impact

Third quarter 2023

Third quarter of 2023

"Our continued focus is to deliver shareholder value through solid performance, low leverage and shareholder distributions."

Erik Just Johnsen, CEO

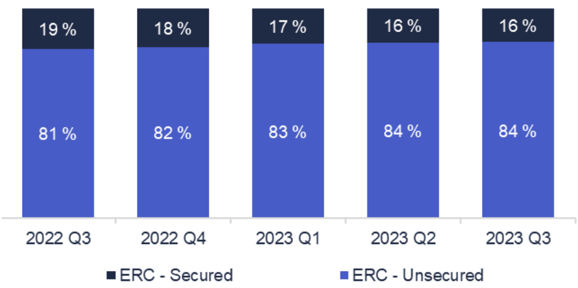
Quarterly events

- Launch of B2 Impact on 29 September 2023
- Leverage ratio of 2.15 at the end of Q3 2023
- Moody's rating upgraded to Ba2 from Ba3
- Continued strong cash collection up 6% YoY (constant FX):
  - Unsecured collection performance at 101.6%
  - Secured cash collections of NOK 407m including REO sales of NOK 169m at 35.2% margin above book value
- OPEX excluding non-recurring items down 8% sequentially
- Investments of NOK 357m; NOK 2.3bn committed for 2023

Quarterly summary

NOK million	2023 Q3	2022 Q3	% Δ	2023 YTD	2022 YTD	% Δ	2022 Full Year
Cash collections	1 497	1 244	*20 %*	4 259	3 704	*15 %*	5 161
Net revenues	884	797	*11 %*	2 829	2 261	*25 %*	3 085
Adj. EBIT	389	373	*4 %*	1 287	992	*30 %*	1 334
Adj. EBIT %	44 %	47 %	*-3 pp*	45 %	43 %	*2 pp*	43 %
EBIT	370	337	*10 %*	1 216	725	*68 %*	1 029
Adj. Net profit	84	171	*-51 %*	378	471	*-20 %*	564
Cash revenue	1 631	1 377	*18 %*	4 681	4 096	*14 %*	5 695
Cash EBITDA	1 160	973	*19 %*	3 212	2 857	*12 %*	3 996
Cash margin	71 %	71 %	*0 pp*	69 %	70 %	*-1 pp*	70 %
Gross collections[1]	1 346	1 278	*5 %*	4 163	3 675	*13 %*	4 936
Amortisation of own portfolios	- 548	- 455	*20 %*	-1 671	-1 378	*21 %*	-1 898
Portfolio investments[1]	357	399	*-10 %*	1 920	1 395	*38 %*	2 165
Adj. EPS	0.22	0.43		0.99	1.20		1.41
Adj. ROE (LTM)	8.7%	12.0 %	-3.3 pp	8.7 %	12.0 %	-3.3 pp	10.7 %

Estimated remaining collections (ERC)



Key Performance Figures

NOK million	2023 30 Sept	2022 31 Dec	*% Change*
Estimated Remaining Collections	21 475	20 248	*6%*
Net interest bearing debt	9 350	9 042	*3%*
Liquidity reserve	4 476	3 606	*24%*
Equity ratio[2]	33.1 %	31.9 %	*1,2 pp*
Leverage ratio	2.15x	2.26x	*-0.11x*
Total Loan to Value % (TLTV)	68.4 %	67.2 %	*1.2 pp*
Number of employees (FTEs)	1 681	1 885	*-11%*

1) Includes the Group's share of portfolios held in SPVs and joint ventures
2) Equity ratio as defined in the RCF agreement

Comment by the CEO

Stable performance and improved rating

On September 29 we launched our new brand, B2 Impact, and B2Holding ASA changed its name to B2 Impact ASA as the first step. The new brand will create increased recognition of B2 Impact as a group across the markets where we operate. The roll out of the new brand will be carried out over the next 12 months, and we strongly believe that a common brand will strengthen both our corporate culture and our commercial activities. We also get the added value and synergies of building and supporting one common brand in our core markets.

From 1 October we implemented a new organizational structure for the Group. The new organization is built around our main business lines, Investments, and Servicing, and is structured to support a common commercial focus and drive efficiency in all departments. Following the change, Group Executive Management has been reduced from nine to six people.

Both unsecured and secured collections continued their solid trend and REOs were sold at healthy margins during the quarter. Cash flow from JVs continue to contribute positively to our cash collections.

On the investment side, the third quarter is seasonally slower than the second and fourth quarter. We invested NOK 357m in new portfolios during the quarter compared with NOK 399m in Q3 2022. We have seen good activity in our main markets, but we have not been acquiring portfolios unless we have been comfortable with the price levels achieved. Price discipline and preserving capital is and will be key, since we believe that capital constraints for the industry as a whole will translate into lower prices on portfolios going forward. We have previously mentioned that the market dynamics are changing, and we observe that banks and financial institutions are adjusting to this changing environment. As previously mentioned, we expect that increased funding costs will continue to be further reflected in higher expected returns on portfolios going forward. For the investments so far this year, we have increased our return targets to more than reflect the increased cost of funding.

At the end of the third quarter, we have invested and committed NOK 2.3bn for 2023 and remain well on track to reach our investment target of NOK 2.5-3bn in portfolio investments for the full year.

We are very pleased that Moody's upgraded its rating for B2 Impact to Ba2 from previously Ba3 with a stable outlook. This is a testament to the deleveraging we have carried out the last three years with continued solid performance and profitability throughout this period. The third quarter was another quarter with strong cash generation from our business. The leverage ratio of 2.15 at the end of the quarter is among the lowest in the industry. We are thus well positioned to refinance the short-term maturity, with the added flexibility to use the Revolving Credit Facility (RCF) through the renewed terms signed during the quarter.

"…the leverage ratio of 2.15 at the end of the quarter is among the lowest in the industry."

Our ongoing share buy-back program is well on track with 14.7 million shares (3.6% of outstanding shares) acquired at the end of the third quarter at a weighted average share price of NOK 6.71. With shares acquired at prices well below the book value per share, we believe this is accretive for our shareholders. Our continued focus is to deliver shareholder value through solid performance, low leverage and shareholder distributions.

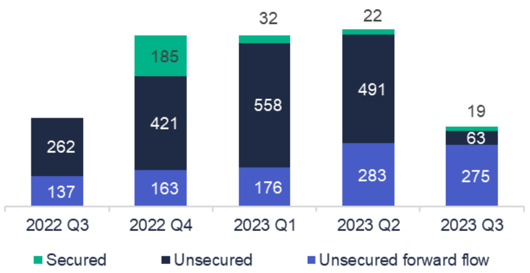
Oslo, 9 November 2023

Erik Just Johnsen
CEO

Operations

Collections and Cash EBITDA remain strong and investments on track to reach full year targets

Portfolio Investments (NOKm)



Portfolio investments were NOK 357m in the third quarter and in line with expectations for the seasonally slower quarter. The Group maintains its investment target of NOK 2.5-3bn in portfolio investments for the full year. Third quarter investments showed further positive signs of higher expected returns reflecting the higher funding costs faced by the industry. The Group will continue to maintain its disciplined and selective approach to portfolio investments.

Collections performance

Unsecured collections

Q3 collections were NOK 1,048m and 101.6% of the latest forecast compared with NOK 903m in Q3 2022. The increase was 2.0% year on year adjusted for FX and was driven by solid performance across all markets, including the effects of successful legal strategies and digitalisation. Comparability versus Q3 2022 is partly impacted by exceptionally strong performance in some jurisdictions last year. In addition, the gross collections from JVs in unsecured were NOK 26m in Q3 compared with NOK 27m in 2022 Q3.

B2 Impact continued to focus on economies of scale, prioritising digital collection channels and development of data and analytics. The Group remains committed to investing in optimization of collection strategies, further development of digital client interfaces and improvement of processes. This strategy is expected to continue to improve both the efficiency and the effectiveness of unsecured collections going forward.

Secured collections & REO sales

Cash collections from secured portfolios and REO sales were NOK 407m in Q3 2023 compared with NOK 318m in Q3 2022. Adjusted for FX, cash collections were 12.9% higher in Q3 2023 than in Q3 2022. The higher cash collections came from Cash from JVs of NOK 50m in Q3 2023 compared with NOK 5m in Q3 2022, and a higher proportion of cash collections from secured portfolios with NOK 188m in Q3 2023 compared with NOK 144m in Q3 2022. REO sales were NOK 169m in Q3 2023 with a margin of 35.2%.

Gross collections from secured portfolios were 154.1% of the latest forecast at NOK 232m in Q3 2023 of which non-cash repossessions were NOK 44m. Collections in Q3 2022 were NOK 225m and repossessions were NOK 82m in Q3 2022.

At the end of Q3 2023 collateral assets (REOs) were NOK 1,380m compared with NOK 1,340m at the end of Q3 2022. Adjusted for FX, this was a decrease of NOK 45m compared with Q3 2022.

Risks and uncertainties

Due to the nature of its operations, B2 Impact is exposed to various risks including strategic, financial, and operational risks.

The continuing conflict in the Ukraine and the recently re-ignited Israel-Hamas war has resulted in increased geo-political risk, with continued macroeconomic uncertainty expected to continue. B2 Impact does not have operations in Russia nor in the Ukraine and has limited exposure to countries with significant dependency on Russian resources or with trade ties to Russia. B2 Impact does not have any operations in the Middle East, but the conflict between Israel-Hamas may spill over to neighbouring countries creating increased market volatility which may indirectly impact the Group. We are monitoring the situation closely.

Inflationary pressure across the Group's markets continued to ease in Q3 2023 from a peak in Q4 2022. Inflationary pressure is expected to continue to ease during the remainder of 2023 and into 2024. High inflation has resulted in high interest rates, although in countries like Poland, Hungary and Bosnia we have recently seen interest rate cuts. Whilst this looks promising, we cannot rule out further interest rate rises and expect interest rates to remain relatively high for longer. High inflation and increased interest rates drive higher funding costs and may put pressure on our customers' ability to repay debt. Increased default rates may have an impact on the quality of new portfolio investments and the Group will continue to remain disciplined in its approach to investments.

Low unemployment rates, salary increases, excess savings following the pandemic and government aid packages continue to support our customers' ability to pay, and we expect the higher interest rate environment to drive new wave of NPLs and further adjustments in pricing of NPL portfolios in the future.

Operational risks

B2 Impact's priority is to ensure the health and safety of its employees. The Group continues to use flexible working arrangements aligned with local government guidelines. These flexible working arrangements allow the Group to operate at full capacity under various circumstances, including periods with limited access to offices. During Q3, overall collections were above expectations and reflect the Group's improved internal operations.

Financial risks

B2 Impact's geographically diversified investment portfolio limits the Group's overall exposure to risks in individual economies, asset classes or portfolios. B2 Impact continued to strengthen its liquidity position in Q3 and expects to do so throughout 2023. Management is focused on price and underwriting discipline, targeting increased returns despite a competitive market.

The Group is in compliance with all of its covenants as at 30 September 2023.

Strategic risks

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

Corporate matters

On 29 September 2023 the Company changed its name to B2 Impact ASA as decided at the Annual General Meeting held 25 May 2023. As of 2 October 2023, the company's shares are quoted on Oslo Børs with the new name and the new ticker "B2I". The Company's listed bonds quoted on Oslo Børs will retain the tickers "B2H05" and "B2H06". ISIN and instrument ID for the company's listed securities remain unchanged.

On 29 September Moody's upgraded its credit rating (corporate family rating) for B2 Impact ASA to Ba2 from previously Ba3. The senior unsecured bond rating is upgraded to Ba3 from previously B1. The outlook remains stable. According to Moody's the upgrade is a reflection of the company's more balanced and moderate growth strategy since 2019, The amended strategy has resulted in solid and continuous profitability, leverage below the sector's average, strong equity buffers and diminishing liquidity pressures. B2 Impact's financial profile has been stable since 2019 in the upper Ba range, despite COVID-19 related challenges and despite a highly competitive operating environment in the debt purchasing segment. B2 Impact's management has also ensured timely refinancings and adequate back-up facilities in order to mitigate refinancing risks during periods of potentially constrained capital market access. Moody's also takes into consideration that given a low current leverage level and headroom under its financial covenants, B2 Impact is well positioned to continue its moderate but profitable growth path.

The closing of the sale of DCA Bulgaria EAD was completed on 29 September with full ownership of the company transferred to DCA Management EAD.

B2 Impact has a solid and diversified funding structure to support further growth. The healthy capital structure and leverage ensures liquidity and financial flexibility to deliver on the strategy going forward. The combination of equity, bank financing, project financing and bonds provides access to capital when larger opportunities arise, while steady collections across the Group provide a strong operating cash flow.

The Group holds an EUR 610m senior secured revolving credit facility (RCF) with DNB Bank ASA, Nordea Bank AB and Swedbank AB. The RCF matures in 2025. The project financing from PIMCO, the Senior Facility Agreement (SFA), was fully completed on 13 April 2023 when Cyprus as the last country was included. The facility line increased to EUR 180m and the reinvestment period end in April 2024. The SFA is fully securitized but with no recourse to B2 Impact. On 27 October 2023, being the fourth interest payment date, a repayment of EUR 33m was made originating from quarterly operating cashflow.

In addition to the RCF and SFA, the Group holds two senior unsecured bond loans for a total of EUR 500m.

On 4 May 2023 B2 Impact ASA's subsidiary in Croatia, B2 Kapital d.o.o., received notice from the Croatian Data Protection Agency (AZOP) of a fine against the subsidiary on grounds of alleged breaches of GDPR regulations. The fine amounts to EUR 2,265,000. The conclusion of a thorough assessment made by B2 Impact and its independent professional advisors is that no data leakage by B2 Kapital d.o.o. has been substantiated and that there has been no leak of confidential information relating to clients or debtors from the company's IT systems. Thus, B2 Impact disagrees with the allegations in

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

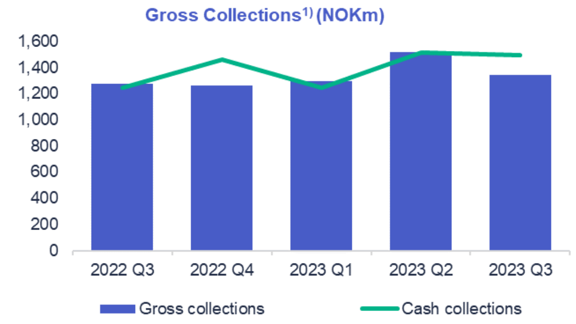
Reduction of share capital and Share buy-back program

At the Annual General Meeting of B2 Impact ASA held on 25 May 2023, it was decided to reduce the Company's share capital by NOK 1,418,400. The share capital reduction was registered and effective on 27 July 2023 through the cancellation of 14,184,000 shares at NOK 0.10 per share.

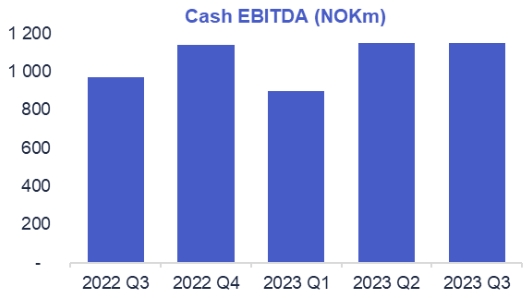
The share buy-back program for 2023 was announced on 25 May 2022. The size of the buy-back programme is up to 25,000,000 shares or a maximum total consideration of NOK 162.6m. 14,722,985 shares were purchased under this program up to 30 September 2023.

Financials

B2 Impact reported Gross collections including JVs of NOK 1,346m, Cash EBITDA of NOK 1,160m and Adjusted EBIT of NOK 389m in Q3 2023 following continued strong collections across the business



1) Include the Group's share of portfolios held in SPVs and joint ventures.



Revenues

Fluctuations in the Norwegian Krone impact the Group's numbers. The weighted average impact on the Group's Gross collections from a stronger Norwegian Krone in Q3 2023 compared with Q3 2022 was a positive impact of 13.9% based on YTD average FX rates.

Net revenues for the Investments segment were NOK 754m for Q3 2023, up compared with NOK 671m in Q3 2022 mainly following strong collections performance during the quarter. Collections on unsecured portfolios came in at 101.6% of forecast, continuing the over-performance from previous quarters. Collections on secured portfolios were 154.1% of the forecast.

Share of Gross collections from JVs was NOK 65m in Q3 2023 compared with NOK 150m in Q3 2022 and NOK 82m in Q2 2023. The significant difference in collections for JVs was driven by high secured collections in Q3 2022 which impacted comparability. Cash from JVs in Q3 2023 was NOK 92m compared with NOK 29m in Q3 2022 and NOK 30m in Q2 2023.

Amortisation of own portfolios was NOK -548m in Q3 2023 compared with NOK -455m in Q3 2022 and NOK -633m in Q2 2023. The higher amortisation was a result of higher investment volume during the last 12 months resulting in higher estimated collections for the quarter.

Revaluations on unsecured portfolios were NOK +15m in Q3 2023 compared with NOK 0m in Q3 2022. The revaluations in Q3 2023 reflected increased ERC on over-performing portfolios. Revaluations on Secured portfolios were NOK -103m in Q3 2023 compared with NOK -98m in Q3 2022. The revaluations mainly reflected earlier collections following over-performance of NOK 82m in the quarter and timing adjustments on future ERC for secured portfolios.

Revenue from sale of collateral assets (REOs) of NOK 169m in Q3 resulted in a gain of NOK 44m on book value of NOK 125m and a margin of 35.2%. In Q3 2022 the Group reported revenue from sale of collateral assets of NOK 169m and a gain of NOK 88m on book value of NOK 82m and a margin of 107.7%.

Net revenues for the Servicing segment were NOK 325m compared with NOK 256m in Q3 2022. Internal servicing revenue of NOK 233m was an increase of NOK 62m on Q3 2022 following higher collections on behalf of the Investments business. Revenue from external clients (3PC) and JV servicing was NOK 91m compared with NOK 85m in Q3 2022.

Segment earnings for the Investments segment were NOK 433m with a margin of 57%, while for the Servicing segment the earnings were NOK 131m and the margin was 40%.

Cash EBITDA

Cash EBITDA for Q3 2023 was NOK 1,160m compared with NOK 973m in Q3 2022. Adjusted for FX impacts, the underlying Cash EBITDA is NOK 44m (4.5%) higher than Q3 2022 driven by a strong collection performance. Cash margin remained stable at 71.1%.

Operating expenses

In Q3 2023 the Group's underlying operating expenses[1] were NOK 471m compared with NOK 403m in Q3 2022. Adjusted for FX, the underlying operating expenses were NOK 19m (4.2%) higher than in Q3 2022. The deviation in FX adjusted underlying operating expenses were driven by External expenses (volume driven legal collection expenses) up NOK 15m (13.8%) and Other operating expenses up NOK 4m (3.3%). Personnel expenses for Q3 2023 were in line with Q3 2022 despite wage inflation impacting across the Group and offsetting a decrease of 42 FTEs (-2.2%) compared with the end of Q3 2022. Additionally, FTE numbers at the end of Q3 are reduced by another 169 employees compared with Q3 2022 following the sale of the Bulgarian business.

Of the Group's underlying operating expenses in Q3 2023, 49% are Personnel expenses, 27% variable costs related to collection activities and 25% office-related costs including premises, equipment, telecommunications, IT, and postage.

Total non-recurring items impacting EBIT in the quarter were NOK 18m of which NOK 14m were personnel related and NOK 4m other operating expenses. The personnel related non-recurring expenses will result in lower personnel costs in future periods.

EBIT

Adjusted EBIT was NOK 389m and an increase of NOK 16m compared with Q3 2022. Adjusted for FX, the Adjusted EBIT was NOK 45m lower than Q3 2022. The lower EBIT compared with the comparable period was mainly due to exceptionally strong over-performance on collections as well as a high net gain on sale of REOs in Q3 2022. This was partly off-set by a stronger contribution from JVs & SPVs in Q3 2023.

Net financial items

Net financial items for the quarter were NOK -313m in Q3 compared with NOK -261m in Q2 2023 and NOK -152m in Q3 2022. Q3 2023 Net financial items included a non-cash non-recurring cost of NOK 32m in connection with the sale of the Group's business in Bulgaria.

Interest expenses have increased by NOK 7m since Q2 2023 and by NOK 93m compared with Q3 2022.

The change in fair value of interest rate derivatives impacted Q3 2023 negatively with NOK 5m. The Group has implemented hedge accounting from 1 January 2023. The changes in fair value of the hedge instruments (interest swaps and interest caps) NOK -35m are reported in Other Comprehensive Income.

The Net exchange loss of NOK 10m in Q3 2023 was unfavourable compared with a loss of NOK 0m in Q3 2022, and NOK -4m in Q2 2023.

Profit for the period and tax

The Income tax expense for the quarter amounted to NOK 13m and was 23% of Profit before tax. Profit after tax for the quarter ended at NOK 45m. The Adjusted Net profit for Q3 2023 was NOK 84m compared with an Adjusted Net profit of NOK 182m in Q2 2023 and NOK 171m in Q3 2022.

Balance sheet

At the end of the quarter, Total assets amounted to NOK 17,023m compared with NOK 16,672m at the end of Q3 2022 and NOK 18,759m at the end of Q2 2023.

FX has a notable impact on the Balance Sheet since the end of Q3 2022, with a weaker NOK having an impact of NOK +721m (6.2%) on NPL balances and NOK 82m (+5.9% on collateral assets). Compared with Q2 2023, the impact of FX is from a stronger NOK is NOK -555m (-4.8%) on NPLs and NOK -56m (-4.0%) on collateral assets.

The Bulgarian business was sold at the end of September 2023. The Group included Bulgarian NPLs of NOK 491m at the end of Q3 2022 and NOK 502m at the end of Q2 2023, and collateral assets of NOK 33m and NOK 32m at the end of the respective periods.

Amortisation of NPL portfolios during Q3 2023 was NOK -548m and NOK -2,191m for the last 12 months to end September 2023.

Investments in new portfolios were NOK 357m in Q3 2023 and NOK 2,689m for the last 12 months to end September 2023.

The Group's Gross debt was NOK 10,274m at the end of Q3 2023 compared with NOK 10,354m at the end of Q3 2022 and NOK 11,636m at the end of Q2 2023. FX has an impact on the reported numbers of NOK +616m (+5.9%) versus Q3 2022 and NOK -414m (-3.6%) versus Q2 2023. Adjusted for FX, the Group has decreased its Gross debt by NOK 695m

[1] Underlying operating expenses refers to operating expenses excluding non-recurring items, Cost of collateral assets sold, Depreciation and amortization, and Impairment losses

since Q3 2022 and by NOK 947m since the end of Q2 2023.

The high balance of Cash and short-term deposits at the end of Q3 2023 was a result of the timing of the repayments due on the loans from PIMCO in October. Net interest-bearing debt amounted to NOK 9,350m at the end of Q3 and was up by NOK 379m since Q3 2022.

Cash flow

Cash EBITDA was NOK 1,160m in Q3 2023 and NOK 187m higher than Q3 2022. NOK 143m of the increase was due to translational FX impacts with the NOK weaking against other currencies. The remaining increase was driven by the strong collection performances across the Group and high cash from JVs & SPVs.

In Q3 2023, the Group invested in new NPLs for a total of NOK 357m compared with NOK 399m in Q3 2022.

Disclaimer

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

Board of Directors, B2 Impact ASA
9 November 2023

Consolidated income statement

All figures in NOK million

	Notes	2023 Quarter 3	2022 Quarter 3	2023 9 months	2022 9 months	2022 Full Year
Interest revenue from purchased loan portfolios		634	530	1862	1 589	2 133
Net credit gain/(loss) from purchased loan portfolios	4	11	45	299	107	129
Profit from investments in associated parties/joint ventures		61	1	140	27	100
Revenue from sale of collateral assets		169	169	348	408	581
Other revenues [1)]		134	132	422	393	534
Total revenues	3	**1 008**	**878**	**3072**	**2 524**	**3 477**
External expenses of services provided		- 125	- 97	-387	- 308	- 422
Personnel expenses		- 244	- 205	-763	- 646	- 900
Other operating expenses		- 121	- 136	-382	- 422	- 551
Cost of collateral assets sold, including impairment		-125	- 82	-243	- 262	- 392
Depreciation and amortisation		- 23	- 21	-70	- 62	- 83
Impairment losses		- 0	- 0	-10	- 99	- 100
Operating profit/(loss)	3	**370**	**337**	**1216**	**725**	**1 029**
Financial income		2	1	15	4	6
Financial expenses		- 305	- 153	-832	- 380	- 588
Net exchange gain/(loss)		- 10	- 0	-14	- 8	- 25
Net financial items	5	**- 313**	**- 152**	**-831**	**- 384**	**- 607**
Profit/(loss) before tax		**58**	**185**	**385**	**341**	**421**
Income tax expense		- 13	- 42	-87	- 77	- 95
Profit/(loss) after tax		**45**	**143**	**299**	**265**	**326**
Profit/(loss) attributable to:						
Parent company shareholders		45	143	299	265	326
Non-controlling interests		0	0	0	0	0
Earnings per share (in NOK):						
Basic		0.12	0.36	0.78	0.67	0.82
Diluted		0.12	0.36	0.78	0.67	0.82

1) Other revenues includes interest revenue and net credit gain/(loss) from loan recevables

Consolidated statement of comprehensive income

All figures in NOK million

	2023 Quarter 3	2022 Quarter 3	2023 9 months	2022 9 months	2022 Full Year
Profit/(loss) after tax	**45**	**143**	**299**	**265**	**326**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	-249	115	456	251	226
Accumulated exchange rate differences reclassified to profit or loss on disposal of foreign operations	-13		-13		
Hedging of currency risk in foreign operations	113	-43	-62	-22	9
Hedging of interest risk	-35		-83		
Tax attributable to items that may be reclassified to profit or loss	-20		36		
Other comprehensive income	**-203**	**72**	**334**	**228**	**234**
Total comprehensive income for the period	**-158**	**215**	**632**	**493**	**561**
Total comprehensive income attributable to:					
Parent company shareholders	-158	215	632	493	561
Non-controlling interests	0	0	0	0	0

Condenced consolidated statement of financial position

All figures in NOK million

	Notes	2023 30 Sep	2022 30 Sep	2022 31 Dec
Deferred tax asset		334	328	303
Goodwill		771	736	731
Tangible and intangible assets		368	309	320
Investments in associated companies and joint ventures		756	822	690
Purchased loan portfolios	3,4,5	11 588	11 034	11 181
Loan receivables		221	227	280
Other non-current financial assets		149	138	133
Total non-current assets		**14 187**	**13 593**	**13 638**
Other short-term assets		532	356	391
Collateral assets		1 380	1 340	1 294
Cash and short-term deposits		924	1 383	1 176
Total current assets		**2 837**	**3 079**	**2 861**
Total assets		**17 023**	**16 672**	**16 500**
Equity attributable to parent company's shareholders	7	5 576	5 184	5 216
Equity attributable to non-controlling interests		1	1	1
Total equity		**5 577**	**5 185**	**5 217**
Deferred tax liabilities		340	275	275
Long-term interest bearing loans and borrowings	6	7 953	7 547	8 885
Other non-current liabilities		167	117	133
Total non-current liabilities		**8 460**	**7 939**	**9 294**
Short-term interest bearing loans and borrowings	6	2 246	2 754	1 201
Bank overdraft	6	75	53	131
Account payables and other payables		230	327	209
Income taxes payable		40	58	51
Other current liabilities		396	356	396
Total current liabilities		**2 987**	**3 548**	**1 989**
Total equity and liabilities		**17 023**	**16 672**	**16 500**

Condensed consolidated statement of changes in equity

All figures in NOK million

	Notes	2023			2022		
		Attributable to parent company's shareholders	Non-controlling interests	Total equity	Attributable to parent company's shareholders	Non-controlling interests	Total equity
At 1 January		**5 216**	**1**	**5 217**	**4 992**	**1**	**4 993**
Profit/(loss) after tax		299	0	299	265	0	265
Other comprehensive income		334	0	334	228	0	228
Total comprehensive income		**632**	0	**632**	**493**	**0**	**493**
Share issuance					1		1
Capital reduction		- 1		- 1	- 87		- 87
Share buy-back programme		- 98		- 98	- 51		- 51
Share based payments		3		3	5		5
Dividend paid to parent company's shareholders		- 77		- 77	- 168		- 168
Dividends to non-controlling interests			0	0		0	0
Disposals of subsidiaries		- 99		-99			
At 30 September		**5 576**	**1**	**5 577**	**5 184**	**1**	**5 185**

Condensed consolidated statement of cash flows

All figures in NOK million

	Notes	2023 Quarter 3	2022 Quarter 3	2023 9 months	2022 9 months	2022 Full Year
Cash flows from operating activities						
Profit for the period before tax		58	185	385	341	421
Adjustment for non-cash items:						
Amortisation/revaluation of purchased loan portfolios		636	553	1 810	1 710	2 322
Repossession of collateral assets		- 44	- 82	- 210	- 217	- 299
Cost of collateral assets sold, including impairment		125	82	243	262	392
Share of profit in associated parties/joint ventures	3	- 61	- 1	- 140	- 27	- 100
Financial expenses	5	305	153	832	380	588
Unrealised foreign exchange differences		- 62	- 104	6	- 112	- 148
Other non-cash items		49	38	155	213	245
Operating cash flows:						
Income tax paid		- 26	- 31	- 101	- 90	- 144
Change in working capital		- 79	- 77	- 136	- 53	- 69
Change in non-current financial assets/liabilities		- 81	80	- 57	- 21	- 66
Net cash from operating activities		**819**	**796**	**2 787**	**2 386**	**3 142**
Cash flows from investing activities						
Payment of loan portfolios	3, 4	- 354	- 459	-1 780	-1 272	-2 157
Investments/divestments in subsidiaries, joint ventures and associated companies		460		295		1
Cash received from investments in associated parties / joint ventures		92	29	149	107	294
Net investments in intangible and tangible assets		- 21	26	- 60	- 19	- 27
Payment of contingent consideration			- 11		- 11	- 11
Net cash from investing activities		**176**	**- 415**	**-1 397**	**-1 195**	**-1 900**
Cash flows from financing activities						
Proceeds from issue of new shares, net of transaction costs	7					1
Payment buy-back share programme	7	- 24	- 55	- 98	- 138	- 175
Net drawdowns/(repayments) on interest bearing loans and borrowings		- 546	752	- 674	845	571
Paid interest cost and commitment fees		- 235	- 168	- 685	- 428	- 418
Paid borrowing costs		- 20	- 159	- 67	- 159	- 159
Repayment of principal amount on lease liabilities		- 13	- 6	- 39	- 32	- 43
Dividends paid to parent company's shareholders				- 77	- 168	- 168
Dividends paid to non-controlling interests		- 0		- 0	- 0	- 0
Net cash from financing activities		**- 837**	**364**	**-1 640**	**- 81**	**- 392**
Net increase/(decrease) in cash and cash equivalents		**157**	**745**	**- 250**	**1 110**	**850**
Cash and cash equivalents at the beginning of the period		724	538	1 045	157	157
Exchange rate difference on cash and cash equivalents		- 32	47	54	63	38
Cash and cash equivalents at the end of the period		**849**	**1 330**	**849**	**1 330**	**1 045**
Cash and cash equivalents comprised of:						
Cash and short-term deposits		924	1 383	924	1 383	1 176
Bank overdraft		- 75	- 53	- 75	- 53	- 131

Notes to the interim condensed consolidated financial statements

Note 1 – General information and basis for preparation

B2 Impact ASA (the Company or Parent) and its subsidiaries (together the Group) is a debt solutions provider specialized in investing in, and the collection of, non-performing debt portfolios in addition to providing third-party debt collection services. B2 Impact ASA is a public limited liability company, incorporated and domiciled in Norway. The Company's registered office is at Cort Adelers gate 30, 0254 Oslo, Norway. The interim condensed consolidated financial statements consist of the Group and the Group's interests in associated companies and joint ventures.

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

These interim condensed consolidated financial statements (interim report) for the third quarter ended 30 September 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statement for 2022. The annual consolidated financial statements for 2022 are available at the company's website (www.b2-impact.com).

The accounting policies applied in the preparation of the interim report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022.

16 January 2023 the Group acquired 70 percent of the profit participation notes issued by Hellas 2P Investment DAC, in addition to the 30 percent already held, and the entity is consolidated in B2I Group from this date. The 30% investment was previously reported as a joint venture under Investments in associated companies and joint ventures.

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

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

The interim condensed consolidated financial statements for the quarters ending 30 September 2023 and 30 September 2022 are unaudited. The 2022 audited financial statements were approved at the Annual General Meeting of the Company held on 25 May 2023.

Note 2 – Estimates and critical accounting judgements

The preparation of the interim condensed consolidated financial statements requires the use of evaluations, estimates and assumptions that affect the application of the accounting principles and amounts recognized as assets, liabilities, income, and expenses. A description of the accounting policies, significant estimates, and areas where judgement is applied by the Group can be found in note 3 of the annual report for 2022. In these interim condensed consolidated financial statements, the accounting policies, significant estimates, and areas where judgement is applied by the Group are in conformity with those described in the annual report.

Note 3 – segment reporting

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

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

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

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

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

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

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

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

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

Segment overview

Quarter 3, 2023

All figures in NOK million

	Investments	Servicing	Other	Unallocated items & eliminations	Total
External revenue	754	91	39	0	884
Inter segment revenue	0	233	0	-233	0
Net revenue	**754**	**325**	**39**	**-233**	**884**
Direct opex	-321	-194	-11	214	-312
Segment earnings	**433**	**131**	**27**	**-19**	**572**
IT					-42
SG&A					-79
Central costs					-57
EBITDA					**394**
Depreciation & amortisation					-24
EBIT					**370**

Quarter 3, 2022

All figures in NOK million

	Investments	Servicing	Other	Unallocated items & eliminations	Total
External revenue	671	85	40	1	797
Inter segment revenue	0	171	0	-171	0
Net revenue	**671**	**256**	**40**	**-170**	**797**
Direct opex	-208	-164	-23	158	-236
Segment earnings	**463**	**92**	**17**	**-12**	**561**
IT					-35
SG&A					-97
Central costs					-70
EBITDA					**358**
Depreciation & amortisation					-21
EBIT					**337**

9 months, 2023

All figures in NOK million

	Investments	Servicing	Other	Unallocated items & eliminations	Total
External revenue	2 422	274	132	0	2 829
Inter segment revenue	0	672		- 673	- 0
Net revenue	**2 422**	**947**	**132**	**- 673**	**2 829**
Direct opex	- 954	- 593	- 35	621	- 962
Segment earnings	**1 468**	**354**	**98**	**- 52**	**1 867**
IT					- 127
SG&A					- 252
Central costs					- 192
EBITDA					**1 297**
Depreciation & amortisation					- 81
EBIT					**1 216**

9 months, 2022

All figures in NOK million

	Investments	Servicing	Other	Unallocated items & eliminations	Total
External revenue	1 916	257	120	- 32	2 261
Inter segment revenue		528	0	- 528	0
Net revenue	**1 916**	**785**	**120**	**- 560**	**2 261**
Direct opex	- 632	- 518	- 62	451	- 760
Segment earnings	**1 284**	**268**	**58**	**- 109**	**1 501**
IT					- 108
SG&A					- 299
Central costs					- 207
EBITDA					**886**
Depreciation & amortisation					- 160
EBIT					**725**

Full year, 2022

All figures in NOK million

	Investments	Servicing	Other	Unallocated items & eliminations	Total
External revenue	2 606	347	164	- 32	3 085
Inter segment revenue		704	- 1	- 703	0
Net revenue	**2 606**	**1 051**	**163**	**- 734**	**3 085**
Direct opex	- 896	- 668	- 70	639	- 995
Segment earnings	**1 710**	**383**	**93**	**- 95**	**2 091**
IT					- 156
SG&A					- 431
Central costs					- 292
EBITDA					**1 212**
Depreciation & amortisation					- 184
EBIT					**1 029**

Segment details

Investments

All figures in NOK million unless otherwise stated

	2023 Quarter 3	2022 Quarter 3	2023 YTD	2022 YTD	2022 Full Year
Secured collections	232	225	775	729	1 022
Unsecured collections	1 048	903	3 196	2 677	3 562
Total collections	**1 281**	**1 128**	**3 972**	**3 406**	**4 584**
Secured amortisation	- 38	- 12	- 146	- 59	- 140
Unsecured amortisation	- 510	- 443	-1 525	-1 319	-1 759
Total amortisation	**- 548**	**- 455**	**-1 671**	**-1 378**	**-1 898**
Secured revaluations	- 103	- 98	- 186	- 306	- 410
Unsecured revaluations	15	0	46	5	18
Total revaluations	**- 88**	**- 98**	**- 140**	**- 300**	**- 392**
Total NPL revenue	**645**	**575**	**2 161**	**1 728**	**2 294**
Profit from Investments in joint ventures	61	1	140	27	100
Net REO gains	44	88	105	146	189
Other revenue	4	7	16	16	22
Net revenue	**754**	**671**	**2 422**	**1 916**	**2 606**
Direct opex	- 321	- 208	- 954	- 632	- 896
Segment earnings	**433**	**463**	**1 468**	**1 284**	**1 710**
Segment earnings in %	57%	69%	61%	67%	66%
Cash collections [1)]	1 497	1 244	4 259	3 704	5 161
Secured collection performance %	154.1%	186.7%	161.2%	184.8%	174.7%
Unsecured collection perfomance %	101.6%	104.4%	104.7%	104.1%	103.4%
Total collection perfomance %	108.3%	114.5%	112.4%	114.8%	113.7%
Net gain on sale of collateral assets %	35.2 %	107.7 %	43.4 %	55.5 %	48.2 %
Portfolio investments [1)]	357	399	1 920	1 395	2 165
Book value secured NPLs	2 434	2 552	2 434	2 552	2 544
Book value unsecured NPLs	9 155	8 482	9 155	8 482	8 637
Book value Investments in joint ventures	756	822	756	822	690
Book value Collateral assets (REOs)	1 380	1 340	1 380	1 340	1 294

1) Includes the Group's share of portfolios held in SPVs and joint ventures and in addition the reclassification from Profit Participating notes specified in Note 4.

Servicing

All figures in NOK million unless otherwise stated

	2023 Quarter 3	2022 Quarter 3	2023 YTD	2022 YTD	2022 Full Year
Internal servicing revenue	233	171	672	528	704
Servicing revenues from Joint ventures	21	25	66	73	101
Revenue from external clients (3PC)	71	61	209	184	246
Net revenue	**325**	**256**	**947**	**785**	**1 051**
Direct opex	-194	- 164	- 593	- 518	- 668
Segment earnings	**131**	**92**	**354**	**268**	**383**
Segment earnings in %	40%	36%	37%	34%	36%

Note 4 – Purchased loan portfolios

Purchased loan portfolios

All figures in NOK million

	2023 Quarter 3	2022 Quarter 3	2023 9 months	2022 9 months	2022 Full year
Opening balance	12 896	11 034	11 181	10 921	10 921
Portfolio investments in the period	357	399	1 750	1 395	2 165
Reclassification from investment in joint ventures 1)			157		
Gross collection from purchased loan portfolios	-1 281	-1 128	-3 972	-3 406	-4 584
Interest revenue from purchased loan portfolios	634	530	1 862	1 589	2 133
Net credit gain/(loss) from purchased loan portfolios	11	45	299	107	129
Whereof collection above/(below) estimates	*98*	*142*	*439*	*439*	*553*
Whereof changes in future collection estimates	*- 88*	*- 98*	*- 140*	*- 332*	*- 424*
Book value of sold loan portfolios	*- 449*		- 449		
Exchange rate differences	- 579	154	761	427	417
Closing balance	**11 588**	**11 034**	**11 588**	**11 034**	**11 181**

1) Amount reclassified from investment in joint ventures due to increased ownership from 30% to 100% of Profit Participating notes in a portfolio owning SPV as of 16th January 2023.

The fair value of unquoted financial assets has been estimated using valuation techniques based on assumptions that are not supported by observable market prices. The fair value of purchased loan portfolios (level 3) has been calculated by discounting the expected net future cash flows from collections less cost to collect and tax with the estimated weighted average cost of capital for the countries where the purchased portfolios are originated. The calculated fair value of purchased loan portfolios as of 30 September 2023 is NOK 12bn.

Net credit gain/loss from purchased portfolios

The Group purchases materially impaired loan portfolios at significant discounts and as such impairments are already included at purchase. The expected credit loss for the purchased loan portfolios is not explicitly recognized as a loss provision, as these financial assets are credit impaired by definition and the estimated loss is already part of the amortized cost. The Group's exposure to credit risk from the purchased loan portfolios is related to actual gross collections deviating from collections estimates, as well as from changes in future collections estimates. The Group regularly evaluates the future collections estimates (Estimated Remaining Collections) at portfolio level and the estimate is adjusted if expected future collections are determined to materially deviate from the previous estimate. The adjusted collections estimate is discounted by the initial rate of return at acquisition of the portfolio. Changes from current estimates adjust the book value of the portfolio and are included in the profit and loss statement in the line item "Net credit gain/(loss) from purchased loan portfolios". Both secured and unsecured portfolios are evaluated quarterly. Gross collections above collections estimates and upward adjustments of future collections estimates increase revenue, while conversely gross collections below collections estimates and downward adjustments of future collections estimates decrease revenue.

Purchase of loan portfolios, cash flow statement

The following table reconciles the difference between “Purchase of loan portfolios” in cash flow statement and other statements:

All figures in NOK million

	2023 Quarter 3	2022 Quarter 3	2023 9 months	2022 9 months	2022 Full year
Portfolio investments in the period	- 357	- 399	-1 750	-1 395	-2 165
Change in prepaid amounts and amounts due on portfolio purchases	2	- 60	- 31	124	8
Payment of loan portfolios, cash flow statement	**- 354**	**- 459**	**-1 780**	**-1 272**	**-2 157**

Note 5 – Financial instruments

Specific disclosures regarding purchased loan portfolios see note 4.

Fair value of financial instruments

The fair value of interest-bearing loans and borrowings is equal to the carrying amount (level 2) for the Multi-currency revolving credit facility (NOK 4,168m) and the Senior Facility Agreement (NOK 456m) as the loan facilities are based on one to six months floating interest. The fair value (NOK 5,584m) of bond loans (level 1) were determined by obtaining quoted market prices for the bond loans from Refinitiv EIKON and Nordic Bond Pricing. The carrying amount is NOK 5,575m. For loan receivables the carrying value is the best estimate of fair value.

Financial risk

The strategy of the Group is to manage and limit both currency and interest rate risk. The Group holds various derivative financial instruments with the purpose of reducing its interest rate exposure and achieving a suitable currency ratio between its assets and liabilities. At quarter end the fair value of the currency derivatives was NOK 0m and the fair value of the interest rate hedging derivatives was positive NOK 64m. The interest rate hedging ratio was 32%.

The Group has implemented hedge accounting from 1 January 2023. The changes in fair value of the designated hedging instruments (interest swaps and interest caps) NOK -35m are reported in Other Comprehensive Income. The remaining change in fair value of interest rate derivatives of NOK 5m is related to DKK where no effective hedge is obtained.

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

Net financial items

All figures in NOK million

	2023 Quarter 3	2022 Quarter 3	2023 9 months	2022 9 months	2022 Full Year
Interest revenue	2	1	14	3	5
Other financial income	-0	0	0	1	1
Financial income	**2**	**1**	**15**	**4**	**6**
Interest expenses	-264	-171	-766	-464	-665
Interest cost and commitment fees	*-243*	*-152*	*-702*	*-415*	*-598*
Amortisation of borrowing costs	*-20*	*-19*	*-64*	*-48*	*-67*
Change in fair value of interest rate derivatives	-5	27	-11	98	92
Interest expense on leases	-3	-2	-9	-6	-8
Other financial expenses [1)]	-33	-7	-46	-8	-8
Financial expenses	**-305**	**-153**	**-832**	**-380**	**-588**
Realised exchange gain/(loss)	13	-40	-225	-79	-174
Unrealised exchange gain/(loss)	-22	32	211	86	168
Change in fair value of currency derivatives	0	7	0	-15	-19
Net exchange gain/(loss)	**-10**	**-0**	**-14**	**-8**	**-25**
Net financial items	**-313**	**-152**	**-831**	**-384**	**-607**

1) Includes NOK 32m impact in 2023 in connection with the divestment of the Bulgarian business shown as "Other non-recurring items" in APM1

Note 6 - Interest bearing loans and borrowings

All figures in NOK million

	30 September 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Multi-currency revolving credit facility		4 168		4 025
Bond loans	2 246	3 329	1 201	3 653
Senior Facility Agreement		456		1 208
Bank overdraft	75		131	
Total	**2 321**	**7 953**	**1 332**	**8 885**

The Group is financed by a combination of multi-currency Revolving Credit Facility (RCF), Senior Facility Agreement (SFA) and Bond loans. At quarter end EUR 383m was utilised from the EUR 610m RCF and EUR 43m was utilised from the EUR 180m SFA, leaving total available, undrawn facility lines of EUR 364m.

The Group's loan agreements have several operational and financial covenants, including limits on certain key indicators, which have all been complied with at quarter end.

For more information about the Group's financing, please refer to note 24 in the Group's 2022 Annual Report.

Note 7 – Share Capital and other paid-in capital

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

	Number of shares [1]	Share capital NOK million	Other paid-in capital [2] NOK million
At 31 December 2022	**401 364 824**	**40**	**2 844**
Capital reduction by cancellation of own shares registered on 27 July 2023 related to the share buy-back programme 2022	-14 184 000	- 1	
At 30 September 2023	**387 180 824**	**39**	**2 844**
At 9 November 2023 (date of completion of these interim condensed financial statements)	**387 180 824**	**39**	**2 844**

1) Including treasury shares purchased in share buy-back program commenced 26 May 2023
2) Net proceeds after transaction costs

The share buy-back program started 27 May 2022 was completed in December 2022. The purpose of the program was to reduce the capital of the Company. In total 14,184,000 shares were bought back at an average price of NOK 8.31 per share and the share capital reduction of NOK 1.4m was effective as of 27 July 2023.

The Company announced a third share buy-back program 25 May 2023 with duration from 26 May 2023 until the Annual General Meeting 2024 at the latest. The purpose of the program is to reduce the capital of the Company and will be for a maximum of 25 million shares and comprise acquisitions of own shares for an aggregated amount of up to NOK 162.6m.

In the period 26 May – 30 September 2023 14,722,985 shares were bought back at an average price of NOK 6.71 per share, corresponding to 3.80% of the Company's share capital. Of these 14,600,619 shares were settled transactions as of 30 September 2023, decreasing the equity attributable to parent company shareholders by NOK 98m.

As at 6 November 2023 the Company owns a total of 15,801,775 own shares, bought back at an average price of NOK 6.72, and corresponding to 4.08% of the Company's share capital.

Note 8 – Share based payments

No share options were granted, exercised, or expired during the third quarter 2023. Due to changes in the Management, 263,333 share options were terminated. At the date of these interim financial statements there are 10,666,67 share options outstanding.

Alternative performance measures

The interim financial information of the Group has been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The Group presents alternative performance measures (APMs) which do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to the calculation of similar measures used by other companies.

The APMs are regularly reviewed by Management and their aim is to enhance stakeholders' understanding of the Group's performance and to enhance comparability between financial periods. The APMs are reported in addition to but are not substitutes for the financial statements prepared in accordance with IFRS.

The APMs provide a basis to evaluate operating profitability and performance trends, excluding the impact of items which in the opinion of Management, distort the evaluation of the performance of the operations. The APMs also provide measures commonly reported and widely used by investors as an indicator of the Group's operating performance and as a valuation metric of debt purchasing companies. Furthermore, APMs are also relevant when assessing the ability to incur and service debt.

APMs are defined consistently over time and are based on the financial data presented in accordance with IFRS.

Alternative performance measures – reconciliation

All figures in NOK million

	2023 Quarter 3	2022 Quarter 3	2023 9 months	2022 9 months	2022 Full Year
Total revenues	1 008	878	3 072	2 524	3 477
Adjust for Cost of collateral assets sold, including impairment	- 125	- 82	- 243	- 262	- 392
Net revenues	**884**	**797**	**2 829**	**2 261**	**3 085**
Operating profit/(loss)	370	337	1 216	725	1 029
Non-recurring items, of which:					
Changes in future collection estimates		0		32	32
Other revenues					- 0
External expenses of services provided		0		- 4	- 4
Personnel expenses	14	0	36	3	31
Other operating expenses	4	35	27	137	147
Depreciation and amortisation		- 0		1	1
Impairment	0	0	8	98	99
Non-recurring items impacting EBIT	18	35	71	267	306
Adjusted EBIT	**389**	**373**	**1 287**	**992**	**1 334**
Non-recurring items impacting EBIT	18	35	71	267	306
Other non-recurring items	32		32		
Total non-recurring items	**51**	**35**	**103**	**267**	**306**
Operating profit/(loss)	370	337	1 216	725	1 029
Add back Depreciation, amortisation and impairment losses	24	21	81	160	184
EBITDA	**394**	**358**	**1 297**	**886**	**1 212**
Total revenues	1 008	878	3 072	2 524	3 477
Add back Amortisation of purchased loan portfolios	548	455	1 671	1 378	1 898
Add back Revaluation of purchased loan portfolios	88	98	140	332	424
Adjust for Repossession of collateral assets	- 44	- 82	- 210	- 217	- 299
Adjust for Profit from investments in associated parties/joint ventures	- 61	- 1	- 140	- 27	- 100
Add Cash received from investments in associated parties/joint ventures	92	29	149	107	295
Adjust for Non-recurring items					- 0
Cash revenue	**1 631**	**1 377**	**4 681**	**4 096**	**5 695**
Adjust for Other revenues	- 134	- 132	- 422	- 393	- 534
Cash collections	**1 497**	**1 244**	**4 259**	**3 704**	**5 161**
Operating profit/(loss)	370	337	1 216	725	1 029
Add back Amortisation of purchased loan portfolios	548	455	1 671	1 378	1 898
Add back Revaluation of purchased loan portfolios	88	98	140	332	424
Add back Depreciation, amortisation and impairment losses	24	21	81	160	184
Adjust for Repossession of collateral assets	- 44	- 82	- 210	- 217	- 299
Add back Cost of collateral assets sold, including impairment	125	82	243	262	392
Adjust for Profit from investments in associated parties/joint ventures	- 61	- 1	- 140	- 27	- 100
Add Cash received from investments in associated parties/joint ventures	92	29	149	107	295
Adjust for Non-recurring items	18	35	63	136	174
Cash EBITDA	**1 160**	**973**	**3 212**	**2 857**	**3 996**

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

All figures in NOK million

	2023 30 Sep	2023 30 Jun	2023 31 Mar	2022 31 Dec
Total assets	17 023	18 759	18 036	16 500
Total equity	5 577	5 859	5 748	5 217
Equity ratio	***32.8 %***	***31.2 %***	***31.9 %***	***31.6 %***
Total assets	17 023	18 759	18 036	16 500
Excluding IFRS 16 right-of-use asset	- 166	- 173	- 167	- 137
Total assets excl IFRS 16 right-of-use asset	16 858	18 585	17 869	16 363
Equity ratio	***33.1 %***	***31.5 %***	***32.2 %***	***31.9 %***

Total Loan to Value

All figures in NOK million

	2023 30 Sep	2023 30 Jun	2023 31 Mar	2022 31 Dec
Bond loan (nominal value)[1)]	5 627	5 852	5 697	4 880
Revolving Credit Facility (nominal value)[1)]	4 234	4 568	4 430	4 086
Senior Facility Agreement (nominal value)[1)]	0	935	997	1 241
Vendor loan	12	21	15	47
FX Derivatives (MTM)	0		0	0
Net cash balance including overdraft	- 849	- 715	- 941	-1 045
Total loan	**9 508**	10 662	10 198	9 210
Purchased loan portfolios	11 588	12 896	12 333	11 181
Investment in associated companies and joint ventures	756	818	794	690
Other assets[2)]	1 548	1 698	1 988	1 834
Book value	13 891	15 412	15 115	13 705
Total Loan to Value % (TLTV)	***68.4 %***	***69.2 %***	***67.5 %***	***67.2 %***

1) Bond loans, Revolving Credit Facility (RCF) and Senior Facility Agreement (SFA) are measured at nominal value according to the definitions of financial covenants.
In the Consolidated statement of financial position this is included in "Long-term interest bearing loans and borrowings" and "Short-term interest bearing loans and borrowings", with bonds measured at amortised cost and RCF and SFA at linear cost.
2) Included in "Goodwill", "Loan receivables" and "Collateral assets" in the Consolidated statement of financial position

Definitions

Actualisation
Actualisation is the difference between actual and forecasted collections for purchased loan portfolios for the reporting period.

Adjusted EBIT (Adj. EBIT)
Adjusted EBIT consists of Operating profit/(loss) (EBIT) adjusted for non-recurring items.

Adjusted EBIT % (Adj. EBIT %)
Adjusted EBIT % is Adjusted EBIT expressed as a percentage of Net revenues excluding Non-recurring items.

Adjusted EPS (Adj. EPS)
Adjusted earnings per share is calculated based on Adjusted Net profit (Adj. Net profit) for the period divided by the weighted average number of outstanding shares during the respective period.

Adjusted return on equity (Adj. ROE)
Adjusted return on equity is calculated based on rolling 12-months Adjusted Net profit (Adj. Net profit) for the Group divided by the average equity attributable to parent company shareholders, with average equity calculated as a simple average based on opening and closing balances for the respective 12-month period.

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.

Central costs
Administration and management cost related to Head Office and other Group costs such as Investment Office.

Amortisation
Amortisation is the amount of the gross collections that are used to reduce the book value of the purchased portfolios.

Cash collections
Cash collections include unsecured collections, secured cash collections, cash received from SPVs and joint ventures, and REO sales proceeds.

Cash EBITDA
Cash EBITDA consists of EBIT added back Amortisation and Revaluation of purchased loan portfolios, Depreciation and amortisation and Impairment of tangible and intangible assets and Cost of collateral assets sold, adjusted for Repossession of collateral assets and the difference between cash received and recognised Profit from shares in associated parties/joint ventures and participation loan/notes. Cash EBITDA is a measure of actual performance from the collection business (cash business) and other business areas. Cash EBITDA is adjusted for Non-recurring items.

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

Cash revenue
Cash revenue consists of Total revenues added back Amortisation and Revaluation of purchased loan portfolios and adjusted for Repossession of collateral asset and the difference between cash received and recognised Profit from shares in associated parties/joint ventures and participation loan/notes. Cash revenue is a measure of actual revenues (cash business) from the collection business and other business areas. Cash revenue is adjusted for Non-recurring items.

Collateral asset
In connection with the acquisition and collection 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 collection strategy for the purpose of being divested within the Group's ongoing operations to maximize the value of collections. Such assets are classified as inventories and recognised in the balance sheet at the lower of cost and net realisable value in accordance with IAS 2 Inventories.

Cost to collect
Cost to collect is all external and internal operating costs related to the collections of B2 Impact's purchased loan portfolios.

EBITDA
Operating profit before depreciation and amortisation (EBITDA) consists of operating profit (EBIT) adding back depreciation, amortisation and impairment of tangible and intangible assets.

Estimated Remaining Collections (ERC)
Estimated Remaining Collections (ERC) expresses the gross collections in nominal values expected to be collected in the future from the purchased loan portfolios owned at the reporting date and the Group's share of gross collections on portfolios purchased and held in joint ventures.

Forward flow agreements
Forward flow agreements are agreements where the Group agrees with the portfolio provider that it will, over some period in fixed intervals, transfer its non-performing loans of a certain characteristics to the Group.

Gross collections
Gross collections are the actual cash collected and assets recovered from purchased portfolios.

Interest income from loan receivables
Interest income from loan receivables is the calculated amortised cost interest revenue from the loan receivable using the original effective interest rate.

Interest income from purchased portfolios
Interest income from purchased loan portfolios is the calculated amortised cost interest revenue from the purchased loan portfolios using the credit-adjusted effective interest rates set at initial acquisition.

Leverage ratio
Net interest-bearing debt over Cash EBITDA calculated for the last 12 months.

Liquidity reserve
Cash and short-term deposits (less NOK 200 million to cover working capital) plus unutilised credit facility lines, plus fair value of treasury bonds and less short-term vendor loans. Cash flow from future operations is not included in the number.

Net debt
Net debt consists of nominal value of interest-bearing loans and borrowings plus utilised bank overdraft less cash and short-term deposits.

Net interest-bearing debt
Net interesting-bearing debt consist of carrying value of interest-bearing loans and borrowings plus utilised bank overdraft less cash and short-term deposits.

Net credit gain/(loss) from purchased loan portfolios
The Group's exposure to credit risk from the purchased loan portfolios is related to actual gross collections deviating from collections estimates and from changes in future collections estimates. The Group regularly evaluates the current collections estimates at the individual portfolio level and the estimate is adjusted if collections 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 adjust the book value of the portfolio and are included in the profit and loss statement in the line item "Net credit gain/(loss) from purchased loan portfolios". Collections above collections estimates and upward adjustments of future collections estimates increase revenue. Collections below collections estimates and downward adjustments of future collections estimates decrease revenue. Net credit gain/(loss) equals net actualisation/revaluation.

Net credit gain/(loss) from loan receivables
The Group's exposure to credit risk from loan receivables is related to actual instalments deviating from loan schedules. The Group measures the impairment loss on loan receivables using a 3-stage model for expected credit loss (ECL) according to IFRS 9. Changes from current estimate adjust the book value of the loan receivables and are included in the profit and loss statement in the line item "Net credit gain/(loss) from loan receivables".

Non-recurring items
Significant profit and loss items that are not included in the Group’s normal recurring operations, which are difficult to predict and are considered to have low forecast value for the future earnings trend. Non-recurring items may include but are not limited to restructuring costs, acquisition and divestment costs, advisory costs for discontinued acquisition projects, integration costs, termination costs for Group Management and country managers, non-portfolio related write offs, unusual legal expenses, extraordinary projects, and material income or expenses relating to prior years.

Net revenues
Net revenues are the Total revenues reported less the Cost of collateral assets sold, including impairment.

Operating cash flow per share
Operating cash flow per share is operating cash flow from consolidated statement of cash flows divided on the weighted average number of shares outstanding in the reporting period. Operating cash flow per share is a measure on actual cash earned from operating business per share.

Other revenues
Other revenues include revenue from external collections, as well as subscription income for credit information, telemarketing and other services which is recognised proportionately over the term of the underlying service contract which is usually one year. Other revenues includes Interest income from loan receivables and Net credit gain/(loss) from loan receivables.

Participation loan/notes
Participation loan/notes consist of investment agreements with co-investors for the purchase of loan portfolios through SPVs. The contractual arrangement of the participation loan/notes are directly related to the performance of the portfolios purchased in the SPVs.

Portfolio investments
The investments for the period in unsecured (without collateral) and in secured (with collateral) loan portfolios.

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

Revaluation
Revaluation is the period’s increase or decrease in the carrying value of the purchased loan portfolios attributable to changes in forecasts of future collections.

Total Loan to Value (TLTV)
Total loan to value is net debt adjusted for vendor loan, earn out and FX hedge MTM over assets (portfolio, JV, loan receivables, real estate owned and goodwill).

Financial year 2023

Annual report 2022	28.04.2023
Annual General Meeting	25.05.2023
Half-yearly report	23.08.2023
Quarterly report - Q1	16.05.2023
Quarterly report - Q3	10.11.2023
Quarterly report - Q4	15.02.2024

B2 Impact ASA

Head office
Cort Adelers gate 30
0254 Oslo
Norway

Tel: +47 22 83 39 50
E-mail: post@b2-impact.com