LINDORFF

Q2

QUARTERLY REPORT

2015

Financial highlights*

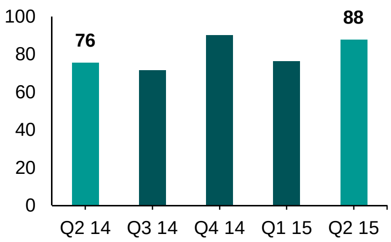
- Net revenue of EUR 128 m in Q2, up 13% y/y (constant currency)
- Adjusted EBITDA of EUR 88m in Q2, up 16% y/y (excl. NRI's)
- Investments in Debt Purchasing amounted to EUR 29 m

Adjusted EBITDA
Up 16%

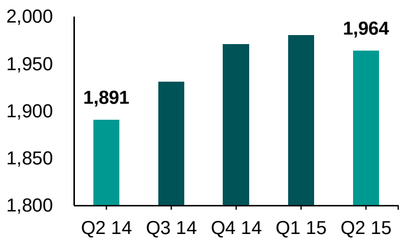
ERC
Up 4%

Investments
EUR 29m

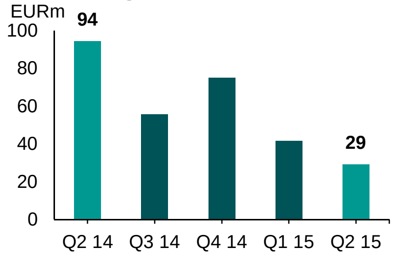
Adj. EBITDA (excl. NRI's)
EURm



ERC 180 month
EURm



Investments in Debt Purchasing
EURm



EURm unless otherwise stated	Apr-Jun 2015	Proforma Apr-Jun 2014*	Change %	Jan-Jun 2015	Proforma Jan-Jun 2014*	Change %	Proforma Jan-Dec 2014*	Proforma LTM
Revenues	128	115	11%	258	226	15%	475	508
EBITDA	48	46	4%	87	76	14%	141	152
EBITDA margin (%)	37%	40%		34%	34%		30%	30%
EBITDA excl. NRI's	52	47	12%	97	81	20%	173	190
Adjusted EBITDA	84	75	12%	154	130	19%	264	288
Adjusted EBITDA excl. NRI's	88	76	16%	164	134	22%	296	326
NIBD	1,741	996	75%	1,741	996	75%	1,659	1,741
NIBD / Adjusted EBITDA (LTM), ratio								5.1
ERC, end of period	1,964	1,891	4%	1,964	1,891	4%	1,971	1,964
Investments in Debt Purchasing	29	94	-69%	71	144	-51%	275	202
Return in Debt Purchasing	15.6 %	15.2 %		15.6 %	15.7 %		15.5 %	15.6 %
Gross collection in Debt Purchasing	96	82	18%	187	157	19%	340	370
Average number of FTEs	3,269	2,764	18%	3,202	2,722	18%	2,827	3,069

* Lock Lower Holding AS was established 22 May 2014 and acquired Lindorff AB through Lock AS 6 October 2014. All information relating to Q2 2015 and 1H 2015 are based on consolidated numbers of Lock Lower Holding AS. All comparisons to previous periods are based on consolidated numbers of Lindorff AB (but not including pro forma for the Spanish acquisition).

Operational and Market update

Sustained double digit growth

Lindorff continued its strong revenue growth in Q2, delivering Net revenues of EUR 128m representing an increase of 11% compared to the same quarter last year. The increase was 13% in constant currency. The acquisition in Spain in Q3 2014 contributed notably to the growth, but adjusted for the acquisition the growth was 2%.

Lindorff continues to deliver profitable growth. Adjusted EBITDA excluding NRI's was up 16% compared to the same quarter last year, coming in at EUR 88m. Adjusting for the Spanish acquisition, the Adjusted EBITDA was up 5% compared to last year.

Investments in Debt Purchasing amounted to EUR 29m in the quarter compared to EUR 94m in the same quarter last year. Collection performance continues to be above the forecast, delivering 106% in Q2.

The portfolio investments continue to improve the foundation for growth in the Debt Purchasing segment. At 30 June 2015, estimated remaining collections (ERC 180 months) total EUR 1,964m, which is up 4% from Q2 last year.

For the first six months of 2015 Net revenue and Adjusted EBITDA excluding NRI's were EUR 258m and EUR 164m, representing an increase compared to last year of 15% and 22% respectively. The increase in constant currency was 17% and 24%. Investments in Debt Purchasing amounted to EUR 71m for the first six months of 2015 - although timing of certain investments impacted the first half cumulative investment amount. YTD investments are in line with the investment pace in 2014.

This provides a very strong foundation for continued growth in the Debt Purchasing segment.

Solid performance across business lines

During the first six months of 2015 we have seen the favourable market conditions continue with high activity in NPL's available for sale as well as several new opportunities emerging for outsourcing of collection units from Financial Institutions. There is significant competition in the market, but Lindorff has maintained pricing discipline.

The implementation of Lindorff Business Services center in Lithuania is advancing according to plan and while certain extra costs have been incurred in recent periods as expected due to preparations and ramp-up, the LBS platform is expected to have a meaningful positive impact on the operational efficiency of the group.

Debt Collection makes up 49% of net revenue in Q2, maintaining a well-balanced business mix. The Debt Purchasing business accounts for 48% of revenue, which is up from 46% in the previous quarter. In terms of geographical revenue distribution, we are continuing to see a more diversified mix between the Nordics and the rest of Europe.

In Q4 2014 Lindorff started an extensive on-boarding and implementation of an acquired collection unit in Spain. The implementation and ramp-up of FTE's is progressing. The Spanish organisation has executed according to plan and resources have been dedicated to achieve a successful implementation. We are currently working closely with the client in order to receive the volume of claims agreed in the contract, and we will continue to adjust the number of FTE's accordingly in order to deliver strong profitability.

As a result of the acquisition in Spain our Debt Collection segment has grown to 49% of the business mix in Q2 after a strong period for investment in Debt Purchasing in 2014. For the Debt Purchasing segment, 2014 was a strong year with Investments of EUR 275m. Adjusting for timing effects 1H the investment pace YTD July is at the same level as last year. Lindorff is continuing to explore new markets and new products to strengthen future growth.

Financial review Q2 2015

Lindorff Group

Lock Lower Holding AS parent company

From 6 October 2014 Lindorff Group consists of Lock Lower Holding AS with subsidiary Lock AS together with Lindorff AB (former Lindorff First Holding AB) and its subsidiaries. As there are no comparable Q2 2014 and 1H 2014 financial statements for the new Lindorff group, all comparisons and comments to Q2 2014 and the 1H year 2014 figures are based on consolidated numbers for Lindorff AB group, but not including proforma for the Spanish acquisition.

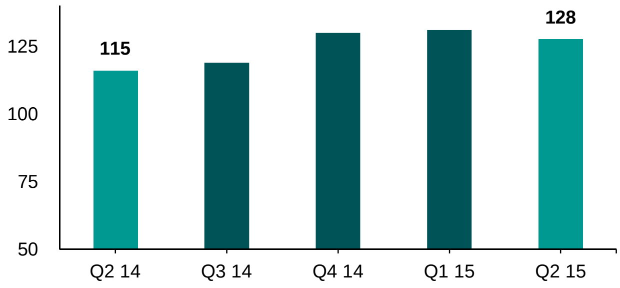
Q2 2015 is the group's third quarter of operation in its current organisational structure. Throughout the report the term Lindorff and Lindorff Group means Lock Lower Holding AS and its subsidiaries. Parent company is Lock Lower Holding AS.

Net revenue

Net revenue was EUR 128m in Q2 2015. This represents an increase of 11% compared to EUR 115m in Q2 2014. In constant currency the growth rate was 13%. The increase in revenue was mainly driven by the acquired collection unit in Spain in 2014, as well as significant investments in Debt Purchasing from 2014 combined with continued strong collection performance.

Net revenue in 1H 2015 was EUR 258m, representing an increase of 15% compared to 1H 2014. In constant currency the increase was 17%. The development was driven by a number of factors including several portfolio acquisitions in 2H 2014.The revenue contribution from the acquired collection unit in Spain was EUR 12m in Q2, although a correction of revenue in the early stage of the implementation phase related to Q1 of EUR 1.8m resulted in reported Q2 revenue of EUR 10.2m. For the first six months of 2015 the revenue contribution from the Spanish acquisition was EUR 23.4m.

Net revenue
EURm



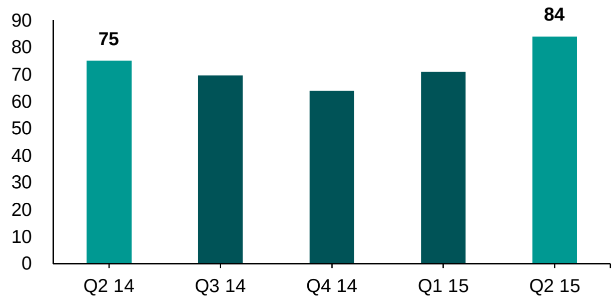
Earnings

The reported Adjusted EBITDA amounted to EUR 84m in Q2 2015 compared to EUR 75m in Q2 2014. Excluding non-recurring items, the adjusted EBITDA was EUR 88m in the second quarter, up EUR 16% compared to last year.

The reported Adjusted EBITDA for 1H 2015 was EUR 154m compared to EUR 130m in 1H 2014. Excluding NRI's, the YTD Adjusted EBITDA was EUR 164m, up 22% from EUR 134m in 1H 2014.

The reported EBITDA for the second quarter was EUR 48m compared to EUR 46m in Q2 2014. The EBITDA margin was 37% in Q2 2015 compare to 40% in Q2 2014. Adjusting for NRI's, the Q2 EBITDA margin was 41%.

Adjusted EBITDA (reported)
EURm



Operating expenses

Total operating expenses excluding depreciation and amortisation amounted to EUR 80m in the current quarter, up from EUR 69m in Q2 2014. Total operating expenses for the first six months of 2015 ended at EUR 171m, up from EUR 149m last year.

In Q2 2015 employee benefit expenses increased EUR 6m or 16% compared to Q2 2014. For the first six months of 2015 employee benefit expenses was EUR 90m compared to EUR 82m in 1H 2014. The increase related mainly to increased number of FTEs in connection with the acquisition in Spain in Q4 2014.

Other operating costs increased EUR 5m in second quarter 2015 from EUR 19m in 2014 to EUR 24m. The increase is mainly related to restructuring costs in Denmark and consulting fees related to interim management.

For the first six months of 2015 other operating cost increased 33%, from EUR 41m in 1H 2014 to EUR 54m in 1H 2015. The increase is mainly related to restructuring costs in Denmark and consulting fees.

Non-recurring items was EUR 10m in 1H 2015 compared to EUR 5m in 1H 2014. The EUR 10m is mainly restructuring expenses related to a site consolidation in Denmark, as well as start-up cost for Lindorff Business Services, Lindorffs newly established shared service center in Vilnius.

Depreciation and Amortisation

Depreciation and amortisation (excl. portfolio amortisation) increased from EUR 3m in Q2 2014 to EUR 9m in Q2 2015 and from EUR 7m in 1H 2014 to EUR 18m in 1H 2015. The increase was mainly due to amortisation of the collection contract acquired in Spain in Q4 2014.

SG&A and IT

SG&A and IT costs (including EUR 2.5m restructuring cost in Denmark) increased by 13% from EUR 18m in Q2 2014 to EUR 20m in Q2 2015. SG&A/Net revenue ratio decreased from 10% in Q2 2014 to 9% in Q2 2015, while IT/Net revenue ratio increased from 6% in Q2 2014 to 7% in Q2 2015.

For the first six months of 2015 SG&A and IT costs (including EUR 2.5m restructuring cost in Denmark) increased by 16% from EUR 39m in 1H 2014 to EUR 46m. SG&A/Net revenue ratio increased from 10% in 1H 2014 to 11% in 1H 2015, while IT/Net revenue ratio remained 7% in 1H 2015, same as in 1H 2014.

Net financial items

Net financial costs increased from EUR 19m in Q2 2014 to EUR 40m in Q2 2015. Net financial costs for 1H 2015 was EUR 76m compared to EUR 43m in 1H 2014.

The increased interest expense relates mainly to the new financing structure and interest expense on bonds together with unrealised foreign currency exchange effects.

Investments and cash flow

Investments in Debt Purchasing came in at EUR 29m in the second quarter compared to EUR 94m in Q2 2014.

For the first half of 2015, investments in Debt Purchasing amounted to EUR 71m, compared to EUR 144m last year. However, the market for NPL sales is strong and we are confident that our current pipeline will result in further investments during the second half of the year. Taking into consideration that Lindorff at 1 July signed an agreement representing an investment of EUR 70m, we are at the same level as 2014.

Cash flow from operating activities was EUR 57m in the current quarter compared to EUR 62m in Q2 2014.

In the first half of 2015 cash flow from operating activities was EUR 16m compared to EUR 92m in 1H 2014. However, pre financing expenses the cash from operating activities was EUR 98m compared to EUR 112m in 1H 2014. 1H 2015 was negatively affected by the payment of a one-off tax claim of EUR 22m paid in Finland and Norway in Q1. Additionally, the implementation of the Spanish acquisition had a negative effect on working capital of EUR 17m.

Tax

Income tax expense for the quarter was EUR 0.7m compared to EUR 5.5m in Q2 2014.

Income tax expense for 1H 2015 was EUR 4.4m compared to EUR 7.3m 1H 2014. Lindorff reported an effective tax rate higher than nominal tax rate due to certain costs are not tax deductible and tax losses carried forward not fully recognized as tax income. Tax losses carried forward reported as deferred tax income asset is based on an assessment of expected future profit in the separate tax jurisdictions and the possibility to utilize the tax losses.

The Lindorff Group has certain tax issues related to the deductibility of interest expense regarding group internal loans in Finland and Norway. The expected net cash exposure as of 30 June 2015 is EUR 18m. EUR 22m was paid in Q1 2015 to the respective tax authorities in Norway and Finland. Total tax expense exposure of current cases is estimated at EUR 40m as at 30 June 2015, including EUR 7m of potential penalties.

Lindorff contests the claims and has filed complaints to the Tax Authorities in both countries. No provisions have been recorded as Lindorff believe that our arguments are strong and hence our standing in the disputes is solid. Accordingly, the amounts paid are included in deferred tax assets.

Funding

The group is funded through a Super Senior RCF of EUR 255m, Senior Secured Bonds of EUR 1,244m equivalent (issued in EUR and NOK) and Senior Notes of EUR 451m equivalent (issued in EUR and SEK).

The average interest rate on the notes is 7.3% with an average duration of 6.3 years. The multicurrency RCF is priced at a margin of 3.5% with a commitment fee equivalent to 35% of the applicable margin on any undrawn amount. At the end of Q2 2015, the RCF draw amounted to EUR102m (excluding a draw for unfunded guarantees of EUR 21m).

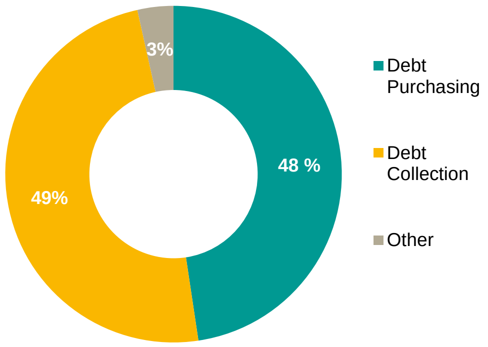
At end of Q2 NIBD was EUR 1,741m, which implies 5.1x NIBD/Adjusted EBITDA excluding NRI's (LTM) and including a pro forma adjustment for the Spanish acquisition.

Goodwill

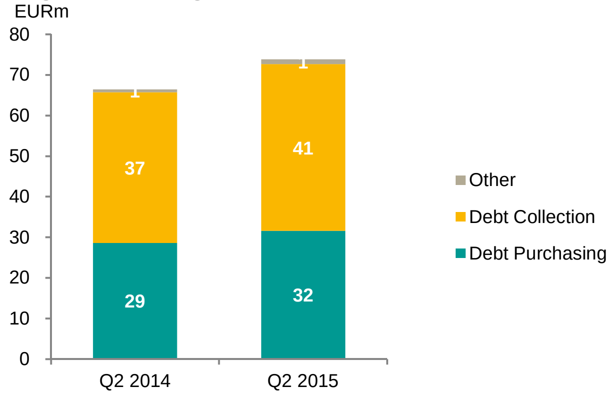
Consolidated goodwill amounted to EUR 1,389m at the end of Q2 2015 and is calculated based on the preliminary purchase price allocation from the acquisition of Lindorff Group and including currency translation. Final purchase price may be reallocated within 12 months after acquisition.

Operating segments

Revenue mix in Q2 2015



Segment Earnings



Debt Collection

Net revenue in Q2 2015, excluding intersegment revenue of EUR 27m from collection on Lindorff owned portfolios, amounted to EUR 62m, compared to EUR 58m in Q2 2014. This represents an increase of 8%.

The Segment Earnings increased 11% from EUR 37m in Q2 2014 to EUR 41m in Q2 2015. The increase was primarily due to the acquired collection unit in Spain in Q4 2014, and operational improvements in several countries.

Debt Collection accounted for 49% of net revenue and 56% of Segment Earnings in Q2 2015.

For the first six months of 2015 net revenue increased 14% from EUR 113m in 1H 2014 to EUR 129m in 1H 2015. Segment Earnings increased 21% from EUR 65m in 1H 2014 to EUR 78m in 1H 2015. The Earnings margin increased from 41% in 1H 2014 to 43% in 1H 2015.

Debt Purchasing

Net revenue in Q2 amounted to EUR 61m compared to EUR 53m in Q2 2014, representing an increase of 15% mainly due to increased investments during 2014.

The Segment Earnings came in at EUR 32m compared to EUR 29m in Q2 2014, mainly driven by new investments in portfolios and continued strong collection performance of 106% compared to our forecast.

Total investment in Debt Purchasing during the current quarter was EUR 29m compared to EUR 94m in Q2 2014. Adjusting for timing effects of certain investments that impacted the quarter, the YTD investment pace in July is in line with 2014.

Debt Purchasing accounted for 48% of net revenue and 43% of Segment Earnings in Q2 2015. Return in Debt Purchasing was 16% (LTM) in Q2 2015, same as last year.

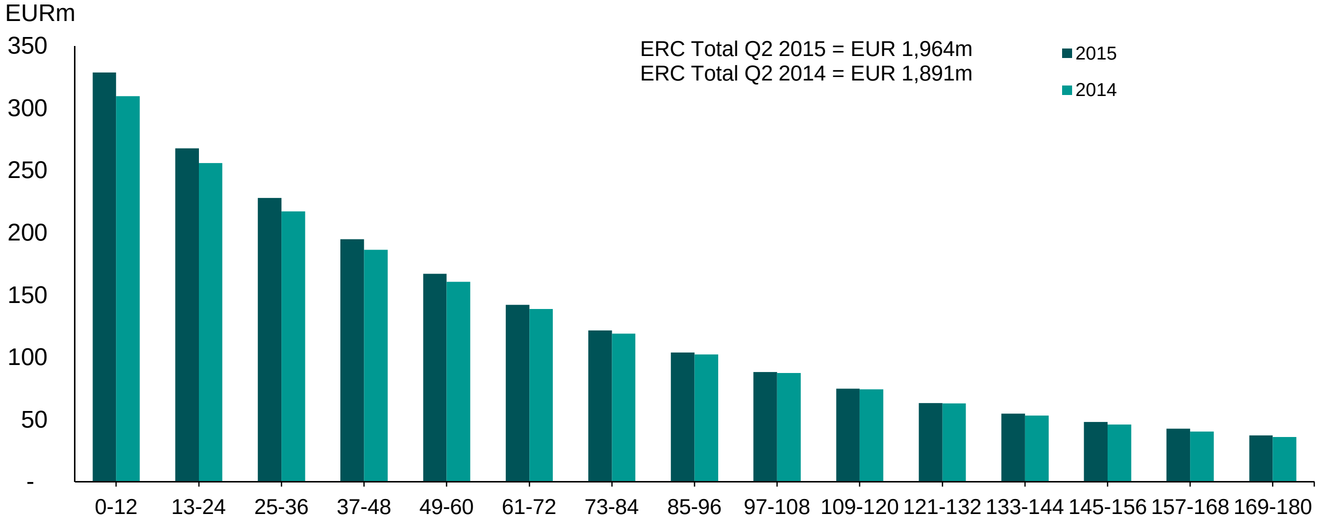
In 1H 2015 net revenue increased 16%, from EUR 104m in 1H2014 to EUR 122m. The increase was driven by new investments in portfolios as well as continuous focus on improving collection efficiency. Collection performance first six months was 105% compared to forecast.

Segment Earnings increased 15%, from EUR 56m in 1H 2014 to EUR 64m in 1H 2015. The Earnings margin decreased slightly from 54% in 1H 2014 to 53% in 1H 2015.

Return in Debt Purchasing for 1H 2015 was 16% LTM, same as last year.

Estimated Remaining Collection (ERC) on Lindorff owned portfolios was EUR 1,964m as at 30 June 2015, up 4% from EUR 1,891m 30 June 2014.

ERC, next 180 months



Other Services

Revenue of other services comprise invoicing, payment services and other income items. Other revenue in Q2 was EUR 4m, compared to EUR 4m in Q2 2014. 1H 2015 other revenue was EUR 9m compared to EUR 8m in 1H 2014.

Summary of Operating Segments

EURm	Apr-Jun 2015	Proforma Apr-Jun 2014*	Change %	Jan-Jun 2015	Proforma Jan-Jun 2014*	Change %
Revenue per segment						
Debt Purchasing	**61**	**53**	15 %	**122**	**104**	16 %
Debt Collection 3PC	**62**	**58**	8 %	**129**	**113**	14 %
Other	**4**	**4**	2 %	**9**	**8**	2 %
Total	**128**	**115**	**11 %**	**258**	**226**	**14 %**
Earnings per segment						
Debt Purchasing	**32**	**29**	11 %	**64**	**56**	15 %
Debt Collection	**41**	**37**	11 %	**78**	**65**	21 %
Other	**1**	**1**		**2**	**1**	
Total	**74**	**66**	**11 %**	**144**	**122**	**18 %**

* Lock Lower Holding AS was established 22 May 2014 and acquired Lindorff AB through Lock AS 6 October 2014. All information relating to Q2 2015 and 1H 2015 are based on consolidated numbers of Lock Lower Holding AS. All comparisons to previous periods are based on consolidated numbers of Lindorff AB (but not including pro forma for the Spanish acquisition).

Significant risk and uncertainties

The Group's and Parent Company's risks include, among other things, strategic risks related to economic development and acquisitions, regulatory changes, possible errors and omissions and financial risk such as market risk, financing risk and credit risk inherent in Purchased loans and receivables and counter party risk for third party business.

Tax

Lindorff has ongoing discussions with tax authorities in some countries mainly related to the deductibility of interest on group internal loans.

Financial risk

The financial position of the parent company and group is strong. The company has through its interest rate policy minimized the risk of adverse effects from changes in the market's interest rates on the group's cash flow.

The group's currency exposure is limited through a natural alignment of Lindorff's interest-bearing loans relative to operational cash flows denominations. The group is exposed to transaction risks on acquisitions/disposals and other transactions involving foreign currency. The currency exposure is primarily in EUR, NOK, SEK and DKK.

The risks are described in more detail in the Board of Directors report, and Note 3 and 4 in Lock Lower Holding AS consolidated 2014 Annual report.

Share and shareholders

At the end of Q2 2015 the company's shareholder is Lock Upper Holding AS (100%).

Parent company

The parent company is a holding company with 1 employee per 30 June 2015. Net result for Q2 2015 was EUR 0m. Net finance cost was EUR 0m.

Events after the end of the period

At 7 July, Alejandro Zurbano took the position as new Country Manager in Spain. He is an experienced leader with deep knowledge of the financial industry. Mr. Zurbano joined Emergia Contact Center in 2008, and as chief executive officer of the company, he was instrumental in building a successful business with around 5.000 employees. Before joining Emergia, Mr. Zurbano spent several years in leading positions within Sitel Corporation.

At 14 July, Rune Kibsgaard Sjøhelle was appointed Senior Vice President Communications. Mr. Sjøhelle comes from the position as Head of External Communications and Head of Communications Norway at Nordea Bank. He has held different senior positions within communications and branding in the Nordea Group for the last eleven years

On 18 August, Lindorff has acquired Casus Finanse group, the second largest Credit Management Services (CMS) player in Poland. With this acquisition Lindorff expands its geographical footprint in Eastern & Central Europe.

Consolidated Income statement

EURm	Apr-Jun 2015	Jan-Jun 2015	22 May-Dec 2014
Revenue	**128**	**258**	**130**
Employee benefit expense	-43	-90	-50
Legal fee cost	-8	-18	-9
Phone, postage and packaging	-4	-9	-4
Other operating costs	-24	-54	-41
Depreciation and amortisation	-9	-18	-5
Results from operating activities (EBIT)	**39**	**70**	**21**
Net financial items	-40	-76	-66
Profit (loss) before tax	**-1**	**-7**	**-45**
Income tax expense	-1	-4	15
Profit (loss) for the period	**-1**	**-11**	**-30**
Profit (loss) attributable to:			
Owners of the Company	**-1**	**-11**	**-30**
Profit (loss)for the period	-1	-11	-30

Consolidated Statement of comprehensive income

EURm	Apr-Jun 2015	Jan-Jun 2015	22 May-Dec 2014
Profit for the period	**-1**	**-11**	**-30**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	**0**	**0**	**-3**
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	**-1**	**4**	**69**
Total comprehensive income for the year	**-2**	**-7**	**35**
Attributable to:			
Owners of the Company	**-2**	**-7**	**35**

Consolidated Statement of financial position

EURm	30 Jun 2015	31 Dec 2014
ASSETS		
Fixtures and furnitures	13	12
Intangible assets	311	319
Goodwill	1,389	1,378
Loans and receivables	820	809
Deferred income tax assets	48	27
Other long-term assets	11	6
Non-current assets	2,591	2,551
Trade receivables	25	13
Current tax receivable	5	3
Other short-term receivables	40	39
Client funds	23	21
Cash and cash equivalents	56	99
Current assets	148	175
Total assets	2,739	2,726
EQUITY		
Share capital	10	9
Share premium	782	760
Retained earnings	7	35
Total equity	798	805
Liabilities		
Bonds	1,643	1,629
Other long-term liabilities	1	2
Pension liabilities	13	12
Deferred income tax liabilities	45	40
Financial derivatives	3	3
Non-current liabilities	1,705	1,686
Trade payables	20	21
Short-term loan	102	78
Client liabilities	23	21
Current tax liabilities	1	6
Other short-term liabilities	90	109
Current liabilities	236	235
Total liabilities	1,941	1,921
Total equity and liabilities	2,739	2,726

Consolidated Statement of changes in equity

EURm	1 Jan-30 Jun 2015	22 May-31 Dec 2014
Beginning balance, 1 January	805	0
Net income for the period	-11	-30
Remeasurements of post employment benefit obligations	0	-3
Currency translation differences	4	69
Other comprehensive income	4	66
Total comprehensive income	-7	35
Capital increase	0	769
Ending balance	**798**	**805**

Consolidated Statement of cash flow

EURm	Apr-Jun 2015	Jan-Jun 2015	22 May-31 Dec 2014
Operating activities:			
Results from operating activities (EBIT)	39	70	21
Amortisation, depreciation and impairment	9	18	5
Amortisation and revaluation of Purchased debt	36	67	39
Interest paid	-14	-82	-5
Corporate Income tax paid	-4	-27	-7
Cash flow from operating activities before changes in working capital	**66**	**46**	**52**
Cash flow from changes in working capital:			
Decrease(+) / increase(-) in accounts receivable	-5	-11	2
Decrease(+) / increase(-) in other receivables	4	-6	3
Decrease(-) / increase(+) in accounts payable	-2	-1	-1
Decrease(-) /increase(+) in other current liabilities	-6	-11	-12
Cash flow (used in)/from operating activities	**57**	**16**	**44**
Investment activities:			
Acquisition/disposal of subsidiaries	0	0	-905
Acquisition of receivables	0	0	-255
Acquisition of tangible fixed assets	-1	-3	-3
Acquisition of intangible fixed assets	-4	-7	-165
Acquisition of loans and receivables	-33	-70	-94
Cash flow (used in)/from investing activities	**-38**	**-79**	**-1,422**
Financing activities:			
Proceeds from issue of share capital			639
Proceeds from new debt*	7	92	1,740
Retirement of debt	-20	-70	-898
Cash flow (used in)/from financing activities	**-13**	**22**	**1,481**
Cash flow for the period	**5**	**-41**	**102**
Currency effect	-3	-2	-4
Cash and cash equivalents at the beginning of the period	53	99	0
Cash and cash equivalents at end of period	**56**	**56**	**99**

Income Statement Parent Company

EURm	Apr-Jun 2015	Jan-Jun 2015	22 May-Dec 2014
Other operating costs	-0	-1	0
Results from operating activities (EBIT)	-0	-1	0
Finance income	10	21	18
Finance costs	-10	-21	-18
Net finance costs	0	0	0
Profit before tax	-0	-1	0
Income tax expense	-0	0	-0
Profit for the year	-0	-1	0

Statement of financial position Parent Company

EURm

	30 Jun 2015	31 Dec 2014
ASSETS		
Investment in subsidiaries	792	769
Long-term receivables	450	444
Non-current assets	**1,242**	**1,214**
Other short-term receivables	11	17
Cash and cash equivalents	0	0
Current assets	**12**	**17**
Total assets	**1,254**	**1,231**
EQUITY		
Share Capital	10	9
Total restricted capital	**10**	**9**
Share Premium	**782**	**760**
Retained earnings	**-0**	**0**
Total non restricted capital	**782**	**760**
Total equity	**792**	**769**
LIABILITIES		
Bonds	451	444
Deferred tax liability	0	0
Non-current liabilities	**451**	**444**
Trade payables	0	0
Other short-term liabilities	11	17
Current liabilities	**11**	**17**
Total liabilities	**462**	**461**
Total equity and liabilities	**1,254**	**1,231**
Pledged assets (shares in subsidiaries)	792	769

Notes

Note 1 – Accounting Principles

Lock Lower Holding AS consolidated financial statements for the second quarter 2015 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as the Norwegian Annual Accounts Act.

The consolidated financial statements have been prepared in accordance with the cost method, and derivative instruments are measured at fair value through profit or loss.

The parent company's financial statements have been prepared in accordance with the Norwegian Annual Accounts Act as well as NGAAP.

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The accounting policies adopted are consistent with those of the previous financial year for Lock Lower Holding AS (see consolidated Financial Statements of Lock Lower Holding AS 2014).

The quarterly report has been subject to limited review by the companies' auditors.

The Parent Company's reporting currency is euro (EUR), which is also the reporting currency for the group. The consolidated financial statements are presented in EUR and all values are rounded to the nearest million (EURm) except when otherwise indicated. The consolidated and parent company accounts pertain to 1 January to 30 June for income statements and 30 June for items on the statements of financial position. As Q4 2014 was the first quarter reported for Lock Lower Holding AS, there are no comparable figures to the Q2 2015 report.

Note 2 – Operating segments

Management has determined the operating segments based on information reviewed by management for the purpose of allocating resources and assessing performance. Management considers the performance from a product perspective and separately considers the Debt Purchasing and Debt Collection segments. Both segments meet the quantitative thresholds required by IFRS 8 for reportable segments. Management assesses the performance of the operating segments based on a measure of Contribution Margin 1 which is gross revenues minus direct operating expenses.

Revenue

Sales between segments are carried out at arm's length. The revenue from external parties reported to management is measured in a manner consistent with that in the income statement .The following table presents a reconciliation of the reportable segments' main captions from profit and loss to the entity's profit and loss before tax.

EURm	Apr-Jun 2015	Proforma Apr-Jun 2014*	Jan-Jun 2015	22 May-Dec 2014
Revenue from external customers				
Debt Purchasing	61	53	122	58
Debt Collection	62	58	129	68
Other	4	4	9	4
Total	128	115	259	130
Inter- segment revenue				
Debt Collection	27	23	52	27
Elimination	-27	-23	-52	-27
Earnings per segment				
Debt Purchasing	32	29	64	28
Debt Collection	41	37	78	41
Other	1	1	2	2
Total	74	66	144	71
Unallocated cost				
SG&A	-12	-11	-28	-14
IT	-8	-7	-18	-10
Other not allocated expenses	-6	-3	-11	-22
EBITDA	48	46	87	26
Depreciaton and amortisation	-9	-3	-18	-5
EBIT	39	43	70	21
Net financial Items	-40	-19	-76	-66
Profit before tax	-1	24	-7	-45
Purchased loans and receivables				
Beginning value	826	700	809	0
Amortisation	-36	-30	-68	-39
Revaluation	1	1	1	1
Portfolio acquisitions	29	94	71	862
Divestment and disposals	-0	-0	-1	0
Effect of change in FX rates	1	-5	7	-14
Ending value	820	760	820	809
Average carrying value of purchased debt	823	730	815	798
Return in Debt Purchasing	15.6 %	15.2 %	15.6 %	15.5 %

* Lock Lower Holding AS was established 22 May 2014 and acquired Lindorff AB through Lock AS 6 October 2014. All information relating to Q2 2015 and 1H 2015 are based on consolidated numbers of Lock Lower Holding AS. All comparisons to previous periods are based on consolidated numbers of Lindorff AB (but not including pro forma for the Spanish acquisition).

Note 3 – Reconciliation of income to Adjusted EBITDA*

EURm	Apr-Jun 2015	Proforma Apr-Jun 2014*	Jan-Jun 2015	22 May-Dec 2014
Net revenue from debt purchasing	61	53	122	58
Amortisation and revaluation	36	29	67	39
Gross revenue from debt purchasing	97	82	188	97
Revenue from Debt Collection and Other Services	67	62	137	72
Employee benefit expense	-43	-37	-90	-50
Legal fee cost	-8	-8	-18	-9
Phone, postage and packaging	-4	-5	-9	-4
Other operating costs	-24	-19	-54	-41
Adjusted EBITDA	84	75	154	64

* Lock Lower Holding AS was established 22 May 2014 and acquired Lindorff AB through Lock AS 6 October 2014. All information relating to Q2 2015 and 1H 2015 are based on consolidated numbers of Lock Lower Holding AS. All comparisons to previous periods are based on consolidated numbers of Lindorff AB (but not including pro forma for the Spanish acquisition)

Note 4 – Fair value of financial assets and liabilities

	Book value	Fair value *	
EURm	30 Jun 2015	30 Jun 2015	FV - hierarchy
Financial assets at amortised cost			
Loans and receivables	820	820	3
Other long-term assets	9	9	3
Trade receivables	25	25	3
Other short-term receivables	31	31	3
Cash and cash equivalents	56	56	
Financial assets at fair value through profit or loss	0	0	
Total	**940**	**940**	
Financial liabilites at fair value through profit or loss			
Financial derivatives	3	3	2
Financial liabilites at amortised costs			
Bonds	1,643	1,771	1
Trade payables	20	20	3
Short-term loan	102	102	2
Other short-term liabilities	61	61	3
Total	**1,829**	**1,957**	

** See Annual Report Lock Lower Holding AS 2014 for description of calculation of fair value*

Note 5 – Borrowing

Revolving Credit Facility (RCF)	Limit*	Security	Maturity	Interest	Margin	Participants
EURm	255	Super Senior secured	06.04.2020	Floating	EURIBOR+3.50%	Nordea, DNB, SEB, NYK

* As at 30 June 2015 was EUR 102m drawn, excluding EUR 21m in guarantees

Bonds	Issue	Security	Maturity	Interest	Coupon	Issuer
EURm	253	Senior secured notes	15.08.2020	Floating	3m EURIBOR+5.50%	Lock AS
EURm	100	Senior secured notes	15.08.2020	Floating	3m EURIBOR+5.50%	Lock AS
NOKm	1,680	Senior secured notes	15.08.2020	Floating	3m NIBOR+5.75%	Lock AS
EURm	550	Senior secured notes	15.08.2021	Fixed	7.0 %	Lock AS
EURm	150	Senior secured notes	15.08.2021	Fixed	7.0 %	Lock AS
EURm	250	Senior notes	15.08.2022	Fixed	9.5 %	Lock Lower Holding AS
SEKm	1,850	Senior notes	15.08.2022	Floating	3m STIBOR+8.775%	Lock Lower Holding AS
Total (EURm)**	**1,694**					

** Total is in EURm equivalent based on closing rates 30 June. Book value of long term liabilities is net of capitalised fees.

Lock Lower Holding AS Senior notes are on-lent to Lock AS at the same interest conditions as the issuer has.

Responsibility Statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2015 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Company's and Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Oslo, 19 August 2015

Per Larsson
Chairman

Kristoffer Melinder

Andreas Näsvik

Peter Sjunnesson

Hans Larsson

Marcial Portela

Klaus-Anders Nysteen
CEO

Definitions and abbreviations

Definitions

Adjusted EBITDA – EBITDA adjusted for amortisation and revaluation of portfolios of purchased loans and receivables

Direct opex – Operational expenses related to collection activities, excluding SG&A and IT cost

ERC – Estimated Remaining Collections next 180 months on purchased loans and receivables in Debt Purchasing

Intersegment Revenue – Commission to the Debt Collection segment from the Debt Purchasing segment

Investments in Debt Purchasing – Acquisitions of non-performing loans and receivables (may differ from acquisition of loans and receivables in the cash flow statement due to actual payment of the acquisition may be due in another period)

NIBD/Adj EBITDA – Net interest bearing debt divided by Adjusted EBITDA LTM (Covenant/Gearing ratio is adjusted for proforma Adj. EBITDA of the Spanish Collection unit acquired in Q3 2014)

Portfolio revaluation – Change in carrying value of purchased loans and receivables due to changed collection forecasts

Return in Debt Purchasing – Last Twelve Months (LTM) segment earning in % of average book value of Purchased loans and receivables for the last twelve months

Segment earnings – Segment EBITDA excluding SG&A and IT cost

Segment earnings Debt Collection – Includes earnings from collection on own portfolios and third party debt

Abbreviations

3PC – Third Party Collection

IDC – Internal Debt Collection

CAGR – Compounded Annual Growth Rate

Constant Currency – Fixed currency rates for comparable reporting periods

EBITDA – Earnings Before Interest Tax Depreciation and Amortisation

FTE – Full Time Equivalent employees

IRR – Internal Rate of Return

NIBD – Net Interest Bearing Debt

NPL – Non Performing Loan

NRI's – Non Recurring Items

LTM – Last Twelve Months

Other information

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