

Q4

Fourth quarter 2022

Fourth quarter of 2022

“The fourth quarter was our best quarter ever in terms of Cash EBITDA”

Erik Just Johnsen, CEO

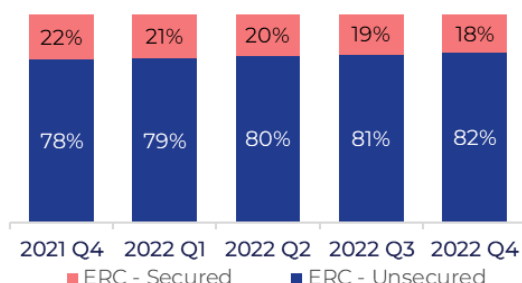
QUARTERLY EVENTS

- Stable Unsecured collections at 101.4% of the latest forecast
- Strong secured cash collections of NOK 553m including REO sales of NOK 173m
- Cash collected from JVs at NOK 188m
- Cash EBITDA of NOK 1,140m
- Investments of NOK 2.6bn by end 2022
- Leverage ratio of 2.26x (2.37x incl. NOK 435m paid in January)
- EUR 150m Bond tap completed in February 2023
- Amended dividend policy to distribution based on Adj. Net profit
- Proposed dividend and share buyback of NOK 239m (NOK 0.62 per share), with dividend of NOK 0.20 per share and buyback of NOK 0.42 per share

QUARTERLY SUMMARY

NOK million	2022	2021	%	2022	2021	%
	Q4	Q4	Δ	FY	FY	Δ
Cash collections	1 458	1 136	28%	5 161	4 857	6%
Net revenues	824	726	14%	3 085	3 036	2%
Adj. EBIT	343	297	15%	1 334	1 333	0%
Adj. EBIT %	42%	41%	1 pp	43%	44%	-1 pp
EBIT	303	267	14%	1 029	1 308	-21%
Adj. Net profit	92	143	-35%	564	593	-5%
Cash revenue	1 599	1 268	26%	5 695	5 402	5%
Cash EBITDA	1 140	862	32%	3 996	3 779	6%
Cash margin	71%	68%	3 pp	70%	70%	0 pp
Gross collections ¹⁾	1 261	1 266	0%	4 936	5 435	-9%
Amortisation of own portfolios	- 520	- 564	-8%	-1 898	-2 609	-27%
Portfolio investments ¹⁾	769	552	39%	2 165	1 202	80%
Cost to collect %	24%	21%	3 pp	22%	19%	3 pp
Adj. EPS	0.23	0.35		1.41	1.45	
Adj. ROE	10.7%	12.2 %	-1.5 pp	10.7 %	12.2 %	-1.5 pp

ERC - ASSET CLASS SPLIT



KEY PERFORMANCE FIGURES

NOK million	2022	2021	%
	31 Dec	31 Dec	Change
ERC (at end of month) ¹⁾	20 248	19 918	2%
Net interest bearing debt	9 042	9 067	0%
Liquidity reserve	3 606	2 218	63%
Equity ratio ²⁾	31.9 %	32.8 %	-0.9 pp
Leverage ratio	2.26x	2.40x	-0.14x
Total Loan to Value % (TLTV)	67.2 %	65.4 %	1.8 pp
Number of employees (FTEs)	1 885	1 979	-5%

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

2) Equity ratio as defined in the RCF agreement

Comment by the CEO

A transition year behind, back to profitable growth

The fourth quarter was our best quarter ever in terms of Cash EBITDA. Unsecured collections continued to be ahead of forecast, and cash collections from secured were strong with REO sales once again exceeding expectations. We also had a significant contribution to cash collections from our JVs. I want to highlight that during the last three years we have repaid debt of around NOK 4bn, resulting in one of the lowest leverage ratios in the industry. Despite our focus on deleveraging, we have maintained a high activity level with increases in Cash revenue of 5% and Cash EBITDA of 6% year over year.

The fourth quarter was another solid quarter within unsecured collections, with a collection performance of 101.4% and 103.4% for the full year. So far, collections have not been impacted by the volatile macro environment. We continue to monitor the situation closely and stay disciplined in sourcing of new business.

Within Corporate and Secured Asset Management (CSAM), the fourth quarter ended the year on a positive note. We reported cash collections of NOK 553m in the quarter including REO sales of NOK 173m. Total REO sales for 2022 ended at NOK 581m which was well ahead of guidance. With a margin of 48% compared to book value of REOs sold, it's fair to say that the repossession strategy has been accretive to our financial performance. The margin on REOs sold in 2022 has significantly exceeded our expectations of 15-20% on average.

“Total REO sales for 2022 ended at NOK 581m which was well ahead of guidance.”

Portfolio investments in the fourth quarter ended at NOK 769m which is an increase of 39% from the fourth quarter last year. We also signed additional portfolio investments of NOK 435m in late December, which closed in January. The transaction was an acquisition of notes held by one of our co-investors. I am pleased to see that after some years with low investment activity we now see ERC growth again.

During the first quarter of 2023 we have raised an additional EUR 150m in a tap issue in our bond number 6 issued in September last year. With this latest issue, we have significantly strengthened our funding flexibility and are well capitalized to take an active role in the NPL market going forward.

The Board of Directors proposes a dividend of NOK 77 million equivalent to NOK 0.20 per share and a share buyback program of NOK 161 million equivalent to NOK 0.42 per share for the financial year 2022. B2Holding has a book value per share of NOK 13.5 and is currently trading with a significant discount to book value. The Board of Directors are of the opinion that the suggested distribution is the most accretive for B2Holding's shareholders.

Finally, I would like to thank all our employees for their fantastic work in 2022. It was a year where we carried out an extensive restructuring especially within our secured business. With this behind us we will increase our focus on aligning our operations, driving efficiency and effectiveness, and delivering sustainable profitable growth.

Oslo, 14 February 2023

Erik Just Johnsen
CEO

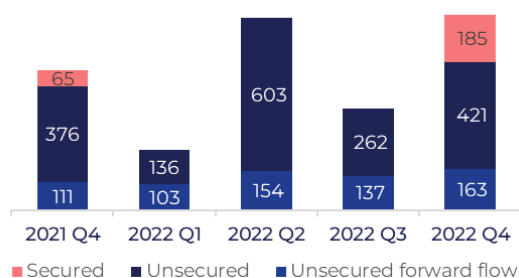


Operations

Investment activity picked up and both Cash collections and Cash EBITDA were very strong in Q4 due to high values of asset sales and cash received from JVs.

PORTFOLIO INVESTMENTS

Portfolio investments (NOKm)



Higher investment activity and a targeted investment approach in Q4 allowed for portfolio purchases of NOK 769m with an additional NOK 435m signed late in December. In total the purchased portfolios added ERC of NOK 2.8bn. The Group will continue to maintain a disciplined and selective approach to portfolio investments going forward and expects the levels of returns to gradually improve during 2023

COLLECTIONS, RECOVERIES, REPOSSESSION AND SERVICING

Unsecured portfolios

Q4 Gross collections were NOK 885m and 101.4% of the latest forecast compared with NOK 853m in Q4 2021. In addition, the JVs in unsecured contributed cash of NOK 20m in Q4 compared with NOK 21m in 2021 Q4. In line with previous years, collection performance in Q4 was slightly lower than Q3. As commented in previous reports, the Group has not seen any noticeable impact on its collections as a result of uncertainties due to the war in Ukraine and inflation.

B2Holding continued to focus on economies of scale, exchange of best practices between the markets and development of data and 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 were NOK 385m in Q4 compared with NOK 240m in Q4 2021. The significant increase versus Q4 2021 was driven by REO sales of NOK 173m in Q4 2022 compared with NOK 24m last year, as well as by lower repossessions in Q4 2022 of NOK 81m compared with NOK 126m in Q4 2021. In addition, the JVs in secured contributed cash of NOK 168m compared with NOK 22m in Q4 2021.

The book value of REOs sold in Q4 2022 was NOK 129m giving a 33% margin for the quarter. Full year 2022 REO sales were NOK 581m on book values of NOK 392m and a margin of 48%. The value of repossessed assets increased from NOK 1,284m at the end of 2021 to NOK 1,294m at the end of Q4 2022.

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 the Ukraine has resulted in increased geo-political risk in Europe, with high macroeconomic uncertainty expected to continue. B2Holding does not have operations in Russia or the Ukraine and has limited exposure to countries with significant dependency on Russian resources or trade ties with Russia. So far, the Group has not seen any impact on its financial performance.

Inflationary pressure across the Group's markets continued through Q4. This has resulted in interest rates rising faster than anticipated earlier in the year. High inflation and increased interest rates drive higher funding costs and may put pressure on customers' ability to repay debt. Increased default rates may have an impact on quality of new portfolio investments and the Group will continue to stay disciplined and target on the investment approach.

Continued low unemployment rates, salary increases, excess savings following the pandemic and government aid packages are expected to support the ability to pay, and we expect the higher interest rate environment to drive adjustments in pricing of NPL portfolios.

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 Q4, overall collections and recoveries were 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 Q4 and expects to do so throughout 2023. Management is focused on price and underwriting discipline, targeting increased returns despite a competitive market.

The Group is in compliance with all of its covenants as of 31 December 2022.

Strategic risks

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 leveraging 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 gives full flexibility to repay in full B2Ho3 and

B2Ho4. 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 19 August 2022. The facility line increased with EUR 4m to EUR 171m in December with Serbia included and will ultimately increase to EUR 180m once Cyprus is included later in H1 2023 (waiting for approval by Central Bank of Cyprus). 65% of the facility line can be used for reinvestment and at year end more than EUR 80m was unused. The SFA is fully securitised, but with no recourse to B2Holding. EUR 118m of the SFA was drawn at year end. On 27 January 2023, being the second interest payment date, a repayment of EUR 30m was made originating from quarterly operating cashflow in the new structure.

In the first quarter of 2023 B2Holding completed a tap issue of EUR 150m in B2Ho6. The tap proceeds were used to repurchase EUR 19m of B2Ho4. The new bond tap was assigned with a B1 and B+ rating respectively from Moody's and S&P and will be listed on the Oslo Stock Exchange in Q1 2023.

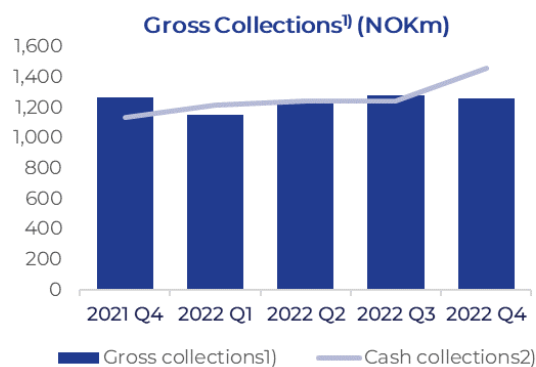
B2Ho3 was repaid in full on 24 October 2022 after a call option was exercised in Q3 2022. The repayment was in total EUR 145m and was funded by the RCF. A call option on B2Ho4 was exercised on 2 February 2023 to repay B2Ho4 in full at par plus accrued interest. The outstanding loan balance (adjusted for Treasury Bonds) is EUR 95m and will be repaid on 2 March 2023.

After the refinancing of the bonds mentioned above, the Group holds two senior unsecured bond loans for a total of EUR 500m. The Group holds no treasury bonds after full repayment of B2Ho4.

The closing of the sale of DCA Bulgaria EAD has been delayed due to buyer requesting additional time to finalize the financing package. B2Holding is compensated for the postponed closing through the Sale and Purchase Agreement with interest being accrued on the outstanding amount.

Financials

B2Holding reported Gross collections including share of SPVs and joint ventures of NOK 1,261m for the quarter and cash collections of NOK 1,458m. Sales 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 Q4 compared with 2021 Q4 was a positive impact of approximately 1% or NOK 10m.

Collections on unsecured portfolios came in at 101.4% of forecast, continuing the over-performance from previous quarters.

Recoveries on secured portfolios were 153.8% of the forecast with the business continuing to perform well ahead of expectations.

Share of Gross collections from JVs was NOK 83m in Q4 2022 compared with NOK 70m in Q4 2021 and NOK 150m in Q3 2022. The significant difference in collections for JVs was driven by exceptionally high recoveries in Q3 2022 which impacts comparability. As communicated in the Q3 report, the cash impact of these is in Q4's cash collections and Cash EBITDA. Cash from JVs in Q4 2022 was NOK 188m compared with NOK 43m in Q4 2021 and NOK 29m in Q3 2022.



Amortisation of own portfolios was NOK -520m in Q4 2022 compared with NOK -564m in Q4 2021 and NOK -455 in Q3 2022.

The Net credit gain on secured and unsecured portfolios was respectively NOK -2m and NOK 24m, and NOK 22m for the Group. Future collection estimates on unsecured portfolios were revised marginally upwards following consistent over-performance on unsecured portfolios. Revisions of the secured portfolios were mainly in connection with timing, with earlier than expected recoveries removed and delayed recoveries replaced in the curves, with a negligible net effect.

Revenue from loan receivables (comprised of Interest revenue from loan receivables and Net credit gain/(loss) from loan receivables) was NOK 33m in Q4 2022 and slightly above the NOK 21m that was reported for Q4 2021 driven mainly by higher interest rates.

Revenue from sale of collateral assets (REOs) of NOK 173m in Q4 resulted in a net gain of NOK 43m on book value of NOK 129m and a gain on sale of 33%. For the Full Year 2022, the Group has sold REOs for NOK 581m with a gain of 48%.

Other revenues are mainly comprised of revenues from external collection of NOK 63m (NOK 61m) and revenues from servicing of SPVs and joint ventures of NOK 29m (NOK 26m).

CASH EBITDA

Cash EBITDA for Q4 2022 was NOK 1,140m compared with NOK 862m in Q4 2021. Adjusted for FX, the underlying Cash EBITDA is NOK 268m (31%) higher in Q4 2022 than in Q4 2021. Q4 2022 was a very strong quarter with good collections of NOK 885m, recoveries of NOK 293m of which NOK 212m was cash, and strong REO sales of NOK 173m. Comparable figures for Q4 2021 restated at Q4 2022 FX were respectively NOK 858m, NOK 346m, NOK 218m and NOK 25m.

OPERATING EXPENSES

In Q4 2022 the Group's operating expenses excluding Non-recurring items, Cost of collateral assets sold, Depreciation and amortization, and Impairment losses were NOK 459m compared with NOK 406m in Q4 2021. Adjusted for FX, 2022 underlying operating expenses were NOK 41m (10.1%) higher than in Q4 2021, but only 4.7% higher for the full year 2022 compared with 2021. The increased underlying operating expenses in Q4 compared with Q4 2021 were Personnel expenses +NOK 4m (+2%) and Other operating expenses +NOK 37m (46%). The increased Other operating expenses are mainly related to higher operational activity in Q4. Cash margin was 71.3% in Q4 2022 and 70.2% for the full year compared with 68.0% and 70.0% respectively for Q4 2021 and full year 2021.

Of the Group's underlying operating expenses excluding Cost of collateral assets sold, Depreciation and amortisation, Impairment losses, and Non-recurring items in Q4 2022, 49% are Personnel expenses, 25% variable costs related to collection/recovery activities and 26% office-related costs including premises, equipment, telecommunications, IT, and postage.

The Non-recurring items impacting operating expenses in the quarter was NOK 38m of which NOK 26m were related to retention scheme and success bonus in establishing Veraltis and the senior financing. NOK 7m were related to the final phase of the restructuring process.

NET FINANCIAL ITEMS

Net financial items for the quarter were NOK -223m in Q4 compared with NOK -112m in Q4 2021 and NOK -152m in Q3 2022.

Interest expenses have increased by NOK 55m compared with Q4 2021. Gross debt averaged NOK 10,286m in Q4 2022 compared with NOK 9,493m in Q4 2021 and NOK

10,063m in Q3 2022 and was thus respectively 8.4% and 2.2% higher. Higher debt levels resulted in NOK 8m higher interest expenses, while higher interest rates impacted by NOK 54m in Q4 2022 compared with Q4 2021. Other items impacting interest expenses include commitment fees and hedging impacts with a net positive impact of NOK 7m.

The Change in fair value of interest rate derivatives impacted Q4 2022 negatively with NOK 6m due to decrease in long-term rates in the market. However, for the full year 2022 the change in fair value had a positive impact of NOK 92m due to increase in long-term market rates throughout the year.

Net exchange losses of NOK 17m in Q4 2022 were mainly the result of a weakening in the HRK against the EUR and fair value loss of currency derivatives.

PROFIT FOR THE PERIOD AND TAX

The Income tax expense for the quarter amounted to NOK 18m (35) and was 23% of Profit before tax. Profit after tax for the quarter ended at NOK 62m (120). Adjusted for the Non-recurring items in both periods, the Adjusted Net profit for Q4 2022 is NOK 92m compared with an Adjusted Net profit of NOK 143m in Q4 2021.

BALANCE SHEET

At the end of the quarter, Total assets amounted to NOK 16,500m compared with NOK 15,315m at the end of 2021. Investments in new portfolios were NOK 2,165m for the full year 2022 and amortisation of NPL portfolios during the period was NOK 1,898m. FX is the most significant impact on the Balance Sheet with an impact of approximately 4% mainly being the impact of a weaker NOK against the EUR, HRK & PLN. At constant FX, collateral assets (REOs) decreased by a net of NOK 54m since the end of 2021 with a higher value of REOs sold than repossessed during the period.

During Q4 2022, the Group has decreased its Gross debt by NOK 136m while in Q4 2021 it decreased by NOK 99m. The high balance of Cash and short-term deposits at the end of 2022 was a result of the timing of the repayments due on the loans from PIMCO, for which the interest payment date is 27 January when NOK 315m of the principal amount was repaid.

Net interest-bearing debt amounted to NOK 9,042m at the end of Q4 and was down NOK 25m compared with the

end of 2021 following strong cashflow generated during the period. FX impacted Net interest-bearing debt, increasing it by approximately 4% or NOK 400m.

CASH FLOW

Cash EBITDA was NOK 1,140m in Q4 2022, an increase of NOK 278m compared with Q4 2021. The higher cashflow was mainly the result of NOK 149m higher proceeds from sales of REOs and NOK 145m higher Cash from JVs in Q4 2022 compared with Q4 2021.

In Q4 2022, the Group invested in new NPLs for a total of NOK 769m compared with NOK 552m in Q4 2021. For the Full Year 2022, the Group has invested NOK 2,165m in

new portfolios compared with NOK 1,202m during 2021. Additionally, the Group concluded an additional NOK 435m of investments at the end of 2022 which will be reported in Q1 2023.

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, 14 February 2023

Consolidated income statement

All figures in NOK million unless otherwise stated

		2022	2021	2022	2021
	Notes	Quarter 4	Quarter 4	Full Year	Full year
Interest revenue from purchased loan portfolios		544	553	2 133	2 344
Net credit gain/(loss) from purchased loan portfolios	4	22	- 5	129	11
Profit from investments in associated parties/joint ventures		73	37	100	99
Interest revenue from loan receivables		34	18	121	99
Net credit gain/(loss) from loan receivables		- 2	3	- 3	- 6
Revenue from sale of collateral assets		173	24	581	164
Other revenues		109	113	416	444
Total revenues	3	954	743	3 477	3 155
External expenses of services provided		- 114	- 110	- 422	- 420
Personnel expenses		- 255	- 215	- 900	- 870
Other operating expenses		- 129	- 112	- 551	- 350
Cost of collateral assets sold, including impairment		- 129	- 17	- 392	- 119
Depreciation and amortisation		- 21	- 20	- 83	- 85
Impairment losses		- 2	- 1	- 100	- 3
Operating profit/(loss)	3	303	267	1 029	1 308
Financial income		2	0	6	1
Financial expenses		- 209	- 106	- 588	- 572
Net exchange gain/(loss)		- 17	- 6	- 25	5
Net financial items	5	- 223	- 112	- 607	- 566
Profit/(loss) before tax		80	155	421	742
Income tax expense		- 18	- 35	- 95	- 169
Profit/(loss) after tax		62	120	326	573
Profit/(loss) attributable to:					
Parent company shareholders		62	120	326	573
Non-controlling interests		0	- 0	- 0	- 0
Earnings per share (in NOK):					
Basic		0.16	0.29	0.82	1.40
Diluted		0.15	0.29	0.82	1.39

Consolidated statement of comprehensive income

All figures in NOK million

	2022	2021	2022	2021
	Quarter 4	Quarter 4	Full Year	Full year
Profit/(loss) after tax	62	120	326	573
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	-25	-64	226	-217
Hedging of currency risk in foreign operations	31	-3	9	15
Other comprehensive income	6	-67	234	-202
Total comprehensive income for the period	68	53	561	371
Total comprehensive income attributable to:				
Parent company shareholders	68	52	561	371
Non-controlling interests	0	1	0	0

Consolidated statement of financial position

All figures in NOK million

	Notes	2022 31 Dec	2021 31 Dec
Deferred tax asset		303	279
Goodwill		731	787
Tangible and intangible assets		320	295
Investments in associated companies and joint ventures		690	854
Purchased loan portfolios	3,4,5	11 181	10 921
Loan receivables		280	206
Other non-current financial assets		133	54
Total non-current assets		13 638	13 396
Other short-term assets		391	260
Collateral assets		1 294	1 284
Cash and short-term deposits		1 176	376
Total current assets		2 861	1 920
Total assets		16 500	15 315
Equity attributable to parent company's shareholders	7	5 216	4 992
Equity attributable to non-controlling interests		1	1
Total equity		5 217	4 993
Deferred tax liabilities		275	291
Long-term interest bearing loans and borrowings	6	8 885	6 825
Other non-current liabilities		133	93
Total non-current liabilities		9 294	7 208
Short-term interest bearing loans and borrowings	6	1 201	2 400
Bank overdraft	6	131	219
Account payables and other payables		209	173
Income taxes payable		51	13
Other current liabilities		396	309
Total current liabilities		1 989	3 114
Total equity and liabilities		16 500	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		326	0	326	573	0	573
Other comprehensive income		234	0	234	- 202	0	- 202
Total comprehensive income		561	0	561	371	0	371
Share issuance	7	0		0			
Capital reduction ¹⁾	7	- 87		- 87			
Share buy-back programme ²⁾	7	- 88		- 88	- 31		- 31
Share based payments		6		6	- 4		- 4
Dividend paid to parent company's shareholders		- 168		- 168	- 61	0	- 62
Dividends to non-controlling interests			0	0		0	0
Sale and acquisition of non-controlling interests				0		0	0
At 31 December		5 216	1	5 217	4 992	1	4 993

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

2) Share buy-back programme ended 12 December 2022 NOK 118 million adjusted for NOK 31 million related to shares repurchased in 2021 and reported under the line Capital reduction in 2022

Condensed consolidated statement of cash flows

All figures in NOK million

	Notes	2022 Quarter 4	2021 Quarter 4	2022 Full Year	2021 Full Year
Cash flows from operating activities					
Profit for the period before tax		80	155	421	742
<u>Adjustment for non-cash items:</u>					
Amortisation/revaluation of purchased loan portfolios		612	647	2 322	2 714
Repossession of collateral assets		- 81	- 126	- 299	- 559
Cost of collateral assets sold, including impairment		129	17	392	119
Share of profit in associated parties/joint ventures	3	- 73	- 38	- 100	- 99
Financial expenses	5	209	106	588	572
Unrealised foreign exchange differences		- 36	- 21	- 148	44
Other non-cash items		32	89	245	164
<u>Operating cash flows:</u>					
Income tax paid		- 54	- 51	- 144	- 153
Change in working capital		- 16	40	- 69	45
Change in non-current financial assets/liabilities		- 46	- 75	- 66	- 84
Net cash from operating activities		756	743	3 142	3 505
Cash flows from investing activities					
Payment of loan portfolios	3, 4	- 885	- 529	- 2 157	- 1 192
Investments/divestments in subsidiaries, joint ventures and associated companies		188	- 41	295	100
Net investments in intangible and tangible assets		- 7	- 26	- 27	- 50
Payment of contingent consideration				- 11	- 14
Net cash from investing activities		- 705	- 595	- 1 900	- 1 155
Cash flows from financing activities					
Proceeds from issue of new shares, net of transaction costs	7	1		1	
Payment buy-back share programme	7	- 36	- 31	- 175	- 31
Net drawdowns/(repayments) on interest bearing loans and borrowings		- 115	- 15	571	- 1 654
Interest paid on interest bearing loans & borrowings		- 149	- 146	- 577	- 582
Repayment of principal amount on lease liabilities		- 11	- 10	- 43	- 46
Termination of issued options					- 10
Dividends paid to parent company's shareholders			- 61	- 168	- 61
Dividends paid to non-controlling interests			0	0	0
Net cash from financing activities		- 311	- 263	- 392	- 2 385
Net increase/(decrease) in cash and cash equivalents		- 260	- 115	850	- 35
Cash and cash equivalents at the beginning of the period		1 330	273	157	201
Exchange rate difference on cash and cash equivalents		- 25	- 1	38	- 9
Cash and cash equivalents at the end of the period		1 045	157	1 045	157
<i>Cash and cash equivalents comprised of:</i>					
Cash and short-term deposits		1 176	376	1 176	376
Bank overdraft		- 131	- 219	- 131	- 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 fourth quarter ended 31 December 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. In the statement of Financial Position is Participation loans/notes included in the line Investments in associated companies and joint ventures, while previously in a separate line.

The interim financial information for the quarters ended 31 December 2022 and 31 December 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 and volatile macro environment 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 4, 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	186	125	88	70	75		544
Net credit gain/(loss) from purchased loan portfolios	-61	169	45	-127	-4		22
Revenue from purchased loan portfolios	125	295	133	-57	71		566
Profit from investments in associated parties/joint ventures	-6	0	13		66		73
Total revenue from purchased loan portfolios	119	295	146	-57	137		639
Revenue from external collection	37		2	25	27		91
Revenue from loan receivables		33			0		33
Revenue from sale of collateral assets	0	2	163	0	8		173
Other operating revenues	4	0	4	7	2		18
Total other revenues	41	35	169	32	37		314
Total revenues	160	329	315	-25	174		954
Cost to collect	-58	-80	-52	-43	-55		-287
Cost of collateral assets sold, including impairment	0	-2	-121	0	-7		-129
Cost other revenues	-33	-14	-5	-36	-24		-112
Administration and management costs	-11	-8	-23	-4	-12	-41	-98
EBITDA	58	226	115	-107	76	-41	327
Depreciation, amortisation and impairment losses	-5	-5	-2	-5	-2	-4	-23
Operating profit (EBIT)	53	221	113	-113	74	-45	303

Quarter 4, 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	185	120	98	74	77		553
Net credit gain/(loss) from purchased loan portfolios	-1	32	25	-132	71		-5
Revenue from purchased loan portfolios	184	151	123	-58	148		548
Profit from investments in associated parties/joint ventures	2		59		-25		37
Total revenue from purchased loan portfolios	187	151	182	-58	123		585
Revenue from external collection	33	0	2	27	24		87
Revenue from loan receivables		20			0		21
Revenue from sale of collateral assets	0	1	15	2	6		24
Other operating revenues	4	0	5	9	8		26
Total other revenues	37	21	22	39	38		158
Total revenues	224	173	204	-20	162		743
Cost to collect	-53	-71	-42	-38	-47		-251
Cost of collateral assets sold, including impairment	-1	-1	-11	-1	-3		-17
Cost other revenues	-32	-11	-9	-34	-28		-114
Administration and management costs	-6	-3	-6	-8	-6	-44	-72
EBITDA	131	88	137	-101	78	-44	288
Depreciation, amortisation and impairment losses	-3	-7	-2	-5	-3	-2	-22
Operating profit (EBIT)	127	81	135	-105	75	-45	267

Full year, 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	717	489	364	264	299		2 133
Net credit gain/(loss) from purchased loan portfolios	-24	291	119	-223	-35		129
Revenue from purchased loan portfolios	693	780	483	41	265		2 262
Profit from investments in associated parties/joint ventures	-9		82		28		100
Total revenue from purchased loan portfolios	684	780	564	41	292		2 362
Revenue from external collection	141		6	102	100		349
Revenue from loan receivables		117			1		118
Revenue from sale of collateral assets	1	2	519	17	42		581
Other operating revenues	16	4	13	28	7		68
Total other revenues	158	123	538	146	150		1 115
Total revenues	842	903	1 103	187	442		3 477
Cost to collect	-229	-272	-191	-148	-184		-1 025
Cost of collateral assets sold, including impairment	-1	-2	-345	-11	-33		-392
Cost other revenues	-128	-52	-20	-133	-121		-453
Administration and management costs	-31	-17	-29	-10	-23	-286	-395
EBITDA	453	560	518	-114	82	-286	1 212
Depreciation, amortisation and impairment losses	-16	-20	-9	-19	-17	-103	-184
Operating profit (EBIT)	437	540	510	-134	65	-389	1 029

Full year, 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	777	505	430	308	324		2 344
Net credit gain/(loss) from purchased loan portfolios	58	102	33	-206	23		11
Revenue from purchased loan portfolios	835	607	463	101	348		2 355
Profit from investments in associated parties/joint ventures	6		65		27		99
Total revenue from purchased loan portfolios	842	607	528	101	375		2 453
Revenue from external collection	150	0	9	110	93		362
Revenue from loan receivables		92			1		93
Revenue from sale of collateral assets	2	3	98	11	51		164
Other operating revenues	19	1	17	30	16		83
Total other revenues	171	95	124	151	160		702
Total revenues	1 013	702	652	253	535		3 155
Cost to collect	-220	-259	-167	-150	-183		-981
Cost of collateral assets sold, including impairment	-1	-3	-72	-10	-33		-119
Cost other revenues	-135	-42	-27	-133	-110		-447
Administration and management costs	-24	24	-21	-16	-15	-160	-213
EBITDA	632	422	365	-58	195	-160	1 396
Depreciation, amortisation and impairment losses	-14	-25	-8	-19	-14	-9	-88
Operating profit (EBIT)	618	397	356	-76	181	-169	1 308

Quarter 4 and full year, 2022

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
Portfolio investments in Quarter 4, 2022	155	250	15	261	88		769
Portfolio investments, 12 months 2022	884	729	74	312	166		2 165
Carrying value of purchased loans							
Purchased loan portfolios	4 437	2 378	1 795	1 563	1 008		11 181
Purchased loan portfolios held through joint venture ¹⁾	56		240		394		690
Purchased loan portfolios at 31 December	4 493	2 378	2 034	1 563	1 402		11 871

¹⁾ The Group's carrying value of Investments in associated companies and joint ventures**Quarter 4 and full year, 2021**

All figures in NOK million

	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
Portfolio investments in Quarter 4, 2021	90	319	47	12	85		552
Portfolio investments, 12 months 2021	427	458	73	32	213		1 202
Carrying value of purchased loans							
Purchased loan portfolios	4 352	1 874	2 025	1 534	1 136		10 921
Purchased loan portfolios held through joint ventures ¹⁾	83		344		427		854
Purchased loan portfolios at 31 December	4 352	1 874	2 369	1 534	1 563		11 775

¹⁾ The Group's carrying value of Investments in associated companies and joint ventures

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

	2022	2021	2022	2021
	Quarter 4	Quarter 4	Full year	Full year
Opening balance	11 034	11 222	10 921	13 033
Portfolio investments in the period	769	552	2 165	1 202
Gross collection from purchased loan portfolios	-1 178	-1 195	-4 584	-5 068
Interest revenue from purchased loan portfolios	544	553	2 133	2 344
Net credit gain/(loss) from purchased loan portfolios	22	- 5	129	11
Exchange rate differences	- 10	- 206	417	- 600
Closing balance	11 181	10 921	11 181	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 31 December 2022 is NOK 11.5bn.

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 4, 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	1	10	150	101	32		293
Collection above/(below) estimates	0	-8	95	10	5		103
Changes in future collection estimates	0	6	-61	-44	-5		-104
Net credit gain/(loss) from secured portfolios	0	-2	34	-34	0		-2
<i>Unsecured portfolios:</i>							
Gross collection from purchased loan portfolios	382	266	82	34	120		885
Collection above/(below) estimates	-18	46	10	-21	-5		12
Changes in future collection estimates	-43	125	1	-72	1		12
Net credit gain/loss from unsecured portfolios	-61	171	11	-92	-4		24
Net credit gain/(loss) from purchased loan portfolios	-61	169	45	-127	-4		22

Quarter 4, 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	2	15	143	119	64		342
Collection above/(below) estimates	1	7	7	17	30		62
Changes in future collection estimates	0	-13	14	-131	-35		-166
Net credit gain/(loss) from secured portfolios	0	-6	21	-115	-5		-104
<i>Unsecured portfolios:</i>							
Gross collection from purchased loan portfolios	378	236	79	39	121		853
Collection above/(below) estimates	-2	33	4	-18	-1		17
Changes in future collection estimates	0	5	0	0	77		82
Net credit gain/loss from unsecured portfolios	-1	37	4	-18	76		99
Net credit gain/(loss) from purchased loan portfolios	-1	32	25	-132	71		-5

Full year, 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	8	36	571	254	153		1 022
Collection above/(below) estimates	3	-14	367	23	58		437
Changes in future collection estimates	-2	15	-272	-113	-38		-410
Net credit gain/(loss) from secured portfolios	1	0	95	-90	21		27
<i>Unsecured portfolios:</i>							
Gross collection from purchased loan portfolios	1 592	1 050	312	149	458		3 562
Collection above/(below) estimates	19	166	23	-61	-31		116
Changes in future collection estimates	-44	125	1	-72	-24		-14
Net credit gain/loss from unsecured portfolios	-25	291	24	-133	-55		102
Net credit gain/(loss) from purchased loan portfolios	-24	291	119	-223	-35		129

Full year, 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	10	48	859	294	215		1 427
Collection above/(below) estimates	4	19	30	-44	24		34
Changes in future collection estimates	-3	-26	2	-107	-29		-163
Net credit gain/(loss) from secured portfolios	1	-7	32	-150	-5		-129
<i>Unsecured portfolios:</i>							
Gross collection from purchased loan portfolios	1 691	1 004	324	168	454		3 641
Collection above/(below) estimates	70	106	4	-56	-43		81
Changes in future collection estimates	-13	2	-3	0	72		59
Net credit gain/loss from unsecured portfolios	58	108	1	-56	29		140
Net credit gain/(loss) from purchased loan portfolios	58	102	33	-206	23		11

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
	Quarter 4	Quarter 4	Full year	Full year
Portfolio investments in the period	- 769	- 552	-2 165	-1 202
Change in prepaid amounts and amounts due on portfolio purchases	- 116	23	8	10
Payment of loan portfolios, cash flow statement	- 885	- 529	-2 157	-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 4,025m) and the Senior Facility Agreement (NOK 1,208m) as the loan facilities are based on one to six months floating interest. The fair value (NOK 4,813m) 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 4,854m. 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 -0,4m and the fair value of the interest rate hedging derivatives was positive NOK 146m. The interest rate hedging ratio was 54%.

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
	Quarter 4	Quarter 4	Full Year	Full year
Interest revenue	2	0	5	1
Other financial income	0	0	1	0
Financial income	2	0	6	1
Interest expenses	- 201	- 146	- 665	- 632
Change in fair value of interest rate derivatives	- 6	36	92	62
Interest expense on leases	- 2	- 2	- 8	- 7
Other financial expenses	0	5	- 8	5
Financial expenses	- 209	- 106	- 588	- 572
Realised exchange gain/(loss)	- 94	- 17	- 174	- 16
Unrealised exchange gain/(loss)	82	- 7	168	22
Change in fair value of currency derivatives	- 4	18	- 19	- 1
Net exchange gain/(loss)	- 17	- 6	- 25	5
Net financial items	- 223	- 112	- 607	- 566

NOTE 6 - INTEREST BEARING LOANS AND BORROWINGS

All figures in NOK million

	31 December 2022		31 December 2021	
	Current	Non-current	Current	Non-current
Multi-currency revolving credit facility		4 025	497	3 030
Bond loans	1 201	3 653	1 903	3 794
Senior Facility Agreement		1 208		
Bank overdraft	131		219	
Total	1 332	8 885	2 619	6 825

The Group is financed by a combination of multi-currency Revolving Credit Facility (RCF), Senior Facility Agreement (SFA) and Bond loans. At quarter end EUR 404m was utilised from the EUR 610m RCF and EUR 118m was utilised from the EUR 171m SFA, leaving total available, undrawn facility lines of EUR 259m.

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	
Capital increase registered on 20 October 2022 related to issuance of new shares, see note 8	200 000	0	
At 31 December 2022	401 364 824	40	2 843
At 14 February 2023 (date of completion of these interim condensed financial statements)	401 364 824	40	2 843

1) Including 14,184,000 own shares purchased in 2022 buy-back program.

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 which was extended 9 November 2022. The purpose of the program was to reduce the capital of the Company. 14,184,000 shares were bought back at an average price of NOK 8.31 per share, corresponding to 3.53% and decreasing the equity attributable to parent company shareholders by NOK 118m. The share buy-back programme for 2022 is complete and the Board will propose to the Annual General Meeting 2023 to decrease the parent Company's share capital and Other paid in capital by cancellation of its 14,184,000 treasury shares acquired under the share buyback program. A creditor deadline of six weeks will apply before implementation.

NOTE 8 – SHARE BASED PAYMENTS

In fourth quarter, 200,000 share options were exercised by a previous employee. No share options were granted, exercised, terminated, or expired.

At the date of these interim financial statements there are 11,130,000 share options outstanding.

NOTE 9 – SUBSEQUENT EVENTS

In the first quarter of 2023 B2Holding completed a tap issue of EUR 150m in B2H06. The tap proceeds were used to repurchase EUR 19m of B2H04. Please see Corporate Matters for more information.

The Board of Directors proposes a dividend of NOK 0.20 per share and a share buyback program of NOK 0.42 per share for the financial year 2022.

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 Quarter 4	2021 Quarter 4	2022 Full Year	2021 Full year
Total revenues	954	743	3 477	3 155
Adjust for Cost of collateral assets sold, including impairment	- 129	- 17	- 392	- 119
Net revenues	824	726	3 085	3 036
Operating profit/(loss)	303	267	1 029	1 308
Non-recurring items, of which:				
Changes in future collection estimates	0		32	
Interest revenue on loan receivables	0	0	0	10
Other revenues	- 0	- 3	- 0	- 3
External expenses of services provided	- 0	- 0	- 4	- 4
Personnel expenses	28	- 0	31	4
Other operating expenses	10	32	147	18
Depreciation and amortisation	0		1	
Impairment	1	1	99	1
Total Non-recurring items	39	30	306	25
Adjusted EBIT	343	297	1 334	1 333
Operating profit/(loss)	303	267	1 029	1 308
Add back Depreciation, amortisation and impairment losses	23	22	184	88
EBITDA	327	288	1 212	1 396
Total revenues	954	743	3 477	3 155
Add back Amortisation of purchased loan portfolios	520	564	1 898	2 609
Add back Revaluation of purchased loan portfolios	92	83	424	104
Adjust for Repossession of collateral assets ventures	- 81	- 126	- 299	- 559
ventures	- 73	- 37	- 100	- 99
ventures	188	43	295	184
Adjust for Non-recurring items	- 0	- 2	- 0	7
Cash revenue	1 599	1 268	5 695	5 402
Operating profit/(loss)	303	267	1 029	1 308
Add back Amortisation of purchased loan portfolios	520	564	1 898	2 609
Add back Revaluation of purchased loan portfolios	92	83	424	104
Add back Depreciation, amortisation and impairment losses	23	22	184	88
Adjust for Repossession of collateral assets	- 81	- 126	- 299	- 559
Add back Cost of collateral assets sold, including impairment	129	17	392	119
Adjust for Profit from investments in associated parties/joint ventures	- 73	- 37	- 100	- 99
Add Cash received from investments in associated parties/joint ventures	188	43	295	184
Adjust for Non-recurring items	38	29	174	24
Cash EBITDA	1 140	862	3 996	3 779

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

Equity Ratio

All figures in NOK million

	2022 31 Dec	2022 30 Sep	2022 30 Jun	2022 31 Mar
Total assets	16 500	16 672	15 946	14 773
Total equity	5 217	5 185	5 023	4 882
Equity ratio	31.6 %	31.1 %	31.5 %	33.0 %
Total assets	16 500	16 672	15 946	14 773
Excluding IFRS 16 right-of-use asset	- 137	- 125	- 98	- 100
Total assets excl IFRS 16 right-of-use asset	16 363	16 547	15 848	14 673
Equity ratio	31.9 %	31.3 %	31.7 %	33.3 %

Total Loan to Value

All figures in NOK million

	2022 31 Dec	2022 30 Sep	2022 30 Jun	2022 31 Mar
Bond loan (nominal value) ¹⁾	4 880	6 445	5 931	5 565
Revolving Credit Facility (nominal value) ¹⁾	4 086	2 507	3 177	2 825
Senior Facility Agreement (nominal value) ¹⁾	1 241	1 505		
Bridge Facility (nominal value) ¹⁾			500	500
Contingent consideration (earn out)	- 0		12	11
Vendor loan	47	168	224	15
FX Derivatives (MTM)	0	- 4	4	- 32
Net cash balance including overdraft	-1 045	-1 330	- 538	- 372
Total loan	9 210	9 292	9 309	8 511
Purchased loan portfolios	11 181	11 034	11 034	10 277
Investment and participation in joint ventures ²⁾	690	822	830	802
Other assets ³⁾	1 834	1 779	1 763	2 014
Book value	13 705	13 635	13 627	13 094
Total Loan to Value % (TLTV)	67.2 %	68.1 %	68.3 %	65.0 %

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 EPS (Adj. EPS)

Adjusted earnings per share is calculated based on Adjusted Net profit (Adj. Net profit) for the period divided by the weighted average number of outstanding shares during the respective period.

Adjusted return on equity (Adj. ROE)

Adjusted return on equity is calculated based on rolling 12-months Adjusted Net profit (Adj. Net profit) for the Group 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 but adjusted for 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.

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 B2Holding's purchased loan portfolios.

Cost to collect

Cost to collect is all external and internal operating costs related to the collections of B2Holding'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.

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

Financial year 2023

Annual report 2022 28.04.2023
Annual General Meeting 25.05.2023
Half-yearly report 23.08.2023

Quarterly report - Q1 16.05.2023
Quarterly report - Q3 10.11.2023
Quarterly report - Q4 15.02.2024

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