

# Agasti Holding ASA

4<sup>th</sup> quarter 2015

Oslo, February 18<sup>th</sup> 2016

Jørgen Pleyrn Ulvness, Chief Executive Officer  
Christian Dovland, Chief Financial Officer



Disclaimer: Unaudited Q4 and 2015 figures. This presentation contains certain forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking statements and must not be understood as guarantees for the future.

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## The best financial results since 2008

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- Jørgen Pleyrn Ulvness, Chief Executive Officer

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### Highlights 4Q15

- Agasti's net income was 481 MNOK in 4Q15 and 517 MNOK in 2015
- The JV Obligo generated an EBIT of 119 MNOK in 4Q15 and 189 MNOK in 2015
- Agasti's share of the net profit from the Obligo Group was 57 MNOK in 4Q15, less amortization of 76 MNOK
- Agasti distributed 223 MNOK in sales dividends in Dec 2015 - NOK 0.76 per share
- Completion of the sale of 10 real estate portfolios with an asset value of approximately 22 NOK billion to Blackstone in Dec 2015
- Conclusion of a two-year restructuring of the business, signalling Agasti's successful implementation of the strategic plan adopted in 2013
- Conclusion and closure of a large set of complaints and legal proceedings that represented extensive financial and reputational risk
- The Board intends to propose approximately NOK 0.4 per share in additional dividend for 2015

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### The Equity Story

#### WHAT WE SAID

#### • WHAT WE DID



1Q14: Strategic ambition to attract institutional capital, create return, liquidity to clients

• Blackstone invested both in managed funds and in platform.  
• More than 10 NOK billion in dividends / payments to clients since 2013



1Q14: Re-establish profitability

• EBIT 2012:	-56	(Agasti Group)
• EBIT 2013:	-4	(Agasti Group)
• EBIT 2014:	-25	(Agasti Group)
• EBIT 2015:	+189	(Obligo Group – AGA owns 66%)



1Q14: AIFM directive introduced in Norway; Obligo being one of the leading players

• Secured authorisation for Obligo Investment Management to manage alternative investment funds (AIFMD).



3Q14: Wind-down old business within first half of 2015

• Closed nearly all matters relating to the former operations  
• Financial risk reduced to a minimum



2Q15: Further streamlining of operations

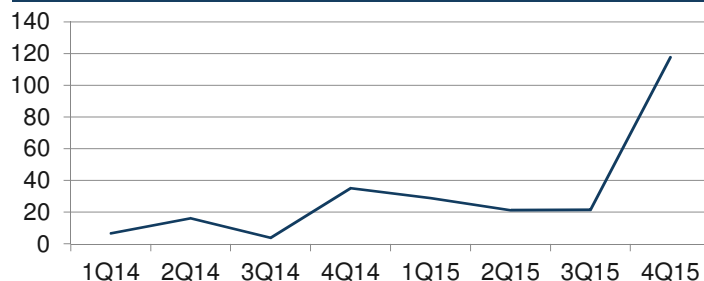
• Challenging restructuring of the business completed  
• Closed down Capital Markets activities – reducing employees to approximately 45 and significantly improving profitability

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## OBLIGO GROUP: Stable profit in operating business

- Agasti distributed 223 MNOK in sales dividends in December 2015 – NOK 0.76 per share
- Obligo will have capacity to distribute dividend at appr. 170 MNOK – 66% to Agasti. The Board intends to propose an additional dividend of NOK 0.4 per share
- AGA one of the winners on OSE in 2015 with 135% return

### EBIT (MNOK)



Profit (MNOK)	1Q14	2Q14	3Q14	4Q14	2014	1Q15	2Q15	3Q15	4Q15	2015
EBITDA	10	20	7	42	79	31	23	24	122	200
EBIT	7	16	4	35	62	29	21	21	119	189

- Approximately 150 MNOK in performance- and transaction fees in 4Q15
- One-off costs totalling 43 MNOK in 2015 included in the figures, of which 33 MNOK in Q4

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## Interim financial statements

- Christian Dovland, Chief Financial Officer

## Major accounting effects

- The sale of 34% of the operating platform has been accounted for as a sale of the entire business
  - Agasti and Blackstone have entered into a shareholders' agreement for Obligo Holding AS, and certain major decisions shall only be taken if both Agasti and Blackstone consent, in effect rendering the company as a joint venture.
- 539 MNOK gain in 4Q15
- The remaining 66% share is accounted for as a joint venture according to the equity method
  - Agasti's share of Obligo's net income is recognized as operating income
- Agasti is now a financial investment company owning 66% of Obligo Holding AS, all employees transferred to Obligo
- Pro-forma consolidated figures for Obligo

## Obligo Group: Key financial data

MNOK	4Q 2015	4Q 2014	2015	2014
Transaction revenues	160	33	250	83
Management fees	65	77	261	194
<b>Total revenues</b>	<b>225</b>	<b>109</b>	<b>511</b>	<b>277</b>
Variable operating costs	18	9	31	15
Activity based costs	25	20	60	45
Fixed costs	55	33	170	137
SLA	4	6	50	2
<b>Operating costs</b>	<b>103</b>	<b>67</b>	<b>311</b>	<b>198</b>
<b>EBITDA</b>	<b>122</b>	<b>42</b>	<b>200</b>	<b>79</b>
Depreciation a.o.	3	7	10	18
<b>EBIT</b>	<b>119</b>	<b>35</b>	<b>189</b>	<b>62</b>

- Approximately 150 MNOK in performance- and transaction fees in 4Q15
- SLA is cost allocation for internal services
- Additional cost reductions underway related to outsourcing, staff and activity based costs

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### Bridging Obligo to Agasti income

Breakdown of net income (MNOK)	4Q	YTD
	2015	2015
Operating revenues Obligo Group	225	511
Operating costs Obligo Group	106	322
EBIT	119	189
Net financial items	3	1
Tax expense	35	53
Net income in Obligo Group	86	137
Agasti Holding's share of net income	57	108
Amortisation of intangible assets	-76	-76
Gain from sale	539	539
Income from continuing operations	2	-17
<b>Agasti Holding income before tax</b>	<b>522</b>	<b>554</b>
Tax expense	-40	-37
<b>Net income in Agasti Holding</b>	<b>481</b>	<b>517</b>

- Agasti Holding ASA owns 66 % of Obligo Group
- The table bridges net income in Obligo Group to net income in Agasti Holding ASA
- Amortization of intangible assets of 76 MNOK consists mainly of Agasti's share of performance- and transaction fees after tax, which was reflected in the purchase price and therefore initial fair value of the investment
- Tax expense in Agasti Holding of -40 MNOK due to impairment of deferred tax assets

### Agasti Holding ASA: Balance sheet

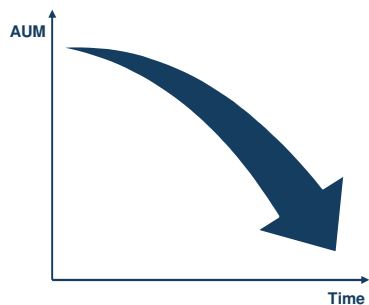
MNOK	31.12.2015	31.12.14
Goodwill	0	44
Other intangible assets	0	16
Deferred tax asset	0	54
<b>Total intangible assets</b>	<b>0</b>	<b>113</b>
Fixed assets	0	5
Investment in joint venture	437	0
Other financial investments	22	19
<b>Total tangible assets</b>	<b>459</b>	<b>24</b>
Financial current assets	21	45
Trade receivables	0	53
Other receivables	2	42
Bank deposits	53	106
<b>Total current assets</b>	<b>76</b>	<b>246</b>
<b>Total assets</b>	<b>536</b>	<b>383</b>
<b>Equity</b>	<b>509</b>	<b>215</b>
Long term debt	0	19
Accounts payable	1	13
Taxes payable	0	1
Overdraft facility	0	0
Other taxes and duties payable	1	15
Salaries/commissions payable	0	26
Other short term debt	25	94
<b>Total debt</b>	<b>27</b>	<b>168</b>
<b>Total equity and debt</b>	<b>536</b>	<b>383</b>

- The Agasti Group has a robust financial position
- Bank deposits of 53 MNOK
- Total assets as at 31 December 2015 were 536 MNOK
- Equity equals 95 % of total assets
- Investment in JV valued at 437 MNOK
- The future will depend on Obligo's earnings and dividend capacity

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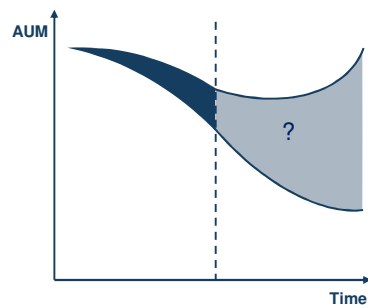
## New platform provides opportunity to retain and increase AUM

### Old Agasti-platform



- Closed end funds approaching maturity
- Challenges attracting new capital
- Large and cost intensive organization

### New Obligo-platform



- New platform providing access to institutional capital
- Exit for retail customers
- Streamlined organization

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## AUM and management fees going forward

- Obligo continues to manage Blackstone portfolios of 10.4 BNOK in AUM
  - Obligo will until July 2016 receive management fees at current level, and thereafter based on a cost coverage and incentive fee model
  - 25 MNOK in fee in 1Q16 for transitional services for the portfolios that will no longer be managed by Obligo
- 38 MNOK in fee for managing 10 BNOK of Real Estate for Patrizia in 2016
- For non-Nordic Real Estate portfolios with AUM of 1.3 BNOK, Obligo considers various liquidity options which may result in a reduction of AUM
- For Infrastructure with AUM of 3 BNOK, Obligo considers various options including a potential liquidity event and new initiatives
- Main strategy within Private Equity and Shipping, total AUM of 7 BNOK, is optimizing value and manage until maturity, although a more opportunistic approach will be considered
- In sum, AUM and management fees should be expected to be reduced from 2Q16
- Nordic Real Estate is the primary focus area going forward and Obligo will in collaboration with Blackstone identify and evaluate investment opportunities

## Outlook

- Jørgen Pleym Ulvness, Chief Executive Officer

## Outlook

- Nordic Real Estate is the primary focus area going forward and Obligo will in collaboration with Blackstone identify and evaluate investment opportunities
- Obligo also manages significant assets within Infrastructure, Private Equity and Shipping
- Obligo considers various options within Infrastructure, including a potential liquidity event and new initiatives
- Main strategy within Private Equity and Shipping is optimizing value and manage until maturity, although a more opportunistic approach will be taken if possible
- The same strategy applies to a number of Real Estate portfolios containing non-Nordic assets

# Q & A

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