


AXACTOR



Report Q3 2024



Axactor helps people and society to a better future



We are passionate, proactive
and act with integrity

/ Highlights¹

Third quarter 2024

- Gross revenue of EUR 86.1 million, up 2% compared to the third quarter 2023 (84.4)
- Further improved cost level with operating expenses 5% below the third quarter 2023, despite including EUR 0.8 million of restructuring cost. The operating expenses as percent of gross revenue thus fell to 33% (35%)
- Cash EBITDA growth of 6% compared to the third quarter 2023, ending at EUR 58.5 million (55.1)
- Total income of EUR 54.9 million, down from EUR 64.3 million in the third quarter last year driven by increased NPL amortization and negative NPL revaluations
- EBITDA of EUR 26.6 million (34.4), with an EBITDA margin of 48% (54%)
- Annualized return on equity to shareholders of 0% for the quarter (6%)
- NPL investments of EUR 12.6 million (19.1), taking the investment level so far in 2024 up to EUR 93.8 million (92.0). Average gross IRR for the total NPL back book has been lifted to 19%, from 18% at the end of the third quarter 2023
- Initiated site consolidation in Italy, closing down the Cuneo office and relocating services to the three other sites in Italy. In addition to reducing cost, the move is expected to generate significant efficiency improvements

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		Full year 2023
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Gross revenue	86	84	254	258	344
Total income	55	64	171	191	257
EBITDA	27	34	83	98	132
Cash EBITDA	59	55	169	166	221
Net profit/(loss) after tax	1	6	6	24	34
EBITDA margin	48%	54%	49%	51%	51%
Return on equity to shareholders, annualized ¹	0%	6%	2%	8%	7%
Return on equity, annualized	1%	6%	2%	8%	8%
Equity ratio	29%	29%	29%	29%	29%
Acquired NPL portfolios	13	19	94	92	116
Book value of NPL portfolios	1,259	1,254	1,259	1,254	1,265
Estimated remaining collections (ERC)	2,602	2,586	2,602	2,586	2,620
Number of employees (FTEs)	1,212	1,309	1,212	1,309	1,255
Price per share, last day of period (NOK)	4.16	5.48	4.16	5.48	5.08
Market capitalization (NOK million)	1,257	1,656	1,257	1,656	1,535

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

Gross revenue

EUR million

86

2% y/y

ERC, NPL

EUR million

2,602

1% y/y

Return on equity

0%

to shareholders, annualized

EBITDA

EUR million

27

48% margin

Cash EBITDA

EUR million

59

6% y/y

Equity ratio

29%

/ Operations

The continuous strive to become even more efficient remained the top priority during the third quarter of 2024. Focus was directed towards better availability for both debtors and customers, as well as improved self-service solutions. The operating expenses in percent of gross revenue fell to 33% in the quarter (35%), while maintaining high operational quality and upholding customer and debtor satisfaction at good levels. The NPL collection performance ended at 90% during the third quarter (98%), with EUR 73.3 million in NPL gross revenue (71.7). The 3PC segment had revenues of EUR 12.8 million, slightly higher compared to the third quarter last year (12.7) and with improved margins.

NPL portfolio investments of EUR 12.6 million were made in the quarter (19.1), split between Spain, Italy, Norway and Sweden. Forward flow contracts represented EUR 3.6 million of the total investments while new contracts amounted to EUR 9.0 million. While the portfolio acquired in Sweden was of limited size, it was the first portfolio Axactor has acquired in Sweden since 2021 and was thus still important for the Swedish organization.

Continue to drive efficiency and operational improvements

As previously announced, Axactor Italy will undergo a substantial transformation during the second half of 2024. The current operations in Cuneo will be moved to the offices in Grosseto, Milan and Milazzo. This is the last step in completing the integration of CR Service and Axactor Italy, with both cost synergies and improved operational deliveries expected from 2025.

The major changes implemented within the 3PC segment over the past year shows good profitability improvement. The closing of 3PC in Sweden and Finland, improved terms on new sales and renegotiation of unprofitable or low-margin customers has substantially lifted margins. For the third quarter, the segment total income was slightly above the third quarter 2023 combined with 5% lower operating expenses. The contribution margin over total income thus improved to 37% (33%).

In Germany a pilot utilizing the chat service "WhatsApp" started in September, aiming to improve customer service. As Axactor has positive results on similar WhatsApp initiatives in Italy and Spain, the solution is expected to increase availability for debtors, improve communication and hence improve the debtor satisfaction score. The new solution is especially expected to give positive effects on communication with younger debtors.

Migration to new IT infrastructure vendor

The project to change IT infrastructure provider was started according to plan in August. The project has onboarded all project members, established administrative routines, and the detailed planning for the migration is on track. The implementation phase is expected to start during the fourth quarter of 2024 and the migration is planned to be finalized by June 2025.

Integration standardization

A new integration platform to simplify the process of building and maintaining technical integrations has been set in production during the third quarter, with several Norwegian customers already onboarded. Remaining customers will gradually be moved over to the new integration platform, while legacy platforms will be closed. After the successful platform launch in Norway, the plan is to expand usage to more countries during 2025.

Compliance and internal controls

Axactor has ongoing internal controls and internal audits throughout the year, to ensure that it remains compliant with its various legal obligations. During the quarter, an extra focus has been directed towards internal controls within HR, Operations and IT and information security. Internal audits focused on compliance with the Group's delegation of authority policy, NPL discounts procedure and access management procedure. The audits performed over

the previous quarters have all been closed, without any material findings.

EU's Digital Operational Resilience Act

On 16 January 2023, EU's digital operational resilience act (DORA) entered into force. DORA is part of the EU digital finance package and introduces uniform requirements for the security of network and information systems in the financial sector. The regulation applies from 17 January 2025 across all EU and EEA member states. During the quarter, Axactor has worked to confirm compliance with DORA's requirements, and started implementation of necessary updates to its vendor management routines, as well as focusing on resilience & recovery testing, and IT risk management. Axactor has a continuous improvement approach, aiming to consolidate and optimize effectiveness of controls and internal processes in these particular focus areas. This approach ensures a high standard in all countries, including local systems and third-party vendors. With significant investments in information and data security over the last few years, Axactor welcomes the introduction of DORA, and believes that it is well equipped to handle the newly introduced requirements.

Corporate sustainability reporting directive

In preparation of EU's updated sustainability reporting framework, the Corporate Sustainability Reporting Directive (CSRD), Axactor has worked extensively throughout the year to prepare for the upcoming reporting and to ensure compliance with its reporting obligations. During the quarter, the company finalized its double materiality assessment, reviewed its results with relevant stakeholders, compared analysis with industry peers and prepared the CSRD data points. During the fourth quarter Axactor will focus on updating its sustainability strategy, deciding on updated sustainability related KPIs and targets, as well as to determine the reporting format going forward.

Gender balance and equality

Axactor continuously focuses on material sustainability KPIs such as gender balance and gender equality. So far this year, the gender balance has improved overall. The split per the end of the third quarter was 36% men and 64% women, while the management level across the Group consisted of 50% men and 50% women. The Group base salary pay-gap between men and women has also improved, while the median base salary increased and the annual total compensation ratio decreased.

Ethical business conduct

Trust is one of Axactor's core values and a prerequisite to succeed in a highly regulated market. This is why Axactor places a significant and continuous focus on compliance and ethical business conduct. During the quarter, Axactor has updated its Code of Conduct, and all employees have been required to review and reaffirm their commitment to the Code and its principles. Annual compliance trainings have also been performed during the quarter, focused on data privacy, anti-fraud and anti-corruption, conflict of interest, working with debtors, and gifts and invitations.

Financials

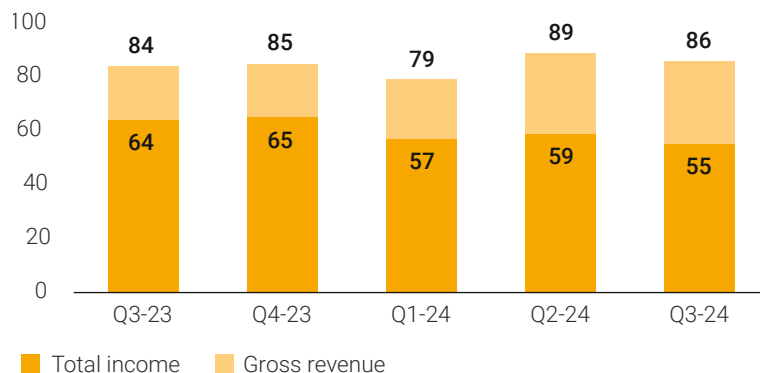
Axactor’s operation is split into two business segments, acquisition and collection on own portfolios: NPL, and collection on behalf of third-party clients: 3PC. Note that unless explicitly stated otherwise, figures for prior periods are stated for continuing operations, i.e. excluding portfolios of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

Revenue

Total income for the seasonally weak third quarter ended at EUR 54.9 million, down 15% from EUR 64.3 million in the corresponding quarter last year. Gross revenue, however, grew 2% to EUR 86.1 million (84.4). The large difference in growth rates between total income and gross revenue is related to increased

Total income and Gross revenue

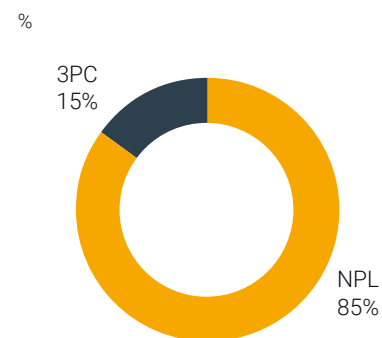
EUR million



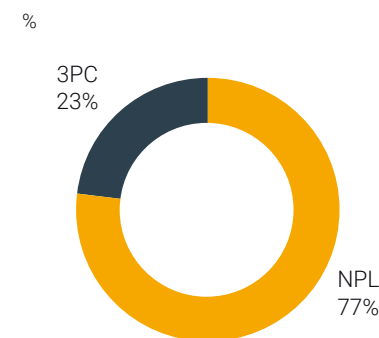
NPL amortization, as well as a net negative NPL revaluation of EUR 7.4 million (3.3). With a continued difficult collection environment driven by unfavorable macroeconomic factors, the NPL collection performance fell to 90% in the third quarter 2024, from 98% in the third quarter last year. The lower collection performance partly explains the increased NPL amortization rate.

The NPL segment delivered a total income of EUR 42.2 million for the quarter, down 18% from the third quarter 2023 (51.6). The lower total income is partially explained by net NPL revaluation of EUR -7.4 million (-3.3), and an increase in effective NPL amortization rate from 24% in the third quarter last year, to 33% this quarter. Gross

Gross revenue mix Q3 2024



Total income mix Q3 2024



revenue for the NPL segment ended at EUR 73.3 million, up from EUR 71.7 million in the third quarter 2023. Gross revenue for the quarter also includes EUR 4.2 million from the sale of two portfolios in Spain. As the portfolios were sold for a value close to book value, the amortization rate on the sale was significantly above the average for Axactor and thus contributed to the increased overall amortization rate in the quarter.

The 3PC segment total income ended at EUR 12.8 million, a slight growth from the third quarter last year (12.7). Excluding the 3PC businesses in Sweden and Finland that were closed during 2023 the growth was 6%, driven by double-digit growth in Norway, as well as strong development in Spain and Germany. The Norwegian 3PC business is experiencing solid growth from new sales within the bank/finance segment, a key focus area of Axactor’s strategy.

Operating expenses

Total operating expenses before amortization and depreciation for the quarter was EUR 28.3 million, down from EUR 29.9 million in the third quarter 2023. The decrease in cost level compared to the last year reflects the cost reduction and efficiency improvement initiatives implemented during 2024. The operating expenses as percentage of gross revenue ended at 33% for the third quarter (35%). Adjusted for EUR 0.8 million of restructuring cost in connection with the site close-down in Italy, the ratio was 32%.

Amortization and depreciation – excluding amortization of NPL portfolios – was EUR 2.5 million for the quarter, slightly up from the corresponding quarter last year (2.3).

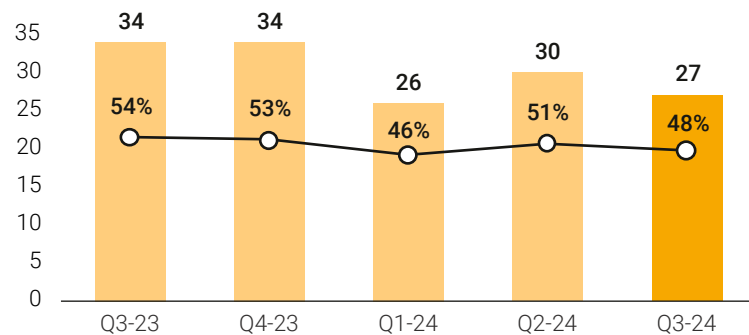
Operating results

Total contribution margin from the business segments in the quarter was EUR 36.6 million, down from EUR 44.3 million in the third quarter last year. The main driver for the decrease was the reduced total income within the NPL segment. Reduced costs helped cushion the decline, and the contribution margin over total income ended at 67% (69%).

The NPL segment delivered a contribution margin of EUR 31.9 million in the third quarter, down from EUR 40.1 million in the corresponding quarter last year. The total operating expenses for the NPL segment fell 10% to EUR 10.3 million (11.5). As the

EBITDA and EBITDA margin

EUR million and %



segment total income fell 18%, the margin over total income also fell and ended at 76% for the quarter (78%).

The contribution margin for the 3PC segment was EUR 4.7 million, up from EUR 4.2 million in the third quarter 2023. The improvement was mainly driven by a 5% reduction in operating expenses to EUR 8.1 million (8.5). The margin over total income increased to 37% for the quarter (33%).

EBITDA for the third quarter came in at EUR 26.6 million, a reduction from EUR 34.4 million in the third quarter last year. The reduction is driven by the reduced total income and reflects the tougher collection environment. The EBITDA margin ended at 48%, down from 54% in the third quarter 2023.

The difference between contribution margin and EBITDA is comprised of unallocated SG&A and IT costs, which amounted to EUR 10.0 million for the quarter (9.9). The main reason for the increase is that EUR 0.6 million of the aforementioned restructuring costs in the quarter were booked under SG&A.

Cash EBITDA ended at EUR 58.5 million for the third quarter, up 6% from EUR 55.1 million in the corresponding quarter last year. The improvement was driven by the improved gross revenue, as well as lower operating expenses.

Operating profit (EBIT) was EUR 24.1 million for the third quarter, compared to EUR 32.1 million in the third quarter last year.

Net financial items

Total net financial items for the quarter were negative EUR 23.4 million (negative 24.1). The main part of the financial items was made up of interest expense on borrowings of EUR 22.6 million, which was almost on the same level as in the third quarter last year (22.2). The net foreign exchange impact for the quarter was negative EUR 0.4 million, same as for the third quarter 2023. Other financial expenses ended at EUR 0.5 million for the quarter, down from EUR 1.7 million in the third quarter 2023. The main reason for the improvement from last year is that EUR 1.6 million was paid in early repayment fee related to a bond refinancing in the third quarter 2023.

Earnings and taxes

Earnings before tax ended at EUR 0.8 million for the third quarter (8.0), while net profit ended at EUR 0.6 million (6.1). The effective tax rate was thus 27% for the quarter (24%). For the third quarter 2023 net profit including contribution from discontinued operations was EUR 5.4 million.

The net profit to shareholders of the parent company ended at EUR 0.3 million for the third quarter, compared to EUR 6.0 million including contribution from discontinued operations in the third quarter last year. Similarly, net profit to non-controlling interests ended at EUR 0.2 million for the quarter (-0.6). The resulting earnings per share was thus EUR 0.001 both on a reported basis and fully diluted (0.020), based on the average number of shares outstanding in each period.

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 29.4 million (29.5) for the quarter, of which the amount paid for NPL portfolios was EUR 12.2 million (20.0). 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 41.6 million (49.5). The decrease was mainly driven by a EUR 11.7 million increase in net working capital (increase of 6.9), partially offset by a EUR 3.4 million increase in Cash EBITDA for the quarter.

Net cash flow from investing activities, not including investments in NPL portfolios, was EUR -0.6 million for the third quarter, compared to EUR -0.7 million for the third quarter 2023.

Net cash flow from financing activities was EUR -36.6 million for the quarter (-25.3), with a net repayment on credit facilities of EUR 13.0 million (repayment of 2.1). Interests paid increased from EUR 18.8 million in the third quarter last year, to EUR 22.5 million in the third quarter 2024. The increase is partly related to the increase in reference rates (EURIBOR, NIBOR and STIBOR) during the period, as well as a positive effect last year from an interest rate cap that was active until December 2023. The third quarter last year also included EUR 3.6 million of loan fees relating to refinancing processes.

Net cash flow was thus EUR -7.8 million for the quarter (3.5), leaving total cash and cash equivalents at EUR 27.9 million at the end of the period (48.4). This includes EUR 3.1 million in restricted cash (6.1).

Equity position and balance sheet considerations

Total equity for the Group was EUR 417.8 million at the end of the quarter (415.3), including non-controlling interests of EUR -9.3 million (-8.7). The main reason for the increased equity compared to last year is the profits recognized during the last twelve months, partly offset by negative translation effects.

The resulting equity ratio at the end of the third quarter 2024 was 29%, same as per the end of the third quarter last year.

Return on equity

Annualized return on equity (ROE) ended at 1% for the quarter (6%), and the annualized return on equity for shareholders ended at 0% (6%). Looking forward, 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 increase and currently challenging macroeconomic environment puts negative pressure on the return on equity development compared to last year.

Capital expenditure and funding

Axactor invested EUR 12.6 million in NPL portfolios during the third quarter (19.1). The invested amount for the quarter was below the amortization level, and estimated remaining collections thus

declined by 2% from EUR 2,664.0 million in the second quarter 2024, to EUR 2,602.5 million (2,586.1). Adding the investments made during the first half year, the total NPL investments so far in 2024 is EUR 93.8 million (92.0), and well above the estimated replacement level. Estimated NPL investment commitments for the remainder of 2024 stand at EUR 2.2 million per the end of the third quarter, while estimated commitments for 2025 stand at EUR 2.2 million.

Axactor has two outstanding bond loans per the end of the third 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 size of EUR 545 million, of which EUR 496.8 million were drawn per the end of the third quarter (488.5). 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 959.1 million at the end of the third quarter 2024 (953.3, including discontinued operations).

Axactor is in compliance with all loan covenants as per the end of the third 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 third quarter 2024 (18%).

The estimated replacement capex for 2024 is approximately EUR 106 million. Axactor expects to invest between EUR 100 million and EUR 150 million for the full year. This should thus secure book value growth year-over-year, as the amount is above the replacement capex. The lower end of the interval is almost secured already, through EUR 94 million of investments during the first three quarters, and an additional EUR 2 million in estimated commitments for the final quarter of the year.

The 3PC segment has showed a positive trend with increasing contribution margin, and is expected to continue this positive development into 2025. Especially in the Norwegian 3PC business

Axactor is experiencing solid growth from new sales within the bank/finance segment.

Axactor has faced a challenging collection environment on its portfolios so far in 2024, with increased inflation and interest rates limiting debtors' ability to settle their debts. Additionally, the increased interest expenses put pressure on Axactor's results through increased funding cost. These adverse effects are expected to remain in place for the fourth quarter of 2024 and into 2025. As a response, Axactor will continue its work to further improve its efficiency and cost base, cushioning the challenges arising from external factors. This will also improve Axactor's position when macroeconomic factors improve. 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.

/ 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		Full year 2023
		30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Continuing operations						
Interest income from purchased loan portfolios	5, 6	57,155	53,337	166,232	157,488	211,289
Net gain/(loss) purchased loan portfolios	5, 6	-16,458	-2,730	-36,606	-8,322	-13,082
Revenue from sale of repossessed assets	5	1,497	584	3,080	1,993	2,587
Other operating revenue		12,752	13,119	37,859	40,332	55,843
Total income	3, 5	54,946	64,311	170,565	191,491	256,637
Cost of repossessed assets sold, incl impairment		-708	-442	-1,399	-1,177	-1,759
Personnel expenses		-15,999	-16,197	-48,567	-49,784	-66,576
Other operating expenses		-11,623	-13,239	-37,415	-42,981	-56,454
Total operating expenses		-28,331	-29,878	-87,381	-93,942	-124,789
EBITDA		26,616	34,432	83,184	97,549	131,848
Amortization and depreciation		-2,488	-2,304	-7,009	-6,814	-9,050
Operating profit		24,128	32,128	76,175	90,734	122,797
Financial revenue	4	114	238	245	3,198	3,389
Financial expenses	4	-23,471	-24,350	-68,733	-62,015	-84,750
Net financial items		-23,356	-24,112	-68,488	-58,817	-81,360
Profit/(loss) before tax from continuing operations		771	8,016	7,687	31,918	41,437
Income tax expense		-208	-1,925	-2,075	-7,571	-7,874
Net profit/(loss) after tax from continuing operations		563	6,091	5,611	24,347	33,563

EUR thousand	Note	For the quarter end		Year to date		Full year 2023
		30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Discontinued operations						
Net profit/(loss) after tax from discontinued operations	11	-	-677	-	-3,181	-5,969
Net profit/(loss) after tax		563	5,414	5,611	21,166	27,594
Attributable to:						
Non-controlling interests:						
Net profit/(loss) after tax from continuing operations		227	-208	367	-434	182
Net profit/(loss) after tax from discontinued operations		-	-392	-	-1,887	-3,418
Net profit/(loss) after tax		227	-600	367	-2,320	-3,235
Shareholders of the parent company:						
Net profit/(loss) after tax from continuing operations		336	6,298	5,245	24,781	33,381
Net profit/(loss) after tax from discontinued operations		-	-284	-	-1,294	-2,551
Net profit/(loss) after tax		336	6,014	5,245	23,487	30,830
Earnings per share:						
From continuing operations, basic and diluted:		0.001	0.021	0.017	0.082	0.110
From continuing and discontinued operations, basic and diluted:		0.001	0.020	0.017	0.078	0.102

Interim condensed consolidated statement of comprehensive income

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Net profit/(loss) after tax	563	5,414	5,611	21,166	27,594
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of pension plans	-	-	-	-	-48
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences - foreign operations	-4,140	6,607	-8,264	-13,029	-10,495
Fair value net gain/(loss) on cash flow hedges during the period	-762	-	-979	-	-
Cumulative net (gain)/loss on cash flow hedges reclassified to profit or loss	-796	-744	-2,389	-2,825	-3,569
Other comprehensive income/(loss) after tax	-5,698	5,863	-11,632	-15,855	-14,112
Total comprehensive income/(loss) for the period	-5,135	11,277	-6,020	5,312	13,482
Attributable to:					
Non-controlling interests	227	-600	367	-2,320	-3,235
Shareholders of the parent company	-5,362	11,877	-6,387	7,632	16,718

Interim condensed consolidated statement of financial position

EUR thousand	Note	For the quarter end / YTD		
		30 Sep 2024	30 Sep 2023	Full year 2023
Assets				
Non-current assets				
Intangible assets				
Goodwill		58,932	59,720	59,799
Deferred tax assets		7,250	3,923	8,502
Other intangible assets		13,435	15,355	15,116
Tangible assets				
Property, plant and equipment		1,731	2,110	2,036
Right of use assets	8	9,872	11,453	11,604
Financial assets				
Purchased loan portfolios	6	1,258,652	1,253,619	1,265,327
Other non-current assets		982	1,796	2,495
Total non-current assets		1,350,853	1,347,976	1,364,879
Current assets				
Repossessed assets		3,777	2,789	2,664
Accounts receivable		4,723	6,777	6,636
Other current assets		47,835	30,855	27,196
Restricted cash		3,090	6,117	2,613
Cash and cash equivalents		24,778	41,318	31,826
Total current assets		84,204	87,857	70,935
Assets classified as held for sale	11	-	5,346	-
Total assets		1,435,056	1,441,178	1,435,815

EUR thousand	Note	For the quarter end / YTD		
		30 Sep 2024	30 Sep 2023	Full year 2023
Equity and liabilities				
Equity				
Share capital	10	158,369	158,369	158,369
Other paid-in equity		271,160	270,705	270,831
Retained earnings		32,327	19,787	27,082
Other components of equity		-34,712	-24,871	-23,080
Non-controlling interests		-9,301	-8,728	-9,667
Total equity		417,843	415,263	423,534
Non-current liabilities				
Interest-bearing debt	7	959,114	949,167	939,104
Deferred tax liabilities		9,894	8,066	10,549
Lease liabilities	8	7,895	8,813	8,969
Other non-current liabilities		4,818	3,511	2,740
Total non-current liabilities		981,721	969,557	961,361
Current liabilities				
Accounts payable		2,198	6,804	4,057
Taxes payable		2,928	20,737	12,243
Lease liabilities	8	3,308	3,203	3,194
Other current liabilities		27,058	20,752	31,425
Total current liabilities		35,493	51,496	50,919
Liabilities directly associated with assets classified as held for sale	11	-	4,864	-
Total liabilities		1,017,214	1,025,916	1,012,281
Total equity and liabilities		1,435,056	1,441,178	1,435,815

Interim condensed consolidated statement of cash flows

EUR thousand	Note	For the quarter end		Year to date		Full year 2023
		30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Operating activities						
Profit/(loss) before tax from continuing operations		771	8,016	7,687	31,918	41,437
Profit/(loss) before tax from discontinued operations	11	-	-677	-	-3,181	-5,969
Taxes paid		-5,176	1,180	-16,769	-4,843	-11,616
Adjustments to reconcile profit before tax to net cash flows:						
Net financial items, continuing operations	4	23,356	24,112	68,488	58,817	81,360
Net financial items, discontinued operations	11	-	80	-	348	348
Portfolio amortization and revaluation		31,125	20,522	83,662	68,780	88,840
Change in fair value of forward flow commitments		-	-428	120	-1,786	-1,805
Cost of repossessed assets sold, incl impairment		708	442	1,399	1,177	1,759
Cost of REOs sold, incl impairment	11	-	717	-	4,514	8,422
Depreciation and amortization		2,488	2,304	7,009	6,814	9,050
Calculated cost of employee share options		97	83	329	324	450
Change in working capital		-11,729	-6,899	-15,559	-6,679	-7,318
Cash flow from operating activities before NPL investments		41,641	49,452	136,367	156,204	204,959
Purchase of loan portfolios	6	-12,180	-19,984	-96,446	-98,286	-119,987
Purchases related to repossessed assets		-30	-11	-104	-71	-73
Net cash flow from operating activities		29,431	29,457	39,817	57,847	84,898

EUR thousand	Note	For the quarter end		Year to date		Full year 2023
		30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Investing activities						
Purchase of intangible and tangible assets		-664	-823	-2,119	-2,777	-3,874
Interest received		99	153	215	238	385
Net cash flow from investing activities		-565	-670	-1,904	-2,539	-3,489
Financing activities						
Proceeds from borrowings	7	795	241,556	42,000	341,822	343,274
Repayment of debt	7	-13,827	-243,631	-15,257	-319,368	-341,873
Interest paid		-22,489	-18,807	-66,699	-49,988	-67,737
Loan fees paid	7	-	-3,568	-117	-15,017	-15,376
Lease payments, principal amount	8	-1,124	-832	-2,743	-2,290	-3,143
Repayments to non-controlling interests		-	-	-	-967	-992
Net cash flow from financing activities		-36,645	-25,282	-42,816	-45,805	-85,847
Net change in cash and cash equivalents		-7,779	3,505	-4,904	9,502	-4,438
Cash and cash equivalents at the beginning of period, incl. restricted cash		37,112	44,547	34,439	39,679	39,679
Currency translation		-1,465	391	-1,666	-737	-802
Cash and cash equivalents at end of period, incl. restricted cash		27,868	48,444	27,868	48,444	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			23,487			23,487	-2,320	21,166
Other comprehensive income of the period				-13,029	-2,825	-15,855		-15,855
Total comprehensive income for the period	-	-	23,487	-13,029	-2,825	7,632	-2,320	5,312
Repayments to non-controlling interests						-	-967	-967
Share-based payment		324				324		324
Balance on 30 Sep 2023	158,369	270,705	19,787	-31,446	6,575	423,991	-8,728	415,263
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			5,245			5,245	367	5,611
Other comprehensive income of the period				-8,264	-3,368	-11,632		-11,632
Total comprehensive income for the period	-	-	5,245	-8,264	-3,368	-6,387	367	-6,020
Share-based payment		329				329		329
Balance on 30 Sep 2024	158,369	271,160	32,327	-37,176	2,464	427,143	-9,301	417,843

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 third quarter entered into interest rate swap agreements at a nominal value of NOK 300 million, in addition to the EUR 50 million swaps entered into in the second 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 30 Sep 2024, the Group had an unused part of the RCF agreement of EUR 48.2 million, in addition to unrestricted cash and cash equivalents of EUR 24.8 million. The Group had positive cash flow from operating activities before NPL investments of EUR 136.4 million in the first nine months of 2024, and cash flows from operating activities amounted to EUR 39.8 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 Sep 2024							
	Q4-24	Q1-25	Q2-25	Q3-25	1-2 years	2-4 years	4+ years	Total
NPL investment commitments, non-cancellable ¹	1,975	52	52	-	-	-	-	2,079
NPL investment commitments, cancellable ¹	260	1,585	390	130	-	-	-	2,365
Revolving credit facility (RCF)	8,118	7,936	7,633	7,633	509,774	-	-	541,093
Bond ACR03 (ISIN NO0011093718)	6,279	6,083	5,954	5,954	304,867	-	-	329,137
Bond ACR04 (ISIN NO0013005264)	6,214	6,079	5,959	5,959	23,834	219,334	-	267,379
Other non-current liabilities	-	-	-	-	-	-	4,818	4,818
Accounts payable	2,198	-	-	-	-	-	-	2,198
Lease liabilities	1,012	1,017	949	919	3,592	3,114	2,148	12,752
Other current liabilities	21,612	1,000	4,368	79	-	-	-	27,058
Total contractual maturities	47,668	23,751	25,305	20,673	842,067	222,448	6,966	1,188,879

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 30 September 2024, cash flows are limited to EUR 13.7 million by contracted capex limits. The NPL commitments that are cancellable are cancellable with one to three months' notice.

EUR thousand	ERC per 30 Sep 2024							
	Q4-24	Q1-25	Q2-25	Q3-25	1-2 years	2-4 years	4+ years	Total
Estimated remaining collections (ERC)	80,719	84,151	85,118	77,881	320,176	551,684	1,402,760	2,602,489

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 Sep 2024

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collections on own portfolios	71,823	-	-	71,823
Portfolio amortization and revaluation	-31,125	-	-	-31,125
Revenue from sale of repossessed assets	1,497	-	-	1,497
Other operating income:				
Change in fair value forward flow commitments	-	-	-	-
Other operating revenue and other income	-	12,752	-	12,752
Total income	42,195	12,752	-	54,946
Cost of repossessed assets sold	-708	-	-	-708
Impairment repossessed assets	-	-	-	-
Direct operating expenses	-9,598	-8,056	-	-17,654
Contribution margin	31,888	4,695	-	36,584
SG&A, IT and corporate cost			-9,968	-9,968
EBITDA				26,616
Amortization and depreciation			-2,488	-2,488
Operating result				24,128
Total operating expenses	-10,306	-8,056	-9,968	-28,331
Contribution margin (%)	75.6%	36.8%	na	66.6%
EBITDA margin (%)				48.4%
Opex ex SG&A, IT and corporate cost / Gross revenue	14.1%	63.2%	na	21.3%
SG&A, IT and corporate cost / Gross revenue				11.6%

For the quarter end 30 Sep 2023

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collections on own portfolios	71,129	-	-	71,129
Portfolio amortization and revaluation	-20,522	-	-	-20,522
Revenue from sale of repossessed assets	584	-	-	584
Other operating income:				
Change in fair value forward flow commitments	428	-	-	428
Other operating revenue and other income	-	12,691	-	12,691
Total income	51,619	12,691	-	64,311
Cost of repossessed assets sold	-442	-	-	-442
Impairment repossessed assets	-	-	-	-
Direct operating expenses	-11,050	-8,521	-	-19,571
Contribution margin	40,128	4,170	-	44,298
SG&A, IT and corporate cost			-9,866	-9,866
EBITDA				34,432
Amortization and depreciation			-2,304	-2,304
Operating result				32,128
Total operating expenses	-11,491	-8,521	-9,866	-29,878
Contribution margin (%)	77.7%	32.9%	na	68.9%
EBITDA margin (%)				53.5%
Opex ex SG&A, IT and corporate cost / Gross revenue	16.0%	67.1%	na	23.7%
SG&A, IT and corporate cost / Gross revenue				11.7%

Year to date 30 Sep 2024

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collections on own portfolios	213,287	-	-	213,287
Portfolio amortization and revaluation	-83,662	-	-	-83,662
Revenue from sale of repossessed assets	3,080	-	-	3,080
Other operating income:				
Change in fair value forward flow commitments	-120	-	-	-120
Other operating revenue and other income	-	37,979	-	37,979
Total income	132,586	37,979	-	170,565
Cost of repossessed assets sold	-1,399	-	-	-1,399
Impairment repossessed assets	-	-	-	-
Direct operating expenses	-30,114	-24,637	-	-54,751
Contribution margin	101,073	13,343	-	114,415
SG&A, IT and corporate cost			-31,231	-31,231
EBITDA				83,184
Amortization and depreciation			-7,009	-7,009
Operating result				76,175
Total operating expenses	-31,513	-24,637	-31,231	-87,381
Contribution margin (%)	76.2%	35.1%	na	67.1%
EBITDA margin (%)				48.8%
Opex ex SG&A, IT and corporate cost / Gross revenue	14.6%	64.9%	na	22.1%
SG&A, IT and corporate cost / Gross revenue				12.3%

Year to date 30 Sep 2023

EUR thousand	NPL	3PC	Eliminations/ Not allocated	Total
Collections on own portfolios	217,947	-	-	217,947
Portfolio amortization and revaluation	-68,780	-	-	-68,780
Revenue from sale of repossessed assets	1,993	-	-	1,993
Other operating income:				
Change in fair value forward flow commitments	1,786	-	-	1,786
Other operating revenue and other income	-	38,546	-	38,546
Total income	152,945	38,546	-	191,491
Cost of repossessed assets sold	-1,177	-	-	-1,177
Impairment repossessed assets	-	-	-	-
Direct operating expenses	-34,423	-26,092	-	-60,515
Contribution margin	117,345	12,454	-	129,799
SG&A, IT and corporate cost			-32,250	-32,250
EBITDA				97,549
Amortization and depreciation			-6,814	-6,814
Operating result				90,734
Total operating expenses	-35,600	-26,092	-32,250	-93,942
Contribution margin (%)	76.7%	32.3%	na	67.8%
EBITDA margin (%)				50.9%
Opex ex SG&A, IT and corporate cost / Gross revenue	16.2%	67.7%	na	23.9%
SG&A, IT and corporate cost / Gross revenue				12.5%

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
Other operating income:				
Change in fair value forward flow commitments	1,805	-	-	1,805
Other operating revenue and other income	-	54,039	-	54,039
Total income	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		Full year 2023
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Financial revenue					
Interest on bank deposits	99	153	215	238	385
Gain on purchase of treasury bonds (note 7)	-	-	-	115	115
Other financial income	15	86	31	2,846	2,889
Total financial revenue	114	238	245	3,198	3,389
Financial expenses					
Interest expense on borrowings	-22,588	-22,248	-67,388	-58,783	-81,594
Net foreign exchange loss ¹	-401	-445	-72	-1,140	-815
Other financial expenses	-482	-1,658	-1,274	-2,091	-2,341
Total financial expenses	-23,471	-24,350	-68,733	-62,015	-84,750
Total net financial items	-23,356	-24,112	-68,488	-58,817	-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 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 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Finland	3,029	3,760	6,949	10,723	14,425
Germany	6,437	11,068	22,716	30,803	40,759
Italy	8,432	9,810	28,081	27,838	38,438
Norway	5,513	10,960	24,589	30,357	41,088
Spain	26,492	25,611	75,914	77,046	100,498
Sweden	5,042	3,101	12,316	14,722	21,428
Total income	54,946	64,311	170,565	191,491	256,637

Non-current assets

EUR thousand	Book value		
	30 Sep 2024	30 Sep 2023	Full year 2023
Finland	2,800	3,261	3,017
Germany	16,453	16,122	15,903
Italy	15,489	15,864	15,825
Norway	27,164	30,462	30,186
Spain	19,395	19,559	20,299
Sweden	2,668	3,370	3,325
Total assets	83,969	88,638	88,555

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 Sep 2024

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Total
Interest income from purchased loan portfolios	3,684	8,689	7,442	9,541	21,607	6,192	57,155
Collections above/(below) forecasts	-675	-1,974	-1,607	-1,575	-2,272	-1,003	-9,105
NPV of changes in collection forecasts	0	-1,988	-32	-4,182	-1,005	-147	-7,353
Net gain/(loss) purchased loan portfolios	-675	-3,962	-1,639	-5,756	-3,277	-1,149	-16,458
Sale of repossessed assets					1,497		1,497
Total portfolio revenue	3,009	4,727	5,803	3,785	19,827	5,042	42,195

For the quarter end 30 Sep 2023

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Total
Interest income from purchased loan portfolios	3,887	9,460	7,075	9,073	17,694	6,149	53,337
Collections above/(below) forecasts	-210	-150	-40	-601	2,351	-769	581
NPV of changes in collection forecasts	-110	194	32	609	-1,286	-2,751	-3,312
Net gain/(loss) purchased loan portfolios	-320	44	-7	8	1,065	-3,521	-2,730
Sale of repossessed assets					584		584
Total portfolio revenue	3,567	9,503	7,068	9,081	19,344	2,629	51,192

Year to date 30 Sep 2024

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Total
Interest income from purchased loan portfolios	11,331	26,782	22,359	28,853	58,117	18,791	166,232
Collections above/(below) forecasts	-2,004	-5,503	-2,077	-5,724	-2,896	-1,762	-19,966
NPV of changes in collection forecasts	-2,409	-3,183	-40	-3,599	-2,695	-4,713	-16,640
Net gain/(loss) purchased loan portfolios	-4,413	-8,686	-2,118	-9,323	-5,592	-6,475	-36,606
Sale of repossessed assets					3,080		3,080
Total portfolio revenue	6,918	18,096	20,241	19,530	55,605	12,316	132,706

Year to date 30 Sep 2023

EUR thousand	Finland	Germany	Italy	Norway	Spain	Sweden	Total
Interest income from purchased loan portfolios	11,784	28,198	19,268	27,203	51,970	19,064	157,488
Collections above/(below) forecasts	-1,187	-2,539	419	-2,886	7,078	-2,291	-1,407
NPV of changes in collection forecasts	-431	-295	244	-87	-2,777	-3,569	-6,915
Net gain/(loss) purchased loan portfolios	-1,619	-2,834	663	-2,973	4,302	-5,861	-8,322
Sale of repossessed assets					1,993		1,993
Total portfolio revenue	10,165	25,364	19,931	24,229	58,265	13,204	151,159

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
Total	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 7% of the book value of the loans are secured by a property object per 30 September 2024 (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 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Balance at start of period	1,283,894	1,241,373	1,265,327	1,252,642	1,252,642
Acquisitions during the period	12,613	19,066	93,815	92,039	116,118
Collections	-71,823	-71,129	-213,287	-217,947	-287,046
Interest income from purchased loan portfolios	57,155	53,337	166,232	157,488	211,289
Net gain/(loss) purchased loan portfolios	-16,458	-2,730	-36,606	-8,322	-13,082
Repossessions	-379	-42	-2,408	-668	-1,123
Deliveries on forward flow contracts	-	543	185	921	1,435
Currency translation differences	-6,351	13,200	-14,606	-22,535	-14,905
Balance at end of period	1,258,652	1,253,619	1,258,652	1,253,619	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 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Nominal value acquired portfolios	481,856	2,987,443	2,965,749	3,535,608	3,659,615
Expected credit losses at acquisition	-469,244	-2,968,377	-2,871,934	-3,443,568	-3,543,497
Acquisitions during the period	12,613	19,066	93,815	92,039	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 Sep 2024		30 Sep 2023		Full year 2023	
	Book value	% of total	Book value	% of total	Book value	% of total
Finland	109,526	9%	117,987	9%	118,453	9%
Germany	176,811	14%	192,714	15%	189,308	15%
Italy	159,087	13%	163,047	13%	165,929	13%
Norway	232,410	18%	234,467	19%	240,989	19%
Spain	386,483	31%	353,151	28%	349,715	28%
Sweden	194,335	15%	192,252	15%	200,932	16%
Total book value	1,258,652	100%	1,253,619	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
30 Sep 2024																
ERC	327,870	320,176	295,584	256,100	224,218	191,866	171,107	153,599	137,972	122,930	102,176	89,620	79,139	69,509	60,623	2,602,489
Amortization	112,226	128,616	129,914	114,658	103,663	88,218	81,513	76,802	73,139	69,505	59,166	56,201	54,995	54,709	55,326	1,258,652
Interest income	215,643	191,559	165,670	141,442	120,555	103,648	89,594	76,797	64,833	53,424	43,011	33,419	24,144	14,800	5,298	1,343,837
30 Sep 2023																
ERC	312,356	301,768	278,274	251,981	215,640	190,660	173,127	156,942	142,126	129,042	115,505	94,974	83,234	74,108	66,387	2,586,124
Amortization	108,042	119,139	118,333	113,217	95,677	85,610	81,172	77,405	74,375	72,706	70,352	60,188	58,103	58,532	60,768	1,253,619
Interest income	204,315	182,630	159,941	138,764	119,963	105,049	91,955	79,536	67,751	56,336	45,152	34,786	25,131	15,576	5,620	1,332,506
Full year 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 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	Interest coupon	Maturity
Facility							
Bond ACR03 (ISIN NO0011093718)	EUR		300,000	-18,950	278,173	3m EURIBOR + 535bps	15.09.2026
Bond ACR04 (ISIN NO0013005264)	NOK		195,500	-	194,065	3m NIBOR + 825bps	07.09.2027
Total bond loans			495,500	-18,950	472,238		
Revolving credit facility	EUR		350,498		340,586	EURIBOR + margin	30.06.2026
(multi-currency facility)	SEK		146,290		146,290	STIBOR + margin	30.06.2026
Total credit facilities		545,000	496,788		486,876		
Total interest-bearing loans and borrowings at end of period			992,288	-18,950	959,114		

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	-	-15,257	-15,257
Loan fees	-117	-	-117
Total changes in financial cash flow	-117	26,743	26,626
Amortization of capitalized loan fees	1,223	3,897	5,120
Currency translation differences	-9,200	-2,653	-11,853
Other non-cash movements	117	-	117
Total interest-bearing loans and borrowings at end of period	472,238	486,876	959,114

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	278,173	329,137	12,362	11,908	304,867	-
Bond ACR04 (ISIN NO0013005264)	NOK	194,065	267,379	12,293	11,917	23,834	219,334
Total bond loan		472,238	596,516	24,655	23,825	328,701	219,334
Revolving credit facility (multi-currency facility)	EUR/SEK	486,876	541,093	16,053	15,266	509,774	-
Total credit facilities		486,876	541,093	16,053	15,266	509,774	-
Total interest-bearing loans and borrowings at end of period		959,114	1,137,609	40,709	39,091	838,475	219,334

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:

- Leverage ratio: $\leq 3.0x$ (Secured loans (RCF) less cash to pro-forma adjusted cash EBITDA)
- 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 repossessed assets)

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 September 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 repossessed assets)
- Net secured loan to value: $\leq 60\%$ (secured loans less cash to total book value all loan portfolios and repossessed assets)

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	674	53	2,553
Depreciation	-2,245	-291	-32	-2,568
Disposals	-34	-20	-	-55
Currency translation differences	-233	-1	-1	-235
Right of use assets on 30 Sep 2023	10,576	764	113	11,453
Right of use assets on 31 Dec 2023	10,711	792	101	11,604
Additions	1,834	207	-	2,041
Depreciation	-2,593	-300	-38	-2,931
Disposals	-699	-43	-	-742
Currency translation differences	-98	-2	-	-100
Right of use assets on 30 Sep 2024	9,154	655	63	9,872
Remaining lease term	1-7 years	1-4 years	1-3 years	
Depreciation method	Linear	Linear	Linear	

Lease liabilities

EUR thousand	30 Sep 2024	30 Sep 2023	Full year 2023
Lease liabilities on 1 Jan	12,163	12,239	12,239
Net new leases	1,912	2,310	3,237
Lease payments, principal amount	-2,743	-2,290	-3,143
Currency translation differences	-128	-245	-171
Lease liabilities at period end	11,203	12,015	12,163
Current	3,308	3,203	3,194
Non-current	7,895	8,813	8,969

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

EUR thousand	30 Sep 2024	30 Sep 2023	Full year 2023
Undiscounted lease liabilities and maturity of cash outflows			
< 1 year	3,897	3,788	3,837
1-2 years	3,592	3,385	3,598
2-3 years	2,059	2,977	3,232
3-4 years	1,055	1,524	1,237
4-5 years	747	556	700
> 5 years	1,402	1,376	1,261
Total undiscounted lease liabilities	12,752	13,606	13,866
Discounting element	-1,549	-1,591	-1,703
Total lease liabilities	11,203	12,015	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 Sep 2024	30 Sep 2023	Full year 2023
Balance on 1 Jan	311	-	-
Value change	-120	1,786	1,805
Deliveries	-185	-921	-1,435
Currency translation differences	-5	-42	-58
Balance at period end	-	823	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 Sep 2024	30 Sep 2023	Full year 2023
Fair value of forward flow commitments (asset)	-	823	311
Balance at period end	-	823	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 Sep 2024	302,145,464	158,368,902

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

Name	Shareholding	Share %
Latino Invest AS/Johnny Tsois 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	0.0%
Kjersti Høklingen ²	21,000	0.0%
Brita Eilertsen ²	19,892	0.0%
Ørjan Svanevik, through Oavik Capital AS ²	13,000	0.0%

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 30 Sep 2024

Name	Shareholding	Share %
Geveran Trading Company 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%
J.P. Morgan SE (Nominee)	4,454,162	1.5%
Spectatio Finans AS	3,786,728	1.3%
Nordnet Livsforsikring AS	3,058,352	1.0%
Stiftelsen Kistefos	3,000,000	1.0%
Nordnet Bank AB (Nominee)	2,860,310	0.9%
Endre Rangnes	2,017,000	0.7%
Gvæpseborg AS	1,782,826	0.6%
Latino Invest AS/Johnny Tsois	1,770,000	0.6%
Alpette AS	1,661,643	0.5%
Stavern Helse og Forvaltning AS	1,500,000	0.5%
Siljan Industrier AS	1,385,306	0.5%
Avanza Bank AB (Broker)	1,352,195	0.4%
Andres Lopez Sanchez	1,177,525	0.4%
David Martin Ibeas	1,177,525	0.4%
Øen Holding AS	1,100,000	0.4%
Velde Holding AS	994,915	0.3%
Total 20 largest shareholders	204,243,393	67.6%
Other shareholders	97,902,071	32.4%
Total number of shares	302,145,464	100%
Total number of shareholders	8,111	

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 Sep 2023	30 Sep 2023	
Other operating revenue	409	2,744	4,296
Total income	409	2,744	4,296
Cost of REOs sold, incl impairment	-717	-4,514	-8,422
Other operating expenses	-289	-1,063	-1,495
Total operating expenses	-1,005	-5,577	-9,917
EBITDA	-597	-2,833	-5,621
Amortization and depreciation	-	-	-
Operating profit	-597	-2,833	-5,621
Financial expenses	-80	-348	-348
Net financial items	-80	-348	-348
Profit/(loss) before tax	-677	-3,181	-5,969
Income tax expense	-	-	-
Net profit/(loss) after tax	-677	-3,181	-5,969
Attributable to:			
Non-controlling interests	-392	-1,887	-3,418
Shareholders of the parent company	-284	-1,294	-2,551
Earnings per share: basic and diluted	-0.001	-0.004	-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 Sep 2023	Full year 2023
<i>Current assets</i>		
Stock of secured assets	3,908	-
Accounts receivable	8	-
Other current assets	421	-
Cash and cash equivalents	1,009	-
Total current assets	5,346	-
Assets classified as held for sale	5,346	-
<i>Non-current liabilities</i>		
Interest-bearing debt	4,177	-
Total non-current liabilities	4,177	-
<i>Current liabilities</i>		
Other current liabilities	687	-
Total current liabilities	687	-
Liabilities directly associated with assets classified as held for sale	4,864	-
Net assets classified as held for sale	482	-

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 Sep 2023	Year to date 30 Sep 2023	Full year 2023
Net cash flow from operating activities	120	1,681	2,801
Net cash flow from investing activities	-	-	-
Net cash flow from financing activities	-1,508	-4,280	-6,409
Total net cash flow	-1,388	-2,599	-3,607

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 note 11 , 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 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

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Total income	54,946	64,311	170,565	191,491	256,637
Portfolio amortization and revaluation	31,125	20,522	83,662	68,780	88,840
Change in fair value of forward flow commitments	-	-428	120	-1,786	-1,805
Gross revenue	86,071	84,404	254,347	258,486	343,672

EBITDA and Cash EBITDA

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Total income	54,946	64,311	170,565	191,491	256,637
Total operating expenses	-28,331	-29,878	-87,381	-93,942	-124,789
EBITDA	26,616	34,432	83,184	97,549	131,848
Calculated cost of share option program	97	83	329	325	450
Portfolio amortization and revaluation	31,125	20,522	83,662	68,780	88,840
Change in fair value of forward flow commitments	-	-428	120	-1,786	-1,805
Cost of repossessed assets sold, incl. impairment	708	442	1,399	1,177	1,759
Cash EBITDA	58,546	55,051	168,694	166,046	221,092
EBITDA from discontinued operations	-	-597	-	-2,833	-5,621
Cost of REOs sold, incl. impairment	-	717	-	4,514	8,422
Cash EBITDA, incl discontinued operations	58,546	55,171	168,694	167,727	223,894
Taxes paid	-5,176	1,180	-16,769	-4,843	-11,616
Change in working capital	-11,729	-6,899	-15,559	-6,679	-7,318
Cash flow from operating activities before NPL investments	41,641	49,452	136,367	156,204	204,959

Estimated remaining collections (ERC)

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Purchased loan portfolios	1,258,652	1,253,619	1,258,652	1,253,619	1,265,327
Estimated opex for future collections at time of acquisition	367,087	368,785	367,087	368,785	369,720
Estimated discounted gain	976,750	963,720	976,750	963,720	985,368
Estimated remaining collections (ERC)	2,602,489	2,586,124	2,602,489	2,586,124	2,620,416

Net interest-bearing debt (NIBD)

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Interest-bearing debt from financial position	959,114	949,167	959,114	949,167	939,104
Interest-bearing debt, discontinued operations	-	4,177	-	4,177	-
Total interest-bearing debt	959,114	953,344	959,114	953,344	939,104
Capitalized loan fees and other adjustments	14,224	20,417	14,224	20,417	19,344
Cash and cash equivalents from financial position	-24,778	-41,318	-24,778	-41,318	-31,826
Cash and cash equivalents, discontinued operations	-	-1,009	-	-1,009	-
Net interest-bearing debt (NIBD)	948,560	931,433	948,560	931,433	926,622

Return on equity to shareholders, annualized

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Net profit/(loss) after tax attributable to shareholders of the parent company	336	6,014	5,245	23,487	30,830
Average equity for the period related to shareholders of the parent company	429,776	418,010	429,389	415,542	419,074
Return on equity to shareholders, annualized	0.3%	5.7%	1.6%	7.6%	7.4%

Return on equity, annualized

EUR thousand	For the quarter end		Year to date		Full year 2023
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023	
Net profit/(loss) after tax ¹	563	6,091	5,611	24,347	33,563
Average total equity for the period	420,362	409,582	419,860	408,304	411,350
Return on equity, annualized	0.5%	5.9%	1.8%	8.0%	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 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		

