The logo consists of a large blue 'Q' with a red arc at the top right, followed by a large blue '1'.

First quarter 2023



**B<sup>2</sup>HOLDING**



# Today's presenters



**Erik J. Johnsen**  
Chief Executive Officer



**André Adolfsen**  
Chief Financial Officer



**Rasmus Hansson**  
Head of Commercial Strategy & IR

Q&A moderator



# Q1 Highlights

Solid collection performance and growth in unsecured collections

- Unsecured collection performance at 104.8%
- Secured cash collections of NOK 262m including REO sales of NOK 75m at 62.6% margin

Reducing footprint and concentrating capital in fewer markets

Several cost mitigating actions initiated

Invested and committed NOK 1.8bn for 2023

Sound investment capacity in combination with low leverage

## Key figures Q1 2023 (NOKm)

Cash collections

**1 248**

1 214

REO sales

**75**

136

Net revenues

**914**

716

Cash EBITDA

**900**

934

Adj. Net profit

**112**

128

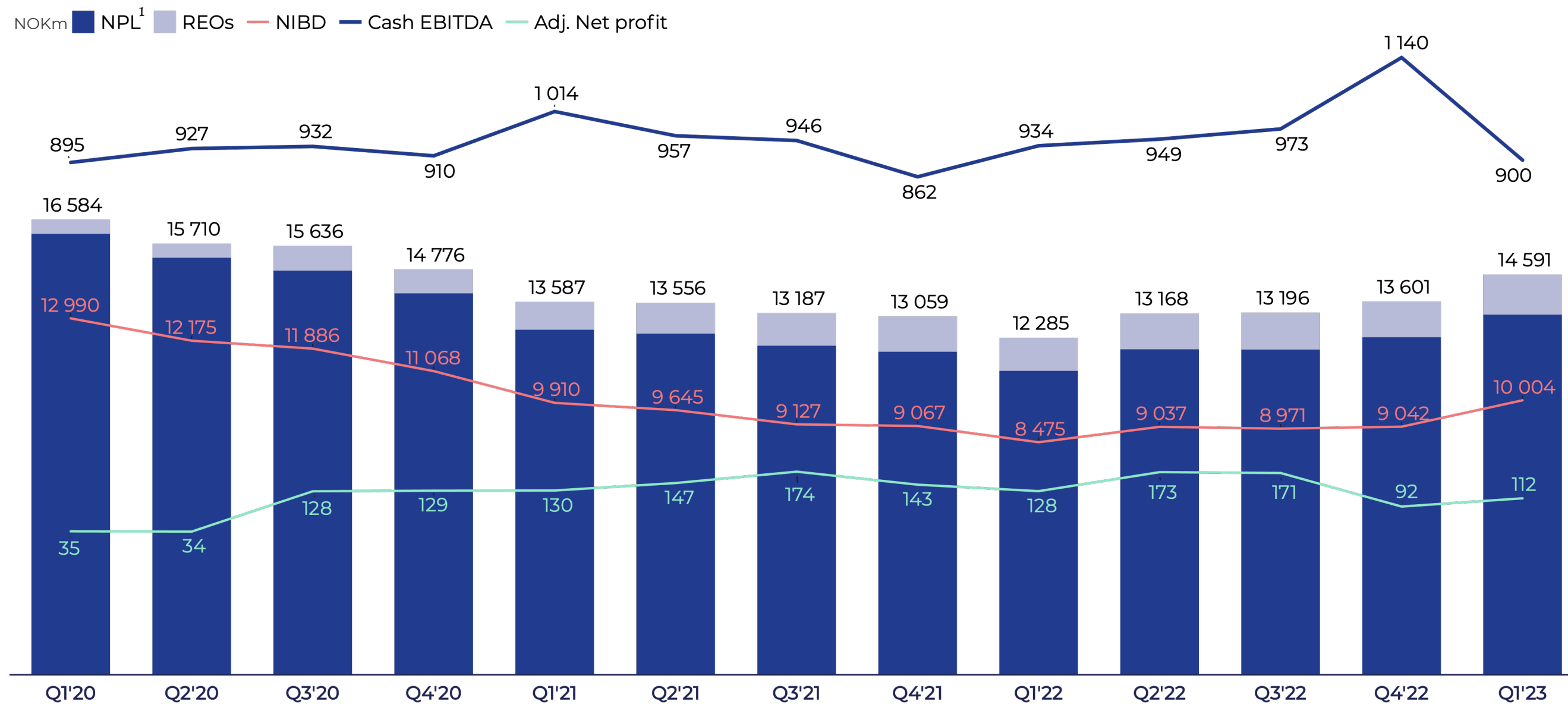
Portfolio investments

**767**

239

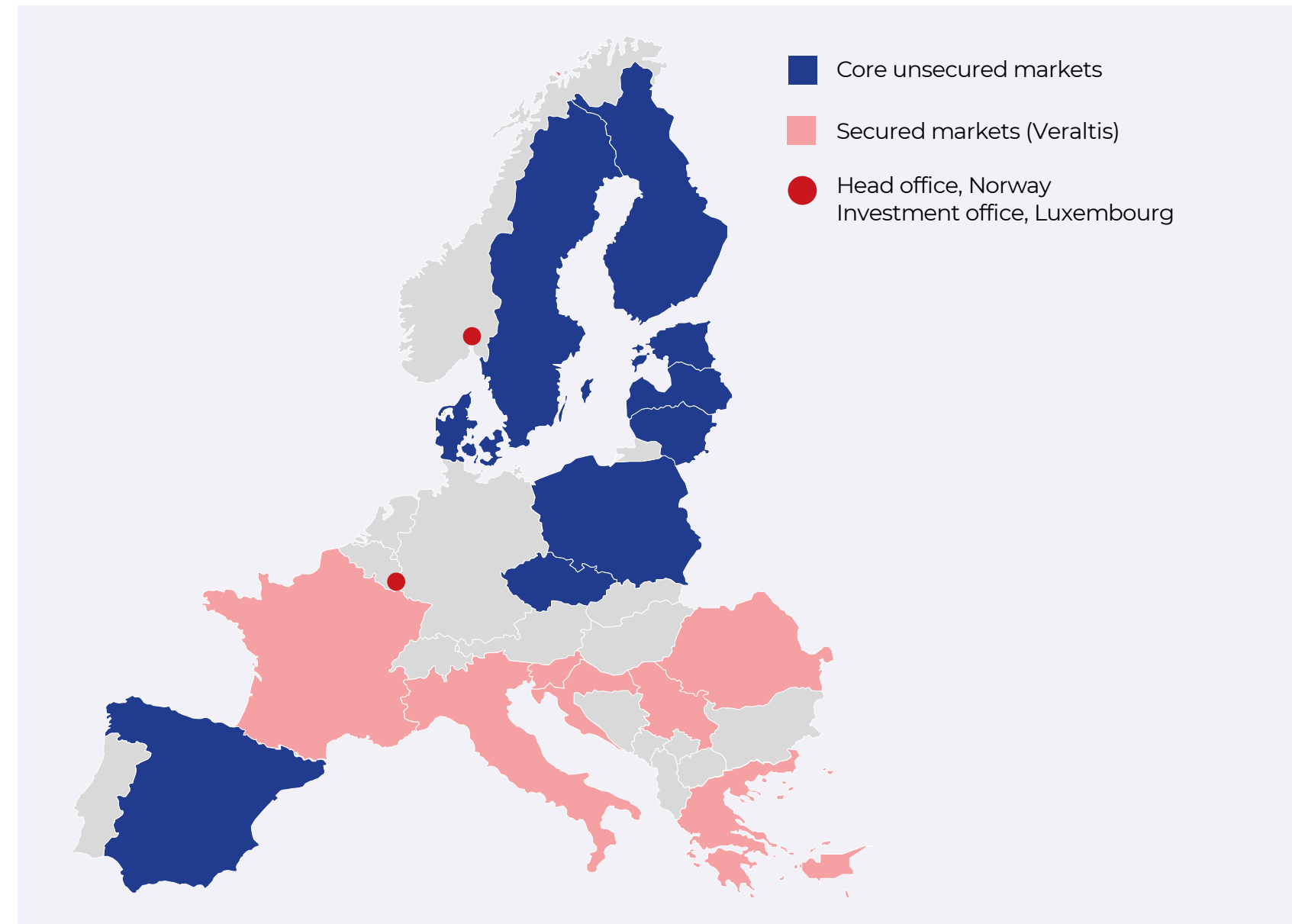


# Asset growth and stable performance



# Reducing footprint and concentrating capital in fewer markets

- Executing on the strategy to reduce operational units and focus on scale in core markets
- Bulgaria sales process expected to be closed in Q3
  - Buyer requested additional time to finalize financing
  - Substantial partial payment received significantly reducing transaction risk
- Discontinued Takto in Poland
  - No origination of new loans freeing up around EUR 20 million for investments in core markets
- Runoff and sale of Montenegro, Bosnia Herzegovina and Hungary
- Divested the servicing business in Norway, Interkreditt AS
  - Sold to Kravia AS with effect from 31 March



# Financial performance





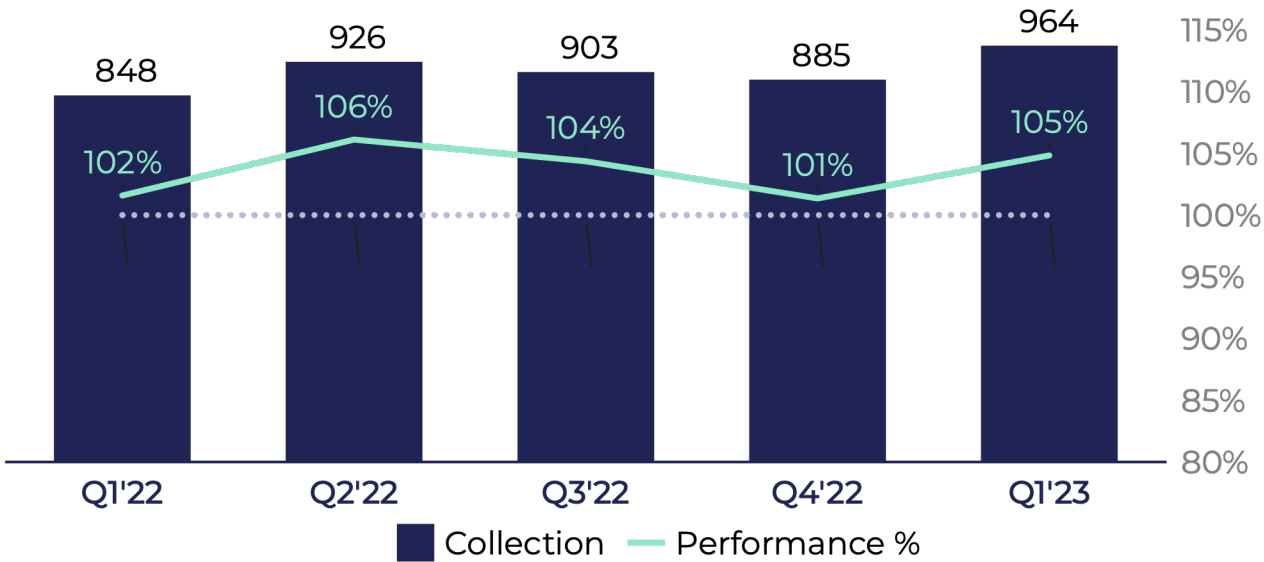
## First quarter 2023 summary

	2023	2022	%
<i>NOK million</i>	Q1	Q1	Δ
Cash collections	1 248	1 214	3%
Net revenues	914	716	28%
Adj. EBIT	402	289	39%
Adj. EBIT %	44%	40%	3 pp
EBIT	375	249	50%
Adj. Net profit	112	128	-13%
Cash revenue	1 384	1 341	3%
Cash EBITDA	900	934	-4%
Cash margin	65%	70%	-5 pp
Gross collections <sup>1)</sup>	1 296	1 152	12%
Amortisation of own portfolios	-490	-465	5%
Portfolio investments <sup>1)</sup>	767	239	221%
Adj. EPS	0.29	0.32	
Adj. ROE	10.0 %	12.4 %	-2.4 pp

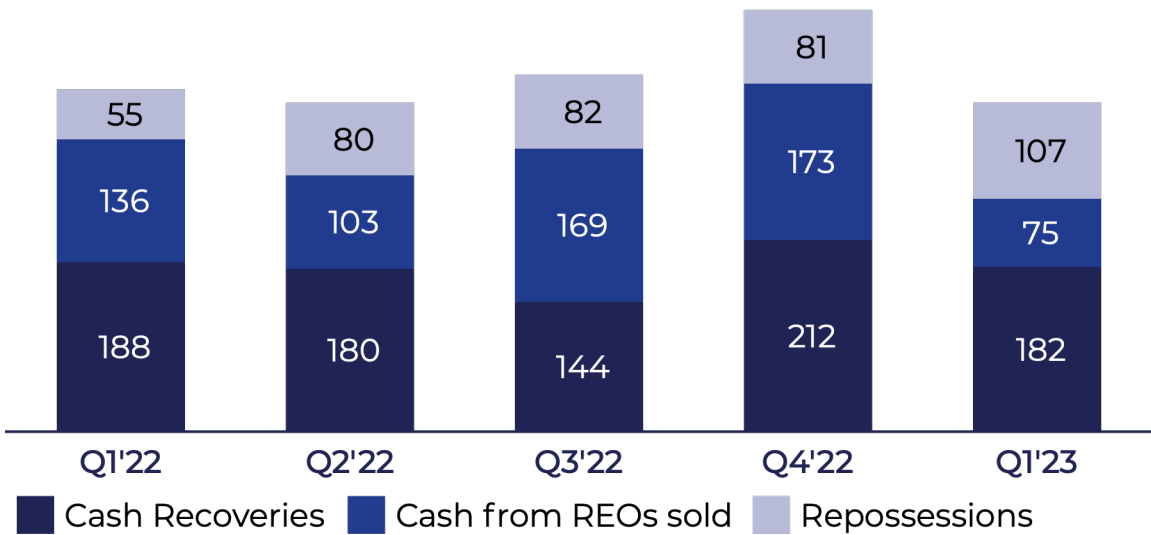
- Solid underlying collection performance
  - Unsecured collections at 104.8% and 4.0% up versus Q1 2022 (FX)
  - Secured collections of NOK 289m – incl. repossessions of NOK 107m
  - REO sales of NOK 75m at a premium to book value of 63%
- Strong Adj. EBIT growth following high over-performance on unsecured and secured portfolios
- Portfolio investments of NOK 767m and additional NOK 1.1bn committed for the remainder of 2023
- Increased interest costs driven by FX and higher floating rates
- Leverage ratio of 2.52x (2.29x in constant currency)
- Interest rate hedging ratio of 53%

# Collection Performance excl. JVs

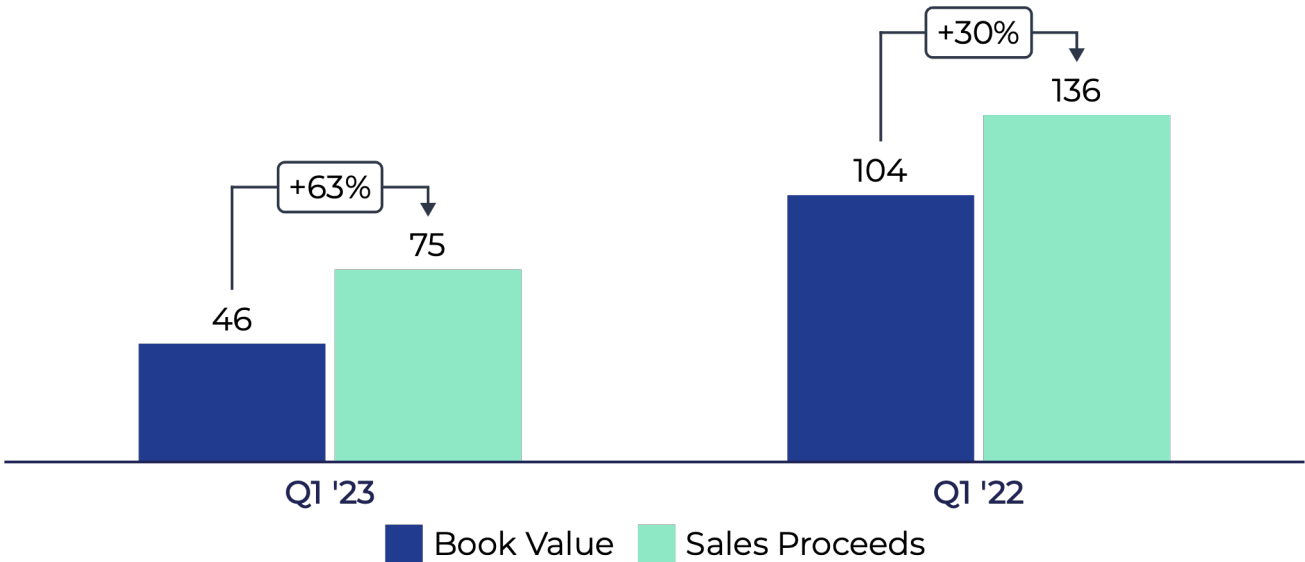
Unsecured collection performance



Secured recoveries



REOs sold

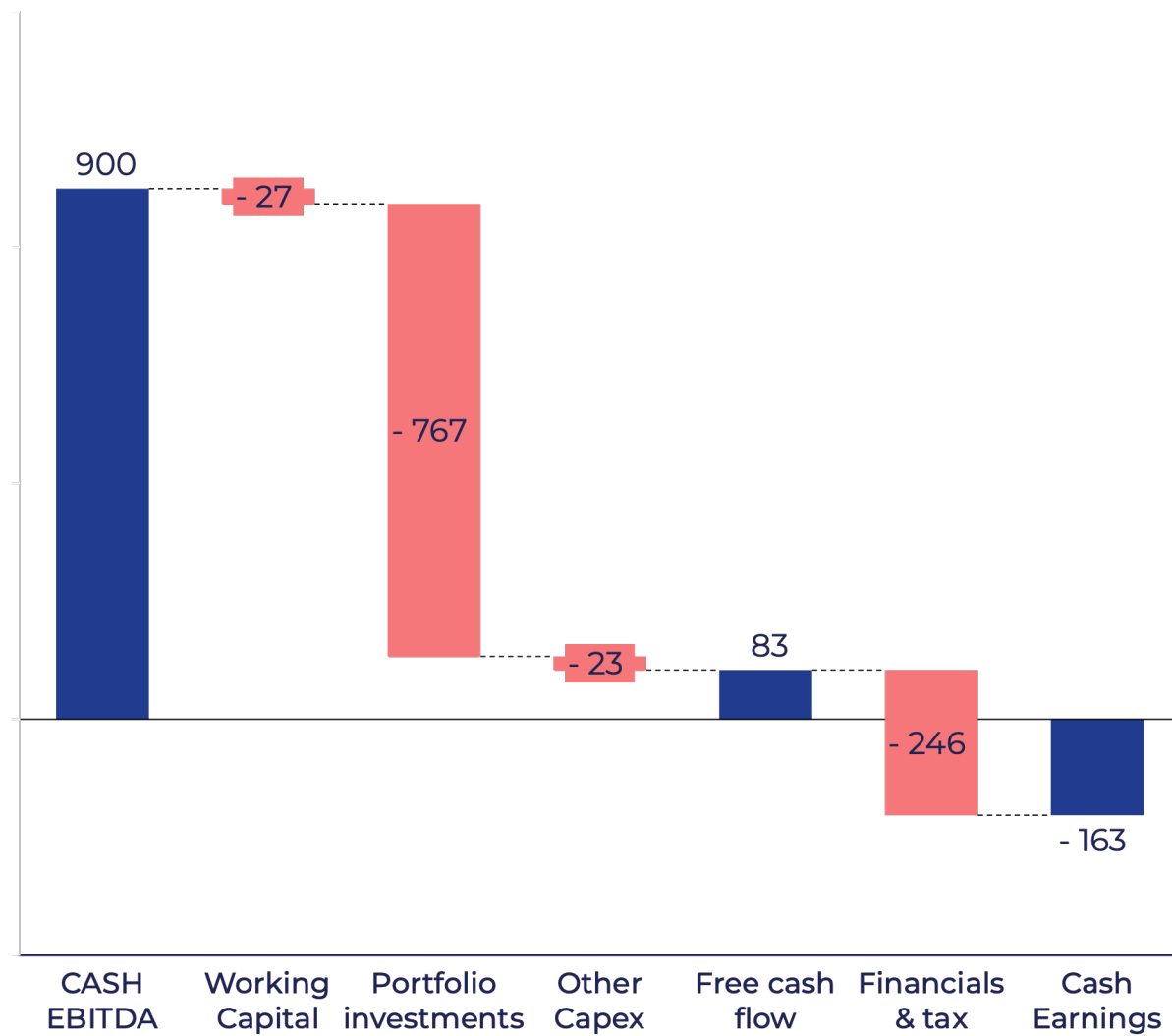


- Continued Unsecured overperformance – 104.8% for Q1 2023
- Secured recoveries in cash terms down 3% versus Q1 2022
  - Underlying collections up 19% (7% at constant FX)
  - Higher proportion of repossessions in Q1 2023
- REO sales at strong margins to book value

# Maintained low leverage and solid underlying cash flow

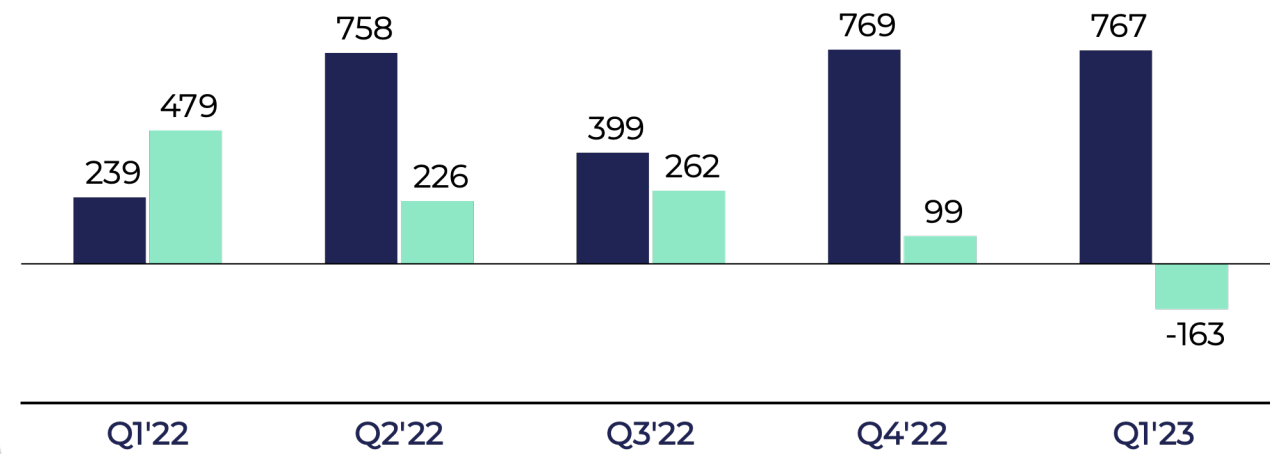
## Cash flow Q1 2023

NOKm Increase Decrease Total



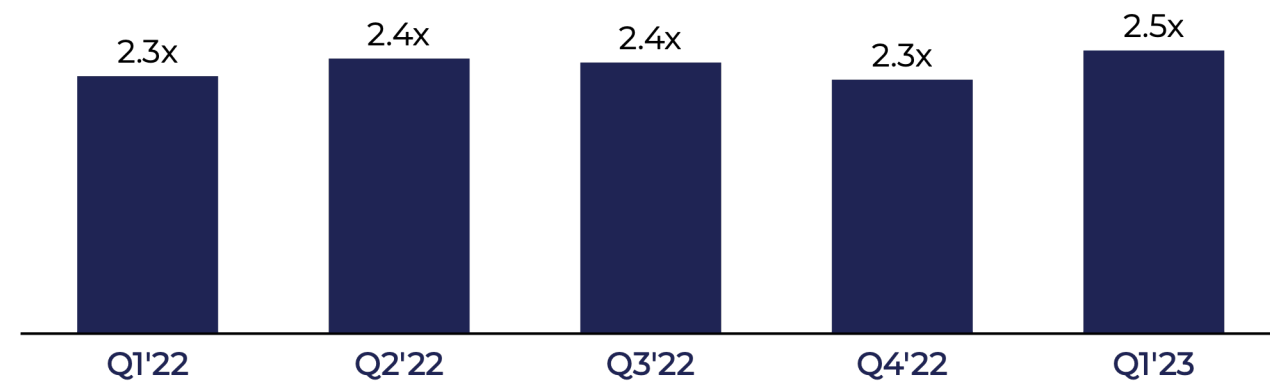
## Additional investment capacity

NOKm Portfolio investments Cash Earnings



## Stable underlying leverage ratio (2.3% at constant FX)

Lev.ratio

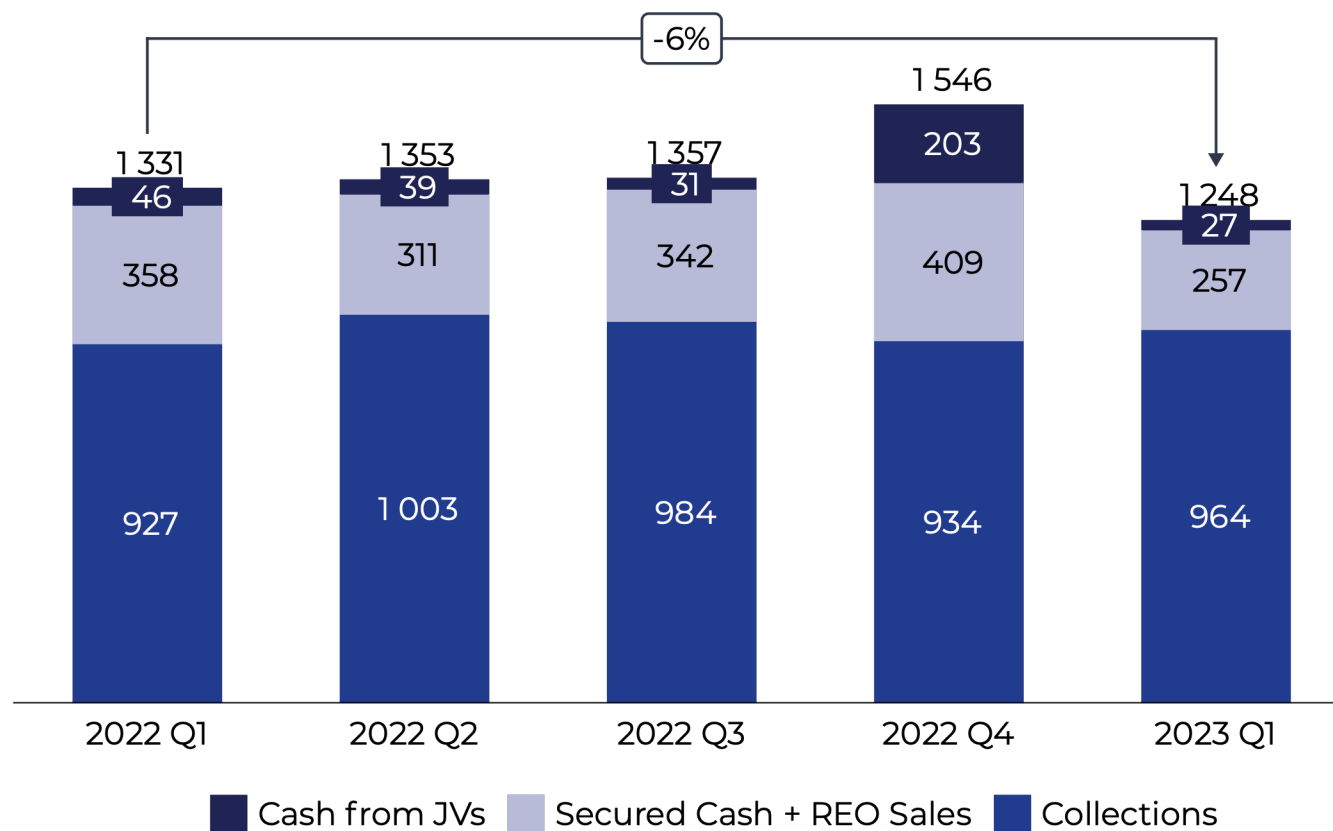




# Inflation mitigating actions initiated

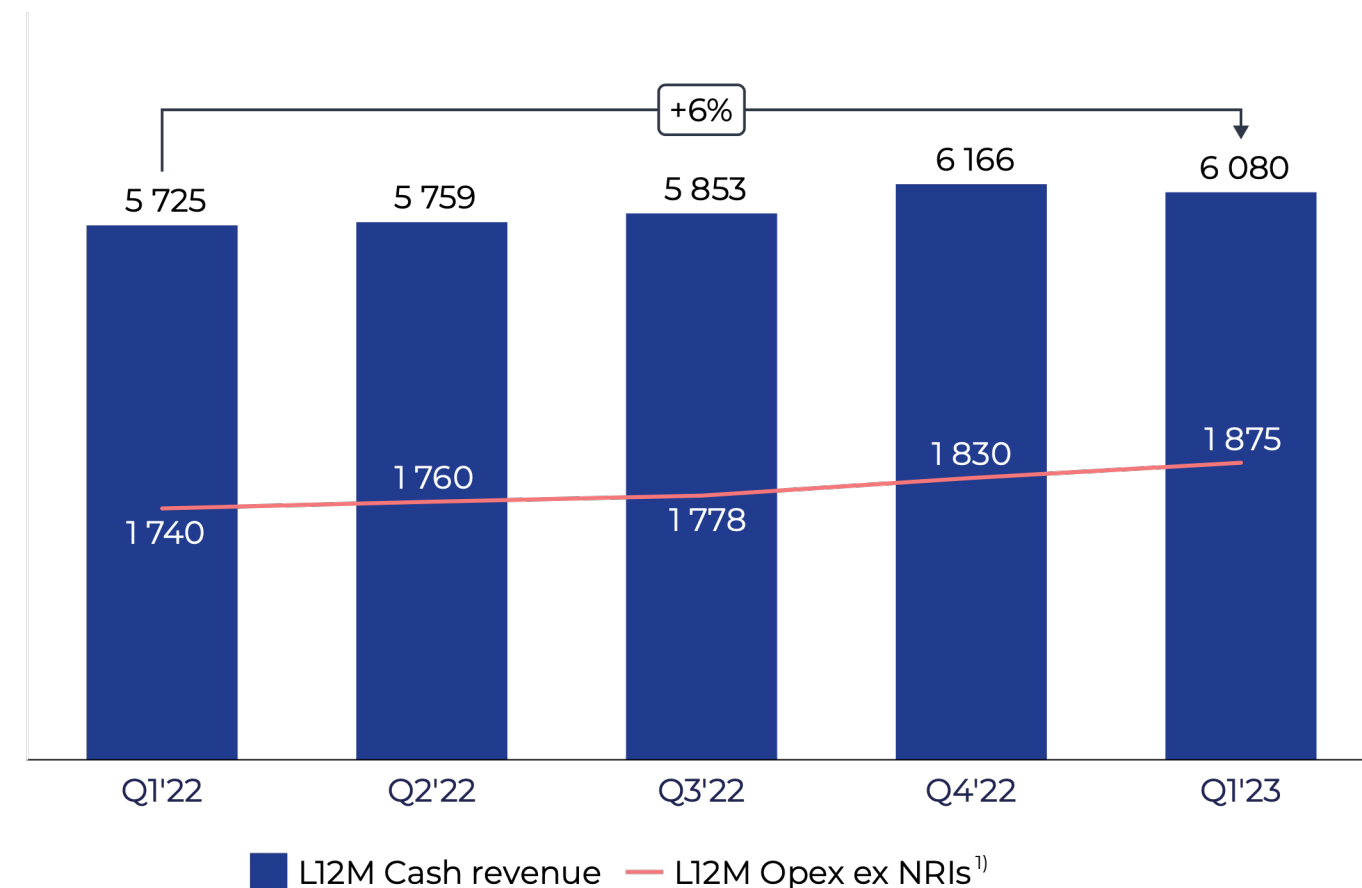
## Cash collections (constant FX)

- Growth in unsecured collections
- Solid underlying cash contribution from Secured



## Cash revenue & Underlying Opex (constant FX)

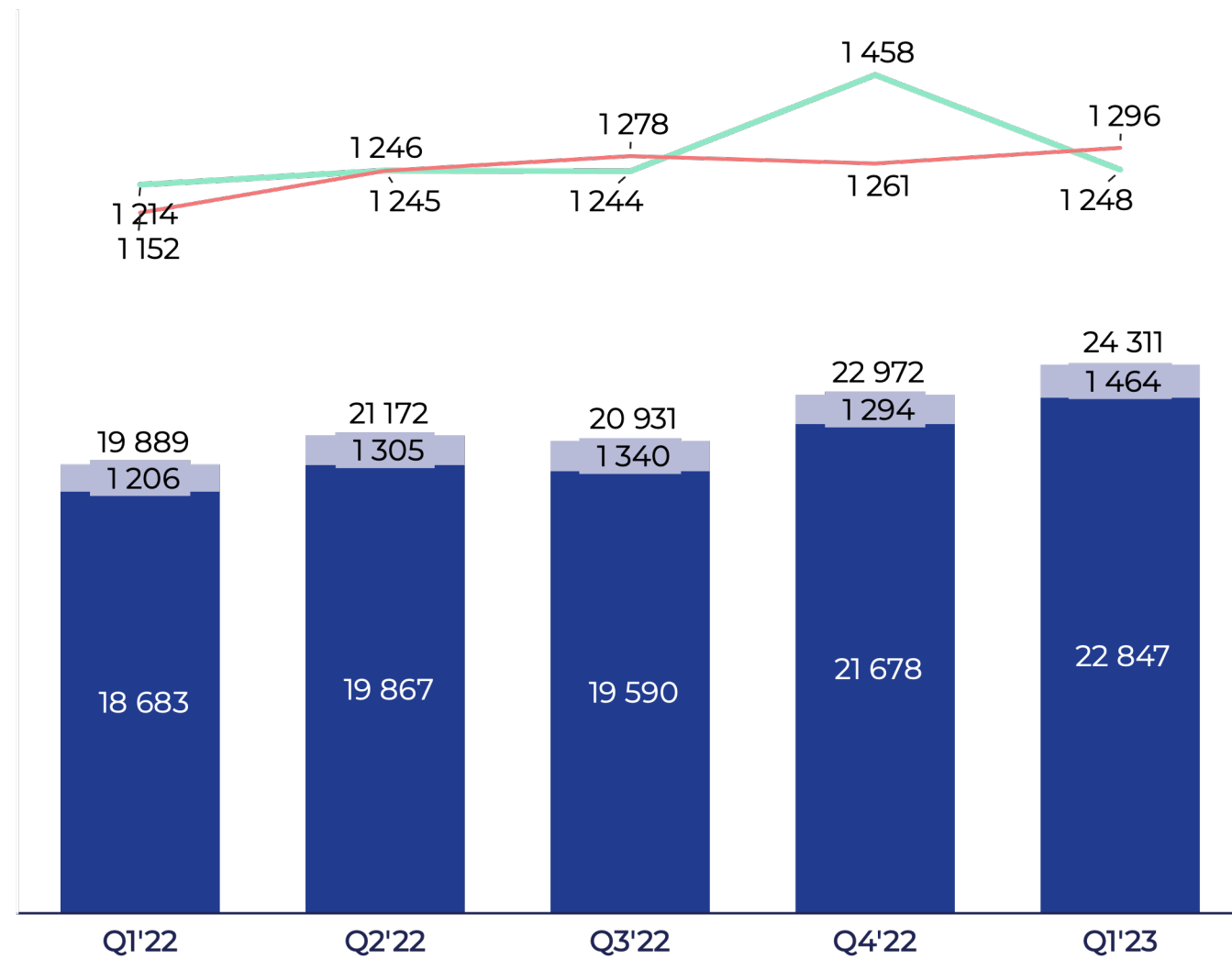
- L12M Cash revenue up 6.2%
- L12M underlying Opex up 7.7% but Q1 2023 down 3.1% compared with Q4 2022



# Portfolio investments and Estimated Remaining Collections (ERC)

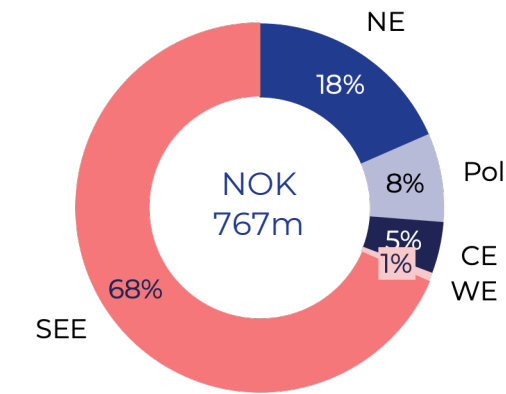
## Growing cash collections and growth in ERC

NOKm ■ NPL<sup>1</sup> ■ REOs ■ Cash collection ■ Gross collections

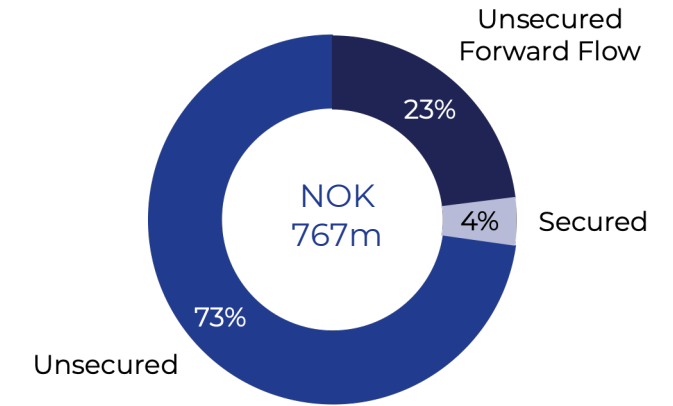


## Portfolio investments in Q1

### Geographical distribution

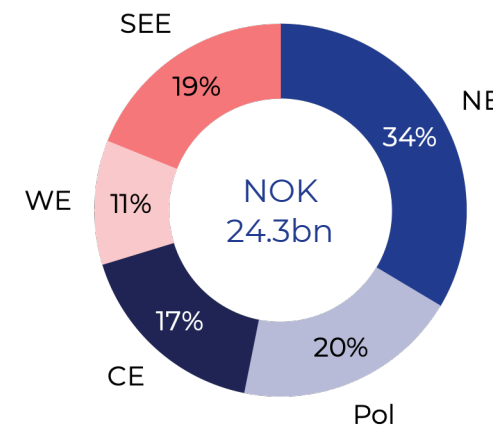


### Asset class distribution

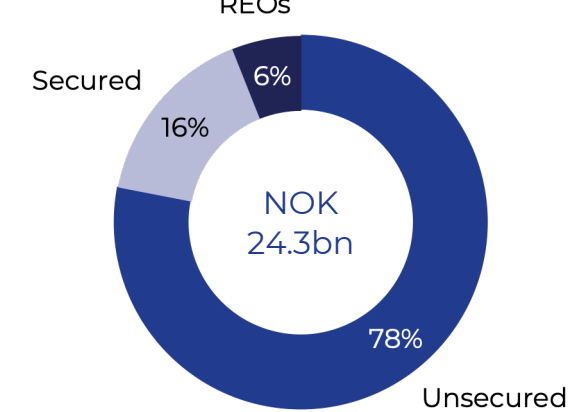


## Total ERC as of Q1

### Geographical distribution



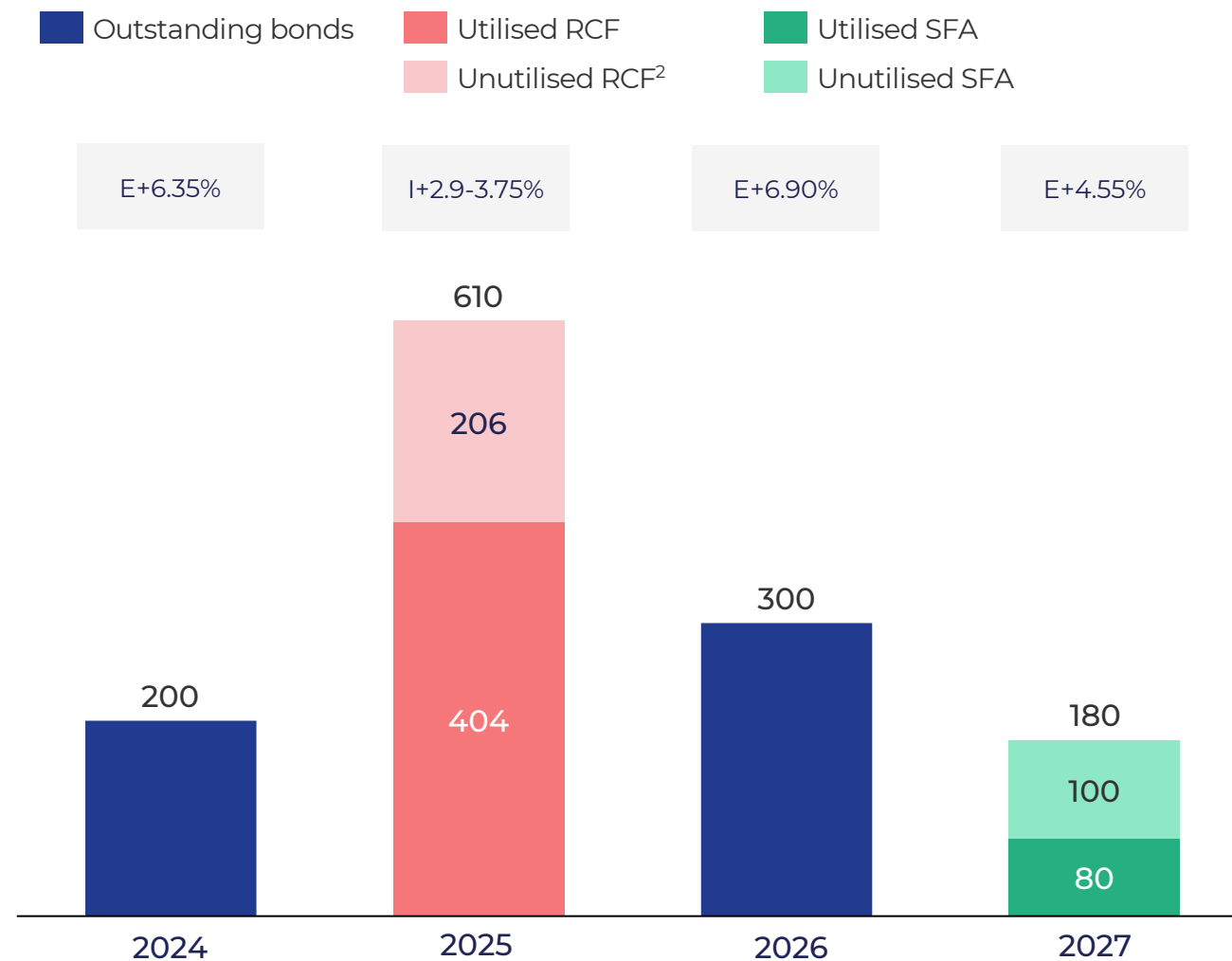
### Asset class distribution



1) Q4'22 includes ERC in connection with NOK 435m of Portfolio investments signed late December but closed in January and reported in Q1 Portfolio investments.

# Sound investment capacity in combination with low leverage

## Debt maturity profile, EURm<sup>1</sup>



## Healthy maturity profile and capacity

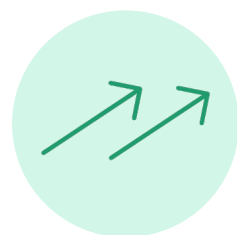
- Extensive bond refinancing completed
  - New EUR 150m tap issue in Jan and Feb
    - EUR ~128m in new capital and EUR 19m in rollover from B2Ho4
  - B2Ho4 fully repaid in February (EUR 95m)
- SFA line increased to EUR 180m in April
- Liquidity reserve of EUR ~370m in addition to operational cash flow
- Leverage ratio of 2.52x (2.29x in constant FX )



# Summary



# Key takeaways



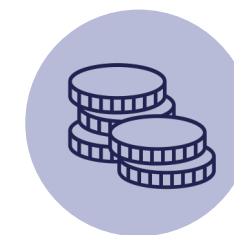
Solid underlying collection performance



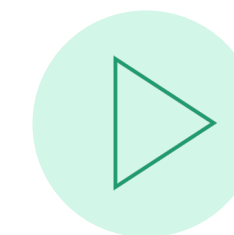
Reducing footprint and concentrating capital in fewer markets



Sound investment capacity in combination with low leverage



Several cost mitigating actions initiated



Maintaining capital discipline with committed capital of NOK 1.1bn for rest of year

# Q&A



# ESG commitment showing results

Substantially improved the ESG Risk rating from Sustainalytics, ranking us at the top of our industry and within the top 1 % of rated companies globally

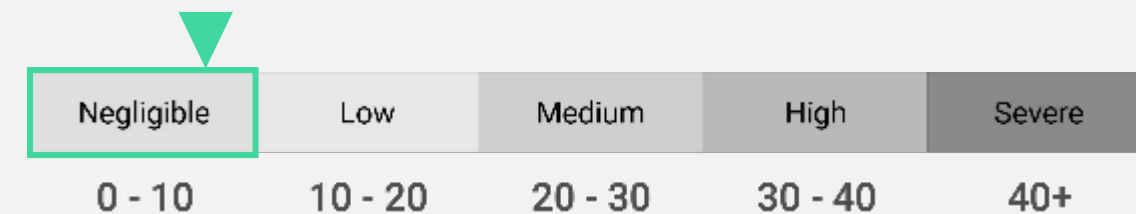
- On December 21 2022, the ESG Risk Rating was improved from 9.3 to 8.7
- B2Holding is at negligible ESG risk:
  - Low exposure of material ESG issues such as Business Ethics, Data Privacy and Security and Product Governance
  - Material ESG risks have been managed through suitable policies, programmes or initiatives
- Improved the rating from C to B in The Position Green Group’s ESG 100 report on the largest companies on Oslo Stock Exchange
- B2Holding has reinforced its focus on sustainable development and mission to bridge the gap that defaulted debt represents in the credit chain between lenders and customers
  - European bank’s ability to deal with NPLs is a priority for the ECB’s Banking Supervision as it is vital for a functioning bank sector and hence the growth of the economy

ESG Risk rating

8.7

Negligible Risk

(assessment dated Dec 2022)



Universe	RANK (1 <sup>st</sup> = lowest risk)	PERCENTILE (1 <sup>st</sup> = lowest risk)
<b>Global Universe</b>	115 / 15,613	2 <sup>nd</sup>
<b>Diversified Financials</b> INDUSTRY	8 / 914	2 <sup>nd</sup>
<b>Consumer Finance</b> SUBINDUSTRY	1 / 233	1 <sup>st</sup>

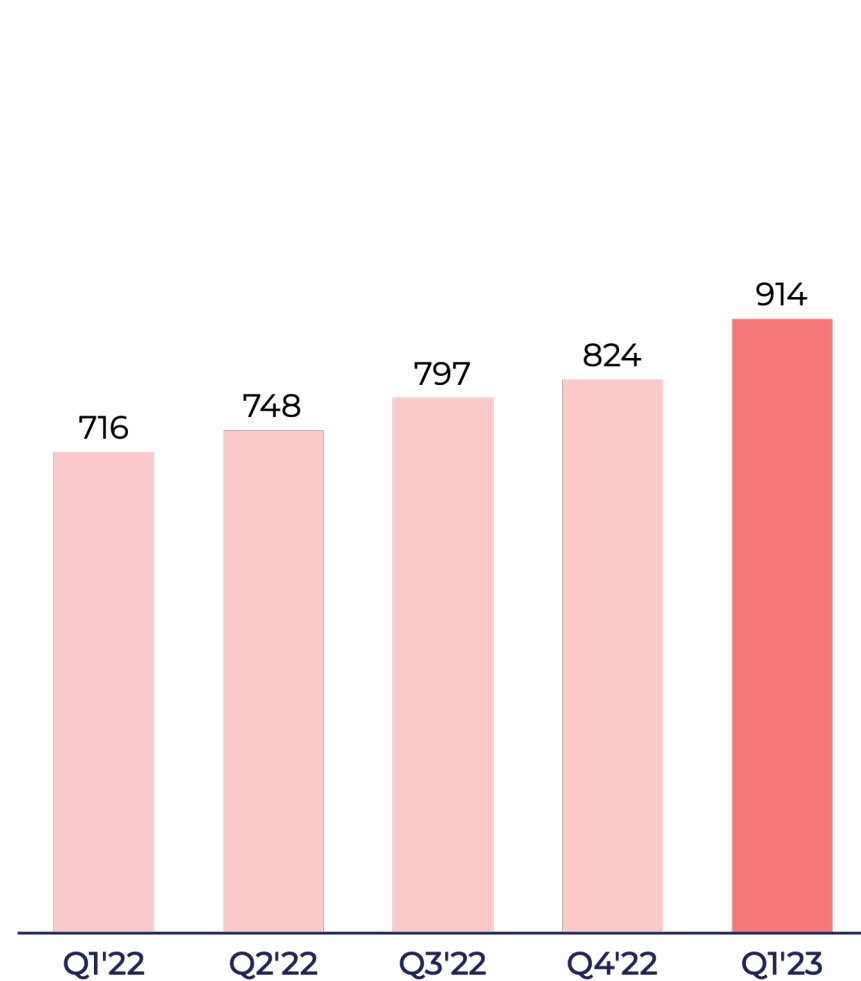
## Quarterly trends

<i>NOK million</i>	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1
Cash collections	1 301	1 229	1 191	1 136	1 214	1 246	1 244	1 458	1 248
Net revenues	762	756	792	726	716	748	797	824	914
Adj. EBIT	330	321	385	297	289	330	373	343	402
Adj. EBIT %	43%	43%	49%	41%	40%	42%	47%	42%	44%
EBIT	330	341	370	267	249	139	337	303	375
Adj. Net profit	130	147	174	143	128	173	171	92	112
Cash revenue	1 424	1 369	1 341	1 268	1 341	1 379	1 377	1 599	1 384
Cash EBITDA	1 014	957	946	862	934	949	973	1 140	900
Cash margin	71%	70%	71%	68%	70%	69%	71%	71%	65%
Gross collections <sup>1)</sup>	1 494	1 407	1 269	1 266	1 152	1 245	1 278	1 261	1 296
Amortisation of own portfolios	-862	-647	-537	-564	-465	-458	-455	-520	-490
Portfolio purchases <sup>2)</sup>	192	220	237	552	239	758	399	769	767
Adj. EPS	0.32	0.36	0.42	0.35	0.32	0.43	0.43	0.23	0.29
Adj. ROE	8.9 %	11.2 %	11.8 %	12.2 %	12.4 %	12.2 %	11.7 %	10.7 %	10.0 %

# Quarterly financial performance

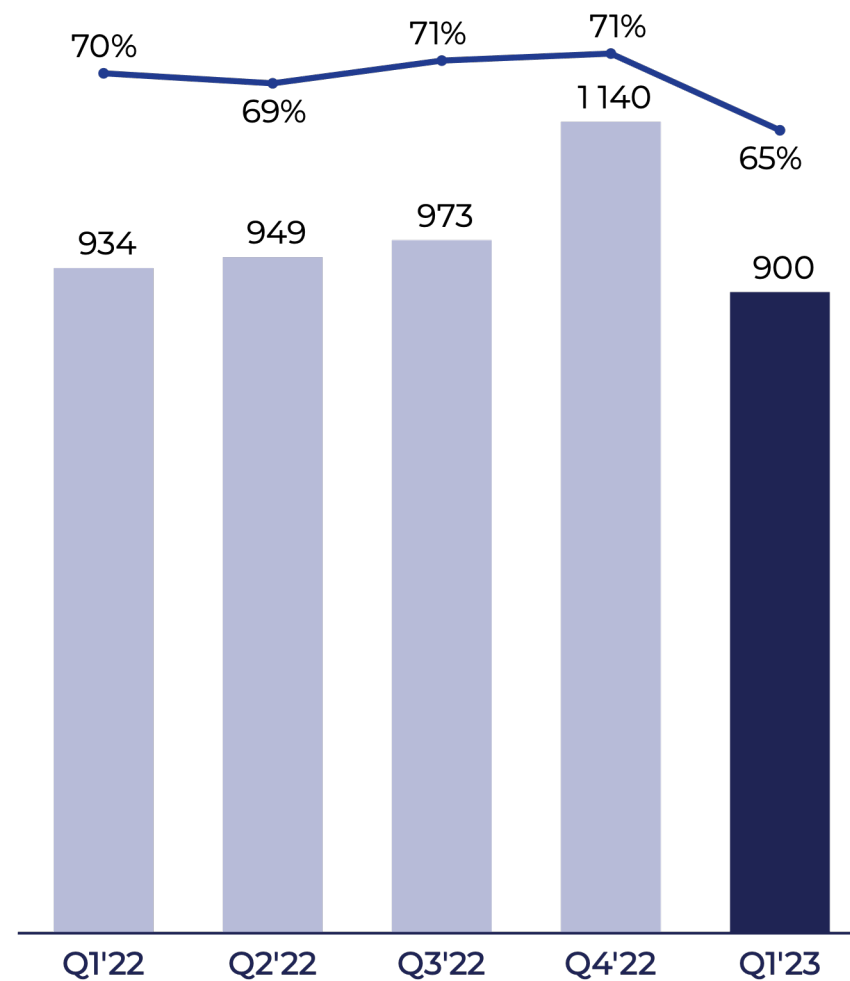
## Net revenues

NOKm Net revenues



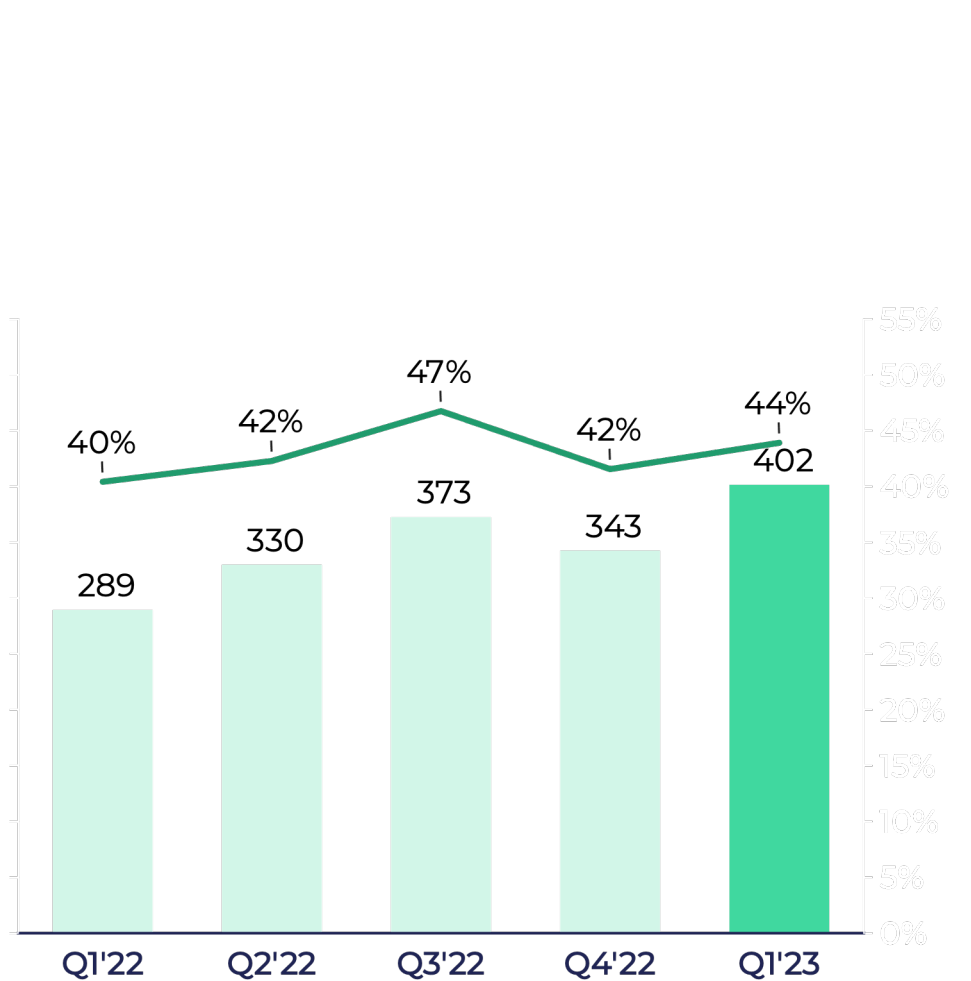
## Cash EBITDA

NOKm Cash EBITDA Cash margin



## Adjusted EBIT

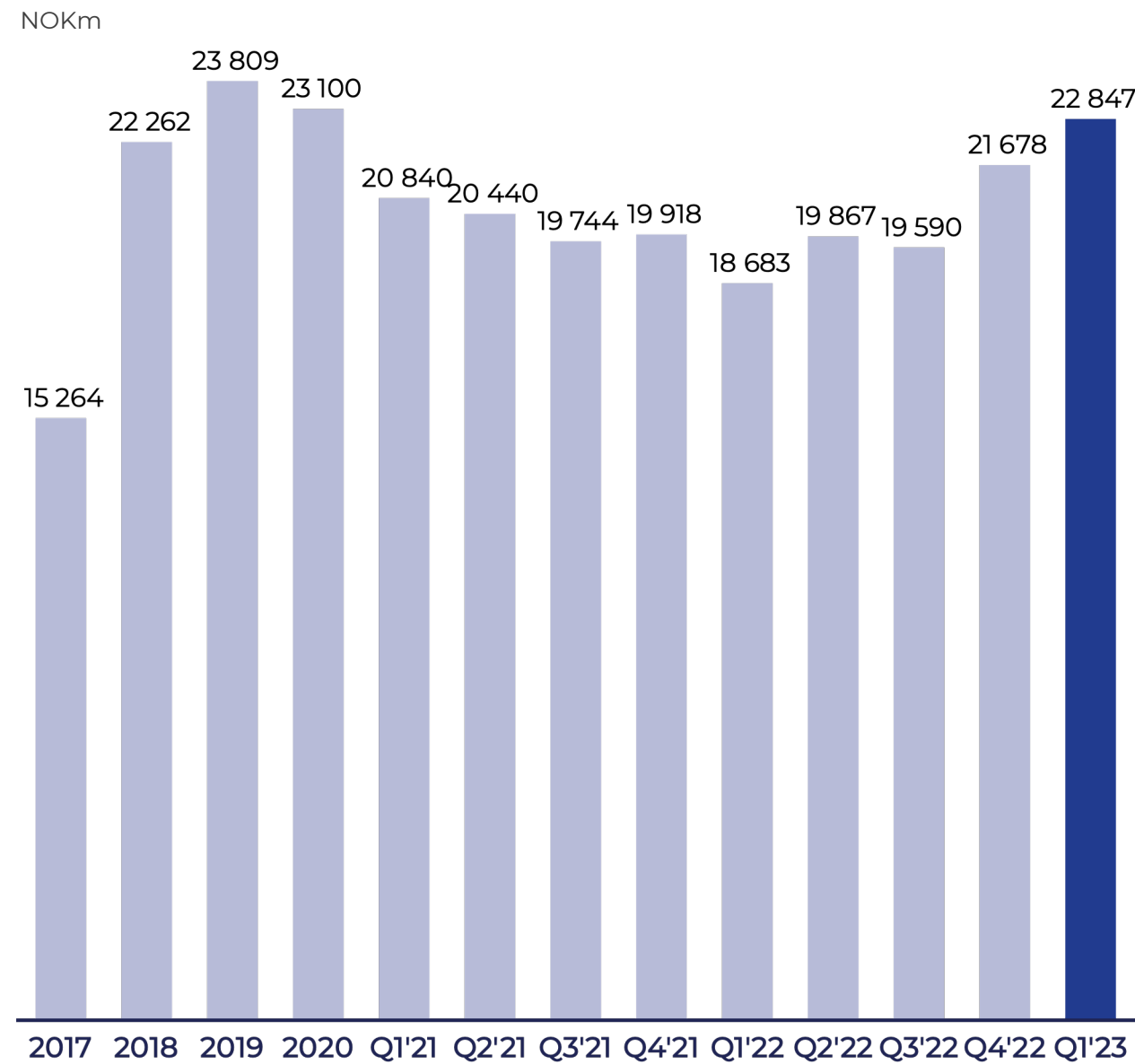
NOKm Adj. EBIT Adj. EBIT margin



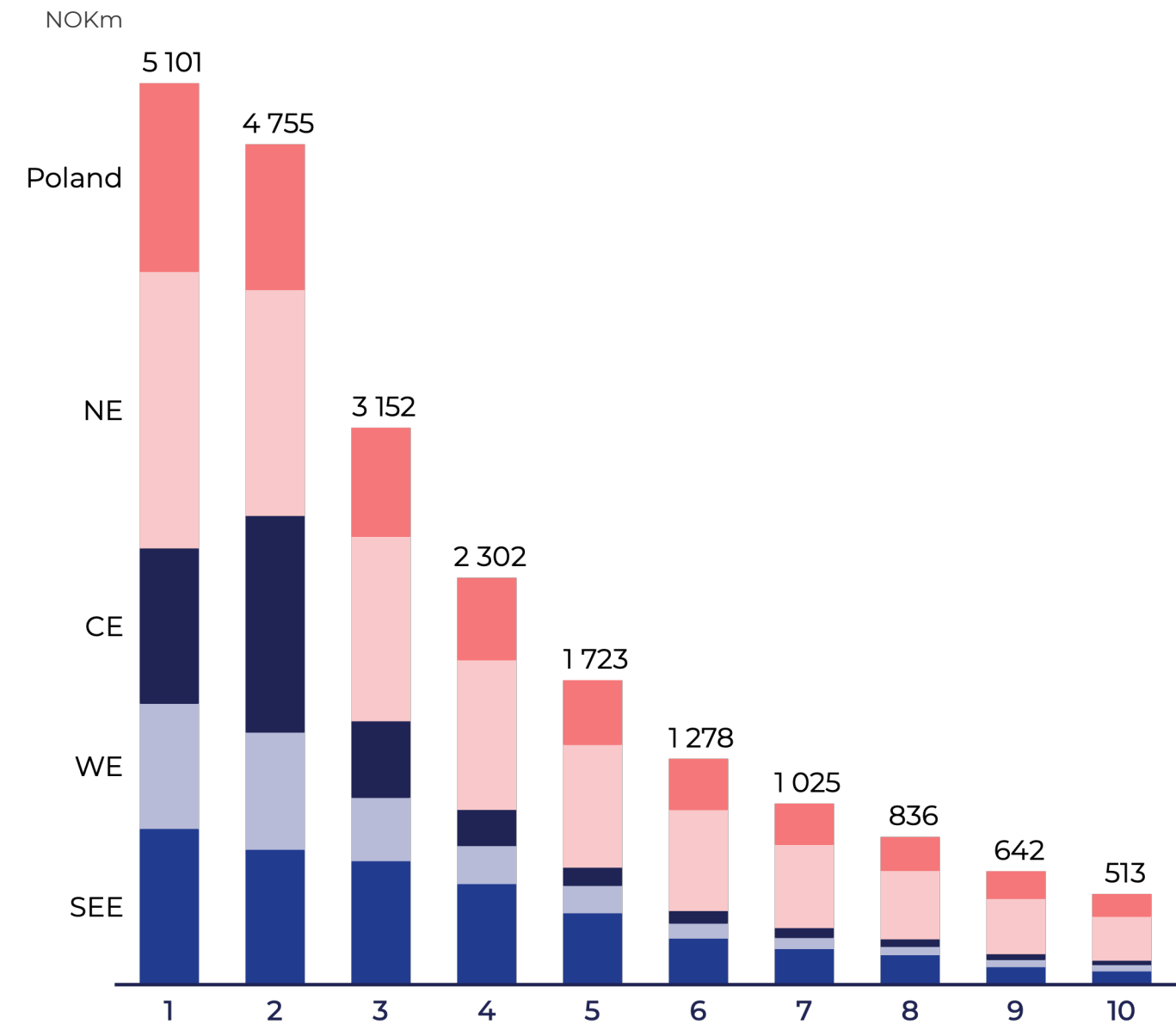


# ERC development

## Development in total gross ERC<sup>1) 2)</sup>



## Forward 120m ERC profile by year



1) Including the Group's share of portfolios acquired and held in SPVs and joint ventures and NOK 909m in Bulgaria  
 2) Q4'22 includes ERC in connection with NOK 435m of Portfolio investments signed late December but closed in January and reported in Q1 Portfolio investments.

# Portfolio diversification<sup>1)</sup>

Unsecured ERC	Year 1	2	3	4	5	6	7	8	9	10	120m ERC	Total ERC
Poland	947	768	603	463	366	289	234	192	157	129	4 148	4 554
NE	1 559	1 273	1 040	844	692	569	468	386	311	247	7 390	8 134
CE	287	218	170	133	97	70	54	42	33	25	1 130	1 180
WE	193	166	135	106	86	60	46	38	34	30	894	933
SEE	786	706	670	554	398	259	202	167	99	75	3 915	4 173
<b>Total</b>	<b>3 772</b>	<b>3 131</b>	<b>2 618</b>	<b>2 100</b>	<b>1 639</b>	<b>1 247</b>	<b>1 004</b>	<b>825</b>	<b>634</b>	<b>507</b>	<b>17 477</b>	<b>18 973</b>

Secured ERC	Year 1	2	3	4	5	6	7	8	9	10	120m ERC	Total ERC
Poland	121	57	15	3	1	1	1	0	0	0	200	200
NE	5	6	3	2	2	2	2	1	1	1	25	28
CE	592	1 008	263	72	6	2	2	1	0	0	1 946	1 947
WE	515	496	223	109	69	25	17	9	6	5	1 473	1 492
SEE	96	58	29	15	7	2	0	0	0	0	207	207
<b>Total</b>	<b>1 329</b>	<b>1 624</b>	<b>534</b>	<b>202</b>	<b>84</b>	<b>32</b>	<b>21</b>	<b>11</b>	<b>8</b>	<b>6</b>	<b>3 851</b>	<b>3 874</b>

<b>Total</b>	<b>5 101</b>	<b>4 755</b>	<b>3 152</b>	<b>2 302</b>	<b>1 723</b>	<b>1 278</b>	<b>1 025</b>	<b>836</b>	<b>642</b>	<b>513</b>	<b>21 328</b>	<b>22 847</b>
--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	------------	------------	------------	---------------	---------------

# Segment overview Q1 2023

## Investments

NOK million	2023 Quarter 1	2022 Quarter 1	Var. %
Total collections	1 253	1 091	15%
Total NPL revenue	713	544	31%
<b>Net revenue</b>	<b>783</b>	<b>595</b>	<b>31%</b>
Direct opex	-275	-216	27%
<b>Segment earnings</b>	<b>508</b>	<b>380</b>	<b>34%</b>
Segment earnings in %	65%	64%	1 pp

- Unsecured collection performance of 104.8%
- Secured collection performance of 177.7%
- Strong revenue growth from investments driven by over-performance in unsecured and secured

## Servicing

NOK million	2023 Quarter 1	2022 Quarter 1	Var. %
<b>Net revenue</b>	<b>285</b>	<b>255</b>	<b>12%</b>
Direct opex	-189	-165	15%
<b>Segment earnings</b>	<b>97</b>	<b>91</b>	<b>7%</b>
Segment earnings in %	34%	35%	-2 pp

- Servicing revenue up mainly due to:
  - Higher servicing revenue from growth in Investments volume
  - 3PC slightly up in constant FX
  - JV servicing slightly down following buyout of co-investor in South Eastern Europe

## 20 largest shareholders

#	Shareholder	No. of shares	Percentage
1	Prioritet Group AB	52 913 000	13.18 %
2	RASMUSSENGRUPPEN AS <sup>1)</sup>	51 373 266	12.80 %
3	STENSHAGEN INVEST AS	26 500 143	6.60 %
4	VALSET INVEST AS	26 000 000	6.48 %
5	DNB MARKETS AKSJEHANDEL/-ANALYSE	21 636 212	5.39 %
6	B2HOLDING ASA	14 184 000	3.53 %
7	SKANDINAVISKA ENSKILDA BANKEN AB	13 089 968	3.26 %
8	DUNKER AS	8 207 124	2.04 %
9	RUNE BENTSEN AS	8 191 680	2.04 %
10	VERDIPAPIRFONDET STOREBRAND NORGE	7 299 400	1.82 %
11	VERDIPAPIRFONDET DNB NORGE	6 156 354	1.53 %
12	GREENWAY AS	5 802 368	1.45 %
13	VPF DNB AM NORSKE AKSJER	5 172 336	1.29 %
14	VERDIPAPIRFONDET ALFRED BERG NORGE	4 331 916	1.08 %
15	VERDIPAPIRFONDET ALFRED BERG AKTIV	4 049 949	1.01 %
16	VERDIPAPIRFONDET ALFRED BERG GAMBAK	3 948 408	0.98 %
17	LIN AS	3 500 000	0.87 %
18	F2KAPITAL AS	3 000 000	0.75 %
19	RANASTONGJI AS	2 847 048	0.71 %
20	VERDIPAPIRFONDET ALFRED BERG NORGE	2 706 374	0.67 %
	OTHER	130 455 278	32.50 %
	<b>TOTAL</b>	<b>401 364 824</b>	<b>100.00 %</b>

# Definitions

- **Actualisation:** Actualisation is the difference between actual and forecasted collections for purchased loan portfolios for the reporting period.
- **Adjusted EBIT (Adj. EBIT):** Adjusted EBIT consists of Operating profit/(loss) (EBIT) adjusted for Non-recurring items.
- **Adjusted EBIT % (Adj. EBIT %):** Adjusted EBIT % is Adjusted EBIT expressed as a percentage of Net revenues excluding Non-recurring items.
- **Adjusted EPS (Adj. EPS):** Adjusted earnings per share is calculated based on Adjusted Net profit (Adj. Net profit) for the period divided by the weighted average number of outstanding shares during the respective period.
- **Adjusted Net profit (Adj. Net profit):** Adjusted Net profit consists of Profit/(loss) after tax adjusted for Non-recurring items reduced by the tax rate for the period.
- **Adjusted Return on equity (Adj. ROE):** Adjusted Return on equity is calculated based on rolling 12-months Adjusted Net profit divided by the average equity attributable to parent company shareholders (also adjusted for Non-recurring items), with average equity calculated as a simple average based on opening and closing balances for the respective 12-month period.
- **Administration & management costs:** Administration and management cost include Head Office and other Group costs such as Investment Office.
- **Amortisation:** Amortisation is the amount of the gross collections that are used to reduce the book value of the purchased portfolios.
- **Cash collections:** Cash collections include unsecured collections, secured cash recoveries, cash received from SPVs and joint ventures, and REO sales proceeds.
- **Cash EBITDA:** Cash EBITDA consists of EBIT added back amortisation and revaluation of purchased loan portfolios, depreciation, amortisation and impairment of tangible and intangible assets and cost of collateral assets sold, adjusted for repossession of collateral assets and the difference between cash received and recognised profit from shares in associated parties/joint ventures and participation loan/notes. Cash EBITDA is a measure of actual performance from the collection business (cash business) and other business areas. Cash EBITDA is adjusted for Non-recurring items.
- **Cash margin:** Cash margin consists of cash EBITDA expressed as a percentage of cash revenue.
- **Cash revenue:** Cash revenue consists of Total revenues added back amortisation and revaluation of purchased loan portfolios and adjusted for repossession of collateral asset and the difference between cash received and recognised profit from shares in associated parties/joint ventures and participation loan/notes. Cash revenue is a measure of actual revenues (cash business) from the collection business and other business areas. Cash Revenue is adjusted for Non-recurring items.
- **Collateral asset:** In connection with the acquisition and recovery of purchased loan portfolios, the Group may become owner of assets such as land, buildings or other physical goods. These assets are only acquired as part of the recovery strategy for the purpose of being divested within the Group's ongoing operations to maximize the value of recoveries. Such assets are classified as inventories and recognised in the balance sheet at the lower of cost and net realisable value in accordance with IAS 2 Inventories.
- **Cost other revenues:** Cost other revenues is all external and internal operating costs excluding Administration and management costs and not related to the collections of B2Holding's purchased loan portfolios.
- **Cost to collect:** Cost to collect is all external and internal operating costs related to the collections of B2Holding's purchased loan portfolios.
- **EBITDA:** Operating profit before depreciation and amortisation (EBITDA) consists of operating profit (EBIT) adding back depreciation, amortisation and impairment of tangible and intangible assets.
- **Estimated Remaining Collections (ERC):** Estimated remaining collections (ERC) expresses the gross collections in nominal values expected to be collected in the future from the purchased loan portfolios owned at the reporting date and the Group's share of gross collections on portfolios purchased and held in joint ventures. ERC includes ERR.
- **Estimated Remaining Recoveries (ERR):** Estimated remaining recoveries (ERR) expresses the gross collections in nominal values expected to be recovered in the future from the purchased secured loan portfolios owned at the reporting date and the Group's share of gross collections on secured portfolios purchased and held in joint ventures.
- **Forward flow agreements:** Forward flow agreements are agreements where the Group agrees with the portfolio provider that it will, over some period in fixed intervals, transfer its non-performing loans of a certain characteristics to the Group.

# Definitions (cont'd)

- **Gross collections:** Gross collections are the actual cash collected and assets recovered from purchased portfolios.
- **Interest income from loan receivables:** Interest income from loan receivables is the calculated amortised cost interest revenue from the loan receivable using the original effective interest rate.
- **Interest income from purchased portfolios:** Interest income from purchased loan portfolios is the calculated amortised cost interest revenue from the purchased loan portfolios using the credit-adjusted effective interest rates set at initial acquisition.
- **Leverage ratio:** Net interest-bearing debt over Cash EBITDA calculated for the last 12 months.
- **Liquidity reserve:** Cash and short-term deposits (less NOK 200 million to cover working capital) plus unutilised credit facility lines, plus fair value of treasury bonds and less short-term vendor loans. Cash flow from future operations is not included in the number.
- **Net debt:** Net debt consists of nominal value of interest-bearing loans and borrowings plus utilised bank overdraft less cash and short-term deposits.
- **Net interest-bearing debt:** Net interest-bearing debt consist of carrying value of interest-bearing loans and borrowings plus utilised bank overdraft less cash and short-term deposits.
- **Net credit gain/(loss) from purchased loan portfolios:** The Group's exposure to credit risk from the purchased loan portfolios is related to actual gross collections deviating from collections estimates and from changes in future collections estimates. The Group regularly evaluates the current collections estimates at the individual portfolio level and the estimate is adjusted if collections is determined to deviate from current estimate over time. The adjusted collections estimate is discounted by the initial rate of return at acquisition of the portfolio. Changes from current estimate adjust the book value of the portfolio and are included in the profit and loss statement in the line item "Net credit gain/(loss) from purchased loan portfolios". Collections above collections estimates and upward adjustments of future collections estimates increase revenue. Collections below collections estimates and downward adjustments of future collections estimates decrease revenue. Net credit gain/(loss) equals net actualisation/revaluation.
- **Net credit gain/(loss) from loan receivables:** The Group's exposure to credit risk from loan receivables is related to actual instalments deviating from loan schedules. The Group measures the impairment loss on loan receivables using a 3-stage model for expected credit loss (ECL) according to IFRS 9. Changes from current estimate adjust the book value of the loan receivables and are included in the profit and loss statement in the line item "Net credit gain/(loss) from loan receivables".
- **Non-recurring items:** Significant profit and loss items that are not included in the Group's normal recurring operations, which are difficult to predict and are considered to have low forecast value for the future earnings trend. Non-recurring items may include but are not limited to restructuring costs, acquisition and divestment costs, advisory costs for discontinued acquisition projects, integration costs, termination costs for Group Management and country managers, non-portfolio related write offs, unusual legal expenses, extraordinary projects, and material income or expenses relating to prior years.
- **Net revenues:** Net revenues are the Total revenues reported less the Cost of collateral assets sold, including impairment.
- **Operating cash flow per share:** Operating cash flow per share is operating cash flow from consolidated statement of cash flows divided on the weighted average number of shares outstanding in the reporting period. Operating cash flow per share is a measure on actual cash earned from operating business per share.
- **Other revenues:** Other revenues include revenue from external collections, as well as subscription income for credit information, telemarketing and other services which is recognised proportionately over the term of the underlying service contract which is usually one year.
- **Participation loan/notes:** Participation loan/notes consist of investment agreements with co-investors for the purchase of loan portfolios through SPVs. The contractual arrangement of the participation loan/notes are directly related to the performance of the portfolios purchased in the SPVs.
- **Portfolio purchases:** Portfolio purchases are the investments for the period in secured (with collateral) and unsecured (without collateral) loan portfolios.
- **Profit margin:** Profit margin consists of operating profit (EBIT) expressed as a percentage of total operating revenues.
- **Return on equity (ROE):** Return on equity is calculated based on rolling 12-months Net profit for the Group divided by the average equity attributable to parent company shareholders, with average equity calculated as a simple average based on opening and closing balances for the respective 12-month period.
- **Revaluation:** Revaluation is the period's increase or decrease in the carrying value of the purchased loan portfolios attributable to changes in forecasts of future collections.
- **Total Loan to Value (TLTV):** Total loan to value is net debt adjusted for vendor loan, earn out and FX hedge MTM over assets (portfolio, JV, loan receivables, real estate owned and goodwill).



# b2holding.no

---

IR contact

**Rasmus Hansson**

Head of Commercial Strategy  
and Investor Relations

+47 952 55 842

rh@b2holding.no

**B<sup>2</sup>HOLDING**

