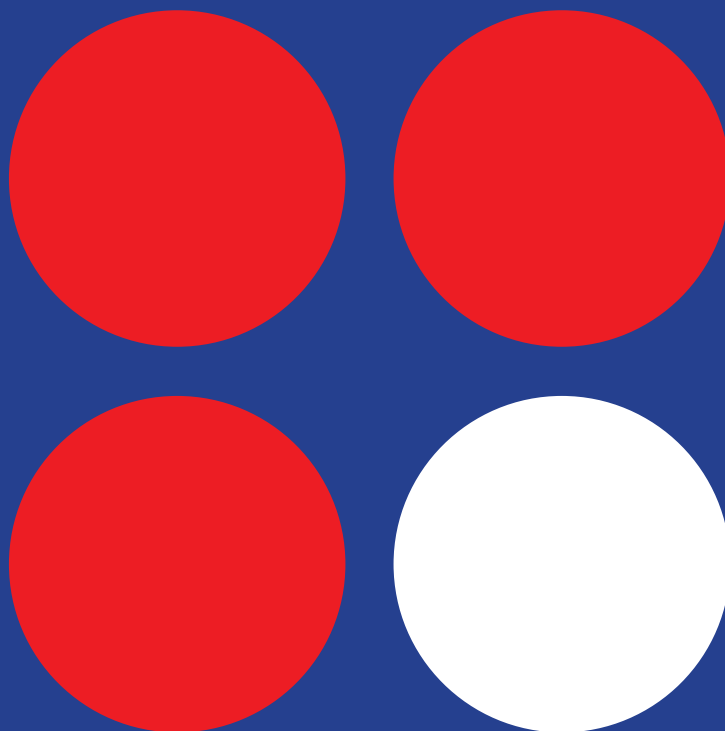

Third quarter report 2016



B2Holding
Condensed Interim Consolidated Financial Information
Third quarter and YTD September 2016

Third quarter 2016

- Gross cash collection of NOK 474 million (352)
- Operating profit of NOK 166 million (113)
- Cash EBITDA of NOK 325 million (233)
- Portfolio acquisitions of NOK 255 million (305)
- ERC at end of month NOK 8,014 million (5,369)

YTD September 2016

- Gross cash collection of NOK 1,314 million (924)
- Operating profit of NOK 365 million (269)
- Cash EBITDA of NOK 861 million (589)
- Portfolio acquisitions of NOK 1,529 million (686)

(Comparable numbers for Q3 and YTD September 2015 in brackets)

<i>(NOK million)</i>	Quarter 3	Quarter 3	<i>Change</i>	9 months	9 months	<i>Change</i>	Full year
	2016	2015	%	2016	2015	%	2015
Net operating revenues	369.7	278.3	32.8 %	980.3	731.7	34.0 %	1,076.2
EBITDA	174.0	119.8	45.2 %	386.9	288.7	34.0 %	405.2
Operating profit (EBIT)	166.4	112.7	47.7 %	364.6	269.0	35.6 %	377.2
<i>Profit margin</i>	45.0 %	40.5 %		37.2 %	36.8 %		35.0 %
Cash Revenue	520.5	391.1	33.1 %	1,453.9	1,031.7	40.9 %	1,500.5
Cash EBITDA	324.8	232.6	39.7 %	860.6	588.7	46.2 %	829.4
Profit for the period after tax	44.3	124.8	-64.5 %	105.1	200.0	-47.5 %	198.2
Earnings per share (EPS), basic and diluted	0.12	0.40		0.31	0.64		0.63
Cash flow from operating activities	208.9	191.1	9.3 %	570.2	481.8	18.4 %	591.1
Operating cash flow per share	0.57	0.61		1.70	1.55		1.90
Portfolio acquisitions	254.5	304.5	-16.4 %	1,529.1	686.3	122.8 %	1,358.3
Cash collection from portfolios	473.9	352.0	34.6 %	1,314.3	923.8	42.3 %	1,339.1
ERC (at end of month)	8,014.2	5,368.7	49.3 %				6,491.5

(Cash Revenue and Cash EBITDA equals Net operating revenue and EBITDA adjusted for portfolio amortisation and revaluation)

Operational review

B2Holding continued to improve operational performance, and has further strengthened its position in key markets in Q3. A bond issue of EUR 175 million was successfully completed in September with settlement date in early October. With the bond issue, B2Holding significantly increased its investment capacity, and is well positioned for further portfolio acquisitions going forward. The Group successfully acquired portfolios for a purchase price of NOK 255 million in the third quarter and has in total purchased portfolios for NOK 1,529 million in the first nine months of 2016. The Group acquired portfolios in all markets where it has presence, with the

majority in the Nordics. We see high activity in most markets where we operate, but the actual timing of when portfolio transactions are closed is depending on many factors that we not always control. The acquisition of a large mortgage portfolio in Romania in a joint venture with EOS was announced in Q3, with expected closing in the fourth quarter.

The positive development in the Nordics has also continued in the third quarter, showing strong operational performance. Portfolio purchase activities are high, mainly based on forward flow and frame agreements.

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In Poland the new CEO of Ultimo, Adam Parfiniewicz, took over from 1st September. We are confident that we have a good foundation to further develop the Polish operation.

In the SEE area, we now have operations in six countries following the acquisition of DCA which included operations in Bulgaria and Romania. In the Western SEE area we have further strengthened the operation, through new hiring's and operational improvements. The collection activities have improved accordingly, in line with expectations.

The operations of DCA have delivered in accordance with plan. We are very pleased with the performance of the DCA team so far, and with DCA being part of B2Holding we can take a leading role in acquiring portfolios in this region.

The Group will continue to focus on streamlining its operations and taking advantage of adoption of best practice within the Group.

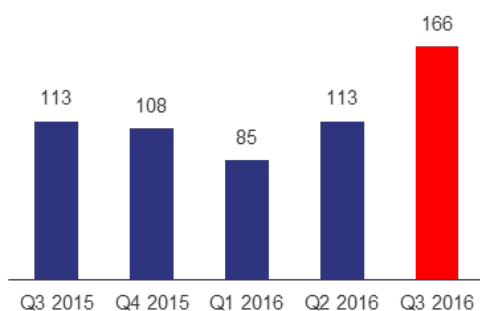
quarter with increase in cash collections from NOK 71.2 million in the second quarter 2016 to NOK 122.9 million in the third quarter of 2016. The challenges in legal collection in Poland and Romania in the two first quarters of 2016 continued into the third quarter, and the portfolios have been revalued down with NOK 10.7 million in the third quarter. The revaluation is mainly due to timing effects on delayed collection. At present there are still uncertainties regarding the timeframe before the Polish bailiff system is back on track. Revenues related to commission and collection fees from external collection increased with NOK 3.2 million and other revenues increased with NOK 4.3 million compared to 2015, mainly within consumer lending in TAKTO Poland.

After solid performance in the Western SEE region and a full quarter contribution from the DCA group (acquired in June 2016), gross cash collections from purchased loan portfolios ended in the quarter at NOK 473.9 million. This corresponds to an increase of NOK 121.9 million compared to the same period in 2015 and an increase from second quarter 2016 with NOK 46.5 million.

Financial Summary

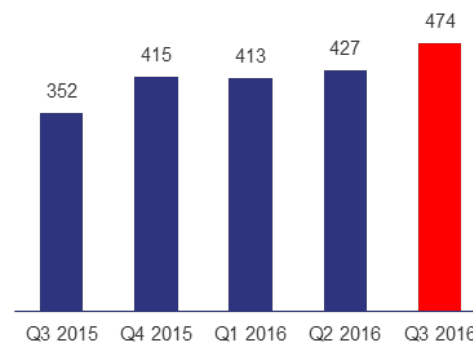
Third Quarter 2016

The Group recorded an operating profit of NOK 166.4 million in the third quarter 2016. This is an increase of NOK 53.7 million (47.7%) compared to the third quarter of 2015 and an increase of NOK 53.0 million (46.7%) compared to the second quarter of 2016. The increase from second quarter is mainly due to increase in net operating revenues, as most operating segments continued the strong performance from second quarter into the third quarter of 2016.



(Quarterly operating profit in NOKm)

Net operating revenues for the quarter amounted to NOK 369.7 million, an increase of NOK 91.4 million (32.8%) from the third quarter of 2015 mainly due to high activity in portfolio acquisitions in second half of 2015 and first half of 2016. Compared to the second quarter of 2016 net operating revenues increased with NOK 38.2 million. The operations in the West SEE area delivered a solid third



(Quarterly gross cash collection in NOKm)

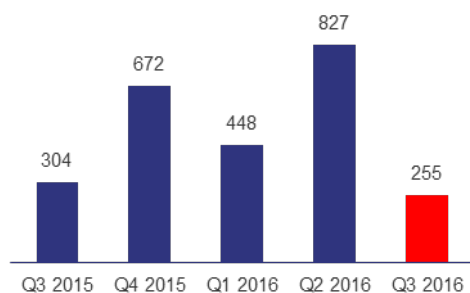
Due to growth in the Groups activity, operating expenses excluding depreciation and amortisation increase with NOK 37.2 million (23.4%) compared to the third quarter of 2015. Number of employees (measured in FTEs) increased from 1,049 at beginning of the third quarter 2015 to 1,430 at the end of third quarter 2016, mainly related to employees involved in the collection process in the western SEE area and Poland and from the newly purchased DCA group in Bulgaria and Romania.

Net financial items ended in the third quarter with a net expense of NOK 116.2 million, of which NOK 54.5 million interest expenses related to the external financing of the Group and NOK 69.4 million in net exchange losses. Of the exchange losses, NOK 62 million is net unrealised losses related to internal financing of the group, mainly due to low Euro rate at the end of September 2016. The financial costs are reduced by a NOK 7.1 million gain on other financial items.

Profit after tax for the period ended at NOK 44.3 million. Adjusted net profit, before non-recurring operational items (net of tax), was NOK 45.7 million.

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Operating cash flow of NOK 208.9 million in the period was NOK 17.8 million above the same period in 2015. The increase is mainly due to increased cash collection of NOK 121.9 million, reduced by increased interest payments and working capital items. Cash flow used in investing activities ended at NOK 260.0 million mainly related to portfolio purchases in Sweden and Finland.



(Quarterly portfolio acquisition in NOKm)

Net cash flow from financing activities in the period ended at NOK 34.7 million. Interest bearing loans amounted at the end of the quarter to NOK 2,357.2 million compared to NOK 2,526.1 million at year-end 2015.

YTD September 2016

The Group recorded an operating profit of NOK 364.6 million for the first three quarters of 2016. This is an increase of NOK 95.6 million (35.6%) compared to the first three quarters of 2015 (NOK 269.0 million) and is mainly related to an increase in net operating revenues from NOK 731.7 million in 2015 to NOK 980.3 million in 2016.

Gross cash collections in the first three quarters of 2016 increased year on year by NOK 390.5 million to NOK 1,314.3 million due to significant increase in purchased loan portfolios and activity. The cash collections increased in all the Groups operational segments.

Portfolio purchases in first three quarters of 2016 totalled NOK 1,529.1 million of which 44% was in the Western SEE area, 26% in Poland and 20% in Finland and Estonia. Total book value of purchased loan portfolios ended at NOK 4,038.2 million at end of September 2016, an increase of 870.6 million from year end 2015.

Operating expenses, excluding depreciation and amortisation, increased with NOK 150.3 (33.9%) million in the first three quarters of 2016 compared to same period 2015, mainly due to increased activity. The nine months ended in September includes non-recurring items of NOK 19.9 million (net of tax) of which NOK 12 million is related to IPO costs, NOK 2.3 million in transaction costs related to the DCA acquisition, and 5.1 million is related to non-recurring personnel cost.

Net financial expenses ended at NOK 231.3, of which interest expenses on interest bearing loans amounted to

NOK 160.7 million, gain on derivative financial instruments NOK 14.3 million and a net exchange loss of NOK 89.7 million. The latter is mainly related to unrealised exchange losses on internal financing of the group.

Profit after tax ended at NOK 105.1 million for the first three quarters in 2016. Adjusted for the non-recurring items profit after tax would be NOK 125.0 million

Cash flow from operating activities for the first nine months ended at NOK 570.3 million, which is NOK 88.5 million higher than the same period in 2015. Cash flow from investing activities ended at NOK 1,790.6 million due to purchased loan portfolios of NOK 1,529.1 million, purchase of DCA group of companies and payment of contingent considerations. Net cash flow from financing activities in the period ended at NOK 634.4 million after issue of new shares.

Corporate matters

B2Holding ASA listed its shares on the Oslo Stock Exchange on the 8th June and will as of 1st December 2016 be included in the Oslo Børs Benchmark Index (OSEBX – “Hovedlisten”). The listing on 8th June was accompanied by an offering including secondary sale of shares and an additional share issue on 11th July, amounted to NOK 995 million, of which the Company raised NOK 662 million net of costs, to finance further expansion. As of end of September 2016 the Company had approximately 1,650 shareholders of which more than 150 institutional investors.

The Group is financed with a senior secured multi-currency revolving credit facility (RCF) of EUR 260 million with DNB Bank ASA and Nordea Bank Norge ASA, which includes a multi-currency cash pool with a EUR 20 million overdraft facility.

In addition to the RCF, the Group issued in December 2015 a EUR 150 mill senior unsecured bond loan, which was listed on Oslo Stock Exchange on 3 March 2016.

In order to further support the growth strategy, the Group issued on 4th October 2016 an additional EUR 175 mill senior unsecured bond loan, which was listed on Oslo Stock Exchange on 21st November 2016.

The Group had NOK 1.2 billion in available investment capacity as of 30th September 2016 in addition to the additional capacity from the bond issue on 4th October of EUR 175 million (NOK 1.6 billion).

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Outlook

B2Holding sees an interesting pipeline of new portfolios in the markets where we currently operate. We do expect an active period in terms of new portfolio purchases. With the expansion into Bulgaria and Romania, and with further expansion being considered, we see a large potential for successful acquisitions of new portfolios going forward. We will continue to develop and streamline our operations, in order to improve output and operating margin.

The board emphasizes that every assessment of future conditions necessarily involves an element of uncertainty.

Board of directors, B2Holding AS, 24th November 2016

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Condensed Interim Consolidated Financial Information
Third quarter and YTD September 2016

Consolidated statement of profit or loss and other comprehensive income

All figures in NOK'000s unless otherwise stated

Notes	2016 Quarter 3	2015 Quarter 3	2016 9 months	2015 9 months	2015 Full year
Interest income on purchased loan portfolios	329,530	229,925	858,904	614,483	909,544
Revenue from external collection	26,086	22,902	75,452	70,577	104,101
Other operating revenues	20,534	16,195	64,141	37,374	57,296
	376,150	269,022	998,496	722,434	1,070,941
Changes in portfolio cashflow estimates	-6,488	9,304	-18,224	9,222	5,298
Net operating revenues	3	369,662	278,326	980,272	731,656
External cost of services provided	-46,260	-46,905	-157,148	-138,955	-189,304
Personnel costs	-85,906	-71,843	-259,584	-187,212	-294,184
Depreciation of tangible fixed assets	-2,443	-2,212	-7,144	-6,050	-8,529
Amortisation of intangible assets	-5,121	-4,876	-15,173	-13,626	-19,424
Other operating expenses	-63,504	-39,777	-176,615	-116,837	-187,594
Total operating expenses	-203,234	-165,613	-615,664	-462,680	-699,035
Operating profit	3	166,427	112,713	364,608	268,976
Share of results in associated companies	39	-238	39	100	230
Net realised and unrealised exchange gains	-69,428	47,383	-89,660	20,909	34,189
Other interest income	702	-722	1,322	1,678	2,200
Other interest expenses	-54,523	-25,304	-160,712	-64,603	-104,582
Other financial items	7,059	-5,010	17,735	-2,684	-65,941
Net financial items	-116,151	16,109	-231,276	-44,600	-133,904
Profit for the period before tax	50,276	128,822	133,332	224,376	243,300
Income tax payable	-15,803	-10,173	-40,080	-23,816	-41,646
Change in deferred taxes	9,847	6,113	11,815	-592	-3,479
Profit for the period after tax	44,320	124,762	105,067	199,968	198,175
Other comprehensive income, net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations	1,020	61,262	-82,037	70,729	78,586
Total comprehensive income for the period, net of tax		45,340	186,024	23,030	270,697
<i>Profit for the period after tax attributable to:</i>					
Parent company shareholders	44,415	124,401	105,384	199,063	197,211
Non-controlling interests	-95	361	-317	905	964
<i>Total comprehensive income for the period, net of tax attributable to:</i>					
Parent company shareholders	45,374	185,734	23,247	269,829	275,852
Non-controlling interests	-34	290	-217	868	909
Earnings per share attributable to parent company shareholders (in NOK):					
Basic and diluted	0.12	0.40	0.31	0.64	0.63

B2Holding
Condensed Interim Consolidated Financial Information
Third quarter and YTD September 2016

Consolidated statement of financial position

All figures in NOK'000s unless otherwise stated

	Notes	2016 30 September	2015 31 December	2015 30 September
Tangible fixed assets		26,653	28,821	28,729
Intangible assets		56,342	71,461	74,206
Goodwill		392,418	317,675	316,062
Investments in associated companies		1,531	1,598	1,733
Purchased loan portfolios	4	4,038,185	3,167,628	2,553,742
Loan receivables	4	295,708	259,819	237,050
Deferred tax asset		22,876	26,349	5,976
Total non-current assets		4,833,713	3,873,351	3,217,498
Accounts receivable		25,077	20,432	11,850
Other short term assets		65,941	49,524	45,518
Cash and short term deposits		221,899	764,678	305,060
Total current assets		312,918	834,634	362,428
Total assets		5,146,631	4,707,985	3,579,926
Share capital	6	36,912	31,187	31,135
Other paid in capital		2,083,216	1,426,790	1,420,279
Other capital reserves		12,370	7,162	3,756
Foreign currency translation reserve		44,231	126,368	118,613
Other equity		186,697	81,313	89,523
Total equity attributable to parent company shareholders		2,363,426	1,672,820	1,663,306
Equity attributable to non-controlling interests		-1,325	-909	-864
Total equity		2,362,101	1,671,911	1,662,442
Long term interest bearing loans and borrowings	5.4	2,357,168	2,526,121	1,305,193
Deferred tax liabilities		45,993	59,307	34,428
Post-employment liabilities		350	380	343
Other long term liabilities	4	66,541	31,047	35,770
Total non-current liabilities		2,470,051	2,616,855	1,375,736
Bank overdraft		73,319		12,668
Short term interest bearing loans and borrowings	5			187,210
Accounts and other payables		93,750	107,703	154,866
Income taxes payable		18,294	25,825	12,108
VAT, payroll and other indirect taxes		23,256	33,460	21,442
Other current liabilities		105,860	252,231	153,454
Total current liabilities		314,478	419,219	541,748
Total liabilities		2,784,530	3,036,074	1,917,484
Total equity & liabilities		5,146,631	4,707,985	3,579,926

B2Holding
Condensed Interim Consolidated Financial Information
Third quarter and YTD September 2016

Consolidated statement of changes in equity

All figures in NOK'000s unless otherwise stated

	Attributable to parent company shareholders					Total	Non-controlling interests	Total equity
	Share capital	Other paid-in capital	Other capital reserves	Foreign currency translation reserve	Other equity			
At 1 January 2015	30,904	1,403,198	1,415	47,847	-109,540	1,373,824	-1,672	1,372,152
Profit for the period after tax					199,063	199,063	905	199,968
Other comprehensive income, net of tax				70,766		70,766	-37	70,729
Total comprehensive income				70,766	199,063	269,829	868	270,697
Issue of share capital	231	17,081				17,312		17,312
Share based payments			2,341			2,341		2,341
Dividends to non-controlling interests							-60	-60
At 30 September 2015	31,135	1,420,279	3,756	118,613	89,523	1,663,306	-864	1,662,442
At 1 January 2016	31,187	1,426,790	7,162	126,368	81,313	1,672,820	-909	1,671,911
Profit for the period after tax					105,384	105,384	-317	105,067
Other comprehensive income, net of tax				-82,137		-82,137	100	-82,037
Total comprehensive income				-82,137	105,384	23,247	-217	23,030
Issue of share capital (note 6)	5,725	682,082				687,807		687,807
Transaction costs		-25,656				-25,656		-25,656
Share based payments (note 7)			5,208			5,208		5,208
Dividends to non-controlling interests							-199	-199
At 30 September 2016	36,912	2,083,216	12,370	44,231	186,697	2,363,426	-1,325	2,362,101

B2Holding
Condensed Interim Consolidated Financial Information
Third quarter and YTD September 2016

Consolidated statement of cash flows

All figures in NOK'000s unless otherwise stated

	Notes	2016 Quarter 3	2015 Quarter 3	2016 9 months	2015 9 months	2015 Full year
Cash flow from operating activities						
Profit for the period before tax		50,276	128,822	133,332	224,376	243,300
<i>Adjustment for non-cash items:</i>						
Interest income on purchased loan portfolios and change in portfolio cashflow estimates	3	-323,041	-239,229	-840,679	-623,705	-914,842
Depreciation and amortisation of assets		7,564	7,088	22,317	19,676	27,953
Interest expense on interest bearing loans		54,523	25,304	160,712	64,603	104,582
Unrealised foreign exchange differences		62,719	-61,804	94,435	-35,216	-111,239
Fair value adjustment of contingent consideration						45,350
Share based payment expense	7	1,688	2,341	5,208	2,341	5,747
(Profit/) Loss on sale of tangible and intangible fixed assets		108	75	505	119	502
<i>Operating cashflows:</i>						
Cash collection from purchased loan portfolios	3	473,881	351,988	1,314,307	923,785	1,339,083
Interest paid on interest bearing loans and borrowings		-44,934	-24,206	-130,701	-59,937	-91,269
Income tax paid during the year		-6,048	-4,866	-46,891	-21,454	-26,583
<i>Operating capital adjustments:</i>						
Decrease/(increase) in current assets		1,023	-2,808	-19,769	2,963	-9,625
Decrease/(increase) in other non-current financial assets		-15,106	-28,494	-58,834	-54,800	-74,593
Increase/(decrease) in current liabilities		-40,174	31,486	-60,311	37,290	33,109
Increase/(decrease) in non-current liabilities		-13,531	5,334	-3,364	1,551	19,260
Other items		-39	111	-39	162	388
Net cash flow from operating activities		208,911	191,142	570,229	481,754	591,123
Cash flow from investing activities						
Purchase of loan portfolios	3,4	-254,496	-304,487	-1,529,133	-686,341	-1,358,266
Acquisition of subsidiary companies, net of cash acquired	8			-87,014		
Payment of contingent consideration	4	-1,945		-162,678	-13,164	-13,164
Purchase of tangible and intangible fixed assets		-3,893	-2,124	-12,976	-13,183	-17,501
Proceeds from the sale of tangible and intangible fixed assets		308	358	1,177	1,051	1,198
Net cash flow from investing activities		-260,025	-306,253	-1,790,624	-711,637	-1,387,733
Cash flow from financing activities						
Proceeds from the issue of new shares, net of transaction costs	6	34,567		662,151	17,312	17,311
Proceeds from new external loans during the year		-2,510	164,427	530,214	315,658	4,424,756
Repayment of external loans during the year		2,621	-43,312	-557,728	-121,948	-3,209,171
Dividends paid to non-controlling interest				-199	-60	-60
Net cash flow from financing activities		34,678	121,115	634,438	210,962	1,232,836
Net cash flow during the period		-16,436	6,004	-585,957	-18,921	436,226
Cash and cash equivalents at the beginning of the period		168,917	266,777	764,678	294,148	294,148
Exchange rate difference on cash and cash equivalents		-3,901	19,612	-30,141	17,166	34,304
Cash and cash equivalents at 30 September		148,580	292,393	148,580	292,393	764,678
<i>Cash and Cash equivalents comprised of:</i>						
Cash and short term deposits		221,899	305,060	221,899	305,060	764,678
Bank overdraft		-73,319	-12,668	-73,319	-12,668	

B2Holding
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Third quarter and YTD September 2016

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 the acquisition, 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.

This condensed consolidated interim financial report for the third quarter ended 30 September 2016 has been prepared in accordance with Accounting Standard IAS 34 *Interim Financial Reporting*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2015, which has been prepared in accordance with IFRS, as adopted by the EU. The consolidated financial statements for 2015 are available upon request from the company and at www.b2holding.no

The accounting policies adopted are consistent with those applied in the preparation of the consolidated financial statements for 2015 and no new amendments or standards in the current reporting period have material impact on the condensed consolidated interim financial statements.

The financial information for the quarters and the nine months ended 30 September 2016 and 30 September 2015, and this interim financial report are unaudited.

Note 2 – Estimates

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 the interim financial statements as for the consolidated financial statements for 2015.

Note 3 – Segment reporting

For management purposes, the Group is organised into a single business divided into different geographical regions corresponding to the countries where the Group has its operations. The Executive Management monitors the operating results of these geographical regions separately for the purposes of making decisions about resource allocation and performance assessment. Regional performance is evaluated based on the operating results and cash collections from purchased loan portfolios and is consistent with the equivalent figures that are reported in the consolidated financial statements. Internal transactions between the geographical regions are eliminated on consolidation and are reflected in the "Adjustments" column. They are transacted on an arm's length basis in a manner similar to transactions with third parties.

The results, assets and liabilities of the parent company and the holding company in the Netherlands are reported as 'Other'.

West SEE has previously been reported as Balkans, East SEE as East Balkans.

B2Holding
Condensed Interim Consolidated Financial Information
Third quarter and YTD September 2016

Quarter 3 2016

All figures in NOK'000s

	Norway	Finland & Estonia	Sweden	Poland	Latvia	West SEE	East SEE	Other	Adjust- ments	Total
Interest income on purchased loan portfolios		48,112	21,713	129,703	4,629	102,860	22,512			329,530
Revenue from external collection	1,834	20,316	1,840		2,072		24			26,086
Income from services to group companies	13			32				167	-213	
Other operating revenues		568	411	15,932	2,600	1,007	16			20,534
Changes in portfolio cashflow estimates		-36	1,172	-10,657	1	257	2,776			-6,488
Regional net operating revenue	1,847	68,959	25,137	135,010	9,301	104,125	25,495		-213	369,662
Depreciation & amortisation	2	419	31	5,653	863	395	134	67		7,564
Share of profits in associated companies					39					39
Regional operating profit	491	37,111	15,588	38,528	2,370	78,191	13,274	-19,125		166,427
Purchased loan portfolios		554,278	481,869	1,444,169	39,257	1,422,692	95,921			4,038,185
Loan receivables & other financial assets		4,245	11,496	274,356		126		5,484		295,708
Long term loans and receivables		558,523	493,365	1,718,525	39,257	1,422,818	95,921	5,484		4,333,893
Other disclosures										
Cash collections from purchased loan portfolios		89,547	35,228	192,671	7,310	122,935	26,190			473,881
Purchase of loan portfolios		146,313	75,176	15,983	6,623	5,183	5,218			254,496
Capital expenditure		17	29	2,526	32	1,098	190			3,892

Quarter 3 2015

All figures in NOK'000s

	Norway	Finland & Estonia	Sweden	Poland	Latvia	West SEE	Other	Adjust- ments	Total	
Interest income on purchased loan portfolios		38,658	19,069	130,238	3,441	38,519			229,925	
Revenue from external collection	1,627	17,918	1,209		2,148				22,902	
Income from services to group companies	276							-276		
Other operating revenues		555	488	11,829	2,938	385			16,195	
Changes in portfolio cashflow estimates		9,233		73	-1				9,304	
Regional net operating revenue	1,903	66,364	20,766	142,140	8,526	38,904	0	-276	278,326	
Depreciation & amortisation	2	467	15	5,390	858	346	10		7,088	
Share of results in associated companies					-238				-238	
Regional operating profit	638	35,911	12,514	52,107	2,136	26,936	-17,528		112,713	
Purchased loan portfolios		393,233	416,283	1,359,145	33,139	351,942			2,553,742	
Loan receivables & other financial assets		11,582	17,400	201,066	-	705	6,297		237,050	
Long term loans and receivables		404,815	433,683	1,560,211	33,139	352,647	6,297		2,790,792	
Other disclosures										
Cash collections from purchased loan portfolios		85,319	28,197	190,086	5,792	42,594			351,988	
Purchase of loan portfolios		109,253	16,391	129,511	2,114	47,219			304,487	
Capital expenditure		91		1,612	57	224	138		2,122	

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9 months 2016

All figures in NOK'000s

	Norway	Finland & Estonia	Sweden	Poland	Latvia	West SEE	East SEE	Other	Adjust- ments	Total
Interest income on purchased loan portfolios		138,407	70,915	377,605	11,603	229,960	30,413			858,904
Revenue from external collection	5,386	58,861	4,780		6,395		30			75,452
Income from services to group companies	520			32				167	-719	
Other operating revenues		2,499	1,594	49,250	8,149	2,618	31			64,141
Changes in portfolio cashflow estimates		-673	52	-14,208	-176	-4,110	890			-18,224
Regional net operating revenue	5,906	199,094	77,342	412,679	25,971	228,468	31,531		-719	980,272
Depreciation & amortisation	5	1,288	91	16,785	2,616	1,154	180	199		22,317
Share of profits in associated companies					39					39
Regional operating profit	1,807	93,746	45,728	119,462	4,087	161,785	14,761	-76,768		364,608
Purchased loan portfolios		554,278	481,869	1,444,169	39,257	1,422,692	95,921			4,038,185
Loan receivables & other financial assets		4,245	11,496	274,356		126		5,484		295,708
Long term loans and receivables		558,523	493,365	1,718,525	39,257	1,422,818	95,921	5,484		4,333,893
Other disclosures										
Cash collections from purchased loan portfolios		264,065	112,666	611,414	19,393	271,457	35,311			1,314,307
Purchase of loan portfolios		312,223	129,295	395,396	13,527	671,894	6,798			1,529,133
Capital expenditure		392	84	10,447	127	1,689	194	43		12,976

9 months 2015

All figures in NOK'000s

	Norway	Finland & Estonia	Sweden	Poland	Latvia	West SEE	Other	Adjust- ments	Total	
Interest income on purchased loan portfolios		89,913	55,609	376,973	9,786	82,202			614,483	
Revenue from external collection	4,999	57,167	1,795		6,616				70,577	
Income from services to group companies	897							-897		
Other operating revenues		2,268	1,449	24,403	8,186	1,068			37,374	
Changes in portfolio cashflow estimates		9,219		69	-66				9,222	
Regional net operating revenue	5,896	158,567	58,853	401,445	24,522	83,270	0	-897	731,656	
Depreciation & amortisation	5	1,356	45	14,937	2,465	847	21		19,676	
Share of results in associated companies					100				100	
Regional operating profit	1,936	64,316	35,050	145,129	6,819	55,529	-39,803		268,976	
Purchased loan portfolios		393,233	416,283	1,359,145	33,139	351,942			2,553,742	
Loan receivables & other financial assets		11,582	17,400	201,066		705	6,297		237,050	
Long term loans and receivables		404,815	433,683	1,560,211	33,139	352,647	6,297		2,790,792	
Other disclosures										
Cash collections from purchased loan portfolios		197,055	81,036	533,385	16,867	95,442			923,785	
Purchase of loan portfolios		267,080	42,921	207,766	8,414	160,161			686,342	
Capital expenditure	33	718		8,846	816	1,415	1,354		13,183	

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Financing and taxes are managed on a Group basis and are disregarded by Executive Management for decision making purposes at the regional level.

Reconciliation of segment profit to Group profit

All figures in NOK'000s

	Quarter 3 2016	Quarter 3 2015	9 months 2016	9 months 2015	Full year 2015
Regional operating profit	166,427	112,713	364,608	268,976	377,204
Net financial items	-116,151	16,109	-231,276	-44,600	-133,904
Group profit before tax	50,276	128,822	133,332	224,376	243,300

Note 4 - Financial instruments

Purchased loan portfolios

All figures in NOK'000s

	Quarter 3 2016	Quarter 3 2015	9 months 2016	9 months 2015	Full year 2015
Opening balance	4,029,840	2,195,845	3,167,628	2,016,705	2,016,705
Acquired in business combinations (note 8)	13,337		96,472		
Acquisition of portfolios, net of put-backs	254,496	304,487	1,529,133	686,342	1,358,266
Cash collections	-473,881	-351,988	-1,314,307	-923,785	-1,339,083
Interest recognised on portfolios	329,530	229,925	858,904	614,483	909,544
Change in portfolio collection estimates	-6,488	9,304	-18,224	9,222	5,298
Exchange rate differences	-108,649	166,169	-281,421	150,775	216,898
Closing balance	4,038,185	2,553,742	4,038,185	2,553,742	3,167,628

The face value of purchased loan portfolios amounts to NOK 51,383 million including accrued interest at 30 September 2016 (31 December 2015: NOK 44,221 million).

Management reviews and evaluates the cash flow forecast for all portfolios on a quarterly basis. The effect of the changes of the Group's future cash flow estimates during first three quarters of 2016 resulted in a net decrease of revenue of NOK 18.2 million. This amount has been calculated as the net present value of the difference in the cash flow from revised cash flow estimates. The change in collection estimates is mainly related to the new law passed in Romania which is expected to prolong the legal collection process in Romania and a change in collection curves related to secured portfolios in the west SEE.

Fair value of financial instruments

	Carrying amount				Fair value			
	Held for trading	Loans & receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 30 September 2016								
<i>All figures in NOK'000s</i>								
Financial assets								
Purchased loan portfolios		4,038,185		4,038,185			4,373,495	4,373,495
Loans receivable		295,708		295,708			295,708	295,708
Total		4,333,893		4,333,893			4,669,203	4,669,203
Financial liabilities								
Interest bearing loans and borrowings			2,357,168	2,357,168	1,395,990	1,029,393		2,425,383
Derivatives	4,182			4,182		4,182		4,182
Contingent considerations			65,459	65,459			65,459	65,459
Total	4,182		2,422,627	2,426,809	1,395,990	1,033,575	65,459	2,495,024

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The reduction in contingent considerations from 31 December 2015 to 30 September 2016 is due to payments to previous owners of acquired companies partially offset by the purchase of the DCA group of companies. As part of the purchase agreements, contingent considerations were due based on the achievement of certain post-acquisition performance targets.

	Carrying amount			Fair value				
	Held for trading	Loans & receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 31 December 2015								
<i>All figures in NOK'000s</i>								
Financial assets								
Purchased loan portfolios		3,167,628		3,167,628			3,460,443	3,460,443
Loans receivable		259,819		259,819			259,819	259,819
Total		3,427,447		3,427,447			3,720,262	3,720,262
Financial liabilities								
Interest bearing loans and borrowings			2,526,121	2,526,121		2,526,121		2,526,121
Derivatives	18,750			18,750		18,750		18,750
Contingent considerations			169,912	169,912			169,912	169,912
Total	18,750		2,696,033	2,714,783		2,544,871	169,912	2,714,783

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 has been calculated by discounting the expected net future cash flows from collection less operating expenses and tax with the estimated weighted average cost of capital for the countries in question. In order to show the sensitivity in the fair value calculation of the purchased loan portfolio, a 1%-point increase in the discount rate used would decrease the fair value of purchased portfolios with NOK 143.7 million (3%). The fair value of interest bearing-loans is equal to book value for the Multi-currency revolving credit facility as the loan are based on 3 month floating interest, and market value for the bond loan listed on Oslo Stock Exchange. The fair value of derivatives is set by calculating the present value of future cash flow using market rates for interest and currencies. In the case of the derivatives the fair value is confirmed by the financial institution that is the counterparty.

The Group classifies fair value measurements by using a fair value hierarchy that reflects the significance of the input that is used in preparing the measurements. The fair value hierarchy has the following levels:

Level 1: the input is quoted prices (unadjusted) in an active market for identical assets or liabilities.

Level 2: the input is prices, other than quoted prices included in level 1, that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. calculated from prices).

Level 3: the input to the asset or liability is not based on observable market data (non-observable input).

Contingent considerations

All figures in NOK'000s

	<u>OK Perinta</u>	<u>Credit-reform</u>	<u>Ultimo</u>	<u>DCA</u>	<u>Total</u>
At 31 December 2015	73,826	9,179	86,907		169,912
Acquisitions of a subsidiary				60,925	60,925
Payments during the period	-73,826	-1,945	-86,907		-162,678
Fair value adjustments during the period					
Exchange differences		-515		-2,184	-2,699
At 30 September 2016	0	6,719	0	58,741	65,459

Financial risk

Currency and interest rate 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.

Currency risk

Net borrowings (nominal value of interest bearing loans less cash) adjusted for derivative financial instruments are made in relevant currencies reflecting the underlying expected future cash flows from loans and receivables. The exceptions are Croatian Kuna (HRK), Romanian Leu (RON), Bulgarian Lev (BGN) and Serbian Dinar (RSD) where all borrowing are done in EUR

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The Group's bond loan is denominated in EUR and borrowings under the multi-currency revolving credit facility are drawn in PLN. To obtain a more balanced currency basket, the Group has entered into the following currency derivatives at 30 September 2016: a cross currency swap of SEK 225 million against EUR. At 30 September 2016, net borrowings amounted to NOK 2,302 million. Adjusted for the currency derivatives mentioned above, the net borrowings represented a currency basket comprising PLN: 49%, EUR: 47% and SEK: 9%.

Interest rate risk

The Group uses interest rate swaps and interest rate caps to reduce its interest rate exposure. The Group's strategy is to hedge 40% of the total multi-currency revolving credit facility commitment and two-thirds of other financial indebtedness, mainly the bond loan, for a minimum duration of 3 years. The hedging requirement at 30 September 2016 was NOK 1,833 million while the nominal amount of the derivatives entered into was NOK 1,986 million.

Net gain/(loss-) on financial instruments at fair value

All figures in NOK'000s

	Quarter 3 2016	Quarter 3 2015	9 months 2016	9 months 2015	Full year 2015
Interest derivatives	2,553	2,658	-1,676	246	-7,951
Currency derivatives	4,730		15,921		-8,862
Total	7,283	2,658	14,245	246	-16,813

Note 5 - Interest bearing loans and borrowings

All figures in NOK'000s

	As at 30 September 2016		As at 31 December 2015	
	Current	Non-Current	Current	Non-Current
Multi-currency revolving credit facility		1,028,885		1,104,366
Bond loan		1,327,775		1,421,207
Loans from non-controlling interests		508		548
Bank overdraft	73,319			
Total	73,319	2,357,168		2,526,121

On 16 November 2015, the Group completed the refinancing of three acquisition-related and country-specific loans into a single EUR 260 million senior secured multi-currency revolving credit facility agreement which matures in August 2019. In addition to this, B2Holding ASA successfully completed a EUR 150 million senior unsecured bond issue in December 2015 with maturity in December 2020. The bond loan was listed on Oslo Stock Exchange in March 2016. There are no instalments to be paid before maturity. On 13 May 2016, a multi-currency cash pool with a EUR 20 million overdraft with was establish, the amount was carved out of the EUR 260 million senior secured multi-currency revolving credit facility agreement reducing it to EUR 240 million.

The multi-currency revolving credit facility and the bond loan carry a variable interest rate based on the interbank rate in each currency plus a margin supplement. In addition, there is a commitment fee which is calculated as a percentage of the loan margin on the undrawn part of the facility. The overdraft carries a facility line fee. The loan agreements have a number of operational and financial covenants, including limits on certain key indicators, which have all been complied with as of September 2016.

At 30 September 2016, PLN 530 million (EUR 123 million) was utilised from the EUR 240 million multi-currency revolving credit facility, leaving an available, undrawn amount of EUR 117 million. In addition EUR 8 million was utilised from the EUR 20 million multi-currency overdraft facility, leaving an available, undrawn amount of EUR 12 million.

The EUR 260 million multi-currency revolving credit facility is secured by guarantees issued by B2Holding ASA, a share pledge over B2Holding ASA's 100% directly owned subsidiaries, an account charge over a number of pre-defined B2Holding ASA bank accounts, and a pledge over the intra-group loan receivables from B2Holding ASA to its subsidiaries.

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Note 6 – 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'000s	Other paid-in capital NOK'000s
At 31 December 2015	311,872,095	31,187	1,426,790
Share issue on 11 February at NOK 14.00 per share in connection with the bonus payment to the Chief Executive Officer and Chairman of the Board	57,144	6	794
Share issue on 7 June at NOK 12.00 per share in connection with the initial public offering	54,166,666	5,416	620,310
Share issue on 11 July at NOK 12.00 per share in connection with the Over-allotment Option in connection with the initial public offering 7 June	3,024,693	303	35,322
At 30 September 2016	369,120,598	36,912	2,083,216
At 25 November 2016 (date of completion of these interim condensed financial statements)	369,120,598	36,912	2,083,216

Note 7 – Share based payments

The Group has granted share options to management and selected key employees under two different option programmes. The first option programme was established in June 2015 (the “**First Option Programme**”) and the second option programme was established in September 2015 (the “**Second Option Programme**”). As of the date of this quarterly report there were 18 900 000 options outstanding under the First and Second Option Programme. Each option gives the holder the right to acquire one share from the Company at a strike price defined in the individual share option agreement.

In general 1/3 of the options granted under the First Option Program vest 1 January 2016, 1/3 vest 1 January 2017 and the remaining 1/3 vest 1 January 2018. Under the Second Option Program 1/3 of the options granted vest 1 September after one, two and three years respectively after the date of grant. 2016. All vested options may be exercised in any period prior to the expiry date.

All of the Company’s option agreements include a clause on accelerated vesting meaning that if 75% of the shares in the Company are sold to an acquirer, all outstanding options are vested. In case of a merger the grantee shall if possible be granted an equal share option in the merged company. If this is not possible, the grantee will have the right to exercise all the options prior to the merger.

Option Programme	Grant date	Numbers of options granted	Vested 30 September 2016	Expiry date	Exercise price (Range, NOK)
First Option Programme	1 July 2015	14,400,000	4,800,000	1 July 2018	8 - 9
Second Option Programme	9 September 2015	3,900,000	1,300,000	31 December 2018	10 - 12
Second Option Programme	1 September 2016	600,000		31 December 2019	12- 14
Total		18,900,000	6,100,000		

There are no options that are exercised, forfeited, expired or modified since grant date.

The fair value of options awarded is calculated using the Black-Scholes option pricing model. The risk-free interest rate on the award date has been obtained from Norges Bank. The expected volatility for the options granted in 2016 has been set at 30.4% (2015 grants: 24.8%) based on a 360 day median from comparable companies. Expected lifetime has been set as the vesting date. The average fair value of the options granted in 2016 is NOK 1.64 (2015: 0.84) per option. The cost of the options recognized in personnel costs together with a corresponding increase in other capital reserves was NOK 5,208 thousands in first nine months of 2016 (NOK 5,747 thousand in full year 2015).

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The following members of the Board and the Management participate in the option programs:

Option holder	Number of outstanding options	Grant date	Expiry	Exercise price (range, NOK)
Jon Harald Norbrekken (Chairman of the Board)	6,000,000	1 July 2015	1 July 2018	8 - 9
Olav Dalen Zahl (Chief Executive Officer)	6,000,000	1 July 2015	1 July 2018	8 - 9
Harald Henriksen (Chief Financial Officer)	900,000	1 July 2015	1 July 2018	8 - 9
Erik Just Johnson (Chief Group Controller)	1,500,000	1 July 2015	1 July 2018	8 - 9
Rasmus Hansson (Director Strategy and M&A)	600,000	9 September 2015	31 December 2018	10 -12
Thor Christian Moen (Head of Legal)	600,000	9 September 2015	31 December 2018	10 -12
Jeremi Bobowski (Chief Investment Officer)	600,000	9 September 2015	31 December 2018	10 -12
Henrik Wennerholm (Director Business Development)	600,000	9 September 2015	31 December 2018	10 -12
Total	16,800,000			

Note 8 – Business combinations

Acquisition of Debt Collection Agency AD, Bulgaria and its subsidiaries

On 10 June 2016, the Group purchased 100% of the shares in Debt Collection Agency AD (DCA), Bulgaria, the parent company in the DCA group of companies with operations in Bulgaria and Romania. The Q2 interim financial statements presented a preliminary purchase price allocation of the DCA acquisition. In these Q3 interim financial statements, the preliminary purchase price allocation is adjusted according to updated information on fair value of non performing loan portfolios at acquisition date. The adjustment on the portfolio value, net of deferred tax is equal to the change in goodwill. The changes has no material effects on reported profit or loss amounts in Q2 financial statements.

Purchase price allocation:

Fair value recognised on acquisition

	Preliminary Q2	Adjusted Q3	Difference
Assets			
Tangible fixed assets	882	882	
Intangible assets	150	150	
Deferred tax asset	25	25	
Non performing loan portfolios	83,135	96,472	13,337
Accounts receivable and other short term asset:	1,294	1,294	
Cash and short term deposits	6,186	6,186	
	91,672	105,009	13,337
Liabilities			
Deferred tax liability	1,821	3,182	1,361
Short term interest bearing loans and borrowings	30,066	30,066	
Other long term liabilities	147	147	
Accounts and other payables	1,542	1,542	
Income taxes payable	492	492	
Other current liabilities	18,069	18,069	
	52,137	53,498	1,361
Total identifiable net assets at fair value	39,535	51,512	11,977
Goodwill arising on acquisition	114,590	102,614	-11,977
Purchase consideration	154,125	154,125	
Contingent consideration	-60,925	-60,925	
Purchase consideration paid in cash	93,200	93,200	
Net cash acquired with the subsidiary	6,186	6,186	
Cash paid	93,200	93,200	
Net cash outflow on acquisition	87,014	87,014	

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Note 9 – Subsequent events

In September 2016 B2Holding ASA successfully completed a EUR 175 million senior unsecured bond issue with maturity in 2021. Settlement date was 4 October 2016. The proceeds from the bond will be used to further support the growth strategy. The bond was listed on Oslo Stock Exchange on 21st November 2016.

Financial year 2016

Quarterly report – Q1 09.05.2016
Quarterly report – Q2 26.08.2016
Quarterly report – Q3 25.11.2016
Quarterly report – Q4 28.02.2017

Annual General Meeting 27.04.2016

Annual Report 20.04.2016

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