

# AXACTOR

[Highlights](#) [Key figures](#) [Operations](#) [Financials](#) [APM](#) [Glossary](#)




## Report Q2 2024





# Axactor helps people and society to a better future



We are passionate, proactive  
and act with integrity

# / Highlights<sup>1</sup>

## Second quarter 2024

- Investments in NPL portfolios of EUR 70.4 million for the second quarter (40.2), and increasing the average gross IRR for the total NPL book to 19% (18%)
- Gross revenue of EUR 89.2 million, compared to EUR 91.3 million in the second quarter 2023, a 2% reduction driven by a continued tough collection environment in especially Germany and Northern Europe
- Total income ended at EUR 59.1 million, down 9% compared to the second quarter last year (65.1)
- Opex in percent of gross revenue of 32% (35%) which is the lowest recorded since inception
- An improved EBITDA margin of 51% (50%) with EBITDA of EUR 30.3 million, 7% lower than the same quarter last year (32.7)
- Cash EBITDA growth of 3%, ending at EUR 61.1 million for the quarter (59.6)
- Annualized return on equity to shareholders of 4% for the quarter (10%)
- 10 July 2024 the Swedish Financial Supervisory Authority approved Axactor's application relating to the EU NPL directive

## First half year 2024

- Gross revenue of EUR 168.3 million, down 3% from EUR 174.1 million and total income down 9% to EUR 115.6 million (127.2), compared to the first half 2023
- EBITDA of EUR 56.6 million, down 10% from the first half 2023 (63.1), with an upheld solid EBITDA margin ending at 49% (50%)
- Cash EBITDA ended at EUR 110.1 million, down 1% from EUR 111.0 million in the corresponding period last year
- Both annualized return on equity and annualized return on equity to shareholders ended at 2% (9%), driven by a tough collection environment and increased interest rates
- Invested EUR 81.2 million in NPL portfolios (73.0) at attractive price levels, contributing to a 4% growth in ERC compared to last year
- Solid performance on 3PC benchmarks together with positive new sales within the 3PC bank and finance segment are expected to further improve 3PC volumes going forward

<sup>1</sup> 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		Full year 2023
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
Gross revenue	89	91	168	174	344
Total income	59	65	116	127	257
EBITDA	30	33	57	63	132
Cash EBITDA	61	60	110	111	221
Net profit/(loss) after tax	4	11	5	18	34
EBITDA margin	51%	50%	49%	50%	51%
Return on equity to shareholders, annualized <sup>1</sup>	4%	10%	2%	9%	7%
Return on equity, annualized	4%	11%	2%	9%	8%
Equity ratio	29%	28%	29%	28%	29%
Acquired NPL portfolios	70	40	81	73	116
Book value of NPL portfolios	1,284	1,241	1,284	1,241	1,265
Estimated remaining collections (ERC)	2,664	2,563	2,664	2,563	2,620
Number of employees (FTEs)	1,228	1,293	1,228	1,293	1,255
Price per share, last day of period (NOK)	4.11	5.09	4.11	5.09	5.08
Market capitalization (NOK million)	1,242	1,538	1,242	1,538	1,535

<sup>1</sup> Prior year figures for return on equity to shareholders include continuing and discontinued operations

## Gross revenue

EUR million

# 89

-2% y/y

## ERC, NPL

EUR million

# 2,664

4% y/y

## Return on equity

# 4%

## EBITDA

EUR million

# 30

51% margin

## Cash EBITDA

EUR million

# 61

3% y/y

## Equity ratio

# 29%

# / Operations

The second quarter of 2024 followed the trend from the first quarter, with stronger performance in Spain and Italy compared to Germany and the Nordic countries. The NPL segment reported gross revenue of EUR 75.8 million (78.2), resulting in a collection performance of 93% (102%), while the 3PC revenues for the quarter was EUR 13.4 million (13.1). To mitigate for the reduction in collection, cost efficiency measures have been a key focus also in the second quarter of 2024. A historical low opex in percent of gross revenue was achieved as a testament to the improvements and ended at 32% for the second quarter of 2024 (35%).

During the first half of 2024, Axactor has experienced substantial positive development in the 3PC segment in Norway. The strategic focus on enhancing our product offering, particularly within the 3PC bank and finance sector is so far showing great results. The feedback on the value offering within the bank and finance segment is very positive from both customers and prospects, as the approach differentiates us from our competitors. Building on this momentum, continued growth is expected over the next six to nine months, reinforcing a strong commitment to innovation and excellence within the segment.

The Spanish portfolio team was successful in acquiring seven new portfolios during the second quarter of 2024, of which four portfolios secured by real estate collaterals and three unsecured portfolios with more than 100,000 cases in total. The new volumes will be serviced mainly through the Madrid and Valladolid offices.

## High activity level in the call centers

It is key to establish dialogue with the debtors in order to give support and advice on finding a solution to their financial situation. To do so, the main channel for communication is inbound and outbound telephony. For the second quarter of 2024, Axactor had a high level of operational activity, and the call centers handled more than 4.3 million calls. Despite a significant increase in digital communication, telephony is by far the most used communication channel with debtors. Axactor Finland is currently the most digital market where the debtors prefer to use the self-service portal or the online chat function. For the second quarter of 2024 the digital communication in Finland almost outnumbered handled phone calls by 2:1.

## New partner for IT infrastructure services

During the first half of 2024 an extensive RFP process has been conducted to determine the future partner for the Group's IT

infrastructure services. Several vendors were evaluated and a 3-year agreement was signed with Advania end of June. Axactor believes that Advania will be a strong partner for future growth supported by improved terms, flexible solutions and an impressive cybersecurity set-up. The migration project will start in August 2024 and is expected to be finalized within June 2025.

## Penetration test confirming a strong cybersecurity defense

In June, Axactor received feedback from a new penetration testing partner on the IT security level for the Group. Their final report was very positive, stating that Axactor has advanced security in place, and a strong defense compared to peers within the finance and banking sector. It is clear that the biggest threat is still attacks aimed at Axactor's employees, such as phishing attacks. The internal phishing campaigns from the IT security department have been increased to target special departments that are more vulnerable. As an example, the finance department, sales, HR, and IT, were all targeted with specialized campaigns in order to improve awareness and build a stronger cybersecurity defense.

## Data privacy and information security

A working group has been established to make a gap analysis between Axactor's current operations and the requirements of the Digital Operations Resilience Act ("DORA"), which will be effective from 17 January 2025, and to propose necessary changes. The new infrastructure vendor announced above will also ensure compliance with DORA as part of the transition project.



Trainings have been held related to values and ethics, confidentiality, password management, cyberattacks and scams, mobile device security, smishing, email and shadow IT. The business continuity plans have been reviewed and the plan to prevent and manage phishing attacks has been updated.

### **The annual general meeting**

Axactor held its annual general meeting 8 May 2024. All the proposals from the Board of Directors were approved, including the 2023 annual report. No changes to the composition of the Board of Directors were proposed. It was decided to change the company's auditor from PWC to EY.

### **Long-term incentive program**

A long-term incentive program designed to align and incentivize senior management in the Group to create shareholder value and retain key employees went into effect 14 June 2024. The program is based on performance share units and reflects the Group's long-term performance. The options will vest after three years.

### **Human- and workers' rights**

The results of the human rights due diligence assessment, confirming compliance with fundamental human rights and decent working conditions, was included in the annual report of 2023 and published on the company's websites. Through this assessment, Axactor has not found evidence of any adverse human rights impacts caused or contributed to by Axactor. At the same time, this is not something which can be taken for granted, and Axactor will continue to work towards improving its human rights impact assessment.

The EU Council approved the Corporate Sustainability Due Diligence Directive 15 March 2024. It is expected that information on actual or potential human rights risks and impacts in indirect value chains will become more easily available in the years to come, which will enable companies to gain a better understanding of its impact on human- and workers' rights. The company will continue to follow the development diligently going forward.

Axactor has been a signatory of UN Global Compact since June 2021. The communication of progress was submitted 10 June 2024. Axactor discloses its continuous efforts to integrate the Ten Principles into its business strategy, culture, and daily operations. Axactor contributes to the United Nations goals, particularly the Sustainable Development Goals, and reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption.

### **NPL directive**

In line with the EU NPL Directive, the Swedish Financial Supervisory Authority granted on 10 July 2024 Axactor Sweden AB permission to be a credit manager, without the right to receive and hold funds from borrowers. Axactor has also submitted an application to the German Federal Financial Supervisory Authority (BaFin) 27 March 2024. In Finland, Italy, Norway and Spain local implementation of the NPL Directive is ongoing, including considerations of new supervisory authorities and stricter regulations. As Axactor already holds a license as financial intermediary in Norway and Italy, few changes are expected in these countries.

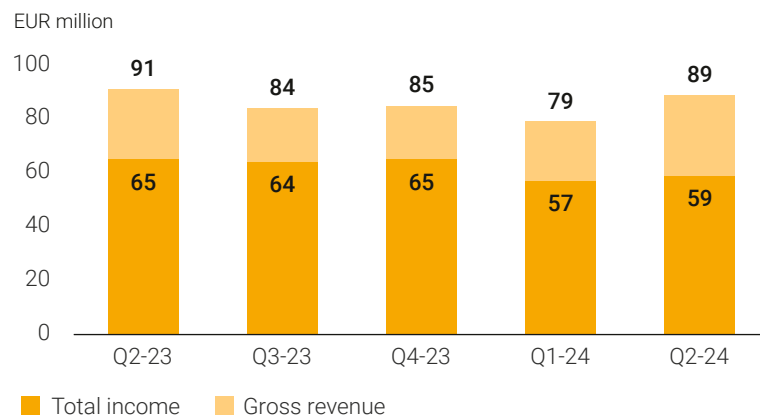
# Financials

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 income for the second quarter ended at EUR 59.1 million, down from EUR 65.1 million in the second quarter last year. Gross revenue came in at EUR 89.2 million compared to EUR 91.3 million in the same quarter last year. The main driver for the lower gross revenue is the continued pressure on collection levels from

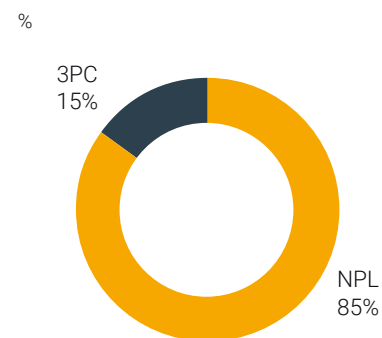
### Total income and Gross revenue



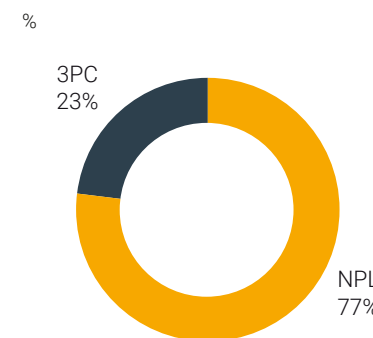
macroeconomic headwinds and government-imposed debtor relief initiatives, resulting in an NPL collection performance of 93% in the second quarter 2024 compared to 102% in the second quarter 2023.

The NPL segment delivered a total income of EUR 45.7 million for the quarter, down 12% from the second quarter 2023 (51.9). The lower total income is further explained by net NPL revaluations and changes in fair value forward flow commitments of combined EUR -4.6 million (-1.4). Gross revenue ended at EUR 75.8 million (78.2). The NPL amortization rate increased to 34% (32%).

### Gross revenue mix Q2 2024



### Total income mix Q2 2024



The 3PC segment total income ended at EUR 13.4 million, up from EUR 13.1 million in the second quarter 2023. Excluding the 3PC businesses in Sweden and Finland that was closed during 2023, the growth was 8% driven by double-digit growth in both Spain and Norway. The Norwegian 3PC business is experiencing solid growth from new sales within the bank and finance segment, a key focus area of Axactor’s strategy.

For the first half year, the Group delivered total income of EUR 115.6 million (127.2) and a gross revenue of EUR 168.3 million (174.1). The NPL segment total income was EUR 90.4 million for the first half year (101.3), down 11% from the first half of 2023. The decline is partially explained by net NPL revaluations and changes in fair value forward flow commitments of combined EUR -9.4 million (-2.2). The NPL gross revenue fell 3% compared to the same period last year, to EUR 143.0 million (148.2). 3PC total income for the first half year was EUR 25.2 million (25.9), down 2% from the first half year 2023. Excluding the Swedish and Finnish 3PC business, the first half year 3PC total income grew 3%.

## Operating expenses

Total operating expenses before depreciation and amortization was EUR 28.7 million for the second quarter (32.4). The cost reduction compared to the second quarter last year reflects the action taken on the organizational capacity as well as improved processes for selecting cases to proceed with legal measures. The continued

focus on cost efficiency and process improvements ensured that the operating expenses as a percentage of gross revenue fell to 32% for the second quarter from 35% for the second quarter last year.

Depreciation and amortization – excluding amortization of NPL portfolios – was EUR 2.4 million (2.3) for the quarter.

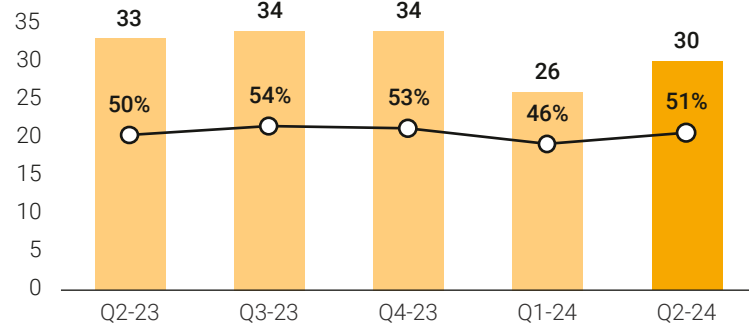
For the first half year, total operating expenses before depreciation and amortization ended at EUR 59.1 million (64.1), or 35% of gross revenue (37%). Depreciation and amortization – excluding amortization of NPL portfolios – ended at EUR 4.5 million (4.5).

**Operating results**

Total contribution margin from the business segments was EUR 40.3 million for the quarter, compared to EUR 43.9 million for the second quarter last year. Supported by the positive cost

**EBITDA and EBITDA margin**

EUR million and %



development, the contribution margin over total income thus increased marginally from 67% to 68%.

The NPL segment delivered a contribution margin of EUR 35.5 million in the second quarter, down from EUR 39.6 million in the same quarter last year. The total operating expenses for the NPL segment ended at EUR 10.2 million, down from 12.4 million in the second quarter 2023. The contribution margin over total income ended at 78%, up from 76% in the second quarter 2023.

The contribution margin for the 3PC segment was EUR 4.9 million, up from EUR 4.3 million in the second quarter 2023. The increase is supported by both an increase in total income, and a reduction in operating expenses of 3% to EUR 8.5 million (8.8). The contribution margin over total income thus ended at 36% for the quarter (33%).

Total contribution from the business segments for the first half year ended at EUR 77.8 million (85.5), of which NPL contributed EUR 69.2 million (77.2) and 3PC contributed EUR 8.6 million (8.3).

EBITDA for the second quarter came in at EUR 30.3 million, a reduction from EUR 32.7 million in the same quarter last year. The reduction is reflecting the tougher collection environment especially in Axactor’s Nordic and German operations. The EBITDA margin increased to 51%, up from EUR 50% in the second quarter 2023. For the first half year, EBITDA was EUR 56.6 million (63.1), resulting in a healthy EBITDA margin of 49% (50%).

The difference between contribution margin and EBITDA is comprised of unallocated SG&A, IT and corporate costs, which amounted to EUR 10.0 million for the quarter. This compares to EUR 11.2 million in the corresponding quarter 2023. For the first half year, unallocated SG&A, IT and corporate costs amounted to EUR 21.3 million (22.4).

Cash EBITDA ended at EUR 61.1 million for the second quarter, up 3% from EUR 59.6 million in the corresponding quarter last year. The improvement was mainly driven by the lower operating expenses offsetting the lower gross revenue.

Operating profit (EBIT) was EUR 28.0 million for the second quarter, compared to EUR 30.4 million in the second quarter last year. For the first half year, operating profit was EUR 52.0 million (58.6).

**Net financial items**

Total net financial items for the quarter were negative EUR 22.1 million (negative 16.4). The main part of the financial items was interest expense on borrowings of EUR 22.4 million (18.6). The increase from the second quarter last year is partly attributable to higher gross debt, but also to the significant increases in interest rates combined with the higher margin on the ACR04 bond which was issued in the third quarter 2023.

The net foreign exchange impact for the quarter was positive EUR 0.7 million, compared to negative EUR 0.3 million in the second quarter last year.



For the first half year, total net financial items were negative EUR 45.1 million (negative 34.7), of which interest expenses on borrowings were EUR 44.8 million (36.5), and the net foreign exchange impact was positive 0.3 million (negative 0.7).

### Earnings and taxes

Earnings before tax ended at EUR 5.9 million for the second quarter (13.9), while net profit ended at EUR 4.3 million (10.6). The effective tax rate was thus 27% for the quarter (24%). For the second quarter 2023 net profit including contribution from discontinued operations was EUR 9.6 million.

The net profit to shareholders of the parent company ended at EUR 4.2 million for the second quarter (10.3), and at EUR 0.1 million for non-controlling interests (-0.7). The resulting earnings per share was thus EUR 0.014 both on a reported basis and fully diluted (0.034), based on the average number of shares outstanding in each period.

For the first half year, earnings before tax ended at EUR 6.9 million (23.9), while the net profit ended at EUR 5.0 million (18.3). The effective average tax rate for the period was 27%, up from 24% in the first half year of 2023. For the first half year 2023 the net profit including discontinued operations was EUR 15.8 million. EUR 4.9 million of the net profit was attributable to shareholders of the parent company (17.5), while the remaining EUR 0.1 million was attributable to non-controlling interests (-1.7).

### Cash flow

For prior year figures, 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 -17.8 million (21.0) for the quarter, of which the amount paid for NPL portfolios was EUR 71.0 million (42.8). 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 negative cash flow from operating activities is mainly a result of increased investments in NPL portfolios. The total cash flow from operations excluding investments in NPL portfolios ended at EUR 53.3 million (63.8), with the reduction compared to 2023 mainly explained by an increase in working capital of EUR 5.0 million compared to a decrease of EUR 6.9 million in the same quarter last year.

For the first half year, net cash flow from operating activities was EUR 10.4 million (28.4), including NPL investments of EUR 84.3 million (78.3), cash EBITDA of EUR 110.1 million (112.6), taxes paid of EUR 11.6 million (6.0) and an increase in net working capital of EUR 3.8 million (-0.2).

Total net cash flow from investing activities, not including investments in NPL portfolios, was EUR -0.7 million for the second quarter, compared to EUR -1.1 million for the second quarter 2023. The net cash flow from investments for the first half year was EUR -1.3 million, compared to EUR -1.9 million in the first half year 2023.

Total net cash flow from financing activities was EUR 17.9 million for the quarter (-10.6), with a net drawdown on credit facilities of EUR 41.2 million (18.1). Interests paid increased from EUR 15.7 million in the second quarter last year, to EUR 22.5 million in the second quarter 2024. In the second quarter last year a total of EUR 11.4 million of loan fees relating to refinancing processes was paid.

For the first half year, total net cash flow from financing activities was EUR -6.2 million (-20.5), with interests paid of EUR 44.2 million (31.2), a net drawdown on credit facilities of EUR 39.8 million (24.5).

Total net cash flow was thus EUR -0.5 million for the quarter (9.4) and EUR 2.9 for the first half year (6.0), leaving total cash and cash equivalents at EUR 37.1 million at the end of the period (44.5). This includes EUR 1.9 million in restricted cash (7.9).

### Equity position and balance sheet considerations

Total equity for the Group was EUR 422.9 million at the end of June (403.9), including non-controlling interests of EUR -9.5 million (-8.1). The main reason for the increased equity compared to last year is the profit recognized during the last twelve months.

The resulting equity ratio at the end of the first half of 2024 was 29%, increased from 28% at the end of the first half last year.

### Return on equity

Annualized return on equity (ROE) ended at 4% (11%), and equally the annualized return on equity for shareholders ended at 4% for

the second quarter (10%). The corresponding figures for the first half year were 2% (9%) and 2% (9%), respectively.

Axactor will aim for further improvements of key drivers such as economies of scale, changes in the business mix, and accretive portfolio investments. At the same time, the interest rate increases put negative pressure on the return on equity development compared to last year.

### Capital expenditure and funding

Axactor invested EUR 70.4 million in NPL portfolios during the second quarter (40.2). The invested amount is significantly above the replacement capex and the estimated remaining collections thus grew by 4% from the first quarter 2024, to EUR 2,664.0 million (2,563.1). Adding the investments made during the first quarter, the total NPL investments for the first half year was EUR 81.2 million (73.0). Estimated NPL investment commitments for the remainder of 2024 stand at EUR 6.3 million at the end of the first half year.

Axactor has two outstanding bond loans per the end of the second quarter 2024. The EUR 300 million bond with ticker ACR03 matures in September 2026, and adjusting for treasury bonds the outstanding face value of the bond is EUR 281.1 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 limit of EUR 545 million, of which EUR 509.0 million were drawn per the end of the second quarter (527.0). 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 975.8 million at the end of the second quarter 2024 (944.5).

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

### Outlook

Market prices for NPL portfolios have been adjusting down towards what Axactor considers fair levels given the increased funding cost for the industry. Recent deals have been signed on significantly higher gross IRR levels compared to Axactor's early years. This has resulted in a gradual increase of the average gross IRR for the total portfolio quarter after quarter, ending at 19% at the end of the second quarter 2024, up from 18% at the end of first quarter 2024.

The estimated replacement capex for 2024 is approximately EUR 106 million, and the previously communicated target of EUR 100-200 million in investments should thus secure a relatively stable or growing book value throughout the year. With investments of EUR 81 million in the first half of 2024 the investment target is well within reach. The 3PC segment is showing a positive trend with revenue growth and increased margins. Especially in the Norwegian 3PC business Axactor is experiencing solid growth from new sales within the bank and finance segment.

Collections are expected to continue to be impacted by the higher interest rates levels and macroeconomic uncertainty, but Axactor aims to continue to deliver stable earnings during these turbulent times. Potential upsides could arise from interest rates and inflation falling faster than the current consensus, an improving bond market, and higher investment volumes at sustained attractive price levels. The Group executive management and Board continue to closely monitor the general macroeconomic situation and its potential business impacts, including the limited headroom under the interest coverage ratio and leverage ratio covenants pertaining to the two outstanding bond loans.

# / Responsibility statement

We confirm that, to the best of our knowledge, that the condensed set of interim consolidated financial statements for the first half of 2024 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, 14 August 2024

Terje Mjøs  
*Chair*

Brita Eilertsen  
*Board member*

Lars Erich Nilsen  
*Board member*

Kjersti Høklingen  
*Board member*

Ørjan Svanevik  
*Board member*

Johnny Tsolis  
*CEO*



# / Interim condensed consolidated financial statements

<b>Interim condensed consolidated statement of profit or loss</b>	13
<b>Interim condensed consolidated statement of comprehensive income</b>	14
<b>Interim condensed consolidated statement of financial position</b>	15
<b>Interim condensed consolidated statement of cash flows</b>	16
<b>Interim condensed consolidated statement of changes in equity</b>	17

<b>Notes to the interim condensed consolidated financial statements</b>	18
Note 1 Reporting entity and accounting principles	18
Note 2 Financial risks	18
Note 3 Operating segments	20
Note 4 Financial items	23
Note 5 Income	24
Note 6 Purchased loan portfolios	26
Note 7 Interest-bearing loans and borrowings	29
Note 8 Leases	32
Note 9 Fair value of forward flow commitments	33
Note 10 Issued shares and share capital	34
Note 11 Discontinued operations	35

## Interim condensed consolidated statement of profit or loss

EUR thousand	Note	For the quarter end		Year to date		Full year 2023
		30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
<b>Continuing operations</b>						
Interest income from purchased loan portfolios	<a href="#">5, 6</a>	54,839	52,194	109,076	104,150	211,289
Net gain/(loss) purchased loan portfolios	<a href="#">5, 6</a>	-10,249	-505	-20,149	-5,591	-13,082
Revenue from sale of repossessed assets	<a href="#">5</a>	1,085	1,020	1,584	1,409	2,587
Other operating revenue		13,377	12,363	25,107	27,212	55,843
Total income	<a href="#">3, 5</a>	59,051	65,073	115,619	127,180	256,637
Cost of repossessed assets sold, incl impairment	<a href="#">5</a>	-538	-538	-690	-735	-1,759
Personnel expenses		-15,459	-17,047	-32,568	-33,586	-66,576
Other operating expenses		-12,709	-14,771	-25,792	-29,742	-56,454
Total operating expenses		-28,706	-32,355	-59,050	-64,064	-124,789
EBITDA		30,345	32,718	56,568	63,116	131,848
Amortization and depreciation		-2,358	-2,332	-4,521	-4,510	-9,050
Operating profit		27,988	30,386	52,047	58,606	122,797
Financial revenue	<a href="#">4</a>	803	2,681	459	2,960	3,389
Financial expenses	<a href="#">4</a>	-22,862	-19,121	-45,591	-37,665	-84,750
Net financial items		-22,059	-16,439	-45,132	-34,705	-81,360
Profit/(loss) before tax from continuing operations		5,929	13,947	6,916	23,902	41,437
Income tax expense		-1,601	-3,342	-1,867	-5,645	-7,874
Net profit/(loss) after tax from continuing operations		4,328	10,605	5,049	18,257	33,563

EUR thousand	Note	For the quarter end		Year to date		Full year 2023
		30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
<b>Discontinued operations</b>						
Net profit/(loss) after tax from discontinued operations	<a href="#">11</a>	-	-997	-	-2,504	-5,969
Net profit/(loss) after tax		4,328	9,608	5,049	15,752	27,594
<b>Attributable to:</b>						
<b>Non-controlling interests:</b>						
Net profit/(loss) after tax from continuing operations		95	-83	140	-226	182
Net profit/(loss) after tax from discontinued operations		-	-594	-	-1,494	-3,418
Net profit/(loss) after tax		95	-676	140	-1,720	-3,235
<b>Shareholders of the parent company:</b>						
Net profit/(loss) after tax from continuing operations		4,233	10,688	4,908	18,483	33,381
Net profit/(loss) after tax from discontinued operations		-	-403	-	-1,010	-2,551
Net profit/(loss) after tax		4,233	10,284	4,908	17,473	30,830
<b>Earnings per share:</b>						
From continuing operations, basic and diluted:		0.014	0.035	0.016	0.061	0.110
From continuing and discontinued operations, basic and diluted:		0.014	0.034	0.016	0.058	0.102

## Interim condensed consolidated statement of comprehensive income

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
Net profit/(loss) after tax	4,328	9,608	5,049	15,752	27,594
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Remeasurement of pension plans	-	-	-	-	-48
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences - foreign operations	4,274	-7,224	-4,125	-19,636	-10,495
Fair value net gain/(loss) on cash flow hedges during the period	-216	-	-216	-	-
Cumulative net (gain)/loss on cash flow hedges reclassified to profit or loss	-796	-1,288	-1,593	-2,081	-3,569
Other comprehensive income/(loss) after tax	3,261	-8,512	-5,934	-21,718	-14,112
Total comprehensive income/(loss) for the period	7,589	1,096	-885	-5,965	13,482
<b>Attributable to:</b>					
Non-controlling interests	95	-676	140	-1,720	-3,235
Shareholders of the parent company	7,494	1,773	-1,025	-4,245	16,718



## Interim condensed consolidated statement of financial position

EUR thousand	Note	For the quarter end / YTD		
		30 Jun 2024	30 Jun 2023	Full year 2023
<b>Assets</b>				
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Goodwill		59,498	59,015	59,799
Deferred tax assets		7,036	2,999	8,502
Other intangible assets		14,049	15,877	15,116
<b>Tangible assets</b>				
Property, plant and equipment		1,806	2,179	2,036
Right of use assets	<a href="#">8</a>	9,364	12,127	11,604
<b>Financial assets</b>				
Purchased loan portfolios	<a href="#">6</a>	1,283,894	1,241,373	1,265,327
Other non-current assets		1,548	565	2,495
<b>Total non-current assets</b>		<b>1,377,196</b>	<b>1,334,135</b>	<b>1,364,879</b>
<b>Current assets</b>				
Repossessed assets		4,076	3,180	2,664
Accounts receivable		6,991	5,834	6,636
Other current assets		32,582	30,993	27,196
Restricted cash		1,945	7,935	2,613
Cash and cash equivalents		35,167	34,217	31,826
<b>Total current assets</b>		<b>80,761</b>	<b>82,161</b>	<b>70,935</b>
Assets classified as held for sale	<a href="#">11</a>	-	7,538	-
<b>Total assets</b>		<b>1,457,958</b>	<b>1,423,834</b>	<b>1,435,815</b>

EUR thousand	Note	For the quarter end / YTD		
		30 Jun 2024	30 Jun 2023	Full year 2023
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	<a href="#">10</a>	158,369	158,369	158,369
Other paid-in equity		271,063	270,621	270,831
Retained earnings		31,991	13,773	27,082
Other components of equity		-29,014	-30,734	-23,080
Non-controlling interests		-9,527	-8,128	-9,667
<b>Total equity</b>		<b>422,881</b>	<b>403,902</b>	<b>423,534</b>
<b>Non-current liabilities</b>				
Interest-bearing debt	<a href="#">7</a>	975,805	783,206	939,104
Deferred tax liabilities		10,106	8,374	10,549
Lease liabilities	<a href="#">8</a>	7,442	9,397	8,969
Other non-current liabilities		1,943	3,834	2,740
<b>Total non-current liabilities</b>		<b>995,296</b>	<b>804,811</b>	<b>961,361</b>
<b>Current liabilities</b>				
Accounts payable		4,663	5,546	4,057
Interest-bearing debt	<a href="#">7</a>	-	155,002	-
Taxes payable		5,370	15,979	12,243
Lease liabilities	<a href="#">8</a>	3,264	3,243	3,194
Other current liabilities		26,484	28,402	31,425
<b>Total current liabilities</b>		<b>39,781</b>	<b>208,173</b>	<b>50,919</b>
Liabilities directly associated with assets classified as held for sale	<a href="#">11</a>	-	6,948	-
<b>Total liabilities</b>		<b>1,035,077</b>	<b>1,019,932</b>	<b>1,012,281</b>
<b>Total equity and liabilities</b>		<b>1,457,958</b>	<b>1,423,834</b>	<b>1,435,815</b>

## Interim condensed consolidated statement of cash flows

EUR thousand	Note	For the quarter end		Year to date		Full year 2023
		30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
<b>Operating activities</b>						
Profit/(loss) before tax from continuing operations		5,929	13,947	6,916	23,902	41,437
Profit/(loss) before tax from discontinued operations	<a href="#">11</a>	-	-997	-	-2,504	-5,969
Taxes paid		-2,800	-3,120	-11,593	-6,023	-11,616
Adjustments to reconcile profit before tax to net cash flows:						
Net financial items, continuing operations	<a href="#">4</a>	22,059	16,439	45,132	34,705	81,360
Net financial items, discontinued operations	<a href="#">11</a>	-	115	-	268	348
Portfolio amortization and revaluation		30,149	25,464	52,537	48,259	88,840
Change in fair value of forward flow commitments		-	762	120	-1,358	-1,805
Cost of repossessed assets sold, incl impairment		538	538	690	735	1,759
Cost of REOs sold, incl impairment	<a href="#">11</a>	-	1,280	-	3,797	8,422
Depreciation and amortization		2,358	2,332	4,521	4,510	9,050
Calculated cost of employee share options		110	141	232	241	450
Change in working capital		-5,015	6,935	-3,830	220	-7,318
Cash flow from operating activities before NPL investments		53,327	63,835	94,726	106,752	204,959
Purchase of loan portfolios	<a href="#">6</a>	-71,020	-42,765	-84,266	-78,302	-119,987
Purchases related to repossessed assets		-57	-28	-74	-60	-73
Net cash flow from operating activities		-17,750	21,041	10,385	28,390	84,898

EUR thousand	Note	For the quarter end		Year to date		Full year 2023
		30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
<b>Investing activities</b>						
Purchase of intangible and tangible assets		-734	-1,118	-1,455	-1,954	-3,874
Interest received		81	48	116	85	385
Net cash flow from investing activities		-653	-1,070	-1,339	-1,869	-3,489
<b>Financing activities</b>						
Proceeds from borrowings	<a href="#">7</a>	41,205	38,503	41,205	100,268	343,274
Repayment of debt	<a href="#">7</a>	-	-20,400	-1,430	-75,737	-341,873
Interest paid		-22,464	-15,692	-44,210	-31,181	-67,737
Loan fees paid	<a href="#">7</a>	-	-11,449	-117	-11,449	-15,376
Lease payments, principal amount	<a href="#">8</a>	-820	-726	-1,619	-1,458	-3,143
Repayments to non-controlling interests		-	-792	-	-967	-992
Net cash flow from financing activities		17,921	-10,555	-6,171	-20,522	-85,847
Net change in cash and cash equivalents		-483	9,416	2,875	5,999	-4,438
Cash and cash equivalents at the beginning of period, incl. restricted cash		36,995	35,218	34,439	39,679	39,679
Currency translation		600	-84	-201	-1,128	-802
Cash and cash equivalents at end of period, incl. restricted cash		37,112	44,550	37,112	44,550	34,439

## 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			17,473			17,473	-1,720	15,752
Other comprehensive income of the period				-19,636	-2,081	-21,718		-21,718
Total comprehensive income for the period	-	-	17,473	-19,636	-2,081	-4,245	-1,720	-5,965
Repayments to non-controlling interests						-	-967	-967
Share-based payment		241				241		241
Balance on 30 Jun 2023	158,369	270,621	13,773	-38,053	7,319	412,031	-8,128	403,902
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			4,908			4,908	140	5,049
Other comprehensive income of the period				-4,125	-1,809	-5,934		-5,934
Total comprehensive income for the period	-	-	4,908	-4,125	-1,809	-1,025	140	-885
Repayments to non-controlling interests						-		-
Share-based payment		232				232		232
Balance on 30 Jun 2024	158,369	271,063	31,991	-33,037	4,023	432,408	-9,527	422,881



# 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, income 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 second quarter entered into interest rate swap agreements at a nominal value of EUR 50.0 million. 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 30 June 2024, the Group had an unused part of the RCF agreement of EUR 36.0 million, in addition to unrestricted cash and cash equivalents of EUR 35.2 million. The Group had positive cash flow from operating activities before NPL investments of EUR 94.7 million in the first half of 2024, and cash flows from operating activities amounted to EUR 10.4 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 30 Jun 2024							
	Q3-24	Q4-24	Q1-25	Q2-25	1-2 years	2-4 years	4+ years	Total
NPL investment commitments, non-cancellable <sup>1</sup>	3,781	60	60	60	-	-	-	3,961
NPL investment commitments, cancellable <sup>1</sup>	-	2,490	1,660	-	-	-	-	4,150
Revolving credit facility (RCF)	8,907	8,556	8,090	7,867	540,573	-	-	573,994
Bond ACR03 (ISIN NO0011093718)	6,533	6,349	6,050	5,961	23,842	287,011	-	335,745
Bond ACR04 (ISIN NO0013005264)	6,486	6,431	6,218	6,142	24,569	232,422	-	282,269
Other non-current liabilities	-	-	-	-	-	-	1,943	1,943
Accounts payable	4,663	-	-	-	-	-	-	4,663
Lease liabilities	975	967	971	903	3,420	3,243	1,602	12,082
Other current liabilities	21,195	800	1,000	3,489	-	-	-	26,484
<b>Total contractual maturities</b>	<b>52,542</b>	<b>25,654</b>	<b>24,049</b>	<b>24,422</b>	<b>592,404</b>	<b>522,676</b>	<b>3,544</b>	<b>1,245,291</b>

<sup>1</sup> Expected cash flows based on the last three months' actual deliveries and future deliveries on new agreements confirmed at the balance sheet date. Per 30 June 2024, cash flows are limited to EUR 48.2 million by contracted capex limits. The NPL commitments that are cancellable are cancellable with three to twelve months' notice.

EUR thousand	ERC per 30 Jun 2024							
	Q3-24	Q4-24	Q1-25	Q2-25	1-2 years	2-4 years	4+ years	Total
Estimated remaining collections (ERC)	78,393	84,697	85,173	85,348	322,721	563,172	1,444,534	2,664,038

### 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 30 Jun 2024

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collections on own portfolios	74,738	-	-	74,738
Portfolio amortization and revaluation	-30,149	-	-	-30,149
Revenue from sale of repossessed assets	1,085	-	-	1,085
<b>Other operating income:</b>				
Change in fair value forward flow commitments	-	-	-	-
Other operating revenue and other income	-	13,377	-	13,377
<b>Total income</b>	<b>45,675</b>	<b>13,377</b>	<b>-</b>	<b>59,051</b>
Cost of repossessed assets sold	-538	-	-	-538
Impairment repossessed assets	-	-	-	-
Direct operating expenses	-9,670	-8,506	-	-18,176
<b>Contribution margin</b>	<b>35,467</b>	<b>4,870</b>	<b>-</b>	<b>40,337</b>
SG&A, IT and corporate cost			-9,992	-9,992
<b>EBITDA</b>				<b>30,345</b>
Amortization and depreciation			-2,358	-2,358
<b>Operating result</b>				<b>27,988</b>
Total operating expenses	-10,208	-8,506	-9,992	-28,706
Contribution margin (%)	77.7%	36.4%	na	68.3%
EBITDA margin (%)				51.4%
Opex ex SG&A, IT and corporate cost / Gross revenue	13.5%	63.6%	na	21.0%
SG&A, IT and corporate cost / Gross revenue				11.2%

**For the quarter end 30 Jun 2023**

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collections on own portfolios	77,154	-	-	77,154
Portfolio amortization and revaluation	-25,464	-	-	-25,464
Revenue from sale of repossessed assets	1,020	-	-	1,020
<b>Other operating income:</b>				
Change in fair value forward flow commitments	-762	-	-	-762
Other operating revenue and other income	-	13,125	-	13,125
<b>Total income</b>	<b>51,947</b>	<b>13,125</b>	<b>-</b>	<b>65,073</b>
Cost of repossessed assets sold	-538	-	-	-538
Impairment repossessed assets	-	-	-	-
Direct operating expenses	-11,829	-8,794	-	-20,624
<b>Contribution margin</b>	<b>39,580</b>	<b>4,331</b>	<b>-</b>	<b>43,911</b>
SG&A, IT and corporate cost			-11,193	-11,193
<b>EBITDA</b>				<b>32,718</b>
Amortization and depreciation			-2,332	-2,332
<b>Operating result</b>				<b>30,386</b>
Total operating expenses	-12,367	-8,794	-11,193	-32,355
Contribution margin (%)	76.2%	33.0%	na	67.5%
EBITDA margin (%)				50.3%
Opex ex SG&A, IT and corporate cost / Gross revenue	15.8%	67.0%	na	23.2%
SG&A, IT and corporate cost / Gross revenue				12.3%

**Year to date 30 Jun 2024**

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collections on own portfolios	141,464	-	-	141,464
Portfolio amortization and revaluation	-52,537	-	-	-52,537
Revenue from sale of repossessed assets	1,584	-	-	1,584
<b>Other operating income:</b>				
Change in fair value forward flow commitments	-120	-	-	-120
Other operating revenue and other income	-	25,228	-	25,228
<b>Total income</b>	<b>90,391</b>	<b>25,228</b>	<b>-</b>	<b>115,619</b>
Cost of repossessed assets sold	-690	-	-	-690
Impairment repossessed assets	-	-	-	-
Direct operating expenses	-20,516	-16,580	-	-37,097
<b>Contribution margin</b>	<b>69,184</b>	<b>8,647</b>	<b>-</b>	<b>77,832</b>
SG&A, IT and corporate cost			-21,263	-21,263
<b>EBITDA</b>				<b>56,568</b>
Amortization and depreciation			-4,521	-4,521
<b>Operating result</b>				<b>52,047</b>
Total operating expenses	-21,207	-16,580	-21,263	-59,050
Contribution margin (%)	76.5%	34.3%	na	67.3%
EBITDA margin (%)				48.9%
Opex ex SG&A, IT and corporate cost / Gross revenue	14.8%	65.7%	na	22.5%
SG&A, IT and corporate cost / Gross revenue				12.6%

**Year to date 30 Jun 2023**

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collections on own portfolios	146,818	-	-	146,818
Portfolio amortization and revaluation	-48,259	-	-	-48,259
Revenue from sale of repossessed assets	1,409	-	-	1,409
<b>Other operating income:</b>				
Change in fair value forward flow commitments	1,358	-	-	1,358
Other operating revenue and other income	-	25,855	-	25,855
<b>Total income</b>	<b>101,325</b>	<b>25,855</b>	<b>-</b>	<b>127,180</b>
Cost of repossessed assets sold	-735	-	-	-735
Impairment repossessed assets	-	-	-	-
Direct operating expenses	-23,373	-17,571	-	-40,944
<b>Contribution margin</b>	<b>77,217</b>	<b>8,284</b>	<b>-</b>	<b>85,501</b>
SG&A, IT and corporate cost			-22,385	-22,385
<b>EBITDA</b>				<b>63,116</b>
Amortization and depreciation			-4,510	-4,510
<b>Operating result</b>				<b>58,606</b>
Total operating expenses	-24,109	-17,571	-22,385	-64,064
Contribution margin (%)	76.2%	32.0%	na	67.2%
EBITDA margin (%)				49.6%
Opex ex SG&A, IT and corporate cost / Gross revenue	16.3%	68.0%	na	23.9%
SG&A, IT and corporate cost / Gross revenue				12.9%

**Full year 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
<b>Other operating income:</b>				
Change in fair value forward flow commitments	1,805	-	-	1,805
Other operating revenue and other income	-	54,039	-	54,039
<b>Total income</b>	<b>202,598</b>	<b>54,039</b>	<b>-</b>	<b>256,637</b>
Cost of repossessed assets sold	-1,759	-	-	-1,759
Impairment repossessed assets	-	-	-	-
Direct operating expenses	-46,186	-34,492	-	-80,678
<b>Contribution margin</b>	<b>154,653</b>	<b>19,547</b>	<b>-</b>	<b>174,200</b>
SG&A, IT and corporate cost			-42,352	-42,352
<b>EBITDA</b>				<b>131,848</b>
Amortization and depreciation			-9,050	-9,050
<b>Operating result</b>				<b>122,797</b>
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		Full year 2023
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
<b>Financial revenue</b>					
Interest on bank deposits	81	48	116	85	385
Net foreign exchange gain <sup>1</sup>	716	-	328	-	-
Gain on purchase of treasury bonds ( <a href="#">note 7</a> )	-	-	-	115	115
Other financial income	6	2,633	15	2,760	2,889
<b>Total financial revenue</b>	<b>803</b>	<b>2,681</b>	<b>459</b>	<b>2,960</b>	<b>3,389</b>
<b>Financial expenses</b>					
Interest expense on borrowings	-22,375	-18,551	-44,799	-36,535	-81,594
Net foreign exchange loss <sup>1</sup>	-	-317	-	-696	-815
Other financial expenses	-487	-252	-792	-434	-2,341
<b>Total financial expenses</b>	<b>-22,862</b>	<b>-19,121</b>	<b>-45,591</b>	<b>-37,665</b>	<b>-84,750</b>
<b>Total net financial items</b>	<b>-22,059</b>	<b>-16,439</b>	<b>-45,132</b>	<b>-34,705</b>	<b>-81,360</b>

<sup>1</sup> 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 Income

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

The Group's income 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 income

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
Finland	3,266	3,261	3,920	6,963	14,425
Germany	7,175	10,017	16,279	19,735	40,759
Italy	9,543	9,409	19,649	18,029	38,438
Norway	9,719	7,570	19,076	19,398	41,088
Spain	27,136	29,086	49,422	51,435	100,498
Sweden	2,211	5,729	7,274	11,621	21,428
<b>Total income</b>	<b>59,051</b>	<b>65,073</b>	<b>115,619</b>	<b>127,180</b>	<b>256,637</b>

### Non-current assets

EUR thousand	Book value		
	30 Jun 2024	30 Jun 2023	Full year 2023
Finland	2,876	3,424	3,017
Germany	15,411	16,372	15,903
Italy	15,658	15,919	15,825
Norway	28,227	30,186	30,186
Spain	19,696	19,845	20,299
Sweden	2,849	3,452	3,325
<b>Total assets</b>	<b>84,718</b>	<b>89,198</b>	<b>88,555</b>

**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. 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 30 Jun 2024**

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Total
Interest income from purchased loan portfolios	3,759	8,926	7,456	9,689	18,807	6,202	54,839
Collections above/(below) forecasts	-492	-1,816	-576	-2,386	-94	-322	-5,686
NPV of changes in collection forecasts	-5	-1,300	6	537	-132	-3,668	-4,562
Net gain/(loss) purchased loan portfolios	-498	-3,116	-570	-1,849	-226	-3,990	-10,249
Sale of repossessed assets					1,085		1,085
<b>Total portfolio revenue</b>	<b>3,261</b>	<b>5,810</b>	<b>6,886</b>	<b>7,840</b>	<b>19,666</b>	<b>2,211</b>	<b>45,675</b>

**For the quarter end 30 Jun 2023**

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Total
Interest income from purchased loan portfolios	3,933	9,530	6,407	8,785	17,179	6,361	52,194
Collections above/(below) forecasts	-572	-1,036	203	-1,173	3,728	-1,012	138
NPV of changes in collection forecasts	-283	-386	120	-675	773	-192	-642
Net gain/(loss) purchased loan portfolios	-855	-1,422	323	-1,848	4,501	-1,204	-505
Sale of repossessed assets					1,020		1,020
<b>Total portfolio revenue</b>	<b>3,077</b>	<b>8,108</b>	<b>6,730</b>	<b>6,936</b>	<b>22,700</b>	<b>5,158</b>	<b>52,709</b>

**Year to date 30 Jun 2024**

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Total
Interest income from purchased loan portfolios	7,647	18,093	14,917	19,312	36,509	12,599	109,076
Collections above/(below) forecasts	-1,329	-3,530	-470	-4,151	-624	-759	-10,863
NPV of changes in collection forecasts	-2,409	-1,195	-9	584	-1,691	-4,566	-9,286
Net gain/(loss) purchased loan portfolios	-3,738	-4,725	-479	-3,567	-2,315	-5,325	-20,149
Sale of repossessed assets					1,584		1,584
<b>Total portfolio revenue</b>	<b>3,909</b>	<b>13,368</b>	<b>14,438</b>	<b>15,745</b>	<b>35,778</b>	<b>7,274</b>	<b>90,511</b>

**Year to date 30 Jun 2023**

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Total
Interest income from purchased loan portfolios	7,898	18,739	12,193	18,129	34,276	12,915	104,150
Collections above/(below) forecasts	-978	-2,389	459	-2,285	4,727	-1,522	-1,988
NPV of changes in collection forecasts	-321	-489	212	-696	-1,491	-818	-3,604
Net gain/(loss) purchased loan portfolios	-1,299	-2,878	670	-2,981	3,236	-2,340	-5,591
Sale of repossessed assets					1,409		1,409
<b>Total portfolio revenue</b>	<b>6,598</b>	<b>15,861</b>	<b>12,864</b>	<b>15,148</b>	<b>38,921</b>	<b>10,575</b>	<b>99,968</b>

**Full year 2023**

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Total
Interest income 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
<b>Total</b>	<b>13,280</b>	<b>33,885</b>	<b>27,361</b>	<b>33,409</b>	<b>73,017</b>	<b>19,841</b>	<b>200,793</b>

**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 6% of the book value of the loans are secured by a property object per 30 June 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 income or expense in 'Net gain/ (loss) purchased loan portfolios'. Interest revenue is recognized using a credit adjusted effective interest rate, included in 'Interest income 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		Full year 2023
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
Balance at start of period	1,235,256	1,242,411	1,265,327	1,252,642	1,252,642
Acquisitions during the period	70,438	40,155	81,202	72,973	116,118
Collections	-74,738	-77,154	-141,464	-146,818	-287,046
Interest income from purchased loan portfolios	54,839	52,194	109,076	104,150	211,289
Net gain/(loss) purchased loan portfolios	-10,249	-505	-20,149	-5,591	-13,082
Repossessions	-321	-380	-2,028	-626	-1,123
Deliveries on forward flow contracts	-	378	185	378	1,435
Currency translation differences	8,670	-15,726	-8,255	-35,735	-14,905
Balance at end of period	1,283,894	1,241,373	1,283,894	1,241,373	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		Full year 2023
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
Nominal value acquired portfolios	2,001,445	461,129	2,483,893	548,164	3,659,615
Expected credit losses at acquisition	-1,931,007	-420,974	-2,402,690	-475,191	-3,543,497
Acquisitions during the period	70,438	40,155	81,202	72,973	116,118

Purchase of loan portfolios presented in the consolidated statement of cash flows will 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	30 Jun 2024		30 Jun 2023		Full year 2023	
	Book value	% of total	Book value	% of total	Book value	% of total
Finland	112,035	9%	120,228	10%	118,453	9%
Germany	181,438	14%	195,299	16%	189,308	15%
Italy	161,589	13%	155,324	13%	165,929	13%
Norway	242,364	19%	221,599	18%	240,989	19%
Spain	394,403	31%	359,349	29%	349,715	28%
Sweden	192,066	15%	189,574	15%	200,932	16%
Total book value	1,283,894	100%	1,241,373	100%	1,265,327	100%



The ERC represents the estimated gross collections on the purchased loan portfolios. ERC, amortization, and interest income 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 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
<b>30 Jun 2024</b>																
ERC	333,611	322,721	299,774	263,399	229,823	196,013	175,431	157,718	141,788	127,279	106,772	92,858	81,561	72,229	63,063	2,664,038
Amortization	113,702	126,812	129,516	118,419	105,984	89,545	83,167	78,469	74,768	71,924	62,324	58,310	56,564	56,832	57,557	1,283,894
Interest income	219,909	195,909	170,258	144,979	123,839	106,467	92,264	79,249	67,020	55,355	44,448	34,547	24,997	15,397	5,507	1,380,144
<b>30 Jun 2023</b>																
ERC	312,324	296,629	273,436	244,812	213,873	188,201	169,008	153,907	139,956	127,850	116,138	97,355	85,612	76,061	67,903	2,563,067
Amortization	111,646	117,603	116,154	107,627	95,068	84,080	77,650	74,455	71,912	70,891	70,147	61,871	59,928	60,164	62,177	1,241,373
Interest income	200,679	179,026	157,282	137,185	118,805	104,120	91,358	79,452	68,044	56,959	45,991	35,484	25,684	15,898	5,726	1,321,694
<b>Full year 2023</b>																
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 income	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, EUR	Interest coupon	Maturity
<b>Facility</b>							
Bond ACR03 (ISIN NO0011093718)	EUR		300,000	-18,950	277,850	3m EURIBOR+535bps	15.09.2026
Bond ACR04 (ISIN NO0013005264)	NOK		201,710		200,179	3m NIBOR + 825bps	07.09.2027
<b>Total bond loans</b>			<b>501,710</b>	<b>-18,950</b>	<b>478,030</b>		
Revolving credit facility	EUR		349,498		338,280	EURIBOR+ margin	30.06.2026
<i>(multi-currency facility)</i>	NOK		14,032		14,032	NIBOR+ margin	30.06.2026
	SEK		145,463		145,463	STIBOR+ margin	30.06.2026
<b>Total credit facilities</b>		<b>545,000</b>	<b>508,994</b>		<b>497,775</b>		
<b>Total interest-bearing loans and borrowings at end of period</b>			<b>1,010,704</b>	<b>-18,950</b>	<b>975,805</b>		

Of the total interest-bearing loans and borrowings per 30 June 2024, EUR 975.8 million is classified as non-current and EUR 0 million is classified as current.

**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	-	41,205	41,205
Repayment of loans and borrowings	-	-1,430	-1,430
Loan fees	-117	-	-117
Total changes in financial cash flow	-117	39,775	39,658
Amortization of capitalized loan fees	805	2,591	3,395
Currency translation differences	-2,990	-3,480	-6,470
Other non-cash movements	117	-	117
Total interest-bearing loans and borrowings at end of period	478,030	497,775	975,805

**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

	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	277,850	335,745	12,882	12,010	23,842	287,011
Bond ACR04 (ISIN NO0013005264)	NOK	200,179	282,269	12,917	12,360	24,569	232,422
Total bond loan		478,030	618,014	25,800	24,370	48,412	519,432
Revolving credit facility (multi-currency facility)	EUR/NOK/SEK	497,775	573,994	17,464	15,957	540,573	-
Total credit facilities		497,775	573,994	17,464	15,957	540,573	-
Total interest-bearing loans and borrowings at end of period		975,805	1,192,007	43,263	40,327	588,984	519,432

### 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 30 June 2024, the Group holds treasury bonds in ACR03 with a nominal value of EUR 19.0 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

From June 2024, Axactor has subleased part of its leased office space, 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	1,826	573	53	2,452
Depreciation	-1,477	-186	-19	-1,682
Disposals	-34	-	-	-34
Currency translation differences	-362	-2	-1	-365
Right of use assets on 30 Jun 2023	11,216	786	125	12,127
Right of use assets on 31 Dec 2023	10,711	792	101	11,604
Additions	172	150	-	323
Depreciation	-1,557	-208	-25	-1,790
Disposals	-675	-18	-	-694
Currency translation differences	-77	-2	-	-79
Right of use assets on 30 Jun 2024	8,574	714	75	9,364
Remaining lease term	1-8 years	1-4 years	1-4 years	
Depreciation method	Linear	Linear	Linear	

### Lease liabilities

EUR thousand	30 Jun 2024	30 Jun 2023	Full year 2023
Lease liabilities on 1 Jan	12,163	12,239	12,239
Net new leases	242	2,240	3237
Lease payments, principal amount	-1,619	-1,458	-3143
Currency translation differences	-80	-380	-171
Lease liabilities at period end	10,706	12,641	12,163
Current	3,264	3,243	3,194
Non-current	7,442	9,397	8,969

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

EUR thousand	30 Jun 2024	30 Jun 2023	Full year 2023
<b>Undiscounted lease liabilities and maturity of cash outflows</b>			
< 1 year	3,817	3,851	3,837
1-2 years	3,420	3,420	3,598
2-3 years	2,366	2,965	3,232
3-4 years	877	2,025	1,237
4-5 years	566	628	700
> 5 years	1,036	1,491	1,261
Total undiscounted lease liabilities	12,082	14,379	13,866
Discounting element	-1,376	-1,738	-1,703
Total lease liabilities	10,706	12,641	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	30 Jun 2024	30 Jun 2023	Full year 2023
Balance on 1 Jan	311	-	-
Value change	-120	1,358	1,805
Deliveries	-185	-378	-1,435
Currency translation differences	-5	-75	-58
Balance at period end	-	904	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	30 Jun 2024	30 Jun 2023	Full year 2023
Fair value of forward flow commitments (asset)	-	904	311
Balance at period end	-	904	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 30 Jun 2024	302,145,464	158,368,902

### Shares owned by the Board and Group executive management on 30 Jun 2024

Name	Shareholding	Share %
Latino Invest AS <sup>1</sup>	1,040,000	0.3%
Terje Mjøs Holding AS <sup>2</sup>	750,000	0.2%
Johnny Tsolis <sup>1</sup>	730,000	0.2%
Vibeke Ly <sup>3</sup>	203,750	0.1%
Arnt Andre Dullum <sup>3</sup>	200,000	0.1%
Karl Mamelund <sup>3</sup>	196,858	0.1%
Nina Mortensen <sup>3</sup>	160,000	0.1%
Kjersti Høklingen <sup>2</sup>	21,000	0.0%
Brita Eilertsen <sup>2</sup>	19,892	0.0%
Ørjan Svanevik, through Oavik Capital AS <sup>2</sup>	13,000	0.0%

<sup>1</sup> CEO/related to the CEO of Axactor ASA

<sup>2</sup> Member of the Board/controlled by member of the Board

<sup>3</sup> Member of the Group executive management

### 20 largest shareholders on 30 Jun 2024

Name	Shareholding	Share %
Geveran Trading Co Ltd	150,385,439	49.8%
Torstein Ingvald Tvenge	10,000,000	3.3%
Skandinaviska Enskilda Banken AB	5,500,000	1.8%
Skandinaviska Enskilda Banken AB (Nominee)	5,279,467	1.7%
Verdipapirfondet Nordea Norge Verdi	4,454,162	1.5%
Spectatio Finans AS	3,454,355	1.1%
Nordnet Livsforsikring AS	2,927,117	1.0%
Nordnet Bank AB (Nominee)	2,597,975	0.9%
Endre Rangnes	2,017,000	0.7%
Gvæpseborg AS	1,782,826	0.6%
Alpette AS	1,661,643	0.5%
Stavern Helse og Forvaltning AS	1,500,000	0.5%
Velde Holding AS	1,194,915	0.4%
Andres Lopez Sanchez	1,177,525	0.4%
David Martin Ibeas	1,177,525	0.4%
Verdipapirfondet Storebrand Norge	1,166,706	0.4%
Øen Holding AS	1,100,000	0.4%
Avanza Bank AB	1,084,200	0.4%
Latino Invest AS	1,040,000	0.3%
Herman Alfred Brenaas	1,020,000	0.3%
Total 20 largest shareholders	200,520,855	66.4%
Other shareholders	101,624,609	33.6%
Total number of shares	302,145,464	100%
Total number of shareholders	8,383	

## 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	Full year 2023
	30 Jun 2023	30 Jun 2023	
Other operating revenue	792	2,335	4,296
Total income	792	2,335	4,296
Cost of REOs sold, incl impairment	-1,280	-3,797	-8,422
Other operating expenses	-394	-774	-1,495
Total operating expenses	-1,674	-4,571	-9,917
EBITDA	-882	-2,236	-5,621
Amortization and depreciation	-	-	-
Operating profit	-882	-2,236	-5,621
Financial expenses	-115	-268	-348
Net financial items	-115	-268	-348
Profit/(loss) before tax	-997	-2,504	-5,969
Income tax expense	-	-	-
Net profit/(loss) after tax	-997	-2,504	-5,969
<b>Attributable to:</b>			
Non-controlling interests	-594	-1,494	-3,418
Shareholders of the parent company	-403	-1,010	-2,551
Earnings per share: basic and diluted	-0.001	-0.003	-0.008

The major classes of assets and liabilities comprising the operations classified as held for sale in 2023 were as follows:

EUR thousand	30 Jun 2023	Full year 2023
<i>Current assets</i>		
Stock of secured assets	4,621	-
Accounts receivable	133	-
Other current assets	386	-
Cash and cash equivalents	2,397	-
<b>Total current assets</b>	<b>7,538</b>	<b>-</b>
<b>Assets classified as held for sale</b>	<b>7,538</b>	<b>-</b>
<i>Non-current liabilities</i>		
Interest-bearing debt	6,271	-
<b>Total non-current liabilities</b>	<b>6,271</b>	<b>-</b>
<i>Current liabilities</i>		
Interest-bearing debt	-	-
Other current liabilities	677	-
<b>Total current liabilities</b>	<b>677</b>	<b>-</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>6,948</b>	<b>-</b>
<b>Net assets classified as held for sale</b>	<b>590</b>	<b>-</b>

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

EUR thousand	For the quarter end 30 Jun 2023	Year to date 30 Jun 2023	Full year 2023
Net cash flow from operating activities	397	1,561	2,801
Net cash flow from investing activities	-	-	-
Net cash flow from financing activities	-1,731	-2,771	-6,409
<b>Total net cash flow</b>	<b>-1,333</b>	<b>-1,210</b>	<b>-3,607</b>

# Alternative performance measures

## Alternative performance measures (APMs) used in Axactor

APM	Definition	Purpose of use	Reconciliation IFRS
Gross revenue	Total income 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 income 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 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, 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 income minus total operating expenses) in consolidated statement of profit or loss plus EBITDA from discontinued operations according to <a href="#">note 11</a> , 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 income 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 <a href="#">note 11</a> , 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**

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
Total income	59,051	65,073	115,619	127,180	256,637
Portfolio amortization and revaluation	30,149	25,464	52,537	48,259	88,840
Change in fair value of forward flow commitments	-	762	120	-1,358	-1,805
<b>Gross revenue</b>	<b>89,200</b>	<b>91,299</b>	<b>168,276</b>	<b>174,081</b>	<b>343,672</b>

**EBITDA and Cash EBITDA**

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
Total income	59,051	65,073	115,619	127,180	256,637
Total operating expenses	-28,706	-32,355	-59,050	-64,064	-124,789
<b>EBITDA</b>	<b>30,345</b>	<b>32,718</b>	<b>56,568</b>	<b>63,116</b>	<b>131,848</b>
Calculated cost of share option program	110	141	232	242	450
Portfolio amortization and revaluation	30,149	25,464	52,537	48,259	88,840
Change in fair value of forward flow commitments	-	762	120	-1,358	-1,805
Cost of repossessed assets sold, incl. impairment	538	538	690	735	1,759
<b>Cash EBITDA</b>	<b>61,142</b>	<b>59,623</b>	<b>110,149</b>	<b>110,995</b>	<b>221,092</b>
EBITDA from discontinued operations	-	-882	-	-2,236	-5,621
Cost of REOs sold, incl. impairment	-	1,280	-	3,797	8,422
<b>Cash EBITDA, incl discontinued operations</b>	<b>61,142</b>	<b>60,020</b>	<b>110,149</b>	<b>112,556</b>	<b>223,894</b>
Taxes paid	-2,800	-3,120	-11,593	-6,023	-11,616
Change in working capital	-5,015	6,935	-3,830	220	-7,318
<b>Cash flow from operating activities before NPL investments</b>	<b>53,327</b>	<b>63,835</b>	<b>94,726</b>	<b>106,752</b>	<b>204,959</b>

**Estimated remaining collections (ERC)**

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
Purchased loan portfolios	1,283,894	1,241,373	1,283,894	1,241,373	1,265,327
Estimated opex for future collections at time of acquisition	378,176	368,757	378,176	368,757	369,720
Estimated discounted gain	1,001,968	952,936	1,001,968	952,936	985,368
<b>Estimated remaining collections (ERC)</b>	<b>2,664,038</b>	<b>2,563,067</b>	<b>2,664,038</b>	<b>2,563,067</b>	<b>2,620,416</b>

**Net interest-bearing debt (NIBD)**

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
Non-current portion of interest-bearing debt from financial position	975,805	783,206	975,805	783,206	939,104
Current portion of interest-bearing debt from financial position	-	155,002	-	155,002	-
Interest-bearing debt, discontinued operations	-	6,271	-	6,271	-
<b>Total interest-bearing debt</b>	<b>975,805</b>	<b>944,478</b>	<b>975,805</b>	<b>944,478</b>	<b>939,104</b>
Capitalized loan fees and other adjustments	15,948	19,564	15,948	19,564	19,344
Cash and cash equivalents from financial position	-35,167	-34,217	-35,167	-34,217	-31,826
Cash and cash equivalents, discontinued operations	-	-2,397	-	-2,397	-
<b>Net interest-bearing debt (NIBD)</b>	<b>956,586</b>	<b>927,427</b>	<b>956,586</b>	<b>927,427</b>	<b>926,622</b>

### Return on equity to shareholders, annualized

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
Net profit/(loss) after tax attributable to shareholders of the parent company	4,233	10,284	4,908	17,473	30,830
Average equity for the period related to shareholders of the parent company	428,606	411,073	430,138	412,727	419,074
Return on equity to shareholders, annualized	4.0%	10.0%	2.3%	8.5%	7.4%

### Return on equity, annualized

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	
Net profit/(loss) after tax <sup>1</sup>	4,328	10,605	5,049	18,257	33,563
Average total equity for the period	419,032	403,679	420,532	405,984	411,350
Return on equity, annualized	4.2%	10.5%	2.4%	9.1%	8.2%

<sup>1</sup> 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 income
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 income 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	FTE	Full time equivalent
AGM	Annual general meeting	GHG	Greenhouse gas emissions
APM	Alternative performance measures	HQ	Headquarters
ARM	Accounts receivable management	IFRS	International financial reporting standards
B2B	Business to business	LTV	Loan to value
B2C	Business to consumer	NCI	Non-controlling interests
BoD	Board of Directors	NPL	Non-performing loan
BS	Consolidated statement of financial position (balance sheet)	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
FSA	The financial supervisory authority		

