



Q2 2018 presentation

B²HOLDING[®]
Making each other better

Oslo, 31 August 2018

Highlights Q2 2018

Overview

Financial developments

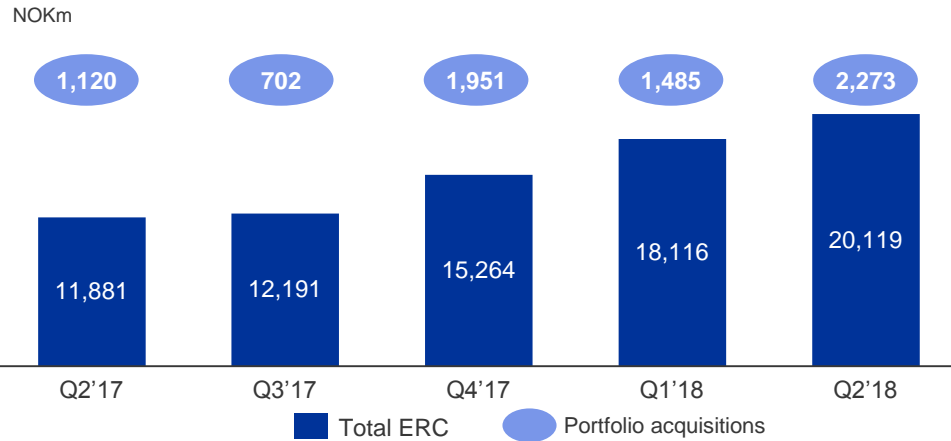
- All-time high gross cash collection of NOK 1,032m up 71% (NOK 604m in Q2 2017)
- Cash EBITDA increased by 81% to NOK 759m (NOK 420m in Q2 2017)
- Operating profit increased by 64% to NOK 356m (NOK 217m in Q2 2017) after record strong operations
- High portfolio acquisition volume of NOK 2.27bn, 103% increase from Q2 2017 (NOK 1.12bn)
- Increased RCF with EUR 150m and successfully placed EUR 200m bond in Q2
- Solid investment capacity of NOK 2.1bn plus monthly cash flow

Operational- and organisational developments

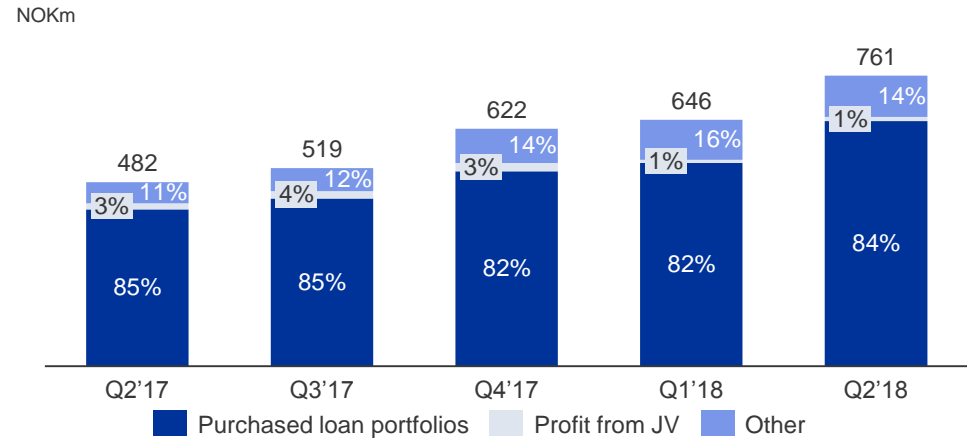
- Corporate rating obtained: Moody's assigned a "Ba3", and S&P assigned a "BB-"
- Finance company license obtained in Norway and IFN license obtained in Romania - both in Q3 2018
- New Regional Director for Southeast Europe, George Christoforou from 1 September
- NACC (France) included in P&L numbers

Record quarter with strong financial performance

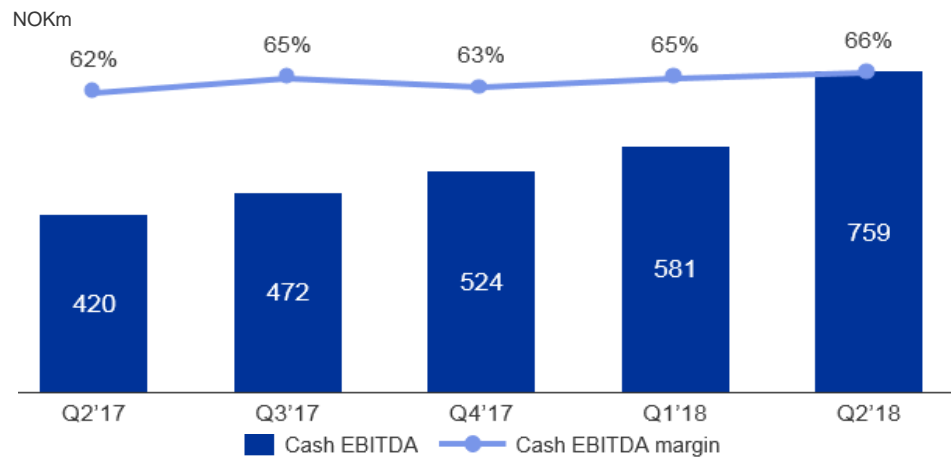
Total ERC and portfolio acquisitions



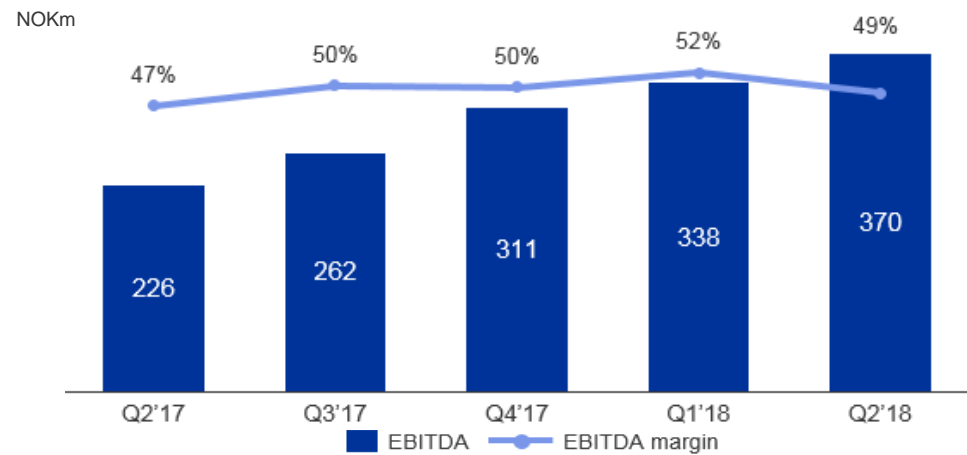
Total revenues



Cash EBITDA



EBITDA



A solid pan-European platform

Northern Europe

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

SILEO KAPITAL
Part of B2 Holding

NO DE CO
Part of B2 Holding

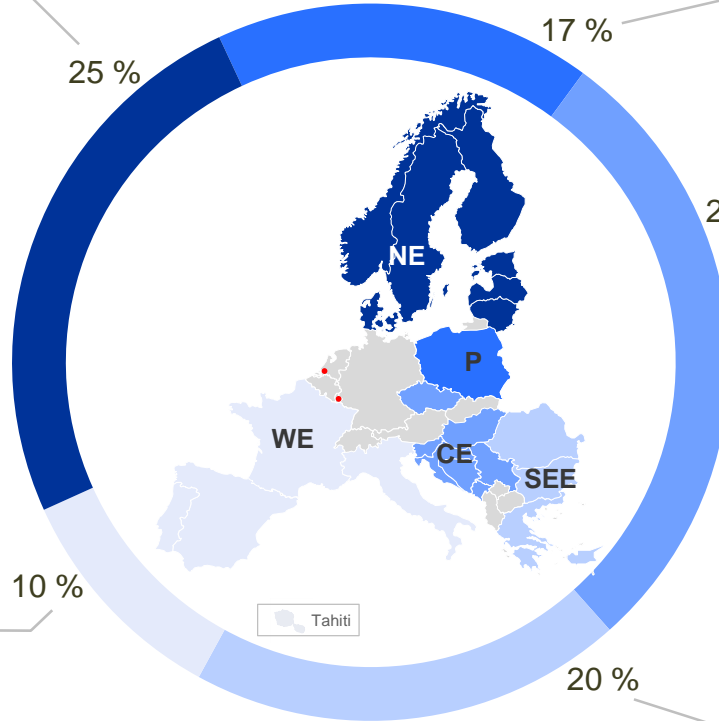
Interkredit
Part of B2 Holding

B2 KAPITAL
Part of B2 Holding

SKOLŲ VALDYMO CENTRAS
Part of B2 Holding

OK
PERINTA
Part of B2 Holding

Creditreform



Poland

- Poland

ULTIMO
Part of B2 Holding

Central Europe

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

B2 KAPITAL
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CONSEQUENCE EUROPE

Western Europe

- France
- Tahiti
- Italy
- Spain
- Portugal

nacc

B2 KAPITAL
Part of B2 Holding

Verifica

23
Platforms

20
Countries with portfolios

2,235
Employees (FTEs)

20.1bn
Total ERC (NOK)¹

Southeastern Europe¹

- Romania
- Greece
- Cyprus
- Romania
- Bulgaria

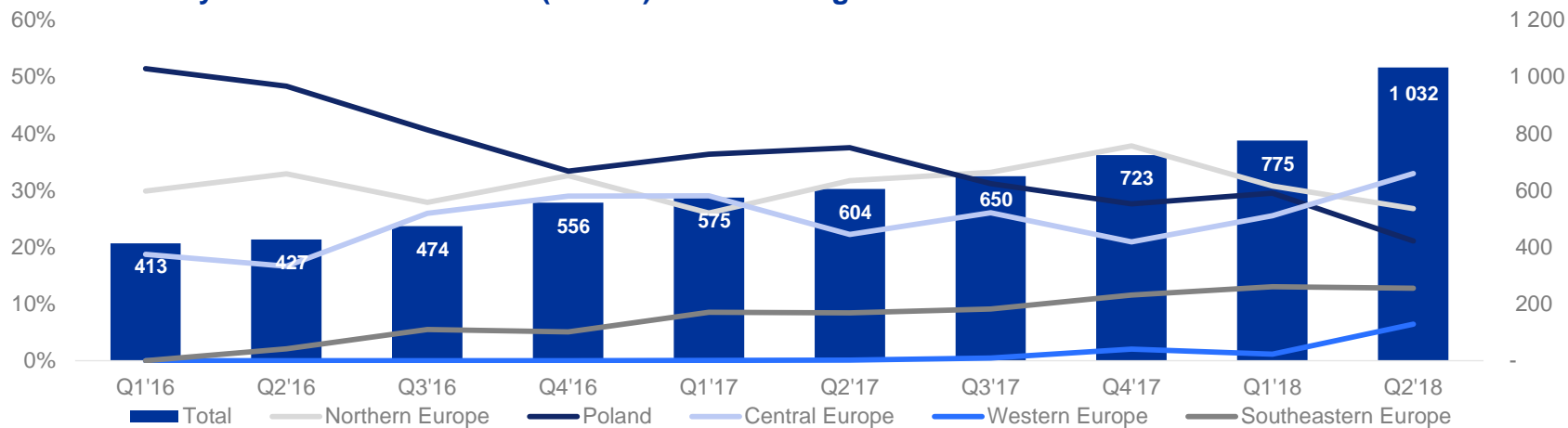
B2 KAPITAL
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DCA

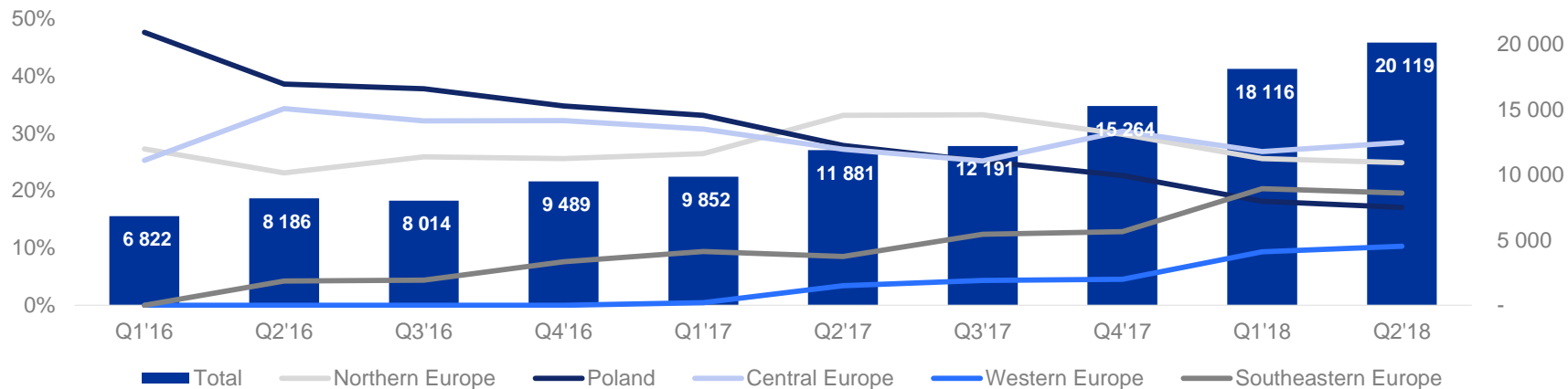
¹) Split and total ERC includes ERC attributable to JV with EOS in Romania

Increased diversification

Quarterly Gross cash collection (NOKm) & relative regional distribution



Total ERC (NOKm) & relative regional distribution



Financial performance

Strong second quarter

Financial summary

NOKm	Q2'18	Q2'17	% change
Total operating revenues ¹⁾	761	482	58 %
EBITDA	370	226	63 %
Operating profit (EBIT)	356	217	64 %
<i>Profit margin</i>	47 %	45 %	
Cash Revenue	1,151	676	70 %
Cash EBITDA	759	420	81 %
Profit for the period after tax	182	107	69 %
Earnings per share (EPS)	0.45	0.29	55 %
Cash flow from operating activities	616	247	149 %
Operating cash flow per share	1.51	0.67	126 %
Portfolio acquisitions	2,273	1,120	103 %
Cash collection from portfolios	1,032	604	71 %
ERC (at end of month) ²⁾	20,119	11,881	69 %

Comments

- Record high operating profit of NOK 356m in Q2 2018, a 64 % increase compared to Q2 2017
- Record high quarterly portfolio acquisitions
- Portfolio amortization percentage increased to 38% - expected further increase in next quarters
- Profit margin remains high in Q2 at 47 %
- Another record quarter in terms of cash collection, EBITDA, cash EBITDA and EBIT
- NAAC included in P&L from Q2

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

Record-high EBITDA, cash EBITDA and EBIT

Income statement

NOKm	2018 Q2	2017 Q2	2018 6 months	2017 6 months	2017 audited
Interest income from purchased loan portfolios	639	394	1,181	755	1,680
Net credit gain/loss purchased loan portfolios	3	17	-7	52	77
Profit from shares, associated companies and JVs	11	16	20	29	70
Other operating revenues	108	55	213	105	256
Total operating revenues	761	482	1,407	941	2,083
External costs of services provided	-101	-67	-175	-152	-286
Personnel costs	-172	-119	-325	-213	-490
Other operating expenses	-118	-69	-199	-129	-287
Depreciation and amortisation	-13	-9	-26	-17	-36
Operating profit (EBIT)	356	217	682	430	984
Financial income	1	1	3	1	3
Financial expenses	-137	-86	-263	-160	-358
Net exchange gain (loss)	22	11	23	10	18
Net financial items	-114	-74	-237	-149	-337
Profit before tax	242	143	445	281	648
Income tax expense	-61	-35	-111	-70	-166
Net profit	182	107	334	211	481
Cash revenue	1,151	676	2,040	1,313	2,878
Cash EBITDA	759	420	1,341	819	1,815
EBITDA	370	226	708	447	1,020

Comments

- Gross cash collection above curves on a Group level. Revaluation of curves in CE due to timing - ERC expected unchanged
- Cost to collect reduced to 24% in Q2 2018 (29% in Q2 2017). Volume effect materialising in SEE and WE. Some quarterly variations expected
- Higher interest costs due to higher drawn amount

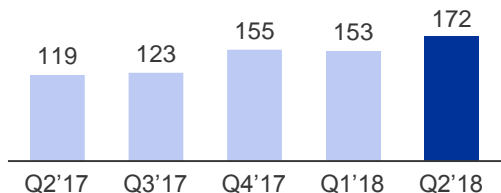
New platforms and increased activity in existing operations

– cost to collect trending down

Operational costs split

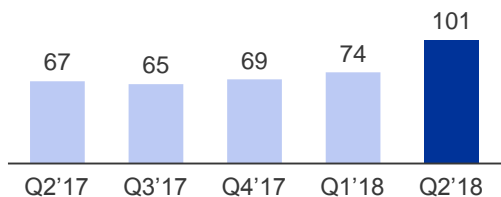
NOKm

Personnel costs



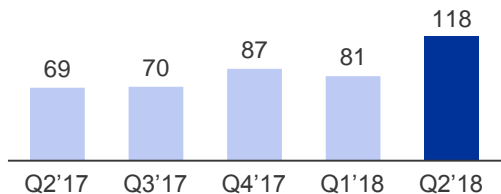
Personnel costs higher mainly due to inclusion of NACC and higher operational activities in Greece

External costs



Higher legal costs due to high secured collection in CE, inclusion of NACC and high legal activities in Finland and WE

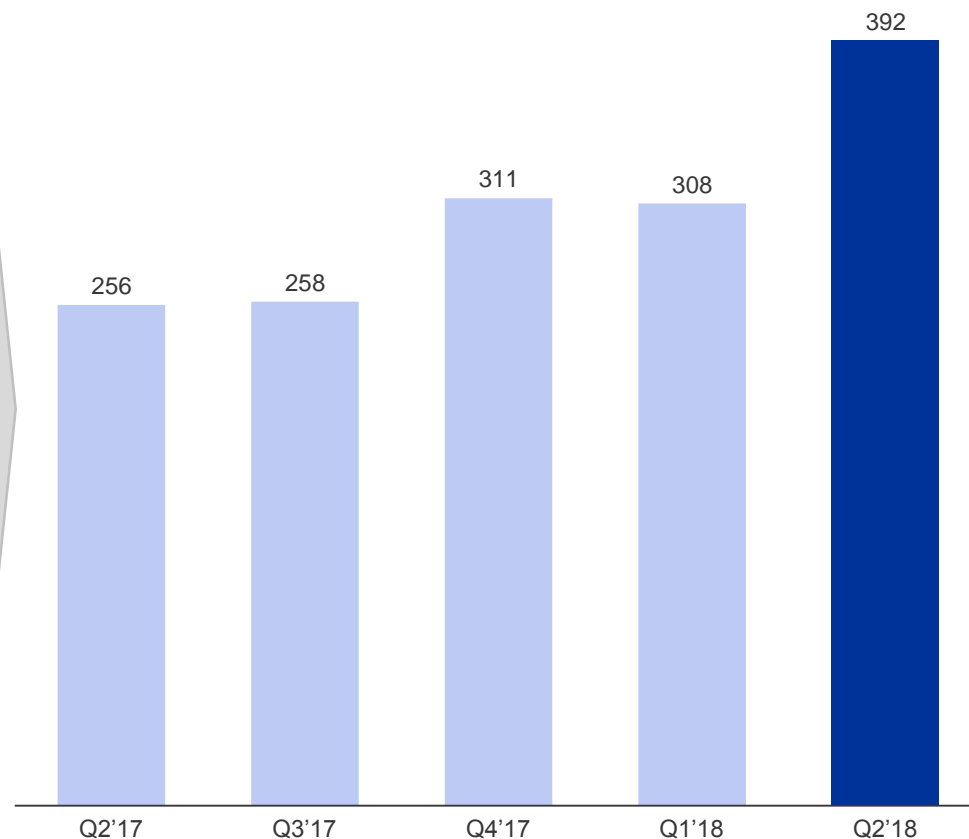
Other operating costs



Include admin costs related to rating, financial activity, legal restructuring and other project related costs

Total operational costs

NOKm



Financial highlights: Balance sheet

Balance sheet

NOKm	2018 Q2	2017 Q2	2017 audited
Tangible and intangible assets	215	97	201
Goodwill	713	431	522
Purchased loan portfolios	12,077	6,242	8,732
Other long-term financial assets	500	552	618
Deferred tax asset	58	72	66
Total non-current assets	13,563	7,394	10,139
Other short-term assets	300	213	207
Cash & short-term deposits	614	351	452
Total current assets	914	564	659
Total assets	14,477	7,958	10,797
Total equity	3,827	2,782	3,148
Long-term interest-bearing loans and borrowings	8,390	4,430	5,739
Deferred tax liabilities	180	45	96
Other long-term liabilities	99	64	70
Total non-current liabilities	8,668	4,538	5,905
Short-term interest-bearing loans and borrowings			989
Accounts and other payables	1,603	281	267
Income tax payable	32	54	57
Other current liabilities (incl. bank overdraft)	347	303	432
Total current liabilities	1,982	638	1,744
Total equity and liabilities	14,477	7,958	10,797

Comments

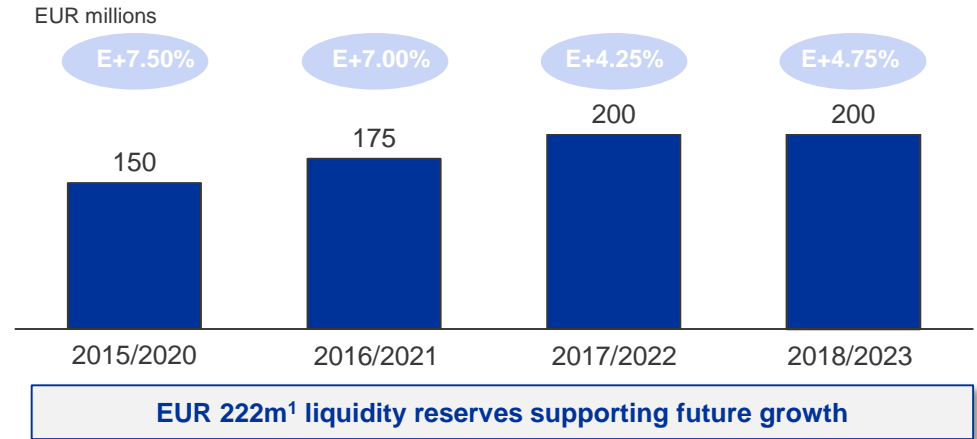
- Increase in purchased loan portfolios of 93% LTM
- Equity ratio 26.4%, high cash position
- Investment capacity NOK 2.1bn plus monthly cash flow
- Net interest-bearing debt NOK 7.8bn

Mature funding structure with prudent leverage

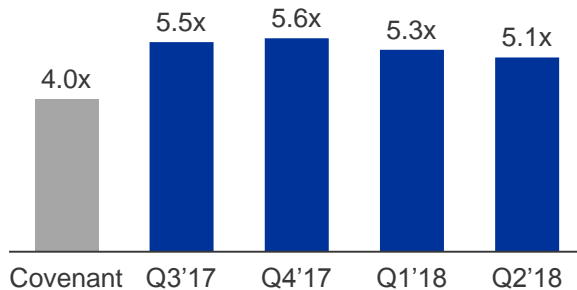
Strategy

- 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
- 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- (stable outlook)
 - Moody's: Ba3 (stable outlook)

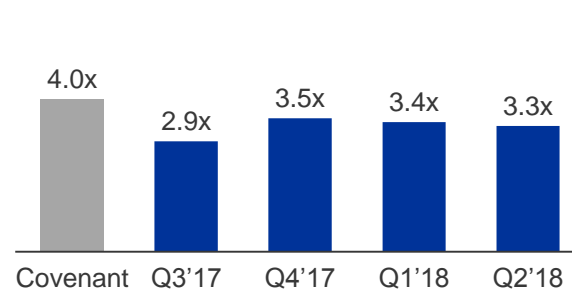
Successful issuance of four bonds



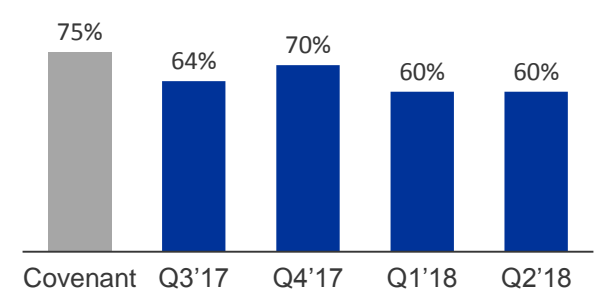
Interest coverage



Leverage



Loan to value

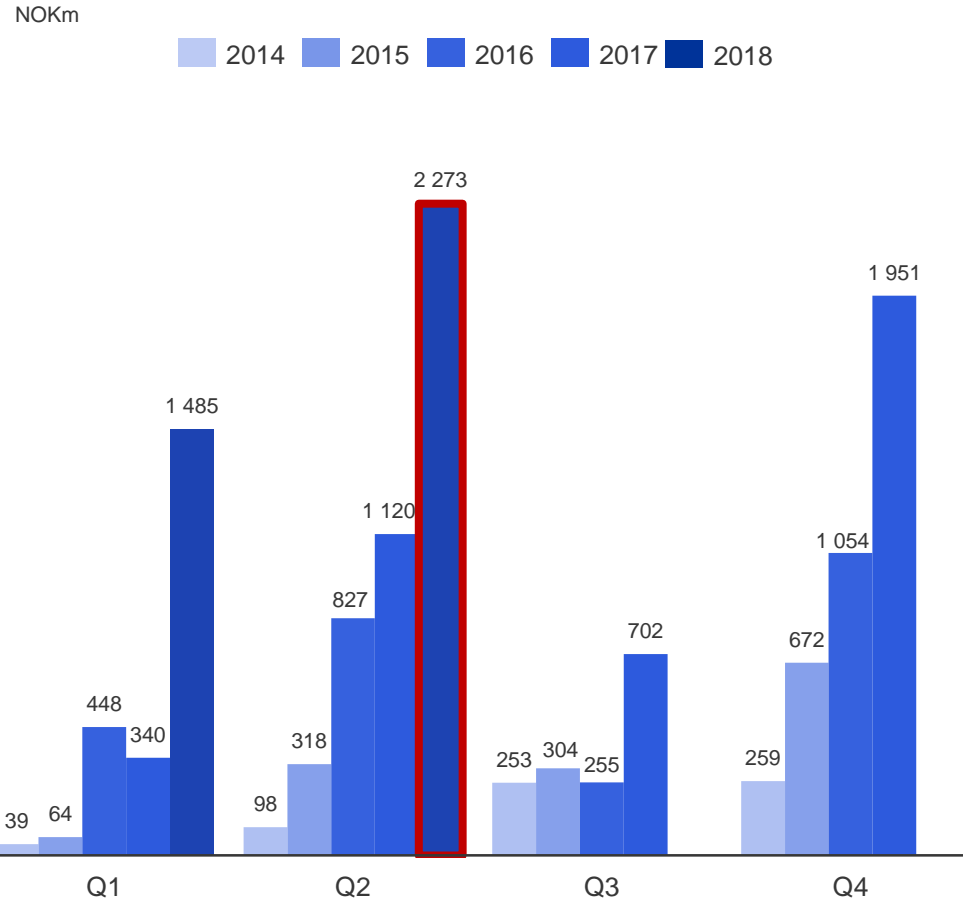


Source: Company reports, company information as of Q2 2018

¹ As of 30 June 2018. Calculated as EUR 333m undrawn existing RCF plus EUR 65m cash on balance sheet less NOK 200m (c. EUR 20m) in cash reserves and adjusted for EUR 154m in deferred payment on portfolios

Record-high quarterly purchase volume: NOK 2.27bn in Q2

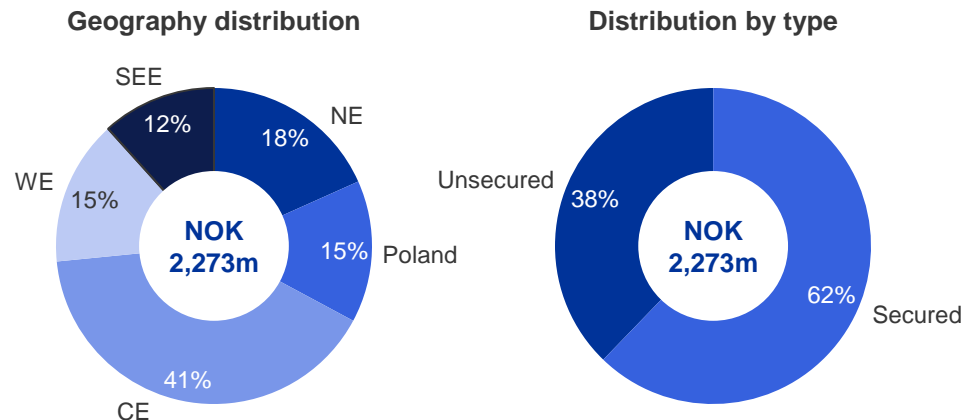
Portfolio purchase volumes



Comments

- Record strong volume for a single quarter
 - 103% increase compared to Q2 2017
- Portfolios acquired in all major markets
 - Large secured portfolio acquired in Croatia

Key details portfolio purchase volume



Highly diversified portfolio yielding stable and predictable cash flows: Total gross ERC of approx. NOK 20.1bn (69% growth y-o-y)

Development in total gross ERC¹⁾²⁾

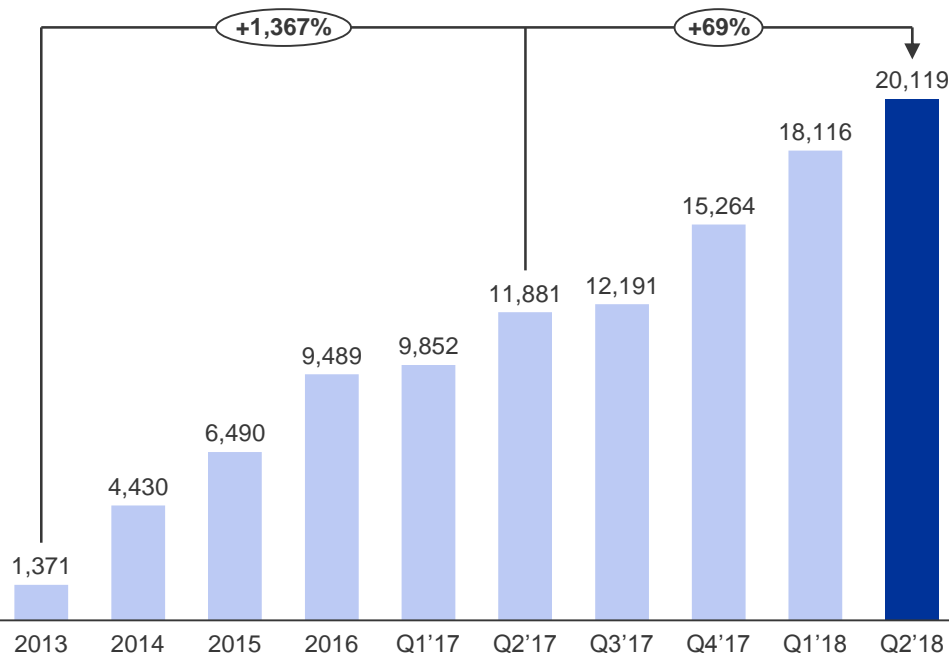
NOKm

Claims (#):

~7.0m

Face value (NOK):

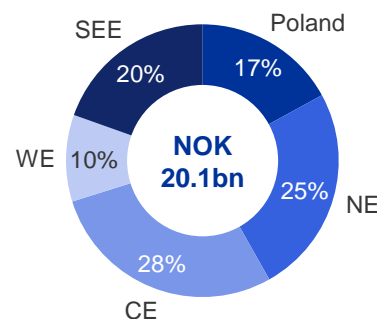
~144bn



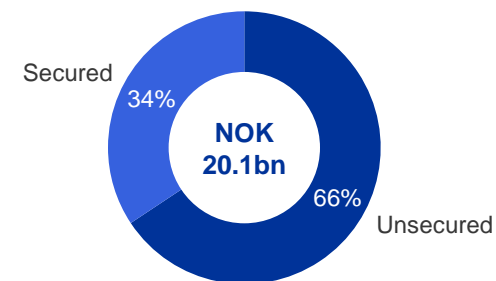
Portfolio details (total gross ERC)¹⁾²⁾

NOKm

Geography distribution



Distribution by type



Unsecured											120m	Total
	1	2	3	4	5	6	7	8	9	10	ERC	ERC
Poland	798	654	465	343	260	195	145	107	76	47	3,088	3,155
NE	991	795	646	522	415	331	264	201	154	116	4,434	4,931
CE	354	309	246	207	172	132	105	80	25	10	1,640	1,667
WE	84	85	79	62	53	49	34	26	23	7	501	506
SEE	481	605	546	452	330	234	164	107	35	0	2,954	2,954
Sum	2,707	2,449	1,982	1,585	1,228	940	712	520	313	180	12,617	13,213

Secured											120m	Total
	1	2	3	4	5	6	7	8	9	10	ERC	ERC
Poland	38	72	127	24	6	1	1	1	0	0	269	270
NE	12	13	10	7	5	4	3	3	2	-	60	60
CE	1,557	1,326	794	203	85	25	6	4	28	1	4,027	4,031
WE	371	478	273	176	117	97	33	13	6	0	1,565	1,565
SEE	465	319	134	42	14	6	-	-	-	-	981	981
Sum	2,443	2,208	1,337	452	227	133	43	21	37	1	6,902	6,906

Total	1	2	3	4	5	6	7	8	9	10	120m	Total
	5,150	4,657	3,319	2,037	1,455	1,073	755	541	350	181	19,519	20,119

1) Split and total ERC includes ERC attributable to JV with EOS in Romania
 2) Disclaimer: B2Holding ASA emphasizes that every assessment of future conditions necessarily involves an element of uncertainty

ERC profile next twelve months

ERC Year 1¹⁾²⁾

Secured	Q3'18	Q4'18	Q1'19	Q2'19	Year 1
Poland	6	8	8	15	38
NE	3	3	3	3	12
CE	164	645	358	390	1 557
WE	99	124	37	112	371
SEE	97	126	119	124	465
Total	368	906	525	643	2,443

Unsecured	Q3'18	Q4'18	Q1'19	Q2'19	Year 1
Poland	223	197	190	187	798
NE	252	283	229	226	991
CE	89	94	86	85	354
WE	21	27	17	19	84
SEE	99	112	129	140	481
Total	685	714	650	658	2,707

Total	1,053	1,621	1,176	1,301	5,150
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Amortization back book	37 %	61 %	52 %	59 %	54 %
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Comments

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

²⁾ Disclaimer: B2Holding ASA emphasizes that every assessment of future conditions necessarily involves an element of uncertainty

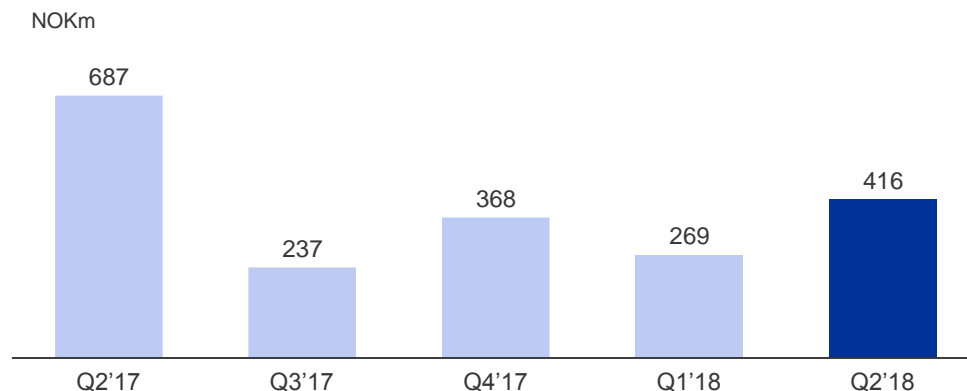
Segment financials: Northern Europe (NE)



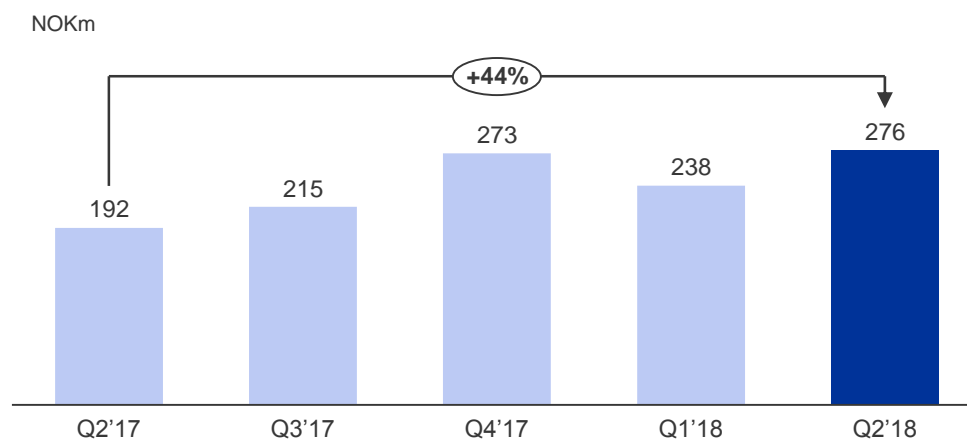
Comments

- Portfolio purchase volume of NOK 416m in the quarter
- All-time high Gross cash collection of NOK 276m in Q2
 - Collection on unsecured in line with expectations
 - Collection on secured combined with revaluation right below expectation
- Operating margin 49% in Q2
- Cost to collect steady around 19%
- Finance company license obtained in Norway (Q3)

Purchased loan portfolios



Gross cash collection on portfolios



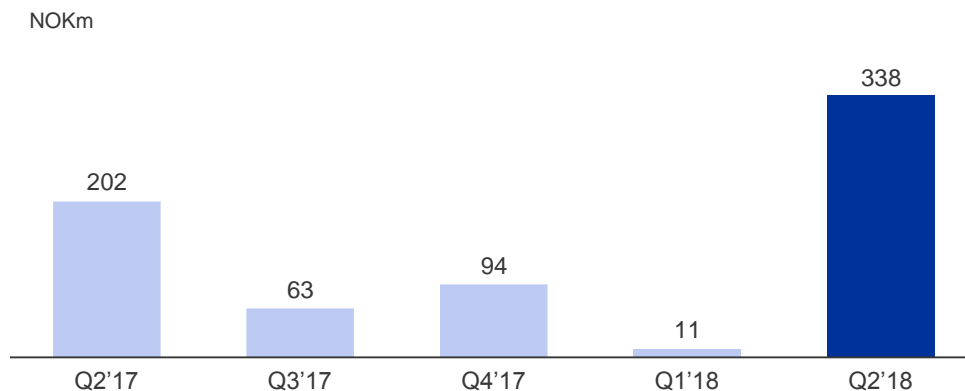
Segment financials: Western Europe (WE)



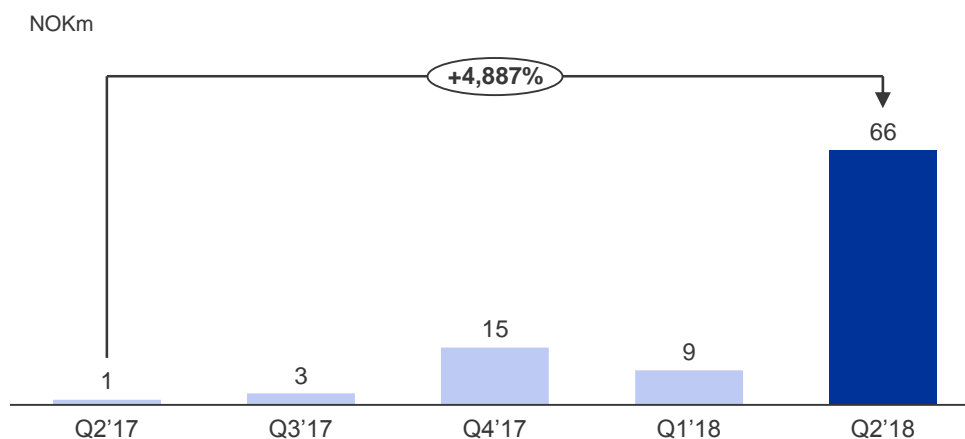
Comments

- WE established as a region from 2018
 - 2017 figures only include Italy
 - NACC (France) included from Q2 2018
- Portfolio purchase volume of NOK 338m in the quarter
- Gross cash collection above curves for unsecured portfolios. Timing effect and revaluation for secured portfolios give net positive effect
- Cost to collect 39% - expected to decrease as gross collection volumes increase
- Good pipeline in the region

Purchased loan portfolios



Gross cash collection on portfolios



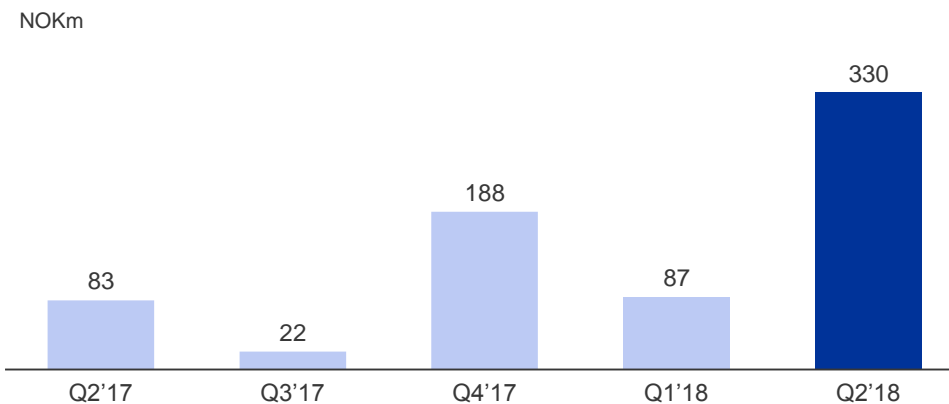
Segment financials: Poland (P)



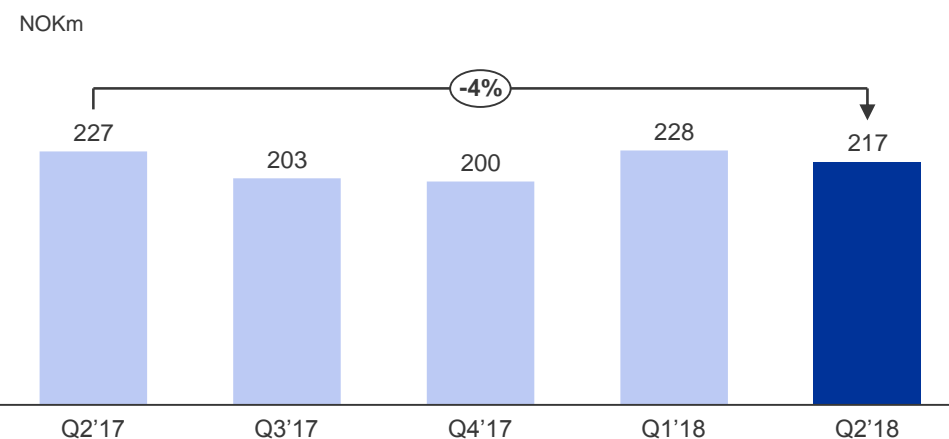
Comments

- Portfolio purchase volume of NOK 330m in the quarter
- Gross collection of NOK 217m
 - Gross collection above curves, and negative revaluation due to changes in legal system
- Cost to collect is 36%. Relocation expenses booked in Q2. 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



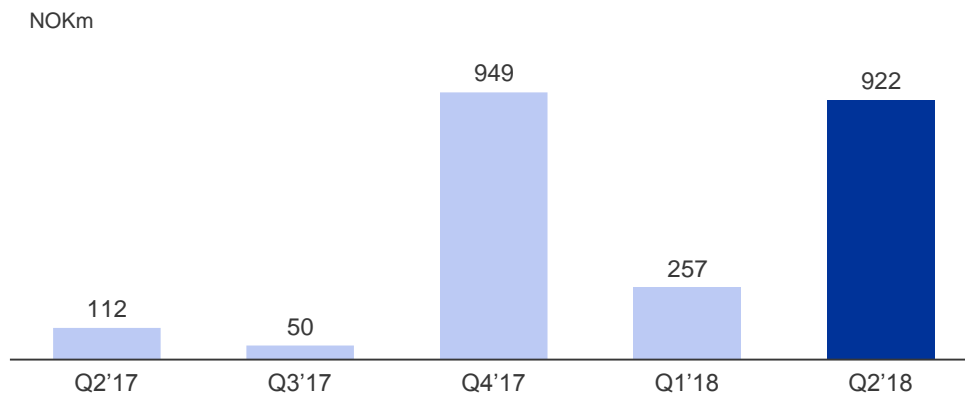
Segment financials: Central Europe (CE)



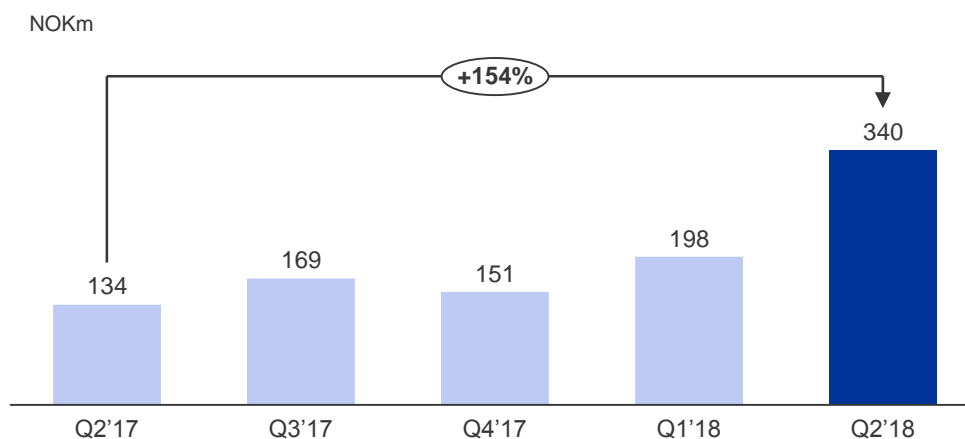
Comments

- Portfolio purchase volume of NOK 922m in the quarter
 - Large secured portfolio acquired in Croatia – GBV EUR 245m
- Record gross collection in a quarter of NOK 340m
 - Unsecured portfolio collection above curves
 - Secured portfolio collection above curves, revaluation due to timing effect
- Cost to collect is 16%, some quarterly variations expected
- Strong portfolio pipeline in the region
- Strong economic growth in the region

Purchased loan portfolios



Gross cash collection on portfolios



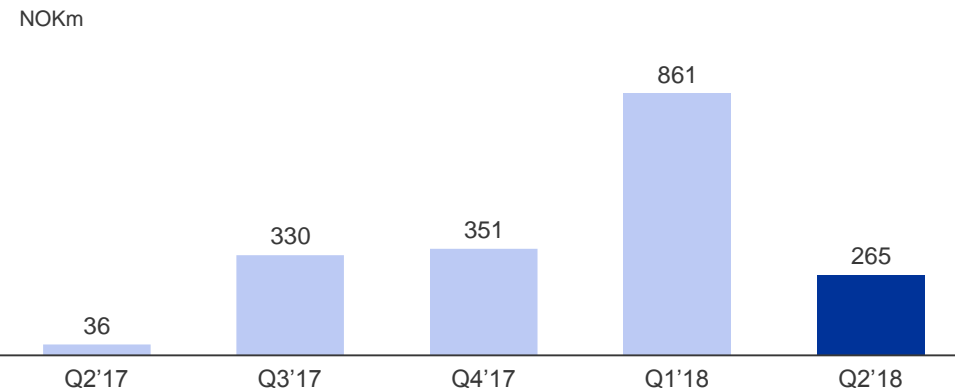
Segment financials: Southeastern Europe (SEE)



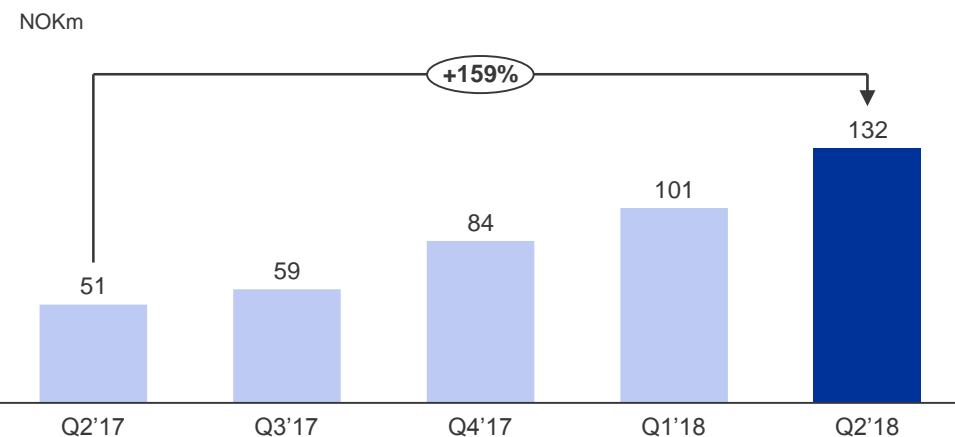
Comments

- Portfolio purchase volume of NOK 265m in the quarter
- All-time high collection, strong operational performance
- Gross cash collection NOK 132m
 - Unsecured portfolio collection above curves and positive revaluation
 - Secured portfolio collection just below curves as well as timing effect
- Cost to collect is 36% - collection volumes increase
- Good visibility of portfolio pipeline in all countries
- License obtained from the Central Bank of Cyprus (Q2 2018)
- IFN license obtained in Romania (Q3 2018)
- New Regional Director, George Christofourou from 1 September

Purchased loan portfolios



Gross cash collection on portfolios¹⁾



¹⁾ Gross cash collection on portfolios does not include cash collection from JV with EOS in Romania

Expected continued growth in second half of 2018

– continued strong focus on operational performance

Outlook

Financial

- Focus on further growth within the established platforms in 23 markets
- Significant investment capacity of NOK 2.1bn plus monthly cash flow
- Focus on financial targets
- Co-investment structures being discussed for selected portfolios in some markets

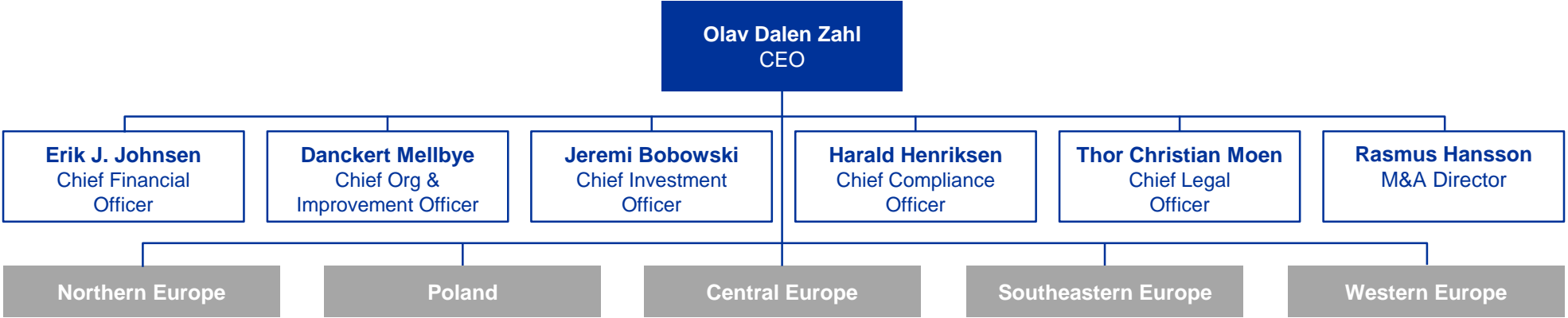
Operational and organisational

- Strong pipeline within both secured and unsecured portfolios
- Geographic diversification in portfolio purchases expected to continue
- Due to normal seasonal effects, lower portfolio purchase volumes expected in Q3
- Strong focus on operational efficiency

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: George Christoforou
 - Bulgaria
 - Romania
 - Greece
 - Cyprus



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

Financial highlights: Cash flow

Consolidated cash flow

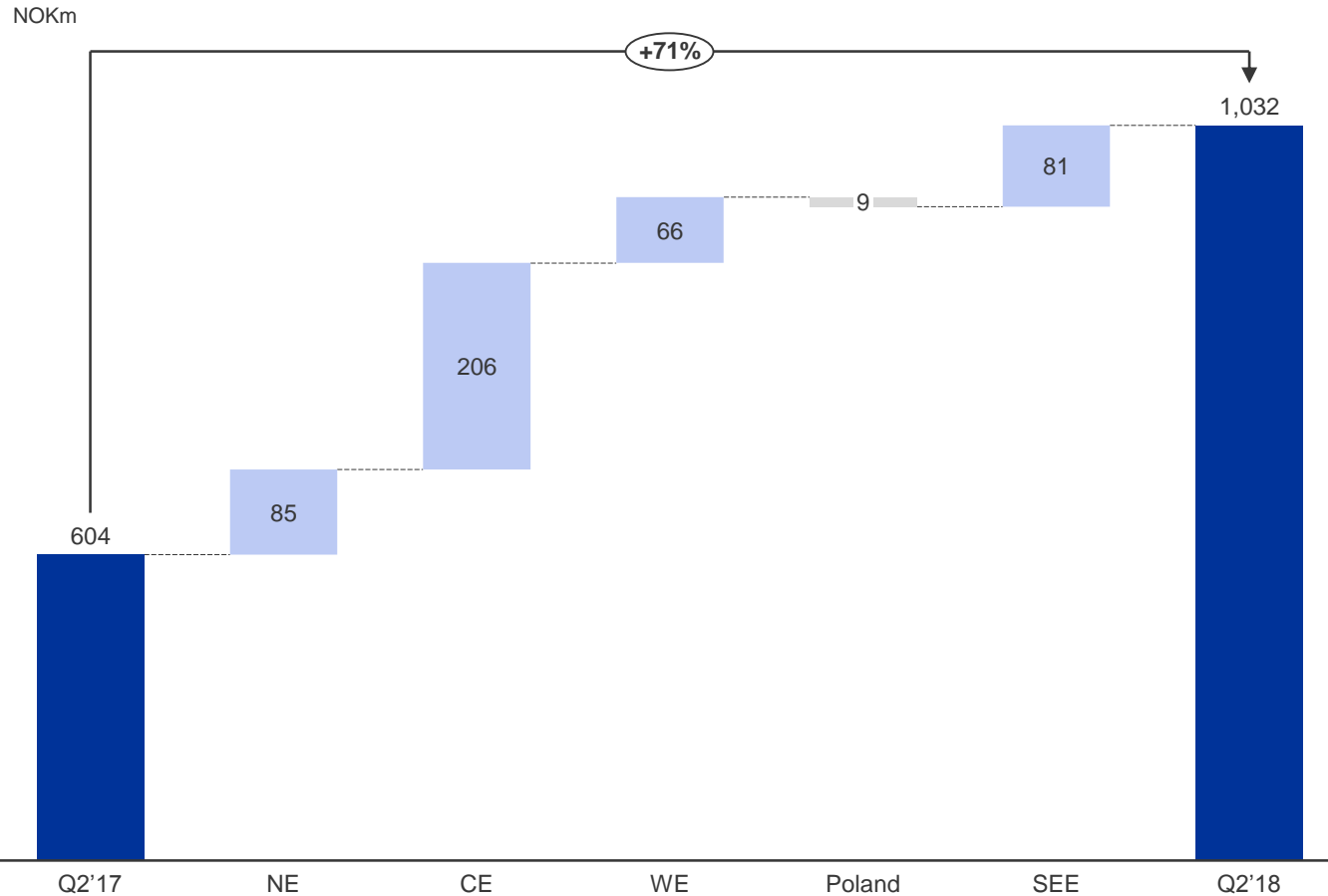
NOKm	2018 Q2	2017 Q2	2018 H1	2017 H1	2017 Full year
Profit for the period before tax	242	143	445	281	648
Amortisation/revaluation of purchased loan portfolios	390	193	633	372	795
Adjustment other non-cash items	16	10	30	17	36
Interest expense on loans	136	86	261	159	357
Interest paid on loans and borrowings	-128	-78	-239	-143	-318
Unrealised foreign exchange differences	62	-41	61	-48	-98
Income tax paid during the year	-53	-77	-92	-89	-138
Change in working capital	-53	32	5	-9	69
Change in other balance sheet items	4	-20	-30	2	-62
Net cash flow from operating activities	616	247	1,073	542	1,289
Purchase of loan portfolios	-1,452	-999	-2,439	-1,422	-4,073
Net investments in intangible and tangible assets	-21	-9	-31	-16	-53
Investments in business acquisitions	-25	-30	-294	-30	-144
Net cash flow from investing activities	-1,498	-1,037	-2,764	-1,468	-4,270
Net new share issue	1	0	730	0	4
Net receipts (payments) on loans / borrowings	1,034	843	1,362	969	3,115
Dividends paid	-0	-0	-0	-0	-0
Net cash flow from financing activities	913	788	1,970	913	3,064
Net cash flow in the period	31	-2	278	-13	83
Cash and cash equivalents at beginning of the period	565	213	326	218	218
Exchange rate difference on cash	-12	16	-21	22	26
Cash and cash equivalents at end of the period	584	227	584	227	326

Comments

- Net cash flow from operating activities increases
- Operating cash flow of NOK 616m, 149% above Q2 2017
 - Increase mainly due to growth in gross cash collection and improved operating margins

Record gross collection: +71% to NOK 1,032m

Bridge Q2'17-Q2'18: Gross cash collection on portfolios



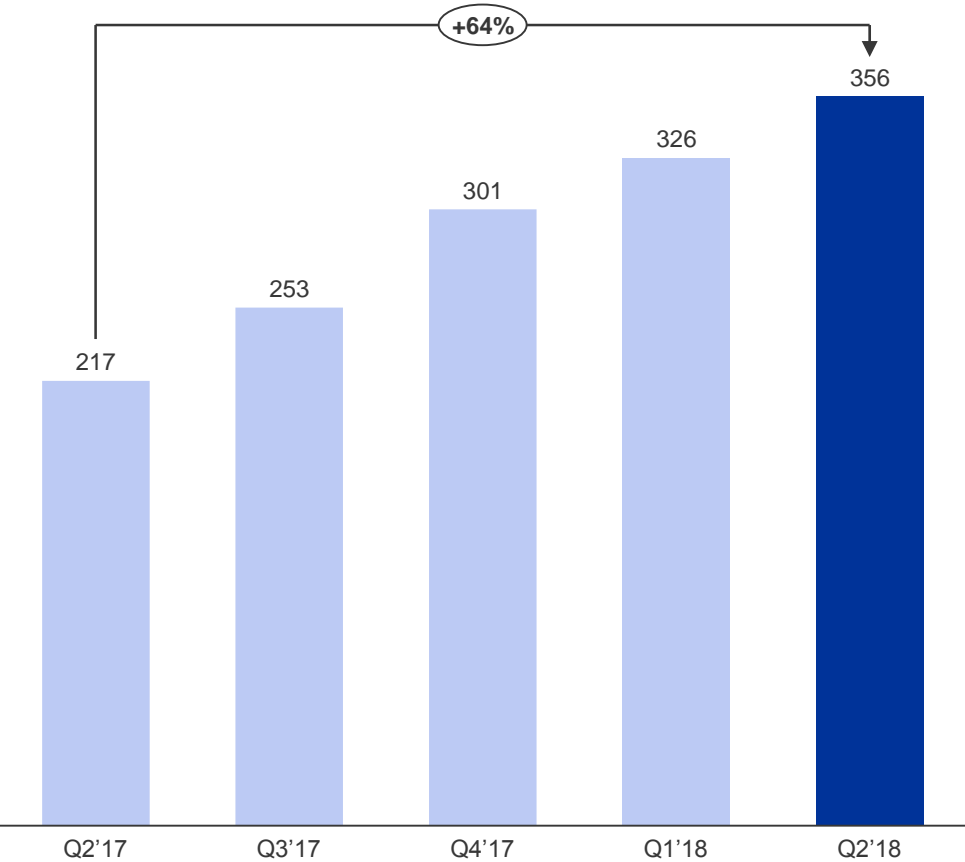
Comments

- Strong gross cash collection
- Solid growth in NE (+44%), CE (+153%) and SEE (+159%)
- Expect continued strong growth in gross cash flow in CE and SEE going forward related to secured portfolios

Ninth consecutive record quarter in terms of cash EBITDA

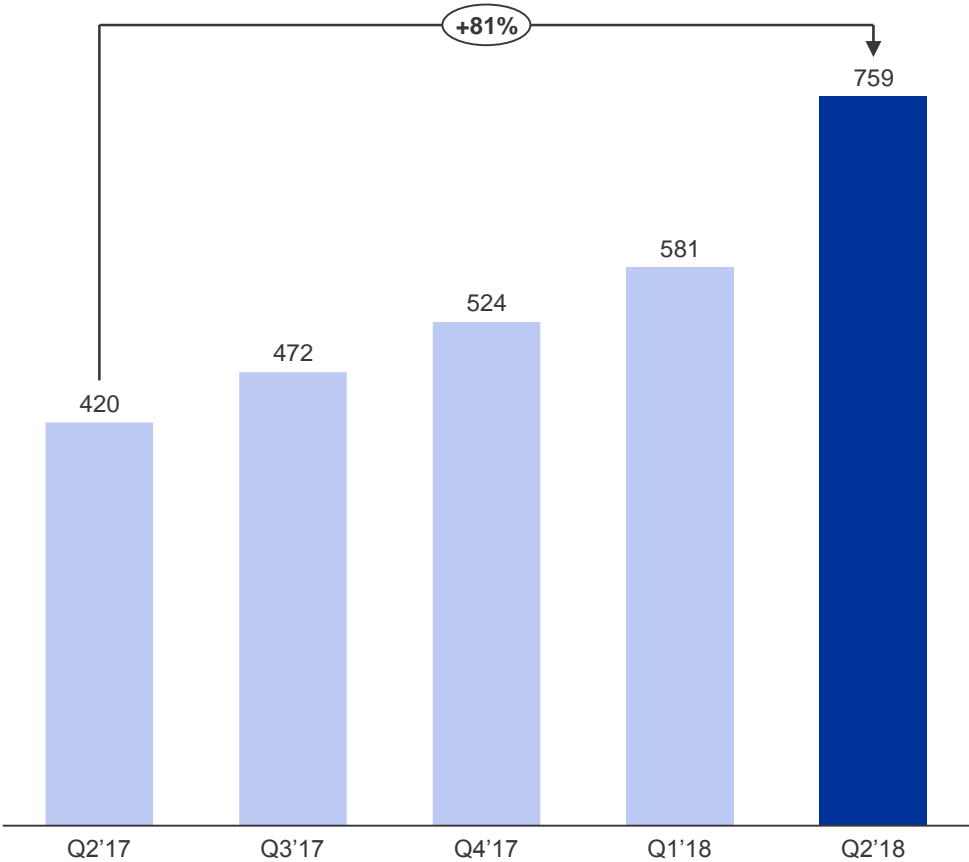
EBIT

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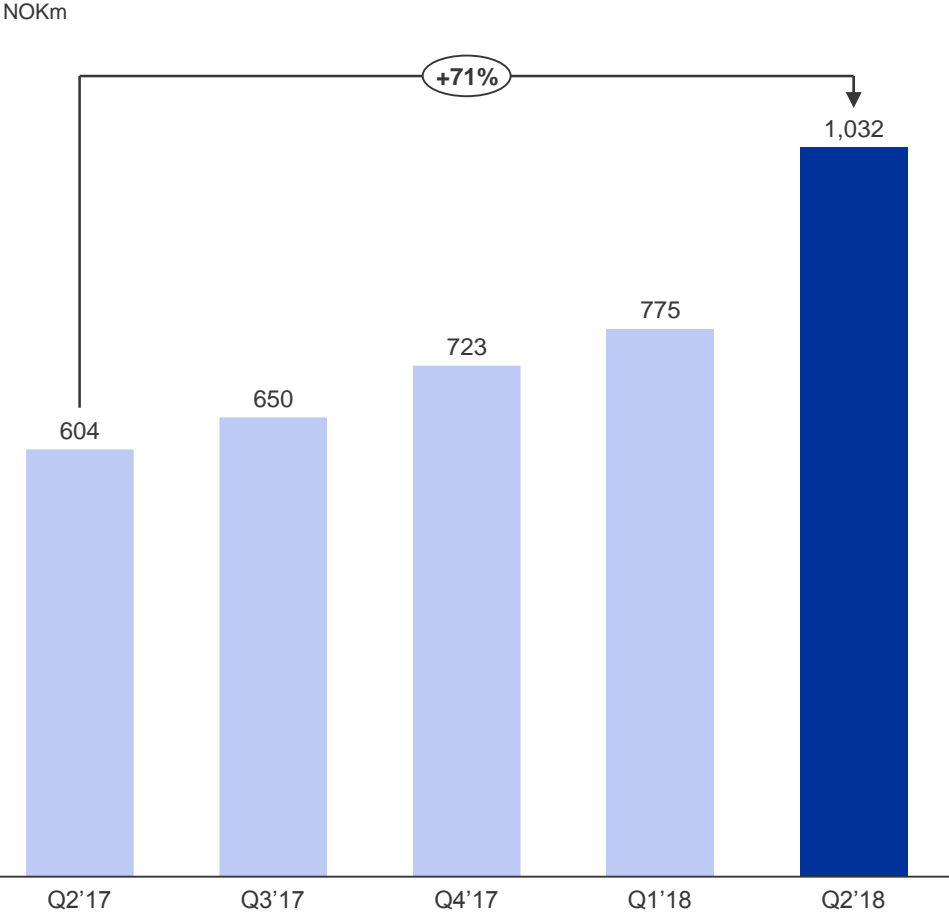
Cash EBITDA

NOKm

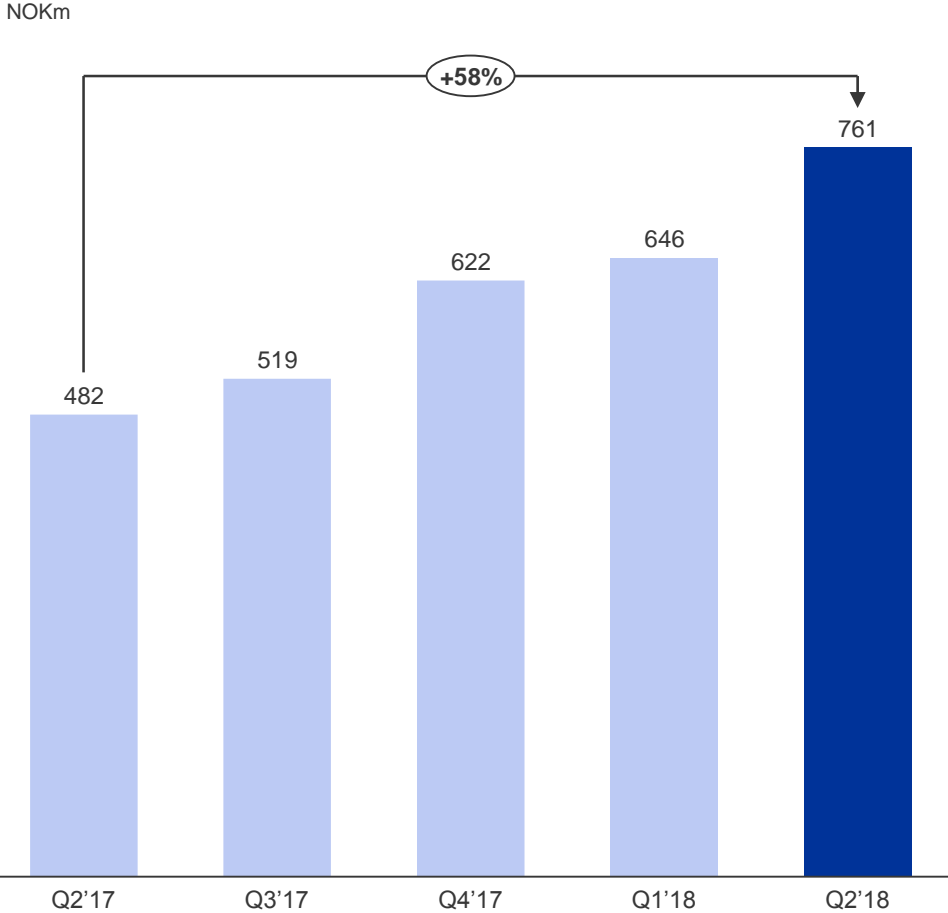


Cash collection and net operating revenue at record-high levels

Gross cash collection on portfolios



Total operating revenue



20 largest shareholders

#	Shareholder	No of shares	Percentage
1	PRIORITET GROUP AB	52 200 000	12,79 %
2	RASMUSSENGRUPPEN AS	43 073 236	10,56 %
3	VALSET INVEST AS	25 000 000	6,13 %
4	STENSHAGEN INVEST AS	17 393 376	4,26 %
5	INDIGO INVEST AS	16 383 360	4,02 %
6	VERDIPAPIRFONDET DNB NORGE (IV)	10 948 286	2,68 %
7	BRYN INVEST AS	8 676 690	2,13 %
8	JPMORGAN CHASE BANK, N.A., LONDON	8 319 737	2,04 %
9	VERDIPAPIRFONDET ALFRED BERG GAMBA	7 553 369	1,85 %
10	ARCTIC FUNDS PLC	7 334 734	1,80 %
11	VEVLEN GÅRD AS	6 550 000	1,61 %
12	SWEDBANK ROBUR NORDENFON	5 871 388	1,44 %
13	GREENWAY AS	5 802 368	1,42 %
14	STOREBRAND NORGE I VERDIPAPIRFOND	5 456 424	1,34 %
15	VERDIPAPIRFONDET DNB NORGE SELEKTI	5 225 647	1,28 %
16	VERDIPAPIRFONDET ALFRED BEDRG NORGE	4 392 938	1,08 %
17	EVERMORE GLOBAL VALUE FUND	4 318 045	1,06 %
18	DNB NOR MARKETS, AKS	4 043 642	0,99 %
19	VERDIPAPIRFONDET PARETO INVESTMENT	3 790 370	0,93 %
20	LIN AS	3 501 670	0,86 %
	Other	162 197 318	39,75 %
	Total	408 032 598	100,00 %

Note: Updated per 29 August 2018



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