



Axactor company presentation


Arctic Securities, Debt Collection Seminar
Oslo, January 10th, 2019

AXACTOR

2018 General market observations

General market trends

- Reduced NPL portfolios price pressure
 - Accelerating in 2H 2018
 - IRR up between 10-25%, small/mid size portfolios even higher
- Increased NPL volumes coming to market in all Axactor countries
- Forward flow trend continues
- Funding situation more challenging

- 
- Axactor secured high investment capacity through Bond placement, Nomura refinancing, co-invest with Geveran and RCF credit lines
 - Approximately EUR 550m capex investment in NPL Portfolios in 2018
 - Substantial 2019 forward flow volumes

This is Axactor

Axactor in brief

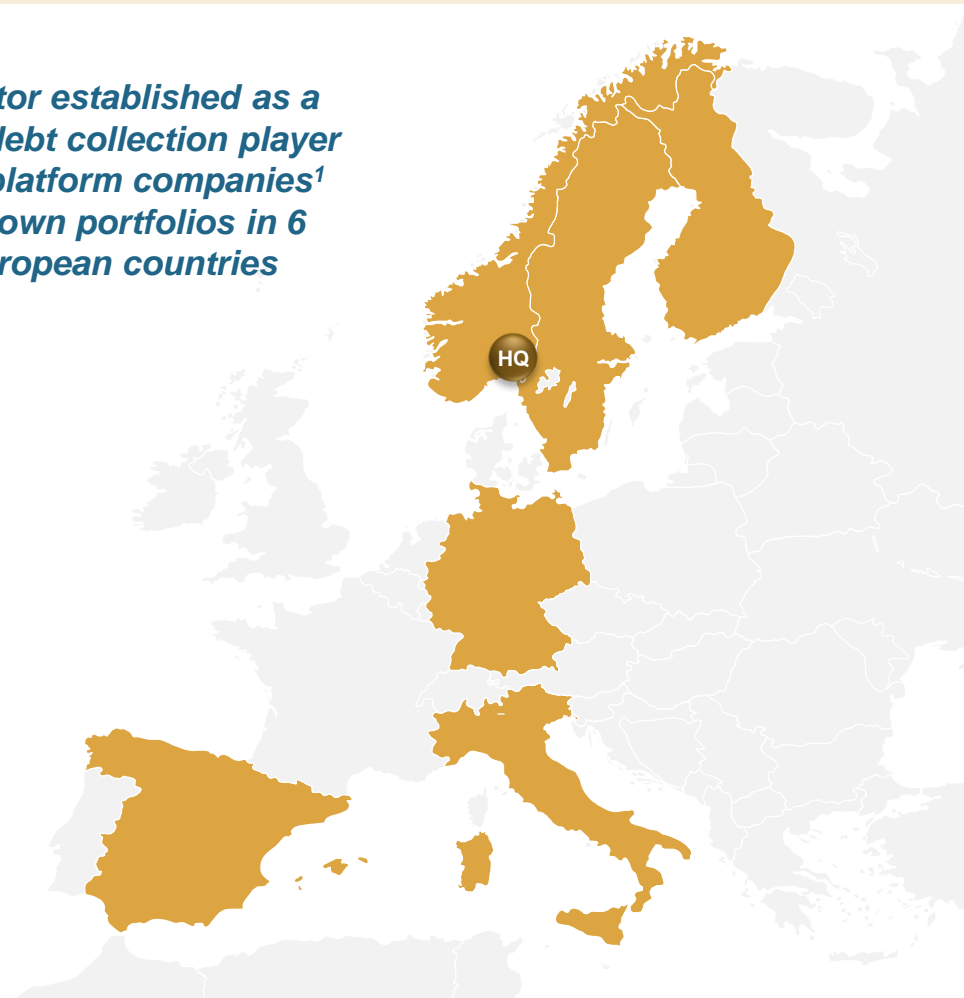
- Axactor is a Nordic-based debt management company with operations in six European countries
 - Established in December 2015 – rapid expansion
 - High-quality debt collection company without any legacy burdens
- Main investment focus area has been unsecured B2C loans – also invested in portfolios of secured non-performing loans and REOs in '17
- Specialized in both purchasing and collection on own debt portfolios, and providing collection services for 3rd party owned portfolios
- Headquartered in Oslo, Norway, with a total of ~ 1,000 employees
- Listed on the Oslo Stock exchange (ticker: AXA)

Axactor service offering

- 1 Collection on own NPLs
- 2 Acquisitions of REOs
- 3 Collection on 3rd party owned NPLs
- 4 Accounts Receivable Management

Axactor geographic footprint

Axactor established as a large debt collection player with platform companies¹ and own portfolios in 6 European countries



Recap Axactor strategy

Operational strategy: “One Axactor”

- Common scalable platforms
- Cross-boarder knowledge sharing
- An efficient and professional unified corporate culture

Established markets with strong growth

- Iberia (Spain), Western-Europe (Germany) and the Nordics
- Italy still to be considered as an “emerging market”

Cover all parts of the traditional value chain

- Amicable collection, legal collection, surveillance

Focus on all the traditional business areas

- ARM, 3PC and NPL acquisition, B2C unsecured
- REOs/Secured in Spain only opportunistically

Bank/finance segment as main target

- Opportunistic on high margin segments such as SMEs and utilities



Over time, Axactor cost position will be unparalleled

Predictable regulatory environment – low exposure to small claims

Stable and predictable cash flows, providing stable IRRs across geographies

Less vulnerable to market disturbance due to strong and capital light 3PC business

3PC business less exposed to price pressure, as high volume/low margin segments are not targeted

Standardization to reduce costs and to drive efficiency

Standardization - “One Axactor”

- Intility (IT Infrastructure)
- Miratech partnership (AD/AM)
- ERP/Finance/HR
- Knowledge Sharing
- Portfolio pricing
- Digitalization
 - Dialler robot
 - Business Intelligence (BI)/ data warehouse
 - Core Collection Systems
 - Debtor/Client Portals
 - Skill based collection
- CRM
- Branding
- Common KPIs

Positive effects from “One Axactor”

1

IT & SG&A share of cost will continue to decrease year over year

2

Efficiency will increase as a result of best practise sharing

- Establishing CoE in different areas

3

Improved operational control through common KPIs

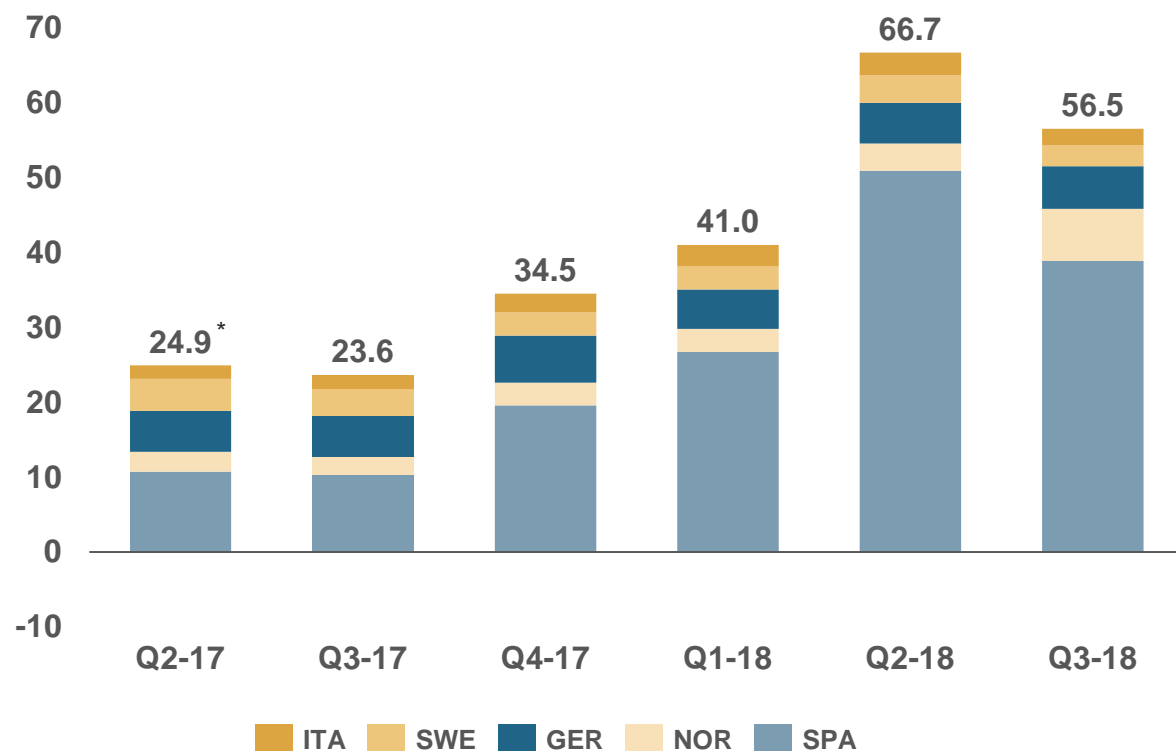
- Possibility to perform internal benchmarking

4

Building one “corporate culture”, eliminate “legacy”

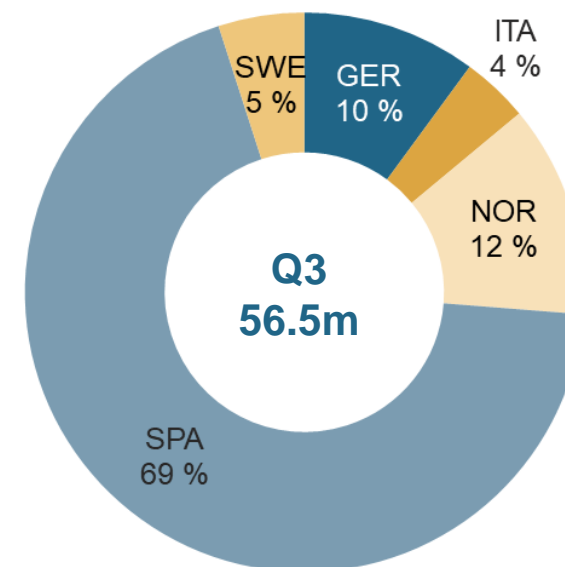
Axactor revenue mix – distribution per country

Gross revenue per quarter (EUR million)



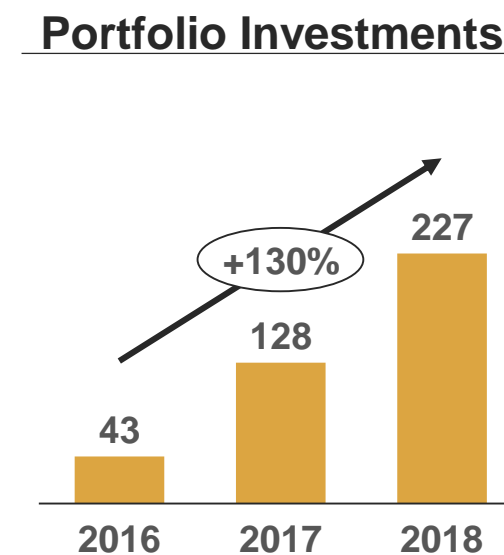
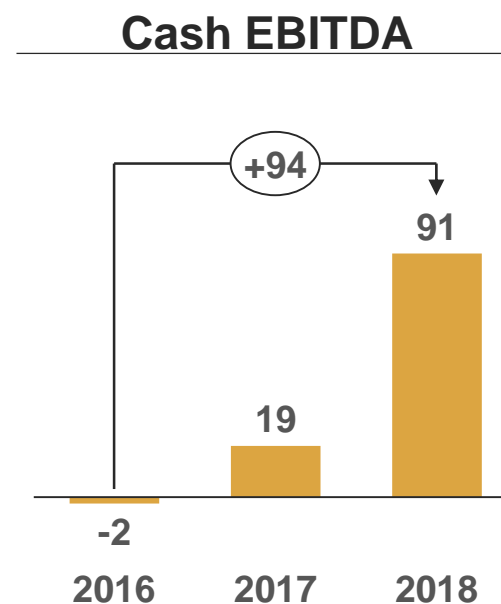
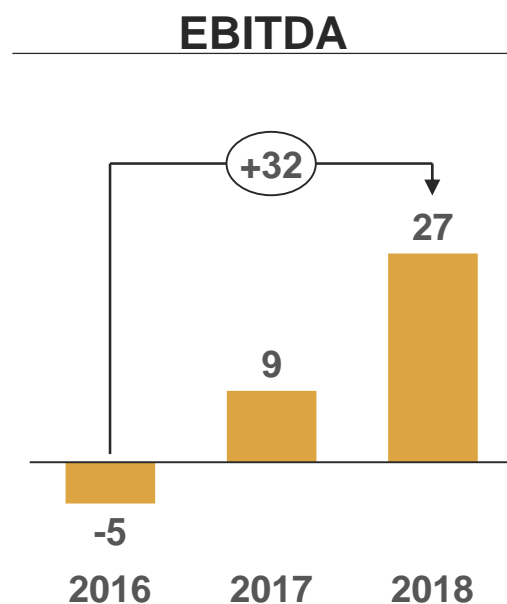
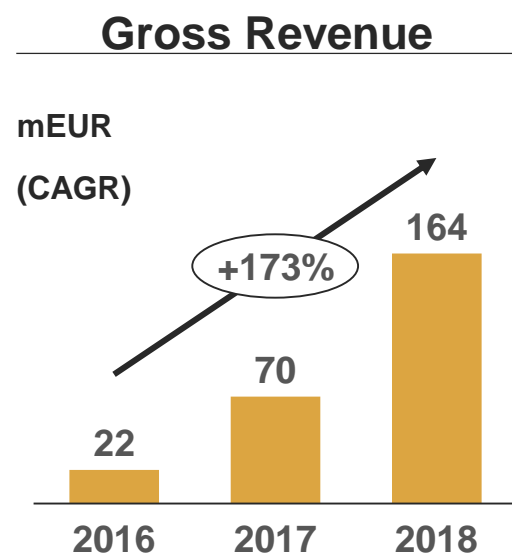
- 139% growth vs Q3 2017
- Significant growth in Norway driven by large portfolio investments

Q3 Revenue Distribution per Country



- Shift from Q2 2018 with increased share for Norway and Germany driven by large unsecured FF portfolios signed in Q2 and Q3 2018
- This trend is expected to continue over the next 1-2 years

Financials YTD Q3 2018



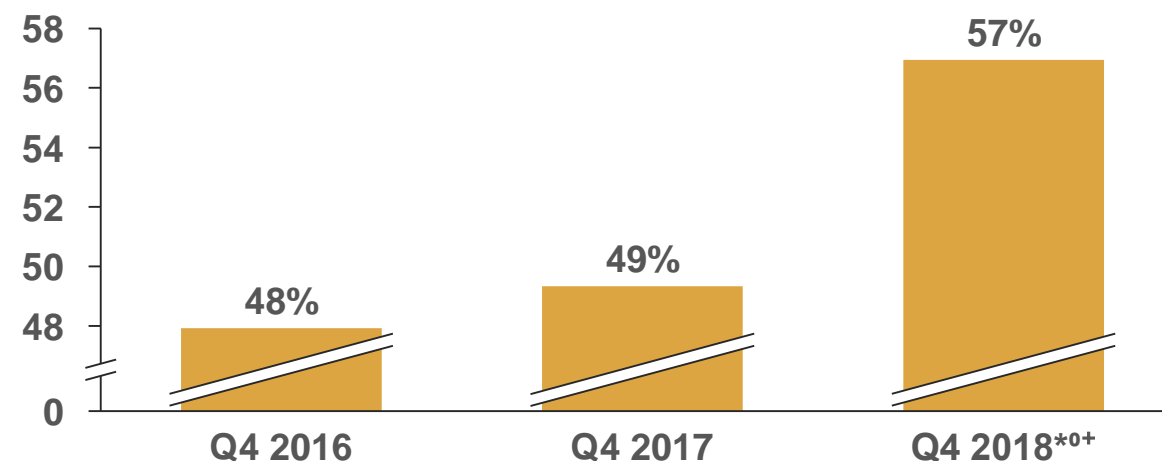
Blended funding cost of approximately 4,9%* (down from 5,2% in 2018)

Shareholder structure and development of top 20

Top 20 shareholders 31.12.2018

Investor	Number of shares	% of total
GEVERAN TRADING CO LTD *	34,402,559	22.20 %
VERDIPAPIRFONDET DNB NORGE (IV)	10,303,065	6.65 %
TVENGE TORSTEIN INGVALD	7,100,000	4.58 %
FERD AS	5,335,139	3.44 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	3,555,376	2.29 %
VERDIPAPIRFONDET ALFRED BERG NORGE	2,890,144	1.86 %
ALPETTE AS °	2,525,643	1.63 %
VERDIPAPIRFONDET DELPHI NORDEN	2,514,978	1.62 %
GVEPSEBORG AS	2,036,494	1.31 %
J.P. Morgan Bank Luxembourg S.A.	2,014,113	1.30 %
VPF NORDEA NORGE VERDI	2,013,102	1.30 %
SONGA TRADING INC	2,000,000	1.29 %
VERDIPAPIRFONDET ALFRED BERG AKTIV	1,854,655	1.20 %
UBS AG	1,635,202	1.06 %
LATINO INVEST AS ⁺	1,570,000	1.01 %
RMB INTERNATIONAL FUND	1,472,238	0.95 %
NORDNET LIVSFORSIKRING AS	1,416,435	0.91 %
Citibank, N.A.	1,234,706	0.80 %
VPF NORDEA KAPITAL	1,214,748	0.78 %
LOPEZ SANCHEZ ANDRES	1,166,725	0.75 %
Total top 20	88,255,322	56.95 %
Total shares	154,971,114	100.00 %

Top 20 shareholders share of total



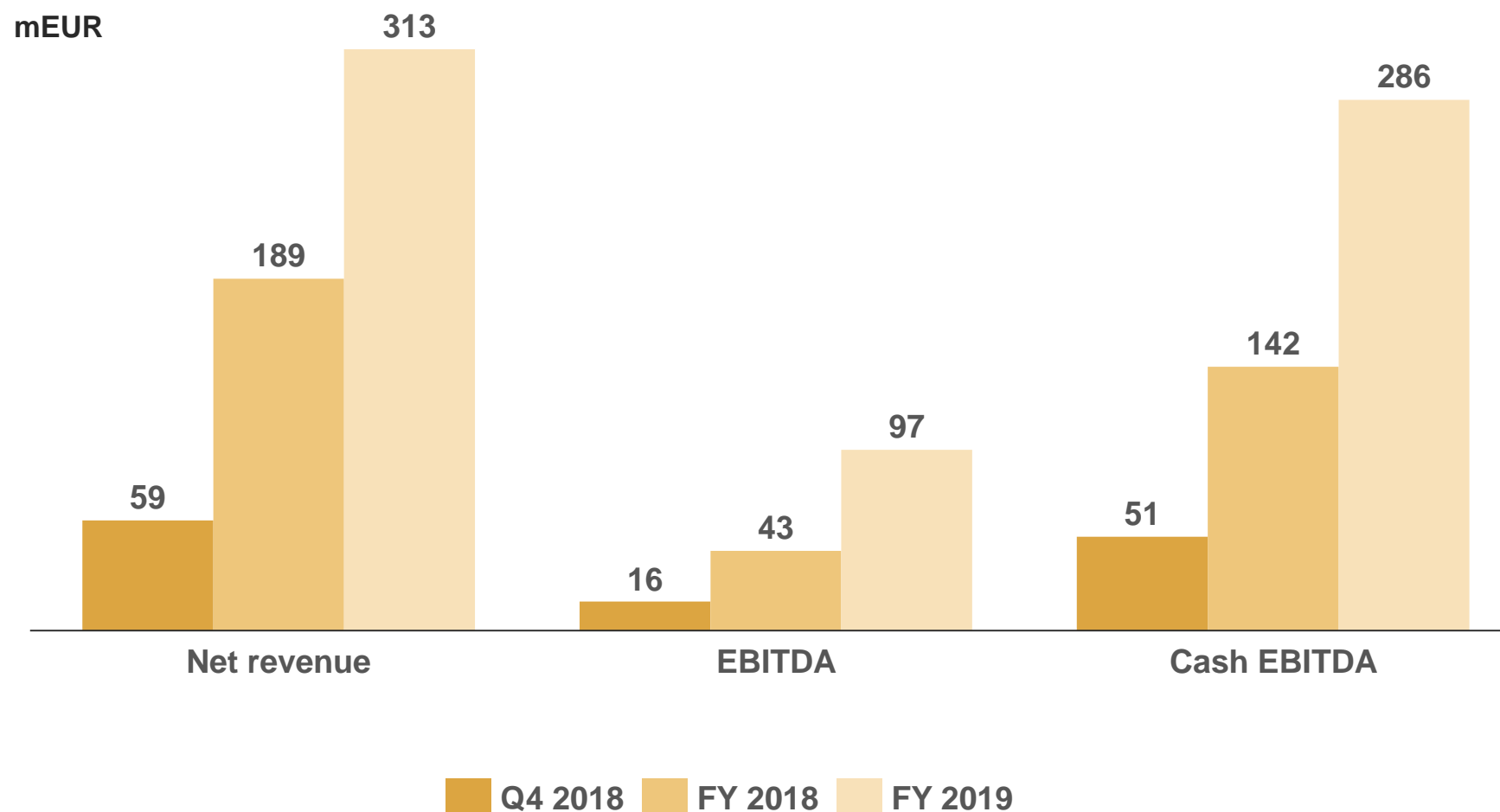
- Strong institutional investors in top 20
- Top 20 investors are accumulating shares
- Executive management owns more than 5%

*Adjusted for shares acquired by Geveran in January 2019

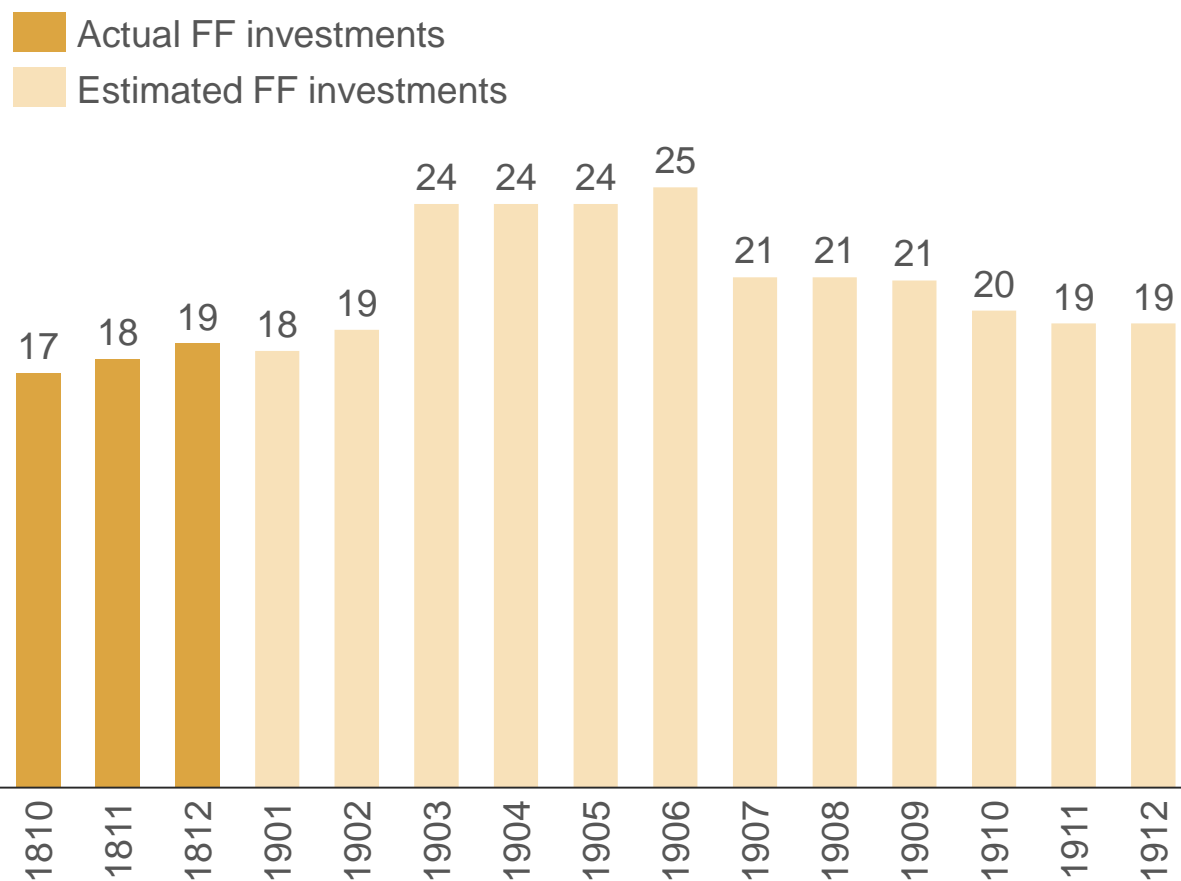
°Including shares owned personally by Endre Rangnes

⁺Including shares owned personally by Johnny Tsois

Consensus estimates – average target price 37 NOK



Signed capex of approximately 260 mEUR for 2019



- Expect total portfolio investments 2019 in the region of EUR 350m to EUR 400m
- Significant forward flow contracts signed during 2018 in Finland, Germany, Italy, Norway and Sweden
- New signed contracts with start Q1 and Q2 2019 will increase monthly volume to EUR ~25m
- Decrease from contracts expiring in Q3 and Q4 2019 (could potentially be renewed)
- Contracted capex for 2019 of EUR ~258m
- Forward flow pipeline remains strong, especially in the Nordic countries

2019 market outlook

- IRR will continue to increase due to supply and demand imbalance
- Volume increase expected, both in NPL and 3PC
- Still focus on carve-out transactions in Spain – Italy emerging
- Consolidation trend most likely to continue after a “short break” in 2018
- Funding situation will be on the agenda for all players in the industry



AXACTOR