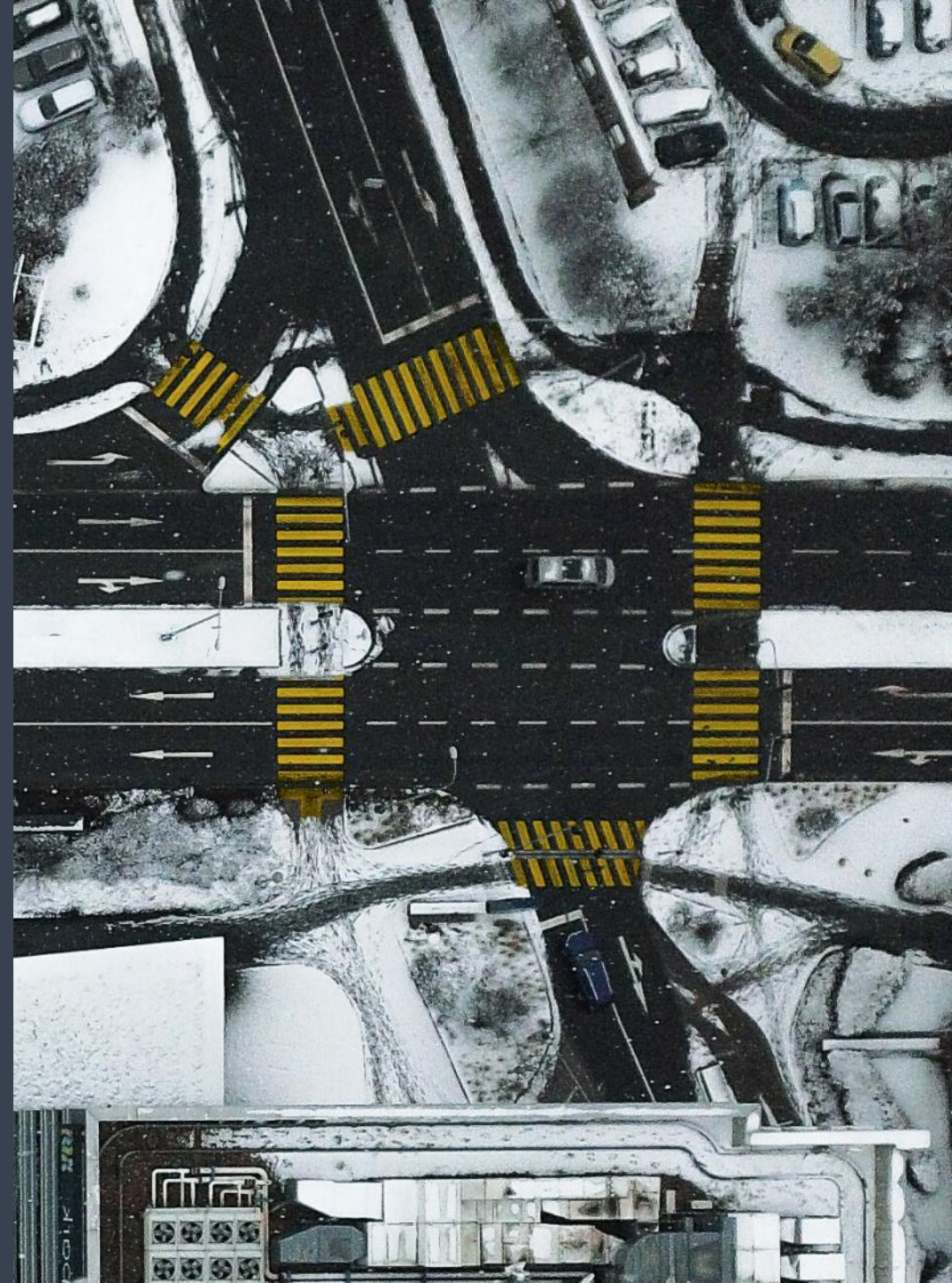


AXACTOR

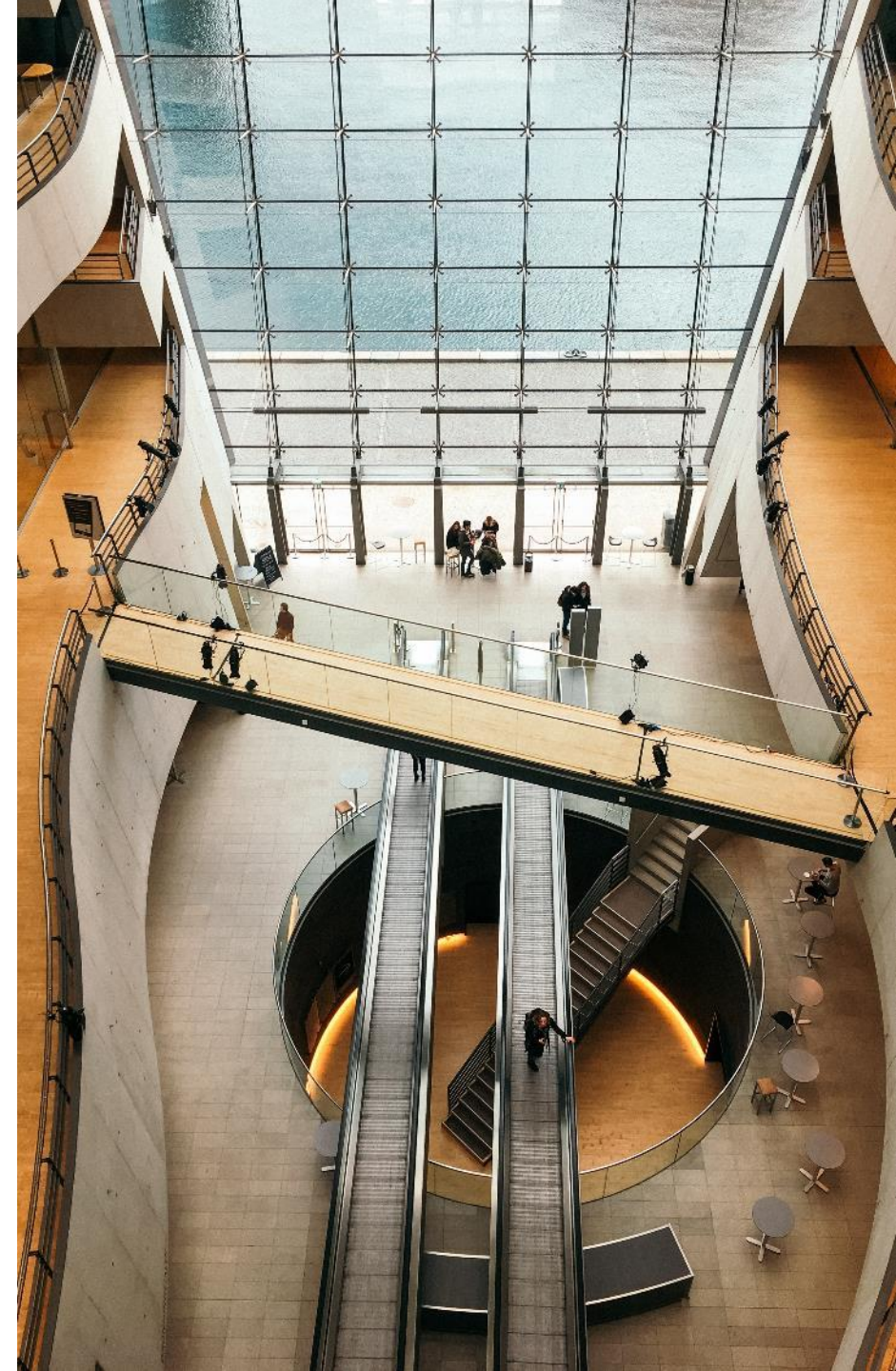
Q4 & FY 2019

12 February, 2020



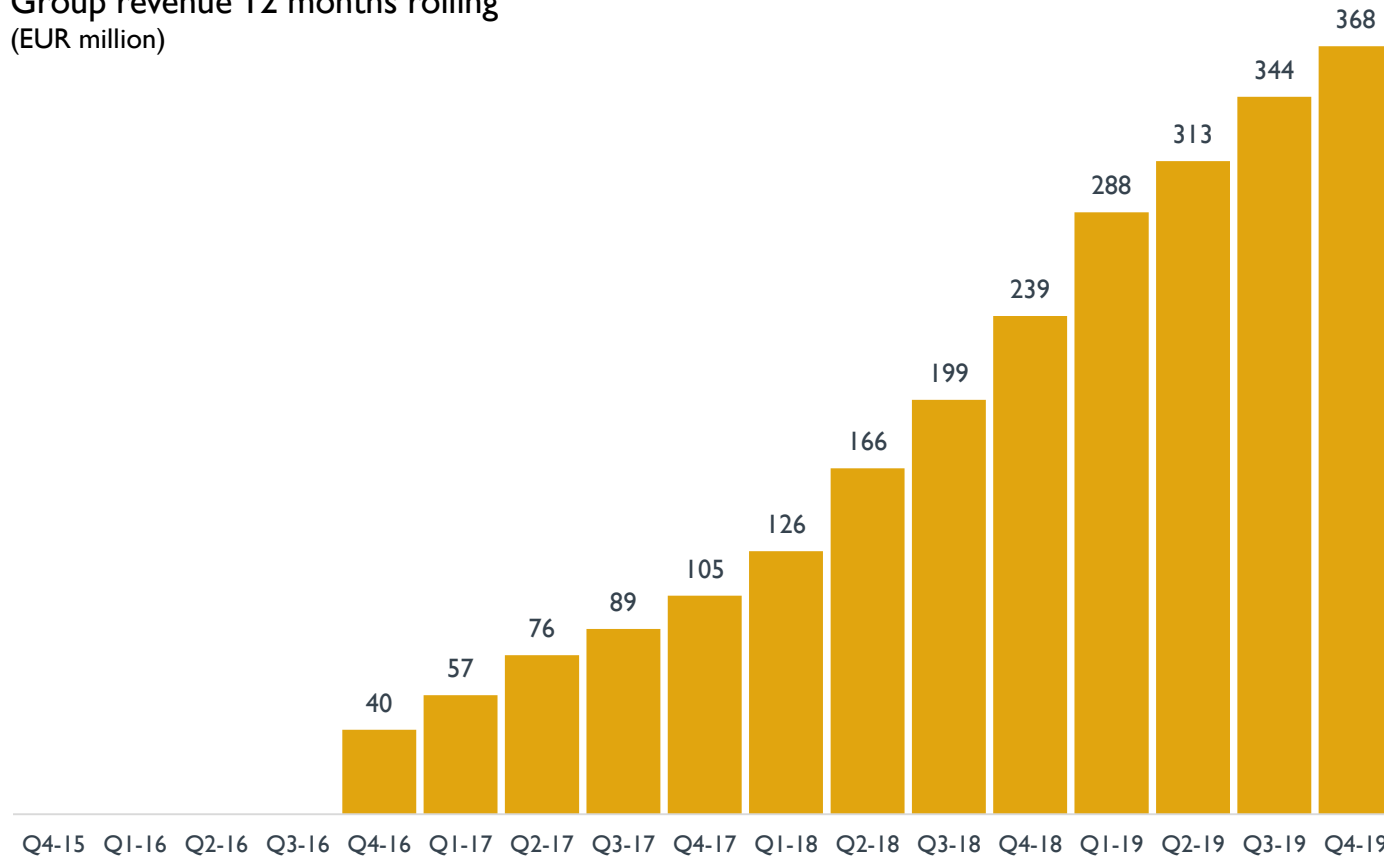
Secured new funding to deliver on profitable growth strategy

- 1 Axactor's scalable model proven with doubling of the 2019 EBITDA and 430% YoY growth in Earnings Before Tax
- 2 Attractive NPL market development with price levels down and IRRs up
- 3 Equity issue of EUR 51 million in Q1'20 to deliver on profitable growth strategy in a market with opportunities at hand



Growth strategy to drive scale benefits, profits and ROE

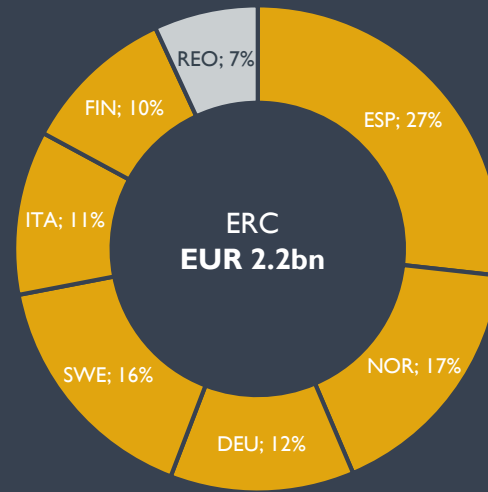
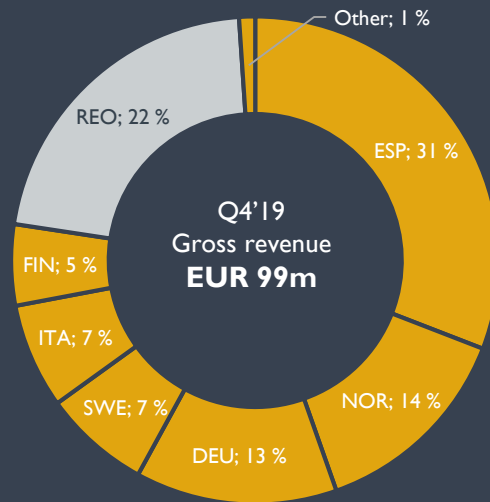
Group revenue 12 months rolling
(EUR million)



- Industry challenger rising to Europe's top 10 in 4 years
- People, systems and funding enablers of the 2015-2019 growth
- 2020: People and systems in place – secured additional funding to continue growth

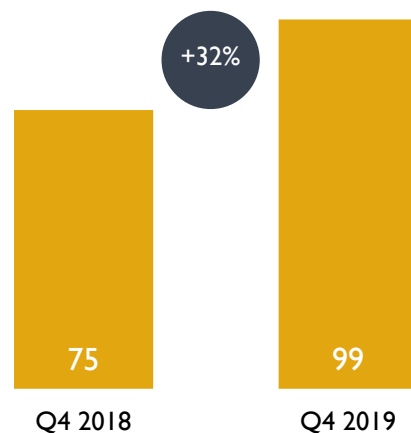
Built a next-generation debt management company

- Axactor is an industry challenger providing innovative, cost efficient and IT powered debt management solutions
- Debt purchase, debt collection and accounts receivables management are the main business activities
- Operations in six sound markets on One Axactor platform, enabled by leading people, systems and funding
- Established in 2015, ~1150 employees, listed on Oslo Stock Exchange

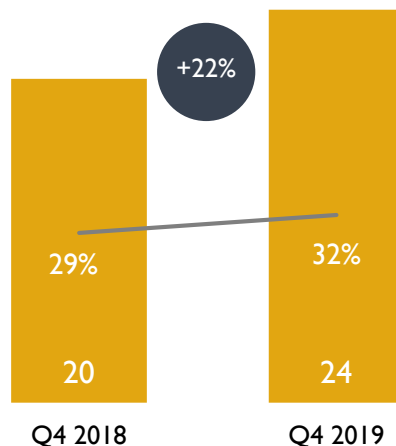


Q4 2019 - Key highlights

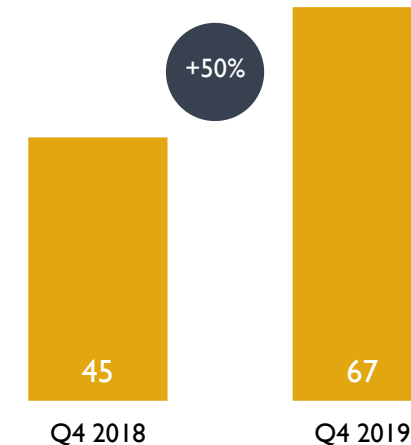
Gross revenue
(EUR million)



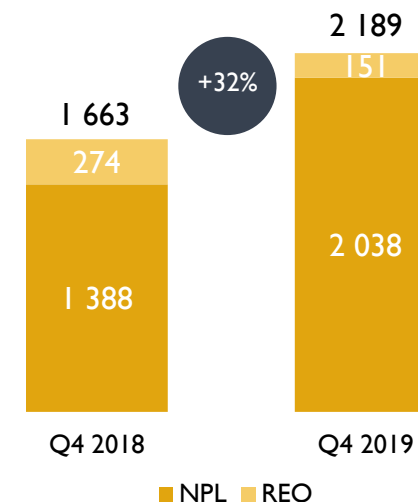
EBITDA and margin
(EUR million and %)



Cash EBITDA
(EUR million)



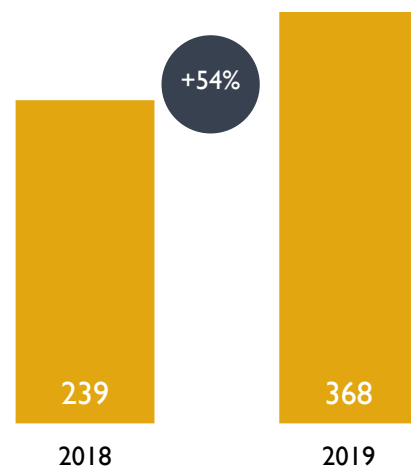
ERC
(EUR million)



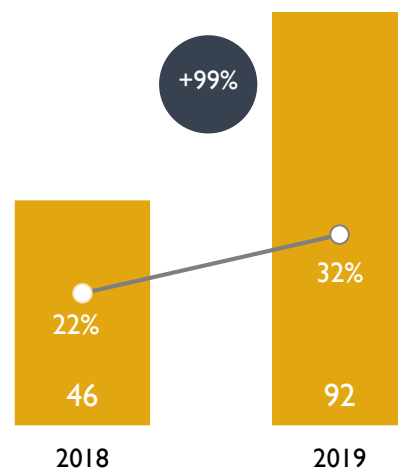
- Strong YoY revenue growth, driven by the NPL and 3PC segments
- EBITDA up on higher margins underlining the high operational leverage of Axactor's model
- Earnings before tax of EUR 8.5 million
- Capex invested in NPL portfolios of EUR 95 million
- Increased RCF funds by EUR 150 million during the quarter, and a private placement of EUR 51 million in February

2019 - Key highlights

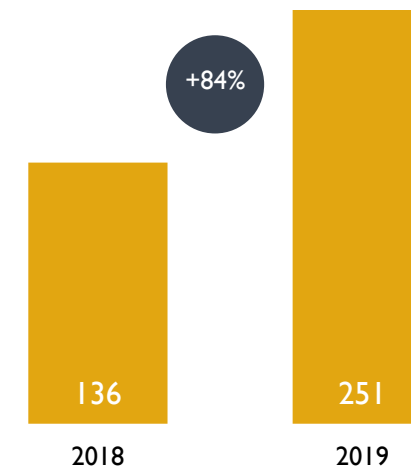
Gross revenue
(EUR million)



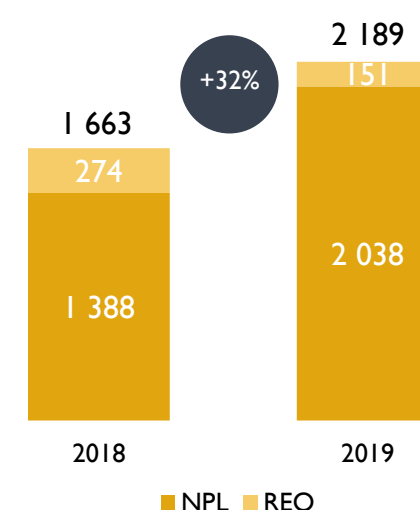
EBITDA and margin
(EUR million and %)



Cash EBITDA
(EUR million)



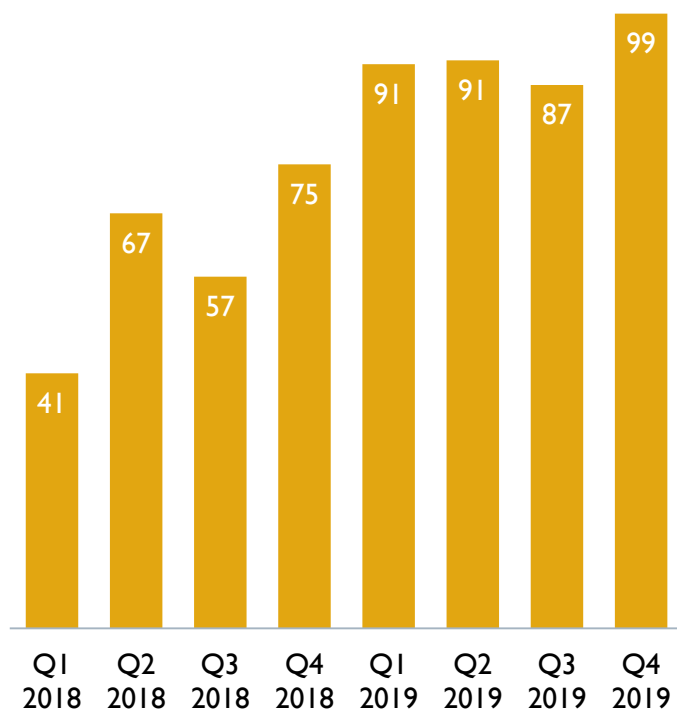
ERC
(EUR million)



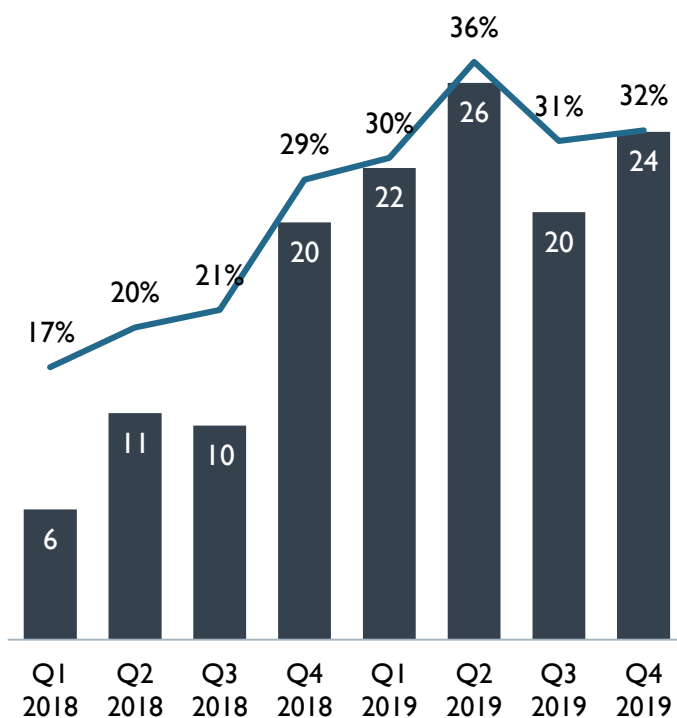
- Substantial revenue growth and doubling of EBITDA driven by scalability and efficiency
- EBITDA margin up 10 percentage points
- Earnings before tax of EUR 32.6 million, compared to EUR 6.2 million last year: 430% YoY growth
- NPL portfolios book value up by 43%, and ERC above 2 billion
- Capex of EUR 399 million invested in portfolios for the full-year

Growth and margin improvement

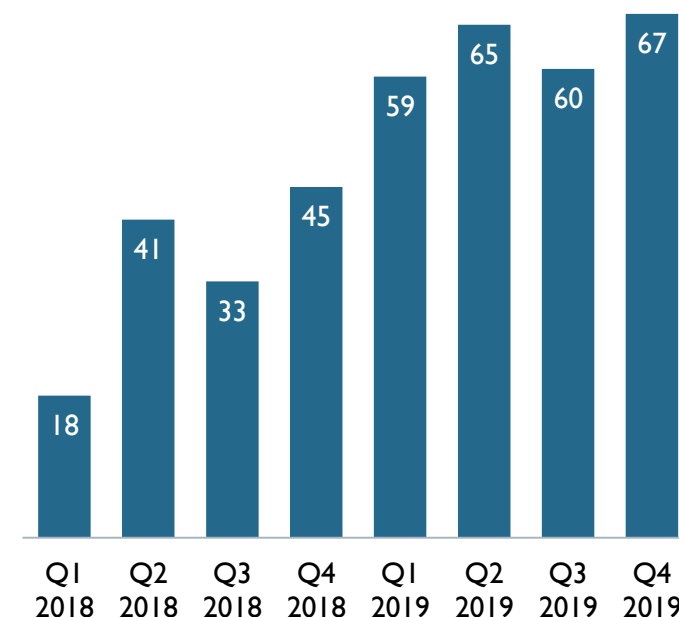
Gross revenue development
(EUR million)



EBITDA and EBITDA-margin
(EUR million and %)

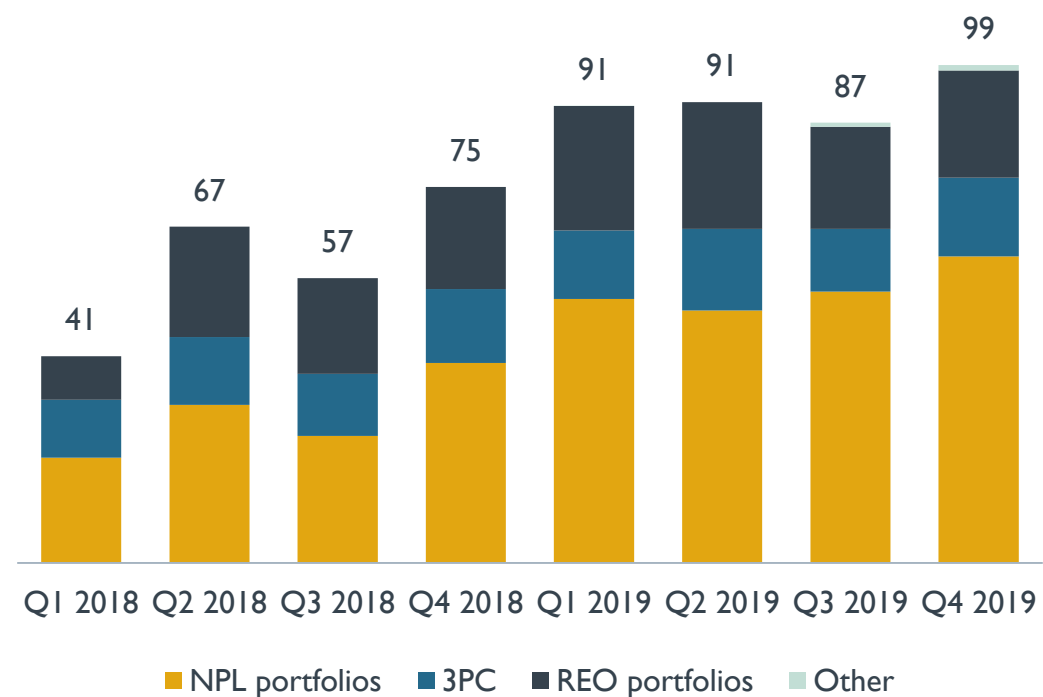


Cash EBITDA
(EUR million)



Growth in all three business areas

Gross revenue development
(EUR million)



Strong YoY revenue growth FY 2019:

- Total 54%
- NPL +86%
- 3PC +11%
- REO +31%

Continued YoY growth Q4 2019:

- Total 32%
- NPL +54%
- 3PC +6%
- REO +5%

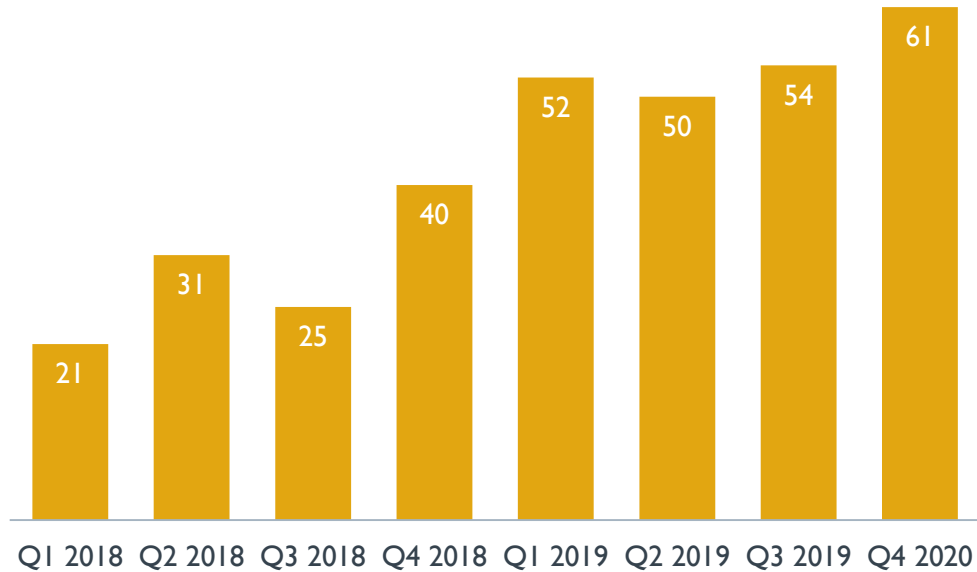


NPL portfolio

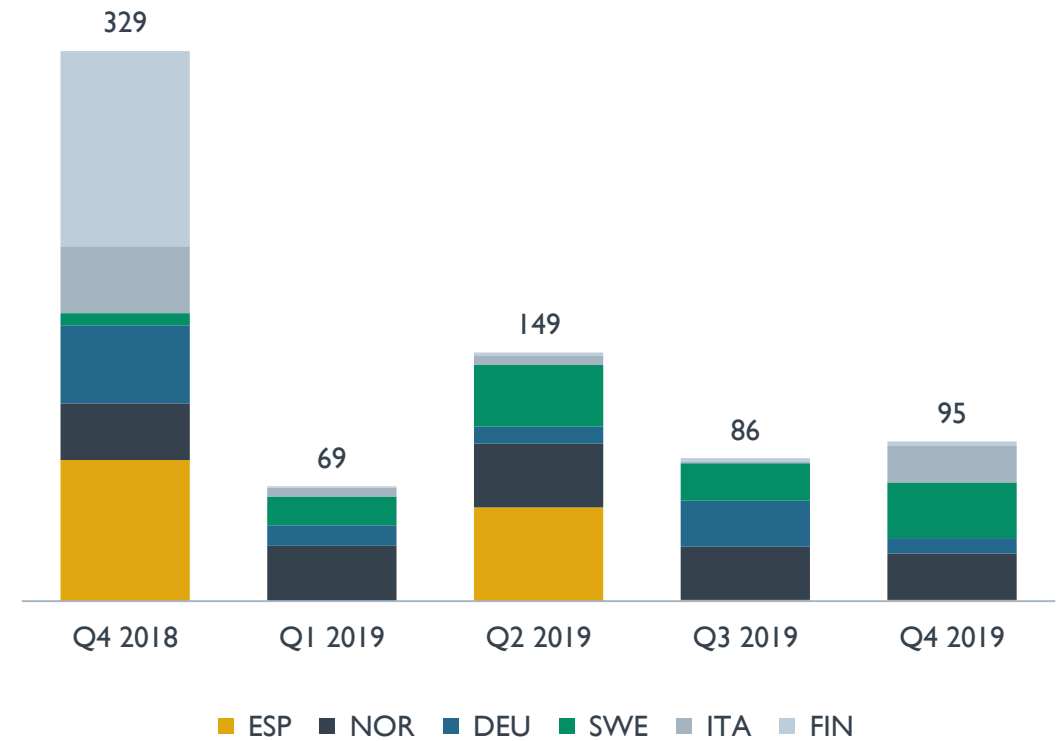
Q4 2019

QoQ NPL growth – capex mainly deployed in forward flow

NPL gross revenue development
(EUR million)



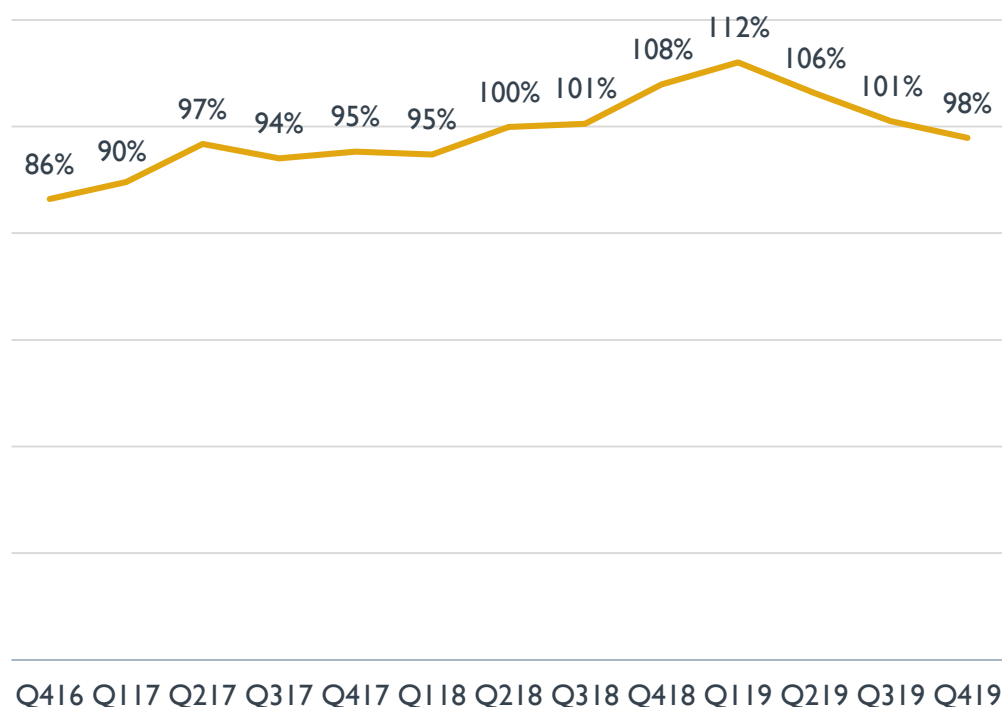
Quarterly NPL investments
(EUR million)



Collection performance below expected long-term average

Actual collection vs. active forecast*

(LTM, rolling)

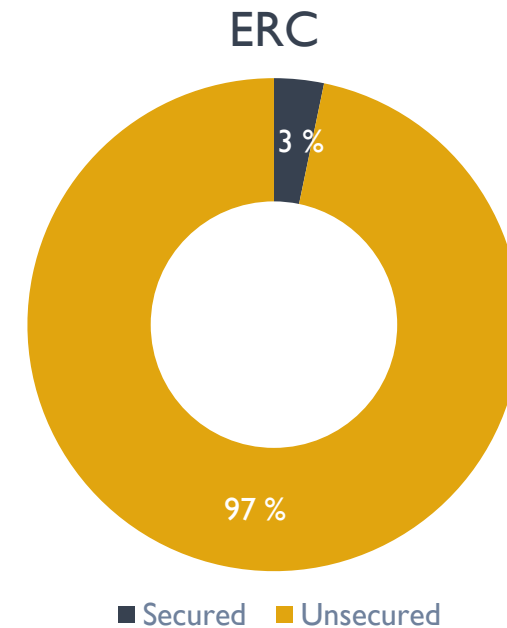


- Negative effect from one-offs in the quarter:
 - Postal strike in Finland during seasonally strong December
 - Delays in collection from the Swedish bailiff due to transition to new IT system
 - Expect backlog to be gradually reduced through H1 2020
- Long term average performance expected to fluctuate around 100%
 - Portfolios with large positive or negative deviations are continuously on review for revaluation

Unsecured NPL claims accounts for vast majority of total

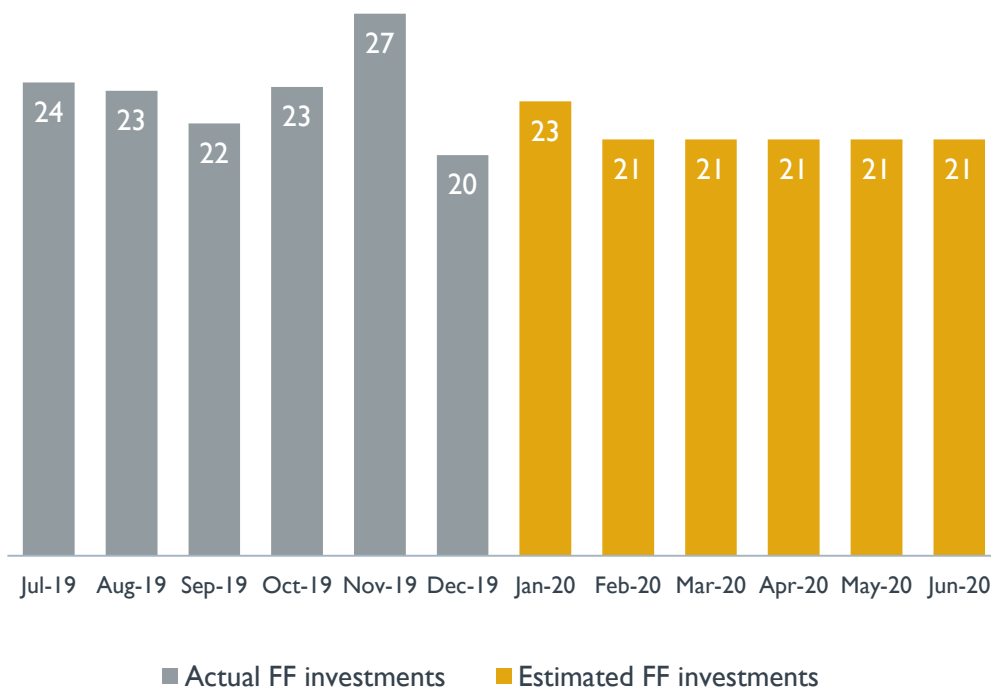
- Focus on unsecured consumer loans
- Opportunistic approach to secured NPL
- Currently less than 6% of total NPL book value consist of secured NPL claims
- Average claim size in secured NPL book is approximately EUR 161k
- Combined ERC for five largest secured claims less than EUR 10m

Share of secured and unsecured
(%)



Forward flow outlook

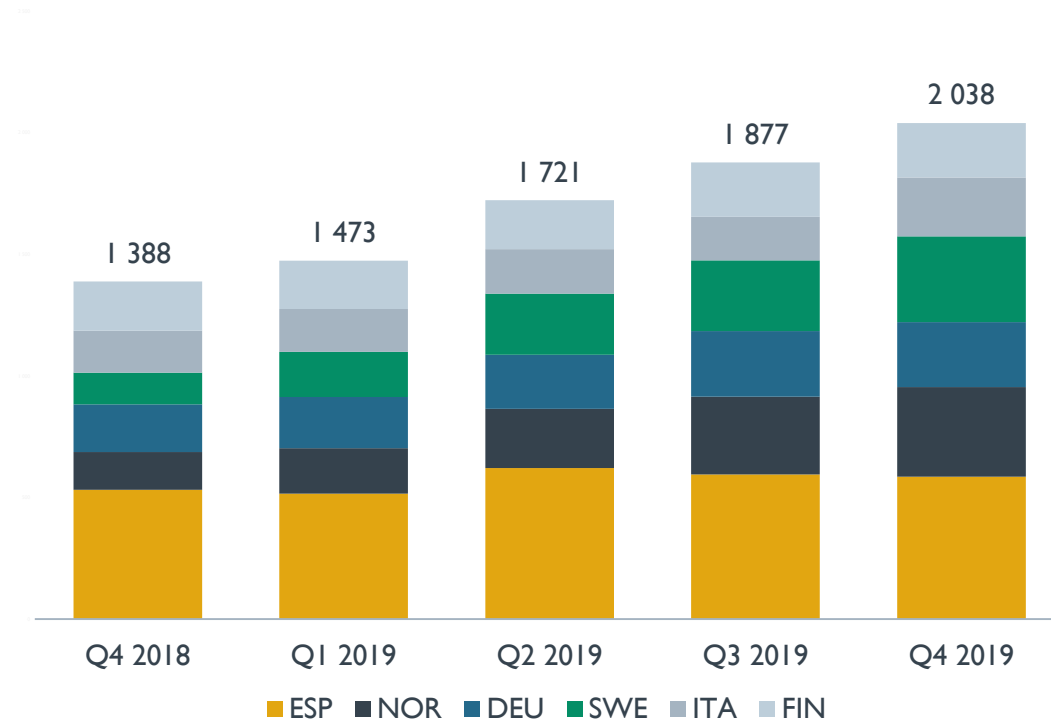
Estimated FF investments from signed contracts
(EUR million)



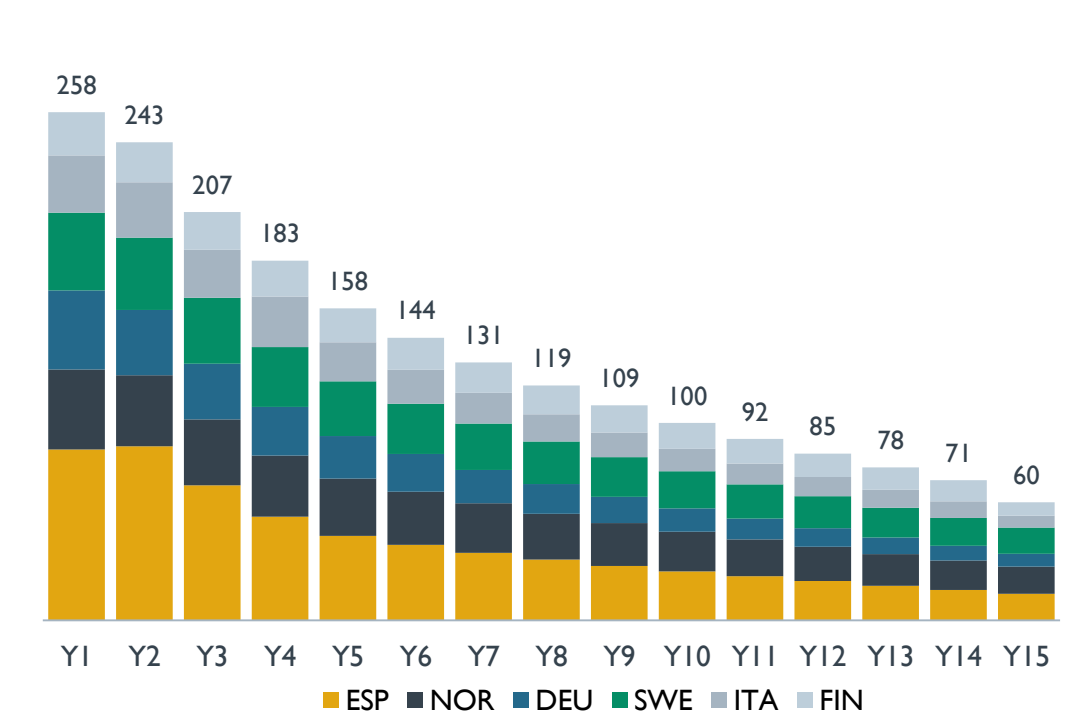
- Total estimated forward flow volume of EUR 190m in 2020 (at reporting date)
- Selective approach given upwards trend in IRRs
 - Renegotiating and discontinuing existing contracts
- Focusing on combined forward flow and 3PC contracts
 - Expanded agreement with Nordic consumer bank client, including 3PC servicing of part of the claims prior to our purchase
 - In process with several potential clients with similar structure

NPL: Increasing and balanced portfolio

ERC development
(EUR million)



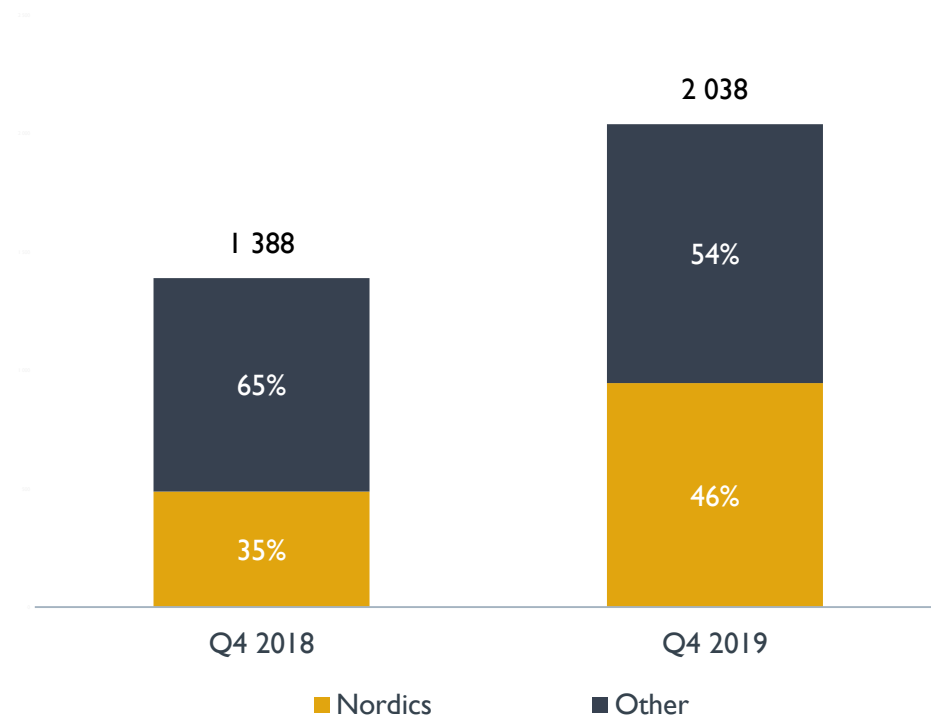
Forward ERC profile by year
(EUR million)



Increased Nordic exposure to benefit from attractive market opportunity

NPL ERC

(EUR million, % of total)



- EUR ~400m invested in 2019 in NPL portfolios
 - EUR 234m invested in Nordic forward flows from major consumer banks during 2019

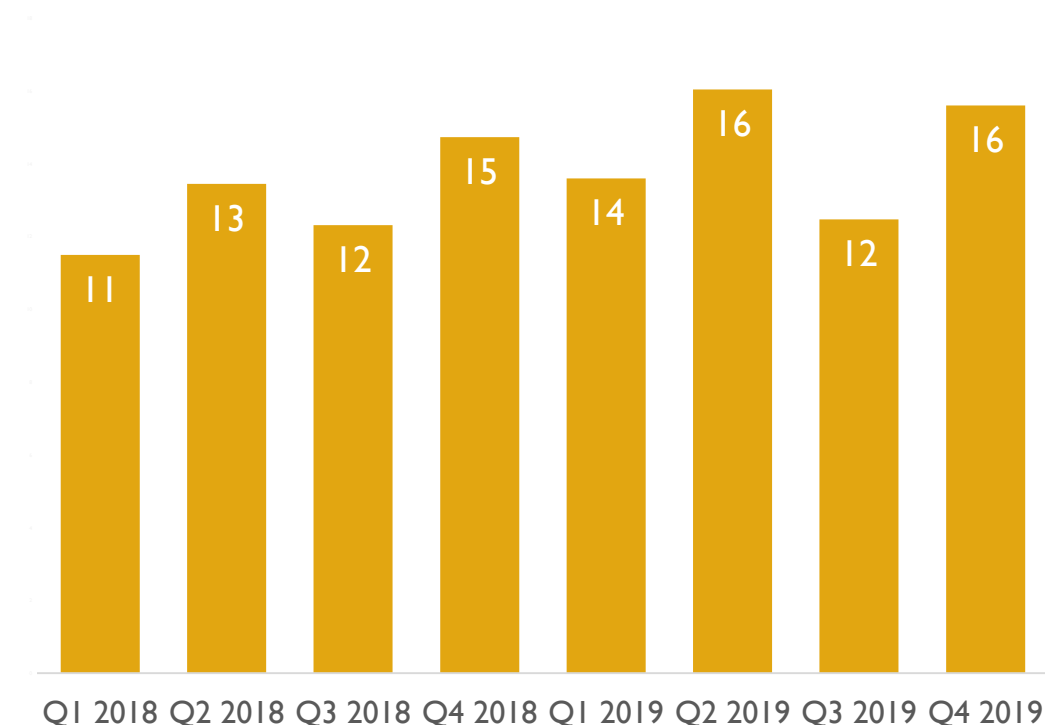


3PC

Q4 2019

Growing asset-light 3PC business

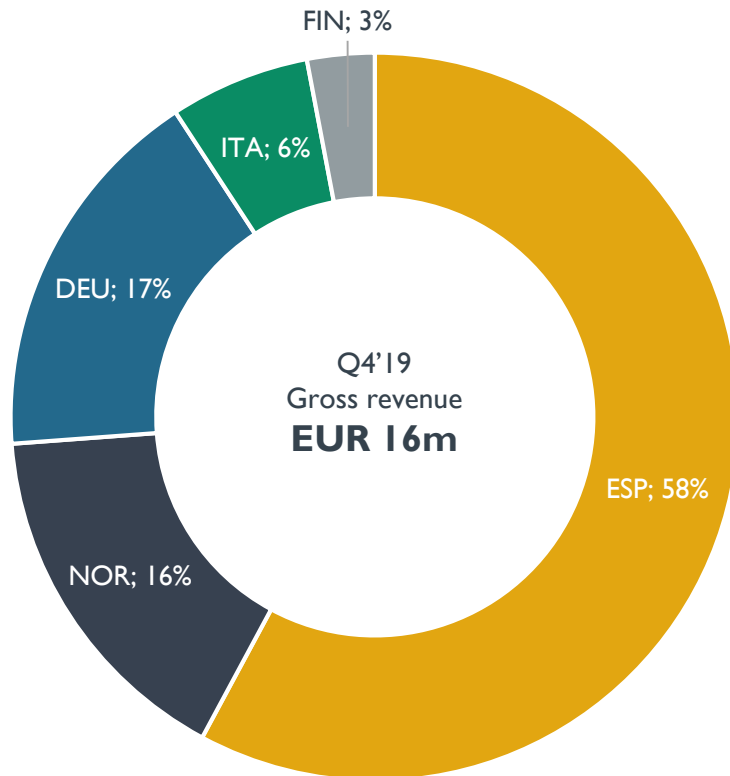
Gross revenue 3PC
(EUR million)



- +11% YoY growth in 2019
- Focus on combined forward flow and 3PC deals
 - Product synergies in business origination, collection execution and data generation
 - Expecting more forward flow agreements with initial 3PC periods
 - A combined 3PC and NPL deal signed in Norway in January
- Changing market environment
 - The finance sector accounts for three quarters of the 3PC revenue
 - More banks are expected to partner with 3PC services

Building for the future of debt management

3PC revenue split by geographic region



- Increasing the Nordic 3PC business
 - Synergies to be extracted from cross-border deals
 - Seeking combined 3PC and forward flow deals to improve collection performance and profitability
- Specialized value chain proposition
 - Focus on financial institutions, both in NPL and 3PC
 - ARM/3PC offerings with recurring revenue
 - Highly modern, flexible and scalable platform

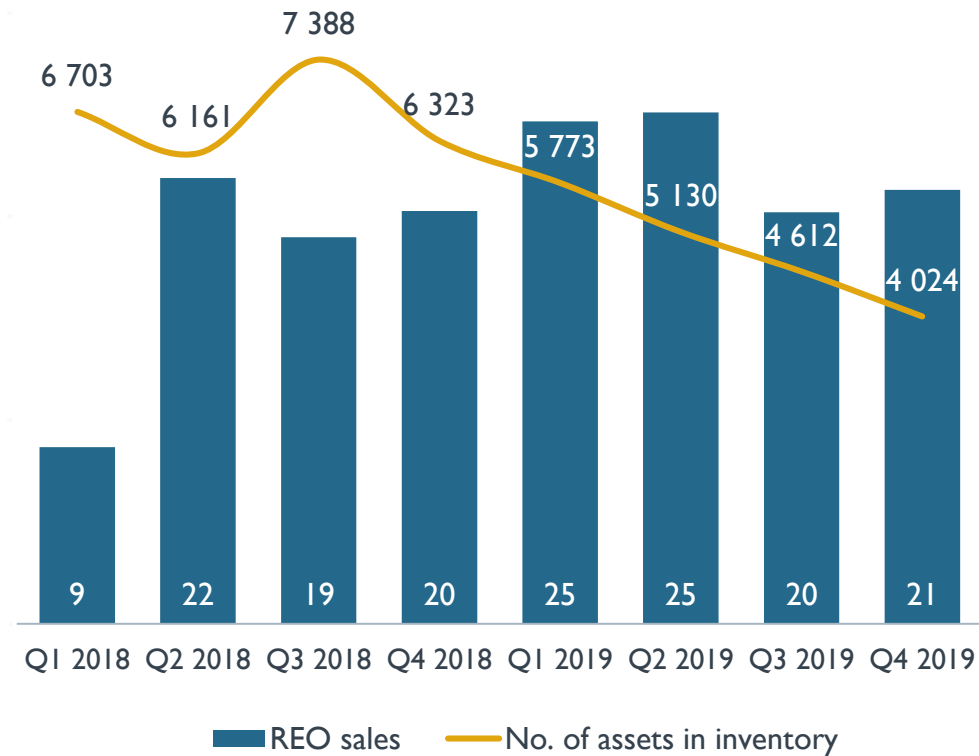


REO portfolio

Q4 2019

Maintained high REO revenue on declining asset base

REO gross revenue development
(EUR million)

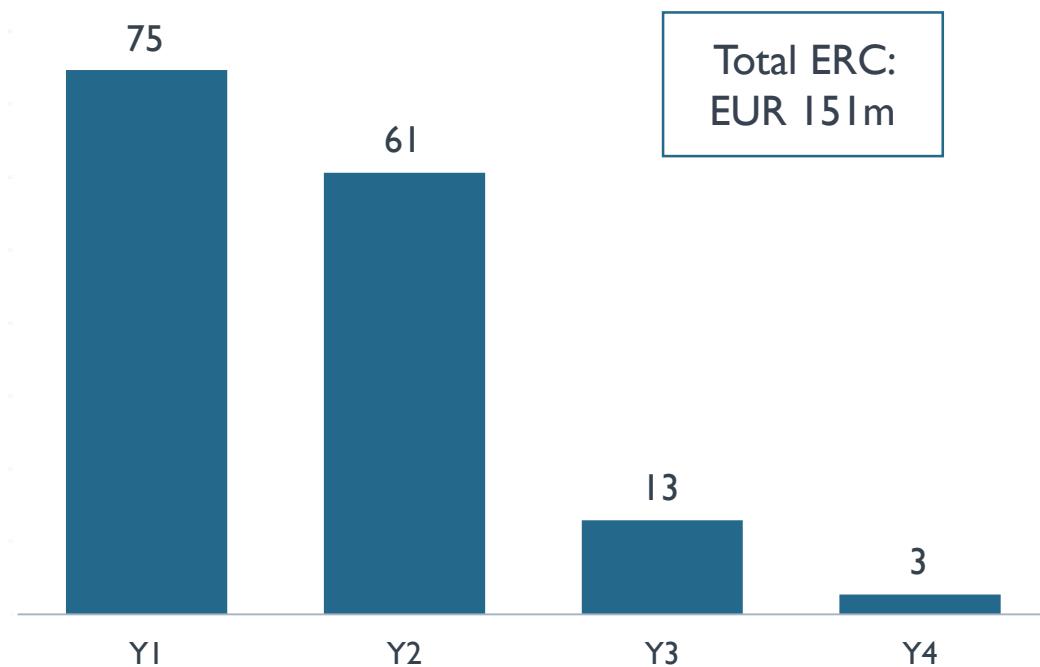


- Revenue up 5% compared to Q4'18 on lower asset base
 - Large bulk sale accounting for EUR 2.3 million (106 assets)
- 595 units sold in Q4, 12% up from Q3
 - 7 assets repossessed from secured NPL during the quarter
- Average unit price of EUR 36k
- Number of REO assets steadily declining
 - Capital released from REO will be invested into high performing NPL business
 - Allowed for increased discounts to support continued high sales volumes

Book value of EUR 129m at year-end 2019

REO: ERC profile

(EUR million)



- ERC decreased by 22% in the quarter
 - ERC adjusted to reflect expected discount level going forward
 - EUR 5m discount vs ERC in Q4
 - EUR 16m reduction of future ERC
- REO represents 7% of Group ERC and declining
- Target to realize half of remaining asset base over the next 12 months
- Axactor has approximately 40% of the total exposure for REO
 - Minority shareholders in both Reolux and its subsidiaries



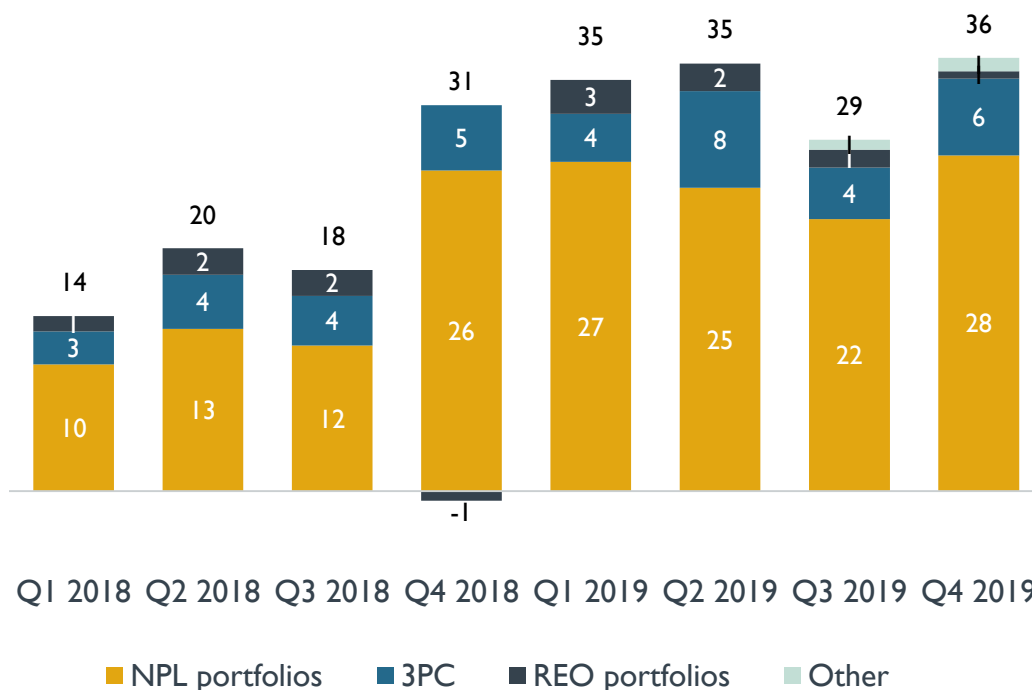
Financials

Q4 2019

Contribution per segment

Contribution per segment*

(EUR million) - Excluding unallocated overhead cost



Total:

- Contribution margin of 48% in Q4, compared to 45% last year

NPL:

- Contribution margin of 75% (80%)
- Portfolio amortization and revaluation of EUR 24.0m (6.6), EUR 23.1m in Q3

3PC:

- 40% contribution margin (36%)

REO:

- 5% YoY growth on significantly lower asset base
- Low contribution margin at 3% (-4%), 7% in Q3, reflects moderately higher discounts

'Other' item of EUR 1.1m, mainly reflects disposal of some small non-core portfolios and a positive legal settlement

Net finance, tax and net profits

Condensed Income statement (EUR thousand)

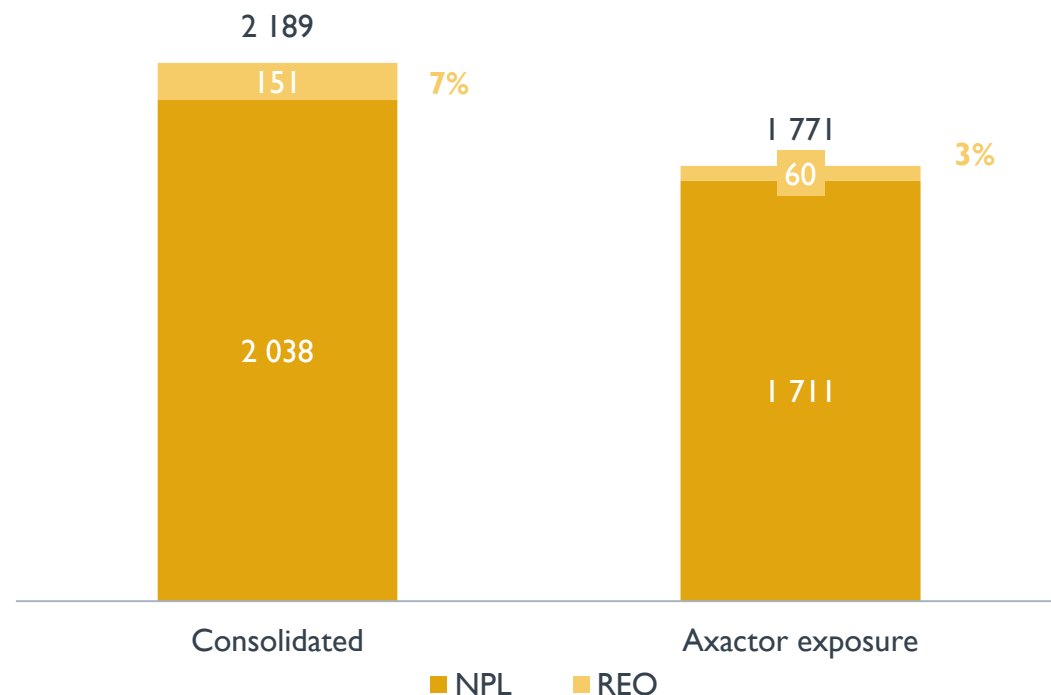
EUR thousand	For the quarter end		YTD	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
EBIT	20,998	17,885	82,025	40,298
Financial revenue	526	58	2,787	453
Financial expenses	-13,011	-12,504	-52,176	-34,590
Net financial items	-12,485	-12,447	-49,389	-34,138
Profit/(loss) before tax	8,513	5,438	32,636	6,160
Tax (expense)	-1,979	-2,624	-11,667	-3,770
Net profit/(loss) after tax	6,534	2,814	20,969	2,390
Net profit/(loss) to Non-controlling interests	1,310	-1,578	4,643	-2,103
Net profit/(loss) to equity holders	5,223	4,392	16,326	4,492
Earnings per share: basic	0.034	0.028	0.106	0.029
Earnings per share: diluted	0.029	0.025	0.093	0.026

- Total net financial cost of EUR 12.5m
 - Interest cost of EUR 13.9
 - Average blended interest costs of approx. 5%
 - Reversed note interest distribution to minorities of EUR 2.1m
- Tax expense of EUR 2.0m
 - Overall tax rate still high, expected to trend towards ~25% over time
- Net profit of EUR 6.5m
 - EUR 5.2m to equity shareholders
 - EUR 1.3m to non-controlling minorities

Minority shareholders in both NPL and REOs

- Axactor REO exposure down to ~3% of total ERC

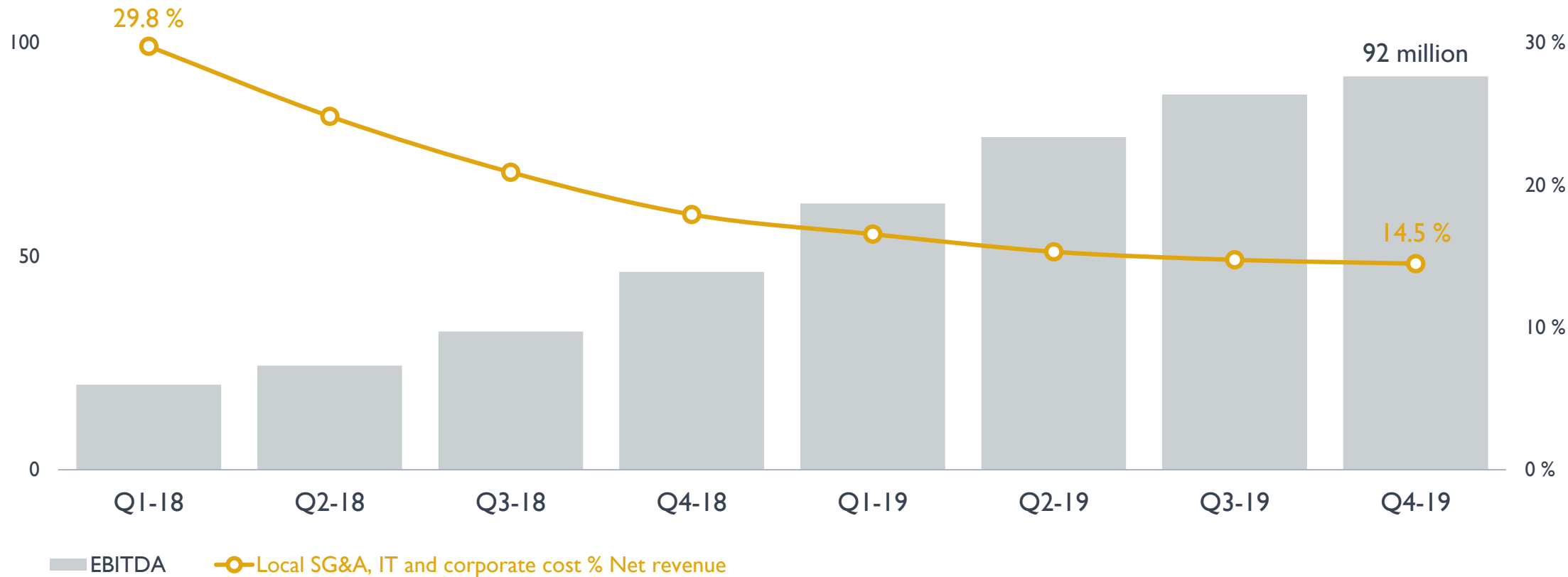
Total ERC exposure
(EUR million)



- Axactor has approximately 40% of the total exposure for REO
- Minority shareholders in both Reolux and its subsidiaries
- Axactor's share of REO amounts to 3% of its total ERC
- Axactor shareholders has approximately 84% of the total exposure for NPL
- Minority shareholder in Axactor Invest

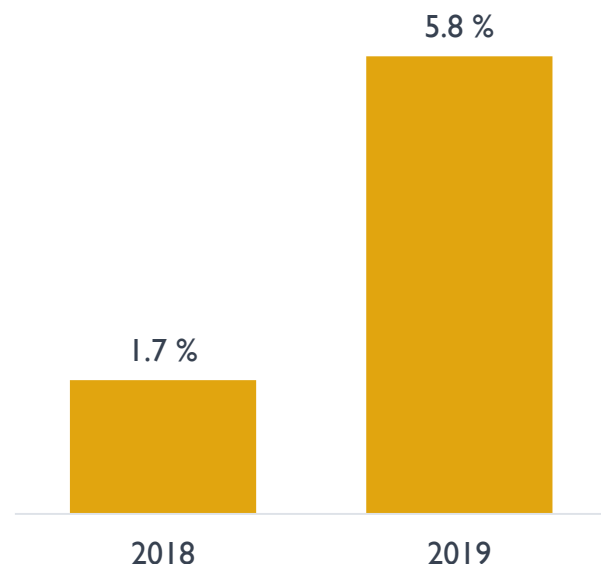
Axactor's growth yields scale benefits and higher profits

Local SG&A, IT & corporate expenses % of net revenue vs EBITDA
(LTM, EUR million)



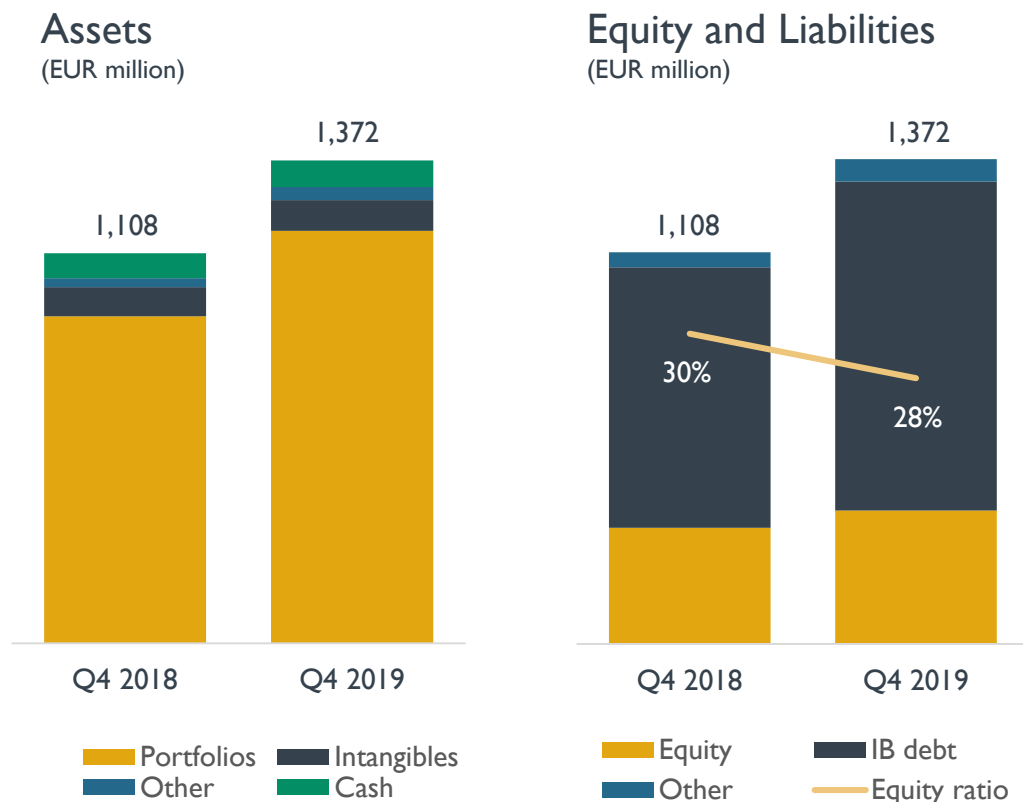
Axactor's growing profitability to improve ROE over time

Return on Equity*
(%)



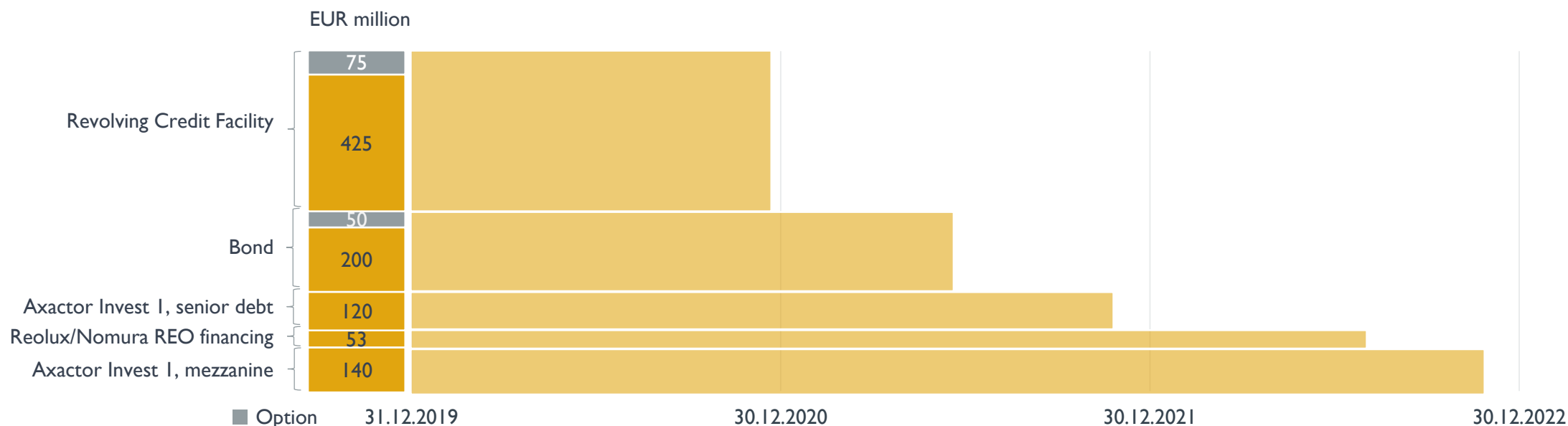
Drivers	2019	2020
• NPL portfolio prices	• IRR increased during the year	• Improved IRR levels to be blended in over time
• Economies of scale	• EBITDA margin up 10 percentage points YoY	• Stabilizing while awaiting further scale effect
• Tax rate	• Reduced efficient tax rate to 36%	• Expected to further decline towards ~25% over time
• Funding cost	• Current level of ~5%	• Refinancing and continued improvement of capital structure
• Business mix	• Strong growth in capital light 3PC collection	• Combining NPL and 3PC deals, reducing REO exposure

Funding has supported a fast-growing asset base



- Portfolios represent the vast majority of the asset base
- Debt has increased following portfolio acquisitions
- Expect equity ratio at approximately 30% over time
- Equity injection in Q1 2020 of EUR ~50m

Current funding structure



- Net interest bearing debt of EUR 858 million per YE'19
- Expanded RCF with two new accordion options in October, each for EUR 75m: One of the options executed in October, the other unused per YE '19
- Increased funding by a total EUR 310m in 2019:
 - Released EUR 225m in accordion options with Nordic banks: EUR 100m in February + EUR 50m in June + EUR 75m in October
 - Executed bond tap option of EUR 50m bond tap option in March
 - EUR 15m equity injection and EUR 20m new mezzanine loan from Geveran to Axactor Invest I in April
- EUR ~50m equity issue in February 2020



Outlook & Summary

Q4 2019

Attractive market opportunity

Large volumes of NPL coming to market

NPL price levels down – IRRs up

3PC & ARM growth – new products emerging

Industry consolidation

Axactor IRR improved
from around 10%, to:





Summary

- YoY growth in all three business areas
- Growth drives scale benefits, profits and ROE
- Earnings before tax growth of 430%
- People, systems and funding enablers of growth
- Secured new equity funding of EUR 51 million to deliver on profitable growth strategy
- Attractive market opportunities – Axactor targeting portfolio capex of EUR 350-400 million for 2020



Appendix

P&L statement

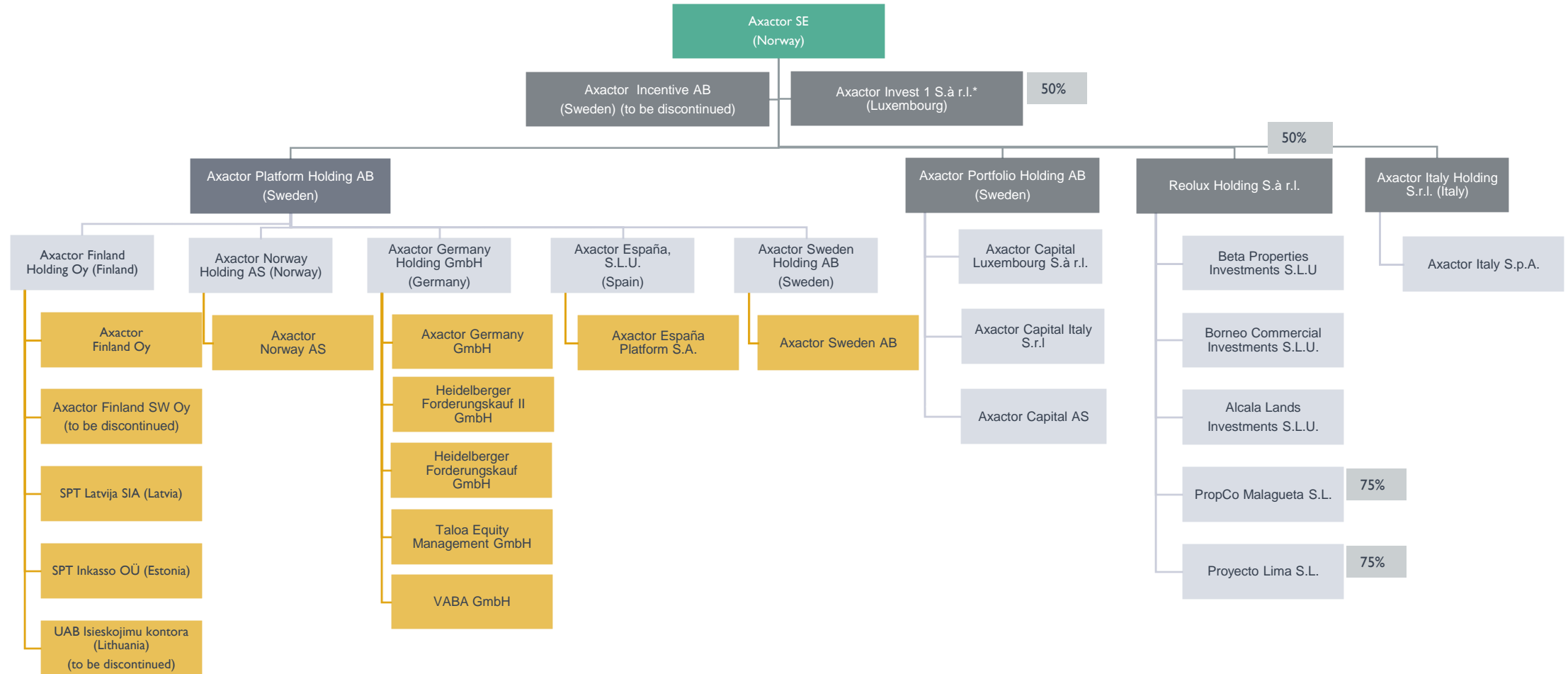
EUR thousand	For the quarter end		YTD	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Interest income from purchased loan portfolios	37,239	22,289	134,531	74,536
Net gain/loss purchased loan portfolios	-412	10,751	-319	10,599
Other operating revenue	36,865	34,994	148,926	121,774
Other revenue	1,137	0	2,021	0
Total Revenue	74,830	68,034	285,159	206,909
Cost of REO's sold	-18,371	-18,364	-74,464	-56,438
Personnel expenses operations	-10,041	-8,815	-38,203	-32,584
Personnel expenses other	-5,196	-5,211	-19,506	-19,548
Operating expenses	-17,397	-16,073	-60,847	-52,033
Total operating expense	-51,004	-48,463	-193,019	-160,602
EBITDA	23,826	19,571	92,140	46,306
Amortisation and depreciation	-2,828	-1,686	-10,115	-6,009
EBIT	20,998	17,885	82,025	40,298
Financial revenue	526	58	2,787	453
Financial expenses	-13,011	-12,504	-52,176	-34,590
Net financial items	-12,485	-12,447	-49,389	-34,138
Profit/(loss) before tax	8,513	5,438	32,636	6,160
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Earnings per share: basic	0.034	0.028	0.106	0.029
Earnings per share: diluted	0.029	0.025	0.093	0.026

Balance sheet statement

EUR thousand	31 Dec 2019	31 Dec 2018
ASSETS		
<i>Intangible non-current assets</i>		
Intangible Assets	21 487	19 170
Goodwill	56 170	55 577
Deferred tax assets	9 742	7 564
<i>Tangible non-current assets</i>		
Property, plant and equipment	2 903	2 683
Right-of-use assets	5 846	0
<i>Financial non-current assets</i>		
Purchased debt portfolios	1 041 919	728 820
Other non-current receivables	765	293
Other non-current investments	193	778
Total non-current assets	1 139 025	814 885
<i>Current assets</i>		
Stock of Secured Assets	129 040	200 009
Accounts Receivable	13 135	9 459
Other current assets	14 960	12 774
Restricted cash	3 739	3 184
Cash and Cash Equivalents	71 657	67 593
Total current assets	232 531	293 018
TOTAL ASSETS	1 371 556	1 107 903

EUR thousand	31 Dec 2019	31 Dec 2018
EQUITY AND LIABILITIES		
<i>Equity attributable to equity holders of the parent</i>		
Share Capital	81,338	81,115
Other paid-in equity	201,879	200,298
Retained Earnings	2,153	-14,172
Reserves	-4,721	-2,817
Non-controlling interests	96,977	63,746
Total Equity	377,626	328,170
<i>Non-current Liabilities</i>		
Interest bearing debt	466,378	567,829
Deferred tax liabilities	17,591	11,124
Lease liabilities	3,481	0
Other non-current liabilities	1,415	1,180
Total non-current liabilities	488,864	580,132
<i>Current Liabilities</i>		
Accounts Payable	5,902	4,522
Current portion of interest bearing debt	463,555	169,296
Taxes Payable	6,570	1,610
Lease liabilities	2,549	0
Other current liabilities	26,491	24,172
Total current liabilities	505,066	199,600
Total Liabilities	993,930	779,732
TOTAL EQUITY AND LIABILITIES	1,371,556	1,107,903

Legal organization February 2020



*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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