HALF-YEAR REPORT
2017

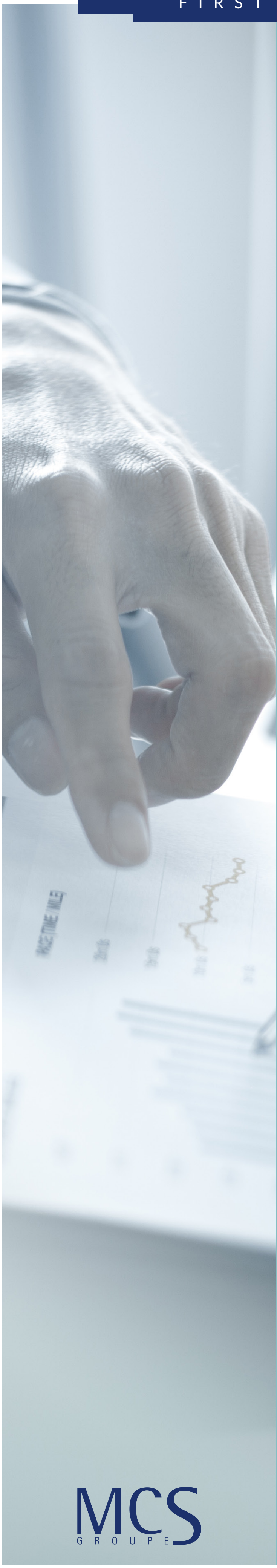
MCS GROUPE

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
- **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**
  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

MCS GROUPE



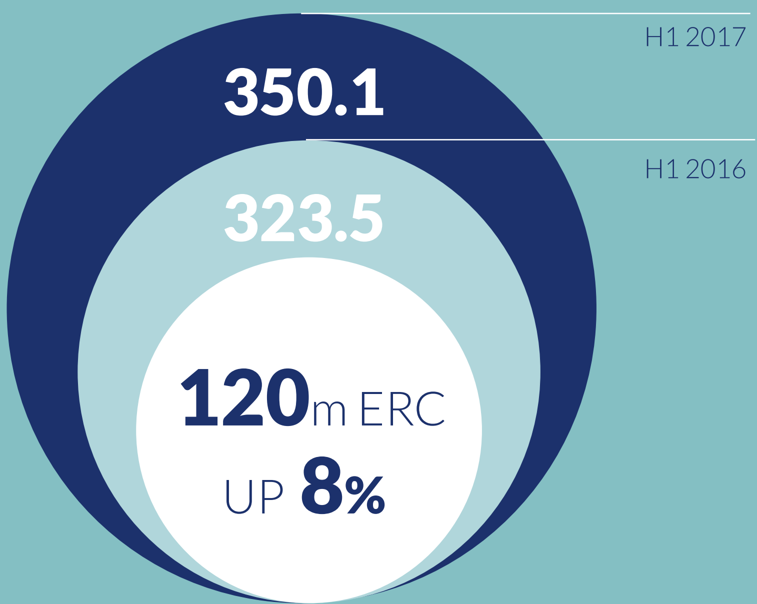
FINANCIAL HIGHLIGHTS
FIRST HALF 2017

-6% y/y
LTM Gross Collections of €80m

-6% y/y
LTM Attributable Cash EBITDA of €50m

+8% y/y
Attributable 120m ERC of €350m

3.2x
Leverage ratio on LTM Attributable Cash EBITDA



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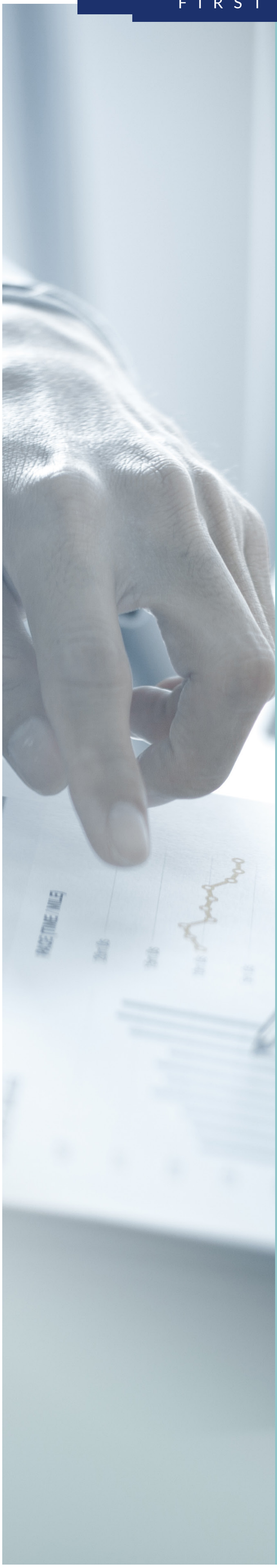

FINANCIAL HIGHLIGHTS

FIRST HALF 2017

Attrib. Cash EBITDA

H1 2017: **25.9**

H1 2016: **27.8**

Down -7%

LTM Attrib. Cash EBITDA

LTM- Q2 2017: **50.4**

LTM Q2 2016: **53.8**

Down -6%

BUSINESS REVIEW FOR THE SIX MONTHS ENDED JUNE 30, 2017

The first half of this year saw a major development for our Group, as previously announced. Crédit Immobilier de France Développement ("CIF"), a leader in French non-conforming and subprime mortgage lending, entered into a long-term servicing agreement with MCS to service performing and non-performing mortgage loans originated by CIF, as part of CIF's bank resolution plan. Pursuant to this agreement, which entered into effect on April 1, 2017, we took over the servicing activities of the CIF platforms in Toulouse and Poitiers, with a portfolio of approximately 44,000 performing loan accounts and 4,000 non-performing loan accounts. In connection with this agreement, we set up MC2S, a fully-owned dedicated SPV, to take over the CIF servicing platforms mentioned above and, in accordance with the CIF Servicing Agreement and French labor law, we onboarded 55 former full-time employees of CIF with expertise in loan servicing. The CIF Servicing Agreement represents a significant increase in our third-party servicing business, with approximately a million euro of monthly servicing revenue generated since April 2017. It could grow going forward since CIF has committed to transfer the servicing of additional portfolios as its resolution plan evolves, provided that we meet our contractual service-level commitments on the initial perimeter. To crown these developments, we were the first and only mortgage-servicing entity in France to receive a servicer rating granted by Fitch Ratings in May 2017 – both for primary and for special mortgage servicing.

Overall, our Servicing business line is enjoying a strong momentum. In the first six months of 2017, our servicing business generated €7.0m of revenues or 19.5% of our Group net revenues (vs. €4.2m in H1-16, or 10.8% of our Group net revenues). Our debt purchasing business line recorded during the period a lower level of Gross collections. At €15.5 million, portfolio acquisitions were slightly lower than the €16.2 million purchased during the corresponding period in 2016.

Our financial performance was slightly weaker compared with the period ended June 30, 2016. Our Attributable Cash EBITDA over the last twelve months (LTM) stands at €50.4 million, a 6% decrease over the comparable period ended June 30, 2016. This was primarily due to the already mentioned decline in our Gross Collections as compared to the first half of 2016, which was a period in which our Gross Collections were particularly strong. However, at June 30, 2017, our 120-Month Attributable ERC increased from €344.6 million as at March 31, 2017 to €350.1 million, and increased by 8% or €26.6 million from €323.5 million compared to June 30, 2016.

We continue to operate at moderate leverage levels, despite a €20m distribution to shareholders in Q2-17: our ratio of net third-party debt to LTM Attributable Cash EBITDA was 3.2x at June 30, 2017, while our ratio of net third-party debt to 84-month Attributable ERC was 54%.

FINANCIAL HIGHLIGHTS
FIRST HALF 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 report. Rather, we have included and discussed in this report the unaudited condensed interim consolidated financial statements of the Parent as of and for the six months ended June 30, 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.

FINANCIAL REVIEW

For the six months ended June 30

Cash EBITDA and Attributable Cash EBITDA

For the six months ended June 30, 2017, Attributable Cash EBITDA was €25.9 million, as compared to €27.8 million for the six months ended June 30, 2016, representing a decrease of €2.0 million, or 7.0%. This decrease was primarily attributable to lower Gross Collections during the period compared with the same period in 2016, a period in which Gross Collections were unusually strong, together with slightly higher overhead costs related to the growth in our asset base and the ramp-up of our servicing business structure. The decrease was partly offset by growth in our servicing revenue linked to the commencement of the CIF Servicing Agreement in April 2017.

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

	For the six months ended June 30,		LTM ended June 30,	
	2017	2016	2017	2016
	IFRS	IFRS	IFRS	IFRS
(in thousands of €)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Attributable Gross Collections (1)	39,245	42,102	75,639	79,940
Non-attributable Gross Collections (2)	2,231	2,747	4,482	5,691
Gross Collections	**41,476**	**44,849**	**80,121**	**85,631**
Servicing revenue	7,007	4,185	11,324	8,095
Total cash revenue	**48,482**	**49,034**	**91,445**	**93,726**
Professional fees and services	(4,753)	(4,595)	(9,259)	(9,127)
Personnel costs	(10,067)	(9,041)	(17,443)	(15,515)
Committed costs	(5,984)	(5,337)	(10,780)	(10,617)
Cash EBITDA	**27,679**	**30,061**	**53,963**	**58,467**
Cash distributions to SPV co-investors (3)	(1,795)	(2,227)	(3,613)	(4,681)
Attributable Cash EBITDA	**25,884**	**27 834**	**50,350**	**53,786**

(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.

(4) Excludes non-recurring costs related to the set-up of MC2S.

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FINANCIAL REVIEW

For the six months ended June 30

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

	For the six months ended June 30,		LTM ended June 30,	
	2017	2016	2017	2016
	IFRS	IFRS	IFRS	IFRS
	Parent	Parent	Parent	Parent
(in thousands of €)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Income from loans	29,760	35,459	57,260	64,532
Other revenue	6,194	3,168	9,578	5,760
Total revenue	35,954	38,627	66,838	70,292
Professional fees and services	(4,753)	(4,595)	(9,259)	(9,127)
Personnel costs	(10,067)	(9,041)	(17,443)	(15,515)
Committed costs	(6,530)	(5,337)	(11,377)	(10,617)
Operating margin	14,554	19,654	28,760	35,033
Other income and expenses	(468)	874	(1,211)	132
Net operating income	14,085	20,529	27,548	35,165
Financial income	151	195	409	571
Financial expenses	(10,521)	(7,922)	(19,904)	(15,327)
Net financial income/(loss)	(10,370)	(7,727)	(19,495)	(14,756)
Pre-tax income	3,715	12 802	8,053	20,409
Income tax	(1,639)	(4,957)	(1,385)	(7,324)
Net income/(loss) for the period	2,076	7,845	6,667	13,085
Minority interests	7	(15)	(6)	(14)
Net income/(loss) for the period, Group Share	2,083	7,830	6,662	13,071

Income from loans decreased by €5.7 million, or 16.1%, to €29.8 million for the six months ended June 30, 2017, from €35.5 million for the six months ended June 30, 2016. This decrease was primarily due to a decrease in Gross Collections as compared to the first half of 2016, which was a period in which our Gross Collections were unusually strong.

Other income increased by €3.0 million, or 93.8%, to €6.2 million for the six months ended June 30, 2017, from €3.2 million for the six months ended June 30, 2016. This increase was primarily due to the growth of our servicing business, in particular the commencement of the CIF Servicing Agreement in April 2017.

As a result of the foregoing factors, total revenue decreased by €2.7 million, or 6.9%, to €36.0 million for the six months ended June 30, 2017, from €38.6 million for the six months ended June 30, 2016.

Professional fees and services increased by €0.2 million, or 3.4%, to €4.8 million for the six months ended June 30, 2017, from €4.6 million for the six months ended June 30, 2016. This increase was primarily due to legal costs incurred in connection with the acquisition of a large portfolio of loans in the second quarter of 2017.

MCS GROUPE

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FINANCIAL REVIEW

For the six months ended June 30

As a percentage of total revenue, professional fees and services increased by 1.3 percentage points to 13.2% for the six months ended June 30, 2017 from 11.9% for the six months ended June 30, 2016.

Personnel costs increased by €1.0 million, or 11.3%, to €10.1 million for the six months ended June 30, 2017, from €9.0 million for the six months ended June 30, 2016. This increase was attributable to a combination of the integration of new staff taken on board per the terms of the CIF Servicing Agreement, the full-period effect of hires made in 2016 and the effect of new hires made in the course of the first half of 2017. As a percentage of total revenue, personnel costs increased by 4.6 percentage points to 28.0% for the six months ended June 30, 2017 from 23.4% for the six months ended June 30, 2016.

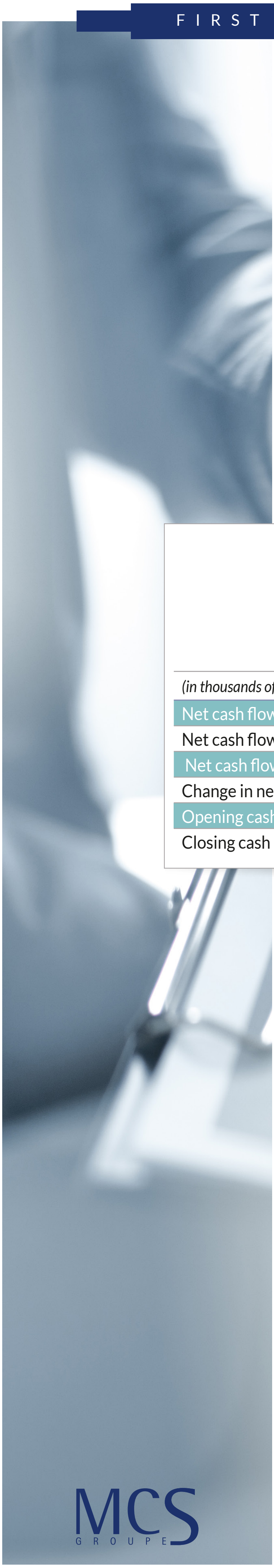
Committed costs increased by €1.2 million, or 23.3%, to €6.6 million for the six months ended June 30, 2017, from €5.3 million for the six months ended June 30, 2016. This increase was primarily due to a combination of costs related to our expanded servicing business and one-off costs related to the commencement of the CIF Servicing Agreement. As a percentage of total revenue, committed costs increased by 4.5 percentage points to 18.3% for the six months ended June 30, 2017 from 13.8% for the six months ended June 30, 2016.

Other income and expenses decreased by €1.3 million to a net expense of €0.5 million for the six months ended June 30, 2017, from income of €0.9 million for the six months ended June 30, 2016. In the first half of 2016, we recognized a significant capital gain from real estate sold during the period related to the rationalization of our office and archives space and its consolidation into one location in Paris. We did not recognize any similar one-off gains in the first half of 2017, and our expenses were primarily related to ordinary course depreciation of tangible assets.

Financial expenses increased by €2.6 million, or 32.8%, to €10.5 million for the six months ended June 30, 2017, from €7.9 million for the six months ended June 30, 2016. This increase was primarily due to an increase in interest costs related to the issuance of our senior secured floating rate Notes, partially offset by a decrease in capitalized interest on our Convertible Bonds. Our capital structure changed significantly in September 2016 with the issuance of the Existing Notes and the concomitant partial repayment of the Convertible Bonds. As a result, our financial expenses are not directly comparable between the periods under review.

Income tax decreased by €3.3 million to €1.6 million for the six months ended June 30, 2017, from €5.0 million for the six months ended June 30, 2016. This decrease was primarily due to the decrease in pre-tax income during the first half of 2017.

As a result of the foregoing factors, net income for the period decreased by €5.7 million to €2.1 million for the six months ended June 30, 2017, from €7.8 million for the six months ended June 30, 2016.



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FINANCIAL REVIEW

For the six months ended June 30

Cash Flows

The following table sets forth the statement of consolidated cash flows of the Parent for the unaudited condensed interim statement of consolidated cash flows for the six months ended June 30, 2016 and 2017.

	For the six months ended June 30,	
	2017	2016
	IFRS	
	Parent	
(in thousands of €)	(unaudited)	(unaudited)
Net cash flows from operating activities	23,082	32,286
Net cash flows for investment activities	(17,155)	(11,467)
Net cash flows for financing activities	(28,483)	(25,289)
Change in net cash position	(22,556)	(4,470)
Opening cash and cash equivalents	62,215	13,563
Closing cash and cash equivalents	39,659	9,092

Net cash flows from operating activities

Net cash flows from operating activities for the six months ended June 30, 2017 were recorded at €23.1 million, as compared to €32.3 million for the six months ended June 30, 2016. Net cash flows from operating activities in the first half of 2017 decreased due to lower Attributable Gross Collections during the first half of 2017 as compared to the corresponding period in 2016 (when our Gross Collections were unusually strong).

23.1m€
Net cash flows *from operating activities*
Six months ended of June 2017

Net cash flows for investment activities

Net cash flows used for investment activities for the six months ended June 30, 2017 were recorded at €17.2 million, as compared to €11.5 million for the six months ended June 30, 2016. Although our level of portfolio acquisitions was similar between the periods under review, net cash used in investment activities during the first half of 2016 was partially offset by the positive cash effect resulting from the sale of the Group's real estate located in Paris.

-17.2m€
Net cash flows *for investment activities*
Six months ended of June 2017

Net cash flows for financing activities

Net cash flows used for financing activities for the six months ended June 30, 2017 were recorded at €28.5 million, as compared to €25.3 million for the six months ended June 30, 2016. The difference is attributable to the change in the group's capital structure and related financing costs, as well a distribution made to our shareholders in the first half of 2017, as previously disclosed, of €20.0 million in the form of a partial repayment of the Convertible Bonds, a share buyback and a cash dividend.

-28.5m€
Net cash flows *financing activities*
Six months ended of June 2017

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Consolidated Balance Sheet Data

	For the six months ended June 30,		As of Dec. 31,
	2017	2016	2016
	Parent	Parent	Parent
(in thousands of €)	(unaudited)	(unaudited)	(audited)
Goodwill	63.841	63,796	63,774
Other intangible assets	3,491	2,114	2,939
Tangible assets	2,863	2,835	2,622
Purchased loans portfolio	87,356	81,710	102,594
Investment in associates	4	4	4
Other non-current assets	2,007	2,022	2,007
Total non-current assets	159,562	152,481	173,940
Purchased loans portfolio	83,635	65,024	65,401
Other receivables	9,750	3,979	6,439
Cash and cash equivalents	39,659	9,092	62,215
Total current assets	133,044	78,095	134,055
Total assets	292,606	230,576	307,995
Shareholders' Equity and Liabilities			
Equity			
Share capital	172	294	295
Issue Premiums	9,959	29,161	13,261
Consolidated reserves	11,388	4,330	4,329
Result for the financial year	2,083	7,830	12,409
Total equity attributable to the shareholders	23,602	41,615	30,294
Minority interests	4	16	42
Total shareholders' equity	23,609	41,631	30,336
Non-Current liabilities			
Provisions for other liabilities	470	845	931
Convertible bond loan	28,962	58 270	37,598
Long term financial debt	193,075	72,653	195,477
Co-investors liabilities	3,543	4,817	2,249
Deferred tax liabilities	22,013	19,787	20 376
Other non-current liabilities	7,184	6,641	6,874
Total non current liabilities	255,247	163,013	263,505
Current liabilities			
Debt towards co-investors	3,891	4,931	5,878
Trade and other accounts payable	2,172	1,476	1,415
Other current liabilities	7,687	19,525	6,861
Total current liabilities	13,750	25,932	14,154
Total liabilities and shareholders' equity	292,606	230,576	307,995

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FINANCIAL REVIEW

For the six months ended June 30

Funding

Our sources of funding have not changed during the past quarter and consist of a Super Senior RCF of €25 million and Senior Secured Floating Rate Notes of €200 million. 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 June 30, 2017, no amounts had been drawn under the RCF.

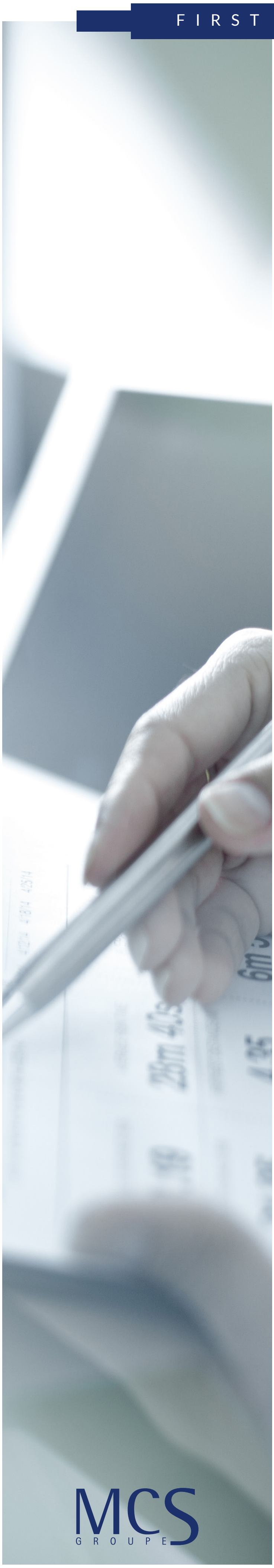
Gross ERC and Attributable ERC

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 €324 million at June 30, 2016 to €350 million at June 30, 2017, up 8% or €27 million. This reflects the growth of our debt purchasing activities which enjoyed a record year in 2016 in terms of amounts invested and continued strength in H1 17.

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

(in m€)	As of June 30 2017	As of June 30 2016
84m Gross ERC	309.0	296.5
84m Attributable ERC	293.7	275.6
120m Gross ERC	368.8	347.2
120m Attributable ERC	350.1	323.5



SIGNIFICANT
Risks and 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 have 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

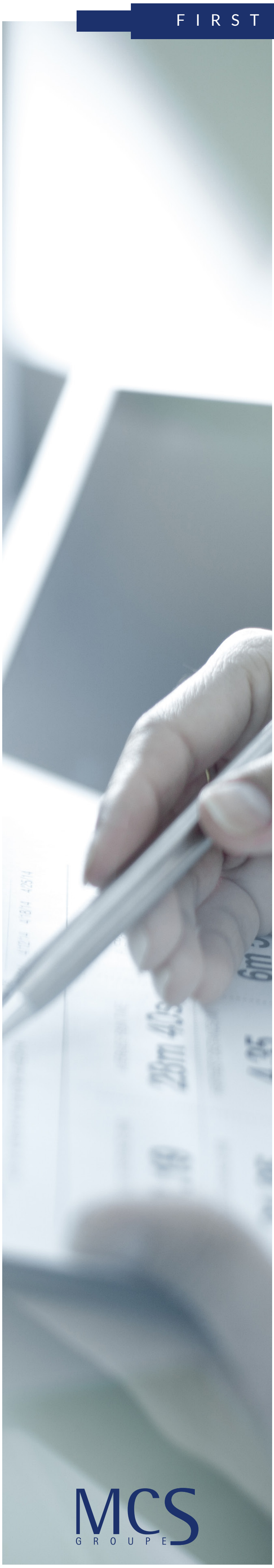
On July 25th, MCS was informed that Louvre Bidco, a French company controlled by funds advised by BC Partners, signed a put option agreement relating to the acquisition of 100% of the securities issued by Promontoria MCS Holding, the holding company of Promontoria MCS, from certain affiliates of Cerberus Capital Management, L.P. and certain managers of the MCS Group.

Completion of the contemplated acquisition would be subject to the approval of the relevant competition authorities.

In the context of this proposed acquisition, it is contemplated that the high yield notes issued by Promontoria MCS would be refinanced prior to the closing of the acquisition.

MCS has initiated the consultation of the relevant employee representative bodies on this transaction.

On July 31st, Victor Créances 1, a newly formed fonds commun de titrisation (a French law-governed receivables fund, or “FCT”) entered into an agreement to acquire a portfolio of non-performing mortgages from a prominent French mortgage lender. The portfolio, which has a combined gross book value of over €100 million was acquired for a price close to €50 million. Victor Créances 1 is managed by an accredited management company in accordance with French law, which has appointed MCS as sole servicer for the acquired portfolio. The acquisition was financed by priority notes issued by Victor Créances 1 and acquired by a leading French bank, as well as by subordinated shares issued by Victor Créances 1 and acquired by MCS.



FORWARD

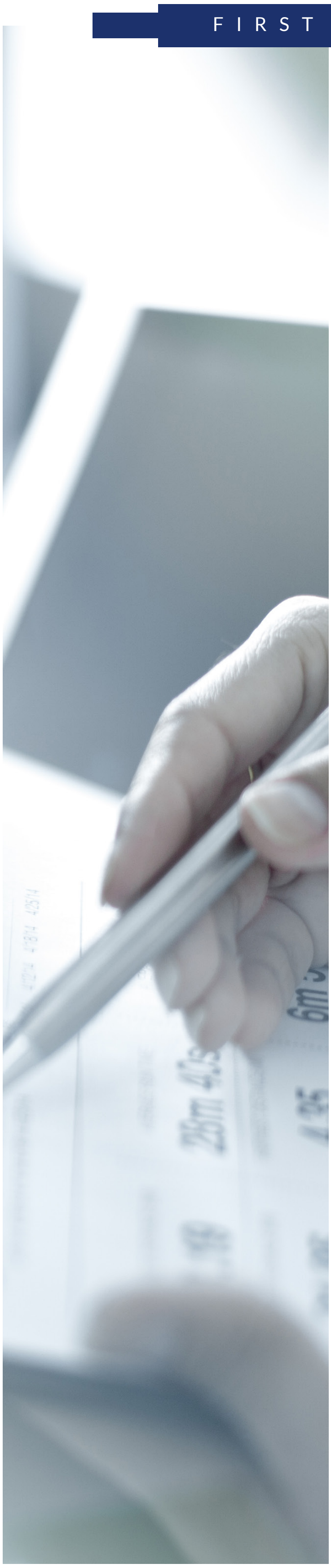
looking statements

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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