Report
Q2 2022

Highlights [1)]

Second quarter 2022

- Continued income growth and margin expansion in the second quarter, with gross revenue growth for both core segments

- Annualized return on equity excluding non-controlling interests, including discontinued operations increased to 11.2% (6.9%). The annualized return on equity for continuing operations ended at 12.6% (8.4%)

- NPL investments amounted to EUR 46.8 million, up from EUR 12.3 million in the second quarter last year. Additionally, estimated forward flow commitments of EUR 57.1 million is secured for the second half of 2022

- Total gross revenue ended at EUR 87.2 million, up 5% from the second quarter last year (82.8), while total income increased by 13% to EUR 60.4 million (53.5)

- Total operating expenses ended at EUR 30.4 million for the quarter, up from EUR 28.4 million in the second quarter last year. Adjusting for EUR 0.9 million of restructuring cost in the second quarter 2021, opex over gross revenue increased from 33% to 35%. The increase is primarily driven by increased spending on legal collection, as well as a higher share of 3PC in 2022

- EBITDA reached EUR 30.0 million (25.1), resulting in an EBITDA margin of 50% (47%)

- Cash EBITDA was EUR 57.5 million, up from EUR 54.7 million in the second quarter last year. Adding contribution from the discontinued REO operations, Cash EBITDA was EUR 60.5 million (65.7)

- Net profit came in at EUR 12.5 million (9.0). Including the discontinued operations, the net profit to shareholders was EUR 11.1 million (7.2) and EUR -0.4 million to non-controlling interests (-2.8)

- Repurchase of bond loans at sub-par value resulted in a positive one-time impact on financial expenses of EUR 1.4 million

- Full network segmentation has been implemented across the Group's IT infrastructure, significantly enhancing IT security

- Terje Mjøs, Kathrine Astrup Fredriksen, Brita Eilertsen and Lars Erich Nilsen were re-elected as Board members for another term in the annual general meeting. Kristian Melhuus, will continue in his role as Chair of the Board

- Axactor ASA (formerly Axactor SE) was converted from a Societas Europaea company to a Norwegian Allmennaksjeselskap

1) The highlights section refers to Axactor's continuing operations, unless explicitly stated otherwise

First half 2022

- Gross revenue for the first half ended at EUR 165.6 million (158.6), while total income ended at EUR 117.8 million (105.4)

- EBITDA increased from EUR 45.1 million in the first half 2021 to EUR 57.7 million. The resulting EBITDA margin was thus 49% (43%).

- Net profit from continuing operations for the first half was EUR 20.1 million (8.9). Including the discontinued operations, the net profit to shareholders was EUR 17.7 million (5.7), while net profit to non-controlling interests was EUR -1.4 million (-4.7)

- NPL investments for the period amounted to EUR 126.5 million, up from EUR 28.4 million in the same period last year. This is significantly more than the replacement capex and adding committed estimated forward flow volume for the second half, EUR 183.5 million of NPL investments is secured for 2022

- The acquisition of Credit Recovery Service announced in 2021 was formally closed in January 2022 and is included in the consolidated financial statements. The acquisition significantly strengthens Axactor's presence in the Italian 3PC market

Events after the period

- Axactor has continued the repurchase of outstanding bonds to reduce the cost of funding in the third quarter. Up until the publishing of this report, a total of EUR 2.4 million of nominal outstanding amount has been repurchased in the third quarter.

Key Figures Axactor Group

EUR million	For the quarter end 30 Jun 2022	For the quarter end 30 Jun 2021 [1)]	Year to date 30 Jun 2022	Year to date 30 Jun 2021 [1)]	Full year 2021 [1)]
Gross revenue	**87.2**	82.8	165.6	158.6	307.6
Total income	**60.4**	53.5	117.8	105.4	158.3
EBITDA	**30.0**	25.1	57.7	45.1	40.5
Net profit/(loss) after tax from continuing operations	**12.5**	9.0	20.1	8.9	(25.4)
Net profit/(loss) after tax from discontinued operations	**(1.8)**	(4.6)	(3.8)	(7.9)	(20.6)
Net profit/(loss) after tax	**10.6**	4.4	16.3	1.0	(46.0)
Return on equity, excluding non-controlling interests, annualized	**11.2%**	6.9%	9.2%	3.1%	(8.5%)
Return on equity, continuing operations, annualized	**12.6%**	8.4%	10.4%	4.4%	(6.2%)
Growth gross revenue, period to period	**5.2%**	27.8%	4.5%	19.2%	8.0%
Cash and cash equivalents, end of period [2)]	**32.1**	42.1	32.1	42.1	38.2
Cash EBITDA from continuing operations [3)]	**57.5**	54.7	106.7	99.0	192.1
Cash EBITDA [4)]	**60.5**	65.7	114.0	117.8	223.8
Gross revenue from NPL portfolios	**72.6**	69.9	137.8	134.1	258.0
Acquired NPL portfolios during the period	**46.8**	12.3	126.5	28.4	114.0
Book value of NPL portfolios, end of period	**1,154.5**	1,104.1	1,154.5	1,104.1	1,095.8
Estimated remaining collection (ERC), NPL	**2,278.8**	2,119.3	2,278.8	2,119.3	2,140.5
Interest bearing debt, end of period [5)]	**872.3**	831.4	872.3	831.4	838.3
Number of employees (FTEs), end of period	**1,221**	1,062	1,221	1,062	1,096
Price per share, last day of period	**5.94**	10.35	5.94	10.35	7.55

1) *For some figures, comparative information has been re-presented due to a discontinued operation, see note 12*

2) *Total cash and cash equivalents from continuing and discontinued operations, excluding restricted cash. See APM table*

3) *Cash EBITDA from continuing operations is EBITDA adjusted for change in fair value of forward flow commitments, portfolio amortizations and revaluations, repossessed assets cost of sale and impairment, and calculated cost of share option program. See APM table*

4) *Cash EBITDA is total EBITDA (continuing and discontinued operations) adjusted for change in fair value of forward flow commitments, portfolio amortizations and revaluations, REO and repossessed cost of sales and impairments, and calculated cost of share option program. See APM table*

5) *Interest bearing debt is total interest bearing debt allocated to continuing and discontinued operations. See APM table.*

Operations

Axactor's operations had a hectic quarter with seasonal campaigns related to tax refunds and the upcoming vacation period. Additionally, the uptick in NPL investments over the past six months have increased the volumes to be handled within both amicable collection and legal collection. With an NPL collection performance including the sale of repossessed assets of 99%, the NPL gross revenue grew to EUR 72.6 million for the quarter. The 3PC segment had a solid quarter as well, with 3PC total income of EUR 14.6 million. Italy and Spain were the main contributors to the 3PC growth, with good volume development from both existing and new customers.

The NPL segment had an increase of 15.6 thousand cases compared to the end of the first quarter with estimated remaining collections at the end of first half of EUR 2,279 million. The amount of claims with a registered payment during the quarter increased to 6.3% of all active claims, an all-time high for the Group. Axactor continuously work to increase the number of payment plans to build a predictable and stable cash flow, and to support debtors in gaining better control over their finances.

The effects of the Covid-19 pandemic seem to wear off, while new challenges arise. All of Axactor's markets are facing rising inflation and reduced purchasing power for consumers. So far, the impacts on collection have been limited across the Group, although to some extent visible in the German market. The NPL portfolio performance of 99% underlines this observation.

The two main operational cost elements for Axactor are personnel expenses and fees related to legal collection. Legal cost increased in the quarter due to the new inflow of cases, giving a short-term negative effect on the cost-to-collect. The legal fees are typically paid in advance when the legal collection process is initiated, while the corresponding collection takes time to materialize.

The 3PC segment saw the positive trend continue and the cash collected on behalf of customers was above expectations. The higher collection triggered the payout of performance bonuses and higher commission. Total income ended at EUR 14.6 million, a 13% increase from the corresponding quarter last year, and a 51% increase from the corresponding quarter in 2021.

The integration of Credit Recovery Service (CRS), the Italian credit service provider acquired in January, is progressing according to plan. All 3PC volumes in Italy will be handled by CRS, with most customers already transferred. CRS continues to deliver performance above business case and Axactor expect the Italian 3PC business to deliver double-digit organic growth in 2022 compared to 2021.

The cost saving initiatives implemented during 2021 are visible in the 3PC numbers for the second quarter. Contribution margin over total income was 41%, up from 35% adjusted for restructuring cost in the second quarter of 2021.

Enhancing business intelligence and advanced analytics

Axactor continues to have high attention on developing and improving its advanced analytics capabilities. The centralized data scientist team in Madrid was increased during the quarter, with further recruitment activities ongoing to strengthen the team. The team continues to utilize big data and machine learning to improve internal collection processes and develop models for valuation and revaluation of NPL portfolios.

A successful process mining pilot was executed in Germany during the first half year. The pilot identified both potential cost savings and increased revenue potential through more efficient processes. The tools and the analytical approach will subsequently be implemented for other business segments, as well as expanded to the Nordic countries through best practice sharing within the Axactor business intelligence network.

Expanding the self-service functionality

As of the second quarter, all countries have fully digital payment solutions included in the Axactor debtor portal. Furthermore, the secure chat solution was successfully implemented for Norway with positive feedback from the initial users. The work to improve the debtor portal will continue going forward, enabling new communication channels to reach debtors, making it easier for debtors to access their details and make payments, and at the same time improving Axactor's cost efficiency. The debtor portal saw a continued increase in usage during the second quarter and further increases are expected as new or improved functionalities are developed.

Continued focus on information security and data privacy

During the first six months Axactor implemented full network segmentation across the Group's IT infrastructure. The segmentation provides increased control over network traffic, optimized performance, and most importantly an improved security layer reducing the risk and consequences of being hit by a generalized malware strike.

The General data protection regulation (GDPR) procedures and Data protection impact assessments (DPIA) have been reviewed and updated where necessary. Multiple digital nano learning and classroom trainings have been provided to all employees covering security and GDPR related topics. The e-learning courses will continue through the second half of the year to improve knowledge and awareness of the employees.

Axactor Spain received the Payment card industry data security standard (PCI DSS) certification in June. The PCI DSS reduces the risk of payment card fraud and refers to all measures and controls that must be implemented to guarantee that payment cards are used in a protected environment. The certification strengthens Axactor's position in the Spanish market and PCI DSS will be used to further strengthen the information security procedures.

Human rights and gender equality

The Norwegian "Transparency Act" entered into force 1 July 2022. The Transparency Act establishes new reporting requirements, including a duty to perform regular due diligence assessments verifying compliance with fundamental human rights and decent working conditions. The requirements are valid for both the company with its subsidiaries, and its suppliers and partners. Axactor has always respected internationally recognized human rights and rights at work, which is reflected in our various policies and the Code of Conduct. In light of the Transparency Act, Axactor has elected to establish a separate Human Rights policy, codifying these commitments to ease interested parties' ability to educate themselves on human rights at Axactor. Axactor requires its suppliers and partners to comply with human rights through the Supplier code of conduct. With the new legislation, Axactor is also obliged to conduct and publish the results of due diligence assessments at least annually, as well as to provide information to interested parties. At Axactor, responsible business conduct has always been at the core of the operations, and the Group supports the proactiveness of the Norwegian legislator and believe this is a solid step in the right direction.

Axactor rejects all forms of discrimination in hiring and employment, child labor, threats against people who defend human rights and other human rights violations. At Axactor, diversity is not simply a matter of complying with legal requirements. Axactor believes that the strength lies in the differences between the employees, which is one of the key factors to the company's success. Their varied skills, perspectives and experiences form the basis of innovation and help Axactor to understand the needs of customers and debtors. Axactor is committed to treat everyone equally and with respect, regardless of gender, nationality, disability, marital status, religion, or sexual orientation, and are committed to equal opportunities for all employees.

UN Development goal #5: "Achieve gender equality and empower all women and girls" is supported by Axactor. The Group contribute to this by continuously building sustainable people processes with a stronger emphasis on embedding and inclusion approaches. Appraisal talks have been held with the employees focusing on developing talents through performance management during the first half year. Axactor has conducted extensive mapping of pay gaps between the genders and completed corrective steps where appropriate. The results after this year's wage settlement shows a fair balance between the salaries of the different genders. Axactor has an improved overall gender balance from year end 2021 to Q2 2022 of 64% women (66%) and 36% men (34%). The number of managers has been reduced with 9% during 1H, but the number of female managers increased with 7%. Women outnumber men in leadership positions below the level of country management with 57%. Axactor are continuously working to reach a more balanced gender distribution across all levels, company functions and countries.

A dedicated email address to which interested parties may ask questions about how Axactor addresses actual and potential impacts on fundamental human rights has been created. To ensure the company uncovers any potential irregular activities and behavior that could lead to a breach of the Code of conduct and or the possible commission of a criminal offence, Axactor has a whistle-blower channel in place. The channel has now been made publicly available to ease the reporting possibility also for third parties. The channel as well as the whistle blowing procedure has been reviewed during the quarter.

Update on EU regulations

The European Banking Authority (EBA) published a discussion paper to facilitate the review of the standardized NPL data templates providing common data sets for the screening, financial due diligence and valuation during NPL transactions in the EU of which Axactor prepared a reply. Axactor is pleased to observe that the feedback given has been considered and has, together with several of its peers, arranged to review and comment on the updated version.

Axactor has reviewed and responded to the targeted consultation on the functioning of the ESG ratings market in the European Union and on the consideration of ESG factors in credit ratings. As industry peers being subject to ESG ratings generally and in light of being credit rated, Axactor initiated discussions on the consultations with its peers.

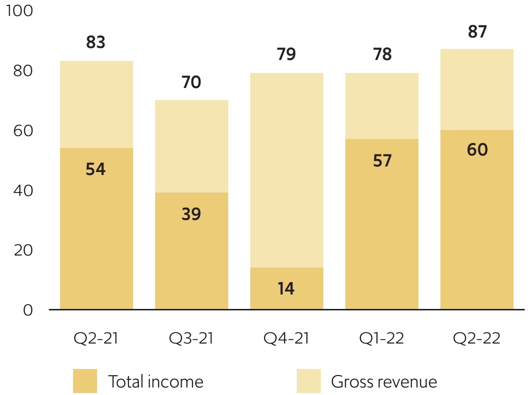
Anti-money laundering

A risk assessment of the anti-money laundering processes and procedures across the Group has been conducted without any material risks identified. To further increase awareness towards money laundering, training has been provided to all relevant employees during the second quarter.

Financials

Revenue

Total income and Gross revenue (continuing operations)
EUR million



The portfolios of purchased real estate (REO) is treated as discontinued operations effective from the fiscal year 2022, and Axactor continues with two business segments: NPL and 3PC. All comments and numbers in the following text refer to continuing operations unless explicitly stated otherwise. This also applies to figures for previous periods. Please also note that the definition of discontinued operations has changed slightly compared to the first quarter 2022 report: All repossessed assets from Axactor's secured NPL portfolios are now defined as continuing operations.

Total income for the second quarter ended at EUR 60.4 million, up 13% from the corresponding quarter last year (53.5). This was mainly due to a 5% increase in gross revenue, to EUR 87.2 million (82.8). The total income increase was also positively affected by a decline in the NPL portfolio amortization rate from 40% to 37%, supported by the NPL curve revision in the fourth quarter 2021.

The NPL total income was EUR 45.8 million for the quarter, up from EUR 40.6 million in the second quarter 2021. Segment gross revenue grew 4% to EUR 72.6 million driven by the investments in NPL portfolios over the past twelve months (69.9). The effective NPL portfolio amortization rate was 37% (40%), while net NPL revaluations ended at negative EUR 0.8 million (negative 1.4). Out of the gross revenue, EUR 2.3 million is related to sale of repossessed assets (0.9).

The 3PC segment continues to grow on the back of the acquisition of Credit Recovery Service. Additionally, returning volumes after the Covid-19 pandemic drove a slight organic growth. Total income thus ended at EUR 14.6 million, up 13% compared to the second quarter last year (12.9).

For the first half, total income ended at EUR 117.8 million (105.4), while gross revenue ended at EUR 165.6 million (158.6). The total income for the NPL segment was EUR 90.0 million (80.9), while gross revenue was EUR 137.8 million (134.1). 3PC total income was EUR 27.8 million (24.4).

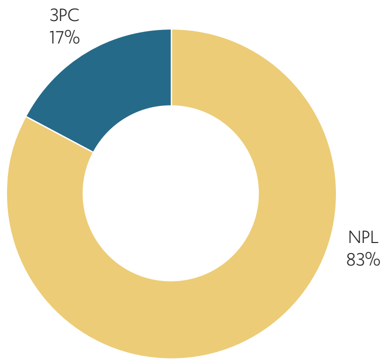
Operating expenses

Total operating expenses before depreciation and amortization amounted to EUR 30.4 million for the second quarter, up from EUR 28.4 million in the corresponding quarter last year. Operating expenses as a percentage of gross revenue increased from 33% to 35% when excluding EUR 0.9 million of restructuring cost in the second quarter 2021. This is primarily driven by increased spending on legal collection in the NPL segment, as well as a slightly higher share of the lower margin 3PC segment. The legal fees are typically paid in advance when the legal collection process is initiated, while the corresponding collection takes time to materialize.

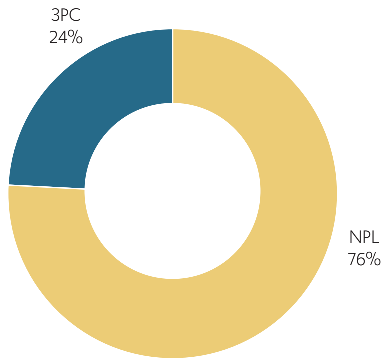
Depreciation and amortization – excluding amortization of NPL portfolios – was EUR 2.2 million for the quarter, down from EUR 2.3 million in the corresponding quarter last year.

For the first half of 2022, total operating expenses was EUR 60.1 million (60.3), while depreciation and amortization was EUR 4.3 million (4.9).

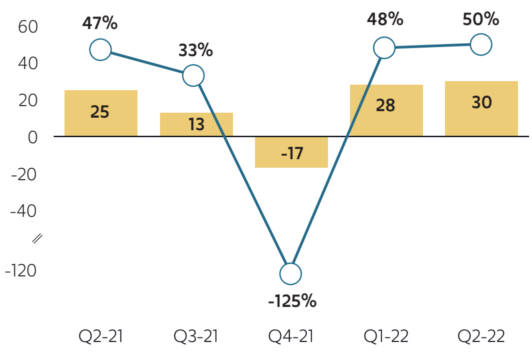
Gross revenue mix Q2-22



Total income mix Q2-22



EBITDA and EBITDA-margin
EUR million and %



The difference between contribution margin and EBITDA is comprised of unallocated SG&A and IT costs, which amounted to EUR 10.9 million for the quarter, slightly up from the second quarter 2021 (10.7). For the first half, unallocated SG&A and IT cost amounted to EUR 21.5 million (22.0).

Cash EBITDA ended at EUR 57.5 million for the second quarter, compared to EUR 54.7 million for the corresponding quarter last year. The improvement was mainly driven by increased NPL collection and higher 3PC income. Adding the contribution from discontinued operations, cash EBITDA was EUR 60.5 million (65.7). For the first half the cash EBITDA was EUR 106.7 million (99.0) for continuing operations, and EUR 114.0 million including discontinued operations (117.8).

Operating profit (EBIT) was EUR 27.9 million for the second quarter, up from EUR 22.8 million last year. For the first half operating profit was EUR 53.4 million, compared to EUR 40.2 million last year.

Operating results

Total contribution from the business segments came in at EUR 41.0 million for the quarter, compared to EUR 35.8 million in the corresponding quarter last year. Both segments saw improvements in their underlying contribution margins in the quarter, also when adjusting for the restructuring cost booked in the second quarter 2021. The contribution margin over total income was 68%, compared to 67% in the second quarter last year.

The NPL segment delivered a contribution margin of EUR 35.1 million in the second quarter, up from EUR 31.9 million in the same quarter last year. The main driver for the improvement was the growth in total income. Margin on total income thus ended at 77%, slightly down from 79% in the second quarter 2021. The decline in margin comes mainly as a result of the increased spending on legal collection, which is expected to generate higher collections in the future.

Contribution from 3PC was EUR 5.9 million, up from EUR 3.9 million in the second quarter 2021. The improvement is mainly driven by organic total income growth, as well as the inclusion of Credit Recovery Service and the cost saving initiatives implemented last year. The margin over total income increased from 35% to 41%, adjusted for restructuring cost in the second quarter 2021.

Total contribution from the business segments for the first half year ended at EUR 79.2 million (67.1), of which NPL contributed EUR 68.7 (62.5) and 3PC EUR 10.5 million (4.6).

EBITDA for the quarter ended at EUR 30.0 million, up from EUR 25.1 million in the second quarter last year. The EBITDA margin was 50%, up from 47% in the same quarter last year. For the first half, EBITDA ended at EUR 57.7 million (45.1), resulting in an EBITDA margin of 49% (43%).

Net financial items

Total net financial items for the quarter were negative EUR 13.1 million, compared to negative EUR 10.2 million in the second quarter last year. Total interest expense on borrowings for the quarter was EUR 14.3 million (11.7).

Axactor purchased own outstanding bonds with a total face value of EUR 36.6 million in the quarter. The purchases were made at prices significantly below par, resulting in a positive net gain of EUR 1.4 million.

The net FX impact for the quarter was negative EUR 0.5 million, compared to positive EUR 1.5 million last year.

For the first half, total net financial items were negative EUR 26.5 million (26.0), with interest expense on borrowings of EUR 27.8 million (24.1), the EUR 1.4 million net gain on re-purchase of bonds, and a net FX impact of negative EUR 0.2 million (negative 1.7 million).

Discontinued operations

Discontinued operations is comprised of the portfolios of real estate assets acquired during 2017 and 2018. It is the operating segment formerly reported as REO, but excluding repossessed assets from Axactor's secured NPL portfolios. Total income for the discontinued operations ended at EUR 3.8 million for the quarter (12.4), while EBITDA ended at -1.6 million (-3.0). The net profit was negative EUR 1.8 million, compared to negative EUR 4.6 million in the second quarter 2021.

For the first half, discontinued operations had total income of EUR 8.9 million (21.5), EBITDA of EUR -3.2 (-5.2), and a negative net profit of EUR 3.8 million (negative 7.9).

Earnings and taxes

Earnings before tax ended at EUR 14.7 million for the second quarter (12.6), while net profit ended at EUR 12.5 million (9.0). The effective tax rate was thus 15% for the quarter (29%). The relatively low tax rate in the quarter is caused primarily by utilization of tax losses carried forward that were not previously recognized in the balance sheet, and by reduced impact of limitations on interest cost deductibility. Adding discontinued operations, the net profit was EUR 10.6 million, up from EUR 4.4 million in the second quarter 2021.

The net profit including discontinued operations for the second quarter ended at EUR 11.1 million for shareholders of the parent company (7.2), and at EUR -0.4 million for non-controlling interests (-2.8). The resulting earnings per share was thus EUR 0.037 both on a reported basis (0.024) and fully diluted (0.023), based on the average number of shares outstanding in each period.

For the first half, earnings before tax ended at EUR 27.0 million (14.2), while net profit ended at EUR 20.1 million (8.9). Including the discontinued operations, net profit was EUR 16.3 million (1.0). EUR 17.7 million of the net profit including discontinued operations was attributable to the shareholders of the parent company (5.7), while EUR -1.4 million was attributable to non-controlling interests (-4.7).

Cash flow

The following text regarding cash flow includes contribution from both continuing and discontinued operations.

Net cash flow from operating activities, including NPL investments, amounted to EUR 12.3 million (49.9) for the quarter. The decrease compared to last year is mainly related to higher NPL investments. The amount paid for NPL portfolios increased from EUR 13.2 million in the second quarter 2021 to EUR 43.7 million in the second quarter 2022. The deviation between the investment in NPL portfolios and the cash paid for NPL portfolios in the period relates to deferred payments on certain portfolios.

Excluding investments in NPL portfolios, cash flow from operations for the quarter amounted to EUR 56.0 million, down from EUR 63.0 million in the corresponding period last year. The main driver of the decrease was lower Cash EBITDA from the discontinued operations, partially offset by an increase from continuing operations. Net working capital increased EUR 2.7 million in the quarter, compared to an increase of EUR 2.5 million in the corresponding quarter last year. Taxes paid increased from EUR 0.1 million in the second quarter 2021, to EUR 1.8 million in the second quarter 2022.

For the first half year, net cash flow from operating activities was EUR -15.5 million (88.5), including a cash EBITDA of EUR 114.0 million (117.8), taxes paid of EUR 2.9 million (0.4) and a decrease in net working capital of EUR 0.1 million (7.2).

Total net cash flow from investments, not including investments in NPL portfolios, was EUR -1.5 million for the quarter (-1.5). For the first half year, net cash flow from investments was EUR -5.7 million (-2.6), including EUR 3.1 million related to the acquisition of Credit Recovery Service.

Total net cash flow from financing activities was EUR -17.3 million for the quarter (-51.1), with a net repayment on credit facilities of EUR 4.2 million (37.1). Interests paid increased from EUR 10.8 million in the second quarter last year, to EUR 12.0 million.

For the first half year, total net cash flow from financing activities was EUR 16.5 million (-90.3), with interests paid of EUR 23.5 million (18.5) and a net drawdown on loan facilities of EUR 43.0 million (net repayment of 96.0)

Total net cash flow was EUR -6.5 million for the quarter (-2.7) and EUR -4.7 million for the first half (-4.3), leaving total cash and cash equivalents at EUR 38.5 million at the end of the first half (47.3). This includes EUR 6.4 million in restricted cash (5.2) and EUR 2.8 million allocated to the discontinued operations.

Equity position and balance sheet considerations

Total equity for the Group was EUR 394.5 million at the end of the second quarter (428.9), including non-controlling interests of EUR -2.2 million (12.4). The main reason for the reduced equity compared to last year is the losses recognized during 2021.

The resulting equity ratio at the end of the second quarter was 29% (33%), same as at the end of 2021.

Return on equity

Including both continuing and discontinued operations, the annualized return on equity excluding non-controlling interests for the second quarter was 11.2% (6.9%), while annualized return on equity for continuing operations ended at 12.6% (8.4%).

For the first half year, the annualized return on equity excluding non-controlling interests was 9.2%, up from 3.1% in the first half of 2021. For the continuing operations, annualized return on equity was 10.4%, compared to 4.4% in the first six months of 2021.

Axactor is pleased to see the return on equity improving and aims for further improvements in the near-to mid-term future. The main drivers of the improvements are increasing economies of scale, changes in the business mix, reduced funding cost and the gradual blending in of higher gross IRR NPL portfolios. The company continue to see growth opportunities in the capital light 3PC segment and increasing 3PC and NPL synergies. The company expects the effective tax rate to stabilize at around 27% over time, within the company's current jurisdictions.

Capital expenditure and funding

Axactor invested EUR 46.8 million in NPL portfolios during the second quarter (12.3), and EUR 126.5 million for the first half (28.4). Total estimated NPL investment commitments for the second half of 2022 amounts to EUR 57.1 million. A total of EUR 183.5 million in NPL investments is thus already secured for 2022, compared to the modest investment level of EUR 114.0 million in 2021.

Axactor have two outstanding bond loans, both listed on Oslo Børs with respective tickers ACR02 and ACR03. ACR02 has a nominal value of EUR 200 million and matures in January 2024. ACR03 has a nominal value of EUR 300 million and matures in September 2026. After the bond buy-backs in the second quarter, the outstanding face value of ACR02 and ACR03 is EUR 180.5 million and EUR 283.0 million, respectively.

The revolving credit facility from DNB and Nordea has a total size of EUR 545 million, with an additional EUR 75 million accordion option. At the end of the first half the drawn amount on the revolving credit facility was EUR 417.9 million.

Total interest-bearing debt including capitalized loan fees and accrued interest amounted to EUR 872.3 million at the end of the first half (831.4), including EUR 15.6 million allocated to discontinued operations.

Axactor are in compliance with all loan covenants as per the end of the first half 2022.

Outlook

The market for NPL acquisitions continued at a good pace in the second quarter and is expected to continue to do so for the remainder of the year. Although competition is increasing in certain markets, Axactor is still able to identify attractively priced portfolios. With the NPL acquisitions in the first half of the year and estimated forward flow commitments for the second half, Axactor has already secured EUR 183.5 million in NPL investments for 2022. Together with a good start to the third quarter, Axactor thus raises the full year NPL investment guiding to EUR 250-300 million. The investments are expected to be made at gross IRR levels significantly above the average of the current portfolio stack.

Total income from the 3PC segment is expected to continue to grow through the second half of 2022 compared to last year. The acquisition of Credit Recovery Service is the main growth driver, while a continued organic growth adds to the numbers.

The current macroeconomic environment with high inflation and increasing interest rates has so far had limited impacts on Axactor's operations. A potential reduction in the debtors' real disposable income could adversely affect their ability to settle their debt. At the same time, this could lead to higher default rates at the banks, creating more volumes of non-performing loans available for both third-party servicing and for purchase. Increasing interest rates would also impact the Group's funding cost, although a partial interest hedge is in place to reduce the impact. Based on interest rates, debt structure and capitalized loan fees per 30 June 2022, a one percentage point increase in interest rates would increase Axactor's quarterly interest expense by EUR 1.9 million. The ongoing conflict in Ukraine does not directly affect Axactor's operations, and business continuity plans are in place to mitigate potential indirect business impacts. The executive management and Board closely monitor both the general macro-economic situation and the conflict in Ukraine, and potential business impacts arising from these.

Responsibility Statement

We confirm that, to the best of our knowledge, the condensed set of interim consolidated financial statements for the first half of 2022 has been prepared in accordance with IAS 34 Interim Financial Reporting and gives a true and fair view of the assets, liabilities, financial position and profit or loss for the Group and the company taken as whole.

We also confirm that, to the best of our knowledge, that the half-yearly report gives a fair overview of important events that have occurred during the first six months of the financial year and their impact on the half-yearly financial report, any significant related party transactions, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

Oslo, 17 August 2022
The Board of Directors and Chief Executive Officer

Kristian Melhuus
Chair of the Board

Brita Eilertsen
Board member

Terje Mjøs
Board member

Lars Erich Nilsen
Board member

Kathrine Astrup Fredriksen
Board member

Johnny Tsolis
Chief Executive Officer

Interim condensed consolidated statement of profit or loss

EUR thousand	Note	For the quarter end 30 Jun 2022	For the quarter end 30 Jun 2021 [1]	Year to date 30 Jun 2022	Year to date 30 Jun 2021 [1]	Full year 2021 [1]
Continuing operations						
Interest income from purchased loan portfolios	5, 6	**46,049**	41,779	89,542	83,677	168,421
Net gain/(loss) purchased loan portfolios	5, 6	**(2,541)**	(2,084)	(3,058)	(4,120)	(62,013)
Revenue from sale of repossessed assets	5	**2,291**	906	3,520	1,745	3,018
Other operating revenue		**14,602**	12,901	27,814	24,075	48,858
Other income		**-**	3	15	2	15
Total income	3, 5	**60,400**	53,505	117,832	105,379	158,298
Cost of repossessed assets sold, incl impairment		**(531)**	(205)	(927)	(599)	(2,136)
Personnel expenses		**(16,574)**	(14,252)	(32,277)	(33,120)	(61,313)
Operating expenses		**(13,256)**	(13,908)	(26,898)	(26,594)	(54,350)
Total operating expenses		**(30,362)**	(28,365)	(60,101)	(60,314)	(117,800)
EBITDA		**30,038**	25,140	57,731	45,066	40,498
Amortization and depreciation		**(2,186)**	(2,310)	(4,300)	(4,888)	(9,616)
Operating profit		**27,852**	22,830	53,431	40,177	30,882
Financial revenue	4	**2,087**	1,565	2,185	1,010	3,033
Financial expenses	4	**(15,206)**	(11,800)	(28,664)	(26,962)	(54,012)
Net financial items		**(13,118)**	(10,235)	(26,479)	(25,952)	(50,979)
Profit/(loss) before tax from continuing operations		**14,733**	12,595	26,953	14,225	(20,097)
Tax (expense)		**(2,270)**	(3,619)	(6,837)	(5,329)	(5,296)
Net profit/(loss) after tax from continuing operations		**12,463**	8,976	20,116	8,897	(25,393)
Discontinued operations						
Net profit/(loss) after tax from discontinued operations	12	**(1,847)**	(4,596)	(3,829)	(7,910)	(20,599)
Net profit/(loss) after tax		**10,616**	4,380	16,287	987	(45,992)
Attributable to:						
Non-conrolling interests:						
Net profit/(loss) after tax from continuing operations		**637**	(100)	820	(192)	(952)
Net profit/(loss) after tax from discontinued operations		**(1,084)**	(2,671)	(2,227)	(4,538)	(12,242)
Net profit/(loss) after tax		**(447)**	(2,771)	(1,407)	(4,730)	(13,194)
Shareholdes of the parent company:						
Net profit/(loss) after tax from continuing operations		**11,827**	9,076	19,296	9,089	(24,440)
Net profit/(loss) after tax from discontinued operations		**(763)**	(1,924)	(1,602)	(3,371)	(8,357)
Net profit/(loss) after tax		**11,063**	7,152	17,694	5,717	(32,797)
Earnings per share:						
From continuing operations, basic		**0.039**	0.030	0.064	0.032	(0.083)
From continuing operations, diluted		**0.039**	0.029	0.064	0.031	(0.083)
From continuing and discontinued operations, basic:		**0.037**	0.024	0.059	0.020	(0.112)
From continuing and discontinued operations, diluted:		**0.037**	0.023	0.059	0.019	(0.112)

1) Comparative information has been re-presented due to a discontinued operation, see note 12.

Interim condensed consolidated statement of comprehensive income

	For the quarter end		Year to date		
EUR thousand	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	Full year 2021
Net profit/(loss) after tax	**10,616**	4,380	16,287	987	(45,992)
Items that will not be classified subsequently to profit and loss					
Remeasurement of pension plans	**-**	-	-	-	(4)
Net gain/(loss) on equity instruments designated at fair value through OCI	**-**	-	-	-	(16)
Items that may be classified subsequently to profit and loss					
Foreign currency translation differences - foreign operations	**(12,595)**	(3,433)	(6,691)	6,429	8,924
Net gain/(loss) on cash flow hedges	**2,100**	-	5,151	-	(230)
Other comprehensive income/(loss) after tax	**(10,494)**	(3,433)	(1,540)	6,429	8,675
Total comprehensive income/(loss) for the period	**122**	948	14,747	7,416	(37,317)
Attributable to:					
Non-controlling interests	**(447)**	(2,771)	(1,407)	(4,730)	(13,194)
Shareholders of the parent company	**569**	3,719	16,154	12,146	(24,123)

Interim condensed consolidated statement of financial position

EUR thousand	Note	30 Jun 2022	30 Jun 2021	Full year 2021
Assets				
Intangible non-current assets				
Intangible assets		**17,373**	19,064	17,824
Goodwill		**61,452**	55,527	55,960
Deferred tax assets		**12,307**	7,766	13,700
Tangible non-current assets				
Property, plant and equipment		**2,464**	2,509	2,290
Right of use assets	8	**12,909**	3,704	10,768
Financial non-current assets				
Purchased debt portfolios	6	**1,154,509**	1,104,079	1,095,789
Other non-current receivables		**6,571**	416	338
Other non-current investments		**28**	196	28
Total non-current assets		**1,267,613**	1,193,260	1,196,698
Current assets				
Stock of secured assets		**-**	55,012	29,310
Repossessed assets		**2,243**	-	-
Accounts receivable		**5,919**	5,975	7,060
Other current assets		**16,538**	12,832	16,154
Restricted cash		**6,421**	5,228	5,798
Cash and cash equivalents		**29,264**	42,111	38,155
Total current assets		**60,384**	121,157	96,476
Assets classified as held for sale	12	**20,008**	-	-
Total assets		**1,348,005**	1,314,417	1,293,175

Interim condensed consolidated statement of financial position

EUR thousand	Note	30 Jun 2022	30 Jun 2021	Full year 2021
Equity and liabilities				
Share capital	10	**158,369**	158,150	158,150
Other paid-in equity		**270,168**	269,907	269,919
Retained earnings	10	**(23,000)**	(1,956)	(40,475)
Translation reserve		**(13,765)**	(9,570)	(7,074)
Other reserves		**4,905**	-	(245)
Non-controlling interests		**(2,175)**	12,365	976
Total equity		**394,502**	428,895	381,249
Non-current liabilities				
Interest bearing debt	7	**853,297**	695,658	834,411
Deferred tax liabilities		**10,567**	6,395	6,144
Lease liabilities	8	**10,209**	2,078	8,866
Other non-current liabilities		**2,130**	1,567	1,994
Total non-current liabilities		**876,202**	705,698	851,415
Current liabilities				
Accounts payable		**7,939**	6,145	7,282
Current portion of interest bearing debt	7	**3,404**	135,737	3,845
Taxes payable		**19,977**	16,944	20,259
Lease liabilities	8	**2,981**	1,866	2,185
Other current liabilities	9	**26,170**	19,132	26,941
Total current liabilities		**60,472**	179,824	60,511
Liabilities directly associated with assets classified as held for sale	12	**16,829**		
Total liabilities		**953,503**	885,522	911,925
Total equity and liabilities		**1,348,005**	1,314,417	1,293,175

Interim condensed consolidated statement of cash flows

		For the quarter end		Year to date		
EUR thousand	Note	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	Full year 2021
Operating activities						
Profit/(loss) before tax from continued operations		**14,733**	12,595	26,953	14,225	(20,097)
Profit/(loss) before tax from discontinued operations	12	**(1,847)**	(4,596)	(3,829)	(7,910)	(20,599)
Taxes paid		**(1,814)**	(127)	(2,852)	(424)	(3,261)
Adjustments for:						
- Finance income and expenses	4	**13,410**	11,826	27,136	28,659	54,775
- Portfolio amortization and revaluation		**26,754**	29,330	47,795	52,802	148,542
- Cost of repossessed assets sold, incl impairment		**531**	205	927	599	2,136
- Cost of REOs sold, incl impairment	12	**4,543**	13,939	10,432	23,930	48,379
- Depreciation and amortization		**2,186**	2,325	4,300	4,919	9,654
- Calculated cost of employee share options		**215**	68	249	168	180
Change in working capital		**(2,682)**	(2,544)	74	7,184	4,991
Cash flow from operating activities before NPL and REO investments		**56,029**	63,021	111,185	124,153	224,700
Purchase of debt portfolios	6	**(43,706)**	(13,218)	(126,533)	(35,841)	(115,402)
Sale of debt portfolio	6	**-**	150	-	300	450
Purchases related to REO/repossessed assets		**(54)**	(69)	(103)	(113)	(193)
Net cash flow from operating activities		**12,269**	49,884	(15,451)	88,499	109,555
Investing activities						
Investment in subsidiaries, net of cash aquired	11	**-**	-	(3,085)	-	-
Purchase of intangible and tangible assets		**(1,497)**	(1,453)	(2,710)	(2,567)	(4,718)
Interest received		**31**	-	45	-	5
Net cash flow from investing activities		**(1,465)**	(1,453)	(5,750)	(2,567)	(4,712)
Financing activities						
Proceeds from borrowings	7	**33,592**	128,440	201,224	154,490	542,496
Repayment of debt	7	**(37,771)**	(165,561)	(158,183)	(250,460)	(628,681)
Interest paid		**(11,964)**	(10,783)	(23,550)	(18,512)	(42,050)
Loan fees paid	7	**(3)**	(215)	(83)	(19,973)	(24,033)
Lease payments	8	**(519)**	(784)	(1,202)	(1,429)	(2,812)
New share issues		**-**	-	-	50,792	50,792
Repayments to non-controlling interests		**(644)**	(2,225)	(1,744)	(3,700)	(6,625)
Cost related to share issues		**-**	-	-	(1,460)	(1,460)
Net cash flow from financing activities		**(17,308)**	(51,127)	16,463	(90,252)	(112,373)
Net change in cash and cash equivalents		**(6,505)**	(2,697)	(4,739)	(4,321)	(7,531)
Cash and cash equivalents at the beginning of period		**45,977**	50,052	43,953	50,725	50,725
Currency translation		**(997)**	(17)	(738)	934	759
Cash and cash equivalents at end of period, incl. restricted funds		**38,475**	47,338	38,476	47,338	43,953

Interim condensed 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 equity	Translation reserve	Other reserves	Retained earnings	Total	Non-controlling interest	Total Equity
Closing balance at 31 Dec 2020	97,040	236,562	(15,999)		(16,036)	**301,566**	74,113	**375,680**
Result of the period					5,717	**5,717**	(4,730)	**987**
Other comprehensive income of the period			6,429			**6,429**		**6,429**
Total comprehensive income for the period	-	-	6,429	-	5,717	**12,146**	(4,730)	**7,416**
Repayments to non-controlling interests						**-**	(3,701)	**(3,701)**
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		168				**168**		**168**
Closing balance at 30 Jun 2021	158,150	269,907	(9,570)	-	(1,956)	**416,530**	12,365	**428,895**
Result of the period					(38,515)	**(38,515)**	(8,464)	**(46,978)**
Other comprehensive income of the period			2,495	(245)	(4)	**2,246**	-	**2,246**
Total comprehensive income for the period	-	-	2,495	(245)	(38,519)	**(36,269)**	(8,464)	**(44,733)**
Repayments to non-controlling interests						**-**	(2,924)	**(2,924)**
Share based payment		12				**12**		**12**
Closing balance at 31 Dec 2021	158,150	269,919	(7,074)	(245)	(40,475)	**380,273**	976	**381,249**
Result of the period					17,694	**17,694**	(1,407)	**16,287**
Other comprehensive income of the period			(6,691)	5,151		**(1,540)**		**(1,540)**
Total comprehensive income for the period	-	-	(6,691)	5,151	17,694	**16,154**	(1,407)	**14,747**
Repayments to non-controlling interests						**-**	(1,744)	**(1,744)**
Share-based payment		249				**249**		**249**
Bonus issue	219				(219)	**-**		**-**
Closing balance at 30 Jun 2022	158,369	270,168	(13,765)	4,905	(23,000)	**396,676**	(2,175)	**394,502**

Notes to the Financial Report

Note 1 Reporting entity and accounting principles

The parent company Axactor ASA (the 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, excluding discontinued operations, correspond to those described in the Annual Report for the Financial Year 2021. The discontinued operations are described in note 12 of the interim report. 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 2021.

In preparing these interim financial statements, management has made judgements and estimates that affect the application of 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 comprehensively discussed in the Group Annual Report for the Financial Year 2021, which is available on Axactor's website: www.axactor.com.

The significant judgements made by management 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. Management continues to assess the data and information available at the reporting date.

Conversion from SE to ASA

On the Annual General Meeting on 21 April 2022, it was resolved that the parent company in the Axactor Group were to convert form from a Societas Europaea company (SE) to a Norwegian public limited liability company (ASA). It was further resolved that the parent company were to change name from Axactor SE to Axactor ASA and to amend the company's articles of association. The resolved conversion of form, change of name, and amendment of articles of association were registered with the Norwegian Register of Business Enterprises (Foretaksregisteret) on 2 May 2022. Reference is made to the stock exchange announcement by Axactor SE on 2 May 2022.

Update on the process of revaluation model expansion

As communicated in a press release on 13 December 2021, Axactor ASA has received a conclusion from the Norwegian Financial Supervisory Authority (FSA) in accordance with the preliminary conclusion as stated in the press release of 2 September 2021. The FSA requires that the company expands its revaluation model for portfolios of non-performing loans (NPL) with more input variables capturing current and future macroeconomic conditions and use of scenarios with effect from the reporting of the annual accounts for the financial year 2022.

The estimation of future cash flow is affected by several factors, including general macro factors, market specific factors, portfolio specific factors and internal factors. Axactor has been considering relevant macro factors and market specific factors when estimating future cash flow but not as direct input generating output in the forecast models. The company takes notice of the conclusion from the FSA and has started the work on expanding the portfolio valuation model to better reflect the macro factors and scenarios as required.

The company has over the last months performed extensive testing to identify any significant correlation between macroeconomic variables and collection. The variables that have been tested are interest rate, unemployment, GDP growth, housing price growth, household consumption, disposable income, inflation and salary growth, and testing has been performed both on debtor level and portfolio level. The company has worked on building a framework for a scenario model including external and internal drivers of cash collection. The model will be tested and implemented during the year with effect for the annual accounts for 2022.

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 risk. 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. 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. For a more elaborate discussion on the aforementioned risks one is referred to the Group's Annual Report for the Financial Year 2021, which is available on Axactor's website: www.axactor.com (Note 3 of the Group financial statement).

The first half of 2022 has seen increasing geopolitical risk in Europe with the ongoing conflict in Ukraine. Although Axactor's operations are not directly impacted by the conflict, the executive management and the Board of Directors closely monitor the situation and potential indirect business impacts and maintain the business continuity plans.

Interest risk / hedge accounting

The war on Ukraine and the following international sanctions and geopolitical uncertainty has, in addition to the human tragedy, added momentum to already high inflation levels. This has led central banks to increase interest rates earlier and at a faster pace than expected at the start of the year.

The Group holds interest rate caps, a derivative financial instrument with the purpose of reducing the Group's interest rate exposure. At quarter end the fair value of the interest rate hedging derivatives was positive EUR 5.2 million. The Group holds two contracts at quarter end hedging a total of EUR 200 million in interest rate risk on bond loans. The Group started with hedge accounting at the end of 2021. The Group's strategy is to hedge between 50% and 70% of interest bearing debt with a duration of three to five years. At the end of the first half of 2022 the hedging ratio was 23%. For further information see note 19 in the annual report for 2021

Liquidity risk

The Group monitors its risk of a shortage of funds using cash flow forecasts regularly. The Group had cash and cash equivalents incl. restricted funds of EUR 38.5 million at 30 June 2022 (30 June 2021: EUR 47.3 million), as reconciled in the consolidated statement of cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. For forward flow NPL agreements expected cash flows are presented. The maturity calculation is made under the assumption that Axactor has a constant revolving credit facility draw in the period. 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 earliest date on which the Group may be required to pay.

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

EUR thousand	Q3-22	Q4-22	Q1-23	Q2-23	1-2 years	2-4 years	4+ years	Total
Forward flow NPL agreements, non-cancellable [1) 2)]	28,237	24,671	21,334	21,158	9,096	-	-	**104,497**
Forward flow NPL agreements, cancellable [1) 2) 3)]	-	4,181	4,181	4,181	31,160	5,100	-	**48,804**
Revolving credit facility DNB/Nordea	3,284	3,284	3,284	3,284	407,935		-	**421,070**
Bond (ISIN: NO0010914666)	3,194	3,229	3,229	3,159	190,151		-	**202,961**
Bond (ISIN: NO0011093718)	3,869	3,827	3,784	3,869	15,348	30,738	286,819	**348,253**
Other non-current liabilities	-	-	-	-	-	-	2,130	**2,130**
Accounts payable	7,939	-	-	-	-	-	-	**7,939**
Other current liabilities	22,406	3,764	-	-	-	-	-	**26,170**
Total allocated to continuing operations	68,928	42,955	35,813	35,651	653,691	35,838	288,948	**1,161,825**
Total allocated to discontinued operations	1,224	-	-	-	15,605	-	-	**16,829**
Total	70,152	42,955	35,813	35,651	669,296	35,838	288,948	**1,178,654**

1) *Forward flow NPL agreements split by country:*
Norway 48 %
Germany 42 %
Italy 5 %
Finland 5 %

2) *Expected cash flows. Cash flows are limited to EUR 244.4 million by contracted capex limits.*

3) *Cancellable with three months notice*

The ERC represents the estimated gross collection on the NPL portfolios. The ERC, amortization and interest income from purchased loan portfolios can be broken down per year as follows (year 1 means the first 12 months from the reporting date):

For the quarter end 30 Jun 2022

EUR thousand	Estimated remaining collection (ERC), amortization and interest income from purchased loan portfolios next four quarters				
Year	Q3 2022	Q4 2022	Q1 2023	Q2 2023	**Year 1**
ERC	67,376	69,422	74,721	77,228	**288,747**
Amortization	22,012	24,922	31,300	35,291	**113,526**
Interest income from purchased loan portfolios	45,364	44,500	43,420	41,937	**175,222**

For the quarter end 30 Jun 2021

EUR thousand	Estimated remaining collection (ERC), amortization and interest income from purchased loan portfolios next four quarters				
Year	Q3 2021	Q4 2021	Q1 2022	Q 2022	**Year 1**
ERC	71,738	80,153	67,617	67,742	**287,250**
Amortization	31,083	40,823	29,885	31,162	**132,953**
Interest income from purchased loan portfolios	40,655	39,330	37,732	36,580	**154,297**

For the quarter end 30 Jun 2022

EUR thousand	Estimated remaining collection (ERC), amortization and interest income from purchased loan portfolios per year															
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	**Total**
ERC	288,747	273,820	244,490	220,753	189,256	167,134	150,616	135,705	122,094	109,591	99,220	89,500	72,603	62,987	52,265	**2,278,780**
Amortization	113,526	118,931	109,572	103,699	87,305	78,116	73,026	68,816	65,299	62,373	61,263	60,684	52,511	50,899	48,489	**1,154,508**
Interest income from purchased loan portfolios	175,222	154,889	134,918	117,054	101,951	89,018	77,590	66,888	56,795	47,218	37,957	28,816	20,092	12,088	3,776	**1,124,272**

For the quarter end 30 Jun 2021

EUR thousand	Estimated remaining collection (ERC), amortization and interest income from purchased loan portfolios per year															
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	**Total**
ERC	287,250	247,905	218,625	193,670	173,112	155,096	139,417	125,768	113,669	102,770	92,692	84,251	75,590	59,033	50,433	**2,119,282**
Amortization	132,953	112,478	99,247	88,138	79,991	73,301	67,995	64,019	61,054	58,906	57,282	57,165	56,812	48,101	46,637	**1,104,079**
Interest income from purchased loan portfolios	154,297	135,427	119,378	105,532	93,121	81,795	71,422	61,749	52,615	43,864	35,410	27,086	18,778	10,932	3,796	**1,015,203**

Note 3 Segment reporting

Axactor delivers credit management services and the Group's revenue is derived from the following two operating segments:

- Non-performing loans (NPL)
- Third-party collection (3PC)

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. The operating segment applies both amicable and legal proceedings to collect the non-performing loans, and typically receive a commission for these services. Other services provided include, amongst other, helping creditors to prepare documentation for future legal proceedings against debtors, handling of invoices between the invoice date and the default date and sending out reminders. For these latter services, Axactor typically receives a fixed fee.

Axactor reports its business through reporting segments which correspond 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 total income reported 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.

Portfolios of purchased real estate is classified as a discontinued operation (see note 12). Portfolios of purchased real estate has prior to 2022 been reported as part of the real estate owned (REO) operating segment. From 2022, in line with internal reporting, REO is no longer considered a separate operating segment. The REO segment consisted of portfolios of purchased real estate as well as repossessed assets from secured non-performing loans. From the second quarter of 2022, in line with the organization and reporting structure used by management, the repossessed assets from secured non-performing loans are reported as part of the NPL segment, whereas amounts from discontinued operations are not included in the segment reporting. Segment information for earlier periods is restated to reflect the change in operating segments.

For the quarter end 30 Jun 2022

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collection on own portfolios	70,262	-	-	**70,262**
Portfolio amortization and revaluation	(26,754)	-	-	**(26,754)**
Revenue from sale of repossessed assets	2,291	-	-	**2,291**
Other operating income:				
-Change in fair value of forward flow commitments	-	-	-	**-**
-Other operating revenue and other income	-	14,602	-	**14,602**
Total income	45,798	14,602	-	**60,400**
Cost of repossessed assets sold	(531)	-	-	**(531)**
Impairment repossessed assets	-	-	-	**-**
Direct operating expenses	(10,203)	(8,686)	-	**(18,889)**
Contribution margin	35,064	5,916	-	**40,980**
SG&A, IT and corporate cost			(10,942)	**(10,942)**
EBITDA				**30,038**
Amortization and depreciation			(2,186)	**(2,186)**
Operating result				**27,852**
Total operating expenses	(10,734)	(8,686)	(10,942)	**(30,362)**
Contribution margin (%)	76.6%	40.5%	na	**67.8%**
EBITDA margin (%)				**49.7%**
Opex ex SG&A, IT and corporate cost / Gross revenue	14.8%	59.5%	na	**22.3%**
SG&A, IT and corporate cost / Gross revenue				**12.6%**

For the quarter end 30 Jun 2021

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collection on own portfolios	69,025	-	-	**69,025**
Portfolio amortization and revaluation	(29,330)	-	-	**(29,330)**
Revenue from sale of repossessed assets	906	-	-	**906**
Other operating income:				
-Change in fair value of forward flow commitments	1	-	-	**1**
-Other operating revenue and other income	-	12,899	3	**12,902**
Total income	40,602	12,899	3	**53,505**
Cost of repossessed assets sold	(205)	-	-	**(205)**
Impairment repossessed assets	-	-	-	**-**
Direct operating expenses	(8,478)	(8,990)	-	**(17,469)**
Contribution margin	31,920	3,909	3	**35,831**
SG&A, IT and corporate cost			(10,692)	**(10,692)**
EBITDA				**25,140**
Amortization and depreciation			(2,310)	**(2,310)**
Operating result			(2,310)	**22,830**
Total operating expenses	(8,683)	(8,990)	(10,692)	**(28,365)**
Contribution margin (%)	78.6%	30.3%	na	**67.0%**
EBITDA margin (%)				**47.0%**
Opex ex SG&A, IT and corporate cost / Gross revenue	12.4%	69.7%	na	**21.3%**
SG&A, IT and corporate cost / Gross revenue				**12.9%**

Year to date 30 Jun 2022

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collection on own portfolios	134,279	-	-	**134,279**
Portfolio amortization and revaluation	(47,795)	-	-	**(47,795)**
Revenue from sale of repossessed assets	3,520	-	-	**3,520**
Other operating income:				
-Change in fair value of forward flow commitments	-	-	-	**-**
-Other operating revenue and other income	-	27,814	15	**27,828**
Total income	90,004	27,814	15	**117,832**
Cost of repossessed assets sold	(927)	-	-	**(927)**
Impairment repossessed assets	-	-	-	**-**
Direct operating expenses	(20,361)	(17,354)	-	**(37,714)**
Contribution margin	68,716	10,460	15	**79,191**
SG&A, IT and corporate cost			(21,460)	**(21,460)**
EBITDA				**57,731**
Amortization and depreciation			(4,300)	**(4,300)**
Operating result				**53,431**
Total operating expenses	(21,287)	(17,354)	(21,460)	**(60,101)**
Contribution margin (%)	76.3%	37.6%	na	**67.2%**
EBITDA margin (%)				**49.0%**
Opex ex SG&A, IT and corporate cost / Gross revenue	15.4%	62.4%	na	**23.3%**
SG&A, IT and corporate cost / Gross revenue				**13.0%**

Year to date 30 Jun 2021

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collection on own portfolios	132,360	-	-	**132,360**
Portfolio amortization and revaluation	(52,802)	-	-	**(52,802)**
Revenue from sale of repossessed assets	1,745	-	-	**1,745**
Other operating income:				
-Change in fair value of forward flow commitments	(374)	-	-	**(374)**
-Other operating revenue and other income	-	24,448	2	**24,451**
Total income	80,929	24,448	2	**105,379**
Cost of repossessed assets sold	(599)	-	-	**(599)**
Impairment repossessed assets	-	-	-	**-**
Direct operating expenses	(17,847)	(19,863)	-	**(37,710)**
Contribution margin	62,482	4,585	2	**67,070**
SG&A, IT and corporate cost			(22,004)	**(22,004)**
EBITDA				**45,066**
Amortization and depreciation			(4,888)	**(4,888)**
Operating result				**40,177**
Total operating expenses	(18,447)	(19,863)	(22,004)	**(60,314)**
Contribution margin (%)	77.2%	18.8%	na	**63.6%**
EBITDA margin (%)				**42.8%**
Opex ex SG&A, IT and corporate cost / Gross revenue	13.8%	81.2%	na	**24.2%**
SG&A, IT and corporate cost / Gross revenue				**13.9%**

Full year 2021

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collection on own portfolios	254,949	-	-	**254,949**
Portfolio amortization and revaluation	(148,542)	-	-	**(148,542)**
Revenue from sale of repossessed assets	3,018	-	-	**3,018**
Other operating income:				
-Change in fair value of forward flow commitments	(782)	-	-	**(782)**
-Other operating revenue and other income	-	49,640	15	**49,655**
Total income	108,643	49,640	15	**158,298**
Cost of repossessed assets sold	(2,046)	-	-	**(2,046)**
Impairment repossessed assets	(90)	-	-	**(90)**
Direct operating expenses	(36,819)	(34,235)	-	**(71,055)**
Contribution margin	69,687	15,405	15	**85,107**
SG&A, IT and corporate cost			(44,609)	**(44,609)**
EBITDA				**40,498**
Amortization and depreciation			(9,616)	**(9,616)**
Operating result				**30,882**
Total operating expenses	(38,956)	(34,235)	(44,609)	**(117,800)**
Contribution margin (%)	64.1%	31.0%	na	**53.8%**
EBITDA margin (%)				**25.6%**
Opex ex SG&A, IT and corporate cost / Gross revenue	15.1%	69.0%	na	**23.8%**
SG&A, IT and corporate cost / Gross revenue				**14.5%**

Note 4 Financial items

EUR thousand	For the quarter end 30 Jun 2022	For the quarter end 30 Jun 2021	Year to date 30 Jun 2022	Year to date 30 Jun 2021	Full year 2021
Financial revenue					
Interest on bank deposits	**31**	-	45	-	5
Exchange gains realized	**107**	103	179	985	2,982
Net unrealized exchange gain	**-**	1,459	-	-	-
Gain on purchase of bonds in own bond loans (note 7)	**1,947**	-	1,947	-	-
Other financial income	**2**	3	15	24	46
Total financial revenue allocated to continuing operations	**2,087**	1,565	2,185	1,010	3,033
Total financial revenue allocated to discontinued operations	**-**	-	-	-	-
Total financial revenue	**2,087**	1,565	2,185	1,010	3,033
Financial expenses					
Interest expense on borrowings [1]	**(14,333)**	(11,662)	(27,796)	(24,077)	(49,099)
Exchange losses realized	**(61)**	(66)	(135)	(203)	(3,161)
Net unrealized exchange loss	**(508)**	-	(259)	(2,526)	(1,326)
Other financial expenses [2]	**(304)**	(72)	(474)	(156)	(427)
Total financial expenses allocated to continuing operations	**(15,206)**	(11,800)	(28,664)	(26,962)	(54,012)
Total financial expenses allocated to discontinued operations	**(291)**	(1,591)	(657)	(2,707) -	(3,796)
Total financial expenses	**(15,497)**	(13,391)	(29,321)	(29,669)	(57,809)
Net financial items allocated to continuing operations	**(13,118)**	(10,235)	(26,479)	(25,952)	(50,979)
Net financial items allocated to discontinued operations	**(291)**	(1,591)	(657)	(2,707)	(3,796)
Total net financial items	**(13,410)**	(11,826)	(27,136)	(28,659)	(54,775)

1) *Interest expense on borrowings for the second quarter of 2022 includes EUR 0.6 million in amortization of capitalized loan fees related to the relative fair value of repurchased bonds*

2) *Includes interest expense from negative bank accounts in group multicurrency cash pool and negative interest on bank deposits.*

Note 5 Total 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 30 Jun 2022	For the quarter end 30 Jun 2021	Year to date 30 Jun 2022	Year to date 30 Jun 2021	Full year 2021
Finland	**4,121**	3,722	7,971	7,656	10,113
Germany	**9,369**	8,068	17,240	16,629	30,331
Italy	**7,068**	4,589	13,422	9,428	17,387
Norway	**9,730**	10,832	21,753	20,566	35,271
Spain	**22,817**	16,585	42,748	32,799	59,009
Sweden	**7,295**	9,709	14,698	18,301	6,187
Total income from continuing operations	**60,400**	53,505	117,832	105,379	158,298
Total income from discontinued operations	**3,823**	12,355	8,865	21,511	36,828
Total income	**64,223**	65,859	126,697	126,891	195,127

Non-current assets[1)]

EUR thousand	For the quarter end 30 Jun 2022	For the quarter end 30 Jun 2021	Year to date 30 Jun 2022	Year to date 30 Jun 2021	Full year 2021
Finland	**4,066**	4,294	4,066	4,294	4,052
Germany	**15,672**	13,079	15,672	13,079	15,884
Italy	**16,060**	9,368	16,060	9,368	9,184
Norway	**34,507**	33,062	34,507	33,062	36,088
Spain	**20,221**	18,658	20,221	18,658	17,519
Sweden	**3,672**	2,340	3,672	2,340	4,115
Total assets	**94,198**	80,803	94,198	80,803	86,843

1) Non-current assets consist of intangible assets, goodwill, property, plant and equipment and right-of-use assets. There are no non-current assets related to discontinued operations.

Portfolio revenue

Portfolio revenue consists of interest income from purchased loan portfolios, net gain/(loss) from purchased loan portfolios and revenue from sale of repossessed assets. In line with the information given in note 3 and 12, revenue from sale of repossessed assets is reported as part of the NPL segment from the second quarter of 2022. The portfolio revenue tables below will hence include revenue from sale of repossessed assets for current and prior periods. Net gain/(loss) from purchased loan portfolios is split into collection above/(below) collection forecasts (previously reported as CU1) and net present value of changes in collection forecasts (previously reported as CU2 and CU2 tail).

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	For the quarter end 30 Jun 2022
Interest income from purchased loan portfolios	3,684	6,996	4,837	9,882	13,504	7,146	**46,049**
Collection above/(below) forecasts	216	(882)	(64)	(1,781)	(213)	986	**(1,738)**
NPV of changes in collection forecasts	48	1,030	39	(33)	(418)	(1,469)	**(803)**
Net gain/(loss) purchased loan portfolios	264	148	(25)	(1,814)	(631)	(483)	**(2,541)**
Sale of repossessed assets					2,291		**2,291**
Total	3,948	7,143	4,813	8,068	15,163	6,663	**45,798**

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	For the quarter end 30 Jun 2021
Interest income from purchased loan portfolios	3,750	5,139	4,079	9,240	10,993	8,578	**41,779**
Collection above/(below) forecasts	(139)	43	(67)	(657)	(133)	280	**(674)**
NPV of changes in collection forecasts	(79)	111	47	331	(2,359)	540	**(1,410)**
Net gain/(loss) purchased loan portfolios	(219)	154	(20)	(326)	(2,492)	819	**(2,084)**
Sale of repossessed assets					906		**906**
Total	3,531	5,293	4,058	8,914	9,407	9,398	**40,601**

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Year to date 30 Jun 2022
Interest income from purchased loan portfolios	7,274	13,327	8,979	19,647	25,942	14,373	**89,542**
Collection above/(below) forecasts	388	(1,590)	87	(1,396)	(643)	777	**(2,377)**
NPV of changes in collection forecasts	(8)	1,319	83	129	(631)	(1,574)	**(681)**
Net gain/(loss) purchased loan portfolios	380	(270)	171	(1,267)	(1,274)	(798)	**(3,058)**
Sale of repossessed assets					3,520		**3,520**
Total	7,654	13,057	9,150	18,379	28,188	13,575	**90,004**

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Year to date 30 Jun 2021
Interest income from purchased loan portfolios	7,497	10,444	8,240	18,028	22,252	17,216	**83,677**
Collection above/(below) forecasts	(304)	450	52	(2,224)	(727)	(446)	**(3,200)**
NPV of changes in collection forecasts	16	225	88	1,193	(3,482)	1,040	**(919)**
Net gain/(loss) purchased loan portfolios	(288)	675	140	(1,031)	(4,210)	595	**(4,120)**
Sale of repossessed assets					1,745		**1,745**
Total	7,209	11,119	8,380	16,997	19,787	17,810	**81,302**

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Full year 2021
Interest income from purchased loan portfolios	14,931	21,612	16,023	36,889	44,911	34,055	**168,421**
Collection above/(below) forecasts	(1,728)	(1,223)	(272)	(5,932)	(1,605)	(7,107)	**(17,868)**
NPV of changes in collection forecasts	(3,817)	(229)	(684)	(2,728)	(14,589)	(22,098)	**(44,146)**
Net gain/(loss) purchased loan portfolios	(5,546)	(1,452)	(956)	(8,660)	(16,194)	(29,206)	**(62,013)**
Sale of repossessed assets					3,018		**3,018**
Total	9,385	20,160	15,067	28,230	31,734	4,849	**109,426**

Note 6 Purchased debt portfolios

EUR thousand	For the quarter end 30 Jun 2022	For the quarter end 30 Jun 2021	Year to date 30 Jun 2022	Year to date 30 Jun 2021	Full year 2021
Balance at start of period	**1,160,374**	1,123,596	1,095,789	1,124,699	1,124,699
Acquisitions during the period [3]	**46,840**	12,317	126,457	28,438	113,979
Collection	**(70,262)**	(69,025)	(134,279)	(132,360)	(254,949)
Interest income from purchased loan portfolios	**46,049**	41,779	89,542	83,677	168,421
Net gain/(loss) purchased loan portfolios [1]	**(2,541)**	(2,084)	(3,058)	(4,120)	(62,013)
Repossession of secured NPL	**(180)**	(623)	(484)	(642)	(845)
Deliveries on forward flow contracts	**-**	(976)	(409)	(976)	(1,221)
Disposals [1]	**-**	-	-	-	(193)
Translation difference	**(25,771)**	(904)	(19,048)	5,362	7,911
Balance at end of period	**1,154,509**	1,104,079	1,154,509	1,104,079	1,095,789
Payments during the year for investments in purchased debt amounted to EUR [2]	**43,707**	13,218	126,533	35,841	115,402

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

2) Payments during the year will not correspond to credit impaired acqusitions during the year due to deferred payments

3) Reconciliation of credit impaired acquisitions during the period;

Nominal value acquired portfolios	***1,027,217***	*23,070*	1,227,634	51,891	827,810
Expected credit losses at acquisition	**(980,376)**	(10,753)	(1,101,177)	(23,453)	(713,831)
Credit impaired acquisitions during the period	***46,840***	*12,317*	126,457	28,438	113,979

For an elaborate description of Axactor's accounting principles for purchased debt, see note 2.12.1, and for a description of revenue recognition and fair value estimation, see note 4, in the Group's Annual Report for the Financial Year 2021.

Non-performing loans consist 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 subsequently 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 except for secured portfolios, for which cash flows are projected on an asset collateral 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 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 majority of the non-performing loans are unsecured. Only a small part of the loans, approximately 5% of the book value of the loans, is secured by a property object.

Market	Book value
Finland	115,464
Germany	154,786
Italy	138,132
Norway	245,165
Spain	288,399
Sweden	212,562
Total	1,154,509

The estimation of future cash flow is affected by several factors, including general macro factors, market specific factors, portfolio specific factors and internal factors. Axactor considers relevant macro factors and market specific factors when estimating future cash flow but not as direct input generating output in the forecast models. Portfolio specific factors and internal factors are considered to affect the estimation of future cash flow significantly more than changes in general macro factors and market specific factors.

Axactor has incorporated into the estimated remaining collection (ERC) the effect of the economic factors and conditions that is expected to influence collections going forward. 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 years has formed the basis for the current ERC. The ERC table is included in note 2.

Note 7 Borrowings

EUR thousand	Currency	Facility limit	Nominal value	Treasury bonds	Capitalized loan fees	Accrued interest	Carrying amount, EUR	Interest coupon	Maturity
Facility									
Bond ACR02 (ISIN: NO0010914666)	EUR		200,000	(19,500)	(3,300)	2,773	179,973	3m EURIBOR+700bps	12.01.2024
Bond ACR03 (ISIN: NO0011093718)	EUR		300,000	(17,050)	(3,292)	630	280,288	3m EURIBOR+535bps	15.09.2026
Total bond loan			500,000	(36,550)	(6,592)	3,403	460,261		
Revolving credit facility DNB/Nordea	EUR		88,226		(5,808)	2	82,420	EURIBOR+ margin	22.12.2023
(multiple currency facility)	NOK		118,746				118,746	NIBOR+ margin	22.12.2023
	SEK		210,880				210,880	STIBOR+ margin	22.12.2023
Total credit facilities		545,000	417,852		(5,808)	2	412,045		
Total borrowings at end of period			917,852	(36,550)	(12,400)	3,404	872,306		
Allocated to continuing operations:							856,701		
Allocated to discontinued operations:							15,605		
whereof:									
Non-current							868,901		
Allocated to continuing operations:							853,297		
Allocated to discontinued operations:							15,605		
Current							3,404		
Allocated to continuing operations:							3,404		
Allocated to discontinued operations:							-		
of which in currency:									
NOK							118,746		
SEK							210,880		
EUR							542,680		

All borrowings in discontinued operations are denominated in EUR.

EUR thousand	Bond loan	Credit facilities	Total Borrowings
Balance at 1 Jan	495,193	343,063	**838,256**
Proceeds from loans and borrowings	-	201,224	**201,224**
Repayment of loans and borrowings	(36,550)	(121,633)	**(158,183)**
Loan fees	-	(83)	**(83)**
Total changes in financial cash flow	(36,550)	79,508	**42,958**
Change in accrued interest	(421)	(13)	**(434)**
Amortization capitalized loan fees	2,039	3,210	**5,249**
Currency translation differences	-	(13,722)	**(13,723)**
Total borrowings at end of period	460,261	412,045	**872,306**
Allocated to continuing operations:			**856,701**
Allocated to discontinued operations:			**15,605**

Maturity

EUR thousand	Currency	Carrying amount	Total estimated future cash flow	Estimated future cash flow within			
				6 months or less	6-12 months	1-2 years	2-5 years
Bond ACR02 (ISIN: NO0010914666)	EUR	179,973	202,961	6,423	6,388	190,151	-
Bond ACR03 (ISIN: NO0011093718)	EUR	280,288	348,253	7,695	7,653	15,348	317,557
Total bond loan		460,261	551,214	14,118	14,041	205,499	317,557
Revolving credit facility DNB/Nordea (multiple currency facility)	EUR/NOK/SEK	412,046	436,675	6,567	6,567	423,540	-
Total credit facilities		412,046	436,675	6,567	6,567	423,540	-
Total borrowings at end of period		872,306	987,889	20,685	20,608	629,039	317,557
Allocated to continuing operations:		856,701					
Allocated to discontinued operations:		15,605					

The maturity calculation is made under the assumption that no new portfolios are acquired, and the revolving credit facility draw is constant to maturity date.

Bond loans

Bond ACR02 (ISIN NO 0010914666) was placed at 3m EURIBOR +7.00% interest, with maturity date 12 January 2024.

The bond is listed on Oslo Børs.

The following financial covenants apply:
- 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

Bond ACR03 (ISIN NO 0011093718) was placed at 3m EURIBOR +5.35% interest, with maturity date 15 September 2026.

The bond is listed on Oslo Børs.

The following financial covenants apply:
- 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: <80% (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 second quarter of 2022 the Group has repurchased part of the outstanding bonds. At the end of the second quarter the Group holds treasury bonds with a nominal value of EUR 36.6 million, split between EUR 17.1 million in ACR03 (ISIN NO 0011093718) and EUR 19.5 million in ACR02 (ISIN NO 0010914666).

Revolving credit facility DNB/Nordea

The revolving credit facility consists of EUR 545 million in a multicurrency facility, with an additional EUR 75 million accordion option. The loan carries a variable interest rate based on the interbank rate in each currency with a margin.

The following financial covenants apply:
- NIBD ratio to pro-forma adjusted cash EBITDA < 3:1 (secured loans (RCF) less cash to pro-forma adjusted cash EBITDA L12M).
- Portfolio loan to value ratio < 60 % (NIBD to total book value of debt portfolios).
- Portfolio collection performance > 90 % (actual portfolio performance L6M to active forecast L6M).
- Parent loan to value < 80 % (total loans for the Group less cash to total book value of all debt portfolios and REOs).

The maturity date for the facility is 22 December 2023.

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. ReoLux Holding Sarl is not part of the agreement nor the security arrangement.

Note 8 Leasing

All leases are related to continuing operations.

Right of use assets

EUR thousand	Buildings	Vehicles	Other	Total
Right of use assets at 1 Jan 2021	3,949	797	80	**4,826**
New leases and lease modifications	429	(46)	-	**383**
Depreciation of the year	(1,152)	(182)	(74)	**(1,408)**
Disposals	(67)	(38)	(4)	**(110)**
Currency exchange effects	12	1	-	**13**
Right of use assets at 30 Jun 2021	3,171	532	1	**3,704**
New leases and lease modifications	8,904	153	51	**9,108**
Depreciation of the year	(1,351)	(164)	(6)	**(1,521)**
Disposals	(417)	(46)	-	**(462)**
Currency exchange effects	(60)	-	-	**(61)**
Right of use assets at 31 Dec 2021	10,247	475	46	**10,768**
New leases and lease modifications	3,832	105	-	**3,937**
Depreciation of the period	(1,252)	(164)	(7)	**(1,423)**
Disposals	(120)	(3)	-	**(123)**
Currency exchange effects	(246)	(2)	(2)	**(251)**
Right of use assets at 30 Jun 2022	12,460	411	37	**12,909**
Remaining lease term	0-10 years	0-3 years	0-3 years	
Depreciation method	Linear	Linear	Linear	

Lease liabilities

EUR thousand	30 Jun 2022	30 Jun 2021	Full year 2021
Lease liabilities at 1 Jan	**11,051**	5,086	5,086
New leases, modifications and terminations	**3,563**	272	8812
Lease payments	**(1,202)**	(1429)	(2812)
Currency exchange effects	**(222)**	14	(35)
Lease liabilities at period end	**13,190**	3,943	11,051
Current	**2,981**	1,866	2,185
Non-current	**10,209**	2,078	8,866

EUR thousand	30 Jun 2022	30 Jun 2021	Full year 2021
Undiscounted lease liabilities and maturity of cash outflow			
< 1 year	**3,617**	2,024	2,717
1-2 years	**3,029**	1,171	2,511
2-3 years	**2,623**	702	2,065
3-4 years	**2,456**	216	1,821
4-5 years	**1,753**	67	1,800
> 5 years	**1,803**	45	2,100
Total undiscounted lease liabilities, end of period	**15,281**	4,225	13,015
Discount element	**(2,092)**	(282)	(1,964)
Total discounted lease liabilities, end of period	**13,190**	3,943	11,051

Note 9 Fair value of forward flow commitments, balance movements

Changes in the fair value of forward flow commitments is shown below. For additional information, see Note 2.12.2 in Group Annual Report for the Financial Year 2021.

EUR thousand	30 Jun 2022	30 Jun 2021	Full year 2021
Balance at 1 Jan	**(409)**	(834)	(834)
Deliveries	**409**	976	1,221
Value change	**-**	(374)	(782)
Translation difference	**-**	(14)	(14)
Balance at period end	**-**	(246)	(409)

The change in fair value of forward flow commitments is included in 'Other current assets' and 'Other current liabilities' in the consolidated statement of financial position;

EUR thousand	30 Jun 2022	30 Jun 2021	Full year 2021
Fair value of forward flow commitments (liability)	**-**	(246)	(409)
Balance at period end	**-**	(246)	(409)

Note 10 Shares

Issued shares and share capital

On 21 April 2022, the parent company in the Axactor Group converted form from Societas Europaea company (SE) to a Norwegian public limited liability company (ASA) and converted the share capital from euro to Norwegian kroner. A bonus issue was carried out on the same day, whereby NOK 2,126,326 (EUR 218,961) was transferred from unrestricted equity to share capital. The share capital of Axactor ASA as of 30 June 2022 was NOK 1,537,920,412 (EUR 158,368,902) consisting of 302,145,464 ordinary shares at par value of NOK 5.09 per share.

	Number of shares	Share capital (EUR)
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 Dec 2021	**302,145,464**	158,149,942
Bonus issue, Apr		218,961
At 30 Jun 2022	**302,145,464**	158,368,902

20 largest shareholders as at 30 Jun 2022

Name	Shareholding	% Share
Geveran Trading Co Ltd	138,920,892	46.0%
Skandinaviska Enskilda Banken AB	10,631,151	3.5%
Torstein Ingvald Tvenge	10,000,000	3.3%
Ferd AS	7,864,139	2.6%
Verdipapirfondet Nordea Norge Verdi	4,454,162	1.5%
Nordnet Livsforsikring AS	2,403,244	0.8%
Endre Rangnes	2,017,000	0.7%
Gvepseborg AS	2,009,694	0.7%
Nordnet Bank AB	1,775,486	0.6%
Alpette AS	1,661,643	0.5%
Verdipapirfondet Nordea Avkastning	1,535,709	0.5%
Velde Holding AS	1,500,000	0.5%
Masani AS	1,400,000	0.5%
Citibank, N.A.	1,300,022	0.4%
Verdipapirfondet Nordea Kapital	1,255,847	0.4%
J.P. Morgan SE	1,197,422	0.4%
David Martin Ibeas	1,177,525	0.4%
Andres Lopez Sanchez	1,177,525	0.4%
Nordea Bank Abp	1,174,338	0.4%
Latino Invest AS	1,040,000	0.3%
Total 20 largest shareholders	194,495,799	64.4%
Other shareholders	107,649,665	35.6%
Total number of shares	302,145,464	100%
Total number of shareholders	10,178	

Shares owned by related parties

Name	Shareholding	% Share
Latino Invest AS [1]	1,040,000	0.3%
Johnny Tsolis Vasili [1] [4]	670,000	0.2%
Terje Mjøs Holding AS [3]	500,000	0.2%
Robin Knowles [2]	352,921	0.1%
Vibeke Ly [2]	203,750	0.1%
Arnt Andre Dullum [2]	162,000	0.1%
Nina Mortensen [2]	160,000	0.1%
Kyrre Svae [2]	150,000	0.0%
Brita Eilertsen [3]	19,892	0.0%

1) *CEO/Related to the CEO of Axactor ASA*
2) *Member of the Executive Management Team of Axactor*
3) *Member of the Board of Directors of Axactor / controlled by member of the Board of Directors of Axactor*
4) *Holds 300,000 call options that will be settled in cash on 22 June 2023*

Note 11 Purchase price allocation

The Group secured 100% of the shares in C.R. Service - Credit Recovery Service S.r.l (CRS) on 26 October 2021 and the transaction was closed 3 January 2022.

CRS is an Italian debt collection agency, managed from the headquarter in Grosseto (Tuscany) and has a contact center in Milazzo (Sicily) with a total of 155 employees. After the transaction Axactor has a strong footprint with 279 employees in Italy. CRS is a top-5 independent 3PC-player in the Italian bank and finance segment. The acquisition supports the Group's strategy of strengthening the position in existing countries, improving capabilities on 3PC and preparing for post-pandemic volumes and new signed contracts in Italy.

The purchase price allocation identifies a fair value of the equity of EUR 0.7 million, the residual value of the transferred consideration, EUR 6.3 million, is allocated to goodwill. All goodwill in the acquisition is related to CRS' 3PC business. The total amount of goodwill recognized in the period that is expected to be deductible for tax purposes is nil. The Group has recognized a provision per 3 January 2022 of EUR 2.6 million related to three contingent considerations. The payments are contingent upon retention and financial performance.

The table below discloses the impact from the transaction effective from 3 January 2022.

	2022
EUR thousand	CRS
Date of acquisition	3 Jan 2022
Acquired part of company	100%
Purchase price	7,033
- Whereof cash consideration	4,433
- Whereof contingent consideration	2,600
Assets	
Deferred tax assets	103
Other intangible fixed assets	15
Leases	990
Other tangible assets	50
Current receivables	989
Cash and cash equivalents	1,348
Total assets	3,495
Liabilities	
Non-current interest bearing debt	67
Deferred tax liabilities	265
Trade payables	256
Lease liabilities	1,095
Other short-term liabilities	1,105
Total liabilities	2,788
Total net assets acquired	707
Identified goodwill	6,326
Cash consideration	4,433
Less: cash and cash equivalent balances acquired	1,348
Net cash outflow arising on acquisition:	3,085

Note 12 Discontinued operations

On 15 December 2021 the Board resolved to dispose of the Group's real estate owned (REO) operating segment. The REO segment consisted of portfolios of purchased real estate and repossessed assets from secured non-performing loans. In the first quarter of 2022, both portfolios of purchased real estate and repossessed assets from secured non-performing loans were presented as discontinued operations in line with the Board's resolution. In the second quarter of 2022, it was resolved that it is only the portfolios of purchased real estate that shall be classified as discontinued operations. Assets repossessed from secured non-performing loans prior to 2022 are thus presented as continuing operations, and the Group will also continue with repossessions from secured non-performing loans going forward.

The disposal of portfolios of purchased real estate is consistent with the Group's long-term policy to focus its activities on the Group's other businesses. These operations, which are expected to be sold within 12 months, have been classified as a disposal group held for sale and presented separately in the statement of financial position. As per 30 June 2022, the Group is still pursuing a buyer and expects the disposal group to be sold within year end.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between continuing operations and discontinued operations are eliminated. The elimination of the intragroup transactions seeks to portray the results of the continuing operations after the disposal. The discontinued operation has intragroup debt related to their operations. To seek to portray the results of the continuing operations after disposal, the intragroup receivable with corresponding interest income related to discontinued operations is eliminated within continuing operations. The same applies for intragroup debt and corresponding interest expense, taking minority interest into account and capped according to the cash flow the parent company expects to receive from the net asset value in the discontinued operations. The rest of the intragroup debt is eliminated within discontinued operations. A part of the Group's total debt and interest expense are hence allocated to discontinued operations. The net assets directly associated with the assets classified as held for sale represents minority interests in the discontinued operations.

The results of the discontinued operations, which have been included in net profit/(loss) after tax, were as follows:

	For the quarter end		Year to date		
EUR thousand	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	Full year 2021
Other operating revenue	**3,823**	12,355	8,865	21,511	36,828
Total income	**3,823**	12,355	8,865	21,511	36,828
Cost of REOs sold, incl impairment	**(4,543)**	(13,939)	(10,432)	(23,930)	(48,379)
Operating expenses	**(836)**	(1,405)	(1,605)	(2,754)	(5,215)
Total operating expenses	**(5,379)**	(15,344)	(12,037)	(26,684)	(53,593)
EBITDA	**(1,556)**	(2,989)	(3,172)	(5,173)	(16,765)
Amortization and depreciation	**-**	(15)	-	(30)	(38)
Operating profit	**(1,556)**	(3,005)	(3,172)	(5,203)	(16,803)
Financial expenses	**(291)**	(1,591)	(657)	(2,707)	(3,796)
Net financial items	**(291)**	(1,591)	(657)	(2,707)	(3,796)
Profit/(loss) before tax	**(1,847)**	(4,596)	(3,829)	(7,910)	(20,599)
Tax (expense)	**-**	-	-	-	-
Net profit/(loss) after tax	**(1,847)**	(4,596)	(3,829)	(7,910)	(20,599)
Attributable to:					
Non-controlling interests	**(1,084)**	(2,671)	(2,227)	(4,538)	(12,242)
Shareholders of the parent company	**(763)**	(1,924)	(1,602)	(3,371)	(8,357)
Earnings per share: basic	**(0.003)**	(0.006)	(0.005)	(0.012)	(0.028)
Earnings per share: diluted	**(0.003)**	(0.006)	(0.005)	(0.011)	(0.028)

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

EUR thousand	30 Jun 2022
Current assets	
Stock of secured assets	16,296
Accounts receivable	602
Other current assets	319
Cash and cash equivalents	2,791
Total current assets	20,008
Assets classified as held for sale	20,008
Non-current liabilities	
Interest bearing debt	15,605
Total non-current liabilities	15,605
Current liabilities	
Other current liabilities	1,224
Total current liabilities	1,224
Liabilities directly associated with assets classified as held for sale	16,829
Net assets directly associated with assets classified as held for sale	3,179

The net cash flows incurred by the operations classified as held for sale are as follows:

	For the quarter end		Year to date		
EUR thousand	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	Full year 2021
Net cash flow from operating activities	**1,871**	9,385	5,062	17,874	28,535
Net cash flow from investing activities	**-**	-	-	-	-
Net cash flow from financing activities	**(2,669)**	(12,789)	(6,789)	(22,106)	(33,151)
Total net cash flow	**(798)**	(3,404)	(1,727)	(4,232)	(4,616)

Note 13 Events after the reporting period

Since the reporting date, Axactor has repurchased EUR 2.4 million of the outstanding bonds.

Alternative performance measures

Alternative performance measures (APM) used in Axactor

APM	Definition	Purpose of use	Reconciliation IFRS
Gross revenue	Total income plus portfolio amortizations and revaluations, and change in fair value of forward flow commitments	To review the revenue before split into interest and amortization (for own portfolios)	Total income from consolidated statement of profit or loss plus portfolio amortizations and revaluations in the consolidated statement of cash flows and change in fair value of forward flow commitments
Cash and cash equivalents	Consolidated cash and cash equivalents, from continuing and discontinued operations	To reflect the Group's total cash position	Cash and cash equivalents from the consolidated statement of financial position plus cash and cash equivalents from discontinued operations according to note 12
Cash EBITDA from continuing operations	EBITDA adjusted for change in fair value of forward flow commitments, portfolio amortizations and revaluations, repossessed assets cost of sale and impairment, and calculated cost of share option program	To reflect cash from continuing operating activities, excluding timing of taxes paid and movement in working capital	EBITDA from continuing operations (total income minus total operating expenses) in consolidated statement of profit or loss adjusted for specified elements from the consolidated statement of cash flows
Cash EBITDA	Cash EBITDA from continuing operations plus EBITDA from discontinued operations, adjusted for REO cost of sale, including impairment	To reflect cash from continuing and discontinued operating activities, excluding timing of taxes paid and movement in working capital	EBITDA from continuing operations (total income minus total operating expenses) in consolidated statement of profit or loss plus EBITDA from discontinued operations according to note 12, adjusted for specified elements from the consolidated statement of cash flows
Estimated remaining collection (ERC)	Estimated remaining collection express the expected future cash collection on own portfolios (NPLs) in nominal values, over the next 180 months. The ERC does not include sale of repossessed assets if the assets are already repossessed	ERC is a standard APM within the industry with the purpose to illustrate the future cash collection including estimated interest income and opex	Purchased debt portfolios from the consolidated statement of financial position
Net interest bearing debt (NIBD)	Net interest bearing debt means the aggregated amount of interest bearing debt allocated to both continuing and discontinued operations, less aggregated amount of unrestricted cash and cash equivalents, on a consolidated basis	NIBD is used as an indication of the Group's ability to pay off all of its debt	Non-current interest bearing debt, current portion of interest bearing debt and unrestricted cash and cash equivalents from the consolidated statement of financial position plus debt allocated to discontinued operations according to note 12, adjusted for capitalized loan fees and accrued interest according to note 8
Return on equity (ROE), excluding non-controlling interests, annualized	Net consolidated result from continuing and discontinued operations attributable to shareholders divided by average equity for the period attributable to shareholders, annualized	Measures the profitability in relation to shareholders' equity	Net profit/(loss) after tax attributable to shareholders of the parent company from the consolidated statement of profit or loss and equity attributable to shareholders from the consolidated statement of changes in equity
Return on equity (ROE), continuing operations, annualized	Net profit/(loss) after tax from continuing operations divided by average total equity for the period, annualized	Measures the profitability in relation to total equity. This APM has replaced 'Return on equity, including non-controlling interests, annualized' to measure the profitability in relation to continuing operations.	Net profit/(loss) after tax from continuing operations from the consolidated statement of profit or loss and total equity from the consolidated statement of changes in equity

APM tables

Gross revenue

	For the quarter end		Year to date		
EUR thousand	30 Jun 2022	30 Jun 2021 1)	30 Jun 2022	30 Jun 2021 1)	Full year 2021 1)
Total income	**60,400**	53,505	117,832	105,379	158,298
Portfolio amortizations and revaluations	**26,754**	29,330	47,795	52,802	148,542
Change in fair value of forward flow commitments	**-**	(1)	-	374	782
Gross revenue	**87,154**	82,833	165,628	158,555	307,622

1) Comparative figures has been re-presented due to a discontinued operation, see note 12.

EBITDA and Cash EBITDA

	For the quarter end		Year to date		
EUR thousand	30 Jun 2022	30 Jun 2021 1)	30 Jun 2022	30 Jun 2021 1)	Full year 2021 1)
Total income	**60,400**	53,505	117,832	105,379	158,298
Total operating expenses	**(30,362)**	(28,365)	(60,101)	(60,314)	(117,800)
EBITDA from continuing operations	**30,038**	25,140	57,731	45,066	40,498
Change in working capital related to forward flow commitments	**-**	(1)	-	374	782
Calculated cost of share option program	**215**	68	249	168	180
Portfolio amortizations and revaluations	**26,754**	29,330	47,795	52,802	148,542
Cost of repossessed assets sold, incl impairment	**531**	205	927	599	2,136
Cash EBITDA from continuing operations	**57,539**	54,741	106,702	99,009	192,138
EBITDA from discontinued operations	**(1,556)**	(2,989)	(3,172)	(5,173)	(16,765)
Cost of REOs sold, incl impairment	**4,543**	13,939	10,432	23,930	48,379
Cash EBITDA	**60,526**	65,691	113,963	117,766	223,752
Taxes paid	**(1,814)**	(127)	(2,852)	(424)	(3,261)
Change in working capital, excl. forward flow commitments	**(2,682)**	(2,542)	74	6,811	4,209
Cash flow from operating activities before NPL and REO investments	**56,029**	63,021	111,185	124,153	224,700

1) Comparative figures has been re-presented due to a discontinued operation, see note 12.

Estimated remaining collection, NPL

	For the quarter end		Year to date		
EUR thousand	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	Full year 2021
Purchased debt portfolios	**1,154,509**	1,104,079	1,154,509	1,104,079	1,095,789
Estimated opex for future collection at time of acquisition	**319,223**	298,810	319,223	298,810	296,290
Estimated discounted gain	**805,048**	716,410	805,048	716,410	748,463
Estimated remaining collection, NPL	**2,278,780**	2,119,300	2,278,780	2,119,300	2,140,543

Cash and cash equivalents

	For the quarter end		Year to date		
EUR thousand	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021	Full year 2021
Cash and cash equivalents from financial position	**29,264**	42,111	29,264	42,111	38,155
Cash and cash equivalents, discontinued operations	**2,791**		2,791		
Cash and cash equivalents	**32,055**	42,111	32,055	42,111	38,155

Net interest bearing debt (NIBD)

EUR thousand	For the quarter end 30 Jun 2022	For the quarter end 30 Jun 2021	Year to date 30 Jun 2022	Year to date 30 Jun 2021	Full year 2021
Non-current portion of interest bearing debt from financial position	**853,297**	695,658	853,297	695,658	834,411
Current portion of interest bearing debt from financial position	**3,404**	135,737	3,404	135,737	3,845
Interst bearing debt allocated to discontinued operations	**15,605**		15,605		
Total interest bearing debt	**872,306**	831,395	872,306	831,395	838,256
Capitalized loan fees	**(12,400)**	(16,891)	(12,400)	(16,891)	(17,566)
Accrued interest	**3,404**	4,657	3,404	4,657	3,845
Treasury bonds	**(36,550)**		(36,550)		
Nominal value interest bearing debt	**917,852**	843,629	917,852	843,629	851,977
Cash and cash equivalents from financial position	**29,264**	42,111	29,264	42,111	38,155
Cash and cash equivalents, discontinued operations	**2,791**		2,791		
Net interest bearing debt (NIBD)	**885,797**	801,518	888,588	801,518	813,821

Return on equity, excluding non-controlling interests, annualized

EUR thousand	For the quarter end 30 Jun 2022	For the quarter end 30 Jun 2021	Year to date 30 Jun 2022	Year to date 30 Jun 2021	Full year 2021
Net profit/(loss) after tax attributable to shareholders of the parent company	**11,063**	7,152	17,694	5,717	(32,797)
Average equity for the period related to the shareholders of the parent company	**396,285**	414,637	390,947	376,947	384,751
Return on equity, excluding non-controlling interests, annualized	**11.2%**	6.9%	9.2%	3.1%	(8.5%)

Return on equity, continuing operations, annualized

EUR thousand	For the quarter end 30 Jun 2022	For the quarter end 30 Jun 2021	Year to date 30 Jun 2022	Year to date 30 Jun 2021	Full year 2021
Net profit/(loss) after tax from continuing operations	**12,463**	8,976	20,116	8,897	(25,393)
Average total equity for the period	**394,655**	429,500	390,187	411,560	407,454
Return on equity, continuing operations, annualized	**12.6%**	8.4%	10.4%	4.4%	(6.2%)

Terms

Active forecast	Forecast of estimated remaining collection on NPL portfolios
Board	Board of directors
Cash EBITDA margin	Cash EBITDA as a percentage of gross revenue
Chair	Chari of the board of directors
Contribution margin (%)	Total operating expenses (excluding SG&A, IT and corporate cost) as a percentage of total income
Collection performance	Collection on own NPL portfolios in relation to active forecast, including sale of repossessed assets in relation to book value
Equity ratio	Total equity as a percentage of total equity and liabilities
Forward flow agreement	Agreement for future aquisitions of NPLs at agreed prices and delivery
Gross IRR	The credit adjusted interest rate that makes the net present value of ERC equal to NPL book value, calculated using monthly cash flows over a 180-months period
Group	Axactor ASA and all its subsidiaries
NPL amortization rate	NPL amortization divided by collection on own NPL portfolios
One off portfolio aquisitions	Aquisition of a single portfolio of NPLs
Opex	Total operating expenses
Recovery rate	Portion of the original debt repaid
Replacement capex	Aquisitions of new NPLs to keep the same book value of NPLs from last period
Repossession	Taking possession of property due to default on payment of loans secured by property
Repossessed assets	Property repossessed from secured non-performing loans
SG&A, IT and corporate cost	Total operating expenses for overhead functions, such as HR, finance and legal etc
Solution rate	Accumulated paid principal amount for the period divided by accumulated collectable principal amount for the period. Usually expressed on a monthly basis

Abbreviations

3PC	Third-party collection
AGM	Annual general meeting
APM	Alternative performance measures
ARM	Accounts receivable management
B2B	Business to business
B2C	Business to consumer
BoD	Board of Directors
BS	Consolidated statement of financial position (balance sheet)
CF	Consolidated statement of cash flows
CGU	Cash generating unit
CM	Contribution margin
D&A	Depreciation and amortization
Dopex	Direct operating expenses
EBIT	Operating profit/Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
ECL	Expected credit loss
EGM	Extraordinary general meeting
EPS	Earnings per share
ERC	Estimated remaining collection
ESG	Environmental, social and governance
ESOP	Employee stock ownership plan
FSA	The financial supervisory authority
FTE	Full time equivalent
GHG	Greenhouse gas emissions
IFRS	International financial reporting standards
LTV	Loan to value
NCI	Non-controlling interests
NPL	Non-performing loan
OB	Outstanding balance, the total amount Axactor can collect on claims under management, including outstanding principal, interest and fees
OCI	Consolidated statement of other comprehensive income
P&L	Consolidated statement of profit or loss
PCI	Purchased credit impaired
PPA	Purchase price allocations
REO	Real estate owned
ROE	Return on equity
SDG	Sustainable development goal
SG&A	Selling, general & administrative
SPV	Special purpose vehicle
VIU	Value in use
VPS	Verdipapirsentralen/Norwegian central securities depository
WACC	Weighted average cost of capital
WAEP	Weighted average exercise price

Financial calendar 2022

Interim report - Third quarter of 2022	27 Oct, 2022
Interim report - Fourth quarter of 2022	17 Feb, 2023

Contact details

Axactor ASA (publ)
Drammensveien 167
0277 Oslo
Norway

www.axactor.com

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

Design and production: Artbox AS   Print: Printbox AS

axactor.com