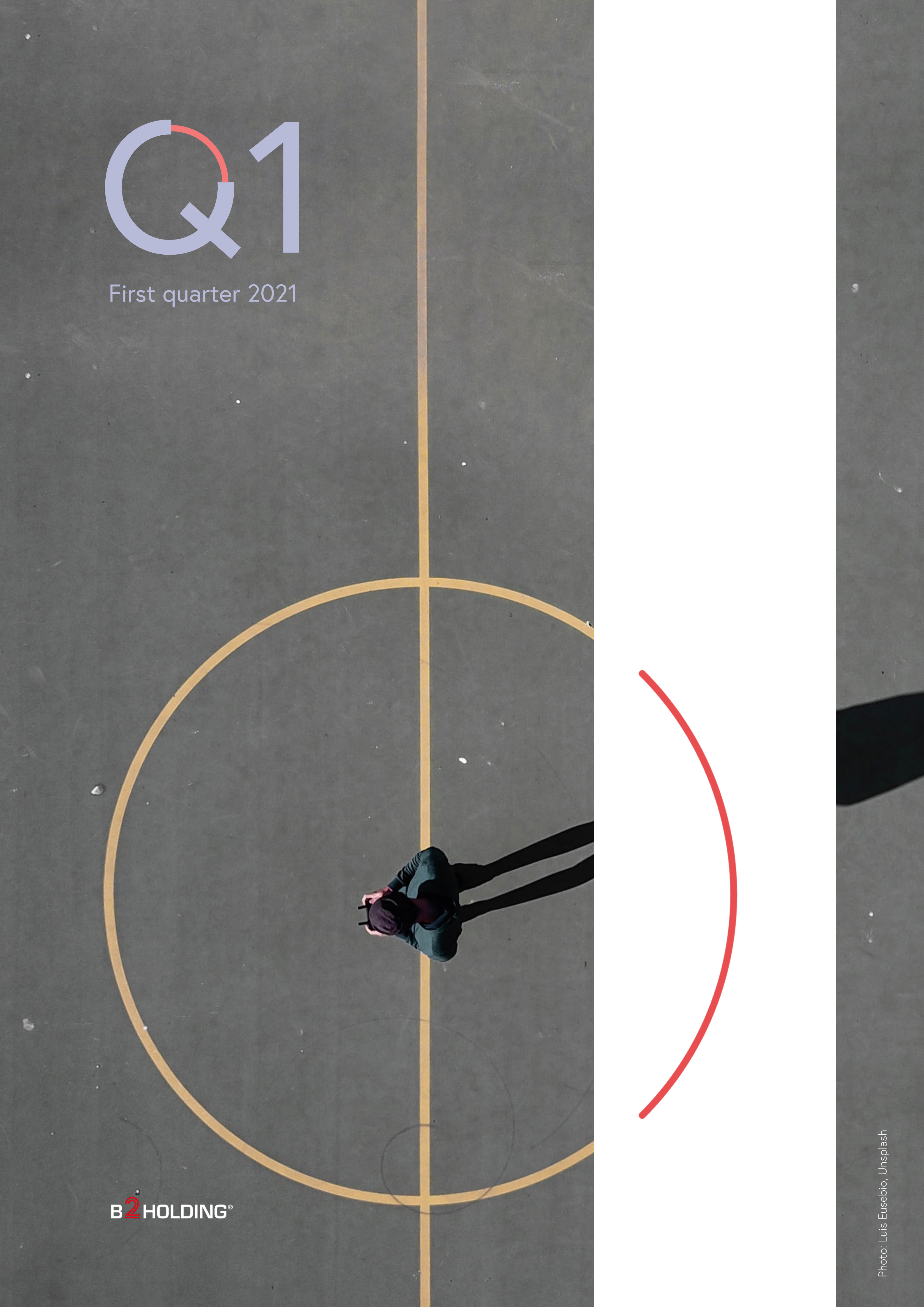


Q1

First quarter 2021

B2HOLDING®

Photo: Luis Eusebio, Unsplash

B2HOLDING

First quarter 2021

"I am very pleased to see that our strategic initiatives are showing results"

Erik Just Johnsen, CEO

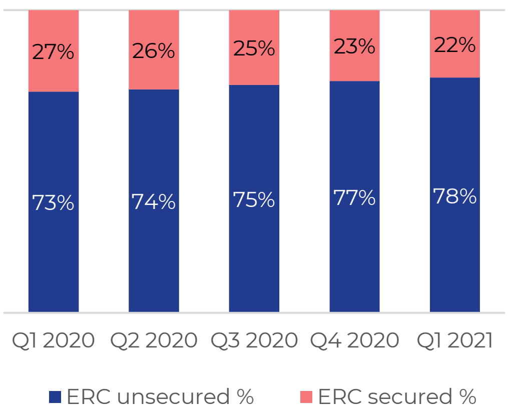
QUARTERLY EVENTS

- Solid unsecured collections at 101 % of the latest forecast
- Strong quarter for secured recoveries both in cash and in successful repossessions
- Continued cost focus delivered further savings
- Modest portfolio investments with focus on price discipline
- Lower cost of funding following bond buybacks and repayment of bond 1 (B2H01)

QUARTERLY SUMMARY

NOK million	2021 Quarter 1	2020 Quarter 1	*% Change*	2020 Full Year
Total revenues	782	775	*1 %*	3 174
EBIT	330	255	*30 %*	1 224
EBIT%	42,2 %	32,8 %	*29 %*	38,6 %
Profit/(loss) after tax	130	24	*431 %*	309
Cash revenue[1]	1 424	1 364	*4 %*	5 403
Cash EBITDA[1]	1 014	881	*15 %*	3 646
Cash margin[1]	71 %	65 %	*7 pp*	67 %
Cost to collect %	18,3 %	22,9 %	*-4,6 pp*	20,9 %
Basic earnings per share, NOK	*0,32*	0,06		*0,75*
Return on equity	8,8 %	0,6 %	*8,3 pp*	6,9 %
Gross collection from purchased loan portfolios[2]	1 494	1 433	*4 %*	5 659
Portfolio purchases[3]	192	491	*-61 %*	1 664

ERC - ASSET CLASS SPLIT



KEY PERFORMANCE FIGURES

NOK million	2021 31 Mar	2020 31 Dec	*% Change*
ERC (at end of month)[4]	20 840	23 100	*-10 %*
Net interest bearing debt	9 910	11 068	*-10 %*
Liquidity reserve	3 598	3 078	*17 %*
Equity ratio[5]	29,3 %	27,7 %	*1,6 pp*
Leverage ratio[1]	2,62x	3,04x	*-0,42x*
Total Loan to Value % (TLTV)	69,2 %	71,1 %	*-1,9 pp*
Number of employees (FTEs)	2 147	2 191	*-2 %*

1) Prior period numbers are updated in accordance with adjusted definition for Cash revenue and Cash EBITDA
2) Includes the Group's share of gross collection for portfolios purchased and held in SPVs and joint ventures
3) Including the Group's share of portfolios purchased in SPVs and joint ventures
4) Including the Group's share of portfolios purchased and held in SPVs and joint ventures
5) Equity ratio as defined in the RCF agreement

Comment by the CEO

The positive trend continues

The first quarter showed strong performance, with both unsecured collections and secured recoveries performing better than expected. I am very pleased to see that our strategic initiatives are showing results. Despite a challenging 2020, which has continued into 2021, our employees have been nothing but extraordinary. Another solid quarter with strong cash flow is an affirmation of their efforts.

Within unsecured, we have performed better than latest forecasts. Throughout the pandemic, Northern Europe and Poland have shown resilience, and I am pleased to see that several countries in Central and South Eastern Europe are also showing better performance as lockdown measures are gradually lifted. Our strong focus on cost control has continued and once again our cost saving targets have been met.

"… our employees have been nothing but extraordinary. Another solid quarter with strong cash flow is an affirmation of their efforts."

Within Corporate and Secured Asset Management, the first quarter showed many positives. The timing for recovery of secured assets is more challenging to predict than unsecured collections, and I am satisfied to see that some larger claims that were postponed from the fourth quarter, were recovered as expected in the first quarter. I would also like to highlight the positive development we have seen within Real Estate Owned assets (REOs). During the quarter, we have sold REOs well above book value, which is proving that our revised REO strategy is showing positive results.

We published our 2020 Annual report on 27 April and for the first time we have included a full sustainability report. ESG is becoming ever more important, and with this report we have prepared the ground for an increased focus on ESG going forward.

As said before, we see a promising future for our industry. Although NPL transaction activity is still quite low compared with previous years, we do see signs of increased activity, and we expect a more active market in the second half of 2021 and on into 2022. We have lowered our cost of funding, mainly as a result of the repayment of our first bond, and B2Holding has strengthened its balance sheet even further during the quarter. As such we are well positioned to take part actively in a NPL market which we expect will present attractive opportunities going forward.

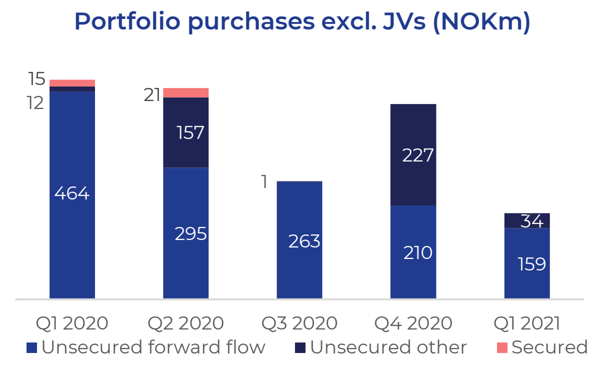
Oslo, 19 May 2021

Erik Just Johnsen
CEO

Operations

Collections and recoveries progressing very well and above expectations, REOs sold at a significant gain, reduced funding costs and operating expenses remain a key focus. Cautious approach to new investments maintained in 2021 and has resulted in very selective investments.

PORTFOLIO INVESTMENTS



In response to the uncertainty caused by the Covid-19 pandemic which is still to some extent present in the markets, in Q1 the Group has maintained its disciplined and opportunistic investment approach. The majority of the Group's existing contracts have been renegotiated over the last 12 months, positively affecting returns and performance during the quarter.

Q1 2021 has seen lower levels of investment compared with Q1 2020, mainly due to a lower observed pipeline in most of the regions, where various payment holidays and moratoria adopted by the financial institutions over the 12 months have temporarily reduced the incentive to recognise and/or sell non-performing assets. In addition, due to temporary caps on interest rates introduced in several markets in 2020 (and expected to expire in Q3/Q4 2021), the respective volumes of consumer NPL portfolios have been temporarily reduced.

Two thirds of all investments for the quarter were forward flow transactions in Northern Europe. Together with Poland, these markets continue to see good collection performance and limited impact from the pandemic. In total, forward flow deals represented the majority of all Q1 investments, with the remaining 20% of purchases coming from one-off portfolio acquisitions in Northern, Central and South-Eastern Europe.

The Group anticipates that a significant amount of NPL volumes will be coming to the market later in 2021 and in 2022 and that the yields will continue to be attractive. The Group has continued to actively seek JV and servicing opportunities to further optimize the risk exposure and diversify revenues.

COLLECTION, RECOVERIES, REPOSSESSION AND SERVICING

Gross collections ended at NOK 1,493m of which NOK 203m were repossessions and NOK 69m were B2Holding's share of collections from share of gross collection for portfolios purchased and held in SPVs and joint ventures. This was an increase of NOK 60m (4 %) versus Q1 2020, primarily due to higher recoveries on secured portfolios in 2021 partly offset by lower collections and recoveries in SPVs and joint ventures which were NOK 118m in Q1 2020.

Unsecured

Gross collections on unsecured portfolios reached NOK 905m in the first quarter.

Collection performance in Q1 reached 101% of the latest forecast, in line with trends from the previous quarters. In general, the Group's largest operations continue to perform strongly, and the majority of the countries that suffered most in the first quarters of the crisis are now showing visible signs of recovery.

B2Holding's adjusted ways of working and the revised collection strategies are becoming the new normal, creating a solid foundation for further improvements. In general, the level of individual and commercial savings, together with improved access to the customers during the lockdowns, are the source of the strong payment discipline, and allow for significantly better performance than the initial stress test scenarios predicted.

Combined collection results in the Group's main unsecured markets in the Northern Europe and Poland continued to outperform both recent forecast and pre-Covid expectations. The performance in Western Europe was more diverse, with some markets impacted by the pandemic, and others performing above pre-Covid forecast. Most countries in South Eastern Europe continue to show a higher negative impact than in other regions.

The recurring waves of pandemic and the development of new mutations continue to create challenges in terms of predictability in the markets, however the companies within the Group have become much more agile and resilient over the last quarters. Measures implemented so far by the countries' governments have not impaired the overall ability of B2Holding to follow initial collection curves, and the economic support mechanisms planned in Europe to boost the economies post-pandemic should be beneficial for the ability to collect.

Recoveries from secured portfolios

Secured recoveries were NOK 520m (390) for the quarter, of which NOK 203 million (135) were repossessed assets that B2Holding has successfully taken legal ownership of.

The Group is continuously monitoring changes in the legal systems and governments' measures in response to the pandemic in order to protect the value of its assets and preserve recovery levels. The centralised secured asset management team continues to evaluate the Group's secured portfolios, identifying opportunities for upside strategies that secure and improve the quality of the back-book.

Repossessed assets: new repossessions and disposals

A number of the strategies designed and implemented in the corporate and secured portfolios relate to repossession of the underlying assets, the aim being to shorten the legal processes - the "time to asset" and "time to money".

The values of repossessed assets increased from NOK NOK 873m at the end of 2020 Q4 to NOK 1,011m at the end of Q1 2021. The increase was mainly the result of successful repossessions concluded in Central Europe during the quarter, with some off-setting impact from a stronger NOK at the end of the quarter. REO disposals in the quarter were achieved with a high mark-up over the book value. Repossessions for the quarter were NOK 203m while sales were NOK 28m.

RISKS AND UNCERTAINTIES

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

The Covid-19 pandemic continues to impact the economies of the countries where B2Holding operates. The spread of the virus is not yet fully contained and the ultimate impact and timing for recovery remain uncertain.

However, court and bailiff operations are now functioning in all of the countries where the Group is present, and further impacts of the pandemic on the business are expected to be limited in the short-term.

Current macroeconomic indicators predict economies to rebound late in 2021 and to continue recovery in 2022. B2Holding continues to actively monitor the pandemic and macroeconomic developments, together with internal data analysis to mitigate potential pandemic impact.

Operational risks

The Group was able to mitigate operational risks caused by the pandemic in 2020. Operational processes were subsequently adjusted to flexible work arrangements, safeguarding the health and safety of the Group's employees. Those measures continue to be in force.

Extensions of and repeated lockdowns as well as stricter confinement measures in Q1 have not materially impacted the operating capacity of the Group. Good collections on unsecured portfolios and higher than expected recoveries on the secured assets reflect satisfactory internal operations, market conditions and operational capacity of the courts and bailiffs.

Financial risks

B2Holding's geographically diversified investment portfolio limits the Group's overall exposure to risks related to the Covid-19 impact in individual economies, asset classes or portfolios.

B2Holding continued to apply precautionary measures to mitigate the financial effects of the pandemic and strengthen its liquidity position in Q1, and these are expected to continue through 2021. A more cautious approach to new investments was introduced in 2020, including increased underwriting discipline and an expectation of higher yields. This approach has been maintained in 2021 and has resulted in very selective investments.

Better than expected results from the cost saving initiatives initiated in 2020, strong Cash EBIDTA in Q1, improved leverage ratio (2.6x), and reduced cost of funding following the bonds buy-back programme all result in a stronger financial position of the Group and lower overall financial risk.

The Group is in compliance with all covenants as of 31 March 2021, with increased covenant headroom and significant available investment capacity.

Strategic risks

The Group expects the pandemic effects to continue to be visible and to influence the competitive landscape in 2021 and onwards. The investment pipeline in Q1 has been lower than expected due to ambiguity and to relief measures such as extended moratoriums.

Considering the improved financial position and good collection results in Q1, the Group expects to be able to take advantage of a re-bounding NPL market going forward.

For detailed assessment of risks, please refer to the Risk Management and Board of Directors sections of the Annual Report for 2020.

CORPORATE MATTERS

B2Holding has a solid funding base to support future growth. The Group's healthy funding structure and gearing ensures liquidity and financial flexibility to deliver on our strategy. The combination of equity, bank 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's bank financing totals EUR 610m in facility lines and comprises of a EUR 510m senior secured revolving credit facility (RCF) with DNB Bank ASA, Nordea Bank AB and Swedbank ABP with maturity date 31 May 2023, and a EUR 100m senior secured bridge facility with DNB Bank ASA and Nordea Bank AB with maturity date 3 May 2022.

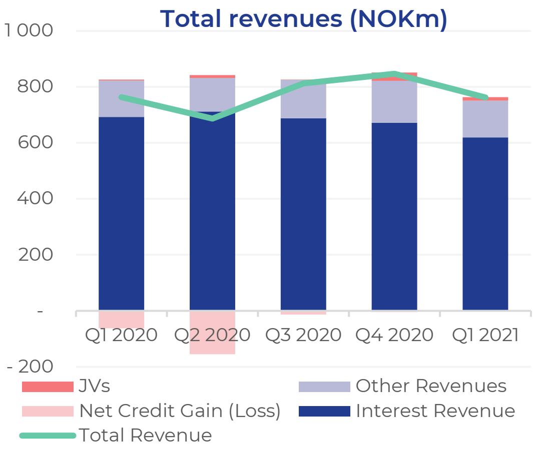
In addition to the bank financing, the Group has issued four listed senior unsecured bond loans for a total of EUR 775m. At the end of the first quarter of 2021, a nominal value of EUR 91m was held as treasury bonds, of which EUR 64m was held in Bond 2 maturing in October 2021. The remaining amount of EUR 111m in Bond 2 will primarily be refinanced via a combination of the RCF and the bridge facility.

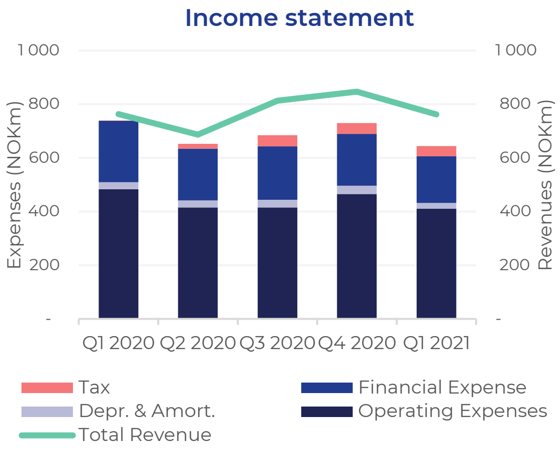
The rating agency S&P reaffirmed the B+ rating, while the outlook was upgraded from negative to stable in their latest research update on 12 February 2021. The positive outlook revision was due to resilient financial performance in 2020, improved covenants headroom and S&P's expectations that B2Holding will maintain stable leverage metrics beyond 2021.

During the quarter, B2Holding has strengthened its liquidity reserve and increased its headroom to financial covenants.

Financials

B2Holding reported profit after tax of NOK 130 million for the first quarter of 2021. Underlying revenues were down as a result of lower interest revenue following strong collections but lower investments during the last 12 months as a response to the Covid-19 pandemic. On the cost side, the Group continues to deliver significant savings following tight cost control. Gross collections ended at NOK 1,425 million for the quarter and were up from NOK 1,203 million in Q4 with the increase driven by high recoveries on secured portfolios in the quarter.





Fluctuations in the Norwegian Krone impact the Group's numbers since approximately 99 % of revenues were related to operations outside Norway. The weighted average impact on Group revenues from a stronger Norwegian Krone in Q1 2021 is approximately 2.7% versus Q1 2020 and 4.5% versus Q4 2020.

REVENUES

Interest income from purchased loan portfolios in Q1 is NOK 619m compared with NOK 672m in 2020 Q4 and NOK 693m in same quarter last year. FX comprised respectively NOK 29m and NOK 17m of the variances versus prior periods. In addition to FX, the main factors leading to the lower income are amortization following strong collections and recoveries, and a lower level of re-investment over the last 12 months due to the Group's conservative approach to purchases during the pandemic.

Collections on unsecured portfolios were in line with expectations for Q1 2021. The collections trend from previous quarters continued with the over-performance in Northern Europe and Poland but more varied performance in the other regions. Overall net credit gain for the Group was almost neutral at NOK 1m for the quarter.

Recoveries on secured portfolios were higher than expected for the quarter with strong cash recoveries and repossessions delivered particularly in Central Europe. Net credit loss on secured portfolios of NOK 2m in Q1 2021 reflects timing delays.

Profit from shares in associated parties/joint ventures and participation loan/notes for the quarter was NOK 12m (3). B2Holding's co-investments cover portfolios in Croatia, Greece, Romania and Sweden. Collections continued to show improvement in Q1.

Interest income from loan receivables for Q1 2021 was NOK 34m (65), the reduction compared with same quarter last year is reflecting lower loan balances and a lower interest rate during 2020. Net credit loss from loan receivables was NOK 7m (30) in Q1.

Revenue from sale of collateral assets (REOs) for the quarter was NOK 28m and a net gain on sale of NOK 9m for the Group.

Other revenues were NOK 96m (94) for the quarter. Other revenues are mainly comprised of revenue from external collection and from servicing of co-investments. Revenue from Credit information services and factoring are also included under other revenues.

OPERATING EXPENSES

In Q1 2021 the Group's operating expenses excluding cost of collateral assets sold, depreciation, amortization and impairment losses were NOK 410m which was a decrease of NOK 73m compared with Q1 2020. In response to the Covid19 pandemic, the Group initiated active cost control measures. The targeted cost reductions combined with lower costs as a result of closure of the legal systems across Europe were expected to deliver EUR 2m per month. The Group delivered FX adjusted cost reductions compared with the cost level in Q1 2020 of approximately NOK 203m from Q2 to Q4 2020, and the cost reductions continued into Q1 2021 with a further NOK 62m in reduced costs after adjusting for FX. The Group will continue to focus on cost and efficiency going forward but expects underlying costs to increase as the effects of the pandemic diminish.

Of the Group's operating expenses excluding cost of collateral assets sold, depreciation, amortisation, and revaluations in Q1 approximately 50% are personnel costs, 30 % variable costs related to collection / recovery activity and 20% office-related costs including premises, equipment, telecommunications, IT & postage.

NET FINANCIAL ITEMS

Net financial items for the quarter amounted to NOK -162m (-229) comprised of NOK 0.5m (54) in financial income, NOK -151m (-208) in financial expenses, and NOK -11m (-76) in net exchange loss. Included in financial expenses are interest expenses of NOK -163m (-206) and change in fair value of interest derivates of NOK 14m (1). The decrease in interest expenses is mainly related to reduced cost of debt and lower interest-bearing debt.

PROFIT FOR THE PERIOD AND TAX

The income tax expense for the quarter amounts to NOK 38m (1) and is 23% of profit before tax. Profit after tax for the quarter ended at NOK 130m (NOK 24m).

BALANCE SHEET

At the end of the quarter, total assets amount to NOK 15,873m compared with NOK 17,169m at the end of 2020.

Amortisation of NPL portfolios following strong collections during the quarter at the same time as low investments were the major impact on Total Assets, with approximately NOK 700m of the decrease being the result of a stronger NOK. REOs increased during the quarter by a net amount of NOK 139m following successful repossessions of NOK 203m offset by REOs sold with a book value of NOK 19m and the impact of the stronger NOK.

Net interest-bearing debt amount to NOK 9,910m, down NOK 1,158m compared with the end of 2020. Approximately NOK 500m of the decrease is a result of the strengthening of the NOK against the EUR, PLN & SEK in particular. The remaining reduction of Net Debt is the result of strong cashflow performance in the quarter.

CASH FLOW

Operating cash flow was NOK 1,011m (808) in the first quarter of 2021. The increase compared with the same period last year relates mainly to higher cash collection.

Cash flow from investing activities ended at NOK -155m (−569) and is mainly related to low portfolio purchases during 2021 Q1 as the Group maintains its conservative approach to NPL purchases during the pandemic.

Net cash flow from financing activities ended at NOK -638m (-320) following voluntary repayments of debt during Q1.

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, 19 May 2021

Consolidated income statement

All figures in NOK million unless otherwise stated

	Notes	2021 Quarter 1	2020 Quarter 1	2020 Full Year
Interest income from purchased loan portfolios		619	693	2 765
Net credit gain/(loss) from purchased loan portfolios	4	-1	-62	-230
Profit from shares in associated parties/joint ventures and participation loan/notes		12	3	45
Interest income from loan receivables		34	65	217
Net credit gain/(loss) from loan receivables		-7	-30	-79
Revenue from sale of collateral assets		28	12	72
Other revenues		96	94	385
Total revenues	3	**782**	**775**	**3 174**
External expenses of services provided		-110	-120	-454
Personnel expenses		-220	-244	-893
Other operating expenses		-80	-119	-411
Cost of collateral assets sold, including impairment		-19	-11	-78
Depreciation and amortisation		-22	-27	-108
Impairment losses		0		-6
Operating profit/(loss)	3	**330**	**255**	**1 224**
Financial income		0	54	56
Financial expenses		-151	-208	-805
Net exchange gain/(loss)		-11	-76	-64
Net financial items	5	**-162**	**-229**	**-814**
Profit/(loss) before tax		**168**	**25**	**411**
Income tax expense		-38	-1	-102
Profit/(loss) after tax		**130**	**24**	**309**
Profit/(loss) attributable to:				
Parent company shareholders		130	24	309
Non-controlling interests		0	0	0
Earnings per share (in NOK):				
Basic		0,32	0,06	0,75
Diluted		0,32	0,06	0,75

Consolidated statement of comprehensive income

All figures in NOK million

	2021 Quarter 1	2020 Quarter 1	2020 Full Year
Profit/(loss) after tax	**130**	**24**	**309**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	-256	462	129
Hedging of currency risk in foreign operations	32	73	52
Tax attributable to items that may be reclassified to profit or loss		-11	-11
Other comprehensive income	**-224**	**524**	**170**
Total comprehensive income for the period	**-94**	**549**	**479**
Total comprehensive income attributable to:			
Parent company shareholders	-94	549	479
Non-controlling interests	0	0	0

Consolidated statement of financial position

All figures in NOK million

	Notes	2021 31 Mar	2020 31 Mar	2020 31 Dec
Deferred tax asset		299	218	323
Goodwill		787	885	824
Tangible and intangible assets		301	395	330
Investments in associated companies and joint ventures		309	395	349
Purchased loan portfolios	3,4,5	11 772	15 077	13 033
Loan receivables		206	354	235
Participation loan/notes	3	495	601	522
Other non-current financial assets		12	4	3
Total non-current assets		**14 181**	**17 930**	**15 620**
Other short-term assets		276	360	253
Collateral assets		1 011	510	873
Cash and short-term deposits		405	396	423
Total current assets		**1 692**	**1 266**	**1 549**
Total assets		**15 873**	**19 196**	**17 169**
Equity attributable to parent company's shareholders	7	4 625	4 785	4 718
Equity attributable to non-controlling interests		1	1	1
Total equity		**4 626**	**4 786**	**4 719**
Deferred tax liabilities		283	188	295
Long-term interest bearing loans and borrowings	6	9 209	11 651	10 116
Other non-current liabilities		110	171	131
Total non-current liabilities		**9 603**	**12 009**	**10 542**
Short-term interest bearing loans and borrowings	6	1 102	1 538	1 153
Bank overdraft	6	4	197	222
Account payables and other payables		172	230	154
Income taxes payable		27	30	39
Other current liabilities		340	405	339
Total current liabilities		**1 645**	**2 402**	**1 908**
Total equity and liabilities		**15 873**	**19 196**	**17 169**

Consolidated statement of changes in equity

All figures in NOK million

	Notes	2021			2020		
		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		**4 718**	**1**	**4 719**	**4 236**	**1**	**4 237**
Profit/(loss) after tax		130	0	130	24	0	24
Other comprehensive income		-224	0	-224	524	0	524
Total comprehensive income		**-94**	**0**	**-94**	**549**	**0**	**549**
Issue of share capital	7						
Share based payments		1		1	0		-0
Dividend paid to parent company's shareholders							
At 31 March		**4 625**	**1**	**4 626**	**4 785**	**1**	**4 786**

Consolidated statement of cash flows

All figures in NOK million

	Notes	2021 Quarter 1	2020 Quarter 1	2020 Full Year
Cash flows from operating activities				
Profit for the period before tax		168	25	411
Adjustment for non-cash items:				
Amortisation/revaluation of purchased loan portfolios		806	684	2 743
Repossession of collateral assets		-203	-135	-619
Disposal of REOs sold, including write-downs		19	11	74
Share of profit in associated parties/joint ventures/participation notes	3	-12	-3	-45
Interest expense on interest bearing loans		149	207	796
Unrealised foreign exchange differences		96	83	-208
Other non-cash items		25	56	199
Operating cash flows:				
Income tax paid		-40	-37	-112
Change in working capital		11	-123	-83
Change in non-current financial assets/libilities		-9	39	92
Net cash from operating activities		**1 011**	**808**	**3 248**
Cash flows from investing activities				
Purchase of loan portfolios	3, 4	-198	-564	-1 756
Investments/divestments in subsidiaries, joint ventures and associated companies		51	7	64
Net investments in intangible and tangible assets		-8	-12	-45
Payment of contingent consideration				-22
Net cash from investing activities		**-155**	**-569**	**-1 760**
Cash flows from financing activities				
Net receipts/(payments) on interest bearing loans and borrowings		-491	-132	-808
Interest paid on interest bearing loans & borrowings		-146	-188	-736
Dividends paid to non-controlling interests		-0		-0
Net cash from financing activities		**-638**	**-320**	**-1 544**
Net increase/(decrease) in cash and cash equivalents		**218**	**-82**	**-56**
Cash and cash equivalents at the beginning of the period		201	259	259
Exchange rate difference on cash and cash equivalents		-18	21	-2
Cash and cash equivalents at the end of the period		**402**	**198**	**201**
Cash and cash equivalents comprised of:				
Cash and short-term deposits		405	396	423
Bank overdraft		-4	-197	-222

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) operates in the portfolio business. The portfolio business consists of purchasing, management, and collection of unsecured and secured non-performing loans. B2Holding ASA is a public limited liability company, incorporated and domiciled in Norway. The Company's registered office is at Stortingsgaten 22, 0119 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 first quarter ended 31 March 2021 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 2020. The annual consolidated financial statements for 2020 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 2020; the only exceptions to this are given below and relate to the adoption of new IFRS standards.

Adoption of new IFRS standards

Amendments to IFRS 9, IAS 39, IFRS7, IFRS4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2 (effective from 1 January 2021)

The relevant reference rates for the Group are EURIBOR, NIBOR, STIBOR, CIBOR and WIBOR. Although with a reformed methodology, these reference rates will remain in 2021 and for the foreseeable future[1]. Therefore, the adoption of the amended standards has not had any material impact on the disclosures or on the amounts reported in the interim report ended 31 March 2021, nor is it expected to have any material impact on the financial statements of the Group in future periods.

Change in presentation of financial information

Consolidated statement of cash flows

The presentation of the Consolidated statement of cash flows has been changed (with comparable numbers for 1st quarter and full year 2020). Repossession of collateral assets, Disposals of REOs sold, including write-downs and Share of profit in associated parties/joint ventures/participation notes are now presented on separate lines under Cash flows from operating activities. Previously these were presented under "Change in working capital" and "Change in other balance sheet items".

The interim financial information for the quarters ended 31 March 2021 and 31 March 2020 are unaudited. The 2020 audited financial statements were approved by the Board of Directors on 21 April 2021.

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 and 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 2020. However, in the light of uncertainty arising from the COVID-19 pandemic there is clearly a high level of judgement required in the assessment of future collections/cash flows/forecasts. Management have assessed the data and information available at the balance date.

1) https://nordeamarkets.com/ibor/, https://gpwbenchmark.pl/Papers

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 page 21.

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 1, 2021

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / elimination	Total
Interest income from purchased loan portfolios	200	134	120	80	86		619
Net credit gain/(loss) from purchased loan portfolios	13	24	5	-21	-21		-1
Revenue from purchased loan portfolios	**213**	**157**	**124**	**58**	**65**		**618**
Profit from shares in associated parties/joint ventures and participation loans/notes	2		-7		17		12
Total revenue from purchased loan portfolios	**215**	**157**	**117**	**58**	**83**		**631**
Revenue from external collection	37	0	2	27	16		82
Revenue from loan receivables		26			0		27
Revenue from sale of collateral assets	0	0	21	2	6		28
Other operating revenues	4	0	0	8	3		14
Total other revenues	**41**	**26**	**24**	**36**	**24**		**151**
Total revenues	**256**	**184**	**141**	**94**	**107**		**782**
Cost to collect	-60	-73	-46	-36	-46		-260
Cost of collateral assets sold, including impairment		0	-14	-1	-4		-19
Cost other revenues	-35	-7	-5	-35	-23		-106
Administration and management costs	-3	-2	-4	-3	-3	-29	-43
EBITDA	**157**	**101**	**72**	**19**	**31**	**-29**	**352**
Depreciation, amortisation and impairment losses	-4	-6	-2	-5	-4	-2	-22
Operating profit/(loss)	**154**	**95**	**70**	**14**	**28**	**-31**	**330**

Quarter 1, 2020

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / elimination	Total
Interest income from purchased loan portfolios	213	147	158	88	87		693
Net credit gain/(loss) from purchased loan portfolios	1	3	-39	-21	-7		-62
Revenue from purchased loan portfolios	**215**	**150**	**119**	**67**	**80**		**631**
Profit from shares in associated parties/joint ventures and participation loans/notes	3		-1		1		3
Total revenue from purchased loan portfolios	**218**	**150**	**118**	**67**	**80**		**634**
Revenue from external collection	34	0	0	30	9		74
Revenue from loan receivables		35			0		36
Revenue from sale of collateral assets		3	4	3	1		12
Other operating revenues	5	0	3	11	1		20
Total other revenues	**39**	**39**	**8**	**44**	**12**		**142**
Total revenues	**257**	**189**	**125**	**112**	**92**		**775**
Cost to collect	-63	-82	-60	-39	-56		-300
Cost of collateral assets sold, including impairment		-3	-4	-3	-1		-11
Cost other revenues	-37	-18	-6	-46	-22		-128
Administration and management costs	-5	-1	-1	-1	-1	-44	-54
EBITDA	**153**	**85**	**55**	**23**	**11**	**-44**	**281**
Depreciation, amortisation and impairment losses	-4	-8	-2	-6	-5	-2	-27
Operating profit (EBIT)	**149**	**76**	**52**	**16**	**6**	**-46**	**255**

Quarter 1, 2021

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / elimination	Total
Portfolio purchases in the period	131	18	11	2	30		192
Purchased loan portfolios, book value							
Purchased loan portfolios	4 725	1 745	2 295	1 819	1 189		11 772
Participation loan/notes to SPV's for purchase of loan portfolios					495		495
Purchased loan portfolios held through joint venture [1]	91		212		6		309
Purchased loan portfolios at 31 March	**4 816**	**1 745**	**2 507**	**1 819**	**1 689**		**12 576**

Quarter 1, 2020

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / elimination	Total
Portfolio purchases in the period	341	61		42	47		491
Purchased loan portfolios, book value	-	-	-	-	-		-
Purchased loan portfolios	5 572	2 200	3 591	2 291	1 423		15 077
Participation loan/notes to SPV's for purchase of loan portfolios					601		601
Purchased loan portfolios held through joint venture [1]	125		270				395
Purchased loan portfolios at 31 March	**5 697**	**2 200**	**3 861**	**2 291**	**2 024**		**16 074**

1) 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

	2021 Quarter 1	2020 Quarter 1	2020 Full Year
Opening balance	13 033	13 420	13 420
Portfolio purchases in the period	192	491	1 664
Gross collection from purchased loan portfolios	-1 425	-1 315	-5 278
Interest income from purchased loan portfolios	619	693	2 765
Net credit gain/(loss) from purchased loan portfolios	-1	-62	-230
Exchange rate differences	-647	1 851	692
Closing balance	**11 772**	**15 077**	**13 033**

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 collection 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 31 March 2021 is NOK 11,978m.

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 collection estimates, as well as from changes in future collection estimates. The Group regularly evaluates the future collection 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 collection 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". Both secured and unsecured portfolios are evaluated quarterly. Gross collection above collection estimates and upward adjustments of future collection estimates increase revenue, while conversely gross collection below collection estimates and downward adjustments of future collection estimates decrease revenue.

Quarter 1, 2021

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
Secured portfolios:							
Gross collection from purchased loan portfolios	2	12	406	56	43		520
Collection above/(below) estimates	0	1	10	-50	-28		-68
Changes in future collection estimates	0	0	3	37	27		66
Net credit gain/(loss) from secured portfolios	0	1	13	-14	-1		-2
Unsecured portfolios:							
Gross collection from purchased loan portfolios	407	264	78	46	110		905
Collection above/(below) estimates	17	23	-4	-7	-16		12
Changes in future collection estimates	-3	0	-4	0	-4		-11
Net credit gain/loss from unsecured portfolios	13	23	-8	-8	-20		1
Net credit gain/(loss) from purchased loan portfolios	**13**	**24**	**5**	**-21**	**-21**		**-1**

Quarter 1, 2020

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
Secured portfolios:							
Gross collection from purchased loan portfolios	2	8	231	89	59		390
Collection above/(below) estimates	0	4	118	-3	20		139
Changes in future collection estimates	1	-5	-153	1	-19		-175
Net credit gain/(loss) from secured portfolios	1	-1	-34	-3	1		-36
Unsecured portfolios:							
Gross collection from purchased loan portfolios	426	245	94	49	111		925
Collection above/(below) estimates	13	4	-4	-18	-5		-9
Changes in future collection estimates	-13	0	-1	0	-3		-17
Net credit gain/loss from unsecured portfolios	0	4	-5	-18	-8		-26
Net credit gain/(loss) from purchased loan portfolios	**1**	**3**	**-39**	**-21**	**-7**		**-62**

Purchase of loan portfolios, cash flow statement

The following table reconciles the difference between "Net portfolio purchases" in cash flow statement and other statements:

All figures in NOK million

	2021 Quarter 1	2020 Quarter 1	2020 Full Year
Portfolio purchases in the period	-192	-491	-1 664
Change in prepaid amounts and amounts due on portfolio purchases	-6	-73	-92
Net portfolio purchases, cash flow statement	**-198**	**-564**	**-1 756**

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 (NOK 3,521m) for the Multi-currency revolving credit facility (level 2) as the loans are based on one to six months floating interest. The fair value (NOK 6,879m) of bond loans (level 1) were determined by obtaining quoted market prices for the bond loans from Refintiv EIKON. The carrying amount is NOK 6,791m. 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 3m and the fair value of the interest rate hedging derivatives was positive NOK 1m. The interest rate hedging ratio was 82 %.

For more details refer to the Risk Management section in the Group's 2020 Annual Report.

Net financial items

All figures in NOK million

	2021 Quarter 1	2020 Quarter 1	2020 Full Year
Interest income	0	0	1
Other financial income	0	54	55
Financial income	**0**	**54**	**56**
Interest expenses	-163	-206	-786
Change in fair value of interest rate derivatives	14	1	-1
Interest expense on leases	-2	-2	-9
Other financial expenses	-0	-1	-9
Financial expenses	**-151**	**-208**	**-805**
Realised exchange gain/(loss)	4	-24	71
Unrealised exchange gain/(loss)	2	-73	-162
Change in fair value of currency derivatives	-17	21	26
Net exchange gain/(loss)	**-11**	**-76**	**-65**
Net financial items	**-162**	**-229**	**-814**

NOTE 6 - INTEREST BEARING LOANS AND BORROWINGS

All figures in NOK million

	31 March 2021		31 December 2020	
	Current	Non-current	Current	Non-current
Multi-currency revolving credit facility		3 521		4 162
Bond loan	1 102	5 688	1 153	5 954
Bank overdraft	4		222	
Total	**1 106**	**9 209**	**1 375**	**10 116**

The Group is financed by a combination of multi-currency Revolving Credit Facility (RCF), Bridge Facility and Bond loans. At quarter end EUR 335m was utilised from the EUR 510m RCF and EUR 25m was utilised from the EUR 100m Bridge Facility, leaving total available, undrawn facility lines of EUR 250m. Total outstanding bond loans was EUR 775m of which EUR 91m was held as Treasury Bonds.

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 2020 Annual Report.

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:

	Share capital Number of shares	Share capital NOK million	Other paid-in capital [1] NOK million
At 31 December 2020	**409 932 598**	**41**	**2 843**
At 31 March 2021	**409 932 598**	**41**	**2 843**
At 19 May 2021 (date of completion of these interim condensed financial statements)	**409 932 598**	**41**	**2 843**

1) Net proceeds after transaction costs

NOTE 8 – SHARE BASED PAYMENTS

Due to previous changes in Group management 250,000 share options were terminated in May 2021

At the date of these interim financial statements there are 14,160,000 share options outstanding.

NOTE 9 – SUBSEQUENT EVENTS

Nothing to report.

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 interim financial information complies with IFRS as issued by the International Accounting Standards Board (IASB) and approved by the EU. In addition, the Group presents alternative performance measures (APMs). These measures 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 our 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 our 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

	2021 Quarter 1	2020 Quarter 1	2020 Full Year
Operating profit/(loss)	330	255	1 224
Add back depreciation, amortisation and impairment losses	22	27	113
EBITDA	**352**	**281**	**1 338**
Total revenues	782	775	3 174
Add back amortisation/revaluation of purchased loan portfolios	806	684	2 743
Adjusted for repossession of collateral assets	-203	-135	-619
Add back profit from shares in associated parties/joint ventures and participation loan/notes	-12	-3	-45
Adjusted for cash received from shares in associated parties/joint ventures and participation loan/notes	51	43	150
Cash revenue	**1 424**	**1 364**	**5 403**
Operating profit/(loss)	330	255	1 224
Add back amortisation/revaluation of purchased loan portfolios	806	684	2 743
Add back depreciation and amortisation	22	27	113
Adjusted for repossession of collateral assets	-203	-135	-619
Add back for cost of collateral assets sold, including impairment	19	11	78
Add back profit from shares in associated parties/joint ventures and participation loan/notes	-12	-3	-45
Adjusted for cash received from shares in associated parties/joint ventures and participation loan/notes	51	43	150
Cash EBITDA	**1 014**	**881**	**3 646**

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

Equity Ratio

All figures in NOK million

	2021 31 Mar	2020 31 Dec	2020 30 Sep	2020 30 Jun
Total assets	15 873	17 169	18 102	18 159
Total equity	4 626	4 719	4 818	4 628
Equity ratio	***29,1 %***	***27,5 %***	***26,6 %***	***25,5 %***
Total assets	15 873	17 169	18 102	18 159
Excluding IFRS 16 right-of-use asset	-103	-117	-124	-126
Total assets excl IFRS 16 right-of-use asset	15 770	17 052	17 978	18 033
Equity ratio	***29,3 %***	***27,7 %***	***26,8 %***	***25,7 %***

Total Loan to Value

All figures in NOK million

	2021 31 Mar	2020 31 Dec	2020 30 Sep	2020 30 Jun
Bond loan (nominal value)[1)]	6 834	7 159	8 890	8 866
Revolving Credit Facility (nominal value)[1)]	3 342	3 999	3 187	3 796
Bridge Facility (nominal value)[1)]	250	250		
Contingent consideration (earn out)	30	31	44	43
Vendor loan	27	23	25	72
FX Derivatives (MTM)	-3	-20	8	**2**
Net cash balance including overdraft	-402	-201	-75	**-364**
Total loan	10 079	11 241	12 079	12 416
Purchased loan portfolios	11 772	13 033	13 827	14 280
Investment and participation in joint ventures[2)]	803	870	894	910
Other assets[3)]	1 987	1 914	2 037	1 652
Book value	14 562	15 817	16 758	16 843
Total Loan to Value % (TLTV)	***69,2 %***	***71,1 %***	***72,1 %***	***73,7 %***

1) Bond loans and revolving credit facility (RCF) 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 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 "other short-term 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.

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

Amortisation
Amortisation it the reduction in the current value of the purchased loan portfolios during the period, which is attributable to collection taking place as planned.

Available investment capacity/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.

Cash EBITDA
Cash EBITDA consists of EBIT added back depreciation and amortisation of tangible and intangible assets, amortisation and revaluation of purchased loan portfolios, profit from shares in shares in associated parties/joint ventures and participation loan/notes and cost of collateral assets sold. Adjusted for repossession of collateral assets and cash received 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 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, profit from shares in shares in associated parties/joint ventures and participation loan/notes. Adjusted for repossession of collateral assets and cash received 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.

Collateral asset
In connection with acquisitions of portfolio investments and in connection with the recovery of collateral for purchased loan portfolios, the Group may become owners of property holdings or other physical goods. These have been acquired for the purpose of being divested within the Group's ongoing operations and are classified as inventories in accordance with IAS 2.

Cost other revenues
Cost other revenues is all external and internal operating costs related to the Group's other business areas.

Cost to collect
Cost to collect is all external and internal operating costs related to the Group's collection business.

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

Estimated Remaining Collection (ERC)
Estimated remaining collection (ERC) expresses the gross collection 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 collection on portfolios purchased and held in joint ventures. ERC includes ERR.

Estimated Remaining Recoveries (ERR)
Estimated remaining recoveries (ERR) expresses the gross collection 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 collection 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 collection
Gross collection is the actual cash collected and assets recovered from purchased portfolios before costs related to collect the cash received.

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.

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 interesting-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 collection deviating from

collection estimates and from changes in future collection estimates. The Group regularly evaluates the current collection estimates at the individual portfolio level and the estimate is adjusted if collection is determined to deviate from current estimate over time. The adjusted collection 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". Collection above collection estimates and upward adjustments of future collection estimates increase revenue. Collection below collection estimates and downward adjustments of future collection 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
Unusual income, gain, loss or expense that is unlikely to occur again in the normal course of the business. Non-recurring expenses may include non-portfolio related write offs, restructuring cost and unusual legal expenses.

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 collection, 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 (ROE)
Return on equity 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 current value of the purchased loan portfolios attributable to changes in forecasts of future collection.

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 collection. Gross collection 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 2021

Annual report 2020	27.04.2021
Annual General Meeting	20.05.2021
Half-yearly report	25.08.2021
Quarterly report - Q1	20.05.2021
Quarterly report - Q3	04.11.2021
Quarterly report - Q4	10.02.2021

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