AXACTOR

Report
Q1 2021

Highlights

First quarter 2021

- Axactor delivered gross revenue growth of 7% for the first quarter 2021 compared to the same period last year, ending at EUR 84.9 million (79.2). The main driver of the growth was the NPL segment, driven by continued investments in NPL portfolios over the last twelve months. The 3PC segment declined as a result of volumes received under running contracts still being lower than normal due to implications of the Covid-19 pandemic. REO is treated as a run-off segment, and a decreasing revenue over time is thus expected. The first quarter of the year is usually a seasonally weak quarter, and the decline in total gross revenue compared to the previous quarter was as anticipated

- Total income for the first quarter 2021 ended at EUR 61.0 million, up 10% from EUR 55.6 million in the corresponding period last year. Despite a 17% growth in gross revenue for the NPL segment, NPL amortization and revaluation was approximately the same as last year at EUR 23.5 million (23.6)

- Restructuring costs of EUR 3.2 million are included in the first quarter operating expenses. The majority of the costs relate to a site consolidation in Spain, where three sites will be closed down and operations moved to the three remaining sites in Madrid, Valladolid and Alicante. The restructuring is part of a larger cost reduction program initiated during the quarter, aiming to realize annual savings of EUR 4.8 million when fully implemented at year-end 2021

- EBITDA came in at EUR 17.7 million, up from EUR 14.1 million in the first quarter 2020. This results in an EBITDA margin of 29% (25%), which increases to 34% excluding the restructuring cost

- Cash EBITDA was EUR 52.1 million, an increase of 8% from the first quarter last year (48.2)

- Earnings before tax ended at EUR -1.7 million (5.6), including unrealized FX losses of EUR 4.0 million. This compares to an unrealized FX gain in the first quarter last year of EUR 9.6 million. Net profit came in at EUR -3.4 million (3.4). Adjusting for minorities, this translates to an annualized return on equity for shareholders of -1.6% for the quarter (7.2%)

- Investments in NPL portfolios amounted to EUR 16.1 million for the quarter (89.7), made entirely under forward flow agreements. Axactor signed two new forward flow agreements during the quarter, and see clear signs of improving supply and market conditions

- All transactions related to the balance sheet restructuring announced during the fourth quarter 2020 were finalized during the first quarter 2021:

  – A share capital increase by contribution in kind was done as payment for the minority stake in the co-invest vehicle Axactor Invest I. After the transaction Axactor owns 100% of shares and A-notes in Axactor Invest I. As part of the transaction, the B-notes currently held by Sterna Finance were converted into a bond-like debt instrument with Axactor SE as counterpart

  – Axactor's main funding line, a revolving credit facility from DNB and Nordea, has been refinanced with its maturity extended to 2024. As part of the refinancing, the revolving credit facility in Axactor Invest I was merged with the main funding line. The new loan agreement has similar terms as the previous main funding line, but with a pricing mechanism dependent on the portfolio loan-to-value. The total facility is of EUR 620 million, of which EUR 75 million in the form of an accordion option

- The outstanding bond loan, AXA01, was refinanced with a new bond issue, AXACTOR02. The vast majority of the AXA01 bonds were rolled into AXACTOR02 bonds, with the remaining AXA01 bonds settled in the first quarter 2021. Pricing and general terms for AXACTOR02 are similar as for AXA01

- Subsequent to the share capital increase by contribution in kind, a private placement of EUR 30 million was carried out. Following the private placement, an additional EUR 20 million was raised through a repair issue

- Through the roll-up of Axactor Invest I, Geveran increased their ownership share in Axactor to 44.31%, triggering a mandatory offer for the remaining Axactor shares. The offer was placed at NOK 8 per share. The Board of Directors decided not to recommend shareholders to accept the offer. Geveran received valid acceptances under the mandatory offer for a total of 625,806 shares, corresponding to approximately 0.23% of the registered share capital and voting rights in the company. Following completion of the Mandatory Offer, Geveran owns 122,643,578 shares. Following registration of the share capital increase pertaining to the shares issued by the company on 23 February 2021, Geveran's relative shareholding is 40.59% of the total share capital and voting rights in the Company.

• Effective from January 21, 2021, Axactor has changed its ticker on the Oslo Stock Exchange from AXA to ACR to avoid confusion with companies with a similar name

Events after the balance date

In April, the AXACTOR02 bond was listed on Oslo Børs under the name ACR02, and ISIN NO0010914666.

Key Figures Axactor Group

EUR million	For the quarter end / YTD 31 Mar 2021	31 Mar 2020	Full year 2020
Gross revenue	**84.9**	79.2	325.2
Total income	**61.0**	55.6	201.2
EBITDA	**17.7**	14.1	32.0
Cash EBITDA [1)]	**52.1**	48.2	209.5
Depreciation and amortization (excl Portfolio Amortization)	**-2.6**	-2.6	-10.8
Net financial items	**-16.8**	-5.9	-53.4
Tax (expense)	**-1.7**	-2.1	-1.8
Net profit/(loss) after tax	**-3.4**	3.4	-34.0
Return on Equity, excluding Non-controlling interests, annualized	**-1.6 %**	7.2 %	-6.1 %
Return on Equity, including Non-controlling interests, annualized	**-3.4 %**	3.6 %	-9.1 %
Cash and Cash Equivalents, end of period [2)]	**47.1**	46.2	47.8
Gross revenue from NPL Portfolios	**63.3**	54.2	236.5
Gross revenue from REO Portfolios	**10.0**	11.5	40.4
Acquired NPL portfolios during the period	**16.1**	89.7	208.2
Acquired REO portfolios during the period	**0.0**	0.2	0.4
Book value of NPL, end of period	**1,123.6**	1,064.6	1,124.7
Book value of REO, end of period	**68.5**	120.3	78.8
Estimated Remaining Collection, NPL	**2,158.8**	2,051.8	2,169.2
Interest bearing debt, end of period	**865.9**	884.1	936.2
Number of Employees (FTEs), end of period	**1,095**	1,152	1,128
Price per share, last day of period	**9.17**	6.15	10.70

1) Cash EBITDA is EBITDA adjusted for change in forward flow derivatives, calculated cost of share option program, portfolio amortizations, revaluations, REO cost of sales and REO impairments. See APM table

2) Restricted cash excluded

Operations

The first quarter of 2021 continued to show operational improvements for Axactor. The seasonality adjusted NPL collections for the first quarter improved, while the 3PC segment still suffers from lower volumes. Although Axactor has seen a high customer retention through the last year, the volume of debt collection cases received from customers has been reduced during the Covid-19 pandemic. The operational deliveries on volumes received are however of a very high quality, proven by good results in benchmark competitions across geographies. Axactor believe the reduced volumes are of a temporary nature, and that volumes will return to more normalized levels as societies reopen after the pandemic.

The updated strategic direction unveiled at the end of 2020 is currently under implementation within all parts of operations, and several actions have been taken during the first quarter to further improve the Group's cost position and delivery capabilities. The main focus is on Axactor's core business: unsecured NPL and 3PC claims originating from the bank/finance sector. Axactor is positioning itself to further align its operations with the demands and expectations from banks and financial institutions.

Operations in Spain are under restructuring and the offices in Sevilla, Bilbao and Zaragoza will be closed down during the second quarter of 2021. Customers currently handled through these three sites will be moved to Axactor's larger operational centers in Madrid, Valladolid and Alicante. The rationale behind the restructuring is both to improve the quality of the services provided and reducing cost.

In Finland, a homeshoring process is in progress, moving local back office operations from the Baltic countries to Finland. This initiative is enabled by increased automation within the core collection system and will help create a tailormade division for servicing banks and financial institutions.

Operational performance

The quarter started slowly for the NPL segment, with January impacted by seasonal challenges. The main issues were related to reduced debt refinancing by the Nordic banks, and legal authorities spending time to resume operations after the holiday break. In February and March, the collections steadily increased. By the end of the first quarter, collections exceeded expectations for the NPL segment. This was achieved through a successful strategy of segmentation and a solid increase in the number of payment plans, while at the same time closing large one-off payments. As the volume acquired through NPL portfolios was reduced towards the end of 2020 and into the first quarter of 2021, the main focus for Operations has been to further improve performance on older vintages. This strategy has been successful and performance improvements are seen in all markets. The total NPL gross revenue increased 17% compared to the first quarter of 2020.

Lack of volumes has been the main challenge for the 3PC segment in the first quarter. Axactor receives less debt collection cases than expected from existing customers, mostly due to low default rates in the banks and late effects of the moratorium laws in Southern Europe. The volumes are expected to return as societies reopen. For new 3PC business, the company has a strong pipeline and are in final discussions with several potential customers, expecting to finalize the contracts in the second quarter. The 3PC total income was 14% below the first quarter of 2020.

REO is treated as a run-off segment, but despite a rapidly declining asset base the sales activities held up well in the first quarter. REO total income ended at EUR 10.0 million, and the book value at the end of the quarter was reduced to EUR 68.5 million. The total number of remaining REO assets at the end of the first quarter 2021 was 2,391.

Axactor has not seen any significant reduction in its operational capabilities or the focus on process improvements, despite still having the majority of the workforce working from home.

Fair debtor treatment and self-service portals

Ethical debt collection and fair debtor treatment are the foundation of Axactor's operations. In the first quarter, technical solutions for measuring debtor treatment were implemented in all markets Axactor operates. The survey measures the satisfaction of debtors who has had contact with Axactor's contact centers. Results are measured on a scale of 1 to 5 where 5 represent the highest level of satisfaction. Axactor has set an internal target of 4.0 and is pleased that the average score in the first quarter was well above the target. The focus for the second quarter will be to increase the number of debtors participating in the survey.

The debtor self-service solutions in Axactor are branded under the names My Axactor and QuickPay. The number of payments made through these self-service debtor portals in the first quarter was 8% higher than the previous quarter, while the collected amount increased by 21%. The number of debtors logging into the self-service portals increased by 75%, mainly driven by a steep increase in usage in the Norwegian market.

Further development of the functionality in the debtor portals will be a prioritized area going forward. Key focus areas are to expand the level of self service and improve efficiency by combining current functionality with artificial intelligence solutions.

Data privacy and information security

During the first quarter of 2021, Axactor created a stronger in-house information security team. As an example, a governance structure was put in place to secure the collaboration between the Data Protection Officers, the Legal & Compliance units, the IT division and the Chief Information Security Officer (CISO).

Information security affects all employees in Axactor and the way the Group conduct business. In the first quarter, the default e-mail retention period has been reduced and a risk assessment was performed and presented to the Board of Directors.

To further improve the IT and information security, a workshop was held with Axactor's main infrastructure vendor and their Security Operations Center. The same vendor confirmed its compliance to sufficient information security through the ISAE3400 and ISAE3000 type II reports. A thorough walk-through of these reports and the exercise plans for 2021 were conducted with the vendor and key resources within IT, information security, legal, compliance and data privacy in Axactor. All countries have implemented local Security Committees to proactively work on security related matters on a regular basis, and to ensure continuous focus on improving the security culture. Three countries had active phishing campaigns in the first quarter to educate and increase awareness. In addition, preparation for penetration testing for critical systems was initiated during the quarter, and testing will be conducted during the second quarter.

Sustainability and governance

To further strengthen Axactor's focus on sustainability and the commitment to the UN global development goal #16, the Board of Directors have approved new policies regulating trade sanctions, antitrust and anti-money laundering, and updated the Code of Conduct and policies regulating legal & compliance and anti-fraud & anti-corruption. The internal auditor has, among other tasks, investigated client fund handling in Germany, payment processes in Sweden and followed up closure of previously identified deviations. No significant deviations were discovered in the quarter, although certain weaknesses in the Swedish procurement process have been identified. Mitigating actions are under implementation.

Due to the implementation of the market abuse regulations in Norway 1 March 2021, an updated Insider policy was approved and information provided to affected persons.

A group wide governance, risk and compliance management and controlling system has been tested and will be implemented during the second quarter. All compliance awareness e-learning trainings within ethics, data privacy and information security have been reviewed and published for distribution throughout 2021.

An updated sustainability report was published alongside the 2020 annual report, with significant improvements in all areas from the 2019 report. The 2020 sustainability report is available at www.axactor.com.

Recent reports from ESG rating agencies V.E and Sustainalytics, show strong improvements in Axactor's score compared to last year. The V.E rating increased from 21 to 50, while the Sustainalytics risk level decreased from medium to low. The ratings do not yet account for the updated sustainability report, and Axactor expect further improvements in scores when the 2020 sustainability report is fully reflected in the rating reports.

Axactor's standard contracts have been reviewed to ensure compliance with all bank and finance regulatory outsourcing requirements. The templates developed by the EBA at the request of the EU Council has also been assessed. These templates aim to promote standardization and comparability at EU level of data on NPLs and to development of a functioning NPL market in the EU.

People

The majority of Axactor's workforce is currently working from home due to the ongoing Covid-19 pandemic. Several initiatives to ease the negative consequences of home office have been taken, and the wellbeing of the employees remain a top priority for Axactor and its managers during this demanding situation. Examples of such initiatives are digital social events, competitions promoting physical exercise and one-to-one conversations to motivate employees and prevent social isolation.

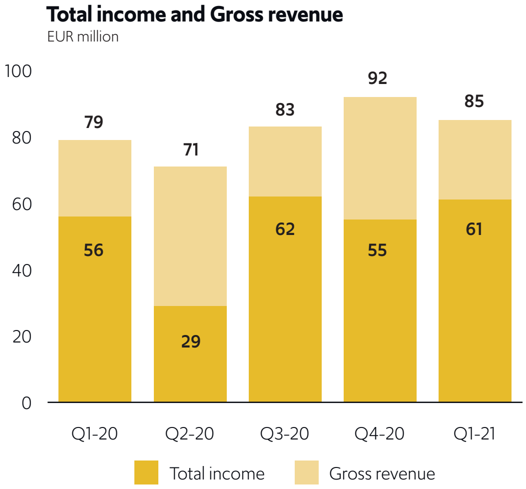
An updated short-term incentive model was implemented during the first quarter, and targets for 2021 has been set for all employees. All managers have been given specific targets focusing on topics related to environmental, social and governance related topics. Appraisal talks with focus on employee satisfaction, development, and performance management have been conducted for all employees during the quarter.

Axactor focuses on building a strong corporate culture. During the first quarter, key areas of attention have been performance management and career planning, and driving a positive and social work environment. Investments are continuously made in the employees, such as leadership development to build strong and encouraging leaders with passion and trust. Axactor aims to provide decent work to a balanced group of employees, where all individuals are respected.

The Group management met with the Employee Council in the first quarter. The aim of the council is to involve the employees in the business development and enhance the culture and sustainability in the Group. A new talent advisory team was formed, aiming to promote career development opportunities and to improve cross-border cooperation.

Financials

Income



Total income for the first quarter 2021 ended at EUR 61.0 million (55.6), up 10% from the corresponding quarter of 2020. The growth is mainly explained by a 7% increase in gross revenue to EUR 84.9 million (79.2), as well as a reduction in the NPL amortization rate. The NPL segment was the driver of the gross revenue growth, while 3PC gross revenue is still below pre-pandemic levels. REO is treated as a run-off segment and is thus expected to steadily decline over time.

Compared to the previous quarter, total income increased by 12%, mainly due to less impact of NPL revaluations in the first quarter 2021. The first quarter is generally a seasonally weaker quarter than the fourth quarter, and gross revenue thus decreased 8%.

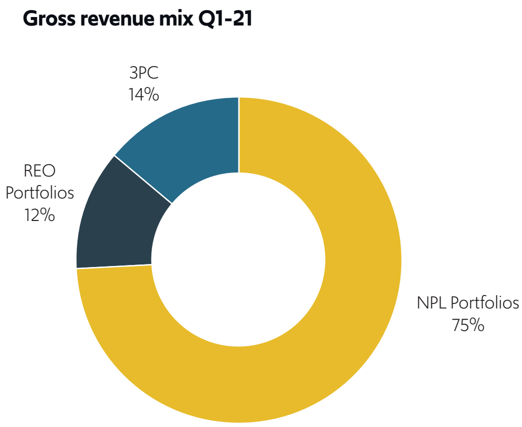
The NPL gross revenue grew 17% compared to the same quarter last year on the back of continued investments in NPL portfolios over the last twelve months. The NPL portfolio amortization rate was 6 percentage points lower than the first quarter last year, leaving total NPL portfolio amortization and revaluation at EUR 23.5 million for the first quarter (23.6). Adding EUR 0.4 million in negative change in value of forward flow derivatives (0.0) leaves NPL total income for Q1 2021 at EUR 39.5 million (30.6), up 29% from last year.

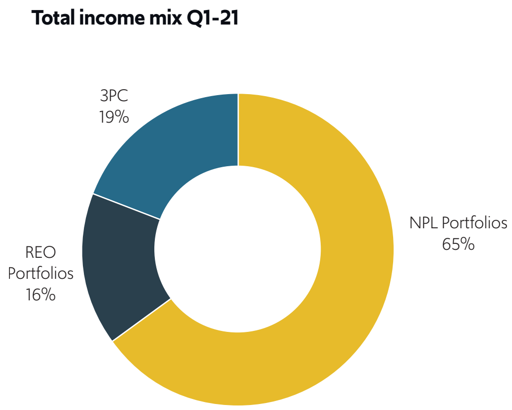
3PC total income ended at EUR 11.5 million for the quarter, down from EUR 13.5 million in the first quarter 2020. Implications of the ongoing Covid-19 pandemic continue to affect the volumes received under current contracts, as governments and customers temporarily give debtors more flexibility during this challenging situation. In addition, the government-imposed restrictions throughout Europe is causing longer sales processes compared to normal. The market for new 3PC deals is however showing strong signs of improvement, and Axactor managed to close several significant new contracts across Italy and the Nordic countries during the first quarter and April.

REO sales continue at a good level, despite a rapidly declining asset base. The REO total income for the first quarter 2021 ended at EUR 10.0 million, a decline of 13% from EUR 11.5 million in the first quarter last year. During the same period, the number of assets in inventory declined 36%, while the REO book value declined 43%. The number of assets sold during the first quarter was 304, while the remaining asset base consist of 2,391 units. REO is treated as a run-off segment and is now moving into the tail of the portfolio.

Operating expenses

Total operating expenses before depreciation and amortization amounted to EUR 43.3 million for the first quarter (41.5), up 4% from the corresponding quarter last year. The operating expenses include EUR 3.2 million in restructuring cost, mainly related to severances in connection with the site consolidation in Spain. Even including the restructuring cost, the operating expenses in percent of gross revenue declined from 52% in the first quarter of 2020 to 51% in the first quarter 2021.



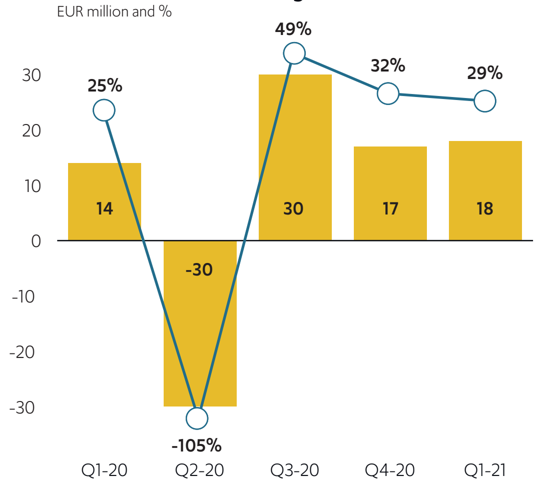


The site consolidation is one important part of a larger cost cutting program initiated during the first quarter. Most of the initiatives under the program will be implemented during the first half of the year, and the program will be concluded before year-end. The first quarter includes savings of EUR 0.6 million and Axactor expects to realize annual savings of approximately EUR 4.8 million when all initiatives are fully implemented.

The operating expenses include EUR 10.3 million in REO cost of sale (9.1), which represent the reversal of book value upon sale and thus have no cash impact. REO impairments for the quarter were insignificant (1.1).

Depreciation and amortization – excluding amortization of NPL portfolios – was EUR 2.6 million for the first quarter 2021, same as the first quarter last year.

EBITDA and EBITDA-margin
EUR million and %



Operating results

Total contribution from the business segments amounted to EUR 29.1 million in the first quarter (25.4). The main driver of the increase from last year is the 29% increase in NPL total income combined with a 5% reduction in NPL operating expenses. The growth within NPL was partly offset by a negative development within the 3PC and REO segments.

Contribution from the NPL segment was EUR 30.5 million in the first quarter (21.1). This corresponds to 77% margin on segment income (69%). The increase in margin is explained partly by strict cost control and partly by a reduction in the effective NPL portfolio amortization rate.

Contribution from 3PC was EUR 0.7 million (4.8) and includes EUR 2.8 million of restructuring cost. The margin on total segment revenue was 6% (36%), increasing to 30% when excluding the restructuring cost. The contribution from the 3PC segment is expected to increase as the full effect of the ongoing cost savings are realized, and as the volumes pick up again in the aftermath of the Covid-19 pandemic.

Contribution from the REO segment was EUR -2.1 million for the first quarter (-0.5). This corresponded to -21% margin on segment income (-4%). The main reason for the lower margin compared to last year was an unfavorable asset mix sold in the quarter.

EBITDA was EUR 17.7 million in the first quarter, compared to EUR 14.1 million in the corresponding quarter last year. The EBITDA margin ended at 29% (25%). Excluding the restructuring cost from the numbers, the EBITDA margin would have been 34%.

The difference between contribution margin and EBITDA comprises unallocated SG&A and IT costs, which amounted to EUR 11.3 million in the first quarter. This was the same level as the first quarter 2020, despite including EUR 0.4 million of restructuring cost. The restructuring cost is expected to contribute positively on the cost level going forward.

Cash EBITDA amounted to EUR 52.1 million (48.2). Cash EBITDA is defined as EBITDA adjusted for change in forward flow derivatives, calculated cost of share option program, portfolio amortizations, revaluations, REO cost of sales and REO impairments.

Operating profit (EBIT) was EUR 15.1 million in the first quarter 2021, up from EUR 11.5 million in the first quarter last year.

Net financial items

Total net financial items were a negative EUR 16.8 million for the first quarter (5.9). This includes EUR 4.0 million of unrealized FX losses, while the first quarter last year recognized a EUR 9.6 million unrealized FX gain. The interest expense on borrowings for the quarter was EUR 13.5 million, down from EUR 14.3 million in the first quarter last year. Several of the Group's credit facilities were refinanced during the quarter as part of a large restructuring of the balance sheet. The new agreements are expected to lower the effective average interest cost, and is partly reflected in the first quarter figures. The refinancing is thus expected to have additional positive impacts on the net financial items next quarter.

Earnings and taxes

Earnings before tax was EUR -1.7 million for the first quarter 2021 (5.6), whereas net profit was EUR -3.4 million (3.4). The unrealized FX loss is not tax deductible, and the Group thus recognized a tax expense of EUR 1.7 million (2.1) despite negative earnings before tax.

Net profit to non-controlling interests amounted to EUR -2.0 million for the quarter, versus EUR -1.7 million in the first quarter 2020. Axactor acquired Geveran's stake in Axactor Invest I at the start of the quarter, and the minority interests now relate solely to the REO investment vehicle Reolux and its subsidiaries.

Net profit to equity holders for the quarter amounted to EUR -1.4 million, compared to a net profit of EUR 5.2 million in the first quarter 2020.

Earnings per share was hence EUR -0.005 on a reported basis (0.030), and EUR -0.005 on a fully diluted basis (0.028), based on the average number of shares outstanding in each period.

Cash flow

Net cash flow from operating activities, including NPL and REO investments, amounted to EUR 38.0 million (-33.3) in the first quarter 2021. The improvement compared to last year is mainly related to lower NPL investments. The amount paid for NPL portfolios fell from EUR 83.1 million in the first quarter 2020 to EUR 22.6 million in the first quarter 2021.

Excluding investments in NPL and REO portfolios, cash flow from operations for the quarter increased to EUR 60.5 million, from EUR 49.4 million in the corresponding period last year. The deviation from cash EBITDA reflects a reduction in working capital of EUR 9.1 million (2.0) and taxes paid of EUR 0.3 million (0.8).

Total net cash flow from investments were EUR -1.1 million for the first quarter (-1.9).

Total cash flow from financing activities was EUR -38.5 million (6.1) in the first quarter. A large balance sheet restructuring was finalized during the quarter, resulting in a total of EUR 50.8 million raised through share issues (50.8) and a net repayment of debt of 58.8 million (28.7). The refinancing also sparked payment of loan fees of EUR 19.8 million (0.1).

Total net cash flow was EUR -1.6 million (-29.1) for the quarter. Total cash and cash equivalents were thus EUR 50.1 million at the end of the first quarter 2021 (48.8), including EUR 2.9 million in restricted cash (2.6).

Equity position and balance sheet considerations

Total equity for the Group was EUR 430.1 million at the end of the first quarter 2021 (396.4), including minority interests of EUR 17.4 million (92.4). This compares to total equity of EUR 375.7 million at the end of 2020.

During the first quarter, a large balance sheet restructuring involving several separate transactions was conducted. Amongst the transactions, Axactor acquired Geverans shares and A-notes in Axactor Invest I. After the transaction, Axactor has 100% ownership of Axactor Invest I, which explains the large reduction in minority interests compared to both the first and the fourth quarter 2020.

Furthermore, Axactor raised a total of EUR 50.8 million through share issues during the quarter. The resulting equity ratio at the end of the first quarter 2021 was 32%. This compares to an equity ratio of 29% at the end of the first quarter 2020 and 28% at the end of the previous quarter.

Improved return on equity

Axactor targets improved return on equity over time, based on increasing economies of scale, changes in the business mix, reduced funding cost and the gradual blending in of lower NPL Portfolio prices. The company sees growth opportunities in the capital light 3PC segment and increasing 3PC and NPL synergies, whereas the non-core REO business will be phased-out over time. The company also expects a gradual lowering of the effective tax rate towards 25% to support the return on equity.

The annualized return on equity in the first quarter 2021 was -3.4% on a reported basis (3.6%), and -1.6% excluding non-controlling interests (7.2%). The return on equity for the quarter was heavily impacted by both EUR 3.2 million of restructuring cost and EUR 4.0 million in unrealized FX losses.

Capital expenditure and funding

Axactor invested EUR 16.1 million (89.7) in NPL portfolios during the first quarter of 2021, down from EUR 21.9 million in the previous quarter. Axactor has purposely reduced its forward flow commitments over the past twelve months to safeguard liquidity during the volatile situation caused by the Covid-19 pandemic. Now that the funding situation has been sorted, Axactor signed two new forward flow deals during the quarter. The acquisitions in the first quarter 2021 were made entirely under forward flow contracts, and total estimated forward flow commitments for the remainder of 2021 is now EUR 50-55 million.

During the first quarter, a large balance sheet restructuring involving several separate transactions was conducted:

Axactor acquired Geveran's shares and A-notes in Axactor Invest I, with the transaction settled through 50 million consideration shares issued at a price of NOK 8 per share. After the transaction, Axactor has 100% ownership of Axactor Invest I. As part of the roll-up of Axactor Invest I, the EUR 140 million B-notes issued by Sterna were re-financed with a new EUR 140 million credit line from Sterna with Axactor SE as counterpart. The EUR 120 million revolving credit facility from DNB and Nordea was merged with Axactor's main credit line from the same banks.

The EUR 500 million revolving credit facility from DNB and Nordea has been renegotiated to include the former EUR 120 million Axactor Invest I bank facility and extended maturity to 2024. The new EUR 620 million facility also has a new price mechanism, where Axactor is able to achieve a lower funding cost depending on the NPL loan-to-value ratio. The drawn amount on the new revolving credit facility was EUR 483.5 million at the end of the first quarter 2021.

The former bond loan, AXA01 has been refinanced through a new EUR 200m bond, AXACTOR02. The majority of the AXA01 holders agreed to roll their investment into the new bond, while the remaining outstanding amount was paid down in January 2021. AXACTOR02 has a similar structure, price and covenants as AXA01, and matures in 2024.

Through a private placement, Axactor raised EUR 30 million in January 2021. The private placement was done at a price of NOK 8 per share. In February 2021, Axactor issued another EUR 20 million worth of shares through a subsequent offering.

The above transactions have significantly increased equity and pushed the majority of debt maturities to 2024, leaving Axactor in a comfortable liquidity position. The roll-up of Axactor Invest I will be accretive for the shareholder's return on equity and simplify the legal structure of Axactor.

With the restructuring of the balance sheet, Axactor is in compliance with all loan covenant as per the end of the first quarter of 2021.

Axactor's Italian entity is locally funded through different facilities with a number of Italian banks, with a total outstanding amount of EUR 41.0 million.

Axactor also has a balance of EUR 15.8 million on a REO financing arrangement in Reolux with Nomura.

Total interest-bearing debt including capitalized loan fees and accrued interest amounted to EUR 865.9 million per the end of the first quarter 2021 (884.1), down from EUR 936.2 million at the end of 2020.

Mandatory offer for remaining outstanding shares

Through the roll-up of Axactor Invest I, Geveran increased their ownership share in Axactor to 44.31%, triggering a mandatory offer for the remaining Axactor shares. The offer was placed at NOK 8 per share. The Board of Directors decided not to recommend shareholders to accept the offer. Geveran received valid acceptances under the mandatory offer for a total of 625,806 shares, corresponding to approximately 0.23% of the registered share capital and voting rights in the company.

Following completion of the Mandatory Offer, Geveran owns 122,643,578 shares. Following registration of the share capital increase pertaining to the shares issued by the company on 23 February 2021, Geveran's relative shareholding is 40.59% of the total share capital and voting rights in the Company.

Outlook

The first quarter results include restructuring cost of EUR 3.2 million, and Axactor expects further restructuring cost of around EUR 1.0 million for the second quarter. The restructuring, combined with several other cost saving initiatives that will be implemented during the next three quarters, are expected to generate annualized savings of approximately EUR 4.8 million when fully implemented. The majority of these initiatives will be implemented already in the second quarter.

The pipeline for 3PC sales is building up nicely across all markets and Axactor expects an increasing deal flow through the second quarter and into the second half of the year.

NPL volumes in the market is picking up and the larger one-off portfolios are reemerging. Axactor expects a continued imbalance between supply and demand in the NPL market for the coming quarters, causing prices to remain lower than observed in recent years. Although Axactor has secured a significant investment capacity through the balance sheet restructuring finalized in the first quarter, the Group will continue to strictly prioritize the best NPL deals. Axactor reiterates the guiding on NPL investments for 2021 of more than EUR 200 million and fresh consumer debt portfolios continue to be the main target.

The impact on Axactor's business from the Covid-19 pandemic seems stabilized. Although there is a risk of home office induced fatigue among the employees, there are currently no indications of severe actions that would harm the Group's operations. The legal systems in Southern Europe are expected to remain operational through potential new lockdown situations, which is the single most critical element for Axactor based on the experience from 2020. On the other hand, 3PC volumes during the pandemic remain lower than usual. In Italy, moratorium laws have recently been extended to June 2021, and there is uncertainty in when volumes will return to a more normalized level for all geographies. Axactor has not lost any significant customers during the pandemic and is confident 3PC volumes will return as societies re-open.

Axactor will continue to focus on increasing the return on equity going forward. Improved cost efficiency, increased scale benefits, better average effective interest cost, lower portfolio prices and a normalization of the effective average tax rate should drive up the return on equity over time. Favorable changes to the business mix will also have a positive impact, through growth in the capital light 3PC segment and a decreasing REO portfolio.

Responsibility Statement

We confirm that, to the best of our knowledge, the unaudited Financial Statements for the first quarter of 2021 have been prepared in accordance with IFRS as adopted by EU, with such additional information as required by the Norwegian Accounting Act, and give a true and fair view of the, to the best of our knowledge, the Group's consolidated assets, liabilities, financial position and results of operations.

We confirm that the report provides a true and fair view of the development and performance of the business and the position of the Company and the Group, together with a description of the key risks and uncertainty factors that the Group is facing.

Oslo, 29 April 2021
The Board of Directors

Glen Ole Rødland Chairman of the Board	Brita Eilertsen Board member	Merete Haugli Board member
Lars Erich Nilsen Board member	Kathrine Astrup Fredriksen Board member	Terje Mjøs Board member
Hans Harén Board Member		Johnny Tsolis Chief Executive Officer

Consolidated Statement of Profit and Loss

EUR thousand	Note	For the quarter end / YTD 31 Mar 2021	31 Mar 2020	Full year 2020
Interest income from purchased loan portfolios	6	**41,898**	39,326	163,093
Net gain/(loss) purchased loan portfolios	6	**-2,036**	-8,758	-49,813
Other operating revenue		**21,170**	25,003	87,871
Other income		**0**	28	24
Total income	3, 5	**61,031**	55,599	201,175
Cost of REO's sold, incl impairment	7	**-10,386**	-10,175	-52,932
Personnel expenses		**-18,867**	-14,901	-54,872
Operating expenses		**-14,036**	-16,395	-61,372
Total operating expenses		**-43,289**	-41,470	-169,176
EBITDA		**17,743**	14,129	31,999
Amortization and depreciation		**-2,594**	-2,612	-10,838
EBIT		**15,149**	11,517	21,161
Financial revenue	4	**904**	9,733	12,650
Financial expenses	4	**-17,737**	-15,654	-66,039
Net financial items		**-16,833**	-5,922	-53,390
Profit/(loss) before tax		**-1,684**	5,595	-32,228
Tax (expense)		**-1,709**	-2,145	-1,774
Net profit/(loss) after tax		**-3,394**	3,450	-34,002
Attributable to:				
Net profit/(loss) to Non-controlling interests		**-1,959**	-1,716	-15,871
Net profit/(loss) to equity holders		**-1,434**	5,166	-18,131
Earnings per share: basic		**-0.005**	0.030	-0.099
Earnings per share: diluted		**-0.005**	0.028	-0.099

Consolidated Statement of Comprehensive Profit and Loss

EUR thousand	For the quarter end / YTD 31 Mar 2021	31 Mar 2020	Full year 2020
Net profit/(loss) after tax	**-3,394**	3,450	-34,002
Items that will not be classified subsequently to profit and loss			
Remeasurement of pension plans	**0**	0	-58
Items that may be classified subsequently to profit and loss			
Foreign currency translation differences - foreign operations	**9,862**	-31,969	-11,278
Other comprehensive income/(loss) after tax	**9,862**	-31,969	-11,336
Total comprehensive income for the period	**6,468**	-28,519	-45,338
Attributable to:			
Non-controlling interests	**-1,959**	-1,716	-15,871
Equity holders of the parent company	**8,428**	-26,803	-29,467

Interim Consolidated Statement of Financial Position

EUR thousand	Note	31 Mar 2021	31 Mar 2020	Full year 2020
ASSETS				
Intangible non-current assets				
Intangible Assets		**19,450**	21,216	19,989
Goodwill		**55,874**	52,965	54,879
Deferred tax assets		**7,760**	9,665	7,769
Tangible non-current assets				
Property, plant and equipment		**2,328**	2,818	2,530
Right-of-use assets	9	**4,477**	5,475	4,826
Financial non-current assets				
Purchased debt portfolios	6	**1,123,596**	1,064,619	1,124,699
Other non-current receivables		**467**	556	458
Other non-current investments		**196**	193	196
Total non-current assets		**1,214,148**	1,157,507	1,215,346
Current assets				
Stock of Secured Assets	7	**68,463**	120,346	78,786
Accounts Receivable		**7,229**	10,371	7,124
Other current assets	10	**11,531**	11,796	11,645
Restricted cash		**2,921**	2,640	2,946
Cash and Cash Equivalents		**47,131**	46,165	47,779
Total current assets		**137,276**	191,318	148,281
TOTAL ASSETS		**1,351,424**	1,348,825	1,363,627

Interim Consolidated Statement of Financial Position

EUR thousand	Note	31 Mar 2021	31 Mar 2020	Full year 2020
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share Capital		**158,150**	97,040	97,040
Other paid-in equity		**269,839**	236,289	236,562
Retained Earnings		**-9,108**	7,319	-16,036
Reserves		**-6,137**	-36,690	-15,999
Non-controlling interests		**17,361**	92,449	74,113
Total Equity		**430,105**	396,408	375,680
Non-current Liabilities				
Interest bearing debt	8	**714,283**	464,350	579,282
Deferred tax liabilities		**6,566**	15,458	6,436
Lease liabilities	9	**2,390**	3,103	2,804
Other non-current liabilities		**1,606**	1,385	1,433
Total non-current liabilities		**724,845**	484,296	589,955
Current Liabilities				
Accounts Payable		**6,832**	4,418	6,147
Current portion of interest bearing debt	8	**151,577**	419,784	356,903
Taxes Payable		**13,275**	9,990	12,002
Lease liabilities	9	**2,342**	2,582	2,282
Other current liabilities	10	**22,449**	31,347	20,657
Total current liabilities		**196,474**	468,121	397,992
Total Liabilities		**921,319**	952,418	987,947
TOTAL EQUITY AND LIABILITIES		**1,351,424**	1,348,825	1,363,627

Interim Consolidated Statement of Cash Flow

EUR thousand	Note	For the quarter end / YTD 31 Mar 2021	31 Mar 2020	Full year 2020
Operating activities				
Profit/(loss) before tax		**-1,684**	5,595	-32,228
Taxes paid		**-297**	-781	-5,515
Adjustments for:				
- Finance income and expenses		**16,833**	5,922	53,390
- Portfolio amortization and revaluation		**23,472**	23,586	123,179
- Cost of secured assets sold, incl. Impairment		**10,386**	10,175	52,932
- Depreciation and amortization		**2,594**	2,612	10,838
- Calculated cost of employee share options		**100**	306	578
Change in Working capital		**9,083**	1,984	3,309
Cash flow from operating activities before NPL and REO investments		***60,487***	*49,398*	*206,483*
Purchase of debt portfolios	6	**-22,623**	-83,097	-213,032
Sale of debt portfolio	6	**150**	600	2,050
Purchase of REO's	7	**-44**	-158	-399
Net cash flow from operating activities		**37,970**	-33,257	-4,898
Investing activities				
Purchase of intangible and tangible assets		**-1,114**	-1,928	-6,114
Interest received		**0**	21	25
Net cash flow from investing activities		**-1,114**	-1,907	-6,089
Financing activities				
Proceeds from borrowings	8	**26,050**	35,696	81,631
Repayment of debt	8	**-84,899**	-64,434	-84,395
Interest paid		**-7,729**	-12,071	-48,058
Loan fees paid	8	**-19,758**	-131	-4,503
New Share issues		**50,792**	50,767	50,767
Proceeds (repayments) from (to) Non-controlling interests		**-1,475**	-2,813	-6,994
Cost related to share issues		**-1,460**	-959	-959
Net cash flow from financing activities		**-38,479**	6,055	-12,512
Net change in cash and cash equivalents		**-1,624**	-29,109	-23,499
Cash and cash equivalents at the beginning of period		**50,725**	75,396	75,396
Currency translation		**951**	2,518	-1,172
Cash and cash equivalents at end of period, incl. restricted funds		**50,052**	48,805	50,725

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 2019	81,338	201,879	-4,721	2,153	**280,648**	96,977	**377,626**
Result of the period				-18,131	**-18,131**	-15,871	**-34,002**
Remeasurement of pension plans				-58	**-58**		**-58**
Foreign currency translation differences - foreign operations			-11,278		**-11,278**		**-11,278**
Total comprehensive income for the period	0	0	-11,278	-18,190	**-29,467**	-15,871	**-45,338**
Proceeds from Non-controlling interests					**0**	-6,994	**-6,994**
New Share issues	15,703	35,064			**50,767**		**50,767**
Cost related to share issues		-959			**-959**		**-959**
Share based payment		578			**578**		**578**
Closing balance on 31 Dec 2020	97,040	236,562	-15,999	-16,036	**301,566**	74,113	**375,680**
Result of the period				-1,434	**-1,434**	-1,959	**-3,394**
Remeasurement of pension plans				0	**0**		**0**
Foreign currency translation differences - foreign operations			9,862		**9,862**		**9,862**
Total comprehensive income for the period	0	0	9,862	-1,434	**8,428**	-1,959	**6,468**
Proceeds from Non-controlling interests					**0**	-1,475	**-1,475**
Acquisition of remaining 50% of Axactor Invest 1		7,319		8,363	**15,682**	-53,317	**-37,635**
New Share issues	61,110	27,318			**88,427**		**88,427**
Cost related to share issues		-1,460			**-1,460**		**-1,460**
Share based payment		100			**100**		**100**
Closing balance on 31 Mar 2021	158,150	269,839	-6,137	-9,108	**412,743**	17,361	**430,105**

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 primarily involved in debt management, specializing on both purchasing and collection on own portfolios and providing collection services for third party owned portfolios.

The activities are further described in Note 3.

This unaudited 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 2020. 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 2020.

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 liabilities, 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 Group Annual report for the Financial Year 2020, which is available on Axactor's 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. Also, the effect of Covid-19 on expectations of future events that are believed to be reasonable under the circumstances, has been described in Annual report. Management continues to assess the data and information available at the reporting date.

Note 2 Risks and uncertainties

Axactor's regular business activities entail exposure to various types of risk. The Group 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, interest rate risk, regulatory risk, liquidity risk and financing risks. Following the Covid-19 pandemic, the Group tightly monitors its different risks in all countries where Axactor companies are present. The credit management is negatively affected by a weakened economy and the industry as such is also negatively impacted by the ongoing Covid-19 pandemic. Risks associated with changes in economic conditions are monitored through on-going dialogue with each country management team and through regular follow up on macro-economic development in each country. Nevertheless, the long-term effects remain uncertain. For a more elaborate discussion on the aforementioned risks one is referred to the Group's Annual Report for the Financial Year 2020, which is available on Axactor's website: www.axactor.com (Note 3 of the Group financial statement).

Liquidity risk

The Group monitors its risk of a shortage of funds using cash flow forecasts regularly. The Group had cash and cash equivalent of EUR 50.1 million at 31 March 2021 (EUR 48.8 million). The following tables detail the Group's remaining contractual quarterly maturity for its liabilities based on the most likely date on which cash flows can be required to pay.

The following table details the Group's remaining contractual maturity for its derivative and non-derivative financial liabilities with agreed repayment periods. For forward Flow NPL agreements expected cash flows are presented. The tables have been drawn based on the undiscounted cash flows of financial liabilities based on the most likely date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate curves at the end of the reporting period. The contractual maturity is based on the most likely date on which the Group may be required to pay.

The amounts presented are subject to change dependent on a change in variable interest rates.

EUR thousand	Q2-21	Q3-21	Q4-21	Q1-22	1-2 years	2-4 years	4+ years	Total
Forward flow NPL agreements, non-cancellable [1) 2)]	15,394	10,881	8,418	7,588	4,782	0	0	**47,063**
Forward flow NPL agreements, cancellable [1) 2) 3)]	3,750	6,450	9,450	8,200	10,200	0	0	**38,050**
Interest bearing loans DNB/Nordea	37,376	36,226	35,368	32,612	65,867	321,144	0	**528,594**
Interest bearing loans Italy	2,234	3,653	3,674	3,659	13,167	17,225	0	**43,613**
Interest bearing loans Nomura	5,760	6,570	3,724	0	0	0	0	**16,054**
Bond loan	3,500	3,539	3,578	3,578	14,194	214,194	0	**242,583**
Bond loan / Obligation	2,275	2,303	2,332	2,326	9,226	149,226	2,275	**169,963**
Other non-current liabilities	0	0	0	0	0	0	1,606	**1,606**
Accounts payable	6,832	0	0	0	0	0	0	**6,832**
Other current liabilities	20,041	374	380	1,504	151	0	0	**22,450**
Total	97,162	69,996	66,924	59,467	117,588	701,790	3,881	**1,116,807**

1) *Forward flow NPL agreements split by countries:*
Norway 94 %
Sweden 5 %
Finland 1 %

2) *Expected cash flows. Cash flows are limited to EUR 141.1 million by contracted capex limits. There are two minor contracts without contracted limits*

3) *Cancellable with three months notice*

The table above shows an estimated calculation of repayment on interest bearing loans of EUR 126.0 million for 2021. The overview includes interest. The interest is calculated based on the market interest at quarter end plus margin. The calculation is made under the assumption that no new portfolios are acquired and that Axactor therefore partly need to repay the facility to keep the LTV (loan-to-value) level constant in order to match portfolio amortization and decrease in portfolio value. The same mechanism as for amortization applies for any impairment situation. The table above does not reflect any repayments based on impairment.

The ERC represent the expected gross collection on the NPL portfolios and can be broken down per year as follows (year 1 means the first year from the reporting date):

EUR thousand	Estimated remaining collection (ERC) next four quarters				
	Q2 2021	Q3 2021	Q4 2021	Q1 2022	**ERC Year 1**
ERC	76,418	73,528	72,018	68,189	**290,154**

EUR thousand	Estimated remaining collection (ERC) per year														
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	**Total ERC**
ERC	290,154	249,085	220,623	198,357	177,618	158,683	141,669	127,756	115,736	105,126	95,225	86,654	78,007	62,609	51,506	**2,158,808**

As the Covid-19 situation will continue to impact the financials in 2021, the Group proceeds to ensure a satisfactory liquidity situation.

Note 3 Segment note

Axactor delivers credit management services and the Group's revenue is derived from the following three operating segments: Non-performing loans (NPL), Third-party collection (3PC) and Real estate owned (REO). 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 3PC segment's 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.

The REO segment relates to the investments done in real estate assets held for sale.

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 Group's resources.

Segment revenue reported below represents revenue generated from external customers.

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 / YTD 31 Mar 2021

EUR thousand	NPL	3PC	REO	Eliminations/ Not allocated	Total
Collection on own portfolios	63,334	0	9,996	0	**73,330**
Portfolio amortization and revaluation	-23,472	0	0	0	**-23,472**
Other operating income:					
-Change in forward flow derivatives	-375	0	0	0	**-375**
-Other operating revenue and other income	0	11,549	0	0	**11,549**
Total income	39,487	11,549	9,996	0	**61,031**
REO cost of sales	0	0	-10,343	0	**-10,343**
Impairment REOs	0	0	-42	0	**-42**
Direct operating expenses	-9,026	-10,873	-1,692	0	**-21,590**
Contribution margin	30,461	676	-2,082	0	**29,055**
SG&A, IT and corporate cost				-11,312	**-11,312**
EBITDA					**17,743**
Amortization and depreciation				-2,594	**-2,594**
EBIT					**15,149**
Total opex	-9,026	-10,873	-12,077	-11,312	**-43,289**
CM1 Margin	77.1 %	5.9 %	-20.8 %	na	**47.6 %**
EBITDA Margin					**29.1 %**
Opex ex SG&A, IT and corp.cost / Gross revenue	14.3 %	94.1 %	120.8 %	na	**37.7 %**
SG&A, IT and corporate cost / Gross revenue					**13.3 %**

For the quarter end / YTD 31 Mar 2020

EUR thousand	NPL	3PC	REO	Eliminations/ Not allocated	Total
Collection on own portfolios	54,154	0	11,523	0	**65,677**
Portfolio amortization and revaluation	-23,586	0	0	0	**-23,586**
Other operating income:					
-Change in forward flow derivatives	0	0	0	0	**0**
-Other operating revenue and other income	0	13,480	0	28	**13,508**
Total income	30,568	13,480	11,523	28	**55,599**
REO cost of sales	0	0	-9,073	0	**-9,073**
Impairment REOs	0	0	-1,102	0	**-1,102**
Direct operating expenses	-9,471	-8,689	-1,824	0	**-19,984**
Contribution margin	21,097	4,791	-476	28	**25,441**
SG&A, IT and corporate cost				-11,312	**-11,312**
EBITDA					**14,129**
Amortization and depreciation				-2,612	**-2,612**
EBIT					**11,517**
Total opex	-9,471	-8,689	-11,998	-11,312	**-41,470**
CM1 Margin	69.0 %	35.5 %	-4.1 %	na	**45.8 %**
EBITDA Margin					**25.4 %**
Opex ex SG&A, IT and corp.cost / Gross revenue	17.5 %	64.5 %	104.1 %	na	**38.1 %**
SG&A, IT and corporate cost / Gross revenue					**14.3 %**

Full year 2020

EUR thousand	NPL	3PC	REO	Eliminations/ Not allocated	Total
Collection on own portfolios	236,459	0	40,407	0	**276,866**
Portfolio amortization and revaluation	-123,179	0	0	0	**-123,179**
Other operating income:					
-Change in forward flow derivatives	-826	0	0	0	**-826**
-Other operating revenue and other income	0	48,290	0	24	**48,314**
Total income	112,454	48,290	40,407	24	**201,175**
REO cost of sales	0	0	-36,818	0	**-36,818**
Impairment REOs	0	0	-16,114	0	**-16,114**
Direct operating expenses	-37,174	-30,938	-8,433	0	**-76,546**
Contribution margin	75,280	17,352	-20,958	24	**71,698**
SG&A, IT and corporate cost				-39,699	**-39,699**
EBITDA					**31,999**
Amortization and depreciation				-10,838	**-10,838**
EBIT					**21,161**
Total opex	-37,174	-30,938	-61,365	-39,699	**-169,176**
CM1 Margin	66.9 %	35.9 %	-51.9 %	na	**35.6 %**
EBITDA Margin					**15.9 %**
Opex ex SG&A, IT and corp.cost / Gross revenue	15.7 %	64.1 %	151.9 %	na	**39.8 %**
SG&A, IT and corporate cost / Gross revenue					**12.2 %**

Note 4 Financial items

EUR thousand	For the quarter end / YTD 31 Mar 2021	31 Mar 2020	Full year 2020
Financial revenue			
Interest on bank deposits	**0**	21	25
Exchange gains realized	**882**	97	705
Net unrealized exchange gain	**0**	9,608	11,901
Other financial income	**22**	6	20
Total financial revenue	**904**	9,733	12,650
Financial expenses			
Interest expense on borrowings [1]	**-13,531**	-14,319	-63,554
Exchange losses realized	**-138**	-846	-1,153
Net unrealized exchange loss [2]	**-3,985**	0	0
Other financial expenses [3]	**-83**	-490	-1,332
Total financial expenses	**-17,737**	-15,654	-66,039
Net financial items	**-16,833**	-5,922	-53,390

1) Full year 2020 includes expensed capitalized loan fees of EUR 7.1 million related to the refinancing. See Note 8 'Borrowings and other interst-bearing debt' for more information

2) Relates to unrealised exchange loss on intercompany loans

3) Includes interest from negative bank accounts in group multicurrency cash pool

Note 5 Income

The Group operates in seven European countries: Finland, Germany, Italy, Luxembourg, Norway, Spain, and Sweden. Apart from in Luxembourg, Axactor delivers credit management services in all countries. The Group's revenue from continuing operations from external customers by location of operations are detailed below.

Total income

EUR thousand	For the quarter end / YTD 31 Mar 2021	31 Mar 2020	Full year 2020
Finland	**3,934**	3,406	10,710
Germany	**8,561**	8,381	31,964
Italy	**4,839**	3,359	14,424
Norway	**9,734**	9,983	37,949
Spain	**25,371**	25,920	87,962
Sweden	**8,592**	4,548	18,165
Total	**61,031**	55,599	201,175

The result from the fair value calculation of the derivatives (forward flow agreements) appears in the line 'Other income' in the Profit and loss statement. The fair value adjustment of both realized and unrealized derivatives are EUR 2 thousand during the period.

Interest income from purchased loan portfolios & net gain /(loss) purchased loan portfolios are represented by Yield, and the accumulative of CU1, CU2 and CU2 tail.

Portfolio revenue

EUR thousand	Yield 1)	CU1 2)	CU2 3)	CU2 tail 4)	For the quarter end / YTD 31 Mar 2021
Finland	3,747	-165	96	0	**3,678**
Germany	5,305	406	0	114	**5,826**
Italy	4,161	119	11	30	**4,322**
Norway	8,789	-1,566	456	405	**8,083**
Spain	11,258	-594	-1,410	286	**9,541**
Sweden	8,637	-726	-111	612	**8,413**
Total	41,898	-2,526	-958	1,448	**39,862**

EUR thousand	Yield 1)	CU1 2)	CU2 3)	CU2 tail 4)	For the quarter end / YTD 31 Mar 2020
Finland	3,585	-574	0	0	**3,011**
Germany	5,779	-343	146	152	**5,734**
Italy	4,199	-1,590	-6	75	**2,678**
Norway	6,664	233	41	467	**7,405**
Spain	12,530	-3,396	-2,142	251	**7,243**
Sweden	6,568	-2,580	-7	516	**4,497**
Total	39,326	-8,251	-1,968	1,461	**30,568**

EUR thousand	Yield 1)	CU1 2)	CU2 3)	CU2 tail 4)	Full year 2020
Finland	14,727	-2,155	-3,218	0	**9,353**
Germany	23,015	-2,260	355	595	**21,705**
Italy	16,996	-1,776	-3,559	275	**11,936**
Norway	29,703	1,997	-4,032	1,775	**29,443**
Spain	47,790	-2,427	-23,574	978	**22,767**
Sweden	30,864	-6,325	-8,728	2,266	**18,076**
Total	163,093	-12,946	-42,755	5,888	**113,280**

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, except for Finland who is limited to 180 months from legal date

Note 6 Non-performing loans

EUR thousand	Year to date 31 Mar 2021	Year to date 31 Mar 2020	Full year 2020
Balance at 1 Jan	**1,124,699**	1,041,919	1,041,919
Acquisitions during the year [2)]	**16,121**	89,737	208,250
Collection	**-63,334**	-54,154	-236,459
Yield - Interest income from purchased loan portfolios	**41,898**	39,326	163,093
Net gain/(loss) purchased loan portfolios [1)]	**-2,036**	-8,758	-49,813
Repossession of secured NPL to REO	**-18**	-1,322	-2,279
Disposals [1)]	**0**	-384	-403
Translation difference	**6,266**	-41,745	392
Balance at end of period	**1,123,596**	1,064,618	1,124,699
Payments during the year for investments in purchased debt amounted to EUR	**22,623**	83,097	213,032
Deferred payment	**3,785**	16,926	5,504

1) Gain on disposals is netted in P&L as 'Net gain/(loss) purchased loan portfolios'
2) Reconciliation of credit impaired acquisitions during the year;

Nominal value acquired portfolios	***29,279***	*191,651*	*424,062*
Expected credit losses at acquisition	***-13,158***	*-101,914*	*-215,812*
Credit impaired acquisitions during the year	***16,121***	*89,737*	*208,250*

For an elaborate description of Axactor's accounting principles for Purchased Debt, see Note 2, and description of revenue recognition and fair value estimation, see Note 4, in the Group's Annual Report for the Financial Year 2020.

Non-performing loans, consists of portfolios of delinquent consumer debts purchased significantly below nominal value, reflecting incurred and expected credit losses, and thus defined as credit impaired. NPLs are recognized at fair value at the date of purchase. Since the loans are measured at fair value, which includes an estimate of future credit losses, no allowance for credit losses is recorded in the consolidated balance sheet on the day of acquisition of the loans. The loans are measured at amortized cost according to a credit adjusted effective interest rate.

Since the delinquent consumer debts are a homogenous group, the future cash flows are projected on a portfolio basis.

The carrying amount of each portfolio is determined by projecting future cash flows discounted to present value using the credit adjusted effective interest rate as at the date the portfolio was acquired. The total cash flows (both principal and interest) expected to be collected on purchased credit impaired loans are regularly reviewed and updated in line with expectation on an array of economic factors and conditions that will be experienced over time. Changes in expected cash flow are adjusted in the carrying amount and are recognized in the profit or loss as income or expense in 'Net gain/loss purchased loan portfolios. Interest income is recognized using a credit adjusted effective interest rate, included in 'Interest income from purchased loan portfolios.

The bulk of the Non-performing loans are unsecured. Only an immaterial part of the loans, approximately 2% of the loans, are secured by a property object.

Market	Book value	Factors affecting the estimation of future cash flow: Market specific	Factors affecting the estimation of future cash flow: All markets
Finland	118,910	· Level of settlements vs payment agreements · Efficient legal system · Interest charges · High recovery rate · Interest level · House pricing	· Documentation of claims · Operational efficiency · Economic growth · Unemployment rate · Debtor contact information
Norway	247,044		
Sweden	262,127		
Germany	122,320		
Italy	120,871	· Discounts · Economic growth · Tracing activity · Legal activities costly and time consuming	
Spain	252,325		
Total	1,123 596		

For additional information, see Note 2.13.1 in the Group's Annual Report for the Financial Year 2020.

Axactor has incorporated into the ERC the effect of the economic factors and conditions that is expected to influence collections going forward, based on the continued Covid-19 crisis and its development. An analysis of the effects of historical crisis like the financial crisis in 2008 and the experience on collections of the Covid-19 over the last three quarters of 2020 has formed the basis for the current ERC. The ERC table is included in Note 2.

Note 7 Stock of secured assets - REO

	Year to date		
EUR thousand	31 Mar 2021	31 Mar 2020	Full year 2020
Acquisition cost at 1 Jan	**78,786**	129,040	129,040
Acquisitions during the year [1)]	**44**	158	399
Repossession of secured NPL	**18**	1,322	2,279
Cost of sold secured assets	**-10,343**	-9,073	-36,818
Total acquisition cost	**68,506**	121,448	94,901
Impairment	**-42**	-1,102	-16,114
Balance at end of period	**68,463**	120,346	78,786
Number of assets	**2,391**	3,740	2,694

1) Capex includes expenses for registry, inscription and upgrades to existing assets in inventory. No new REOs are acquired

REO assets are held for sale and therefore considered as stock of secured assets in accordance to IAS 2 Inventories, valued at the lower of cost price and net realizable value.

Note 8 Borrowings and other interest-bearing debt

EUR thousand	Currency	Facility limit	Nominal value	Capitalized loan fees	Accrued interest	Carrying amount, EUR	Interest coupon	Maturity
Facility								
ISIN NO 0010914666	EUR		200,000	-6,377	3,033	196,657	3m EURIBOR+700pbs	12.01.2024
Total Bond loan						196,657		
Revolving credit facility DNB/Nordea	EUR	620,000	351,556	-11,868	1	339,689	EURIBOR+ margin	22.12.2023
(multiple currency facility)	NOK		38,886			38,886	NIBOR+ margin	22.12.2023
	SEK		93,107			93,107	STIBOR+ margin	22.12.2023
Total Credit facilities						471,682		
Geveran / ISIN NO 0010924715	EUR	na	140,000	0	1,264	141,264	6.500 %	13.07.2024
Nomura	EUR	na	15,824	-881	65	15,008	EURIBOR+ margin	02.08.2022
Italian banks	EUR	na	40,990	0	260	41,250	EURIBOR+ margin	2021-2026
Total Other borrowings						197,521		
Total Borrowings at end of period						865,860		
whereof:								
Non-current borrowings						714,283		
Current borrowings						151,577		
of which in currency:								
NOK						38,886		
SEK						93,107		
EUR						733,866		

EUR thousand	Bond loan	Credit facilities	Other borrowings	Total Borrowings
Balance at 1 Jan	200,283	530,278	205,625	**936,186**
Proceeds from loans and borrowings	11,050	15,000	0	**26,050**
Repayment of loans and borrowings	-11,050	-64,206	-9,643	**-84,899**
Loan fees	-6,888	-12,872	2	**-19,758**
Total changes in financial cash flow	-6,888	-62,079	-9,641	**-78,607**
Change in accrued interest	2,722	-81	1,254	**3,895**
Amortization capitalized loan fees	540	1,091	284	**1,915**
Currency translation differences	0	2,472	0	**2,472**
Total Borrowings at end of period	196,657	471,682	197,522	**865,860**

Maturity

EUR thousand	Currency	Carrying amount	Total future cashflow	Estimated future cash flow within: 6 months or less	6-12 months	1-2 years	2-5 years
ISIN NO 0010914666	EUR	196,657	203,033	3,033	0	0	200,000
Total Bond loan		196,657	203,033	3,033	0	0	200,000
Revolving credit facility DNB/Nordea (multiple currency facility)	EUR/NOK/SEK	471,682	483,550	65,482	61,110	50,254	306,704
Total Credit facilities		471,682	483,550	65,482	61,110	50,254	306,704
Geveran / ISIN NO 0010924715	EUR	141,264	141,264	1,264	0	0	140,000
Nomura	EUR	15,008	15,889	12,165	3,724	0	0
Italian banks	EUR	41,250	41,250	5,204	6,762	12,357	16,927
Total Other borrowings		197,521	198,402	18,633	10,485	12,357	156,927
Total Borrowings at end of period		865,860	884,986	87,149	71,596	62,611	663,631

The maturity calculation is made under the assumption that no new portfolios are acquired and that Axactor therefore partly need to repay the facility to keep the LTV (loan-to-value) level constant in order to match portfolio amortization and decrease in portfolio value. The same mechanism as for amortization applies for any impairment situation. The table above does not reflect any repayments based on impairment.

Bond loan

During the fourth quarter 2020, a refinancing of the AXA01 bond loan was announced. A new bond, AXACTOR02 (ISIN NO 0010914666), was fully subscribed in December 2020 with the majority of AXA01 holders agreeing to roll the debt into the new bond. AXACTOR02 is placed on similar terms as AXA01, at 7.00% interest, the same covenant structure, and a maturity date in January 2024.

The AXA01 bonds that were not rolled into AXACTOR02 was liquidated during the first quarter 2021.

The bonds are listed on Oslo Børs.

The following financial covenants applies:
- 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

During the fourth quarter 2020, Axactor announced that they will acquire the minority stake in Axactor Invest I, as well as the remaining outstanding A-notes. The transaction has been settled in the first quarter by a conversion to shares in Axactor SE. The class B-notes of EUR 140 million has been settled during first quarter, funded by a new bond loan full subscribed by Geveran to Axactor SE of the same amount. The new bond is placed at 6.50% interest, with a maturity date in July 2024.

Revolving credit facility DNB/Nordea

Following the announcement that Axactor SE has acquired the minority stake in Axactor Invest I, as well as the remaining outstanding A-notes, the two facility agreements with DNB Bank ASA and Nordea Bank AB have been merged into one facility agreement of EUR 545 million, with an addition EUR 75 million in the form of accordion options. 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:
- Group NIBD Ratio to Pro-Forma Adjusted Cash EBITDA < 3.0x
- Portfolio Loan to Value Ratio < 60 %
- Portfolio Collection performance > 90 %
- Parent Loan to Value > 80 %

The new loan agreement was signed in Q4 2020 with effective date in January 2021. The maturity table above reflects the projected repayment schedule for the portfolios owned as of end of Q1 2021. The maturity date for the new facility is January 2024.

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 as well as the REO Holding company in Luxembourg are not a part of the agreement nor the security arrangement.

Nomura

In August 2018, Reolux Holding S.à.r.l signed a EUR 96 million 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 2019 to facilitate new Spanish Real Estate Owned (REO) investments.

Italian Banks

The facilities of the Italian banks relate to different facilities and agreements with several Italian banks. The loans carry variable interest rates based on the interbank rate with a margin. EUR 33 million of the current carrying amount is secured with collateral.

Note 9 Leasing

Right-of-use assets

EUR thousand	Buildings	Vehicles	Other	Total
Right-of-use assets per 1 Jan 2020	5,039	541	267	**5,846**
New leases	1,421	780	0	**2,201**
Depreciation of the year	-2,358	-502	-187	**-3,048**
Disposals	-94	-18	0	**-112**
Currency exchange effects	-58	-3	0	**-61**
Right-of-use assets per 1 Jan 2021	3,949	797	80	**4,826**
New leases	429	-46	0	**383**
Depreciation of the year	-577	-89	-45	**-711**
Disposals	-24	-10	0	**-34**
Currency exchange effects	14	1	0	**14**
Carrying amount of right-of-use assets, end of period	3,791	652	35	**4,477**
Remaining lease term	1-6 years	1-4 years	1-3 years	
Depreciation method	Linear	Linear	Linear	

Lease liabilities

EUR thousand	31 Mar 2021	31 Mar 2020	Full year 2020
Undiscounted lease liabilities and maturity of cash outflow			
< 1 year	**2,533**	2,824	2,496
1-2 years	**1,231**	1,689	1,396
2-3 years	**878**	840	1,027
3-4 years	**302**	552	368
4-5 years	**73**	101	125
> 5 years	**61**	128	78
Total undiscounted lease liabilities, end of period	**5,079**	6,135	5,492
Discount element	**-347**	-450	-405
Total discounted lease liabilities, end of period	**4,732**	5,685	5,086

Note 10 Forward flow derivatives

Changes in the Forward flow agreements is shown below. For additional information, see Note 2.13.2 in Group Annual report for the Financial Year 2020.

EUR thousand	31 Mar 2021	31 Mar 2020	Full year 2020
Opening balance at 1 Jan	**-834**	0	0
Deliveries	**377**	0	0
Value change	**-375**	0	-826
Translation difference	**-23**	0	-8
Closing balance	**-855**	0	-834

The changes in forward flow derivatives is included in 'Other current assets' and 'Other current liabilities' in balance sheet;

EUR thousand	31 Mar 2021	31 Mar 2020	Full year 2020
Forward flow derivatives, asset	**0**	0	257
Forward flow derivatives, liability	**-855**	0	-1,091
Closing balance	**-855**	0	-834

Note 11 Shares

Issued shares and share capital

	Number of shares	Share capital (EUR)
At 31 Dec 2019	**155,395,464**	81,337,590
New share issues, Feb	**30,000,000**	15,702,696
At 31 Dec 2020	**185,395,464**	97,040,286
New share issues, Jan	**50,000,000**	26,171,159
New share issues, Jan	**40,000,000**	20,936,928
New share issues, Mar	**26,750,000**	14,001,570
At 31 Mar 2021	**302,145,464**	158,149,942

30 largest shareholders as at 31 Mar 2021

Name	Shareholding	% Share
Geveran Trading Co Ltd	122,643,578	40.6 %
Torstein Ingvald Tvenge	10,000,000	3.3 %
Ferd AS	7,864,139	2.6 %
VPF DNB Am Norske Aksjer	3,609,133	1.2 %
Verdipapirfondet Nordea Norge Verd	3,238,830	1.1 %
Verdipapirfondet DNB Norge	2,948,356	1.0 %
Stavern Helse og Forvaltning AS	2,615,760	0.9 %
Skandinaviska Enskilda Banken AB	2,500,000	0.8 %
Nordnet Livsforsikring AS	2,346,442	0.8 %
Gvepseborg AS	2,036,494	0.7 %
Endre Rangnes	2,017,000	0.7 %
Verdipapirfondet First Generator	1,785,138	0.6 %
Alpette AS	1,661,643	0.5 %
Verdipapirfondet Klp Aksjenorge In	1,572,808	0.5 %
Verdipapirfondet Nordea Avkastning	1,549,528	0.5 %
Skøien AS	1,500,000	0.5 %
Nordnet Bank AB	1,472,813	0.5 %
Cam AS	1,312,000	0.4 %
Skandinaviska Enskilda Banken AB	1,267,383	0.4 %
Verdipapirfondet Nordea Kapital	1,250,037	0.4 %
Velde Holding AS	1,200,000	0.4 %
Andres Lopez Sanchez	1,177,525	0.4 %
David Martin Ibeas	1,177,525	0.4 %
Avanza Bank AB	1,095,067	0.4 %
Svein Dugstad	1,064,187	0.4 %
Latino Invest AS	1,040,000	0.3 %
Norus AS	1,037,500	0.3 %
Titas Eiendom AS	1,000,000	0.3 %
Forte Trønder	1,000,000	0.3 %
Gross Management AS	1,000,000	0.3 %
Total 30 largest shareholders	185,982,886	61.6 %
Other shareholders	116,162,578	38.4 %
Total number of shares	302,145,464	100 %

Total number of shareholders	11,692	

Shares owned by related parties

Name	Shareholding	% Share
Geveran Trading Co Ltd [1)]	122 643 578	40.6 %
Andres Lopez Sanchez [2)]	1 177 525	0.4 %
David Martin Ibeas [2)]	1 177 525	0.4 %
Latino Invest AS [3)]	1 040 000	0.3 %
Gross Management AS [4)]	1 000 000	0.3 %
Johnny Tsolis Vasili [3)]	670 000	0.2 %
Robin Knowles [2)]	303 180	0.1 %
Terje Mjøs Holding AS [4)]	200 000	0.1 %
Kyrre Svae [2)]	112 500	0.0 %
Arnt Andre Dullum [2)]	98 174	0.0 %
Anders Gulbrandsen [5)]	22 375	0.0 %
Hans Olov Harén [4)]	22 150	0.0 %
Brita Eilertsen [4)]	20 000	0.0 %
Sicubi AS / Bente Brocks [5)6)]	16 200	0.0 %
Lars Valseth [5)]	12 188	0.0 %
Lars Holmen [5)]	370	0.0 %

1) Geveran Trading Co Ltd owns 50% of Reolux Holding S.à.r.l., a company controlled by Axactor Group and holds a loan to Axactor, see Note 'Borrowings and other interest-bearing debt'

2) Member of the Executive Management Team of Axactor

3) CEO/Related to the CEO of Axactor

4) Member of the Board of Directors of Axactor / controlled by member of the Board of Directors of Axactor

5) Primary insider of Axactor

6) Company controlled by primary insider of Axactor

Note 12 Significant transactions

A share capital increase by contribution in kind was done as payment for the minority stake in the co-invest vehicle Axactor Invest I. After the transaction Axactor owns 100% of shares and A-notes in Axactor Invest I. As part of the transaction, the B-notes currently held by Sterna Finance were converted into a bond-like debt instrument with Axactor SE as counterpart

Subsequent to the share capital increase by contribution in kind, a private placement of EUR 30 million was carried out. Following the private placement, an additional EUR 20 million was raised through a repair issue

Alternative Performance Measures

Alternative Performance Measures (APM) used in Axactor

APM	Definition	Purpose of use	Reconciliation IFRS
Gross revenue	3PC revenue, REO sale, cash collected on own portfolios and other revenue, excluding change in forward flow derivatives	To review the revenue before split into interest and amortization (for own portfolios)	Total income, P&L
Cash EBITDA	EBITDA adjusted for change in forward flow derivatives, calculated cost of share option program, portfolio amortizations and revaluations, REO cost of sales and REO impairments	To reflect cash from operating activites, excluding timing of taxes paid and movement in working capital	EBITDA in P&L and Net cash flows operating activities in the Cash flow statement
ERC	Estimated Remaining Collection express the expected future cash collection on own portfolios (NPLs) in nominal values, over the next 180 months.	ERC is a standard APM within the industry with the purpose to illustrate the future cash collection including estimated interest revenue and opex	Purchased debt portfolios in Balance sheet
Net interest bearing debt (NIBD)	Net Interest Bearing Debt means the aggregated amount of interest bearing debt, less aggregated amount of unrestricted cash and bank deposits, on a consolidated basis	NIBD is used as an indication of the group's ability to pay off all of its debt	Note 'Borrowings and other interest-bearing debt'
Return on equity (ROE), annualized, including or excluding non-controlling interests	Net result divided by average quarterly equity for the period, annualized	Measures the profitability in relation to stockholders' equity	Equity

APM tables

	For the quarter end / YTD		
EUR million	31 Mar 2021	31 Mar 2020	Full year 2020
Total income	**61.0**	55.6	201.2
Portfolio amortizations and revaluations	**23.8**	23.6	123.2
Change in forward flow derivatives	**0.0**	0.0	0.8
Gross revenue	**84.9**	79.2	325.2

	For the quarter end / YTD		
EUR million	31 Mar 2021	31 Mar 2020	Full year 2020
EBITDA	**17.7**	14.1	32.0
Change in forward flow derivatives	**0.0**	0.0	0.8
Calculated cost of share option program	**0.1**	0.3	0.6
Portfolio amortizations and revaluations	**23.8**	23.6	123.2
REO Cost of sale, including impairment	**10.4**	10.2	52.9
Cash EBITDA	**52.1**	48.2	209.5
Taxes paid	**-0.3**	-0.8	-5.5
Change in forward flow derivatives	**0.0**	0.0	-0.8
Change in Working capital	**8.7**	2.0	3.3
Cash flow from operating activities before NPL and REO investments	**60.5**	49.4	206.5

	For the quarter end / YTD		
EUR million	31 Mar 2021	31 Mar 2020	Full year 2020
Purchased debt portfolios	**1,123.6**	1,064.6	1,124.7
Estimated opex for future collection at time of acquisition	**298.8**	303.9	303.7
Estimated discounted gain (after tax)	**736.4**	683.3	740.7
Estimated Remaining Collection, NPL	**2,158.8**	2,051.8	2,169.2

APM / KPI definition

Cash EBITDA	EBITDA adjusted for change in forward flow derivatives, calculated cost of share option program, portfolio amortizations and revaluations, REO cost of sales and REO impairments
CM1 Margin	Total operating expenses (excluding SG&A, IT and corporate cost) as a percentage of total income
Debt-to-equity ratio	Total interest bearing debt as a percentage of total equity
Discount	The rate of discount of original debt balance used to negotiate repayment of debt
EBITDA margin	EBITDA as a percentage of Total income
Economic growth	GDP (Gross Domestic Product) growth
Efficient Legal system	Governmental bailiff exchanging information electronically
Equity ratio	Total equity as a percentage of total equity and liabilities
ERC	Estimated Remaining Collection express the expected future cash collection on own portfolios (NPLs) in nominal values, over the next 180 months.
Gross margin	Cash EBITDA as a percentage of gross revenue
Gross revenue	3PC revenue, REO sale, cash collected on own portfolios and other revenue, excluding change in forward flow derivatives
House pricing	House price index, development of real estate values
Interest changes	The interest charged to debtors on active claims
Interest level	Lending rate in the market
NIBD	Net Interest Bearing Debt means the aggregated amount of interest bearing debt, less aggregated amount of unrestricted cash and bank deposits, on a consolidated basis
Opex ex SG&A, IT and corp.cost	Total expenses excluding overhead functions
Payment agreement	Agreement with the debtors to repay their debt
Recovery rate	Portion of the original debt repaid
Return on Equity, excluding minorities, annualized	Net profit/(loss) to equity holders as a percentage of total average equity in period excluding Non-controlling interests, annualized based on number of days in period
Return on Equity, including minorities, annualized	Net profit/(loss) after tax as a percentage of total average equity in period, annualized based on number of days in period
Settlements	One payment of full debt
SG&A, IT and corporate cost	Total operating expenses for overhead functions
Solution rate	Accumulated paid principal amount for the period divided by accumulated collectable principal amount for the period. Usually expressed on a monthly basis
Total estimated capital commitments for forward flow agreements	The total estimated capital commitments for the forward flow agreements are calculated based on the volume received over the last months and limited by the total capex commitment in the contract.
Total income	Gross revenue minus portfolio amortizations and revaluations
Tracing activity	Finding and updating debtor contact information

Terms and abbreviations

3PC	Third-party collection
ARM	Accounts receivable management
B2B	Business to Business
B2C	Business to Consumer
BoD	Board of Directors
CGU	Cash Generating Unit
CM1	Contribution Margin
Dopex	Direct Operating expenses
EBIT	Operating profit, Earning before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ECL	Expected Credit Loss
EPS	Earnings Per Share
EUR	Euro
FTE	Full Time Equivalent
IFRS	International Financial Reporting Standards
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
REO	Real Estate Owned
SEK	Swedish Krone
SG&A	Selling, General & Administrative
SPV	Special Purpose Vehicle
VIU	Value in Use
WACC	Weighted Average Cost of Capital
WAEP	Weighted Average Exercise Price

Financial calendar 2021

Quarterly Report - Q2	*17.08.2021*
Quarterly Report - Q3	*27.10.2021*
Quarterly Report - Q4	*24.02.2022*

Contact details

Axactor SE (publ)
Drammensveien 167
0277 Oslo
Norway

www.axactor.com

The shares of Axactor SE (publ.) are listed on the Oslo Stock Exchange, ticker ACR.

Design and production: Artbox AS Print: Printbox AS

axactor.com