

Q3

Third quarter 2022



Highlights Q3 2022

Operations

- Strong unsecured collection performance of 104.4%
- Growth in secured cash recoveries driven by REO sales of NOK 169m
- REO sales above target of NOK 400m

Effectiveness & efficiency

- Sustainable cost savings mitigating cost inflation
- Continued utilization of our scalability across platforms

Investments

- Early signs of increased capital discipline in the industry
- Increase in expected net returns from Q3 investments
- Continued focus on capital and price discipline

Capital & funding

- Successfully placed a new EUR 150m bond in September and repaid B2HO3 in October
- Sale of Bulgaria signed, regulatory approval expected shortly

Key figures Q3 2022 (NOKm)

Cash collections

1 244

1 191

REO sales

169

40

Net revenues

797

792

Cash EBITDA¹⁾

973

946

Adj. Net profit²⁾

171

174

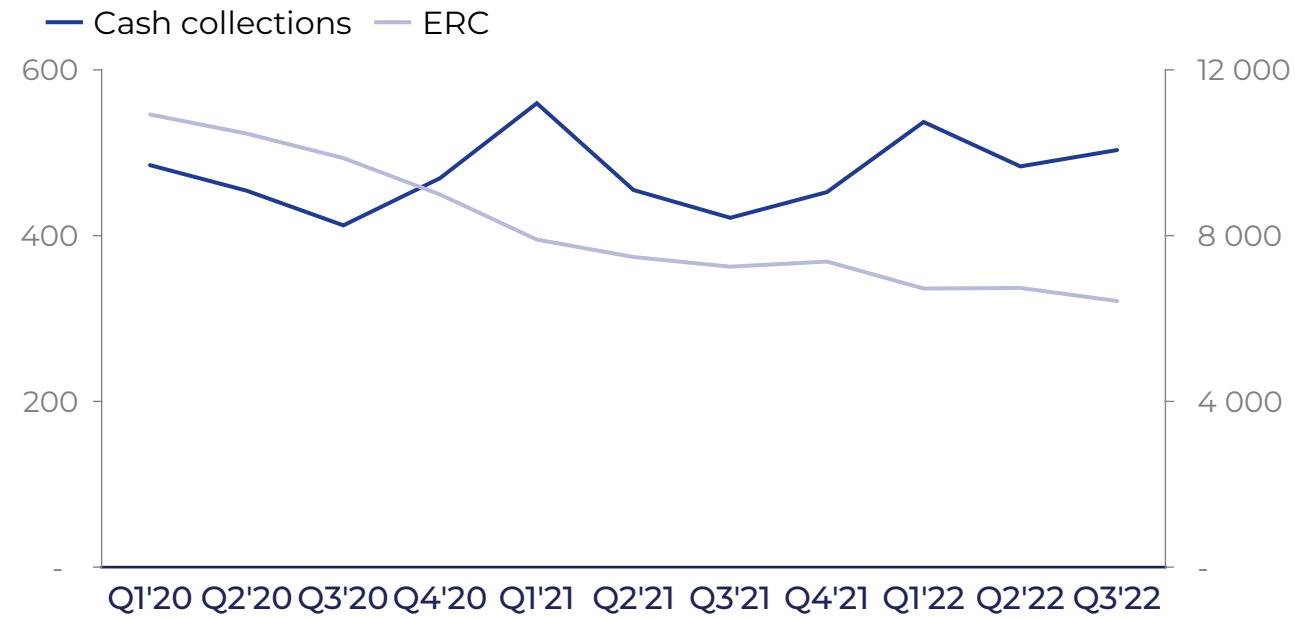
Portfolio investments

399

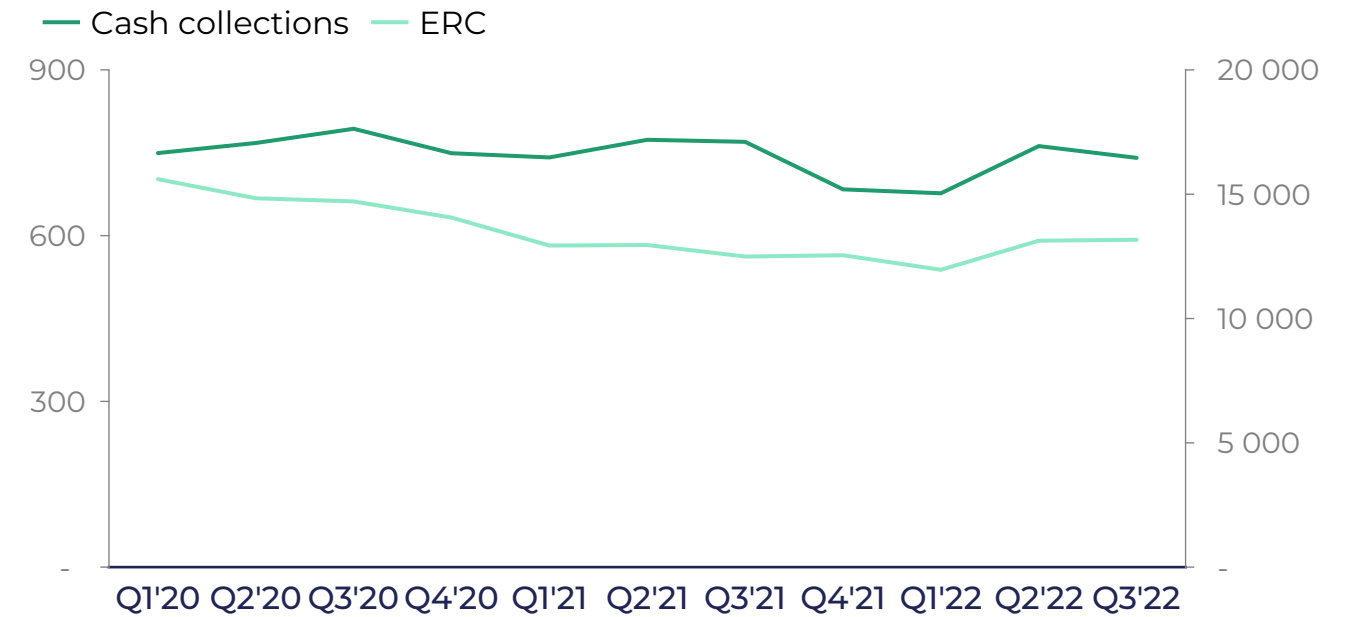
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Scalability across our markets

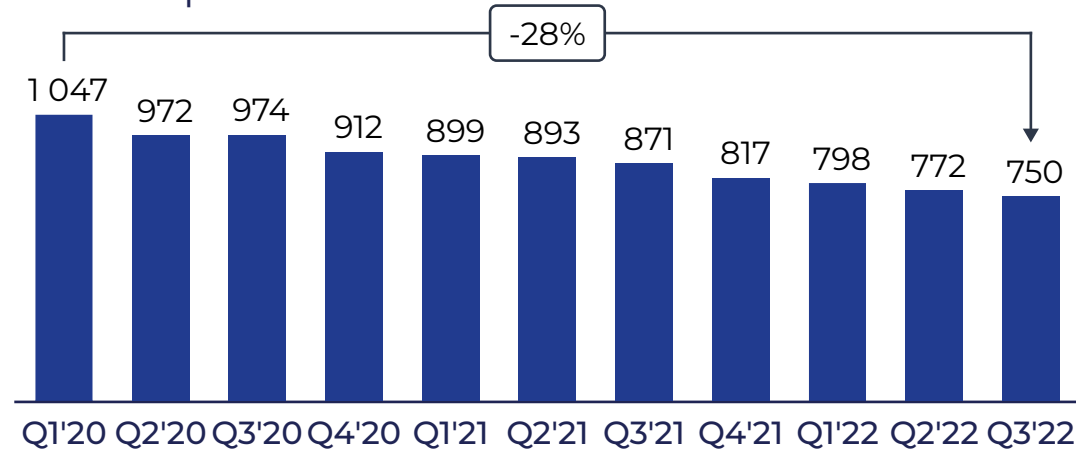
Secured markets (Veraltis Asset Management)



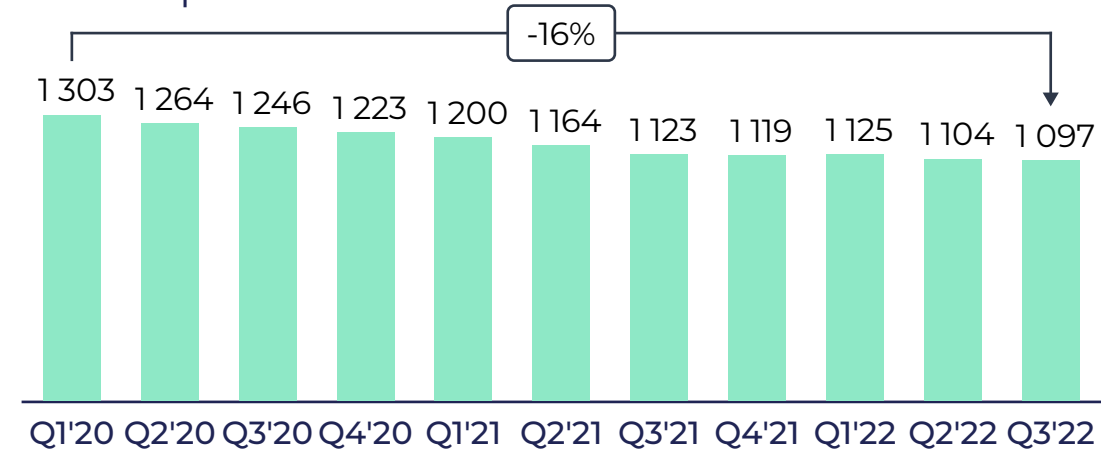
Unsecured markets



FTE development¹⁾



FTE development

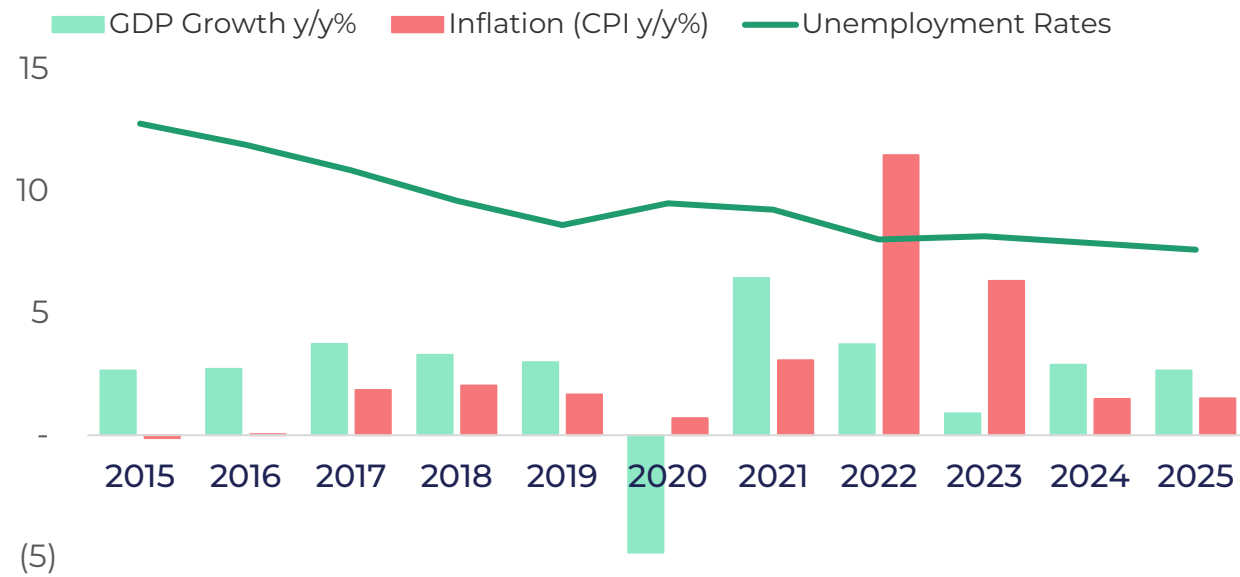


1) FTEs for Veraltis Asset Management includes 169 FTEs from Bulgaria as at end Q3'22

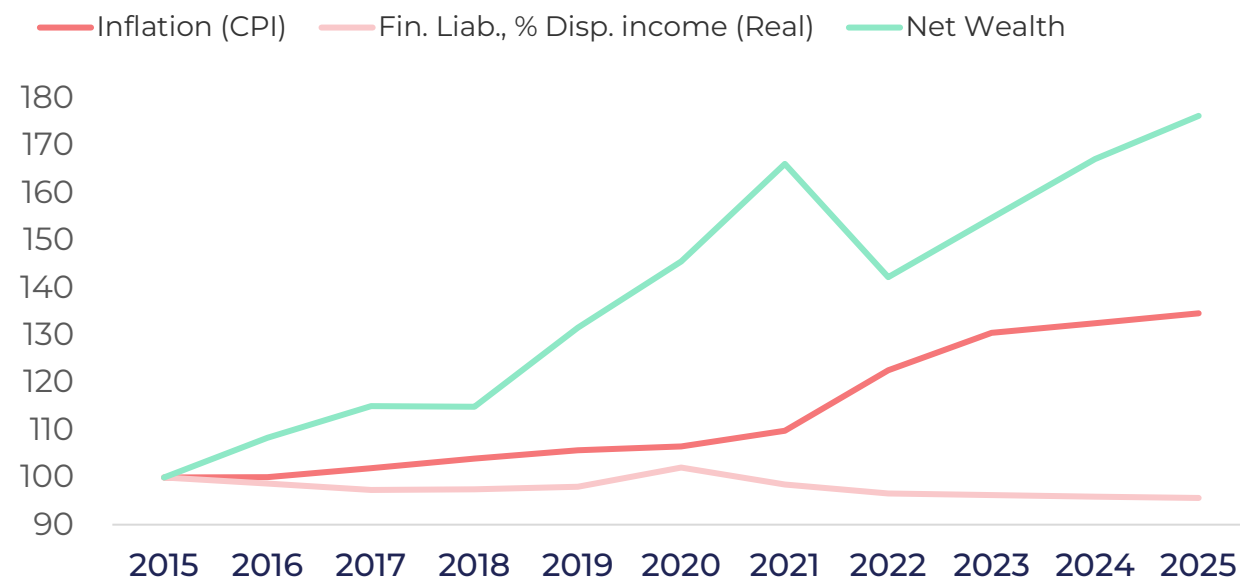
Proven collection resilience

Short term support from disposable income, savings, and governmental schemes

Long Term Macro Trends¹



Notable increase in disposable income²



Notable observations:

- The industry has proven resilient in economic downturns
- Higher disposable income has created a cushion for households in a high inflation environment
- Household savings increased during the pandemic
- Decrease in total consumer debt, but increase in new defaults

Potential/expected impact in B2Holding markets:

- Growth in disposable income, increased savings, and governmental support to limit negative impact on collections
- Short term uncertainty reflected in pricing of new portfolios
- Increased uncertainty and interest rates expected to create new NPL volumes and higher expected returns

1) Oxford Economics 9 Sept 2022, B2Holding countries
 2) Oxford Economics, index 2015 base, B2Holding countries

Maintaining capital discipline in changing market dynamics



- 68 % increase in portfolio investments versus same quarter last year and improved returns on portfolios acquired
- Early signs of heightened capital discipline and prudent pricing
- Target returns increased to reflect current uncertainty and market interest rates
- At the end of the quarter, NOK 1.4bn were invested in new portfolios and NOK 330m committed for the remainder of 2022
- Expected total investments of NOK 2.5 - 3bn this year, implying an investment level around NOK 1-1.5bn in the fourth quarter

Financial performance



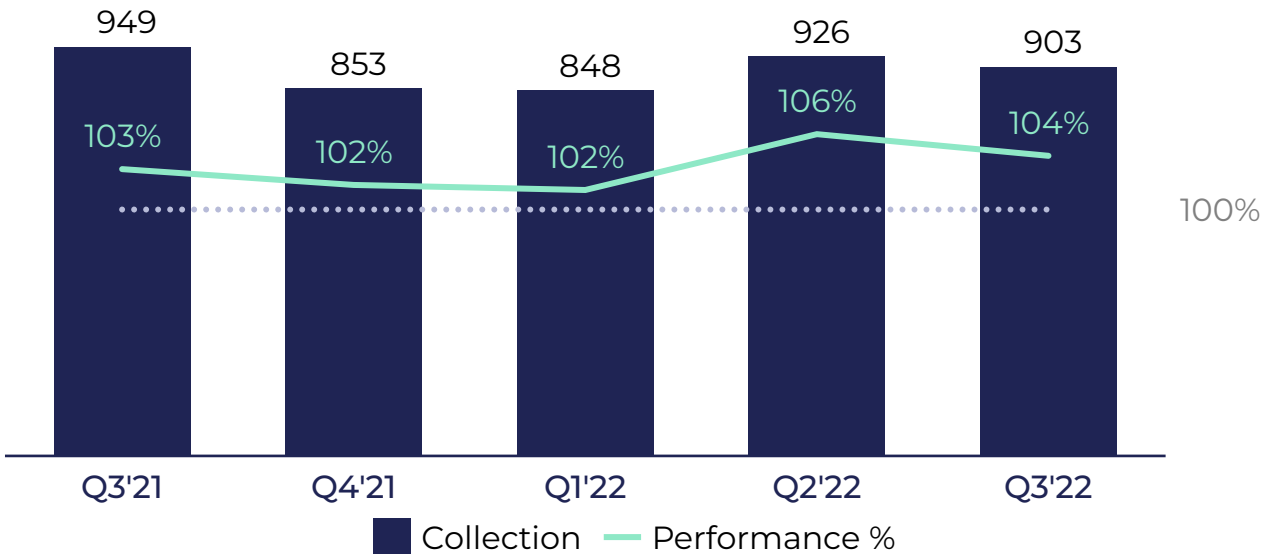
Third quarter 2022 summary

NOK million	2022 Q3	2021 Q3	% change	2022 YTD	2021 YTD
Cash collections	1 244	1 191	4%	3 704	3 721
Net revenues	797	792	1%	2 261	2 310
Adj. EBIT	373	385	-3%	992	1 037
Adj. EBIT %	47%	49%	-2 pp	43%	45%
EBIT	337	370	-9%	725	1 042
Adj. Net profit	171	174	-2%	471	450
Cash revenue	1 377	1 341	3%	4 096	4 134
Cash EBITDA	973	946	3%	2 857	2 917
Cash margin	71%	71%	0 pp	70%	71%
Gross collections ¹⁾	1 278	1 269	1%	3 675	4 170
Amortisation of own portfolios	-455	-537	-15%	-1 378	-2 045
Portfolio investments ¹⁾	399	237	68%	1 395	650
Cost to collect %	22%	18%	4 pp	22%	19%
EPS	0.36	0.40		0.67	1.11
Return on equity (LTM)	7.5 %	11.7 %	-4.2 pp	7.5 %	11.7 %

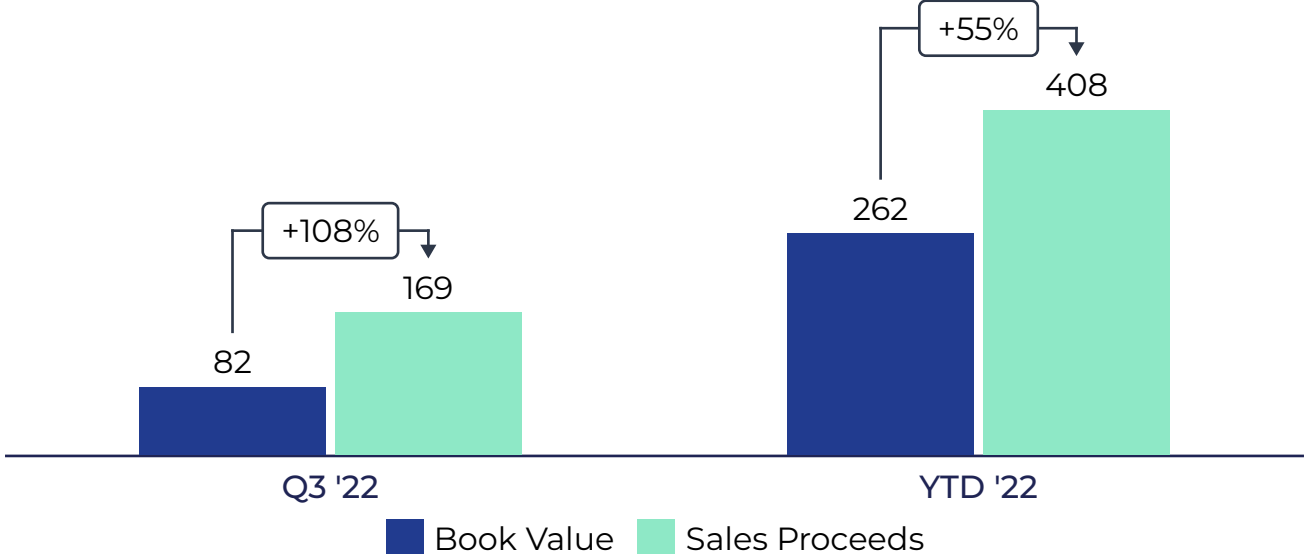
- Cash collections up 9% YoY in constant FX
 - Unsecured collections at 104.4%
 - Strong secured cash collections of NOK 318m in Q3 including REO sales of NOK 169m
- Net revenue up 4% YoY at constant FX
- Sustainable cost savings mitigating cost inflation
- NRIs of NOK 35m related to restructuring and senior financing
- Interest rate hedging ratio of 70%
- Adjusted EPS of 0.43 and ROE of 11.7%
- Invested and committed capital in 2022 of more than NOK 1.73bn at the end of Q3

Collection Performance excl. JVs

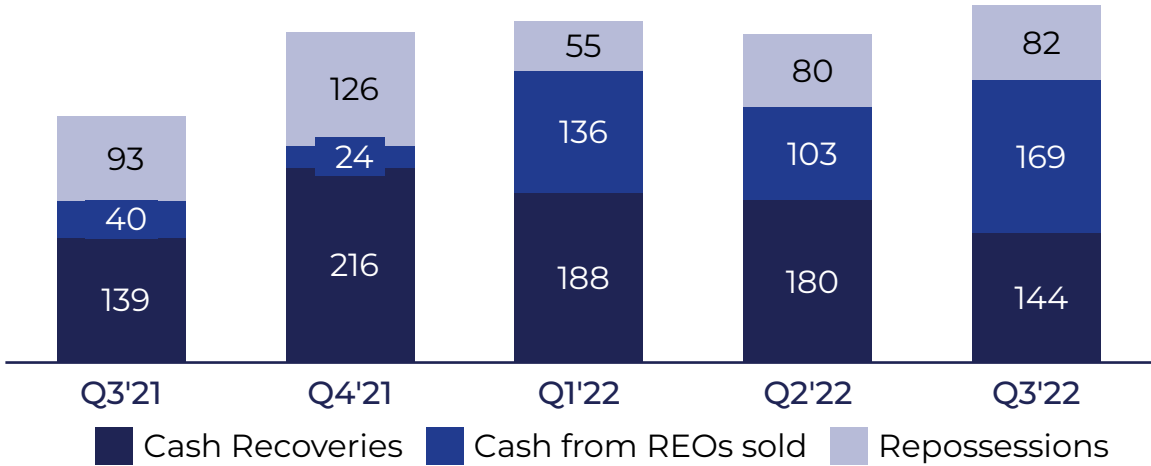
Unsecured collection performance



REOs sold



Secured recoveries

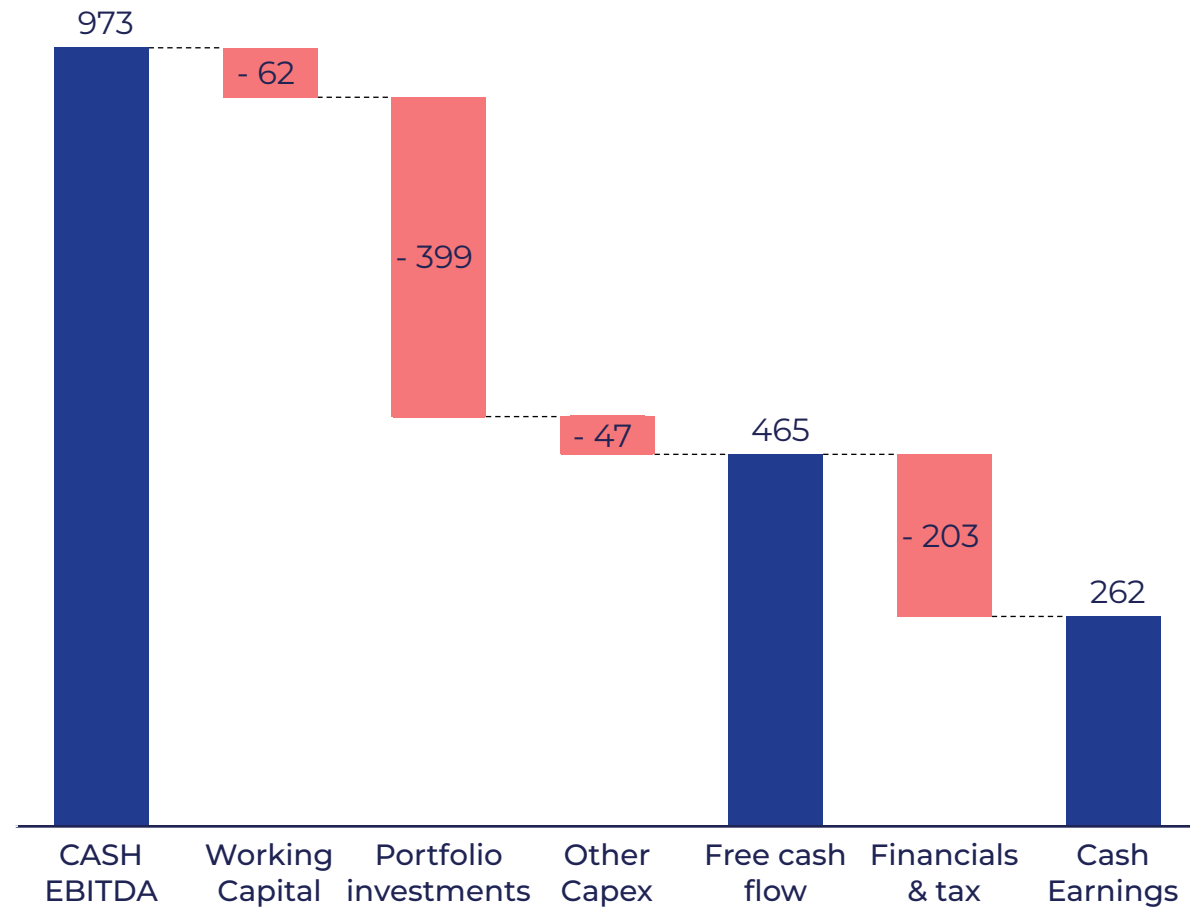


- Continued strong trend in Unsecured collection performance
- Secured cash collections up 82% YoY constant FX
- REO sales YTD ahead of target; updated FY 2022 target NOK 500m

Positive cash earnings and low leverage

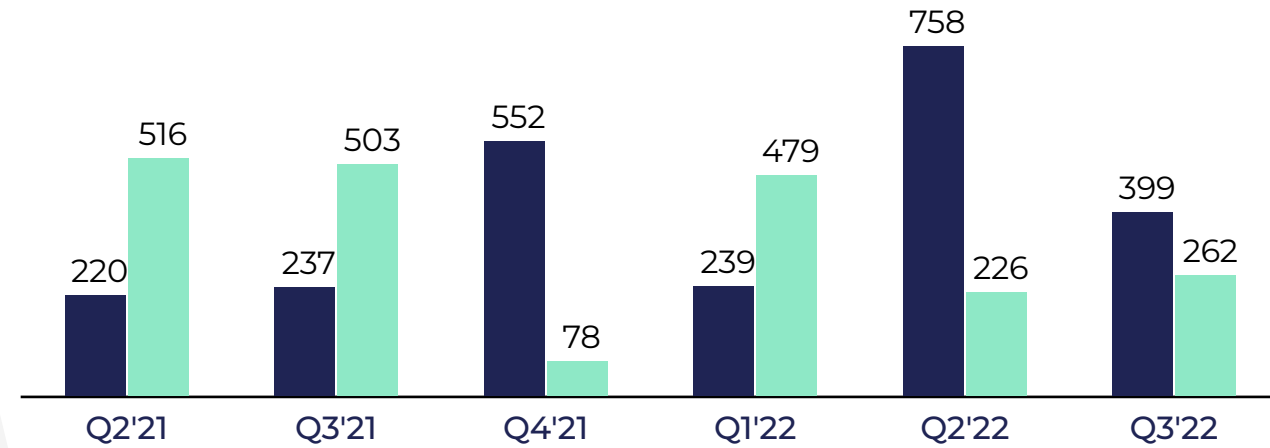
Cash flow Q3 2022

NOKm Increase Decrease Total



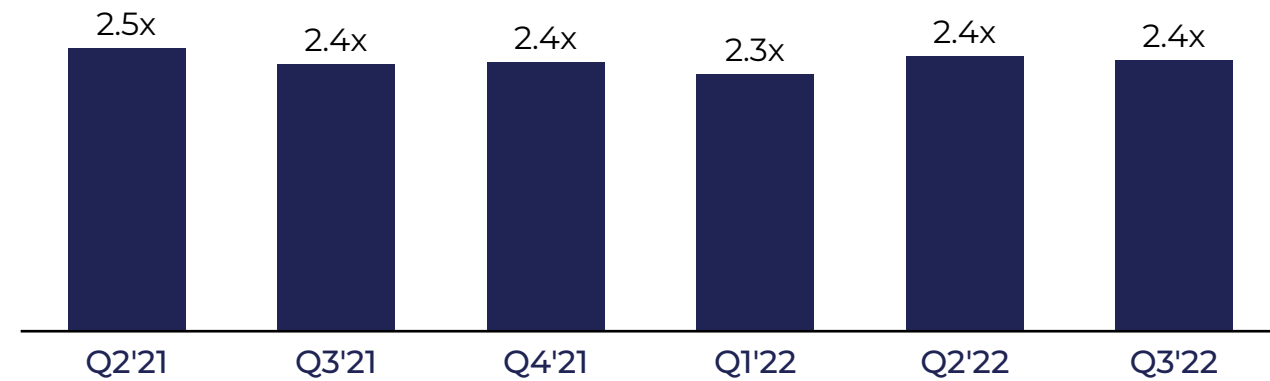
Additional investment capacity

NOKm Portfolio investments Cash Earnings



Stable leverage ratio

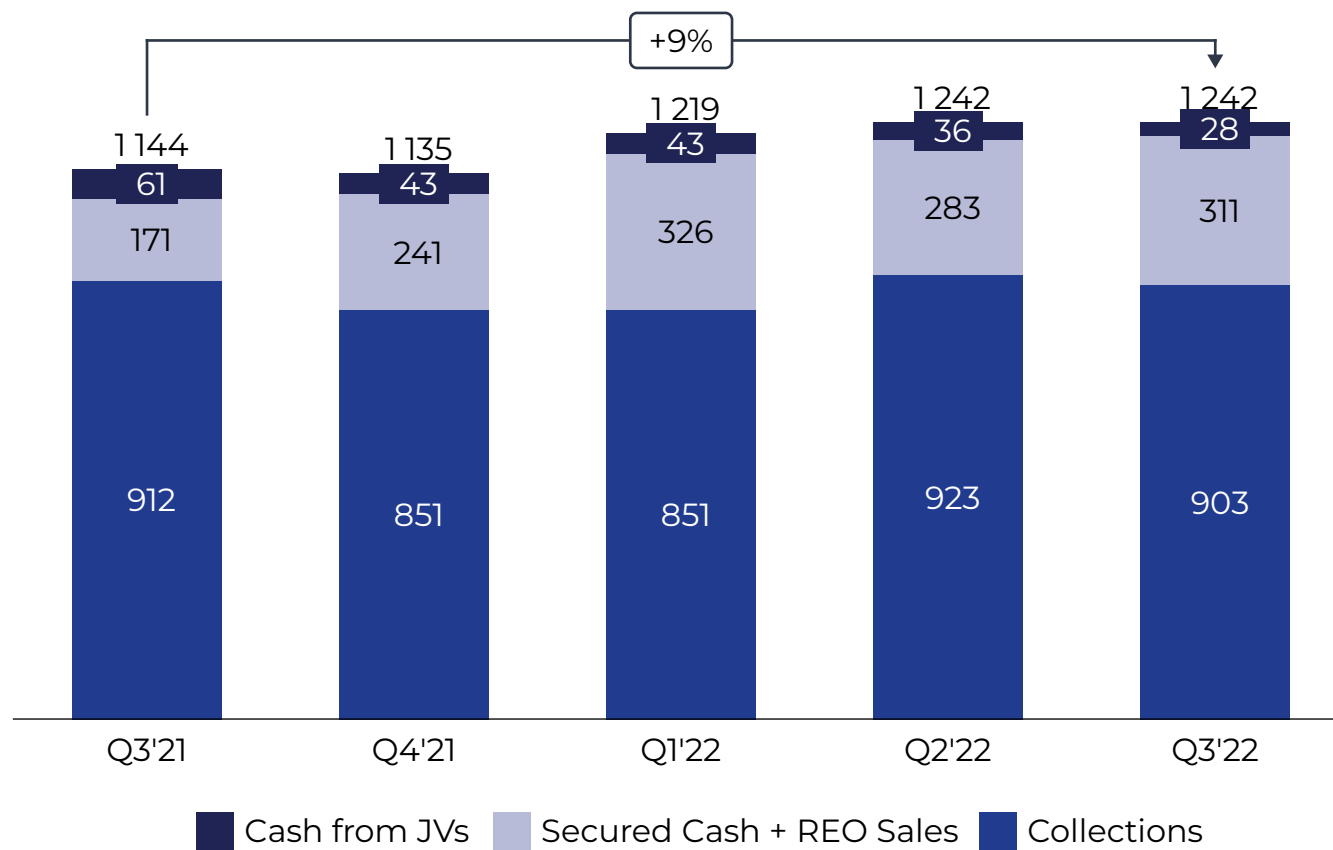
Lev.ratio



Strong cash collections and stable underlying cost base

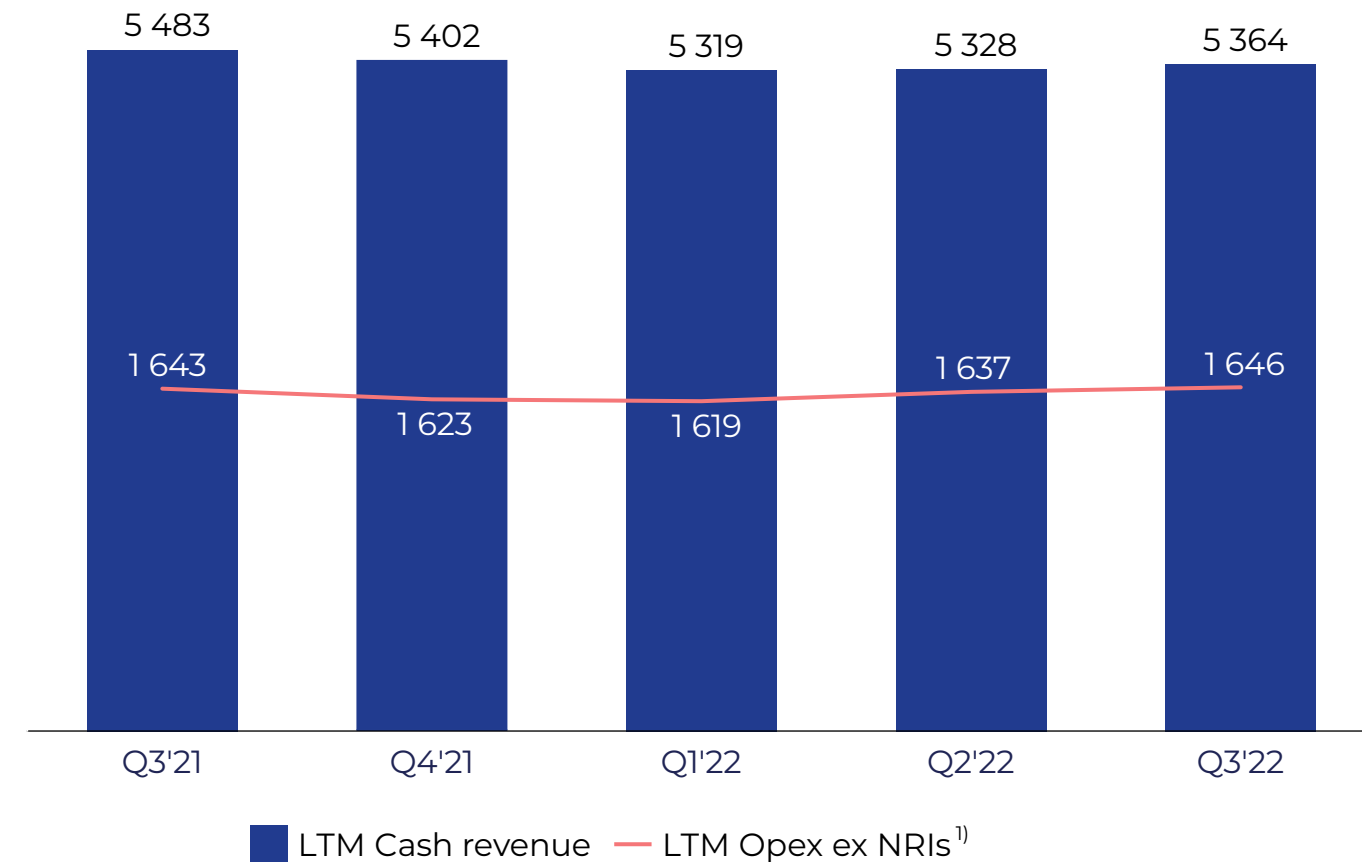
Cash collections (constant FX)

- Total cash collections up 9% YoY
- Total secured cash collection up 82% from last year



Sustainable savings mitigating cost inflation

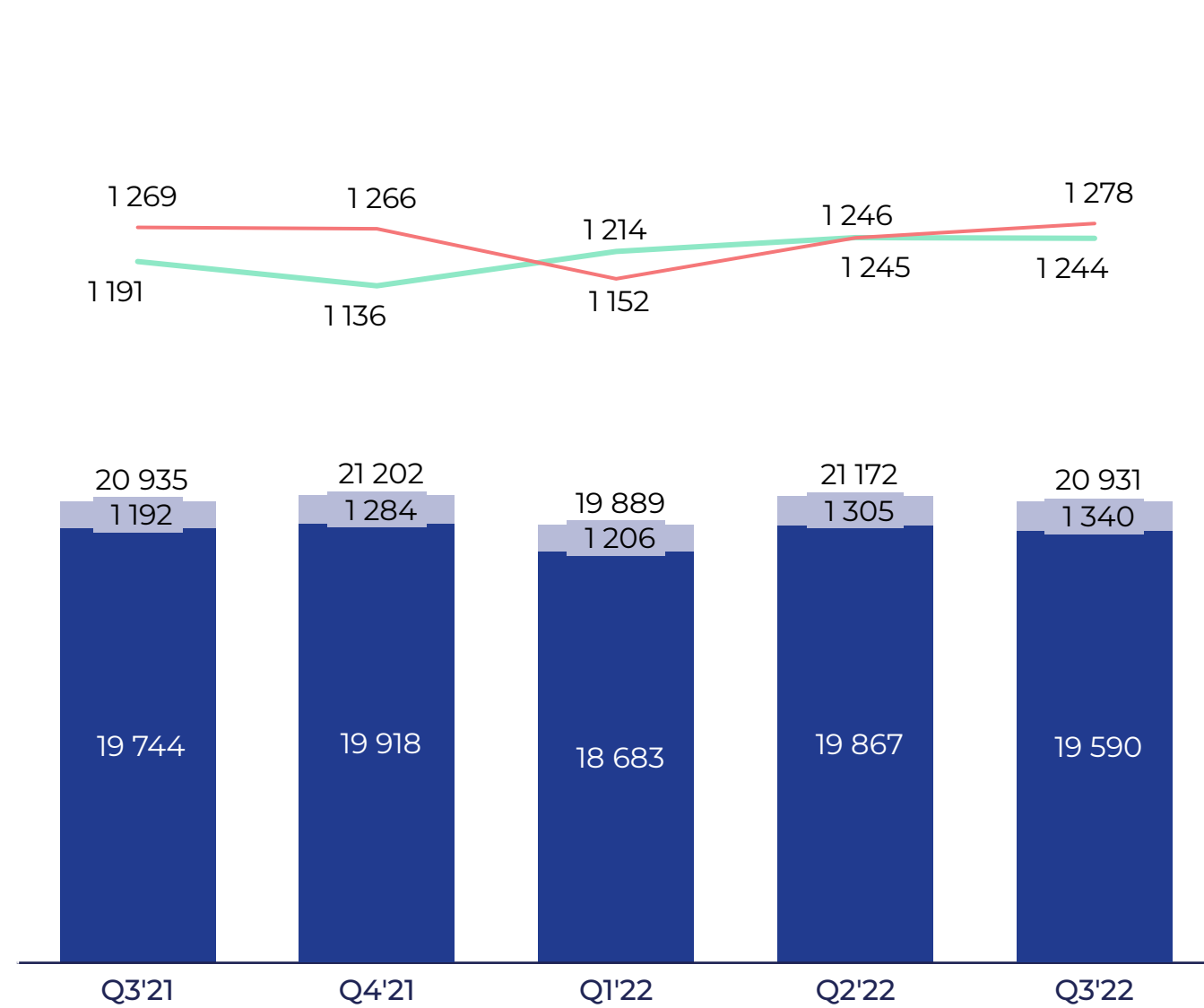
- LTM Opex in line with last year
- Opex in Q3 up 2.2% vs Q3 LY driven by higher collection activity
- Personnel expenses in Q3 down 1% YoY and LTM 2.4%



Portfolio investments and Estimated Remaining Collections (ERC)

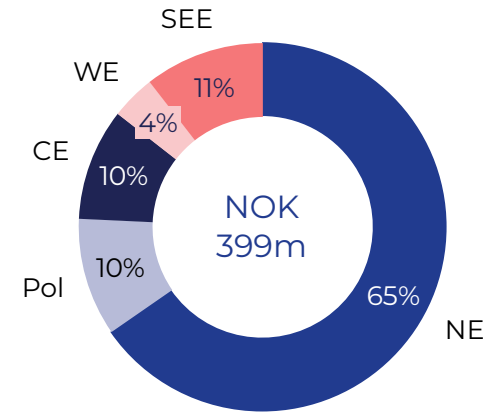
Growing cash collections and stable ERC

NOKm ■ NPL ■ REOs ■ Cash collection ■ Gross collections

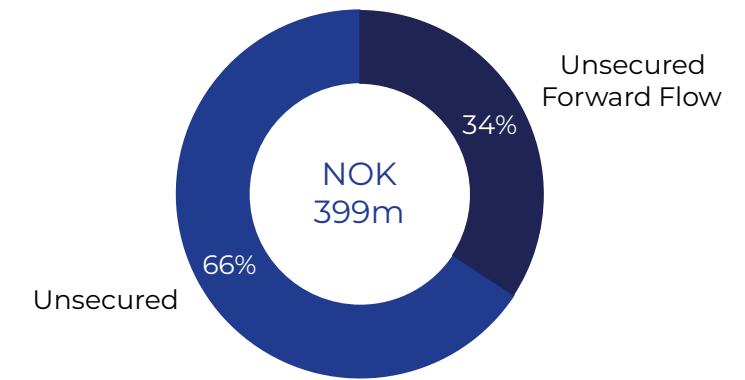


Portfolio investments in Q3

Geographical distribution

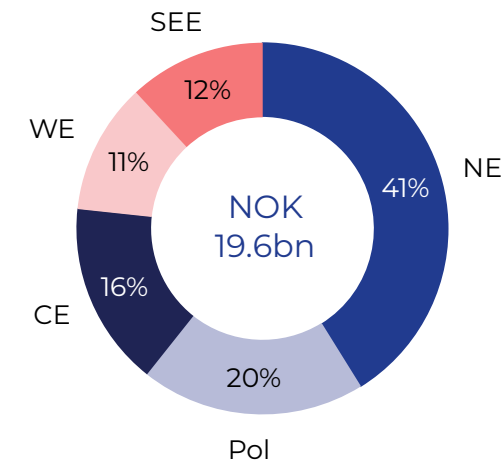


Asset class distribution

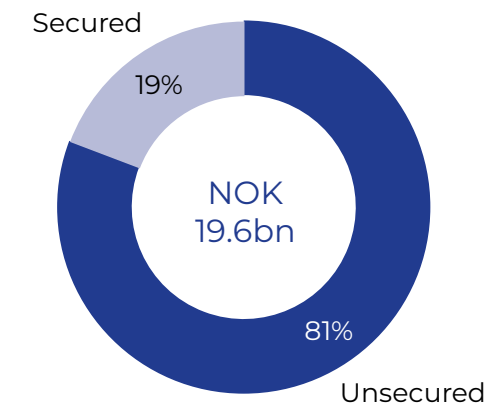


Total ERC as of Q3

Geographical distribution



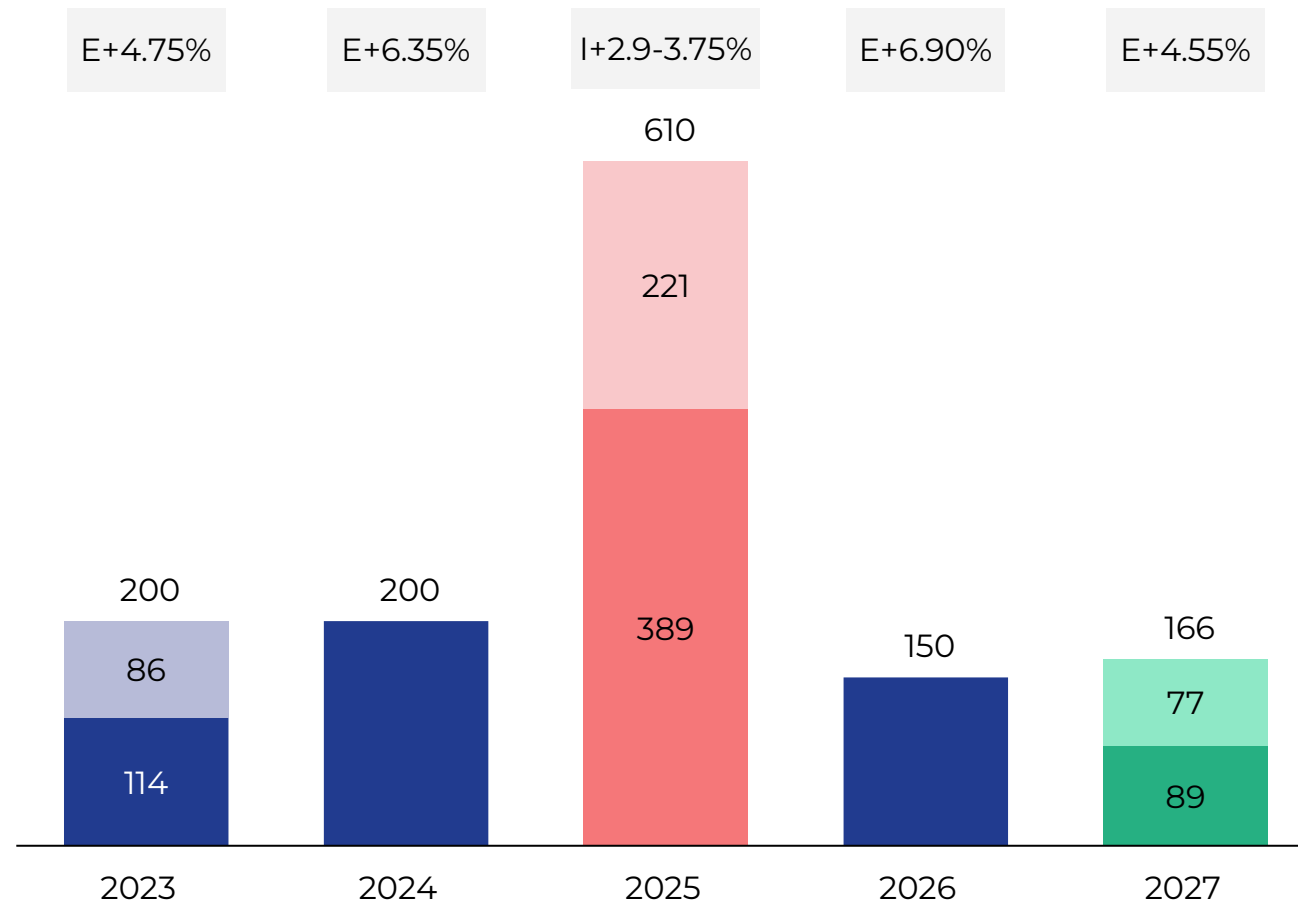
Asset class distribution



New capital structure post refinancing

Debt maturity profile, EURm¹

■ Outstanding bonds ■ Utilised RCF ■ Utilised SFA
■ Treasury bonds ■ Unutilised RCF² ■ Unutilised SFA



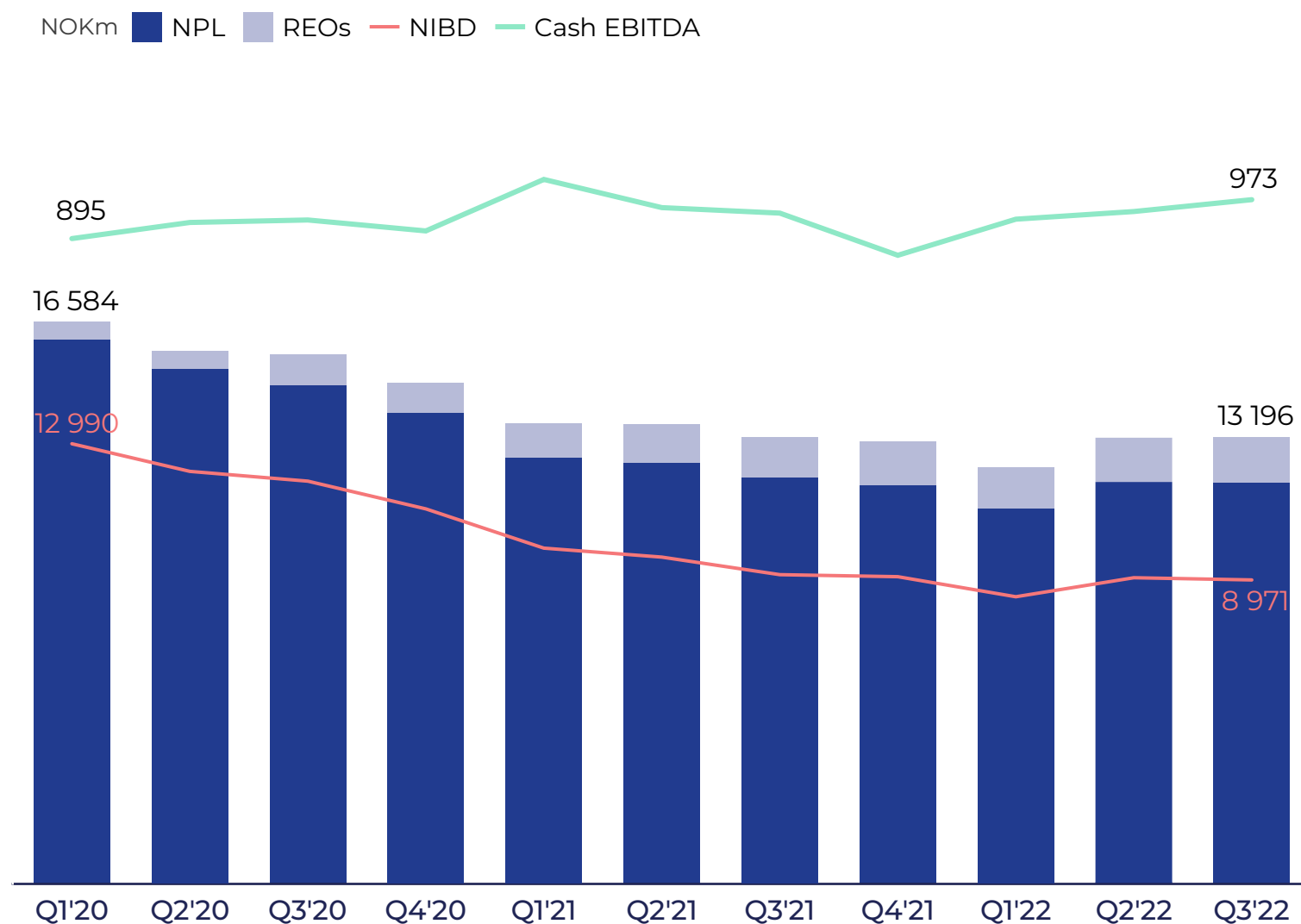
Improved flexibility and liquidity

- Extensive refinancing completed in the quarter
 - Extension of RCF, new SFA, and a new bond
- Senior Facility Agreement closed in August
 - EUR 53m repaid in October from cash flow in the new structure
- New EUR 150m bond issued in September
 - EUR 34m in new capital, remaining rollovers from B2H03 and B2H04
- B2H03 fully repaid in October (EUR 145m)
- Available liquidity of around EUR ~450m including sale of Bulgaria
 - EUR 48m expected during Q4 to repay RCF

1) Adjusted for full repayment of B2H03 and EUR 53m repaid on SFA in October, but not adjusted for sale of Bulgaria
 2) Committed reduction on RCF by 100mEUR on 31 Dec 2023

Strong Cash EBITDA trend expected to continue into Q4 2022

Growth in Cash EBITDA despite lower BV and ERC



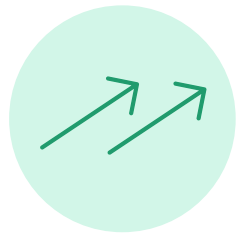
Cash collections exceeding gross collections

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

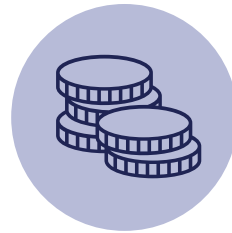
Summary



Key takeaways



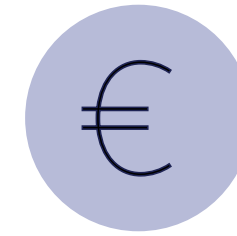
Resilient and strong collections and recoveries



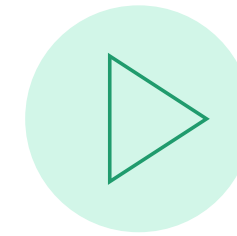
Cost control with lower operating expenses vs previous quarters



Increased investment activity with higher net IRRs



Issued new bond in a challenging market



Capital discipline in changing market dynamics

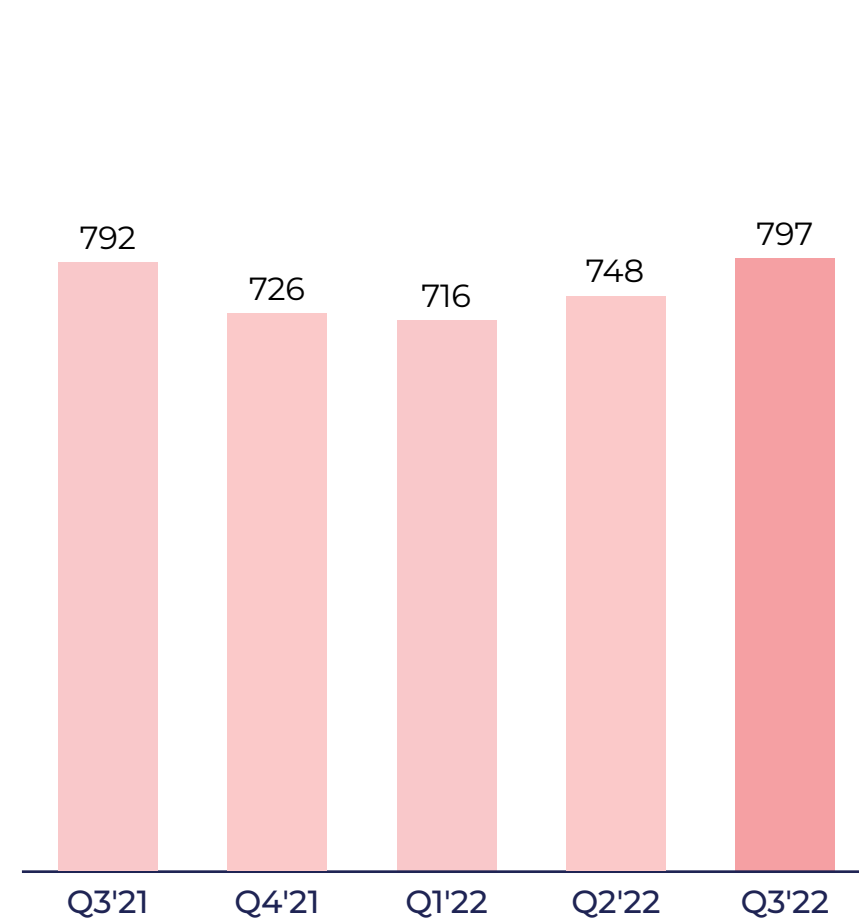
Q&A



Quarterly financial performance

Net revenues

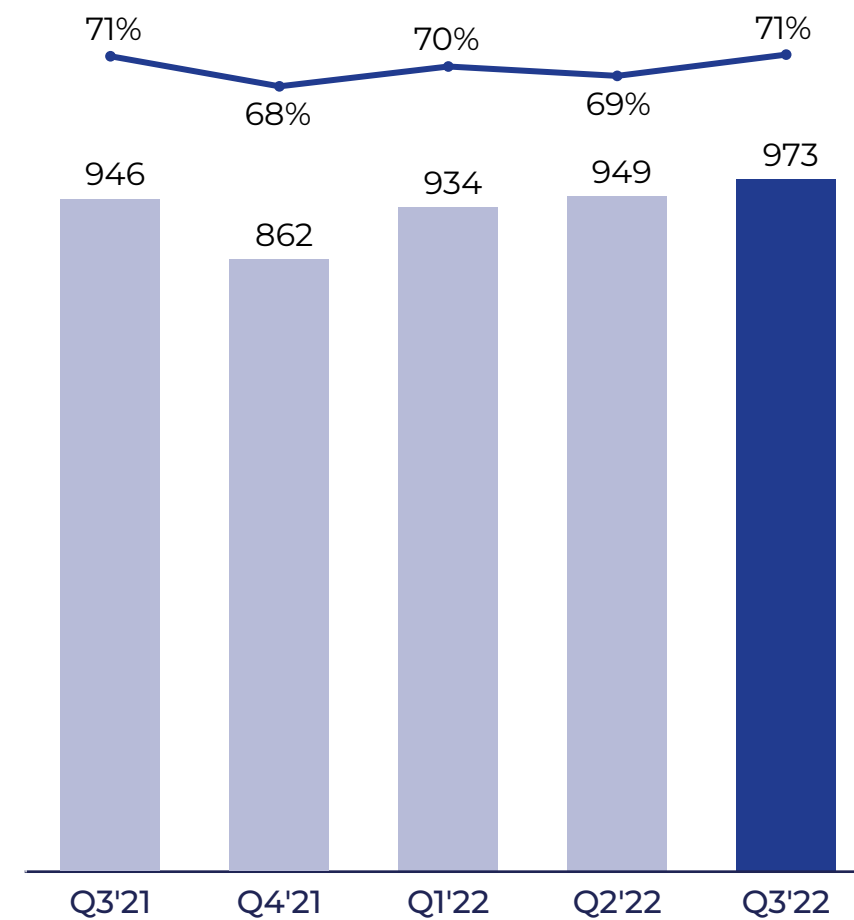
NOKm



Cash EBITDA

NOKm

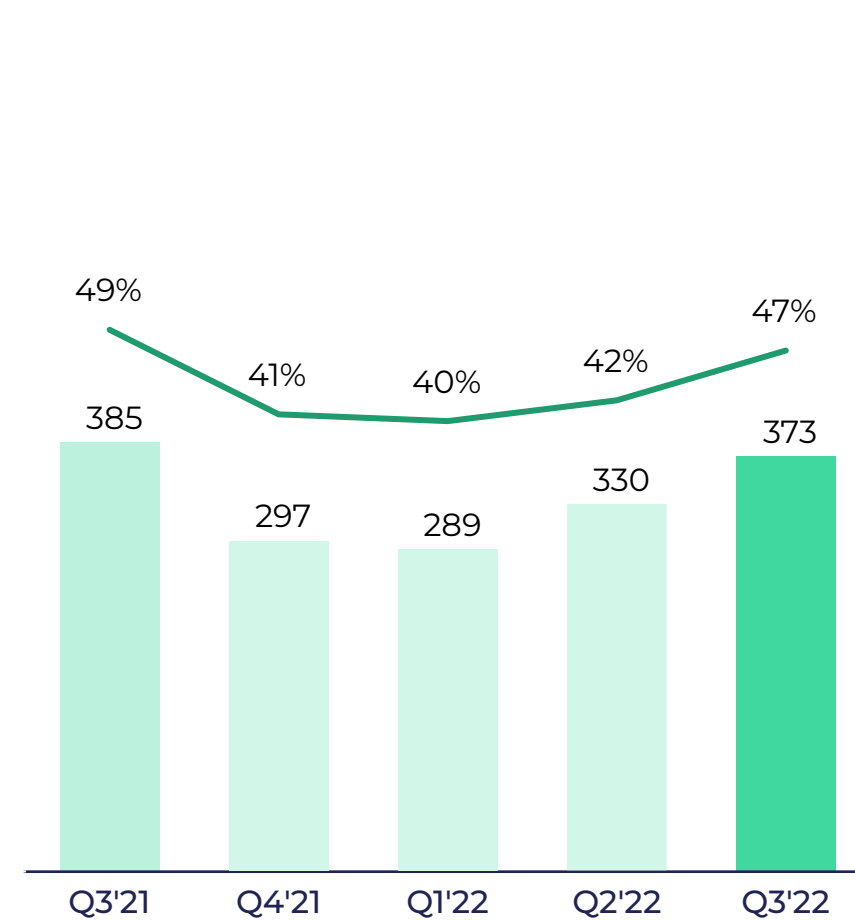
■ Cash EBITDA — Cash margin



Adjusted EBIT

NOKm

■ Adj. EBIT — Adj. EBIT margin

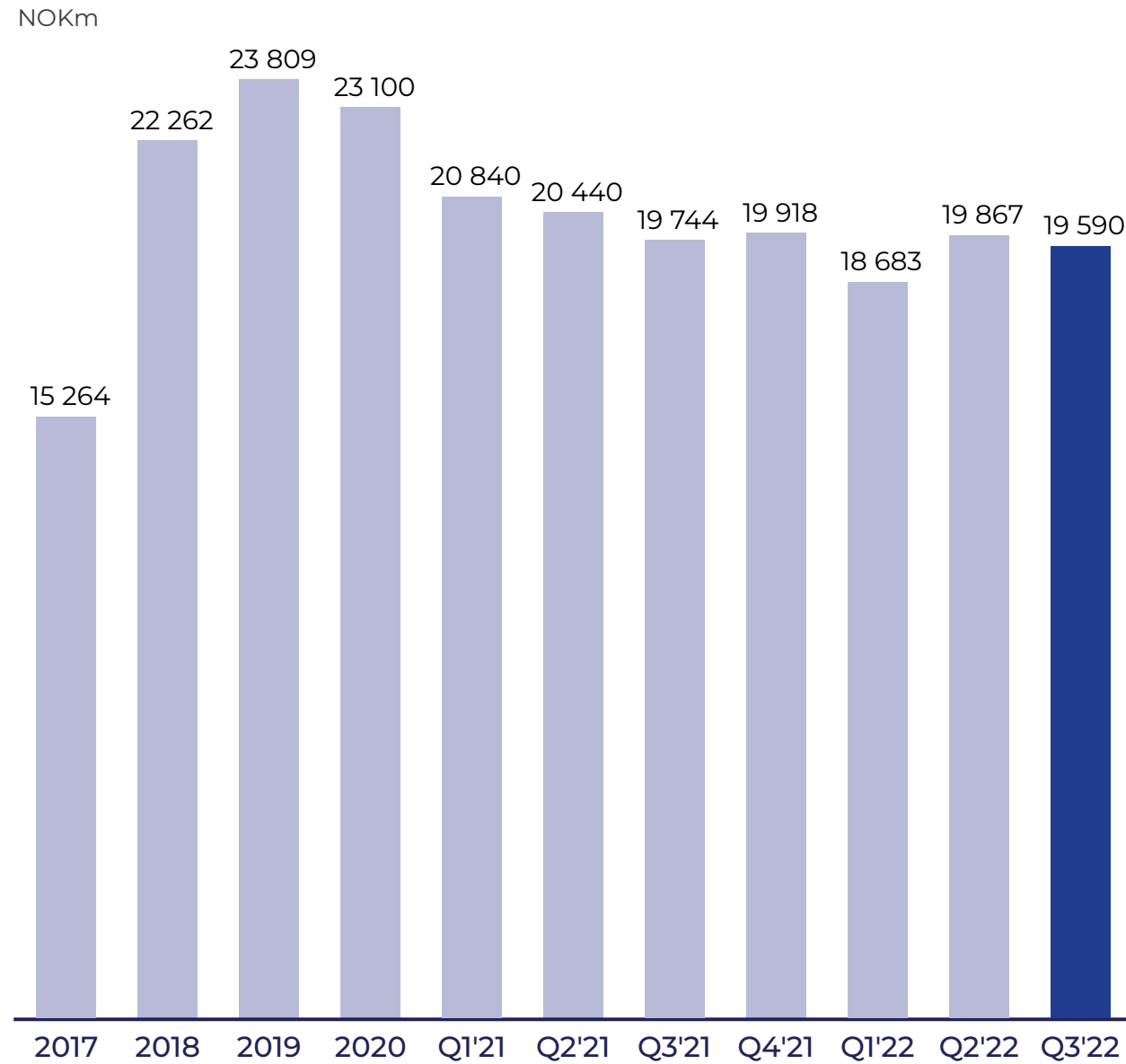


Quarterly trends

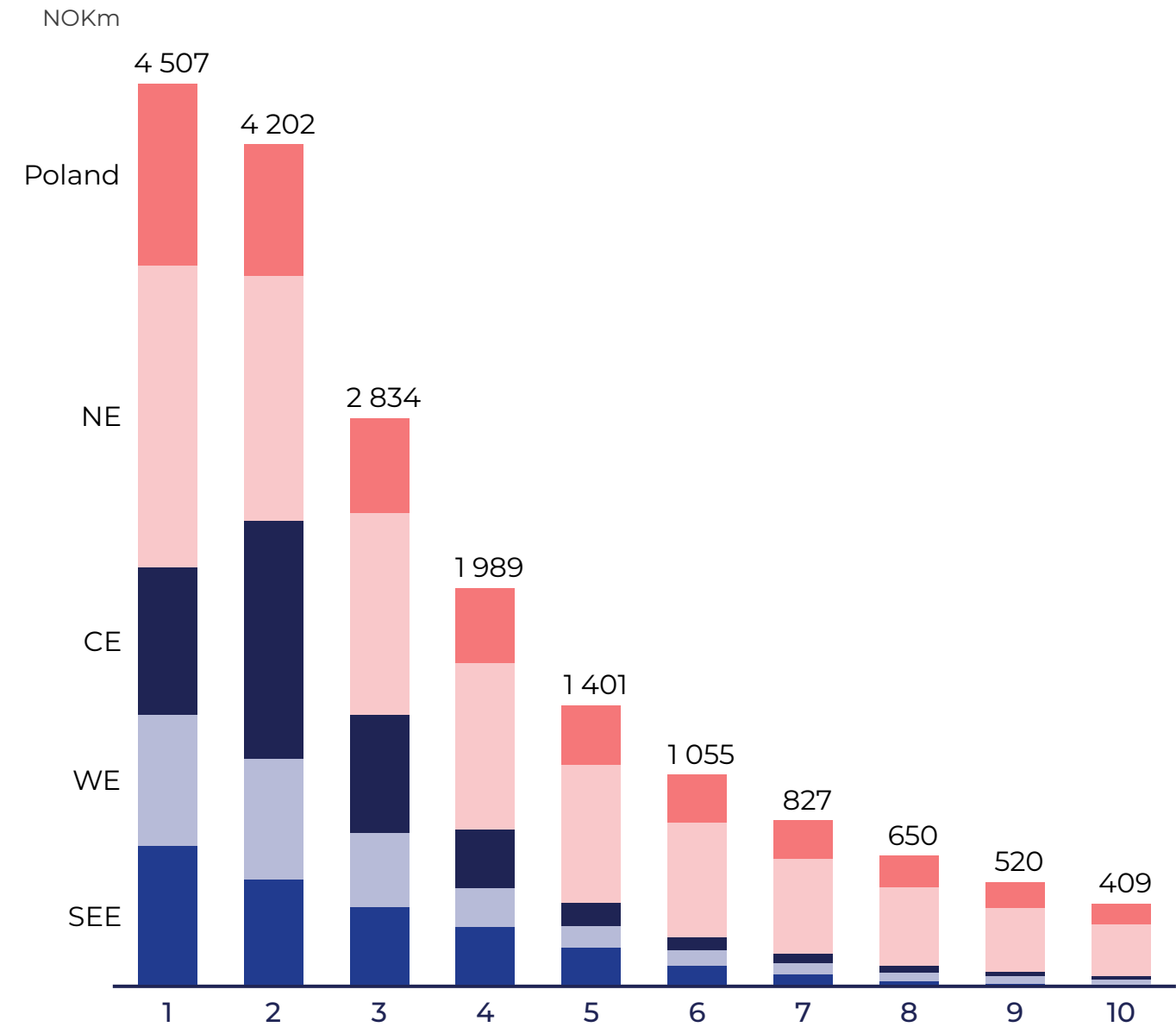
NOK million	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3
Cash collections	1 234	1 222	1 206	1 219	1 301	1 229	1 191	1 136	1 214	1 246	1 244
Net revenues	764	687	813	831	762	756	792	726	716	748	797
Adj. EBIT	268	245	369	363	330	321	385	297	289	330	373
Adj. EBIT %	35%	36%	45%	44%	43%	43%	49%	41%	40%	42%	47%
EBIT	255	245	369	355	330	341	370	267	249	139	337
Adj. Net profit	35	34	128	129	130	147	174	143	128	173	171
Cash revenue	1 364	1 342	1 348	1 349	1 424	1 369	1 341	1 268	1 341	1 379	1 377
Cash EBITDA	895	927	932	910	1 014	957	946	862	934	949	973
Cash margin	66%	69%	69%	67%	71%	70%	71%	68%	70%	69%	71%
Gross collections ¹⁾	1 433	1 277	1 636	1 315	1 494	1 407	1 269	1 266	1 152	1 245	1 278
Amortisation of own portfolios	-492	-410	-371	-454	-862	-647	-537	-564	-465	-458	-455
Portfolio purchases ²⁾	491	473	264	437	192	220	237	552	239	758	399
Cost to collect %	22.9 %	21.7 %	16.9 %	23.2 %	18.3 %	20.0 %	18.2 %	21.0 %	20.5 %	22.3 %	22.0 %
EPS	0.06	0.08	0.31	0.30	0.32	0.39	0.40	0.29	0.24	0.06	0.36
Return on equity	0.6 %	7.7 %	6.2 %	6.9 %	8.8 %	11.4 %	11.7 %	11.8 %	11.4 %	8.1 %	7.5 %

ERC development

Development in total gross ERC¹⁾



Forward 120m ERC profile by year¹⁾



¹⁾Including the Company's share in JVs and NOK 901m in Bulgaria

Portfolio diversification

Unsecured ERC	Year 1	2	3	4	5	6	7	8	9	10	120m ERC	Total ERC
Poland	789	590	465	373	295	237	190	155	126	100	3 318	3 636
NE	1 505	1 217	1 006	827	682	568	471	387	319	256	7 238	8 032
CE	279	224	172	136	100	67	45	33	24	16	1 096	1 117
WE	204	159	122	97	83	61	47	40	35	33	882	939
SEE	581	481	374	286	177	100	60	27	12	1	2 100	2 100
Total	3 359	2 671	2 139	1 719	1 338	1 033	813	642	515	406	14 634	15 824

Secured ERC	Year 1	2	3	4	5	6	7	8	9	10	120m ERC	Total ERC
Poland	115	65	6	2	1	1	1	0	0	0	190	190
NE	6	5	3	3	2	2	2	1	1	1	26	29
CE	457	967	415	159	17	2	1	2	0	0	2 020	2 021
WE	451	439	251	93	25	16	10	4	3	2	1 294	1 298
SEE	120	56	20	13	17	1	0	0	0	0	228	228
Total	1 148	1 531	695	270	63	21	14	7	5	3	3 758	3 766

Total	4 507	4 202	2 834	1 989	1 401	1 055	827	650	520	409	18 393	19 590
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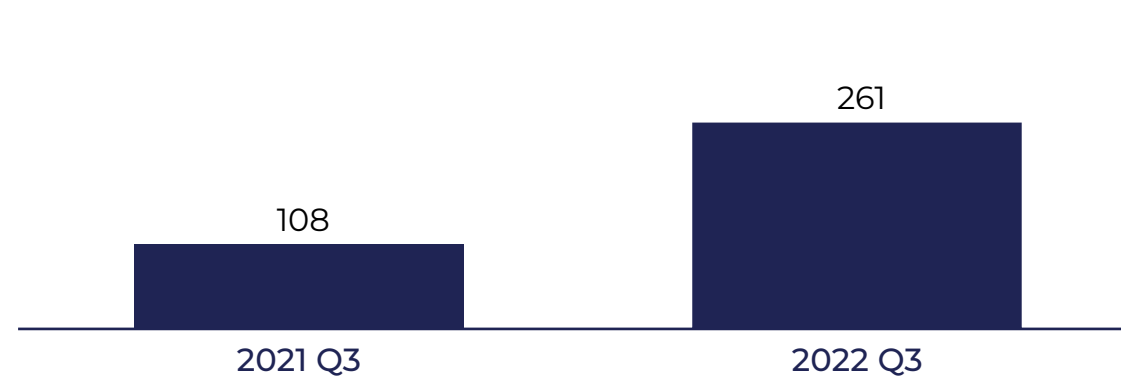
Northern Europe (NE)

NOKm	2022 Q3	2021 Q3	Change %
Net revenues	244	279	-12%
Adj. EBIT	150	185	-19%
Adj. EBIT margin (%)	62%	66%	-5pp
ERC	8 062	8 157	-1%

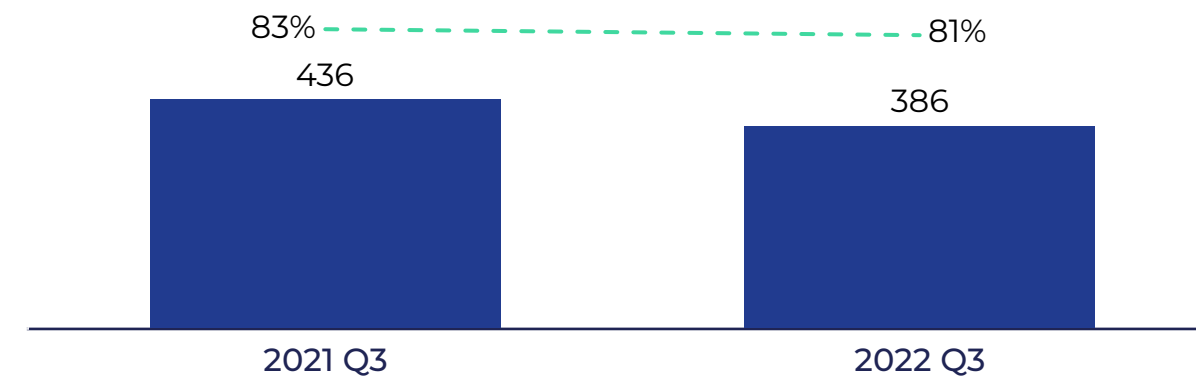
Highlights & KPIs

- Portfolio purchases of NOK 261m in the quarter
- Gross collection of NOK 430m

Portfolio purchases



Cash EBITDA & margin



Poland

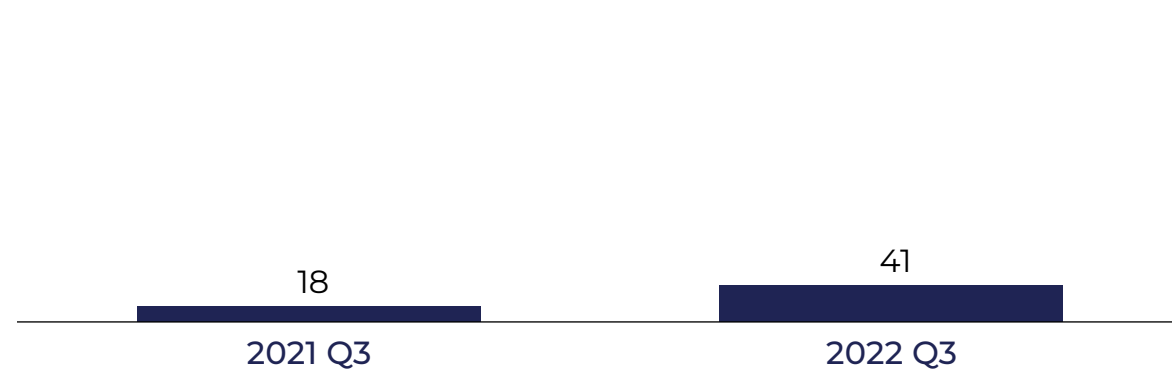


NOKm	2022 Q3	2021 Q3	Change %
Net revenues	188	164	15%
Adj. EBIT	97	97	1%
Adj. EBIT margin (%)	52%	56%	-4pp
ERC	3 827	3 248	18%

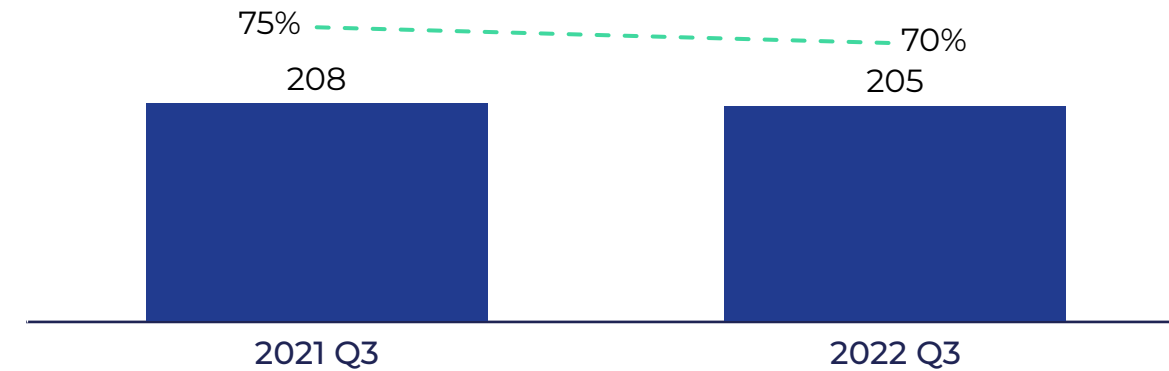
Highlights & KPIs

- Portfolio purchases of NOK 41m in the quarter
- Gross collection of NOK 261m

Portfolio purchases

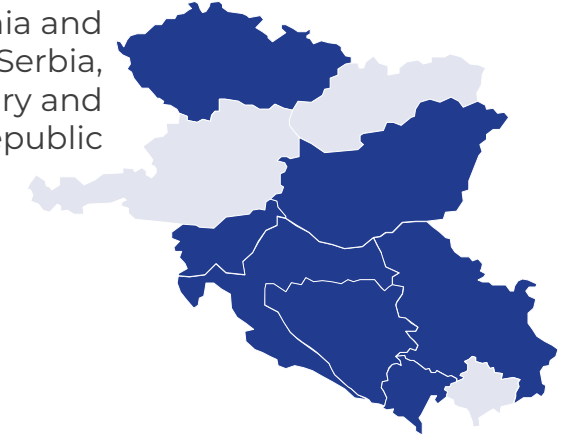


Cash EBITDA & margin



Central Europe (CE)

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

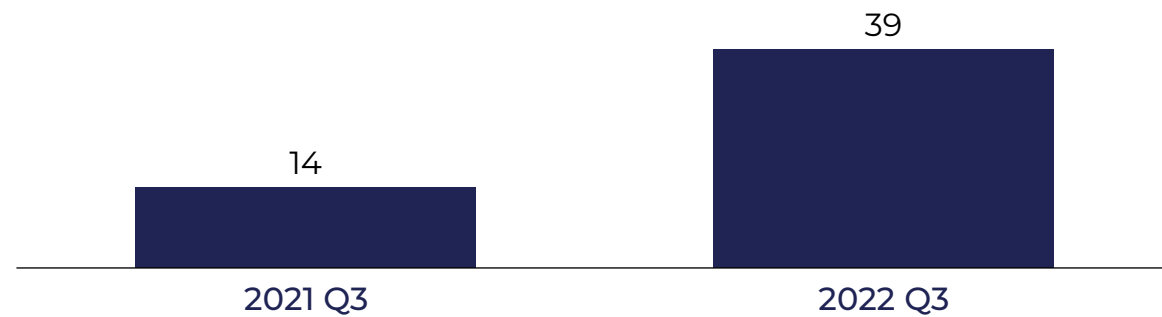


NOKm	2022 Q3	2021 Q3	Change %
Net revenues	243	139	75%
Adj. EBIT	184	88	108%
Adj. EBIT margin (%)	76%	64%	12pp
ERC	3 138	3 311	-5%

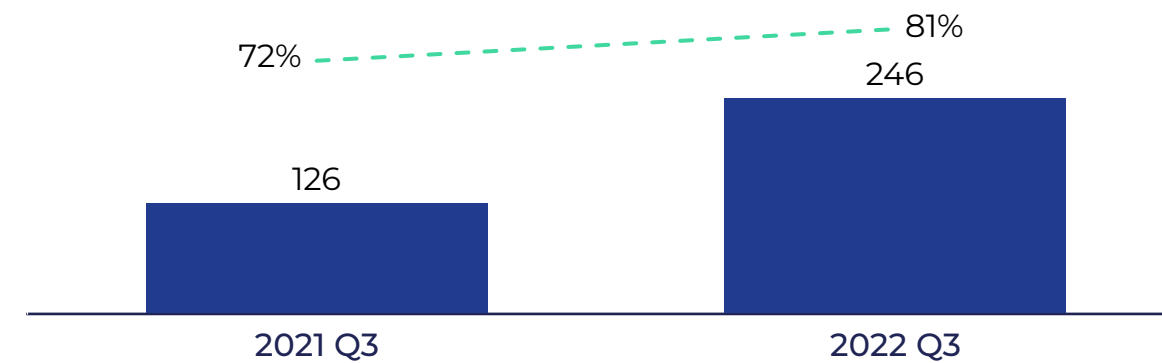
Highlights & KPIs

- Portfolio purchases of NOK 39m in the quarter
- Gross collection of NOK 205m

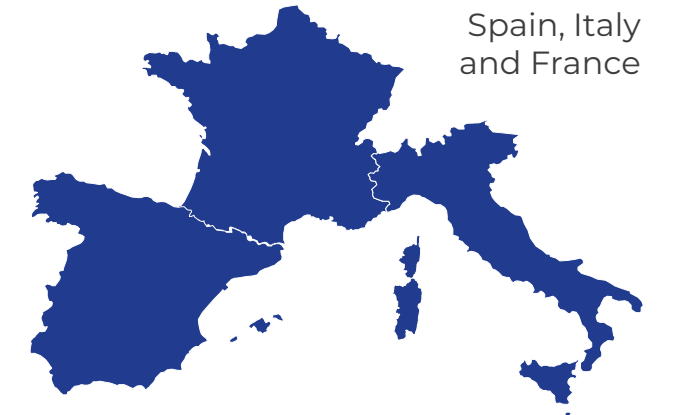
Portfolio purchases



Cash EBITDA & margin



Western Europe (WE)



NOKm	2022 Q3	2021 Q3	Change %
Net revenues	68	81	-17%
Adj. EBIT	0	9	-97%
Adj. EBIT margin (%)	0%	11%	-11pp
ERC	2 237	2 314	-3%

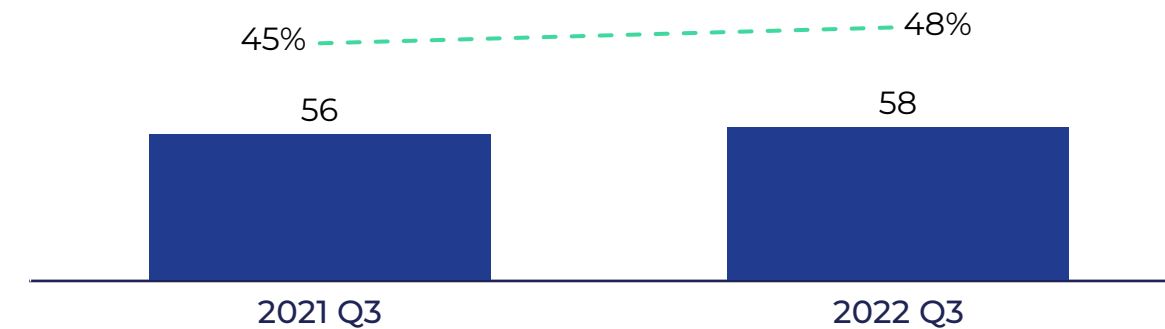
Highlights & KPIs

- Portfolio purchases of NOK 16m in the quarter
- Gross collection of NOK 93m

Portfolio purchases



Cash EBITDA & margin



South Eastern Europe (SEE)

Romania, Bulgaria, Greece and Cyprus

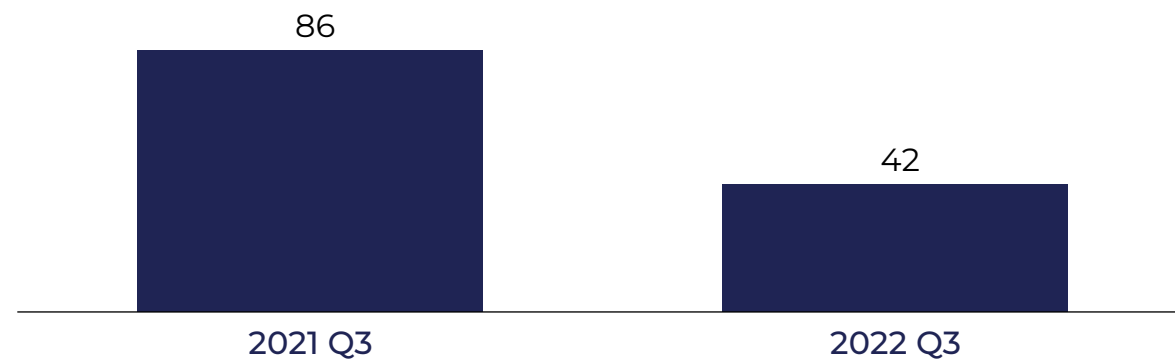


NOKm	2022 Q3	2021 Q3	Change %
Net revenues	54	129	-58%
Adj. EBIT	-26	47	-156%
Adj. EBIT margin (%)	-48%	36%	-85pp
ERC	2 328	2 714	-14%

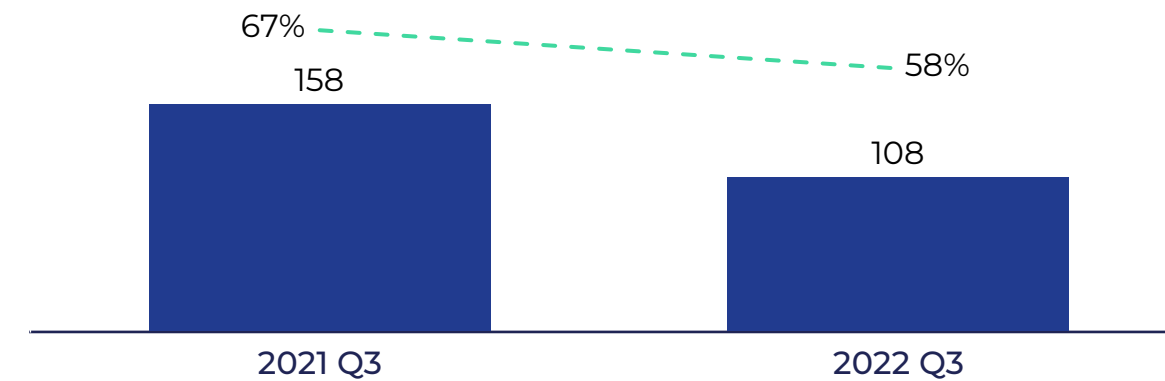
Highlights & KPIs

- Portfolio purchases of NOK 42m in the quarter
- Gross collection of NOK 139m

Portfolio purchases



Cash EBITDA & margin



20 largest shareholders

#	Shareholder	No. of shares	Percentage
1	PRIORITET GROUP AB	52 913 000	13.18 %
2	RASMUSSENGRUPPEN AS ¹⁾	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	19 767 129	4.92 %
6	B2HOLDING ASA	12 433 252	3.10 %
7	SKANDINAVISKA ENSKILDA BANKEN AB	12 089 968	3.01 %
8	VERDIPAPIRFONDET ALFRED BERG GAMBAK	8 538 622	2.13 %
9	DUNKER AS	8 207 124	2.04 %
10	RUNE BENTSEN AS	8 191 680	2.04 %
11	VERDIPAPIRFONDET STOREBRAND NORGE	6 328 219	1.58 %
12	VERDIPAPIRFONDET DNB NORGE	6 269 879	1.56 %
13	GREENWAY AS	5 802 368	1.45 %
14	VPF DNB AM NORSKE AKSJER	5 532 605	1.38 %
15	VERDIPAPIRFONDET ALFRED BERG NORGE	4 331 916	1.08 %
16	VERDIPAPIRFONDET ALFRED BERG AKTIV	4 049 949	1.01 %
17	LIN AS	3 500 000	0.87 %
18	F2KAPITAL AS	3 000 000	0.75 %
19	VERDIPAPIRFONDET ALFRED BERG NORGE	2 906 374	0.72 %
20	RANASTONGJI AS	2 847 048	0.71 %
	OTHER	130 782 282	32.58 %
	TOTAL	401 364 824	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.
- **Adjusted EBIT % (Adj. EBIT %):** Adjusted EBIT % is Adjusted EBIT expressed as a percentage of Net revenues excluding Non-recurring items.
- **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 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).



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