1,951	*-16 %*	6,380	4,112	*55 %*
Cash collection from portfolios	1,169	723	*62 %*	3,997	2,552	*57 %*
ERC (at end of month)[2)]	22,262	15,264	*46 %*	22,262	15,264	*46 %*

Comments

- High operating profit of NOK 326m in Q4 2018, proforma operating profit of NOK 387m excluding an accounting loss on sale of portfolios of NOK 61m. Net cash gain on sale of portfolios
- Portfolio amortisation percentage increased to 42% - expected further increase in next quarters
- Profit margin remains high in Q4 at 43%. Proforma operating margin of 51%
- PAT of NOK 156m, proforma PAT of NOK 217m

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".
2) Including the Group's share of portfolio acquired and held in joint ventures
3) Including the Group's participation notes issued to joint venture for portfolio purchases in 2018

Record strong EBITDA, cash EBITDA and EBIT

Income statement

NOKm	2018 Q4	2017 Q4	2018 Full Year	2017 Full Year	2017 audited
Interest income from purchased loan portfolios	676	488	2,537	1,680	1,680
Net credit gain/loss purchased loan portfolios	3	22	-58	77	77
Profit from shares, associated companies and JVs	24	22	48	70	70
Other operating revenues	50	90	378	256	256
Total operating revenues	**753**	**622**	**2,906**	**2,083**	**2,083**
External costs of services provided	-97	-69	-363	-286	-286
Personnel costs	-194	-155	-692	-490	-490
Other operating expenses	-118	-87	-417	-287	-287
Depreciation and amortisation	-18	-10	-56	-36	-36
Operating profit (EBIT)	**326**	**301**	**1,378**	**984**	**984**
Financial income	0	1	5	3	3
Financial expenses	-189	-107	-618	-358	-358
Net exchange gain (loss)	40	20	44	18	18
Net financial items	**-149**	**-86**	**-570**	**-337**	**-337**
Profit before tax	**117**	**215**	**808**	**648**	**648**
Income tax expense	-21	-58	-159	-166	-166
Net profit	**156**	**157**	**649**	**481**	**481**
Cash revenue	**1,242**	**835**	**4,424**	**2,878**	**2,878**
Cash EBITDA	**833**	**524**	**2,952**	**1,815**	**1,815**
EBITDA	**344**	**311**	**1,434**	**1,020**	**1,020**

Comments

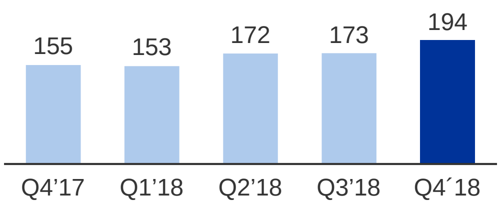
- Collection on unsecured above curves with NOK 40m. Timing effect on secured and some revaluation on unsecured curves resulted in net credit gain on purchased loan portfolios of NOK 3m
- Cost to collect was 24% in Q4 2018 (29% in Q4 2017). Volume effect materialising in SEE and WE. Some quarterly variations expected
- Increased interest costs due to higher debt of which 11m relates to decreased value of interest rate hedges mainly in EUR
- Unrealized currency effect of
  - NOK 20m due to change in NOK / EUR exchange rate
  - NOK 8m due to change in HRK / EUR exchange rate
- Lower taxes starting materializing as a result of previously announced restructuring – effective tax rate of 19.6%

Continued focus on cost and economies of scale

Operational costs split

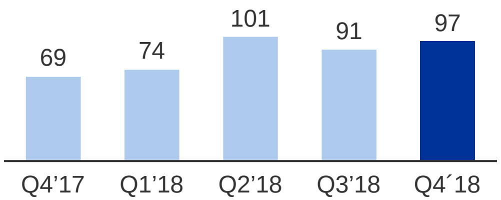
NOKm

Personnel costs



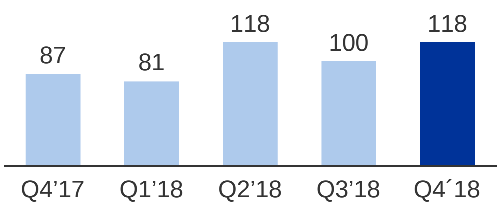
Personnel costs increased due to acquisition of Acreditia in Spain and increased number of FTE's, severance packages and bonus payments

External costs



Increased collection and legal activity in Western and South East Europe.

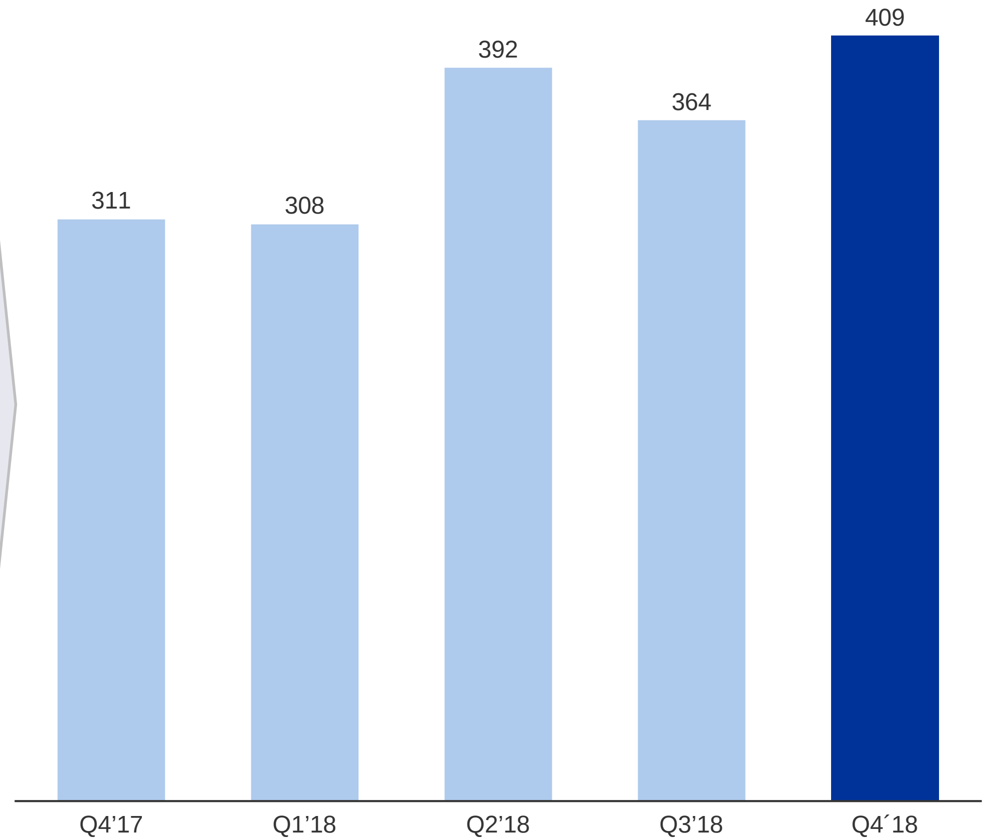
Other operating costs



Increased cost mainly related to consultancy fees and IT projects.

Total operational costs

NOKm



Financial highlights: Balance sheet

Balance sheet

NOKm	2018 Q4	2017 Q4	2017 audited
Tangible and intangible assets	274	201	201
Goodwill	785	522	522
Purchased loan portfolios	13,346	8,732	8,732
Other long-term financial assets	993	618	618
Deferred tax asset	97	66	66
Total non-current assets	**15,496**	**10,139**	**10,139**
Other short-term assets	280	207	207
Cash & short-term deposits	398	452	452
Total current assets	**678**	**659**	**659**
Total assets	**16,174**	**10,797**	**10,797**
Total equity	**4,355**	**3,148**	**3,148**
Long-term interest-bearing loans and borrowings	10,769	5,739	5,739
Deferred tax liabilities	163	96	96
Other long-term liabilities	98	70	70
Total non-current liabilities	**11,029**	**5,905**	**5,905**
Short-term interest-bearing loans and borrowings		989	989
Accounts and other payables	301	267	267
Income tax payable	47	57	57
Other current liabilities (incl. bank overdraft)	441	432	432
Total current liabilities	**789**	**1,744**	**1,744**
Total equity and liabilities	**16,174**	**10,797**	**10,797**

Comments

- Increase in purchased loan portfolios of 53% in 2018 vs 2017
- Equity ratio 26.9%, high cash position
- Investment capacity NOK 1.3bn[1)] plus monthly cash flow gives an estimated investment capacity of NOK 5.4bn for 2019
- Net interest-bearing debt NOK 10.4bn

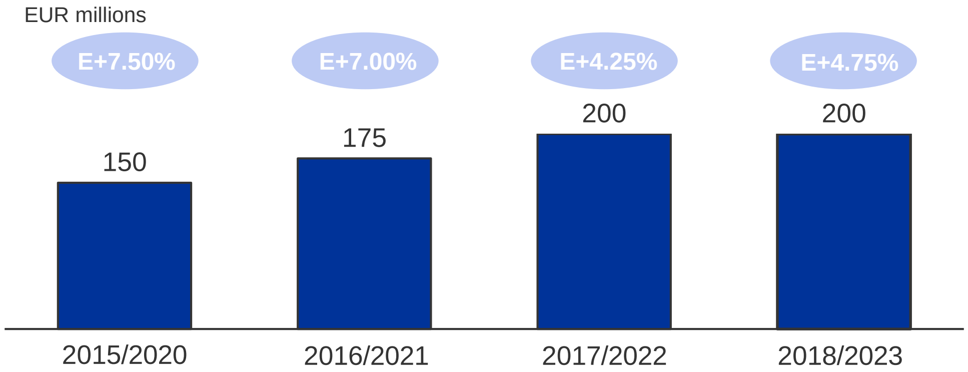
1) Adjusted for deferred payment for portfolio purchase of NOK 145m

Mature funding structure with prudent leverage

Strategy

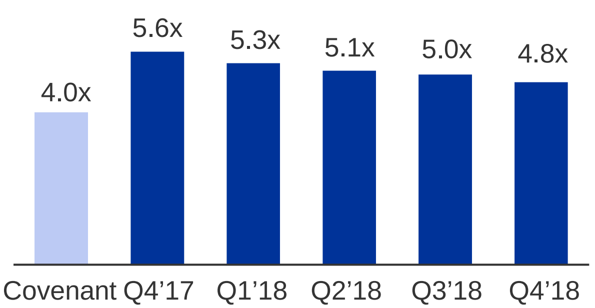
- Equity, bond and bank debt is used to get access to capital for when larger portfolios or platform acquisition opportunities arise
  - Total equity raised since 2011: EUR 307m (EUR 79m in 2018)
  - Total outstanding bonds: EUR 725m
  - Lower leverage ratio expected in 2019
- Adequate liquidity including increasing RCF capacity and cash reserves is maintained to facilitate future growth
  - Total RCF: EUR 510m (EUR 40m carved out in an overdraft)
  - Solid banks: DNB, Nordea and Swedbank
- Public rating
  - S&P: BB-
  - Moody's: Ba3

Successful issuance of four bonds

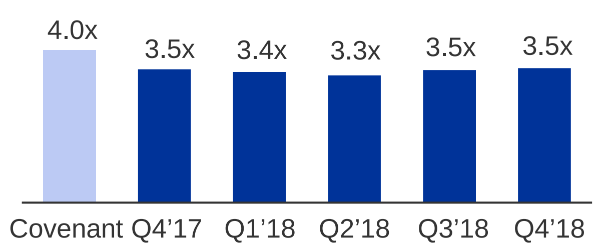


EUR 132m[1] liquidity reserves supporting future growth

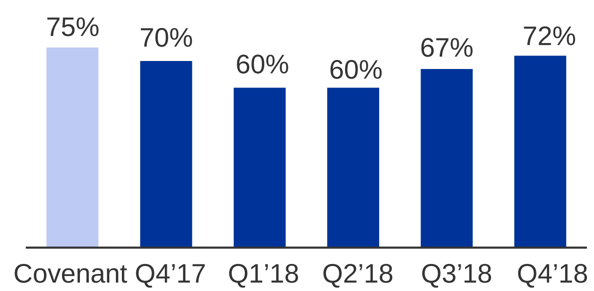
Interest coverage



Leverage



Loan to value



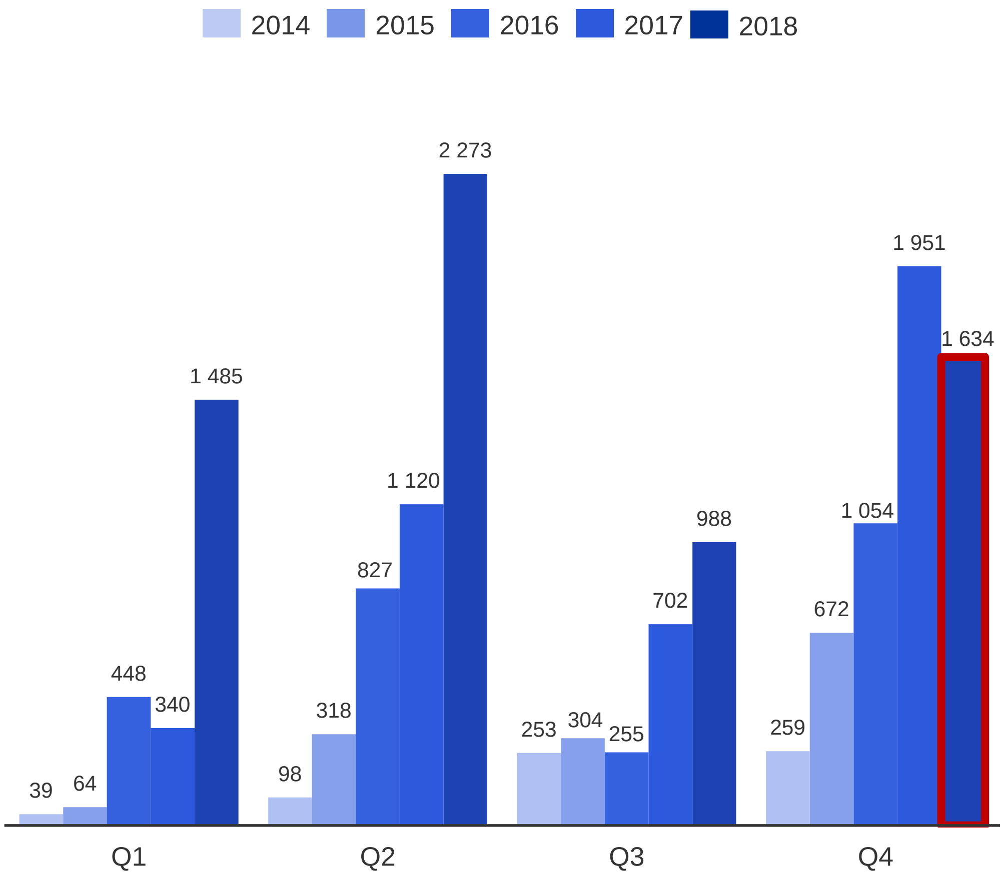
Source: Company reports, company information as of Q4 2018

[1] As of 31 December 2018. Calculated as EUR 127m undrawn existing RCF plus EUR 40m cash on balance sheet less NOK 200m (EUR 20m) in cash reserves and adjusted for EUR 15m in deferred payment on portfolios

Quarterly purchase volume: NOK 1,634m in Q4

Portfolio purchase volumes[1)]

NOKm

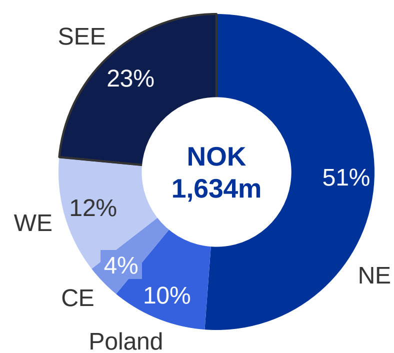


Comments

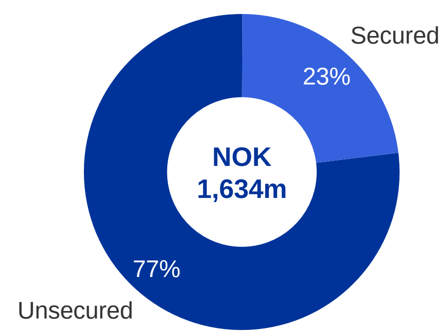
- Good volume for a fourth quarter
  - Improved estimated net IRR
- Portfolio purchases mainly in Northern Europe
- 77% of purchases in the quarter was unsecured portfolios
- First portfolio purchased in both Spain and Portugal

Key details portfolio purchase volume[1)]

Geography distribution



Distribution by type



1) Including the Group's participation notes issued to joint venture for portfolio purchases in 2018

Highly diversified portfolio yielding stable and predictable cash flows: Total gross ERC of approx. NOK 22.3bn (46% growth y-o-y)

Development in total gross ERC[1)]

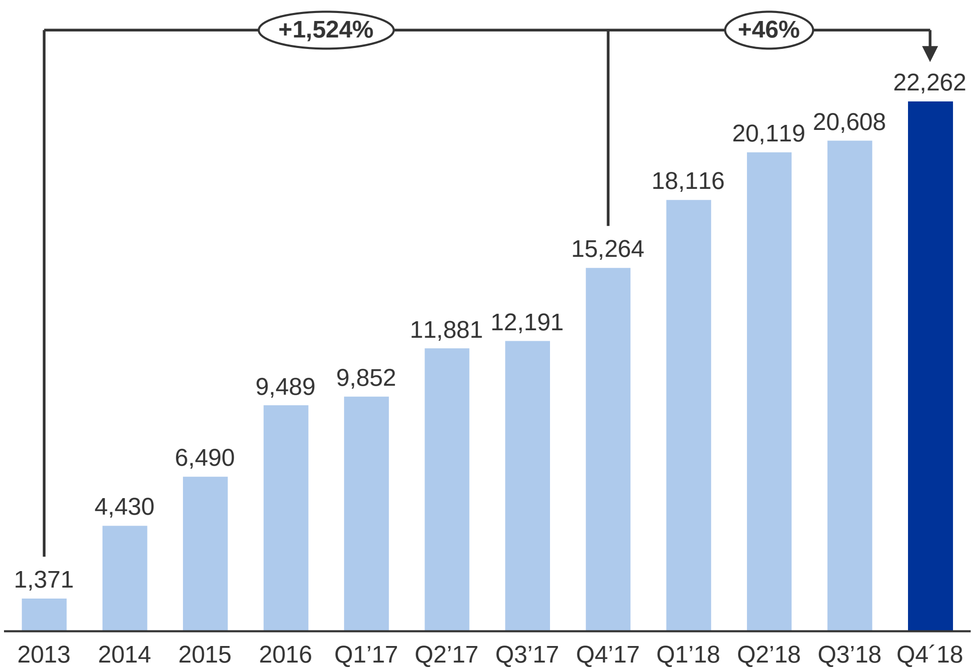
NOKm

Claims (#):

~7.1m

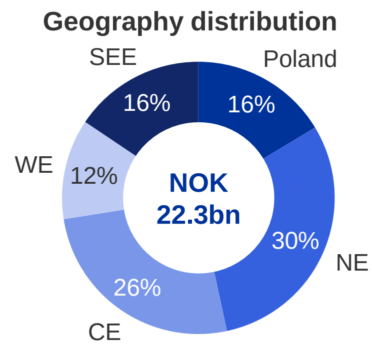
Face value[1)] (NOK):

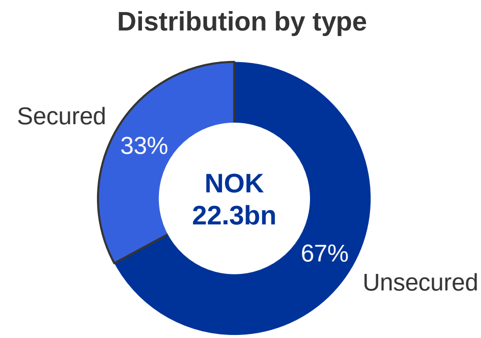
~152bn



Portfolio details (total gross ERC)[1)]

NOKm





Unsecured	1	2	3	4	5	6	7	8	9	10	120m ERC	Total ERC
Poland	848	697	489	365	275	204	152	113	78	48	3,269	3,328
NE	1,230	1,021	857	707	578	469	380	302	236	185	5,966	6,684
CE	410	358	296	251	204	158	129	79	32	17	1,934	1,958
WE	118	114	95	76	67	46	38	29	21	5	610	613
SEE	463	478	402	319	246	183	119	72	46	32	2,360	2,360
Sum	**3,069**	**2,668**	**2,140**	**1,718**	**1,369**	**1,061**	**818**	**596**	**412**	**288**	**14,139**	**14,944**

Secured	1	2	3	4	5	6	7	8	9	10	120m ERC	Total ERC
Poland	75	68	155	8	1	1	1	1	0	0	312	312
NE	13	13	9	7	5	4	3	3	1	-	58	58
CE	2,278	1,019	337	83	29	11	4	31	1	1	3,795	3,799
WE	392	532	379	416	191	86	26	11	5	4	2,041	2,041
SEE	544	370	136	45	10	2	-	-	-	-	1,108	1,108
Sum	**3,302**	**2,001**	**1,018**	**559**	**237**	**105**	**35**	**45**	**7**	**5**	**7,314**	**7,318**
Total	**6,371**	**4,670**	**3,157**	**2,277**	**1,606**	**1,166**	**852**	**641**	**420**	**292**	**21,453**	**22,262**

1) Including the Group's share of portfolios acquired and held in joint ventures

Disclaimer: B2Holding ASA emphasizes that every assessment of future conditions necessarily involves an element of uncertainty.

ERC profile next twelve months

ERC Year 1[1)2)]

Secured	Q1'19	Q2'19	Q3'19	Q4'19	Year 1
Poland	7	16	28	25	75
NE	3	3	3	3	13
CE	549	706	550	474	2,278
WE	100	73	77	141	392
SEE	103	141	119	104	467
Total	**761**	**938**	**778**	**748**	**3,225**
Unsecured	**Q1'19**	**Q2'19**	**Q3'19**	**Q4'19**	**Year 1**
Poland	216	213	212	207	848
NE	310	322	296	302	1,230
CE	103	101	103	103	410
WE	26	29	27	36	118
SEE	96	96	95	91	378
Total	**750**	**762**	**733**	**739**	**2,984**
Total	**1,512**	**1,700**	**1,511**	**1,487**	**6,210**
Amortization back book	**57 %**	**64 %**	**63 %**	**66 %**	**62 %**

Comments

- ERC excluding JV
- Secured collection with larger variation quarter by quarter
- Unsecured collection more stable, but with some seasonality
- Amortization related to the back book is expected to increase over the next quarters

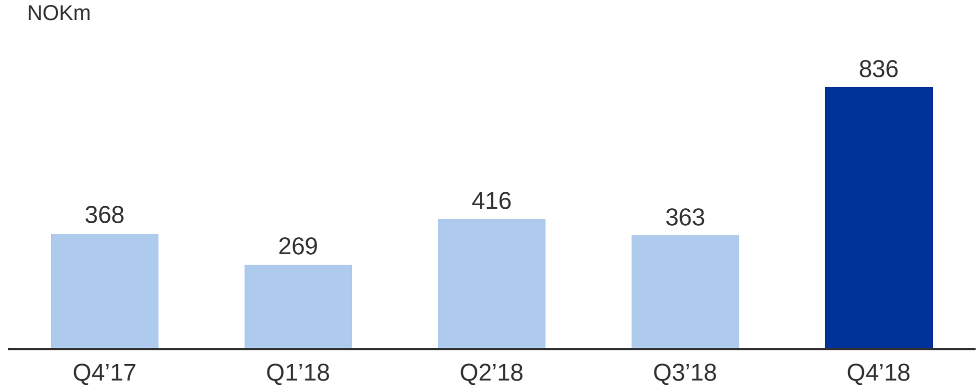
1) Does not include the Group's share of portfolio acquired and held in joint ventures
2) Disclaimer: B2Holding ASA emphasizes that every assessment of future conditions necessarily involves an element of uncertainty

Segment financials:
Northern Europe (NE)

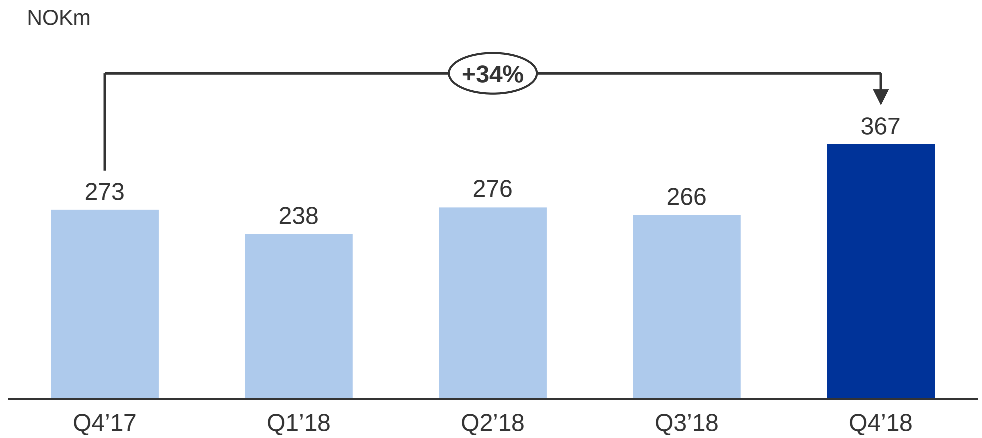
Comments

- Portfolio purchase volume of NOK 836m in the quarter
  - Largest acquisition was in Denmark
- All-time high gross cash collection of NOK 367m in Q4
  - Collection on unsecured above the curve with NOK 28m
  - Net credit gain/loss from unsecured portfolios NOK 13m
- Operating margin increased to 57% in Q4 (48% Q4 2017)
- Cost to collect 17% in Q4 (18% Q4 2017)

Purchased loan portfolios



Gross cash collection on portfolios

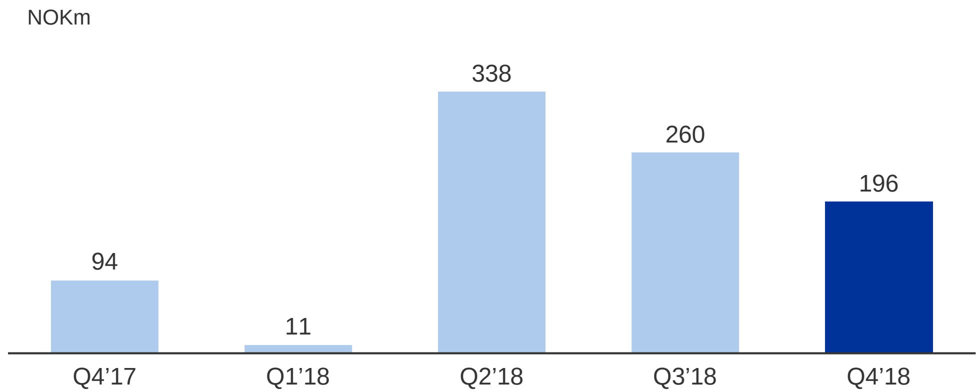


Segment financials:
Western Europe (WE)

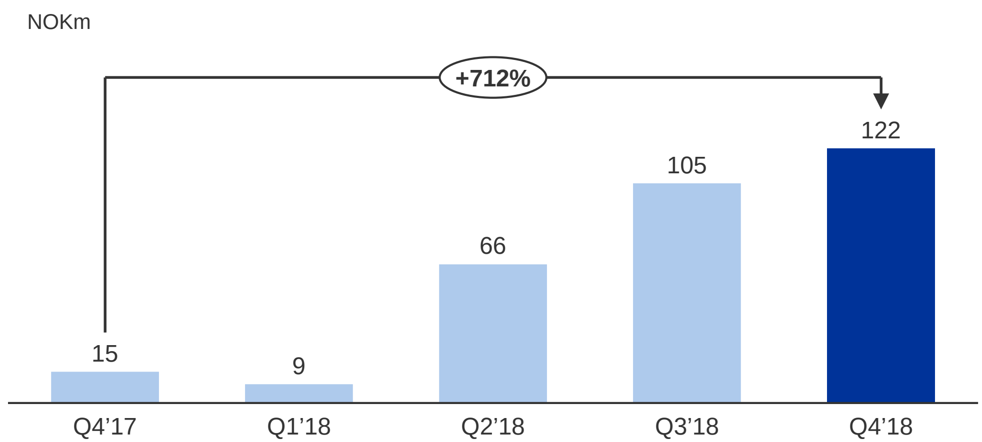
Comments

- Portfolio purchases of NOK 196m in the quarter
  - First portfolio purchase in Spain and Portugal, well positioned for further growth
- High gross cash collection in Q4 of NOK 122m
  - Collection on unsecured was above expectations with NOK 10m
  - Collection on secured was above expected, combined with revaluation, the net credit gain was NOK 15m due to earlier collection than expected in both France and Italy
- Cost to collect 34% in Q4 (49% Q4 2017) due to increased collection/volume effects and internal collection in Italy
- Good pipeline in the region
- WE established as a region from 2018
  - 2017 figures only include Italy

Purchased loan portfolios



Gross cash collection on portfolios

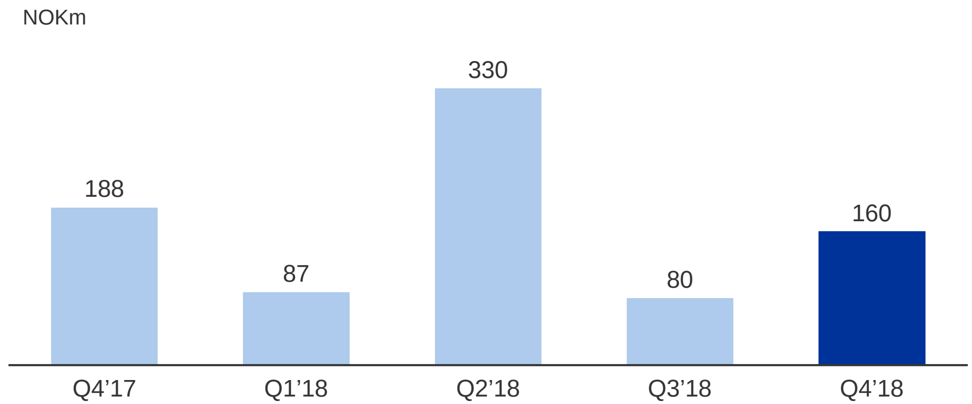


Segment financials:
Poland (P)

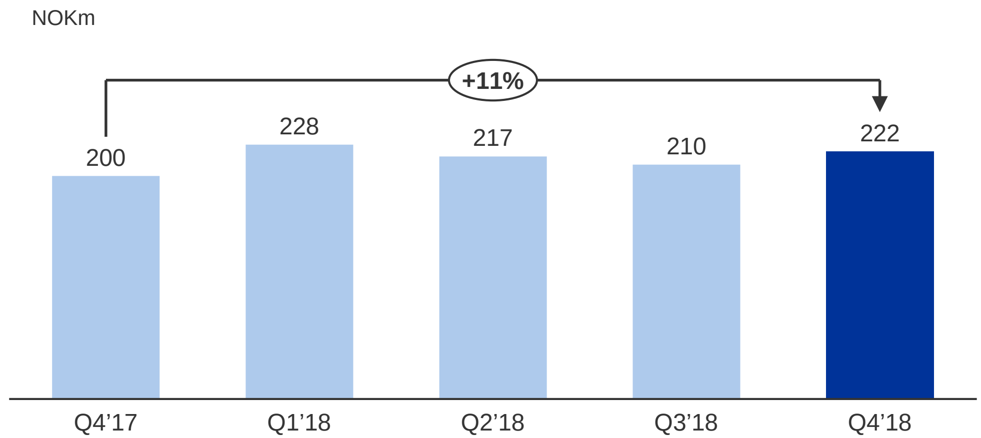
Comments

- Portfolio purchase volume of NOK 160m in the quarter
  - New forward flow deals
  - Competitive market landscape is changing resulting in improved IRRs on portfolio purchases
- Gross collection in Q3 of NOK 222m
  - Collections in line with expectations
- Operating margin 37% in Q4 (23% Q4 2017)
  - Restructuring program increase efficiency in collection and CTC
- Cost to collect down to 33% (36% Q4 2017) due to increased cash collection and reorganisation (reduced FTE's)

Purchased loan portfolios



Gross cash collection on portfolios

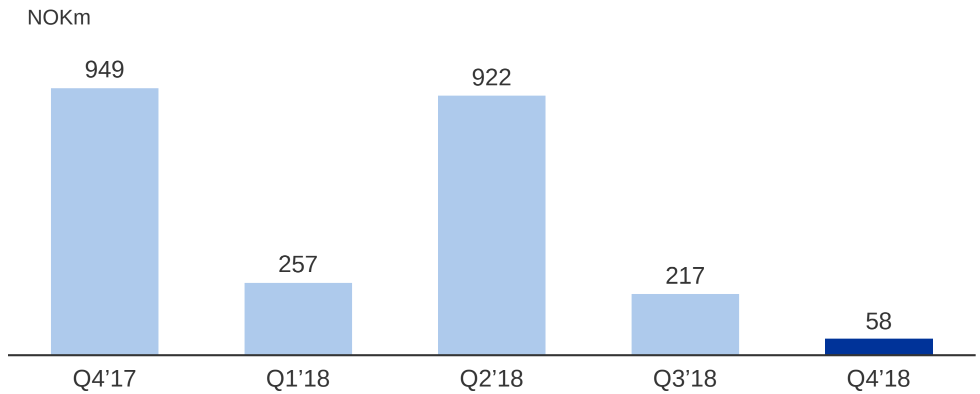


Segment financials:
Central Europe (CE)

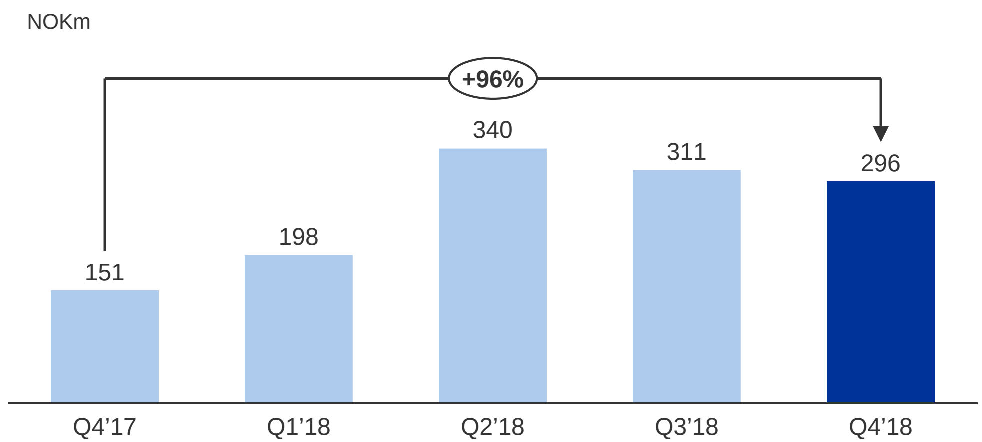
Comments

- Portfolio purchase volume of NOK 58m in the quarter
- Gross collection in Q4 of NOK 296m
  - Unsecured portfolio collection below curves with NOK 5m. YTD the collection is above curves with NOK 5m
  - Collection on secured combined with revaluation below expectation with NOK 33m primarily due to time effect
- Cost to collect is 18% in Q4 versus 31% in Q4 2017 due to volume effects
- In January 2109, the Group announced a purchase of secured corporate loans in Croatia, in a 50/50 joint venture with DDM Group. Expected to be closed in Q2 2019
- Good portfolio pipeline in the region

Purchased loan portfolios



Gross cash collection on portfolios

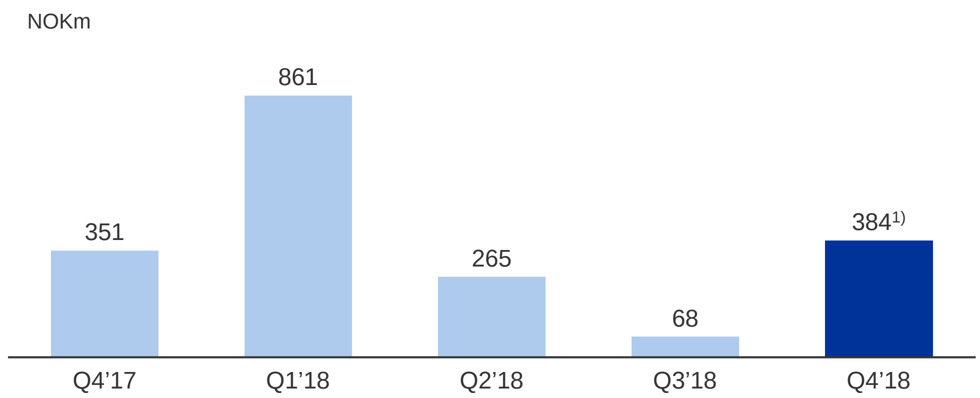


Segment financials:
South Eastern Europe (SEE)

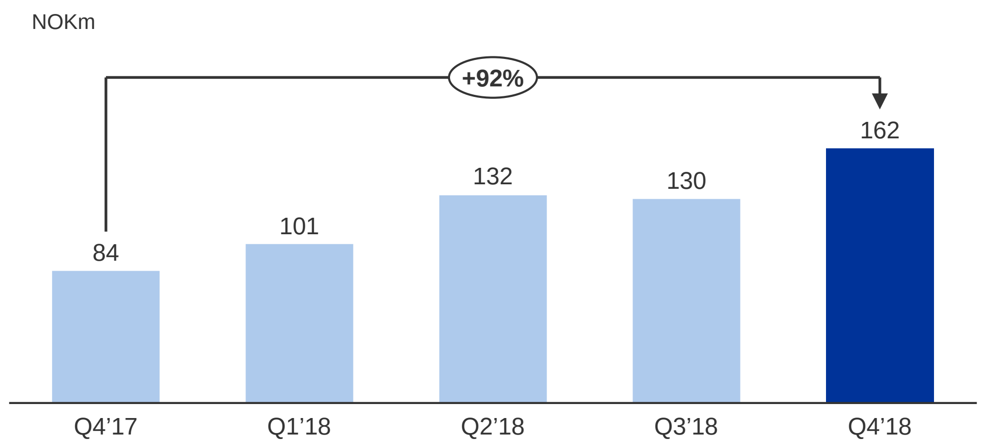
Comments

- Portfolio purchases of NOK 384m[1)] in the quarter
- Gross cash collection in Q4 of NOK 162m
  - Unsecured portfolio collection above curves with NOK 7m, while YTD show collection above curves at NOK 22m
  - Secured portfolio collection was below expected. Combined with revaluation, the net credit gain was NOK 2m due to timing effect
- Cost to collect is 35% in Q4 versus 48% in Q4 2017 due increased collection volumes, operational improvements and investment in secured portfolios
- The Group entered into new strategic joint venture corporations in Greece. The group had an accounting loss on sale of purchased loan portfolio to the joint Venture. The sale of the portfolio generated net positive cash when taking net gross cash collection and purchase price into consideration
- Good visibility of portfolio pipeline in the region

Purchased loan portfolios



Gross cash collection on portfolios[2)]



[1)] Including the Group's participation notes issued to joint venture for portfolio purchases in 2018

[2)] Gross cash collection on portfolios does not include cash collection from JVs

Expected continued growth in 2019 – continued strong focus on operational performance

Outlook

Financial	▪ Focus on further growth within the established platforms ▪ Significant investment capacity estimated for 2019 ~ NOK 5.4bn ▪ Focus on financial targets ▪ Asset under management and co-investment structure
Operational and organisational	▪ Strong pipeline within both secured and unsecured portfolios ▪ Geographic diversification in portfolio purchases expected to continue ▪ Strong focus on improvement of operational processes and efficiency

Disclaimer: B2Holding ASA emphasizes that every assessment of future conditions necessarily involves an element of uncertainty

Q&A

Financial highlights: Cash flow

Consolidated cash flow

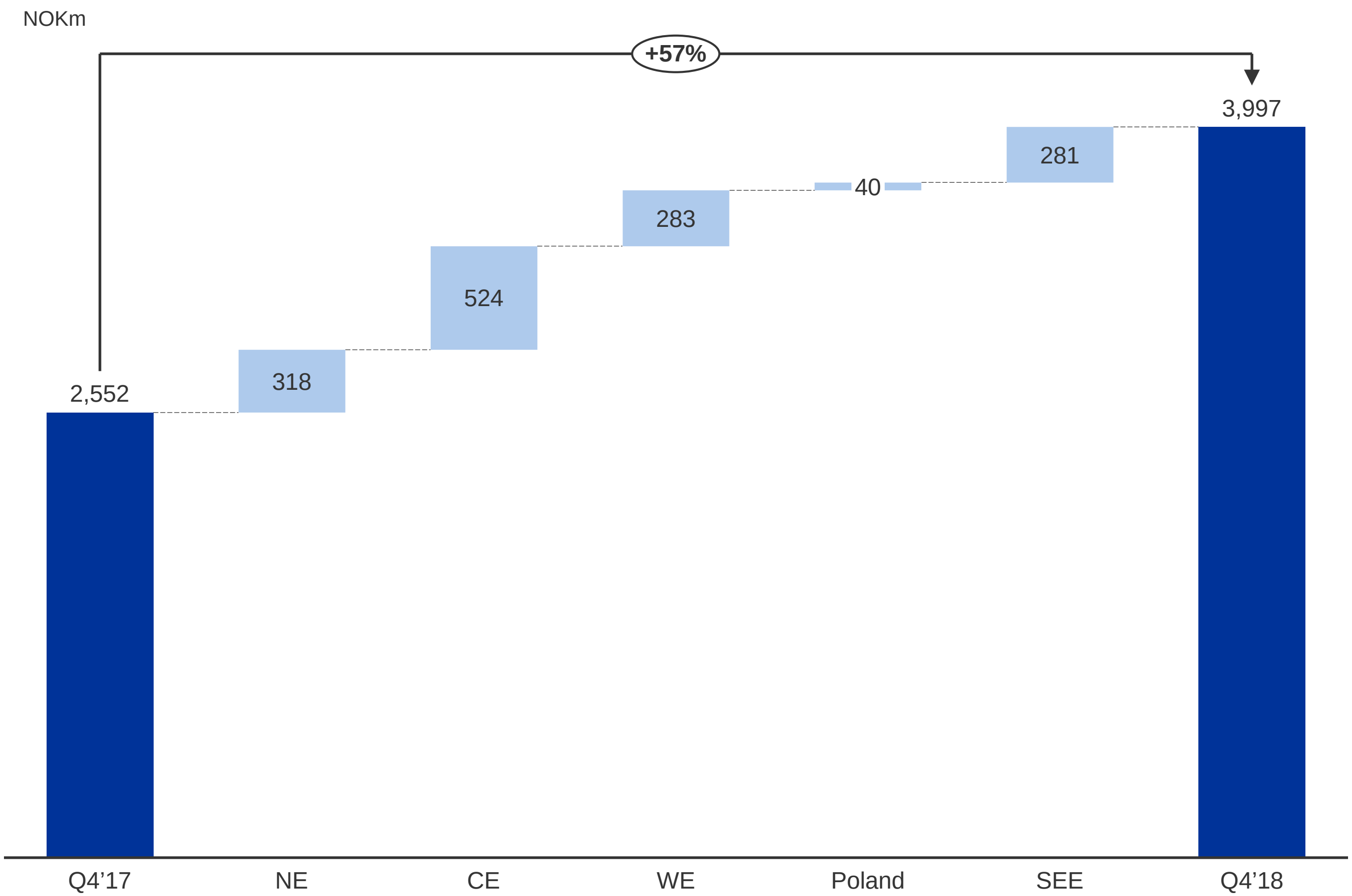
NOKm	2018 Q4	2017 Q4	2018 Full Year	2017 Full year
Profit for the period before tax	177	215	808	648
Amortisation/revaluation of purchased loan portfolios	490	213	1,518	795
Adjustment other non-cash items	82	10	127	36
Interest expense on loans	184	107	611	357
Interest paid on loans and borrowings	-143	-97	-525	-318
Unrealised foreign exchange differences	-119	-69	18	-98
Income tax paid during the year	-50	-25	-176	-138
Change in working capital	-46	132	-30	69
Change in other balance sheet items	-42	-54	-60	-62
Net cash flow from operating activities	**532**	**432**	**2,291**	**1, 289**
Purchase of loan portfolios	-1,380	-1,767	-5,879	-4,073
Net investments in intangible and tangible assets	-18	-32	-86	-53
Investments in business acquisitions	-15	-115	-309	-144
Net cash flow from investing activities	**-1,413**	**-1,914**	**-6,274**	**-4,270**
Net new share issue	11	4	753	4
Net receipts (payments) on loans / borrowings	717	1,601	3,356	3,115
Dividends paid			-122	-55
Net cash flow from financing activities	**727**	**1,605**	**3,986**	**3,064**
Net cash flow in the period	**-154**	**123**	**3**	**83**
Cash and cash equivalents at beginning of the period	457	186	326	218
Exchange rate difference on cash	35	18	10	26
Cash and cash equivalents at end of the period	**339**	**326**	**339**	**326**

Comments

Increased operating cash flow enables us to do record high investments

Strong gross collection: +57% to NOK 3,997m

Bridge YTD Q4’17- YTD Q4’18: Gross cash collection on portfolios

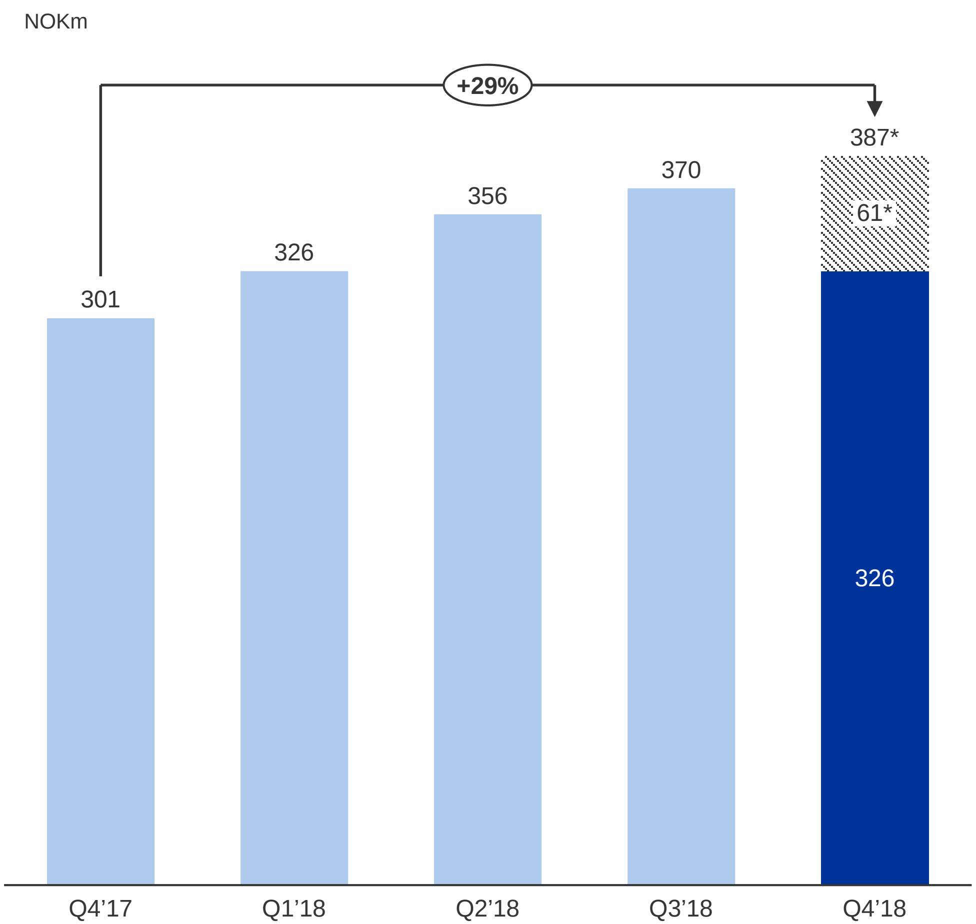


Comments

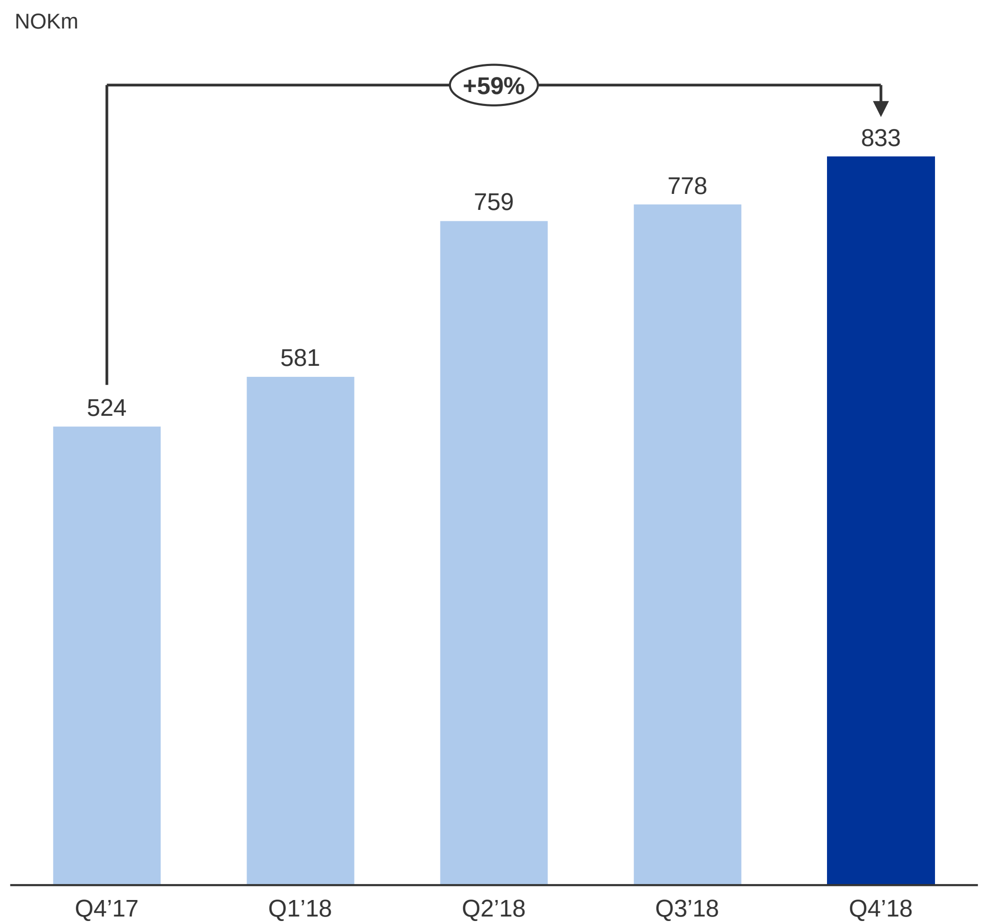
- Strong gross cash collection
- Solid growth in NE (+38%), CE (+84%) SEE (116%) and WE. Steady collections in Poland
- Expect continued strong growth in gross cash collection in CE and SEE going forward related to secured portfolios

Eleventh consecutive record quarter in terms of cash EBITDA

EBIT



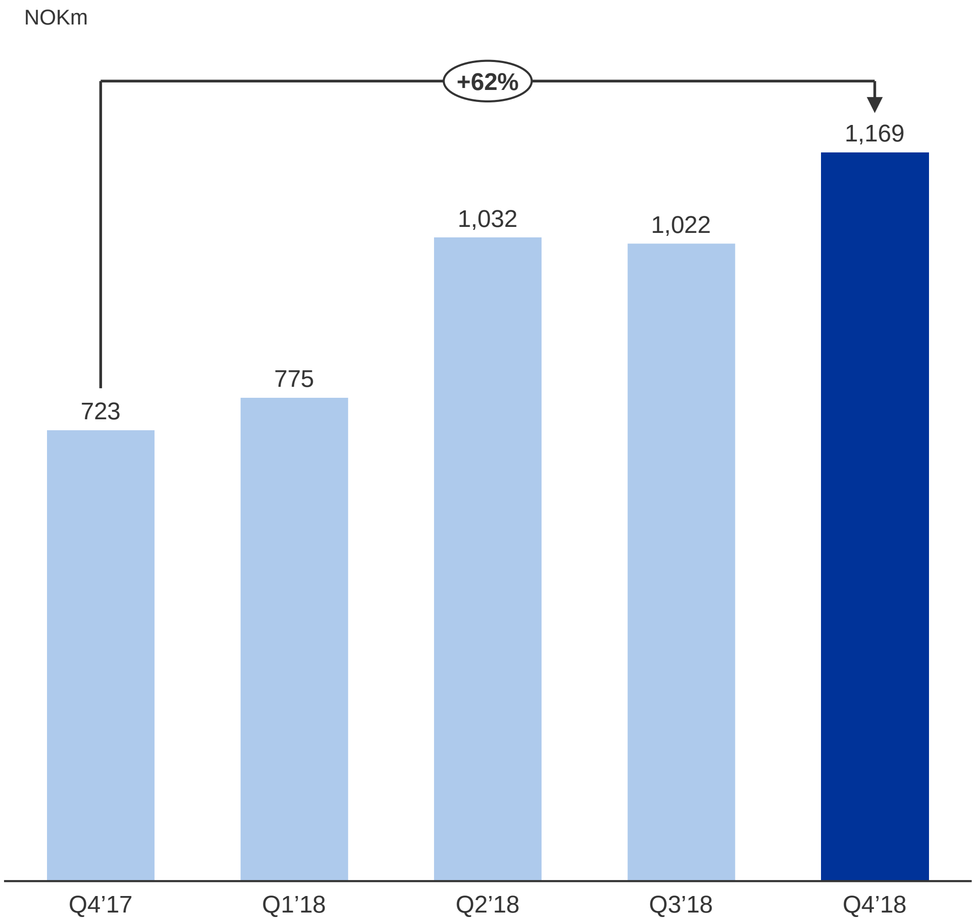
Cash EBITDA



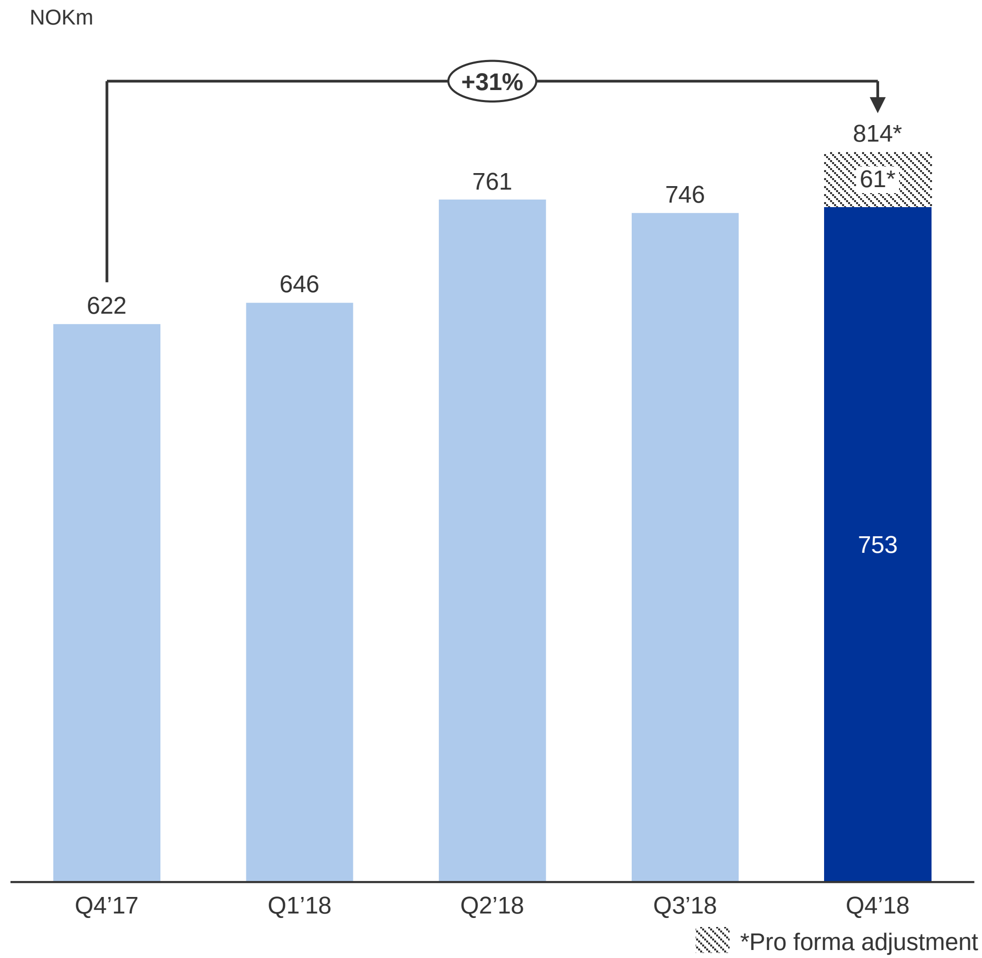
*Pro forma adjustment

All-time high cash collection and high total operating revenue

Gross cash collection on portfolios



Total operating revenue



20 largest shareholders

#	Shareholder	No of shares	Percentage
1	PRIORITET GROUP AB	52 200 000	12,73 %
2	RASMUSSENGRUPPEN AS	43 073 236	10,51 %
3	VALSET INVEST AS	25 000 000	6,10 %
4	STENSHAGEN INVEST AS	17 393 376	4,24 %
5	VERDIPAPIRFONDET DNB NORGE (IV)	12 979 884	3,17 %
6	VEVLEN GÅRD AS	9 000 000	2,20 %
7	BRYN INVEST AS	8 676 690	2,12 %
8	K11 INVESTOR AS	8 191 680	2,00 %
9	RUNE BENTSEN AS	8 191 680	2,00 %
10	VERDIPAPIRFONDET ALFRED BERG GAMBAK	7 825 891	1,91 %
11	ARCTIC FUNDS PLC	6 934 734	1,69 %
12	STOREBRAND NORGE I VERDIPAPIRFOND	6 675 045	1,63 %
13	VERDIPAPIRFONDET PARETO INVESTMENT	6 381 405	1,56 %
14	ARCTIC FUNDS PLC	6 086 327	1,48 %
15	GREENWAY AS	5 802 368	1,42 %
16	SWEDBANK ROBUR NORDENFON	5 400 000	1,32 %
17	VERDIPAPIRFONDET ALFRED BERG NORGE	5 331 620	1,30 %
18	VERDIPAPIRFONDET DNB NORGE SELEKTIV	4 954 526	1,21 %
19	VERDIPAPIRFONDET ALFRED BERG AKTIV	3 677 726	0,90 %
20	LIN AS	3 501 670	0,85 %
	Other	162 654 740	39,68 %
	Total	**409 932 598**	**100,00 %**

Note: Updated per 25 February 2019

B2HOLDING®

Making each other better

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