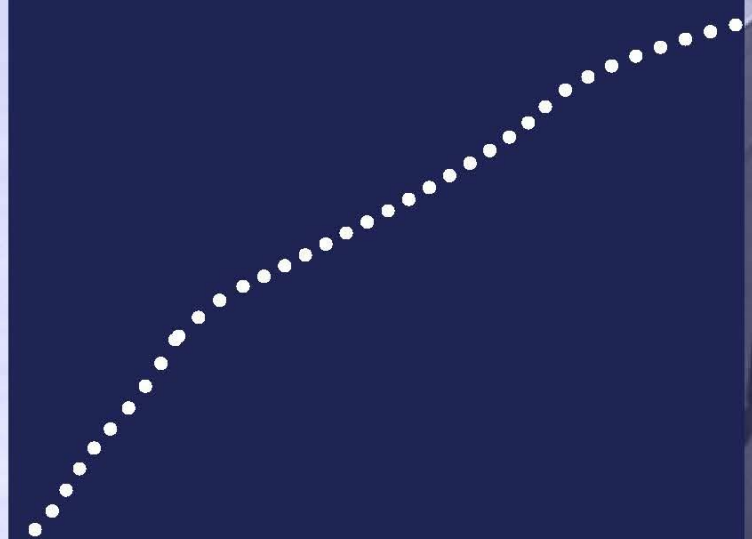


Q1

First quarter 2022



B2HOLDING



Highlights Q1 2022

Operations

- Unsecured collections at 102 % of the latest forecast
- Solid secured cash recoveries with record high REO sales

Effectiveness & efficiency

- Restructuring of secured business and closing of refinancing on schedule
- Veraltis Asset Management established as master servicer in secured markets to drive scalability

Investments

- Significant increase in portfolios purchased and committed compared with Q1 last year
- Stronger pipeline and increased investment capacity

Capital & funding

- Agreed refinancing of RCF with DNB, Nordea and Swedbank - increased with EUR 100m at lower margin and maturity extended to 2025
- New dividend policy allows for dividends and share buybacks of up to 50 % of net profit

Key figures Q1 2022 (NOKm)

Cash collections

1 214

1 301

REO sales

136

28

Net revenues

716

762

Cash EBITDA¹⁾

934

1 014

Adj. Net profit²⁾

128

130

Portfolios
purchased / committed

239 / 700

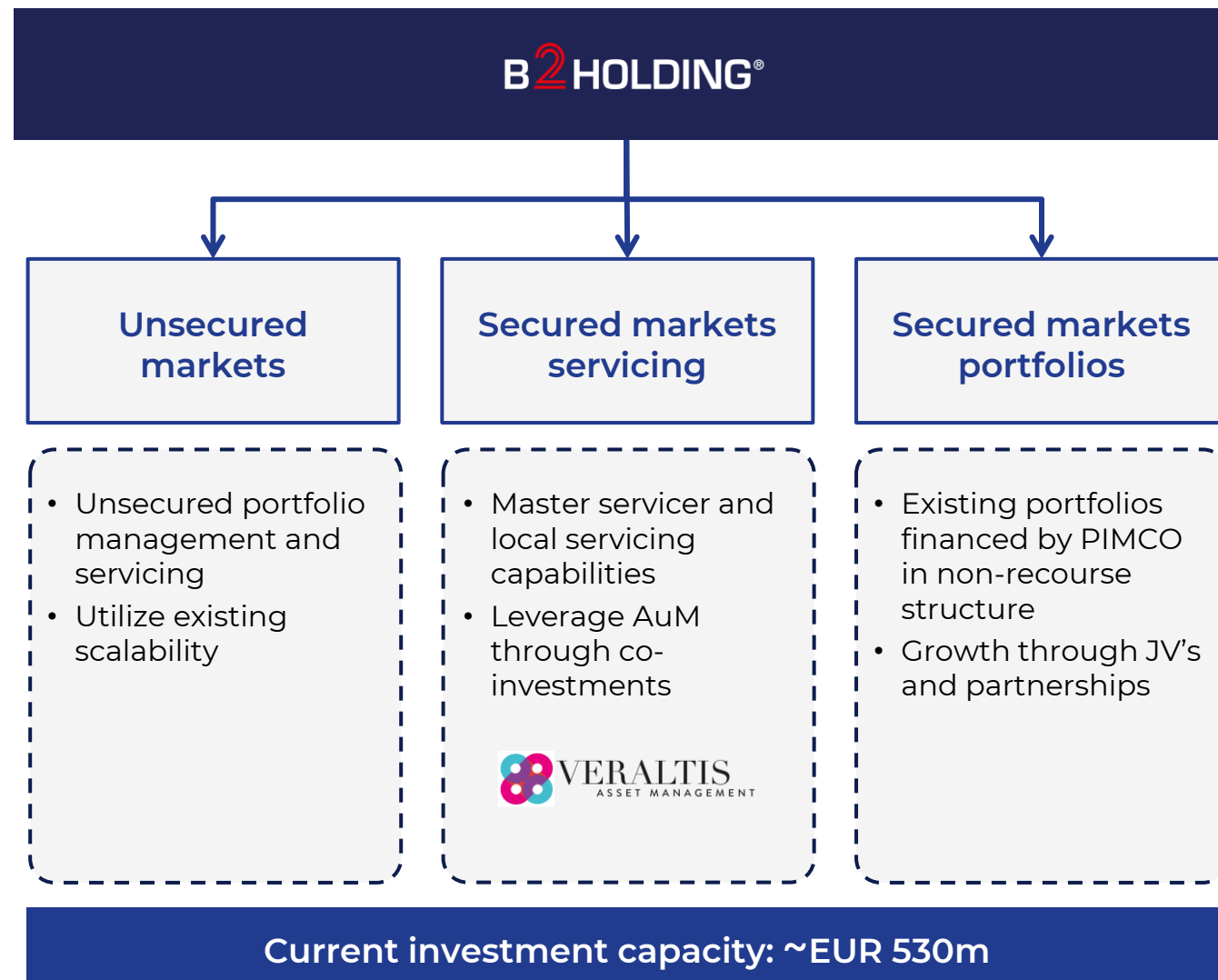
192 / 550

Market recovery continues during Q1

- More active market with greater volume of portfolios marketed
- Increase in volume of deals evaluated and acquired versus same quarter last year
- At end of quarter, more than NOK 700m invested and committed for 2022
- Expected total investments of ~NOK 3bn this year
 - Stronger pipeline at end of quarter vs previous quarter
 - Continued disciplined approach towards new investments
 - Economic environment is carefully monitored
 - Capacity to increase investments with favorable market development



The new corporate structure is taking shape



Increased investment capacity and flexibility

- Invest on our own book in unsecured markets to further drive scalability and profitability
- Established a cross-border Master Servicer with local Special Servicers: Veraltis Asset Management
 - 100 % owned by B2 Holding
 - Servicing of existing back book, future investments and 3PC
 - Segregation of assets and servicing
- Invest in secured portfolios through co-investment partnerships to drive scalability

Key expected benefits after restructuring

**New
corporate
structure**

Increased growth potential with additional investment capacity and flexibility in unsecured and secured

De-risking of the balance sheet through co-investment driving increased servicing revenue

Achieve scalability across all our servicing platforms

More efficient and leaner operational model in the secured markets: Centralised key functions and increased cross border support to maximize value extraction

Veraltis uniquely positioned as a Master and special servicer in attractive markets for co-investment and servicing assignments

Financial performance



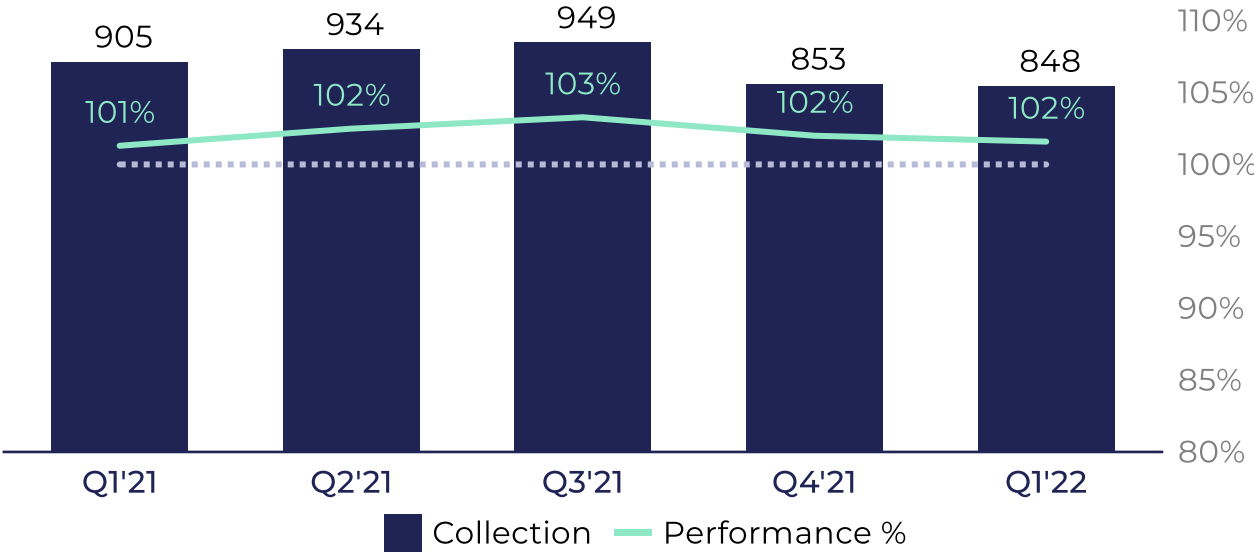
First quarter 2022 summary

<i>NOK million</i>	2022 Q1	2021 Q1	% Δ	2021 Q4	2021 FY
Cash collections	1 214	1 301	-7%	1 136	4 857
Net revenues	716	762	-6%	726	3 036
Adj. EBIT	289	330	-12%	297	1 333
Adj. EBIT %	40%	43%	-3 pp	41%	44%
EBIT	249	330	-25%	267	1 308
Adj. Net profit	128	130	-1%	143	594
Cash revenue	1 341	1 424	-6%	1 268	5 402
Cash EBITDA	934	1 014	-8%	862	3 779
Cash margin	70%	71%	-2 pp	68%	70%
Gross collections ¹⁾	1 152	1 494	-23%	1 266	5 435
Amortisation of own portfolios	-465	-862	-46%	-564	-2 609
Portfolio purchases ¹⁾	239	192	24%	552	1 202
Cost to collect %	21%	18%	2 pp	21%	19%
EPS	0.24	0.32		0.29	1.40
Return on equity	11.4 %	8.8 %	2.6 pp	11.8 %	11.8 %

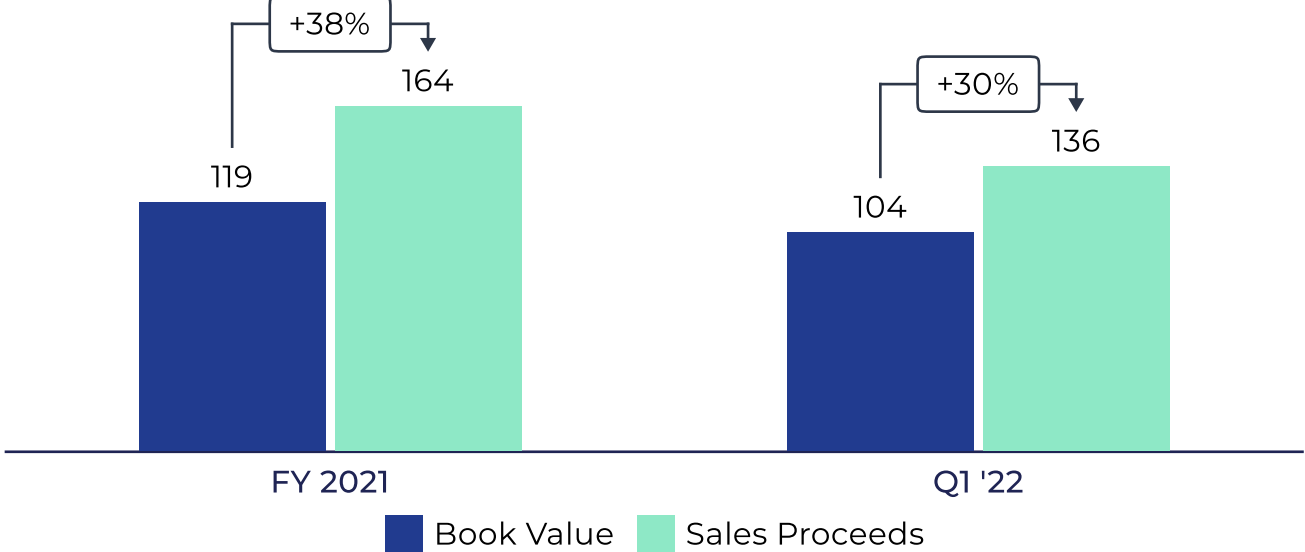
- Strong underlying collection performance
 - Unsecured collections at 102%
 - Secured recoveries at 151%
 - REO sales of NOK 136m at a 30% margin
- Cash Collections 7% up compared to Q4
- Cash EBITDA of NOK 934m, up from NOK 862m previous quarter
- NRIs of NOK 40m mainly related to restructuring and senior financing
- Adj. Net profit of NOK 128m
- Invested and committed capital in 2022 of more than NOK 700m at the end of Q1

Collection Performance

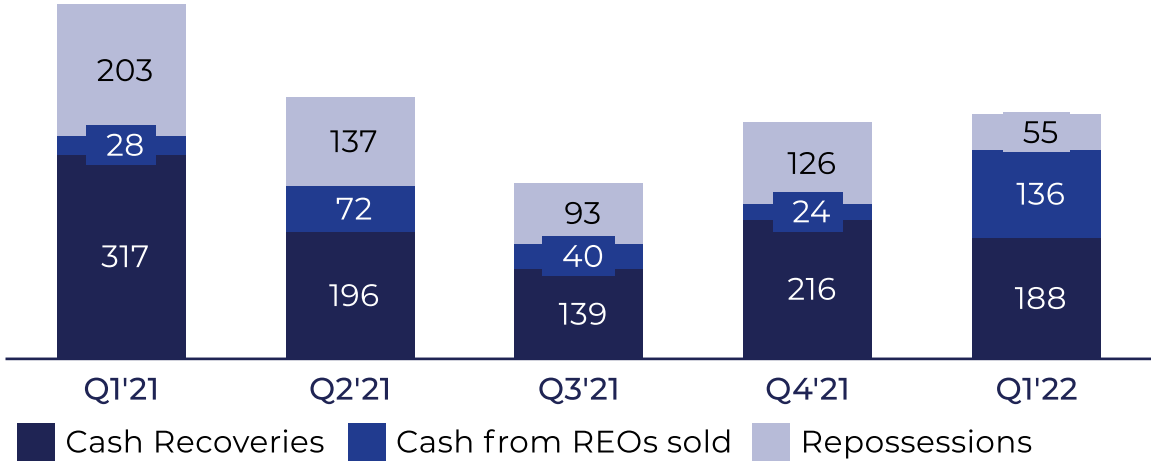
Unsecured collection performance



REOs sold



Secured recoveries

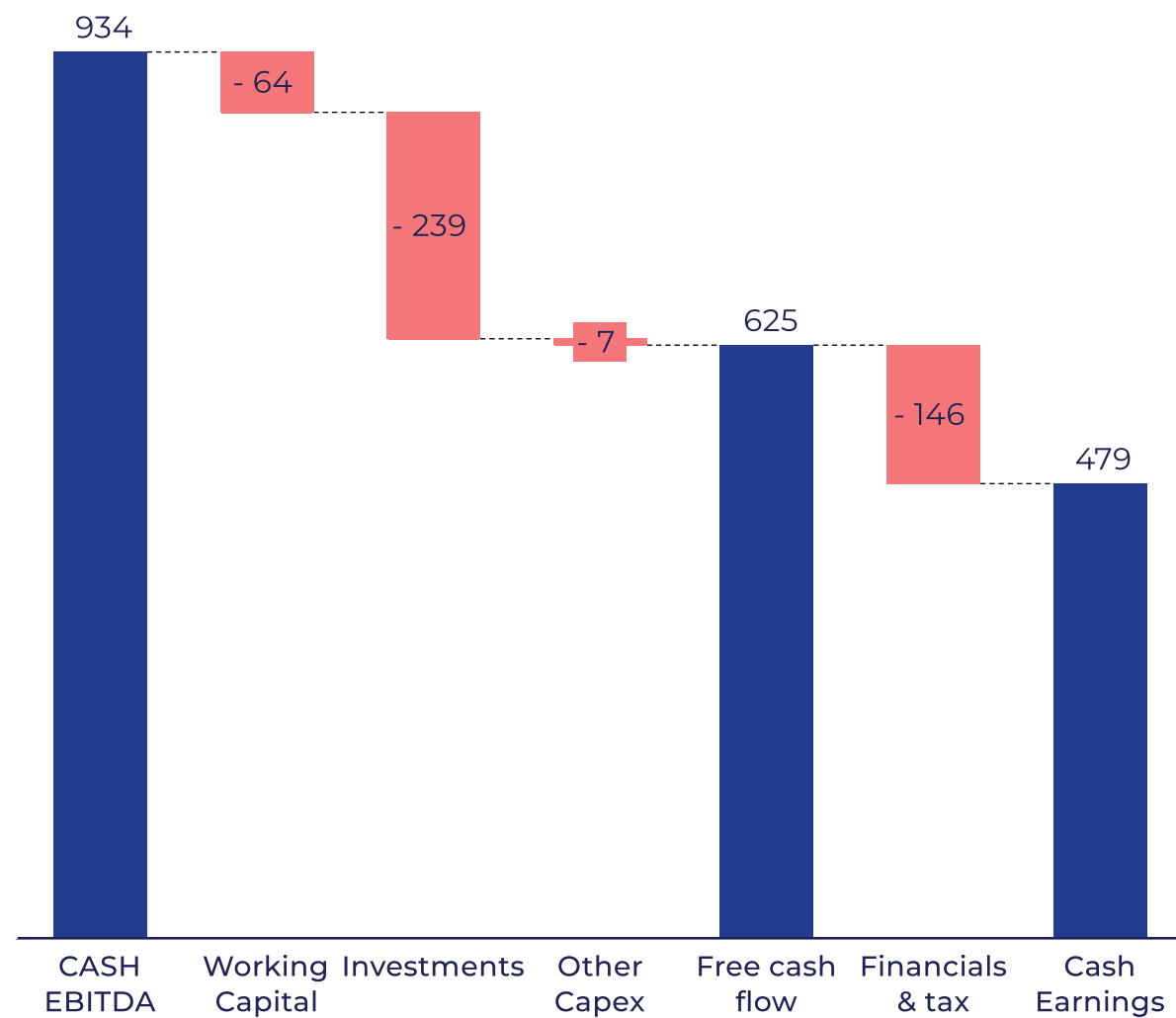


- Consistent unsecured collection performance in line with last year in constant fx
- Positive trend in Secured cash recoveries of NOK 323m...
- ...including REOs sold 30% above book value

Cash earnings up sequentially driven by higher REO sales

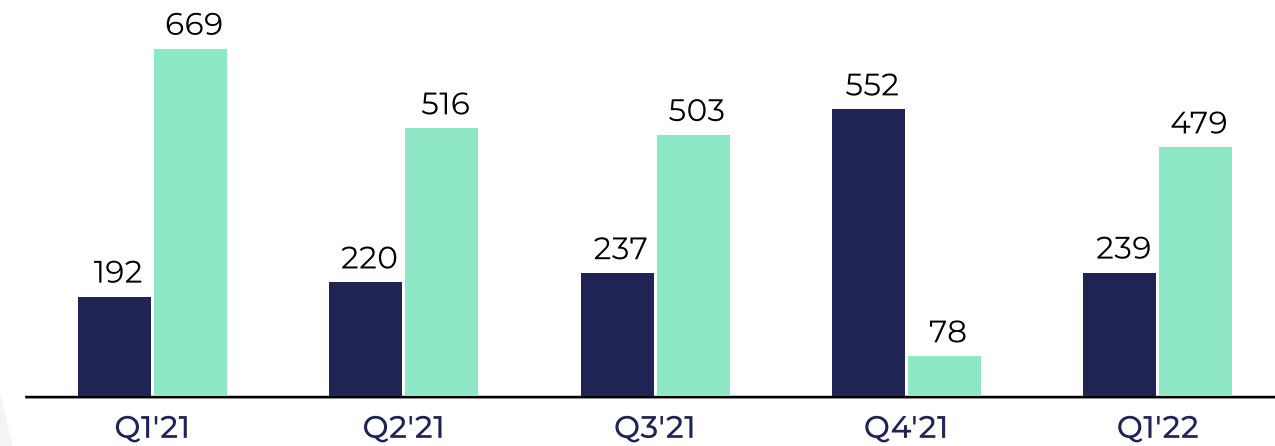
Cash flow Q1 2022

NOKm Increase Decrease Total



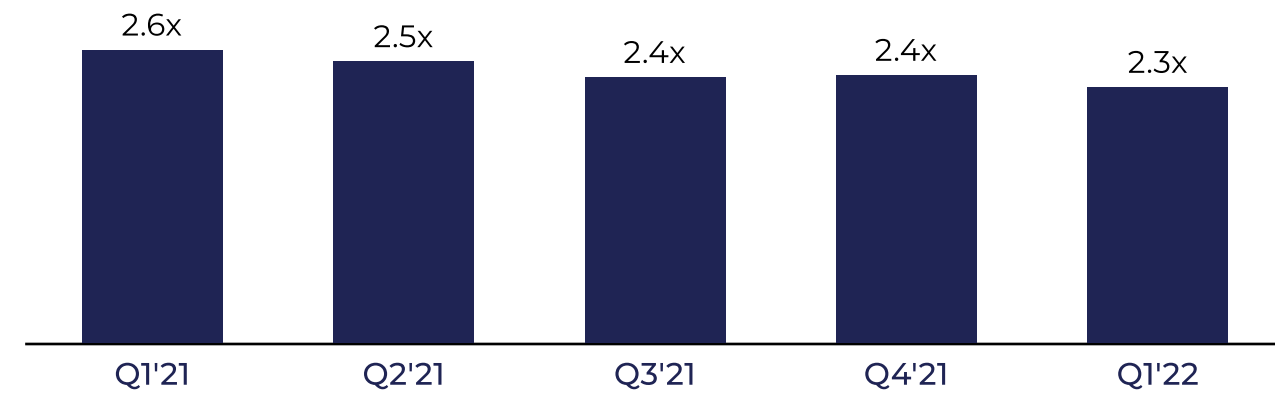
Additional investment capacity

NOKm Investments Cash Earnings



Deleveraging

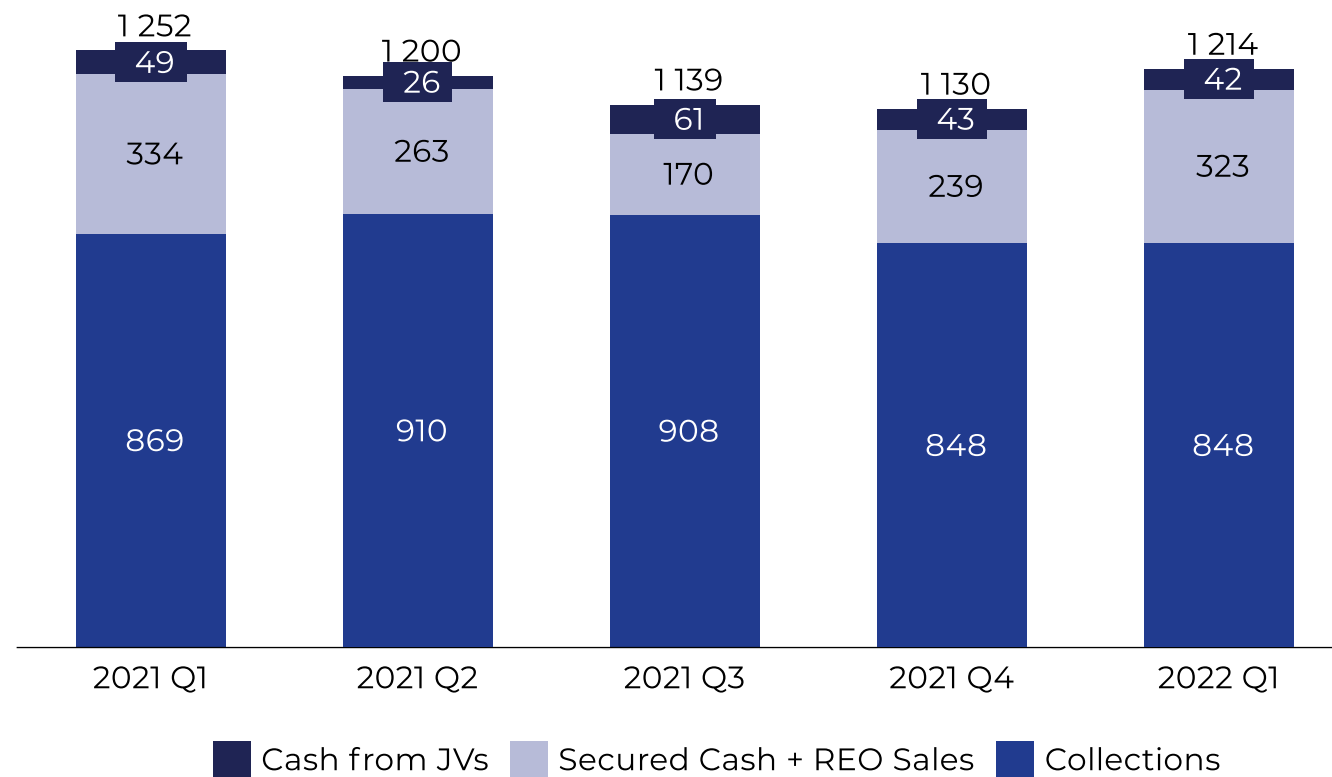
Lev.ratio



Sustained lower cost base while maintaining high collection activity

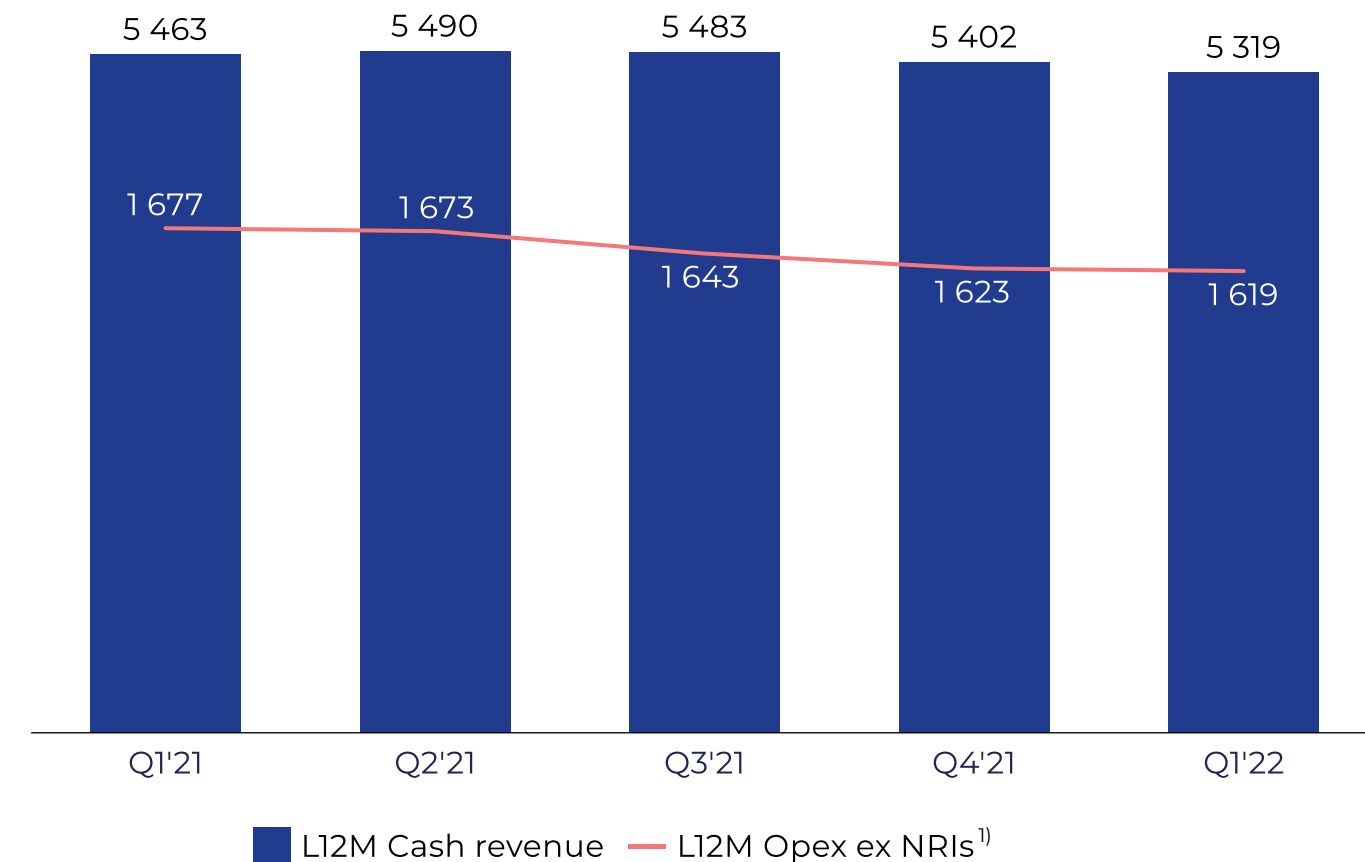
Cash collections and recoveries (constant FX)

- Strong cash collections despite lower ERC...
- ...driven by high REO sales and improved collection efficiency



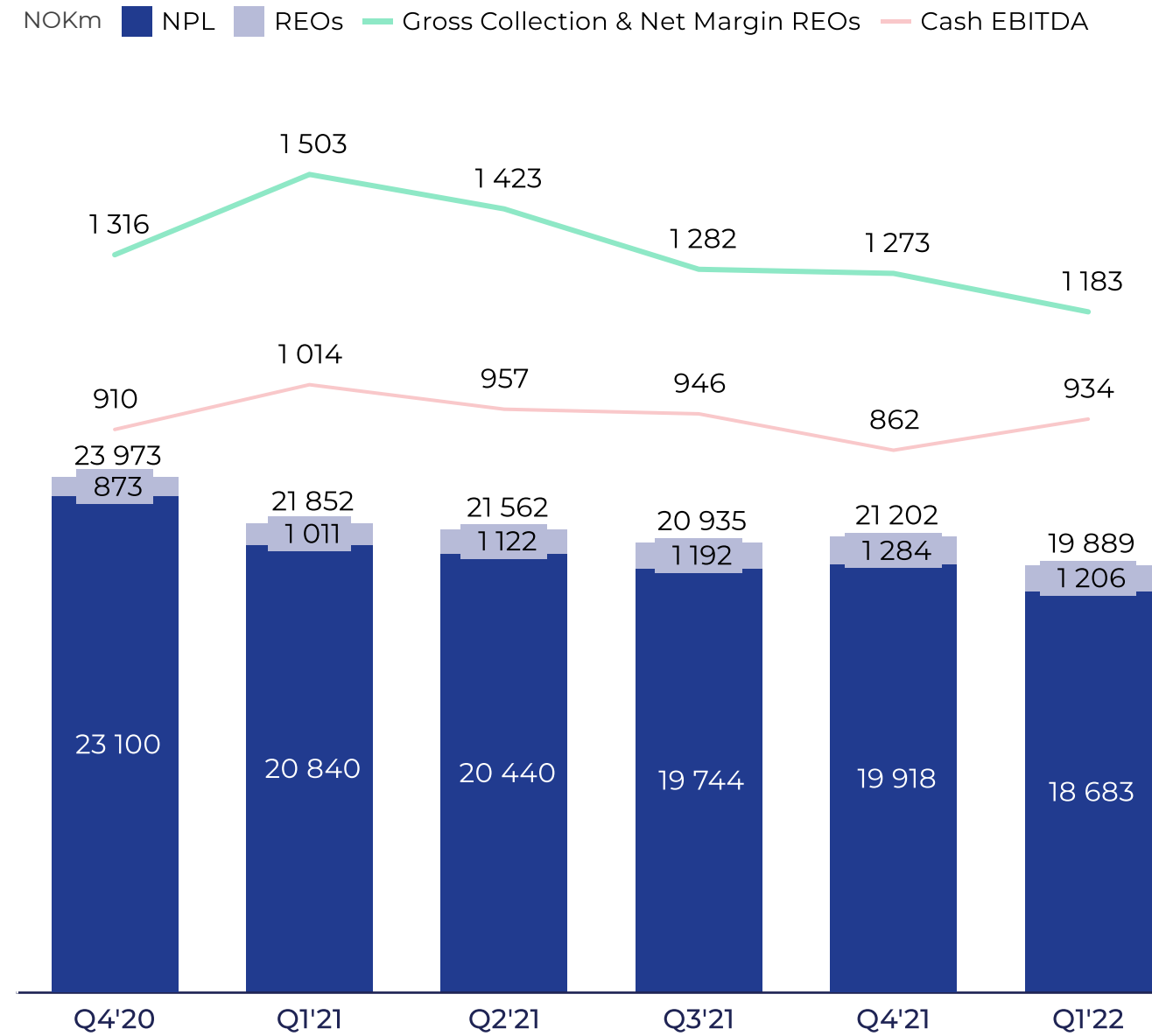
Positive development in cost to cash revenue

- Opex adjusted for NRIs of NOK 407m in the quarter compared to NOK 410m in Q1 last year
- Stable cash revenues and sustained lower cost base



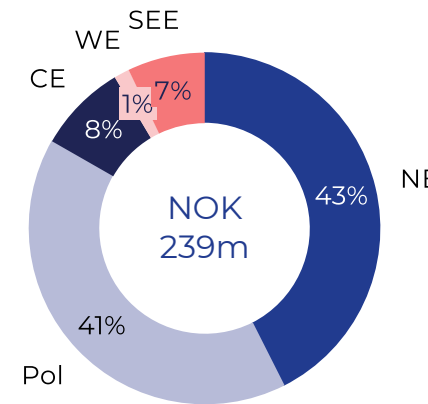
Portfolio investments and Estimated Remaining Collections (ERC)

REO sales driving a positive trend in cash EBITDA vs. ERC

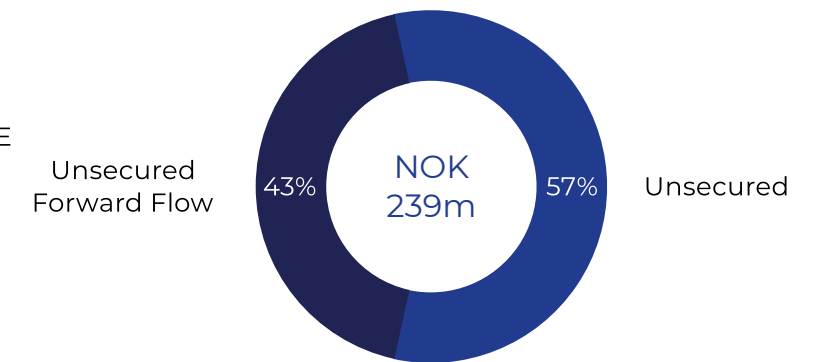


Portfolio investments in Q1

Geographical distribution

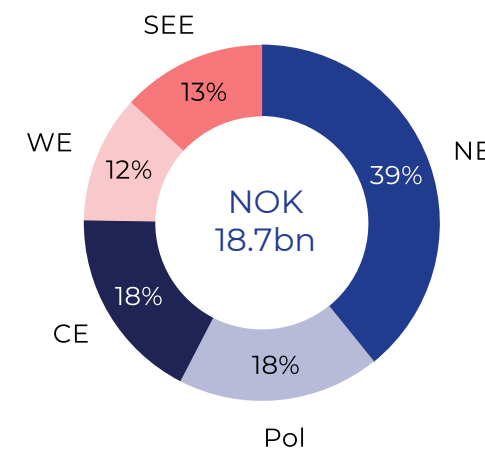


Asset class distribution

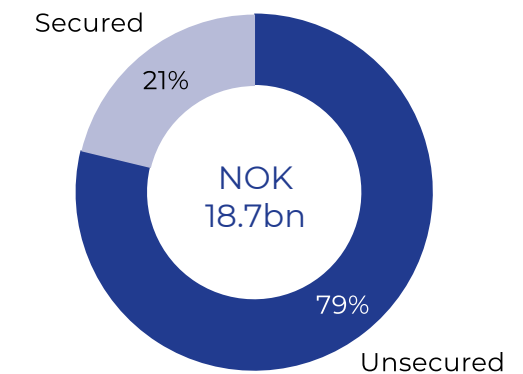


Total ERC as of Q1

Geographical distribution

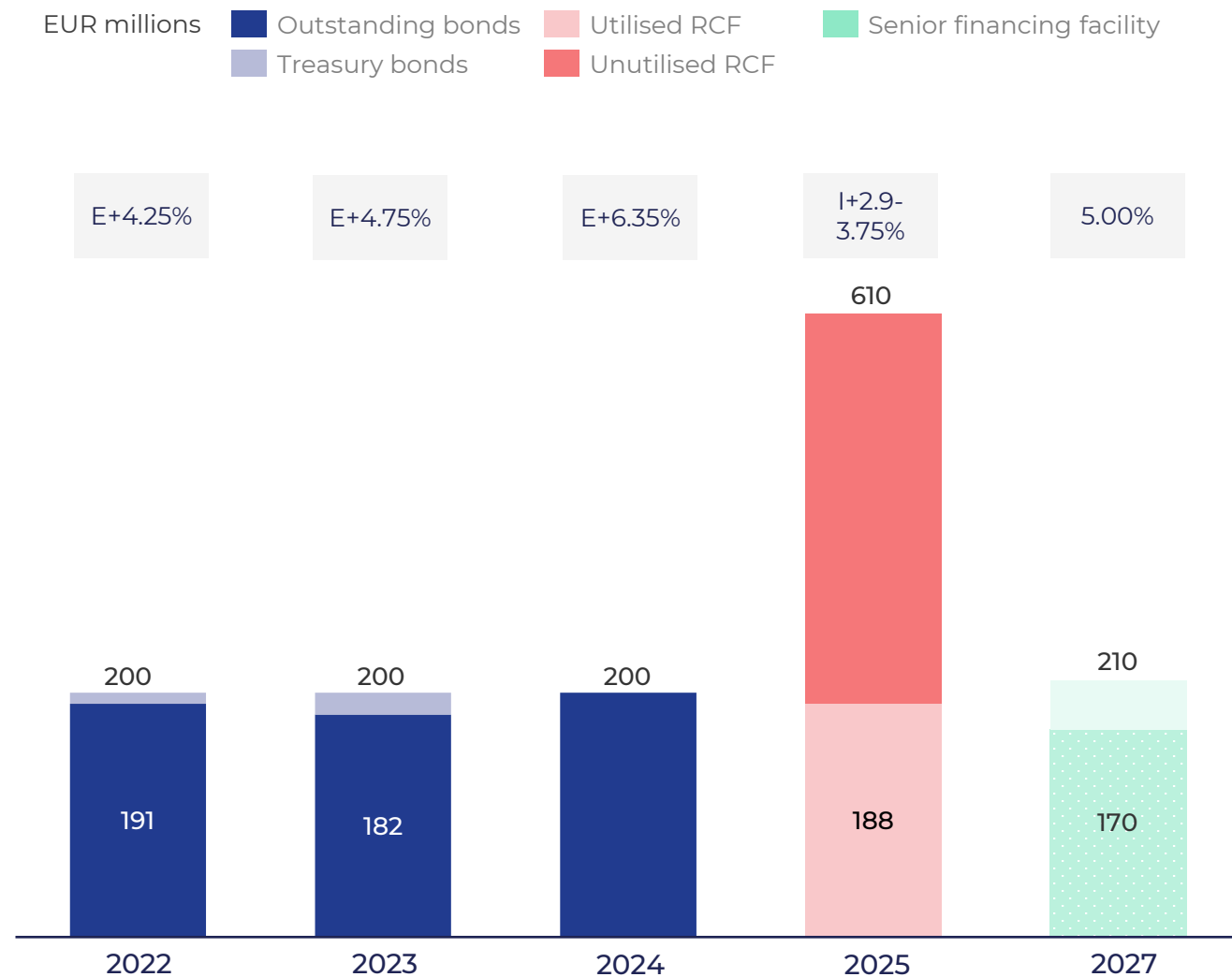


Asset class distribution



New capital structure post RCF refinancing and PIMCO funding

Improved duration and liquidity



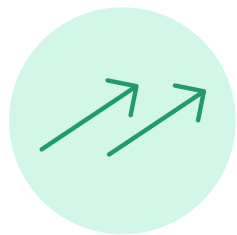
Improved flexibility and liquidity

- Increased facility line under RCF to EUR 610m
- Full flexibility to utilize RCF for short term maturities
 - Existing EUR 50m bridge (rolled into RCF)
 - Bond maturing Nov 2022 and Bond maturing May 2023 handled through a bridge facility carved out of the RCF
- Extension of RCF to May 2025
- Improved terms and conditions
 - Margin down 50bps to 325bps
- Available liquidity of more than EUR 400m post refinancing and PIMCO funding
 - Up to EUR 130m reinvestment capacity under the senior financing facility

Summary



Key takeaways



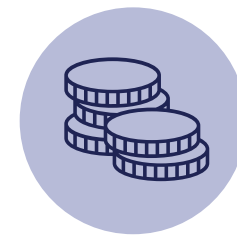
Restructuring for future growth



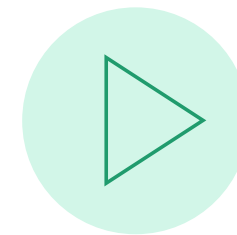
Collections and recoveries continued on a positive trend



Refinanced RCF at improved terms



New dividend policy allows for increased distribution to shareholders



Better pipeline and increased investment capacity

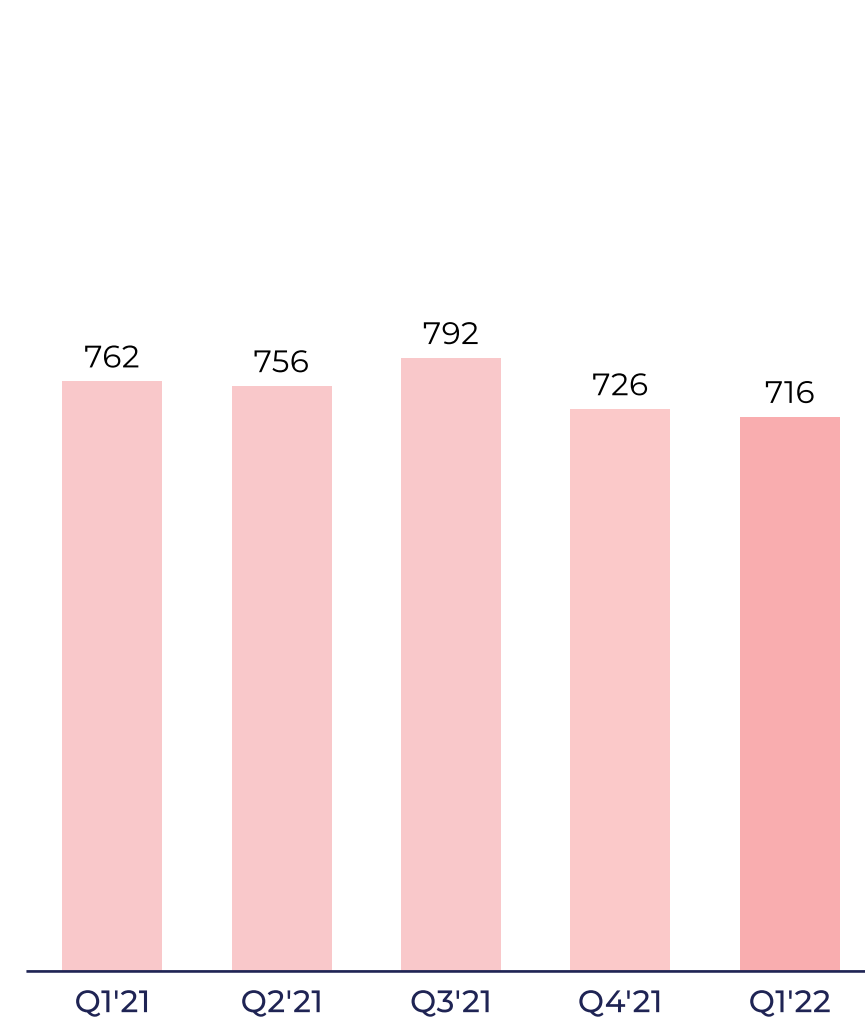
Q&A



Quarterly financial performance

Net revenues

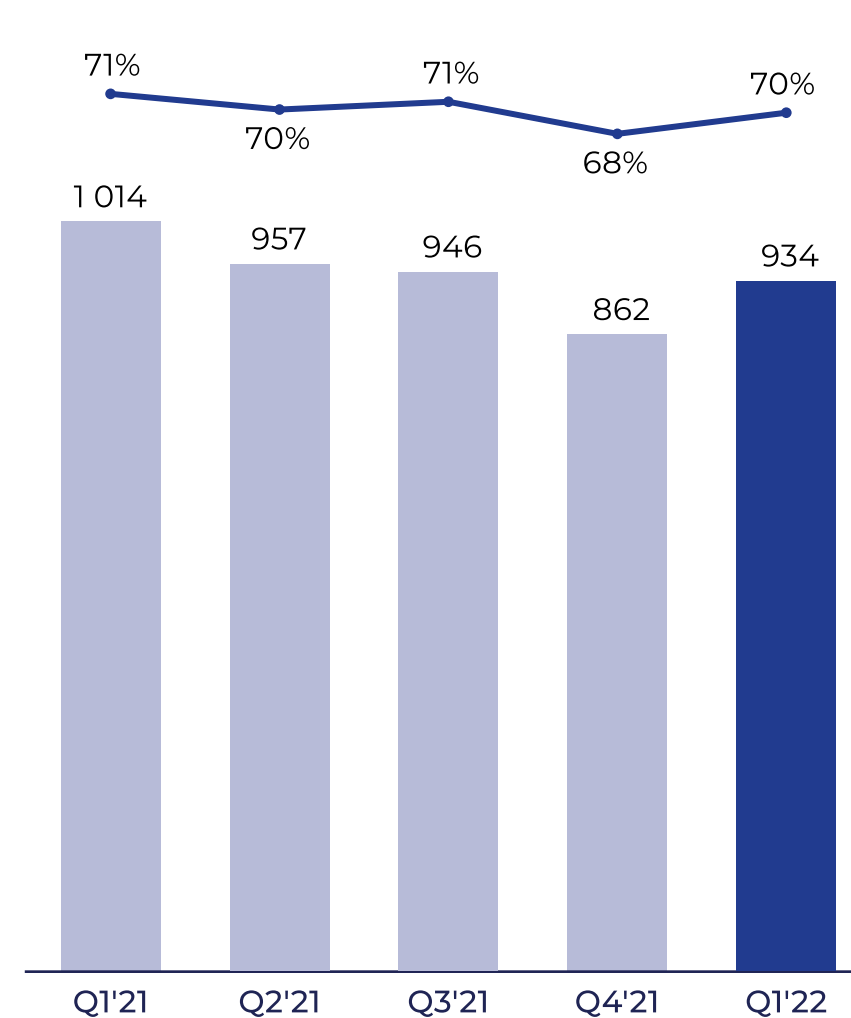
NOKm



Cash EBITDA

NOKm

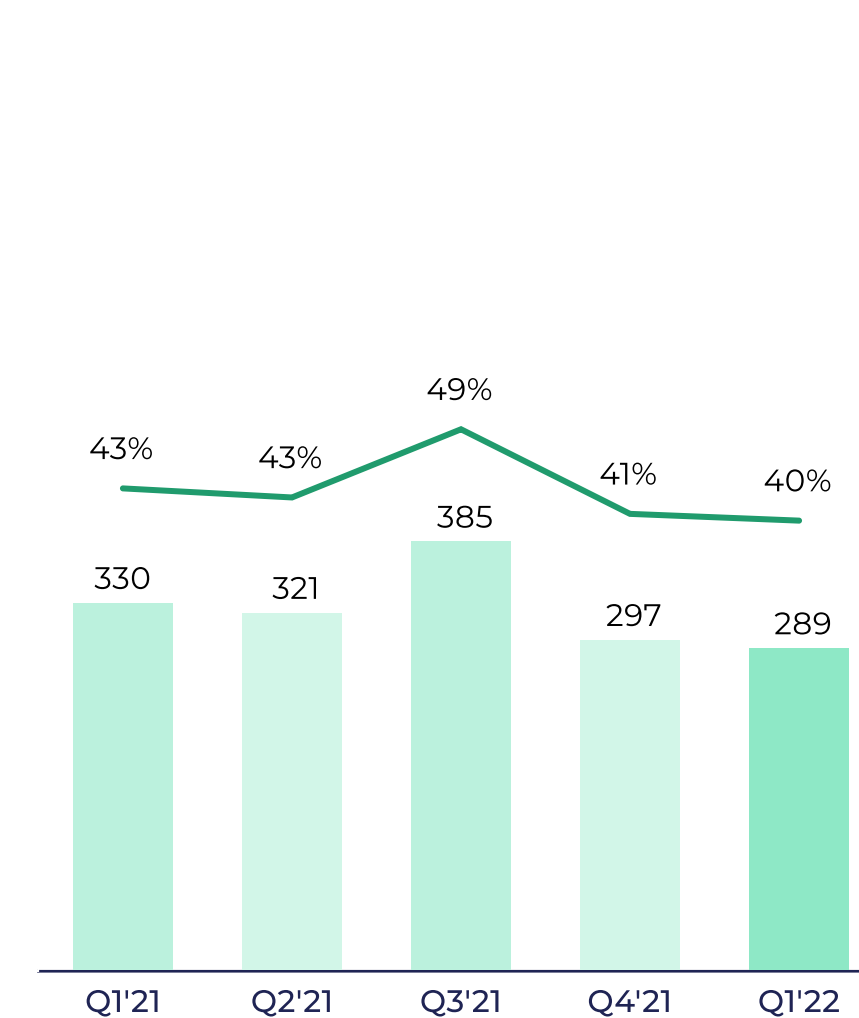
■ Cash EBITDA — Cash margin



Adjusted EBIT

NOKm

■ Adj. EBIT — Adj. EBIT margin



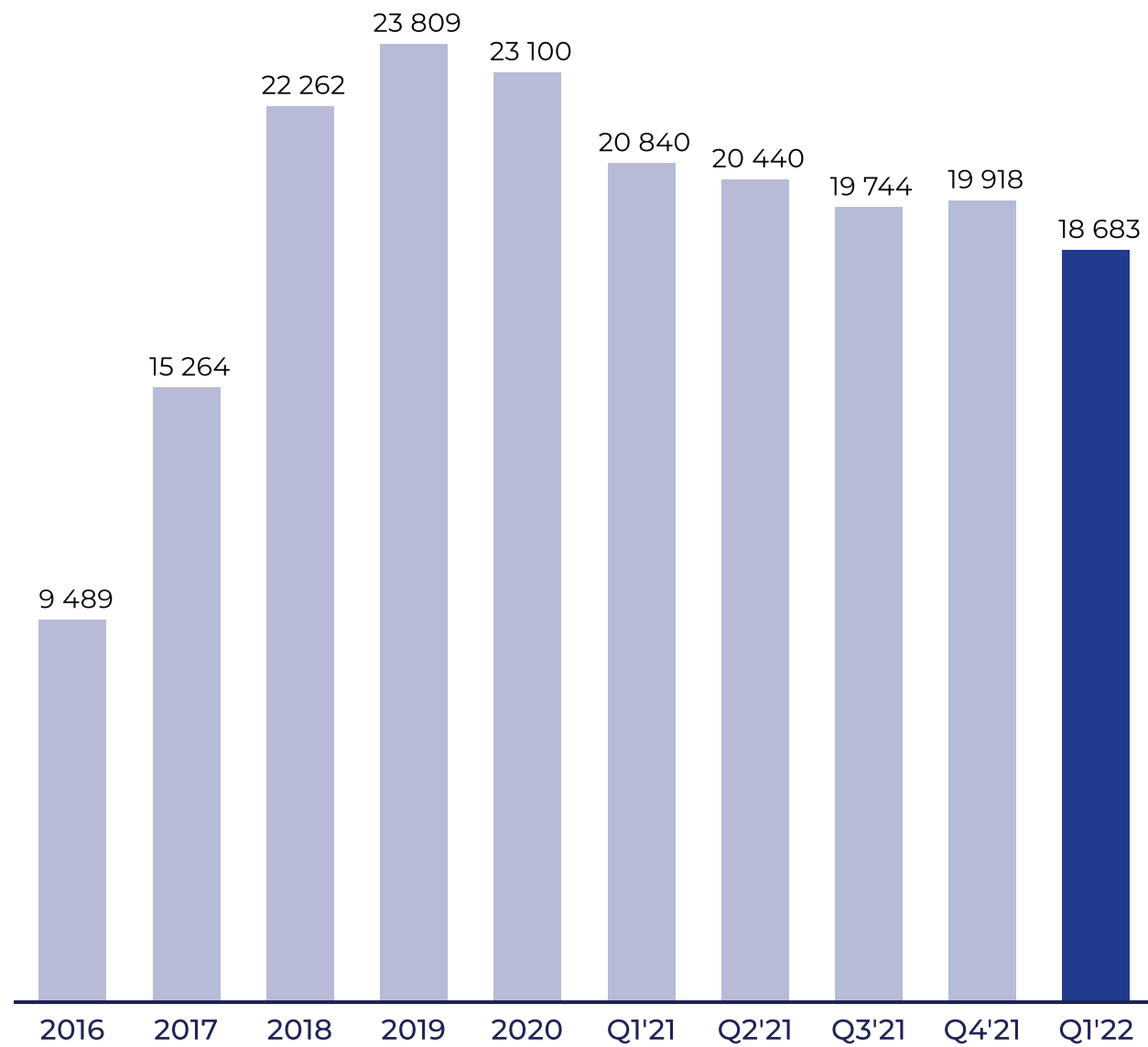
First quarter 2022 summary

<i>NOK million</i>	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1
Cash collections	1 234	1 222	1 206	1 219	1 301	1 229	1 191	1 136	1 214
Net revenues	764	687	813	831	762	756	792	726	716
Adj. EBIT	268	245	369	363	330	321	385	297	289
Adj. EBIT %	35%	36%	45%	44%	43%	43%	49%	41%	40%
EBIT	255	245	369	355	330	341	370	267	249
Adj. Net profit	35	34	128	129	130	148	174	143	128
Cash revenue	1 364	1 342	1 348	1 349	1 424	1 369	1 341	1 268	1 341
Cash EBITDA	895	927	932	910	1 014	957	946	862	934
Cash margin	66%	69%	69%	67%	71%	70%	71%	68%	70%
Gross collections ¹⁾	1 433	1 277	1 636	1 315	1 494	1 407	1 269	1 266	1 152
Amortisation of own portfolios	-492	-410	-371	-454	-862	-647	-537	-564	-465
Portfolio purchases ²⁾	491	473	264	437	192	220	237	552	239
Cost to collect %	22.9 %	21.7 %	16.9 %	23.2 %	18.3 %	20.0 %	18.2 %	21.0 %	20.5 %
EPS	0.06	0.08	0.31	0.30	0.32	0.39	0.40	0.29	0.24
Return on equity	0.6 %	7.7 %	6.2 %	6.9 %	8.8 %	11.4 %	11.7 %	11.8 %	11.4 %

ERC development

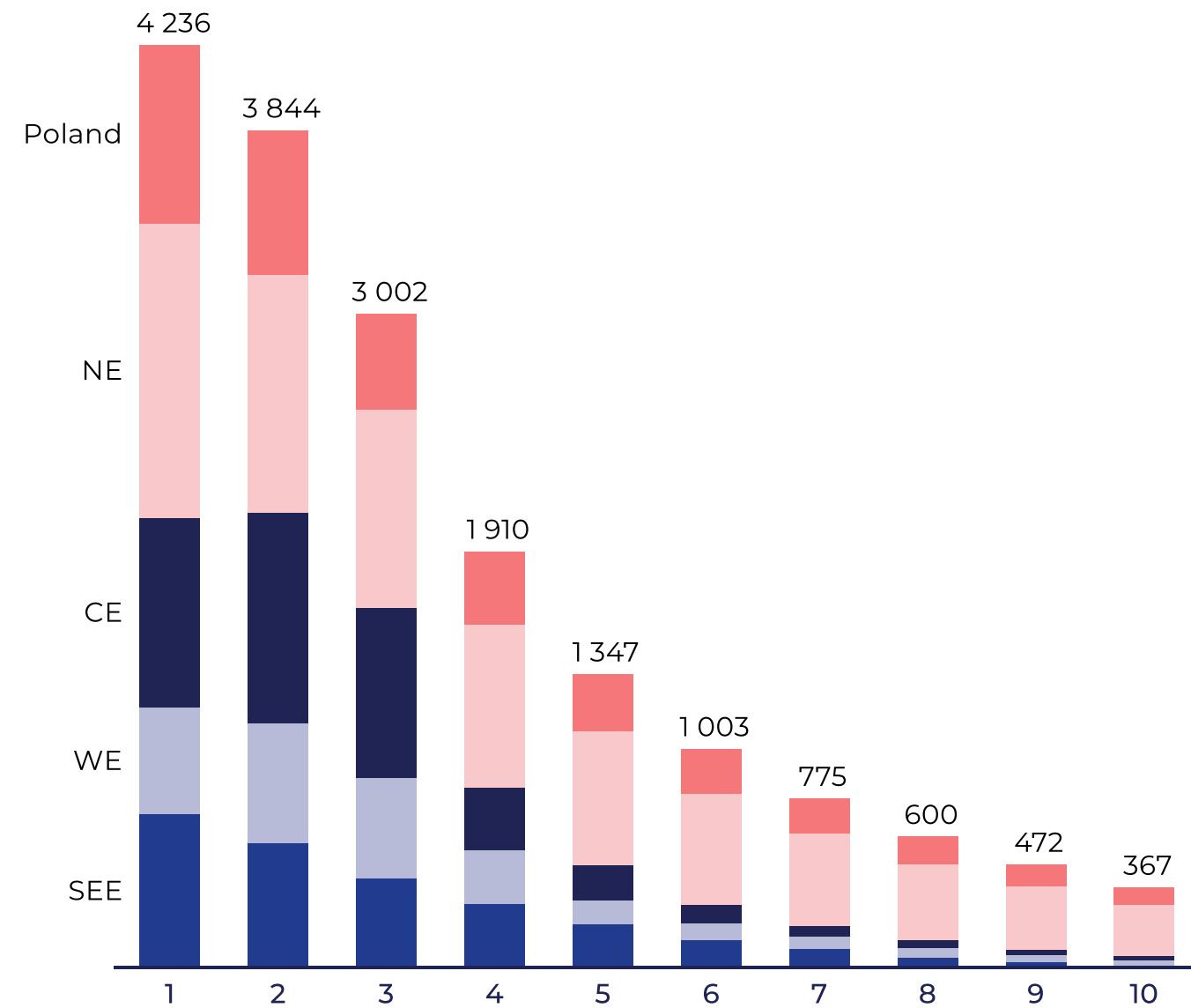
Development in total gross ERC¹⁾

NOKm



Forward 120m ERC profile by year¹⁾

NOKm



Portfolio diversification

Unsecured ERC	Year 1	2	3	4	5	6	7	8	9	10	120m ERC	Total ERC
Poland	755	554	420	333	260	204	159	126	100	80	2 991	3 240
NE	1 347	1 091	906	748	613	511	422	348	288	234	6 507	7 289
CE	259	221	170	136	106	75	47	33	24	17	1 088	1 109
WE	177	152	112	91	76	65	47	38	33	30	820	883
SEE	583	495	374	274	190	124	83	47	22	2	2 195	2 195
Total	3 121	2 513	1 981	1 581	1 245	977	759	592	466	363	13 599	14 716

Secured ERC	Year 1	2	3	4	5	6	7	8	9	10	120m ERC	Total ERC
Poland	64	109	20	2	1	1	1	1	0	0	199	199
NE	6	5	4	3	3	2	2	2	1	1	28	33
CE	610	745	614	150	55	7	2	2	2	1	2 187	2 189
WE	314	395	346	158	37	16	12	3	2	2	1 287	1 290
SEE	120	77	37	16	7	0	0	-	-	-	256	256
Total	1 115	1 331	1 021	329	102	26	16	8	6	4	3 957	3 967

Total	4 236	3 844	3 002	1 910	1 347	1 003	775	600	472	367	17 556	18 683
--------------	--------------	--------------	--------------	--------------	--------------	--------------	------------	------------	------------	------------	---------------	---------------



Northern Europe (NE)

NOKm	2022 Q1	2021 Q1	Change %
Net revenues	204	256	-20%
Adj. EBIT	107	154	-30%
Adj. EBIT margin (%)	53%	60%	-7pp
ERC	7 322	8 510	-14%

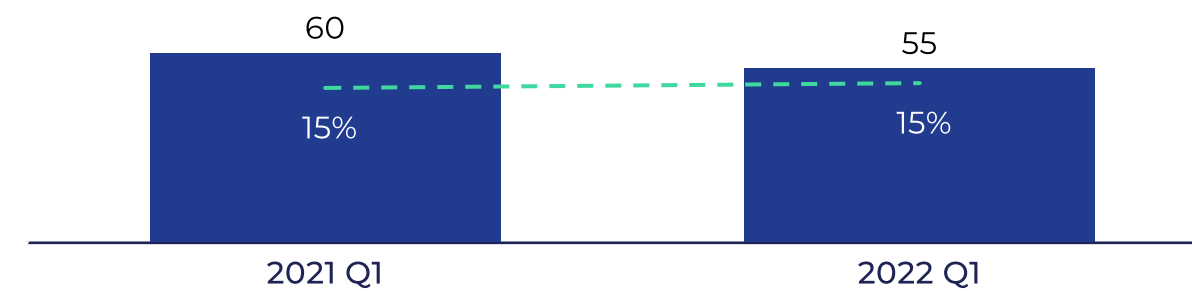
Highlights & KPIs

- Portfolio purchase volume of NOK 102m in the quarter
- Gross collection of NOK 364m

Portfolio purchases



Cost to Collect



Poland

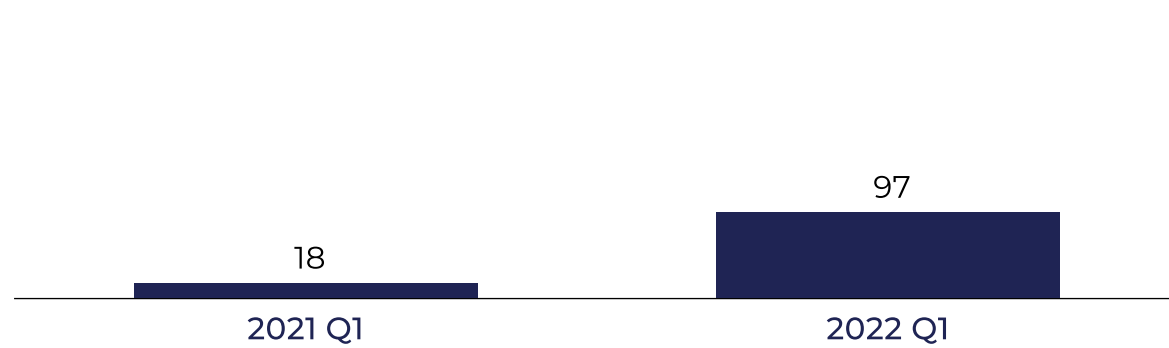


NOKm	2022 Q1	2021 Q1	Change %
Net revenues	181	184	-2%
Adj. EBIT	100	95	6%
Adj. EBIT margin (%)	56%	52%	4pp
ERC	3 439	3 290	5%

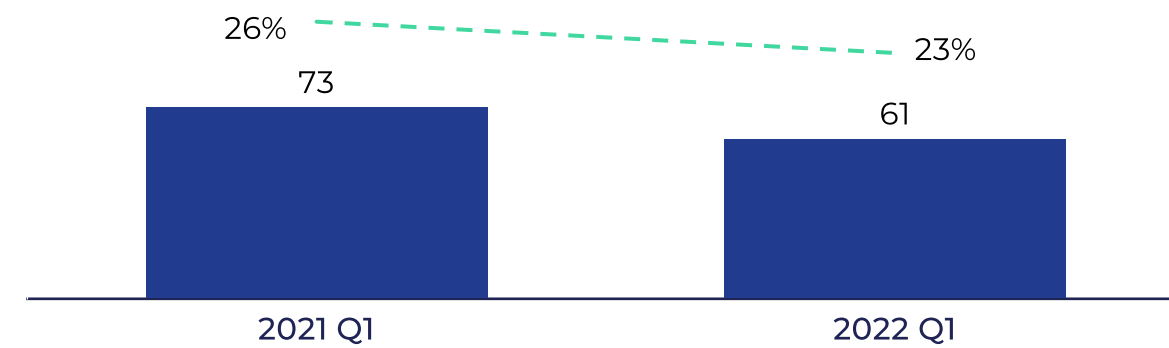
Highlights & KPIs

- Portfolio purchases of NOK 97m in the quarter
- Gross collection of NOK 260m

Portfolio purchases

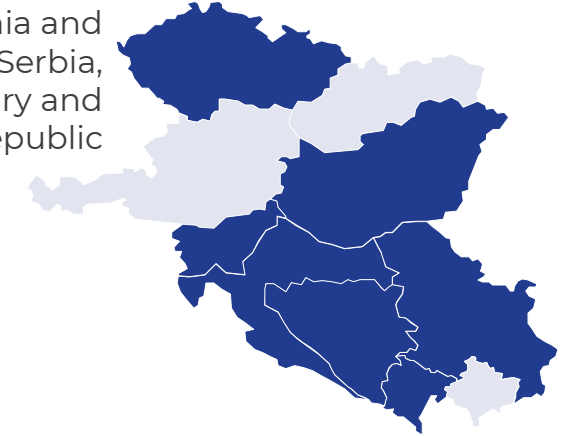


Cost to Collect



Central Europe (CE)

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

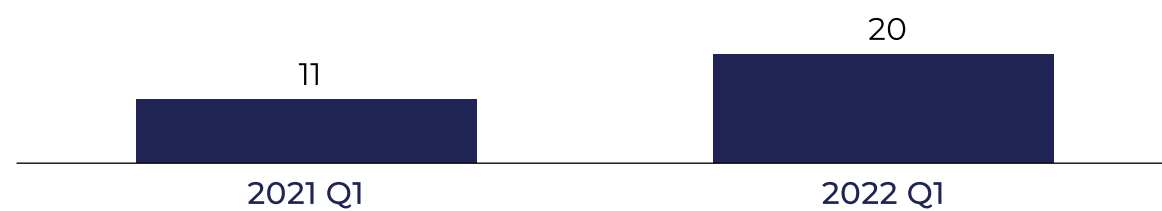


NOKm	2022 Q1	2021 Q1	Change %
Net revenues	178	127	41%
Adj. EBIT	126	70	80%
Adj. EBIT margin (%)	71%	55%	15pp
ERC	3 299	3 698	-11%

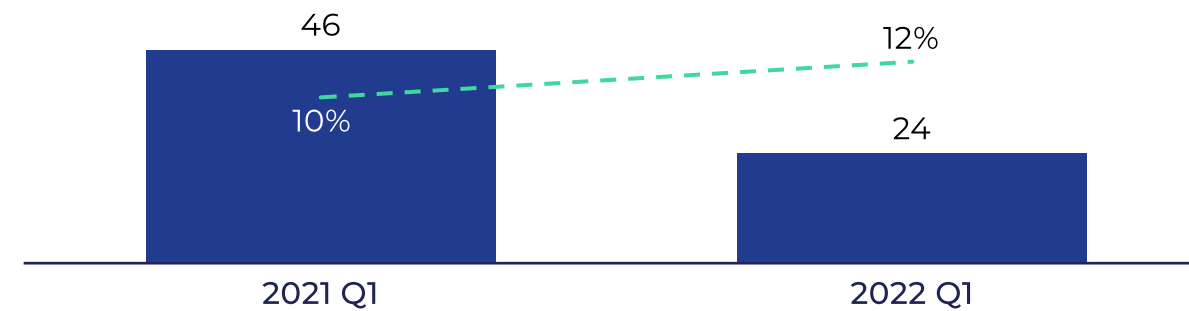
Highlights & KPIs

- Portfolio purchases of NOK 20m in the quarter
- Gross collection of NOK 204m

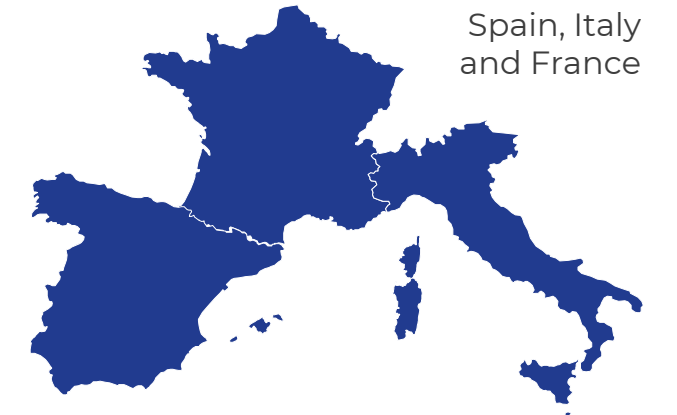
Portfolio purchases



Cost to Collect



Western Europe (WE)



NOKm	2022 Q1	2021 Q1	Change %
Net revenues	35	93	-62%
Adj. EBIT	-43	14	-400%
Adj. EBIT margin (%)	-123%	15%	-138pp
ERC	2 173	2 456	-12%

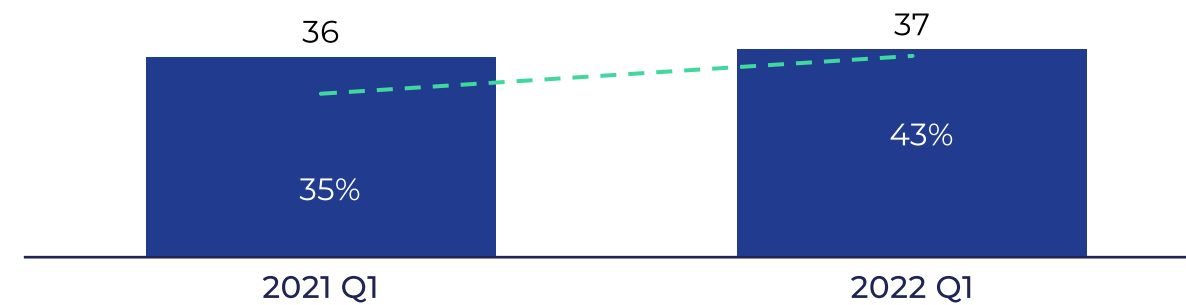
Highlights & KPIs

- Portfolio purchases of NOK 3m in the quarter
- Gross collection of NOK 86m

Portfolio purchases



Cost to Collect



South Eastern Europe (SEE)

Romania, Bulgaria, Greece and Cyprus

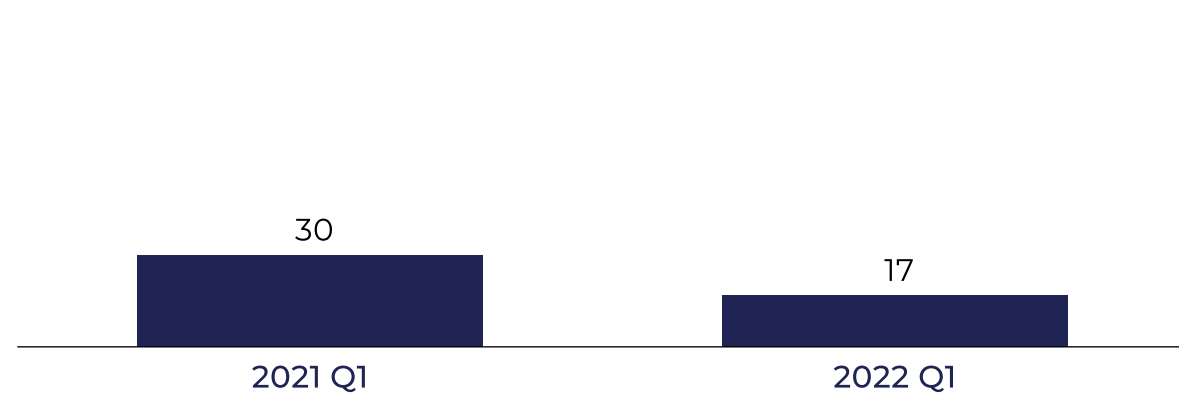


NOKm	2022 Q1	2021 Q1	Change %
Net revenues	118	103	14%
Adj. EBIT	37	28	34%
Adj. EBIT margin (%)	31%	27%	5pp
ERC	2 451	2 886	-15%

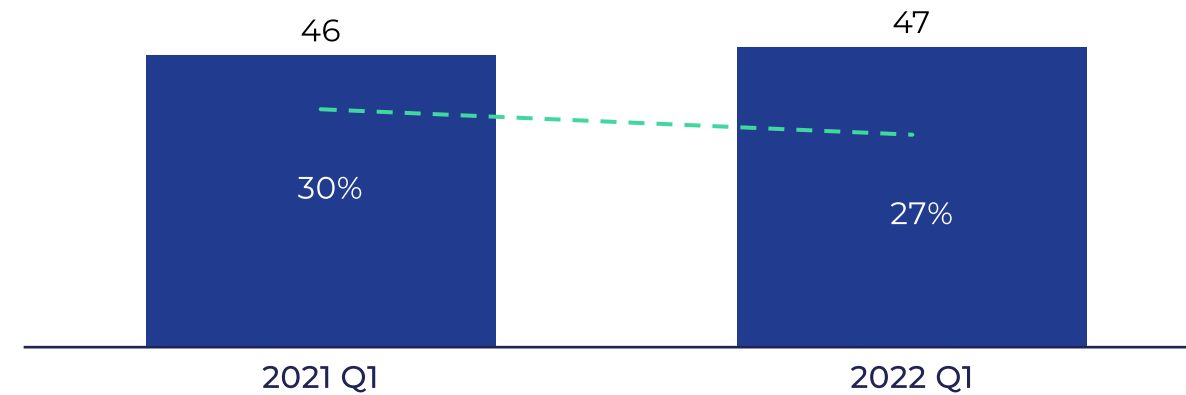
Highlights & KPIs

- Portfolio purchases of NOK 17m in the quarter
- Gross collection of NOK 176m

Portfolio purchases



Cost to Collect



20 largest shareholders

#	Shareholder	No. of shares	Percentage
1	PRIORITET GROUP AB	52 913 000	12.91 %
2	RASMUSSENGRUPPEN AS ¹⁾	51 373 266	12.53 %
3	VALSET INVEST AS	26 000 000	6.34 %
4	STENSHAGEN INVEST AS	24 600 143	6.00 %
5	DNB MARKETS AKSJEHANDEL/-ANALYSE	20 894 479	5.10 %
6	VERDIPAPIRFONDET ALFRED BERG GAMBIA	15 271 688	3.73 %
7	SKANDINAVISKA ENSKILDA BANKEN AB	10 851 112	2.65 %
8	B2HOLDING ASA	8 767 774	2.14 %
9	DUNKER AS	8 207 124	2.00 %
10	RUNE BENTSEN AS	8 191 680	2.00 %
11	VERDIPAPIRFONDET DNB NORGE	6 552 851	1.60 %
12	VERDIPAPIRFONDET STOREBRAND NORGE	6 365 676	1.55 %
13	VPF DNB AM NORSKE AKSJER	5 956 836	1.45 %
14	GREENWAY AS	5 802 368	1.42 %
15	VERDIPAPIRFONDET ALFRED BERG NORGE	5 035 186	1.23 %
16	VERDIPAPIRFONDET ALFRED BERG AKTIV	4 544 554	1.11 %
17	LIN AS	3 500 000	0.85 %
18	RANASTONGJI AS	2 847 048	0.69 %
19	VERDIPAPIRFONDET ALFRED BERG NORGE	2 772 000	0.68 %
20	F2KAPITAL AS	2 720 000	0.66 %
	OTHERS	136 765 813	33.36 %
	TOTAL	409 932 598	100.00 %

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.
- **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.
- **Available investment capacity/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.
- **Cash collections:** Cash collections are Gross collections less Repossession of collateral assets plus cash received from shares in associated parties/joint ventures and participation loan/notes plus Revenue from sale of collateral assets.
- **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.
- **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.

Definitions (cont'd)

- **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.
- **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 profit/(loss) attributable to parent company shareholders 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



B2HOLDING