impact

Fourth quarter 2023

Fourth quarter of 2023

"Entering 2024 with a strong balance sheet in an attractive market for NPL investments and decreasing cost of debt."

Erik Just Johnsen, CEO

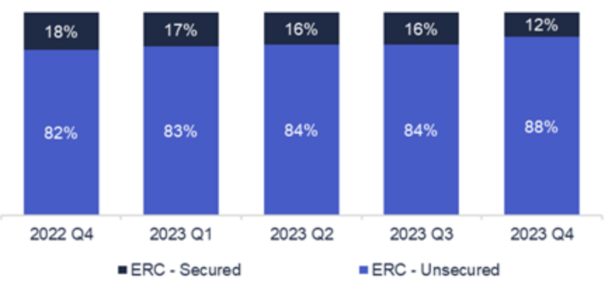
Quarterly events

- Cash collections NOK 1,906m and Cash EBITDA NOK 1,540m following collection of a large secured claim
- Unsecured collection performance of 104%
- Stable underlying Opex and strong collection growth
- Leverage down to 1.90x
- Lower cost of debt after bond issue in January 2024
- Committed investments of more than NOK 700m for 2024
- Proposed dividend of NOK 0.70 per share

Quarterly summary

NOK million	**2023 Q4**	**2022 Q4**	**% Δ**	**2023 FY**	**2022 FY**	**% Δ**
Cash collections	1 906	1 458	*31%*	6 164	5 161	*19%*
Net revenues	946	824	*15%*	3 775	3 085	*22%*
Adj. EBIT	410	343	*20%*	1 696	1 334	*27%*
Adj. EBIT %	43%	42%	*2 pp*	45%	43%	*2 pp*
EBIT	362	303	*19%*	1 578	1 029	*53%*
Adj. Net profit	105	91	*15%*	483	564	*-14%*
Cash revenue	2 052	1 599	*28%*	6 733	5 695	*18%*
Cash EBITDA	1 540	1 140	*35%*	4 752	3 996	*19%*
Cash margin	75%	71%	*4 pp*	71%	70%	*0 pp*
Gross collections[1)]	1 845	1 261	*46%*	6 008	4 936	*22%*
Amortisation of own portfolios	- 539	- 520	*4%*	-2 209	-1 898	*16%*
Portfolio investments[1)]	821	769	*7%*	2 741	2 165	*27%*
Adj. EPS	0.28	0.23		1.27	1.41	
Adj. ROE (LTM)	8.9%	10.7 %	-1.8 pp	8.9 %	10.7 %	-1.8 pp

Estimated remaining collections (ERC)



Key Performance Figures

NOK million	**2023 31 Dec**	**2022 31 Dec**	***% Change***
Estimated Remaining Collections	22 504	20 248	*11%*
Net interest bearing debt	9 035	9 042	*0%*
Liquidity reserve	4 721	3 606	*31%*
Equity ratio[2)]	32.6 %	31.9 %	*0.7 pp*
Leverage ratio	1.9x	2.26x	*-0.36x*
Total Loan to Value % (TLTV)	66.2 %	67.2 %	*-1 pp*
Number of employees (FTEs)	1 607	1 885	*-15%*

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

Entering 2024 with a strong balance sheet

The fourth quarter continued the trend of solid collections and strong cash flow. The high Cash collections and Cash EBITDA were driven by the resolution of our largest secured claim representing around NOK 500m. With a Cash EBITDA in the quarter of EUR 1.5bn, we have reduced our leverage ratio to 1.9x at the end of the quarter and we enter 2024 in a very solid financial position.

During 2023, our operational focus has been on cost reducing efforts through organisational changes and investments in technology that will increase efficiency and scalability in the future. We have also focused on reducing our footprint, exiting Bulgaria as announced in the third quarter and signing an agreement for the sale of our assets in Montenegro late in the fourth quarter. Our focus to reduce footprint and concentrate capital in fewer markets will continue in 2024.

Inflationary pressure and increased funding costs have been a challenge in 2023. We have been able to offset these costs with improved performance and reduced costs in our operations, and as a result a notable portion of the negative impact on our net profit has been mitigated. Our hedging policy has also contributed to offset higher funding costs. Consequently, we have a healthy capacity for shareholder distribution for the financial year of 2023. In January this year, we issued a new EUR 100m bond at favourable terms, which is a testament to our continued strong performance over time in combination with our deleveraging efforts. With the latest bond issue, we have repaid our bond which otherwise matured in May and at the same time retained sufficient investment capacity going forward. Our blended cost of debt has also been reduced with around 50 basis points with the latest bond issue.

On the investment side we invested NOK 821m in the fourth quarter and more than NOK 2.7bn for the full year, well within our guided full year target of NOK 2.5-3.0bn. Furthermore, we enter 2024 with committed investments of over NOK 700m, which is around twice the volume committed at the same time last year. We currently observe more favourable market dynamics, and in combination with our strong financial position we are well positioned to take an active role in our core markets. We expect improved returns to drive accretive investments to our shareholders.

"…we have reduced our leverage ratio to 1.90x at the end of the quarter, and we enter 2024 in a very solid financial position."

The approved buy-back program has been carried out according to plan, ending the year with 18.9 million shares acquired, representing 5% of outstanding shares, with a weighted average price per share of NOK 6.79. As stated previously, our continued focus is to deliver shareholder value through solid performance, low leverage and shareholder distributions. The Board proposes a dividend of NOK 0.70 per share for the financial year of 2023.

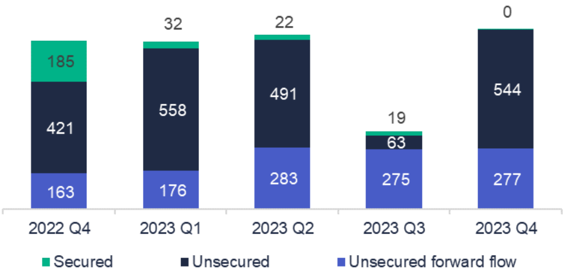
Oslo, 14 February 2024

Erik Just Johnsen
CEO

Operations

Strong underlying performance supplemented by a large secured collection led to very high Cash collections and Cash EBITDA.

Portfolio Investments (NOKm)



Portfolio investments were NOK 821m in the fourth quarter and NOK 2,741m for the full year 2023. At the end of the year the Group also has over NOK 700m committed for 2024 under forward flow agreements. During 2023, the Group continued to focus its investments in the key unsecured markets with 44% of full year 2023 investments placed in Northern Europe and 23% in Poland. Fourth quarter investments showed 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

Q4 collections were NOK 1,017m and 104% of the latest forecast compared with NOK 885m and 101.4% in Q4 2022. In addition, gross collections from JVs in unsecured were NOK 30m in Q4 compared with NOK 28m in Q4 2022.

Cash collections unsecured (NOKm)	Q4'23	Q4'22	%
Collections unsecured	1 017	885	15 %
Cash from JVs	13	20	-36 %
Cash collections unsecured	**1 030**	**905**	**14 %**
FX effect		127	
Bulgaria		- 71	
Comparable	**1 030**	**961**	**7 %**

Cash collections adjusted for FX and for the divested Bulgarian business, were 7% above 2022 Q4 following new investments in 2023.

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 as well as economies of scale going forward.

Secured collections & REO sales

Cash collections from secured portfolios and REO sales were NOK 876m in Q4 compared with NOK 553m in Q4 2022. Underlying secured cash collections remained strong and the successful conclusion of a large claim in Central Europe led to a very strong outcome for the quarter. Adjusted for FX and for Bulgaria, cash collections were 43% higher in Q4 2023 than in Q4 2022.

Cash collections secured (NOKm)	Q4'23	Q4'22	%
Collections secured	749	293	156 %
Repossessions	-65	-81	-20 %
REO sales	151	173	-13 %
Cash from JVs	41	168	-76 %
Cash collections secured	**876**	**553**	**58 %**
FX effect		69	
Bulgaria		-11	
Comparable	**876**	**611**	**43 %**

In addition, gross collections from JVs in secured were NOK 48m in Q4 compared with NOK 55m in Q4 2022.

At the end of Q4 the book value of collateral assets (REOs) was NOK 1,339m compared with NOK 1,294m at the end of Q4 2022. Adjusted for FX, this was a decrease of NOK 44m compared with Q4 2022.

Risks and uncertainties

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

Inflationary pressure across the Group's markets continued to ease in Q4 2023 from a peak in Q4 2022. However, in December 2023 Eurozone inflation rose slightly to 2.9% from 2.4% in November 2023, primarily as consequence of energy-driven base effects. However, inflation containment measures remain in place as core inflation continued to ease in December 2023. We are expecting inflation to remain at low and manageable levels during 2024. High inflation has resulted in high interest rates, and we expect these to remain relatively high for a longer period than previously expected to contain continued inflationary pressures. 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, and government intervention actions have continued to support our customers' ability to pay. The higher interest rate environment may drive higher supply of NPLs going forward.

Operational risks

B2 Impact's priority is to ensure the health and safety of its employees and the Group continues to use flexible working arrangements which has proven to be beneficial for both the employee and the company. These flexible working arrangements allow the Group to operate at full capacity under various circumstances, including periods with limited access to offices. An increased risk of operating remotely are potential data breaches, however we have robust systems in place as well as policies and procedures covering this risk. During Q4, 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 Q4 and expects to do so throughout 2024. Management is focused on price and underwriting discipline and targeting increased returns.

The Group is in compliance with all of its covenants as at 31 December 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

At the request of a group of shareholders, an Extraordinary General Meeting of the Company was held on 27 December 2023. At the meeting, and in accordance with the Shareholders' proposal on 22 December, Board members Trygve Lauvdal, Kjetil Andreas Garstad and Grethe Wittenberg Meier stepped down from the Board. Anders Engdahl, Henrik Wennerholm and Ellen Hanetho were elected as new members to the Board until the Annual General Meeting in 2024.

B2 Impact continues to focus on simplification of structure and focus on core markets. In December 2023 an agreement was signed in connection with the sale of the Group's business in Montenegro. The Group's assets were sold at around book value.

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 which 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. The SFA was fully repaid on 26 January 2024.

On 23 January 2024 the Group issued a new 4-year EUR 100m senior unsecured bond loan at an interest rate of 3M EURIBOR + 500 basis points. The new bond was assigned with a Ba3 rating from Moody's and will be listed on the Oslo Stock Exchange in Q2 2024. A call option was exercised on 23 January 2024 to repay B2H05 in full and including accrued interest rates. The payment was made on 6 February 2024.

In addition to above-mentioned financing, the Group holds a senior unsecured bond loan of EUR 300m which matures in 2026.

Out of prudency, B2 Impact has made a provision for a smaller portion of the potential fine in connection with alleged breaches of GDPR regulations in Croatia. Further details on the matter have previously been disclosed on 5 May 2023. The decision from the Croatian Data Protection Agency has been appealed.

Reduction of share capital and Share buy-back program

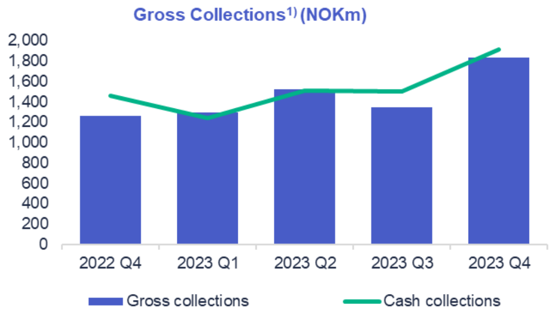
At the Annual General Meeting of B2 Impact ASA held on 25 May 2023, it was decided to reduce the Company's share capital by NOK 1,418,400. The share capital reduction was registered and effective on 27 July 2023 through the cancellation of 14,184,000 shares at NOK 0.10 per share.

The latest share buy-back program was announced on 25 May 2023. The programme is up to 25,000,000 shares or a maximum total consideration of NOK 162.6m. Under this program 18,874,843 shares were purchased up to 31 December 2023.

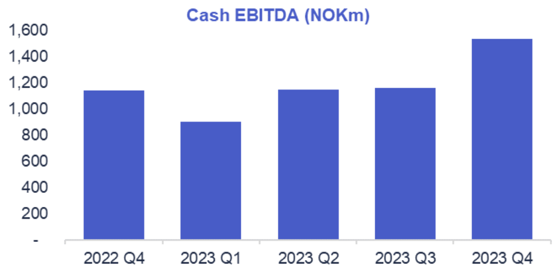
As announced on 12 January this year, the Board decided to pause the acquisition of own shares. The Board will consider on an ongoing basis whether to resume the acquisition of own shares within the limits of the buy-back program announced on 25 May 2023.

Financials

Cash collections of NOK 1,906m, Cash EBITDA of NOK 1,540m and Adjusted EBIT of NOK 410m in Q4 2023 following continued strong collections across the business and including the positive impact of a significant secured collection in Q4.



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 positive impact on the Group's Gross collections from a weaker Norwegian Krone in Q4 2023 compared with Q4 2022 was +13.5% based on YTD average FX rates.

Net revenues for the Investments segment were NOK 806m for Q4 2023, up compared with NOK 690m in Q4 2022 mainly following strong collections performance during the quarter. Collections on unsecured portfolios came in at 104% of forecast, continuing the over performance from previous quarters. Collections on secured portfolios were 437% of the forecast following the successful early conclusion in Q4 of a significant secured collection that was forecasted in 2024.

Share of Gross collections from JVs was NOK 78m in Q4 2023 compared with NOK 83m in Q4 2022. Profit from JVs in Q4 was NOK 82m compared with NOK 73m in Q4 2022. Cash from JVs was NOK 53m compared with an exceptionally high NOK 188m in Q4 2022.

Amortisation of own portfolios was NOK -539m in Q4 2023 compared with NOK -520m in Q4 2022 and NOK -548m in Q3 2023.

Revaluations on unsecured portfolios were NOK +5m in Q4 2023 compared with NOK +12m in Q4 2022. The revaluations in Q4 2023 reflected a net increase in ERC on over performing portfolios. Revaluations on Secured portfolios were NOK -555m in Q4 2023 compared with NOK -104m in Q4 2022. The higher revaluation in 2023 was driven by the earlier than expected secured collection and should be considered as amortization related to this collection since we remove the claim from the future collections.

Revenue from sale of collateral assets (REOs) of NOK 151m in Q4 resulted in a gain of NOK 41m on book value of NOK 110m and a margin of 37%. In Q4 2022 the Group reported revenue from sale of collateral assets of NOK 173m with a margin of 33%.

Net revenues for the Servicing segment were NOK 303m compared with NOK 266m in Q4 2022. Internal servicing revenue of NOK 204m was an increase of NOK 28m on Q4 2022 following higher collections on behalf of the Investments business. Revenue from external clients (3PC) and JV servicing was NOK 99m compared with NOK 90m in Q4 2022.

Segment earnings for the Investments segment were NOK 401m with a margin of 50%, while for the Servicing segment the earnings were NOK 153m with a margin of 51%.

Cash EBITDA

Cash EBITDA for Q4 2023 was NOK 1,540m compared with NOK 1,140m in Q4 2022. Adjusted for FX impacts, the underlying Cash EBITDA is NOK 248m (19%) higher than Q4 2022. The higher Cash EBITDA in 2023 was the result of the previously mentioned significant secured collection in Q4 2023, while the prior year was also positively impacted by exceptionally high cash from JVs. Prior year Cash EBITDA also included NOK 58m for Bulgaria which was divested in Q3 2023. Cash margin for Q4 2023 was significantly impacted by the high secured collections and ended at 75% for the quarter.

Operating expenses

In Q4 2023 the Group's underlying operating expenses[1] were NOK 512m, compared to NOK 498m in Q4 2022, with prior year numbers adjusted for FX and costs relating to the divested Bulgarian business. This slight increase of 2.8% compared to an increase of 21% in cash collections (also adjusted for FX and Bulgaria) was driven by NOK 21m higher volume driven external expenses, NOK 3m higher other operating expenses, offset by NOK 10m lower personnel expenses.

Total Operating expenses NOKm	Q4'23	Q4'22	%
Reported	**559**	**498**	**12.4 %**
NRIs	-48	-38	
Underlying Operating expenses	**512**	**459**	**11.4 %**
FX effect		62	
Bulgaria		-24	
Comparable	**512**	**498**	**2.8 %**

The underlying operating expenses of NOK 512m in Q4 2023 consisted of reported operating expenses of NOK 559m less Non-recurring items of NOK -48m. The comparable number of NOK 498m for Q4 2022 consisted of reported operating expenses of NOK 498m less Non-recurring items of NOK -38m, adjusted for FX of NOK +62m and less NOK 24m relating to the divested Bulgarian business.

External expenses (NOKm)	Q4'23	Q4'22	%
Reported	**146**	**114**	**28.2 %**
NRIs	0	0	
Underlying External expenses	**146**	**114**	**28.2 %**
FX effect		17	
Bulgaria		-7	
Comparable	**146**	**125**	**17.1 %**

Reported External expenses were NOK 146m in Q4 compared with NOK 114m in Q4 2022. Adjusting Q4 2022 for FX of NOK +17m and Bulgaria of NOK -7m gives a comparable figure of NOK 125m for Q4 2022. The NOK 21m (17%) higher external expenses in Q4 2023 were driven by higher collections.

Personnel expenses (NOKm)	Q4'23	Q4'22	%
Reported	**264**	**255**	**3.7 %**
NRIs	-31	-28	
Underlying Personnel expenses	**233**	**226**	**3.0 %**
FX effect		28	
Bulgaria		-10	
Comparable	**233**	**243**	**-4.3 %**

Reported Personnel expenses were NOK 264m in Q4 compared with NOK 255m in Q4 2022. Non-recurring items were NOK -31m in Q4 compared with NOK -28m in Q4 2022. Adjusting both periods for the non-recurring items and also adjusting Q4 2022 for FX of NOK +28m and Bulgaria of NOK -10m gives comparable underlying personnel expenses of NOK 233m in Q4 2023 and NOK 243m in Q4 2022. The NOK 10m reduction in underlying personnel expenses was the result of lower FTE numbers.

Other operating expenses (NOKm)	Q4'23	Q4'22	%
Reported	**149**	**129**	**15.8 %**
NRIs	-17	-10	
Underlying Other operating expenses	**133**	**119**	**11.3 %**
FX effect		17	
Bulgaria		-7	
Comparable	**133**	**130**	**2.1 %**

Reported Other expenses were NOK 149m in Q4 compared with NOK 129m in Q4 2022. Non-recurring items were NOK -17m in Q4 compared with NOK -10m in Q4 2022. Adjusting both periods for the non-recurring items as well as adjusting Q4 2022 for FX of NOK +17m and Bulgaria of NOK -7m gives comparable underlying other expenses of NOK 133m in Q4 2023 and NOK 130m in Q4 2022. The underlying other operating expenses were up NOK 3m (2%) compared with Q4 2022 and were also impacted by the higher gross collections in the quarter.

EBIT

Adjusted EBIT was up NOK 67m (20%) to NOK 410m in Q4 2023 compared with NOK 343m in Q4 2023. Adjusting Q4 2022 for FX of NOK +46m and Bulgaria of NOK -12m gives a comparable Adjusted EBIT of NOK 377m for Q4 2022. The NOK 33m (+9%) higher Adjusted EBIT on a comparable basis was mainly the result of the higher collections in Q4.

Net financial items

Net financial items for the quarter were NOK -279m compared with NOK -223m in Q4 2023. The increase of NOK 55m was comprised of a translational FX loss of approximately NOK -26m, with the other variances adjusted for FX being higher interest expenses NOK -51m offset by Net FX gains of +NOK 18m and other items of NOK +4m.

Profit for the period and tax

The Income tax expense for the quarter amounted to NOK 19m and was 23% of Profit before tax. Profit after tax for the quarter ended at NOK 65m. The Adjusted Net profit for Q4 2023 was NOK 105m compared with an Adjusted Net profit of NOK 92m in Q4 2022.

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

Balance sheet

At the end of the quarter, Total assets amounted to NOK 17,328m compared with NOK 16,500m at the end of Q4 2022.

FX has a notable impact on the Balance Sheet since the end of Q4 2022, with a weaker NOK having an impact of NOK +964m (+9%) on NPL balances and NOK 89m (+7%) on collateral assets.

The Bulgarian business was sold at the end of September 2023. The Group included Bulgarian NPLs of NOK 471m at the end of Q4 2022, and collateral assets of NOK 30m. At the end of Q4 2023 the Group continues to have collateral assets in Bulgaria of NOK 19m.

Amortisation of NPL portfolios in Q4 2023 was NOK -539m and NOK -2,209m for the full year compared with NOK -520m in Q4 2022 and NOK -1,898m for the full year 2022.

Investments in new portfolios were NOK 821m in Q4 2023 and NOK 2,741m for the full year 2023 compared with NOK 769m and NOK 2,165m for the respective periods in 2022.

The Group's Interest-bearing loans and borrowings were NOK 10,440m at the end of Q4 2023 compared with NOK 10,218m at the end of Q4 2022. During the year the Group has repaid approximately NOK 500m of debt with the remaining difference in Gross Debt mainly being FX due to the weaker NOK at the end of Q4 2023.

The high balance of Cash and short-term deposits at the end of Q4 2023 was a result of the timing of the repayments due on the loans from PIMCO in January 2024. Net interest-bearing debt amounted to NOK 9,035m at the end of Q4 and was down by NOK 7m since the end of Q4 2022.

Cash flow

Cash EBITDA was NOK 1,540m in Q4 2023 and NOK 400m higher than Q4 2022. Q4 2022 was itself a very strong quarter for B2 Impact with strong collections both on unsecured and secured portfolios, unusually high cash from JVs and a strong quarter of REO sales. Adjusting Q4 2022 for FX of NOK +153m and the divested Bulgarian business of NOK -58m gives a comparable Cash EBITDA for 2022 Q4 of NOK 1,235m with Cash EBITDA 25% higher in Q4 2023 than Q4 2022.

In Q4 2023, the Group invested in new NPLs for a total of NOK 821m compared with NOK 769m in Q4 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
14 February 2024

Consolidated income statement

All figures in NOK million

	Notes	2023 Quarter 4	2022 Quarter 4	2023 Full year	2022 Full year
Interest revenue from purchased loan portfolios		611	544	2 473	2 133
Net credit gain/(loss) from purchased loan portfolios	4	67	22	366	129
Profit from investments in associated parties/joint ventures		82	73	222	100
Revenue from sale of collateral assets		151	173	499	581
Other revenues [1)]		146	142	568	534
Total revenues	3	**1 057**	**954**	**4 129**	**3 477**
External expenses of services provided		- 146	- 114	- 533	- 422
Personnel expenses		- 264	- 255	-1 027	- 900
Other operating expenses		- 149	- 129	- 532	- 551
Cost of collateral assets sold, including impairment		- 110	- 129	- 353	- 392
Depreciation and amortisation		- 25	- 21	- 95	- 83
Impairment losses		- 0	- 2	- 11	- 100
Operating profit/(loss)	3	**362**	**303**	**1 578**	**1 029**
Financial income		12	2	26	6
Financial expenses		- 292	- 209	-1 124	- 588
Net exchange gain/(loss)		2	- 17	- 12	- 25
Net financial items	5	**- 279**	**- 223**	**-1 110**	**- 607**
Profit/(loss) before tax		**83**	**80**	**468**	**421**
Income tax expense		- 19	- 18	- 105	- 95
Profit/(loss) after tax		**65**	**62**	**363**	**326**
Profit/(loss) attributable to:					
Parent company shareholders		65	62	363	326
Non-controlling interests		- 0	0	- 0	0
Earnings per share (in NOK):					
Basic		0.17	0.16	0.94	0.82
Diluted		0.17	0.15	0.94	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 4	2022 Quarter 4	2023 Full year	2022 Full year
Profit/(loss) after tax	**65**	**62**	**363**	**326**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	70	-25	526	226
Hedging of currency risk in foreign operations	-87	31	-150	9
Hedging of interest risk	-63		-146	
Tax attributable to items that may be reclassified to profit or loss	37		74	
Other comprehensive income	**-42**	**6**	**304**	**234**
Total comprehensive income for the period	**22**	**68**	**667**	**561**
Total comprehensive income attributable to:				
Parent company shareholders	22	68	667	561
Non-controlling interests	0	0	0	0

Condensed consolidated statement of financial position

All figures in NOK million

	Notes	2023 31 Dec	2022 31 Dec
Deferred tax asset		389	303
Goodwill		769	731
Tangible and intangible assets		365	320
Investments in associated companies and joint ventures		781	690
Purchased loan portfolios	3,4,5	11 542	11 181
Loan receivables		200	280
Other non-current financial assets		171	133
Total non-current assets		**14 218**	**13 638**
Other short-term assets		367	391
Collateral assets		1 339	1 294
Cash and short-term deposits		1 404	1 176
Total current assets		**3 111**	**2 861**
Total assets		**17 328**	**16 500**
Equity attributable to parent company's shareholders	7	5 587	5 216
Equity attributable to non-controlling interests		1	1
Total equity		**5 588**	**5 217**
Deferred tax liabilities		430	275
Long-term interest bearing loans and borrowings	6	7 970	8 885
Other non-current liabilities		256	133
Total non-current liabilities		**8 655**	**9 294**
Short-term interest bearing loans and borrowings	6	2 245	1 201
Bank overdraft	6	225	131
Account payables and other payables		174	209
Income taxes payable		29	51
Other current liabilities		411	396
Total current liabilities		**3 085**	**1 989**
Total equity and liabilities		**17 328**	**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		363	0	363	326	0	326
Other comprehensive income		304	0	304	234	0	234
Total comprehensive income		**667**		**667**	**561**	**0**	**561**
Share issuance					0		0
Capital reduction		- 1		- 1	- 87		- 87
Share buy-back programme		- 121		- 121	- 88		- 88
Share based payments		4		4	6		6
Exercised share options		- 2		- 2			
Disposals of subsidiaries		- 99		- 99			
Dividend paid to parent company’s shareholders		- 77		- 77	- 168		- 168
Dividends to non-controlling interests			0	0		0	0
At 31 December		**5 587**	**1**	**5 588**	**5 216**	**1**	**5 217**

Condensed consolidated statement of cash flows

All figures in NOK million

	Notes	2023 Quarter 4	2022 Quarter 4	2023 Full Year	2022 Full Year
Cash flows from operating activities					
Profit for the period before tax		83	80	468	421
Adjustment for non-cash items:					
Amortisation/revaluation of purchased loan portfolios		1 089	612	2 899	2 322
Repossession of collateral assets		- 65	- 81	- 276	- 299
Cost of collateral assets sold, including impairment		110	129	353	392
Share of profit in associated parties/joint ventures	3	- 82	- 73	- 222	- 100
Financial expenses	5	292	208	1 124	588
Unrealised foreign exchange differences		- 305	- 36	- 299	- 148
Other non-cash items		55	32	210	245
Operating cash flows:					
Income tax paid		- 44	- 54	- 144	- 144
Change in working capital		118	- 16	- 18	- 69
Change in non-current financial assets/liabilities		251	- 45	194	- 66
Net cash from operating activities		**1 503**	**756**	**4 290**	**3 142**
Cash flows from investing activities					
Payment of loan portfolios	3, 4	- 803	- 885	-2 584	-2 157
Investments/divestments in subsidiaries, joint ventures and associated companies		15		310	1
Cash received from investments in associated parties / joint ventures		53	188	202	294
Net investments in intangible and tangible assets		- 7	- 7	- 67	- 27
Payment of contingent consideration					- 11
Net cash from investing activities		**- 742**	**- 705**	**-2 139**	**-1 900**
Cash flows from financing activities					
Proceeds from issue of new shares, net of transaction costs	7		1		1
Payment buy-back share programme	7	- 24	- 37	- 122	- 175
Excercise of share options				- 2	
Net drawdowns/(repayments) on interest bearing loans and borrowings		- 150	- 115	- 824	571
Paid interest cost and commitment fees		- 247	10	- 932	- 418
Paid borrowing costs		- 2	- 159	- 69	- 159
Repayment of principal amount on lease liabilities		- 11	- 11	- 50	- 43
Dividends paid to parent company's shareholders				- 77	- 168
Dividends paid to non-controlling interests		- 0		- 0	- 0
Net cash from financing activities		**- 435**	**- 311**	**-2 077**	**- 392**
Net increase/(decrease) in cash and cash equivalents		**326**	**- 260**	**74**	**850**
Cash and cash equivalents at the beginning of the period		849	1 330	1 045	157
Exchange rate difference on cash and cash equivalents		6	- 25	60	38
Cash and cash equivalents at the end of the period		**1 179**	**1 045**	**1 179**	**1 045**
Cash and cash equivalents comprised of:					
Cash and short-term deposits		1 404	1 176	1 404	1 176
Bank overdraft		- 225	- 131	- 225	- 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 fourth quarter and full year ending 31 December 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.

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.

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 interim condensed consolidated financial statements for the quarters ending 31 December 2023 and 31 December 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.

There is higher estimation uncertainty related to future cash flows arising from acquired portfolios in Denmark due to an ongoing assessment of whether these portfolios are subject to errors in portfolio data which could make some of the claims defective and/or delay collections. B2 Impact has assessed different scenarios. The current assessment is that we will be able to recover carrying value of these portfolios.

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 4, 2023

All figures in NOK million

	Investments	Servicing	Other	Unallocated items & eliminations	Total
External revenue	806	99	41	0	946
Inter segment revenue	-1	204	0	-204	0
Net revenue	**806**	**303**	**41**	**-203**	**946**
Direct opex	-404	-150	-9	203	-360
Segment earnings	**401**	**153**	**33**	**0**	**586**
IT					-44
SG&A					-86
Central costs					-69
EBITDA					**387**
Depreciation & amortisation					-25
EBIT					**362**

Quarter 4, 2022

All figures in NOK million

	Investments	Servicing	Other	Unallocated items & eliminations	Total
External revenue	690	90	44	0	824
Inter segment revenue	0	176	-1	-175	0
Net revenue	**690**	**266**	**43**	**-175**	**824**
Direct opex	-264	-150	-8	188	-234
Segment earnings	**426**	**116**	**35**	**13**	**590**
IT					-47
SG&A					-132
Central costs					-84
EBITDA					**327**
Depreciation & amortisation					-23
EBIT					**303**

Full year, 2023

All figures in NOK million

	Investments	Servicing	Other	Unallocated items & eliminations	Total
External revenue	3 228	373	174	0	3 775
Inter segment revenue	- 0	876	0	- 876	- 0
Net revenue	**3 228**	**1 250**	**174**	**- 876**	**3 775**
Direct opex	-1 359	- 743	- 43	824	-1 322
Segment earnings	**1 869**	**506**	**130**	**- 52**	**2 453**
IT					- 171
SG&A					- 338
Central costs					- 261
EBITDA					**1 684**
Depreciation & amortisation					- 106
EBIT					**1 578**

Full year, 2022

All figures in NOK million

	Investments	Servicing	Other	Unallocated items & eliminations	Total
External revenue	2 606	347	164	- 32	3 085
Inter segment revenue	0	704	- 1	-703	
Net revenue	**2 606**	**1 051**	**163**	**- 735**	**3 085**
Direct opex	- 896	- 668	- 70	639	- 995
Segment earnings	**1 710**	**383**	**93**	**- 96**	**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 4	2022 Quarter 4	2023 Full Year	2022 Full Year
Secured collections	749	293	1 525	1 022
Unsecured collections	1 017	885	4 213	3 562
Total collections	**1 767**	**1 178**	**5 738**	**4 584**
Secured amortisation	- 65	- 81	- 210	- 140
Unsecured amortisation	- 474	- 439	-1 999	-1 759
Total amortisation	**- 539**	**- 520**	**-2 209**	**-1 898**
Secured revaluations	- 555	- 104	- 741	- 410
Unsecured revaluations	5	12	51	18
Total revaluations	**- 550**	**- 92**	**- 690**	**- 392**
Total NPL revenue	**678**	**566**	**2 839**	**2 294**
Profit from Investments in joint ventures	82	73	222	100
Net REO gains	41	43	146	189
Other revenue	5	7	21	22
Net revenue	**806**	**690**	**3 228**	**2 606**
Direct opex	- 404	- 264	-1 359	- 896
Segment earnings	**401**	**426**	**1 869**	**1 710**
Segment earnings in %	50%	62%	58%	66%
Cash collections [1)]	1 906	1 458	6 164	5 161
Secured collection performance %	437.3%	153.8%	233.7%	174.7%
Unsecured collection perfomance %	103.9%	101.4%	104.5%	103.4%
Total collection perfomance %	153.6%	110.8%	122.5%	113.7%
Net gain on sale of collateral assets %	36.9 %	33.4 %	41.4 %	48.2 %
Portfolio investments [1)]	821	769	2 741	2 165
Book value secured NPLs	1 832	2 544	1 832	2 544
Book value unsecured NPLs	9 710	8 637	9 710	8 637
Book value Investments in joint ventures	781	690	781	690
Book value Collateral assets (REOs)	1 339	1 294	1 339	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 4	2022 Quarter 4	2023 Full Year	2022 Full Year
Internal servicing revenue	204	176	876	704
Servicing revenues from Joint ventures	23	28	89	101
Revenue from external clients (3PC)	76	62	285	246
Net revenue	**303**	**266**	**1 250**	**1 051**
Direct opex	-150	- 150	- 743	- 668
Segment earnings	**153**	**116**	**506**	**383**
Segment earnings in %	51%	44%	41%	36%

Note 4 – Purchased loan portfolios

Purchased loan portfolios

All figures in NOK million

	2023 Quarter 4	2022 Quarter 4	2023 Full year	2022 Full year
Opening balance	11 588	11 034	11 181	10 921
Portfolio investments in the period	821	769	2 570	2 165
Reclassification from investment in joint ventures[1)]			158	
Gross collection from purchased loan portfolios	-1 767	-1 178	-5 738	-4 584
Interest revenue from purchased loan portfolios	611	544	2 473	2 133
Net credit gain/(loss) from purchased loan portfolios	67	22	366	129
Whereof collection above/(below) estimates	*617*	*114*	*1 056*	*553*
Whereof changes in future collection estimates	*- 550*	*- 92*	*- 690*	*- 424*
Book value of sold loan portfolios	-3		- 452	
Exchange rate differences	225	- 10	986	417
Closing balance	**11 542**	**11 181**	**11 542**	**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 31 December 2023 is in excess of 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 4	2022 Quarter 4	2023 Full year	2022 Full year
Portfolio investments in the period	- 821	- 769	-2 570	-2 165
Change in prepaid amounts and amounts due on portfolio purchases	17	- 116	- 14	8
Payment of loan portfolios, cash flow statement	**- 803**	**- 885**	**-2 584**	**-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 4,489m) and the Senior Facility Agreement (NOK 152m) as the loan facilities are based on one to six months floating interest. The fair value (NOK 5,620m) 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 5,574m. 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 -1m. The interest rate hedging ratio was 53%.

The Group has implemented hedge accounting from 1 January 2023. The changes in fair value of the designated hedging instruments (interest swaps and interest caps) NOK -63m are reported in Other Comprehensive Income for the fourth quarter 2023. The remaining change in fair value of interest rate derivatives of NOK 4m 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 4	2022 Quarter 4	2023 Full year	2022 Full Year
Interest revenue	11	2	25	5
Other financial income	1	0	1	1
Financial income	**12**	**2**	**26**	**6**
Interest expenses	- 278	- 201	-1 044	- 665
Interest cost and commitment fees	*- 254*	*- 182*	*- 956*	*- 598*
Amortisation of borrowing costs	*- 24*	*- 19*	*- 87*	*- 67*
Change in fair value of interest rate derivatives	- 4	- 6	- 15	92
Interest expense on leases	- 3	- 2	- 12	- 8
Other financial expenses[1)]	- 7	- 0	- 53	- 8
Financial expenses	**- 292**	**- 209**	**-1 124**	**- 588**
Realised exchange gain/(loss)	- 86	- 94	- 311	- 174
Unrealised exchange gain/(loss)	88	82	298	168
Change in fair value of currency derivatives	0	- 4	0	- 19
Net exchange gain/(loss)	**2**	**- 17**	**- 12**	**- 25**
Net financial items	**- 279**	**- 223**	**-1 110**	**- 607**

1) Includes NOK 32m impact in Full year 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

	31 December 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Multi-currency revolving credit facility		4 489		4 025
Bond loans	2 245	3 329	1 201	3 653
Senior Facility Agreement		152		1 208
Bank overdraft	225		131	
Total	**2 470**	**7 970**	**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 425m was utilised from the EUR 610m RCF and EUR 16m was utilised from the EUR 180m SFA, leaving total available, undrawn facility lines of EUR 349m.

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 31 December 2023	**387 180 824**	**39**	**2 844**
At 14 February 2024 (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. 12 January 2024 the Board of B2 Impact decided to pause the acquisition of own shares with remaining authority for share buy-back of 5,65 million shares or NOK 31m granted by the General meeting in May 2023.

In the period 26 May – 31 December 2023 18,874,843 shares were bought back at an average price of NOK 6.79 per share, whereof 8,001,500 shares were settled transactions as of 31 December 2023. During fourth quarter the Company used 700,000 of its own shares (treasury shares) to honour obligations in connection with employee incentive arrangements. As at 31 December 2023 the Company owned a total of 18,174,843 own shares corresponding to 4.69% of the Company's share capital, decreasing the equity attributable to parent company shareholders by NOK 121m.

As at 14 February 2024 the Company owns a total of 18,648,672 own shares, corresponding to 5% of the Company's share capital. Under the 2023/2024 program a total of 19,348,672 shares has been bought back at an average price of NOK 6.81.

Note 8 – Share based payments

700,000 share options were exercised by former members of the Group management during fourth quarter 2023, decreasing the equity attributable to parent company shareholders by NOK 2m. No share options were granted or expired during the fourth quarter 2023.

At the date of these interim financial statements there are 9,966,667 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 4	2022 Quarter 4	2023 Full year	2022 Full Year
Total revenues	1 057	954	4 129	3 477
Adjust for Cost of collateral assets sold, including impairment	- 110	- 129	- 353	- 392
Net revenues	**946**	**824**	**3 775**	**3 085**
Operating profit/(loss)	362	303	1 578	1 029
Non-recurring items, of which:				
Changes in future collection estimates		0		32
Interest revenue on loan receivables				
Other revenues		- 0		- 0
External expenses of services provided		- 0		- 4
Personnel expenses	31	28	67	31
Other operating expenses	17	10	43	147
Depreciation and amortisation				1
Impairment	0	1	8	99
Non-recurring items impacting EBIT	48	39	118	306
Adjusted EBIT	**410**	**343**	**1 696**	**1 334**
Non-recurring items impacting EBIT	48	39	118	306
Other non-recurring items	4		36	
Total non-recurring items	**52**	**39**	**154**	**306**
Operating profit/(loss)	362	303	1 578	1 029
Add back Depreciation, amortisation and impairment losses	25	23	106	184
EBITDA	**387**	**327**	**1 684**	**1 212**
Total revenues	1 057	954	4 129	3 477
Add back Amortisation of purchased loan portfolios	539	520	2 209	1 898
Add back Revaluation of purchased loan portfolios	550	92	690	424
Adjust for Repossession of collateral assets	- 65	- 81	- 276	- 299
Adjust for Profit from investments in associated parties/joint ventures	- 82	- 73	- 222	- 100
Add Cash received from investments in associated parties/joint ventures	53	188	202	295
Adjust for Non-recurring items		- 0		- 0
Cash revenue	**2 052**	**1 599**	**6 733**	**5 695**
Adjust for Other revenues	- 146	- 142	- 568	- 534
Cash collections	**1 906**	**1 458**	**6 164**	**5 161**
Operating profit/(loss)	362	303	1 578	1 029
Add back Amortisation of purchased loan portfolios	539	520	2 209	1 898
Add back Revaluation of purchased loan portfolios	550	92	690	424
Add back Depreciation, amortisation and impairment losses	25	23	106	184
Adjust for Repossession of collateral assets	- 65	- 81	- 276	- 299
Add back Cost of collateral assets sold, including impairment	110	129	353	392
Adjust for Profit from investments in associated parties/joint ventures	- 82	- 73	- 222	- 100
Add Cash received from investments in associated parties/joint ventures	53	188	202	295
Adjust for Non-recurring items	48	38	111	174
Cash EBITDA	**1 540**	**1 140**	**4 752**	**3 996**

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

All figures in NOK million

	2023 31 Dec	2023 30 Sep	2023 30 Jun	2023 31 Mar
Total assets	17 328	17 023	18 759	18 036
Total equity	5 588	5 577	5 859	5 748
Equity ratio	***32.2 %***	***32.8 %***	***31.2 %***	***31.9 %***
Total assets	17 328	17 023	18 759	18 036
Excluding IFRS 16 right-of-use asset	- 165	- 166	- 173	- 167
Total assets excl IFRS 16 right-of-use asset	17 163	16 858	18 585	17 869
Equity ratio	***32.6 %***	***33.1 %***	***31.5 %***	***32.2 %***

Total Loan to Value

All figures in NOK million

	2023 31 Dec	2023 30 Sep	2023 30 Jun	2023 31 Mar
Bond loan (nominal value)[1)]	5 620	5 627	5 852	5 697
Revolving Credit Facility (nominal value)[1)]	4 533	4 234	4 568	4 430
Senior Facility Agreement (nominal value)[1)]	0	0	935	997
Vendor loan	26	12	21	15
FX Derivatives (MTM)	0	0		0
Net cash balance including overdraft	-1 179	- 849	- 715	- 941
Total loan	**9 171**	9 508	10 662	10 198
Purchased loan portfolios	11 542	11 588	12 896	12 333
Investment in associated companies and joint ventures	781	756	818	794
Other assets[2)]	1 523	1 548	1 698	1 988
Book value	13 846	13 891	15 412	15 115
Total Loan to Value % (TLTV)	***66.2 %***	***68.4 %***	***69.2 %***	***67.5 %***

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 include 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

Quarterly report - Q4	15.02.2024

Financial year 2024

Annual report 2023	30.04.2024
Annual General Meeting	23.05.2024
Half-yearly report	22.08.2024
Quarterly report - Q1	15.05.2024
Quarterly report - Q3	07.11.2024
Quarterly report - Q4	13.02.2025

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