FIRST HALF | MCS GROUPE | AUGUST 2018

HALF-YEAR REPORT
2018

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.

- **BC Partners**
  Refers to BC Partners LLP.

- **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.

- **Committed costs**
  Expenses related to headquarters (including rent) and IT costs are recorded in this line item.

- **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.

- **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 Issuer and its direct and indirect subsidiaries including the SPVs that are consolidated into the Issuer's consolidated financial statements.

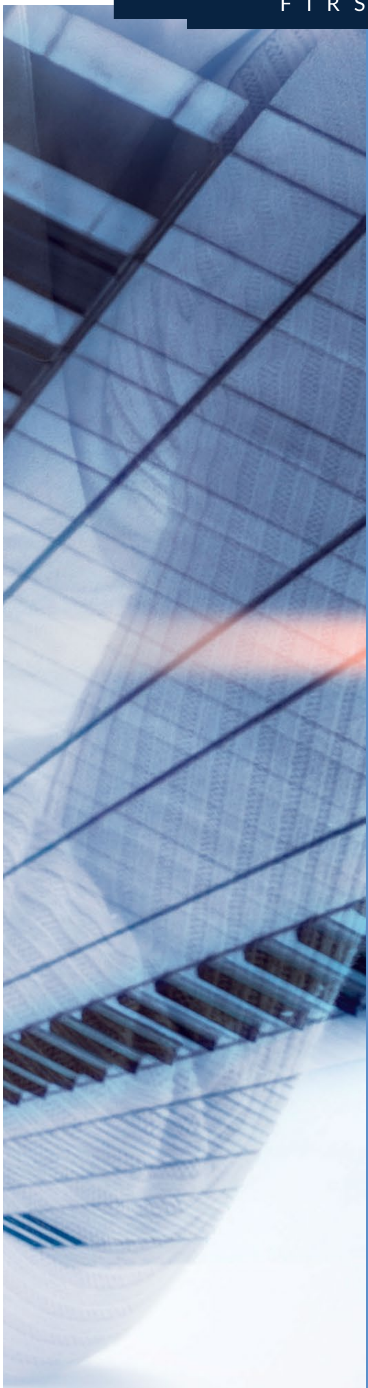
- **Gross Collections**
  Refer to the cash proceeds received from the debtors related to the debt portfolios that the Group or its SPVs purchased, before allocation of the pro rata share of Gross Collections attributable to co-investors (if any). Gross Collections are presented prior to factoring any 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.

- **Issuer**
  Means Louvre Bidco 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 829 775 600 R.C.S. Paris.

- **Professional fees and services**
  This line item consists of external legal and other accessory costs (such as fees paid to bailiffs and notaries) incurred on both a routine and extraordinary basis to support Gross Collections.

- **SPV**
  Means special purpose vehicle, and as used herein shall include FCTs.



FINANCIAL HIGHLIGHTS

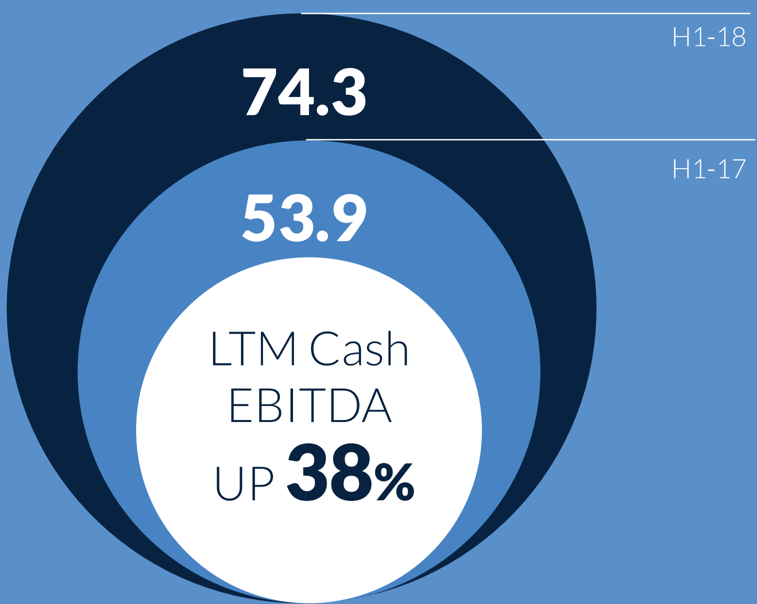
FIRST HALF 2018

+20% y/y
Cash EBITDA of €33m

26%
% Servicing in Group revenues

+31% y/y
LTM Cash revenues of €119m

2.7x
Leverage ratio to LTM Cash EBITDA



FINANCIAL HIGHLIGHTS

FIRST HALF 2018

BUSINESS REVIEW FOR THE FIRST SIX MONTHS ENDED JUNE 30, 2018

1/ Solid performance in H1-18

After a strong Q1, our financial performance has continued to improve during Q2-18. This results in a Cash EBITDA for H1 18 which is €5 million (up 20%) higher than the comparable period last year. Our last twelve months (LTM) Cash EBITDA rises to €74 million, 38% above the comparable period ended June 30, 2017. Both of our business lines are equally contributing to this strong operating performance.

In the first six months of 2018, servicing business generated €10.7 million of revenues, with all components of our activities contributing to this increase: our other performing loan servicing activities (including our CIF contract) as well as our traditional NPL servicing business. Overall, servicing revenues represented 26% of our Group net revenues over the period.

In our debt purchase activities, we have continued to maintain a strict investment discipline. At €6 million, our portfolio acquisitions during the first six months of the year were €10 million below those last year. There are a significant number of potential debt portfolio disposals for H2 18. We are actively pursuing several interesting opportunities with the same focus on returns, whilst market competitiveness seems in our view to have reached a peak. In the meantime however, our quarterly collections increased by 10% from €41.8 million in H1 2017 to €45.8 million in H1 2018 One consequence of this was the fact that, at June 30, 2018, our 120-Month Gross ERC decreased by 8% to €338 million from €369 million as at June 30, 2017. Another was the strong EBITDA contribution of the first six months of the year, despite renewed deliberate conservatism applied to portfolio revaluations as of the end of Q2 18.

Also, the Group continued its deleveraging during the course of Q2 2018. Our leverage ratio to LTM Cash EBITDA reached 2.7x as of June 30, 2018, from 2.9x as of March 31, 2018 and 3.2x as of December 31, 2017. This is well within our target range of 2.5x - 3.5x. With more than €66 million of available cash and a fully untapped €40 million RCF, we are in a healthy position to seize attractive investment opportunities over the course of the coming year.

2/ Acquisition of DSOgroup

On July 12, 2018, Promontoria MCS Holding, an intermediate holding company of MCS, entered into an acquisition agreement of DSOgroup, after receiving favorable opinions upon completion of the consultation process with employee representatives at both MCS and DSOgroup. This transaction is still subject to the approval of anti-trust authorities.

Funds advised by BC Partners would remain the majority shareholder of the Group alongside Montefiore Investment and the management.

With complementary business lines and sector approaches, the two companies would create a player employing approximately 1,300 employees. The combined Group will present a balanced business mix with pro forma net revenues approximately evenly split between debt purchasing and debt servicing.

FINANCIAL HIGHLIGHTS
FIRST HALF 2018

Moreover, we expect that the combined Group's client base will benefit from greater diversification given that the majority of DSOgroup's servicing activities are contracted with non-banking clients, opening new growth avenues within, inter alia, the telecom, utilities or insurance sectors.

In addition, DSOgroup has in-depth pricing and collection know-how for low-balance, unsecured debt, which will complement MCS' expertise in large, secured loans and enable further development in this market segment in the coming years.

Approximately 40% of the acquisition consideration (of around €185 million) shall comprise a combination of equity rollover by DSOgroup's current shareholders (Montefiore Investment and DSOgroup management) and MCS' current shareholders (funds advised by BC Partners and MCS management). The remaining funding for the transaction shall be primarily in the form of committed debt financing, which is expected to be financed directly or indirectly in the high yield bond market.

On a pro forma basis giving effect to the acquisition as if it had taken place on April 1, 2017, the combined Group would have generated gross collections of €117 million, cash revenues of €194 million and cash EBITDA of €92 million for the twelve months ended March 31, 2018.

THE ISSUER

Louvre Bidco SAS is 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 829 775 600 R.C.S. Paris.

On October 18, 2017, the company Louvre Bidco acquired Promontoria MCS Holding (Promontoria MCS Holding Group's Issuer company).

In its capacity as an acquisition holding company, Louvre Bidco holds the capital of Promontoria MCS Holding. Louvre Bidco is the new consolidating company of the Group since Q4-17.

All financial information disclosed in this document prior October 1, 2017 relates to the former Promontoria MCS Holding consolidation perimeter.

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FINANCIAL REVIEW

For the six months ended June 30

Cash EBITDA and Attributable Cash EBITDA

For the six months ended June 30, 2018, Cash EBITDA was €33.2 million, as compared to €27.7 million for the six months ended June 30, 2017, representing an increase of €5.5 million, or 20%. This performance was supported by robust gross collections on our purchased book, a strong increase in our servicing revenues (due in part to revenues generated from our CIF Servicing Agreement which started in April 2017), as well as good cost control.

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	
	2018	2017	2018	2017
	IFRS		IFRS	
(in thousands of €)	(unaudited)		(unaudited)	
Attributable Gross Collections (1)	45,133	39,246	95,422	75,597
Non-attributable Gross Collections (2)	637	2,231	2,077	4,482
Gross Collections	**45,770**	**41,476**	**97,499**	**80,079**
Servicing revenue	10,676	7,007	21,976	11,324
Total cash revenue	**56,446**	**48,484**	**119,475**	**91,403**
Professional fees and service	(4,308)	(4,754)	(8,609)	(9,259)
Personnel costs	(11,617)	(10,067)	(22,668)	(17,443)
Committed costs (3)	(7,346)	(5,983)	(13,877)	(10,780)
Cash EBITDA	**33,175**	**27,680**	**74,322**	**53,922**
Cash distributions to SPV co-investors (4)	(581)	(1,794)	(1,477)	(3,613)
Attributable Cash EBITDA	**32,595**	**25,886**	**72,845**	**50,308**

(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) Committed costs for the six months ended June 30, 2018 exclude non-recurring costs related to the setup of MC2S, an SPV owned by the Group that carries out certain of its debt servicing activities.

(4) Represents cash distributions to co-investors in certain portfolio SPVs.

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FINANCIAL REVIEW

For the six months ended June 30

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

	For the six months ended June 30		LTM endedJune 30	
	2018	2017	2018	2017
	IFRS		IFRS	
(in thousands of €)	(unaudited)		(unaudited)	
Income from loans	31,166	29,760	56,936	57,261
Other revenue	9,602	6,194	19,830	9,578
Total revenue	**40,768**	**35,954**	**76,766**	**66,838**
Professional fees and service	(4,308)	(4,754)	(8,609)	(9,259)
Personnel costs	(11,812)	(10,067)	(22,863)	(17,443)
Committed costs	(7,346)	(6,580)	(20,460)	(11,377)
Operating margin	17,302	14,554	24,834	28,760
Other income and expenses	(1,116)	(468)	(1,456)	(1,211)
Net operating income	16,186	14,085	23,378	27,549
Financial income	24	151	261	409
Financial expenses	(8,409)	(10,521)	(16,558)	(19,904)
Net financial income/(loss)	(8,385)	(10,370)	(16,297)	(19,495)
Pre-tax income	7,801	3,716	7,082	8,055
Income tax	(1,884)	(1,639)	(1,667)	(1,386)
Net income/(loss) for the period	5,917	2,076	5,415	6,668
Minority interests	-	7	(27)	(7)
Net income/(loss) for the period, Group Share	5,917	2,083	5,388	6,662

Income from loans increased by €1.4 million, or 5%, to €31.2 million for the six months ended June 30, 2018, from €29.8 million for the six months ended June 30, 2017. This increase was due to an increase in gross collections, which was partially offset by higher portfolio amortization.

Other income increased by €3.4 million, to €9.6 million for the six months ended June 30, 2018, from €6.2 million for the six months ended June 30, 2017. This increase was primarily due to the growth of our servicing business, in particular since the start of the CIF Servicing Agreement in April 2017.

As a result of the foregoing factors, total revenue increased by €4.8 million, or 13%, to €40.8 million for the six months ended June 30, 2018, from €36.0 million for the six months ended June 30, 2017.

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FINANCIAL REVIEW

For the six months ended June 30

Professional fees and services decreased by €0.4 million, or 9%, to €4.3 million for the six months ended June 30, 2018, from €4.8 million for the six months ended June 30, 2017. As a percentage of total revenue, professional fees and services decreased by 2.7 percentage points to 10.6% for the six months ended June 30, 2018 from 13.2% for the six months ended June 30, 2017.

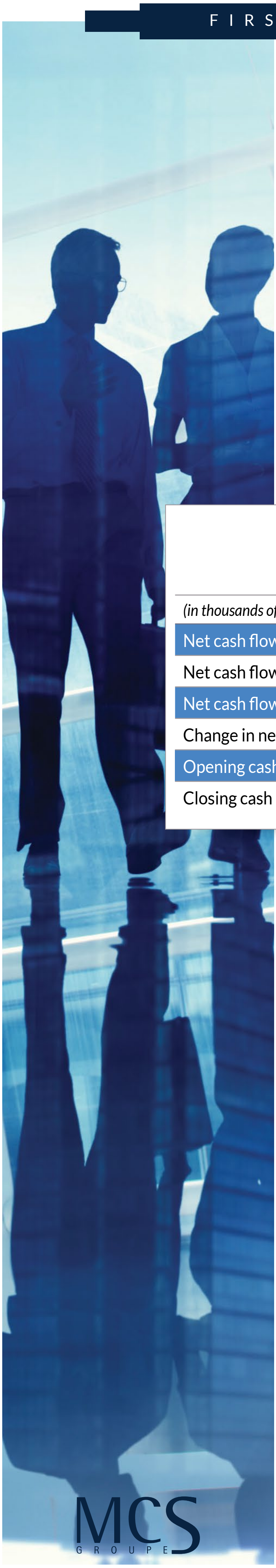
Personnel costs increased by €1.7 million, or 17%, to €11.8 million for the six months ended June 30, 2018, from €10.1 million for the six months ended June 30, 2017. This increase was attributable to a combination of the integration of new staff taken on board as per the terms of the CIF Servicing Agreement and the full-period effect of hires made in 2017. As a percentage of total revenue, personnel costs increased by 1.0 percentage points to 29.0% for the six months ended June 30, 2018 from 28.0% for the six months ended June 30, 2017.

Committed costs increased by €0.8 million, or 11.6%, to €7.3 million for the six months ended June 30, 2018, from €6.6 million for the six months ended June 30, 2017. This increase was primarily due to costs related to our expanded servicing business. As a percentage of total revenue, committed costs decreased by 0.3 percentage points to 18.0% for the six months ended June 30, 2018 from 18.3% for the six months ended June 30, 2017. As a reminder, LTM figures are impacted by €6 million of non-recurring costs in Q4-17, due to the acquisition of MCS Groupe by funds advised by BC Partners.

Other income and expenses increased by €0.6 million, to €1.1 million for the six months ended June 30, 2018, from €0.5 million for the six months ended June 30, 2017. This is mainly due to IT projects that were finalized at the end of 2017, which we have started to amortize in 2018.

Net financial loss decreased by €2.0 million, or 19%, to €8.4 million for the six months ended June 30, 2018, from €10.4 million for the six months ended June 30, 2017. This decrease is primarily due to the absence of capitalized interest on our previously outstanding convertible bonds. Our capital structure changed significantly since our acquisition by BC Partners. As a result, our financial expenses are not directly comparable between the periods under review.

As a result of the foregoing factors, net income for the period increased by €3.8 million, or 184%, to €5.9 million for the six months ended June 30, 2018, from €2.1 million for the six months ended June 30, 2017.



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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 Issuer for the unaudited condensed interim statement of consolidated cash flows for the six months ended June 30, 2018 and 2017.

	For the six months ended June 30	
	2018	2017
	IFRS	
(in thousands of €)	(unaudited)	
Net cash flows from operating activities	33,246	23,082
Net cash flows for investment activities	(6,338)	(17,155)
Net cash flows for financing activities	(12,131)	(28,483)
Change in net cash position	14,777	(22,556)
Opening cash and cash equivalents	52,030	62,215
Closing cash and cash equivalents	66,808	39,659

Net cash flows from operating activities

Net cash flows from operating activities for the six months ended June 30, 2018 were recorded at €33.2 million, as compared to €23.1 million for the six months ended June 30, 2017. Net cash flows from operating activities increased in line with the growth of our business.

33.2m€

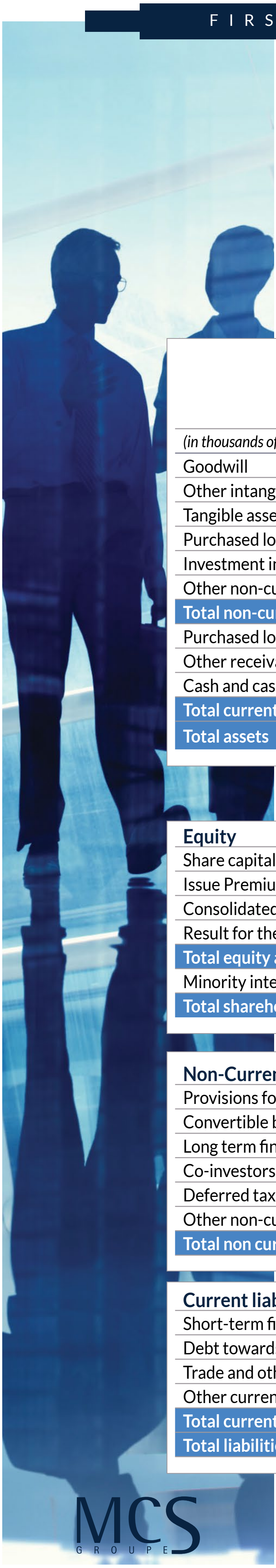
Net cash flows *from operating activities* *Six months ended of June*

Net cash flows for investment activities

Net cash flows used for investment activities for the six months ended June 30, 2018 were recorded at €6.3 million, as compared to €17.2 million for the six months ended June 30, 2017. In both cases, net cash flows for investment activities were primarily comprised of amounts spent to acquire new portfolios.

Net cash flows for financing activities

Net cash flows used for financing activities for the six months ended June 30, 2018 were recorded at €12.1 million, as compared to €28.5 million for the six months ended June 30, 2017. 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 million in the form of a partial repayment of the convertible bonds, a share buyback and a cash dividend.



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FINANCIAL REVIEW

As of June 30, 2018

Consolidated Balance Sheet Data

(in thousands of €)	As of June 30, 2018 2018 IFRS (unaudited)	As of December 31, 2017 2017 IFRS (unaudited)
Goodwill	230,130	230,330
Other intangible assets	2,975	3,612
Tangible assets	2,447	2,710
Purchased loans portfolio	81,272	74,575
Investment in associates	5	5
Other non-current assets	478	2,778
Total non-current assets	**317,307**	**314,010**
Purchased loans portfolio	86,021	102,387
Other receivables	8,112	11,319
Cash and cash equivalents	66,808	52,031
Total current assets	**160,942**	**165,738**
Total assets	**478,249**	**479,749**

Shareholders' Equity and Liabilities

Equity		
Share capital	160,000	160,000
Issue Premiums	-	-
Consolidated reserve	(2,113)	-
Result for the financial year	5,935	(2,040)
Total equity attributable to the shareholders	**163,823**	**157,960**
Minority interests	(16)	22
Total shareholders' equity	**163,807**	**157,982**

Non-Current liabilities		
Provisions for other liabilities	159	156
Convertible bond loan	17,000	17,000
Long term financial debt	261,650	261,030
Co-investors liabilities	1,658	1,110
Deferred tax liabilities	16,278	16,643
Other non-current liabilities	1,239	1,468
Total non current liabilities	**297,984**	**297,408**

Current liabilities		
Short-term financial debt	4,035	8,552
Debt towards co-investors	1,305	2,099
Trade and other accounts payable	2,996	2,685
Other current liabilities	8,122	11,022
Total current liabilities	**16,458**	**24,358**
Total liabilities and shareholders' equity	**478,249**	**479,749**

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FINANCIAL REVIEW

As of June 30, 2018

NOTE A: LOAN PORTFOLIO

	As of June 30, 2018
(in thousands of euros)	
January 1, 2018	176,962
Acquisitions	6,034
Disposals	(21)
Changes in scope	-
Amortization	(19,728)
Revaluation	4,046
Foreign exchange effect	-
June 30, 2018	**167,293**
Of which	
Current assets	*86,021*
Non-current assets	*81,272*

Current assets are calculated by discounting the cash inflows expected to arise from the assets within 12 months of the end of the reporting period. Any other amounts are classified as non-current items.

NOTE B: EVOLUTION CONSOLIDATED EQUITY

(in thousands of €)	Share capital	Issue preniums	Consolidated Reserves	Attributable to the shareholders of the Issuer company	Non controlling interests	Total
January 1, 2018	**160,000**	-	**(2,039)**	**157,961**	**22**	**157,983**
Dividends paid	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-
Net income / (loss) for the period	-	-	5,935	**5,935**	(18)	**5,917**
Payment of dividends	-	-	-	-	(20)	**(20)**
Other	-	-	(73)	**(73)**	-	**(73)**
June 30, 2018	**160,000**	-	3,823	163,823	(16)	163,807

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FINANCIAL REVIEW

As of June 30, 2018

NOTE C: NET DEBT

Currency: € 000	As of June 30, 2018
High Yield Bond	261,650
Vendor Loan	-
Co-investors Debt	2,963
Gross Debt (IFRS)	**264,613**
Cash and cash equivalents (*)	66,808
Net Debt (IFRS)	**197,805**
LTM CASH EBITDA	74,322
Leverage on Cash EBITDA	**2.7**

Funding

Since the acquisition of MCS Groupe by funds advised by BC Partners in October 2017, our financing structure has changed and now consists of Senior Secured Notes for €270 million and a Super Senior RCF for €40 million. The bonds have a 7-year maturity and a 4.25% fixed interest rate. The RCF margin is between 3.00% and 3.25% with a 35% commitment fee on undrawn amounts.

Gross 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.

120-Month ERC decreased from €369 million at June 30, 2017 to €338 million at June 30, 2018, down 8% or €30 million, which is explained by the strict investment discipline observed over the course of 2017 and our robust performance in terms of collections during the first months of 2018.

The table below sets forth our 84m and 120m Gross ERC for the periods indicated.

	As of June 30, 2018	As of June 30, 2017
(in m€)		
84m Gross ERC	286.3	309.0
120m Gross ERC	338.4	368.8

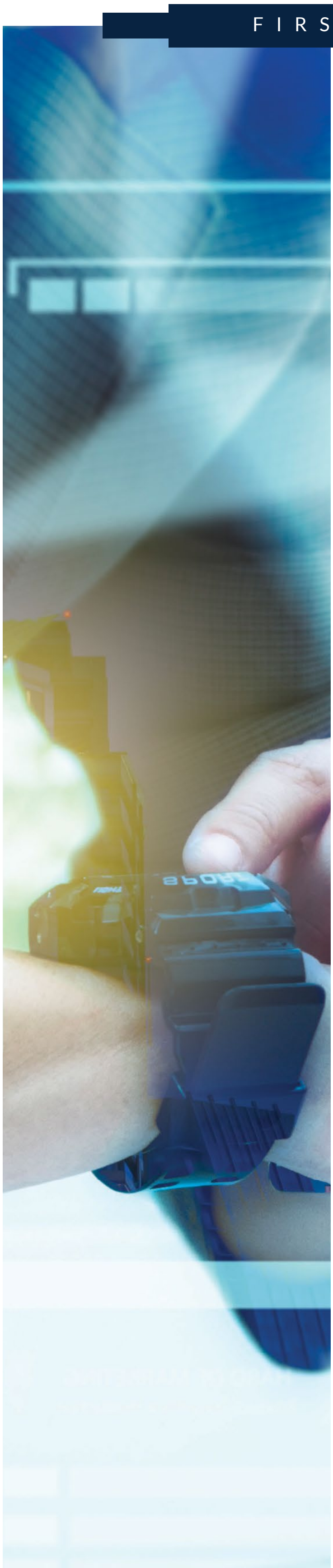
SIGNIFICANT
Risks and uncertainties

Our risks are described in more detail under the caption “Risk Factors” in the offering memorandum dated September 14, 2017 related to the issuance of our Senior Secured Floating Rate Notes due 2024, and have been updated in our 2017 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.

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 risk factors disclosed in our Annual Report.



Any forward-looking statements in this Quarterly Report 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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