



Q2

Second quarter presentation

Oslo, 30 August 2019

B²HOLDING[®]
Making each other better

Highlights Q2 2019

Key financials

Total gross revenues
excl. net credit loss

800

NOK million

Total revenues

379

NOK million

Gross Cash Collections

1,274

NOK million

Cash EBITDA

993

NOK million

Portfolio purchases

1,667

NOK million

Leverage ratio

3.2x

- Strong cash collections and cash EBITDA
- Reporting a loss of NOK 270 million following net actualisation/ revaluation charges of NOK 421 million which included one-off net write down on secured portfolios
- Leverage ratio verifying a solid debt service capacity
- RCF waiver received from banks to secure sufficient headroom until March 2020
- Moody's and S&P rating unchanged

Highlights Q2 2019

Volume growth

- Servicing fees and other income increased by 9% to NOK 118m (NOK 108m Q2 2018)
- Portfolio purchases of NOK 1,667m (NOK 2,273 in Q2 2018)
- Revenues at NOK 800m before net actualisation/revaluation. Total revenues at NOK 379m following net actualisation/revaluation charges of NOK 421m (NOK 761m Q2 2018)

Effectiveness & Efficiency

- Gross cash collections up 23% to NOK 1,274m (NOK 1,032m in Q2 2018)
- Cash EBITDA increased by 31% to NOK 993m (NOK 759m in Q2 2018)
- Cost to collect (CtC) trending downward to 21.6% (24.3 % in Q2 2018)

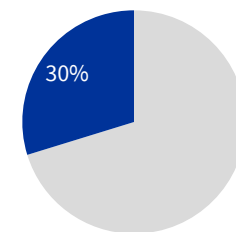
Capital & Funding

- Successfully placed EUR 200m bond in May
- Focus on improved IRR investments
- Good debt service capacity with leverage ratio of 3.2x

Operations

- CEO change (August 2019)
- Strengthened resources on secured recovery at regional and Group level
- Adam Parfiniewicz, Regional Director for Poland, also appointed Regional Director for Finland & Baltics

One-off write down on secured portfolios in three markets



Secured claims (corporate, SMEs and retail) share of the total ERC per Q2 2019

Delays limited

- The problem has been identified and is limited to some portfolios in Croatia (76%), Romania (18%) and Bulgaria (6%)
- The write down relates to lower recoveries than initially expected and delayed recovery resulting in negative timing effects (*no cash effect, only NPV effect*)
- Investments remain IRR positive

Mitigating actions

- Ongoing discussions regarding co-investment structures and JVs on existing and new secured portfolios
- Several initiatives to improve recoveries in secured portfolios
 - Hiring additional secured recovery specialists
 - Improved underwriting procedures
 - Recovery Support Team in place to support local teams

Vintage of secured purchases and recoveries in Central Europe & South East Europe¹⁾

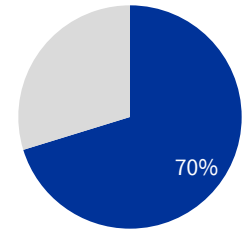
Signing Year	Purchases (NOK 000')	Recoveries (NOK 000')						
		2014	2015	2016	2017	2018	YTD 2019	Total
2014	80 045	5 017	67 480	39 712	46 038	65 303	16 362	239 912
2015	387 624	0	18 333	112 017	86 569	127 392	47 813	392 123
2016	841 075	0	0	137 678	254 530	294 410	190 259	876 877
2017	1 374 618	0	0	0	63 277	304 083	160 581	527 941
2018	1 316 444	0	0	0	0	157 271	287 950	445 222
Subtotal	3 999 806	5 017	85 812	289 406	450 413	948 459	702 965	2 482 074

62 % of total amount invested in secured portfolios in CE and SEE have already been recovered

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

Unsecured collections ahead of forecast

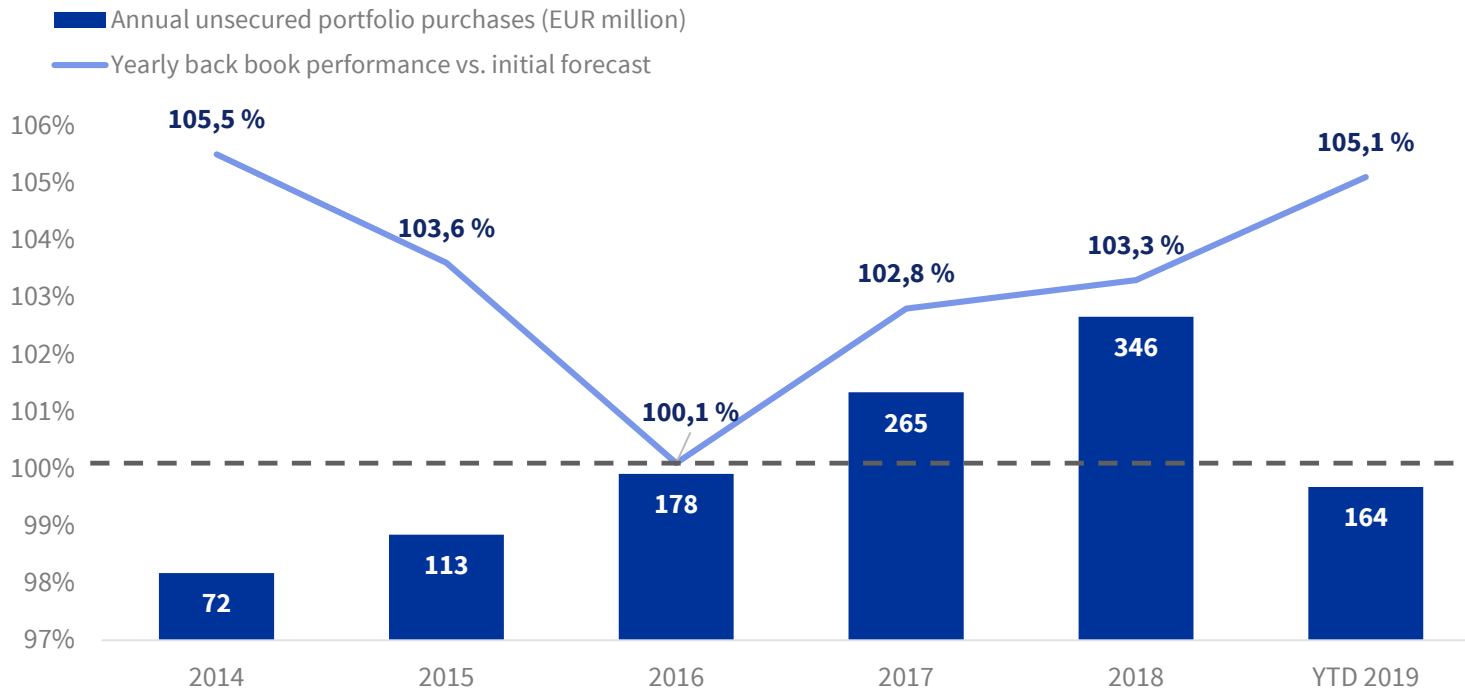
Steady collections going forward



Unsecured retail portfolios share of the total ERC per Q2 2019

- Gross cash collection of unsecured claims has overperformed initial forecast
- Steady pipeline and market opportunities, with reduced price pressure in most markets
- More disciplined approach by the industry players

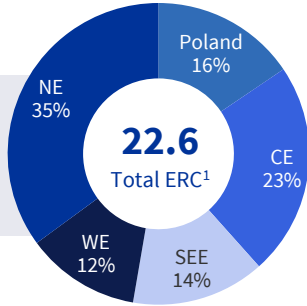
Historic unsecured collection performance vs initial forecast



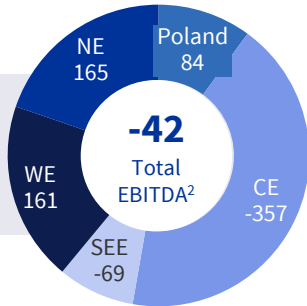
Well diversified across Europe

Strategic spread across the regions

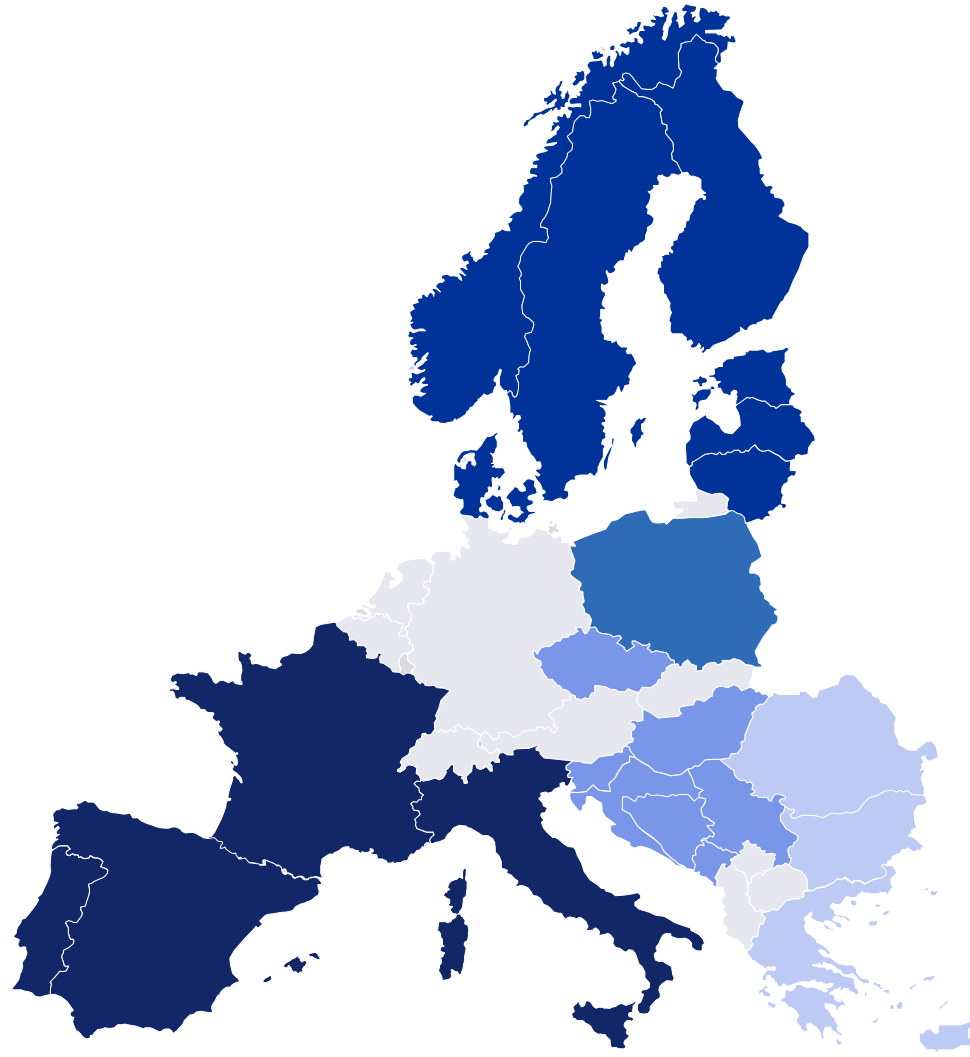
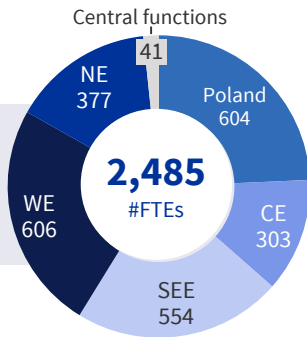
Total ERC¹
Q2'19
NOKbn



EBITDA
Q2'19
NOKm



#FTEs
Q2'19



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

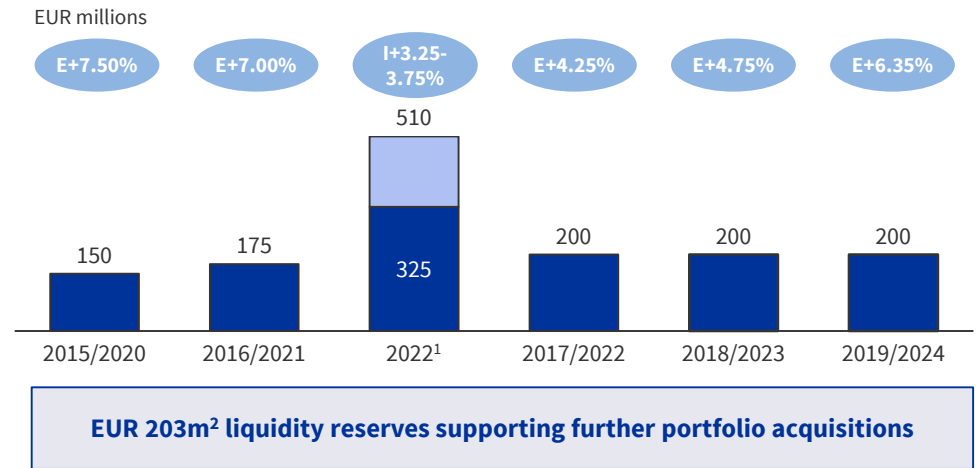
2) Total EBITDA include central functions

Capital structure with prudent leveraging

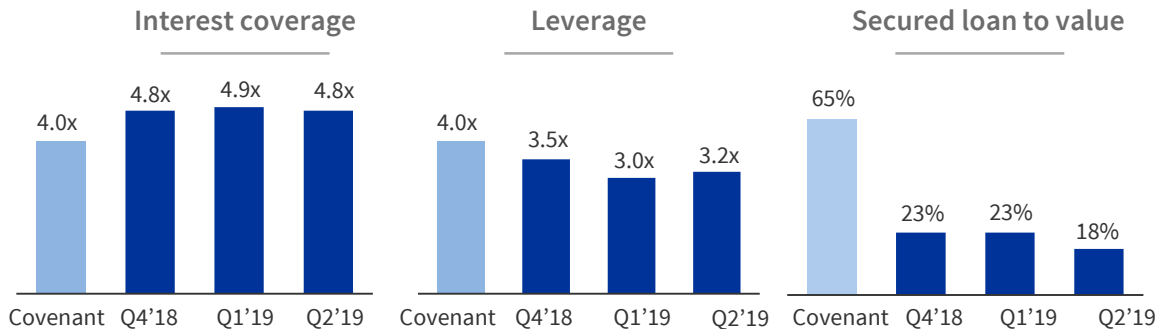
Strategy

- Funding structure with sound leverage levels, significant financial flexibility and supporting liquidity reserves
 - Significant tangible equity at 19%
 - Senior Unsecured Bonds of EUR 925m (of which 5.8mEUR in treasury bonds)
 - Senior Secured RCF of EUR 510m (incl. EUR 40m carved out in cash pool)
- In compliance with all financial covenants
 - All covenants in bond loans was aligned with latest bond issue in May 2020
 - Bond summons for Bond 1 and Bond 2 and Qualifying debt for Bond 3 and Bond 4
 - RCF waiver received to secure sufficient headroom until March 2020
 - New covenants: Equity ratio min 23.5 % and total loan to value max 76.5 %
- Public rating (Corporate Family Rating)
 - S&P: BB- and Moody's: Ba3

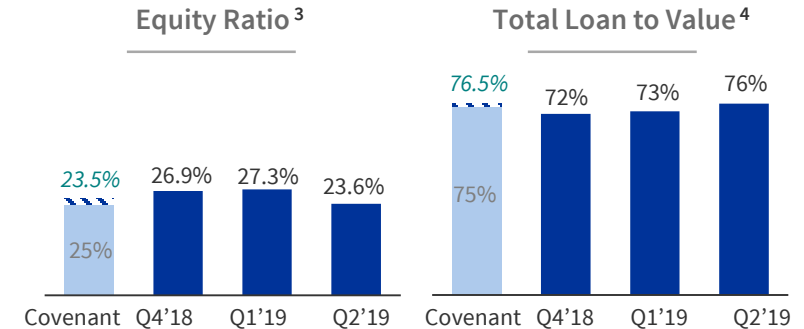
Staggered maturity with ample liquidity headroom



Bond Loan covenants



RCF covenants



¹ Springing maturity from March 2021 when less than 175mEUR outstanding in Bond 1 and Bond 2 ² As of 30 June 2019. Calculated as EUR 163m undrawn existing RCF plus EUR 22m undrawn overdraft plus EUR 56m cash on balance sheet less NOK 200m (EUR 21m) in cash reserves less deferred payment for portfolio purchases of EUR 17m. ³ Total Equity over Total Assets excluding book value of IFRS 16 right-of-use assets. ⁴ Net Debt adj. for Vendor Loan, Earn Out and FX Hedge MTM over Assets (Portfolio, JV, loan receivables, REO and goodwill)

Four main focus areas going forward

1 STRONGER FOCUS ON SECURED

- Organisational changes within secured including additional specialized resources
- Increased head office involvement and oversight

2 IMPROVE EFFICIENCY IN OPERATIONS

- Automation of manual processes, digitalization and standardization of platforms
- Cost to collect trending down – still room for improvement

3 INCREASE SERVICING REVENUES THROUGH ASSETS UNDER MANAGEMENT

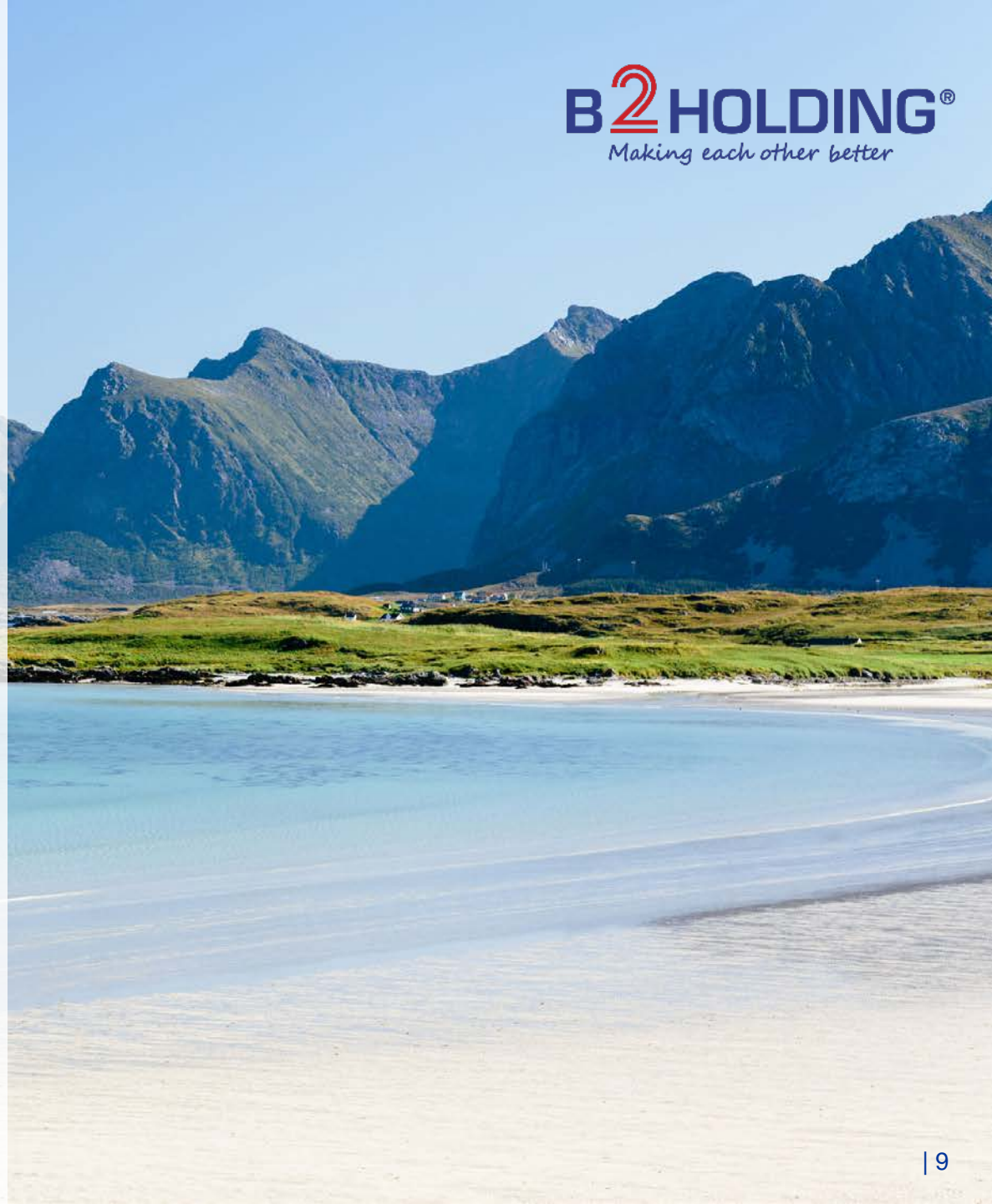
- Improved utilization of platforms by assets under management – considerable interest for new co-investment structures
- Expected growth area going forward

4 FOCUS INVESTMENTS IN SELECTED GROWTH AREAS

- Concentrate investments by targeting selected markets/areas with growth potential and competitive advantage
- Ongoing strategic process which includes geographic focus



**Financial
performance**



Second quarter summary

Financial summary

NOKm	2019 Q2	2018 Q2	% change
Total revenues excl. net credit gain/(loss)	800	758	6 %
Net credit gain/(loss) from purchased loan portfolios ¹⁾	-421	3	
Total revenues ¹⁾	379	761	-50 %
EBITDA	-42	370	-111 %
Operating profit (EBIT)	-69	356	-119 %
<i>Profit margin</i>	-18 %	47 %	
Cash Revenue	1,414	1,151	23 %
Cash EBITDA	993	759	31 %
<i>Cash margin</i>	70 %	66 %	
Profit for the period after tax (PAT)	-270	182	-248 %
Earnings per share (EPS)	-0.66	0.45	-246 %
Cash flow from operating activities	679	616	10 %
Operating cash flow per share	1.66	1.51	9 %
Portfolio purchases ²⁾	1,667	2,273	-27 %
Cash collection from portfolios	1,274	1,032	23 %

Comments

- Reported loss of NOK 270 million following net actualisation/ revaluation charges of NOK 421 million which included one-off write downs on secured portfolios in Croatia, Romania and Bulgaria.
 - NOK 388 million in one-off net write down in connection with delays and lower expected recoveries in Croatia, Bulgaria & Romania, write up on secured portfolios in other areas (mainly Italy) and positive revaluation on tails on unsecured portfolios
 - NOK 33m related to under-performance in Q2

1) Including one-off net write down of NOK 388 million in Q2 2019 and YTD 2019

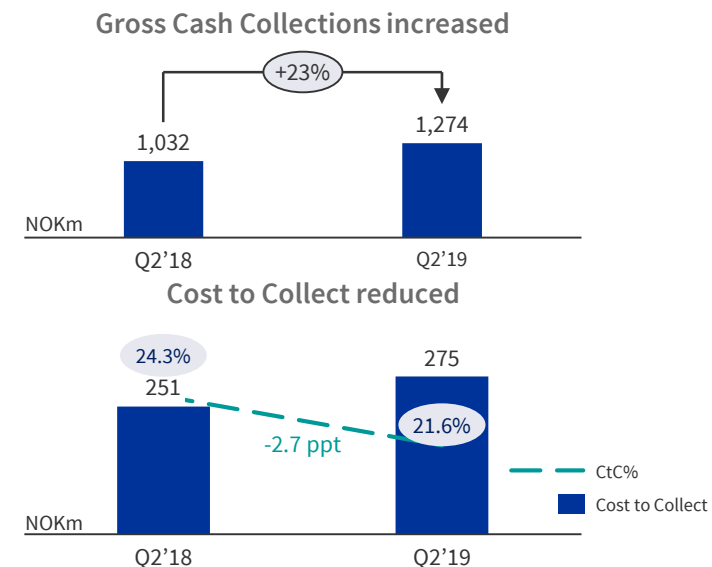
2) Including the Group's share of portfolios purchased in SPVs and joint ventures

Quarterly result affected by one-off write down

Income statement

NOKm	2019 Q2	2018 Q2	2019 6 months	2018 6 months	2018 Audited
Interest income from purchased loan portfolios	660	639	1,318	1 181	2,537
Net credit gain/loss purchased loan portfolios	-421	3	-419	-7	-58
Profit from shares, associated companies and JVs	22	11	37	20	48
Other operating revenues	118	108	238	213	378
Total revenues	379	761	1,174	1 407	2,906
External costs of services provided	-100	-101	-202	-175	-363
Personnel costs	-217	-172	-432	-325	-692
Other operating expenses	-104	-118	-206	-199	-417
Depreciation and amortisation	-27	-13	-53	-26	-56
Operating profit (EBIT)	-69	356	281	682	1,378
Financial income	1	1	3	3	5
Financial expenses	-209	-137	-398	-263	-618
Net exchange gain (loss)	14	22	-16	23	44
Net financial items	-193	-114	-412	-237	-570
Profit before tax	-262	242	-131	445	808
Income tax expense	-8	-61	-33	-111	-159
Net profit	-270	182	-164	334	649
Cash revenue	1,414	1,151	2,797	2,040	4,424
Cash EBITDA	993	759	1,957	1,341	2,952
EBITDA	-42	370	334	708	1,434

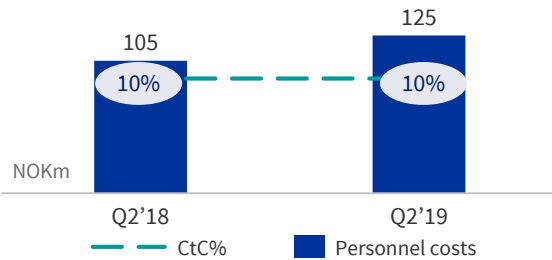
KPIs



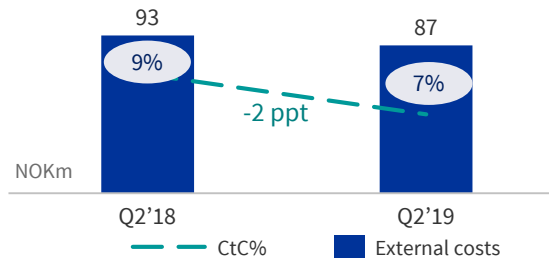
- Amendment fee to bond holders of NOK 13m and interest rate hedge expense of NOK 10m are included in financial expenses

Increasing focus on costs and economies of scale

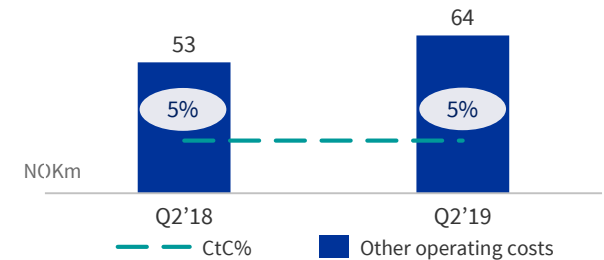
Personnel costs¹



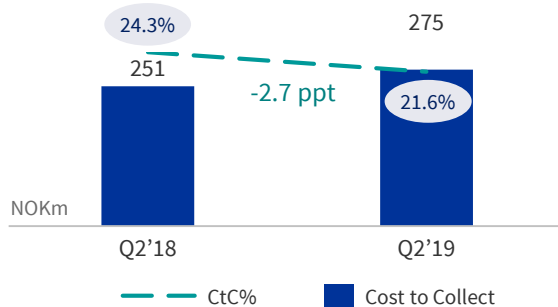
External costs¹



Other operating costs¹



Cost to Collect



- Cost to collect ratio improved by 2.7 percentage points, mainly driven by increased collection volumes and operational improvements

1) Does not include intercompany transactions

Balance sheet

Balance sheet

NOKm	2019 Q2	2018 Q2	% change	2018 Audited
Deferred tax asset	108	58	88 %	97
Goodwill	769	713	8 %	785
Tangible and intangible assets	371	215	73 %	274
Investments in associated companies and joint ventures	637	9	6,709 %	12
Purchased loan portfolios	12,986	12,077	8 %	13,346
Participation loan/notes	569	132	330 %	589
Other long-term financial assets	355	359	-1 %	392
Total non-current assets	15,796	13,563	16 %	15,496
Other short-term assets	478	300	59 %	280
Cash & short-term deposits	541	614	-12 %	398
Total current assets	1,019	914	11 %	678
Total assets	16,815	14,477	16 %	16,174
Total equity	3,942	3,827	3 %	4,355
Deferred tax liabilities	167	180	-7 %	163
Long-term interest-bearing loans and borrowings	11,725	8,390	40 %	10,769
Other long-term liabilities	144	99	46 %	98
Total non-current liabilities	12,037	8,668	39 %	11,029
Bank overdraft	176	30	491 %	59
Other current liabilities (incl. Payable income tax & accounts payable)	660	1,952	-66 %	729
Total current liabilities	836	1,982	-58 %	789
Total equity and liabilities	16,815	14,477	16 %	16,174

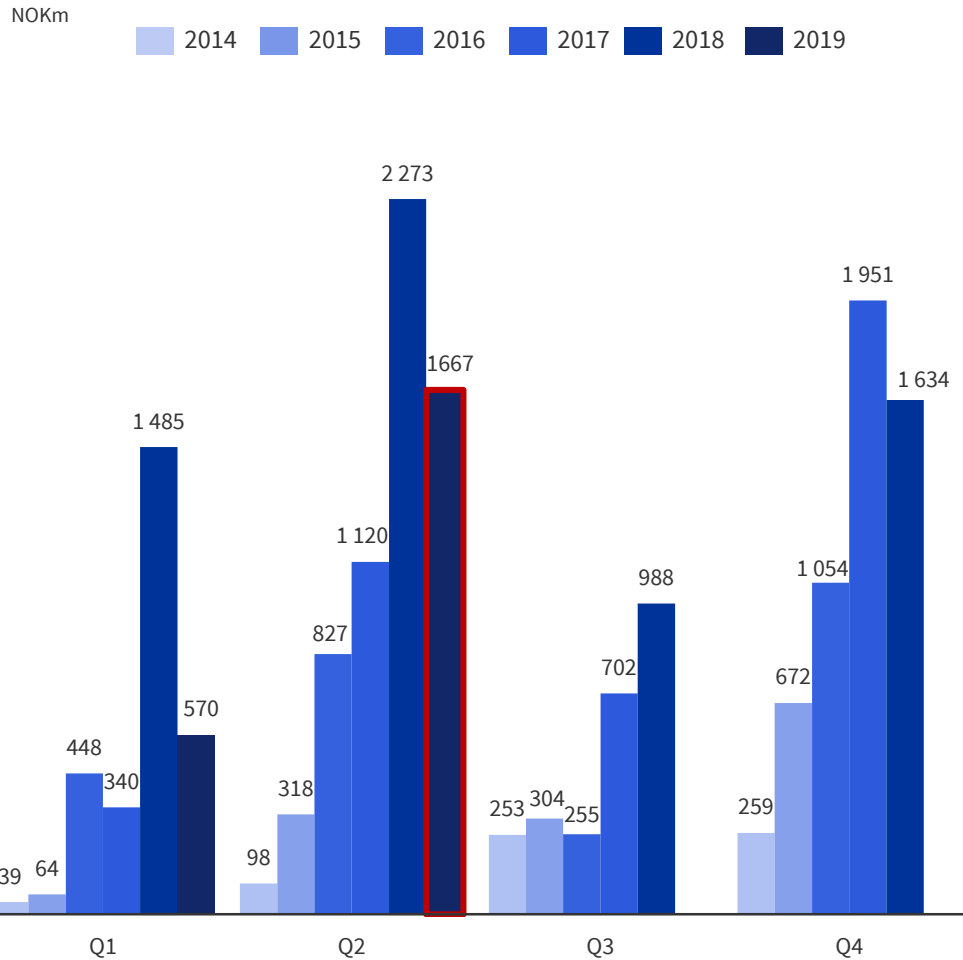
1) Adjusted for deferred payment for portfolio purchase of NOK 165m

Comments

- Available investment capacity of NOK 2.0bn¹⁾ plus monthly cash flow

Quarterly purchase volume: NOK 1,667m in Q2

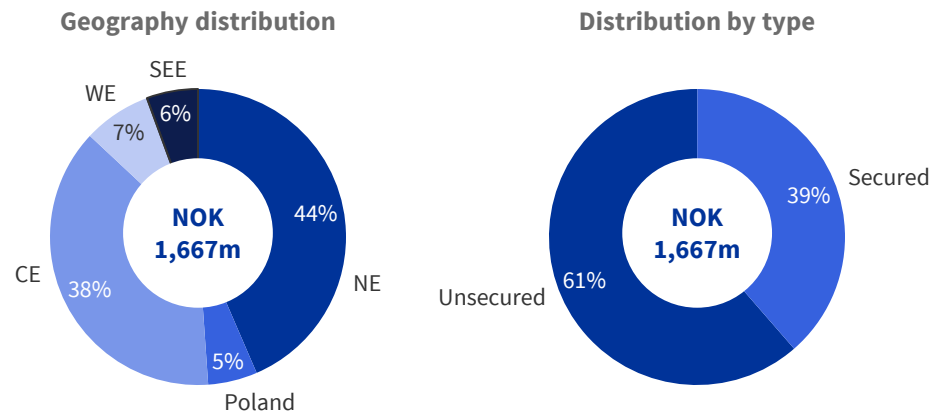
Portfolio purchase volumes¹⁾



Comments

- Good purchase volume in second quarter 2019
- Portfolios mainly acquired in Northern Europe
- Excluding the JV with DDM, more than 90 % of purchased portfolios were unsecured portfolios purchased from large financial institutions
- Of the unsecured portfolios 43 % were forward flow agreements, mainly in the Nordics

Key details portfolio purchase volume¹⁾



1) Including the Group's participation notes issued to joint venture for portfolio purchases in 2019.

Diversified portfolio yielding stable cash flows

Total gross ERC of NOK 22.6bn (12% growth y-o-y)

Development in total gross ERC¹⁾

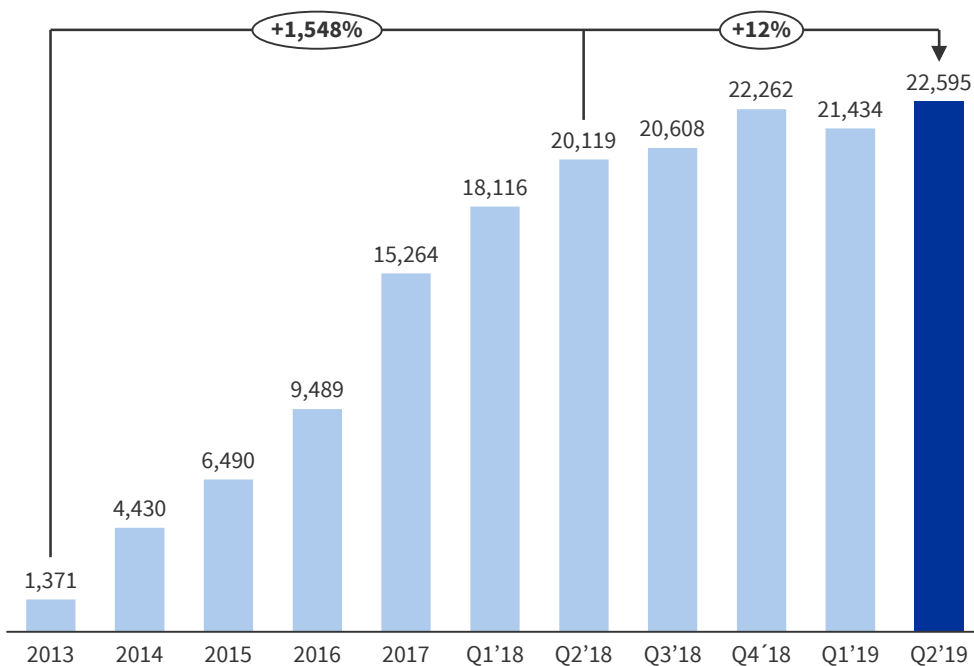
NOKm

Claims (#):

~7.4m

Face value¹⁾ (NOK):

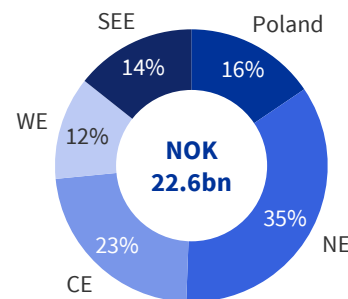
~155bn



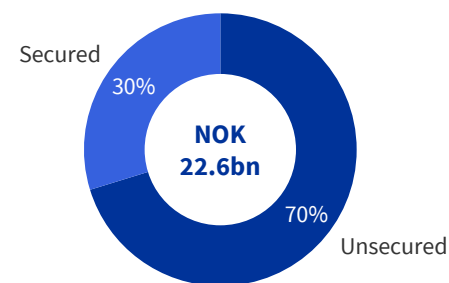
Portfolio details (total gross ERC)¹⁾

NOKm

Geographical distribution



Distribution by type



Unsecured	Year										120m ERC	Total ERC
	1	2	3	4	5	6	7	8	9	10		
Poland	852	687	476	347	256	190	140	100	68	41	3,158	3,207
NE	1,432	1,185	981	810	665	550	450	364	291	230	6,957	7,866
CE	396	327	283	234	189	143	112	54	24	10	1,771	1,791
WE	168	145	114	86	74	50	40	30	10	5	722	724
SEE	519	487	391	307	238	170	110	67	50	16	2,356	2,356
Sum	3,367	2,831	2,244	1,784	1,422	1,104	852	615	444	302	14,964	15,944

Secured	Year										120m ERC	Total ERC
	1	2	3	4	5	6	7	8	9	10		
Poland	65	166	54	7	2	2	1	1	1	1	300	303
NE	9	8	6	6	4	3	3	3	2	2	45	56
CE	1,628	811	321	544	22	6	4	29	1	1	3,368	3,374
WE	530	504	489	258	141	63	25	13	11	6	2,040	2,040
SEE	422	282	141	23	8	2	0	0	0	-	879	879
Sum	2,654	1,771	1,011	839	177	76	34	47	15	10	6,633	6,652
Total	6,021	4,602	3,255	2,622	1,599	1,180	886	662	459	311	21,597	22,595

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

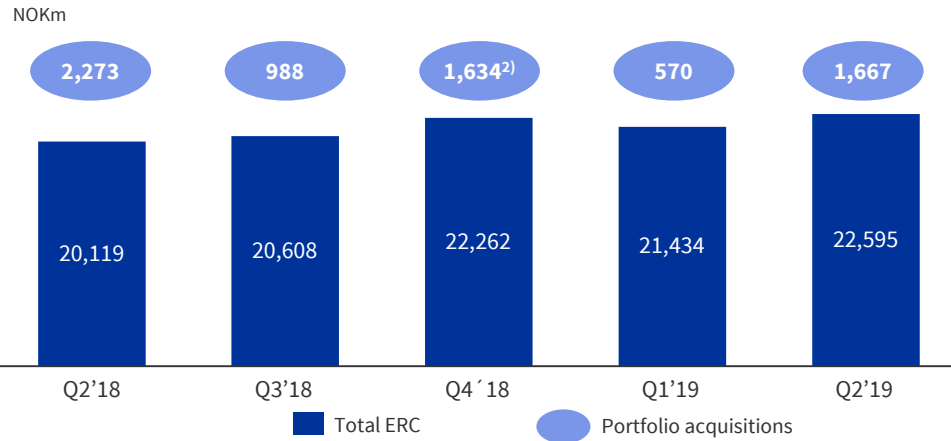
Disclaimer: B2Holding ASA emphasizes that every assessment of future conditions necessarily involves an element of uncertainty.

Q&A

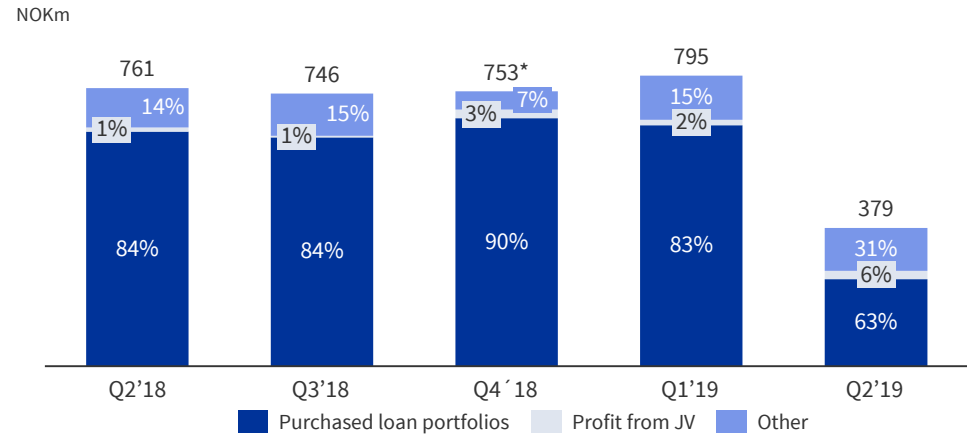


Financial highlights: Quarterly financial performance

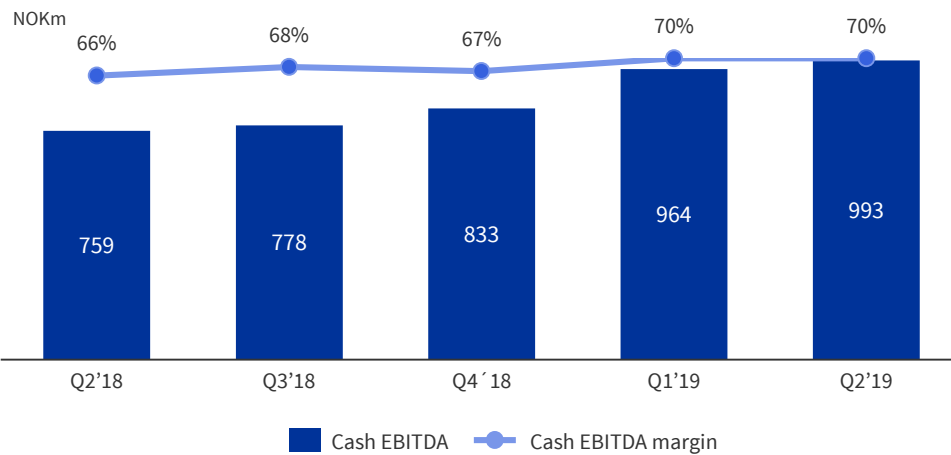
Total ERC¹⁾ and portfolio purchases



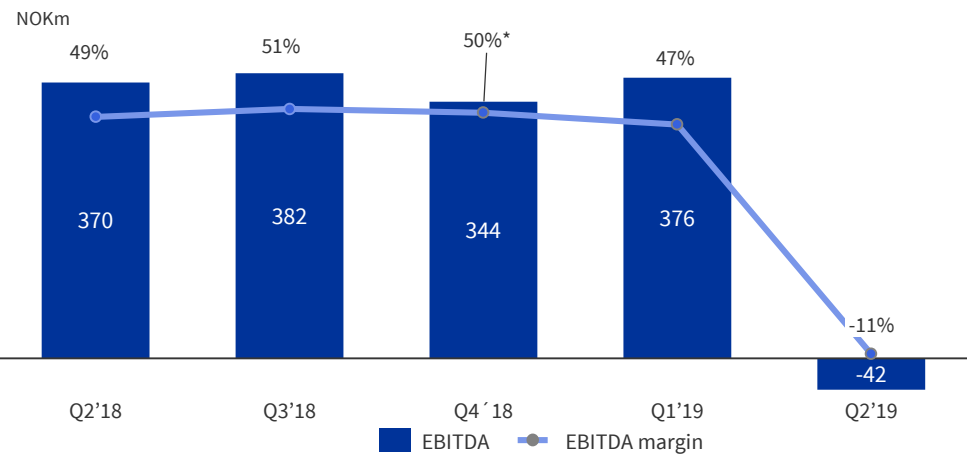
Total revenues



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

Northern Europe (NE)

Strong operating performance

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

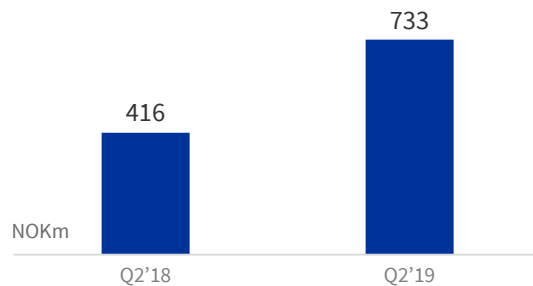


NOKm	2019 Q2	2018 Q2	Change (%)
Gross revenues	208	167	25 %
Net revaluation/actualisation	45	-3	
Total revenues	253	164	54 %
EBIT	162	80	103 %
Profit margin (%)	64 %	49 %	
ERC	7,886	4,990	58 %

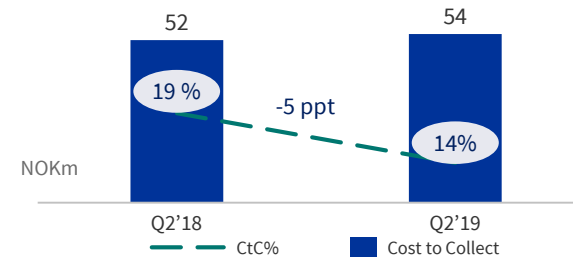
Highlights & KPIs

- Portfolio purchase volume of NOK 733m in the quarter
- Gross cash collection of NOK 375m in Q2
 - Collection on unsecured above the curve with NOK 11m
- Cash EBITDA was NOK 320m, up 41 % from Q2 2018

Portfolio purchases

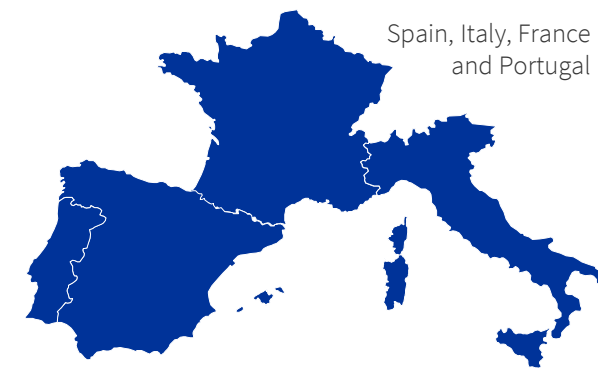


Cost to Collect



Western Europe (WE)

Steadily moving forward

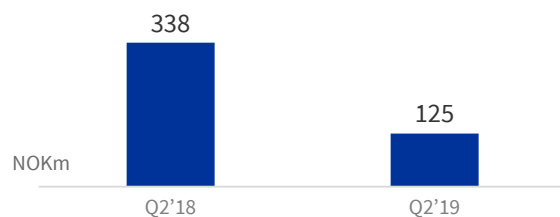


NOKm	2019 Q2	2018 Q2	Change (%)
Gross revenues	121	100	22 %
Net revaluation/actualisation	124	7	
Total revenues	245	107	130 %
EBIT	155	43	263 %
Profit margin (%)	63 %	40 %	
ERC	2,673	2,071	29 %

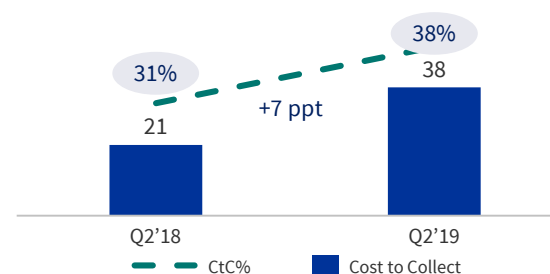
Highlights & KPIs

- Portfolio purchases of NOK 125m in the quarter
- Gross cash collection in Q2 of NOK 101m
- Cash EBITDA was NOK 66m, up 35 % from Q2 2018

Portfolio purchases



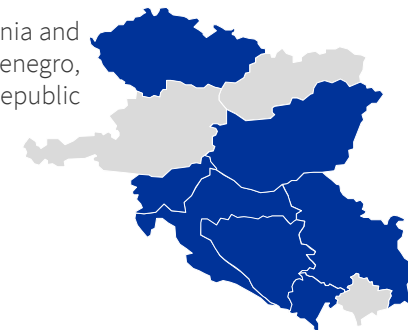
Cost to Collect



Central Europe (CE)

Maturing market

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

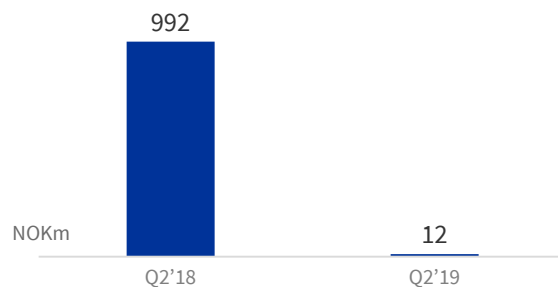


NOKm	2019 Q2	2018 Q2	Change (%)
Gross revenues	194	190	2 %
Net revaluation/actualisation	-488	-2	
Total revenues	-294	188	-256 %
EBIT	-360	135	-366 %
Profit margin (%)	n/a	72 %	
ERC	5,266	5,698	-8 %

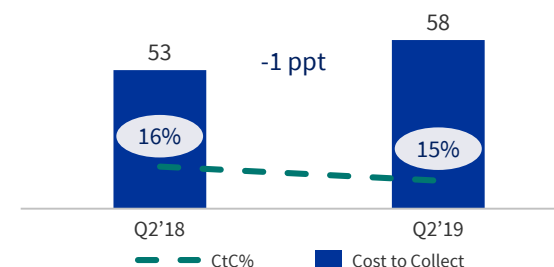
Highlights & KPIs

- Portfolio purchases of NOK 12m in the quarter excluding JV with DDM
- Gross cash collection in Q2 of NOK 397m
- Cash EBITDA was NOK 341m, up 18 % from Q2 2018
- Total net credit loss from secured portfolios was NOK -503m, mainly related to one-off write down in Croatia

Portfolio purchases¹⁾



Cost to Collect



1) Excluding the Group's participation notes issued to joint venture for portfolio purchases in 2019.

South East Europe (SEE)

Increasing servicing revenues and good pipeline visibility

Romania, Bulgaria,
Greece and Cyprus

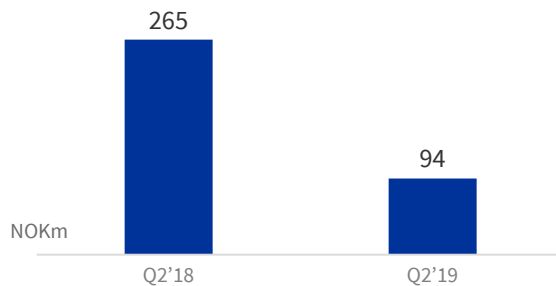


NOKm	2019 Q2	2018 Q2	Change (%)
Gross revenues	121	148	-18 %
Net revaluation/actualisation	-124	14	
Total revenues	-3	162	-102 %
EBIT	-73	112	-165 %
Profit margin (%)	n/a	69 %	
ERC	3,271	3,935	-17 %

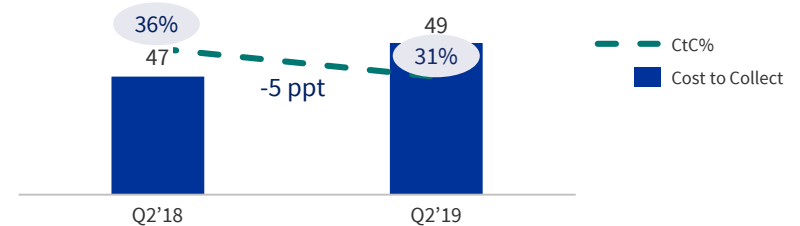
Highlights & KPIs

- Portfolio purchases of NOK 94m in the quarter
- Gross cash collection in Q2 of NOK 158m
- Cash EBITDA was NOK 121m, up 22 % from Q2 2018
- Total net credit loss from secured portfolios was NOK -130m, mainly related to one-off write down in Romania and Bulgaria

Portfolio purchases



Cost to Collect



Poland (P)

A mature but still high yield market

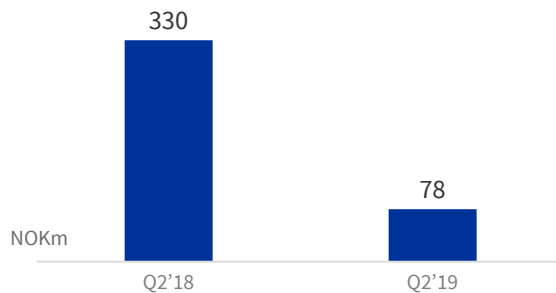


NOKm	2019 Q2	2018 Q2	Change (%)
Gross revenues	155	154	1 %
Net revaluation/actualisation	22	-14	
Total revenues	178	140	27 %
EBIT	73	41	77 %
Profit margin (%)	41 %	30 %	
ERC	3,499	3,425	2 %

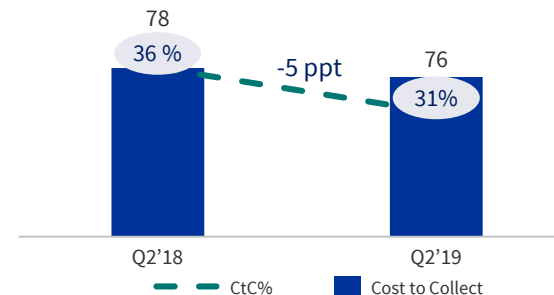
Highlights & KPIs

- Portfolio purchase volume of NOK 78m in the quarter
- Gross collection in Q2 of NOK 243m
 - Collections on unsecured above the curve with NOK 17m
 - Recovery of secured below the curve with NOK 7m
- Cash EBITDA was NOK 173m, up 14 % from Q2 2018

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	43 073 236	10,51 %
3	VALSET INVEST AS	25 000 000	6,10 %
4	STENSHAGEN INVEST AS	17 893 376	4,36 %
5	VERDIPAPIRFONDET DNB NORWAY (IV)	16 280 364	3,97 %
6	VEVLEN GÅRD AS	8 700 000	2,12 %
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 GAMBA	7 825 891	1,91 %
11	ARCTIC FUNDS PLC	6 550 723	1,60 %
12	VERDIPAPIRFONDET PARETO INVESTMENT	6 381 405	1,56 %
13	GREENWAY AS	5 802 368	1,42 %
14	SWEDBANK ROBUR NORDENFON	5 400 000	1,32 %
15	VERDIPAPIRFONDET ALFRED BERG NORWAY	5 331 620	1,30 %
16	STOREBRAND NORWAY I VERDIPAPIRFOND	5 110 413	1,25 %
17	U.S. BANK NATIONAL ASSOCIATION	4 490 125	1,10 %
18	ARCTIC FUNDS PLC	4 419 734	1,08 %
19	VERDIPAPIRFONDET ALFRED BERG AKTIV	3 927 726	0,96 %
20	LIN AS	3 501 670	0,85 %
	OTHER	162 270 897	39,58 %
	Total	409 932 598	100,00 %

Note: Updated per 26 August 2019

Definitions

■ 120-month ERC

Estimated remaining collection, which expresses the gross cash collection in face value expected to be collected in the future over a 120-month period from the purchased portfolios owned at the reporting date. The 120-month ERC is a common measure in the debt purchasing industry; however it may be calculated differently by other companies and may not be comparable. These projections have been prepared for illustrative purposes only and may differ from the forecast we use to calculate the carrying value of our portfolio purchases as recognized in the Audited Financial Statements. We can provide no assurance that we will achieve such collections within the specified time period, or at all

■ Actualisation

Actualisation is the difference between actual and forecasted collections for purchased loan portfolios for the reporting period.

■ Administration & management costs

Administration and management cost include Head Office and other Group costs such as Investment Office

■ Amortisation

Amortisation is the reduction in the current value of the purchased loan portfolios during the period, which is attributable to collection taking place as planned.

■ Available investment capacity

Available investment capacity includes cash and short-term deposit (less NOK 200 million to cover working capital) plus unutilised bank overdraft, plus unutilised multi-currency revolving credit facility and less short-term vendor loans. Cash flow from future operations is not included in the number.

■ Cash EBITDA

Cash EBITDA consists of EBIT added back depreciation and amortisation of tangible and intangible assets and added back amortisation and revaluation of purchased loan portfolios. Cash EBITDA is a measure of actual performance from the collection business (cash business) and other business areas.

■ Cash EBITDA 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. Cash revenue is a measure of actual revenues (cash business) from the collection business and other business areas. Cash revenue is an alternative performance measure used by the Company in order to reflect the performance of its purchased loan portfolios and external collection and consumer lending businesses. Cash revenue is an alternative performance measure frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the debt collection industry

■ Cost to collect

All external and internal operating costs related to the Group’s collection business.

■ EBITDA

Operating profit before depreciation and amortisation (EBITDA) consists of operating profit (EBIT) adding back depreciation and amortisation of tangible and intangible assets.

■ EBITDA margin: EBITDA over total operating revenues

■ ERC

Estimated remaining collection (ERC) expresses the gross cash collection 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 cash collection on portfolios purchased and held in joint ventures. ERC includes ERR. The Total ERC is a common measure in the debt purchasing industry; however it may be calculated differently by other companies and may not be comparable.

■ ERR

Estimated remaining recoveries (ERR) expresses the gross cash collection 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 cash collection on secured portfolio purchased and held in joint ventures.

Definitions (cont'd)

■ **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 cash collection**

Gross cash collection is the actual cash collected from purchased portfolios before costs related to collect the cash received

■ **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.

■ **Interest Coverage**

The ratio of Cash EBITDA divided by net interest expenses

■ **Leverage ratio**

Net Interest-bearing debt over Cash EBITDA calculated for the last 12 months

■ **Net debt**

Net debt consist of nominal 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 cash collection deviating from collection estimates and from changes in future cash collection estimates. The Group regularly evaluates the current collection estimates at the individual portfolio level and the estimate is adjusted if collection is determined to deviate from current estimate over time. The adjusted collection 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". Cash collection above collection estimates and upward adjustments of future collection estimates increase revenue. Cash collection below collection estimates and downward adjustments of future collection estimates decrease revenue. Net credit gain/(loss) equals net actualisation/revaluation.

■ **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 includes revenue from external collection, interest on loan receivables 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 is 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.

■ **Revaluation**

Revaluation is the period's increase or decrease in the current value of the purchased loan portfolios attributable to changes in forecasts of future collection.

■ **Secured Loan to Value Ratio**

Net interest-bearing debt of secured facilities plus any vendor loans less cash and short term deposits over Assets (portfolio, JV, loan receivables, REO and goodwill).

■ **Total Loan to Value (TLTV)**

Net debt adjusted for vendor loan, earn out and FX hedge MTM over Assets (portfolio, JV, loan receivables, REO and goodwill).



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