



B2Holding ASA

(A public limited company incorporated under the laws of Norway)

Initial public offering of shares with an indicative price range of NOK 11.25 to NOK 13.50 per share

Listing of the Company's shares on the Oslo Stock Exchange

This prospectus (the "**Prospectus**") has been prepared in connection with the initial public offering (the "**Offering**") of shares of B2Holding ASA (the "**Company**"), a public limited company incorporated under the laws of Norway (together with its consolidated subsidiaries, "**B2Holding**" or the "**Group**"), and the related listing (the "**Listing**") on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**") of the Company's shares, each with a par value of NOK 0.10 (the "**Shares**"). The Offering comprises up to 57,777,777 new Shares to be issued by the Company (the "**New Shares**") and up to 15,250,000 existing shares (the "**Sale Shares**") offered by the shareholders listed in Section 13 "The Selling Shareholders" (collectively, the "**Selling Shareholders**").

The Offering consists of: (i) a private placement to (a) investors in Norway, (b) investors outside Norway and the United States of America (the "**U.S.**" or the "**United States**"), subject in each case to applicable exemptions from any prospectus requirements, and (c) "qualified institutional buyers" ("**QIBs**") in the United States as defined in Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") in transactions exempt from registration requirements under the U.S. Securities Act (the "**Institutional Offering**"), and (ii) a retail offering to the public in Norway (the "**Retail Offering**"). All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**"). In addition, the Company will grant Arctic Securities AS ("**Arctic**"), on behalf of the Managers (as defined below), an option to purchase a number of additional Shares (the "**Additional Shares**", and together with the New Shares, the "**Offer Shares**"), equal to up to approximately 15% of the number of New Shares to be sold in the Offering, exercisable, in whole or in part, within a 30-day period commencing at the time at which trading in the Shares commences on the Oslo Stock Exchange, expected to be on or about 8 June 2016, to cover any over-allotments made in connection with the Offering on the terms and subject to the conditions described in this Prospectus (the "**Over-Allotment Option**"). A stock exchange notice will be made on the first day of trading in the Shares if the Managers resolve to over-allot shares in connection with the Offering, which statement will also state that stabilisation activities may occur.

The price (the "**Offer Price**") at which the Offer Shares are expected to be sold will be between NOK 11.25 and NOK 13.50 per Offer Share (the "**Indicative Price Range**"). The Offer Price may be set within, below or above the Indicative Price Range. The Offer Price will be determined through a bookbuilding process and will be set by the Company in consultation with the Managers. See Section 18 "The terms of the Offering" for further information on how the Offer Price is set. The Offer Price, and the number of Offer Shares sold in the Offering, is expected to be announced through a stock exchange notice on or before 8 June 2016 at 09:00 hours (Central European Time, "**CET**"). The offer period for the Institutional Offering (the "**Bookbuilding Period**") will commence at 09:00 hours (CET) on 25 May 2016 and close at 12:00 hours (CET) on 7 June 2016. The application period for the Retail Offering (the "**Application Period**") will commence at 09:00 hours (CET) on 25 May 2016 and close at 12:00 hours (CET) on 7 June 2016. The Bookbuilding Period and the Application Period may, at the Company's sole discretion and for any reason, be shortened or extended beyond the set times, but will in no event be shortened to expire prior to 16:30 hours (CET) on 31 May 2016 or extended beyond 14:00 hours (CET) on 17 June 2016.

The Shares are, and the New Shares will be, registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form. All Shares will rank in parity with one another and each carry one vote per Share. Except where the context otherwise require, references in this Prospectus to the Shares will be deemed to include the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "Risk Factors" beginning on page 2 when considering an investment in the Company.

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and the Offer Shares are being offered and sold: (i) in the United States only to QIBs as defined in Rule 144A or in other transactions exempt from registration requirements under the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. See Section 19 "Selling and Transfer Restrictions".

The Company will on 24 May 2016 apply for the Shares to be admitted for trading and listing on the Oslo Stock Exchange, and completion of the Offering is subject to the approval of the listing application by the board of directors of the Oslo Stock Exchange.

The due date for the payment of the Offer Shares is expected to be on or about 9 June 2016 in the Institutional Offering and the Retail Offering. Delivery of the Offer Shares is expected to take place on or about 9 June 2016 in the Institutional Offering and the Retail Offering through the facilities of the VPS. Trading in the Shares on the Oslo Stock Exchange is expected to commence on or about 8 June 2016, under the ticker code "B2H". If closing of the Offering does not take place on such date or at all, the Offering may be withdrawn, resulting in all applications for Offer Shares being disregarded, any allocations made being deemed not to have been made and any payments made will be returned without any interest or other compensation. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

Joint Global Coordinators

ABG Sundal Collier

Arctic Securities

Joint Bookrunner

Nordea Markets

The date of this Prospectus is 24 May 2016

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the Offering of the Offer Shares and the Listing of the Shares on the Oslo Stock Exchange.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the “**Norwegian Securities Trading Act**”) and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses, as amended, and as implemented in Norway (the “**EU Prospectus Directive**”). This Prospectus has been prepared solely in the English language. The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the “**Norwegian FSA**”) has reviewed and approved this Prospectus in accordance with Sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Prospectus. The approval by the Norwegian FSA is dated on 24 May 2016 and only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Prospectus.

For definitions of certain other terms used throughout this Prospectus, see Section 21 “Definitions and Glossary”.

The Company has engaged ABG Sundal Collier ASA (“**ABG**”) and Arctic as “**Joint Global Coordinators**” and ABG and Arctic, together with Nordea Markets, a part of Nordea Bank Norge ASA (“**Nordea**”) have been engaged as “**Joint Bookrunner**”, hereinafter also referred to as the “**Managers**”.

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, significant new factors, or material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors of the Offer Shares between the time of approval of this Prospectus by the Norwegian FSA and the listing of the Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group’s affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 19 “Selling and Transfer Restrictions”.

This Prospectus and the terms and conditions of the Offering as set out herein and any sale and purchase of Offer Shares hereunder shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Offering, including the merits and risks involved. None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 “General Information”.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares. The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. All offers and sales in the United States will be made only to QIBs as defined in Rule 144A or in other transactions exempt from registration requirements under the U.S. Securities Act. All offers and sales outside the United States will be made in reliance on Regulation S. **Prospective purchasers are hereby notified that the Company as seller of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A under the U.S. Securities Act. See Section 19.2.1 “United States”.**

Any Shares offered or sold in the United States will be subject to certain transfer restrictions as set forth under Section 19.2.1 “United States”. Nordea Markets is not an SEC registered broker dealer and will only participate in the Offering outside of the United States.

The securities offered hereby have not been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of the Company, is

prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire any Shares.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the “**UK**”) or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**Relevant Persons**”). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Each of the Managers has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the UK.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the “**EEA**”) that has implemented the EU Prospectus Directive, other than Norway (each, a “**Relevant Member State**”), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Directive. The Prospectus has been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Offering contemplated in this Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Directive for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

- a) it is a qualified investor as defined in the EU Prospectus Directive; and
- b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) such Offer Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an “offer to the public” in relation to any of the Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any of the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State, and the expression “EU Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

See Section 19 “Selling and Transfer Restrictions” for certain other notices to investors.

STABILISATION

In connection with the Offering, Arctic (the “**Stabilisation Manager**”), or its agents, on behalf of the Managers, may, upon exercise of the Lending Option (as defined below), engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days from the first day of the Listing of the Shares on the Oslo Stock Exchange. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Shares at a level higher than might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager and its agents to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of the Listing. Save as required by law or regulation, the Stabilisation Manager does not intend to disclose the extent of any stabilisation transactions during the Offering.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited company incorporated under the laws of Norway. As a result, the rights of holders of the Company's Shares will be governed by Norwegian law and the Company's articles of association (the “**Articles of Association**”). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the “**Board Members**” and the “**Board of Directors**”, respectively) and the members of the Company's senior management (the “**Management**”) are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

TABLE OF CONTENTS

1	SUMMARY	2
2	RISK FACTORS	11
	2.1 RISKS RELATED TO THE BUSINESS OF THE GROUP AND THE INDUSTRY IN WHICH THE GROUP OPERATES	11
	2.2 RISKS RELATED TO FINANCING.....	17
	2.3 RISKS RELATED TO LAWS AND REGULATIONS	19
	2.4 RISKS RELATED TO THE LISTING AND THE SHARES.....	21
3	RESPONSIBILITY FOR THE PROSPECTUS.....	24
	3.1 THE BOARD OF DIRECTORS OF B2HOLDING ASA.....	24
4	GENERAL INFORMATION	25
	4.1 OTHER IMPORTANT INVESTOR INFORMATION	25
	4.2 PRESENTATION OF FINANCIAL AND OTHER INFORMATION	25
	4.3 CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	27
	4.4 EXCHANGE RATES	29
5	REASONS FOR THE OFFERING AND THE LISTING.....	30
6	DIVIDENDS AND DIVIDEND POLICY	31
	6.1 DIVIDEND POLICY.....	31
	6.2 LEGAL CONSTRAINTS ON THE DISTRIBUTION OF DIVIDENDS.....	31
	6.3 MANNER OF DIVIDEND PAYMENTS	31
7	INDUSTRY AND MARKET OVERVIEW	32
	7.1 INTRODUCTION.....	32
	7.2 THE CREDIT CYCLE	32
	7.3 VALUE CHAIN.....	32
	7.4 OVERVIEW OF DEBT PURCHASE AND COLLECTION	34
	7.5 THE DEBT PURCHASE MARKET	36
	7.6 OVERVIEW OF NPLS IN EUROPE	38
	7.7 PORTFOLIO TRANSACTIONS.....	41
	7.8 OVERVIEW SELECTED MARKETS	42
8	BUSINESS OF THE GROUP.....	44
	8.1 INTRODUCTION.....	44
	8.2 COMPETITIVE STRENGTHS.....	45
	8.3 STRATEGY	48
	8.4 HISTORY AND IMPORTANT EVENTS.....	51
	8.5 BUSINESS MODEL.....	52
	8.6 PLATFORMS AND MARKETS OF OPERATIONS.....	55
	8.7 INFRASTRUCTURE AND INFORMATION TECHNOLOGY.....	60
	8.8 LEGAL PROCEEDINGS.....	61
	8.9 MATERIAL CONTRACTS.....	61
	8.10 REGULATIONS.....	61
	8.11 INSURANCE	73
	8.12 RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES	74
	8.13 DEPENDENCY ON CONTRACTS, PATENTS, LICENSES ETC.....	74
9	CAPITALISATION AND INDEBTEDNESS	75
	9.1 CAPITALISATION	75
	9.2 NET FINANCIAL INDEBTEDNESS	75
	9.3 WORKING CAPITAL STATEMENT	76
	9.4 CONTINGENT AND INDIRECT INDEBTEDNESS	76
10	SELECTED FINANCIAL AND OTHER INFORMATION.....	77
	10.1 INTRODUCTION AND BASIS FOR PREPARATION	77
	10.2 SUMMARY OF ACCOUNTING POLICIES AND PRINCIPLES.....	77
	10.3 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	77
	10.4 CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	79
	10.5 CONSOLIDATED STATEMENT OF CASH FLOWS	81
	10.6 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	83
	10.7 SEGMENT INFORMATION	84
	10.8 AUDITOR	84
11	OPERATING AND FINANCIAL REVIEW	85

11.1	OVERVIEW.....	85
11.2	CRITICAL ACCOUNTING POLICIES AND ESTIMATES	86
11.3	KEY RATIOS	90
11.4	SIGNIFICANT FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATION AND FINANCIAL PERFORMANCE	92
11.5	SELECTED BALANCE SHEET ITEMS AS AT 31 MARCH 2016 AND 2015 AND 31 DECEMBER 2015, 2014 AND 2013	103
11.6	RESULTS OF OPERATIONS	105
11.7	LIQUIDITY AND CAPITAL RESOURCES	112
11.8	CONTRACTUAL CASH OBLIGATIONS AND OTHER COMMITMENTS	116
11.9	INVESTMENTS	117
11.10	FINANCIAL RISK MANAGEMENT	118
11.11	NEW AND AMENDED ACCOUNTING STANDARDS.....	119
11.12	RECENT DEVELOPMENT AND CHANGE	120
12	BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE	122
12.1	INTRODUCTION.....	122
12.2	BOARD OF DIRECTORS.....	122
12.3	MANAGEMENT	125
12.4	REMUNERATION AND BENEFITS	127
12.5	SHARE OPTIONS.....	128
12.6	BENEFITS UPON TERMINATION	129
12.7	PENSIONS AND RETIREMENT BENEFITS	129
12.8	LOANS AND GUARANTEES	129
12.9	EMPLOYEES.....	130
12.10	NOMINATION COMMITTEE	130
12.11	AUDIT COMMITTEE	130
12.12	REMUNERATION COMMITTEE	130
12.13	INVESTMENT COMMITTEE.....	131
12.14	CORPORATE GOVERNANCE	131
12.15	CONFLICTS OF INTERESTS ETC.	131
13	THE SELLING SHAREHOLDERS.....	132
14	RELATED PARTY TRANSACTIONS	133
14.1	INTRODUCTION.....	133
14.2	TRANSACTIONS CARRIED OUT WITH RELATED PARTIES IN THE THREE MONTHS ENDED 31 MARCH 2016 AND THE YEARS ENDED 31 DECEMBER 2015, 2014 AND 2013	133
15	CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL.....	135
15.1	COMPANY CORPORATE INFORMATION.....	135
15.2	LEGAL STRUCTURE	135
15.3	SHARE CAPITAL AND SHARE CAPITAL HISTORY.....	136
15.4	ADMISSION TO TRADING.....	137
15.5	OWNERSHIP STRUCTURE.....	137
15.6	AUTHORISATIONS TO INCREASE THE SHARE CAPITAL AND TO ISSUE SHARES	138
15.7	AUTHORISATION TO ACQUIRE TREASURY SHARES	138
15.8	OTHER FINANCIAL INSTRUMENTS RELATED TO SHARES.....	138
15.9	SHAREHOLDER RIGHTS	139
15.10	THE ARTICLES OF ASSOCIATION AND CERTAIN ASPECTS OF NORWEGIAN LAW.....	139
16	SECURITIES TRADING IN NORWAY	143
16.1	INTRODUCTION.....	143
16.2	TRADING AND SETTLEMENT.....	143
16.3	INFORMATION, CONTROL AND SURVEILLANCE.....	143
16.4	THE VPS AND TRANSFER OF SHARES	144
16.5	SHAREHOLDER REGISTER – NORWEGIAN LAW.....	144
16.6	FOREIGN INVESTMENT IN SHARES LISTED IN NORWAY	144
16.7	DISCLOSURE OBLIGATIONS.....	144
16.8	INSIDER TRADING	144
16.9	MANDATORY OFFER REQUIREMENT.....	145
16.10	COMPULSORY ACQUISITION	145
16.11	FOREIGN EXCHANGE CONTROLS	146
17	TAXATION.....	147
17.1	NORWEGIAN TAXATION.....	147

18	THE TERMS OF THE OFFERING.....	150
18.1	OVERVIEW OF THE OFFERING	150
18.2	TIMETABLE	151
18.3	RESOLUTION RELATING TO THE OFFERING AND THE ISSUE OF THE NEW SHARES	151
18.4	THE INSTITUTIONAL OFFERING.....	152
18.5	THE RETAIL OFFERING	153
18.6	MECHANISM OF ALLOCATION.....	156
18.7	VPS ACCOUNT	156
18.8	MANDATORY ANTI-MONEY LAUNDERING PROCEDURES	156
18.9	OVER-ALLOTMENT AND STABILISATION ACTIVITIES.....	157
18.10	PUBLICATION OF INFORMATION IN RESPECT OF THE OFFERING	157
18.11	THE RIGHTS CONFERRED BY THE OFFER SHARES.....	157
18.12	VPS REGISTRATION	158
18.13	CONDITIONS FOR COMPLETION OF THE OFFERING – LISTING AND TRADING OF THE OFFER SHARES.....	158
18.14	DILUTION	158
18.15	EXPENSES OF THE OFFERING AND THE LISTING	158
18.16	LOCK-UP.....	159
18.17	INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFERING	160
18.18	PARTICIPATION OF MAJOR EXISTING SHAREHOLDERS AND MEMBERS OF THE MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES IN THE OFFERING	160
18.19	GOVERNING LAW AND JURISDICTION	160
19	SELLING AND TRANSFER RESTRICTIONS	161
19.1	GENERAL	161
19.2	SELLING RESTRICTIONS.....	161
19.3	TRANSFER RESTRICTIONS	163
20	ADDITIONAL INFORMATION	165
20.1	AUDITOR AND ADVISORS	165
20.2	DOCUMENTS ON DISPLAY.....	165
20.3	INCORPORATION BY REFERENCE	165
21	DEFINITIONS AND GLOSSARY	167

APPENDICES

APPENDIX A	ARTICLES OF ASSOCIATION OF B2HOLDING ASA	A1
APPENDIX B	APPLICATION FORM FOR THE RETAIL OFFERING.....	B1

1 SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and Warnings

A.1 Warning	<p>This summary should be read as an introduction to the Prospectus; any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;</p> <p>where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and</p> <p>civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2 Warning	<p>Not applicable. No consent is granted by the Company for the use of this Prospectus for subsequent resale or final placement of the Shares.</p>

Section B – Issuer

B.1 Legal and commercial name	B2Holding ASA.
B.2 Domicile and legal form, legislation and country of incorporation	<p>The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 21 January 2008, and the Company's registration number in the Norwegian Register of Business Enterprises is 992 249 986.</p>
B.3 Current operations, principal activities and markets	<p>B2 Holding is a leading European financial services provider specialised in the investment and workout of non-performing loans, primarily from the banking sector. The Group also provides third party debt collection solutions on behalf of clients, as well as offering credit information in selected markets. It also has smaller consumer lending operations in Sweden and Poland.</p> <p>The Group's main focus is on debt purchasing and collection on owned portfolios. The Group believes that a key success criteria within the CMS industry is availability of information, where it draws upon its expertise in handling large amounts of customer data. The Group's strategy involves identifying and acquiring the right portfolios, developing strong operational platforms and acquiring subsidiaries with similar businesses in targeted markets across Europe supporting this strategy.</p> <p>B2Holding has built its business through the acquisition of collection companies with strong segment positions, and through purchases of non-performing and partially performing debt portfolios. The essence of the Group's current strategy is to build leading positions within the CMS industry in the geographical markets in which the Group operates, with a main focus on the purchasing and collection of NPL portfolios. A strong presence in the Group's geographical markets has positioned the Group for further growth as it provides access to new portfolios.</p> <p>The Group's position and main focus in the CMS value chain is on the debt</p>

	<p>purchase and collection segment where it collects on portfolios purchased for its own book, but the Group also has a significant presence within the third party collection segment in Finland and Latvia. The collection process is managed through the Group's 10 platforms (12 platforms following completion of the acquisition of DCA as described under B.4a) below) and the collection methods vary across regions and dependent on the customer profile. The collection strategy is developed to yield both the best financial results and to protect the Group's reputation. The Group emphasises professionalism, expertise and high ethical standards at all levels of the collection process as these are important factors for the Group's attractiveness with and trust from NPL originators / debt sellers and local authorities.</p> <p>The Group believes it has a number of key strengths that help to differentiate it from its competitors and that have contributed to the Group's profitable growth. These key strengths include:</p> <ul style="list-style-type: none"> (i) the Group's position in a highly attractive industry; (ii) rapid establishment as a leading debt purchaser in the Nordics and Central Eastern Europe, partly through acquisitions of well-respected platforms with long track records, as well as through relationships with NPL providers; (iii) strong management team and organisation led by industry veterans; (iv) scalable collection platform supporting profitable expansion potential; (v) highly diversified portfolio with stable and predictable cash flows; and (vi) strong financial position and growth capacity. <p>In order to achieve its goal to be one of the leading Pan-European institutions in the CMS industry, the Group pursues development of businesses with extensive experience and a solid reputation in their respective local markets.</p> <p>The Group is currently represented in 15 European countries, with debt collection operations (platforms) in Croatia, Estonia, Finland, Latvia, Montenegro, Norway, Poland, Serbia, Slovenia, and Sweden. The Group also has support offices in Austria, Luxembourg, the Netherlands and recently incorporated entities in Romania and the Czech Republic. Furthermore, the Group owns portfolios in Italy, Denmark, Romania and Lithuania.</p>
<p>B.4a Significant recent trends</p>	<p>Cash collections for the three months ended 31 March 2016 of NOK 413 million have been somewhat lower than expected, which has been primarily driven by the Group's secured portfolios in the Balkans and also partly by new laws passed in Poland and Romania. Collections in Sweden, Finland and the Baltics have been in line with the Group's expectations. In management's opinion, the lower collections in the Balkans than expected is primarily driven by a delay relative to the forecasted collection curve for portfolios with secured claims, as collections on these will typically be more uneven than purely unsecured portfolios, as the average claim is larger and there is uncertainty with regards to timing for e.g. realization of the underlying security. As the delay in collections is not considered to be an indication of a lower collection potential, management does not expect to record any significant negative portfolio revaluation on an aggregate basis. In Poland and Romania new bailiff regulations have temporarily delayed legal collection.</p> <p>The Group's operating expenses are developing in line with management's expectations, and increasing as collection activities are increased. In the three months ended 31 March 2016 the Group recognised NOK 9 million in</p>

non-recurring costs related to the listing process.

As a result of the delay in collections, and the underlying increase in operating expenses, the Group's EBIT is lower than expectations and in line with EBIT for the three months ended 31 March 2015.

The volume of portfolio purchases in the three months ended 31 March 2016 was significantly higher than for the corresponding period in 2015, and amounted to approximately NOK 448 million (compared to NOK 64 million in the same period in 2015). A significant part of the purchase volume was related to a portfolio purchase of approximately NOK 330 million negotiated during the fourth quarter in 2015 where signing and payment was delayed to January. The Group has also purchased significant volumes on forward flow agreements in Sweden and Finland, which have been higher than management's expectations. The Group is currently bidding on portfolios with an aggregate estimated purchase price of EUR 400 million, which is significantly higher than at the same period in 2015. The portfolios the Company is currently bidding on also include a significant amount of secured claims, with approximately 50% of the face value related to portfolios that include secured claims.

In the three months ended 31 March 2016 the Group's interest and currency swaps resulted in a net loss of NOK 1.4 million.

In the period from 1 April 2016 until 30 April 2016, cash collections amounted to NOK 129 million. Collections in Sweden, Finland and the Baltics are performing well, and as expected the new Bailiff regulations in Poland and Romania still have some delay effect on collection. In the Balkans collection on secured portfolios is still somewhat lower than the forecasted collection curves. During the same period, the Group has acquired portfolios for approximately NOK 69 million. In the period from 1 May 2016 to the date of this Prospectus the Group has entered into a portfolio purchase agreement and expect to enter into an additional portfolio purchase agreement conditional upon obtaining the prior approval from national regulators, such approval is expected by the end of May/early June. The total purchase price for these two portfolios is approximately NOK 630 million, which will be financed through the Revolving Credit Facility.

On 4 May 2016, B2Holding signed a sale and purchase agreement regarding the purchase of Debt Collection Agency AD, a Bulgarian entity. Debt Collection Agency AD is one of the leading players in Bulgaria, with a wholly owned subsidiary in Romania. Debt Collection Agency AD has approximately 134 employees in Bulgaria and 25 employees in Romania. Debt Collection Agency AD is a debt purchaser with collection on owned portfolios, mainly retail unsecured. Debt Collection Agency AD has an ERC of approximately 40 million EUR and the face value of its acquired portfolios is approximately 180 million EUR. In 2015, Debt Collection Agency AD had collection revenues of EUR 5.9 million and net profit of EUR 19.9 million. Through the acquisition of Debt Collection Agency AD, B2Holding will significantly strengthen its position as one of the leading players in the Balkans. B2Holding see Debt Collection Agency AD as an excellent platform for further growth in the region. The purchase price for the acquisition of Debt Collection Agency AD will be financed through the Revolving Credit Facility. Part of the total purchase price will be settled as a cash earn-out, based on future results. It is expected that closing of B2Holding's purchase of Debt Collection Agency AD will take place on or about 31 May 2016, subject to certain conditions to closing being met or waived some of which are outside of the control of the parties themselves.

Other than as described above, there have been no significant changes in

	the financial or trading position of the Group since the date of the Interim Financial Information.						
B.5	Description of the Group	The Company, the parent company of the Group, is a holding company and the operations of the Group are carried out through the collection services and portfolio owning subsidiaries of the Company.					
B.6	Interests in the Company and voting rights	<p>Shareholders owning 5% or more of the Shares will, following the Listing, have an interest in the Company's share capital, which is notifiable under the Norwegian Securities Trading Act. As of 20 May 2016 the Company had 849 shareholders. There are no differences in voting rights between the Shares.</p> <p>The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.</p>					
B.7	Selected historical key financial information	<p>The following selected consolidated financial information has been extracted from the Group's audited consolidated financial statements as of, and for the years ended, 31 December 2015, 2014 and 2013 (the Financial Statements) and the Group's unaudited interim financial information as at, and for the three months ended, 31 March 2016 (with comparable figures for the same period of 2015) (the Interim Financial Information).</p> <p>The Financial Statements as of, and for the years ended 31 December 2015 and 2014 (with restated comparable unaudited figures converted from NGAAP to IFRS as of and for the year ended 31 December 2013), have been prepared in accordance with IFRS. The Financial Statements as of, and for the year ended 31 December 2013, have been prepared in accordance with NGAAP. The Interim Financial Information has been prepared in accordance with IAS 34 based on accounting policies consistent with those applied in the preparation of the Financial Statements. The Financial Statements and the Interim Historical Information are incorporated by reference to this Prospectus.</p> <p>The selected consolidated financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements incorporated into this Prospectus by reference and should be read together with Section 11 "Operating and Financial Review".</p>					
<i>In NOK thousands</i>		Three months ended		Year ended			
		31 March		31 December			
		2016	2015	2015	2014	2013	
		<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	<i>restated</i>	
		<i>(unaudited)</i>	<i>(unaudited)</i>			<i>IFRS</i>	
						<i>(unaudited)</i>	
	Condensed consolidated statement of profit or loss and other comprehensive income					2013	
						2013	
						NGAAP	
	Net operating revenues	279,107	230,199	1,076,239	510,744	187,848	420,005
	Write down on portfolios	-	-	-	-	-	(214,242)
	External cost of services provided	(52,627)	(40,047)	(189,304)	(118,901)	(61,693)	(55,615)
	Personnel costs	(80,888)	(55,728)	(294,184)	(136,206)	(71,560)	(68,166)
	Depreciation of tangible fixed assets	(2,340)	(1,815)	(8,529)	(4,097)	(1,983)	(1,989)
	Amortisation of intangible assets and impairment of goodwill	(4,994)	(4,275)	(19,424)	(7,889)	(848)	(2,163)
	Other operating expenses	(53,491)	(38,924)	(187,594)	(152,167)	(46,240)	(54,896)
	Total operating expenses	(194,341)	(140,789)	(699,035)	(419,260)	(182,324)	(397,071)
	Operating profit	84,766	89,410	377,204	91,484	5,524	22,934
	Net financial items	(78,940)	(86,216)	(133,904)	(19,933)	250	13,619
	Profit for the period before tax	5,826	3,194	243,300	71,551	5,774	36,553
	Profit for the period after tax	(1,887)	(8,679)	198,175	52,092	1,735	28,069
	Total comprehensive income for the period, net of tax	(7,635)	33,502	276,761	104,778	(3,257)	-

	As at		As at			
	31 March		2015		31 December	
	2016	2015	2015	2014	2013	2013
	IFRS	IFRS	IFRS	IFRS	restated	NGAAP
	(unaudited)	(unaudited)			IFRS	
	(unaudited)					
Condensed consolidated statement of financial position						
ASSETS						
Tangible fixed assets	28,000	26,536	28,821	22,807	4,470	3,730
Intangible assets	65,598	78,377	71,461	82,022	4,322	6,563
Goodwill	310,742	299,452	317,675	302,122	15,042	10,724
Investments in associated companies	1,564	1,617	1,598	1,895	-	-
Purchased loan portfolios	3,379,207	1,983,949	3,167,628	2,016,705	562,072	702,216
Loan receivables	273,098	181,158	259,819	168,182	6,663	8,210
Deferred tax assets	23,731	7,151	26,349	11,930	13,791	323
Total non-current assets	4,081,940	2,578,240	3,873,351	2,605,633	606,360	731,766
Accounts receivable	37,145	9,231	20,432	27,985	5,375	4,564
Other short term assets	57,633	41,664	49,524	32,346	4,997	12,039
Cash and short term deposits	273,046	290,388	764,678	294,148	117,660	117,701
Total current assets	367,824	341,283	834,634	354,479	128,032	134,304
Total assets	4,449,764	2,919,523	4,707,985	2,960,142	734,392	866,070
EQUITY						
Total equity attributable to parent company shareholders	1,667,772	1,423,434	1,672,820	1,373,824	292,508	454,325
Equity attributable to non-controlling interests	(1,135)	(1,529)	(909)	(1,672)	(12,672)	-
Total equity	1,666,637	1,421,905	1,671,911	1,372,152	279,836	454,325
LIABILITIES						
Total non-current liabilities	2,557,760	1,080,495	2,616,855	1,120,456	340,498	318,285
Total current liabilities	225,367	417,123	419,219	467,534	114,058	93,460
Total liabilities	2,783,127	1,497,618	3,036,074	1,587,990	454,556	411,745
Total equity & liabilities	4,449,764	2,919,523	4,707,985	2,960,142	734,392	866,070
Condensed consolidated statement of cash flows						
	Three months ended			Year ended		
	31 March			31 December		
	2016	2015	2015	2014	2013	2013
	IFRS	IFRS	IFRS	IFRS	restated	NGAAP
	(unaudited)	(unaudited)			IFRS	
	(unaudited)					
Condensed consolidated statement of cash flows						
Net cash flow from operating activities	135,194	101,749	591,123	209,814	216,162	245,835
Net cash flow from investing activities	(611,596)	(81,381)	(1,387,733)	(1,155,107)	(693,664)	(760,147)
Net cash flow from financing activities	601	(23,387)	1,232,836	1,108,157	533,042	566,299
Net cash flow during the period	(475,801)	(3,019)	436,226	162,864	55,540	51,987
Cash and cash equivalents at the beginning of the period	764,678	294,148	294,148	117,660	65,705	65,714
Exchange rate differences on cash and cash equivalents	(15,831)	(741)	34,304	13,624	(3,585)	-
Cash and cash equivalents at the end of the period	273,046	290,388	764,678	294,148	117,660	117,701
B.8 Selected key pro forma financial information	Not applicable. There is no pro forma financial information.					
B.9 Profit forecast or estimate	Not applicable. No profit forecasts or estimates are made.					

B.10	Audit report qualifications	Not applicable. There are no qualifications in the audit reports.
B.11	Insufficient working capital	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

Section C – Securities

C.1	Type and class of securities admitted to trading and identification number	The Company has one class of Shares in issue and all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote. The Shares have been created under the Norwegian Public Limited Companies Act and are registered in book-entry form with the VPS under ISIN NO NO0010633951.
C.2	Currency of issue	The Shares are issued in NOK.
C.3	Number of shares in issue and par value	As of the date of this Prospectus, the Company's share capital is NOK 31,192,923.90 divided into 311,929,239 Shares with each Share having a par value of NOK 0.10.
C.4	Rights attaching to the securities	The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company. Each of the Company's Shares carries one vote. The rights attaching to the Shares are described in Section 15.10 "The Articles of Association and certain aspects of Norwegian law".
C.5	Restrictions on transfer	The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.
C.6	Admission to trading	The Company will on or about 24 May 2016 apply for admission to trading of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange approves the listing application of the Company on or about 30 May 2016, subject to certain conditions being met. The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on or around 8 June 2016. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.
C.7	Dividend policy	The Board of Directors have adopted a dividend policy according to which the Company aims to distribute 20-30% of the Group's net profits as dividend to its shareholders, starting at the lower end of this range for the financial year 2016 (payable in 2017).

Section D – Risks

D.1	Key risks specific to the Company or its industry	<p>Risk relating to the Group's portfolios and business, including:</p> <ul style="list-style-type: none"> • failure to collect the expected amounts on its portfolios; • acquisitions or business combinations that prove unsuccessful or strain or divert the Group's resources; • failure to assess value of collateral and ownership terms of the collateral; • inaccuracy in statistical models and analytical tools; • negative attention and reputational damage; • strong competition in all areas and markets; • failure to take advantage of opportunities for portfolio purchases as they arise in the market; • assumption of ownership of collateral provided under the Group's secured debt portfolios;
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	<ul style="list-style-type: none"> • purchase of portfolios at appropriate prices or of sufficient quality; • reliance on key relationships and dependency and potential loss of key debt sellers; • reliance on third parties to collect amount under the Groups credit portfolios; and • failure to procure sufficient funding to purchase further debt portfolios on acceptable terms or at all. <p>Other operational risks, including:</p> <ul style="list-style-type: none"> • dependency on access to, and the functioning and integrity of, the Group's core applications, systems and infrastructure; • failure to accurately anticipate, manage or adopt technological changes within the debt purchase and collection industry; • forward-flow agreements may contractually require the Group to purchase credit portfolios at a higher price than desired; • dependency on the Group's senior management team members and key employees; • exposure towards market developments and the economic developments generally and in the markets in which the Group operates; • dependency on distributing cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholders; and • failure to identify or anticipate future risks. <p>Risks relating to financing, including:</p> <ul style="list-style-type: none"> • lack of ability to fulfil its short and long-term payment obligations towards third parties; • failure to successfully refinance the indebtedness; • limited operating and financial flexibility due to covenants under the Group's financing arrangements; • exposure towards currency fluctuations; • exposure towards fluctuation in interest rates; and • exposure towards counterparties inability to fulfil their commitments or provide collateral towards the Group. <p>Risks relating to laws and regulations:</p> <ul style="list-style-type: none"> • exposure towards local compliance and legislation risks in multiple European jurisdictions; • exposure towards changes in the regulatory environment and increasing volume of applicable legislation in relevant jurisdictions; • failure to comply with the Group's debt collection licenses and applicable regulations, including legislation on protection of personal data; • exposure to monetary damages, costs, financial loss, civil and criminal penalties, loss of license or authorisation as a result of non-compliance with applicable laws and regulations; and • exposure towards changes in tax laws, treaties or regulations as a result of the Group's tax structure.
<p>D.3 Key risks specific to the securities</p>	<ul style="list-style-type: none"> • The price of the Shares could fluctuate significantly. • Future sales, or the possibility for future sales, of substantial numbers of Shares could affect the market price of the Shares. • Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares. • Market yield rates could influence the price of the Shares.

Section E – Offer

E.1 Net proceeds and estimated expenses	<p>The Offering consist of an offer of New Shares to be issued by the Company to raise an amount of approximately NOK 650 million. The Company will receive the net proceeds from the sale of the New Shares.</p> <p>The net proceeds to the Company will be approximately NOK 604 million, based on estimated total transaction costs of approximately NOK 46 million related to the Listing and the Offering of the New Shares.</p>
E.2a Reasons for the Offering and use of proceeds	<p>The Company believes the Offering and the Listing will:</p> <ul style="list-style-type: none"> • enable access to equity capital markets if necessary for further growth; • diversify the shareholder base; • enhance the Company's profile with investors, business partners, vendors and customers; • further improve the ability of the Company to attract and retain key management and qualified employees; and • enable the Selling Shareholders to partially monetise their holding, and allowing for a liquid market for its shares going forward. <p>The Company intends to use the net proceeds from the New Shares in the Offering to provide the Company with sufficient capital for Management's objective growth in nearby geographies as described in Section 8.3 "Strategy" below.</p>
E.3 Terms and conditions of the Offering	<p>The Offering consists of an offer of New Shares to be issued by the Company to raise an amount of approximately NOK 650 million and (ii) an offer of Sale Shares, all of which are existing, validly issued and fully paid-up registered Shares with a par value of NOK 0.10, offered by the Selling Shareholders, as further specified in Section 13 "The Selling Shareholders". In addition, the Managers may elect to over-allot a number of Additional Shares, equalling up to approximately 15% of the aggregate number of Offer Shares allocated in the Offering. The Company is expected to grant to the Managers an Over-Allotment Option, which may be exercised by Arctic, as Stabilisation Manager on behalf of the Managers, to purchase a corresponding number of Additional Shares to cover any such over-allotments.</p> <p>The Offering consists of:</p> <ul style="list-style-type: none"> • An Institutional Offering, in which Offer Shares are being offered (a) to investors in Norway, (b) to investors outside Norway and the United States, subject to applicable exemptions from prospectus and registration requirements, and (c) in the United States to investors who are QIBs in transactions exempt from registration requirements under the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000. • A Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit. <p>All offers and sales outside the United States will be made in compliance with Regulation S.</p> <p>The Company has, together with the Managers, set an Indicative Price Range for the Offering from NOK 11.25 to NOK 13.50 per Offer Share.</p> <p>The Bookbuilding Period for the Institutional Offering is expected to take place from 25 May 2016 at 09:00 hours (CET) to 7 June 2016 at 12:00 hours (CET). The Application Period for the Retail Offering is expected to take place from 25 May 2016 at 09:00 hours (CET) to 7 June 2016 at</p>

	<p>12:00 hours (CET).</p> <p>The Company, in consultation with the Managers, reserves the right to shorten or extend the Bookbuilding Period and Application Period at any time.</p> <p>The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 8 June 2016, by issuing contract notes to the applicants by mail or otherwise. Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 9 June 2016.</p> <p>Arctic, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 8 June 2016, by issuing allocation notes to the applicants by mail or otherwise. The due date for payment in the Retail Offering is on or about 9 June 2016. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 9 June 2016.</p>
E.4	<p>Material and conflicting interests</p> <p>The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a management fee in connection with the Offering and, as such, have an interest in the Offering.</p> <p>The Company will receive the net proceeds from the sale of the Additional Shares and the net profit from stabilisation activities, if any. The Selling Shareholders will receive the net proceeds from the sale of the Sale Shares.</p> <p>Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.</p>
E.5	<p>Selling shareholders and lock-up agreements</p> <p>The Selling Shareholders are listed in Section 13 "The Selling Shareholders". The number of Sale Shares to be sold by the Selling Shareholders will be subject to the final Offer Price</p> <p>The Joint Global Coordinators have entered into a lock-up agreement with the Selling Shareholders, the Board of Directors, shareholders represented on the Board of Directors and Management owning Shares in the Company, that will restrict their ability to sell or dispose of Shares, as applicable, for a period of six and nine months from the first day of Listing, respectively.</p> <p>Furthermore, the Company provided the Joint Global Coordinators with an undertaking that will restrict its ability to issue, sell or dispose of Shares, as applicable, for a period of six months from the first day of.</p> <p>The lock-up undertakings are subject to certain exceptions.</p>
E.6	<p>Dilution resulting from the Offering</p> <p>Following completion of the Offering, the immediate dilution for the existing shareholders who do not participate in the Offering is estimated to be approximately 18.52% based on the assumption that the Company issues 57,777,777 New Shares.</p>
E.7	<p>Estimated expenses charged to investor</p> <p>Not applicable. No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.</p>

2 RISK FACTORS

An investment in the Offer Shares involves inherent risk. Before making an investment decision with respect to the Offer Shares, investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Offer Shares. An investment in the Offer Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the Offer Shares. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flows and/or prospects, which could cause a decline in the value and trading price of the Offer Shares, resulting in the loss of all or part of an investment in the same.

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's business, financial condition, results of operations, cash flows and/or prospects. The risks mentioned herein could materialise individually or cumulatively. The information in this Section 2 is as of the date of this Prospectus.

2.1 Risks related to the business of the Group and the industry in which the Group operates

The Group may not be able to collect the expected amounts on its portfolios, which may lead to write-downs.

A large part of the Group's assets consists of portfolios made up of purchased consumer receivables (mainly unsecured, but also includes secured) which were non-performing at the time when being acquired by the Group, i.e. previous creditors have already attempted and failed to collect amounts due following an initial or numerous non-payments. The Group generally purchases portfolios at prices that vary from less than 10% to 70% of their face value (principal amount plus accrued interests and fees). It is crucial for the Group's business and revenues to achieve an overall collection rate above the prices paid. While the Group believes that the recoveries on the Group's credit portfolios will be in excess of the amount paid for them, amounts recovered may be less than expected and may even be less than the total amount paid for such portfolios for whatever reason. In its operation with secured debt, B2Holding is exposed to the assessed value of the collateral and ownership terms of the collateral. Adverse deviations on these assumptions could materially impact the company's ability to collect the projected amounts. The Group's purchased loan portfolios comprised approximately 76% of the Group's total assets as at 31 March 2016 and any condition or event that causes these portfolios to lose value, such as a decrease in expected collections or regulatory changes, will have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Forward flow agreements may contractually require the Group to purchase credit portfolios at a higher price than desired.

The Group has previously entered, and may in the future enter, into forward flow agreements. When entering into a forward flow agreement the Group enters into a fixed term relationship with a vendor and is committed to purchase multiple credit portfolios in the future from such vendor at a fixed pricing model, which could imply that the Group ends up paying an amount higher for such credit portfolios than it would otherwise agree at the time of purchase, which could result in reduced returns. In addition, it could be that the Group may only be able to terminate such forward flow agreements in certain limited circumstances. In a more competitive environment, the Group could be faced with a decision to either decrease its purchasing volume or agree to forward flow agreements at increased prices or with fewer contractual protections. For a forward flow agreement to be economically advantageous, the Group must ensure that the nature of accounts contained in any credit portfolios to be purchased under such agreements would remain consistent to those reviewed as part of the due diligence process. The Group generally contemplates future fluctuations in the value of the debt that it purchases through forward flow agreements, but such fluctuations in value may exceed the Group's expectations. While the proportion of the Group's business that comes from forward flow agreements is currently not significant, that can change in the future. Debt purchased under forward flow agreements may have been priced incorrectly, which may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group may not be able to procure sufficient funding to purchase further debt portfolios as they become available on acceptable terms or at all.

The Group's business depends on its ability to purchase portfolios of defaulted debt. Historically, the Group has funded such purchases through equity capital, borrowings and cash generated by its operations. The Group's ability to obtain funding in the future will depend on the Group's performance and its prospects, as well as factors over which the Group does not exercise control. Such factors may include weak economic and capital market conditions during or prior to periods in which attractive debt portfolios are available for purchase, the ability and willingness of banks or other financial institutions to lend to the Group's industry generally or to the Group in particular, and changes in fiscal, monetary and other government policies, among others.

If, in the longer term, the Group does not have sufficient headroom in its existing funding (see Section 11.7 "*Liquidity and capital resources*"), the Group may be unable to raise funds on acceptable terms for debt portfolio purchases or on a timely basis, which may limit its ability to take advantage of opportunities for loan portfolio purchases arising in the market. If, in the longer term, the Group is unable to borrow, generate or otherwise obtain sufficient funds to purchase debt portfolios on attractive terms, or at all, when opportunities arise, the Group's financial condition, financial returns and results of operations may be materially adversely affected.

The Group's senior management team members and key employees are important to the Group's continued success and the loss of one or more members of the Group's senior management team or one or more of the Group's key employees could have a material adverse effect on the Group's business.

The Group's performance is to a large extent dependent on highly qualified personnel and management, and the continued ability of the Group to compete effectively and implement its strategy depends on its ability to attract new and well qualified employees and retain and motivate existing employees. Competition within the financial services industry, including from other financial institutions, as well as from businesses outside the financial services industry for key employees, is intense. Any loss of the services of key employees, particularly to competitors, or the inability to attract and retain highly skilled personnel could have a material adverse effect on the Group's business, results of operation, financial condition and/or prospects.

The Group may make acquisitions or pursue business combinations that prove unsuccessful or strain or divert its resources.

In recent years, the Group has acquired a number of companies and businesses as part of its growth strategy and it may acquire further assets, shares or companies in the future. Successful growth through future acquisitions is dependent upon the Group's ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms and ultimately complete such transactions and integrate the acquired business into the Group. If the Group makes acquisitions, it may not be able to generate expected margins or cash flows, or to realise the anticipated benefits of such acquisitions, including growth and expected synergies. The Group's assessments of, and assumptions regarding, acquisition targets may prove to be incorrect, and actual developments may differ significantly from expectations. Such acquisitions are always exposed to a number of risks and considerable uncertainty with respect to ownership, other rights, assets, liabilities, licenses and permits, claims, legal proceedings, restrictions imposed by competition law, financial resources, environmental and other aspects. These risks may be greater, more difficult or more extensive to analyse in certain countries or regions where the Group is active. Further, acquisitions involve risks due to difficulties in integrating different operations, personnel, cultural differences, technology, products and IT. In connection with potential future acquisitions, the Group may incur considerable transaction, restructuring and administrative costs, as well as other integration-related costs and losses (including loss of business opportunities). Any difficulties integrating former acquisitions or following up future acquisitions, including unexpected costs, may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The statistical models and analytical tools the Group uses may prove to be inaccurate.

The Group has developed and uses models to project the remaining cash flow generation from its credit portfolios and assess alternative strategies for improving the collectability of the credit portfolios. At the time of purchase, however, the Group is likely to have imperfect information about the precise age of the receivables, the ability of the customer to pay, the time at which the customer will pay and the cost required to service and collect such debt. Moreover, the Group's historical financial information about debt portfolios may not be indicative of the characteristics of subsequent debt portfolios purchase from the same party or the same industry due to changes in business practices or economic developments. In addition, if the Group purchases types of debt portfolios with which it has limited experience, or purchases debt portfolios in regions where the Group has no prior experience, or from debt sellers with whom the Group has no prior dealings, the Group's ability to properly price and to collect on such portfolios may be adversely affected. Lack of reliable information can lead to mispricing of purchased debt portfolios, which may have a material

adverse effect on the financial returns from such portfolios. The Group makes assumptions in respect of the rates of conversion of non-paying accounts into paying accounts, and the Group's ability to convert such accounts may vary in the future. Consequently, there can be no assurance that the Group will be able to achieve the recoveries forecasted by the models used to value the portfolios or that those models will appropriately identify or assess all material factors and yield correct or accurate forecasts as the Group's historical collection experience may not reflect current or future realities.

In addition, the Group's statistical models and analytical tools assess information which to some extent is provided to it by third parties, such as credit agencies and other mainstream or public sources, or generated by software products. The Group has no control over the accuracy of such information received from third parties. If such information is inaccurate, credits may be incorrectly priced at the time of purchase, the recovery value for the Group's portfolios may be calculated inaccurately, the wrong collection strategy may be adopted and lower liquidation rates or higher operating expenses may be experienced.

If the Group is unable to achieve the forecasted levels of collections, valuation impairments may be recognized, and revenue and returns on portfolio purchases may be reduced. Any of these events may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group's operations are highly dependent upon access to, and the functioning and integrity of, its core IT applications, systems and infrastructure.

The Group's success depends in large part on its ability to record and process significant amounts of data quickly and accurately to access, maintain and expand the databases it uses for pricing and collection activities. The Group also uses its systems to identify large numbers of customers, store personal data of its customers, analyse and segment accounts and monitor the results of collection efforts. These and other systems could be interrupted by events, including telecommunications and network failures, power losses, physical or electronic security breaches, fraud, identity theft, process failures, computer viruses, computer hacking attacks, malicious employee acts, terrorist attacks, natural disasters or similar events. Any material disruption to, or failure of, the Group's systems, the systems of the Group's third party providers or the systems of the banking and other sectors that are integral to the Group's business, especially if it also impacts the Group's backup or disaster recovery systems, would disrupt the Group's operations materially and adversely affect the Group's business. Any temporary or permanent loss of the Group's ability to use its computer equipment and software systems, or any disruption to or loss of data could disrupt the Group's operations, result in increased capital expenditure and insurance and operating costs, cause the Group to suffer a competitive disadvantage and materially and adversely affect its business and results of its operations. Any security or privacy breach of the Group's systems could expose the Group to liability and regulatory scrutiny, increase expenses relating to the resolution of these breaches and harm the Group's reputation.

The Group may not be able to successfully anticipate, manage or adopt technological changes within the debt purchase and collection industry.

The Group may be unsuccessful in anticipating, managing or adopting technological changes within the debt purchase and collection industry on a timely basis, which could reduce profitability or disrupt operations and harm the Group's business. In addition, the Group's future growth may require additional investment in these systems. The Group depends on having the capital resources necessary to invest in new technologies to acquire and service its debt portfolios. The Group may not have adequate capital resources available when it needs to make such investments which could result in a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Market developments and the development of the economy in general and in the markets in which the Group operates may negatively affect the Group's operations and financial performance.

As of 31 March 2016, Poland accounted for 46.9% of the Group's purchased loan portfolios, 49.2% of its cash collection in 2016 and 46.0% of its ERC, with Sweden accounting for 12.8%, 7.4% and 13.3%, Finland accounting for 12.4%, 20.3% and 11.9% and Croatia accounting for 21.7%, 12.0% and 24.4% of the same. Norway, Denmark, Latvia, Serbia, Slovenia, Montenegro, Estonia and Romania account for the remaining portions. The Group is, therefore, exposed to the economic, market, fiscal, regulatory, legislative, political and social conditions in these markets. Changes in basic market conditions may affect the Group and lead to increased losses and reduced profitability. The Group is already exposed to credit risk as part of its business operations and interact with persons and companies with a troubled track record for making payments on time or at all. A considerable improvement in the economic conditions in the markets in which the Group operates could have various impacts on the Group's business and performance, including an increase in the amount of settlements and early repayments made by customers. In addition, it could lead to a reduction in the number of attractive portfolio opportunities which are available for the Group to invest in, and more competitive pricing, as financing becomes more widely available for competitors at a

lower cost of funding. Rising interest rates could impair the financial viability of customers who have variable interest rate obligations (such as home mortgages) or other significant debt that bears floating rate interest. This could, directly or indirectly, lead to a reduction in customers' disposable income and their ability to repay their debts to the Group. If the Group's customers experience a reduced ability to pay their debts, the collection activity costs could increase and the Group could face lower average payments, any of which could reduce the Group's cash generation, return on capital and estimated remaining collections ("ERC"). Further, the Group could more quickly reach a point of saturation with certain customers (i.e. the number of accounts matched to a customer may reach a point at which that customer lacks the financial means to pay on all of the accounts that the Group owns). As a result, total collections may decline and the timing of receipt of payments may lengthen, which may have a material adverse effect on the Group's results of operations, financial condition and/or prospects.

The ability of the Management to plan, organise, follow up on and control the operations and to continuously monitor market conditions, is important for the Group in order to achieve a sustainable business plan and operations. Market developments and inability to adapt to deteriorating markets may result in a material adverse effect on the Group's financial position.

The Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholders

The Group currently conducts its operations through, and most of the Group's assets are owned by, the Group's subsidiaries. As such, the cash that the Group obtains from its subsidiaries is the principal source of funds necessary to meet its obligations. Contractual provisions or laws, including laws or regulations related to the repatriation of foreign earnings, as well as the Group's subsidiaries' financial condition, operating requirements, restrictive covenants in its debt arrangements and debt requirements, (see Section 11.7.2 "*Material indebtedness*"), may limit the Group's ability to obtain cash from subsidiaries that it requires to pay its expenses or meet its current or future debt service obligations or to pay dividends to its shareholders.

The inability to transfer cash from the Group's subsidiaries may mean that, even though the Group may have sufficient resources on a consolidated basis to meet its obligations or to pay dividends to its shareholders, the Group may not be permitted to make the necessary transfers from its subsidiaries to meet such obligations or to pay dividends to its shareholders. Likewise, the Group may not be able to make necessary transfers from its subsidiaries in order to provide funds for the payment of its liabilities or obligations, for which the Group is or may become responsible under the terms of the governing agreements of the Group's indebtedness. A payment default by the Group, or any of the Group's subsidiaries, on any debt instrument may have a material adverse effect on the Group's business, results of operations, cash flow and financial condition.

The Group is exposed to significant reputational risk.

Negative attention and news regarding the debt purchase and collection industry and individual debt purchasers or collectors, including the Group, may have a negative impact on a debtors willingness to pay a debt owed to the Group and may diminish the attractiveness of the Group as a counterparty for debt sellers and other third parties. The Group is exposed to the risk that negative publicity may arise from the activities of legislators, pressure groups and the media, on the basis of real or perceived abusive collection practices for example, which may tarnish the Group's reputation in the market.

Any such negative publicity could jeopardize the Group's existing relationships with debt sellers or its' ability to establish new relationships with other debt sellers or diminish the attractiveness of the Group as a counterparty generally. In addition, negative publicity could cause debtors to be more reluctant to pay their debts or to pursue legal action against the Group or cause regulators and authorities to form a more negative view, regardless of whether those actions are warranted. These actions could impact the ability to collect on the credit portfolios that the Group purchases and may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group operates in competitive markets and there is no guarantee that the Group will be successful in its future business operations.

The Group faces strong competition in all areas and markets, both from international and local competitors. The Group competes on the basis of bid prices, the terms it offers, reputation, relationship, industry experience and performance. Other businesses may develop competitive advantages that the Group cannot match, which may reduce the Group's access to and success in competitive sales process for portfolios of defaulted debt. The Group's current competitors and any new competitors may have or may in the future develop substantially greater financial, operational, technical, personnel or other resources such as more effective pricing and collection models, more efficient operating structures,

greater adaptability to changing market needs and more established relationships with debt collection businesses, in addition to operations involving the purchase of debt portfolios.

In the future, the Group may not have the resources or ability to compete successfully with its local or international competitors. There can be no assurance that the Group will be able to offer competitive bids for credit portfolios or that it will be able to maintain its strong position and status in the credit portfolio market. If the Group is less successful than its competitors to develop and expand its business or adapt to changing market needs, or if the Group's competitors are able to operate at a lower cost of capital, *inter alia*, through adopting improved collection methods, or make advances in their pricing or collections methods that the Group is not able to make, the Group may be unable to purchase credit portfolios at prices it deems appropriate in order to operate profitably.

Any inability to compete effectively may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The value of the Group's existing portfolios may deteriorate, or the Group may not be able to collect sufficient amounts on its portfolios to take advantage of opportunities for portfolio purchases as they arise in the market.

As the length of time involved in collecting on the Group's existing portfolios may be extensive, and the factors affecting debt collection rates may be volatile and outside the Group's control, the Group may be unable to identify economic trends or make changes in its purchasing strategies in a timely manner. If the assumptions used by the Group in its models are incorrect, including, but not limited to, claims not being time barred, the age and balances of the purchased claims being correctly stated by the sellers, debtors being alive and the claim not being a result of fraud, or if some of the accounts in a portfolio behave differently from the way the Group expects, such factors could result in a loss of value in a portfolio after purchase, subsequent negative revaluations in the Group's statement of financial position and a continuing deterioration in value over time as actual collections can deviate significantly from the collection estimates produced by the Group's pricing model as accounts age.

The Group purchases loans at significant discount to face value. These are typically loans that debtors have failed to service and, in many cases, that the debt seller has deemed to be uncollectable. It is crucial for the Group's business that it is able to identify portfolios that are of sufficient quality for the Group to determine the likelihood of collecting on the claims. Vendors generally make numerous attempts to recover on their overdue debt and other overdue receivables before selling them, often using a combination of in-house recovery efforts and third-party collection agencies. These overdue claims are difficult to collect and the Group may not collect a sufficient amount to cover its investment associated with purchasing the portfolios of overdue receivables and the costs of running its business. There can be no assurances that any of the claims contained in the Group's purchased loans and receivables will eventually be collected. While the Group attempts to secure legal title on a large number of claims through obtaining security or creating an attachment to wages, most of the claims that the Group owns are unsecured and an increase in bankruptcy filings involving debtors could impact the Group's ability to collect on those claims. If the cash flows from the Group's existing portfolios (and the debt portfolios the Group purchases in the future) are less than anticipated, the Group may be unable to purchase all of the new portfolios that it would like to purchase, it may have to pay a higher interest rate to finance the purchase of new portfolios or it may have to accept lower returns, which could in turn have a material adverse effect on the Group's business, results of operations or financial condition.

The Group is exposed to risk relating to assumption of ownership of collateral provided under its secured debt portfolios.

The majority of the Group's debt portfolios consist of unsecured debt. However, the Group has started to acquire portfolios of secured debt and combination portfolios which include both unsecured and secured debt. The Group may, in order to secure its claim, assume ownership to collateral provided under the secured debt (i.e. residential and commercial property, cars, machinery or other kind of equipment), which the Group will have to divest or otherwise monetise to collect the debt. There can be no assurance that the Group will be able to divest such collateral in a manner and price that will result in collection of the underlying debt. Further, the Group may incur costs, i.e. maintenance and insurance costs, and it may be exposed to liability (such as insurance obligations, claims for damages, etc.) relating to collateral for which it has assumed ownership. For example, in the event that the Group has assumed ownership of real property, it may be subject to liabilities that are not covered by the Group's insurance policies and which may be without any recourse, or with only limited recourse, against prior owners or third parties. Unknown liabilities with respect to properties which the Group has assumed ownership of could include, among others things, liabilities for clean-up of environmental contamination; claims by tenants, vendors, persons, companies or public authorities (including with respect to tax and VAT) against the property holding company; and liabilities incurred as a result of objects falling from facades and roofs of the properties, which could lead to personal injury or damage to property of third parties. As a result, if a liability were asserted against the Group based on its ownership the Group

may be liable to pay to settle or contest such liabilities, which could adversely affect the Group's financial condition, results of operations and cash flows.

The Group may not be able to purchase portfolios at appropriate prices or of sufficient quality.

Portfolios do not become available for purchase on a consistent basis throughout the year. The availability of portfolios at prices that generate an appropriate return on purchased loans and receivables depends on a number of factors both within and outside of the Group's control, such as the continuation of current growth trends in the levels of overdue debt and other overdue receivables, volumes of portfolio sales by debt sellers and competitive factors affecting potential purchasers and debt originators. Additionally, an increase in demand for portfolios among competitors could result in the Group not being chosen to purchase a portfolio due to more attractive offers from competitors. Further, potential debt sellers may opt not to sell their portfolios at all due to a number of factors, including pricing issues, reputational issues or transactional risk (i.e. relating to price, financing or completion).

There can be no assurances that the Group will continuously be able to identify sufficient volume of portfolios at appropriate prices. If the Group is unable to identify portfolios that are of sufficient quality or at appropriate prices, it may have to purchase loans of asset types or in industries in which the Group has little or no experience, or in industries where it is more difficult to collect on overdue receivables because of secrecy requirements, for example the healthcare or legal sector. Purchases in these asset types or industries may impair the Group's ability to collect on these claims and may cause it to pay too much for these claims and consequently the Group may not generate a profit from these debt purchases. A potential inconsistency in the availability of portfolios for purchase may mean that during certain financial reporting periods the Group may make few or no purchases of debt.

If the Group is unable to identify sufficient levels of attractive portfolios and generate an appropriate return on purchased loans and receivables, the Group may experience difficulties covering such expenses and may, as a consequence, have to reduce the number of the Group's collection personnel or take other measures to reduce costs. These developments could lead to disruptions in the Group's operations, loss of efficiency, low employee loyalty, fewer experienced employees and excess costs associated with unused space in the Group's facilities.

Any of these developments could have a material adverse effect on the Group's business, results of operations or financial condition.

The Group relies on key relationships to conduct its business and a large portion of the Group's credit portfolio purchases may at any time be concentrated with a small number of debt sellers and a loss of any of its current debt sellers could have a material adverse effect the Group's business.

The Group relies on key relationships with debt sellers to conduct its business. A significant percentage of the Group's credit portfolio purchases may be concentrated with a few, multi-national, large vendors and a limited number of credit portfolio purchases may constitute a relatively large part of the Group's balance sheet. A significant decrease in the volume of purchases available from any of the debt sellers which the Group is currently working with, on terms acceptable to the Group, would make it necessary to further enlarge the Group's network of vendors or the sources of debt to purchase. The Group cannot be certain that any of its current debt sellers will continue to sell debt to it on desirable terms or in acceptable quantities or that the Group could make similar purchases with purchases from other vendors. A debt seller's decision to sell debt to the Group is based on various factors, including the price and terms offered, the quality of the Group's reputation and its compliance history. The loss of a key relationship with a debt seller could jeopardise the Group's existing relationships with other debt sellers or its ability to establish new relationships with other debt sellers. The Group may be unable to find alternative sources from which to purchase debt and, even if such purchases could be successfully replaced, the search could take time or the debt could be of a lower quality or higher cost, any of which could have a material adverse effect on the business operations and financial performance of the Group.

Reliance on third parties to collect amounts under the Group's credit portfolios.

The Group outsources certain collection and litigation activities on accounts in its credit portfolios to third-party collection agencies ("DCAs"), law firms and other external agents. Any failure by these third parties to adequately perform such services for the Group could materially reduce the Group's cash flow, income and profitability or affect its reputation. Any violation of laws or other regulatory requirements by these third parties in their collection efforts could negatively impact the Group's business and reputation or result in penalties being directly imposed on the Group, as industry regulators generally expect businesses to carefully select such third parties and to take responsibility for any compliance violations. Any deterioration in or loss of any key relationships may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Furthermore, a percentage of the Group's future collections will be dependent on success in individual lawsuits. When the DCAs commence collection actions through legal proceedings, courts may require a copy of documents such as customer's account statements or applications. The Group typically relies on debt sellers to provide account documentation, including notices and correspondence with accountholders, to it in an accurate and timely fashion. The Group's inability to obtain these documents from the debt sellers, or its own errors in producing account documents, may negatively impact the liquidation rate on such accounts that are subject to judicial collections. In addition, if the DCAs fail to respond to communications in a timely manner, or allow any litigation or judicial process to lapse or become delayed, it may negatively impact the success of a lawsuit, and have a material adverse effect on the Group's collections. Any changes to laws, regulations or rules that affect the manner in which the Group initiates enforcement proceedings, including rules affecting documentation, could result in increased administration costs or limit the availability of litigation as a collection tool, which could have a material adverse effect on the Group's business and results of operations. Additionally, the Group's ability to collect by means other than legal proceedings may be affected by laws that require that certain types of account documentation be in the Group's possession prior to the institution of any collection activities, which could also have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's risk management procedures may fail to identify or anticipate future risks.

The Group continually reviews its risk management policies and procedures and although the Management believes that the Group's risk management procedures are adequate, many of its methods of managing risk and exposures are based upon observed historical market and human behaviour and statistic-based historical models. As a result, these methods may not accurately predict future exposures, which could be significantly greater than historical measures indicate. Other risk management methods depend on the evaluation of information regarding markets. Further, the Group keeps track of employee misconduct and has policies and procedures in place to minimize its impact, but these procedures may not prove sufficient (for example to avoid employee fraud). Failure, or the perception that the Group has failed, to develop, implement, monitor and when necessary pre-emptively upgrade the Group's risk management policies and procedures could give rise to reputational issues for the Group and may result in breaches of contractual obligations by the Group, for which it may incur substantial losses. Risks that the Group fails to anticipate and/or adequately address could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's decentralised organisation may imply compliance risks and lack of quality control at Group level.

The Group believes that local presence is an important part in the Group's strategy and the Group has acquired operating entities with established organisational structures in several of the markets in which the Group is currently conducting business. The Group has designated country managers and local platforms to conduct the operations of the Group in the relevant markets, while the headquarters in Norway is responsible for financing, administrative control and business development at Group level. Although the Group has established risk management and internal control measures to ensure compliance and quality control throughout its organisation, the Group's decentralised organisation and dependence on local operations to implement the Group's control measures and mitigate risks exposes the Group to increased risk relating to non-compliance and quality control, which could in turn have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.2 Risks related to financing**Liquidity risk**

The Group's liquidity requirements consist mainly of debt and tax servicing requirements and funding of its purchases of portfolios, capital expenditure and working capital. The Group's principal sources of liquidity are net cash generated from operating activities (before portfolio purchases) and borrowings under the Revolving Credit Facility and the Bond Loan. Liquidity risk is the risk that the Group does not have the ability to fulfil its short and long-term payment obligations towards third parties.

Refinancing risk

Refinancing risk is the risk that the Group, at the maturity of an existing financing facility, is unable to successfully refinance the indebtedness or only succeeds in borrowing funds at substantially increased costs compared to existing financing arrangements. The volume of the Group's sourcing funds, in particular long term financing, may be limited during liquidity pressure or market turmoil. Refinancing problems may result in the value of the Bonds decreasing or the Company being unable to meet its payment obligations as they fall due. The occurrence of any such events could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group is subject to covenants under its financing arrangements that limit its operating and financial flexibility.

The Group's Revolving Credit Facility and the Bonds contain certain covenants, which are customary in financings of this type, which impose restrictions on the Group's operations, and impose financial restrictions on the Group. These agreements may limit the Group's ability to, amongst other things: incur or guarantee additional indebtedness, make certain restricted payments and investments, create or incur certain liens, and make certain loans, investments or acquisitions. In particular, the Group is subject certain financial covenants as well as restrictions on its ability to pay dividends or other distributions, as well as a clause regarding change of control of the Company. These covenants are subject to exceptions and qualifications. See Section 11.7.2 "*Material indebtedness*" for a description of the key covenants applicable under the Revolving Credit Facility and the Bonds. In addition, the Revolving Credit Facility and the Bonds contain reporting covenants which the Group has to comply with on specified dates. These restrictions on the Group's current operations may limit its ability to engage in certain activities, which may have an adverse effect on the Group's results of operations or prospects in the longer term. If the Group is unable to comply with the financial or other covenants under its financing arrangements, such failure may constitute an event of default leading to acceleration of outstanding amounts. Even if the Group carefully monitors the key financial indicators and ratios, there is no assurance that the Group will be able to comply with financial covenants in the future. Failure to do so may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group is exposed to the risk of currency fluctuations.

Generally, foreign exchange risk represents the risk that currency fluctuations negatively affect the business operations of the Group. Foreign exchange risk that has an adverse impact on the Group's financial statements arises mainly as a result of:

- The currency used in the consolidated financial statements is different from the reporting currency of the subsidiaries (translation risk).
- Assets and liabilities of the Group are denominated in different currencies and certain revenue and costs arise in different currencies (transaction risk).

The Group's accounts are denominated in NOK, while a large part of the Group's business is carried out in EUR, SEK, HKR, PLN and other currencies. The Group's receivables portfolios (assets) are mainly denominated in foreign currencies. Secured loans are made in relevant currencies reflecting the underlying expected cash flow from the loans and receivables.

Thus, the Group is exposed to both translation and transaction risk. Furthermore, in each of the jurisdictions the Group is present, all revenue and the majority of the expenses are in local currency. The Group holds various derivative financial instruments with the purpose of reducing its interest rate exposure such as a cross currency swap and a foreign exchange forward. To the extent that foreign exchange rate exposures are not hedged, any significant movements in the relevant exchange rates may have a material adverse effect on the Group's business, results of operations or financial condition and the Company's ability to make payments due under the Bonds.

The Group is exposed to interest rate risk.

Fluctuations in market interest rates may affect the Group's financial performance. The Revolving Credit Facility and the Bonds exposes the Group to interest rate risk by using floating reference rates such as EURIBOR, NIBOR and STIBOR. In addition, the Group is exposed to the impact of movements in the interest rate environment on the recoverability of debts. Changes in interest rates could significantly increase the Group's interest expense and/or reduce its interest income.

The Group employs hedging strategies such as interest rate swaps and interest rate caps which enable the Company to monitor or reduce its interest rate risk exposure (see Section 11.10 "*Financial risk management*"), but there is no guarantee that the Group will be able to successfully hedge all of its interest rate risk or be able to maintain its current

hedging policy in the future on commercially acceptable terms. Consequently, unexpected changes in market interest rates could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group is exposed to counterparty risk.

Although a large part of the assets of the Group consist of individually insignificant receivables which carry insignificant counterparty risks in themselves, the Group is still subject to counterparty exposure. To a certain extent, amounts of liquidity are deposited with European commercial banks well in excess of any governmental minimum deposit insurance. The Group is exposed to the risk that counterparties are unable to fulfil their commitments and that any collateral provided does not cover the receivable. If a counterparty is unable to fulfil its obligations and the Group is forced to enter into similar arrangements with another counterparty, this may result in an increase in the costs of the Group. If one or more of the abovementioned counterparty risks materialises, it would be likely to have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

2.3 Risks related to laws and regulations

The Group's operations in multiple jurisdictions expose it to local risks in a number of European jurisdictions.

The Group currently has local platforms, offices and/or portfolios in Norway, Sweden, Finland, Poland, Estonia, Lithuania, Latvia, Serbia, Slovenia, Montenegro, Croatia, Romania, Denmark, Italy, Luxembourg, Austria, the Netherlands and the Czech Republic. In addition, the Group has entered into an agreement for the purchase of an entity in Bulgaria. The Group is subject to applicable laws, regulations and licensing requirements of those jurisdictions, which differ between jurisdictions, including multiple national and local regulatory and compliance requirements relating to debt purchase and collection, labour, licensing requirements, consumer credit, data protection, anti-corruption, anti-money laundering and other regulatory regimes, potential adverse tax consequences, antitrust regulations, an inability to enforce remedies in certain jurisdictions and geopolitical and social conditions in certain sectors of relevant markets. While entering new markets, the Group could face additional risks, including incurring start-up losses for several years due to lower levels of business, ramp-up and training costs, the lack of expertise in such markets, the lack of adequate and available management teams to monitor these operations, unfavourable commercial terms and difficulties in maintaining uniform standards, control procedures and policies.

Any failure to comply with applicable legislation or regulation of the debt purchase and collections sector and the broader consumer credit industry could result in the suspension, termination or impairment of the Group's ability to conduct business, which could in turn have a material adverse effect on the Group's business, results of operations or financial condition.

Changes to the regulatory environment in the jurisdictions in which the Group operates or an increasing volume of applicable legislation may materially and adversely affect the debt purchase and collection industry and impede the Group's business

As a result of the recent global financial and economic crisis, a number of regulatory initiatives have been taken to amend or implement rules and regulations, which are likely to have an impact on the business of the Group. Such initiatives include, but are not limited to, fair treatment of consumer creditors, regulations related to debt forgiveness for certain groups, requirements for data protection, liquidity and handling of counterparty risks, and regulatory tools provided to authorities to allow them to intervene in scenarios of distress. Any significant changes, developments and/or oversight in regulations, regulatory supervision and/or granted licences could subject the Group to additional operating costs, or potentially expose it to additional liability, or otherwise impact the manner in which the Group operates its business and have a material adverse effect the Group's business, results of operations or financial condition.

The Group's operations are subject to debt collection licenses and regulations on protection of personal data and failure to comply with such licenses could result in suspension, termination or impairment of the Group's ability to conduct its business.

The Group's business is conducted through a number of Group companies which are subject to licensing and regulatory requirements in several of the jurisdictions in which the Group operates, including *inter alia* license requirements in Norway for debt collection services where Interkreditt AS holds a debt collection license issued by the Financial Supervisory Authority ("FSA") of Norway, license requirements in Poland for management of receivables portfolios where Ultimo S.A. holds a license for securitized receivables management in favour of securitization funds issues by the FSA of Poland, license requirements in Sweden for debt collection where Sileo Kapital holds a debt collection license issued by the Swedish Data Protection Authority and permission to provide credit to consumers issued by the FSA of Sweden and the Swedish Consumer Agency which is held by Kontant Finans Sverige. In addition,

the Group must comply with local law on personal data, such as the Personal Data Act and affiliated legislation in Norway and must obtain approval from the Norwegian Data Protection Authority, and similar regulations in the other countries in which the Group operates. Credit management services ("CMS") within the EU are subject to the EU data protection directive (95/46/EC) (the "**Data Protection Directive**") as implemented into national law by each member state, and subject to supervision from local data protection authorities in each country where the Group operates.

If any of the Group's licenses are suspended or revoked, the Group's business would be severely constrained and could not continue to be operated in the way it is currently being operated. In addition, any suspension or revocation of a license held by a member of the Group would be publicly known and may result in severe reputational damage. Further, the Group's business partners, in particular its debt sellers, may cease to do so, and consequently the Group's ability to purchase debt and its ability to win future business may be materially adversely affected.

The Group is also subject to numerous detailed consumer protection legislative requirements, such as debt collection acts and acts on protection of personal data.

Any failure to comply with applicable laws, regulations and licenses, could result in investigations, enforcement or licensing actions that may lead to fines or the suspension or termination of licenses held by the Group, which may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects. In addition, damage to the Group's reputation, whether due to failure to comply with applicable laws or regulations, or revocation of a license or other regulatory action could cause the Group a loss of its business partners, in particular its debt sellers.

Any of these developments could have a material adverse effect on the Group's ability to conduct business and its results of operations, financial condition and/or prospects.

The Group is subject to ongoing risks of legal and regulatory claims.

In the ordinary course of its business, the Group is subject to regulatory oversight and liability risk. The Group carries out operations through a number of legal entities in a number of jurisdictions and is subject to regulation in each such jurisdiction. Regulation and regulatory requirements are continuously amended and new requirements are imposed on the Group, including, but not limited to, regulations on conduct of business, anti-money laundering, payments, consumer credits, capital requirements, reporting and corporate governance. Litigation and disputes are deemed part of the ordinary course of business for the Group when performing its business and collecting claims.

In recent years, in a few jurisdiction where the Group is active, there has been a substantial increase in consumer claims being brought through the courts in attempts to claim refunds of sums paid under consumer credit agreements or to avoid making payments going forward. This litigation has been fuelled by a substantial rise in the number and activity of claims management companies that aggressively advertise for potential claimants and then bring claims in the hope and expectation that they will be paid a portion of any debt written off. Claims could also be brought in relation to other areas of alleged non-compliance, which could affect a large portfolio of agreements.

The Group is currently not involved as defendant in any material litigation or disputes, nor, as far as the Group is aware, any unordinary regulatory investigations. However, it cannot be ruled out that material litigation, disputes or regulatory investigations may occur in the future and the Group may in the future be named as defendants in litigation, including under consumer credit, tax, collections, employment, competition and other laws. In addition, claims management companies and consumer rights groups could increase their focus on the debt collection industry and, in particular, the collection of debts owed under credit agreements. Such negative publicity or attention could result in increased regulatory scrutiny and increased litigation against the Group, including class action suits.

These types of claims and proceedings may expose the Group to monetary damages, direct or indirect costs, direct or indirect financial loss, civil and criminal penalties, loss of licences or authorisations, or loss of reputation, as well as the potential for regulatory restrictions on its businesses, all of which could have a material adverse effect on the Group's business, earnings and financial position. Claims against the Group, regardless of merit, could subject it to costly litigation or proceedings and divert its management personnel from their regular responsibilities. Adverse regulatory actions against the Group or adverse judgments in litigation to which the Group is party may lead to the Group being forced to suspend certain collection efforts or pay damages, being subject to enforcement orders or having its registration with a particular regulator revoked.

If any of the foregoing occurs, it may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Overall tax structure

The Group conducts its operations through companies in a number of countries in Europe, and will be subject to changes in tax laws, treaties or regulations or the interpretation or enforcement thereof in various jurisdictions. Tax laws and regulations are highly complex and subject to interpretation. The Group's income tax expense will be based upon its interpretation of the tax laws in effect in various countries at the time that the expense will be incurred. If applicable laws, treaties or regulations change or other taxing authorities do not agree with the Company's and/or any subsidiaries' assessment of the effects of such laws, treaties and regulations, this could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

2.4 Risks related to the Listing and the Shares

The Company will incur increased costs as a result of being a publicly traded company.

As a publicly traded company with its Shares and Bonds listed on the Oslo Stock Exchange, the Company will be required to comply with the reporting and disclosure requirements and with corporate governance requirements applicable for companies listed on the Oslo Stock Exchange. The Company will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations. The Company anticipates that its incremental general and administrative expenses as a publicly traded company will include, among other things, costs associated with annual and quarterly reports to shareholders, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation. Any such increased costs, individually or in the aggregate, could have a material and adverse effect on the Company's business, financial condition and results of operations.

The price of the Shares could fluctuate significantly.

The trading volume and price of the Shares could fluctuate significantly. Securities markets in general have been volatile in the past. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the strategy described in this Prospectus, as well as the evaluation of the related risks, changes in general economic conditions, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that are not specific to the Company, and these fluctuations may materially affect the price of the Shares.

Future sales, or the possibility for future sales, including by the Selling Shareholders, of substantial numbers of Shares could affect the market price of the Shares.

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on the market price of the Shares. Sales of substantial amounts of the Shares in the public market following the Offering, including by the Selling Shareholders, or the perception that such sales could occur, could adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate. Although the Selling Shareholders, as of the date of this Prospectus, is subject to an agreement with the Managers that, subject to certain conditions and exceptions, restrict its ability to sell or transfer their Shares for a period of 6 months following the first day of Listing, the representatives of the Managers may, in their sole discretion and at any time, waive the restrictions on sales or transfer during this period. Additionally, following this period, all Shares owned by the Selling Shareholders will be eligible for sale or other transfer in the public market, subject to applicable securities laws restrictions.

Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares.

The Company may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities, regulatory requirements or expenses or for any other purposes. There is no assurance the Company will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. Further, the Company may be obligated to issue new Shares under an earn-out arrangement undertaken in connection with the Group's acquisition of Creditreform Latvija (see Section 15.3 "*Share capital and share capital history*") which would be carried-out as a private placement, thus not involving the existing shareholders of the Company. If the Company raises additional funds by issuing additional equity securities, holdings and voting interests of existing shareholders could be diluted and the market price of the Shares could be affected in a material adverse manner.

Pre-emptive rights to secure and pay for Shares in additional issuance could be unavailable to U.S. or other shareholders.

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders (the "**General Meeting**"), existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares, and doing so in the future could be impractical and costly. In addition, the General Meeting may resolve to waive the pre-emptive right of all existing shareholders. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional ownership and voting interests in the Company will be diluted, see the risk factor "*Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares*" above.

Investors could be unable to exercise their voting rights for Shares registered in a nominee account.

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to any General Meeting. There is no assurance that beneficial owners of the Shares will receive the notice of any General Meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner desired by such beneficial owners.

The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions.

The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws. See Section 19 "*Selling and Transfer Restrictions*". In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

The Company's ability to pay dividends is dependent on the availability of distributable reserves and the Company may be unable or unwilling to pay any dividends in the future.

Norwegian law provides that any declaration of dividends must be adopted by the shareholders at the General Meeting. Dividends may only be declared to the extent that the Company has distributable funds and in compliance with the dividend restrictions in the Revolving Credit Facility and the Bond Agreement (see Section 11.7.2 "*Material indebtedness*"), and subject to the Company's Board of Directors finding such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company's operations, applicable capital adequacy requirements and the need to strengthen its liquidity and financial position. As a general rule, the General Meeting may not declare higher dividends than the Board of Directors has proposed or approved. If, for any reason, the General Meeting does not declare dividends in accordance with the above, a shareholder will, as a general rule, have no claim in respect of such non-payment, and the Company will, as a general rule, have no obligation to pay any dividend in respect of the relevant period.

Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway.

The Company is a public limited company organised under the laws of Norway. The majority of the Board Members and members of the Management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

Norwegian law could limit shareholders' ability to bring an action against the Company.

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK.

The Shares will be priced and traded in NOK on the Oslo Stock Exchange and any future payments of dividends on the Shares will be denominated in NOK. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will, however, receive dividends by check in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of DNB Bank ASA ("**DNB**"), being the Company's VPS registrar, to issue a check in a local currency, a check will be issued in USD. The issuing and mailing of checks will be executed in accordance with the standard procedures of DNB. The exchange rate(s) that is applied will be DNB's rate on the date of issuance. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

Market yield rates could influence the price of the Shares.

One of the factors that could influence the price of the Shares is its annual dividend yield as compared to yields on other financial instruments. Thus, an increase in market interest rates will result in higher yields on other financial instruments, which could adversely affect the price of the Shares.

3 RESPONSIBILITY FOR THE PROSPECTUS

3.1 The Board of Directors of B2Holding ASA

This Prospectus has been prepared in connection with the Offering described herein and the Listing of the Shares on the Oslo Stock Exchange.

The Board of Directors of B2Holding ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

24 May 2016

The Board of Directors of B2Holding ASA

Jon Harald Nordbrekken
Chairman

Trygve Lauvdal
Board member

Per Kristian Spone
Board member

Kari Skeidsvoll Moe
Board member

Tove Raanes
Board member

4 GENERAL INFORMATION

4.1 Other important investor information

The Company has furnished the information in this Prospectus. The Managers disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

Neither the Company nor the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. See Section 2 “Risk Factors” beginning on page 11.

In connection with the Offering, each of the Managers and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Managers or any of their respective affiliates acting in such capacity. None of the Managers intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Managers (or their affiliates) may from time to time acquire, hold or dispose of Shares.

4.2 Presentation of financial and other information

4.2.1 Financial information

The financial statements for 2013 and prior years were prepared in accordance with Norwegian GAAP (“**NGAAP**”). With effect from 2014, the financial statements were prepared in accordance with International Financial Reporting Standards as approved by the EU (“**IFRS**”) and interpretations by IASB, and accordingly, the comparative financial information for 2013 has been converted from NGAAP to IFRS, as it appears in the financial statements as of, and for the year ended, 31 December 2014.

The Group’s audited financial statements as at, and for the years ended, 31 December 2015 and 2014 (with unaudited restated comparable figures converted from NGAAP to IFRS as of and for the year ended 31 December 2013), incorporated by reference to this Prospectus, have been prepared in accordance with IFRS. The Group’s audited financial statements as at, and for the year ended 31 December 2013, also incorporated by reference to this Prospectus, have been prepared in accordance with NGAAP. The financial statements as at, and for the years ended, 31 December 2015, 2014 and 2013 are hereinafter jointly referred to as the “**Financial Statements**”. The Group’s unaudited condensed interim financial information as at, and for the three months ended, 31 March 2016 (with comparable figures for the same period of 2015) (the “**Interim Financial Information**”), incorporated by reference to this Prospectus, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”). The Financial Statements and the Interim Financial Information are hereinafter jointly referred to as the “**Historical Financial Information**”.

The Financial Statements as at and for the years 2015 and 2014 have been audited by Ernst & Young AS, as set forth in their auditor’s reports included therein. The Financial Statements as at and for the year 2013 was audited by SLM Revisjon AS, as set forth in their auditor’s report included therein.

The Group presents the Financial Statements in NOK (presentation currency).

4.2.2 Non-IFRS financial measures

In this Prospectus, the Group presents certain non-IFRS financial measures and ratios, including ERC (estimated remaining collections), EBITDA, Cash EBITDA and face value (unpaid balances plus accrued interest and fees).

The non-IFRS financial measures presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with generally accepted accounting principles), as a measure of the Group’s operating performance; or (b) any other measures of performance under

generally accepted accounting principles. The non-IFRS financial measures presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The Group believes that the non-IFRS measures presented herein are commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation and amortisation, which can vary significantly depending upon accounting methods (particularly when acquisitions have occurred) or based on non-operating factors. Accordingly, the Group discloses the non-IFRS financial measures presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies and across periods, and of the Group's ability to service its debt. Because companies calculate the non-IFRS financial measures presented herein differently, the Group's presentation of these non-IFRS financial measures may not be comparable to similarly titled measures used by other companies.

Adjusted net profit

In order to give a normalised view of the Group's consolidated statement of income presented in Section 10.3 "Consolidated statement of profit or loss and other comprehensive income", the Company has presented the information below to adjust for certain one-off items (collectively, the "**One-off Items**") that are deemed to be extraordinary and thus non-recurring. The adjusted figure also form the basis behind certain calculations shown in Section 11 "Operating and Financial Review".

The following table describe the aforementioned One-off Items as well as the impact of the adjustments on the Group's net profit.

<i>In NOK millions</i>	Three months ended		Year ended		
	31 March		31 December		
	2016	2015	2015	2014	2013
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Net profit	(2)	(9)	198	52	2
Non-recurring items (net of tax)^{1,2}	9	0	79	49	0
Adjusted net profit	7	(9)	277	101	2

1 Adjustment for 2015 relates to (i) NOK 34 million in transaction bonuses, advisory costs and expenses related to the Revolving Credit Facility and the Bonds and (ii) NOK 45 million in financial expenses related to increases in earn-out payments, primarily related to strong performance in OK Perintä. Adjustment for 2016 relates to advisory cost and expenses related to the Listing process.

2 Adjustments for 2014 relates to transaction cost mainly attributable to the Ultimo Acquisition.

4.2.3 Certain other terms and measures

In this Prospectus, the Group presents certain other terms and measures, including among others (i) cash received from debt portfolios ("**cash collection**"), (ii) estimated remaining collection ("**ERC**"), (iii) entities with debt collection operations ("**platforms**") (iv) creditor transferring claims ("**debt seller**") and (v) a debtor of the Group ("**customer**"), (vi) a group of financial assets ("**portfolio**"), (vii) third-party collection agencies ("**DCAs**"), (viii) non-performing loans ("**NPLs**"), (ix) internal rate of return ("**IRR**"), (x) debt secured by collateral ("**secured debt**"), (xi) debt not secured by collateral ("**unsecured debt**"), (xii) earnings before interest, tax, depreciation and amortisation ("**EBITDA**"), (xiii) earnings before interest, tax, depreciation and amortisation plus portfolio amortisation "**cash EBITDA**", (xiv) total operating expenses less amortisation and depreciation, less operating expenses attributable to the segment "Other" and the operating expenses related to third party collections ("**cost to collect**"), (xv) geographical region corresponding to the countries where the Group has its operations ("**segments**"), (xvi) contract including a commitment to buy non-performing debt portfolios for delivery in future years ("**forward flow contract**"), (xvii) the difference between gross cash collected on portfolios and interest income on portfolios ("**portfolio amortisation**").

4.2.4 Industry and market data

In this Prospectus, the Company has used industry and market data obtained from independent industry publications, market research, including from The Central Bank of Norway ("**Norges Bank**")¹, the Bank for International Settlements ("**BIS**")², the International Monetary Fund ("**IMF**")³, the World Bank ("**Worldbank**")⁴, and other publicly available information. While the Company has compiled, extracted and reproduced industry and market data from

¹ Information from this source in the Prospectus is available at www.norgesbank.no.

² Information from this source in the Prospectus is available at www.bis.org.

³ Information from this source in the Prospectus is available at www.imf.org.

⁴ Information from this source in the Prospectus is available at www.worldbank.org.

external sources, the Company has not independently verified the correctness of such data. The Company cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified, however, source references to websites shall not be deemed as incorporated by reference to this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk Factors" and elsewhere in this Prospectus.

4.2.5 Other information

In this Prospectus, all references to "NOK" are to the lawful currency of Norway, all references to "PLN" are to the lawful currency of Poland, all references to "SEK" are to the lawful currency of Sweden, all references to "HRK" are to the lawful currency of Croatia, all references to "DKK" are to the lawful currency of Denmark, all references to "RSD" are to the lawful currency of Serbia, all references to "RON" are to the lawful currency of Romania and all references to "EUR" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency. The Historical Financial Information is published in NOK.

4.2.6 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.3 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear in the following Sections in this Prospectus, Section 7 "Industry and market overview", Section 8 "Business of the Group" and Section 11 "Operating and Financial Review", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Company, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Company's future business development and financial performance, and the industry in which the Company operates, such as, but not limited to, with respect to the Group's entry into new markets in the future.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- failure to collect consumer receivables purchased by the Group;
- ability to purchase credit portfolios at a reasonable price;
- availability of funding and funding costs;
- failure to implement the Group's business strategy;
- unsuccessful business combinations or acquisitions;
- unsuccessful collection strategies;
- failure or inadequacy in IT systems;
- failure to adopt to technological changes within the debt purchase and collection industry;
- failure to attract and retain Management or other key employees;
- general economic conditions in the markets in which the Group operates;
- reputational risk;
- competitive markets;
- failure to identify quality debt portfolios;
- changes in regulations relating to debt collection;
- loss of key relationships with debt sellers;
- significant litigation, claims and compliance risks;
- inadequate risk management and control procedures;
- risk of currency fluctuations;
- interest rate risk;
- insufficient insurance coverage; and
- failure to comply with licenses and regulations on protection of personal data.

Some of the risks that could affect the Company's future results and could cause results to differ materially both upwards and downwards from those expressed in the forward-looking statements are discussed in Section 2 "Risk Factors".

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Company's business, financial condition, results of operations, cash flows, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk Factors" for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

4.4 Exchange rates

The following table sets forth, for the periods indicated, information regarding the average NOK exchange rate against EUR, SEK, PLN, HRK, DKK, and RON, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by Norges Bank (the Norwegian Central Bank). The average NOK exchange rate against RSD has been based on the average exchange rate announced by Oanda.

	Months			Year ended 31 December		
	January 2016	February 2016	March 2016	2015	2014	2013
EUR ¹	9.5899	9.5628	9.4246	8.9410	8.3534	7.8087
SEK ¹	1.0331	1.0162	1.0150	0.9558	0.9184	0.9022
PLN ¹	2.1765	2.1749	2.1951	2.1372	1.9960	1.8600
HRK ¹	1.2522	1.2524	1.2466	1.1743	1.0943	1.0298
DKK ¹	1.2852	1.2814	1.2639	1.1987	1.1206	1.0470
RSD ²	0.0777	0.0775	0.0762	0.0738	0.0710	0.0687
RON ¹	2.1165	2.1340	2.1100	2.0114	1.8797	1.7664

1 Source: Average figures Norgesbank.no.

2 Source: <http://www.oanda.com/currency/historical-rates/>

5 REASONS FOR THE OFFERING AND THE LISTING

The Company believes the Offering and the Listing will:

- enable access to equity capital markets to fund further growth;
- diversify the shareholder base;
- enhance the Company's profile with investors, business partners, vendors and customers;
- further improve the ability of the Company to attract and retain key management and qualified employees; and
- enable the Selling Shareholders to partially monetise their shareholding, and allowing for a liquid market for the Shares going forward.

The gross proceeds from the sale of the New Shares in the Offering are expected to amount to approximately NOK 650 million and net proceeds of approximately NOK 604 million, based on estimated total transaction costs of approximately NOK 46 million related to the New Shares and all other directly attributable costs in connection with the Listing and the Offering to be paid by the Company. The Company intends to use the net proceeds from the New Shares in the Offering to provide the Company with sufficient capital for Management's objective growth in nearby geographies as described in Section 8.3 "Strategy" below.

The Company will receive any proceeds from the sale of Additional Shares, if any. The Company will not receive any proceeds from the sale of Sale Shares by the Selling Shareholders.

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account applicable legal restrictions, as set out in the Norwegian Public Limited Companies Act (see Section 6.2 “*Legal constraints on the distribution of dividends*”), the Company’s capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility (see Section 11.7.2 “*Material indebtedness*” for covenants applicable to the Company under the Bonds and the Revolving Credit Facility). Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

As the Company foresees significant opportunities in the near to medium-term, it aims to distribute 20-30% of the Group’s net profits as dividend to its shareholders, starting at the lower end of this range for the financial year 2016 (payable in 2017). The Company believes that the Group’s strong cash generation capacity supports a higher long-term pay-out target, and potential distribution through both dividends and share buybacks.

There can be no assurance that a dividend will be proposed or declared in any given half year. If a dividend is proposed or declared, there can be no assurance that the dividend amount or yield will be as contemplated above.

6.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Companies Act provides that the Company may distribute dividend to the extent that the Company’s net assets following the distribution covers (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealised gains. The total nominal value of treasury shares which the Company has acquired for ownership or as security prior to the balance sheet date, as well as credit and security which, pursuant to Section 8–7 to Section 8-10 of the Norwegian Public Limited Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.

The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividend on the basis of the Company’s annual accounts. Dividend may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting’s resolution.

- Dividend can only be distributed to the extent that the Company’s equity and liquidity following the distribution is considered sound.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 17 “*Taxation*”.

6.3 Manner of dividend payments

Any future payments of dividends on the Shares will be denominated in NOK, and will be paid to the shareholders through the VPS. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will, however, receive dividends by check in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of DNB, being the Company’s VPS registrar, to issue a check in a local currency, a check will be issued in USD. The issuing and mailing of checks will be executed in accordance with the standard procedures of DNB. The exchange rate(s) that is applied will be DNB’s rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders’ NOK accounts, or in lieu of such registered NOK account, by check, without the need for shareholders to present documentation proving their ownership of the Shares.

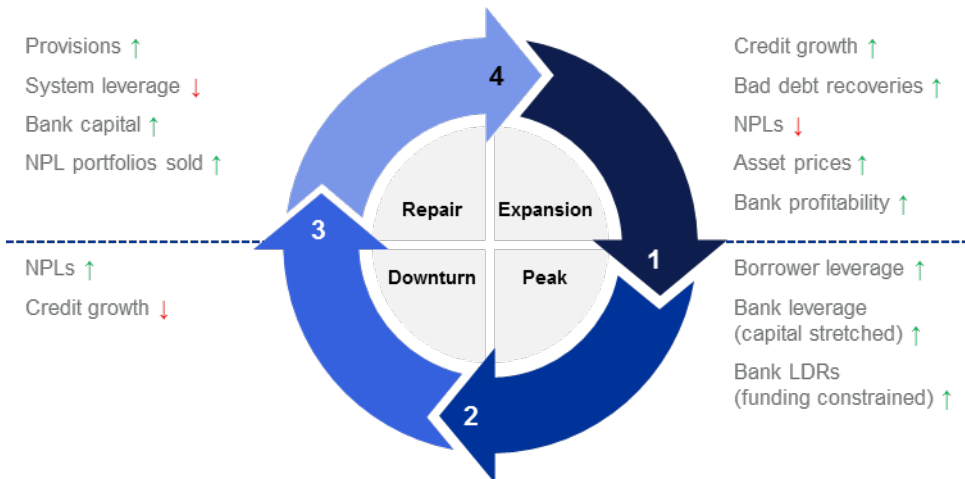
7 INDUSTRY AND MARKET OVERVIEW

7.1 Introduction

Debt collection comprises activities of creditors in the process of recovering debts owed to them, either through collection on their own debt or by outsourcing the debt collections to a third-party. Debt purchasing refers to the sale of debt held by creditors to debt buyers which then attempt to collect the debt or sell it to other buyers.

The history of debt collection is as old as the history of debt. However, collection agencies or credit management services operate in a relatively new industry that, in its current form, grew rapidly in the United States following the savings and loans crisis of the 1980s, and some years later in Northern Europe following the Nordic banking crisis in the early 1990s.

7.2 The credit cycle



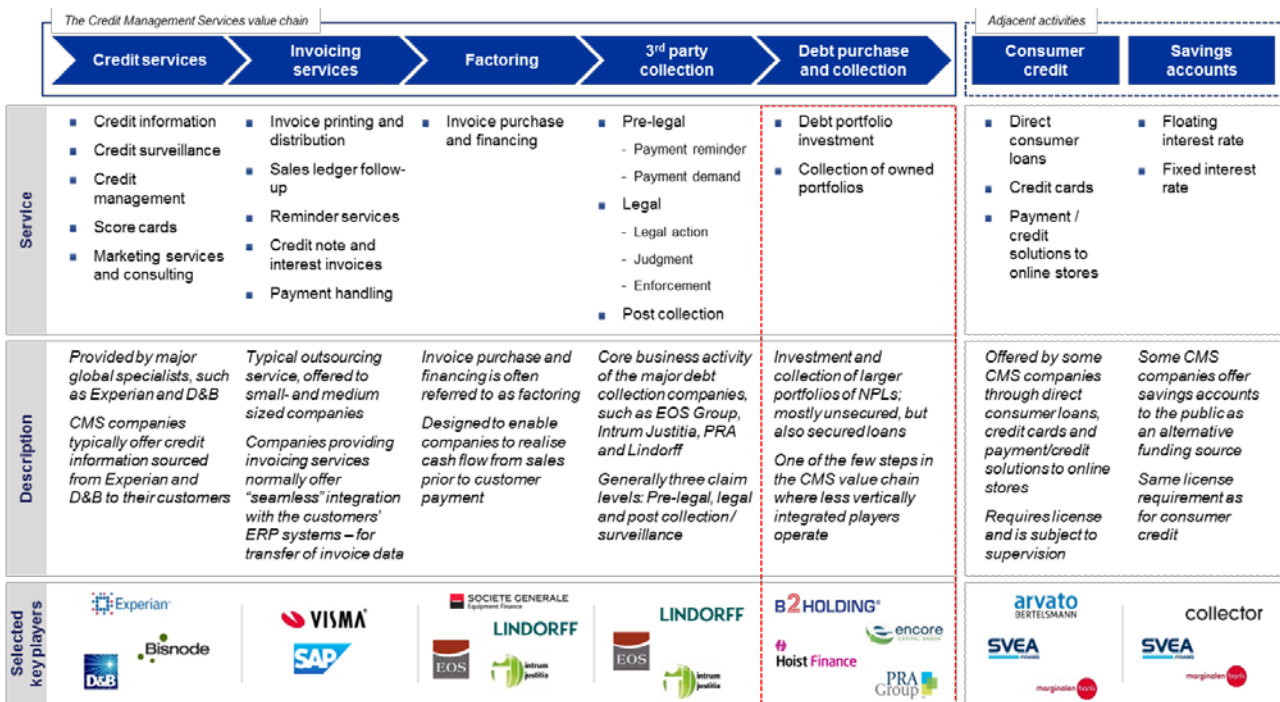
The European banking sector has been in a “repair” mode following the financial crisis in 2008, meaning more bank provisions, increased banking regulation, system deleveraging and increased NPL transactions. The deleveraging process has been achieved mainly by increasing capital through equity issuance, conversion of hybrids, capital injections and retained earnings. Further, in some countries, improvements have been made towards a legal framework that is more conducive to effective NPL resolution. However, a large stock of legacy problem assets remains in the European banking sector, and according to the European Central Bank’s (“ECB”) Financial Stability Review, November 2015⁵, the progress in writing off and/or disposing of NPLs remains moderate when measured against the stock of such loans.

B2Holding has primarily focused on purchasing and collection of unsecured consumer NPLs originated by financial institutions. This has been done through its local debt collecting entities (platforms) and collection activities have accounted for around 90% of the Group’s revenues for the period ended 31 March 2016. Due to the Group’s current scale and the maturity of the markets in which it operates, B2Holding has started to acquire portfolios of secured debt and combination portfolios which includes both unsecured and secured debt.

7.3 Value chain

The CMS value chain comprises five main sections; credit services, invoicing services, factoring, third party collection, and debt purchase and collection. B2Holding operates within debt purchase and collection and third party collection.

⁵ <https://www.ecb.europa.eu/pub/pdf/other/financialstabilityreview201511.en.pdf?24cc5509b94b997f161b841fa57d5eca>



The majority of the large vertically integrated CMS companies (i.e. Lindorff, PRA Group and Intrum Justitia) offer credit services, normally through third party vendors. Credit services companies provide information which supports its customers' management of credit risk, utilising databases containing credit applications and repayment history of consumers and businesses. In addition to merely providing data, the credit services companies normally offer tailored credit- and marketing analyses, as well as consulting services. Within B2Holding, Creditreform Latvija operates in this part of the value chain. Invoicing services is typically outsourced from small- and medium sized companies. Outsourcing invoicing services helps companies to focus on core business activities and reduce the amount of time spent on payment handling and follow-up. A successful outsourcing solution for invoicing services requires an automated and integrated solution which communicates with the customer's enterprise resource planning system ("ERP system").

Factoring (invoice purchase and financing) is a service designed to enable businesses to realise cash flow from sales prior to customer payment, and hence, help companies to speed up the conversion of working capital to cash. Factoring normally requires a license from the relevant Financial Supervisory Authority. Except for the Group company in Slovenia, none of the Group companies offer factoring as a service.

The traditional third party debt collection process is normally initiated by a written payment demand and is transferred to telephone collection if not paid. The standard processes are increasingly automated thanks to large volumes (regardless of jurisdiction). If the pre-legal collection process is unsuccessful, legal action is taken. If the debtor has been declared insolvent (i.e. without means to repay the debt), the claim is transferred to "Post collection", which monitors the debtor's financial situation and ensures that the claim does not become statute-barred. When the debtor's financial situation improves, the collection process is resumed. All of the Group's collection platforms, except for platforms in Poland and in the Balkans, offer third party collection services.



Adjacent activities include consumer credit and savings accounts. Examples of CMS companies offering these services are Arvato Bertelsmann (consumer credit) and Hoist (savings accounts). Through Kontant Finans and Takto, a company wholly owned by Ultimo, the Group offers consumer credit in Poland and Sweden.

7.4 Overview of Debt Purchase and Collection

7.4.1 Simplified view

- 1. Buy portfolios at a major discount
- 2. Collect a multiple of the purchase price



A debt collector will generally purchase debt at a discount to the face value as there is significant risk related to repayment. Older debt is generally sold at a lower price than newer debt as the probability of recovery usually decreases with time. As shown in the illustration above; if collections on a debt portfolio is estimated to be 20 compared to a purchase price for such debt portfolio of 10, the expected money multiplier is 2.0x. This expected money multiplier arises from the data, analytical skills, collection processes and competence held by the debt collector. The money multiplier is however, not necessarily a good indication for the rate of return, as some portfolios may have a low money multiplier, but also a short time of collection and thus still a satisfactory IRR.

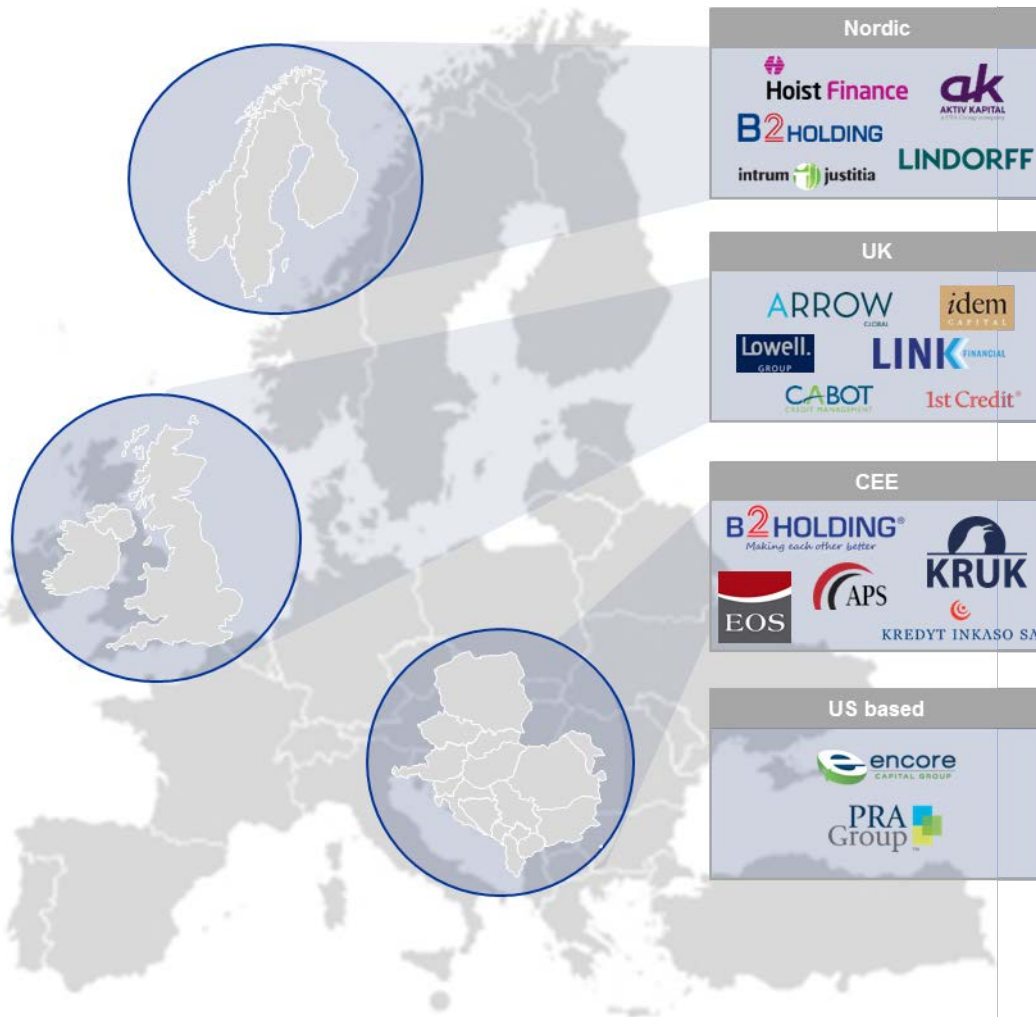
7.4.2 Vendors

FINANCIAL SERVICES					OTHER
Banks	In-store credit	Credit cards	Micro loans	Leasing	Utilities, telecom etc.
Nordea	klarna	EnterCard	GE Money	LeasePlan	VATTENFALL
DNB	RESURS BANK	EUROCARD	FOLKIA	SG Equipment Finance	Hafslund
SEB	Cresco	Santander	Ferratum	FINANCIAL SERVICES TOYOTA	Fortum
Handelsbanken	LEASYS	IKANO BANK	FINAREF	BMW Financial Services	DONG energy
Danske Bank	GE Money	Cresco	RealFinans	VOLKSWAGEN FINANS	telenor group

The debt purchased has historically been originated from two sources; (i) financial institutions/financial services companies (consumer loans, mortgages, credit card loans, car loans etc.), and (ii) debt originated by trade companies (overdue consumer bills from telecommunication, utility companies, retail stores etc.)

7.4.3 Competitive landscape

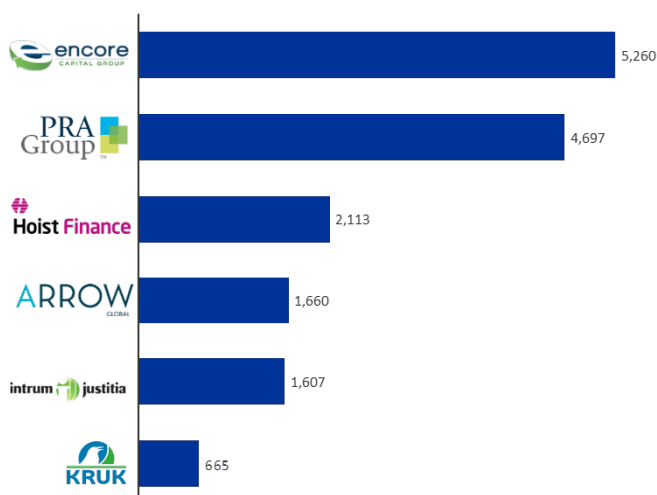
With entities with debt collection operations (platforms) in 10 countries and debt portfolios in 14 countries, B2Holding faces competition on a local, regional and global level.



In the mature markets, mainly the Nordic countries, the large integrated players such as Intrum Justitia, Lindorff and PRA Group are present while the competition in the Central Eastern European region (“CEE”) is more fragmented.

In Poland, competition for unsecured portfolios has increased significantly over the last years, as the large integrated players have entered the market. Within secured portfolios from non-banks, the competition is more local, i.e. Kruk, Kredyt Inkaso, Casus Finance, Best and GetBack. Casus Finance was in 2015 acquired by the Lindorff Group.

The Balkans is considered an immature and fast growing debt collection market with mainly local collectors and some debt funds, such as Apollo, Blackstone and Anacap, who in turn outsource the debt collection process.

120 months ERC, listed debt purchasers (EURm)

With NOK 6,300 million (EUR 655 million⁶) in 120 month ERC as of 31 December 2015, the Group has established itself as a significant debt purchaser in the Nordics and CEE Region⁷. Among the listed debt purchasers⁸, Encore is the largest in terms of ERC with EUR 5,260 million. Among unlisted debt purchasers, Lindorff and EOS are the largest with EUR 2,442 million⁹ and EUR 1,917 million¹⁰, respectively.

7.5 The debt purchase market

The industry is characterised by high barriers of entry, with significant know-how and solid reputation needed to be able to compete effectively. The majority of NPL-portfolios sold by financial institutions are often of such size and complexity (involving several types of loans) that it is challenging for new and inexperienced players to be able to effectively price such portfolios, consequently limiting such players' ability to learn and obtain experience needed. In addition, sufficient scale is deemed important in order to be able to deliver stable and predictable cash flows as diversification and a large number of debtors are required for the overall variance of collections to be low. Scale and large data samples are also deemed to be an important factor in portfolio analysis and assessment of price. Further, as the collection strategies used on the customers after a sale would reflect back on the original institution, financial institutions are generally looking for players with respectable reputations when divesting their NPLs, which could make it harder for new players to effectively enter the market, as such player may not have been able to establish a reputation for sound collection practices.

Furthermore, the industry is deemed attractive due to the increasing number of markets that are currently maturing for portfolio transactions and the fact that portfolio sales have increasingly become an important part of the European bank eco-system in several areas. Recent trends show a tendency of value proposition and willingness for the banks to sell their NPLs, in particular in the CEE region, where there has been an historical delay in legislative initiatives compared to the western part of Europe. New legislative initiatives in the CEE region have led to an increase in both the number of portfolios for sale, as well as in the size of these portfolios. The legislative changes have also made it easier to operate as a collector as it has become easier to take possession of the underlying pledge of a loan.

⁶ 1 EUR = 9.619 NOK as of 31 December 2015

⁷ <https://nexus.nordea.com/api/research/attachment/36154>

⁸ Encore Capital: <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NjExNzY5fENoaWxkSUQ9MzI1MTY3fFR5cGU9MQ==&t=1> (USD / EUR as of 31 December 2015: 0.9209)

PRA Group: http://files.shareholder.com/downloads/PRAA/823742611x0x879538/E453BEA4-93D9-486A-A580-7A2971ACEB09/PRA_Group_Presentation_-_Raymond_James.pdf (USD / EUR as of 31 December 2015: 0.9209)

Hoist: http://ir.hoistfinance.com/sites/default/files/report/hoist_finance_2015_q4.pdf (SEK / EUR as of 31 December 2015: 0.1089)

Arrow Global: <http://www.arrowglobalir.net/files/file/download/id/287> (GBP / EUR as of 31 December 2015: 1.356)

Intrum Justitia: https://www.intrum.com/Global/IR/Q-Reports/English/2015/IJAB_Q4_2015_EN.pdf (SEK / EUR as of 31 December 2015: 0.1089)

Kruk: http://en.kruk.eu/gfx/kruk/userfiles/files/dla_inwestorow/directors_report_on_the_operations_of_the_kruk_group.pdf (PLN / EUR as of 31 December 2015: 0.2345)

⁹ Note: 180 months ERC

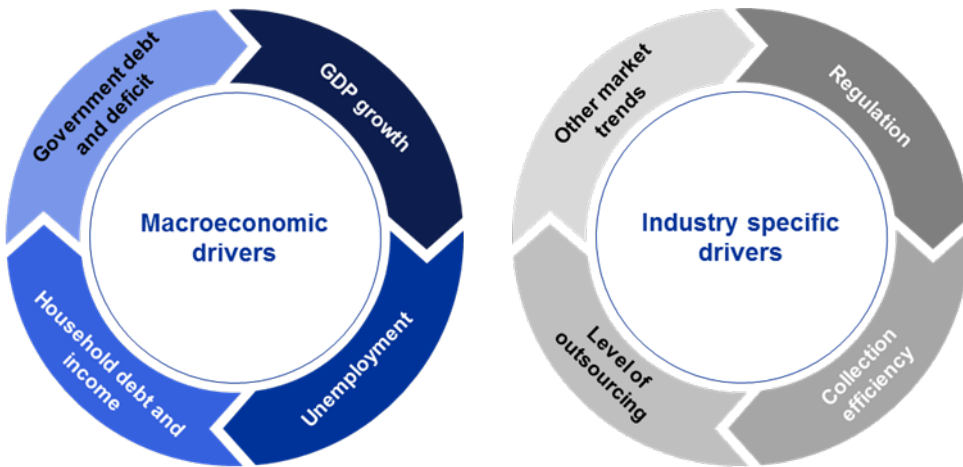
<http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NjExNzY5fENoaWxkSUQ9MzI1fFR5cGU9MQ==&t=1>

¹⁰ Note: Calculated as carrying value multiplied with 2.1 (proxy for money multiple)

https://www.eos-solutions.com/fileadmin/user_upload/downloads_en/annual-reports/EOS_Insights_2015.pdf

Other reasons for the industry's perceived attractiveness include several macroeconomic- and industry specific drivers, as highlighted in section 7.5.1 "Market drivers".

7.5.1 Market drivers



Macroeconomic drivers.

The macroeconomic cycle is an important driver for the debt purchasing market:

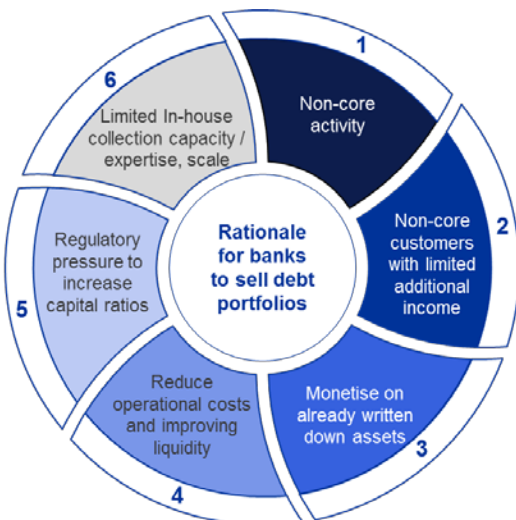
- a) When economic growth decreases and unemployment increases, debtor solvency is reduced, default rates increase and the pressure on financial institutions to divest overdue debt rises. In turn, this results in an increased pipeline of NPL volumes, enhancing the underlying fundament for the debt purchasing market.
- b) When economic growth picks up, unemployment decreases, debtor solvency and debt service capacity increases, enhancing the debt collectors' performance. In addition, a strong economy fuels consumer lending, and hence increases the overall credit stock.

Thus, the debt purchasing industry is a non-cyclical business, thriving in weak and strong economies.

The debt purchase market has grown rapidly in the aftermath of the financial crisis in 2008-2010. Both supply of debt, following the slow recovery in Europe, and demand, fuelled also by the search for yield, has resulted in high activity. In more mature markets, like in Northern and Southern Europe, this has resulted in higher prices and downward pressure on IRR. The increase in competitive bidding intensity is also a result of improvements in debt purchasing collections techniques.

Industry specific drivers.

There are several factors providing banks with a rationale to sell debt portfolios to debt purchasers, including limited in-house expertise and capacity to handle such customers to a larger extent.



According to PricewaterhouseCoopers market survey for 2015¹¹, monetising on written down assets is one the most important factors for banks to sell debt portfolios. Banks make provisions on non-performing loans by writing down the book value of the loans while debt purchasing companies acquire the NPL loans at a discount to face value, but sometimes at a higher price than the banks' book value, creating a profit for the banks. The banks could also be willing to take a loss on such a transaction as a reduction in NPL's have a positive effect on the banks' capitalisation ratio.

Regulation.

Over the last years significant work has been done by the forum for the governments and central bank governors from 20 major economies, the Basel Committee on Banking Supervision (the "**Basel Committee**") and the EU Commission to develop new and stricter capital requirements for the banking sector. Both the level and quality of capital required by the banks to hold against credit, market and operational risk has increased. Following the implementation of Directive 2013/36/EU and Regulation (EU) no. 575/2013 (together the "**CRD IV**"), and the ECB Asset Quality Review, banks have been incentivised to deleverage and sell NPLs.

The changes to the regulatory framework for the financial sector is not yet completed as there is currently ongoing work with respect to changes to the standardized approach (the "**SA**") for calculation of capital.

In the Basel Committees 2nd Consultation, "Revisions to the Standardized Approach for credit risk"¹², the Basel Committee identifies lack of alignment with the Internal Risk Based Approach ("**IRBA**") as a weakness with the current SA. Under the current treatment in SA, the concept of "past due" is based on the simple trigger of a loan being past due more than 90 days. On the contrary, the IRBA approach uses a concept of exposures "in default" which, in addition to the 90 days past due trigger, includes loans where banks are of the view that the debtor is unlikely to pay its credit obligation to the bank in full.

Further, in the current SA, the amount of specific provisions lowers both the exposure amount as well as the risk weight, i.e. leading to a double benefit. The Basel Committee states the following:

"Moreover, while provisions are meant to reflect expected losses, capital requirements (risk weights) provide protection against unexpected losses. For these reasons, the Committee proposes that specific provisions and partial write-offs should factor only into the calculation of the exposure amount and should have no bearing on the risk-weighting of past due exposures.

The Committee proposes that the unsecured portion of any defaulted exposure (other than residential real estate), net of specific provisions and partial write-offs, receive a risk weight of 150%. As an exception, defaulted residential real estate exposures where the repayment does not materially depend on the cash flows generated by the property securing the loan would receive a risk weight of 100%.

The secured portions of defaulted exposures can be risk-weighted in accordance with the CRM framework provided that collateral and guarantees meet the eligibility requirements of the CRM framework.

The current treatment allows a lower risk weight of 100% where a past due loan is fully secured by forms of collateral that are not eligible under the CRM framework, provided that provisions reach 15% of the outstanding amount of the loan"¹³.

The consultative document is made public with the deadline for comments by 11 March 2016. A new standardized model is expected to be in force from 2019. Stricter capital regulation may encourage banks to further off load NPLs.

7.6 Overview of NPLs in Europe

The global financial crisis in 2008-2010 led to high default rates and a significant build-up of NPLs. Approximately 7%, or EUR 935 billion, of European gross loans are non-performing according to the IMF¹⁴. Italy, Spain, Cyprus, Greece, Ireland and Portugal account for over EUR 600 billion of the EUR 935 billion in European NPLs¹⁵.

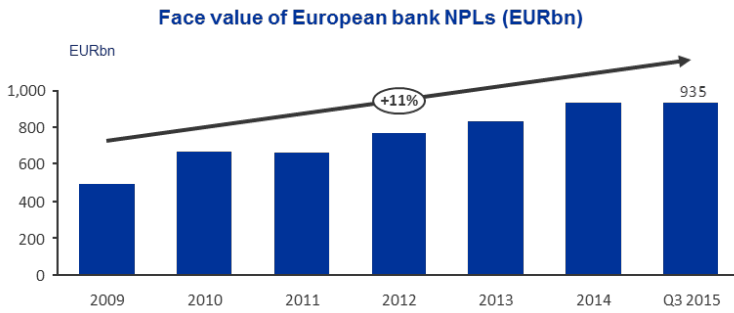
¹¹ Source: <https://www.pwc.ie/media-centre/assets/publications/2015-portfolio-advisory-group-market-survey.pdf>

¹² Source: <http://www.bis.org/bcbs/publ/d307.pdf>

¹³ Source: <http://www.bis.org/bcbs/publ/d307.pdf>

¹⁴ https://www.imf.org/External/Pubs/FT/GFSR/2015/01/c1/Figure1_12.pdf

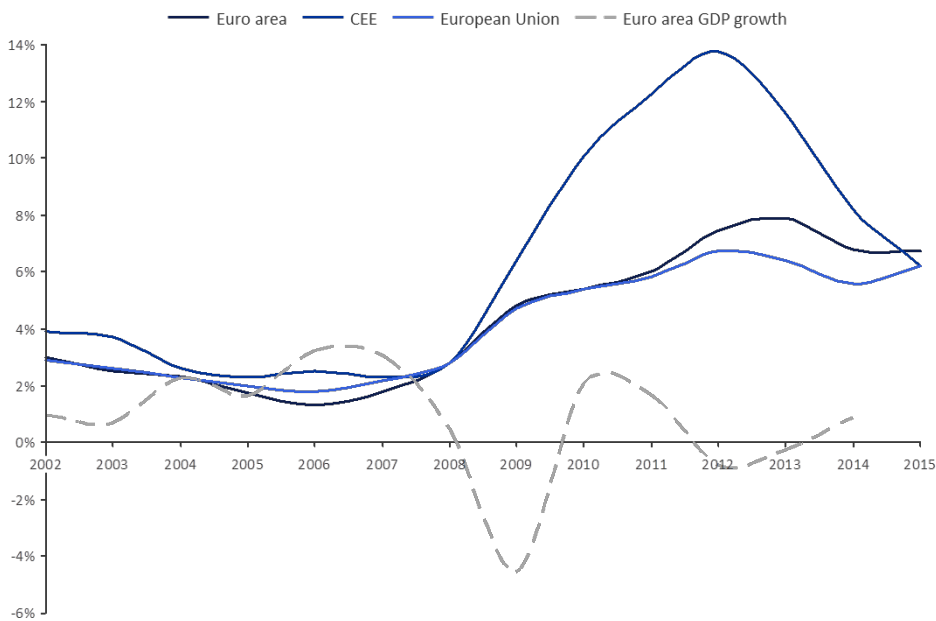
¹⁵ Source: https://www.imf.org/External/Pubs/FT/GFSR/2015/01/c1/Figure1_12.pdf



A significant part of the NPLs are related to the CEE. The NPL ratio increased to 14% in 2012, following the economic downturn in 2008-2010¹⁶.

Euro area NPL ratios vs. GDP growth

NPLs in % of gross loans, annual real GDP growth

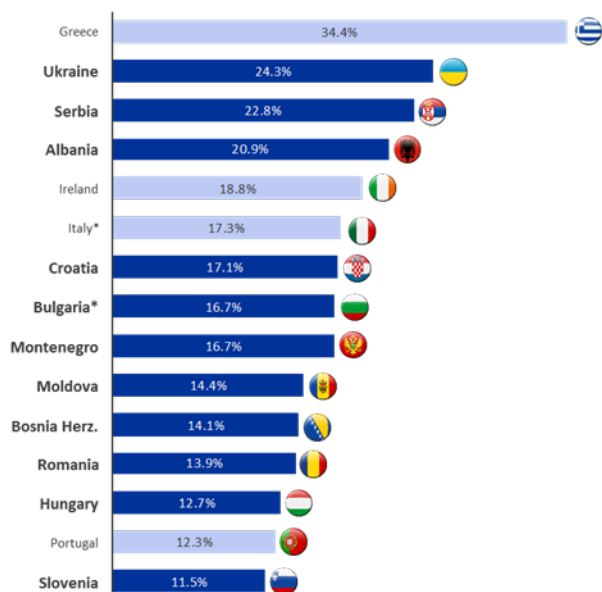


While the NPL ratio for the CEE region has declined over recent years it is still elevated for several countries. The Balkans is significantly above the whole regions average¹⁷.

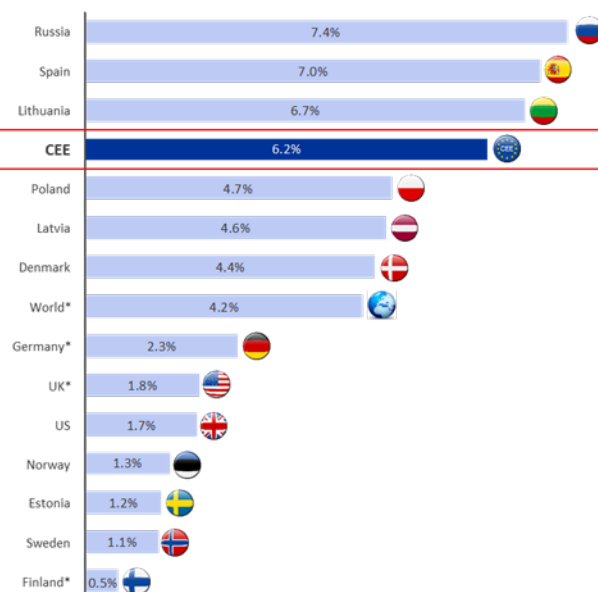
¹⁶ Source: IMF Economic Outlook October 2015 (<https://www.imf.org/external/pubs/ft/weo/2015/02/weodata/index.aspx>), World Bank database 22 December 2015 (<http://data.worldbank.org/indicator/FB.AST.NPER.ZS>)

¹⁷ Source: World Bank database 22 December 2015 (<http://data.worldbank.org/indicator/FB.AST.NPER.ZS>) – as of 2015

Selected countries with NPL ratio > 10% (2015)

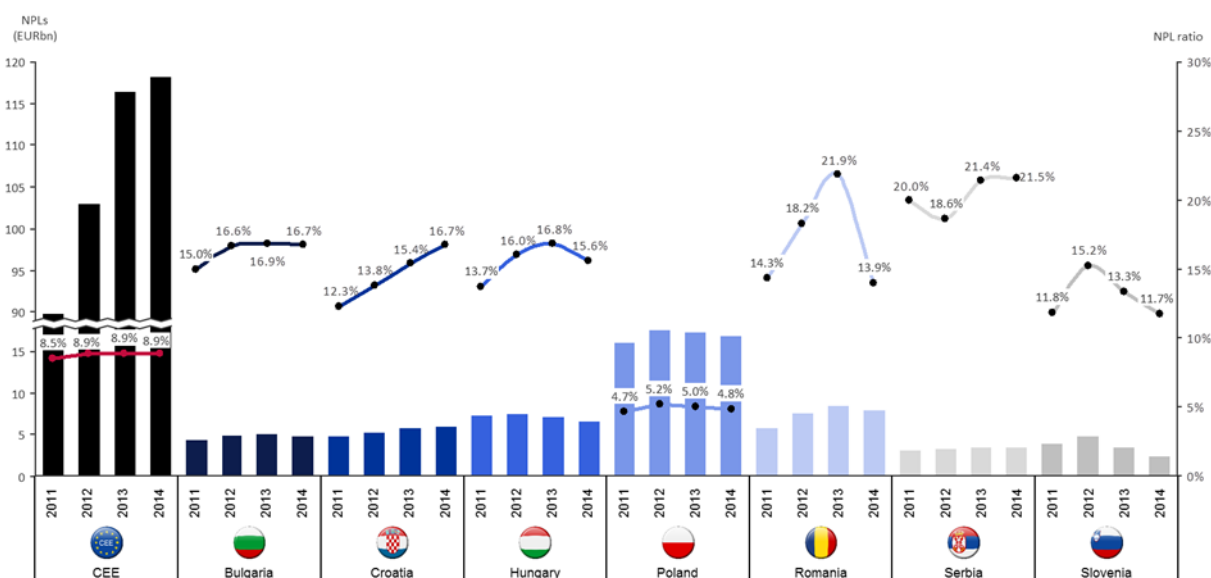


Other selected countries and regions (2015)



As illustrated by the figure below, the decline in NPLs over the last few years in the CEE area have been most prominent for Romania and Slovenia, while Croatia and Serbia have experienced a continued increase in NPLs. The decline is mainly driven by stricter bank regulation following the Asset Quality Review (AQR) and stress testing by the ECB and the European Banking Authority (EBA)¹⁸, which has led to increased NPL portfolio sales (moving the NPLs from the banks' balance sheets to the debt purchasers)¹⁹.

NPLs and NPL ratios for selected CEE countries



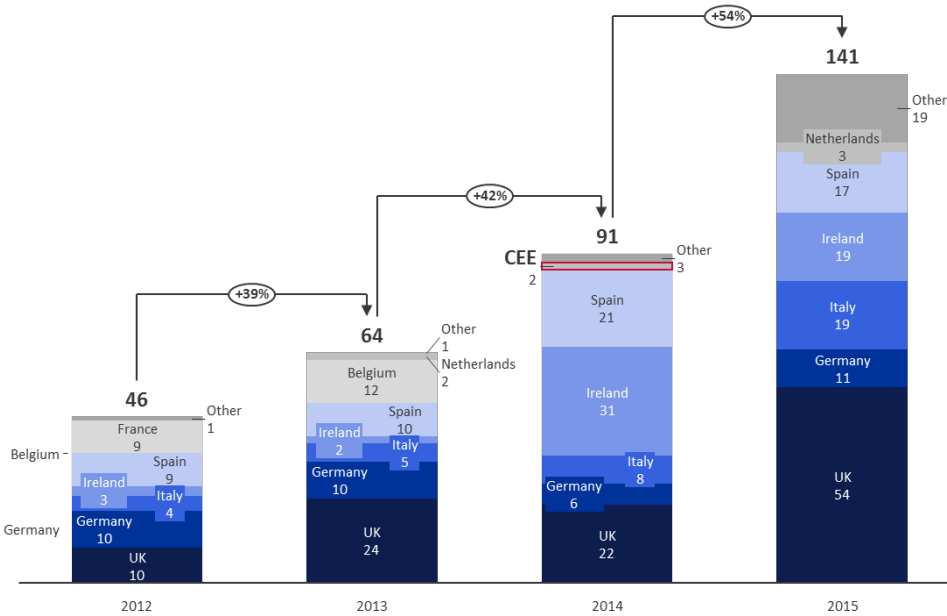
¹⁸ <https://www.ecb.europa.eu/pub/pdf/other/aggreatereportonthecomprehensiveassessment201410.en.pdf>

¹⁹ Source: World Bank database 22 December 2015 (<http://data.worldbank.org/indicator/FB.AST.NPER.ZS>), Raiffeisen CEE 2015 (http://www.rbinternational.com/eBusiness/services/resources/media/829189266947841370-829189181316930732_829602947997338151-1078945710712239641-1-2-EN-9.pdf)

7.7 Portfolio Transactions

Country split European portfolio transactions

Face value in EURbn

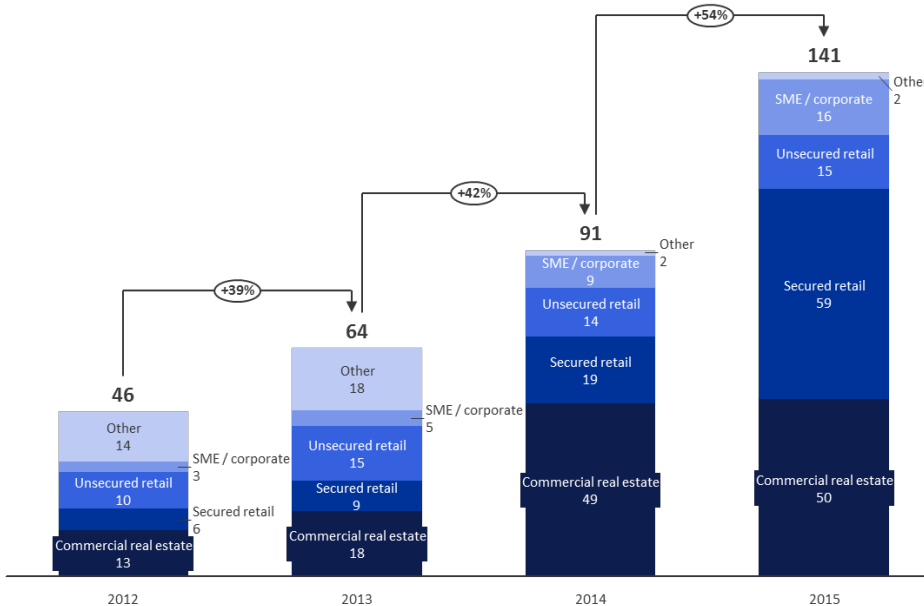


As illustrated above, during the year ended 31 December 2015, loan portfolios with a face value of EUR 141 billion were sold in Europe, of which most of the loan portfolios were sold by banks in the UK, Ireland, Italy, Spain and Germany. The volume represented an increase of over 54% from the year ended 31 December 2014²⁰.

According to the Deloitte Deleveraging Europe Market Update H1 2015²¹, the CEE region, with Romania, Austria, Hungary and Bulgaria as the most active markets, is the highest growing region with an estimated volume on debt portfolio transactions of EUR 8.4 billion in 2015, an increase of EUR 2 billion compared to the year ended 2014.

Segment split European portfolio transactions

Face value in EURbn



Strong growth within secured retail, and small and medium-sized enterprises ("SME")/corporate for the year ended 31 December 2015.

²⁰ Source: PWC Portfolio Advisory Group Market update Q4 2015 (<http://www.pwc.co.uk/services/transaction-services/insights/loan-portfolio-market-update-report-q4-2015.html>)

²¹ Deloitte Deleveraging Europe Market Update H1 2015 (<http://www2.deloitte.com/content/dam/Deloitte/uk/Documents/corporate-finance/deloitte-uk-deleveraging-europe.pdf>)

7.8 Overview selected markets

The Nordics and Baltics

The Baltic economies were liberalised almost immediately following their independence in 1991. Similar to Central Europe, the growth in Estonia, Latvia and Lithuania remained strong for several years. In the period between 2003 and 2007, high exports were boosted by positive growth momentum in the Euro area, particularly for their main trading partner Germany. During the same period, domestic demand accelerated as investments continued to benefit from foreign direct investment inflows and consumption increased by rising employment, real wages and high lending. The increase in consumer prices led to a growing current account deficit. Housing prices rose at double digit pace from the start of 2003 until 2007. A recession in the Baltic real estate market then started, and continued the following years until the economies stabilized in 2010. The recession caused a sharp economic contraction, with their real gross domestic product ("GDP") falling by double digits in 2009 for all the three Baltic countries²².

	Real GDP growth (%)		Unemployment (%)		Public debt (% of GDP)		Bank assets (EURbn)	Assets to GDP (%)	Ranking (175-189 countries)			
	'00-'13	'14-'18f	2008	2014	2008	2014	2014	2014	Getting credit	Enforcing contracts	Resolving insolvency	Corruption index
Estonia	4.3%	2.8%	5.5%	7.4%	4	10	22	126	28	11	40	26
Latvia	4.5%	3.1%	7.7%	10.8%	16	38	28	92	19	25	43	43
Lithuania	4.6%	2.7%	5.8%	10.7%	15	41	23	242	28	3	70	39
The Baltics	4.5%	2.9%	6.3%	9.6%	13	30	73	127	25	13	51	36

	Real GDP growth (%)		Unemployment (%)		Public debt (% of GDP)		Bank assets (EURbn)	Assets to GDP (%)	Ranking (175-189 countries)			
	'00-'13	'14-'18f	2008	2014	2008	2014	2014	2014	Getting credit	Enforcing contracts	Resolving insolvency	Corruption index
Norway	1.7%	1.6%	2.6%	3.5%	47	28	618	194	70	8	6	5
Sweden	2.1%	2.6%	6.2%	7.9%	37	44	1,131	272	70	24	19	4
Finland	1.7%	0.7%	8.2%	9.5%	33	59	535	287	42	32	1	3
Denmark	0.8%	1.8%	3.5%	6.5%	33	45	852	350	28	37	9	1
Iceland	2.0%	3.3%	3.0%	5.0%	68	83	24	278	59	35	15	12
The Nordics	1.8%	2.0%	4.7%	6.5%	38	43	3,160	269	54	27	10	5

As illustrated in the graph above, while the global financial crisis had a limited impact on the Norwegian economy, the other Nordic countries had a larger set back, and most notably Denmark where also a banking crisis evolved. The Nordic economies currently face divergent challenges, where the Norwegian economy is weighed down by low oil prices. However, significant room for fiscal manoeuvring, low interest rates and a weaker currency gives positive impulses and the economy is expected to continue growing. The IMF, expects that the modest recovery in Finland and Denmark will continue, partly sustained by low interest rates. Sweden is forecasted by IMF to have the highest growth in the coming years and ended 2015 in an economic boom, with employment increasing quite rapidly.

Central and Eastern Europe

In the last years, prior to the outbreak of the global financial crisis in 2008, the average annual growth rate for all of the Balkan countries were higher than that of the EU. However, with limited financial reserves, social safety nets and access to capital and financial leverage the downturn following the financial crisis was severe.

The most important export markets for the Balkan countries are within the EU which accounts for more than 50% of the export from the Balkans. Hence, the sudden drop in the European demand had a quick negative spill-over effect to the Balkan economies. The Balkan export has generally been favoured by the global recovery. However, according to OECD Economic Surveys structural reforms are still needed, such as a broadening of the tax base and stimulating employment by reducing labour law rigidity.

²² Source: IMF Economic Outlook October 2015 (<https://www.imf.org/external/pubs/ft/weo/2015/02/weodata/index.aspx>), World Bank database 22 December 2015 (<http://data.worldbank.org/indicator/FB.AST.NPER.ZS>), Raiffeisen CEE Banking Sector Report June 2015 (http://www.rbinternational.com/eBusiness/services/resources/media/829189266947841370-829189181316930732_829602947997338151-1078945710712239641-1-2-EN-9.pdf), World Bank Group: Doing Business June 2015 (<http://www.doingbusiness.org/rankings>), Transparency International 2015 (<http://www.transparency.org/cpi2015#results-table>)

In the table below are the IMF forecasts for growth in Central and south-eastern Europe for the coming years. The weakest outlook in Eastern Europe is projected to be Russia, suffering from the decline in oil price, and Ukraine, suffering from the long lasting conflict with Russia²³.

	Real GDP growth (%)		Unemployment (%)		Public debt (% of GDP)		Bank assets (EURbn)	Assets to GDP (%)	Ranking (175-189 countries)			
	'00-'13	'14-'18f	2008	2014	2008	2014	2014	2014	Getting credit	Enforcing contracts	Resolving insolvency	Corruption index
Poland	3.6%	3.4%	9.0%	12.3%	47	49	360	89	19	55	32	35
Hungary	1.9%	2.7%	7.8%	7.7%	73	77	102	100	19	23	65	47
Czech Rep.	2.6%	2.4%	4.1%	7.7%	29	44	195	126	28	72	22	53
Slovakia	3.9%	2.9%	9.6%	13.2%	28	54	63	81	42	63	33	54
Slovenia	2.0%	2.0%	4.4%	9.7%	22	80	37	100	126	117	12	39
CE	3.2%	3.0%	8.1%	10.7%	44	54	756	98	47	66	33	46
Croatia	1.8%	0.8%	8.5%	17.3%	38	85	53	123	70	10	59	61
Romania	3.6%	3.0%	5.6%	6.8%	13	40	90	61	7	34	46	69
Bulgaria	3.5%	2.5%	8.1%	10.7%	14	27	28	104	28	52	48	69
Serbia	3.2%	1.6%	13.6%	22.0%	27	69	27	85	59	73	50	78
Bosnia Herz.	3.1%	2.8%	23.4%	27.5%	30	45	13	92	42	66	38	80
Albania	4.7%	3.5%	12.8%	18.0%	55	72	10	98	42	96	42	110
SEE	3.3%	2.4%	8.7%	12.5%	21	49	222	81	41	55	47	78
Russia	4.8%	0.0%	6.3%	5.3%	7	12	1,136	109	42	5	51	136
Ukraine	3.9%	-2.0%	6.4%	9.3%	20	70	68	86	19	98	141	142
Belarus	6.2%	1.1%	0.8%	0.5%	13	34	33	62	109	29	69	119
EE	4.8%	-0.1%	6.1%	5.5%	8	17	1,238	106	57	44	87	132
Euro area	1.1%	1.4%	7.6%	11.6%	69	92						

²³ Source: IMF Economic Outlook October 2015 (<https://www.imf.org/external/pubs/ft/weo/2015/02/weodata/index.aspx>), World Bank database 22 December 2015 (<http://data.worldbank.org/indicator/FB.AST.NPER.ZS>), Raiffeisen CEE Banking Sector Report June 2015 (http://www.rbinternational.com/eBusiness/services/resources/media/829189266947841370-829189181316930732_829602947997338151-1078945710712239641-1-2-EN-9.pdf), World Bank Group: Doing Business June 2015 (<http://www.doingbusiness.org/rankings>), Transparency International 2015 (<http://www.transparency.org/cpi2015#results-table>)

8 BUSINESS OF THE GROUP

8.1 Introduction

B2Holding is a significant financial services provider specialised in the investment and workout of non-performing loans (NPLs) in the Nordics and the CEE region, primarily from the banking sector. The Group also provides third party debt collection solutions on behalf of clients, as well as offering credit information in selected markets. It also has smaller consumer lending operations in Sweden and Poland. These are activities in which the Group has engaged to support the Group's core business.

The Group's main focus is on debt purchasing and collection on owned portfolios. The Group believes that a key success criteria within the credit management services ("CMS") industry is availability of information, where it draws upon its expertise in handling large amounts of customer data. The Group's strategy involves identifying the right portfolio investments, developing strong operational platforms and acquiring subsidiaries in targeted markets across Europe supporting this strategy. As of 31 March 2016, the Group's portfolio consisted of approximately 4.1 million claims with a total face value of approximately NOK 47.7 billion and a total gross ERC of NOK 6.8 billion.

B2Holding has built its business through the acquisition of collection companies with strong segment positions, and through purchases of non-performing and partially performing debt portfolios. The Group has been funded with approximately NOK 1.5 billion in equity since the establishment of the Group's current business in 2011, and has now established a European platform positioned for further growth. The Group is led by experienced professionals with an industry track record that dates back to the late 1980s. This has enabled B2Holding to quickly establish itself in the transaction flow of NPLs in the European market.

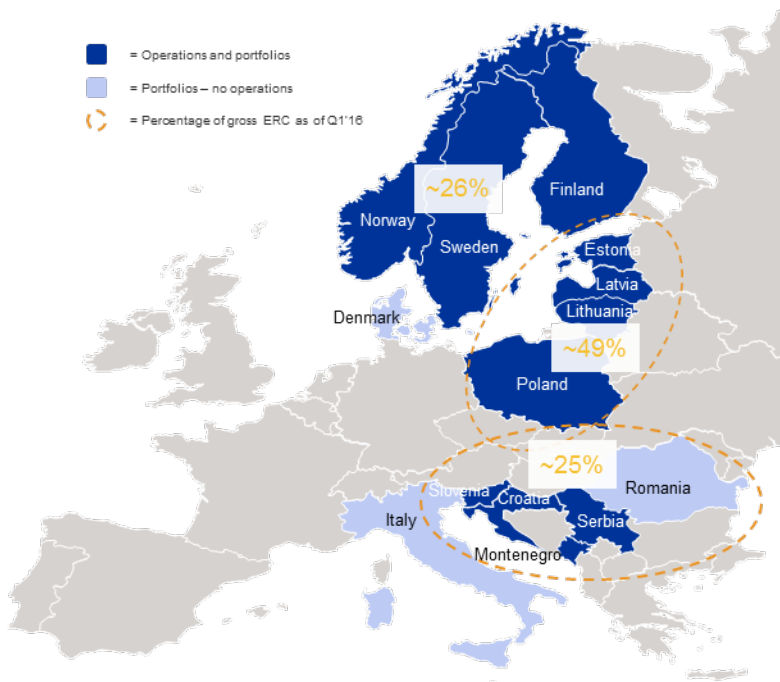
B2Holding aims to be one of the leading Pan-European institutions in the CMS industry. In order to achieve this goal, the Group pursues development of businesses with extensive experience and a solid reputation in their respective local markets. B2Holding is headquartered in Oslo, Norway, and is currently represented in 15 European countries (including Norway), with debt collection operations (platforms) in Croatia, Estonia, Finland, Latvia, Montenegro, Norway, Poland, Serbia, Slovenia and Sweden, as well as a recently incorporated entity in Romania and support offices in Austria, the Czech Republic, the Netherlands and Luxembourg. The Group also owns portfolios in Italy, Denmark, Romania and Lithuania, where it currently has no operational collection activities. New geographic markets are usually entered through acquisitions, joint ventures or new start-ups with access to experienced key management personnel.

The core of the Group's strategy is to acquire portfolios at attractive prices. As of 31 March 2016, the Group had approximately NOK 1.3 billion in liquidity available²⁴ for portfolio purchases. The majority of the Group's portfolio pipeline is currently in Poland and the Balkans, where the Group sees potential for approximately EUR 2.1 billion in portfolio purchases in the short term (measured in face value)²⁵. Although the Group believes Poland will continue to represent a large market for the Group going forward, this market is more mature than the Balkan region which is in an early stage in terms of NPL transactions and the Group thus expects a large pipeline in the Balkan region. Further, the Group believes that its portfolio pipeline in the Nordics will be in the area of EUR 150 million (measured in face value), where it expects forward-flow agreements to represent the majority part of the transaction volume. The Group is also evaluating platforms in new markets and has conservatively identified a pipeline of approximately EUR 800 million (measured in face value) in the short term. See Section 11.4.8 "New platforms and geographic expansion".

To reinforce the Group's overall strategy its Board of Directors have approved a set of financial targets and operational guidelines the Group will aim to follow. First, the Company expects to acquire portfolios over the next years with a target to reach an equity ratio down towards approximately 30% by year-end 2017. Second, the Group will actively try to expand by acquiring additional platforms in both existing and new markets. Third, the Group targets a return on equity above 20%. Fourth, the company will aim to distribute 20-30% of net profits in dividends in the near to medium term, with a significantly higher pay-out ratio for the long term (see Section 6.1 "Dividend policy" for more information).

²⁴ Excess cash (cash above minimum cash position of NOK 300m) plus undrawn amount on the revolving credit facility

²⁵ Defined as all portfolios where the Group have received information packages, been informed of a portfolio coming to market or are already in an acquisition process



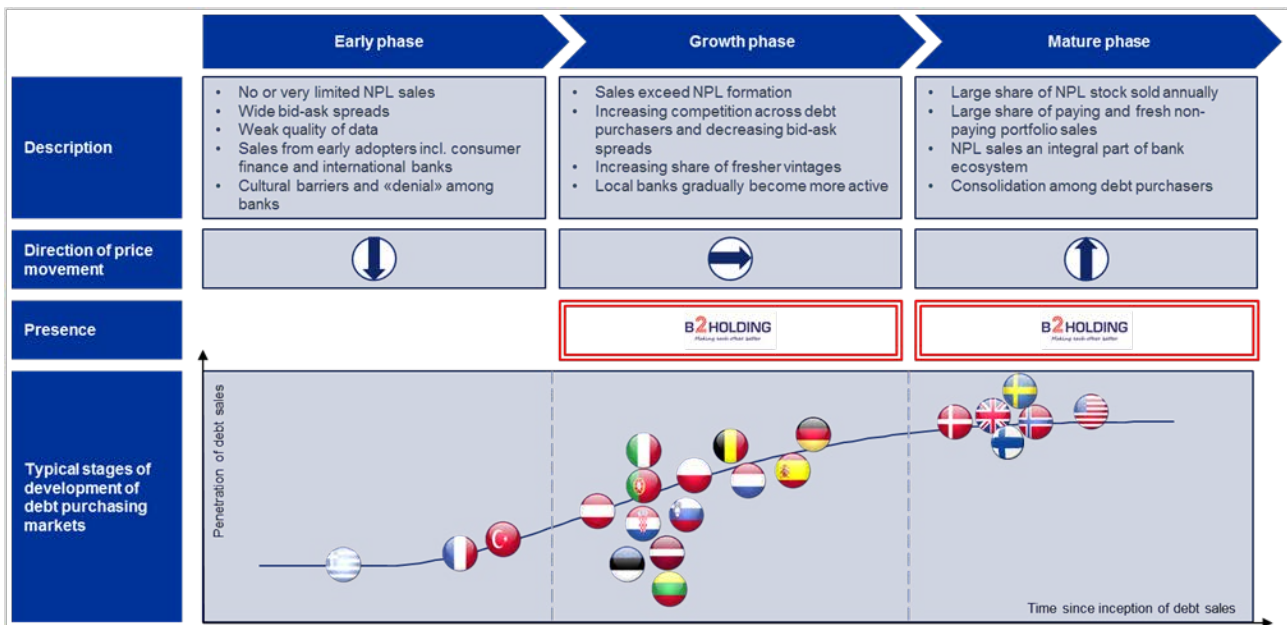
Country	Currency
Norway	NOK
Sweden	SEK
Denmark	DKK (pegged to EUR)
Finland	EUR
Estonia	EUR
Latvia	EUR
Lithuania	EUR
Poland	PLN
Italy	EUR
Slovenia	EUR
Croatia	HRK
Montenegro	EUR
Serbia	RSD
Romania	RON

The currencies listed are the currencies B2Holding is acquiring portfolios with in the respective countries. Some of the countries have a different official currency: Estonia (EEK, Estonian Kroon), Latvia (LVL, Latvian Lats), Lithuania (LTL, Lithuanian Litas) and Slovenia (SIT, Slovenian Tolar).

8.2 Competitive strengths

The Group believes it has a number of key strengths that help to differentiate it from its competitors and have enabled the Group to achieve significant profitable growth. These key strengths are:

The Group is well positioned in a highly attractive industry.












There are several reasons for why the Group believes the NPL industry is an attractive industry. First, the industry is characterised by high barriers of entry, with significant know-how and solid reputation needed to be able to compete effectively. Secondly, there are an increasing number of markets that are currently maturing for NPL activity and the fact that NPL sales have become an important part for the European bank eco-system is an important argument for the industry's attractiveness. A third reason for the industry's perceived attractiveness is that financial institutions are being driven to divest NPLs and monetize on already written down assets. Lastly the industry is non-cyclical; it is thriving in both a strong and weak economy.

For further details on the debt purchasing market, reference is made to Section 7 "Industry and market overview".

Rapidly established as a leading debt purchaser in the Nordics and Central Eastern Europe, partly through acquisitions of well-respected platforms with long track records and relationships with NPL providers.

Since its inception, the Group has successfully expanded geographically into twelve countries with all countries delivering in line with or above the Group's expectations. Today, a little over four years into B2Holding's history, the Group has established or acquired platforms with operations in 10 countries which are collecting on portfolios in 14 countries. The ten platforms are organised in six reporting segments: Norway, Sweden, Finland and Estonia, Latvia, the Balkans and Poland (see figure below as of 31 December 2015)²⁶. Together, these factors have made the Group a strong contender in Europe and one of the leading players within its core markets (Poland, the Balkans and Finland).

					
Sileo Kapital	OK Perintä / OK Incure / OK Sileo	Interkreditt	B2Kapital	Ultimo and Takto	Creditreform
SILEO KAPITAL			B2KAPITAL	ULTIMO	
Sweden	Finland, Estonia	Norway	Croatia, Slovenia, Serbia, Montenegro	Poland	Latvia
Founded in 2012	Founded in 1991 Acquired in 2012	Founded in 2009 Acquired in 2013	Founded in 2013	Founded in 2002 Acquired in 2014	Founded in 2002 Acquired in 2014
Debt purchase, third party debt collection services and consumer lending	Debt purchase and third party debt collection services	Third-party debt collection services	Debt purchase and third party debt collection services	Debt purchase and consumer lending	Debt purchase and third party debt collection services
ERC NOK 958m	ERC NOK 795m	ERC N/A	ERC NOK 1,813m	ERC NOK 2,864m	ERC NOK 61m
Nr. of claims ('000) 105.2	Nr. of claims ('000) 252.9	Nr. of claims ('000) N/A	Nr. of claims ('000) 69.7	Nr. of claims ('000) 3,523.8	Nr. of claims ('000) 37.9
Employees 25	Employees 124	Employees 4	Employees 128	Employees 813	Employees 74

The Group believes that local knowledge and a significant local presence are important factors for being a successful debt collector. In B2Holding's opinion, it is crucial to know the debtors, the characteristics of the debt and the local economic environment and legislation in order to be able to price purchases correctly, as well as to be able to apply the right debt collection strategy. These factors are important reasons as to why the Group generally looks to establish a presence through acquisition of an existing, well-established platform before acquiring sizeable portfolios upon entry into new geographic markets. However, before entering a new market, the Group often tests the market by acquiring small portfolios and evaluating their outcome. Further, the Group has also been able to establish a strong local platform organically based on an existing platform in an adjacent market before acquiring portfolios upon entry into new geographic markets, as it did in its entry into the Balkans in 2013.

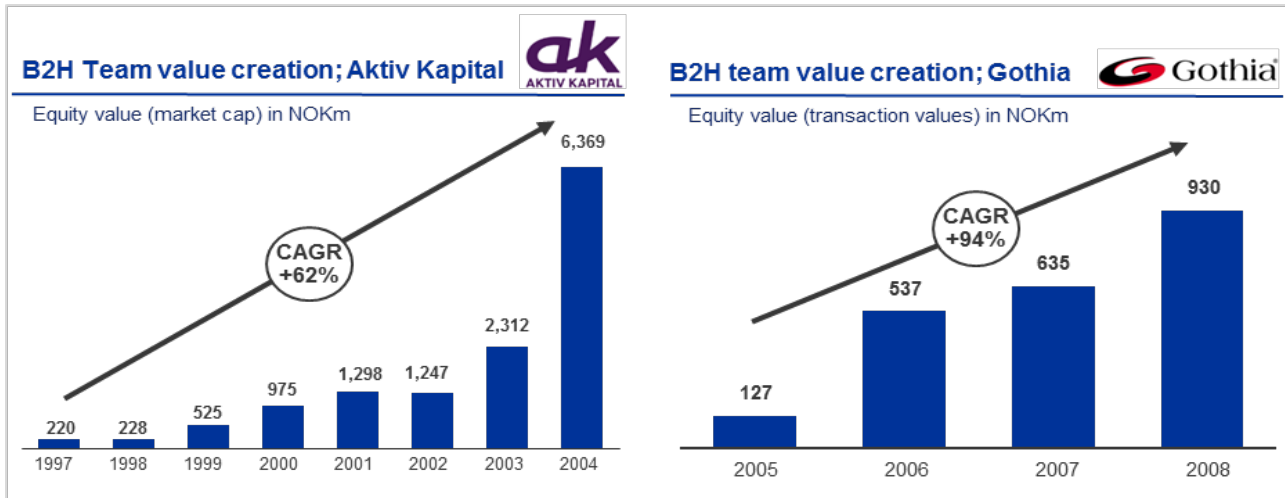
The Group further believes that an important factor to its rapid success has been its establishment of close relationships with key sellers of NPL portfolios operating in the markets in which the Group is present. One reason for this is that most NPL portfolio providers generally consider the reputational risk relating to the divestment of its portfolio a very important factor in the selling process. In the Group's experience being considered a reliable partner, due to its long ties and experience in the industry, and often a preferred buyer by these providers have led to a strong competitive position in sales processes. Moreover, this standing is often considered equally important as the price when the originator select the winning bid.

Strong management team and organization led by industry veterans.

The Group has a highly skilled and experienced management team. Although the Group's current history started in November 2011, several members of the Management (including the chairman of the Board and the CEO) have experience within the industry of the Group. Amongst other, the Company's Chairman Mr. Nordbrekken founded and managed the successful Aktiv Kapital as CEO (1991-1998) and Chairman (1998-2004) from 1991 to 2004 where he was joined by Mr. Zahl (who joined as CEO) in 1998. In 2005, Mr. Nordbrekken then founded Gothia where he was again joined by Mr. Zahl (as CEO) which turned into a success even faster than Aktiv Kapital and was sold to Hercules only three years after its inception for an enterprise value of NOK 1,300 million (see graphs below). The Group has also, through acquisitions of platforms and recruitments attracted local managers with a long track record, broad

²⁶ Number of employees is measured in FTEs. FTE is measured based on total number of persons converted to full time workers.

experience and solid reputations to lead its local operations. The Management team's reputation, as well as the relationships forged through all their years in the industry are, and have proven, a significant advantage. The Company believes that this has gained the Group access to auctions and platforms it would otherwise not have obtained, as well as a strong standing with regards to funding and the capital markets.



Furthermore, through the Group's platform acquisitions as well as through organic growth, it has been able to assemble highly skilled local organisations with strong networks and expertise. The local organisations, operating with a high degree of autonomy, have the advantage of being closer to the customers and thereby more efficiently able to decide on the optimal collection strategy. In addition, the local relationships and networks give the company in-depth access to the important NPL providers in the respective markets.

Scalable collection platform supporting profitable expansion potential.

In order to effectively compete and win portfolios purchases, the Group believes that it needs to balance a competitive price with its internal return requirements. Although the Group has a limited operating history at group-level, the platforms it has acquired have a long track record and have established advanced data capabilities and analytics to support NPL originations and collection performance. The Group's local data and analytical capacity ensures that it is able to manage competitive pricing and internal return requirements and accurately forecast collections from the portfolios it acquires. The Group's data is derived from previous purchases of portfolios with similar characteristics such as debtor type, time in default and region, which, in the Group's opinion, is highly relevant and should give it a competitive advantage in respect of portfolio pricing accuracy relative to competitors with a more limited local presence or relying on third party collections in the market.

To further build on this competitive advantage, the Group has established an investment office as an "investment center" in Luxembourg which is headed by the Group's chief investment officer ("CIO"). The main focus of this investment office is to invest in NPL portfolios across Europe both directly as a buyer of NPL portfolios and indirectly through the Ultimo Securitisation Fund in Poland, and also to assist the Group in making prudent and effective investment decisions in an informed, organized and transparent manner on larger purchases. The CIO and his team will also follow up on purchases conducted by the various business units, to provide in-depth analysis and investment support to the Group's local organizations.

The Group has also made significant investments in ramping up its organization to support the Group's growth profile. In the Group's opinion, its overall platform is highly scalable and the Group has significant capacity to add portfolios across geographies. The resulting scale effects from adding portfolios to existing platforms, is expected to further improve the Group's cost/income ratio and hence its bottom-line.

The Group believes that its current scale enables it to acquire new types of debt, in particular secured debt, which is characterized by more lumpy cash flows than its unsecured counterpart, but an even stronger return potential. Further the Group believes that this benefit, which complicates pricing, together with laws that make taking over the pledge time consuming have made the market less competitive than the market for unsecured NPLs. Moreover, by being able to acquire secured debt, the Group is also able to participate in processes with pooled portfolios (e.g. secured and unsecured debt), which further enlarge the Group's future investment pipeline.

Highly diversified portfolio with stable and predictable cash flows.

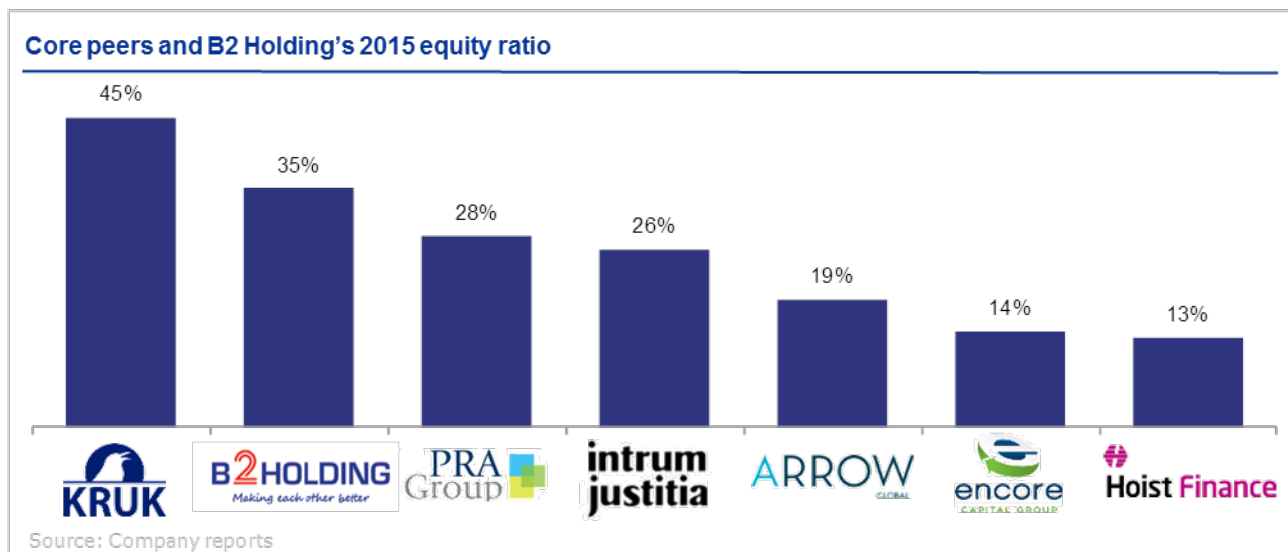
The Group has a highly diversified portfolio in terms of type of claim, maturity and claim size, varying from unsecured retail, secured retail, corporate loans to SME loans. Further, the average time since default of the Group's portfolios ranges between a couple of months and to several years. As of 31 March 2016, the Group's portfolio consisted of approximately 4.1 million claims with a total face value of approximately NOK 47.7 billion and a total gross ERC of NOK 6.8 billion. This implies that the average claim size is only approximately NOK 11,600, implying a very limited risk exposure toward individual debtors. The combination of diversification across several dimensions contributes to make the Group's portfolio robust with predictable aggregate cash flows.

Further, the Group's diversified geographical presence reduces its exposure to single geographic markets and allows it to follow the Group's key partners across different markets. The Group believes that it benefits from this diversification in several ways, amongst other, by mitigating the business risk by reducing exposure towards individual markets and clients, both from an origination and risk perspective and by providing expertise and knowledge on a local level, which is a benefit for both collections on purchased portfolios and on third party collection operations.

Strong financial position and growth capacity.

To support the Group's growth strategy, it has a strong financial position, both in absolute terms as well as relatively to the Group's peers. During the second half of 2015, the Group secured EUR 260 million in a multi-currency RCF and raised a EUR 150 million bond issue which, as of 31 March 2016, left the Group with approximately NOK 1.3 billion in undrawn debt and NOK (25) million in excess cash on the balance sheet²⁷. Moreover, the Group has a solid track record of efficiently deploying capital, with equity raises facilitating debt take-up followed by rapid deployment of the capital.

As of 31 March 2016, the Group had an equity ratio of 37.5, which is among the highest in the Group's peer group. The chart below shows the equity ratio of selected listed peers to the Group as at 31 December 2015.



With a long-term target equity ratio of 30% this gives the Group ample room for growth. Based on the pipeline and opportunities identified and anticipated over the next years, the Group targets to acquire sufficient portfolios in order to reach a 30% equity ratio by the end of 2017.

8.3 Strategy

The essence of the Group's strategy is to build leading positions within the CMS industry in the geographic markets in which the Group operates, with a main focus on the purchasing and collection of NPL portfolios. A strong presence in the Group's geographical markets has positioned the Group for further growth as it provides access to new portfolios. The Group's strategy is to expand and strengthen its current position, through continued development of the organisation and high activity of portfolio acquisitions. The Group believes there is significant potential in its current markets, as well as opportunities to continue its successful expansions into new markets. The Group believes that it has built sufficient scale to also expand into other attractive segments within debt purchasing. The core of the Group's strategy is to maintain and build on its key strengths, including by pursuing the following:

²⁷ Cash above the Group's target of NOK 300 million in minimum cash position

Focus on maturing markets which are in a growth phase offering opportunity for higher IRRs.

The Group's main geographic focus is on the CEE region, which is a part of Europe which is currently less penetrated compared to the rest of EU. Many of the Group's competitors are currently focusing on more developed countries in Europe, primarily Western Europe, as these countries are perceived as more predictable and more favourable towards the CMS industry in terms of legislation and regulation than the countries in the CEE region. Consequently, the markets in which the Group operates are to a certain extent less competitive and, as a result, tend to offer higher internal rate of returns on portfolio purchases. Furthermore, the Group believes that as these markets continue to mature, there will be a further growth in NPL volumes and portfolios being divested at an earlier stage of the NPL cycle than what have historically been the case. The Group will thus continue to capitalise on this market environment by leveraging its local knowledge and strong relationships in the Group's current markets, and also by using these relationships to pursue the Group's clients across borders and when pursuing new market entry opportunities.

Strengthen market position and build scale by adding portfolios to current platforms, and expand to new geographies based on establishing local presence.

The Group focuses on adding portfolios and platforms both through smaller portfolio transactions at a continuous pace, as well as considering strategic opportunities, either of large portfolios or established platforms, the latter in particular when evaluating opportunities for new market entries. The Group has a strong track record in utilising this approach and the Group believes it differentiates it from its competitors who may instead try to partner with local firms when entering a new market.

The chart below summarises the Group's approach to acquiring portfolios and platforms.



The Group intends to continue leveraging local knowledge and to further build on its strong relationships in the geographic markets of operations. The Group strongly believes that NPL collection is a local activity, and the Group's focus is thus on either acquiring companies that are well regarded and respected in their respective local markets or building significant presences organically.

The Group believes that its current market position positions it for further growth as it provides access to new portfolios where the Group may utilise and expand on its current platforms. Amongst others, the Group's strong presence in Poland and the Balkans are an excellent starting point for further growth in nearby geographical markets, such as Greece, Romania and Bulgaria. To further strengthen the Group's position in the CEE region, the Group expects to consider strategic acquisitions as well as building local organisation based on presence in nearby geographies. The Group is currently evaluating a number of new markets that it believes fit its overall strategy in terms of market maturity and level of competitive pressure. For further information about recent developments, reference is made to Section 11.12 "Recent development and change".

Maintain focus on debt purchasing.

The Group intends to continue with its main focus on the purchasing of NPL portfolios. The Group believes that this is the most profitable segment within the CMS industry and where the Group has its largest competitive edge. Furthermore, with the industry trends already mentioned, the Group believes that the NPL purchasing business will continue to be the most attractive in the years to come. However, when acquiring platforms, such platforms usually includes some third party collection business and the Group intends to continue to use this as a complementary service to strengthen its NPL purchasing business. In some countries the third party collection business enables the Group to further optimise its platform infrastructure through gaining collection expertise and securing data and analysis relevant for portfolio acquisitions, as well as providing a financial benefit. An advantage of collecting on its own portfolios rather than servicing for third parties is the ability to control the collection strategy and negotiations with customers, which gives the Group a higher flexibility in terms of deciding the optimal collection strategy, thus maximising collections over the lifetime of the portfolio. By having large amounts of data stored locally, as well as centralised, from both purchases of NPL portfolios and collections strategies together with being one of the largest players in the markets in which the Group operates, the Group believes that it has a sustainable data analytics advantage over its competitors that either carry out third party collections or purchases portfolios but rely on third party collectors.

Continuing as a highly professional partner to all NPL portfolio providers, and to maintain and build on positions as a preferred buyer of portfolios from the Group's key clients; financial institutions.

The Group is focused on building strong and long lasting relationships with key providers of NPL portfolios, in order to establish the Group as both a preferable buyer and reliable partner for debt sellers. The Group works continuously to maintain and further build on its reputation and relations, creating the foundation for future expansion and a strong market position. The Group's key NPL providers, mainly banks and other financial institutions, are highly focused on the need for debt purchasers to have a strong local presence and the necessary capital, both of which are important parts of the Group's strategy. Further, regulatory compliance and reputational risk are key focal points for these providers, which are areas where the Group believes it has the understanding and operational set-up, enabling it to comply with the highest standards. The Group actively works on its relationships with both the NPL providers, as well as advisors engaged by debt sellers in auction processes. Being visible and providing the advisors with information about the Group's capabilities ensures that the Group is invited to the relevant auctions of portfolios. In addition, the Group is focused on working closely together with the debt sellers in order to be able to entertain bilateral discussion, which can be beneficial for both the Group and the selling party as it results in a quicker and less costly process for the debt seller and a less competitive purchase for the Group.

Maintain an investment strategy based on thorough analysis and strict profitability requirements, together with a balanced approach to portfolio composition.

Before acquiring new portfolios an extensive list of parameters are carefully considered. The Group's stated strategy is to target continued strong growth in its selected markets, however, any acquisition or expansion needs to be in line with the Group's goals and return/risk requirements underpinning the business model.

As the regulatory framework differs from market to market, the Group has historically, and will in the future continue to, focus on building up local competence and hiring key personnel with expertise within the field. However, to further improve the data capabilities and sharing of data and best practice across geographies, the Group has established an investment centre in Luxembourg. Leading data capabilities support performance in NPL origination and collection as well as resource allocation, communication strategy and repayment offers. The characteristics of the NPL industry have historically provided a significant competitive advantage to the players with the best data and the Group intends to be one of them. The investment centre in Luxembourg is a key element going forward as transferring expertise and best practice to new geographical areas will contribute to utilizing the Group's comparative advantages.

The Group's portfolio composition is balanced and it carefully weighs potential risk and return profiles before transactions. Previously, the Group's portfolio has mainly consisted of unsecured retail loans, which the Group believes has advantages due to low claim sizes and predictable cash flows. Furthermore, the Group's claims tend to be very front loaded, which reduces risk related to collection estimates and gives a strong cash flow in the early years of the portfolio. Such claims are either bought at auctions, as a result of bilateral discussions or the Group has entered into so called forward-flow agreements. In a forward-flow agreement, the Group agrees with a provider that it will, over a period in time and in fixed intervals, transfer those of its NPLs meeting certain pre-determined characteristics to the Group.

However, due to the Group's current scale and the maturity of the markets in which it operates, the Group has started to acquire portfolios of secured debt and combination portfolios which include both unsecured and secured debt. In the Group's experience, financial institutions have been reluctant in divesting their secured NPLs as these tend to include

more of the financial institutions' valuable customers, but the financial institutions appear to be increasingly comfortable with divesting these claims. Secondly, regulatory capital requirements pressure the financial institutions to divest. Given that the characteristics of portfolios of secured debt are more complicated than unsecured debt, the competitive pressure is typically lower and therefore has potential for higher IRRs. Further, the Group believes that now, with its recent recruitment of certain key employees and its current scale, it is better positioned for the lumpier cash flow that is generated from portfolios of secured debt.

Focus on establishing amicable solution with customers.

The Group's overall collection strategy is to maximize gross collections and minimizing the collection costs while protecting its reputation. The Group therefore views the debtors as customers and its relationship to them as an extension of their relationship to the NPL portfolio provider. To maximize its net collections the Group believes that this is best reached by establishing amicable solutions and sustainable payment plans with its debtors. The purpose of the Group's statement "Making each other better" is to underline its commitment to helping its customers back to financial health, which the Group believes is critical for its long term and future reputation and profitability.

The Group's collection practice is designed to apply the collection method that works best for a particular customer, and balances how to maximise collections, the timing of payments, and the cost to collect. In some instances, the Group will seek to offer the customer the ability to pay a lump sum to settle a claim quickly, as this provides an immediate return and saves on any further collection costs. This often leaves both parties satisfied with the result, as the customer can quickly resolve its debt at reasonable terms. In other situations a payment plan that the debtor is able to manage and comply with may be the optimal strategy. This provides the Group with a stable and relatively predictable cash flow, and helps the debtor regain financial health. By working together with the debtor in these cases, the Group will often be able to maximise the total collections over the claim's lifetime compared to seeking a lump sum payment up front.

Amicable solutions also lower the collection cost, as it avoids using more labour time on the customer, in addition to expensive and time consuming collection methods, such as judicial collection processes. A constructive approach will also increase the customer satisfaction, which in turn contributes to maintaining the NPL providers' trust in the Group as well as protects its reputation.

8.4 History and important events

The current business activities of B2Holding were established in November 2011. The founders and the management team have solid experience from the financial services industry dating back to the late 1980s through several successful ventures such as Aktiv Kapital (now PRA Group) and Gothia Financial Group (now Arvato Financial Solutions).

B2Holding is located in Norway and has since its inception acquired or established one further office in Norway (Interkreditt AS) and offices in Sweden (Sileo Kapital AB), Finland (OK Perintä Oy), Estonia (OK Incure OY and TCM Estonia), Latvia (Creditreform Latvija SIA and B2Kapital SIA), Croatia (B2Kapital d.o.o.) Slovenia (B2Kapital d.o.o.), Serbia (B2Kapital d.o.o.), Austria (B2Kapital GmbH), Luxembourg (Ultimo Portfolio Investment S.A), Netherlands (Ultimo Netherlands BV), Czech Republic (B2Kapital s.r.o.) and in Poland (ULTIMO S.A.). For a full overview of the Group, please see Section 15.2 "Legal structure".

The table below provides an overview of key events in the history of the Company:

Date	Important event
January 2008	Incorporation of the Company
November 2011	Establishment of the current business of B2Holding
April 2012	Investment in Sileo Kapital AB, Sweden
September 2012	Acquisition of OK Perintä; one of Finland's leading debt collectors and OK Incure OU in Estonia
April 2013	Acquisition of Interkreditt AS in Norway
October 2013	B2Holding Kapital d.o.o was established in the Balkans
January 2014	Acquisition of Creditreform Latvija SIA in Latvia
August 2014	Acquisition of ULTIMO S.A., Poland, through acquisition of the holding company Ultimo Holding S.a.r.L
May 2015	Established centre of excellence in Luxembourg
November 2015	Completed refinancing and secured new EUR 260m syndicated loan
November 2015	Completed new senior unsecured bond issue of EUR 150 million
March 2016	Senior unsecured bond listed on Oslo Børs
May 2016	Signed SPA for the acquisition of Debt Collection Agency AD; one of the leading debt purchasers in Bulgaria

8.5 Business model

8.5.1 The Group's presence in the CMS value chain

The Group's position and main focus in the Credit Management Services (CMS) value chain is on the *debt purchase and collection* segment, but the Group also has a significant presence within the third party collection segment. The Group's business model is therefore heavily influenced by the characteristics of these two segments.



8.5.2 Debt and transaction categories

The Group purchases and collects all types of NPL debt, and there can be large distinctions between the different ones. There are also several different ways to categorise the different types of NPL debt and the types of transactions.

Firstly, NPL debt can be categorized by vendor, i.e. if the debt was purchased or collected on behalf of a financial institution or trade credit from utilities, telecom operators or other businesses that typically invoice customers. As of 31 March 2016, consumer debt represents 99% of the Group's total portfolio purchases in Q1 2016.

Secondly, NPL debt is categorised between secured and unsecured debt. In contrast to unsecured debt, for a secured debt the claim is backed by a pledge (usually real property). If the debtor defaults and fails to repay its debt, the creditor is entitled to take possession of this pledge. When the situation arises and the Group takes possession of the pledge, it tries to liquidate in order to capitalise and collect on the debt. Furthermore, the prices for secured debt are generally higher than for unsecured debt if all other terms are equal, which is due to the underlying pledge. As of 31 March 2016, secured debt represented 17% of the Group's total portfolio.

Third, debt is also categorised by "freshness", meaning the time since the debtor defaulted, which may vary from a day to several years. An often used categorisation for freshness is; "garage" claims, which are loans that are five years or more in default and are fully written off; tertiary claims are loans that are between two and five years in default; secondary claims are loans that are between nine months and two years in default; primary claims are loans that are between three and nine months in default; fresh claims are loans that are between one day and three months in default. In general, claims that are "fresher" are worth more than an older one, as it is likelier that a debtor with a relatively new claim fulfils his obligation than a debtor with an old claim.

Further, debt is categorised into different kinds of portfolios; "spinning" vs. "long lasting". A spinning portfolio is characterised by the average time until the Group has collected the ERC. As of 31 March 2016, and based on its current portfolio, the Group estimated that it would collect ~74% of the total ERC within the first four years.

Furthermore, the portfolios purchased by the Group widely differ in complexity as some consists of both secured and unsecured debt, vary in freshness by years and even span over different countries.

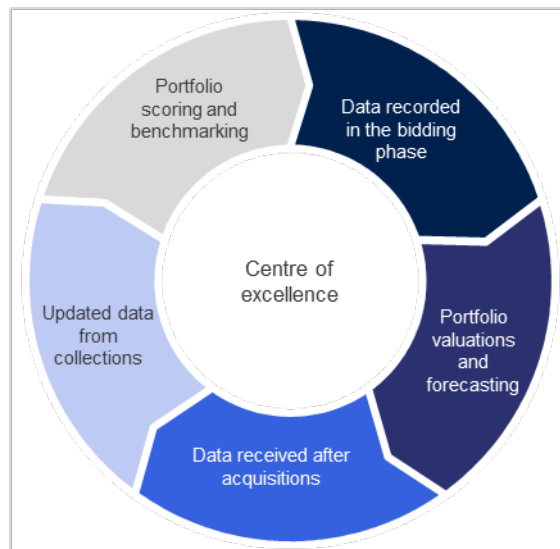
Another distinction that can be made is in terms of the types of transactions. The vast majority of the transactions carried out by the Group are one-off transactions, which are transactions characterised by a spot purchase of a single portfolio. This is in contrast to a forward flow transaction, where the Group agrees with a provider that it will, over some period in fixed intervals transfer its NPLs of a certain characteristics to the Group. Forward flow agreements are more common in mature markets, where the NPL providers have generally already gotten rid of older portfolios and the level of trust is higher. The vast majority of the Group's forward flow agreements are in Sweden and Finland, which are deemed as mature markets.

8.5.3 Data analytics and investment centre

The Group's investment centre which is under development in Luxemburg will store historical data and statistics on portfolios and customers across all the Group's markets and will ensure consistency and control all data gathered from its operations. The office will not only receive data from the Group's portfolio purchases, but also from its third party collections, thereby ensuring as vast a data set as possible. More specifically, the investment office's main tasks will be to handle larger portfolio purchases and provide analytical support to the Group's local organisations as well as following up on all portfolio purchases.

The Group believes that its investment office and analytical expertise are important to develop as core strengths of its business. The office will strengthen the Group's ability to use the already vast data set collected from operations and analyse this data to assist in the valuation and pricing of potential portfolio purchases and to devise optimal collection strategies for customers. It will be able to use past performances from comparable portfolios across all markets to develop collections forecasts and collections costs for claims with similar characteristics. Furthermore, when devising what the Group believes to be the optimal collection strategy, the investment office will have the data available to look at past performance on claims with similar traits.

As illustrated in the figure below, the investment office's data gathering and functions work as a feedback loop. First, it receives and records the data from the bidding process. Then, it uses this, as well as historical data on performance from portfolios with similar traits to forecast, evaluate and eventually price the portfolio. Afterwards, if the portfolio is acquired, the full data set received is recorded and the Group's collection forecasts are updated. After which and based on collections from the portfolio, the Group optimises its collection strategy. Finally the portfolio performance is scored and benchmarked for future use.



The Company believes that companies that purchase portfolios relying on local agents and third party debt collectors will have a disadvantage, as they typically have limited access to data on the customers and the local collection trends. Further, the third party debt collectors do not own the portfolio and will thus in general not obtain full access to the data that comes with the purchase of the portfolio, which the Company believes will give them a disadvantage in forecasting collections and pricing future portfolios.

8.5.4 Portfolio acquisition and debt purchasing process

The figure below illustrates the general portfolio and debt purchasing process.



8.5.4.1 Sourcing and opportunity pipeline

The first step in the debt purchasing process is the sourcing and opportunity pipeline. Based on its relationships with the major NPL providers and / or its market knowledge, the Group tries to know which portfolios that will be offered to the market in advance. This enables the Group to start positioning itself toward winning the portfolio. The Group also tracks the NPL volumes and the NPL transaction volumes in all markets in which it operates and utilises this information when deciding capacity and investment decisions.

8.5.4.2 Analysis and valuation

The next step in the process; when the portfolio becomes available in the market, is the analysis and valuation of it. Depending on the size of the deal, the region and the Group's local expertise, the Group's centralised investment office and its local representatives will collaborate on the analysis. As is most often when the portfolio comes to market, the

provider organises an auction, which usually consists of two rounds; an indicative offer and the final/binding offer. Prior to the auction, the Group typically receives and reviews an electronic data tape that includes a representative sample of claims. This sample generally includes outstanding balance, customer and debt type and overdue period. The Group has developed a number of tools and processes to price portfolios and to develop accurate collection and cost curves. Based on the data the Group received, it tries to find previous portfolios where the claims have similar characteristics, which are then used for valuation and pricing using statistical analysis. In addition to the statistical analysis of the data, detailed case-by-case legal and financial analysis is performed for the secured and/or corporate debt cases in any given portfolio. The Group will then place indicative offers on portfolios where it is comfortable in its valuation and believes the portfolio has a favourable risk / return profile.

8.5.4.3 Acquisition and integration

If the Group's indicative offer is deemed acceptable, it is invited to the next stage of the auction which will end in a final offer. In this phase, bidders typically receive additional information on the portfolio, including a larger data set and more granular information about the customers in the portfolio (such as original debt information payment history, evidence of collateral, past collection actions, deceased and fraudulent cases, detailed case / customer characteristics, up-to-date customer contact information, personal IDs of customers etc.). The Group updates its models based on said information and, dependent on the size of the deal conducts a more thorough due diligence of the portfolio. The Group also uses various supplementary data along with the vendor-supplied information depending on local availability and best practice.

Some portfolio purchases are based on close relationships, market standing and previous portfolios instead of auction processes. For example, in certain countries the Group's market standing, including platform strength, reputation and regulatory compliance, implies that the Group is offered to buy a portfolio with no competitive bidders. In other cases, by having bought a previous similar portfolio from a provider, the Group can be deemed as the preferred buyer.

If the Group is chosen as the purchaser of the portfolio it enters into an agreement for the sale and purchase of the portfolio or assets. In these negotiations, the Group attempts to further strengthen its relationship with the provider and therefore seek to include certain clauses that make sense for both parties. Usually, these includes representation that claims are legally enforceable, a put-back clause to allow us to return any invalid claims, a minimum threshold for documentation availability, requirements on the timely transfer of data, and data warranties over the information used to value the portfolio. The Group receives the full data set on the portfolio when the negotiations are complete and the agreement is signed.

Once the acquisition is complete, the most significant operational risk the Group faces is the integration process. It is important that it ensures that claim balances are accurately recorded, that funds paid between the determination date and the closing date by customers are received by the Group and that customers are diverted to the appropriate phase of the collection process. Further, the Group screens for individual cases that do not meet the criteria agreed on in the agreement with the vendor and puts-back any violations it finds. When the claims are integrated, the Group immediately starts the collection process.

8.5.5 Debt Collection

The Group collects mainly on portfolios purchased for its own book, but regularly also do third party collections. The collection process is similar for both and is illustrated in the figure below. The collection process is managed through the Group's ten platforms and the collection methods vary across regions and dependent on the customer profile. The collection strategy is developed such as to yield both the best financial results and to protect the Group's reputation. The Group emphasises professionalism, expertise and high ethical standards at all levels of the collection process as this is important to be able to maintain the trust it has earned, and is dependent on, with the NPL originators and the authorities.



The first step in the collection process is invoicing and reminder services. A demand letter is sent to all customers stating that the Group has purchased its claim from the originator and reminds them of their outstanding claim. The Group typically allows the customer a couple of weeks to respond. If the customer responds and based on her/his response, the Group deems it likely that the debtor will pay its debt and initiates voluntary collection as the next step. Cases that do not enter into voluntary collection are transferred to telephone collection where a collector will try to

reach the customer by phone and again try to agree on a voluntary payment plan. In more mature countries, the case might be transferred to an automated process with less manual processing, which is less expensive. If this also fails, the Group decides on a case-by-case basis which measures to take next.

In the voluntary collection step, the Group seeks to agree to a voluntary payment plan or settlement with the debtor. As long as the customer shows willingness and is reasonable, the Group will aim to find an amicable solution. The Group's main goal in this step is to maximize the amount from all outstanding claims and minimize its collection costs. The Group always seeks to make the agreed upon payment plan sustainable for the customer in addition to following local legal requirements. In this voluntary collection phase, the Group utilises its historical data when deciding on the optimal collection strategy; looking at previous claims with similar traits, including debtor type, outstanding balance, historical payment information, region etc., and conclude on which collection strategy to use going forward with the individual debtors. The Group scores and segments the customers into specific groups based on their traits and decide collection strategies accordingly. Thereafter, the Group monitors the customers and looks for customers with improved financial health, and hence increased ability to repay their debt and adapts its collection strategy accordingly. When it becomes evident that a customer is not willing to pay its debt, or the collection strategy chosen seems ineffective, the Group may make the decision to take legal action to collect the debt.

The third step in the process is the judicial collection process. If the voluntary collection process proves unsuccessful, legal action is taken. Although the Group's collection strategy aims to find amicable solutions, it has vast operational experience with legal collection. If the Group has a clear and uncontested claim, the Group submits a summary application for a summons to the local legal authorities (District Court, bailiff, etc.) and on obtaining a default judgment, the case is delivered to the enforcement authority of the debtor's place of domicile for collection of debt with interest and expenses. If the case is disputed, the Group will typically pursue it through civil litigation. In such cases, the Group will typically look for salary attachments, sale of collateral, bankruptcy proceedings and debt restructurings. Upon success in this step by having a claim ratified, the Group typically utilizes bailiffs to enforce the claims. Bailiffs assist with seizure of properties, wage assignments and other court-ordered solutions and typically work on a fixed-fee arrangement and have the legal authority to enforce claims on the Group's behalf. In addition to the collection being conducted by the Group, certain debt collection and litigation activities on accounts in the Group's credit portfolios are outsourced to DCAs, law firms and other external agents, typically in countries where the Group owns portfolios but do not have a platform or in cases where the seller of a debt portfolio continue collecting on the portfolio on behalf of the Group for an interim period.

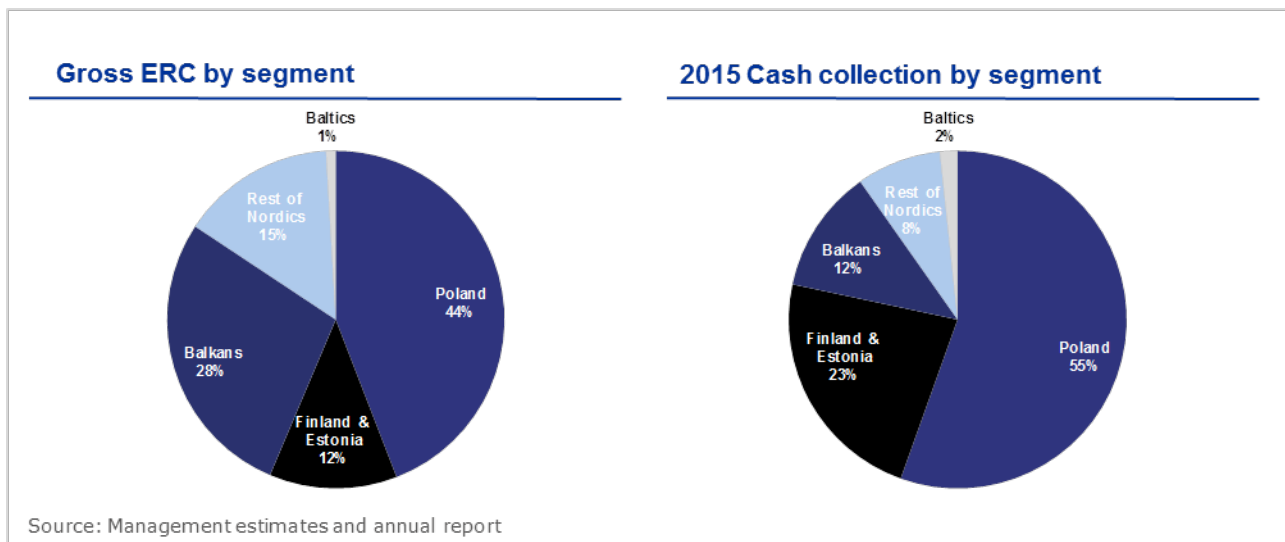
The last step is the data management and feedback to the investment office step. In this step, the Group seeks to learn from the previous steps by storing all the collections strategies that was pursued, the timing of them, the customer's characteristics and whether or not the strategies used were successful. The data is then given to the central investment office for further analysis.

8.6 Platforms and markets of operations

8.6.1 Introduction

The Group is a significant player in the area of debt purchase and debt collection in Scandinavia, Central and Eastern Europe. Currently, the Group has platforms (i.e. collection operations) in Croatia, Estonia, Finland, Latvia, Montenegro, Norway, Poland, Serbia, Slovenia and Sweden. The ten platforms are organised in the following six reporting segments: Norway, Sweden, Finland and Estonia, Latvia, the Balkans and Poland. The Group also has support offices in Austria, Luxembourg, the Netherlands, and recently incorporated entities in Romania and the Czech Republic. Further, the Group owns portfolios in Italy, Denmark, Romania and Lithuania, where it currently has no operational collection activities. As at 31 December 2015, the Group's largest market was Poland which represented 44% of the Group's gross ERC and 55% of gross cash collections in 2015. Poland was entered into in August 2014 in connection with the Group's acquisition of Ultimo S.A. and its subsidiaries (the "**Ultimo Acquisition**").

The following figure illustrates the Group's gross ERC and gross cash collections as at 31 December 2015 divided by geographical segments (see Section 11.3.1 "Face value, carrying value and estimated remaining collections (ERC) for acquired debt portfolios").



8.6.2 Poland

The Group's operations in Poland are conducted through a group of subsidiaries which were acquired in the Ultimo Acquisition completed in August 2014. The acquisition represented a major milestone for the Group. Adding 780 new employees to the Group, it became one of the larger players in the European debt purchase industry.

The Ultimo group currently consists of Ultimo Holding S.a.r.L (incorporated in Luxembourg), ULTIMO S.A., the consumer lending business named TAKTO and the Ultimo legal office (jointly the "**Ultimo Group**"). The Group's operations in Poland had 824 employees (measured in full time equivalents ("**FTEs**")) as at 31 March 2016.

ULTIMO S.A. is the parent company of the Ultimo Group, wholly owned by B2Holding through a holding company Ultimo Holding S.a.r.L., which itself is held by Ultimo Netherlands B.V. and is the main operating entity, headquartered in Wroclaw, Poland. Ultimo S.A. specialises in the assessment and acquisition of consumer debts, with particular focus on the banking and consumer finance sectors, which represents the vast majority of Ultimo S.A.'s outstanding unsecured debt. However, it also has experience from acquisitions of NPLs from other sectors, in particular within the telecom industry.

As a result of strategic portfolio acquisitions, ULTIMO S.A. has built one of the largest debtor databases within the Polish market. As at 31 March 2016, Ultimo S.A. held approximately 3.6 million claims with a combined ERC of NOK 3,242.5 million and NOK 36,185.6 million in face value. ULTIMO S.A. holds a license from the Polish Financial Supervision Commission to manage securitized receivables.

Ultimo Portfolio Investment (Luxembourg) S.A. ("**UPI**"), is a wholly owned subsidiary of Ultimo Netherlands BV (the Ultimo Group holding company incorporated in the Netherlands). UPI is a special purpose vehicle incorporated in Luxembourg with the purpose of acquiring certain portfolios, such as telecom, utilities and other financial claims. UPI is the owner of Ultimo Securitization Fund, the investment vehicle for acquisition of banking portfolios.

TAKTO is a group of four special purpose vehicles (TAKTO Ltd Joint stock partnership, TAKTO Limited Liability Company, TAKTO Finanse Limited Liability Company and TAKTO Securitization Fund). All TAKTO companies are involved in the Ultimo Group's lending business, offering safe, accessible loans, adjusted to the needs of private clients. TAKTO Securitization Fund is an investment vehicle designed for consumer lending.

In addition to its ordinary business operations, ULTIMO S.A. is also one of the founding members of the Conference of Financial Companies ("**KPF**"), a member of the European Federation of Finance House Associations ("**Eurofinans**"). A mission of Eurofinans is to promote high business standards. Through its membership in KPF, ULTIMO S.A. has acted as a co-author of the "Principles of Best Practice", a code of conduct adopted by the largest debt collection companies operating in the Polish market.

The table below shows selected key financial data for the Group's operations in Poland²⁸ for the years ended 31 December 2015, 2014 and 2013. Note that for the year ended 31 December 2014, the financial data for the Group only includes the four months ended 31 December 2014. See Section 11.4.8 "New platforms and geographic

²⁸ Includes the Ultimo Group's operations in Romania

expansion" for separate financials for the Ultimo Group for the eight months ended 31 August 2014 and Section 11.3 "Key ratios" for an explanation and calculation of the key ratios below.

In NOK thousands

	Year ended 31 December		
	2015 IFRS	2014 IFRS¹	2013 Restated IFRS
Gross cash collections	742,756	207,184	-
Carrying value of portfolios	1,413,764	1,226,366	-
Gross ERC	2,863,890	2,748,544	-

¹ Financial data only includes four months ended 31 December 2014 following the Ultimo Acquisition.

The table below shows selected key financial data for the Group's operations in Poland for the three months ended 31 March 2015 and 2016.

In NOK million unless otherwise stated

	Three months ended 31 March		
	2016 IFRS	2015 IFRS	Growth measured in %
Gross cash collections	212	171	24%
Purchased loan portfolios	343	0	-
Interest income on purchased loans	129	131	(1.6%)
Cash EBIT	123	99	24.3%
EBIT	40	59	(32.7%)
Changes in portfolio cash flow	(10)	0	-
Carrying value of loans	1,634	1,197	36.6%

8.6.3 Sweden

The Group's operations in Sweden are conducted through Sileo Kapital AB ("**Sileo**"), which was founded as a joint venture in April 2012 by the Company and Swedish professionals from the financial services industry, but is now a wholly owned subsidiary of Ultimo Netherlands BV.

Sileo offers debt purchasing and third party debt collection services, but instead of traditional debt collection, it is a credit service company with the objective to help its customers to become debt free by applying a more pro-active, innovative and solution oriented approach than its competitors. Sileo purchased its first receivables portfolio in October 2012. As at 31 March 2016, it held 112,263 claims with a combined ERC of NOK 957.7 million and NOK 1,740.1 in face value.

Sileo has 25.5 employees (measured in FTEs as at 31 March 2016) and is headquartered in Gothenburg, Sweden, with a small representation office in Stockholm. Sileo is licenced to conduct debt collection activities from the Swedish Data Protection Authority, and is also member of the branch organization "Svensk Inkasso".

The Company also currently owns a minority stake (33.33%) in a subsidiary, Sileo Finans AB ("**Sileo Finans**"), which is currently without operations. Pending approval from the Swedish Financial Supervisory Authority (Finansinspektionen), the remaining shareholding in Sileo Finans is to be transferred to the Company. In addition, the Company holds a majority share in Kontant Finans Sverige AB ("**Kontant Finans**"), a consumer lending company with a license from the Swedish Financial Supervisory Authority (Finansinspektionen). The transfer of the ownership of the shares in Kontant Finans to Ultimo Netherlands B.V. is pending approval from the Swedish Financial Supervisory Authority (Finansinspektionen). Kontant Finans offer loans to consumers up to SEK 25,000 with duration of 12 – 60 months.

Sileo Holding AB, a dormant entity, is wholly-owned by Ultimo Netherlands B.V.

The table below shows selected key financial data for the Group's operations in Sweden²⁹ for the years ended 31 December 2015, 2014 and 2013. See Section 11.3 "Key ratios" for an explanation and calculation of the key ratios below.

In NOK thousands

	Year ended 31 December		
	2015 IFRS	2014 IFRS	2013 Restated IFRS
Gross cash collections	108,210	95,752	61,272
Carrying value of portfolios	447,031	377,294	368,820
Gross ERC	957,501	787,963	784,414

The table below shows selected key financial data for the Group's operations in Sweden and Norway for the three months ended 31 March 2015 and 2016.

In NOK million unless otherwise stated

	Three months ended 31 March		
	2016 IFRS	2015 IFRS	Growth measured in %
Gross cash collections	33	23	41%
Purchased loan portfolios	29	24	20.8%
Interest income on purchased loans	23	16	41.9%
Cash EBIT	23	17	37.9%
EBIT	13	10	36.1%
Changes in portfolio cash flow	(1)	0	-
Carrying value of loans	453	385	17.7%

8.6.4 Finland and Estonia

In September 2012, the Group entered both Finland and Estonia through the acquisition of the Finnish debt collector OK Perintä Oy ("**OK Perintä**") and its Estonian subsidiary OK Incure OÜ ("**OK Incure**").

OK Perintä was founded in 1991, and is headquartered in Vaasa, Finland, with other offices in Helsinki and Tampere, Finland, while OK Incure is located in Tallinn, Estonia. As at 31 March 2016, OK Perintä had approximately 122.7 employees (measured in FTEs), 260,245 claims with a combined ERC of NOK 824.1 million and NOK 1,994.0 million in face value. OK Perintä purchases portfolios mainly from companies who provide unsecured loans, but also from other companies offering Business-to-Consumer services ("**B2C**"). The company is considered a pioneer in telephone debt collection in Finland. OK Perintä serves its clients in five languages, Finnish, Swedish and English, and, through its subsidiary OK Incure, also in Estonian and Russian, providing its customers with invoicing, reminder-, and collection services. OK Perintä holds 51% of the shares in OK Laskutus OY and 50% of the shares in OK Sileo OY.

OK Perintä and OK Sileo OY have debt collection licenses from the Finnish Regional State Administrative Agencies. OK Perintä is also a member of Suomen Perimistoimistojen Liitto Ry in Finland.

The table below shows selected key financial data for the Group's operations in Finland and Estonia for the years ended 31 December 2015, 2014 and 2013. See Section 11.3 "Key ratios" for an explanation and calculation of the key ratios below.

²⁹ All of Sileo Kapital's operations, which also includes portfolios in Norway, Denmark and Germany.

In NOK thousands

	Year ended 31 December		
	2015 IFRS	2014 IFRS	2013 Restated IFRS
Gross cash collections	306,591	286,376	167,878
Carrying value of portfolios	402,630	199,404	261,735
Gross ERC	795,377	391,786	378,508

The table below shows selected key financial data for the Group's operations in Finland and Estonia for the three months ended 31 March 2015 and 2016.

In NOK million unless otherwise stated

	Three months ended 31 March		
	2016 IFRS	2015 IFRS	Growth measured in %
Gross cash collections	84	53	58.5%
Purchased loan portfolios	73	33	121.2%
Interest income on purchased loans	43	24	79.2%
Cash EBIT	68	43	58.1%
EBIT	28	14	100.0%
Changes in portfolio cash flow	(1)	0	-
Carrying value of loans	462	196	135.7%

8.6.5 The Balkans

In 2013, the Company established the Croatian office, B2 Kapital d.o.o. ("**B2Kapital Croatia**") headquartered in Zagreb, in connection with larger portfolio acquisitions within the banking sector in the region. Through B2Kapital Croatia, the Group's operations has been scaled up with acquisitions and operations in adjacent countries such as Slovenia, Serbia and Montenegro (jointly, together with Croatia, the "**Balkans**").

The Group's operating subsidiaries in the Balkans specialize in purchasing and collecting on NPL portfolios, primarily from the banking sector, but also through providing factoring services. As of 31 March 2016, the Group's subsidiaries in the Balkans had approximately 124.5 employees (measured in FTEs), 68,163 claims with a combined ERC of NOK 1,722.8 million and NOK 7,092 million in face value.

The table below shows selected key financial data for the Group's operations in the Balkans for the years ended 31 December 2015, 2014 and 2013. See Section 11.3 "Key ratios" for an explanation and calculation of the key ratios below.

In NOK thousands

	Year ended 31 December		
	2015 IFRS	2014 IFRS	2013 Restated IFRS
Gross cash collections	158,904	16,327	
Carrying value of portfolios	867,886	183,500	1,480
Gross ERC	1,813,179	460,978	2,883

The table below shows selected key financial data for the Group's operations in the Balkans for the three months ended 31 March 2015 and 2016.

In NOK million unless otherwise stated

	Three months ended 31 March		
	2016 IFRS	2015 IFRS	Growth measured in %
Gross cash collections	77	27	192%
Purchased loan portfolios	0	6	(100%)
Interest income on purchased loans	51	21	136.8%
Cash EBIT	55	20	177.4%
EBIT	28	15	92.8%
Changes in portfolio cash flow	(4)	0	-
Carrying value of loans	830	178	366.9%

8.6.6 Other jurisdictions

The Group also has smaller operations and portfolios in other countries, including third-party debt collection operations in Norway (through Interkreditt AS) and smaller portfolios and other services in Latvia (through B2Kapital Sia and Creditreform Latvija SIA), Lithuania, Italy, Denmark and Romania. The activity in Italy, Denmark and Lithuania is currently limited to the ownership of portfolios, and the Group does not have any active operational collection activities there. The Groups also has a support office in Austria (B2Kapital GmbH). A new entity, Ultimo DCR SRL has recently been incorporated in Romania. The Group has also incorporated an entity B2 Kapital Czech Republic s.r.o in the Czech Republic, wholly-owned by Ultimo Netherlands B.V. which will undertake various back-office support operations. For further information about recent developments, reference is made to Section 11.12 "Recent development and change".

8.7 Infrastructure and information technology

8.7.1 Overview

The Group's systems for infrastructure and Information Technology ("IT") for front-end and core applications are partly licensed or purchased from third party manufacturers of hardware and software, and partly developed in-house (see Section 8.7.2 "Main IT systems"). Where the Group has not developed internal platforms and solutions for IT systems, these are mainly provided by world leading technology companies such as Microsoft, Cisco, VMWare, Avaya, Trend Micro and APC.

The Group's IT systems are an important factor in the Group's operations and are specifically adopted to allow for efficient and effective mass receivables service at all stages of the collection process. Thus, the IT systems adopted and utilised by the Group's subsidiaries are independent and tailored in order to adapt to a changing market environment and the activities carried out by each subsidiary. A description of the main IT systems used by operating subsidiaries of the Group is set forth in Section 8.7.2 "Main IT systems".

Key elements in the Group's IT systems are the ease of modification or extension, while maintaining high productivity and efficiency without requiring significant additional costs for infrastructure investments. Consequently, the Group has the advantage of integrating each purchased portfolio without significant cost and, further, to maintain the continuity of the debt collection process of the Group's existing portfolios.

Most of the Group's subsidiaries have internal IT departments consisting of teams of qualified IT specialists and programmers. Further, external expertise is hired when necessary and the Group subsidiaries also make use of outsourcing functions to professional IT companies. As at 31 March 2016, 99 FTE`s are working within the IT functions in the Group.

For risks relating to the Group's IT arrangements, see Section 2.1 "Risks related to the business of the Group and the industry in which the Group operates".

8.7.2 Main IT systems of the Group

The Ultimo Group uses an in-house developed IT system called SMYK. SMYK is designed to handle tens of millions of cases simultaneously and allows for a comprehensive collection process service at each stage of the collection process. SMYK is operational both within the amicable collection, legal collection and field collection. SMYK is equipped with a broad range of functionalities, including amongst several others; (i) access to a coherent collection history of a client, the cases and debt collection activities being taken; (ii) mass service of payments with automatic payments accounting; (iii) configurable mechanism of importing data from other IT systems, and in particular importing data

concerning purchasing receivables; (iv) cooperation with external database brokers; and (v) a flexible selection of debt collection activities depending on the status and the case.

Further, the Ultimo Group's systems of business intelligence (the "**Systems of BI**") creates an integrated platform for analysis and management of large volumes of data. Systems of BI includes a data warehouse, an analytical system and a system for managing debt collection strategies and campaigns. The Ultimo Group has also developed internal IT systems for cash loans, which allows for analysis and evaluation of a debtor's creditworthiness, the assessment of the credibility of the debtor, the estimated credit risk and reporting.

OK Perintä has developed internal platforms and solutions of the company's core collection systems and related front-end applications, including customer portals. These collection systems are connected to the front end solutions through standard web services and based on N-tier architecture with a service-oriented integration layer. These applications are primarily based on technology adopted from Microsoft.

Sileo Kapital uses the IT-system Nova supplied by Tieto, for management of acquired NPL-portfolios and third party collection services. Nova is integrated with key suppliers such as the Bailiff and the Swedish Population register. Also third party collection customers are integrated with Nova. In the consumer lending operations, Kontant Finans Sverige, uses Corniche which is a banking system developed by Megasol Technologies KB. Corniche is integrated with an external credit bureau and an AML-service provider. In the Balkans the core ERP system is Hansa which is connected to main collection front-end application system Tethys. Tethys uses MS SQL as database.

The Group's other operating entities uses partly licensed and purchased debt collection systems. In Norway the Group uses Predator CMS debt collection system a standard debt collection system by SPN, and in Latvia the platform used in collection processes is fully in-house developed and supported by in-house IT team, under the internal software name "Inkasso DB".

8.7.3 Security

The Group has a strong focus on IT security and has a strong focus on development and improvement of IT systems and solutions in order to maintain a high degree of IT security. In-house developed IT systems are generally supported by external anti-virus, firewall and security software, including supporting services in the event of breakdown or system failures. An important element in the Group subsidiaries security of data is also backup technology functions such as deduplication, active snapshots and replication from external IT companies that allows for data restoration.

8.8 Legal proceedings

From time to time, the Company and other companies in the Group are involved in litigation, disputes and other legal proceedings arising in the normal course of its business, in particular in relation to its debt collection process.

Neither the Company nor any other company in the Group is, nor has been, during the course of the preceding twelve months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

8.9 Material contracts

Neither the Group nor any member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, the Group has not entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement.

8.10 Regulations

8.10.1 Introduction

The overreaching legal framework relevant for companies in the CMS industry varies across the jurisdictions in which B2Holding operates. The below overview of the legal framework applicable for the Group in the different jurisdictions in which the Group operates is not a comprehensive and exhaustive analysis of all legal and regulatory issues in relation to the Group's operations, but is rather aimed at giving an overview on the main legal aspects and topics to be considered in this context.

The Group has concrete requirements and responsibilities for ensuring that the operations on an ongoing basis remain in compliance with laws and regulations governing the business activities in order to keep the risk of a regulatory breach and subsequent reputational and financial impact on the Group at a minimum.

CMS companies process personal data in its business, both when providing debt collection and debt purchasing services. The processing of personal data by companies established within the EU is governed by the EU data protection directive (95/46/EC) as transposed into national law by each member state. Although based on a directive, the national data protection laws are not identical; therefore slightly different requirements apply to the Group in each country where it operates. The Group is also subject to the supervision of local data protection authorities in each country where it is established. On January 25, 2012, the European Commission published its draft EU Data Protection Regulation. The current form of the draft regulation proposes substantial changes to the EU data protection regime, involving the replacement of the current national data protection laws by an EU regulation. When implemented, the regulation will likely strengthen individuals' rights and impose stricter requirements on companies processing personal data.

8.10.2 Nordics

In the Nordic countries where the Group operates and provides debt collection services, debt collection is a regulated area and subject to licensing requirements. In these countries each relevant Group subsidiary that offers debt collection services has a license issued by the local supervisory authorities. These are: the Regional State Administrative Agency of Southern Finland (*Fi.: Etelä-Suomen aluehallintovirasto*) in Finland, the Norwegian Financial Supervisory Authority (*Nw.: Finanstilsynet*) in Norway and the Swedish Data Protection Authority (*Sw.: Datainspektionen*) in Sweden. Furthermore, purchasing and collection on own claims in Norway is subject to licensing requirements which is under the supervision of the Norwegian Financial Supervisory Authority. In addition, certain financing activities in Sweden, such as purchase of defaulted debt, may be subject to a registration requirement with the Swedish financial supervisory authority.

In the Nordic countries where the Group operates, a creditor is generally permitted to transfer receivables or claims provided that no contractual prohibition for such assignment exists. In the case of transfer/assignment of debts, the debtor's consent is not needed, however, notification of the debtor is necessary in order to establish legal claims vis-à-vis the debtor.

In all of the Nordic countries where B2Holding operates, with the exception of Finland, it is possible to extend the statutes of limitation on historic debt claims indefinitely by taking legal actions or by notifying the debtor or otherwise interrupting the limitation period. In Finland, debts generally expire permanently after 15 years, and a consumer's debt to a business generally expires permanently when 15 years have passed from the grounds for debt recovery having arisen.

8.10.3 Poland

General legal framework.

B2Holding's subsidiary ULTIMO S.A operates under the Polish regulatory and legal framework. In order to manage receivable portfolios in favour of securitisation funds, a license from the Polish FSA is required. The Polish debt purchase industry is also subject to a legal framework on *inter alia* civil law restrictions (including regulations on statute of limitations and the e-court system) and data protection regulations (including a requirement to register with the General Inspector of the Personal Data Protection and consumer protection regulations).

All receivables (due or undue, existing or future, towards natural persons or towards legal entities) may principally be subject to transfer/assignment provided no contractual prohibition exists. No debtor consent is required for transfer of a claim/receivable, unless otherwise provided in the underlying agreement, although the debtor must be notified thereof. If the debtor is not notified by the seller, he can effectively pay the debt to the seller of the receivable, unless he knew of the assignment from elsewhere. The debtor must also be notified about the transfer on the basis of the data protection regulation. The new data administrator has to inform the debtor of e.g. its name and the purpose of the data processing. An assignment must be in writing, and for certain receivables specific requirements must be met (e.g. notarized agreement and transfer of mortgage in the case of claims secured by mortgages).

Civil litigation/enforcement procedures.

A creditor wanting to initiate a financial enforcement, has to obtain a judgement or an order for payment with an enforcement clause which may be achieved by initiating civil litigations .

Civil litigation may be conducted as a standard proceeding or simplified by an electronic proceeding (e-court). Claims based on promissory notes are typically enforced in electronic proceeding. Cases with the due date of the claim within 3 years before the date of initiating the proceeding may also be enforced in electronic proceedings.

The final order for payment or the final court judgement constitutes an enforcement order. Upon the court issuing an enforcement title (an enforcement order with a writ of execution issued by the court), the creditor may forward the case to a bailiff for enforcement proceedings. The bailiffs are generally authorized to visit the debtor in his place of residence and also take possession over the debtor's movables or real estate. An enforcement process ends upon the total payment of the claim or upon the bailiff's statement about the unsuccessful enforcement processing.

In 2015 a new law was passed limiting the total number of new cases a single bailiff office can take on in a given year (5,000 or 10,000 new cases per bailiff, depending on historical collection effectiveness). This severely decreases the role of country-wide bailiff firms offering management of mass enforcement for large clients, which again means a steep increase in the number of cases processed by small, regional bailiff offices. The new law passed has reduced the efficiency in the bailiff system. There is still large uncertainties regarding the timeframe before efficiency and the number of claims processed return to normal levels. Please see Section 11.12 "Recent development and change" for further information.

Obtaining a final and binding court judgment generally takes approximately 3 months for electronic proceedings and about 8 months for standard proceedings. The process is significantly longer if the court decision is appealed. The average length of enforcement processes are from 12 to 18 months depending on the assets over which enforcement is being carried out. It can take from a couple of weeks (in case of enforcement of bank accounts) to a couple of years (in case of enforcement of real estate collateral).

Enforcement of real estate collateral.

If the creditor wishes to enforce real estate collateral a court order for payment has to be obtained together with a request for enforcement proceeding to the bailiff indicating the property to which the proceedings should be directed. During the enforcement proceeding the bailiff will establish a value of the property and plan the auction sale. Appraisal of the mortgaged property is done by authorized licensed experts taking into consideration the market value of the property. The sale can be done by public auction or by direct sale. In the first public auction property cannot be sold for less than 3/4 of its appraised value, and in the second auction the property has to be sold for at least 2/3 of the appraised value.

The creditor is allowed to participate in the public auction. If the property has not been sold on the second auction the creditor may opt for the ownership of the real estate or the creditor can wait 6 months before reinitiating auction proceedings.

Limitation periods.

The general limitation period for enforcement of a claim is 10 years from the day when the claim became mature. A three years limitation period applies however to receivables related to commercial activity and/or periodic payments. Particular law provisions may shorten or extend the limitation periods in respect of certain claims

The limitation period can be interrupted by (i) any act before a court of law or other competent bodies which activity is to pursue, establish, satisfy or secure a claim; (ii) by the debtor's acknowledgement of the claim; or (iii) by initiating mediation.

8.10.4 Croatia

General legal framework.

There is no requirement for debt collection license in Croatia.

Provided no contractual prohibition exists, transfers of loan/leasing receivables is generally permissible according to the Croatian Obligations Act. As such, the debtor's consent is not needed in case of assignment of claims and a notification for assignment is sufficient to establish legal effects vis-à-vis the debtor.

Any transfer needs to comply with the Croatian National Bank's Decision on Regulation of a Bank's Portfolio Purchase dated 5 June 2013, which regulates loan and portfolio transfers and explicitly sets forth certain economic parameters (sale having commercial purposes, appraisal having been effected, etc.) as well as legal (transfer being permanent, certain aspects re management of portfolio, etc.) and technical parameters (e.g. regarding financing, purchase price payment).

Civil litigation/enforcement procedures.

If a creditor has a monetary claim based on an authentic document such as an invoice, a bill of exchange, a cheque, an excerpt from the business books, or another document defined as authentic document by the Croatian Enforcement

Act, the creditor may file with the notary public an enforcement request on the basis of such authentic document. The notary public will issue an enforcement decree if all the conditions prescribed by the Croatian Enforcement Act are met. The debtor may file an objection against such enforcement decree and in such case a litigation in the civil court will start which ends with a court judgment. If the debtor does not file an objection against the enforcement decree issued by the notary public, such decree becomes final and the enforcement may commence immediately.

If a creditor has a claim which is not based on an authentic document as defined in the Croatian Enforcement Act, the creditor needs to initiate a civil litigation proceeding in order to obtain a final and binding court judgement, permitting it to commence enforcement.

Issuance of an enforcement decree by the notary public on the basis of an authentic document typically takes a few days while a civil litigation proceeding usually lasts between one and three years with an additional two to three years if an appeal is filed against a first instance judgment.

The duration of the enforcement depends on the type of the assets over which enforcement is being carried out ranging between weeks in case of enforcement over bank accounts to a couple of years in case of enforcement over real estate collateral.

In addition to the enforcement procedures described above, the Croatian Enforcement Act recognizes debentures being a statement signed by the debtor and notarized by the notary public with the legal effect of an enforceable deed. Debentures are often used as collateral. The debenture allows the creditor to conduct direct enforcement over the debtor's bank accounts, and can also be a basis for an enforcement of other assets of the debtor. In the event that the creditor would initiate an enforcement procedure on a debtor's account based on the debenture, the request for seizure must be submitted to the Croatian Financial Agency.

Enforcement of real estate collateral.

If a mortgage agreement is executed in form of a deed notarized by the notary public, the creditor may request from the notary public an enforceability certificate if the debtor defaults. Once the enforceability certificate is obtained, the mortgage agreement becomes an enforceable deed and direct enforcement can be initiated over the real estate collateral on the basis of the mortgage agreement. The next step for the creditor is to file an enforcement request with the court, following which the court will issue an enforcement decree. During the enforcement proceedings the court will establish a value of the property and order a sale. The sale can be done by public auction via the Croatian Financial Agency or by direct sale. At the first auction, a property cannot be sold for less than 4/5 of its appraised value. If the first auction proves unsuccessful, in the second auction the property has to be sold for at least 3/5 of the appraised value. These thresholds also apply to a direct sale. The creditor is allowed to participate in a public auction. If the property has not been sold in the second auction the enforcement will be cancelled. The creditor may however initiate a new enforcement over the same property.

If a mortgage agreement is not executed in form of a deed notarized by the notary public, and if the debtor defaults the creditor has to file a mortgage law suit and a judgment ordering sale of the mortgaged property will be obtained in the civil litigation proceeding. After the judgment is obtained, the creditor will file with the court an enforcement request on the basis of the obtained judgment, based on which the mortgage will be enforced by the procedure described above.

Limitation periods.

The general limitation period for enforcement of a claim under the Croatian Civil Obligations Act is five years from the time when the right could have been exercised for the first time, provided however that the limitation period is three years for periodic payments and claims arising from contracts between commercial entities or entrepreneurs. The limitation period to initiate enforcement of a final and enforceable court judgment or a notarial deed is 10 years.

The limitation period can be interrupted by (i) debtors' acknowledgement of the claim or (ii) the creditor submitting a lawsuit or any other action directed to fulfilment, determination or insurance of a claim before a court or other competent bodies.

8.10.5 Slovenia

General legal framework.

An acquirer of consumer receivables, is required to have a consumer lending license, issued by the Slovenian Ministry of Economic Development and Technology unless it is a bank with a valid banking license issued by the Bank of Slovenia. There is no special license required for acquiring corporate receivables and there is no difference between

acquiring performing (the extension of new loans of course requires a banking license) and/or non-performing loans. Furthermore, an acquirer would have to comply with other applicable laws, including anti-money laundering, consumer protection and data protection laws.

A transfer of loan/leasing receivables is generally permissible according to the Slovenian Obligations Act (assuming no contractual prohibition exists). The borrower's consent is not required, however the assignor must notify the borrower of the assignment as prior to such notification the borrower may still validly fulfil its obligation to the original lender. In case of commercial contracts (i.e. contracts between commercial entities), the assignment of a monetary claim will be valid even if the originating contract provides that the assignment is not allowed. However, in such case, the debtor may still validly fulfil its obligations to the original lender.

Civil litigation/enforcement procedures.

If the creditor has a monetary claim based on an invoice, a bill of exchange, a cheque or another similar document defined in the Enforcement and Securing of Civil Claims, it may file a motion to the court for execution on the grounds of an "authentic act". The enforcement motion must be filed in electronic form, where at the beginning of the procedure no documentation regarding the claim needs to be enclosed. Therefore, the first court decision is normally rendered within two weeks. The debtor may file an appeal against the first court decision. If the debtor is successful with his appeal (for which filing a timely and substantiated objection is sufficient), the execution is suspended and a regular civil proceeding must be initiated. If the debtor does not file an appeal or is unsuccessful with his appeal, the enforcement decision in favour of the creditor becomes final and the enforcement may commence immediately.

Where no authentic act exists, regular civil court proceedings must be initiated. Civil litigation proceedings typically last anywhere from 12 to 24 months.

Enforcement of real estate collateral.

If the debtor defaults, the creditor has to file a lawsuit demanding the pledged real estate to be sold. Final judgment based on the filed lawsuit is an executory title enabling execution of security before a competent court. The pledged real estate is sold in a public auction, unless the pledgee agrees that the sale is carried out by public invitation for bids or the pledgee and other parties to the purchase agreement agree on sale by direct contract. In case of a public auction, at the first auction the minimum opening price would have to be at least 70% of the estimated value of the property (with such value determined by a court appointed appraiser). If the first auction is unsuccessful, the minimum opening price at the second auction would have to be at least 50% of the estimated value. No private sale or appropriation is possible, as recourse to courts or notary is always necessary when enforcing mortgages. However, the creditor may participate in the court enforcement proceeding and purchase the real estate.

In enforcement procedures the courts issue decisions quickly, but due to unsuccessful sales of real estate and/or debtors raising objections, enforcement procedures may last up to 12 months (or sometimes more). Furthermore, unless the creditor proposes a second auction within six months of the first auction, the court has to stop the enforcement procedure.

If the mortgage has been created based on a directly executable notarial deed, the creditor may directly propose execution before a competent court as the creditor already holds an enforceable title.

Limitation periods.

The general limitation period for enforcement of a claim is five years from the time when the right could have been exercised for the first time, provided however that the general limitation period is three years for contracts between commercial entities or entrepreneurs. The limitation period to initiate enforcement of a final and enforceable court judgment is 10 years.

The limitation period can be interrupted by (i) debtors' acknowledgement of the claim or (ii) the creditor submitting a lawsuit or any other action directed to fulfilment, determination or insurance of a claim before a court or other competent bodies.

8.10.6 Serbia

General legal framework.

Assuming no contractual prohibitions exist, all receivables may generally be transferred/assigned without the consent of the debtor, provided, however, that the debtor must be notified of the transfer/assignment in order for the transfer to become fully effective towards the debtor. Banks are however only permitted to assign receivables if certain conditions are met (e.g. banks may only assign due or undue claims towards natural persons to regulated entities),

and are subject to an obligation to notify the central bank (i.e. National Bank of Serbia) of the intended assignment at least 30 days prior to entry into the relevant assignment agreement.

Furthermore, similar limitations as the ones applicable to banks may exist if the intended assignor is a financial institution other than a bank (e.g. leasing companies may assign its – due or undue – claims towards natural persons only to another leasing company).

The transfer of a claim of a Serbian entity towards another Serbian entity to a foreign entity is prohibited.

Civil litigation/enforcement procedures.

The timing of litigation proceedings largely depends on factors such as *inter alia* the type of procedure and collaterals involved, ranging from a minimum of six months to several years.

Nonetheless, the procedure may be faster in the event of (i) enforcement proceedings concerning a particular collateral (e.g. well drafted out-of-court mortgage agreement, promissory notes enforced out-of-court), (ii) litigations in which the creditor pleads for determination of its ownership, taking over possession over movable/immovable properties or even fulfilment of payment obligations from the (solvent) debtor and (iii) court settlements with the (solvent) debtor. These procedures will generally last from a couple of weeks to a couple of months up to one year.

Enforcement of real estate collateral.

Under Serbian law, there are court mortgages which may be enforced only in court, and out-of-court mortgages which may be enforced either out-of-court or in court.

In order to be enforceable towards third parties, the transferee of a receivable must first be registered as new mortgage creditor with the land register. While the statutory period for registration is 30 days from submission of a valid request, in practice timing varies from one municipality court to another and can take 10 to 60 days (or longer) depending on the competent municipality (i.e. where the mortgaged properties are located). The mortgage may only be registered in the name of the transferee if the assignment agreement is executed in proper form – either as a solemnised agreement or as a notarial deed.

Real estate collateral can generally be enforced in court sold by way of public auction or exceptionally by means of a direct deal. In case of a public auction, at the first auction the minimum opening price would have to be at least 60% (70% from 1 July 2016) of the estimated value of the property (with such value determined by a reputable entity typically engaged in property appraisals). If the first auction is unsuccessful, the minimum opening price at the second auction would have to be at least 30% (50% from 1 July 2016) of the estimated value. If the second auction is unsuccessful as well, the relevant creditor/mortgagee would be allowed to opt for the ownership over the real estate to be transferred to it (in that case, it would be deemed that the creditor has been compensated in the amount equalling 30% (50% from 1 July 2016) of the appraised value of the real estate).

The out of court procedure does not involve the court, but may also be performed by way of public auction or exceptionally as a direct deal. Unless otherwise agreed, the minimum opening price in the auction would have to be at least 75% of the appraised value of the relevant real estate (or 60% in the second auction attempt – if the first attempt to auction the property failed). The creditor would be allowed to participate in the public auction.

Typically court enforcement takes approximately a few months to a year while typical time range for out of court enforcement of mortgages would generally be a few months shorter than the court enforcement (assuming that there is a willing buyer).

Limitation periods.

The general limitation period for enforcement of claims is 10 years. However, the limitation period for enforcement of commercial claims is in most cases three years. The three years limitation period applies for example to claims in the form of periodic payments and claims arising from contracts between commercial entities in the sphere of sale of goods and services and damage compensation. The limitation period to initiate enforcement of a final and enforceable court decision (e.g. judgment in favour of the creditor) is generally 10 years.

The limitation period shall be interrupted (i) when a debtor acknowledges the debt; or (ii) by the creditor initiating legal proceedings or by another motion of a creditor against a debtor at court or other competent body, with the aim of confirming, guaranteeing or enforcing the claim. After the interruption, the limitation period shall start to run anew.

8.10.7 Montenegro

General legal framework.

No license is required for the acquisition of receivables from banks, however, a transfer of a claim arising out of a loan or other financial instrument with a value exceeding EUR 50,000 requires a prior approval of the Central Bank of Montenegro.

Assuming no contractual prohibitions exist, all receivables may generally be transferred/assigned without the consent of the debtor, provided, however, that the debtor must be notified of the transfer/assignment in order for the transfer to become effective towards the debtor. For receivables secured by a mortgage, the assignment agreement needs to provide for the transfer of the mortgage and has to be notarized. However, the transfer of the mortgage is effective towards third parties if the transferee is registered as a new mortgage creditor with the relevant registry. No license is required for the acquisition of receivables from banks, however, a transfer of a claim arising out of a loan or other financial instrument with a value exceeding EUR 50,000 requires a prior approval of the Central Bank of Montenegro.

Civil litigation/enforcement procedures.

If the creditor has a domestic and/or foreign executive or authentic act (i.e. an enforceable judgment or court settlement, a mortgage agreement, a notarial act, a monetary claim based on an invoice, a bill of exchange, a cheque or similar document as defined in the Law on Security and Enforcement), the creditor may file a motion for execution through a public enforcer on the grounds of an “enforceable or authentic act”.

In the absence of an executive or authentic act or in case the debtor raises material objections in the enforcement procedure, which need to be discussed before the litigation court, the creditor needs to sue the debtor before a regular court, claiming back the loan proceeds and damages. Once the creditor has obtained a final and enforceable judgment against the debtor, it may initiate enforcement proceedings over the debtor’s assets (bank accounts, immovable or movable property etc.).

Obtaining a final and binding court decision in a civil litigation procedure may take anywhere between six months to one or even more years, depending on the type of procedure, which collaterals are involved (e.g. enforcement of share pledges is typically more time consuming than enforcement of mortgages or promissory notes), whether the debtor raises objections and many other aspects.

Enforcement of real estate collateral.

Mortgages may be enforced either in court or in an out of court enforcement procedure.

Out-of-court mortgage enforcement requires the transferee to be registered as a mortgage creditor with the competent registry. An out-of-court sale may not commence before 30 days' have passed after the registration of the mortgage creditor. An out of court sale of real estate collateral will typically take from 6 to 75 days. After issuance of the sale notice to the debtor, the person conducting the public auction (which can be either a lawyer, a real estate agency or a public enforcer) will obtain an appraisal of the real estate, if necessary with the help of an authorized appraiser or an expert opinion. In the first auction, the sale price for the real estate collateral is the market value as at the appraisal date. At the second auction, the collateral may be put on sale for a price below 50% of the market value, and at the third auction, with the debtor’s consent, at no minimum price. The creditor may participate in the public auction, and offer its claim as the purchase price (including outstanding interest and costs incurred with respect to the collateral).

Court enforcement of a mortgage is conducted by a public enforcer. The sale of the real estate collateral in court may take several months, depending on the objections raised by the debtor. The opening price in a court sale is the market value of the collateral on the appraisal date, unless the parties agree otherwise. At the second auction, the minimum opening price is 50% of the market value. At the third auction, if the creditor agrees, the real estate collateral can be sold at no minimum value.

Limitation periods.

The limitation period for enforcement of a contractual claim is three years. The limitation period to initiate enforcement of a final and enforceable court decision (e.g. judgment in favour of the creditor) is 10 years.

Interruption of the limitation period may be caused by: (i) the debtor’s acknowledgement of the debt, which could be direct or indirect (such as payment of the principal, interest or providing the security, etc.), where the limitation period would start running again after the debtor has admitted his debt; and (ii) filing a lawsuit or any other similar action

before a court or any other competent authority in relation to the debt in question, where the limitation period would start running again after the judgement/decision of the competent organ.

8.10.8 Latvia

General legal framework.

In Latvia, all receivables may generally be transferred/assigned without the consent of the debtor, provided, however, that unless the debtor is notified of the transfer/assignment he can effectively pay the debt to the seller of the receivable.

There are no special regulations as concerns the assignment or purchase of the claims (loan portfolios) owned by financial institutions unless deposits are taken for which a banking licence is required. However, in certain cases prior approval from the financial regulator or the competition authority may be required for the bank to assign/sell its claims. Moreover, in order to provide debt recovery services in the name of or on behalf of a creditor from private individuals, a special permit (licence) for debt recovery is required.

In case of debt transfers pursuant to factoring arrangements, the acquirer of the debt is not entitled to transfer such debt, unless it otherwise is provided for in the factoring contract.

Civil litigation/enforcement procedures.

In addition to the civil litigation, immediate compulsory execution is available for the invoices issued by attorneys-at-law, bailiffs and public notaries. Furthermore, certain agreements that are made in the form of a notarial deed may be enforced expediently.

Claims for debt recovery are generally heard by the court of first instance within three to six months, but by the second instance courts up to three months, however, in practice the litigation might take longer time up to one to two years depending on the region and / or court.

In case of domestic small claim's (claims up to EUR 2,100), a fast track procedure comprising compulsory enforcement of obligations in accordance with a warning procedure and undisputed compulsory enforcement of obligations may be available for *inter alia* mortgage or pledge enforcements.

Enforcement of real estate collateral.

A pledge (including a mortgage) may be established pursuant to a contract, a will or judicial process and mortgage agreements shall be registered in the land book register. If the debtor defaults the creditor can litigate using usual procedure or can choose undisputed compulsory enforcement of obligations, or can choose to use voluntary sale of immovable property at auction. The two latter procedures are available for mortgages. Also, undisputed compulsory enforcement of obligations is possible in relation to commercial pledges. As regards undisputed compulsory enforcement of obligations, an application submitted by the pledgee shall be adjudicated by a judge in written procedure within seven days from the day of submitting the application and on the basis of the submitted application and documents and without notifying the parties. The positive decision of the judge has an effect of enforcement document and can be enforced in accordance with the provisions regarding the enforcement of judgments.

The owner of immovable property or the pledgee may also initiate voluntary sale at auction of immovable property through the court. An application regarding voluntary sale of immovable property at auction shall be adjudicated by a judge within seven days from the day of submission of the application, on the basis of the submitted application and documents attached thereto, and without notifying the applicant and the debtor thereof. The sale at auction, and the enforcement procedure in an undisputed compulsory enforcement of obligations, shall be performed by a bailiff in accordance with the procedures prescribed in Civil Procedure Law for the enforcement of court judgments. An auction shall commence from the forced sale value indicated in the appraisal of immovable property. At the second auction bidding for immovable property shall start from the amount which corresponds to 75% of the initial price at the first auction. If the second auction is not successful and no one intends to keep the immovable property, the immovable property shall remain in the ownership of the previous owner and the note registered with the Land Book regarding recovery is deleted. Since 2015, the auctions have been held electronically.

In enforcement procedures (undisputed compulsory enforcement or voluntary sale of immovable property at auction) the courts issue decisions quickly, however due to unsuccessful sales of real estate and/or debtors/pledgers raising objections, enforcement procedures may last up to 12 months.

Limitation periods.

The general limitation period for contractual claims is 10 years, provided however that claims arising from a commercial transaction are generally subjected to a limitation period of three years. The limitation period may be interrupted in the event the creditor issues a reminder to the debtor, brings an action in court or in the event the debtor in some manner acknowledges the claim.

Enforcement of court judgements may be submitted for compulsory enforcement within 10 years from the day when an adjudication by a court or a judge comes into effect. The limitation period is interrupted upon an enforcement document being submitted for enforcement or in the event of partial voluntary enforcement of an adjudication.

*8.10.9 Lithuania**General legal framework.*

In Lithuania, all receivables may generally be transferred/assigned without the consent of the debtor, provided, however, that claims that are inseparable from the creditor (e.g. claims for compensation for injuries, death etc.) may not be assigned.

Furthermore, a company must be entered on the official list of consumer loan issuers made by the Bank of Lithuania in order to purchase the debt base on non-terminated (active) consumer loan agreements.

Civil litigation/enforcement procedures.

There are 3 general legal procedures in Lithuania: (i) a simplified procedure in which there are no court hearings, (i.e. the procedure is in written form), (ii) an ordinary process, which as a general rule includes a court hearing to be held at the place where the debtor resides, and (iii) a procedure including confirmation from the notary and promissory notes in which a court is not needed and the case is transferred to a bailiff for further enforcement upon the notary issuing a writ of execution.

Civil litigation proceedings usually lasts from tree months to two years. If an appeal is filed against a first instance judgment, it generally takes approximately one additional year.

The duration of the enforcement proceedings depends on the type of the assets over which enforcement is being carried out. It can take from several weeks in case of enforcement over bank accounts to several years in case of enforcement over real estate collateral.

Enforcement of real estate collateral.

The enforcement of a registered mortgage takes the form of extra-judicial proceedings, unless the debtor contests the amount of the debt obligation.

The creditor must apply to the notary for a writ of execution. Following receipt of such application the notary notifies the debtor. In the event the debtor does not fulfil the obligation stated in the notification from the notary, the notary issues the writ of execution which is transferable to a bailiff for enforcement. The most common foreclosure procedure of collateral is through public auction.

In the auction to be held thereafter, the starting bidding price in the first auction is 80 percent of the real property's value. If the real property is not sold in the first auction, the starting bidding price is 60 percent of its value in the second auction. If no sale is agreed in the second auction, the bailiff shall offer to take over the collateral from the mortgage creditor. The timing is minimum 4 to 5 month, unless challenged, upon which the process may take significantly longer.

Limitation periods.

The general limitation period for contractual claims is ten years. A shorter 5-year period applies to claims for interest and any other periodical payments, and a 6-month period applies in respect of fines and penalties. The limitation period starts on the day in which the right to bring an action may be enforced. The right to bring an action arises from the day on which a person becomes aware, or should have become aware, of the violation of his right.

*8.10.10 Italy**General legal framework.*

A transfer of claims arising from banking loans is generally permitted under the Italian Civil Code, assuming that no contractual prohibition exists. Claims are assigned by means of an agreement between the purchaser and the seller.

The debtor's consent is not required and the transfer is generally binding if the debtor has accepted the assignment or has received notice of it.

A transfer of a loan is also generally permitted, although the debtor's consent is in most cases required.

The acquisition of receivables from a bank amounts to lending, which is a regulated activity. Lending may be carried out solely by banks and regulated financial intermediaries, unless it is expressly permitted by law under certain circumstances.

Civil litigation/enforcement procedures.

To seek the payment of a debt, a creditor must obtain a writ of execution based on an enforcement order addressed to the debtor and issued by the competent authority. The creditor may commence proceedings to attach the debtor's assets if the debtor fails to pay, as well as procure their forced sale.

The enforcement order is issued on condition that the creditor is able to provide written evidence of the claim, and that the relevant claim is a liquid and payable sum. To obtain a payment order, the creditor must file an application, together with the relevant written evidence, with the competent court. The payment order is issued without the need to notify the debtor of the proceedings. The order must then be served by the creditor on the debtor within 60 days of its issuance. The debtor can challenge the order within 40 days, otherwise it becomes enforceable and can no longer be challenged. If challenged, ordinary course proceedings commence.

No later than 90 days after the service of the writ of execution, the creditor must commence the seizure of the debtor's assets, which together with any forced liquidation is carried out in several steps. The enforcement procedures are completed with the liquidation of the assets seize by means of forced sale and the distribution of the liquidation proceeds amongst the creditors, in accordance with the seniority of the creditors' claims.

Enforcement proceedings in respect of non-performing loans can take a considerable amount of time depending on the type of action required.

Enforcement of real estate collateral.

To commence enforcement proceedings on real estate, the creditor must first obtain an enforcement order and serve it on the debtor together with, or separately from, the writ of execution.

A mortgage lender may commence foreclosure proceedings by seeking a court order or injunction for payment in the form of an enforcement order from the court in whose jurisdiction the mortgaged property is located. If executed as a public deed, a mortgage lender may serve a copy of the mortgage loan agreement directly on the debtor without first needing to obtain an enforcement order from the court. No later than 90 days from the service of the writ of execution, the creditor must serve an attachment order, to be filed for registration with the competent land registry and the competent court. The court authorises the sale of the attached property either with or without an auction process.

The proceeds from the forced sale are used for the satisfaction of the claims of any creditors according to their respective priority, following deduction of costs of the proceedings.

Limitation periods.

The ordinary expiration limit for claims and rights is ten years. Special time limits are set out under Italian law, for instance in respect of rent, claims arising from non-contractual obligations, severance pay of employees, for which the period is five years.

As a general rule, monetary claims expire ten years after the date when the relevant payment becomes due and payable. In respect of interest, the time limitation is five years.

The limitation period starts again if it is interrupted by the creditor.

8.10.11 Romania

General legal framework.

A transfer of loan/leasing receivables is generally permitted in accordance with Romanian law, provided that no contractual prohibition exists. The consent of the debtor is not required for the effectiveness of an assignment.

However, in order for the assignment to be opposable to the assigned debtor, a notification is required from the assignor/assignee to the assigned debtor or the assignment must be expressly acknowledged by the assigned debtor.

The provisions above apply to NPLs transfers performed by means of an assignment of receivables. In case the NPLs transfers would be performed by way of an assignment of contract (i.e. a transfer of loan / leasing agreement itself), the consent of the assigned debtor is required for validity purposes.

Generally, non-performing loans may be transferred to non-licensed entities. In the case of loans granted pursuant to the special Law 190/1999 on mortgage loans for immovable investments, non-performing loans can be transferred only towards licensed entities (credit institutions or non-banking financial institutions).

Civil litigation/enforcement procedures.

Under Romanian law, debts may be collected from a debtor by a secured creditor by proceeding directly to enforcement of guarantees, security and/or other collateral based on the loan agreement and/or security qualified as an "executory title".

In order to initiate the enforcement proceedings, the secured obligations must be certain, liquid and mature.

In case of unsecured loans, an assignee may benefit of the executory title quality of the assigned loan agreement/receivable and may commence enforcement against the assigned debtor's assets.

It is the responsibility of the enforcement officer in this case to identify the movable and immovable assets of the assigned debtor.

Enforcement of real estate collateral.

Under Romanian law, in order for real estate mortgages to be enforceable towards third parties, the mortgage creditor must first be registered as the holder of the mortgage with the Land Book. According to the Romania Land Book legislation, the period of registration is two working days from submission of a valid request. In practice this period could be longer.

The enforcement procedure is carried out by an enforcement officer appointed by the creditor, under the supervision of the Romanian courts. The first step requires the approval of the enforcement by a court of law, followed by a notice to be sent to the debtor by the enforcement officer giving him 15 days' notice to make payment of the secured amount.

Enforcement is achieved through a public auction of the asset, preceded by a formal valuation of the property obtained by the enforcement officer.

Limitation periods.

Under the Romanian Civil Code, the right to commence court proceedings for obtaining an executory title is, as a general rule, time barred to 3 years as of the date the debt becomes due and payable.

The Romanian Civil Procedure Code provides for the following limitation periods for commencing enforcement procedure:

- (i) 3 years as of the date the right to commence enforcement arises; or
- (ii) 10 years for executory title related to property rights.

Assuming that the quality of executory title is transferred to the assignee, arguably even if the 3-year limitation period for commencing the enforcement under the loan agreement has expired, the assignee may still enforce the security (provided that it is an executory title itself) within the 10 year limitation period.

8.10.12 Estonia

General legal framework.

In Estonia, all receivables may generally be transferred/assigned without the consent of the debtor, although a claim may not be assigned if directly prohibited by law or if the obligation cannot be performed for the benefit of any other person but the original creditor.

There is no license requirement for debt collection.

Civil litigation/enforcement procedures.

There are 3 general legal procedures in Estonia:

- (i) an expedited written procedure, without court hearing, applicable in the event the amount of the contractual claim does not exceed EUR 6,400, the debtor does not resist and procedural documents are successfully served on the debtor;
- (ii) ordinary court proceedings, applicable in the event the debtor resists the payment order, or if the court is unable to locate the debtor; or
- (iii) immediate compulsory enforcement upon a debt falling due, pursuant to a notarised agreement of recognition of debt, which is applicable in the event there is no dispute about the sum of the debt and circumstances forming the basis of the debt, and the debtor has recognised the debt.

Civil litigation proceedings usually last from two months to one year. If an appeal is filed against a first instance judgment, the proceedings will usually take an additional 3-6 months.

The duration of the enforcement proceedings depends on the type of the assets over which enforcement is being carried out. It can take from several weeks in case of enforcement over bank accounts to several years in case of enforcement over real estate collateral.

Enforcement of real estate collateral.

The enforcement of a registered mortgage takes the form of extra-judicial proceedings, unless the debtor contests the amount of the debt obligation.

The most common foreclosure procedure of collateral is through public auction, executed as follows:

- (i) the bailiff announces the auction and starting price;
- (ii) if the initial auction fails, the claimant may demand a second auction in which the bailiff reduces the price, but not by more than 25%;
- (iii) a bailiff may sell an asset to a claimant, in which case the claim of the claimant will be set off against the debt.

Limitation periods.

The general limitation period for contractual claims is three years from the moment an obligation falls due. Enforcement documents may be submitted for compulsory enforcement within 10 years from the day when a court decision comes into effect.

*8.10.13 Bulgaria**General legal framework.*

In Bulgaria, a transfer of an NPL portfolio is generally permitted under Bulgarian law, provided that no contractual prohibition is agreed in the loan agreement with the debtor. The assignor must (i) confirm in writing to the assignee the executed assignment, and (ii) deliver all documents related to the receivable to the assignee.

The assignment may be required to be executed in a notary form (certification of the signatures), if the receivable is secured with a mortgage and/or a special pledge.

The consent of the assigned debtor is not required for the effectiveness of the assignment (unless otherwise agreed between the parties). However, in order for the assignment to be opposable to the assigned debtor, a notification is required from the assignor to the assigned debtor. Powers of attorney from the assignor to the assignee for the purposes of the notification of the assigned debtor are generally admitted by the Bulgarian courts.

The assigned debtor is compelled to pay towards the assignee only upon being duly notified.

Certain activities, including acquiring receivables from loans and others forms of financing (such as factoring and forfeiting), where they constitute the main part of the activities of the company, require the company in question to be

registered with the Bulgarian National Bank as a financial institution. Collecting debts from the acquired receivables does not entail such obligation.

Civil litigation/enforcement procedures.

Prior to commencing court action, it is common to send a payment invitation to the debtor, which could also serve as notification for the assigned loan.

A short court procedure may be applied, avoiding the general claims procedure, if (i) the creditor is in possession of enforceable documents (i.e. promissory notes, notarial deeds etc), or (ii) the creditor has monetary receivables below EUR 12,500.

An issuance of an order for immediate execution may take from one to four months. In the event that the debtor opposes the issuance of an order for immediate execution, the creditor shall initiate separate court proceedings to obtain judgment based on the merits of the claim. The timing to obtain judgment depends on the circumstances of the case and the workload of the court, and may vary from 1 – 2 years.

The enforcement procedure is conducted by a public or private bailiff on the grounds of an application and submission of the issued writ of execution. The bailiff needs to administrate the application, which could take another three to six weeks. This procedure starts with the serving of an invitation to the debtor for voluntary execution of the debt in 2-weeks term. The commencement of the enforcement (including the public sale of the mortgaged assets) could vary in total from three to several months.

Enforcement of real estate collateral.

In case a debtor defaults under a secured claim, the mortgagee has the right to file with the competent court an application for issuance of order for immediate execution and writ of execution.

The mortgagee may enforce the mortgage by means of a public auction, carried out by a public or private bailiff. In order to initiate the enforcement procedure, the mortgagee has to provide the bailiff with a valid execution order and writ of execution issued by the competent regional court on the basis of the mortgage deed.

The bailiff imposes foreclosure over the mortgaged property, prepares an inventory and valuation of the mortgaged property and sets the initial bidding price of the real estate and the starting date of the auction period. The initial bidding price is equal to 75% of the property's valuation. In case the first bidding round is not successful and the pledged real estate is not sold, the bidding price for the second round is equal to 80% of the initial bidding price.

The minimum time for the public auction is 30 days, but if there are no bidders or if the price is not paid, there could be subsequent bidding rounds, as each one will take a minimum term of 30 days. Therefore, a public sale of mortgaged assets during enforcement proceedings could take from 30 days to several months.

During the term of the sale, the real estate remains in the possession of the mortgagor, who has the maintenance obligation.

Limitation periods.

The general rule is that all claims for which the law does not provide for another period shall be limited to 5 years.

A three-year limitation period applies to (i) labor remuneration claims for which no other period is set, (ii) claims for compensation and default of non-performed contracts or (iii) claims for rent, interest and other periodic payments.

In general, the limitation period runs from the date on which the receivable becomes due and payable. In certain cases, the limitation period may be interrupted.

8.11 Insurance

The Group has various operating insurance policies, including professional liability/crime, third party liability resulting from the Group's business activities, property damage/business interruption and legal expenses (including tax litigation).

In addition, directors' and officers' (D&O) liability insurance is in force for the members of the Board of Directors and the Management. The Company considers the Group to be adequately covered with regard to the nature of the business activities of the Group and the related risks in the context of available insurance offerings and premiums. The Management regularly reviews the adequacy of the insurance coverage. However, no assurance can be given that the

Group will not incur any damages that are not covered by its insurance policies or that exceed the coverage limits of such insurance policies.

8.12 Research and development, patents and licenses

The Group's IT systems are important for its business and the Group undertakes continuous development of such systems. Costs relating to such development of IT systems are expensed as part of the ongoing operations of the Group.

8.13 Dependency on contracts, patents, licenses etc.

It is the Company's opinion that the Group's existing business or profitability is not dependent upon any licenses or contracts other than the following licenses to conduct debt collection services and consumer lending which have been obtained by the Group:

- The Norwegian FSA has licensed Interkreditt AS to provide debt collection services on behalf of others.
- The Swedish Data Protection Authority has granted Sileo Kapital AB a debt collection license.
- The Swedish Financial Supervisory Authority (*Sw.: Finansinspektionen*) has licensed Kontant Finans Sverige AB as a consumer lending company.
- The Finish Regional State Administrative Agency has granted each of OK Perintä and OK Sileo Oy a license permitting the companies to conduct debt collection services.
- ULTIMO S.A has since 2010, been licensed by the Polish Financial Supervisory Authority to manage receivable portfolios in favour of securitisation funds.
- ULTIMO NS FIZ is licensed by the Polish Financial Supervisory Authority to operate as an investment fund.
- The Latvian Consumer Rights Protection Centre has granted SIA Creditreform Latvija a special permit license for debt recovery from private individuals.
- The Slovenian Ministry of Economic Development and Technology has granted B2Kapital d.o.o. a license for consumer crediting.

CREFO Rating SIA, in Latvia, is currently in the process of obtaining a credit bureau license which will be required in relation to future planned business operations

It is further the opinion of the Company that the Group's existing business or profitability is not dependent on any patents.

9 CAPITALISATION AND INDEBTEDNESS

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 10 “Selected Financial and Other Information” and Section 11 “Operating and Financial Review”, and the Financial Statements and the notes related thereto, incorporated by reference in this Prospectus.

This Section provides information about the Group’s unaudited capitalisation and net financial indebtedness on an actual basis as at 31 March 2016.

9.1 Capitalisation

The following table sets forth information about the Group’s unaudited consolidated capitalisation as of 31 March 2016. There has been no material change since 31 March 2016.

Capitalisation	As at 31 March 2016¹
<i>(In NOK thousands)</i>	
Indebtedness	
<i>Total current debt:</i>	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	225,367
<i>Total non-current debt:</i>	
Guaranteed	
Secured ²	1,079,108
Unguaranteed and unsecured	1,478,652
Total indebtedness	2,783,127
Shareholders’ equity	
Share capital	31,193
Additional paid-in capital	1,427,584
Other reserves	8,922
Retained earnings	200,073
Non-controlling interests	(1,135)
Total shareholders’ equity	1,666,637
Total capitalisation	4,449,764

1 Data set forth in this column is derived from the statement of financial position set out in the Interim Financial Information as at 31 March 2016.

2 At 31 March 2016, the Revolving Credit Facility is secured by a share pledge over the Company’s 100% directly owned subsidiaries, an account charge over a number of pre-defined the Company’s bank accounts, and a pledge over the intra-group loan receivables from the Company to its subsidiaries.

9.2 Net financial indebtedness

The following table sets forth information about the Group’s unaudited net financial indebtedness as of 31 March 2016. There has been no material change since 31 March 2016.

Indebtedness	As at 31 March 2016
<i>(In NOK thousands)</i>	
(A) Cash	267,040
(B) Cash equivalents	6,006
(C) Trading securities	0
(D) Liquidity (A) + (B) + (C)	273,046
(E) Current financial receivables²	94,778
(F) Current bank debt	0
(G) Current portion of non-current debt	0
(H) Other current financial debt	225,367
(I) Current financial debt (F) + (G) + (H)	225,367
(J) Net current financial indebtedness (I) - (E) - (D)	(142,457)
(K) Non-current bank loans	1,079,644
(L) Bonds issued	1,390,992
(M) Other non-current loans	87,124
(N) Non-current financial indebtedness (K) + (L) + (M)	2,557,760
(O) Net financial indebtedness (J) + (N)	2,415,303

1 Data set forth in this column is derived from the statement of financial position set out in the Interim Financial Information as at 31 March 2016.

2 The Group's main operating assets (purchased loan portfolios) is classified as long term assets and recognised in the statement of profit and loss according to the amortised cost method prescribed by IFRS and is not based on the actual cash to be collected from the portfolios. The book value of the purchased portfolios at 31 March 2016 was NOK 3,379,207 thousands.

9.3 Working capital statement

The Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements, for the period covering at least 12 months from the date of this Prospectus.

9.4 Contingent and indirect indebtedness

The Company was subject to a tax audit regarding the treatment of reverse VAT charges on the delivery of services "capable of delivery from a remote location" at the end of 2014. As at 31 March 2016, the Company was still waiting for final confirmation on any findings. In April 2016, the Company received the final findings from the VAT authorities ruling against the Company. The amount involved in the final ruling is approximately NOK 12 million, of which the Company provisions for NOK 10 million were made in the Group's interim financial report for the three months ended 31 March 2016 and the Financial Statements for 2015 and 2014. As of the date of the Prospectus, the Company has not decided whether to dispute the ruling from the VAT authorities. In addition, as at 31 March 2016, the Company was subject to contingent consideration as part of the purchase agreements with the previous owners of Creditreform.

In connection with the acquisition of Creditreform Latvija in December 2013, the Company agreed with the sellers of Creditreform Latvija (the "**Creditreform Sellers**") that they have the option to receive shares in the Company as an alternative payment, in part or in full, for the purchase price, the earn-out mechanism and the bonus payment. The earn-out mechanism gives the Creditreform Sellers a right to receive 65% of the combined audited annual net profit of Creditreform and its subsidiaries SIA "CREFO Finance" and SIA "CREFO Rating" above an amount of LVL 192,000 (as converted to an equivalent amount in EUR). The bonus payment consists of an amount of one times the average net profit of the year for the above mentioned companies, and covers a period up to, and including, the year 2016. Pursuant to the agreement, the price for the shares shall be equivalent to the latest registered share issue at market price that raised at least MNOK 30 at the time the Creditreform Sellers decides to exercise the option. Under the agreement, the Company may at its own discretion decide not to issue new shares and instead pay the remaining part of the purchase price. Furthermore, the Company has the right to, at any time, "cash-out" the earn-out payment for an amount equal to LVL 550,000 (as converted to an equivalent amount in EUR), less any earn-out amounts previously paid to the Creditreform Sellers. Similarly the Company has the right to, at any time, "cash-out" the bonus payment for an amount equal to LVL 420,000 (as converted to an equivalent amount in EUR).

Other than this, as at 31 March 2016 and as at the date of the Prospectus, the Company did not have any contingent or indirect indebtedness.

10 SELECTED FINANCIAL AND OTHER INFORMATION

10.1 Introduction and basis for preparation

The following selected financial information has been extracted from the Group's audited consolidated financial statements as of, and for the years ended, 31 December 2015, 2014 and 2013 (the Financial Statements) and the unaudited interim condensed financial information as at, and for the three month period ended, 31 March 2016 (with comparable figures for the three month period ended 31 March 2015).

The audited Financial Statements as of, and for the years ended, 31 December 2015 and 2014 (with restated unaudited comparable figures converted from NGAAP to IFRS as of and for the year ended 31 December 2013), incorporated by reference to this Prospectus, have been prepared in accordance with IFRS and interpretations by IASB, as adopted by the EU. The audited Financial Statements for the year ended 31 December 2013 have been prepared in accordance with NGAAP. With effect from 2014, the financial statements were prepared in accordance with IFRS, and accordingly the unaudited Financial Statements for the year ended 31 December 2013 have been converted from NGAAP and prepared in accordance with IFRS. The Interim Financial Information as at, and for the three month period ended, 31 March 2016 (with comparable figures for the three month period ended 31 March 2015), incorporated by reference to this Prospectus, have been prepared in accordance with IAS 34 based on accounting policies consistent with those applied in the preparation of the Financial Statements.

The selected consolidated financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements incorporated into this Prospectus by reference and should be read together with Section 11 "Operating and Financial Review".

10.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgments, please refer to Note 2 of the Financial Statements as of, and for the year ended, 31 December 2015, incorporated by reference into this Prospectus.

10.3 Consolidated statement of profit or loss and other comprehensive income

The table below sets out selected data from the Group's consolidated statement of profit or loss and other comprehensive income for the three month period ended 31 March 2016 and 2015 and for the years ended 31 December 2015, 2014 and 2013 (based on unaudited IFRS and on audited NGAAP).

In NOK thousands

	Three months ended 31 March		Year ended 31 December			
	2016	2015	2015	2014	2013	2013
	IFRS	IFRS	IFRS	IFRS	restated IFRS	NGAAP ¹
	(unaudited)	(unaudited)			(unaudited)	
Interest income on purchased loan portfolios	249,453	195,953	909,544	399,388	142,915	334,066 ²
Revenue from external collection	23,775	24,828	104,101	90,939	85,922	84,973 ²
Other operating revenues	21,902	9,498	57,296	19,899	2,697	966
	295,130	230,279	1,070,941	510,226	231,534	420,005
Changes in portfolio cash flow estimates	(16,023)	(80)	5,298	518	(43,686)	-
Net operating revenues	279,107	230,199	1,076,239	510,744	187,848	420,005
Write down on portfolios	-	-	-	-	-	(214,242)
External cost of services provided	(52,627)	(40,047)	(189,304)	(118,901)	(61,693)	(55,615) ³
Personnel costs	(80,888)	(55,728)	(294,184)	(136,206)	(71,560)	(68,166)
Depreciation of tangible fixed assets	(2,340)	(1,815)	(8,529)	(4,097)	(1,983)	(1,989) ⁴
Amortisation of intangible assets and impairment of goodwill	(4,994)	(4,275)	(19,424)	(7,889)	(848)	(2,163) ⁴
Other operating expenses	(53,491)	(38,924)	(187,594)	(152,167)	(46,240)	(54,896) ³
Total operating expenses	(194,341)	(140,789)	(699,035)	(419,260)	(182,324)	(397,071)
Operating profit	84,766	89,410	377,204	91,484	5,524	22,934
Share of results in associated companies	-	-	230	283	-	-
Net realised and unrealised exchange gains	(27,259)	(66,581)	34,189	28,309 ⁵	14,484 ⁵	-
Other interest income	695	1,890	2,200	1,845	1,661	1,857
Other interest expenses	(50,940)	(19,389)	(104,582)	(43,905)	(15,895)	(13,004)
Other financial items	(1,436)	(2,136)	(65,941)	(6,465) ⁶	-	24,766 ⁶
Net financial items	(78,940)	(86,216)	(133,904)	(19,933)	250	13,619
Profit for the period before tax	5,286	3,194	243,300	71,551	5,774	36,553
Income tax payable	(9,272)	(6,639)	(41,646)	(12,519)	(8,752)	(8,484)
Change in deferred taxes	1,558	(5,234)	(3,479)	(6,940)	4,713	-
Profit for the period after tax	(1,887)	(8,679)	198,175	52,092	1,735	28,069
Other comprehensive income, net of tax						
Exchange differences on translation of foreign operations	(5,748)	42,181	78,586	52,686 ⁷	(4,992)	-
Total comprehensive income for the period, net of tax	(7,635)	33,502	276,761	104,778	(3,257)	-

1 Reference is made to note 4.5 and 4.6 in the audited 2014 Financial Statements for a reconciliation from NGAAP to IFRS of the Group's comprehensive income for the year ended 31 December 2013.

2 "Interest income on purchased loan portfolios" and "Revenue from external collection" reported combined as "Revenue" in the 2013 Financial Statements. Please refer to the audited 2013 Financial Statements for further details.

3 "External cost of services provided" and "Other operating expenses" reported combined as "Other operating expenses" in the 2013 Financial Statements. Please refer to the audited 2013 Financial Statements for further details.

4 "Depreciation of tangible fixed assets" and "Amortisation of intangible assets" reported combined as "Write down of fixed assets and intangible assets" in the 2013 Financial Statements. Refer to the audited 2013 Financial Statements for further details.

5 "Net realised and unrealised exchange gains" reported separately as "Realised exchange gains", "Unrealised exchange gains", "Realised exchange losses" and "Unrealised exchange losses" in the 2014 Financial Statements.

6 "Other financial items" reported separately as "Other financial income" and "Other financial expenses" in the 2014 and 2013 Financial Statements. Reference is made to the audited 2013 and 2014 Financial Statements and for further details.

7 "Exchange differences on translation of foreign operations" reported separately as "Net gain of net investment in foreign operations", "Income tax effect" and "Exchange differences on translation of foreign operations" in the 2014 Financial Statements. Reference is made to the audited 2014 Financial Statements for further details.

10.4 Consolidated statement of financial position

The table below sets out selected data from the Group's interim consolidated statement of financial position as at 31 March 2016 and 2015 and its consolidated statement of financial position as at 31 December 2015, 2014 and 2013 (based on unaudited IFRS and on audited NGAAP).

In NOK thousands

	Three months ended			As at		
	31 March		2015 IFRS	31 December		2013 NGAAP ¹
	2016 IFRS	2015 IFRS		2014 IFRS	2013 restated IFRS	
	(unaudited)	(unaudited)		(unaudited)		
Non current assets						
Tangible fixed assets	28,000	26,536	28,821	22,807	4,470	3,730
Intangible assets	65,598	78,377	71,461	82,022	4,322	6,563
Goodwill	310,742	299,452	317,675	302,122	15,042	10,724
Investments in associated companies	1,564	1,617	1,598	1,895	-	-
Purchased loan portfolios	3,379,207	1,983,949	3,167,628	2,016,705	562,072	702,216 ²
Loan receivables	273,098	181,158	259,819	168,182	6,663	8,210 ³
Deferred tax assets	23,731	7,151	26,349	11,930	13,791	323
Total non-current assets	4,081,940	2,578,240	3,873,351	2,605,633	606,360	731,766
Current assets						
Accounts receivable	37,145	9,231	20,432	27,985	5,375	4,564
Other short term assets	57,633	41,664	49,524	32,346	4,997	12,039
Cash and short term deposits	273,046	290,388	764,678	294,148	117,660	117,701
Total current assets	367,824	341,283	834,634	354,479	128,032	134,304
Total assets	4,449,764	2,919,523	4,707,985	2,960,142	734,392	866,070
EQUITY						
Share capital	31,193	31,121	31,187	30,904	14,767	14,767
Other paid in capital	1,427,584	1,419,292	1,426,790	1,403,198	406,695	406,695
Other capital reserves	8,922	1,415	7,162	1,415	1,415	-
Foreign currency translation reserve	120,600	89,992	126,368	47,847	(4,301)	2,511 ⁴
Other equity	79,473	(118,386)	81,313	(109,540)	(126,068)	30,352 ⁴
Total equity attributable to parent company shareholders	1,667,772	1,423,434	1,672,820	1,373,824	292,508	454,325
Equity attributable to non-controlling interests	(1,135)	(1,529)	(909)	(1,672)	(12,672)	-
Total equity	1,666,637	1,421,905	1,671,911	1,372,152	279,836	454,325
Non-current liabilities						
Long term interest bearing loans and borrowings	2,470,636	1,015,517	2,526,121	1,053,475	301,632	316,332
Deferred tax liabilities	54,949	29,422	59,307	32,417	10,536	-
Post-employment liabilities	374	326	380	323	-	-
Other long term liabilities	31,801	35,230	31,047	34,241	28,330	1,953
Total non-current liabilities	2,557,760	1,080,495	2,616,855	1,120,456	340,498	318,285
Current liabilities						
Short term interest bearing loans and borrowings	-	158,202	0	159,336	41,189	35,500
Accounts and other payables	68,277	86,209	107,703	121,223	30,995	9,241
Income taxes payable	28,936	7,844	25,825	8,949	3,192	3,220
VAT, payroll and other indirect taxes	31,301	16,922	33,460	22,405	4,121	481
Other current liabilities	98,853	147,946	252,231	155,621	34,561	45,018
Total current liabilities	225,367	417,123	419,219	467,534	114,058	93,460

<i>In NOK thousands</i>	Three months ended			As at		
	31 March			31 December		
	2016	2015	2015	2014	2013	2013
	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	<i>restated</i>	<i>NGAAP¹</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>		<i>IFRS</i>		
				<i>(unaudited)</i>		
Total liabilities	2,783,127	1,497,618	3,036,074	1,587,990	454,556	411,745
Total equity & liabilities	4,449,764	2,919,523	4,707,985	2,960,142	734,392	866,070

1 Reference is made to note 4.5 and 4.6 in the audited 2014 Financial Statements for a reconciliation from NGAAP to IFRS of the Group's equity as at 31 December 2013.

2 "Purchased loan portfolios" reported separately as "Added value portfolios" and "Loans and Receivables" in the 2013 Financial Statements. Please refer to the audited 2013 Financial Statements for further details.

3 "Other long term assets" reported separately as "Other investment shares" and "Other receivables" in the 2013 Financial Statements. Please refer to the audited 2013 Financial Statements for further details.

4 "Other equity" and "foreign currency translation reserve" reported as "Other equity" and "Uncovered loss" in the 2013 Financial Statements. Please refer to the audited 2013 Financial Statements for further details.

10.5 Consolidated statement of cash flows

The table below sets out selected data from the Group's interim consolidated statement of cash flows for the three months ended 31 March 2016 and 2015 and its consolidated statement of cash flows for the years ended 31 December 2015, 2014 and 2013.

In NOK thousands

	Three months ended 31 March			Year ended 31 December		
	2016	2015	2015	2014	2013	2013
	<i>IFRS</i> (unaudited)	<i>IFRS</i> (unaudited)	<i>IFRS</i>	<i>IFRS</i>	<i>restated IFRS</i> (unaudited)	<i>NGAAP</i>
Cash flow from operating activities						
Profit for the period before tax	5,826	3,194	243,300	71,551	5,774	36,553 ¹
Adjustment for non-cash items:						
Interest income on purchased loan portfolios and change in portfolio cash flow estimates	(233,430)	(195,873)	(914,842)	(399,906)	(99,229)	-
Write-down on portfolios	-	-	-	-	-	214,242
Depreciation and amortisation of assets	7,334	6,090	27,953	11,986	2,831	4,152
Interest expense on interest bearing loans	50,940	19,389	104,582	43,905	15,895	-
Unrealised foreign exchange differences	24,753	55,187	(111,239)	(70,247)	(12,290)	(11,877)
Fair value adjustment of contingent consideration	-	-	45,350	0	-	-
Share based payment expense	1,760	-	5,747	0	-	-
Loss/(profit) on sale of tangible and intangible fixed assets	2	(62)	502	-82 ³	-	-
Operating cash flow:						
Cash collection from purchased loan portfolios	413,059	279,118	1,339,083	629,627	331,236	-
Interest paid on interest bearing loans and borrowings	(46,540)	(18,426)	(91,269)	(32,866)	(12,880)	-
Income tax paid during the period	(5,798)	(7,627)	(26,583)	(10,819)	(8,796)	(5,286)
Operating capital adjustments:						
Decrease/(increase) in current assets	(24,822)	9,436	(9,625)	(31,306)	(3,376)	(10,095) ²
Decrease/(increase) in other non-current financial assets	(18,934)	(11,578)	(74,593)	(26,939)	(6,663)	(7,386) ²
Decrease/(increase) in current liabilities	(39,838)	(38,369)	33,109	42,193 ⁴	8,795	25,531 ²
Decrease/(increase) in non-current liabilities	883	992	19,260	(17,216)	(5,671)	-
Other items	-	278	388	(67) ³	536	-
Net cash flow from operating activities	135,194	101,749	591,123	209,814⁶	216,162	245,835
Cash flow from investing activities						
Purchase of loan portfolios	(447,985)	(64,131)	(1,358,266)	(526,639)	(680,692)	(743,533)
Acquisition of subsidiary companies, net of cash acquired	-	-	0	(605,694)	(9,960)	-
Payment of contingent consideration	(160,733)	(11,122)	(13,164)	(10,787) ⁴	-	-
Purchase of tangible and intangible fixed assets	(3,202)	(6,311)	(17,501)	(12,537) ⁵	(3,012)	(16,614)
Proceeds from the sale of tangible and intangible fixed assets	325	183	1,198	550 ⁵	-	-
Net cash flow from investing activities	(611,596)	(81,381)	(1,387,733)	(1,155,107)⁶	(693,664)	(760,147)

In NOK thousands

	Three months ended 31 March			Year ended 31 December		
	2016	2015	2015	2014	2013	2013
	IFRS (unaudited)	IFRS (unaudited)	IFRS	IFRS	restated IFRS (unaudited)	NGAAP
Cash flow from financing activities						
Proceeds from the issue of new shares, net of transaction costs	800	16,311	17,311	1,004,177	231,208	231,208
Proceeds from new external loans during the year	-	-	4,424,756	926,797	318,564	335,092
Repayment of external loans during the year	-	(39,638)	(3,209,171)	(805,825)	(16,730)	-
Acquisition of non-controlling interests	-	-	0	(16,992)	-	-
Dividends paid to non-controlling interests	(199)	(60)	(60)	0	-	-
Net cash flow from financing activities	601	(23,387)	1,232,836	1,108,157⁶	533,042	566,299
Net cash flow during the period	(475,801)	(3,019)	436,226	162,864	55,540	51,987
Cash and cash equivalents at 1 January	764,678	294,148	294,148	117,660	65,705	65,714
Exchange rate differences on cash and cash equivalents	(15,831)	(741)	34,304	13,624	(3,585)	-
Cash and cash equivalents at the end of the period	273,046	290,388	764,678	294,148	117,660	117,701

- 1 "Profit for the year before tax" reported separately as "Profit for the year after tax" and "Taxes" in the 2013 Financial Statements. Please refer to the audited 2013 Financial Statements for further details.
- 2 "Decrease/(increase) in current assets", "Decrease/(increase) in other non-current financial assets" and "Decrease/(increase) in current liabilities" reported as "Change in inventories, accounts receivable and accounts payable" and "Change in other assets and other liabilities" in the 2013 Financial Statements. Please refer to the audited 2013 Financial Statements for further details.
- 3 "Other items" and "Loss/(profit) on sale of tangible and intangible fixed assets" reported combined in the 2014 Financial Statements.
- 4 Change in fair value of accruals for "Payment of contingent considerations" related to historic acquisitions of companies is reported within "Operating activities" in the 2014 Financial Statements.
- 5 "Purchase of tangible and intangible fixed assets" and "Proceeds from the sale of tangible and intangible fixed assets" reported combined as "Purchase of tangible and intangible fixed assets" in the 2014 Financial Statements.
- 6 "Payment of contingent considerations" was reported within "Operating activities" in the 2014 Financial Statements and "Acquisition of non-controlling interests" was reported within "Investing activities". Please see note 4 above for a description of reclassifications and the 2014 Financial Statements for further details.

The differences between IFRS and NGAAP regarding operating, investing and financing cash flows for the year ended 31 December 2013 is due to differences in classification within the cash flow statements. This also applies for the classification of cash and cash equivalents at 31 December 2013, see note 4 to Financial Statements 2014.

10.6 Consolidated statement of changes in equity

The table below sets out selected data from the Group's statement of changes in equity prepared in accordance with IFRS for the years ended 31 December 2013 (unaudited), 2014 and 2015 and its interim statement of changes in equity for the three months ended 31 March 2016. Reference is made to the Financial Statements 2014 for a bridge between changes in equity for the year ended 31 December 2013 according to IFRS (unaudited) and NGAAP (audited).

<i>In NOK thousands</i>	Share capital	Other paid-in capital	Other capital reserves	Foreign currency translation reserve	Other equity	Total	Non-controlling interests	Total equity
At 1 January 2013 <i>(unaudited)</i>	5,770	184,484	1,415	-	(138,566)	53,103	(1,218)	51,885
Profit for the year after tax	-	-	-	-	12,498	12,498	(10,763)	1,735
Other comprehensive income, net of tax	-	-	-	(4,301)	-	(4,301)	(691)	(4,992)
Total comprehensive income	-	-	-	(4,301)	12,498	8,197	(11,454)	(3,257)
Issue of share capital	8,997	222,211	-	-	-	231,208	-	231,208
At 31 December 2013 <i>(Unaudited)</i>	14,767	406,695	1,415	(4,301)	(126,068)	292,508	(12,672)	279,836
Profit for the year after tax	-	-	-	-	46,773	46,773	5,319	52,092
Other comprehensive income, net of tax	-	-	-	52,611	-	52,611	75	52,686
Total comprehensive income	-	-	-	52,611	46,773	99,384	5,394	104,778
Issue of share capital	16,137	1,020,860	-	-	-	1,036,997	-	1,036,997
Transaction costs	-	(24,357)	-	-	-	(24,357)	-	(24,357)
Non-controlling interest arising on business combinations	-	-	-	-	-	-	355	355
Acquisition of non-controlling interest	-	-	-	(463)	(30,245)	(30,708)	5,251	(25,457)
At 31 December 2014	30,904	1,403,198	1,415	47,847	(109,540)	1,373,824	(1,672)	1,372,152
Profit for the year after tax	-	-	-	-	197,211	197,211	964	198,175
Other comprehensive income, net of tax	-	-	-	78,641	-	78,641	(55)	78,586
Total comprehensive income	-	-	-	78,641	197,211	275,852	909	276,761
Issue of share capital	283	23,592	-	-	-	23,875	-	23,875
Share based payments	-	-	5,747	-	-	5,747	-	5,747
Acquisition of non-controlling interests	-	-	-	(120)	(6,358)	(6,478)	(86)	(6,564)
Dividends to non-controlling interests	-	-	-	-	-	-	(60)	(60)
At 31 December 2015	31,187	1,426,790	7,162	126,368	81,313	1,672,820	(909)	1,671,911
Profit for the period after tax	-	-	-	-	(1,840)	(1,840)	(47)	(1,887)
Other comprehensive income, net of tax	-	-	-	(5,768)	-	(5,768)	20	(5,748)
Total comprehensive income	-	-	-	(5,768)	(1,840)	(7,608)	(27)	(7,635)
Issue of share capital	6	794	-	-	-	800	-	800
Share based payments	-	-	1,760	-	-	1,760	(199)	1,760
Dividends to non-controlling interests	-	-	-	-	-	-	(199)	(199)
At 31 March 2016 <i>(unaudited)</i>	31,193	1,427,584	8,922	120,600	79,473	1,667,772	(1,135)	1,666,637

10.7 Segment information

The table below sets out the Group's total net operating revenue by geographic area for the years ended 31 December 2015, 2014 and 2013 (unaudited), as extracted from the Financial Statements and the Group's total net operating revenue by geographic area for the three months ended 31 March 2016 and 2015. Reference is made to note 7 in the Financial Statements 2015 for further details.

<i>In NOK thousands</i>	Three months ended		Year ended		
	31 March		31 December		
	2016	2015	2015	2014	2013
Regional net operating revenue	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	<i>Restated IFRS</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>			<i>(unaudited)</i>
Norway	2,012	1,874	7,949	7,496	6,596
Finland & Estonia	62,350	45,950	238,459	202,385	165,667
Sweden	24,044	17,063	78,836	70,204	11,882
Poland	134,923	136,601	565,056	184,892	-
Latvia	8,334	7,318	33,944	30,137	4,138
Balkans	47,705	21,694	153,170	16,530	0
Other	0	0	0	0	0
Adjustments	(261)	(301)	(1,175)	-900	-435
Total	279,107	230,199	1,076,239	510,744	187,848

10.8 Auditor

The Company's auditor is Ernst & Young AS with registration number 976 389 387, and business address at Dronning Eufemias gate 6, N-0191 Oslo, Norway. Ernst & Young AS is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants). Ernst & Young has been the Company's auditor since December 2014. Prior to this, SLM Revisjon AS, with registration number 972 412 112, and business address at Nittedalsgata 20, N-2000 Lillestrøm, Oslo, was the Company's auditor from February 2010 to December 2014. SLM Revisjon AS is also a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants). The Company changed its auditor due to the acknowledgement that it would benefit from an auditor with broad international coverage and network in the jurisdictions in which the Group is present.

Ernst & Young AS' and SLM Revisjon AS' audit reports on the Financial Statements are included together with the respective Financial Statements incorporated by reference to this Prospectus. Ernst & Young AS has not audited, reviewed or produced on any other information provided in this Prospectus.

11 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 10 "Selected Financial and Other Information" and the Financial Statements and related notes incorporated by reference to this Prospectus. The audited Financial Statements as at, and for the years ended, 31 December 2015 and 2014 have been prepared in accordance with IFRS and interpretations by IASB, as adopted by the EU, as well as additional Norwegian reporting requirements pursuant to the Norwegian Accounting Act of 17 July 1998 no. 56. The audited Financial Statements for the year ended 31 December 2013 have been prepared in accordance with NGAAP and the unaudited Financial Statements for the year ended 31 December 2013 have been restated in accordance with IFRS. The unaudited condensed Interim Financial Information as at, and for the three months ended, 31 March 2016 have been prepared in accordance with IAS 34. The Financial Statements as at, and for the years ended, 31 December 2015 and 2014 have been audited by Ernst & Young AS, as set forth in their report thereon included therein. The Financial Statements as at, and for the year ended 31 December 2013, have been audited by SLM Revisjon AS, as set forth in their report thereon included therein.

The operating and financial review contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk Factors" and Section 4.3 "Cautionary note regarding forward-looking statements", as well as other Sections of this Prospectus. This Section presents certain measures and ratios that are further defined in Section 4.2.2 "Non-IFRS financial measures".

11.1 Overview

11.1.1 General overview

B2Holding is a European financial services provider specialized in the investment and workout of non-performing loans with operations in Croatia, Estonia, Finland, Latvia, Montenegro, Norway, Poland, Serbia, Slovenia and Sweden as well as a recently incorporated entity in Romania and support offices in Austria, the Czech Republic, the Netherlands and Luxembourg. In addition, the Group owns portfolios in Denmark, Italy, Romania and Lithuania. As of 31 March 2016, 48% of the Group's net operating revenues were generated in Poland, while Finland and Estonia represented 22% and the Balkans represented 17% of the Group's net operating revenues.

The Group has portfolios consisting of approximately 4.1 million claims, NOK 47.7 billion in face value and gross ERC of NOK 6.8 billion as of 31 March 2016. As a result, the Group has established itself as a significant debt purchaser in the Nordics and in the CEE region in less than four years. The Group experienced a year-on-year growth of 113% in cash collections and 149% in cash EBITDA from 2014 to 2015³⁰. From 2014 to 2015, the Group also increased its adjusted net profit by 174% from NOK 101 million in 2014 to NOK 277 million in 2015 and increased its portfolio acquisitions with 157% from NOK 527 million in 2014 (excluding the Ultimo Acquisition) to NOK 1,358 million in 2015. As of 31 March 2016, the Group had an equity ratio of 37.5% and an adjusted³¹ LTM return on equity of 19.0%.

The Group's strategy involves locating portfolio investments with the desired characteristics and acquiring subsidiaries across Europe, as well as developing a robust operation platform in the markets in which the Group operates. As of 31 December 2015, the Group had NOK 1.8 billion in liquidity available for portfolio purchases.

11.1.2 Reporting segments

For management purposes, the Group is organised into a single business divided into different geographical regions corresponding to the countries where the Group has its operations. The Group's operating segments are the geographical regions: Norway, Sweden, Finland (including Estonia), Poland/Luxembourg (geographical regions of the Ultimo group of companies acquired in 2014), Latvia, Balkans (Croatia, Slovenia, Serbia, Montenegro and Austria) and Other (including the Company and Ultimo Netherlands BV which is the holding company in the Netherlands). The Group's Management monitors the operating results of these different regions separately for the purposes of making decisions about resource allocation and performance assessment. Net revenue and operating profits are reported by geographical region, but financial income and expenses are not as the allocation of financial items is dependent on the Group structure and financing and is not affected by the actual performance of the regions. Regional performance is evaluated based on the operating results and cash collections from purchased loan portfolios.

See Section 10.7 "Segment information" for the segmented financials of the Group for the three years ended 31 December 2015, 2014 and 2013 and the three months ended 31 March 2016 and 2015.

³⁰ See Section 11.3 "Key ratios" for a description of the calculations and any adjustments made.

³¹ Adjusted for extraordinary items, see Section 4.2.2 "Non-IFRS financial measures".

11.2 Critical accounting policies and estimates

The Group's significant accounting policies are summarised in Note 2 to the Financial Statements, incorporated by reference to this Prospectus. Summarised below are those accounting policies that require management to apply judgements which management believes to have the most significant effect on the amounts recognised in the Financial Statements.

Future events and changes in operating parameters may make it necessary to change estimates and assumptions. New interpretations of standards may result in changes in the principles chosen and presentation. Such changes will be recognised in the Financial Statements when new estimates are prepared and whenever new requirements with regard to presentation are introduced.

The Company has prepared and have audited financial information under IFRS for 2015 and 2014, while financial statements for 2013 have been prepared and audited under NGAAP with restated and unaudited financials under IFRS for comparability with 2014 and 2015. For selected items in the statement of profit and loss and other comprehensive income (the "P&L"), cash flow and balance sheet there are significant differences between NGAAP and IFRS. Please refer to note 4 in the 2014 annual accounts for a description of the transition from NGAAP to IFRS.

11.2.1 Cash flow estimation and revenue recognition

Under IFRS, the cash flow estimation done by management as part of the investment decision for a new portfolio is an integral part of the accounting treatment of the portfolio after acquisition. Following the acquisition of a portfolio, the cash flow profile for each portfolio is re-evaluated quarterly to establish the accounting basis for inclusion in the financial statements. Revenue recognition from each portfolio is calculated monthly based on the cash flow profile, as described below.

11.2.1.1 Estimation of collection curves

Estimation of future cash flow from collection on acquired portfolios (i.e. the ERC) is a critical factor in both the Group's evaluation of portfolios to be acquired and an integral part of the accounting of the income from these portfolios. There is substantial uncertainty related to the overall collection levels, its distribution in time and the collection costs and efforts required to collect on the portfolios. The cash flow estimates are prepared on individual portfolios at the acquisition of the portfolios, and are updated quarterly based on new information and collection performance. The estimates for the cash collection profiles are evaluated and discussed with the auditors as part of the preparation of the Company's financial statements. Estimates of cash flows are based on data and collection history on portfolios that have similar characteristics and attributes as the portfolio being evaluated, such as date of purchase, debt originator, type of receivable, payment history of the customers, customer locations, the time since default and write-off, existing payment plan for the portfolio, as well as on Management's general experience and expertise.

11.2.1.2 Recognition of revenue from acquired portfolios

Accounting for all portfolios is based on the amortised cost method, with an assessment on individual portfolios using an applicable IRR for each portfolio. The amortised cost method is regarded as the most appropriate method for purchased debt portfolios, as these portfolios are expected to be held to maturity and this method reduces volatility in the carrying value of the portfolios.

Under amortised cost accounting, the gross collection is separated in a revenue component (included in the P&L as interest income from portfolios) and a portfolio amortisation component, in contrast to NGAAP where the total gross collections represent the revenue for a period. The split between interest income and portfolio amortisation is determined by the estimated IRR for the portfolio based on the estimated cash flow profile. For a given period, given that the actual cash collected equals the expected cash collected, the interest income equals interest on the period start carrying value of the portfolio using the portfolio IRR, and the portfolio amortisation equals the change in the portfolio net present value ("NPV") from the period start to the period end, using the portfolio IRR as the discount rate.

The tables below illustrates an example of portfolio revenue recognition and change in portfolio carrying value, and the equivalence between calculating the split using the interest rate for the period as interest income or the change in portfolio NPV as the portfolio amortisation component.

The starting point for the accounting is a detailed monthly cash flow forecast that is prepared when evaluating the acquisition, which gives a gross IRR for the portfolio over its life. Revenue is then determined based on the gross cash collected and the calculated IRR, based on a monthly evaluation of each portfolio.

Key assumptions determining revenue recognition

	NOK000	Y0	Y1	Y2	Y3	Y4	...Y10	Total
	Investment	-100						-100
	Estimated gross cash collection		52	43	30	22	3	200
=>	Estimated gross IRRs	28%						
=>	Gross cash-on-cash multiple	2.00x						

In the table below, two equivalent methods are shown to illustrate the ways of arriving at the split between interest income and amortisation, in the event that the actual cash flows are equal to the estimated cash flows. How deviations from the estimated cash flow profile are accounted for is shown separately. For simplicity and illustrative purposes the calculations are shown on an annual basis, while the actual calculations are based on monthly cash flows and evaluation.

As can be seen in the table below, the portfolio amortisation equals the change in the NPV using the gross IRR from one period to the next. The interest income can then be calculated as the difference between the gross cash collected and the portfolio amortisation calculated from the change in the NPV.

Method 1	Y0	Y1	Y2	Y3	Y4	...Y10	Total
Estimated gross cash collection		52	43	30	22	3	200
NPV @28% - period start	100	76	54	40	29	0	0
- Portfolio value – period end		76	54	40	29	0	0
= Portfolio amortisation		-24	-22	-15	-11	-3	-100
+ Estimated gross cash collection		52	43	30	22	3	0
= Interest income		28	21	15	11	0	100

The interest income is also equal to the interest earned on the carrying value of the portfolio, based on the calculated IRR as the interest rate. The portfolio amortisation is then equal to the difference between the gross cash collected and the calculated interest income.

Method 2	Y0	Y1	Y2	Y3	Y4	...Y10	Total
Portfolio carrying value – period start	100	76	54	40	29	0	0
IRR	28%	28%	28%	28%	28%	28%	
= Interest income		28	21	15	11	0	100
- Gross cash collected		52	43	30	22	3	200
= Portfolio amortisation		-24	-22	-15	-11	-3	-100
=> Portfolio carrying value – period end		76	54	40	29	0	

Secured portfolios will typically have an estimated cash collection coming later than unsecured portfolios as the collection is expected to be realised through the repossession of the pledged assets backing the secured debt (usually property). This might result in a temporarily increase in the book value in the balance sheet related to the portfolio and reflects the “accumulated interest” on the portfolio, in line with the practice of amortised cost. This ending balance of a portfolio accounting wise consists of 1) the opening balance 2) an increase in the book value due to the interest income calculated using the effective interest method 3) a reduction in book value for the cash flow received and 4) any effect (increased or decrease) of changes in the estimate of future cash flow. The table below illustrates the effect using an example where the initial investment is 100 and the estimated cash flow in year three is 200. The corresponding effective interest rate (IRR) is 26%. For this portfolio the effect in the financial statements will be as follows:

	Y0	Y1	Y2	Y3
Portfolio carrying value – period start	100	126	159	
IRR	26%	26%	26%	
= Interest income		26	33	41
- Gross cash collected		0	0	200
= Portfolio amortisation		+26	+33	-159
=> Portfolio carrying value – period end		126	159	0

Typically, actual collections on individual portfolios differ somewhat from the estimated collection profile. If the deviation is expected to be temporary or deemed to be within what is reasonable to expect given the initial collection profile, the interest income is adjusted with the deviation, but the original collection profile and NPV of the portfolio remains unchanged. If the deviation is expected to be permanent or significant enough to warrant an adjustment of the future expected collection profile, the Company revalues the portfolio and includes the difference in NPV from the original carrying value through the P&L.

The table below illustrates the effect from a temporary deviation on the interest income included in the P&L. If actual collections in the first year is lower than the expected cash collection profile, the difference is included as a revenue actualisation that is included in the interest income. Interest income is thus calculated as the yield, which is equal to the interest income calculated as if the portfolio had performed as expected, and less the difference between expected and actual collection. As there is no change in the value of the portfolio, the portfolio amortisation is the same as if the portfolio had performed as expected. The revenue actualisation is not shown separately in the P&L, but included as a part of interest income. Revenue actualisations are typically small for the aggregate portfolio and on an annual basis, with revenue actualisation in 2015 of less than 3% of gross collections. A deviation of the actual cash flow from the estimated cash flow is considered to be temporary if the deviation is not sufficient to warrant a revision of the cash flow estimates for the future periods. In some instances a deviation may be caused by a delay in collections, that the company expects to collect in future periods. However, as the company has a higher threshold for positive revaluation compared to negative revaluations, potential delayed cash flows will typically not lead the company to change future estimated cash flows. If the collections materialise in a subsequent period the Group will then recognise a positive revenue actualisation.

	Y0	Y1	Y2	Y3	Y4	...Y10
Estimated gross cash collection		52	43	30	22	3
Actual collections and updated collection estimate		40	43	30	22	3
Gross cash collection difference from estimate		-12				

	Y0	Y1	Y2	Y3	Y4	...Y10
Portfolio value		100	76	54	40	3
Estimated gross IRR		28%	28%	28%	28%	28%
= Yield		28	21	15	11	1
+/- Revenue actualisation		-12				
= Interest income on purchased loans		16	21	15	11	1
- Actual gross cash collection		40	46	30	22	3
= Portfolio amortisation		-24	-22	-15	-11	-3
=> Portfolio end of period		76	54	40	29	0

The table below illustrates the effect on the interest income and total revenue if deviation from the cash collection estimate is deemed to be consistent with a permanent lower cash collection profile than initially forecasted. If the underperformance continues in year 2 of the portfolio used as an example above, and if this is expected to continue, this reduces the NPV of the portfolio after year 2, applying the same IRR as estimated using the original collection profile. Thus, the IRR calculated initially is utilised also for the portfolio if the performance is lower than the initial forecast. In the P&L the effect is included partly as a revenue actualisation in interest income as explained above, and partly as a change in portfolio cash flow estimate. Interest income and change in portfolio cash flow estimate is then combined to total operating revenue. The portfolio amortisation is then equal to the portfolio amortisation as calculated from the original cash flow estimation, plus the change in the portfolio value as included in the P&L. If the cash flows from a portfolio is better than expected, the Group will similarly revise the future cash flows and include a positive revaluation of the portfolio. However, using a conservative approach to revaluations, the Group have a higher threshold for including positive revaluations in the accounts than negative revaluations.

The table below illustrates the effect of a permanent change in the cash flow estimate.

	Y0	Y1	Y2	Y3	Y4	...Y10
Estimated gross cash collection		52	43	30	22	3
Actual collections and updated collection estimate		40	34	24	18	2.6

Gross cash collection difference from estimate	-12	-9	-6	-4	-0.6
NPV on original estimate @28% IRR		54			
Revised NPV @28% IRR		44			
Permanent changes in gross cash collection est.		-11			

	Y0	Y1	Y2	Y3	Y4	...Y10
Portfolio value		100	76	44	32	2
Estimated gross IRR		28%	28%	28%	28%	28%
= Yield		28	21	12	9	1
+/- Revenue actualisation		-12	-9			
= Interest income on purchased loans		16	13	12	9	1
+ Permanent changes in gross cash collection est.			-11			
= Total revenue		16	2	12	9	1
- Actual gross cash collection		40	34	24	18	3
= Portfolio amortisation (including permanent change)		-24	-32	-12	-9	-2
=> Portfolio end of period		76	44	32	23	0

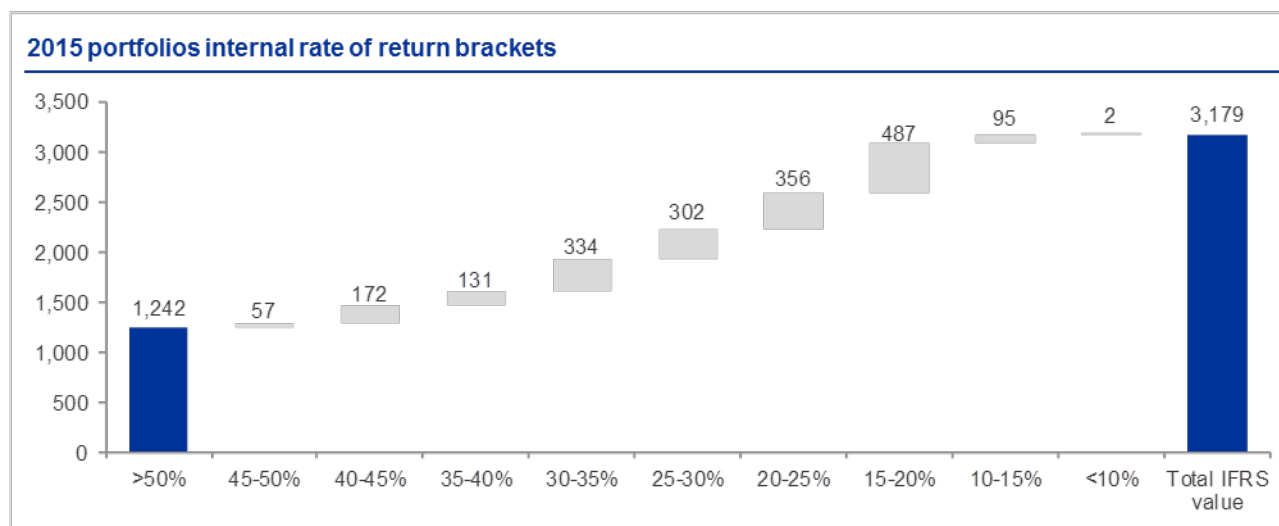
11.2.2 Carrying value of acquired debt portfolios

During the period from 1 January 2013 to 31 December 2015, the carrying value of the Group's debt portfolios has increased significantly as a result of both portfolio purchases and company acquisitions. The table below sets forth the movement in the Group's carrying value of purchased portfolios for the years indicated. In 2014, the line "Acquisition of subsidiary" represents the portfolios that were transferred as part of the acquisition of the Ultimo Group. The line "Change in portfolio collection estimates" represents the total permanent changes in gross collection estimates (described in Section 11.2.1.2 "Recognition of revenue from acquired portfolios") on all of the Group's portfolios.

Purchased loan portfolios	at 31 March		at 31 December	
	2016	2015	2014	2013
Opening Balance	3,167,628	2,016,705	562,072	53,789
Acquisitions of a subsidiary	0	0	1,023,695	0
Acquisition of portfolios, net of put-backs	447,985	1,358,266	526,639	706,529
Portfolio amortisation	(163,606)	(429,539)	(230,239)	(188,321)
Change in portfolio collection estimates	(16,023)	5,298	518	(43,686)
Exchange rate differences	(56,777)	216,898	134,020	33,761
Closing balance	3,379,207	3,167,628	2,016,705	562,072

The Group's portfolios differ widely in the IRR³² estimate used for calculating their IFRS carrying value. The graph below shows the distribution of the IRRs on the Group's portfolios by brackets. Approximately 39% of all Group portfolios carrying value had an IRR larger than 50% in 2015. Moreover, approximately 100% had an estimated IRR larger than 10%. However, the IRR's vary widely across the portfolios' region of origin.

³² The IRRs presented are the gross IRRs, hence no costs are deducted.



11.3 Key ratios

11.3.1 Face value, carrying value and estimated remaining collections (ERC) for acquired debt portfolios

Estimated remaining collections ("ERC") represents the sum of future projected gross cash collections on purchased portfolios for a set length of time (typically 120 months). The calculation of ERC excludes estimated collection beyond the referenced period. The ERC projections are based on historical as well as current portfolio performance data, as well as trends and assumptions about future debt collection rates. The ERC is a common measure in the debt purchasing industry; however note that it may be calculated differently by other companies.

The face value represents the principal balance plus interest and fees, generally the value paid to the holder of the bond at maturity. In the debt purchasing industry, the price paid for the debt portfolio is generally subject to significant discount from face value. This implies that the carrying value, recognised on the balance sheet, typically will be substantially lower than the corresponding face value. Furthermore, debt purchasing firms rely entirely on their ability to collect more than the amount paid for the portfolio. The ERC should thus be significantly above the carrying value as is the table below show has been the case for the Group.

The following table illustrates the development in face value, carrying value and total ERC for the years ended 31 December 2015, 2014 and 2013

NOK million	2013	2014	2015	Q1 2016
Face value	2,594	30,931	44,221	47,711
Carrying value	569	2,185	3,168	3,379
Total ERC	1,274	4,430	6,490	6,822

The following table illustrates the Group's carrying value, face value and 120 month ERC divided by region.

Region	Face value	Carrying value	120m ERC at 31 March 2016
Poland	36,186	1,634	3,158
Finland & Estonia	1,994	426	824
Balkans	7,092	830	1,723
Rest of Nordics	1,740	453	794
Baltics	700	36	66
Total	47,711	3,379	6,564

The following table illustrates the Group's gross ECR by region as of 31 March 2016.

ERC by region as of 31 March 2016 (NOK million)

NOKm	Year										
	1	2	3	4	5	6	7	8	9	10	>10
Poland	881	745	524	346	248	171	110	62	41	31	84
Finland	244	167	122	88	67	51	39	31	14	1	0
Balkans	294	414	457	280	113	75	54	30	4	0	0
Rest of Nordics	124	108	97	87	80	74	68	61	53	43	165
Baltics	19	13	9	7	5	4	3	2	2	1	8
Total	1,562	1,447	1,209	808	514	375	274	186	113	77	257

11.3.2 EBITDA and Cash EBITDA

EBITDA is a measure of profit for the year for the relevant period before net financial items, tax expenses and depreciation of tangible and amortisation of intangible assets and impairment of goodwill. EBIT is in the Company's case equal to Operating Profit, and is similar to EBITDA, but the difference between the two is that EBIT reflects earnings before net financials and taxes after depreciation of tangible assets and amortisation of intangible assets and impairment of goodwill have been recognized.

Cash EBITDA is defined as EBITDA plus portfolio amortisation, and equals gross cash collected less operating expenses excluding amortisation of intangible assets and impairment of goodwill and depreciation of tangible assets.

The table below shows how EBITDA, cash EBITDA and amortisation of existing portfolios relate to items in the financial statements.

	Q1 2016	Q1 2015	2015	2014 inc. Ultimo ¹	2014	2013
Interest income on purchased loans	249	196	910	734	399	143
+ Portfolio amortisation	180	84	424	242	230	234
+ Change in cash flow estimate	(16)	0	5	(2)	1	(44)
= Gross cash collections	413	280	1,339	974	630	333
Revenue from external collection	24	25	104	91	91	86
Other operating revenue	22	9	57	23	20	3
Total cash revenue	459	314	1,500	1,088	740	422
Operating profit (EBIT)	85	89	377	249	91	6
+ Add back: Depreciation and amortisation	7	6	28	16	12	3
= EBITDA	92	95	405	265	103	8
+ Portfolio amortisation	180	84	424	242	230	234
= Cash EBITDA	272	179	829	507	333	242
1	Includes effects from the Ultimo Group for the eight month period prior to the acquisition in August 2014.					

11.3.3 Implied aggregate IRR and cost to collect

The implied aggregate IRR is a measure that can be used to estimate the profitability on the company's portfolios. The IRR calculations presented below are for the estimated gross IRR, hence no costs are taken into account. This ratio is found by taking the annualized interest income divided by the yearly average of the company's NPL's. Since the company includes the revenue actualisation in its interest income this can distort the IRR calculation from the underlying portfolio IRR. Further the implied aggregate IRR can be distorted by heavy portfolio purchases as this increases the denominator while the numerator; interest income first materialize in later periods.

The company's cost to collect is an import factor for measuring collection efficiency and hence overall profitability. It is calculated as total operating expenses less amortization and depreciation, less operating expenses attributable to the segment «Other» and the operating expenses related to third party collections. For simplicity, expenses related to third party collection has been calculated to be equal to revenue from third party collections and other operating revenue, as this is a relatively low margin business and the company does not allocate expenses between collections on own portfolios and third party collection and other activities.

The table below shows the implied aggregate IRR, cost to collect, and the cost to collect ratio per region for the three months ended 31 March 2016.

	Finland & Estonia	Sweden	Poland	Latvia	Balkans
Q1 2016 interest income	43.4	23.1	128.7	3.6	50.7
Avg. purchased loan portfolios during the quarter	414.1	450.2	1,524.1	36.3	848.8
Implied aggregate IRR – Q1¹	42%	21%	34%	40%	24%
Cost	34	11	90	6	19
External and other	20	2	17	5	1
Proxy for cost to collect (incl. country SG&A)	14	9	73	1	18
Cash collection	84	33	212	6	77
Cost to collect ratio (incl. country SG&A)	16.7%	27.3%	34.4%	16.7%	23.4%

¹ Calculated based on end of period portfolio value.

11.3.4 Gross money multiplier and other portfolio metrics

The gross money multiplier is the ratio of the total estimated cash collections on a portfolio divided by the purchase price. It is a widely used portfolio metric in the NPL industry. In the calculations below we have included gross collections by Ultimo prior to the Ultimo Acquisition to arrive at gross collections to date. Further, the gross collections to date are calculated based on current currency exchange rates.

The average claim size together with the number of claims is often a metric used to describe the overall riskiness of a portfolio. We see that average claim size vary from region to region with the Balkans' being significantly higher than the others. This is due to the fact that the composition of the claims in the Balkans contains relatively more secured claims vs. unsecured claims than the other regions and that this type of claim tends to have larger claim size.

The table below shows several portfolio statistics among other the gross money multiplier and the average claim size per region.

The table below show the current and historical gross money multiples the Group have acquired portfolios for by region.

Region	Portfolio statistics - total					Portfolio metrics as of 31 March 2016					
	Gross collections to date	Total ERC at 31 March 2016	Total estimated collections	Total investments	Gross money multiple	Q1'16 gross money multiple	Book value	Face value	# of claims	Average claim size	Book value / face value
Poland ¹	4,739	3,242	7,982	2,840	2.81x	1.98x	1,634	36,186	3,629,642	10.0	4.5%
Finland & Estonia	1,343	824	2,167	1,170	1.85x	1.94x	426	1,994	260,245	7.7	21.3%
Balkans	266	1,723	1,989	877	2.27x	2.08x	830	7,092	68,163	104.0	11.7%
Rest of Nordics	330	959	1,289	601	2.15x	2.11x	453	1,740	112,263	15.5	26.1%
Baltics	68	73	141	68	2.07x	2.02x	36	700	40,319	17.4	5.2%
Total	6,747	6,822	13,569	5,556	2.38x	2.02x	3,379	47,711	4,110,632	11.6	7.1%

¹ Pro forma including Ultimo

11.4 Significant factors affecting the Group's results of operation and financial performance

The Group's results of operations have been, and will continue to be, affected by a range of factors, many of which are beyond the Group's control. The key factors that Management believes have had a material effect on the Group's results of operations during the periods under review, as well as those considered likely to have a material effect on its results of operations in the future, are described below.

11.4.1 Pricing accuracy and the ability to correctly estimate cash flows for acquired portfolios

A key driver in the Group's financial performance is the Group's ability to purchase debt portfolios at the right price, and the ability to evaluate and estimate the potential cash flows that can be collected from the portfolio over its lifetime. Prices paid for debt portfolios are generally subject to deep discounts from nominal value and the Group expects to realize collections in excess of the purchase price. Extensive valuation exercises are performed by the Group to determine the price that should be offered for a portfolio, which is the key decision factor when the Group

considers an acquisition as this determines to what extent it will be able to generate an appropriate return for the Group after collection costs. Following the acquisition, the collection performance is dependent on the capability to generate gross collection levels at or in excess of the portfolio expectations. A central component in this process is the methodology and expertise developed by the Group for collection that is dependent on the nature of the debtors and characteristics of the portfolio. The Group's centre of excellence in Luxembourg is an important element going forward for both supporting the business units in portfolio analysis, and subsequently, in the collection process, as this centre enables utilisation of data capabilities to the maximum as well as transferring expertise across geographical areas and markets. The customer database supports future performance as it contains accumulated historical, as well as newly acquired information, from many NPL portfolios, in addition to information from various other available sources (such as public registers and credit information). In addition, sophisticated methodologies and tools for precise valuations, creditworthiness scoring and future forecasts are developed and provided by the Group. The information is used to produce collections profiles for portfolios with the characteristics of those being evaluated for acquisition. The ability to price portfolios accurately thus depends on how well the data material utilised for analysis correlates with the portfolio being evaluated for acquisition, both in terms of the likely gross collection levels that is achievable, and the associated collection costs incurred in order to achieve that collection level.

Normally, there is a time gap between the point in time of purchase of a portfolio and the point when collections begin. The underlying reason is that the Group does not fully control when an acquisition deal will close. In addition customers need to be located, analysed and a consolidated profile of each such customer's circumstances and appropriate repayment solution has to be established. This time period might differ from initial estimates, extending the time period before the Group's collection process can start.

11.4.2 Changes in cash flow estimates of acquired loan portfolios

Change in cash flow estimates refers to a positive or negative adjustment of the portfolio value, where following an acquisition, the actual cash collections leads the company to expect future cash collections that differ from the cash collection profile developed in the bidding process and that is used as a basis for the accounting of the portfolio. Future collections on purchased portfolios are difficult to forecast accurately and, as a result, collections may be lower than the Group initially anticipated. If the lower collection rate is deemed to reflect a permanently lower collection potential than anticipated, rather than a temporary deviation (called revenue actualisation) in the timing of the collections, a change in cash flow estimate of the portfolio is necessary to reflect an accurate estimate of the portfolio value. All portfolios are closely monitored and evaluated to effectively track fluctuations in performance, and cash collection profiles are revised quarterly. Significant estimates are being made by Management with respect to the collectability of future cash flows from portfolios. Cash flow estimates are prepared by Management over a forecast period of time. If these are revised, carrying amount is recalculated by computing the present value of estimated future cash flows using the original effective internal rate of return. Possible indications of necessary downward changes may include default of interest or principal payments, customer groups experiencing significant financial difficulties, probability of bankruptcy or other financial reorganization as well as noteworthy decrease in the estimated future cash flows. On the contrary, positive changes can also be the case, if the portfolio generates cash flows that are higher than expected. However, the company has a higher threshold for including positive changes in the accounts compared to negative ones.

The Group's purchased loan portfolios consist of portfolios of NPLs and debt. These are recognized at amortised cost according to the effective interest method in accordance with the rules for loans and receivables set out in IAS 39, and further described in Section 11.2.1.2 "Recognition of revenue from acquired portfolios". The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income to the income statement over the relevant period. The effective interest rates is the rate that exactly discounts estimated future receipts through the expected life of the financial instrument, or when appropriate a shorter period, to the net carrying amount of the financial asset.

The table below shows the changes in portfolio estimates in each reporting segment for December 2013, 2014 and 2015.

<i>In NOK thousands</i>	2015			2014			2013			
	Net change	Negative	Positive	Net Change	Negative	Positive	Net Change	Negative	Positive	Net Change
Revaluation										
Country/ Region										
Sweden	(1,130)	(999)	1,329	330	(832)	-	(832)	(43,686)	-	(43,686)
Finland & Estonia	(643)	(6,355)	11,320	4,965	(36)	-	(36)	-	-	-
Poland	(10,323)	(67,418)	67,488	70	(24,629)	26,442	1,813	-	-	-
Baltics	(179)	(67)	-	(67)	(426)	-	(426)	-	-	-
Balkans	(3,748)	-	-	-	-	-	-	-	-	-
Total	(16,023)	(74,838)	80,136	5,298	(25,924)	26,442	518	(43,686)	-	(43,686)

In 2013, the Group had a larger estimate change in Sweden due to an underperforming portfolio. Except for that year the net estimate changes have been insignificant.

11.4.3 Collection strategy and ability to collect

The ability to effectively collect on the debt portfolio is an important factor in determining the financial performance of the Group. A key to debt collection is to optimize customer contact at every stage of the collection life cycle. The Group's goal is to maximize the collection amount over the life of the debt. The Group utilizes a wide range of debt collection methods, and the applied method depends on the nature of the debt and an individual analysis of the debtor's financial capability. The two main strategies applied are amicable collection and legal collection. A combination of the two optimizes net collections, although the priority is to seek amicable solutions wherever possible. A flexible approach often gives the debtor considerable benefit as the goal is to restore financial credibility and status as a reliable consumer, despite temporary difficulties.

The debt collection approach aims to achieve the best possible outcome for the Group, while simultaneously helping the customer return to financial health and thus be able to service the debts to as large an extent as possible. The Group has a high focus on acting in a responsible manner, and a key advantage of in-house collection is control over the collection process, making sure that the customer interaction complies with the Company's high ethical, moral and legal standards.

The focus is on finding workable solutions for indebted customers that are willing to repay their outstanding debt. A key element is to provide the customer with a payment profile that best suits the customer, and the Group seeks to apply a strategy that balances payment plans and collecting through one-off settlements. Payment plans often make the customers more able to meet their obligations and returns the customer to financial health, reducing the probability of a more costly legal resolution. In addition, payment plans enables the Company to maximize cash flows over time and provide a steady cash flow stream. In other instances, if the customers have the available funds, the Group will seek to resolve the debt through a one-off payment, which minimises the efforts and collection costs needed for the customer, and provides the Group with immediate cash flow.

Customers' ability and willingness to pay depends on a number of different factors such as their employment status, household and marital status, availability of funds and asset ownership, and their perception of the consequences to their access to credit of failing to pay, all of which can be affected by the macroeconomic environment. Data sources and historical statistical relationships between collection predictors, is therefore critical as the foundation for a successful collection strategy and cash flow estimation. High data quality enables key insight into the customers' situation, increasing the likelihood of choosing an accurate collection strategy. Inaccurate data, such as incorrectly priced credits at the time of purchase or recovery value for the group's portfolios, may result in selection of an inappropriate method, potentially leading to lower collection rates or increased operating expenses.

To maximize profitability, customers are segmented into various categories where different collection strategies are utilized. In addition, customers are closely monitored to determine potential factors affecting the probability of payment. If a customer has enhanced ability to begin repayment, the initial aim is to establish a repayment plan. If this approach turns out ineffective the next step may be to enforce legal actions.

During the period from 1 January 2014 to 31 December 2015, the Group's collections have on average been in line with the forecasts, as demonstrated by the low portfolio revaluation as shown in section 11.4.2 "Changes in cash flow estimates of acquired loan portfolios". For the year ended 2013, collections in Sweden were lower than expected due to an underperforming loan portfolio, which led to a negative portfolio revaluation. In the three months ended 31 March 2016 a new law passed in Romania and a change in collection curves related to secured portfolios in the Balkans led to a net negative revaluation of NOK 16 million.

11.4.4 Collection efficiency and cost to collect

In order to collect the debt according to the cash flow estimations for the acquired portfolios, the Group has to engage internal resources to interact with the customers, as well as incurring external expenses such as legal costs, etc. Therefore, an important factor affecting the Group's financial performance is its ability to accurately estimate the collection efforts needed to achieve the anticipated collection levels, and the ability to cost effectively collect from the customers. Certain collection and litigation activities are outsourced to third-party collection agencies, law firms and other external agents. Collections achieved through litigation typically incur higher costs than collections through amicable solution. Consequently, the financial performance of the Group depends on its ability to achieve a balance between legal action and amicable solutions, and accurately estimate the resources needed to collect on a portfolio when evaluating an acquisition.

Acquisitions of collection platforms and companies have increased the operating costs of the Company, mainly due to an increased headcount. The numbers of FTEs in the Group have increased from 193 as at 31 December 2013 to 1,186 as at 31 March 2016.

The collection cost ratio may vary from year to year depending on the portfolios purchased, and trends are not necessarily indicators of operational efficiency and return on capital. The characteristics of the portfolios purchased impact total collection costs, as these typically are lower for secured and "fresher" consumer loans, compared to the oldest defaulted claims. However, prices for fresher portfolios are higher, so the relative collection cost ratio may depend on the gross money multiple paid and on the distribution of cash flows in time.

The table below shows the Group's estimated cost to collect claims for the years ended 31 December 2013, 2014 and 2015 and the three months ended 31 March 2016 and 2015.

In NOK thousands unless otherwise stated

	Three months ended 31 March		Year ended 31 December		
	2016 IFRS (unaudited)	2015 IFRS (unaudited)	2015 IFRS	2014 IFRS	2013 Restated IFRS
Gross collections	413	279	1,339	630	331
Cost to collect ¹	(116)	(91)	(432)	(214)	(75)
Cost to collect ratio, %	28.1%	32.4%	32.3%	34.1%	21.9%

¹ See Section 11.3.3 for a description of the calculation of cost to collect.

The Group's cost to collect ratio increased from 2013 to 2014 primarily due to a shift in geographic focus for the Company, through the Ultimo transaction and expansion in presence outside Scandinavia. The cost to collect ratio decreased from 34.1% in 2014 to 32.3% in 2015, driven by a decrease in the ratio from increased scale offset by an increase in the ratio from the full year effect from the Ultimo transaction. If Ultimo had been included for the full year for 2014 the cost to collect ratio would have been approximately 39%. In jurisdictions outside Scandinavia there are typically higher costs related to legal enforcement and other collection activities; however this is typically reflected in lower purchase prices relative to estimated collections.

11.4.5 Ability and supply of debt portfolios, and the Group's ability to acquire new portfolios at attractive prices

An essential part of the debt purchase value chain is the ability to source portfolios and resupply the stock of debt portfolios as collections are made on existing portfolios. As collections are made, the Group needs to continuously acquire portfolios in order to maintain revenue and cash flow levels, corresponding to the reduction in ERC from cash collections. The amount of portfolio acquisitions necessary to maintain the cash flow level in a company that is growing will typically exceed the portfolio amortisation amount for a given year, with the portfolio amortisation relative to cash collections being lower in the beginning and higher towards the end of the collection period under IFRS.

The availability of debt transactions depends on the market environment for debt originators and their propensity to divest NPL loan portfolios. The market for NPL sales has increased over the last years, driven by a build-up of NPLs at financial institutions, regulations requiring or increasing the attractiveness for banks to divest NPL portfolios, and an

increased focus among banks to focus on core operations and the relative effectiveness between banks and focused debt purchasers in collecting portfolios.

The Group's targets loan portfolios in geographical areas that can attribute with adequate risk-adjusted return on equity, as well as a balance between different types of portfolios and geographical markets. An important part of the Group's acquisition strategy is forward flow agreements, which the Group deems attractive as it provides a stable flow of purchases to replace portfolios that are collected and creates visibility on cash flows. These types of agreements imply that claims are being sold by debt originators at pre-determined prices for debts with certain characteristics, typically set as a percentage of the principal amount. The Group has a number of such arrangements, securing a continuous flow of new portfolios, and for the year ended 31 December 2015, the Group's purchases under forward flow agreements amounted to approximately NOK 200 million, representing approximately 15% of the total purchases, while the Group had limited agreements in place as of 31 December 2014.

The Group's sourcing capabilities as well as establishing and maintaining strong relationships with the most important debt portfolios sellers in relevant markets is important for the ability to be competitive in auctions or private negotiations of NPL sales. The ability to capitalise on market opportunities depend on inter alia the ability to price correctly, collection efficiency enabling the Group to offer prices that are competitive, reputation for ethical behaviour, etc.

The table below shows the Group's acquisition of portfolios and the number of portfolios acquired for the years ended 31 December 2015, 2014 and 2013.

Purchased loan portfolios for the years ended 31 December

NOK thousands	2015	2014	2013
Portfolio purchases ¹⁾	1,358,266	1,549,763	706,529
Number of portfolio purchases	568	497	549

¹⁾ 2014 includes portfolios acquired through the Ultimo Acquisition

As most portfolios are sold by debt originators in competitive processes or auctions, the Group engages in more processes than the number of successful portfolio purchases. This hit rate varies widely across regions and depends on several factors amongst others the competitive landscape. Further, an auction has three, not two, outcomes; the Group gets the portfolio, a competitor does or the originator pulls the portfolio back from the market.

The table below shows the purchases of portfolios in each of the Group's geographic regions.

Portfolio purchases by region

Region	Q1 2016	Q1 2015	2015	2014	2013
Poland ¹⁾	342,590	0	309,700	1,156,366	0
Finland & Estonia	73,197	32,659	334,033	178,390	288,217
Balkans	0	5,797	634,102	169,647	1,386
Norway	0	0	0	0	0
Sweden	28,786	23,837	67,156	29,398	390,545
Latvia	3,412	1,837	13,275	15,962	26,381
Total	447,985	64,130	1,358,266	1,549,763	706,529

¹⁾ 2014 includes portfolios acquired through the Ultimo Acquisition

11.4.6 Competition and ability to maintain or grow market share

The ability to successfully and profitably purchase debt portfolios depends on the competition and the price level in the markets in which the Group operates. The industry has in Western Europe become more concentrated in recent years, consisting of a core group of pan-European debt purchasers. The Group is expanding in scale as debt originators, particular financial institutions, increasingly value the robust compliance framework, multi-national presence and long-term relationships with debt purchasers. Ethical behaviour and reputation have become fundamental competitive advantages in order to maintain relationships with current and potential sellers in the industry due to the higher concentration ratio as well as an increase in sophisticated market participants. This has increased the barriers of entry in the sector, and has contributed to a competitive advantage for the larger and established players.

Portfolio prices in mature markets have increased in accordance with the general rise in competition, as well as the availability of financing and the decreasing interest rate environment. More and new types of players, such as private equity, have entered into the market, and have provided financing to established players in partnership transactions. In addition, an increased portion of debt portfolios up for sale are characterized by being less mature, already paying or in an advanced legal stage of collection, contrary to older, non-paying claims.

While the competition has increased in more mature markets, the Group's strategy to enter into markets that are less mature means that the competitive pressures are lower and returns higher in several of its geographies. A key differentiator and element of the Company's strategy is to continue to establish local presence in these markets in order to build significant presence in these markets. However, as these markets mature the Company expects competitive pressures to increase.

11.4.7 Characteristics of debt portfolios acquired

The type of debt offered for sale has historically been dependent on the maturity of the individual markets. When originators begin to sell debt, the portfolios offered typically consist of the oldest defaulted claims, characterised by typically being more difficult and costly to collect. Due to this, banks do not focus on these claims and hence there is an obvious upside to divest. As the market matures and sellers become more comfortable with debt sales, there are typically larger portions of claims more recently overdue, typically offered at higher prices.

The type of debt purchased can significantly impact portfolio prices and thus financial performance and results of operations. Higher quality debt is typically easier to predict and requires lower collection costs. The collection curves and money multiples for these loans typically differ from those observed for lower quality debt. Consequently, these loans are priced differently and there are generally lower discounts on high quality claims.

The originator also affects the price and collection structure. Portfolios originated by utilities, telecom operators or other trade creditors typically exhibit shorter collection curves, front-loaded cash flow profiles and are sold at lower discounts to face value, in contrast to typical claims originated by financial institutions.

Percentage of portfolios by provider type³³

Portfolio provider type	2015	2014	2013
Financial institution	94%	92%	96%
Trade creditors	6%	8%	4%

The Company has historically been focused on unsecured NPLs, while in recent transactions there has been an increasing share of secured debt as well. The characteristics of secured claims differ from unsecured, consequently, the collection strategy needs to be adapted. With secured claims, the Group gains exposure to the underlying assets, and need to effectively be able to repossess and monetise collateral for the secured loans. Due to the higher average face value of secured claims and the longer process to enforce legal action for collection, cash flows from secured claims are typically more variable than for unsecured portfolios. The Group therefore considers the balance between secured and unsecured credit closely, in order to maintain a balanced portfolio.

³³ Percentage calculated on the face value of the portfolios.

Portfolio distribution by type³⁴

Portfolio type	Q1 2016	2015	2014	2013
Unsecured	83%	83%	89%	90%
Secured	17%	17%	11%	10%

11.4.8 New platforms and geographic expansion

The Group has a track record of expanding its business into new markets, both through establishing collection organisation based on existing platform in adjacent markets and through strategic acquisitions. As the debt purchasing business model heavily relies on specific data, local knowledge and significant scale benefits, the Group's strategy is to acquire established platforms or utilising expertise already in the group in order to successfully enter a new market. As the Group's strategy is to establish presence in new markets, the growth potential and financial performance of future expansion is dependent on the ability to identify, acquire and integrate suitable targets for expansion, at reasonable prices. When entering new markets the Group uses a structured approach in order to gain the relevant knowledge, and typically evaluate a potential market thoroughly for a significant period of time. Historically, the Group's acquisitions have given it access to business intelligence and local collection knowledge.

New platforms and geographic expansion also allow the Group to diversify the business and enhance the ability to balance debt portfolios as well as maturity levels in different markets.

Since the Group started its current business in 2011, its operations have grown significantly, primarily due to acquisitions and establishment of platforms in new countries. In particular, during this period, the Group has made six important acquisitions and established one platform:

- In April 2012, 50.1% of Sileo Kapital AB was acquired.
- In September 2012, OK Perintä in Finland, Finland's third largest debt collector was acquired. OK Perintä currently has around 136 employees, 984 portfolios and 248,000 debtors in various sectors.
- In September 2012, OK Incure OÜ (a subsidiary of OK Perintä), in Estonia was acquired.
- In April 2013, Interkreditt AS, in Norway was acquired.
- In October 2013, B2 Kapital in Croatia was established, and acquired its first portfolio in December 2013. The platform was established through recruitment of selected key resources
- In January 2014, Creditreform Latvija SIA, in Latvia was acquired.
- In August 2014, the Group acquired the Ultimo Group. ULTIMO S.A. has the strongest track record in the Polish market.

The table below shows cash collections generated by the most important acquired companies, which correspond to the geographic segments for Poland and Finland & Estonia. For further financial figures please refer to the operating segment note in the Financial Statements.

Cash collection generated by acquired companies

Company name	Region	Cash collection			
		Q1 2016	2015	2014	2013
Ultimo Group	Poland	212,303	742,756	207,184	0
OK Perinta (and subsidiaries)	Finland & Estonia	84,105	306,591	286,376	261,735

The Group's most significant acquisition was the Ultimo Acquisition which was completed in August 2014. The following table shows certain key non-IFRS measures for the Ultimo Group separately for the eight months ended 31 August 2014. See Section 11.3 "Key ratios" for further information on calculation of the measures presented below.

³⁴ Percentage calculated on the face value of the portfolios.

<i>In NOK million</i>	Eight months ended 31 August 2014 (unaudited)
Interest income on purchased loans	334.5
Portfolio amortisation	12.0
Change in cash flow estimate	(2.5)
Gross cash collection	344.0
Revenue from external collection	0.0
Other operating revenue	2.8
Total cash revenue	346.8
Operating profit (EBIT)	157.7
Add back: Depreciation and amortisation	4.0
EBITDA	161.8
Portfolio amortisation	12.0
Cash EBITDA	173.8

The following table shows certain P&L line items for the Ultimo Group separately for the eight months ended 31 August 2014. See Section 10.3 "Consolidated statement of profit or loss and other comprehensive income" for the consolidated income statement for the Group for the period. See also note 6 to the Financial Statements for the year 2014 for further information.

<i>In NOK million</i>	Eight months ended 31 August 2014 (IFRS) (unaudited)
Interest income on purchased loans	334.5
Revenue from external collection	0.0
Other operating revenue	2.8
Total operating revenue	337.4
Change in cash flow estimate	(2.5)
Net operating revenue	334.9
External costs of services provided	63.8
Personnel costs	70.3
Other operating expenses	38.9
EBITDA	161.8
Depreciation and amortisation	4.0
EBIT	157.7
Other financial items	(11.4)
Interest expense	(88.0)
Net financial	(99.4)
Tax	(4.8)
Net income	53.6

11.4.9 Seasonality in acquisition opportunities and collections

Supply and demand of debt portfolios in the market is likely to be uneven both during a financial year as well as from year to year. The timing of portfolio purchase will thus vary, impacting collection, cash flows, capital ratios and earnings. Historically, the Company has generally purchased more portfolios in the fourth quarter, measured by total value compared to the first three quarters of a given year, as demonstrated in the table below:

Historical portfolio purchases by quarter (NOK million)

Company name	2016		2015		2014				
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Portfolio purchases	448	672	304	318	64	259	152	76	40

Some years may deviate from the general picture described above as purchases of major individual portfolios can take place in other periods of the year. In addition, there are significant variations in portfolio sales across regions. Portfolio purchase levels will likely continue to be highest during the fourth quarter as this historically has been the most important period for financial institutions' management of their financial positions.

To some extent, seasonal factors influence debt collection as well, with collection levels being impacted by seasonal factors. Customer related factors, such as the number of work days in a given month, the tendency of customer to take holidays at certain time of the year and disposable income cycles, such as whether Easter takes place during the first or second quarter of the year, as customers typically have different expense patterns during this time as well as generally lower collection level during Easter. During the summer months, which constitute most of the third quarter, the Group's collections are typically lower due to the summer holidays, while in the fourth quarter, holiday pay and increased disposable income in certain regions increases collection levels. The general picture is that collection within portfolios tends to have seasonal variations, while costs are more evenly spread out over the year, leading to some variations of margins and profitability across quarters. Due to the factors described above, as well as historical purchasing patterns, cash collection is generally lowest in the first quarter, with cash collection normally increasing over the year, reaching the highest level in the fourth quarter.

Quarterly key financials (NOK million)

Metric	2016		2015		
	Q1	Q4	Q3	Q2	Q1
Gross cash collection	413	415	352	293	279
Total operating revenue	279	345	278	223	230
Operating expenses	187	228	159	150	135
Operating profit	85	108	113	67	89
Adjusted net profit	7 ¹	77 ²	125	84	(9)
Cash EBITDA	272	241	231	176	179
EBIT	85	108	113	67	89

- Adjusted for (i) non-recurring operational expenses related to advisory costs and expenses related to the IPO of NOK 9 million (net of tax).
- Adjusted for (i) NOK 34 million in transaction bonuses, advisory costs and expenses related to the Revolving Credit Facility and the Bonds and (ii) NOK 45 million in financial expenses related to increases in earn-out payments, primarily related to strong performance in OK Perintä.

11.4.10 Funding availability and interest rates

The ability to purchase portfolios is dependent on internally generated funding resources and the access to debt financing when attractive portfolios are being available for acquisition in the market. The overall liquidity availability is estimated based on the Group's investment and business forecasts. As of 31 March 2016, the Group had NOK 1.3 billion in undrawn debt capacity under its EUR 260m Revolving Credit Facility (see Section 11.7.2 "Material indebtedness" below). The Group also had a cash position of NOK 273 million. The strong liquidity position is an essential part of the Group's ability to keep up its high levels of portfolios purchases.

Prevailing markets conditions and interest rates have impacted the Group's interest costs, as floating interest rate debt is the Group's principal funding source. An increase in reference rates such as EURIBOR, NIBOR, STIBOR and WIBOR can have a material adverse effect on the Group's profits and overall result. Increasing rates would impact interest expenses on the Group's outstanding debt, while income from its purchased portfolios would remain the same. Hedging strategies are employed to monitor and/or reduce the interest rate risk exposure. The hedging strategies are structured so that if interest rates increased, the hedges would have a positive effect on profit and loss, which would at least to some extent, partially offset the increased funding cost.

In addition, increasing interest rates might impact customers' ability to pay claims, reducing the ability to generate collection from purchased portfolios. The reason for this is that customers may have other debts that would be affected by rising rates consequently leading to an even weaker financial position for the customers.

11.4.11 Changes in exchange rates

The Group's wide regional presence in Europe makes it vulnerable to changes in exchange rates. The Group's platforms collect on portfolios in 14 different countries with several of them having different currencies.

As a consequence, foreign currency fluctuations may have an adverse impact on the income statement, balance sheet and/or cash flow as a result of NOK being the reporting currency used in preparing and presenting the consolidated financial statements. This is because that the reporting currency of subsidiaries, assets and liabilities are the respective local currencies. The primary assets, the debt portfolios, are denominated in several foreign currencies. On the debt side, however, the Bonds are denominated in EUR, while the Revolving Credit Facility is multi-currency and matched to the assets being financed. However, all debt purchases are not in currencies available under the multi-currency facility, in particular purchases in HRK, implying that the Group bears certain exchange rate risk on parts of its asset base tied to the multi-currency facility as well. The Group seeks to hedge the vast majority of its currency risk by operational hedging meaning financing a portfolio investment in the same currency as the cash flow from the relevant portfolio. The Company also enters into currency derivatives and as of 31 March 2016 held a cross currency swap of SEK 225 million against the EUR and a foreign exchange forward of PLN 100 million against the EUR.

Currency sensitivity table as of 31 December 2015

Currency	Rates	NOK strengthens by 20%	NOK strengthens by 10%	NOK weakens by 20%	NOK weakens by 10%
EUR ¹	9.6190	40,427	20,214	(20 214)	(40 427)
SEK	1.0475	(46,585)	(23,293)	23,293	46,585
PLN	2.2627	(133,713)	(66,857)	66,857	133,713
HRK	1.2598	(155,558)	(77,779)	77,779	155,558
DKK	1.2891	(1,695)	(847)	847	1,695
RSD	0.0790	(7,086)	(3,543)	3,543	7,086
RON	2.1300	(12,833)	(6,417)	6,417	12,833
Total	-	(317,043)	(158,521)	158,521	317,043
1	The EUR has an opposite effect to the other currencies in the table above because EUR net borrowings, including derivatives, exceeds the book value of EUR loans and receivables. The reason for this is that all borrowings relating to the acquisition of loan portfolios in Croatia are done in EUR and not in HRK.				

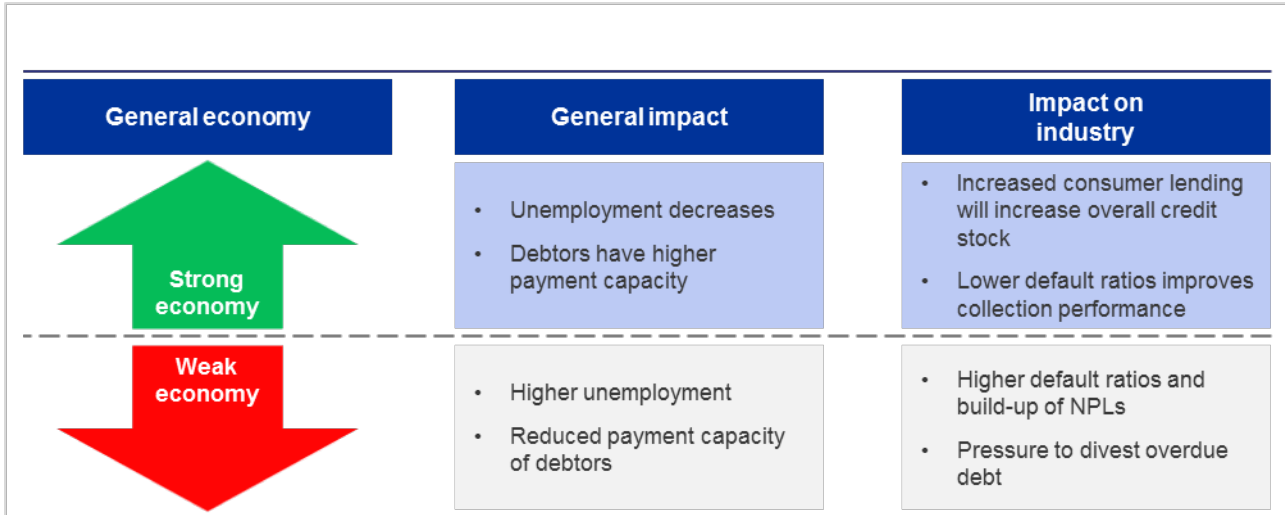
For those countries with reporting currency different from NOK, profit, losses and cash flows are translated into NOK at average exchange rates, and assets and liabilities are translated into NOK at closing exchange rates. Exchange rates fluctuations against NOK result in period on period differences and may obscure period on period comparisons.

11.4.12 Macroeconomic effects

The market conditions can have various effects on the Group's operations and financial results. Adverse economic conditions and higher unemployment rates can for example lead to higher default rates on claims, potentially leading to higher supply of portfolios which positively impact the prospects of purchasing portfolios with attractive returns. On the other hand, adverse economic conditions may also reduce the ability of customers to repay their debts, and hence reduce collection level and revenue from purchased portfolios. If the Group were to experience higher than expected collection costs or higher credit risk on the portfolios, such as lower recoveries than expected from customers, the net cash collection on portfolios could potentially decline significantly and consequently reduce the carrying value of the portfolios due to revaluations.

Although the adverse market conditions may increase the stock of available portfolios, it could also reduce the originators' propensity to sell debt portfolios at prevailing market prices. This is because they would like to avoid large fluctuations and prefer a steady growth on their net profit line, and hence would like to avoid taking more losses during adverse economic conditions than what is necessary. Therefore, this might decrease the volume of portfolios available for the Group to purchase. Thereafter, sales could increase as debt originators seek to sell portfolios to free up capital, consequently increasing the volume of debt portfolios available for purchase. In the latest cycle, this trend has been evident. During the global financial crisis in 2008 and 2009 the market suffered from a dramatic slowdown in NPL divestments, however in the periods afterwards when markets stabilised the debt originators sought to free up capital, significantly increasing the number of portfolios up for sale.

If economic conditions improve there are likely to be lower default rates on loans, potentially impacting the stock available for purchase negatively. However, during periods of improved economic conditions with lower unemployment rates there is typically higher gross collection levels, as these two factors are linked to each other. Consequently, improved economic conditions could also benefit result of operations. During periods of improved economic conditions customers are typically able to increase repayments as well as the Group sees an increased probability of converting those previously unable to pay into payers.



11.4.13 Regulatory changes

The Group's results of operations and the ability to collect on debt portfolios are affected by a number of laws and regulations in the jurisdictions of operations. The debt purchasing and collection business is subject to regulatory and compliance requirements regarding labour, data protection and privacy regulations, license requirements, debt collection practices, consumer credit, statute of limitation, default interest calculation, anti-corruption, anti-money laundering, tax and VAT, antitrust and administrative actions as well as other regulatory provisions. See Section 8.10 "Regulations" for further information on the most important rules and regulations that apply within the various regions of the Group's operations. The Group has implemented specific requirements and responsibilities for ensuring that the operations remain in compliance with the laws and regulations governing the business activities in order to keep the risk of a regulatory breach and subsequent reputational and financial impact at a minimum.

The industry is subject to regulatory changes. Partly due to the financial crisis in 2008 and 2009 new regulatory frameworks have put European banks under pressures to reduce leverage and clean up their balance sheet. Selling debt portfolios have improved the banks' ability to meet the new requirements, consequently increasing the stock of debt-portfolios available for Group to purchase. Hence, regulations may also have a positive impact on the availability of purchase opportunities and the result over operations.

11.5 Selected balance sheet items as at 31 March 2016 and 2015 and 31 December 2015, 2014 and 2013

The table below sets out selected data from the Group's consolidated statement of financial position as at 31 December 2015, 2014 and 2013 as well as at 31 March 2016 and 2015.

<i>In NOK thousands</i>	Three months ended			As at		
	31 March			31 December		
	2016	2015	2015	2014	2013	2013
	IFRS	IFRS	IFRS	IFRS	restated IFRS	NGAAP ¹
	(unaudited)	(unaudited)			(unaudited)	
Non current assets						
Goodwill	310,742	299,452	317,675	302,122	15,042	10,724
Purchased loan portfolios	3,379,207	1,983,949	3,167,628	2,016,705	562,072	702,216 ²
Total non-current assets	4,081,940	2,578,240	3,873,351	2,605,633	606,360	731,766
Current assets						
Cash and short term deposits	273,046	290,388	764,678	294,148	117,660	117,701
Total current assets	367,824	341,283	834,634	354,479	128,032	134,304
Total assets	4,449,764	2,919,523	4,707,985	2,960,142	734,392	866,070
EQUITY						
Other paid in capital	1,427,584	1,419,292	1,426,790	1,403,198	406,695	406,695
Foreign currency translation reserve	120,600	89,992	126,368	47,847	(4,301)	2,511 ³
Other equity	79,473	(118,386)	81,313	(109,540)	(126,068)	30,352 ³
Total equity	1,666,637	1,421,905	1,671,911	1,372,152	279,836	454,325
Non-current liabilities						
Long term interest bearing loans and borrowings	2,470,636	1,015,517	2,526,121	1,053,475	301,632	316,332
Total long term liabilities	2,557,760	1,080,495	2,616,855	1,120,456	340,498	318,285
Current liabilities						
Short term interest bearing loans and borrowings	0	158,202	0	159,336	41,189	35,500
Accounts and other payables	68,277	86,209	107,703	121,223	30,995	9,241
Other current liabilities	96,853	147,946	252,231	155,621	34,561	45,018
Total current liabilities	225,367	417,123	419,219	467,534	114,058	93,460
Total liabilities	2,783,127	1,497,618	3,036,074	1,587,990	454,556	411,745
Total equity and liabilities	4,449,764	2,919,523	4,707,985	2,960,142	734,392	866,070

1 Reference is made to note 4.5 and 4.6 in the audited 2014 Financial Statements for a reconciliation from NGAAP to IFRS of the Group's equity as at 31 December 2013.

2 "Purchased loan portfolios" reported separately as "Added value portfolios" and "Loans and Receivables" in the 2013 Financial Statements. Please refer to the audited 2013 Financial Statements for further details.

3 "Other equity" and "foreign currency translation reserve" reported as "Other equity" and "Uncovered loss" in the 2013 Financial Statements. Please refer to the audited 2013 Financial Statements for further details.

11.5.1 Assets

Total assets of NOK 2,960.142 million as of 31 December 2014 increased with 59% to NOK 4,708.0 million as at 31 December 2015, and with 303.1% from NOK 734.392 million as of 31 December 2013 to NOK 2,960.1 million as of 31 December 2014. Total assets decreased with 9% from NOK 4,708.0 million as at 31 December 2015 to NOK 4,449,764 million as at 31 March 2016.

The increase in total assets from 2013 to 2014 was primarily due to the acquisition of Ultimo group which increased identifiable asset with NOK 1.328.3 million and Goodwill arising on the acquisition with NOK 233.8 million at the effective acquisition date and purchases of other loan portfolios of NOK 526.1 million. Portfolios acquired in the Ultimo acquisition amounted to NOK 1,023.7 million.

Total non-current assets increased by NOK 1,267.7 million, or 49%, from NOK 2,605.6 million as at 31 December 2014 to NOK 3,873.4 million as at 31 December 2015, primarily due to the increase in purchased loan portfolios by NOK 1,150.9 million, or 57% from NOK 2,016.7 as at 31 December 2014 to NOK 3,167.6 million as at 31 December 2015. Total current assets increased by NOK 480 million, or 135%, from NOK 354.5 million as at 31 December 2014 to NOK 834.6 million as at 31 December 2015, primarily due to the increase in cash and short term deposits by NOK 470.5 million, or 160% from NOK 294.1 as at 31 December 2014 to NOK 764.7 million as at 31 December 2015. This increase in cash is due to that the Group at the end of 2015 drew cash from its multi-currency credit facility to pay for a portfolio that was not payable before the start of 2016. Total non-current assets increased with 8% from NOK 3,873.4 million as at 31 December 2015 to NOK 4,081.9 million as at 31 March 2016, primarily due to portfolio purchases of NOK 448 million in the three months ended 31 March 2016.

11.5.2 *Equity and liabilities*

Total liabilities as at 31 December 2015 were NOK 3,036.0 million, a 91% increase from NOK 1,588.0 million as at 31 December 2014, which was primarily related to the Group's refinancing and its new bond loan, while total liabilities as at 31 December 2014 were NOK 1,588.0 million, a 249% increase compared to NOK 454.6 million as at 31 December 2013 which were primarily attributable to the Ultimo acquisition. Total liabilities decreased with 17% from NOK 3,036.0 million as at 31 December 2015 to NOK 2,783.1 million as at 31 March 2016 mainly due to payment of contingent considerations to former owners of acquired companies.

The increase in total liabilities from 2013 to 2014 was primarily due to the acquisition of the Ultimo Group which increased total liabilities with NOK 814.3 million at the effective acquisition date, and an increase in interest bearing loans and borrowings by NOK 118.1 million from NOK 41.2 million as at 31 December 2013 to NOK 159.3 million as at 31 December 2014. Total current liabilities as at 31 December 2015 were NOK 419.2 million, a 10% decrease from NOK 467.5 million as at 31 December 2014, due to the Group's debt refinancing, while total current liabilities as at 31 December 2014 were NOK 467.5 million, a 310% increase compared to NOK 114.1 million as at 31 December 2013 which was primarily due to Ultimo acquisition.

Total equity increased by NOK 1,092.4 million, or 390%, from NOK 279.8 million as at 31 December 2013 to NOK 1,372.2 million as of 31 December 2014, primarily as a result of an increase other paid-in capital needed to fund the Group's growth opportunities including the Ultimo acquisition. Total equity increased by NOK 299.8 million, or 22%, from NOK 1,372.2 million as of 31 December 2014 to NOK 1,672.0 million as of 31 December 2015, primarily as a result of the positive profit for the year of NOK 198.2 million, but also the NOK 78.5 million increase in foreign currency translation reserve. Total equity decreased with 0.4% from NOK 1,671.9 million as at 31 December 2015 to NOK 1,666.6 million as at 31 March 2016.

11.6 Results of operations

11.6.1 Year ended 31 December 2015 compared with year ended 31 December 2014

The table below sets out the Group's consolidated statement of profit and loss and other comprehensive income as at, and for the years ended, 31 December 2015 and 2014.

In NOK thousands

	Year ended 31 December		% change
	2015	2014	
Interest income on purchased loan portfolios	905,544	399,388	127.7
Revenue from external collection	104,101	90,939	14.5
Other operating revenues	57,296	19,899	187.9
	1,070,941	510,226	109.9
Changes in portfolio cash flow estimates	5,298	518	922.8
Net operating revenues	1,076,239	510,744	110.7
External cost of services provided	(189,304)	(118,901)	59.2
Personnel costs	(294,184)	(136,206)	116.0
Depreciation of tangible fixed assets	(8,529)	(4,097)	108.2
Amortisation of intangible assets	(19,424)	(7,889)	146.2
Other operating expenses	(187,594)	(152,167)	23.3
Total operating expenses	(699,035)	(419,260)	66.7
Operating profit	377,204	91,484	312.3
Share of results in associated companies	230	283	(18.73)
Net realised and unrealised exchange gains	34,189	28,309 ¹	20.8
Other interest income	2,200	1,845	19.2
Other interest expenses	(104,582)	(43,905)	138.2
Other financial items	(65,941)	(6,465) ²	920.0
Net financial items	(133,904)	(19,933)	571.8
Profit for the year before tax	243,300	71,551	240.0
Income tax payable	(41,646)	(12,519)	232.7
Change in deferred taxes	(3,479)	(6,940)	(49.9)
Profit for the year after tax	198,175	52,092	280.4

1 "Net realised and unrealised exchange gains" reported separately as "Realised exchange gains", "Unrealised exchange gains", "Realised exchange losses" and "Unrealised exchange losses" in the 2014 Financial Statements.

2 "Other financial items" reported separately as "Other financial income" and "Other financial expenses" in the 2014 and 2013 Financial Statements. Reference is made to the audited 2013 and 2014 Financial Statements and for further details.

Net operating revenues.

The Group's net operating revenues increased by NOK 565.5 million, or 110.7%, from NOK 510.7 million for the year ended 31 December 2014 to NOK 1,076.2 million for the year ended 31 December 2015.

The Group's interest income on purchased loan portfolios increased by NOK 510.2 million, or 127.7% from NOK 399.4 million for the year ended 31 December 2014 to NOK 909.5 million for the year ended 31 December 2015. The increase in interest income on purchased loan portfolios was primarily due to the acquisition of the Ultimo Group in August 2014 and start-ups and escalation of operations in the Balkan countries Croatia, Serbia, Slovenia and Montenegro after the purchase of a substantial portfolio from Hypo Alpe Adria in 2014. Poland accounted for NOK 350.3 million of the increase, Balkans for NOK 135.8 million and other operating segments increased with NOK 24.1 million.

The Group's revenue from external collection increased by NOK 13.2 million or 14.5% from NOK 90.9 million for the period ended 31 December 2014 to NOK 104.1 million for the year ended 31 December 2015. The increase is mainly due to organic growth in commission and collection fees from external collection in OK Perintä in Finland.

The Group's other operating revenues increased by NOK 37.4 million or 187.9%, from NOK 19.9 million for the period ended 31 December 2014 to NOK 57.3 million for the year ended 31 December 2015. The increase in other operating revenues was primarily related to the full year effect of the acquisition of the Ultimo Group in August 2014, which contributed to a NOK 31.6 million increase if compared from four months ended 31 December 2014 to year ended 31 December 2015 as well as organic growth in consumer lending, where the Group's loan receivables increased from NOK 167.8 million for the year ended 31 December 2014 to NOK 259.8 million for the year ended 31 December 2015. The majority of the growth in loan receivables was in TAKTO Poland.

The Group's changes in portfolio cash flow estimates increased by NOK 4.8 million, or 922.8%, from NOK 0.5 million for the year ended 31 December 2014 to NOK 5.3 million for the year ended 31 December 2015. The changes in portfolio cash flow estimates was mainly a result of a NOK 5.0 million adjustment of portfolios in Finland due to revised estimations of future cash-flows.

External cost of services provided.

External cost of services provided increased by NOK 70.4 million or 59.2% from NOK 118.9 million for the year ended 31 December 2014 to NOK 189.3 million for the year ended 31 December 2015. This was mainly due to the full year effect of costs from the Ultimo Acquisition. NOK 46.1 million of the increase is attributable to courts fees, bailiffs and lawyers for collection services and NOK 12.4 million relates to fees to external parties for collection and skip tracing services.

Personnel costs.

Personnel costs increased by NOK 158.0 million, or 116.0%, from NOK 136.2 million for the year ended 31 December 2014 to NOK 294.2 million for the year ended 31 December 2015. This was primarily attributable to the full year effect of personnel costs from the Ultimo Acquisition, which resulted in an increase of 780 employees when the Ultimo Group became part of the Group in August 2014. In addition, due to high activity, the Group experienced a general increase in FTEs of 215.4 FTEs from 961 FTEs at year-end 2014 to 1,178 FTEs at year-end 2015. The increase is mainly related to employees involved in the collection process in the Balkans and in Poland. In 2015 costs also increases due to the share option schemes implemented during the second half of 2015 and management bonuses. The cost recognised in personnel expenses related to the share option schemes, including accruals for social security taxes, amount to NOK 12.6 million.

Depreciation of tangible fixed assets.

Depreciation of tangible fixed assets increased by NOK 4.4 million, or 108.2%, from NOK 4.1 million for the year ended 31 December 2014 to NOK 8.5 million for the year ended 31 December 2015. The increase is primarily related to increased activity due to the Group's acquisitions carried out in 2014.

Amortisation of intangible assets.

Amortisation of intangible assets increased by NOK 11.5 million, or 146.2%, from NOK 7.9 million for the year ended 31 December 2014 to NOK 19.4 million for the year ended 31 December 2015. The increase is primarily related to the acquisition of the Ultimo Group in 2014, which led to an increase in the Group's intangible assets with NOK 57 million at acquisition date.

Other operating expenses.

Other operating expenses increased by NOK 35.4 million, or 23.3%, from NOK 152.2 million for the year ended 31 December 2014 to NOK 187.6 million for the year ended 31 December 2015. The increase is primarily due to the full year effect of costs from the Ultimo Group, the general increase in operational activity through the Group from 2014 to 2015 and one-off cost of professional and legal services provided in connection with the refinancing of the Group in 2015 offset by NOK 48.8 million in acquisition cost in 2014 related to the acquisition of the Ultimo Group.

Total operating expenses.

Total operating expenses increased by NOK 279.8 million, or 66.7%, from NOK 419.3 million for the year ended 31 December 2014 to NOK 699.0 million for the year ended 31 December 2015. This increase was primarily attributable to the full year effect of costs from the Ultimo Group and the general increase in operational activity through the Group from 2014 to 2015, offset by acquisition cost in 2014.

Operating profit.

The operating profit increased by NOK 285.7 million, or 312.3%, from NOK 91.5 million for the year ended 31 December 2014 to NOK 377.2 million for the year ended 31 December 2015. The main reasons for this growth are the acquisition of the Ultimo Group and start-ups and escalation of operations in the Balkan countries after the purchase of a substantial portfolio from Hypo Alpe Adria in 2014. Operating profit for these two segments increased with NOK 243.5 million (419.5%) compared to 2014, other segments with operating platforms increased with NOK 38.2 million (33.1%).

Net financial items.

Net financial items decreased by NOK 114.0 million, or 571.8%, from NOK (19.9) million for the year ended 31 December 2014 to NOK (133.9) million for the year ended 31 December 2015. The changes in net financial items was primarily related to increase in interest expenses on interest bearing loans of NOK (60.7) million, or 138.2% which increased from NOK (43.9) million in 2014 to NOK (104.6) million in 2015 due to an increase in interest bearing loans and borrowings to finance the Ultimo Acquisition in August 2014 as well as portfolio purchases in 2014 and 2015. In addition to this, losses on derivative financial instruments were NOK 16.8 million and fair value adjustments of contingent consideration to former owners of acquired subsidiaries were NOK 45.4 million.

Tax expense.

Tax expense increased by NOK 25.7 million, or 182.8%, from NOK 19.5 million for the year ended 31 December 2014 to NOK 45.1 million for the year ended 31 December 2015. This increase was attributable to increased activity and profit before tax. The effective tax rate for the year ended 31 December 2015 was 18.5% compared to 27.2% for the same period in 2014 reflecting the fact that a greater proportion of the Group's profits are being generated in Poland and the Balkans in 2015, where tax rates are 19% and 15-20% respectively.

11.6.2 Year ended 31 December 2014 compared with year ended 31 December 2013

The table below sets out the Group's consolidated statement of profit or loss and other comprehensive income as at, and for the years ended, 31 December 2014 and 2013.

In NOK thousands

	Year ended 31 December		% change
	2014	2013 (unaudited)	
Interest income on purchased loan portfolios	399,388	142,915	179.5
Revenue from external collection	90,939	85,922	5.8
Other operating revenues	19,899	2,697	637.8
Total operating revenues	510,226	231,534	120.4
Changes in portfolio cash flow estimates	518	(43,686)	101.2
Net operating revenues	510,744	187,848	171.9
External cost of services provided	(118,901)	(61,693)	92.7
Personnel costs	(136,206)	(71,560)	90.3
Depreciation of tangible fixed assets	(4,097)	(1,983)	106.6
Amortisation of intangible assets	(7,889)	(848)	830.3
Other operating expenses	(152,167)	(46,240)	229.1
Total operating expenses	(419,260)	(182,324)	(130.0)
Operating profit	91,484	5,524	1,556.1
Share of results in associated companies	283	-	-
Other interest income	1,845	1,661	11.1
Other financial income	43,102	24,491	76.0
Other interest expenses	(43,905)	(15,895)	176.2
Other financial expenses	(21,258)	(10,007)	112.4
Net financial items	(19,933)	250	(8,073.2)
Profit for the year before tax	71,551	5,774	(1,139.2)
Income tax payable	(12,519)	(8,752)	43.0
Change in deferred taxes	(6,940)	4,713	(247.3)
Profit for the year after tax	52,092	1,735	2,902.4

Total operating revenues.

The Group's total operating revenues increased by NOK 278.7 million, or 120.4%, from NOK 231.5 million for the year ended 31 December 2013 to NOK 510.2 million for the year ended 31 December 2014 and the Group's net operating revenues increased by NOK 322.9 million, or 171.9%, from NOK 187.8 million for the year ended 31 December 2013 to NOK 510.7 million for the year ended 31 December 2014.

The Group's interest income on purchased loan portfolios increased by NOK 256.5 million, or 179.5% from NOK 142.9 million for the year ended 31 December 2013 to NOK 399.4 million for the year ended 31 December 2014. The increase in interest income on purchased loan portfolios was primarily due to the Ultimo Acquisition which was completed in August 2014, which increased the Group's interest revenues with NOK 176 million in 2014 compared to 2013. Interest income in the Group's other regions increased with NOK 80.5 million, mainly due to purchases of NPL portfolios in 2014 compared to 2013.

The Group's revenue from external collection increased by NOK 5.0 million or 5.8% from NOK 85.9 million for the period ended 31 December 2013 to NOK 90.9 million for the year ended 31 December 2014. The increase in revenue from external collection was a result of the acquisition of Creditreform Latvija (Latvia) with effective acquisition date 1 January 2014, which increased revenue from external collection in Latvian group companies with NOK 9.8 million in 2014.

The Group's other operating revenues increased by NOK 17.2 million or 637.8%, from NOK 2.7 million for the period ended 31 December 2013 to NOK 19.9 million for the year ended 31 December 2014. The increase in other operating revenues was primarily related to the acquisitions of the Ultimo Group and of Creditreform in 2014, and mainly related to consumer lending in Poland and credit information services in Latvia.

The Group's changes in portfolio cash flow estimates increased by NOK 44.2 million, or 101.2%, from NOK (43.7) million for the year ended 31 December 2013 to NOK 0.5 million for the year ended 31 December 2014. The changes in portfolio cash flow estimates was a result of a 2013 write-down in Sweden with NOK 43.7 million due to revised estimations of future cash-flows from a portfolio. According to accounting policies implemented by the Group, changes in portfolio cash flow estimates are presented as part of net operating revenues.

External cost of services provided.

External cost of services provided increased by NOK 57.2 million or 92.7% from NOK 61.7 million for the year ended 31 December 2013 to NOK 118.9 million for the year ended 31 December 2014. This was primarily attributable to the Ultimo Acquisition and increased activity, which increased the external cost of services provided with NOK 53.6 million in 2014 compared to 2013, in particular due to increased fee costs to courts, bailiffs and lawyers for collection services.

Personnel costs.

Personnel costs increased by NOK 64.6 million, or 90.3%, from NOK 71.6 million for the year ended 31 December 2013 to NOK 136.2 million for the year ended 31 December 2014. This was primarily attributable to an increase of 473 FTE's during 2014, from 230 at 31 December 2013 to 703 at 31 December 2014, mainly due to the acquisitions of Creditreform and the Ultimo Group in 2014.

Depreciation of tangible fixed assets.

Depreciation of tangible fixed assets increased by NOK 2.1 million, or 106.6%, from NOK 1.9 million for the year ended 31 December 2013 to NOK 4.1 million for the year ended 31 December 2014. The increase is primarily related to increased activity due to the Group's acquisitions.

Amortisation of intangible assets.

Amortisation of intangible assets increased by NOK 7.0 million, or 830.3%, from NOK 0.8 million for the year ended 31 December 2013 to NOK 7.9 million for the year ended 31 December 2014. The increase is primarily related to the acquisitions of the Ultimo Group and of Creditreform, which led to an increase in the Group's intangible assets with NOK 57 million and NOK 13.7 million, respectively.

Other operating expenses.

Other operating expenses increased by NOK 105.9 million, or 229.1%, from NOK 46.2 million for the year ended 31 December 2013 to NOK 152.1 million for the year ended 31 December 2014. The increase is primarily attributable to increased activity due to the Group's acquisitions of companies and transaction cost attributable to such acquisitions. NOK 49.3 million is attributable to transaction cost from acquisitions and NOK 56.6 million is related to other operating expenses, including increased cost of premises, IT and telecommunications, marketing and other general expenses due to full year effect of the Ultimo acquisition.

Total operating expenses.

Total operating expenses increased by NOK 236.9 million, or 130.0%, from NOK 182.3 million for the year ended 31 December 2013 to NOK 419.3 million for the year ended 31 December 2014. This increase was primarily attributable to an increase in personnel cost and other operating expenses due to increased activity and acquisitions of Ultimo Group and Creditreform.

Operating profit

The operating profit increased by NOK 86.0 million, or 1,556.1%, from NOK 5.5 million for the year ended 31 December 2013 to NOK 91.5 million for the year ended 31 December 2014. The changes in operating profit was a result of the Ultimo Group contributing with NOK 57.3 million in operating profit for the period August to December 2014, increased activity in other regions and a negative portfolio cash flow estimate change of NOK 43.7 million in Sweden in 2013.

Net financial items

Net financial items decreased by NOK 20.2 million, or (8,073.2%), from NOK 0.3 million for the year ended 31 December 2013 to NOK (19.9) million for the year ended 31 December 2014. The changes in net financial items was primarily related to interest expenses on interest bearing loans, which increased from NOK 15.9 million in 2013 to NOK 43.9 million in 2014. The increase in the Group's interest bearing loans was mainly due to secured loans in the subsidiary Ultimo Netherlands for the purposes of financing the Ultimo Acquisition.

Tax expense

Tax expense increased by NOK 15.4 million, or 381.8%, from NOK 4.0 million for the year ended 31 December 2013 to NOK 19.5 million for the year ended 31 December 2014. This increase was attributable to increased activity and profit before tax. The effective tax rate for the year ended 31 December 2014 was 27.2% compared to 70% for the same period in 2013 due to tax losses in group companies which had not achieved a reliable level of tax profitability not being recognised as deferred tax assets.

11.6.3 Three months ended 31 March 2016 compared with three months ended 31 March 2015

The table below sets out the Group's consolidated statement of profit or loss and other comprehensive income as at, and for the three months ended, 31 March 2016 and 2015.

In NOK thousands

	Three months ended 31 March		% change
	2016 (unaudited)	2015 (unaudited)	
Interest income on purchased loan portfolios	249,453	195,953	27.3
Revenue from external collection	23,775	24,828	(4.2)
Other operating revenues	21,902	9,498	130.6
Total operating revenues	295,130	230,279	28.2
Changes in portfolio cash flow estimates	(16,023)	(80)	19,928.8
Net operating revenues	279,107	230,199	21.2
External cost of services provided	(52,627)	(40,047)	31.4
Personnel costs	(80,888)	(55,728)	45.1
Depreciation of tangible fixed assets	(2,340)	(1,815)	28.9
Amortisation of intangible assets	(4,994)	(4,275)	16.8
Other operating expenses	(53,491)	(38,924)	37.4
Total operating expenses	(194,341)	(140,789)	38.0
Operating profit	84,766	89,410	(5.2)
Share of results in associated companies	-	-	-
Net realised and unrealised exchange gains	(27,259)	(66,581)	(59.1)
Other interest income	695	1,890	(63.2)
Other interest expenses	(50,940)	(19,389)	162.7
Other financial items	(1,436)	(2,136)	(32.8)
Net financial items	(78,940)	(86,216)	(8.4)
Profit for the period before tax	5,826	3,194	82.4
Income tax payable	(9,272)	(6,639)	39.7
Change in deferred taxes	1,558	(5,234)	(129.8)
Profit for the period after tax	(1,887)	(8,679)	(78.3)

Net operating revenues.

The Group's net operating revenues increased by NOK 48.9 million, or 21.2%, from NOK 230.2 million for the three months ended 31 March 2015 to NOK 279.1 million for the three months ended 31 March 2016.

The Group's interest income on purchased loan portfolios increased by NOK 53.5 million, or 27.3%, from NOK 196.0 million for the three months ended 31 March 2015 to NOK 249.5 million for the three months ended 31 March 2016. The increase in interest income on purchased loan portfolios was primarily due to high activity in portfolio purchases in the six months ended 31 December 2015 and the three months ended 31 March 2016, partly offset by a delay in the set-up of the organisation related to secured portfolios in the Balkans. The gross cash collection in the Balkans was extended out in time resulting in a negative effect on reported interest revenue of approximately NOK 30 million in the three months ended 31 March 2016. From 1 January 2016 a new law was passed in Poland limiting the number of cases a single bailiff office can process in a year, resulting in a temporary backlog of claims in Poland. Furthermore, a new law related to legal collection in Romania was implemented in during the three months ended 31 March 2016. The legal changes in Poland and Romania resulted in delayed cash collection with a negative impact on reported interest revenue with approximately NOK 20 million in first quarter 2016.

The Group's revenue from external collection decreased by NOK 1.1 million or 4.2% from NOK 24.8 million for the three months ended 31 March 2015 to NOK 23.8 million for the three months ended 31 March 2016. The increase in revenue from external collection is organic.

The Group's other operating revenues increased by NOK 12.4 million or 130.6%, from NOK 9.5 million for the three months ended 31 March 2015 to NOK 21.9 million for the three months ended 31 March 2016. The increase in other operating revenues was primarily related to increased activity in TAKTO Poland within consumer lending.

The Group's changes in portfolio cash flow estimates increased by NOK 15.9 million, or 19,928.8%, from NOK 0.1 million for the three months ended 31 March 2015 to NOK 16.0 million for the three months ended 31 March 2016. The changes in portfolio cash flow estimates was mostly related to the new law passed in Romania and a change in collection curves related to secured portfolios in the Balkans.

External cost of services provided.

External cost of services provided increased by NOK 12.6 million or 31.4% from NOK 40.0 million for the three months ended 31 March 2015 to NOK 52.6 million for the three months ended 31 March 2016. This was primarily attributable to higher activity due to portfolio purchases in the six month period ended 31 December 2015 and the three months ended 31 March 2016, partly offset by reduced collection cost due to delayed collection in Poland, Romania and the Balkans.

Personnel costs.

Personnel costs increased by NOK 26.2 million, or 45.1%, from NOK 55.7 million for the three months ended 31 March 2015 to NOK 80.9 million for the three months ended 31 March 2016. This was primarily attributable to general increase in the Group organisation and activity. Number of employees (measured in FTEs) increased from 961 at beginning of the three months ended 31 March 2015 to 1,186 at the end of the three months ended 31 March 2016. The increase in FTEs is mainly related to employees involved in the collection process in the Balkans and in Poland. Furthermore, cost related to the share option program has been booked starting from the three months ended 31 September 2015.

Depreciation of tangible fixed assets.

Depreciation of tangible fixed assets increased by NOK 0.5 million, or 28.9%, from NOK 1.8 million for the three months ended 31 March 2015 to NOK 2.3 million for the three months ended 31 March 2016. The increase is primarily organic.

Amortisation of intangible assets.

Amortisation of intangible assets increased by NOK 0.7 million, or 16.8%, from NOK 4.3 million for the three months ended 31 March 2015 to NOK 5.0 million for the three months ended 31 March 2016. The increase is primarily organic.

Other operating expenses.

Other operating expenses increased by NOK 14.6 million, or 37.4%, from NOK 38.9 million for the three months ended 31 March 2015 to NOK 53.5 million for the three months ended 31 March 2016. The increase is primarily attributable to higher activity and NOK 8,8 million in non-recurring expenses booked related to the IPO process.

Total operating expenses.

Total operating expenses increased by NOK 53.6 million, or 38.0%, from NOK 140.8 million for the three months ended 31 March 2015 to NOK 194.3 million for the three months ended 31 March 2016. This increase was primarily attributable to higher activity, increased number of FTEs and non-recurring costs related to the IPO process.

Operating profit

The operating profit decreased by NOK 4.6 million, or 5.2%, from NOK 89.4 million for the three months ended 31 March 2015 to NOK 84.8 million for the three months ended 31 March 2016. The changes in operating profit was a result of increased activity due to a high number of purchased portfolios and growth in operations offset by delayed cash collection in the Balkans, Romania and Poland, and non-recurring costs related to the IPO process.

Net financial items

Net financial items decreased by NOK 7.3 million, or 8.4%, from NOK 86.2 million for the three months ended 31 March 2015 to NOK 78.9 million for the three months ended 31 March 2016. The changes in net financial items was primarily related to increased interest expenses after refinancing of interest bearing loans and borrowings in the three months ended 31 December 2015 partly offset by reduced loss in net realised and unrealised exchange rate differences.

Tax expense

Tax expense increased by NOK 2.6 million, or 39.7%, from NOK 6.6 million for the three months ended 31 March 2015 to NOK 9.3 million for the three months ended 31 March 2016. This increase was attributable to tax losses in group companies which had not achieved a reliable level of tax profitability not being recognised as deferred tax assets.

11.7 Liquidity and capital resources*11.7.1 Liquidity and funding*

The Group's liquidity requirements arise primarily from the requirement to fund working capital, debt purchases and acquisitions, operating expenses and capital expenditures, as well as to service debt. The Group's principal sources of liquidity consists of its operating cash flow and borrowings under the Revolving Credit Facility and the Bonds, as well as equity contributions from the Company's shareholders (see Section 15.3 "Share capital and share capital history" for an overview of the Company's share issuances since 1 January 2013). As of 31 March 2016, the Group had total equity of NOK 1,666.6 million, corresponding to an equity ratio of 37.5%, cash and cash equivalents of NOK 273.0 million and total interest bearing debt of NOK 2,470.6 million. From 31 March 2016 to 30 April 2016, the Group has purchased portfolios for approximately NOK 69 million. After cash flows from operations and portfolio purchases, net cash as at 30 April 2016 amounted to NOK 296 million and interest bearing debts to NOK 2,403 million.

The cash equivalents of NOK 273.0 million as of 31 March 2016 reflect a currency basket of mainly PLN 58% and EUR 31% and earn interest at floating rates which is based on bank deposit rates. Included in the cash equivalents are restricted deposits for employee payroll withholding tax of NOK 0.8 million, other restricted balances (e.g. cash balances on escrow and office rental deposits) of NOK 6.2 million and short term deposit of NOK 6.0 million.

The Group's ability to generate cash from operations depends on its future operating performance, which is, in turn, dependent, to some extent, on general economic, financial, competitive, market regulatory and other facts, many of which are beyond the Group's control, as well as other facts described in Section 2 "Risk Factors".

The Group will use free cash to (i) repay debt under the Revolving Credit Facility and (ii) acquire portfolios and potentially increase presence in markets through purchase of platforms. All subsidiaries are funded with either equity or intercompany loan from Group (Ultimo Netherlands B.V. and B2Holding AS). The subsidiaries shall keep a low balance on their local bank accounts and repay their intercompany loans to the Group (Ultimo Netherlands B.V. and B2Holding AS) with their surplus cash.

The Group believes that its operating cash flows and borrowing capacity will be sufficient to meet its requirements and commitments for the foreseeable future. The Company's actual financing requirements depend on a number of factors, many of which are beyond its control.

The Company is a holding company with no direct source of operating income. It is therefore dependent on its capital raising abilities and dividend payments from its subsidiaries.

11.7.2 Material indebtedness

As of 31 December 2015, the Group had total interest bearing debt of NOK 2,526.1 million, of which NOK 1,104.4 million was under the Revolving Credit Facility and NOK 1,421.2 million were under the Bonds. The Group's interest cover ratio (Operating profit/other interest expenses) was 3.6 for 2015.

The maturity profile and estimated interest costs for the Revolving Credit Facility and the Bonds are as follows:

<i>In NOK millions</i>	2016	2017	2018	2019	2020
The Revolving Credit Facility					
Repayment				1,183.4	
Estimated interest ¹⁾	79.2	76.4	78.4	49.8	
The Bonds					
Repayment					1,442.9
Estimated interest ²⁾	110.0	109.7	109.7	109.7	110.0

1 Based on an interest rate margin of 3.50%.

2 Based on an interest rate margin of 7.50%.

The Revolving Credit Facility

In November 2015, the Company's wholly-owned subsidiary Ultimo Netherlands BV entered into the Revolving Credit Facility with DNB Bank ASA and Nordea Bank Norge ASA as original lenders, providing for a senior secured multi-currency revolving EUR 260 million loan. The Revolving Credit Facility was used to repay the Group's previous multi-currency revolving credit facility and secured bank loans of NOK 1,505 million in total. As at 31 March 2016, the undrawn amount on the Revolving Credit Facility was EUR 137 million. The Revolving Credit Facility matures in August 2019. The Company is guarantor and subject to a continuing guarantee with the maximum liability of EUR 300 million with the addition of any and all interest, default interests, costs and expenses under the Revolving Credit Facility. The security granted for the Revolving Credit Facility includes a share pledge over the Company's 100% directly owned subsidiaries, an account charge over a number of pre-defined Company bank accounts, and a pledge over the intra-group loan receivables from the Company to its subsidiaries.

Subject to certain conditions, the Group may voluntarily repay its utilizations and/or permanently cancel all or part of the available commitments under the Revolving Credit Facility (subject to certain restrictions and notices). Amounts repaid (but not cancelled) may, subject to the terms of the Revolving Credit Facility, be reborrowed.

The Revolving Credit Facility bears an interest at a rate per annum equal to the relevant interbank offered rate for the relevant currency and a margin of 3.25% to 3.75% per annum, as determined by a margin based on the loan to value ratio ("LTV"): For an LTV of less than 45%, the margin is 3.25%, for an LTV from 45% to 55% the margin is 3.5% and for an LTV above 55% the margin is 3.75%.

The Revolving Credit Facility also requires the Company to ensure that the Group, on a consolidated basis, complies with the following financial covenants, which are tested either monthly or quarterly;

- **Group financial covenants:** (i) the ratio of total net interest bearing debt to total book value is equal to or less than 75%; (ii) the leverage ratio does not exceed 3.5 in the defined relevant period; (iii) the total net interest cover shall not for the defined relevant period fall below 5.0; and (iv) that the equity ratio is equal to or above 28%.
- **Restricted group financial covenants:** (i) the borrowing base utilisation ratio (i.e. the ratio of the restricted group's interest bearing debt to book value) is equal to or less than 65%; and (ii) that the gross collection ratio (i.e. the ratio of collections to ERC in respect of the relevant collection period) does not fall below 90% in the defined relevant period.

The Revolving Credit Facility Agreement contains a change of control provision, which require a mandatory prepayment if, following the Listing, a shareholder or group of shareholders acting in concert gains control, directly or indirectly, of 1/3 or more of the outstanding votes of the Company at any time. A similar mandatory prepayment will incur in the event the Company is delisted and not simultaneously listed on another stock exchange acceptable to the majority lenders of the agreement.

Further, the Revolving Credit Facility contains certain other customary information and negative covenants (including certain restrictive covenants that replicate those contained in the Bond Agreement), which, amongst other things, limits the Group's ability to effect substantial change to the business; grant financial support; create or permit pledges of subsidiaries' assets which are already subject to such security under the Revolving Credit Facility; incur or allow for new financial indebtedness; and complete certain investments. Each of the restrictive covenants is subject to a number of exceptions and qualifications. Pursuant to the Revolving Credit Facility a dividend payment is also restricted in the event such payment causes a breach of the financial covenants.

The Bonds

In December 2015, the Company issued EUR 150 million in senior unsecured floating rate bonds (the "**Bonds**") governed by a bond agreement between the Company as issuer and Nordic Trustee ASA as trustee on behalf of the bondholders (the "**Bond Agreement**"). As the Company is the issuer, the Bonds are structurally subordinated the Revolving Credit Facility. The Bonds carry a floating interest rate based on 3 months EUROIBOR plus a margin. For the interest period ending on 8 June 2016, the margin was equal to 7.50 % per annum. Interest is paid in arrears each quarter. The Bonds will mature in full on 8 December 2020. The Bonds are listed on the Oslo Stock Exchange under ticker "B2H01".

The Bond Agreement contains a change of control provision, which trigger a put option that gives each bondholder the right to redeem its Bonds at 101% of the face value of the Bonds plus any accrued interest if, any person or a group of persons under joint Decisive Influence obtains Decisive Influence over the Company. Decisive Influence means that an entity has, as a result of an agreement or through the ownership of shares or interest in another person (directly or indirectly), either (i) a majority of the voting rights in that other person or (ii) a right to elect or remove a majority of the members of the board of directors of that other person.

The Bond Agreement also limits, amongst other things, the ability of the Company to incur, create or permit additional financial indebtedness (subject to certain exceptions as further specified in the Bond Agreement); effect a merger, demerger or other corporate reorganisations what would lead to a consolidation or a split of the assets and obligations of the Company; create or permit certain liens and pledges; sell, liquidate or otherwise dispose or all or substantial parts of the Group's assets or operations. The Company has also undertaken to inform the Trustee in writing on circumstances which may lead to default or that may have material adverse effect on the Bonds. Each of the restrictive covenants is subject to a number of exceptions and qualifications.

In particular, the Bond Agreement limits the ability of the Company to pay dividends, as well as imposing certain financial covenants and certain restrictions on subsidiaries' distribution. Under the Bond Agreement, dividends or other distributions are permitted to the extent of 50% of consolidated net profit after taxes based on audited annual accounts. Further, under the Bond Agreement, the Group is required to, at all times during the term of the Bonds, maintain an interest cover ratio of minimum 4.0x, a leverage ratio of maximum 4.0x and a total loan to value ratio of maximum 75%. The Bond Agreement also restricts the right of the Company's subsidiaries to create or permit to exist any contractual obligation restricting the right of any subsidiary to make any distributions to the Company; service any financial indebtedness owed to the Company, make any loans to the Company or transfer any of its assets and properties to the Company.

11.7.3 Cash flows

The following table sets out financial information extracted from the cash flow statement relating to the Group for the years ended 31 December 2015, 2014 and 2013 and for the three month periods ended 31 March 2016 and 2015. Figures have been extracted without material adjustment from, and should be read in conjunction with, Section 10.5 "Consolidated statement of cash flows" above and the Financial Statements and Interim Financial Information. The differences between IFRS and NGAAP regarding operating, investing and financing cash flows for the year ended 31 December 2013 is due to differences in classification within the cash flow statements. This also applies for the classification of cash and cash equivalents at 31 December 2013, see note 4 to Financial Statements 2014.

<i>In NOK thousands</i>	Three months ended 31 March			Year ended 31 December		
	2016	2015	2015	2014	2013	2013
	<i>IFRS</i> (<i>unaudited</i>)	<i>IFRS</i> (<i>unaudited</i>)	<i>IFRS</i>	<i>IFRS</i>	<i>restated IFRS</i> (<i>unaudited</i>)	<i>NGAAP</i>
Net cash flow from operating activities	135,194	101,749	591,123	209,814 ¹	216,162	245,835
Net cash flow from investing activities	(611,596)	(81,381)	(1,387,733)	(1,155,107) ¹	(693,664)	(760,147)
Net cash flow from financing activities	601	(23,387)	1,232,836	1,108,157 ¹	533,042	566,299
Net cash flow during the period	(475,801)	(3,019)	436,226	162,864	55,540	51,987
Cash and cash equivalents at the end of the period	273,046	290,388	764,678	294,148	117,660	117,701

¹ "Payment of contingent considerations" was reported within "Operating activities" in the 2014 Financial Statements and "Acquisition of non-controlling interests" was reported within "Investing activities". Please see the 2014 Financial Statements for further details.

Operating activities.

The cash flows from operating activities for the three months ended 31 March 2016 amounted to NOK 135.2 million compared to NOK 101.7 million for the three months ended 31 March 2015. The increase is mainly due to increased cash collection of NOK 134 million which was partially offset by increased interest payments and working capital items. The cash flows from operating activities for the year ended 31 December 2015 amounted to NOK 591.1 compared to a net cash flow from operating activities of NOK 209.8 million for the year ended 31 December 2014. The increase is mainly due to increased cash collection from high activity in acquired and purchased loan portfolios in 2014 and 2015 offset by increased operational expenses. For the year ended 31 December 2014, the Group's net cash flow from operating activities amounted to NOK 209.8 million, which was an decrease from the NOK 216.1 million in net cash flow for the year ended 31 December 2013. This was due primarily to increased activity in 2014 offset by changes in unrealised foreign exchange differences and operating capital timing adjustments.

Investing activities.

The cash flows from investing activities for the three months ended 31 March 2016 amounted to NOK (611.6) million compared to NOK (81.4) million for the three months ended 31 March 2015. The increase is mainly due to high activity in purchasing loan portfolios and payment of contingent considerations to former owners of acquired subsidiaries. The cash flows from investing activities for the year ended 31 December 2015 amounted to NOK (1,387.7) compared to NOK (1,155.1) million in cash flow from investing activities for the year ended 31 December 2014. This was primarily due to increase in purchased loan portfolios of NOK 831.6 million offset by acquisitions of subsidiaries with NOK 605.7 million (net of cash acquired) in 2014. For the year ended 31 December 2014, the Group's net cash flow from investing activities amounted to NOK (1,155.1) million, which was an increase from the NOK (693.7) in net cash flow for the year ended 31 December 2013. This was due primarily to the acquisition of the Ultimo Group in August 2014 with NOK 680.3 million cash paid in the transaction, which again was offset by reduced purchases of loan portfolios.

Financing activities.

The cash flows from financing activities for the three months ended 31 March 2016 amounted to NOK 0.6 million compared to NOK (23.4) million for the three months ended 31 March 2015. This was primarily due to repayment of external loans in 2015. The cash flows from financing activities for the year ended 31 December 2015 amounted to NOK 1,232.8 compared to NOK 1,108.2 million in cash flow from financing activities for the year ended 31 December 2014. This was primarily due to refinancing three acquisitions- and country specific loans into a EUR 260 mill corporate multi-currency revolving credit facility and completing a EUR 150 million senior unsecured bond issue. For the year ended 31 December 2014, the Group's net cash flow from financing activities amounted to NOK 1,108.2 million, which was an increase from the NOK 553.0 million in net cash flow for the year ended 31 December 2013. This was due primarily to proceeds from issue of new shares in 2014, which net of transaction cost amounted to NOK 1,004.7 compared to NOK 231.2 million in 2013. The cash inflows from new shares are somewhat offset by reduced net inflow (new loans and repayments) from interest bearing external loans in 2014.

Significant changes since 31 March 2016

Since 31 March 2016 until the date of this Prospectus, the following events have increased/reduced the Group's cash position: (i) the Group's cash collection of NOK 129 million has increased the Group's cash position correspondingly, (ii) the Group has made portfolio purchases of approximately NOK 69, which has decreased the Group's cash position correspondingly.

Other than changes as a result of the Group's ordinary operations, there has been no material change to the Group's cash position aside from the transactions mentioned above.

11.8 Contractual cash obligations and other commitments

11.8.1 Operating lease payments

The Group has entered into commercial leases for office premises, motor vehicles and items of office equipment. The Group leases all of its office premises and has entered into lease agreements in each of the locations in which it operates.

The Group's headquarters are located in Oslo, Norway, which is leased under an agreement expiring in 30 June 2019. Parts of the premises located at the Group's headquarters are subleased under a sublease agreement expiring 30 June 2019. The Group's office premises in Wroclaw, Poland, which is the Group's largest operations are leased under a continuing agreement which may be terminated by either of the parties with 12 months' notice. The lease payments for the majority of the office premises lease contracts are adjusted according to the consumer price index, have an extension option and have an average life of between 12 months and 5 years.

The Group's main fixed assets are equipment, fixtures and fittings at the Ultimo Group's office premises. At 31 December 2015, equipment, fixtures and fittings had a book value of NOK 28.8 million. There are no major encumbrances on the Group's fixed assets.

The operating lease costs for the following types of lease were as follows for the years ended 31 December 2015, 2014 and 2013:

<i>In NOK thousands</i>	Year ended 31 December		
	2015	2014	2013
Office premises	11,733	7,613	5,233
Motor vehicles	1,713	940	468
Office equipment	3,946	2,771	2,281

The following table sets out the Group's future commitments of lease payments under non-cancellable operating leases at 31 December 2015, 2014 and 2013.

<i>In NOK thousands</i>	As at 31 December		
	2015	2014	2013
Rentals payable within one year	15,924	11,946	9,488
Rentals payable from one to five years	14,735	7,628	6,034
Rentals payable after more than five years	352	1,641	0

The Group has sublet some smaller sections of the leased office premises. Sub-lease receipts are recognised as a reduction in the operating lease payment during the period and amount to NOK 514,000 in 2015, NOK 170,000 in 2014 and NOK 55,000 in 2013. Future minimum rental receipts under non-cancellable sub-leases were as follows:

<i>In NOK thousands</i>	As at 31 December		
	2015	2014	2013
Rentals receipts within one year	549	109	175
Rentals receipts from one to five years	1,347	0	44

11.8.2 Finance lease commitments

The Group has some minor finance leases for various items of equipment. Present value of future minimum lease payments under finance leases was NOK 1.0 million as of 31 December 2015, and NOK 1.5 million as at 31 December 2014. The Group had no finance leases at 31 December 2013.

11.8.3 Forward-flow commitments

The Group has committed to buy non-performing debt portfolios for delivery in future years ("forward flow contracts") from financial institutions in the countries listed in the table below. The estimated face value and purchase price of the

majority of contracts is based on the maximum face value in the purchase agreement. There were no such commitments at 31 December 2013.

<i>In NOK thousands</i>	As at 31 March		As at 31 December	
	2016	2015	2014	2013
Sweden – Face Value	127,000	159,220	0	0
Sweden – Purchase price	81,000	96,370	0	0
Latvia – Face Value	0	0	10,437	0
Latvia – Purchase price	0	0	4,970	0
Finland – Face Value	62,900	122,143	1,608	0
Finland – Purchase Price	40,650	76,952	1,121	0

11.9 Investments

11.9.1 Principal investments in progress and planned principal investments

The Group's investments are primarily acquisitions of subsidiaries and portfolio purchases. B2Holding has signed a sale and purchase agreement regarding a purchase of Debt Collection Agency AD, a Bulgarian entity. It is expected that closing of B2Holding's purchase of Debt Collection Agency AD will take place on or about 31 May 2016, subject to certain conditions being met or waived. In addition, the Group has entered into a portfolio purchase agreement and expect to enter into an additional portfolio purchase agreement conditional upon obtaining the prior approval from national regulators, such approval is expected by the end of May/early June. The total purchase price for these two portfolios is approximately NOK 630 million, which will be financed through the Revolving Credit Facility. Reference is made to Section 11.12 "*Recent development and change*" for further information.

The Group has committed to forward-flow agreements, which implies an obligation on the Company to buy non-performing debt portfolios for delivery in future years. The Group's current forward-flow agreements are in Sweden, Finland and Latvia. The Group's obligations under the forward-flow agreement will mainly be financed by cash from operations. Reference is made to Section 11.8.3 "*Forward-flow commitments*" for information on their estimated face value and purchase price.

Except for the purchase of Debt Collection Agency AD, the portfolio purchase agreements mentioned above and the forward-flow commitments, no binding commitments have been made for any future investments.

The core of the Group's growth strategy is to continue acquiring subsidiaries and portfolios. The Group's Revolving Credit Facility and the Bonds will be used to finance such investments. See Section 8.3 "*Strategy*" regarding the Group's acquisition and growth strategy going forward.

11.9.2 Historical investments

The principal investments made during the years ended 31 December 2013, 2014 and 2015 are related to acquisitions of NPL portfolios through acquisitions of subsidiaries or by portfolio purchases, mainly from the banking sector and mostly unsecured loans.

The table below set out the purchase of loan portfolios acquired during the years ended 31 December 2013, 2014 and 2015, including acquisition of portfolios through the acquisition of subsidiaries.

<i>In NOK thousands</i>	Year ended 31 December		
	2015	2014	2013
Finland & Estonia.....	334,033	178,390	288,217
Sweden	67,156	29,398	390,545
Poland.....	309,700	1,156,366	-
Latvia.....	13,275	15,962	26,381
Balkans	634,102	169,647	1,386
Total	1,358,266	1,549,763	706,529

All NPL purchases in the year ended 31 December 2013 are related to direct purchases of NPL portfolios and not from acquisitions of subsidiaries, with material purchases from Resurs Bank and Latvijas Krājbanka (Latvia). In 2014, NOK 1,023.7 million of the acquired loan portfolios relates to the Ultimo Acquisition. B2Holding established B2Kapital d.o.o. (Croatia) in 2013, and in 2014, the Group also established companies in other Balkan countries through the purchase of a significant loan portfolio from Hypo Alpe Adria. In 2015, all portfolio purchases were purchases from vendors.

Interkreditt AS (Norway) was purchased in 2013 and the goodwill created at the time of acquisition amounted to NOK 10.9 million. Creditinform Latvija SIA (Latvia) was purchased in 2014 and the goodwill created at the time of acquisition amounted to NOK 26.5 million. The Ultimo Group was purchased in 2014 and the goodwill created at the time of the acquisition amounted to NOK 233.7 million. Kontant Finans Sverige AB (Sweden) was purchased in 2014 and goodwill created at the time of acquisition amounted to NOK 0.9 million. This goodwill was impaired in 2015 and had no book value at 31 December 2015. There were no acquisitions of subsidiaries in 2015.

No single investment that can be categorized as material in terms of the Group's consolidated annual turnover has been made by the Group, from 31 December 2015 until the date of this Prospectus.

11.10 Financial risk management

The key risks and uncertainties faced by the Group are managed within an established risk management framework. The Group's activities are exposed to financial risks such as market risk, currency and interest rate risk, credit risk, liquidity risk and cash flow risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

11.10.1 Market risk and regulatory environment

The prime market risk for the Group is related to general economic conditions and statutory regulations in various geographical markets which have an impact on the debtor's ability to pay and vendor's criteria for selling portfolios of loans and receivables.

The services and products offered in the respective geographical markets are subject to strict local laws and regulations (see Section 8.10 "Regulations" for further details on legislation applicable in the various jurisdictions). Any legislative changes concerning consumer credit could affect the Group's earnings, market position and range of products and services.

11.10.2 Currency and exchange risk

The Group's finance strategy 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.

Net borrowings (nominal value of interest bearing loans less cash) adjusted for derivative financial instruments are made in relevant currencies reflecting the underlying expected future cash flows from loans and receivables. One exception is Croatian Kuna (HRK) where all borrowing is done in EUR.

The Bond is denominated in EUR and borrowings under the multi-currency revolving credit facility are drawn in PLN. To obtain a more balanced currency basket, the Group has entered into the following currency derivatives as at 31 March 2016: a cross currency swap of SEK 225 million against EUR and a foreign exchange forward of PLN 100 million against EUR. At 31 March 2016, net borrowings amounted to NOK 2,296 million. Adjusted for the currency derivatives mentioned above, the net borrowings represented a currency basket comprising PLN: 53%, EUR: 37% and SEK: 10%.

The Group uses interest rate swaps and interest rate caps to reduce its interest rate exposure. The Group's strategy is to hedge 40% of the total Revolving Credit Facility commitment and two-thirds of other financial indebtedness, mainly the Bond, for a minimum duration of 3 years. The hedging requirement at 31 March 2016 was NOK 1,920 million while the nominal amount of the derivatives entered into was NOK 2,103 million. The nominal amount of the derivatives exceeded the net interest bearing debt, though this situation is expected to be normalised as the group grows and uses external loan financing to fund future portfolio purchases and no further hedging requirements are needed with the current facility lines.

11.10.3 Credit risk

Most of the loans and receivables are unsecured. As long as there is uncertainty about the ability of the debtors to fulfil their obligations, there will also be considerable risk linked to cash collected from the Group's loans and receivables. In order to minimise the credit risk exposure, the Group invests in staff with a broad experience in credit management, and focus on increased analytical approach to portfolio assessments. In addition, the Group's investment in effective IT systems and a more uniform cross-border business model will result in better control of the Group's business.

The following table shows the Group's maximum exposure to credit risk for the years ended 31 December 2015, 2014 and 2013.

In NOK thousands	Year ended 31 December		
	2015 (unaudited)	2014 (unaudited)	2013 (unaudited)
Purchased loan portfolios.....	3,167,628	2,016,705	562,072
Loan receivables.....	259,819	168,182	6,663
Investment in associated companies.....	1,598	1,895	0
Accounts receivable.....	20,432	27,985	5,375
Other short term assets.....	49,524	32,346	4,997
Cash and short term deposits.....	764,678	294,148	117,660
Total at 31 December.....	4,263,679	2,541,261	696,768

11.10.4 Liquidity risk

The Group's Revolving Credit Facility of EUR 260 million and the Bond of EUR 150 million (as described in Section 11.7.2 "Material indebtedness"), amounting NOK 3,860 million at 31 March 2016, ensures necessary funding to meet future payment obligations.

As at 31 March 2016, the Group had an unused part of the revolving credit facility amounting to EUR 137 million or NOK 1,290 million. In addition the Group had cash and short-term deposits of NOK 273 million as at 31 March 2016.

11.10.5 Capital structure

The Group's interest-bearing debt net of cash and cash equivalents was NOK 2,196 million at 31 March 2016. As at 31 March 2016, total equity, net of intangible assets, was NOK 1,290 million and total assets, net of intangible assets, was NOK 4,073 million.

The Group monitors its capital structure by calculating a total loan to value ratio, defined as the total nominal amount of net interest bearing debt, adjusted for vendor financing and contingent consideration, less cash and deposits divided by the carrying value of purchased loan portfolios, loan receivables and goodwill. The total loan to value ratio at 31 December 2015 was 56% which is lower than the maximum allowed loan to value covenant requirement under the multi-currency revolving credit facility and the bond loan of 75%.

11.11 New and amended accounting standards

Standards and interpretations that are issued but not yet effective up to the date of the issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 will eventually replace IAS 39 *Financial Instruments: Recognition and Measurement*. In order to expedite the replacement of IAS 39, the IASB divided the project into phases: classification and measurement, hedge accounting and impairment. New principles for impairment were published in July 2014 and the standard is now completed. The parts of IAS 39 that have not been amended as part of this project have been transferred into IFRS 9. IFRS 9 will be

effective on 1 January 2018 with early adoption permitted, subject to EU endorsement. The Group's assessment is that the new standard will not have a significant impact on the financial statements.

The IASB and the FASB have issued their joint revenue recognition standard, IFRS 15 *Revenue from Contracts with Customers*. The standard replaces existing IFRS and US GAAP revenue requirements. The core principle of IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard applies to all revenue contracts and provides a model for the recognition and measurement of sales of some non-financial assets (e.g., disposals of property, plant and equipment). IFRS 15 will be effective on 1 January 2018 with early adoption permitted, subject to EU endorsement. The Group's preliminary assessment is that the new standard will not have a significant impact on the financial statements.

IFRS 16 replaces the existing IFRS requirements, IAS 17 *Leases*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, namely the customer ("lessee") and the supplier ("lessor"). The new leases standard requires lessees to recognise assets and liabilities for most leases, which is a significant change from current requirements. For lessors, IFRS 16 substantially carries forward the accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group's preliminary assessment is that the new standard will not have a significant impact on the financial statements.

11.12 Recent development and change

The information in this chapter is based on internal management accounts and represents the Group's preliminary assessment of the results for the period from 1 January 2016 to 31 March 2016, and for cash collection and portfolio purchases in the period from 1 April to the date of this Prospectus. The assessments have been prepared by management and have not been reviewed by an auditor, and investors should not rely on them. While the assessments are deemed to be reasonable and management's best estimate, the actual results can deviate and the differences can be material see Section 4.3 "Cautionary note regarding forward-looking statements".

Cash collections for the three months ended 31 March 2016 of NOK 413 million have been somewhat lower than expected, which has been primarily driven by the Group's secured portfolios in the Balkans and also partly by new laws passed in Poland and Romania. Collections in Sweden, Finland and the Baltics have been in line with the Group's expectations. In management's opinion, the lower collections in the Balkans than expected is primarily driven by a delay relative to the forecasted collection curve for portfolios with secured claims, as collections on these will typically be more uneven than purely unsecured portfolios, as the average claim is larger and there is uncertainty with regards to timing for e.g. realization of the underlying security. As the delay in collections is not considered to be an indication of a lower collection potential, management does not expect to record any significant negative portfolio revaluation on an aggregate basis. In Poland and Romania new bailiff regulations have temporarily delayed legal collection.

The Group's operating expenses are developing in line with management's expectations, and increasing as collection activities are increased. In the three months ended 31 March 2016 the Group recognised NOK 9 million in non-recurring costs related to the listing process.

As a result of the delay in collections, and the underlying increase in operating expenses, the Group's EBIT is lower than expectations and in line with EBIT for the three months ended 31 March 2015.

The volume of portfolio purchases in the three months ended 31 March 2016 was significantly higher than for the corresponding period in 2015, and amounted to approximately NOK 448 million (compared to NOK 64 million in the same period in 2015). A significant part of the purchase volume was related to a portfolio purchase of approximately NOK 330 million negotiated during the fourth quarter in 2015 where signing and payment was delayed to January. The Group has also purchased significant volumes on forward flow agreements in Sweden and Finland, which have been higher than management's expectations. The Group is currently bidding on portfolios with an aggregate estimated purchase price of EUR 400 million, which is significantly higher than at the same period in 2015. The portfolios the Company is currently bidding on also include a significant amount of secured claims, with approximately 50% of the face value related to portfolios that include secured claims.

In the three months ended 31 March 2016 the Group's interest and currency swaps resulted in a net loss of NOK 1.4 million.

In the period from 1 April 2016 until 30 April 2016, cash collections amounted to NOK 129 million. Collections in Sweden, Finland and the Baltics are performing well, and as expected the new Bailiff regulations in Poland and

Romania still have some delay effect on collection. In the Balkans collection on secured portfolios is still somewhat lower than the forecasted collection curves. During the same period, the Group has acquired portfolios for approximately NOK 69 million. In the period from 1 May 2016 to the date of this Prospectus the Group has entered into a portfolio purchase agreement and expect to enter into an additional portfolio purchase agreement conditional upon obtaining the prior approval from national regulators, such approval is expected by the end of May/early June. The total purchase price for these two portfolios is approximately NOK 630 million, which will be financed through the Revolving Credit Facility.

On 4 May 2016, B2Holding signed a sale and purchase agreement regarding the purchase of Debt Collection Agency AD, a Bulgarian entity. Debt Collection Agency AD is one of the leading players in Bulgaria, with a wholly owned subsidiary in Romania. Debt Collection Agency AD has approximately 134 employees in Bulgaria and 25 employees in Romania. Debt Collection Agency AD is a debt purchaser with collection on owned portfolios, mainly retail unsecured. Debt Collection Agency AD has an ERC of approximately 40 million EUR and the face value of its acquired portfolios is approximately 180 million EUR. In 2015, Debt Collection Agency AD had collection revenues of EUR 5.9 million and net profit of EUR 19.9 million. Through the acquisition of Debt Collection Agency AD, B2Holding will significantly strengthen its position as one of the leading players in the Balkans. B2Holding see Debt Collection Agency AD as an excellent platform for further growth in the region. The purchase price for the acquisition of Debt Collection Agency AD will be financed through the Revolving Credit Facility. Part of the total purchase price will be settled as a cash earn-out based on future results. It is expected that closing of B2Holding's purchase of Debt Collection Agency AD will take place on or about 31 May 2016, subject to certain conditions to closing being met or waived, some of which are outside of the control of the parties themselves.

Other than as described above, there have been no significant changes in the financial or trading position of the Group since the date of the Interim Financial Information.

12 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

12.1 Introduction

The Company's highest decision making authority is the General Meeting of shareholders. All shareholders in the Company are entitled to attend or be represented by proxy and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Group is vested in the Company's Board of Directors and the Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Group's business ensuring proper organisation, preparing plans and budgets for its activities, ensuring that the Group's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has three sub-committees: the Audit Committee, the Remuneration Committee and the Investment Committee. See Sections 12.11 "Audit committee", 12.12 "Remuneration Committee" and 12.13 "Investment Committee" for a description of the sub-committees.

The Management is responsible for the day-to-day management of the Group's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Group's chief executive officer, or CEO, is responsible for keeping the Group's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Group's assets in a responsible manner. In addition, the CEO must according to Norwegian law brief the Board of Directors about the Group's activities, financial position and operating results at least once a month.

12.2 Board of Directors

12.2.1 The composition of the Board of Directors

The Company's Articles of Association provide that the Board of Directors shall consist of a minimum of three and a maximum of seven Board Members elected by the Company's shareholders. The names and positions and current term of office of the Board Members as at the date of this Prospectus are set out in the table below.

Name	Position	Served since	Term expires
Jon Harald Nordbrekken	Chairman	2009	2018
Per Kristian Spone	Board member	2012	2018
Trygve Lauvdal.....	Board member	2013	2018
Kari Skeidsvoll Moe.....	Board member	2016	2017
Tove Raanes	Board member	2016	2017
Niklas Wiberg.....	Deputy board member	2013	2018

The composition of the Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance, dated 30 October 2014 (the "**Corporate Governance Code**"), meaning that (i) the majority of the shareholder-elected Board Members are independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected Board Members are independent of the Company's main shareholders (shareholders holding more than 10% of the Shares in the Company), and (iii) no members of the Company's Management serves on the Board of Directors.

The Company's registered business address at Stortingsgata 22, N-0161 Oslo, Norway, serves as the business address for the Board Members in relation to their directorship of the Company.

12.2.2 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative, management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Jon Harald Nordbrekken, Chairman

Jon Harald Nordbrekken has experience as CEO of Intrum Justitia Norway and as founder, CEO and chairman of Aktiv Kapital. Mr. Nordbrekken founded the Company in 2008 and has been chairman of the board ever since. Mr. Nordbrekken was also the former chairman of the board of Bank2 ASA and Gothia Financial Group ASA, before Gothia Financial Group was sold to Herkules in 2008.

Current directorships and senior management positions Valset Invest AS (Chairman), Røros Fiskeoppdrett og Foredling AS (Board member), Work In Holding AS (Board member), Stiftelsen Seed Forum Norway (Board member), Konghellegaten Panorama AS (Board member), Icon Capitall III AS (Chairman), Bank2 ASA (Board member), Finans2 AS (Board member), Furuset Invest AS (Board member), Rosenhoff Eiendom AS (Board member) and Østre Aker Vei 60 AS (Deputy board member).

Previous directorships and senior management positions last five years None.

Per Kristian Spone, Board member

Per Kristian Spone has been a member of the board since 2012. Mr. Spone is currently also the CEO of Indigo Invest AS, an investment company owned by the Bentsen family, and is also managing director and board member for several of its subsidiaries. Mr. Spone has extensive board experience and is currently serving on the board of several companies. Mr. Spone holds a HRS degree (Nw.: "Høyere revisorsstudium") from the Norwegian School of Economics and an MSCc in Economics and Business Administration from Bedriftsøkonomisk Institutt.

Current directorships and senior management positions Indigo Invest AS (CEO), Spone Invest AS (Owner and Chairman), Granut AS (Chairman), Holgerlystveien 19 AS (Chairman), Lørenvangen Utbygging KS (Board member), Lørenveien 51 AS (Board member), Onepark AS (Board member), Trondheim kontorbygg AS (Chairman), Lørenvangen Utbygging AS (Board member), Lørenvangen ANS (Board member), Dentales AS (Board member) and Pareto Bank ASA (Deputy board member).

Previous directorships and senior management positions last five years Europark Finnland Oy (Board member), AutoParkki Oy (Board member) and BAU-HOW (CEO).

Trygve Lauvdal, Board member

Trygve Lauvdal has been a member of the board since 2013. Mr. Lauvdal currently works as a portfolio manager at RASMUSSENGRUPPEN AS, an investment company owned by the Rasmussen family with substantial interests in real estate, shipping and financial holdings and equity of app. USD 1.5 billion. Mr. Lauvdal holds a PhD in civil engineering.

Current directorships and senior management positions Avantor AS (Board member), AINMT AS (Board member) and AINMT Holdings AB (Board member).

Previous directorships and senior management positions last five years None.

Tove Raanes, Board member

Tove Raanes currently works part-time as an investment advisor for Varner Kapital AS, Dyvi Invest AS and AS Vidsjå. Mrs. Raanes is also investment advisor for Nore-Invest AS and Trane AS, and is associate partner of Lean Consulting AS. Mrs. Raanes has extensive board experience and is amongst other currently serving on the board of Bouvet ASA and Medistim ASA, both listed on the Oslo Stock Exchange. Mrs. Raanes holds an MSc in Economics and Business Administration from the Norwegian School of Economics.

Current directorships and senior management positions Bouvet ASA (Vice chairman), Medistim ASA (Board member), Sikkerhet & Design AS (Board member), R. Bergersen AS (Board member), Sameiet Schweigaardsgate 50 (Deputy Board member), Trane AS (Managing director and Board member), Varner Kapital AS (Investment manager), Dyvi Invest AS (Investment manager), AS Vidsjå (Investment manager) and Nore-Invest AS (Investment manager).

Previous directorships and senior management positions last five years Norwegian Car Carriers ASA (Board member), Venture Factory AS (Board member) and Barnas Hus Nordic AS (Board member).

Kari Skeidsvoll Moe, Board member

Kari Skeidsvoll Moe is currently head of legal at TrønderEnergi AS. Mrs. Moe is also Chairman of TrønderEnergi AS' largest subsidiary, TrønderEnergi Nett AS. Mrs. Moe has previously worked as vice president, legal manager at Norsk Hydro ASA/Norsk Hydro Brasil Ltda., as well as legal counsel for Norsk Hydro ASA where she also was legal manager for Hydro Energy. Mrs. Moe holds a cand.jur. degree in law from the University of Oslo, LL.M. from Humboldt Universität in Berlin and a post graduate diploma from King's College in London.

Current directorships and senior management positions TrønderEnergi Nett AS (Chairman), TrønderEnergi AS (Head of Legal and Administrative Staff), Statoil ASA (Deputy member - corporate assembly) and Norsk Tipping AS (Board member).

Previous directorships and senior management positions last five years Hydro Energi AS (Board member), Norsk Hydro do Brazil Ltda (Legal manager and Board member), Norsk Hydro ASA (Vice president), Nordmøre Energiverk AS (Alternate Board member) and TrønderEnergi Service AS (Alternate Board member).

Nils Hjalte Niklas Wiberg, Deputy board member

Nils H.N. Wiberg has been a member of the board since 2013. Mr. Wiberg is currently also working as vice CEO in Prioritet Group and have had several positions in Prioritet Finans AB, Sweden's largest buyer of invoices. Prioritet Finans is owned by the Wiberg family, and has approximately SEK 1,970 million in equity. Mr. Wiberg is a Swedish citizen, and resides in Sweden. Mr. Wiberg holds a Magister level degree in Business with specialisation in accounting, finance and entrepreneurship from the University of Gothenburg.

Current directorships and senior management positions Prioritet Finans AB (Board member), Prioritet Group AB (Board member), Prioritet Capital AB (Board member), Änglagårdens Fastighetsutveckling AB (Board member), Änglagården Holding AB (Board member), Bodymarkers AB (Board member), Prioritet Serneke Arena Drift och Event AB (Board member), Finance Link Oy (Board member).

Previous directorships and senior management positions last five years Accurio AB (President and board member), Accurio Finans AB (Board member).

12.2.3 Shares held by Board Members

As of 20 May 2016, the Board Members have the following shareholdings in the Company:

Name	Position	No. of shares	No. of Options
Jon Harald Nordbrekken ¹	Chairman	26,597,496	6,000,000
Per Kristian Spone ²	Board member	6,000	0
Trygve Lauvdal	Board member	0	0
Tove Raanes ³	Board member	7,500	0
Kari Skeidsvoll Moe	Board member	0	0
Niklas Wiberg	Deputy board member	0	0

1 Jon Harald Nordbrekken holds 2,088,496 Shares personally. In addition Valsset Invest AS, an entity controlled by Nordbrekken and his related parties, holds 24,000,000 Shares, and Cryptic AS, an entity controlled by a related party of Jon Harald Nordbrekken, holds 509,000 Shares.

2 Celina Sophie Olsson, a related person of Per Kristian Spone, holds 6,000 Shares.

3 Trane AS, an entity controlled by Tove Raanes, holds 7,500 Shares.

12.3 Management

12.3.1 Overview

The Group's management team consists of seven individuals. The names of the members of the Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Position	Employed since
Olav Dalen Zahl ¹	Chief Executive Officer	January 2012
J. Harald Henriksen	Chief Financial Officer	January 2015
Erik Just Johnsen	Chief Group Controller	April 2013
Rasmus Hansson	Director Strategy and M&A	January 2015
Thor Christian Moen	Head of Legal	October 2015
Jeremi Bobowski ²	Chief Investment Officer	June 2015
Henrik Wennerholm ³	Director Business development	June 2015

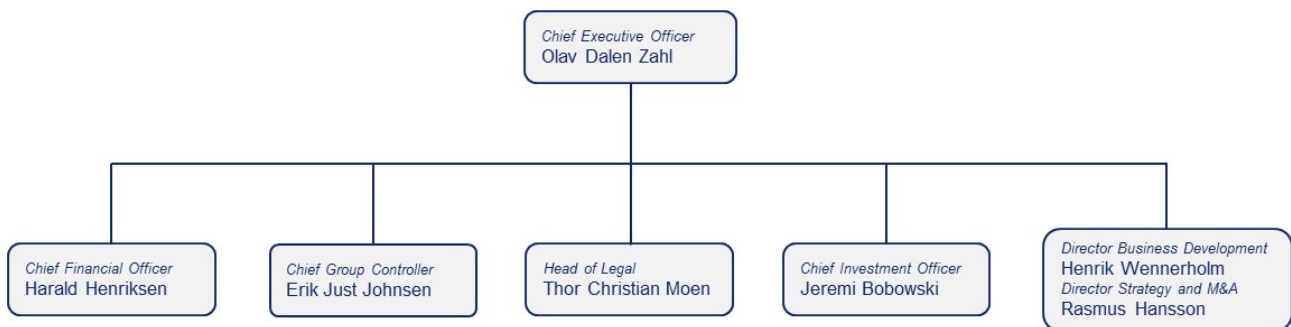
1 Olav Dalen Zahl joined the Company as CEO in 2006 and again in 2012.

2 Jeremi Bobowski joined Ultimo in August 2013, and assumed the management position in the Group as CIO in June 2015.

3 Henrik Wennerholm joined Sileo Kapital in August 2012, and assumed the management position in the Group in June 2015.

The Company's registered business address at Stortingsgata 22, N-0161 Oslo, Norway, serves as the business address for the members of the Management in relation to their employment with the Company.

The following chart sets out the Management's organisational structure:



12.3.2 Brief biographies of the members of the Management

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Olav Dalen Zahl, Chief Executive Officer

Olav Dalen Zahl is one of the three founders of the Company and joined the Company as CEO in 2012. In the period from 1985 to 1992 Mr. Olav Dalen Zahl held various positions in DnC (now DNB), he was CFO/CEO in Det norske Møbelsenter from 1992 to 1996 and regional manager in Sparebanken NOR from 1996 to 1998. From 1998 to 2005 he was the CEO of Aktiv Kapital ASA and from 2006 to 2008 he was the CEO of Gothia Financial Group AS. Mr. Zahl holds an MSC in economics from the Norwegian School of Economics.

Current directorships and senior management positions Fjordsyn AS (Chairman), Nordstrand Velhus AS (Chairman), Sportsentralen Oslo Holding AS (Board member), TSO Eiendom AS (Board member), Sportsentralen Oslo AS (Board member), ABT Anleggsgartner AS (Board member), Pangea AS (Board member) and Pangea Visa AS (Board member).

Previous directorships and senior management positions last five years Olympia Holding AS (CEO and board member).

Jens Harald Henriksen, Chief Financial Officer

Harald Henriksen joined the Company in 2015. Prior to joining the Company, Mr. Henriksen has held various controller positions in Elkem ASA and Poseidon AS and CFO positions in the stock listed companies I M Skaugen ASA, Actinor Shipping ASA, Aktiv Kapital ASA and in shipping investment portfolios under ABG Sundal Collier ASA. Mr. Henriksen holds an MSc from the Norwegian School of Economics.

Current directorships and senior management positions *Knight Shipping AS (Board Member) and Trim Invest AS (Board Member).*

Previous directorships and senior management positions last five years *ABG Sundal Collier Real Estate Indre Selskap (Partnership).*

Erik Just Johnsen, Chief Group Controller

Erik Just Johnsen joined the Company in 2013. Mr. Johnsen has previously been CFO of Northstar Ind. Inc. and Marine Subsea and has held various positions in Orkla Finans, Elkem and Erling Johnsen AS. Mr. Johnsen holds a Bachelor of Business Administration with a major in Finance from University of Wisconsin and an MBA with a major in Finance from University of Chicago.

Current directorships and senior management positions *Pine AS (Chairman and owner), Erling Johnsen AS (Chairman and owner), Avant Event AS (Board member) and Netaccount Regnskap AS (Board member).*

Previous directorships and senior management positions last five years *None.*

Rasmus Hansson, Business Development/Strategy/M&A

Rasmus Hansson joined the Company in January 2015. Mr. Hansson has held various positions, among others, in Telenor Venture, Moe Securities, Hoist, Hansson & Co and Hafslund Venture. Mr. Hansson holds a BSc from the University of Oslo in Economics and Political Science and an MSc in Management from London School of Economics.

Current directorships and senior management positions *Intex Resources ASA (member of nomination committee), RMH Invest AS (Chairman and owner), Fortune AS (Board member), Hansson Consulting AS (Board member), Sabimed AS (Board member) and Temptech AS (Board member).*

Previous directorships and senior management positions last five years *Hafslund Venture AS (Senior Investment Manager), Nor Kraftkapital AS (Partner), Changetech AS (CFO/COO), Glo AB (Board member), Pure Mobility AS (Board member) and 4tech AS (Board member).*

Henrik Wennerholm, Director Business Development

Henrik Wennerholm joined Sileo Kapital as CEO and founding partner in 2012, and assumed the management position in the Group as Director Business Development in June 2015. Prior to joining the Company, Mr. Wennerholm worked as an investment director responsible for the Nordic region for Aktiv Kapital. Mr. Wennerholm has also held various manager and analyst positions in Pareto Öhman AB and EDP/EDC. Mr. Wennerholm holds an MSc in International Economics and Business from Stockholm School of Economics.

Current directorships and senior management positions *Femwen AB (Board member).*

Previous directorships and senior management positions last five years *None.*

Jeremi Bobowski, Chief Investment Officer

Jeremi Bobowski joined the Ultimo Group in August 2013 as chief risk officer, and assumed the management position in the Group as CIO in June 2015. Prior to joining the Ultimo Group, Mr. Bobowski held various positions in Credit Agricole Bank Poland, AIG and Arthur Andersen. Mr. Bobowski holds an MSc with a major in Mathematics and Statistics from the Technical University in Wrocław.

Current directorships and senior management positions *None.*

Previous directorships and senior management positions last five years *Innect sp. z.o.o. (Partner and Senior Consultant).*

Thor Christian Moen, Head of Legal

Thor Christian Moen joined the Company as Head of Legal in October 2015. Mr. Moen is also a partner in law firm Advokatfirmaet Forsberg DA. His experience includes the law firm Cure Advokat AS, Bank2 ASA (as an in-house lawyer), DLA Piper DA and the tax law department of the Ministry of Finance (as an advisor). Thor Christian Moen holds a cand.jur. degree in law from the University of Oslo.

Current directorships and senior management positions Advokatfirmaet Forsberg DA (Partner).

Previous directorships and senior management positions

last five years Vestfjorden Avløpssekskap (Board member).

12.3.3 Shares held by Management

As of 20 May 2016, members of the Management have the following shareholdings in the Company:

Name	Position	No. of shares	No. of Options
Olav Dalen Zahl ¹	Chief Executive Officer	2,546,116	6,000,000
J. Harald Henriksen	Chief Financial Officer	0	900,000
Erik Just Johnsen ²	Chief Group Controller	250,000	1,500,000
Rasmus Hansson	Director Strategy and M&A	0	600,000
Henrik Wennerholm ³	Director Business Development	1,981,342	600,000
Jeremi Bobowski	Chief Investment Officer	0	600,000
Thor Christian Moen	Head of Legal	75,000	600,000

1 Fjordsyn AS, an entity controlled by Olav Dalen Zahl, holds 2,542,716 Shares. In addition, persons related to Olav Dalen Zahl holds 3,400 Shares.

2 Pine AS, an entity controlled by Erik Just Johnsen, holds 250,000 Shares.

3 Femwen AB, an entity controlled by Henrik Wennerholm, holds 1,981,342 Shares.

12.4 Remuneration and benefits

12.4.1 Remuneration of the Board of Directors

The levels of remuneration for the Board of Directors for the financial year 2015 are as follows (in NOK):

Name	Position	Ordinary remuneration	Extraordinary remuneration	Total remuneration
Jon H. Nordbrekken	Chairman	1,964,531 ¹	1,000,000	2,964,531
Trygve Lauvdal	Board member	0 ²	0	0
Per Kristian Spone	Board member	150,000	492	150,492
Kari Skeidsvoll Moe	Board member	0	0	0
Tove Raanes	Board member	0	0	0
Niklas Wiberg	Deputy board member	150,000	0	150,000

1 Jon H. Nordbrekken received NOK 2,964,531 under a consultancy agreement with the Company. No ordinary board remuneration was paid to him in addition to this payment. See Section 14.2 "Transactions carried out with related parties in the three months ended 31 March 2016 and the years ended 31 December 2015, 2014 and 2013" for further information.

2 Trygve Lauvdal, as a representative for RASMUSSENGRUPPEN AS, has not received remuneration. RASMUSSENGRUPPEN AS has been compensated with a consultant fee of NOK 150,000 excluding VAT.

12.4.2 Remuneration of the Management

The table below sets out the remuneration of the Management in 2015 (in NOK).

Name	Position	Salary	Bonuses	Pension cost	Other benefits	Total remuneration	Share option cost ⁶⁾
Olav Dalen Zahl	Chief Executive Officer	2,990,848	1,000,000	42,656	163,339	4,196,843	1,968,085
J. Harald Henriksen ¹	Chief Financial Officer	1,558,337	-	52,268	26,537	1,637,142	295,213
Erik Just Johnsen	Chief Group Controller	1,806,023	-	42,480	21,658	1,870,161	492,021
Rasmus Hansson ²	Director Strategy and M&A	1,190,769	-	50,541	29,684	1,270,994	157,559
Thor Christian Moen ³	Head of Legal	360,000	-	-	-	360,000	157,559
Jeremi Bobowski ⁴	Chief Investment Officer	1,162,323	243,638	-	479,937	1,885,898	157,559
Henrik Wennerholm ⁵	Director Business development	685,815	-	106,032	68,595	860,443	157,559

1 J. Harald Henriksen assumed his position in January 2015.

2 Rasmus Hansson assumed his position 1 January 2015.

3 Thor Christian Moen assumed his position 1 October 2015.

4 Jeremi Bobowski joined Ultimo in August 2013, and assumed his management position in the Group in June 2015.

5 Henrik Wennerholm joined Sileo Kapital in August 2012, and assumed his management position in the Group in June 2015.

6 Accrued social security costs are not included as part of the share option cost stated above.

12.4.3 Bonus programs

Olav Dalen Zahl (CEO) has a share and bonus payment plan covering the period 2013-2017. Under said agreement, Mr. Zahl is entitled to a cash bonus if the share price is over a specific target for a given year. The cash bonus less the personal income tax payable on the bonus, shall be re-invested in Company-shares at a price no lower than the price of the most recent share issue, or equivalent market price.

12.5 Share options

The Company has granted share options under two different option programmes. The first option programme was established in June 2015 (the "**First Option Programme**"). The second option programme was established in September 2015 (the "**Second Option Programme**"). As of the date of this Prospectus, there were 18,300,000 options outstanding under the First and Second Option Programme.

Each option gives the holder the right to acquire one share from the Company at a strike price defined in the individual share option agreement.

All of the Company's option agreements include a clause on accelerated vesting meaning that if 75% of the shares in the Company are sold to an acquirer all outstanding options are vested. In case of a merger the grantee shall if possible be granted an equal share option in the merged company. If this is not possible, the grantee will have the right to exercise all the options prior to the merger.

First Option Programme

As of the date of this Prospectus, there were 14,400,000 options outstanding under the First Option Programme of which 4,800,000 have vested but not been exercised as of the date of this Prospectus. In general 1/3 of the options granted under the First Option Program vest 1 January 2016, 1/3 vest 1 January 2017 and the remaining 1/3 vest 1 January 2018. All vested options may be exercised at any time prior to the expiry date.

The name of the persons granted options under the First Option Programme and the details of the options granted is included in the table below.

Name (position)	Date granted	Expiry date	Options outstanding as of 24 May 2016	Exercise price range in NOK
Jon Harald Nordbrekken (Chairman)	1 July 2015	1 July 2018	6,000,000	8-9
Olav Dalen Zahl (CEO)	1 July 2015	1 July 2018	6,000,000	8-9
Jens Harald Henriksen (CFO)	1 July 2015	1 July 2018	900,000	8-9
Erik Just Johnson (Chief Group Controller)	1 July 2015	1 July 2018	1,500,000	8-9

Second Option Programme

As of the date of this Prospectus, there were 3,900,000 options outstanding under the Second Option Programme of which no options have vested as of the date of this Prospectus. In general 1/3 of the options granted under the Second Option Program vest 1 September 2016, 1/3 vest 1 September 2017 and the remaining 1/3 vest 1 September 2018. All vested options may be exercised in any period prior to the expiry date.

Name (position)	Date granted	Expiry date	Options outstanding as of 24 May 2016	Exercise price range in NOK
Rasmus Hansson (Director Strategy and M&A)	9 September 2015	31 December 2018	600,000	10-12
Thor Christian Moen (Head of Legal)	9 September 2015	31 December 2018	600,000	10-12
Jeremi Bobowski (Chief Investment Officer)	9 September 2015	31 December 2018	600,000	10-12
Henrik Wennerholm (Director Business development)	9 September 2015	31 December 2018	600,000	10-12
Gints Vins (Management board member in B2 Kapital SIA)	9 September 2015	31 December 2018	500,000	10-12
Ilija Plavcic (B2 Kapital GmbH)	9 September 2015	31 December 2018	1,000,000	10-12

12.6 Benefits upon termination

No member of Management has entered into employment agreements which provide for any special benefits upon termination, except from the following:

- The Chief Executive Officer, Olav Dalen Zahl, is entitled to 12 months salary if his employment is terminated;
- Harald Henriksen (CFO), Erik Just Johnsen (CGC), Rasmus Hansson (Director Strategy and M&A), Thor Christian Moen (Head of Legal) and Henrik Wennerholm (Director Business Development) are entitled to 12 month's pay after termination of employment in connection with an acquisition of the Company; and
- Jeremi Bobowski (CIO) has a 12 months non-compete period following termination of his employment and is entitled to 12 months' salary if his employment is terminated.

12.7 Pensions and retirement benefits

The Group has defined contribution plans in Norway, Sweden and Finland covering 40 FTEs as at 31 December 2015 which are additional to the pension benefits provided under the relevant government-backed pension schemes in each of the countries where the Group operate.

At the Polish entities in the Ultimo Group, employees are entitled to one month's severance pay in the event of old-age or disability retirement. The fair value of this liability has been calculated by an actuary and represents the discounted payments that will be made in the future, taking into account employee turnover, age, discount rates and estimated future salary increases. At 31 December 2015, there were 875 employees covered under this scheme and the liability was approximately NOK 0.4 million.

For more information regarding pension and retirement benefits, see note 9 and 23 to the Financial Statements for the year ended 31 December 2015, incorporated by reference in this Prospectus (See Section 20.3 "Incorporation by reference").

12.8 Loans and guarantees

The Company has not granted any loans guarantees or other commitments to any of its Board of Directors or to any member of Management.

12.9 Employees

As of 31 December 2015, the Group had approximately 1,331 employees (full and part time, including hired).

As at 31 March 2016, approximately 862 FTEs worked with collection processes, 53.5 FTEs with portfolio evaluation and purchase, 99 FTEs with IT, 40.9 FTEs with sales & marketing and 131 FTEs worked within company management, legal, finance & administration.

The table below shows the development in the numbers of the Group's employees and their geographic locations for the three months ended 31 March 2016 and the years ended 2015, 2014 and 2013.

	As at 31 March 2016	2015	As at 31 December 2014	2013
Headcount ¹	1,331 ⁴	1,331	1,224	227
FTEs – Norway	4.6	4.0	3.6	3.6
FTEs – Finland & Estonia	120.6	123.9	116.6	160.0
FTEs – Sweden	25.5	25.3	22.5	16.6
FTEs – Poland	824.0	813.0	703.0	-
FTEs – Latvia	73.5	74.0	68.5	-
FTEs – Balkans	124.5	127.8	42.0	10.0
FTEs – Other ²	13.2	8.6	4.0	3.0
Total number of FTEs ³	1,186	1,178	960.2	193.2

(1) Headcount includes all employees, full-time, part-time and hired employees as at the relevant date.

(2) Other includes employees based at headquarters in Oslo and Netherlands within company management and finance & administration.

(3) FTE is calculated based on total number of persons converted to full time workers.

(4) Headcount is only included in the year end reporting. The included figure is as at 31 December 2015.

12.10 Nomination committee

The Company's Articles of Association provide for a nomination committee composed of three members who are shareholders or representatives of shareholders. The Company has established a nomination committee consisting of Ole Grøterud (chairman), Albert Collett and Egil Dahl. The nomination committee is responsible for recommending candidates for the election of members and Chairman to the Board of Directors, as well as make recommendations for remuneration of the Board Members.

12.11 Audit committee

The Board of Directors has established an audit committee composed of two Board Members. The current members of the audit committee are Per Kristian Spone (chairman) and Tove Raanes.

The primary purposes of the audit committee are to act as a preparatory and advisory committee for the Board of Directors in questions concerning accounting, audit and finance, as well as risk management. In particular, the audit committee shall:

- Monitor, amongst others, the financial reporting process, the effectiveness of the Company's internal control, internal audit and risk management system and the statutory audit of the annual and consolidated accounts,
- Monitor and review the independent auditor's qualifications and independence and the Company's internal accounting function; and
- Monitor the Group's compliance with applicable legal and regulatory requirements, and the Group's compliance with its governance policies.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

12.12 Remuneration Committee

The Board of Directors has, with effect from the Listing, established a remuneration committee amongst the Board Members. The remuneration committee comprises Kari Skeidsvoll Moe (chair) and Trygve Lauvdal.

The primary purpose of the remuneration committee is to assist the Board of Directors in discharging its duty relating to determining the compensation to the Management. The remuneration committee shall report and make

recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

12.13 Investment Committee

The Board of Directors has established an investment committee which shall consist of at least five members, including Board Members, the CEO and CIO. The investment committee currently comprises Jon Harald Nordbrekken, Niklas Wiberg, the Group's CEO, CFO, CIO and CGC.

The primary purpose of the investment committee is to ensure thorough preparation of matters relating to the Group's potential investments and the performance of the Group's investments. The investment committee acts as a preparatory and advisory body for the Board of Directors in relation to the Group's investment strategy, key investment decisions and granting financing to the acquiring subsidiary. In addition, the investment committee is authorized to make certain investment decisions.

12.14 Corporate governance

The Company has, with effect from the Listing, adopted and implemented a corporate governance regime which complies with the Norwegian Code of Practice for Corporate Governance, dated 30 October 2014 (the "**Corporate Governance Code**"). Prior to the Company being subject to the Corporate Governance Code, the Company has granted share options to the chairman of the Board, Jon Harald Nordbrekken. Furthermore, the Company has, prior to being subject to the Corporate Governance Code, granted share options to the Management which are not linked to the results of the Company and which do not contain any minimum-periods of ownership to the shares for which such options are exercised. The abovementioned share options are further described in Section 12.5 "Share options".

12.15 Conflicts of interests etc.

Rasmus Hansson (Director Strategy and M&A) was a member of the board of directors in Pure Mobility AS which was liquidated in 2014 following bankruptcy proceedings opened in 2011. Per Kristian Spone (Board member) was CEO in BAU-HOW AS, which was liquidated in 2012, following bankruptcy in 2011. Except as described herein, none of the Board Members and the members of the Management have, or had, as applicable during the last five years preceding the date of this Prospectus,:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company.

To the Company's knowledge, there are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and the members of the Management, including any family relationships between such persons.

13 THE SELLING SHAREHOLDERS

The Offering comprises of up to 15,250,000 Sale Shares as offered by 2 existing shareholders. The table below shows details of the offering by the Selling Shareholders of Sale Shares in the Offering, including such persons registered address and number of Shares held prior to allocation of the Sale Shares.

The number of Sale Shares to be sold by the Selling Shareholders will be subject to the final Offer Price.

Pursuant to the lock-up agreement between the Selling Shareholders and the Joint Global Coordinators, the Selling Shareholders have given an undertaking that will restrict their ability to offer, sell or transfer Shares, as applicable, for a period ending six months from the first day of Listing. See Section 18.16 “Lock-up” for further details.

Name	Registered address	Number of Shares held	Maximum number of Sale Shares offered	Number of Shares held following the Offering ²	Percentage of issued share capital following the Offering ²
RASMUSSENGRUPPEN AS ¹	Kirkegata 1, 4610 Kristiansand S	61,406,586 ³	15,000,000	46,406,586	12.89%
Olav Dalen Zahl ¹	Stortingsgaten 22, 0119 Oslo	2,546,116 ⁴	250,000	2,296,116	0.64%

- 1) Primary insiders of the Company.
- 2) Assuming a sale of all Sale Shares offered and that the Offer Price is set at the high end of the Indicative Price Range.
- 3) RASMUSSENGRUPPEN AS holds 61,406,586 Shares in the Company, of which 2,500,000 Shares are held through Cressida AS, 2,500,000 Shares are held through Portia AS and 1,666,700 Shares are held through Viola AS.
- 4) Held through Fjordsyn AS, an entity controlled by Olav Dalen Zahl.

14 RELATED PARTY TRANSACTIONS

14.1 Introduction

Below is a summary of the Group's related party transaction for the periods covered by the historical financial information included in this Prospectus as Appendix B and up to the date of this Prospectus. For further information on related party transactions of the Group, please refer to notes 29 and 30 of the Audited Financial Statements, incorporated by reference into this Prospectus.

14.2 Transactions carried out with related parties in the three months ended 31 March 2016 and the years ended 31 December 2015, 2014 and 2013

Agreement with Mavenhead II Limited

On 15 December 2012, the Company granted 3 million independent subscription rights to Mavenhead II Limited, a company controlled by Morten Hornness, the former Chief Financial Officer of the Company, each giving the right to subscribe for one share at NOK 2.50 per share. These subscription rights could be exercised as follows: 1 million from 28 November 2013 to 28 May 2014; 1 million from 28 November 2014 to 28 May 2015; and 1 million from 28 November 2015 to 28 May 2016. One million independent subscription rights were exercised on 12 August 2014 and registered as a share capital increase on 26 August 2014. The remaining two million independent subscription rights were cancelled on 15 January 2015 at the conclusion of the employment agreement with Morten Hornness.

Agreement with the Chairman of the Board of Directors

In the years 2013, 2014 and 2015, the Chairman of the Board of Directors, Jon Harald Nordbrekken, has had an agreement with the Company regarding remunerations for consultancy work conducted on behalf of the Group and in connection with acquisition of companies and portfolios. Pursuant to this agreement, Nordbrekken has had a 60% position with the Company, and has been entitled to an annual amount equal to 60% of the remuneration paid to the Group's CEO. Total remunerations paid to Nordbrekken under this agreement were NOK 1,185,798 in 2013, NOK 2,363,000 in 2014 and NOK 2,964,531 in 2015. The agreement was terminated with effect from 1 June 2016 and the remuneration for being a member of the Board of Directors as resolved by the Extraordinary General Meeting of the Company held on 19 May 2016 is a part of this termination agreement. Pursuant to the termination agreement the Company shall pay a compensation for the chairman's loss of income in the amount of NOK 4,496,054.

Agreement with Advokatfirmaet Forsberg Da

Thor Christian Moen (Head of Legal) was employed by B2Holding with effect from 1 October 2015 (80% position). Thor Christian Moen is also a partner in Advokatfirmaet Forsberg DA who has delivered legal services to B2Holding for NOK 47,369 in the period from 1 October 2015 to 31 December 2015 and NOK 2,394,493 for the full year 2015. B2Holding and Advokatfirmaet Forsberg DA established a new agreement related to delivery of services with effect from 1 January 2016. In addition, B2Holding invoices Advokatfirmaet Forsberg DA for sublease as Advokatfirmaet Forsberg DA offices are within B2Holding's leased premises, for the period from 1 October to 31 December 2015 this amounted to NOK 164,809. In the period from 31 December 2015 to the date of this Prospectus, law firm Advokatfirmaet Forsberg DA has invoiced B2Holding for legal services for NOK 267,854. In addition B2Holding has invoiced Advokatfirmaet Forsberg DA for sublease of offices amounting to NOK 336,722 in the period from 31 December 2015 to the date of this Prospectus.

Agreement with FemWen AB

On 26 October 2015, the Board of Directors resolved to increase the share capital by NOK 52,509.00, by issuing 525,090 new shares at a subscription price of NOK 12.50. The shares were issued to FemWen AB an entity controlled by Henrik Wennerholm (Director Business development) in accordance with agreements between B2Holding AS and FemWen AB dated 17 November 2014 and 26 October 2015, under which the Company used its option to call FemWen AB's shares in Sileo Kapital AB against issuing shares in the Company as consideration. Henrik Wennerholm was one of the founders and CEO of Sileo Kapital AB. Following completion of this transaction, Henrik Wennerholm holds 1,981,342 shares through FemWen AB.

Agreement with Valset Invest AS

On 18 December 2015, the Company entered into an agreement, with Valset Invest AS regarding the purchase of 33,333 shares in Sileo Finans AB, representing 2/3 of the shares in Sileo Finans AB. In accordance with the agreement, the Company paid a total purchase price of SEK 33,333 for the shares in Sileo Finans AB, equalling the purchase price paid by Valset Invest AS when acquiring the shares from B2Holding and the total nominal value of the shares. The seller of the shares, Valset Invest AS, is an entity controlled by the Chairman of the Board of Directors, Jon Harald Nordbrekken. The completion of the transfer of the shares is subject to an ownership assessment and approval by the Swedish Finansinspektionen.

Agreement with RASMUSSENGRUPPEN AS

Pursuant to an agreement with RASMUSSENGRUPPEN AS, the Company has compensated RASMUSSENGRUPPEN AS with a consultant fee of NOK 150,000 excluding VAT for the services rendered by Trygve Lauvdal in his capacity as a Board Member for the year ended 31 December 2015. For the year ended 31 December 2014 the amount was NOK 100,000 excluding VAT.

15 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as at the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association and applicable law.

15.1 Company corporate information

The Company's registered name is B2Holding ASA and its trading name is B2Holding. The Company is a public limited company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office is in the municipality of Oslo, Norway. The Company was incorporated in Norway on 21 January 2008 as a private limited company. In May 2016, the Company was transformed from a private limited company to a public limited company. The Company's organisation number in the Norwegian Register of Business Enterprises is 992 249 986, and the Shares are registered in book-entry form with the VPS under ISIN NO NO0010633951. The Company's register of shareholders in the VPS is administrated by DNB. The Company's registered office is located at Stortingsgata 22, 0161 Oslo, Norway and the Company's main telephone number at that address is +47 22 83 39 50 and its telefax number is +47 22 83 39 51. The Company's website can be found at www.b2holding.no. The content of www.b2holding.no is not incorporated by reference into or otherwise forms part of this Prospectus.

15.2 Legal structure

The Company, the parent company of the Group, is a holding company and the operations of the Group are carried out through the collection services and portfolio owning subsidiaries of the Company.

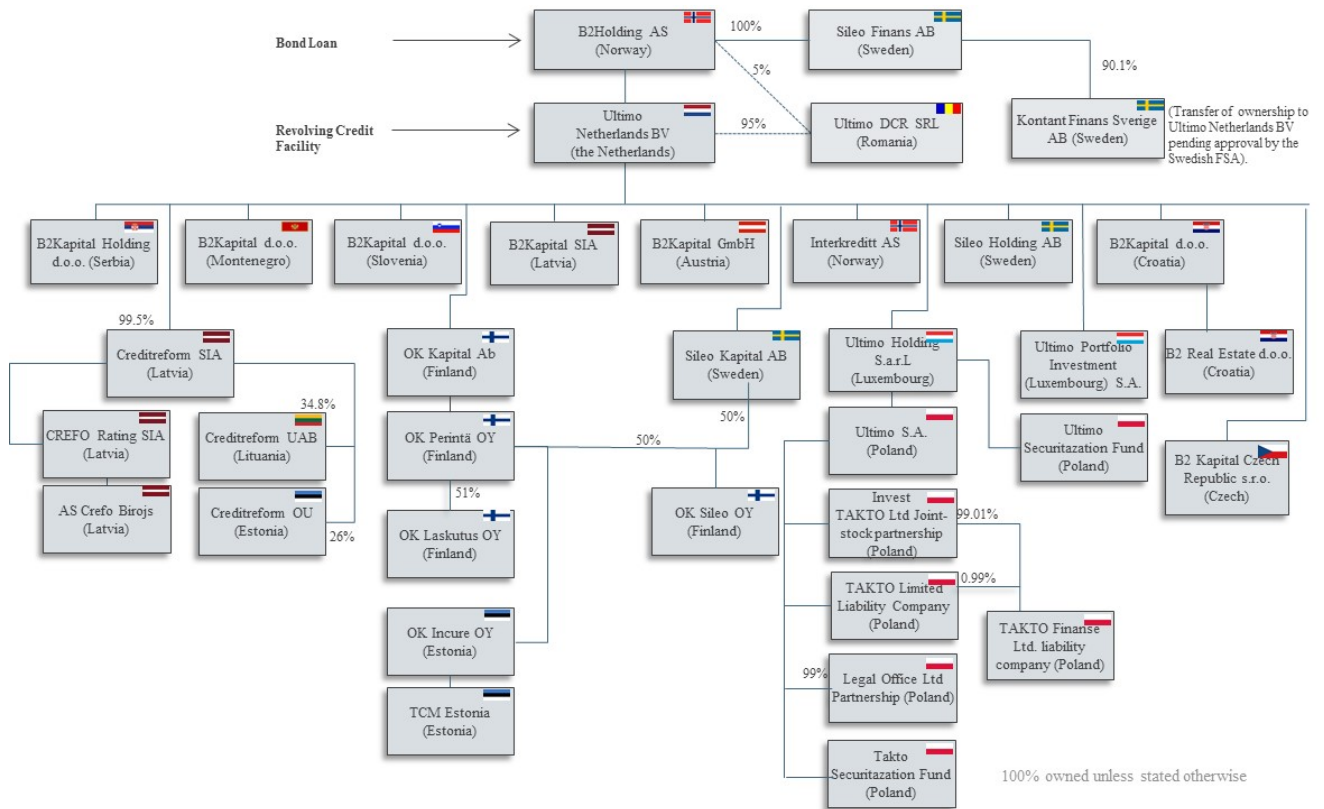
The subsidiary Ultimo Netherlands BV, the subholding company owing all operating companies (platforms) and portfolio owning companies, is the borrower of the EUR 260 million Revolving Credit Facility whilst the Company is the borrower of the EUR 150 million Bonds, see Section 11.7.2 "Material indebtedness" for a further description of the Revolving Credit Facility and the Bonds. The main portfolio owners are Ultimo Portfolio Investment S.A, Ultimo Securitisation Fund, OK Perintä OY, B2 Kapital d.o.o (Croatia) and Sileo Kapital AB. The main collection companies are Ultimo S.A, OK Perintä OY, B2Kapital d.o.o (Croatia) and Sileo Kapital AB.

The following table sets out information about the Company's material subsidiaries:

Company	Country of incorporation	Field of activity	% holding
Ultimo Netherlands BV	Netherlands	Holding company	100
Ultimo Holding S.a.r.L	Luxembourg	Holding company	100
Ultimo S.A.	Poland	Collection servicer	100
Ultimo Portfolio Investment S.A.	Luxembourg	Portfolio owner and portfolio risk servicer	100
Ultimo Securitisation Fund	Poland	Portfolio owner	100
Takto Ltd. (registered partners)	Poland	Consumer lending	100
OK Kapital Ab	Finland	Holding company	100
OK Perintä OY	Finland	Portfolio owner and collection servicer	100
Sileo Kapital AB	Sweden	Portfolio owner and collection servicer	100
Kontant Finans Sverige AB	Sweden	Consumer lending	100
B2 Kapital SIA	Latvia	Portfolio owner and collection servicer	100
B2 Kapital d.o.o	Croatia	Portfolio owner and collection servicer	100
B2 Kapital d.o.o	Slovenia	Portfolio owner and collection servicer	100
B2 Holding Kapital d.o.o	Serbia	Portfolio owner	100

As at the date of this Prospectus, the Group is of the opinion that its holdings in the entities specified above are likely to have a significant effect on the assessment of its own assets and liabilities, financial condition or profits and losses

The following chart sets out the Group's legal group structure as at 29 February 2016. See Section 11.12 "Recent development and change" for information about the ongoing acquisition of a Bulgarian entity.



15.3 Share capital and share capital history

As at the date of this Prospectus, the Company’s share capital is NOK 31,192,923.90 divided into 311,929,239 Shares with each Share having a par value of NOK 0.10. All the Shares have been created under the Norwegian Public Limited Companies Act, and are validly issued and fully paid.

The Company has one class of shares and accordingly there are no differences in voting rights among Shares. Other than the options described in Section 12.5 “Share options” there is no share options or other rights to subscribe for or acquire Shares issued by the Company. Neither the Company nor any of its subsidiaries directly or indirectly owns Shares in the Company.

The table below shows the development in the Company’s share capital for the period from 1 January 2013 to the date hereof:

Date of registration	Type of change	Change in share capital (NOK)	Share price (NOK)	Par value (NOK)	New number of Shares	New share capital (NOK)
At 1 January 2013					57,701,852	5,770,185.2
7 January 2013	Share capital increase	2,800,000	2.5	0.10	28,000,000	8,570,185.2
10 April 2013	Share capital increase	4,166,666.7	3.6	0.10	41,666,667	12,736,851.9
28 May 2013	Share capital increase	1,511,088.6	4.0	0.10	15,110,886	14,247,940.5
2 September 2013	Share capital increase	519,093.9	4.0	0.10	5,190,939	14,767,034.4
At 31 December 2013					147,670,344	14,767,034.4
8 May 2014	Share capital increase	16,645.8	4.0	0.10	166,458	14,783,680.2
19 May 2014	Share capital increase	666,666.6	6.0	0.10	6,666,666	15,450,346.8
10 July 2014	Contribution in kind ¹	13,333.4	6.0	0.10	133,334	15,463,680.2
26 August 2014	Share capital increase	10,000,000.0	6.0	0.10	100,000,000	25,463,680.2
4 September 2014	Share capital increase	100,000.0	2.5	0.10	1,000,000	25,563,680.2
27 November 2014	Share capital increase	4,666,666.7	7.5	0.10	46,666,667	30,230,346.9
9 December 2014	Share capital increase	357,871.3	6.0	0.10	3,578,713	30,588,218.2
9 December 2014	Conversion of debt ²	141,050.0	6.0	0.10	1,410,500	30,729,268.2
19 December 2014	Share capital increase	174,608.1	7.5	0.10	1,746,081	30,903,876.3
At 31 December 2014					309,038,763	30,903,876.3
27 February 2015	Contribution in kind ³	217,490.8	7.5	0.10	2,174,908	31,121,367.1
17 April 2015	Share capital increase	13,333.4	7.5	0.10	133,334	31,134,700.5
16 November 2015	Contribution in kind ⁴	52,509	12.5	0.10	525,090	31,187,209.5
At 31 December 2015					311,872,095	31,187,209.5
11 February 2016	Share capital increase	5,711.4	14.0	0.10	57,114	31,192,923.9

1 Share issue in connection with settling of debt to Jon Harald Nordbrekken (Chairman of the Board of Directors) and Olav Zahl Dalen (CEO) related to their bonus agreement (see Section 12.4.3 "Bonus programs"). A total of NOK 80,000s was settled by issuing 133,334 Shares in the Company at NOK 6 per Share.

2 Share issue in connection with the acquisition of 20% non-controlling interest in B2 Kapital Holding d.o.o., Croatia for the total price of NOK 8,463,000. The payment was settled by issuing 1,410,500 Shares in B2Holding AS at NOK 6 per Share.

3 Share issue in connection with the acquisition of a 40.8% non-controlling interest in Sileo Kapital AB, Sweden, for the total price of NOK 16,991,810. The payment was settled by a cash payment of NOK 680,000 and by issuing 2,174,908 Shares in B2Holding AS at NOK 7.5 per Share.

4 Share issue in connection with the acquisition of 9.1% non-controlling interest in Sileo Kapital AB for NOK 6,563,625. The payment was settled by issuing 525,090 Shares in B2Holding AS at NOK 12.5 per Share.

15.4 Admission to trading

The Company will on or about 24 May 2016 apply for admission to trading of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange approves the listing application of the Company on or about 30 May 2016, subject to certain conditions being met. See Section 18.13 "Conditions for completion of the Offering – Listing and trading of the Offer Shares".

The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on or around 8 June 2016. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

15.5 Ownership structure

As of 20 May 2016, the Company had 849 shareholders.

The table below shows the Company's 20 largest shareholders as recorded in the shareholders' register of the Company with the VPS as of 20 May 2016, the last practical date prior to the date of this Prospectus.

#	Shareholder Name	No. of Shares	Percentage, %
1	RASMUSSENGRUPPEN AS	54,739,886	17.55
2	PRIORITET GROUP AB	51,118,519	16.39
3	VALSET INVEST AS	24,000,000	7.69
4	STENSHAGEN INVEST AS	19,793,500	6.35
5	INDIGO INVEST	12,962,619	4.16
6	BRYN INVEST AS	8,605,222	2.76
7	PROTECTOR FORSIKRING ASA	8,247,531	2.64
8	VERDIPAPIRFONDET HANDELSBANKEN	6,000,000	1.92
9	GREENWAY AS	5,802,368	1.86
10	VEVLEN GÅRD AS	4,850,000	1.55
11	VERDIPAPIRFONDET DELPHI NORDEN	3,970,889	1.27
12	KGJ CAPITAL AS	3,600,000	1.15
13	LIN AS	3,201,828	1.03
14	VERDIPAPIRFONDET ALFRED BERG NORGE	3,179,536	1.02
15	ARCTIC FUNDS PLC	3,033,300	0.97
16	STOREBRAND NORGE I	3,024,156	0.97
17	ARTEL HOLDING A/S	2,999,967	0.96
18	CARLOT AS	2,926,334	0.94
19	VERDIPAPIRFONDET ALFRED BERG GAMBAK	2,861,750	0.92
20	RANASTONGJI AS	2,847,048	0.91
Top 20		227,764,453	73.02
Other		84,164,786	26.98
Total		311,929,239	100

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 16.7 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

Following the completion of the Offering, the Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Shares have not been subject to any public takeover bids.

15.6 Authorisations to increase the share capital and to issue Shares

The Board of Directors has been granted an authorisation to increase the share capital by up to NOK 12,477,169.50, corresponding to 40% of the Company's current share capital to be used in connection with the issuance of New Shares in the Offering and any exercise of the Over-Allotment Option. The authorisation is valid until the earlier of 45 days following the Listing and 31 December 2016. The preferential rights of the existing shareholders to subscribe to the new shares pursuant to Section 10-4 of the Norwegian Public Limited Companies Act may be deviated from.

In addition the Board of Directors has been granted an authorisation to increase the share capital by up to NOK 4,119,292.30 to be used in connection with acquisitions and raising new equity. It has been resolved that the authorisation shall not be used for more than 10% of the share capital following the Offering. Furthermore, the Board of Directors has been granted an authorisation to increase the share capital by up to NOK 2,130,000, to be used in connection with the issuance of shares to option holders. The authorisations are valid until the Company's annual General Meeting in 2017 but, in any case no longer than to 30 June 2017. The preferential rights of the existing shareholders to subscribe to the new shares pursuant to Section 10-4 of the Norwegian Public Limited Companies Act may be deviated from. The authorisation does not comprise potential share capital increases against contribution in kind or shares capital increases in connection with mergers.

15.7 Authorisation to acquire treasury shares

The Board of Directors has been granted authorisation to repurchase the Company's own shares within a total par value of NOK 3,119,292.30, corresponding to 10% of the Company's current share capital. The authorisation is valid until the Company's annual General Meeting in 2017, but in any case no longer than to 30 June 2017.

15.8 Other financial instruments related to shares

Other than as described in Section 12.5 "Share options", neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or the subsidiaries.

15.9 Shareholder rights

The Company has one class of Shares in issue and, in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Company's Shares carries one vote. The rights attaching to the Shares are described in Section 15.10 "The Articles of Association and certain aspects of Norwegian law".

15.10 The Articles of Association and certain aspects of Norwegian law

15.10.1 The Articles of Association

The Company's Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of provisions of the Articles of Association.

Objective of the Company.

The objective of the Company is investment, participation and administration of other companies within the business of investment in, administration of and collection of receivables and other thereto related business.

Registered office.

The Company's registered office is in the municipality of Oslo, Norway.

Share capital and par value.

The Company's share capital is NOK 31,192,923.90 divided into 311,929,239 Shares, each Share with a par value of NOK 0.10. The Shares are registered with the Norwegian Central Securities Depository (VPS).

Board of Directors.

The Company's Board of Directors shall consist of a minimum of three and a maximum of seven Board Members.

Restrictions on transfer of Shares.

The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.

General meetings.

Documents relating to matters to be dealt with by the Company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents which relate to matters to be dealt with at the general meeting are sent to him/her.

Nomination committee

The Company shall have a nomination committee. See Section 12.10 "Nomination committee".

15.10.2 Certain aspects of Norwegian corporate law

General meetings.

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, the Company plans to include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings, without any requirement of pre-registration. The Company's Articles of Association does, however, include a provision requiring shareholders to pre-register in order to participate at general meetings.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general

meetings. However, the annual general meeting of a Norwegian public limited company may with a majority of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a fourteen days' notice period until the next annual general meeting provided the company has procedures in place allowing shareholders to vote electronically.

Voting rights—amendments to the Articles of Association.

Each of the Company's Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Company's Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account (NOM-account). A shareholder must, in order to be eligible to register, meet and vote for such Shares at the general meeting, transfer the Shares from such NOM-account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

There are no quorum requirements that apply to the general meetings.

Additional issuances and preferential rights.

If the Company issues any new Shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

Minority rights.

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Company's Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

Rights of redemption and repurchase of Shares.

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting of the Company's shareholders cannot be granted for a period exceeding 18 months.

Shareholder vote on certain reorganisations.

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the company's website, at least one month prior to the general meeting to pass upon the matter.

Liability of board members.

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Company's board members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's board members from liability or not to pursue claims against the Company's board members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

Indemnification of board members.

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the board members against certain liabilities that they may incur in their capacity as such.

Distribution of assets on liquidation.

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

15.10.3 Shareholders' agreement

There are no shareholders' agreements related to the Shares.

16 SECURITIES TRADING IN NORWAY

16.1 Introduction

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. As at 31 December 2015, the total capitalisation of companies listed on the Oslo Stock Exchange amounted to approximately NOK 1,839 billion. Shareholdings of non-Norwegian investors as a percentage of total market capitalisation as at 31 December 2015 amounted to approximately 36.8%.

The Oslo Stock Exchange has entered into a strategic cooperation with the London Stock Exchange group with regards to, *inter alia*, trading systems for equities, fixed income and derivatives.

16.2 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET) and 16:20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post-trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Oslo Clearing ASA, a wholly-owned subsidiary of SIX x-clear AG, a company in the SIX group, has a license from the Norwegian FSA to act as a central clearing service, and has from 18 June 2010 offered clearing and counterparty services for equity trading on the Oslo Stock Exchange.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

16.3 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

16.4 The VPS and transfer of Shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

16.5 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners.

16.6 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

16.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

16.8 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

16.9 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

16.10 Compulsory acquisition

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition

of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

16.11 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

17 TAXATION

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

17.1 Norwegian taxation

17.1.1 Taxation of dividends

Norwegian Personal Shareholders.

Dividends distributed to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders at an effective tax rate of 28.75% to the extent the dividend exceeds a tax-free allowance (i.e. dividends received, less the tax free allowance, shall be multiplied by 1.15 which are then included as ordinary income taxable at a flat rate of 25%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 28.75%).

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a risk free interest rate based on the effective rate after tax of interest on treasury bills (*Nw.: statskasseveksler*) with three months maturity. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realisation, of the same share.

Norwegian Corporate Shareholders.

Dividends distributed to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at rate of 0.75% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 25%).

Non-Norwegian Personal Shareholders.

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see "Taxation of dividends – Norwegian Personal Shareholders" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Corporate Shareholders.

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes (“**Non-Norwegian Corporate Shareholders**”), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

17.1.2 Taxation of capital gains on realisation of shares

Norwegian Personal Shareholders.

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realised by Norwegian Personal Shareholders is currently 28.75%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.15 which are then included in or deducted from the Norwegian Personal Shareholder’s ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 25%, increasing the effective tax rate on gains/losses realised by Norwegian Personal Shareholders to 28.75%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder’s cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 17.1.1 “Taxation of dividends — Norwegian Personal Shareholders” above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Corporate Shareholders.

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of shares qualifying for participation exemption, including shares in the Company. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

Non-Norwegian Personal Shareholders.

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Non-Norwegian Corporate Shareholders.

Capital gains derived by the sale or other realisation of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway.

17.1.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is equal to the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

17.1.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

17.1.5 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

18 THE TERMS OF THE OFFERING

18.1 Overview of the Offering

The Offering consists of (i) an offer of New Shares to raise a gross amount of approximately NOK 650 million and (ii) an offer of up to 15,250,000 Sale Shares, all of which are existing, validly issued and fully paid-up registered Shares with a par value of NOK 0.10, offered by the Selling Shareholders, as further specified in Section 13 “The Selling Shareholders”. In addition, the Managers may elect to over-allot a number of Additional Shares, equalling up to approximately 15% of the aggregated number of Offer Shares allocated in the Offering. The Company is expected to grant Arctic, on behalf of the Managers an Over-Allotment Option to acquire a corresponding number of new Shares from the Company to cover any such over-allotments.

The Offering consists of:

- An Institutional Offering, in which Offer Shares are being offered to (a) investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from any prospectus and registration requirements, and (c) investors in the United States who are QIBs in transactions exempt from registration requirements under the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000.
- A Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit.

All offers and sales outside the United States will be made in compliance with Regulation S.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see “Important Information” and Section 19 “Selling and Transfer Restrictions”.

The Bookbuilding Period for the Institutional Offering is expected to take place from 25 May 2016 at 09:00 hours (CET) to 7 June 2016 at 12:00 hours (CET). The Application Period for the Retail Offering is expected to take place from 25 May 2016 at 09:00 hours (CET) to 7 June 2016 at 12:00 hours (CET). The Company, in consultation with the Managers, reserves the right to shorten or extend the Bookbuilding Period and the Application Period at any time. Any shortening of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Stock Exchange’s information system on or before 09:00 hours (CET) on the prevailing expiration date of the Bookbuilding Period and/or the Application Period, provided, however, that in no event will the Bookbuilding Period and/or the Application Period expire prior to 16:30 hours (CET) on 31 May 2016. Any extension of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Stock Exchange’s information system on or before 09:00 hours (CET) on the first business day following the then prevailing expiration date of the Bookbuilding Period and/or the Application Period. An extension of the Bookbuilding Period and/or the Application Period can be made one or several times provided, however, that in no event will the Bookbuilding Period and/or the Application Period be extended beyond 14:00 hours (CET) on 10 June 2016. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

The Company has, together with the Managers, set an Indicative Price Range for the Offering from NOK 11.25 to NOK 13.50 per Offer Share. Assuming that the Offer Price is set at the high-end of this range and that 48,148,148 New Shares and all the Sale Shares are sold in the Offering (and excluding any over-allotments), the aggregate gross amount of the Offering will be approximately NOK 856 million. The Company, in consultation with the Managers, will determine the number of Offer Shares and the Offer Price on the basis of the bookbuilding process in the Institutional Offering and the applications received in the Retail Offering. The bookbuilding process, which will form the basis for the final determination of the number of Offer Shares and the Offer Price, will be conducted only in connection with the Institutional Offering. The Indicative Price Range may be amended during the Bookbuilding Period. Further, based on the demand for Offer Shares in the bookbuilding process, the number of Sale Shares sold by Fjordsyn AS may be set lower than the maximum number indicated in this Prospectus and the number of Sale Shares sold by RASMUSSENGRUPPEN AS may, subject to agreement between that Selling Shareholder and the Managers, be set above or below the maximum number set out in this Prospectus. Any amendments to the Indicative Price Range or in

the number of Sale Shares being sold in the Offering will be announced through the Oslo Stock Exchange's information system.

In addition, the Company is expected to grant to the Stabilisation Manager (Arctic), on behalf of the Managers, the Over-Allotment Option to acquire from the Company a number of new Shares equalling up to approximately 15% of the aggregate number of New Shares and Sale Shares at the Offer Price allocated in the Offering, exercisable, in whole or in part, within a 30-day period commencing at the time at which trading in the Shares commences on the Oslo Stock Exchange, which is expected to be at 09:00 hours (CET) on 8 June 2016. The Over-Allotment Option will be granted to cover over-allotments, if any, made in connection with the Offering on the terms and subject to the conditions described in this Prospectus. In order to permit delivery in respect of over-allotments made, if any, Prioritet Group AB will grant to the Stabilisation Manager an option (the "**Lending Option**") to require Prioritet Group AB to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares. See Section 18.9 "Over-Allotment and stabilisation activities" for further details.

The Offer Shares allocated in the Offering are expected to be traded on the Oslo Stock Exchange from and including 8 June 2016. Completion of the Offering is conditional upon, among other conditions, the Company satisfying the listing conditions and being approved for listing on the Oslo Stock Exchange, see Section 18.13 "Conditions for completion of the Offering – Listing and trading of the Offer Shares".

The Company has made and will make certain representations and warranties in favour of, and agreed to certain undertakings with the Managers in the mandate agreement and ancillary agreements and documents entered into in and to be entered into in connection with the Offering and Listing. Further, the Company will give an undertaking that will restrict their ability to issue, sell, contract to sell, pledge, transfer or otherwise dispose of Shares for 6 months after the Institutional Closing Date. The Selling Shareholders, Board Members and shareholders represented on the Board of Directors have given an undertaking on the same for 6 months from the first day of Listing, while the members of the Management have given an undertaking on the same for 9 months from the first day of Listing. For more information on these restrictions, see Section 18.16 "Lock-up".

See Section 18.15 "Expenses of the Offering and the Listing" for information regarding fees expected to be paid to the Managers and costs expected to be paid by the Company in connection with the Offering.

18.2 Timetable

The timetable set out below provides certain indicative key dates for the Offering (subject to shortening or extensions):

Bookbuilding Period commences	25 May 2016 at 09:00 hours (CET)
Bookbuilding Period ends	7 June 2016 at 12:00 hours (CET)
Application Period commences	25 May 2016 at 09:00 hours (CET)
Application Period ends	7 June 2016 at 12:00 hours (CET)
Allocation of the Offer Shares	On or about 7 June 2016
Registration of new share capital in the Norwegian Register of Business Enterprises	On or about 7 June 2016
Publication of the results of the Offering	On or about 8 June 2016
Distribution of allocation notes/contract notes	On or about 8 June 2016
Accounts from which payment will be debited in the Retail Offering to be sufficiently funded	On or about 8 June 2016
First day of trading in the Shares	On or about 8 June 2016
Payment date in the Retail Offering	On or about 9 June 2016
Delivery of the Offer Shares in the Retail Offering	On or about 9 June 2016
Payment date and delivery of Offer Shares in the Institutional Offering	On or about 9 June 2016

Note that the Company and the Managers reserve the right to shorten or extend the Bookbuilding Period and/or the Application Period. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

18.3 Resolution relating to the Offering and the issue of the New Shares

In the General Meeting held on 19 May 2016 the Board of Directors was granted the following authorisation to increase the share capital of the Company in connection with the Listing by up to NOK 12,477,169.50 (*translated from Norwegian*):

- a) "Pursuant to Section 10-14 of the Norwegian Private Limited Liability Companies Act the Board is granted an authorisation to increase the Company's share capital by a maximum of NOK 12,477,169.50.

- b) The authorisation is valid from the time of registration of the resolution in the Norwegian Register of Business Enterprises until the earlier of 45 days following the first day of listing of the Company's shares on the Oslo Stock Exchange and 31 December 2016.
- c) The shareholders' pre-emptive rights pursuant to Section 10-4 of the Norwegian Limited Liability Companies Act may be deviated from.
- d) The authorisation does not cover capital increase against non-cash contributions, including capital increases by way of set-off, cf Section 10-2 of the Norwegian Private Limited Liability Companies Act.
- e) The authorisation does not cover capital increases in connection with mergers pursuant to Section 13-5 of the Norwegian Limited Liability Companies Act.
- f) From the time of registration of this authorisation in the Norwegian Register of Business Enterprises, this authorisation shall replace the authorisation to increase the share capital granted to the Board of Directors at the ordinary general meeting held on 26 June 2015."

Following the end of the Bookbuilding Period and the Application Period, the Board of Directors will consider and, if thought fit, approve the completion of the Offering and in consultation with the Managers determine the final Offer Price and the number of and allocation of the Offer Shares. If the Board of Directors determines that the Offering shall be completed, then the Board of Directors will resolve to increase the share capital of the Company by issuance of New Shares.

18.4 The Institutional Offering

18.4.1 Determination of the number of Offer Shares and the Offer Price

The Company has, in consultation with the Managers, set an Indicative Price Range for the Offering from NOK 11.25 to NOK 13.50 per Offer Share. The Company will, in consultation with the Managers, determine the number of Offer Shares and the final Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the applications received in the Retail Offering. The Offer Price will be determined on or about 7 June 2016. The Offer Price may be set within, below or above the Indicative Price Range and the number of Sale Shares sold may be below or above 15,250,000 Sale Shares. Investors' applications for Offer Shares in the Institutional Offering will, after the end of the Bookbuilding Period, be irrevocable and binding regardless of whether the Offer Price is set within, above or below the Indicative Price Range. The final Offer Price is expected to be announced by the Company through the Oslo Stock Exchange's information system on or about 7 June 2016 under the ticker code "B2H".

18.4.2 Bookbuilding Period

The Bookbuilding Period for the Institutional Offering will last from 25 May 2016 at 09:00 hours (CET) to 7 June 2016 at 12:00 hours (CET), unless shortened or extended.

The Company may, in consultation with the Managers, shorten or extend the Bookbuilding Period at any time, and extension may be made on one or several occasions. The Bookbuilding Period may in no event expire prior to 16:30 hours (CET) on 31 May 2016 or extended beyond 14:00 hours (CET) on 10 June 2016. In the event of a shortening or an extension of the Bookbuilding Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

18.4.3 Minimum application

The Institutional Offering is subject to a minimum application of NOK 2,000,000 per application. Investors in Norway who intend to place an application for less than NOK 2,000,000 must do so in the Retail Offering.

18.4.4 Application procedure

Applications for Offer Shares in the Institutional Offering must be made during the Bookbuilding Period by informing one of the Managers shown below of the number of Offer Shares that the investor wishes to order, and the price per share that the investor is offering to pay for such Offer Shares.

ABG Sundal Collier
Munkedamsveien 45E
P.O. Box 1444 Vika
N-0115 Oslo
Norway

Arctic Securities
Haakon VIIIs gate 5
P.O. Box 1833 Vika
N-0161 Oslo
Norway

Nordea Markets
Essendropsgate 7
Postboks 1166 Sentrum
N-0368 Oslo
Norway

All applications in the Institutional Offering will be treated in the same manner regardless of which Manager the applicant chooses to place the application with. Any orally placed application in the Institutional Offering will be binding upon the investor and subject to the same terms and conditions as a written application. The Managers may, at any time and in their sole discretion, require the investor to confirm any orally placed application in writing. Applications made may be withdrawn or amended by the investor at any time up to the end of the Bookbuilding Period. At the close of the Bookbuilding Period, all applications in the Institutional Offering that have not been withdrawn or amended are irrevocable and binding upon the investor.

18.4.5 Allocation, payment for and delivery of Offer Shares

The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 8 June 2016, by issuing contract notes to the applicants by mail or otherwise.

Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 9 June 2016 (the "**Institutional Closing Date**").

For late payment, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Overdue Payment of 17 December 1976 no. 100 (the "**Norwegian Act on Overdue Payment**"), which, at the date of this Prospectus, is 8.75% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicants, and the Managers reserve the right, at the risk and cost of the applicant, to cancel the application and to re-allot or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit there from). The original applicant remains liable for payment for the Offer Shares allocated to the applicant, together with any interest, cost, charges and expenses accrued, and the Company, and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the share capital increase in the Company relating to the issuance of the New Shares with the Norwegian Register of Business Enterprises, the Managers are expected to, subscribe and pay for the New Shares allocated in the Offering at a total subscription amount equal to the Offer Price multiplied by the number of New Shares and to sell such New Shares onwards to the applicants at the Offer Price. Irrespective of any such subscription and payment for New Shares, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding. The subscription, payment and onwards sale by the Managers of New Shares as described above constitute an integrated sales process where the investors purchase New Shares from the Company based on this Prospectus, which has been prepared by the Company. The investors will not have any rights or claims against any of the Managers.

18.5 The Retail Offering

18.5.1 Offer Price

The price for the Offer Shares offered in the Retail Offering will be the same as in the Institutional Offering, see Section 18.4.1 "Determination of the number of Offer Shares and the Offer Price".

Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix B (the "**Retail Application Form**"), that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range (i.e. NOK 13.50 per Offer Share). If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not

expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range, as long as the Offer Price has been determined on the basis of orders placed during the bookbuilding process described above.

18.5.2 Application Period

The Application Period during which applications for Offer Shares in the Retail Offering will be accepted will last from 25 May 2016 at 09:00 hours (CET) to 7 June 2016 at 12:00 hours (CET), unless shortened or extended. The Company may, in consultation with the Managers, shorten or extend the Application Period at any time, and extension may be made on one or several occasions. The Application Period may in no event expire prior to 16:30 hours (CET) on 31 May 2016 or extended beyond 14:00 hours (CET) on 10 June 2016. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

18.5.3 Minimum and maximum application

The Retail Offering is subject to a minimum application amount of NOK 10,500 and a maximum application amount of NOK 1,999,999 for each applicant.

Multiple applications are allowed. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. If two or more identical application forms are received from the same investor, the application form will only be counted once unless otherwise explicitly stated on one of the application forms. In the case of multiple applications through the online application system or applications made both on a physical application form and through the online application system, all applications will be counted. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering.

18.5.4 Application procedures and application offices

Applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number are recommended to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.b2holding.no, www.abgsc.com, www.arctic.com and www.nordea.no/b2. Applicants in the Retail Offering not having access to the VPS online application system must apply using the Retail Application Form attached to this Prospectus as Appendix B "Application Form for the Retail Offering". Retail Application Forms, together with this Prospectus, can be obtained from the Company, the Company's website www.b2holding.no, the Managers' websites listed above or the application offices set out below. Applications made through the VPS online application system must be duly registered during the Application Period.

The application offices for the Retail Offering are:

ABG Sundal Collier
Munkedamsveien 45E
P.O. Box 1444 Vika
N-0115 Oslo
Norway
Tel: +47 22 01 60 00
E-mail: subscription@abgsc.no

Arctic Securities
Haakon VII's gate 5
P.O. Box 1833 Vika
N-0161 Oslo
Norway
Tel: +47 21 01 30 40
E-mail: subscription@arctic.com

Nordea Markets
Essendropsgate 7
Postboks 1166 Sentrum
N-0368 Oslo
Norway
Tel: +47 24 01 34 62
E-mail: nis@nordea.com

All applications in the Retail Offering will be treated in the same manner regardless of which of the above Managers the applications are placed with. Further, all applications in the Retail Offering will be treated in the same manner regardless of whether they are submitted by delivery of a Retail Application Form or through the VPS online application system.

Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, and any application that may be unlawful, may be disregarded without further notice to the applicant. Properly completed Retail Application Forms must be received by one of the application offices listed above or registered electronically through the VPS application system by 12:00 hours (CET) on 7 June 2016, unless the Application Period is being shortened or extended. None of the Company or any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office.

Subject to Section 18.5.1 “Offer Price” above, all applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

18.5.5 Allocation, payment and delivery of Offer Shares

Arctic, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 8 June 2016, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it, may contact one of the application offices listed above on or about 8 June 2016 during business hours. Applicants who have access to investor services through an institution that operates the applicant’s account with the VPS for the registration of holdings of securities (“**VPS account**”) should be able to see how many Offer Shares they have been allocated from on or about 9 June 2016.

In registering an application through the VPS online application system or completing a Retail Application Form, each applicant in the Retail Offering will authorise Arctic (on behalf of the Managers) to debit the applicant’s Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant’s bank account number must be stipulated on the VPS online application or on the Retail Application Form. Accounts will be debited on or about 9 June 2016 (the “**Payment Date**”), and there must be sufficient funds in the stated bank account from and including 7 June 2016. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date (expected to be 9 June 2016).

Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 8 June 2016, or can be obtained by contacting Arctic at +47 21 01 30 40.

Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments, which at the date of this Prospectus is 8.75% per annum. Arctic (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 17 June 2016 if there are insufficient funds on the account on the Payment Date. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Company and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or otherwise dispose of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and that the applicant will not be entitled to any profit there from). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and the Managers may enforce payment of any such amount outstanding.

Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 9 June 2016.

In order to provide for prompt registration of the share capital increase in the Company relating to the issuance of the New Shares with the Norwegian Register of Business Enterprises, the Managers are expected to subscribe and pay for the New Shares allocated in the Offering at a total subscription amount equal to the Offer Price multiplied by the number of New Shares and to sell such New Shares onwards to the applicants at the Offer Price. Irrespective of any such subscription and payment for New Shares, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding. The subscription, payment and onwards sale by the Managers of New Shares as described above constitute an integrated sales process where the investors purchase New Shares from the Company based on this Prospectus, which has been prepared by the Company. The investors will not have any rights or claims against any of the Managers.

18.6 Mechanism of allocation

It has been provisionally assumed that approximately 95% of the Offering will be allocated in the Institutional Offering and that approximately 5% of the Offering will be allocated in the Retail Offering. The final determination of the number of Offer Shares allocated to the Institutional Offering and the Retail Offering will only be decided, however, by the Company, in consultation with the Managers, following the completion of the bookbuilding process for the Institutional Offering, based on among other things the level of orders or applications received from each of the categories of investors relative to the level of applications or orders received in the Retail Offering. The Company and the Managers reserve the right to deviate from the provisionally assumed allocation between tranches without further notice and at their sole discretion.

No Offer Shares have been reserved for any specific national market.

In the Institutional Offering, the Company, together with the Managers, will determine the allocation of Offer Shares. An important aspect of the allocation principles is the desire to create an appropriate long-term shareholder structure for the Company. The allocation principles will, in accordance with normal practice for institutional placements, include factors such as premarketing and management road-show participation and feedback, timeliness of the order, price level, relative order size, sector knowledge, investment history, perceived investor quality and investment horizon. The Company and the Managers further reserve the right, at their sole discretion, to take into account the creditworthiness of any applicant. The Company and the Managers may also set a maximum allocation, or decide to make no allocation to any applicant.

In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant, however, all allocations will be rounded down to the nearest number of whole Offer Shares and the payable amount will hence be adjusted accordingly. One or multiple orders from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. In the Retail Offering, allocation will be made solely on a pro rata basis using the VPS' automated simulation procedures. The Company and the Managers reserve the right to limit the total number of applicants to whom Offer Shares are allocated if the Company and the Managers deem this to be necessary in order to keep the number of shareholders in the Company at an appropriate level and such limitation does not have the effect that any conditions for the Listing regarding the number of shareholders will not be satisfied. If the Company and the Managers should decide to limit the total number of applicants to whom Offer Shares are allocated, the applicants to whom Offer Shares are allocated will be determined on a random basis by using the VPS' automated simulation procedures and/or other random allocation mechanism.

18.7 VPS account

To participate in the Offering, each applicant must have a VPS account. The VPS account number must be stated when registering an application through the VPS online application system or on the Retail Application Form for the Retail Offering. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance. Establishment of VPS accounts requires verification of identification by the relevant VPS registrar in accordance with Norwegian anti-money laundering legislation (see Section 18.8 "Mandatory anti-money laundering procedures").

18.8 Mandatory anti-money laundering procedures

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 no. 302 (collectively, the "**Anti-Money Laundering Legislation**").

Applicants who are not registered as existing customers of any of the Managers must verify their identity to the Manager in which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form, or when registering an application through the VPS online application system, are exempted, unless verification of identity is requested by any of the Managers. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period may not be allocated Offer Shares.

18.9 Over-Allotment and stabilisation activities

18.9.1 Over-allotment of Additional Shares

In connection with the Offering, the Managers may elect to over-allot a number of Additional Shares equalling up to approximately 15% of the aggregate number of New Shares and Sale Shares allocated in the Offering and, in order to permit the delivery in respect of over-allotments made, the Stabilisation Manager may, pursuant to the Lending Option, require Prioritet Group AB to lend to the Stabilisation Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares. Further, pursuant to the Over-Allotment Option, the Company is expected to grant to the Managers, an option to acquire from the company a number of new Shares equal to 15% of the aggregate number of New Shares and Sale Shares allocated in the Offering, exercisable within a period commencing on the first day of trading in the Shares and expiring 35 days thereafter, at a price equal to the final Offer Price, as may be necessary to close out short positions, if any, created in connection with the Offering. To the extent that the Managers have over-allotted Shares in the Offering, the Managers have created a short position in the Shares. The Stabilisation Manager may close out this short position by buying Shares in the open market through stabilisation activities and/or by exercising the Over-Allotment Option.

A stock exchange notice will be made on the first day of trading (expected to take place on 8 June 2016) announcing whether the Managers have over-allotted Shares in connection with the Offering. Any exercise of the Over-Allotment Option will be promptly announced by the Stabilisation Manager through the Oslo Stock Exchange's information system.

18.9.2 Price stabilisation

The Stabilisation Manager (Arctic), or its agents, on behalf of the Managers, may, upon exercise of the Lending Option, from the first day of the Listing effect transactions with a view to supporting the market price of the Shares at a level higher than what might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager or its agents to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of Listing.

Any stabilisation activities will be conducted in accordance with Section 3-12 of the Norwegian Securities Trading Act and the EC Commission Regulation 2273/2003 regarding buy-back programmes and stabilisation of financial instruments.

The Company and the Managers have agreed that any profit or loss resulting from stabilisation activities conducted by the Stabilisation Manager, on behalf of the Managers, will be for the account of the Company.

Within one week after the expiry of the 30 calendar day period of price stabilisation, the Stabilisation Manager will publish information as to whether or not price stabilisation activities were undertaken. If stabilisation activities were undertaken, the statement will also include information about: (i) the total amount of Shares sold and purchased; (ii) the dates on which the stabilisation period began and ended; (iii) the price range between which stabilisation was carried out, as well as the highest, lowest and average price paid during the stabilisation period; and (iv) the date at which stabilisation activities last occurred.

It should be noted that stabilisation activities might result in market prices that are higher than would otherwise prevail. Stabilisation may be undertaken, but there is no assurance that it will be undertaken and it may be stopped at any time.

18.10 Publication of information in respect of the Offering

In addition to press releases which will be posted on the Company's website, the Company will use the Oslo Stock Exchange's information system to publish information relating to the Offering, such as amendments to the Bookbuilding Period and Application Period (if any), the final Offer Price, the number of Offer Shares and the total amount of the Offering, allotment percentages, and first day of trading.

The final determination of the Offer Price, the number of Offer Shares and the total amount of the Offering is expected to be published on or about 8 June 2016.

18.11 The rights conferred by the Offer Shares

The Sale Shares will in all respects carry full shareholders' rights in the Company on an equal basis as any other Shares in the Company, including the right to any dividends. The New Shares will in all respects carry full shareholders' rights in the Company on an equal basis as any other Shares in the Company, including the right to any

dividends, from the date of registration of the share capital increase pertaining to the Offering in the Norwegian Register of Business Enterprises.

For a description of rights attached to the Shares, see Section 15 “Corporate Information and Description of the Share Capital”.

18.12 VPS registration

The Sale Shares has been, and the New Shares and any Additional Shares will be, created under the Norwegian Public Limited Companies Act. The Sale Shares has been, and the New Shares and any Additional Shares will be, registered in book-entry form with the VPS and have ISIN NO0010633951. The Company’s register of shareholders with the VPS is administrated by DNB Bank ASA, Dronning Eufemias gate 30, N-0191 Oslo, Norway.

18.13 Conditions for completion of the Offering – Listing and trading of the Offer Shares

The Company will on 24 May 2016 apply for a Listing of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the Listing application of the Company on 30 May 2016.

Completion of the Offering on the terms set forth in this Prospectus is expressly conditioned upon the board of directors of the Oslo Stock Exchange approving the application for Listing of the Shares in its meeting to be held on or about 30 May 2016, on conditions acceptable to the Company and that any such conditions are satisfied by the Company. The Offering will be cancelled in the event that the conditions are not satisfied. There can be no assurance that the board of directors of the Oslo Stock Exchange will give such approval or that the Company will satisfy these conditions.

Completion of the Offering on the terms set forth in this Prospectus is otherwise only conditional on (i) the Company, in consultation with the Managers, having resolved to proceed with the Offering and approved the Offer Price and the allocation of the Offer Shares to eligible investors following the bookbuilding process and (ii) the Board of Directors resolving to issue the New Shares.

There can be no assurance that these conditions will be satisfied. If the conditions are not satisfied, the Offering may be revoked or suspended.

Assuming that the conditions are satisfied, the first day of trading of the Shares, including the Offer Shares, on the Oslo Stock Exchange is expected to be on or about 8 June 2016. The Shares are expected to trade under the ticker code “B2H”.

Applicants in the Retail Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Payment Date, by ensuring that the stated bank account is sufficiently funded on 7 June 2016. Applicants in the Institutional Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Institutional Closing Date. Accordingly, an applicant who wishes to sell his/her Offer Shares, following confirmed allocation of Offer Shares, but before delivery, must ensure that payment is made in order for such Offer Shares to be delivered in time to the applicant.

Prior to the Listing and the Offering, the Shares are not listed on any stock exchange, however, the Company’s Shares are currently being traded in the NOTC system administrated by the Norwegian Securities Dealers Association, owned by Fondsmeglernes Informasjonstjeneste AS (“**NOTC**”). No application has been filed for listing on any market other than the Oslo Stock Exchange.

18.14 Dilution

Following completion of the Offering (excluding any over-allotments), the immediate dilution for the existing shareholders who do not participate in the Offering is estimated to be approximately 18.52%, based on the assumption that the Company issues 57,777,777 New Shares.

18.15 Expenses of the Offering and the Listing

The net proceeds to the Company will be approximately NOK 604 million, based on estimated total transaction costs of approximately NOK 46 million in connection with the Offering and Listing and to be paid by the Company.

Under the mandate agreement entered into among the Company and the Managers, the Company will pay to the Managers a commission calculated on the gross proceeds of the New Shares allocated in the Offering.

No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

18.16 Lock-up

The Joint Global Coordinators have entered into a lock-up agreement with the Board Members and Management owning Shares in the Company, the Selling Shareholders and shareholders represented on the Board of Directors (the “**Lock-up Undertaking**”), under which each such shareholder has agreed that it will not, nor any other party acting on its behalf (other than the Managers), for a period of six months for the Selling Shareholders, the Board Members, and shareholders represented on the Board of Directors and for a period of 9 months for Management owning Shares in the Company (see more details in the table below) from the first day of Listing (8 June 2016), directly or indirectly, without the prior written consent of the Joint Global Coordinators: sell, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of, directly or indirectly, any Shares (or any other securities convertible into Shares) or enter into any transaction (including a derivative transaction) having an effect on the market in the Shares similar to that of a sale of Shares, or publicly to announce any intention to do any of such things, without the prior written consent of the Joint Global Coordinators. The Lock-up Undertakings also relate to the relevant shareholders’ subsidiaries (if relevant).

The following shareholders have entered into a Lock-up Undertaking:

Shareholder	No. of Shares as of the date of this Prospectus
Selling Shareholders (6 months lock-up period)	
RASMUSSENGRUPPEN AS ¹	54,739,886
Cressida AS ¹	2,500,000
Portia AS ¹	2,500,000
Viola AS ¹	1,666,700
Shareholders represented on the Board of Directors (6 months lock-up period)	
Valsset Invest AS ²	24,000,000
Cryptic AS ²	509,000
Indigo Invest AS	12,962,619
Prioritet Group AB	51,118,519
Management (9 months lock-up period)	
Olav Dalen Zahl ³	2,542,716
Erik Just Johnsen ⁴	250,000
Henrik Wennerholm ⁵	1,981,342
Thor Christian Moen	75,000
Board of Directors (6 months lock-up period)	
Jon Harald Nordbrekken (Chairman) ²	2,088,496
Per Kristian Spone ⁶	6,000
Tove Raanes ⁷	7,500
Total	159,945,178

1 RASMUSSENGRUPPEN AS holds 61,406,586 Shares in the Company, of which 2,500,000 Shares are held through Cressida AS, 2,500,000 Shares are held through Portia AS and 1,666,700 Shares are held through Viola AS.

2 Jon Harald Nordbrekken holds 26,597,496 Shares in the Company, of which 24,000,000 Shares are held through Valsset Invest AS and 509,000 Shares are held through Cryptic AS, an entity controlled by a related party of Jon Harald Nordbrekken.

3 Olav Dalen Zahl holds 2,546,116 Shares in the Company, of which 2,542,716 Shares are held through Fjordsyn AS and 3,400 Shares are held through related persons of Olav Dalen Zahl.

4 Erik Just Johnsen holds 250,000 Shares in the Company through Pine AS.

5 Henrik Wennerholm holds 1,981,342 Shares in the Company through Femwen AB.

6 Celina Sophie Olsson, a related person of Per Kristian Spone holds 6,000 Shares.

7 Tove Raanes holds 7,500 Shares in the Company through Trane AS.

The Lock-up Undertaking will not apply to (i) Shares acquired in the Offering or after the date of the Lock-up Undertaking, (ii) the sale of Shares to finance the strike price for share options or the tax triggered by such sale or the exercise of share options, (iii) the acceptance of an offer for all Shares in the Company (iv) the sale or other transfer of Shares pursuant to any share sale agreement or over-allotment agreement entered into among the Company, the Managers, any shareholders of the Company in connection with the Offering and Listing or (v) any transfer of Shares to wholly owned subsidiaries of the shareholder.

Furthermore, the Company has agreed with the Joint Global Coordinators that it will not, without the prior consent of the Joint Global Coordinators, issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other equity interest in the capital of the Company or any securities convertible into or exercisable for such Shares or other equity interests or enter into any transaction (including a derivative transaction) having an effect on the market in the Shares similar to that of an issue or a sale of Shares, or publicly to announce any intention to do any of such things, prior to the day falling six months after the first day of Listing (8 June 2016).

The lock-up undertaking will not apply to (i) the sale and issue of New Shares, (ii) the sale and issue of any Shares under the Over-Allotment Option, (iii) the honouring of options or other rights to Shares granted by the Company as per the date of the placing agreement, and (iv) the granting of options or other rights to Shares pursuant to employee share schemes substantially in line with the shares incentive schemes described in this Prospectus.

18.17 Interest of natural and legal persons involved in the Offering

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a management fee in connection with the Offering and, as such, have an interest in the Offering.

The Company will receive the net proceeds from the sale of the Additional Shares and stabilisation activities, if any. The Selling Shareholders will receive the net proceeds from the sale of the Sale Shares.

Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

18.18 Participation of major existing shareholders and members of the Management, supervisory and administrative bodies in the Offering

The Company is not aware of whether any major shareholders of the Company or other members of the Management, supervisory or administrative bodies intend to apply for Offer Shares in the Offering, or whether any person intends to apply for more than 5% of the Offer Shares.

18.19 Governing law and jurisdiction

This Prospectus, the Retail Application Form and the terms and conditions of the Offering shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus, the Retail Application Form or the Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with the Oslo District Court as the legal venue.

19 SELLING AND TRANSFER RESTRICTIONS

19.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

19.2 Selling restrictions

19.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; or (ii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than to QIBs in the United States in accordance with Rule 144A or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 19.3.1 “United States”.

Any offer or sale in the United States will be made solely by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

Nordea Markets is not an SEC registered broker dealer and will only participate in the Offering outside of the United States.

19.2.2 United Kingdom

Each Manager has represented, warranted and agreed that:

- a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Offer Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- b) it has complied and will comply with all applicable provisions of the FSMA with respect to everything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

19.2.3 European Economic Area

In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), an offer to the public of any Offer Shares which are the subject of the offering contemplated by this Prospectus may not be made in that Relevant Member State, other than the offering in Norway as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and published in accordance with the EU Prospectus Directive (as implemented in Norway), except that an offer to the public in that Relevant Member State of any Offer

Shares may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the EU Prospectus Directive, if they have been implemented in that Relevant Member State:

- a) to legal entities which are qualified investors as defined in the EU Prospectus Directive;
- b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive), as permitted under the EU Prospectus Directive, subject to obtaining the prior consent of the Managers for any such offer, or
- c) in any other circumstances falling within Article 3(2) of the EU Prospectus Directive;

provided that no such offer of Offer Shares shall require the Company, the Selling Shareholders or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Directive or supplement a prospectus pursuant to Article 16 of the EU Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State the expression “EU Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

19.2.4 Additional jurisdictions

19.2.4.1 Canada

This Prospectus is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the Offer Shares in Canada or any province or territory thereof. Any offer or sale of the Offer Shares in Canada will be made only pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

19.2.4.2 Hong Kong

The Offer Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

19.2.4.3 Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

19.2.4.4 Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

19.3 Transfer restrictions

19.3.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Offer Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that the Company, the Selling Shareholders, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.
- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The Offer Shares are “restricted securities” within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.
- The purchaser acknowledges that the Company, the Selling Shareholders, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

19.3.2 *European Economic Area*

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

- a) it is a qualified investor as defined in the EU Prospectus Directive; and
- b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an “offer” in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State and the expression “EU Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

20 ADDITIONAL INFORMATION

20.1 Auditor and advisors

The Company's independent auditor is Ernst & Young AS with registration number 976 389 387, and business address at Dronning Eufemias gate 6, 0191 Oslo, Norway. Ernst & Young AS is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants).

ABG Sundal Collier Norge ASA (Munkedamsveien 45 E, N-0115 Oslo, Norway) and Arctic Securities AS (Haakon VIIIs gate 5, N-0161 Oslo, Norway) is acting as Joint Global Coordinators, and Nordea Markets a part of Nordea Bank Norge ASA (Essendropsgate 7, N-0368 Oslo, Norway) is acting as Joint Bookrunner for the Offering.

Advokatfirmaet Thommessen AS (Haakon VIIIs gate 10, N-0116 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

Wikborg, Rein & Co. Advokatfirma DA (Kronprinsesse Märthas pl. 1, N-0117 Oslo, Norway) is acting as Norwegian legal counsel to the Managers.

20.2 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Stortingsgata 22, 0161 Oslo, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- The Company's certificate of incorporation and Articles of Association;
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus;
- The historical financial information of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of this Prospectus; and
- This Prospectus.

20.3 Incorporation by reference

The information incorporated by reference in this Prospectus should be read in connection with the cross-reference list set out in the table below. Except as provided in this Section, no information is incorporated by reference in this Prospectus.

The Company incorporates by reference the Company's audited consolidated financial statements as at, and for the years ended, 31 December 2015, 2014 (with unaudited restated figures converted from NGAAP to IFRS as of and for the year ended 31 December 2013) and 2013, and the Company's unaudited financial information for the year ended 31 December 2013, and the Company's unaudited interim financial information as at, and for the three months ended 31 March 2016 (with comparable figures for the same periods of 2015) as well as certain other documents specified below.

Section in the Prospectus	Disclosure requirements of the Prospectus	Reference document and link	Page (P) in reference document ³⁵
Sections 4.2, 10 and 11	Audited historical financial information (Annex I, Section 20.1)	B2Holding AS – Financial Statements 2015: http://b2holding.no/uploads/GENERAL%20%20MEETING%202016/B2Holding%20AS%20-%20Annual%20Report%202015.pdf	P40-P103
		B2Holding AS – Financial Statements 2014: http://b2holding.no/uploads/B2Holding%20Annual%20Report%202014.pdf	P35-P97
		B2Holding AS – Financial Statements 2013: http://b2holding.no/uploads/B2Holding%20Annual%20Report%202013.pdf	P8-P24
Section 10	Audit report (Annex I, Section 20.4.1)	B2Holding AS – Auditor's Report 2015: http://b2holding.no/uploads/GENERAL%20%20MEETING%202016/B2Holding%20AS%20-%20Annual%20Report%202015.pdf	P105-107
		B2Holding AS – Auditor's Report 2014: http://b2holding.no/uploads/B2Holding%20Annual%20Report%202014.pdf	P98-100
		B2Holding AS – Auditor's Report 2013: http://b2holding.no/uploads/B2Holding%20Annual%20Report%202013.pdf	P25-26
Section 10.2	Accounting policies (Annex I, Section 20.1)	B2Holding AS – Accounting Principles: http://b2holding.no/uploads/GENERAL%20%20MEETING%202016/B2Holding%20AS%20-%20Annual%20Report%202015.pdf	P45-52
Section 4.2, 10 and 11	Interim financial information (Annex I, Section 20.6.1)	B2Holding AS – First quarter financial Statement 2016: http://b2holding.no/uploads/B2Holding%20AS%20-%20First%20quarter%20report%202016.pdf	5-14

³⁵ The original page number as stated in the reference document.

21 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

2010 PD Amending Directive	Directive 2010/73/EU amending the EU Prospectus Directive.
ABG	ABG Sundal Collier ASA.
Additional Shares	Additional Shares sold pursuant to the over-allotment by the Stabilisation Manager, equalling up to approximately 15% of the aggregate number of Sale Shares to be sold in the Offering.
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 no. 302, collectively.
Application Period	The application period for the Retail Offering which will take place from 09:00 hours (CET) on 25 May 2016 to 12:00 hours (CET) on 7 June 2016, unless shortened or extended.
Arctic	Arctic Securities AS.
Articles of Association	The Company's articles of association.
Audit Committee	The Company's audit committee.
B2C	Business-to-Consumer services.
B2Holding	The Company and its subsidiaries.
B2Kapital Croatia	B2 Kapital d.o.o.
Balkans	Slovenia, Serbia and Montenegro jointly, together with Croatia.
Basel Committee	The Basel Committee on Banking Supervision.
BIS	The Bank for International Settlements.
Board of Directors	The Board of Directors of the Company.
Board Members	The members of the Board of Directors.
Bond Agreement	The bond agreement between the Company as issuer and Nordic Trustee ASA as trustee on behalf of the bondholders.
Bonds	Senior unsecured floating rate notes of EUR 150 million issued by the Company.
Bookbuilding Period	The bookbuilding period for the Institutional Offering which will take place from 09:00 hours (CET) on 25 May 2016 to 12:00 hours (CET) on 7 June 2016, unless shortened or extended.
CEE	The Central Eastern European region.
CEO	Chief executive officer.
CET	Central European Time.
CIO	Chief investment officer.
CGC	Chief group controller.
CMS	Credit management services.
Company	B2Holding ASA.
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance, dated 30 October 2014.
CRD IV	Directive 2013/36/EU and Regulation (EU) no. 575/2013.
Creditreform Sellers	The sellers of the shares in Creditreform Latvija.
Data Protection Directive	EU directive 95/46/EC on the protection of data.
DCAs	Third-party collection agencies.
DNB	DNB ASA.
ECB	The European Central Bank.
EEA	The European Economic Area.
ERC	Estimated remaining collections.
ERP system	Enterprise resource planning system.
EU	The European Union.
EU Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State.
EURIBOR	means the European Interbank Offered Rate published by the European Money market Institute.
Eurofinas	The European Federation of Finance House Associations.

Financial Statements	The Group's audited consolidated financial statements as at, and for the years ended, 31 December 2015, 2014 and 2013.
First Option Programme	A share option programme established in June 2015 under which the Company has granted options providing the option holder with a right to acquire Shares from the Company.
FSMA	UK Financial Services and Markets Act 2000.
FTEs	Full time equivalents.
GDP	Gross domestic product.
General Meeting	The Company's general meeting of shareholders.
Group	The Company and its subsidiaries.
Historical Financial Information	The Financial Statements and the Interim Financial Information.
IAS 34	International Accounting Standard 34 "Interim Financial Reporting".
IFRS	International Financial Reporting Standards.
IMF	The International Monetary Fund.
Indicative Price Range	The indicative price range in the Offering of NOK 11.25 to NOK 13.50 per Offer Share.
Institutional Closing Date	Delivery and payment for the Offer Shares by the applicants in the Institutional Offering is expected to take place on or about 9 June 2016.
Institutional Offering	An institutional offering, in which Offer Shares are being offered to (a) investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from any prospectus requirements, and (c) investors in the United States who are QIBs in transactions exempt from registration requirements under the U.S. Securities Act, subject to a lower limit per application of NOK 2,000,000.
Interim Financial Information	The Company's unaudited interim consolidated financial information as at, and for the three month period ended, 31 March 2016 and 2015.
IRBA	The internal risk based approach as adopted by the Basel Committee.
IRR	Internal rate of return.
IT	Information technology.
Joint Global Coordinators	ABG and Arctic, collectively.
Kontant Finans	Kontant Finans Sverige AB.
KPF	The Conference of Financial Companies.
Listing	The listing of the Shares on the Oslo Stock Exchange.
Lock-up Undertaking	The Lock-Up Undertaking to be entered into by the Joint Global Coordinators, Selling Shareholders, shareholders represented on the Board of Directors, the members of the Board of Directors, members of the Management, under which each such person or entity has agreed that it will not, for a period of six months for the Board of Directors, the shareholders represented on the Board of Directors and Selling Shareholders and for a period of nine months for Management, from the first day of Listing sell, offer to sell, contract or agree to sell, pledge, mortgage, grant any option to purchase or otherwise dispose of any Shares (or any other securities convertible into Shares) without the prior written consent of the Joint Global Coordinators.
LTV	Loan to value ratio.
Management	The senior management team of the Company.
Managers	ABG, Arctic and Nordea Markets, collectively.
New Shares	Up to 57,777,777 new shares to be issued by the Company in the Offering.
NIBOR	The Norwegian Interbank Offered Rate administered by Finance Norway (<i>Nw.: Finans Norge</i>) and calculated in cooperation with the Oslo Stock Exchange.
NOK	Norwegian Kroner, the lawful currency of Norway.
Nomination Committee	The nomination committee of the Company.
Non-Norwegian Corporate Shareholder	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholder	Shareholders who are individuals not resident in Norway for tax purposes.
Nordea	Nordea Bank Norge ASA.
Nordea Markets	Nordea Markets, a part of Nordea Bank Norge ASA.
Norges Bank	The Central Bank of Norway.
Norwegian Act on Overdue Payment	The Norwegian Act on Overdue Payment of 17 December 1976 no. 100 (<i>Nw.: forsinkelsesrenteloven</i>).

Norwegian Corporate Shareholder	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes.
Norwegian FSA	The Norwegian Financial Supervisory Authority (<i>Nw.: Finanstilsynet</i>).
Norwegian Personal Shareholder	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Public Limited Companies Act	The Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (<i>Nw.: allmennaksjeloven</i>).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 28 June 2007 no. 75 (<i>Nw.: verdipapirhandelloven</i>).
NPL	Non-performing loans.
NPV	Net present value.
Offering	The global offering including the Institutional Offering and the Retail Offering taken together.
Offer Price	The final offering price for the Offer Shares in the Offering. The Offer Price may be set within, below or above the Indicative Price Range.
Offer Shares	The New Shares together with any Additional Shares – the Shares offered pursuant to the Offering.
OK Incore	OK Incore OÜ.
OK Perintä	OK Perintä Oy.
Order	The UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Oslo Stock Exchange	Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA.
Over-Allotment Option	Option granted by the Company to the Stabilisation Manager, on behalf of the Managers, to purchase a number of Additional Shares equalling up to approximately 15% of the number of New Shares sold in the Offering, exercisable, in whole or in part, within a 30-day period commencing at the time at which trading in the Shares commences on the Oslo Stock Exchange, expected to be on or about 8 June 2016, to cover short positions covered by any over-allotments made in connection with the Offering.
Payment Date	The payment date for the Offer Shares under the Retail Offering, expected to be on 9 June 2016.
Perinta Sellers	The sellers of the shares in OK Perintä Oy.
Prospectus	This Prospectus, dated 24 May 2016.
P&L	The Group's profit and loss statement.
QIBs	Qualified institutional buyers as defined in Rule 144A.
Regulation S	Regulation S under the U.S. Securities Act.
Relevant Implementation Date	In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State.
Relevant Member State	Each Member State of the EEA which has implemented the EU Prospectus Directive.
Relevant Persons	Persons in the UK that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Remuneration Committee	The Company's remuneration committee.
Restricted Shares	Offer Shares purchased in the Offering inside the U.S.
Retail Application Form	Application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix C in English and Appendix D in Norwegian.
Retail Offering	A retail offering, in which Offer Shares are being offered to the public in Norway, subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor.
Revolving Credit Facility	A senior secured multi-currency revolving EUR 260 million loan with Ultimo Netherlands B.v. as borrower.
Rule 144A	Rule 144A under the U.S. Securities Act.
SA	The standardized approach for calculation of capital.
Sale Shares	Up to 15,250,000 existing shares of the Company offered by the Selling Shareholders in the Offering, subject to change.
SEC	U.S. Securities and Exchange Commission.
Second Option Programme	A share option programme established in September 2015 under which the Company has granted options providing the option holder with a right to acquire Shares from the Company.

SEE	The South Eastern European region.
SEK	Swedish Kroner, the lawful currency of Sweden.
Selling Shareholders	RASMUSSENGRUPPEN AS and Fjordsyn AS.
Share(s)	Shares in the share capital of the Company, each with a par value of NOK 0.10, or any one of them.
Sileo	Sileo Kapital AB.
SME	Small and medium-sized enterprises.
Stabilisation Manager	Arctic.
STIBOR	The Stockholm interbank offered rate administered by the Swedish Banker's Association.
Systems of BI	Ultimo S.A.'s systems of business intelligence.
TAKTO	TAKTO Ltd.
UK	The United Kingdom.
Ultimo Acquisition	The Group's acquisition of Ultimo S.A. and its subsidiaries.
Ultimo Group	Ultimo Holding S.a.r.l (incorporated in Luxembourg), ULTIMO S.A., the consumer lending business named TAKTO and the Ultimo legal office.
UPI	Ultimo Portfolio Investment (Luxembourg) S.A.
U.S. or United States	The United States of America.
U.S. Exchange Act	The U.S. Securities Exchange Act of 1934, as amended.
U.S. Holder	A U.S. Holder is a beneficial owner of a share that is a citizen or resident of the United States, a U.S. domestic corporation, or otherwise subject to U.S. federal income tax on a net income basis with respect to income from the shares. Accordingly, a "non-U.S. Holder" is a beneficial owner that is not a U.S. Holder.
U.S. Securities Act	The U.S. Securities Act of 1933, as amended.
USD	United States Dollars, the lawful currency in the United States.
VPS	The Norwegian Central Securities Depository (<i>Nw.: Verdipapirsentralen</i>).
VPS account	An account with VPS for the registration of holdings of securities.
Worldbank	The World Bank.

APPENDIX A:

ARTICLES OF ASSOCIATION OF B2HOLDING ASA

VEDTEKTER
FOR
B2HOLDING ASA

Per 19. mai 2016

§ 1 - Foretaksnavn

Selskapets navn er B2Holding ASA. Selskapet er et allmennaksjeselskap.

§ 2 - Forretningskontor

Selskapets forretningskontor er i Oslo kommune.

§ 3 - Virksomhet

Selskapets virksomhet er å drive med investeringer, deltagelse i og administrasjon av andre selskaper som driver med erverv, forvaltning og innkreving av fordringer og annen virksomhet i forbindelse med dette.

§ 4 - Aksjekapital

Aksjekapitalen er NOK 31 192 923,90, fordelt på 311 929 239 aksjer, hver pålydende NOK 0,10. Selskapets aksjer skal være registrert i Verdipapirsentralen.

§ 5 - Styre

Selskapets styre skal ha fra tre til syv medlemmer, etter generalforsamlingens nærmere beslutning.

§ 6 - Generalforsamling

Dokumenter som gjelder saker som skal behandles i selskapets generalforsamling, herunder dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen, trenger ikke sendes til aksjonærene dersom dokumentene er tilgjengelige på selskapets hjemmeside. En aksjonær kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

På den ordinære generalforsamling skal følgende spørsmål behandles og avgjøres:

- Godkjenning av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
- Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

Aksjonærer kan avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. Styret kan fastsette nærmere retningslinjer for slik forhåndsstemming. Det skal fremgå av innkallingen til generalforsamlingen hvilke retningslinjer som er fastsatt.

Styret kan beslutte at aksjonærer som vil delta på generalforsamlingen må melde dette til selskapet innen en bestemt frist som ikke kan utløpe tidligere enn tre dager før generalforsamlingen.

§ 7 - Valgkomité

Selskapet skal ha en valgkomité. Valgkomiteen skal bestå av tre medlemmer hvor et flertall skal være uavhengige av styret og den daglige ledelse. Valgkomiteens medlemmer, herunder valgkomiteens leder, velges av generalforsamlingen for to år av gangen.

Valgkomiteen avgir innstilling til generalforsamlingen til valg av aksjonærvalgte medlemmer til styret, samt godtgjørelse til styrets medlemmer. Godtgjørelse til medlemmene av valgkomiteen fastsettes av generalforsamlingen. Generalforsamlingen kan vedta instruks for valgkomiteen.

ARTICLES OF ASSOCIATION

OF

B2HOLDING ASA

Per 19 May 2016

Section 1 - Company name

The company's name is B2Holding ASA. The company is a public limited liability company.

Section 2 - Registered office

The company's registered office is in the municipality of Oslo, Norway.

Section 3 - Objective of the company

The company's business operation is investment, participation and administration of other companies within the business of investment in, administration of and collection of receivables and other thereto related business.

Section 4 - Share capital

The share capital is NOK 31,192,923.90, divided into 311,929,239 shares, each with a nominal value of NOK 0.10. The shares shall be registered with a register of securities.

Section 5 - Board of directors

The company's board of directors shall consist of three to seven members according to the decision of the general meeting.

Section 6 - General meeting

Documents relating to matters to be dealt with by the company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the company's website. A shareholder may nevertheless request that documents which relates to matters to be dealt with at the general meeting, are sent to him/her.

The annual general meeting shall address and resolve the following matters:

- Approval of the annual accounts and the annual report, including distribution of dividend.
- Any other matters which are referred to the general meeting by law or the articles of association.

The shareholders may cast their votes in writing, including through electronic communication, in a period prior to the general meeting. The board of directors can establish specific guidelines for such advance voting. The established guidelines must be stated in the notice of the general meeting.

The board of directors may decide that shareholders who want to participate in the general meeting must notify the company thereof within a specific deadline that cannot expire earlier than three days prior to the general meeting.

Section 7 - Nomination committee

The company shall have a nomination committee. The nomination committee shall consist of three members where a majority of the members shall be independent of the board of directors and the management. The members of the nomination committee, including the chairman, will be elected by the general meeting for a term of two years.

The nomination committee shall give recommendations for the election of shareholder elected members of the board of directors, and remuneration to the members of the board of directors. The remuneration to the members of the nomination committee is determined by the general meeting. The general meeting may adopt instructions for the nomination committee.

APPENDIX B:
APPLICATION FORM FOR THE RETAIL OFFERING

APPLICATION FORM FOR THE RETAIL OFFERING

General information: The terms and conditions for the Retail Offering are set out in the prospectus dated 24 May 2016 (the "**Prospectus**"), which has been issued by B2Holding ASA (the "**Company**") in connection with the offer of new shares to be issued by the Company and the secondary sale of existing shares in the Company by the Selling Shareholders (as defined in the Prospectus), and the listing of the Company's Shares on the Oslo Stock Exchange. All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus.

Application procedure: Applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number are recommended to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.b2holding.no, www.abgsc.com, www.arctic.com and www.nordea.no/b2. Applications in the Retail Offering can also be made by using this Retail Application Form (see definition in Section 18.5.1 "Offer Price" of the Prospectus), attached as Appendix B to the Prospectus. Retail Application Forms must be correctly completed and submitted by the applicable deadline to one of the following application offices:

<p>ABG Sundal Collier Munkedamsveien 45E P.O. Box 1444 Vika N-0115 Oslo Norway Tel: +47 22 01 60 00 E-mail: subscription@abgsc.no www.abgsc.com</p>	<p>Arctic Securities Haakon VIIIs gate 5 P.O. Box 1833 Vika N-0161 Oslo Norway Tel: +47 21 01 30 40 E-mail: subscription@arctic.com www.arctic.com</p>	<p>Nordea Markets Essendropsgate 7 Postboks 1166 Sentrum N-0368 Oslo Norway Tel: +47 24 01 34 62 E-mail: nis@nordea.com www.nordea.no/b2</p>
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The applicant is responsible for the correctness of the information filled in on this Retail Application Form. Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after expiry of the Application Period, and any application that may be unlawful, may be disregarded without further notice to the applicant. **Subject to any shortening or extension of the Application Period, applications made through the VPS online application system must be duly registered by 12:00 hours (CET) on 7 June 2016, while applications made on Retail Application Forms must be received by one of the application offices by the same time.** None of the Company or any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any of the application offices. All applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

Price of Offer Shares: The indicative price range (the "**Indicative Price Range**") for the Offering is from NOK 11.25 to NOK 13.50 per Offer Share. The Company will, in consultation with the Managers, determine the number of Offer Shares and the final Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the applications received in the Retail Offering. The Offer Price will be determined on or about 7 June 2016. The Offer Price may be set within, below or above the Indicative Price Range and the number of Sale Shares sold may be below or above 15,250,000 Sale Shares. Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the Retail Application Form that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range. If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range.

Allocation, payment and delivery of Offer Shares: In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant. All allocations will be rounded down to the nearest whole number of Offer Shares and the payable amount will be adjusted accordingly. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. Arctic, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 8 June 2016, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it, may contact one of the application offices listed above on or about 8 June 2016 during business hours. Applicants who have access to investor services through an institution that operates the applicant's VPS account should be able to see how many Offer Shares they have been allocated from on or about 9 June 2016. In registering an application through the VPS online application system or completing a Retail Application Form, each applicant in the Retail Offering will authorise Arctic (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Retail Application Form. Accounts will be debited on or about 9 June 2016 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 7 June 2016. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date (expected to be 9 June 2016). Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 8 June 2016, or can be obtained by contacting Arctic at +47 21 01 30 40. Arctic (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 17 June 2016 if there are insufficient funds on the account on the Payment Date. Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue and other terms will apply as set out under the heading "Overdue and missing payment" below. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 9 June 2016.

Guidelines for the applicant: Please refer to the second page of this Retail Application Form for further application guidelines.

Applicant's VPS-account (12 digits):	I/we apply for Offer Shares for a total of NOK (minimum NOK 10,500 and maximum NOK 1,999,999)	Applicant's bank account to be debited (11 digits):
OFFER PRICE: My/our application is conditional upon the final Offer Price not being set above the upper end of the Indicative Price Range (insert cross) (must only be completed if the application is conditional upon the final Offer Price not being set above the upper end of the Indicative Price Range):		
I/we hereby irrevocably (i) apply for the number of Offer Shares allocated to me/us, at the Offer Price, up to the aggregate application amount as specified above subject to the terms and conditions set out in this Retail Application Form and in the Prospectus, (ii) authorise and instruct each of the Managers (or someone appointed by any of them) acting jointly or severally to take all actions required to purchase and/or subscribe the Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Retail Application Form, and to ensure delivery of such Offer Shares to me/us in the VPS, on my/our behalf, (iii) authorise Arctic to debit my/our bank account as set out in this Retail Application Form for the amount payable for the Offer Shares allotted to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are eligible to apply for and purchase Offer Shares under the terms set forth therein.		
Date and place*:	Binding signature**:	

* Must be dated during the Application Period.

** The applicant must be of legal age. If the Retail Application Form is signed by a proxy, documentary evidence of authority to sign must be attached in the form of a Power of Attorney or Company Registration Certificate.

DETAILS OF THE APPLICANT — ALL FIELDS MUST BE COMPLETED	
First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Zip code and town
Identity number (11 digits) / business registration number (9 digits)	Nationality
Telephone number (daytime)	E-mail address

GUIDELINES FOR THE APPLICANT

THIS RETAIL APPLICATION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "EEA") pursuant to the Markets and Financial Instruments Directive ("MIFID") implemented in the Norwegian Securities Trading Act, imposes requirements in relation to business investment. In this respect the Managers must categorise all new clients in one of three categories: Eligible counterparties, Professional and Non-professional clients. All applicants applying for Offer Shares in the Offering who/which are not existing clients of one of the Managers will be categorised as Non-professional clients. The applicant can by written request to the Managers ask to be categorised as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act. For further information about the categorisation the applicant may contact the Managers. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Execution only: As the Managers are not in the position to determine whether the application for Offer Shares is suitable for the applicant, the Managers will treat the application as an execution only instruction from the applicant to apply for Offer Shares in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information barriers: The Managers are securities firms, offering a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Managers' analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS account and anti-money laundering procedures: The Retail Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulation of 13 March 2009 no. 302 (collectively, the "Anti-Money Laundering Legislation"). Applicants who are not registered as existing customers of one of the Managers must verify their identity to one of the Managers in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form are exempted, unless verification of identity is requested by a Manager. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period will not be allocated Offer Shares. Participation in the Retail Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Retail Application Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA.

Selling restrictions: The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 19 "Selling and Transfer Restrictions" in the Prospectus. Neither the Company nor the Selling Shareholders assumes any responsibility in the event there is a violation by any person of such restrictions. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. In the Retail Offering, the Offer Shares are being offered and sold to certain persons outside the United States in offshore transactions within the meaning of and in compliance with Rule 903 of Regulation S under the U.S. Securities Act.

The Company has not authorised any offer to the public of its securities in any Member State of the EEA other than Norway. With respect to each Member State of the EEA other than Norway and which has implemented the EU Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Relevant Member State. Any offers outside Norway will only be made in circumstances where there is no obligation to produce a prospectus.

Stabilisation: In connection with the Offering, Arctic (the "Stabilisation Manager"), or its agents, on behalf of the Managers, may, upon exercise of the Lending Option, from the first day of the Listing effect transactions with a view to supporting the market price of the Shares at a level higher than what might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager or its agents to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of Listing.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply.

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "Payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
4. In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Financial Contracts Act, the payer's bank shall assist if payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
5. The payer cannot authorise for payment a higher amount than the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of the Prospectus is 8.75% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Company and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allocate or otherwise dispose of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and that the applicant will not be entitled to any profit there from). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the New Shares with the Norwegian Register of Business Enterprises, the Managers are expected to subscribe for and pre-fund payment for the New Shares allocated in the Offering at a total subscription price equal to the Offer Price multiplied by the number of New Shares.

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Norway

Joint Global Coordinators

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Joint Bookrunner

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