

AXACTOR

Report



Q1 2017

May 8, 2017

Highlights

First Quarter of 2017

- EBITDA is positive with EUR 1.0 million for the quarter.
- Cash EBITDA is positive with EUR 3.9 million for the quarter.
- On January 20 an Extraordinary General Meeting was held where a new Board of Directors and a new Election Committee were elected.
- In February Axactor increased the existing loan facility with DNB and Nordea from EUR 50 million up to EUR 75 million.
- On 28 February Axactor AB announced that it had acquired the Swedish company Profact AB, a company that is offering credit management services and customer services in the Swedish market.
- On 31 March 2017 Axactor acquired the largest unsecured NPL portfolio since starting up in the fourth quarter of 2015. The portfolio was originated by Bank Norwegian in Sweden and included unsecured credit with a total Outstanding Balance (OB) of approximately EUR 105 million, across close to 15,200 open accounts of individual loans and credit card debt.

Key event after end of the report period

- On 4 April 2017 Axactor signed 3 new servicing contracts with 2 large Financial Institutions and a Large Fund specializing in Receivables management and Debt Purchase in Spain. The one year renewable contracts have a total revenue value of circa five million euros over the next 12 months.
- On 27 April 2017 Axactor signed 4 new contracts (3PC) with large financial institutions and a large telecoms operator in Spain. The one-year renewable contracts are expected to generate a revenue of around 3 million euro.
- In May 2017 the 4th and last tranche from DNB / Nordea was released including a volume increase from EUR 25 million to EUR 45 million. Total facility is now EUR 120 million.
- In April Axactor increased the NPL funding lines from regional banks in Italy to EUR 55 million whereof EUR 29 million has been utilized.

Statement by the CEO

During first quarter in 2017 Axactor passed a new milestone with positive EBITDA of EUR 1.0 million for the period and a cash EBITDA of EUR 3.9 million.

With increasing business volume we start to see the positive effects this will have on the Group's financial performance. The essential features of our organization has been sized to manage considerably larger business volumes than what we currently see, and I expect that further increase in business volumes will continue to have positive effects on our performance.

We made our entry in to the Swedish market in February 2017 when we acquired Profact AB. Through this transaction Axactor has established a solid foundation for further growth within the debt collection and debt purchase market in Sweden. With 35 full time-employees Profact has delivered healthy growth particularly in the Customer Service area over the last few years. Profact has all the necessary permits to own and collect on NPLs in Sweden and this has allowed Axactor to acquire the largest NPL portfolio so far, when we acquired the Bank Norwegian portfolio in Sweden in March this year.

The NPL portfolio we acquired in Spain at the end of December last year for a price of approximately EUR 30 million is performing well. An important enabler for the performance is our new core collection system which we went live with in Spain during January. We now have brand new collection systems implemented in 4 of 5 countries in which we operate, with Norway going live during Q2 with its new system. This underlines our commitment to system and work process improvements throughout the Axactor platform and we expect to see considerable efficiency gains from these investments.

We continue to be positive to the NPL sales activities in our main markets, and we expect 2nd and 4th quarter to show the highest level of activity during 2017. The consumer credit growth in the Nordic countries continues, and this, combined with the consolidation efforts we see taking place in the Nordics will represent growth opportunities for Axactor going forward.



«We continue to be positive to the NPL sales activities in our main markets.»

Endre Rangnes, CEO

Key Figures Axactor AB (group)

EUR million	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Gross Revenue	19.7	18.5	11.1	7.8	3.2
Net Revenue	17.4	16.4	10.7	7.0	3.0
EBITDA	1.0	-1.1	-0.8	-1.2	-1.1
Cash EBITDA ¹⁾	3.9	0.3	0.2	-2.1	-0.7
Normalized EBITDA ²⁾	1.0	-0.5	-0.2	-1.6	-1.1
Depreciation and Amort. (excl. Portfolio Amortization)	-1.4	-1.2	-0.9	-0.7	-0.3
Net Financial Items	-1.1	-3.1	0.2	1.0	-0.3
Tax	-0.1	0.9	-0.6	0.4	0.1
Net Result	-1.7	-4.7	-2.1	-2.8	-1.6
Cash and Cash Equivalents at end of Period	54.3	64.6	34.1	35.6	20.1
Acquired NPL portfolios during the Period ³⁾	66.3	32.9	39.5	31.9	26.9
Book Value of NPL portfolios at end of Period ⁴⁾	191.9	128.0	98.7	63.7	27.2
Gross Collection on Debt Portfolios during the quarter ⁵⁾	10.5	8.5	3.9	1.4	0.9
Estimated Remaining Collection (ERC) at end of quarter	427.1	317.1	253.2	126.0	62.6
Interest Bearing Debt at end of Period	66.0	74.0	84.6 ⁷⁾	37.4 ⁶⁾	-
Number of Employees (FTE) at end of Period	885	850	900	702	187

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

2) Defined as EBITDA adjusted for non-recurring items.

3) Includes portfolios on the balance sheet of CS Union and Altor at the time of acquisition.

4) Includes portfolios in CS Union and Altor per balance sheet date.

5) Excluding collections on CS Union portfolios in Q2 and Altor portfolios in Q3.

6) Includes EUR 22.5 million in bank debt in CS Union.

7) Includes EUR 13.2 million in bank debt in Altor. This amount is refinanced with the DNB/Nordea facility during Q4 2016.

Background

Axactor AB is a newly established European credit management services company with an initial focus on Spain, Germany, Italy and the Nordic countries.

The company is domiciled in Sweden and listed in Norway at the Oslo Stock Exchange with ticker "AXA". The number of shareholders amounts to some 9.700 and management is located in Oslo.

In Spain, Axactor owns 100% of the subsidiary ALD Abogados SL ("ALD"), which is one of the leaders in the Spanish legal debt collection market covering nearly all regions of this country. In April 2016 Axactor bought 100% of the shares in Geslico, a company that offers a fully integrated debt collection service for both secured and unsecured non-performing loans in Spain.

In Norway, Axactor acquired 100% of the shares in the IKAS group of companies in March 2016. The company was renamed Axactor Norway in August 2016 and is one of Norway's most reputable suppliers of invoice administration and debt collection with regional offices throughout Norway.

In Italy Axactor owns 90% of CS Union which employs approximately 100 people within credit management activities and has acquired 22 NBPL portfolios with a combined open balance of of EUR 565 million. The remaining 10% of the shares in CS Union continue to be owned by Banca Sistema which in addition to Board representation in CS Union also provides attractive portfolio financing as well as access to the Italian NPL market.

Axactor acquired Altor Group in Germany in September 2016. Altor has been in business for more than 30 years and currently has 200 employees, 44 NPL portfolios and a 3PC business with approximately EUR 1.0 billion under management. Altor has head office in Heidelberg, Germany.

Axactor has entered the Swedish market in February 2017 through the acquisition of Profact AB. The company is offering credit management services and customer services in the Swedish market and employs 35 people.

Financial Review

General remarks to the Q1 financial review

As from first quarter 2017 the reporting currency for Axactor Group is EURO.

The Consolidated Balance Sheet and the Consolidated Profit and Loss statement in this report covers all entities including Profact, Sweden for Q1.

Revenues and earnings

First quarter gross revenue was MEUR 19.7 (3.2) where MEUR 10.5 came from collections on own portfolios (NPL) and MEUR 8.4 came from third party collection (3PC). Other Revenue accounted for MEUR 0.8. The NPL revenue is split with 59% and 28% coming from Spain and Germany respectively while the remaining 13% is generated from the Italian portfolios. Collection on own portfolios in Spain increase by 71% compared to previous quarter, in large part due to new portfolios acquired late Q4, but also improved performance on previous acquisitions. The 3PC revenue was slightly down compared to Q4 and for Q1 it reached MEUR 8.4 (9.2).

Operating earnings (EBITDA) is significantly improved compared to last quarter and reached positive MEUR 1.0 (-1.2) for the quarter. The improvement in EBITDA is in large part a result of increased collection on own portfolios (NPL). Cash EBITDA for the quarter is positive by MEUR 3.9.

Depreciation and Amortization excluding portfolio amortization was MEUR -1.4 (0.3). MEUR -0.9 (0.3) is related to depreciation of intangible fixed assets pertaining to the company acquisitions made in 2016 (Spain, Italy, Norway and Germany). MEUR -0.5 relates to depreciation fixed tangible/intangible assets.

Earnings per share for the quarter is negative EUR 0.001. This compares to EUR -0.003 for same period last year.

Net financial items

Net financial items for the quarter amounted to MEUR -1.1 (-0.3) and consist of interest expenses on borrowings. Currency exchange effects for the period is zero.

Financial position

Axactor had total assets of MEUR 340.8 (73.3) at end of first quarter 2017. Cash and cash equivalents amounted to MEUR 52.8 (19.7). Purchased debt portfolios amounted to MEUR 191.9 (27.2), and goodwill and intangible assets amounted to MEUR 73.0 (18.2) for the same period. Total interest-bearing debt amounted to MEUR 66.0 (0).

Cash flow, Investments and Financing

Cash flow from operations amounted to MEUR 0.7 (-3.2) in the quarter, where MEUR -2.3 stems from an increase in working capital.

The company invested MEUR 1.3 in Acquisition of Profact AB in Sweden and another MEUR 0.6 in other fixed assets, thus total cash flow from investing activities for the quarter was MEUR -1.7 (-27.1). The NPL portfolio acquired from Bank Norwegian in Sweden in March, was paid for in April, thus it had no effect on cash flow in Q1.

Total cash flow from financing activities amounted to MEUR -9.2 (10.2). Net repayment of debt was MEUR -7.2 (0.5). At the end of the quarter cash and cash equivalents was MEUR 54.3 (20.1).

Equity Position

At the end of the quarter total equity for the Group is MEUR 181,3 (61) giving an equity ratio at the end of the reporting period of 53.2%.

Parent Company

The Parent Company's business activity is to manage the Group's operations. The result after tax for the quarter ended at MEUR -0.8. Total equity at the parent company end of the year was MEUR 198.

Events after the end of the reporting period

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In May 2017 the 4th and last tranche from DNB / Nordea was released including a volume increase from EUR 25 million to EUR 45 million. Total facility after the release of the last tranche is EUR 120 million.

Increased NPL funding lines from regional banks in Italy to EUR 55 million whereof EUR 29 million has been utilized.

Oslo, May 8, 2017
The Board of Directors,

Axactor AB (publ)
Hovslagargatan 5B, bottom floor
111 48 STOCKHOLM, Sweden
www.axactor.com
info@axactor.com

Consolidated Statement of Profit and Loss

EUR thousand	Note	31 Mar 2017	31 Mar 2016	Full year 2016
Continued operation				
Income		19,709	3,153	40,491
Amortization of debt portfolios	3	-2,281	-160	-3,417
Net revenue		17,428	2,993	37,074
Operating expenses		-10,535	-1,947	-21,821
Personnel expenses		-5,888	-2,172	-21,741
EBITDA		1,004	-1,126	-6,488
Amortization and depreciation		-1,427	-264	-3,126
EBIT		-423	-1,390	-9,614
Financial revenue	4	10	456	1,279
Financial expenses	4	-1,105	-746	-3,562
Net financial items		-1,094	-290	-2,283
Profit/(loss) before tax		-1,517	-1,680	-11,897
Tax expense		-136	83	727
Net profit/(loss) from continued operations		-1,653	-1,597	-11,169
Earnings per share: basic		0.00	0.00	-0.13
Earnings per share: diluted		0.00	0.00	-

Consolidated Statement of Comprehensive Profit and Loss

EUR thousand	31 Mar 2017	31 Mar 2016	Full year 2016
Net profit/(loss)	-1,653	-1,597	-11,169
Foreign currency translation differences - foreign operations	-1,019	-195	2,226
Remeasurement of pension plans	-		124
Other comprehensive income/ (loss) for the period	-1,019	-195	2,350
Total comprehensive income for the period attributable to:	-2,672	-1,792	-8,819
Equity holders of the parent company	-2,672	-1,792	-8,819

Interim Consolidated Statement of Financial Position

EUR thousand	Note	31 Mar 2017	31 Mar 2016	Full year 2016
ASSETS				
<i>Intangible non-current assets</i>				
Intangible assets		18,531	4,735	18,347
Goodwill		54,506	13,482	53,491
Deferred tax asset		2,160	-	1,442
<i>Tangible non-current assets</i>				
Property, Plant and equipment		2,453	181	2,365
<i>Financial non-current assets</i>				
Purchased debt portfolios	3	191,901	27,157	127,989
Other long term receivables		1,012	-	998
Other long term investments		234	72	428
Total non-current assets		270,797	45,627	205,059
<i>Current assets</i>				
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
TOTAL ASSETS		340,837	73,338	283,071

Interim Consolidated Statement of Financial Position

EUR thousand	Note	31 Mar 2017	31 Mar 2016	31 Dec 2016
EQUITY AND LIABILITIES				
<i>Equity attributable to equity holders of the parent</i>				
Share Capital		64,964	35,539	64,964
Other paid-in equity		262,414	166,998	262,414
Retained earnings profit/(Loss)		-147,205	-141,341	-145,839
Reserves		1,175	-208	2,194
Total equity		181,348	60,988	183,735
<i>Non-current liabilities</i>				
Non-current interest bearing debt	5	23,152	-	25,149
Deferred tax liabilities		5,913	1,172	5,960
Other non-current liabilities		3,223	315	3,385
Total non-current liabilities		32,287	1,487	34,495
<i>Current liabilities</i>				
Accounts payables		5,911	1,469	6,649
Current portion of non-current borrowings	5	42,891	-	48,852
Taxes Payable		1,162	-	387
Other current liabilities	6	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

Interim Consolidated Statement of Cash Flow

EUR thousand	Note	31 Mar 2017	31 Mar 2016	Full year 2016
Operating activities				
Profit before tax		-1,517	-1,680	-11,897
Taxes paid		-662	-	-2,271
Finance income and expense		1,094	-290	1,702
Amortization of debt portfolios		2,366	160	3,417
Depreciation and amortization		1,427	264	3,126
Calculated cost of employee share options		287	234	603
Working capital changes		-2,320	-1,874	-8,445
Net cash flows operating activities		675	-3,186	-13,765
Investing activities				
Purchase of debt portfolios		-	-26,887	-75,610
Investment in subsidiary (Geslico, Spain)	7	-	-	-2,000
Investment in subsidiary (IKAS, Norway)	7	-	-	-21,933
Investment in subsidiary (CS Union, Italy)	7	-	-	-5,950
Investment in subsidiary (Altor, Germany)	7	-	-	-17,824
Investment in subsidiary (Profact, Sweden)	7	-1,257	-	-
Investment in equity new subsidiaries		-52	-	-
Purchase of intangible and tangible assets		-584	-175	-2,209
Sales of financial assets		175	-	-
Interest received		9	-	89
Net cash flows investing activities		-1,709	-27,062	-125,437
Financing activities				
Proceeds from borrowings		-	-	57,134
Repayment of debt	5	-7,158	-536	-18,307
Interest paid		-751	-13	-1,306
Loan fees paid	5	-1,332	-	-1,491
Proceeds from share issue		-	11,199	132,620
Share issue costs		-	-410	-4,434
Net cash flows financing activities		-9,241	10,239	164,215
Currency translation		-	-631	-1,227
Net change in cash and cash equivalents		-10,275	-20,009	25,014
Cash and cash equivalents at the beginning of period		64,551	40,764	40,764
Cash and cash equivalents at end of period		54,276	20,124	65,778

Interim Consolidated Statement of Changes in Equity

EUR thousand	Equity related to the shareholders of the Parent Company				Total Equity
	Share capital	Other paid in capital	Exchange differences	Retained earnings and profit for the year	
Closing balance on 31 December 2015	32,655	160,787	-11	-141,216	52,215
Balance on 1 January 2016	32,655	160,787	-11	-141,216	52,215
Net result for the period	-	-	-	-11,169	-11,169
Comprehensive loss for the period	-959	-8,461	2,205	6,547	-668
Total comprehensive result	-959	-8,461	2,205	-4,622	-11,837
New share issues, February	3,148	7,883			11,031
New Share issues, May	11,642	27,853			39,493
Acquisition subsidiary, IKAS group	2,590	6,589			9,179
Acquisition subsidiary, CS Union ¹	1,101	2,829			3,930
New share issues, October	3,788	17,753			21,541
New share issues, November	8,360	39,157			47,517
New share issues, December	2,641	11,898			14,539
Costs related to fund-raising		-4,470			-4,470
Share based payment		595			595
Closing balance on 31 December 2016	64,964	262,414	2,194	-145,838	183,733
Balance on 1 January 2016	64,964	262,414	2,194	-145,838	183,733
Net result for the period				-1,653	-1,653
Comprehensive Profit/(Loss) Foreign currency translation differences - foreign operations	0		-1,019		-1,019
Total comprehensive result for the period	0	0	-1,019	-1,653	-2,672
Share based payment	0	287			287
Closing balance on 31 March 2017	64,964	262,701	1,175	-147,491	181,348

Parent Company Income Statement

EUR thousand	Note	31 Mar 2017	31 Mar 2016	Full year 2016
Other operating income		519	-	1,133
Operating expenses		-1,675	-353	-4,243
Personell expences		-	-	-
EBITDA		-1,156	-353	-3,110
Amortization and depreciation		-	-	-
EBIT		-1,156	-353	-3,110
Financial revenue		351	678	8,141
Financial expenses		-	-71	-582
Net financial items		351	607	7,559
Profit/(loss) before tax		-805	254	4,449
Tax expense		-	-	-
Net profit/(loss) to equity holders		-805	254	4,449

Parent Company Balance Sheet

EUR thousand	Note	31 Mar 2017	31 Mar 2016	31 Dec 2016
ASSETS				
Intangible non-current assets				
Shares in subsidiaries		135,677	237	135,421
Loans to group companies		28,714	51,470	21,365
Other long-term receivables		234	14	-
Total non-current assets		164,625	51,720	156,786
Current assets				
Short-term intercompany receivables		1,139	-	1,310
Other current assets		399	242	9
Restricted cash	5	420	-	418
Cash and cash equivalents		33,763	14,300	41,941
Total current assets		35,720	14,542	43,678
TOTAL ASSETS		200,345	66,262	200,463
SHAREHOLDERS' EQUITY				
<i>Restricted equity</i>				
Share Capital		64,964	35,539	64,964
Statutory reserve		240	240	240
Total restricted equity		65,204	35,779	65,204
<i>Non-restricted equity</i>				
Share premium reserve		262,701	166,762	262,414
Retained earnings		-129,047	-137,971	-133,496
Result for the period		-805	256	4,449
Total non-restricted equity		132,849	29,047	133,367
TOTAL SHAREHOLDERS EQUITY		198,052	64,826	198,571
LIABILITIES				
Non-current liabilities				
Other long term liabilities		1,829	-	1,444
Total non-current liabilities		1,829	-	1,444
Current liabilities				
Accounts payables		59	576	94
Short-term intercompany liabilities		-	-	-
Other current liabilities		405	851	353
Total current liabilities		464	1,428	447
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		200,345	66,253	200,463

Parent Company Statement of Changes in Equity

EUR thousand	Restricted Equity		Non-restricted Equity			Total Equity
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Result of the period	
Opening balance of January 1, 2016	32,655	240	160,787	-117,265	-22,415	54,001
Transfer of prior year's net result		-	-	-21,629	21,629	0
New share issues, February	3,148		7,883			11,031
New Share issues, May	11,641		27,853			39,493
Acquisition subsidiary, IKAS group	2,590		6,589			9,179
Acquisition subsidiary, CS Union	1,101		2,829			3,930
New share issues, October	3,788		17,753			21,541
New share issues, November	8,360		39,157			47,517
New share issues, December	2,641		11,898			14,539
Costs related to fund-raising			-4,470			-4,470
Share based payment			595			595
Result of the period					4,449	4,449
Translation differences	-958		-8,461	5,398	786	-3,235
Closing balance on 31 December 2016	64,964	240	262,414	-133,496	4,449	198,570
Balance on 1 January 2017	64,964	240	262,414	-133,496	4,449	198,570
Transfer of prior years net result	-	-	-	4,449	-4,449	0
Share based payment	-		287	-		287
Result of the period					-805	-805
Closing balance on 30 September 2016	64,964	240	262,701	-129,047	-805	198,052

Key Ratios and Share Data for the Consolidated Group

EUR thousand		2017	2016	2015	2014	2013
Number of outstanding shares at beginning of reporting period ²⁾	Number	1,226,488,769	596,614,360	90,809,360	18,174,922	18,174,922
New share issue	Number	0	629,874,409	505,805,000	72,634,438	-
Number of outstanding shares at the end of reporting period ¹⁾ and ²⁾	Number	1,226,488,769	1,226,488,769	596,614,360	90,809,360	18,174,922
Average number of shares ²⁾	Number	998,263,284	849,072,460	133,687,416	29,804,775	18,174,922
Operating result, for continued operations	TEUR	-423	-9,614	-3,360	-1,214	-21,437
Result after tax	TEUR	-1,653	-11,169	-17,810	-5,055	-110,088
Operating result per share	EUR	-0.00	-0.01	-0.02	-0.15	-1.21
Result after financial items per share	EUR	-0.00	-0.01	-0.05	-0.15	-8.47
Result per share after tax	EUR	-0.00	-0.01	-0.13	-0.17	-6.06
Shareholders equity per share before dilution ²⁾	EUR	0.15	0.15	0.09	0.19	6.87
Dividend ³⁾	TEUR	-	-	-	59.69	-
Price per share at the end of reporting period	NOK	2.27	2.65	2.00	1.42	3 ¹⁾

1) A reversed share split of 1:10 was conducted on December 13, 2013.

2) 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.

3) Total dividend. Not per share.

Notes to the Financial Report

Note 1 Accounting principles

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 2016. 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 2016.

The Company have from 2017 converted the presentation currency from SEK to EUR to better reflect the currency in which the business operates. Comparable figures relating to 2016 is calculated based on the historic currency translation rate at the actual presented period.

Note 2 Risks and uncertainties

The operations of Axactor involve certain significant risks, including but not limited to credit risk, risk inherent in purchased debt, interest rate risks and regulatory risks. For a complete discussion of the a forementioned risks, refer to the Company's Annual Report for the Financial Year 2016, which is available on Axactor website; www.axactor.com. In addition, a detailed risk factor account is given in the various prospectuses published and available at Axactor's website.

Note 3 Non-performing loans

Specification of portfolios/non-performing loans

EUR thousand	31 Mar 2017	31 Mar 2016	Full year 2016
Acquisition cost, opening balance	131,729	27,317	-
Purchase	66,288		74,955
Purchase from acquired business			56,408
Translation differences			366
Accumulated acquisition cost	198,017	27,317	131,729
Amortization, opening balance	-3,834		
Re-valuation opening balance	-		-
Amortization for the year	-2,283	-160	-3,099
Re-valuation of the year	-		
Accumulated amortization, closing balance	-6,116	-160	-3,099
Net booked value	191,901	27,157	128,630

Description of Axactor's accounting principles for Purchased Debt, see note 1 in the annual accounts of 2016.

Note 4 Financial items

EUR thousand	31 Mar 2017	31 Mar 2016	Full year 2016
Financial revenue			
Interest on bank deposits	10	-	89
Re-evaluation external investments	-	-	309
Exchange gains	-	456	881
Sale of group company	-	-	-
Total financial revenue	10	456	1,279
Financial expenses			
Interest expenses on borrowings	-1,051	-13	-2,003
Exchange losses	-53	-733	-1,373
Other financial expenses	-	-	-187
Total financial expenses	-1,104	-746	-3,563
Net finance	-1,094	-290	-2,283

Note 5 Loans and borrowings

EUR thousand	Currency	Interest rate	31 Mar 2017 EUR	Year of maturity
Balance at 1 January 2017	^{b)} EUR /NOK	Variable	74,258	2017-2022
New issues				
Repayments				
Italian Banks	EUR		-1,641	
DnB/Nordea	EUR		-5,516	
Other movements				
Capitalized loan fees			-1,332	
Amortized loan fees on loans			274	
Balance at 31 March 2017			66,042	

1) Relates to different facilities and draw-downs with an interest between EURIBOR +2%-3,5%.

As of 31 March 2017, the Company had long-term loan balance of NOK 115 million relating to the financing of the Axactor Norway (former "IKAS") acquisition in Q2 2016, EUR 16,2 million relating to the Altor acquisition in Q4 2016 and EUR 8,3 million relating to purchase of the Spanish Portfolios. The loans were drawn under the Revolving Credit Facility with DNB and Nordea. The Facility agreement was entered into in March 2016 with repayment date in March 2019. All material subsidiaries of the group are guarantors and have granted a share pledge as part of the security package for this facility. Italian subsidiaries are not a part of the agreement and has separate local funding.

As of March 31st, the company did not satisfy one of the financial loan covenants, however a waiver has been obtained from the lending banks to repair the situation. As a consequence of this all drawings under the facility is classified as short term per 31 March 2017.

One bankaccount is pledged at EUR 420k per 31 March 2017.

Note 6 Other current liabilities

Other current liabilities per 31 March 2017 includes EUR 66,3 million relating to the purchased portfolio in Axactor Sweden. Settlement was done on the 21 April 2017.

Note 7 Preliminary acquisition analysis

Axactor has during the last twelve months acquired shares in the below companies and consequently controls the subsidiaries from the date of acquisition. In the purchase price allocations (PPA), the assets and liabilities of the companies have been measured at the estimated fair value at the acquisition dates.

The preliminary purchase price allocation identified fair value adjustments on intangible assets like customer relations, databases, off market contracts, goodwill and deferred tax liabilities/assets. The residual value of the purchase price will be allocated to goodwill.

EUR thousand	Company				
	Geslico SA	Axactor Norway (IKAS group)	CS Union S.t.A.	Altor	Profact
Date of acquisition	May 5, 2016	April 1, 2016	June 22, 2016	Sep 30, 2016	Feb 28, 2017
Acquired part of company	100%	100%	90%	100%	100%
Purchase price	2,000	31,100	11,125	17,983	1,257
- whereof cash consideration	2,000	21,792	5,940	17,983	1,257
- whereof share consideration	-	9,308	3,829		
- whereof Put/Call option liability			1,355		
ASSETS					
Non-current assets					
<i>Intangible assets</i>					
Deferred tax assets	77		501	940	-
Customer Relationship		6,666	891	1,362	
Database		1,415	382	1,135	314
Other intangible fixed assets	373		356	337	-
Off market contracts			900	-	
Goodwill		22,716	7,228	9,276	1,242
<i>Tangible assets</i>					
Plant and machinery	707	890	332	447	50
<i>Long term financial assets</i>					
Purchased debt		-	29,975	25,891	
Other long-term receivables	91	75	833	28	
Other long-term investments		139	-		
Total non-current assets	1,248	31,901	41,398	39,416	1,606
Current assets					
Current receivables	1,799	1,531	973	655	351
Other current assets	576	95	409	2,362	94
Cash & cash equivalents	651	3,887	483	1,024	
Total current assets	3,026	5,513	1,865	4,041	445
Total Assets	4,274	37,414	43,263	43,457	2,051

EUR thousand	Company				
	Geslico SA	Axactor Norway (IKAS group)	CS Union S.t.A.	Altor	Profact
Non-current liabilities			-		
Long-term interest bearing debt	505	65	14,114	13,287	
Deferred tax liabilities		1,875	597	3,238	
Other long-term liabilities	1	22	1,120	1,432	
Total non-current liabilities	506	1,962	15,831	17,957	-
Current liabilities					
Trade payables	992	451	5,598	653	433
Tax liabilities		536	426	454	
Other short-term liabilities	455	2,712	9,858	6,410	361
Other public duties payable	321	653	425		
Total current liabilities	1,768	4,352	16,307	7,517	794
Total Net assets	2,000	31,100	11,125	17,983	1,257
Net sales 2016	10,406	10,502	9,455	19,482	1,794
Profit 2016	-890	2,259	529	328	-9

Note 8 Top 30 shareholders as at 31 March 2017

Name	Holding of shares	% Share
VERDIPAPIRFONDET DNB NORGE (IV)	68,973,218	6%
TVENGE, TORSTEIN	52,500,000	4%
MOHN, STEIN	44,944,540	4%
SPENCER TRADING INC	40,000,000	3%
VERDIPAPIRFONDET ALFRED BERG GAMBA	35,553,765	3%
VERDIPAPIRFONDET HANDELSBANKEN	34,171,801	3%
FERD AS	34,000,000	3%
ARCTIC FUNDS PLC	31,423,627	3%
VERDIPAPIRFONDET ALFRED BERG NORGE	25,901,448	2%
SWEDBANK GENERATOR	22,950,000	2%
LOPEZ SANCHEZ, ANDRES	22,902,500	2%
MARTIN IBEAS, DAVID	22,902,500	2%
VERDIPAPIRFONDET DELPHI NORDEN	22,083,459	2%
GVEPSEBORG AS	20,364,945	2%
NOMURA INTERNATIONAL PLC	19,850,000	2%
NORDNET LIVSFORSIKRING AS	19,574,368	2%
STATOIL PENSJON	19,504,342	2%
VERDIPAPIRFONDET DNB SMB	19,055,029	2%
ALPETTE AS	16,616,431	1%
DNB NOR MARKETS, AKSJEHAND/ANALYSE	13,520,717	1%
VERDIPAPIRFONDET ALFRED BERG AKTIV	11,910,518	1%
STOREBRAND VEKST VERDIPAPIRFOND	10,491,278	1%
LATINO INVEST AS	10,300,000	1%
BORGEN INVESTMENT GROUP NORWAY AS	10,000,000	1%
ELENA AS	9,914,019	1%
VARDFJELL AS	9,914,019	1%
VERDIPAPIRFONDET DELPHI NORGE	9,500,000	1%
BANCA SISTEMA S.P.A	8,731,726	1%
TVENGE, ØYSTEIN	8,000,000	1%
STATE STREET BANK AND TRUST COMP	7,892,486	1%
Total 30 largest shareholders	683,446,736	55.7%
Other shareholders	543,042,033	44.3%
Total number of shares	1,226,488,769	100.0%
Total number of shareholders	10,463	

Shares owned by related parties

Name	Holding of shares	% Share
LOPEZ SANCHEZ, ANDRES ¹⁾	22,902,500	2%
MARTIN IBEAS, DAVID ²⁾	22,902,500	2%
ALPETTE AS ³⁾	16,616,431	1%
LATINO INVEST AS ⁴⁾	10,300,000	1%
BANCA SISTEMA S.P.A ⁵⁾	8,731,726	1%
FARSTAD, SIV ⁶⁾	2,000,000	0%
SCHNEIDER, SUSANNE LENE RANGNES ⁷⁾	398,320	0%

1) Andres Lopez Sanche is a member of the Axactor Spain management team and former owner of ALD, Spain.

2) David Martin Ibeas is a member of the Axactor Spain management team and former owner of ALD, Spain.

3) Alpette AS is controlled by Endre Rangnes who is the CEO of Axactor AB.

4) Latino Invest AS is controlled by Johnny Tsolis who is a member of the executive management team of Axactor AB.

5) BANCA SISTEMA owns 10% of the shares in CS Union, the Axactor collection platform in Italy.

6) Siv Farstad is a member of the executive management team of Axactor AB.

7) Susanne L. R. Schneider is related to the CEO of Axactor AB.

Financial year 2017

Quarterly Report - Q1	08.05.2017
Quarterly Report - Q2	23.08.2017
Quarterly Report - Q3	31.10.2017
Quarterly Report - Q4	23.02.2018
Annual General meeting	31.05.2017
Annual Report	20.04.2018

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

Contact details

Axactor AB (publ)
Hovslagargatan 5B, bottom floor
111 48 STOCKHOLM
Sweden

Telephone: +46 8 402 28 00
info@axactor.com
www.axactor.com

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 SEK 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.*

