B2Holding ASA

Registration Document

Oslo, 18 October 2019

As Joint Global Coordinators

As Joint Lead Managers

Important information

The Registration Document is based on sources such as annual reports and publicly available information and forward looking information based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for the Company's (including its subsidiaries and affiliates) lines of business.

A prospective investor should consider carefully the factors set forth in chapter 1 Risk factors, and elsewhere in the Prospectus, and should consult his or her own expert advisers as to the suitability of an investment in the Bonds.

IMPORTANT – EEA RETAIL INVESTORS - If the Securities Note in respect of any notes includes a legend titled "Prohibition of Sales to EEA Retail Investors", the notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

MiFID II product governance / target market – The Securities Note in respect of any notes will include a legend titled "MiFID II product governance" which will outline the target market assessment in respect of the notes and which channels for distribution of the notes are appropriate. Any person subsequently offering, selling or recommending the notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

This Registration Document is subject to the general business terms of the Joint Global Coordinators and the Joint Lead Managers, available at their respective websites (www.arctic.com/secno, www.dnb.no, www.nordea.com and www.swedbank.no).

The Joint Global Coordinators and the Joint Lead Managers and/or any of their affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Registration Document, and may perform or seek to perform financial advisory or banking services related to such instruments. The Joint Global Coordinators and the Joint Lead Managers' corporate finance department may act as manager or co-manager for this Company in private and/or public placement and/or resale not publicly available or commonly known.
Copies of this Registration Document are not being mailed or otherwise distributed or sent in or into or made available in the United States. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States.

Other than in compliance with applicable United States securities laws, no solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The distribution of the Registration Document may be limited by law also in other jurisdictions, for example in the United Kingdom. Approval of the Registration Document by Finanstilsynet (the Norwegian FSA) implies that the Registration Document may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Registration Document in any jurisdiction where such action is required.

The Registration Document has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

The Registration Document was approved on 18 October 2019. The Registration Document is valid for 12 month from the approval date.

The Registration Document together with a Securities Note included the Summary and any supplements to these documents constitutes the Prospectus.

The content of the Prospectus does not constitute legal, financial or tax advice and potential investors should seek legal, financial and/or tax advice.

Unless otherwise stated, the Prospectus is subject to Norwegian law. In the event of any dispute regarding the Prospectus, Norwegian law will apply.

TABLE OF CONTENTS:

1 Risk factors

An investment in the Bonds involves risks. An investor should carefully consider the risks described below before investing in the Bonds. If any of the events described below actually occurs, our business, results of operations, financial condition or prospects could be materially adversely affected and, accordingly, the value and the trading price of the Bonds may decline, resulting in a loss of all or part of any investment in the Bonds. Furthermore, the risks and uncertainties described herein may not be the only ones that we face.

In each category below, the Issuer sets out the most material risks, in its assessment, taking into account the negative impact of such risk on the Issuer and the probability of its occurrence.

Risks Related to our Business and the Industry in Which We Operate

We may not be able to collect the expected amounts on our portfolios.

A large part of our assets consists of portfolios made up of purchased consumer receivables which were non-performing at the time when they were acquired by us. Amounts recovered on our credit portfolios may be less than expected and may even be less than the total amount paid for such portfolios for various reasons, including inaccurate diligence, a mistake in our pricing model, and legislation changes impacting our ability to collect. Through our secured portfolios, we are exposed to risks relating to the assessed value of the collateral and ownership terms of the collateral. Adverse deviations from these assumptions could materially impact our ability to collect the projected amounts. Furthermore, enforcement of the secured claims against the debtors may be difficult or impossible, as it requires action being taken across multiple jurisdictions. There is a risk that enforcement proceedings could be subject to lengthy delays resulting in, inter alia, increased costs and adverse tax consequences, and/or local laws preventing or restricting us from enforcing a judgment against a debtor.

As the length of time involved in collecting on our existing portfolios may be extensive and the factors affecting debt collection rates may be volatile and outside of our control, we may be unable to identify economic trends or make changes in our purchasing strategies in a timely manner. If the assumptions used by us in our 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 we expect, such factors could result in a loss of value in a portfolio after purchase, subsequent negative revaluations in our statement of financial position and a continuing deterioration in value over time as actual collections can deviate significantly from the collection estimates produced by our pricing model as accounts age.

If the cash flows from our existing portfolios (and the debt portfolios we purchase in the future) are less than anticipated, we may be unable to purchase all of the new portfolios that we would like to purchase, we may have to pay a higher interest rate to finance the purchase of new portfolios or we may have to accept lower returns.

Acquisitions that we have entered or may enter into in the future may prove unsuccessful or strain or divert our resources and we may not be able to manage our growth effectively.

During 2017 and 2018, we made a number of substantial business acquisitions, including NACC in France, the Spanish platform Confirmaciónde Solicitudes de Crédito Verifica S.A. (“Verifica”) and Acreditia Servicios Auxiliares, S.L, the Lithuanian companies SRS and SVC, the Danish platform NoDeCo, in addition to more than 1,500 individual non-performing portfolios. We have historically expanded through both external and organic growth, and we plan to continue to grow by selectively identifying potential acquisitions of portfolios and businesses. We may not be able to successfully integrate these businesses and assets with our own and we may be unable to maintain our standards, controls and policies which may result in compliance issues, goodwill write-offs and damage to our reputation. 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 we are active.

Integrating recently acquired business platforms mentioned above and start-up platforms like in Greece and Cyprus will require the dedication of management resources that may divert attention from day-to-day operations, and we may face unforeseen challenges in operating within unfamiliar commercial, cultural and regulatory environments.

We are exposed to risk relating to assumption of ownership of collateral provided under our secured debt portfolios.

We have portfolios of secured debt and combination portfolios which include both unsecured and secured debt. We may, in order to secure our claim, assume ownership of collateral provided under the secured debt (i.e. residential and commercial property, cars, machinery or other kinds of equipment), which we will have to divest or otherwise monetize to collect the debt. There can be no assurance that we will be able to divest such collateral in a manner and price that will result in collection of the underlying debt. Further, we may incur costs, i.e. maintenance and insurance costs, and we may be exposed to liability (such as insurance obligations and claims for damages) relating to collateral for which we have assumed ownership. Portfolios that include properties may not be covered by our insurance policy and may be without any recourse, or with only limited recourse, against prior owners. Unknown liabilities with respect to properties of which we have assumed ownership 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 us based on our ownership, we may be liable to pay to settle or contest such liabilities.

Improper disclosure of our clients' sensitive data, customer data or a breach of data protection laws could negatively affect our business or reputation.

We collect, handle, process and retain large amounts of potentially sensitive or confidential information, such as personal information of customers, including names and account numbers, locations, contact information and other account specific data. We recognize the importance of adhering to data protection and privacy laws. Failure to comply with data protection and privacy obligations may result in financial penalties, regulatory oversight, significant brand and reputational damage, legal action (class action or breach of contract) and shareholder divestment. The European General Data Protection Regulation, which came into force in the EEA on 25 May 2018, significantly increases the financial penalties that can be imposed on us as the result of any non-compliance with data protection and privacy obligations. Any security or privacy breaches of these databases could further expose us to liability, increase our expenses relating to resolution of these breaches and deter clients from conducting business with us. Any material failure to collect, retain, use or process customer data in compliance with applicable laws could result in the revocation of our licenses in the jurisdictions in which we operate, our licenses being made subject to more onerous or disadvantageous terms, monetary fines, criminal charges and breach of contractual arrangements.

The statistical models and analytical tools we use may prove to be inaccurate.

We have developed and use models to project the remaining cash flow generation from our credit portfolios and assess alternative strategies for improving the collectability of the credit portfolios. At the time of purchase, however, we 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, our historical financial information about debt portfolios may not be indicative of the characteristics of subsequent debt portfolios purchased from the same party or the same industry due to changes in business practices, the resulting environment or economic developments. In addition, if we purchase types of debt portfolios with which we have limited experience, or purchase debt portfolios in regions where we have no prior experience, or from debt sellers with whom we have no prior dealings, our 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. We make assumptions in respect of the rates of conversion of non-paying accounts into paying accounts, and our ability to convert such accounts may vary in the future. Consequently, there can be no assurance that we 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 our historical collection experience may not reflect current or future realities.

We are exposed to significant reputational risk and are subject to voluntary codes of conduct.

Negative attention and news regarding the debt purchase and collection industry and individual debt purchasers or collectors, including us, may have a negative impact on a debtor's willingness to pay a debt owed to us and may diminish our attractiveness as a counterparty for debt sellers and other third parties. We are 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 our reputation in the market. Any such negative publicity could jeopardize our existing relationships with debt sellers or our ability to establish new relationships with other debt sellers or diminish our attractiveness 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 us 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 we purchase.

Our decentralized organization exposes us to compliance risks and lack of quality control at the Group level.

We believe that local presence is an important part in our strategy and we have acquired operating entities with established organisational structures in several of the markets in which we are currently conducting business. We have designated regional directors, country managers and local platforms to conduct our operations in the relevant markets, while the head office in Norway is responsible for financing, administrative control and business development at the Group level. Although we have established risk management and internal control measures to ensure compliance and quality control throughout our organization, our decentralized organization and dependence on local operations to implement our control measures and mitigate risks exposes us to increased risks relating to non-compliance and quality control.

Our operations are highly dependent upon access to, and the functioning and integrity of, our core IT applications, systems and infrastructure.

Our success depends in large part on our ability to record and process significant amounts of data quickly and accurately to access, maintain and expand the databases we use for pricing and collection activities. We also use our systems to identify large numbers of customers, store personal data of our 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, deficiencies or errors in internal processes and control routines, human errors, IT systems failure, computer viruses, computer hacking attacks, malicious employee acts, terrorist attacks, natural disasters or similar events. Any material disruption to, or failure of, our systems, the systems of our third party providers or the systems of the banking and other sectors that are integral to our business, especially if it also impacts our backup or disaster recovery systems, would disrupt our operations materially and adversely affect our business. Any temporary or permanent loss of our ability to use our computer equipment and software systems, or any disruption to or loss of data could disrupt our operations, result in increased capital expenditure and insurance and operating costs, cause us to suffer a competitive disadvantage.

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

Our business depends on our ability to purchase portfolios of defaulted debt. Historically, we have funded such purchases through equity capital, borrowings and cash generated by our operations. Our ability to obtain funding in the future will depend on our performance and our prospects, as well as factors over which we do 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 our industry generally or to us in particular, and changes in fiscal, monetary and other government policies, among others.

If, in the longer term, we do not have sufficient headroom in our existing funding, we may be unable to raise funds on acceptable terms for debt portfolio purchases or on a timely basis, which may limit our ability to take advantage of opportunities for loan portfolio purchases arising in the market. If, in the longer term, we are unable to borrow, generate or otherwise obtain sufficient funds to purchase debt portfolios on attractive terms, or at all, when opportunities arise.

Our purchasing patterns and the seasonality of our business may lead to volatility in our cash flow.

Our business depends on the ability to collect on our debt portfolios and purchase portfolios of debt. Debt collection is affected by seasonal factors, including the number of work days in a given month, the propensity of customers to take holidays at particular times of the year and annual cycles in disposable income. The combination of seasonal collections and costs and uneven purchases may result in low cash flow at a time when attractive debt portfolios become available. There can be no assurances that in the future we will be able to obtain interim funding by making other borrowings. A lack of cash flow could prevent us from purchasing otherwise desirable debt portfolios or prevent us from meeting our obligations under any forward flow agreements we may enter into.

We 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 our 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. A potential inconsistency in the availability of portfolios for purchase may mean that during certain financial reporting periods we may make few or no purchases of debt. If we are unable to identify sufficient levels of attractive portfolios and generate an appropriate return on purchased loans and receivables, we may experience difficulties covering the expenses of our business operations and may, as a consequence, have to reduce the number of our collection personnel or take other measures to reduce costs. These developments could lead to disruptions in our operations, loss of efficiency, low employee loyalty, fewer experienced employees and excess costs associated with unused space in our facilities.

There may be insufficient supply of, or appropriately priced, debt available for our credit management and financial services. Any decrease in our ability to purchase debt portfolios or provide credit management services could materially and adversely affect our business.

The demand for our credit optimization, payment and collection services and availability of “fresh” debt portfolios depends on a number of factors, some of which are outside of our control, including the level of consumer spending, the availability of credit to consumers and consumers’ borrowing appetite, the level of non-performance on consumer debt portfolios, sales of debt portfolios by originators, negative publicity or a loss of trust in our industry, increased government regulation of the circumstances in which originators, especially regulated entities, have a right to collect on debt and the macroeconomic environments of the countries in which we operate. If originators choose to perform more of their credit optimization, invoicing and debt collections internally, the demand for our credit management services and volume of debt portfolio sales or the quality of underlying debt sold could decrease and, consequently, we may not be able to buy the type and quantity of receivables at prices consistent with our historical return targets. If, due to one of the factors listed above or any other factors, there is a decrease in the demand for our credit optimization, payment and collection services we could lose a potential source of income.

Failure to successfully manage our forward flow agreements or replace terminated forward flow agreements may adversely affect our revenue.

For the first half year ended June 30, 2019, NOK 950. million, or 41.8%, of our portfolio purchases were forward flow agreements. A forward flow agreement is an arrangement in which we agree to purchase claims based on specific parameters from a third-party supplier on a periodic basis at a set price over a specified time period. We could lose a potential source of income if we are unable to renew or replace any volume represented by our forward flow agreements upon termination or expiration.

When entering into a forward flow agreement, we enter into a fixed term relationship with a vendor and agree to purchase multiple credit portfolios in the future from such vendor at a fixed pricing model, which result in us paying an amount higher for such credit portfolios than we would otherwise agree at the time of purchase, which could result in reduced returns. In addition, we may only be able to terminate such forward flow agreements in certain limited circumstances. In a more competitive environment, we could be faced with a decision to either decrease our purchasing volume or agree to forward flow agreements at increased prices, longer terms or with fewer contractual protections. For a forward flow agreement to be economically advantageous, we must ensure that the nature of accounts contained in any credit portfolios to be purchased under such agreements remain consistent to those reviewed as part of the due diligence process. We generally contemplate future fluctuations in the value of the debt that we purchase through forward flow agreements, but such fluctuations may exceed our expectations and debt purchased under forward flow agreements may have been priced incorrectly.

We may purchase portfolios that contain accounts which are not eligible to be collected.

While due diligence is carried out on each of our investments, some of the portfolios that we purchase may include some individual accounts which are not eligible to be collected, often due to the inadequate quality and completeness, or total lack, of historical customer documentation needed for servicers to collect on those accounts. In addition, a lack of underlying documentation could render certain accounts unenforceable. We typically rely on debt sellers to provide account documentation, including notices and correspondence with accountholders, in an accurate and timely fashion. Given the age of certain portfolios and the origination practices of debt sellers, there is a risk of incomplete or unsatisfactory documentation in relation to the underlying accounts within portfolios and a consequential inability to enforce against certain debtors or a limitation on the ability to recover the amount owed. Significant issues with historical customer documentation could additionally impair the ability to correctly assess the value of a portfolio, resulting in the risk of loss or reduction in a particular portfolio’s value and the need to make substantial provisions against, or write down an acquired asset. Moreover, changes to laws, regulations or rules that affect litigation and court procedures, including rules affecting documentation or shorter statutes of limitation could result in increased administration costs, limit the likelihood of success in legal proceedings or limit the availability of litigation as a collection tool entirely.

If we purchase portfolios containing too many accounts that are not eligible for collection and/or that are unenforceable and if we are unable to return those accounts to, or have recourse against, the relevant debt sellers, servicers may not recover anticipated returns or anything at all from such accounts, which could make such purchases unprofitable.

We rely on third parties to collect amounts under our credit portfolios.

We outsource certain collection and litigation activities on accounts in our credit portfolios to debt collection agencies, law firms and other external agents, such as Intrum Justitia and Odvjetnicko drustvo Suic & Skunca D.O.O. Although we generally service and collect cash on our credit portfolios through our own platforms, for instance in relation to our joint venture partnership in Greece with European Bank of Restructuring and Development and Waterfall Asset Management we have outsourced more than half of the debt collection services in respect of the portfolio to local third-party debt collectors. Any failure by these third parties to adequately perform such services for us could materially reduce our cash flow, income and profitability or affect our reputation. Any violation of laws or other regulatory requirements by these third parties in their collection efforts could negatively impact our business and reputation or result in penalties being directly imposed on us, as industry regulators generally expect businesses to carefully select such third parties and to take responsibility for any compliance violations.

We may not be able to obtain or maintain adequate insurance cover.

We maintain comprehensive insurance policies with respect to, among other things, professional liability/crime, third party liability resulting from our business activities, property damage/business interruption and legal expenses (including tax litigation). We believe that the types and amounts of insurance coverage that we maintain are consistent with customary industry standards in the jurisdictions in which we operate. However, no assurances can be given that we will continue to maintain current levels of insurance coverage. A successful claim of sufficient magnitude that is not covered, or only partially covered by insurance, could have a material adverse effect on our business, results of operation and financial condition.

Risks Related to our Financial Profile

Our substantial leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations with respect to the Bonds.

We have a significant amount of outstanding debt with substantial debt service requirements and our significant leverage could have important consequences for our business and operations and for holders of the Bonds. In addition, we may incur substantial additional debt in the future. Moreover, some of the debt we may incur in the future could be structurally senior to the Bonds or may be secured by collateral that does not secure the Bonds. The incurrence of additional debt would increase our leverage-related risks. Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including our obligations under the Bonds.

We will require a significant amount of cash to meet our obligations under our indebtedness, a substantial amount of which will mature prior to the Bonds, and to sustain our operations, which we may not be able to generate or raise.

Our ability to make principal or interest payments when due on our indebtedness, a substantial amount of which will mature prior to the Bonds, and to fund our ongoing operations, will depend on our future performance and our ability to generate cash, which is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors discussed in these “Risk Factors,” many of which are beyond our control. At the maturity of the Bonds or any other debt which we may incur, if we do not have sufficient cash flows from operations and other capital resources to pay our debt obligations, or to fund our other liquidity needs, we may be required to refinance such indebtedness. Our ability to refinance our indebtedness, on favourable terms or at all, will depend in part on our financial condition at the time of any contemplated refinancing. To the extent we are unable to access the capital markets or other financing markets on acceptable terms, we may be forced to modify our financing strategy or bear an unattractive additional cost of capital, including through higher interest rates or more onerous financial and other covenants than our current indebtedness, which could decrease our profitability and reduce our financial and operational flexibility. If we are unable to refinance all or a portion of our indebtedness or obtain such refinancing on terms acceptable to us, we may be forced to sell assets or raise additional equity financing in amounts that could be substantial.

We are subject to covenants under our financing arrangements that limit our operating and financial flexibility.

The Revolving Credit Facility Agreement, the Bond Agreement and the respective bond agreements relating to the Existing Bonds contain or will contain certain covenants, which are customary in financings of this type, which, subject to certain exceptions and qualifications, impose significant restrictions on the way we can operate. These covenants vary from agreement to agreement, but may restrict our ability to:

- incur or guarantee additional debt and issue preferred stock;
- make loans or extend credit;

- make certain payments, including dividends or other distributions and repayment or redemption of share capital;
- make certain investments or acquisitions, including participating in joint ventures;
- prepay or redeem subordinated debt;
- engage in certain transactions with affiliated persons;
- create unrestricted subsidiaries;
- enter into arrangements that restrict payments of dividends to us;
- sell assets, consolidate or merge with or into other companies;
- sell or transfer all or substantially all of our assets or those of our subsidiaries on a consolidated basis; and
- create or incur certain liens.

All of these limitations are subject to significant exceptions and qualifications.

In addition, we will be subject to the affirmative and negative covenants contained in the respective bond agreements relating to the Existing Bonds and the Revolving Credit Facility Agreement. Such arrangements require us to maintain specified financial ratios under certain circumstances. Our ability to meet these financial ratios can be affected by events beyond our control, and we cannot assure you that we will meet them. A breach of any of those covenants, ratios or restrictions could result in an event of default under any of such agreements. Any default under any of such agreements could lead to an event of default and acceleration under other debt instruments that contain cross default or cross-acceleration provisions, including the Bond Agreement. If our creditors, including the creditors under the respective bond agreements relating to the Existing Bonds and the Revolving Credit Facility Agreement, accelerate the payment of those amounts, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of our subsidiaries which would be due and payable and to make payments to enable the Company to repay the Bonds, in full or in part. The restrictions on our current operations may limit our ability to engage in certain activities, which may have an adverse effect on our results of operations or prospects in the longer term. There is no assurance that we will be able to comply with financial covenants in the future.

2 Definitions

Annual Report 2018	B2Holding ASA annual report 2018
Half-year Report 2019	B2Holding ASA half-year report 2019
Articles of Association	The articles of association of the Company, as amended and currently in effect
Board of Directors	The board of directors of the Company
Company /Issuer/ B2Holding/ B2Holding ASA	B2Holding ASA, a public limited liability company incorporated under the laws of Norway with company no. 992 249 986.
CE	Central Europe.
CMS	Credit management services
ECB	European Central Bank
ERC	Estimated Remaining Collection - the gross cash amount estimated to be collected
GDP	Gross domestic product
GICS	GI Capital Solutions S.A.
Group	The Issuer and its subsidiaries from time to time
IFRS	International Financial Reporting Standards
Joint Global Coordinators:	DNB Markets, a part of DNB Bank ASA and Nordea Bank Abp, filial I Norge.
Joint Lead Managers	Arctic Securities AS, DNB Markets, a part of DNB Bank ASA and, Nordea Bank AB (publ) filial I Norge.
NACC	refers to Groupe NACC
NE	Northern Europe
NOK	Norwegian kroner
NPLs	Non-performing loans
Registration Document	this document dated 18 October 2019
Securities Note included the Summary	Document to be prepared for each new issue of bonds under the Prospectus
SEE	South-Eastern Europe.
We, us, our and the Group	and other similar terms refer, unless the context otherwise requires, to the Company and its consolidated subsidiaries.
WE	Western Europe

3 Persons responsible, Third Party information, Experts' report and Competent Authority Approval

3.1 Persons responsible for the information

Persons responsible for the information given in the Registration Document are as follows:

B2Holding ASA, P.O. Box 1726, Vika, 0121 Oslo, Norway

3.2 Declaration by persons responsible

The Issuer confirms that the information contained in the Registration Document is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Oslo, 18 October 2019

Erik Just Johnsen
Acting CEO

3.3 Experts' report

No statement or report attributed to a person as an expert is included in the Registration Document.

3.4 Competent Authority Approval

B2Holding ASA confirms that:

(a) the Registration Document has been approved by the Finanstilsynet, as competent authority under Regulation (EU) 2017/1129;

(b) the Finanstilsynet only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129;

(c) such approval shall not be considered as an endorsement of the issuer that it the subject of this Registration Document.

(d) the Registration Document has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129.

4 Statutory Auditors

4.1 Names and addresses

Ernst & Young AS, independent State Authorised Public Accountants, Dronning Eufemias gate 6, 0191 Oslo has been the Issuer's auditor since December 2014. Phone number +47 24 00 24 00.

State Authorised Public Accountant Asbjørn Rødal has been liable for the Auditor's report for 2018

Ernst & Young AS is member of the Norwegian Institute of Public Accountants.

5 Information about the Issuer

5.1 Legal and commercial name

The legal name of the Issuer is B2Holding ASA and the commercial name is B2Holding.

5.1.2 Place of registration and registration number

The Company is registered in the Norwegian Companies Registry with registration number 992 249 986.

5.2 Domicile and legal form

The Company is a public limited liability company incorporated in Norway and operating under Norwegian law including the Companies Act. LEI-code (legal entity identifier): 5967007LIEEXZXFHOO08.

The Company's registered business address is Stortingsgata 22, 0161 Oslo, Norway. Postal address: P.O. Box 1726 Vika, 0121 Oslo, Norway. The Company’s telephone number is +47 22 83 39 50

Website: https://www.b2holding.no

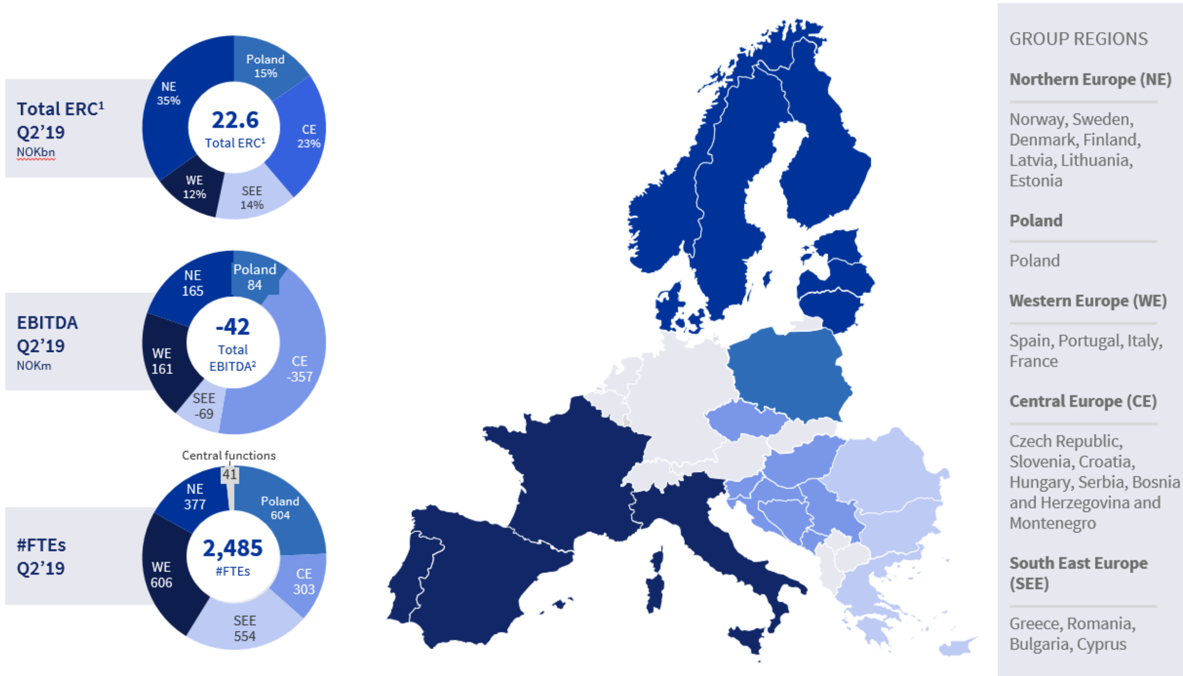
- *Disclaimer:*
  The information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.

6 Business overview

6.1 Introduction

We are a pan-European debt purchaser focused on the acquisition of non-performing loans ("NPLs") and debt restructuring across both secured and unsecured claims attributed to retail and corporate clients. In addition, we provide third party debt collection services and offer credit information services in certain jurisdictions. Our portfolio vendors are diversified across banks, financing companies, telecommunication companies and other institutions. We are headquartered in Oslo, and, as of the date hereof, operate through 23 countries in Europe. We own portfolios consisting of approximately 7.4 million claims with an aggregate face value of NOK 155 billion and total gross estimated remaining collections ("Total ERC"), of NOK 22.6 billion, as of June 30, 2019, organized by geographical segment as shown in the diagram below.

Strategic spread across the regions

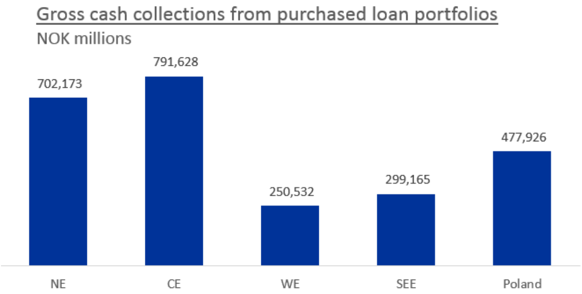


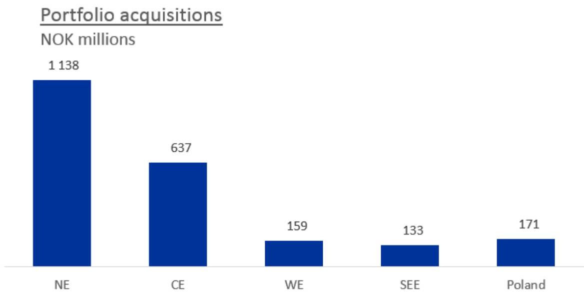
1) Including the Group's share of portfolio purchased and held in joint ventures
2) Total EBITDA include central functions

Source: Company information

Our business is currently organized into five reporting segments based on geography, including (i) Northern Europe ("NE"), which consists of Finland, Sweden, Norway, Denmark, Estonia, Latvia and Lithuania; (ii) Central Europe ("CE"), which consists of Croatia, Slovenia, Serbia, Hungary, Bosnia and Herzegovina, Montenegro and Czech Republic; (iii) Poland; and (iv) Southeastern Europe ("SEE"), which consists of Bulgaria, Romania, Greece and Cyprus. Following the acquisition of NACC in March 2018, we have added a fifth reporting segment, (v) Western Europe ("WE"), which includes Spain, Italy, France and Portugal.

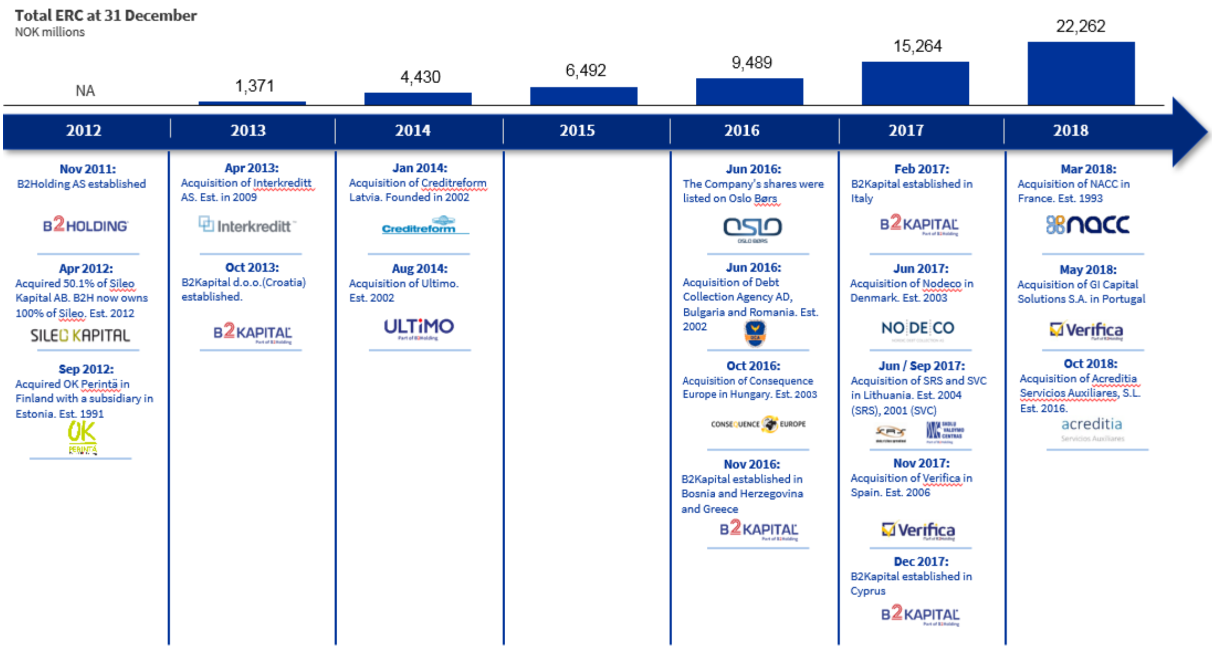
The following figure illustrates our portfolio acquisitions and gross cash collections from purchased loan portfolios as of and for quarter ended June 30, 2019 by our geographical segments.





Source: Company information

We have built our business both through the acquisition of established collection companies with long-term track records and through green field operations by employing experienced management teams to set up new platforms. In 2017, we entered into Italy, Denmark, Spain and Cyprus. In 2018, we have continued the expansion of our geographical footprint by entering the French market via the acquisition of NACC, a secured debt purchaser and third party servicer with a 25 year track record. We have also entered the Portuguese market through the acquisition of GI Capital Solutions S.A. ("GICS"). The acquisition will enable Verifica to serve existing customers in both Spain and Portugal within 3rd party collection and will be organised as part of the Spanish operation. The following Company diagram shows our ERC as of December 31 for each of years from 2012 to 2018, and our geographical expansion since 2011:



Source: Company information

We have been funded with approximately NOK 2.9 billion in equity since establishing our business in 2011 and have continued to raise equity as recently as March 2018 in order to support growth while maintaining what we believe to be a prudent leverage profile. We are publicly listed on the Oslo Stock Exchange (ticker: B2H, market capitalization of NOK 3,847 billion as of June 30, 2019) with many of our current investors supporting the business since its foundation. For example, Jon Harald Nordbrekken, our Chairman, hold 6.6% of the shares as of June 30, 2019.Mr. Nordbrekken also invested in the Capital Increase.

Our main focus in the credit management services ("CMS") value chain is on debt purchase and collection (purchased loan portfolios) and the third party collection business (external collections). We have collection capabilities across both secured and unsecured claims, with secured claims representing approximately 30% of ERC as of June 30, 2019.

6.2 Business model

6.2.1 Portfolio Acquisition and Debt Purchasing Process

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

Sourcing and opportunity pipeline
The first step in the debt purchasing process is the sourcing and opportunity pipeline. Based on our relationships with NPL providers and/or our market knowledge, we try to know which portfolios will be offered to the market in advance. This enables us to start positioning ourselves toward winning the portfolio. We also track the NPL volumes and the NPL transaction volumes in all markets in which we operate and utilize this information when assessing capacity and making investment decisions.

Analysis and valuation
Once the portfolio becomes available in the market, we begin the analysis and valuation of it. Depending on the size of the deal, the region and our local expertise, our centralized investment center in Luxembourg and our local representatives will collaborate on the analysis.

The image below shows the process and parameters of our analysis.

Source: Company information

Generally when a portfolio comes to market, the provider organizes an auction for the sale of the portfolio, which usually consists of two rounds: an indicative offer and the final/binding offer. Prior to the auction, we typically receive and review an electronic data tape that includes a representative sample of claims. This sample generally includes the outstanding balance, customer and debt type and overdue period. We have developed a number of tools and processes to price portfolios and to develop accurate collection and cost curves. Based on the data we receive, we attempt 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. We will then place indicative offers on portfolios where we are comfortable with our valuation and believe the portfolio has a favourable risk/return profile.

Acquisition and integration
If our indicative offer is deemed acceptable, we are 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 and personal IDs of customers). We update our models based on that information and, dependent on the size of the portfolio conduct a more thorough due diligence. We also use various supplementary data, such as real estate values, unemployment rates and public information, 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 our market standing, including platform strength, reputation and regulatory compliance, leads to the offering of the portfolio to us without competition. In other cases, by buying a previous similar portfolio from a provider, we may be deemed as the preferred buyer.

If we are chosen as the purchaser of the portfolio, we enter into an agreement for the sale and purchase of the portfolio or the assets. In these negotiations, we attempt to further strengthen our relationship with the provider and therefore seek to include certain clauses that make sense for both parties. Usually, these include representations 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. We receive the full data set on the portfolio when the negotiations are complete and the agreement is signed. This data set is later used for analysis and valuation of other portfolios.

Once the acquisition is complete, the most significant operational risk we face is the integration process. It is important that the claim balances are accurately recorded, funds paid between the determination date and the closing date by customers are received by us and that customers are diverted to the appropriate phase of the collection process. Further, we screen for individual cases that do not meet the criteria in the agreement with the vendor and put-back any violations we find. When the claims are integrated, we immediately start the collection process.

6.2.2 Debt Collection

There are four steps in the debt collection process. The first step is invoicing and reminder services. A demand letter is sent to all customers stating that we have purchased their claim from the originator and reminding them of their outstanding claim. If the customer responds, we deem whether it is likely that the debtor will pay their debt based on her/his response, and initiate 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, while still using our collectors, we may be able to use a more automated and less expensive process. If this telephone call also fails, we decide on a case-by-case basis which measures to take next.

In the voluntary collection step, we seek to agree to a voluntary payment plan or settlement with the debtor. As long as the customer shows willingness to pay and is reasonable, we aim to find an amicable solution. Our main goal in this step is to maximize the amount from all outstanding claims and minimize our collection costs. We always seek to make the agreed upon payment plan sustainable for the customer in addition to following local legal requirements. In this voluntary collection phase, we utilize our historical data when deciding on the optimal collection strategy, looking at previous claims with similar traits, including debtor type, outstanding balance, historical payment information and region. We then determine which collection strategy to use going forward with the individual debtors. We score and segment the customers into specific groups based on their traits and decide collection strategies accordingly. Thereafter, we monitor the customers and look for customers with improved financial health, and therefore, increased ability to repay their debt, and adapt our collection strategy accordingly. When it becomes evident that a customer is not willing to pay her/his debt, or the collection strategy chosen seems ineffective, we may make the decision to take legal action to collect the debt. The split between amicable and legal collections depends on the jurisdiction and the status of the portfolio at acquisition.

The third step in the process is the judicial collection process. If the voluntary collection process proves unsuccessful, legal action is taken. Although our collection strategy aims to find amicable solutions, we also have operational experience with legal collection. If we have a clear and uncontested claim, we submit a summary application for a summons to the local legal authorities and upon 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, we will typically pursue it through civil litigation. In such cases, we will typically look for salary attachments, sale of collateral, bankruptcy proceedings and debt restructurings. If the claim is successfully ratified, we typically utilize 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 our behalf. In addition to the collection being conducted by us, certain debt collection and litigation activities on accounts in our credit portfolios are outsourced to debt collection agencies, law firms and other external agents, typically in countries where we own portfolios but do not have a platform or in cases where the seller of a debt portfolio continues collecting on the portfolio on our behalf for an interim period.

The last step is the data management and feedback to the investment center step. In this step, we collate the information gathered in the processes and store all the collections strategies pursued, the timing thereof, the customer’s characteristics and whether or not the strategies used were successful. The data is then given to the central investment center for further analysis.

6.2.3 Collection Strategy and Ability to Collect

The ability to effectively collect on the debt portfolios is an important factor in determining our financial performance. A key to debt collection is to optimize customer contact at every stage of the collection life cycle. Our goal is to maximize the collection amount over the life of the debt. We utilize a wide range of debt collection methods, and the applied method depends on the nature of the debt and an individualized analysis of the debtor's financial capability. The two main strategies applied are amicable collection and legal collection. A combination of the two improves 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 us, while simultaneously helping the customer return to financial health and thus be able to service the debts to the largest extent possible. We have a high focus on acting in a responsible manner, and a key advantage of in-house collection is control over the collection process and making sure that the customer interaction complies with our ethical, moral and legal standards.

Our focus is on finding workable solutions for indebted customers who 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 we seek to apply a strategy that balances payment plans and collecting through one-off settlements. Payment plans often give the customers more flexibility to meet their obligations and returns the customer to financial health, reducing the probability of a more costly legal resolution. In addition, payment plans enable us to maximize cash flows over time and provide a steady cash flow. In other instances, if the customers have the available funds, we will seek to resolve the debt through a one-off payment, which minimizes the efforts and collection costs needed for the customer, and provides us 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 are, 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 claims at the time of purchase or recovery value for our portfolios, may result in selection of an inappropriate method, potentially leading to lower collection rates or increased operating expenses.

To increase 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 the 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.

6.3 Geographical Segments

For management purposes, we are organized into one single business divided into different geographical regions corresponding to the countries where we have our operations. As of June 30, 2019, we are split into five segments: (i) NE, which consists of Finland, Sweden, Norway, Denmark, Estonia, Latvia and Lithuania; (ii) CE, which consists of Croatia, Slovenia, Serbia, Hungary, Bosnia and Herzegovina, Montenegro and Czech Republic; (iii) Poland; (iv) WE, which consists of France, Italy, Spain and Portugal; and (v) SEE, which consists of Bulgaria, Romania, Greece and Cyprus.

The below table outlines when each of our markets were entered and what type of portfolio and product we offer in our various geographies.

Country	Own portfolio (unsecured)	Own portfolio (secured)	Third-party collection	Other(1)	B2Holding entry	Year founded
Northern Europe						
Norway	✓		✓	✓	2013	2009
Sweden	✓		✓	✓	2012	2012
Denmark	✓		✓		2017	2003
Lithuania	✓		✓		2014	2001
Latvia	✓	✓	✓	✓	2014	2002
Finland	✓		✓		2012	1991
Estonia	✓		✓		2012	1991
Central Europe						
Croatia	✓	✓			2013	Greenfield
Serbia	✓	✓			2013	Greenfield
Bosnia and Herzegovina	✓	✓			2016	Greenfield
Slovenia	✓	✓			2013	Greenfield
Montenegro	✓	✓			2013	Greenfield
Czech Republic	✓	✓			2017	Greenfield
Hungary	✓	✓	✓		2016	2003
Western Europe						
Italy	✓	✓			2017	Greenfield
Spain			✓	✓	2017	2006
France	✓	✓	✓		2018	1993
Portugal			✓		2018	2011
Poland						
Poland	✓	✓		✓	2014	2002
South-Eastern Europe						
Greece	✓				2016	Greenfield
Cyprus	✓	✓			2017	Greenfield
Romania	✓	✓			2016	2002
Bulgaria	✓	✓			2016	2002

Bond: Table as of June 30, 2019.

(1) Other includes consumer lending in Poland and Sweden, credit information in Latvia, factoring in Norway and telemarketing in Spain

6.3.1.1 Northern Europe

The NE region is categorized as a mature market where GDP has remained constant or grown and unemployment has remained constant since 2016 (source: IMF DataMapper).

We acquire mainly unsecured portfolios in the NE region, where our portfolio purchases have increased by NOK 431.5 million from NOK 1,453.0 million for the year ended December 31, 2017 to NOK 1,884.5 million for the year ended December 31, 2018. Purchases as of June 30, 2019 was NOK 1,138 million. We purchase primarily from banks and consumer lending banks in the NE region which allows us to have portfolio visibility in the pipeline. Our acquisition prices in the NE region are typically 30% to 70% of the face value of the debt and we have a net internal rate of return target of 11% to 15%. As of June 30, 2019, our NE segment comprised operations in Finland, Estonia, Sweden, Norway, Denmark, Latvia and Lithuania.

Finland and Estonia

In 2012, we entered both Finland and Estonia through the acquisition of the Finnish debt collector OK Perintä OY ("OK Perintä") and its Estonian subsidiary OK Incüre OÜ ("OK Incüre"). With OK Perintä, we believe we are well positioned to maintain our stable but growing operations in the Finnish market. A significant amount of our portfolio acquisitions in Finland are based on forward flow agreements with the vendors where portfolios are acquired on a regular basis at agreed terms.

The market in Estonia is relatively small and the portfolios sold are mainly retail unsecured. The vendors of portfolios are banks and non-bank financial institutions. OK Incüre's main activity is third party collection, but debt purchasing has increased throughout 2017 and 2018.

Sweden, Norway and Denmark

In 2012, Sileo Kapital AB ("Sileo Kapital") was founded as a startup operation and is now our wholly-owned subsidiary in Sweden. Sileo Kapital primarily focuses on NPL acquisitions and offers certain key accounts third party debt collection services. Portfolio acquisitions in Sweden are mostly based on one-off transactions but also more amounts of forward flow agreements, Sileo Kapital focuses on increasing its forward flow agreements.

In 2013, we acquired Interkreditt AS ("Interkreditt") in Norway. Interkreditt is a third-party debt collection agency. Interkreditt acquires debt collection portfolios throughout the Nordic region.

In April 2018, we established Interkreditt Kapital AS in Norway and in parallel applied for the financial license required to acquire portfolios from banks and other financial institutions. The Norwegian finance license was granted in August 2018 and this also permits invoice purchase and factoring. Since start up the company has acquired some small portfolios before a mid-size portfolio with face value of MNOK 212 was acquired in May 2019, the factoring business is still limited. .

In June 2017, we acquired an NPL portfolio from Basisbank in Denmark. At the same time, we also acquired a servicing platform, Nodeco A/S ("Nodeco"), which was the servicer of the portfolio acquired. In October 2018, we acquired a non-performing portfolio from Nordea Danmark composed of unsecured non-performing loans granted to private individuals. The portfolio consists of approximately 12,000 loans with an aggregated face value of MEUR 388. The transaction marked an important milestone in the development of Nodeco.

Latvia and Lithuania

In 2014, we acquired Creditreform Latvija SIA ("Creditreform") in Latvia. Creditreform's operations include credit information services, third party debt collection and debt purchasing, secured loans and unsecured retail loans. Transactions in Latvia are a combination of one-off transactions and forward flow agreements. Furthermore, in 2013, we established B2Kapital SIA ("B2 Kapital Latvia") which acquires portfolios across the Baltic region

In 2017, we acquired UAB Skolu rizikos centras (SRS) and UAB SVC in Lithuania, both of which are third part debt collection companies. They are now servicing B2 Kapital Latvia's portfolios in Lithuania and UAB SVC has started to buy its own portfolios including forward flow agreements. The two Lithuanian companies was merged in Q2-2019 as is now called B2Kapital UAB.

The table below shows selected key financial data for our operations in Northern Europe for the years ended December 31, 2017 and 2018. Total operating revenues, Portfolio Purchases, Gross cash collection from purchased loan portfolios and Total ERC as of June 30, 2019 was NOK 233,915 thousand, NOK 1,138,002 thousand, 702,173 thousand and 7,886,024 thousand respectively.

	For the year ended December 31,	
	2017	2018
	(NOK thousand)	
Total operating revenues	527,391	700,055
Portfolio purchases	1,452,989	1,884,537
Gross cash collection from purchased loan portfolios(*)	829,860	1,147,391
Total ERC(*)	4,544,000	6,742,000

(*) Unaudited.

6.3.1.2 Central Europe

With declining unemployment, growing GDP and a favourable regulatory environment towards the CMS industry, the CE region is considered a market in a growth phase (source: IMF DataMapper).

We acquire a mix of secured and unsecured portfolios in the CE region, primarily from banks, where our portfolio purchases have increased by NOK 298.6 million from NOK 1,155.9 million for the year ended December 31, 2017 to NOK 1,454.5 million for the year ended December 31, 2018. Purchases as of June 30, 2019 was NOK 636.9 million. We have a strong portfolio pipeline in all of the major countries of the region. Our acquisition prices in the CE region are typically 5% to 30% of the face value of the debt and we have a net internal rate of return target of 14% to 20%.

We started our operations in Central Europe through our subsidiary B2 Kapital d.o.o. ("B2 Kapital Croatia") in Croatia in 2013. In 2014, B2 Kapital Croatia successfully completed its first large transaction, acquiring a large portfolio consisting of secured and unsecured claims across four jurisdictions (Croatia, Slovenia, Serbia and Montenegro). This was the first secured portfolio of its size in this region. In 2016, B2 Kapital Croatia acquired a portfolio which included claims in Bosnia and Herzegovina, and, as a result, we also established an office in Sarajevo. As of June 30, 2019, our CE segment comprised operations in Croatia, Slovenia, Serbia, Hungary, Bosnia and Herzegovina, Montenegro and Czech Republic.

In February 2017, we entered the Italian market through establishing B2Kapital s.r.l. In November 2017, we entered the Spanish market through our acquisition of Verifica. Both countries are included in the data presented above for the year ended December 31, 2017. Following the acquisition of NACC in March 2018, we have added a fifth reporting segment, Western Europe, which includes France, Italy, Spain and Portugal

The table below shows selected key financial data for our operations in Central Europe for the years ended December 31, 2017 and 2018. Total operating revenues, Portfolio purchases, Gross cash collection from purchased loan portfolios and Total ERC as of June 30, 2019 was NOK 181,406 thousand, NOK 636,887 thousand, NOK 791,628 thousand and NOK 5,266,408 thousand respectively.

	For the year ended December 31,	
	2017	2018
	(NOK thousand)	
Total operating revenues	593,212	714,811
Portfolio purchases	1,155,918	1,454,467
Gross cash collection from purchased loan portfolios(*)	621,681	1,145,515
Total ERC(*)	4,628,000	5,758,000

Poland

According to the CEE Banking Sector Report, the Polish NPL market is one of the larger NPL markets in Europe, quickly evolving towards a mature market. It combines a regular supply of banking assets, systematically supported by other vendors such as telecoms and utility services, and opening new sectors, mainly non-bank lenders. Banks remain the main suppliers of NPLs. However, the growth of total volume of banking assets has slightly decelerated after three years of growth, as an effect of introduction of banking tax and increasing cost of capital. The level of retail banking NPLs stabilized at 6.25%, with 2.9% in mortgage NPLs and 12.3% in non-mortgage NPLs. Increasing sophistication of the market is also reflected by growing volume of the secondary debt portfolio transactions (source: Raiffeisen Research, CEE Banking Sector Report). Poland is considered a mature market where GDP has increased and unemployment has declined from 9.0% in 2015 to 3.6% in 2019 (source: IMF DataMapper).

We acquire mainly unsecured portfolios in Poland (82.9 % of all of our purchased portfolios in Poland were unsecured for the year ended December 31, 2018), primarily from banks and consumer lending businesses, where our portfolio purchases have increased by NOK 308.5 million from NOK 348.8 million for the year ended December 31, 2017 to NOK 657.3 million for the year ended December 31, 2018. Purchases as of June 30, 2019 was NOK 170,7 million. Our acquisition prices in Poland are typically 10% to 30% of the face value of the debt and we have a net internal rate of return target of 12% to 17%. We operate in Poland through the Ultimo Group, which is a large collection company servicing NPLs in the Polish market. We acquired the Ultimo Group in 2014 from Advent. It was initially established in 2002 by a group of private entrepreneurs as one of the first collection companies in Poland.

The Ultimo Group focuses on NPL portfolio acquisition and management and specializes in retail unsecured (and to a smaller extent secured) exposures. In 2016, the portfolio vendors community voted the Ultimo Group the best collection company in Poland (Cessio award by the Conference of Financial Enterprises). Through the TAKTO Group, part of the activities of the Ultimo Group are dedicated to the lending business.

Through the Ultimo Group, we are focusing on further growth of business volume, increasing efficiency and exploring new sources of revenues through investments in automation of mass collection processes, exploring the growing niche of NPLs generated by non-bank lenders (and thus leveraging experience gained in running the TAKTO Group), as well as exploring new businesses, including the evolution of third party collection and the digital revolution in the collection industry.

The table below shows selected key financial data for our operations in Poland for the years ended December 31, 2017 and 2018. Total operating revenues, Portfolio purchases, Gross cash collection from purchased loan portfolios and Total ERC as of June 30 2019 was NOK 188,268 thousand, NOK 170,739 thousand, NOK 477,926 thousand and NOK 3,498,638 thousand respectively.

	For the year ended December 31,	
	2017	2018
	(NOK thousand)	
Total operating revenues	615,219	620,348
Portfolio purchases	348,760	657,269
Gross cash collection from purchased loan portfolios(*)	838,186	877,852
Total ERC(*)	3,444,000	3,640,000

(*) Unaudited.

6.3.1.3 South East Europe

The SEE region is categorized as an early phase market where GDP has increased and unemployment has decreased since 2016 (source: IMF DataMapper).

We own a mix of secured and unsecured portfolios in the SEE region (54 % and 46 %, respectively, for the year ended December 31, 2018), where our portfolio purchases have increased by NOK 635.5 million from NOK 776.0 million for the year ended December 31, 2017 to NOK 1,411.5 million for the year ended December 31, 2018. Purchases as of June 30, 2019 was NOK 132,7 million. We purchase primarily from banks and through our joint venture in Romania, which allows us to have visibility of the portfolio pipeline in all countries of the region. Our acquisition prices in the SEE region are typically 1% to 30% of the face value of the debt and we have a net internal rate of return target of 15% to 25%.

In 2016, we acquired the DCA Group in Bulgaria and established B2 Kapital Portfolio Management S.r.l. in Romania. In November 2016, we established B2Kapital AE, a wholly-owned subsidiary headquartered in Athens, Greece. As of December 31, 2017, our SEE segment comprised operations in Bulgaria, Romania and Greece.

The DCA Group had previously focused only on retail unsecured portfolios. The first secured portfolio in Bulgaria was acquired in the beginning of 2017. Our strategy is to take an active role in the deleveraging of the banks in the Bulgarian market by purchasing NPL portfolios, both retail and non-retail. Furthermore, we will continue our strategy of buying retail unsecured portfolios from non-bank financial institutions.

In Romania, we acquire unsecured portfolios through the DCA Group and secured portfolios through B2 Kapital Portfolio Management S.r.l. The banks are expected to sell secured portfolios going forward. In 2016, we acquired a mortgage portfolio in Romania through a joint venture with EOS Investment RO GmbH (“EOS”). We are the 50% owner of the share capital and voting rights and have joint control.

Our strategy for Greece in the initial phase is to secure servicing agreements with Greek banks for the work out and collection of NPLs. We are one of a limited number of market participants to have been granted a debt collection license by the Bank of Greece. On October 16, 2018, we signed, in a co-investment structure with Waterfall Asset Management, an agreement with Eurobank Ergasias S.A. ("Eurobank") in Greece for the acquisition of a non-performing credit portfolio composed of unsecured credit loans granted to private individuals. The portfolio has a Face Value of approximately EUR 2.0 billion of which EUR 1.1 billion is Principle at a purchase price of 3.1% of Face Value or 6.0% of Principle amount.

The table below shows selected key financial data for our operations in South East Europe for the years ended December 31, 2017 and 2018. Total operating revenues, Gross cash collection from purchased loan portfolios, Portfolio purchases and Total ERC as of June 30, 2019 was NOK 108,504 thousand, NOK 132,674 thousand, NOK 299,165 thousand and NOK 3,271,460 thousand respectively.

	For the year ended December 31,	
	2017	2018
	(NOK thousand)	
Total operating revenues	300,469	467,308
Portfolio purchases	776,020	1,411,502
Gross cash collection from purchased loan portfolios(*)	243,045	524,235
Total ERC(*)	1,956,000	3,468,000

(*) Unaudited.

6.3.1.4 Western Europe

The WE region was established following the acquisition of NACC in 2018. The region includes Italy, Spain, France and Portugal. WE are the largest region in the Group in terms of NPL volumes and represents more than 50 % of the total NPL market in Europe. The four markets are at different stages of development, from growing to mature markets. Our acquisition prices in the SEE region are typically 15 % to 40 % of the face value of the debt and we have a net internal rate of return target of 12 % to 17 %.

In Italy, we have established a strong platform through B2Kapital and completed important investments in 2018 within SMEs and secured portfolios.

In Spain, we work through our subsidiaries Verifica and the relative smaller company Acreditia. Verifica is one of the top five players with more than 450 employees and well-established procedures delivering third-party collection services to the main Spanish banks. Verifica has already acquired some small unsecured portfolios. Through the acquisition of NACC in March 2018, we are now among the top five players in the French market and the only ISO 9001 certified company in its segment in France. NACC has more than 25 years of experience from investing in NPLs, mainly focusing on secured portfolios, both corporate and retail. NACC also offers third-party collection.

In Portugal, we acquired GI Capital Solutions S.A. in May 2018 and we aim to develop the platform to replicate the successful business model of Verifica in Spain.

We mainly acquire secured portfolios in WE (84.4 % of all of our purchased portfolios in WE were secured for the year ended December 31, 2018). Our portfolio purchases in the region have increased by NOK 426.7 million from NOK 378.1 million for the year ended December 31, 2017 to NOK 804.8 million for the year ended December 31, 2018. Purchases as of June 30, 2019 was NOK 158,6 million.

The table below shows selected key financial data for our operations in Western Europe for the year ended December 31, 2017 and 2018. Total operating revenues, Portfolio purchases, Gross cash collection from purchased loan portfolios and Total ERC as of June 30, 2019 was NOK 188,607 thousand, NOK 158,590 thousand, NOK 250,532 thousand and NOK 2,672,892 thousand respectively.

	For the year ended December 31,	
	2017	2018
	(NOK thousand)	
Total operating revenues	46,470	403,099
Portfolio purchases	378,069	804,830
Gross cash collection from purchased loan portfolios(*)	19,508	302,387
Total ERC(*)	693,000	2,654,000

(*) Unaudited.

(1) Numbers for December 31, 2017 have been adjusted to reflect countries being included in the new segment 'Western Europe'. In the 2017 audited financial statements, these countries are included in the segment 'Central Europe'.

6.4 Strengths

We believe that we benefit from the following key strengths:

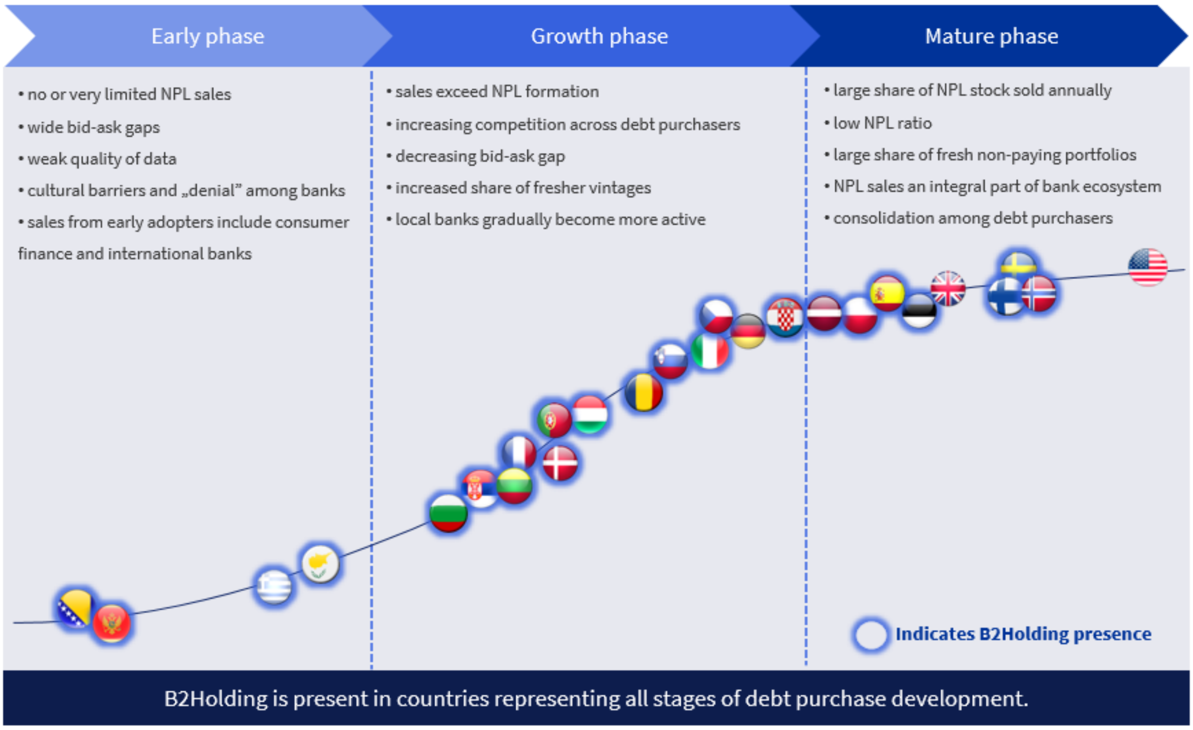
Attractive industry with sound market outlook

We operate in the European CMS industry, which we believe is poised for strong future growth. According to the European Banking Authority ("EBA"), the stock of NPLs in the EU banking sector was close to €660.0 billion as of December 31, 2018 (source: EBA Risk Dashboard). In recent years, financial institutions have been subject to increased regulatory pressure, such as the European Central Bank's ("ECB") guidelines on NPL recognition and disposal strategy published in March 2017, and Addendum to the ECB Guidance published in March 2018, the EBA's 2017 transparency exercise, the adoption of IFRS 9 accounting standards starting on January 1, 2018 as well as the EBA EU-wide stress tests in 2018. This scrutiny has increased the pressure on banks to sell NPL portfolios and remove the stock from their balance sheets as well as to develop strategies for faster NPL resolution going forward. Based on Deloitte's estimates, the annual NPL portfolio transaction volume in Europe increased from approximately €100 billion in 2014 to an expected €204 billion in terms of face value in 2018, and we believe this trend will continue (source: Deloitte Report; Deleveraging Report 2018 Q3). In addition, we also purchase portfolios from non-bank lenders, the volume of which we believe will continue to grow due to increasing importance of these market participants in the financial services industry.

The industry in which we operate is relatively agnostic to the stage of the economic cycle. A strong economy fuels lending growth, which increases the overall loan base. At the same time, lower unemployment increases debtor payment capacity and reduces default ratios, which have a positive impact on cash collection of outstanding NPLs. Conversely, a weak economy generates higher unemployment and reduces debtor payment capacity, which results in increased default rates and more NPLs on the market. While a weak economy will affect payment capacity of debtors, fiscal and unemployment measures put into place by local governments can partially offset the negative impact from a weak economy. Through our operations in 23 countries across Europe we are well positioned to benefit from these attractive market conditions.

Broad geographical reach across the entire maturity spectrum

With NOK 6,213 million in portfolio purchases in 2018 and presence in 23 countries across Europe, we have established ourselves as one of the top players in the European CMS industry by portfolio purchases. We seek to maintain a well-diversified profile of portfolio purchases across geographies, vendors, and portfolio sizes with a balanced risk/return profile. Our pan-European footprint ensures our presence across mature, growth and early phase markets, enabling us to take advantage of the entire maturity spectrum as well as to deploy capital wherever we see the best risk-return characteristics. Our strong brand name and geographically diversified operations provide us with a competitive advantage against our peers in cases where debt vendors seek to sell loan portfolios with exposures in multiple jurisdictions. The chart below shows where our markets sit on the maturity spectrum.



Source: Company information

In each of our markets, we seek to differentiate ourselves by providing efficient and customer-friendly services and by offering varied capabilities, such as servicing mixed and secured portfolios and acquiring non-bank consumer loans. In order to effectively compete and win portfolios purchases, we seek to balance a competitive price with our internal return requirements. Our platforms, both acquired and organically built, have developed advanced data capabilities and analytics to support NPL originations and collections. Our local data and analytical capacity allows us to manage competitive pricing and internal return requirements and accurately forecast collections from the portfolios we acquire across geographies. Our pricing model uses data from previous purchases of portfolios with similar characteristics, such as debtor type, time in default and region, which we believe gives us a competitive advantage in respect of portfolio pricing accuracy relative to our competitors who have a more limited local presence or who rely on third party collections.

We believe that local knowledge and an experienced local presence are important factors for being successful in the NPL business. Knowledge of debtors, the characteristics of the debt industry as well as the local economic environment and legal framework help to price purchases correctly as well as to apply an effective debt collection strategy. These factors are key considerations when we enter new markets, and we look to establish a presence through acquisitions of existing, well-established platforms or through green field operations. In either case, we look to employ a management team with deep local knowledge and experience in the debt purchasing and collection business. Once the relevant platform has been established, we often test the market by acquiring smaller portfolios and evaluating their outcome before acquiring more sizeable portfolios, as we did in the Balkans in 2013 and as we are currently doing in Cyprus and Greece today.

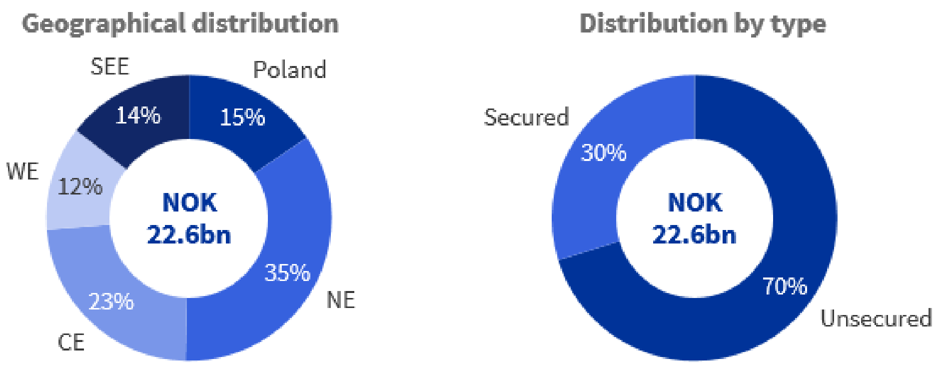
Our presence across Europe allows us to share best practices and expertise developed in each market. For example, in recent years we have implemented efficiency programs in Finland and in Poland that have allowed us to service larger NPL volumes while maintaining or decreasing overall headcount, and we are using features of these programs in other markets. In addition to such sharing of best practices across markets, we benefit from the capabilities developed in the central functions, including investment analysis, secured portfolio valuation and compliance, among others.

Diversified portfolio in terms of type, maturity, size and geography with high visibility into near term cash flows

We have a diversified portfolio in terms of type of claim, maturity and claim size, varying from unsecured retail, secured retail and corporate loans to small and medium enterprise loans.

The secured NPL market has remained less competitive than the market for unsecured NPLs for a number of reasons, including complex pricing, which involves several factors including valuation of collateral, estimation of timing and the source of the cash flows (repayment versus collateral enforcement) and, in some cases, remedial actions needed to enhance the collateral, together with more onerous legal regulations. Secured NPLs are priced on a much more granular basis, which means increased certainty regarding individual recoveries. In addition, by being able to acquire secured debt, we are also able to participate in processes with pooled portfolios of secured and unsecured debt, which further enlarges our potential investment pipeline. Many banks, particularly in more growth-oriented markets, tend to sell portfolios with both secured and unsecured assets resulting in a preference for purchasers with both capabilities. To benefit from the secured NPL CMS market, which industry reports estimate to be five times larger by face value than the unsecured consumer NPL market (source: Intrum Capital Markets Day 2017 presentation) we have established a center of excellence for secured portfolio evaluation in Prague and currently have secured NPL collection centers across nine geographies and planning to roll out such capabilities in three more countries in 2019.

Our diversified geographical presence reduces our exposure to single geographic markets and allows us to follow our key partners across different markets. As of June 30, 2019, the distribution of our ERC by region was 35% in NE, 23% in CE, 15% in Poland, 14% in SEE and 12% in WE. As of June 30, 2019, 70 % of our portfolio purchases were unsecured, and 30 % were secured. ERC was composed of 70% unsecured and 30% of secured.



Source: Company information

We actively work on further strengthening our relationships with sellers of NPL portfolios throughout the different phases: (i) in the transaction phase by adhering to the sales process, placing serious bids and ensuring the closing of the transaction if we are the preferred bidder, (ii) in the transfer phase by actively assisting in the transfer of the claims and documents, and (iii) in the collection phase by being fair towards the debtors and adhering to the code of conduct and corporate governance implemented. Further, we are visible in the various markets by participating in seminars and conventions and providing advice to such providers at an early stage, which provides a higher likelihood that we will be invited to the relevant auctions or bilateral discussions for the purchase of portfolios. In addition, we are focused on working closely together with debt sellers in order to be able to enter into bilateral discussions, which results in a more efficient and less costly process for the debt seller and a less competitive purchase for us.

6.5 Strategy

We seek to expand our business and operations while maintaining our market positions through the following strategies.

Strengthen our existing platforms while selectively expanding our European footprint

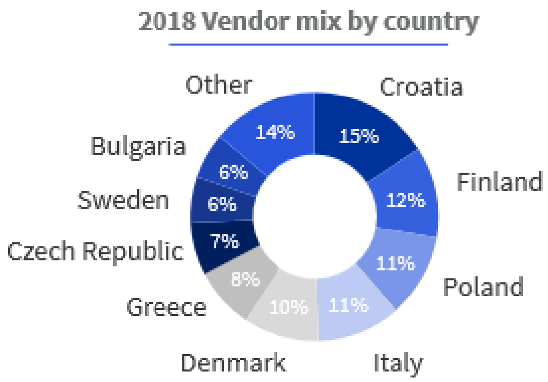
Our growth strategy is based on smaller NPL portfolio acquisitions on an on-going basis as well as select large portfolios with particularly attractive risk return characteristics. We believe that our current market position, diversified across geographies, capabilities, clients and secured and unsecured portfolios allows us to grow organically by tapping into the increasing pipeline of NPL portfolios coming to market across jurisdictions. In addition, we aim to very selectively expand our geographic footprint in markets with either large NPL volumes, or in markets which have similar characteristics to those of our existing platforms where we can leverage our knowledge and capabilities and our existing vendor relationships. We believe that NPL collection is a local activity, and our focus is, therefore, on either acquiring companies that are well regarded and respected in their local markets or by building significant presence through strategic market entry supported by strong and experienced local management team. For example, in March 2018, we acquired NACC in France, a secured debt purchaser and third party servicer with a 25 year track record. France has a high stock of NPLs with around €126 billion of NPLs as of December 2018 (source: EBA Risk Dashboard Q4 2018). We believe that establishing a local presence in France through the acquisition of one of the key players in the market with the requisite language skills, reputation and platform will allow us to most effectively enter the French CMS market.

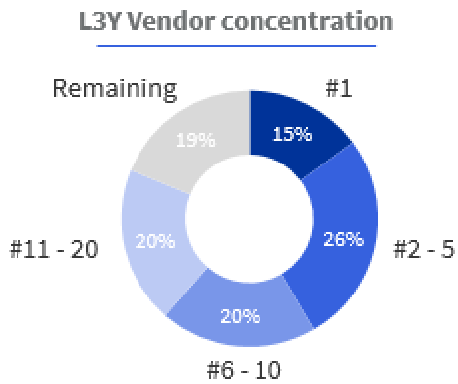
When acquiring established platforms, we structure the acquisition in order to allow for risk-sharing with previous shareholders via long-term earn out structure, which in certain cases also helps to align our interest with those of the local management team. Additionally, we remain prudent in the valuation of platform acquisition opportunities with the goal to minimize goodwill creation. This is reflected in the relatively low amount of tangible and intangible assets recognized on our balance sheet, which as of June 30, 2019 amounted to NOK 371 million, equivalent to 2% of our total balance sheet assets.

Continue to enhance our position as a preferred buyer of portfolios for our key clients

We are focused on building strong and long-lasting relationships with the key sellers of NPL portfolios in order to establish our Group as a preferred and reliable partner. We continuously work to maintain and further build on our reputation and relations, creating the foundation for future expansion and a strong market position. We have seen a steady increase in the number of vendors, growing from 84 vendors for the year ended December 31, 2016 to 101 vendors for the year ended December 31, 2017 and to 127 vendors for the year ended December 31, 2018. Banks and non-bank financial institutions represent 99% of our purchases in the year ended December 31, 2018 and are focused on the need for debt purchasers to have a strong local presence and the necessary capital, both of which are important parts of our strategy. Further, regulatory compliance and reputational risk are key focal points for these providers, which are the areas where we believe we have the understanding and operational infrastructure enabling us to comply with the highest standards.

The table below shows the percentage of portfolios acquired by vendor country for the year ended December 31, 2018 and vendor concentration for the three years ended December 31, 2018.





Source: Company information

We actively work on further strengthening our relationships with sellers of NPL portfolios throughout the different phases: (i) in the transaction phase by adhering to the sales process, placing serious bids and ensuring the closing of the transaction if we are the preferred bidder, (ii) in the transfer phase by actively assisting in the transfer of the claims and documents, and (iii) in the collection phase by being fair towards the debtors and adhering to the code of conduct and corporate governance implemented. Further, we are visible in the various markets by participating in seminars and conventions and providing advice to such providers at an early stage, which provides a higher likelihood that we will be invited to the relevant auctions or bilateral discussions for the purchase of portfolios. In addition, we are focused on working closely together with debt sellers in order to be able to enter into bilateral discussions, which results in a more efficient and less costly process for the debt seller and a less competitive purchase for us.

Focus on amicable solutions and extend our track record of conduct and compliance

We believe that the highest operational standards and the quality of services provided to all business partners, including debtors, are key competitive advantages. We, therefore, uphold high ethical standards in our approach to dealing with debtors and seek to work closely with the debtors to achieve a fair outcome for all parties.

Our collection practice is designed to apply the collection method that works best for a particular customer, and balances how to maximize collections, the timing of payments, and the cost to collect. To maximize our net collections, we strive to reach amicable solutions that satisfy both parties. Our mission statement “Making each other better” is intended to underline our commitment to helping our customers to get back to financial health, which we believe is critical for our future reputation and long term profitability.

In some instances, we 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 better off, as the customer can quickly resolve their debt on 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 us with a stable and predictable cash flow, and helps the debtor regain financial health. Amicable solutions also lower the collection cost, as they avoid engaging more labour and time on the customer, in addition to expensive and time-consuming collection methods, such as judicial collection processes. We also target our communication efforts with each customer based on our knowledge of them, in some instances even employing social media and television advertising as a means of furthering the relationship. A constructive approach to the customer’s preferences and needs increases their overall satisfaction, which in turn contributes to maintaining the NPL providers' trust in us and protects both our and the NPL providers' reputation.

Keep our strict investment discipline together with a balanced approach to portfolio composition
We apply consistent pricing policies across all geographies based on a centralized investment process.
Before acquiring new portfolios, an extensive list of parameters is carefully considered. Any acquisition or expansion needs to be in line with our goals and risk/return requirements underpinning our business model. The establishment of our investment center in Luxembourg, which collates and shares data and best practices across regions, enables us to analyse opportunities, allocate our resources and create mutually attainable terms for our customers. In addition to the investment center, the competence center in the Czech Republic will provide further support on the acquisition of secured portfolios.

Our rigorous investment process ensures that we carefully analyse the risk/return characteristics of each portfolio and base our acquisition offers on informed pricing decisions. As of December 31, 2018, 89% of our investments received Group-level investment approval, and a relatively low 21% of the total bids in the pipeline were won, reflecting our prudent approach to pricing.

We strive to maintain a balanced portfolio composition and we carefully weigh potential risk and return profiles prior to engaging in transactions. We believe that a balanced portfolio composition allows us to benefit from more opportunities in the market and enables us to take advantage of any change in trends in the future.

Maintain a balanced capital structure and a prudent leverage profile
We will continue to finance our business through a diversified mix of debt and equity, with a long-term equity to debt ratio target larger than 25% and good headroom to our financial covenants.

We have a track record of accessing the equity market to raise capital, including our IPO in 2016 and more recently our Capital Increase in March 2018. Operating cash flow is used to fund ongoing smaller portfolio purchases, while bonds and bank debt allow us to access a broad pool of capital when larger portfolios or platform acquisition opportunities arise. At the same time, we target to maintain adequate liquidity, including undrawn revolving credit facility capacity and cash reserves, in order to facilitate future growth and to allow us to continue deploying capital when we see attractive risk return opportunities arise.

7 Industry and market overview

7.1 Overview

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 who then attempt to collect the debt or sell it to other buyers. The sale of overdue debt has developed as a method for creditors to manage defaulted loans and accelerate capital release related to such debt. Debt is considered overdue when debtors default on their payment obligations by not repaying the debt according to the terms on which it was extended. The management of defaulted debt is often a low priority or non-core activity for debt originators due to volumes of defaulted debt being relatively small compared to the overall scale of lending and debt originators do not generally invest much capital in their respective collection systems. The credit management services ("CMS") industry has become a structural component of the debt recovery process in many markets and provides a sustainable solution for creditors facing increased capital and liquidity regulatory requirements. The effectiveness of the debt recovery process for CMS companies relates to their ability to accurately assess the circumstances related to the overdue debt and offer a sustainable and affordable repayment solution, as well as determine an economic servicing strategy for a variety of defaulted debts.

There are two sources of non-performing loans ("NPLs") that the CMS industry targets: financial institutions and trade sector companies. Financial institutions generate NPLs from mortgages, credit card loans, car loans, overdrafts and consumer loans they extend. In the trade sector, overdue debt mainly consists of overdue consumer bills for services rendered or goods delivered. There are many industries that generate such overdue bills, such as telecommunication companies, the public sector, retail stores and utility companies. Compared to the financial institutions sector, debt portfolios originating from the trade sector that are serviced or purchased by CMS companies typically consist of a larger volume of debt claims with a lower average value. In developed markets, the CMS market for debt originated in the financial institutions sector has become highly sophisticated and is dominated by several established players.

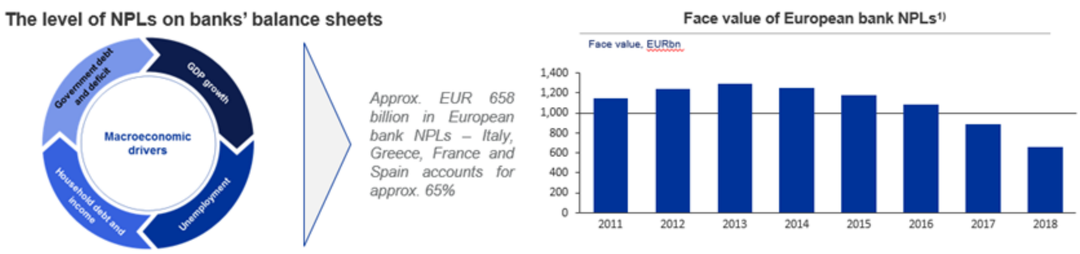
The industry is characterized by barriers to entry with significant know-how, data analytics capabilities, scale and a respectable reputation being prerequisites to being able to compete effectively. In particular, NPL portfolios sold by financial institutions are often of such size and complexity (involving several types of loans) that it is challenging for new and inexperienced players to effectively price such portfolios and assess most efficient collection strategy, consequently limiting such players' ability to learn and obtain the necessary experience. 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 an important factor in portfolio analysis and the assessment of price. Financial institutions generally look for players with respectable reputations when divesting their NPLs, which could make it harder for new players to effectively enter the market, as such players may not have had adequate time to establish a reputation for sound collection practices.

According to the Deloitte Report; Deleveraging Report Q3 2018, the stock of NPLs across Europe has been steadily declining since the financial crisis in 2008. This trend continued throughout 2018 as the European Commission's "Action Plan to Tackle Non-Performing Loans in Europe" was agreed, with the Council calling on banks and regulators across the EU to take action to tackle both the legacy stock of NPLs, and the future build-up of such loans. As a result, European banks are continuing to sell off their portfolios of NPLs. As of Q4 2018, the average ratio of NPLs to total loans (NPL ratio) across European banks was at 3.2%, which is the lowest level since the definition of NPLs was harmonised across the EU/EEA. (sources: Deloitte Report; Deleveraging Report Q3 2018 and EBA Risk Dashboard Q4 2018).

As the regulatory and supervisory pressure continues, a continuous deleveraging activity and a more proactive balance sheet management amongst banks is expected. Moreover, markets that have dealt with most of their NPLs have started tackling their non-core assets and are expected to sell more performing loan books (source: Deloitte Report; Global Deleveraging Report 2017-2018).

7.1.1 Overview of the NPLs in Europe and Expectations of Continued Growth

The 2008 financial crisis and its aftermath led to high default rates and a significant build-up of NPLs. The value of NPLs held in the EU banking sector was approximately €658 billion as of December 31, 2018, where Italy, France, Spain and Greece account for the majority share of total exposure. In EU countries, much of the increase in NPL ratios took place between 2010 and 2015, which began to decline after 2014 and have reached 3.2% as of December 31, 2018. (sources: Deloitte Report; Deleveraging Report Q3 2018 & EBA Risk Dashboard Q4 2018).

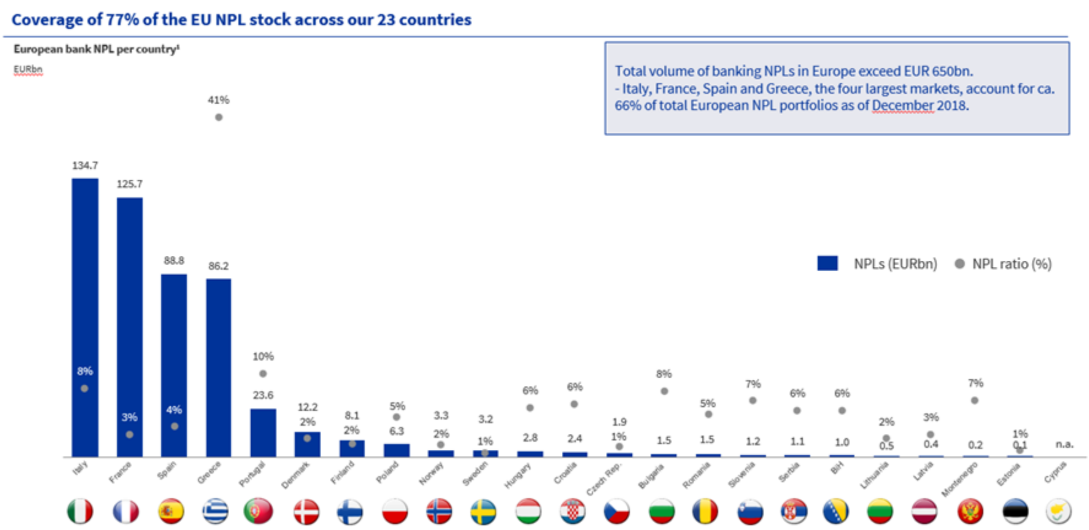


Sources: Deloitte Report; Global Deleveraging Report 2017-2018; EBA Risk Dashboard Q4 2018.

(1) Based on the location of the head office of the bank selling the assets, not including Non-Performing Exposures ("**NPE**").

Following the financial crisis, banks were subject to new and stricter requirements for capital adequacy. This led to banks becoming more willing to remove NPLs from their balance sheet. According to Deloitte Report; Deleveraging Report Q3 2018, this trend has continued throughout 2018 as the European Commission's "Action Plan to Tackle Non-Performing Loans in Europe" was agreed, with the Council calling on banks and regulators across the EU to take action to tackle both the legacy stock of NPLs, and the risk of future build up. The net effect of the regulatory agenda is a further build-up of pressure on slow-moving banks and national regulators for a more rapid clearing of Europe's non-performing loans. Particularly banks in Cyprus, Greece, Portugal, Ireland, Italy and some Central and Eastern European countries are subject to high levels of NPLs in the EU. The NPL percentage of total loans in the EU increased from 2% in 2006 to 7% at its peak in 2012/2013. As of December 31, 2018, NPLs in major banks averaged 41% in Greece, 34% in Cyprus and approximately 10% in Portugal, Italy, Bulgaria and Slovenia. In all EU countries with a high volume of NPLs, a large proportion are loans to non-financial corporates (sources: EBA Risk Dashboard Q4 2018 & KPMG: Non-performing loans in Europe, August 2018).

Since 2009, the non-bank financial institutions sector has experienced significant growth across Europe, with a range of lending products being offered to consumers. With the growth in consumer lending, debt purchasing companies have become an integral part of the value chain for many of the players in the consumer lending industry. NPL transactions are often characterized by the "freshness" (the period since the debtor defaulted on a claim) of the claims, and consumer lending companies are selling their NPLs on a frequent basis, either through one-off transactions ("Spot") or through forward flow arrangements. The European debt purchase industry saw a total volume of transactions of €108 billion in 2016 in terms of face value, a slight increase from €107 billion in 2015. The industry would likely have seen growth from 2015 to 2016, had it not been for delayed transactions caused by Brexit and the US presidential election. In 2017, €152 billion worth of deals had been completed, an incline of 40.74% compared to 2016 (€108 billion of deals). As of Q3 2018, €120.0 billion worth of deals had been completed, while €84 billion remained in the pipeline (source: Deloitte Report; Deleveraging Report Q3 2018).



	Italy	France	Spain	Greece	Portugal	Denmark	Finland	Poland	Norway	Sweden	Hungary	Croatia	Czech Rep.	Bulgaria	Romania	Slovenia	Serbia	BiH	Lithuania	Latvia	Montenegro	Estonia	Cyprus
GDP growth 2019E	0,1%	1.3%	2.1%	2.4%	1.7%	1.7%	1.9%	3.8%	2.0%	1.2%	3.6%	2.6%	2.9%	3.3%	3.1%	3.4%	3.5%	3.1%	2.9%	3.2%	2.8%	3.0%	3.5%
Unemployment change (pp.) 2017 – 19E	-0.6	-0.6	-3.0	-3.0	-2.1	-0.8	-1.4	-1.3	-0.5	-0.4	-0.7	-3.3	0.2	-1.2	-0.1	-1.8	-0.7	-2.5	-0.8	-1.4	-1.2	-1.1	-4.1

Source: EBA, Risk Dashboard Q4 2018 & IMF, *World Economic Outlook (April 2019)*

(1) Data as of December 2018

As shown in the graph above, there is over €658 billion in European bank NPL exposure and Italy, France, Spain and Greece, the four largest markets, account for approximately 66% of the European bank NPLs as of December 2018 (source: EBA Risk Dashboard Q4 2018). Through 23 countries, we are able to access 77% of the European NPL market. Over €200 billion in European transaction volume was expected in 2018 with Italy, Spain and Central and Eastern Europe being among the most active markets. The current pipeline for both secured and unsecured portfolios is larger than the same period last year and companies with access to the largest markets in Europe (Italy, Spain and Greece), and the fast transforming markets in the Central and Eastern Europe are well positioned for further growth.

As the CMS sector has continued to mature, debt originators have recognized the ongoing specialist capabilities of the CMS industry, which is reflected in the increase in collection outsourcing and sales of non-financial defaulted consumer debt by telecommunications, home retail credit, utility and government sectors. As a result of this and other key factors, such as increasing regulatory and compliance requirements, debt originators are becoming increasingly conscious as to whom they sell and are increasingly seeking to build stronger, longer lasting relationships with fewer players who are the leaders in the market.

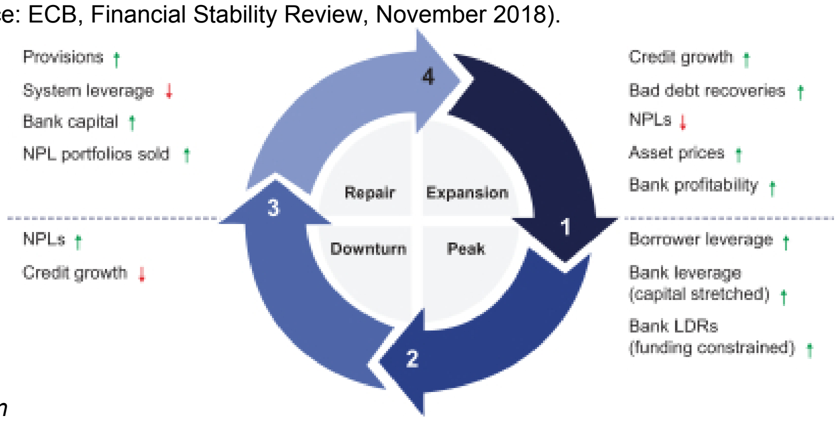
Legal Changes
The NPL industry saw legal changes in some of the large NPL markets, such as Poland and Romania, where changes in the legal framework caused temporary bottlenecks. Such legal changes will eventually affect pricing, as collections will be delayed. Furthermore, EU General Data Protection Regulation (EU) 2016/679 (the “GDPR”) has been in effect as of May 2018, and the NPL industry have implement several changes to both the handling and use of personal data in order to comply with the new rules and the introduction of new data subject rights, including the “right to be forgotten,” data portability and accountability

Consolidation
Historically, there were many small companies offering services within the administration and pursuance of NPLs and credit. The debt purchase industry has now established itself as an industry based on gathering and analysing data with clear economies of scale. By collecting and organizing data from many portfolios, the largest companies have an advantage for making a qualified valuation of new portfolios. As a result, the industry has experienced consolidation. In 2015 and 2017, for example, Permira acquired GFKL and Lowell, and Intrum Justitia (“Intrum”) and Lindorff merged, with Intrum’s business in Norway as well as Lindorff’s businesses in Denmark, Estonia, Finland and Sweden divested to Lowell. Consolidation in the NPL industry in Europe is expected to continue going forward.

7.1.2 Overview of Credit Lifecycle and Service Offerings

Credit Lifecycle
Customer defaults and debt losses are an inherent component of lending activity and, accordingly, credit management is an established part of the credit lifecycle. Debt losses and defaults generally encompass non-paying debts, insolvencies and paying debts where the customer’s payments are below contractual terms.

The European banking sector has been in a “repair” mode following the financial crisis, leading to more bank provisions, increased banking regulation, system deleveraging and increased volumes of NPL transactions. The deleveraging process has been achieved mainly by increasing capital through equity issuance, conversion of hybrids, capital injections and retained earnings. Furthermore, in some countries, improvements have been made towards a legal framework that is more conducive to effective NPL resolution. Progress has been made in resolving the large stock of NPLs since mid-2016 and is continuing at a steady pace as banks’ NPL ratios have nearly halved since 2014 (Source: ECB, Financial Stability Review, November 2018).



Source: Company information

The typical credit lifecycle is as follows:

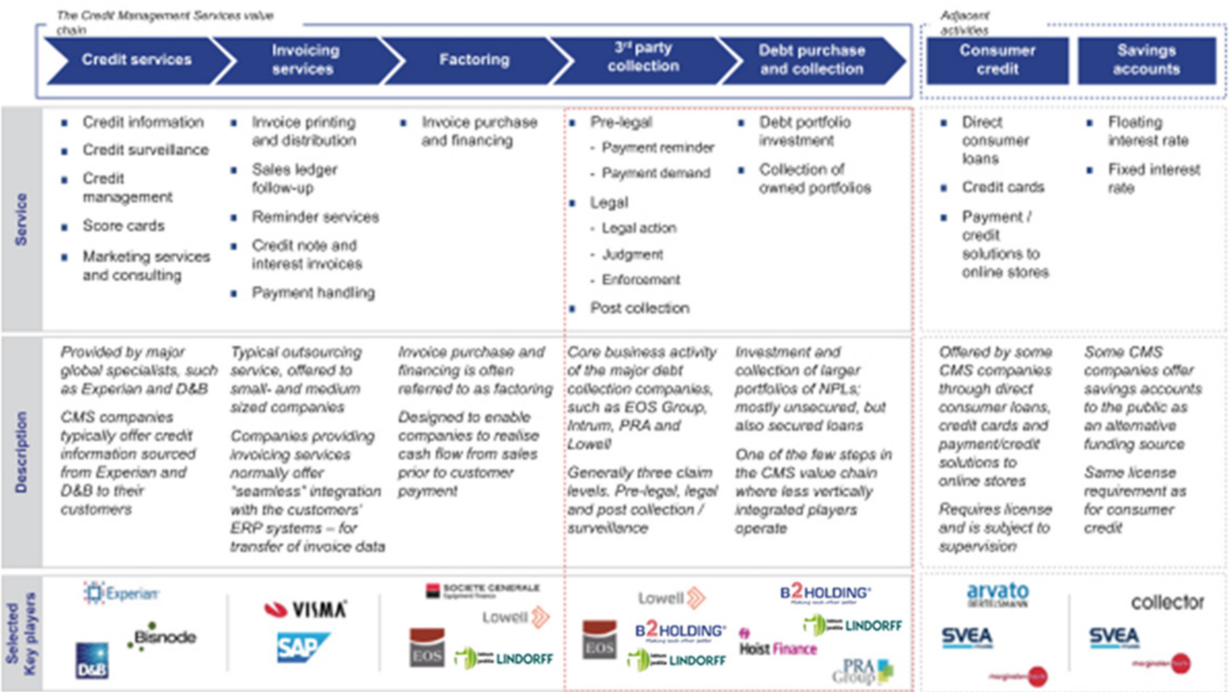
- *Underwriting / origination of debt*. A customer obtains credit from a debt originator. The financial services industry has historically been the largest source of credit for consumers, but short- or long-term consumer credit has also become a core component of business models across other sectors, including telecommunications, home retail credit, utilities and, more recently public sector entities.
- *Performing life*. A customer continues to make debt payments within contractual terms.
- *Early collections.* Where a customer fails to maintain his or her debt obligation in line with contractual terms and the debt is between 0 and 90 days past the due date.
- *Late collections*. Where a customer fails to maintain his or her debt obligation in line with contractual terms and the debt is between 90 and 180 days past the due date. An overview of key characteristics of typical debt "freshness" is shown in the table below:

Type of debt	Time from missed payment	Description
Primary..................	3-9 months	Accounts sold after internal collections
Secondary	9 months-2years	Accounts sold after placement with one external collector
Tertiary..................	2-5 years	Accounts sold after a second (or more) placement(s) with external collector
Garage..................	>5 years	Accounts on which the debt originator is no longer actively pursuing collections

- *In-house recoveries*. The debt originator attempts to recover the obligation through its internal resources. Debt originators typically have standard procedures governing recovery when a customer account falls into arrears, including the use of internal recovery strategies to rehabilitate customer accounts. Debt originators may, however, fail to make contact with the customer or be unable to reach an acceptable agreement on payment or make an agreement that is below the original contractual agreement.
- *Engagement of CMS*. Defaulted debt portfolios are serviced by third parties for a fee. The debt originators still have legal ownership of the debt portfolios and balance-sheet exposure. The debt collection companies provide collection services to the debt originators for overdue debt.
- *Debt sale*. Defaulted debt portfolios are sold to third parties at significant discounts to the principal value of the debt. The debt purchaser acquires the legal ownership and balance-sheet exposure.

Service Offerings

The CMS value chain is comprised of five main sections: credit services, invoicing services, factoring, third party collection, and debt purchase and collection. The Group operates within debt purchase and collection and third-party collection. The majority of the large vertically integrated CMS companies (such as PRA Group and Intrum) offer credit services, normally through third party vendors. Credit services companies provide information which supports their customers' management of credit risk, utilizing 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 our Group, Creditreform Latvija SIA operates in this part of the value chain.



Source: Company information

Third party collection
Third party debt collection is collection of debt on behalf of a third party (typically the debt originator). We offer third party debt collection as a service in Finland, France, the Baltics, Hungary, Norway, Sweden, France, Spain and Greece. In some of the markets in which we operate, we carry out third party debt collection and purchase debt from the same debt vendors.

The traditional third-party debt collection process is normally initiated by a written payment demand and is transferred to telephone collection if not paid. Third party collectors (“3PCs”) tend to have expertise in certain segments of the market (e.g., customers with specific demographics) and/or types of debts. The standard processes are increasingly automated due to large volumes (regardless of jurisdiction) and generally the 3PCs try to collect defaulted debts from customers through a combination of letters and phone calls. If the pre-legal collection process is unsuccessful, some customers are pursued via litigation, which is a possible route when a customer is unwilling to pay despite his or her personal circumstances indicating an ability to pay. 3PCs are paid commissions based on amounts collected and have a limited period of time to make contact and reach an agreement with customers, often only three to six months without a payment being received, before accounts are recalled by the originator.

Debt purchase and collection
Financial institutions and trade sector companies with outstanding claims will at some point define outstanding due credit as non-performing. Once a loan has been classified as non-performing, financial institutions and trade creditors have the option to sell the claims to debt purchasers, such as certain subsidiaries of the Group. CMS companies buy the portfolios at a discount and focus on the collection, surveillance, and recovery of the overdue debt. The portfolios are usually bought at a steep discount to nominal value as the average collection is below the nominal value, but usually above the purchase price. Large debt purchasers typically have a much greater experience in defaulted consumer debt collections compared to debt originators, and therefore their expertise, specialization and data capabilities can make debt sale an attractive strategy for a debt originator. The decision of the debt originator to sell defaulted consumer debt to a debt purchaser can occur at various stages of the cycle. Increasingly, debt originators are looking to maximize cash flows and manage balance sheet exposures through the earlier disposal of non-paying loans. As such, debt sales can happen prior to 3PC placement (with the originator choosing to sell after in-house recovery attempts fail) or after one or more 3PC cycles.

A debt purchaser attempts to collect cash on the debt portfolio acquired, which is similar to the way in which a 3PC collects cash on behalf of third parties who are its clients. However, the debt purchaser will retain the cash collected on the portfolios acquired, net of collection costs, and look to reinvest this cash in acquisitions of new portfolios. In contrast, the 3PC will collect for a third party and only retain a percentage margin or servicing charge on the amounts collected, net of the cost it has incurred to collect.

7.2 Debt Sale Pricing

Paying vs. Non-paying Accounts
Prices are generally lower for claims that have been in default for extended periods or have passed through several CMS placement cycles. This is due to lower expected recovery rates. Prices tend to be higher for defaulted accounts that are currently making regular payments (often below contractual terms). Generally, a debt purchaser will acquire non-paying debt (in various states of delinquency) at a price heavily discounted from the face value of the debt (typically ranging from 1.0% to 25.0% of face value, although the amounts may exceed this percentage depending on the type and age of debt purchased, among other factors), whilst a debt purchaser will acquire paying debt at a price less heavily discounted from the face value of the debt (typically ranging from 30.0% to 60.0% of face value, although the amounts may also exceed this percentage depending on the factors listed above). In the case of paying accounts, debt purchasers acquire annuity-like cash flow streams (even if payments are less than the contracted amount under the terms of the original indebtedness), while for non-paying accounts, they need to make contact with the customer and establish a sustainable and affordable repayment plan. Making contact, and agreeing a repayment plan, with the customer is generally difficult for accounts that have been in default longer, and this is therefore reflected in the lower pricing of such accounts. This drives the variance in indicative pricing for various types of non-paying accounts and paying accounts.

Methods of Debt Sale
There are two main methods used by creditors when structuring a debt sale; Spot and forward flow.

Spot sale
Spot sales are the most common method, since purchasers avoid commitment to fixed prices and sellers can establish a benchmark price without committing to a long-term forward flow arrangement. Spot sales can be undertaken in one or more of the following ways:

- *Auctions*. Debt purchasers comprising a panel are invited to submit bids for portfolios. An auction process can take various forms, including sealed bids or more competitive online procedures, and can be facilitated by a broker or the seller’s management team (typically the latter).

- *Bilateral sale*. Debt sellers engage in discussions with one selected party (or sometimes several parties) and negotiate the sale. In these transactions, sellers target debt purchasers with particular competencies or differentiated abilities to take on a given debt portfolio.
- *In situ sale*. Sale of debt portfolios with the agreement or obligation from a debt purchaser that debt portfolios which are currently serviced by particular agencies or law firms remain with those agencies or law firms for a certain period of time post acquisition. In situ sales can either be bilateral or auction based.
- *Secondary/tertiary sale*. Sale of accounts from a debt purchaser or financial buyer to another debt purchase, either after a limited period of trial collections activity to establish value or after dividing a debt portfolio into smaller components. Secondary/tertiary sales generate additional liquidity by facilitating the release of capital earlier and provide debt sellers with opportunities to sell increasingly larger debt portfolios to well-funded purchasers that can sell on to other debt purchasers parts of the debt portfolios that are less in line with their investment strategy and more suited for specialist collection activity.

Forward flow agreements
Forward flow agreements involve an agreement to sell several similar debt portfolios over a period of time at a predetermined price and specified quality of debt, avoiding fluctuations caused by changes in macroeconomic conditions and the outcomes of precedent auctions.

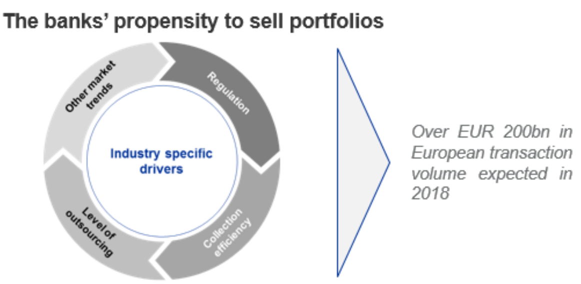
For the debt originator, a forward flow agreement enables the debt originator to facilitate earlier debt sales at better prices with a lower administrative burden and higher on-going predictability of income. For the debt purchaser, forward flow agreements allow the debt purchaser to build deeper relationships with the vendor and to sell additional services with enhanced predictability of volume and quality of debt purchased.

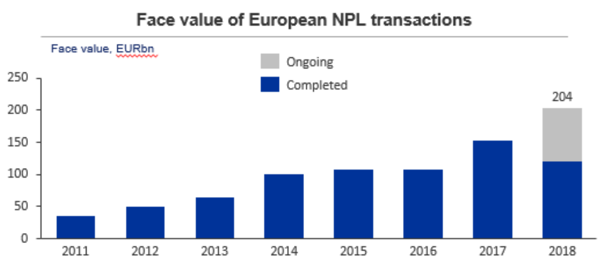
7.3 Overview of Growth Drivers

There are several market and customer trends affecting the current CMS landscape. Cost reduction is an important focus area for creditors, who are increasingly capital focused, and resource constrained. Collections are not a core activity for creditors. In addition, increased regulatory pressure and a maturing market environment are expected to have a positive impact on market evolution.

Industry drivers

- *Regulation*. Changes in banking regulation are providing incentives for financial institutions to decrease their NPLs.
- *Collection efficiency*. Creditors are recognizing the value that debt purchasers provide and are, as a result, selling more debt to debt purchasers.
- *Level of outsourcing*. Creditors are increasingly focused on cost reduction and process efficiencies.
- *Other market trends*. Vendors and bidders are increasingly recognizing benefits from forward flow transactions in facilitating earlier sales, at better prices, with a lower administrative burden. Debt is being sold earlier as vendors recognize better value realization than before.





Source: Deloitte Report, Deleveraging Report 2018 Q3

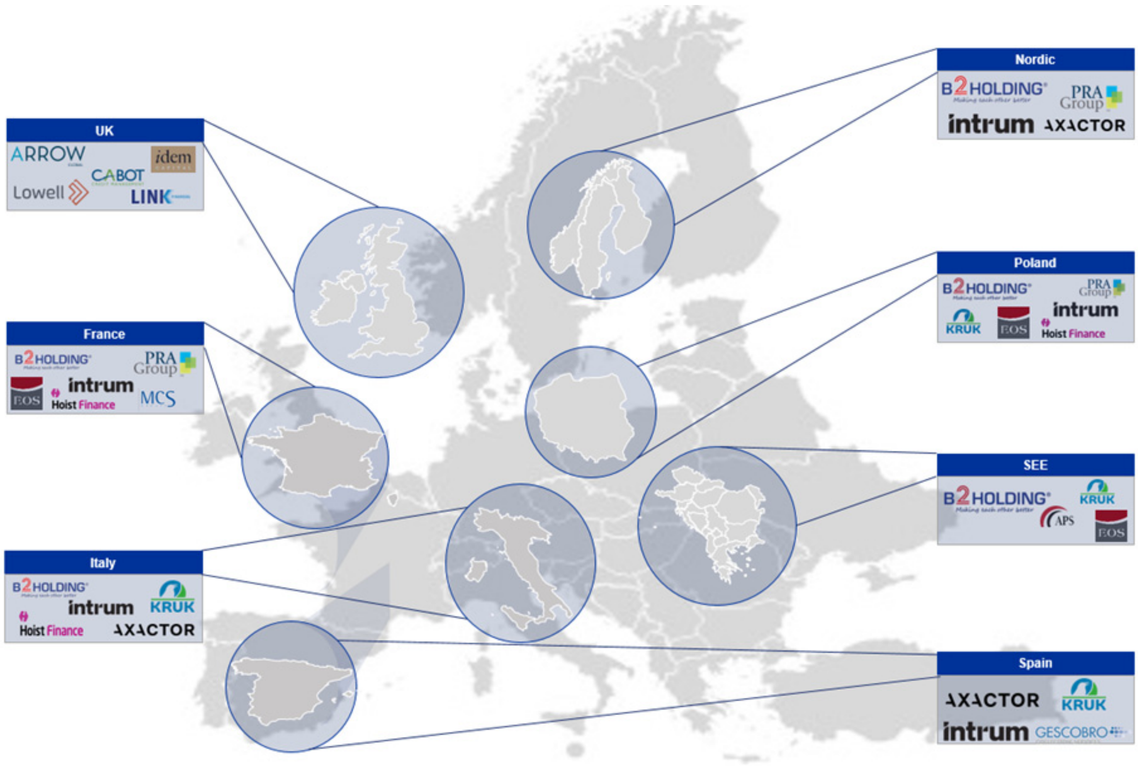
Macroeconomic Drivers
The macroeconomic cycle is an important driver for the debt purchasing market:

- 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.
- When economic growth increases, 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 2008 financial crisis. 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, such as in Northern and Southern Europe, this has resulted in higher prices and downward pressure on internal rate of returns. The increase in competitive bidding intensity is also a result of improvements in debt purchasing collections techniques.

Competitive Environment
As of the date hereof, we have debt collection operations (platforms) in 23 countries and debt portfolios in 23 countries. We therefore face competition on a local, regional and global level, as shown below.



Source: Company information

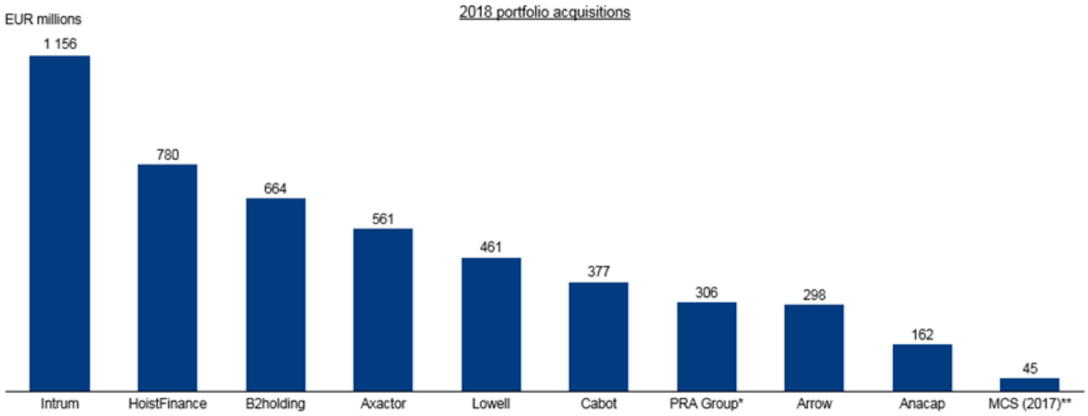
In the mature markets, mainly the Nordic countries, the large integrated players such as Intrum and PRA Group are present while the competition in the Central and Eastern Europe region is more fragmented.

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 Finanse and Best. Casus Finanse was acquired by the Lindorff Group in 2015, which is now part of Intrum.

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.

In Spain, the market continued building momentum through 2018 with a record breaking €35bn in completed NPL and REO portfolio transactions during the H1. Spanish banks are accelerating their deleveraging measures through the disposal of larger portfolios, exemplified by Banco Santander's Project Quassar (€30bn) and BBVA's Project Marina (€12bn). Top buyers in Spain are Lone Star (€12.8bn purchased), Cerberus (€12.5bn purchased) and Axactor (€3.3 bn purchased) (source: Deloitte Report; Deleveraging Report 2018 Q3).

The below graph shows the portfolio purchases for 2018, in Europe. We are an active market participant having purchased portfolios worth €664 million.



Source: Company information, company 2018 annual reports for all companies except for MCS, which is as of the twelve months ended December 30, 2017 due to availability of company information. Converted into euro using average exchange rate for the period.

(*) Europe only.

(**) Twelve months ended December 30, 2017.

The recent portfolio purchases have further strengthened the portfolio and with NOK 22,595 million (€2,331 million) in 120-month ERC as of June 30. 2019, we have established ourselves as a significant debt purchaser in Europe.

8 Trend information

8.1 Negative statements

In the second quarter B2Holding Group continues to show growth in gross cash collection and cash EBITDA in all regions. The underlying collection performance was stable, however the Group reports a loss for Q2 2019 of NOK 270 million following net actualisation/revaluation charges of NOK 421 million. These net charges mainly relate to one-off write downs on secured portfolios in Croatia, Bulgaria and Romania, partly offset by positive revaluations in other countries with Italy being the most significant. Cost to collect is down by 2.7% points compared to the same period last year due to continuous focus on efficiency and operational improvements. Revised covenants in connection with the new bond issue in May gives B2Holding the flexibility to take advantage of new investment opportunities going forward.

For further information see the company’s second quarter report 2019.

Other than the above there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements or any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the Registration Document.

8.2 Information on any known trends

B2Holding has received a waiver from the bank consortium until 30 March 2020, which decreases the minimum equity ratio (excluding book value of IFRS 16 right-of-use asset) from 25.0% to 23.5% and increases the maximum “Total Loan to Value” (TLTV) ratio from 75.0% to 76.5%. The temporary changes secure the Group sufficient headroom (given the one-off write down) to continue to comply with the financial covenants. The company was in compliance with all financial covenants in relation to the RCF as of Q2 2019.

The Group maintained its corporate family rating of Ba3 and BB- from Moody’s and S&P respectively.

9 Profit forecasts and estimates

N/A, no information about profit forecasts or estimates in the Registration Document.

10 Administrative, management and supervisory bodies

10.1 Information about persons

Board of Directors

Name	Position
Jon Harald Nordbrekken	Chairman
Per Kristian Spone	Board member
Kari Skeidsvoll Moe	Board member
Adele Bugge Norman Pran	Board member
Nils Hjalte Niklas Wiberg	Board member
Kjetil Andreas Garstad	Deputy board member
Grethe Wittenberg Meier	Deputy board member

The address for each member of the Board of Directors is B2Holding ASA, PO. Box 1726, Vika, 0121, Oslo, Norway.

Jon Harald Nordbrekken, Chairman and Founder
Jon Harald Nordbekken was born in Røros, Norway on June 24, 1952. He holds a degree in marketing management from Markedshøyskolen. Between 1988 and 1991 he was CEO of Intrum Justitia Norway, before which he was the Intrum Market Director for a year. In 1991 he founded Aktiv Kapital where he was CEO until 1999 and Chairman from 1999 to 2004. In 2005, Mr. Nordbekken founded B2Holding AS and Bank2 ASA. In 2007, B2Holding AS changed its name to Gothia Financial Group AS and was sold to Hercules Kapital at the end of 2008. Following this transaction, Mr. Nordbekken was subject to non-compete clauses for three years before he founded the new B2Holding ASA at the end of 2011 together with Olav Dalen Zahl. He has been the Chairman of the board since then.

Per Kristian Spone, Board Member
Per Kristian Spone was born in Oslo, Norway on April 27, 1973. He holds a HRS degree (Nw.:"Høyere revisorsstudium") from the Norwegian School of Economics and a Master of Science degree in economics and business administration from Bedriftsøkonomisk Institutt. Between 2006 and 2009, Mr. Spone was vice president as Linstow Hotels AS. Thereafter he worked as a senior advisor in transactions at DnB NOR Næringsmegling AS between 2010 and 2011. From 2011 to 2018 Mr. Spone held the position as CEO of Indigo Invest AS, an investment company owned by the Bentsen family. Mr. Spone currently serves on the boards of several companies and is the CEO and Chairman of Spone Invest AS. Per Kristian Spone has been a member of the board since March 2012.

Kari Skeidsvoll Moe, Board Member
Kari Skeidsvoll Moe was born in Lom, Norway on April 30, 1975. She holds a law degree from the University of Oslo, a Master of Laws degree from Humboldt Universität in Berlin and a postgraduate diploma from King's College in London. Between 2012 and 2015, she has worked as vice president and legal manager at Norsk Hydro ASA/Norsk Hydro Brasil Ltda. Between 2005 and 2012 she was legal counsel for Norsk Hydro ASA where she was also the legal manager for Hydro Energi. Kari Skeidsvoll Moe is currently general legal counsel as TrønderEnergi AS and the Chairman of TrønderEnergi AS' largest subsidiary, TrønderEnergi Nett AS. She also holds the following other directorships: Equinor ASA (member of the Corporate Assembly since May 2016); Sintef Venture IV AS (board member since May 2017); Sintef Venture V (board member since August 2018) and Fosen Vind DA (board member since January 2019).Kari Skeidsvoll Moe has been a member of the board since April 2016.

Adele Bugge Norman Pran, Board Member
Adele Bugge Norman Pran was born in Oslo, Norway on June 15, 1970. She holds a HRS degree (Nw.: "Høyere revisorsstudium") from the Norwegian School of Economics, a Master of Laws from University of Oslo and an International Baccalaureate Diploma from United World College of the Atlantis, Wales. Pran has previously served as a partner and CFO of Herkules Capital AS, a private equity fund located in Oslo and as a Senior Manager in PwC. Adele Bugge Norman Pran is currently a board member of Betnik AS, Mesta AS, ABG Sundal Collier ASA and Løvenskiold Fossum. Previous directorships and senior management positions in the last five years include partner and CFO of Herkules Capital, board member of Herkules portfolio entities and funds, Herkules Capital AS, Herkules Capital IV AS, YCMT AS, Norsk Venture Capital Associtaion (NVCA) and Forskningsrådet FORNYprogram. Adele Bugge Norman Pran has been a member of the board since May 2018.

Nils Hjalte Niklas Wiberg, Board Member
Nils H.N. Wiberg was born in Gällinge, Sweden on August 5, 1978. He holds a Magister level degree in business with a specialization in accounting, finance and entrepreneurship from the University of Gothenburg. Since 2001, Mr. Wiberg has been executive vice president and deputy CEO of Prioritet Group AB. He was a member of the board between 2013 and 2016 and became a deputy member in 2016. Mr. Wiberg also holds directorships at 365id AB and A Group of Friends Investments AB. Nils H. N. Wiberg has been a member of the board since May 2018.

Kjetil Garstad, Deputy Board Member
Kjetil Garstad was born in Lørenskog, Norway on 21 July, 1976. He holds a Master of Science from the Norwegian School of Economics and a Bachelor in history from the University of Oslo. Kjetil Garstad is currently an analyst and portfolio manager of Stenshagen Invest AS, an investment company owned by the Stenshagen family. Kjetil Garstad has previous experience as head of oil services research and partner at Arctic Securities AS, oil services analyst and equity from Skandinaviska Enskilda Banken AB (publ), both in Oslo and London, and as M&A analyst of UBS AG, London. Kjetil Garstad has been a deputy member of the board since May 2018.

Grethe Wittenberg Meier, Deputy Board Member
Grethe Wittenberg Meier was born in Oslo, Norway on 28 February, 1965. She holds a Bachelor of Commerce/Business Studies from the Norwegian Business School (BI). Grethe Wittenberg Meier is currently the CEO of PrivatMegleren AS, Chairman of Eiendom Norge AS and board member of Fitness Group Nordic AS, Norges Håndballforbunds Fondsstyre (Norwegian Handball Association Fund Management) and Nyeboliger AS. Her previous positions include CEO at Terra Aktiv Eiendomsmegling AS, CEO at SATS Norway AS, CEO at Vita AS and marketing director at Bank2 AS. Grethe Wittenberg Meier has been a deputy member of the board since May 2018.

Management

Name	Position
Erik Just Johnsen	Chief Executive Officer (interim) / Chief Financial Officer
J. Harald Henriksen	Chief Governance Officer
Cecilie Kjelland	Chief Legal and Compliance Officer
Rasmus Hansson	Director M&A and Investor Relations
Johannes Raschke	Chief Investment Officer
Jeremi Bobowski	Chief Risk Officer
Guro Becker	HR Director
Adam Parfiniewicz	Head of Unsecured and Regional Director Poland, Finland & Baltics
Maria Haddad	Regional Director Western Europe
George Christoforou	Head of Secured and Regional Director Central and South East Europe
Tore Krogstad	Regional Director Scandinavia

The business address of each of the members of the Management is B2Holding ASA, PO. Box 1726, Vika, 0121, Oslo, Norway.

Erik Just Johnsen, Chief Executive Officer (interim) / Chief Financial Officer
Erik Just Johnsen was born in Bergen, Norway on February 22, 1961. He holds a Bachelor of Business Administration degree with a major in finance from the University of Wisconsin and a Master of Business Administration degree with a major in finance from the University of Chicago. Mr. Johnsen held various positions in Orkla Finans and Elkem before operating Erling Johnsen AS from 1992 to 2000 as the CEO and managing director. He was later CFO of Northstar Ind. Inc. and Marine Subsea. Erik Just Johnsen joined the Company in 2013 and held the position of Chief Group Controller until January 15, 2017. He became the Company's CFO on January 16, 2017.

J. Harald Henriksen, Chief Governance Officer
J. Harald Henriksen was born in Oslo, Norway on January 6, 1955. He holds a Master of Science degree in Business Administration from the Norwegian School of Economics. Prior to joining the Company, Mr. Henriksen has held various controller positions at Elkem ASA and Poseidon AS and was CFO of the stock listed companies I M Skaugen ASA, Actinor Shipping ASA and Aktiv Kapital ASA. He also served as fund manager and CFO in the shipping investment portfolios under ABG Sundal Collier ASA. J. Harald Henriksen joined the Company in January 2015 and held the position of CFO until January 15, 2017. He became the Company's Chief Compliance Officer on January 16, 2017.

Rasmus Hansson, Director M&A and Investor Relations
Rasmus Hansson was born in London, England on July 30, 1972. He holds a Bachelor of Science degree from the University of Oslo in economics and political science and a Master of Science degree in management from the London School of Economics. Mr. Hansson has held various positions at, among others, Telenor Venture, Moe Securities, Hoist, Hansson & Co and Hafslund Venture. Rasmus Hansson joined the Company in January 2015.

Cecilie Kjelland, Chief Legal and Compliance Officer
Cecilie Kjelland was born in Oslo, 27.02.1967. She holds a Law degree from University of Oslo, a LL.M. Degree from Universität Bochum and a Ph.D. in International and Comparative Sales Law from University of Freiburg.
She has previously worked and held various positions in Norsk Hydro ASA and Yara International ASA for the past 17 years including; Legal Counsel, Corporate Secretary and Head of Data Privacy, as well as internal Board memberships. Cecilie Kjelland has several publications on the fields of Corporate Governance, Company Law and International law, and is frequent speaker on the fields of Corporate Governance, Compliance and Data Privacy. She is Vice President in European Company Lawyers Association (ECLA).

Guro Becker, HR director
Guro Becker was born in Askim 05.04.1976. She holds a Master’s degree in economics, specializing in organizational psychology from BI Norwegian Business School. Guro has nearly 20 years of experience in the field of HR working in various companies in the IT industry. This includes the entrepreneurial software company Mamut ASA where she took part in building HR from scratch and the global cooperation Dell Technologies where she headed up HR for Norway and Sweden. Guro also has experience from the engineering industry as HR lead in a large family owned company.

Johannes Raschke, Chief Investment Officer
Johannes Raschke was born in Berlin, Germany on 8 April, 1981. He holds a Diploma in Business Administration from the University of Applied Sciences in Berlin and is a CFA charterholder since 2016. Mr. Raschke has extensive experience in Finance and Investments with international listed companies and before joining B2 Holding has worked in Private Equity and Real Estate. Johannes Raschke joined B2Holding in January 2017 and held the position of Group Head of Portfolio Management prior to his assignment as CIO.

Jeremi Bobowski, Chief Risk Officer
Jeremi Bobowski was born in Wroclaw, Poland on April 13, 1978. He holds a Master of Science degree with a major in mathematics and statistics from the Technical University in Wrocław. He has held various positions at Credit Agricole Bank Poland, AIG and Arthur Andersen. Jeremi Bobowski joined the Ultimo Group in 2013 and held the position of Chief Risk Officer between 2014 and 2015. He became the Chief Investment Officer in June 2015.

Tore Krogstad, Regional Director Scandinavia
Tore Krogstad was born in Kongsvinger on March 30, 1967. He holds.a Bachelor of Science in police studies from The Norwegian Police University College. Prior to joining the Company, he worked as country manager in Avida Finans AB NUF and Avida Inkasso AS. Mr. Krogstad became the regional director for Scandanavia on March 1, 2018.

Adam Parfiniewicz, Head of Unsecured and Regional Director Poland, Finland & Baltics
Adam Parfiniewicz was born in Warsaw, Poland on February 8, 1971. He holds a Bachelor of Business Administration degree from the University of Warsaw. He previously held various management positions at Polish retail banks, including PBK, Credit Agricole and BNP Paribas. He also served as CEO of PolCard (a card processor) and Expander (a mortgage and investments broker). Adam Parfiniewicz joined the Group on September 1, 2016.

Maria Haddad, Regional Director Western Europe
Maria Haddad was born in Madrid, Spain on February 10, 1966. She has a degree in Law from Universidad Complutense and an MSC in Tax Law from Institute de Empresa in Madrid. Maria has more than 20 years of experience in the NPL market. Previous positions include Country Manager for Aktiv Kapital in Spain with responsibility for portfolios in France, Italy and Portugal, Country Manager for Arvato Financial Solutions in Spain and Board Member and General Secretary at the National Collection Association in Spain.

George Christoforou, Head of Secured and Regional Director Central and South East Europe
George Christoforou was born in Cyprus, on 19 March 1967. He holds an MBA from London Business School and has held various positions in banking and corporate finance, including serving as CEO for Bank of Cyprus in Romania. He specialised in NPL management during the Greek and Cypriot financial crises and has held the position as Chief of Portfolios in the Greek single liquidation entity PQH.

10.2 Administrative, management and supervisory bodies conflicts of interest

There are no potential conflicts of interests between any duties carried out on behalf of the Issuer, by the persons referred to in item 10.1 and their private interests or other duties.

11 Major shareholders

11.1 Ownership

The Issuer's largest shareholders are Prioritet Group AB and the Norwegian family office Rasmussengruppen AS. Below is an overview of the 20 largest shareholders in the Issuer as of 2 September 2019.

Investor	Number of shares	% of total shareholders	% of 20 largest shareholders	Type	Country
PRIORITET GROUP AB	52,913,000	12.91	21.02	COMP	SWE
RASMUSSENGRUPPEN AS	43,073,236	10.51	17.11	COMP	NOR
VALSET INVEST AS	25,000,000	6.1	9.93	COMP	NOR
VERDIPAPIRFONDET DNB NORGE (IV)	18,547,347	4.52	7.37	COMP	NOR
STENSHAGEN INVEST AS	17,893,376	4.36	7.11	COMP	NOR
K11 INVESTOR AS	8,766,680	2.14	3.48	COMP	NOR
BRYN INVEST AS	8,676,690	2.12	3.45	COMP	NOR
VEVLEN GÅRD AS	8,250,000	2.01	3.28	COMP	NOR
RUNE BENTSEN AS	8,191,680	2	3.25	COMP	NOR
VERDIPAPIRFONDET ALFRED BERG GAMBA	7,825,891	1.91	3.11	COMP	NOR
ARCTIC FUNDS PLC	6,604,983	1.61	2.62	COMP	IRL
VERDIPAPIRFONDET PARETO INVESTMENT	6,381,405	1.56	2.54	COMP	NOR
VERDIPAPIRFONDET ALFRED BERG NORGE	5,991,948	1.46	2.38	COMP	NOR
GREENWAY AS	5,802,368	1.42	2.31	COMP	NOR
SWEDBANK ROBUR NORDENFON	5,400,000	1.32	2.15	COMP	SWE
STOREBRAND NORGE I VERDIPAPIRFOND	5,273,531	1.29	2.1	COMP	NOR
ARCTIC FUNDS PLC	4,779,734	1.17	1.9	COMP	IRL
U.S. BANK NATIONAL ASSOCIATION	4,490,125	1.1	1.78	NOM	USA
VERDIPAPIRFONDET ALFRED BERG AKTIV	4,353,924	1.06	1.73	COMP	NOR
LIN AS	3,501,670	0.85	1.39	COMP	NOR

11.2 Change in control of the issuer

There are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

To the extent known to the issuer, the issuer is not directly or indirectly owned or controlled.

12 Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses

12.1 Financial Information

The consolidated financial statements of B2Holding ASA per 31 December 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU and interpretations set by the International Accounting Standards Board (IASB).

B2Holding's accounting policies per 31 December 2018 is shown in the Company Annual Report 2018, note 2, pages 110-117.

According to the Regulation (EU) 2017/1129 of the European Parliament and of the Council, information in a prospectus may be incorporated by reference.

Because of the complexity in the historical financial information and financial statements this information is incorporated by reference to the Q2 Report 2019 and the Annual Report 2018.
Please see Cross Reference List for complete references.

	Half-year Report 2019 Unaudited	Annual Report 2018 Audited
B2Holding ASA Consolidated		
Consolidated income statement	Page 6	Page 102
Consolidated statement of total comprehensive income	Page 6	Page 103
Consolidated statement of financial position	Page 7	Page 104
Consolidated statement of cash flow	Page 8	Page 106
Notes	Pages 9-18	Pages 107-164
B2Holding ASA		
Parent company income statement		Page 165
Parent company balance sheet		Page 166
Parent company cash flow statement		Page 167
Notes		Pages 168-180

12.2 Auditing of annual financial information

12.2.1 Statement of audited financial information

The financial information for 2018 has been audited.

A statement of audited financial information is given in Annual Report 2018 page 182-185

12.2.2 Other audited information

The are no other information in the Registration Document which has been audited by the auditors.

12.2.3 Other financial information

Annual financial information in the Registration Document is extracted from the Issuer's audited financial statements. The financial information per 30 June 2019 is extracted from the Issuer's Half-year Report 2019

The Half-year Financial Report 2019 is unaudited.

12.4 Legal and arbitration proceedings

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the previous 12 months which may have, or have had in the recent past significant effects on the Issuer and/or Groups financial position or profitability.

12.5 Significant change in the financial or trading position

There has been no significant change in the financial position of the Group which has occured since the end of the last financial period for which either audited financial statements or interim financial information have been published.

13 Regulatory disclosures

Category	Date	Message Title
Additional Regulated information	9 October 2019	B2Holding ASA: New Group organization and management structure
	26 August 2019	Market update 2 quarter 2019 - net actualisation/revaluation charges of NOK 421 million which mainly relate to one-off net write down on Secured Portfolios in Croatia, Bulgaria and Romania.
	15 August 2019	Olav Dalen Zahl steps down as CEO of B2Holding
	26 June 2019	B2Holding: Long Term Share Option Program initiated
	24 May 2019	Annual General Meeting held on 24 May 2019
	3 May 2019	Notice for Annual General Meeting
	2 May 2019	B2Holding obtains Croatian regulatory approval
	29 April 2019	Moody's Affirms B2Holding's Corporate Family Rating (CFR) at "Ba3"
	17 April 2019	B2Holding acquires a portfolio of non-performing secured and unsecured loans in Italy
	22 March 2019	B2Holding ASA: Cross-border upstream merger
	28 February 2019	Key information relating to the cash dividend to be paid by B2Holding ASA
	16 January 2019	B2Holding acquires a non-performing secured corporate loan portfolio in Croatia
	13 December 2018	Moody's Affirms B2Holding's Corporate Family Rating (CFR) at "Ba3"
	28 September 2018	B2Holding acquires a non-performing loan portfolio from UniCredit Bulbank (Bulgaria)
Non-regulatory press releases	18 June 2019	New Regional Director Finland & Baltics
	25 Oct 2018	New Regional Director Western Europe
Inside information	16 May 2019	Successfully Completed New Bond Issue of 200mEUR
Annual and Half Yearly Financial Reports and Audit Reports	30 August 2019	Second quarter and first half year 2019 results
	24 May 2019	Strong Growth in Q1 with all time high Gross collection
	29 April 2019	B2Holding Annual Report 2019
	28 February 2019	B2Holding ASA – 4Q 2018 Report
	28 November 2018	B2Holding AS Q3 2018 Report
Major shareholdings notification	9 July 2019	Flagging
	5 July 2019	Flagging
	22 May 2019	Disclosure of voting rights for the Chairman of the Board
	10 September 2018	Flagging
Total Number of voting rights and capital	25 January 2019	B2Holding New Share capital
	2 October 2018	B2Holding New Share capital
Mandatory Notification of Trade	4 September 2019	Mandatory notification of trade by Primary Insider
	2 September 2019	Mandatory notification of trade by Primary Insider
	30 August 2019	Mandatory notification of trade by Primary Insider
	12 March 2019	Mandatory notification of trade by Primary Insider
	11 March 2019	Mandatory notification of trade by Primary Insider
	1 January 2019	Primary insider's exercise of employee share options
	14 December 2018	Mandatory notification of trade by Primary Insider
	12 December 2018	Mandatory notification of trade by Primary Insider
	7 December 2018	Mandatory notification of trade by Primary Insider
	30 November 2018	Mandatory notification of trade by Primary Insider
	29 November 2018	Mandatory notification of trade by Primary Insider
	28 November 2018	Mandatory notification of trade by Primary Insider
	9 October 2018	Mandatory notification of trade by Primary Insider
	3 September 2018	Primary insider's exercise of employee share options

14 Material contracts

No material contracts that are not entered into in the ordinary course of the issuer's business.

15 Third Party information

Part of the information given in this Registration Document has been sourced from a third party. It is hereby confirmed that the information has been accurately reproduced and that as far as B2Holding ASA is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The following table lists such third parties:

Third party	Source	Section(s) in Registration Document
International Monetary Fund	DataMapper	6.3 Georaphical Segments
Raiffeisen Bank	CEE Banking Sector Report	6.3 Georaphical Segments
European Banking Authority	EBA Risk Dashboard Q4 2018	6.4 Strengths, 6.5 Strategy, 7.1 Overview
Deloitte	Deleveraging Report Q3 2018	6.4 Strengths, 7. Overview, 7.3 Overview of Growth Drivers
Intrum AB	Capital Markets Day 2017 presentation	6.4 Strenghts
Deloitte	Deleveraging Report 2017-2018 Q3	7. Overview
KPMG	Non-performing loans in Europe, August 2018	7. Overview
European Central Bank	Financial Stability Review, November 2018	7. Overview

IMF	Data mapper	https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD
Raiffeisen Bank	CEE Banking Sector Report	http://www.rbinternational.com/ceebankingsectorreport2018 *(must register for access to report)*
EBA	EBA Risk Dashboard Q4 2018	https://eba.europa.eu/documents/10180/2666948/EBA+Dashboard+-+Q4+2018.pdf/5836f313-b390-4f24-99bf-815fc036a7ce
Deloitte	Deleveraging Report Q3 2018	https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/corporate-finance/deloitte-uk-deleveraging-report-q3-2018-updated.pdf
Intrum AB	CMD 2017	https://www.intrum.com/media/2959/ijab_cmd_171207.pdf
Deloitte	Global Deleveraging report 2017-2018	https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/corporate-finance/deloitte-uk-global-deleveraging-report-2017-2018.pdf
KPMG	NPL Europe August 2018	https://assets.kpmg/content/dam/kpmg/xx/pdf/2017/05/non-performing-loans-in-europe.pdf
ECB	Financial Stability review, November 2018	https://www.ecb.europa.eu/pub/pdf/fsr/ecb.fsr201811.en.pdf

16 Documents on display

The following documents (or copies thereof) may be inspected for the life of the Registration Document at the headquarters of B2Holding ASA, Stortingsgata 22, 0161 Oslo, Norway or on the website: https://www.b2holding.no

a) the up to date memorandum and articles of association of B2Holding ASA;
b) all reports, letters, and other documents, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in the Registration Document

Cross Reference List

Reference in Registration Document	Refers to	Details
11.1 Historical Financial Information	Annual Report 2018, available at: https://www.b2holding.no/content/download/772/6034/version/3/file/B2Holding%20Annual%20Report%202018.pdf	Accounting policies, note 2 pages 110-117
	Half-year Report 2019, available at: https://www.b2holding.no/Investor-Relations/Financial-reports/Interim-reports	Consolidated income statement, page 6 Consolidated statement of total comprehensive income, page 6 Consolidated statement of financial position, page 7 Consolidated statement of cash flows, page 8 Notes, pages 9-18
	Annual Report 2018, available at: https://www.b2holding.no/content/download/772/6034/version/3/file/B2Holding%20Annual%20Report%202018.pdf	Consolidated income statement, page 102 Consolidated statement of total comprehensive income, page 103 Consolidated statement of financial position, page 104 Consolidated statement of cash flows, page 106 Notes, pages 107-164 Parent company income statement, page 165 Parent company balance sheet, page 166 Parent company cashflow statement, page 167 Parent company Notes, pages 168-180
11.3.1 Statement of audited historical financial information	Company Annual Report 2018, available at: https://www.b2holding.no/content/download/772/6034/version/3/file/B2Holding%20Annual%20Report%202018.pdf	Auditor's report 2018, pages 182-185

References to the above mentioned documents are limited to information given in "Details", e.g. that the non-incorporated parts are either not relevant for the investor or covered elsewhere in the prospectus.

Joint Global Coordinator's and Joint Lead Managers' disclaimer

DNB Bank ASA, DNB Markets and Nordea Bank Abp, filial i Norge the Joint Global Coordinators and DNB Bank ASA, DNB Markets and Nordea Bank AB (publ) filial i Norge, Swedbank Norge and Artic Securities AS, the Joint Lead Managers, have assisted the Company in preparing the Registration Document. The Joint Global Coordinators and the Joint Lead Managers have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Joint Global Coordinators and the Joint Lead Managers The Joint Global Coordinators and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this Registration Document or any other information supplied in connection with the issuance or distribution of bonds by B2Holding ASA.

This Registration Document is subject to the general business terms of the Joint Global Coordinators and the Joint Lead Managers, available at their respective websites. Confidentiality rules and internal rules restricting the exchange of information between different parts of the Joint Global Coordinators and the Joint Lead Managers the Joint Lead Managers may prevent employees of the Joint Lead Managers who are preparing this Registration Document from utilizing or being aware of information available to the Joint Global Coordinators and the Joint Lead Managers the Joint Lead Managers and/or any of their affiliated companies and which may be relevant to the recipient's decisions.

Each person receiving this Registration Document acknowledges that such person has not relied on the Joint Lead Managers, nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

Oslo, 18 October 2019

DNB Bank ASA, DNB Markets   Nordea Bank AB (publ) filial i Norge

Joint Global Coordinators

DNB Bank ASA, DNB Markets   Nordea Bank AB (publ) filial i Norge

Swedbank Norge   Arctic Securities AS

Joint Lead Managers

Annex 1 Articles of association

Please see:
https://www.b2holding.no/content/download/750/5897/file/B2Holding%20ASA%20-%20Articles%20of%20association.pdf