AXACTOR

Report

Q2 2019

24 July, 2019

Highlights

Second quarter of 2019

- Axactor reports a profit before tax of EUR 9.8 million (0.6) for the second quarter 2019, and a net profit of EUR 6.2 million (0.2).

- Gross revenue increased by 37% year-on-year to EUR 91.3 million, whereas net revenue increased by 33% to EUR 72.4 million.

- The EBITDA-margin improved to 36% from 20% in the second quarter last year, underlining the scalability and efficiency of the business model. EBITDA increased by 146% to EUR 26.1 million. Cash EBITDA increased by 61% to EUR 65.4 million, reflecting continued solid collection performance and higher REO sales compared with the second quarter 2018.

- As stated in the report for the first quarter, Axactor sees an attractive European NPL market and executed portfolio acquisition amounting to EUR 149 million in the second quarter. Total ERC doubled compared to second quarter 2018 to more than EUR 1.9 billion at the end of the first half 2019, of which NPL portfolios accounted for 89% and REO assets for 11%.

- Available funds were increased by EUR 85 million in the second quarter, through release of an RCF accordion option and increased equity investment and loan from Geveran into Axactor Invest 1.

First half of 2019

- For the first half 2019 Axactor reports a profit before tax of EUR 17.8 million (-0.1), and a net profit of EUR 10.8 million (-0.8).

- Gross revenue amounted to EUR 181.9 million and net revenue to EUR 146.1 million, corresponding to increases of 69% and 62%, respectively, compared to first half 2018. EBITDA increased by 189% to EUR 48.3 million with the EBITDA-margin improving to 33% from 19% in the first half last year. Cash EBITDA increased by 112% to EUR 124.2 million.

- Available funds were increased by EUR 235 million in the first half 2019, through the release RCF accordion options, execution of a bond tap option, and increased equity investment and loan from Geveran into Axactor Invest 1.

- Portfolio investments amounted to EUR 218 million in the first half 2019, and the company reiterates its capex estimate of EUR 400-450 million for the full year.

- The financial and operational developments in the first half 2019 have further strengthened Axactor's position as one of the leading debt management providers in Europe.

Key Figures Axactor Group

EUR million	For the quarter end 30 Jun 2019	For the quarter end 30 Jun 2018	YTD 30 Jun 2019	YTD 30 Jun 2018	Full year 2018
Gross revenue	**91.3**	66.7	181.9	107.7	238.8
Net revenue	**72.4**	54.4	146.1	90.2	206.9
EBITDA	**26.1**	10.6	48.3	16.7	46.3
Cash EBITDA [1)]	**65.4**	40.6	124.2	58.7	136.0
Depreciation and amortization (excl Portfolio amortization)	**-2.4**	-1.5	-4.7	-2.8	-6.0
Net financial items	**-13.9**	-8.5	-25.8	-14.0	-34.1
Tax (expense)	**-3.7**	-0.4	-7.0	-0.7	-3.8
Net profit/(loss) after tax	**6.2**	0.2	10.8	-0.8	2.4
Cash and Cash Equivalents, end of period	**66.5**	121.0	66.5	121.0	70.8
Gross revenue from NPL Portfolios	**50.1**	31.4	102.5	52.2	117.0
Gross revenue from REO Portfolios	**25.1**	21.9	49.7	30.6	69.8
Acquired NPL portfolios during the period	**149.2**	17.5	217.8	64.3	461.9
Acquired REO portfolios during the period	**0.2**	5.2	0.3	49.9	99.3
Book value of NPL, end of period	**909.7**	358.5	909.7	358.5	728.8
Book value of REO, end of period	**162.5**	180.5	162.5	180.5	200.0
Estimated Remaining Collection, NPL	**1,721.3**	729.0	1,721.3	729.0	1,388.2
Estimated Remaining Collection, REO	**217.2**	249.7	217.2	249.7	274.5
Interest bearing debt, end of period	**831.7**	406.6	831.7	406.6	734.4
Number of Employees (FTEs), end of period	**1,131**	996	1,131	996	1,040
Price per share, last day of period	**18.70**	24.32	18.70	24.32	18.65

1) Cash EBITDA is EBITDA adjusted for calculated cost of share option program, portfolio amortisations, revaluations, REO cost of sales and REO impairments

Operations

Axactor invested EUR 149 million in non-performing loan (NPL) acquisitions in the second quarter 2019, bringing the total for the first half of 2019 to EUR 218 million. The company continues to see attractive acquisition opportunities and reiterate its capex target of EUR 400-450 million for the full year. The ERC of the NPL portfolio stood at EUR 1.7 billion at the end of the first half, up 136% over the past year and 24% since the end of 2018. Operations continued to run well in the second quarter, with overall gross revenue increasing 37% year-on-year to EUR 91.3 million, and EBITDA increasing 146% to EUR 26.1 million. The EBITDA-margin continued to increase to 36% in the second quarter from 20% in the second quarter last year, underlining the benefits of scale economies with a lean and efficient organization.

Gross revenue from the NPL portfolio amounted to EUR 50.1 million in the second quarter 2019 (31.4) and almost doubled to EUR 102.5 million for the first half year (52.2). The sharp increase reflects a significantly larger portfolio but also continued solid collection performance.

NPL portfolio investments of EUR 149.2 million in the second quarter compares to only EUR 17.5 million in the second quarter last year. The company acquired two unsecured NPL portfolios in Spain during the quarter, whereof the largest was acquired by Axactor Invest 1. This is an investment vehicle jointly owned with the company's main shareholder Geveran. The company also acquired a smaller secured portfolio in Spain.

Axactor continued to invest under forward flow agreements in the quarter. The company entered into an agreement with Swedish Lendify as a new forward flow client, and also acquired a one-off portfolio from an existing forward flow client in Sweden.

For the first half 2019, investments in NPL portfolios amounted to EUR 217.8 million (64.3).

The ERC of the NPL portfolio stood at EUR 1,721 million at the end of the second quarter (729), a 17% increase during the quarter and 24% since the end of 2018. ERC for the coming 12 months is estimated at EUR 256 million. Book value of the NPL portfolio was EUR 910 million (359), compared to EUR 781 million at the end of the first quarter and EUR 729 million at the end of 2018.

The capex figures, ERC, and book values do not include volumes Axactor have not yet taken over under forward flow agreements. Portfolio prices have come down – and expected IRRs come up – and Axactor has let contracts expire unless clients have accepted renegotiated terms. Estimated investments under forward flow agreements are therefore somewhat lower than previously indicated, at EUR 127 million for the remainder of the year. Contract signings with new clients are expected to increase forward flow volumes going forward. Axactor will prioritize forward flow agreements with its 3PC customers.

Gross revenue from the REO portfolio amounted to EUR 25.1 million in the second quarter 2019 (21.9), and to EUR 49.7 million for the first half year (30.6). Axactor sold relatively more parking and storage spaces in the second quarter, implying lower average prices than in the previous quarter.

ERC of the REO portfolio stood at EUR 217 million (250) at the end of the second quarter 2019, of which EUR 109 million is expected to be realized over the coming 12 months. The ERC declined by EUR 27 million during the quarter, which includes both the REO sales and a EUR 2million – or 1%- downward revision of remaining ERC. At the end of 2018, REO ERC stood at EUR 274 million. The book value of the REO portfolio stood at EUR 162 million at the end of the second quarter (181), compared to EUR 181 million at the end of the first quarter and EUR 200 million at the end of 2018.

With effect from the second quarter 2019, Axactor has subordinated its accounts receivable management activities under its third-party collection (3PC) segment. On a combined basis, 3PC continued its growth trajectory, reporting 19% year-on-year growth in gross revenue to EUR 16.0 million in the second quarter (13.4). For the first half of 2019 3PC reported 19% revenue growth to EUR 29.6 million (24.9).

3PC has a strong position in the Spanish market and is now well positioned to grow on cross-border deals in the Nordic region. Axactor is currently sharpening its focus on the bank/finance sector in the Nordics. The company recently signed a deal with a new Swedish banking client, and has several bank/finance clients in the pipeline in Norway and Finland. Overall, Axactor is confident that the 3PC growth will continue.

Axactor continues to optimize its collection systems. The company has already launched new and user-friendly debtor portals in Spain and Italy and will launch in other markets during the third quarter. The company also continues investing in data warehouses and further development of its business intelligence systems.

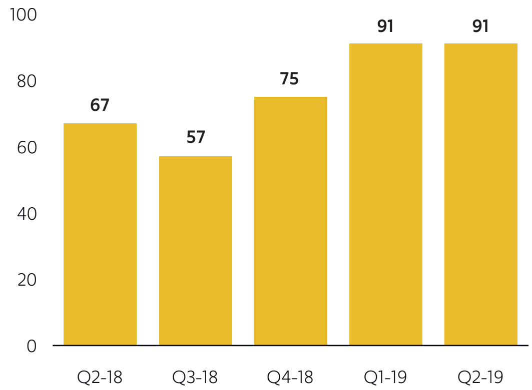
Scale benefits and knowledge sharing across countries are key elements in Axactors business model, and standardized KPI reports and mode of operation help facilitate cross-border cooperation. During the first half of 2019, all countries have implemented a standard dialer with a centralized traffic control team in Spain to handle both in- and outbound calls.

Axactor has a competitive cost structure and always seeks to become more efficient. Cost efficiency programs are currently ongoing in Spain and Germany, and Axactor Italy is running a new benchmarking test by outsourcing certain claims to assess wether its collection procedures can be further improved.

Financials

Revenues

Gross Revenue
EUR million



Gross revenue for the second quarter of 2019 was EUR 91.3 million, an increase of 37% over the second quarter last year and on par with the previous quarter.

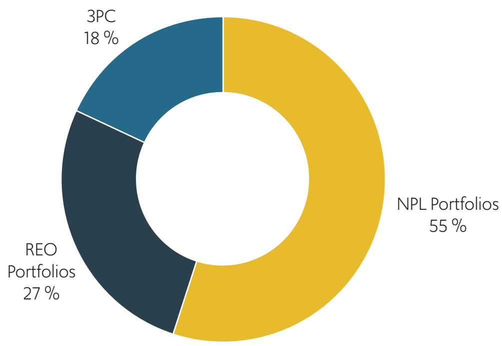
For the first half 2019, gross revenue increased 69% year-on-year to EUR 181.9 million.

The NPL segment was the main growth contributor for both the second quarter and first half year.

Net revenue amounted to EUR 72.4 million in the second quarter, up 33% year-on-year but 2% below the first quarter. Amortization and revaluation of NPL portfolios amounted to EUR 18.8 million in the second quarter (12.3), compared to EUR 17.0 million in the previous quarter.

For the first half year, net revenue amounted to EUR 146.1 million (90.2).

Gross Revenue mix Q2-19



The NPL segment accounted for EUR 50.1 million (31.4) of total gross revenue in the second quarter, reporting year-on-year growth of 60% but a slight decline of 4% from the previous quarter.

The strong year-on-year growth in the NPL portfolio revenues mainly reflects investments made through 2018 and into 2019 as well as continued solid collection performance.

NPL revenue was slightly below the previous quarter, when revenues in Axactor Invest 1 were supported by one-off payments and strong initial collection on large portfolios acquired in the fourth quarter last year. Sequential growth is expected to resume in the second half given the investment and collection profiles.

For the first half year, NPL gross revenue amounted to EUR 102.5 million (52.2).

Gross revenue from the REO segment amounted to EUR 25.1 million in the second quarter (21.9), and EUR 49.7 million for the first half year (30.6).

REO revenue was relatively flat from the previous quarter, with higher volumes but a lower average unit price. This latter reflects a sales mix with more parking and storage spaces sold in the second quarter. The ERC for the coming 12 months indicates that average quarterly REO sales are expected at roughly the same level, from a rapidly declining inventory.

With effect from the second quarter 2019, the accounts receivables management business has been subordinated under the 3PC segment. The combined entity grew its gross revenues by 19% year-on-year to EUR 16.0 million in the second quarter (13.4), and by 19% to EUR 29.6 million in the first half 2019 (24.9).

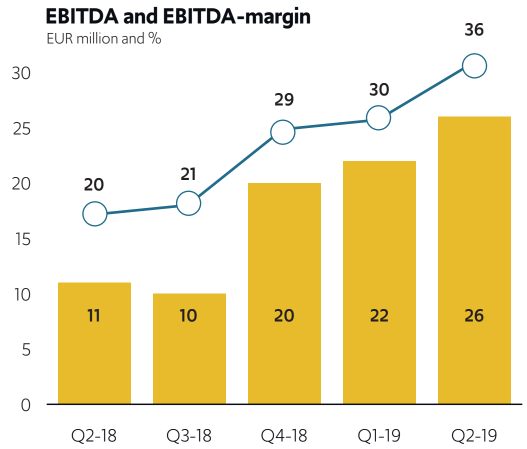
Operating expenses

Total operating expenses for the second quarter 2019 amounted to EUR 46.3 million (43.8), including REO cost of sales of EUR 20.2 million (17.4). The latter represents reversal of the book value of sold assets.

In the first half of 2019, total operating expenses amounted to EUR 97.8 million (73.5), including REO cost of sales of EUR 39.5 million (23.5).

OPEX declined to 64% of net revenue in the second quarter (80%) and to 67% for the first half year (81%), showing the high operational leverage and the effects of a continuous cost focus.

Depreciation and amortization - excluding amortization of NPL portfolios - was EUR 2.4 million (1.5) for the second quarter, and EUR 4.7 million for the first half of 2019 (2.8). The increases are mainly due to the implementation of IFRS 16, where all leasing contracts are booked in the balance and amortized over the contract period.



Cash EBITDA amounted to EUR 65.4 million (40.6) in the second quarter 2019, and to EUR 124.2 million in the first half year (58.7).

Cash EBITDA is defined as EBITDA excluding amortization and revaluations of NPL portfolios, REO cost of sales and impairments, and calculated costs related to the share option program.

The increases mainly reflect strong cash flow from the NPL segment and a very positive development in 3PC.

The gross margin – defined as cash EBITDA to gross revenue- increased to 72% in the second quarter (61%), and to 68% in the first half 2019 (54%).

Operating profit (EBIT) was EUR 23.7 million in the second quarter (9.1), and EUR 43.6 million in the first half year (13.9).

Operating results

Total contribution from the business segments amounted to EUR 35.2 million in the second quarter (19.9), up from EUR 33.8 million in the previous quarter. The contribution margin on net revenue increased to 49% (37%) from 46% in the previous quarter.

Contribution from the NPL segment was EUR 24.9 million (13.3), corresponding to 80% margin on the segment net revenue (70%).

Contribution from the REO segment was EUR 2.3 million (2.2), or 9% margin on the segment net revenue (10%).

Contribution from 3PC (including ARM) was EUR 7.9 million (4.5), or 50% margin on the net revenue from the segment (33%).

In the first half of 2019, total contribution from the business segments amounted to EUR 69.0 million (34.3), with a contribution margin of net revenue of 47% (38%).

Reported EBITDA was EUR 26.1 million in the second quarter (10.6), up from EUR 22.1 million in the first quarter. The EBITDA margin thus continued to increase to 36%, up from 20% in the second quarter last year and from 30% in the previous quarter, showing the scalability and efficiency of the business model.

For the first half of 2019 reported EBITDA amounted to EUR 48.3 million (16.7), with an EBITDA-margin of 33% (19%).

The difference between contribution margin and EBITDA comprise unallocated SG&A and IT costs, amounting to EUR 9.0 million (9.3) for the second quarter. In percent of gross revenue, the unallocated costs declined to 10% from 14% in the second quarter last year.

For the first half year, unallocated SG&A and IT costs amounted to EUR 20.7 million (17.6), with the increase in absolute terms attributable to company acquisitions and increased size and scope of business activities.

Net financial items

Total net financial items were a negative EUR 13.9 million for the second quarter (8.5), comprising interest costs on outstanding debt of EUR 13.0 million (8.4), currency effects of EUR -0.3 million (0.4), and other minor financial items.

Net financial cost increased by EUR 2.0 million from the previous quarter, mainly due to interest on the EUR 50 million bond tap in March and commitment fee on the EUR 20 million increase in the mezzanine loan from Geveran to Axactor Invest 1.

For the first half year, net financial items were a negative EUR 25.8 million (14.0).

The year-on-year increase mainly reflects the investments made through 2018 and into 2019.

Earnings and taxes

Profit before tax was EUR 9.8 million (0.6) for the second quarter 2019, and EUR 17.8 million (-0.1) for the first half year.

Net profit was EUR 6.2 million (0.2) for the second quarter, implying an average tax rate of 37%. The effective tax rate reflects that some loss-making entities are not entitled to recognize tax assets while profit-making entities are in a taxable position.

For the first half year, net profit amounted to EUR 10.8 million (-0.8), reflecting an average effective tax rate of 39%. .

Cash flow

Cash flow from operating activities amounted to EUR 52.1 million (44.2) in the second quarter 2019. The deviation from the cash EBITDA mainly reflect increases in net working capital of EUR 11.9 million.

For the first half year cash flow from operating activities amounted to EUR 118.4 million (65.7).

The total amount paid for portfolio acquisitions was EUR 147.5 million (63.5) in the second quarter, and EUR 220.8 million (112.9) in the first half year.

Other capital expenditure amounted to EUR 2.7 million (2.3) in the second quarter, and to EUR 4.4 million (3.8) in the first half year.

Total net cash flow from investments was thus EUR -150.2 million (-65.8) in the second quarter and EUR -225.2 million (-116.7) for the first half year.

Total cash flow from financing activities was EUR 43.3 million (-54.4) in the second quarter, mainly reflecting drawdowns on existing funding lines and additional funding for Axactor Invest 1 which is owned 50/50 with Geveran Trading.

For the first half year, the cash flow from financing activities was EUR 107.4 million (122.4), including the EUR 50 million increase of the bond in February.

Total cash and cash equivalents, including restricted cash of EUR 2.8 million (0.0), was EUR 69.3 million (121.0), compared to EUR 70.8 million at the end of 2018.

Equity position

Total equity for the Group was EUR 375.9 million (314.2) at the end of the second quarter 2019, including minority interests of EUR 103.2 million (55.2). Equity increased by EUR 47.7 million in the first half of 2019, leaving the equity ratio unchanged at 30% from the end of 2018.

Funding

Axactor view access to competitive funding as one of the key success criteria for its growth strategy and has continued to strengthen its funding situation during the first part of this year.

Axactor's main banking partners released EUR 100 million of an accordion option under a revolving credit facility in February, and a further EUR 50 million in June. Axactor also executed a EUR 50 million bond tap option in March.

During April, EUR 15 million of the funds were reallocated to equity in Axactor Invest 1, with the co-investor Geveran Trading also injecting new equity of EUR 15 million and providing additional funding of EUR 20 million in the form of a mezzanine loan.

Axactor invested EUR 218 million in portfolio acquisitions in the first half of 2019 and combined with running cash flow the existing credit lines provides funding for total portfolio acquisitions of EUR 400-450 million for 2019.

The estimated capex requirement for already signed forward flow agreements amounts to EUR 127 million for the remainder of 2019. Contract renewals may further increase the forward flow capex level.

Risk

The most important risk and uncertainty factors facing the business in the next accounting period relate to debt collection performance, debt purchase processes, and the price level and timing of asset sales.

As described earlier in the report, Axactor has reduced the total ERC of its REO portfolio by EUR 57.3 million through sales and reassessments in the first half 2019. The company has also postponed the expected REO ERC curve to allow for increased price risk for parts of these assets.

Otherwise, the company sees limited changes in its overall risk profile compared with the description in the Annual Report for 2018.

Related parties' transactions

Geveran Trading Co. Ltd, has in the first half subscribed for new equity of EUR 45 million in, and issued a EUR 20 million loan to, Axactor Invest, of which 30 million related to conversion of loans. Geveran owns 50% of Axactor Invest 1, which is controlled and consolidated by the Axactor Group.

Eur 9.7 million have been repaid to Unicaja, the 25% minority shareholder in two of the REO entities, during first half of 2019. The repaid amount relates to proportional cash flow from sale of properties in the two entities in the period.

During the first half of 2019, Axactor acquired the remaining 10% of the shares in Axactor Italy Spa from Banca Sistema.

For more information on transactions with related parties, please see note 30 in the Annual Report for 2018.

Outlook

Axactor has seen healthy revenue growth in the first half of 2019, on the back of the investments made through 2018 and into 2019. The reported margin improvements reflect good collection performance and scale economies on a lean and efficient organization, and Axactor overall expects continued profitable growth through 2019.

Axactor continues to see very interesting NPL investment opportunities in its main markets, and reiterates its capex estimate of EUR 400-450 million for the full year 2019.

Responsibility Statement

We confirm that, to the best of our knowledge, the unaudited Financial Statements for first half year 2019, which have been prepared in accordance with IFRS as adopted by EU, gives a true and fair view of the Company's assets, liabilities, financial position and results of operations, and that the management report includes a fair review of the information required under the Norwegian account act.

Oslo, 23 July 2019
The Board of Directors

Bjørn Erik Næss
Chairman of the Board

Lars Erich Nilsen
Board member

Merete Haugli
Board member

Brita Eilertsen
Board member

Beate S. Nygårdshaug
Board member

Terje Mjøs
Board member

Endre Rangnes
Chief Executive Officer

Consolidated Statement of Profit and Loss

		For the quarter end		YTD		
EUR thousand	Note	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018	Full year 2018
Interest income from purchased loan portfolios	4, 6	**32,475**	16,061	61,464	34,466	74,536
Net gain/loss purchased loan portfolios	4, 6	**-1,188**	2,998	5,182	232	10,599
Other operating revenue		**41,132**	35,327	79,421	55,488	121,774
Total Revenue	3, 4, 6	**72,418**	54,386	146,067	90,186	206,909
Cost of REO's sold, incl. impairment	7	**-20,205**	-17,353	-39,720	-23,476	-54,491
Personnel expenses operations		**-9,132**	-7,975	-18,565	-16,061	-32,585
Personnel expenses other		**-4,794**	-5,170	-10,896	-10,444	-19,548
Operating expenses		**-12,143**	-13,278	-28,602	-23,498	-53,978
Total operating expense		**-46,273**	-43,776	-97,782	-73,479	-160,602
EBITDA		**26,145**	10,610	48,285	16,707	46,306
Amortization and depreciation		**-2,397**	-1,476	-4,663	-2,816	-6,009
EBIT		**23,748**	9,134	43,622	13,891	40,298
Financial revenue	5	**29**	283	43	374	453
Financial expenses	5	**-13,961**	-8,804	-25,878	-14,345	-34,591
Net financial items		**-13,932**	-8,521	-25,835	-13,971	-34,138
Profit/(loss) before tax		**9,815**	614	17,787	-80	6,160
Tax (expense)		**-3,661**	-442	-7,009	-744	-3,770
Net profit/(loss) after tax		**6,154**	172	10,778	-825	2,390
Net profit/(loss) to Non-controlling interests	5	**1,549**	-83	4,133	342	-2,103
Net profit/(loss) to equity holders		**4,605**	254	6,645	-1,167	4,492
Earnings per share: basic		**0.030**	0.002	0.043	-0.008	0.029
Earnings per share: diluted		**0.026**	0.001	0.038	-0.007	0.026

Consolidated Statement of Comprehensive Profit and Loss

	For the quarter end		YTD		
EUR thousand	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018	Full year 2018
Net profit/(loss) after tax	**6,154**	172	10,778	-825	2,390
Items that will not be classified subsequently to profit and loss					
Remeasurement of pension plans	**0**	0	0	0	50
Items that may be classified subsequently to profit and loss					
Foreign currency translation differences - foreign operations	**-579**	-500	563	-896	-2,830
Other comprehensive income/(loss) afer tax	**-579**	-500	563	-896	-2,780
Total comprehensive income for the period	**5,575**	-328	11,341	-1,721	-390
Attributable to:					
Equity holders of the parent company	**4,026**	-246	7,208	-2,063	1,713
Non-controlling interests	**1,549**	-83	4,133	342	-2,103

Interim Consolidated Statement of Financial Position

EUR thousand	Note	30 Jun 2019	30 Jun 2018	31 Dec 2018
ASSETS				
Intangible non-current assets				
Intangible Assets		**19,678**	19,300	19,170
Goodwill		**56,288**	54,470	55,577
Deferred tax assets		**6,117**	6,612	7,564
Tangible non-current assets				
Property, plant and equipment		**3,157**	2,533	2,683
Right-of-use assets	9	**6,562**	0	0
Financial non-current assets				
Purchased debt portfolios	6	**909,702**	358,505	728,820
Other non-current receivables		**289**	1,228	293
Other non-current investments		**764**	170	778
Total non-current assets		**1,002,557**	442,818	814,885
Current assets				
Stock of Secured Assets	7	**162,471**	180,528	200,009
Accounts Receivable		**8,538**	9,454	9,459
Other current assets		**12,256**	6,073	12,774
Restricted cash		**2,830**	37	3,184
Cash and Cash Equivalents		**66,505**	121,001	67,593
Total current assets		**252,600**	317,092	293,018
TOTAL ASSETS		**1,255,157**	759,910	1,107,903

Interim Consolidated Statement of Financial Position

EUR thousand	Note	30 Jun 2019	30 Jun 2018	31 Dec 2018
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share Capital		**81,338**	80,842	81,115
Other paid-in equity		**201,141**	198,908	200,298
Retained Earnings		**-7,527**	-19,884	-14,172
Reserves		**-2,255**	-883	-2,817
Non-controlling interests		**103,217**	55,244	63,746
Total Equity		**375,914**	314,226	328,170
Non-current Liabilities				
Interest bearing debt	8	**552,788**	369,503	567,829
Deferred tax liabilities		**10,705**	5,336	11,124
Lease liabilities	9	**4,108**	0	0
Other non-current liabilities		**1,504**	3,702	1,180
Total non-current liabilities		**569,104**	378,541	580,132
Current Liabilities				
Accounts Payable		**3,163**	2,136	4,522
Current portion of interest bearing debt	8	**278,958**	37,131	169,296
Taxes Payable		**6,805**	4,182	1,610
Lease liabilities	9	**2,489**	0	0
Other current liabilities		**18,723**	23,694	24,172
Total current liabilities		**310,139**	67,143	199,600
Total Liabilities		**879,243**	445,684	779,732
TOTAL EQUITY AND LIABILITIES		**1,255,157**	759,910	1,107,903

Interim Consolidated Statement of Cash Flow

EUR thousand	Note	For the quarter end 30 Jun 2019	30 Jun 2018	YTD 30 Jun 2019	30 Jun 2018	Full year 2018
Operating actitvities						
Profit/(loss) before tax		**9,815**	614	17,787	-80	6,160
Taxes paid		**-1,513**	-906	-3,108	-2,181	-2,543
Adjustments for:						
- Finance income and expense		**13,932**	8,521	25,835	13,971	34,138
- Amortization of debt portfolios		**18,844**	12,310	35,856	17,524	31,900
- Cost of secured assets sold, incl. Impairment		**20,205**	17,353	39,720	23,476	56,432
- Depreciation and amortization		**2,397**	1,476	4,663	2,816	6,009
- Calculated cost of employee share options		**331**	293	518	949	1,374
Change in Working capital		**-11,898**	4,511	-2,832	9,217	2,783
Net cash flows operating activities		**52,114**	44,171	118,439	65,692	136,253
Investing actitvities						
Purchase of debt portfolios	6	**-147,224**	-63,474	-220,455	-112,894	-456,339
Purchase of REO's	7	**-243**	0	-298	0	-99,310
Investment in subsidiaries		**0**	0	0	0	-1,086
Purchase of intangible and tangible assets		**-2,743**	-2,296	-4,443	-3,792	-6,995
Interest received		**21**	0	21	0	17
Net cash flows investing activities		**-150,189**	-65,770	-225,175	-116,686	-563,713
Financing actitvities						
Proceeds from borrowings	8	**60,601**	19,190	151,876	215,085	600,651
Repayment of debt	8	**-15,560**	-82,015	-26,949	-104,922	-156,791
Interest paid	8	**-11,252**	-9,868	-20,396	-11,498	-24,405
Loan fees paid	8	**-75**	-81	-2,969	-2,559	-10,090
New Share issues		**547**	3,147	547	3,147	4,395
Proceeds from Non-controlling interests		**9,062**	15,250	5,337	23,125	34,073
Costs related to share issues		**0**	-9	0	-21	-31
Net cash flows financing activities		**43,323**	-54,386	107,446	122,357	447,802
Net change in cash and cash equivalents		**-54,751**	-75,985	709	71,363	20,341
Cash and cash equivalents at the beginning of period		**125,197**	197,732	70,776	50,482	50,482
Currency translation		**-1,111**	-710	-2,151	-809	-47
Cash and cash equivalents at end of period, incl. restricted funds		**69,335**	121,037	69,335	121,037	70,776

Interim Consolidated Statement of Changes in Equity

	Equity related to the shareholders of the Parent Company							
	Restricted	Non-restricted						
EUR thousand	Share capital	Other paid in capital	Exchange differences	Retained earnings and profit for the year	Total	Non-controlling interest	Total Equity
Closing balance on 31 Dec 2017	79,377	196,298	13	-15,630	**260,057**	31,776	**291,833**
Adjustment on initial application of IFRS 15 (net of tax)				-3,087	**-3,087**		**-3,087**
Balance on 1 Jan 2018	79,377	196,298	13	-18,717	**256,970**	31,776	**288,746**
Result of the period				4,492	**4,492**	-2,103	**2,390**
Remeasurement of pension plans				50	**50**		**50**
Foreign currency translation differences - foreign operations			-2,830		**-2,830**		**-2,830**
Total comprehensive income for the period	0	0	-2,830	4,543	**1,712**	-2,103	**-390**
Proceeds from Non-controlling interests					**0**	34,073	**34,073**
New Share issues (exercise of share options)	1,465	1,682			**3,147**		**3,147**
New Share issues	273	975			**1,248**		**1,248**
Costs related to share issues		-31			**-31**		**-31**
Share based payment		1,374			**1,374**		**1,374**
Closing balance on 31 Dec 2018	81,115	200,298	-2,817	-14,172	**264,423**	63,746	**328,170**
Result of the period				6,645	**6,645**	4,133	**10,778**
Remeasurement of pension plans					**0**		**0**
Foreign currency translation differences - foreign operations			563		**563**		**563**
Total comprehensive income for the period	0	0	563	6,645	**7,208**	4,133	**11,341**
Proceeds from Non-controlling interests					**0**	35,338	**35,338**
New Share issues (exercise of share options)	222	325			**547**		**547**
Share based payment		518			**518**		**518**
Closing balance on 30 Jun 2019	81,337	201,141	-2,255	-7,527	**272,697**	103,217	**375,914**

Notes to the Financial Report

Note 1 Reporting entity and Accounting Principles

The Parent Company Axactor SE (Company) is a company domiciled in Norway. These condensed consolidated interim statements ("interim financial statements") comprise the Company and its subsidiaries (together referred to as "the Group"). The group is primery involved in debt management, specialising on both purchasing and collection on own portfolios and providing collection services for 3rd party owned portfolio. The activities are further described in note 3.

The interim report has been prepared in accordance with IAS 34. The accounting principles applied correspond to those described in the Annual Report for the Financial Year 2018. 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 2018.

In preparing these interim financial statements, management has made judgements and estimates that effects the application and accounting policies and the reported amounts of assets and lliabilities, income and expenses. Actual result may differ from these estimates. Critical Accounting estimates and judgements in terms of accounting policies are more comprehensive discussed in the Company Annual report for the Financial Year 2018, which is available on Axactors website: www. axactor.com.

The significant judgements made by managements applying the Group's accounting policies and the key resources of estimation uncertainty were the same as those described in the last annual financial statements, except for the new leasing standard, IFRS 16, which is described below.

In January 2016 IASB introduced a new leasing standard that will replace IAS 17, leasing agreements and the associated interpretations IFRIC 4, SIC-15 and SIC-27. The standard demands that essentially all assets and liabilities related to a leasing agreement get recognized in the balance sheet with only a few exceptions. The new standard is based on the view that the lessee has a right to use an asset during a specified time period and at the same time an obligation to pay for it. The standard is applicable for annual reporting periods beginning on or after January 1, 2019.

The Group leases a limited number of assets such as buildings and vehicles. The Group's right-of-use assets are categorized and presented in the table below:

EUR thousand	Total
Operating lease commitments disclosed as at 31 Dec 2018	7,442
Discounted using the Group's incremental borrowing rate of 6%	6,445
Add: adjustments to Discounted using the Group's incremental borrowing rate of 6%	436
Add: finance lease liabilities recognized as at 31 Dec 2018	58
(Less): short-term leases recognized on a straight-line basis as expense	-20
(Less): low-value leases recognized on a straight-line basis as expense	-109
(Less): adjustments for leasing contracts starting after 01.01.2019	-1,071
Add: adjustments relating to changes in the index or rate affecting variable payments	4
Lease liabilities recognized as at 1 Jan 2019	5,743

Note 2 Risks and uncertainties

Axactor's regular business activities entail exposure to various types of risk. The company manages such risks proactively and the board of directors regularly analyses its operations and potential risk factors and takes steps to reduce risk exposure. Axactor gives strong emphasis to quality assurance and has quality systems implemented, or under implementation in line with the requirements applicable to its business operations. The risks include but are not limited to credit risk, risk inherent in purchased debt, interst rate risk, regulatory risk, liquidity risks and financing risks. For a more elaborate discussion on the aforementioned risks one is referred to the Company's Annual Report for the Financial Year 2018, which is available on Axactor website: www.axactor.com (note 3 of the Group financial statement).

Note 3 Segment note

Axactor delivers credit management services and the company's revenue is derived from the following three operating segments: Non-Performing Loans (NPL), Real Estate Own (REO), and Third Party Collection (3PC). Axactor's operations are managed through these three operating segments.

The NPL segment invests in portfolios of non-performing loans. Subsequently, the outstanding debt is collected through either amicable or legal proceedings.

The REO segment invests in real estate assets held for sale.

The 3PC segments main focus is to perform debt collection services on behalf of third-party clients. They apply both amicable and legal proceedings in order to collect the non-performing loans, and typically receive a commission for these services. They also help creditors to prepare documentation for future legal proceedings against debtors, and for this they typically receive a fixed fee. With effect from Q2 2019, Accounts Receivables Management (ARM) is subordinated under the 3PC segment. The ARM services include the handling of invoices between the invoice date and the default date, as well as sending out reminders.

Axactor reports its business through reporting segment which corresponds to the operating segments. Segment profitability and country profitability are the two most important dimensions when making strategic priorities and deciding where to allocate the Groups resources.

Segment revenue reported below represents revenue generated from external customers. There were no intersegment sales in the current year.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment contribution margin represents contribution margin earned by each segment without allocation of management fee, central administration costs, other gains and losses as well as finance costs. The measurement basis of the performance of the segment is the segment's contribution margin.

For the quarter end 30 Jun 2019

EUR thousand	NPL	REO	3PC [1]	Eliminations/ Not allocated	Total
Collections on own portfolios	50,131	25,050	0	0	**75,181**
Other operating revenue	0	0	16,037	44	**16,081**
Portfolio amortization and revaluation	-18,844	0	0	0	**-18,844**
Net revenue	31,286	25,050	16,037	44	**72,418**
REO cost of sales	0	-20,205	0	0	**-20,205**
Impairment REOs	0	0	0	0	**0**
Direct operating expenses	-6,355	-2,578	-8,093	0	**-17,027**
Contribution margin	24,931	2,267	7,944	44	**35,186**
Local SG&A, IT and corporate cost				-9,041	**-9,041**
EBITDA					**26,145**
Total opex	-6,355	-22,784	-8,093	-9,041	**-46,273**
CM1 Margin	79.7 %	9.0 %	49.5 %	na	**48.6 %**
EBITDA Margin					**36.1 %**
Dopex / Gross revenue	12.7 %	91.0 %	50.5 %	na	**40.8 %**
SG&A, IT and corporate cost / Gross revenue					**9.9 %**

1) *External revenue*

For the quarter end 30 Jun 2018

EUR thousand	NPL	REO	3PC [1]	Eliminations/ Not allocated	Total
Collections on own portfolios	31,369	21,883	0	0	**53,252**
Other operating revenue	0	0	13,444	0	**13,444**
Portfolio amortization and revaluation	-12,310	0	0	0	**-12,310**
Net revenue	19,059	21,883	13,444	0	**54,386**
REO cost of sales	0	-17,353	0	0	**-17,353**
Impairment REOs	0	0	0	0	**0**
Direct operating expenses	-5,730	-2,364	-8,992	0	**-17,085**
Contribution margin	13,330	2,166	4,453	0	**19,948**
Local SG&A, IT and corporate cost				-9,339	**-9,339**
EBITDA					**10,610**
Total opex	-5,730	-19,716	-8,992	-9,339	**-43,776**
CM1 Margin	69.9 %	9.9 %	33.1 %	na	**36.7 %**
EBITDA Margin					**19.5 %**
Dopex / Gross revenue	18.3 %	90.1 %	66.9 %	na	**51.6 %**
SG&A, IT and corporate cost / Gross revenue					**14.0 %**

1) *External revenue*

YTD 30 Jun 2019

EUR thousand	NPL	REO	3PC[1]	Eliminations/ Not allocated	Total
Collections on own portfolios	102,502	49,715	0	0	**152,217**
Other operating revenue	0	0	29,632	74	**29,706**
Portfolio amortization and revaluation	-35,856	0	0	0	**-35,856**
Net revenue	66,646	49,715	29,632	74	**146,067**
REO cost of sales	0	-39,507	0	0	**-39,507**
Impairment REOs	0	-213	0	0	**-213**
Direct operating expenses	-14,649	-4,935	-17,749	0	**-37,334**
Contribution margin	51,996	5,060	11,882	74	**69,013**
Local SG&A, IT and corporate cost				-20,728	**-20,728**
EBITDA					**48,285**
Total opex	-14,649	-44,655	-17,749	-20,728	**-97,782**
CM1 Margin	78.0 %	10.2 %	40.1 %	na	**47.2 %**
EBITDA Margin					**33.1 %**
Dopex / Gross revenue	14.3 %	89.8 %	59.9 %	na	**42.4 %**
SG&A, IT and corporate cost / Gross revenue					**11.4 %**

1) *External revenue*

YTD 30 Jun 2018

EUR thousand	NPL	REO	3PC[1]	Eliminations/ Not allocated	Total
Collections on own portfolios	52,223	30,555	0	0	**82,778**
Other operating revenue	0	0	24,933	0	**24,933**
Portfolio amortization and revaluation	-17,524	0	0	0	**-17,524**
Net revenue	34,698	30,555	24,933	0	**90,186**
REO cost of sales	0	-23,476	0	0	**-23,476**
Impairment REOs	0	0	0	0	**0**
Direct operating expenses	-10,955	-3,651	-17,781	0	**-32,387**
Contribution margin	23,743	3,428	7,152	0	**34,323**
Local SG&A, IT and corporate cost				-17,616	**-17,616**
EBITDA					**16,707**
Total opex	-10,955	-27,127	-17,781	-17,616	**-73,479**
CM1 Margin	68.4 %	11.2 %	28.7 %	na	**38.1 %**
EBITDA Margin					**18.5 %**
Dopex / Gross revenue	21.0 %	88.8 %	71.3 %	na	**51.9 %**
SG&A, IT and corporate cost / Gross revenue					**16.4 %**

1) *External revenue*

Full year 2018

EUR thousand	NPL	REO	3PC[1]	Eliminations/ Not allocated	Total
Collections on own portfolios	117,034	69,810	0	0	**186,844**
Other operating revenue	0	0	51,964	0	**51,964**
Portfolio amortization and revaluation	-31,900	0	0	0	**-31,900**
Net revenue	85,135	69,810	51,964	0	**206,909**
REO cost of sales	0	-54,486	0	0	**-54,486**
Impairment REOs	0	-1,946	0	0	**-1,946**
Direct operating expenses	-23,100	-8,609	-35,352	0	**-67,061**
Contribution margin	62,035	4,769	16,612	0	**83,416**
Local SG&A, IT and corporate cost				-37,110	**-37,110**
EBITDA					**46,306**
Total opex	-23,100	-65,041	-35,352	-37,110	**-160,603**
CM1 Margin	72.9 %	6.8 %	32.0 %	na	**40.3 %**
EBITDA Margin					**22.4 %**
Dopex / Gross revenue	19.7 %	93.2 %	68.0 %	na	**51.7 %**
SG&A, IT and corporate cost / Gross revenue					**15.5 %**

1) *External revenue*

Note 4 Revenue

Portfolio Revenue

	For the quarter end		YTD		
EUR thousand	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018	Full year 2018
Yield[1]	**32,475**	16,061	61,464	34,466	74,536
CU1[2]	**-1,238**	4,014	4,658	2,654	8,454
CU2[3]	**-973**	-1,383	-1,314	-3,128	447
CU2 tail[4]	**1,022**	367	1,838	706	1,697
Net revenue	**31,286**	19,059	66,646	34,698	85,135

1) *The effective interest rate on portfolios*
2) *Catch up 1. Over- or underperformance compared to collection forecast*
3) *Catch up 2. Revaluations and net present value of changes in forecast*
4) *Catch up 2 tail. The net present value effect of rolling 180 months forecast*

Note 5 Financial items

EUR thousand	For the quarter end 30 Jun 2019	For the quarter end 30 Jun 2018	YTD 30 Jun 2019	YTD 30 Jun 2018	Full year 2018
Financial revenue					
Interest on bank deposits	**21**	2	30	2	17
Exchange gains	**0**	0	0	0	0
Exchange gains realized	**1**	283	-1	288	381
Other financial income	**6**	-3	14	83	54
Total financial revenue	**29**	283	43	374	453
Financial expense					
Interest expense on borrowings	**-13,039**	-8,369	-23,902	-13,182	-29,713
Distribution of interest on Notes to NCI [1)]	**0**	0	0	0	-2,080
Exchange losses realized	**-50**	-211	-83	-218	-294
Net unrealized exchange losses	**-271**	289	-673	190	-456
Other financial expense [2)]	**-601**	-513	-1,219	-1,135	-2,047
Total financial expense	**-13,961**	-8,804	-25,878	-14,345	-34,591
Net financial items	**-13,932**	-8,521	-25,835	-13,971	-34,138

1) Notes are classified as Debt instruments in 2018, hence distribution over P&L

2) Includes amortization of warrants of 0.4m in each Q 2019, 0.4 each Q 2018 and 1.5m full year 2018

Note 6 Non-performing loans

EUR thousand	YTD 30 Jun 2019	YTD 30 Jun 2018	Full year 2018
Opening balance	**728,819**	317,150	317,150
Acquisitions during the year	**217,758**	64,264	461,910
Collection	**-102,502**	-52,223	-117,034
Yield - Interest income from purchased loan portfolios	**61,464**	34,466	74,536
Net gain/loss purchased loan portfolios [1)]	**5,182**	232	10,599
Repossession of secured NPL to REO	**-1,883**	0	-2,953
Disposals [1), 2)]	**0**	-2,816	-9,416
Translation difference	**864**	-2,569	-5,972
Closing balance	**909,702**	358,505	728,819
Payments during the year for investments in purchased debt amounted to EUR	**220,455**	112,894	456,339
Deferred payment	**2,875**	0	5,572

1) Gain on disposals is netted in P&L as 'Net gain/loss purchased loan portfolios'

2) Disposals relates to portfolio purchase agreements entered with Unicaja to purchase REOs. The agreement was entered with a first and second closing. The condition for the second closing was that Axactor was committed to purchase the defined assets in the contract. Assets that was in a sales process on the date of signing were held back pending on a sale. A sale of committed, not transferred assets are treated as a cash flow from NPL portfolio revenue. Assets still unsold within a defined period from signing of the contract was treated as a disposal and transferred to REOs.

Note 7 Stock of secured assets - REO

EUR thousand	YTD 30 Jun 2019	YTD 30 Jun 2018	Full year 2018
Acquisition cost, opening balance	**200,009**	154,101	154,101
Acquisitions during the year	**298**	49,903	99,310
Repossession of secured NPL	**1,883**	0	2,953
Cost of sold secured assets	**-39,507**	-23,476	-54,491
Other	**0**	0	82
Total acquisition cost	**162,684**	180,528	201,955
Impairment	**-213**	0	-1,946
Closing balance	**162,471**	180,528	200,009
Number of assets	**5,130**	6,161	6,323

Note 8 Loans and borrowings

EUR thousand	Currency	Interest rate	Carrying amount	Year of maturity
Balance at 1 Jan 2019	EUR / NOK / SEK	Variable	737,124	2019-2024
New issues				
Italian Banks [2]	EUR		2,327	2019-2024
DnB/Nordea [1]	Various		99,549	2020-2021
Listed Bond Loan [4]	EUR		50,000	2021
Repayments				
Italian Banks	EUR		-4,184	
Conversion to equity Notes, NCI	EUR		-30,000	
Nomura [5]	EUR		-22,752	
Other [3]	EUR		-13	
Other movements				
Capitalized loan fees			-2,696	
Amortized loan fees on loans			3,400	
Accrued interest			77	
Currency translations			-814	
Balance at 30 Jun 2019			831,746	
Non-current portion of interest-bearing debt			552,788	
Current portion of of interest-bearing debt			278,958	
Of which in currency				
NOK			89,456	
SEK			64,450	
EUR			677,840	

EUR thousand	DNB/Nordea	Bond	Sterna	DNB	Nomura	Local banks	Total
Borrowings per facility							
Gross interest bearing debt	285,526	200,000	120 000	111,050	74,955	51,362	**842,892**
Capitalized loan fee	-6,152	-1,628	-1,843	-1,569	-2,739	0	**-13,930**
Accrued interest	0	233	2,124	86	341	0	**2,784**
Interest bearing debt, end of period	279,374	198 606	120,280	109,567	72,558	51,362	**831,746**

1) *The debt facility agreement with DNB Bank ASA and Nordea Bank AB is EUR 350 million, whereof 50 million in the form of accordion options. The last 50 million was utilized July 5th. The loan carries a variable interest rate based on the interbank rate in each currency with a margin.*

Under the terms of this debt facility the group is required to comply with the following financial covenants: the Group NIBD Ratio < 3; the Portfolio Leverage Ratio < 60 % and Collection performance > 90 %

All material subsidiaries of the group are guarantors and have granted a share pledge and bank account pledge as part of the security package for this facility. Italian subsidiaries together with the co-Invest Vehicle in Luxembourg as well as the REO Holding company in Luxembourg are not a part of the agreement nor the security arrangement.

2) *The facilities of the Italian banks relate to eleven different facilities and agreements with several Italian banks. The loans carries variable interest rates based on the interbank rate with a margin. Some of the loans are secured with collaterals worth EUR 24 million.*

3) *Following the co-investment partnership with Geveran, Notes in the amount of EUR 230 million has been issued, of which for EUR 185 million has been subscribed to by Sterna Finance, a company in the Geveran Group. The remainder has been subscribed to by Axactor SE. This consists of EUR 120 million class B Notes, subordinated secured Note, fully subscribed by Geveran. The maturity is in 2022.*

4) *In March 2019, Axactor SE completed a tap issue of EUR 50 million in its outstanding senior unsecured bonds due 23 June 2021 (ISIN NO0010840515). Following the tap issue the total nominal amount outstanding under the bonds will be EUR 200 million. Settlement for the tap issue is expected to take place on or about 26 March 2019 and net proceeds will be used for general corporate purposes.*

The bonds are listed on Oslo Exchange. The coupon rate is 3m EURIBOR + 700 bps pa. The following financial covenants: Interest coverage ratio: >4.0x (Pro-Forma Adjusted Cash EBITDA to net interest expenses); Leverage ratio: <4.0x (NIBD to Pro-Forma Adjusted Cash EBITDA); Net loan to value: <75% (NIBD to total book value all debt portfolios and REOs); Net secured loan to value: <65% (secured loans less cash to total book value all debt portfolios and REOs). Trustee: Nordic Trustee

5) *In August 2018 Reolux Holding S.à.r.l signed a 96 mill EUR senior secured term loan facility with Nomura International plc ("Nomura") to refinance Reolux's existing Spanish Real Estate Owned (REO) investments. The facility was amended in September to facilitate new Spanish Real Estate Owned (REO) investments.*

Note 9 Leasing

Right-of-use assets

EUR thousand	Buildings	Vehicles	Other	Total
Right-of-use assets per 1 Jan	5,043	611	89	**5,743**
New leases	1,964	66	-1	**2,029**
Depreciation of the year	-1,018	-155	-25	**-1,198**
Currency exchange effects	-11	-1	0	**-11**
Carrying amount of right-of-use assets 30 Jun 2019	5,989	522	63	**6,562**
Remaining lease term	1-6 years	1-4 years	1-3 years	
Depreciation method	Linear	Linear	Linear	

Lease liabilities

EUR thousand	Total
Discounted lease liabilities and maturity of cash outflow	
< 1 year	**2,489**
1-2 years	**2,081**
2-3 years	**1,080**
3-4 years	**586**
4-5 years	**345**
> 5 years	**16**
Total discounted lease liabilities at 30 Jun 2019	**6,597**

Note 10 Shares

Issued shares and share capital

	Number of shares	Share capital (EUR thousand)
At 1 Jan 2017	**1,226,488,769**	64,197,268
New share issues, May	**50,000,000**	2,617,116
New share issues, Aug	**75,600,000**	3,957,079
New share issues, Sep	**164,400,000**	8,605,077
At 31 Dec 2017	**1,516,488,769**	79,376,540
Exercise of share options, Apr	**27,992,250**	1,465,179
New share issues, May	**1**	0
Reverse split 1:10, May		
at 30 Jun after Reverse split 1:10	**154,448,102**	80,841,720
New share issues, Nov 2018	**523,012**	273,756
At 31 Dec 2018	**154,971,114**	81,115,475
New share issues, May	**424,350**	222,115
At 30 Jun 2019	**155,395,464**	81,337,590

30 largest shareholders as at 30 Jun 2019

Name	Shareholding	% Share
Geveran Trading Co Ltd	36,450,533	23.5 %
Verdipapirfondet Dnb Norge (IV)	9,105,292	5.9 %
Torstein Ingvald Tvenge	7,150,000	4.6 %
Ferd AS	5,335,139	3.4 %
Verdipapirfondet Alfred Berg Gamba	3,805,376	2.4 %
Verdipapirfondet Alfred Berg Norge	2,890,144	1.9 %
U.S. Bank National Association	2,255,706	1.5 %
Verdipapirfondet Alfred Berg Aktiv	2,154,655	1.4 %
Gvepseborg AS	2,036,494	1.3 %
Verdipapirfondet Nordea Norge Verd	2,013,102	1.3 %
Citibank, N.A.	1,707,084	1.1 %
Ubs Switzerland AG	1,675,970	1.1 %
Alpette AS	1,661,643	1.1 %
Nordnet Livsforsikring AS	1,502,706	1.0 %
Vatne Equity AS	1,341,599	0.9 %
Andres Lopez Sanchez	1,177,525	0.8 %
David Martin Ibeas	1,177,525	0.8 %
Klotind AS	1,098,523	0.7 %
Citibank, N.A.	1,068,351	0.7 %
Latino Invest AS	1,030,000	0.7 %
Verdipapirfondet Nordea Avkastning	1,024,709	0.7 %
Verdipapirfondet Nordea Kapital	990,330	0.6 %
BNP Paribas Securities Services	915,672	0.6 %
Vardfjell AS	891,401	0.6 %
Elena AS	879,000	0.6 %
Endre Rangnes	864,000	0.6 %
Citibank, N.A.	808,287	0.5 %
Svein Dugstad	719,000	0.5 %
Songa Trading Inc.	688,271	0.4 %
Norus AS	610,000	0.4 %
Total 30 largest shareholders	95,028,037	61.2 %
Other shareholders	60,367,427	38.8 %
Total number of shares	155,395,464	100 %
Total number of shareholders	8,909	

Shares owned by related parties

Name	Shareholding	% Share
Geveran Trading Co Ltd [1]	36,450,533	23.5 %
Alpette AS [2]	1,661,643	1.1 %
Andres Lopez Sanchez [3]	1,177,525	0.8 %
David Martin Ibeas [3]	1,177,525	0.8 %
Latino Invest AS [4]	1,030,000	0.7 %
Endre Rangnes [2]	864,000	0.6 %
Banca Sistema S.P.A [5]	604,504	0.4 %
Fryden AS / Oddgeir Hansen [6]	576,000	0.4 %
Johnny Tsolis Vasili [4]	540,000	0.3 %
Siv Farstad [6]	294,810	0.2 %
Robin Knowles [6]	278,180	0.2 %
Bjørn Erik Næss [7]	100,000	0.1 %
Susanne Lene Rangnes Schneider [2]	39,832	0.0 %
Anders Gulbrandsen [8]	22,375	0.0 %
Sicubi AS / Bente Brocks [8, 9]	16,200	0.0 %
Bergsjo AS / Beate Skjerven Nygårdshaug [7]	12,300	0.0 %
Lars Valseth [8]	12,188	0.0 %
Brita Eilertsen [7]	10,000	0.0 %
Terje Mjøs [7]	10,000	0.0 %

1) *Geveran Trading Co Ltd owns 50% of Luxco Invest1 S.A and Reolux Holding S.à.r.l., companies controlled by Axactor Group*
2) *CEO/Related to the CEO of Axactor SE*
3) *Member of the executive management team of Axactor SE and former owner of ALD, Spain*
4) *Related to the CFO of Axactor SE*
5) *Banca Sistema S.P.A. owns 10% of the shares in Axactor Italy Srl, a company controlled by Axactor Group*
6) *Member of the executive management team of Axactor SE*
7) *Member of the Board of Directors of Axactor SE/controlled by member of the Board of Directors of Axactor SE*
8) *Primary insider of Axactor SE*
9) *Company controlled by primary insider of Axactor SE*

As from 31 May 2018 the shares in Axactor SE are traded ex reverse split, with new ISIN and new face value. Ratio: 10 old shares give 1 new share. New ISIN: NO0010840515. New Face value: EUR 0.5234232

Terms and abbreviations

3PC	Third-Party Collection
ARM	Accounts Receivable Management
B2B	Business to Business
B2C	Business to Consumer
BoD	Board of Directors
Cash EBITDA	EBITDA adjusted for calculated cost of share option program, portfolio amortizations, revaluations, REO cost of sales and REO impairments
CGU	Cash Generating Unit
CM1	Contribution Margin
Dopex	Direct Operating expenses
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ECL	Expected credit loss
ERC	Estimated Remaining Collection, the total of expected collection on portfolios over the next 180 months. The discounted value of the ERC for NPLs is booked as Closing balance in the Financial Position
EPS	Earnings Per Share
EUR	Euro
FTE	Full Time Equivalent
IFRS	International Financial Reporting Standards
NIBD	Net Interest Bearing Debt - Interest bearing debt less cash
NCI	Non-controlling interests
NOK	Norwegian Krone
NPL	Non- Performing Loan
OB	Outstanding Balance, the total amount Axactor can collect on claims under management, including outstanding principal, interest and fees
PCI	Purchased Credit Impaired
PPA	Purchase Price Allocations
Pro-forma Cash EBITDA	Cash EBITDA adjusted for acquired/sold business (and portfolios in regards of covenants)
REO	Real Estate Owned
SEK	Swedish Krone
SG&A	Selling, General & Administrative Expenses
SPV	Special Purpose Vehicle
VIU	Value in Use
WAEP	Weighted average exercise price

Financial calendar 2019

Quarterly Report - Q1	*26.04.2019*
Quarterly Report - Q2	*24.07.2019*
Quarterly Report - Q3	*25.10.2019*
Quarterly Report - Q4	*12.02.2020*

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