

Q3

Third quarter 2022



Third quarter of 2022

“The cash flow generation was once again strong”

Erik Just Johnsen, CEO

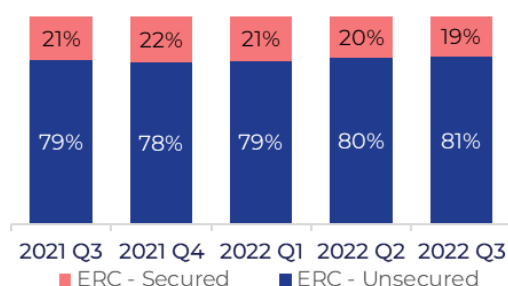
QUARTERLY EVENTS

- Unsecured collections at 104.4% of the latest forecast
- Strong secured cash collections of NOK 318m in Q3 including REO sales of NOK 169m
- Cash EBITDA of NOK 973m, up sequentially from NOK 949m
- Adjusted Net profit NOK 171m in Q3, resulting in an Adjusted Return on equity of 11.7%
- Invested and committed capital of NOK 1,730m for 2022
- Successfully placed a EUR 150m new bond in September and repaid B2H03 in October
- Senior facility agreement with PIMCO completed
- Sale of Bulgaria signed, pending local regulatory approval

QUARTERLY SUMMARY

NOK million	2022	2021	%	2022	2021	%	2021
	Q3	Q3	Δ	YTD	YTD	Δ	Full Year
Cash collections	1 244	1 191	4%	3 704	3 721	0%	4 857
Net revenues	797	792	1%	2 261	2 310	-2%	3 036
Adj. EBIT	373	385	-3%	992	1 037	-4%	1 333
Adj. EBIT %	47%	49%	-2 pp	43%	45%	-1 pp	44%
EBIT	337	370	-9%	725	1 042	-30%	1 308
Adj. Net profit	171	174	-2%	471	450	5%	594
Cash revenue	1 377	1 341	3%	4 096	4 134	-1%	5 402
Cash EBITDA	973	946	3%	2 857	2 917	-2%	3 779
Cash margin	71%	71%	0 pp	70%	71%	-1 pp	70%
Gross collections ¹⁾	1 278	1 269	1%	3 675	4 170	-12%	5 435
Amortisation of own portfolios	- 455	- 537	-15%	-1 378	-2 045	-33%	-2 609
Portfolio investments ¹⁾	399	237	68%	1 395	650	115%	1 202
Cost to collect %	22%	18%	4 pp	22%	19%	3 pp	19%
EPS	0.36	0.40		0.67	1.11		1.40
Return on equity (LTM)	7.5 %	11.7 %	-4.2 pp	7.5 %	11.7 %	-4.2 pp	11.8 %

ERC - ASSET CLASS SPLIT



KEY PERFORMANCE FIGURES

NOK million	2022	2021	%
	30 Sep	31 Dec	Change
ERC (at end of month) ¹⁾	19 590	19 918	-2%
Net interest bearing debt	8 971	9 067	-1%
Liquidity reserve ²⁾	6 653	2 218	200%
Equity ratio ³⁾	31.3 %	32.8 %	-1.5 pp
Leverage ratio	2.41x	2.40x	0.01x
Total Loan to Value % (TLTV)	68.1 %	65.4 %	2.7 pp
Number of employees (FTEs)	1 892	1 979	-4%

1) Includes the Group's share of portfolios held in SPVs and joint ventures

2) Liquidity reserve was high at end Q3 due to imminent repayment of B2H03

3) Equity ratio as defined in the RCF agreement

Comment by the CEO

Strong cash generation and disciplined investments

The third quarter represented another quarter with stable and good performance. The cash flow generation was once again strong, and despite the restructuring activities carried out in the quarter, the contribution from the countries managed by Veraltis Asset Management continued the positive trend both on secured recoveries and REO sales. As announced in August we closed the transaction with PIMCO, and as such the restructuring activities are coming to an end and non-recurring costs will be significantly reduced going forward.

The third quarter was a continuation of the positive trend we have seen in unsecured collections, with a collection performance of 104%. Our core markets in the Northern Europe and Poland have continued to perform well. The challenging macro environment has not shown any impact on the Group's ability to collect. Costs are stable and we have reduced operating expenses compared to previous quarters.

Within Corporate and Secured Asset Management (CSAM), the third quarter generated strong cash flow from our key markets. We sold REOs for NOK 169m during the quarter, at 108% above book value. The value creation in REO sales was extraordinary in the third quarter and it is still a testament that our repossession strategy of taking over real estate assets creates long term value. We increased our guiding on REO sales in the previous quarter from NOK 300m to NOK 400m, and we have already surpassed that target with REOs sold for NOK 408m year to date.

Portfolio investments in the third quarter ended at NOK 399m which is an increase of 68% from the third quarter last year. The investments in the quarter have been with higher net IRRs than previous quarters. The first and third quarters are normally quarters with seasonally lower investment activity. Total invested and committed capital per end of the third quarter totalled NOK 1,730m. The activity level has been high, but we have maintained a disciplined and selective approach to investment. We believe that capital discipline is warranted in the current challenging macro environment. Even if we still have limited data points, we do see a shifting trend in prices for portfolios, with increased cost of capital and higher uncertainty being factored in.

In September, we raised EUR 150m in a bond issue. The spreads in the bond market have widened significantly, but our ability to raise capital at the level we did was an achievement in today's market. Our blended funding costs increased marginally following the latest bond issue, and we are well covered for interest rate increases in the medium term via our interest rate hedges.

Going forward we will continue our capital discipline with focus on improved profitability through cost control and a continuation of our selective approach to new portfolio purchases. We believe this is the recipe for long term value creation for our shareholders.

Oslo, 9 November 2022

Erik Just Johnsen
CEO



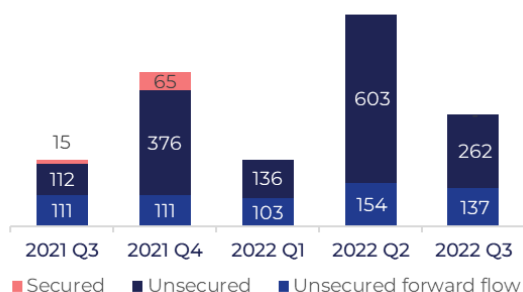
“We believe that capital discipline is warranted in the current challenging macro environment “

Operations

Strong Cash collections and EBITDA with high investment activity, but seasonally lower volume.

PORTFOLIO INVESTMENTS

Portfolio investments (NOKm)



The summer period saw a somewhat lower level of investments concluded, but activity continues to pick up and the amount of invested and committed capital in 2022 increased from NOK 1,350m at the end of Q2 to NOK 1,730m at the end of Q3. The Group expects to see a higher level of investments concluded in Q4.

The Group made investments in all regions during Q3 with the largest being in Northern Europe. During 2022, over 50% of the Group's investments have been in banking portfolios, however in Q3 consumer finance comprised a larger proportion. The Group remains selective and price disciplined in its approach to investments. The Group has also observed a change in price of portfolios which has resulted in increased expected net IRRs on new investments in the quarter.

COLLECTIONS, RECOVERIES, REPOSSESSION AND SERVICING

Unsecured portfolios

Q3 Gross collections were NOK 903m and 104.4% of the latest forecast. Typically for the Summer period, Q3 2022 collections were 2% lower than Q2 2022 but in line with Q3 2021 adjusted for FX.

The Group does yet not see any noticeable impact on its collections as a result of uncertainties due to the war in Ukraine, nor from higher utility costs. The Group will continue to monitor relevant indicators going forward and increased macroeconomic uncertainty will be included in our valuation models. In the medium to long run, those macroeconomic trends should most likely increase the supply of unsecured NPLs, and B2Holding is

well positioned to play an important role in the market development.

B2Holding continued to focus on economies of scale, exchange of best practices between the markets and development of data & analytics. The Group remains committed to investing in optimization of collection strategies, development of digital client interfaces and improvement of processes. This strategy is expected to improve efficiency and effectiveness of unsecured collections going forward.

Corporate & Secured Asset Management (CSAM)

Cash collections from secured assets including share of SPVs and joint ventures were NOK 318m in Q3 2022 compared with NOK 300m for Q2 2022 and NOK 202m in Q3 2021. The significant increase versus Q3 2021 was driven by REO sales of NOK 169m in Q3 2022 compared with NOK 40m last year. The book value of REOs sold in Q3 2022 was NOK 82m giving a 108% margin for the quarter. Accumulated REO sales were NOK 408m on book values of NOK 262m and a margin of 55%.

Repossessions were NOK 82m in Q3 2022 compared with NOK 93m in Q3 2021. Although preferring to recover directly through payment, the Group continues to see repossession as a valuable method for maximizing value.

The value of repossessed assets increased from NOK 1,284m at the end of 2021 to NOK 1,340m at the end of Q3 2022. Adjusted for FX, the underlying book value decreased by approximately NOK 18m during the first nine months of the year as a result of higher book values of assets sold than repossessed during the period.

RISKS AND UNCERTAINTIES

Due to the nature of its operations, B2Holding is exposed to various risks including strategic, financial, and operational risks.

The ongoing conflict in Ukraine has resulted in increased geo-political risk in Europe and a higher level of macroeconomic uncertainty. B2Holding does not have operations in Russia or Ukraine and has limited exposure to countries with significant dependency on Russian resources or trade ties with Russia. B2Holding's operations continue to work at full capacity and, so far, the Group has not seen any material impact on its

business. However, the wider macroeconomic impact of international sanctions, geopolitical uncertainty and the human tragedy, have added momentum to already high inflation levels. This has in turn led central banks to increase interest rates earlier and faster than anticipated at the beginning of the year. These factors, combined with potential escalation, create uncertainties for the financial markets and for society in general.

Although the Group expects rising inflation and interest rates may put pressure on debtors' ability to repay and lead them to postpone collections, continued low unemployment rates, salary increases, excess savings following the pandemic and government aid packages are expected to partly offset these challenges.

Operational risks

B2Holding's priority is to ensure the health and safety of its employees. The Group continues to use flexible working arrangements aligned with local government guidelines. These flexible working arrangements allow the Group to operate at full capacity under various circumstances, including periods with limited access to offices.

During Q3, overall collections and recoveries were well above expectations and reflect the Group's improved internal operations.

Financial risks

B2Holding's geographically diversified investment portfolio limits the Group's overall exposure to risks in individual economies, asset classes or portfolios.

B2Holding continued to apply precautionary measures to strengthen its liquidity position in Q3 and expects to do so throughout 2022. Management is focused on price and underwriting discipline in a competitive market. Transactions volumes in the pipeline have continued to gradually increase and the upward trend is expected to continue.

The Group is in compliance with all of its covenants as of 30 September 2022.

Strategic risks

The investment pipeline continued to increase in Q3, and additional large transactions are also expected to be placed in the market in the last quarter of the year or early 2023.

For detailed assessment of risks, please refer to the Risk Management and Board of Directors' sections in the Annual Report for 2021.

CORPORATE MATTERS

B2Holding has a solid funding base to support future growth. The Group's healthy funding structure and leverage ensures liquidity and financial flexibility to deliver on the strategy. The combination of equity, bank financing, project financing and bonds provides access to capital when larger opportunities arise, while steady collections across the Group provide a strong operating cash flow.

The Group holds an EUR 610m senior secured revolving credit facility (RCF) with DNB Bank ASA, Nordea Bank AB and Swedbank AB. In addition to its original purpose, the RCF has full flexibility to repay in full the two next bonds falling due (B2H03 and B2H04). EUR 100m of the RCF matures on 31 December 2023 while the remaining EUR 510m matures in Q3 2025.

The project financing stage 1 from PIMCO, the Senior Facility Agreement ("SFA"), was completed on 19th August 2022. The facility line is EUR 166m and EUR 142m was drawn on the same day. 65% of the facility line can be used for reinvestment. The SFA is fully securitised, but with no-recourse to B2Holding. On 28 October 2022, being the first interest payment date, a repayment of EUR 53m was made originating from previously operating cashflow in the new structure.

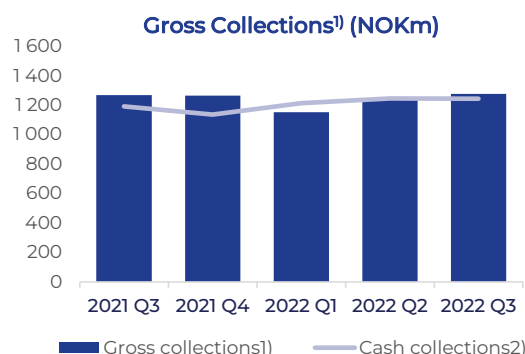
In September the Group issued a new EUR 150m senior unsecured bond loan with maturity on 22 September 2026 at an interest rate of 3M EURIBOR + 690 basis points. The sources of the bond proceeds were EUR 46m in rollovers from B2H03, EUR 68m in rollovers from B2H04 and EUR 36m in new capital. The new bond was assigned with a B1 and B+ rating from respectively Moody's and S&P and will be listed on the Oslo Stock Exchange in Q4 2022.

A call option on B2H03 was exercised on 23 September 2022 to repay B2H03 in full at par plus accrued interest. The outstanding loan balance (adjusted for Treasury Bonds) was EUR 145m and repaid on 24 October 2022.

After refinancing of the bonds mentioned above, as of October 2022 the Group holds three senior unsecured bond loans for a total of EUR 550m. A nominal value of EUR 86m is held as treasury bonds on B2H04 maturing in May 2023.

Financials

B2Holding reported Gross collections including share of SPVs and joint ventures of NOK 1,278m for the quarter and cash collections of NOK 1,244m. As in previous quarters, disposals of REOs (collateral assets) continued to progress well and at good margins.



- 1) Include the Group's share of portfolios held in SPVs and joint ventures.
- 2) Cash collections include unsecured collections, secured cash recoveries, cash received from SPVs and joint ventures, and REO sales proceeds.

REVENUES

Fluctuations in the Norwegian Krone impact the Group's numbers since approximately 99% of revenues were from outside Norway. The weighted average impact on the Group's Gross collections including share of portfolios held in SPVs and JVs from a stronger Norwegian Krone in 2022 Q3 compared with 2021 Q3 was a negative impact of approximately 4% or NOK 50m.

Collections on unsecured portfolios came in at 104.4% of forecast, continuing the over-performance from previous quarters.

Recoveries on secured portfolios were 187% of the forecast. The business continues to perform well ahead of expectations.

Share of Gross collections from JVs was NOK 150m in Q3 2022 compared with NOK 83m in Q3 2021 and NOK 59m in Q2 2022. The significant difference in collections for JVs was mainly the result of a large one-off recovery in Q3 2022 which impacts comparability. The cash impact from the large recovery will positively impact Q4's cash collections and Cash EBITDA.

Amortisation of own portfolios was NOK -455m in Q3 2022 compared with NOK -537m in Q3 2021 and NOK -458 in Q2 2022.

The Net credit gain on secured and unsecured portfolios was respectively NOK 7m and NOK 38m, and NOK 45m for the Group. The gain was again the result of the strong overperformance (collection above estimates) on both unsecured and secured portfolios during the quarter.

The Group's share of Gross collections in associated parties/joint ventures was high in Q3 2022 compared to Q3 21 (increase of 79%) and last quarter (increase of 156%). The high collection was mainly due to recovery of large cases in Central Europe where the net recovered cash was distributed to the investors in early Q4 2022.

Revenue from loan receivables (comprised of Interest revenue from loan receivables and Net credit gain/(loss) from loan receivables) was NOK 29m in Q3 2022 and slightly above the NOK 22m that was reported for Q3 2021 driven mainly by higher interest rates.

Revenue from sale of collateral assets (REOs) of NOK 169m in Q3 resulted in a net gain of NOK 88m on book value of NOK 82m and a gain on sale of 108%. Gain on asset sales was unusually high in Q3 with one material asset sold significantly above the value expected at the time of repossession.

Other revenues are mainly comprised of revenues from external collection of NOK 61m (NOK 69m) and revenues from servicing of SPVs and joint ventures of NOK 22m (NOK 28m).

CASH EBITDA

Cash EBITDA for Q3 2022 was NOK 973m compared with NOK 946m in Q3 2021. Adjusted for FX, the underlying Cash EBITDA is NOK 27m higher in Q3 2022 than in Q3 2021. Q3 2022 was another very strong quarter with good collections of NOK 903m, recoveries of NOK 225m of which NOK 144m was cash, and strong REO sales of NOK 169m. Comparable figures for Q3 2021 restated at Q3 2022 FX were respectively NOK 912m, NOK 221m, NOK 132m and NOK 39m.

OPERATING EXPENSES

In Q3 2022 the Group's operating expenses excluding Non-recurring items, Cost of collateral assets sold, Depreciation and amortization, and Impairment losses were NOK 403m compared with NOK 395m in Q3 2021. Adjusted for FX, 2022 underlying operating expenses were NOK 22m (5.7%) higher than in Q3 2021. Of this, underlying External expenses of services provided were +NOK 4m (+4%), Personnel expenses +NOK 4m (+2%) and Other operating expenses +NOK 14m (16%) higher than Q3 2021. The increased Other operating expenses are mainly related higher operational activity including printing postage, travel and telecommunications expenses.

Of the Group's underlying operating expenses excluding Cost of collateral assets sold, Depreciation and amortisation, Impairment losses, and Non-recurring items in Q3 2022, 51% are Personnel expenses, 24% variable costs related to collection/recovery activities and 25% office-related costs including premises, equipment, telecommunications, IT, and postage.

The Non-recurring items of NOK 35m (NOK 6m) in Q3 2022 were mainly in relation to the restructuring of the secured markets, divestment of DCA Bulgaria and the process of establishing the secured master servicer, as well as the senior financing with PIMCO which was concluded in August.

NET FINANCIAL ITEMS

Net financial items for the quarter were NOK -152m in Q3 compared with NOK -160m in Q3 2021 and NOK -107m in Q2 2022. Interest expenses have increased by NOK 9m compared with Q3 2021 and the Group incurred NOK 7m of expenses in connection with the buy-back of B2H03. Offsetting this was a positive impact of NOK 20m from interest derivatives and a positive net FX impact of NOK 4m. Compared with Q2 2022 the Group's interest expenses increased by NOK 19m due to the increased facility lines under the RCF, the newly issued Bond and

the loan from PIMCO concluded in Q3. Comparing Q3 with Q2, the positive effect of the interest derivatives was NOK 9m lower, FX was NOK 8m unfavourable and the impact of the bond buy-back impacted negatively by NOK 7m.

PROFIT FOR THE PERIOD AND TAX

The Income tax expense for the quarter amounted to NOK 42m (48) and was 23% of Profit before tax. Profit after tax for the quarter ended at NOK 143m (162). Adjusted for the Non-recurring items in both periods, the Adjusted Net profit for Q3 2022 is NOK 171m compared with an Adjusted Net profit of NOK 174m in Q3 2021. The main deviation was due to increased facility lines and the NOK 7m expenses related to the bond buy-back in the quarter.

BALANCE SHEET

At the end of the quarter, Total assets amounted to NOK 16,672m compared with NOK 15,315m at the end of 2021. Investments in new portfolios was NOK 1,395m for the first 9 months and amortisation of NPL portfolios during the period was NOK 1,378m. FX is the most significant impact on the Balance Sheet with an impact of approximately 4.3% mainly being the impact of a weaker NOK against the EUR and HRK. At constant FX, collateral assets (REOs) decreased by a net of NOK 19m since the end of 2021 with a higher value of REOs sold than repossessed during the period.

During Q3 2022, the Group has increased its Gross debt by NOK 597m while in Q3 2021 it decreased by NOK 440m. Gross debt increased during the quarter following the completion of the financing with PIMCO, however most (NOK 561m) of the increase was repaid on the first interest payment date of 28th October 2022. The timing of the repayment date led to a high balance of Cash and short-term deposits at the end of 2022 Q3.

Net interest-bearing debt amounted to NOK 8,971m at the end of Q3 and was down NOK 96m compared with the end of 2021 following strong cashflow generated during the period. FX impacted Net interest-bearing debt, increasing it by approximately 5% or NOK 450m.

CASH FLOW

Cash EBITDA was NOK 973m in Q3 2022, an increase of NOK 27m compared with Q3 2021. The higher cashflow was mainly the result of NOK 129m higher proceeds from sales of REOs in Q3 2022 compared with Q3 2021. Actual cash collections and recoveries were NOK 42m lower in Q3 2022 than in Q3 2021, with other revenues also NOK 17m

lower and cash from JVs NOK 35m lower. Cash from JVs was high in Q3 2021 due to the receipt of a large putback on a portfolio.

In Q3 2022, the Group invested in new NPLs for a total of NOK 399m compared with NOK 237m in Q3 2021. So far in 2022, the Group has invested NOK 1,395m in new portfolios compared with NOK 650m during the first 9 months of 2021.

DISCLAIMER

This report contains forward-looking statements that reflect management's current view with respect to future events. All such statements are subject to inherent risks and uncertainties, and many factors can lead to developments deviating from what has been expressed or implied in such statements.

Board of Directors, B2Holding ASA, 09 November 2022

Consolidated income statement

All figures in NOK million unless otherwise stated

	Notes	2022 Quarter 3	2021 Quarter 3	2022 9 months	2021 9 months	2021 Full Year
Interest revenue from purchased loan portfolios		530	584	1 589	1 791	2 344
Net credit gain/(loss) from purchased loan portfolios	4	45	33	107	15	11
Profit from shares in associated parties/joint ventures and participation loan/notes		1	20	27	62	99
Interest revenue from loan receivables		35	19	86	81	99
Net credit gain/(loss) from loan receivables		- 5	3	- 1	- 8	- 6
Revenue from sale of collateral assets		169	40	408	140	164
Other revenues		103	119	308	331	444
Total revenues	3	878	819	2 524	2 412	3 155
External expenses of services provided		- 97	- 94	- 308	- 310	- 420
Personnel expenses		- 205	- 208	- 646	- 655	- 870
Other operating expenses		- 136	- 99	- 422	- 238	- 350
Cost of collateral assets sold, including impairment		- 82	- 27	- 262	- 102	- 119
Depreciation and amortisation		- 21	- 21	- 62	- 65	- 85
Impairment losses		- 0	0	- 99	- 2	- 3
Operating profit/(loss)	3	337	370	725	1 042	1 308
Financial income		1	0	4	1	1
Financial expenses		- 153	- 156	- 380	- 465	- 572
Net exchange gain/(loss)		- 0	- 4	- 8	10	5
Net financial items	5	- 152	- 160	- 384	- 454	- 566
Profit/(loss) before tax		185	210	341	588	742
Income tax expense		- 42	- 48	- 77	- 134	- 169
Profit/(loss) after tax		143	162	265	453	573
Profit/(loss) attributable to:						
Parent company shareholders		143	162	265	453	573
Non-controlling interests		- 0	0	- 0	- 0	- 0
Earnings per share (in NOK):						
Basic		0.36	0.40	0.67	1.11	1.40
Diluted		0.36	0.39	0.67	1.10	1.39

Consolidated statement of comprehensive income

All figures in NOK million

	2022 Quarter 3	2021 Quarter 3	2022 9 months	2021 9 months	2021 Full Year
Profit/(loss) after tax	143	162	265	453	573
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translation of foreign operations	115	-43	251	-153	-217
Hedging of currency risk in foreign operations	-43	21	-22	18	15
Other comprehensive income	72	-22	228	-135	-202
Total comprehensive income for the period	215	140	493	318	371
Total comprehensive income attributable to:					
Parent company shareholders	215	140	493	319	371
Non-controlling interests	0	0	0	0	0

Consolidated statement of financial position

All figures in NOK million

	Notes	2022	2021	2021
		30 Sep	30 Sep	31 Dec
Deferred tax asset		328	279	279
Goodwill		736	801	787
Tangible and intangible assets		309	279	295
Investments in associated companies and joint ventures		407	213	349
Purchased loan portfolios	3,4,5	11 034	11 222	10 921
Loan receivables		227	209	206
Participation loan/notes	3	414	561	505
Other non-current financial assets		138	20	54
Total non-current assets		13 593	13 583	13 396
Other short-term assets		356	309	260
Collateral assets		1 340	1 192	1 284
Cash and short-term deposits		1 383	415	376
Total current assets		3 079	1 916	1 920
Total assets		16 672	15 500	15 315
Equity attributable to parent company's shareholders	7	5 184	5 030	4 992
Equity attributable to non-controlling interests		1	1	1
Total equity		5 185	5 031	4 993
Deferred tax liabilities		275	301	291
Long-term interest bearing loans and borrowings	6	7 547	8 031	6 825
Other non-current liabilities		117	75	93
Total non-current liabilities		7 939	8 407	7 208
Short-term interest bearing loans and borrowings	6	2 754	1 370	2 400
Bank overdraft	6	53	142	219
Account payables and other payables		327	176	173
Income taxes payable		58	21	13
Other current liabilities		356	353	309
Total current liabilities		3 548	2 062	3 114
Total equity and liabilities		16 672	15 500	15 315

Consolidated statement of changes in equity

All figures in NOK million

	Notes	2022			2021		
		Attributable to parent company's shareholders	Non-controlling interests	Total equity	Attributable to parent company's shareholders	Non-controlling interests	Total equity
At 1 January		4 992	1	4 993	4 718	1	4 719
Profit/(loss) after tax		265	0	265	453	0	453
Other comprehensive income		228	0	228	-135	0	-135
Total comprehensive income		493	0	493	319	0	318
Share issuance	7	1		1			
Capital reduction ¹⁾	7	-87		-87			
Share buy-back programme ²⁾	7	-51		-51			
Share based payments		5		5	-6		-6
Dividend paid to parent company's shareholders		-168		-168			
Dividends to non-controlling interests			0	0			
At 30 September		5 184	1	5 185	5 030	1	5 031

1) From share buy-back programme ended 31 March 2022

2) Share buy-backs 2022, excluded share buy-backs NOK 30.5 mill as at 1 January and capital reduction in July 2022

Condensed consolidated statement of cash flows

All figures in NOK million

	Notes	2022 Quarter 3	2021 Quarter 3	2022 9 months	2021 9 months	2021 Full Year
Cash flows from operating activities						
Profit for the period before tax		185	210	341	588	742
Adjustment for non-cash items:						
Amortisation/revaluation of purchased loan portfolios		553	563	1 710	2 066	2 714
Repossession of collateral assets		-82	-93	-217	-433	-559
Cost of collateral assets sold, including impairment		82	27	262	102	119
Share of profit in associated parties/joint ventures/participation notes	3	-1	-20	-27	-62	-99
Financial expenses	5	153	156	380	465	572
Unrealised foreign exchange differences		-104	-3	-112	65	44
Other non-cash items		38	25	213	75	164
Operating cash flows:						
Income tax paid		-31	-34	-90	-102	-153
Change in working capital		-77	-2	-53	5	45
Change in non-current financial assets/liabilities		80	8	-21	-9	-84
Net cash from operating activities		796	838	2 386	2 762	3 505
Cash flows from investing activities						
Payment of loan portfolios	3, 4	-459	-227	-1 272	-663	-1 192
Investments/divestments in subsidiaries, joint ventures and associated companies		29	85	107	141	100
Net investments in intangible and tangible assets		26	-10	-19	-24	-50
Payment of contingent consideration		-11	-14	-11	-14	-14
Net cash from investing activities		-415	-166	-1 195	-560	-1 155
Cash flows from financing activities						
Payment buy-back share programme	7	-55		-138		-31
Net drawdowns/(repayments) on interest bearing loans and borrowings		597	-440	686	-1 639	-1 654
Interest paid on interest bearing loans & borrowings		-172	-147	-428	-436	-582
Repayment of principal amount on lease liabilities		-6	-10	-32	-36	-46
Termination of issued options			-10		-10	-10
Dividends paid to parent company's shareholders				-168		-61
Dividends paid to non-controlling interests			-0	-0	-0	-0
Net cash from financing activities		364	-608	-81	-2 122	-2 385
Net increase/(decrease) in cash and cash equivalents						
		745	64	1 110	80	-35
Cash and cash equivalents at the beginning of the period		538	213	157	201	201
Exchange rate difference on cash and cash equivalents		47	-4	63	-8	-9
Cash and cash equivalents at the end of the period		1 330	273	1 330	273	157
<i>Cash and cash equivalents comprised of:</i>						
Cash and short-term deposits		1 383	415	1 383	415	376
Bank overdraft		-53	-142	-53	-142	-219

Notes to the interim consolidated financial statements

NOTE 1 – GENERAL INFORMATION AND BASIS FOR PREPARATION

B2Holding ASA (the Company or Parent) and its subsidiaries (together the Group) is a debt solutions provider specialized in investing in, and the recovery of, non-performing debt portfolios in addition to providing third-party debt collection services. B2Holding ASA is a public limited liability company, incorporated and domiciled in Norway. The Company's registered office is at Cort Adelers gate 30, 0254 Oslo, Norway. The interim condensed consolidated financial statements consist of the Group and the Group's interests in associated companies and joint arrangements. As a result of rounding differences, numbers or percentages may not add up to the total.

These interim condensed consolidated financial statements (interim report) for the third quarter ended 30 September 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statement for 2021. The annual consolidated financial statements for 2021 are available at the company's website (www.b2holding.no).

The accounting policies applied in the preparation of the interim report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021.

The interim financial information for the quarters ended 30 September 2022 and 30 September 2021 are unaudited. The 2021 audited financial statements were approved by the Board of Directors on 11 May 2022.

NOTE 2 – ESTIMATES AND CRITICAL ACCOUNTING JUDGEMENTS

The preparation of the interim financial statements requires the use of evaluations, estimates and assumptions that affect the application of the accounting principles and amounts recognized as assets, liabilities, income, and expenses. The important assessments underlying the application of the Group's accounting policies and the main sources of uncertainty are the same for these interim financial statements as for the consolidated financial statements for the year ending 31 December 2021. However, in the light of uncertainty arising from the war in Ukraine there is clearly a significant level of judgement required in the assessment of future collections/cash flows/forecasts.

NOTE 3 – SEGMENT REPORTING

For management purposes, the Group is organized into different geographical regions corresponding to the countries where the Group operates. The Executive Management monitors the operating results of these geographical regions separately for the purposes of performance assessment and making decisions about resource allocation. The segment reporting is presented in the same manner as presented to the Executive Management. The Executive Management reporting differs from the reported numbers in the interim consolidated financial statements. The differences are related to the line-item presentation of revenue from purchased loan portfolios and the presentation of operating expenses. Total revenues and operating profit are equal in segment reporting and in the interim consolidated income statement. See explanation of the differences in definitions on pages 22-24.

Finance and taxes are managed on a Group basis and are not included at the regional level. The results of the Parent company, the holding companies and the Investment Office in Luxembourg are reported as “Central functions”. Results from purchased loan portfolios are included in the region where the portfolio is originated.

Quarter 3, 2022

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions/ eliminations	Total
Interest revenue from purchased loan portfolios	182	121	89	65	73		530
Net credit gain/(loss) from purchased loan portfolios	20	36	19	-28	-3		45
Revenue from purchased loan portfolios	202	157	108	37	70		575
Profit from shares in associated parties/joint ventures and participation loans/notes	1		45		-45		1
Total revenue from purchased loan portfolios	202	157	153	37	26		576
Revenue from external collection	38		1	23	22		84
Revenue from loan receivables		29			0		29
Revenue from sale of collateral assets	0		159	5	5		169
Other operating revenues	4	1	3	6	5		19
Total other revenues	42	30	163	33	33		301
Total revenues	244	188	317	70	59		878
Cost to collect	-53	-66	-61	-29	-39		-249
Cost of collateral assets sold, including impairment	0	0	-74	-3	-5		-82
Cost other revenues	-30	-14	-5	-30	-35		-114
Administration and management costs	-8	-6	8	-3	-2	-65	-76
EBITDA	154	102	185	5	-23	-65	358
Depreciation, amortisation and impairment losses	-4	-5	-2	-5	-3	-3	-21
Operating profit (EBIT)	150	97	184	0	-26	-68	337

Quarter 3, 2021

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions/ eliminations	Total
Interest revenue from purchased loan portfolios	196	125	105	78	80		584
Net credit gain/(loss) from purchased loan portfolios	31	17	21	-28	-7		33
Revenue from purchased loan portfolios	227	142	126	49	73		618
Profit from shares in associated parties/joint ventures and participation loans/notes	1		3		17		20
Total revenue from purchased loan portfolios	228	142	129	49	90		638
Revenue from external collection	42	0	2	27	25		96
Revenue from loan receivables		21			0		22
Revenue from sale of collateral assets	1	0	10	2	27		40
Other operating revenues	8	0	5	6	3		23
Total other revenues	51	22	18	35	55		181
Total revenues	279	164	147	84	145		819
Cost to collect	-51	-58	-39	-33	-34		-215
Cost of collateral assets sold, including impairment		0	-8	-3	-16		-27
Cost other revenues	-34	-10	-4	-33	-41		-124
Administration and management costs	-6	2	-4	-2	-4	-48	-62
EBITDA	188	97	90	14	50	-48	392
Depreciation, amortisation and impairment losses	-3	-6	-2	-5	-4	-2	-21
Operating profit (EBIT)	185	92	88	9	47	-50	370

9 months, 2022

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
Interest revenue from purchased loan portfolios	532	363	276	194	224		1 589
Net credit gain/(loss) from purchased loan portfolios	37	122	74	-96	-30		107
Revenue from purchased loan portfolios	568	485	350	98	194		1 696
Profit from shares in associated parties/joint ventures and participation loans/notes	-3		68		-38		27
Total revenue from purchased loan portfolios	566	485	418	98	156		1 723
Revenue from external collection	104		5	76	73		258
Revenue from loan receivables		84			1		85
Revenue from sale of collateral assets	1		356	16	34		408
Other operating revenues	11	4	9	21	4		50
Total other revenues	116	88	370	114	112		801
Total revenues	682	573	788	212	268		2 524
Cost to collect	-171	-192	-140	-106	-129		-737
Cost of collateral assets sold, including impairment	-1		-224	-11	-27		-262
Cost other revenues	-95	-38	-15	-97	-96		-341
Administration and management costs	-20	-10	-5	-6	-11	-245	-297
EBITDA	395	334	404	-7	5	-245	886
Depreciation, amortisation and impairment losses	-11	-15	-7	-14	-15	-99	-160
Operating profit (EBIT)	384	319	397	-21	-9	-345	725

9 months, 2021

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
Interest revenue from purchased loan portfolios	592	386	332	234	248		1 791
Net credit gain/(loss) from purchased loan portfolios	59	70	8	-74	-48		15
Revenue from purchased loan portfolios	651	456	340	160	200		1 807
Profit from shares in associated parties/joint ventures and participation loans/notes	4		6		52		62
Total revenue from purchased loan portfolios	655	456	346	160	252		1 868
Revenue from external collection	117	0	7	83	68		275
Revenue from loan receivables		72			1		73
Revenue from sale of collateral assets	2	2	83	9	45		140
Other operating revenues	15	0	12	21	8		56
Total other revenues	134	74	101	113	122		544
Total revenues	789	530	447	273	373		2 412
Cost to collect	-167	-188	-126	-112	-135		-729
Cost of collateral assets sold, including impairment		-2	-60	-9	-30		-102
Cost other revenues	-102	-31	-18	-100	-82		-333
Administration and management costs	-18	26	-15	-8	-9	-116	-140
EBITDA	502	334	228	43	117	-116	1 108
Depreciation, amortisation and impairment losses	-10	-18	-6	-14	-11	-7	-66
Operating profit (EBIT)	491	317	222	29	107	-123	1 042

Quarter 3 and 9 months, 2022

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
Portfolio investments in Quarter 3, 2022	261	41	39	16	42		399
Portfolio investments, 9 months 2022	729	479	59	51	78		1 395
Carrying value of purchased loans							
Purchased loan portfolios	4 602	2 040	1 886	1 501	1 005		11 034
Participation loan/notes to SPVs for purchase of loan portfolios	74				341		414
Purchased loan portfolios held through joint venture ¹⁾			403		5		407
Purchased loan portfolios at 30 September	4 675	2 040	2 289	1 501	1 351		11 856

¹⁾ Values stated reflects the Group's book value of investments in SPVs and joint ventures**Quarter 3 and 9 months, 2021**

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
Portfolio investments in Quarter 3, 2021	108	18	14	12	86		237
Portfolio investments, 9 months 2021	337	138	26	20	129		650
Carrying value of purchased loans							
Purchased loan portfolios	4 547	1 683	2 116	1 767	1 109		11 222
Participation loan/notes to SPVs for purchase of loan portfolios ¹⁾	85				475		561
Purchased loan portfolios held through joint ventures ¹⁾²⁾			206		6		213
Purchased loan portfolios at 30 September	4 632	1 683	2 322	1 767	1 591		11 995

¹⁾ The investment in Glencar ICAV Sub-fund 3 was classified as investment in joint venture in interim report Q3 2021²⁾ Values stated reflects the Group's book value of investments in SPVs and joint ventures

NOTE 4 – PURCHASED LOAN PORTFOLIOS**Purchased loan portfolios***All figures in NOK million*

	2022	2021	2022	2021	2021
	Quarter 3	Quarter 3	9 months	9 months	Full Year
Opening balance	11 034	11 597	10 921	13 033	13 033
Portfolio investments in the period	399	237	1 395	650	1 202
Gross collection from purchased loan portfolios	-1 128	-1 181	-3 406	-3 873	-5 068
Interest revenue from purchased loan portfolios	530	584	1 589	1 791	2 344
Net credit gain/(loss) from purchased loan portfolios	45	33	107	15	11
Exchange rate differences	154	-49	427	-395	-600
Closing balance	11 034	11 222	11 034	11 222	10 921

The fair value of unquoted financial assets has been estimated using valuation techniques based on assumptions that are not supported by observable market prices. The fair value of purchased loan portfolios (level 3) has been calculated by discounting the expected net future cash flows from collections less cost to collect and tax with the estimated weighted average cost of capital for the countries where the purchased portfolios are originated. The calculated fair value of purchased loan portfolios as of 30 September 2022 is NOK 11.3bn.

Net credit gain/loss from purchased portfolios

The Group purchases materially impaired loan portfolios at significant discounts and as such impairments are already included at purchase. The expected credit loss for the purchased loan portfolios is not explicitly recognized as a loss provision, as these financial assets are credit impaired by definition and the estimated loss is already part of the amortized cost. The Group's exposure to credit risk from the purchased loan portfolios is related to actual gross collections deviating from collections estimates, as well as from changes in future collections estimates. The Group regularly evaluates the future collections estimates (ERC / ERR) at portfolio level and the estimate is adjusted if expected future collections is determined to materially deviate from the previous estimate. The adjusted collections estimate is discounted by the initial rate of return at acquisition of the portfolio. Changes from current estimates adjust the book value of the portfolio and are included in the profit and loss statement in the line item "Net credit gain/(loss) from purchased loan portfolios". Both secured and unsecured portfolios are evaluated quarterly. Gross collections above collections estimates and upward adjustments of future collections estimates increase revenue, while conversely gross collections below collections estimates and downward adjustments of future collections estimates decrease revenue.

Quarter 3, 2022*All figures in NOK million*

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
<i>Secured portfolios:</i>							
Gross collection from purchased loan portfolios	2	11	131	56	26		225
Collection above/(below) estimates	1	1	86	8	7		105
Changes in future collection estimates	-1	0	-70	-24	-3		-98
Net credit gain/(loss) from secured portfolios	0	1	16	-15	4		7
<i>Unsecured portfolios:</i>							
Gross collection from purchased loan portfolios	427	249	75	37	114		903
Collection above/(below) estimates	20	35	3	-13	-7		38
Changes in future collection estimates	0	0	0	0	0		0
Net credit gain/loss from unsecured portfolios	20	35	3	-13	-7		38
Net credit gain/(loss) from purchased loan portfolios	20	36	19	-28	-3		45

Quarter 3, 2021

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
<i>Secured portfolios:</i>							
Gross collection from purchased loan portfolios	1	10	136	47	37		232
Collection above/(below) estimates	0	6	26	-4	1		30
Changes in future collection estimates	0	-7	-9	-9	1		-25
Net credit gain/(loss) from secured portfolios	0	-2	17	-13	2		5
<i>Unsecured portfolios:</i>							
Gross collection from purchased loan portfolios	468	238	85	42	117		949
Collection above/(below) estimates	31	18	3	-15	-7		30
Changes in future collection estimates	0	0	0	0	-2		-2
Net credit gain/loss from unsecured portfolios	31	19	3	-15	-9		29
Net credit gain/(loss) from purchased loan portfolios	31	17	21	-28	-7		33

9 months, 2022

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
<i>Secured portfolios:</i>							
Gross collection from purchased loan portfolios	7	27	421	152	121		729
Collection above/(below) estimates	3	-7	272	13	53		334
Changes in future collection estimates	-2	9	-211	-69	-33		-306
Net credit gain/(loss) from secured portfolios	1	2	61	-56	21		29
<i>Unsecured portfolios:</i>							
Gross collection from purchased loan portfolios	1 210	783	230	115	338		2 677
Collection above/(below) estimates	37	120	13	-40	-25		104
Changes in future collection estimates	-1	0	0	0	-26		-27
Net credit gain/loss from unsecured portfolios	36	120	13	-40	-51		78
Net credit gain/(loss) from purchased loan portfolios	37	122	74	-96	-30		107

9 months, 2021

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
<i>Secured portfolios:</i>							
Gross collection from purchased loan portfolios	8	34	717	175	151		1 085
Collection above/(below) estimates	3	12	23	-60	-6		-28
Changes in future collection estimates	-3	-13	-12	24	6		3
Net credit gain/(loss) from secured portfolios	0	-1	12	-36	0		-26
<i>Unsecured portfolios:</i>							
Gross collection from purchased loan portfolios	1 314	767	245	129	333		2 788
Collection above/(below) estimates	72	73	0	-38	-43		64
Changes in future collection estimates	-13	-2	-4	0	-5		-24
Net credit gain/loss from unsecured portfolios	59	71	-3	-38	-47		41
Net credit gain/(loss) from purchased loan portfolios	59	70	8	-74	-48		15

Purchase of loan portfolios, cash flow statement

The following table reconciles the difference between “Purchase of loan portfolios” in cash flow statement and other statements:

All figures in NOK million

	2022	2021	2022	2021	2021
	Quarter 3	Quarter 3	9 months	9 months	Full Year
Portfolio investments in the period	-399	-237	-1 395	-650	-1 202
Change in prepaid amounts and amounts due on portfolio purchases	-60	10	124	-13	10
Payment of loan portfolios, cash flow statement	-459	-227	-1 272	-663	-1 192

NOTE 5 – FINANCIAL INSTRUMENTS

Specific disclosures regarding purchased loan portfolios see note 4.

Fair value of financial instruments

The fair value of interest-bearing loans and borrowings is equal to the carrying amount (level 2) for the Multi-currency revolving credit facility (NOK 2,419m) and the Senior Facility Agreement (NOK 1,468m) as the loan facilities are based on one to six months floating interest. The fair value (NOK 6,391m) of bond loans (level 1) were determined by obtaining quoted market prices for the bond loans from Refinitiv EIKON and Nordic Bond Pricing. The carrying amount is NOK 6,414m. Participation loan/notes are measured at fair value through profit or loss. For loan receivables the carrying value is the best estimate of fair value.

Financial risk

The strategy of the Group is to manage and limit both currency and interest rate risk. The Group holds various derivative financial instruments with the purpose of reducing its interest rate exposure and achieving a suitable currency ratio between its assets and liabilities. At quarter end the fair value of the currency derivatives was positive NOK 4m and the fair value of the interest rate hedging derivatives was positive NOK 154m. The interest rate hedging ratio was 70%.

For more details refer to the Risk Management section in the Group's 2021 Annual Report.

Net financial items

All figures in NOK million

	2022	2021	2022	2021	2021
	Quarter 3	Quarter 3	9 months	9 months	Full Year
Interest revenue	1	0	3	1	1
Other financial income	0	-0	1	0	0
Financial income	1	0	4	1	1
Interest expenses	-171	-162	-464	-486	-632
Change in fair value of interest rate derivatives	27	7	98	26	62
Interest expense on leases	-2	-2	-6	-5	-7
Other financial expenses	-7	-0	-8	-0	5
Financial expenses	-153	-156	-380	-465	-572
Realised exchange gain/(loss)	-40	10	-79	1	-16
Unrealised exchange gain/(loss)	32	-19	86	29	22
Change in fair value of currency derivatives	7	5	-15	-19	-1
Net exchange gain/(loss)	0	-4	-8	10	5
Net financial items	-152	-160	-384	-454	-566

NOTE 6 - INTEREST BEARING LOANS AND BORROWINGS

All figures in NOK million

	30 September 2022		31 December 2021	
	Current	Non-current	Current	Non-current
Multi-currency revolving credit facility		2 419	497	3 030
Bond loans	2 754	3 660	1 903	3 794
Senior Facility Agreement		1 468		
Bank overdraft	53		219	
Total	2 807	7 547	2 619	6 825

The Group is financed by a combination of multi-currency Revolving Credit Facility (RCF), Senior Facility Agreement (SFA) and four Bond loans. At quarter end EUR 244m was utilised from the EUR 610m RCF and EUR 142m was utilised from the EUR 166m SFA, leaving total available, undrawn facility lines of EUR 390m. The current bridge facility on the RCF per end of December 2021 has been rolled into the non-current RCF in second quarter 2022. For further information, please refer to Corporate Matters in interim report 2Q.

The Group's loan agreements have several operational and financial covenants, including limits on certain key indicators, which have all been complied with at quarter end.

For more information about the Group's financing, please refer to note 24 in the Group's 2021 Annual Report and Corporate Matters in interim reports Q1 and Q2 2022.

NOTE 7 – SHARE CAPITAL AND OTHER PAID-IN CAPITAL

Ordinary shares have a nominal value of NOK 0.10 each. The number and value of authorised and registered shares, and the amount of other paid-in capital, being the premium on shares issued less any transaction costs of new shares issued, was as follows:

	Number of shares ¹⁾	Share capital NOK million	Other paid-in capital ²⁾ NOK million
At 31 December 2021	409 932 598	41	2 843
Capital reduction registered on 28 July 2022 related to the share buy-back programme ended 31 Mar 2022	-8 767 774	-1	
At 30 September 2022	401 164 824	40	2 843
Capital increase registered on 20 October 2022 related to issuance of new shares	200 000	0	1
At 9 November 2022 (date of completion of these interim condensed financial statements)	401 364 824	40	2 844

1) Including 9,782,729 shares purchased in share buy-back program, whereof 230,325 are not settled as at 30 September

2) Net proceeds after transaction costs

A share buy-back program started on 8 November 2021 and ended 31 March 2022. The purpose of the program was to reduce the capital of the company. In total 8,767,774 shares were bought back at an average price of NOK 9.90 per share and the share capital reduction of NOK 0.9m was effective as of 28 July 2022.

The Company started a second share buy-back program on 27 May 2022 to end 31 December 2022. The purpose of the program is to reduce the capital of the Company. The maximum number of shares under the programme is up to 13 million shares, but maximum total consideration of NOK 110 million.

In the period 27 May – 30 September 2022 9,782,729 shares were bought back at an average price of NOK 8.52 per share. Of these 9,552,404 shares were settled transactions as of 30 September 2022, decreasing the equity attributable to parent company shareholders by NOK 82m.

NOTE 8 – SHARE BASED PAYMENTS

In third quarter, no share options were granted, exercised, terminated, or expired.

10 October 2022, 200,000 share options were exercised by a previous employee.

At the date of these interim financial statements there are 10,930,000 share options outstanding.

NOTE 9 – SUBSEQUENT EVENTS

The sale of DCA Bulgaria EAD announced in the Q2 report has now been approved by the Commission for Competition Protection in Bulgaria, pending a 14 days appeal period starting on November 9. The total proceeds from the sale will be EUR 48.4m. The transaction triggered a non-cash impairment mainly related to goodwill. The net impact on profit after tax was NOK 105m which was included in the Q2 results.

ALTERNATIVE PERFORMANCE MEASURES

The interim financial information of the Group has been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The Group presents alternative performance measures (APMs) which do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to the calculation of similar measures used by other companies.

The APMs are regularly reviewed by Management and their aim is to enhance stakeholders' understanding of the Group's performance and to enhance comparability between financial periods. The APMs are reported in addition to but are not substitutes for the financial statements prepared in accordance with IFRS.

The APMs provide a basis to evaluate operating profitability and performance trends, excluding the impact of items which in the opinion of Management, distort the evaluation of the performance of the operations. The APMs also provide measures commonly reported and widely used by investors as an indicator of the Group's operating performance and as a valuation metric of debt purchasing companies. Furthermore, APMs are also relevant when assessing the ability to incur and service debt.

APMs are defined consistently over time and are based on the financial data presented in accordance with IFRS.

Alternative performance measures – reconciliation

All figures in NOK million

	2022	2021	2022	2021	2021
	Quarter 3	Quarter 3	9 months	9 months	Full Year
Total revenues	878	819	2 524	2 412	3 155
Adjust for Cost of collateral assets sold, including impairment	- 82	- 27	- 262	- 102	- 119
Net revenues	797	792	2 261	2 310	3 036
Operating profit/(loss)	337	370	725	1 042	1 308
Non-recurring items, of which:					
Changes in future collection estimates	0		32		
Interest revenue on loan receivables		9		9	10
Other revenues					- 3
External expenses of services provided	0	- 4	- 4	- 4	- 4
Personnel expenses	0	0	3	4	4
Other operating expenses	35	10	137	- 14	18
Depreciation and amortisation	- 0		1		
Impairment	0		98		1
Total Non-recurring items	35	15	267	- 5	25
Adjusted EBIT	373	385	992	1 037	1 333
Operating profit/(loss)	337	370	725	1 042	1 308
Add back Depreciation, amortisation and impairment losses	21	21	160	66	88
EBITDA	358	392	886	1 108	1 396
Total revenues	878	819	2 524	2 412	3 155
Add back Amortisation of purchased loan portfolios	455	537	1 378	2 045	2 609
Add back Revaluation of purchased loan portfolios	98	26	332	21	104
Adjust for Repossession of collateral assets	- 82	- 93	- 217	- 433	- 559
Adjust for Profit from shares in associated parties/joint ventures and participation loan/notes	- 1	- 20	- 27	- 62	- 99
Add Cash received from shares in associated parties/joint ventures and participation loan/notes	29	63	107	141	184
Adjust for Non-recurring items		9		9	7
Cash revenue	1 377	1 341	4 096	4 134	5 402
Operating profit/(loss)	337	370	725	1 042	1 308
Add back Amortisation of purchased loan portfolios	455	537	1 378	2 045	2 609
Add back Revaluation of purchased loan portfolios	98	26	332	21	104
Add back Depreciation, amortisation and impairment losses	21	21	160	66	88
Adjust for Repossession of collateral assets	- 82	- 93	- 217	- 433	- 559
Add back Cost of collateral assets sold, including impairment	82	27	262	102	119
Adjust for Profit from shares in associated parties/joint ventures and participation loan/notes	- 1	- 20	- 27	- 62	- 99
Add Cash received from shares in associated parties/joint ventures and participation loan/notes	29	63	107	141	184
Adjust for Non-recurring items	35	15	136	- 5	24
Cash EBITDA	973	946	2 857	2 917	3 779

The following APMs are financial covenants in the RCF agreement and are calculated accordingly.

Equity Ratio

All figures in NOK million

	2022 30 Sep	2022 30 Jun	2022 31 Mar	2021 31 Dec
Total assets	16 672	15 946	14 773	15 315
Total equity	5 185	5 023	4 882	4 993
Equity ratio	31.1 %	31.5 %	33.0 %	32.6 %
Total assets	16 672	15 946	14 773	15 315
Excluding IFRS 16 right-of-use asset	- 125	- 98	- 100	- 108
Total assets excl IFRS 16 right-of-use asset	16 547	15 848	14 673	15 208
Equity ratio	31.3 %	31.7 %	33.3 %	32.8 %

Total Loan to Value

All figures in NOK million

	2022 30 Sep	2022 30 Jun	2022 31 Mar	2021 31 Dec
Bond loan (nominal value) ¹⁾	6 445	5 931	5 565	5 725
Revolving Credit Facility (nominal value) ¹⁾	2 507	3 177	2 825	3 062
Senior Facility Agreement (nominal value) ¹⁾	1 505			
Bridge Facility (nominal value) ¹⁾		500	500	500
Contingent consideration (earn out)		12	11	11
Vendor loan	168	224	15	36
FX Derivatives (MTM)	- 4	4	- 32	- 18
Net cash balance including overdraft	-1 330	- 538	- 372	- 157
Total loan	9 292	9 309	8 511	9 157
Purchased loan portfolios	11 034	11 034	10 277	10 921
Investment and participation in joint ventures ²⁾	822	830	802	854
Other assets ³⁾	1 779	1 763	2 014	2 226
Book value	13 635	13 627	13 094	14 001
Total Loan to Value % (TLTV)	68.1 %	68.3 %	65.0 %	65.4 %

1) Bond loans, Revolving Credit Facility (RCF) and Senior Facility Agreement (SFA) are measured at nominal value according to the definitions of financial covenants.

In the Consolidated statement of financial position this is included in "long-term interest bearing loans and borrowings" and "short-term interest bearing loans and borrowings", with bonds measured at amortised cost and RCF and SFA at linear cost

2) Included in "investment in associated companies and joint ventures" and "participation loan/notes" in the Consolidated statement of financial position

3) Included in "goodwill", "loan receivables" and "collateral assets" in the Consolidated statement of financial position

Definitions

Actualisation

Actualisation is the difference between actual and forecasted collections for purchased loan portfolios for the reporting period.

Adjusted EBIT (Adj. EBIT)

Adjusted EBIT consists of Operating profit/(loss) (EBIT) adjusted for Non-recurring items.

Adjusted EBIT % (Adj. EBIT %)

Adjusted EBIT % is Adjusted EBIT expressed as a percentage of Net revenues excluding Non-recurring items.

Adjusted Net profit (Adj. Net profit)

Adjusted Net profit consists of Profit/(loss) after tax adjusted for Non-recurring items reduced by the tax rate for the period.

Adjusted Return on equity (Adj. ROE%)

Adjusted Return on equity is calculated based on rolling 12-months Adjusted Net profit divided by the average equity attributable to parent company shareholders (also adjusted for Non-recurring items), with average equity calculated as a simple average based on opening and closing balances for the respective 12-month period.

Administration & management costs

Administration and management cost include Head Office and other Group costs such as Investment Office.

Amortisation

Amortisation is the amount of the gross collections that are used to reduce the book value of the purchased portfolios.

Cash collections

Cash collections include unsecured collections, secured cash recoveries, cash received from SPVs and joint ventures, and REO sales proceeds.

Cash EBITDA

Cash EBITDA consists of EBIT added back Amortisation and Revaluation of purchased loan portfolios, Depreciation and amortisation and Impairment of tangible and intangible assets and Cost of collateral assets sold, adjusted for Repossession of collateral assets and the difference between cash received and recognised Profit from shares in associated parties/joint ventures and participation loan/notes. Cash EBITDA is a measure of actual performance from the collection business (cash business) and other business areas. Cash EBITDA is adjusted for Non-recurring items.

Cash margin

Cash margin consists of Cash EBITDA expressed as a percentage of cash revenue.

Cash revenue

Cash revenue consists of Total revenues added back Amortisation and Revaluation of purchased loan portfolios and adjusted for Repossession of collateral asset and the difference between cash received and recognised Profit from shares in associated parties/joint ventures and participation loan/notes. Cash revenue is a measure of actual revenues (cash business) from the collection business and

other business areas. Cash revenue is adjusted for Non-recurring items.

Collateral asset

In connection with the acquisition and recovery of purchased loan portfolios, the Group may become owner of assets such as land, buildings, or other physical goods. These assets are only acquired as part of the recovery strategy for the purpose of being divested within the Group's ongoing operations to maximize the value of recoveries. Such assets are classified as inventories and recognised in the balance sheet at the lower of cost and net realisable value in accordance with IAS 2 Inventories.

Cost other revenues

Cost other revenues is all external and internal operating costs excluding Administration and management costs and not related to the collections of BzHolding's purchased loan portfolios.

Cost to collect

Cost to collect is all external and internal operating costs related to the collections of BzHolding's purchased loan portfolios.

EBITDA

Operating profit before depreciation and amortisation (EBITDA) consists of operating profit (EBIT) adding back depreciation, amortisation and impairment of tangible and intangible assets.

Estimated Remaining Collections (ERC)

Estimated remaining collections (ERC) expresses the gross collections in nominal values expected to be collected in the future from the purchased loan portfolios owned at the reporting date and the Group's share of gross collections on portfolios purchased and held in joint ventures. ERC includes ERR.

Estimated Remaining Recoveries (ERR)

Estimated remaining recoveries (ERR) expresses the gross collections in nominal values expected to be recovered in the future from the purchased secured loan portfolios owned at the reporting date and the Group's share of gross collections on secured portfolios purchased and held in joint ventures.

Forward flow agreements

Forward flow agreements are agreements where the Group agrees with the portfolio provider that it will, over some period in fixed intervals, transfer its non-performing loans of a certain characteristics to the Group.

Gross collections

Gross collections are the actual cash collected and assets recovered from purchased portfolios.

Interest income from loan receivables

Interest income from loan receivables is the calculated amortised cost interest revenue from the loan receivable using the original effective interest rate.

Interest income from purchased portfolios

Interest income from purchased loan portfolios is the calculated amortised cost interest revenue from the purchased loan portfolios using the credit-adjusted effective interest rates set at initial acquisition.

Leverage ratio

Net interest-bearing debt over Cash EBITDA calculated for the last 12 months.

Liquidity reserve

Cash and short-term deposits (less NOK 200 million to cover working capital) plus unutilised credit facility lines, plus fair value of treasury bonds and less short-term vendor loans. Cash flow from future operations is not included in the number.

Net debt

Net debt consists of nominal value of interest-bearing loans and borrowings plus utilised bank overdraft less cash and short-term deposits.

Net interest-bearing debt

Net interest-bearing debt consist of carrying value of interest-bearing loans and borrowings plus utilised bank overdraft less cash and short-term deposits.

Net credit gain/(loss) from purchased loan portfolios

The Group's exposure to credit risk from the purchased loan portfolios is related to actual gross collections deviating from collections estimates and from changes in future collections estimates. The Group regularly evaluates the current collections estimates at the individual portfolio level and the estimate is adjusted if collections is determined to deviate from current estimate over time. The adjusted collections estimate is discounted by the initial rate of return at acquisition of the portfolio. Changes from current estimate adjust the book value of the portfolio and are included in the profit and loss statement in the line item "Net credit gain/(loss) from purchased loan portfolios". Collections above collections estimates and upward adjustments of future collections estimates increase revenue. Collections below collections estimates and downward adjustments of future collections estimates decrease revenue. Net credit gain/(loss) equals net actualisation/revaluation.

Net credit gain/(loss) from loan receivables

The Group's exposure to credit risk from loan receivables is related to actual instalments deviating from loan schedules. The Group measures the impairment loss on loan receivables using a 3-stage model for expected credit loss (ECL) according to IFRS 9. Changes from current estimate adjust the book value of the loan receivables and are included in the profit and loss statement in the line item "Net credit gain/(loss) from loan receivables".

Non-recurring items

Significant profit and loss items that are not included in the Group's normal recurring operations, which are difficult to predict and are considered to have low forecast value for the future earnings trend. Non-recurring items may include but are not limited to restructuring costs, acquisition and divestment costs, advisory costs for discontinued acquisition projects, integration costs, termination costs for Group Management and country managers, non-portfolio related write offs, unusual legal expenses, extraordinary projects, and material income or expenses relating to prior years.

Net revenues

Net revenues are the Total revenues reported less the Cost of collateral assets sold, including impairment.

Operating cash flow per share

Operating cash flow per share is operating cash flow from consolidated statement of cash flows divided on the weighted average number of shares outstanding in the reporting period. Operating cash flow per share is a measure on actual cash earned from operating business per share.

Other revenues

Other revenues include revenue from external collections, as well as subscription income for credit information, telemarketing and other services which is recognised proportionately over the term of the underlying service contract which is usually one year.

Participation loan/notes

Participation loan/notes consist of investment agreements with co-investors for the purchase of loan portfolios through SPVs. The contractual arrangement of the participation loan/notes are directly related to the performance of the portfolios purchased in the SPVs.

Portfolio purchases

Portfolio purchases are the investments for the period in secured (with collateral) and unsecured (without collateral) loan portfolios.

Profit margin

Profit margin consists of operating profit (EBIT) expressed as a percentage of total operating revenues.

Return on equity (LTM)

Return on equity (LTM) is calculated based on rolling 12-months profit/(loss) attributable to parent company shareholders divided by the average equity attributable to parent company shareholders, with average equity calculated as a simple average based on opening and closing balances for the respective 12-month period.

Revaluation

Revaluation is the period's increase or decrease in the carrying value of the purchased loan portfolios attributable to changes in forecasts of future collections.

Total Loan to Value (TLTV)

Total loan to value is net debt adjusted for vendor loan, earn out and FX hedge MTM over assets (portfolio, JV, loan receivables, real estate owned and goodwill).

SEGMENT REPORTING

The presentation of segment information is in the same format as reported to management. This is different from the financial statement presentation due to management focus on actual gross collections. Gross collections less amortisation/revaluation is equal to interest revenue adjusted for Net credit gain/(loss) from purchased loan portfolios.

Segment Central Europe

The operating segment Central Europe includes Austria, Bosnia and Herzegovina, Czech Republic, Croatia, Slovenia, Serbia, Montenegro, and Hungary.

Segment Central functions/eliminations

The operating segment Central functions/eliminations includes Oslo Head office and other Group functions and costs such as the Investment Office in Luxembourg.

Segment Northern Europe

The operating segment Northern Europe includes Norway, Sweden, Finland, Denmark, Estonia, Latvia, and Lithuania.

Segment Poland

The operating segment Poland includes Poland

Segment South Eastern Europe

The operating segment South Eastern Europe includes Bulgaria, Romania, Cyprus, and Greece.

Segment Western Europe

The operating segment Western Europe includes Italy, Spain, Portugal, and France.

Financial year 2022

Annual report 2021 29.04.2022
Annual General Meeting 24.05.2022
Half-yearly report 23.08.2022

Quarterly report - Q1 12.05.2022
Quarterly report - Q3 10.11.2022
Quarterly report - Q4 15.02.2023

B2HOLDING ASA

Head office

Cort Adellers gate 30
0254 Oslo, Norway

Tel: +47 22 83 39 50

E-mail: post@b2holding.no