QUARTERLY REPORT
Q1-17

MCS GROUPE

www.mcsfr.com

DEFINITIONS
AND GLOSSARY

- **Attributable Cash EBITDA**
  Means our Cash EBITDA for a given period after subtracting distributions to co-investors for their participation in our consolidated SPVs;
- **Attributable ERC**
  Refers to Gross ERC after taking into account the pro rata share of such collections that will be attributable to co-investors pursuant to contractual arrangements with such co-investors in SPVs;
- **Cash EBITDA**
  Means our total Cash Revenue for the period, after subtracting professional fees and services, personnel costs and committed costs;
- **Cash Revenue**
  Means our Gross Collections for a period after adding the revenue generated from our third-party servicing business;
- **Company**
  Means MCS et Associés SAS, a French société par actions simplifiée having its registered office at 256 bis, rue des Pyrénées, 75020 Paris, France and registered in France under sole identification number 334 537 206 R.C.S. Paris;
- **Convertible Bonds**
  Means the convertible bonds issued by the Parent and subscribed by Promontoria Holding 85 B.V.;
- **FCTs**
  Means fonds commun de titrisation, which are investment funds contractually organized under French law for the purposes of holding debt portfolios; Group,
- **MCS, we, our and us**
  Collectively, the Parent and its direct and indirect subsidiaries including the SPVs that are consolidated into the Parent's consolidated financial statements;
- **Gross Collections**
  Refer to the cash proceeds received from the debtors related to the debt portfolios that the Group or its SPVs purchased, before allocation of the pro rata share of Gross Collections attributable to co-investors (if any). Gross Collections are presented prior to factoring any legal fees or other collection activity costs;
- **Gross ERC**
  Refers to our estimated remaining collections on our purchased debt portfolios, which represents the expected gross cash proceeds over, as applicable, an 84- or 120-month period from our purchased debt portfolios, assuming no additional purchases are made and on an undiscounted basis before taking into account the pro rata share of such collections that will be attributable to co-investors;
- **Hugo Buyback**
  Refers to the buyout of minorities in the amount of €17.6 million from Hugo I (36.2% interest purchased), Hugo II (18.3% interest purchased) and Hugo III (40% interest purchased) FCT funds on July 25, 2014;
- **Issuer**
  Means Promontoria MCS SAS, a French société par actions simplifiée à associé unique having its registered office at 256 bis, rue des Pyrénées 75020 Paris, France and registered in France under sole identification number 802 951 848 R.C.S. Paris;
- **Parent**
  Means Promontoria MCS Holding SAS, a French société par actions simplifiée having its registered office at 256 bis, rue des Pyrénées 75020 Paris, France and registered in France under sole identification number 802 992 602 R.C.S. Paris, which directly owns 100% of the share capital of the Issuer;
- **SPV**
  Means special purpose vehicle, and as used herein shall include FCTs.

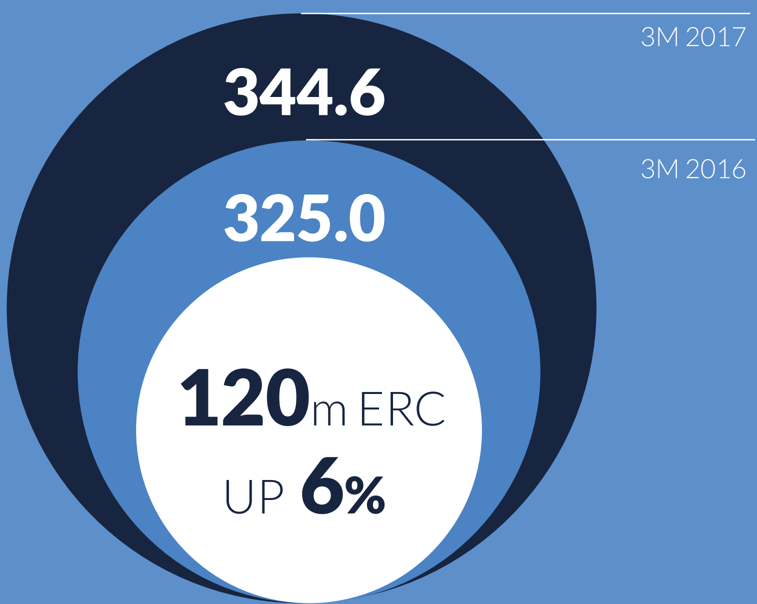
FINANCIAL HIGHLIGHTS
FIRST QUARTER 2017

+5% y/y
LTM Gross Collections of €83m

+6% y/y
LTM Attributable Cash EBITDA of €52m

+6% y/y
Attributable 120m ERC of €345m

2.5x
Leverage ratio on LTM Attributable Cash EBITDA



FINANCIAL HIGHLIGHTS

FIRST QUARTER 2017

Cash EBITDA

3M 2017: **12.0**

Q1 2016: **12.1**

Stable
Attrib.
Cash EBITDA

LTM Attrib. Cash EBITDA

LTM- Q1 2017: **52.2**

LTM-Q1 2016: **49.3**

Up 6%
Attrib.
Cash EBITDA

BUSINESS REVIEW FOR THE THREE MONTHS ENDED MARCH 31 2017

Following a particularly active fourth quarter 2016 for MCS in terms of portfolio acquisitions, the first quarter in 2017 has been a period of consolidation for our Group.

On the operational side, our collection teams have been active in onboarding and working out the high number of portfolios acquired during Q4 2016. MCS teams have also worked on the preparation of the integration of c. 65 new employees following the successful start of the Crédit Immobilier de France contract on April 1st, 2017. In parallel, we have continued our hiring efforts at a sustained pace. As a result, total headcount increased by close to 10%. The hirings achieved in the first quarter of the year represent almost half of our total target for 2017. In particular, we are pleased to announce that a new Group HR Director, Anne Denuelle, has joined us in March, adding strong skills to our Executive Committee.

Financial performance also proved to be satisfactory during the period. Our Attributable Cash EBITDA over the last twelve months (LTM) stands at €52m, representing a 6% increase over a similar period last year. The main growth driver continues to be Gross Collections, up 5% on an LTM basis. At €2m, portfolio acquisitions were limited, as they traditionally are during Q1 in our markets. At March 31st, 2017, 120-Month Attributable ERC decreased from €357m as at December 31st, 2016 to €345m (6% or €20m increase from €325m on March 31st, 2016).

As a consequence, cash generation was positive over the period, and we continue to operate at moderate leverage levels: leverage ratio on LTM Attributable Cash EBITDA reached 2.6x at March end, while leverage ratio on 84-month Attributable ERC stood at 46%.

Lastly, prospects for the following three quarters in 2017 are encouraging, and we expecte to benefit from appealing investment opportunities. The acquisition pipeline for MCS remains strong with good visibility until Q3. Aditionally, the start of the Credit Immobilier de France contract (beginning on April 1st) is also expected to contribute to the development of the business, provising further diversification to our revenues.

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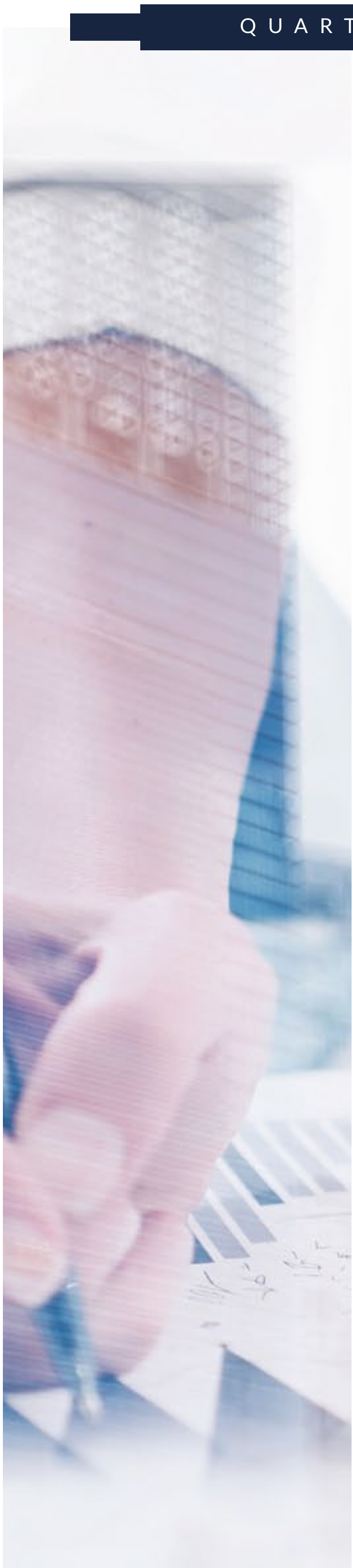

FINANCIAL HIGHLIGHTS
FIRST QUARTER 2017

ISSUER AND SHAREHOLDERS

The Issuer

The Issuer is a direct, wholly-owned subsidiary of the Parent that was incorporated on June 17, 2014 as a société par actions simplifiée (société à associé unique) under the laws of France in order to facilitate the Cerberus Acquisition. Consequently, no Group-wide consolidation is performed at the level of the Issuer and the historical financial information relating to the Issuer on a standalone basis is not meaningful and has not been included in this quarterly report. Rather, we have included and discussed in this quarterly report the unaudited condensed interim consolidated financial statements of the Parent as of and for the three months ended March 31, 2017.

Note that the only material difference between the financial statements of the Issuer and the Parent relates to the Convertible Bonds, issued by the Parent.

The Parent

The Parent was incorporated on June 18, 2014 as a société par actions simplifiée (société à associé unique) under the laws of France in order to facilitate the acquisition of the Group by funds advised by Cerberus Capital Management L.P. ("Cerberus") and to serve as the holding company of the Group post-acquisition.

The Issuer is directly wholly owned by the Parent. The Parent is indirectly owned by entities indirectly controlled by funds advised by Cerberus which own 63.3% of its share capital and by several management shareholding entities directly and indirectly held by the management which collectively own the remaining 36.7% of the share capital of the Parent.

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FINANCIAL REVIEW

For the first quater ended March 31

Cash EBITDA and Attributable Cash EBITDA

Attributable Cash EBITDA in Q1 17 reached €12m, in line with Q1 16. As quarterly figures can show some volatility related to the timing of our portfolio acquisitions, we also show figures over the last twelve months (LTM). On an LTM basis, Attributable Cash EBITDA reached €52m, up 6% compared to the same period last year.

The following table presents a reconciliation from Gross Collections to Cash EBITDA and Attributable Cash EBITDA for the periods indicated.

	For the 1st quarter ended March 31,		LTM ended March 31,	
	2017	2016	2017	2016
	IFRS	IFRS	IFRS	IFRS
(in thousands of €)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Attributable Gross Collections (1)	19,226	19,100	78,622	73,281
Non-attributable Gross Collections (2)	1,224	1,498	4,725	6,110
Gross Collections	**20,450**	**20,598**	**83,347**	**79,391**
Servicing revenue	2,089	2,241	8,349	8,407
Total cash revenue	**22,539**	**22,839**	**91,696**	**87,798**
Professional fees and service	(2,264)	(2,323)	(9,042)	(9,217)
Personnel costs	(4,706)	(4,508)	(16,614)	(14,655)
Committed costs	(2,535)	(2,670)	(9,998)	(9,604)
Cash EBITDA	**13,034**	**13,338**	**56,042**	**54,322**
Cash distributions to SPV co-investors (3)	(988)	(1,210)	(3,824)	(5,046)
Attributable Cash EBITDA	**12,046**	**12,128**	**52,218**	**49,276**

(1) Attributable Gross Collections refers to cash proceeds received from debtors related to debt portfolios that the Company owns or the pro rata share of such proceeds corresponding to its level of ownership in the relevant SPV.

(2) Non-attributable Gross Collections refers to pro rata share of the cash proceeds received from debtors by the SPVs that are owed to minority co-investors in such SPVs.

(3) Two co-investor fonds commun de titrisation (a receivables fund, or "FCT") have co-investors which are entitled to a pro rata share of the Gross Collections generated by the portfolios held by the relevant SPV.

MCS GROUPE

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FINANCIAL REVIEW

For the first quater ended March 31

Our unaudited consolidated financial statements, on a quarterly and last twelve months basis, are the following:

	For the 1st quarter ended March 31,		LTM ended March 31,	
	2017	2016	2017	2016
	IFRS	IFRS	IFRS	IFRS
	Parent	Parent	Parent	Parent
(in thousands of €)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Income from loans	14,806	18,227	59,539	58, 888
Other revenue	1,666	1,726	6,492	5,630
Total revenue	**16,472**	**19,953**	**66,031**	**64,518**
Professional fees and service	(2,264)	(2,323)	(9,042)	(9,218)
Personnel costs	(4,706)	(4,509)	(16,614)	(14,655)
Committed costs	(2,799)	(2,670)	(10,263)	(9,514)
Operating margin	**6,703**	**10,451**	**30,112**	**31 131**
Other income and expenses	(70)	(363)	425	(1,465)
Net operating income	**6,633**	**10,088**	**30,537**	**29,666**
Financial income	47	465	35	1,311
Financial expenses	(5,586)	(4,528)	(18,363)	(15,941)
Net financial income/(loss)	**(5,539)**	**(4,063)**	**(18,328)**	**(14,630)**
Pre-tax income	**1,094**	**6,025**	**12,209**	**15,036**
Income tax	(454)	(2,308)	(2,849)	(5,363)
Net income/(loss) for the period	**640**	**3,717**	**9,360**	**9,673**
Minority interests	1	0	(28)	0
Net income/(loss) for the period, Group Share	**641**	**3,717**	**9,332**	**9,673**

Income from loans decreased from €18.2m to €14.8m during the three months ended March 31, 2017, down 19% or €3.4m. In Q1 2016, we recorded substantial revaluation for some of our portfolios; this has not been repeated in Q1 2017. On an LTM basis, we experienced a 1% increase compared to the same period last year.

Total revenues decreased by €3.5m to €16.5m for the first quarter of 2017, down from €20.0m last year.

Total costs during the first three months of 2017 amounted to €9.8m, up 3% or €0.3m compared to last year. The main variance comes from staff expenses, as we hired additional staff over the period to cope with the growth of our business.

Our net financial result for Q1 2017 fully reflects our new financial structure, following our €200m bond issuance in September 2016.

As a result of the above, net income for the period decreased to €0.6m during the three months ended March 31, 2017, down from €3.7m last year. On an LTM basis, the decrease is more limited, at -4%, with a net result of €9.3m over the last twelve months.

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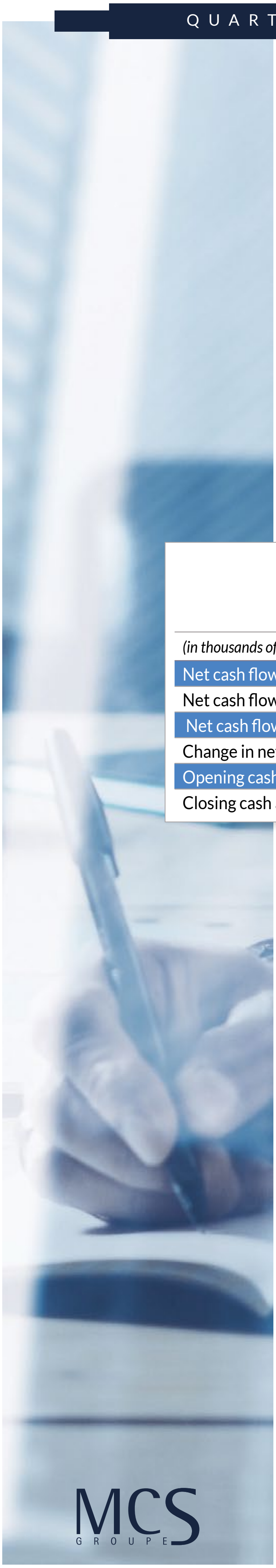

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FINANCIAL REVIEW

For the first quater ended March 31

Cash Flows

Our cash position has improved in Q1 17, as we generated €4m of additional cash, ending the first quarter with a balance of €67m. Our cash-flows from operating activities increased by 6% year on year.

	For the 1st quarter ended March 31,	
	2017	2016
	IFRS	
(in thousands of €)	(unaudited)	(unaudited)
Net cash flows from operating activities	13,150	12,422
Net cash flows for investment activities	(2,114)	(1,123)
Net cash flows for financing activities	(6,598)	(15,761)
Change in net cash position	4,437	(4,463)
Opening cash and cash equivalents	62,215	13,563
Closing cash and cash equivalents	66,652	9,101

13.1m€

Net cash flows
from operating activities
First quarter 2017

Net cash flows from operating activities

Net cash flows from operating activities during the first quarter of 2017 were recorded at €13.1m, reflecting the healthy performance of our Attributable Gross Collections and good control on costs.

Net cash flows for investment activities

Net cash flows used for investment activities in the first three months of 2017 were modest, at €2.1m. After a very strong end of 2016, Q1 17 has proven relatively quiet in terms of portfolio acquisitions, as is traditionally the case.

Net cash flows for financing activities

Net cash flows for financing activities were twice impacted by the interests on our €200m bond issuance. At the start of the quarter, we paid the interests relating to 2016, and we paid late March the interests relating to Q1 17. Last year, under our previous financing structure, we had reimbursed €14m of RCF usage during Q1 16.

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FINANCIAL REVIEW

For the first quater ended March 31

	For the 1st quarter ended March 31,		As of Dec. 31,
	2017	2016	2016
	Parent	Parent	Parent
(in thousands of €)	(unaudited)	(unaudited)	(audited)
Goodwill	63,774	63,729	63,774
Other intangible assets	3,252	1,946	2,939
Tangible assets	2,521	11,813	2,622
Purchased loans portfolio	79,542	85,800	102,594
Investment in associates	4	4	4
Other non-current assets	2,007	2,037	2,007
Total non-current assets	**151,100**	**165,329**	**173,940**
Purchased loans portfolio	83,960	53,559	65,401
Other receivables	6,531	6,243	6,439
Cash and cash equivalents	66,652	9,101	62,215
Total current assets	**157,143**	**68,903**	**134,055**
Total assets	**308,243**	**234,232**	**307,995**

Shareholders' Equity and Liabilities

Equity			
Share capital	295	295	295
Issue Premiums	13,261	29,161	13,261
Consolidated reserves	16,738	4,329	4,329
Result for the financial year	641	3,717	12,409
Total equity attributable to the shareholders	**30,935**	**37,502**	**30,294**
Minority interests	42	-	42
Total shareholders' equity	**30,977**	**37,502**	**30,336**
Non-Current liabilities			
Provisions for other liabilities	670	846	931
Convertible bond loan	38,988	56,232	37,598
Long term financial debt	192,729	80,716	195,477
Co-investors liabilities	3,925	6,984	2,249
Deferred tax liabilities	20,829	18,617	20,376
Other non-current liabilities	6,979	6,776	6,874
Total non current liabilities	**264,120**	**170,171**	**263,505**
Current liabilities			
Debt towards co-investors	4,023	4,279	5,878
Trade and other accounts payable	1,467	2,741	1,415
Other current liabilities	7,656	19,539	6,861
Total current liabilities	**13,146**	**26,559**	**14,154**
Total liabilities and shareholders' equity	**308,243**	**234,232**	**307,995**

MCS GROUPE

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FINANCIAL REVIEW

For the first quater ended March 31

Funding

Our funding structure remains unchanged, consisting of a Super Senior RCF (€25m) and Senior Secured Floating Rate Notes (€200m). The RCF is priced at a margin within a 3.25%-3.50% range, with a commitment fee equivalent to 35% of the applicable margin on any undrawn amount. The Senior Secured Floating Rate Notes have a 5-year maturity with an interest rate of Euribor + 5.75% (with a 0% floor). As of March 31, 2017, no amounts had been drawn under the RCF.

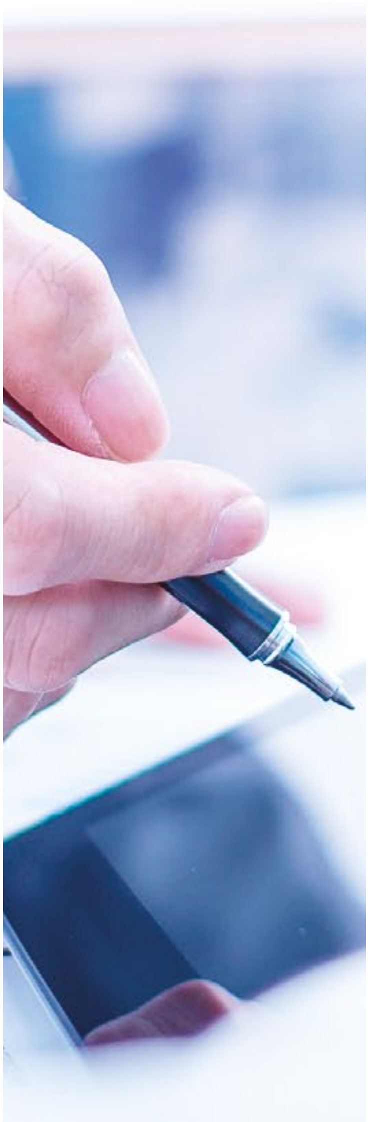
Gross ERC and Attributable ERC

Gross ERC refers to the estimated remaining collections that we have recorded based on the debt portfolios we own or have rights to collect at some point in time, before taking into account the pro rata share of such collections that will be attributable to any co-investors. Attributable ERC refers to Gross ERC after taking into account the pro rata share of such collections that may be attributable to co-investors pursuant to contractual arrangements with such co-investors in SPVs.

120-Month Attributable ERC increased from €325m at March-end 2016 to €345m at March-end 2017, up 6% or €20m. This reflects the growth of our debt purchasing activities which enjoyed a record year in 2016 in terms of amounts invested.

The table below sets forth our Gross ERC and Attributable ERC for the periods indicated.

	As of March 31 2017	As of March 31 2016
(in m€)		
84m Gross ERC	291.7	296.8
84m Attributable ERC	275.6	271.9
120m Gross ERC	364.1	354.8
120m Attributable ERC	344.6	325.0



SIGNIFICANT
Risks ans uncertainties

Our risks are described in more detail under the caption “Risk Factors” in the offering memorandum dated September 21, 2016 related to the issuance of our Senior Secured Floating Rate Notes due 2021, and has been updated in our 2016 Annual Report.

The Group’s risks include, among other things, strategic risks related to economic development and acquisitions, regulatory changes, possible errors and omissions and financial risks such as market risk, funding risk and credit risk inherent to a debt purchasing business, as well as counterparty risk for our third-party servicing business.

EVENTS
after the end of the period

Our new servicing contract with Crédit Immobilier de France has started on April 1st, 2017, as expected. It will be a key growth driver in our effort to diversify our revenue streams outside of our core business.

In May 2017, as mentioned in our 2016 Annual Report, we have distributed €20m to our shareholders, of which €11.2m for partial repayment of the Convertible Bonds, leading to lower financial expenses going forward.

FORWARD
looking statements

This quarterly report contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and the securities laws of other jurisdictions. In some cases, these forward looking statements can be identified by the use of forward-looking terminology, including the words “believes”, “estimates”, “aims”, “targets”, “anticipates”, “expects”, “intends”, “plans”, “continues”, “ongoing”, “potential”, “product”, “projects”, “guidance”, “seeks”, “may”, “will”, “could”, “would”, “should” or, in each case, their negative, or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this quarterly report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, competition in areas of our business, outlook and growth prospects, strategies and the industry in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this quarterly report. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this quarterly report, those results or developments may not be indicative of results or developments in subsequent periods. For a description of important factors that could cause those material differences, we direct you to the section entitled "Risk Factors" of our Offering Memorandum and "Significant Risks and Uncertainties" above.

In addition, in this quarterly report we present the metrics Gross ERC and Attributable ERC, which are used by management as tools in order to analyze the performance of our business. Gross ERC and Attributable ERC represent a projection of our estimated remaining collections over, as applicable, an 84-month and 120-month period prior to taking into account the pro rata share attributable to co-investors and after taking into account such pro rata share, respectively. Each of Gross ERC and Attributable ERC is calculated using internal forecasts, extrapolations based on historical performance of the Group and extrapolations based on portfolio historical performance. Each of Gross ERC and Attributable ERC is inherently forward-looking in nature and there can be no guarantee that we will achieve such collections.

The forward looking statements are based on plans, estimates and projections as they are currently available to our management. We undertake no obligation, and do not expect, to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. All subsequent written and oral forward looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this quarterly report.

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