

Q1

First quarter 2024 **Presentation**

15 May 2024



Today's presenters

Erik J. Johnsen
Chief Executive Officer



André Adolfsen
Chief Financial Officer



Rasmus Hansson
Head of Investor Relations and M&A



Q&A moderator

Q1 2024 highlights

- ✓ Strong collection performance
- ✓ NOK 1bn invested and committed at end of Q1
- ✓ Strong financial position
- ✓ Bond and tap issue completed at improved margins
- ✓ Low leverage ratio gives significant headroom for growth
- ✓ Further improved credit rating
- ✓ Sale of portfolios in Hungary with closing in May

2024 priorities

- Selective investment approach and improving returns
- Further reduce cost of debt and extend maturity profile
- Continued focus on concentration of footprint

Key figures Q1 2024 (NOKm)

Cash collections

1 273

1 248

Unsecured performance

105%

105%

Portfolio investments

290

767

Cash EBITDA

905

900

Adj. Net profit

96

112

Leverage ratio

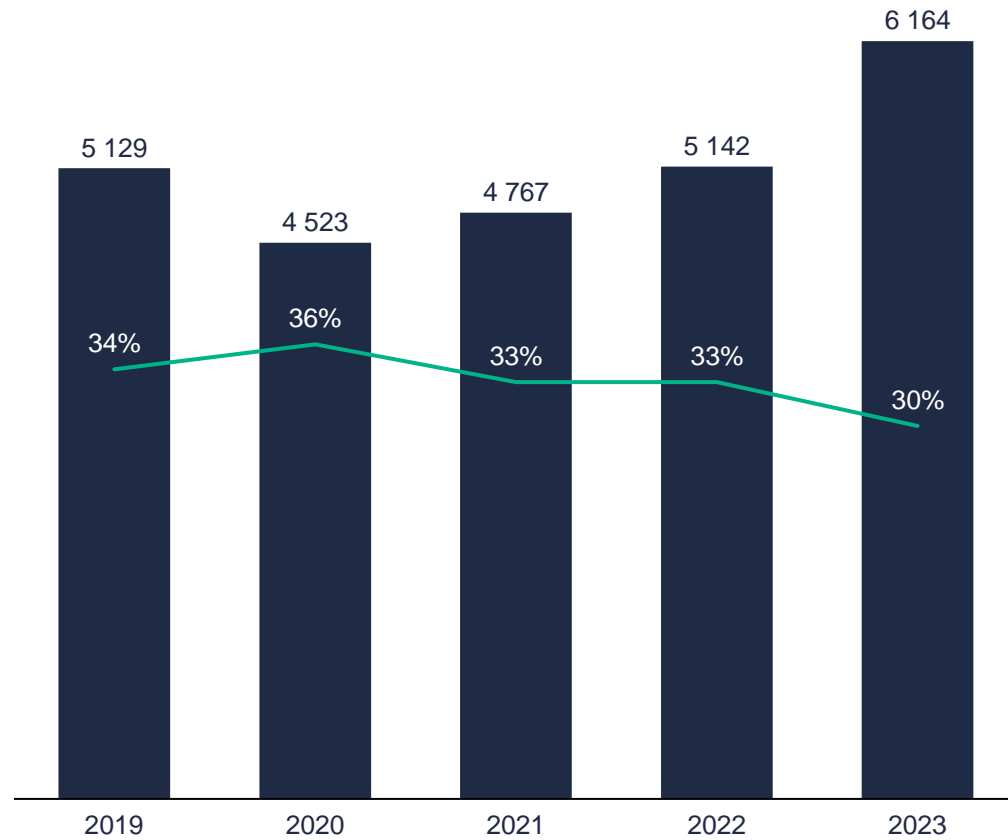
1.9x

2.5x

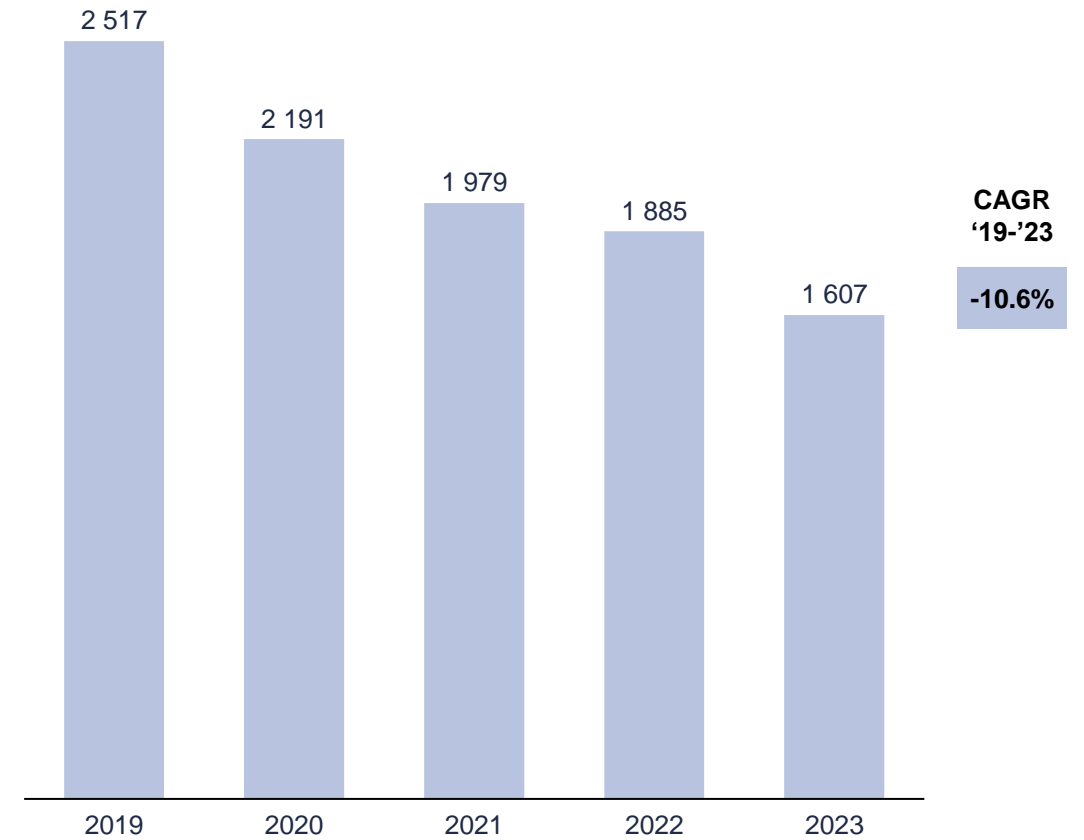
Investments in IT and digitalization supporting increased cost scalability

Cash collections in constant FX

■ Cash collections — OPEX ratio

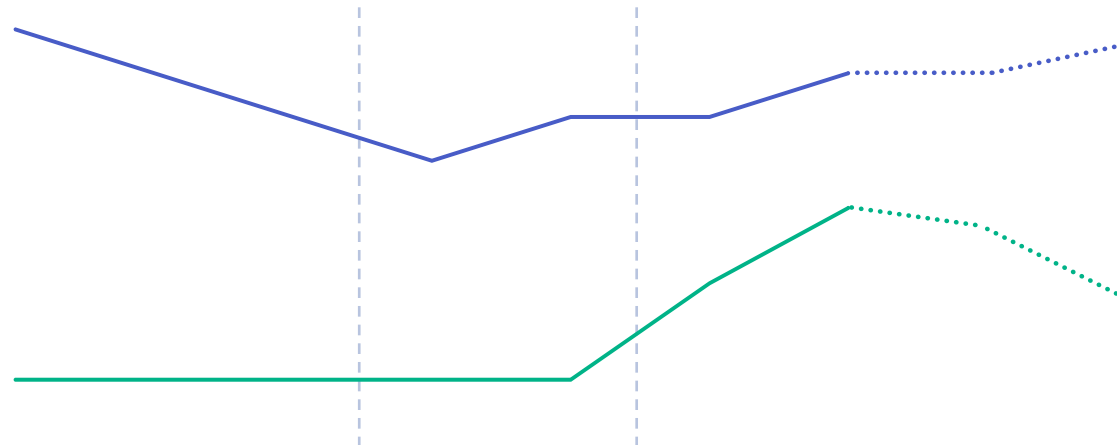


Total FTE development



B2 Impact is uniquely positioned to capitalize on the opportunities

— Indicative returns on portfolio investments — Floating euro rates (EURIBOR)

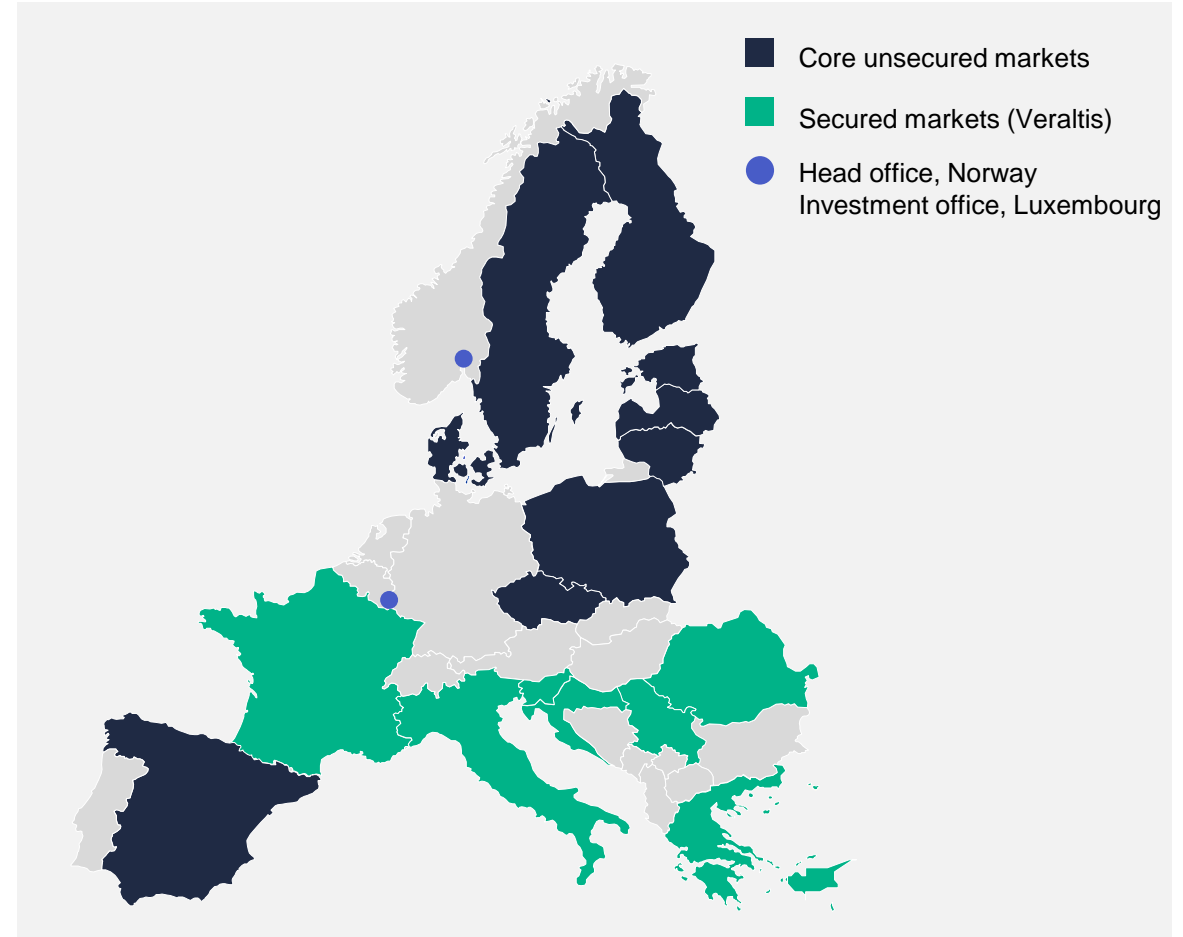


2017	2018	2019	2020	2021	2022	2023	2024E	2025E
<ul style="list-style-type: none"> • Period of easy access to capital and high M&A activity in the CMS industry • Competitive markets with pressure on portfolio returns 			<ul style="list-style-type: none"> • A period with lower volume through the pandemic • Lower supply led to price pressure 		<ul style="list-style-type: none"> • Increase in cost of funding in line with increased interest rates • Gradually softening competitive environment • Improved returns on portfolios • Cost of capital expected to decrease going forward 			

- Expected lower cost of funding going forward as a result of improved margin and decrease in long term interest rates
- B2 Impact has room for profitable growth going forward in combination with continued prudent leverage and good headroom to covenants
- Less capital available for acquisition of NPL portfolios due to capital constraints in the industry
- A more favorable competitive environment
- Selective investment approach

Investments focused in core unsecured markets to drive scalability

- Countries with continued operations reduced from 23 to 17
- New investments concentrated in 10-12 markets
 - Investments 2020 to end Q1 2024 of NOK 8.1bn
 - 95% in Unsecured portfolios of which 75% in core markets
- Core unsecured markets
 - Continued investments for growth
 - Utilise economies of scale
 - Continued focus on increased efficiency and automation
- Secured markets (Veraltis)
 - Capital light revenues through servicing
 - Increase assets under management
 - Continued focus on cost efficiency



Financial performance

Strong collection performance and lower cost of debt

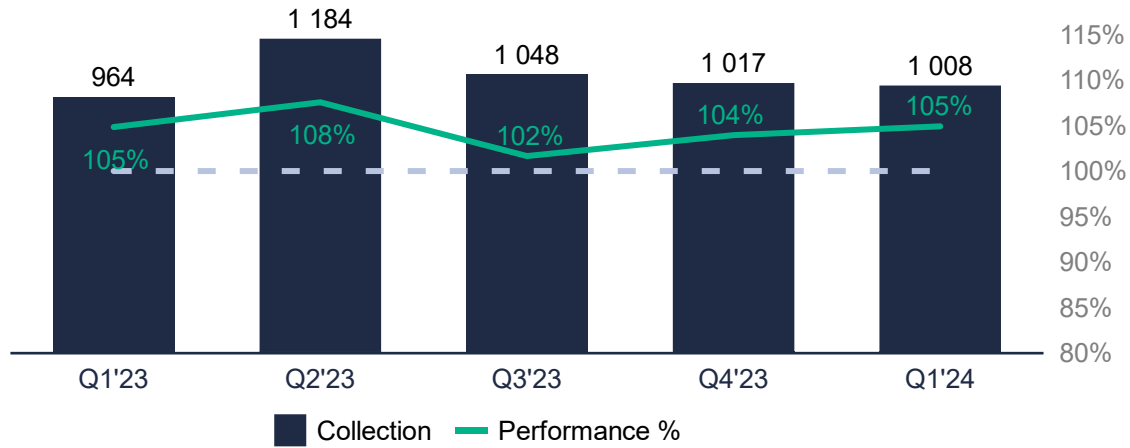
- Strong collection performance
 - Unsecured at 105% and Secured at 164%
- Reported revenues and EBIT impacted by NOK 38m lower non-cash collections
- Lower underlying Opex - Personnel costs down 4%
- Underlying Cash EBITDA of NOK 920m
- Interest costs down 10% compared with Q4 2023
- Portfolio investments in line with normal seasonality
 - NOK 700m additional committed for the year

Key financials¹⁾

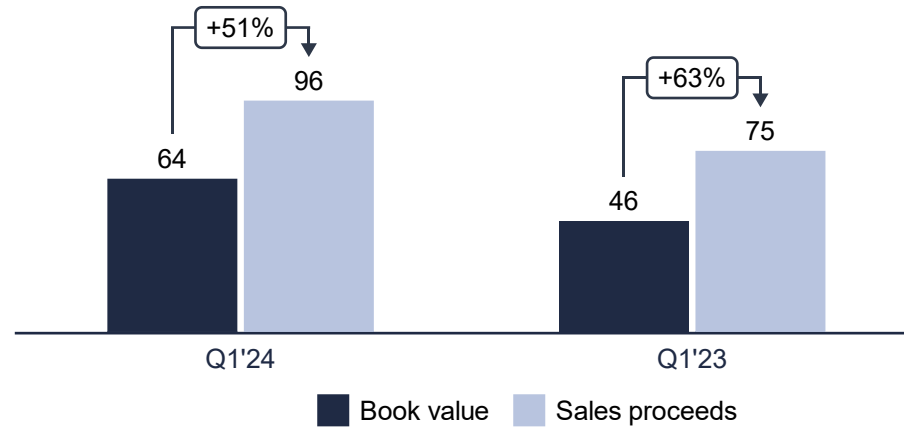
	2024	2023	%	Comparable
<i>NOK million</i>	Q1	Q1	Δ	% Δ ³⁾
Cash collections	1 273	1 248	2%	3%
Revenues	882	914	-4%	-5%
Opex	-500	-484	3%	3%
EBIT	360	402	-10%	-12%
EBIT %	41%	44%	-3 pp	-3 pp
Net profit	96	112	-14%	-6%
Cash revenue	1 405	1 384	2%	2%
Cash EBITDA	905	900	1%	1%
Cash margin	64%	65%	-1 pp	-0 pp
Collections ²⁾	1 272	1 296	-2%	-1%
Amortisation of own portfolios	-520	-490	6%	9%
Portfolio investments	290	767	-62%	-62%
EPS	0.26	0.29		N/A
ROE (LTM)	8 %	10 %	-2 pp	N/A

Collection Performance excl. JVs

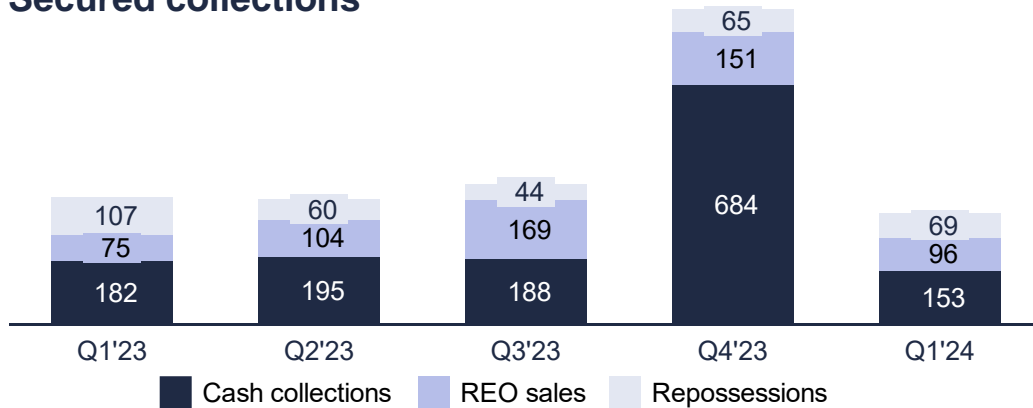
Unsecured collection performance



REO sales



Secured collections

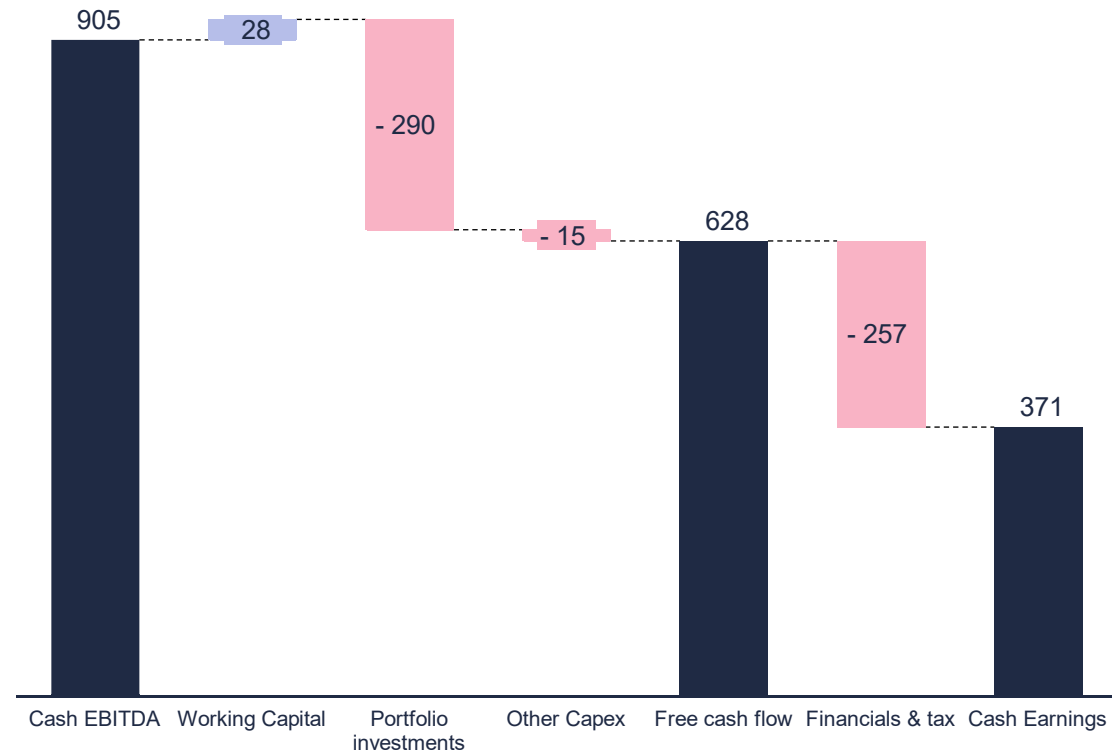


- Positive trend in unsecured collection performance
 - 105% of latest forecast and positive trend so far in Q2 2024
- Secured cash collections at NOK 265m and in line with Q1 2023
 - REOs sold comfortably above book value

Solid cash earnings and headroom for investment growth

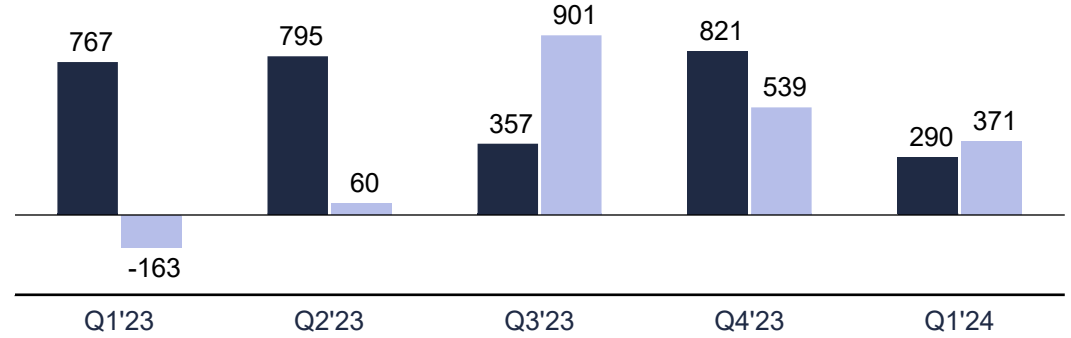
Cash flow Q1 2024

NOKm Increase Decrease Total



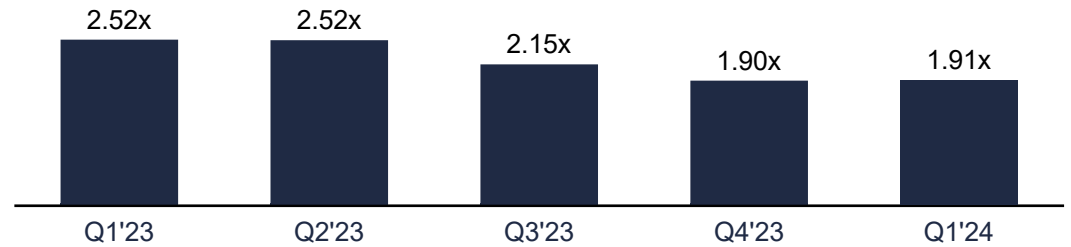
Additional investment capacity

NOKm Portfolio investments Cash Earnings



Stable underlying leverage ratio

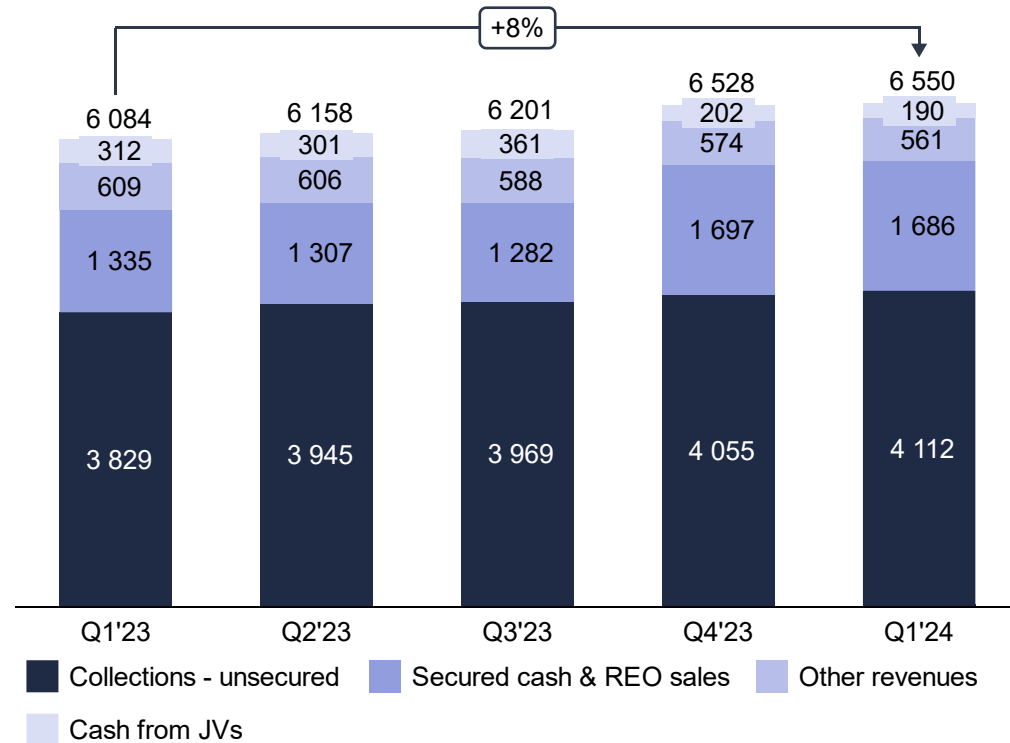
Lev.ratio



Maintained OPEX ratio and lower underlying cost base

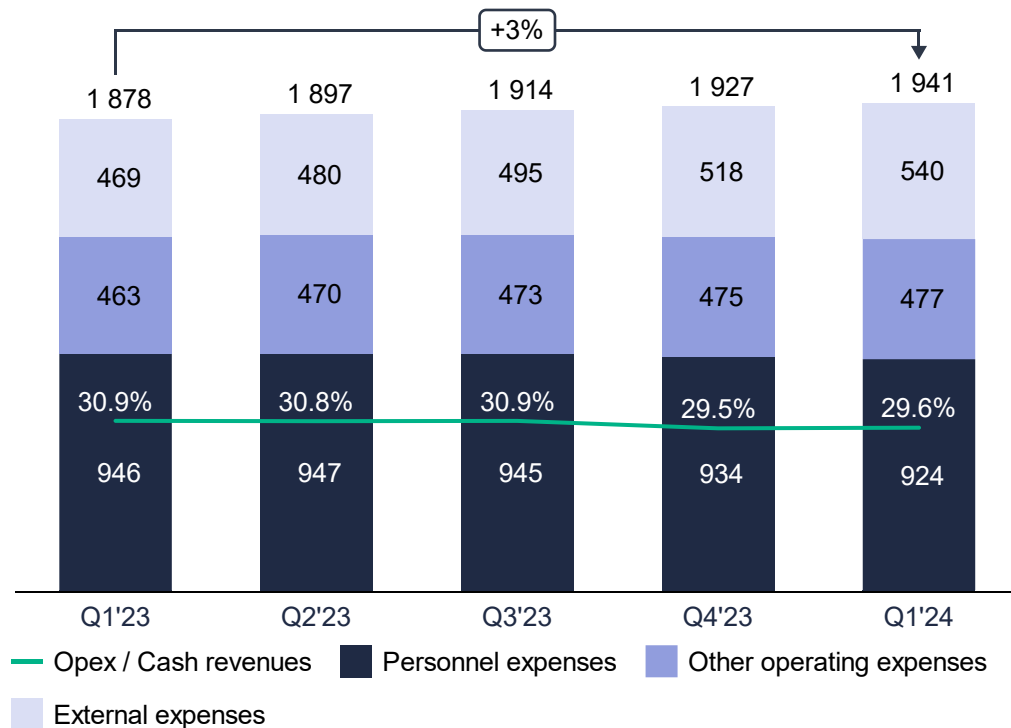
Cash revenue LTM¹⁾

- Continued growth in unsecured collections
- Solid cash contribution from Secured



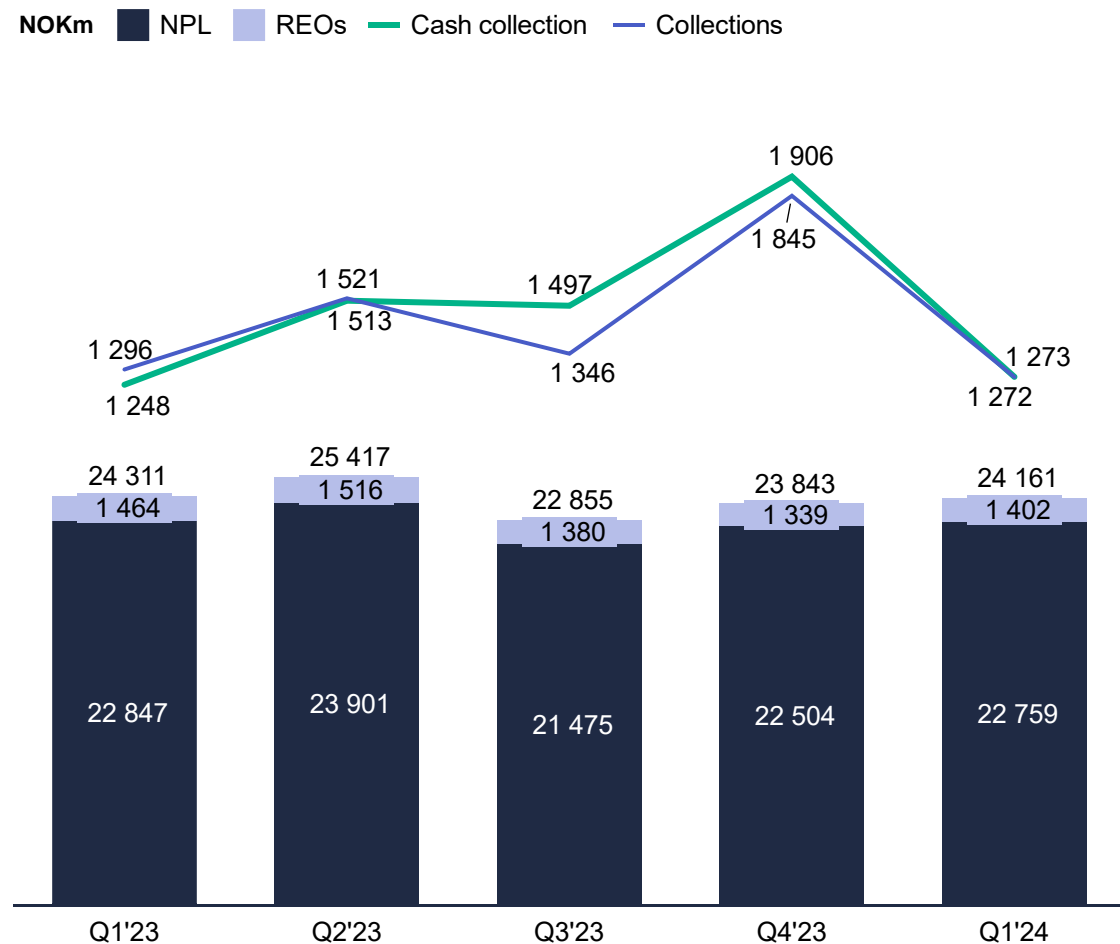
Operating expenses LTM^{1,2)}

- Personnel costs down 4% compared with Q1'23
- Other opex increase driven by legal collection costs in unsecured

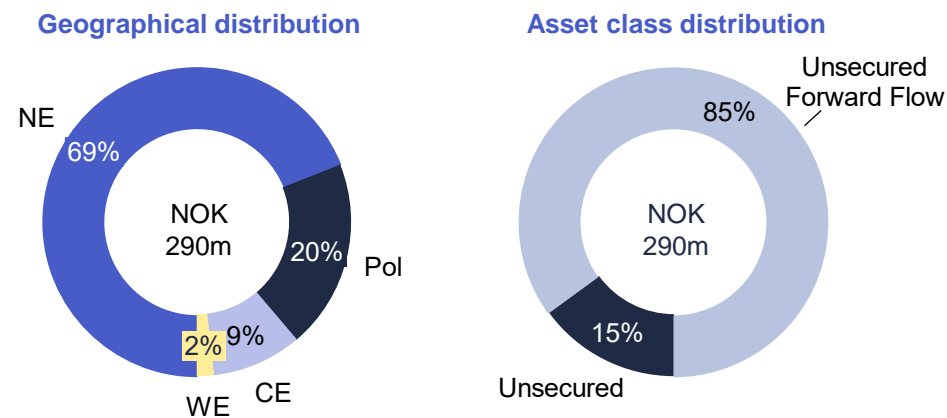


Portfolio investments and Estimated Remaining Collections (ERC)

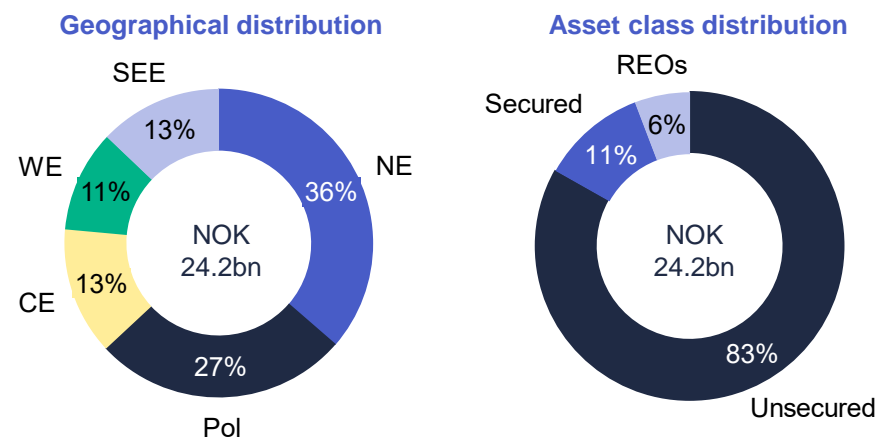
Growth in ERC



Portfolio investments in Q1



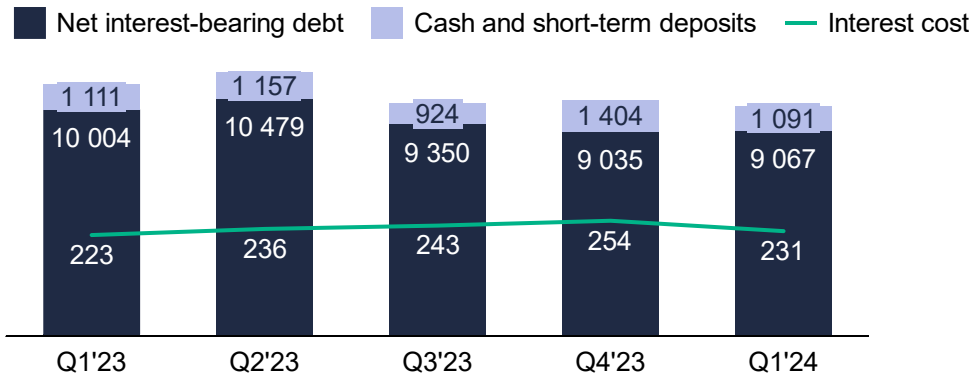
Total ERC as of Q1



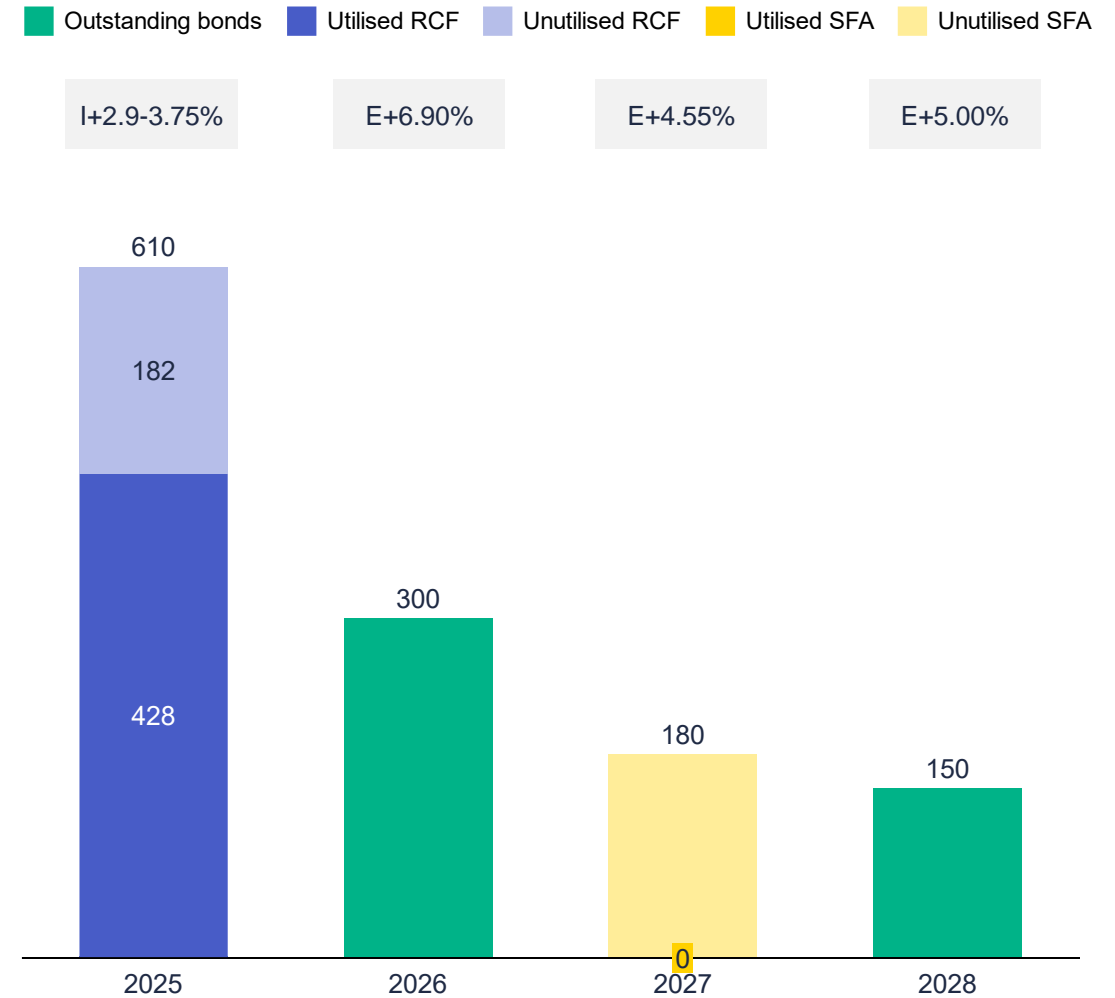
Positive trend in interest costs

- Positive impact from bond refinancing in the quarter
- Improved credit spread and credit rating
- Interest costs down 10% compared to Q4 2023
- Expected to realise further reductions in credit margin

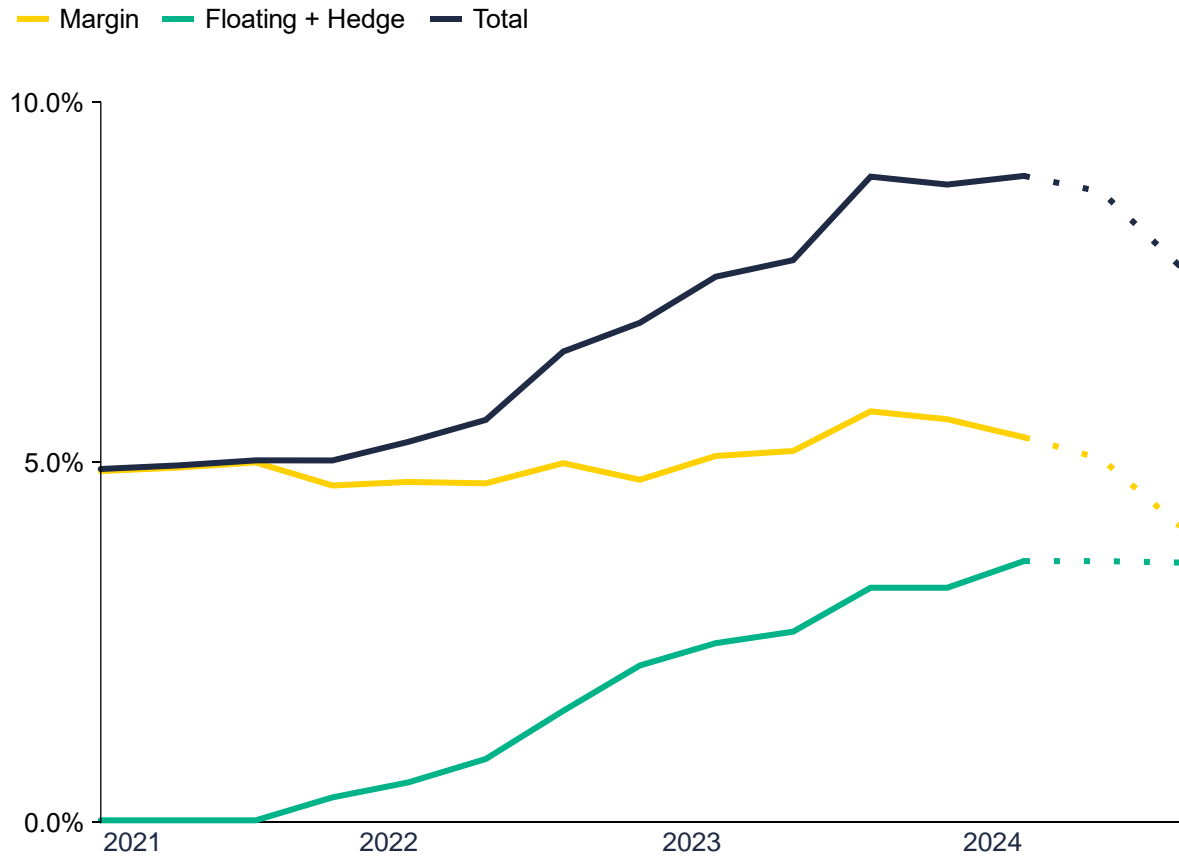
Debt and interest cost (NOKm)



Capital Structure (EURm)



On track for NOK 200m lower run-rate cost of debt



- Target more than NOK 200m lower interest costs annually during 2024 compared with end of 2023 run-rate
- Actions to reduce company specific margin
 - Taking advantage of improved credit curve
 - Extension of RCF
 - Hedging ratio maintained above 50%
 - Lower cost related to SFA
 - Cash management initiatives

Summary



Key takeaways



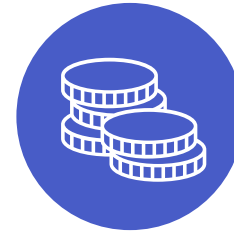
Strong collection performance



Lower underlying costs



Strong financial position



Lower cost of funding



Favorable market with expected higher returns

Q&A



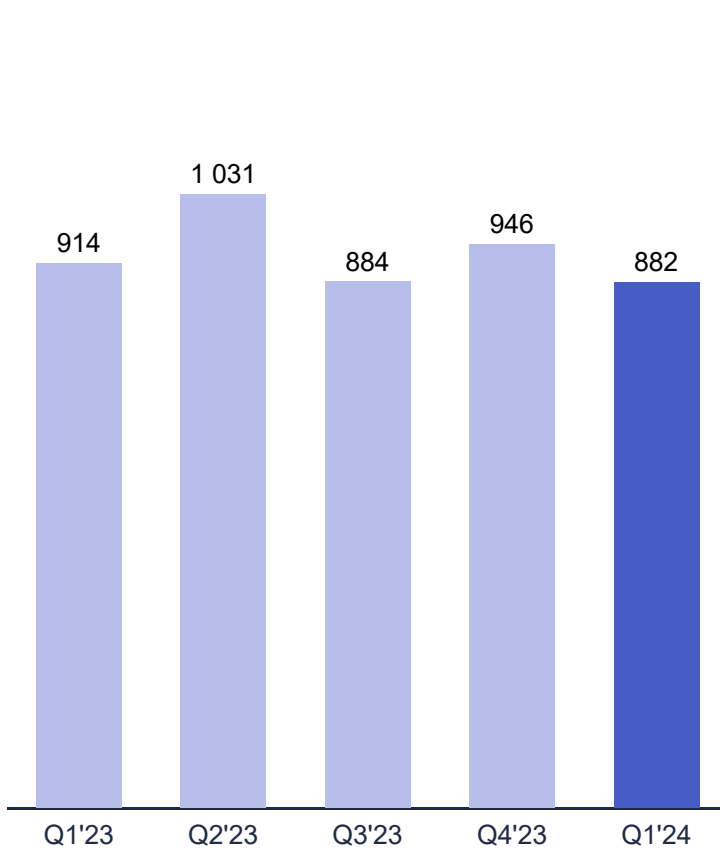
Quarterly trends

NOK million	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Cash collections	1 214	1 246	1 244	1 458	1 248	1 513	1 497	1 906	1 273
Revenues	716	748	797	824	914	1 031	884	946	882
Adj. EBIT	289	330	373	343	402	496	389	410	360
Adj. EBIT %	40%	42%	47%	42%	44%	48%	44%	43%	41%
EBIT	249	139	337	303	375	471	370	362	354
Adj. Net profit	128	173	171	92	112	182	84	105	96
Cash revenue	1 341	1 379	1 377	1 599	1 384	1 665	1 631	2 052	1 405
Cash EBITDA	934	949	973	1 140	900	1 151	1 160	1 540	905
Cash margin	70%	69%	71%	71%	65%	69%	71%	75%	64%
Collections ¹⁾	1 152	1 245	1 278	1 261	1 296	1 521	1 346	1 845	1 272
Amortisation of own portfolios	-465	-458	-455	-520	-490	-633	-548	-539	-520
Portfolio investments ²⁾	239	758	399	769	767	795	357	821	290
Adj. EPS	0.32	0.43	0.43	0.23	0.29	0.48	0.22	0.28	0.26
Adj. ROE (LTM)	12.5 %	12.5 %	12.0 %	10.7 %	10.3 %	10.2 %	8.7 %	8.9 %	8.0 %

Quarterly financial performance

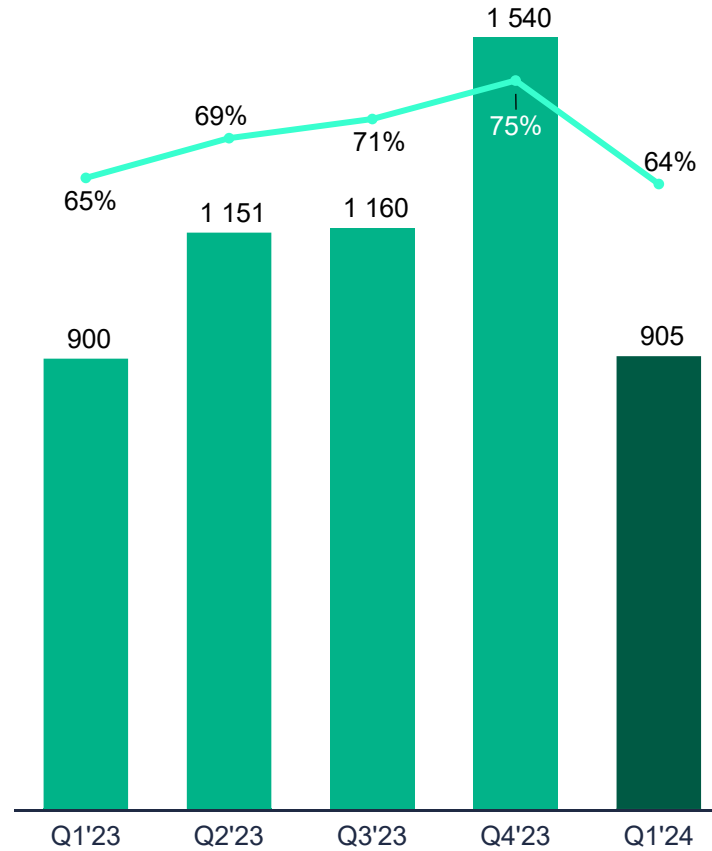
Revenues

NOKm Revenues



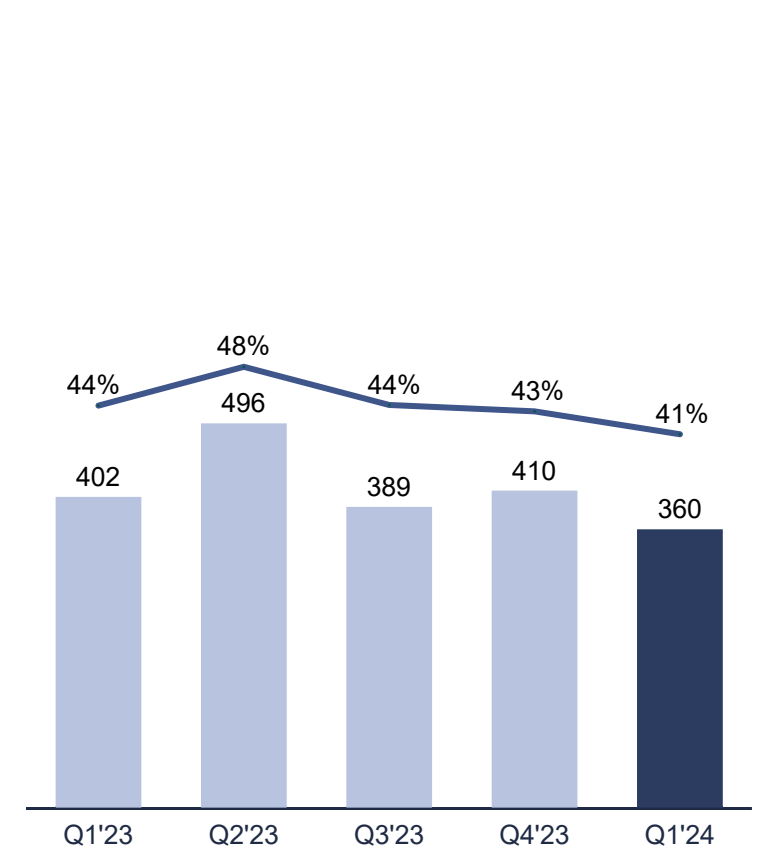
Cash EBITDA

NOKm Cash EBITDA Cash margin



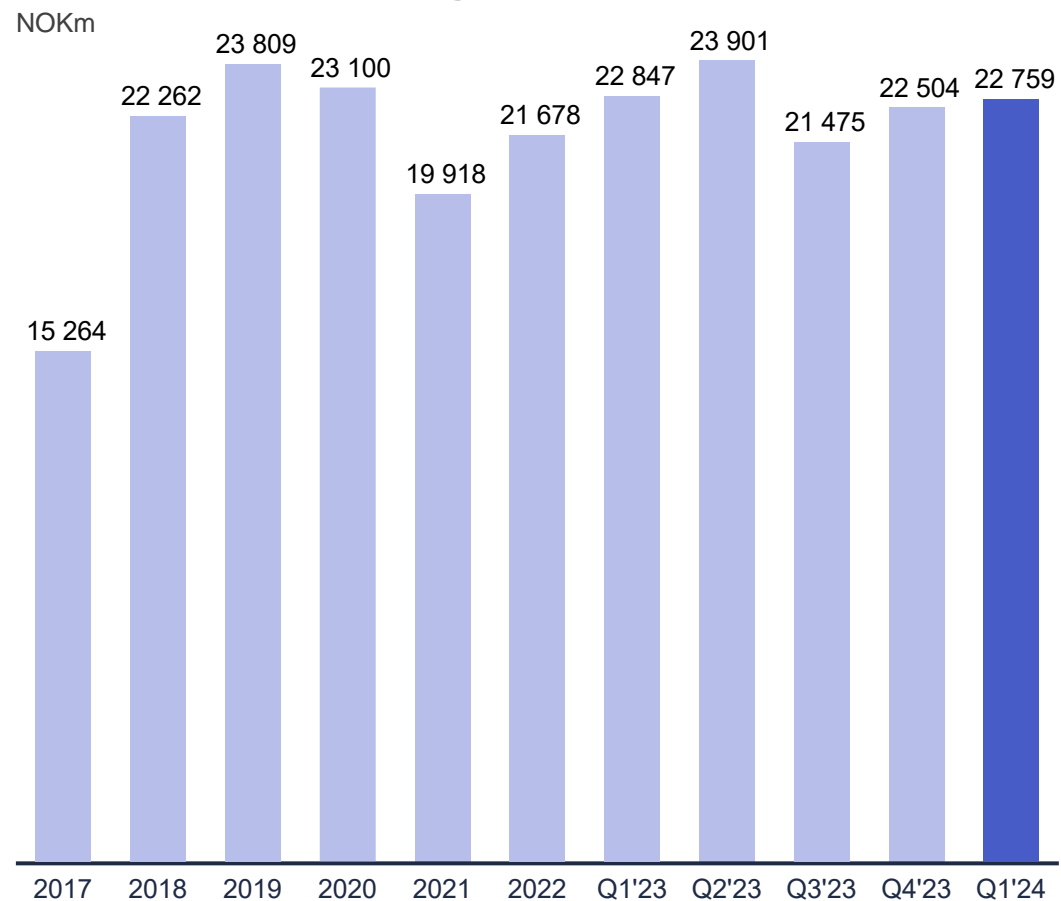
Adjusted EBIT

NOKm Adj. EBIT Adj. EBIT margin

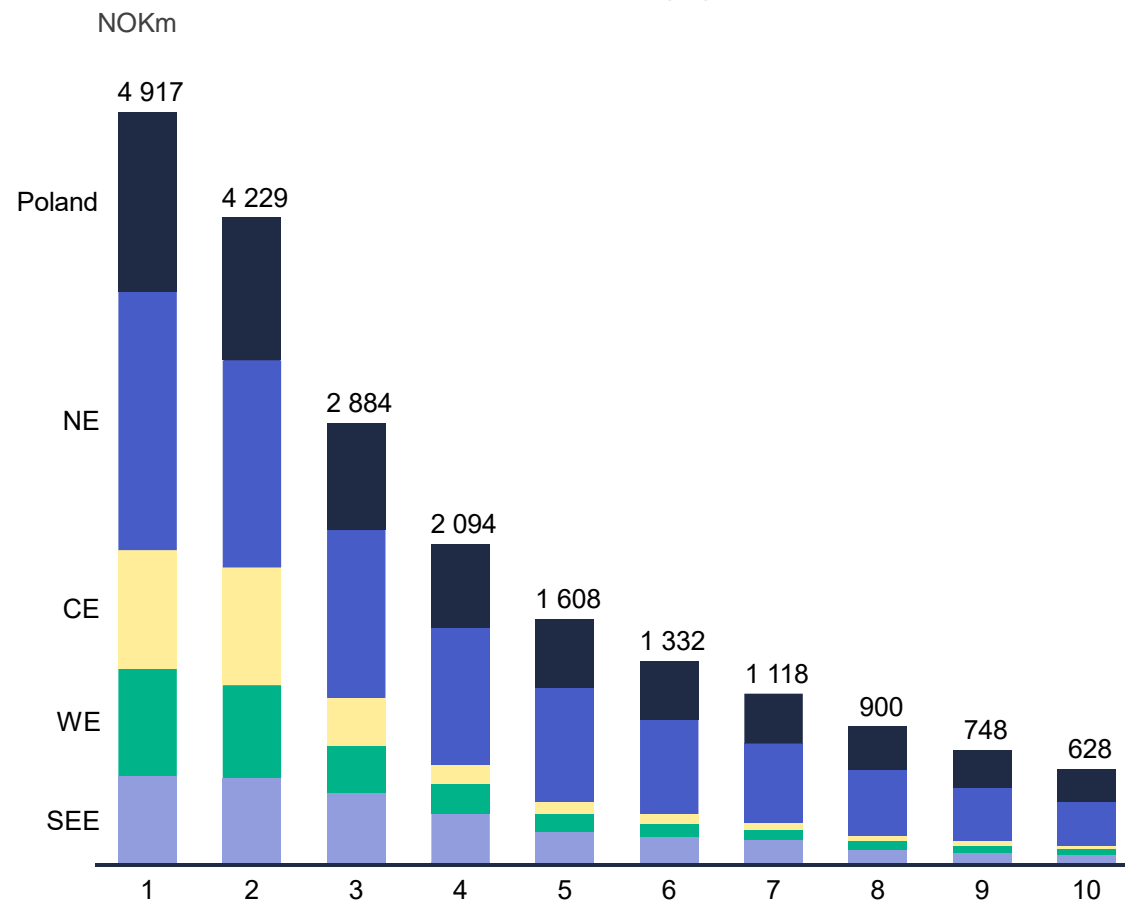


ERC development

Development in total gross ERC^{1) 2)}



Forward 120m ERC profile by year



1) Including the Group's share of portfolios acquired and held in SPVs and joint ventures
 2) 2022 includes ERC in connection with NOK 435m of Portfolio investments signed late December 2022 but closed in January 2023 and reported in Q1 2023 Portfolio investments.

Portfolio diversification¹⁾

Unsecured ERC	Year 1	2	3	4	5	6	7	8	9	10	120m ERC	Total ERC
Poland	1 102	860	668	539	449	381	325	281	245	214	5 063	6 260
NE	1 684	1 350	1 094	896	743	617	517	428	350	287	7 967	8 764
CE	272	225	171	115	80	59	46	35	27	21	1 052	1 091
WE	229	197	160	126	89	69	55	48	42	36	1 050	1 087
SEE	536	548	465	333	215	183	162	100	79	66	2 686	2 895
Total	3 822	3 180	2 558	2 009	1 575	1 310	1 106	892	742	624	17 818	20 097

Secured ERC	Year 1	2	3	4	5	6	7	8	9	10	120m ERC	Total ERC
Poland	70	72	30	5	2	1	1	0	0	0	182	182
NE	6	4	3	2	2	2	1	1	1	1	22	25
CE	501	545	138	7	2	2	0	0	0	0	1 195	1 196
WE	475	408	152	68	28	18	9	7	4	3	1 173	1 191
SEE	44	19	3	2	0	0	0	-	-	-	68	68
Total	1 095	1 049	326	85	33	23	12	9	6	4	2 641	2 663

Total	4 917	4 229	2 884	2 094	1 608	1 332	1 118	900	748	628	20 459	22 759
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Segment overview Q1 2024

Investments

	2024	2023	
NOK million	Quarter 1	Quarter 1	Var. %
Total collections	1 230	1 253	-2%
Total NPL revenue	688	713	-4%
Revenue	752	783	-4%
Direct opex	-300	-275	9%
Segment earnings	452	508	-11%
Segment earnings in %	60%	65%	-5 pp

- Unsecured collection performance of 105%
- Secured collection performance of 164%

Servicing

	2024	2023	
NOK million	Quarter 1	Quarter 1	Var. %
Revenue	286	285	0%
Direct opex	-183	-189	-3%
Segment earnings	103	97	6%
Segment earnings in %	36%	34%	2 pp

- Stable servicing revenue

20 largest shareholders

#	Shareholder	No. of shares	Percentage
1	PRIORITET GROUP AB	52 913 000	13.67 %
2	RASMUSSENGRUPPEN AS ¹⁾	51 373 266	13.27 %
3	VALSET INVEST AS	32 000 000	8.26 %
4	STENSHAGEN INVEST AS	30 500 143	7.88 %
5	B2 IMPACT ASA	18 648 672	4.82 %
6	DNB MARKETS AKSJEHANDEL/-ANALYSE	16 372 219	4.23 %
7	SKANDINAVISKA ENSKILDA BANKEN AB	13 389 968	3.46 %
8	GULEN INVEST AS	10 000 527	2.58 %
9	DUNKER AS	8 207 124	2.12 %
10	RUNE BENTSEN AS	8 191 680	2.12 %
11	VERDIPAPIRFONDET STOREBRAND NORGE	8 053 114	2.08 %
12	GREENWAY AS	5 802 368	1.50 %
13	VPF DNB AM NORSKE AKSJER	4 072 336	1.05 %
14	STIFTELSEN KISTEFOS	4 000 000	1.03 %
15	LIN AS	3 500 000	0.90 %
16	F2KAPITAL AS	3 000 000	0.77 %
17	RANASTONGJI AS	2 847 048	0.74 %
18	JPMORGAN CHASE BANK, N.A., LONDON	2 542 651	0.66 %
19	DIRECTMARKETING INVEST AS	2 405 100	0.62 %
20	ARTEL AS	2 300 000	0.59 %
	OTHER	107 061 608	27.65 %
	TOTAL	387 180 824	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 revenue 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 return on equity (Adj. ROE)

Adjusted return on equity is calculated based on rolling 12-months Adjusted Net profit (Adj. 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.

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.

Central costs

Administration and management cost related to Head Office and other Group costs such as Investment Office.

Amortisation

Amortisation is the amount of the collections that are used to reduce the book value of the purchased portfolios.

Cash collections

Cash collections include unsecured collections, secured cash collections, 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 and 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.

Repossessed collateral asset (REOs)

In connection with the acquisition and collection 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 collection strategy for the purpose of being divested within the Group's ongoing operations to maximize the value of collections. 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.

Collections

Collections are the actual cash collected and assets recovered from purchased portfolios.

Cost to collect

Cost to collect is all external and internal operating costs related to the collections of B2 Impact'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 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 collections on portfolios 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.

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 at Balance Sheet date divided by last 12 months Cash EBITDA.

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.

Operating expenses (Opex)

Opex consists of external expenses of services provided, personnel expenses and other operating expenses.

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 interesting-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 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 are 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.

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.

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. Other revenues include Interest income from loan receivables and Net credit gain/(loss) from loan receivables.

Portfolio investments

The investments for the period in unsecured (without collateral) and in secured (with 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 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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