Q2 2024

5. August 2024

Kredinor

Agenda

Highlights

Financials

Summary and outlook

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Highlights

- First quarter with a positive result since the merger in 2022
- Collection performance in Q2 was 106.2% with a write-up of portfolios of MNOK 19.1
- The trend of increasing CMS revenue continues with a total revenue of MNOK 200
- Process of finalizing a new income/cost plan continues, expected to be finalized in Q3
- Further improvement of the investment capacity
- Comfortable headroom to all covenants during Q2

Cash Revenues Q2, MNOK

597

Q2 2023: MNOK 628

EBITDA Q2, MNOK

129

Q2 2023: MNOK 61

Cash EBITDA Q2, MNOK

319

Q2 2023: MNOK 353

Adjusted EBIT Q2, MNOK

84

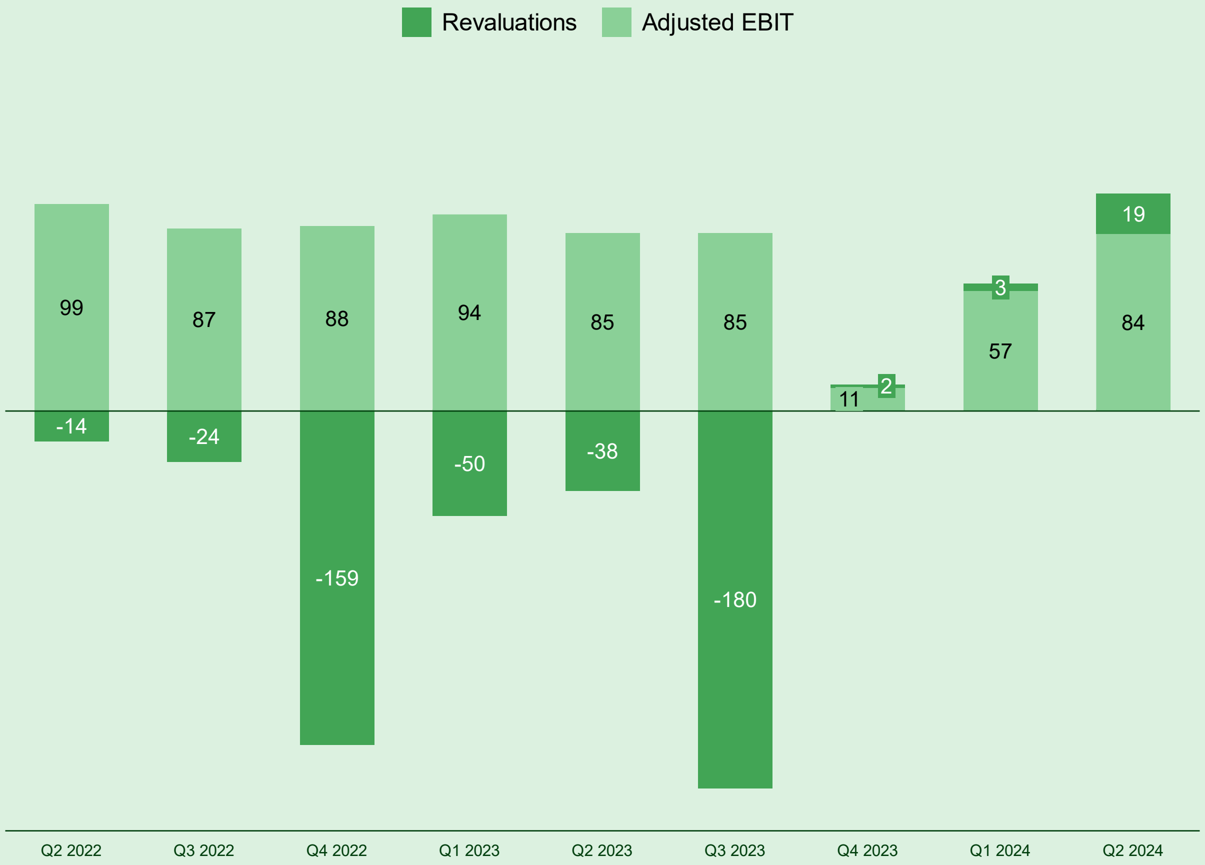
Q2 2023: MNOK 85

Adjusted EBIT

- Growth in 3PC revenues and lower operating costs in Q2 2024 than previous quarter
- Third consecutive quarter with consolidated write-up of portfolios, with a total write-up of MNOK 19 in Q2

Adjusted EBIT (MNOK)

(Proforma numbers through Q3 2022)

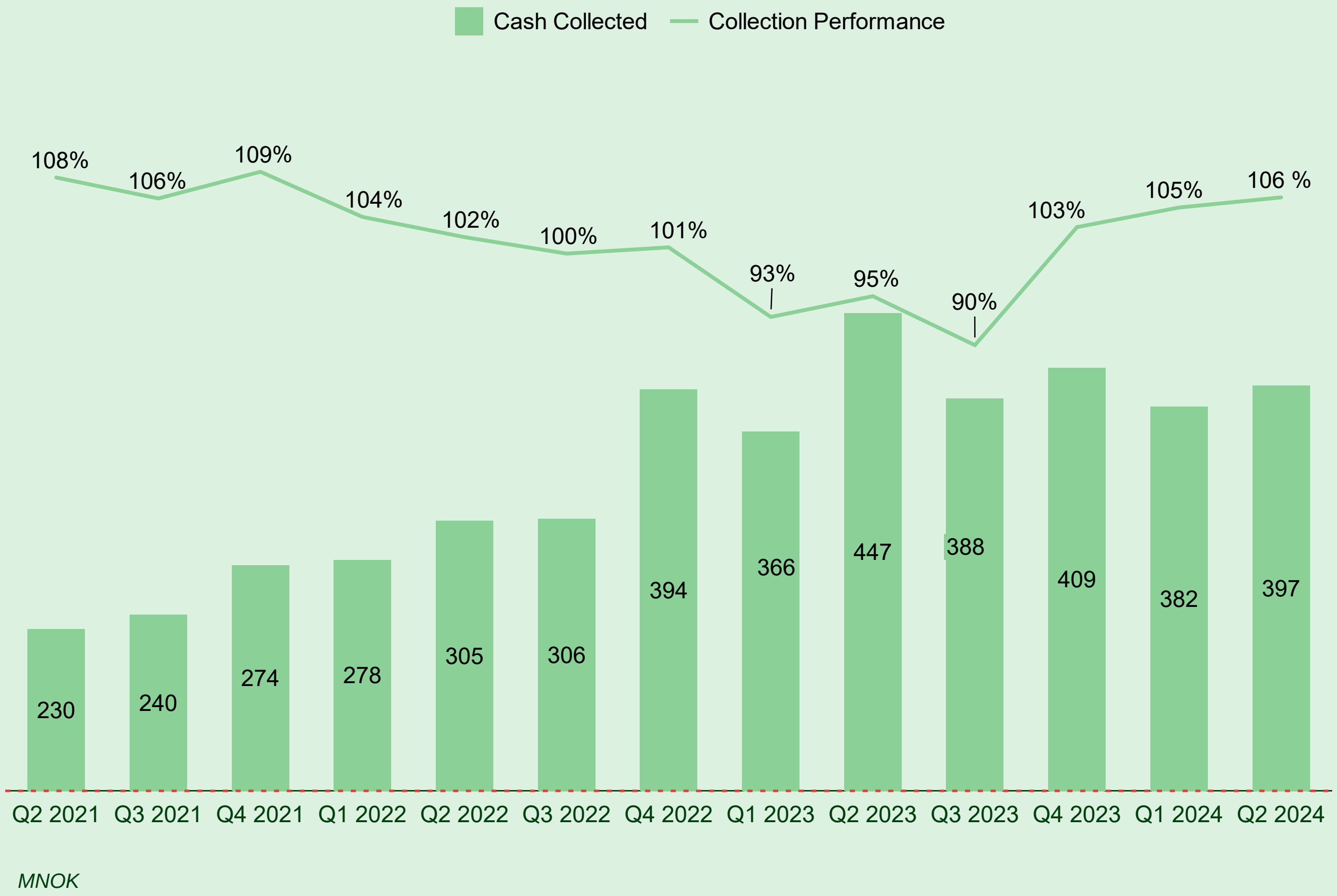


Adjusted EBIT refers to EBIT excluding revaluations and non-recurring items

MNOK

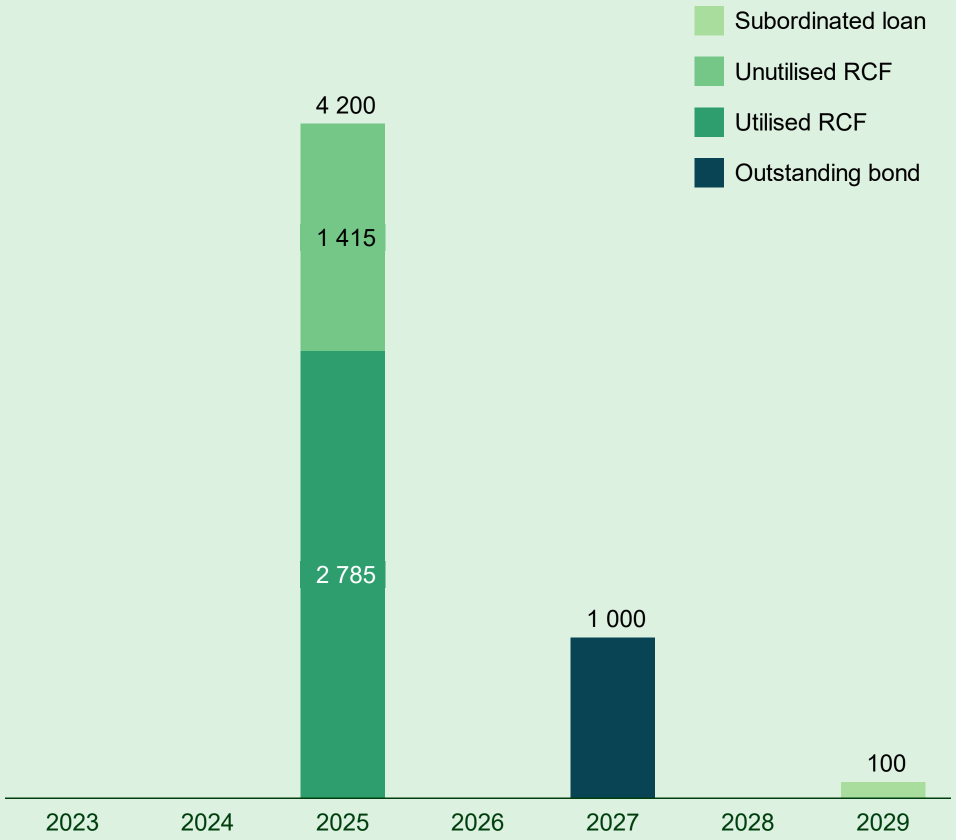
Collection Performance

- Overperformance on Group level in Q2
- Q2 impacted by the correction in cash collected of MNOK 3.6 related to legal fee issues, as the adjustment was made in June
- All three countries overperformed in Q2
- Rolling 12 months collection performance at 100.6% an improvement from 98.4 in Q1 2024
- Higher collections in Q2 due to seasonality, tax return and vacation payments



Funding

Capital structure and maturity profile (MNOK)



Key figures	
Total interest bearing debt with floating interest rate (MNOK)	3 885
Share of fixed interest rate	73,7 %
Average fixed interest rate before margin	3,1%

- Interest coverage ratio drops to 3.13 which was according to forecast. The headroom for this covenant is expected to increase in the next months.
- Still no portfolio investments except for committed investments and some completed deals originally bought last year so far in 2024.
- 1.4 billion available liquidity in the RCF funding

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Q&A

Key figures

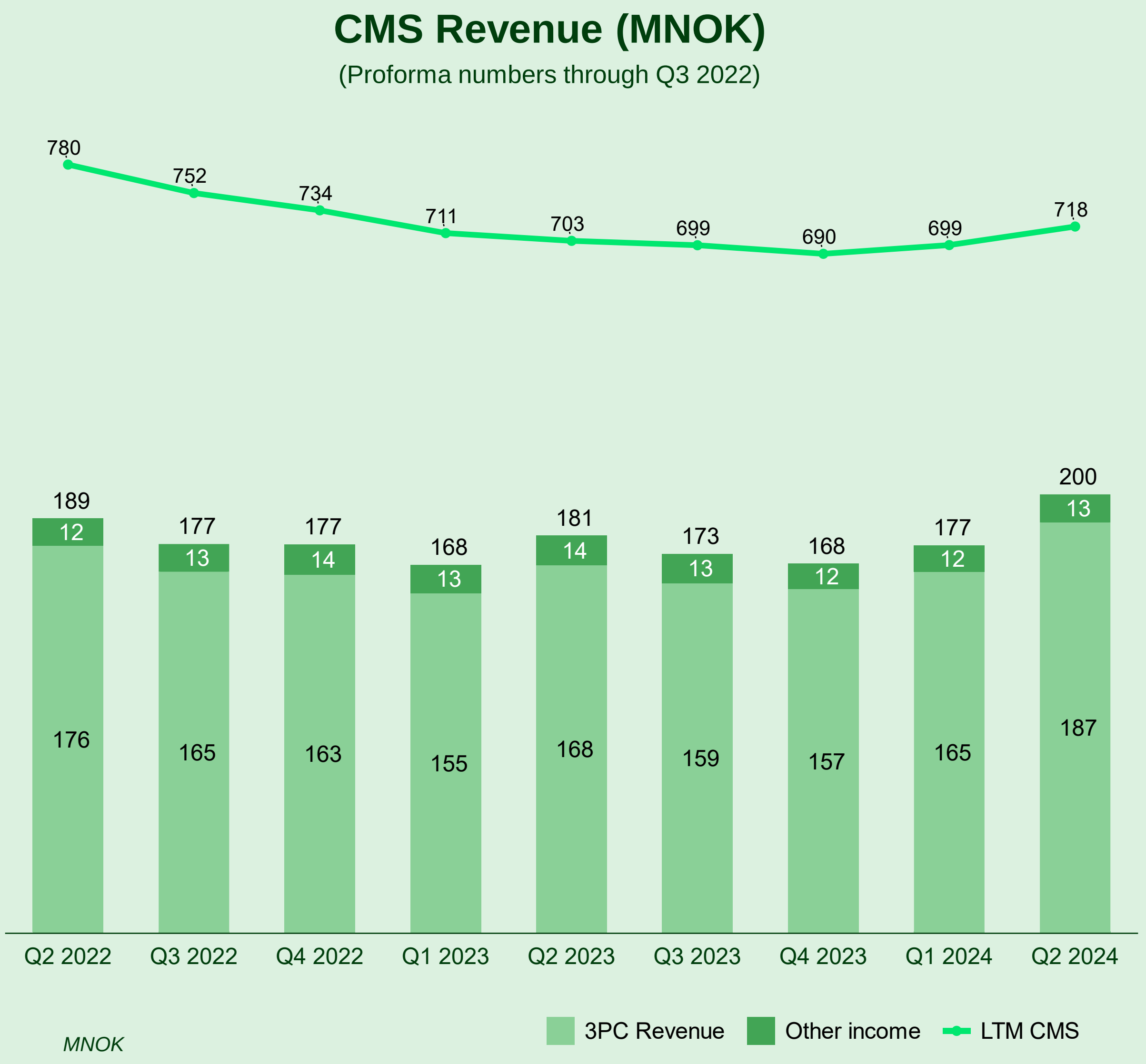
- Operational revenues increased by MNOK 14 (+3.8%) compared to Q2 2023 driven by growth in revenue from CMS
- Adjusted EBIT slightly lower in Q2 2024 compared to same period last year despite having MNOK 14 higher operational revenues. This is primarily due to higher personnel costs.
- Personnel cost has increased with 3% inflation in Q2 2024

	This period		Year to date	
Key figures (MNOK)	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Operational revenues	387	373	756	722
Adj. EBIT	84	85	142	178
Adj. EBIT %	22%	23%	19%	25%
EBIT	103	42	164	75
EBT	2	-54	-68	- 99
Cash Revenue	597	628	1 156	1 161
Cash EBITDA	319	353	590	643
Cash margin	53%	56%	51%	55%
Portfolio Investments	22	735	95	1 003
Carrying value of Portfolio Investments	5 932	6 344	5 932	6 344

Adjusted EBIT excludes revaluations and NRIs

CMS Business Line

- In Q2 2024 CMS revenue increased from same period last year and is mainly driven by increased volume and improved solution rate in the 3PC segment.
- Other income has been on a stable level since 2021, while we are performing better within our core business – 3PC.

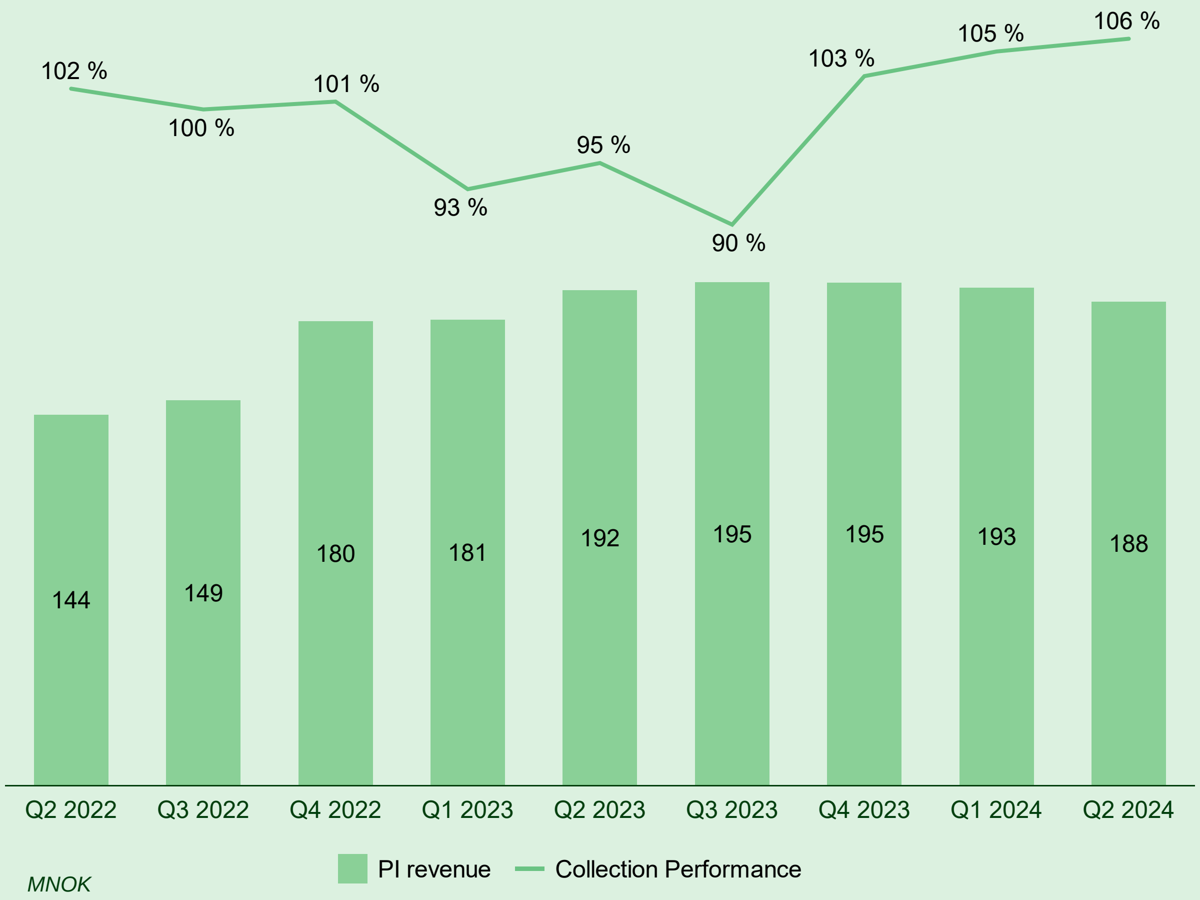


PI Business Line

- Improved collection performance in Q2 from last quarter has resulted in revaluation of MNOK 19 in group total.
- Stable PI revenues, but drop in Q2 from last quarter as we have made few investments in the last three quarters
- Q2 portfolio acquisitions of MNOK 22.4 (MNOK 735 Q2 2023)

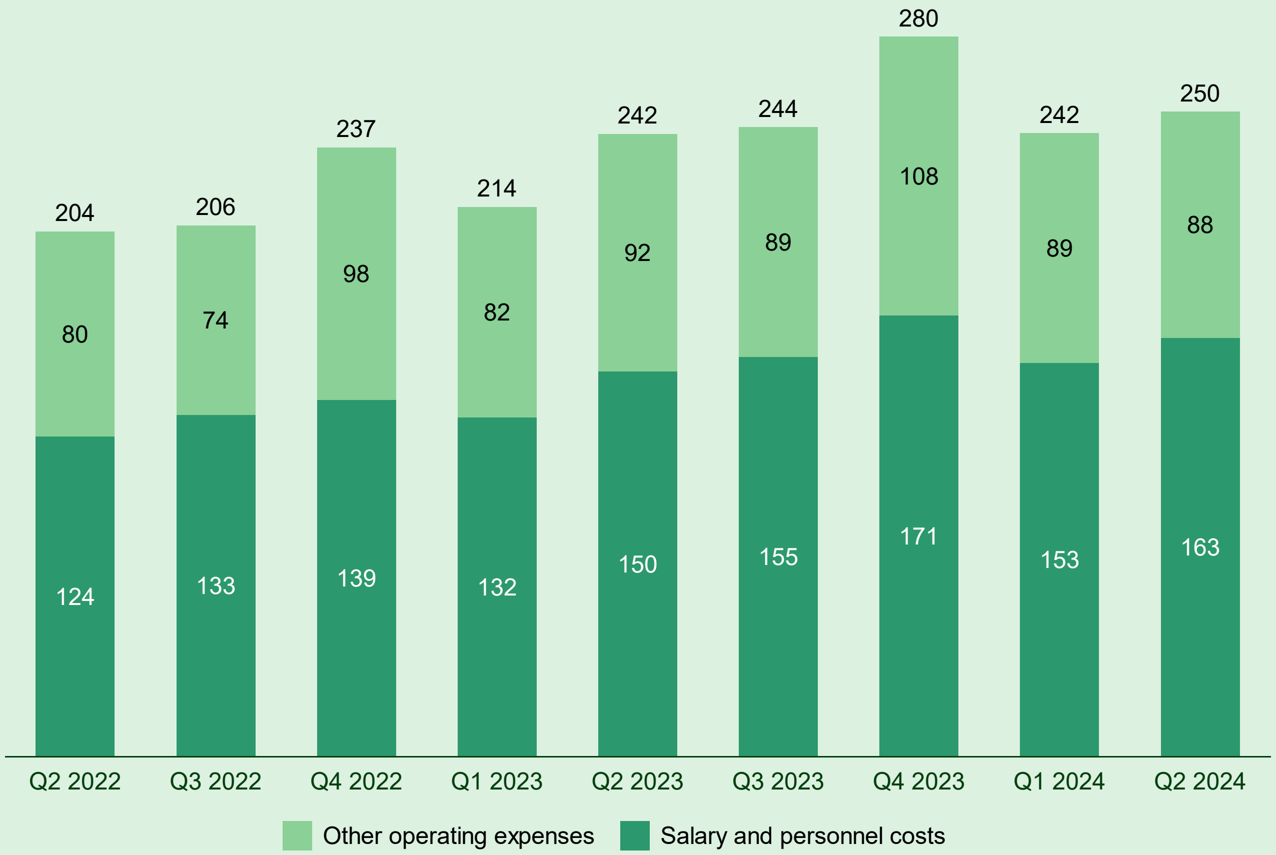
PI Revenues and Collection Performance excluding revaluations

(Proforma numbers through Q3 2022)



Operating costs excl. legal fees and NRIs

- Higher personnel costs than Q2 2023 due to increased number of FTEs and cost inflation of approx. 3 %.
- Other OPEX is 4,7% lower than Q2 2023 mainly because of an overall reduced cost on several cost types.
    - Consulting cost higher in Q2 2024 compared to last year, but other OPEX including several cost types is decreasing.



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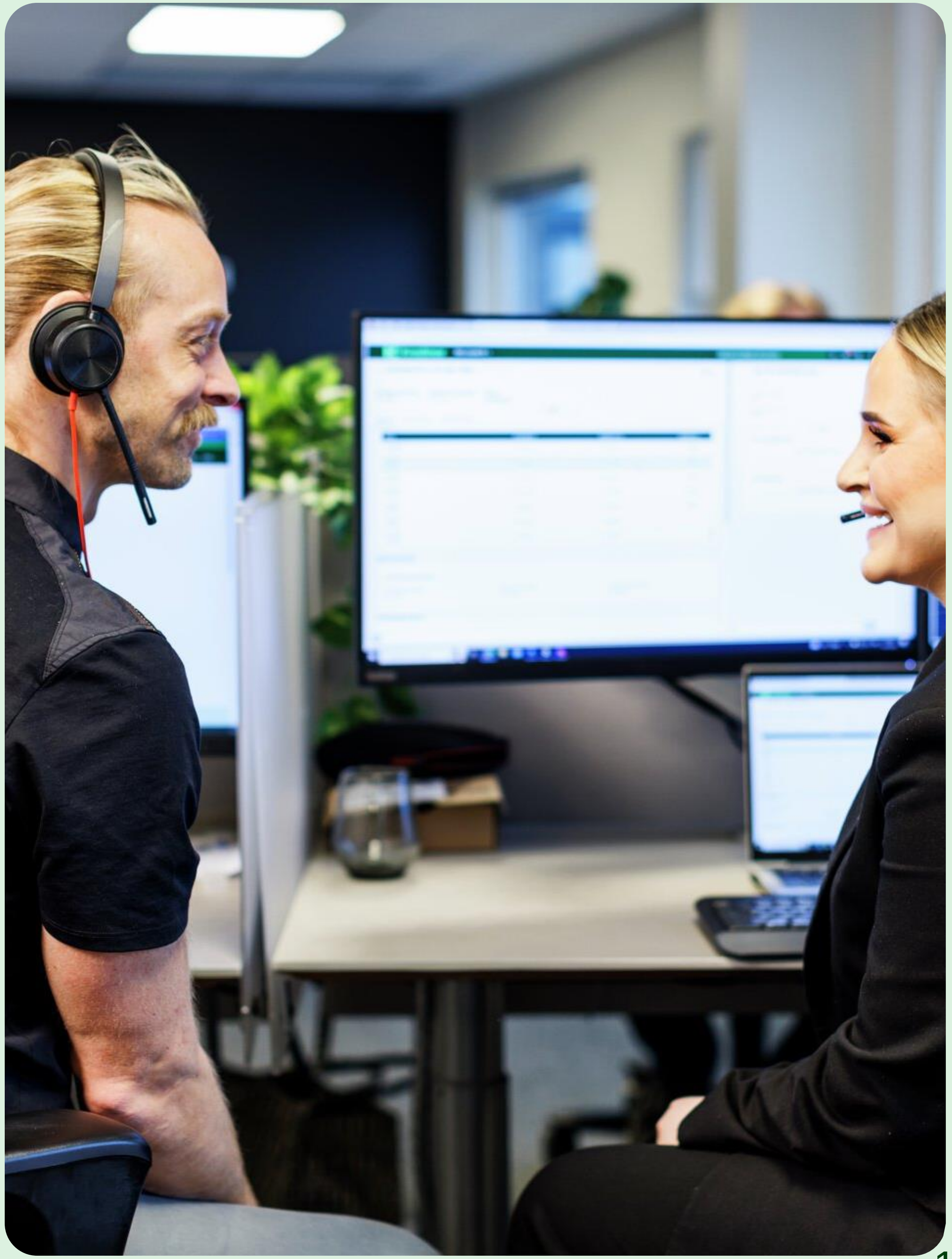
- From April subsidiary of Sparebank 1 Gruppen
- We will focus on core business and operational cost, and a return to profitability during 2024
- Positive start on sales in 2024 and a good pipeline; positive outlook
- We expect a gradually healthier environment for collection; improving collection performance and CMS profitability are important parts of the plan we are now following
- Resume investments in new NPL portfolios
- Awaiting regulatory changes in Norway; securitization, NPL directive
- In line with the company's strategy of renewed focus on core business, Kredinor is considering making structural changes in its subsidiary Kan AS.



Profit and Loss

	This period		Year to date	
PnL (MNOK)	Q2 2024	Q2 2023	Q2 2024	Q2 2023
3PC revenue	187	168	352	322
Revenue from portfolio investments	188	192	380	373
Net gain/(loss) from purchased loan portfolios	19	-38	22	-88
Other income	13	14	25	26
Total revenue and other income	**407**	**335**	**779**	**634**
Salary and personnel costs	163	150	316	282
Other operating expenses	88	92	177	174
Net legal fee expenses	28	28	74	51
Non-recurring items	0	5	0	11
Total operating expenses	**278**	**275**	**566**	**518**
EBITDA	**129**	**61**	**213**	**116**
Depreciation and amortization	25	19	49	41
EBIT	103	42	164	75
Net financial expenses	102	96	232	175
EBT	**2**	**-54**	**-68**	**-99**
Income tax expense	-0	-12	0	-22
Net profit or loss for the year	**2**	**-42**	**-68**	**-78**

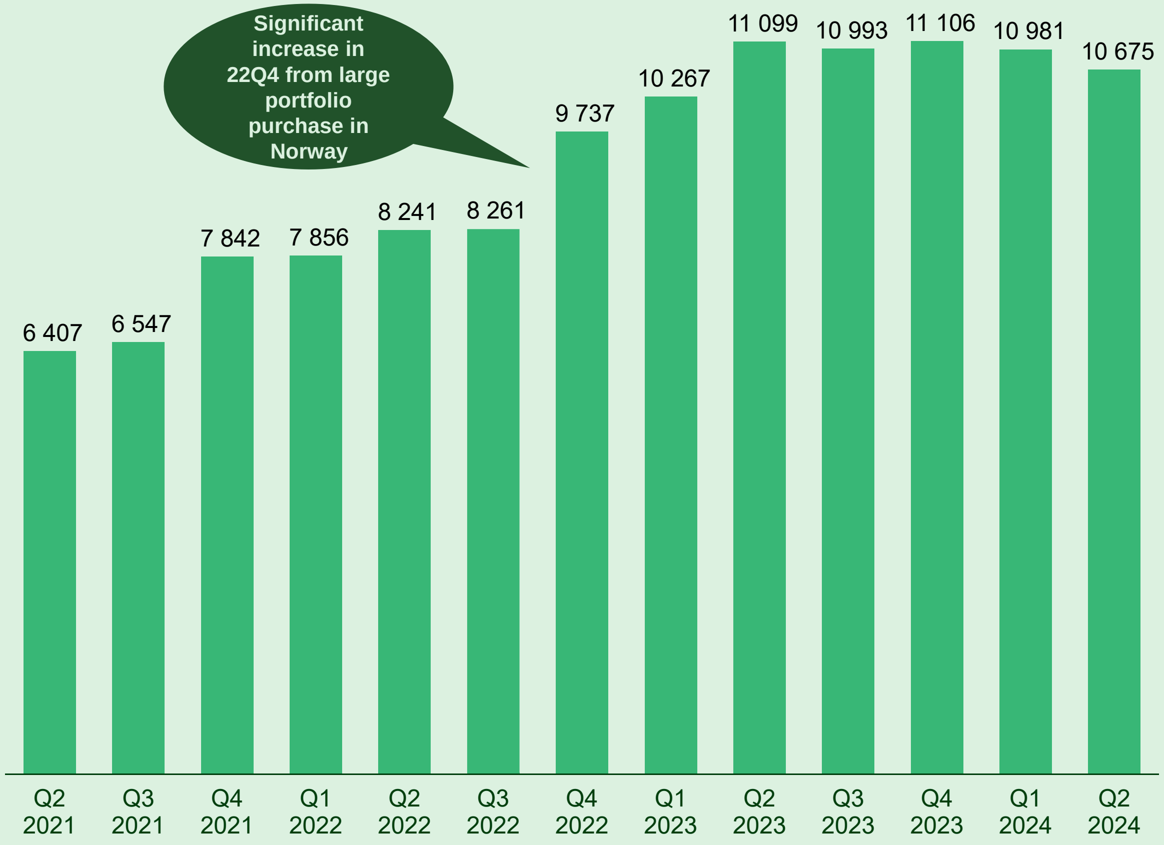
Balance Sheet
Reported

Assets (MNOK)	Q2 2024	Q2 2023
Goodwill	350	393
Intangible assets	304	207
Deferred tax assets	-	17
Right-of-use assets	194	22
Property, plant and equiptment	30	41
Purchased loan portfolio	5 932	5 885
Junior note portfolio	42	-
Other non-current financial assets	1	11
Other non-current receivables	4	0
Total non-current assets	**6 858**	**6 577**
Trade and other receivables	83	30
Other current assets	(66)	(83)
Cash and cash equivalents	280	516
Total current assets	**297**	**463**
Total assets	**7 155**	**7 040**

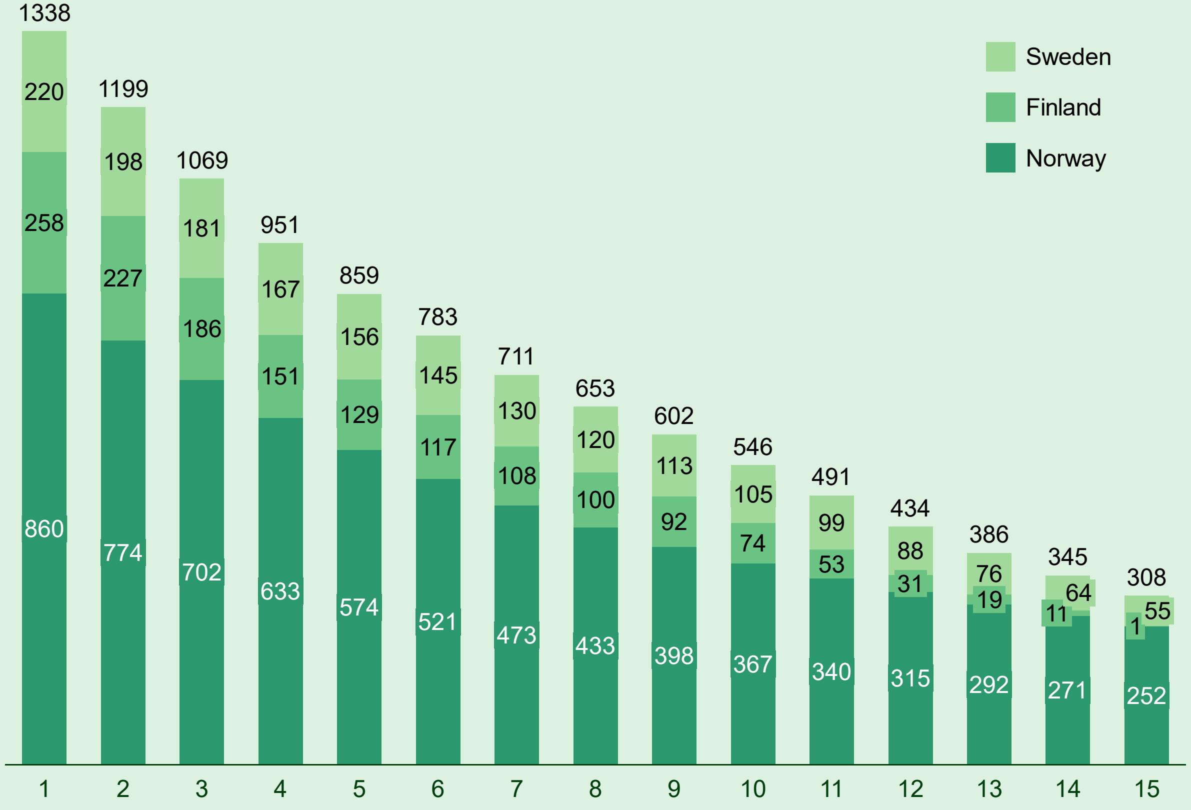
Equity and liabilities (MNOK)	Q2 2024	Q2 2023
Share capital	228	143
Share premium	3 086	2 458
Other equity	-500	(0)
Total equity	**2 815**	**2 601**
Interest-bearing liabilites	3 830	3 896
Deferred tax liabililies	-	-
Lease liabilities	169	23
Other non-current liabilities	2	(3)
Total non-current liabilities	**4 001**	**3 915**
Trade and other payables	43	38
Income tax payable	-1	10
Lease liabilities	34	13
Other current liabilities	262	463
Total current liabilities	**339**	**524**
Total liabilities	**4 340**	**4 439**
Total equity and liabilities	**7 155**	**7 040**

ERC curve reduced in Q2 2024 due to lower portfolio investments

Development in total ERC per quarter (NOKm)



Forward 15-year ERC profile by country (NOKm)



Overview of existing covenants

Covenant	RCF	Bond
Total loan to value	72,5 %	n/a
Secured loan to value	60%	65%
Total leverage ratio	3,5	4,0
Secured leverage ratio	3,25	n/a
Collection performance	95%	n/a
Interest coverage ratio	n/a	3,0