LINDORFF

Q3

QUARTERLY REPORT

2015

Financial highlights*

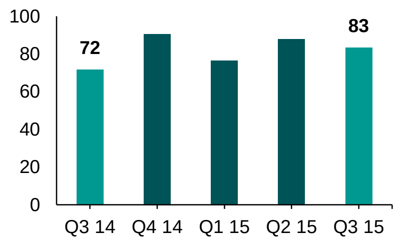
- Net revenue of EUR 132m in Q3, up 14% y/y (constant currency)
- Adjusted EBITDA of EUR 83m in Q3, up 16% y/y (excl. NRI's)
- All time high ERC of EUR 2,089m, up 8% y/y

Adjusted EBITDA
Up 16%

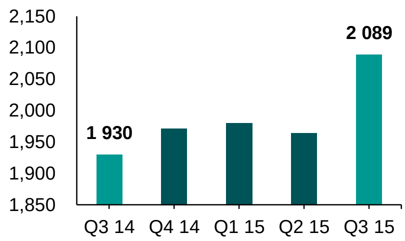
ERC
Up 8%

Investments
EUR 93m

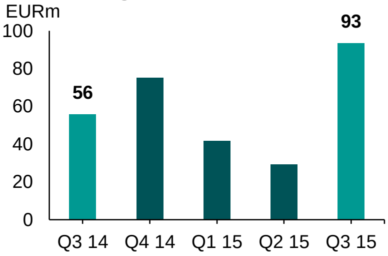
Adj. EBITDA (excl. NRI's)
EURm



ERC 180 month
EURm



Investments in Debt Purchasing
EURm



EURm unless otherwise stated	Jul-Sep 2015	Proforma Jul-Sep 2014*	Change %	Jan-Sep 2015	Proforma Jan-Sep 2014*	Change %	Proforma Jan-Dec 2014*	LTM
Revenues	132	119	11 %	391	345	13 %	475	521
EBITDA	45	39	16 %	133	115	15 %	141	158
EBITDA margin (%)	34 %	33 %		34 %	33 %		30 %	30 %
EBITDA excl. NRI's	49	41	19 %	146	122	20 %	173	197
Adjusted EBITDA	80	70	15 %	234	199	17 %	264	299
Adjusted EBITDA excl. NRI's	83	72	16 %	247	206	20 %	296	338
NIBD	1,854	1,027	80 %	1,854	1,027	80 %	1,659	1,854
NIBD / Adjusted EBITDA (LTM), ratio	5.3	3.9		5.3	3.9			5.3
ERC, end of period	2,089	1,930	8 %	2,089	1,930	8 %	1,971	2,089
Investments in Debt Purchasing	93	56	67 %	164	200	-18 %	275	239
Return in Debt Purchasing	15.1 %	15.7 %		15.1 %	15.7 %		15.5 %	15.1 %
Gross collection in Debt Purchasing	104	88	18 %	291	245	19 %	340	386
Average number of FTEs	3,427	2,872	19 %	3,281	2,770	18 %	2,827	3,208

* Lock Lower Holding AS was established 22 May 2014 and acquired Lindorff AB through Lock AS 6 October 2014. All information relating to Q3 2015 and YTD 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 any acquisitions made in the period).

Operational and Market update

Sustained double digit growth

Lindorff continued its strong revenue growth in Q3, delivering Net revenues of EUR 132m representing an increase of 11% compared to the same quarter last year. The increase was 14% in constant currency. The acquisition in Spain in 2014 contributed notably to the growth.

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 83m.

Investments in Debt Purchasing amounted to EUR 93m in the quarter compared to EUR 56m in the same quarter last year. Collection performance continues to be strong, delivering 110% of the forecast in Q3.

The investments in Debt Purchasing continue to improve the foundation for growth in that business segment. At 30 September 2015, estimated remaining collections (ERC 180 months) total EUR 2,089m, which is up 8% from 30 September 2014.

For the nine months of 2015 Net revenue and Adjusted EBITDA excluding NRI's were EUR 391m and EUR 247m, representing an increase of 13% and 20% compared to last year respectively. The increase in constant currency was 16% and 22%. Investments in Debt Purchasing amounted to EUR 164m for the nine months of 2015 compared to EUR 200m last year. Due to timing of closing of some transactions, in particular a portfolio acquired from DNB in Norway, the invested amount is slightly down in Q3 compared to last year. However, taking into account the DNB portfolio acquisition in October, the year to date investment level is above last year.

Strong performance across all geographies

During the first nine months of 2015 market conditions continued to be favourable with a significant amount of opportunities across business lines and geographies. There is a growing supply of NPL's available for sale as well as several new opportunities emerging for outsourcing of collection units, especially within the Financial Institution sector. Lindorff continues to be active in the markets and has been able to secure important new business so far this year. Lindorff has also maintained pricing discipline in an increasingly competitive market.

Performance in 2015 so far demonstrates the value of Lindorff's geographical footprint. In 2014 Lindorff reinforced its market position in Spain through an acquisition of a collection unit. In 2015, Lindorff has strengthened its position in the Nordics through landmark portfolio acquisitions such as DNB in Norway and Nordea in Sweden. Together, these two deals have a total principal value of close to EUR 400m. Lindorff maintains long term partnerships with these key clients in the Debt Collection business which demonstrates the value of a well-balanced business mix.

In August, Lindorff acquired Casus Finanse and added Poland to the Group geographic footprint. Casus is one of the leading Credit Management Services operators in Poland and represents a strong fit with Lindorff's balanced business model. Casus has a strong market position in Debt Collection and a growing presence in Polish Debt Purchasing market. Poland represents a sizeable market with good supply of portfolios and significant growth potential for Lindorff's Debt Purchasing business. This acquisition opens up further growth opportunities and also provides risk diversification for Lindorff's owners and investors.

In summary, Lindorff continues to grow its business and deliver profitable growth. The market outlook is positive with significant opportunities across business lines and geographies. In September Lindorff successfully secured additional funding through a successful Bond tap of EUR 230m. The company is consequently well positioned to take advantage of the favourable market conditions.

Financial review Q3 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 financial statements for Q3 2014 and YTD 2014 for the new Lindorff group, all comparisons and comments to Q3 2014 and the first nine months of 2014 are based on consolidated numbers for Lindorff AB group, but not including proforma adjustments for the acquisition of Casus Finanse in Poland in 2015.

Q3 2015 is the group's fourth quarter of operation in its current organisational structure. Throughout the report the terms Lindorff and Lindorff Group mean Lock Lower Holding AS and its subsidiaries. Parent company is Lock Lower Holding AS.

Net revenue

Net revenue was EUR 132m in Q3 2015. This represents an increase of 11% compared to EUR 119m in Q3 2014. In constant currency the growth rate was 14%. The increase in revenue was mainly driven by the acquired collection unit in Spain in 2014, as well as significant investments in Debt Purchasing in 2014 combined with continued strong collection performance.

Net revenue in the first nine months of 2015 was EUR 391m, representing an increase of 13% compared to the first nine months of 2014. In constant currency the increase was 16%. The development was driven by a number of factors including several portfolio acquisitions in the first nine months of 2014 contributing to revenues in 2015. The revenue contribution from the acquired collection unit in Spain was EUR 9m in Q3 2015. For the first nine months of 2015 the revenue contribution from the Spanish acquisition was EUR 32.4m.

Casus Finanse is consolidated from the acquisition date 18 August 2015.

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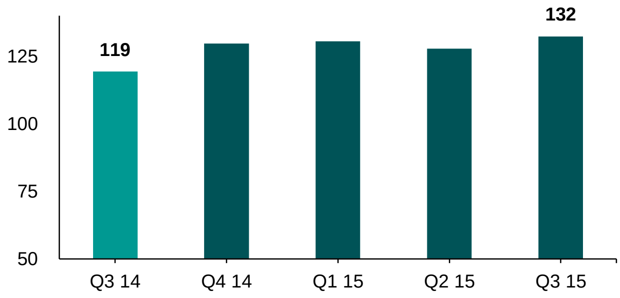
Net revenue
EURm



Earnings

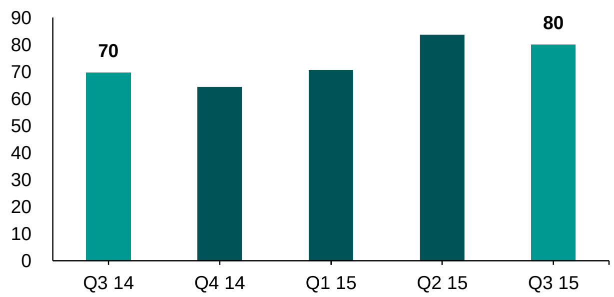
The reported Adjusted EBITDA amounted to EUR 80m in Q3 2015 compared to EUR 70m in Q3 2014. Excluding NRI's, the adjusted EBITDA was EUR 83m in the third quarter, up EUR 16% compared to last year.

The reported Adjusted EBITDA for the first nine months of 2015 was EUR 234m compared to EUR 199m in the first nine months of 2014. Excluding NRI's, the YTD Adjusted EBITDA was EUR 247m, up 20% from EUR 206m in 2014.

The EBITDA for the third quarter 2015 was EUR 45m compared to EUR 39m in Q3 2014. The EBITDA margin was 34% in Q3 2015 compare to 33% in Q3 2014. Adjusting for NRI's, the Q3 EBITDA margin was 37%.

The growth in EBITDA and the improved margin is mainly driven by a favourable business mix, through growth in Debt Purchasing, and performance from acquired collection unit in Spain.

Adjusted EBITDA (reported)
EURm



Operating expenses

Total operating expenses excluding depreciation and amortisation amounted to EUR 87m in Q3 2015, up from EUR 80m in Q3 2014. Total operating expenses for the first nine months of 2015 amounted to EUR 258m, up from EUR 230m last year.

In Q3 2015 employee benefit expenses increased by EUR 2m or 4% compared to Q3 2014. For the first nine months of 2015 employee benefit expenses were EUR 138m compared to EUR 128m in the first nine months of 2014. The increase related mainly to increased number of FTEs resulting from the acquisition in Spain in Q4 2014.

Other operating costs increased EUR 1.5m in the third quarter 2015 from EUR 21m in 2014 to EUR 22.5m. The increase is mainly related to consultancy fees related to one-off projects. Other operating cost increased 18%, from EUR 102m in the first nine months of 2014 to EUR 120m in the first nine months of 2015. The increase is mainly due to restructuring costs in Denmark related to a site consolidation and consultancy fees.

NRI's were EUR 13m in the first nine months of 2015 compared to EUR 6m in the first nine months of 2014. The EUR 13m is mainly restructuring expenses related to a site consolidation in Denmark and start-up cost for Lindorff Business Services along with consultancy fees related to M&A and bond tap in September.

Depreciation and Amortisation

Depreciation and amortisation (excl. portfolio amortisation) increased from EUR 4m in Q3 2014 to EUR 9m in Q3 2015 and from EUR 11m in the first nine months of 2014 to EUR 27m in the first nine months of 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 decreased by 1% from EUR 22m in Q3 2014 to EUR 21m in Q3 2015. SG&A/Net revenue ratio decreased from 10% in Q3 2014 to 9% in Q3 2015, while IT cost/Net revenue ratio decreased from 8% in Q3 2014 to 7% in Q3 2015.

Reported SG&A and IT costs (including EUR 2.5m restructuring cost in Denmark) increased by 10% from EUR 61m in the first nine months of 2014 to EUR 67m this year. SG&A/Net revenue ratio and IT/Net revenue ratio was 10% and 7% in the first nine months of 2015, both at the same level as in the same period last year.

Net financial items

Net financial costs decreased from EUR 68m in Q3 2014 to EUR 51m in Q3 2015. Financial cost Q3 2014 was affected by expensed unamortised fees of EUR 17m related to previous funding of Lindorff. Net financial costs for the first nine months of 2015 was EUR 127m compared to EUR 111m in the first nine months of 2014.

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

Investments and cash flow

On 18 August 2015, Lindorff acquired Casus Finanse group, one of the largest Credit Management Services (CMS) players in Poland. With this acquisition Lindorff expands its geographical footprint in Europe.

Investments in Debt Purchasing were EUR 93m in the third quarter compared to EUR 56m in Q3 2014. For the first nine months of 2015, investments in Debt Purchasing amounted to EUR 164m, compared to EUR 200m last year. Taking into consideration that Lindorff late in September signed a landmark agreement with DNB in Norway, we are YTD above the investment level of Q3 2014. The DNB deal was closed in October.

Cash flow from operating activities was EUR 16m in Q3 2015 compared to EUR 49m in Q3 2014. The decrease in operating cash flow is due to an increase in interest paid. Interest paid was EUR 52m in Q3 2015 versus EUR 15m in Q3 2014. Ramp up of payment services in Finland had a negative effect on working capital of EUR 12m in Q3 2015.

In the first nine months of 2015 cash flow from operating activities was EUR 32m compared to EUR 142m in the same period last year, caused by interest paid at EUR 134m YTD compared to EUR 34m LY. YTD 2015 was also negatively affected by payment of one-off tax claims of EUR 27m in Finland and Norway in Q1 and Q3. In addition, the implementation of the Spanish acquisition had a negative effect on working capital of EUR 12m. Ramp up of payment services in Finland had a negative effect on working capital of EUR 14m in the YTD period.

However, excluding cash effect of interest paid, the cash from operating activities was EUR 166m YTD 2015, compared to EUR 176m last year.

Tax

The income tax expense for the quarter was negative EUR 10m, including recognition of deferred tax assets that were previously not recognised.

The income tax expense for the first nine months of 2015 was negative EUR 6m.

The Lindorff Group has certain tax disputes related to the deductibility of interest expense on group internal loans in Finland and Norway. The total tax exposure including penalties of these disputes is estimated at EUR 40m, however as EUR 27m has been paid to the tax authorities the remaining estimated cash tax exposure at 30 September 2015 is EUR 13m.

Lindorff contests the claims and has filed complaints to the Tax Authorities in both countries. No provisions have been recorded as Lindorff believes 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 1,459m equivalent (issued in EUR and NOK) and Senior Notes of EUR 447m equivalent (issued in EUR and SEK).

The average interest rate on the notes is approximately 7% with an average duration of 5.8 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 Q3 2015, the RCF draw amounted to EUR 0m (excluding a draw for unfunded guarantees of EUR 20m).

In addition to the above borrowings, Casus Finanse has issued bonds with a total amount outstanding of PLN 73.7m, and has a local Revolving Credit Facility, whereof PLN 10m is drawn.

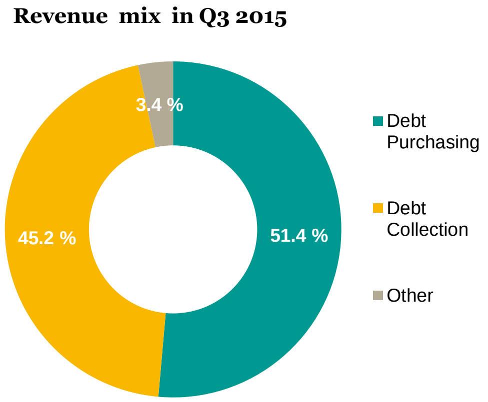
The external debt of Casus Finanse will be repaid in full.

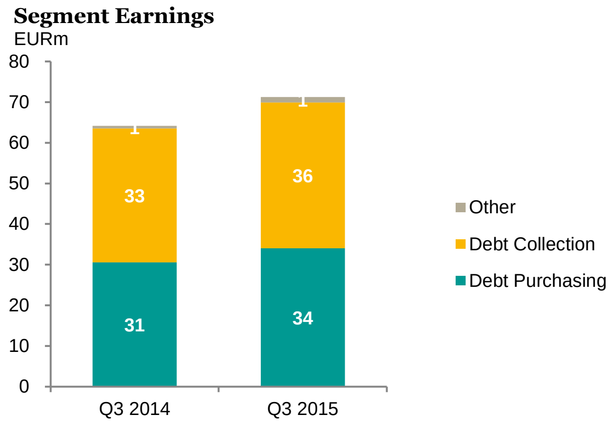
At end of Q3 2015 NIBD was EUR 1,854m (including Casus Finanse), which implies 5.3x NIBD/Adjusted EBITDA excluding NRI's (LTM) and including a pro forma adjustment for the acquisition of Casus Finanse and normalised for one month without ordinary operations from the Spanish acquisition in October 2014.

Goodwill

Consolidated goodwill amounted to EUR 1,388m at the end of Q3 2015 and is calculated based on the preliminary purchase price allocation from the acquisition of Lindorff Group and Casus Finanse group and including currency translation. Final purchase price may be reallocated within 12 months after acquisition.

Operating segments





Debt Collection

Net revenue in Q3 2015, excluding intersegment revenue of EUR 27m from collection on Lindorff owned portfolios, amounted to EUR 60m, compared to EUR 57m in Q3 2014. This represents an increase of 5%.

The Segment Earnings increased 9% from EUR 33m in Q3 2014 to EUR 36m in Q3 2015. The increase was primarily due to the acquired collection unit in Spain in Q4 2014, and continuous focus on operational improvements.

Debt Collection accounted for 45% of net revenue and 50% of Segment Earnings in Q3 2015.

Net revenue increased by 11% from EUR 170m in the first nine months of 2014 to EUR 188m in the first nine months of 2015. Segment Earnings increased by 17% from EUR 98m in the first nine months of 2014 to EUR 114m in the first nine months of 2015. The Earnings margin increased from 40% in the first nine months of 2014 to 41% in the same period of 2015.

Debt Purchasing

Net revenue in Q3 2015 amounted to EUR 68m compared to EUR 58m in Q3 2014, representing an increase of 18% as a result of investments and continued strong collection performance.

The Segment Earnings came in at EUR 34m compared to EUR 31m in Q3 2014, mainly driven by new investments in portfolios and continued strong collection performance of 110% compared to forecast.

Total investment in Debt Purchasing during the current quarter was EUR 93m compared to EUR 56m in Q3 2014. YTD investment EUR 164m compared to EUR 200m last year. Taking into account the DNB portfolio acquisition in October, the current investment level is above last year.

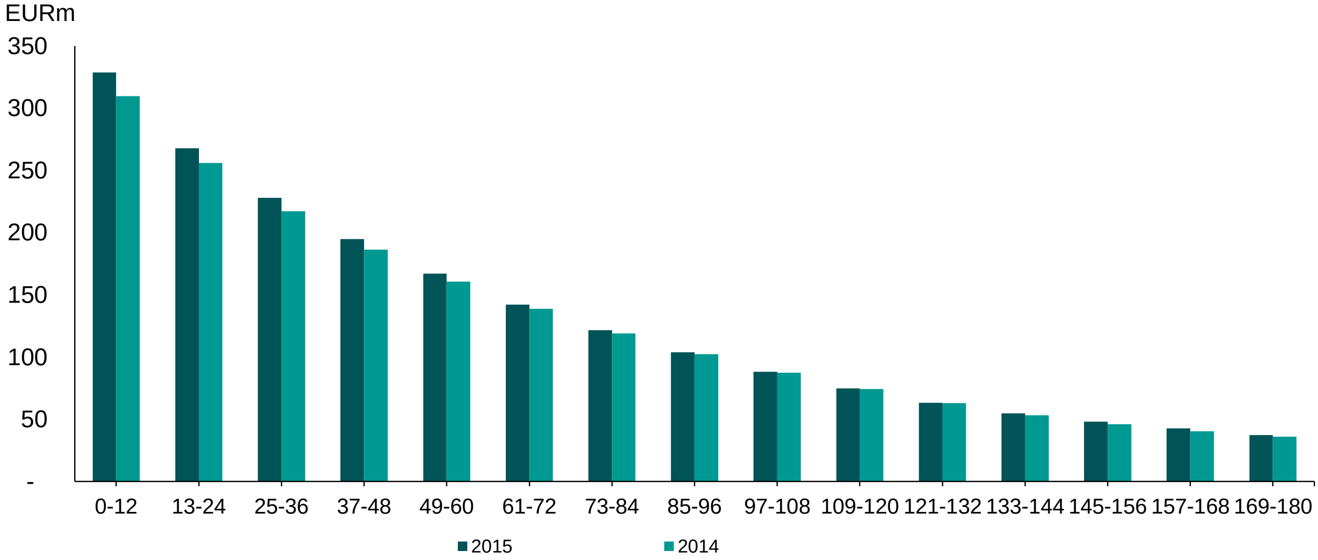
Debt Purchasing accounted for 51% of net revenue and 48% of Segment Earnings in Q3 2015. Net revenue increased 17%, from EUR 162m in the first nine months of 2014 to EUR 190m in the same period this year. The increase was driven by new investments in portfolios as well as continuous focus on improving collection efficiency. Collection performance for the first nine months of 2015 was 107% compared to forecast.

Segment Earnings increased 14%, from EUR 87m in the first nine months of 2014 to EUR 99m in the first nine months of 2015. The Earnings margin decreased slightly from 53% in the first nine months of 2014 to 52% in the same period current year.

Return in Debt Purchasing for the first nine months of 2015 was 15.1% LTM, compared to 15.7% last year.

Estimated Remaining Collection (ERC) on Lindorff owned portfolios was EUR 2,089m as at 30 September 2015, up 8% from EUR 1,930m at 30 September 2014.

ERC, next 180 months



Other Services

Revenue of other services comprising invoicing, payment services and other income items was in Q3 2015 EUR 4.4m, compared to EUR 4.2m in Q3 2014. Revenue from payment services increased with EUR 0.7m from EUR 0.3m in Q3 2014 to EUR 0.9m in Q3 2015 but was offset by a decrease in other income items. The first nine months of 2015 Revenue of other services was EUR 12.9m compared to EUR 12.6m in the first nine months of 2014. Revenue from payment services increased with EUR 1.2m from EUR 0.7m in the first nine months of 2014 to EUR 1.9m in the same period this year. The increase was offset by a decrease in other income items.

Summary of Operating Segments

EURm	Jul-Sep 2015	Proforma Jul-Sep 2014*	Change %	Jan-Sep 2015	Proforma Jan-Sep 2014*	Change %
Revenue per segment						
Debt Purchasing	**68**	**58**	18 %	**190**	**162**	17 %
Debt Collection 3PC	**60**	**57**	5 %	**188**	**170**	11 %
Other	**4**	**4**	5 %	**13**	**13**	3 %
Total	**132**	**119**	**11 %**	**391**	**345**	**13 %**
Earnings per segment						
Debt Purchasing	**34**	**31**	12 %	**99**	**87**	14 %
Debt Collection	**36**	**33**	9 %	**114**	**98**	17 %
Other	**1**	**1**		**3**	**2**	
Total	**71**	**64**	**11 %**	**216**	**186**	**16 %**

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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, DKK and PLN.

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

The company's shareholder is Lock Upper Holding AS (100%).

Parent company

The parent company is a holding company with 1 employee per 30 September 2015. Net result for Q3 2015 was EUR -1m. Net finance cost was EUR -1m.

Events after the end of the period

On 28 September 2015 Lindorff signed an agreement with Norwegian financial services group DNB to acquire three portfolios of non-performing loans (NPLs). The transaction was closed in Q4. The portfolios have a total principal outstanding of EUR 263 million and consist of NPLs from DNB's consumer and equipment finance operations, and its Corporate Banking division. The claims are mainly unsecured loans, defaulted in the period 1984 to 2015. The transaction is one of the largest acquisitions of NPLs ever pertained in the Norwegian market, and Lindorff's largest transaction in the Nordic market this year. Lindorff has a long term relationship with the client and have previously serviced a significant portion of the acquired portfolios in the Debt Collection business.

Lindorff AB and Lindorff Second Holding AB merged with Lindorff Group AB with effect from 6 October 2015. Lindorff Group AB is the surviving company.

Consolidated Income statement

EURm	Jul-Sep 2015	Proforma Jul-Sep 2014*	Jan-Sep 2015	Proforma Jan-Sep 2014*	22 May-Dec 2014
Revenue	**132**	**119**	**391**	**345**	**130**
Employee benefit expense	-48	-46	-138	-128	-50
Legal fee cost	-13	-9	-30	-26	-9
Phone, postage and packaging	-4	-5	-13	-14	-4
Other operating costs	-22	-21	-77	-62	-41
Depreciation and amortisation	-9	-4	-27	-11	-5
Results from operating activities (EBIT)	**37**	**35**	**106**	**105**	**21**
Net financial items	-51	-68	-127	-111	-66
Profit (loss) before tax	**-15**	**-33**	**-21**	**-6**	**-45**
Income tax expense	10	-3	6	-10	15
Profit (loss) for the period	**-5**	**-36**	**-16**	**-17**	**-30**
Profit (loss) attributable to:					
Owners of the Company	**-5**	**-36**	**-16**	**-17**	**-30**
Profit (loss)for the period	-5	-36	-16	-17	-30

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Consolidated Statement of comprehensive income

EURm	Jul-Sep 2015	Proforma Jul-Sep 2014*	Jan-Sep 2015	Proforma Jan-Sep 2014*	22 May-Dec 2014
Profit for the period	**-5**	**-36**	**-16**	**-17**	**-30**
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurements of post employment benefit obligations	**0**	**0**	**0**	**0**	**-3**
Items that may be subsequently reclassified to profit or loss					
Currency translation differences	**-8**	**7**	**-3**	**3**	**69**
Total comprehensive income for the year	**-13**	**-29**	**-19**	**-14**	**35**
Attributable to:					
Owners of the Company	**-13**	**-29**	**-19**	**-14**	**35**

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Consolidated Statement of financial position

EURm	30 Sep 2015	31 Dec 2014
ASSETS		
Fixtures and furnitures	14	12
Intangible assets	306	319
Goodwill	1,388	1,378
Loans and receivables	891	809
Deferred income tax assets	64	27
Other long-term assets	12	6
Non-current assets	**2,675**	**2,551**
Trade receivables	16	13
Current tax receivable	6	3
Other short-term receivables	56	39
Client funds	23	21
Cash and cash equivalents	72	99
Current assets	**173**	**175**
Total assets	**2,848**	**2,726**
EQUITY		
Share capital	9	9
Share premium	722	760
Retained earnings	56	35
Total equity	**787**	**805**
Liabilities		
Bonds	1,857	1,629
Other long-term liabilities	1	2
Pension liabilities	11	12
Deferred income tax liabilities	49	40
Financial derivatives	3	3
Non-current liabilities	**1,921**	**1,686**
Trade payables	21	21
Short-term loan	20	78
Client liabilities	23	21
Current tax liabilities	0	6
Other short-term liabilities	75	109
Current liabilities	**140**	**235**
Total liabilities	**2,061**	**1,921**
Total equity and liabilities	**2,848**	**2,726**

Consolidated Statement of changes in equity

EURm	1 Jan-30 Sep 2015	22 May-31 Dec 2014
Beginning balance, 1 January	**805**	**0**
Net income for the period	-16	-30
Remeasurements of post employment benefit obligations	0	-3
Currency translation differences	-3	69
Other comprehensive income	**-3**	**66**
Total comprehensive income	-19	35
Capital increase	0	769
Ending balance	**787**	**805**

Consolidated Statement of cash flow

EURm	Jul-Sep 2015	Jan-Sep 2015	22 May-31 Dec 2014
Operating activities:			
Results from operating activities (EBIT)	37	106	21
Amortisation, depreciation and impairment	9	27	5
Amortisation and revaluation of Purchased debt	35	102	39
Interest received	0	1	0
Interest paid	-52	-134	-5
Corporate Income tax paid	-5	-32	-7
Cash flow from operating activities before changes in working capital	**23**	**70**	**52**
Cash flow from changes in working capital:			
Decrease(+) / increase(-) in accounts receivable	9	-3	2
Decrease(+) / increase(-) in other receivables	-17	-28	3
Decrease(-) / increase(+) in accounts payable	1	-0	-1
Decrease(-) /increase(+) in other current liabilities	1	-6	-12
Cash flow (used in)/from operating activities	**16**	**32**	**44**
Investment activities:			
Acquisition/disposal of subsidiaries	-33	-33	-905
Acquisition of receivables	0	0	-255
Acquisition of tangible fixed assets	-1	-3	-3
Acquisition of intangible fixed assets	-3	-10	-165
Acquisition of loans and receivables	-90	-159	-94
Cash flow (used in)/from investing activities	**-127**	**-206**	**-1,422**
Financing activities:			
Proceeds from issue of share capital	0	0	639
Proceeds from new debt	357	449	1,740
Retirement of debt	-228	-296	-898
Loan to group companies	0	-2	0
Other financial expenses	-3	-3	0
Cash flow (used in)/from financing activities	**127**	**149**	**1,481**
Cash flow for the period	**16**	**-25**	**102**
Currency effect	0	-2	-4
Cash and cash equivalents at the beginning of the period	56	99	0
Cash and cash equivalents at end of period	**72**	**72**	**99**

Income Statement Parent Company

EURm	Jul-Sep 2015	Jan-Sep 2015	22 May-Dec 2014
Other operating costs	-0	-1	0
Results from operating activities (EBIT)	**-0**	**-1**	**0**
Finance income	10	31	18
Finance costs	-11	-31	-18
Net finance costs	**-1**	**-0**	**0**
Profit before tax	**-1**	**-1**	**0**
Income tax expense	0	0	0
Profit for the year	**-1**	**-1**	**0**

Statement of financial position Parent Company

EURm	30 Sep 2015	31 Dec 2014
ASSETS		
Investment in subsidiaries	731	769
Long-term receivables	447	444
Deferred tax assets	0	0
Non-current assets	**1,178**	**1,214**
Other short-term receivables	5	17
Cash and cash equivalents	1	0
Current assets	**5**	**17**
Total assets	**1,183**	**1,231**
EQUITY		
Share Capital	9	9
Total restricted capital	**9**	**9**
Share Premium	**722**	**760**
Retained earnings	**-1**	**0**
Total non restricted capital	**721**	**760**
Total equity	**730**	**769**
LIABILITIES		
Bonds	447	444
Other long-term liabilities	1	0
Non-current liabilities	**448**	**444**
Other short-term liabilities	5	17
Current liabilities	**5**	**17**
Total liabilities	**453**	**461**
Total equity and liabilities	**1,183**	**1,231**
Pledged assets (shares in subsidiaries)	731	769

Notes

Note 1 – Accounting Principles

Lock Lower Holding AS consolidated financial statements for the third quarter of 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 September for income statements and 30 September 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 Q3 2015 report.

Note 2 – Business combination

On 18 August 2015, Lindorff acquired Casus Finanse group, one of the largest Credit Management Services (CMS) players in Poland. With this acquisition Lindorff expands its geographical footprint in Europe.

The acquisition price for Casus Finanse Group was EUR 35m. Purchase price allocated to assets and liabilities at fair value led to goodwill at EUR 29m. There is always some uncertainty associated with future cash flow estimates as basis for fair value estimation as at acquisition date. The purchase price allocation is to be considered as a preliminary assessment and may be reallocated within 12 months after the acquisition.

	18 Aug 2015	
EURm	**Fair value**	**Book value**
Assets		
Fixtures and furnitures	**1**	**1**
Intangible assets	**1**	**1**
Goodwill	**29**	**0**
Loans and receivables	**23**	**26**
Non-current assets	**54**	**28**
Trade receivables	**1**	**1**
Cash and cash equivalents	**3**	**3**
Current assets	**4**	**4**
Total assets	**58**	**32**
Liabilities		
Non-current liabilities	**0**	**0**
Trade payables	**1**	**1**
Short-term loan	**21**	**21**
Other short-term liabilities	**1**	**1**
Current liabilities	**23**	**23**
Total liabilities	**23**	**23**
Purchase price net assets	**35**	**9**

EURm	**18 Aug 2015**
Purchase price:	
Casus Finanse	**35**
Sum acquisition price	**35**
Fair value of acquired net assets	**6**
Net assets to allocate	**29**
Goodwill	**29**
Sum allocated assets	**29**

Note 3 – 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	Jul-Sep 2015	Proforma Jul-Sep 2014*	Jan-Sep 2015	22 May-Dec 2014
Revenue from external customers				
Debt Purchasing	68	58	190	58
Debt Collection	60	57	188	68
Other	4	4	13	4
Total	132	119	391	130
Inter- segment revenue				
Debt Collection	27	25	79	27
Elimination	-27	-25	-79	-27
Earnings per segment				
Debt Purchasing	34	31	99	28
Debt Collection	36	33	114	41
Other	1	1	3	2
Total	71	64	216	71
Unallocated cost				
SG&A	-12	-12	-40	-14
IT	-9	-9	-27	-10
Other not allocated expenses	-5	-4	-16	-22
EBITDA	45	39	133	26
Depreciaton and amortisation	-9	-4	-27	-5
EBIT	37	35	106	21
Net financial Items	-51	-68	-127	-66
Profit before tax	-15	-33	-21	-45
Purchased loans and receivables				
Beginning value	820	760	809	0
Amortisation	-36	-31	-104	-39
Revaluation	2	0	3	1
Portfolio acquisitions	93	56	164	862
Investment in portfolios through acquisitions	22		22	
Divestment and disposals	-1	-0	-1	0
Effect of change in FX rates	-9	2	-2	-14
Ending value	891	787	891	809
Average carrying value of purchased debt	855	773	850	798
Return in Debt Purchasing	15.1 %	15.7 %	15.1 %	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 Q3 2015 and the first nine months of 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 any acquisitions made in the period)

Note 4 – Reconciliation of income to Adjusted EBITDA*

EURm	Jul-Sep 2015	Proforma Jul-Sep 2014*	Jan-Sep 2015	22 May-Dec 2014
Net revenue from debt purchasing	68	58	190	58
Amortisation and revaluation	35	31	102	39
Gross revenue from debt purchasing	103	88	291	97
Revenue from Debt Collection and Other Services	64	61	201	72
Employee benefit expense	-48	-46	-138	-50
Legal fee cost	-13	-9	-30	-9
Phone, postage and packaging	-4	-5	-13	-4
Other operating costs	-22	-21	-77	-41
Adjusted EBITDA	80	70	234	64

* Lock Lower Holding AS was established 22 May 2014 and acquired Lindorff AB through Lock AS 6 October 2014. All information relating to Q3 2015 and the first nine months of 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 any acquisitions made in the period)

Note 5 – Fair value of financial assets and liabilities

	Book value	Fair value	
EURm	30 Sep 2015	30 Sep 2015	FV - hierarchy
Financial assets at amortised cost			
Loans and receivables	891	891	3
Other long-term assets	12	12	3
Trade receivables	16	16	3
Other short-term receivables	47	47	3
Cash and cash equivalents	72	72	
Financial assets at fair value through profit or loss			
Investment in shares and bonds	0	0	3
Equities		0	3
Total	**1,038**	**1,038**	
Financial liabilites at fair value through profit or loss			
Financial derivatives	3	3	2
Financial liabilites at amortised costs			
Bonds	1,857	1,961	1
Trade payables	21	21	3
Short-term loan	20	20	2
Other short-term liabilities	44	44	3
Total	**1,945**	**2,049**	

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

Note 6 – Borrowing

Revolving Credit Facility (RCF)	Limit*	Security	Maturity	Interest	Margin
EURm	255	Super Senior secured	06.04.2020	Floating	EURIBOR+3.50%

* As at 30 September 2015 was EUR 0m drawn, excluding EUR 21m in guarantees

Bonds	Issue Date	Issue	Security	Maturity	Interest	Coupon
EURm	06.08.2014	253	Senior secured notes	15.08.2020	Floating	3m EURIBOR+5.50%
EURm	07.11.2014*	100	Senior secured notes	15.08.2020	Floating	3m EURIBOR+5.50%
EURm	10.09.2015**	200	Senior secured notes	15.08.2020	Floating	3m EURIBOR+5.50%
NOKm	06.08.2014	1,680	Senior secured notes	15.08.2020	Floating	3m NIBOR+5.75%
EURm	06.08.2014	550	Senior secured notes	15.08.2021	Fixed	7.0 %
EURm	07.11.2014*	150	Senior secured notes	15.08.2021	Fixed	7.0 %
EURm	10.09.2015**	30	Senior secured notes	15.08.2021	Fixed	7.0 %
EURm	06.08.2014	250	Senior notes	15.08.2022	Fixed	9.5 %
SEKm	06.08.2014	1,850	Senior notes	15.08.2022	Floating	3m STIBOR+8.775%
Total (EURm)* **		**1,906**				

*Interest accrued from 06.08.2014

**Interest accrued from 15.08.2015

***Total is in EURm equivalent based on closing rates 30 September. 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.

Note 7 – Events after the end of the period

On 28 September 2015 Lindorff signed an agreement with Norwegian financial services group DNB to acquire three portfolios of non-performing loans (NPLs). The transaction was closed in Q4. The portfolios have a total principal outstanding of EUR 263 million and consist of NPLs from DNB's consumer and equipment finance operations, and its Corporate Banking division. The claims are mainly unsecured loans, defaulted in the period 1984 to 2015. The transaction is one of the largest acquisitions of NPLs ever pertained in the Norwegian market, and Lindorff's largest transaction in the Nordic market this year. Lindorff has a long term relationship with the client and have previously serviced a significant portion of the acquired portfolios in the Debt Collection business.

Lindorff AB and Lindorff Second Holding AB merged with Lindorff Group AB with effect from 6 October 2015. Lindorff Group AB is the surviving company.

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 Casus Finanse acquired in August 2015 and normalised for one month without ordinary operations from the Spanish acquisition in October 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

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