

Q1

FIRST QUARTER 2018

Summary

In the first quarter 2018 B2Holding continued the positive operational development from 2017, and through the acquisition of NACC the Group expanded into France. The portfolio pipeline in the quarter was very high compared to previous years, reflecting the diversified access to portfolios in the 23 markets in which the group operate. The portfolio acquisition was a record high for a first quarter, and the pipeline at the end of the quarter stayed at the high level. B2Holding strengthened the financial position through the successful completion of the equity issue in March, increased and amended RCF and bond issue in May, giving the Group a solid investment capacity.

First quarter 2018

- *ERC¹⁾ at period end of NOK 18,116 million (9,852), an increase of 84% compared to same period in 2017*
- *All time high gross cash collection from purchased portfolios, an increase of 35% to NOK 775million (575)*
- *Revenues increased by 41% to NOK 646 million (459)*
- *Operating profit increased by 53% to NOK 326 million (213) after record strong operations*
- *Cash EBITDA increased by 46% to NOK 581 million (399)*
- *Portfolio acquisitions ended at NOK 1,485 million (340), an increase of 337%. Portfolios were acquired in all major markets.*
- *Acquisition of NACC Group, one of the leading players within debt purchase and servicing in France*
- *Successful private placement raising gross NOK 748 million in new capital*

(Comparable numbers for Q1 2017 in brackets)

(NOK million)	2018	2017	Change	2017
	Quarter 1	Quarter 1	%	Full year
Total revenues ²⁾	646	459	41 %	2,083
EBITDA	338	221	53 %	1,020
Operating profit (EBIT)	326	213	53 %	984
Profit margin ²⁾	50 %	46 %		47 %
Cash revenue ²⁾	889	637	39 %	2,878
Cash EBITDA	581	399	46 %	1,815
Cash margin	65 %	63 %		63 %
Profit for the period after tax	152	104	46 %	481
Basic earnings per share, NOK	0.41	0.28	46 %	1.30
Cash flow from operating activities	457	295	55 %	1,289
Operating cash flow per share, NOK	1.22	0.80	53 %	3.49
Portfolio acquisitions	1,485	340	337 %	4,112
Cash collection from portfolios	775	575	35 %	2,552
ERC (at end of month) ¹⁾	18,116	9,852	84 %	15,264

1) Including the Group's share of portfolio acquired and held in joint venture

2) Figures and alternative performance measures (APMs) have been restated due to change in classification of "Profit from shares and participation in associated companies and joint ventures", see note 1 for further information (see page 20 for definition of APMs and note 10 for reconciliation of APMs to the financial statements)

Operations

The first quarter of 2018 was an eventful quarter for B2Holding. Gross cash collections from purchased portfolios reached another all time high, and the portfolio purchase activity was high in a normally quiet period of the year, reaching a total of NOK 1,485 million. During the quarter B2Holding entered into two new markets and successfully completed an equity issue of NOK 747 million.

Operational review

B2Holding had an active quarter with solid operational performance. Portfolio purchase activity was at a very high level for the first quarter, with total portfolio acquisitions amounting to NOK 1,485 million. Portfolio acquisitions includes the EUR 90 million portfolio acquired from Alpha Bank in Greece which was announced March 13th. The Group acquired portfolios in all major markets.

In January it was announced that B2Holding entered the Cypriot market through the acquisition of a non-performing portfolio of non-retail secured and unsecured loans from Hellenic Bank, with a face value of EUR 145 million. B2Holding recently received the first credit acquiring company license ever approved by the Central Bank of Cyprus and have now obtained all applicable approvals to proceed with the completion of the agreement with Hellenic Bank. The completion of the transaction is expected to take place by the end of the second quarter of 2018.

March 13th, B2Holding announced that a private placement was successfully completed, raising gross proceeds of NOK 747 million at a subscription price of NOK 20.25 per share. The private placement was significantly oversubscribed.

March 14th, B2Holding announced the acquisition of 100% of the shares of Negociation et Achat de Creances Contentieuses (NACC). The NACC Group is one of the leading players in France within debt purchase and servicing.

Number of FTEs in the Group was 2,204 at end of March 2018, up 7% from the end of 2017. The majority of the increase is due to the acquisition of NACC.

Corporate matters

The shares of B2Holding ASA were listed on the Oslo Stock Exchange on 8th June 2016 at NOK 12 per share. In March 2018 the company announced a private placement to finance further expansion. The private placement was successfully and significantly oversubscribed, raising gross proceeds of NOK 747,468,000 at a subscription price of NOK 20.25 per share.

The Group has further completed an agreement in the second quarter with DNB Bank ASA, Nordea Bank AB and

Swedbank AB whereby the banks have increased the current Revolving Credit Facility (RCF) by EUR 250 million, which includes refinancing of the existing EUR 100 million Term Loan into the RCF. The margin structure is unchanged. The new restated and amended RCF of EUR 510 million supports the Company's growth ambitions going forward.

In order to further support the growth strategy, the Group issued on 23rd May 2018 a EUR 200 million senior unsecured bond loan with maturity in 2023. The bond has a coupon of 3 months EURIBOR + 4.75%, and will be listed on the Oslo Stock Exchange in Q3 2018. The Group have in addition to the new Bond three listed senior unsecured bond loans of EUR 525 million combined issued on 4th December 2015 (EUR 150, 2015/2020), 4th October 2016 (EUR 175, 2016/2021) and 14th November 2017 (EUR 200, 2017/2022).

B2Holding ASA was early May 2018 assigned with a public rating: Moody's assigned a "Ba3" corporate family rating with a stable outlook. S&P has assigned a "BB-" long-term issuer credit rating with a stable outlook. None of the bond loans are rated.

Following the RCF increase, the Bond proceeds and the proceeds from the private placement, the Group has NOK 4.1 billion available for investments at the end of the first quarter in addition to the strong operating cash flow from collections of purchased loan portfolios.

Net interest bearing debt as of 31st March 2018 was NOK 6.855 billion and the equity ratio was 30%.

Outlook

B2Holding see a strong pipeline of both secured and unsecured portfolios going forward. With platforms in 23 markets, including access to the largest markets in Europe (Italy, Spain and Greece), and signs of reduced price pressure in some markets such as Poland, we believe B2Holding is well positioned for further growth in 2018.

As communicated in previous quarters, we will continue to focus on operational efficiency and focus on delivery of financial targets.

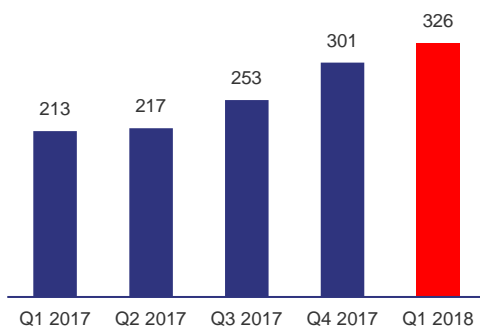
The board emphasizes that every assessment of future conditions necessarily involves an element of uncertainty.

Financials

The Group achieved a record high operating profit of NOK 326 million in the first quarter of 2018, an increase of NOK 113 million (53 %) compared to the first quarter of 2017. The strong collection performance from 2017 continued through the first quarter of 2018, with all time high gross cash collection.

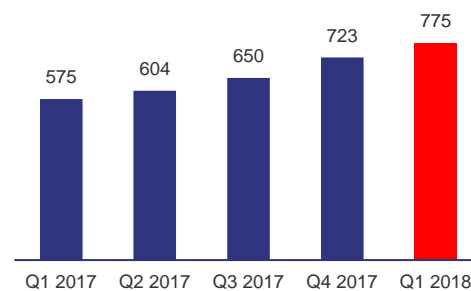
Revenues, expenses and profits

From Q1 2018 the Group has changed the presentation of the line items in the income statement due to implementation of IFRS 9. In previous quarters revenues from the purchased portfolios has been presented as one single line item, revenue from purchased loan portfolios. From Q1 2018 this line has been split into two new line items, interest income from purchased portfolios, and net credit gain/loss purchased portfolios. Interest income from purchased loan portfolios is the calculated amortised cost interest income from the purchased loan portfolios using the credit-adjusted effective interest rate that are set at initial acquisition. Net credit gain/loss purchased portfolios is the presentation of the actual credit risks related to the purchased loan portfolios, and includes two different effects, the difference between expected and actual gross collection in a period and revaluation due to changes in future expected gross collections. For B2Holding Group there are no material differences in how the revenues from purchased portfolios is calculated, just differences in presentation. In addition, the line item profit from shares and participation in associated companies and joint ventures is moved from the section operating profit (EBIT) to the section total revenues. There are no impact on operating profit (EBIT), profit before and after tax or total equity from these reclassifications. However, due to reclassification of the joint venture revenue, profit margin decreases in all periods. Total equity is however impacted by new loss allowance requirements from the Groups lending business. The changes and effects from previously reported and reclassified revenues are given in tables in note 1. Segment reporting has from Q1 2018 also been updated with information to reflect the cost base by functions.



Operating profit (NOKm)

Total operating revenues for the quarter amounted to NOK 646 million, an increase of NOK 187 million (41%) from the first quarter of 2017. Interest revenues from purchased portfolios increased with 50% in the same period due to increased portfolio acquisitions and expansion into new markets in 2017 and Q1 2018. In Q1 2018 the Group experienced a net credit loss from purchased portfolios of NOK 11 million mainly due to Finland, where we have experience increased size of the average claims in the portfolios and also meeting the same debtors in multiple portfolios. The effects in Finland will somewhat delay collection in Northern Europe and is partially offset by continued collection above estimates in Southeastern Europe. Total gross cash collections from purchased loan portfolios ended in Q1 at NOK 775 million, an increase of NOK 200 million (35%) compared to the same period in 2017. All segments have continued the growth in collections from 2017. Portfolio amortisation and revaluation increased with NOK 65 million (36%) compared to same quarter in 2017. Amortisation and revaluation is still in the lower end, 31% (31%) of gross collection, mainly due to the amortisation profile on secured portfolios in Central Europe and gross collection in Southeastern Europe continuing to perform above expectations.



Gross cash collection (NOKm)

Cash collection in the joint venture is according to plan, but due to high amortisation/revaluation of the portfolio in the period, the revenue of NOK 9 million is below previous quarters. The revenue from the joint venture is expected to increase in coming quarters. Other revenues shows positive effects from the acquisition of Verifica (Spain) in the end of 2017 and increased activity in the lending business in Poland (Takto) and increases with NOK 55 million (111%).

Operating expenses excluding depreciation and amortisation increased with NOK 70 million (29%)

compared to the first quarter of 2017, and profit margin ended at 50% (46%). Operating expenses increased due to entry into new markets and increased activity in the Group. In Q1 2017 external legal cost was high due to a high number of claims were entered into the legal system in Poland. Q1 2018 is the first full quarter with the effect of the late 2017 acquisition of the third party collection company in Spain, "Verifica", which increase personnel cost and other operating expenses. The cost related to gross collection from purchased portfolios (cost to collect %) decreased from 31% in Q1 2017 to 25% in Q1 2018 due to improved efficiency in operations, volume effect from purchased portfolios, lower legal cost and the effect from the cost reduction program in Poland that was initiated in 2017.

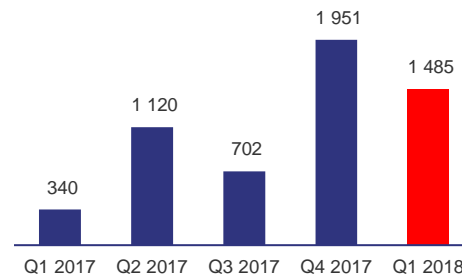
Net financial items ended the quarter with a net expense of NOK 124 million, of which NOK 126 million in interest expenses was related to the external financing of the Group.

Profit after tax for the period ended at NOK 152 million, representing an increase of NOK 48 million (46%) when comparing to the same period last year.

Cash flows

Operating cash flow of NOK 457 million in the period was NOK 162 million (55%) above the same period 2017. The increase is mainly due to growth in collection activities and improved operating margins, reduced by increased interest and tax payments.

Cash flow used in investment activities ended at NOK 1,266 million, mainly related to portfolio purchases and the acquisition of "NACC", France. The difference between the reported investments and the cash flow investments is due to deferred payments on portfolio purchases.



Portfolio purchases (NOKm)

Net cash flow from financing activities ended at NOK 1,057 million after raising a net proceed of NOK 728 million in March 2018 through a private placement. Interest bearing debt at the end of the quarter amounted to NOK 7,424 million compared to NOK 6,854 million at year-end 2017.

Board of Directors, B2Holding ASA, 24th May 2018

Condensed consolidated income statement ¹⁾

All figures in NOK '000s unless otherwise stated

	Notes	2018	2017	2017
		Quarter 1	Quarter 1	Full year
		IFRS 9	IAS 39	IAS 39
Interest income from purchased loan portfolios		542,878	361,571	1,680,221
Net credit gain/loss purchased loan portfolios	4	-10,671	34,940	76,919
Profit from shares and participation in associated companies and joint ventures		8,519	12,606	70,083
Other revenues	5	105,151	49,891	255,538
Total revenues	3	645,877	459,008	2,082,762
External expenses of services provided		-74,313	-84,902	-285,539
Personnel expenses		-152,726	-93,696	-490,287
Other operating expenses		-80,547	-59,421	-286,837
Depreciation and amortisation of tangible and intangible assets		-12,308	-8,010	-35,893
Operating profit (EBIT)	3	325,982	212,979	984,205
Financial income		1,394	394	3,290
Financial expenses		-125,724	-74,213	-358,157
Net exchange gain/(loss)		763	-718	18,283
Net financial items	6	-123,566	-74,537	-336,583
Profit before tax		202,417	138,441	647,622
Income tax expense		-50,604	-34,610	-166,391
Profit for the period after tax		151,813	103,831	481,231
Profit attributable to:				
Parent company shareholders		151,846	104,021	481,651
Non-controlling interests		-33	-190	-420
Basic earnings per share, NOK		0.41	0.28	1.30
Diluted earnings per share, NOK		0.40	0.28	1.27

1) See note 1 for details regarding change in presentation of financial information

Consolidated statement of comprehensive income

All figures in NOK '000s

	2018	2017	2017
	Quarter 1	Quarter 1	Full year
	IFRS 9	IAS 39	IAS 39
Profit for the period after tax	151,813	103,831	481,231
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	-82,551	103,090	304,408
Hedging of currency risk in foreign operations	-3,294	-16,350	-19,828
Tax attributable to items that may be reclassified to profit or loss	824	4,088	4,957
Other comprehensive income for the period, net of tax	-85,021	90,828	289,537
Total comprehensive income for the period, net of tax	66,792	194,659	770,769
Profit attributable to:			
Parent company shareholders	66,788	194,859	771,234
Non-controlling interests	4	-200	-465

Condensed consolidated statement of financial position

All figures in NOK '000s

	Notes	2018	2017	2017
		31 Mar IFRS 9	31 Mar IAS 39	31 Dec ¹⁾ IAS 39
Tangible and intangible assets		212,801	93,135	201,015
Goodwill		730,196	409,205	522,366
Purchased loan portfolios	3,4,6	10,417,614	5,050,551	8,731,632
Other long term financial assets	6	524,097	519,474	617,766
Deferred tax asset		64,147	72,570	65,778
Total non-current assets		11,948,856	6,144,935	10,138,557
Other short term assets		255,253	131,662	206,873
Cash and short term deposits		569,075	222,807	452,000
Total current assets		824,328	354,468	658,874
Total assets		12,773,184	6,499,403	10,797,431
Equity attributable to parent company's shareholders	8	3,874,936	2,622,149	3,148,569
Equity attributable to non-controlling interests		-209	-1,728	-189
Total equity		3,874,727	2,620,421	3,148,380
Long term interest bearing loans and borrowings	6,7	6,457,356	3,395,689	5,738,696
Deferred tax liabilities		158,614	56,272	95,709
Other long term liabilities	6	169,932	76,956	70,207
Total non-current liabilities		6,785,902	3,528,918	5,904,612
Short term interest bearing loans and borrowings	6,7	962,598		989,436
Bank overdraft	6,7	3,770	9,859	125,655
Accounts and other payables		803,501	82,105	266,603
Income taxes payable		49,141	83,028	56,531
Other current liabilities	6	293,546	175,072	306,213
Total current liabilities		2,112,556	350,064	1,744,439
Total equity & liabilities		12,773,184	6,499,403	10,797,431

1) See note 1 for details regarding implementation effect of new IFRS standards

Condensed consolidated statement of changes in equity

All figures in NOK '000s

	Notes	2018			2017		
		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		3,148,569	-189	3,148,380	2,426,417	-1,528	2,424,889
Implementation effect IFRS 9	1	-69,476	-24	-69,500			
Restated at 1 January		3,079,093	-213	3,078,880	2,426,417	-1,528	2,424,889
Profit for the period after tax		151,846	-33	151,813	104,021	-190	103,831
Other comprehensive income for the period, net of tax		-85,058	37	-85,021	90,838	-10	90,828
Total comprehensive income		66,788	4	66,792	194,859	-200	194,659
Issue of share capital	8	747,468		747,468			
Transaction costs	8	-19,015		-19,015			
Share based payments		602		602	873		873
At 31 March		3,874,936	-209	3,874,727	2,622,149	-1,728	2,620,421

Condensed consolidated statement of cash flows

All figures in NOK '000s

	Notes	2018 Quarter 1	2017 Quarter 1	2017 Full year
Cash flow from operating activities				
Profit for the period before tax		202,417	138,441	647,622
Amortisation/revaluation of purchased loan portfolios	3	242,887	178,286	795,141
Adjustment other non-cash items		14,686	6,676	36,485
Interest expenses		124,680	73,083	357,153
Interest paid		-111,004	-64,862	-317,953
Unrealised foreign exchange differences		-1,591	-7,026	-97,515
Income tax paid during the year		-39,170	-11,531	-138,139
Change in working capital		58,209	-40,696	68,665
Change in other balance sheet items		-34,171	22,508	-62,122
Net cash flow from operating activities		456,943	294,879	1,289,337
Cash flow from investing activities				
Purchase of loan portfolios	3,4	-987,874	-423,546	-4,072,940
Net investments in intangible and tangible assets		-9,380	-7,042	-52,814
Investments in business acquisitions		-269,011		-144,355
Net cash flow from investing activities		-1,266,265	-430,588	-4,270,109
Cash flow from financing activities				
Net new share issue	8	728,453		4,140
Net receipts/(payments) on interest bearing loans and borrowings		328,303	125,118	3,114,991
Dividend paid to parent company's shareholders				-55,368
Dividends paid to non-controlling interests				-176
Net cash flow from financing activities		1,056,756	125,118	3,063,587
Net cash flow during the period		247,435	-10,591	82,816
Cash and cash equivalents at beginning of the period		326,345	217,608	217,608
Exchange rate difference on cash and cash equivalents		-8,473	5,930	25,921
Cash and cash equivalents at end of the period		565,306	212,947	326,345
<i>Cash and cash equivalents comprised of:</i>				
Cash and short term deposits		569,075	222,807	452,000
Bank overdraft		-3,770	-9,859	-125,655

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.

These interim condensed consolidated financial statements for the first quarter ended 31 March 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures of the type normally included in an annual financial statements. Accordingly, this report should be read in conjunction with the Annual Report 2017 B2Holding Group. The consolidated financial statements for 2017 are available upon request from the company and at www.b2holding.no. The condensed consolidated interim financial statements consist of the Group and the Group's interests in associated companies and joint arrangements.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2017, with the exceptions given below in the section Adoption of new IFRS standards. As a result of rounding differences, numbers or percentages may not add up to the total.

The financial information for the quarters ended 31 March 2018 and 31 March 2017, and this interim financial report are unaudited. The financial report was approved by the Board of Directors on 24 May 2018.

Change in presentation of financial information:

In connection with the adoption of IFRS 9 "Financial instruments" and the new presentation requirements of IAS 1.82(a)(i) and IAS 1.82(ba), the Group has restated the line item presentation within total operating revenues in the condensed consolidated interim income statement. The changes in presentation include the new line, "Interest income from purchased loan portfolios", which is the interest revenue using the effective interest method from the purchased loan portfolios. The new line item "Net credit gain /loss purchased loan portfolios" which is the credit gain/ loss recognised for the reporting period for the purchased loan portfolios, this was previously part of "Revenue from purchased portfolios". In addition, the line item "Profit from shares and participation in associated companies and joint ventures" is moved from the section "Operating profit (EBIT)" to the section "Total revenues". There is no impact on "Operating profit (EBIT)", "Profit after tax" or "Total equity" from these reclassifications. Profit margin decreases in all periods due to due to reclassification of the joint venture revenue. The previously reported and reclassified revenues are given in the table below:

Condensed consolidated income statement, reclassified

All figures in NOK '000s

	Q1 2017		Q2 2017		Q3 2017		Q4 2017		Year 2017	
	Reported	Reclass.	Reported	Reclass.	Reported	Reclass.	Reported	Reclass.	Reported	Reclass.
Revenue from purchased loan portfolios	396,511		410,880		439,100		510,649		1,757,140	
Other operating revenues	49,891		55,430		60,471		89,746		255,538	
Total operating revenues	446,402		466,310		499,572		600,395		2,012,678	
Interest income from purchased loan portfolios		361,571		393,646		436,718		488,286		1,680,221
Net credit gain/loss purchased loan portfolios		34,940		17,233		2,384		22,363		76,919
Profit from shares and participation in associated companies and joint ventures		12,606		15,984		19,823		21,671		70,083
Other revenues	49,891		55,430		60,471		89,746		255,538	
Total revenues		459,008		482,293		519,396		622,066		2,082,761
Operating profit (EBIT)	212,979	212,979	217,202	217,202	253,003	253,003	301,022	301,022	984,205	984,205
Operating margin	48 %	46 %	47 %	45 %	51 %	49 %	50 %	48 %	49 %	47 %

Adoption of new IFRS standards:

IFRS 15

The Group has adopted IFRS 15 as of 1 January 2018 with no effect upon adoption to opening equity. IFRS 15 introduces a new model and principals for revenue recognition. For the Group IFRS 15 has no effect on the timing or amount of revenue recognised in the profit or loss statement.

IFRS 9

The Group has adopted IFRS 9 "Financial instruments" as of 1 January 2018 in its entirety, including the IFRS 9 hedge accounting requirements. The Group applied the new rules retrospectively from 1 January 2018, with the practical expedients as permitted in the standard. Comparatives for 2017 are not restated, as is allowed by IFRS 9. There are no classification changes for financial assets recognised at amortised cost. All financial assets at fair value through the profit or loss statement (FVTPL) remain at FVTPL. The net investment hedge continues as a qualifying hedge under IFRS 9, and there are no presentation or measurement changes for the net investment hedge upon adoption of IFRS 9.

The only material financial statement implementation effect is an opening balance increase in loss allowances and a corresponding decrease in the 1 January 2018 opening equity. This is related to the new impairment rules for financial assets carried at amortised cost. IFRS 9 replaces the old incurred loss model with an expected loss model where a loss allowance is recognised before a loss event has occurred. The opening balance effect is primarily related to the financial asset Loan receivables. Credit loss and changes in loss allowance for the reporting period for the loan receivables is included in the line item "Other revenues", and specified in a note disclosure. Interest income on loan receivables is included in the line item "Other revenues", and specified in note disclosures.

The purchased loan portfolios are credit-impaired at acquisition, and are out of scope for the general expected credit loss (ECL) impairment model at initial recognition. In accordance with IFRS 9, the amount of the change in full lifetime expected credit losses since initial recognition is recognised each reporting period in the income statement in the line item "Net credit gains/losses on purchased loan portfolios". There is no loss allowance implementation effect or other implementation effects for the purchased loan portfolios other than updated presentation in the consolidated income statement and disclosures. See note 4 in the 2017 Annual Report for further information.

IFRS 16

The Group is preparing for implementation of IFRS 16 from 1 January 2019, see note 4 in the 2017 Annual Report for further information.

The main changes upon adoption of IFRS 9:

The measurement category and the carrying amount of financial assets in accordance with IAS 39 and IFRS 9 are disclosed in the table below. Differences in carrying amount are solely due to IFRS 9 increases impairment loss allowance recognised 1 January 2018 against opening equity. There are no changes to the classification or measurement categories of financial liabilities and equity instruments.

Measurement and classification IAS 39 and IFRS 9

All figures in NOK '000s

Financial assets	Measurement category IAS 39	Carrying amount IAS 39	Measurement category IFRS 9	Carrying amount IFRS 9
Purchased loan portfolios	Loans and receivables	8,731,632	Amortised cost	8,731,632
Loan receivables	Loans and receivables	414,580	Amortised cost	345,686
Other long-term financial assets	Loans and receivables	11,351	Amortised cost	11,245
Other long-term financial assets – investment in bonds	FVOPL – fair value option (IAS 39.11a)	3,356	FVOPL – does not meet the SPPI test	3,356
Other long-term financial assets - Participation loan EOS	FVOPL	161,159	FVOPL	161,159
Derivatives - FX and interest rate swaps (short and long-term)	FVOPL	34,442	FVOPL	34,442
Accounts receivable	Loans and receivables	74,989	Amortised cost	74,246
Other short-term assets (financial)	Loans and receivables	34,065	Amortised cost	34,065
Cash and cash equivalents	Loans and receivables	452,000	Amortised cost	452,000

Reconciliation of loss allowance

All figures in NOK '000s

	Loss allowance IAS 39	Remeasurement of loss allowance	Loss allowance IFRS 9	Change in deferred taxes	Net change opening balance equity
Loan receivables	-67,585	-68,894	-136,479	67	-68,827
Other long term financial assets		-106	-106	26	-79
Accounts receivables	-7,303	-744	-8,047	150	-594
Total	-74,888	-69,744	-144,632	244	-69,500

Note 2 – Estimates and critical accounting judgements

The preparation of the interim financial statements requires the use of evaluations, estimates and assumptions that affect the application of the accounting principles and amounts recognized as assets and liabilities, income and expenses. The important assessments underlying the application of the Group's accounting policies and the main sources of uncertainty are the same for the interim financial statements as for the consolidated financial statements for 2017 except for the judgement described below with the implementation of IFRS 9.

Purchased loan portfolios are the primary business activity of the Group, and consist of portfolios of non-performing loans and debt, purchased at prices significantly below the nominal receivable. Under IAS 39 these portfolios were carried at amortised cost using the effective interest method to measure and recognise income and adjustments in book value due to changes in estimated future cash flows. Under IFRS 9, these portfolios are defined as credit-impaired at acquisition, and classification under IFRS 9 is dependent on an evaluation of the B2Holding business model and whether these portfolios meet the SPPI criteria. If these portfolios are determined to meet the criteria for a business model of Hold to collect and the cash flows consist of only principal and interest, then the classification is amortised cost. If not amortised cost, then the classification would be measurement at fair value over other comprehensive income (FVOCI), implying a business model of Hold to collect and sell. Management has performed a detailed analysis and exercised significant judgement related to the classification of their purchased loan portfolios upon implementation of IFRS 9. Management reviewed the portfolio cash flows, collection methods, and strategies as well as the infrequency of sales of individual receivables claims in the process of coming to a classification decision. It is management's conclusion that the IFRS 9 criteria for a business model of Hold to collect and the SPPI criteria are satisfied for these portfolios. Purchased loan portfolios will continue to be measured at amortised cost using the effective interest method in accordance with the rules for credit-impaired at acquisition financial assets as set out in IFRS 9.

Note 3 – Segment reporting

For management purposes, the Group is organised 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. The segment reporting is presented in the same manner as presented to the executive management. The executive management reporting differs from the reported numbers in the consolidated financial statements. The differences are related to the line item presentation of revenue from purchased loan portfolios and the presentation of operating cost. Total revenues and operating profit is equal in segment reporting and in the consolidated income statement. See further explanation of the differences in definitions on page 20.

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

From 1 January 2018, the Group presents Western Europe as a new geographical region. Western Europe includes operations in Spain, Italy and France. Comparable numbers for 2017 has been restated to be consistent with the 2018 presentation.

Quarter 1, 2018

All figures in NOK '000s

	Northern Europe	Poland	Central Europe	Western Europe	South- eastern Europe	Central functions / eliminations	Total
Purchase of loan portfolios	268,916	87,115	256,816	10,789	861,150		1,484,786
Purchased portfolios, book value							
Purchased loan portfolios	2,492,832	1,714,372	3,304,558	1,097,299	1,808,553		10,417,614
Share of participation in joint ventures ¹⁾					144,955		144,955
Purchased portfolios at 31 March	2,492,832	1,714,372	3,304,558	1,097,299	1,953,508		10,562,569

1) Refers to the value of share of participation in joint ventures with purchased loan portfolios and is therefore not equivalent to corresponding item in the balance sheet.

Quarter 1, 2017

All figures in NOK '000s

	Northern Europe	Poland	Central Europe	Western Europe	South- eastern Europe	Central functions / eliminations	Total
Purchase of loan portfolios in the period	160,810	56,530	44,648	19,214	58,655		339,857
Purchased portfolios, book value							
Purchased loan portfolios	1,375,531	1,621,747	1,800,767	21,133	231,373		5,050,551
Share of participation in joint ventures ¹⁾					152,612		152,612
Purchased portfolios at 31 March	1,375,531	1,621,747	1,800,767	21,133	383,985		5,203,163

1) Refers to the value of share of participation in joint ventures with purchased loan portfolios and is therefore not equivalent to corresponding item in the balance sheet.

Quarter 1, 2018

All figures in NOK '000s

	Northern Europe	Poland	Central Europe	Western Europe	South- eastern Europe	Central functions / eliminations	Total
Gross cash collection from purchased loan portfolios	238,484	228,454	198,002	9,045	101,110		775,094
Of which, secured portfolios	5,716	4,011	113,618	3,882	28,246		155,473
Of which, unsecured portfolios	232,767	224,443	84,383	5,163	72,864		619,621
Amortisation/revaluation of purchased loan portfolios	-126,328	-102,533	-13,841	8,669	-8,854		-242,887
Revenue from purchased loan portfolios	112,156	125,921	184,161	17,714	92,256		532,207
Profit from shares and participation in associated companies and joint ventures					8,519		8,519
Total revenue from purchased loan portfolios	112,156	125,921	184,161	17,714	100,775		540,726
Other revenues	28,529	31,279	1,675	40,150	3,517		105,151
Total revenues	140,685	157,199	185,836	57,864	104,292		645,877
Cost to collect	-44,095	-74,024	-28,888	-8,835	-38,958		-194,800
Cost other revenues	-29,239	-14,920	-2,184	-32,779	-2,194		-81,316
Administration & management costs	-1,644					-29,827	-31,470
EBITDA	65,708	68,255	154,764	16,250	63,140	-29,827	338,290
Depreciation and amortisation of tangible and intangible fixed assets	-1,546	-7,091	-948	-2,035	-580	-108	-12,308
Operating profit (EBIT)	64,162	61,164	153,816	14,214	62,560	-29,934	325,982

Quarter 1, 2017

All figures in NOK '000s

	Northern Europe	Poland	Central Europe	Western Europe	South- eastern Europe	Central functions / eliminations	Total
Gross cash collection from purchased loan portfolios	149,369	208,841	166,922	476	49,188		574,797
Of which, secured portfolios		6,677	120,792		7,015		134,484
Of which, unsecured portfolios	149,369	202,164	46,130	476	42,173		440,313
Amortisation/revaluation of purchased loan portfolios	-68,885	-57,047	-45,148	1,509	-8,715		-178,286
Revenue from purchased loan portfolios	80,484	151,795	121,775	1,985	40,473		396,511
Profit from shares and participation in associated companies and joint ventures					12,606		12,606
Total revenue from purchased loan portfolios	80,484	151,795	121,775	1,985	53,079		409,117
Other revenues	25,318	20,646	1,798		2,129		49,891
Total revenues	105,802	172,441	123,572	1,985	55,208		459,008
Cost to collect	-32,780	-92,089	-29,782	-577	-20,704		-175,932
Cost other revenues	-24,880	-13,284	-1,793		-3,176		-43,133
Administration & management costs	-478					-18,476	-18,954
EBITDA	47,664	67,067	91,997	1,409	31,327	-18,476	220,989
Depreciation and amortisation of tangible and intangible fixed assets	-1,286	-5,528	-739	-40	-329	-88	-8,010
Operating profit (EBIT)	46,378	61,539	91,259	1,368	30,998	-18,564	212,979

Note 4 – Purchased loan portfolios

Purchased loan portfolios

All figures in NOK `000s

	2018 Quarter 1	2017 Quarter 1	2017 Full year
Opening balance	8,731,632	4,751,878	4,751,878
Acquired in business combinations	671,215		
Purchase of loan portfolios	1,484,786	339,857	4,111,752
Gross cash collection from purchased loan portfolios	-775,094	-574,797	-2,552,281
Interest income from purchased loan portfolios	542,878	361,571	1,680,221
Net credit gain/loss purchased loan portfolios	-10,671	34,940	76,919
Exchange rate differences	-227,132	137,102	663,143
Closing balance	10,417,614	5,050,551	8,731,632

The face value of the closing balance of purchased loan portfolios amounts to NOK 132,775 million including accrued interest at 31 March 2018 (2017: NOK 66,858 million).

Net credit gain/loss from purchased portfolios

The Group purchases materially impaired loan portfolios at significant discounts and impairment 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 cash collection deviating from collection estimates and from changes in future cash collection estimates. The Group regularly evaluates the current collection estimates on single portfolios and the estimate is adjusted if collection is determined to deviate from current estimate over time. The adjusted collection estimate is discounted by the initial rate of return at acquisition of the portfolio. Changes from current estimate adjust the book value of the portfolio and is included in the profit and loss statement in the line item "Net credit gain/loss from purchased loan portfolios". Due to volatility towards the timing of collection, secured portfolios are evaluated monthly. Unsecured portfolios are evaluated quarterly. Cash collection above collection estimates and upwards adjustment of future collection estimates increase revenue. Cash collection below collection estimates and downwards adjustment of future collection estimates decrease revenues.

Quarter 1, 2018

All figures in NOK `000s

	Northern Europe	Poland	Central Europe	Western Europe	South- eastern Europe	Total
<i>Secured portfolios:</i>						
Collection above/(below) estimates	2,810	620	-12,215	-183	1,476	-7,492
Changes in future collection estimates	-1,795	1,065	496	-1,474	-2,213	-3,921
Net credit gain/(loss) from secured portfolios	1,015	1,685	-11,719	-1,657	-737	-11,413
<i>Unsecured portfolios:</i>						
Collection above/(below) estimates	-15,246	101	13,598	2,331	6,746	7,531
Changes in future collection estimates	-2,563	-4,155	-3,073		3,002	-6,788
Net credit gain/loss from unsecured portfolios	-17,808	-4,053	10,525	2,331	9,749	743
Net credit gain/(loss) from purchased loan portfolios	-16,793	-2,368	-1,194	674	9,012	-10,671

Quarter 1, 2017

All figures in NOK '000s

	Northern Europe	Poland	Central Europe	Western Europe	South- eastern Europe	Total
<i>Secured portfolios:</i>						
Collection above/(below) estimates		4,750	67,041		6,717	78,508
Changes in future collection estimates		2,288	-52,712		-3,742	-54,166
Net credit gain/(loss) from secured portfolios		7,038	14,329		2,975	24,342
<i>Unsecured portfolios:</i>						
Collection above/(below) estimates	-2,520	18,180	68	-36	1,118	16,810
Changes in future collection estimates	3,997	-2,046	-8,097		-66	-6,212
Net credit gain/(loss) from secured portfolios	1,476	16,134	-8,029	-36	1,053	10,598
Net credit gain/(loss) from purchased loan portfolios	1,476	23,172	6,300	-36	4,028	34,940

Purchase of loan portfolios, cash flow statement

The following table reconciles the difference between purchase of portfolios in cash flow statement and other statements

All figures in NOK '000s

	2018 Quarter 1	2017 Quarter 1	2017 Full year
Purchase of loan portfolios	-1,484,786	-339,857	-4,111,752
Change in prepaid/amounts due on purchase of loan portfolios	496,912	-83,689	38,813
Purchase of loan portfolios, cash flow statement	-987,874	-423,546	-4,072,940

Note 5 – Other revenues

All figures in NOK '000s

	2018 Quarter 1	2017 Quarter 1	2017 Full year
Revenue from external collection	54,917	25,073	124,075
Other revenues from contracts with customers	18,107	3,026	18,392
Total revenues from contracts with customers	73,024	28,099	142,467
Interest income from loan receivables	68,549	57,597	259,368
Net credit gain/(loss) from loan receivables	-36,693	-37,841	-147,734
Net result collateral assets and other operating revenues	271	2,037	1,437
Total other revenues	105,151	49,891	255,538

Revenue from external collection is revenue from contracts between the Group and a creditor, where the Group is responsible for the debt collection on behalf of the creditor. Revenue from other contracts with customers includes credit information services, telemarketing services and other services.

At 31 March 2018 the Group had the following contract balances; Contract assets related to performed not yet invoiced services NOK 10.6 million (2017: 0.8). Contract liabilities related to invoiced not delivered services NOK 1.4 million (2017; 1.2).

Revenue from loan receivables is in 2017 calculated according to IAS 39. From 1 January 2018, after implementation of IFRS 9, revenues is calculated according to IFRS 9 (ECL model).

Note 6 – Financial instruments

Specific disclosures regarding purchased loan portfolios see note 4.

Fair value of financial instruments

	Carrying amount			Total	Fair value			
	Held for trading	Loans & receivables	Other financial liabilities		Level 1	Level 2	Level 3	Total
As at 31 March 2018								
<i>All figures in NOK`000s</i>								
Financial assets								
Purchased loan portfolios		10,417,614		10,417,614			10,917,093	10,917,093
Loans receivable		341,273		341,273			341,273	341,273
Derivatives	52,780			52,780		52,780		52,780
Other financial assets		172,119		172,119			172,119	172,119
Total	52,780	10,931,006		10,983,787		52,780	11,430,486	11,483,266
Financial liabilities								
Interest bearing loans and borrowings			7,423,724	7,423,724	5,345,812	2,480,237		7,826,049
Derivatives	18,947			18,947		18,947		18,947
Contingent considerations			174,112	174,112			174,112	174,112
Total	18,947		7,597,836	7,616,783	5,345,812	2,499,185	174,112	8,019,108

	Carrying amount			Total	Fair value			
	Held for trading	Loans & receivables	Other financial liabilities		Level 1	Level 2	Level 3	Total
As at 31 December 2017								
<i>All figures in NOK`000s</i>								
Financial assets								
Purchased loan portfolios		8,731,632		8,731,632			9,237,976	9,237,976
Loans receivable		414,580		414,580			414,580	414,580
Derivatives	34,443			34,443		34,443		34,443
Other financial assets		175,068		175,068			175,068	175,068
Total	34,443	9,321,281		9,355,724		34,443	9,827,625	9,862,068
Financial liabilities								
Interest bearing loans and borrowings			6,853,787	6,853,787	5,467,590	1,808,788		7,276,379
Derivatives	40,238			40,238		40,238		40,238
Contingent considerations			75,592	75,592			75,592	75,592
Total	40,238		6,929,379	6,969,617	5,467,590	1,849,027	75,592	7,392,209

Other financial assets includes participation loan to joint venture in both tables.

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 267 million (2%). The fair value of interest-bearing loans is equal to book value for the Multi-currency revolving credit facility as the loans 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 flows 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.

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), Hungarian Forint (HUF), Bosnian Convertible Mark (BAM), Czech Koruna (CZK) and Serbian Dinar (RSD) where all borrowing are done in EUR.

The Group's bond loan is denominated in EUR and borrowings under the multi-currency revolving credit facility are drawn in PLN and NOK. To obtain a more balanced currency basket, the Group has entered into the following currency derivatives at 31 March 2018: (i) Cross currency swap of SEK 225 million against EUR, (ii) Cross currency swap of NOK 425 million against SEK and (iii) Cross currency swap of NOK 125 million against DKK. The fair value of the currency derivatives was NOK 28.4 million at quarter end.

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 between 60% and 120% of net borrowings up to a maximum period of 5 years. The hedging ratio at 31 March 2018 was 79% with a duration of 3.3 years and the fair value of the interest rate hedging derivatives was NOK 5.4 million.

Net financial items

All figures in NOK '000s

	2018 Quarter 1	2017 Quarter 1	2017 Full year
Interest income	1,141	369	2,907
Other financial income	254	25	383
Financial income	1,394	394	3,290
Interest expenses	-124,154	-73,137	-348,753
Change in fair value of derivative financial instruments	-526	54	-8,400
Other financial expenses	-1,043	-1,131	-1,003
Financial expenses	-125,724	-74,213	-358,157
Realised exchange gain/(loss)	-22,740	-18	-39,039
Unrealised exchange gain/(loss)	-16,495	33,471	90,787
Change in fair value of derivative financial instruments	39,998	-34,171	-33,465
Net exchange gain/(loss)	763	-718	18,283
Net financial items	40,761	-34,890	-15,182

Note 7 - Interest bearing loans and borrowings

All figures in NOK '000s

	As at 31 March 2018		As at 31 December 2017	
	Current	Non-current	Current	Non-current
Multi-currency revolving credit facility	962,598	1,513,798	989,436	693,622
Bond loan		4,943,487		5,044,999
Loans from non-controlling interests		72		76
Bank overdraft	3,770		125,655	
Total	966,368	6,457,356	1,115,091	5,738,696

The Group is financed by the following loans; (i) A EUR 260 million senior secured multi-currency revolving credit facility agreement, including a multi-currency cash pool with a EUR 20 million overdraft, which matures in August 2019, (ii) a EUR 100 million senior secured multi-currency term loan agreement which matures in December 2018, (iii) a EUR 150 million senior unsecured bond with maturity in December 2020, (iv) a EUR 175 million senior unsecured bond with maturity in October 2021 and (v) a EUR 200 million senior unsecured bond with maturity in November 2022.

The multi-currency revolving credit facility, multi-currency term loan 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 credit facility and term loan. 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 31 March 2018. There are no instalments required to be paid before maturity.

At 31 March 2018, PLN 790 million and NOK 700 million, in total EUR 260 million, was utilised from the combined EUR 240 million multi-currency revolving credit facility and EUR 100 million multi-currency term loan, leaving an available, undrawn amount of EUR 80 million. The multi-currency overdraft facility of EUR 20 million was utilised with EUR 0.4 million, leaving an available, undrawn amount of EUR 19.6 million at 31 March 2018.

The EUR 260 million multi-currency revolving credit facility and EUR 100 million multi-currency term loan are both 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. The Bond loans are unsecured.

Note 8 - 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 ¹⁾ NOK'000s
At 31 December 2017	369,520,598	36,952	2,087,317
Share issue on 13 March at NOK 20.25 per share in connection with the private placement	36,912,000	3,691	724,762
At 31 March 2018	406,432,598	40,643	2,812,078
At 24 May 2018 (date of completion of these interim condensed financial statements)	406,432,598	40,643	2,812,078

1) Net proceeds after transaction costs

Note 9 – Business combinations

Acquisition of NACC, France

On 14th March 2018, the Group acquired 100% of the shares of Negociation et Achat de Creances Contentieuses (“NACC”). With the acquisition of NACC, B2Holding has secured a strong platform for further growth in one of the larger markets for NPLs in Europe.

NACC is one of the leading players in France within debt purchase and servicing. NACC was established in 1993 and has strong client relationships with most of the large French banks. NACC currently has around 100 full time employees, with its headquarter in Paris and additional offices in Brest and Bordeaux. About 90% of revenues come from collection on owned portfolios, while the remaining revenues come from third party debt collection. NACC has a strong position and expertise within larger secured claims. At closing, NACC had an ERC of approximately NOK 986 million of which a majority consists of secured portfolios. The transaction provides NACC with the access to the Group's capital and network of subsidiaries and partners in the European markets.

For accounting purposes, the effective date of the acquisition was 31st March 2018.

Preliminary purchase price allocation:

Acquisition of NACC, France

Fair value recognised on acquisition	in '000 NOK
Assets	
Tangible fixed assets	980
Intangible assets	18,297
Purchased loan portfolios	671,215
Other long term financial assets	379
Accounts receivable and other short term assets	23,669
Cash and short term deposits	23,045
	737,585
Liabilities	
Deferred tax liability	47,362
Other long term liabilities	497,797
Accounts and other payables	12,726
Other current liabilities	10,378
	568,263
Total identifiable net assets at fair value	169,323
Goodwill arising on acquisition	220,120
Purchase consideration	389,443
Contingent consideration	-97,387
Purchase consideration paid in cash	292,056
Net cash acquired with the subsidiary	23,045
Cash paid	292,056
Net cash outflow on acquisition	269,011

Transaction costs attributable to the acquisition amounted to NOK 5.9 million. These have been expensed as due diligence, transaction services and legal services within other operating expenses.

The goodwill of NOK 220 million that was created on the acquisition is mainly related to NACC as a platform for further growth in the French market. NACC has an experienced management team with good market knowledge and well developed analysis and collection systems. The Group is well positioned for further growth in the French market. The goodwill recognised is not deductible for income tax purposes.

Contingent considerations may be paid in accordance with an earn-out agreement with the former shareholders based on gross collection for the portfolio back book for the period September 2017 to December 2021. At the time of acquisition, the Group estimated the fair value of the contingent considerations to be NOK 97 million. The consideration is due for measurement and payment to the former shareholders in the period January 2019 to June 2022.

Note 10 – Alternative performance measures

The Group's condensed interim financial information is prepared in accordance with IAS 34 Interim Financial Reporting. In addition, the Group presents alternative performance measures (APM). These measures do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to the calculation of similar measures used by other companies.

The APMs are regularly reviewed by management and their aim is to enhance stakeholders' understanding of the Group's performance.

The APMs provide a basis to evaluate operating profitability and performance trends, excluding the impact of items which distort the performance of our operations. The APMs also provide measures commonly reported and widely used by investors as an indicator of the Group's operating performance and as a valuation metric. Furthermore those measures are also used to assess our ability to incur and service debt.

APMs are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described below.

Reconciliation of alternative performance measures to the most directly line items in the interim financial statements:

All figures in NOK million

	2018 Quarter 1	2017 Quarter 1	2017 Full year
Operating profit (EBIT)	326	213	984
Add back depreciation and amortisation of tangible and intangible assets	12	8	36
EBITDA	338	221	1,020
Total revenues	646	459	2,083
Add back amortisation/revaluation of purchased loan portfolios	243	178	795
Cash Revenue	889	637	2,878
Operating profit (EBIT)	326	213	984
Add back amortisation/revaluation of purchased loan portfolios	243	178	795
Add back depreciation & amortisation	12	8	36
Cash EBITDA	581	399	1,815

Definitions

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 rate that are set at initial acquisition.

Net credit gain/loss from purchased portfolios

The Group's exposure to credit risk from the purchased loan portfolios is related to actual gross cash collection deviating from collection estimates and from changes in future cash collection estimates. The Group regularly evaluates the current collection estimates on single portfolios and the estimate is adjusted if collection is determined to deviate from current estimate over time. The adjusted collection estimate is discounted by the initial rate of return at acquisition of the portfolio. Changes from current estimate adjust the book value of the portfolio and is included in the profit and loss statement in the line item "Net credit gain/loss from purchased loan portfolios". Cash collection above collection estimates and upwards adjustment of future collection estimates increase revenue. Cash collection below collection estimates and downwards adjustment of future collection estimates decrease revenues.

Profit margin

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

Cash margin

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

EBITDA

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

Gross cash collection

Gross cash collection is the actual cash collected from purchased portfolios before costs related to collect the cash received.

Amortisation and revaluation

Amortisation is the amount of the cash collections that are used to reduce the book value of the purchased portfolios. Revaluation is the change in portfolio value that comes from revised estimates on future remaining collection from the portfolio.

Cash revenue

Cash revenue consists of total operating revenue added back amortisation and revaluation of purchased loan portfolios. Cash revenue is a measure on actual revenues (cash business) from the collection business included other business areas.

Cash EBITDA

Cash EBITDA consists of EBIT added back depreciation and amortisation of tangible and intangible assets, and added back amortisation and revaluation of purchased loan portfolios. Cash EBITDA is a measure on actual performance from the collection business (cash business) included other business areas.

ERC

Estimated remaining collection expresses the gross cash collection in nominal values expected to be collected in the future from the purchased portfolios owned at the reporting date.

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.

Forward flow agreements

Forward flow agreement is 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.

Available investment capacity

Available investment capacity includes cash and short term deposit (less NOK 200 million to cover working capital) plus unutilised bank overdraft plus unutilised multi-currency revolving credit facility. Cash flow from future operations is not included in the number.

Net borrowing

Consist of nominal value of interest bearing loans and borrowings plus utilised bank overdraft less cash and short term deposits.

Segment reporting

The presentation of segment information is in the same format as reported to management. This is different from the financial statement presentation due to management focus on actual gross cash collected as interest income from the purchased portfolios is a calculated number from utilising the amortised cost principle on purchased portfolios. Gross cash collection less amortisation/revaluation is equal to interest revenue adjusted for Net credit gain/(loss).

Cost to collect

Cost to collect is all external and internal operating costs related to the Groups collection business.

Cost other revenues

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

Administration & management costs

Administration and management includes head office and Group costs, investment office and holding companies, not allocated to business units.

Segment Central Europe

The operating segment Central Europe includes; Austria, Czech republic, Croatia, Slovenia, Serbia, Montenegro, Bosnia-Herzegovina, Hungary, Italy and Spain.

Segment Northern Europe

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

Segment Southeastern Europe

The operating segment Southeastern Europe includes; Bulgaria, Romania, Cyprus and Greece.

Segment Western Europe

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

Financial year 2018

Quarterly report – Q1 25.05.2018

Half-yearly report 31.08.2018

Quarterly report – Q3 30.11.2018

Quarterly report – Q4 28.02.2019

Annual General Meeting 25.05.2018

Contact details:**B2Holding ASA**

Stortingsgaten 22, 0161 Oslo

PO Box 1726 Vikta, 0121 Oslo

Norway

Telephone +47 22 83 39 50

post@b2holding.no

www.b2holding.no

IR Contact:

Olav Dalen Zahl, Chief Executive Officer

odz@b2holding.no