

Q3

Third quarter
report 2017

Summary

B2Holding continued the strong operating performance in the third quarter of 2017, and shows high double digit growth in all parameters year on year. Portfolio acquisitions continued to be high with good diversification of purchases in the operating segments. The Group has significantly increased the investment capacity through a EUR 300 million increase in debt facilities, and the Group is well positioned for further growth with operating platforms in 19 markets.

Third quarter 2017

- ERC¹⁾ at period end of NOK 12,190 million (8,014) an increase of 52% compared to same period in 2016
- Gross cash collection from purchased portfolios increased with 37% to NOK 650 million (474), after all time high cash collection
- Revenues increased with 35% to NOK 500 million (370)
- Operating profit increased with 52% to NOK 253 million (167) after record strong operations
- Cash EBITDA increased with 45% to NOK 472 million (325)
- Portfolio acquisitions ended at NOK 702 million (255) an increase of 176%. Portfolios were acquired in all segments with the majority in Southeastern- and Northern Europe.

YTD September 2017

- Gross cash collection from purchased portfolios increased with 39% to NOK 1,829 million (1,314)
- Portfolio acquisitions increased with 41% and ended at NOK 2,161 million (1,529)

(Comparable numbers for Q3 2016/YTD September 2016 in brackets)

(NOK million)	Quarter 3 2017	Quarter 3 2016	Change %	9 months 2017	9 months 2016	Change %	Full year 2016
Total operating revenues	499.6	369.7	35.1 %	1,412.3	980.3	44.1 %	1,396.1
EBITDA	261.5	174.0	50.3 %	708.7	387.0	83.1 %	545.5
Operating profit (EBIT)	253.0	166.5	52.0 %	683.2	364.6	87.4 %	515.7
Profit margin	50.6 %	45.0 %		48.4 %	37.2 %		36.9 %
Cash Revenue	710.2	520.5	36.4 %	1,994.6	1,453.9	37.2 %	2,060.6
Cash EBITDA	472.1	324.9	45.3 %	1,291.0	860.6	50.0 %	1,210.1
Profit for the period after tax	113.4	44.3	155.9 %	324.5	105.1	208.8 %	181.1
Earnings per share (EPS), basic	0.31	0.12	158.3 %	0.88	0.31	179.7 %	0.53
Cash flow from operating activities	315.0	240.5	31.0 %	857.1	608.2	40.9 %	908.0
Operating cash flow per share	0.85	0.65	30.8 %	2.32	1.82	27.9 %	2.65
Portfolio acquisitions ¹⁾	701.5	254.5	175.7 %	2,161.1	1,529.1	41.3 %	2,583.6
Cash collection from portfolios	649.7	473.9	37.1 %	1,828.8	1,314.3	39.1 %	1,870.4
ERC (at end of month) ¹⁾	12,190.5	8,014.2	52.1 %				

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

(See page 17 for definition of alternative performance measures (APM) and note 8 for reconciliation of APMs to the financial statements)

Operations

The strong operation performance in the second quarter of 2017 continued through the third quarter. B2Holding acquired portfolios in all the major markets, and also obtained important licenses in Hungary and Greece. In November B2Holding ASA has successfully completed a EUR 200 million bond issue and further increased the Group's investment capacity.

Operational review

B2Holding continued the strong operational performance into the third quarter and present another quarter with record high collections. Portfolio purchase activity was also at a record high level for a third quarter, with total portfolio acquisitions amounting to NOK 702 million, bringing the total up to NOK 2,161 million for the first nine months of 2017. In the third quarter the Group acquired portfolios in all its main markets, with the majority in Southeastern- and Northern Europe.

In addition to a high level of activity in portfolio purchases and operations, B2Holding obtained licences in Hungary and Greece during the third quarter. In Hungary the license enables the Group to acquire non-performing loans in the Hungarian market, and the first portfolio was acquired in the third quarter. In Greece a license regime was introduced in 2016 in order to carry out debt collection. B2Holding's subsidiary in Greece received this license in August as one of eight companies in total.

As of 1st September, B2Holding reorganised the Group's operations into a regional structure, with a regional director responsible for each region reporting directly to the Group CEO. Through the regional structure the Group believes it will be even better positioned to manage business opportunities and the local markets. The regions are Northern Europe (with sub regions Scandinavia and Finland & Baltics), Poland, Central Europe, Southeastern Europe and New markets (which currently includes Italy and is reported as part of the Central Europe segment). Number of FTEs in the Group was at end of September 1,688, an increase of 13% from the beginning of the year.

The Group will continue to focus on improving efficiency in its operations, and to further utilize the strong competence and resources we have in the group.

Corporate matters

The Group is financed by a senior secured EUR 260 million multi-currency revolving credit facility (RCF) which include a multi-currency cash pool with a EUR 20

million overdraft facility, and two listed senior unsecured bond loans of EUR 325 million combined issued on 4th December 2015 (EUR 150, 2015/2020) and 4th October 2016 (EUR 175, 2016/2021).

In addition to the RCF, the Group completed on 23rd October 2017 an agreement with Nordea Bank AB whereby the bank has increased the current RCF with a EUR 100 million Term Loan maturing 31st December 2018.

In order to further support the growth strategy, the Group issued on 14th November 2017 a EUR 200 million senior unsecured bond loan with maturity in 2022. The bond will have a coupon of 3 months EURIBOR + 4.25%, and will be listed on the Oslo Stock Exchange. Furthermore, the Company will initiate a public rating process and expects the process completed during Q2 2018.

Following the increase, the Group has NOK 3.3 billion available for investments at the end of third quarter in addition to the strong operating cash flow from collections of purchased loan portfolios.

Net interest bearing debt as of 30th September 2017 was NOK 4.690 million and the equity ratio was 34%.

Outlook

With a strong third quarter behind us, we see a continued healthy pipeline and a high activity level going into the fourth quarter. We have a good level of portfolio purchase activities in most of our markets and are also evaluating M&A opportunities in existing and new markets.

As communicated in previous quarters, we will continue to focus on developing and streamlining our operations, in order to improve output and operating margin.

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

Financials

The Group achieved a record high operating profit of NOK 253 million in the third quarter 2017, an increase of NOK 87 million (52 %) compared to the third quarter of 2016. The strong collection performance from the first half of 2017 continued through the third quarter of 2017, with all time high gross cash collection.

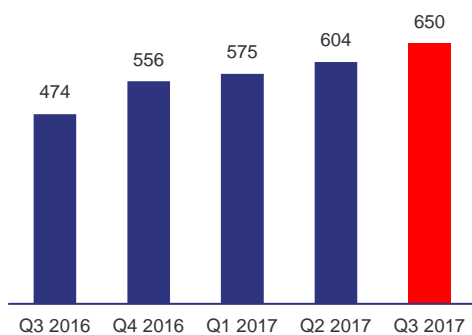


Operating profit (NOKm)

Revenues, expenses and profits

Total operating revenues for the quarter amounted to NOK 500 million, an increase of NOK 130 million (35%) from the third quarter of 2016. This was mainly due to portfolio acquisitions and expansion into new markets in 2016 and first half of 2017. Compared to the second quarter of 2017 total operating revenues increased with NOK 33 million.

Gross cash collections from purchased loan portfolios ended in the quarter at NOK 650 million an increase of NOK 176 million (37%) compared to the same period in 2016. All segments have continued the solid performance from the first half of 2017. Portfolio amortisation and revaluation increased with NOK 60 million (40%) compared to same quarter 2016. Amortisation and revaluation is still in the lower end, 32% of gross collection, mainly due to the amortisation profile on secured portfolios in Central Europe and gross collection in Central- and Southeastern Europe above expectations.



Gross cash collection (NOKm)

Operating expenses excluding depreciation and amortisation increased with NOK 62 million (32%) compared to the third quarter of 2016, and profit margin

ended at 51% (45%). Operating expenses increased due to entry into new markets and increased activity in the Group. In Poland external legal cost is low in the third quarter after entering a high number of claims into the legal system in the fourth quarter 2016 and in the first quarter 2017. In the third quarter the Group experienced some delay in legal collection in Poland due to competitors has entered a large amount of claims into the bailiff system. The legal cost is expected to somewhat increase in the last quarter of 2017. Personnel cost increased in third quarter mainly due to increased number of FTE's due to growth, collection performance and social security accrual on the Group share option program.

The Group's share of profit from the joint venture owning a secured portfolio in Romania ended in the third quarter on NOK 20 million.

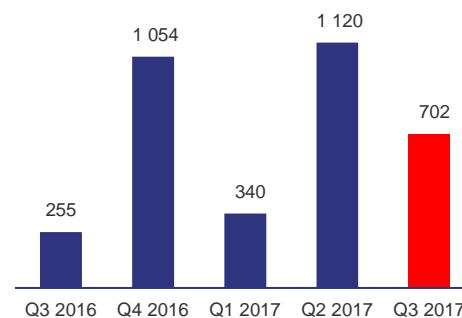
Net financial items ended the quarter with a net expense of NOK 102 million, of which NOK 91 million in interest expenses was related to the external financing of the Group and NOK 12 million in net exchange loss.

Profit after tax for the period ended at NOK 113 million, representing an increase of NOK 69 million (156%) when comparing to the same period last year and NOK 6 million above the second quarter of 2017.

Cash flows

Operating cash flow of NOK 315 million in the period was NOK 74 million (31%) above the same period 2016. The increase is mainly due to growth in collection activities and improved margins, reduced by increased interest payments and change in FX and working capital.

Cash flow used in investment activities ended at NOK 888 million, mainly related to portfolio purchases.



Portfolio purchases (NOKm)

Net cash flow from financing activities ended at NOK 546 million. Interest bearing debt at the end of the quarter amounted to NOK 4,876 million compared to NOK 3,218 million at year-end 2016.

YTD September 2017

The first nine months of 2017 showed a solid operating profit of NOK 683 million, which is an increase of NOK

319 million (87%) from the same period in 2016. The profit margin increase from 37% to 48% in the same period is due to focus on operational efficiency, growth in key markets and positive development in amortisation and revaluation. Gross cash collected amounts to NOK 1,829 compared to NOK 1,314 million in 2016 (39%). Net financial items ended at NOK 251 million and is mainly related to the financing of the Group. Profit after tax ended at NOK 325 million.

Board of Directors, B2Holding ASA, 23rd November 2017

Condensed consolidated income statement

All figures in NOK `000s unless otherwise stated

		2017	2016	2017	2016	2016
	Notes	Quarter 3	Quarter 3	9 months	9 months	Full year
Revenue from purchased loan portfolios		439,100	323,042	1,246,491	840,680	1,205,942
Other operating revenues		60,471	46,620	165,792	139,593	190,199
Total operating revenues	3	499,572	369,662	1,412,283	980,272	1,396,141
External expenses of services provided		-64,781	-46,260	-216,925	-157,148	-243,665
Personnel expenses		-122,612	-85,906	-335,734	-259,584	-358,824
Other operating expenses		-70,479	-63,504	-199,359	-176,615	-248,198
Depreciation and amortisation of tangible and intangible assets		-8,519	-7,564	-25,494	-22,317	-29,875
Profit from shares and participation in associated companies and joint ventures		19,823	39	48,413	39	152
Operating profit (EBIT)	3	253,003	166,467	683,184	364,647	515,731
Financial income		912	887	1,886	6,753	9,730
Financial expenses	4	-90,967	-52,379	-250,710	-164,329	-231,960
Net exchange gain/(loss)	4	-11,688	-64,698	-1,702	-73,739	-66,138
Net financial items		-101,743	-116,190	-250,526	-231,315	-288,367
Profit before tax		151,260	50,276	432,657	133,332	227,364
Income tax expense		-37,852	-5,956	-108,190	-28,265	-46,288
Profit for the period after tax		113,408	44,320	324,467	105,067	181,077
Profit attributable to:						
Parent company shareholders		113,555	44,415	324,919	105,384	181,575
Non-controlling interests		-147	-95	-452	-317	-498
Basic earnings per share		0.31	0.12	0.88	0.31	0.53
Diluted earnings per share		0.30	0.12	0.86	0.31	0.52

Consolidated statement of comprehensive income

All figures in NOK `000s unless otherwise stated

		2017	2016	2017	2016	2016
		Quarter 3	Quarter 3	9 months	9 months	Full year
Profit for the period after tax		113,408	44,320	324,467	105,067	181,077
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translation of foreign operations		-82,000	1,020	127,214	-82,037	-96,755
Hedging of currency risk in foreign operations		7,217		-6,064		
Tax attributable to items that may be reclassified to profit or loss		-1,804		1,516		
Other comprehensive income for the period, net of tax		-76,587	1,020	122,666	-82,037	-96,755
Total comprehensive income for the period, net of tax		36,821	45,340	447,133	23,030	84,322
Profit attributable to:						
Parent company shareholders		36,935	45,374	447,640	23,247	84,741
Non-controlling interests		-115	-34	-508	-217	-419

Condensed consolidated statement of financial position

All figures in NOK '000s unless otherwise stated

		2017	2016	2016
	Notes	30 September	30 September	31 December
Tangible and intangible assets		91,944	82,995	90,529
Goodwill		418,866	392,418	394,800
Purchased loan portfolios	3,4	6,577,177	4,038,185	4,751,878
Other long term financial assets	4	557,514	297,239	507,261
Deferred tax asset		70,408	22,876	64,004
Total non-current assets		7,715,909	4,833,713	5,808,473
Other short term assets		243,411	91,018	122,805
Cash and short term deposits		332,563	221,899	217,608
Total current assets		575,974	312,918	340,413
Total assets		8,291,883	5,146,631	6,148,886
Equity attributable to parent company's shareholders	6	2,821,655	2,363,426	2,426,417
Equity attributable to non-controlling interests		-2,212	-1,325	-1,528
Total equity		2,819,443	2,362,101	2,424,889
Long term interest bearing loans and borrowings	4,5	4,876,233	2,357,168	3,217,715
Deferred tax liabilities		47,701	45,993	51,027
Other long term liabilities	4	69,672	66,891	64,528
Total non-current liabilities		4,993,606	2,470,051	3,333,270
Accounts and other payables		91,215	93,750	156,486
Income taxes payable		64,438	18,294	62,097
Other current liabilities	4,5	323,182	202,435	172,142
Total current liabilities		478,835	314,478	390,726
Total equity & liabilities		8,291,883	5,146,631	6,148,886

Condensed consolidated statement of changes in equity

All figures in NOK '000s unless otherwise stated

	2017			2016		
	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	2,426,417	-1,528	2,424,889	1,672,820	-909	1,671,911
Profit for the period after tax	324,919	-452	324,467	105,384	-317	105,067
Other comprehensive income for the period, net of tax	122,721	-56	122,666	-82,137	100	-82,037
Total comprehensive income	447,640	-508	447,133	23,247	-217	23,030
Dividend paid to parent company's shareholders	-55,368		-55,368			
Issue of share capital				687,807		687,807
Transaction costs				-25,656		-25,656
Share based payments	2,967		2,967	5,208		5,208
Dividends to non-controlling interests		-176	-176		-199	-199
At 30 September	2,821,655	-2,212	2,819,443	2,363,426	-1,325	2,362,101

Condensed consolidated statement of cash flows

All figures in NOK '000s unless otherwise stated

	Notes	2017 Quarter 3	2016 Quarter 3	2017 9 months	2016 9 months	2016 Full year
Cash flow from operating activities						
Profit for the period before tax		151,260	50,276	432,657	133,332	227,364
Amortisation/revaluation of purchased loan portfolios	3	210,593	150,840	582,338	473,628	664,446
Adjustment other non-cash items		9,340	9,321	26,044	27,991	37,414
Interest expense on interest bearing loans		91,274	54,523	249,878	160,712	227,315
Interest paid on interest bearing loans and borrowings		-77,741	-44,934	-220,977	-130,701	-183,761
Unrealised foreign exchange differences		18,869	62,719	-28,771	94,435	180,046
Income tax paid during the year		-24,340	-6,048	-113,030	-46,891	-60,393
Change in working capital		-53,969	-7,549	-63,053	-42,106	-68,934
Change in other balance sheet items		-10,305	-28,637	-7,984	-62,198	-115,497
Net cash flow from operating activities		314,982	240,513	857,101	608,201	908,002
Cash flow from investing activities						
Purchase of loan portfolios	3,4	-883,469	-286,099	-2,305,785	-1,567,106	-2,529,795
Net investments in intangible and tangible assets		-4,508	-3,585	-20,341	-11,799	-26,849
Investments in business acquisitions			-1,945	-29,597	-249,692	-262,160
Net cash flow from investing activities		-887,977	-291,627	-2,355,724	-1,828,597	-2,818,803
Cash flow from financing activities						
Net new share issue			34,567		662,151	662,151
Net receipts/(payments) on interest bearing loans and borrowings		545,860	111	1,514,369	-27,514	738,135
Dividend paid to parent company's shareholders				-55,368		
Dividends paid to non-controlling interests				-176	-199	-199
Net cash flow from financing activities		545,860	34,678	1,458,825	634,438	1,400,087
Net cash flow during the period		-27,135	-16,436	-39,798	-585,957	-510,715
Cash and cash equivalents at beginning of the period		226,791	168,917	217,608	764,678	764,678
Exchange rate difference on cash and cash equivalents		-13,910	-3,901	7,935	-30,141	-36,355
Cash and cash equivalents at end of the period		185,745	148,580	185,745	148,580	217,608
<i>Cash and cash equivalents comprised of:</i>						
Cash and short term deposits		332,563	221,899	332,563	221,899	217,608
Bank overdraft		-146,818	-73,319	-146,818	-73,319	

Notes to the interim consolidated financial statements

Note 1 – General information and Basis for preparation

B2Holding ASA (the Company or Parent) and its subsidiaries (together the Group) operates in the Portfolio business. The Portfolio business consists of the acquisition, management and collection of unsecured and secured non-performing loans.

B2Holding ASA is a public limited liability company incorporated and domiciled in Norway. The Company's registered office is at Stortingsgaten 22, 0119 Oslo, Norway.

This condensed consolidated interim financial report for the third quarter ended 30 September 2017 has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2016, which has been prepared in accordance with IFRS, as adopted by the EU. The consolidated financial statements for 2016 are available upon request from the company and at www.b2holding.no.

The accounting policies adopted are consistent with those applied in the preparation of the consolidated financial statements for 2016 and no new amendments or standards in the current reporting period have material impact on the condensed consolidated interim financial statements.

The financial information for the quarters ended 30 September 2017 and 30 September 2016, and this interim financial report are unaudited. The financial report was approved by the Board of Directors on 23 November 2017.

Change in presentation of financial information:

From the first quarter 2017 the presentation of financial statements for the Group has been updated and is from first quarter presented in a more condensed version. The presentation was changed to emphasise the core business of the Group, and has no impact on equity or profit and loss. All comparable numbers are in the updated format. The Group has from first quarter updated segmental information, see note 3 for further information.

Note 2 – Estimates

The preparation of the interim financial statements requires the use of evaluations, estimates and assumptions that affect the application of the accounting principles and amounts recognized as assets and liabilities, income and expenses. The important assessments underlying the application of the Group's accounting policies and the main sources of uncertainty are the same for the interim financial statements as for the consolidated financial statements for 2016.

Note 3 – Segment reporting

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

The results, assets and liabilities of the parent company, the holding company in the Netherlands, and the holding company and investment office in Luxembourg are reported as 'Central functions'.

Southeastern Europe was included as a segment after acquiring the DCA group of companies in second quarter 2016.

Northern Europe has previously been reported as Norway, Finland & Estonia, Sweden and Latvia. Central Europe has previously been reported as West SEE, and Southeastern Europe as East SEE.

Quarter 3, 2017

All figures in NOK '000s unless otherwise stated

	Northern Europe	Poland	Central Europe	South- eastern Europe	Central functions / eliminations	Total
Gross cash collection from purchased loan portfolios	215,497	202,629	172,455	59,114		649,695
Amortisation/revaluation of purchased loan portfolios	-102,838	-98,456	-11,878	2,577		-210,593
Revenue from purchased loan portfolios	112,659	104,173	160,577	61,691		439,100
Revenue from external collection	26,757		1,289	3,179		31,225
Other operating revenues	3,783	24,782	1,385	13	-717	29,247
Total operating revenues	143,199	128,955	163,251	64,883	-717	499,572
Depreciation and amortisation of tangible and intangible fixed assets	-1,444	-5,932	-692	-350	-100	-8,519
Profit from shares and participation in associated companies and joint ventures	109			19,714		19,823
Operating profit (EBIT)	77,536	30,983	119,495	53,607	-28,617	253,003

Quarter 3, 2016

All figures in NOK '000s unless otherwise stated

	Northern Europe	Poland ¹⁾	Central Europe	South- eastern Europe	Central functions / eliminations	Total
Gross cash collection from purchased loan portfolios	132,085	192,671	122,935	26,190		473,881
Amortisation/revaluation of purchased loan portfolios	-56,494	-73,625	-19,818	-903		-150,840
Revenue from purchased loan portfolios	75,591	119,046	103,118	25,287		323,042
Revenue from external collection	26,062			24		26,086
Other operating revenues	3,592	15,965	1,007	184	-213	20,534
Total operating revenues	105,244	135,010	104,125	25,495	-213	369,662
Depreciation and amortisation of tangible and intangible fixed assets	-1,315	-5,653	-395	-134	-67	-7,564
Profit from shares and participation in associated companies and joint ventures	39					39
Operating profit (EBIT)	55,600	38,528	78,191	13,274	-19,125	166,467

1) Included expenses from the holding company and investment office in Luxembourg. In 2017, these expenses are included in the segment Central functions. In addition; cash flow, revenue and expenses from purchased loan portfolio in Romania owned by Luxembourg are included in figures for 2016. In 2017, these figures are included in the operating segment Southeastern Europe. Cash collection from these portfolios amounted to NOK 7 million in third quarter 2016.

9 months, 2017

All figures in NOK '000s unless otherwise stated

	Northern Europe	Poland	Central Europe	South- eastern Europe	Central functions / eliminations	Total
Gross cash collection from purchased loan portfolios	556,429	638,225	474,957	159,218		1,828,829
Amortisation/revaluation of purchased loan portfolios	-274,553	-257,656	-37,012	-13,117		-582,338
Revenue from purchased loan portfolios	281,876	380,569	437,945	146,101		1,246,491
Revenue from external collection	72,570		3,952	7,578		84,100
Other operating revenues	11,468	68,772	4,189	34	-2,772	81,692
Total operating revenues	365,914	449,342	446,086	153,713	-2,772	1,412,283
Depreciation and amortisation of tangible and intangible fixed assets	-4,127	-17,430	-2,733	-919	-284	-25,494
Profit from shares and participation in associated companies and joint ventures	-394			48,807		48,413
Operating profit (EBIT)	171,581	148,020	327,497	114,510	-78,425	683,184

9 months, 2016

All figures in NOK '000s unless otherwise stated

	Northern Europe	Poland ¹⁾	Central Europe	South- eastern Europe	Central functions / eliminations	Total
Gross cash collection from purchased loan portfolios	396,124	611,414	271,457	35,311		1,314,307
Amortisation/revaluation of purchased loan portfolios	-175,996	-248,018	-45,607	-4,007		-473,628
Revenue from purchased loan portfolios	220,128	363,397	225,850	31,303		840,680
Revenue from external collection	75,422			30		75,452
Other operating revenues	12,761	49,283	2,618	198	-719	64,141
Total operating revenues	308,311	412,679	228,468	31,531	-719	980,272
Depreciation and amortisation of tangible and intangible fixed assets	-4,000	-16,785	-1,154	-180	-199	-22,317
Profit from shares and participation in associated companies and joint ventures	39					39
Operating profit (EBIT)	145,407	119,462	161,785	14,761	-76,768	364,647

1) Included expenses from the holding company and investment office in Luxembourg. In 2017, these expenses are included in the segment Central functions. In addition; cash flow, revenue and expenses from purchased loan portfolio in Romania owned by Luxembourg are included in figures for 2016. In 2017, these figures are included in the operating segment Southeastern Europe. Cash collection from these portfolios amounted to NOK 27 million in first 9 months 2016.

Quarter 3, 2017

All figures in NOK '000s unless otherwise stated

	Northern Europe	Poland	Central Europe	South- eastern Europe	Central functions / eliminations	Total
Purchase of loan portfolios in the period	236,505	21,688	113,642	329,691		701,526
Purchased portfolios, book value						
Purchased loan portfolios	2,132,183	1,537,876	2,304,644	602,474		6,577,177
Share of participation in joint ventures ¹⁾				151,946		151,946
Purchased portfolios at 30 September	2,132,183	1,537,876	2,304,644	754,420		6,729,123

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 3, 2016

All figures in NOK '000s unless otherwise stated

	Northern Europe	Poland	Central Europe	South- eastern Europe	Central functions / eliminations	Total
Purchase of loan portfolios in the period	228,112	15,983	5,183	5,218		254,496
Purchased portfolios, book value						
Purchased loan portfolios	1,075,404	1,444,169	1,422,692	95,921		4,038,185
Purchased portfolios at 30 September	1,075,404	1,444,169	1,422,692	95,921		4,038,185

9 months, 2017

All figures in NOK '000s unless otherwise stated

	Northern Europe	Poland	Central Europe	South- eastern Europe	Central functions / eliminations	Total
Purchase of loan portfolios in the period	1,084,495	160,784	491,239	424,541		2,161,059
Purchased portfolios, book value						
Purchased loan portfolios	2,132,183	1,537,876	2,304,644	602,474		6,577,177
Share of participation in joint ventures ¹⁾				151,946		151,946
Purchased portfolios at 30 September	2,132,183	1,537,876	2,304,644	754,420		6,729,123

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.

9 months, 2016

All figures in NOK '000s unless otherwise stated

	Northern Europe	Poland	Central Europe	South- eastern Europe	Central functions / eliminations	Total
Purchase of loan portfolios in the period	455,045	395,396	671,894	6,798		1,529,133
Purchased portfolios, book value						
Purchased loan portfolios	1,075,404	1,444,169	1,422,692	95,921		4,038,185
Purchased portfolios at 30 September	1,075,404	1,444,169	1,422,692	95,921		4,038,185

Note 4 - Financial instruments

Purchased loan portfolios

All figures in NOK '000s unless otherwise stated

	2017 Quarter 3	2016 Quarter 3	2017 9 months	2016 9 months	2016 Full year
Opening balance	6,242,186	4,029,840	4,751,878	3,167,628	3,167,628
Acquired in business combinations		13,337		96,472	96,472
Acquisition of portfolios, net of put-backs	701,526	254,496	2,161,059	1,529,133	2,431,717
Cash collections	-649,695	-473,881	-1,828,829	-1,314,307	-1,870,388
Interest recognised on portfolios	436,718	332,570	1,191,935	899,348	1,231,984
Net change in portfolio collection estimates	2,384	-9,528	54,556	-58,669	-26,043
Exchange rate differences	-155,942	-108,649	246,577	-281,421	-279,492
Closing balance	6,577,177	4,038,185	6,577,177	4,038,185	4,751,878

Net change in portfolio collection estimates is the net amount of i) actual cash collection above/below the expected in the collection curves for the reporting period ii) less/added revaluation of expected future cash collection. Cash collection above or below the expected in the collection curves has previously been included in "interest recognised on portfolios". The positive amount in "net change in portfolio estimates" is mainly related to solid performance in Central Europe (YtD NOK 49 million) and Southeastern Europe (YtD NOK 22 million), reduced by Poland (YtD NOK -11 million).

Purchase of loan portfolios, cash flow

All figures in NOK '000s unless otherwise stated

	2017 Quarter 3	2016 Quarter 3	2017 9 months	2016 9 months	2016 Full year
Acquisition of portfolios, net of put-backs	701,526	254,496	2,161,059	1,529,133	2,431,717
Share of acquisition of portfolio in joint ventures					151,851
Change in amounts due on purchase of loan portfolios	195,388	31,602	89,957	37,973	-55,075
Change in prepaid amounts on purchase of loan portfolios	-13,446		54,769		1,302
Purchase of loan portfolios, cash flow	883,469	286,099	2,305,785	1,567,106	2,529,795

Fair value of financial instruments

	Carrying amount				Fair value			
	Held for trading	Loans & receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 30 September 2017								
<i>All figures in NOK '000s</i>								
Financial assets								
Purchased loan portfolios		6,577,177		6,577,177			6,854,607	6,854,607
Loans receivable		380,640		380,640			380,640	380,640
Derivatives	6,768			6,768		6,768		6,768
Other financial assets		165,599		165,599			165,599	165,599
Total	6,768	7,123,416		7,130,184		6,768	7,400,846	7,407,614
Financial liabilities								
Interest bearing loans and borrowings			5,023,051	5,023,051	3,334,371	2,054,466		5,388,837
Derivatives	4,637			4,637		4,637		4,637
Contingent considerations			42,698	42,698			42,698	42,698
Total	4,637		5,065,748	5,070,386	3,334,371	2,059,103	42,698	5,436,172

Other financial assets includes participation loan to joint venture.

	Carrying amount				Fair value			
	Held for trading	Loans & receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 31 December 2016								
<i>All figures in NOK`000s</i>								
Financial assets								
Purchased loan portfolios		4,751,878		4,751,878			5,089,454	5,089,454
Loans receivable		311,296		311,296			311,296	311,296
Derivatives	15,467			15,467		15,467		15,467
Other financial assets		192,030		192,030			192,030	192,030
Total	15,467	5,255,205		5,270,672		15,467	5,592,780	5,608,247
Financial liabilities								
Interest bearing loans and borrowings			3,217,715	3,217,715	3,036,528	352,010		3,388,537
Derivatives								
Contingent considerations			68,001	68,001			68,001	68,001
Total			3,285,716	3,285,716	3,036,528	352,010	68,001	3,456,539

Other financial assets includes participation loan to joint venture.

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 170 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.

Contingent considerations

All figures in NOK`000s

	Credit-reform	DCA	Consequence	Total
At 31 December 2016	6,794	60,070	1,138	68,001
Payments during the period	-7,058	-20,765		-27,823
Exchange differences	263	2,213	42	2,519
As at 30 September 2017	0	41,518	1,180	42,698

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), 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 30 September 2017 (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. At 30 September 2017, net borrowings amounted to NOK 4,773 million. Adjusted for the currency derivatives mentioned above, the net borrowings represented a currency basket comprising EUR: 59%, PLN: 23%, SEK: 13%, DKK: 2% and NOK: 2%.

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 30 September 2017 was 88% with a duration of 3.26 years.

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

All figures in NOK`000s

	2017	2016	2017	2016	2016
	Quarter 3	Quarter 3	9 months	9 months	Full year
Interest derivatives	-1,088	2,553	-5,536	-1,676	2,738
Currency derivatives	-3,803	4,730	-19,095	15,921	31,323
Total	-4,891	7,283	-24,632	14,245	34,061

Unrealised gain/(loss) on derivative financial instruments are presented as part of "Financial expenses" for interest contracts and "Net exchange gain/(loss)" for the currency contracts.

Note 5 - Interest bearing loans and borrowings

All figures in NOK`000s

	As at 30 September 2017		As at 31 December 2016	
	Current	Non-current	Current	Non-current
Multi-currency revolving credit facility		1,907,116		351,495
Bond loan		2,968,585		2,865,705
Loans from non-controlling interests		533		515
Bank overdraft	146,818			
Total	146,818	4,876,233		3,217,715

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 150 million senior unsecured bond with maturity in December 2020, and (iii) a EUR 175 million senior unsecured bond with maturity in October 2021.

The multi-currency revolving credit facility and the bond loan carry a variable interest rate based on the interbank rate in each currency plus a margin supplement. In addition, there is a commitment fee, which is calculated as a percentage of the loan margin on the undrawn part of the facility. The overdraft carries a facility line fee. The loan agreements have a number of operational and financial covenants, including limits on certain key indicators, which have all been complied with as of September 2017. There are no instalments to be paid before maturity.

At 30 September 2017, PLN 650 million and NOK 525 million, in total EUR 207 million, was utilised from the EUR 240 million multi-currency revolving credit facility, leaving an available, undrawn amount of EUR 33 million. The multi-currency overdraft facility of EUR 20 million was utilised with EUR 16 million, leaving an available, undrawn amount of EUR 4 million at 30 September 2017.

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

Note 6 – Share Capital and other paid-in capital

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

	Share capital Number of shares	Share capital NOK'000s	Other paid-in capital NOK'000s
At 31 December 2016	369,120,598	36,912	2,083,216
At 30 September 2017	369,120,598	36,912	2,083,216
Exercise of employee share options	400,000	40	4,100
At 23 November 2017 (date of completion of these interim condensed financial statements)	369,520,598	36,952	2,087,316

Note 7 – Subsequent events

In October B2Holding Group completed an agreement with Nordea Bank AB whereby the bank increased the current Revolving Credit Facility (RCF) with a EUR 100 million term loan maturing 31 December 2018. The margin structure is unchanged.

In November B2Holding ASA successfully completed a EUR 200 million senior unsecured bond issue with maturity in 2022. The bonds have a coupon of 3 months EURIBOR + 4.25%, and will be listed on the Oslo Stock Exchange.

In October 825,000 new share options was granted to a weighted average exercise price of 18.93. In November 400,000 share options was exercised at an average subscription price of 10.35. At the date of these interim financial statements there are 20,075,000 share options outstanding with a weighted average exercise price of 9.76.

Note 8– Alternative performance measures

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

All figures in NOK million

	2017 Quarter 3	2016 Quarter 3	2017 9 months	2016 9 months	2016 Full year
Operating profit (EBIT)	253.0	166.5	683.2	364.6	515.7
Add back depreciation and amortisation of tangible and intangible assets	8.5	7.6	25.5	22.3	29.9
EBITDA	261.5	174.0	708.7	387.0	545.6
Total operating revenues	499.6	369.7	1,412.3	980.3	1,396.1
Add back amortisation/revaluation of purchased loan portfolios	210.6	150.8	582.3	473.6	664.4
Cash Revenue	710.2	520.5	1,994.6	1,453.9	2,060.6
Operating profit (EBIT)	253.0	166.5	683.2	364.6	515.7
Add back amortisation/revaluation of purchased loan portfolios	210.6	150.8	582.3	473.6	664.4
Add back depreciation & amortisation	8.5	7.6	25.5	22.3	29.9
Cash EBITDA	472.1	324.9	1,291.0	860.6	1,210.1

Definitions

Profit margin

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

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 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 Central Europe

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

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 and Greece.

Financial year 2017

Quarterly report – Q1 24.05.2017

Half-yearly report 25.08.2017

Quarterly report – Q3 24.11.2017

Quarterly report – Q4 28.02.2018

Annual General Meeting 24.05.2017

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