



Q4 2018 presentation

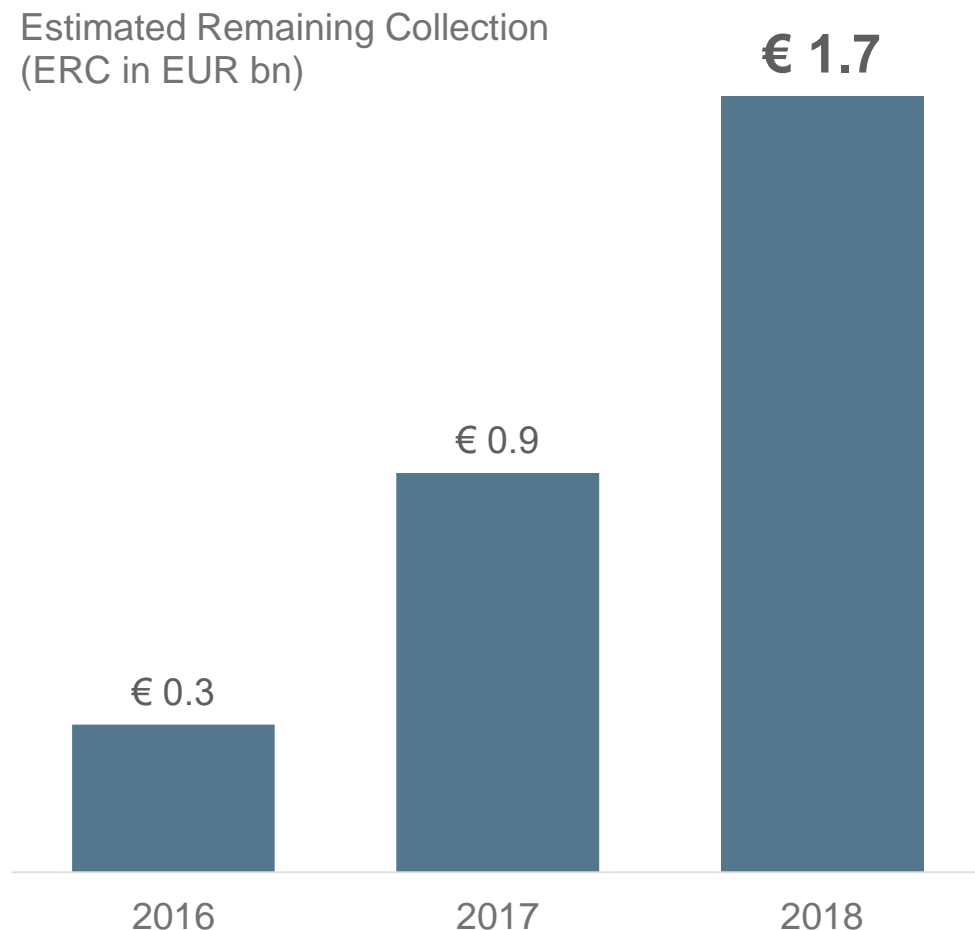
Axactor SE

February 13, 2019

AXACTOR

From start-up to top-10 player in Europe in 3 years

Estimated Remaining Collection
(ERC in EUR bn)



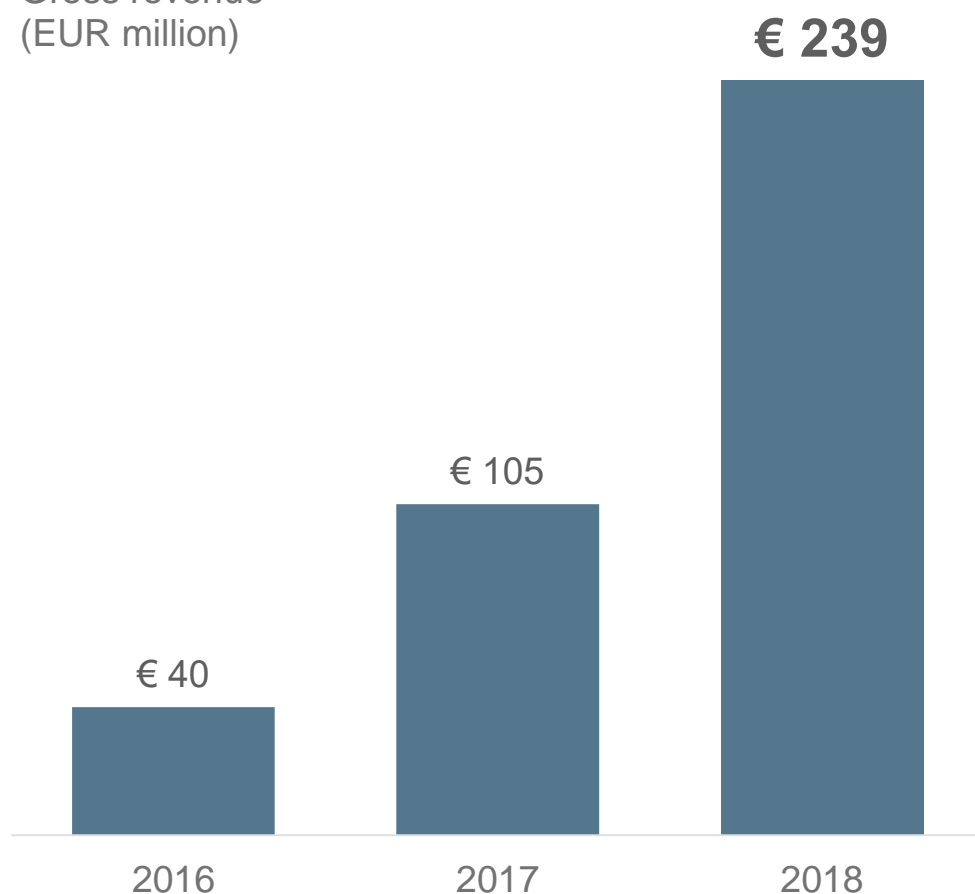
- Axactor has become a leading European debt management provider
- Accumulated investments of >EUR 1bn since inception
- Established collection platform companies in six countries



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Generated strong revenue growth

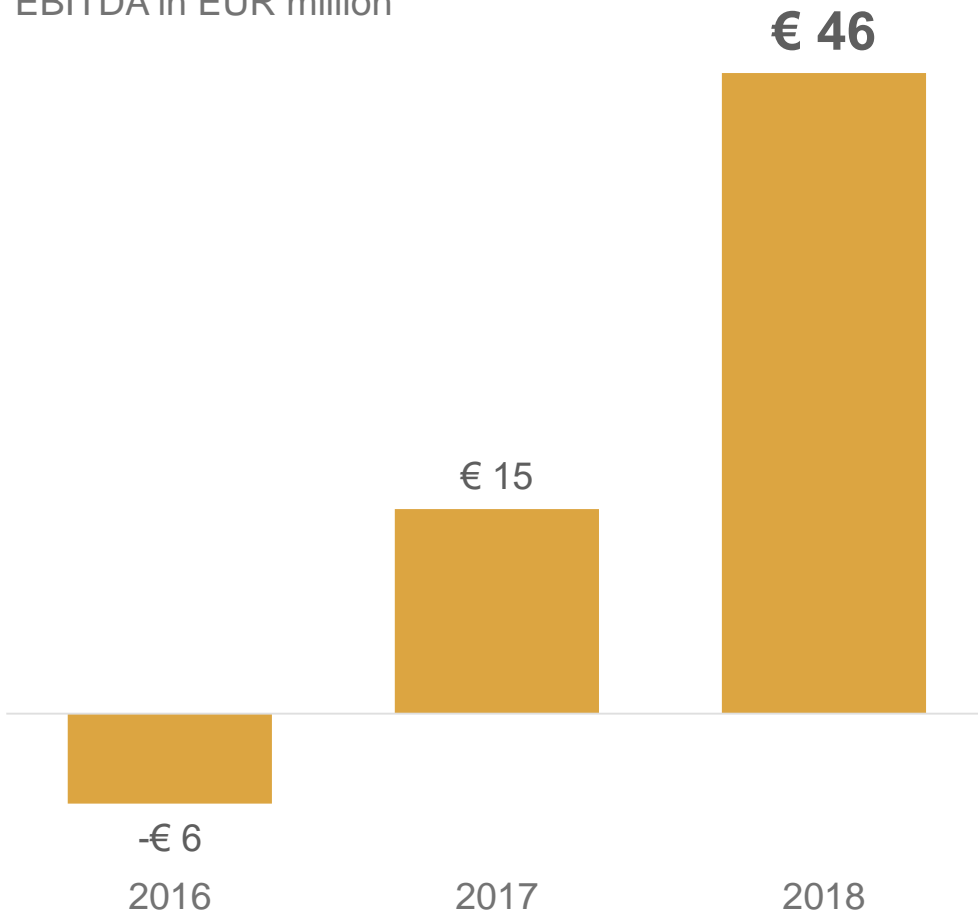
Gross revenue
(EUR million)



- More than doubling of revenues
- Growth in all segments
- Investments and contracts signed in 2018 point towards continued revenue growth in 2019

Scalability beginning to show through in earnings

EBITDA in EUR million



- Tripling of EBITDA
- 22% EBITDA-margin
- Improvement reflecting higher volumes, better geographical mix and high operational leverage

Focus on profitable growth



- Large and increasing NPL opportunities with attractive IRR
- Strengthening the 3PC and ARM business
- Relentless focus on ONEAXACTOR to sharpen the competitive edge

Key highlights Q4 2018

GROSS REVENUE

75

EUR MILLION

+116% y/y

EBITDA

20

EUR MILLION

+246% y/y

EBITDA-margin

29

PERCENT

+9%p y/y

CASH EBITDA

45

EUR MILLION

+231% y/y

CASH BALANCE

71

EUR MILLION

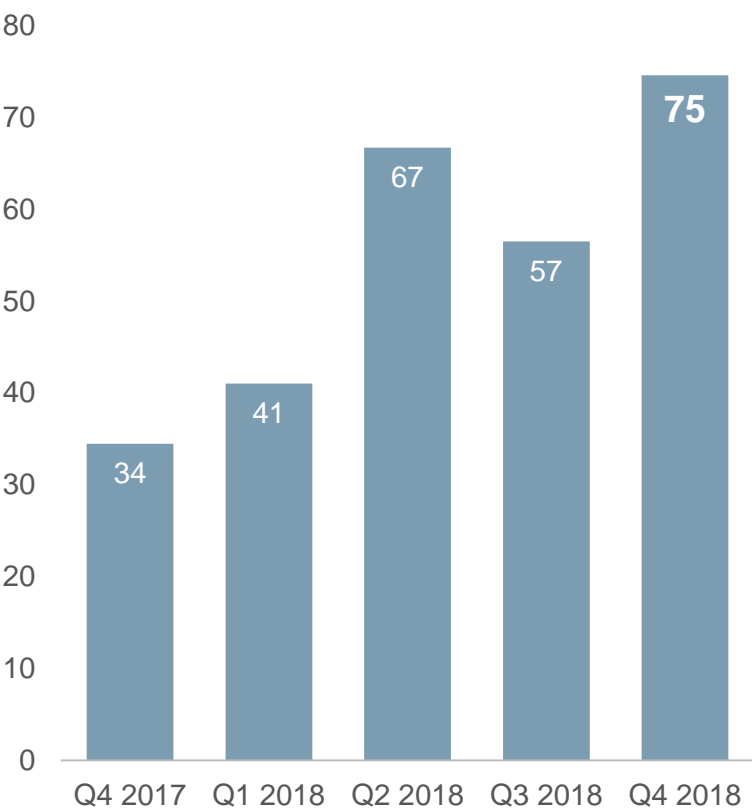
- Continued strong growth in revenue and sharp increase in EBITDA-margin
- Positive development across all segments
- High portfolio investments of EUR 334m in Q4, mainly in NPL
- Planned investment level of EUR 350-400m in 2019

Events post Q4 closing

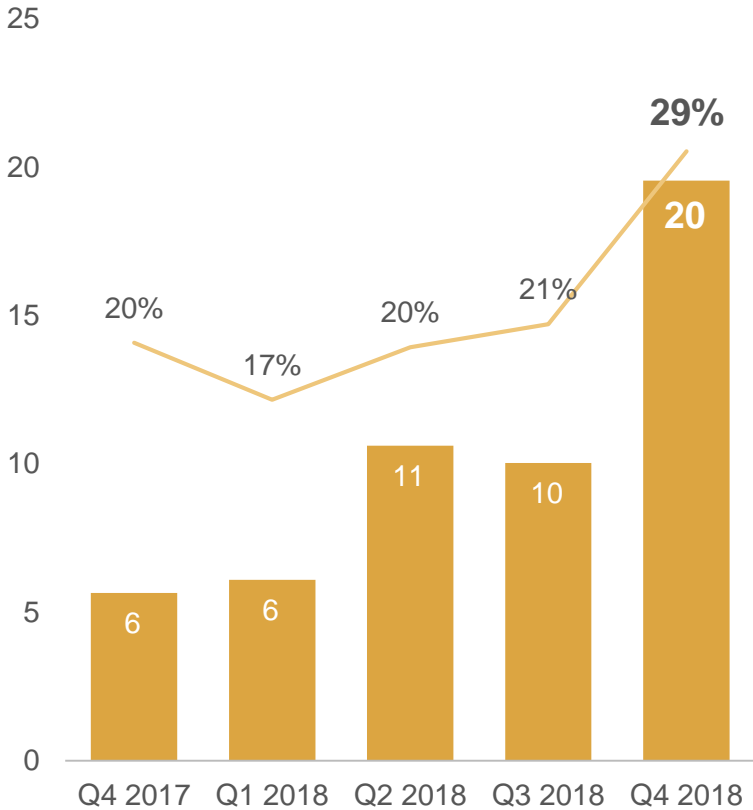
- Acquisition of minority shareholder position (10%) in Axactor Italy S.p.A
- DnB/Nordea release of EUR 100 million of RCF accordion option (of total EUR 150 million)
- Signed small forward flow agreement and acquired NPL portfolio from a financial institution in Sweden

Growth and margin improvement

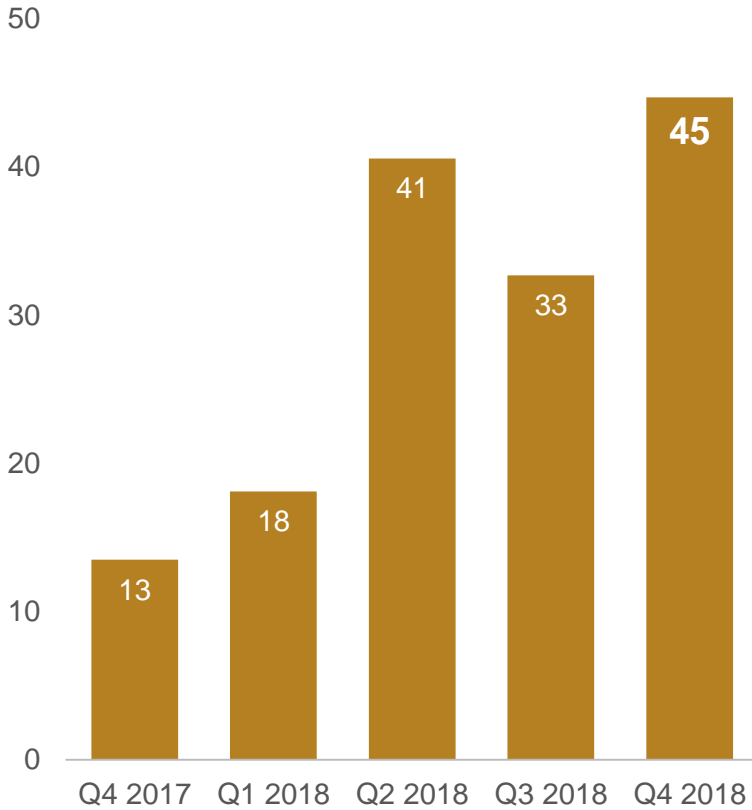
Gross revenue development
(EUR million)



EBITDA (EUR million) and
EBITDA-margin

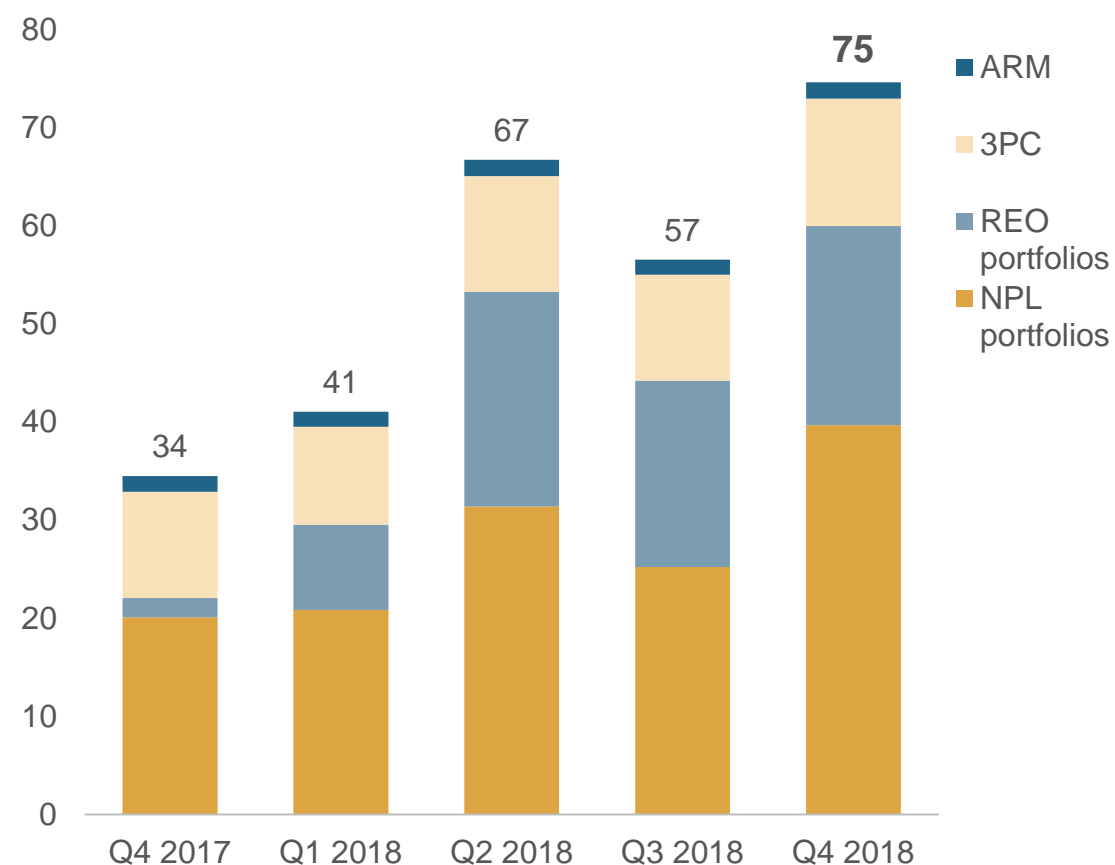


Cash EBITDA
(EUR million)



Growth across all segments

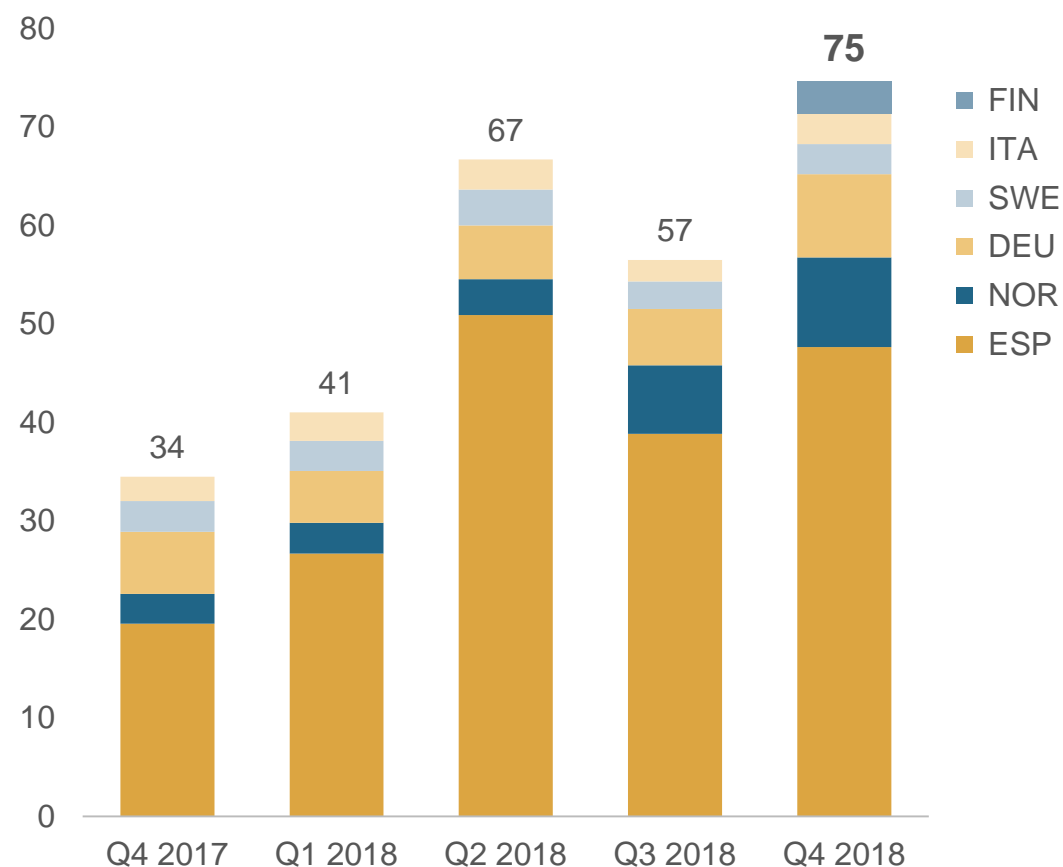
Gross revenue per segments (EUR million)



- Investment driven NPL growth, with limited effect of large investments in Q4
- REO sales on par with previous two quarters
 - Limitations in sales capacity
 - Market pausing in Oct-Nov due to political issues which were solved in December
- Healthy 3PC growth boosted by new Spanish contracts and acquisition of SPT in Finland
- ARM business stable before roll-out to new markets

Growing geographical footprint

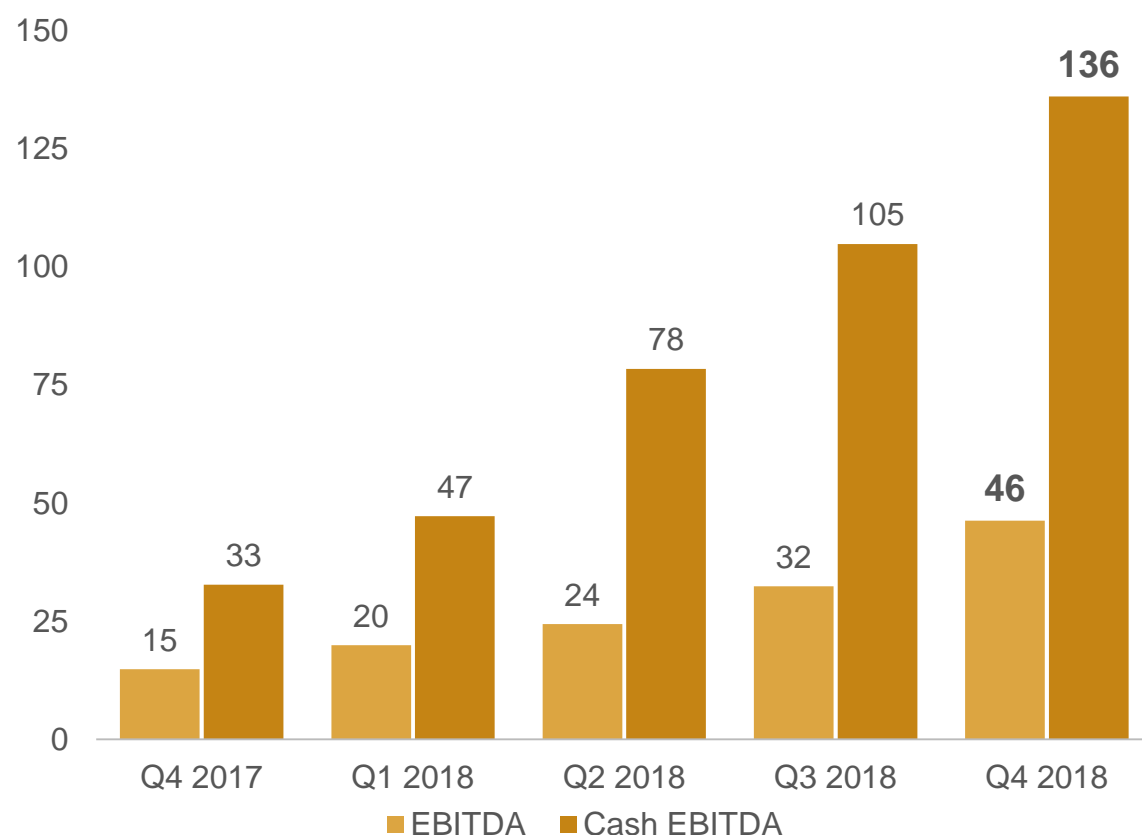
Gross revenue per country (EUR million)



- 2018 with gross revenue growth in all countries
- Positive entry into Finland
 - Revenue of EUR 3m based on one month of operation - exceeding Sweden and Italy
 - Started implementing ONEAxactor
- Northern Europe expected to grow in relative importance
 - Signed significant forward flow agreements in Germany, Norway and Sweden

EBITDA & Cash EBITDA: Profitability development LTM

EBITDA (EUR million) and cash EBITDA, Last 12 months



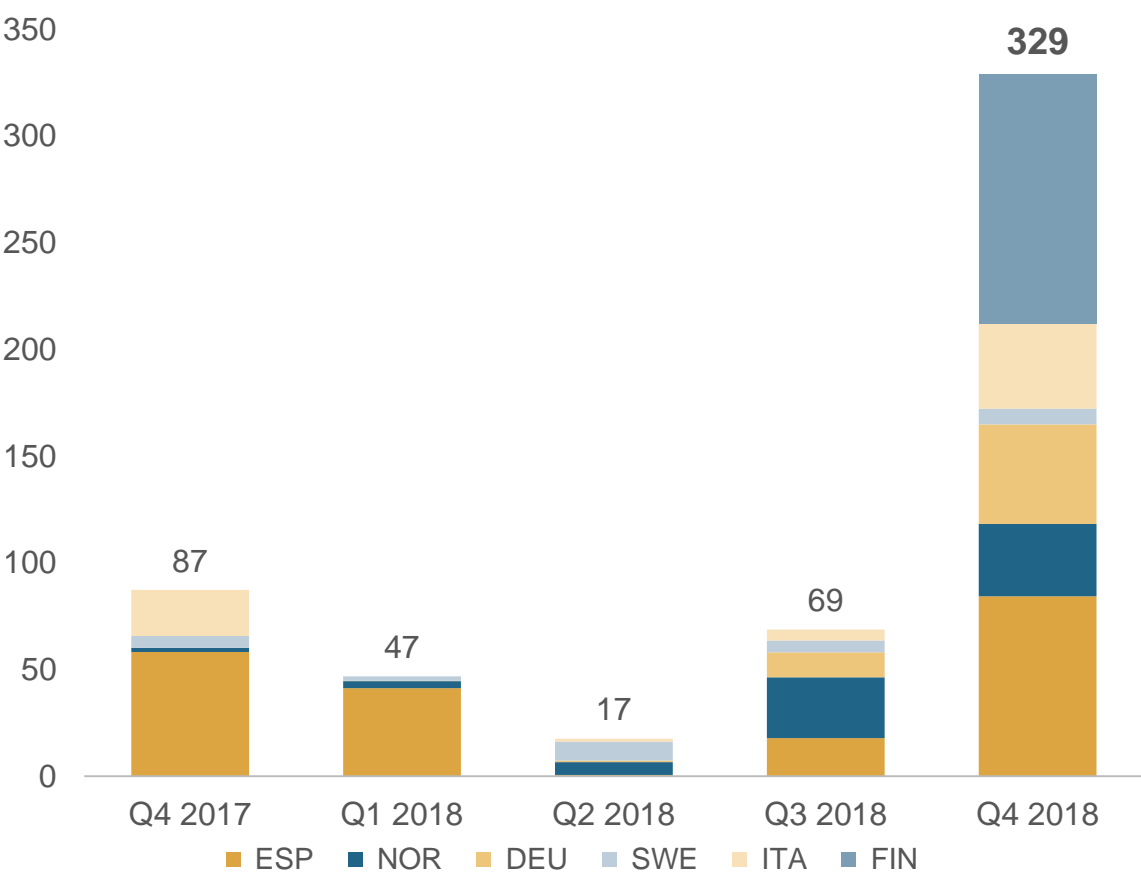
- 2018 EBITDA increased to EUR 46m
 - High volume growth
 - Favourable revenue mix
 - High operational leverage
- 2018 Cash EBITDA increased to EUR 136m
 - NPL cash EBITDA follows collection performance
 - Steady growth in 3PC and ARM
 - REO affected by lower than expected scale-up of sales, and EUR 2m negative effect of portfolio revaluation at lowest value principle (IFRS)

NPL portfolio

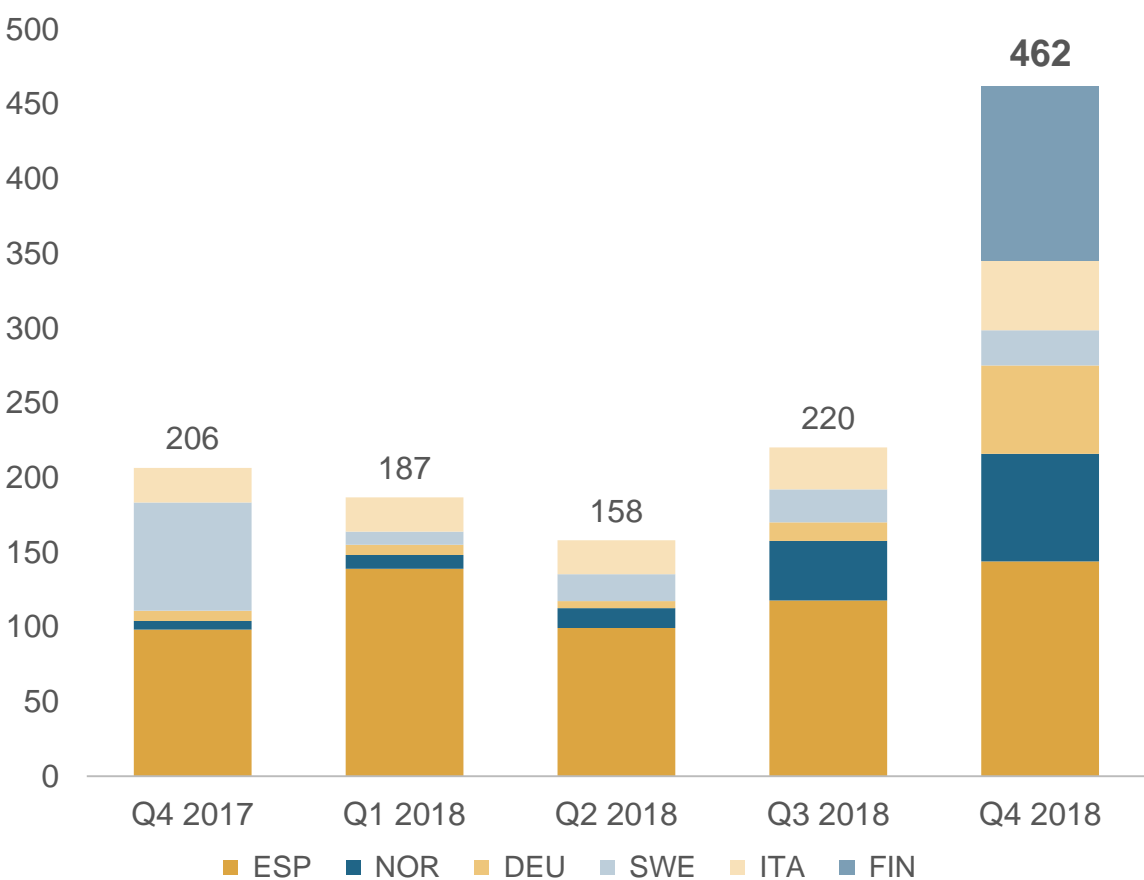
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NPL: High investment level in more balanced portfolio

Quarterly NPL investments (EUR million)

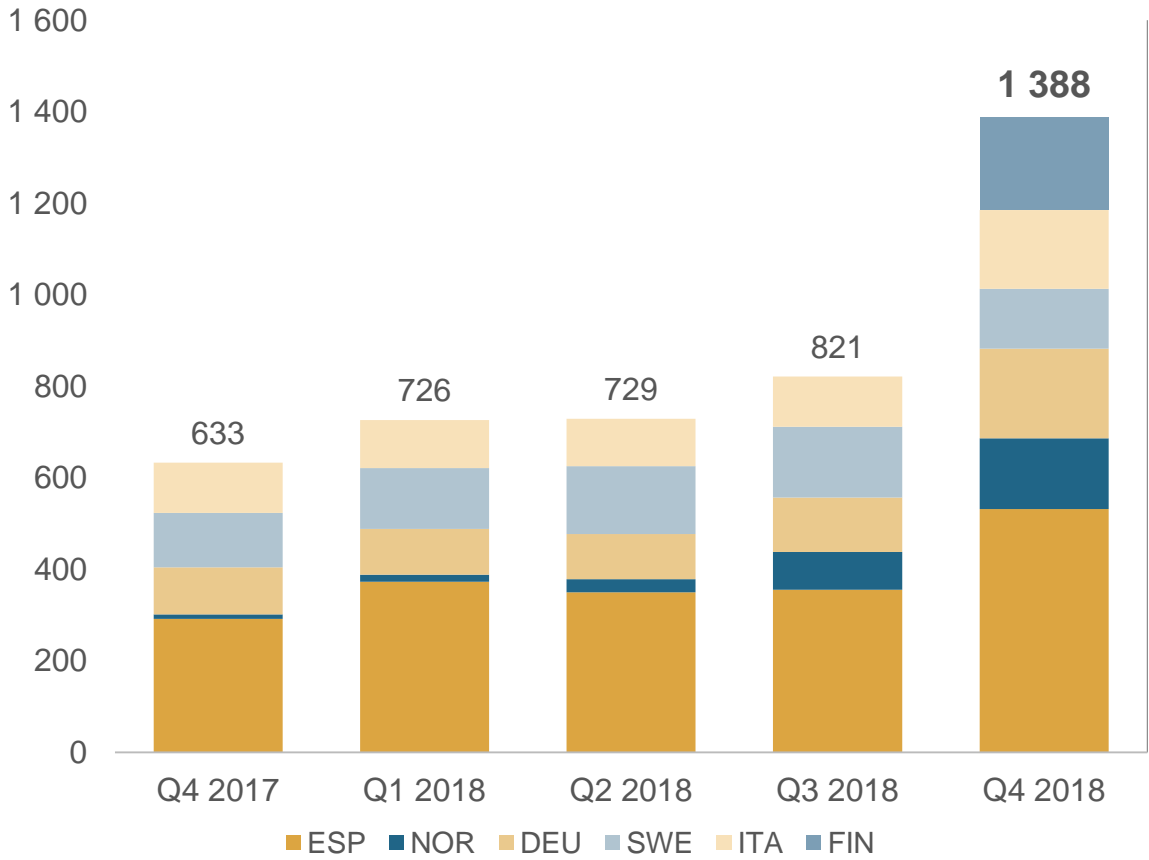


NPL investments (EUR million), LTM rolling

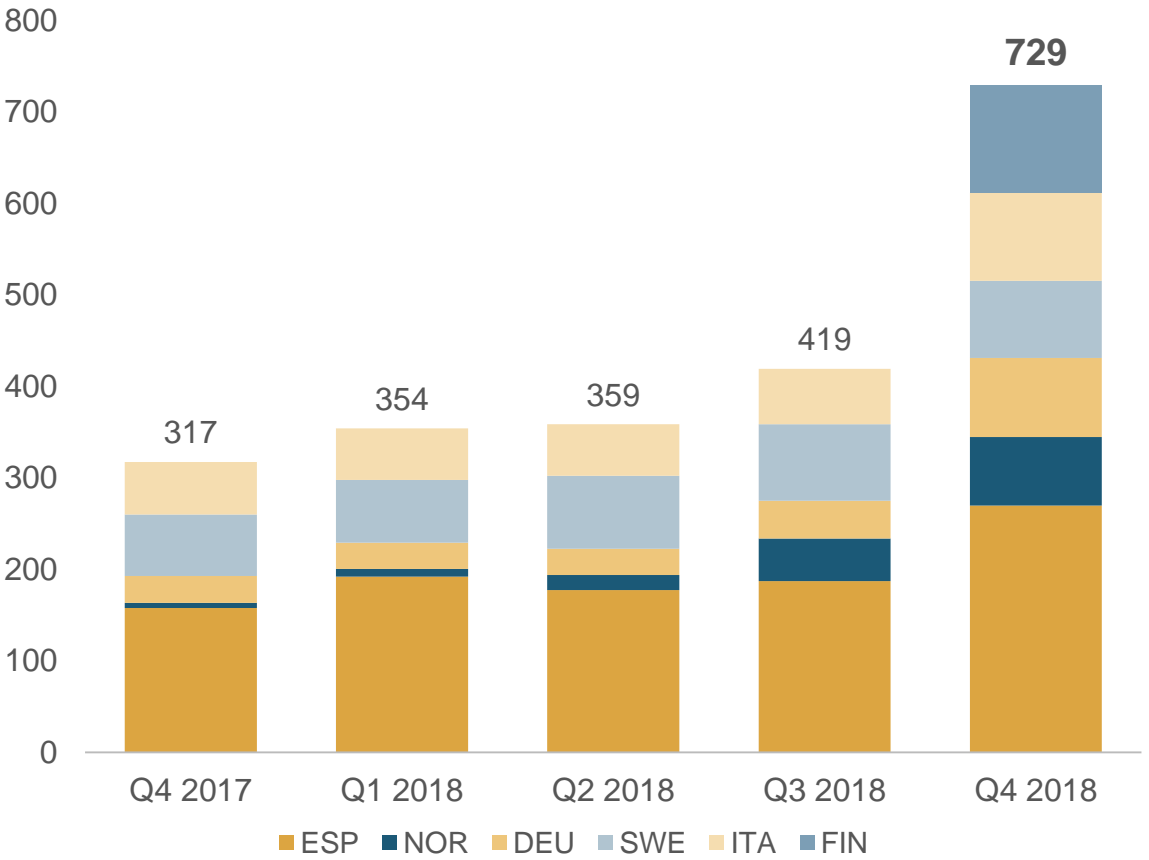


NPL: Step change in total portfolio size

ERC development (EUR million)

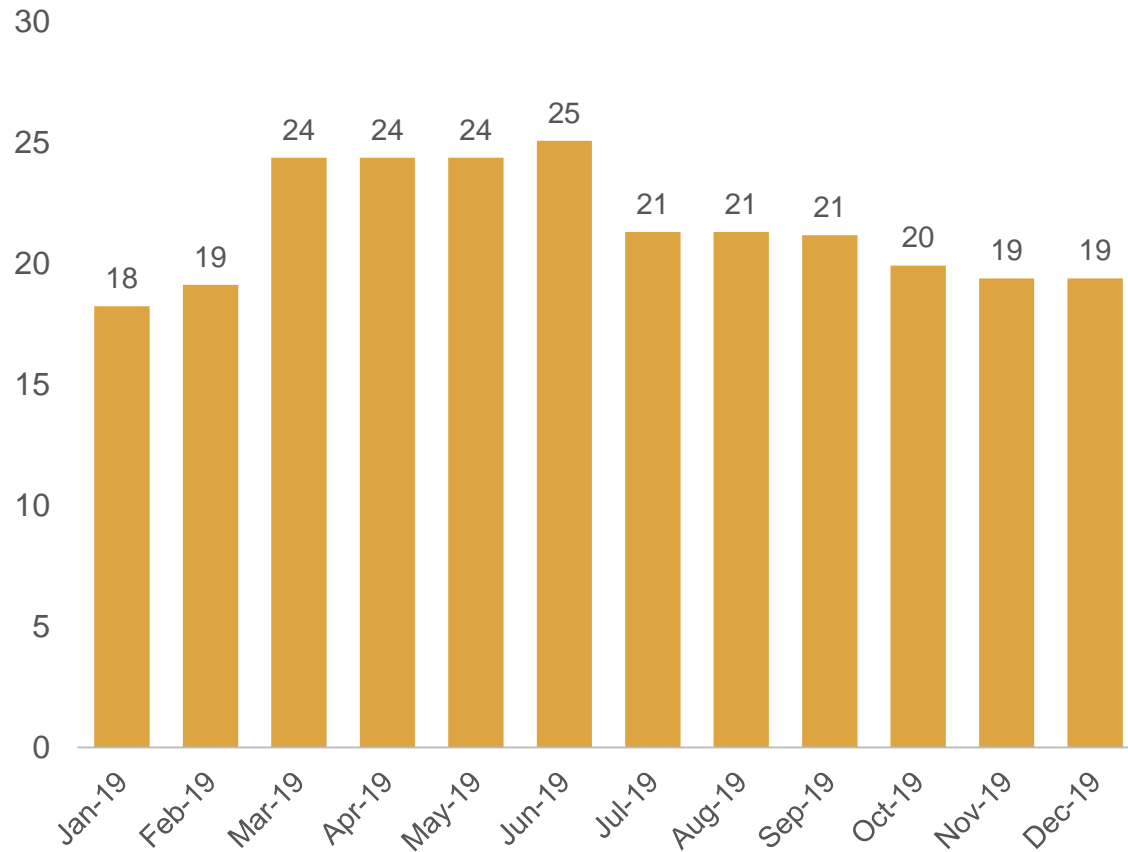


NPL book value per country (EUR million)



NPL: Forward flow build-up

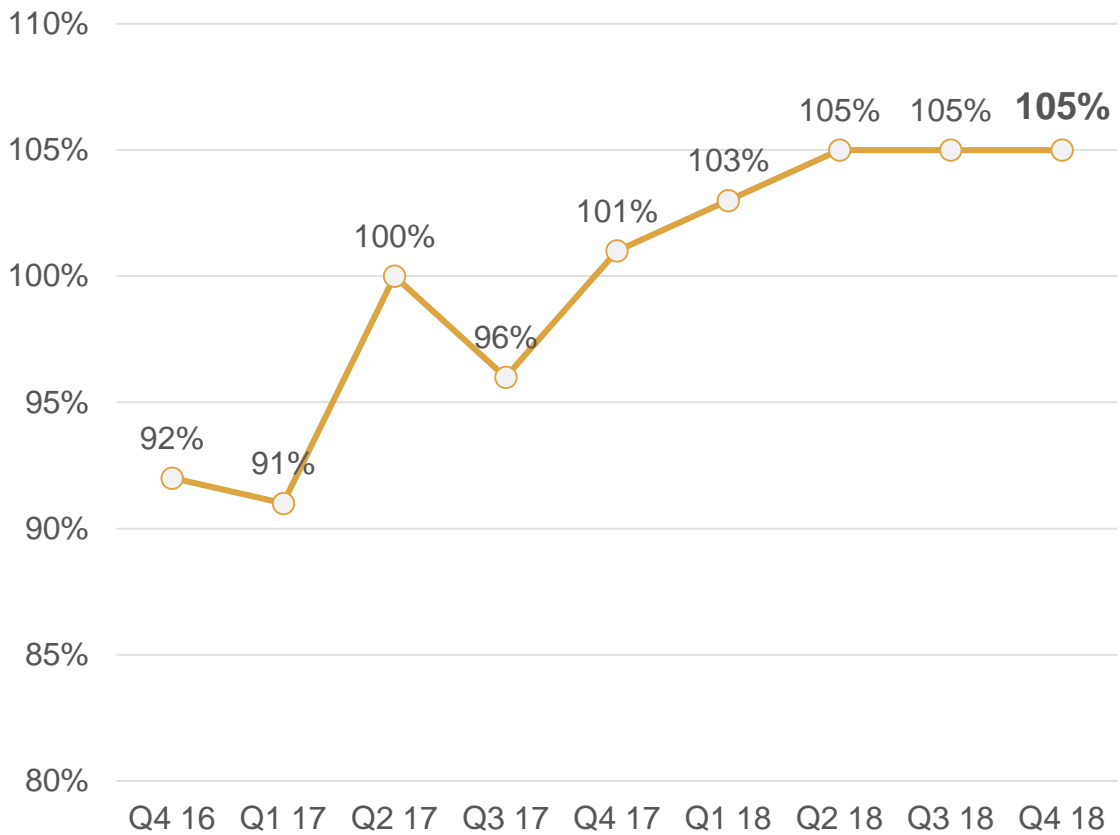
Estimated FF from signed contracts (EUR million)



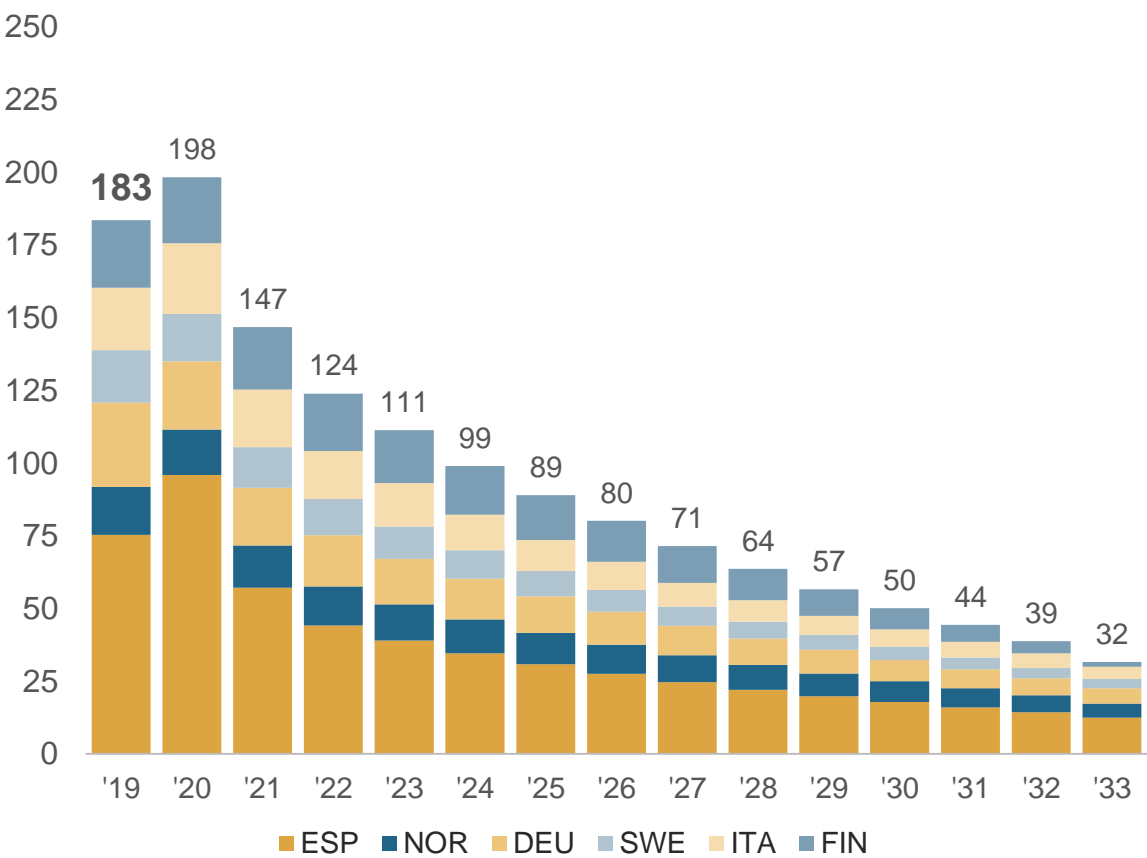
- Continued inflow of new forward flow contracts
 - Several new contracts in Sweden, including large 18-month contract starting up in March
 - Added large financial institution to the client list in Norway
 - Extended the Instabank partnership to Finland
- Estimated forward flow of EUR 258m from signed contracts in 2019
- Expecting renewal of contracts expiring in 2019

NPL: Estimated collection points to profitable growth

Actual collection vs. original business case (LTM, rolling)



Forward ERC profile by year (EUR million)

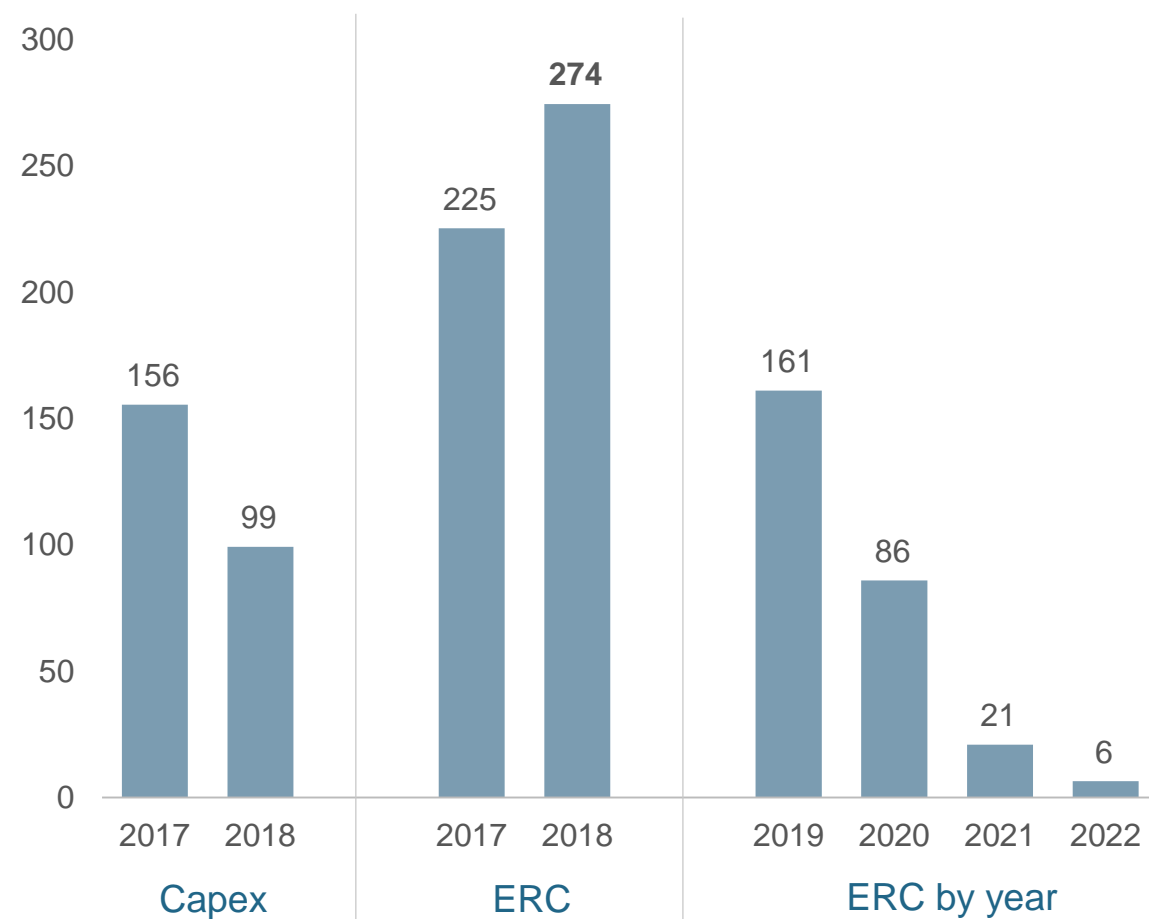


REO portfolio

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REO: Reduced capex – asset bulk sales in 2019

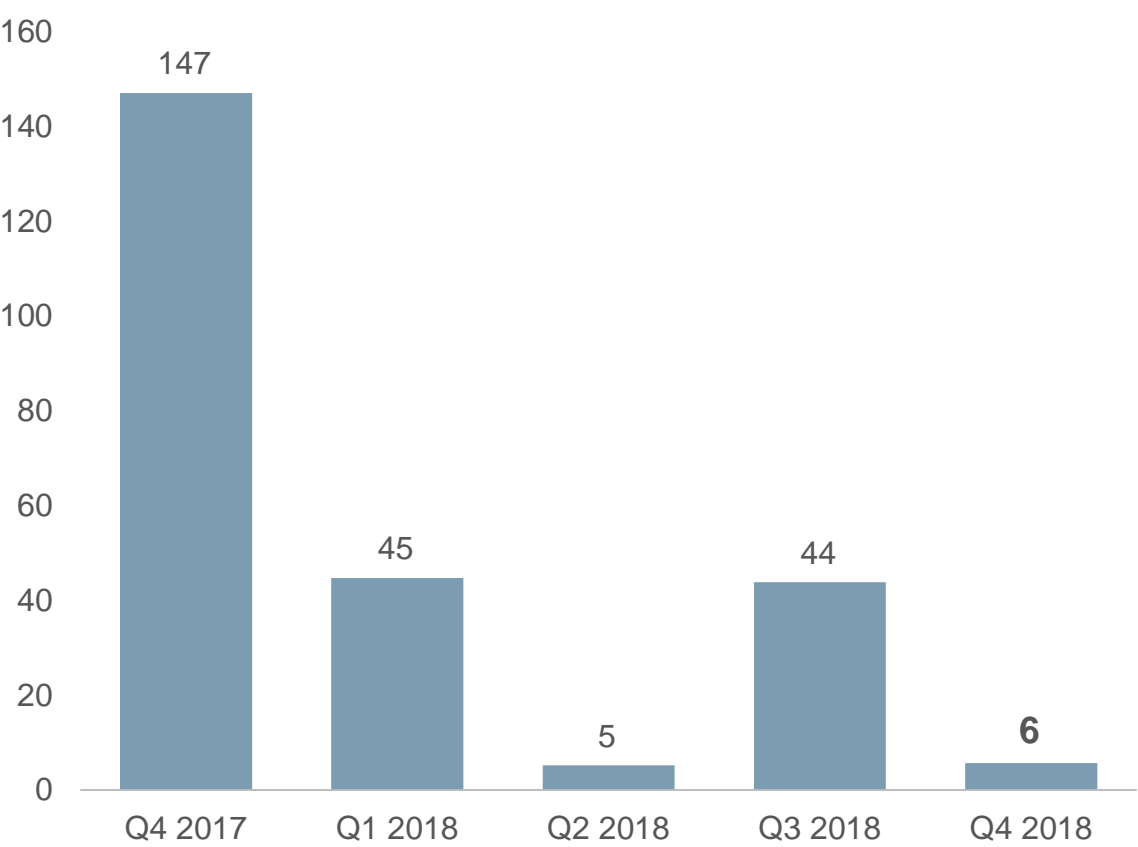
REO in Spain (EUR million)



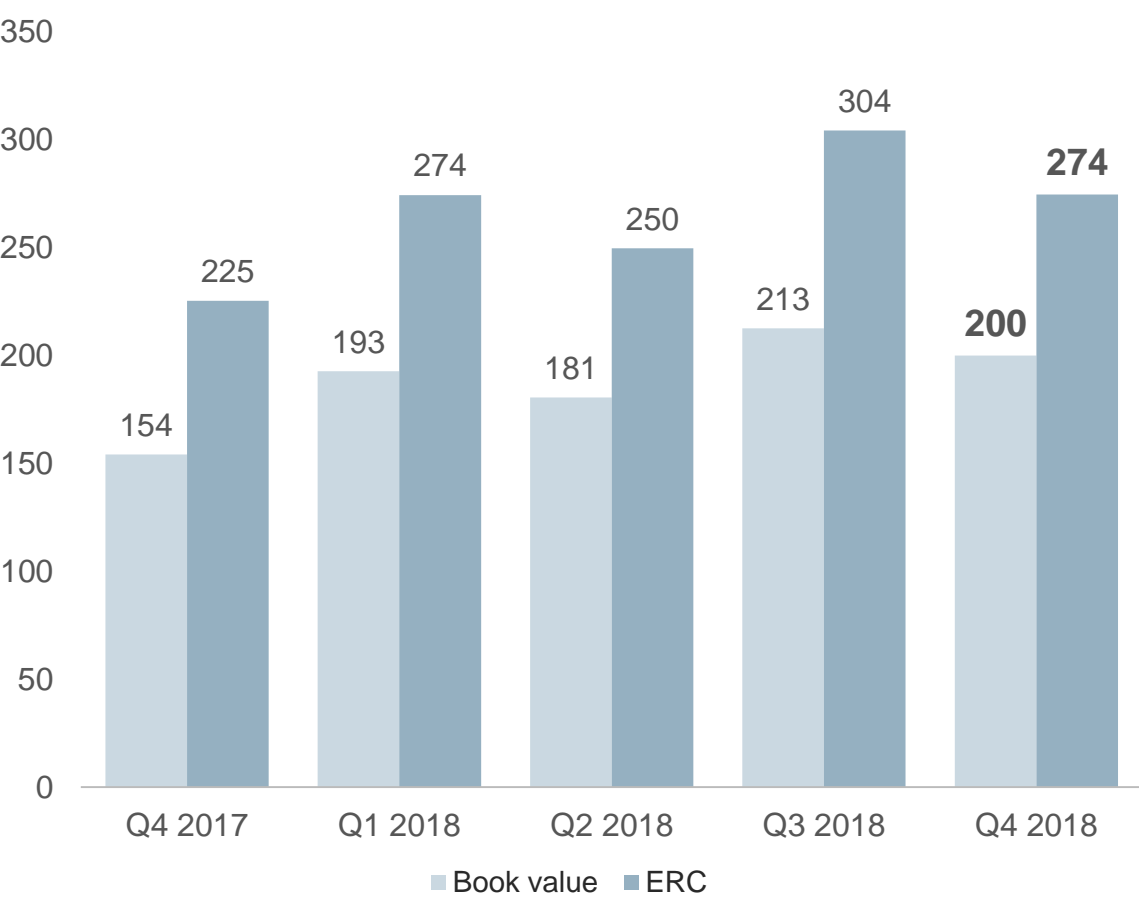
- Axactor tuning down the REO investment level – deployed only EUR 6m into REO assets in Q4
- 2019 focus is NPL investments, with good portfolio availability and increasing IRRs
- Timing of asset realizations somewhat postponed due to capacity limitations (bailiff/brokers)
- Exploring opportunities for bundle sales to add to regular unit divestments
- Underlying market, price levels and asset values remain largely intact
- Modest negative effect of EUR 2m of total portfolio revaluation under lowest value principle

Quarterly REO capex, book value and ERC

REO investments, Spain (EUR million)



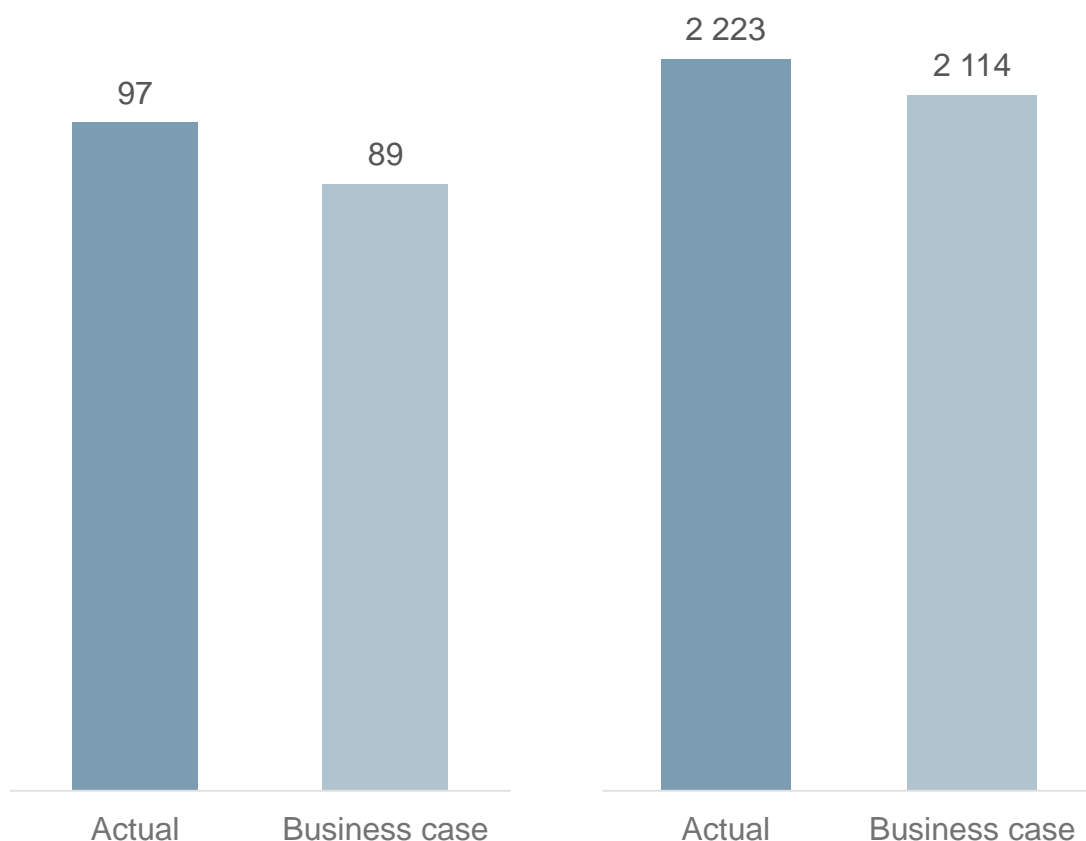
REO book value and ERC, Spain (EUR million)



REO – Lifetime KPIs

Sales (EUR million)*

No. of assets sold*



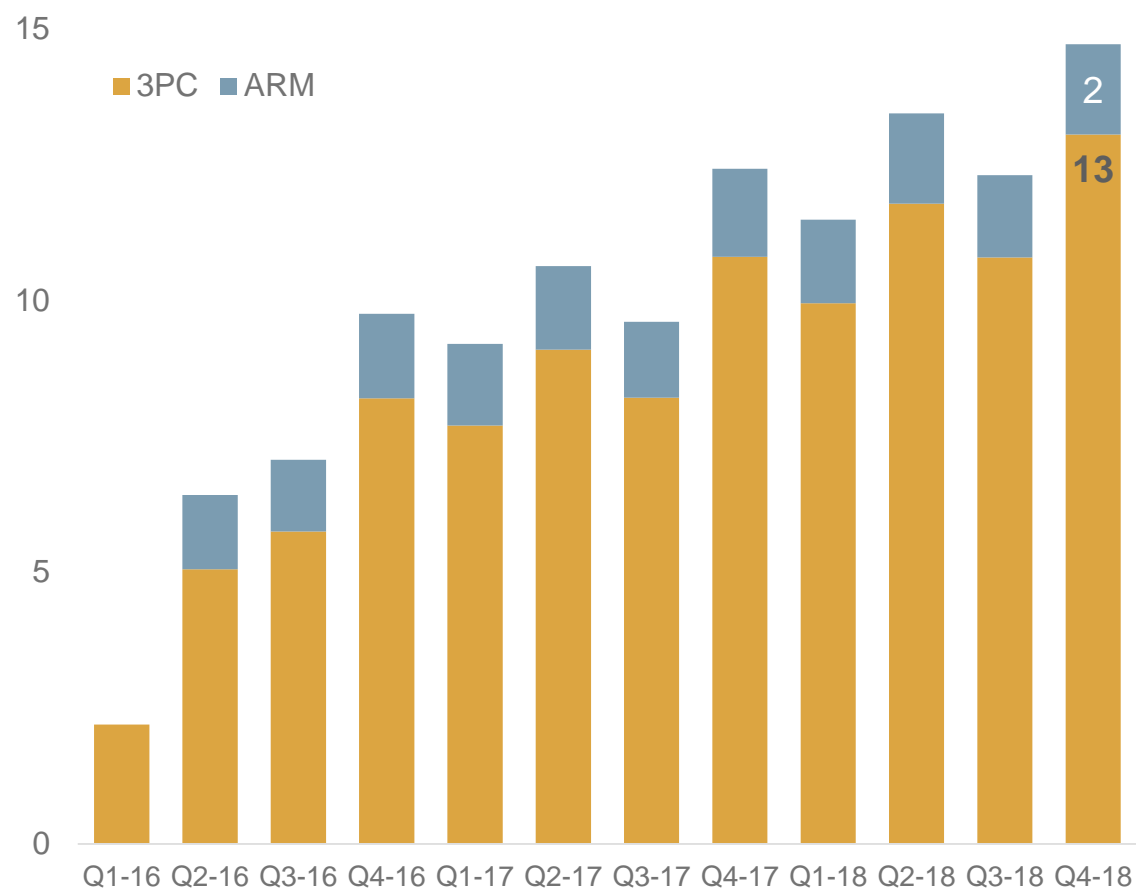
- Lifetime portfolio performance ahead of original business case
- Low quality assets sold at a discount in Q4
- Average sales prices:
 - Lifetime: EUR 44 k
 - 2018: EUR 45 k (2.001 units sold)
 - Q4'18: EUR 38 k (612 units sold)
- 6,928 units remaining in inventory at YE 2018

3PC & ARM

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Growing the platform business

Gross revenue (EUR million)



- Targeting a more balanced product portfolio
- Established 3PC businesses in all markets
 - Strong 3PC offers synergies in terms of business origination, collection execution and data generation
 - Established customer relationships with leading financial institutions, including nine of the top 10 Spanish banks
 - Increasing contribution of cash rich and capital light earnings for reinvestments
- ARM platform to be rolled out to more markets in 2019
 - Established in Norway and Sweden, moving into Finland, Germany and Italy

The background features abstract, overlapping geometric shapes in various shades of blue, creating a modern and dynamic visual effect.

One Axactor

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2019



AEM 2.0
& IT



Sales
acceleration



Innovation &
Digital

2017



Basics



Scale benefits



Partners

2015



Structure



People



Systems

ONEAXACTOR

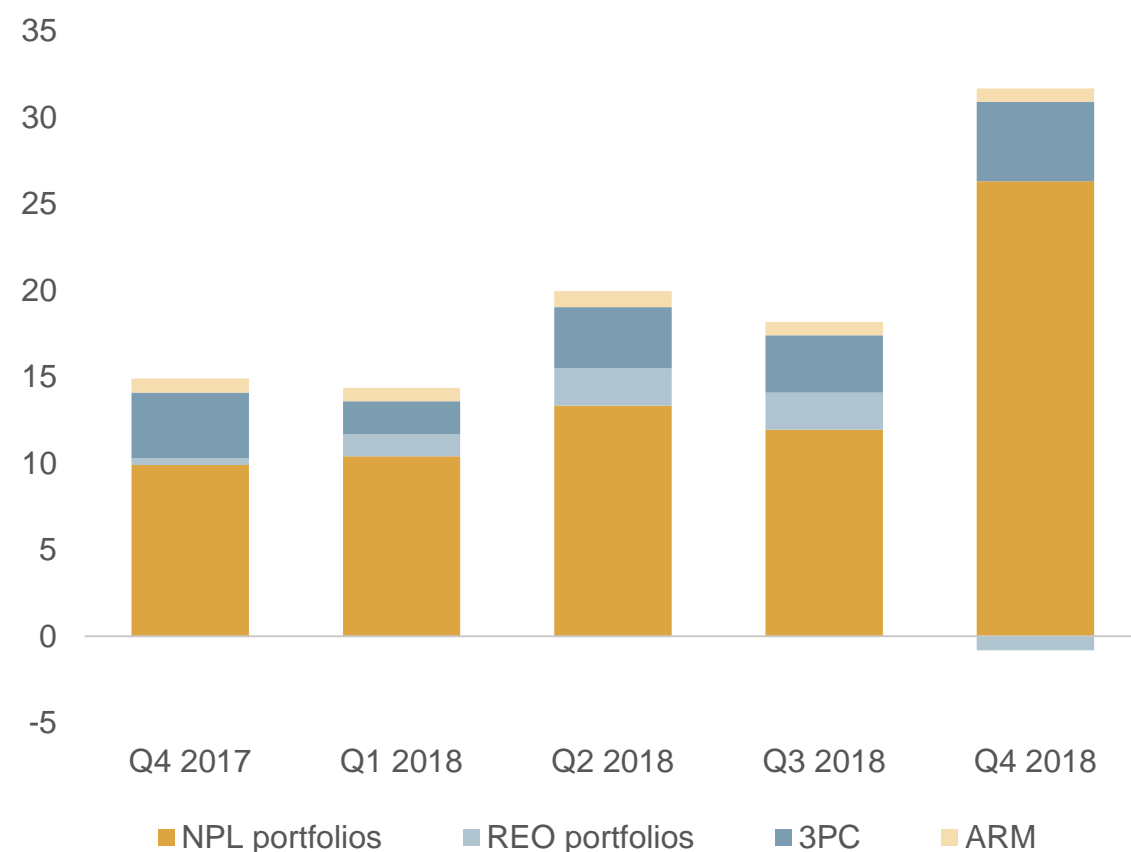
- Digitalization
- Partnerships
- Systems
- Standardization
- Common KPIs
- Benchmarking

Financials

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Contribution per segment – excl. unallocated overhead costs

Contribution per segment (EUR million)*



- Stronger NPL contribution due to higher volumes and more favourable geographical mix
- Steadily improving 3PC contribution with new contracts continuing to add volumes
- Stable development in ARM
- Slightly negative REO contribution in the quarter
 - Includes EUR -2m effect of portfolio revaluation at lowest value principle
 - Sold a number of low quality assets with a discount in Q4, contributing to low margin

Net finance, tax and net profits

Condensed Income statement

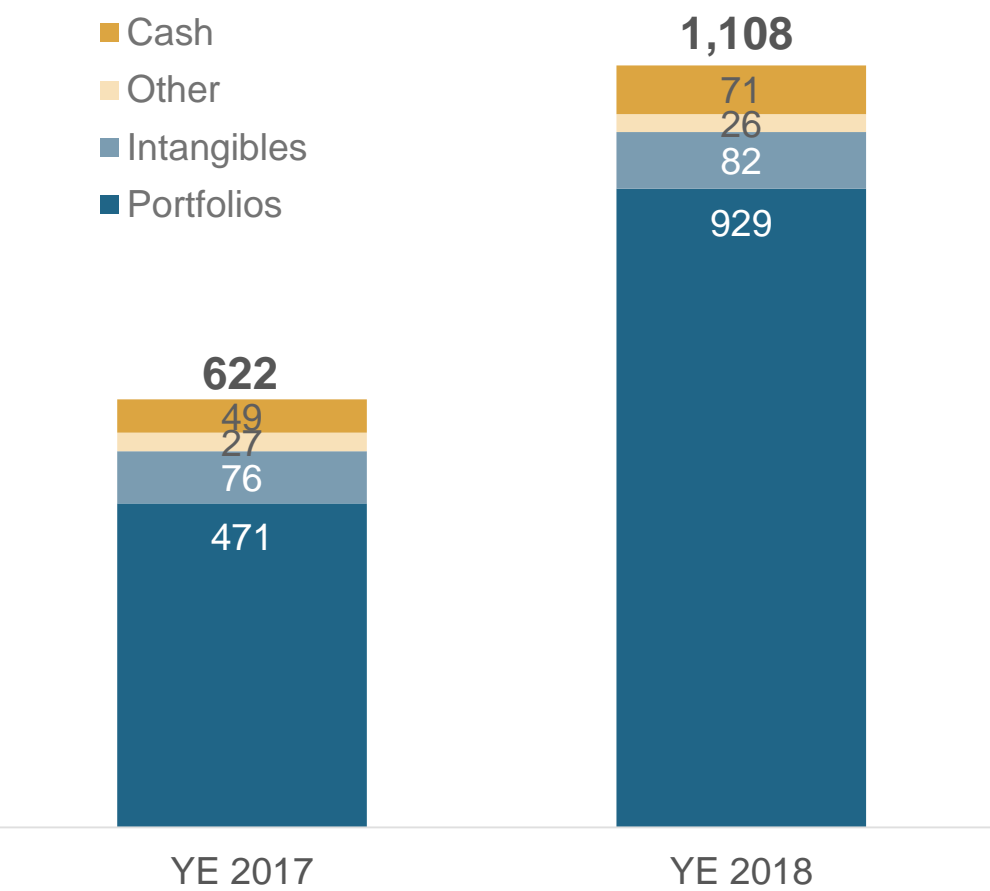
EUR thousand	Q4 2018	Q4 2017	2018	2017
EBIT	17 885	4 237	40 297	9 488
Net financial items	-12 447	-5 596	-34 138	-7 515
Profit/ -loss before tax	5 438	-1 359	6 159	1 974
Tax expense	-2 624	706	-3 770	611
Net profit/-loss from operations	2 814	-653	2 389	2 586
Net profit/-loss to minority interest	-1 578	-32	-2 103	-32
Net profit/-loss to equity holders	4 392	-622	4 492	2 617
Earnings per share: basic	0.028	0.000	0.029	0.002
Earnings per share: diluted	0.025	0.000	0.026	0.002

Key comments

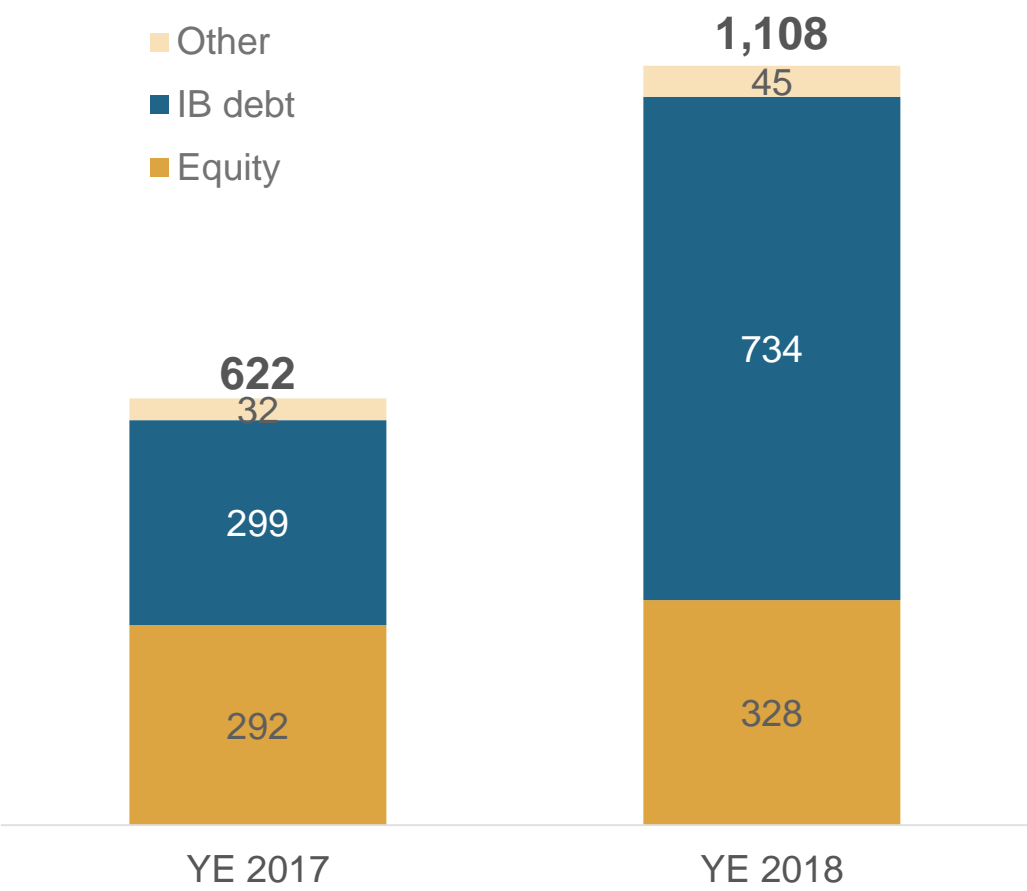
- Total net financial cost of EUR 12.4m in Q4
 - Interest cost of EUR 9.5m, of which EUR 1.4m amortized loan fees
 - Accrued EUR 2.1m for distr. of interest on Axactor invest 1 A-notes to non-controlling interests
 - Average blended interest costs of 4.9%
 - Negative net FX impact of EUR 0.3m
- Tax expense of EUR 2.6m in Q4
 - High effective tax as certain loss-making entities are not allowed to recognize tax assets
- Net profit to equity shareholders of EUR 4.4m

Balance sheet structure

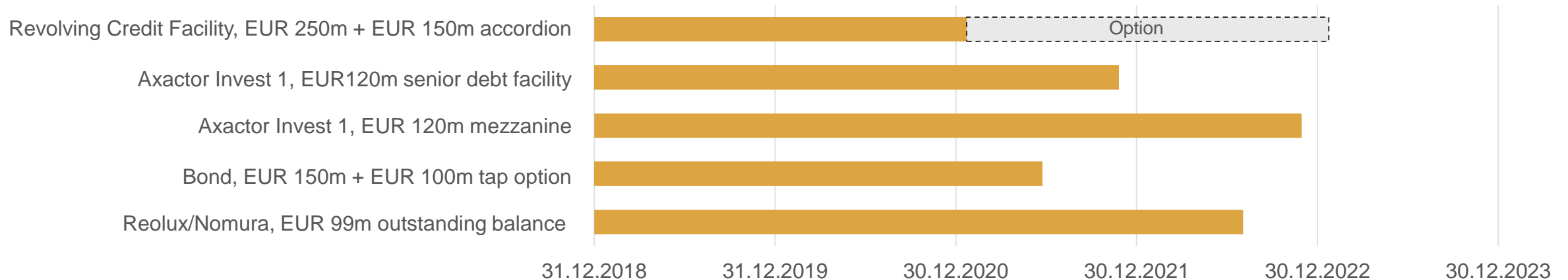
Assets (EUR million)



Equity & Liabilities (EUR million)



Debt maturity profile



- Net interest bearing debt of EUR 664 million
- Cash flow from operations within restricted group more than covering investments in forward flow agreements after gearing
- EUR 150m accordion option with Nordic banks, of which EUR 100m released in February 2019
- EUR 100m bond tap option
- Axactor Invest 1 close to fully invested, will reinvest running cash flow through already signed forward flow contracts

Summary & Outlook

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Q4 & 2018 Summary

- Continued growth and margin expansion
- High investments in several markets – step change in portfolio size
- Geographical expansion - positive entry into Finland
- Continuing to drive efficiency and cost through “ONEAxactor”



Outlook

- High investment level in 2018 secures healthy profitable growth in 2019
- Increasing revenue expected from 3PC and ARM
- Margin expansion expected to continue from 2018 to 2019, with quarterly fluctuations
- High volume of NPL portfolios for sale in our markets, with portfolio IRRs on the increase



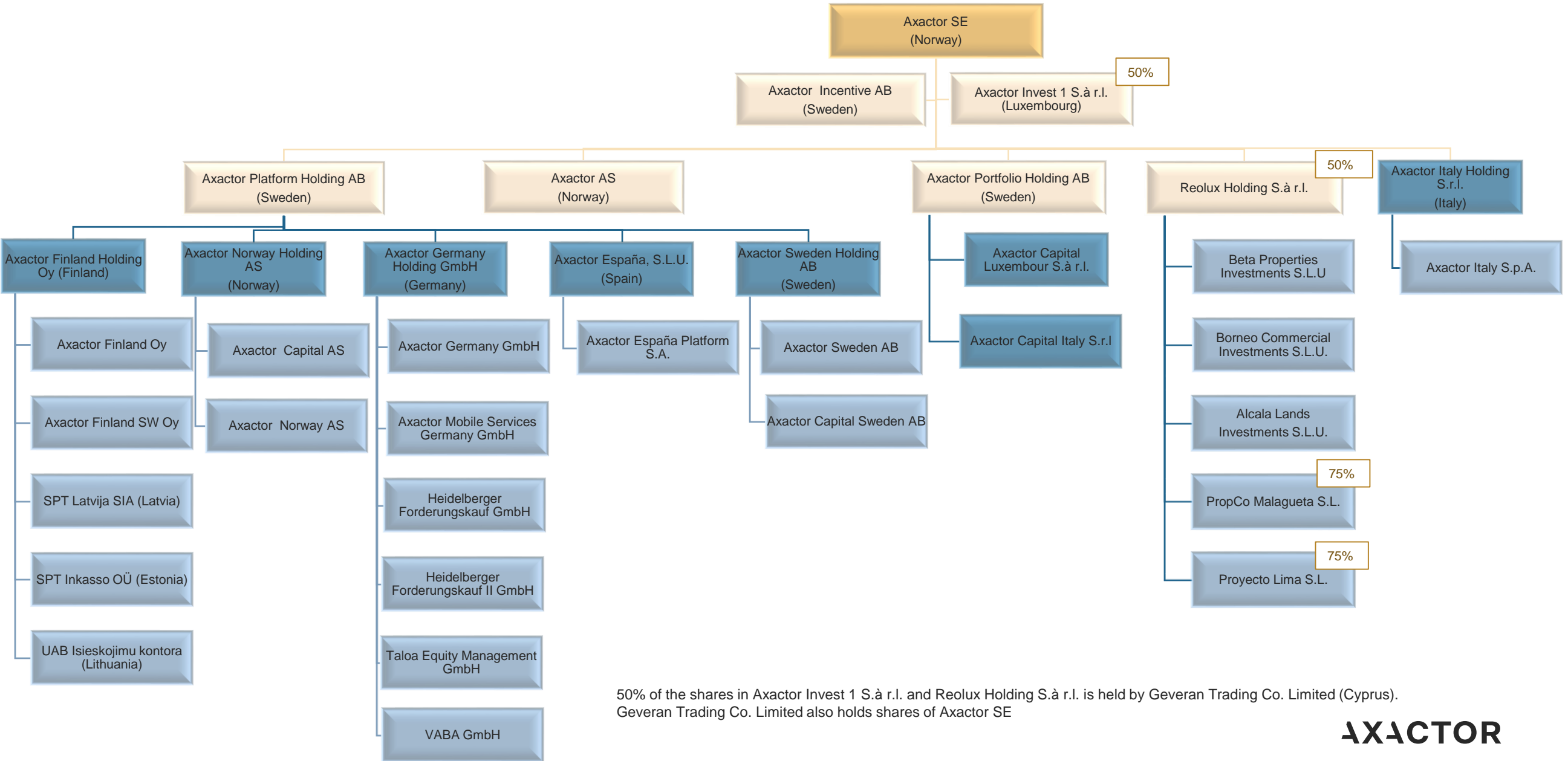


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Appendix

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Legal Organization February 2019



50% of the shares in Axactor Invest 1 S.à r.l. and Reolux Holding S.à r.l. is held by Geveran Trading Co. Limited (Cyprus).
Geveran Trading Co. Limited also holds shares of Axactor SE

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P&L statement

EUR thousand	Note	for the quarter end		Full Year	
		31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Net revenue	3, 4	68 034	28 652	206 909	87 745
Other revenue	3	0	0	0	2 040
Total revenue		68 034	28 652	206 909	89 785
Cost of secured assets sold (REOs)	7	-16 417	-1 321	-54 491	-1 445
Personnel expenses collection		-8 815	-7 400	-32 584	-26 578
Personnel expenses other		-5 211	-6 478	-19 548	-18 378
Operating expenses		-18 019	-7 805	-53 979	-28 569
EBITDA		19 571	5 649	46 306	14 815
Amortization and depreciation		-1 686	-1 412	-6 009	-5 327
EBIT		17 885	4 237	40 297	9 488
Financial revenue	5	58	252	453	3 070
Financial expenses	5	-12 504	-5 848	-34 590	-10 585
Net financial items		-12 447	-5 596	-34 138	-7 515
Profit/ (loss) before tax		5 438	-1 359	6 159	1 974
Tax expense		-2 624	706	-3 770	611
Net profit/(loss) from operations		2 814	-653	2 389	2 586
Net profit/(loss) to Non controlling interest	5	-1 578	-32	-2 103	-32
Net profit/(loss) to equity holders		4 392	-622	4 492	2 617
Earnings per share: basic		0,028	0,000	0,029	0,002
Earnings per share: diluted		0,025	0,000	0,026	0,002

Balance sheet statement

EUR thousand	Note	31 Dec 2018	31 Dec 2017
Assets			
Intangible non-current assets			
Intangible assets		19 170	18 359
Goodwill		55 578	53 582
Deferred tax asset		7 564	3 945
Tangible non-current assets			
Property, Plant and equipment		2 683	2 499
Financial non-current assets			
Investment in joint ventures		-	
Purchased debt portfolios	6	728 820	317 150
Other long term receivables		801	1 065
Other long term investments		170	191
Total non-current assets		814 786	396 791
Current assets			
Stock of secured assets REO's	7	200 009	154 101
Current receivables		9 937	8 047
Other current assets		12 294	13 070
Restricted cash		24	1 878
Cash and cash equivalents		70 753	48 604
Total current assets		293 016	225 700
Total assets		1 107 802	622 491

Equity and liabilities

Equity attributable to equity holders of the parent

Share Capital	8	81 115	79 377
Other paid-in equity		200 298	196 298
Retained earnings profit/(Loss)		-14 172	-15 630
Reserves		-2 817	13
Non-controlling interests		63 746	31 776
Total equity		328 171	291 833

Non-current liabilities

Non-current interest bearing debt	9	567 829	237 571
Deferred tax liabilities		11 124	5 887
Other non-current liabilities		3 446	3 002
Total non-current liabilities		582 399	246 459

Current liabilities

Accounts payables		4 522	4 029
Current portion of non-current borrowing	9	166 588	61 189
Taxes Payable		1 610	1 376
Other current liabilities		24 513	17 603
Total current liabilities		197 233	84 198

Total equity and liabilities		1 107 802	622 491
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