



# Agasti Holding ASA

1<sup>st</sup> quarter 2013  
Oslo, May 8<sup>th</sup> 2013

Jørgen Pleym Ulvness, Deputy Chief Executive Officer  
Christian Tunge, Chief Financial Officer  
Kjersti Aksnes Gjesdahl, Head of Group Legal

Disclaimer: Unaudited Q1 figures. This interim report 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.

## Agenda

- Heading towards the target
- Highlights 1<sup>st</sup> quarter 2013
- Interim financial statements
- Legal
- Outlook

## Heading towards the target

---

Jørgen Pleym Ulvness, Deputy Chief Executive Officer

## Highlights 1<sup>st</sup> quarter 2013

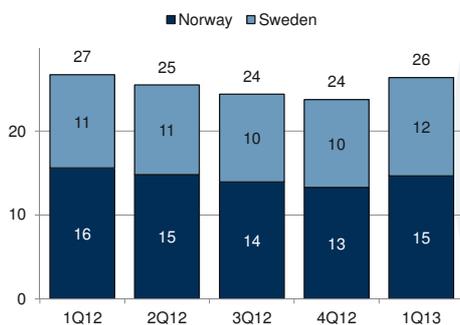
- Equity under Management increased by NOK 3 billion
- NOK 700 million in proposed dividends to clients invested in direct investments
- Recurring revenues now cover 108 % of fixed costs and 93 % of fixed and activity-based costs
- The strategic alliance with Wunderlich in the US has highlighted the synergy potential between the organisations. Several new mandates within Corporate Finance in pipeline.
- The group is experiencing a good recruiting position
- EBITDA of 1 MNOK and EBIT of -4 MNOK



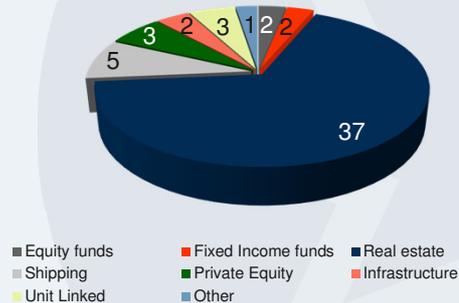
5

## Equity under Management

Equity under Management\*



Assets under Management per asset class\*



- Very strong development of NOK 3 billion in Equity under Management
- Assets under Management of NOK 55 billion

\* Billion NOK



6

## Excellent client returns



**NOK 700 million**  
in dividends proposed to clients  
invested in direct investments

- Client investments in “core” equity fund selection yielded returns of 6.4 % in the first quarter of 2013
- Client investments in “spicy” equity fund selection yielded returns of 6.5 % in the first quarter of 2013
- Client investments in fixed income funds yielded returns of 2.8 % in the first quarter of 2013
- Real estate yielded 5.8 % returns in the first quarter of 2013
- Average client portfolio returns\* of 5 % in the first quarter of 2013



\* Return on clients' investments are based on weighted average return within respective asset classes

7

## High client activity

**Wealth Management**

**NOK 550 MILLION**  
in new equity in advisory  
concepts

**Capital Markets**

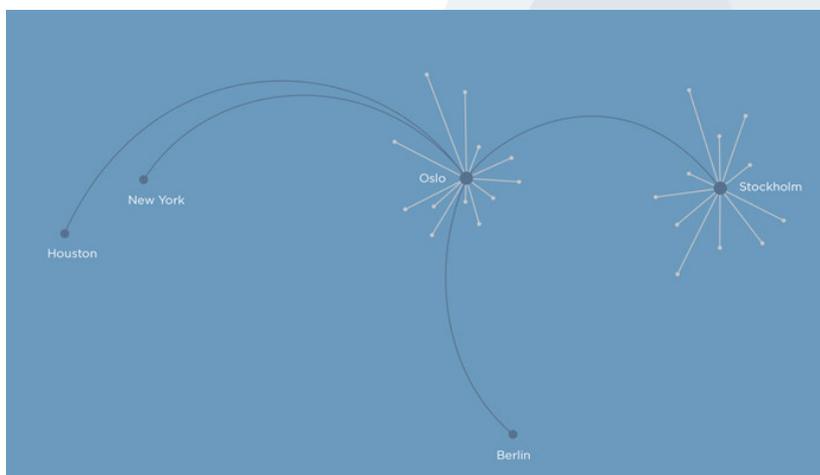
**NOK 250 MILLION**  
in secondary brokerage  
transactions



All numbers year to date per May 7<sup>th</sup> 2013

8

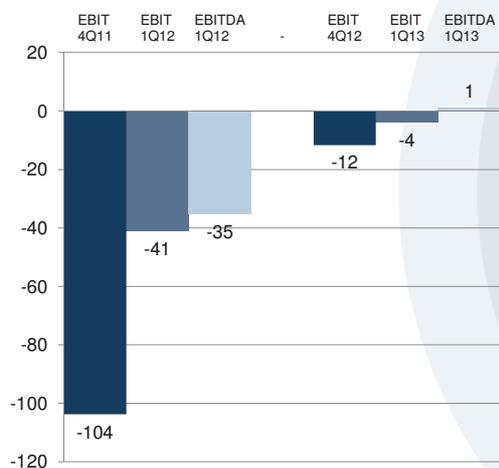
## Great US / Nordic potential



## Status organisation

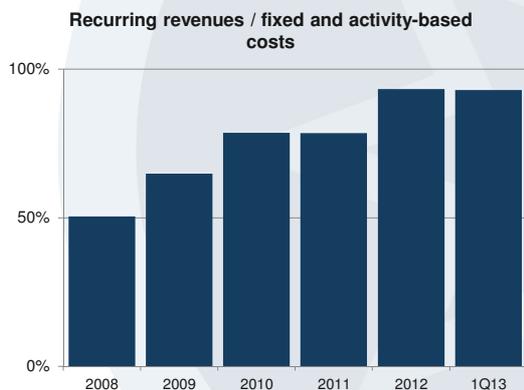
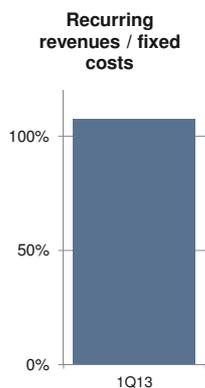
| Business areas:              | Organisation:   | Status:   |
|------------------------------|---|---|
| <p>Wealth Management</p>     | <ul style="list-style-type: none"> <li>• 100 Financial advisors</li> <li>• Strong compliance division</li> <li>• 20 offices in Norway and Sweden</li> </ul>               | <ul style="list-style-type: none"> <li>• Increase of client Equity under Management</li> <li>• Excellent client returns</li> <li>• In compliance with regulator</li> <li>• Adapting to new market conditions</li> </ul>                             |
| <p>Capital Markets</p>       | <ul style="list-style-type: none"> <li>• 20 Employees</li> <li>• Oslo, Stavanger, NY &amp; Houston</li> <li>• Corporate Finance, Project Finance and Brokerage</li> </ul> | <ul style="list-style-type: none"> <li>• Full integration of Wunderlich Securities AS</li> <li>• Further developed strategic alliance with Wunderlich Investment Company, Inc.</li> <li>• Synergies explored – many projects in pipeline</li> </ul> |
| <p>Investment Management</p> | <ul style="list-style-type: none"> <li>• 24 Employees</li> <li>• Oslo, Stockholm, Germany and US</li> </ul>   | <ul style="list-style-type: none"> <li>• Teams acquired from ABG Sundal Collier and Swedbank First integrated</li> <li>• Recurring revenues increased</li> <li>• Recruited top level International expertise</li> </ul>                             |

## Operating earnings improving



**NOK 1 MILLION**  
in EBITDA in the first  
quarter of 2013

## Heading towards the target



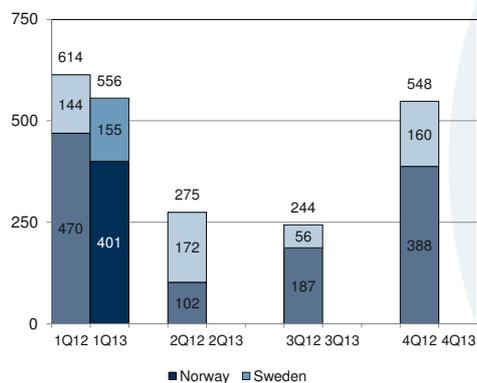
# Interim financial statements

Christian Tunge, Chief Financial Officer

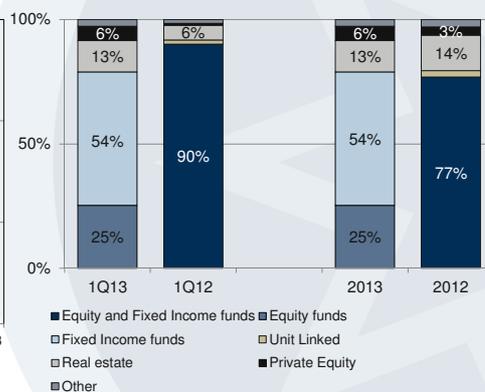


# Subscriptions

Gross subscriptions (mnok)



Gross subscriptions per asset class (%)



- Gross subscriptions on product level of NOK 556 million, of which NOK 503 million through advisory concepts



## Key financial data

| mnok                      | 1Q<br>2013   | 1Q<br>2012   | 2012         |
|---------------------------|--------------|--------------|--------------|
| Transaction revenues      | 10           | 8            | 29           |
| Recurring revenues        | 85           | 92           | 337          |
| <b>Total revenues</b>     | <b>96</b>    | <b>100</b>   | <b>366</b>   |
| Variable operating costs  | 3            | 12           | 38           |
| Activity based costs      | 12           | 34           | 88           |
| Fixed costs               | 79           | 89           | 272          |
| <b>EBITDA</b>             | <b>1</b>     | <b>-35</b>   | <b>-33</b>   |
| Depreciation a.o.         | 5            | 6            | 24           |
| <b>Operating earnings</b> | <b>-4</b>    | <b>-41</b>   | <b>-56</b>   |
| <b>Net income</b>         | <b>-2</b>    | <b>-34</b>   | <b>-54</b>   |
| <b>EPS</b>                | <b>-0.01</b> | <b>-0.13</b> | <b>-0.21</b> |
| ROE* - annualised         | -4%          | -63%         | -26%         |

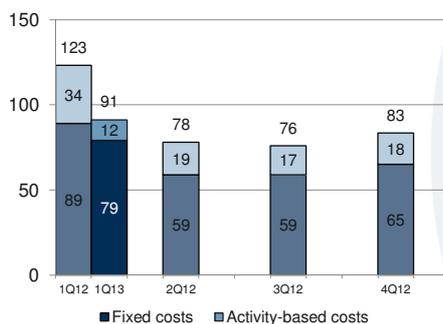
\* After tax



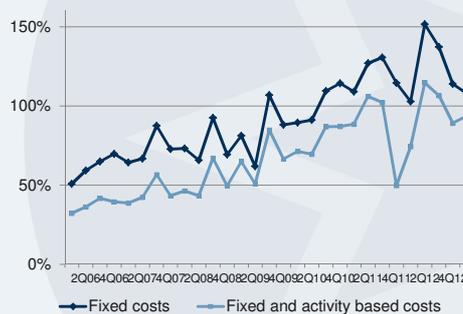
15

## Fixed & activity-based operating costs

Fixed & activity-based operating costs (mnok)



Recurring revenues/costs

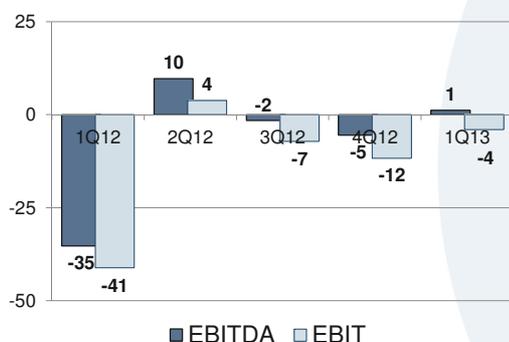


- Lower cost base in WM and strategic initiatives in CM and IM
- Recurring revenues cover 108 % of fixed costs and 93 % of fixed and activity-based costs



16

## EBITDA and EBIT



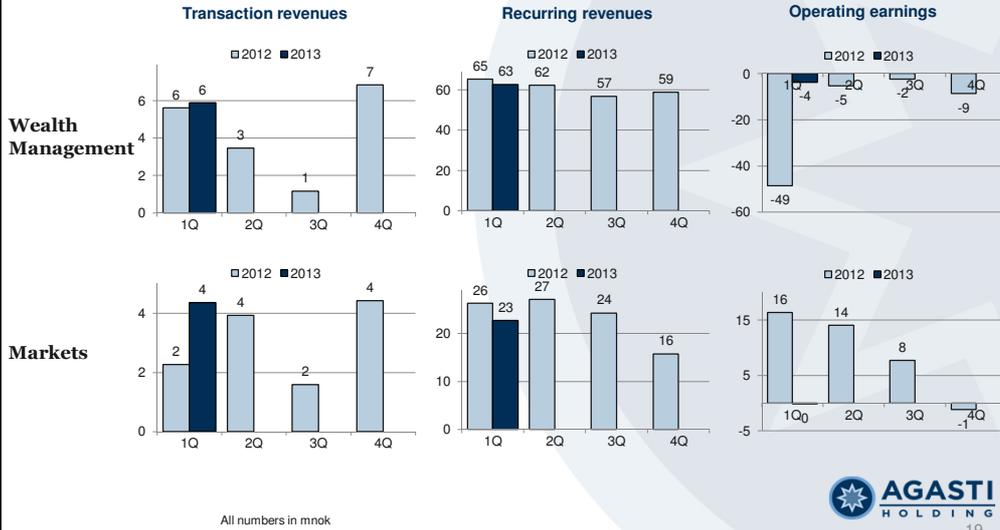
- Operating earnings of NOK -4 million in the first quarter of 2013
- As in the last two quarters of 2012, the financial figures in this quarter are affected by the strategic initiatives being undertaken within Capital Markets and Investment Management
- The improvement of operating earnings is mainly explained by one-off costs of NOK 34 million in the first quarter of 2012

## Balance sheet

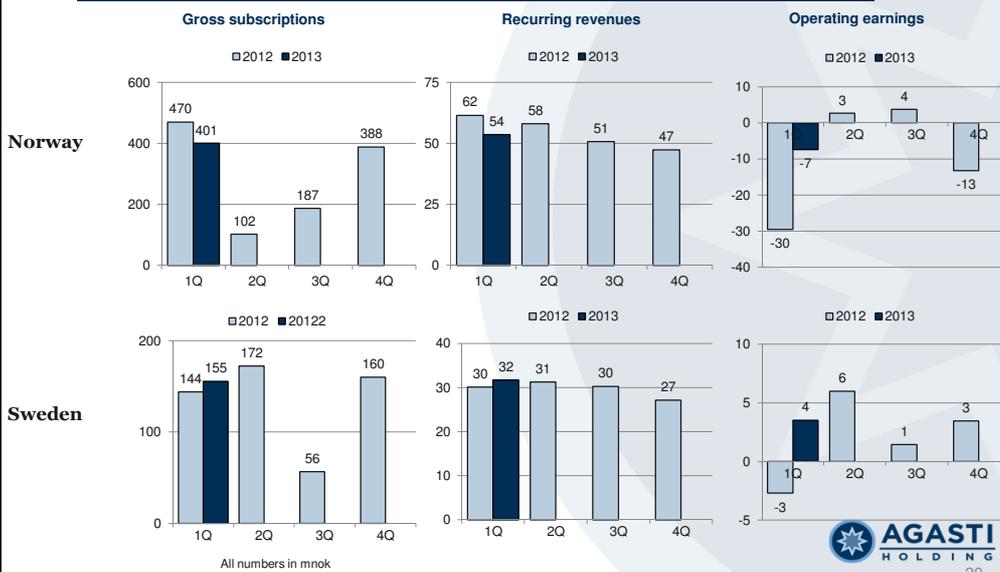
| <i>mnok</i>                    | 31.3.13    | 31.12.12   |
|--------------------------------|------------|------------|
| Goodwill                       | 43         | 9          |
| Other intangible assets        | 31         | 35         |
| Deferred tax asset             | 54         | 50         |
| <b>Total intangible assets</b> | <b>128</b> | <b>93</b>  |
| Fixed assets                   | 9          | 8          |
| Financial assets               | 14         | 14         |
| <b>Total tangible assets</b>   | <b>23</b>  | <b>22</b>  |
| Financial current assets       | 52         | 32         |
| Trade receivables              | 17         | 12         |
| Other receivables              | 32         | 44         |
| Bank deposits                  | 112        | 135        |
| <b>Total assets</b>            | <b>363</b> | <b>339</b> |
| <b>Equity</b>                  | <b>187</b> | <b>184</b> |
| Long term debt                 | 35         | 0          |
| Accounts payable               | 9          | 7          |
| Overdraft facility             | 21         | 21         |
| Other taxes and duties payable | 11         | 18         |
| Dividends payable              | 0          | 0          |
| Salaries/commissions payable   | 25         | 29         |
| Other short term debt          | 76         | 79         |
| <b>Total debt</b>              | <b>177</b> | <b>154</b> |
| <b>Total equity and debt</b>   | <b>363</b> | <b>339</b> |

- The Agasti Group has limited risk on its balance sheet
- The Agasti Group's has bank deposits of NOK 112 million
- The increase in capitalized goodwill and long term debt relates to the acquisition of investment management companies from ABG Sundal Collier and the acquisition of Wunderlich Securities AS

# Segments



# Geographical distribution



# Legal

---

Kjersti Aksnes Gjesdahl, Head of Group Legal

## The development of legal practice on structured products

---

Three cases considered by the Supreme Court last year:

- Lognvik Rt 2012 s 355
- Fokus Bank Rt 2012 s 1926 (not equivalent product)
- Røeggen HR 2013-642

What is clarified by the above verdicts?

- The products are not illegal (all verdicts)
- Importance of balanced, transparent and sufficient information adjusted to the competence of the investors, cf. STA § 10-11 paragraph 3 "accurate, transparent and not misleading."
- Crucial to look at the investor's understanding of the product and the professional party's educational duty (Fokus Bank)

What remains to be clarified?

- The importance of the quality of the investment advice
- The relationship between facilitator and advisor
- Obsolescence and complaints

## What does this mean to us?

---

- Acta Kapitalforvaltning AS has several complaints in process in Finansklagenemda. The proceedings are resumed in connection with Lognvik/Røeggen
- After the Lognvik/Røeggen verdicts we have received new complaints, these are dealt with internally
- All cases, including all documentation, are being reviewed thoroughly by internal lawyers in light of legal practice regardless of the cause of the complaint.
- In parallel, all product information provided in connection with structured products back to 1998 is being researched and considered in order to identify any misleading or incorrect information
- The preliminary review indicates that we are little affected by the common points in these verdicts, but customers will continuously get answers
- It is too early to make an accurate assessment of the extent of possible claims, but preliminary calculations indicate that sufficient funds are set aside
- Letter from the Ministry of Finance to the Norwegian FSA on the significance of the verdicts and the need for regulation of the documentation required has a deadline of August 20, 2013
- We will continue to keep up with future developments in both Finansklagenemda, legal and market practice



## Outlook

---

- The acquisition of investment management mandates, makes the Agasti Group, through its subsidiary Obligo Investment Management AS, an even stronger player in the Nordic market for investment management services
- The acquisition of Wunderlich Securities AS, combined with the strategic alliance with Wunderlich Investment Company, Inc. in the USA, means that the Agasti Group possesses one of the industry's most experienced and qualified teams within real estate, private equity, shipping and energy and oil services
- Agasti will actively use the important strategic alliance with Wunderlich Investment Company, Inc. in the USA to attract new business, both in the Nordic market and the US market
- The strengthening of the Capital Markets and Investment Management segments, combined with further development of the Wealth Management segment, will also increase the Agasti Group's competitive edge as a full service provider of financial investment services with top-level expertise at every stage of the value chain
- Profitable operations to be ensured through healthy cost control, combined with strategic initiatives within Investment Management and Capital Markets



## Q & A

### Contact information:

- **Head of IR, Jo-Inge Fisketjøn**
- **Phone: +47 21 00 33 49**
- **E-mail: [jif@agasti.no](mailto:jif@agasti.no)**
- **[www.agasti.no](http://www.agasti.no)**