

Q1 2024

16 May 2024

Today's presenters



Rolf Eek-Johansen
CEO



Bjørn Ove Ottosen
CFO

Agenda

Highlights

Financials

Summary and outlook

Q&A - please write questions
in the chat

Highlights

- Loan conversion and clarification of ownership creates space for us to work on our plan for returning to profitability
- First capital light front book investment signed. Regaining investment capacity
- Collection performance in Q1 of 105.1% with a write-up of portfolios of MNOK 3
- It has been the best quarter for CMS since Q2 2023 with a total CMS revenue at MNOK 176
- Finalizing new income/cost plan in Q2

Cash Revenues Q1, MNOK

558

Q1 2023: MNOK 533

EBITDA Q1, MNOK

84

Q1 2023: MNOK 55

Cash EBITDA Q1, MNOK

270

Q1 2023: MNOK 290

Adjusted EBIT Q1, MNOK

57

Q1 2023: MNOK 94



Change in ownership and loan conversion

- PIK loan including accrued interest of MNOK 713.2 in total converted to equity
- SpareBank 1 Gruppen has become the majority owner of Kreditor with 68.64% of the shares, which means that Kreditor from 25 April is a subsidiary of SpareBank 1 Gruppen
- For Kreditor this means a clarification of the ownership structure and capitalization of the company
- Focus going forward will be on core business and profitability



Kreditorstiftelsen





Adjusted EBIT

- Higher revenues and lower operating costs in Q1 2024 than the previous quarter
- Second consecutive quarter with consolidated write-up of portfolios, with a total write-up of MNOK 3

Adjusted EBIT (MNOK)

(Proforma numbers through Q3 2022)

Revaluations Adjusted EBIT



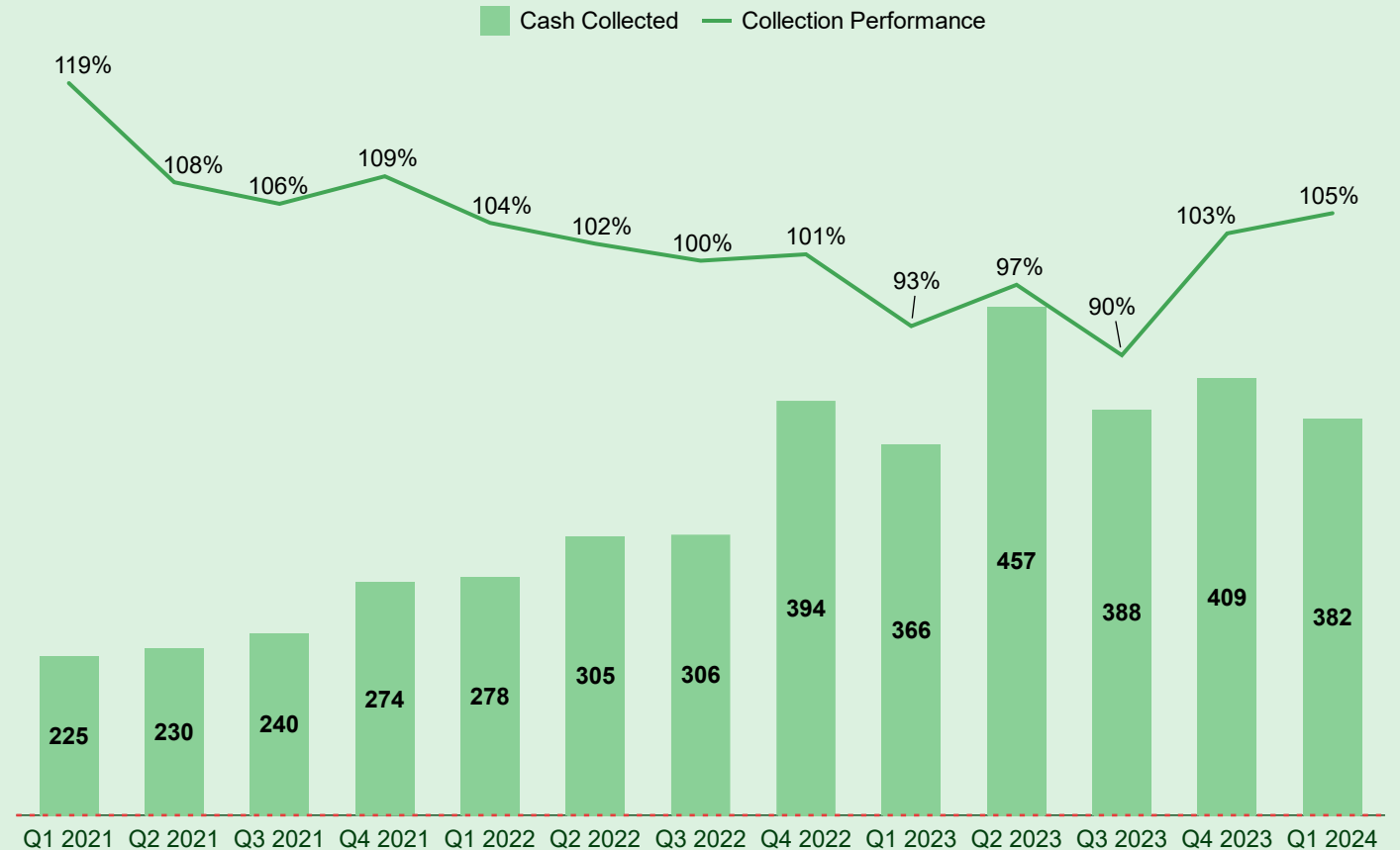
Adjusted EBIT refers to EBIT excluding revaluations and non-recurring items

MNOK



Collection Performance

- Improved Q1 performance, also influenced by revalued portfolios in Q3 2023
- Sweden has underperformed in Q1, while Norway and Finland has overperformed
- Rolling 12 months collection performance at 98.4%, a considerable improvement from Q4 2023
- Drop in collections in Q1 due to seasonality and reduced investments

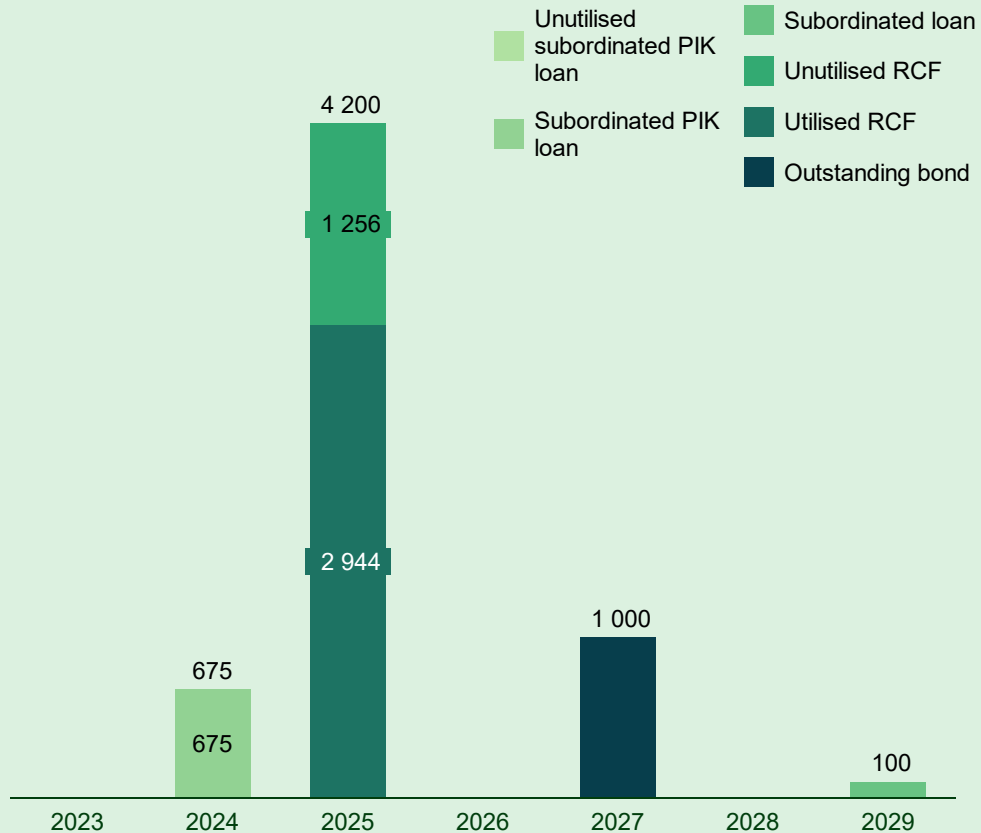


MNOK



Funding

Capital structure and maturity profile (MNOK)



Key figures

Total interest bearing debt excl. subordinated PIK loan (MNOK)	4 044
Share of fixed interest rate	71,2 %
Average fixed interest rate before margin	3,1%

- Sufficient headroom to all covenants as per Q1 2024
- Most of committed forward flows are finished by the end of Q1, with only MNOK 7 invested in last month of Q1
- Share of fixed interest rate increased to 71.2%
- Subordinated PIK loan of MNOK 675 converted to equity 25.04.2024
- Initiating discussions of refinancing RCF

Agenda

Highlights

Financials

Summary and outlook

Q&A



Key figures

- Operational revenues increased by MNOK 21 (+6.0%) compared to Q1 23 driven by an evenly split growth in revenue from PI and CMS
- Adjusted EBIT is lower in Q1 2024 compared to same period last year despite having MNOK 21 higher operational revenues. This is primarily due to higher personnel costs and legal fees

Key figures (MNOK)	This period	
	Q1 2024	Q1 2023
Operational revenues	369	348
Adj. EBIT	57	94
Adj. EBIT %	16%	27%
EBIT	61	33
EBT	-69	-45
Cash Revenue	559	533
Cash EBITDA	271	290
Cash margin	48%	54%
ERC	10 981	10 267
Portfolio Investments	73	269
Carrying value of Portfolio Investments	6 138	5 885

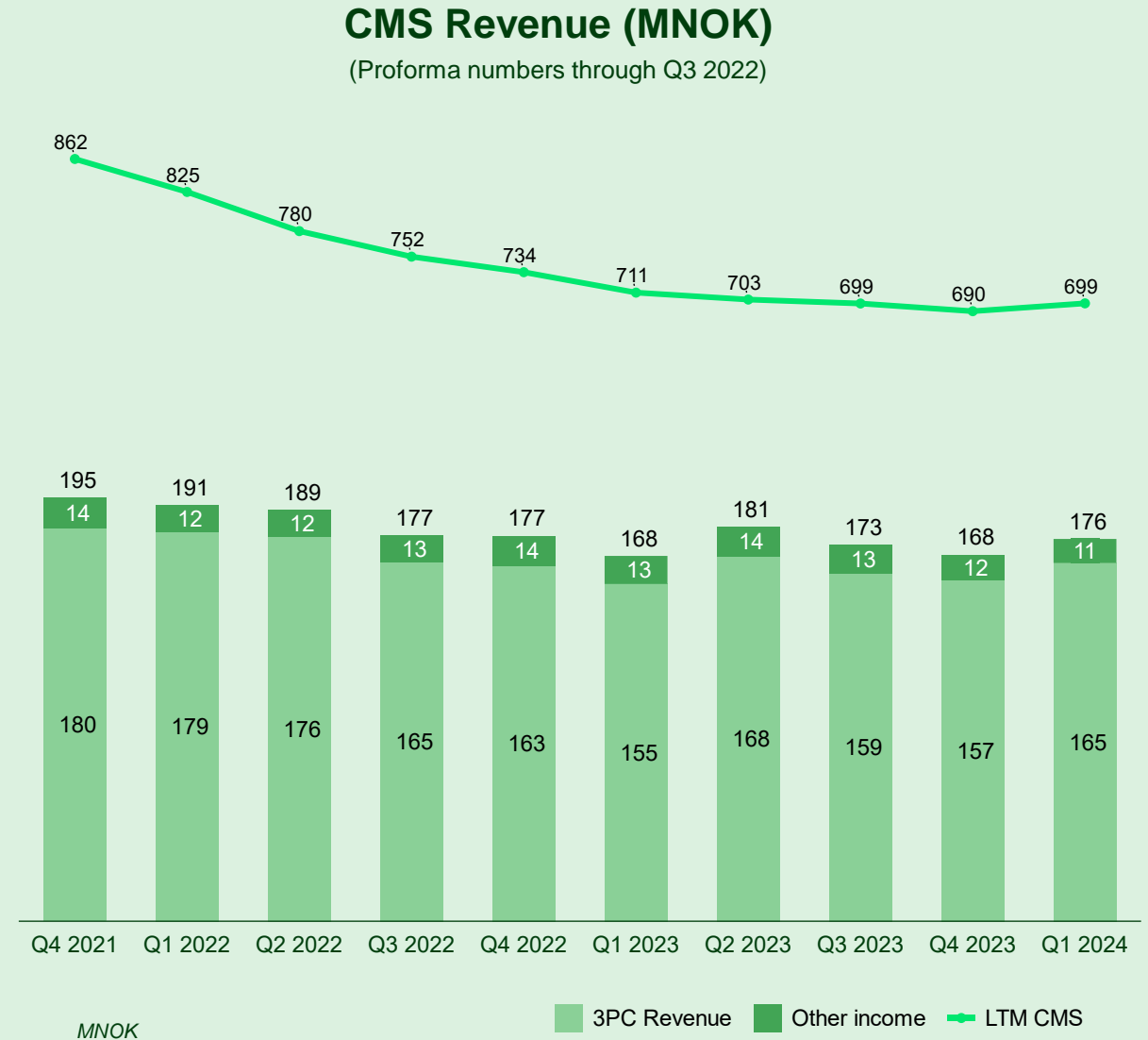
Adjusted EBIT excludes revaluations and NRIs

*Note: Proforma numbers for 2022 are provided for improved comparison only and are not audited



CMS Business Line

- Total revenue increased from Q4 2023, and the growth is mainly due to improved solution rate from 3PC
- The decline we have seen on LTM CMS per quarter since 2021 has now turned and shows an increase in Q1 2024
- Other income has been on a stable level since 2021, while we are performing better within our core business 3PC



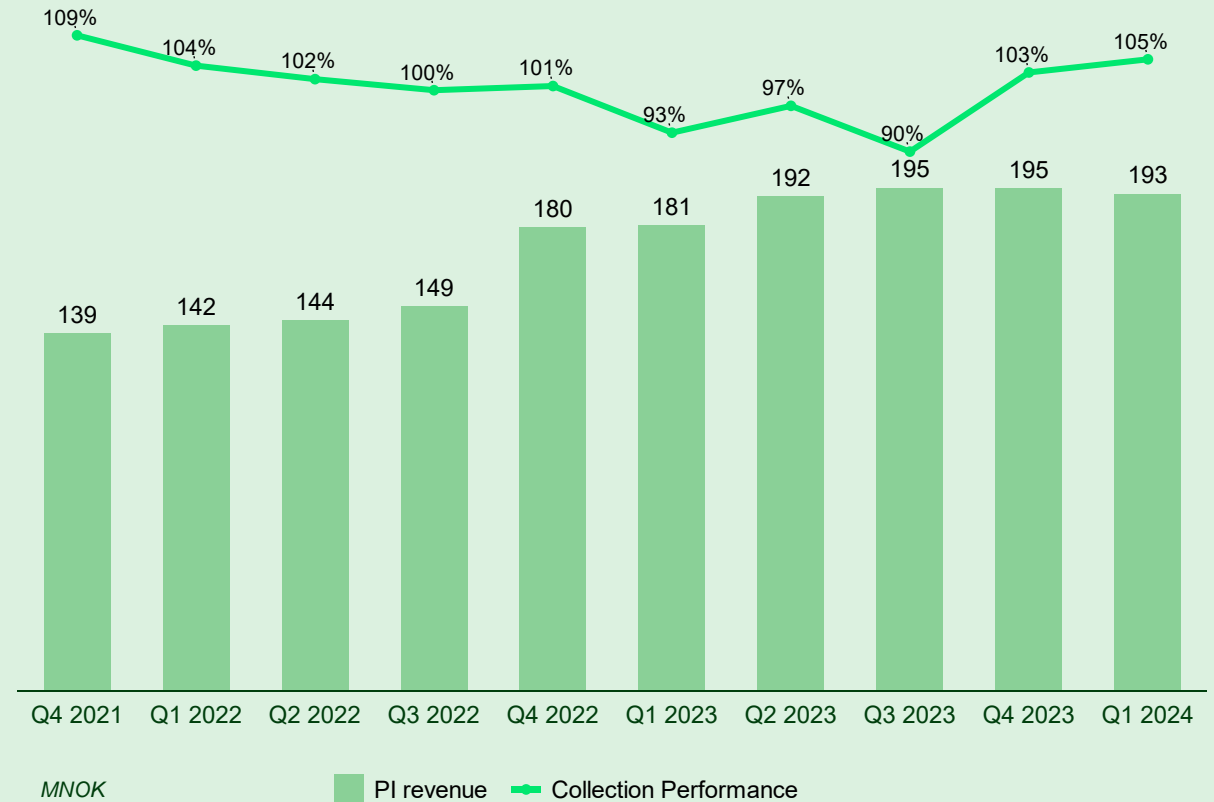


PI Business Line

- Improved Q1 collection performance
- Stable PI revenues, but expected to drop slightly going forward, as we have reduced investments in the last two quarters
- Q1 portfolio acquisitions of MNOK 73 (MNOK 269 Q1 2023)

PI Revenues and Collection Performance excluding revaluations

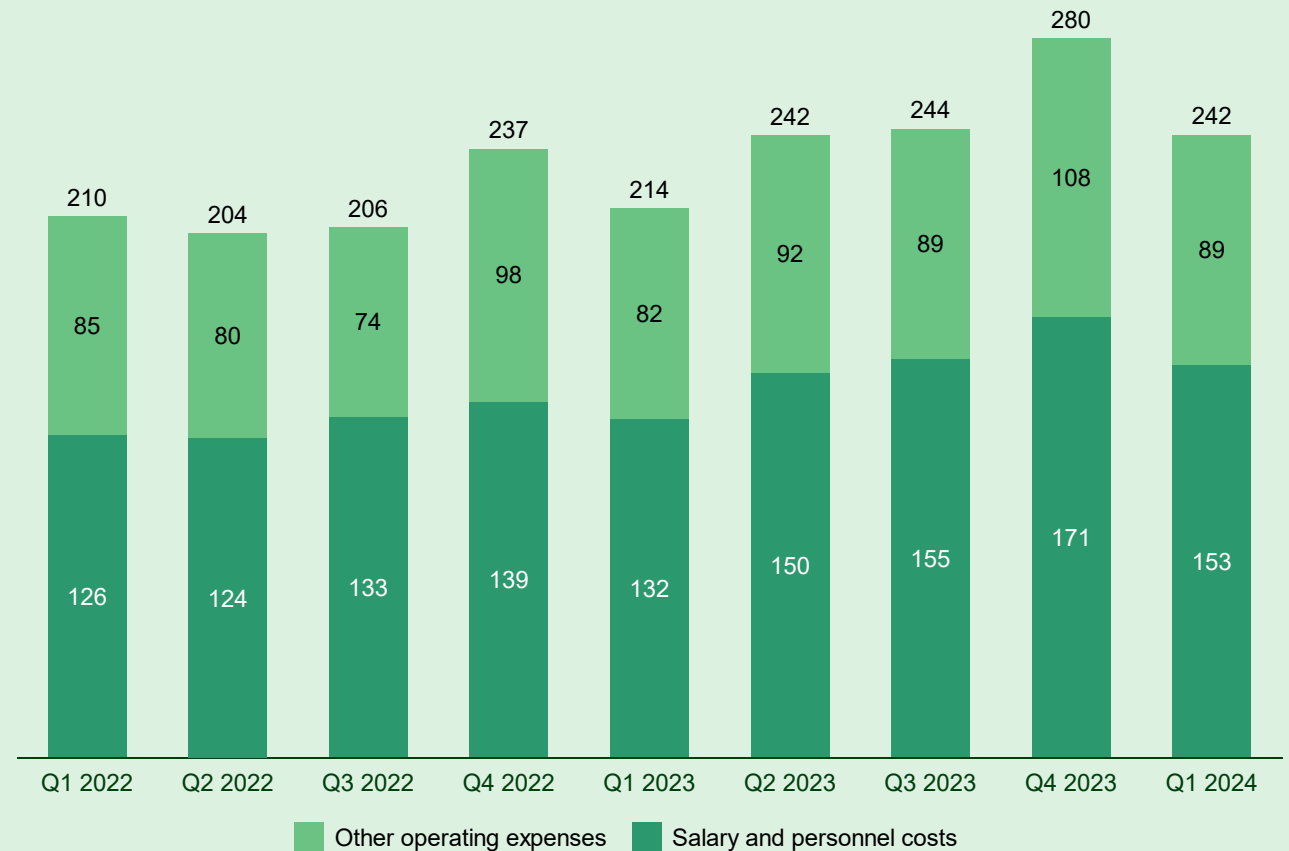
(Proforma numbers through Q3 2022)





Operating costs excl. legal fees and NRIs

- Established a running rate for personnel costs and other opex on level with Q2 and Q3 2023 as we look to reduce the cost base even further
- Higher personnel costs than Q1 2023 due to increased number of FTEs, harmonization of pension scheme, increased use of temporary employees and inflation. FTE increase of 8% from Q1 2023, contributing to higher salary costs
- Other opex is higher than Q1 2023 mainly because of consulting costs



Agenda

Highlights

Financials

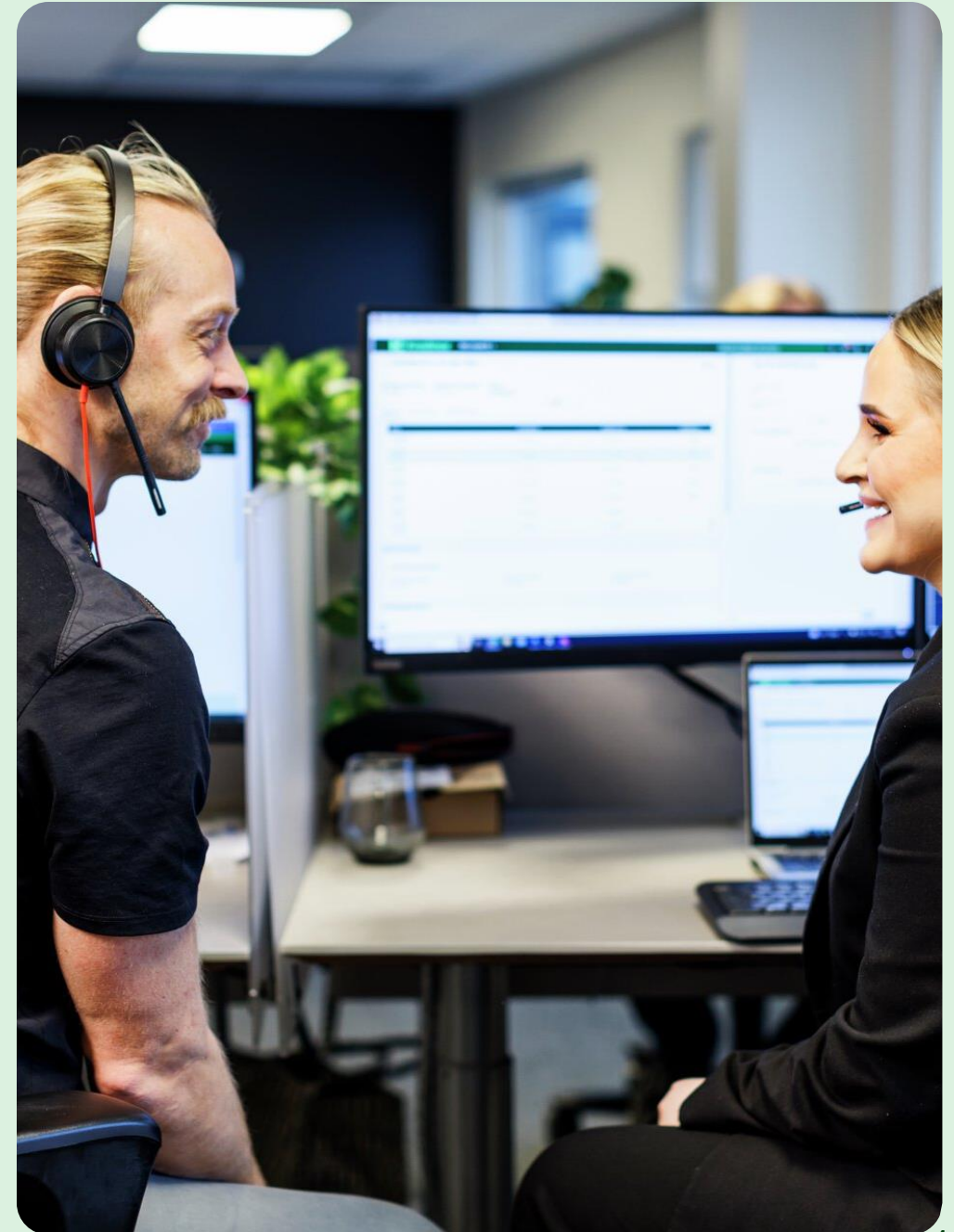
Summary and outlook

Q&A



Summary and outlook

- 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 Q1 and a good pipeline; positive outlook
- We expect a gradually healthier environment for collection; improving collection performance and CMS growth are important parts of the plan we are now following
- Continue to invest according to commitments in existing forward flow contracts and build capacity to restart investing
- Delivering on the Strategy: First Capital light signed
- Awaiting regulatory changes in Norway; securitization, NPL directive



Agenda

Highlights

Financials

Summary and outlook

Q&A

K



Profit and Loss

PnL (MNOK)	This period		Full year
	Q1 2024	Q1 2023	2023
3PC revenue	165	155	638
Revenue from portfolio investments	193	181	766
Net gain/(loss) from purchased loan portfolios	3	-50	-266
Other income	11	13	49
Total revenue and other income	372	298	1 187
Salary and personnel costs	153	132	608
Other operating expenses	89	82	371
Net legal fee expenses	46	24	115
Non-recurring items	0	6	46
Total operating expenses	288	243	1 141
EBITDA	84	55	46
Depreciation and amortization	24	22	152
EBIT	61	33	-106
Net financial expenses	130	79	394
EBT	-69	-45	-501
Income tax expense	0	-10	19
Net profit or loss for the year	-70	-36	-519



Balance Sheet

Reported

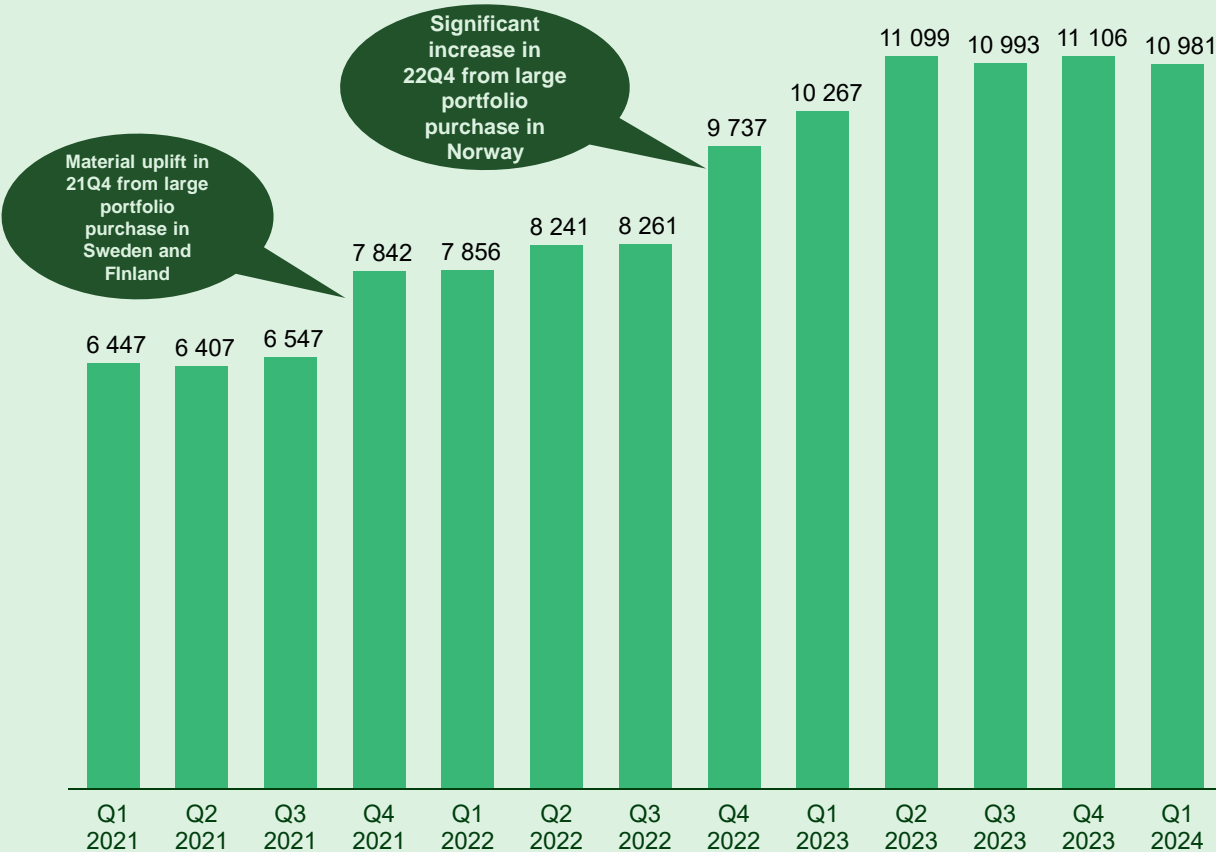
Assets (MNOK)	Q1 2024	Q1 2023
Goodwill	351	393
Intangible assets	300	232
Deferred tax assets	-	17
Right-of-use assets	199	22
Property, plant and equipment	34	16
Purchased loan portfolio	6 138	5 885
Other non-current financial assets	52	17
Other non-current receivables	-	4
Total non-current assets	7 073	6 586
Trade and other receivables	60	26
Other current assets	21	17
Cash and cash equivalents	246	410
Total current assets	327	452
Total assets	7 401	7 038

Equity and liabilities (MNOK)	Q1 2024	Q1 2023
Share capital	143	143
Share premium	2 458	2 458
Other equity	-503	0
Total equity	2 098	2 601
Interest-bearing liabilities	3 981	3 896
Deferred tax liabilities	-	-
Lease liabilities	172	23
Other non-current liabilities	1	1
Total non-current liabilities	4 155	3 920
Trade and other payables	38	38
Income tax payable	-1	10
Lease liabilities	35	13
Other current liabilities	1 075	456
Total current liabilities	1 148	517
Total liabilities	5 303	4 437
Total equity and liabilities	7 401	7 038

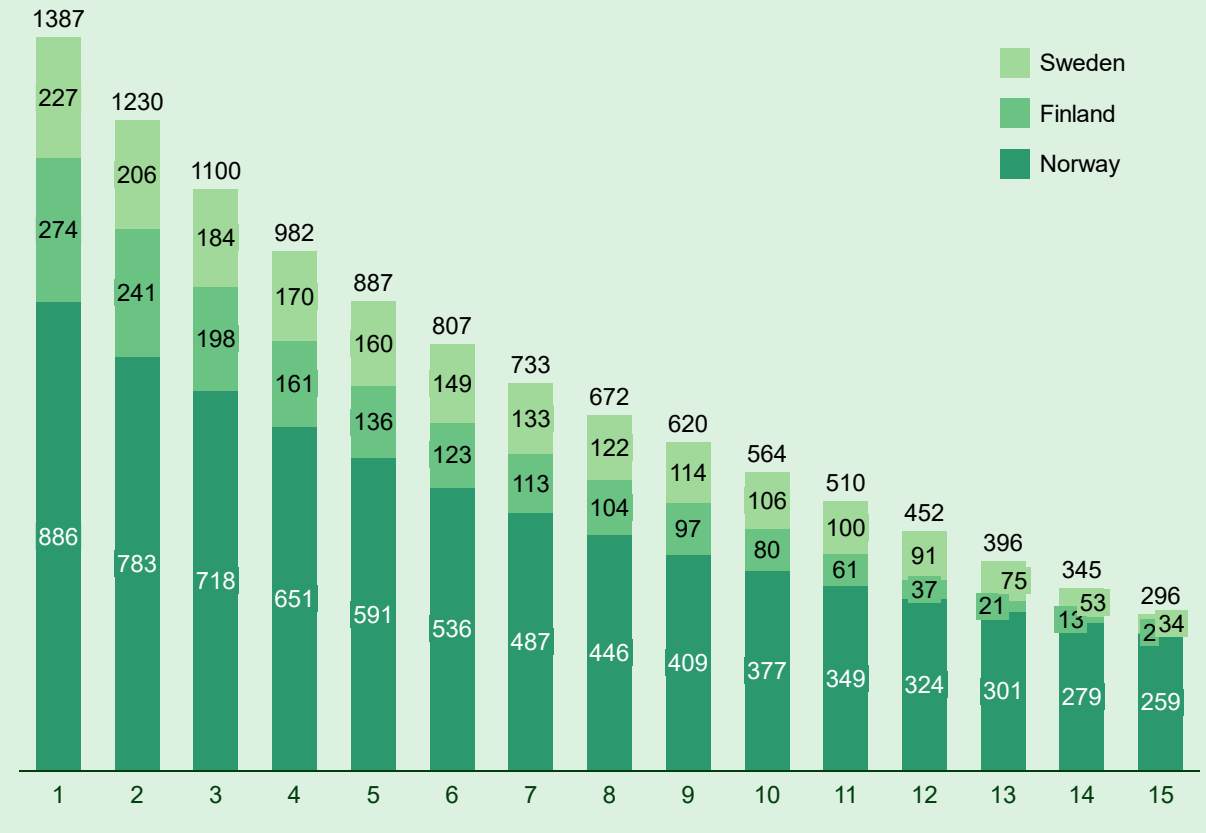


ERC curve reduced in Q1 2024 due to lower portfolio investments

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

K