

B2Holding ASA

Arctic Nordic Debt Collection Webinar

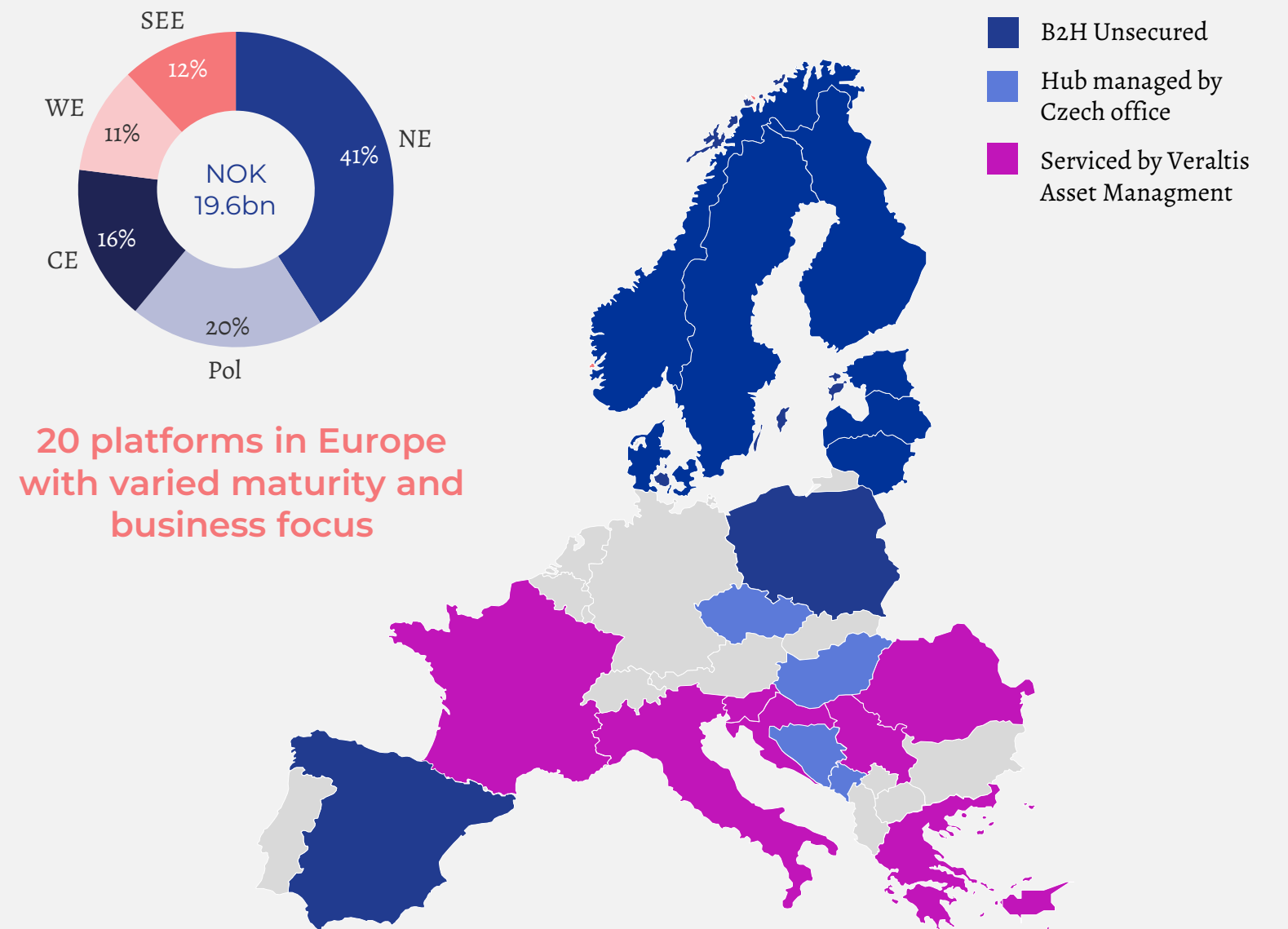
13 January 2023

B2HOLDING®

This is B2Holding

NOKm	Q3'22	9M'22
Net revenues	797	2 261
Adjusted EBIT	373	992
Adjusted EBIT Margin	47%	43%
EBIT	337	725
ERC	19,590	19,590
Cash collections	1,244	3,704
Cash EBITDA	973	2,857
#FTEs	1,892	1,892
EPS	0.36	0.67

- Leading pan-European credit management servicer headquartered in Norway and listed on the Oslo Stock Exchange under the ticker B2H
- Focus: Granular consumer NPLs, and retail and corporate secured NPLs, owned and serviced for JV partners



Highlights

Q3 performance

- Strong unsecured collection performance of 104.4%
- Growth in secured cash recoveries driven by REO sales of NOK 169m

Operations

- Restructuring of Secured business coming to an end with increased interest for co-investments
- Improved scalability in key markets through increased efficiency and effectiveness

Investments

- Expected increase in net returns going forward
- Continued focus on capital and price discipline

Q4 guiding

- Collection performance from previous quarters continued into Q4 with strong cash flow expected
- Portfolio purchases above replacement capex for the full year

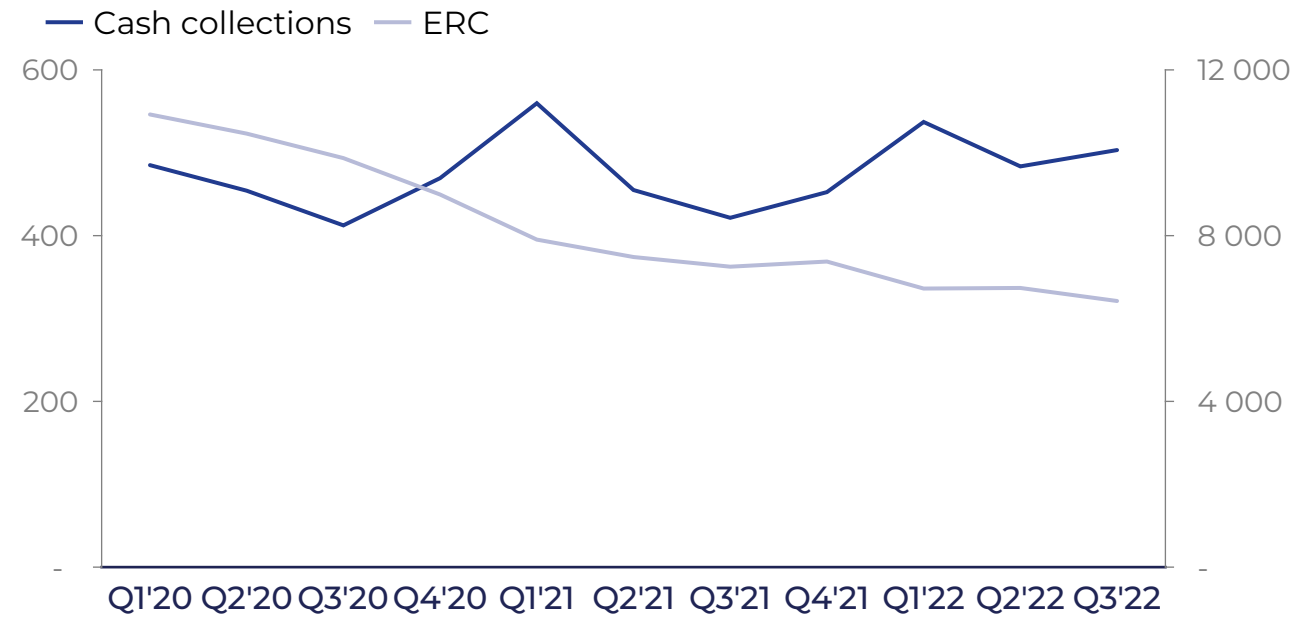
Maintaining capital discipline in changing market dynamics



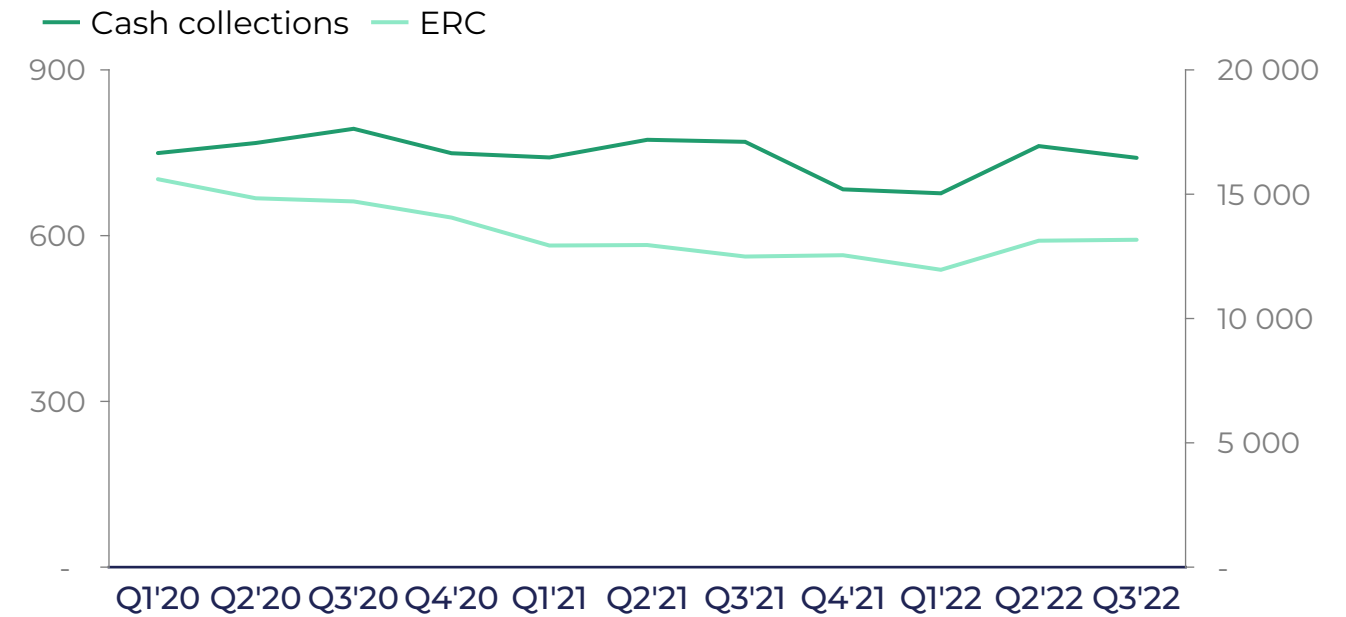
- Significant increase in portfolio investments in 2022 versus 2021 and improved returns on portfolios acquired
- Early signs of heightened capital discipline and prudent pricing across the industry
- Target returns increased to reflect current uncertainty and market interest rates
- At the end of the third quarter, NOK 1.4bn were invested in new portfolios and NOK 330m committed for the remainder of 2022
- Expected total investments of NOK 2.5 - 3bn this year, implying an investment level around NOK 1-1.5bn in the fourth quarter

Scalability across our markets

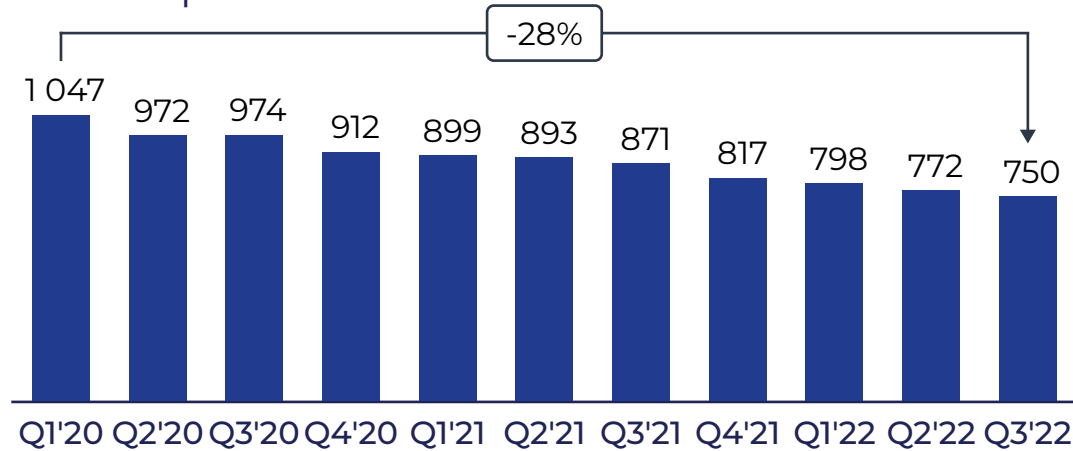
Secured markets (Veraltis Asset Management)



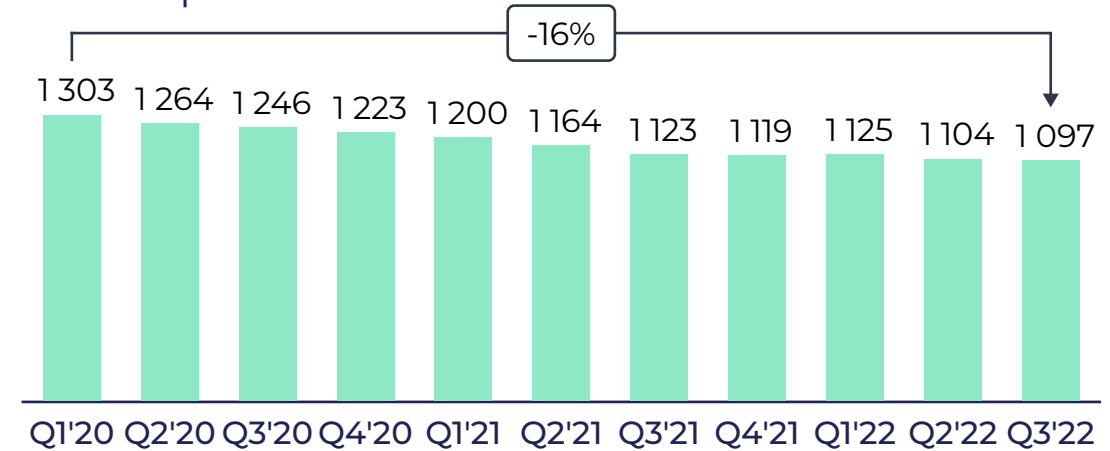
Unsecured markets



FTE development¹⁾



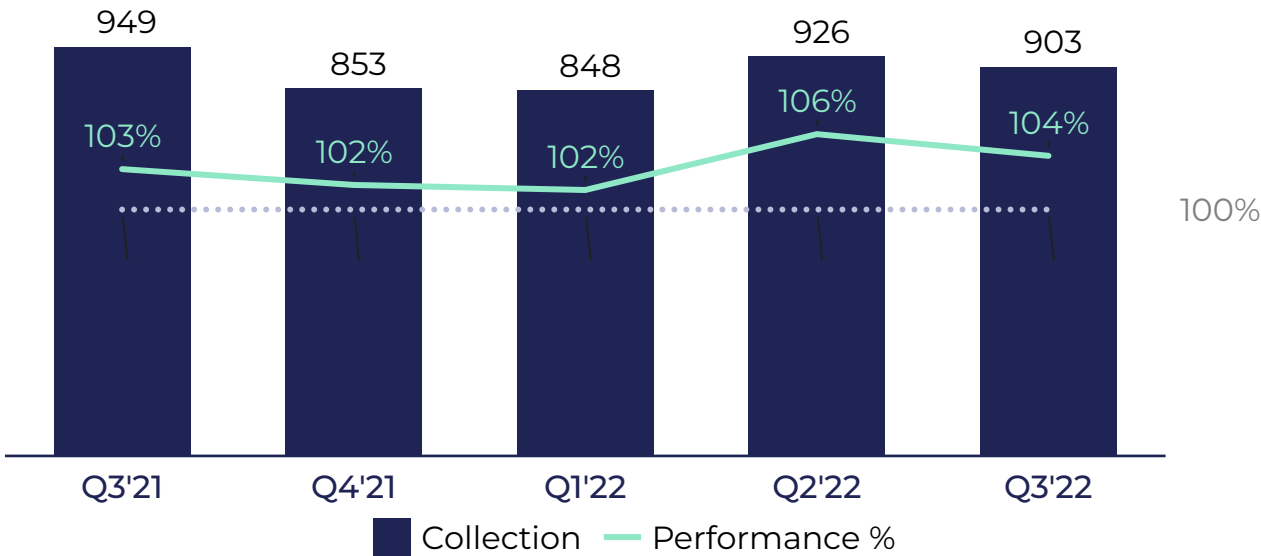
FTE development



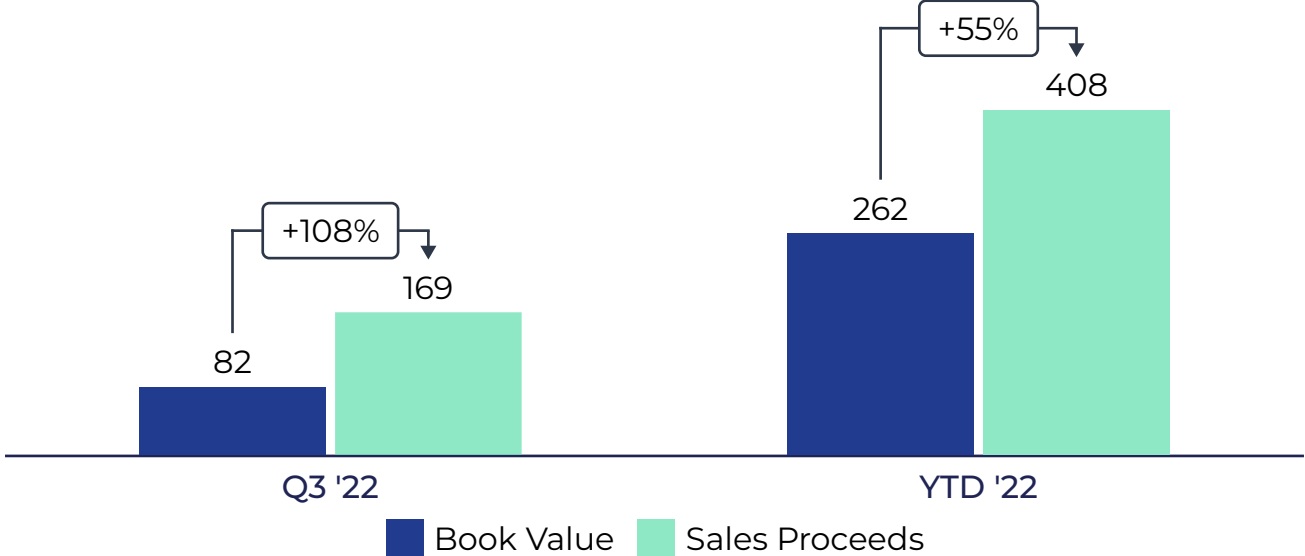
¹⁾ FTEs for Veraltis Asset Management includes 169 FTEs from Bulgaria as at end Q3'22

Collection Performance excl. JVs

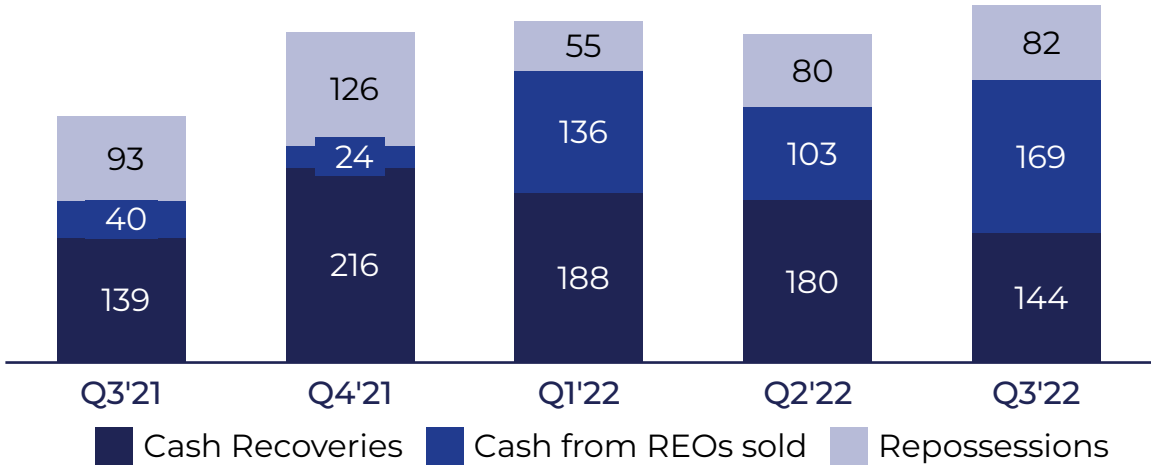
Unsecured collection performance



REOs sold



Secured recoveries

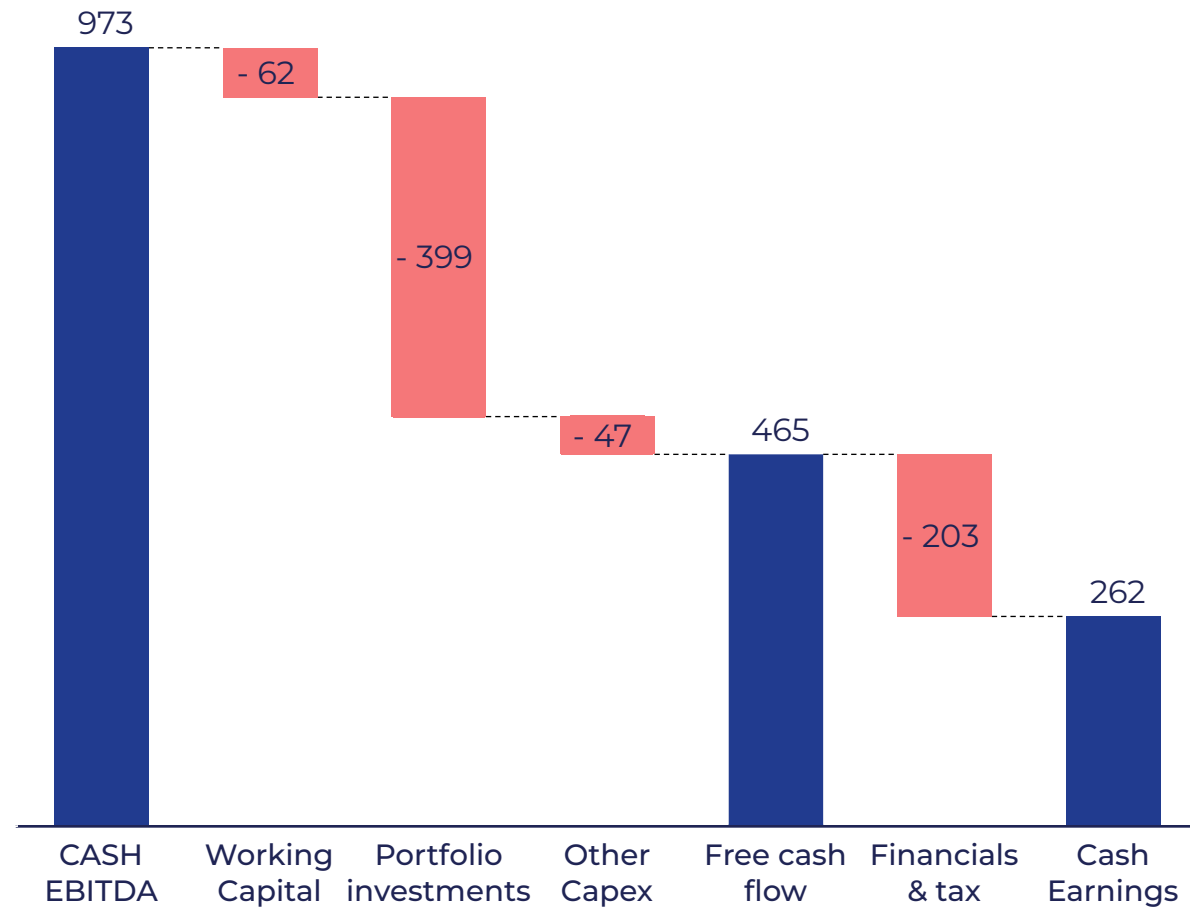


- Continued strong trend in Unsecured collection performance
- Secured cash collections up 82% YoY constant FX
- REO sales YTD ahead of target; updated FY 2022 target NOK 500m

Positive cash earnings and low leverage

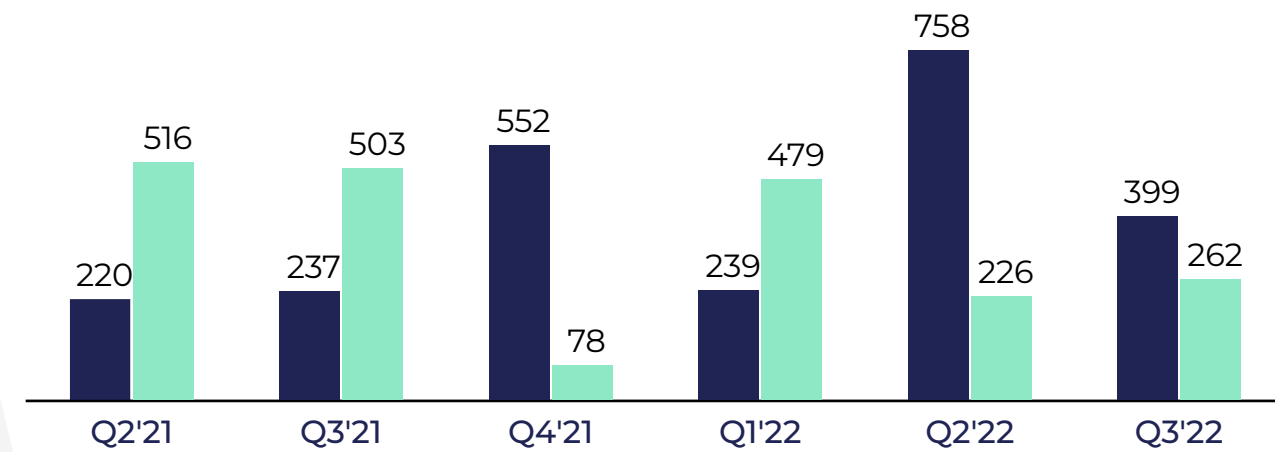
Cash flow Q3 2022

NOKm Increase Decrease Total



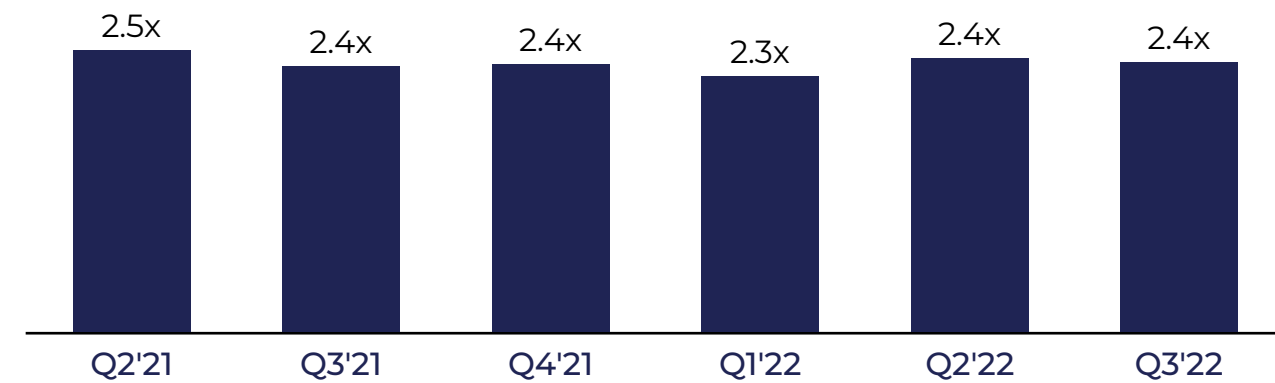
Additional investment capacity

NOKm Portfolio investments Cash Earnings



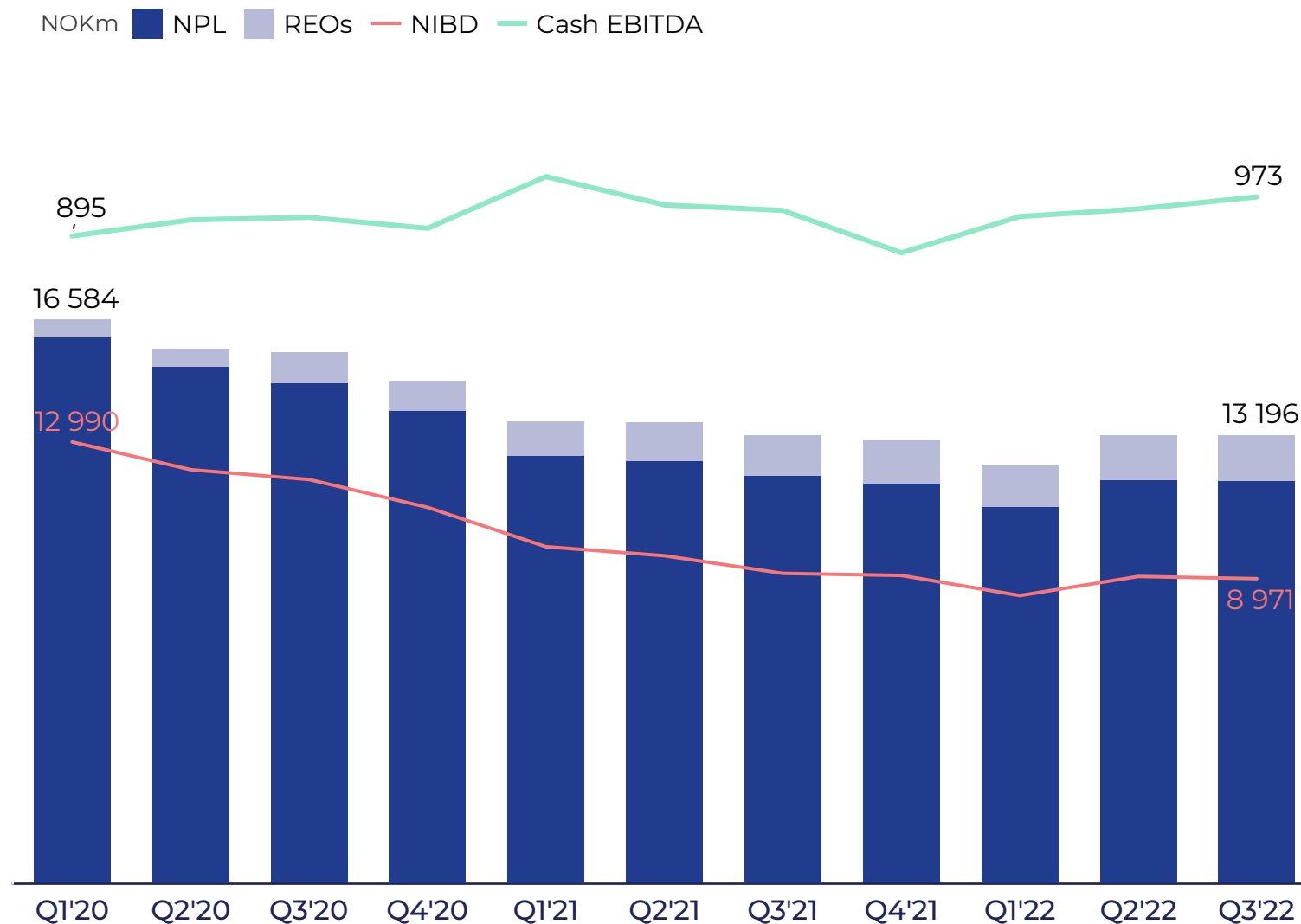
Stable leverage ratio

Lev.ratio



Strong Cash EBITDA trend expected to continue into Q4 2022

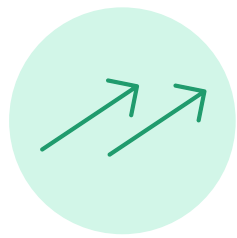
Growth in Cash EBITDA despite lower BV and ERC



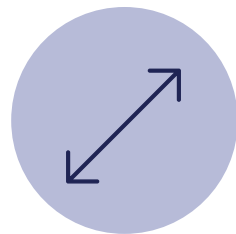
Cash collections exceeding gross collections

- Repossession strategy proven to add value above BV...
- ... leading to positive impact on Cash metrics vs P&L
- Improved book value control and collection performance
- Leverage ratio significantly reduced from ~3.5x to 2.4x
- Expect similar cash trend in Q4 2022 driven by:
 - Increased FY 2022 REO target of NOK 500m
 - Strong secured collections from JVs in Q3 resulting in around NOK 150m in cash from JVs (with limited P&L impact)
 - Stable unsecured collections

Key takeaways



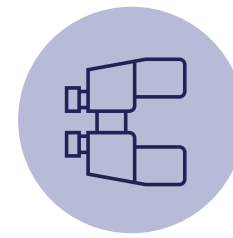
Resilient and strong collections and recoveries



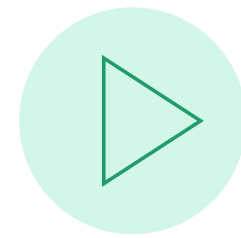
Improved scalability in key markets



Increased investment activity with higher net IRRs



Higher market activity expected going forward



Capital discipline in changing market dynamics

Q&A





b2holding.no

IR contact

Rasmus Hansson

Head of Commercial Strategy
and Investor Relations

+47 952 55 842

rh@b2holding.no



B²HOLDING®

