

AXACTOR

AXACTOR Q1 2017 PRESENTATION

May 8, 2017

1st Quarter 2017 – Axactor AB

Key highlights Q1



- Positive EBITDA for the first time with EUR 1.0 million reported for the quarter
- Acquired Profact, Sweden, 35 people. Fully licensed to acquire and collect on NPLs in Sweden
- Large NPL portfolio acquired from Bank Norwegian in Sweden; estimated gross collection first year EUR 8 million
- First Nordic forward flow deal secured
- 3rd tranche of EUR 25 million released from DNB and Nordea

* Prior to paying for and financing of the BN portfolio

Events after Q1

DNB/Nordea facility

- Last tranche released in May and upsized from EUR 25m to EUR 45m
- Bank ReFi discussions started

Italian Bank Facilities

- Funding lines increased to EUR 55m
- EUR 29m utilized ytd

Prior years tax loss

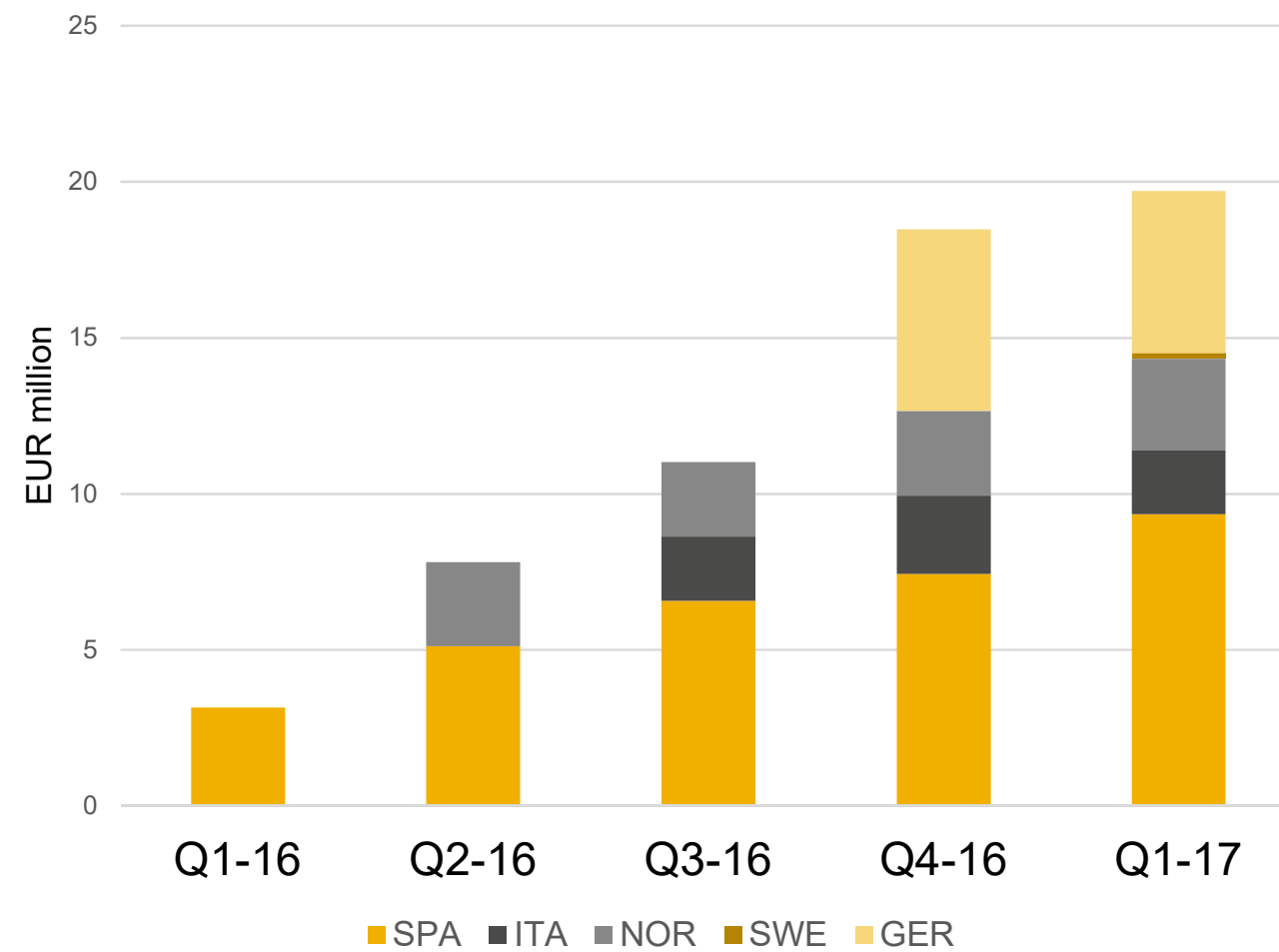
- Prior years tax loss carryforwards of SEK 262m/EUR 27m confirmed available for Swedish entities in the future

New Business

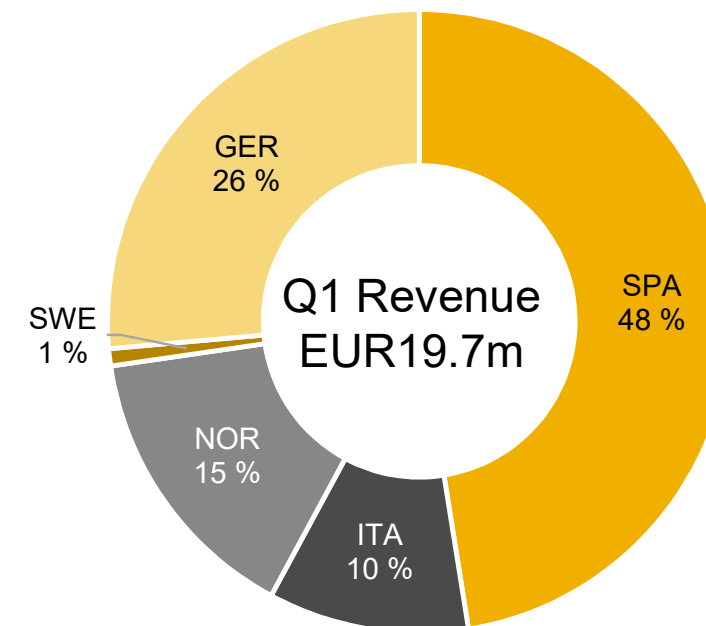
- 4 new 3PC deals in Spain signed in April. Expected annual revenue of EUR 3m
- 2 new NPL acquisitions in Italy signed in May

Balanced revenue mix

Revenue Development per Country

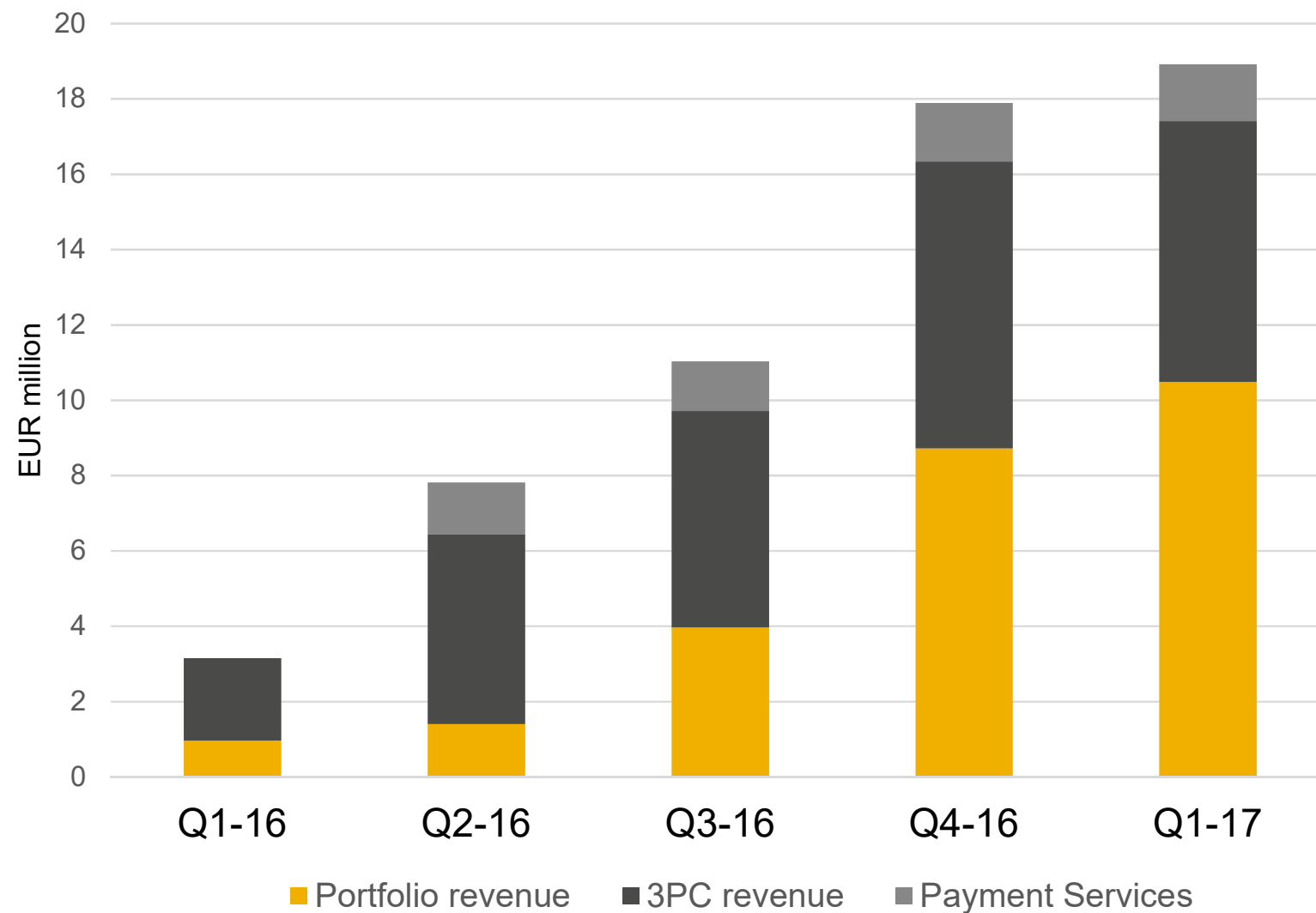


- Axactor represented in 3 of the largest NPL markets in Europe (GER, ITA and SPA)
- Established in Sweden with large NPL acquisition in Q1
- Well balanced revenue mix geographically
- Nordic share of revenue will grow significantly in 2017



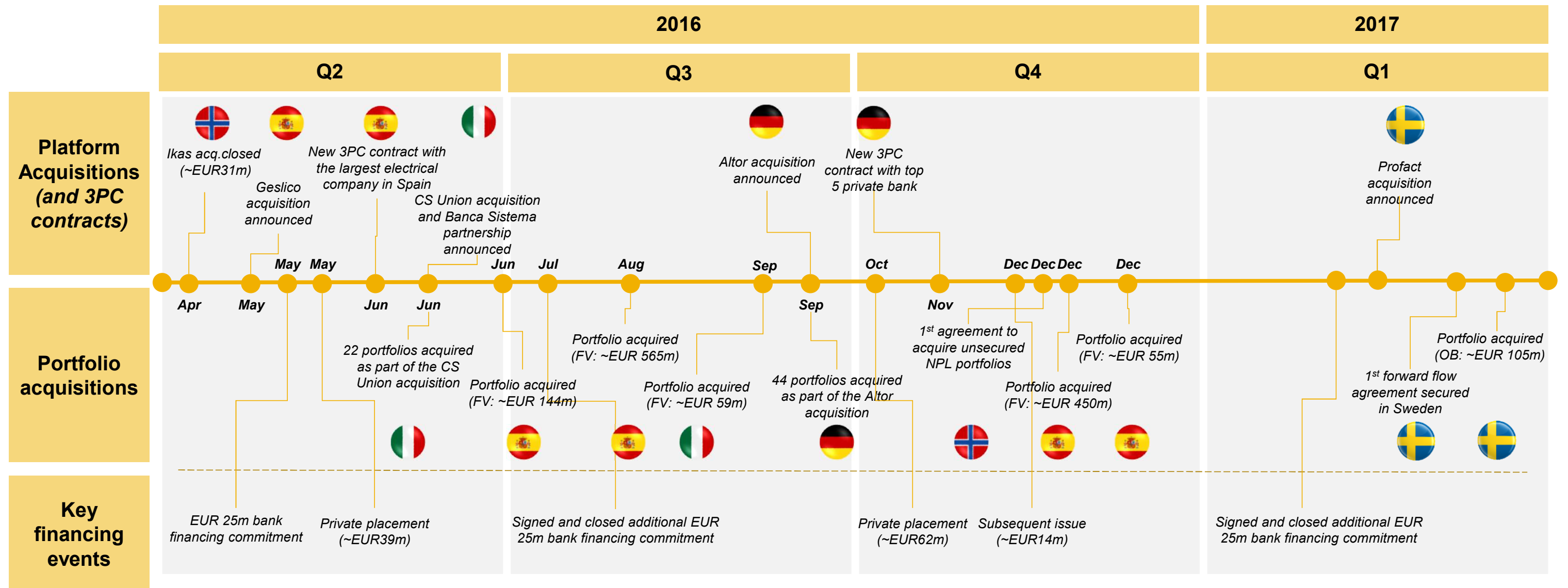
Balanced revenue mix

Revenue Development per Product



- 6.5% revenue growth in Q1 versus previous quarter
- Growth comes from NPL collections
- Main growth driver is the large Spanish portfolio acquired in 12/2016, and improved NPL collections in Spain
- Payment services being rolled out in SWE and GER during 2017

Axactor milestones last 4 quarters



Notes: FV = face value
7

1H 2017 Main Focus Areas

NPL acquisitions – Primary Sales from FI

- Growth in the “Forward Flow deals” segment
- NPL Portfolios sales increase in size

Extend existing products to new markets

- Roll-out of Payment Services in SWE and GER

Integration of Profact in Sweden

- Successfully onboarded the Bank Norwegian portfolio
- Strengthening the organization & Rebranding

Operational improvements and systems implementation















- New collection systems in all countries
- Implementing standard IT platform and systems

Co-invest to increase CAPEX capacity

- Discussions in process with several potential co-investors, including Bank Financing with 50% (plus) gearing



Status Operational Improvements & Systems Implementation

 Behind plan  Amber – Plan initiated  On Track	System/ Standard	Overall status	 Planned completion	 Planned completion	 Planned completion	 Planned completion	 Planned completion
COLLECTION SYSTEM	Country specific		✓	May-17	✓	✓	✓
DIALER	Axactor Standard		✓	Q3/Q4-17	✓	Q3/Q4-17	Q3/Q4-17
IT INFRASTRUCTURE	Axactor Standard		Phase I ✓ Phase II – Q3-17	✓	✓	Q4-17	Q3-17
ERP SYSTEM/ INC. HR	Axactor Standard		Phase I ✓ Phase II – Q2-17	✓	Phase I ✓ Phase II – Q3-17	Phase I – Q3-17 Phase II – Q4-17	Phase I Q2 Phase II – TBD
DEBTOR PORTAL	Axactor Standard		H2-17	H2-17	H2-17	✓	H2-17
BUSINESS INTELLIGENCE/ DATA WAREHOUSE	Axactor Standard		Q3-17	Q4-17	Q3-17	Q4-17	Q4-17

Key financials Q1-17

Income statement

EURO 1000'	1Q 2017	1Q 2016
Income	19 709	3 153
Amortization of debt portfolios	-2 281	-160
Net revenue	17 428	2 993
Operating expenses	-10 535	-1 947
Personnel expenses	-5 888	-2 172
EBITDA	1 004	-1 126
Amortization and depreciation	-1 427	-264
EBIT	-423	-1 390
Financial revenue	10	456
Financial expenses	-1 105	-746
Net financial items	-1 095	-290
Profit/(loss) before tax	-1 517	-1 680
Tax expense	-136	83
Net profit/(loss) from continued operations	-1 653	-1 597
Result for the period attributable to:		
Equity holders of the Parent Company	-1 653	-1 589
Result for the period	-1 653	-1 589
CASH EBITDA	3 900	-708
NORMALIZED EBITDA	1 004	-1 073

Key comments

- 6.5% revenue growth compared to Q4-16
- EBITDA positive for the first time
- Cash EBITDA positive for the last three quarters
- Profact included with 1 month trading in Q1
- Interest cost for the quarter is EUR 1.1 million
- Unrealized FX significantly reduced with EUR as reporting currency

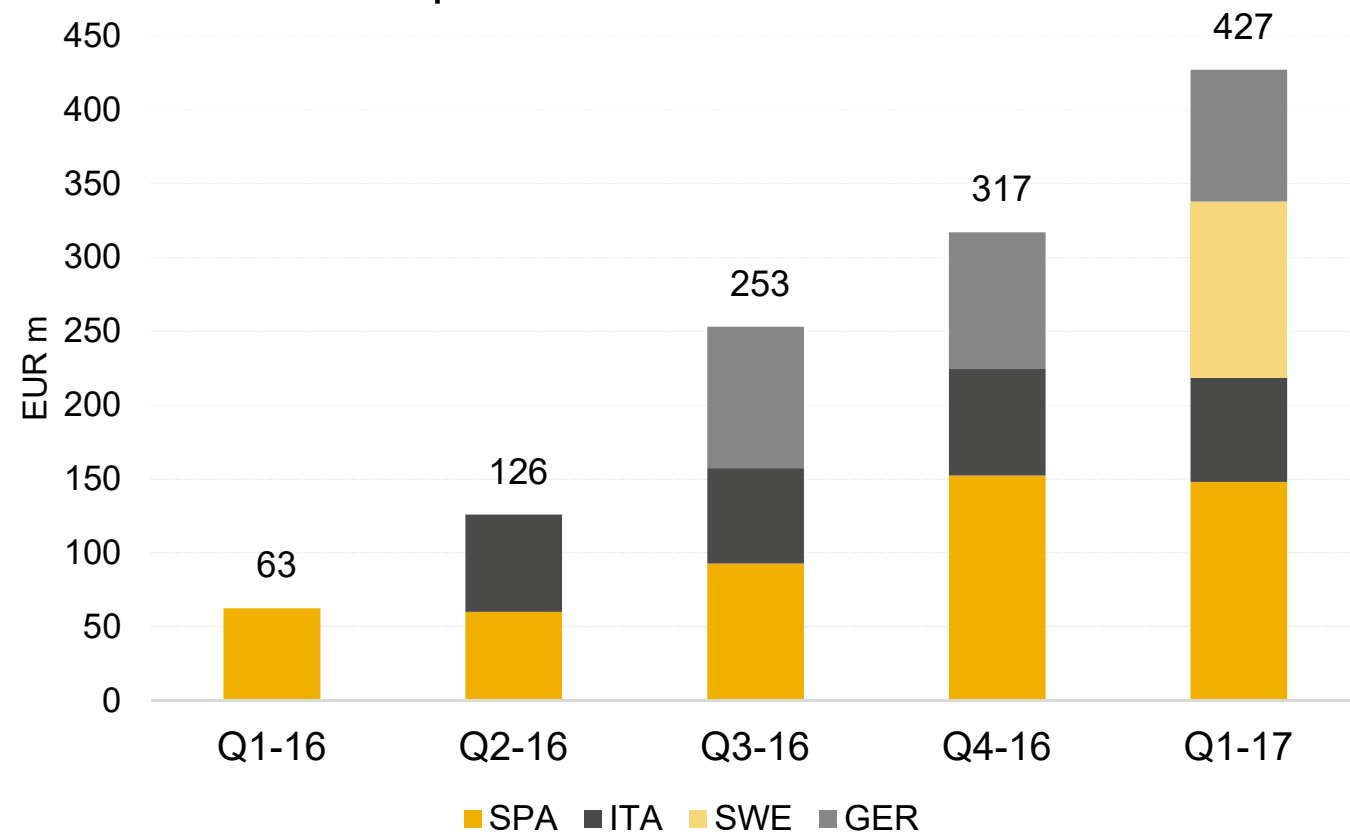
Q1 Balance Sheet

Assets			
EURO 1000'	31.03.2017	31.03.2016	31.12.2016
Intangible non-current assets			
Intangible assets	18 531	4 735	18 347
Goodwill	54 506	13 482	53 491
Deferred Tax Asset	2 160		1 442
Tangible non-current assets			
Property, Plant and equipment	2 453	181	2 365
Financial non-current assets			
Purchased debt portfolios	191 901	27 157	127 989
Other long term receivables	1 012	0	998
Other long term investments	234	72	428
Total non-current assets	270 797	45 627	205 059
Current Assets			
Current receivables	6 008	6 887	5 652
Other current assets	9 757	700	7 808
Restricted cash	1 476	433	1 516
Cash and cash equivalents	52 800	19 691	63 035
Total current assets	70 040	27 711	78 012
		0	0
TOTAL ASSETS	340 837	73 338	283 071

Equity and liabilities			
EURO 1000'	31.03.2017	31.03.2016	31.12.2016
Equity for equity holders of the parent			
Share capital	64 964	35 539	64 964
Other paid-in capital	262 414	166 998	262 414
Retained earnings for the period	-147 205	-141 341	-145 839
Reserves	1 175	-208	2 194
Non-controlling interests			0
Total equity	181 348	60 988	183 733
Non-current liabilities			
Non-current interest bearing debt	23 152		25 149
Convertible loan			
Deferred tax liabilities	5 913	1 172	5 960
Other non-current liabilities	3 223	315	3 385
Total long term liabilities	32 287	1 487	34 495
Current liabilities			
Accounts payable	5 911	1 469	6 649
Current portion of non-current borro	42 891		48 852
Taxes Payable	1 162		387
Other current liabilities	77 238	9 394	8 954
Total current liabilities	127 203	10 862	64 843
TOTAL EQUITY AND LIABILITIES	340 837	73 338	283 071

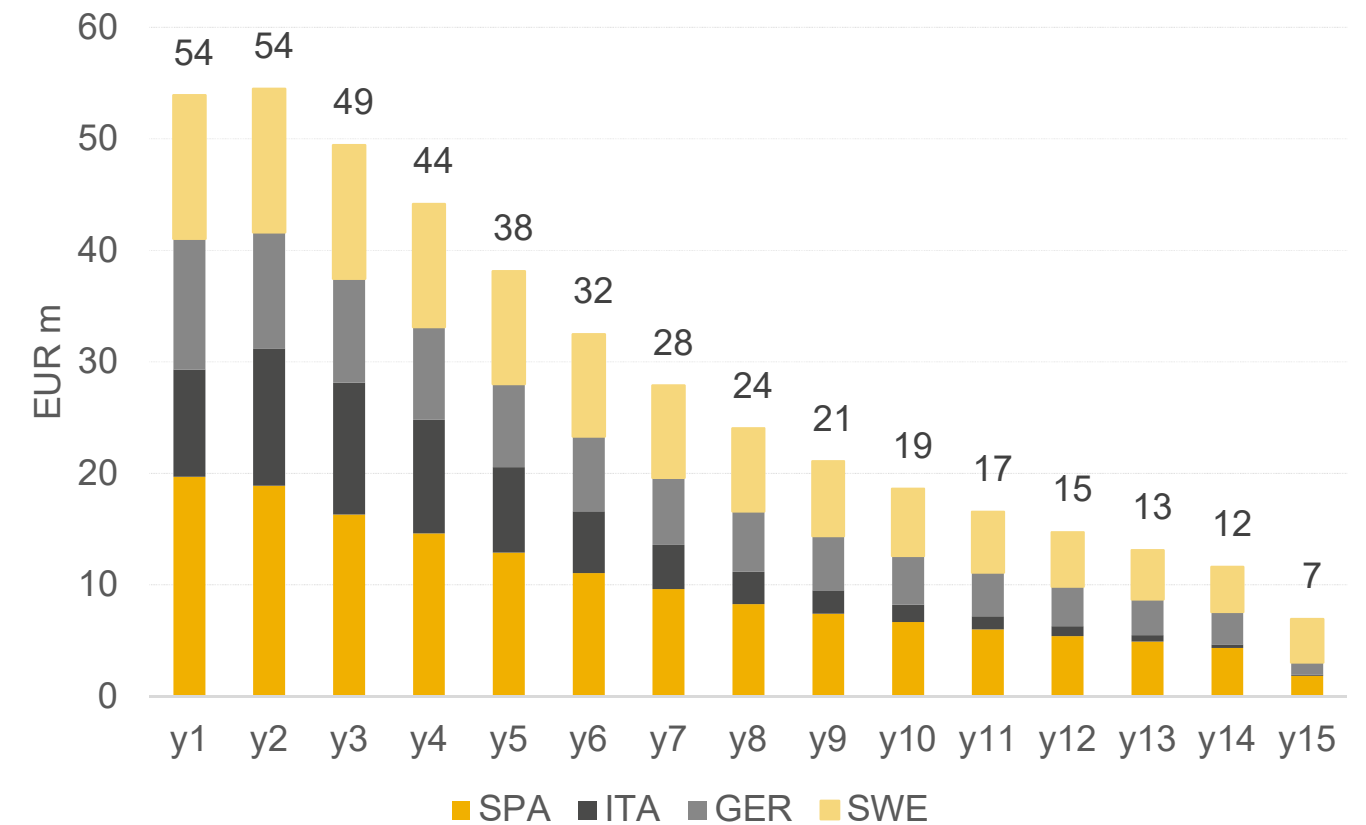
Portfolio Statistics

Historical Development ERC



- ERC increase of 35% compared to previous quarter

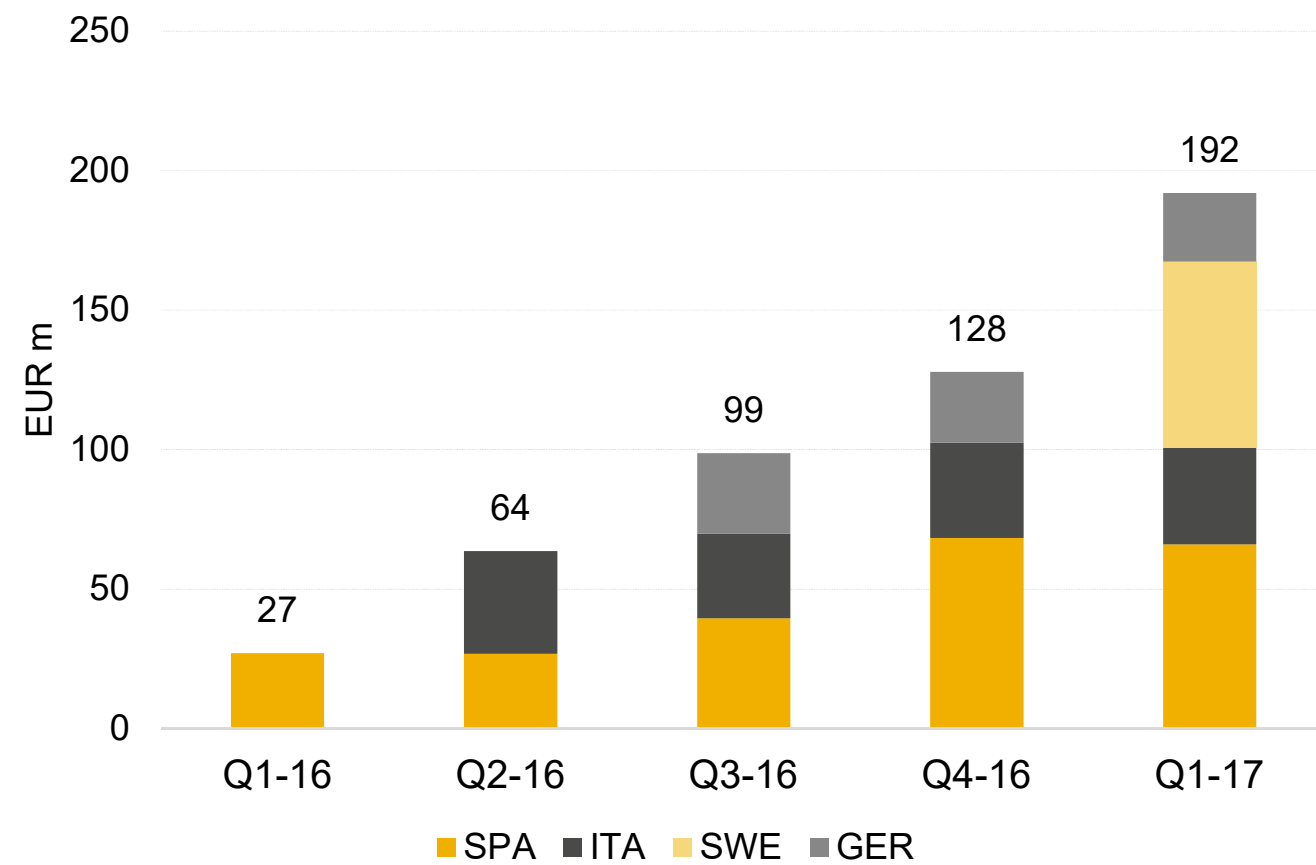
Collection curves - ERC per year



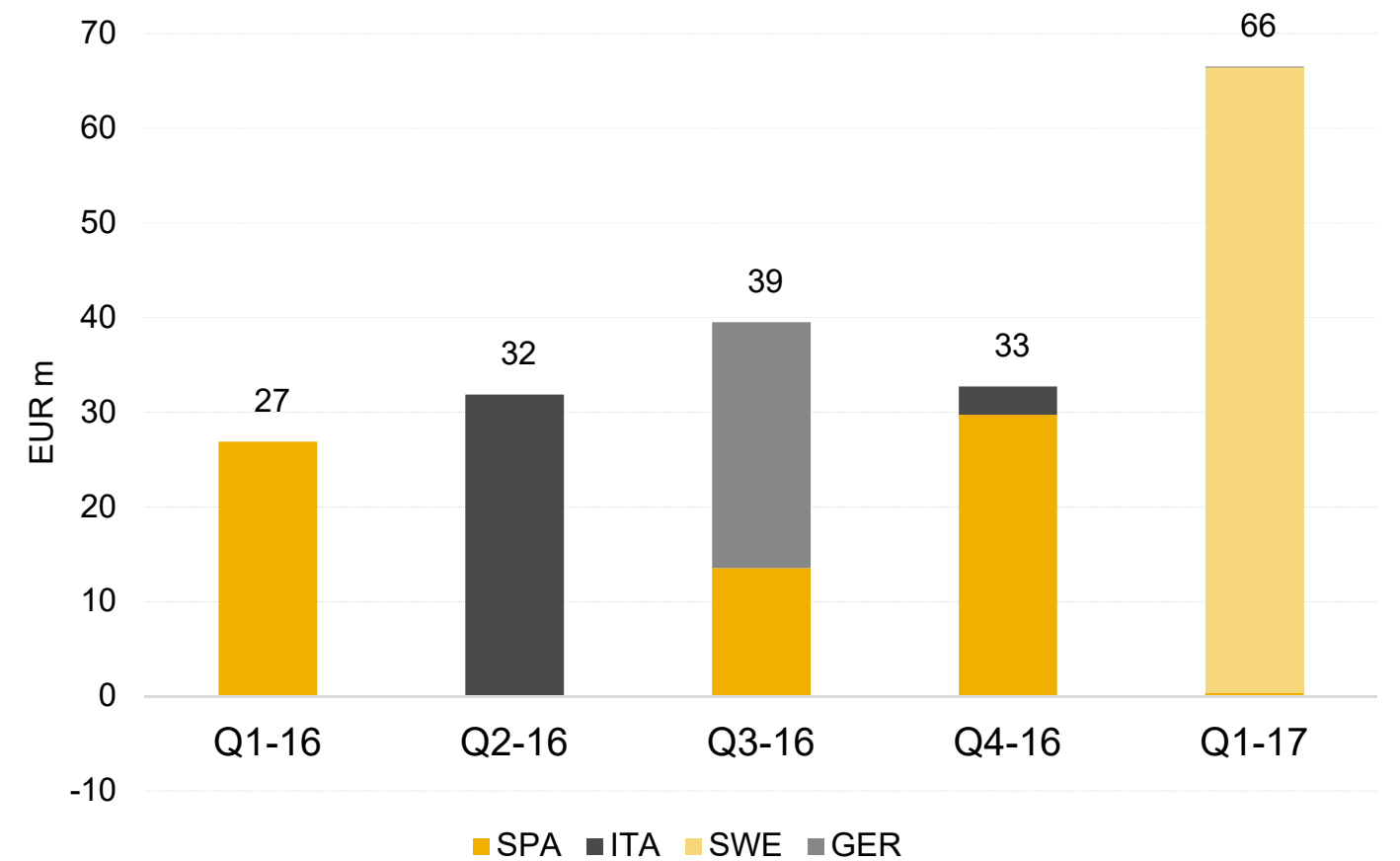
- All countries with 15 years collection curves
- Next 12 months we expect to collect EUR 54 million from current NPL portfolios

Portfolio Statistics

Book value Portfolios

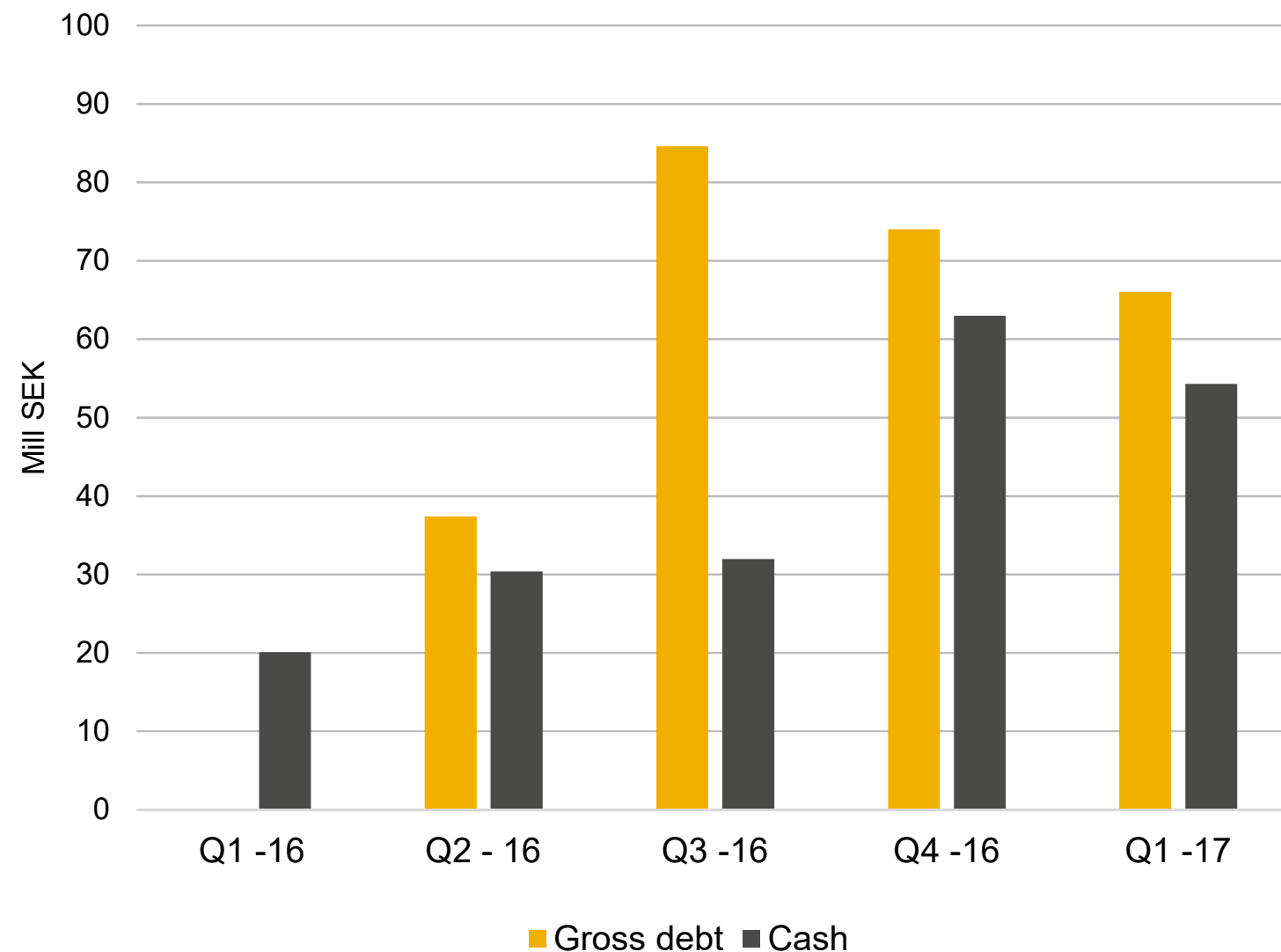


Capex



- Includes portfolios held by platform companies at the time of acquisition

Debt and Leverage



DNB/Nordea RCF

- In May 2017 the last tranche was increased to EUR 45m and made available to the company
- Gearing on last two portfolios is 50%.
- Going forward we will on case-by-case basis assume 50% gearing.
- ReFi discussions started in Q2

Italy (Outside DNB/Nordea ring fence)

- 100% gearing on portfolios @ 3m EURIBOR + 2%,
- Total NPL facilities has been increased to EUR 55m whereof EUR 29m is utilized.
- Overdraft facilities increased to EUR 14m whereof EUR 8m is utilized.

Summary

- Positive EBITDA and Cash EBITDA
- DNB/Nordea facility - last tranche upsized to EUR 45m and released in May
- Increased credit lines to EUR 55m in Italy
- Refinancing process with banks initiated
- Bank Norwegian portfolio fully onboarded - gives significant business volume increase/ERC
- Continued focus on integration and system implementation
- Co invest discussions in process – increases investment capacity significantly
- Strong 2Q & 4Q NPL portfolio sales pipeline



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