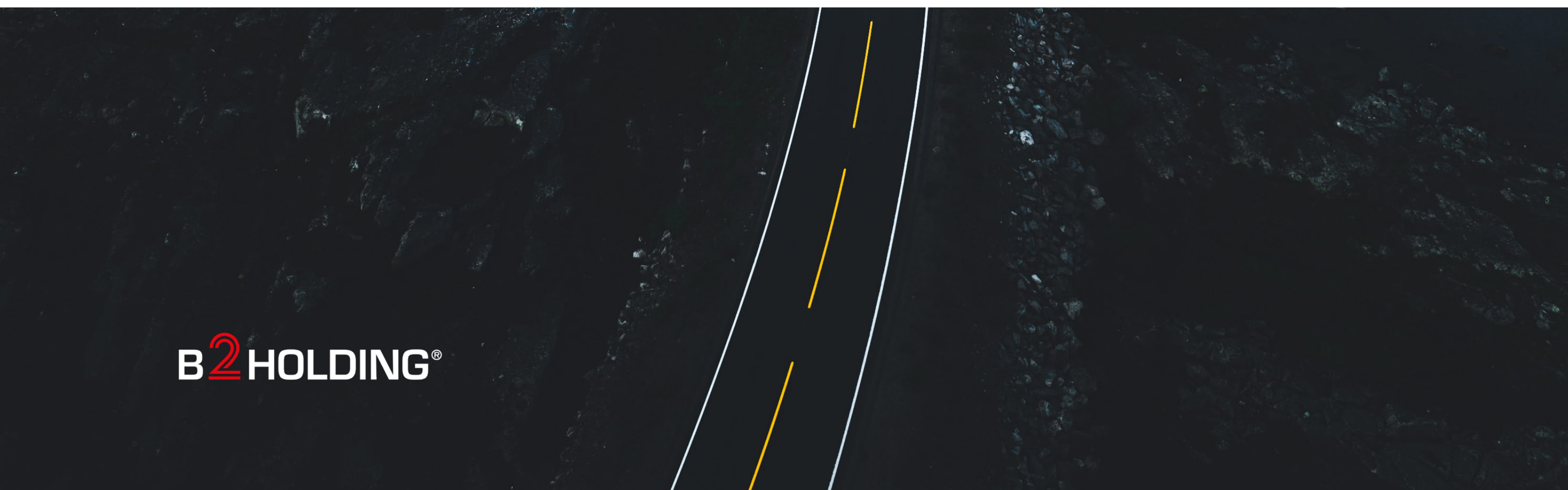
Annual report 2022



B2HOLDING

Contents

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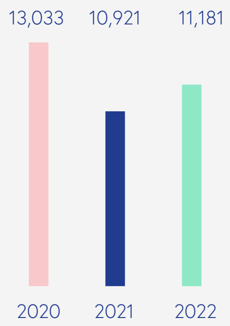
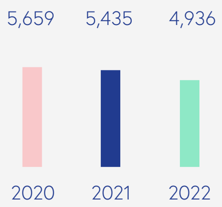
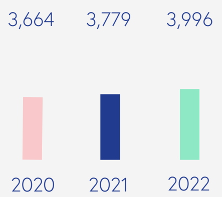
Key Figures



Book value of portfolios (NOKm)



Gross collections* (NOKm)



Cash EBITDA** (NOKm)

20,248 NOKm

Estimated Remaining Collections (ERC)*
Sum of all future periods gross expected cash flow

8.5

Million claims*

177,782 NOKm

Face value of acquired portfolios*
Unpaid balances plus accrued interest and fees

1,885

FTEs
Number of employees converted to full-time posts

Key Financial Figures

(NOK million)	2022	2021
Total operating revenues	3,477	3,155
Operating profit (EBIT)	1,029	1,308
Profit/(loss) after tax	326	573
Net interest bearing debt	9,042	9,067
Total assets	16,500	15,315
Equity ratio	32 %	33 %
Basic earnings per share (EPS)	0.82	1.40

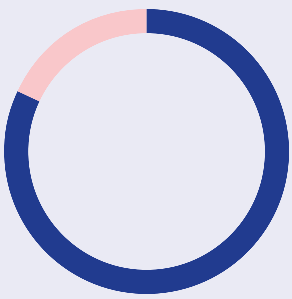
*Including the Group's share of portfolios purchased and held in joint ventures.
**Cash EBITDA 2020 is restated to exclude non-recurring items

This is B2Holding

A PROFESSIONAL AND RELIABLE DEBT SPECIALIST

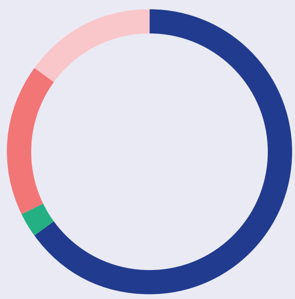
B2Holding is a leading pan-European debt investor and servicer. Our vision is to become the leading trusted partner that actively re-shapes the credit management industry. Through our business solutions we contribute to handling society's debt problems, bridging the gap that defaulted debt represents in the credit chain. Our business is about people and creating shared value for business and society. Being a socially responsible creditor and a trusted solution provider for our partners are fundamental in our way of doing business.

Estimated Remaining Collections (ERC)



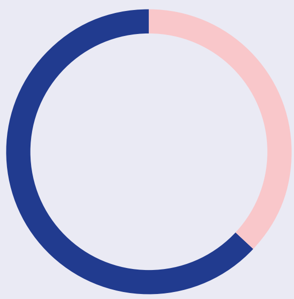
Unsecured	82 %
Secured	18 %

Revenue split



NPL portfolio income, total	65 %
Profit from shares and participation loan/notes in associated companies and joint ventures	3 %
Revenue from sale of collateral assets	17 %
Other operating revenues	15 %

Gender distribution



Male	37 %
Female	63 %

BUSINESS LINES

The main business lines are Unsecured and Secured Asset Management. The countries are allocated according to their dominant ERC asset class and expected market potential.

Unsecured markets:

Norway, Sweden, Denmark, Finland, Estonia, Latvia, Lithuania, Poland, Spain, Czech Republic, Hungary

Secured markets:

Italy, France, Romania, Greece, Cyprus, Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Montenegro

OFFICES

- Norway, Head office in Oslo
- Luxembourg, Investment office and portfolio owner

Restructured, Deleveraged, and Returning to Growth

2022 was a transitional year where we devoted considerable effort to restructuring operations in the countries where we have secured assets. We have separated asset ownership from servicing and created a new cross-border master servicer, Veraltis Asset Management. In 2020 and 2021, we invested less, and we reduced our debt by around 30 % in the same period, resulting in one of the lowest leverage ratios in the industry. With the restructuring and deleveraging now behind us, we are turning our focus to profitable growth.

Last year, our focus was to return to normal life after the pandemic, but the idea of "normal life" was short-lived. 2022 has been a year where Europe has been ridden by the atrocious war in Ukraine. First and foremost, our thoughts go to all the people in Ukraine who are directly affected by war. We are present in countries bordering Ukraine, and it is heart-warming to see that several of our employees have personally provided help and shelter to Ukrainian refugees. As a result of the war in Ukraine, we have seen rising prices for key consumer products such as energy and food. This has further fuelled the inflationary pressure created by years with generous fiscal policies and low interest rates.

Despite a challenging macro environment, B2Holding has shown strong performance throughout the year with unsecured collection, secured recoveries and REO sales all performing above targets. We delivered overperformance in each of the quarters in 2022, and REO sales were almost double what was initially guided by the end of the year. We ended the year with our best Cash EBITDA ever, and the cash generation in our business is strong, enabling us to focus on growth once again.

In addition to the restructuring, our focus in 2022 has been to further develop our business. Key focus areas are to increase strategic and operational alignment in the Group and to create a more unified culture. We will focus on targeted growth, and key to this will be acquiring the right portfolios and the right volumes. We will continue our efforts to drive efficiency and effectiveness through improvements and

We have focused on deleveraging and strengthening our balance sheet to be well prepared for what we believe will be an improved market going forward.

harmonisation in operations and IT, further use of data and analytics and delivering portfolio performance through improved underwriting. We have achieved a lot so far, but there is room for further improvements. With further digitalisation and new use of data and analytics, we see additional potential for improved efficiency and effectiveness in several of our markets. Utilising scalability in our core markets is also an important element in this strategy.

We continued our focus on sustainability in 2022. To demonstrate our commitment, we measure our ESG initiatives and ensure a transparent, accountable sustainability reporting. In our annual report from 2021, we highlighted our responsibility in the social pillar. It is encouraging to see that our efforts have been recognised by external experts, resulting in a significant improvement in our ESG ratings. The Sustainalytics rating published in December 2022, placed us once again among the top one per cent of rated companies globally and at the top of our industry. We have also improved our Position Green ESG rating from C to B, which is a rating of the 100 largest companies on the Oslo Børs. This commits us and encourages us to continue our sustainability efforts.

Within portfolio acquisitions, we saw a significant increase in the activity level in 2022. Even as we maintained a disciplined approach to new investments, we still acquired more than twice the volume in 2022 compared to the previous year when including the portfolios signed in late December. Current performance on our most recent portfolio purchases shows that we have succeeded with our strategy. Going forward, we will maintain the same approach, and with a softer competitive climate in many of our markets due to higher cost of funding, we are optimistic in terms of new volumes to be acquired in 2023.

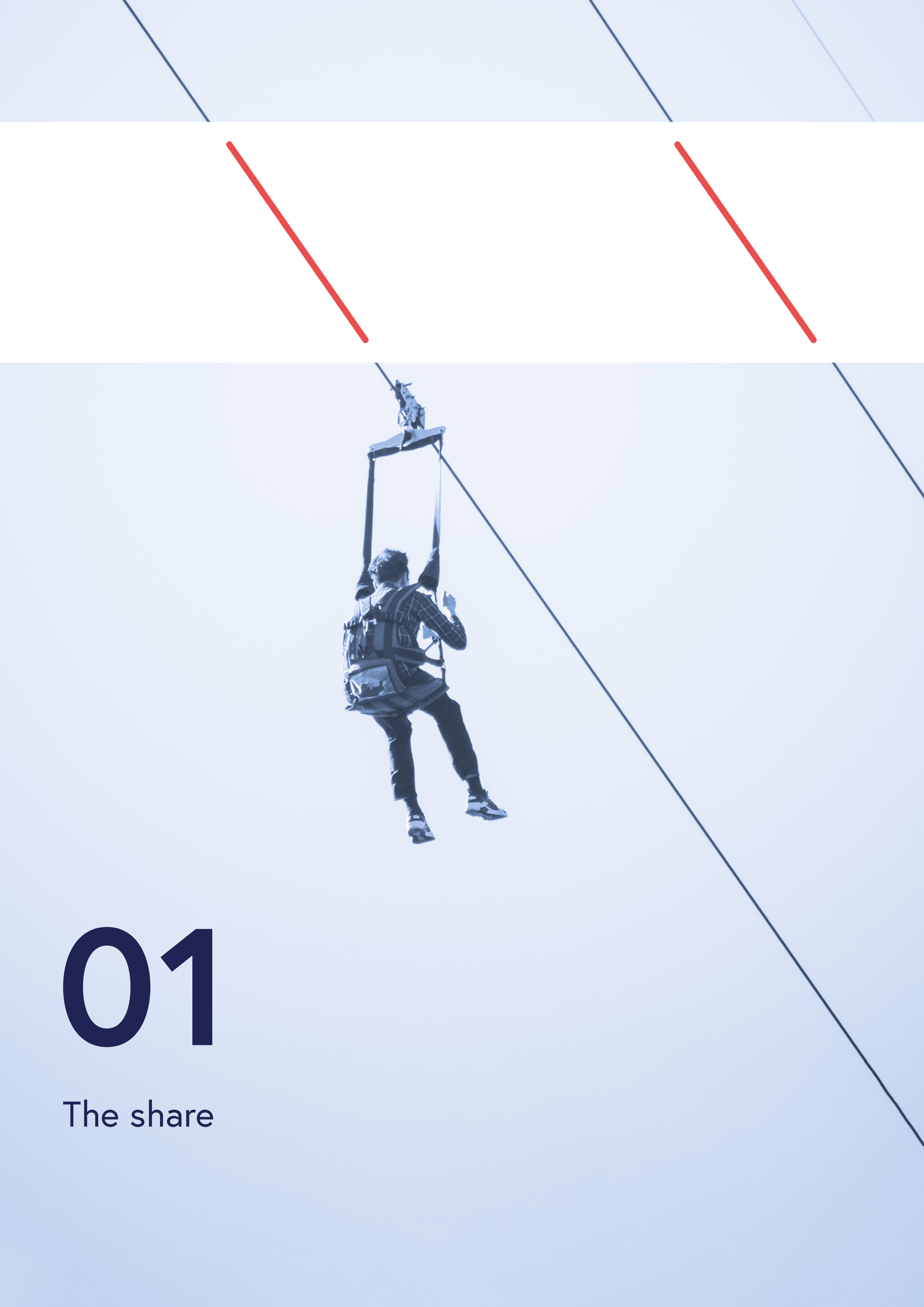
OUTLOOK

Going into 2023, we anticipate a market with shifting dynamics. Many industry players have indicated an increased focus on capital and price discipline, and we expect that portfolio prices will decrease to offset higher funding costs. It may take some time for the market to adapt to these changes, and portfolio sellers may delay transactions as a result. However, we do believe that pressure on capital requirements will result in NPL volumes coming to market and that new equilibriums will be reached. B2Holding has a strong balance sheet with one of the lowest leverage ratios in the industry. Through the recent bond and tap issue we have also extended our loan maturity profile, and we are well positioned to be an active player in the market going forward. Even though our focus will remain on capital discipline and a selective approach, we expect to grow our ERC this year. We are closely monitoring the macroeconomic development in our markets, and inflationary pressure will be a key factor also in 2023.

Finally, I would like to express my gratitude to all our employees who have once again demonstrated their dedication through hard work, contributing to our strong results. The complex restructuring was demanding for the organisation, and I am grateful for the enormous effort shown by all those involved. I would also like to thank our shareholders, bondholders, and other stakeholders for their continued trust in us. Despite challenging times, we are optimistic about 2023, and our focus remains on maintaining our solid performance and delivering strong cash flow in the future.

Oslo, 27 April 2023

Erik J. Johnsen
Chief Executive Officer



01

The share

The share

B2Holding's objective is to create long-term sustainable value for its owners, through competitive return in the form of dividend, share buy-back programmes and increases in the share price over time.

SHARE DATA

Based on the last trade on 30 December 2022, which was at NOK 7.86, B2Holding's market capitalisation was NOK 3,155 million as of the same date. The highest closing price quoted during the year was NOK 10.60 on 3 January 2022, and the lowest closing price was NOK 7.01 on 12 October 2022. During 254 trading days in 2022, a total of 126,983,994 B2Holding ASA shares were traded. The average daily trading volume of the B2Holding ASA shares on Oslo Børs in 2022 was 499,937, equivalent to 0.12 % of the total number shares.

SHARE CAPITAL

At year-end 2022, B2Holding's share capital amounted to NOK 40 million, divided among 401,364,824 shares and corresponding to a nominal value of NOK 0.10 per share. There is one class of shares, and all shares are treated equally. The shares are freely negotiable and with equal rights to vote and equal entitlement to B2Holding's profit and dividend.

OWNERSHIP STRUCTURE

The number of shareholders was 4,884 per year-end 2022, a 9.35 % decrease from 5,388 at year-end 2021. According to the shareholder register maintained by the Norwegian Central Securities Depository (VPS), 95.36 % of B2Holding's shares are owned by Nordic investors.

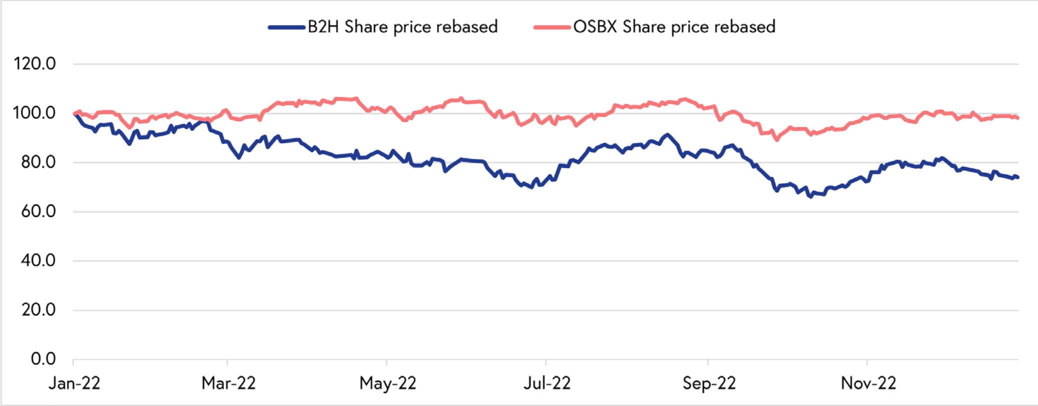
DIVIDEND AND SHARE BUY-BACK

The Dividend Policy aims for shareholder returns of 50 % of the company's adjusted net profit (both in cash and in distribution in kind as share buy-back programmes of treasury shares). The Board of Directors ("the Board") considers applicable legal restrictions, capital expenditure requirements, the financial conditions, general business conditions and contractual obligations when assessing the company's ability to pay dividends.

During the first share buy-back programme initiated on 8 November 2021 and concluded on 31 March 2022, 8,767,774 shares were bought back at an average price of NOK 9.90 per share. The share capital reduction was effective as of 28 July 2022.

To further reduce the capital of the company, a second share buy-back programme was initiated on 27 May 2022 and further extended on 9 November 2022. During the programme, 14,184,000 shares were bought back at an average price of NOK 8.31 per share, corresponding to 3.53 % of the outstanding shares and decreasing the equity attributable to parent company shareholders by NOK 118 million. The share buy-back programme was completed in December 2022 and the Board proposed to the Annual General Meeting 2023 to decrease the parent company's share capital and other paid in capital by cancellation of its 14,184,000 treasury shares acquired under the share buy-back programme.

For the financial year 2022, the Board proposed to the Annual General Meeting a cash dividend of NOK 77 million equivalent to NOK 0.20 per share, and a share buy-back programme of NOK 161 million equivalent to NOK 0.42 per share. Based on the last price paid on 30 December 2022 (NOK 7.86), the proposed cash dividend represents a dividend yield of 2.5 %.


B2H Share price rebased
OSBX Share price rebased
120.0
100.0
80.0
60.0
40.0
20.0
0.0
Jan-22
Mar-22
May-22
Jul-22
Sep-22
Nov-22


Share price
12.00
11.00
10.00
9.00
8.00
7.00
6.00
5.00
4.00
3.00
2.00
1.00
0.00
Jan-22
Mar-22
May-22
Jul-22
Sep-22
Nov-22


Volume
Share price
12.00
10.00
8.00
6.00
4.00
2.00
0.00
8000
7000
6000
5000
4000
3000
2000
1000
0
Jan-22
Mar-22
May-22
Jul-22
Sep-22
Nov-22

The share

20 largest shareholders per 31.12.2022

% of total share	Investor
13.18	PRIORITET GROUP AB
12.80	RASMUSSENGRUPPEN AS[1)]
6.60	STENSHAGEN INVEST AS
6.48	VALSET INVEST AS
5.29	DNB MARKETS AKJSEHANDEL/-ANALYSE
3.53	B2HOLDING ASA
3.01	SKANDINAVISKA ENSKILDA BANKEN AB
2.13	VERDIPAPIRFONDET ALFRED BERG GAMBAK
2.04	DUNKER AS
2.04	RUNE BENTSEN AS
1.79	VERDIPAPIRFONDET STOREBRAND NORGE
1.53	VERDIPAPIRFONDET DNB NORGE
1.45	GREENWAY AS
1.29	VPF DNB AM NORSKE AKSJER
1.08	VERDIPAPIRFONDET ALFRED BERG NORGE
1.01	VERDIPAPIRFONDET ALFRED BERG AKTIV
0.87	LIN AS
0.75	F2KAPITAL AS
0.72	VERDIPAPIRFONDET ALFRED BERG NORGE
0.71	RANASTONGJI AS
31.68	OTHER
100.00	**TOTAL**

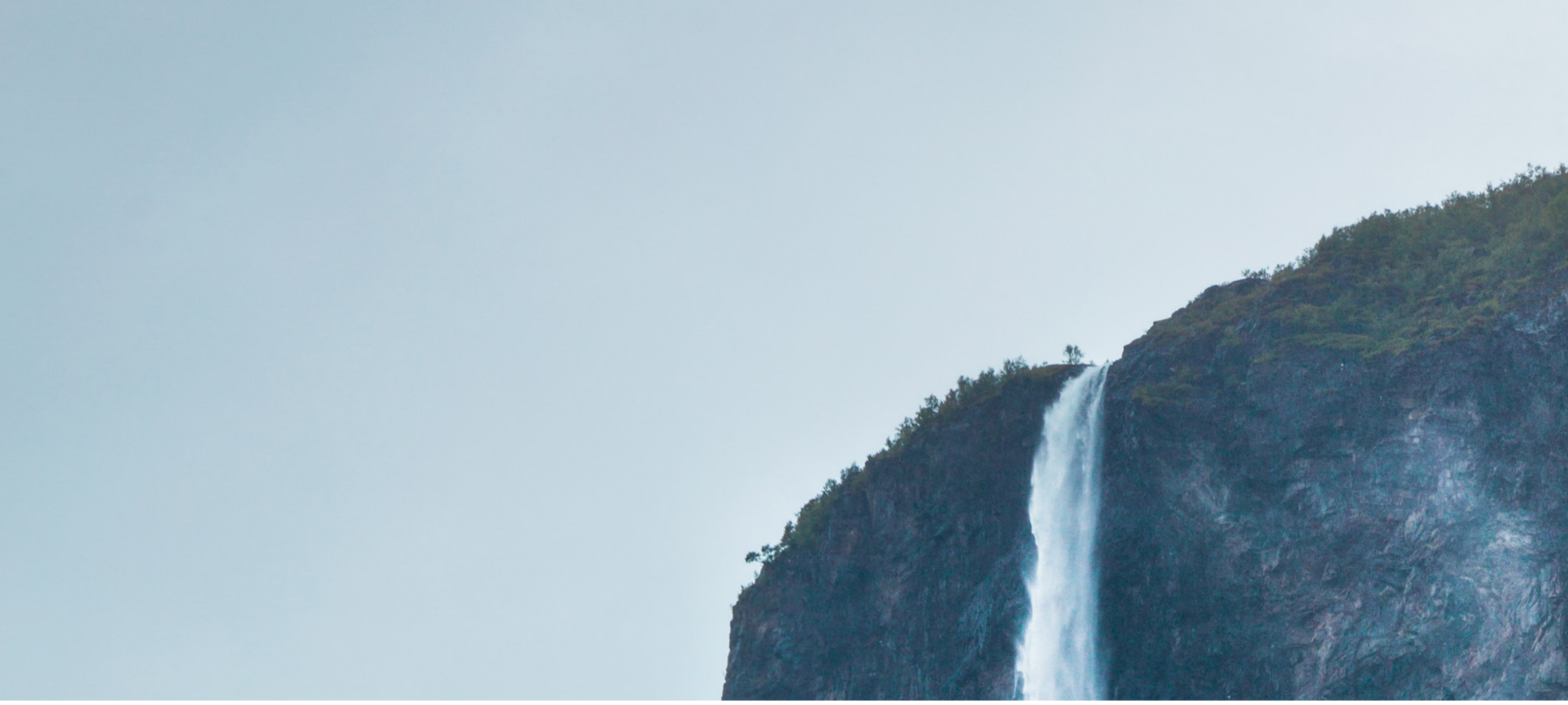
1) *Total shareholdings of Rasmussengruppen AS includes shareholdings of its fully owned subsidiaries Portia AS, Cressida AS and Viola AS*

Ownership structure per 31.12.2022

Size class	No of shares	Capital/votes %	No of owners	Owners %
1 - 1,000	815,758	0.2	2,197	45.0
1,001 – 10,000	7,026,511	1.8	1,818	37.2
10,001 – 100,000	21,706,683	5.4	652	13.3
100,001 – 1,000,000	48,658,616	12.1	166	3.4
1,000,001 – 5,000,000	77,899,502	19.4	37	0.8
5,000,001 – 10,000,000	49,280,436	12.3	7	0.1
10,000,001 – 53,000,000	195,977,318	48.8	7	0.1
Total	**401,364,824**	**100.0**	**4,884**	**100.0**

Geographical distribution of shareholders per 31.12.2022

	%
Norway	80.28
Sweden	14.36
United States	1.66
Ireland	1.24
United Kingdom	0.95
Finland	0.54
Luxembourg	0.26
Switzerland	0.20
Denmark	0.19
Others	0.33
Total	**100.00**



02

Risk management

Risk management

B2Holding's approach to risk management is to proactively manage risks in order to ensure sustainable profits and value generation for all the company's stakeholders.

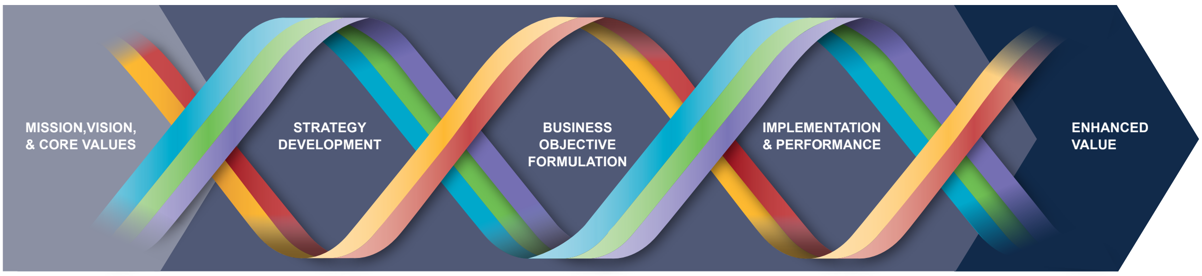
B2Holding ASA ("B2Holding") is the parent company of the consolidated group of entities owned by B2Holding, described as "the Group". The Risk management report is an integral part of the Directors' report.

B2Holding continued to focus on risk management throughout 2022 by strengthening the Risk function adding additional resources, launching a centralised Valuation Tool and integrating independent centralised asset valuations as part of the Risk function. The Enterprise Risk Management framework has been implemented across all the Group's central functions and continues roll out across jurisdictions. This facilitates analysis and monitoring of significant risks and enables the Group management at all levels to identify and quantify the risk factors that may negatively affect the Group's profitability and sustainability. At the same time, it strengthens internal controls and governance across the Group.

B2HOLDING RISK MANAGEMENT FRAMEWORK

B2Holding is implementing risk management principles based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management (ERM) framework with the overriding objective to achieve improved governance, drive operational excellence and achieve enhanced value for all stakeholders.

The components and principles of the COSO ERM framework that B2Holding is actively embedding across the Group are transforming the business into a risk aware organisation.



Governance & Culture

1. Exercises Board Risk Oversight
2. Establishes Operating Structures
3. Defines Desired Culture
4. Demonstrates Commitment to Core Values
5. Attracts, Develops, and Retains Capable Individuals

Strategy & Objective-Setting

6. Analyzes Business Context
7. Defines Risk Appetite
8. Evaluates Alternative Strategies
9. Formulates Business Objectives

Performance

10. Identifies Risk
11. Assesses Severity of Risk
12. Prioritizes Risks
13. Implements Risk Responses
14. Develops Portfolio View

Review & Revision

15. Assesses Substantial Change
16. Reviews Risk and Performance
17. Pursues Improvement in Enterprise Risk Management

Information, Communication, & Reporting

18. Leverages Information and Technology
19. Communicates Risk Information
20. Reports on Risk, Culture, and Performance

Source: COSO Enterprise Risk Management Framework

At B2Holding, the risk framework is underpinned by key principles which define internal expectations on risk management with all employees expected to apply these principles in their daily work, promoting risk ownership and management where it arises. Risk management principles are grouped into categories as follows:

Dimension	Definition	Principle and Objectives
1. Strategic	Risks linked with the overall business plan, organisational structure, culture, investments, and macro and political environment.	Build a strong vision, strategy and product offering that enables the Group to grow profitably aligned with its strategic objectives. Lead by example, create a culture that promotes loyal and ethical behaviour aligned with company values and stakeholders' expectations.
2. Financial	Risks linked to financial losses, impacting the overall financial results, including liquidity, currency and interest rates, credit, and tax.	Build a strong, transparent, and auditable financial position that enables the Group to plan and optimise its financial resources, meet financial obligations, and grow profitably.
3. Operations	Risks linked with failed internal processes and procedures, people's actions, systems or from external events including legal and compliance.	Deliver exceptional service that meets and exceeds targeted operational expectations. Create operational efficiencies, build company resiliency, auditability, transparency, and processes optimisation.

The risk governance structure is overseen by the Board of Directors ("the Board") through the Audit Committee, owned by the CEO and headed by the Chief Risk Officer with appointed risk managers from local entities.

The Group Risk function works with local risk managers and central functions to correctly identify and assess risks, challenge risk assessments and act as a consultant to support a clear and transparent risk mapping process.

FUNCTIONAL DESCRIPTION OF EFFECTIVE RISK MANAGEMENT AND CONTROL

The business operations as risk owners, the Risk and Compliance functions and the Internal Auditor are the key actors of risk control framework of the B2Holding Group.

1. The first function comprises the business operations responsible for the risks they take. This entails responsibility for daily risk management and compliance with Group's internal policies and external regulations.
2. The second function comprises the Risk and Compliance functions responsible for independent risk monitoring, management support and control.
3. The third function comprises the Internal Auditor which ensures proper functioning of the first and second functions.

During 2022, Group continued to strengthen its internal governance with a significant internal restructuring, resulting in establishing of a separate fully owned subsidiary Veraltis Asset Management. In parallel, the Group implemented a securitisation funding structure for the secured back book in partnership with PIMCO. The Group also adopted a new three-year strategy plan. This has resulted in a better structure for the Group, increased governance oversight and enables the company to benefit from synergies across its footprint and provide growth in a controlled manner.

The work to strengthen the Group's risk governance model will continue in 2023, with new guidelines, processes and policies covering a broader range of the business.

RISK STRATEGY AND APPETITE

The Group's core business is to generate profitable returns through controlled exposure to credit risks in the form of acquiring and managing non-performing loans. Therefore, the Group actively pursues this type of risk which inherently carries the highest potential impact on the income statement and balance sheet. As such, there is an increased central focus on this area of risk, with particular emphasis and oversight on the portfolios acquisition process, embedding independent central portfolio valuations, performance management and improved reporting.

Risks such as liquidity, operational and market risk should be minimised but balanced, as far as it is economically justifiable, following internal policies and guidelines. Other types of risk such as management, regulatory and reputational risk are addressed through the Group's governance and compliance policies.

PRINCIPAL RISKS

Principal risks are identified through the Group-wide risk framework or through incidents raised. All material risks raised are discussed at executive management meetings with mitigating actions defined and implemented, and with improvements actively monitored by the Group Risk function.

The risks are grouped into three broad categories: strategic, financial and operations. The tables below summarise the key risks and mitigants B2Holding is exposed to. Environmental, Social and Governance (ESG) risks are addressed in the Sustainability report which constitute an integrated part of the Directors' report.

Strategic Risks - Risks linked with the overall business plan, organisational structure, culture, competition and macro and political environment.

Management risk	Description: B2Holding operates in multiple countries with different competitive and regulatory landscapes and historically operated a decentralised model. This may give rise to different types of risks as local entities have different operating models and different levels of maturity.
	Mitigation: A more centralised operating model strengthening Group level functions and oversight is under way. In 2022, the Group continued to strengthen its internal governance with a significant internal restructuring, resulting in establishing of a separate fully owned subsidiary Veraltis Asset Management, specialising on master servicing and management of the secured assets for the Group, operating under a fully centralised model. In parallel, the Group implemented a securitisation funding structure for the secured back book in partnership with PIMCO. The Group also adopted a new three-year strategy plan. This has resulted in a better structure for the Group, increased governance oversight and enables the company to benefit from synergies across its footprint and provide growth in a controlled manner.
Investment risk	Description: B2Holding invests in NPL portfolios and then tries to make a profit from these investments by assuming all rights and risks arising from these transactions. Regarding investment volumes, there is a risk the company may not be able to invest sufficient volumes to replenish assets as they are collected which in turn may lead to lower operational utilisation and reduced financial performance. The Group needs access to a pipeline of NPLs that it can invest in at rates of return that are attractive to the Group. The risk of increased competition in purchasing NPL portfolios, pricing pressure and lower returns accepted by competitors may adversely affect operations and profitability. The risk on this type of business is that losses may be incurred by over-estimating collections or the timing of them, or by under-estimating the costs to collect. Therefore, it is crucial for the Group's business to achieve an overall rate of collections above that reflected in the prices paid. While B2Holding believes that the recoveries on the Group's loan portfolios will be more than the amount paid, amounts recovered may be less than targeted.

Investment risk (continued)

Mitigation:
B2Holding buys NPL portfolios at discounted prices and therefore the risk is partially mitigated through pricing and expected returns. Furthermore, the Group's assets are diversified both in terms of asset classes (secured, unsecured) and geographical location across more than 20 countries.

Access to NPLs is dependent on supply (banks and credit institutions wanting/having to sell), reputation (license to operate, i.e., wanting to sell to B2Holding), and pricing being attractive to B2Holding (competitiveness, risk appetite, WACC etc.). To be competitive, the Group focuses on efficiency and effectiveness, scalability and operational synergies.

The Group competes for opportunities across secured and unsecured asset classes in more than 20 countries and is able to dynamically allocate capital between the various markets to optimise the overall risk and return for the Group. The Group does not have rigid internal investment targets, but rather evaluates each transaction based on individual merit and the overall fit with the broader investment portfolio of B2Holding.

The company closely manages the pipeline of available opportunities to identify transaction opportunities that are aligned to the operating capabilities and the investment appetite of the Group and where the company has a reasonable chance of securing the transactions in competition with other prospective buyers.

The company actively manages the sourcing and allocation of capital in line with financial guidelines and the investment priorities of the Group, to ensure the Group is adequately capitaised to participate in the targeted investment opportunities.

All acquisitions are subjected to Group transaction oversight and careful evaluation of portfolio characteristics to predict future net collections. During 2022, Group oversight was improved by reinforcing the Risk function, by improving central processes and by the introduction of independent reviews and shadow valuations.

B2Holding actively works to reduce underwriting risk through continuous improvements in processes, tools, methods, and competences.

Macroeconomic and political risk

Description:
B2Holding operates in multiple countries and is therefore implicitly exposed to different economic and political regimes.

Changes in the economic and political environment may negatively impact B2Holding's ability to collect from portfolios acquired or competitively price these.

Mitigation:
The Group maintains an on-going dialogue with the local management teams and conducts regular checks on the macroeconomic and political development of each market.

The Group uses external market research and data to actively monitor the macroeconomic trends in each country. The market and macro-economic analyses and insights are incorporated into Group's strategic considerations.

Sustainability risk

Description:
B2Holding is dependent on sustainable purchasing of NPL portfolios and fair treatment and satisfactory solution with our customers to create a win-win position for both parties. B2Holding upholds ethical behaviour and anti-corruption conduct both from its employees and its business partners. The Group values its employees and subscribe to human rights, diversity and inclusion, training and development of the employees.

Mitigation:
The Group has a dedicated Sustainability and ESG function that is co-operating with Group functions and Business Units to promote awareness, implement and monitor initiatives to support our long term sustainability objectives.

For detailed information on the 2022 initiatives, please refer to the detailed Sustainability section of this report.

Climate risk	Description: Assessing and combating climate risk has become an important topic on the agenda for B2Holding, with both the Management and the Board committed to minimise the Group's carbon footprint and address relevant risks arising due to climate change and actively support transitioning to net-zero.
	Mitigation: B2Holding climate risk follows the industry-standard TCFD (Task Force on Climate-related Financial Disclosures) and has been classified as low. During 2022, B2Holding has introduced operational initiatives such as recycling, reduced paper consumption, and other activities to reduce the company carbon footprint in all the offices where B2Holding is present. Going forward, the Group will continue implementing incrementing activities to transition to net-zero.

Financial Risks - Risks linked to financial losses, impacting the overall financial results, including liquidity, currency and interest rates, credit, investments, and tax.

Liquidity risk	Description: B2Holding is dependent on access to financing, from banks, financial institutions, and from the capital markets through, loan agreements, the issuance of bonds and share capital to have sufficient liquidity available to meet its contractual obligations.
	Mitigation: The Group's capacity to assume risk is determined by the Board of Directors. B2Holding's policy is to always have liquidity available to cover the contractual financial obligations, financial portfolio forward flows and outstanding binding portfolio investment offers, operating within bank and financing covenants restrictions. The capital threshold for equity in the loan agreements is set at a minimum consolidated book equity ratio of 25 %. Liquidity risk is monitored by the Group's Treasury function and reported monthly to the Board of Directors. B2Holding works actively to maintain good relationships with the financing banks, financial institutions, bond investors and credit rating agencies.
Currency and interest rate risk	Description: B2Holding is exposed to fluctuations in exchange and interest rates. These risks can affect the earnings and financing costs as B2Holding's accounts are denominated in NOK, whilst a large part of the Group's business is carried out in Euros and other local currencies.
	Mitigation: To mitigate the currency risk the Group uses a multicurrency bank facility (borrowing in EUR, DKK, NOK, SEK, PLN), project financing in Euro and bond loans denominated in Euros to effectively establish natural hedging. For most countries, investments, revenues, and operating expenses are denominated in local (and mostly functional) currencies. Therefore, currency fluctuations have a relatively minor effect on operating earnings within the relevant country which limits transactional exposure. Croatia and Bulgaria have pegged their currency to the Euro. Croatia joined the Euro on 1 January 2023, therefore reducing currency risk exposure to B2Holding Group. B2Holding is exposed to changes in interest rates since the Group's debt has an element of floating interest rate. The Group employs hedging strategies that enable B2Holding to, within certain limits, hedge its interest exposure and hence monitor and reduce overall interest rate risk exposure. Currency and interest rates exposure are regularly monitored with hedging arrangements assessed and modified in accordance with the Group's hedging policy to continuously minimise these risks.

Credit risk	Description: The risk of losses arising from customers not repaying principals or interest accrued or counterparties not meeting their contractual obligations. For B2Holding, this refers mainly to receivables arising from acquired NPL portfolios, cash and cash equivalents, and outlays on behalf of clients.
	Mitigation: NPL portfolio risks are addressed under investments risk. For cash and cash equivalents, these are deposited with established banks where the risk of loss is remote. For counterparty risks, the Group deals primarily with known counterparties with good creditworthiness. Credit risk is analysed, monitored, and controlled by the local entities management and strengthened by additional oversight from the Group controlling units.
Tax risk	Description: Changes in domestic and international direct and indirect tax laws may result in financial losses or increased expenses for the Group, related to investments and on the operational level.
	Mitigation: B2Holding's policy is to always engage the services of external tax advisors for large and complex transactions in order to ensure these are properly assessed and managed.

Operational Risks - Risks linked with failed internal processes and procedures, people's actions, systems or from external sources which includes legal and compliance.

Data Protection risk	Description: The operations are dependent on a large amount of information containing personal data. Risk arises from human error, non-compliance with the internal policies or external regulations, or inappropriate processes and procedures implemented including internal control.
	Mitigation: B2Holding Group has implemented and enforced the General Data Protection Regulation (GDPR) requirements, including the local legislation applied in all countries where the Group has business operations. Appropriate and suitable safeguards, including technical measures, have been implemented to protect personal data and to safeguard the rights and freedoms of the data subjects. B2Holding prioritises privacy and has restricted and controlled access to personally identifiable information. The overriding principle is that, in accordance with applicable regulations, B2Holding only processes personal data for which the company has legal grounds to do so and are necessary for its operations. The Group and local entities have appointed Data Protection Officers who regularly monitor and ensure GDPR compliance. In 2022, the company's personal data management processes and policies were improved across the Group and its local subsidiaries. All employees are trained regularly and at a minimum annually in GDPR and privacy rules and are expected to follow these established rules, including the reporting of any breaches to their respective Data Protection Officer. During 2022, the Group has been working on implementing an Information Security Management System which strengthens GDPR data retention and compliance. The GDPR indicators such as security incidents, data breaches, data protection complaints, and data subject rights demands are monitored. Additionally, all requests and complaints from the data subjects were executed in accordance with the requirements and deadlines set out in the GDPR.

Regulatory risk	
	Description: The Group depends on authorisations and licenses from different authorities in order to operate. Risk arises from non-compliance or breaches to existing processes and procedures implemented. Regulatory changes can also influence the markets and local operations, either in a positive or in a negative way.
	Mitigation: The Group complies with applicable rules and regulations in all jurisdictions where it operates. Adherence to license requirements, laws and regulatory changes are monitored and implemented by the relevant local functions and reported to the Group on a regular basis. Local entities closely monitor the changes in the local laws and regulations and ensure that these changes are embedded in the business processes and practices. These changes are reported in the quarterly Compliance reporting, via open dialogue with the local senior management teams and the Legal and Compliance teams. The Group also monitors specific regulatory changes and developments in the EU legislation relevant to its industry, sector, and operations and closely cooperates with local entities to monitor their transposition and implementation locally. The Compliance and GDPR reports filed by all local entities allow the Group to ensure transparency and oversight, amongst other things over regulatory changes that may impact the business data, compliance breaches acknowledged, whistleblowing reports investigated, audits conducted, etc. A risk analysis is conducted across the Group to identify, monitor and mitigate the potential risks related to Compliance, GDPR, Information Security, Business Continuity Management, and Cloud computing. In November 2021, the EU NPL Directive was approved by the EU Parliament. Member States have until the end of 2023 to transpose it into their local legislation. The transposition and implementation of this Directive in the EU jurisdictions where the Group operates is currently being monitored. In 2022, the Group has set up an internal taskforce team to monitor and participate with local policymakers in the local legislation transposition to ensure timely compliance with the new requirements. This work is ongoing with local entities collaborating through relevant associations and regular updates between the Group and local entities.

Reputation risk	Description: A good reputation is crucial to B2Holding's long-term sustainability, allowing it to operate as a viable company, in particular since the Group deals with debt collection activities and its customers need to trust B2Holding in order to positively engage with the company. It is therefore crucial to B2Holding that its customers are always fairly treated. The Group places great emphasis on reputation and relationships with all stakeholders: clients, customers, employees, board members, investors authorities and vendors.
	Mitigation: Employees are expected to comply not only with the applicable laws and regulations, but also with the Group Code of Conduct which translates B2Holding's values, as well as with the principles, rules and processes foreseen in the Group policies and procedures. The Group monitors and audits compliance with these principles, rules, and processes, whilst raising awareness on the importance of creating and maintaining a culture of compliance and ethics across the Group. During 2022, the Group started the implementation of a Collection Management Framework which is currently being rolled out across the local entities. Its aim is to continuously improve the efficiency and quality of the service, but also to ensure that the collection is conducted in accordance with the laws, Group values and standards. The Group expects its Business Partners to follow and comply with these ethical standards, principles and behaviours when conducting business with or on behalf of B2Holding. These expectations are defined in the Business Partner Code of Conduct, which is translated into local languages, published on local entities' website, and made available to Business Partners prior to starting a business relationship/cooperation. In 2022, the Group implemented an online customer survey across all entities to assess and improve the internal collection practices and ensure customer satisfaction.
IT functionality and security risk	Description: The Group depends on accessible and well-functioning IT systems. Interruptions and errors in business-critical systems can pose risks to the operations and company reputation. Although strict protocols are implemented there is always a risk of illegal infringement and access to the systems, giving unauthorised access to information, loss of data through malicious software or illegal exploitation on the company's behalf through phishing.
	Mitigation: IT functionality and security risks are managed through a combination of technical and administrative controls, security training and regular checks and monitoring of systems. This is carried out at both local entity and Group level. For Group functions, centralised logging and prevention of intrusion is in place. In 2022, the Group started a migration project to have its end-users to one central Group managed platform. This will increase security and efficiency going forward. During 2022, B2Holding made significant progress with the upgrading programme on the Group IT Architecture, Governance and Security. This programme is designed to modernise technology and IT processes delivering higher elasticity and resiliency to IT platforms. This Group and local entities IT modernisation programme will continue into 2023 and beyond.

Financial crime risk	Description: The Group's employees may face corruption, bribery, and money laundering attempts. Therefore, there is a risk that employees might use their position of power to benefit themselves, or to influence decision makers. B2Holding might also face being exploited to money laundering from criminal activities through insufficient knowledge of clients or through the payment of transactions undertaken.
	Mitigation: B2Holding applies a zero-tolerance policy to corruption and bribery, and this is reflected in the Code of Conduct which outlines B2Holding's values, and further specified in the Group Anti-Bribery and Corruption Policy B2Holding takes a firm stand against Money Laundering (ML), Terrorist Financing (TF) and Sanctions breaches, as outlined in the Group Code of Conduct and further specified in the Group AML, CTF and Sanctions Policy. B2Holding's business partners are expected to have similar values, as stated in the Business Partner Code of Conduct, which is published on the website of B2Holding ASA and local entities. To minimise these risks, local entities collect information about clients and their shareholders, as well as customers, and have local Know Your Counterparty (KYC) policies in place. Where required, customers are screened against the relevant sanction lists. In 2022, the Group Business Partner Integrity Due Diligence (BPIDD) Policy was finalised, and the Anti-Bribery and Corruption (ABC) Policy was updated, to reflect regulatory requirements. The Group is now in the process of implementation and rolling these out to its Business Partners. The Policies are translated into local languages so that they are accessible and followed by everyone in the organisation, and relevant employees are trained by Group Compliance. These Group Policies set minimum standards for all entities of the Group, which are expected to be followed. B2Holding is in compliance with the EU Whistleblowing Directive, through the implementation of a Group Whistleblowing Policy and an externally run reporting channel accessible 24/7, which ensures confidentiality and enables anonymous reporting. This reporting channel can be used by all employees across the Group, as well as external parties such as business partners. This channel can be used to report (suspected) cases of fraud, corruption, bribery, money laundering or any other (suspected) illegal activities or violations of B2Holding's Code of Conduct.
Employee risk	Description: The employees are crucial to B2Holding's success. The Group is committed to attracting and retaining competent and motivated employees and managers to avoid the risk that strategic goals cannot be achieved. Key individual dependency also represents a risk for business continuity.
	Mitigation: B2Holding puts a strong emphasis on common values, engagement and continuous development and growth. The Group measures and monitors employee engagement annually. This survey gives important insight to the Group's work on harmonising and strengthening programmes dedicated to promoting employee loyalty and retention. The Group works actively to promote employee development and has recently established a leadership e-academy. The intention with this e-academy is to give useful tools directly to the people managers to enable them in working proactively with their employees and to increase their overall leadership skills. All Group entities have Employment and Training policies which are compliant with local laws and regulations, and all entities monitor and manage their employee turnover ratios. B2Holding is currently working on Group level HR policies and assessing Group wide HR systems with a view to align the HR processes. B2Holding believes that this will provide a consistent people journey across the organisation and enable to work proactively with reducing risk in the organisation through identifying pain-points.

EXTERNAL RISKS: WAR IN UKRAINE

In 2022, Russia commenced a military invasion of Ukraine, with the West responding swiftly by imposing sanctions on Russia. The ongoing conflict in Ukraine has increased geo-political risk in Europe, with high macroeconomic uncertainty expected to continue.

B2Holding does not have any operations or employees in Ukraine or Russia. However, B2Holding has four business entities in countries which share borders with Ukraine and six business entities in countries that share borders with Russia. B2Holding is well diversified, and as of 31 December 2022, the book value in countries sharing borders with Ukraine stood at 23 %, whilst the book value in countries sharing borders with Russia (mainly Finland and Poland) stood at 40 % of the total B2Holding assets respectively. Out of the B2Holding countries bordering with Russia, all are members of NATO as of the date of publishing this report.

B2Holding's priority is to ensure the health and safety of its employees in the neighbouring countries, and to honour its commitments to investors and business partners while ensuring compliance with sanctions against Russia.

B2Holding book value exposure to countries with significant Russian gas or trade dependency is limited. As of 31 December 2022, countries with significant Russian gas dependency or trade ties with Russia as per internal analysis stood at 7.5 % of book value.

The main economic impacts of the war on B2Holding, are the consequences of high levels of inflation in 2022. Furthermore, geo-political risk has increased with a risk of war escalation.

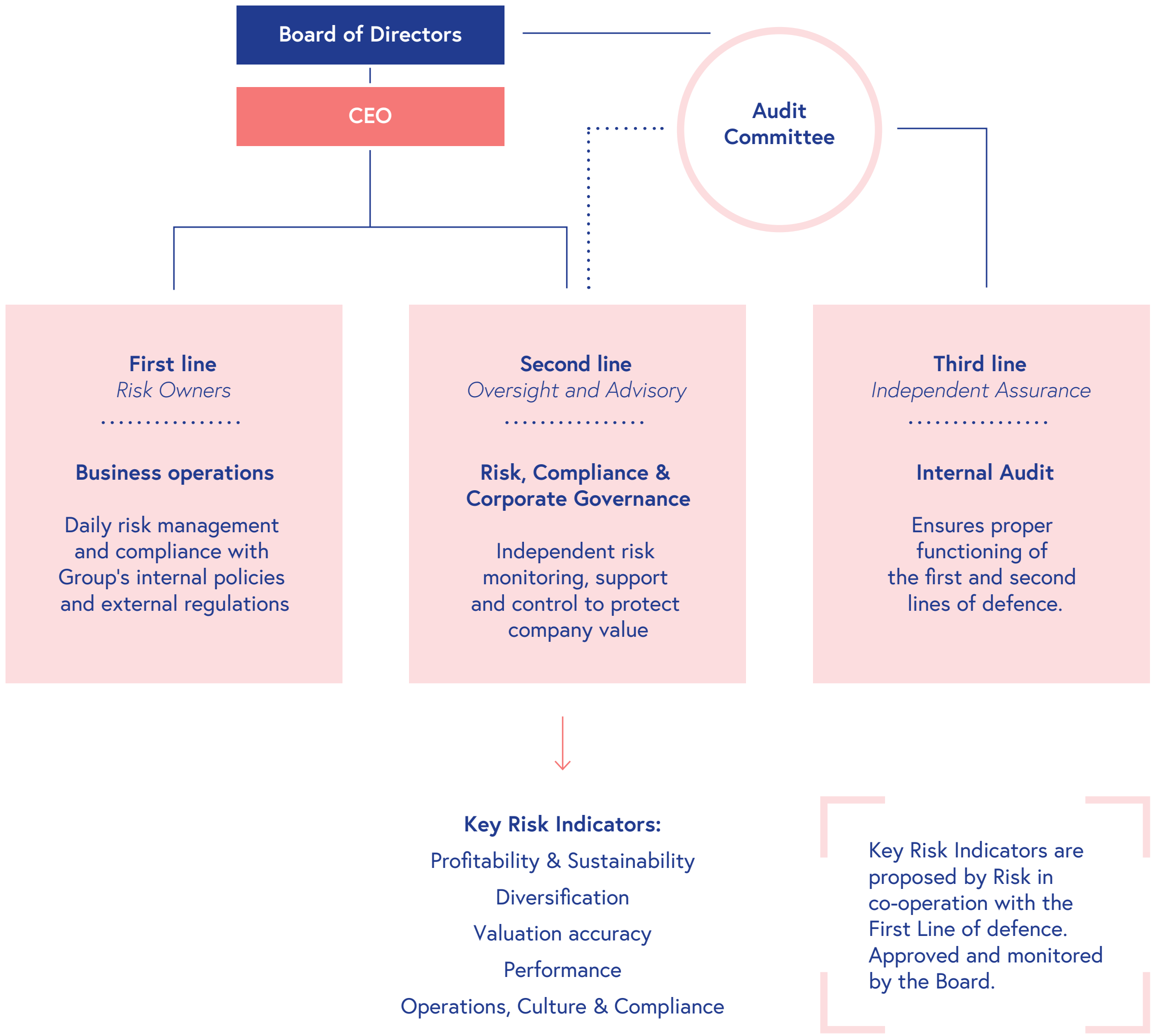
So far, the Group has not seen any material impact of the macroeconomic situation on its business. Going forward, the Group expects high inflation and increased interest rates to drive higher funding cost and put pressure on debtors' ability to repay their debts. However, continued low unemployment rates, salary increases, excess savings following the pandemic and government aid packages are expected to partly offset these challenges on the collection side, and similar funding market conditions for all competitors are expected to partly offset the negative effects on the funding cost side via adjustments in market pricing of NPL portfolios.

Furthermore, B2Holding is well diversified, with the majority of B2Holding cash flows coming from legal collection streams, which further mitigates collections risks.

B2Holding has adequate liquidity position to meet its investment appetite in 2023.
B2Holding's operations are working at full capacity. The Group plans to continue to invest in a prudent and disciplined manner across its markets and within the desired risk-return profile.

B2Holding is actively monitoring the macroeconomic developments. At this stage the baseline scenarios indicate a limited risk for B2Holding, however the full impact on B2Holding business activities is uncertain and may change in the event of significant escalation.

ILLUSTRATION OF THE FUNCTIONAL ORGANISATION
OF EFFECTIVE RISK MANAGEMENT AND CONTROL



03

Sustainability report

ESG Performance

(2021 performance in brackets)

80 %

Customer satisfaction score[1] (83 %)

0

Information security breaches[2] (0)

0

Reported corruption events (0)

93 %

Employees completed ESG and ethics training (N/A)

80/100

Employee engagement score (80/100)

9.9 %

Climate change GHG emissions reduction (2021 baseline)

8.7

Sustainalytics risk rating
Negligible risk (9.3)

1) Customer satisfaction rate based in customer surveys. In 2022 the survey has been implemented in 10 additional entities.
2) During 2022 an incident of suspicious defender antivirus exclusion took place and mechanisms in place alerted the team in charge. The incident was identified, analysed, and closed including mechanisms and recommendations made to avoid potential risks.

CEO Sustainability statement

In a year of extraordinary developments, B2Holding has maintained its industry-leading environmental, social and governance (ESG) performance.

Our primary focus when collecting debt is to provide professional services and reach a positive outcome for our customers. In 2022, B2Holding maintained a customer satisfaction score of 80 %. We have invested in training and development to support our teams, who work in demanding environments to consistently achieve excellent results. Over 90 % of our employees received some form of ethics and ESG training in 2022, and I am pleased to note that there were no reported cases of corruption or business conduct issues during the year.

On 5 January 2023 the EU Corporate Sustainability Reporting Directive (CSRD) entered into force. The directive modernises and strengthens the reporting rules for social and environmental information and B2Holding will be obliged to report on it from the financial year 2024. In preparation, B2Holding has strengthened its existing Environmental, Social and Governance (ESG) reporting to include both Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) disclosures. These are closely aligned with the forthcoming reporting requirements of the CSRD, including the concept of double materiality.

B2Holding is committed to developing an emission reduction target in line with the Science-Based Target initiative criteria. In 2022 we achieved a 9.9 % reduction in our scope 1 & 2 greenhouse gas (GHG) emissions (market-based calculation). Energy consumption plans and policies are being developed and implemented across the Group, with several business units also purchasing guarantees of origin (renewable energy) for their electricity consumption.

The Group dealt with three substantiated complaints concerning breaches of customer privacy in 2022, none of which resulted in GDPR or other sanctions. We responded to a single potential cybersecurity incident and mechanisms already in place prevented disruption or data loss. In all data privacy and cybersecurity events, the incidents are analysed and followed up to avoid future potential risks.

I am proud to work in a gender-diverse company, where women now account for 51 % of the senior management. We are committed to creating an equal opportunity workplace that fosters employee well-being. Two of our office sites received awards for being great places to work in 2022, which is valuable recognition for the positive culture being created by our people. You can read more about the awards and our how we support people in the social section of this report.

As we move into 2023 and beyond, B2Holding is building on a strong foundation of ESG initiatives. Our Sustainalytics risk rating of 8.7 indicates that we are a negligible risk and a top performer in our sector. We will continue to prioritise resources to manage our most material ESG impacts, and this report aims to provide a transparent presentation of our results to date.

I invite you to read our report and welcome your feedback.

Oslo, 27 April 2023

Erik J. Johnsen
Chief Executive Officer

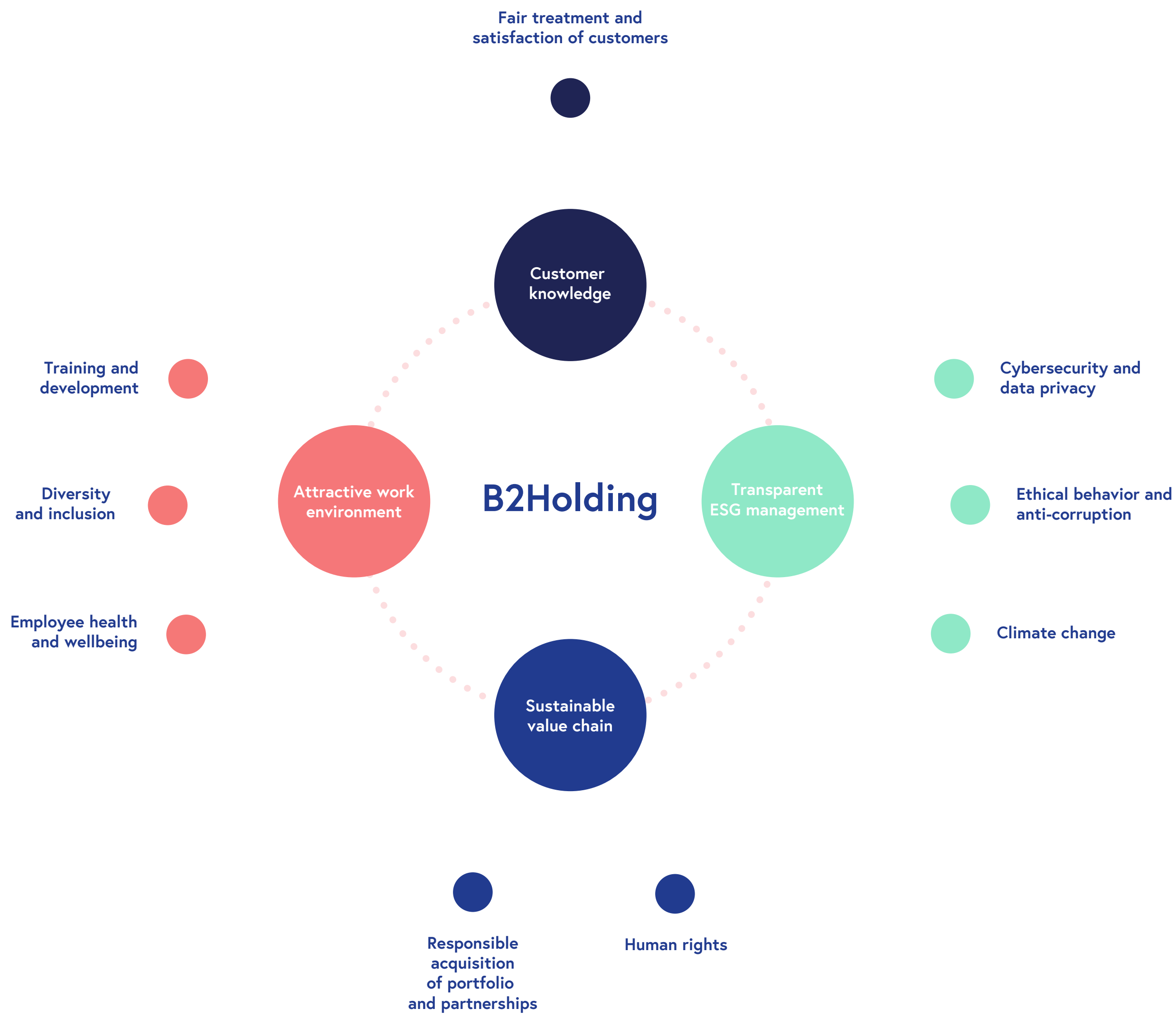
Sustainability in B2Holding

The sustainability strategy of B2Holding outlines how the company operates to achieve its sustainability objectives. The strategy focuses on four core pillars:

1. Customer knowledge
2. Sustainable value chain
3. Attractive work environment
4. Transparent ESG management

The sustainability strategy is implemented through its adoption in operations and the way the Group operates daily. To support the strategy, the Group's Sustainability Policy sets out how B2Holding delivers on sustainability objectives and its expectations for employees and representatives.

B2Holding actively develops sustainability competence as the Group works to establish an internal sustainability culture. The Group sets clear targets and aims to empower its customers and partners to reach theirs.



ACCOUNTABLE ESG GOVERNANCE AND MANAGEMENT

The Chief Brand & Sustainability Officer is responsible for ESG within the Group. The Board has authorised the Corporate Sustainability Integration Committee (CSIC) to monitor and make decisions on ESG matters, escalating to the Board when necessary. The committee reports to the CEO and is chaired by the Chief Brand & Sustainability Officer. The committee includes members from the business lines, HR, risk, compliance, and finance functions. The CSIC is responsible for ensuring that the Group's ESG strategy is anchored and implemented throughout the organisation. The Group entities have a local sustainability contact person to support and lead local ESG initiatives and harmonise with Group initiatives.

DOUBLE MATERIALITY ANALYSIS

In 2022, B2Holding updated its assessment of material ESG topics, taking into account both the significance of their impact and financial materiality – referred to as "double materiality". The review included an examination of the comprehensive impact materiality analysis conducted in 2021, a formal desktop review in 2022, consideration of the views of B2Holding's stakeholders (as expressed through continuous dialogue), as well as expert and independent opinions. Topics which may be financially material for B2Holding have been adopted from the Sustainability Accounting Standard Board's (SASB) Consumer Finance Standard, 2018.

The following topics are considered material for B2Holding:

- Fair treatment and satisfaction of customers
- Cybersecurity and data privacy
- Ethical behaviour and anti-corruption
- Training and development
- Responsible acquisition of portfolio and partnerships
- Human rights
- Diversity and inclusion
- Employee health and wellbeing
- Climate change

Material topic	SDG	Target	Performance 2022 (2021)
Governance			
Cybersecurity and data privacy	16 Peace, justice and strong institutions	Zero data privacy or security breaches	0 breaches (0)
Ethical behaviour and anti-corruption	16 Peace, justice and strong institutions	• Zero corruption • 100 % annual compliance training completed	0 reported corruption incidents (0)
ESG integration in acquisitions and partnerships	8 Decent work and economic growth	ESG requirements applied in 100 % of portfolio acquisitions	84 % of acquisitions applied ESG criteria (74 %)
Social			
Training and development	8 Decent work and economic growth	100 % of employees receive ESG training	93 % of employees completed ESG and ethics e-learning (N/A)
Fair treatment and satisfaction of customers	16 Peace, justice and strong institutions	Debtor satisfaction survey (baseline)	80 % satisfaction (83 %)
Diversity and inclusion	5 Gender equality 10 Reduced inequalities	Increase diversity: Increase female representation in C-1 by 2 % in local entities	51 % females in senior management (46 %)
Human rights	16 Peace, justice and strong institutions	Undertake Human Rights saliency (risk) assessment	Completed Human Rights saliency (risk) assessment
Employee health and wellbeing	8 Decent work and economic growth	Employee engagement at score between 80-100	Employee engagement Score 80/100
Environment			
Climate change	13 Climate action	Reduce total GHG emissions in line with Science Based Target (SBTi)	9.9 % GHG emissions (scope 1 & 2) reduction, in line with SBTi

GOVERNANCE

Establishing high ethical standards helps to promote an ethical and responsible corporate culture. To gain the trust of the company's stakeholders, it is essential to manage and transparently disclose risks.

Ethical business practices

Bribery/corruption represents a tangible risk to B2Holding's operations due to the high number of financial transactions handled every day. The Group has an operating presence in certain countries and markets with increased exposure to financial crime.

B2Holding has a zero-tolerance policy towards bribery/corruption. This includes zero tolerance for the abuse of entrusted power, obtaining illegitimate personal benefits, or seeking private gain. Employees can neither offer any benefits (of any nature or form, including gifts and hospitality), which are in violation of applicable laws or ethical standards, nor accept any benefits that could compromise their judgment, decisions, or actions.

B2Holding's Code of Conduct and Anti-Bribery and -Corruption Policy apply to all employees across the Group, whilst B2Holding's Business Partner Code of Conduct states that B2Holding expects all its business partners to operate with comparable values.

The Anti-Bribery and -Corruption Policy defines what is meant by bribery/corruption, the related risks, the responsibilities of all employees in relation to the identification, prevention of, and management of bribery/corruption and the responsibilities and consequences when corruption is detected.

There were no confirmed incidents of corruption in 2022.

Whistleblowing

B2Holding operates a whistleblowing channel which allows all employees across the Group and external parties to file whistleblowing reports. The channel is serviced by an external provider, ensuring confidentiality, and allowing anonymous reporting. B2Holding encourages its employees to use the whistleblowing channel to report misconduct, violations, illegal activities, or other unethical behaviours which may be deemed to be a protected disclosure. B2Holding prohibits any form of retaliation against anyone filing a report in good faith. B2Holding meets the requirements set forth by the EU Whistleblowing Directive namely by establishing the whistleblowing channel and entrenching the protection of whistleblowers within the Group.

In 2022, there were two incidents reported as whistleblowing cases. Both cases were investigated and closed. In the first case, no further actions were taken as the allegations were not substantiated. In the second case, the investigation team made recommendations of mitigation actions to the Management and measures were taken.

The figures from 2020 to 2022 were obtained based on different sources and parameters, since B2Holding introduced the whistleblowing channel in the end of 2021 and improved the reporting system used across the Group in 2022. On this basis, the figures outlined hereunder do not allow a reliable trend analysis.

The figures for 2020 have been reviewed and adjusted according to the Compliance report for that year.

KPI	2022	2021	2020
Incidents reported as whistleblowing cases	2	10	10
Confirmed incidents of discrimination or harassment	0	1	1
Confirmed incidents of corruption	0	0	0

Data privacy and cybersecurity

In carrying out is operations, the Group may collect personal data when acquiring a customer's debt or when processing personal data on behalf of clients. B2Holding also process the data of its current and future business partners to the extent required to provide the agreed services and cooperation.

B2Holding is committed to protecting personal data and respecting privacy. Every reasonable step is taken to ensure customer data is accurate, adequate, relevant, and limited to the purpose for which it is processed. The Group takes appropriate measures to inform data subjects about their personal data processing in a concise and transparent manner. Appropriate and suitable safeguards and technical measures are in place to protect personal data and safeguard customers' rights and freedom. Records of personal data are only kept for as long as is reasonably necessary for the purposes for which they are collected.

Protecting customer privacy and digital operations

B2Holding prioritises developing and implementing prevention plans to avoid cyberattacks and data breaches and to secure the company's information. Online services and digitisation are core to B2Holding's business model. The Group is committed to protecting its operations and customer privacy.

B2Holding's policies and prevention plans are regularly reviewed and updated to appropriately handle customer privacy and personal data processing issues. Cybersecurity and data privacy are governed through the following policy documents:

- GDPR Policy
- Personal Data Breach Management Policy
- Cookie Files Policy
- Risk Analysis Policy
- Information Security Policy

Data protection

B2Holding has implemented and enforced the General Data Protection Regulation (GDPR) requirements, including the local legislation applied in all countries where the Group has business operations. Appropriate and suitable safeguards, including technical measures, have been implemented to protect personal data and to safeguard the rights and freedoms of the data subjects.

B2Holding prioritises privacy and has restricted and controlled access to personally identifiable information. The overriding principle is that, in accordance with applicable regulations, B2Holding only processes personal data for which the B2Holding legal entity has legal grounds to do so and are necessary for its operations.

The Group and local entities have appointed Data Protection Officers who regularly monitor and ensure GDPR compliance. In 2022, the B2Holding legal entity's personal data management processes and policies were improved across the Group and its local subsidiaries.

All employees are trained regularly and at a minimum annually in GDPR and privacy rules and are expected to follow these established rules, including the reporting of any breaches to their respective Data Protection Officer. Mandatory training for all employees registered a 93 % completion rate in 2022.

During 2022, the Group has been working on implementing an Information Security Management System which strengthens GDPR data retention and compliance.

The Group dealt with three substantiated complaints concerning breaches of customer (debtor) privacy and losses of customer data in 2022.

No sanctions or formal recommendations have been imposed against any B2Holding legal entity by any European government authorities responsible for the application of and compliance with GDPR.

The GDPR indicators such as security incidents, data breaches, data protection complaints, and data subject rights demands are monitored. Additionally, all requests and complaints from the data subjects were executed in accordance with the requirements and deadlines set out in the GDPR.

Cybersecurity

B2Holding is committed to implementing an Information Security Management System (ISMS) as a key pillar to manage information security, including cybersecurity. ISMS refers to the set of policies, procedures, processes, and systems that manage information risks. The implementation of ISMS will involve a systematic approach to processes, technology, and people that will help B2Holding to protect and manage the organisation's information through risk management.

This will enable compliance with the GDPR and focus on protecting three key aspects of information:

- Confidentiality: ensuring that information is not available or disclosed to unauthorised people, entities, or processes
- Integrity: ensuring that information is complete and accurate, and protected from corruption
- Availability: ensuring that information is accessible and usable by authorised users

Although no breaches were reported over 2022, an incident of suspicious defender antivirus exclusion took place, and mechanisms already in place alerted the team in charge. The incident was analysed, identified, and closed, including mechanisms and recommendations made to avoid potential risks.

KPI	2022	2021	2020
Substantiated Information security breaches	0	0	0

Integrating ESG in acquisitions and partnerships

B2Holding has integrated ESG considerations into its responsible acquisition processes and decision-making regarding partnerships. B2Holding works with vendors or co-investors to acquire non-performing loans where the aim is to establish a mutual trust agreement without incurring unwanted risk. B2Holding's acquisition of non-performing loans and third-party debt collection services have important ESG implications, including corruption, treatment of debtors, commercial strategies, certain reputational activities, anti-competitive practices, and legal sanctions.

The B2Holding Responsible Marketing and Sales Statement provides guidelines to manage marketing and sales activities in an ethical and responsible manner, ensuring that the Group do not partner with non-compliant partners.

B2Holding has developed a set of defined characteristics to screen out potential acquisitions that present high ESG risks.

KPI	2022	2021	2020
Portfolio acquisitions where ESG requirements has been applied	84 %	74 %	-

SOCIAL

B2Holding, as a debt solutions provider operating across multiple countries, recognises the potential social impacts its business activities could have on both its customers and employees. Therefore, fair treatment and satisfaction of customers lie the heart of the Group's social approach, which is enabled by a diverse, well-trained, and healthy workforce, operating within an attractive working environment.

Fair treatment and satisfaction of customers

At the core of B2Holding's business model is the fair treatment of customers (debtors). While customers retain responsibility for the debt they have incurred and any delays in payment, the consequences that they face should be proportionate and reasonable with respect to the size of the debt. It is B2Holding's responsibility to ensure that the debt collection process does not result in unfair outcomes. The Group engages with customers in vulnerable situations and has a responsible approach that treats them with empathy, respect, and dignity. These commitments guide B2Holding's behaviours throughout the debt collection process and are explicitly stated in its Code of Conduct and values.

Finding amicable solutions

B2Holding's primary objective is to find amicable solutions that lead to beneficial outcomes for all parties, including customer satisfaction. The Group considers the customer's current financial situation when initiating a debt collection process. B2Holding's services are designed to help the customers in addressing their indebtedness by developing a repayment plan that fits their financial situation. This approach enables the customer to regain full participation in the financial system within a reasonable time frame without any hindrances.

In 2022, 5.6 % of total customer claims were entirely repaid (debt-free) and the customers regained access to the standard financial system. Additionally, 24.5 % of the customers had a partial payment of their claims, demonstrating that they are repaying their defaulted debts in monthly instalments with solutions tailored to their financial needs.

Ensuring customer satisfaction and addressing complaints

B2Holding conducts monthly internal quality and auditing controls in 41 % of its entities (9 out of 22 entities). During these controls, calls and other interactions with customers are reviewed to assess how the debt collection processes is performed. In 2022, 85 % of the audited calls and actions complied with B2Holding's standards. Quality controls are valuable for training collection advisors when standards are not met.

CASE 1: CREATING A RESPONSIBLE AND SECURE COMPANY

In 2022, B2Holding introduced e-learning training modules for the Code of Conduct, specific GDPR requirements for the Group, and information security.

The training modules reflect the Group's goal to be perceived as a responsible and secure organisation by its stakeholders, including the market, customers, clients, vendors, and regulators. With an 88 % completion rate by all employees, the Group is on track to achieving that objective.

The Management is highly committed to supporting and embedding an ethical company culture.

"The trainings remind us of what B2Holding is trying to achieve in the market in terms of financial plans and commercial strategies. But they also put focus on how we do it – the ethical component – that is derived from the regulations and codes related data protection".

Adam Parfiniewicz, Group Head of Unsecured Asset Management

B2Holding continued to introduce customer surveys to gather feedback on its services. By the end of 2022, 50 % of the Group's operations had implemented and conducted such surveys. Of the customers surveyed, an average of 80 % were satisfied with the services. This tool has now been implemented in all unsecured business units (100 % of targeted entities).

In 2022 complaints from customers concerning rights, disagreements, or non-conformance to standards represented only 0.015 % of the total number of collection cases during the reporting period, a total of 1,049 complaints. Complaints are addressed daily by following the collection guidelines in the respective entity. Complaints are followed up until fully resolved towards customers, and feedback is used to train collection agents.

KPI	2022	2021	2020
% of claims fully solved (debt free)	5.6 %	5.7 %	N/A
% of claims with partial payments	24.5 %	N/A	N/A
Quality and Auditing Controls[1]	85 %	89 %	98 %
Customer satisfaction survey[2]	80 %	83 %	98 %

1) *41 % of all local entities in B2Holding have a quality department to ensure collection activities are performed in line with internal collection standards.*
2) *In 2021, 22 % of local entities had introduced customer surveys and during 2022 it has been implemented in 50 % of the entities.*

Employee wellbeing

B2Holding believes that the health and wellbeing of its employees is crucial for providing high-quality services and attracting and retaining talent.

Engaging employees

To monitor and enhance employee wellbeing, the Group conducts an annual engagement survey across the organisation. The survey allows employees to anonymously express their opinions and measures engagement levels. The goal is to identify areas for improvement within the organisation, and managers use the results to discuss improvement areas with their teams and to develop action plans together with their team members. The survey is conducted on a yearly basis, and the most recent survey in 2022 recorded an engagement score of 80/100. The next survey will be conducted in 2023.

Health, safety, and wellness

The work carried out by B2Holding employees in call centres can be demanding. Contacting indebted customers, engaging with them, and negotiating a payment plan require perseverance, empathy, and excellent listening skills. B2Holding's Health and Safety Statement underscores the company's commitment to prioritising the wellbeing and health of its employees. This includes promoting a culture of health and safety among all employees, providing a safe working environment for employees and visitors, encouraging training on health and safety issues, and conducting systematic reviews to ensure that health and safety policies are appropriately implemented. Work-life balance initiatives, flexible working hours, and work-from-home policies are some of the measures employed to improve wellbeing in the workplace.

KPI	2022	2021	2020
Share of entities with a work-life balance measures in place	81 %	43 %	27 %
Professional Sick leave ratio[3]	0.006	0.03	5.30
Accident frequency rate	0.47	0.45	0.30
Employee satisfaction – employee engagement score	80/100	80/100	80/100
Turnover rate[4]	22 %	23 %	35 %
Voluntary turnover rate	17 %	16 %	13 %

3) *Work related sickness and accidents in the workplace*
4) *The turnover rate is at a normal level for the industry but is nevertheless at a rate the Group aims to reduce. The turnover rate can partly be explained by the nature of call centres and part-time employees.*

Diversity and inclusion

B2Holding recognises that a diverse workforce can offer a broader range of ideas and perspectives, which can drive innovation and improve performance. The Group strives for its workforce to reflect the wider societies in which it operates, believing that combining different competencies and perspectives leads to better quality of debt collection services for clients and customers.

B2Holding is committed to providing equal opportunities to all individuals, regardless of gender, ethnicity, or age. The company places particular emphasis on promoting gender diversity, particularly in senior management positions, and properly disclosing pay gaps. In 2021, the Group conducted a pay gap analysis that revealed an overall 6.6 % pay gap in favour of male employees. Targeted initiatives are being developed to address this gap.

KPI	2022	2021	2020
Share of women in management (C-0 and C level)	51 %	46 %	49 %
Share of women in the workforce	67 %	67 %	65 %
Number of nationalities in the workforce	41	45	42
Share of Business Units with diversity and inclusion policy in place	53 %	38 %	21 %

Training and development

B2Holding is committed to treating all its clients and customers with trust and respect, providing them with sound financial advice tailored to their individual situation. To achieve this, B2Holding invests significantly in developing employee competence through training and development.

Facilitating and enabling professional growth is important for providing meaningful development pathways for employees and retaining talent and knowledge within the organisation. In 2022, 100 % of employees participated in various trainings programmes using internal or external digital learning platforms, which each employee receiving an average of 15 hours of training. Throughout the year, all employees undertook mandatory training on whistleblowing, Code of Conduct and GDPR. Additionally, 93 % of all Group employees underwent ESG and ethics training.

KPI	2022	2021	2020
Business Units with talent programmes in place	26 %	19 %	10 %
Business Units with e-learning platform	100 %	100 %	27 %
Employees receiving e-learning training	98 %	100 %	32 %
Total training hours per employee	15	10	N/A

Human rights

B2Holding is committed to ensuring respect for the inherent dignity of people and their inalienable rights as a fundamental part of its corporate responsibility, and as an essential requirement for conducting its business activities in any country or social environment. For this reason, B2Holding is committed to the UN Guiding Principles on Business and Human Rights (UNGPs). The Group considers human rights to be those rights recognised by the International Bill of Rights and the Core Conventions of the International Labour Organisation.

B2Holding's commitment to human rights is defined in its Labour and Human Rights Statement. The statement covers the UN Global Compact's Ten Principles, the UNGPs' "Protect, Respect and Remedy Framework", and International Labour Organisation Conventions 87, 98 and 111. It is to be read alongside B2Holding's Sustainability Policy and outlines the labour and human rights recognises by for its employees, regardless of their role and the country in which they work, to its customers, and for the local communities in which the Group operates.

The Group is taking additional measures to ensure compliance with the new Norwegian Transparency Act, which came into force in July 2022. The act requires companies to carry out human rights due diligence in line with the OECD Guidelines for Multinational Enterprises. In addition, companies must report on the actions taken to mitigate adverse human rights impacts and their effectiveness, as well as respond to requests for information from the public.

As a first step to comply with the act, B2Holding has partnered with an external independent third party to identify its salient human rights issues. These are:

- Vulnerable people
- Privacy and data protection
- Stakeholder engagement
- Labour rights
- Access to remedy

B2Holding has initiated the process of conducting a gap analysis of its approach to human rights due diligence to identify potential areas for improvements.

CASE 2: CREATING ATTRACTIVE PLACES TO WORK

In 2022, two of our largest office locations, Finland, and Poland, were recognised for their exceptional workplaces. Representing nearly a third of all employees, these offices are prime examples of our commitment to create attractive workspaces.

OK Perintä Finland was certified as a Future Workplace in 2022, which acknowledges the company's workplace culture and leadership that prioritises employees' input. Ultimo Poland received the Friendly Workplace certificate in 2022, which is awarded to companies that support work-life balance, create a positive and healthy work environment, foster open relations with employees, and invest in their professional development and interests.

Future workplaces certified workplace 2022

CASE 3: IMPROVING CUSTOMER SATISFACTION

When considering sustainability in B2Holding's business, one of the most critical topics is Fair Customer Treatment and Satisfaction. That is why establishing a debtor survey initiative was one of B2Holding's primary sustainability commitments for 2022.

The purpose of the survey is to:

- Get customers insights on the quality of the company's services and customers satisfaction
- Identify areas of improvement in B2Holding's daily work and training purposes

This tool was successfully implemented in all unsecured business units over 2022, and results have been published in this report.

The results are visualised in an easily accessible dashboard, allowing managers to quickly gain insights into what B2Holding is doing well and what might need some extra attention. With this implemented solution, we have gained valuable inputs on how to develop and improve the customer experience with the goal of becoming the best in class and helping as many customers as possible.

"Today, one year after the initiative started, we have a better understanding of the customer perspective and are better equipped to become a fully customer-oriented organisation."

María Haddad, Chief Brand and Sustainability Officer

CASE 4: CORPORATE DEBT RESTRUCTURING SAVED 500 JOBS

B2Holding facilitated an innovative debt refinancing and restructuring process to turn around an automotive industry business and save 500 jobs.

Situation triggered by the financial crisis

At its peak, the debtor - a successful company - employed over 750 people and delivered strong financial results. However, the business was significantly impacted by the global financial crisis in 2008. Prudent financial management and restructuring was put in place in response, alongside significant recapitalisation from existing shareholders. While the company worked through this period, one of its four major consortium bank lenders withdrew its support and in 2017 the company faced imminent bankruptcy.

Innovative solutions to save the business and the jobs

B2Holding's servicing team was passionate about the business and believed in the people behind it. Through balancing the various stakeholders' interests and innovative financial reengineering, corporate restructuring solutions were developed. The measures salvaged parts of the business that had turnaround prospects, avoided insolvency and liquidation, and placed it in a stable position to attract investors.

Turnaround: From near bankruptcy to growth and profitability

B2Holding facilitated an arrangement between a new investor and the debtor's shareholders aimed at salvaging the business and financing its regrowth. By 2019 the stakes of the three supporting consortium banks were acquired and in December 2022 the fourth and final lender's stake was acquired. The company has gradually regained competitiveness, with annual sales of over EUR 150 million and EBITDA earnings close to 7 %.

The balanced workout facilitated by B2Holding saved approximately 500 full time positions and preserved over EUR 100 million in the value of the business, so that it could regain its economic status as a going concern.

"It was a challenging debt refinancing project. Seeing B2Holding's team in action and the outcome that was achieved was both satisfying and rewarding. We turned the business around and saved over 500 jobs".

George Christoforou, Group Head of Secured Asset Management

ENVIRONMENT

The Environmental and Sustainable Procurement Statement outlines B2Holding's expectations for employees and business units to act sustainably and reduce the Group's environmental impact. It explains how the Group integrates environmental considerations into its procurement processes and sets out the strategic framework and model for the Group's environmental management initiatives.

Climate impacts

Climate accounting is undertaken for Group entities using the GHG protocol. In 2022, scope 1 emissions decreased 4 % to 409 tonnes of carbon dioxide equivalents (CO2e), while scope 2 emissions decreased 15 % to 458 tonnes CO2e on a location basis (13 % decrease to 599 tonnes CO2e on a market basis). An accurate baseline for scope 3 emissions (including business travel, flights, and car allowance) of 347 tonnes CO2e was established in 2022. Previous estimates of scope 3 emissions have now been disregarded.

As part of the Group's strategy to reduce GHG emissions, energy consumption plans or an energy policy is being developed and implemented in businesses across the Group. Additionally, business units in Norway and Sweden have also purchased guarantees of origin for their electricity consumption. B2Holding is committed to developing an emission reduction target in line with the Science-Based Target initiative criteria.

The scope 1 emissions calculation excluded entities in Estonia, Latvia and Norway, as these sites were not able to report complete data sets for 2022. For the scope 2 emissions calculation, entities in Czech Republic, Luxemburg, Norway and Slovenia were excluded on a similar basis. Total GHG emissions disclosed in this report represents 97 % of all Group employees and the Group is committed to gather and disclose 100 % of its GHG emissions data. All Group entities have been able to report data for the scope 3 emissions calculation, which has established a robust and useful baseline.

		Tonnes of CO_2 equivalents	
Scope	Definition	2022	2021
1	All direct Greenhouse Gas (GHG) emissions from sources that are owned or controlled by the reporting entity.	409	428
2	Indirect GHG emissions from consumption of purchased electricity (location-based), district heating and cooling.	458	538
2	Indirect GHG emissions from consumption of purchased electricity (market-based), district heating and cooling.	599	691
3	Other indirect emissions, including business travel (flights) and car allowance.	347	

1) Calculations in the above table are based on the GHG protocol using emission factors from DEFRA, SSB, IEA and local district heating providers.

Climate risks

In January 2022, B2Holding conducted a climate risk review according to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. The review found that there are some associated indirect climate-related risks in the Group's secured debt portfolio, but these risks are considered low and are partly mitigated through its operations. The full TCFD disclosure is contained in Annex 3.

CASE 5: CREATING POSITIVE ENVIRONMENTAL OUTCOMES

B2Holding's entity in France, Veraltis Asset Management, moved into a new environmentally friendly building that offers a quality workspace for our teams in France. The building provides excellent thermal comfort by using bio-based materials for insulation, such as cellulose wadding and hemp, and high-quality glazing, as well as double-flow ventilation. It is well-positioned to take advantage of solar gain in winter, and alongside rainwater harvesting, the building will start producing its own energy once a solar system is installed in 2023.

"These new premises contribute to the ESG commitment of B2Holding towards reducing its environmental impact and improving working conditions."

Nicolas da Costa,
CEO Veraltis France

Sustainability report annexes

ANNEX 1: SASB CONSUMER FINANCE SUSTAINABILITY ACCOUNTING STANDARD (2018)

TOPIC	ACCOUNTING METRIC	DISCLOSURE	CODE
Customer Privacy	Number of account holders whose information is used for secondary purposes[1)]	0	FN-CF-220a.1
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy[2)]	0	FN-CF-220a.2
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected[3)]	(1) 1 IT security incident. Handled, closed and recommendations in place. (2) 0 (3) 0	FN-CF-230a.1
	Card-related fraud losses from (1) card-not present fraud and (2) card-present and other fraud	N/A	FN-CF-230a.2
	Description of approach to identifying and addressing data security risks	N/A	FN-CF-230a.3
Selling Practices	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold[4)]	N/A	FN-CF-270a.1
	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660[5)]	N/A	FN-CF-270a.2
	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660	N/A	FN-CF-270a.3
	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or nonmonetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB	1) 0 2) 0 3) 0 4) 0	FN-CF-270a.4
	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products[6)]	0	FN-CF-270a.5

During 2022, B2Holding managed over nine million NPL cases

ACTIVITY METRIC	DISCLOSURE	CODE
Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account[7)]	N/A	FN-CF-000.A
Number of (1) credit card accounts and (2) pre-paid debit card accounts	N/A	FN-CF-000.B

1) *Note to FN-CF-220a.1 – The entity shall describe its policies and procedures regarding the manner in which it discloses the use of customer data for third party use to customers, including the nature of its opt-in policy.*
2) *Note to FN-CF-220a.2 – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.*
3) *Note to FN-CF-230a.1 – Disclosure shall include a description of corrective actions implemented in response to data breaches.*
4) *Note to FN-CF-270a.1 – The entity shall describe remuneration policies for covered employees, including the link to products sold, the process for setting sale targets, and benefits/penalties associated with meeting/missing the targets.*
5) *Note to FN-CF-270a.2 – The entity shall discuss its strategy for minimising the number of past due and nonaccrual loans in its portfolio.*
6) *Note to FN-CF-270a.5 – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.*
7) *Note to FN-CF-000.A – For joint accounts, the entity shall include the number of customers whose personally identifiable information (PII) it collects.*

ANNEX 2: GENERAL DISCLOSURES ON EMPLOYEES

G2, 2-7

Reporting period: 01.01.2022 – 31.12.2022. Figures in Headcount

COUNTRY	FEMALE		MALE		TOTAL	
	2022	2021	2022	2021	2022	2021
B2Holding ASA	11	10	16	17	27	27
Bosnia & Herzegovina	3	4	2	2	5	6
Bulgaria	133	139	59	66	192	205
Croatia	96	111	40	54	136	165
Cyprus	20	19	10	11	30	30
Czech Republic	5	1	1	1	6	2
Denmark	22	28	12	7	34	35
Estonia	15	18	5	5	20	23
Finland	110	109	45	38	155	147
France	72	62	32	26	104	88
Greece	72	76	54	62	126	138
Hungary	15	13	3	3	18	16
Italy	4	8	3	13	7	21
Latvia	58	67	32	34	90	101
Lithuania	31	35	6	4	37	39
Luxembourg	9	9	10	7	19	16
Montenegro	1	1	0	0	1	1
Norway	4	3	4	4	8	7
Poland	348	334	175	181	523	515
Romania	130	155	64	66	194	221
Serbia	5	5	4	4	9	9
Slovenia	6	15	3	3	9	18
Spain	196	240	86	89	282	329
Sweden	35	31	32	40	67	71
Total	**1 401**	1 493	**698**	737	**2 099**	2 230

ANNEX 3: TCFD STATEMENT

TCFD recommendation	Our progress in 2022
GOVERNANCE	
Describe the Board's oversight of climate-related risks and opportunities	The Board regularly reviews climate-related risks and opportunities as part of its overall responsibility for risk governance.
Describe management's role in assessing and managing climate-related risks and opportunities	Management regularly reviews climate-related risks and opportunities as part of its responsibility for enterprise risk management. Climate risks are included in the enterprise risk management system and will continue to be updated.
STRATEGY	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	A climate risk review undertaken in 2022 identified a very low level of physical risk to buildings in the short term. Overall risk was deemed negligible.
Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	Limited to none.
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degree C or lower scenario	Strategy is constantly evolving in response to a wide range of issues and ability to adapt to predicted future scenarios.
RISK MANAGEMENT	
Describe the organisation's processes for identifying and assessing climate-related risks	Executive management meets to identify and assess climate-related risks
Describe the organisation's processes for managing climate-related risks	A range of approaches are used for managing climate-related risks, including monitoring, mitigation, and adaptation.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Risk management approach to climate-related risks has been updated and incorporated into board and management processes.
METRICS AND TARGETS	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk process	GHG emissions are measured in carbon dioxide equivalents. Other metrics are being developed for risk measurement.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, greenhouse gas (GHG) emissions, and the related risks	See climate and emission reporting in the Environmental section of the ESG report.
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	GHG emission reduction targets are currently being set in alignment with the company's commitment to a Science Based Target.

ANNEX 4: GRI INDEX

DISCLOSURE	PAGE	LOCATION
2-1 Organizational details	3-5	b2holding.no/About, b2holding.no/Markets
2-2 Entities included in the organization's sustainability reporting	5	b2holding.no/About/Our-Markets
2-3 Reporting period, frequency and contact point	41	Annual reporting for the reporting period: 01.01.2022 to 31.12.2022. Published: April 2023. Contact point: María Haddad Sanchez de Cueto, mah@b2holding.no
2-4 Restatements of information	41	None
2-5 External assurance	41	None
2-6 Activities, value chain and other business relationships	3-5	b2holding.no/About
2-7 Employees	39	Sustainability report: Annex 2 Employees
2-8 Workers who are not employees	41	B2Holding had 88 workers (head count) who are not employees. These are temporary workers, mainly phone agents, from external recruitment agencies.
2-9 Governance structure and composition	53	Corporate governance report: b2holding.no/About/Board-of-Directors, b2holding.no/governance, b2holding.no/Investors/The-share/Management-shareholdings. There are no employees represented in the Board
2-10 Nomination and selection of the highest governance body	42-53	Corporate governance report: b2holding.no/About/Board-of-Directors, b2holding.no/governance
2-11 Chair of the highest governance body	45-53	The chair is not a senior executive in B2Holding. b2holding.no/About/Board-of-Directors
2-12 Role of the highest governance body in overseeing the management of impacts	28	Sustainability report: Accountable ESG Governance and management
2-13 Delegation of responsibility for managing impacts	28	Sustainability report: Accountable ESG Governance and management
2-14 Role of the highest governance body in sustainability reporting	41	The ESG strategic plan, materiality review and ESG strategy goals are presented to and approved by the Board.
2-15 Conflicts of interest	-	b2holding.no/About/Code-of-Conduct
2-16 Communication of critical concerns	-	b2holding.no/Governance
2-17 Collective knowledge of the highest governance body	-	b2holding.no/About/Board-of-Directors
2-18 Evaluation of the performance of the highest governance body	29-44	Sustainability report
2-19 Remuneration policies	51	Instructions for the Remuneration Committee (b2holding.no), b2holding.no/Investor-Relations/Corporate-governance/Remuneration-Policy
2-20 Process to determine remuneration	51	Instructions for the Remuneration Committee (b2holding.no), b2holding.no/Investor-Relations/Corporate-governance/Remuneration-Policy
2-21 Annual total compensation ratio	-	Average gross annual base pay of local entity CEOs is 3.96 times average gross annual base pay for B2Holding in total.
2-22 Statement on sustainable development strategy	26	Sustainability report: CEO statement
2-23 Policy commitments	43	Sustainability Report: Annex 5 B2Holding ESG Policies
2-24 Embedding policy commitments	43	Sustainability Report: Annex 5 B2Holding ESG Policies
2-25 Processes to remediate negative impacts	43	Sustainability Report: Annex 5 B2Holding ESG Policies. Policies include processes to remedy or mitigate negative impacts where applicable
2-26 Mechanisms for seeking advice and raising concerns	-	Sustainability report: ESG is integrated into the buisness model of B2Holding
2-27 Compliance with laws and regulations	-	B2Holding has not received any fines, nor sanctions of instances of non-compliance with laws and regulations in 2022.
2-28 Membership associations	44	Sustainability Report: Annex 6
2-29 Approach to stakeholder engagement	28	Sustainability report
2-30 Collective bargaining agreements	-	57 % of B2Holding's employees are covered by a collective bargaining agreement (CBA).

	DISCLOSURE	PAGE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	28	Sustainability report: Double materiality assessed in 2022
	3-2 List of material topics	28	Sustainability report: Double materiality assessed in 2022
GRI 3: Material Topics 2021	3-3 Management of material topics	32	Sustainability report: Social: Fair treatment and satisfaction of customers
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	32	Sustainability report: Fair treatment and satisfaction of customers
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	32	Sustainability report: Ensuring customer satisfaction and addressing complaints
GRI 3: Material Topics 2021	3-3 Management of material topics	30-31	Sustainability report: Data Privacy and Cybersecurity
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	The company has received three substantiated complaints
GRI 3: Material Topics 2021	3-3 Management of material topics	27-28	Sustainability report: Transparent and effective management of ESG
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	30	Sustainability report: Ethical business practices are embedded at B2Holding - Whistleblowing
	205-2 Communication and training about anti-corruption policies and procedures	30	Sustainability report: Transparent and effective management of ESG 92 % have received the organisation's anti-corruption policies (Code of Conduct)
	205-3 Confirmed incidents of corruption and actions taken	30	Sustainability report: Transparent and effective management of ESG Zero incidents of corruption
GRI 3: Material Topics 2021	3-3 Management of material topics	33-36	Sustainability report: Attractive and sustainable work environment
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	34	Sustainability report: Training and development. On average 15 hrs/employee
	404-2 Programs for upgrading employee skills and transition assistance programs	34	Sustainability report: Training and development.
	404-3 Percentage of employees receiving regular performance and career development reviews	34	Sustainability report: Training and development 46 % of B2Holding's employees
GRI 3: Material Topics 2021	3-3 Management of material topics	31	Sustainability report: Responsible acquisitions of portfolios and partnerships
Custom	Significant investment agreements and contracts that include environmental clauses or that underwent environmental screening	31	4 %. Only real estate related contracts contain environmental clauses. Due to the nature of the business, where environmental issues (no industrial activity, etc) are unlikely to occur, B2Holding currently have a limited screening process for environmental clauses.
GRI 412: Human rights assessment 2016	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	34	Sustainability report: Responsible acquisition of portfolios and partnerships. At least 42 % of significant investment agreements underwent or include human rights clauses. These are related to the Groups main activity as an NPL investor.
GRI 3: Material Topics 2021	3-3 Management of material topics	34-36	Sustainability report: Human Rights
GRI 412: Human rights assessment 2016	412-2 Employee training on human rights policies or procedures	34-36	93 % of all employees
GRI 3: Material Topics 2021	3-3 Management of material topics	33-34	Sustainability report: Diversity and inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	33-34	Sustainability report: Attractive and sustainable work environment The Board of Directors have three women and four men.
	405-2 Ratio of basic salary and remuneration of women to men	33-34	Sustainability report: Diversity and inclusion

	DISCLOSURE	PAGE	LOCATION
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	-	There where no reported incidents of discrimination in 2022
GRI 3: Material Topics 2021	3-3 Management of material topics	33-37	Sustainability report: Attractive and sustainable work environment
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	33	50 % of the entities have some form of worker health promotion
	403-10 Work-related ill health	33	i) No fatalities reported as a result of work-related ill health; ii) Six cases recordable work-related ill health, mainly as "in itinere" accidents on the way to work
GRI 3: Material Topics 2021	3-3 Management of material topics	37	Sustainability report: Climate change
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	37	Sustainability report: Climate change
	305-2 Energy indirect (Scope 2) GHG emissions	37	Sustainability report: Climate change
	TCFD	40	Sustainability report: Climate change

ANNEX 5: ESG POLICIES

B2Holding has policies that govern how the Group handles ESG issues. These policy commitments apply not only to all employees of the Group but to all business partners, including vendors, clients, suppliers, investors, and any other third party with whom B2Holding conducts business, where applicable. Copies of the policy documents are available upon request from the company:

- Sustainability Policy
- Environmental and Sustainable Procurement Statement
- Labour and Human Rights Statement
- Responsible marketing and sales Statement
- Supplier Diversity Statement
- Political and Religious involvement Statement
- Group Business Partner Code of Conduct
- Group Related Party Transaction Policy
- Occupational Health and Safety Statement
- Customer Fair Treatment Policy
- Code of Conduct
- Group Compliance Policy
- Group Whistleblowing Policy
- Group Anti-Corruption and Bribery Policy
- Group Anti-Money Laundering, Counter Terrorist Financing and Sanction Policy
- Group GDPR Policy
- Instructions for Handling Inside Information and rules for Primary Insiders
- Investment Approval Policy
- Group Transaction Team memo - Covid-19 and contractual impact
- Tax Policy
- Transfer Pricing Policy
- Information Security Policy

ANNEX 6: MEMBERSHIP IN ORGANISATIONS

	COUNTRY	ORGANISATION
1	Bosnia & Herzegovina	Asset Management and Collection Association of BiH
2	Bulgaria	Receivables Management Association
3	Cyprus	Association of credit Acquiring Companies
4	Denmark	Danish Business Association
5		TCM Group
6		Danish Debt Collection Association
7	Finland	Service industry employers' association Palta
8		Finnish Association of Collection Agencies
9	France	FIGEC
10		Confederation of Small and Medium-sized Enterprises
11	Greece	National collective agreement
12	Hungary	Hungarian association of debt managers and business information providers
13	Latvia - Creditreform	The association of credit and collection professionals (ACA International)
14		Debt collectors' association of Latvia
15		Latvian Chamber of Commerce and Industry (LCCI)
16		Creditreform International
17	Lithuania	Association of Lithuanian Credit Management Companies
18	Norway	Finanstilsynet (Financial authorities)
19		Virke Inkasso
20		B2B Arena
21		Næringslivsforeningen Ålesund
22	Poland	The Lewiatan Confederation
23		The Association of Financial Enterprises in Poland (ZPF)
24	Spain	Asociación Española de Compliance
25		Asociación Española de Empresas contra el Fraude
26		Asociación Nacional Entidades Gestión Cobro
27		Asociación Nacional Establecimientos Financieros de Crédito
28		Cámara de Comercio Hispano Noruega
29		Club de Gestión de Riesgos de España
30	Sweden	Nova användarförening
31		Västsvenska Handelskammaren (The West Sweden Chamber of Commerce)
32		Svenska kreditföreningen (The Swedish Credit Management Association)
33		Svensk Inkasso Medlemsservice (Swedish Debt Collection Association)
34		Forum för dataskydd (Data Protection Forum)

04

Corporate governance

Corporate governance

B2Holding's Board of Directors ("the Board") considers good corporate governance a prerequisite to creating and retaining long term value for the shareholders. Through efficient corporate governance the company ensures healthy and sustainable business practices, reliable financial reporting, and an environment of adherence to legislation and regulation across the Group.

B2Holding complies with all sections of the Code, with the following exception (section 14, Take overs): The Group has not found it appropriate to draw up any explicit basic principles for B2Holding's conduct in the event of a takeover bid, other than the actions described in section 14 and what follows from the relevant applicable regulatory framework.

1. IMPLEMENTING AND REPORTING ON CORPORATE GOVERNANCE

B2Holding has implemented several policies setting out the principles on how business should be conducted. These policies and principles apply throughout the entire Group.

The core foundation of the Group's corporate governance relies on:

- Vision: The leading trusted partner that actively re-shapes the credit management industry,
- Mission: “Bridging the gap” - Contribute to handling society's debt problems through our business solutions, bridging the gap that defaulted debt represents in the credit chain.
- Core values: Agility, Integrity, Diversity, Excellence and Responsibility (AIDER).

The Board actively adheres to corporate governance standards and will ensure that B2Holding complies with the requirements of section 3-3b of the Norwegian Accounting Act and the Code. B2Holding's Corporate Governance Principles are subject to annual review and discussion by the Board and can be found on the company's webpage.

As a Norwegian public limited liability company, B2Holding ASA ("B2Holding"), and by extension the consolidated group of entities owned by B2Holding ("the Group"), is subject to the corporate governance reporting requirements set out in Section 3-3b of the Norwegian Accounting Act, the Norwegian Public Limited Liability Companies Act, and to the Norwegian Code of Practice for Corporate Governance ("the Code") issued by NUES, - Norsk Utvalg for Eierstyring og Selskapsledelse, freely available at lovdata.no and nues.no.

B2Holding's shares and its two bond loans are listed on Oslo Børs. To this effect, the company is held to the rules laid down in Section 4.4 and Section 6.3.6 the Oslo Børs Rulebook II – Issuer Rules ("the Rulebook")

This report constitutes an integral part of the Directors' report. B2Holding endorses the Code, and this report follows the system used in the Code and its "comply or explain" methodology.

2. BUSINESS

B2Holding's corporate objective, as stated in its articles of association available at the company's webpage, is:

"...investment, participation, and administration of other companies within the business of investment in, administration of and collection of receivables and other thereto related business."

The Group is one of the leading players in the European debt purchase and debt collection industry and has approximately 2,000 employees operating in 22 countries. The Group endeavours to be a trusted partner that actively re-shapes the credit management industry and strives to maintain a top tier market position in its respective markets for non-performing loans. The Group's objectives, strategies, risk profiles and goals are assessed and evaluated annually.

Being a trusted partner includes investing in portfolios that generate positive effects for the local banking sector and the local non-banking industries in general. B2Holding believes that such commitment will generate financial results both for the stakeholders but also yield positive social effects for broader society.

In pursuing the recommendations of the Code, the Board, the CEO, and B2Holding's Group Executive Management ("the Management") contribute to achieving the following objectives:

- Openness and transparency in communication with the stakeholders,
- Independence between the Board, the Management, and the shareholders to ensure decisions are made on an unbiased and neutral basis,
- Equal treatment and equal rights for all shareholders, and
- Adequate routines and systems for internal control, risk management, and sound corporate governance mechanisms to secure predictability, B2Holding's fundamental values and ethical guidelines, and to reduce the level of risks for our stakeholders.

The Code recommends that the business should create value for its shareholders in a sustainable manner. The Board has, in accordance with the recommendation, adopted a Sustainability Policy.

B2Holding acknowledges its impact on environmental, social and governance ("ESG") issues, and its role in achieving sustainable development goals, and has focused efforts on sustainability.

The company believes that sustainability starts with corporate culture, translating into values and a committed approach to doing business. In line with values of integrity and responsibility, B2Holding is committed to considering the climate and the environment, social conditions, and corporate governance in all its activities.

B2Holding is committed to preventing and remedying any infringement of human or labour rights, corruption, serious environmental harm, or other highly unethical actions. For further information, see the Sustainability Report which constitutes an integrated part of the Directors' Report.

3. EQUITY AND DIVIDENDS

The Board monitors the company's and overall Group's capital structure regularly and will take adequate steps should it become apparent that the company's equity or funding structure should no longer be appropriate to its objective and risk profile.

B2Holding strives to have a clear and predictable dividend policy. The Dividend Policy forms the basis for the Board's proposals to the Annual General Meeting on dividend payments and is available on the company's webpage.

In deciding whether to propose a dividend and in determining the dividend amount, the Board considers both the applicable legal restrictions, such as set out in the Public Limited Liability Companies Act as well as the liquidity and future capital requirements. This assessment includes liquidity and solidity risk, market opportunities, timing effect from portfolio recoveries, financial covenants, general business conditions and any capital restrictions at the time of the dividend to be assessed and paid.

The Dividend Policy approved by the Board on 27 April 2023 aims for shareholder returns of 50 % of the Group's adjusted net profit (both in cash and in distribution in kind as share buy-back programmes of treasury shares).

Distributions through dividends or share buy-back programme can only be initiated by the Board based on the authorisation from the Annual General Meeting on one or several occasions limited to the framework of the last annual accounts.

Any mandates granted to the Board by the General Meeting to increase the company's share capital will be restricted to the defined purposes. Mandates granted to the Board to increase the share capital or purchase treasury shares are limited in time and shall not last beyond the date of the next relevant Annual General Meeting.

On 24 May 2022, the Annual General Meeting gave the Board the following authorisations: 1) to increase the share capital to honour options granted by the company and 2) to increase the share capital in connection with acquisitions and raising equity, and 3) authorisation to increase treasury shares as described in section 4 below.

4. EQUAL TREATMENT OF SHAREHOLDERS

B2Holding maintains only one class of shares. Each share carries one vote, and all shares carry equal rights, including the right to participate and vote in general meetings. All shareholders are treated on an equal basis unless there are justified grounds approved by the general meeting allowing for different treatment.

In the event of an increase in share capital through the issuance of new shares, a decision to waive existing shareholders' pre-emptive rights to subscribe to shares could be justified. Where the Board resolves to issue shares and have the pre-emptive rights of existing shareholders waived, this necessitates authorisation from the company's general meeting. Such authorisation and justification will be disclosed in a stock exchange announcement in connection with the share issuance.

Any transactions carried out by B2Holding involving its own shares will be carried out through the stock exchange, at the prevailing stock exchange rates, and subject to on-going disclosure through stock exchange announcements.

Pursuant to the Public Limited Liability Companies Act, the general meeting may grant the Board a mandate to acquire own shares with a total nominal value of up to 10 % of the share capital. Such share buy-backs may be organised under the structured "safe harbour" exemption rules or through external bank mandate.

On 24 May 2022, the Annual General Meeting authorised the Board to initiate a second share buy-back programme with a total nominal value of up to NOK 4,011,648, equalling 10 % (rounded) of the share capital. The purpose of the programme is to reduce the capital of the company. The programme commenced on 27 May 2022 with an authorisation valid to the Annual General Meeting in 2023. In total 14,184,000 treasury shares at an aggregated amount of NOK 117,882,908 (average NOK 8.31 per share) were acquired under the programme at the end of December 2022.

5. SHARES & NEGOTIABILITY

The shares of B2Holding are freely negotiable with one class of shares and the company's Articles of Association do not contain any form of restriction on any party's ability to own, trade or vote for shares in the company. Each share carries one vote.

6. GENERAL MEETINGS

The general meeting is convened, in accordance with chapter 5 of the Public Limited Liability Companies Act, by the Board. Notice to the shareholders is given no less than three weeks prior to the general meeting, and the registration deadline is set as close as possible to the date of the general meeting.

B2Holding's Articles of Association, as well as the Public Limited Liability Companies Act, provide the Board with the option to hold a general meeting as a physical meeting or as an electronic meeting. Based on the experience from the last two Annual General Meetings (considering the Covid pandemic at the time), and from the perspective of treating shareholders equally, the Board decided to conduct the next Annual General Meeting as an online meeting.

All shareholders listed in the shareholders' register on the day prior to the Annual General Meeting are entitled to participate at the Annual General Meeting either in person or by proxy and ask questions and vote relative to their respective shareholdings. Shareholders can vote on each individual matter, including on each individual candidate nominated for election.

B2Holding's corporate governance principles state that (annual) general meetings shall conform to the steps and processes described in both the Code and the Public Limited Liability Companies Act. This includes among others, distributing sufficiently detailed and comprehensive information allowing the shareholder to form a view on relevant matters.

Shareholders who are unable to attend a general meeting will be given the opportunity to vote by proxy or cast their votes by electronic means. B2Holding will in this respect provide information on the procedure for voting by proxy, for nominating a person to vote on behalf of shareholders as their proxy, and to vote by electronic means.

A proxy form will be prepared and made available, which shall be set up so that it is possible to vote on each of the items on the agenda and for candidates that are nominated for election, one by one.

The Chair of the Board, the CEO and the Chair of the Nomination Committee are present at the general meeting.

The Board will ensure that the general meeting is able to elect an independent chair to the meeting. Board members are encouraged to attend the general meetings.

7. NOMINATION COMMITTEE

In accordance with its Articles of Association, B2Holding has established a Nomination Committee.

The Annual General Meeting elects the members as well as the Chair of the Nomination Committee for a period of two years and determines their remuneration.

The Nomination Committee is independent from the Board and the Management. The CEO and other members of the Management are not members of the Nomination Committee.

The objectives, responsibilities and functions of the Nomination Committee follow the rules and standards generally applicable to the Group and are described in "Instructions for the Nomination Committee" as disclosed on the company's webpage. The Annual General Meeting adopts the Instructions for the Nomination Committee.

The Nomination Committee submits recommendations to the Annual General Meeting for candidates for the election of (a) members to the Board, (b) the Chair of the Board, (c) members and chair of the Nomination Committee, (d) other sub-committees of the Board, (e) and recommendations as to the remuneration for the Board and the Nomination Committee.

The Nomination Committee's recommendations take into account the guidelines in section 8 of the Code regarding the composition and independence of the Board.

Recommendations of candidates to the Nomination Committee shall ensure a broad cross-section of the shareholders as well as a balance regarding independence.

Recommendations from the Nomination Committee include motivated grounds, justifications and particularly include information on each candidate's competence, experience, capacity, and independence. They consider ownership interests in the company, assignments carried out for the company, and assignment for other companies and organisations.

To carry out its monitoring as effectively as possible, the Nomination Committee has individual discussions with the members of the Board and the CEO.

8. BOARD: COMPOSITION AND INDEPENDENCE

In accordance with the Code and B2Holding's corporate governance principles, the majority of the Board members are independent of the company's Management, material business contracts or material business connections, and do not have specific engagements towards the company other than their duties as Board members. Consideration is given to gender composition of the Board, with three female and four male Board members.

B2Holding's corporate governance principles outline "a major shareholder" as a shareholder who owns or controls 10 % or more of the company's shares. Five of the seven Board members are independent of the company's largest shareholders. One board member represents a major shareholder and one board member represents a large shareholder.

No members of B2Holding's Management are members of the Board.

The Chair of the Board is elected by the Annual General Meeting. Board members are elected for up to two years and may be re-elected.

B2Holding's annual report provides information regarding the expertise of the members of the Board, as well as information on their history of attendance at board meetings. The annual report highlights the members of the Board who are independent.

Members of the Board are encouraged to own shares in B2Holding. Board shareholdings are disclosed on the company's webpage.

9. WORK OF THE BOARD

In accordance with the Public Limited Liability Companies Act, the Board bears the ultimate responsibility for the company's Management, and for the supervision of the company's day-to-day management and activities in general.

The Board's responsibility includes insuring that the activities of the Management are organised in a sound manner, drawing up plans and in relation to the activities of the company, keeping itself informed of the company's financial position, and ensuring that the company's accounts and assets (and management thereof) are subject to adequate control.

The Board has issued "Board of Directors Rule of Procedure" (the "Rules") which reflect the above responsibilities and regulate the activities of the Board. In addition, the Board has issued a separate instruction to the CEO which particularly focuses on a clear internal allocation of responsibilities and duties, as well as on providing the Board with sufficient, accurate, relevant, and timely information to carry out its duties.

These instructions include how the Board and Management shall handle agreements with related parties, including amongst others whether independent valuations must be obtained. The Board shall present any such agreements in the Directors' report. In matters where the Chair of the Board is personally involved, the Board's consideration of such matter is chaired by another member of the Board.

Independent valuations are procured for transactions between Group companies, when any of those involved companies have minority shareholders.

In the event of material transactions between B2Holding and its shareholders, a shareholder's parent company, members of the Board, executive personnel of the Group or close associates to any such party, the Board will arrange for an independent third-party valuation.

The Board has introduced a Group Related Party Transactions Policy applicable for all Group entities, employees and for the Board itself which is available on the company's webpage.

The objectives, responsibilities and functions of the Board and the CEO are reviewed annually and remain in compliance with the rules and standards applicable to the Group.

Audit Committee

The Board has established an audit committee whose duties and composition follow the Public Limited Liability Companies Act and the Rulebook Section 3.1.3.6, available on lovdata.no and Euronext Oslo Børs.

The Audit Committee is a working and preparatory committee for the Board, preparing matters and acting in an advisory capacity. There are separate Instructions for the Audit Committee, available on the company's webpage.

The members of the Audit Committee are elected by and from the members of the Board for a two-year term. The Audit Committee members must have the overall competence required to fulfil their duties based on the organisation and operations of the Group.

At least one member of the Audit Committee should be competent in respect of finance and audit and be independent from the Group. The majority of the members are independent of the Management and other business relations.

The objectives, responsibilities, and functions of the Audit Committee are reviewed annually and follow rules and standards applicable to the Group described in the Instructions for the Audit Committee.

Remuneration Committee

The Board has established a Remuneration Committee, as a preparatory and advisory committee for the Board in questions relating to remuneration of the Management.

Separate Instructions for the Remuneration Committee are available on the company's webpage.

The purpose of the Remuneration Committee is to ensure thorough and independent preparation of matters relating to the remuneration of the Management.

The Remuneration Committee puts forth a recommendation for the Board's guidelines and report for remuneration to senior executives in accordance with sections 6-16a and 6-16b of the Norwegian Public Limited Liability Companies Act.

The members of the Remuneration Committee are elected by and from the members of the Board for a two-year term and shall be independent of the Management.

The objectives, responsibilities and functions of the Remuneration Committee are reviewed annually and follow rules and standards applicable to the Group described in the Instructions for the Remuneration Committee.

The Board provides the details for the appointment of Board committees in the annual report.

Annual evaluations

The Board evaluates its performance and expertise annually. At the end of each Board meeting, the Board has a separate agenda item where the Board, without the Management present, may discuss matters and assessments that support and complements the annual review of its work.

10. RISK MANAGEMENT & INTERNAL CONTROL

As a part of B2Holding's risk management, the Board conducts quarterly reviews of the most important areas of exposure to risk, compliance, and sustainability. B2Holding shall comply with all laws and regulations that apply to the Group's business activities and must not be associated with operations that could harm its reputation.

The Board has adopted a risk profile and appetite as further set out in the governing documents below, and has approved policies and guidelines in the following areas to support its objectives in respect of internal control and risk management:

- Ethics, Code of Conduct
- Environmental, Social and Governance (Sustainability)
- Risk management
- Compliance, including Group policies covering anti-corruption and anti-bribery, anti-money laundering, counter terrorist financing and sanctions, and whistleblowing
- Financial management, including guidelines for quality assurance of financial reporting
- People and organisation, including guidelines for variable remuneration
- Communication and investor relations
- Related party transactions

The company reports and follows up on risk exposures in all business areas in a controlled and consistent manner, managed by the Group Chief Risk Officer. Currency and interest rates exposure are regularly monitored with hedging arrangements assessed and modified in accordance with the Group's hedging policy to continuously minimise these risks.

The investment process when acquiring non-performing loans throughout the Group is centrally lead by the Chief Investment Officer and an Investment Committee which is headed by the CEO and follows investment thresholds and the authorisations delegated by the Board.

Additionally, the company's Group Legal, Compliance and HR Officer has separate functions and departments for respectively legal, compliance and human resources, that consistently follows up on related risk and compliance exposures in the business areas.

To support the risk management principles, B2Holding has a Group Internal Auditor reporting to the Board through the Audit Committee.

B2Holding has implemented a Business Partner Code of Conduct, Customer Fair Treatment Policy, Health Safety Statement and Human Right Political and Religious Involvement Policy, available on the company's webpage. For further information see the Sustainability report for 2022 which is an integrated part of the Director's report.

The company shall focus on frequent and relevant management reporting to the Board of both operational, financial, and non-financial matters with the purpose of ensuring that the Board has sufficient and relevant information for decision-making and is able to respond quickly and balanced to changing conditions.

The Board is providing an account of the main features of the company's internal control and risk management systems as they relate to the company's financial reporting. This account must include sufficient and properly structured information to make it possible for shareholders to understand how the company's internal control system is organised.

The Group's Internal Audit function is an independent review function that reports directly to the Board via the Audit Committee ("Group Internal Audit"). The role of Group Internal Audit is to provide independent reasonable assurance to the Board and the CEO of the effectiveness of internal control, risk management and the Group's governing processes. Group Internal Audit provides advice to the Management and the Board regarding how the risk management and internal control environment can be improved and how risks can be managed. Group Internal Audit receives its instructions from the Board via the Audit Committee, which approves Group Internal Audit's annual plans and budgets and quarterly written reports.

For further information, see the Risk management report which constitutes an integrated part of the Directors' report.

11. REMUNERATION OF THE BOARD

The remuneration of the Board is proposed by the Nomination Committee and approved by the company's shareholders at the Annual General Meeting. The level of remuneration reflects the Board's responsibility, expertise, the complexity of the company, as well as time spent and the level of activity in both the Board and Board committees. The remuneration of the Board is not linked to the Group's performance, and share options are not granted to members of the Board.

Board members, or companies associated with Board members, do not engage in specific assignments for B2Holding outside of their appointments as members of the Board. In cases where there are special grounds, consideration may be presented to the Nomination Committee upon recommendation from the Board.

The Nomination Committee may, in its discretion, submit proposals to the Annual General Meeting.

The remuneration paid to the Chair of the Board is determined separately from that of the other Board members. Any considerations paid to members of the Board in addition to their board remuneration, are identified in the separate Remuneration report for 2022.

There is no additional remuneration paid to members of the Board, except for the remuneration approved by the Annual General Meeting on 24 May 2022.

Details of all elements of the remuneration and benefits to each member of the Board are disclosed in the Remuneration report. This is available on the company's webpage and is attached to the notice for the Annual General Meeting.

12. REMUNERATION OF EXECUTIVE PERSONNEL

B2Holding's arrangements in respect of salary and other remuneration should help ensure that the executive personnel and shareholders have convergent interests and should be kept simple. Performance-related remuneration should be subject to an absolute limit.

Both the Remuneration Policy and any guidelines on fixed remuneration and other types of remuneration for executive personnel that are submitted to the Annual General Meeting, are made available to the shareholders in the notice for the Annual General Meeting. The Remuneration Policy and the Remuneration report are available on the company's webpage in accordance with sections 6-16a and 6-16b of the Norwegian Public Limited Liability Companies Act.

B2Holding's Remuneration Policy aims to support the Group's values and strategy. The total remuneration to the CEO and other senior executives consists of a fixed remuneration, a variable remuneration, a long-term incentive programme, and other fringe benefits and pension arrangements.

The performance-related remuneration for the Management in the form of variable remuneration and a long-term incentive programme is designed, through quantifiable factors which the employee may influence, to enhance value creation for our shareholders or the company's profit over time.

The Remuneration Policy as of 20 May 2021 caps performance-related variable remuneration to 35 % of fixed remuneration. Deviations from the policy are subject to Board consideration. The long-term incentive programme is based on granting share-options on an annual basis vesting with one-third on each of the first, second and the third year. The Board has considered it inappropriate to practice a general right to demand the repayment of any performance-related remuneration of granted variable remuneration for a single year unless required for compliance with regulations. The senior executives' performance related key performance indicators for 2022 included financial targets.

13. INFORMATION & COMMUNICATIONS

The company provides timely, comprehensive, and precise information to its shareholders and the financial markets in general. Such information is given out in the form of annual and quarterly reports, capital market days, stock exchange releases, and investor presentations, and is distributed in accordance with the principle of equal treatment of all shareholders and with the aim to provide an accurate and transparent picture of our share.

Unless exceptions apply, the company promptly discloses all information in accordance with the European Market Abuse Regulation and the Norwegian Securities Trading Act. Separate guidelines have been drawn up for the proper handling of inside information, which are available on the

company's webpage.
The company provides information about certain events, decisions by the Board and the Annual General Meeting concerning dividends, amalgamations, mergers/demergers or changes to the share capital, the issuing of subscription rights, convertible loans and all agreements of major importance that are entered into by the company and related parties.

In addition to the Board's dialogue with the shareholders in the Annual General Meetings, the Board makes suitable arrangements for shareholders to communicate with the company at other given times. These are based on the principle of equal treatment of shareholders.

14. TAKE-OVERS

In a take-over process, the Board and Management each have an individual responsibility to ensure that B2Holding's shareholders are treated equally and that there are no unnecessary interruptions to the Group's business activities. The Board has a particular responsibility in ensuring that the shareholders have sufficient information and time to assess the offer and not hinder the take-over bids for the company's activities or shares.

The Board will not (a) seek to hinder or obstruct any takeover bid for the company's operations or shares unless there are reasons for doing so, (b) undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the company, or (c) institute measures with the intention of protecting the personal interests of its members at the expense of the interests of the shareholders.

In the event of a take-over bid, the Board will, in addition to complying with relevant legislation and regulations, comply with the recommendations in the Code. This includes obtaining a valuation from an independent expert. On this basis, the Board will make a recommendation as to whether the shareholders should accept the bid or not.

Deviations from the Code:

There are no other written guidelines for procedures to be followed in the event of a take-over bid. The Group has not found it appropriate to draw up any explicit basic principles for B2Holding's conduct in the event of a take-over bid, other than the actions described above and what follows from the relevant applicable regulatory framework. The Board otherwise concurs with what is stated in the Code.

15. AUDITOR

The auditor is invited to and participates in the meeting(s) of the Board and the Audit Committee where any of the following topics are on the agenda: the annual accounts, the quarterly reports, accounting principles, assessment of any accounting estimates and matters of importance on which there has been disagreement between the auditor and the Management and/or the Audit Committee, weaknesses identified by the auditor, and proposals for improvement.

The Audit Committee and the Board holds a meeting with the auditor at least once a year at which no representative of the Management is present. The Board ensures that the auditor presents the main features of his audit plan to the Audit Committee and the Board.

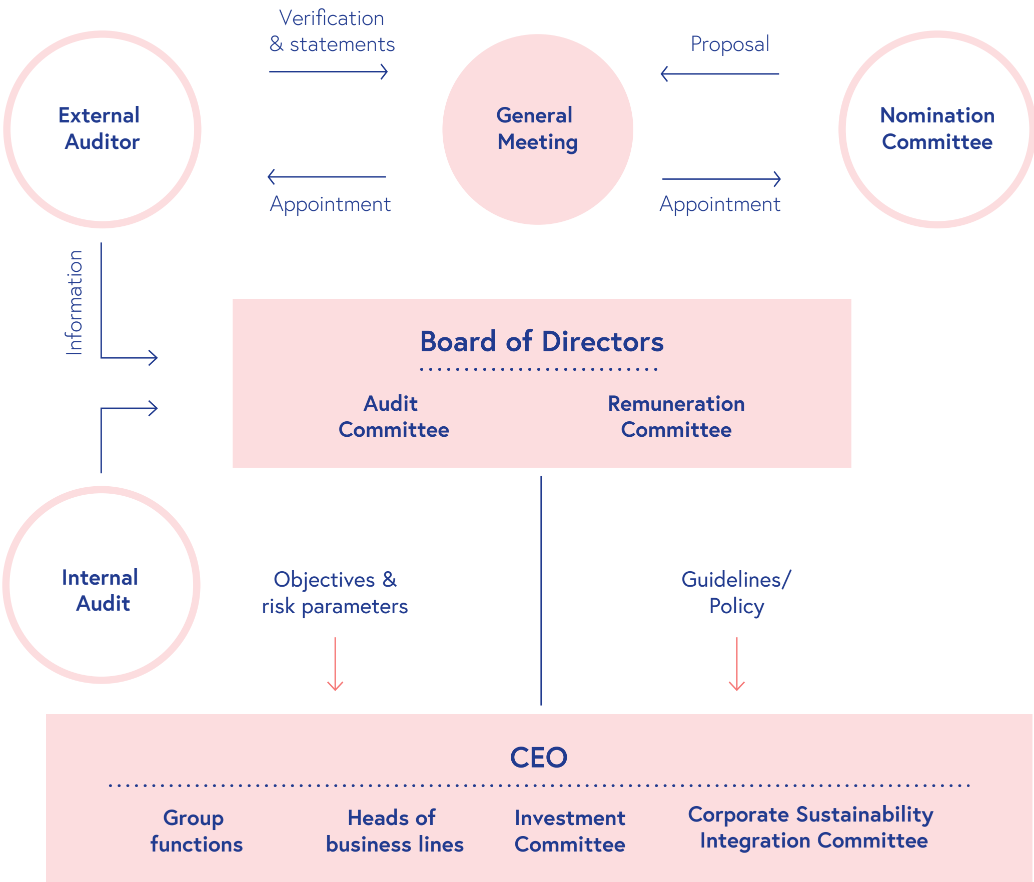
To strengthen the Board's work on financial reporting and internal control, the auditor is required by the EU's Audit Regulation to submit an annual additional report to the Audit Committee in which it declares its independence and explains the results of the statutory audit carried out by providing a range of information about the audit. The Auditors Act sets out requirements for the independence and objectivity of the auditor.

The Audit Committee has on behalf of the Board specified the Management's routines for using the auditor for non-audit services for the purpose of maintaining the independency of the auditor in accordance with the Norwegian Auditor Act.

The auditor communicates in writing with the Board on all matters brought to light by the audit of which the Board should be apprised to be able to discharge its responsibility and functions, including significant deficiencies in the company's internal control, breaches of the bookkeeping rules and other legal requirements and identified irregularities. The auditor shall indicate the nature of any such matter and what consequences it may have for the audit if the matter is not acted upon. The auditor shall number their written documentation.

The Board reports the remuneration paid to the auditor to the shareholders at the Annual General Meeting.

GOVERNING BODIES IN THE GROUP



The Board has principal responsibility for the company's business activity, which includes ensuring that operations, financial reporting, and asset management are subject to adequate control. Separate instructions have been established for the Board, its two committees, and the CEO.
The Board has, through the CEO, appointed and authorised the Investment Committee to decide on portfolio investment decisions subject to a specific threshold hierarchy. The Investment Committee consists of five members of the Management (headed by the CEO). Portfolio investments in new markets or portfolio investments with a purchase price above EUR 20 million always requires Board approval. The Board has authorised the establishment of a Corporate Sustainability Integration Committee (CSIC) to monitor and make decisions on ESG matters, escalating to the Board when necessary.

05

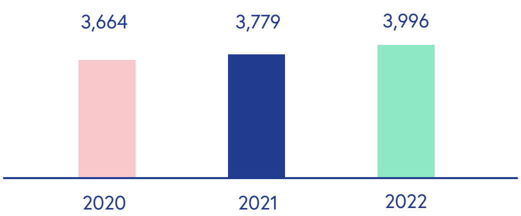
Director's report

Directors' report

Despite a challenging macro environment, B2Holding has shown strong performance throughout the year with unsecured collection, secured recoveries and REO sales all performing above targets.
At the end of 2022 the Group saw a record quarter in terms of cash EBITDA.

The Group was able to increase its cash revenue and cash EBITDA year over year by respectively 5 % and 6 %.

Cash EBITDA (NOKm)



Although gross collections showed a decrease year-on-year, Cash collections were 6 % higher in 2022 than in 2021 at NOK 5,161 million (compared to NOK 4,857 million in 2021) driven by strong performance against the curves, higher Real Estate Owned (REO) sales, lower repossessions and more cash from JVs. Unsecured collections for 2022 stood at 103.4 % of the curves compared to 102.3 % in 2021.

Gross collections including share of JVs were NOK 4,936 million in 2022 compared with NOK 5,435 million in 2021 and a decrease of 9 % year on year. Adjusted for FX, the decrease was by 7.5 % and NOK 398 million.

The approach to secured recoveries in terms of selective repossession followed by extraction of maximum value from repossessed assets showed strong benefits in 2022. This approach is evidenced by proceeds of NOK 581 million in 2022 compared with NOK 164 million in 2021 and the gain on sale of REOs of NOK 189 million in 2022 compared with NOK 46 million in 2021.

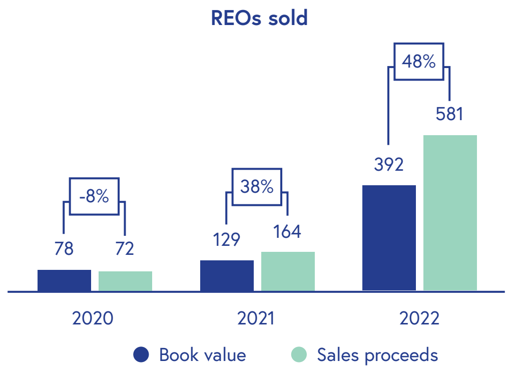
B2Holding ASA ("B2Holding") is a Nordic-based debt solutions provider with a vison to be a partner that actively re-shapes the credit management industry. The company is the parent of the B2Holding consolidated group of companies (together "the Group"), a pan-European debt solutions provider.

The Group aims to achieve or maintain a top position in its respective non-performing loan ("NPL") markets. The mission is to contribute towards addressing society's debt problems and to bridge the gap that defaulted debt represents in the credit chain, in short "bridging the gap".

The Group provides debt solutions for debtors (referred to as customers) both within unsecured and secured debt, ranging from consumer credits, residential credits, credits to small and medium-sized enterprise, as well as to corporate customers.

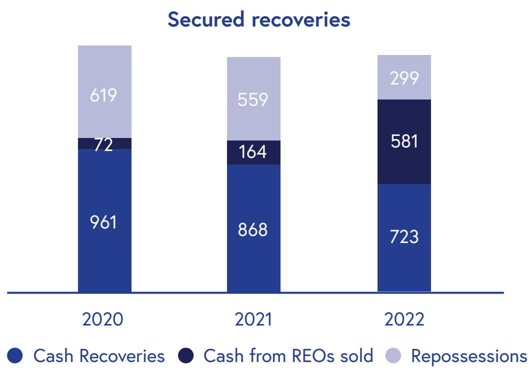
In addition, the Group provides services for third-party debt collection, credit information and project management as a full-service provider of debt management and servicing for co-investors and financial partners and NPL vendors.

In 2022, REOs sold at 48 % above book values which is considered remarkably high.



With expectations being in the region of 10-20 % gain on book values over time, these results underline the value in the Group's REO activity.

The momentum of resolutions in secured portfolios during 2021, spilled over into and augmented in 2022. Overall, secured recoveries continued to soar in 2022.



Funding

A highlight for 2022 is the successful refinancing of the company's senior secured revolving credit facility with DNB Bank ASA, Nordea Bank Abp, and Swedbank AB. This gives the Group access to a revolving credit facility of EUR 610 million.

In addition to the original purpose, this facility has allowed the Group full flexibility to take out the bond that matured in November, and it provides for the possibility to also take out the bond that will mature in May 2023.

EUR 100 million of this facility will mature in December 2023, while the remaining EUR 510 million matures in the third quarter of 2025.

In addition, B2Holding was able to raise EUR 150 million in a bond issue in September and an additional EUR 150 million in the first quarter of 2023.

In 2022, the company obtained a secured facility line of EUR 171 million from PIMCO, a reputable US based investment management firm.

This non-recourse senior secured facility was the first of its kind for the company. In August 2022, the company was able to draw under the facility for the first time, and at year end EUR 118 million was drawn.

This combined funding base secures the Groups capacity to increase investments and seize opportunities coming to market.

Directors' report is prepared in accordance with the Norwegian Accounting Act and the Norwegian Securities Trading Act. The Corporate Governance Report, the Risk Management Report and the Sustainability Report are integral parts of the Directors' report.

The annual accounts for 2022 have been prepared on a going concern basis and in the opinion of the Board, the accounts provide a fair representation of the company's business and financial results. The Board confirms that the going concern assumption has been satisfied.

The Board is of the opinion that the financial statements for 2022 provide a true and fair view of the net assets, financial position and result of B2Holding ASA and the Group for the year.

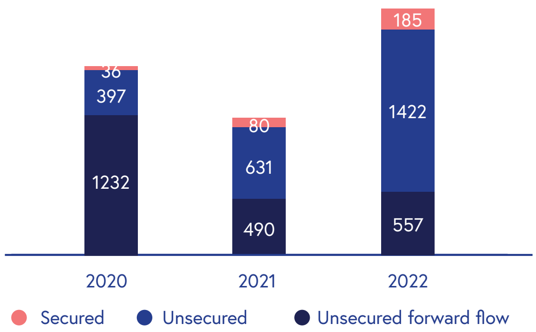
The Group's consolidated financial statements are presented in compliance with International Financial Reporting Standards (IFRS).

Activity

Increasing the company's portfolio investment activity has figured high on the Board's agenda.

Portfolio investments significantly increased compared to last year and for the full year 2022 the Group invested NOK 2.2 billion in new portfolios. This is close to double the amount invested in 2021 of NOK 1.2 billion.

Portfolio investmens (NOKm)



In addition to NOK 2.2 billion in investments in 2022, the Group concluded an additional NOK 0.4 billion investment in re-purchasing shares of co-invested portfolios.

Although concluded in 2022, this investment was completed in January 2023 and thus not included in the Group's ERC nor portfolio values at the end of 2022. The incremental ERC from this investment is NOK 1.4 billion.

Of the investments in 2022, NOK 2 billion was in unsecured portfolios of which 45 % was in Northern Europe and 37 % in Poland, while NOK 0.2 billion was invested in secured portfolios with 97 % of this in Western Europe.

At the end of 2022, the Group's ERC including share of JVs was NOK 20,248 compared with NOK 19,918 million at the end of 2021.

The Group has been able to maintain a price disciplined and opportunistic investment approach, consistent with the Group's response to the uncertainty caused by the current macroeconomic environment.

The Group's main pillars continued to be profitable growth through focused investments in core markets and strengthening the servicing capabilities through a focus on efficiency over footprint.

With access to the largest NPL markets in Europe, the Group focuses its investments in markets with growth potential of strategic importance.

Deleveraging

2022 was marked by the successful closing of a senior secured facility line, refinancing of a revolving credit facility, and the issuance of a new bond.

When refinancing the company, the Board placed particular emphasis on deleveraging.

NOKm	2022	2021	2020
Cash EBITDA	3,996	3,779	3,664
Net interest bearing debt	9,042	9,067	11,068
Leverage	2.26	2.40	3.04

Strong cash EBITDA and a disciplined approach to investing in portfolios has allowed the company to repay debt and deleverage significantly over the past three years.

The leverage ratio dropped from 3.04 in 2020 to 2.26 in 2022. By managing to reduce its debt by 30 %, B2Holding now benefits from one of the lowest leverage ratios in the industry.

Digitalisation

The Group is currently halfway a five-year digital business programme powered by data, analytics and technology. This programme aims to transform the Group into an analytical player in order to gain significant competitive advantage.

A new operating model was implemented that help to work in a truly integrated manner across borders, creating a global virtual data & analytics team, based on a hub and spoke structure, with common goals.

This integrated operating model and structure enabled the Group to scale its internal analytics efforts by delivering a total of 73 data & analytics initiatives globally: 30 projects focused on increasing collections, 27 initiatives aimed to reduce costs, and other 16 projects helped to improve valuations and the quality of data assets.

As a result of these data & analytics initiatives, the Group:

- delivered more solid data foundations with automated data pipelines for our core data assets. Specifically, 19 data quality improvement projects in eight countries and started to build a companywide cloud-based data platform. This significantly reduced the number of data quality issues month by month. This will continue to be an area of focus throughout 2023.
- started to revamp reports in order to change the way it generates business insights and drive our business. The Group is drastically simplifying reports by moving from 300 reports to less than 50. This initiative will be fully completed in 2023.
- built ten new, in-house, AI-powered tools that were deployed and activated across seven different countries. These advanced analytical tools have improved collection strategies by 5+% according to a champion challenger approach.

The programme is expected to continue to drive growth in collections and improve operational efficiency and effectiveness through machine learning and artificial intelligence techniques and intelligent automation at scale.

Discipline

The Board has given considerable weight to maintaining focus on sustainable cost saving and mitigating cost inflation, and to maintaining focus on capital- and price discipline.

The Group strategy and goals aim to transform the Group towards a more cost-efficient model.

Restructuring & Geographical footprint

The Group dedicated considerable effort to restructuring its organisation in the countries where it has secured assets, undergoing an intensive reorganisation of its operations and corporate structure, and effectively segregating assets and servicing activities.

The restructuring established “Veraltis Asset Management”, the Group’s wholly owned servicing arm whose expertise focuses on master servicing and special servicing capabilities within secured markets.

Establishing a servicing arm for secured portfolios secures continued scalability across platforms and markets.

The Group also focused on opportunities to reduce its geographical footprint to free up capital to redeploy in the Group’s core markets.

In 2022 the Group initiated the divestment of its Bulgarian subsidiary, DCA Bulgaria EAD.

Interest rates

Mid- and especially in the last quarter of 2022, inflationary pressure across the Group’s markets increased, which translated in interest rates rising faster than anticipated.

High inflation and increased interest rates marked the year by driving funding cost up.

Ukraine

The ongoing war in Ukraine compelled the Board to evaluate potential risks affecting the Group. The Group does not have operations nor employees in Ukraine or Russia.

The Group has limited exposure to countries that depend significantly on Russian trade or resources. The impact on the Group’s financial performance remains therefore limited.

The Group’s priority is to ensure the health and safety of its employees in the neighbouring countries, and pays particular attention that the Group complies with international sanctions on Russia.

Despite the impact of the several sizeable transactions mentioned above such as financing, re-financing, the restructuring, and various other transformation steps undertaken the past year, the Group has been able to maintain strong collections and recoveries and has overperformed in each quarter of 2022.

The Board wishes to thank all employees for their support and efforts.

DIVIDENDS & ALLOCATIONS

The Board proposed to the Annual General Meeting a cash dividend for 2022 of NOK 77 million (NOK 0.20/share) and a share buy-back programme of NOK 161 million equivalent to NOK 0.42 per share for the financial year 2022.

The Board proposed to decrease the parent company's share capital and other paid in capital by cancellation of 3.5 % (14,184,000) of its treasury shares acquired under the share buy-back programme. A creditor deadline of six weeks will apply before implementation.

FINANCIAL OUTLOOK

Financing

Throughout 2022, the Group maintained its liquidity reserve, increased the headroom under its financial covenants, and refinanced part of its debt. The Group's funding structure and gearing ensures liquidity and flexibility to deliver on its strategy.

A combination of equity, bank financing, and bonds provides access to capital when opportunities arise, while steady collections across the Group provide a strong operating cash flow. In 2022, B2Holding extended its Revolving Credit Facility and completed senior bond funding with Bond 6 (B2H06).

B2Holding had a solid funding base to support future growth with NOK 3,606 billion in liquidity reserves at the end of the 2022.

Bond 3 (B2H03) of EUR 145 million was repaid in the fourth quarter of 2022. And at the end of December 2022, the Group had two listed senior unsecured bond loans (Bond 4 (B2H04) and Bond 5 (B2H05)) in addition to Bond 6, which will be listed in 2023, for a total of EUR 700 million in addition to the bank financing. In the first quarter of 2023 an additional EUR 150 million was raised in a tap issue under Bond 6, and a call option on B2H04 was exercised to repay B2H04 in full at par plus accrued interest (in total approx. EUR 95 million).

Additionally, there is a senior secured facility line with PIMCO as original noteholder which matures in 2027, under which EUR 118 million is drawn at year end. 65 % of this facility line can be used for reinvestments.

The Group has in place a hedging strategy to manage and limit its currency and interest rate risk. The Group's hedging strategy consists of various derivative financial instruments with the purpose of reducing its interest rate exposure and maintaining a suitable currency ratio between its assets and liabilities. At the end of 2022 the fair value of the currency derivatives was positive NOK -0.4 million and the fair value of the interest rate hedging derivatives was positive NOK 146 million. The Groups interest rate hedging ratio was 54 %.

Moody's and S&P kept their outlook in their latest review in 2022.

Profit & Loss

The Group recorded a full year operating profit of NOK 1,029 million for 2022, compared to NOK 1,308 million in 2021.

The cost to collect ended up at 22 %, which is a rise from 19 % last year. However, the cash margin percentage remained stable at 70 %. Cost to collect is not deemed to be an ideal measure of the efficiency in operations since expenses are more linked to cash collections than to collections from portfolios.

Revenues from purchased loan portfolios amounted to NOK 2,262 million compared to NOK 2,355 million in 2021. Total revenues for the year amounted to NOK 3,477 million compared to NOK 3,155 million in 2021, an increase of NOK 322 million mainly due to significantly higher revenue from sale of collateral assets, but partly offset by lower interest revenue from purchased loan portfolios following lower portfolio purchases over recent years.

Operating expenses, excluding depreciation and amortisation and impairment losses and cost of collateral assets sold increased by NOK 233 million (14 %) in 2022 compared with 2021. However, these costs included non-recurring items of NOK 174 million in 2022 and NOK 17 million in 2021. The comparable figures excluding non-recurring items and adjusted for FX showed an increase of 4.5 % being the impact of collection activity and inflation.

Net financial items ended at NOK 607 million (NOK 566 million), of which interest expenses on interest bearing debt amounted to NOK 665 million (NOK 632 million) and net foreign exchange losses to NOK 25 million in 2022 (net gain of NOK 5 million in 2021).

The number of FTEs in the Group was 1,885 (1,979 in 2021) at the end of 2022, a net decrease of 94 during the year. FTE numbers have decreased in all regions apart from Poland, with most significant decrease in Central Europe and Western Europe due to efficiency programmes.

Cash flows & cash collections

As described above, gross collections for the Group including share of JVs were NOK 4,936 million in 2022 compared with NOK 5,435 million in 2021 and a decrease of 9 % year-on-year. Adjusted for FX, the decrease was by 7.5 % and NOK 398 million.

Although Gross collections showed a decrease year-on-year, cash collections were 6 % higher in 2022 than in 2021 at NOK 5,161 million (2021 NOK 4,857 million) as a result of higher asset sales, lower repossessions and more cash from JVs in 2022 than in 2021.

Cash flow from operating activities for the year ended at NOK 3,142 million (NOK 3,505 million), NOK 363 million (10 %) lower than in 2021. The difference between operating cash flows and the operating profit of NOK 1,029 million (NOK 1,308 million) is mainly related to amortisation/revaluation of purchased loan portfolios offset by unrealised foreign exchange balances, paid taxes, and timing differences.

Cash flow from investment activities ended at minus NOK 1,900 million (NOK 1,155 million), with investment activity picking up during 2022. The Group maintained a disciplined and selective approach to its investments in 2022.

Net cash flow from financing activities in the period ended at minus NOK 392 million in 2022 compared with minus NOK 2,385 million in 2021. In 2022 the Group drew net additional funding of NOK 571 million compared with net repayments of NOK 1,654 million in 2021. Additionally, higher dividends were paid in 2022 than prior year, with NOK 168 million paid in 2022 versus NOK 61 million in 2021. The other main variance between the two years was the share buy-back programme with NOK 175 million of buy-backs in 2022 compared with NOK 31 million in 2021.

Balance & liquidity

Total assets on 31 December 2022 amounted to NOK 16,500 million compared to NOK 15,315 million in 2021.

The equity amounted to NOK 5,217 million and the book equity ratio was 31.6 % compared to 32.6 % on 31 December 2021.

Total book value of purchased portfolios ended at NOK 11,181 million end of December 2022 which is NOK 260 million higher than year end 2021. Net interest bearing debt as of 31 December 2022 was NOK 9,042 million compared to NOK 9,067 million last year.

Cash and cash equivalents amounted to NOK 1,176 million at the balance sheet date compared to NOK 376 million at the end of 2021. The Group's liquidity situation and the ability to finance future investments are assessed as adequate.

Investments

In 2022 the investment allocation was NOK 884 million - 41 % to Northern Europe (NOK 427 million and 35 % in 2021), NOK 729 million - 34 % to Poland (NOK 458 million and 38 % in 2021), NOK 312 million - 14 % to Western Europe (NOK 32 million and 3 % in 2021), NOK 166 million - 8 % to South Eastern Europe (NOK 213 million and 18 % in 2021), and NOK 74 million - 3 % to Central Europe (NOK 73 million and 6 % in 2021).

Following the purchases in 2022, Northern Europe was the Group's largest region with 38 % of the ERC (39 % in 2021). Poland increased to 22 % (18 % in 2021) and South Eastern Europe decreased to 13% (14% in 2021). Central Europe was reduced to 15 % (17 % in 2020) and Western Europe was stable at 12% (12 % in 2021).

PARENT COMPANY

B2Holding ASA, the parent company, recorded a loss of NOK 36 million. Interest income from Group companies was NOK 390 million in 2022 compared to NOK 430 million in 2021.

Net cash flow for the year was positive NOK 1 million compared to negative NOK 5 million for 2021. Cash and cash equivalents amounted to NOK 0.8 million at the balance sheet date compared to NOK 0.07 million at the end of 2021. The liquidity, ability to finance future investments, meeting obligations and solidity of the parent company are adequate and satisfactory.

BY REGION

Northern Europe

Cash collections were in line with expectations, decreasing from NOK 1,725 million in 2021 to NOK 1,616 million in 2022 with 2 % of the decrease due to FX. Collections were lower due to the relatively low investment levels in 2020 and 2021. Over 99 % of the cash collections in 2022 were from unsecured portfolios.

Revenue from purchased loan portfolios was NOK 142 million (17 %) lower than 2021 with interest revenue NOK 60 million lower in 2022 at NOK 717 million and a net credit loss of NOK 24 million in 2022 compared with a net credit gain in 2021 of NOK 58 million. The positive outcome in 2021 was due to overperformance on collections, while in 2022 overperformance was offset by changes to future collection estimates.

Underlying operating expenses in the Northern Europe region increased by NOK 378 million in 2021 to NOK 388 million in 2022 and the cash margin dropped slightly from 80 % in 2021 to 78 % in 2022.

There were 348 FTEs in Northern Europe at the end of 2022 compared with 353 at the end of 2021, a decrease of 5 (1 %).

Central Europe

Cash collections increased by NOK 517 million (58 %) compared with 2021. The significant increase in Cash collections was driven by REO sales and cash collections from JVs, respectively NOK 421 million and NOK 142 million higher than prior year.

Revenues from NPLs were impacted by low investment levels in 2020 and in 2021 and thus lower interest revenue on lower book values, but this was more than offset by a net credit gain from purchased loan portfolios of NOK 119 million in 2022 compared with a net credit gain of NOK 33 million in the prior year. REO sales generated NOK 519 million of revenue from sale of collateral assets and a net gain of NOK 174 million in 2022.

Underlying operating expenses in the Central Europe region increased from NOK 19 million (9%) year-on-year from NOK 215 million in 2021 to NOK 234 million in 2022 and the cash margin improved from 77 % in 2021 to 84 % in 2022.

There were 166 FTEs in Central Europe at the end of 2022 compared with 199 at the end of 2021, a decrease of 33 (17 %).

Poland

Cash collections in 2022 were 3 % higher than prior year at NOK 1,087 million compared with NOK 1,055 million in 2021 with the region performing well ahead of expectations.

Revenues from NPLs of NOK 780 million were 28 % higher in 2022 than in 2021 following strong over-performance and upward revision of the curves resulting in a net credit gain of NOK 291 million in 2022 compared with a net credit gain of NOK 102 million in 2021.

Underlying operating expenses in the Poland region increased by NOK 33 million (11 %) year-on-year from NOK 312 million in 2021 to NOK 345 million in 2022 and the cash margin dropped slightly from 73 % in 2021 to 71 % in 2022.

There were 466 FTEs in Poland at the end of 2022 compared with 433 at the end of 2021, an increase of 33 (8 %).

Western Europe

Cash collections decreased by NOK 87 million (20 %) to NOK 346 million. Secured collections were above expectations but with a higher proportion of repossessions than in 2021.

Revenues from purchased portfolio were down by NOK 60 million to NOK 41 million in 2022 compared with NOK 101 million in 2021 following a net credit loss of NOK 223 million in 2022.

Underlying operating expenses in the Western Europe region decreased by NOK 6 million (2 %) year-on-year from NOK 294 million in 2021 to NOK 288 million in 2022 and the cash margin dropped from 49 % in 2021 to 40 % in 2022.

There were 350 FTEs in Western Europe at the end of 2022 compared with 417 at the end of 2021, a decrease of 67 (16 %).

South Eastern Europe

The region's Cash collections decreased by NOK 50 million (7 %) to NOK 697 million in 2022 compared with NOK 747 million in 2021.

Total revenues from purchased portfolios were NOK 292 million compared with NOK 375 million in 2021, a decrease of NOK 83 million. The decrease was mainly due to a net credit loss in 2022 of NOK 35 million compared with a net credit gain of NOK 23 million in 2021. Profit from joint ventures were in line with prior year at NOK 28 million (NOK 27 million in 2021).

Underlying operating expenses in the South Eastern Europe region decreased by NOK 4 million (1 %) year-on-year from NOK 307 million in 2021 to NOK 303 million in 2022 and the cash margin dropped slightly from 64 % in 2021 to 62 % in 2022.

There were 509 FTEs in South Eastern Europe at the end of 2022 compared with 534 at the end of 2021, a decrease of 25 (5 %).

RISK

The continued approach to risk is to proactively manage risks in order to ensure sustainable profits and value generation for the Group's stakeholders.

The Group's core business is to generate profitable returns through controlled exposure to credit risks in the form of acquiring and managing non-performing loans.

The Group actively pursues this type of risk and it is also this type of risk which inherently has the highest potential impact on the income statement and balance sheet. As such, there is an increased central focus
on credit risk, in particular when it comes to oversight on the portfolio acquisition process, performance management and reporting.

The risk governance structure is overseen by the Board through the Audit Committee, owned by the CEO and headed by the Chief Risk Officer. The Group Risk function works with local risk managers and central functions to identify and assess risks, challenge risk assessments and act as a consultant to support clear and transparent risk mapping.

The Group has established Group Internal Audit as an internal independent audit function that reports directly to the Board via the Audit Committee. Group Internal Audit provides independent reasonable assurance to the Board, its Audit Committee, and the CEO of the effectiveness of internal control, risk management and governing processes.

The Group continued to focus on risk management throughout 2022 by strengthening the Risk function, adding additional resources, launching a centralised valuation tool, and integrating independent, centralised asset valuations as part of the Risk function. The Enterprise Risk Management framework has been implemented across all the Group central functions and continues roll out across jurisdictions.

This facilitates analysis and monitoring of significant risks and enables management at all levels to identify and quantify the risk factors that may negatively affect the Group's profitability and sustainability.

The B2Holding Group is implementing Enterprise Risk Management principles based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework with the overriding objectives to achieve improved governance, drive operational excellence, and to achieve enhanced value for the stakeholders.

The risk management framework is underpinned by key principles which define internal expectations with all employees expected to apply these principles in their daily work, promoting risk ownership and management where it arises.

The Group adopted a new three-year strategy plan. This has resulted in a better structure for the Group, increased governance oversight and enables the company to benefit from synergies across its footprint and provide growth in a controlled manner. The work to strengthen the Group's risk governance is expected to continue into 2023.

In 2022, policies and procedures on the areas of anti-corruption, "Integrity Due Diligence" and conflict of interest were reviewed, and new policies implemented. The Board reviews the Group's most important risk areas and the approach to address the identified risks on an annual basis. Additionally, the Audit Committee reviews risks together with the Group Risk function on a quarterly basis.

For more details of risk elements and actions to mitigate risks, please see the Risk Management report which constitutes an integral part of the Director's report.

PEOPLE

Administration and personnel

Looking back at 2022, B2Holding ASA, the Group's head office located in Oslo, employed 27 people at year end, consisting of 11 women, and 16 men. In 2022 the company reported 179 (2.2 %) days of sick leave, compared to 83 (1.2 %) last year. Throughout 2022, no incidents resulting in serious injury or material damage were reported.

The company moved its head office to newly renovated premises in Cort Adelers gate in Oslo in at the end of summer, modernising and improving its facilities and the working environment for the company's employees.

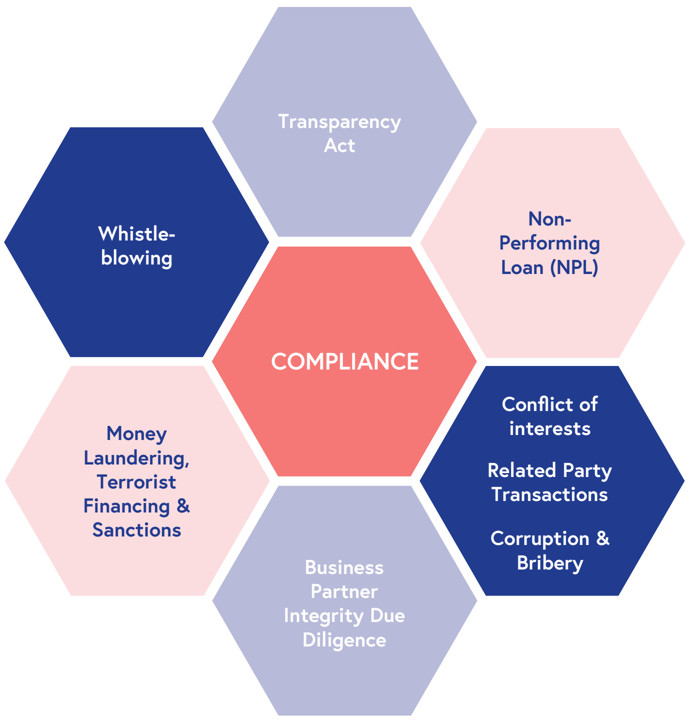
Equality and discrimination

As of 31 December 2022, the Board of B2Holding ASA consisted of seven members, of which three were women and four were men.

The Group had 2,099 employees at year end comprised of 1,401 women and 698 men, compared to 2,230 in 2021 of which 1,493 women and 737 men. The total number of full-time equivalents (FTEs) at year end was 1,885 of which 1,187 women and 698 men. The Group strives to be a workplace where gender equality is held in high regard.

The Group has a zero-tolerance policy when it comes to discrimination. The Norwegian Equality and Anti-Discrimination Act aims to promote equality and prevent discrimination, whether on the basis of gender, pregnancy, leave in connection with childbirth or adoption, caregiving responsibilities, ethnicity, religion, beliefs, disability, sexual orientation, identity and expression, age or other characteristics of a person.

These values are enshrined in the Group's Code of Conduct and the Group works actively and systematically to promote and protect these fundamental principles. The Group keeps these values in mind when recruiting, setting wages and working conditions, promoting, in employee development, and in general in our day-to-day working dynamic.



In 2021, the Group introduced and implemented a Whistleblowing Policy and established a secure whistleblowing reporting channel via an external provider which can be used by all employees of the Group. It also allows for anonymous reporting and is available in the Group's local languages. Employees are encouraged to report any irregularities,
and annual training is provided to all employees to ensure that they understand the importance of using this early warning tool.

The Board hopes this contributes to fostering a culture and transparency and helps to prevent unfair treatment, or other malpractices.

RESPONSIBILITY & SUSTAINABILITY

Through its business, the Group plays an important role in contributing to handling society's debt problems and is committed to acting in a sustainable way.

Under section 3-3a and 3-3c of the Norwegian Accounting Act, B2Holding is required to report on its corporate responsibility and selected related issues. The Sustainability report is based on recommendations described in the Euronext ESG Guide for listed companies and follow the principles under the Global Reporting Initiative (GRI).

B2Holding's commitments

As an important part of the focus on sustainable development, B2Holding ASA became a signatory to the United Nations Global Compact in 2021, which is the world's largest corporate sustainability initiative.

B2Holding recognises that businesses play a key role in achieving the 17 Sustainable Development Goals put forth by the United Nations in 2015.

The Group's main contribution as a debt solution provider lies in creating value for society by handling non-performing loans. This includes supporting customers (debtors) in solving their payment challenges.

B2Holding supports public accountability and transparency and therefore commits to reporting on its progress annually in the form of a Communication on Progress regarding the implementation of the Ten Principles.

B2Holding follows the UN Guiding Principles on Business and Human Rights (UNGPs), as well as OECD Guidelines for Multinational Enterprises.

B2Holding's Code of Conduct supports these fundamental principles and is the Group's foundation for building and sustaining professional and long-term relations with its stakeholders and maintaining high ethical standards when making decisions.

A part of the sustainability strategy is commitment to the Science Based Targets initiative in transitioning to net-zero emission.

ESG management

B2Holding developed and implemented a set of policies and statements under the sustainability umbrella at the beginning of 2022 that set out the standards both for how the Group intends to work with sustainability and how it expects its employees and representatives to behave.

By committing to the Ten Principles of the UN Global Compact, incorporating them into strategies, policies, and procedures, and establishing a culture of integrity, B2Holding aims not only to uphold its basic responsibilities to people and the planet, but also setting the stage for long-term success. B2Holding has strengthened its commitment to human rights by, among other things, developing a Group Labour and Human Rights Statement which covers UN Global Compact's Ten Principles, the UNGPs' "Protect, Respect and Remedy" Framework, and International Labour Organization Conventions 87, 98 and 111.

B2Holding ASA's ESG and sustainability obligations are founded in the Norwegian Accounting Act and the Euronext Oslo Børs obligations for listed entities. The sustainability reporting takes guidance from the Euronext ESG Reporting: Guide for Issuers, and the "GRI" - Global Reporting Initiative.

WE SUPPORT UN GLOBAL COMPACT

The Group supports and is a signatory to the United Nations Global Compact, a global initiative that encourages businesses to implement sustainable and responsible policies, and report accordingly. Its values are enshrined in 10 strategic principles ("Ten Principles")

B2Holding ASA is rated on both the Position Green "ESG100 Nordic", and via Sustainalytics.

ESG100 Nordic is the annual review of ESG reporting of the 100 largest listed companies in Sweden, Norway, and Denmark.

Position Green is one of the foremost Nordic firms in ESG advisory, consulting, software, and communication.

Sustainalytics is a leading global independent ESG corporate governance research, ratings and analytics firm that aims to provide insights required for investors and companies to make more informed decisions ultimately leading to a more just and sustainable global economy.

It outlines the labour and human rights recognised by the Group to its employees, to its customers, and to the local communities where the Group operates.

According to the Norwegian Transparency Act, which entered into force 1 July 2022, B2Holding has set up a dedicated channel published on its web page, to respond to questions related to Human Rights. In addition, the Group has a duty to carry out due diligence assessments related to fundamental human rights and decent working conditions in its own businesses and supply chains. The Group will publish a Transparency statement on its web page before 30 June 2023 and has a process in place to be able to publish a Transparency statement together with its Annual report for 2023.

Rating

In 2022, B2Holding ASA was ranked by Sustainalytics as number one in the rating category "Sub-industry of consumer finance", maintaining a negligible ESG risk.

In addition, the ESG reporting rating from the ESG100 provided by Position Green, rose from C to B, showing that B2Holding is more transparent and maturing in this area.

Going into 2023, the Group is in a stronger position to achieve its sustainability goals. Please refer further to the separate Sustainability Report.

GOVERNANCE PRINCIPLES

The Board and Management review the company's corporate governance annually and report on corporate governance in accordance with the Norwegian Accounting Act § 3-3b and the Norwegian Code of Practice for Corporate Governance (available at respectively lovdata.no and nues.no). The Board's Corporate governance report is included in and forms an integral part of this Directors' report.

BOARD

At B2Holding ASA's Annual General Meeting in 2022, Harald L. Thorstein, Kjetil Garstad, Trygve Lauvdal, Grethe Wittenberg Meier, and Trond Kristian Andreassen were elected to the Board for the period until the Annual General Meeting in 2024. Adele Bugge Norman Pran and Thale Kuvås Solberg were elected at the Annual General Meeting in 2021 for a period until the Annual General Meeting in 2023.

The Board established sub-committees, whereby in the Audit Committee Adele Bugge Norman Pran chairs as committee leader, and Thale Kuvås Solberg and Kjetil Garstad as committee members.

The external auditor, EY, participates in meetings with the Audit Committee when matters fall within the scope of the external auditors' responsibilities are considered.

The Remuneration Committee consists of Harald L. Thorstein as committee chair and Trygve Lauvdal as committee member.

Members of the Board and the CEO's possible liability to the company and third parties are individually covered under a Nordic Directors & Officers Liability Insurance up to 30 June 2023, after which it will be renewed.

EQUITY

At the end of the year, B2Holding ASA had 401,364,824 outstanding shares, corresponding to a share capital of NOK 40 million.

The total book value of equity amounted to NOK 3,136 million. Total book value of equity for the entire Group amounted to NOK 5,217 million at the end of the year, which corresponds to a book equity ratio of 32 %. Considering the nature and scope of B2Holding's business, the Board considers that the company has adequate equity.

LOOKING FORWARD

The final quarter of 2022 proved to be one of the best quarters ever in terms of cash EBITDA. 2022 was a strong year for unsecured collections and secured recoveries including REO sales. Even though the overall collections and recoveries have not been materially impacted by the current volatile macro-environment, the Group continues to monitor the development closely, and the uncertainty and higher cost of funding will be reflected in portfolio underwriting.

The continued energy crisis and the war in Ukraine both contribute to continued macroeconomic uncertainty. In combination with inflationary pressure and rising interest rates throughout the Group's markets, the Group's funding cost has increased. The customers' ability to repay debt may be affected in a challenging macroeconomic environment. However, continued low unemployment rates, salary increases, and government aid packages related to the high energy cost for consumers, are supportive for the customer's ability to meet payments.

The Group expects the higher interest rate environment to drive adjustments in pricing of NPL portfolios coming to market. Increased default rates could have an impact on the quality of new portfolio investments, and the Group will continue to stay disciplined in its investment approach. At the same time these trends are expected to increase activity and available portfolios in the unsecured NPL market, and the Group has a solid funding base to participate in this growth, without losing its disciplined approach to portfolio purchases.

The Group enjoys one of the lowest leverage ratios in the industry and is therefore well positioned to take part in what the Board believe will be a more active market going forward.

The Group will pursue further co-investments to gain access to a larger pipeline and utilise the Group's servicing platforms. The ability to co-invest with others is of essence for achieving scale especially within the secured part of the business and offers opportunities to optimise overall asset risk exposure, to expand the Group's total investment capacity, and to enhance servicing capacity.

The coming year the Board aims to focus on the areas highlighted by the Group's new strategic business plan. Particular attention will go to increasing strategic alignment throughout the Group, with the goal to "operate as one".

The Board aims to create a Group environment that is driven by operational alignment, a shared identity and culture, aligned policies and governance, and a unified commercial platform.

Improvements in the Group processes have already resulted in improved performance and have created a solid foundation for further growth of the business. Nevertheless, the Group will continue to dedicate efforts to harmonising its operational- and IT systems and continue to focus on digitalisation in its collection processes.

The Board also intends to preserve continued focus on sustainable cost saving and mitigating cost inflation.

The Group's strategy and goals were assessed and evaluated in 2020 with an aim to transform the Group towards a more cost-efficient model, and throughout the past year, the Group has maintained discipline when it comes to both cost, capital, and pricing. Going forward into 2023 this remains high on the Board's agenda.

The Board is of the opinion that, after the dividend payment for 2022 and the cancellation of the acquired treasury shares, the Group will have adequate liquidity, financial strength, and flexibility to provide sufficient support to its operations within its strategy and market requirements.

The Board of Directors of B2Holding ASA,
Oslo, 27 April 2023

/sign/
Harald L. Thorstein
Chair of the Board

/sign/
Kjetil Garstad
Board Member

/sign/
Grethe Wittenberg Meier
Board Member

/sign/
Trond Kristian Andreassen
Board Member

/sign/
Trygve Lauvdal
Board Member

/sign/
Erik J. Johnsen
Chief Executive Officer

/sign/
Thale Kuvås Solberg
Board Member

/sign/
Adele B. Norman Pran
Board Member

Board of Directors

HARALD L. THORSTEIN

- Independent
- Chair of the Board since May 2020
- Leader of the Remuneration Committee

- Founder and Managing Partner of the London based advisory company Arkwright London Ltd. He has previously held positions in Seatankers Management and DnB Markets.
- Chair of the Board of Altus Intervention Holding AS, Aquaship AS and Jacktel AS, and board member of Odfjell Drilling Ltd. Extensive board experience includes Aktiv Kapital, Axactor, SFL Corp and Seadrill.
- MSc in Industrial Economics and Technology Management with specialisation within Finance and Optimisation.

Number of board meetings in 2022: ***20/20***
Number of shares: ***280,000***
Nationality: ***Norwegian***
Born: ***1979***

TRYGVE LAUVDAL

- Represents second largest shareholder Rasmussengruppen AS
- Board member since May 2020 and previously from 2013 to 2018
- Member of the Remuneration Committee

- Investment director at Rasmussengruppen AS. Prior to this, he worked nine years as an equity analyst in DNB, specialising in the technology, industrial and renewable energy sectors.
- Board member of Avantor AS, Sharewater Geoservices AS and Net1 International Holdings AS.
- PhD in Engineering Cybernetics from Norwegian University of Science and Technology (NTNU)

Number of board meetings in 2022: ***19/20***
Number of shares: ***0***
Nationality: ***Norwegian***
Born: ***1969***

ADELE BUGGE NORMAN PRAN

- Independent
- Board member since May 2018
- Leader of the Audit Committee

- Management consultant, board professional and investor. Professional experience from private equity and M&A consulting. Partner and CFO in Herkules Capital for 12 years.
- Chair of the board of Zalaris ASA. Board member of ABG Sundal Collier ASA, Agentum Asset Management AS, Hitecvision AS, Motor Gruppen AS, Løvenskiold-Fossum ANS and Bane Nor SF.
- Cand. jur degree from University of Oslo, Master of Accounting from NHH Norwegian School of Economics.

Number of board meetings in 2022: ***19/20***
Number of shares: ***90,000***
Nationality: ***Norwegian***
Born: ***1970***

TROND KRISTIAN ANDREASSEN

- Independent
- Board member since May 2020.

- Managing owner of Vimar AS. Previous positions include CEO and member of the board of Avida Finans, CEO at Gothia Financial Group and CEO (Nordic, Spain and Holland and CEO Group Factoring Europe) at Arvato Financial Solutions.
- Chair of the board in Åråsen Eiendom AS and Åråsen Stadion AS. Member of the board in Lillestrøm Sportsklubb.
- Bachelor of Business Administration from BI Norwegian Business School.

Number of board meetings in 2022: ***17/20***
Number of shares: ***300,000***
Nationality: ***Norwegian***
Born: ***1963***

GRETHE WITTENBERG MEIER

- Independent
- Board member since May 2018

- CEO at Privatmegleren AS. Previous positions include CEO at Terra Aktiv Eiendomsmegling AS, CEO at SATS AS, CEO at Vita AS and marketing director at Bank2 AS.
- Chair of the board of Eiendom Norge AS. Board member of Privatmegleren Nyeboliger AS and Vita Group AS.
- Bachelor of Commerce/Business Studies from The Norwegian Business School (BI).

Number of board meetings in 2022: ***20/20***
Number of shares: ***25,000***
Nationality: ***Norwegian***
Born: ***1965***

THALE KUVÅS SOLBERG

- Independent
- Board member since May 2021
- Member of the Audit Committee

- CEO at Q-Free ASA. Previous positions include Head of Professional Services in Volue AS, CEO at SMB LAB (part of SpareBank1) and various leadership roles in SpareBank1, Ernst & Young Advisory and JP Morgan Chase.
- Board member of Atb AS, Ztl Payment Solution AS and deputy board member of Aneo Holding AS.
- Holds the title of "Siviløkonom" from NHH Norwegian School of Economics and has a MSc in Risk Management from the University of Southampton, UK and a BSc in International Business from Copenhagen Business School.

Number of board meetings in 2022: ***18/20***
Number of shares: ***0***
Nationality: ***Norwegian***
Born: ***1977***

KJETIL GARSTAD

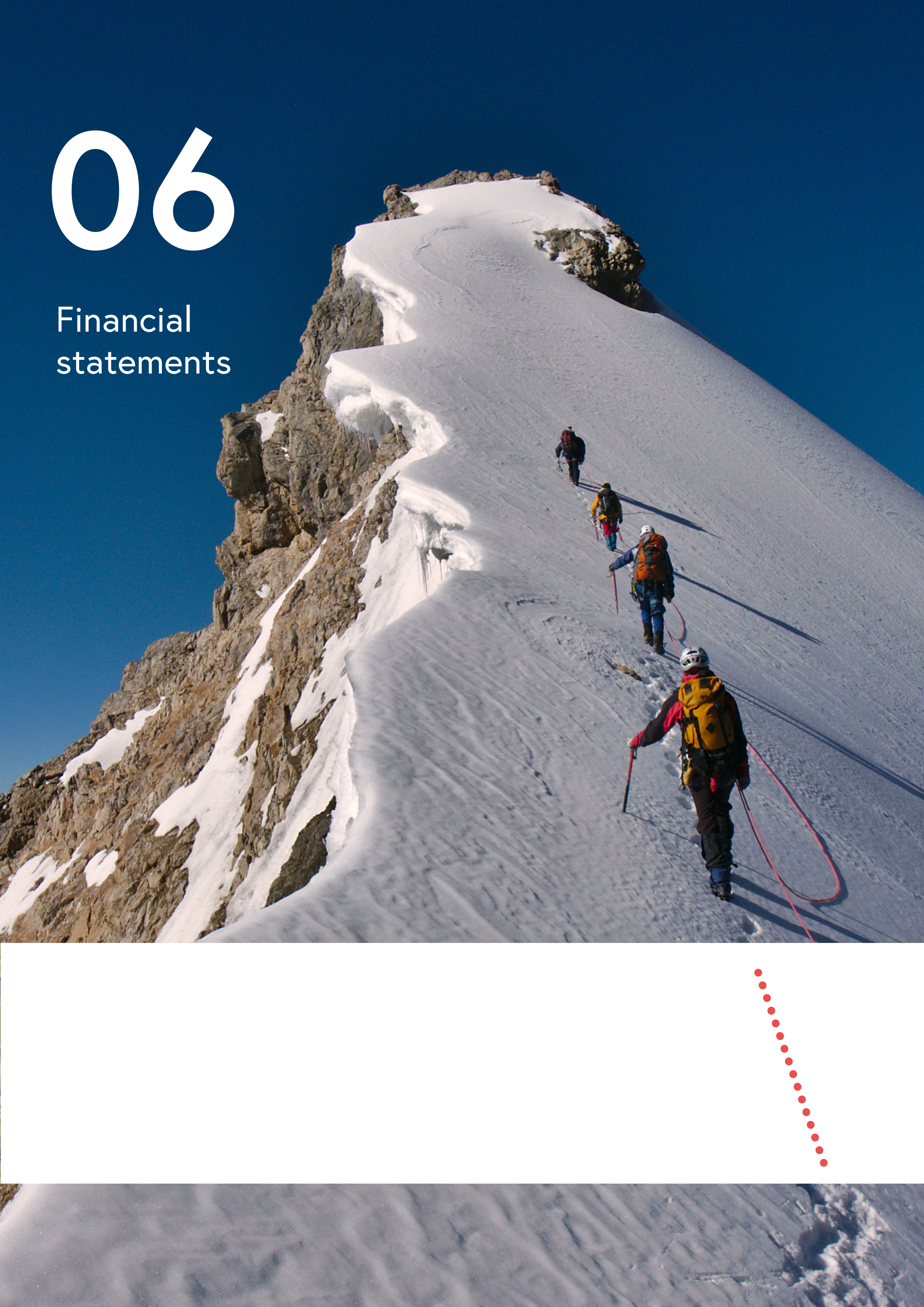
- Represents the shareholder Stenshagen Invest AS
- Board member since May 2022. Previously deputy board member from 2018 to 2020 and board member from 2014 to 2016
- Member of the Audit Committee

- Analyst at Stenshagen Invest AS, a family-owned investment office. Previously positions include Head of Oil Services and partner in Arctic Securities.
- Board member of Protector Forsikring ASA, Gaming Innovation Group Inc., Øgreid AS, Serendipity Partners Fund AS And Firda AS.
- Holds the title of "Siviløkonom" from NHH Norwegian School of Economics

Number of board meetings in 2022: ***12/13***
Number of shares: ***1,050,000***
Nationality: ***Norwegian***
Born: ***1976***

06

Financial statements



All figures in NOK million unless otherwise stated

Consolidated income statement

Year ended 31 December	Notes	2022	2021
Interest revenue from purchased loan portfolios	4	2 133	2 344
Net credit gain/(loss) from purchased loan portfolios	4	129	11
Profit from investments in associated parties/joint ventures	17	100	99
Interest revenue from loan receivables		121	99
Net credit gain/(loss) from loan receivables		-3	-6
Revenue from sale of collateral assets	20	581	164
Other revenues	7	416	444
Total revenues	6	**3 477**	**3 155**
External expenses of services provided	8	-422	-420
Personnel expenses	9	-900	-870
Other operating expenses	10	-551	-350
Cost of collateral assets sold, including impairment	20	-392	-119
Depreciation and amortisation	15	-83	-85
Impairment losses	14,15	-100	-3
Operating profit/(loss)		**1 029**	**1 308**
Financial income		6	1
Financial expenses		-588	-572
Net exchange gain/(loss)		-25	5
Net financial items	11	**-607**	**-566**
Profit/(loss) before tax		**421**	**742**
Income tax expense	12	-95	-169
Profit/(loss) after tax		**326**	**573**
Profit/(loss) attributable to:			
Parent company shareholders		326	573
Non-controlling interests		0	0
Earnings per share (in NOK):			
Basic	13	0.82	1.40
Diluted	13	0.82	1.39

All figures in NOK million unless otherwise stated

Consolidated statement of comprehensive income

Year ended 31 December	Notes	2022	2021
Profit/(loss) after tax		**326**	**573**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		226	-217
Hedging of currency risk in foreign operations	4	9	15
Other comprehensive income		**234**	**-202**
Total comprehensive income		**561**	**371**
Total comprehensive income attributable to:			
Parent company shareholders		561	371
Non-controlling interests		0	0

All figures in NOK million unless otherwise stated

Consolidated statement of financial position

As at 31 December	Notes	2022	2021
Deferred tax asset	12	303	279
Goodwill	14	731	787
Tangible and intangible assets	15,16	320	295
Investments in associated companies and joint ventures	17	690	854
Purchased loan portfolios	4	11 181	10 921
Loan receivables	18	280	206
Other non-current financial assets	18	133	54
Total non-current assets		**13 638**	**13 396**
Other current assets	19	391	260
Collateral assets	20	1 294	1 284
Cash and cash equivalents	21	1 176	376
Total current assets		**2 861**	**1 920**
Total assets		**16 500**	**15 315**
Share capital	22	40	41
Other paid in capital	22	2 844	2 843
Other capital reserves		40	59
Foreign currency translation reserve		465	231
Other equity, including net profit for the year		1 828	1 818
Equity attributable to parent company's shareholders		**5 216**	**4 992**
Equity attributable to non-controlling interests		1	1
Total equity		**5 217**	**4 993**
Deferred tax liabilities	12	275	291
Non-current interest bearing loans and borrowings	24	8 885	6 825
Other non-current liabilities	16, 25	133	93
Total non-current liabilities		**9 294**	**7 208**
Current interest bearing loans and borrowings	24	1 201	2 400
Bank overdraft	24	131	219
Accounts and other payables	26	209	173
Income taxes payable	12	51	13
Other current liabilities	16, 27	396	309
Total current liabilities		**1 989**	**3 114**
Total equity & liabilities		**16 500**	**15 315**

Oslo, 27 April 2023

/sign/
Harald L. Thorstein
Chair of the Board

/sign/
Adele Bugge Norman Pran
Board Member

/sign/
Grethe Wittenberg Meier
Board Member

/sign/
Trygve Lauvdal
Board Member

/sign/
Kjetil Garstad
Board Member

/sign/
Trond Kristian Andreassen
Board Member

/sign/
Thale Kuvås Solberg
Board Member

/sign/
Erik J. Johnsen
Chief Executive Officer

All figures in NOK million unless otherwise stated

Consolidated statement of changes in equity

		Attributable to parent company's shareholders									
	Notes	Share capital	Other paid-in capital	Treasury shares	Other capital reserves	Foreign currency hedge reserve[1]	Foreign currency translation reserve	Other equity	Total	Non-controlling interests[2]	Total equity
At 1 January 2021		**41**	**2 843**		**39**	**7**	**426**	**1 362**	**4 718**	**1**	**4 719**
Profit for the year after tax								573	573	0	573
Other comprehensive income						15	-217		-202		-202
Total comprehensive income						**15**	**-217**	**573**	**371**	**0**	**371**
Share buy-back programme	22			0				-31	-31		-31
Share based payments	23				6				6		6
Termination of issued share options								-10	-10		-10
Other restricted capital					14			-14	0		0
Dividend paid to parent company's shareholders	22							-61	-61		-61
Dividends to non-controlling interests									0	0	0
Sale of non-controlling interests							0		0	0	0
At 31 December 2021		**41**	**2 843**	**0**	**59**	**22**	**209**	**1 818**	**4 992**	**1**	**4 993**
Profit for the year after tax								326	326	0	326
Other comprehensive income						9	226		234		234
Total comprehensive income						**9**	**226**	**326**	**561**	**0**	**561**
Issue of share capital	22	0	1						1		1
Capital reduction		-1		1					0		0
Share buy-back programme	22			-2				-172	-175		-175
Share based payments	23				6				6		6
Other restricted capital					-25			25	0		0
Dividends paid to parent company's shareholders	22							-168	-168		-168
Dividends to non-controlling interests [2]									0	0	0
At 31 December 2022		**40**	**2 844**	**-1**	**40**	**31**	**434**	**1 829**	**5 216**	**1**	**5 217**

1) Foreign exchange hedging instruments of net investment in foreign operations, please refer to note 4.2 for further details.
2) Minoity interest in Latvia and Poland, please refer to note 29 for further details.

All figures in NOK million unless otherwise stated

Consolidated statement of cash flows

Year ended 31 December	Notes	2022	2021
Cash flow from operating activities			
Profit before tax		421	742
Adjustment for non-cash items:			
Amortisation and revaluation of purchased loan portfolios		2 322	2 714
Repossession of collateral assets		-299	-559
Cost of collateral assets sold, including impairment	20	392	119
Profit from investments in associated parties/joint ventures	17	-100	-99
Finance income	11	-6	-1
Finance costs	11	588	572
Unrealised foreign exchange differences		-148	44
Other items		245	164
Operating cashflows:			
Income tax paid during the year		-144	-153
Interest received		5	1
Decrease/(increase) in current assets		-119	-4
Decrease/(increase) in other non-current financial assets		-211	-67
Increase/(decrease) in current liabilities		50	49
Increase/(decrease) in non-current liabilities		145	-17
Net cash flow from operating activities		**3 142**	**3 505**
Cash flow from investing activities			
Payment of purchased loan portfolios	4	-2 157	-1 192
Investment in subsidiary companies and joint ventures		295	100
Payment of contingent consideration	5	-11	-14
Purchase of tangible and intangible assets	15	-27	-50
Proceeds from the sale of tangible and intangible assets		0	0
Net cash flow from investing activities		**-1 900**	**-1 155**
Cash flow from financing activities			
Proceeds from the issue of new shares	22	1	0
Payment buy-back share programme	22	-175	-31
Proceeds from new external loans during the year	24	23 462	16 605
Repayment of external loans during the year	24	-22 892	-18 259
Repayment of principal amount on lease liabilities	16	-43	-46
Interest paid		-577	-582
Termination of issued share options	23	0	-10
Dividends paid to parent company's shareholders	22	-168	-61
Dividends paid to non-controlling interest		0	0
Net cash flow from financing activities		**-392**	**-2 385**
Net cash flow during the year		**850**	**-35**
Cash and cash equivalents at 1 January		157	201
Exchange rate difference on cash and cash equivalents		38	-9
Net cash at 31 December		**1 045**	**157**
Net cash comprised of:			
Cash and cash equivalents	21	1 176	376
Bank overdraft	24	-131	-219
		1 045	**157**

Notes to the financial statements

NOTE 1: GENERAL INFORMATION, BASIS OF PREPARATION, CONSOLIDATION PRINCIPLES, NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP AND NEW AND AMENDED STANDARDS ISSUED BUT NOT YET EFFECTIVE

1.1 General information

B2Holding ASA (the Company or Parent) and its subsidiaries (together the Group) is a pan-European debt investor and servicer. The business consists of purchase, management and collection of unsecured and secured non-performing loans.

B2Holding ASA is a Norwegian public limited company listed on the Oslo Stock Exchange (Oslo Børs) with ticker B2H. The Company's registered office is at Cort Adelersgate 30, 0254 Oslo, Norway.

The consolidated financial statements of the Group for the year ending 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 27 April 2023.

1.2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and approved by the EU.

Preparation of the financial statements, including note disclosures, requires management to make estimates and assumptions that affect amounts reported. Actual results may differ. See note 3 "Critical accounting judgments and key sources of estimation uncertainty".

The consolidated financial statements have been prepared on a historical cost basis except for the following assets and liabilities that are measured at fair value:

- derivatives and
- contingent considerations arising from business combinations

The functional currency of B2Holding ASA is the Norwegian krone (NOK). The B2Holding Group consolidated financial statements are presented in NOK and all values are rounded to the nearest million (NOK'000 000) except when otherwise indicated. B2Holding ASA has been granted permission from the Norwegian authorities to publish the Group accounts in English only.

The Group consolidated financial statements are prepared on the basis of uniform accounting principles for similar transactions and events. Unless otherwise stated the accounting policies as set out below have been consistently applied to all reporting periods presented. Presentation and classification of items in the financial statements is also consistent for the periods presented.

1.3 Consolidation principles

The consolidated financial statements comprise of the financial statements of the Group on 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee,
- rights arising from other contractual arrangements, and
- the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributable to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

1.4 New and amended standards adopted by the Group

The adoption of the following standards and interpretations has not had any material impact on the disclosures or on the amounts reported in these financial statements:

- Amendments to IFRS 9 Financial Instruments that clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

1.5 New and amended standards issued but not yet effective

The Group has not early adopted new and revised IFRS standards which are not yet mandatory or effective.

The Group does not expect that the adoption of these accounting standards in future periods will have a material impact on the financial statements.

1.6 Change in presentation of financial information

Consolidated statement of Financial Position

In the Consolidated statement of Financial Position is Participation loans/notes included in the line Investments in associated companies and joint ventures, while previously in a separate line.

NOTE 2: SIGNIFICANT ACCOUNTING PRINCIPLES

The following accounting principles applied by the Group when preparing its consolidated financial statements.

2.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. According to this method, acquisitions of subsidiaries are viewed as transactions by which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities and values those assets and liabilities meeting the conditions for recognition under IFRS 3 Business Combinations, at their fair value on the acquisition date.

The Group's cost of the subsidiary's shares or operations consists of the fair value of the consideration given on the transfer date, including any conditional purchase consideration which is recognised as a liability at fair value at the acquisition that date, as well as the amount of any non-controlling interest in the subsidiary. Contingent consideration is a financial instrument and falls within the scope of IFRS 9 Financial Instruments. Any changes in the fair value of contingent consideration are recognised in the consolidated income statement. A contingent payment that is considered to be remuneration for future services of employees or former owners of the acquiree is recognised as personnel costs.

Non-controlling interests arise in cases where the Group acquires less than 100 % of the shares in the subsidiary. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred and included in other operating expenses in accordance with the acquisition method.

In business combinations where the Group's cost exceeds the net fair value of the identifiable assets, liabilities and contingent liabilities, the difference is reported as goodwill. If the difference is negative, it is recognised directly in the consolidated income statement.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU), or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, by comparing the carrying amount of the CGU, including goodwill, with the recoverable amount of the CGU. The Group calculates the recoverable amount of the CGU by determining the higher of the fair value less cost to sell and its value in use. The key assumption for the value in use calculation is the forecasted cash flows during the forecast period, WACC and growth rate. If the recoverable amount of the CGU is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is recognised immediately in the consolidated income statement and is not reversed in a subsequent period.

On disposal of an operating unit within a CGU to which goodwill has been allocated, the goodwill associated with that operation is included in the carrying amount of the operation when determining the gain or loss on disposal.

2.2 Investments in associated companies and joint arrangements

An associated company is an entity over which the Group has significant influence and that is not a subsidiary or a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without the ability to have control over those policies. Significant influence normally exists when the Group has 20 % to 50 % voting power through ownership or agreements. Investments in associated companies are accounted for using the equity method.

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control. That is when the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control. If the parties to the joint arrangement have rights to the net assets of the arrangement, the arrangement is classified as a joint venture and accounted for using the equity method. If the parties have rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is classified as a joint operation. The Group's participation in joint arrangements is all classified as joint ventures. See further details about investments in associated companies and joint ventures in note 17.

Under the equity method the investment is recognised at cost and subsequently adjusted to the Group's share of the change in the investment's net assets since acquisition date. The equity method is applied from the date a significant influence arises until the time it ceases, or the associated company or joint venture becomes a subsidiary. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

The financial statements of the associates and joint ventures are prepared for the same reporting period as the Group, except for the Joint Venture EOS Credit Funding BL DAC, which prepare financial statements for the period 1 March to 28 February. Adjustments are made for the effects of transactions or events that occur between the date of the Group's consolidated financial statements and that date.

If the Group's share of reported losses in the investment exceeds its carrying value, the carrying value is reduced to zero. Losses can be offset against the Group's unsecured receivables from the investment if they constitute a part of the net investment. Further losses are not recognised provided the Group has not issued guarantees to cover them.

2.3 Foreign currencies

The consolidated financial statements are presented in NOK, which is B2Holding ASA's functional currency. Transactions in foreign currencies are initially recognised in the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the exchange rate at the reporting date. All exchange differences are recognised in the income statement with the exception of exchange differences on foreign currency borrowings that provide an effective hedge against a net investment in a foreign entity, or monetary items that are regarded as a part of the net investments. These exchange differences are recognised as a separate component of other comprehensive income until the disposal of the net investment or settlement of the monetary item, at which time they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in other comprehensive income. Non-monetary items measured at historical cost in foreign currency are translated using the exchange rates at the dates of the initial recognition. The date of initial recognition for non-monetary assets on which the Group has paid an advance consideration is the date of the payment of the advanced consideration.

The Group has foreign entities with functional currency other than NOK. At the reporting date, the assets and liabilities of foreign entities with functional currencies other than NOK are translated into NOK at the rate of exchange at the reporting date and their income statements are translated at the average exchange rates for the year. The translation differences arising from the translation are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement.

2.4 Purchased loan portfolios

Purchased loan portfolios consist of portfolios of non-performing loans and debt, purchased at prices significantly below the nominal receivable. They are recognised at amortised cost according to the credit-adjusted effective interest method in accordance with the rules for credit-impaired receivables set out in IFRS 9 Financial instruments. Purchased loan portfolios are classified as non-current assets in the statement of financial position.

The credit-adjusted effective interest method is a method of calculating the amortised cost of a credit-impaired financial asset and of allocating the interest income to the income statement over the relevant period. The credit-adjusted effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or when appropriate a shorter period, to the net carrying amount of the financial asset.

In connection with purchased loan portfolios, the effective interest rate is calculated based on the acquisition cost, including all directly attributable transaction costs, and estimated future cash flows which includes the nominal amount, reminder fees, collection fees and late interest that, based on a probability assessment, are expected to be received from debtors.

Each portfolio is initially recorded in the statement of financial position at cost, including all transaction costs. Subsequent price adjustments for portfolios acquired are recorded as an adjustment to the statement of financial position. Interest income on purchased loan portfolios is accrued monthly in the income statement based on each portfolios credit adjusted effective interest rate. Monthly cash flows greater than the cash flow forecast for the same period are recorded as part of the "Net credit gain/loss purchased loan portfolios" in the period. Likewise, monthly cash flows that are less than the monthly cash flow forecast for the same period are also classified as part of the "Net credit gain/loss purchased loan portfolios" in the period.

Portfolios are defined to be the lowest reliable level for aggregating accounts with similar attributes, such as accounts in the same jurisdiction or similar types or classes of debt. Typically, each portfolio consists of an individual acquisition of receivables.

The portfolio is accounted for as a single unit for the recognition of income, principal payments and adjustments due to the recalculation of the estimated future cash flows.

The Group also acquires portfolios on a forward flow basis. This means that a contract is established for purchases of loan portfolio at an agreed price as a percentage of a nominal receivable, but where the volumes of debts are not fully known at the time of agreement. The acquisition (delivery) of forward flow debts can be done on a monthly basis. For reporting and IFRS evaluation purposes, the Group combines these acquisitions into portfolio pools by vendor and sets future collections expectations based on these combined pools. The internal rate of return can therefore vary from each pool based on content of the pool.

Unidentified receipts and excess payments

The Group receives large volumes of payments from debtors. There are instances where the sender's reference information is missing or incorrect making it difficult to allocate the payment to the right case. There are also situations where payments are received on closed cases. In such instances, a liability is recognised in the statement of financial position for unidentified or incorrectly received payments. A reasonable search and attempt to contact the payment sender are made but, failing this, the payment is recognised as income at intervals that are permitted according to the rules and business practices of the local jurisdiction.

Collateral assets

In connection with the acquisition and recovery of purchased loan portfolios, the Group may become owner of assets such as land, buildings or other physical goods. These assets are only acquired as part of the recovery strategy for the purpose of being divested within the Group's ongoing operations to maximize the value of recoveries. Such assets are classified as inventories and recognized in the balance sheet at the lower of cost and net realisable value in accordance with IAS 2 Inventories.

2.5 Segments

An operating segment is a part of the Group that generates income and incurs expenses, and for which separate financial information is available that is evaluated regularly by the chief operating decision maker, the Chief Executive Officer, in deciding how to assess performance and allocate resources to the operating segment.

The Group's operating segments are the geographical regions:

- Northern Europe (NE): Norway, Sweden, Denmark, Finland, Estonia, Latvia and Lithuania
- Poland
- Central Europe (CE): Croatia, Slovenia, Serbia, Montenegro, Bosnia and Herzegovina, Austria, Czech Republic, and Hungary
- Western Europe (WE): Spain, Italy and France
- South Eastern Europe (SEE): Bulgaria, Romania, Greece and Cyprus
- Central Functions (CF): including the Parent company and central functions in Luxembourg.

Results from purchased loan portfolios are included in the region where the portfolio is originated. The breakdown by geographical region is also used for internal monitoring in the Group.

Revenue and operating profits are reported by geographical region. Financial income and expenses are not as the allocation of financial items is dependent on the Group structure and financing and is not affected by the actual performance of the regions.

2.6 Revenue from contracts with customer

The Group applies IFRS 15 Revenue from Contracts with Customers five-step model whereby revenue is recognised at an amount which reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties. Revenue from contracts with customers are mainly revenue from external collection, telemarketing, fraud prevention and credit information services. Revenue from contracts with customers is presented in one-line item in the consolidated income statement as part of "Other revenues" and specified in note 7 Other revenues.

2.7 Taxes

Current income tax:

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date in the countries where the Group operates. When there is uncertainty regarding if particular tax treatments made in tax filings will be accepted by the tax authorities, but acceptability is probable, accounting tax positions are determined consistently with the treatment in the tax filings. If acceptability is not probable, the uncertainty is reflected when determining the accounting tax positions.

Income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in the income statement.

Deferred tax:

Deferred income tax is computed using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts in the statement of financial position at the reporting date.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or in respect of temporary differences associated with investments in subsidiaries, associates or joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised in the statement of financial position to the extent it is more likely than not that the tax assets will be utilised. The enacted tax rates at the end of the reporting period and undiscounted amounts are used.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax:
Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- where the sales tax incurred on the purchase of assets or services is not recoverable from the tax authority so that the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item. This is the case in many of the tax jurisdictions in which the Group operates where the collection of debts is not subject to sales tax; and
- receivables and payables which are subject to sales tax are stated with the amount of sales tax included.

The net amount of the sales tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

2.8 Tangible assets
Tangible assets, such as improvements to rented offices, equipment, fixtures and fittings are recognised at cost less accumulated depreciation and accumulated impairment, if any. Cost includes the purchase price and costs directly attributable to installing the asset in the way intended. Repair and maintenance costs are expensed as incurred.

Depreciation is calculated on a straight-line basis over the useful life of these assets, and for improvements to rented offices, over the remaining expected term of the property lease, if this is less than the useful life. For practical reasons, the residual value of the asset is set to zero.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The tangible assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of tangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is reported as other revenues or other operating expenses in the income statement as part of operating profit or loss.

2.9 Leases
The Group leases various office buildings, vehicles, and smaller equipment. Rental contracts are typically made for fixed periods of 6 months to 10 years but may have extension or termination options.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the contractual lease payments.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. For the classification in the statement of cash flow the interest payments on the lease liabilities follow the same principles as other interests.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.10 Intangible assets
Intangible assets include purchase of software and intangible assets acquired separately or in a business combination. Internal expenses for IT development and internal and external maintenance expenses are expensed as incurred.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight-line basis over the useful economic life and tested for impairment whenever there is an indication that the intangible asset may be impaired.

The intangible assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The amortization expense on intangible assets with finite lives is presented in the income statement as part of "Depreciation and amortisation".

The gain or loss arising from derecognition of an intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is reported as other revenues or other operating expenses in the income statement as part of operating profit or loss.

2.11 Impairment of tangible assets and other non-current assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. If it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash generating unit to which the asset belongs.

An asset's (or cash-generating unit's) recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The impairment is recognised in the income statement. If the impairment is subsequently reversed, for assets other than goodwill, the carrying amount of the asset (cash-generating unit) is increased to the updated estimate of its recoverable amount to the extent the increased carrying amount does not exceed the carrying amount that would have been recognised had no impairment losses been recognised for the asset (or cash-generating unit) in prior years.

See also section 2.1 Business combinations and goodwill and section 2.10 Intangible assets for the specific criteria which is applied in determining the impairment of these classes of asset.

2.12 Financial assets and liabilities: classification, measurement and impairment

A financial instrument is defined as any form of agreement giving rise to a financial asset in a company and a financial liability or equity instrument in a counterparty. The Group's main financial assets and liabilities are described below. See section 2.13 for a description of the Group's use of derivative financial instruments for the purpose of risk management.

Within the scope of IFRS 9 Financial instruments, financial assets are classified as either financial assets held at fair value through profit or loss (FVTPL), financial assets held at fair value through other comprehensive income (FVOCI) or financial assets held at amortised cost. Financial assets held at FVTPL are derivatives, equity-traded instruments and other investments not meeting the criteria of cash flows consisting of solely payments of principal and interest (SPPI). Financial assets at FVOCI meet the SPPI criteria and have a business model of Hold to collect and sell. All other financial assets are those meeting the SPPI criteria and with a business model of Hold to collect and are measured at amortised cost. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or at amortised costs. Financial assets and liabilities measured at FVTPL include derivatives not designated for hedging purposes, assets held for trading and financial assets and liabilities that are not classified in one of the other categories.

Financial assets and liabilities are recognised by the Group when it becomes party to the contractual provisions of the instrument and are initially measured at fair value, which normally equals the transaction price. Directly attributable transaction costs are added or subtracted from the carrying amount for financial instruments not measured at FVPL. The Group determines the classification of its financial assets and financial liabilities at the point in time of initial recognition.

Amortised cost is calculated based on expected future cash flows from the assets discounted using the effective interest derived from the relation between transaction price and expected future cashflows at the initial transaction date.

<u>Purchased loan portfolios:</u>
Purchased loan portfolios are measured at amortised cost. Their accounting treatment is described in more detail in section 2.4 and note 3.

<u>Loan receivables:</u>
Loan receivables are issued loans measured at amortised cost. See note 18.1 Loan receivables for additional information.

<u>Other non-current financial assets:</u>
Other non-current financial assets are primarily derivatives measured at FVTPL. See note 18.2 for additional information about fair value financial assets.

<u>Other current assets:</u>
Accounts and other receivables are recognised when the Group has performed and there is a contractual obligation on the counterparty to pay, even if an invoice has not yet been received. Accounts receivables are recognised when an invoice has been sent. Accounts and other receivables are recognized at the transaction price, nominal amount unless containing a significant financing component, and subsequently measured at amortised cost less any loss allowance. The loss allowance is based on a lifetime credit loss. The anticipated maturity of these receivables is short, so their carrying values are not discounted.

Customer cash accounts, included in Other, represent cash received on collection of a specific debt on behalf of a client and payable to the client within a specific period of time. The same amount is reported within other payables.

<u>Cash and cash equivalents:</u>
Cash and cash equivalents consist of cash and short-term deposits as well as immediately available balances with banks and similar institutions. Short-term deposits are easily and readily convertible to a known amount of cash and have a maturity of not more than three months.

<u>Interest bearing loans and borrowings including overdrafts:</u>
Bonds are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings, are subsequently measured at amortised cost using the effective interest method and included in net financial items. The upfront fees and discounts are a part of the borrowing cost and are recognised as part of the interest expense in accordance with the effective interest method. Due to their short-term nature, other loans and borrowings are recognised at nominal value and are subsequently measured at amortised cost.

Accounts and other payables:
Payables are recognised when the counterparty has performed and there is a contractual obligation on the Group to pay, even if an invoice has not yet been received. Accounts payable are recognized when an invoice has been received.

Accounts and other payables are recognised initially at transaction cost, normally nominal amount, and subsequently measured at amortised cost. The anticipated maturity of these payables is short, so their carrying values are not discounted.

Impairment of financial assets:
IFRS 9 Financial Instruments requires recognition of expected credit losses (ECL) for the Group's investments in debt instruments measured at amortised cost. The Group applies the practical expedient of the lifetime ECL model for accounts receivable. For loan receivables at amortised cost, the ECL 3-stage model is applied. In stage 1, ECL from default events that are possible within the next 12 months is recognised. In stage 2 and 3 (credit risk has increased significantly since initial recognition), lifetime ECL is recognised. Loan receivables are transferred from stage 1 to stage 2 when days past due are 11 days.

The purchased loan portfolios are credit impaired at acquisition and are out of scope for the general ECL impairment model. Full lifetime ECL is included in the estimated cash flows when calculating the effective interest rate, and only cumulative changes in lifetime ECL since initial recognition is recognized as a loss allowance for purchased loan portfolios.

2.13 Derivatives
The Group uses the following derivative financial instruments to hedge its risks associated with interest rates and foreign exchange rates: interest rate swaps (with or without cap), interest rate caps, foreign exchange swaps and cross currency rate swaps (with or without cap).

The derivative financial instruments are measured at fair value. Any gains or losses arising from changes in fair value on derivatives that are not cash flow hedges or hedges of net investments are recognized in the income statement as financial income or expense.

Derivatives are recognised without any offsetting; as assets when the value is positive and as liabilities when the value is negative, unless the Group has the intention or legally enforceable right to settle the contracts net.

2.14 Derecognition of financial assets and liabilities
The Group derecognizes a financial asset when the contractual rights to the cash flow from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

2.15 Offsetting of financial instruments
Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is a current enforceable legal right to offset the recognised amounts and an intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.16 Fair value of financial instruments
The fair value of financial instruments that are traded on active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs.

For financial instruments that are not traded on an active market, the fair value is determined using appropriate valuation techniques which include:

- using recent arm's length market transactions
- reference to the current fair value of another instrument that is substantially the same and
- a discounted cash flow analysis or other valuation model.

An analysis of the fair values of financial instruments and further details as to how they are measured are provided in note 4 Financial risk management.

2.17 Provisions
Provisions such as workforce reductions, onerous contracts and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value. Where the Group expects full or partial reimbursement of the expense related to the provision, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.18 Pensions and other post-employment liabilities
Defined contribution pension plans:
The Group has a series of defined contribution pension plans which are pension plans under which the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The contributions are recognised as employee benefit expense when they are due.

The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods, and therefore does not record a pension liability in the statement of financial position.

Other post-employment liabilities:
The Group's employees in certain jurisdictions are entitled to one month's severance pay in the event of old-age or disability retirement, in accordance with national labour regulations. This post-employment liability is based on a valuation carried out by a professional actuarial firm. Provisions for other termination benefits are created once employment is terminated.

2.19 Share based payments
Members of the Group management and some key employees may receive remuneration in the form of share-based payments that are considered as equity-settled share-based payments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made, see further details in note 23 Share based payments. The fair value reflects market performance conditions, while service and non-market performance conditions are not considered. The cost is recognised as personnel costs, with a corresponding increase in other capital reserves, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.
The Group is obliged to withhold and pay an amount, and report the full amount, to local tax authorities for the employee's tax obligations associated with exercised share options. In addition, the Group may be obliged to report and pay social security tax.

No expense is recognised for awards that do not ultimately vest because of non-market performance and/or service conditions not being met. Where an award is forfeited by the entity, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. For further details, see note 13 Earnings per share.

2.20 Equity and net investment hedge
Share capital is stated at the nominal value of the shares that have been issued. Other paid-in capital consists of any premiums received in connection with the initial issue of share capital. Any transaction costs associated with the issuing of shares are deducted from other paid-in capital, net of any related income tax benefits.

Other capital reserves represent the cumulative cost of share-based payments, as described in note 2.18 above.

The effects of exchange differences on translation of foreign currency are included as a separate component of equity.

The Group hedges net investments in foreign operations when feasible. The hedged risk is the foreign currency translation risk caused by the consolidation of an investment in a foreign subsidiary with a different functional currency than the parent. With hedge accounting, the change in carrying amount due to exchange rate fluctuations to the degree considered an effective hedge, will be reported as "Hedging of currency risk in foreign operations" in Other comprehensive income. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as Other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss. For further details, see note 4 Financial risk management.

Other equity includes current and prior period results as disclosed in the consolidated statement of profit or loss and other comprehensive income.

2.21 Dividends
The Group recognises a liability to pay a dividend to owners of equity once it has been approved by the shareholders at the Shareholders' General Meeting. A corresponding amount is recognised directly in equity.

Dividend revenue is recognised when the Group's right to receive the payment is established, which is generally when the shareholders have approved the dividend.

2.22 Classification in the statement of financial position
Current assets and liabilities include items due less than one year from the reporting date, and items tied to the operating cycle, if longer. Other assets are classified as non-current assets. The current portion of long-term debt is included as current liabilities.

2.23 Related parties
Parties are defined as related parties if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence. All transactions between the related parties are based on the principle of 'arm's length'(estimated market value).

2.24 Consolidated statement of cash flows
The indirect method is used for the consolidated statement of cash flows which reconciles the change in cash and cash equivalents to the profit for the year before tax. For the purpose of the consolidated statement of cash flows, cash and cash equivalents, defined in section 2.12 Financial assets and liabilities, are shown net of any outstanding bank overdrafts.

Foreign subsidiary transactions are translated in the cash flow statement at the average exchange rate for the period. Acquired and divested subsidiaries are recognised as cash flow from investing activities on a net basis after deducting cash and cash equivalents in the acquired or divested company.

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements requires management to make judgements and assumptions that can significantly affect the amounts recognised in the financial statements. Additionally, major sources of estimation uncertainty at the end of the reporting period can have a significant risk of resulting in a material adjustment to the carrying amounts of assets or liabilities in future periods.

Key sources of estimation uncertainty and critical judgements are continually evaluated and updated based on expectations about future events that are believed by Management to be reasonable under the circumstances.

When applying the Group's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Purchased loan portfolios – classification

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 value of the receivable. After adoption of IFRS 9 Financial Instruments on 1 January 2018, these portfolios are defined as credit-impaired at acquisition, and classification under IFRS 9 Financial Instruments is dependent on an evaluation of the B2Holding business model and whether these portfolios meet the SPPI criteria (cash flows are solely payments of principal and interest). 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), as the SPPI criteria is met, and the business model would be Hold to collect and sell. Management has performed a detailed analysis and exercised significant judgement related to the classification of the purchased loan portfolios upon implementation of IFRS 9 Financial Instruments. 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 Financial Instruments 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 Financial Instruments.

Purchased loan portfolios – recognition in the income statement

The Group uses a credit-adjusted effective interest rate method to account for the loan receivables in the purchased loan portfolios. The use of the credit-adjusted effective interest rate method requires the Group to estimate future cash flows at each balance sheet reporting date. The underlying estimates that form the basis for interest income recognition and impairment losses on the portfolios depends on variables such as the ability to contact the customer and reach an agreement, estimated timing of cash flows, the general economic environment and statutory regulations. Interest income from purchased loan portfolios is the calculated amortised cost interest revenue from the purchased loan portfolios using the credit-adjusted effective interest rates set at initial acquisition in the consolidated income statement. If the estimations for future periods are revised, the Group adjusts the carrying amount of the portfolios and loans to reflect actual and revised estimated cash flows in accordance with IFRS 9.B5.4.6. This adjustment, due to changes in the actual and estimated cash flows, is recognised in the consolidated income statement as "Net credit gain/loss from purchased loan portfolios". Events or changes in assumptions and Management's assessments and judgement will affect the amount and timing of the recognition of interest income and impairment losses. For further details, see note 4 Financial risk management.

Purchased loan portfolios – measurement

Purchased loan portfolios consist mainly of acquired credit impaired (non-performing) loans and receivables (non-derivative financial assets). When these portfolios meet the definition of having cash flows that are payments of solely principal and interest and are managed in a business model of Hold to collect, they are measured at amortised cost. The initial book value of the purchased loan portfolios is at fair value, defined as the acquisition cost plus transaction expenses at the time of purchase. Subsequent measurement is at amortised cost using the credit-adjusted effective interest rate established as of the date of initial acquisition of the portfolio. Events or changes in actual versus estimated collections and Management's assessment of future cash flows will impact the net present value of future cash flows and therefore the amortised cost book value of the purchased loan portfolios. Significant estimates have been made by management with respect to the collectability of future cash flows from portfolios. The cash flow estimates are prepared by management over a forecast period of time. If the cash flow estimates are revised, the carrying amount is recalculated by computing the present value of estimated future cash flows using the original credit-adjusted effective interest rate.

Management's interpretations of historical cash flows, type of receivable, age, face value of the individual account, collaterals and experience from other portfolios form the basis for the cash flow estimates. Actual results may differ from the estimates, making it reasonably possible that a change in estimates could occur and impact the carrying value of the related purchased loan portfolio. On a quarterly basis Management reviews the estimates of future cash flows and whether it is reasonably possible that its assessment of collectability may change based on actual results and other factors that may have an impact on the estimates. Where management is made aware of special circumstances relating to a purchased loan portfolio that may affect the reliability of previous assumptions, they will review and, if necessary, change the future cash flow estimates.

For further details, see notes 2.4 Purchased loan portfolios and 4 Financial risk management.

Goodwill impairment testing

In accordance with IAS 36, goodwill is tested at least on an annual basis for impairment. If a loss in value is indicated, the recoverable amount is the cash-generating unit's (CGU's) fair value less the cost of disposal or its value in use. When testing goodwill for impairment, Management defines the recoverable amount as the estimated value in use. The value in use is the net present value of the estimated cash flows before tax. The discount rate used is the weighted average cost of capital (WACC) before tax calculated for each CGU.

Estimating the financial assets' recoverable amount is based on Management's judgements related to estimates of future performance and cash flows, the interest income generating capacity of the assets and assumptions related to future market conditions. A possible impairment of goodwill is determined by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. For specific details related to the testing of goodwill, see note 14 Goodwill.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that will be recognised, based upon the reliable evidence as to the estimated timing and amount of the future taxable profits. Further details are included in note 2.7 and note 12 Income tax.

NOTE 4: FINANCIAL RISK MANAGEMENT

4.1 Financial risk

The Group's activities are exposed to financial risks: market risk, currency and interest rate risk, credit risk, liquidity risk and cash flow risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Market and regulatory environment:

The primary market risk for the Group is related to general economic conditions and statutory regulations in various geographical markets which have an impact on the debtors' ability to pay and vendors' criteria for selling portfolios of loans and receivables. The services and products offered in the respective geographical markets are subject to strict local laws and regulations, including requirements for lending, ownership and debt collection licenses, as well as legislation concerning personal data protection. Any legislative changes concerning consumer credit could affect the Group's earnings, market position and range of products and services.

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 debt adjusted for derivatives are made in relevant currencies reflecting the underlying expected future cash flows from loans and receivables. The exceptions are Romanian Leu (RON), Bulgarian Lev (BGN), Hungarian Forint (HUF), Bosnian Convertible Mark (BAM), Czech Koruna (CZK) and Serbian Dinar (RSD) where all borrowing is done in EUR.

The Group's bond loans is denominated in EUR and borrowings under the multi-currency revolving credit facility and the bridge facility are drawn in PLN, SEK, DKK and EUR. To obtain a more balanced currency basket, the Group has entered into one FX Swap of EUR 15 million bought against PLN. At 31 December 2022, Net debt amounted to NOK 9,199 million. Adjusted for the currency derivative mentioned above, the Net debt represented a currency basket comprising of EUR: 66 %, PLN: 19 %, SEK: 10 % and DKK: 4 %.

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 debt up to a maximum period of five years. The hedging ratio at 31 December 2022 was 54 % with a duration of 1.0 years.

Under the arrangements in effect at 31 December 2022, a 1 %-point decrease in market interest rates is estimated to have a neutral effect on net financial items of NOK 0 million, including a decrease in the fair value of the derivatives of NOK 42 million and reduction in payments from derivatives of NOK 50 million, offset by a reduced estimated interest cost of NOK 92 million. A 1 %-point increase in market interest rates is estimated to have a negative effect on net financial items of NOK 0.6 million, driven by an increase in the fair value of the derivatives of NOK 42 million and increased payments from the interest rate derivatives of NOK 50 million with an increase in interest expense is estimated to NOK 92 million.

In general, changes in macroeconomic factors such as interest rates may impact the debtors' ability to repay their debt and thereby influence the future cash flow received from the portfolios.

The currency sensitivity analysis shown below is based on book value of loans and receivables at 31 December 2022, net of Net debt and the effect of currency derivatives.

All figures in NOK million unless otherwise stated

Currency	Closing rate at 31 December 2022 against NOK	NOK strengthens by 20 %	NOK strengthens by 10 %	NOK weakens by 10 %	NOK weakens by 20 %
DKK	1.4138	-42	-21	21	42
EUR	10.5138	339	170	-170	-339
HRK[1)]	1.3954	-492	-246	246	492
SEK	0.9453	-93	-46	46	93
HUF	0.0262	-10	-5	5	10
BAM	5.3757	-5	-2	2	5
RSD	0.0897	-8	-4	4	8
PLN	2.2462	-153	-76	76	153
RON	2.1242	-54	-27	27	54
BGN	5.3757	-95	-48	48	95
CZK	0.4360	-75	-37	37	75
Total impact on book values		**-686**	**-343**	**343**	**686**

1) *Croatia (HRK) converted into EUR in January 2023.*

The EUR has an opposite effect to the other currencies in the table above because EUR net borrowings, including derivatives, exceeds the book value of EUR loans and receivables. The reason for this is that all borrowings relating to the acquisition of loan portfolios in Czech Republic, Croatia, Serbia, Bosnia and Herzegovina, Hungary, Romania and Bulgaria are done in EUR and not in their local currency, as mentioned in the currency risk paragraph above.

Credit risk:
Most of the loans and receivables are unsecured. As long as there is uncertainty about the ability of debtors to fulfil their obligations, there will also be considerable risk linked to cash collected from the Group's loans and receivables. Management's view is that the real credit risk exposure is reduced through the price discount paid on acquisition of the portfolios.

In order to minimise the credit risk exposure, the Group continues to invest in staff with broad experience in credit management, and focus on increased analytical approaches to portfolio assessments. In addition, the Group's investment in effective IT systems and a more uniform cross-border business model will result in better control of the Group's business, which in turn will also help reduce the risk of credit losses.

Refer to note 32 for subsequent events impact on credit risk.

Maximum exposure to credit risk	2022	2021
Purchased loan portfolios	11 181	10 921
Loan receivables	280	206
Investments in associated companies and joint ventures[1)]	690	854
Other non-current financial assets	133	54
Accounts receivable	34	32
Other current assets	357	228
Cash and cash equivalents	1 176	376
Total at 31 December	**13 852**	**12 671**

1) *Investments in associated companies and joint ventures are recognised using the equity method, but underlying exposures are loan portfolios. These investments are therefore included in 2022 and 2021 is changed accordingly.*

All figures in NOK million unless otherwise stated

Liquidity risk:
The Group's multi-currency revolving credit facility of EUR 610 million, the EUR 171 million Senior Facility Agreement (SFA), the three senior unsecured bond loans of in total EUR 550 million, and the cash and cash equivalents, totalling NOK 15,170 million at 31 December 2022, ensures necessary funding to meet future payment obligations. At 31 December 2022, the Group had an unused part of the revolving credit facility totalling EUR 206 million or NOK 2,166 million, an unused part of the SFA of EUR 53 million or NOK 557 million, an unused part of the multi-currency overdraft totalling EUR 18 million or NOK 180 million and cash and cash equivalents of NOK 1,176 million.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	12 months or less	1-2 years	2-5 years	More than 5 years
Interest bearing loans & borrowings (current and non-current)	2 056	2 741	10 547	
Other non-current liabilities		32	64	55
Bank overdraft	131			
Accounts and other payables	209			
Other current liabilities	405			
Total at 31 December 2022	**2 801**	**2 773**	**10 611**	**55**
Interest bearing loans & borrowings (current and non-current)	2 945	5 124	2 050	
Other non-current liabilities		37	40	8
Bank overdraft	219			
Accounts and other payables	173			
Other current liabilities	282			
Total at 31 December 2021	**3 619**	**5 161**	**2 090**	**8**

Refer to note 32 for subsequent events impact on liquidity risk.

Capital structure:
The Group's Net interest bearing debt was NOK 9,042 million at 31 December 2022. Total equity, net of intangible assets (incl. goodwill), was NOK 4,353 million and total assets, net of intangible assets (incl. goodwill), was NOK 15,636 million.

The Group monitors its capital structure by calculating a total loan to value ratio, defined as Net debt, adjusted for vendor financing, earn out, financial lease, fair value of hedging instrument, less cash and deposits divided by the carrying value of purchased loan portfolios, loan receivables, joint venture investments, collateral assets and goodwill. The total loan to value ratio at 31 December 2022 was 67.2 % which is lower than the maximum allowed loan to value covenant requirement under the multi-currency revolving credit facility of 75 %.

Refer to note 24 for more information about the Group's financial covenants.

All figures in NOK million unless otherwise stated

4.2 Derivative financial instruments and net investment hedge

At 31 December 2022, the Group had the following derivative financial instruments:

Instrument	Currency	Notional amount in currency	Notional amount in NOK	Fixed rate	Strike	Floating 3M IBOR	Fair value NOK	Start	Due
Interest rate derivatives:									
Interest rate swap	DKK	350	495	0.2540 %		2.45 %	14	21/12/2018	14/12/2023
Interest rate swap	PLN	75	168	0.6850 %		6.82 %	23	14/07/2020	14/07/2025
Interest rate swap	PLN	75	168	0.6670 %		6.82 %	23	15/06/2020	16/06/2025
Interest rate swap	PLN	75	168	0.6650 %		6.82 %	22	14/05/2020	14/05/2025
Interest rate cap	EUR	100	1 051		1.0000 %	2.13 %	9	10/07/2018	10/07/2023
Interest rate cap	EUR	100	1 051		1.0000 %	2.13 %	9	10/07/2018	10/07/2023
Interest rate cap	EUR	75	789		1.0000 %	2.13 %	20	21/12/2018	14/02/2024
Interest rate cap	EUR	75	789		1.0000 %	2.13 %	19	21/12/2018	14/02/2024
Interest rate cap	SEK	300	284		1.0000 %	2.70 %	8	21/12/2018	14/03/2024
							146		

	Currency pair	Buy amount in currency	Buy amount in NOK	Forward rate	Sell amount currency	Spot rate	Fair value NOK	Start date	Due date
Currency derivatives:									
FX swap	EUR/PLN	15	158	4.7580	71	4.6816	-0.4	10/12/2021	14/03/2022
							-0.4		

The Group uses interest rate swaps and caps to hedge (from floating to fixed) its interest rate risk exposure, and foreign exchange forward contracts to hedge its currency exposure. The fair value of the interest swaps and caps at 31 December 2022 was positive with NOK 146 million and the fair value of the foreign exchange forward contracts at 31 December 2022 was negative with NOK 0.4 million. In total the fair value of all derivatives at 31 December 2022 was positive with NOK 146 million.

In addition to changes in fair value, net financial items is also affected by the interest paid and received under the interest rate swaps and foreign exchange forwards. The net interest revenue from the interest rate swaps and caps was NOK 18 million, and the net interest revenue from the currency derivatives was NOK 7 million in 2022.

Financial instruments designated as hedging instruments of net investment in foreign operations

The Group applies hedge accounting to hedges of net investments in foreign subsidiaries. The hedged risk is the foreign currency translation risk caused by the consolidation of an investment in a foreign subsidiary with a different functional currency than the parent. Foreign currency borrowings are used as hedging instruments. These instruments are presented as non-current interest bearing debt in the balance sheet. Instruments in EUR, PLN and SEK are used to hedge the investments in the Group's subsidiaries with functional currencies EUR, PLN and SEK. Hedge ineffectiveness may arise when the amount of the investment in the foreign subsidiary becomes lower than the amount of the debt and derivatives designated as hedging instruments.

The total hedged exposure in the net investment hedges amounted to NOK 2,118 million at 31 December 2022. There was no hedge ineffectiveness recorded in the years ending 31 December 2022 and 2021, since the foreign currency gains and losses on the hedged items are offset by the foreign currency gains and losses on the hedging instruments. The hedge ratio is 1:1. Any reclassifications from net investment hedge reserve to the income statement, due to for instance sales of subsidiaries, can be seen in the Consolidated statement of comprehensive income and the Consolidated statement of changes in equity.

All figures in NOK million unless otherwise stated

Net investment hedging relationships	2022	2021
Change in carrying amount of net investment hedge instruments as a result of foreign currency movements since 1 January, recognised in OCI	9	15
Change in value of hedged item used to determine hedge effectiveness	-9	-15

Interest bearing debt designated as hedging instruments in net investment hedges (only designated part of instruments is included):

As of 31 December	2022	2021
Nominal amounts net investment hedge instruments	2 118	1 292

Debt designated as hedging instruments in net investment hedges are recognised on the line item Non-current interest bearing loans and borrowings in the Consolidated statement of financial position.

The following table shows the maturity profile (in nominal values) of the Group's net investment hedge instruments (only designated part of instruments are included):

	<1 year	2 years	3 years	4 years	Total
As of 31 December 2022	620		1 498		**2 118**
As of 31 December 2021		1 292			**1 292**

Impact of hedging on equity

Set out below is the reconciliation of component of equity and the analysis of the other comprehensive income:

	Foreign currency hedge reserve
As at 1 January 2021	**7**
Foreign currency revaluation of the PLN borrowing	6
Foreign currency revaluation of the SEK borrowing	7
Foreign currency revaluation of the EUR borrowing	2
As at 1 January 2022	**22**
Foreign currency revaluation of the PLN borrowing	23
Foreign currency revaluation of the SEK borrowing	17
Foreign currency revaluation of the EUR borrowing	-31
As at 31 December 2022	**31**

All figures in NOK million unless otherwise stated

4.3 Purchased loan portfolios

Purchased loan portfolios at 31 December 2022

	2022	2021
At 1 January	**10 921**	**13 033**
Purchase of loan portfolios	2 165	1 202
Gross collection from purchased loan portfolios	-4 584	-5 068
Interest revenue from purchased loan portfolios	2 133	2 344
Net credit gain/loss purchased loan portfolios	129	11
Exchange rate differences	417	-600
At 31 December	**11 181**	**10 921**

Gross collections from purchased loan portfolios:
Gross collections are the actual cash collected and assets recovered from purchased portfolios before costs related to collect the cash received.

Net credit gain/loss from purchased portfolios:
The Group purchases materially impaired loan portfolios at significant discounts and impairments are already included at purchase. The expected credit loss for the purchased loan portfolios is not explicitly recognized as a loss provision, as these financial assets are credit impaired by definition and the estimated loss is already part of the amortized cost. The Group's exposure to credit risk from the purchased loan portfolios is related to actual Gross collections deviating from collection estimates and from changes in future cash collections estimates. The Group regularly evaluates the current collection estimates on single portfolios and the estimate is adjusted if collections are determined to deviate from current estimate over time. The adjusted collections estimate is discounted by the initial rate of return at acquisition of the portfolio. Changes from current estimate adjusts 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". The portfolios are evaluated quarterly. Cash collections above collection estimates and upwards adjustment of future collection estimates increase revenue. Cash collections below collection estimates and downwards adjustment of future collection estimates decrease revenue.

Net credit gain/(loss) from purchased loan portfolios is specified in the table below:

Year ended 31 December 2022	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Total
Secured portfolios:						
Gross collection from purchased loan portfolios	8	36	571	254	153	1 022
Collection above/(below) estimates	3	-14	367	23	58	437
Changes in future collection estimates	-2	15	-272	-113	-38	-410
Net credit gain/(loss) from secured portfolios	1	0	95	-90	21	27
Unsecured portfolios:						
Gross collection from purchased loan portfolios	1 592	1 050	312	149	458	3 562
Collection above/(below) estimates	19	166	23	-61	-31	116
Changes in future collection estimates	-44	125	1	-72	-24	-14
Net credit gain/loss from unsecured portfolios	-25	291	24	-133	-55	102
Net credit gain/(loss) from purchased loan portfolios	**-24**	**291**	**119**	**-223**	**-35**	**129**

All figures in NOK million unless otherwise stated

Year ended 31 December 2021	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Total
Secured portfolios:						
Gross collection from purchased loan portfolios	10	48	859	294	215	1 427
Collection above/(below) estimates	4	19	30	-44	24	34
Changes in future collection estimates	-3	-26	2	-107	-29	-163
Net credit gain/(loss) from secured portfolios	1	-7	32	-150	-5	-129
Unsecured portfolios:						
Gross collection from purchased loan portfolios	1 691	1 004	324	168	454	3 641
Collection above/(below) estimates	70	106	4	-56	-43	81
Changes in future collection estimates	-13	2	-3	0	72	59
Net credit gain/loss from unsecured portfolios	58	108	1	-56	29	140
Net credit gain/(loss) from purchased loan portfolios	**58**	**102**	**33**	**-206**	**23**	**11**

Net purchase of purchased loan portfolios, cash flow statement:

	2022	2021
Purchase of loan portfolios	-2 165	-1 202
Change in prepaid/amounts due on purchase of purchased loan portfolios	8	10
Net purchase of purchased loan portfolios, cash flow statement	**-2 157**	**-1 192**

4.4 Fair value estimation purchased loan portfolios

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques such as net present value of estimated cash flows. For purchased loan portfolios, the discount rate used is the weighted average cost of capital, which is the weighted value of the cost of debt and the cost of equity in each particular country. The cost of equity is estimated by applying the capital asset pricing model.

As described in note 3, the preparation of cash flow estimates requires significant estimates to be made by management regarding future cash flows from purchased loan portfolios. The fair value of the purchased loan portfolios is estimated to be approximately NOK 11.5 billion and is based on net future estimated cash flows after tax, discounted with the estimated WACC for the countries in question. The corresponding carrying amount is NOK 11,181 million which is based on IFRS 9 using the estimated gross future cash flows, where the discount factor is the individual IRR for each portfolio. The future gross cash flow forecasts used to estimate the fair value are the same as the cash flow forecasts used in the accounting for purchased loan portfolios at 31 December 2022.

The fair value estimation is based on estimated monthly net cash flows from the purchased loan portfolios per subsidiary and type of portfolio (unsecured/secured). The estimated monthly net cash flows from purchased loan portfolios is the assumed monthly future Gross collection less assumed monthly cost to collect. Cost to collect is a percentage of the Gross collection and varies from 8 % to 35 % depending on the type of portfolio, stage of development of the subsidiary in its local market and country specific environment. In addition, the country specific marginal tax rate is applied. This individual cost to collect and tax rate is applied to each estimated future cash flow, adding up to an estimated total net cash flow (CF3) for the Group, presented in the table below.

Table showing CF1, CF2 & CF3 for the years from 2023 to 2042 for purchased loan portfolios owned at 31 December 2022	2023	2024	----------->	2043	Total
Gross collection (CF1)	4 148	4 199	10 477		18 824
Cost to collect	-794	-734	-2 111		-3 639
Gross collection less cost to collect (CF2)	3 354	3 465	8 366	0	15 184
Tax	-243	-158	-425		-827
Net cash flow from purchased loan portfolios (CF3)	**3 110**	**3 307**	**7 941**	**0**	**14 358**

All figures in NOK million unless otherwise stated

The weighted average cost of capital after tax is estimated for each country where the cash flow is generated. Based on this rate, the discounted value of the estimated net cash flows for the forecast period indicates that the fair value of the purchased loan portfolios is NOK 11.5 billion.

To evaluate this calculation, a sensitivity analysis is presented in the table below in order to see the effect of deviations in the cash flow estimates and effects of variations in the cost of capital used as discount rate.

Fair value of purchased loan portfolios at 31 December 2022 assuming different % forecast collection levels and discount rates		**% forecast collection**		
		90 %	**100 %**	**110 %**
Discount rate	WACC -1.5 %	10 641	11 962	13 283
	WACC -1.0 %	10 494	11 798	13 101
	WACC -0.5 %	10 352	11 638	12 924
	WACC used	10 214	**11 484**	12 752
	WACC +0,5 %	10 081	11 334	12 586
	WACC +1.0 %	9 951	11 188	12 425
	WACC +1.5 %	9 826	11 047	12 268

Cost of capital:
The cost of equity (R_S) was assessed by applying the Capital Asset Pricing Model, which assumes that the shareholders demand a risk premium in addition to the return on a risk-free (R_F) investment. The risk premium was estimated based on a general market risk (MRP), which was adjusted up or down depending on the industry's risk profile through multiplying by the β-risk. The first adjustment to the basic CAPM model is a country risk premium, CRP. An additional adjustment to the CAPM equation is a legal risk premium, LRP. This expands our specification of the CAPM to:

$$R_S = R_F + MRP * \beta + CRP + LRP$$

The weighted average cost of capital is estimated as:

$$WACC = \frac{Equity}{Equity + Debt} * R_S + \frac{Debt}{Equity + Debt} R_B * (1 - \text{corporate tax rate})$$

Where R_B is the cost of debt. The cost of debt is estimated as the observed weighted marginal cost of the company's outstanding debt.

Risk free rate:
The applied risk-free rate is based on a 10-year AAA-rated Euro area central government bond.
The applied rate is calculated as an average of observed rates in a 30-day period before the calculation date.

Market risk premium:
The market risk premium is defined as:

$MRP = (R_M - R_F)$
where R_M = Market return and R_F = Risk free rate

A market risk premium of 5 % was applied.

Equity beta:
The beta coefficient is a measure of systematic risk. The value expresses the combination of the stock's risk and to what extent the stock correlates with the market. Beta was determined based on stock price statistics for quoted, comparable companies. Monthly observations over a five-year period was used to estimate beta. The Morgan Stanley World ACWI index was used as reference index. Bayesian adjusted betas were applied. The effect of debt on β was eliminated through the Harris and Pringle formula.

Country Risk Premium (CRP)
A country risk premium is often added when the target company is located in or operating in a geographical area that is subject to additional political and economic risks compared to a similar company based in, for instance, Western Europe. There are several sources and methodologies available for estimating CRP. CRP for the Group was estimated using the Damodaran model, which is an extension of the sovereign spread model (Goldman model) where credit default risk for sovereign bonds is estimated based on sovereign bond credit ratings. The Damodaran model adjusts the bond default risk with a factor for assumed equity markets standard deviation divided by bond markets standard deviation (usually assumed to be 1.5).

Legal Risk Premium (LRP)
LRP is added to account for the risk related to a country's regulatory and legal environment. The LRP is calculated as a factor derived from a corruption perception index multiplied with a premium assumed on basis of the country's credit rating.

All figures in NOK million unless otherwise stated

Future cash flow estimates
The future cash flow estimates are based on the forecast for the portfolio base as of 31 December 2022.

Cost of capital calculation

	2022
Risk free rate (long term government bond yields)	2.1 %
Equity Beta	1.8 - 2.04
Country risk premium	0 % - 11.2 %
Market risk premium	5 %
Tax rates	9 % - 25 %
Cost of equity	11 % - 30 %
Cost of debt	6 %
Equity weight	31 %
Debt weight	69 %
WACC (after tax)	**6.7 % - 13.1 %**

4.5 Fair value of financial instruments

	Carrying amount			Fair value			
As at 31 December 2022	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Purchased loan portfolios (Note 4.4)		11 181	**11 181**			11 484	**11 484**
Derivatives (Note 4.2)	146		**146**		146		**146**
Other assets where carrying amount is a reasonable approximation of fair value and for which fair values are disclosed:							
Loan receivables (Note 18)		280	**280**				
Accounts receivables (Note 19)	34		**34**				
Collateral assets (Note 20)	1 294		**1 294**				
Cash and cash equivalents (Note 21)	1 176		**1 176**				
Financial liabilities							
Interest bearing loans and borrowings (Note 24)	131	10 087	**10 218**	4 813	5 363		**10 176**
Derivatives (Note 4.2)	0		**0**		0		**0**

All figures in NOK million unless otherwise stated

4.5 Fair value of financial instruments

	Carrying amount			Fair value			
As at 31 December 2021	**Fair value through profit or loss**	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets							
Purchased loan portfolios (Note 4.4)		10 921	**10 921**			11 370	**11 370**
Derivatives (Note 4.2)	71		**71**		71		**71**
Other assets where carrying amount is a reasonable approximation of fair value and for which fair values are disclosed:							
Loan receivables (Note 18)		206	**206**				
Accounts receivables (Note 19)	32		**32**				
Collateral assets (Note 20)	1 284		**1 284**				
Cash and cash equivalents (Note 21)	376		**376**				
Financial liabilities							
Interest bearing loans and borrowings (Note 24)	219	9 224	**9 443**	5 815	3 527		**9 342**
Derivatives (Note 4.2)	5		**5**		5		**5**
Contingent consideration (Note 5.2)	11		**11**			11	**11**

The fair value of unquoted financial assets has been estimated using valuation techniques based on assumptions that are not supported by observable market prices. The fair value of purchased loan portfolios (level 3) has been calculated by discounting the expected net future cash flows from Gross collection less cost to collect and tax with the estimated weighted average cost of capital for the countries where the purchased loan portfolio is originated.

The fair value of interest bearing loans and borrowings is equal to book value for the Multi-currency revolving credit facility (level 2) as the loans are based on one to six month floating interest. The fair value for the bond loans (level 1) were determined by obtaining quoted market prices for the bond loans from the Norwegian Stock Exchange. The fair value of derivatives is set by calculating the present value of future cash flow using market rates for interest and currencies. In the case of the derivatives the fair value is confirmed by the financial institution that is the counterparty.

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

Level 1: the input is quoted prices (unadjusted) in an active market for identical assets or liabilities.
Level 2: the input is prices, other than quoted prices included in level 1, that are observable for the asset or liability either directly (as prices) or indirectly (calculated from prices).
Level 3: the input to the asset or liability is not based on observable market data (non-observable input).

All figures in NOK million unless otherwise stated

NOTE 5: BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS

5.1 Acquisitions in 2022
The Group made no business acquisitions in 2022.

5.2 Contingent consideration
As part of the purchase agreements with the previous owners of NACC[1] a contingent consideration is due for a limited period of time based on the achievement of certain post-acquisition performance targets.

NACC, France was acquired in March 2018. As at the acquisition date, the fair value of the contingent consideration was estimated and accounted for as a non-current or current liability depending on the payment date of the various installments.

A reconciliation of the fair value measurement of the contingent consideration liability is set out below:

	NACC
At 1 January 2021	**31**
Payments during the year	-14
Fair value adjustments during the year	-5
Exchange differences	-1
At 31 December 2021	**11**
Payments during the year	-11
Fair value adjustments during the year	0
Exchange differences	0
At 31 December 2022	**0**

The contingent consideration to the former owners of NACC is based on Gross collection from the portfolios held by NACC as at 31 December 2017 for the period 30 September 2017 to 31 December 2021. In addition, if cost to collect in relation to the Gross collection from portfolios held at 31 December 2017 exceeds the target threshold, cost to collect will reduce the Gross collection constituting the calculation basis for the contingent consideration.

Estimated earn-out calculations of NOK 11 million for 2021 (final year), was finally approved and paid in 2022.

1) NACC (Négociation et Achat de Créances Contentieuses) changed name to SAS Veraltis Asset Managment in November 2022.

All figures in NOK million unless otherwise stated

NOTE 6: OPERATING SEGMENTS

For management purposes, the Group is organised into different geographical regions corresponding to the countries where the Group operates. The Executive Management monitors the operating results of these geographical regions separately for the purposes of 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 are equal in segment reporting and in the consolidated income statement. Amortisation/revaluation of purchased loan portfolios shows the difference between Gross collection and revenue from purchased loan portfolios recognised in the condensed interim consolidated income statement.

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

Year ended 31 December 2022	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
Interest revenue from purchased loan portfolios	717	489	364	264	299		2 133
Net credit gain/(loss) from purchased loan portfolios	-24	291	119	-223	-35		129
Revenue from purchased loan portfolios	**693**	**780**	**483**	**41**	**265**		**2 262**
Profit from investments in associated parties/joint ventures	-9		82		28		100
Total revenue from purchased loan portfolios	**684**	**780**	**564**	**41**	**292**		**2 362**
Revenue from external collection	141		6	102	100		349
Revenue from loan receivables		117			1		118
Revenue from sale of collateral assets	1	2	519	17	42		581
Other operating revenues	16	4	13	28	7		68
Total other revenues	**158**	**123**	**538**	**146**	**150**		**1 115**
Total revenues	**842**	**903**	**1 103**	**187**	**442**		**3 477**
Cost to collect	-229	-272	-191	-148	-184		-1 025
Cost of collateral assets sold, including impairment	-1	-2	-345	-11	-33		-392
Cost other revenues	-128	-52	-20	-133	-121		-453
Administration and management costs	-31	-17	-29	-10	-23	-286	-395
EBITDA	**453**	**560**	**518**	**-114**	**82**	**-286**	**1 212**
Depreciation, amortisation and impairment losses	-16	-20	-9	-19	-17	-103	-184
Operating profit/(loss) (EBIT)	**437**	**540**	**510**	**-134**	**65**	**-389**	**1 029**

All figures in NOK million unless otherwise stated

Year ended 31 December 2021	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
Interest revenue from purchased loan portfolios	777	505	430	308	324		2 344
Net credit gain/(loss) from purchased loan portfolios	58	102	33	-206	23		11
Revenue from purchased loan portfolios	**835**	**607**	**463**	**101**	**348**		**2 355**
Profit from investments in associated parties/joint ventures	6		65		27		99
Total revenue from purchased loan portfolios	**842**	**607**	**528**	**101**	**375**		**2 452**
Revenue from external collection	150	0	9	110	93		362
Revenue from loan receivables		92			1		93
Revenue from sale of collateral assets	2	3	98	11	51		164
Other operating revenues	19	1	17	30	16		83
Total other revenues	**171**	**95**	**124**	**151**	**160**		**702**
Total revenues	**1 013**	**702**	**652**	**253**	**535**		**3 155**
Cost to collect	-220	-259	-167	-150	-183		-981
Cost of collateral assets sold, including impairment	-1	-3	-72	-10	-33		-119
Cost other revenues	-135	-42	-27	-133	-110		-447
Administration and management costs	-24	24	-21	-16	-15	-160	-213
EBITDA	**632**	**422**	**365**	**-58**	**195**	**-160**	**1 396**
Depreciation, amortisation and impairment losses	-14	-25	-8	-19	-14	-9	-88
Operating profit/(loss) (EBIT)	**618**	**397**	**356**	**-76**	**181**	**-169**	**1 308**

Year ended 31 December 2022	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
Portfolio investments	884	729	74	312	166		2 165
Carrying value of purchased loans Purchased loan portfolios	4 437	2 378	1 795	1 563	1 008		11 181
Purchased loan portfolios held through joint ventures	56		240		394		690
Purchased loan portfolios at 31 December	**4 493**	**2 378**	**2 034**	**1 563**	**1 402**		**11 871**

Year ended 31 December 2021	Northern Europe	Poland	Central Europe	Western Europe	South Eastern Europe	Central functions / eliminations	Total
Portfolio investments	427	458	73	32	213		1 202
Purchased loan portfolios, book value Purchased loan portfolios	4 352	1 874	2 025	1 534	1 136		10 921
Purchased loan portfolios held through joint ventures	83		344		427		854
Purchased loan portfolios at 31 December	**4 435**	**1 874**	**2 369**	**1 534**	**1 563**		**11 775**

All figures in NOK million unless otherwise stated

NOTE 7: OTHER REVENUES

	2022	2021
Collection fees, commissions and debtor fees from external collection	349	362
Other revenues from contracts with customers	48	54
Total revenue from contracts with customers	**397**	**415**
Rental income from collateral assets	13	16
Other revenues	6	13
Total other revenues	**416**	**444**

Other revenues from contracts with customers consists mainly of telemarketing, fraud prevention and credit information services.

NOTE 8: EXPENSES OF SERVICES PROVIDED

	2022	2021
Fees to court and bailiffs	-323	-308
External cost portfolio acquisition & search	0	-4
Other fees for external services, including fees to lawyers for collection services	-99	-108
Total Expenses of services provided	**-422**	**-420**

NOTE 9: PERSONNEL EXPENSES

	2022	2021
Wages, salaries and other benefits paid	-683	-645
Social security costs & payroll taxes	-128	-131
Defined contribution pension costs	-34	-32
Cost of external temporary staff	-25	-30
Other personnel costs, including training and recruitment costs	-30	-33
Total Personnel expenses	**-900**	**-870**
Number of full time equivalents (FTEs) at 31 December	1 885	1 979

The pension schemes of the Norwegian companies in the Group follow the requirements in the Act on Mandatory company pension.

All figures in NOK million unless otherwise stated

NOTE 10: OTHER OPERATING EXPENSES

	2022	2021
Printing, postage	-51	-38
IT, telecommunications	-102	-93
Cost of office premises	-30	-29
Travel, vehicles, accomodation	-22	-15
Marketing, business entertaining, meetings, arrangements	-18	-12
Consultancy fees - non collection services	-216	-104
Statutory and other corporate costs, including business insurance and trade licences	-19	-21
Office equipment and supplies	-11	-10
Impairment of receivables	-2	-1
Bank charges	-8	-7
Other expenses	-71	-21
Total Other operating expenses	**-551**	**-350**

NOTE 11: NET FINANCIAL ITEMS

	2022	2021
Interest revenue	5	1
Gain on other financial instruments (excluding derivatives)	0	0
Other financial income	1	0
Financial income	**6**	**1**
Interest expenses	-665	-632
Change in fair value of interest rate derivatives	92	62
Interest expense on leases	-8	-7
Loss on purchase of bonds in own bond loans (note 24)	-7	0
Loss on other financial instruments (excluding derivatives)	0	0
Other financial expenses	-1	5
Financial expenses	**-588**	**-572**
Realised exchange gain/(loss)	-174	-16
Unrealised exchange gain/(loss)	168	22
Change in fair value of currency derivatives	-19	-1
Net exchange gain/(loss)	**-25**	**5**
Net financial items	**-607**	**-566**

All figures in NOK million unless otherwise stated

NOTE 12: INCOME TAX

The major components of income tax reported in the income statement for the years ended 31 December 2022 and 2021 are set out below.

Income tax expense:	**2022**	**2021**
Current year income tax payable	133	131
Change in deferred tax	-38	38
Total tax expense reported in the income statement	**95**	**169**

Reconciliation between the expected tax expense and the actual tax expense

	2022	**2021**
Profit before tax	421	742
Expected tax expense at Norwegian nominal tax rate of 22 %	**93**	**163**
Difference between local tax rates and the Norwegian nominal tax rate	-58	-20
Tax effect of permanent differences	-340	30
Tax effect of the change in unrecognised deferred taxes	456	-4
Other differences	-56	0
Actual tax expense	**95**	**169**
Effective tax rate	**23 %**	**23 %**

The nominal tax rate in Norway was 22 % in 2022. Subsidiaries outside Norway are subject to local tax rates in their country of operation. The effective taxation of operations outside Norway depends on both local tax rules and on whether it is possible to avoid double taxation. The tax expense is also dependent on whether or not to recognise a deferred tax asset from carry forward losses in the individual entity.

All figures in NOK million unless otherwise stated

Analysis of deferred tax assets and liabilities

Tax effect of temporary differences	2022	2021
Taxable temporary differences - non-current items		
Tangible and intangible assets	45	39
Purchased loan portfolios	280	248
Loans to group companies and other long-term assets	305	85
Long-term interest bearing loans and borrowings	11	0
Loans from group companies and other non-current liabilities	10	39
	651	**412**
Taxable temporary differences - current items		
Other current assets	18	28
Other current liabilities	0	0
	18	**28**
Deductible temporary differences - non-current items		
Tangible and intangible assets	0	-0
Purchased loan portfolios	-191	-144
Loans to group companies and other long-term assets	-1	-1
Long-term interest bearing loans and borrowings	-62	-19
Loans from group companies and other non-current liabilities	-1	-1
	-256	**-166**
Deductible temporary differences - current items		
Other short-term assets	-2	-3
Other current liabilities	-30	-33
	-32	**-36**
Tax losses carried forward	-1 033	-464
Gross deferred tax liabilities/(assets)	**-652**	**-226**
Deferred taxes not recognised	624	238
Net deferred tax liabilities/(assets)	**-27**	**12**

Due to the right to offset deferred tax assets and liabilities within the same tax jurisdiction, the presentation of net deferred tax in the consolidated statement of financial position for each year end was as follows:

	2022	2021
Deferred tax assets	-303	-279
Deferred tax liabilities	275	291
	-27	**12**
Deferred tax liabilities/(assets) at 1 January	12	-28
Deferred tax expense recognised in the income statement	-38	38
Deferred tax expense recognised in other comprehensive income	0	0
Exchange differences	-1	2
Deferred tax assets(-)/liabilities at 31 December	**-27**	**12**

All figures in NOK million unless otherwise stated

Analysis of tax losses available for offset against future taxable income, by year of expiration:

	2022	2021
Within 5 years	2 727	880
After 5 years	2	1
No time limit	1 607	1 127
Total tax losses available for offset	**4 336**	**2 007**
Tax effect of tax losses, before consideration of whether the losses are recognisable or not	**1 033**	**464**

Tax losses carried forward at 31 December 2022 relate mainly to the Group's subsidiary companies in Luxembourg NOK 3,178 million (NOK 1,242 million) and the Parent company in Norway, NOK 789 million (NOK 423 million). The tax losses in the Group's subsidiary companies in Luxembourg are partly recognised as deferred tax asset, based on the Group's expectation of taxable profit in the coming five years. The tax losses in the Group's parent company in Norway and NOK 1.694 (607) million in Luxembourg are not recognised as deferred tax assets.

NOTE 13: EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit after tax for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year, excluding the Company's own shares.

Diluted earnings per share amounts are calculated by dividing the profit after tax for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year, excluding the Company's own share, plus the weighted average number of ordinary shares that would be issued on conversion of all the potentially dilutive ordinary shares into ordinary shares.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	2022	2021
Profit after tax attributable to parent company shareholders	**326**	**573**
Number of shares outstanding at 1 January	409 932 598	409 932 598
Number of shares outstanding at 31 December	**401 364 824**	**409 932 598**
Treasury shares (note 22)	-14 184 000	-2 940 631
Weighted average number of shares during the year	**396 339 977**	**409 563 452**
Effect of dilution: Option programmes (note 23)	1 380 824	1 613 355
Weighted average number of shares during the year adjusted for the effect of dilution	**397 829 196**	**411 176 807**
Earnings per share (in NOK): - Basic	0.82	1.40
- Diluted	0.82	1.39

Options granted to employees are considered to be potential ordinary shares. Accordingly, they have not been included in the determination of basic earnings per share, but have been included in the determination of diluted earnings per share to the extent that they are dilutive. 9,640,781 options granted in the period 2019 - 2022 are not included in the calculation of diluted earnings per share because exercise price is higher than average stock price 2022 of 8.7294 and therefore they are not considered dilutive for the year ended 31 December 2022. These options could potentially dilute basic earnings per share in the future.

All figures in NOK million unless otherwise stated

NOTE 14: GOODWILL

	Goodwill
Acquisition/purchase cost	
At 1 January 2021	833
Exchange differences	-38
At 31 December 2021	**796**
Exchange differences	42
At 31 December 2022	**837**
Impairment	
At 1 January 2021	9
Impairment	0
Exchange differences	0
At 31 December 2021	**9**
Impairment	92
Exchange differences	5
At 31 December 2022	**106**
Net book value	
At 31 December 2021	**787**
At 31 December 2022	**731**

Goodwill acquired through business combinations has been tested for impairment at the end of 2022. The recoverable amount is set to the estimated value in use. The value in use is the net present value of the estimated cash flow before tax. The discount rate used is the weighted average cost of capital (WACC) before tax calculated for each Cash Generating Unit (CGU). Reference to note 4.4 for further details on cost of capital and WACC calculation.

The CGUs have been tested using a 5 or 10 year cash flow model discounted at a country specific pre-tax WACC ranging from 8.6 % to 10.6 % by the end of December 2022 (8.1 % - 10.1 % in 2021). A 5 or 10 year cash flow model has been used based on expected life time for the individual CGUs portfolio, as well as the expected recoverable cash flows arising from the individual CGUs loan portfolio investment programme. The terminal value for loan portfolios has been set to estimated portfolio book value at the end of the 5 or 10 year cash flow model.

The basis for the expected future cash flow is a management approved plan for the periode 2023-2025 for the individual CGU. The sum of the future expected gross cash flows, less estimated costs to collect and costs related to other revenue, forms the basis for the net cash flow estimates used in the 5 or 10 year cashflow model and estimated terminal value. The impact of changes to key assumptions have been considered and assessed for each individual CGU, and there have not been identified any instances that should cause the carrying amount to exceed the recoverable amount.

The following cash generating units represents 78 % of the carrying value of goodwill at the end of December 2022:

Poland Group
At 31 December 2022, the carrying value of goodwill allocated to Poland Group amounts amounts to NOK 302 million (287 million in 2021). The CGUs has been tested using a 10 year cash flow model based on a stable loan portfolio investment programme and with a terminal value after 10 years.

SAS Veraltis Asset Management (former Négociation et Achat de Créances Contentieuses - NACC), France, and its subsidiary Tahiti Encaissements Services, Tahiti
At 31 December 2022, the carrying value of goodwill allocated to SAS Veraltis Management, France, and its subsidiary amounts to NOK 268 million (NOK 254 million in 2021). The CGUs have been tested using a 10 year cash flow model with a terminal value after 10 years based on a stable loan portfolio investment programme.

All figures in NOK million unless otherwise stated

In addition, the following cash generating units have been tested for impairment:

Company name	Region	Allocated goodwill	
		At 31 December 2022	At 31 December 2021
Debt Collection Agency AD (Bulgaria) / B2 Kapital Portofoli Managment S.R.L (Romania) [1)]	South Eastern Europe	19	110
Confirmaciónde Solicitudes de Crédito Verifica S.A. (Verifica), Spain	Western Europe	87	82
Creditreform Latvia SIA, Latvia, and its subsidiaries	Northern Europe	31	29
Interkreditt AS, Norway	Northern Europe	11	11
OK Perinta OY, Finland, and its subsidiaries	Northern Europe	5	5
Nordic Debt Collection A/S, Denmark	Northern Europe	2	2
B2Kapital UAB, Lithuania	Northern Europe	7	6
Total		**162**	**246**

1) *Goodwill at 31 December 2021 was allocated to Debt Collection Agency AD in Bulgaria including a subsidiariy in Romania. The Romanian subsidiary is sold and merged into another Romanian Group entity, B2Kapital Portfolio Management S.R.L. and goodwill of EUR 1.8m was transferred to this entity. The remaining goodwill related to the Bulgarian entity was impaired in the second quarter of 2022 in connection with an agreement to sell this entity to an external party. The transaction is expected to close in 2023.*

There was no impairment of goodwill in any of the cash generating units except for the Bulgarian entity described above.

The Group constantly monitors the latest legislation in relation to sustainability. At the current time, no legislation has been passed that will impact the group. The group will adjust the key assumptions used in value-in-use calculations and sensitivity to changes in assumption should a change be required.

The war in Ukraine and volatile macroenvironment have created a significant uncertainty in the market and B2Holding is closely monitoring the macroeconomic and geopolitical developments related to the war. At this stage the baseline scenarios indicate limited risk for B2Holding, however the full impact on B2Holdings business activities and assessment of goodwill is uncertain and may change in the event of significant escalation.

All figures in NOK million unless otherwise stated

NOTE 15: TANGIBLE AND INTANGIBLE ASSETS

	Improvements to rented offices	Equipment, fixtures & fittings	RoU asset office premises	RoU asset vehicles & equipment	Intangible assets	Total
Acquisition/purchase cost						
At 1 January 2021	**34**	**149**	**184**	**8**	**387**	**763**
Additions	1	9	34	1	25	71
Disposals	0	-9	-5	0	-5	-20
Exchange differences	-2	-7	-9	0	-18	-36
At 31 December 2021	**34**	**141**	**204**	**9**	**389**	**778**
Additions	10	20	65	2	28	125
Disposals	-4	-28	-10	-6	-19	-67
Exchange differences	2	5	9	0	15	32
At 31 December 2022	**42**	**139**	**268**	**5**	**414**	**867**
Depreciation / amortisation and impairment						
At 1 January 2021	**22**	**97**	**72**	**3**	**238**	**433**
Depreciation / amortisation charge for the year	4	18	36	2	26	85
Impairment losses for the year	1	0			2	3
Disposals	0	-7	-3	0	-5	-15
Exchange differences	-1	-5	-4	0	-12	-22
At 31 December 2021	**25**	**103**	**101**	**5**	**249**	**483**
Depreciation / amortisation charge for the year	3	15	34	2	29	83
Impairment losses for the year	1	2			4	8
Disposals	-4	-22	-6	-4	-12	-47
Exchange differences	1	4	5	0	11	21
At 31 December 2022	**27**	**103**	**134**	**3**	**281**	**547**
Net book value						
At 31 December 2021	**9**	**38**	**103**	**4**	**141**	**295**
At 31 December 2022	**14**	**36**	**134**	**3**	**133**	**320**
Depreciation method	Straight line	Straight line	Straight line	Straight line	Straight line	
Economic useful lives	2-10 years	2-10 years	2-10 years	2-10 years	2-12 years	

Intangible assets are the capitalised costs related to the software systems used throughout the Group, client relationships and licenses. The Group has also invested in development of a group data warehouse.

All figures in NOK million unless otherwise stated

NOTE 16: LEASES

The Group's lease agreements mainly relate to the lease of office premises.

Lease liabilities	2022	2021
Current lease liabilities	32	36
Non-current lease liabilities	119	81
	151	**117**

Maturity analysis contractual undiscounted cash flows	2022	2021
Amounts due within one year	40	43
Amounts due between one and five years	93	68
Amounts due later than five years	55	32
	188	**144**

Effects on income statement	2022	2021
Depreciation of right-of-use assets	-36	-38
Interest expense on lease liabilities	-8	-7
Expense relating to short-term leases	-6	-8
Expense relating to leases of low value assets	-9	-8
	-58	**-61**

Cash outflows for leases	2022	2021
Interest paid on lease liabilities	-8	-7
Principle paid on lease liabilities	-26	-46
Expense relating to short-term leases	-6	-8
Expense relating to leases of low value assets	-9	-8
	-48	**-70**

Please refer to Note 15 for information about RoU assets.

All figures in NOK million unless otherwise stated

NOTE 17 INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

The Group has together with co-investors purchased loan portfolios through SPVs, fully financed through equity or participation loan/notes from the investors. The contractual arrangement of the participation is directly linked to the performance of the portfolios purchased in the SPVs. All gross collections in the SPVs from the portfolios are paid to the investors pro rata after deduction of cost to collect and overhead costs in the SPVs. The joint ventures are regulated by investor agreements securing that the righ to vote and decide on key decsions is not the same as the ownership interests. The investments are accounted for under the equity method in accordance with IFRS 11 Joint Arrangements.

Name of entity	Country of incorpora-tion	Place of business	%-right to cash flow		Relationship	Measure-ment method	Carrying amount	
			2022	2021			2022	2021
Hellas 2P Investment Designated Activity Company	Ireland	Greece	30%	30%	Joint Venture	Equity method	144	169
Hellas 3P Investment Designated Activity Company	Ireland	Greece	35%	35%	Joint Venture	Equity method	242	240
Glencar ICAV, Sub-Fund 3	Ireland	Sweden	30%	30%	Joint Venture	Equity method	56	83
CE Holding Invest S.C.S (Group)	Luxembourg	Croatia	50%	50%	Joint Venture	Equity method	240	344
EOS Credit Funding BL Designated Activity Company / ENB Property Solutions SRL	Ireland/ Romania	Romania	50%	50%	Joint Venture	Equity method	8	18
							690	**854**

Hellas 2P Investment DAC and Hellas 3P Investment DAC

In 2018, the Group entered into two agreements for co-investments in NPL portfolios in Greece through SPVs. The Group's share of the participation notes in the SPVs was 30% for the H2P portfolio purchase and 35% for the H3P porfolio purchase. The Group is servicing both H2P and H3P.

Glencar ICAV

The Group invested In December 2019 in 30% of a portfolio in Sweden through subscribing to 30% of the shares in Glencar 3, a sub-fund of Glencar ICAV. Glencar ICAV with offices in Dublin, Ireland. The portfolio is serviced by the Group.

CE Holding Invest S.C.S (Group)

31 Mai 2019 the Group acquired NPL portfolios containing secured corporate receivables in Croatia though a 50/50 joint venture with DDM Debt Group (DDM). As part of the coinvestment structure with DDM, the Group became owner of 50 % of the share capital and voting rights in CE Partner S.à r.l. and CE Holding Invest S.C.S. (the "Joint Venture") registered in Luxembourg. The Joint Venture is subject, by agreement, to joint controlled shared equally between DDM and the Group. The Group is master servicer for the Joint Venture.

EOS Credit Funding BL DAC / ENB Property Solutions S.R.L

In 2018 the Group became owner of 50 % of the share capital and voting rights in the SPV, EOS Credit Funding BL DAC with offices in Dublin, Ireland (portfolio owner), and ENB Properties Solutions srl with offices in Bucharest, Romania, and has joint control in these two companies.

The movements in in the investments in joint ventures are specified in the table below:

	2022	2021
Opening balance 1 January	854	871
Investments in Joint venture		87
Profit from investments in associated parties/joint ventures	100	99
Cash flow/dividend from joint ventures	-295	-184
Translation differences	31	-18
Closing balance at 31 December	**690**	**854**

All figures in NOK million unless otherwise stated

The summarised financial information for the joint ventures is shown below:

Name of entity	H2P		H3P		Glencar		CE Holding Invest		EOS/ENB[3]	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Summarised Balance Sheet										
Purchased loan portfolios	478	518	702	729	184	210	462	659	18	38
Other assets	-	-	-	-	2	2	23	20	4	0
Cash & cash equivalents	17	28	51	29	11	17	28	34	5	8
Total Assets	**496**	**546**	**753**	**757**	**198**	**229**	**513**	**713**	**27**	**46**
Liabilities[1]	17	22	43	25	3	4	34	26	10	7
Net Assets/Equity	**479**	**524**	**710**	**732**	**195**	**225**	**478**	**687**	**17**	**39**
Summarised Profit and Loss										
Revenue	99	102	76	76	31	-23	233	233	53	34
Expenses	-41	-43	-48	-48	-6	-8	-70	-84	-15	-23
Interest[2]	-	-	-	-	-	-	-	-19	-29	-13
Net income/loss	59	59	28	27	25	-31	163	130	9	-1

1) Excluding Profit Participating Notes
2) Excluding interest to Noteholders
3) Calendar year from March to February

The table above show the full financial information of the joint ventures and not the Groups share of the joint ventures. All financial information is adjusted to reflect the Groups accounting principles and assesments.

All figures in NOK million unless otherwise stated

NOTE 18: LOAN RECEIVABLES AND OTHER NON-CURRENT FINANCIAL ASSETS

Note 18.1: Loan receivables

	2022	2021
Loan receivables - gross	959	1 111
Loss allowance	-679	-905
At 31 December	**280**	**206**

Loan receivables are interest bearing loans issued by Takto in Poland and are normally granted for a period of few years, with monthly installments and no up-front payment. The Group collects contractual cash flow according to loan schedules. The average loan ticket amounts to PLN 4,250 and the average installment number is 33 months at the end of 2022. The Group decided in February 2023 to discontinue the loan issuance activity; hence no new loans will be issued. The existing loans will be administered and collected by the Group's servicing business in Poland. There is no single debtor who represents a large share of the loan receivables and therefore pose a material credit risk.

The Group measures the impairment loss on loan receivables using a 3-stage model for expected credit loss (ECL) according to IFRS 9. For loan receivables in stage 1 (performing, i.e. days past due between 0-10 days), ECL for default events that are possible within the next 12 months are recognised. The Group consider that credit risk has increased significantly since initial recognition for loan receivables in stage 2 (underperforming, i.e. days due between 11-60 days) and 3 (non-performing, i.e. days past due over 60 days) and lifetime ECL is recognised.

At 31 December, the analysis of loan receivables was as follows:

	Total	Stage 1	Stage 2	Stage 3
Loan receivables - gross	959	216	33	710
Loss allowance	-679	-21	-15	-643
Loan receivables - net, 31 December 2022	**280**	**195**	**18**	**68**
Loan receivables - gross	1 111	145	18	948
Loss allowance	-905	-17	-9	-879
Loan receivables - net, 31 December 2021	**206**	**128**	**9**	**69**

Note 18.2: Other non-current financial assets

	2022	2021
Financial assets at fair value through profit or loss:		
Derivatives (note 4.2)	128	52
	128	**52**
Financial assets at amortised cost:		
Other	5	2
	5	**2**
At 31 December	**133**	**54**

All figures in NOK million unless otherwise stated

NOTE 19: OTHER CURRENT ASSETS

19.1: Accounts receivable

As at 31 December	2022	2021
Accounts receivable from contract revenues - gross	32	27
Accounts receivable from single transactions - gross	5	8
Loss allowance	-3	-3
	34	**32**

There is no single customer who represents a large share of the accounts receivable and therefore pose a material credit risk.

Accounts receivable are non-interest bearing and are generally on terms of 30-90 days. At 31 December, the maturity of accounts receivables was as follows:

	Total	Not due	0-30 days	31-60 days	61-90 days	>90 days
Accounts receivable - gross, 31 December 2022	37	20	5	2	1	8
Loss allowance	-3	-0	-0	-0	-0	-3
Accounts receivable - net, 31 December 2022	**34**	**20**	**5**	**2**	**1**	**6**
Accounts receivable - gross, 31 December 2021	35	21	5	2	3	3
Loss allowance	-3	-0	-0	-0	-0	-3
Accounts receivable - net, 31 December 2021	**32**	**21**	**5**	**2**	**3**	**1**

19.2: Other current assets

As at 31 December	2022	2021
Value added, sales or other taxes receivable	41	43
Corporate income taxes receivable	51	
Amounts due from previous owners of purchased loan portfolios	8	5
Advances & security deposits paid to suppliers	102	54
Prepayments	34	25
Amounts due from employees	0	0
Derivatives (note 4)	18	19
Amounts due from joint ventures (note 17)	4	7
Accrued income not yet invoiced	19	21
Other	79	54
Total Other current assets	**357**	**228**

All figures in NOK million unless otherwise stated

NOTE 20: COLLATERAL ASSETS

Collateral assets are assets, mainly real estate, repossessed as part of the management of secured non-performing loan portfolios. Collateral assets are acquired with the purpose of subsequent resale in the near future, however there may be improvements or actions needed in order to optimaze prices.

	2022	2021
Opening balance 1 January	1 284	873
Additions	340	576
Disposals	-391	-117
Write-down	-1	-1
Exchange differences	63	-46
Closing book value at 31 December	**1 294**	**1 284**

Which consists of:

	2022	2021
Retail Properties	484	404
Non-retail properties	749	829
Other	62	50
Total	**1 294**	**1 284**

Of the collateral assets NOK 926 million is located in Central Europe (2021: 1,031 million), NOK 202 million is located in South Eastern Europe (2021: 169 million), NOK 161 million is located in Western Europe (2021: 77 million), NOK 5 million is located in Poland (2021: 6 million) and NOK 0 million is located in Northern Europe (2021: 1 million). Retail properties is related to private housing and non-retail properties to commercial buildings.

The Group has specific pre-emption rights on the realisability of some of its collateral assets if the offered sales prices are below what has been agreed with interested stakeholders. These rights are only applicable for a period of 18-36 months from the granting of such rights which was in Q3 2020.

The Group has no contractual obligations for construction, development, repairs or maintenance.

	2022	2021
Rental income	13	16
Revenue from sale of collateral assets	581	164
Cost of collateral assets sold, including impairment	-392	-119
Direct operating expenses	-16	-17
Operating profit/(loss) from collateral assets	**187**	**45**

Rental income is presented in the line "Other revenues" in the consolidated income statement. Direct operating expenses are directly related to the collateral assets and include repairs and maintenance costs, insurance, valuation costs and other similar types of running costs. Direct operating expenses are included in either "Expenses of external services provided" or "Other operating expenses" depending upon the nature of the expense.

All figures in NOK million unless otherwise stated

NOTE 21: CASH AND CASH EQUIVALENTS

	2022	2021
Cash at banks		
- unrestricted balances	1 141	308
- tax deductions from employee payroll	0	0
- other restricted balances	10	4
	1 151	312
Short-term deposits	25	64
	1 176	**376**

Cash at banks earns interest at floating rates which are based on bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Other restricted balances represent deposits paid into a short term escrow account in connection with, for example, the acquisition of loan portfolios or guarantees provided by third parties.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the cash and current deposits balances in the table above.

NOTE 22: 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 [1]	Share capital NOK mill	Other paid-in capital [2] NOK mill
At 1 January 2021	**409 932 598**	**41**	**2 843**
At 31 December 2021	**409 932 598**	**41**	**2 843**
Capital reduction registered 28 July 2022 related to the share buy-back programme ended 31 Mar 2022	-8 767 774	-1	
Capital increase registered 20 October 2022 related to issuance of ordinary shares	200 000	0	1
At 31 December 2022	**401 364 824**	**40**	**2 844**
At 27 April 2023 (the date of completion of these financial statements)	**401 364 824**	**40**	**2 844**

1) Including 14,184,000 treasury shares purchased in the 2022 Share buy-back programme.
2) Net proceeds after transaction costs.

A share buy-back programme started on 8 November 2021 and ended 31 March 2022. The purpose of the programme was to reduce the capital of the Company. In total 8,767,774 shares were bought back at an average price of NOK 9.90 per share and the share capital reduction of NOK 0.9m was effective as of 28 July 2022.

The Company started a second share buy-back programme on 27 May 2022 which was extended 9 November 2022. The purpose of the programme was to reduce the capital of the Company. 14,184,000 shares were bought back at an average price of NOK 8.31 per share, corresponding to 3.53 % of the Company’s shares and decreasing the equity attributable to parent company shareholders by NOK 118m.

All figures in NOK million unless otherwise stated

The share buy-back programme for 2022 is complete and the Board will propose to the Annual General Meeting 2023 to decrease the parent Company's Share capital and Other paid in capital by cancellation of its 14,184,000 treasury shares acquired under the share buy-back program. A creditor deadline of six weeks will apply before implementation.

Dividend paid to parent company's shareholders in 2022, for 2021, amounted to NOK 0.42 per share. Proposed dividend for 2022 is NOK 0.20 per share.

Mandates granted to the Board of Directors:
On 24 May 2022 the General Meeting of the shareholders of B2Holding ASA granted the Board a right to increase the share capital (i) in connection with acquisitions and raising of equity by up to NOK 4,011,648, equivalent to 10 % (rounded) of the Company's share capital, and (ii) to hounour options granted by the Company by up to NOK 1,181,000.

The General Meeting on 24 May 2022 also granted the Board a right to acquire own shares (treasury shares) in B2Holding ASA from the shareholders in the Company up to a total nominal value of NOK 4,011,648, equaling 10 % (rounded) of the share capital. The maximum amount to be paid per share is the volume weighted average price as quoted on the Oslo Stock Exchange for the five business days prior to the time of the acquisition plus 5 %, and the minimum amount is NOK 0.10. Treasury shares acquired may be utilized to either fulfil the Company's obligations in connection with acquisitions, employee incentive arrangements, fulfilment of earn-out arrangements, be sold to strengthen the Company's equity or be cancelled.

Each of the said authorisations provided to the Board are valid until the Company's Annual General Meeting in 2023, but no longer than to and including 30 June 2023.

Shares owned by Group management and Board of Directors
The number of shares owned directly or indirectly by the Board of Directors and Group Management at 31 December 2022 were as set out below. For details of options granted to the Board of Directors and Group Management, please refer to note 23.

Name	Position	Number of shares
Erik Just Johnsen [1)]	Chief Excecutive Officer	2 385 680
Endre Solvin-Witzø	Chief Investment Officer	125 000
Rasmus Hansson [2)]	Head of Commercial Strategy and Investor Relations	80 057
Adam Parfiniewicz [3)]	Head of Unsecured Asset Management	6 000
Maria Haddad	Chief Brand & Sustainability Officer	100 000
Harald L. Thorstein	Chair of the Board of Directors	280 000
Kjetil Garstad [4, 5)]	Board member	1 050 000
Adele Bugge Norman Pran	Board member	90 000
Grethe Wittenberg Meier	Board member	25 000
Trond Kristian Andreassen [6)]	Board member	300 000

1) Erling Johnsen AS, an entity controlled by Erik J. Johnsen holds 2,080,000 shares. In addition, persons related to Johnsen holds 145,680 shares
2) Rmh Invest AS, an entity controlled by Rasmus Hansson, holds 80,057 shares
3) Adam Parfiniewicz holds 6,000 shares through a nominee account
4) Kjetil Garstad represents a large shareholder, Stenshagen Invest AS
5) Steel City AS, an entity controlled by Kjetil Garstad, holds 1,000,000 shares. In addition, persons related to Garstad holds 50,000 shares
6) Vimar AS, an entity controlled by Trond Kristian Andreassen, holds 300,000 shares

Rasmussengruppen AS with subsidiaries holds 51,373,266 shares represented by board member Trygve Lauvdal.

For further information regarding shares and shareholders, please refer to note 11 to the parent company financial statements.

All figures in NOK million unless otherwise stated

NOTE 23: SHARE BASED PAYMENTS

23.1 Option programme

The Group has granted share options to management and selected key employees according to the Group's remuneration policy. As of the date of completion of these financial statements, there were 10,930,000 options outstanding.

All of the Company's option agreements include a clause regarding accelerated vesting meaning that if 50.1 % of the shares in the Company are sold to an acquirer, all outstanding options are vested. In case of a merger, the grantee shall if possible be granted an equal share option in the merged company. If this is not possible, the grantee will have the right to exercise all the options prior to the merger.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

	2022 Number	2022 WAEP	2021 Number	2021 WAEP
Outstanding 1 January	10 610 000	9.345	14 410 000	9.051
Granted during the year	2 110 000	8.050	2 450 000	10.080
Exercised during the year	-200 000	4.000		
Forfeited during the year	-240 000	7.720	-6 250 000	9.217
Expired during the year	-1 350 000	9.345		
Outstanding at 31 December	**10 930 000**	**7.820**	**10 610 000**	**9.345**
Exercisable at 31 December	**5 793 328**	**7.780**	**4 256 662**	**11.240**

One member of the Group Management resigned from his position in 2022 and in line with standard agreement, 240,000 share options not vested was terminated. 200,000 share options were exercised by a previous employee.

The weighted average fair value of options granted in 2022 was NOK 8.048 (NOK 10.08 for options granted in 2021) per option and the cost of the options recognised in personnel costs together with a corresponding increase in other capital reserves was NOK 6 million in 2022 (NOK 6 million in 2021).

The fair value of options awarded is calculated using the Black-Scholes option pricing model. The risk-free interest rate on the award date has been obtained from Norges Bank and weighted average for options awarded in 2022 was 2.92 % (0.89 % in 2021). The weighted average expected volatility for the options granted in 2022 was 48.42 % (54.85 % in 2021), and the expected lifetime has been set as the vesting date.

All figures in NOK million unless otherwise stated

At 31 December 2022, the range of exercise prices and weighted average remaining contractual life of the options were as follows:

	Outstanding options			Vested options		
Exercise price	**Outstanding options as of 31/12/2022**	**Weighted average remaining contractual life**	**Weighted average exercise price**	**Outstanding options as of 31/12/2022**	**Weighted average remaining contractual life**	**Weighted average exercise price**
0.00 - 8.00	2 500 000	2.5	4.000	1 666 662	2.5	4.000
8.01 - 9.00	3 510 000	3.3	8.222	700 000	3.3	8.452
9.01 - 9.99	4 920 000	2.4	9.426	3 426 666	2.4	9.480
13.00 - 17.99						
18.00 - 23.30						
Total	**10 930 000**	**2.7**	**7.824**	**5 793 328**	**2.6**	**7.778**

At 31 December 2021, the range of exercise prices and weighted average remaining contractual life of the options were as follows:

	Outstanding options			Vested options		
Exercise price	**Outstanding options as of 31/12/2021**	**Weighted average remaining contractual life**	**Weighted average exercise price**	**Outstanding options as of 31/12/2021**	**Weighted average remaining contractual life**	**Weighted average exercise price**
0.00 - 8.00	2 800 000	3.5	4.420	933 330	3.5	4.420
8.01 - 8.99	4 010 000	2.5	9.250	1 973 332	2.5	9.490
10.00 - 12.99	2 450 000	4.5	10.080			
13.00 - 17.99	600 000		16.060	600 000		16.060
18.00 - 23.30	750 000		20.480	750 000		20.480
Total	**10 610 000**	**2.9**	**9.346**	**4 256 662**	**1.9**	**11.241**

NOTE 24: INTEREST BEARING LOANS AND BORROWINGS

	2022	**2021**
Non-current		
Multi-currency revolving credit facility	4 025	3 031
Senior Facility Agreement	1 208	
Bond loan	3 653	3 794
	8 885	**6 825**

	2022	**2021**
Current		
Bond loan	1 201	1 900
Bridge Facility		500
Bank overdraft	131	219
	1 332	**2 619**

All figures in NOK million unless otherwise stated

Interest bearing loans

The Group is financed by the following loans; (i) a EUR 610 million senior secured multi-currency revolving credit facility agreement (RCF), including a multi-currency cash pool with a EUR 40 million overdraft. EUR 100m of the RCF matures on 31 December 2023 while the remaining EUR 510m matures in Q3 2025. (ii) a EUR 200 million senior unsecured bond with maturity in May 2023, (iii) a EUR 200 million senior unsecured bond with maturity in May 2024, (iv) a EUR 150 million senior unsecured bond with maturity in September 2026 and (v) EUR 171 million senior secured facility agreement (SFA) with PIF Barbican S.à r.l. (Pimco as original noteholder) with maturity in 2027.
The Group holds EUR 86 million in treasury bonds, which is not reflected in the tables below.

The RCF, SFA and the bond loans 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 facilities. 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 December 2022. There are no instalments to be paid before maturity.

At 31 December 2022, PLN 700 million, SEK 975 million, DKK 260 million and EUR 120 million, in total EUR 392 million, was utilised from the EUR 570 million RCF, leaving an available, undrawn amount of EUR 178 million. The multi-currency overdraft facility of EUR 40 million was utilised with EUR 13 million, leaving an available, undrawn amount of EUR 27 million. The SFA facility of EUR 171 million was utilised with EUR 118 million, leaving an available, undrawn amount of EUR 53 million.

The EUR 610 million RCF 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 SFA is fully securitised, but with no recourse to B2Holding. The Bond Loans are unsecured.

Details of the interest rates, maturity and outstanding nominal values by currency at 31 December 2022 and 31 December 2021 are summarised below:

At 31 December 2022	Currency	Interest rate %	Maturity	Outstanding nominal value
Multi-currency revolving credit facility	PLN	3.25 % + WIBOR	July 2025	1 572
	SEK	3.25 % + STIBOR	July 2025	922
	EUR	3.25 % + EURIBOR	July 2025	1 262
	DKK	3.25 % + CIBOR	July 2025	368
Bond loans[1)]	EUR	4.75 % + 3M EURIBOR	May 2023	2 103
	EUR	6.35 % + 3M EURIBOR	May 2024	2 103
	EUR	6.90 % + 3M EURIBOR	Sept 2026	1 577
Senior Facility Agreement	EUR	4.55 % + 3M EURIBOR	2027	1 241
				11 147

1) *Includes NOK 903 million in treasury bonds*

At 31 December 2021	Currency	Interest rate %	Maturity	Outstanding nominal value
Multi-currency revolving credit facility	PLN	3.75 % + WIBOR	May 2023	1 521
	SEK	3.75 % + STIBOR	May 2023	741
	NOK	3.75 % + NIBOR	May 2023	800
Bridge facility	NOK	5.50 % + NIBOR	May 2022	500
Bond loans[1)]	EUR	4.25 % + 3M EURIBOR	November 2022	1 998
	EUR	4.75 % + 3M EURIBOR	May 2023	1 998
	EUR	6.35 % + 3M EURIBOR	May 2024	1 998
				9 555

1) *Includes NOK 269 million in treasury bonds*

All figures in NOK million unless otherwise stated

The repayment schedule by currency at 31 December 2022 and 31 December 2021 is shown in the table below:

At 31 December 2022	Multi-currency revolving credit facility	SFA Facility	Bond loan	Total
	ALL CCY	NOK	EUR	
2022			2 103	2 103
2023			2 103	2 103
2024	4 123			4 123
After 2025		1 241	1 577	2 818
	4 123	**1 241**	**5 783**	**11 147**

At 31 December 2021	Multi-currency revolving credit facility	Bridge Facility	Bond loan	Total
	ALL CCY	NOK	EUR	
2022		500	1 998	2 498
2023	3 062		1 998	5 059
2024			1 998	1 998
	3 062	**500**	**5 993**	**9 555**

Financial covenants

The financial covenants at 31 December 2022 for the bond loans are summarised below. All covenants have been met at 31 December 2022 and 31 December 2021.

The financial covenants for the bond loan are as follows:

	Requirement	2022	2021
Secured loan to value	Maximum 65 %	29.7 %	24 %
Leverage ratio	Maximum 4.0	2.3	2.2
Net interest cover ratio	Minimum 4.0	6.9	7.3

The financial covenants for the RCF are as follows:

Borrowing base ratio, Equity Ratio, Actual collection vs. IFRS forecast, total loan to value ratio and interest cover ratio.
The borrowing base ratio is measured on "restricted group" (ex SFA).

The financial covenants for the SFA are as follows:

Loan to value ratio, Loan to CREV (Principal amount outstanding under the SFA divided by certain type of property valuations stated in the SFA) ratio, Cashflow cover ratio and Loan to CREV consentration ratio.
All covenants are measured on the no recourse structure.

If the group fails to comply with the financial covenants, all loan agreements have a grace period after notice thereof is given to the counterparties before default is declared.

Bank borrowings secured by pledged assets	2022	2021
RCF	4 025	3 531
SFA	1 208	
	5 232	**3 531**

Balance sheet value of pledged assets	2022	2021
RCF: Share Pledge	3 733	3 622
RCF: Intra Group Loan receivable	5 093	5 585
	8 826	**9 208**

All figures in NOK million unless otherwise stated

At 31 December 2022, the RCF is secured by a share pledge over B2Holding ASA's shares in B2Kapital Holding S.à r.l., 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 B2Kapital Holding S.à r.l.. The SFA is fully securitized (pledge in assets, bank accounts, portfolios, intercompany loans/notes and servicing agreements), but with no recourse to B2Holding. The Bond Loans are unsecured.

Changes in liabilities arising from financing activities

The table below shows reconciliation of cash flows from financing activities to interest bearing liabilities in the statement of financial position.

	At 1 January	Cash flow	Foreign exchange movement	Changes in fair value derivatives	New leases	Interest expense and amortization of arrange-ment fees	Other	At 31 December
2021								**11 469**
Non-current interest bearing loans and borrowings	10 116	-800	-318			57	-2 231	6 825
Other non-current liabilities	131			-11	35		-63	93
Current interest bearing loans and borrowings	1 153	-734	-264			13	2 231	2 400
Other current liabilities	339	-582	-3	-1		562	-6	309
Total liabilities from financing activities	**11 740**	**-2 115**	**-585**	**-11**	**35**	**632**	**-69**	**9 626**

	At 1 January	Cash flow	Foreign exchange movement	Changes in fair value derivatives	New leases	Interest expense and amortization of arrange-ment fees	Other	At 31 December
2022								
Non-current interest bearing loans and borrowings	6 825	3 537	282			53	-1 811	8 885
Other non-current liabilities	93			-3	67		-24	133
Current interest bearing loans and borrowings	2 400	-2 966	-57			14	1 811	1 201
Other current liabilities	309	-620	2	-1		598	108	396
Total liabilities from financing activities	**9 626**	**-50**	**227**	**-4**	**67**	**665**	**85**	**10 616**

Other non-current liabilities and Other current liabilites in the Consolidated statement of financial positions includes both financial activites, such as accrued interest on interest bearing loans, lease liabilites and derivatives, and non-financial activites. Non-financial activities are classified as Other in table above.

Hereof interest bearing liabilities	2022	2021
Interest bearing loans and borrowings [1]	10 087	9 224
Accrued interest on interest bearing loans and borrowings (see note 27)	82	47
Lease liabilities (see note 16)	151	117
	10 320	**9 388**

1) Including EUR 86 million treasury bonds in 2022 (2021: EUR 27 million)

All figures in NOK million unless otherwise stated

NOTE 25: OTHER NON-CURRENT LIABILITIES

	2022	2021
Financial liabilities at fair value through profit or loss		
Contingent consideration (note 5.2)	0	0
Derivatives (note 4)	0	3
Other	7	4
	7	**7**
Financial liabilities		
Lease liabilities (note 16)	119	81
	119	**81**
Other non-financial liabilities		
Post-employment liabilities	7	5
	7	**5**
	133	**93**

Contingent consideration due within one year is classified within other current liabilities.

NOTE 26: ACCOUNTS AND OTHER PAYABLES

	2022	2021
Accounts payable	78	67
Vendor financing	47	36
Amounts owed to third party collection customers	16	12
Amounts prepaid by loan debtors	41	32
Other payables	27	26
	209	**173**

Accounts payable, amounts prepaid by loan debtors and amounts owed to third party collection customers are non-interest bearing and are normally settled within 30 days. Vendor financing is non-interest bearing and relates to portfolio purchases not yet fully paid but normally due within 6 months.

All figures in NOK million unless otherwise stated

NOTE 27: OTHER CURRENT LIABILITIES

	2022	2021
Financial liabilities at fair value through profit or loss		
Contingent consideration (note 5.2)	0	11
Derivatives (note 4)	0	1
	0	**12**
Other liabilities at amortised cost		
Amounts due to employees	131	108
Accrued interest on external loans	82	47
Accrued costs of external collection services and other expenses	76	36
Lease liabilities (note 16)	32	36
Other	28	27
	351	**254**
Indirect taxes payable		
Value added taxes / sales taxes payable	9	11
Payroll taxes payable	12	12
Social security payable	22	20
Other indirect taxes payable	1	0
	45	**43**
	396	**309**

Contingent consideration due within one year is classified as other current liabilities.

Amounts due to employees are accruals for fixed and variable salaries and includes accruals for holiday entitlements according to local regulations and practices.

Interest payable on loans and borrowings is normally paid quarterly throughout the financial year.

Indirect taxes are non-interest bearing and are payable on a regular basis to the relevant national tax authority.

Social security payable at 31 December 2022 and 31 December 2021 includes the accrued social security costs of the share option programmes described in note 23.

NOTE 28: COMMITMENTS

28.1 Lease commitments - Group as lessee

The Group has entered into leases for office premises, motor vehicles and office equipment. The lease payments for the majority of the office premises lease contracts are adjusted according to the consumer price index, have an extension option and have an average life of between 12 months and 9 years. There are no restrictions placed upon the lessee under the lease contracts to use the office premises in the normal course of business. The commitments related to future payments on lease agreements are presented in note 16.

All figures in NOK million unless otherwise stated

28.2 Forward flow commitments

The Group has committed to buy non-performing debt portfolios for delivery in future periods ("forward flow" contracts) in the following segments. The estimated face value and purchase price of contracts are based on the maximum face value in the purchase agreement or best estimate if there are not any maximum amounts in the purchase agreements. The Group is entitled to terminate the agreements with less than 12 months notice. At 31 December, the non-cancellable part of these commitments were as follows:

	2022		2021	
	Face value	Purchase price	Face value	Purchase price
Northern Europe	71	65	71	47
Poland	27	12	92	21
Western Europe	101	12	85	11
South Eastern Europe	42	11	31	5
	240	**99**	**279**	**83**

NOTE 29: RELATED PARTY DISCLOSURE

The Group's related parties include the Group management team, Board of Directors of the parent company, associated companies and joint ventures (note 17).

No loans or guarantees have been given to members of the Management, the Board of Directors or other elected corporate bodies.

	2022	2021
Base salary	27	25
Benefits	1	1
Short term incentive	11	9
Share-options	6	6
Pension	3	3
Total compensation to key management personnel	**48**	**43**

CEO and Group Management have received bonus according to the bonus programme described in the Remuneration report. The Board of Directors has also granted one-off bonuses in excess of targets bonus to CEO and two members of group management. No additional remuneration are paid for special services outside the normal functions within the given manager positions.

Short term incentive includes yearly bonus awarded for the reporting period while the other amounts disclosed in the table are the amounts recognised as an expense during the reporting period.

The Board of Directors compensation was NOK 3.3 million in 2022 (NOK 2.9 million in 2021) including any additional fees to members of Audit Committee and Remuneration Committee.

Transactions with associated companies and joint ventures:
See note 17 and 18 for transactions with associated companies and joint ventures.

Group companies
Companies in the Group are also related parties. Intra-group related party transactions and outstanding balances are eliminated in the preparation of the consolidated financial statements of the Group. Sales to and purchases from intra-group related parties are made at normal market prices as the transactions are performed on the same terms as unrelated parties.

Outstanding intra-group balances at the year end are unsecured and interest free, other than for interest bearing loans.

B2Holding ASA, with its registered office in Oslo is the Parent Company of the Group. The list of Group subsidiaries is provided below. All subsidiaries are included in the B2Holding Group consolidated financial statements.

All figures in NOK million unless otherwise stated

Company name	Country of incorporation	Segment	Directly owned by B2Holding ASA	% equity interest 2022	2021
B2Holding ASA (Parent company of the Group)	Norway	Central functions			
Interkreditt AS	Norway	Northern Europe		100 %	100 %
Interkreditt Kapital AS	Norway	Northern Europe		100 %	100 %
Veraltis Group S.à r.l.	Luxembourg	Central functions	√	100 %	
BackB Investments S.à r.l.	Luxembourg	Central functions	√	100 %	100 %
B-Squared Investments S.à r.l.	Luxembourg	Central functions		100 %	100 %
B2Kapital Holding S.à r.l.	Luxembourg	Central functions	√	100 %	100 %
ULTIMO Portfolio Investment SA	Luxembourg	Central functions		100 %	100 %
ULTIMO SA	Poland	Poland		100 %	100 %
ULTIMO Securitisation Fund	Poland	Poland		100 %	100 %
ULTIMO Legal Office	Poland	Poland		99 %	99 %
ULTIMO TFI SA	Poland	Poland		100 %	100 %
TAKTO Group comprising TAKTO Sp z.o.o,					
TAKTO Securitisation Fund & Invest TAKTO SKA	Poland	Poland		100 %	100 %
Sileo Holding AB	Sweden	Northern Europe		100 %	100 %
Sileo Kapital AB	Sweden	Northern Europe		100 %	100 %
Interkredit Sverige AB[1)]	Sweden	Northern Europe			100 %
Sileo Förvaltning AB[2)]	Sweden	Northern Europe			100 %
OK Perintä OY	Finland	Northern Europe		100 %	100 %
Nordic Debt Collection A/S	Denmark	Northern Europe		100 %	100 %
OK Incure OÜ	Estonia	Northern Europe		100 %	100 %
TCM Estonia OÜ	Estonia	Northern Europe		100 %	100 %
B2Kapital SIA	Latvia	Northern Europe		100 %	100 %
Creditreform Latvija SIA	Latvia	Northern Europe		99.5 %	99.5 %
Crefo Rating SIA	Latvia	Northern Europe		100 %	100 %
AS Crefo Birojs	Latvia	Northern Europe		100 %	100 %
UAB B2Kapital	Lithuania	Northern Europe		100 %	100 %
B2 Kapital d.o.o	Croatia	Central Europe		100 %	100 %
B2 Real Estate d.o.o	Croatia	Central Europe		100 %	100 %
B2 Portfolio d.o.o.	Croatia	Central Europe		100 %	100 %
Veraltis Asset Management d.o.o. (former BSP Consulting d.o.o.)	Croatia	Central Europe		100 %	100 %
Veraltis Asset Management Ogranak d.o.o. (Branch)	Serbia	Central Europe			
Veraltis Asset Management Podruznica d.o.o. (Branch)	Slovenia	Central Europe			
B2Kapital d.o.o	Slovenia	Central Europe		100 %	100 %
B2 Holding Kapital d.o.o	Serbia	Central Europe		100 %	100 %
B2Kapital d.o.o	Bosnia and Herzegovina	Central Europe		100 %	100 %
B2Kapital d.o.o	Montenegro	Central Europe		100 %	100 %
B2Kapital GmbH[3)]	Austria	Central Europe		100 %	100 %
B2Kapital Czech Republic s.r.o	Czech Republic	Central Europe		100 %	100 %
Consequence Europe MKFT (liquidated April 2022)	Hungary	Central Europe			100 %
B2Kapital Hungary Zrt	Hungary	Central Europe		100 %	100 %

All figures in NOK million unless otherwise stated

Company name	Country of incorporation	Segment	Directly owned by B2Holding ASA	% equity interest 2022	2021
B2Kapital Porfolio Management S.R.L	Romania	South Eastern Europe		100 %	100 %
Veraltis Asset Management SRL (former B2 Real Estate Management S.R.L.)	Romania	South Eastern Europe		100 %	100 %
B2 Kapital Finance I.F.N. S.A.	Romania	South Eastern Europe		100 %	100 %
Freyja Development S.R.L	Romania	South Eastern Europe		100 %	100 %
Acatoen Development S.R.L	Romania	South Eastern Europe		100 %	100 %
Joro Assets S.R.L.	Romania	South Eastern Europe		100 %	100 %
Advanced Holding Three S.R.L	Romania	South Eastern Europe		100 %	100 %
Debt Collection Agency EAD[5)]	Bulgaria	South Eastern Europe		100 %	100 %
Smart Collect EOOD[5)]	Bulgaria	South Eastern Europe		100 %	100 %
B2 Real Estate Holding EOOD	Bulgaria	South Eastern Europe		100 %	
Veraltis Asset Management SA (former B2Kapital AE)	Greece	South Eastern Europe		100 %	100 %
B2Kapital Cyprus LTD	Cyprus	South Eastern Europe		100 %	100 %
Gabuyd Ltd	Cyprus	South Eastern Europe		100 %	100 %
Veraltis Asset Management Ltd	Cyprus	South Eastern Europe		100 %	
B2 Kapital S.r.l[3)]	Italy	Western Europe		100 %	100 %
B2 Kapital Investment S.r.l.	Italy	Western Europe		100 %	100 %
B2 Kapital RE S.r.l.	Italy	Western Europe		100 %	100 %
B2Kapital 7.1 S.r.l	Italy	Western Europe		100 %	100 %
Confirmación de Solicitudes de Crédito Verifica S.A.U	Spain	Western Europe		100 %	100 %
Verifica Portugal S.A.[4)]	Portugal	Western Europe			100 %
SAS Veraltis Asset Management (former Négociation et Achat de Créances Contentieuses)	France	Western Europe		100 %	100 %
SAS BackB REO France	France	Western Europe		100 %	
FCT B-Squared	France	Western Europe		100 %	
Tahiti Encaissements Services	French Polynesia	Western Europe		100 %	100 %

1) Sold from B2Kapital Holding S.à r.l. and merged into Sileo Kapital AB 16 December 2022
2) Sold from B2H ASA and merged into Sileo Kapital AB 16 December 2022
3) In process of liquidation
4) Liquidated during 2022
5) Debt Collection Agency EAD and its fully owned subsidiary Smart Collect EOOD is agreed to be sold and the transaction is expected to close in 2023.

All figures in NOK million unless otherwise stated

NOTE 30: FEES TO AUDITORS

Ernst & Young	2022	2021
Audit fees	11.1	9.4
Fees for further assurance services	0.4	0.5
Fees for tax advise	0.5	0.5
Total Ernst & Young	**12.0**	**10.4**
Other auditing companies	3.3	2.4
Total	**15.4**	**12.7**

VAT is both included and not included in the fees specified above, depending on if the receiving company can deduct VAT.

NOTE 31: GUARANTEES

B2Holding ASA has issued a guarantee limited to EUR 900 million with the addition of any and all interests, default interests, costs and expenses to DNB Bank ASA as Agent on behalf of itself, Nordea Bank ABP, Branch of Norway and Swedbank AB in connection with the provision of the Group's senior secured multi-currency revolving credit facility of EUR 610 million. The guarantee was issued on behalf of the borrower under the multi-currency revolving credit facility, B2Holding ASA's 100 % directly owned subsidiary, B2Kapital Holding S.à r.l. The total utilised amount under the facilities at 31 December 2022 was EUR 405 million.

B2Holding ASA has granted a soft guarantee to Senior Noteholders in the SFA which cover all reporting obligations in the related financing documents.

B2Holding ASA has issued a office rental guarantee with effect from 10 October 2017 in favour of the lessor of the Group's offices in Gothenburg, Sweden. In 2021 the rental agreement was extendend three years if not cancelled within a specified date. Although the guarantee is unlimited, the Group estimates that its exposure for the remaining rental period is limited to the yearly rental cost for the period, which amounts to SEK 2.4 million.

B2Holding ASA has issued a office rental guarantee with effect from 19 December 2017 in favour of the lessor of the Group's offices in Wroclaw, Poland. The guarantee agreement is limited to the aggregated amount of EUR 402 thousand, which are ment to cover 3 months office rental cost, and are valid until 90 days following the rental agreement maturing in June 2031.

NOTE 32: SUBSEQUENT EVENTS

The Board of Director's has proposed for the Annual General Meeting 2023 to pay a cash dividend of NOK 0.2 per share for 2022 and a share buy-back program of NOK 0.42 per share for the financial year 2022.

In the first quarter of 2023 B2Holding completed a tap issue of EUR 150m in B2H06. The tap proceeds were used to repurchase EUR 19m of B2H04.

As we are writing this report the war in Ukraine and volatile macroenvironment have created a significant uncertainty in the market and B2Holding is closely monitoring the macroeconomic and geopolitical developments. At this stage the baseline scenarios indicate limited risk for B2Holding, however the full impact on B2Holdings business activities and may change in the event of significant escalation.

NOTE 33: CONTINGENCIES

None.

All figures in NOK million unless otherwise stated

Parent company income statement

Year ended 31 December	Notes	2022	2021
Operating revenue from group companies		100	86
Total revenues		**100**	**86**
Personnel expenses	3	-77	-83
Depreciation and amortisation	7	-4	-1
Impairment losses	7	0	-2
Operating expenses from group companies		-85	-64
Other operating expenses	4	-66	-72
Operating expenses		**-232**	**-221**
Operating profit/(loss)		**-132**	**-135**
Group contribution	5	2	2
Profit from shares in associated parties/joint ventures		28	47
Interest income from group companies		390	430
Interest expense to group companies		-16	-1
Net exchange gain/(loss)	5	-20	1
Other interest expenses	5	-322	-364
Other financial items	5	35	-21
Net financial items		**96**	**93**
Profit/(loss) before tax		**-36**	**-42**
Change in deferred taxes	6	0	10
Profit/(loss) after tax		**-36**	**-32**
Attributable to:			
Ordinary dividend		-77	-170
Other equity		**-113**	**-202**

All figures in NOK million unless otherwise stated

Parent company balance sheet

As at 31 December	Notes	2022	2021
Tangible and intangible assets	7	29	23
Investment in subsidiary companies	8	4 317	3 625
Investments in associated companies and joint ventures	8	0	306
Non-current loans to group companies	8.1	6 039	5 585
Other non-current financial assets		14	5
Total non-current assets		**10 398**	**9 545**
Receivables from group companies	9	104	47
Other current assets		34	22
Cash and cash equivalents	9	1	0
Total current assets		**139**	**69**
Total assets		**10 537**	**9 614**
Share capital	10, 11	40	41
Other paid in capital	10, 11	2 844	2 843
Other capital reserves	10	26	21
Other equity	10	226	511
Total equity		**3 136**	**3 416**
Non-current interest bearing loans and borrowings	12	3 680	3 817
Total non-current liabilities		**3 680**	**3 817**
Current interest bearing loans and borrowings	12	1 203	1 908
Payables to group companies	9	2 387	227
Accounts and other payables		0	12
VAT, payroll and other public duties payables		6	9
Other current liabilities	13	126	225
Total current liabilities		**3 722**	**2 381**
Total liabilities		**7 401**	**6 198**
Total equity & liabilities		**10 537**	**9 614**

Oslo, 27 April 2023

/sign/
Harald L. Thorstein
Chair of the Board

/sign/
Adele Bugge Norman Pran
Board Member

/sign/
Grethe Wittenberg Meier
Board Member

/sign/
Trygve Lauvdal
Board Member

/sign/
Kjetil Garstad
Board Member

/sign/
Trond Kristian Andreassen
Board Member

/sign/
Thale Kuvås Solberg
Board Member

/sign/
Erik J. Johnsen
Chief Executive Officer

All figures in NOK million unless otherwise stated

Parent company cash flow statement

Year ended 31 December	Notes	2022	2021
Cash flow from operating activities			
Profit for the year before tax		-36	-42
Adjustment for non-cash items:			
Depreciation, amortisation and impairment of assets	7	4	3
Interest expense on interest bearing loans	5	321	364
Amortisation of loan financing costs	5	17	21
Cost share option programme		5	4
Unrealised foreign exchange differences		-175	67
Operating cashflows:			
Interest paid on interest bearing loans & borrowings		-325	-385
Operating capital adjustments:			
Decrease/(increase) in short term balances with group companies		2 103	284
Decrease/(increase) in accounts receivable and other current assets		-12	1
Decrease/(increase) in other non-current financial assets		-25	-2
Increase/(decrease) in accounts payable and other current liabilities		-19	25
Net cash flow from operating activities		**1 858**	**342**
Cash flow from investing activities			
Purchase of tangible and intangible fixed assets	7	-9	-12
Purchase of shares in subsidiary companies	8	-692	-1
Purchase of shares in joint ventures		306	-74
Decrease/(Increase) in non-current loans to group companies		-179	950
Net cash flow from investing activities		**-574**	**863**
Cash flow from financing activities			
Share issuance	11	1	
Buy-back share programme	11	-175	-31
Termination of issued options			-10
New interest bearing loans and receivables during the year		1 535	
Repayment of interest bearing loans and borrowings during the year		-2 476	-1 108
Dividend paid to shareholders	10	-168	-61
Net cash flow from financing activities		**-1 283**	**-1 210**
Net cash flow during the year		**1**	**-5**
Cash and cash equivalents at 1 January		0	5
Cash and cash equivalents at 31 December		**1**	**0**

Notes to the parent company financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements, which have been presented in compliance with the Norwegian Companies Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles in effect at 31 December 2022, consist of the income statement, balance sheet, cash flow statement and notes to the accounts. The financial statements are presented in Norwegian kroner (NOK) and all values are rounded to the nearest million except where otherwise is indicated.

Investments
Investment in subsidiaries, associated companies and joint venture companies are accounted for using the cost method. The investments are recorded at the acquisition price of the shares and will be written down or impaired to fair value when a fall in value is due to reasons that cannot be assumed to be temporary and are necessary according to generally accepted accounting principles. Write-downs are reversed when there is no longer a basis for impairment. Dividends and group tax contributions from subsidiaries are recognised in the income statement when the subsidiary has proposed these.

Interest bearing loans and borrowings
Borrowings are recognised at nominal value. Directly associated costs are amortised straightline over the term of the loan.

Foreign currency
Transactions in a currency other than Norwegian kroner are recognised at the exchange rate in effect on the transaction date. When such transactions are settled, any difference in the exchange rate will give rise to a realised exchange rate gain or loss. Monetary assets or liabilities in a currency other than Norwegian kroner are translated at the exchange rates on each balance sheet date and will give rise to an unrealised exchange rate gain or loss. Both realised and unrealised exchange rate differences are recognised in net financial items in the income statement.

Classification
Current assets and liabilities include items due less than one year from the reporting date, and items tied to the operating cycle, if longer. The current portion of long-term debt is included as current liabilities. Other assets are classified as non-current assets.

Tangible fixed assets
Tangible fixed assets are recorded in the balance sheet at historical cost less depreciation based on an assessment of useful economic life. If the recoverable amount is less than the balance sheet value, then the amount is impaired to the recoverable amount which is the highest of net sales value or value in use. Value in use is the current value of the future cash flows that the asset will generate.

Intangible assets
Intangible assets include purchase of software. Internal expenditures for IT development and external maintenance are expensed as incurred.

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The intangible assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The amortisation expense on intangible assets with finite lives is classified in the income statement as 'Amortisation of intangible assets'.

Any gain or loss arising on derecognition of an intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the intangible asset) is included in the income statement in the year the intangible asset is derecognised.

Lease agreements
A lease is classified as either a finance or operating lease. Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are expensed on a straight-line basis over the lease term.

Receivables and other current assets
Receivables and other current assets are accounted for at face value less any provision for expected losses.

Tax
Current income tax:
Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax:
Deferred income tax is computed using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts at the reporting date as well as tax losses carried forward. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each

reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Defined contribution pension plans
The Company operates a defined contribution pension plan under which the Company pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods, and therefore does not record a pension liability in the balance sheet.

Share based payments
Members of the management team and selected key employees receive remuneration in the form of share-based payments, whereby they render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in B2Holding Group financial statement note 23. That cost is recognised in personnel costs, together with a corresponding increase in other capital reserves within equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in the cumulative expense recognised at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured at the date of modification is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. For further details, see note 13 in B2Holding Group financial statement.

Cash flow statement
The cash flow statement is prepared according to the indirect method which reconciles the change in cash and cash equivalents to the profit for the year before tax. Cash flows are divided into cash flows from operating activities, investing activities and financing activities. Cash and cash equivalents consist of cash and short-term deposits as well as immediately available balances with banks and similar institutions. Short-term deposits are easily and readily convertible to a known amount of cash and have a maturity of not more than three months.

All figures in NOK million unless otherwise stated

NOTE 2: FINANCIAL RISK MANAGEMENT

Financial risk management for the Company is fully integrated into the B2Holding Group's overall financial risk management.

The B2Holding Group's activites are exposed to financial risks: market risk, currency and interest rate risk, credit risk, liquidity risk and cash flow risk. The Company focuses on the unpredictability of the financial markets and seeks to minimise the potential adverse effects of the market fluctuations on the Group's financial performance.

For further details, please refer to note 4.1 in B2Holding Group financial statment.

NOTE 3: PERSONNEL EXPENSES

	2022	2021
Wages, salaries and other benefits paid	52	52
Social security costs	9	9
Defined contribution pension costs	5	5
Other personnel costs	7	7
Cost share option programme	5	7
Social security cost share option programme	-1	4
	77	**83**
Number of full time equivalents (FTEs) at 31 December	27.0	27.0

All employees are covered by a defined contribution pension plan which fulfill the Company's obligations under the Norwegian occupational pension legislation.

NOTE 4: OTHER OPERATING EXPENSES

	2022	2021
Audit and tax services	3	2
External accounting services & temporary consultants	0	0
Tax and legal services	2	2
Other professional services	28	48
Cost of office premises	9	5
IT, telecommunications	6	4
Marketing, business entertaining	3	1
Travel, accommodation, meetings, arrangements	2	1
Statutory and other corporate costs	13	9
	66	**72**

4.1 Fees to auditors

	2022	2021
Audit fees	3	2
Fees for tax services	0	0
	3	**2**

All figures including VAT.

All figures in NOK million unless otherwise stated

NOTE 5: FINANCIAL ITEMS

	2022	2021
Group contribution from Interkreditt AS	2	2
Group contribution	**2**	**2**
Realised exchange gains/(losses)	-196	-52
Unrealised exchange gains/(losses)	176	53
Net realised and unrealised exchange gains/(losses)	**-20**	**1**
Interest expense on interest bearing loans	-321	-364
Other interest expense	-1	0
Other interest expenses	**-322**	**-364**
Interest income on cash & short-term deposits	1	0
Net gain/(loss) on financial instruments	51	
Costs of financing	-17	-21
Other financial items	**35**	**-21**

NOTE 6: TAXES

The major components of income tax reported in the income statement were:

	2022	2021
Current income tax		
Current year income tax payable	0	0
Deferred tax expense/(income)	0	-10
Total tax expense reported in the income statement	**0**	**-10**

Calculation of the income tax base	**2022**	**2021**
Profit before tax	-36	-42
Permanent differences	-83	104
Change in temporary differences	-117	-60
Transfer to/(from) tax losses carried forward	236	-2
Current year income tax base	**0**	**0**
Current year income tax payable at 22 %	**0**	**0**

All figures in NOK million unless otherwise stated

Calculation of the deferred tax base	Deferred taxes 2022	2021	Change in deferred taxes 2022
Non-current loans to group companies	416	141	
Fixed assets	6	6	
Taxable temporary differences	**422**	**147**	
Other receivables & liabilities	-3	-3	
Non-current interest bearing loans	-201	-41	
Tax losses carried forward - no time limit on expiry	-733	-419	
Reversal of basis for deferred tax asset not recognised	515	317	
Deductible temporary differences	**-422**	**-147**	
Net basis for deferred tax / tax asset	**0**	**0**	
Basis for deferred tax at 22 %	-113	-70	-44
Deferred tax asset not recognised	113	70	44
Net deferred tax / change in deferred taxes	**0**	**0**	**0**
Comprising:			
22 % deferred tax liability	93	32	
22 % deferred tax asset	-93	-32	
	0	0	

Significant judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Reconciliation of the Norwegian nominal tax rate to the effective tax rate	2022	2021
Profit before tax	-36	-42
Expected tax expense at the Norwegian nominal tax rate of 22 %	**-8**	**-9**
Tax effect of permanent differences	-18	23
Tax effect of the change in unrecognised deferred taxes	44	-40
Tax effect on estimate change	-18	26
Total income and deferred tax expense	**0**	**0**

All figures in NOK million unless otherwise stated

NOTE 7: TANGIBLE AND INTANGIBLE ASSETS

	Equipment, fixtures & fittings	Intangible assets	Total
Acquisition/purchase cost			
At 1 January 2022	2	25	27
Additions	6	2	8
Disposals	-2	0	-2
At 31 December 2022	**6**	**26**	**32**
Depreciation and impairment			
At 1 January 2022	1	2	4
Depreciation charge for the year	1	1	2
Accumulated depreciation on disposals	-2		-2
Impairment charge for the year			0
At 31 December 2022	**1**	**3**	**4**
Net book value			
At 31 December 2022	**5**	**23**	**29**
At 1 January 2022	1	22	23
Depreciation method	Straight line	Straight line	
Economic useful lives	0-5 years	3 years	

NOTE 8: INVESTMENT IN SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Name of subsidiary	Country of incorporation	Established/ acquired	% equity interest [1] 2022	% equity interest [1] 2021	Equity 2022	Profit 2022	Book value 2022
B2Kapital Holding S.à r.l.[2]	Luxembourg	2014	100 %	100 %	5 116	-905	3 733
BackB Investments S.à r.l.[2]	Luxembourg	2021	100 %	100 %	556	-65	584
Veraltis Group S.à r.l.[2]	Luxembourg	2022	100 %		1	1	0
Sileo Förvaltning AB[3]	Sweden	2013	-	100 %			
B2 Kapital Portfolio Management S.R.L. [4]	Romania	2016	-	0.19 %			
Total Carrying value							**4 317**

1) *Voting rights in the subsidiary is equivalent to % equity interest*
2) *Equity and profit are based on preliminary, unaudited reports for consolidation purposes 2022*
3) *The company was sold to Sileo Kapital AB and dissolved through merger with its parent in December 2022. B2Holding ASA realised a gain of NOK 10 million which is included in Net gain/(loss) on financial instruments*
4) *B2Holding ASA sold it's 0.19 % share to BackB Investments S.à r.l. in May 2022*

B2Holding ASA sold its investments in the Joint Ventures CE Partner S.à r.l. and CE Holding Invest S.C.S to B2Kapital Holding S.à r.l. in December 2022 and realised a gain of NOK 77 million whereof NOK 30 million is included in realised exchange gains/(losses).

B2Holding ASA is the ultimate parent company in the B2Holding Group and consolidates the accounts for the Group. A copy of the B2Holding Group financial statements is available at B2Holding ASA' website at www.b2holding.no.

All figures in NOK million unless otherwise stated

8.1 Non-current loans to group companies

	2022	2021
B2Kapital Holding S.à r.l.	4 990	5 585
BackB Investments S.à r.l.	946	
Veraltis Group S.à r.l.	102	
Non-current loans to group companies	**6 039**	**5 585**

NOTE 9: CASH AND CASH EQUIVALENTS

	2022	2021
Cash at banks:		
Unrestricted balances	1	0
	1	**0**

Cash at banks earns interest at floating rates which is based on bank deposit rates. Other restricted balances represent deposits paid into an escrow account in connection with lease of office premises.

For the purpose of the statement of cash flow, cash and cash equivalents comprised the cash balances in the table above.

In addition the Company holds bank accounts in the Group's multi-currency cashpool, with a net current debt amounted to NOK 2,331 million (207 million in 2021). Reported in gross amounts as respectively "Receivables from group companies" and "Payables to group companies" in the balance sheet.

NOTE 10: CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Other paid-in capital	Other capital reserves	Other equity[2)]	Total equity
At 1 January 2022	**41**	**2 843**	**21**	**511**	**3 416**
Profit for the year after tax				-36	-36
Share issuance	0	1			1
Capital reduction	-1			1	0
Share buy-back programmes[1)]				-175	-175
Share based payment			5		5
Dividends				-77	-77
Dividend adjustment (paid in Jun 2022 vs provision Dec 2021)				2	2
At 31 December 2022	**40**	**2 844**	**26**	**226**	**3 136**

1) *Whereof NOK 57 million on the share buy-back programme which ended 31 March 2022 and NOK 118 million on the programme which started 27 May 2022 and ended in December 2022. See Note 11 for additional information.*
2) *Includes the total consideration for Treasury shares until the share capital reduction is effective*

The Board of Directors has decided to propose for the Annual General Meeting in 2023 a dividend of NOK 0.20 and a share buy-back program of NOK 0.42 per share for the financial year 2022.

All figures in NOK million unless otherwise stated

NOTE 11: SHARE CAPITAL AND OTHER PAID-IN CAPITAL

Ordinary shares have a nominal value of NOK 0.10 each and all provide the same rights in the Company. 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 1)	Share capital NOK mill	Other paid-in capital 2) NOK mill
At 1 January 2021	**409 932 598**	**41**	**2 843**
At 31 December 2021	**409 932 598**	**41**	**2 843**
Capital reduction registered 28 July 2022 related to the share buy-back programme ended 31 Mar 2022	-8 767 774	- 1	
Capital increase registered 20 October 2022 related to issuance of ordinary shares	200 000	0	1
At 31 December 2022	**401 364 824**	**40**	**2 844**
At 27 April 2023 (the date of completion of these financial statements)	**401 364 824**	**40**	**2 844**

1) Including 14,184,000 tresury shares purchased in 2022 Share buy-back programme.
2) Net proceeds after transaction costs.

A share buy-back programme started on 8 November 2021 and ended 31 March 2022. The purpose of the programme was to reduce the capital of the Company. In total 8,767,774 shares were bought back at an average price of NOK 9.90 per share and the share capital reduction of NOK 0.9m was effective as of 28 July 2022.

The Company started a second share buy-back programme on 27 May 2022 which was extended 9 November 2022. The purpose of the programme was to reduce the capital of the Company. 14,184,000 shares were bought back at an average price of NOK 8.31 per share, corresponding to 3.53 % of the Company's shares and decreasing the equity attributable to parent company shareholders by NOK 118m.

The share buy-back programme for 2022 is complete and the Board will propose to the Annual General Meeting 2023 to decrease the parent Company's Share capital and Other equity by cancellation of its 14,184,000 treasury shares acquired under the share buy-back programme. A creditor deadline of six weeks will apply before implementation.

For further information about mandates granted to the Board of Directors to incrase the share capital, please refer to note 22 in B2Holding Group financial statement.

All figures in NOK million unless otherwise stated

The largest shareholders at 31 December 2022 were are as follows:

	Number of shares	% total
Prioritet Group AB	52 913 000	13.18 %
Rasmussengruppen AS [1) 2)]	51 373 266	12.80 %
Stenshagen Invest AS [1)]	26 500 143	6.60 %
Valset Invest AS	26 000 000	6.48 %
DNB Markets Aksjehandel/-analyse	21 216 971	5.29 %
B2Holding ASA [3)]	14 184 000	3.53 %
Skandinaviska Enskilda Banken AB	12 089 968	3.01 %
Verdipapirfondet Alfred Berg Norge	8 538 622	2.13 %
Dunker AS	8 207 124	2.04 %
Rune Bentsen AS	8 191 680	2.04 %
Verdipapirfondet Storebrand Norge	7 201 952	1.79 %
Verdipapirfondet DnB Norge	6 156 354	1.53 %
Greenway AS	5 802 368	1.45 %
VPF DNB AM Norske Aksjer	5 182 336	1.29 %
Verdipapirfondet Alfred Berg Norge	4 331 916	1.08 %
Remaining shareholders (less than 1 %)	143 475 124	35.75 %
	401 364 824	**100.00 %**

1) Shareholder represented in the Board of Directors.
2) Total shareholdings of Rasmussengruppen AS includes shareholdings of its fully owned subsidiaires Portia AS, Cressida AS and Viola AS.
3) B2Holdings own shares which will be used to reduce the capital of the Company

For further information about shares owned directly or indirectly by Board of Directors and Group Managment at 31 December 2022, please refer to note 22 in B2Holding Group financial statement.

For details about Long-Term Incentive Plans (share option programmes) granted to the Group Managment and selected key employees at 31 December 2022, please refer to note 23 in B2Holding Group financial statement.

All figures in NOK million unless otherwise stated

NOTE 12: INTEREST BEARING LOANS AND BORROWINGS

Non-current
The Company holds two non-current unsecured bond loans as of 31 December 2022.

	Currency	Nominal interest	Debt in local currency	Debt in NOK	Maturity
Senior Unsecured Bond Issue 2019	EUR	6.35 %	200	2 103	May 2024
Senior Unsecured Bond Issue 2022	EUR	6.90 %	150	1 577	Sept 2026

Current
The Company's third issued senior unsecured bond of EUR 200 million matures in full in May 2023.

	Currency	Nominal interest	Debt in local currency	Debt in NOK	Maturity
Senior Unsecured Bond Issue 2018	EUR	4.75 %	200	2 103	May 2023

Repayment schedule at 31 December 2022	EUR	NOK
In 2023	114	1 203
In 2024	200	2 103
In 2026	150	1 577
	464	**4 883**

At 31 December 2022 the Company holds EUR 85.6 million in treasury bonds reflected in outstanding nominal amounts in table above.

Financial covenants
All financial covenants have been met at 31 December 2022 and 31 December 2021. For further details, please refer to note 24 in B2Holding Group financial statement.

All figures in NOK million unless otherwise stated

NOTE 13: OTHER CURRENT LIABILITIES

	2022	2021
Provision for soscial security on share options	2	3
Accrued interest bond loans	24	31
Proposed dividend	77	170
Other	22	21
	126	**225**

NOTE 14: COMMITMENTS

The Company has entered into two commercial leases for office premises. The lease contract for the current office premises was signed in 2021 for a 10 year rental period starting from September 2022. The lease contract for office premises in Stortingsgaten 22 expires in June 2024 and are subleased until maturity.

Further the Company has entered into a commercial lease for accommodation of visiting employees.

All leases for office premises are annually adjusted according to the consumer price index. The lease contracts states that the lessee can only use the office premises as an office space within the existing line of business unless they have written consent from the lessor agreeing to something else.

The operating lease costs for the following types of lease were as follows:

	2022	2021
Office premises	5	4
	5	**4**

The future minimum rentals payable under the non-cancellable operating lease at 31 December 2022 were as follows:

	2022	2021
Rentals payable within one year	9	6
Rentals payable from one to five years	46	25
	55	**30**

The future minimum rentals payable does not include the future minimum rentals receivables from sublease of Stortingsgaten 22 amounting to NOK 4.5 million

NOTE 15: RELATED PARTY DISCLOSURE

The Company's related parties include the Group management team, Board of Directors, associated companies and joint ventures. For details, please refer to note 29 in B2Holding Group financial statment.

Transactions with associated companies and joint ventures
See note 8 for transactions with associated companies and joint ventures.

Group companies
Companies in the B2Holding Group are also related parties. Sales to and purchases from intra-group related parties are made at normal market prices as the transactions are performed on the same terms as unrelated parties.

Outstanding intra-group balances at the year end are unsecured, and other than for interest bearing loans, and interest free. At 31 December 2022 and at 31 December 2021, the Company has not made any provision of doubtful debts relating to intra-group related party balances. This assessment has been undertaken for each period end based on an examination of the financial position of the related party and the market in which the related party operates.

For further details of the Group's transactions with related parties, please refer to note 29 in B2Holding Group financial statement.

NOTE 16: GUARANTEES

B2Holding ASA has issued a guarantee limited to EUR 900 million with the addition of any and all interests, default interests, costs and expenses to DNB Bank ASA as Agent on behalf of itself, Nordea Bank ABP, Branch of Norway and Swedbank AB in connection with the provision of the Group's senior secured multi-currency revolving credit facility of EUR 610 million. The guarantee was issued on behalf of the borrower under the multi-currency revolving credit facility, B2Holding ASA's 100 % directly owned subsidiary, B2Kapital Holding S.à r.l. The total utilised amount under the facilities at 31 December 2022 was EUR 405 million.

B2Holding ASA has granted a soft guarantee to Senior Noteholders in the SFA which cover all reporting obligations in the related financing documents.

B2Holding ASA has issued a office rental guarantee with effect from 10 October 2017 in favour of the lessor of the Group's offices in Gothenburg, Sweden. In 2021 was the rental agreement extendend three years if not cancelled within a specified date. Although the guarantee is unlimited, the Group estimates that its exposure for the remaining rental period is limited to the yearly rental cost for the period, which amounts to SEK 2.4 million.

B2Holding ASA has issued a office rental guarantee with effect from 19 December 2017 in favour of the lessor of the Group's offices in Wroclaw, Poland. The guarantee agreement is limited to the aggregated amount of EUR 402 thousand, which are ment to cover 3 months office rental cost, and are valid until 90 days following the rental agreement maturing in June 2031.

NOTE 17: SUBSEQUENT EVENTS

The Board of Director's has proposed for the Annual General Meeting 2023 to pay a cash dividend of NOK 0.2 per share for 2022 and a share buy-back programme of NOK 0.42 per share for the financial year 2022.

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

Responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2022 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the Group taken as a whole.

We also confirm that the Board of Directors' report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principles risks and uncertainties facing the entity and the group.

Oslo, 27 April 2023

/sign/
Harald L. Thorstein
Chair of the Board

/sign/
Adele Bugge Norman Pran
Board Member

/sign/
Grethe Wittenberg Meier
Board Member

/sign/
Trygve Lauvdal
Board Member

/sign/
Kjetil Garstad
Board Member

/sign/
Trond Kristian Andreassen
Board Member

/sign/
Thale Kuvås Solberg
Board Member

/sign/
Erik J. Johnsen
Chief Executive Officer

Auditor's report

Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of B2Holding ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of B2Holding ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2022 and the income statement and the cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial position as at 31 December 2022, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 9 years from the election by the general meeting of the shareholders on 3 December 2014 for the accounting year 2014.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Estimated future cash collections from purchased loan portfolios

Basis for the key audit matter
Purchased loan portfolios account for 68% of total assets of the Group. Estimated future cash collections from purchased loan portfolios is the basis for the book value of purchased loan portfolios and is also input into the disclosure of fair value of purchased loan portfolios in the notes to the consolidated financial statement. Estimation of future cash collections from purchased loan portfolios is complex and require significant judgement from management about the value, probability, and timing of expected future cash flows. Furthermore, the estimates of future cash flows depend on management's approach to managing the portfolios (e.g., changes in collection policies and strategies) and local regulations. The estimation of future cash collections from purchased loan portfolios was considered a key audit matter based on the significant judgments involved.

Our audit response
We tested the consideration price upon acquisition of loan portfolios to the purchase agreement. We tested the approval by Group management of the initial cash collection forecast of the purchased portfolio prepared by local management and compared the initial cash collection forecast to historical cash collection on similar loan portfolios. We also compared the calculated effective interest rate on the purchased loan portfolio to the effective interest rate on loan portfolios purchased in previous years. Furthermore, we tested changes in future cash collection estimates by comparing actual cash collection to forecasted cash collection and by testing the historical accuracy of prior year forecasts. As part of our procedures, we discussed the assumptions used including amounts, probability, and timing of expected future cash flows, changes in policies and strategies, seasonality and local regulations with management and controllers. We also assessed the Company's disclosure in note 3 Critical accounting judgments and key sources of estimation uncertainty, note 2.4 and note 4.3 Purchased Loan Portfolios.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of B2Holding ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name B2HoldingASA-2022-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 27 April 2023
ERNST & YOUNG AS

The auditor's report is signed electronically

Kjetil Rimstad
State Authorised Public Accountant (Norway)

Alternative performance measures

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and approved by the EU. In addition, the Group presents alternative performance measures (APMs). 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 and to enhance comparability between financial periods. The APMs are reported in addition to, but are not substitutes for the financial statements prepared in accordance with IFRS.

The APMs provide a basis to evaluate operating profitability and performance trends, excluding the impact of items which in the opinion of Management, distort the evaluation of the performance of 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 of debt purchasing companies. Furthermore, APMs are also relevant when assessing our ability to incur and service debt.

APMs are defined consistently over time and are based on the financial datas presented in accordance with IFRS.

Alternative performance measures - reconciliation

	2022	2021
Total revenues	3 477	3 155
Adjust for cost of collateral assets sold, including impairment	-392	-119
Net revenues	**3 085**	**3 036**
Operating profit/(loss)	1 029	1 308
Non-recurring items		
Changes in future collection estimates	32	
Interest revenue on loan receivables	0	10
Other revenues	0	-3
External expenses of services provided	-4	-4
Personnel expenses	31	4
Other operating expenses	147	18
Depreciation and amortisation	1	
Impairment	99	1
Total Non-recurring items	306	25
Adjusted EBIT	**1 334**	**1 333**
Operating profit/(loss)	1 029	1 308
Add back depreciation, amortisation and impairment losses	184	88
EBITDA	**1 212**	**1 396**
Total revenues	3 477	3 155
Add back Amortisation of purchased loan portfolios	1 898	2 609
Add back Revaluation of purchased loan portfolios	424	104
Adjust for Repossession of collateral assets	-299	-559
Adjust for Profit from investments in associated parties/joint ventures	-100	-99
Add Cash received from investments in associated parties/joint ventures	295	184
Adjust for Non-recurring items	0	7
Cash revenue	**5 695**	**5 402**
Operating profit/(loss)	1 029	1 308
Add back Amortisation of purchased loan portfolios	1 898	2 609
Add back Revaluation of purchased loan portfolios	424	104
Add back Depreciation, amortisation and impairment losses	184	88
Adjust for Repossession of collateral assets	-299	-559
Add back Cost of collateral assets sold, including impairment	392	119
Adjust for Profit from investments in associated parties/joint ventures	-100	-99
Add Cash received from investments in associated parties/joint ventures	295	184
Adjust for Non-recurring items	174	24
Cash EBITDA	**3 996**	**3 779**

ALTERNATIVE PERFORMANCE MEASURES (APMS)

Definitions of APMs applied in the table above:

Adjusted EBIT (Adj. EBIT) - Adjusted EBIT consists of Operating profit/(loss) (EBIT) adjusted for Non-recurring items.

Amortisation - Amortisation is the amount of the gross collections that are used to reduce the book value of the purchased portfolios.

Cash EBITDA - Cash EBITDA consists of EBIT added back Amortisation and Revaluation of purchased loan portfolios, Depreciation and amortisation and Impairment of tangible and intangible assets and Cost of collateral assets sold, adjusted for Repossession of collateral assets and the difference between cash received and recognised Profit from investments in associated parties/joint ventures. Cash EBITDA is a measure of actual performance from the collection business (cash business) and other business areas. Cash EBITDA is adjusted for Non-recurring items.

Cash revenue - Cash revenue consists of Total revenues added back Amortisation and Revaluation of purchased loan portfolios and adjusted for Repossession of collateral asset and the difference between cash received and recognised Profit from shares in associated parties/joint ventures and participation loan/notes. Cash revenue is a measure of actual revenues (cash business) from the collection business and other business areas. Cash revenue is adjusted for Non-recurring items.

EBITDA - Operating profit before depreciation and amortisation (EBITDA) consists of operating profit (EBIT) adding back depreciation, amortisation and impairment of tangible and intangible assets.

Net revenues - Net revenues are the Total revenues reported less the Cost of collateral assets sold, including impairment.

Non-recurring items - Significant profit and loss items that are not included in the Group's normal recurring operations, which are difficult to predict and are considered to have low forecast value for the future earnings trend. Non-recurring items may include but are not limited to restructuring costs, acquisition and divestment costs, advisory costs for discontinued acquisition projects, integration costs, termination costs for Group Management and country managers, non-portfolio related write offs, unusual legal expenses, extraordinary projects, and material income or expenses relating to prior years.

Revaluation - Revaluation is the period's increase or decrease in the carrying value of the purchased loan portfolios attributable to changes in forecasts of future collections.

Definitions of other Alternative Performance Measures (APMs) used in this report:

Adjusted EBIT % (Adj. EBIT %) - Adjusted EBIT % is Adjusted EBIT expressed as a percentage of Net revenues excluding Non-recurring items.

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

Adjusted return on equity (Adj. ROE) - Adjusted return on equity is calculated based on rolling 12-months Adjusted Net profit (Adj. Net profit) for the Group divided by the average equity attributable to parent company shareholders, with average equity calculated as a simple average based on opening and closing balances for the respective 12-month period but adjusted for Non-recurring items.

Adjusted Net profit (Adj. Net profit) - Adjusted Net profit consists of Profit/(loss) after tax adjusted for Non-recurring items reduced by the tax rate for the period.

Administration and management costs - Administration and management costs include Head Office and other Group costs such as Investment Office.

Cash collections - Cash collections include unsecured collections, secured cash recoveries, cash received from SPVs and joint ventures, and REO sales proceeds.

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

Cost other revenues - Cost other revenues is all external and internal operating costs excluding Administration and management costs and not related to the collections of B2Holding's purchased loan portfolios.

Cost to collect - Cost to collect is all external and internal operating costs related to the collections of B2Holding's purchased loan portfolios.

Estimated Remaining Collections (ERC) - Estimated remaining collections (ERC) expresses the gross collections in nominal values expected to be collected in the future from the purchased loan portfolios owned at the reporting date and the Group's share of gross collections on portfolios purchased and held in joint ventures. ERC includes ERR.

Estimated Remaining Recoveries (ERR) - Estimated remaining recoveries (ERR) expresses the gross collections in nominal values expected to be recovered in the future from the purchased secured loan portfolios owned at the reporting date and the Group's share of gross collections on secured portfolios purchased and held in joint ventures.

Gross collections - Gross collections are the actual cash collected and assets recovered from purchased portfolios.

Leverage ratio - Net interest bearing debt over Cash EBITDA calculated for the last 12 months.

Liquidity reserve - Cash and short-term deposits (less NOK 200 million to cover working capital) plus unutilised credit facility lines, plus fair value of treasury bonds and less short-term vendor loans. Cash flow from future operations is not included in the number.

Net debt - Net debt consists of nominal value of interest bearing loans and borrowings less treasury bonds plus utilised bank overdraft less cash and short-term deposits.

Net interest bearing debt - Net interesting-bearing debt consist of carrying value of interest bearing loans and borrowings less treasury bonds plus utilised bank overdraft less cash and short-term deposits.

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.

B2HOLDING ASA

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