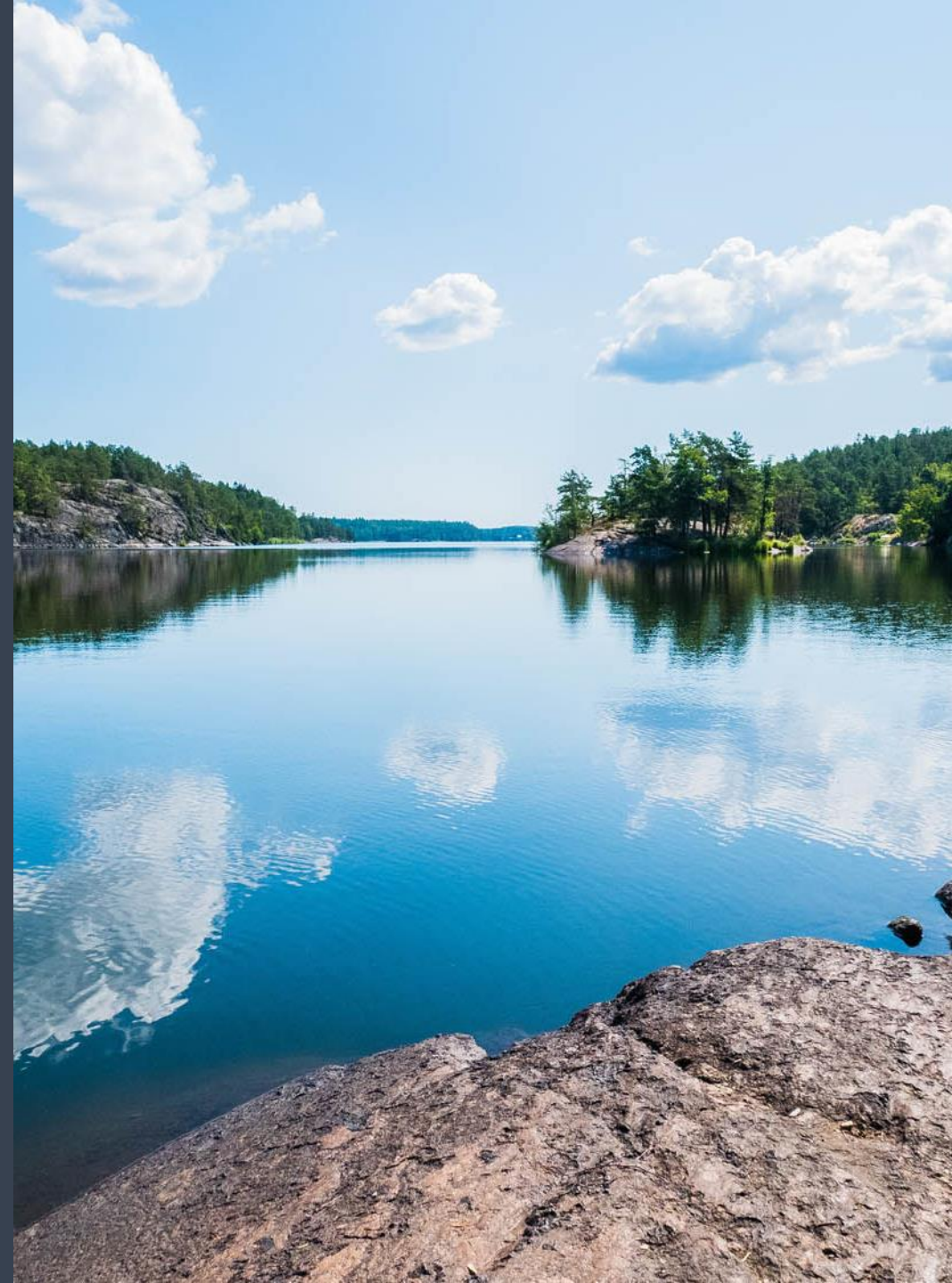


AXACTOR

Company presentation

Xtrainvestor live event

June 2nd 2021



Axactor SE Company presentation

June 2nd 2021

Presenting:



Johnny Tsolis, CEO



Kyrre Svae, Interim CFO

Agenda



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Company introduction



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Industry trends



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Why invest in Axactor



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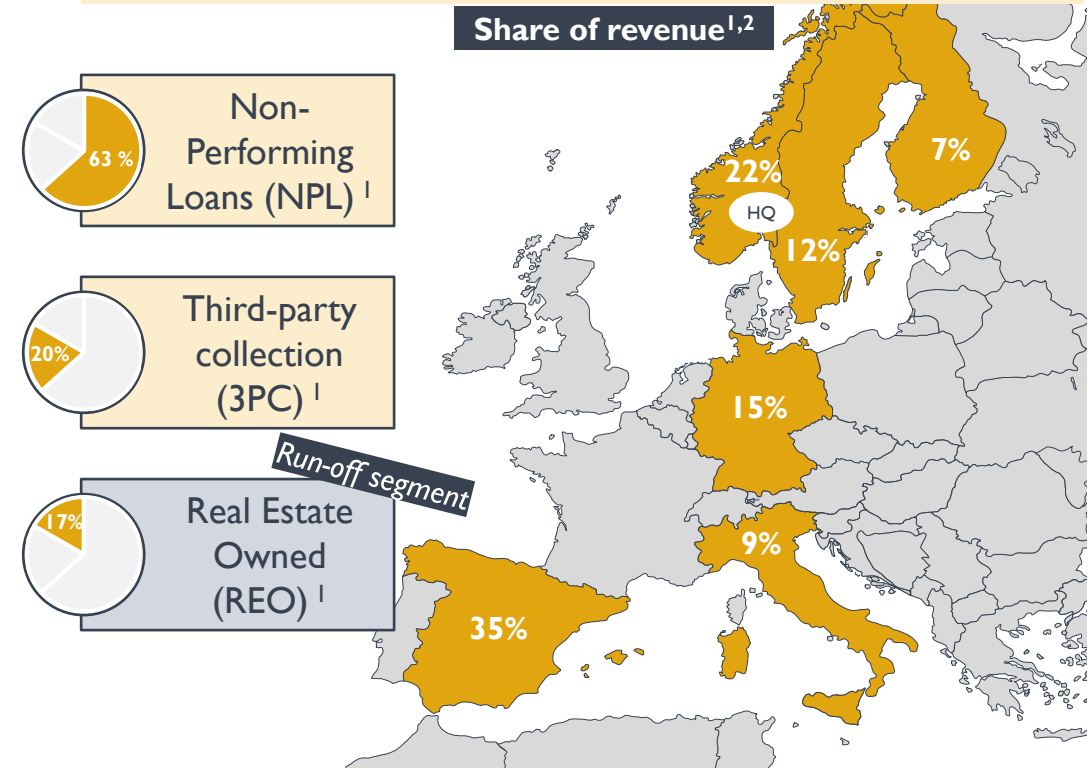
Q&A

Axactor is an established European debt collection company that has grown rapidly in targeted markets

A leading European debt collector

- Established in Q4 2015 with headquarters in Oslo, Norway, and is one of Europe's top-ten debt collectors
- Main focus on collection and acquisition of unsecured non-performing loans ("NPL") from financial institutions and third-party collection ("3PC")
- Operations in six countries; Finland, Germany, Italy, Norway, Spain and Sweden, with 1,095 FTEs
- Portfolio acquisitions north of EUR 600m for 2019 and 2020 combined
- Geveran owns 44% of Oslo-listed Axactor SE

Operating in a few, stable and well developed markets




3 1) Share of Total income 2020 adj. for revaluations on NPLs (to get normalized level)
2) Excl. REO

Our core business areas simply explained

Non-Performing Loans (NPL)

- Buy defaulted debt at discount to face value
 - Price variations between markets, age and type of debt
- Example: Credit card, personal loans
- Use own highly trained personnel and systems to collect
- Profit on collecting more efficient than banks
- Gross money multiple typically between 1.7-2.5x
- Valuation based on a 15-year collection curve



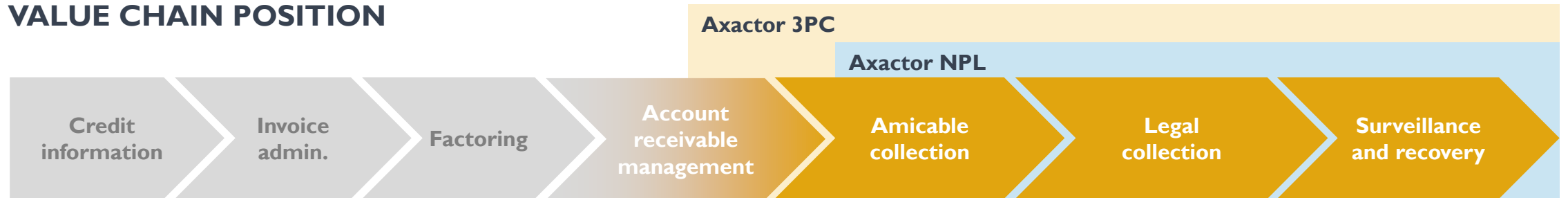
Combined deals
Operational synergies
(systems, personnel)
Diversification

Third-party collection (3PC)

- Traditional debt collection on behalf of external customers
 - Typically a fixed fee or a commission to Axactor on the collected amount
- Low capital requirements
- Creates strong customer relationships and recurring business
- Provides pricing support for NPL acquisition
- Focus on combined forward flow and 3PC deals

Axactor follows a clear and simple niche strategy

VALUE CHAIN POSITION



NICHE STRATEGY

- Six carefully selected **geographies**
- **Business-to-consumer unsecured NPLs** with claim size **500 – 50,000 EUR**
- Only acquiring debt originated within **bank/finance** segment
- Focus on **first-hand portfolios** of **fresh debt** from **well-known vendors**

From start-up to established player

- After five years in business, Axactor enters a new phase with increased focus on earnings

Start-up (2016-2020)

Grow revenue & scale

- Aggressive growth
- Market entries
- Establish IT and operations

Established player (2021-2024)

Grow return on equity

- Grow size in existing markets
- Operational excellence
- Initiate dividend payments
- Take part in consolidation of the NPL industry

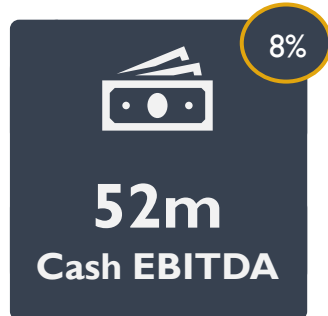
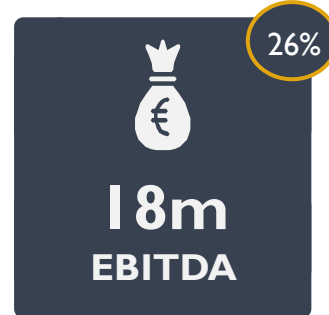
Steady state (2025→)

Grow presence

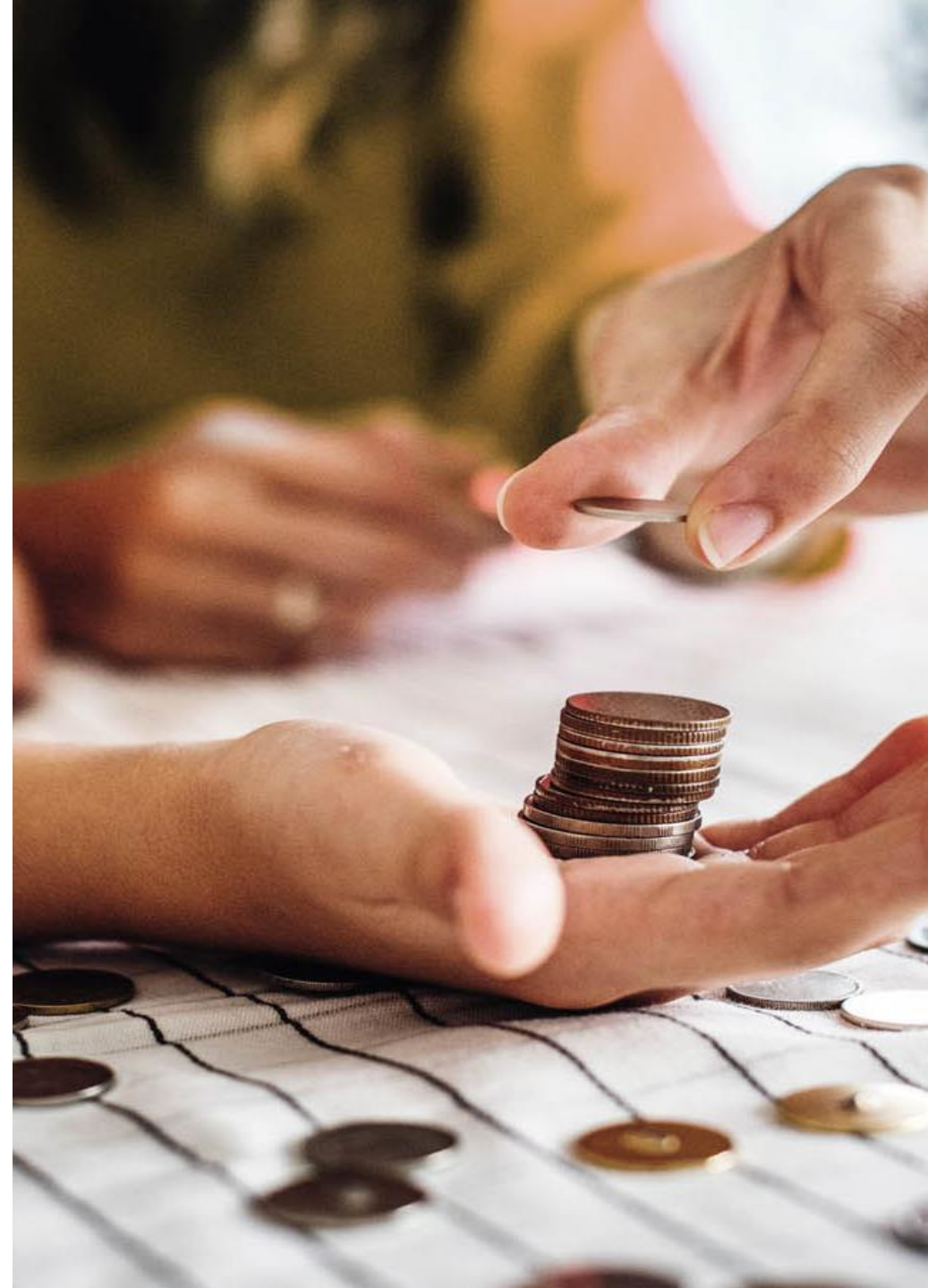
- Steady state
- Competitive cash return to shareholders
- Use superior operations to enter new markets and segments

Key Financial Highlights Q1 2021

All numbers in EUR



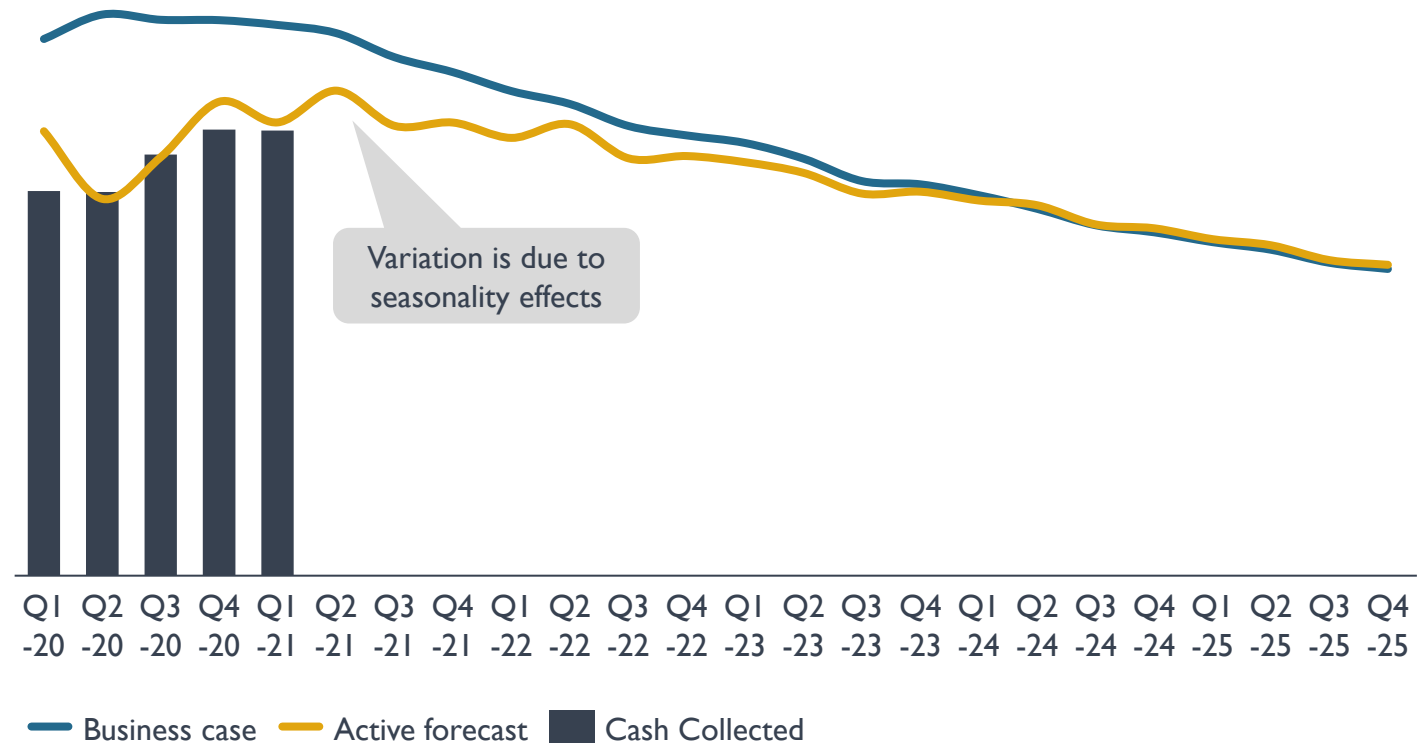
 YoY growth



NPL active forecast aligned with current performance

- Supporting correct portfolio valuations going forward

Business case and active forecast versus cash collected¹



- Cash collected in 2020 did not meet the original business case primarily due to Covid-19
- Active forecast is aligned with current performance
- Historic underperformance assumed lost – prudent approach
- Axactor with one of the tightest performance criteria for revaluation in the industry



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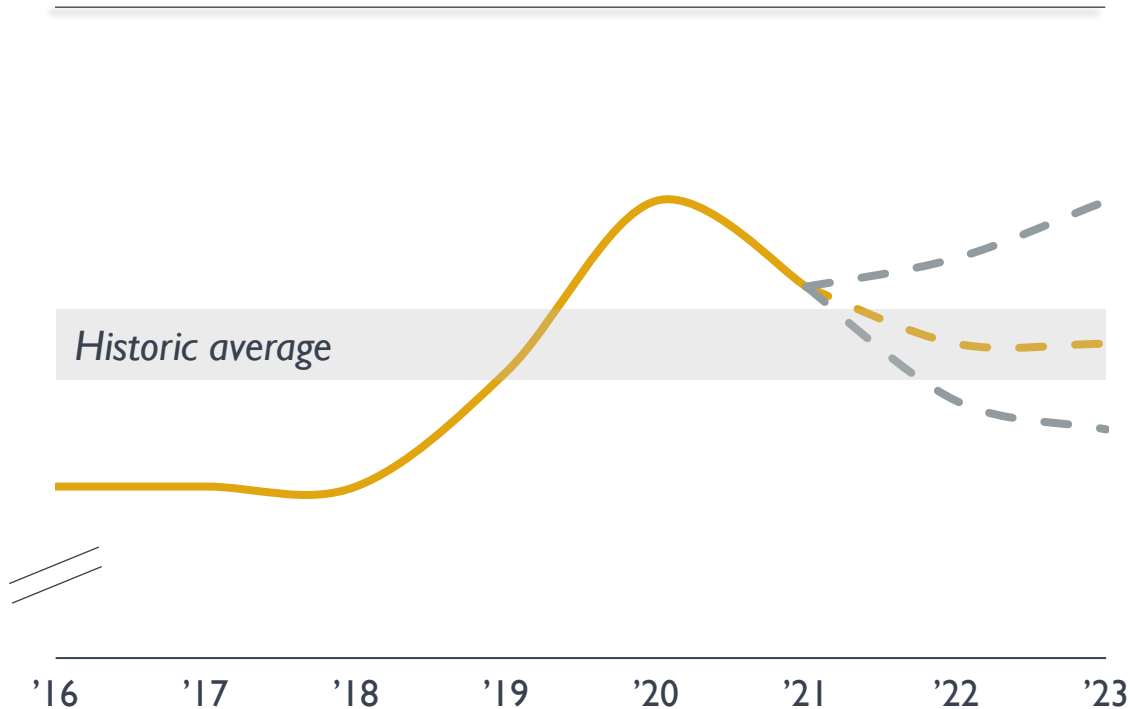
Key industry trends 2021



Expect IRR to converge towards historic average

- Significantly above historic IRR for Axactor

Estimated IRR development 2016 - 2023



Factors affecting future IRR

Upwards pressure

- **Overhang** of unsold NPLs after the pandemic
- Increased **regulatory pressure** on banks
 - Prudential backstop
- Stronger industry **discipline** than in '16-'18

Downwards pressure

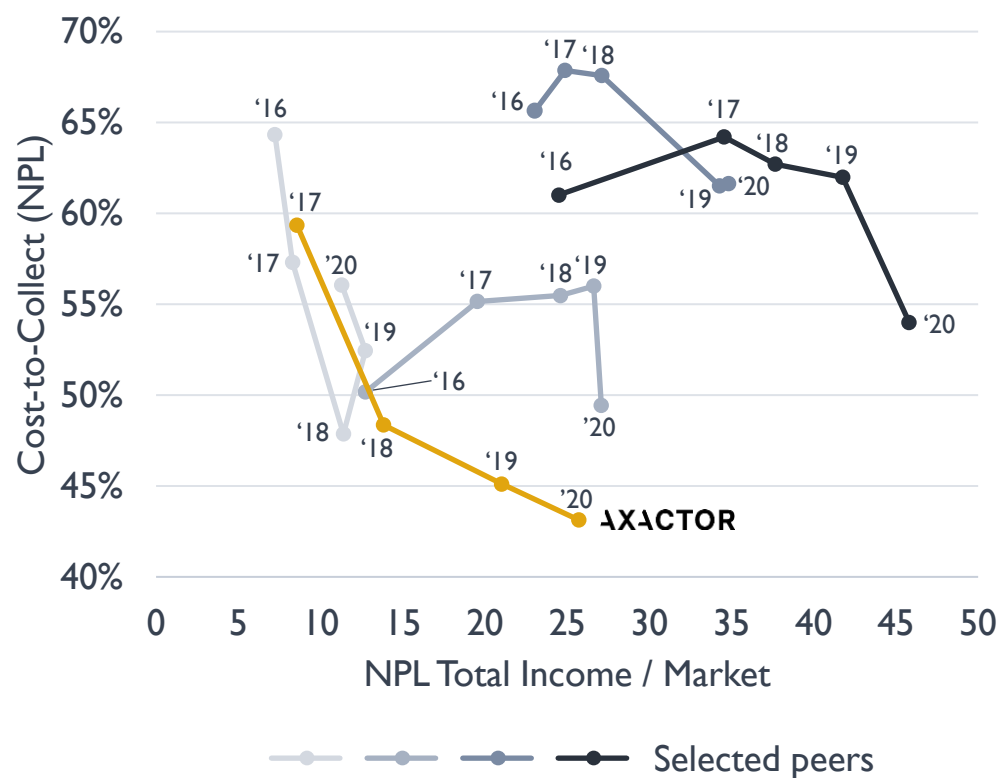
- Most industry players with high **investment capacity**
 - New **volumes needed** to avoid declining revenues
- **Lower loan volumes** and **default rates** reduces size of 2021 NPL vintage

Increasing focus on cost level in the industry

- Axactor with industry leading cost-to-collect and aiming for further improvements

NPL Cost-to-Collect & total income per market 2016-2020¹

(EURm)

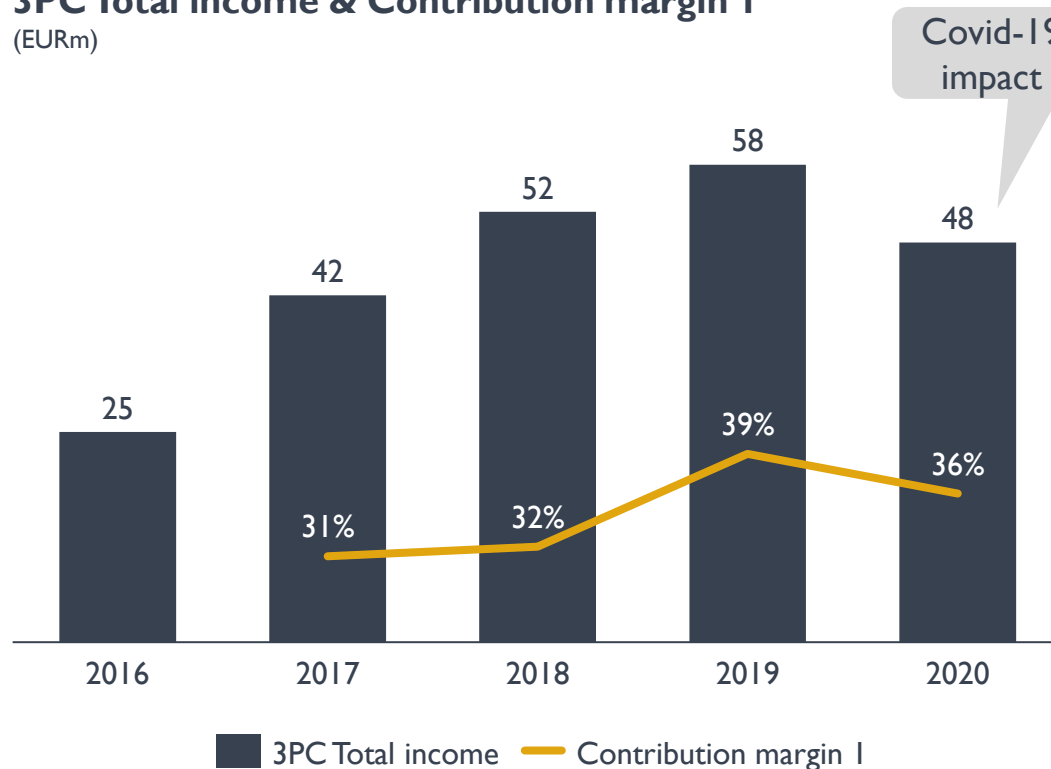


- Axactor incepted to disrupt the industry on cost-to-collect
- Continued innovation and growing economies of scale to fuel further improvements
- Strict niche strategy supporting long-term competitiveness

Trend of improving utilization of collection platform

- Different strategies to reach optimal utilization

3PC Total income & Contribution margin I
(EURm)



- Capital light, recurring revenue with good margin and diversification benefits
- Synergies with NPL on operation, customer partnerships and portfolio insight
- Volumes expected to recover to pre-covid levels as societies reopen

ESG with increasing importance

- Axactor ranked #2 in consumer finance sector by Sustainalytics¹

Axactor ESG rating

Relative performance	Rank ¹
Consumer finance subindustry	2 out of 145
Diversified financials industry	79 out of 733
Global universe	1,840 out of 13,564

- ESG an important part of Axactor's DNA
- Increasing attention from all stakeholders

Axactor committed to UN goals



- Carefully selected goals where Axactor can make a difference
- UN sustainable development goals integrated in Axactor's strategy



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Q&A

Why invest in the debt collection INDUSTRY?

Driver	Comments
1 Revenue growth	<ul style="list-style-type: none">• Volume sent to debt collection expected to increase as societies reopen and moratoriums end• Large NPL-volumes expected for sale<ul style="list-style-type: none">- Overhang from the pandemic and Prudential backstop rules
2 Margin expansion	<ul style="list-style-type: none">• Expect IRR to be significantly above 2016-2018 levels
3 Valuation	<ul style="list-style-type: none">• Resilient through the pandemic, and trading with relatively low P/B compared to 10-year average• Expect industry consolidation over the next 2-3 years

Why invest in AXACTOR?

Driver	Comments
1 Revenue growth	<ul style="list-style-type: none">• NPL - Expect material revenue growth next 12 months<ul style="list-style-type: none">• EUR ~550m¹ in est. investment capacity limit• EUR ~130m in est. replacement CAPEX• 3PC - revenues reverting to pre-covid levels and beyond
2 Margin expansion	<ul style="list-style-type: none">• Replacing low IRR portfolios with new acquisitions<ul style="list-style-type: none">• Relative improvement expected to be larger for Axactor than competitors - coming from a lower starting point• Effects of cost reduction program and economies of scale• Phasing out REO
3 Valuation	<ul style="list-style-type: none">• Material post-covid repricing potential• Attractive target for private equity & industrial players<ul style="list-style-type: none">• Industry leading cost-to-collect platform

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Terms and abbreviations

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
APM	Alternative Performance Measures
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

