



Report

Q3 2018

30 October, 2018

AXACTOR

Highlights

Third Quarter of 2018

- Gross collection for the quarter of EUR 56.5 million, a growth of 139% from EUR 23.6 million in Q3 2017
- EBITDA of EUR 10.0 million and Cash EBITDA of EUR 32.7 million in Q3 2018, compared to an EBITDA of EUR 2.0 million and a Cash EBITDA of EUR 6.2 million in Q3 2017
- Increased EBITDA margin from 10% in Q3 2017 to 21% in Q3 2018. This is 1ppt up from Q2 2018, despite Q3 generally being the slowest quarter of the year
- Net profit for Q3 2018 was EUR 0.4 million, up from EUR 0.3 million in Q3 2017
- More than 1,600 REO assets sold since entering the REO segment in 2017
- Total portfolio investments of EUR 112.6 million, up from EUR 7.0 million in Q3 2017. In addition to the portfolio investments in the quarter, new forward flow contracts with start date later in 2018 or early 2019 were signed in Sweden
- Estimated monthly investments in signed forward flow portfolios at the end of 2018 is approximately EUR 16m, with an additional upside if further contracts are closed during Q4 2018
- Axactor and Reolux Holding S.à r.l. (“Reolux”) closed a senior secured term loan facility of approximately EUR 96m with Nomura International plc (“Nomura”) to refinance Reolux's existing Spanish Real Estate Owned (REO) investments. The proceeds of the refinancing have primarily been used to repay an intercompany loan from Axactor SE. Further to this refinancing, a new REO portfolio was acquired from a large Spanish financial group through a bilateral agreement. The portfolio has an appraisal value of approximately EUR 102m and is composed of 1,500 assets. The financial institution will retain the 25% of the Spanish SPVs which will own the assets of the REO portfolio, while Axactor will retain 75% through the Reolux company
- Axactor, conditional to formal authorization of the contract, has agreed to acquire a portfolio of large unsecured claims from Banco Sabadell in Spain. 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. In addition, Axactor Spain closed with Sareb the purchase of the “Navia” project, an unsecured portfolio with an outstanding balance of approximately EUR 2.3 billion and with close to 4,000 cases. This portfolio is by volume the largest acquisition that Axactor has made in Spain, but with a relatively low capex investment of below EUR 10 million
- 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 twelve months. Axactor Sweden signed a total of three new forward flow contracts during the quarter. The most significant of the contracts has a duration of 24 months, and Axactor will acquire an outstanding balance of approximately EUR 40m over two years, across 7,000 cases. Building on the existing relationship in Norway, the agreement to start acquiring fresh claims from Instabank in Sweden was announced in the quarter. The total capex for the two-year forward flow contract is expected to be between EUR 4m and EUR 5m, with claims arriving from April 2019. The last of the three contracts is with a mid-size European bank, and Axactor will acquire micro loans with a total Outstanding Balance (OB) per annum of approximately EUR 7.2 million distributed on an estimate of 8,200 cases

- 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 twelve months and renewable for a further twelve months
- The conversion from an AB company to an SE (Societas Europaea) company was finalized during Q3 2018. The new company name is “Axactor SE”, with the company registration number 517100-0127. ISIN, ticker and instrument ID remains unchanged. This conversion is an important step in the previously announced process of relocating the company from Sweden to Norway in order to reduce administrative expenses and achieve a more efficient group structure

Key events after end of the report period

- Axactor Spain renewed three contracts providing debt collection services with three large financial institutions, along with signing two new contracts with a substantial real estate servicer and a large insurance company. The combined annual contract is EUR 3.5m across all five contracts. The five new contracts are for twelve months and renewable for further twelve months
- Axactor acquired an unsecured portfolio with an outstanding balance of appr. EUR 180 million and close to 3,000 cases from a large Spanish financial institution
- Axactor SE announced the market entry in Finland through acquisition of the debt collection company SPT Group Ltd., and a large portfolio of unsecured non-performing loans from Bank Norwegian. The portfolio is the largest NPL portfolio acquisition to date for Axactor, and together with the SPT transaction Axactor now have a good foundation for becoming a significant player within the Finnish debt collection and debt purchase market
- Following the acquisition of a new REO portfolio in Spain in Q3 2018, an upsize of the funding agreement with Nomura International plc has been finalized. The upsize is made on similar terms as the original agreement. After the upsize, the total facility amounts to EUR 119 million

Key Figures Axactor SE (Group)

EUR million	Q3 2018	Q3 2017	YTD 2018	YTD 2017
Gross revenue	56.5	23.6	164.2	70.2
Net Revenue	48.7	20.1	138.9	61.1
EBITDA	10.0	2.0	26.7	9.2
Cash EBITDA ¹⁾	32.7	6.2	91.3	19.2
Depreciation and Amortisation (excl. Portfolio Amortisation)	-1.5	-1.3	-4.3	-3.9
Net Financial Items	-7.7	-1.0	-21.7	-1.9
Tax	-0.4	0.6	-1.1	-0.1
Net Result	0.4	0.3	-0.4	3.2
Cash and Cash Equivalents at end of Period ²⁾	112.0	54.7	112.0	54.7
Acquired portfolios during the Period ³⁾	112.6	7.0	226.8	127.8
Book Value of portfolios at end of Period ³⁾	631.7	246.3	631.7	246.3
Gross Collection on Portfolios during the quarter ³⁾	44.2	14.0	127.0	38.7
Estimated Remaining Collection (ERC) at end of quarter ³⁾	1,125.1	525.8	1,125.1	525.8
Interest Bearing Debt at end of Period	477.4	116.1	477.4	116.1
Number of Employees (FTE) at end of Period	1,023	892	1,023	892

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

2) Restricted cash excluded.

3) Includes NPL and REO portfolios.

Operations

Continued margin expansion as Axactor delivers a 397% EBITDA growth for the third quarter of 2018 compared to the same quarter last year. The EBITDA for Q3 2018 ended at EUR 10.0m with a margin of 21%, compared to EUR 2.0m and 10% for Q3 2017. Triple digit gross revenue growth is achieved for all three quarters so far in 2018, and the recorded gross revenue for the third quarter ended at EUR 56.5m compared to EUR 23.6m for Q3 2017. To secure future growth, Axactor has invested EUR 112.6m in NPL and REO portfolios during the third quarter of 2018, as well as signing two significant 3PC contracts in Spain. To reduce the company's funding cost, a refinancing deal for the existing REO portfolios was closed with Nomura International plc, freeing up a total of approximately EUR 96m for new investments.

The growth continues for Axactor with an EBITDA of 10.0m in Q3 2018, compared to 2.0m in the same quarter last year. The EBITDA margin increased from 20% in Q2 2018 to 21% in Q3 2018, despite the fact that the third quarter is negatively impacted by the holiday period in both Scandinavia and across Southern Europe. This emphasizes Axactor's continued focus on scale benefits and efficiency through sharing of best practices and know-how across the Group. The Gross revenue for the quarter was EUR 56.5m, up from 23.6m in the same period last year. The cash flow remains strong, with a Cash EBITDA of 32.7m compared to 6.2m in Q3 2017.

The capital light business segments, meaning 3PC and ARM, continue to show a good development in Q3 2018, with respective growth rates compared to the same quarter last year of 31% and 9%. Spain secured two new contracts of significant size during the quarter and together with the other contracts signed earlier in the year Axactor is confident that the strong development will continue for the coming quarters. Sweden has now established both the 3PC and the ARM product and the first clients are starting to generate revenue. The ARM product is still in the start-up phase for Italy and Germany and is expected to generate revenue in these two geographies in 2019.

During Q3 2018, Axactor invested a total of EUR 112.6m in NPL and REO portfolios. The running forward flow volume is currently at a level of close to EUR 15m per month, and with new contracts signed during the third quarter, this is expected to increase further through Q4 2018 and into 2019. This volume will generate significant revenue for Axactor going forward, and the pipeline for NPL portfolios remains strong across the Axactor geographies. The collection performance vs original business case for NPL portfolios

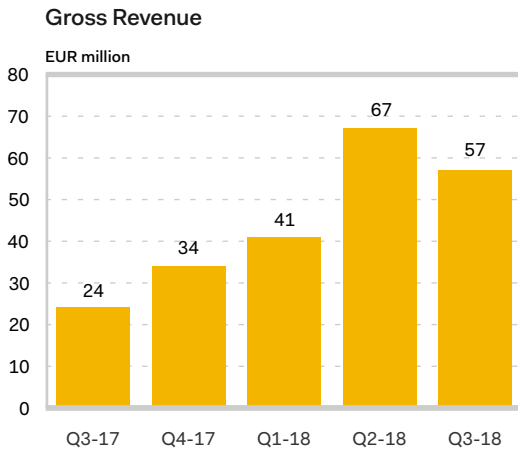
continue the strong trend seen over the past quarters, with last twelve months (LTM) Q3 2018 numbers coming in at 105%. This illustrates the company's ability to deliver on its investments, and to increase the efficiency of the collection platforms. The LTM collection performance vs original business case for REO portfolios was 142% for Q3 2018, as the REO portfolios continue to liquidate quicker than initially anticipated. The REO business cases have a conservative build-up, however, and the REO performance is expected to converge towards business case over time.

In order to reduce the company's funding cost, a re-financing deal for the existing REO portfolios was closed with Nomura International plc in the quarter. The deal is entered into by Reolux Holding S.à.r.l., a jointly owned company with Geveran Trading Co. Limited. The funding cost for the deal with Nomura is made on favorable terms compared to alternative sources of available unrestricted funds in the Axactor Group. The transaction has freed up approximately EUR 88m in cash in Q3 2018, with a further committed EUR 8m for Q4 2018. The released funds are available for Axactor to deploy in new investments across the group. The agreement with Nomura can be upsized in the future for funding of new REO portfolios at an attractive price level.

In order to reduce the burden of administrative expenses and achieve a more efficient group structure, Axactor is currently in the process of relocating the company from Sweden to Norway. An important step in this process was finalized during Q3 2018, when the company was converted from an AB company to an SE (Societas Europaea) company. The new company name is "Axactor SE", with the company registration number 517100-0127. ISIN, ticker and instrument ID remains unchanged.

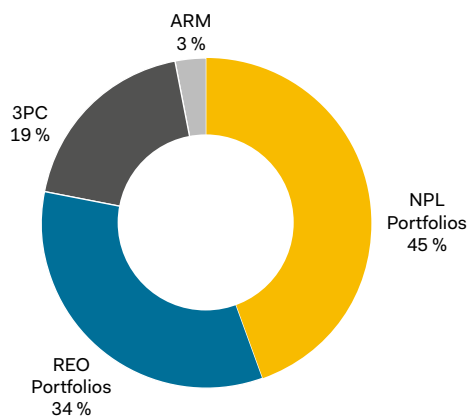
Financials

Revenues



Gross revenue for the third quarter of 2018 was EUR 56.5m (23.6m), resulting in a growth of 139%. The third quarter of the year is generally a slow quarter in the European DCA business, and the gross revenue is thus down 15% when comparing to Q2 2018. The investments made in NPL and REO portfolios continue to drive growth, and there is a healthy development in 3PC and ARM. Total amortisation and revaluation of NPL portfolios was EUR 7.8m (3.5m) in Q3 2018, leaving the net revenue for the quarter at EUR 48.7m (20.1m).

Gross Revenue mix Q3-18



NPL portfolios accounted for EUR 25.2m (13.7m) or 45% (58%) of total gross revenue in Q3 2018. The REO segment continues to increase its share of total revenues on the back of the large investments made over the previous twelve months, and accounted for EUR 19.0m (0.3m) or 34% (1%) of the gross revenue in Q3 2018. A total of EUR 112.6m (7.0m) was invested in portfolios during the quarter, whereof EUR 43.8m was invested in REOs. The large forward flow contracts signed during 2018 are starting to show in the quarterly investment figures, with a further increase expected over the coming months as more of the contracts become fully operational. The estimated monthly investment from contracted forward flow portfolios at the end of the year is approximately EUR 16m, with an additional upside if further contracts are closed during Q4 2018. In addition to the forward flows, two new one-off portfolios were acquired in Spain and the pipeline for both one-off and forward flow portfolios remains promising. The book value of NPL and REO portfolios at the end of the third quarter of 2018 was EUR 631.7m (246.3m), with a total estimated remaining collection (ERC) of EUR 1,125.1m (525.8m).

The 3PC segment delivered a gross revenue of EUR 10.8m (8.2m) in Q3 2018, and accounted for 19% (35%) of total gross revenue. The 3PC segment increased its share of total revenues compared to the previous quarter, bringing a slightly better balance to the business mix. Spain remains the main driver of the 3PC growth and announced an additional two new large contracts during the quarter.

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 live in Sweden. The ARM segment contributed EUR 1.5m (1.4m), or 3% (6%) of the total gross revenue for the third quarter of 2018.

Earnings

The reported EBITDA for the third quarter of 2018 was EUR 10.0m (2.0m). The EBITDA margin came in at 21% (10%), up from 20% in Q2 2018. This increase is particularly strong when looking at the shift in business mix from the high-margin NPL segment to 3PC and ARM, compared to the previous quarter. In addition, the third quarter is usually slower than the second quarter, further illustrating Axactors ability to leverage on scale and skill benefits as the company continues to grow.

The cash EBITDA, (EBITDA excluding amortisation and revaluations of NPL portfolios and REO cost of sales, as well as calculated costs related to the share option program) was EUR 32.7m (6.2m) for Q3 2018. The strong cash flow from the investments made into NPL and REO portfolios is the main driver of the growth. This results in a strong cash conversion, with a gross margin (cash EBITDA divided by gross revenue) of 58% for the quarter.

Net profit for the period amounted to EUR 0.4m (0.3m) for the third quarter of 2018.

Operating expenses

The total operating expenses for the third quarter of 2018 amounted to EUR 38.7m (18.1m). This includes REO cost of sales of EUR 14.6m (0.1m), representing the reversal of the book value of sold assets and comparable to the amortisation of NPL portfolios.

IT and local SG&A costs amounted to EUR 6.3m (5.0m) for the quarter. The increase can be attributed to increased size of the business.

Depreciation and amortisation excluding amortisation of NPL portfolios was EUR 1.5m (1.3m) for Q3 2018. More than half of the depreciation and amortisation is related to intangible assets acquired through the acquisition of subsidiaries, with IT and infrastructure assets making up most of the remaining amount.

Net financial items

Interest cost on outstanding debt for the third quarter of 2018 was EUR 7.0m (1.8m). Net financial items were negatively impacted by currency effects of EUR 0.3m (positive 0.9m). Adding other financial items, the total net financial items for the quarter ended at EUR -7.7m (-1.0m). This is a reduction of EUR 0.8m compared to Q2 2018, mainly driven by reduced interest costs following the re-financing of the REO portfolios closed in Q3 and the re-payment of subordinated loan notes made by Axactor Invest I in Q2 2018.

Tax

The tax expense for Q3 2018 was EUR 0.4m (positive 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 third quarter of 2018 amounted to EUR 27.6m (4.9m). The cash EBITDA for Q3 2018 was EUR 32.7m. The main difference between the cash EBITDA and the cash flow from operating activities relates to an increase in net working capital, and taxes paid.

Acquisition of NPL and REO portfolios during Q3 2018 was EUR 112.6m (7.0m). Adjusting for deferred payment on one of the portfolios acquired, the total amount paid for portfolios in the quarter was EUR 110.0m (15.4m). In addition, Axactor continues to invest in IT systems to optimize efficiency, thus, the total cash flow from investments was EUR -112.0m (-18.0m).

Total cash flow from financing activities was EUR 75.5m (49.1m) in Q3 2018. The main element was the re-financing of the REO portfolios which brought approximately EUR 88m of cash into the company in the quarter. The re-financing was partially offset by a re-payment on the RCF loan in order to reduce interest cost. Total free cash and cash equivalents at the end of the period was EUR 112.0m (54.7m).

Equity position

At the end of the third quarter of 2018, the total equity including minorities for the Group was EUR 326.7m, compared to EUR 259.9m in Q3 2017. The resulting equity ratio at the end of the quarter was 39%, compared to 65% at the same time last year.

Parent company

The parent company's business activity is to manage the Group's operations. The result after tax for the third quarter 2018 ended at EUR -0.6m (1.2m). Total equity at the parent company at the end of the quarter was EUR 279.3m (272.2m).

Outlook

Axactor expects significant growth on the back of the capex deployed in NPL and REO portfolios, as well as from the signed forward flow contracts. Q4 2018 is the first full quarter for several of the large forward flow contracts closed during Q2 and Q3 and additional contracts are starting in Q4. The pipeline for both one-off NPL transactions and forward flows remains strong across the Axactor geographies. Together with the Finnish market entry announced in October, Axactor is confident that the growth story will continue through Q4 and into 2019. Further more, we see a tendency of increased IRR on medium/large unsecured NPL portfolios. It is assumed

that this is the consequence of a more challenging funding situation for the industry, as well as a large volume of NPL portfolios for sale. Axactor, however, is in a comfortable liquidity situation with available funds to invest, and thus have a competitive advantage going forward.

Axactor believes a balanced business mix is an important success factor and intends to keep focusing on growth in the 3PC and ARM segments in addition to the growth in NPLs and REOs. The 3PC pipeline in Spain remains strong, and as of Q3 2018 Axactor Sweden has a full product offering including 3PC and ARM.

As the volume in each segment grows, Axactor will see increasing benefits of scale and efficiency. Through the 'One Axactor' program, the company focuses on implementing common values, strategies and systems, and on sharing of best practices. Axactor thus expect further margin expansion across business segments and geographies for the coming quarters.

This report has not been reviewed by the auditor.

Stockholm, 29 October 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 Sept 2018	30 Sept 2017	30 Sept 2018	30 Sept 2017	
Net revenue	3, 4	48,689	20,073	138,875	59,092	87,745
Other revenue		0	0	0	2,040	2,040
Total revenue		48,689	20,073	138,875	61,133	89,785
Cost of secured assets sold (REOs)	7	-14,598	-124	-38,074	-124	-1,445
Personnel expenses collection		-7,709	-6,650	-23,770	-19,178	-26,578
Personnel expenses other		-3,893	-5,027	-14,337	-12,949	-18,378
Operating expenses		-12,461	-6,255	-35,959	-19,715	-28,569
EBITDA		10,028	2,017	26,735	9,167	14,815
Amortisation and depreciation		-1,507	-1,340	-4,323	-3,915	-5,327
EBIT		8,521	677	22,412	5,251	9,488
Financial revenue	5	-169	958	395	2,818	3,070
Financial expenses	5	-7,551	-1,998	-22,086	-4,737	-10,585
Net financial items		-7,720	-1,040	-21,691	-1,919	-7,515
Profit/(loss) before tax		801	-363	720	3,332	1,974
Tax expense		-401	624	-1,146	-94	611
Net profit/(loss) from continued operations		399	261	-425	3,238	2,585
Net profit/(loss) to minority interest		-866	0	-524	0	-32
Net profit/(loss) to equity holders		1,266	261	99	3,238	2,617
Earnings per share: basic		0.008	0.000	0.001	0.003	0.002
Earnings per share: diluted		0.007	0.000	0.001	0.003	0.002

Consolidated Statement of Comprehensive Profit and Loss

EUR thousand	For the quarter end		YTD		Full year 2017
	30 Sept 2018	30 Sept 2017	30 Sept 2018	30 Sept 2017	
Net profit/(loss) for the period net of income tax	399	261	-425	3,238	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	418	1,408	-478	-3,899	-3,702
Other comprehensive income/(loss) for the period net of income tax	418	1,408	-478	-3,899	-3,694
Total comprehensive income for the period attributable to:	818	1,668	-903	-661	-1,109
- Equity holders of the parent company	1,684	1,668	-379	-661	-1,077
- Non-Controlling interests	-866	0	-524	0	-32

Interim Consolidated Statement of Financial Position

EUR thousand	Note	30 Sept 2018	30 Sept 2017	31 Dec 2017
ASSETS				
<i>Intangible non-current assets</i>				
Intangible assets		19,544	18,386	18,359
Goodwill		54,462	54,756	53,582
Deferred tax asset		4,239	2,234	3,945
<i>Tangible non-current assets</i>				
Property, Plant and equipment		2,795	2,506	2,499
<i>Financial non-current assets</i>				
Investment in joint ventures		0	3,052	0
Purchased debt portfolios	6	419,108	237,927	317,150
Other long term receivables		1,155	1,123	1,065
Other long term investments		170	226	191
Total non-current assets		501,473	320,210	396,791
<i>Current assets</i>				
Stock of secured assets REO's	7	212,555	8,373	154,101
Current receivables		7,671	7,227	8,047
Other current assets		8,545	8,860	13,070
Restricted cash		54	2,589	1,878
Cash and cash equivalents		112,018	54,748	48,604
Total current assets		340,844	81,797	225,700
TOTAL ASSETS		842,317	402,007	622,491

Interim Consolidated Statement of Financial Position

EUR thousand	Note	30 Sept 2018	30 Sept 2017	31 Dec 2017
EQUITY AND LIABILITIES				
<i>Equity attributable to equity holders of the parent</i>				
Share Capital	8	80,842	79,377	79,377
Other paid-in equity		199,135	195,773	196,298
Retained earnings profit/(loss)		-18,619	-15,017	-15,630
Reserves		-465	-184	13
Non-controlling interests		65,801	0	31,776
Total equity		326,694	259,948	291,833
<i>Non-current liabilities</i>				
Non-current interest bearing debt	9	368,161	71,072	237,571
Deferred tax liabilities		5,261	6,815	5,887
Other non-current liabilities		3,736	3,447	3,002
Total non-current liabilities		377,159	81,334	246,459
<i>Current liabilities</i>				
Accounts payables		4,214	2,753	4,029
Current portion of non-current borrowings	9	109,244	45,020	61,189
Taxes Payable		1,694	-445	1,376
Other current liabilities		23,313	13,598	17,603
Total current liabilities		138,465	60,725	84,198
TOTAL EQUITY AND LIABILITIES		842,317	402,007	622,491

Interim Consolidated Statement of Cash Flow

EUR thousand	Note	For the quarter end		YTD		Full year 2017
		30 Sept 2018	30 Sept 2017	30 Sept 2018	30 Sept 2017	
Operating activities						
Profit before tax		801	-363	721	3,333	1,974
Taxes paid		-192	0	-2,373	-1,419	-1,531
Adjustments for:						
- Finance income and expense		7,720	1,040	21,691	1,918	7,514
- Amortisation of debt portfolios		7,818	3,544	25,342	9,115	14,957
- Cost of sales stock of secured assets		14,598	124	38,074	124	1,445
- Depreciation and amortisation		1,507	1,340	4,324	3,915	5,327
- Calculated cost of employee share options		231	588	1,180	1,259	1,806
- Unrealised foreign currency (gains)/losses		-1,147	0	-1,956	0	0
Change in Working capital		-3,743	-1,414	4,713	-4,749	-8,099
Net cash flows operating activities		27,593	4,859	91,716	13,496	23,393
Investing activities						
Purchase of debt portfolios and REO's	6, 7	-110,013	-15,449	-222,146	-127,551	-355,202
Investment in subsidiaries		0	0	0	-1,409	-1,409
Purchase of intangible and tangible assets		-2,021	-2,578	-5,813	-4,023	-5,401
Interest received		0	60	0	96	96
Net cash flows investing activities		-112,034	-17,967	-227,959	-132,712	-361,741
Financing activities						
Proceeds from borrowings	9	120,973	3,000	336,058	79,057	277,752
Repayment of debt	9	-49,387	-14,685	-154,309	-34,919	-42,485
Interest paid		-5,034	-1,371	-16,532	-3,433	-5,315
Loan fees paid	9	-2,499	-136	-5,058	-2,114	-10,188
Proceeds from share issue		0	63,858	3,147	75,274	75,274
Proceeds from non-controlling interests		11,423	0	34,548	0	31,808
Share issue costs		0	-1,578	-21	-1,863	-1,885
Net cash flows financing activities		75,476	49,088	197,833	112,002	324,961
Currency translation		0	0	0	0	-117
Net change in cash and cash equivalents		-8,965	35,980	61,590	-7,214	-13,387
Cash and cash equivalents at the beginning of period		121,037	21,357	50,482	64,551	63,986
Cash and cash equivalents at end of period		112,072	57,337	112,072	57,337	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 31 December 2016	64,198	262,127	3,714	-147,151	182,888		182,888
Balance 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
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 31 December 2017	79,377	196,298	13	-15,630	260,057	31,776	291,833
Balance 1 January 2018	79,377	196,298	13	-15,630	260,057	31,776	291,833
Costs related to share issues		-26			-26		-26
Share based payment		1,181			1,181		1,181
Comprehensive Profit/(loss) Foreign currency translation differences - foreign operations			-478		-478		-478
Adjustment on initial application of IFRS 15 (net of tax)				-3,087	-3,087		-3,087
Net capital increase/decrease of NCI						34,549	34,549
Result of the period				99	99	-524	-425
New Share issues (exercise of share options)	1,465	1,682			3,147		3,147
New Share issues	0.05				0		0
Closing balance 30 Sept 2018	80,842	199,135	-465	-18,618	260,893	65,801	326,694

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 two years.

Parent Company Income Statement

EUR thousand	Note	For the quarter end		YTD		Full year 2017
		30 Sept 2018	30 Sept 2017	30 Sept 2018	30 Sept 2017	
Other operating income		174	711	1,505	4,253	5,809
Operating expenses		-909	-1,486	-3,654	-5,255	-7,380
Personnel expenses						
EBITDA		-735	-775	-2,149	-1,002	-1,571
Amortisation and depreciation		0	0	0	0	0
EBIT		-735	-775	-2,149	-1,002	-1,571
Financial revenue		5,782	2,512	12,302	4,638	5,347
Financial expenses		-5,691	-583	-10,373	-700	-4,971
Net financial items		90	1,929	1,929	3,938	376
Profit/(loss) before tax		-644	1,154	-220	2,936	-1,195
Tax expense		0	0	0	0	0
Net profit/(loss) to equity holders		-644	1,154	-220	2,936	-1,195

Parent Company Balance Sheet

EUR thousand	Note	30 Sept 2018	30 Sept 2017	31 Dec 2017
ASSETS				
<i>Intangible non-current assets</i>				
Investment in subsidiaries and joint ventures		150,913	123,404	129,562
Loans to group companies		254,337	103,918	135,602
Other long-term receivables		170	226	170
Total non-current assets		405,420	227,548	265,334
<i>Current assets</i>				
Short-term intercompany receivables		8,149	3,752	3,238
Other current assets		1,572	30	2,838
Restricted cash		0	418	406
Cash and cash equivalents		13,186	40,842	5,235
Total current assets		22,907	45,041	11,717
TOTAL ASSETS		428,326	272,590	277,050
EQUITY AND LIABILITIES				
<i>Restricted equity</i>				
Share Capital		80,842	79,377	79,377
Statutory reserve		240	240	240
Total restricted equity		81,081	79,617	79,617
<i>Non-restricted equity</i>				
Share premium reserve		199,139	195,779	196,304
Retained earnings		-718	-6,133	476
Result for the period		-220	2,936	-1,195
Total non-restricted equity		198,201	192,582	195,585
TOTAL SHAREHOLDERS EQUITY		279,282	272,198	275,202
LIABILITIES				
<i>Non-current liabilities</i>				
Non-current interest bearing debt	7	148,628	0	0
Long term intercompany liabilities		0	0	0
Other long term liabilities		0	0	0
Total non-current liabilities		148,628	0	0
<i>Current liabilities</i>				
Accounts payables		63	189	187
Short-term intercompany liabilities		0	0	1,531
Other current liabilities		353	203	131
Total current liabilities		416	392	1,849
TOTAL EQUITY AND LIABILITIES		428,326	272,590	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	0	0	0		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
Result of the period						-1,195	-1,195
Closing balance on 31 December 2017	79,377	240	196,302	-23	500	-1,195	275,202
Balance on 1 January 2018	79,377	240	196,302	-23	500	-1,195	275,202
Transfer of prior years net result					-1,195	1,195	0
Costs related to share issues			-26				-26
Share based payment			1,181				1,181
Result of the period						-220	-220
New Share issues (exercise of share options)	1,465		1,682				3,147
New Share issues	0.05						0
Closing balance on 30 Sept 2018	80,842	240	199,139	-23	-694	-220	279,282

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 two years.

Key Ratios and Share Data for the Consolidated Group

EUR thousand		YTD 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	152,962,958	1,327,030,991	849,072,460	133,687,416	29,804,775
Operating result, for continued operations	kEUR	22,412	9,488	-9,614	-3,360	-1,214
Result after tax	kEUR	-425	2,585	-11,169	-17,810	-5,055
Operating result per share	EUR	0.147	0.007	-0.011	-0.02	-0.15
Result after financial items per share	EUR	0.005	0.001	-0.014	-0.05	-0.15
Result per share after tax	EUR	-0.003	0.002	-0.013	-0.13	-0.17
Shareholders equity per share before dilution ¹⁾	EUR	1.706	0.220	0.238	0.09	0.19
Dividend ²⁾	kEUR	0	0	0	0	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 twelve month 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. Ratio ten old shares give one new share.

4) Before reverse split.

Notes to the Financial Report

Note 1 Reporting entity and Accounting Principles

The Parent Company Axactor SE (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.

This is the first set 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	0

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 segment's 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 segments 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 Group's resources.

Segment revenue reported below represents revenue generated from external customers. There are 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 30.09.2018

EUR thousand	NPL	REO	3PC ¹⁾	ARM	Eliminations/ Not allocated	Total
Collections on own portfolios	25,214	18,984	0	0	0	44,198
Other operating revenue	0	0	10,795	1,514	0	12,309
Portfolio amortisation and revaluation	-7,818	0	0	0	0	-7,818
Net revenue	17,396	18,984	10,795	1,514	0	48,689
REO cost of sales	0	-14,592	0	0	0	-14,592
Other direct operating expenses	-5,449	-2,250	-7,484	-736	0	-15,919
Contribution margin	11,947	2,141	3,311	777	0	18,177
Local SG&A, IT and corporate cost					-8,149	-8,149
EBITDA					-8,149	10,028
Total Opex	-5,449	-16,842	-7,484	-736	-8,149	-38,661
CM1 margin	68.7 %	11.3 %	30.7 %	51.4 %	na	37.3 %
EBITDA margin						20.6 %
Dopex / Gross revenue	21.6 %	88.7 %	69.3 %	48.6 %	na	54.0 %
Local SG&A, IT and corporate cost / Gross revenue						14.4 %

1) External revenue.

For the quarter end 30.09.2017

EUR thousand	NPL	REO	3PC ¹⁾	ARM	Eliminations/ Not allocated	Total
Collections on own portfolios	13,702	306	0	0	0	14,008
Other operating revenue	0	0	8,214	1,395	0	9,609
Portfolio amortisation and revaluation	-3,544	0	0	0	0	-3,544
Net revenue	10,158	306	8,214	1,395	0	20,073
REO cost of sales	0	-124	0	0	0	-124
Other direct operating expenses	-3,291	-79	-6,170	-752	0	-10,293
Contribution margin	6,867	103	2,044	643	0	9,657
Local SG&A, IT and corporate cost					-7,640	-7,640
EBITDA					-7,640	2,017
Total Opex	-3,291	-203	-6,170	-752	-7,640	-18,057
CM1 margin	67.6 %	33.7 %	24.9 %	46.1 %	na	48.1 %
EBITDA margin						10.0 %
Dopex / Gross revenue	24.0 %	66.3 %	75.1 %	53.9 %	na	44.1 %
Local SG&A, IT and corporate cost / Gross revenue						32.3 %

1) External revenue.

2) Settlement former BoD.

YTD 30.09.2018

EUR thousand	NPL	REO	3PC ¹⁾	ARM	Eliminations/ Not allocated	Total
Collections on own portfolios	77,437	49,539	0	0	0	126,976
Other operating revenue	0	0	32,536	4,705	0	37,241
Portfolio amortisation and revaluation	-25,342	0	0	0	0	-25,342
Net revenue	52,095	49,539	32,536	4,705	0	138,875
REO cost of sales	0	-38,068	0	0	0	-38,068
Direct operating expenses	-16,404	-5,901	-23,788	-2,213	0	-48,307
Contribution margin	35,691	5,569	8,748	2,492	0	52,500
Local SG&A, IT and corporate cost					-25,765	-25,765
EBITDA					-25,765	26,735
Total Opex	-16,404	-43,970	-23,788	-2,213	-25,765	-112,140
CM1 margin	68.5 %	11.2 %	26.9 %	53.0 %	na	37.8 %
EBITDA margin						19.3 %
Dopex / Gross revenue	21.2 %	88.8 %	73.1 %	47.0 %	na	52.6 %
Local SG&A, IT and corporate cost / Gross revenue						15.7 %

1) External revenue.

YTD 30.09.2017

EUR thousand	NPL	REO	3PC ¹⁾	ARM	Eliminations/ Not allocated	Total
Collections on own portfolios	38,469	306	0	0	-30	38,746
Other operating revenue / Other revenue	0	0	25,026	4,437	2,040 ²⁾	31,503
Portfolio amortisation and revaluation	-9,115	0	0	0	0	-9,115
Total revenue	29,354	306	25,026	4,437	2,010	61,133
REO cost of sales	0	-124	0	0	0	-124
Other direct operating expenses	-9,342	-79	-18,576	-2,394	0	-30,390
Contribution margin	20,012	103	6,450	2,043	2,010	30,619
Local SG&A, IT and corporate cost					-21,452	-21,452
EBITDA					-19,442	9,167
Total Opex	-9,342	-203	-18,576	-2,394	-21,451	-51,966
CM1 margin	68.2 %	33.7 %	25.8 %	46.0 %	na	50.1 %
EBITDA margin						15.0 %
Dopex / Gross revenue	24.3 %	66.3 %	74.2 %	54.0 %	na	43.4 %
Local SG&A, IT and corporate cost / Gross revenue						30.5 %

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 Sept 2018	30 Sept 2017	30 Sept 2018	30 Sept 2017	
Germany	4,910	4,845	14,228	14,023	19,614
Italy	1,100	1,728	5,058	6,244	8,161
Norway	7,274	2,379	14,093	7,927	11,015
Spain	33,304	8,588	98,627	24,223	40,037
Sweden	2,101	2,533	6,869	6,675	8,918
Other revenue, group	0	0	0	2,040	2,040
Total revenue	48,689	20,073	138,875	61,132	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	Q1 2018			Q2 2018			Q3 2018		
	NPL	REOs	Total	NPL	REOs	Total	NPL	REOs	Total
Yield ¹⁾	18,405		18,405	16,061		16,061	17,781		17,781
CU1 ²⁾	-1,360		-1,360	4,016		4,016	-1,712		-1,712
CU2 ³⁾	-1,745		-1,745	-1,385		-1,385	893		893
CU2 tail ⁴⁾	339		339	367		367	434		434
REOs		8,672	8,672		21,883	21,883		18,984	18,984
Net Revenue	15,639	8,672	24,312	19,060	21,883	40,943	17,396	18,984	36,380

1) The effective interest rate on portfolios.

2) Catch up 1. Over- or under-performance compared to collection forecast.

3) Catch up 2. Revaluations and net present value of changes in forecast.

4) Catch up 2 tail. The net present value effect of rolling 180 months forecast.

YTD Q3 2018

EUR thousand	NPL	REOs	Total
Yield ¹⁾	52,248		52,248
CU1 ²⁾	943		943
CU2 ³⁾	-2,237		-2,237
CU2 tail ⁴⁾	1,141		1,141
REOs		49,539	49,539
Net Revenue	52,095	49,539	101,634

1) The effective interest rate on portfolios.

2) Catch up 1. Over- or under-performance compared to collection forecast.

3) Catch up 2. Revaluations and net present value of changes in forecast.

4) Catch up 2 tail. The net present value effect of rolling 180 months forecast.

Full year 2017

EUR thousand	NPL	REOs	Total
Yield ¹⁾	44,731		44,731
CU1 ²⁾	0		0
CU2 ³⁾	-1,126		-1,126
CU2 tail ⁴⁾	0		0
REOs		2,282	2,282
Net Revenue	43,605	2,282	45,887

1) The effective interest rate on portfolios.

2) Catch up 1. Over- or under-performance compared to collection forecast.

3) Catch up 2. Revaluations and net present value of changes in forecast.

4) Catch up 2 tail. The net present value effect of rolling 180 months forecast.

Note 5 Financial items

EUR thousand	For the quarter end		YTD		Full year 2017
	30 Sept 2018	30 Sept 2017	30 Sept 2018	30 Sept 2017	
Financial revenue					
Interest on bank deposits	5	60	7	97	109
Exchange gains	0	920	0	2,546	2,704
Exchange gains realised	76	0	364	0	0
Net unrealised Exchange gains	-190	0	0	0	0
Other financial income	-59	-22	24	185	257
Total financial revenue	-168	958	395	2,828	3,070
Financial expenses					
Interest expenses on borrowings	-7,013	-1,837	-20,195	-4,370	-6,942
Exchange losses	0	-4	0	-162	-3,144
Exchange losses realised	-61	0	-279	0	0
Net unrealised Exchange losses	-125	0	-125	0	0
Other financial expenses	-353	-157	-1,487	-214	-498
Total financial expenses	-7,552	-1,998	-22,086	-4,746	-10,585
Net financial items	-7,720	-1,040	-21,691	-1,919	-7,515

Note 6 Non-performing loans

EUR thousand	30 Sept 2018	30 June 2018	31 March 2018	30 Sept 2017	30 June 2017	31 March 2017	31 Dec 2017
Acquisition cost, opening balance	337,391	337,391	337,391	131,729	131,729	131,729	131,729
Purchase	133,042	64,264	46,792	119,442	111,072	66,288	206,446
Disposals	-7,246	-7,246	-7,246	-132	0	0	-132
Classification	-1,224	-2,998	0	0	0	0	0
Repossession of secured assets	-2,578	0	0	0	0	0	0
Translation differences	-2,305	-5,412	-3,050	-110	-63	0	-652
Accumulated acquisition cost	457,080	385,999	373,887	250,929	242,738	198,017	337,391
Amortisation & Revaluation, opening balance	-20,240	-20,242	-20,242	-3,744	-3,744	-3,833	-3,744
Amortisation and revaluation of the year ¹⁾	-25,342	-17,524	-7,050	-9,115	-5,575	-2,283	-14,949
Disposals	7,246	7,246	7,246	0	0	0	55
Classification	1,224	2,998	-628	0	0	0	0
Repossession of secured assets	-235	0	0	0	0	0	0
Impairment	-628	-628	0	0	0	0	0
Translation differences	3	655	947	-144	0	0	-1,603
Accumulated amortisation, closing balance	-37,972	-27,495	-19,727	-13,002	-9,319	-6,116	-20,240
Net book value	419,109	358,505	354,158	237,927	233,419	191,901	317,150

1) Gain on disposals amounts EUR 2,254 million, netted in P&L as Portfolio Amortisation & revaluation

Note 7 Stock of secured assets - REO's

EUR thousand	30 Sept 2018	30 June 2018	30 Sept 2017	30 June 2017	31 Dec 2017
Acquisition cost, opening balance	154,101	154,101	0	0	0
Purchase	93,715	49,903	8,497	8,070	155,546
Repossession from secured NPL	2,813	0	0	0	0
Cost of sold secured assets	-38,074	-23,476	-124	0	-1,445
Total	212,555	180,528	8,373	8,070	154,101
Number of assets	7,388	6,161	600	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
At 31 March 2017	1,226,488,769	64,197,268
New share issues, May	50,000,000	2,617,116
At 30 June 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 31 December 2017	1,516,488,769	79,376,461
At 31 March 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 after Reverse split 1:10	154,448,102	80,841,575
At 30 September after Reverse split 1:10	154,448,102	80,841,575

Top 30 shareholders at 30 September 2018

Name	Shareholding	% Share
GEVERAN TRADING CO Ltd	24,558,613	15.90 %
VERDIPAPIRFONDET DNB	10,303,065	6.67 %
TVENGE TORSTEIN	7,000,000	4.53 %
FERD AS	5,335,139	3.45 %
SONGA TRADING INC	4,742,346	3.07 %
VERDIPAPIRFONDET ALFRED BERG GAMBAK	3,555,376	2.30 %
VERDIPAPIRFONDET ALFRED BERG NORGE	2,890,144	1.87 %
VERDIPAPIRFONDET DELPHI NORDEN	2,514,978	1.63 %
GVEPSEBORG AS	2,036,494	1.32 %
VPF NORDEA NORGE	2,013,102	1.30 %
UBS AG	1,966,051	1.27 %
ALPETTE AS	1,661,643	1.08 %
VERDIPAPIRFONDET ALFRED BERG AKTIV	1,655,103	1.07 %
NORDNET LIVSFORSIKRING	1,565,076	1.01 %
RMB INTERNATIONAL FUND	1,472,238	0.95 %
CITIBANK, N.A.	1,281,188	0.83 %
ARCTIC FUNDS PLC	1,270,554	0.82 %
VPF NORDEA KAPITAL	1,214,748	0.79 %
MARTIN IBEAS DAVID	1,166,725	0.76 %
LOPEZ SANCHEZ ANDRES	1,166,725	0.76 %
KLOTIND AS	1,076,259	0.70 %
TVENGE ØYSTEIN ERLING	1,075,000	0.70 %
LATINO INVEST AS	1,030,000	0.67 %
VPF NORDEA AVKASTNING	1,027,387	0.67 %
ELENA AS	894,000	0.58 %
JPMORGAN CHASE BANK	893,823	0.58 %
VARDFJELL AS	891,401	0.58 %
RANGNES ENDRE	864,000	0.56 %
INTELCO CONCEPT AS	850,000	0.55 %
NOMURA INTERNATIONAL	775,377	0.50 %
Total 30 largest shareholders	88,746,555	61.05 %
Other shareholders	65,701,547	38.95 %
Total number of shares	154,448,102	100.00 %
Total number of shareholders	9,674	

Shares owned by related parties

Name	Shareholding	% Share
GEVERAN TRADING CO LTD ¹⁾	24,558,613	15.9 %
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 %
FRYDEN AS / Oddgeir ⁶⁾	576,000	0.4 %
TSOLIS VASILIO JOHNNY ⁴⁾	540,000	0.4 %
FARSTAD, SIV ⁶⁾	281,000	0.2 %
NOMURA INTERNATIONAL ¹⁰⁾	128,615	0.1 %
ROBIN KNOWLES ⁶⁾	121,887	0.1 %
BJØRN ERIK NÆSS ⁷⁾	100,000	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 ^{8,9)}	10,800	0.0 %
BRITA EILERTSTEN ⁷⁾	10,000	0.0 %
BERGSJO AS ⁷⁾	12,900	0.0 %

1) Geveran Trading Co Ltd owns 50% of Luxco Invest1 S.A and Reolux Holding S.à.r.l., companies controlled by Axactor Group.

2) CEO/Related to the CEO of Axactor SE.

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

4) Related to the CFO of Axactor SE.

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 SE.

7) Member of the Board of Directors of Axactor SE/controlled by member of the Board of Directors of Axactor SE.

8) Primary insider of Axactor SE.

9) Company controlled by primary insider of Axactor SE.

10) Financing party.

As from 31 May 2018 the shares in Axactor SE are traded ex reverse split, with the new ISIN and new face value. Ratio: Ten old shares give one 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		23,885	2018-2022
DnB/Nordea	EUR		73,898	2020
Listed Bond Loan ⁴⁾	EUR		150,000	2021
Nomura ⁵⁾	EUR		88,275	2021
Repayments				
Italian Banks	EUR		-27,309	
DnB/Nordea	EUR		-47,000	
Other	EUR		-80,000	
Other movements				
Capitalized loan fees			-5,031	
Amortized loan fees on loans			2,648	
Currency translations			-721	
Balance at 30 Sept 2018			477,405	

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 three 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 eleven 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 EUR 150 million has been subscribed to by Sterna Finance, a company in the Geveran Group. The remainder has been subscribed to by Axactor SE. This consists of EUR 60 million in class A, deeply subordinated income sharing notes, subscribed by Axactor SE and Geveran (50/50) and EUR 120 million in class B, subordinated secured notes, fully subscribed by Geveran. The maturity of these notes is in 2022. Axactor repaid EUR 80 million of the 120 million facility to Sterna in Q2 2018 and the notes can be redrawn in increments of 40 million. A waiver was given during Q1 related to financing of acquisitions of REO's (through Reolux Holding). Corresponding waiver fee was EUR 240 thousand. This relates to the unused facility of DNB.

4) In March 2018, Axactor SE 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.

5) In August 2018, Reolux signed a EUR 96 million senior secured term loan facility with Nomura International plc ("Nomura") to refinance Reolux's existing Spanish Real Estate Owned (REO) investments. The facility was amended in September to facilitate new Spanish Real Estate Owned investments. Drawn down at end of September 2018 were EUR 88 million. The maturity on this this loan facility is in 2021.

Terms and abbreviations

<i>3PC</i>	<i>Third Party Collection</i>
<i>ARM</i>	<i>Accounts Receivable Management</i>
<i>B2B</i>	<i>Business to Business</i>
<i>B2C</i>	<i>Business to Consumer</i>
<i>BoD</i>	<i>Board of Directors</i>
<i>CGU</i>	<i>Cash Generating Unit</i>
<i>CM1</i>	<i>Contribution Margin</i>
<i>Dopex</i>	<i>Direct Operating expenses</i>
<i>ERC</i>	<i>Estimated Remaining Collection</i>
<i>EPS</i>	<i>Earnings Per Share</i>
<i>EUR</i>	<i>Euro</i>
<i>FTE</i>	<i>Full Time Equivalent</i>
<i>IFRS</i>	<i>International Financial Reporting Standards</i>
<i>NOK</i>	<i>Norwegian Krone</i>
<i>NPL</i>	<i>Non-Performing Loan</i>
<i>OB</i>	<i>Outstanding Balance</i>
<i>PCI</i>	<i>Purchased Credit Impaired</i>
<i>PPA</i>	<i>Purchase price allocations</i>
<i>REO</i>	<i>Real Estate Owned</i>
<i>SEK</i>	<i>Swedish Krone</i>
<i>SG&A</i>	<i>Selling, General & Administrative Expenses</i>
<i>SPV</i>	<i>Special Purpose Vehicle</i>
<i>VIU</i>	<i>Value in Use</i>
<i>WAEP</i>	<i>Weighted average exercise price</i>
<i>Yield</i>	<i>The effective interest rate on portfolios</i>
<i>CU1</i>	<i>Catch up 1. Over- or underperformance compared to collection forecast</i>
<i>CU2</i>	<i>Catch up 2. Revaluations and net present value of changes in forecast</i>
<i>CU2 tail</i>	<i>Catch up 2 tail. The net present value effect of rolling 180 months forecast</i>

Financial year 2018

Quarterly Report - Q3 30.10.2018

Quarterly Report - Q4 13.02.2019

Annual General meeting 09.04.2019

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

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Cautionary Statement: *Statements and assumptions made in this document with respect to Axactor SE'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.*

