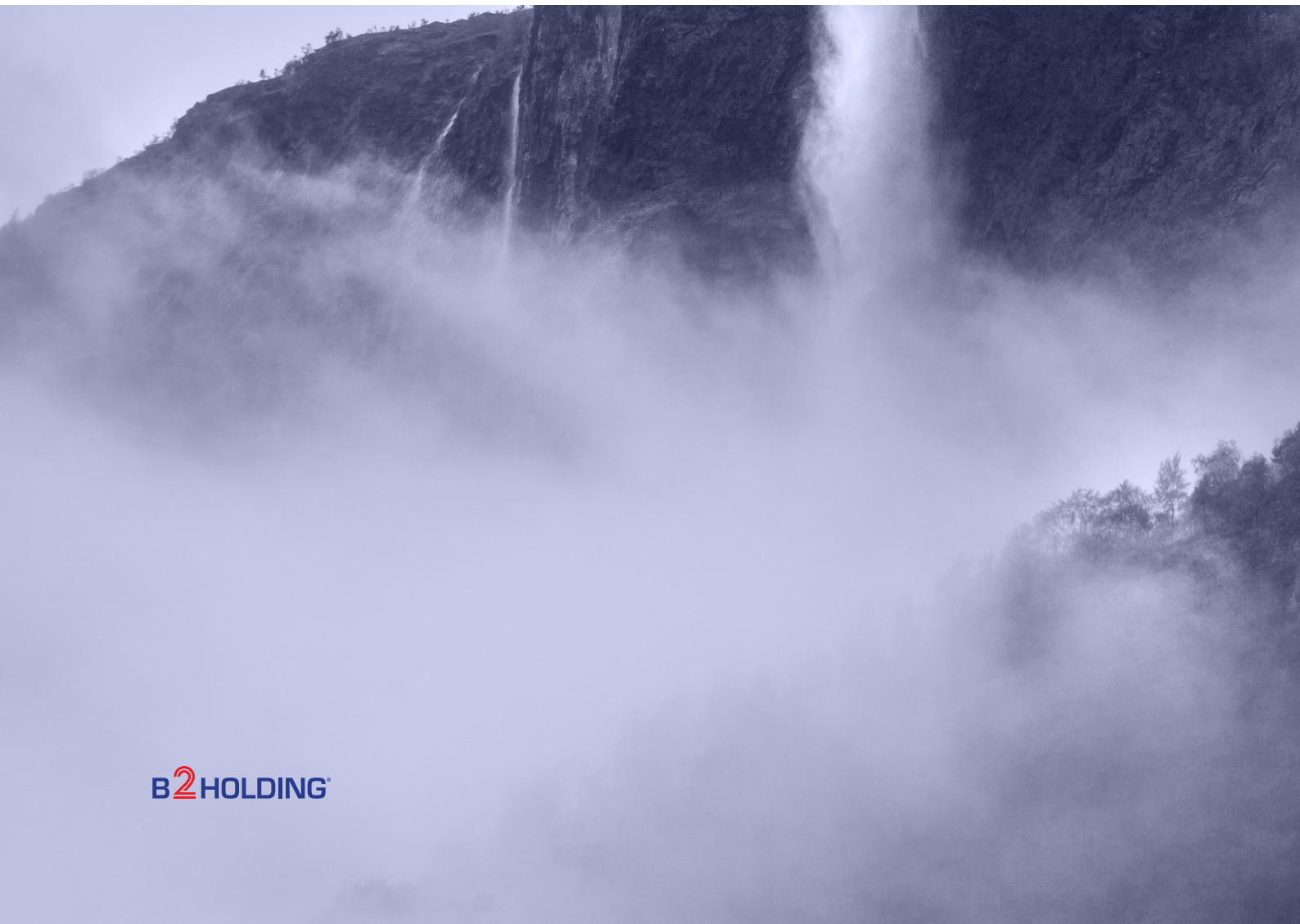


Q1

First quarter 2023



First quarter of 2023

“The suggested dividend in combination with the suggested share buyback program confirms the financial strength of B2Holding.”

Erik Just Johnsen, CEO

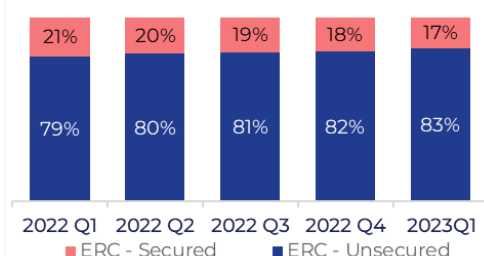
QUARTERLY EVENTS

- Unsecured collection performance at 104.8%
- Secured cash collections of NOK 262m including REO sales of NOK 75m at 62.6% margin
- Higher than expected collections driving EBIT growth
- Investments of NOK 767m and an additional NOK 1.1bn committed for 2023
- Bond tap of EUR 150m completed and B2Ho4 repaid
- Leverage ratio of 2.52x (2.29x at constant FX)

QUARTERLY SUMMARY

<i>NOK million</i>	2023 Q1	2022 Q1	% Δ	2022 Full Year
Cash collections	1 248	1 214	3%	5 161
Net revenues	914	716	28%	3 085
Adj. EBIT	402	289	39%	1 334
Adj. EBIT %	44%	40%	3 pp	43%
EBIT	375	249	50%	1 029
Adj. Net profit	112	128	-13%	564
Cash revenue	1 384	1 341	3%	5 695
Cash EBITDA	900	934	-4%	3 996
Cash margin	65%	70%	-5 pp	70%
Gross collections ¹⁾	1 296	1 152	12%	4 936
Amortisation of own portfolios	- 490	- 465	5%	-1 898
Portfolio investments ¹⁾	767	239	221%	2 165
Adj. EPS	0.29	0.32		1.41
Adj. ROE	10.0%	12.4 %	-2.4 pp	10.7 %

ERC - ASSETCLASS SPLIT



KEY PERFORMANCE FIGURES

<i>NOK million</i>	2023 31 Mar	2022 31 Dec	% Change
ERC (at end of month) ¹⁾	22 847	20 248	13%
Net interest bearing debt	10 004	9 042	11%
Liquidity reserve	4 188	3 606	16%
Equity ratio ²⁾	32.2 %	31.9 %	0.3 pp
Leverage ratio	2.52x	2.26x	0.26x
Total Loan to Value % (TLTV)	67.5 %	67.2 %	0.3 pp
Number of employees (FTEs)	1 900	1 885	1%

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

Continued strong performance in collections

Once again, we delivered a solid quarter. Our unsecured collections were strong with a collection performance of 105%. Inflationary pressure and higher interest rates have not impacted our collections. Our largest unsecured markets are performing well, and after a period with lower investments we are seeing growth in ERC again in our unsecured markets compared with last year. We do see some inflationary pressure on operating expenses, but growth in collections offset these increased costs to a large degree.

Secured recoveries were 178% above latest forecast, with gross collections of NOK 289m. REO sales were NOK 75m with a margin of 63% above book value, which I am very satisfied with in the current environment of higher interest rates and increased macroeconomic uncertainty. As previously pointed out, secured recoveries and REO sales will have a higher variation quarter on quarter than our unsecured business due to their nature of larger and fewer claims.

The first quarter is a quarter with seasonally lower portfolio transaction activity, but we have seen a more active market for portfolio transactions this quarter compared with the first quarter last year. As we said in the previous quarterly presentation, we do expect activity to pick up in the second half of this year, as we still observe some distance between expectations of sellers and buyers of portfolios. We believe higher funding costs will to a larger extent be reflected in pricing of portfolios. At the end of the first quarter, we have invested NOK 767m and committed another NOK 1.1bn for 2023. We maintain our investment target of NOK 2.5-3bn in portfolio acquisitions for the full year with continued focus on capital discipline.

The Group is looking at cost mitigation initiatives to further optimize the cost base. As part of this, we are reducing our footprint in four additional countries with sub scale operations, in order to further concentrate investments in countries with operational scale. In addition, we are closing the consumer lending company Takto in Poland.

On the funding side, we finalized a tap issue of EUR 150 million during the quarter. We are very satisfied with and grateful for the continued support we receive from existing and new bondholders. With this latest issue we have a strong balance sheet, and our leverage ratio which is among the lowest in the industry confirms this. As with the rest of our industry, we are exposed to increased cost of funding and this has led to increased capital discipline across the industry. As such we expect that higher funding costs will be reflected in higher returns on portfolios going forward.

We have recently published our annual report and the Board has approved a dividend of NOK 0.20 and a share buyback program of 0.42 per share. The suggested dividend in combination with the suggested share buyback program confirms the financial strength of B2 Holding. We have an optimistic view going forward.

Oslo, 15 May 2023

Erik Just Johnsen
CEO

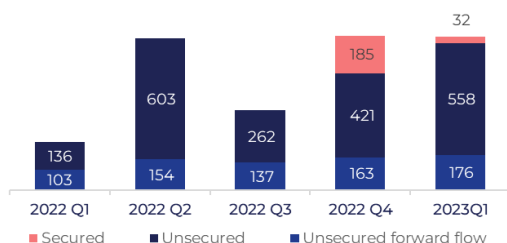


“...after a period with lower investments we are seeing growth in ERC again in our unsecured markets compared with last year.”

Operations

Collections and recoveries remained strong, with Cash EBITDA of NOK 900m and with investments up compared with Q1 2022.

PORTFOLIO INVESTMENTS (NOKm)



Investments of NOK 767m were concluded in Q1 including the NOK 435m communicated in Q4 that was signed late in December but closed and booked in Q1. First quarter investment activity was satisfactory with some indications of improved pricing. In addition, at the end of the quarter the Group has committed volumes of NOK 1.1bn for 2023. The Group will continue to maintain its disciplined and selective approach to portfolio investments going forward.

COLLECTIONS, RECOVERIES, REPOSSESSION AND SERVICING

Unsecured portfolios

Q1 Gross collections were NOK 964m and 104.8% of the latest forecast compared with NOK 849m in Q1 2022. The increase was 4% year on year adjusted for FX. In addition, the collections from JVs in unsecured were NOK 29m in Q1 compared with NOK 27m in 2022 Q1. 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)

Recoveries from secured portfolios of NOK 289m in Q1 2023 were well ahead of the NOK 243m in Q1 2022, with NOK 107m of repossessions in Q1 2023 compared with NOK 55m in Q1 2022. REO sales of NOK 75m in Q1 2023

compared with NOK 136m in Q1 2022 and lower cash from JVs resulted in overall cash collections from secured assets of NOK 262m in Q1 compared with NOK 347m in Q1 2022.

The book value of REOs sold in Q1 2023 was NOK 46m giving a 63% margin for the REOs sold in quarter. The value of repossessed assets increased from NOK 1,206m at the end of Q1 2022 to NOK 1,464m at the end of Q1 2023. The increase mainly relates to FX, with book value of assets sold over the last 4 quarters of NOK 334m and repossessions of NOK 350m.

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 a high degree of macroeconomic uncertainty expected to continue. B2Holding does not have operations in Russia or in the Ukraine and has limited exposure to countries with either significant dependency upon Russian resources or with close trade ties to Russia. So far the Group has not seen any significant impact on its financial performance.

Inflationary pressure across the Group's markets has started to ease in Q1 2023 (from a peak in Q4 2022) and is expected to ease further during 2023. High inflation resulted in interest rates rising fast during 2022 and rates are expected to rise further in 2023. 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 targeted with its investment approach.

Salary inflation, excess savings following the pandemic and government aid packages are expected to support consumers ability to pay. 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 Q1, 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 Q1 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 March 2023.

Strategic risks

For detailed assessment of risks, please refer to the Risk Management and Board of Directors' sections in the Annual Report for 2022.

CORPORATE MATTERS

B2Holding has a solid and diversified funding structure to support further growth. The healthy capital structure and leverage ensures liquidity and financial flexibility to deliver on the strategy going forward. 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. EUR 100m of the RCF matures on 31

December 2023 while the remaining EUR 510m matures in 2025 Q3. The project financing from PIMCO, the Senior Facility Agreement (SFA), was fully completed on 13 April 2023 when Cyprus as the last country was included. The facility line increased to EUR 180m of which 65% can be used for reinvestment. At the end of 2023 Q1 more than EUR 75m was unused. The SFA is fully securitised but with no recourse to B2Holding. On 28 April 2023, being the third interest payment date, a repayment of EUR 13.9m was made originating from quarterly operating cashflow.

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 was listed on the Oslo Stock Exchange in 2023 Q1.

B2Ho4 was repaid in full on 2 March 2023 after a call option (repayment at par plus accrued interest) was exercised in early February 2023. The repayment was in total EUR 95m and was funded by the RCF.

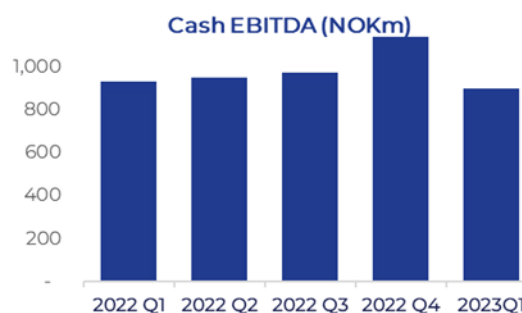
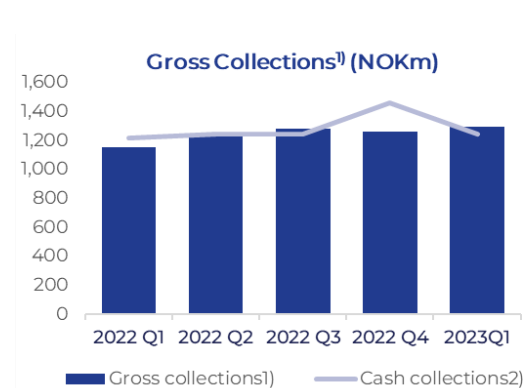
After the refinancing of the bonds mentioned above, the Group holds two senior unsecured bond loans for a total of EUR 500m. The Group holds no treasury bonds after full repayment of B2Ho4.

The closing of the sale of DCA Bulgaria EAD was delayed due to the buyer requesting additional time to finalize its financing package. B2Holding has already received a substantial partial payment and is compensated with interest which is accrued on the final outstanding amount. Expected closing is Q3 2023.

The Group's Norwegian servicing business, Interkreditt AS, was sold in Q1 with effect from 31 March 2023 to Kravia AS. This is line with B2Holding's announced strategy to reduce our footprint in markets where we lack necessary scale.

Financials

B2Holding reported Gross collections including JVs of NOK 1,296m for the quarter and cash collections of NOK 1,248m. Sales of REOs continued to progress well and at solid 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. The weighted average impact on the Group's Gross collections from a stronger Norwegian Krone in 2023 Q1 compared with 2022 Q1 was a positive impact of 9.6%.

Net revenues for the Investments segment of NOK 783m for Q1 2023 were significantly up compared with NOK 595m in Q1 2022 mainly following strong collections performance during the quarter. Collections on unsecured portfolios came in at 104.8% of forecast, continuing the over-performance from previous quarters. Recoveries on secured portfolios were 177.7% of the forecast with the business continuing to perform ahead of expectations.

Share of Gross collections from JVs was NOK 43m in 2023 Q1 compared with NOK 61m in 2022 Q1 and NOK 83m in 2022 Q4. The significant difference in collections for JVs was driven by high secured recoveries in 2022 which impact comparability. As communicated in previous reports, the cash impact of these high recoveries in 2022 positively impacted Q4's cash collections and Cash EBITDA. Cash from JVs in 2023 Q1 was NOK 27m compared with NOK 188m in 2022 Q4 and NOK 42m in 2022 Q1.

Amortisation of own portfolios was NOK -490m in 2023 Q1 compared with NOK -465m in 2022 Q1 and NOK -520m in 2022 Q4.

The Net credit gain on secured and unsecured portfolios was respectively NOK 74m and NOK 48m, and NOK 121m for the Group. Future collection estimates on unsecured portfolios were revised marginally upwards, while revisions of the secured portfolios were mainly in connection with timing, with earlier than expected recoveries removed and delayed recoveries replaced in the curves.

Revenue from sale of collateral assets (REOs) of NOK 75m in Q1 resulted in a net gain of NOK 29m on book value of NOK 46m and a margin of 62.6%.

Net revenues for the Servicing segment were NOK 285m compared with NOK 255m in Q2 2022. Internal servicing revenue of NOK 201m was an increase of NOK 28m on Q1 2022 following higher collections on behalf of the Investments business. Servicing revenues from joint ventures were down NOK 5m with high collections in Q1 2022. Revenue from external clients (3PC) was NOK 67m compared with NOK 59m in Q1 2022.

Revenue from loan receivables (comprised of Interest revenue from loan receivables and Net credit gain/(loss) from loan receivables) was NOK 36m in Q1 2023 compared with NOK 33m in Q4 2022 and NOK 25m in Q1 2022.

Segment earnings for the Investments segment were NOK 508m with a margin of 65%, while for the Servicing segment the earnings were NOK 97m and the margin was 34%.

CASH EBITDA

Cash EBITDA for Q1 2023 was NOK 900m compared with NOK 934m in Q1 2022. Adjusted for FX, the underlying Cash EBITDA is NOK 131m (13%) lower in than Q1 2022 which was a very strong quarter for secured cash recoveries and REO sales.

OPERATING EXPENSES

In Q1 2023 the Group's operating expenses excluding Non-recurring items, Cost of collateral assets sold, Depreciation and amortization, and Impairment losses were NOK 484m compared with NOK 407m in Q1 2022. Adjusted for FX, 2023 underlying operating expenses were NOK 45m (10.3%) higher than in Q1 2022. Adjusted for FX, the increased underlying operating expenses in Q1 compared with Q1 2022 were External expenses +NOK 8m (7.2%) Personnel expenses +NOK 8m (+3.5%) and Other operating expenses +NOK 28m (+30.7%). External expenses increased mainly as a direct result of the higher collections and recoveries in the quarter, while the Personnel expenses increased mainly due to wage inflation. The increased Other operating expenses are also mainly related to higher operational activity in Q1. Cash margin decreased to 65.1% for Q1 2023 mainly due to the higher repossessions and lower REO sales compared with Q1 2022 which had a cash margin of 69.7%.

Of the Group's underlying operating expenses in Q1 2023, 51% are Personnel expenses, 25% variable costs related to collection/recovery activities and 25% office-related costs including premises, equipment, telecommunications, IT, and postage.

The Non-recurring items impacting operating expenses in the quarter were NOK 27m of which NOK 12m were related to personnel expenses in connection with cost mitigation initiatives and the remainder to finalisation of the Senior Financing structure as well as expenses in connection with the re-branding of the company.

EBIT

Q1 2023 Adjusted EBIT of NOK 402m was an increase of NOK 112m compared with Q1 2022. The higher EBIT was revenue driven with higher revenues more than compensating for higher operating expenses which have increased driven by high collection activity and inflation.

Q1 2023 Net Revenues of NOK 914m were NOK 199m higher than Q1 2022 with the significant increase mainly driven by strong collection performance on both unsecured and secured portfolios and the resulting net credit gain of NOK 121m in Q1 2023 compared with NOK 13m in Q1 2022. Also contributing to the higher Net revenues in Q1 2023 were higher interest income with NOK 591m in Q1 2023 compared with NOK 531m in Q1 2022, higher profits from JVs with NOK 36m in Q1 2023 compared with NOK 14m in Q1 2022.

NET FINANCIAL ITEMS

Net financial items for the quarter were NOK -258m in Q1 compared with NOK -223m in Q4 2022 and NOK -124m in Q1 2022.

Interest expenses have increased by NOK 103m compared with Q1 2022. Higher debt levels mainly due to the weakening of the NOK resulted in NOK 15m higher interest expenses, while higher interest rates impacted by NOK 26m in Q1 2023 compared with Q4 2022. Other items impacting interest expenses include commitment fees and hedging impacts with a net positive impact of NOK 8m.

The Change in fair value of interest rate derivatives impacted Q1 2023 negatively with NOK 2m. The Group has implemented hedge accounting from 1 January 2023. The changes in fair value of the hedge instruments (interest swaps and interest caps) NOK -22m are reported in Other Comprehensive Income.

Net exchange losses of NOK 0m in Q1 2023 were favourable compared with NOK 17m loss in Q4 2022 and NOK 15m loss in Q1 2022.

PROFIT FOR THE PERIOD AND TAX

The Income tax expense for the quarter amounted to NOK 26m and was 23% of Profit before tax. Profit after tax for the quarter ended at NOK 91m. Adjusted for the Non-recurring items in the periods the Adjusted Net profit for Q1 2023 is NOK 112m compared with an Adjusted Net profit of NOK 92m in Q4 2022 and NOK 128m in Q1 2022.

BALANCE SHEET

At the end of the quarter, Total assets amounted to NOK 18,036m compared with NOK 16,500m at the end of 2022. Investments in new portfolios were NOK 602m for Q1 2023 and amortisation of NPL portfolios during the period was NOK 490m. FX is the most significant impact on the Balance Sheet with an impact of 8.4% on NPL

balances mainly being the impact of a weaker NOK against the EUR, HRK, and PLN. At constant FX, collateral assets (REOs) increased by a net of NOK 48m since the end of 2022 with a higher value of REOs repossessed than sold during the period.

During Q1 2023, the Group has decreased its Gross debt by NOK 896m while in Q4 2022 it decreased by NOK 136m. The high balance of Cash and short-term deposits at the end of Q1 2023 was a result of the timing of the repayments due on the loans from PIMCO.

Net interest-bearing debt amounted to NOK 10,004m at the end of Q1 and was up NOK 962m compared with the end of 2022.

CASH FLOW

Cash EBITDA was NOK 900m in Q1 2023, a decrease of NOK 34m compared with Q1 2022. With Gross collections on wholly owned portfolios NOK 161m higher in Q1 2023 compared with Q1 2022, the lower cashflow was mainly

the result of NOK 60m lower proceeds from sales of REOs, NOK 51m more non-cash repossessions, NOK 16m lower Cash from JVs in Q1 2023, and Operating expenses NOK 77m higher when compared with Q1 2022.

In Q1 2023, the Group invested in new NPLs for a total of NOK 767m compared with NOK 239m in Q1 2022. For the Full Year 2023, the Group has already committed approximately NOK 1.1bn of investments for the 2023 year in addition to the NOK 767m concluded in Q1.

DISCLAIMER

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

Board of Directors, B2Holding ASA, 15 May 2023

Consolidated income statement

All figures in NOK million unless otherwise stated

	Notes	2023 Quarter 1	2022 Quarter 1	2022 Full Year
Interest revenue from purchased loan portfolios		591	531	2 133
Net credit gain/(loss) from purchased loan portfolios	4	121	13	129
Profit from investments in associated parties/joint ventures		36	14	100
Interest revenue from loan receivables		44	17	121
Net credit gain/(loss) from loan receivables		- 8	8	- 3
Revenue from sale of collateral assets		75	136	581
Other revenues		100	101	416
Total revenues	3	961	820	3 477
External expenses of services provided		- 120	- 99	- 422
Personnel expenses		- 257	- 216	- 900
Other operating expenses		- 134	- 132	- 551
Cost of collateral assets sold, including impairment		- 46	- 104	- 392
Depreciation and amortisation		- 23	- 20	- 83
Impairment losses		- 6	0	- 100
Operating profit/(loss)	3	375	249	1 029
Financial income		7	1	6
Financial expenses		- 264	- 110	- 588
Net exchange gain/(loss)		- 0	- 15	- 25
Net financial items	5	- 258	- 124	- 607
Profit/(loss) before tax		117	125	421
Income tax expense		- 26	- 28	- 95
Profit/(loss) after tax		91	97	326
Profit/(loss) attributable to:				
Parent company shareholders		91	97	326
Non-controlling interests		- 0	0	- 0
Earnings per share (in NOK):				
Basic		0.23	0.24	0.82
Diluted		0.23	0.24	0.82

Consolidated statement of comprehensive income

All figures in NOK million

	2023 Quarter 1	2022 Quarter 1	2022 Full Year
Profit/(loss) after tax	91	97	326
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	540	-219	226
Hedging of interest risk	-22		
Hedging of currency risk in foreign operations	-79	22	9
Other comprehensive income	439	-197	234
Total comprehensive income for the period	530	-100	561
Total comprehensive income attributable to:			
Parent company shareholders	530	-100	561
Non-controlling interests	0	0	0

Consolidated statement of financial position

All figures in NOK million

	Notes	2023	2022	2022
		31 Mar	31 Mar	31 Dec
Deferred tax asset		339	276	303
Goodwill		780	765	731
Tangible and intangible assets		367	282	320
Investments in associated companies and joint ventures		794	802	690
Purchased loan portfolios	3,4,5	12 333	10 277	11 181
Loan receivables		301	202	280
Other non-current financial assets		67	92	133
Total non-current assets		14 981	12 696	13 638
Other short-term assets		480	336	391
Collateral assets		1 464	1 206	1 294
Cash and short-term deposits		1 111	535	1 176
Total current assets		3 055	2 077	2 861
Total assets		18 036	14 773	16 500
Equity attributable to parent company's shareholders	7	5 748	4 881	5 216
Equity attributable to non-controlling interests		1	1	1
Total equity		5 748	4 882	5 217
Deferred tax liabilities		313	283	275
Long-term interest bearing loans and borrowings	6	10 944	6 420	8 885
Other non-current liabilities		165	84	133
Total non-current liabilities		11 422	6 787	9 294
Short-term interest bearing loans and borrowings	6	0	2 426	1 201
Bank overdraft	6	170	163	131
Account payables and other payables		227	169	209
Income taxes payable		21	19	51
Other current liabilities		448	327	396
Total current liabilities		866	3 104	1 989
Total equity and liabilities		18 036	14 773	16 500

Consolidated statement of changes in equity

All figures in NOK million

	Notes	2023			2022		
		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		5 216	1	5 217	4 992	1	4 993
Profit/(loss) after tax		91	0	91	97	0	97
Other comprehensive income		439	0	439	- 197	0	- 197
Total comprehensive income		530	0	530	- 100	0	- 100
Share issuance				0			0
Capital reduction				0			0
Share buy-back programme				0			0
Share based payments		1		1	- 11		- 11
Dividend paid to parent company's shareholders				0			0
Dividends to non-controlling interests				0			0
Sale and acquisition of non-controlling interests				0			0
At 31 Mar		5 748	1	5 748	4 881	1	4 882

Condensed consolidated statement of cash flows

All figures in NOK million

	Notes	2023 Quarter 1	2022 Quarter 1	2022 Full Year
Cash flows from operating activities				
Profit for the period before tax		117	125	421
<u>Adjustment for non-cash items:</u>				
Amortisation/revaluation of purchased loan portfolios		540	547	2 322
Repossession of collateral assets		-107	-55	-299
Cost of collateral assets sold, including impairment		46	104	392
Share of profit in associated parties/joint ventures	3	-36	-14	-100
Financial expenses	5	264	110	588
Unrealised foreign exchange differences		111	170	-148
Other non-cash items		53	39	245
<u>Operating cash flows:</u>				
Income tax paid		-29	-25	-144
Change in working capital		-52	-16	-69
Change in non-current financial assets/liabilities		-3	-56	-66
Net cash from operating activities		904	930	3 142
Cash flows from investing activities				
Payment of loan portfolios	3, 4	-630	-259	-2 157
Investments/divestments in subsidiaries, joint ventures and associated companies		-164	-	1
Cash received from investments in associated parties/joint ventures		27	42	294
Net investments in intangible and tangible assets		-23	-24	-27
Payment of contingent consideration		-	-	-11
Net cash from investing activities		-790	-241	-1 900
Cash flows from financing activities				
Proceeds from issue of new shares, net of transaction costs	7	-	-	1
Payment buy-back share programme	7	-	-55	-175
Net drawdowns/(repayments) on interest bearing loans and borrowings		-2	-270	571
Paid interest cost and commitment fees		-217	-121	-577
Paid borrowing costs		-45	-	-
Repayment of principal amount on lease liabilities		-12	-18	-43
Termination of issued options		-	-	-
Dividends paid to parent company's shareholders		-	-	-168
Dividends paid to non-controlling interests		-	-	-0
Net cash from financing activities		-277	-464	-392
Net increase/(decrease) in cash and cash equivalents		-164	225	850
Cash and cash equivalents at the beginning of the period		1 045	157	157
Exchange rate difference on cash and cash equivalents		59	-10	38
Cash and cash equivalents at the end of the period		941	372	1 045
<i>Cash and cash equivalents comprised of:</i>				
Cash and short-term deposits		1 111	535	1 176
Bank overdraft		-170	-163	-131

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 ventures.

As a result of rounding differences, numbers or percentages may not add up to the total.

These interim condensed consolidated financial statements (interim report) for the first quarter ended 31 March 2023 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 2022. The annual consolidated financial statements for 2022 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 2022.

16 January 2023 the Group acquired 70 percent of the profit participation notes issued by Hellas 2P Investment DAC, in addition to the 30 percent already held, and the entity is consolidated in B2H Group from this date. The 30% investment was previously reported as a joint venture under Investments in associated companies and joint ventures.

The Group has on 1 January 2023 implemented hedge accounting for interest rate risk with the effect that changes in fair value of the designated hedge instruments (interest swaps and interest caps) are reported in Other Comprehensive Income. See note 5 Financial instruments for more information.

On 1 January 2023 the Group introduced new segment reporting reflecting the internal reporting to the Chief Operating Decision Maker (CODM). The operating segments are Investments and Servicing and are described in Note 3.

The interim financial information for the quarters ended 31 March 2023 and 31 March 2022 are unaudited. The 2022 audited financial statements were approved by the Board of Directors on 27 April 2023.

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 2022. 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

The Group applies IFRS 8 Operating Segments. An operating segment is a part of the Group from which it can generate income and incur expenses, for which separate financial information is available, and whose results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated. The Group CEO has been identified as CODM.

A key priority for the Group is to improve alignment in operations. From 1 January 2023 the operative segments for the Group are Investments and Servicing, while these were previously defined based on the geographical markets. The comparative numbers are restated based on estimates and allocation keys to give a high-level basis for comparison.

Investments consist of the acquisition and management of unsecured and secured loan portfolios directly or through investments in Joint ventures. Collateral assets acquired as part of the recovery strategy are included in Investments.

Servicing is the collections of payments on behalf of clients, Joint ventures and the Investments segment. The Servicing segment generates revenues from commissions and debtor fees.

Internal transactions between Investments and Servicing are priced on commercial terms. The commission is recognised as inter segment revenue in Servicing and as direct operating expense in Investments and is eliminated in the Consolidated Income Statement.

Revenues from issued loans, credit information and other services on behalf of clients are included in **Other**.

Net revenue is Total revenues reported in the income statement less the Cost of collateral assets sold, including impairment.

The performance of the operative segments is measured at Segment earnings level which includes revenue and direct operative expenses.

IT and SG&A are considered supporting segments and are included in **Unallocated items & eliminations**. SG&A includes sales, general and administrative expenses, e.g., Human Resources, Finance, Communication and Marketing, Legal and Compliance and other staff functions. Other items included in Unallocated items & eliminations include Central costs and Non-recurring items.

Segment overview

Quarter 1, 2023

All figures in NOK million

	Investments	Servicing	Other	Unallocated items & eliminations	Total
External revenue	783	85	46	0	914
Inter segment revenue	0	201	0	-201	0
Net revenue	783	285	46	-201	914
Direct opex	-275	-189	-11	167	-308
Segment earnings	508	97	35	-34	606
IT					-40
SG&A					-100
Central costs					-63
EBITDA					404
Depreciation & amortisation					-29
EBIT					375

Quarter 1, 2022*All figures in NOK million*

	Investments	Servicing	Other	Unallocated items & eliminations	Total
External revenue	595	82	36	2	716
Inter segment revenue	0	173	0	-173	0
Net revenue	595	255	36	-171	716
Direct opex	-216	-165	-10	146	-244
Segment earnings	380	91	26	-26	472
IT					-36
SG&A					-103
Central costs					-63
EBITDA					269
Depreciation & amortisation					-20
EBIT					249

Full year, 2022*All figures in NOK million*

	Investments	Servicing	Other	Unallocated items & eliminations	Total
External revenue	2,606	347	164	-32	3,085
Inter segment revenue	0	704	0	-704	0
Net revenue	2,606	1,051	164	-735	3,085
Direct opex	-896	-668	-70	640	-994
Segment earnings	1,710	383	93	-95	2,091
IT					-156
SG&A					-431
Central costs					-292
EBITDA					1,213
Depreciation & amortisation					-184
EBIT					1,029

Segment details**Investments***All figures in NOK million unless otherwise stated*

	2023	2022	2022
	Quarter 1	Quarter 1	Full Year
Secured collections	289	243	1 022
Unsecured collections	964	849	3 562
Total collections	1 253	1 091	4 584
Secured amortisation	- 54	- 48	- 140
Unsecured amortisation	- 436	- 418	-1 759
Total amortisation	- 490	- 465	-1 899
Secured revaluations	- 53	- 78	- 410
Unsecured revaluations	3	- 5	18
Total revaluations	- 50	- 82	- 392
Total NPL revenue	713	544	2 294
Profit from Investments in joint ventures	36	14	100
Net REO gains	29	31	189
Other revenue	5	6	22
Net revenue	783	595	2 606
Direct opex	- 275	- 216	- 896
Segment earnings	508	380	1 710
Segment earnings in %	65%	64%	66%
Cash collections	1 248	1 214	5 161
Secured collection performance %	177.7%	150.9%	174.7%
Unsecured collection performance %	104.8%	101.6%	103.4%
Total collection performance %	115.8%	109.5%	113.7%
Net gain on sale of collateral assets %	62.6 %	30.0 %	48.2 %
Portfolio investments ¹⁾	767	239	2 165
Book value secured NPLs	2 679	2 572	2 544
Book value unsecured NPLs	9 654	7 705	8 637
Book value Investments in joint ventures	794	802	690
Book value Collateral assets (REOs)	1 464	1 206	1 294

¹⁾ Includes the Group's share of portfolios held in SPVs and joint ventures**Servicing***All figures in NOK million unless otherwise stated*

	2023	2022	2022
	Quarter 1	Quarter 1	Full Year
Internal servicing revenue	201	173	704
Servicing revenues from Joint ventures	18	23	101
Revenue from external clients (3PC)	67	59	246
Net revenue	285	255	1 051
Direct opex	- 189	- 165	- 668
Segment earnings	97	91	383
Segment earnings in %	34%	35%	36%

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

	2023	2022	2022
	Quarter 1	Quarter 1	Full year
Opening balance	11 181	10 921	10 921
Acquired in business combinations			
Portfolio investments in the period	602	239	2 165
Reclassification from Investment in Joint ventures ¹⁾	152		
Gross collection from purchased loan portfolios	-1 253	-1 091	-4 584
Interest revenue from purchased loan portfolios	591	531	2 133
Net credit gain/(loss) from purchased loan portfolios	121	13	129
<i>Whereof collection above/(below) estimates</i>	171	95	553
<i>Whereof changes in future collection estimates</i>	- 50	- 82	- 424
Book value of sold loan portfolios			
Exchange rate differences	938	- 335	417
Closing balance	12 333	10 277	11 181

¹⁾ Amount reclassified from Investment in Joint ventures due to increased ownership from 30% to 100% of Profit Participating notes in the portfolio owning SPV as of 16th January 2023

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 March 2023 is NOK 12.7bn.

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.

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

	2023	2022	2022
	Quarter 1	Quarter 1	Full year
Portfolio investments in the period	- 602	- 239	-2 165
Change in prepaid amounts and amounts due on portfolio purchases	- 29	- 20	8
Payment of loan portfolios, cash flow statement	- 630	- 259	-2 157

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 4,340m) and the Senior Facility Agreement (NOK 969m) as the loan facilities are based on one to six months floating interest. The fair value (NOK 5,617m) 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 5,635m. 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 m and the fair value of the interest rate hedging derivatives was positive NOK 134m. The interest rate hedging ratio was 53%.

The Group has implemented hedge accounting from 1 January 2023. The changes in fair value of the designated hedging instruments (interest swaps and interest caps) NOK -22m are reported in Other Comprehensive Income. The remaining change in fair value of interest rate derivatives of NOK -2m is related to DKK where no effective hedge is obtained.

For more details refer to the Risk Management section in the Group's 2022 Annual Report.

Net financial items

All figures in NOK million

	2023 Quarter 1	2022 Quarter 1	2022 Full Year
Interest revenue	6	1	5
Other financial income	0	0	1
Financial income	7	1	6
Interest expenses	-245	-141	-665
<i>Interest cost and commitment fees</i>	-223	-125	-598
<i>Amortisation of borrowing cost</i>	-22	-17	-67
Change in fair value of interest rate derivatives	-2	34	92
Interest expense on leases	-3	-2	-8
Other financial expenses	-14	-0	-8
Financial expenses	-264	-110	-588
Realised exchange gain/(loss)	-157	3	-174
Unrealised exchange gain/(loss)	156	-33	168
Change in fair value of currency derivatives	0	15	-19
Net exchange gain/(loss)	0	-15	-25
Net financial items	-258	-124	-607

NOTE 6 - INTEREST BEARING LOANS AND BORROWINGS

All figures in NOK million

	31 March 2022		31 December 2022	
	Current	Non-current	Current	Non-current
Multi-currency revolving credit facility		4 340		4 025
Bond loans		5 635	1 201	3 653
Senior Facility Agreement		969		1 208
Bank overdraft	170		131	
Total	170	10 944	1 332	8 885

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 88m was utilised from the EUR 171m SFA, leaving total available, undrawn facility lines of EUR 289m.

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 2022 Annual Report.

NOTE 7 – SHARE CAPITAL AND OTHER PAID-IN CAPITAL

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

	Number of shares ¹⁾	Share capital NOK million	Other paid-in capital ²⁾ NOK million
At 31 December 2022	401 364 824	40	2 844
At 31 Mar 2023	401 364 824	40	2 844
At 15 May 2023 (date of completion of these interim condensed financial statements)	401 364 824	40	2 844

1) 387,180,824 shares excluding 14,184,000 own shares purchased in 2022 buy-back program.

2) Net proceeds after transaction costs

The share buy-back programme for 2022 was completed in December 2022 and the Board has proposed 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 programme. The purpose of the programme was to reduce the capital of the Company and 14,184,000 shares were bought back at an average price of NOK 8.31 per share, corresponding to 3.53% of the equity and decreasing the equity attributable to parent company shareholders by NOK 118m. A creditor deadline of six weeks will apply before implementation.

NOTE 8 – SHARE BASED PAYMENTS

No share options were granted, exercised, terminated, or expired during the first quarter 2023.

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

NOTE 9 – SUBSEQUENT EVENTS

On 4 May 2023 B2Holding ASA's subsidiary in Croatia, B2 Kapital d.o.o., received notice on from the Croatian Data Protection Agency, AZOP, of a fine against the subsidiary on grounds of alleged breaches with GDPR regulations. The fine amounts to EUR 2,265,000.

B2Holding as a Group works to the highest standards in environmental, social, governance and regulatory matters, and attend to any alleged breaches as a matter of the highest priority. The conclusion of a thorough assessment made by B2Holding and its independent professional advisors is that no data leakage by B2 Kapital d.o.o. has been substantiated and that there has been no leak of confidential information relating to clients or debtors from the company's IT systems. Thus, B2Holding disagrees with the allegations in AZOP's decision.

The decision from AZOP will be appealed and the fine has not been paid or provided for.

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

	2023 Quarter 1	2022 Quarter 1	2022 Full Year
Total revenues	961	820	3 477
Adjust for Cost of collateral assets sold, including impairment	- 46	- 104	- 392
Net revenues	914	716	3 085
Operating profit/(loss)	375	249	1 029
Non-recurring items, of which:			
Changes in future collection estimates			32
Interest revenue on loan receivables			
Other revenues			- 0
External expenses of services provided		- 3	- 4
Personnel expenses	12	- 2	31
Other operating expenses	15	46	147
Depreciation and amortisation			1
Impairment			99
Total Non-recurring items	27	40	306
Adjusted EBIT	402	289	1 334
Operating profit/(loss)	375	249	1 029
Add back Depreciation, amortisation and impairment losses	29	20	184
EBITDA	404	269	1 212
Total revenues	961	820	3 477
Add back Amortisation of purchased loan portfolios	490	465	1 898
Add back Revaluation of purchased loan portfolios	50	82	424
Adjust for Repossession of collateral assets	- 107	- 55	- 299
Adjust for Profit from investments in associated parties/joint ventures	- 36	- 14	- 100
Add Cash received from investments in associated parties/joint ventures	27	42	295
Adjust for Non-recurring items			- 0
Cash revenue	1 384	1 341	5 695
Operating profit/(loss)	375	249	1 029
Add back Amortisation of purchased loan portfolios	490	465	1 898
Add back Revaluation of purchased loan portfolios	50	82	424
Add back Depreciation, amortisation and impairment losses	29	20	184
Adjust for Repossession of collateral assets	- 107	- 55	- 299
Add back Cost of collateral assets sold, including impairment	46	104	392
Adjust for Profit from investments in associated parties/joint ventures	- 36	- 14	- 100
Add Cash received from investments in associated parties/joint ventures	27	42	295
Adjust for Non-recurring items	27	40	174
Cash EBITDA	900	934	3 996

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

All figures in NOK million

	2023	2022	2022	2022
	31 Mar	31 Dec	30 Sep	30 Jun
Total assets	18 036	16 500	16 672	15 946
Total equity	5 748	5 217	5 185	5 023
Equity ratio	31.9 %	31.6 %	31.7 %	31.5 %
Total assets	18 036	16 500	16 672	15 946
Excluding IFRS 16 right-of-use asset	- 167	- 137	- 125	- 98
Total assets excl IFRS 16 right-of-use asset	17 869	16 363	16 547	15 848
Equity ratio	32.2 %	31.9 %	31.3 %	31.7 %

Total Loan to Value

All figures in NOK million

	2023	2022	2022	2022
	31 Mar	31 Dec	30 Sep	30 Jun
Bond loan (nominal value) ¹⁾	5 697	4 880	6 445	5 931
Revolving Credit Facility (nominal value) ¹⁾	4 430	4 086	2 507	3 177
Senior Facility Agreement (nominal value) ¹⁾	997	1 241	1 505	
Bridge Facility (nominal value) ¹⁾				500
Contingent consideration (earn out)		- 0		12
Vendor loan	15	47	168	224
FX Derivatives (MTM)	0	0	- 4	4
Net cash balance including overdraft	- 941	- 1 045	- 1 330	- 538
Total loan	10 198	9 210	9 292	9 309
Purchased loan portfolios	12 333	11 181	11 034	11 034
Investment and participation in joint ventures ²⁾	794	690	822	830
Other assets ³⁾	1 988	1 834	1 779	1 763
Book value	15 115	13 705	13 635	13 627
Total Loan to Value % (TLTV)	67.5 %	67.2 %	68.1 %	68.3 %

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).

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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