

AXACTOR




Report

Q4 2024



Axactor helps people and society to a better future



We are passionate, proactive
and act with integrity

/ Highlights¹

Fourth quarter 2024

- Gross revenue of EUR 160.6 million, up 89% compared to the fourth quarter 2023 (85.2). The high growth was driven by a significant portfolio sale in Spain, and gross revenue excluding net impact from the sale was EUR 81.9 million
- Cash EBITDA of EUR 129.6 million, also positively affected by the Spanish portfolio sale (55.0)
- Total NPL revaluations from changes in collection forecasts of EUR -103.6 million after continued challenging collection environment throughout 2024 (-0.2)
- Total revenue ended at EUR -42.6 million (65.1) and EBITDA ended at EUR -73.9 million (34.3), both negatively affected by the NPL revaluations
- NPL investments of EUR 33.6 million (24.1), with the average gross IRR for the total NPL back book lifted further to 19% (18%)
- Continued positive trend in 3PC with 10% organic revenue growth and improved customer satisfaction to 8.9 out of 10 (8.8)
- Repurchased bond loans with a nominal value of EUR 50.9 million at sub-par values, resulting in a net gain of EUR 2.6 million in the quarter
- Finalized successful site consolidation in Italy, with swift improvement in operational KPIs
- Migration to new IT infrastructure vendor on track with first milestone achieved during the quarter. Finalization of migration process planned during second quarter 2025

Full year 2024

- Gross revenue of EUR 415.0 million, up 21% compared to 2023 (343.7). Excluding the impact from a significant portfolio sale in Spain in the fourth quarter, the gross revenue was EUR 336.3 million
- Cash EBITDA of EUR 298.3 million, also positively affected by the Spanish portfolio sale in the fourth quarter (221.1)
- Total revenue ended at EUR 127.9 million, down from EUR 256.6 million in 2023. The reason for the decline is collection headwinds throughout the year, leading to a total of EUR 120.3 million in net negative NPL revaluations from changes in collection forecasts (-7.1)
- EBITDA was also affected by negative NPL revaluations, ending at EUR 9.3 million for the year (131.8)
- NPL investments ended at EUR 127.8 million (116.1) compared to an estimated replacement capex of EUR 106 million. Average gross IRR for the total NPL back book was lifted from 18% to 19%
- Organic 3PC revenue growth of 6%, with strong momentum into 2025 from contracts signed during second half of 2024. Improved contribution margin over revenue by 2ppt
- Transformational projects conducted in Germany and Italy and a continuous cost focus led to improvement in the total opex over gross revenue ratio to 35%, excluding the impact from the Spanish portfolio sale in the fourth quarter (36%)
- Landed new partner for IT infrastructure services after an extensive RFP process, with an outlook to strong support at lower prices

¹ Prior period figures refer to Axactor's continuing operations, unless explicitly stated otherwise

/ Key figures

Key figures that cannot be directly found in the Group's consolidated statements are reconciled in the APM tables. All prior year figures presented are for continuing operations unless otherwise stated.

EUR million	For the quarter end		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Gross revenue	161	85	415	344
Total revenue	-43	65	128	257
EBITDA	-74	34	9	132
Cash EBITDA	130	55	298	221
Net profit/(loss) after tax	-85	9	-79	34
EBITDA margin	n.a.	53%	7%	51%
Return on equity to shareholders, annualized ¹	-88%	7%	-19%	7%
Return on equity, annualized	-90%	9%	-20%	8%
Equity ratio	26%	29%	26%	29%
Acquired NPL portfolios	34	24	128	116
Book value of NPL portfolios	1,087	1,265	1,087	1,265
Estimated remaining collections (ERC)	2,340	2,620	2,340	2,620
Number of employees (FTEs)	1,174	1,255	1,174	1,255
Price per share, last day of period (NOK)	4.16	5.08	4.16	5.08
Market capitalization (NOK million)	1,257	1,535	1,257	1,535

¹ Prior year figures for return on equity to shareholders include continuing and discontinued operations

Gross revenue
EUR million

161

89% y/y

ERC, NPL
EUR million

2,340

-11% y/y

Return on equity

-88%

to shareholders, annualized

EBITDA
EUR million

-74

Cash EBITDA
EUR million

130

135% y/y

Equity ratio

26%

Operations

The fourth quarter of 2024 concluded a challenging year for Axactor, with macroeconomic headwinds and adverse regulatory changes hampering collections. The NPL collection performance ended at 94% for the fourth quarter (99%) and at 93% for the full year 2024 (99%). The continued underperformance led to a significant negative revaluation of EUR 103.6 million from changes in collection forecasts in the fourth quarter (-0.2). A priority throughout 2024 has been to continue to reduce cost where possible, especially within support functions. This continued focus has driven down the operating expenses as percent of gross revenues to 35% for the full year of 2024 (36%), excluding the impact of the Spanish portfolio sale in the fourth quarter.

The Italian transformation project was finalized in a successful manner during the quarter. The former Italian headquarter in Cuneo was closed down during December and all activities were moved to Milazzo, Milan and Grosseto. The site consolidation has represented a substantial transformation, but operational KPIs already demonstrate improvements. As part of the project the Italian 3PC company acquired in 2022 has rebranded to Axactor Servicing, further strengthening Axactor's market position.

The transformation projects that have been executed during 2022-2024 have successfully reduced the total number of employees in the Axactor Group without compromising on deliveries. Axactor had 1,174 full time equivalents employed by the end of 2024, a 6% decrease compared to the end of 2023, and a 10% decrease

compared to the end of 2022. The goal is to further increase the efficiency going forward with both automation and increased use of artificial intelligence.

Operational focus areas and ethical debt collection

The focus on ethical debt collection is a strong commitment from Axactor to ensure high quality services to all stakeholders. Out of a wide range of operational KPIs, Axactor has identified three KPIs vital to ensure reliable services and helping debtors find sustainable solutions to their financial difficulties. The inbound service level ended at an average of 97% for 2024 across all markets, illustrating Axactor's strong availability for debtors. The outbound nuisance rate for 2024 was 0.55%, a testament to the strict control of the advanced dialer system in accordance with the operational

capabilities at any given time. The final of the three KPIs is the NPL payer-to-payer ratio, demonstrating the sustainability of payment agreements. The payer-to-payer ratio for 2024 was 75%, showing that the vast majority of debtors are able to make consecutive payments, and that the payment agreements are at a sustainable level.

Renewed customer trust

The results from the annual customer satisfaction survey for 2024 conclude that Axactor performs well in all markets. Axactor achieved a total average of 8.9 out of 10, an increase from 8.8 last year. Customers show a high degree of satisfaction with Axactor services, and find Axactor to be professional, knowledgeable, and easily accessible. The customer survey also yielded an average net promoter score (NPS) of 78, which is considered excellent.

Migration of IT infrastructure

The migration project to a new infrastructure provider has been progressing according to plan in the fourth quarter, with the planning phase approved as scheduled. This was the first key milestone of the project and included the finalization of the detailed migration strategy. The implementation phase has commenced, and internal preparations in the data center and by the different IT departments in Axactor is ongoing. The project aims to start the live migration of the first countries and systems during the first

quarter of 2025 and complete the migration for all countries and systems by June 2025.

New integration platform successfully launched

Throughout the fourth quarter of 2024 significant progress was made towards utilizing the new integration platform in Norway. Several new customers were successfully onboarded, and the decommissioning of the old legacy integration platform was completed. Current results indicate a substantial improvement in the time required to onboard new customers. During 2025, the plan is to expand the use of the new integration platform to the other countries within the Group.

Continuous improvements within IT Security

The annual external penetration testing was conducted during the fourth quarter. This important assessment ensures the security and integrity of the Axactor IT systems and solutions by identifying potential vulnerabilities that need to be addressed. The external vendor has given confirmation that Axactor has made security investments that have reduced the critical and high-risk vulnerabilities compared to similar corporations, giving assurance that the IT security in Axactor is of a high standard. The formal feedback also stated that the audited systems and solutions, have increased their level of security compared to previous penetration tests, showing Axactor is making progress.

Axactor also improved the internal phishing campaigns by developing more sophisticated phishing emails targeting employees

within IT, finance, and sales departments in particular. The results are improving as most employees refrain from engaging with the advanced phishing attempts, and an increasing number of employees are also reporting the e-mails to the security department. This demonstrates a strong employee engagement and a year-over-year improvement in the company's security culture.

Governance and risk management

As reported in the interim report for the third quarter, Axactor has continued to work on implementing the necessary changes and updates to its vendor risk management process during the fourth quarter, to ensure compliance with the new requirements introduced by the Digital Operational Resilience Act ("DORA"). This includes tiering its IT vendors, collecting relevant information, and performing strengthened risk assessments focusing on information security and operational resilience.

Employees have during the fourth quarter received the annual training to raise awareness in key areas such as ethical behavior, anti-money laundering, data privacy and information security, sexual harassment, good debt collection practices, and anti-fraud and anti-corruption. All business continuity plans have been reviewed and desktop crisis management exercises have been held in Spain and Norway.

During the quarter, Axactor also launched a new tool for the general risk assessments of all vendors and aim for a roll-out through the organization during the first quarter of 2025.

NPL directive

As of the fourth quarter of 2024, EU's implementation of Directive (EU) 2021/2167, referred to as the Non-Performing Loans (NPL) directive, continues to face implementation delays across the Member States and EEA states in which Axactor operates. Still, only Germany and Sweden in Axactor's countries of operation have successfully implemented the directive. However, legislative proposals on implementation of the directive are being discussed in all remaining countries and are expected to enter into force during 2025 in all jurisdictions.

Corporate sustainability reporting directive

In Q4, Axactor continued its efforts to align with the Corporate Sustainability Reporting Directive (CSRD). Sustainability is an integral part of Axactor's strategy. Axactor has combined its core business of debt collection and credit management with targeted initiatives to contribute positively to environmental, social and governance issues. Axactor is well underway with the implementation of CSRD and will report according to the ESRS standards as part of the 2024 annual report. During the fourth quarter the KPIs to be reported have been updated, reporting data quality assured and targets discussed. The results of the analysis will be a central part of the company's further work on strategy and governance. Axactor remains focused on integrating sustainability into the corporate strategy ensuring compliance with evolving EU regulations. The proactive approach positions the company well for the upcoming reporting obligations, reinforcing the commitment to responsible business practices and long-term value creation.

Financials

Axactor’s operations are split into two business segments, acquisition and collection on own portfolios: NPL, and collection on behalf of third-party clients: 3PC. Note that unless explicitly stated otherwise, figures for prior periods are stated for continuing operations, i.e. excluding portfolios of purchased real estate (REO).

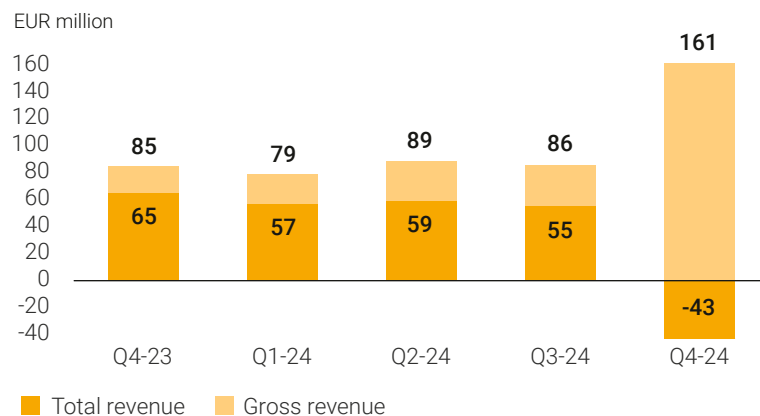
Revenue

Total revenue for the fourth quarter ended at EUR -42.6 million (65.1), driven down by net NPL revaluations of EUR -103.6 million from downward adjustments of the ERC curves in the quarter (-0.2). The revaluations come as a result of a continued challenging

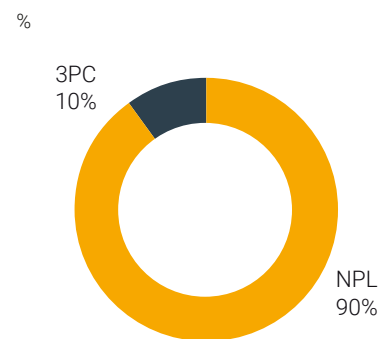
collection environment across all Axactor geographies, aligning future collection estimates with the current performance. Gross revenue on the other hand grew significantly, from EUR 85.2 million in the fourth quarter 2023, to EUR 160.6 million in the fourth quarter 2024. The high growth in gross revenue stems from the sale of several Spanish portfolios for an average premium of 2% over book value. Excluding the sales proceeds, gross revenue was EUR 81.9 million. The overall NPL collection performance for the quarter ended at 94%, down from 99% in the fourth quarter last year, but up from 90% in the third quarter 2024.

The NPL segment delivered a total revenue of EUR -59.0 million for the quarter, down from EUR 49.7 million in the fourth quarter 2023. The lower total revenue is mainly caused by net NPL revaluations from changes in collection forecasts of EUR -103.6 million (-0.2). Gross revenue ended at EUR 144.3 million (69.7), including sales proceeds from a significant portfolio sale during the quarter. The segment gross revenue excluding the sales proceeds was EUR 65.6 million. The transaction was made at an average premium of 2% compared to book value, and the remaining book value was amortized upon sale. The effective amortization rate on the sale was thus significantly higher compared to the ordinary amortization rate, and the average effective amortization rate ended at 68% for the quarter, up from 29% in the fourth quarter last year.

Total revenue and Gross revenue



Gross revenue mix Q4 2024



The 3PC segment total revenue ended at EUR 16.3 million, up 5% from the fourth quarter last year (15.5). The fourth quarter generally has the strongest seasonality within the 3PC segment, with higher volumes received from customers and annual performance bonuses. Excluding the 3PC businesses in Sweden and Finland that were closed during 2023 the growth was 10%, driven by double-digit growth in Norway, Germany and Italy, as well as strong development in Spain. The Norwegian 3PC business is performing very well, with solid growth from new sales within the bank/finance segment, a key focus area of Axactor’s strategy.

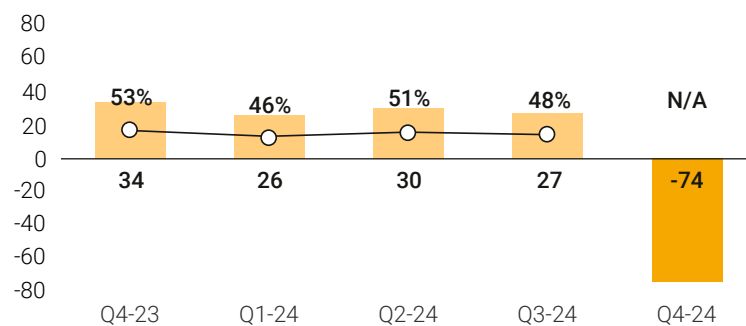
For the full year, total revenue ended at EUR 127.9 million (256.6) of which the NPL segment contributed EUR 73.6 million (202.6) and the 3PC segment contributed EUR 54.3 million (54.0). Gross revenue ended at EUR 415.0 million, up from EUR 343.7 million in 2023. The NPL segment gross revenue was EUR 360.6 million (289.6).

Operating expenses

Total operating expenses before depreciation and amortization for the quarter was EUR 31.3 million, up from EUR 30.8 million in the fourth quarter 2023. The increase in cost level compared to last year is largely related to transaction costs related to the Spanish portfolio sale. The operating expenses as percentage of gross revenue ended at 19% for the fourth quarter (36%), helped also by the increase in gross revenue from the aforementioned portfolio sale. Adjusted for the impact from the sale, the ratio was 37%.

EBITDA and EBITDA margin

EUR million and %



Depreciation and amortization – excluding amortization of NPL portfolios – was EUR 4.5 million for the quarter, up from EUR 2.2 million in the corresponding quarter last year. The reason for the increase is EUR 1.5 million in impairments of unused premises and a EUR 0.8 million impairment of an obsolete IT system. The impairments will reduce future amortization of tangible and intangible assets.

For the full year 2024 the total operating expenses before depreciation and amortization landed at EUR 118.7 million, down from EUR 124.8 million in 2023. Depreciation and amortization – excluding amortization of NPL portfolios – ended at EUR 11.6 million, up from EUR 9.1 million in 2023.

Operating results

Total contribution margin from the business segments in the quarter was EUR -63.0 million, down from EUR 44.4 million in the fourth quarter last year. The main driver for the decrease was the reduced total revenue within the NPL segment.

The NPL segment delivered a contribution margin of EUR -70.2 million in the fourth quarter, down from EUR 37.3 million in the corresponding quarter last year. The total operating expenses for the NPL segment fell 9% to EUR 11.2 million (12.3).

The contribution margin for the 3PC segment was EUR 7.2 million, up from EUR 7.1 million in the fourth quarter 2023. 2023 included some positive one-off revenue items connected to the closure of

the 3PC segment in Finland and Sweden, which explains the decline in contribution margin over total revenue to 44% for the quarter (46%). The underlying operational profitability is on a positive trend, with the full year margin over total revenue increasing to 38%, from 36% in 2023 without adjusting for said positive one-off items.

EBITDA for the fourth quarter came in at EUR -73.9 million, down from EUR 34.3 million in the fourth quarter 2023. The reduction is driven by the reduced total revenue from negative NPL revaluations.

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 (10.1). The main reason for the increase is costs related to the Spanish portfolio sale.

Cash EBITDA ended at EUR 129.6 million for the fourth quarter, up from EUR 55.0 million in the corresponding quarter last year. The growth was primarily driven by the proceeds from the Spanish portfolio sale.

Operating profit (EBIT) was EUR -78.5 million for the fourth quarter, compared to EUR 32.1 million in the fourth quarter last year.

For the full year 2024, EBITDA amounted to EUR 9.3 million, down from EUR 131.8 million in 2023. Contribution from the business segments ended at 51.4 million (174.2), of which NPL contributed EUR 30.9 million (154.7) and 3PC contributed EUR 20.5 million (19.5). Unallocated SG&A, IT and corporate cost decreased from

EUR 42.4 million in 2023 to EUR 42.1 million in 2024. Cash EBITDA for 2024 ended at EUR 298.3 million, compared to EUR 221.1 million for 2023. The operating profit (EBIT) ended at EUR -2.3 million for the year, compared to EUR 122.8 million in 2023.

Net financial items

Total net financial items for the quarter were negative EUR 14.3 million (negative 22.5). The main part of the financial items was made up of interest expense on borrowings of EUR 21.8 million, which was slightly lower than in the fourth quarter last year (22.8). The net foreign exchange impact for the quarter was positive EUR 0.4 million (0.3). Additionally, other financial revenue ended at EUR 2.6 million (0.0), mainly related to gain on re-purchase of bond loans at sub-par values. Interest on bank deposits ended at EUR 5.2 million, up from EUR 0.1 million in the fourth quarter 2023. The increase is related to recognition of interests received but not previously included in the reported accounts.

For the full year 2024, net financial items ended at EUR -82.8 million, compared to EUR -81.4 million in 2023. Interest expenses on borrowings was EUR 89.1 million (81.6), while total financial revenue was EUR 8.4 million (3.4).

Earnings and taxes

Profit before tax ended at EUR -92.8 million for the fourth quarter (9.5), while net profit ended at EUR -84.7 million (9.2). The effective tax rate was thus 9% for the quarter, as not all losses are recognized as deferred tax assets (3%). For the fourth quarter 2023

net profit including contribution from discontinued operations was EUR 6.4 million.

The net profit to shareholders of the parent company ended at EUR -84.8 million for the fourth quarter (7.3), and at EUR 0.1 million for non-controlling interests (-0.9). The resulting earnings per share was thus EUR -0.281 both on a reported basis and fully diluted (0.024), based on the average number of shares outstanding in each period.

For the full year 2024, earnings before tax ended at EUR -85.1 million (41.4) and the net profit ended at EUR -79.1 (33.6), with an effective tax rate of 7% (19%). The net profit attributable to shareholders of the parent company was EUR -79.5 million (30.8), while EUR 0.5 million were attributable to non-controlling interests (-3.2). The resulting earnings per share was EUR -0.263 both on a reported basis and fully diluted, based on the average number of shares outstanding in each period (0.102).

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 99.8 million (30.6) for the quarter, of which the amount paid for NPL portfolios was EUR 34.6 million (21.7). 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. The total cash flow from operations excluding

investments in NPL portfolios ended at EUR 134.4 million (52.3). The increase was mainly driven by the EUR 73.4 million increase in cash EBITDA and a decrease in working capital of EUR 11.6 million (2.9), partly offset by EUR 6.8 million in tax payments (6.8).

For the full year 2024, total net cash flow from operating activities, including NPL investments, amounted to EUR 139.2 million (89.3), of which the amount paid for NPL portfolios was EUR 131.0 million (120.0). Excluding the portfolio investments, net cash flow from operating activities increased to EUR 270.3 million, from EUR 209.4 million in 2023. Cash EBITDA including discontinued operations increased by EUR 74.4 million to EUR 298.3 million (223.9), driven by the Spanish portfolio sale in the fourth quarter. Taxes paid was EUR 23.6 million in 2024, an increase from EUR 11.6 million last year. Net working capital increased by EUR 4.4 million during the year, compared to an increase in working capital of EUR 2.9 million in 2023.

Total net cash flow from investing activities, not including investments in NPL portfolios, was EUR -1.0 million for the fourth quarter, compared to EUR -1.1 million for the fourth quarter 2023. For the full year 2024, the net cash flow from investments was EUR -3.1 million, compared to EUR -3.9 million in 2023.

Total net cash flow from financing activities was EUR -90.6 million for the quarter (-39.9), with a net repayment on credit facilities of EUR 74.1 million (repayment of 21.1). Interests paid increased from EUR 17.7 million in the fourth quarter last year, to EUR 20.8

million in the fourth quarter 2024. The increase is partly related to a positive effect last year from an interest rate cap that was active until December 2023. Additionally, interest received of EUR 5.2 million mainly related to recognition of interests received but not previously included in the reported accounts contributed positively to the cash flow.

For the full year 2024, net cash flow from financing activities ended at EUR -133.2 million, compared to EUR -85.5 million in 2023. Net repayment on credit facilities was EUR 47.3 million, compared to a net drawdown of EUR 1.4 million last year. Interest paid was EUR 87.5 million, up 29% from EUR 67.7 million in 2023. Total loan fees paid during 2024 was negligible at EUR 0.1 million, compared to EUR 15.4 million in 2023.

Total net cash flow was thus EUR 8.3 million for the quarter (-10.4) and EUR 2.9 million for the year (0.0), leaving total cash and cash equivalents at EUR 33.0 million at the end of the period (31.8). This does not include EUR 1.9 million in restricted cash (2.6).

Equity position and balance sheet considerations

Total equity for the Group was EUR 331.7 million at the end of the year (423.5), including non-controlling interests of EUR -9.2 million (-9.7). The main reason for the reduced equity compared to last year is the negative net profit recognized in 2024.

The resulting equity ratio at the end of 2024 was 26%, down from 29% at the end of 2023.

Return on equity

With the negative impact from NPL revaluations in the fourth quarter, the return on equity (ROE) was highly negative in the quarter. The return on equity for the full year 2024 ended at -20% on a fully consolidated basis (8%) and at -19% for the shareholders (7%).

Capital expenditure and funding

Axactor invested EUR 33.6 million in NPL portfolios during the fourth quarter (24.1) and EUR 127.8 million for the year (116.1). With a moderate investment level in 2024, and the Spanish portfolio sale and the significant negative NPL revaluations in the fourth quarter, the estimated remaining collections declined by 11% from the end of 2023 to the end of 2024, ending at EUR 2,339.7 million (2,620.4). Estimated NPL investment commitments for 2025 stand at EUR 3.3 million per the end of 2024, with the focus for Axactor shifting towards deleveraging and refinancing upcoming maturities.

Axactor has two outstanding bond loans per the end of 2024. The EUR 300 million bond with ticker ACR03 matures in September 2026. A total of EUR 50.9 million was re-purchased during the fourth quarter 2024, and adjusting for treasury bonds the outstanding face value of the bond is EUR 230.2 million. The NOK 2,300 million bond with ticker ACR04 was placed during the third quarter 2023, with a maturity in September 2027.

Axactor's multi-currency revolving credit facility (RCF) has a total size of EUR 545 million, of which EUR 471.5 million were drawn per the end of the year (472.7). Additionally, the agreement has a

EUR 275 million accordion option, contingent on separate credit approval. The maturity of the RCF agreement is 30 June 2026, with two one-year extension options contingent on separate credit approval.

Total interest-bearing debt including capitalized loan fees amounted to EUR 884.7 million at the end of 2024 (939.1).

Axactor is in compliance with all loan covenants as per the end of 2024.

Financial targets

In connection with the announcement of the fourth quarter results of 2023, Axactor put forth four financial targets. The return on equity should be at least 12% in 2026, with a leverage ratio of 3.5x or less. Additionally, the annual NPL investments in the period 2024-2026 should be in the region EUR 100-200 million, and annual dividend payments should be within 20-50% of the reported net profit.

Axactor have invested EUR 127.8 million, well within the target range. The reported net profit for the year is negative, thus the dividend target is not applicable. Although Axactor delivered a negative return on equity in 2024, the target of reaching 12% or more in 2026 stands firm. The leverage ratio at the end of 2024 is 2.7x, and Axactor remain firm on its ambition to be at or below 3.5x by the end of 2026.

Outlook

Axactor completed a EUR 50.9 million bond buy-back in 2024 as planned. The Group will maintain its deleveraging strategy and expect to refinance its 2026 maturities during 2025. The Group will also continue to invest in attractive NPL portfolios and reiterates its current investment guiding of EUR 100 – 200 million per year for the period 2024-2026. The estimated replacement capex for 2025 is EUR 66.0 million.

3PC is expected to continue to grow, with very good traction in the Norwegian market with several large contracts signed during the second half of 2024 providing momentum into next year. The Italian and Norwegian 3PC markets are expected to remain active through 2025, while Axactor expect to retain its market share in Spain and Germany.

With new revised collection curves in place, Axactor expects improved collection performance in 2025. Although the collections will still be impacted by macroeconomic conditions, legislation and geopolitical uncertainty, there are upsides from falling interest rates and an expected improvement in both the market for refinancing unsecured loans and in debtor's real disposable income. Falling interest rates and the planned deleveraging will also benefit Axactor in terms of reduced interest expenses. Furthermore, Axactor will accelerate its operational optimization program to enhance efficiency and reduce structural costs.



/ Interim condensed consolidated financial statements

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Interim condensed consolidated statement of profit or loss

EUR thousand	Note	For the quarter end		Year to date	
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Continuing operations					
Interest revenue from purchased loan portfolios	5, 6	55,806	53,801	222,038	211,289
Net gain/(loss) purchased loan portfolios	5, 6	-115,663	-4,760	-152,269	-13,082
Revenue from sale of repossessed assets	5	888	594	3,968	2,587
Other operating revenue		16,341	15,512	54,200	55,843
Total revenue	3, 5	-42,628	65,146	127,937	256,637
Cost of repossessed assets sold, incl impairment		-200	-582	-1,599	-1,759
Personnel expenses		-14,974	-16,792	-63,541	-66,576
Other operating expenses		-16,103	-13,472	-53,518	-56,454
Total operating expenses		-31,277	-30,847	-118,658	-124,789
EBITDA		-73,905	34,299	9,279	131,848
Amortization and depreciation		-4,548	-2,236	-11,557	-9,050
Operating profit		-78,453	32,063	-2,278	122,797
Financial revenue	4	8,264	516	8,437	3,389
Financial expenses	4	-22,577	-23,060	-91,238	-84,750
Net financial items		-14,313	-22,544	-82,801	-81,360
Profit/(loss) before tax from continuing operations		-92,766	9,519	-85,079	41,437
Income tax expense		8,095	-303	6,019	-7,874
Net profit/(loss) after tax from continuing operations		-84,671	9,216	-79,060	33,563

EUR thousand	Note	For the quarter end		Year to date	
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Discontinued operations					
Net profit/(loss) after tax from discontinued operations	11	-	-2,788	-	-5,969
Net profit/(loss) after tax		-84,671	6,428	-79,060	27,594
Attributable to:					
Non-controlling interests:					
Net profit/(loss) after tax from continuing operations		100	616	466	182
Net profit/(loss) after tax from discontinued operations		-	-1,531	-	-3,418
Net profit/(loss) after tax		100	-915	466	-3,235
Shareholders of the parent company:					
Net profit/(loss) after tax from continuing operations		-84,771	8,600	-79,526	33,381
Net profit/(loss) after tax from discontinued operations		-	-1,257	-	-2,551
Net profit/(loss) after tax		-84,771	7,343	-79,526	30,830
Earnings per share:					
From continuing operations, basic and diluted		-0.281	0.028	-0.263	0.110
From continuing and discontinued operations, basic and diluted		-0.281	0.024	-0.263	0.102

Interim condensed consolidated statement of comprehensive income

EUR thousand	For the quarter end		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Net profit/(loss) after tax	-84,671	6,428	-79,060	27,594
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of pension plans	-6	-48	-6	-48
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences - foreign operations	-1,155	2,534	-9,419	-10,495
Fair value net gain/(loss) on cash flow hedges during the period	572	-	-407	-
Cumulative net (gain)/loss on cash flow hedges reclassified to profit or loss	-796	-744	-3,185	-3,569
Other comprehensive income/(loss) after tax	-1,386	1,743	-13,018	-14,112
Total comprehensive income/(loss) for the period	-86,057	8,171	-92,077	13,482
Attributable to:				
Non-controlling interests	100	-915	466	-3,235
Shareholders of the parent company	-86,157	9,086	-92,544	16,718

Interim condensed consolidated statement of financial position

EUR thousand	Note	For the quarter end / YTD	
		31 Dec 2024	31 Dec 2023
Assets			
Non-current assets			
Intangible assets			
Goodwill		58,871	59,799
Deferred tax assets		12,320	8,502
Other intangible assets		12,003	15,116
Tangible assets			
Property, plant and equipment		1,839	2,036
Right of use assets	8	7,820	11,604
Financial assets			
Purchased loan portfolios	6	1,087,472	1,265,327
Other non-current assets		1,431	2,495
Total non-current assets		1,181,757	1,364,879
Current assets			
Repossessed assets		4,180	2,664
Accounts receivable		7,730	6,636
Other current assets		37,151	27,196
Restricted cash		1,882	2,613
Cash and cash equivalents		32,991	31,826
Total current assets		83,934	70,935
Total assets		1,265,691	1,435,815

EUR thousand	Note	For the quarter end / YTD	
		31 Dec 2024	31 Dec 2023
Equity and liabilities			
Equity			
Share capital	10	158,369	158,369
Other paid-in equity		271,048	270,831
Retained earnings		-52,450	27,082
Other components of equity		-36,092	-23,080
Non-controlling interests		-9,201	-9,667
Total equity		331,674	423,534
Non-current liabilities			
Interest-bearing debt	7	884,728	939,104
Deferred tax liabilities		1,802	10,549
Lease liabilities	8	7,083	8,969
Other non-current liabilities		4,570	2,740
Total non-current liabilities		898,183	961,361
Current liabilities			
Accounts payable		4,964	4,057
Taxes payable		2,406	12,243
Lease liabilities	8	3,348	3,194
Other current liabilities		25,116	31,425
Total current liabilities		35,834	50,919
Total liabilities		934,017	1,012,281
Total equity and liabilities		1,265,691	1,435,815

Interim condensed consolidated statement of cash flows

EUR thousand	Note	For the quarter end		Year to date	
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Operating activities					
Profit/(loss) before tax from continuing operations		-92,766	9,519	-85,079	41,437
Profit/(loss) before tax from discontinued operations	11	-	-2,788	-	-5,969
Taxes paid		-6,815	-6,773	-23,584	-11,616
Adjustments to reconcile profit before tax to net cash flows:					
Net financial items, continuing operations	4	14,313	22,544	82,801	81,360
Net financial items, discontinued operations	11	-	-	-	348
Portfolio amortization and revaluation		203,236	20,059	286,898	88,840
Change in fair value of forward flow commitments		-	-19	120	-1,805
Cost of repossessed assets sold, incl impairment		200	582	1,599	1,759
Cost of REOs sold, incl impairment	11	-	3,908	-	8,422
Depreciation and amortization		4,548	2,236	11,557	9,050
Calculated cost of employee share options		52	126	382	450
Change in working capital		11,642	2,864	-4,394	-2,905
Cash flow from operating activities before NPL investments		134,410	52,257	270,300	209,372
Purchase of loan portfolios	6	-34,576	-21,701	-131,022	-119,987
Purchases related to repossessed assets		-	-2	-104	-73
Net cash flow from operating activities		99,834	30,554	139,174	89,311

EUR thousand	Note	For the quarter end		Year to date	
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Investing activities					
Purchase of intangible and tangible assets		-952	-1,097	-3,071	-3,874
Net cash flow from investing activities		-952	-1,097	-3,071	-3,874
Financing activities					
Proceeds from borrowings	7	-	1,452	42,000	343,274
Repayment of debt	7	-74,064	-22,505	-89,321	-341,873
Interest paid		-20,768	-17,749	-87,467	-67,737
Interest received		5,237	147	5,451	385
Loan fees paid	7	-	-359	-117	-15,376
Lease payments, principal amount	8	-988	-854	-3,731	-3,143
Repayments to non-controlling interests		-	-25	-	-992
Net cash flow from financing activities		-90,584	-39,893	-133,185	-85,462
Net change in cash and cash equivalents		8,299	-10,436	2,918	-24
Cash and cash equivalents at the beginning of period		24,778	42,327	31,826	32,652
Currency translation		-87	-65	-1,753	-802
Cash and cash equivalents at end of period		32,991	31,826	32,991	31,826

Interim condensed consolidated statement of changes in equity

EUR thousand	Equity attributable to the shareholders of the parent company						Non-controlling interests	Total equity
	Restricted	Non-restricted				Total		
	Share capital	Other paid in equity	Retained earnings	Translation reserve	Cash flow hedge reserve			
Balance on 31 Dec 2022	158,369	270,381	-3,699	-18,417	9,401	416,033	-5,441	410,593
Result of the period			30,830			30,830	-3,235	27,594
Other comprehensive income of the period			-48	-10,495	-3,569	-14,112		-14,112
Total comprehensive income for the period	-	-	30,782	-10,495	-3,569	16,718	-3,235	13,482
Repayments to non-controlling interests						-	-992	-992
Share-based payment		450				450		450
Balance on 31 Dec 2023	158,369	270,831	27,082	-28,912	5,832	433,202	-9,667	423,534
Result of the period			-79,526			-79,526	466	-79,060
Other comprehensive income of the period			-6	-9,419	-3,592	-13,018		-13,018
Total comprehensive income for the period	-	-	-79,533	-9,419	-3,592	-92,544	466	-92,077
Share-based payment		218				218		218
Balance on 31 Dec 2024	158,369	271,048	-52,450	-38,332	2,240	340,875	-9,201	331,674

Notes to the interim condensed consolidated financial statements

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 policies applied correspond to those described in the annual report 2023. 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 2023.

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Actual result may differ from these estimates.

Accounting policies and significant judgements, estimates and assumptions are more comprehensively discussed in the annual report 2023. The significant judgements made by management applying the Group’s accounting policies and the key sources 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.

All prior year figures presented are for continuing operations, unless otherwise stated.

Note 2 Financial risks

All economic activities are associated with risk. Axactor’s risks are managed within the Group in accordance with the policies established by the Board. For more information on financial risks and risk management, one is referred to [note 3](#) of the Group’s financial statements in the annual report 2023.

Interest rate and currency risk

The Group’s long-term strategy is to hedge between 50% and 70% of interest-bearing debt with a duration of three to five years. The Group is gradually implementing the strategy in line with new portfolio investments and has in the forth quarter entered into interest rate swap agreements at a nominal value of EUR 30 million, in addition to the EUR 50 million swaps entered into in the second quarter and the NOK 300 million in the third quarter. These instruments are recognized as hedge instruments to reduce the interest volatility in the income statement.

The Group aims to reduce currency risk by keeping interest-bearing debt in the same currencies as the Group’s assets. The Group also holds cross currency interest rate swaps to reduce currency risk.

Liquidity risk

The Group monitors its risk of a shortage of funds using cash flow forecasts regularly. On 31 Dec 2024, the Group had an unused part of the RCF agreement of EUR 73.5 million, in addition to unrestricted cash and cash equivalents of EUR 33 million. The Group had positive cash flow from operating activities before NPL investments of EUR 269.1 million in 2024, and cash flows from operating activities amounted to EUR 137.9 million.

The table of contractual maturities analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The contractual maturity is based on the earliest date on which the Group may be required to pay. The amounts disclosed in the table are the contractual undiscounted cash flows of liabilities. For NPL investment commitments, 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. The loan repayment amounts presented are subject to change dependent on changes in variable interest rates. To the extent that interest rates are floating, the undiscounted payable interest is derived from the interest rate curves at the end of the reporting period.

The Group's estimated remaining collections from purchased loan portfolios for the next 15 years are presented below the table of contractual maturities (see also [note 6](#)).

EUR thousand	Contractual maturities per 31 Dec 2024							
	Q1-25	Q2-25	Q3-25	Q4-25	1-2 years	2-4 years	4+ years	Total
NPL investment commitments, non-cancellable ¹	1,572	43	-	-	-	-	-	1,614
NPL investment commitments, cancellable ¹	374	1,288	-	-	-	-	-	1,661
Revolving credit facility (RCF)	6,800	6,490	6,263	6,306	484,156	-	-	510,016
Bond ACR03 (ISIN NO0011093718)	4,713	4,492	4,436	4,383	243,338	-	-	261,360
Bond ACR04 (ISIN NO0013005264)	5,978	5,919	5,897	5,832	23,330	218,209	-	265,166
Other non-current liabilities	-	-	-	-	-	-	4,570	4,570
Accounts payable	4,964	-	-	-	-	-	-	4,964
Lease liabilities	983	1,002	959	948	3,683	2,534	1,672	11,781
Other current liabilities	19,640	4,133	-	1,136	-	-	-	24,908
Total contractual maturities	45,022	23,366	17,555	18,605	754,506	220,743	6,243	1,086,041

¹ Expected cash flows based on the last three months' actual deliveries and future deliveries on new agreements confirmed at the balance sheet date. Per 31 December 2024, cash flows are limited to EUR 9.6 million by contracted capex limits. The NPL commitments that are cancellable are cancellable with one to three months' notice.

EUR thousand	ERC per 31 Dec 2024							
	Q1-25	Q2-25	Q3-25	Q4-25	1-2 years	2-4 years	4+ years	Total
Estimated remaining collections (ERC)	65,350	66,680	61,768	64,572	267,437	499,937	1,313,985	2,339,729

Note 3 Operating segments

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, presented as 'Purchased loan portfolios' in the consolidated statement of financial position. Subsequently, the outstanding loans are 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 normally receive a commission for these services. Other services provided include, amongst others, 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 normally 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 revenue 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. The measurement basis of the performance of the segment is the segment's contribution margin.

For the quarter end 31 Dec 2024

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collections on own portfolios	143,379	-	-	143,379
Portfolio amortization and revaluation	-203,236	-	-	-203,236
Revenue from sale of repossessed assets	888	-	-	888
Other operating revenue:				
Change in fair value forward flow commitments	-	-	-	-
Other operating revenue and other revenue	-	16,341	-	16,341
Total revenue	-58,969	16,341	-	-42,628
Cost of repossessed assets sold	-200	-	-	-200
Impairment repossessed assets	-	-	-	-
Direct operating expenses	-11,029	-9,181	-	-20,210
Contribution margin	-70,198	7,160	-	-63,038
SG&A, IT and corporate cost			-10,867	-10,867
EBITDA				-73,905
Amortization and depreciation			-4,548	-4,548
Operating result				-78,453
Total operating expenses	-11,229	-9,181	-10,867	-31,277
Contribution margin (%)	na	43.8%	na	na
EBITDA margin (%)				na
Opex ex SG&A, IT and corporate cost / Gross revenue	7.8%	56.2%	na	12.7%
SG&A, IT and corporate cost / Gross revenue				6.8%

For the quarter end 31 Dec 2023

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collections on own portfolios	69,100	-	-	69,100
Portfolio amortization and revaluation	-20,059	-	-	-20,059
Revenue from sale of repossessed assets	594	-	-	594
Other operating revenue:				
Change in fair value forward flow commitments	19	-	-	19
Other operating revenue and other revenue	-	15,493	-	15,493
Total revenue	49,653	15,493	-	65,146
Cost of repossessed assets sold	-582	-	-	-582
Impairment repossessed assets	-	-	-	-
Direct operating expenses	-11,763	-8,400	-	-20,163
Contribution margin	37,308	7,093	-	44,401
SG&A, IT and corporate cost			-10,102	-10,102
EBITDA				34,299
Amortization and depreciation			-2,236	-2,236
Operating result				32,063
Total operating expenses	-12,345	-8,400	-10,102	-30,847
Contribution margin (%)	75.1%	45.8%	na	68.2%
EBITDA margin (%)				52.6%
Opex ex SG&A, IT and corporate cost / Gross revenue	17.7%	54.2%	na	24.4%
SG&A, IT and corporate cost / Gross revenue				11.9%

Year to date 31 Dec 2024

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collections on own portfolios	356,667	-	-	356,667
Portfolio amortization and revaluation	-286,898	-	-	-286,898
Revenue from sale of repossessed assets	3,968	-	-	3,968
Other operating revenue:				
Change in fair value forward flow commitments	-120	-	-	-120
Other operating revenue and other revenue	-	54,320	-	54,320
Total revenue	73,617	54,320	-	127,937
Cost of repossessed assets sold	-1,599	-	-	-1,599
Impairment repossessed assets	-	-	-	-
Direct operating expenses	-41,143	-33,818	-	-74,961
Contribution margin	30,875	20,503	-	51,377
SG&A, IT and corporate cost			-42,098	-42,098
EBITDA				9,279
Amortization and depreciation			-11,557	-11,557
Operating result				-2,278
Total operating expenses	-42,742	-33,818	-42,098	-118,658
Contribution margin (%)	41.9%	37.7%	na	40.2%
EBITDA margin (%)				7.3%
Opex ex SG&A, IT and corporate cost / Gross revenue	11.9%	62.3%	na	18.5%
SG&A, IT and corporate cost / Gross revenue				10.1%

Year to date 31 Dec 2023

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collections on own portfolios	287,046	-	-	287,046
Portfolio amortization and revaluation	-88,840	-	-	-88,840
Revenue from sale of repossessed assets	2,587	-	-	2,587
Other operating revenue:				
Change in fair value forward flow commitments	1,805	-	-	1,805
Other operating revenue and other revenue	-	54,039	-	54,039
Total revenue	202,598	54,039	-	256,637
Cost of repossessed assets sold	-1,759	-	-	-1,759
Impairment repossessed assets	-	-	-	-
Direct operating expenses	-46,186	-34,492	-	-80,678
Contribution margin	154,653	19,547	-	174,200
SG&A, IT and corporate cost			-42,352	-42,352
EBITDA				131,848
Amortization and depreciation			-9,050	-9,050
Operating result				122,797
Total operating expenses	-47,945	-34,492	-42,352	-124,789
Contribution margin (%)	76.3%	36.2%	na	67.9%
EBITDA margin (%)				51.4%
Opex ex SG&A, IT and corporate cost / Gross revenue	16.6%	63.8%	na	24.0%
SG&A, IT and corporate cost / Gross revenue				12.3%

Note 4 Financial items

EUR thousand	For the quarter end		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Financial revenue				
Interest on bank deposits	5,237	147	5,451	385
Net foreign exchange gain ¹	424	325	352	-
Gain on purchase of treasury bonds (note 7)	2,554	-	2,554	115
Other financial revenue	49	44	79	2,889
Total financial revenue	8,264	516	8,437	3,389
Financial expenses				
Interest expense on borrowings	-21,754	-22,810	-89,141	-81,594
Net foreign exchange loss ¹	-	-	-	-815
Other financial expenses	-823	-249	-2,097	-2,341
Total financial expenses	-22,577	-23,060	-91,238	-84,750
Total net financial items	-14,313	-22,544	-82,801	-81,360

¹ Foreign exchange gains and losses are presented net as either financial revenue or financial expenses, depending on the net position. The amount includes changes in fair value of currency derivatives.

Note 5 Revenue

The Group delivers credit management services in six European countries: Finland, Germany, Italy, Norway, Spain and Sweden. Axactor also owns some portfolios through an entity based in Luxembourg.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

The information in the table presented is based on the location of the debtors and the country of the company performing the collection (which correspond). This is not necessarily the same as the country owning the portfolio. The same principle is used for the allocation of the non-current assets. Non-current assets presented in the table consists of intangible assets, goodwill, property, plant and equipment and right of use assets.

Total revenue

EUR thousand	For the quarter end		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Finland	-2,713	3,702	4,236	14,425
Germany	-16,098	9,956	6,618	40,759
Italy	-2,587	10,600	25,493	38,438
Norway	-8,744	10,731	15,845	41,088
Spain	10,084	23,452	85,999	100,498
Sweden	-22,570	6,706	-10,254	21,428
Total revenue	-42,628	65,146	127,937	256,637

Non-current assets

EUR thousand	Book value	
	31 Dec 2024	31 Dec 2023
Finland	3,036	3,017
Germany	13,530	15,903
Italy	15,317	15,825
Norway	27,221	30,186
Spain	19,388	20,299
Sweden	2,041	3,325
Total assets	80,533	88,555

Portfolio revenue

Portfolio revenue consists of interest revenue from purchased loan portfolios, net gain/(loss) from purchased loan portfolios and revenue from sale of repossessed assets. Net gain/(loss) from purchased loan portfolios is split into collections above/(below) collection forecasts and net present value of changes in collection forecasts.

For the quarter end 31 Dec 2024

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Total
Interest revenue from purchased loan portfolios	3,482	8,432	7,853	9,522	20,288	6,229	55,806
Collections above/(below) forecasts	-77	-4,272	-1,127	-967	-4,560	-1,047	-12,050
NPV of changes in collection forecasts	-6,125	-21,846	-12,824	-19,216	-15,850	-27,752	-103,613
Net gain/(loss) purchased loan portfolios	-6,202	-26,119	-13,950	-20,183	-20,411	-28,799	-115,663
Sale of repossessed assets	-	-	-	-	888	-	888
Total portfolio revenue	-2,719	-17,687	-6,097	-10,661	765	-22,570	-58,969

For the quarter end 31 Dec 2023

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Total
Interest revenue from purchased loan portfolios	3,929	9,322	7,461	9,142	17,679	6,268	53,801
Collections above/(below) forecasts	-466	-235	-123	-388	-3,382	-4	-4,598
NPV of changes in collection forecasts	-348	-566	91	425	-138	373	-162
Net gain/(loss) purchased loan portfolios	-814	-800	-32	38	-3,521	369	-4,760
Sale of repossessed assets					594		594
Total portfolio revenue	3,114	8,521	7,430	9,180	14,752	6,637	49,634

Year to date 31 Dec 2024

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Total
Interest revenue from purchased loan portfolios	14,813	35,214	30,212	38,375	78,405	25,020	222,038
Collections above/(below) forecasts	-2,080	-9,775	-3,204	-6,691	-7,457	-2,808	-32,016
NPV of changes in collection forecasts	-8,534	-25,029	-12,864	-22,815	-18,546	-32,465	-120,253
Net gain/(loss) purchased loan portfolios	-10,614	-34,805	-16,068	-29,506	-26,002	-35,274	-152,269
Sale of repossessed assets					3,968		3,968
Total portfolio revenue	4,199	409	14,144	8,869	56,371	-10,254	73,737

Year to date 31 Dec 2023

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Total
Interest revenue from purchased loan portfolios	15,713	37,520	26,730	36,345	69,649	25,332	211,289
Collections above/(below) forecasts	-1,654	-2,774	296	-3,274	3,696	-2,295	-6,004
NPV of changes in collection forecasts	-779	-861	335	338	-2,915	-3,196	-7,078
Net gain/(loss) purchased loan portfolios	-2,433	-3,635	631	-2,935	781	-5,491	-13,082
Sale of repossessed assets					2,587		2,587
Total portfolio revenue	13,280	33,885	27,361	33,409	73,017	19,841	200,793

Note 6 Purchased loan portfolios

Purchased loan portfolios consists of portfolios of delinquent consumer debts purchased significantly below nominal value, reflecting incurred and expected credit losses, and thus defined as credit impaired. For purchased loan portfolios, timely collection of principal and interest is no longer reasonably assured at the date of purchase. Purchased loan portfolios 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 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 a collateral asset basis. The majority of the purchased loan portfolios are unsecured, whereas approximately 10% of the book value of the loans are secured by a property object per 31 December 2024 (2023: 6%).

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. Changes in expected cash flows are adjusted in the carrying amount and are recognized in the profit or loss as revenue or expense in 'Net gain/ (loss) purchased loan portfolios'. Interest revenue is recognized using a credit adjusted effective interest rate, included in 'Interest revenue from purchased loan portfolios'.

The estimation of future cash flows is affected by several factors, including general macro factors, market specific factors, portfolio specific factors and internal factors. Axactor has incorporated into the estimated remaining collections the effect of the economic factors and conditions that is expected to influence collections going forward. Scenarios have been used to consider possible non-linear relationships between macroeconomic factors and collections.

For more information on accounting principles and a description of significant accounting judgments, estimates and assumptions related to purchased loan portfolios, see [note 2.9.1](#) and [note 4](#) in the Group's annual report 2023.

EUR thousand	For the quarter end		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Balance at start of period	1,258,652	1,253,619	1,265,327	1,252,642
Acquisitions during the period	33,942	24,079	127,757	116,118
Collections	-143,379	-69,100	-356,667	-287,046
Interest revenue from purchased loan portfolios	55,806	53,801	222,038	211,289
Net gain/(loss) purchased loan portfolios	-115,663	-4,760	-152,269	-13,082
Repossessions	-669	-455	-3,077	-1,123
Deliveries on forward flow contracts	-	514	185	1,435
Currency translation differences	-1,216	7,630	-15,822	-14,905
Balance at end of period	1,087,472	1,265,327	1,087,472	1,265,327

Acquisitions during the period can be split into nominal value of the acquired portfolios and expected credit losses at acquisition as follows:

EUR thousand	For the quarter end		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Nominal value acquired portfolios	815,130	124,007	3,780,879	3,659,615
Expected credit losses at acquisition	-781,188	-99,928	-3,653,122	-3,543,497
Acquisitions during the period	33,942	24,079	127,757	116,118

Purchase of loan portfolios presented in the consolidated statement of cash flows may not correspond to acquisitions during the period due to deferred payments.

The book value of purchased loan portfolios per market is presented in the table below:

EUR thousand	31 Dec 2024		31 Dec 2023	
	Book value	% of total	Book value	% of total
Finland	102,351	9%	118,453	9%
Germany	152,474	14%	189,308	15%
Italy	158,001	15%	165,929	13%
Norway	212,450	20%	240,989	19%
Spain	297,245	27%	349,715	28%
Sweden	164,951	15%	200,932	16%
Total book value	1,087,472	100%	1,265,327	100%

The ERC represents the estimated gross collections on the purchased loan portfolios. ERC, amortization, and interest revenue from purchased loan portfolios per year are specified below (year 1 means the first 12 months from the reporting date):

EUR thousand	Estimated remaining collections (ERC), amortization and interest revenue from purchased loan portfolios per year																
	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total ERC
31 Dec 2024																	
ERC	258,370	267,437	261,253	238,684	211,405	181,386	160,781	144,227	129,412	113,140	95,242	83,210	73,814	64,402	56,964	2,339,729	
Amortization	65,964	90,888	105,702	104,680	97,594	83,769	76,451	71,981	68,481	62,940	54,624	51,536	50,846	50,235	51,778	1,087,472	
Interest revenue	192,406	176,549	155,550	134,004	113,811	97,618	84,330	72,245	60,932	50,200	40,618	31,674	22,968	14,167	5,186	1,252,257	
31 Dec 2023																	
ERC	314,676	308,058	283,589	259,528	225,064	195,895	176,394	158,644	143,318	129,194	112,964	93,850	81,633	72,962	64,648	2,620,416	
Amortization	105,653	120,186	118,013	116,194	102,024	89,571	83,946	79,066	75,868	73,397	68,420	59,450	56,796	57,606	59,135	1,265,327	
Interest revenue	209,023	187,871	165,575	143,334	123,040	106,323	92,448	79,578	67,450	55,797	44,544	34,400	24,838	15,356	5,513	1,355,089	

Note 7 Interest-bearing loans and borrowings

EUR thousand	Currency	Facility limit	Nominal value	Treasury bonds	Carrying amount	Interest coupon	Maturity
Facility							
Bond ACR03 (ISIN NO0011093718)	EUR		300,000	-69,810	228,101	3m EURIBOR + 535bps	15.09.2026
Bond ACR04 (ISIN NO0013005264)	NOK		194,998		193,663	3m NIBOR + 825bps	07.09.2027
Total bond loans			494,998	-69,810	421,764		
Revolving credit facility	EUR		327,294		318,714	EURIBOR + margin	30.06.2026
(multi-currency facility)	SEK		144,250		144,250	STIBOR + margin	30.06.2026
Total credit facilities		545,000	471,544		462,964		
Total interest-bearing loans and borrowings at end of period			966,541	-69,810	884,728		

Change in loans and borrowings from financial activities

EUR thousand	Bond loans	Credit facilities	Total Borrowings
Balance on 1 Jan	480,214	458,889	939,104
Proceeds from loans and borrowings	-	42,000	42,000
Repayment of loans and borrowings	-50,860	-38,461	-89,321
Loan fees	-117	-	-117
Total changes in financial cash flow	-50,977	3,539	-47,438
Amortization of capitalized loan fees	2,111	5,229	7,340
Currency translation differences	-9,702	-4,693	-14,395
Other non-cash movements	117	-	117
Total interest-bearing loans and borrowings at end of period	421,763	462,964	884,728

Maturity

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

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 ACR03 (ISIN NO0011093718)	EUR	228,101	261,559	9,205	8,818	243,338	-
Bond ACR04 (ISIN NO0013005264)	NOK	193,663	261,743	11,897	11,730	23,330	218,209
Total bond loan		421,764	523,302	21,102	20,548	266,667	218,209
Revolving credit facility (multi-currency facility)	EUR/SEK	462,964	509,401	13,290	12,570	484,156	-
Total credit facilities		462,964	509,401	13,290	12,570	484,156	-
Total interest-bearing loans and borrowings at end of period		884,728	1,032,703	34,392	33,118	750,824	218,209

Revolving credit facility DNB/Nordea

The revolving credit facility consists of EUR 545 million in a multi-currency facility. The loan carries a variable interest rate based on the interbank rate in each currency with a margin. The maturity date for the facility is 30 June 2026.

The following financial covenants apply:

- NIBD ratio to pro-forma adjusted cash EBITDA \leq 3:1 (secured loans (RCF) less cash to pro-forma adjusted cash EBITDA L12M)
- Portfolio loan to value ratio \leq 60% (NIBD to total book value of loan portfolios)
- Portfolio collection performance \geq 90% (actual portfolio performance L6M to active forecast L6M)
- Parent loan to value \leq 80% (total loans for the Group less cash to total book value of all loan portfolios and REOs)

Axactor is compliant with all covenants.

All subsidiaries of the Group, except Reolux Holding S.à r.l. and its subsidiaries, are part of the security package for this facility. The subsidiaries that are part of the security package are guarantors and have granted a share pledge and a bank account pledge with the exception of Axactor Italy SpA and the subsidiaries of Axactor Portfolio Holding where there is only granted a share pledge.

Bond loans

ACR03 (ISIN NO0011093718)

The bond was placed at 3m EURIBOR + 5.35% interest, with maturity date 15 September 2026. The bond is listed on Oslo Børs. On 31 December 2024, the Group holds treasury bonds in ACR03 with a nominal value of EUR 70 million.

ACR04 (ISIN NO0013005264)

The bond was placed at 3m NIBOR + 8.25% interest, with maturity date 7 September 2027. The bond is listed on Oslo Børs.

The following financial covenants apply to both bond loans:

- Interest coverage ratio: \geq 3.0x (Pro-forma adjusted Cash EBITDA to net interest expenses)
- Leverage ratio: \leq 4.0x (NIBD to pro-forma adjusted cash EBITDA)
- Net loan to value: \leq 80% (NIBD to total book value all loan portfolios and REOs)
- Net secured loan to value: \leq 60% (secured loans less cash to total book value all loan portfolios and REOs)

Axactor is compliant with all covenants.

Trustee: Nordic Trustee

Note 8 Leases

Axactor has in the fourth quarter of 2024 impaired part of its leased offices in Germany and Sweden related to unused office space, amounting to EUR 1.5 million. From June 2024, Axactor has subleased part of its leased office space in Norway, resulting in a reduction of right of use assets of EUR 0.7 million and recognition of lease receivables of EUR 0.6 million. The lease receivables are included in the line items 'Other current assets' and 'Other non-current assets' in the consolidated statement of financial position.

Right of use assets

EUR thousand	Buildings	Vehicles	Other	Total
Right of use assets on 31 Dec 2022	11,263	401	93	11,757
Additions	2,881	752	53	3,685
Depreciation	-3,034	-331	-44	-3,409
Disposals	-232	-31	-	-264
Currency translation differences	-167	2	-	-165
Right of use assets on 31 Dec 2023	10,711	792	101	11,604
Additions	1,906	271	-	2,177
Depreciation	-2,667	-445	-50	-3,162
Impairment	-1,508	-	-	-1,508
Disposals	-1,144	-22	-	-1,167
Currency translation differences	-122	-3	-	-125
Right of use assets on 31 Dec 2024	7,176	594	50	7,820
Remaining lease term	1-7 years	1-4 years	1-3 years	
Depreciation method	Linear	Linear	Linear	

Lease liabilities

EUR thousand	31 Dec 2024	31 Dec 2023
Lease liabilities on 1 Jan	12,163	12,239
Net new leases	1,074	3,237
Lease payments, principal amount	-2,652	-3,143
Currency translation differences	-155	-171
Lease liabilities at period end	10,430	12,163
Current	3,348	3,194
Non-current	7,083	8,969

The future aggregated minimum lease payments under lease liabilities are as follows:

EUR thousand	31 Dec 2024	31 Dec 2023
Undiscounted lease liabilities and maturity of cash outflows		
< 1 year	3,892	3,837
1-2 years	3,683	3,598
2-3 years	1,575	3,232
3-4 years	959	1,237
4-5 years	696	700
> 5 years	977	1,261
Total undiscounted lease liabilities	11,781	13,866
Discounting element	-1,350	-1,703
Total lease liabilities	10,430	12,163

Note 9 Fair value of forward flow commitments

Changes in the fair value of forward flow commitments are shown below. For additional information, see [note 2.9.2](#) in the Group's annual report 2023.

EUR thousand	31 Dec 2024	31 Dec 2023
Balance on 1 Jan	311	-
Value change	-120	1,805
Deliveries	-185	-1,435
Currency translation differences	-5	-58
Balance at period end	-	311

The changes in fair value of forward flow commitments are included in 'Other current assets' in the consolidated statement of financial position:

EUR thousand	31 Dec 2024	31 Dec 2023
Fair value of forward flow commitments (asset)	-	311
Balance at period end	-	311

Note 10 Issued shares and share capital

Issued shares and share capital

	Number of shares	Share capital (EUR)
On 31 Dec 2022	302,145,464	158,368,902
On 31 Dec 2023	302,145,464	158,368,902
On 31 Dec 2024	302,145,464	158,368,902

Shares owned by the Board and Group executive management on 31 Dec 2024

Name	Shareholding	Share %
Latino Invest AS/Johnny Tsohis ¹	1,770,000	0.6%
Terje Mjøs Holding AS ²	750,000	0.2%
Vibeke Ly ³	240,850	0.1%
Arnt Andre Dullum ³	200,000	0.1%
Karl Mamelund ³	196,858	0.1%
Nina Mortensen ³	160,000	0.1%
Kyrre Svae ³	43,000	-
Kjersti Høklingen ²	21,000	-
Brita Eilertsen ²	19,892	-
Ørjan Svanevik, through Oavik Capital AS ²	13,000	-

¹ CEO/related to the CEO of Axactor ASA

² Member of the Board/controlled by member of the Board

³ Member of the Group executive management

20 largest shareholders on 31 Dec 2024

Name	Shareholding	Share %
Geveran Trading Company Ltd	150,385,439	49.8%
DNB Markets Aksjehandel/-analyse (Broker)	9,593,658	3.2%
Skandinaviska Enskilda Banken AB	8,420,924	2.8%
Skandinaviska Enskilda Banken AB (Nominee)	5,279,467	1.7%
J.P. Morgan SE (Nominee)	4,454,162	1.5%
Spectatio Finans AS	3,786,728	1.3%
Stiftelsen Kistefos	3,000,000	1.0%
Nordnet Livsforsikring AS	2,985,796	1.0%
Nordnet Bank AB (Nominee)	2,736,073	0.9%
Stavern Helse og Forvaltning AS	2,700,675	0.9%
Siljan Industrier AS	2,135,306	0.7%
Endre Rangnes	2,017,000	0.7%
Gvepseborg AS	1,782,826	0.6%
Latino Invest AS/Johnny Tsohis	1,770,000	0.6%
Alpette AS	1,661,643	0.5%
Avanza Bank AB (Broker)	1,389,817	0.5%
Andres Lopez Sanchez	1,177,525	0.4%
David Martin Ibeas	1,177,525	0.4%
Øen Holding AS	1,100,000	0.4%
Øvrum Invest AS	1,009,384	0.3%
Total 20 largest shareholders	208,563,948	69.0%
Other shareholders	93,581,516	31.0%
Total number of shares	302,145,464	100%
Total number of shareholders	7,761	

Note 11 Discontinued operations

There are no discontinued operations or assets classified as held for sale in 2024.

The results of the discontinued operations, which have been included in net profit/(loss) after tax for 2023, were as follows:

EUR thousand	For the quarter end	Year to date
	31 Dec 2023	31 Dec 2023
Other operating revenue	1,552	4,296
Total revenue	1,552	4,296
Cost of REOs sold, incl impairment	-3,908	-8,422
Other operating expenses	-432	-1,495
Total operating expenses	-4,340	-9,917
EBITDA	-2,788	-5,621
Amortization and depreciation	-	-
Operating profit	-2,788	-5,621
Financial expenses	-	-348
Net financial items	-	-348
Profit/(loss) before tax	-2,788	-5,969
Income tax expense	-	-
Net profit/(loss) after tax	-2,788	-5,969
Attributable to:		
Non-controlling interests	-1,531	-3,418
Shareholders of the parent company	-1,257	-2,551
Earnings per share: basic and diluted	-0.004	-0.008

There were no assets classified as held for sale 31 December 2023.

The net cash flows incurred by the operations classified as held for sale in 2023 were as follows:

EUR thousand	For the quarter end	Year to date
	31 Dec 2023	31 Dec 2023
Net cash flow from operating activities	1,120	2,801
Net cash flow from investing activities	-	-
Net cash flow from financing activities	-2,129	-6,409
Total net cash flow	-1,009	-3,607

Alternative performance measures

Alternative performance measures (APMs) used in Axactor

APM	Definition	Purpose of use	Reconciliation IFRS
Gross revenue	Total revenue plus portfolio amortizations and revaluation, and change in fair value of forward flow commitments	To review the revenue before split into interest and amortization (for own portfolios)	Total revenue from consolidated statement of profit or loss plus portfolio amortization and revaluation and change in fair value of forward flow commitments in the consolidated statement of cash flows
Cash EBITDA	EBITDA adjusted for calculated cost of share option program, portfolio amortization and revaluation, change in fair value of forward flow commitments and repossessed assets cost of sale and impairment	To reflect cash from operating activities, excluding timing of taxes paid and movement in working capital	EBITDA (total revenue minus total operating expenses) in consolidated statement of profit or loss adjusted for specified elements from the consolidated statement of cash flows
Cash EBITDA, incl. discontinued operations	Cash EBITDA 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 (total revenue minus total operating expenses) in consolidated statement of profit or loss plus EBITDA from discontinued operations according to note 11 (only 2023), adjusted for specified elements from the consolidated statement of cash flows
Estimated remaining collections (ERC)	Estimated remaining collections express the expected future cash collections on purchased loan portfolios 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 collections including estimated interest revenue and opex	Purchased loan portfolios in the consolidated statement of financial position, plus estimated operating expenses for future collections at time of acquisition and estimated discounted gain
Net interest-bearing debt (NIBD)	Net interest-bearing debt reflects total interest-bearing debt less total amount of unrestricted cash and cash equivalents	NIBD is used as an indication of the Group's ability to pay off all of its debt	Non-current and current portion of interest-bearing debt and cash and cash equivalents from the consolidated statement of financial position and as attributable to discontinued operations according to note 11 , with adjustments to get to nominal value of the debt, less treasury bonds
Return on equity to shareholders, annualized	Net profit/(loss) after tax 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 divided by average equity attributable to shareholders from the consolidated statement of changes in equity
Return on equity, annualized	Net profit/(loss) after tax divided by average total equity for the period, annualized	Measures the profitability in relation to total equity	Net profit/(loss) after tax from continuing operations from the consolidated statement of profit or loss divided by average total equity from the consolidated statement of changes in equity

Gross revenue

	For the quarter end		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
EUR thousand				
Total revenue	-42,628	65,146	127,937	256,637
Portfolio amortization and revaluation	203,236	20,059	286,898	88,840
Change in fair value of forward flow commitments	-	-19	120	-1,805
Gross revenue	160,608	85,186	414,956	343,672

EBITDA and Cash EBITDA

	For the quarter end		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
EUR thousand				
Total revenue	-42,628	65,146	127,937	256,637
Total operating expenses	-31,277	-30,847	-118,658	-124,789
EBITDA	-73,905	34,299	9,279	131,848
Calculated cost of share option program	52	126	382	450
Portfolio amortization and revaluation	203,236	20,059	286,898	88,840
Change in fair value of forward flow commitments	-	-19	120	-1,805
Cost of repossessed assets sold, incl. impairment	200	582	1,599	1,759
Cash EBITDA	129,584	55,047	298,278	221,092
EBITDA from discontinued operations	-	-2,788	-	-5,621
Cost of REOs sold, incl. impairment	-	3,908	-	8,422
Cash EBITDA, incl discontinued operations	129,584	56,167	298,278	223,893
Taxes paid	-6,815	-6,773	-23,584	-11,616
Change in working capital	11,642	2,864	-4,394	-2,905
Cash flow from operating activities before NPL investments	134,410	52,258	270,300	209,372

Estimated remaining collections (ERC)

	For the quarter end		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
EUR thousand				
Purchased loan portfolios	1,087,472	1,265,327	1,087,472	1,265,327
Estimated opex for future collections at time of acquisition	367,087	369,720	367,087	369,720
Estimated discounted gain	885,170	985,368	885,170	985,368
Estimated remaining collections (ERC)	2,339,729	2,620,416	2,339,729	2,620,416

Net interest-bearing debt (NIBD)

	For the quarter end		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
EUR thousand				
Interest-bearing debt from financial position	884,728	939,104	884,728	939,104
Total interest-bearing debt	884,728	939,104	884,728	939,104
Capitalized loan fees and other adjustments	12,004	19,344	12,004	19,344
Cash and cash equivalents from financial position	-32,991	-31,826	-32,991	-31,826
Net interest-bearing debt (NIBD)	863,740	926,622	863,740	926,622

Return on equity to shareholders, annualized

EUR thousand	For the quarter end		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Net profit/(loss) after tax attributable to shareholders of the parent company	-84,771	7,343	-79,526	30,830
Average equity for the period related to shareholders of the parent company	384,009	428,596	411,687	419,074
Return on equity to shareholders, annualized	-87.8%	6.8%	-19.3%	7.4%

Return on equity, annualized

EUR thousand	For the quarter end		Year to date	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Net profit/(loss) after tax ¹	-84,671	9,216	-79,060	33,563
Average total equity for the period	374,758	419,398	402,223	411,350
Return on equity, annualized	-89.9%	8.7%	-19.7%	8.2%

¹ Prior year figures are net profit/(loss) after tax from continuing operations

/ Glossary

Terms

Active forecast	Forecast of estimated remaining collections on purchased loan portfolios
Board	Board of Directors
Cash EBITDA margin	Cash EBITDA as a percentage of gross revenue
Chair	Chair of the Board of Directors
Contribution margin (%)	Total operating expenses (excluding SG&A, IT and corporate cost) as a percentage of total revenue
Collection performance	Gross collections on purchased loan portfolios in relation to active forecast, including sale of repossessed assets in relation to book value
Cost-to-collect	Cost to collect is calculated as segment operating expenses plus a pro rata allocation of unallocated operating expenses and unallocated depreciation and amortization. The segment operating expense is used as allocation key for the unallocated costs
Equity ratio	Total equity as a percentage of total equity and liabilities
Forward flow agreement	Agreement for future acquisitions of loan portfolios at agreed prices and delivery
Gross IRR	The credit adjusted interest rate that makes the net present value of ERC equal to the book value of purchased loan portfolios, calculated using monthly cash flows over a 180-months period

Group	Axactor ASA and all its subsidiaries
NPL amortization rate	Portfolio amortization divided by collections on own portfolios for the NPL segment
NPL cost-to-collect ratio	NPL cost to collect divided by NPL total revenue excluding NPV of changes in collection forecasts and change in fair value of forward flow commitments
One off portfolio acquisition	Acquisition of a single loan portfolio
Opex	Total operating expenses
Recovery rate	Portion of the original debt repaid
Replacement capex	Amount of acquisitions of new loan portfolios needed to keep the book value of purchased loan portfolios constant compared to last period
Repossession	Taking possession of property due to default on payment of loans secured by property
Repossessed assets	Property repossessed from secured loan portfolios
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	FSA	The financial supervisory authority
AGM	Annual general meeting	FTE	Full time equivalent
APM	Alternative performance measures	GHG	Greenhouse gas emissions
ARM	Accounts receivable management	HQ	Headquarters
B2B	Business to business	IFRS	International financial reporting standards
B2C	Business to consumer	LTV	Loan to value
BoD	Board of Directors	NCI	Non-controlling interests
BS	Consolidated statement of financial position (balance sheet)	NPL	Non-performing loan
BV	Book value	OB	Outstanding balance, the total amount Axactor can collect on claims under management, including outstanding principal, interest and fees
CF	Consolidated statement of cash flows	OCI	Consolidated statement of other comprehensive income
CGU	Cash generating unit	P&L	Consolidated statement of profit or loss
CM	Contribution margin	PCI	Purchased credit impaired
D&A	Depreciation and amortization	PPA	Purchase price allocations
Dopex	Direct operating expenses	REO	Real estate owned
EBIT	Operating profit/Earnings before interest and tax	ROE	Return on equity
EBITDA	Earnings before interest, tax, depreciation and amortization	SDG	Sustainable development goal
ECL	Expected credit loss	SG&A	Selling, general & administrative
EGM	Extraordinary general meeting	SPV	Special purpose vehicle
EPS	Earnings per share	VIU	Value in use
ERC	Estimated remaining collections	VPS	Verdipapirsentralen/Norwegian central securities depository
ESG	Environmental, social and governance	WACC	Weighted average cost of capital
ESOP	Employee stock ownership plan	WAEP	Weighted average exercise price

