



Q3 2017 Axactor AB

November 1, 2017

AXACTOR

Key highlights Q3

REVENUE

23.6

EUR MILLION

+113% y/y

ERC

526

EUR MILLION

+108% y/y

EBITDA

2.0

EUR MILLION

10% margin

CASH EBITDA

6.2

EUR MILLION

CASH BALANCE

54.7

EUR MILLION

- Axactor and Geveran signs Co-investment Partnership LOI with EUR 300 million in investment capacity
- A private placement of 240 million new shares with gross proceeds of NOK 598 million completed
- Geveran participated in the private placement and has 9.98% of the shares in Axactor AB post share issue
- DNB/Nordea made a 5th tranche of EUR 40 million available with 100% gearing allowed on new NPLs
- Cash EBITDA at EUR 6.2 million for the quarter. Cash EBITDA YTD Q3 of EUR 19.2 million
- Q3 gross collection/EBITDA with seasonality impact – significantly better gross collection/EBITDA expected in Q4

Events after Q3 closing

Geveran co-invest transaction closed

- The co-invest transaction with Geveran closed - securing the investment capacity of EUR 300 million
- The co-investment vehicle Bank Funding in place

New NPL acquisition

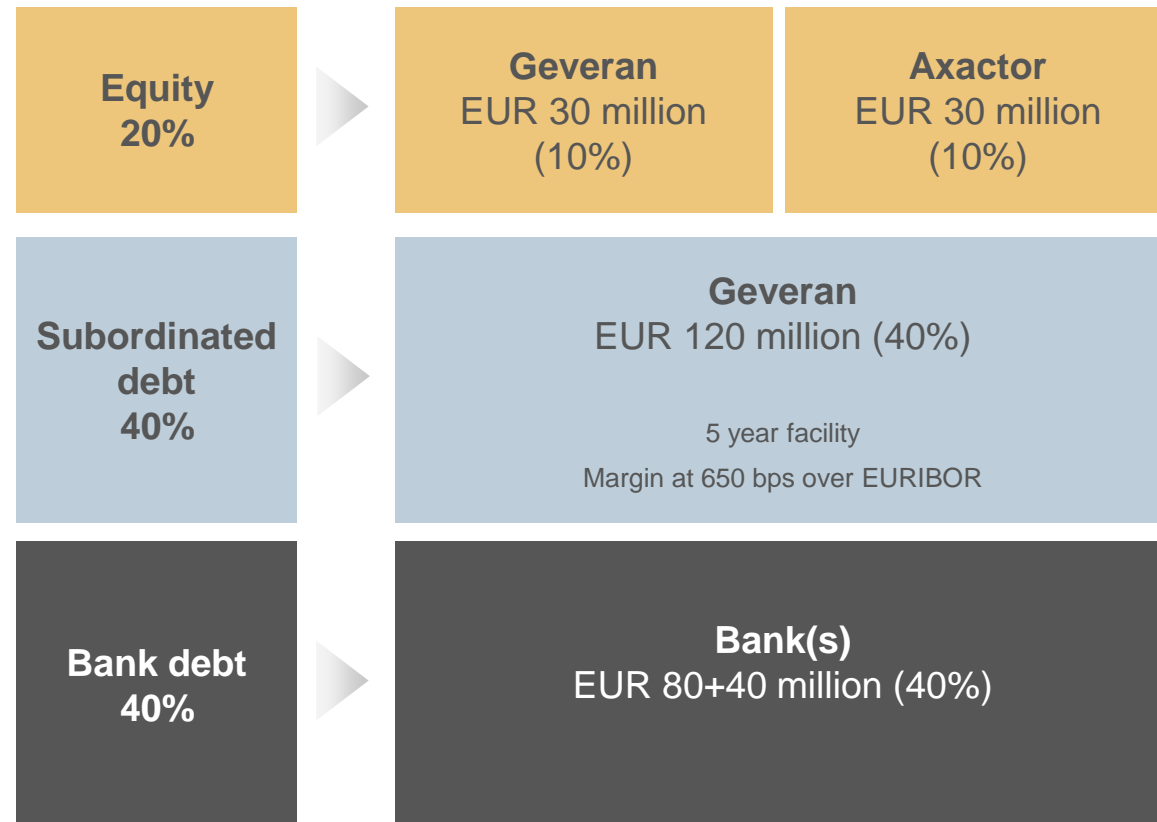
- Acquired an Auto Loan Portfolio in Spain from one of the major European car manufacturers. Total outstanding balance close to EUR 100m and more than 10K claims

Today's announcement

- First joint deal with Geveran
- Second largest NPL CAPEX transaction since Axactor was established
- Three portfolios acquired from the same bank in one transaction
 - Secured with EUR 94 million FV funded through Axactor/Geveran SPV
 - Unsecured with EUR 300 million FV funded with Axactor cash and bank facility
 - REOs with EUR 40 million appraisal value funded through Axactor/Geveran SPV

Portfolio investment company

Capital structure with EUR 300 mill capitalization

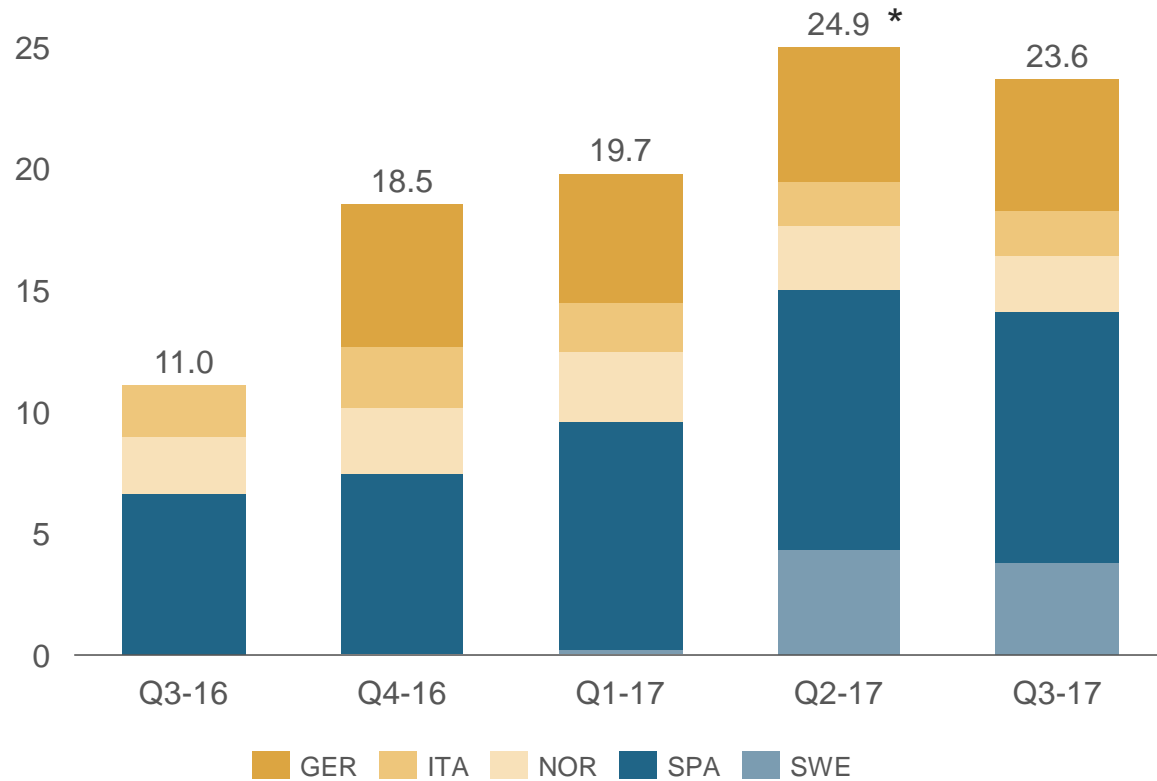


Rationale for Axactor

- Enables bid for significantly larger portfolios, including new NPL segments
- Optimizes cost of capital for larger purchases due to leverage of up to 80% LTV
- Adding significant collection volumes to collection centers, reducing marginal cost for entire operation
- Axactor AB P&L effect from 50/50 owned SPV
 - 3PC Servicing fee as revenue
 - Net result from SPV as separate revenue item and full EBITDA effect

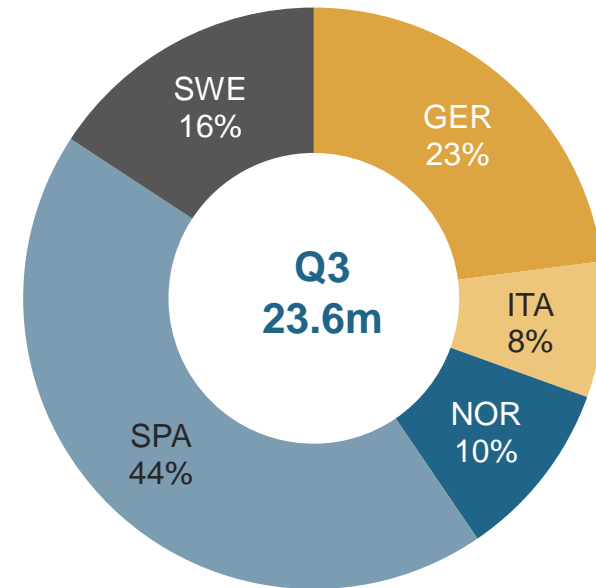
Balanced revenue mix

Revenue per Quarter (EUR million)



- Q3 revenue negatively impacted by seasonality

Q3 Revenue Distribution per Country

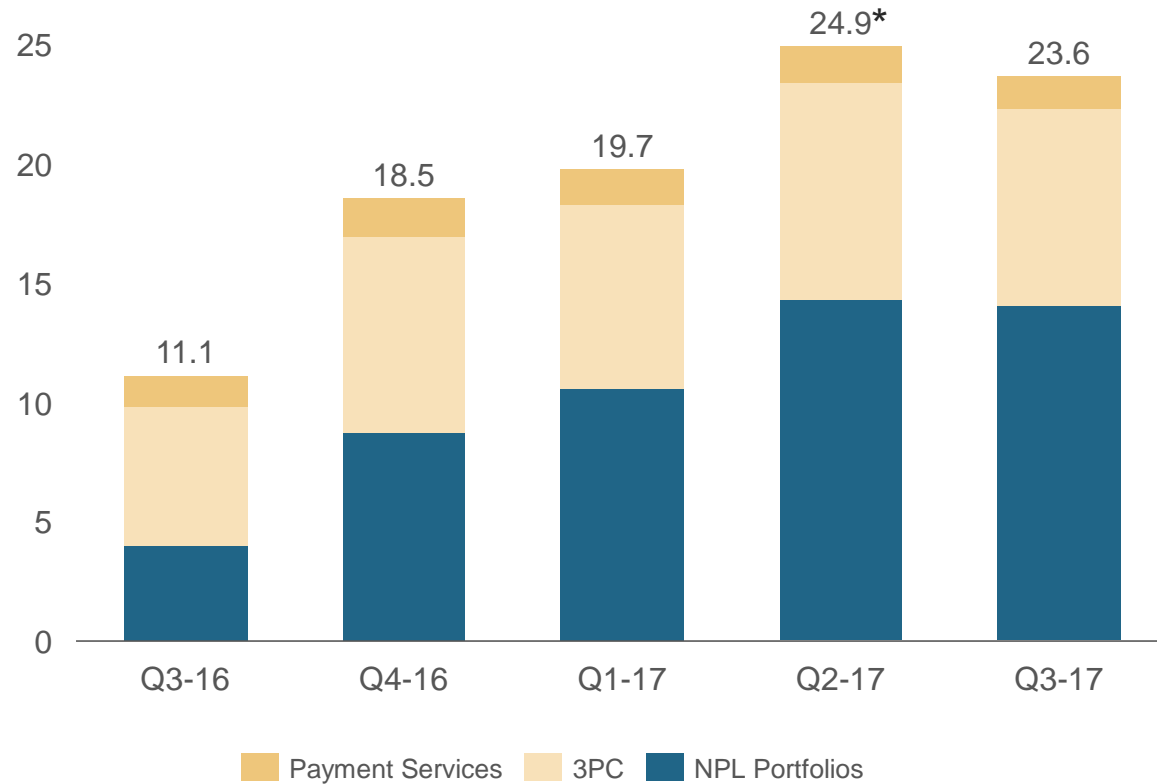


- No significant change in geographic mix
- Swedish revenue mainly derived from the BN portfolio acquired in Q1

* Q2 settlement with former IGE board members is excluded

Balanced revenue mix

Revenue Development per Product (EUR million)



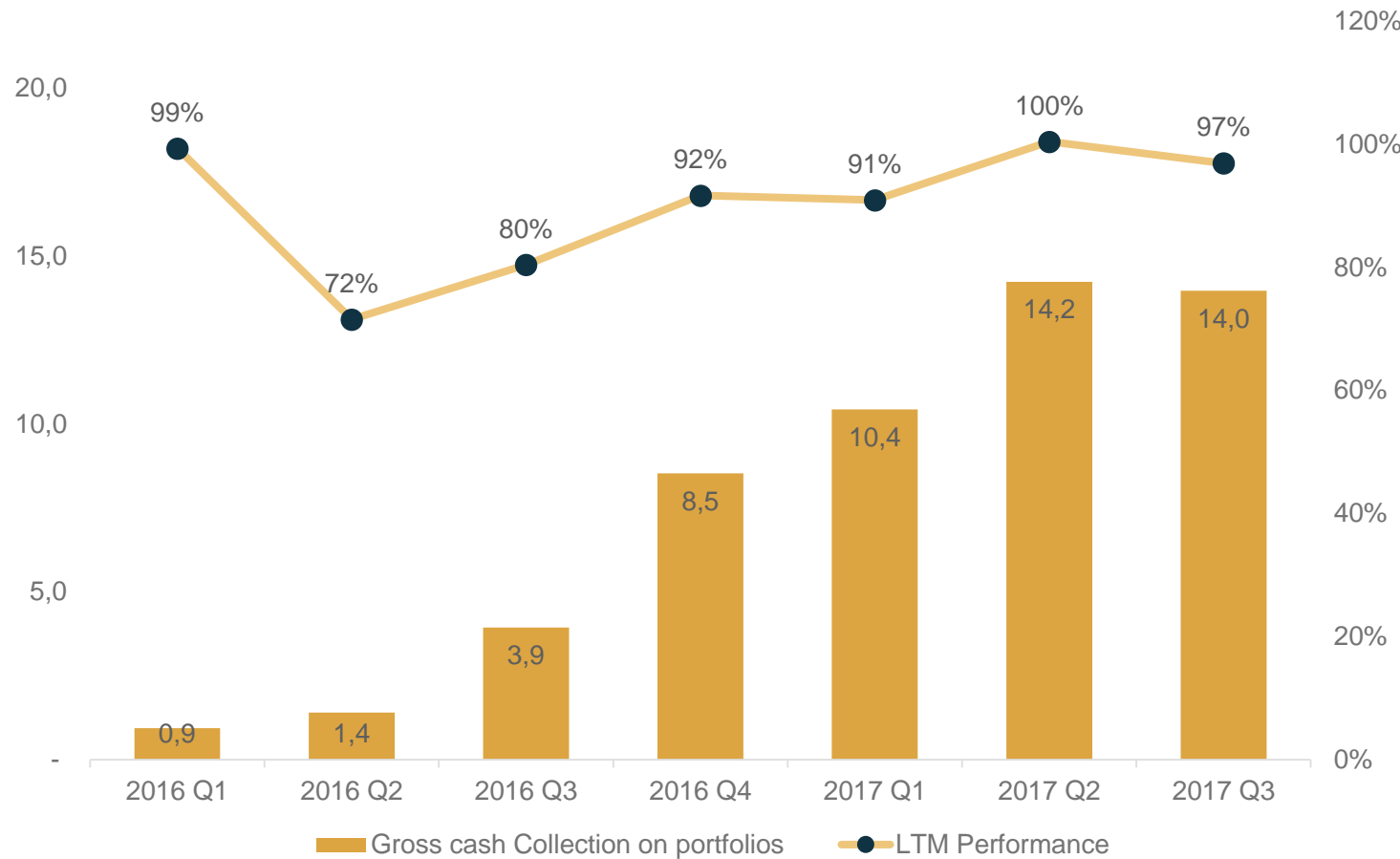
- Q3 with seasonality impact
- Four new significant 3PC contracts signed during Q3
- Good balance between NPL and 3PC
- Payment services/Accounts Receivable Management System currently being rolled out in SWE, GER and ITA

6 * Q2 settlement with former IGE board members is excluded

Collection on NPL portfolios vs. Initial business case

(EUR million)

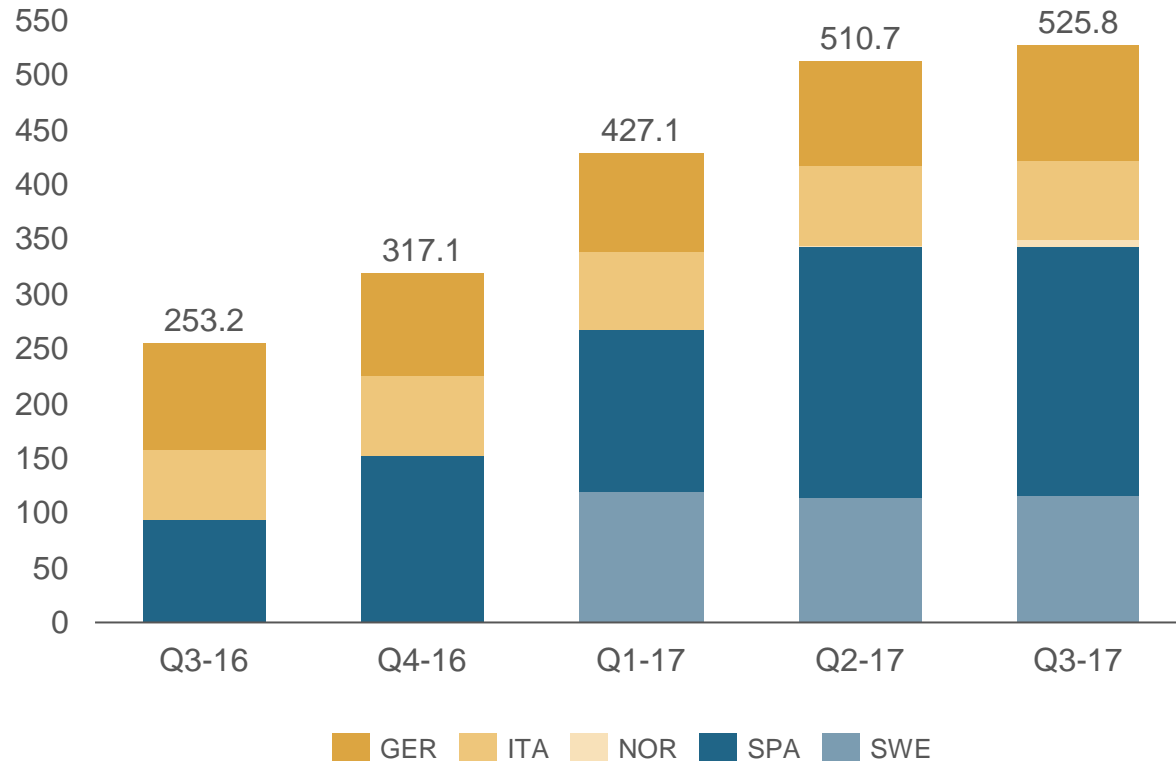
Performance vs. business case



- 2016 performance impacted by external servicing and replacement of old collection systems in all countries
- Q4-16 collection includes a large settlement of 900k which was not modelled in initial business case

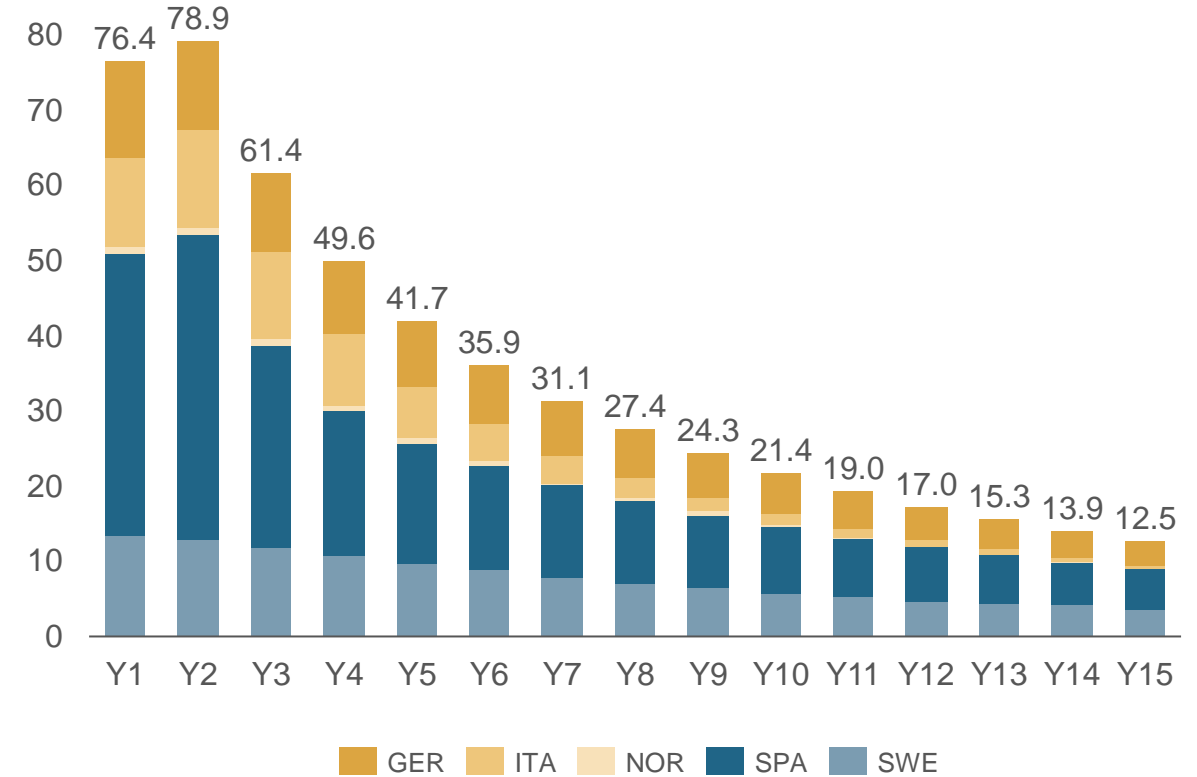
Portfolio Statistics

Historical Development ERC (EUR million)



- ERC increase of 108% compared to Q3 2016

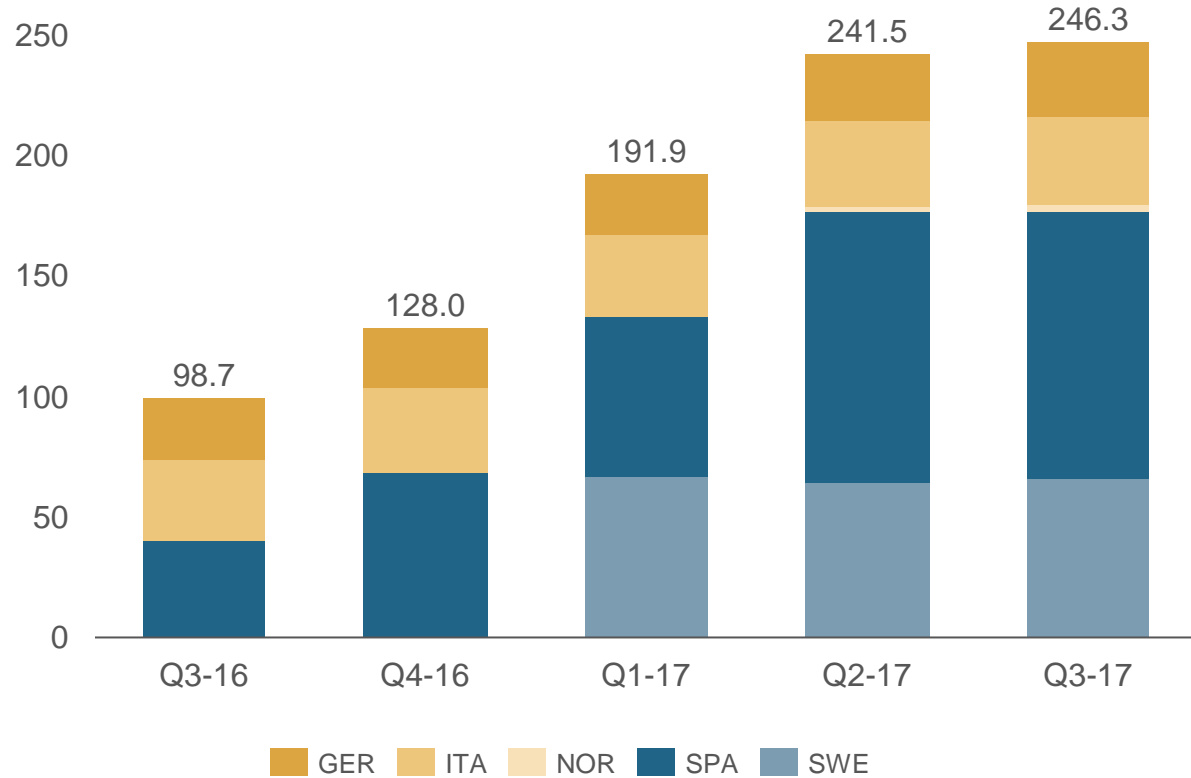
ERC per year (EUR million)



- Increase in Y2 improved by forecasted collection on new secured/REO portfolios in Spain
- Rolling forecast adopted in Q3 adds 700k to ERC in Q3

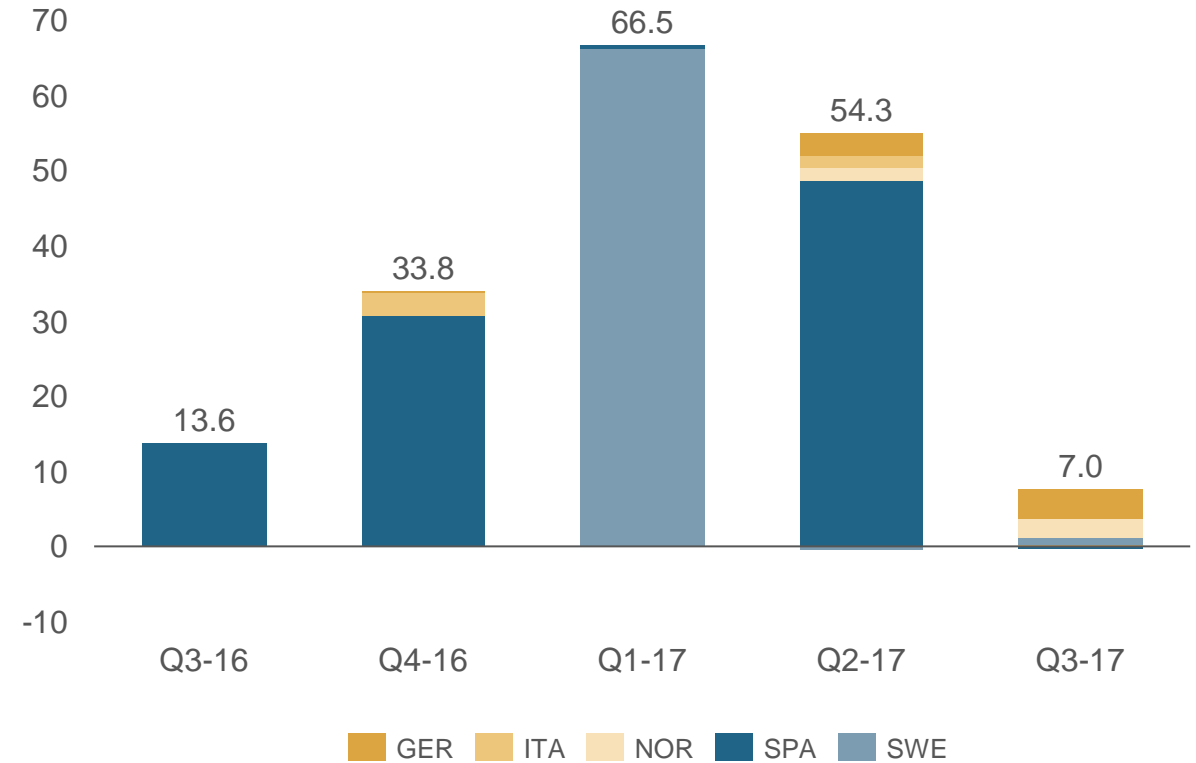
Portfolio Statistics

Book value Portfolios (EUR million)



- Two portfolios acquired in Germany in Q3-17

Capex (EUR million)



- Entire 2017 NPL CAPEX budget deployed within H1
- Running forward-flow portfolios in Germany, Norway and Sweden accounted for EUR 2.9m out of the EUR 7.0m capex in Q3-17

Q3 Income statement

Income statement

EURO 1000'	3Q 2017	3Q 2016
Income	23 617	11 072
Amortization of debt portfolios	-3 544	-378
Net revenue	20 073	10 694
Cost of secured assets sold	-124	0
Personnel expenses collection	-6 650	-2 535
Personnel expenses other	-4 670	-3 097
Operating expenses	-6 612	-5 818
EBITDA	2 017	-756
Amortization and depreciation	-1 340	-945
EBIT	677	-1 701
Financial revenue	958	744
Financial expenses	-1 998	-543
Net financial items	-1 040	201
Profit/(loss) before tax	-363	-1 500
Tax expense	624	-606
Net profit/(loss) from continued operations	261	-2 106
Result for the period attributable to:		
Equity holders of the Parent Company	261	-2 106
Result for the period	261	-2 106
CASH EBITDA	6 213	80
NORMALIZED EBITDA	2 017	-756

Key comments

- 113% Y/Y Revenue growth
- Double digit EBITDA margin at 10%
- Cash EBITDA above EUR 6 million
- Interest cost for the quarter is EUR 1.8 million

Q3 Balance Sheet

Assets

EURO 1000'	30.09.2017	30.09.2016	31.12.2016
Intangible non-current assets			
Intangible assets	18 386	17 078	18 347
Goodwill	54 756	51 094	53 491
Deferred Tax Asset	2 234	481	1 442
Tangible non-current assets			
Property, Plant and equipment	2 506	3 312	2 365
Financial non-current assets			
Investment in joint ventures	3 052		
Purchased debt portfolios	237 927	98 707	127 989
Other long term receivables	1 123	2 240	998
Other long term investments	226	113	415
Total non-current assets	320 210	173 026	205 046
Current Assets			
Stock of secured assets	8 373	0	
Current receivables	7 227	6 224	5 652
Other current assets	8 860	8 805	7 563
Restricted cash	2 589	2 100	1 510
Cash and cash equivalents	54 748	32 008	62 476
Total current assets	81 797	49 137	77 202
TOTAL ASSETS	402 007	222 163	282 248

Key comments

- Book value of NPLs is 246m, including Stock of Secured Assets (Spain)
- Available cash at end of Q3 is 54.7 million

Q3 Balance Sheet

Equity and liabilities

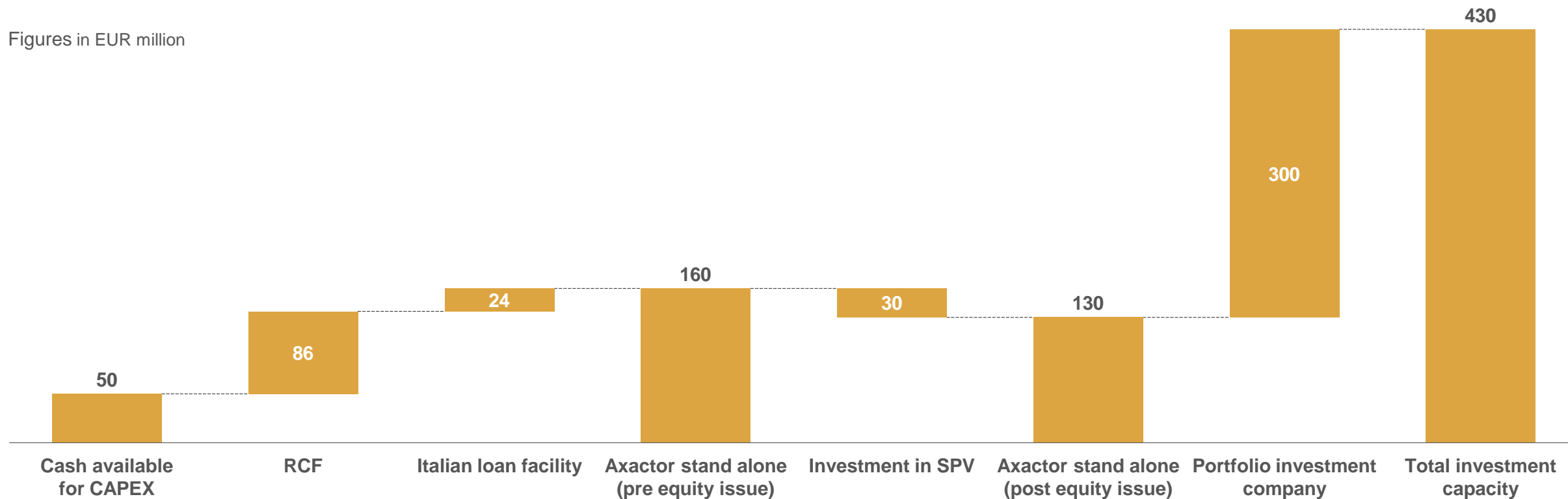
EURO 1000'	30.09.2017	30.09.2016	31.12.2016
Equity for equity holders of the parent			
Share capital	79 377	49 133	64 198
Other paid-in capital	195 773	195 611	262 414
Retained earnings for the period	-15 017	-139 786	-147 438
Reserves	-184	2 734	3 714
Total equity	259 948	107 691	182 888
Non-current liabilities			
Non-current interest bearing debt	71 072	76 076	25 149
Deferred tax liabilities	6 815	7 141	5 960
Other non-current liabilities	3 447	3 943	3 400
Total long term liabilities	81 334	87 160	34 510
Current liabilities			
Accounts payable	2 753	7 044	6 648
Current portion of non-current borro	45 020	8 506	48 852
Taxes Payable	-445	663	387
Other current liabilities	13 398	11 098	8 962
Total current liabilities	60 725	27 312	64 850
TOTAL EQUITY AND LIABILITIES	402 007	222 163	282 248

Key comments

- Total interest bearing debt of EUR 116.1 million whereof EUR 29.9 million in Italy
- Equity ratio 65%, up from 54% in Q2-17

End Q3 investment capacity of EUR 430m

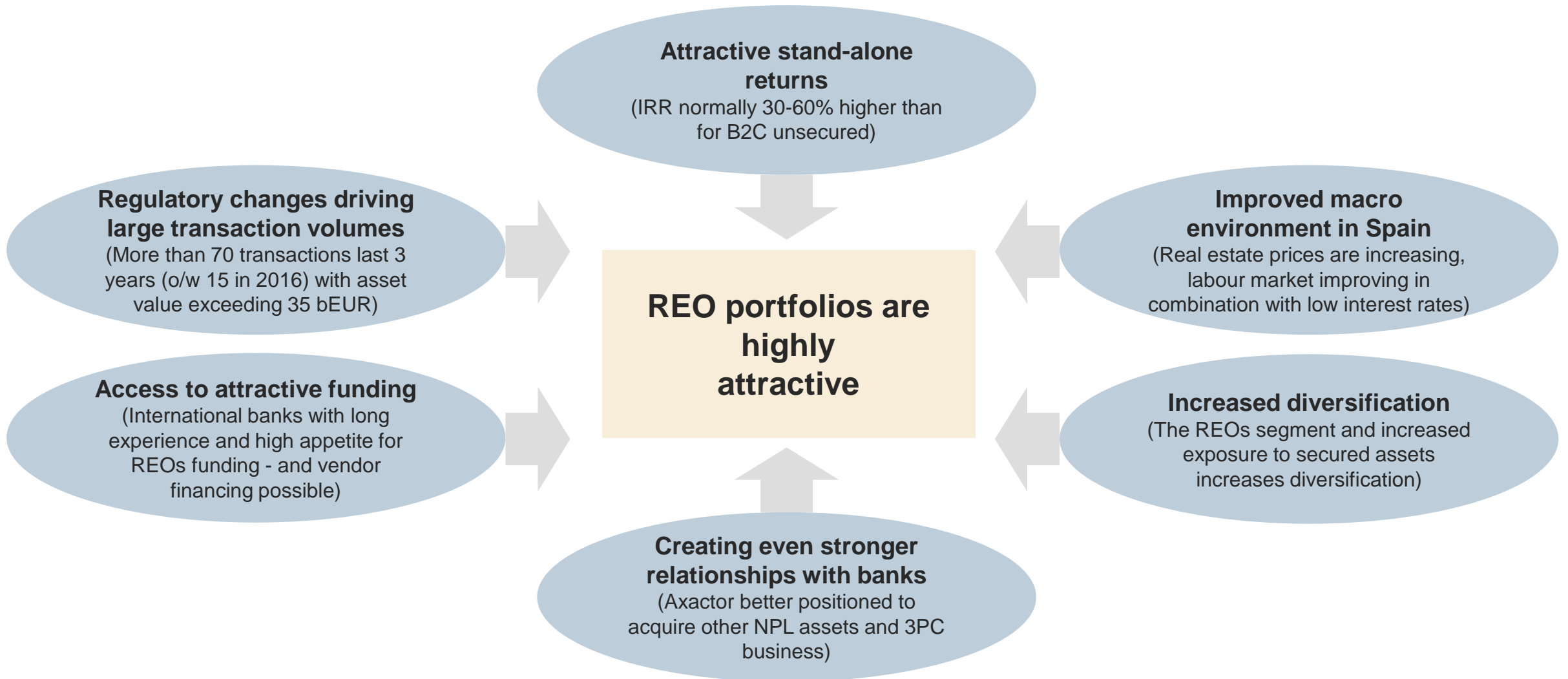
Figures in EUR million



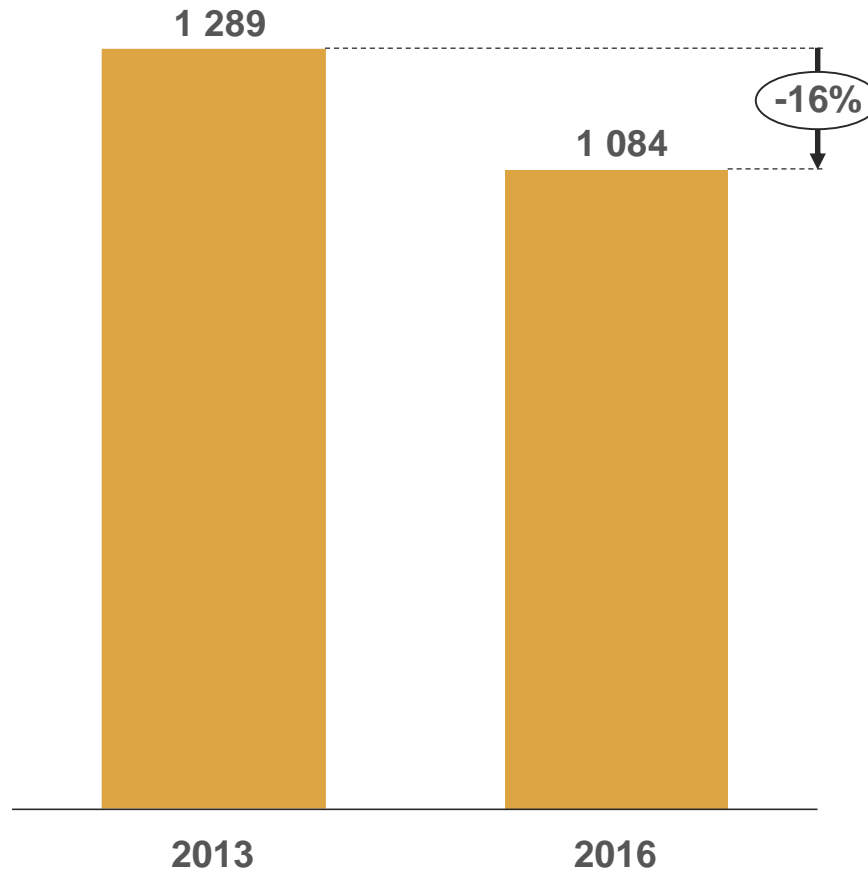
Additional investment capacity available after refinancing

Entering new market segment in Spain - and market trends in Europe

The Real Estate Owned (REO) market in Spain is an attractive segment for Axactor



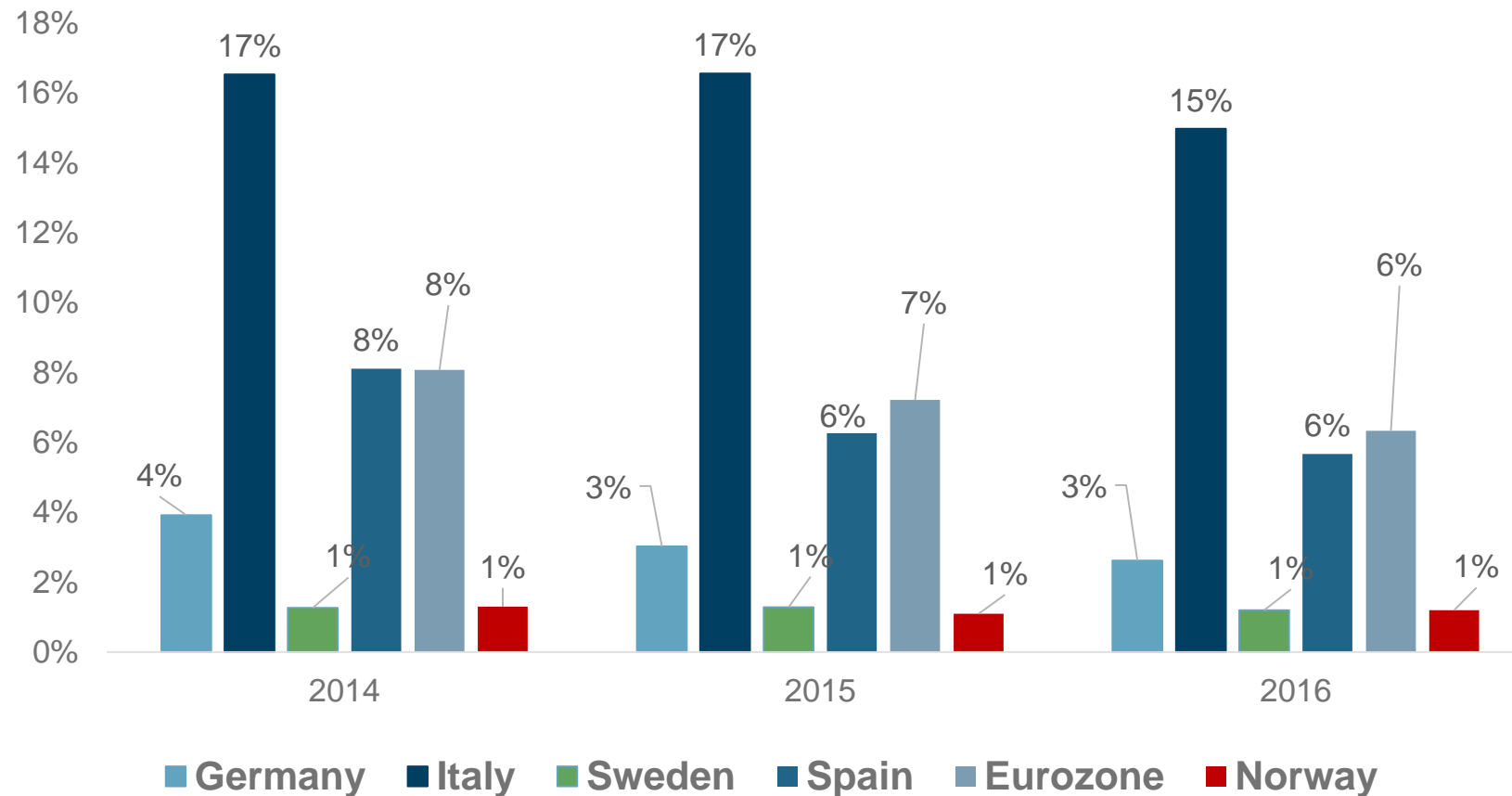
“Clean up” of the bank’s balance sheets has just started...



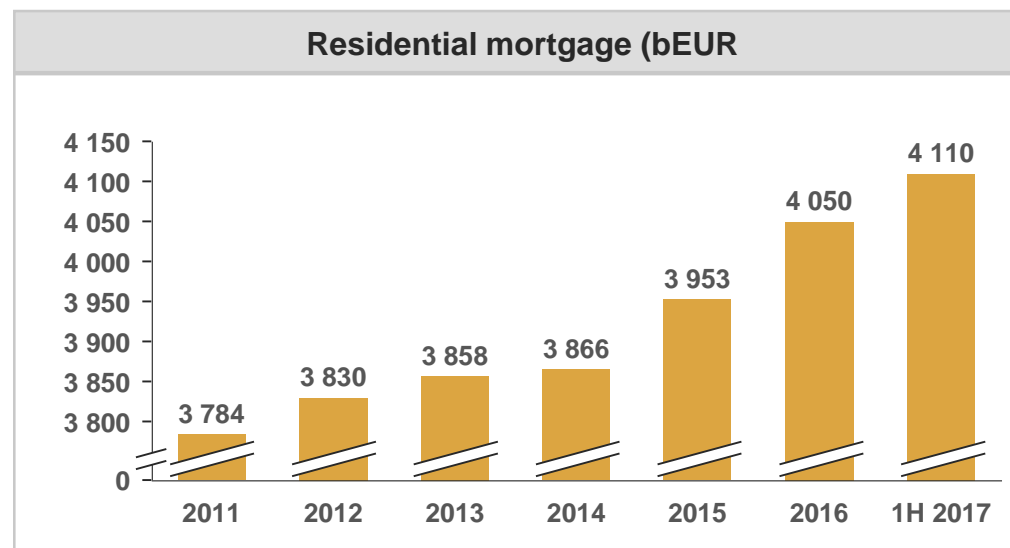
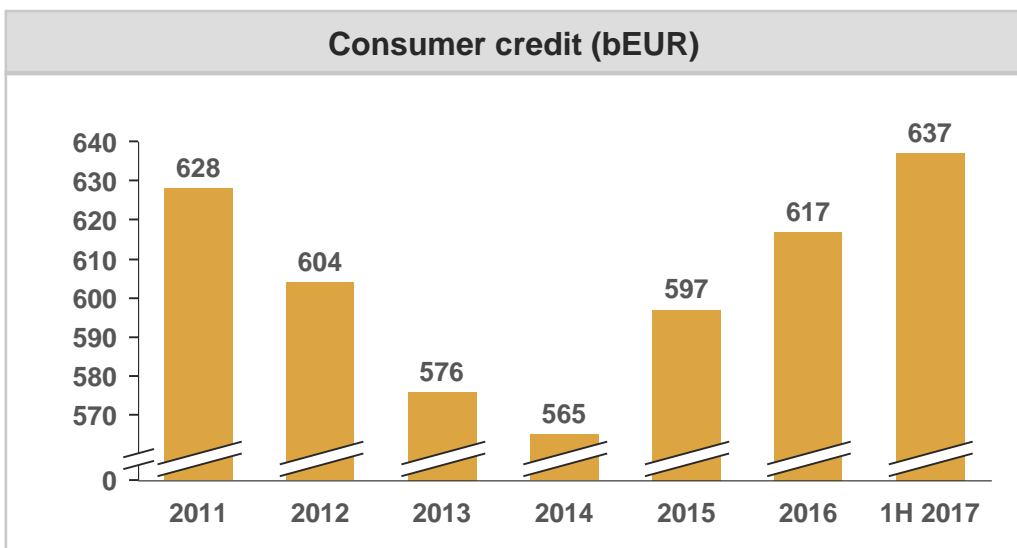
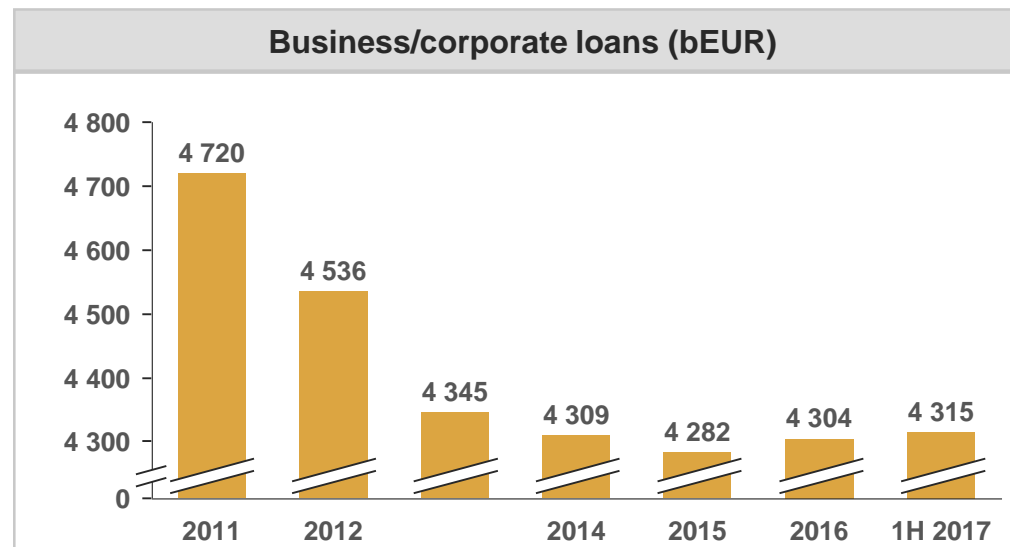
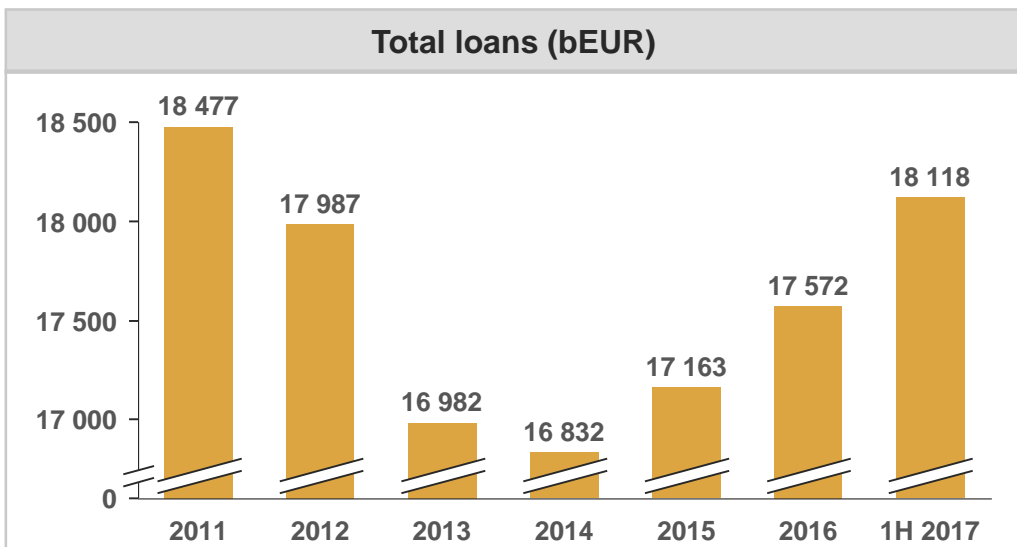
- A modest 16% reduction of NPLs on the bank’s balance sheets
- Deleveraging to continue due to regulatory pressure
- Large volumes of NPLs and REOs currently offered in the market

NPL ratio as % of total gross loans is decreasing

NPL ratio as % of total gross loans



Eurozone banking overview



Summary Q3 Presentation

- Q3 gross collection/EBITDA with seasonality impact – significantly better gross collection/EBITDA expected in Q4
- Double digit EBITDA margin
- Equity issue with gross proceeds of appx EUR 64 million
- Co-invest agreement with Geveran closed in October creating a vehicle with EUR 300 million investment capacity
- Total investment capacity currently (end Q3) at EUR 430 million
- Very strong Q4 pipeline
- Three new portfolios acquired in Spain from a large financial institution acquired in October
- Axactor enters the REO (real estate owned) segment in Spain

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