Q3 highlights

Financial update

Outlook

Q&A
Financial highlights for the quarter on continuing operations

Gross revenue growth of 3% y-o-y
- 5% y-o-y with constant currency

Cash EBITDA growth of 2% y-o-y
- 5% y-o-y with constant currency

Healthy EBITDA margin of 54%
- EBITDA of EUR 34m, up from EUR 30m last year

Annualized return on equity of 6%
- 8% excluding one-time cost related to the refinancing of ACR02
Key profit improvement initiatives

Funding
- Secure long-term funding and stable credit rating [Done]

Portfolio profitability
- Accretive investments – Solve old claims with low profitability and replace them with claims with high profitability [Ongoing]

Cost position
- Invest heavily in data-driven valuation and operation [Ongoing]
- Utilize the strong cost culture and further reduce the cost [Ongoing]
- Exit unprofitable 3PC markets [Ongoing]
After successfully refinancing both the RCF and ACR02 there are no maturities until June 2026

<table>
<thead>
<tr>
<th>Facility type</th>
<th>Facility size</th>
<th>Current draw</th>
<th>Maturity profile</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank RCF</td>
<td>545m</td>
<td>488m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond ACR03</td>
<td>300m</td>
<td>281m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond ACR04</td>
<td>204m³</td>
<td>204m³</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 3-year facility with option to prolong two more years, dependent on separate credit approval
- Refinanced in Q2 2023 at satisfying terms
- EUR 19m repurchased in 2022
- ACR04 successfully placed in Q3 2023
- The bond was up-sized due to high demand

---

1) EUR
2) Draw on RCF, Bonds equals nominal value less treasury bonds owned by Axactor (repurchased from bond holders)
3) Bond placed in NOK. Size NOK 2,300 million
Stable positive development over time has secured affirmation of credit ratings despite industry turmoil

EBITDA and EBITDA-margin
(EUR million and %)

Unchanged credit rating since initiation\(^1\)

<table>
<thead>
<tr>
<th>Rating</th>
<th>Moody’s</th>
<th>S&amp;P Global Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B1</td>
<td>B</td>
</tr>
<tr>
<td>Outlook</td>
<td>Positive</td>
<td>Stable</td>
</tr>
</tbody>
</table>

1) Affirmed by S&P 28 Aug 2023 and by Moody’s 5 Oct 2023

Funding

Accretive investments

Cost position
NPL gross IRR on the total book is steadily increasing
- Currently signing deals with a gross IRR almost twice as high as the total NPL book

- Gross IRR for new acquisitions upheld at same level as in previous quarters
- Moderate change in investment commitments in Q3 2023
NPL investment estimate of EUR 100 - 150m for the year

- NPL investment estimate of EUR 100 - 150m for the year
  - Invested EUR 19m during the quarter and EUR 92m YTD
  - Additional EUR 12m in committed NPL investments
- Experiencing fewer transactions as sellers and buyers are trying to agree on new price levels

Comment: Stated numbers are for continuing operations
NPL cost-to-collect stabilizing at a record low level
- Materializing in an EBITDA percentage among the best in the industry

Axactor NPL cost-to-collect per year

1) Cost is calculated as segment OPEX + allocation of unallocated OPEX and Depreciation & Amortization (excluding amortization of NPL portfolios). Segment OPEX is used as allocation key. Income is calculated as Total income adjusted for revaluations to show income excluding one-time effects based on changes in future expectations.
Axactor is exiting the 3PC market in both Sweden and Finland to increase profits

3PC total income split by geography YTD Q3‘23

- Axactor has not been able to grow sizable 3PC revenue in Sweden and Finland
- Furthermore, the market prices are low resulting in an unprofitable business
- Axactor has therefore decided to exit the 3PC market in both Sweden and Finland
- 3PC total income will be substantially lower in both countries already in Q4 2023
Q3 highlights

Financial update

Outlook

Q&A
Group: Continued growth on gross revenue y-o-y

- Gross revenue is up 3% y-o-y
  - NPL gross revenue growth of 4% y-o-y
  - 3PC gross revenue growth of -3% y-o-y
- Estimated gross revenue growth of 5% y-o-y with constant currency

Comment: Stated numbers are for continuing operations
NPL segment: Steady total income growth with stable margins

NPL Total income and CM% (EUR million, and %)

- Satisfying total income growth of 13% y-o-y with stable margins, despite macroeconomic headwinds
- Collection performance of 98% for the quarter
  - Satisfactory quarter in southern Europe
  - Debtors in Nordics and Germany opt for longer payment plans with lower monthly installments

Comment: Stated numbers are for continuing operations
1) Margin not applicable (n/a) due to write-down
3PC segment: Total income and margins under pressure

3PC Total income and CM%
(EUR million and %)

- 3PC total income growth of -3% y-o-y
  - Competition puts pressure on both total income and contribution margin
- Axactor is currently going through all contracts and terminate those with too low margins
  - Axactor will exit 3PC in Sweden and Finland during the fall (5% of 3PC total income in Q3)

Comment: Stated numbers are for continuing operations
Group: Growth y-o-y in all key parameters despite headwind on currency and macro

Total income (EUR million)

<table>
<thead>
<tr>
<th></th>
<th>Q3 '21</th>
<th>Q4 '21</th>
<th>Q1 '22</th>
<th>Q2 '22</th>
<th>Q3 '22</th>
<th>Q4 '22</th>
<th>Q1 '23</th>
<th>Q2 '23</th>
<th>Q3 '23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>39</td>
<td>14</td>
<td>57</td>
<td>60</td>
<td>59</td>
<td>63</td>
<td>62</td>
<td>65</td>
<td>64</td>
</tr>
<tr>
<td>Change</td>
<td>+51%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EBITDA and EBITDA-margin (EUR million and %)

<table>
<thead>
<tr>
<th></th>
<th>Q3 '21</th>
<th>Q4 '21</th>
<th>Q1 '22</th>
<th>Q2 '22</th>
<th>Q3 '22</th>
<th>Q4 '22</th>
<th>Q1 '23</th>
<th>Q2 '23</th>
<th>Q3 '23</th>
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</thead>
<tbody>
<tr>
<td>Income</td>
<td>13</td>
<td>28</td>
<td>30</td>
<td>30</td>
<td>31</td>
<td>30</td>
<td>33</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Margin</td>
<td>33%</td>
<td>48%</td>
<td>50%</td>
<td>51%</td>
<td>49%</td>
<td>49%</td>
<td>50%</td>
<td>54%</td>
<td></td>
</tr>
</tbody>
</table>

Cash EBITDA (EUR million)

<table>
<thead>
<tr>
<th></th>
<th>Q3 '21</th>
<th>Q4 '21</th>
<th>Q1 '22</th>
<th>Q2 '22</th>
<th>Q3 '22</th>
<th>Q4 '22</th>
<th>Q1 '23</th>
<th>Q2 '23</th>
<th>Q3 '23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>44</td>
<td>49</td>
<td>49</td>
<td>58</td>
<td>54</td>
<td>58</td>
<td>51</td>
<td>60</td>
<td>55</td>
</tr>
<tr>
<td>Change</td>
<td>+22%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Comment: Stated numbers are for continuing operations
Stable ROE of 9% on continuing operations last twelve months – despite increased cost of funding
## Outlook

<table>
<thead>
<tr>
<th>Key driver</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accretive investments</strong></td>
<td>+ • Highly accretive gross IRR on new deals of 30+% compared to the backbook of 18%</td>
</tr>
<tr>
<td><strong>Growth</strong></td>
<td>+ • NPL: Minimum 10% growth in interest income in 2023&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
</tbody>
</table>
|                             | • 3PC: Competition puts pressure on both total income and contribution margin |<sup>1</sup>  
| **Funding**                 | ~ • Interest rate hedge secures partial protection of financial expenses for 9 more quarters<sup>2</sup> |
|                             | ~ • No maturities until June 2026                                      |<sup>2</sup>  
| **Collection**              | ~ • Expect continued negative macroeconomic impact in Nordics and Germany |
|                             | ~ • Collection curves are adjusted to reflect the current macroeconomic conditions |

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<sup>1</sup> Please see slide 7 in the Q4 presentation for further explanation

<sup>2</sup> EUR 200m hedge
Q3 highlights

Financial update

Outlook

Q&A
Supporting information
NPL investment commitments of EUR 20m next 12 months

Quarterly NPL investments
(EUR million)

Additional forward flow agreements and one-off acquisitions expected to further increase NPL investments
ERC increasing by 9% y-o-y driven by increased NPL investments in 2022

ERC development
(EUR million)

<table>
<thead>
<tr>
<th></th>
<th>Q3 '21</th>
<th>Q4 '21</th>
<th>Q1 '22</th>
<th>Q2 '22</th>
<th>Q3 '22</th>
<th>Q4 '22</th>
<th>Q1 '23</th>
<th>Q2 '23</th>
<th>Q3 '23</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>2,130</td>
<td>2,141</td>
<td>2,259</td>
<td>2,279</td>
<td>2,367</td>
<td>2,545</td>
<td>2,523</td>
<td>2,563</td>
<td>2,586</td>
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</tbody>
</table>

Forward ERC profile by year
(EUR million)

<table>
<thead>
<tr>
<th></th>
<th>Y1</th>
<th>Y2</th>
<th>Y3</th>
<th>Y4</th>
<th>Y5</th>
<th>Y6</th>
<th>Y7</th>
<th>Y8</th>
<th>Y9</th>
<th>Y10</th>
<th>Y11</th>
<th>Y12</th>
<th>Y13</th>
<th>Y14</th>
<th>Y15</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>312</td>
<td>302</td>
<td>278</td>
<td>252</td>
<td>216</td>
<td>191</td>
<td>173</td>
<td>157</td>
<td>142</td>
<td>129</td>
<td>116</td>
<td>95</td>
<td>83</td>
<td>74</td>
<td>66</td>
</tr>
</tbody>
</table>

+9%
3PC volumes by geographic region

3PC Total income split by geographic region

- Spain accounting for 49% of total income on 3PC
- Italy share of Total income increased to 22% (17%) following organic growth in Italy
## Discontinued operations
- REO book value reduced to EUR 4m ultimo Q3

### REO Total income and net profit

<table>
<thead>
<tr>
<th></th>
<th>EUR million</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 '21</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Q4 '21</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Q1 '22</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Q2 '22</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Q3 '22</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Q4 '22</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Q1 '23</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Q2 '23</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Q3 '23</td>
<td>0</td>
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</table>

### REO book value

<table>
<thead>
<tr>
<th></th>
<th>EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 '21</td>
<td>42</td>
</tr>
<tr>
<td>Q4 '21</td>
<td>27</td>
</tr>
<tr>
<td>Q1 '22</td>
<td>21</td>
</tr>
<tr>
<td>Q2 '22</td>
<td>16</td>
</tr>
<tr>
<td>Q3 '22</td>
<td>13</td>
</tr>
<tr>
<td>Q4 '22</td>
<td>8</td>
</tr>
<tr>
<td>Q1 '23</td>
<td>6</td>
</tr>
<tr>
<td>Q2 '23</td>
<td>5</td>
</tr>
<tr>
<td>Q3 '23</td>
<td>4</td>
</tr>
</tbody>
</table>

### REO number of units

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 '21</td>
<td>1,640</td>
</tr>
<tr>
<td>Q4 '21</td>
<td>1,322</td>
</tr>
<tr>
<td>Q1 '22</td>
<td>946</td>
</tr>
<tr>
<td>Q2 '22</td>
<td>835</td>
</tr>
<tr>
<td>Q3 '22</td>
<td>711</td>
</tr>
<tr>
<td>Q4 '22</td>
<td>695</td>
</tr>
<tr>
<td>Q1 '23</td>
<td>516</td>
</tr>
<tr>
<td>Q2 '23</td>
<td>451</td>
</tr>
<tr>
<td>Q3 '23</td>
<td>516</td>
</tr>
</tbody>
</table>

1 2021 figures restated
Bond covenants (1/2)

Loan-to-value - covenant ≤80%
(Net interest-bearing debt divided by total portfolio book value)

Secured Loan-to-value - covenant ≤60%
(Secured net interest-bearing debt divided by total portfolio book value)
Bond covenants (2/2)

Leverage ratio - covenant ≤4.0x
(Net interest-bearing debt divided by LTM Pro-forma adjusted cash EBITDA)

Interest coverage ratio - covenant ≥3.0x
(Pro-forma adjusted cash EBITDA divided by net interest expenses)
Terms and abbreviations

Terms
- Forecast
- Board
- Cash EBITDA margin
- Contribution margin (%)
- Collection performance
- Cost-to-collect
- Equity ratio
- Forward flow agreement
- Gross IRR
- Group
- NPL amortization rate
- NPL cost-to-collect ratio
- One-off portfolio acquisition
- Opex
- Recovery rate
- Replacement capex
- Repossession
- SG&A, IT, and corporate cost
- Solution rate

Abbreviations
- 3PC: Third-party collection
- AGM: Annual general meeting
- APM: Alternative performance measures
- ARM: Accounts receivable management
- B2B: Business to business
- B2C: Business to consumer
- BoD: Board of Directors
- BIS: Consolidated statement of financial position (balance sheet)
- CFI: Consolidated statement of cash flows
- CGU: Cash generating unit
- CM: Contribution margin
- D&A: Depreciation and amortization
- Dow: Direct operating expenses
- EBIT: Operating profit/Earnings before interest and tax
- EBITDA: Expected credit loss
- ECL: Earnings before interest, tax, depreciation and amortization
- EG: Estimated credit loss
- EPS: Extraordinary general meeting
- FTE: Full-time equivalent
- GHG: Greenhouse gas emissions
- IFRS: International financial reporting standards
- LO: Loan to value
- NCI: Non-controlling interests
- NPL: Non-performing loan
- OB: Outstanding balance
- OEC: Other economic costs
- OCI: Operating earnings
- PPA: Purchased credit impaired
- PCI: Purchase price allocations
- ROE: Real estate owned
- RS: Return on equity
- SDG: Sustainable development goal
- SPV: Special purpose vehicle
- VU: Value in use
- VPS: Verdiskapitalfondet
- WACC: Weighted average cost of capital
- WAEP: Weighted average exercise price

Abbreviations
- SG&A: Selling, general & administrative
- IT: Information technology
- SG&A: Selling, general, & administrative
- ESOP: Employee stock option plan
- ROE: Return on equity
- SDG: Sustainable development goal
- ESG: Environmental, social & governance