LINDORFF

Q3

QUARTERLY REPORT

2016

Financial highlights Q3

– Net revenue of EUR 167m, up 26% y/y (27% in constant currency)
– Adj. EBITDA excl. NRIs of EUR 110m in Q3, up 32% y/y
– ERC of EUR 2,461m, up 18% y/y
– Reduced leverage ratio to 4.9x from 5.1x in Q2 2016

Adjusted EBITDA

Up 32%

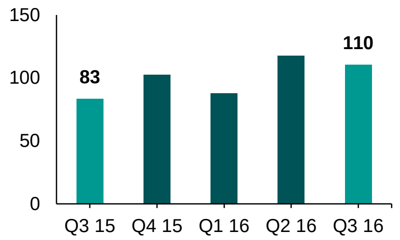
ERC

Up 18%

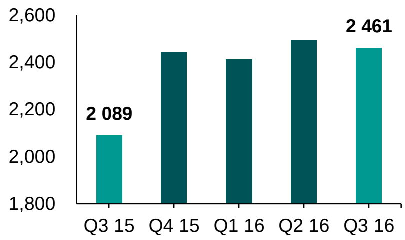
Investments (LTM)

EUR331m

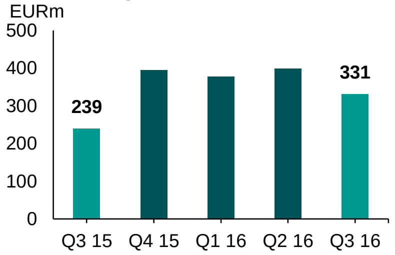
Adj. EBITDA (excl. NRIs)
EURm



ERC 180 month
EURm



Investments in Debt Purchasing LTM
EURm



EURm unless otherwise stated	Jul-Sep 2016	Jul-Sep 2015	Change %	Jan-Sep 2016*	Jan-Sep 2015	Change %	Jan-Dec 2015	LTM*
Net revenue	**167**	**132**	26%	**467**	**391**	20%	**534**	**610**
EBITDA	**68**	**45**	49%	**186**	**133**	40%	**186**	**240**
EBITDA margin (%)	**41%**	**34%**		**40%**	**34%**		**35%**	**39%**
EBITDA excl. NRIs	**73**	**49**	49%	**202**	**146**	39%	**205**	**261**
Adjusted EBITDA	**105**	**80**	32%	**299**	**234**	28%	**331**	**396**
Adjusted EBITDA excl. NRIs	**110**	**83**	32%	**315**	**247**	27%	**350**	**417**
EBIT	**19**	**37**	-47%	**116**	**106**	9%	**150**	**159**
NIBD	**2,291**	**1,854**	24%	**2,291**	**1,854**	24%	**2,063**	**2,291**
NIBD / Proforma Adjusted EBITDA (LTM)**	**4.9**	**5.3**		**4.9**	**5.3**		**5.7**	**4.9**
ERC, end of period	**2,461**	**2,089**	18%	**2,461**	**2,089**	18%	**2,442**	**2,461**
Investments in Debt Purchasing	**26**	**93**	-72%	**100**	**164**	-39%	**395**	**331**
Return in Debt Purchasing (LTM)	**16.6%**	**15.1%**		**16.6%**	**15.1%**		**14.9%**	**16.6%**
Earnings per share, basic and diluted (EUR)	**-35**	**-5**	558%	**-21**	**-18**	15%	**-19**	**-22**

* Aktua included from 1 June 2016.
** See definition on page 28.

Operational and Market update

Sustained double digit growth in revenue and earnings
Lindorff delivered strong performance in Q3, with Net revenue of EUR 167m representing an increase of 26% compared to the same quarter last year. The increase was 27% in constant currency. The growth was driven by the Debt Collection unit following the acquisition of Aktua in June, and positive development in the underlying external servicing revenue. When adjusting for the Aktua acquisition, Net revenue was up 4%.

The Q3 Adjusted EBITDA excluding NRIs was up 32% compared to the same quarter last year, coming in at EUR 110m. The EBITDA excl. NRIs was up by 49% compared to Q3 2015.

Investments in Debt Purchasing amounted to EUR 26m in Q3 2016 compared to EUR 93m in Q3 2015. Over the last twelve months investments in Debt Purchasing amounted to EUR 331m. Lindorff continued to deliver collection performance above forecast at 102% in Q3.

For the first nine months of 2016 Net revenue and Adjusted EBITDA excluding NRIs were EUR 467m and EUR 315m, representing an increase compared to last year of 20% and 27% respectively. The increase in constant currency was 21% and 29%. Investments in Debt Purchasing amounted to EUR 100m for the first nine months, compared to EUR 164m invested last year. Collection performance YTD was 106%.

In Q3 Lindorff decided to do an impairment of one of its servicing contracts in Spain which was signed in 2014. The write-down of the contract amounted to EUR 30m. The main reason for the write-down is that volumes have been lower than anticipated. Collection performance has however been in line with the business case. The contract lifetime is 10 years and the lower volume may be compensated at a later stage.

In October 2016 Lindorff secured additional funding through a EUR 200m non-syndicated loan facility and a EUR 55m bilateral credit facility. The company also secured a receivable financing solution in July and managed to free up approximately EUR 30m of working capital related to the payment services. In addition to securing new funding the Board of Directors in Lindorff decided in September to initiate a process to assess options to raise equity in the public markets, including undertaking necessary preparations to ensure readiness to a potential listing of the company, subject to further decisions by the Board of Directors.

Strengthened position to capture further market growth
During the first nine months of 2016 Lindorff's opportunities pipeline has continued to grow across business lines and geographies. Lindorff has invested strategically and maintained a strict capital discipline during the period. While investments in Debt Purchasing are below last year, total investments exceed last year mainly due to the acquisition of the two companies; Aktua in Spain and Cross Factor in Italy.

Aktua constitutes a transformational transaction for Lindorff and is complementary to the company's business model. Aktua brings additional Secured NPL servicing capabilities as well as Real Estate Servicing expertise to the Group. The acquisition also strengthens Lindorff's servicing business further and the balanced business model which is a key priority for the company.

In October 2016 Lindorff has entered into a strategic agreement with the payment provider Bambora in the Nordic region to deliver in-store invoice solutions in addition to invoice solutions for e-commerce merchants.

Debt Purchasing co-investment partnerships is also a key priority for Lindorff and allows the company to leverage the opportunities in the NPL market and at the same time grows the servicing revenue in the business. In October 2016 Lindorff entered into a strategic co-investment partnership with CarVal Investors and AlbaCore Capital. The partners have committed to deploy up to EUR 350m in unsecured non-performing loans in Europe. The agreement is another milestone Lindorff's growth strategy.

In summary, Lindorff delivered continued strong performance in Q3 and for the first nine months of 2016. The company has also during October secured additional funding and announced co-investment partnerships as well as an important payment solution agreement with Bambora. Lindorff is consequently in a very strong position to capture further market growth/share going into a seasonal strong Q4 for NPL sales in the B2C unsecured space. The company also see the significant potential in the secured NPL space strengthened by the Aktua acquisition earlier this year, and expect positive contribution from the payment business line in the years to come.

Financial review Q3 2016

Lindorff Group

Lindorff Group consists of Lock Lower Holding AS, Corporate Identity Number 913 741 110, as parent company with subsidiary Lock AS together with Lindorff AB and its subsidiaries. Subsidiaries are consolidated from acquisition date. Lindorff S.A. in Poland (former Casus Finanse S.A.) was acquired 18 August 2015, Italian entity Cross Factor S.p.A 10 May 2016 and 94% of the Spanish group Aktua Soluciones Financieras Holdings was acquired 1 June 2016.

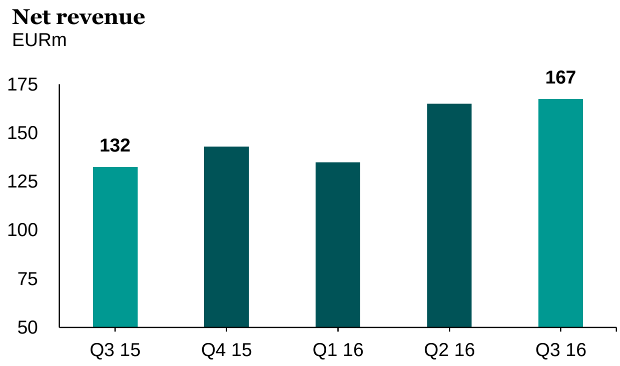
In July the ownership of Aktua decreased to 85% as minority interest shareholder Banco Santander acquired additional 9% of Lindorff's shares. Aktua group is organised as unrestricted subsidiaries according to the indentures governing the outstanding notes of Lock Lower Holding AS and Lock AS as well as Lock AS's revolving credit facility.

Due to reporting requirements in the current bond indenture, separate figures for the restricted Group are presented in Note 6. Throughout the report the terms Lindorff and Lindorff Group mean Lock Lower Holding AS and all subsidiaries.

Net revenue

Net revenue was EUR 167m in Q3 2016. This represents an increase of 26% compared to EUR 132m in Q3 2015. In constant currency the growth rate was 27%. The increase in Net revenue was mainly driven by the acquisition of Aktua in Spain and good collection performance on both clients' and own debt. When adjusting for the Aktua acquisition, Net revenue was up 4%.

Net revenue in the first nine months of 2016 was EUR 467m, representing an increase of 20% compared to the first nine months of 2015. In constant currency the increase was 21%. Excluding Aktua, Net revenue increase was 10% comparing to same period 2015.

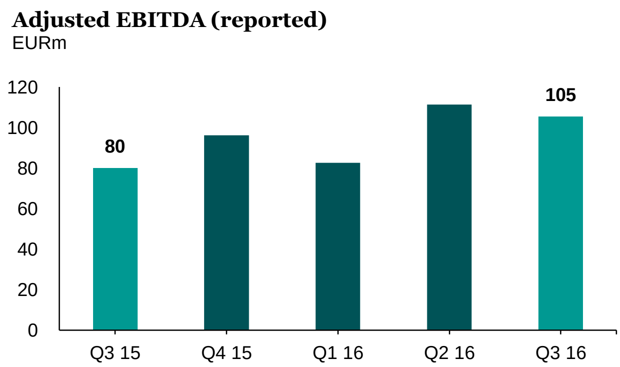


Earnings

The reported Adjusted EBITDA amounted to EUR 105m in Q3 2016 compared to EUR 80m in Q3 2015. Excluding NRIs, the Adjusted EBITDA was EUR 110m in the third quarter, up 32% compared to last year. The EBITDA increased from EUR 45m to EUR 68m due to the increase in revenue, operational improvements and positive margin contribution from new investments.

The EBITDA margin has increased from 34% in Q3 2015 to 41% in Q3 2016. Adjusting for NRIs the Q3 EBITDA was EUR 73m, up 49% compared to last year. Lindorff is continuously focused on operational improvements, including leveraging of the Group's shared service center in Vilnius.

The Adjusted EBITDA for the first nine months of 2016 was EUR 299m compared to EUR 234m in the same period last year. Excluding NRIs, the Adjusted EBITDA was EUR 315m in 2016, up 27% from EUR 247m in 2015. Lindorff Group targets a low double digit annual growth rate in EBITDA excl. NRIs in the medium term.



Reported EBIT amounted to EUR 19m in Q3 2016 compared to EUR 37m in Q3 2015, mainly related to increased amortisations, and the impairment of IT assets and client relationship totalling EUR 40m. For the first nine months of 2016 reported EBIT was EUR 116m, up 9% from EUR 106m in same period 2015.

Operating expenses

Total operating expenses excluding depreciation and amortisation amounted to EUR 100m in Q3 2016, up from EUR 87m in Q3 2015. Increase of expenses relates to Aktua. Excluding Aktua, operating costs decreased by EUR 3m. Total operating expenses for the first nine months of 2016 were EUR 281m, up EUR 23m from last year of which EUR 21m related to Aktua.

In Q3 2016 employee benefit expenses amounted to EUR 53m, up by EUR 5m from EUR 48m in Q3 2015, whereof EUR 5m relates to Aktua. For the first nine months of 2016 employee benefit expenses were EUR 152m compared to EUR 138m in 2015. The increase of EUR 14m is mainly due to increased number of FTEs resulting from the acquisitions of Aktua last quarter and Casus Finanse in Poland in Q3 2015.

Legal fee cost amounted to EUR 11m in Q3 2016, down by EUR 1m from EUR 13m in Q3 2015. For the first nine months of 2016 legal fee cost was EUR 35m compared to EUR 30m in first nine months of 2015. The YTD increase of EUR 4m is related to increased activity to secure future revenue.

Phone, postage and packaging expenses amounted to EUR 4m for Q3 in 2016 and 2015. For the first nine months of 2016 phone, postage and packaging expenses were EUR 14m, compared to EUR 13m in the same period 2015.

Other operating costs increased by EUR 8m in the third quarter 2016 from EUR 22m in 2015 to EUR 31m. The increase is related to Aktua operating costs of EUR 10m.

For the first nine months of 2016 other operating costs increased by EUR 4m, from EUR 77m in 2015 to EUR 81m in 2016 due to the Aktua acquisition. Excluding Aktua other operating costs decreased by EUR 9m due to cost savings initiatives.

NRIs were EUR 16m in first nine months of 2016 compared to EUR 13m in the same period of 2015. Q3 NRIs were EUR 5m and mainly comprised consultancy fees related to M&A.

Depreciation and Amortisation

Depreciation and amortisation (excl. portfolio amortisation) increased by EUR 40m from EUR 9m in Q3 2015 to EUR 49m in Q3 2016. The increased costs relate mainly to the impairment of a servicing contract in Spain of EUR 30m, impairment of IT software of EUR 4m and amortisation in Aktua of EUR 4m.

In the first nine months of 2016 depreciation and amortisation increased by EUR 44m from EUR 27m in 2015 to EUR 70m. The increase was mainly due to the above mentioned items in Q3 and the amortisation of the collection contract acquired in Spain in Q4 2015.

SG&A and IT

SG&A and IT costs increased by EUR 8m, from EUR 21m in Q3 2015 to EUR 29m in Q3 2016. The increase is mainly related to growth in the business, through additions in Poland, Italy and Spain. SG&A/Net revenue ratio increased from 9% in Q3 2015 to 11% in Q3 2016, while IT cost/Net revenue ratio remained stable at 7% for Q3 2016 and Q3 2015.

For the first nine months, SG&A and IT costs increased by EUR 12m from EUR 67m in 2015 to EUR 79m in 2016. The increase is mainly related to growth of the business through recent acquisitions. SG&A/Net revenue ratio in the period amounted to 10% for both 2016 and 2015, IT cost/Net revenue ratio remained flat, at 7% for the first nine months of 2016.

Net financial items

Net financial costs decreased by EUR 18m from EUR 51m in Q3 2015 to EUR 33m in Q3 2016, and by EUR 24m from EUR 127m to EUR 104m in the first nine months of 2016. The reason for the decrease comparing to previous year, both for the quarter and the first nine months, is a net financial exchange gain in 2016 as opposed to a loss in 2015.

Investments and cash flow

Investments in Debt Purchasing were EUR 26m in Q3 2016 compared to EUR 93m last year. For the first nine months, investments in Debt Purchasing decreased from EUR 164m in 2015 to EUR 100m in 2016. Investments in subsidiaries of EUR 113m in the first nine months of 2016 include cash payments net of acquired cash related to acquisition of Aktua and Cross Factor.

Cash flow from operating activities was EUR 48m in Q3 2016 compared to EUR 16m in Q3 2015. Increase in cash flow is mainly attributable to the contribution of Aktua to the Group EBITDA and implementation of arrangement for payment services receivables in Q3 2015.

In the first nine months of 2016 cash flow from operating activities was EUR 149m compared to EUR 32m in the same period last year, mainly caused by higher Adjusted EBITDA compared to 2015, improved net working capital due to payment financing solution in place 1 July 2016, and a one-off tax claim of EUR 22m paid in Q1 2015.

Tax

The income tax expense for the quarter was EUR 16m (2015: negative EUR 10m) including net tax expense of EUR 17m relating to the disputed tax claims described below. The income tax expense for the nine first months of the year was EUR 30m (2015: negative EUR 6m).

Lindorff Group has certain ongoing tax cases related to deductibility of interest of Group internal loans in Finland and Norway. Tax exposure of these cases including potential penalties is estimated at EUR 45m, whereof EUR 9m remains unpaid as at 30 September 2016. Lindorff contests the claims in both countries.

As of 30 September 2016 Lindorff has recorded a tax liability in the consolidated accounts as of balance sheet date based on the best estimate of a potential negative outcome.

Furthermore at acquisition of Lindorff in 2014 an indemnification right for the buyer (Lock AS), related to the tax exposure in the Group, was included in the Share Purchase Agreement (SPA). It was agreed that the majority sellers will indemnify the acquirer for 75% of any negative outcome in the specific tax disputes described above, capped at a maximum amount of EUR 29m.

Lindorff has in accordance with the terms of the SPA notified the sellers that it will utilize the indemnification right in case of a negative outcome. In accordance with IFRS 3 any indemnification right recorded should be measured on the same basis as the liability. Based on the terms in the SPA described above the indemnification asset recorded as of 30 September is estimated at EUR 28m, resulting in a net tax expense in the consolidated income statement of EUR 17m related to these cases.

The Group has reassigned the right to receive the cash under the indemnity agreement to Lock TopCo AS' parent company Cidron 1748 S.à r.l. and the consideration for this reassignment is recorded as a receivable on the shareholder of the Group. In the consolidated statement of financial position is the indemnification asset therefore classified as a receivable of EUR 28m towards its shareholder Lock Upper Holding AS.

The high effective tax rate, adjusted for the issues describe above, is mainly due to net financing costs including unrealised currency losses in Sweden for which the Group has not recognised a deferred tax asset.

Funding

Lindorff Group is funded through a Super Senior RCF of EUR 324m, Senior Secured Notes of EUR 1,469m equivalent (issued in EUR and NOK) and Senior Notes of EUR 442m equivalent (issued in EUR and SEK).

The average interest rate on the notes is 7% with an average duration of 4.8 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 2016, the RCF draw amounted to EUR 233m (excluding a draw for unfunded guarantees of EUR 21m).

In addition to the above mentioned borrowings, Aktua has senior facilities totalling EUR 109m, Mezzanine facilities totalling EUR 59m, a VAT credit line of EUR 13m and a PIK loan of EUR 30m. Lindorff S.A. in Poland (previously Casus Finanse S.A.) has remaining bond debt totalling EUR 1m. This debt will be repaid in full in December 2016.

At end of Q3 2016 the Net Interest Bearing Debt (NIBD) was EUR 2,291m (Receivables financing is not included in the calculation of NIBD), which implies 4.9x NIBD/Adjusted EBITDA excluding NRIs (LTM) and including pro-forma effect for the BMN carve-out from Q4 2015 and the acquisitions of Cross Factor and Aktua. Leverage has decreased compared to Q3 2015 due to the increase in pro forma adjusted EBITDA excluding NRIs.

If an IPO of Lindorff Group is pursued, Lindorff would intend to raise primary equity capital and reduce NIBD/Adjusted EBITDA excluding NRIs (LTM) to 3.50-3.75x net debt/Adj. EBITDA. Thereafter, Lindorff would target NIBD/Adjusted EBITDA excluding NRIs (LTM) of approximately 3x in the medium term.

Available liquidity

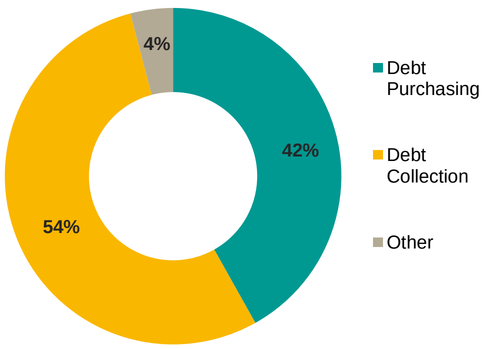
EURm	30 Sep 2016
RCF capacity at the end of period	324
- amount drawn	-233
- amount allocated to guarantees	-25
Available RCF	**66**
+ Cash total Group	64
Available liquidity total Group	**131**
- Cash Aktua group	27
Available liquidity restricted Group	**104**

Goodwill

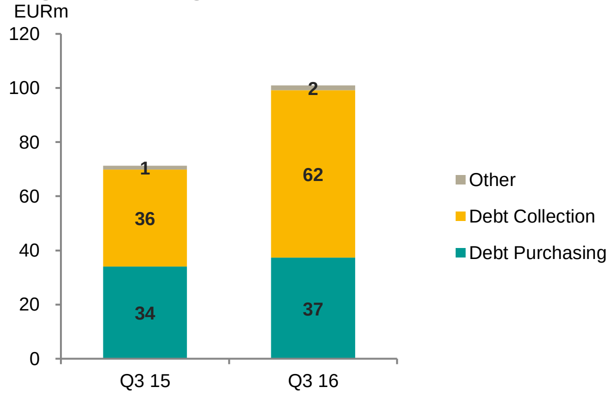
Consolidated goodwill amounted to EUR 1,578m at the end of Q3 2016, and increased by EUR 194m from EUR 1,384m at the end of December 2015. The main reason for the increase was the acquisition of Aktua Soluciones Financieras Holdings, S.L. in Spain.

Operating segments

Revenue mix in Q3 2016



Segment Earnings



Debt Collection

Net revenue in Q3 2016, excluding intersegment revenue of EUR 28m from collection on Lindorff owned portfolios, amounted to EUR 90m, compared to EUR 60m in Q3 2015. This represents an increase of 51%. The increase was mainly driven by the acquisition of Aktua in Spain, as well as improved collection performance in the third party collection business.

The Segment Earnings increased 73% from EUR 36m in Q3 2015 to EUR 62m in Q3 2016. The increase was mainly related to the increase in revenue compared to last year, and operational improvements.

The Debt Collection segment, excluding intersegment revenue, accounted for 54% of the Group Net revenue and 61% of the Group Segment Earnings in Q3 2016.

For the first nine months of 2016 net revenue increased 21% from EUR 188m YTD 2015 to EUR 228m YTD 2016. Segment Earnings increased 33% from EUR 114m YTD 2015 to EUR 152m YTD 2016. The Earnings margin increased from 43% to 49% in the same period.

Debt Purchasing

Net revenue in Q3 2016 amounted to EUR 70m compared to EUR 68m in Q3 2015, representing an increase of 3%. The increase was driven by continued good collection performance at 102% and positive portfolio revaluations, partly offset by the relatively lower level of YTD investments 2016 compared to LTM. Portfolios' revaluations in Q3 were EUR 2.9m, of which EUR 2.0m curve adjustments and EUR 0.9m tail extensions.

The Segment Earnings came in at EUR 37m in Q3 2016 compared to EUR 34m in Q3 2015, mainly driven by the efficiency in internal collections unit. The earnings margin increased from 50% in Q3 2015 to 53% in Q3 2016.

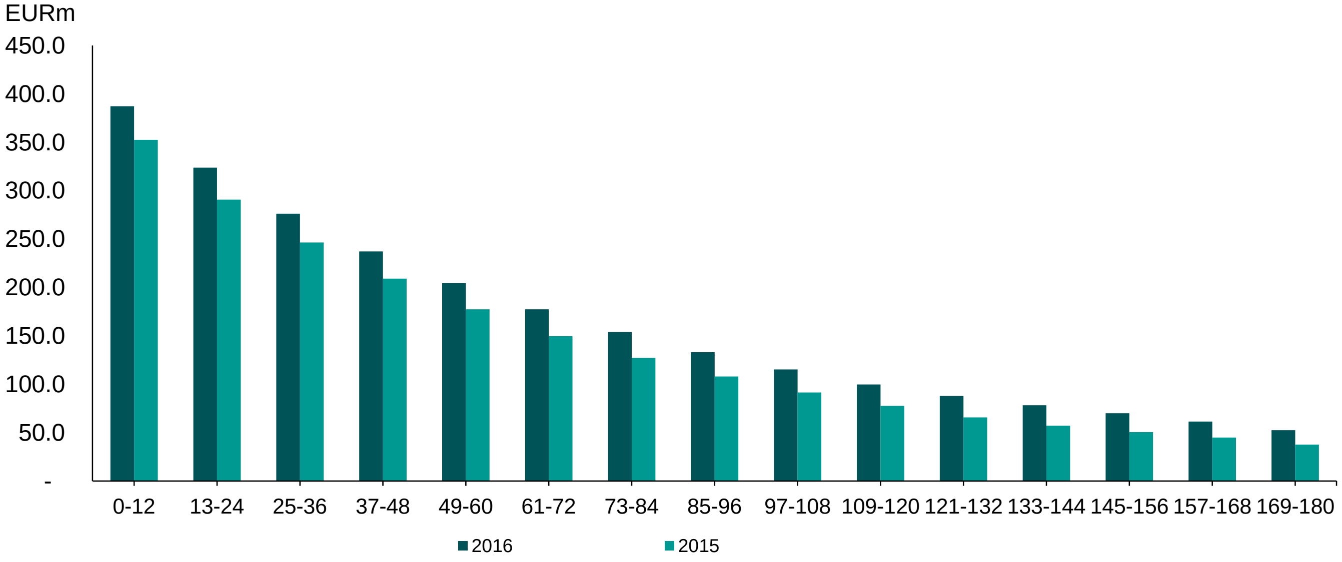
Total investment in Debt Purchasing during the third quarter was EUR 26m compared to EUR 93m in Q3 2015. Total investments last twelve months amounted to EUR 331m.

Debt Purchasing accounted for 42% of Group Net revenue and 37% of Group Segment Earnings in Q3 2016. For the first nine months of 2016 net revenue increased 16%, from EUR 190m in 2015 to EUR 219m. The increase was driven by investments and strong collection performance at 106% of forecast.

Segment Earnings increased 25% from EUR 99m YTD 2015 to EUR 123m YTD 2016. The earnings margin increased from 52% to 56% in the same period.

Return in Debt Purchasing (LTM) as of 30 September 2016 was 16.6% compared to 15.1% in the same period last year. Lindorff Group targets mid-term returns in Debt Purchasing of approximately 14%. Estimated Remaining Collections (ERC) on Lindorff's own portfolios was EUR 2,461m at 30 September 2016, up 18% from EUR 2,089m at 30 September 2015.

ERC, next 180 months



Other Services

Other services consist of invoicing, payment services and other income. Revenue in Q3 2016 was EUR 7.1m, compared to EUR 4.5m in Q3 2015. Other services continue to be important for Lindorff to drive growth in the core collection business.

Payment services is showing a strong development, and will continue to be an important growth area for Lindorff going forward. Revenue from payment services increased with EUR 1.8m from EUR 0.9m in Q3 2015 to EUR 2.8m in Q3 2016.

Total Segment Earnings for Other Services increased by EUR 0.6m from EUR 1.4m to EUR 2.0m.

For the first nine months of 2016 net revenue increased 54%, from EUR 12.9m in 2015 to EUR 19.8m. Segment Earnings increased from EUR 3.0m to EUR 5.3m in the same period.

Summary of Operating Segments

EURm	Jul-Sep 2016	Jul-Sep 2015	Change %	Jan-Sep 2016*	Jan-Sep 2015	Change %	Jan-Dec 2015	LTM*
Revenue per segment								
Debt Purchasing	**70**	**68**	3 %	**219**	**190**	16 %	**267**	**296**
Debt Collection	**90**	**60**	51 %	**228**	**188**	21 %	**248**	**288**
Other	**7**	**4**	58 %	**20**	**13**	54 %	**19**	**26**
Total	**167**	**132**	**26 %**	**467**	**391**	**20 %**	**534**	**610**
Earnings per segment								
Debt Purchasing	**37**	**34**	9 %	**123**	**99**	25 %	**140**	**164**
Debt Collection	**62**	**36**	73 %	**152**	**114**	33 %	**151**	**189**
Other	**2**	**1**	46 %	**5**	**3**	76 %	**6**	**8**
Total	**101**	**71**	**42 %**	**280**	**216**	**30 %**	**297**	**361**

* Aktua included from 1 June 2016

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 risks such as market risk, funding 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 limited the risk of adverse effects from changes in the market's interest rates on the Group's interest bearing liabilities.

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 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 2015 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 2016. Net result for Q3 2016 was EUR -0.2m. Net result for first nine months of 2016 was EUR -0.2m.

Events after the end of the period

Funding

On 5 October Lindorff signed EUR 200m non-syndicated loan agreement with approximately six-year maturity and EUR equivalent 55m 3.5-year bilateral credit facility agreement. The proceeds have been used to repay RCF drawdowns.

Agreements

In October 2016 Lindorff has entered into a strategic agreement with the payment provider Bambora in the Nordic region to deliver in-store invoice solutions in addition to invoice solutions for e-commerce merchants.

In October 2016 Lindorff entered into a strategic co-investment partnerships with CarVal Investors and AlbaCore Capital. The partners have committed to deploy up to EUR 350m in unsecured non-performing loans in Europe. The agreement is another milestone Lindorff's growth strategy.

EVP Debt Collection Sales

Lindorff Group has appointed Anne Louise Eberhard as Executive Vice President Debt Collection Sales. Eberhard has for several years held senior positions at Danske Bank, latest as Senior Executive VP and Global Head of Corporate & Institutional Banking. Eberhard joins the Group Executive Committee and will report to CEO Klaus-Anders Nysteen.

EVP Communications

Lindorff Group has appointed Karen Romer to the new position of Executive Vice President Communications and Identity, and member of the Group Executive Committee. Romer has more than 20 years' experience in international corporate communications, most recently as Director Global Communications of Couche-Tard.

Consolidated Income Statement

EURm	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016*	Jan-Sep 2015	Jan-Dec 2015
Net revenue	**167**	**132**	**467**	**391**	**534**
Employee benefit expense	-53	-48	-152	-138	-187
Legal fee cost	-11	-13	-35	-30	-43
Phone, postage and packaging	-4	-4	-14	-13	-18
Other operating costs	-31	-22	-81	-77	-100
Depreciation, amortisation and impairment	-49	-9	-70	-27	-37
Results from operating activities (EBIT)	**19**	**37**	**116**	**106**	**150**
Net financial items	-33	-51	-104	-127	-172
Profit (loss) before tax	**-14**	**-15**	**12**	**-21**	**-23**
Income tax expense	-16	10	-30	6	6
Profit (loss) for the period	**-30**	**-5**	**-18**	**-16**	**-16**
Profit (loss) attributable to:					
Owners of the Company	**-31**	**-5**	**-19**	**-16**	**-16**
Profit (loss) for the period	-30	-5	-18	-16	-16
Earnings per share					
Basic and diluted earnings/(loss) per share (EUR)	-35	-5	-21	-18	-19
Average numbers of shares (in millions)	0.85	0.85	0.85	0.85	0.85

* Aktua included from 1 June 2016.

Consolidated Statement of comprehensive income

EURm	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016*	Jan-Sep 2015	Jan-Dec 2015
Profit (loss) for the period	**-30**	**-5**	**-18**	**-16**	**-16**
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	6	-8	9	-3	-2
Total comprehensive income for the period	**-24**	**-13**	**-9**	**-19**	**-15**
Attributable to:					
Owners of the Company	**-24**	**-13**	**-9**	**-19**	**-15**
Total comprehensive income for the year	**-24**	**-13**	**-9**	**-19**	**-15**

* Aktua included from 1 June 2016.

Consolidated Statement of financial position

EURm	30 Sep 2016	30 Sep 2015	31 Dec 2015
ASSETS			
Fixtures and furnitures	14	14	14
Intangible assets	403	306	327
Goodwill	1,578	1,388	1,384
Loans and receivables	1,083	891	1,070
Deferred income tax assets	32	64	71
Other long-term assets	13	12	12
Non-current assets	**3,123**	**2,673**	**2,878**
Trade receivables	30	16	21
Current tax receivable	12	6	5
Other short-term receivables	135	56	73
Client funds	31	23	38
Cash and cash equivalents	64	72	53
Current assets	**273**	**174**	**191**
Total assets	**3,396**	**2,848**	**3,069**
EQUITY			
Share capital	9	9	9
Share premium	766	722	715
Retained earnings	-1	56	66
Total equity	**774**	**787**	**789**
Liabilities			
Liabilities to credit institutions	172	0	0
Bonds	1,867	1,857	1,860
Other long-term liabilities	50	1	1
Pension liabilities	8	11	7
Deferred income tax liabilities	57	49	47
Financial derivatives	0	3	0
Non-current liabilities	**2,153**	**1,921**	**1,915**
Trade payables	23	21	19
Short-term loan	317	35	242
Client liabilities	31	23	38
Current tax liabilities	21	0	5
Other short-term liabilities	76	60	58
Financial derivatives	1	0	2
Current liabilities	**469**	**140**	**365**
Total liabilities	**2,622**	**2,061**	**2,280**
Total equity and liabilities	**3,396**	**2,848**	**3,069**

Consolidated Statement of changes in equity

EURm	Jan-Sep 2016	Jan-Dec 2015
Beginning balance, 1 January	**789**	**805**
Net income (loss) for the period	-18	-16
Remeasurements of post-employment benefit obligations	0	3
Currency translation differences	9	-2
Other comprehensive income	9	1
Total comprehensive income	**-9**	**-15**
Capital increase	1	0
Sold put option to non-controlling interest	-7	0
Ending balance	**774**	**789**

Consolidated Statement of cash flow

EURm	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016*	Jan-Sep 2015	Jan-Dec 2015
Operating activities:					
Results from operating activities (EBIT)	19	37	116	106	150
Amortisation, depreciation and impairment	49	9	70	27	37
Amortisation and revaluation of Purchased Debt	38	35	113	102	144
Interest received	0	0	0	1	1
Interest paid	-58	-52	-136	-134	-152
Corporate Income tax paid	-1	-5	-5	-32	-36
Cash flow from operating activities before changes in working capital	**47**	**23**	**159**	**70**	**144**
Cash flow from changes in working capital:					
Decrease(+) / increase(-) in trade receivable	4	9	-8	-3	-8
Decrease(+) / increase(-) in other receivables	0	-4	2	-14	-4
Decrease(+) / increase(-) in payment services receivables	-1	-13	-7	-14	-35
Decrease(-) / increase(+) in trade payable	-2	1	1	0	-2
Decrease(-) / increase(+) in other current liabilities	1	1	3	-6	-4
Cash flow (used in)/from operating activities	**48**	**16**	**149**	**32**	**90**
Investment activities:					
Acquisition of subsidiary, net of cash acquired	0	-33	-113	-33	-33
Acquisition of tangible fixed assets	-1	-1	-2	-3	-5
Acquisition of intangible fixed assets	-5	-3	-13	-10	-40
Proceeds from sale of shares	10	0	10	0	1
Acquisition of loans and receivables	-27	-90	-99	-159	-396
Cash flow (used in)/from investing activities	**-21**	**-127**	**-217**	**-206**	**-472**
Financing activities:					
Proceeds from new debt	94	357	305	449	671
Retirement of debt	-107	-228	-225	-296	-327
Loan to group companies	0	0	0	-2	-2
Other financial expenses paid	-1	-3	-3	-3	-8
Cash flow (used in)/from financing activities	**-14**	**127**	**77**	**149**	**334**
Cash flow for the period	**12**	**16**	**9**	**-25**	**-48**
Currency effect	0	0	2	-2	2
Cash and cash equivalents at the beginning of the period	52	56	53	99	99
Cash and cash equivalents at end of period	**64**	**72**	**64**	**72**	**53**

* Aktua included from 1 June 2016.

Income Statement Parent Company

EURm	Jul-Sep 2016	Jul-Sep 2015	Jan-Dec 2015
Net revenue	0	0	1
Other operating costs	0	0	-1
Results from operating activities (EBIT)	**0**	**0**	**0**
Finance income	10	10	41
Finance costs	-10	-11	-41
Net finance costs	**0**	**-1**	**0**
Profit before tax	**0**	**-1**	**0**
Income tax expense	0	0	0
Profit for the period	**0**	**-1**	**0**

Statement of financial position Parent Company

EURm	30 Sep 2016	30 Sep 2015	31 Dec 2015
ASSETS			
Investment in subsidiaries	776	731	724
Long-term receivables	443	447	451
Non-current assets	**1,220**	**1,178**	**1,175**
Other short-term receivables	33	5	13
Cash and cash equivalents	0	1	0
Current assets	**34**	**5**	**13**
Total assets	**1,253**	**1,183**	**1,188**
EQUITY			
Share Capital	9	9	9
Total restricted capital	**9**	**9**	**9**
Share Premium	766	722	715
Retained earnings	-0	-1	-0
Total non-restricted capital	**766**	**721**	**715**
Total equity	**775**	**730**	**723**
LIABILITIES			
Bonds	442	447	451
Other long-term liabilities	2	1	2
Non-current liabilities	**444**	**448**	**453**
Trade payables	28	0	0
Other short-term liabilities	5	5	12
Current liabilities	**34**	**5**	**12**
Total liabilities	**478**	**453**	**465**
Total equity and liabilities	**1,253**	**1,183**	**1,188**
Pledged assets (shares in subsidiaries)	776	731	724

Notes

Note 1 – Accounting Principles

Lock Lower Holding AS consolidated financial statements for third quarter of 2016 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as the Norwegian Accounting 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 Accounting 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 2015).

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.

Equity transactions

If put options are issued to non-controlling shareholders, it is reported as a financial liability at the present value of future payments. Any revaluations are recognised through equity as transactions between shareholders.

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 Segment Earnings which is Net revenue minus direct operating expenses.

Revenues
Sales between segments are carried out at arm's length. Net 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 2016	Jul-Sep 2015	Jan-Sep 2016*	Jan-Sep 2015	Jan-Dec 2015
Net revenue from external customers					
Debt Purchasing	70	68	219	190	267
Debt Collection	90	60	228	188	248
Other	7	4	20	13	19
Total	**167**	**132**	**467**	**391**	**534**
Inter- segment revenue					
Debt Collection	28	27	81	79	110
Elimination	-28	-27	-81	-79	-110
Earnings per segment					
Debt Purchasing	37	34	123	99	140
Debt Collection	62	36	152	114	151
Other	2	1	5	3	6
Total	**101**	**71**	**280**	**216**	**297**
Unallocated cost					
SG&A	-18	-12	-49	-40	-54
IT	-12	-9	-31	-27	-36
Other not allocated expenses	-4	-5	-15	-16	-21
EBITDA	**68**	**45**	**186**	**133**	**186**
Depreciation and amortisation	-49	-9	-70	-27	-37
EBIT	**19**	**37**	**116**	**106**	**150**
Net financial Items	-33	-51	-104	-127	-172
Profit (loss) before tax	**-14**	**-15**	**12**	**-21**	**-23**
Purchased loans and receivables					
Beginning value	**1,090**	**820**	**1,070**	**809**	**809**
Amortisation	-40	-36	-119	-104	-149
Revaluation	3	2	6	3	5
Portfolio acquisitions	26	93	100	164	395
Investment in portfolios through acquisitions	0	22	22	22	21
Divestment and disposals	-0	-1	-1	-1	-1
Effect of change in FX rates	4	-9	4	-2	-9
Ending value	**1,083**	**891**	**1,083**	**891**	**1,070**
Average carrying value of purchased debt	**1,087**	**855**	**1,077**	**850**	**940**
Return in Debt Purchasing (LTM)	16.6 %	15.1 %	16.6 %	15.1 %	14.9 %

* Aktua included from 1 June 2016.

Note 3 – Reconciliation of income to Adjusted EBITDA

The Lindorff Group uses the alternative performance measures “Adjusted EBITDA”, “Adjusted EBITDA excluding NRIs” and “Net Interest Bearing Debt to Proforma Adjusted EBITDA excluding NRIs”. The Group believes that the alternative performance measures are useful complements for users of the financial report. “Adjusted EBITDA” serves as a cash proxy and a measure that the Group considers to be relevant for understanding the results from operating activities adjusted for portfolio amortisation and revaluation. “Adjusted EBITDA excluding NRIs” is a similar measure which after the exclusion of non-recurring items provides a run rate result from operating activities. The “Net Interest Bearing Debt to Proforma Adjusted EBITDA excluding NRIs” (LTM) ratio is a leverage ratio used for reporting in relation the Group’s bond indentures. Group definitions are unchanged from previous periods and ratios defined as below:

EURm	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016*	Jan-Sep 2015	Jan-Dec 2015
Net revenue from Debt Purchasing	70	68	219	190	267
Amortisation and revaluation	38	35	113	102	144
Gross revenue from Debt Purchasing	**108**	**103**	**332**	**291**	**411**
Revenue from Debt Collection and Other Services	97	64	248	201	267
Employee benefit expense	-53	-48	-152	-138	-187
Legal fee cost	-11	-13	-35	-30	-43
Phone, postage and packaging	-4	-4	-14	-13	-18
Other operating costs	-31	-22	-81	-77	-100
Adjusted EBITDA	**105**	**80**	**299**	**234**	**331**
Non Recurring Items (NRIs)	5	3	16	13	19
Adjusted EBITDA excl. NRIs	**110**	**83**	**315**	**247**	**350**

* Aktua included from 1 June 2016.

EURm	LTM Sep 2016	LTM Sep 2015	Jan-Dec 2015
Adjusted EBITDA excl. NRIs	417	338	350
Proforma acquisitions	50	14	11
Adjusted EBITDA excl. NRIs and proforma acquisitions	**467**	**352**	**361**

Note 4 – Fair value of financial assets and liabilities

	Book value	Fair value*	
EURm	**30 Sep 2016**	**30 Sep 2016**	**FV - hierarchy**
Financial assets at amortised cost			
Loans and receivables	1,083	1,083	3
Other long-term assets	12	12	3
Trade receivables	30	30	3
Other short-term receivables	113	113	3
Cash and cash equivalents	64	64	
Financial liabilities at fair value through profit or loss			
Financial derivatives	1	1	2
Financial liabilities at amortised cost			
Bonds	1,867	1,968	1
Long-term loan	192	192	3
Trade payables	23	23	3
Short-term loan	286	286	2
Other short-term liabilities	60	60	3
Total	**2,428**	**2,529**	

* See Annual Report Lock Lower Holding AS 2015 for description of calculation of fair value.

Note 5 – Borrowing

Revolving Credit Facility (RCF)	Limit*	Security	Maturity	Interest	Margin	Participants
EURm	324	Super Senior secured	06.04.2020	Floating	EURIBOR+3.50%	Nordea, DNB, SEB, NYK

* Total RCF facility is EUR 324m, whereof EUR 25m is allocated to guarantees. As at 30 September 2016 EUR 233m was drawn, excluding EUR 21m in guarantees.

Bonds	Issue Date	Issue	Security	Maturity	Interest	Coupon	Issuer
EURm	06.08.2014	253	Senior secured notes	15.08.2020	Floating	3m EURIBOR+5.50%	Lock AS
EURm	07.11.2014*	100	Senior secured notes	15.08.2020	Floating	3m EURIBOR+5.50%	Lock AS
EURm	10.09.2015**	200	Senior secured notes	15.08.2020	Floating	3m EURIBOR+5.50%	Lock AS
NOKm	06.08.2014	1,680	Senior secured notes	15.08.2020	Floating	3m NIBOR+5.75%	Lock AS
EURm	06.08.2014	550	Senior secured notes	15.08.2021	Fixed	7.0 %	Lock AS
EURm	07.11.2014*	150	Senior secured notes	15.08.2021	Fixed	7.0 %	Lock AS
EURm	10.09.2015**	30	Senior secured notes	15.08.2021	Fixed	7.0 %	Lock AS
EURm	06.08.2014	250	Senior notes	15.08.2022	Fixed	9.5 %	Lock Lower Holding AS
SEKm	06.08.2014	1,850	Senior notes	15.08.2022	Floating	3m STIBOR+8.775%	Lock Lower Holding AS
Total (EURm)* **		**1,912**					

* Interest accrued from 06.08.2014
** Interest accrued from 15.08.2015
***Total is in EURm equivalent based on closing rates 30 September 2016. 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.

Aktua facilities

PIK facility	Limit	Security	Maturity	Interest	Margin	Participants
EURm	30	Guarantee from Nordic	01.05.2023	Floating	EURIBOR+3.75%	DNB

Senior facility (Aktua)	Limit	Security	Maturity	Interest	Margin	Participants
EURm	79	Senior secured	05.06.2022	Floating	EURIBOR+3.00%	Deutsche, Santander, Sabadell and BankInter

Mezzanine facility (Aktua)	Limit	Security	Maturity	Interest	Margin	Participants
EURm	42	Secured	05.06.2022	Floating	EURIBOR+9.75%	Deutsche Bank

Senior facility (Kite)	Limit	Security	Maturity	Interest	Margin	Participants
EURm	30	Senior secured	10.03.2022	Floating	EURIBOR+3.00%	Deutsche, Santander, Sabadell and BankInter

Mezzanine facility (Kite)	Limit	Security	Maturity	Interest	Margin	Participants
EURm	17	Secured	05.06.2022	Floating	EURIBOR+9.75%	Deutsche Bank

VAT Credit Line	Limit	Security	Maturity	Interest	Margin	Participants
EURm	13	VAT refunding	12.02.2017	Floating	EURIBOR+2.50%	Bankinter

Note 6 – Restricted Group

With reference to the indentures governing the outstanding notes of Lock Lower Holding AS and Lock AS as well as Lock AS's revolving credit facility, the companies in the Aktua group are organised as unrestricted subsidiaries. A separate disclosure of Lindorff Group excluding the Aktua group is presented in this note.

Financial highlights – Restricted Group

EURm unless otherwise stated	Jul-Sep 2016	Jul-Sep 2015	Change %	Jan-Sep 2016	Jan-Sep 2015	Change %	Jan-Dec 2015	LTM
Net revenue	**138**	**132**	4%	**428**	**391**	10%	**534**	**571**
EBITDA	**54**	**45**	19%	**168**	**133**	26%	**186**	**221**
EBITDA margin (%)	**39%**	**34%**		**39%**	**34%**		**35%**	**39%**
EBITDA excl. NRIs	**54**	**49**	11%	**178**	**146**	22%	**205**	**237**
Adjusted EBITDA	**92**	**80**	14%	**281**	**234**	20%	**331**	**377**
Adjusted EBITDA excl. NRIs	**92**	**83**	10%	**291**	**247**	18%	**350**	**393**
EBIT	**10**	**37**	-74%	**103**	**106**	-3%	**150**	**147**
NIBD	**2,108**	**1,854**	14%	**2,108**	**1,854**	14%	**2,063**	**2,108**
NIBD / Proforma Adjusted EBITDA (LTM)*	**5.3**	**5.3**		**5.3**	**5.3**		**5.7**	**5.3**
ERC, end of period	**2,461**	**2,089**	18%	**2,461**	**2,089**	18%	**2,442**	**2,461**
Investments in Debt Purchasing	**26**	**93**	-72%	**100**	**164**	-39%	**395**	**331**
Return in Debt Purchasing (LTM)	**16.6%**	**15.1%**		**16.6%**	**15.1%**		**14.9%**	**16.6%**
Earnings per share, basic and diluted (EUR)	**-41**	**-5**	670%	**-25**	**-18**	37%	**-19**	**-26**

* See definition on page 28.

Consolidated Income Statement – Restricted Group

EURm	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Net revenue	**138**	**132**	**428**	**391**	**534**
Employee benefit expense	-47	-48	-145	-138	-187
Legal fee cost	-11	-13	-34	-30	-43
Phone, postage and packaging	-4	-4	-13	-13	-18
Other operating costs	-21	-22	-68	-77	-100
Depreciation, amortisation and impairment	-44	-9	-65	-27	-37
Results from operating activities (EBIT)	**10**	**37**	**103**	**106**	**150**
Net financial items	-30	-51	-96	-127	-172
Profit (loss) before tax	**-20**	**-15**	**7**	**-21**	**-23**
Income tax expense	-15	10	-29	6	6
Profit (loss) for the period	**-35**	**-5**	**-21**	**-16**	**-16**
Profit (loss) attributable to:					
Owners of the Company	**-35**	**-5**	**-21**	**-16**	**-16**
Non-controlling interests	0	0	0	0	0
Profit (loss)for the period	-35	-5	-21	-16	-16
Earnings per share					
Basic and diluted earnings/(loss) per share (EUR)	-41	-5	-25	-18	-19
Average numbers of shares (in millions)	0.85	0.85	0.85	0.85	0.85

Consolidated Statement of comprehensive income – Restricted Group

EURm	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Profit (loss) for the period	**-35**	**-5**	**-21**	**-16**	**-16**
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	6	-8	6	-3	-2
Total comprehensive income for the period	**-29**	**-13**	**-15**	**-19**	**-15**
Attributable to:					
Owners of the Company	**-29**	**-13**	**-15**	**-19**	**-15**
Non-controlling interests	0	0	0	0	0
Total comprehensive income for the year	**-29**	**-13**	**-15**	**-19**	**-15**

Consolidated Statement of financial position – Restricted Group

EURm	30 Sep 2016	30 Sep 2015	31 Dec 2015
ASSETS			
Fixtures and furnitures	13	14	14
Intangible assets	278	306	327
Goodwill	1,408	1,388	1,384
Loans and receivables	1,083	891	1,070
Deferred income tax assets	38	64	71
Other long-term assets	84	12	12
Non-current assets	**2,904**	**2,673**	**2,878**
Trade receivables	25	16	21
Current tax receivable	4	6	5
Other short-term receivables	114	56	73
Client funds	30	23	38
Cash and cash equivalents	37	72	53
Current assets	**210**	**174**	**191**
Total assets	**3,114**	**2,848**	**3,069**
EQUITY			
Share capital	9	9	9
Share premium	766	722	715
Retained earnings	-1	56	66
Total equity	**775**	**787**	**789**
Liabilities			
Bonds	1,867	1,857	1,860
Other long-term liabilities	2	1	1
Pension liabilities	8	11	7
Deferred income tax liabilities	57	49	47
Financial derivatives	0	3	0
Non-current liabilities	**1,933**	**1,921**	**1,915**
Trade payables	21	21	19
Short-term loan	281	35	242
Client liabilities	30	23	38
Current tax liabilities	13	0	5
Other short-term liabilities	60	60	58
Financial derivatives	1	0	2
Current liabilities	**405**	**140**	**365**
Total liabilities	**2,338**	**2,061**	**2,280**
Total equity and liabilities	**3,114**	**2,848**	**3,069**

Consolidated Statement of cash flow – Restricted Group

EURm	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Operating activities:					
Results from operating activities (EBIT)	10	37	103	106	150
Amortisation, depreciation and impairment	44	9	65	27	37
Amortisation and revaluation of Purchased Debt	38	35	113	102	144
Interest received	0	0	0	1	1
Interest paid	-55	-52	-131	-134	-152
Corporate Income tax paid	-1	-5	-5	-32	-36
Cash flow from operating activities before changes in working capital	**35**	**23**	**145**	**70**	**144**
Cash flow from changes in working capital:					
Decrease(+) / increase(-) in trade receivable	-1	9	-9	-3	-8
Decrease(+) / increase(-) in other receivables	0	-4	2	-14	-4
Decrease(+) / increase(-) in payment services receivables	-1	-13	-7	-14	-35
Decrease(-) / increase(+) in trade payable	-1	1	1	0	-2
Decrease(-) / increase(+) in other current liabilities	0	1	-2	-6	-4
Cash flow (used in)/from operating activities	**32**	**16**	**130**	**32**	**90**
Investment activities:					
Acquisition of subsidiary, net of cash acquired	0	-33	-102	-33	-33
Acquisition of tangible fixed assets	-1	-1	-2	-3	-5
Acquisition of intangible fixed assets	-4	-3	-13	-10	-40
Proceeds from sale of shares	10	0	10	0	1
Acquisition of loans and receivables	-27	-90	-99	-159	-396
Cash flow (used in)/from investing activities	**-21**	**-127**	**-205**	**-206**	**-472**
Financing activities:					
Proceeds from new debt	94	357	276	449	671
Retirement of debt	-101	-228	-220	-296	-327
Loan to group companies	0	0	0	-2	-2
Other financial expenses paid	-1	-3	-3	-3	-8
Cash flow (used in)/from financing activities	**-8**	**127**	**53**	**149**	**334**
Cash flow for the period	**3**	**16**	**-22**	**-25**	**-48**
Currency effect	2	0	6	-2	2
Cash and cash equivalents at the beginning of the period	33	56	53	99	99
Cash and cash equivalents at end of period	**37**	**72**	**37**	**72**	**53**

Note 7 – Equity transactions

15 July Lindorff and Banco Santander signed a call and put option agreement for Santander's 15% holding in Aktua, in which Lindorff has the right to buy and Santander have the right to sell its stake until July 15, 2018 at a predetermined price, adjusted for deferred and contingent consideration plus interest. After July 15, 2018, each party has the right to buy and sell at market value. This agreement is recognised as a liability and as a transaction between shareholders. From an reporting perspective Santander’s shares are acquired and thus not reported as non-controlling interest. The liability amounts to 20 MEUR.

Note 8 – Events after the end of the period

Funding

On 5 October Lindorff signed a EUR 200m five-year non-syndicated loan agreement and EUR eqv. 55m three-year bilateral credit facility agreement. The proceeds have been used to repay RCF drawdowns.

Agreements

In October 2016 Lindorff has entered into a strategic agreement with the payment provider Bambora in the Nordic region to deliver in-store invoice solutions in addition to invoice solutions for e-commerce merchants.

In October 2016 Lindorff entered into a strategic co-investment partnerships with CarVal Investors and AlbaCore Capital. The partners have committed to deploy up to EUR 350m in unsecured non-performing loans in Europe. The agreement is another milestone Lindorff's growth strategy.

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

Gross collection in Debt Purchasing – Total principal, interest, collection fees and legal fees collected on purchased loans

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 – Net Interest Bearing Debt. Receivables financing is not included in the calculation of NIBD in accordance with the current Bond Indentures

NIBD/Adj. EBITDA – Net interest bearing debt divided by Adjusted EBITDA LTM (Leverage ratio is adjusted for proforma effect of acquisitions in the given period. Not including investments in Debt Purchasing).

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

Restricted Group – Lock Lower Holding AS and all its subsidiaries subject to the restrictive covenants of the Senior Secured Notes, Senior Notes and RCF indenture

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 as well as Real Estate Servicing

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

NRIs – Non-recurring Items

LTM – Last Twelve Months

RES – Real Estate Servicing

Other information

Contact info

Visiting Address Headquarters:
Lindorff Group
Hoffsveien 70b
0377 Oslo
Norway
Switchboard: +47 2321 1000

Investor Contacts
André Adolfsen
Director Investor Relations
Phone: +47 24 16 26 26
E-mail: andre.adolfsen@lindorff.com

LINDORFF

lindorff.com