



Report

Q2 2018

25 July, 2018

AXACTOR

Highlights

Second Quarter of 2018

- Gross collection for the quarter of EUR 66.7 million, a growth of 148% from EUR 26.9 million in Q2 2017
- EBITDA of EUR 10.6 million and Cash EBITDA of EUR 40.6 million in Q2 2018, compared to an EBITDA of EUR 6.1 million and a Cash EBITDA of EUR 9.4 million in Q2 2017
- Net profit for Q2 2018 was EUR 0.2 million, against EUR 4.6 million in Q2 2017 that included a 2 million settlement with former IGE Board of Directors
- More than 1000 REO assets sold since entering the REO segment in 2017
- Total portfolio investments of EUR 22.7 million., down from EUR 54.3 million in Q2 2017. In addition to the portfolio investments in the quarter, significant forward flow contracts with start date later in the year were signed in Germany, Italy, Norway and Sweden
- Axactor Spain added a total of three new outsourcing contracts for providing debt collection services during the quarter with one substantial real estate servicer and two of the largest financial institutions in Spain. In addition, three outsourcing services contracts with two large financial institutions were renewed. The total annual contract value for all six contracts combined is EUR 3.1 million
- Axactor signed its largest forward flow contract to date, with Komplet Bank in Norway. The contract has a duration of 18 months, plus an option to extend for a further 6 months. This contract is expected to generate an annual capex of circa EUR 60m per annum when fully operational
- Axactor Germany secured a significant forward flow of fresh unsecured consumer claims from a large financial institution in Germany. The forward flow is expected to generate approximately EUR 46m of outstanding debt across 28,000 cases per annum, with the contract covering a period of 24 months, renewable for a further 12 months. Axactor plans to make this acquisition through their jointly owned company Luxco Invest I with Geveran
- Axactor Italy entered into 3 new forward flow agreements, including a significant forward flow with a financial institution. The portfolios contain unsecured consumer claims with an outstanding debt value of EUR 140m per annum across approximately 28.000 claims, with the contracts covering a 12month period
- Axactor Sweden acquired an unsecured NPL portfolio originated by a large Nordic Financial Institution. This one-off portfolio, which consists of three different segments, includes both unsecured loans and micro loans. Total Outstanding Balance (OB) is approximately EUR 5.6m and consists of approximately 5700 accounts. In addition, Axactor Sweden entered into a 24 months forward flow contract with a Swedish consumer bank. Axactor estimates the annual outstanding balance from this contract to be between EUR 3m and EUR 4m
- Axactor AB and Geveran Trading Co. Limited announced the agreement to optimize the structure of their investment partnership initially announced on 14 August 2017. After the restructuring, Reolux Holding S.a.r.l. and Luxco Invest I S.à.r.l. are treated as separate stand-alone SPVs within the consolidated group and owned 50/50 by Axactor and Geveran. They have separate funding arrangements and are thus in a better position to utilize available funds for different asset classes. Reolux will focus only on REO portfolios, while Luxco Invest I will invest in NPL portfolios, primarily unsecured. As part of the agreement, Axactor has paid down EUR 80 million of the EUR 120 million subordinated loan notes granted to Luxco Invest I by a Geveran affiliate, helping Axactor to reduce its running interest cost. The EUR 80m are available for Luxco Invest I to re-draw when needed

- Axactor Capital Italy S.r.l., a new SPV in Italy with the sole purpose of acquiring NPL portfolios in the Italian market has been established. This new SPV is owned 100% by Axactor Portfolio Holding AB, a fully owned subsidiary of Axactor AB, and is hence part of the so-called restricted group. The SPV is expected to gain access to the funding line from DNB and Nordea, and hence further strengthen Axactor's purchasing power in the Italian market. Portfolios acquired through the SPV will be serviced by Axactor Italy.
- The Annual General Meeting of Axactor AB was held in Stockholm on May 4. Main decisions taken during the meeting included the intention to perform a reverse split, implying that ten existing shares will be aggregated to one. It was resolved to approve the adopted conversion plan in order to convert the company into an SE-company, an essential step in the process of relocating the company from Sweden to Norway. The company has also been granted the right to issue a maximum of 30,000,000 shares (after the aggregation of shares) in order to facilitate the acquisitions of new legal entities and/or debt portfolios and raising capital.
- The reverse share split with a ratio of 10:1 was implemented on May 31, and the shares are traded ex reverse split with the new ISIN SE0011309319
- As of June 15, the bond loan issued by Axactor AB in March 2018 was listed on the Oslo Stock Exchange with the ISIN NO0010819725.

Key events after end of the report period

- Axactor, conditional to formal authorization of the contract, has agreed to acquire a portfolio of large unsecured claims from Banco Sabadell. The portfolio although having an outstanding balance of EUR 875m, only generates a low acquisition cost for Axactor due to the size and profile of the underlying claims. The portfolio enables Axactor to invest in a type of product, where sales may become more common in the future and provide further opportunities.
- Axactor Spain added two new outsourcing contracts to provide collection services of secured debt for two relevant players in the real estate market; one of the largest financial institutions and one of the main real estate servicers in Spain. The combined annual contract value is EUR 1.5m across both contracts. Both contracts are for 12 months and renewable for a further 12 months.
- Axactor Germany successfully secured another forward flow of fresh unsecured consumer claims, from a large financial institution. The forward flow is expected to generate an acquisition cost of approximately EUR 20m over the next 12 months. This acquisition complements the other large forward flow closed in June, both of which deliver a large volume of claims into Axactor's business in Germany. Axactor plans to finance this acquisition by use of available cash existing credit facilities and will be acquired into Axactor's 100% owned company Axactor Capital Luxembourg S.à r.l.
- Announced the conditional approval from Nomura International plc ("Nomura"), an international financial institution, for a senior secured loan facility in the amount of circa EUR 93 million to be applied towards the refinancing of the REO investment company Reolux Holding S.à r.l. ("Reolux"). The proceeds of the Refinancing will primarily be used to repay an intercompany loan from Axactor AB. The transaction has been conditionally approved by the credit committees of both Reolux and Nomura and remains subject to (inter alia) execution of full documentation. The finalization of this transaction will significantly strengthen Axactor's capacity to make further investments, both in Spain and other Axactor geographies and segments

Key Figures Axactor AB (group)

EUR million	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Gross revenue	66.7	26.9	107.7	46.6
Net Revenue	54.4	23.6	90.2	41.1
EBITDA	10.6	6.1	16.7	7.1
Cash Ebitda ¹⁾	40.6	9.4	58.7	13.0
Depreciation and Amortisation (excl. Portfolio Amortization)	-1.5	-1.1	-2.8	-2.6
Net Financial Items	-8.5	0.2	-14.0	-0.9
Tax	-0.4	-0.6	-0.7	-0.7
Net Result	0.2	4.6	-0.8	3.0
Cash and Cash Equivalents at end of period ²⁾	121.0	19.6	121.0	19.6
Acquired portfolios during the period ³⁾	22.7	54.3	114.2	120.8
Book Value of portfolios at end of period ³⁾	539.0	241.5	539.0	241.5
Gross Collection on Portfolio during the quarter ³⁾	53.3	14.2	82.8	24.7
Estimated Remaining Colleciton (ERC) at end of quarter ³⁾	978.7	510.7	978.7	510.7
Interest Bearing Debt at end of Period	406.6	128.2	406.6	128.2
Number of Employees (FTE) at end of period	996	888	996	888

1) Cash EBITDA is adjusted for calculated cost of share option program and portfolio amortizations and revaluations and REO cost of sales.

2) Restricted cash excluded.

3) Includes NPL and REO portfolios.

Operations

Axactor saw yet another strong quarter in Q2 2018, with gross revenue growth of 148% compared to the same quarter last year and 63% growth compared to Q1 2018. The EBITDA margin shows strong development as well, increasing from 17% during the previous quarter to 20% in Q2 2018. The REO segment is delivering a very strong cash flow, supporting the Cash EBITDA for the quarter of EUR 41m. This is more than four times the Cash EBITDA of Q2 2017, and a growth of 124% compared to the previous quarter.

Axactor delivered a record high Cash EBITDA of EUR 41m, and an EBITDA of EUR 11m for the second quarter of 2018. The company is pleased with the strong cash flow development, which is helped by the large investments made during Q4 2017 and Q1 2018. The gross revenue for the quarter was EUR 67m, up from EUR 27m in the same quarter last year. The EBITDA margin was 20% in Q2 2018, down from 26% in Q2 2017. Q2 2017 did, however, include a positive one-time impact from a settlement with the former IGE Board of Directors, and excluding this settlement the margin is up from 19%. The company continues to improve efficiency and realize scale benefits, but a change in business mix towards the REO segment limits the margin growth as REOs have a lower margin than NPLs.

All business segments in Axactor experienced growth during the second quarter, both compared to Q2 2017 and compared to Q1 2018. 3PC revenue grew 18% compared to the previous quarter as more and more of the new 3PC contracts acquired in Spain over the last quarters become fully operational. The roll-out of the ARM segment is still in progress, and the Norwegian business shows modest growth. The main factor explaining the total gross revenue growth of 148% compared to Q2 2017 is, however, the large investments in NPL and REO portfolios made over the last twelve months. After a run-in period of performance slightly below business case for NPL portfolios, the rolling twelve-month collection performance measured against original business case have now stabilized above 100% and the LTM Q2 2018 number was 105%. This improvement comes partly as a consequence of scale benefits and improved tools through standardization and sharing of best practices across the group. The REO portfolios are liquidating much quicker than anticipated, and the sales are 143% above the original business case for the last twelve months. The REO business cases have a conservative build-up, and the REO performance is thus expected to converge towards business case over time.

The second quarter of 2018 has been an eventful quarter for Axactor with the announcement of several significant forward flow contracts across Norway, Germany, Italy and Sweden, as well as important 3PC contracts in Spain. The forward flow contracts will generate significant volumes from Q3 2018 and onwards, securing future growth for Axactor. The forward flow contract signed with Komplett Bank in Norway is expected to generate an annual capex of approximately EUR 60m when fully operational, and the new German and Italian contracts are of considerable size as well. Adding the new contracts in the quarter to the forward flow contracts already in place, Axactor expects a total monthly investment of EUR 15m in forward flow portfolios towards the end of the year.

Several structural changes and improvements have been made over the course of the second quarter. Most notably, the co-investment agreement with Geveran Trading Co. Limited has been optimized through a restructuring of the setup. After the restructuring, Reolux Holding S.a.r.l. and Luxco Invest I S.à.r.l. are treated as separate stand-alone SPVs within the consolidated group and owned 50/50 by Axactor and Geveran. They have separate funding arrangements and are thus in a better position to utilize available funds for different asset classes. Reolux will focus only on REO portfolios, while Luxco Invest I will invest in NPL portfolios, primarily unsecured. As part of the agreement, Axactor has paid down EUR 80 million of the EUR 120 million subordinated loan notes granted to Luxco Invest I by a Geveran affiliate, helping Axactor to reduce its running interest cost. In parallel with the restructuring, Axactor is working with an international bank to secure a separate funding line for Reolux and are confident that this agreement will materialize in the near future.

In addition to the optimization of the co-investment structures, a new SPV has been established in Italy with the purpose of acquiring Italian NPL portfolios. The SPV is owned 100% by Axactor Portfolio Holding AB, a fully owned

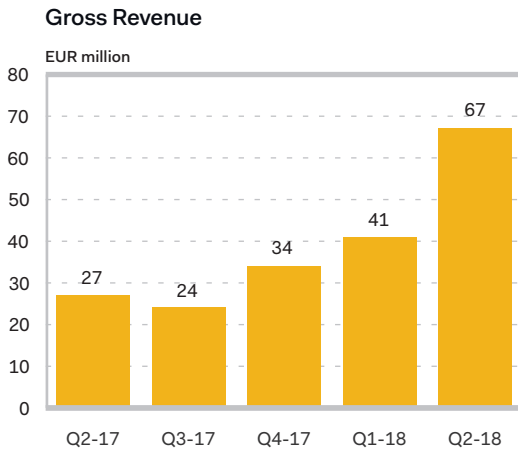
subsidiary of Axactor AB. The motivation for establishing this SPV is to gain access to the funding line from DNB and Nordea within the so-called restricted group. The SPV is expected to gain access to this funding line in the near future.

During May, the company implemented a reverse share split, meaning all existing shares were aggregated in the ratio of 10:1. In order to be able to perform the reverse split without having to withdraw shares, a directed share issue of one share was completed prior to implementing the reverse split. The shares are traded ex split on the Oslo Stock Exchange with the new ISIN SE0011309319. The bonds issued in March 2018 are now listed on the Oslo Stock Exchange as well, with the ISIN NO0010819725.

Axactor has a significant amount of cash in the balance sheet, and find the current funding situation to be comfortable. With the prospect of signing a new REO funding agreement with an international bank, a significant portion of funds is expected to be released. These funds will then be made available to use as Axactor sees fit. The new funding arrangement will also lower the company's financing cost for REO portfolios significantly.

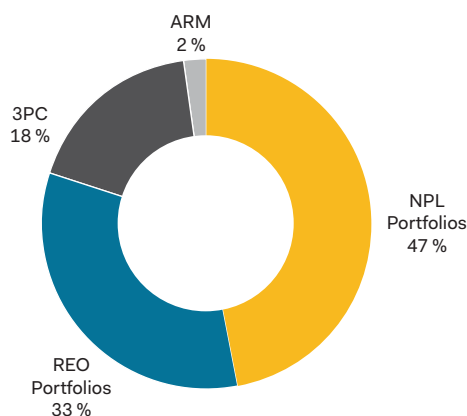
Financials

Revenues



Gross revenue for the second quarter of 2018 was EUR 66.7m (26.9m). In Q2 2017, Axactor received a settlement from the former IGE Board of MEUR 2.0. Excluding this one-time impact, the growth compared to Q2 2017 was 168%. Comparing to Q1 2018, the gross revenue increased by 63%. The REO portfolios acquired during Q4-17 and Q1-18 are liquidating well, and the NPL segment is also growing significantly. The capital light 3PC and ARM segments are experiencing growth as well with respective growth rates of 30% and 8% compared to the same quarter last year. Total amortization and revaluation of NPL portfolios was EUR 12.3m (3.3m) in Q2 2018, leaving the net revenue for the quarter at EUR 54.4m (23.6m).

Gross Revenue mix Q2-18



NPL portfolios accounted for EUR 31.4m (14.2m) or 47% (53%) of total gross revenue in Q2 2018. The REO segment is rapidly increasing on the back of the large investments during the previous two quarters, and accounted for EUR 21.9m (0.0m) or 33% (0%) of the gross revenue in Q2 2018. A total of EUR 22.7m (54.3m) was invested in portfolios during the quarter. The relatively modest investment level in the quarter is partly due to several potential deals being postponed to the third quarter. In addition to the capex deployed in the second quarter, Axactor signed a number of significant forward flow contracts with start date later in the year. These forward flow contracts are spread across Germany, Italy, Norway and Sweden, where the most notable contract is the Komplet Bank contract which alone secures a future annual investment of around EUR 60m. The NPL book value including stock of secured assets at the end of the second quarter of 2018 was EUR 539.0m (241.5m), with a total estimated remaining collection (ERC) of EUR 978.7m (510.7m).

The 3PC segment delivered a gross revenue of EUR 11.8m (9.1m) in Q2 2018, and accounted for 18% (34%) of total gross revenue. Spain is the main growth driver, and closed an additional of three large new contracts during the quarter. Combined with other new business and a strong seasonality for the second quarter, the 3PC revenue grew 18% compared to Q1 2018.

Accounts Receivable Management (ARM) is currently being rolled out as a business segment throughout the Group. The Norwegian ARM business delivers modest, but stable growth, and the product is now ready to go live in Sweden. The ARM segment contributed EUR 1.7m (1.5m), or 2% (6%) of the total gross revenue for the second quarter of 2018.

Earnings

The reported EBITDA for the second quarter of 2018 was EUR 10.6m (6.1m). For the REO segment, the disposal of sold assets from the balance sheet is booked as cost of sales and included as an operating expense. The quick liquidation of the REO portfolio thus mean that the margin for the REO segment is lower than the average for the Axactor Group. The rapid growth in the REO segment partially offset the margin improvement for the rest of the business, landing at a total EBITDA margin for the second quarter of 20%. (26%). The reduction in margin compared to Q2 2017 is impacted by the EUR 2.0m settlement received from the former IGE Board members last year. Excluding this one-time item, the margin is up from 19% in Q2 2017. Comparing to Q1 2018, the EBITDA increased by EUR 4.5m, both reflecting the favorable seasonality in Q2, as well as continued growth and scale benefits.

The cash EBITDA, (EBITDA excluding amortization and revaluations of NPL portfolios and REO cost of sales, as well as calculated costs related to the share option program) was EUR 40.6m (9.4m) for Q2 2018. This represents a 124% growth compared to the previous quarter, driven mainly by the strong cash flow from the REO segment, but also helped by a strong margin development in NPL and 3PC.

Net profit for the period amounted to EUR 0.2m (4.6m) for the second quarter of 2018.

Operating expenses

The total operating expenses for the second quarter of 2018 amounted to EUR 43.8m (17.5m). The increase compared to the previous quarter is mainly driven by increased REO cost of sales and the overall increased activity level. The REO cost of sales for the quarter increased from EUR 6.1m in Q1 2018 to EUR 17.4m in Q2 2018, and represent the reversal of the book value of sold assets and can thus be compared to the amortization of NPL portfolios. Direct costs, which includes cost for collection staff, phone, printing & postage, fees & commission paid to external sources and legal fees comprised 41% of total operating expenses, where off EUR 8.0m is cost for the collection staff.

IT and local SG&A costs amounted to EUR 7.3m (5.2m) for the quarter. The increase can be attributed to increased size of the business.

Depreciation and amortization excluding amortization of NPL portfolios was EUR 1.5m (1.1m) for Q2 2018. Most of the depreciation and amortization is related to intangible assets acquired through the acquisition of subsidiaries, IT and infrastructure projects.

Net financial items

Interest cost on outstanding debt for the second quarter of 2018 was EUR 8.4m (1.5m). Net financial items were positively impacted by currency effects of EUR 0.4m (1.5m). Adding other financial items, the total net financial items for the quarter ended at EUR -8.5m (0.2m).

Tax

The tax expense for Q2 2018 was EUR 0.4m (0.6m). The high effective tax rate is due to some loss-making entities not recognizing any new tax assets in the quarter, while at the same time some profit-making entities are in a taxable position.

Cash flow

The cash flow from operating activities in the second quarter of 2018 amounted to EUR 43.5m (8.0m). The cash EBITDA for Q2 2018 was EUR 40.6m. The main difference between the cash EBITDA and the cash flow from operating activities relates to a reduction in net working capital of EUR 4.5m (-1.1m), and taxes paid of EUR 0.9m (0.8m).

Acquisition of NPL and REO portfolios during Q2 2018 was EUR 22.7m (54.3m). Adjusting for deferred payment on two of the portfolios acquired in Q1 2018, the total amount paid for portfolios in the quarter was EUR 63.5m (112.1m). In addition, Axactor continues to invest in IT systems to optimize efficiency, thus, the total cash flow from investments was EUR -65.8m (-113.0m).

Total cash flow from financing activities was EUR -54.4m (72.2m) in Q2 2018, as EUR 80.0m of the subordinated notes in Luxco Invest I was re-paid. The re-payment was partially offset by drawdowns to finance portfolio investments. Total cash and cash equivalents at the end of the period was EUR 121.0m (19.6m).

Equity position

At the end of the second quarter of 2018, the total equity including minorities for the Group was EUR 314.2m, compared to MEUR 192.4m in Q2 2017. The resulting equity ratio at the end of the quarter was 41%, compared to 54% at the same time last year.

Comments to the 1H 2018 accounts

Gross revenues for the first half of 2018 was EUR 107.7m (46.6m) while net revenue for the same period was EUR 90.2m (41.1m). Reported EBITDA for 1H 2018 was EUR 16.7m (7.1m). Net financial items ended at EUR -14.0m (-0.9m) for 1H, resulting in a net profit of EUR -0.8m (3.0m).

Parent company

The parent company's business activity is to manage the Group's operations. The result after tax for the second quarter 2018 ended at EUR -0.9m (2.6m). Total equity at the parent company at the end of the quarter was EUR 279.7m (200.8m).

Outlook

The REO market in Spain remains strong, and Axactor sees a healthy pipeline for the coming quarters. In addition, the market for secured NPLs is growing rapidly and through good client relationships with key financial institutions, Axactor

find themselves in a good position to take part in this growth. Within the Nordic countries the volume of forward flow portfolios from consumer banks is still high, and Axactor believes this market will continue to be a key factor in the future growth of the company. The 3PC pipeline in Spain remains strong.

The cash flow development in Axactor over the past quarters has been very solid, and with the continued improvement across segments the company expects further growth throughout 2018. The second and fourth quarters of the year are generally the strongest in the European DCA industry.

Responsibility Statement

We confirm, to the best of our knowledge, that condensed set of the unaudited financial statements for the first half year 2018 which have been prepared in accordance with IAS 34 – Interim Financial Reporting and generally accepted accounting principles in Sweden, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole.

We also confirm that the Administration Report includes a true and fair review of the development and performance of the business and the position of the entity and the group.

Stockholm, 25 July 2018
The Board of Directors

Bjørn Erik Næss
Chairman of the Board

Lars Erich Nilsen
Board member

Merete Haugli
Board member

Brita Eilertsen
Board member

Beate S. Nygårdshaug
Board member

Terje Mjøs
Board member

Endre Rangnes
Chief Executive Officer



Consolidated Statement of Profit and Loss

EUR thousand	Note	For the quarter end		YTD		Full year 2017
		30 June 2018	30 June 2017	30 June 2018	30 June 2017	
Net revenue	3, 4	54,386	21,592	90,186	39,020	87,745
Other revenue	3	0	2,040	0	2,040	2,040
Total revenue		54,386	23,632	90,186	41,060	89,785
Cost of secured assets sold (REOs)	7	-17,353	0	-23,476	0	-1,445
Personnel expenses collection		-7,975	-6,640	-16,061	-12,528	-26,578
Personnel expenses other		-5,170	-3,918	-10,444	-7,922	-18,378
Operating expenses		-13,278	-6,929	-23,498	-13,461	-28,569
EBITDA		10,610	6,145	16,707	7,149	14,815
Amortization and depreciation		-1,476	-1,148	-2,816	-2,575	-5,327
EBIT		9,134	4,997	13,891	4,574	9,488
Financial revenue	5	473	1,849	564	1,859	3,070
Financial expenses	5	-8,994	-1,633	-14,535	-2,738	-10,585
Net financial items		-8,521	216	-13,971	-879	-7,515
Profit/(loss) before tax		613	5,213	-80	3,696	1,974
Tax expense		-442	-582	-744	-718	611
Net profit/-loss from continued operations		172	4,631	-825	2,977	2,585
Net profit/-loss to minority interest		-83	0	342	0	-32
Net profit/-loss to equity holders		254	4,631	-1,167	2,977	2,617
Earnings per share: basic		0.002	0.004	-0.008	0.002	0.002
Earnings per share: diluted		0.001	0.004	-0.007	0.002	0.002

Consolidated Statement of Comprehensive Profit and Loss

EUR thousand	For the quarter end		YTD		Full year 2017
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	
Net profit/-loss for the period net of income tax	172	4,631	-825	2,977	2,585
<i>Items that will not be classified subsequently to profit or loss</i>					
Remeasurement of pension plans	0	0	0	0	8
<i>Items that may be classified subsequently to profit or loss</i>					
Foreign currency translation differences - foreign operations	-500	-4,288	-896	-5,307	-3,702
Other comprehensive income/-loss for the period net of income tax	-500	-4,288	-896	-5,307	-3,694
Total comprehensive income for the period attributable to:	-328	343	-1,721	-2,330	-1,109
- Equity holders of the parent company	-246	343	-2,063	-2,330	-1,077
- Non-Controlling interests	-83	0	342	0	-32

Interim Consolidated Statement of Financial Position

EUR thousand	Note	30 June 2018	30 June 2017	31 Dec 2017
ASSETS				
<i>Intangible non-current assets</i>				
Intangible assets		19,300	18,254	18,359
Goodwill		54,470	54,294	53,582
Deferred tax asset		6,612	1,590	3,945
<i>Tangible non-current assets</i>				
Property, Plant and equipment		2,533	2,442	2,499
<i>Financial non-current assets</i>				
Purchased debt portfolios	6	358,505	233,419	317,150
Other long term receivables		1,228	1,169	1,065
Other long term investments		170	221	191
Total non-current assets		442,818	311,390	396,791
<i>Current assets</i>				
Stock of secured assets REO's	7	180,528	8,070	154,101
Current receivables		9,454	7,147	8,047
Other current assets		6,073	7,434	13,070
Restricted cash		37	1,800	1,878
Cash and cash equivalents		121,001	19,557	48,604
Total current assets		317,092	44,008	225,700
TOTAL ASSETS		759,910	355,398	622,491

Interim Consolidated Statement of Financial Position

EUR thousand	Note	30 June 2018	30 June 2017	31 Dec 2017
EQUITY AND LIABILITIES				
<i>Equity attributable to equity holders of the parent</i>				
Share Capital	8	80,842	66,814	79,377
Other paid-in equity		198,908	142,416	196,298
Retained earnings profit/-Loss		-19,884	-15,279	-15,630
Reserves		-883	-1,592	13
Non-controlling interests		55,244	0	31,776
Total equity		314,226	192,360	291,833
<i>Non-current liabilities</i>				
Non-current interest bearing debt	9	369,503	23,486	237,571
Deferred tax liabilities		5,336	6,488	5,887
Other non-current liabilities		3,702	3,418	3,002
Total non-current liabilities		378,541	33,392	246,459
<i>Current liabilities</i>				
Accounts payables		2,136	3,974	4,029
Current portion of non-current borrowings	9	37,131	104,749	61,189
Taxes Payable		4,182	58	1,376
Other current liabilities		23,694	20,866	17,603
Total current liabilities		67,143	129,646	84,198
TOTAL EQUITY AND LIABILITIES		759,910	355,398	622,491

Interim Consolidated Statement of Cash Flow

EUR thousand	Note	For the quarter end		YTD		Full year 2017
		30 June 2018	30 June 2017	30 June 2018	30 June 2017	
Operating activities						
Profit before tax		613	5,213	-80	3,696	1,974
Taxes paid		-906	-757	-2,181	-1,419	-1,531
Adjustments for:						
- Finance income and expense		8,521	-216	13,971	878	7,514
- Amortization of debt portfolios		12,310	3,290	17,524	5,571	14,957
- Cost of sales stock of secured assets		17,353	-	23,476	-	1,445
- Depreciation and amortization		1,476	1,148	2,817	2,575	5,327
- Calculated cost of employee share options		293	384	949	671	1,806
- Unrealised foreign currency (gains)/losses		-710	-	-809	-	-
Change in Working capital		4,511	-1,100	9,217	-3,335	-8,099
Net cash flows operating activities		43,461	7,962	64,884	8,637	23,393
Investing activities						
Purchase of debt portfolios and REO's	6, 7	-63,474	-112,102	-112,894	-112,102	-355,202
Investment in subsidiaries		-	-100	-	-1,409	-1,409
Purchase of intangible and tangible assets		-2,296	-861	-3,792	-1,445	-5,401
Interest received		-	27	-	36	96
Net cash flows investing activities		-65,770	-113,036	-116,686	-114,745	-361,741
Financing activities						
Proceeds from borrowings	9	19,190	76,057	215,085	76,057	277,752
Repayment of debt	9	-82,015	-13,076	-104,922	-20,234	-42,485
Interest paid		-9,868	-1,311	-11,498	-2,062	-5,315
Loan fees paid	9	-81	-646	-2,559	-1,978	-10,188
Proceeds from share issue		3,147	11,416	3,147	11,416	75,274
Proceeds from non-controlling interests		15,250	-	23,125	-	31,808
Share issue costs		-9	-285	-21	-285	-1,885
Net cash flows financing activities		-54,386	72,155	122,357	62,914	324,961
Currency translation		-	-	-	-	-117
Net change in cash and cash equivalents		-76,695	-32,919	70,555	-43,194	-13,387
Cash and cash equivalents at the beginning of period		197,732	54,276	50,482	64,551	63,986
Cash and cash equivalents at end of period		121,037	21,357	121,037	21,357	50,482

Interim Consolidated Statement of Changes in Equity

EUR thousand	Equity related to the shareholders of the Parent Company				Total	Non-controlling interest	Total Equity
	Restricted Equity	Non restricted					
	Share capital	Other paid in capital	Exchange differences	Retained earnings and profit for the year			
Closing balance on 31 December 2016	64,198	262,127	3,714	-147,151	182,888		182,888
Balance on 1 January 2017	64,198	262,127	3,714	-147,151	182,888		182,888
Allocation of result from discontinued operations ¹⁾		-128,896		128,896	0		0
Net result for the period				2,617	2,617	-32	2,585
Comprehensive Profit/-loss Foreign currency translation differences - foreign operations			-3,702		-3,702		-3,702
Comprehensive Profit/-loss Remeasurement of pension plans				8	8		8
Total comprehensive result for the period	0	0	-3,702	2,625	-1,077	-32	-1,109
Minority of newly consolidated companies						31,807	31,807
New Share issues, May	2,617	8,799			11,417		11,417
New Share issues, August	3,957	16,223			20,180		20,180
New Share issues, September	8,605	35,073			43,678		43,678
Costs related to fund-raising		-1,885			-1,885		-1,885
Share based payment		1,806			1,806		1,806
Grant of Warrants ²⁾		3,051			3,051		3,051
Closing balance on 31 December 2017	79,377	196,298	13	-15,630	260,057	31,776	291,833
Balance on 1 January 2018	79,377	196,298	13	-15,630	260,057	31,776	291,833
Costs related to share issues		-21			-21		-21
Share based payment		949			949		949
Comprehensive Profit/(Loss) Foreign currency translation differences - foreign operations			-896		-896		-896
Adjustment on initial application of IFRS 15 (net of tax)				-3,087	-3,087		-3,087
Net capital increase/decrease of NCI						23,126	23,126
Result of the period				-1,167	-1,167	342	-825
New Share issues (exercise of share options)	1,465	1,682			3,147		3,147
New Share issues	0.05				0		0
Closing balance on 30 June 2018	80,842	198,908	-883	-19,884	258,982	55,244	314,226

1) Ref. resolution in Annual general meeting on 31 May 2017.

2) 130 million American style warrants in Axactor to Geveran with an exercise price of NOK 3,25 have been granted. The warrants expire after 2 years.

Parent Company Income Statement

EUR thousand	Note	For the quarter end		YTD		Full year 2017
		30 June 2018	30 June 2017	30 June 2018	30 June 2017	
Other operating income		209	3,023	1,331	3,542	5,809
Operating expenses		-1,156	-2,094	-2,746	-3,769	-7,380
Personnel expenses						
EBITDA		-948	929	-1,415	-227	-1,571
Amortization and depreciation		0	0	0	0	0
EBIT		-948	929	-1,415	-227	-1,571
Financial revenue		3,679	1,776	6,521	2,127	5,347
Financial expenses		-3,615	-117	-4,682	-117	-4,971
Net financial items		64	1,659	1,839	2,009	376
Profit/-loss before tax		-883	2,588	424	1,783	-1,195
Tax expense		0	0	0	0	0
Net profit/-loss to equity holders		-883	2,588	424	1,783	-1,195

Parent Company Balance Sheet

EUR thousand	Note	30 June 2018	30 June 2017	31 Dec 2017
ASSETS				
Intangible non-current assets				
Investment in subsidiaries and joint ventures		150,913	132,697	129,562
Loans to group companies		259,298	60,906	135,602
Other long-term receivables		170	221	170
Total non-current assets		410,382	193,824	265,334
Current assets				
Short-term intercompany receivables		7,004	3,488	3,238
Other current assets		1,976	70	2,838
Restricted cash		0	415	406
Cash and cash equivalents		12,723	8,795	5,235
Total current assets		21,702	12,768	11,717
TOTAL ASSETS		432,084	206,592	277,050
EQUITY AND LIABILITIES				
<i>Restricted equity</i>				
Share Capital		80,842	66,814	79,377
Statutory reserve		241	240	240
Total restricted equity		81,082	67,054	79,617
<i>Non-restricted equity</i>				
Share premium reserve		198,912	142,420	196,304
Retained earnings		-718	-10,463	476
Result for the period		424	1,783	-1,195
Total non-restricted equity		198,618	133,739	195,585
TOTAL SHAREHOLDERS EQUITY		279,701	200,794	275,202
LIABILITIES				
Non-current liabilities				
Non-current interest bearing debt		0	1,995	0
Other long term liabilities		0	1,332	0
Total non-current liabilities		148,517	3,327	0
Current liabilities				
Accounts payables		66	589	187
Short-term intercompany liabilities		3,546	1,597	1,531
Other current liabilities		255	285	131
Total current liabilities		3,867	2,472	1,849
TOTAL EQUITY AND LIABILITIES		432,084	206,592	277,050

Parent Company Statement of Changes in Equity

EUR thousand	Restricted Equity		Non-restricted Equity				Total
	Share capital	Statutory reserve	Share premium reserve	Exchange differences	Retained earnings	Result of the period	
Balance on 1 January 2017	64,197	240	262,131	-23	-132,845	4,449	198,149
Transfer of prior years net result	-	-	-		4,449	-4,449	0
Allocation of result from discontinued operations ¹⁾			-128,896		128,896		0
New Share issues, May	2,617		8,799				11,416
New Share issues, August	3,957		16,223				20,180
New Share issues, September	8,605		35,073				43,678
Costs related to fund-raising			-1,885				-1,885
Share based payment	-		1,806		-		1,806
Grant of Warrants ²⁾			3,051				3,051
Comprehensive Profit/(Loss) Foreign currency translation differences - foreign operations							0
Result of the period						-1,195	-1,195
Closing balance on 31 December 2017	79,377	240	196,302	-23	500	-1,194	275,202
Balance on 1 January 2018	79,377	240	196,302	-23	500	-1,194	275,202
Transfer of prior years net result					-1,194	1,194	0
Costs related to share issues			-21				-21
Share based payment			949				949
Result of the period						424	424
New Share issues (exercise of share options)	1,465		1,682			0	3,147
New Share issues	0.05						
Closing balance on 30 June 2018	80,842	240	198,912	-23	-694	424	279,701

1) Ref. resolution in Annual general meeting on 31 May 2017.

2) 130 million American style warrants in Axactor to Geveran with an exercise price of NOK 3,25 have been granted. The warrants expire after 2 years.

Key Ratios and Share Data for the Consolidated Group

EUR thousand		2018	2017	2016	2015	2014
Number of outstanding shares at beginning of reporting period ¹⁾	Number	1,516,488,769	1,226,488,769	596,614,360	90,809,360	18,174,922
New share issue ⁴⁾	Number	27,992,251	290,000,000	629,874,409	505,805,000	72,634,438
Number of outstanding shares at the end of reporting period ³⁾	Number	154,448,102	1,516,488,769	1,226,488,769	596,614,360	90,809,360
Average number of shares ^{1) 3)}	Number	147,190,818	1,327,030,991	849,072,460	133,687,416	29,804,775
Operating result, for continued operations	TEUR	13,891	9,488	-9,614	-3,360	-1,214
Result after tax	TEUR	-825	2,585	-11,169	-17,810	-5,055
Operating result per share	EUR	0.094	0.007	-0.011	-0.02	-0.15
Result after financial items per share	EUR	-0.001	0.001	-0.014	-0.05	-0.15
Result per share after tax	EUR	-0.006	0.002	-0.013	-0.13	-0.17
Shareholders equity per share before dilution ¹⁾	EUR	1.759	0.220	0.238	0.09	0.19
Dividend ²⁾	TEUR	-	-	-	-	59.69
Price per share at the end of reporting period	NOK	24.32	2.90	2.650	2.00	1.42

1) The average number of shares during the 12 m period 2013 has been adjusted for the reversed split as from the beginning of the year.

2) Total dividend. Not per share.

3) After effect of reverse split 31 May 2018. Ration 10 old shares give 1 new share.

4) Before reverse split.

Notes to the Financial Report

Note 1 Reporting entity and Accounting Principles

The Parent Company Axactor AB (Company) is a company domiciled in Sweden. These condensed consolidated interim statements ("interim financial statements") comprise the Company and its subsidiaries (together referred to as "the Group"). The group is primarily involved in debt management, specialising on both purchasing and collection on own portfolios and providing collection services for 3rd party owned portfolio. The activities are further described in note 3.

The interim report has been prepared in accordance with IAS 34 and recommendations RFR 1 and the Swedish Financial Reporting Board (RFR), and recommendation RFR 2 and the Annual Accounts Act with regards to the Parent Company. The accounting principles applied correspond to those described in the Annual Report for the Financial Year 2017. This interim report does not contain all the information and disclosures available in the annual report and the interim report should be read together with the Annual Report for the Financial Year 2017.

In preparing these interim financial statements, management has made judgements and estimates that effects the application and accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual result may differ from these estimates. Critical Accounting estimates and judgements in terms of accounting policies are more comprehensive discussed in the Company Annual report for the Financial Year 2017, which is available on Axactors website: www.axactor.com.

The significant judgements made by managements applying the Group's accounting policies and the key resources of estimation uncertainty were the same as those described in the last annual financial statements, except for new significant judgements of estimation uncertainty related to the application of IFRS 15, which are described below.

2018 is the first year of Group's financial statements where IFRS 15 and IFRS 9 have been applied. The treatment of the NPL portfolios under IFRS 9 will remain as according to IAS 39.

The Group adopted IFRS 15 using the modified retrospective method with effect of applying this standard from 1. January 2018 without presenting 2017 restated.

The following table summarises the impact, net of tax, of transition to IFRS 15 on retained earnings and NCI at 1. January 2018:

Impact of adopting IFRS 15 at 1 January 2018

EUR thousand	Total
Retained earnings	
Accrued revenue	3,304
Related tax	217
Impact at 1 January 2018	3,087
Non-controlling interests	
Impact	-

Note 2 Risks and uncertainties

Axactor's regular business activities entail exposure to various types of risk. The company manages such risks proactively and the board of directors regularly analyses its operations and potential risk factors and takes steps to reduce risk exposure. Axactor gives strong emphasis to quality assurance and has quality systems implemented, or under implementation in line with the requirements applicable to its business operations. The risks include but are not limited to credit risk, risk inherent in purchased debt, interest rate risk, regulatory risk, liquidity risks and financing risks. For a more elaborate discussion on the aforementioned risks one is referred to the Company's Annual Report for the Financial Year 2017, which is available on Axactor website: www.axactor.com. (note 3 of the Group financial statement).

Note 3 Segment note

Axactor delivers credit management services and the company's revenue is derived from the following four operating segments: Non-Performing Loans (NPL), Real Estate Owned (REO), Third Party Collection (3PC) and Accounts Receivable Management (ARM). Axactor's operations are managed through these operating segments.

The NPL segment invests in portfolios of non-performing loans. Subsequently, the outstanding debt is collected through either amicable or legal proceedings.

The REO segment invests in real estate assets held for sale.

The 3PC segments main focus is to perform debt collection services on behalf of third-party clients. They apply both amicable and legal proceedings in order to collect the non-performing loans, and typically receive a commission for these services. They also help creditors to prepare documentation for future legal proceedings against debtors, and for this they typically receive a fixed fee.

ARM handles claims between the invoice date and the default date. The customer issues an invoice to the debtor, and Axactor ARM monitors the claim and makes sure the payment is made in due time. If a debtor defaults on the payment, the claim is typically transferred to 3PC for debt collection services.

Axactor reports its business through reporting segment which corresponds to the operating segments. Segment profitability and country profitability are the two most important dimensions when making strategic priorities and deciding where to allocate the Groups resources.

Segment revenue reported below represents revenue generated from external customers. There were no intersegment sales in the current year.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment contribution margin represents contribution margin earned by each segment without allocation of management fee, central administration costs, other gains and losses as well as finance costs. The measurement basis of the performance of the segment is the segment's contribution margin.

For the quarter end 30.06.2018

EUR thousand	NPL	REO	3PC ¹⁾	ARM	Eliminations/ Not allocated	Total
Collections on own portfolios	31,369	21,883	-	-	-	53,252
Other revenue	-	-	11,787	1,657	-	13,444
Portfolio amortization and revaluation	-12,310	-	-	-	-	-12,310
Net revenue	19,059	21,883	11,787	1,657	-	54,386
REO cost of sales	-	-17,353	-	-	-	-17,353
Other direct operating expenses	-5,730	-2,364	-8,256	-736	-	-17,085
Contribution margin	13,330	2,166	3,531	922	-	19,949
Local SG&A, IT and corporate cost					-9,339	-9,339
EBITDA					-9,339	10,610
Total Opex	-5,730	-19,717	-8,256	-736	-9,339	-43,776
CM1 margin	69.9 %	9.9 %	30.0 %	55.6 %	na	36.7 %
EBITDA margin						19.5 %
Dopex / Gross revenue	18.3 %	90.1 %	70.0 %	44.4 %	na	51.6 %
Local SG&A, IT and corporate cost / Gross revenue						14.0 %

1) External revenue.

For the quarter end 30.06.2017

EUR thousand	NPL		3PC ¹⁾	ARM	Eliminations/ Not allocated	Total
Collections on own portfolios	14,247					24,882
Other revenue			9,100	1,535	2,040 ²⁾	2,040
Portfolio amortization and revaluation	-3,290					-3,290
Net revenue	10,957		9,100	1,535	2,040	23,632
REO cost of sales	-	-	-	-	-	-
Other direct operating expenses	-3,078		-6,564	-819	-	-10,461
Contribution margin	7,879		2,536	716	2,040	13,172
Local SG&A, IT and corporate cost					-7,026	-7,026
EBITDA					-4,986	6,145
Total Opex	-3,078		-6,564	-819	-7,026	-17,486
CM1 margin	71.9 %		27.9 %	46.6 %	100.0 %	55.7 %
EBITDA margin						26.0 %
Dopex / Gross revenue	21.6 %		72.1 %	53.4 %	0.0 %	42.0 %
Local SG&A, IT and corporate cost / Gross revenue						28.2 %

1) External revenue.

2) Settlement former BoD.

YTD 30.06.2018

EUR thousand	NPL	REO	3PC ¹⁾	ARM	Eliminations/ Not allocated	Total
Collections on own portfolios	52,223	30,555	-	-	-	82,778
Other revenue	-	-	21,741	3,191	-	24,933
Portfolio amortization and revaluation	-17,524	-	-	-	-	-17,524
Net revenue	34,698	30,555	21,741	3,191	-	90,186
REO cost of sales	-	-23,476	-	-	-	-23,476
Direct operating expenses	-10,955	-3,651	-16,305	-1,476	-	-32,387
Contribution margin	23,743	3,428	5,436	1,715	-	34,323
Local SG&A, IT and corporate cost					-17,616	-17,616
EBITDA					-17,616	16,707
Total Opex	-10,955	-27,127	-16,305	-1,476	-17,616	-73,479
CM1 margin	68.4 %	11.2 %	25.0 %	53.7 %	na	38.1 %
EBITDA margin						18.5 %
Dopex / Gross revenue	21.0 %	88.8 %	75.0 %	46.3 %	na	51.9 %
Local SG&A, IT and corporate cost / Gross revenue						16.4 %

1) External revenue.

YTD 30.06.2017

EUR thousand	NPL	3PC ¹⁾	ARM	Eliminations/ Not allocated	Total
Collections on own portfolios	24,767	-	-	-30	44,591
Other revenue	-	16,811	3,042	2,040 ²⁾	2,040
Portfolio amortization and revaluation	-5,571	-	-	-	-5,571
Net revenue	19,197	16,811	3,042	2,010	41,060
REO cost of sales	-	-	-	-	-
Other direct operating expenses	-6,051	-12,405	-1,642	-	-20,098
Contribution margin	13,146	4,406	1,400	2,010	20,963
Local SG&A, IT and corporate cost				-13,814	-13,814
EBITDA				-11,804	7,149
Total Opex	-6,051	-12,405	-1,642	-13,814	-33,912
CM1 margin	68.5 %	26.2 %	46.0 %	100.0 %	51.1 %
EBITDA margin					17.4 %
Dopex / Gross revenue	24.4 %	73.8 %	54.0 %	0.0 %	43.1 %
Local SG&A, IT and corporate cost / Gross revenue					29.6 %

1) External revenue.

2) Settlement former BoD.

Note 4 Revenue

Geographical information on Revenue

EUR thousand	For the quarter end		YTD		Full year 2017
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	
Germany	4,713	4,702	9,317	9,178	19,614
Italy	1,642	2,020	3,958	4,516	8,161
Norway	3,653	2,625	6,819	5,548	11,015
Spain	41,920	8,926	65,323	15,655	40,037
Sweden	2,458	3,320	4,768	4,142	8,918
Other revenue, group		2,040		2,040	2,040
Total net revenue	54,386	23,632	90,186	41,060	89,785

Portfolios can be acquired in another country than the resident of the debtor. The information in the above table is based on the location of the customers/debtors.

Portfolio Revenue

For the quarter end

EUR thousand	Q2 2018			YTD 2018		
	NPL	REOs	Total	NPL	REOs	Total
Yield	16,061		16,061	34,466	-	34,466
Revaluation	2,998	-	2,998	233	-	233
REOs		21,883	21,883	-	30,555	30,555
Net Revenue	19,059	21,883	40,943	34,698	30,555	65,254

Full year 2017

EUR thousand	NPL	REOs	Total
Yield	44,731	-	44,731
Revaluation	-1,126	-	-1,126
REOs	-	2,282	2,282
Net Revenue	43,605	2,282	45,887

Note 5 Financial items

EUR thousand	For the quarter end		YTD		Full year 2017
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	
Financial revenue					
Interest on bank deposits	2	27	2	37	109
Exchange gains	-	1,626	-	1,626	2,704
Exchange gains realised	283	-	288	-	
Exchange gains unrealised	190		190	-	
Other financial income	-3	206	83	206	257
Total financial revenue	473	1,859	564	1,869	3,070
Financial expenses					
Interest expenses on borrowings	-8,369	-1,482	-13,182	-2,533	-6,942
Exchange losses	-	-105	-	-158	-3,144
Exchange losses realised	-211	-	-218	-	
Net unrealised Exchange losses	99	-	-	-	
Other financial expenses	-513	-57	-1,135	-57	-498
Total financial expenses	-8,994	-1,644	-14,535	-2,748	-10,585
Net finance	-8,521	215	-13,971	-879	-7,515

Note 6 Non-performing loans

EUR thousand	30 June 2018	30 June 2017	31 Dec 2017
Acquisition cost, opening balance	337,391	131,729	131,729
Purchase	64,264	111,072	206,446
Disposals	-7,246		-132
Classification	2,998		
Translation differences	-5,412	-63	-652
Accumulated acquisition cost	385,999	242,738	337,391
Amortization & Revaluation, opening balance	-20,242	-3,744	-3,744
Amortization and re-valuation of the year ²⁾	-17,254	-5,575	-14,949
disposals	7,246		55
Classification	2,998		
Impairment	-628		
Translation differences	655		-1,603
Accumulated amortization, closing balance	-27,494	-9,319	-20,240
Net book value	358,505	233,419	317,150

Note 7 Stock of secured assets - REO's

EUR thousand	30 June 2018	30 June 2017	31 Dec 2017
Acquisition cost, opening balance	154,101	-	-
Purchase	49,903	8,070	155,546
Cost of sold secured assets	-23,476		-1,445
Other			
Total	180,528	8,070	154,101
Number of assets	6,161	600	4,800

Note 8 Shares

Issued shares and share capital

	Number of shares	Share capital (EUR thousand)
At 1 January 2015	90,809,360	4,753,173
New share issues	505,805,000	26,475,007
At 1 January 2016	596,614,360	31,228,180
New share issues, February	59,600,000	3,119,602
New Share issues, May	220,400,000	11,536,247
Acquisition subsidiary, IKAS group May	49,033,589	2,566,532
Acquisition subsidiary, CS Union June	20,840,820	1,090,857
New share issues, October	71,723,893	3,754,195
New share issues, November	158,276,107	8,284,539
New share issues, December	50,000,000	2,617,116
At 1 January 2017	1,226,488,769	64,197,268
New share issues, May	50,000,000	2,617,116
At 30 Jun 2017	1,276,488,769	66,814,384
New share issues, August	75,600,000	3,957,000
New share issues, September	164,400,000	8,605,077
At 1 January 2018	1,516,488,769	79,376,461
Exercise of share options, April	27,992,250	1,465,114
New share issues, May	1	0
At 31 May 2018	1,544,481,020	80,841,575
At 30 June 2018 - After reverse split 1:0	154,448,102	80,841,575

TOP 30 shareholders as at 30 June 2018

Name	Shareholding	% Share
GEVERAN TRADING CO L	21,538,613	13.9 %
VERDIPAPIRFONDET DNB	10,670,491	6.9 %
TVENGE TORSTEIN INGV	7,000,000	4.5 %
FERD AS	5,335,139	3.5 %
SONGA TRADING INC	4,742,346	3.1 %
VERDIPAPIRFONDET ALF	3,555,376	2.3 %
VERDIPAPIRFONDET ALF	2,890,144	1.9 %
GVEPSEBORG AS	2,036,494	1.3 %
VPF NORDEA NORGE VER	2,013,102	1.3 %
VERDIPAPIRFONDET DEL	1,809,880	1.2 %
STATOIL PENSJON	1,788,432	1.2 %
ARCTIC FUNDS PLC	1,720,554	1.1 %
ALPETTE AS	1,661,643	1.1 %
NORDNET LIVSFORSIKRI	1,548,881	1.0 %
VERDIPAPIRFONDET ALF	1,491,051	1.0 %
JPMORGAN CHASE BANK,	1,463,311	0.9 %
PECUNIA FORVALTNING	1,390,000	0.9 %
CITIBANK, N.A.	1,285,246	0.8 %
VPF NORDEA KAPITAL	1,214,748	0.8 %
MARTIN IBEAS DAVID	1,166,725	0.8 %
LOPEZ SANCHEZ ANDRES	1,166,725	0.8 %
TVENGE ØYSTEIN ERLIN	1,075,000	0.7 %
LATINO INVEST AS	1,030,000	0.7 %
VPF NORDEA AVKASTNIN	1,027,387	0.7 %
DNB NOR MARKETS, AKS	974,105	0.6 %
VARDFJELL AS	891,401	0.6 %
ELENA AS	891,401	0.6 %
RANGNES ENDRE	864,000	0.6 %
INTELCO CONCEPT AS	850,000	0.6 %
KLOTIND AS	791,948	0.5 %
Total 30 largest shareholders	85,884,143	55.61 %
Other shareholders	68,563,959	44.39 %
Total number of shares	154,448,102	100.00 %
Total number of shareholders	10,120	

Shares owned by related parties

Name	Shareholding	% Share
GEVERAN TRADING CO LTD ¹⁾	21,538,613	13.9 %
ALPETTE AS ²⁾	1,661,643	1.1 %
LOPEZ SANCHEZ, ANDRES ³⁾	1,166,725	0.8 %
MARTIN IBEAS, DAVID ³⁾	1,166,725	0.8 %
LATINO INVEST AS ⁴⁾	1,030,000	0.7 %
ENDRE RANGNES ²⁾	864,000	0.6 %
BANCA SISTEMA S.P.A ⁵⁾	604,504	0.4 %
ODDGEIR HANSEN ⁶⁾	576,000	0.4 %
FARSTAD, SIV ⁶⁾	281,000	0.2 %
ROBIN KNOWLES ⁶⁾	121,887	0.1 %
BJØRN ERIK NESS ⁷⁾	77,500	0.1 %
SCHNEIDER, SUSANNE LENE RANGNES ²⁾	39,832	0.0 %
ANDERS GULBRANDSEN ⁸⁾	16,975	0.0 %
LARS VALSETH ⁸⁾	12,188	0.0 %
BENTE BROCKS ⁸⁾	10,800	0.0 %
BRITA EILERTSTEN ⁷⁾	10,000	0.0 %
BERGSJO AS ⁷⁾	6,300	0.0 %

1) Geveran Trading Co Ltd owns 50% of Luxco Invest 1 S.A and Reolux Holding S.à.r.l., companies controlled by Axactor Group.

2) CEO/Related to the CEO of Axactor AB

3) Member of the executive management team of Axactor AB and former owner of ALD, Spain

4) Related to the CFO of Axactor AB

5) Banca Sistema S.P.A. owns 10% of the shares in Axactor Italy Srl, a company controlled by Axactor Group

6) Member of the executive management team of Axactor AB

7) Member of the Board of Directors of Axactor AB/controlleed by member of the Board of Directors of Axactor AB

8) Primary insider of Axactor AB

As from 31 May 2018 the shares in Axactor AB are traded ex reverse split, with the new ISIN and new face value. Ratio: 10 old shares give 1 new share. New ISIN: SE0011309319. New Face value: EUR 0.5234232.

Note 9 Loans and borrowings

EUR thousand	Currency	Interest rate	Carrying amount	Year of maturity
Balance at 1 January 2018	EUR / NOK ^{1) 5)}	Variable	298,760	2017-2022
New issues				
Italian Banks ²⁾	EUR		23,085	2018-2022
DnB/Nordea	EUR		42,000	2020
Listed Bond Loan ⁴⁾	EUR		150,000	2021
Repayments				
Italian Banks	EUR		-24,922	
DnB/Nordea	EUR		-	
Other	EUR		-80,000	
Other movements				
Capitalized loan fees			-2,559	
Amortized loan fees on loans			1,910	
Currency translations			-1,605	
Balance at 30 June 2018			406,635	

1) The debt facility agreement with DNB Bank ASA and Nordea Bank AB is EUR 350 million, whereof 150 million are in the form of accordion options. The facility has final maturity 3 years after signing. The loan carries a variable interest rate based on the interbank rate in each currency with a margin.

Under the terms of this debt facility the group is required to comply with the following financial covenants: the Group NIBD Ratio < 3; the Portfolio Leverage Ratio < 60 % and Collection performance > 90 %

All material subsidiaries of the group are guarantors and have granted a share pledge and bank account pledge as part of the security package for this facility.

Italian subsidiaries together with the co-Invest Vehicle in Luxembourg as well as the REO Holding company In Luxembourg are not a part of the agreement nor the security arrangement.

2) The facilities of the Italian banks relate to 11 different facilities and agreements with several Italian banks. Banca Sistema (which has a minority share of 10 % in the Italian subsidiary) is providing one of these facilities, and has granted a facility of EUR 29.5 million to finance further acquisitions of portfolios. The loan carries a variable interest rate based on the interbank rate with a margin. Some of the loans are secured with collaterals worth EUR 24 million.

3) Following the establishment of the co-investment partnership with Geveran, Notes in the amount of EUR 180 million has been issued, of which for EUR 150 million has been subscribed to by Sterna Finance, a company in the Geveran Group. The remainder has been subscribed to by Axactor AB. This consists of EUR 60 million in class A, deeply subordinated income sharing notes, subscribed by Axactor AB and Geveran (50/50) and EUR 120 million in class B, subordinated secured note, fully subscribed by Geveran. The maturity of these notes is 2022. Axactor repaid EUR 80 million of the 120 million facility to Sterna in Q2 2018, the notes can be redrawn in increments of 40 million. A waiver was given during Q1 related to financing of acquisitions of REOs (through Reolux Holding). Corresponding waiver fee was 240 TEUR. This relates to the unused facility of DNB

4) In March 2018 Axactor AB successfully completed a EUR 150 million senior unsecured bond issue with maturity in June 2021. The bonds are listed on Oslo Exchange. The coupon rate is 3m EURIBOR + 700 bps pa. The following financial covenants: Interest coverage ratio: >4.0x (Pro-Forma Adjusted Cash EBITDA to net interest expenses); Leverage ratio: <4.0x (NIBD to Pro-Forma Adjusted Cash EBITDA); Net loan to value: <75% (NIBD to total book value all debt portfolios and REOs); Net secured loan to value: <65% (secured loans less cash to total book value all debt portfolios and REOs). Trustee: Nordic Trustee

Financial year 2018

Quarterly Report - Q1 03.05.2018

Quarterly Report - Q2 25.07.2018

Quarterly Report - Q3 30.10.2018

Annual General meeting 04.05.2018

The company's annual report will be available on the company's website.

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The shares of Axactor AB (publ.) are listed on the Oslo Stock Exchange, ticker symbol AXA.

Cautionary Statement: *Statements and assumptions made in this document with respect to Axactor AB's ("Axactor") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of Axactor. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", strategy, "forecast" and similar expressions. These statements reflect management's expectations and assumptions in light of currently available information. They are subject to a number of risks and uncertainties, including, but not limited to, (i) changes in the economic, regulatory and political environments in the countries where Axactor operates; (ii) changes relating to the statistic information available in respect of the various debt collection projects undertaken; (iii) Axactor's continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential partners, ventures and alliances, if any; (v) currency exchange rate fluctuations between the Euro and the currencies in other countries where Axactor or its subsidiaries operate. In the light of the risks and uncertainties involved in the debt collection business, the actual results could differ materially from those presented and forecast in this document. Axactor assumes no unconditional obligation to immediately update any such statements and/or forecasts.*

