PROSPECTUS

AXACTOR AB (PUBL.)

(a public limited liability company organized under the laws of Sweden)

Listing on the Oslo Stock Exchange of 164,400,000 Private Placement Shares issued in the Private Placement completed on 14 August 2017

The information contained in this prospectus (the "**Prospectus**") relates to the listing on the Oslo Stock Exchange, or Oslo Børs, of 164,400,000 new ordinary shares (the "**Private Placement Tranche 2 Shares**"), each with a par value of EUR 0.0523423187673968[1] ("**Shares**"), in Axactor AB (publ.) (the "**Company**") issued in a private placement completed on 14 August 2017 (the "**Private Placement**").

The Private Placement was undertaken in order to fund Axactor's equity investment in the portfolio investment company (the **"Portfolio Investment Company"**) to be established together with Geveran Trading Co. Limited ("**Geveran**"), a company indirectly controlled by trusts established by Mr. John Fredriksen for the benefit of his immediate family, and further portfolio acquisitions.

In order to facilitate registration of the Private Placement Tranche 2 Shares with the Norwegian Central Securities Depositary, or Verdipapirsentralen (the "**Norwegian CSD**" or the "**VPS**"), and hence trading of the Private Placement Tranche 2 Shares on the Oslo Stock Exchange, the Private Placement Tranche 2 Shares will be registered in the name of DNB Bank ASA, Registrars Department (the "**VPS Registrar**"), or its custodian bank, with the Company's shareholders register maintained with Euroclear Sweden ("**Euroclear**") in accordance with Swedish law. On this basis, the VPS Registrar will register in respect of the Private Placement Tranche 2 Shares, depositary interest, in book-entry form, in the Private Placement Tranche 2 Shares, with the VPS. Therefore, it is not the Private Placement Tranche 2 Shares as such, but depositary book-entry form interests in those shares, that was or will be registered with the VPS and which are or will be tradable on the Oslo Stock Exchange. References in this Prospectus to "Shares" in the Company being listed or traded on the Oslo Stock Exchange shall, where the context so requires or permits, mean the depositary book-entry form interests in those Shares as further described in Section 16.7 "Corporate Information; Shares and Share Capital—Certain Rights Attached to the Shares—Voting Rights".

The Private Placement was divided into a tranche 1 consisting of 75,600,000 new Shares (the "**Private Placement Tranche 1 Shares**"), and a tranche 2 consisting of the 164,400,000 Private Placement Tranche 2 Shares, in total 240,000,000 new Shares (the "**Private Placement Shares**"). On 17 August 2017, the Private Placement Tranche 1 Shares were issued and the share capital increase relating thereto was registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*). The subscription price in the Private Placement was NOK 2.49 per Share. The gross proceeds in the Private Placement amounts to NOK 597,600,000, whereof NOK 188,244,000 relates to settlement of the Private Placement Tranche 1 Shares and NOK 409,356,000 relates to settlement of the Private Placement Tranche 2 Shares.

Investing in the Shares involves a high degree of risk; see Section 2 "Risk Factors".

References in this Prospectus to the "Group" shall mean the Company taken together with its consolidated subsidiaries. For the definition of certain technical terms used throughout this Prospectus, see Section 21 "Definitions".

Manager:

DNB Markets

The date of this Prospectus is 21 September 2017

[1] The par value of each Share is EUR 0.0523423187673968. 0.0523 is an abbreviation applied in this Prospectus

IMPORTANT NOTICE

This document constitutes a prospectus for the purposes of Article 5 (3) of Directive 2003/71/EC and its content have been prepared in accordance with chapter two in the Swedish Act on Trading in Financial Instruments (*Sw. Lag (1991:980) om handel med finansiella instrument*) (the "**Swedish Securities Trading Act**"). This Prospectus has been filed with and approved by the Swedish Financial Supervisory Authority (the **"SFSA"**) for the purpose of the admission to trading and listing of the Private Placement Tranche 2 Shares on the Oslo Stock Exchange. The SFSA has not controlled or approved the accuracy or completeness of the information included in the Prospectus. The approval by the SFSA only relates to the information included in accordance with pre-defined disclosure requirements. The SFSA has not made any form of control or approval relating to corporate matters described in or referred to in the Prospectus.

Unless otherwise indicated, the source of information included in this Prospectus is the Company. DNB Markets, a part of DNB Bank ASA (**"DNB Markets"**, the "**Manager**"), does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Manager.

The Manager disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Prospectus or any such statement. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult with its own legal, business or tax adviser as to legal, business and tax advice. In making an investment decision, each investor must rely on its own examination, and analysis of, and enquiry into the Company, including the merits and risks involved.

In making an investment decision, each investor must rely on its own examination, and analysis of, and enquiry into the Group, including the merits and risks involved. None of the Company or the Manager, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares. No person is authorized to give information or to make any representation in connection with the Shares, the Private Placement Shares, the Private Placement and/or the Listing other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or the Manager or by any of the affiliates or advisors of any of the foregoing.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the securities described herein. No one has taken any action that would permit a public offering of the Shares. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company and the Manager require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions.

This Prospectus is subject to Swedish law. Any dispute arising in respect of this Prospectus is subject to the exclusive jurisdiction of the Swedish courts with Stockholm District Court as legal venue in the first instance.

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1. SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Element A—E (A.1—E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and the Company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Element A—Introduction and Warnings

A.1	**Warning**	This summary should be read as introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Consent for Intermediaries**	Not applicable. No agreement has been made in regard to the use of the Prospectus in connection with a subsequent resale or final placement of the shares.

Element B—Issuer

B.1	**Legal and Commercial Name**	The Company is currently registered with the Swedish Companies Registration Office with the legal name Axactor AB (publ.).
B.2	**Domicile, Legal Form and Country of Incorporation**	The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*), organized and existing under the laws of Sweden, pursuant to the Swedish Companies Act (Sw. *aktiebolagslagen*). The Company is registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) with registration number 556227-8043.
B.3	**Current Operations and Principal Activities**	Axactor is a company in the market for credit management services. The company has a Nordic headquarter and a pan-European growth strategy, which targets the market for non-performing loans in Europe. Axactor specializes in the recovery of legal debt claims, including mortgages, enforced collection, insolvency, ordinary proceedings, payment procedures etc. Axactor is currently serving clients, comprising of banks and other financial institutions, national and international large companies, small and medium-sized enterprises ("**SME**"), international investment firms and other debt collection agencies. Axactor is operating under a recovery business model, offering comprehensive debt collection management for

amicable and court based proceedings with coordination between the aforementioned procedures. In addition, Axactor provides customized portfolio segmentation strategies, monitoring, measurement, audits and test performance.

The Group has employees summing up to approximately 890 full-time equivalent ("**FTE**"). The current business of Axactor was formed after the acquisition of ALD Abogados S.L ("**ALD**"), which was completed on 5 December 2015.

Through the acquisitions in Spain, Norway, Italy, Germany and Sweden, Axactor has fulfilled its current strategy for which geographical markets the Company has targeted to operate in. Through the planned establishment of the Portfolio Investment Company, Axactor will enter into its first co-investment partnership, which has been a communicated goal for the Company. Axactor's strategy is to create a high-growth debt collection agency by leveraging on its platform to grow the existing business of the Group.

To achieve its goals, the Company will continue to consider purchases of debt portfolios from financial institutions in all the countries it operates in. The Group aims to acquire debt portfolios of business-to-consumer unsecured claims, but will also consider purchasing debt portfolios of SME and business-to-consumer secured claims. In Q2 2017, Axactor successfully entered the secured debt market in Spain through the acquisition of a portfolio of secured debt.

The Group will target to further develop the base of third-party debt collection services contracts for external clients, i.e. third party collection ("**3PC**"). In the medium term, the Group will focus on financial institutions, but will also opportunistically consider opportunities within Telecom, Utilities, Health care, Retail and Tax.

B.4 **Recent Industry Trends**............................Summary of recent credit management services (CMS) trends:

The European debt purchase and collection market has undergone significant change over the last three years. In particular, the sector has fundamentally changed the way it is capitalized. Market participants are now funded by an increasingly mature mix of debt having moved from commercial bank revolving credit facilities augmented by mezzanine lines to high-yield bonds, super senior facilities, retail deposits and likely soon securitization vehicles. The scale of liquidity available to this market is unprecedented and is helping to facilitate a broader change agenda.

The market remains fragmented and is likely to consolidate. Banks' attitude to debt sale is the most important sector driver as it sets the size of the market. Banks across Europe have become more active sellers in recent years of both portfolios and of their collections and recoveries functions. However, banks will over time wish to move to a more business as-usual method of sale and will wish to do so with mature operators who can demonstrate the highest levels of customer treatment and compliance.

B.5	**Description of the Group**	The Company is the parent company of the Group, and owns 100% of the subsidiaries Axactor España S.L.U, Axactor Norway Holding, Axactor Italy, Axactor Germany Holding GmbH and its subsidiaries, and Axactor Sweden AB, and 90% of CS Union S.P.A. The remaining 10% of CS Union is held by Banca Sistema S.P.A.
B.6	**Interests in the Company and Voting Rights**	As of 20 September 2017, and so far as is known to the Company, the following shareholders, directly or indirectly, have an ownership interest of 5% or more of the share capital of the Company (which constitute a notifiable holding under the Swedish Securities Trading Act). - Verdipapirfondet DNB Norge 6.80% of total outstanding shares To the knowledge of the Board of Directors, there are, except for the Private Placement Tranche 2 Shares, no arrangements which may at a subsequent date result in a change of control of the Company. Further, to the knowledge of the Company, the Company is not directly or indirectly owned or controlled by a single shareholder or a group of shareholders acting in concert. The Company has not implemented any specific measures to prevent abuse of control from any major shareholder. However, certain provisions of the Swedish Companies Act and other legislation relevant to the Company aim to prevent such abuse.
B.7	**Selected Historical Key Financial Information**	The following selected financial information has been extracted from the Company's audited consolidated financial statements as of and for the years ended 31 December 2014, 2015 and 2016 and its unaudited consolidated financial statements as of and for the six month periods ended 30 June 2016 and 2017. The Company's annual financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Income Statement Information
SEK 1,000

	Year Ended 31 December		
	Audited	**Audited**	**Audited**
	2016	**2015**	**2014**
Continued operations			
Income	387,224	4,437	75
Amortization of debt portfolios	(32,766)	—	—
Net revenue	354,459	4,437	75
Operating expenses	(207,522)	(29,940)	(9,927)
Personnel expenses	(207,923)	(5,089)	187
EBITDA	(60,986)	(30,592)	(9,665)
Amortization and depreciation	(29,809)	(837)	—
EBIT	(90,794)	(31,429)	(9,665)
Financial revenue	11,206	329	3,105
Financial expenses	(33,866)	(30,218)	(3,111)

Income Statement Information
SEK 1,000

	Year Ended 31 December		
	Audited	**Audited**	**Audited**
	2016	**2015**	**2014**
Net financial items	(22,660)	(29,889)	(6)
Profit /(loss) before tax	(113,455)	(61,318)	(9,671)
Tax expense	7,027	—	—
Net profit/(loss) from continued operations	(106,428)	(61,318)	(9,671)
Result from discontinued operations	—	(105,288)	(36,336)
Net profit/(loss) to minority interest	—	—	(21)
Result for the period	(106,428)	(166,606)	(46,007)
Earnings per share: basic	(0.13)	(0.46)	(0.32)
Earnings per share: diluted	(0.12)	—	—
Earnings per share including discontinued	—	(1.25)	(1.54)

Other comprehensive income
SEK 1,000

	Year Ended 31 December		
	Audited	**Audited**	**Audited**
	2016	**2015**	**2014**
Net profit/(loss)	(106,428)	(166,606)	(46,007)
Foreign currency translation differences	21,095	(96)	(1,081)
Remeasurement of pension plans	1,209	—	—
Other comprehensive income/(loss) for the period	22,304	(96)	(1,081)
Total comprehensive income for the period attributable to	(84,124)	(166,702)	(47,088)
Equity holders of parent company	(84,124)	(166,702)	(47,067)
Non-Controlling interests	—	—	(21)

Income Statement Information
EUR 1,000

	Six Months Ended 30 June	
	Unaudited	**Unaudited**
	2017	**2016**
Continued operations		
Net revenue from collection	39,020	9,941
Other revenue	2,040	—
Net revenue	41,060	9,941
Personnel expenses collection	(12,528)	(2,730)
Personnel expenses other	(7,230)	(3,336)
Operating expenses	(14,153)	(8,399)
EBITDA	7,149	(4,524)
Amortization and depreciation	(2,575)	(984)
EBIT	4,574	(5,508)
Financial revenue	1,859	2,301
Financial expenses	(2,738)	(1,640)
Net financial items	(879)	661
Profit/(loss) before tax	3,696	(4,847)
Tax expense	(718)	461
Net profit/(loss) from continued operations	2,977	(4,385)
Earnings per share: basic	0.002	-0.004
Earnings per share: diluted	0.002	-0.004

Other comprehensive income
EUR 1,000

	Six Months Ended 30 June	
	Unaudited	**Unaudited**
	2017	**2016**
Net profit/(loss)	2,977	(4,385)
Foreign currency translation differences – foreign operations	(5,307)	(309)
Remeasurement of pension plans	—	
Other comprehensive income/(loss) for the period	(5,307)	(309)
Total comprehensive income for the period attributable to Equity holders of parent company	(2,330)	(4,694)

Statement of Financial Position Information
SEK 1,000

	Year Ended 31 December		
	Audited	**Audited**	**Audited**
	2016	**2015**	**2014**
Assets			
Intangible non-current assets			
Intangible assets	175,522	45,103	111,676
Goodwill	511,741	124,467	—
Deferred tax asset	13,799	—	—
Tangible non-current assets			
Property, Plant and equipment	22,623	549	551
Financial non-current assets			
Purchased debt portfolios	1,224,457	—	—
Other long-term receivables	9,544	—	—
Other long-term investments	4,097	267	390
Total non-current assets	1,961,781	170,386	112,617
Current assets			
Current receivables	54,073	58,284	696
Other current assets	74,701	3,760	161
Restricted cash	14,504	4,000	—
Cash and cash equivalents	603,053	368,375	61,502
Total current assets	746,331	434,419	62,359
Total assets	2,708,112	604,805	174,976
Equity and liabilities			
Equity attributable to equity holders of the parent company			
Share capital	613,244	298,307	45,405
Other paid-in equity	2,510,970	1,468,788	1,256,648
Retained earnings and profit for the period	(1,395,224)	(1,290,103)	(1,141,416)
Reserves	20,999	(96)	—
Non-controlling interest	—	—	157
Total equity	1,749,989	476,992	160,794
Liabilities			
Non-current liabilities			
Non-current interest bearing debt	240,601	—	—
Convertible loan	—	5,000	5,000
Deferred tax liabilities	57,021	11,357	—
Pension liability	15,881	—	
Other non-current liabilities	16,507	500	4,000
Total non-current liabilities	330,010	16,857	9,000
Current liabilities			
Accounts payable	63,614	12,420	1,560
Current portion of non-current borrowings	467,362	—	—
Taxes payable	3,705	9,963	—
Other current liabilities	93,431	88,573	3,621
Total current liabilities	628,112	110,956	5,181
Total equity and liabilities	2,708,112	604,805	174,976

Statement of Financial Position Information
EUR 1,000

	Six Months Ended 30 June	
	Unaudited	**Unaudited**
	2017	**2016**
Assets		
Intangible non-current assets		
Intangible assets	18,254	12,655
Goodwill	54,294	43,833
Deferred tax asset	1,590	—
Tangible non-current assets		
Property, Plant and equipment	2,442	2,173
Financial non-current assets		
Purchased debt portfolios	233,419	63,714
Other long-term receivables	1,169	1,146
Other long-term investments	221	43
Total non-current assets	311,390	123,565
Current assets		
Stock of secured assets (NPL)	8,070	—
Current receivables	7,147	5,541
Other current assets	7,434	5,854
Restricted cash	1,800	5,260
Cash and cash equivalents	19,557	30,387
Total current assets	44,008	47,042
Total assets	355,398	170,607
Equity and liabilities		
Equity attributable to equity holders of the parent		
Share capital	66,814	50,736
Other paid-in equity	142,416	201,994
Retained earnings profit/(Loss)	(15,279)	(142,669)
Reserves	(1,592)	(319)
Non-controlling interests	—	295
Total equity	192,360	110,038
Liabilities		
Non-current liabilities		
Non-current interest bearing debt	23,486	29,622
Deferred tax liabilities	6,488	2,558
Other non-current liabilities	3,418	1,402
Total non-current liabilities	33,392	33,582
Current liabilities		
Accounts payable	3,974	11,195
Current portion of non-current borrowings	104,749	7,735
Taxes payable	58	1,637
Other current liabilities	20,866	6,4[illegible]9
Total current liabilities	129,646	26,987
Total equity and liabilities	355,398	170,607

Cash Flow Statement Information
SEK 1,000

	Year Ended 31 December		
	Audited	**Audited**	**Audited**
	2016	**2015**	**2014**
Operating activities			
Profit before tax	(113,455)	(166,606)	(46,007)
Taxes paid	(21,615)	—	—
Finance income and expenses	17,246	—	—
Amortization of debt portfolio	32,766	—	—
Depreciation and amortization	29,809	973	180
Impairment losses on intangible assets	—	104,310	33,685
Calculated cost of employee share options	5,442	—	—
Loss from sold companies	—	9,532	—
Other	—	—	2,397
Working capital changes	(81,423)	10,350	(2,624)
Net cash flows operating activities	(131,230)	(41,441)	(17,163)

Cash Flow Statement Information
SEK 1,000

	Year Ended 31 December		
	Audited	**Audited**	**Audited**
	2016	**2015**	**2014**
Investing activities			
Purchase of debt portfolios	(720,617)	—	—
Investment in subsidiary (Geslico, Spain)	(18,548)	—	—
Investment in subsidiary (IKAS, Norway)	(203,529)	—	—
Investment in subsidiary (CS Union, Italy)	(55,181)	—	—
Investment in subsidiary (Altor, Germany)	(169,524)	—	—
Purchase of intangible and tangible assets	(21,044)	—	(5,853)
Purchase of financial assets	—	(82,691)	—
Sale of financial assets	—	—	2,000
Interest received	860	—	—
Net cash flows investing activities	(1,187,583)	(82,691)	(3,853)
Financing activities			
Proceeds from borrowings	541,487	—	1,098
Repayment of debt	(178,152)	(1,099)	—
Interest paid	(12,589)	—	—
Loan fees paid	(14,136)	—	—
Proceeds from share issue	1,269,700	460,386	74,081
Share issue costs	(42,315)	(24,281)	(7,950)
Net cash flows financing activities	1,563,995	435,006	67,229
Net change in cash and cash equivalents	245,182	310,874	46,213
Cash and cash equivalents at the beginning of period	372,375	61,501	15,289
Cash and cash equivalents at the end of period	617,557	372,375	61,502

Cash Flow Statement Information
EUR 1,000

	Six Months Ended 30 June	
	Unaudited	**Unaudited**
	2017	**2016**
Operating activities		
Profit before tax	3,696	(4,847)
Taxes paid	(1,419)	(406)
Finance income and expenses	878	(1,242)
Amortization of debt portfolio	5,575	1,005
Depreciation and amortization	2,575	984
Calculated cost of employee share options	671	704
Unrealised foreign currency (gain)/losses	—	(954)
Working capital changes	(3,339)	527
Net cash flows operating activities	8,637	(4,230)
Investing activities		
Purchase of debt portfolios	(112,102)	(33,698)
Investment in subsidiary (Geslico, Spain)	(100)	(2,000)
Investment in subsidiary (IKAS, Norway)	—	(21,401)
Investment in subsidiary (CS Union, Italy)	—	(5,950)
Investment in subsidiary (Altor, Germany)	—	—
Purchase of intangible and tangible assets	(1,445)	(175)
Sale of financial fixed assets	175	—
Interest received	36	11
Net cash flows investing activities	(113,436)	(63,212)
Financing activities		
Proceeds from borrowings	76,057	14,675
Repayment of debt	(20,234)	(536)
Interest paid	(2,062)	(195)
Loan fees paid	(1,978)	(193)
Proceeds from share issue	11,416	51,513
Share issue costs	(285)	(2,011)
Net cash flows financing activities	62,914	63,253
Currency translation	565	(928)
Net change in cash and cash equivalents	(43,194)	(4,189)
Cash and cash equivalents at the beginning of period	63,986	40,764
Cash and cash equivalents at the end of period	(21,357)	35,646

The term “Discontinued Operations” refers to the nickel and mining activities that were sold on 31 December 2015.

Axactor has acquired a number of different companies in Spain, Italy, Sweden, Norway and Germany from the end of 2015 until today. The acquisitions have been financed through cash received through the private placements and subsequent offerings the Company has conducted, as well as through bank loans. Through these acquisitions, and through the purchases of NPL portfolios, the Company has had a substantial change in their Income Statement, Statement of Financial Position and Cash Flow Statement over the last three years.

Since 30 June 2017, which is the date of the Group's last reported balance sheet, the following significant changes in respect of the Group have occurred:

- In July Axactor signed a total of 4 new 3PC contracts with financial institutions in Spain and Germany for a combined estimated annual revenue of EUR 5 million. The contracts are renewable every 12 months.
- In July, DNB and Nordea made a 5th tranche of EUR 40 million available with 100% gearing allowed on new NPLs – total facility increased from EUR 120 to 160 million.
- On 14 August 2017, the Group completed the Private Placement. The Private Placement consisted of 240 million Private Placement Shares and will raise approximately NOK 598 million in gross proceeds.
- On 14 August 2017, Axactor and Geveran signed a letter of intent regarding the establishment of a jointly owned portfolio investment company, please see Section 6 “The Portfolio Investment Company”

The Company is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group’s prospects for the current financial year.

B.8	**Selected Pro Forma Financial Information** ..	Not applicable. The acquisition of Profact, the only acquisition made Axactor in 2017, does not trigger pro forma financial information, due to the magnitude of Profacts total assets, revenue or profit/loss relative to the corresponding figures in Axactor.
B.9	**Profit Forecast or Estimate**	Not applicable. No profit forecast or estimate is made.
B.10	**Audit Report Qualification**	The Company's independent auditor is PriceWaterhouseCoopers AB, or PWC, with responsible main auditor being Johan Palmgren. PWC has been the Company's independent auditor since December 2014. PWC's address is at Skånegatan 1, 405—32 Göteborg. Johan Palmgren is a member of the Swedish Institute of Public Accountants (Sw. *Föreningen Auktoriserade Revisorer*). PWC was re-elected as auditor at the Annual General Meeting on 31 May 2017. Prior to PWC, the Company's auditor was Mazars Set AB in the period from April 2013 to December 2014, and prior to Mazars Set AB the Company's auditor was KPMG AB since July 2011. In March 2013, KPMG resigned, at their own request, after having expressed to the Board of Directors at that time that they did not understand the business logics behind a proposed transaction relating to Ghana Gold, as further discussed in Section 17 "Legal Matters". KPMG had raised a number of questions and had meetings with representatives of the Board of Directors. KPMG concluded that the transaction had a "suspicious character", and on these grounds they notified

the Economic Crimes Authority of Sweden on their suspicions.

In the audit of the Group's financial statements for the financial year 2013, Mazars Set AB refrained from making an opinion as a result of the following (extracted from the 2013 auditor’s report):

"*A significant proportion of the Group and Parent Company's assets include investments in nickel operations in Sweden. These investments are difficult to evaluate as they have not yet shown any return and in the current market conditions there are few transactions that could provide guidance for the value. The Company and the group are in need of additional financing in order to be able to continue to develop the nickel assets. The assets have been valued under the assumption of going concern. I have not been able to obtain enough audit evidence regarding the availability of financing in order to ascertain that the going concern assumption is correct. Therefore I cannot make any statement on the value of the nickel related assets of the Company.*

As a result of the conditions described in the paragraph “Basis to refrain from opinion” we cannot state whether the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Account Act and present fairly, in all material respects, the financial position of the group as of 31 December 2013. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. As a result of these circumstances, I can neither agree nor disagree to recommend that the annual meeting of shareholders adopt the income statements and balance sheets and statement of comprehensive income and statement of financial position for the group."

Mazars Set AB auditor also refrained from making a statement and expressed an adverse opinion, the reason for which was a former Board of Directors decision to acquire Ghana Gold and the prepayment of SEK 50 million, which was paid to the seller prior to the acquisition being approved at the Company’s General Meeting (a transaction which was subsequently disapproved by the General Meeting; see Section 17 "Legal Matters" for further information. In relation thereto, the auditor made a statement as follows (extracted from the 2013 auditor’s report):

"*As stated in my Report on the financial statements, I can neither agree nor disagree that the annual meeting of shareholders adopt the income statement or the balance sheet. During January 2013 the then appointed Board of Directors consisting of Jukka Kallio, Ulrik Jansson, Hans Lindroth and Terje Lien decided to acquire 100 percent of the capital and votes of Ghana Gold AB. The decision to acquire Ghana Gold AB demanded the consent of a General Meeting. Before the General Meeting was provided with the opportunity to vote on the matter, the Board of Directors decided to disburse a prepayment to the sellers in an amount of 50 million SEK. The General Meeting subsequently rejected the proposed acquisition, which implied that the prepayment was to be returned. This has not yet happened. I have demanded explanations and documentation from the Board of Directors concerning the transaction, which I have received. My opinion is that even considering these presented explanations and documentation, it may be questionable if the acquisition and prepayment have been conducted with sufficient data and reasonable analysis of the risks that have resulted for the Company and its shareholders given the financial position of the Company. The appointed auditor of the Company at the time of the decision to acquire Ghana Gold AB, Mrs. Birgitta Gustafsson, decided to submit a notice to the prosecutors regarding* *suspected crime in accordance with the provisions in the Swedish Companies Act. The notice was not submitted on grounds of evident criminal activity, but on suspicion of such activity. I consider that the responsible Board of Directors at that time have acted in negligence and that they may be held responsible for the damage caused to the Company as a result of the prepayment in respect of the Ghana Gold AB acquisition.*

As a result of the conditions described in paragraph "Basis to refrain from statement and to express an adverse opinion""I can neither agree nor disagree that that the annual meeting of shareholders decides on the appropriation of the profit and loss in accordance with the proposal in the statutory administration report. As a result of the conditions described in paragraph "Basis to refrain from statement and to express an adverse opinion" I recommend the Annual General Meeting not to discharge the previous Board Directors Jukka Kallio, Ulrik Jansson, Hans Lindroth and Terje Lien from liability for the financial year 2013. I do recommend to discharge the other Board Directors and Managing Director active during financial year 2013 from liability".

The 2015 annual report of Axactor has been audited by PWC. The auditor's report for the financial year 2015, as issued by PWC, included a qualified opinion related to the below information concerning the lack of audit evidence relating to the carrying value of accrued legal fees of SEK 13,542,583. The below is an extract and should be read in connection with the complete audit report for 2015, as incorporated as a reference document to this Prospectus.

In the consolidated balance sheet as of 31 December 2015, an accrued cost of SEK 13,542,583 is recognised which relates to the company's assessment of the cost that will be invoiced to the company in 2016 for services rendered in 2015. The cost relates to external hired assistance for legal services in the operations in the Spanish subsidiary ALD Abogados SL. We have not been able to obtain sufficient and appropriate audit evidence relating to the carrying value of the accrued legal fees of SEK 13,542,583 due to the lack of documentation of the liability. Consequently, we have not been able to determine if any adjustments are necessary to the consolidated income statement or balance sheet.

The 2016 annual report of Axactor has been audited by PWC. The 2016 auditor's report was an unqualified opinion.

B.11	**Sufficient Working Capital**	As of the date of this Prospectus, the Company is of the opinion that the Group's working capital is sufficient for its present requirements and, in particular, is sufficient for at least the next twelve months from the date of this Prospectus. For the 6 month period ending 30 June 2017, the Company had an EBITDA of EUR 7.1 million. Further, the Company raised gross proceeds of NOK 598 million in the Private Placement on 14 August 2017.

Element C—Securities

C.1	**Type and Class of Securities Being Admitted to Trading and Identification Number**	The Private Placement Tranche 2 Shares will be ordinary shares in the Company, issued under the ISIN SE0005569100.
C.2	**Currency of Issue**	The shares are quoted and traded in NOK on the Oslo Stock Exchange and are denominated in EUR.
C.3	**Number of Shares in Issue and Par Value**	As of the date of this Prospectus, the Company's share capital is EUR 70,771,461.35, consisting of 1,352,088,769 Shares, each fully paid up and with a par value of EUR 0.0523.
C.4	**Rights Attaching to the Shares**	The Private Placement Tranche 2 Shares issued through the Private Placement Tranche 2 will be ordinary Shares in the Company having a par value of EUR 0.0523 each. The Private Placement Tranche 2 Shares will rank pari passu in all

respects with the existing Shares of the Company and will carry full shareholder rights in the Company from the time of registration of the share capital increase pertaining to the Private Placement Tranche 2 with the Swedish Companies Registration Office; and be created pursuant to the Swedish Companies Act. The Private Placement Tranche 2 Shares will be eligible for any dividends which the Company may declare after said registration.

C.5 Restrictions on Transfer............................ Not applicable. The Articles of Association of the Company do not provide for any restrictions, or a right of first refusal, on transfer of Shares. Share transfers are not subject to approval by the Board of Directors.

C.6 Admission to Trading................................ On 14 August 2017, the Company disclosed that it had placed 240,000,000 Shares in the Private Placement with existing shareholders and new institutional investors. The Private Placement comprise of the Private Placement Tranche 1 Shares and the Private Placement Tranche 2 Shares.

Private Placement Tranche 1 Shares

On 17 August 2017, the Company received confirmation that the share capital increase of EUR 3,957,079.30 divided into 75,600,000 Private Placement Tranche 1 Shares had been registered by the Swedish Companies Registration Office. The 75,600,000 Private Placement Tranche 1 Shares began trading on the Oslo Stock Exchange on 17 August 2017. As of the date of this Prospectus, the registered share capital of Axactor is EUR 70,771,461.35 divided into 1,352,088,769 shares, each with a par value of EUR 0.0523.

Private Placement Tranche 2 Shares

The Private Placement Tranche 2 Shares are expected to be issued and the share capital increase in relation thereto to be registered with the Swedish Companies Registry as soon as practically possible following the publication of this Prospectus. The Private Placement Tranche 2 Shares are expected to be listed on the Oslo Stock Exchange as soon as practically possible following the publication of this Prospectus.

C.7 Dividend Policy .... The Company has not distributed any cash dividends since its inception. The Company aims at maintaining a sound financial structure, reflecting the capital requirements of its business and growth opportunities, and does not anticipate distributing cash dividends in the near or medium term.

When determining whether to declare a dividend or not, or the size of any dividend, account will be taken of the Company's financial targets, investments or commitments made, possible acquisition or growth opportunities, expected future results of operations, financial condition, cash flows and other factors.

Element D—Risks

D.1 Key Risks Specific to the Company or its Industry .... Risks Relating to the Credit Management Services Business of the Group:

- The Group operates in competitive markets. There is a risk that the Group will be unable to compete with businesses that offer more attractive pricing levels, and the Group's competitors may have or develop competitive strengths that the Group cannot match and that this will negatively affect the Group’s ability to compete in the market.

- Reputation is critical to the Group’s business and there is a risk that any event that could harm the Group’s reputation will adversely affect its business such as attracting new clients.
- The availability of debt collection contracts and debt portfolios for purchase depends on several factors which are outside of the Group's control and there is a risk that the Group will not be able to implement its acquisition strategy. If the Group is unable to enter into debt collection contracts or purchase portfolios at appropriate prices, there is a risk that the Group's business and its ability to implement its business plan will be materially adversely affected.
- There is a risk that the Group will make acquisitions that prove unsuccessful which could have a material adverse effect on the financial position of the Group.
- If the information and the documentation on which the decision to acquire the subsidiaries acquired by the Company was based on was not correct and complete, there is a risk that this will affect the Group’s business, financial condition and results of operation
- The Group will be subject to applicable regulations in the jurisdictions in which it operates from time to time. There is a risk that a failure to comply with such regulations will negatively affect the Group’s financial position as well as its ability to operate in such jurisdictions.
- There is a risk that the Group will not be able to implement its strategic plans and grow its business.
- The Group's success depends on its ability to employ and retain skilled personnel and there is a risk that failure to do so will materially adversely affect the business of the Group.
- The Group relies on third-party service providers and there is a risk that failure to retain such third-party service providers will materially adversely affect the business of the Group.
- There is a risk that the manner in which the Group, or third-party service providers on the Group’s behalf, undertakes collection processes will materially adversely affect the Group's business and reputation.
- The Group is subject to risks associated with its contracts for debt collection. There is a risk that failure to collect under the contracts will materially adversely affect the financial position of the Group.
- When the Group purchases debt portfolios, it will make a number of assumptions. If such assumptions prove to be inaccurate there is a risk that this will negatively affect the financial position of the Group.
- There is a risk that the statistical models and analytical tools used by the Group will prove to be inaccurate and that as a result the Group will not be able to achieve the recoveries forecasted.
- There is a risk that the Group will not be able to successfully maintain and develop its IT platform or anticipate, manage or adopt technological advances within its industry which could result in a loss of business of the Group.
- There is a risk that a failure to protect customer data will negatively affect the Group's business.
- The Group will not fully control decisions pertained to the planned Portfolio Investment Company and will be dependent

on its investment partner in order to make decisions (including any decisions on portfolio acquisitions) that it believes is in the best interest of the Group.

Risks Relating to the Group's Financing and Certain Other Financial Risks:

- There is a risk that the Group will not be able to procure sufficient funding at favourable terms to purchase further debt collection service providers or debt portfolios and that this will negatively impact the growth plans of the Group.
- The Group is subject to restrictive debt covenants under its debt facilities and there is a risk that this will limit its ability to finance its future operations and capital needs and pursue business opportunities and activities. Servicing the Group's future indebtedness limits funds available for other purposes such as necessary investments. Borrowing under debt facilities will require the Group to dedicate a part of its cash flow from operations to payment of interest on its indebtedness. These payments limit funds available for working capital, capital expenditures and other purposes.
- The Group is exposed to the risk of currency fluctuations and there is a risk that this will negatively impact the results of the Group.

Certain Additional Risks:

- The Group is subject to risks relating to its historical use of tax deductible losses and there is a risk that this will negatively affect the financial position of the Group.
- The Group operates in Spain, Norway, Germany, Italy and Sweden and will be exposed to local risks in the different European markets in which it operates from time to time.

D.3 Key Risks Specific to the Securities..

Risks Relating to the Shares:

- For the purpose of Swedish law, the owner of the Shares registered in the VPS will have to exercise, indirectly through the VPS Registrar as their nominee, all rights of ownership relating to the Shares. If the shareholder does not arrange for such arrangements it will not be able to exercise its rights relating to the Shares.
- The price of the Shares may fluctuate significantly in response to a number of factors beyond the Company's control, including variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, publicity about the Group, the assets or services of the Group or the Group’s competitors, unforeseen liabilities, changes to the regulatory environment in which the Group operates or general market conditions. In recent years, the stock market has experienced price and volume fluctuations.
- There is a risk that future issuance of Shares or other securities will dilute the holdings of shareholders and materially adversely affect the price of the Shares.
- There is a risk that shareholders residing or domiciled in the United States or other jurisdictions than Norway or Sweden will not be able to participate in future capital increases or rights offerings.
- There is a risk that shareholders are subject to exchange rate risk which will affect the value of the Shares if sold.

Element E—Offer

E.1	**Proceeds and estimated expenses**...	The gross proceeds from the Private Placement will amount to up to NOK 598 million. The Company estimates that the total expenses relating to the Private Placement will amount to approximately NOK 15.0 million, which includes, among other things, commission to the Manager, legal and auditor's expenses.
E.2a	**Reason for the offering and use of proceeds**.......................................	The Company expects to use the use of proceeds from the Private Placement to its EUR 30 million equity investment in the Portfolio Investment Company, while the remaining net proceeds will be used for further portfolio acquisitions. The net proceeds amounts to approximately NOK 583 million.
E.3	**Terms and Conditions of the Private Placement**	On 14 August 2017, the Company disclosed that it had placed 240,000,000 new Shares in the Private Placement directed towards Geveran and existing shareholders. The completion of the Private Placement was made subject to the resolution by the Board to issue the Private Placement Tranche 1 Shares and Private Placement Tranche 2 Shares pursuant to an authorisation given by the Annual General Meeting held on 31 May 2017 and registration of the increased share capital of the Company and issuance of the Private Placement Tranche 1 Shares and Private Placement Tranche 2 Shares, respectively in the Swedish Companies Registration Office. The Private Placement Shares will be registered in Euroclear Sweden and the VPS under the ISIN SE0005569100, and traded under the trading symbol "AXA" on the Oslo Stock Exchange. Tranche 1 consisted of 75,600,000 Shares which have been registered on 17 August 2017 by the Swedish Companies Registration Office, and Tranche 2 consists of 164,400,000 Shares which will be registered with the Swedish Companies Registration Office as soon as practically possible following the publication of this Prospectus.
E.4	**Material and confliction interests**..	The Manager or its affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. As a result of these engagements, the Manager or its affiliates may come to have interests that may not be aligned or could potentially conflict with the interests of the Company and investors in the Company. DNB Bank ASA, the Manager, is a lender under the Group's Debt Facility. The Manager, its employees and any affiliate may currently own Shares in the Company. The Manager do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.
E.5	**Selling shareholders and lock-up agreements**.......................................	There are no selling shareholders related to the Private Placement. Endre Rangnes, CEO, Oddgeir Hansen, COO and Johnny Tsolis, Executive Vice President, Strategy & Projects, have agreed to enter into a 2 year lock-up undertaking in relation to the shares in Axactor currently owned by them from 14 August 2017. There are currently no agreements related to any exceptions from the lock-up undertakings mentioned.

E.6	**Dilution Resulting from the Offering**..	The Company currently has 1,352,088,769 Shares outstanding, including the Private Placement Tranche 1 Shares. Before the Private Placement, the Company had 1,276,488,769 shares outstanding (excluding the Private Placement Tranche 1 Shares). Following the issuance of the Private Placement Tranche 1 Shares and the Private Placement Tranche 2 Shares, the Company's total number of shares will increase with 240,000,000 Shares to a total of 1,516,488,769 Shares. The issuance of the Private Placement will result in a dilution of holdings of the existing shareholders of the Company. The table below shows Company's share capital resulting from the issuance of the Private Placement Tranche 1 Shares and the Private Placement Tranche 2 Shares. The percentage split (rounded) in the table shows the share capital split by the total share capital post the issuance of Private Placement Tranche 1 Shares and the Private Placement Tranche 2 Shares.

Share capital prior to the Private Placement.....	1,276,488,769 (84.2%)
Private Placement Tranche 1 Shares.................	75,600,000 (5.0%)
Private Placement Tranche 2 Shares.................	164,400,000 (10.8%)

E.7	**Estimated Expenses Charged to Investors**...	Not applicable. The expenses related to the Private Placement will be paid by the Company

2. RISK FACTORS

An investment in the Shares of the Company should be considered as a high-risk investment, and is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of the investment. This Section discusses the risks and uncertainties which the Company believes are the principal known risks and uncertainties faced by the Group as of the date hereof. If any of the risks described below materialise, individually or together with other circumstances, there is a risk that this will have a material adverse effect on the Group's business, financial condition, results of operations and the value and trading price of the Shares and that this will result in a loss of all or part of any investment in the Shares. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

2.1 Risks Relating to the Group

The Group will operate in markets that are competitive. There is a risk that the Group will be unable to compete with businesses that offer more attractive pricing levels and that the Group's competitors will have or develop competitive strengths that the Group cannot match.

The Group will face strong competition, including from pan-European competitors and competitors that are active in the local markets. This competition includes, but is not limited to, competition on the basis of bid prices. Competitors may offer more attractive pricing levels for debt collection contracts, for debt portfolios, for collection platforms, which include all of the collection functions of financial institutions ("**Collection Platforms**"), or for purchases of other debt collection service providers. There is a risk that this price competition will materially affect the Group's business, results of operations or financial condition, and its ability to implement its business plan. The Group's success in obtaining debt collection contracts and in purchasing debt portfolios or Collection Platforms depends on the price offered along with several other factors, such as service, reputation and relationships. There is a risk that the Group's competitors will have competitive strengths that a new market entrant, such as the Group, cannot match. Further, there is a risk that the Group's competitors will elect to offer prices that the Group determines are not economically sustainable. Additionally, many of the Group's competitors have substantially greater financial resources than the Group. There is a risk that the Group will not be able to develop and expand its business in competition with competitors that have substantially greater financial resources than the Group.

Reputation is critical to the Group's business and there is a risk that any event that could harm the Group's reputation will adversely affect its business.

In addition to pricing and other features of the Group's services, reputation is critical to clients' or potential clients' willingness of engaging with the Group. As the Group is a new market entrant in the debt collection business, its brand will be less known to clients and potential clients and there is a risk that events that could harm the Group's reputation will have a greater effect on the Group than it would have had on some of its peers.

The availability of debt collection contracts, and debt portfolios and Collection Platforms for purchase depends on several factors which are outside of the Group's control.

Factors that have an impact on the availability of debt collection contracts, debt portfolios and Collection Platforms include: growth trends; the levels of overdue debt; volumes of portfolio sales by debt originators; competitive factors affecting portfolio purchasers and originators; government regulation and regulatory initiatives; and macro-economic environments. If the Group is unable to enter into debt collection contracts, purchase portfolios or Collection Platforms at appropriate prices, there is a risk that the Group's business and its ability of implementing its business plan will be materially adversely affected.

There is a risk that the Group will make acquisitions that prove unsuccessful and that it will not be able to manage growth effectively.

The Group plans to acquire additional debt portfolios. There is a risk that the Group will not be able to identify or complete acquisitions or that such acquisitions will prove to be unsuccessful. Acquisitions may divert the attention of the Group's management from the Group's day-to-day operations and other important business matters. Successful completion of an acquisition may also depend on licenses being granted and other regulatory requirements, or other factors which are outside of the Group's control, in addition to adequate handling of transaction risks. As a result of growth, the importance of managing operational risk relating to, for example, work processes, personnel, IT-systems, tax, financial reporting will also increase. There is a risk that the Group will not be able to manage its growth effectively. Any of these developments could have a material adverse effect on the Group's business, results of operations or financial condition.

The Group is subject to risks relating to the acquisitions made by the Group.

The Group has made several acquisitions over the past years, including Geslico, ALD, CS Union, Altor, Axactor Norway[2] and Profact. The Company has completed due diligence reviews of the companies acquired based on information and documentation received by the sellers. However, if the information and the documentation provided does not properly reflect the business and financial condition of the companies acquired, there is a risk that this will affect the Company's business, financial condition and results of operation.

The integration of the acquired companies into the Company may take longer or prove to be more costly than anticipated. Any acquisition entails certain risks, including operational and company-specific risks and there is also a risk that the integration process will take longer or be more costly than anticipated. Should any of these risks materialise, this could have a material adverse effect on the Group's business, financial position and results of operation.

The Group is subject to applicable regulations in the jurisdictions in which it operates from time to time.

The Group will be subject to regulations applicable to debt collection and debt purchasing operations in the jurisdictions in which it operates from time to time, including with respect to license and other regulatory requirements, data protection and anti-money laundering. Regulatory developments under the laws and regulations to which the Group is subject could expose it to a number of risks. The debt collection and purchasing industry is under scrutiny. There is a risk that any new laws or regulations as a result of such scrutiny or for other reasons will materially adversely affect the Group.

The Group is subject to risks relating to implementation of its strategic plans.

There is a risk that the Group will not be able to implement its strategic plans, including acquiring debt portfolios. If implementation of such plans is not successful, there is a risk that the Group will not achieve the revenue, earnings, margins or scale goals of its management. In addition, the costs associated with implementing such plans may be high and there is a risk that the Group will not in the future have sufficient financial resources to fund investments required in connection therewith. There is a risk that any failure to implement the Group's strategic plans will have a material adverse effect on the Group's business, results of operations or financial condition.

The Group's success will depend on its ability to employ and retain skilled personnel.

The demand in the debt collection industry for personnel with the relevant capabilities and experience is high, and there is a risk that the Group will not be able to employ and retain sufficiently skilled personnel. The loss of key executive officers or other key personnel could impair the Group's ability to succeed in, among other things, taking advantage of acquisition opportunities entering into new debt collection service contracts or servicing clients or portfolios effectively. In addition, there is a risk that increase in labour costs, potential labour disputes and work stoppages will negatively affect the Group's business. There is a risk that any of these developments will have a material adverse effect on the Group's business, results of operations or financial condition.

The Group relies on third-party service providers.

The Group uses external lawyers and solicitors and other third-party service providers in the debt collection process. There is a risk that any failure by these third parties to adequately perform such services for the Group will materially reduce the Group's cash flow, income and profitability and affect its reputation.

The manner in which the Group, or third-party service providers on the Group's behalf, will undertake collection processes could negatively affect the Group's business and reputation.

There is a risk that the following factors could negatively affect the Group's business and reputation : failures in the Group's collection and data protection processes; IT platform failure; ineffectiveness in the collection of debt,

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[2] Axactor Norway AS comprise the previous IKAS Companies: IKAS Norge AS and 100% of the subsidiaries IKAS Øst AS, IKAS AS, IKAS Nord AS, IKAS Nordvest AS and IKAS Vest AS

unethical or improper behaviour, or other actions, by the Group or third-parties it employs in connection with its collection activities; and negative media coverage relating to the Group. There is a risk that any such events will harm the Group's relationships to existing and potential clients and negatively impact recovery rates and that this again will have a material adverse effect on the Group's business, results of operations or financial condition.

The Group will be subject to risks associated with its contracts for debt collection.

Debt collection contracts often contain termination clauses permitting the client to cancel the contract at the client's discretion (following a certain notice period). There is a risk that the Group's clients will exercise such termination rights prior to contract expiration or that the Group will not be successful in entering into new contracts as contracts expire. The profitability of the Group's debt collection services will depend upon its ability to calculate prices and identify project risks. In many debt collection contracts, payment by the client depends on the debtor paying on a claim, and there is a risk that the Group will not be able to accurately estimate costs or identify project risks associated with such contracts. Contracts for debt collection services may also subject the Group various clauses that give its counterparty contractual rights with respect to determination of fees and penalties. If any of these aspects of the Group's contracts should materialise there is a risk that this will have a material adverse effect on the Group's business, results of operations or financial condition.

When the Group purchases debt portfolios, it will make a number of assumptions which may prove to be inaccurate.

The price attributed to a debt portfolio depends on its specific characteristics and composition with respect to, for instance, the size, age and type of the claims, as well as the age, location and type of customers, and a number of other factors, such as the financial strengths and weaknesses of the economies in which the customers are part. The models that will be used by the Group in connection with such purchases are used to assess the collection forecasts, and therefore the price to be paid for these portfolios. The Group's business depends on its ability to identify portfolios that are of sufficient quality for it to determine that it is likely to collect on the claims at certain levels. There is a risk that any claims contained in these portfolios will eventually not be collected. There is risk that a significant increase in insolvencies involving customers or changes in the regulatory framework governing insolvency proceedings in the jurisdictions in which the Group will operate from time to time will impact its ability to collect on claims. If the Group is unable to achieve the levels of forecasted collections, revenue and returns on purchased portfolios will be reduced, which may result in write-downs.

The statistical models and analytical tools used by the Group may prove to be inaccurate.

The Group uses statistical models and other data analysis tools in its operations. There is a risk that the Group will not be able to achieve the recoveries forecasted by the models used to value the portfolios or that the models will be flawed. Further, there is a risk that the models will not appropriately identify or assess all material factors and yield correct or accurate forecasts. In addition, there is a risk that the Group's investment and analytics teams will make miss-judgments or mistakes when utilizing statistical models and analytical tools. In addition, there is a risk that the information provided by third parties, such as credit information suppliers and sources, used when valuing portfolios will prove not to be accurate or sufficient. Further, there is a risk that loans contained in the Group's portfolios form time to time will eventually not be collected. Any of the foregoing factors could have a material adverse effect on the Group's business, results of operations or financial condition.

There is a risk that the Group will not be able to successfully maintain and develop its IT platform or anticipate, manage or adopt technological advances within its industry.

The Group relies on its IT platform and its ability to use these technologies. This subjects the Group to risks associated with maintaining and developing these systems, and capital expenditures relating thereto. IT technologies are evolving rapidly. The Group may not be successful in anticipating and adopting to technological changes on a timely basis. Improvements of the Group's IT platform, when required in order to compete effectively, may be associated with substantial capital expenditures. Accordingly, the Group may, in the future, require capital to invest in technologies and there is a risk that adequate capital resources will not be available to the Group when such capital resources are required. In addition, disruptions in the Group's IT platform, which could be temporary or permanent, could disrupt the Group's business. There is a risk that any of these events will, if they materialise , have a material adverse effect on the Group's business, results of operations or financial condition.

Failure to protect customer data could negatively affect the Group's business.

The Group will rely on, among other things, contractual provisions and confidentiality procedures, including IT platform security measures, to protect customer data. Customer data could be subject to unauthorized use or disclosure, regardless of such security measures. There is a risk that confidentiality agreements will be breached, or that other security measures will not provide adequate protection of customer data. Monitoring data protection can be expensive and adequate remedies may not be available. There is a risk that any failure to protect the Group's customer data from unauthorized use or to comply with current applicable or future laws or regulations, will have a material adverse effect on the Group's reputation, business, results of operations or financial condition.

The Group will be exposed to local risks in the different European markets in which it operates from time to time.

The Group operates in the Spanish debt collection market, through ALD, Geslico and Supan, the Norwegian market through Axactor Norway AS, the Italian market through CS Union, the German market through Axactor Germany and the Swedish market through Axactor Sweden. The Group will thus be exposed to local risks in the markets in which it operates from time to time, including regulatory requirements. These requirements may, among other things, relate to licensing, data protection, anti-money laundering and other regulatory matters, labour law and tax. There is a risk that any negative impact caused by the foregoing risks will have a material adverse effect on the Group's business, results of operations or financial condition.

The results of the Group will be affected by the results of the Portfolio Investment Company planned to be established.

Through the planned establishment of the Portfolio Investment Company, the Group’s results will be affected by the performance of the Portfolio Investment Company, an entity which is planned to be 50% owned by Axactor. The financial leverage of the Portfolio Investment Company is expected to be substantially higher than for the Group, which increases the risk related to the equity and the financial performance of the Group, compared to Axactor on a stand-alone basis. Please see Section 6 in this Prospectus for further details related to the establishment of the Portfolio Investment Company.

Axactor will be dependent on its investment partner in order to make decisions in relation to the Portfolio Investment Company planned to be established.

The Group will not fully control the decisions pertained to the Portfolio Investment Company and will be dependent on its investment partner Geveran in order to make decisions, including any decisions on portfolio acquisitions, that it believes is in the best interest of the Group. Should Axactor not be able to cooperate with its investment partner in making the decisions regarding the Portfolio Investment Company that it believes is in its best interest, there is a risk that this will materially adversely affect the Group’s business, results of operations and financial conditions.

2.2 Risks Relating to the Group's Financing and Certain Other Financial Risks

The Group may not be able to procure sufficient funding at favourable terms to purchase further debt collection service providers, debt portfolios or Collection Platforms.

The Group's ability to obtain funding in the future will depend on several factors which are outside of the Group's control, including economic conditions when acquisition opportunities arise and banks' willingness to lend to the Group. There is a risk that an inability to procure sufficient funding at favourable terms to take advantage of acquisition opportunities will have a material adverse effect on the Group's business, results of operations or financial condition.

The Group is subject to restrictive covenants under its debt facilities that could limit its ability to finance its future operations and capital needs and pursue business opportunities and activities.

On 15 October 2015, the Board of Directors of the Company approved a credit committee approved term sheet offer from DNB for a new debt facility of EUR 25 million (the "**Debt Facility**"). The Company entered into a final agreement for the Debt Facility with DNB on 16 March 2016. Further, the Debt Facility was enhanced on 5 July 2016, when the Company entered into an agreement with Nordea on an additional EUR 25 million to the Debt Facility. The amount of funding available under the Debt Facility with DNB and Nordea has increased as additional tranches has been made available. As per the date of this Prospectus, the facility comprise to a total of EUR 160 million. The Debt Facility restricts, among other things, the Group's ability to: incur additional indebtedness; pay dividends; impose restrictions on the ability of subsidiaries to pay dividends or other payments to the Company or other entities within the Group; and sell assets; merge or consolidate with other entities. All of these limitations are subject to exceptions and qualifications. There is a risk that the covenants to which the Group is subject to will limit its ability to finance its future operations and capital needs and the Group's ability to pursue business opportunities and activities that may be in its interest. In addition, the Group is subject to financial covenants under the Debt Facility.

Servicing the Group's future indebtedness limits funds available for other purposes.

Borrowing under debt facilities will require the Group to dedicate a part of its cash flow from operations to paying interest and down-payments on its indebtedness. These payments limit funds available for working capital, capital expenditures and other purposes. If the Group does not generate enough cash flow from operations to satisfy its debt obligations, it may have to undertake alternative financing plans, such as: seeking to raise additional capital; refinancing or restructuring its debt; selling business; and/or reducing or delaying capital investments. However, such alternative financing plans may not be sufficient to allow the Group to meet its debt obligations. There is a risk that if the Group is unable to meet its debt obligations or if some other default occurs under its debt facilities, the Group's lenders will elect to declare that debt, together with accrued interest and fees, shall be immediately due and payable and proceed against the collateral securing that debt.

The Group will be exposed to the risk of currency fluctuations.

The Group has operations in Spain, Italy, Germany, Norway and Sweden, and may in the future have local operations in additional countries. The results of and the financial position of subsidiaries will be reported in the relevant local currencies, and then translated into EUR at the applicable exchange rates for inclusion in the Group's consolidated financial statements[3]. The exchange rates between these currencies may fluctuate significantly. Consequently, to the extent that foreign exchange rate exposures are not hedged, fluctuations in currencies may adversely affect the Group's financial results in ways unrelated to its operations. Any of these developments could have a material adverse effect on the Group's business, results of operations or financial condition.

The Group is subject to risks relating to its historical use tax deductible losses.

The Group, previously a mineral exploration company, has had no regular revenues and significant costs relating to the exploration activities, which has historically lead to negative financial results. These negative financial results are partly treated as tax assets as they represent tax deductible losses in certain cases. The Group has from time to time utilized these tax losses. In such cases, the Group has relied on tax advice from various tax specialists. For example, in 2013, the Group entered into a Swedish partnership, via the parent company Nickel Mountain Group AB and via its subsidiary Nickel Mountain Resources AB. As reported in the Group's interim and annual reports, the partnership demonstrated a profit for the financial year 2013 in the amount of approximately SEK 200 million. The Group utilized its accumulated tax deficits existing at that time and set them off against the profits of the partnership. Before entering into the partnership and concluding on the tax effects thereof, the Company took legal advice. The partnership, which was liquidated in 2014, has received certain requests for information from Swedish tax authorities relating to the partnership's 2013 tax return. There is a risk that tax authorities will question such tax assets or the use of such tax losses, in respect of the aforementioned or other matters, or that any such questioning by tax authorities will result in significant additional tax costs or similar. Any such development could materially adversely affect the Group's business, results of operation and financial condition.

2.3 Risks Relating to the Shares

For the purpose of Swedish law, the owner of the Shares registered in the VPS will have to exercise, indirectly through the VPS Registrar as their nominee, all rights of ownership relating to the Shares.

For the purpose of Swedish law, the owner of the Shares registered in the VPS will have to exercise, indirectly through the VPS Registrar as their nominee, all rights of ownership relating to the Shares. The investors registered as owners in the VPS must provide direction solely to the VPS Registrar for the exercise of rights attached to the Shares, and in particular, shareholders registered as such in the VPS will only be entitled to vote at general meetings of the Company if they have arranged for registration of entitlement to vote (Sw. Rösträttregistrering) in Euroclear through the VPS Registrar at the latest five (5) business days prior to the general meeting and has notified the Company of his participation at the general meeting in accordance with the notice to the meeting. If the shareholder registered in the VPS does not arrange for such registration in Euroclear and/or does not notify the Company of his participation, such shareholder does not hold the right to vote at the general meeting.

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[3] As per the Q1 2017 report of the Company, Euro is the reporting currency of the Company. Financial reports prior to Q1 2017 are compiled in SEK

The Company is subject to its Articles of Association and Swedish law, which may differ from laws generally applicable to Norwegian corporations listed on the Oslo Stock Exchange.

The Company is subject to its Articles of Association and Swedish law, which may differ from laws generally applicable to Norwegian corporations listed on the Oslo Stock Exchange, including but not limited to the corporate power of the board of directors as opposed to the shareholders, the board of director's ability to issue unlimited number of securities without the approval of the shareholders, the election of directors, record dates for shareholders meetings, liability and indemnification of directors, the majority required at the shareholders meetings for the resolutions to be voted by the shareholders. As such, the Company's shareholders may have different and/or less rights than shareholders in Norwegian companies.

The price of the Shares may fluctuate significantly.

The trading price of the Shares in the Company could fluctuate significantly in response to a number of factors beyond the Company's control, including variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, publicity about the Group, its assets and services or its competitors, unforeseen liabilities, changes to the regulatory environment in which the Group operates or general market conditions. In recent years, the stock market has experienced price and volume fluctuations. Such fluctuations could have a material negative impact on the share price.

There is a risk that future issuance of Shares or other securities will dilute the holdings of shareholders and materially affect the price of the Shares.

The Company may offer additional Shares or other securities in the future in order to secure financing for new acquisitions, or for any other purposes. There is a risk that any such additional offering will reduce the proportionate ownership and voting interests of holders of Shares and have a material adverse effect on the market price of the Shares.

There is a risk that shareholders residing or domiciled in the United States or other jurisdictions than Norway will not be able to participate in future capital increases or rights offerings.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights in any future capital increases or rights offerings may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, there is a risk that the Company's US shareholders will not be able to exercise their preferential rights. If a US shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company if deemed appropriate by the Company.

Shareholders are subject to exchange rate risk.

The Shares are priced in NOK, whereas any future payments of dividends on the Shares will be denominated in EUR. Accordingly, investors may be subject to adverse movements in NOK and EUR against their local currency as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially adversely affected.

There is a risk that limited liquidity in the trading market for the Shares will have a negative impact on the market price and ability to sell Shares.

The Company's Shares are currently listed on the Oslo Stock Exchange. This, however, does not imply that there will always be a liquid market for the Company's Shares. An investment in the Shares may thus be difficult to realize. Investors should be aware that the value of the Shares may be volatile and may go down as well as up. In the case of low liquidity of the Shares, or limited liquidity among the Company's shareholders, there is a risk that the share price will be negatively affected and not reflect the underlying asset value of the Company. Investors may, on disposing of the Shares, realize less than their original investment or lose their entire investment. Furthermore, there is a risk that the Company will not be able to maintain its listing on the Oslo Stock Exchange. A delisting from the Oslo Stock Exchange would make it more difficult for shareholders to sell their Shares and could have a negative impact on the market value of the Shares.

3. RESPONSIBILITY STATEMENT

The Board of Directors of the Company accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Stockholm, 21 September, 2017

The Board of Directors of Axactor AB (publ.)

Bjørn Erik Næss *Chairman of the Board*	Dag W. R. Strømme *Board member*	Merete Haugli *Board member*
Brita Eilertsen *Board member*	Beate S. Nygårdshaug *Board member*	Terje Mjøs *Board member*

4. GENERAL INFORMATION

This Section provides general information on the use of forward-looking statements and the presentation of industry data and other information, in this Prospectus. You should read this information carefully before continuing.

4.1 Cautionary Note Regarding Forward-Looking Statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance; including, but not limited to, statements relating to the risks specific to the Company's business, the implementation of strategic initiatives, the ability to distribute dividends, as well as other statements relating to the Group's future business development and economic performance. These forward-looking statements can be identified by the use of forward-looking terminology; including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, goals, objectives, financial condition and results of operations, liquidity, outlook and prospects, growth, strategies, impact of regulatory initiatives, capital resources and capital expenditure, and the industry trends and developments in the markets in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates may differ materially from those contained in or suggested by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations that these forward-looking statements are based will occur.

By their nature, forward-looking statements involve and are subject to known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Should one or more of these risks and uncertainties materialize, or should any underlying assumption prove to be incorrect, the Group's business, actual financial condition, cash flows, results of operations or prospects could differ materially from that described herein as anticipated, believed, estimated or expected.

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Group's financial position, operating results, liquidity, performance and prospects. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk Factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Company operates when considering an investment in the Shares.

Except as required by applicable laws and regulations, the Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise.

4.2 Presentation of Industry Information

To the extent not otherwise indicated, the information contained in this Prospectus regarding the market environment, market developments, growth rates, market trends, market positions, industry trends, competition in the industry in which the Group operates and similar information are estimates based on data compiled by professional organizations, consultants and analysts; in addition to market data from other external and publicly available sources as well as the Company's knowledge of the markets.

While the Company has compiled, extracted and reproduced such market and other industry data from external sources, the Company has not independently verified the correctness of such data.

Although the industry and market data is inherently imprecise, the Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

In addition, although the Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and the Company cannot assure prospective investors as to their accuracy or that a third party using different methods to assemble, analyse or compute market data would obtain the same results. The Company does not intend to or assume any obligations to update industry or market data set forth in this Prospectus.

Finally, behaviour, preferences and trends in the marketplace tend to change. As a result, prospective investors should be aware that data in this Prospectus and estimates based on those data may not be reliable indicators of future results.

5. THE PROFACT ACQUISITION

This Section provides an overview of the acquisition of Profact AB (the "**Profact Acquisition**") and the strategic development of the Company relating thereto. This Section should be read in conjunction with, in particular, Section 2 "Risk Factors", Section 9 "Business Overview and business plan" and Section 10 "Industry Overview".

5.1 Background, Reasons and Effect

On 28 February 2017, the Company entered into a share purchase agreement ("**SPA**") for the acquisition of 100% of the shares in the Swedish credit management company Profact AB ("**Profact**", renamed Axactor Sweden AB, referred to as "**Axactor Sweden**") from Aptic AB. The company will serve as a stepping stone for implementing the full collection value chain in Sweden and hence play an important role in Axactor´s Nordic roll-out plan.

Through the acquisition, Axactor continues to establish a "Nordic value proposition", and Axactor now has immediate access to the Swedish debt collection market. Profact has strong competencies within the industry, particularly in the debt surveillance area, with the company holding the necessary collection licence to collect on behalf of third party customers. Axactor will, as part of the transaction, sign a long term licence agreement with Aptic AB for the use of the Aptic AB core collection system in Sweden.

5.2 Agreements Relating to the Profact Acquisition

Axactor acquired 100% of the shares of Profact from the selling shareholder Aptic AB for a purchase price of EUR 1.25 million. The acquisition was completed on 1 March 2017. The entire purchase price of EUR 1.25 million was settled in cash. The transaction was financed through a drawdown under the Debt Facility, and available cash.

5.3 Agreements for the benefit of executive management or board members in connection with the transaction

There are no particular agreements or arrangements in connection with the transaction which have been entered into or are expected to be entered into for the benefit of senior employees or members of the board of directors of Profact AB.

6. THE PORTFOLIO INVESTMENT COMPANY

This Section provides an overview of the Portfolio Investment Company planned to be established together with Geveran, and the strategic development of the Company relating thereto. This Section should be read in conjunction with, in particular, Section 2 "Risk Factors", Section 9 "Business Overview and business plan" and Section 10 "Industry Overview".

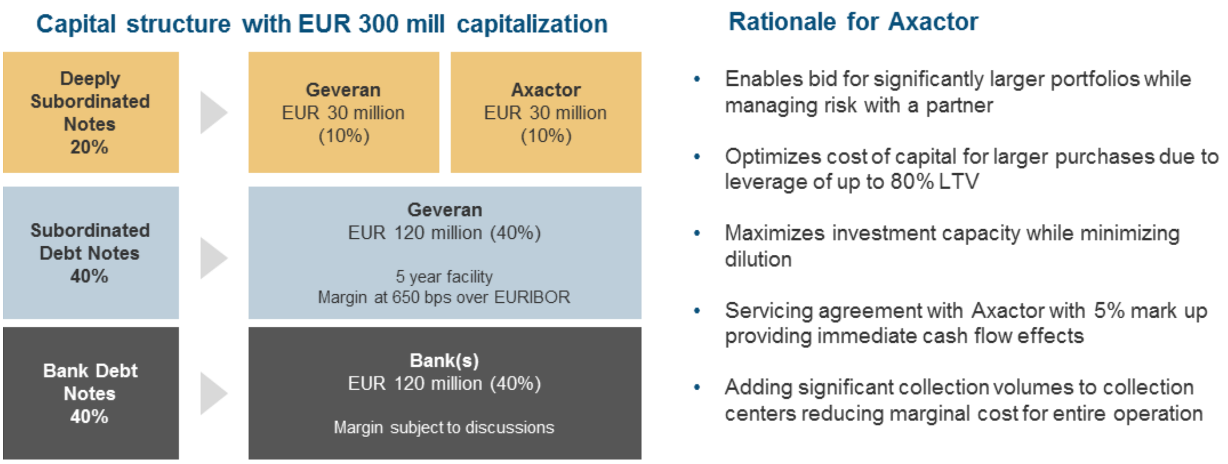
6.1 Background, Reasons and Effect

On 14 August 2017, the Company and Geveran signed a letter of intent regarding the establishment of a jointly owned Portfolio Investment Company. Axactor and Geveran will both invest EUR 30 million in deeply subordinated profit sharing notes and hold a 50 per cent ownership each. In addition, Geveran or a company affiliated with Geveran will provide a subordinated loan in the form of notes for up to EUR 120 million. The Portfolio Investment Company will in addition seek bank financing. The targeted investment capacity of the Portfolio Investment Company will be around EUR 300 million.

The Portfolio Investment Company will focus on larger portfolios above EUR 30 million in capex and have a first right of refusal towards Axactor on such portfolios. The Portfolio Investment Company will invest in new portfolios for a period of 24 months after which the Portfolio Investment Company will continue to manage the portfolios acquired up until then. Axactor will continue to acquire commercially attractive portfolios below the EUR 30 million threshold on its own. The Portfolio Investment Company may acquire portfolios below EUR 30 million that Axactor does not acquire. Various Group companies will enter into service agreements with the Portfolio Investment Company for the purpose of sourcing, managing and collecting on portfolios acquired and held by the Portfolio Investment Company.

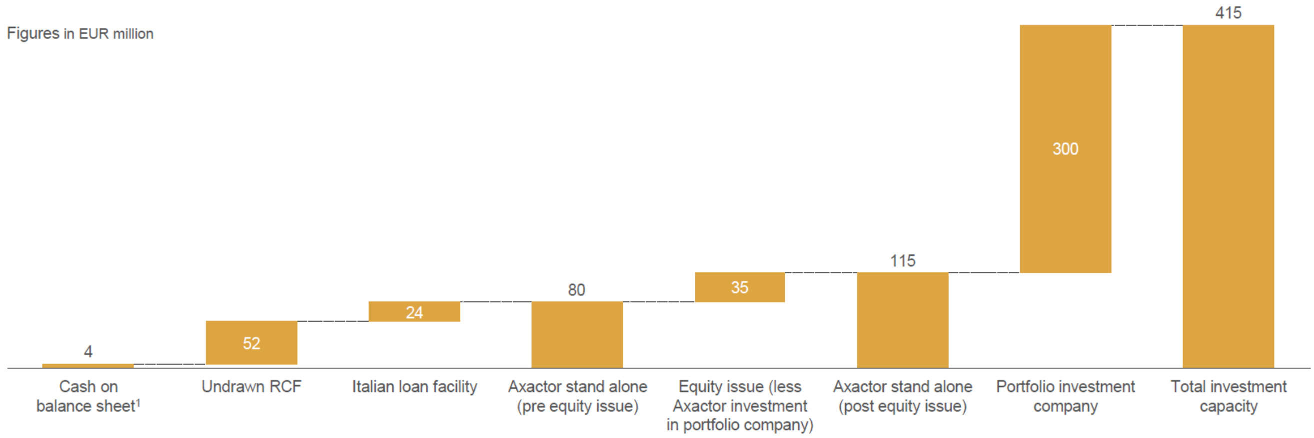
The Portfolio Investment Company will be capitalised with minimum share capital (assumed EUR 12,000), deeply subordinated profit sharing notes, with features similar to equity, in the amount of EUR 60 million, subordinated notes issued to Geveran or a company affiliated with Geveran of EUR 120 million, and bank financing (assumed in the form of notes) of around EUR 120 million. The subordinated notes will have a 5 year tenor with an interest margin of 650 bps over EURIBOR. Consequently, the Portfolio Investment Company will have a target effective leverage of around 80 per cent loan-to-value securing a highly competitive capital structure with attractive equity returns.

The below illustration gives an overview of the proposed capital structure of the Portfolio Investment Company and the rationale for Axactor to establish the Portfolio Investment Company.



Source: Altered illustration of Axactor Q2 report

The below illustration shows how the Private Placement and establishment of the Portfolio Investment Company significantly increases the aggregate investment capacity of Axactor.



Source: Axactor Q2 report

6.2 Agreements Relating to the Portfolio Investment Company

Axactor and Geveran will each be represented in the Board of Directors of the Portfolio Investment Company and will have veto rights on major decisions such as portfolio acquisitions and additional financing of the Portfolio Investment Company. Axactor will prepare and present business cases for portfolio purchases within the scope of the Portfolio Investment Company's business objective to the Board of Directors of the Portfolio Investment Company. Each party will have a veto right regarding portfolio purchases.

The establishment of the Portfolio Investment Company is subject to the parties entering into final agreements. The target is for the Portfolio Investment Company to be operational from early Q4 2017.

Related to the establishment of the Portfolio Investment Company, Axactor has resolved to grant 130,000,000 American style warrants in Axactor to Geveran with an exercise price of NOK 3.25 per warrant. The warrants will only be exercisable if the Portfolio Investment Company is established, and will expire 2 years thereafter. The warrants are subject to customary recalculation provisions following certain capital events.

6.3 Agreements for the benefit of executive management or board members in connection with the transaction

Endre Rangnes, CEO, Oddgeir Hansen, COO and Johnny Tsolis, Executive Vice President, Strategy & Projects, have agreed to enter into a 2 year lock-up undertaking in relation to the shares in Axactor currently owned by them.

7. ADMISSION TO TRADING (PRIVATE PLACEMENT SHARES)

This Section provides an overview of the Private Placement and particulars relating to admission to listing and trading on the Oslo Stock Exchange of the Private Placement Tranche 2 Shares to be issued.

7.1 The Private Placement

On 14 August 2017, the Company disclosed that it had placed 240,000,000 new Shares in the Private Placement directed towards Geveran and existing shareholders.

The Private Placement was undertaken in order to fund Axactor's equity investment in the Portfolio Investment Company to be established together with Geveran and further portfolio acquisitions. More information regarding the investment can be found in Section 6 " The Portfolio Investment Company".

The completion of the Private Placement was made subject to the resolution by the Board to issue the Private Placement Tranche 1 Shares and Private Placement Tranche 2 Shares pursuant to an authorisation given by the Annual General Meeting held on 31 May 2017 and registration of the increased share capital of the Company and issuance of the Private Placement Tranche 1 Shares and Private Placement Tranche 2 Shares, respectively in the Swedish Companies Registration Office. The Private Placement Shares will be registered in Euroclear Sweden and the VPS under the ISIN SE0005569100, and traded under the trading symbol "AXA" on the Oslo Stock Exchange. Euroclear Sweden AB has its registered address at PO Box 7822, Regeringsgatan 65, 103 97 Stockholm, Sweden.

7.1.1 Private Placement Tranche 1 Shares

On 17 August 2017, the Company received confirmation that the share capital increase of EUR 3,957,079.30 divided into 75,600,000 Private Placement Tranche 1 Shares had been registered by the Swedish Companies Registration Office. The 75,600,000 Private Placement Tranche 1 Shares began trading on the Oslo Stock Exchange on 17 August 2017. As of the date of this Prospectus, the registered share capital of Axactor is EUR 70,771,461.35 divided into 1,352,088,769 shares, each with a par value of EUR 0.0523.

7.1.2 Private Placement Tranche 2 Shares

The Private Placement Tranche 2 Shares are expected to be issued and the share capital increase in relation thereto to be registered with the Swedish Companies Registration Office as soon as practically possible following the publication of this Prospectus. The Private Placement Tranche 2 Shares are further expected to be listed on the Oslo Stock Exchange as soon as practically possible thereafter.

7.1.3 Governing Law and Jurisdiction

This Prospectus and the Private Placement Shares are subject to Swedish law. Any dispute arising in respect of this Prospectus is subject to the exclusive jurisdiction of the Swedish courts with Stockholm District Court as legal venue in the first instance.

8. DILUTION

The Company currently has 1,352,088,769 Shares outstanding, including the Private Placement Tranche 1 Shares. Before the Private Placement, the Company had 1,276,488,769 shares outstanding (excluding the Private Placement Tranche 1 Shares). Following the issuance of the Private Placement Tranche 1 Shares and the Private Placement Tranche 2 Shares, the Company's total number of shares will increase with 240,000,000 Shares to a total of 1,516,488,769 Shares.

The issuance of the Private Placement Shares will result in a dilution of holdings of the existing shareholders of the Company.

The table below shows Company's number of shares resulting from the issuance of the Private Placement Tranche 1 Shares and the Private Placement Tranche 2 Shares. The percentage split (rounded) in the table shows the number of shares split by the total number of shares post the issuance of the Private Placement Tranche 1 Shares and the Private Placement Tranche 2 Shares.

Shares prior to the Private Placement	1,276,488,769 (84.2%)
Private Placement Tranche 1 Shares	75,600,000 (5.0%)
Private Placement Tranche 2 Shares	164,400,000 (10.8%)

9. BUSINESS OVERVIEW AND BUSINESS PLAN

This Section provides an overview of the business of the Group as of the date of this Prospectus. The following discussion contains forward-looking statements that reflect the Company's plans and estimates; see Section 4 "General Information—Cautionary Note Regarding Forward-Looking Statements". You should read this Section in conjunction with the other parts of this Prospectus, in particular Section 2 "Risk Factors".

9.1 Introduction

Historically, the Group’s principal business activities have related to mineral exploration and exploitation. On 31 December 2015 Axactor sold the two former nickel subsidiaries to Swedish public junior mineral company Archelon. The Group has no longer any operations related to the exploration and exploitation of minerals.

In September 2015, the Group entered into a Share Purchase Agreement, or SPA, for the acquisition of ALD, which was completed on 10 December 2015. The acquisition marked Axactor’s entry into the market for credit management services. ALD had established itself as a debt collection agency in the Spanish market. All of ALD's 2014 revenue was generated from the Spanish market.

On 20 January 2016, Axactor signed a contract with Santander Consumer Finance in Spain for the legal collection area. The first volumes were transferred to Axactor end of January, with a ramp up of number of claims during 2016, adding substantial new business to Axactor’s operations in Spain.

On 16 March 2016, Axactor acquired the Norwegian debt collection provider IKAS. The acquisition was closed on 7 April 2016. IKAS demonstrated strong revenue growth over the years 2013 - 2015, mainly driven by new customer wins and high volumes of invoices and debt collection cases. IKAS was established in 1988 and expanded to operating in five Norwegian cities before it was acquired by Axactor. IKAS has later been renamed Axactor Norway.

On 12 May 2016, Axactor entered into an agreement to acquire Geslico, which is a complete supplier of services within debt collection in Spain. The acquisition was closed on the same day. The company was founded in 1985 and has offices in Madrid, Barcelona, Sevilla, Alicante, Valencia, Córdoba, Zaragoza and Bilbao. The company was originally established and owned by several Spanish saving banks. Geslico has customer relationships with financial institutions, international investment funds, and Spanish utility companies.

On 22 June 2016, Axactor entered into an agreement to acquire 90% of the shares of CS Union, which is an independent debt purchase and collection company with more than 20 years’ experience in the Italian market. The acquisition was closed on 28 June 2016. The company has operated in the Italian debt collection market for more than 20 years. CS Union was a result of the merger of two companies: St.Ing. and Candia.

On 30 September 2016, Axactor entered into an agreement to acquire Altor Group, which is one of Germany’s largest independent service providers in the debt collection industry. The company was founded in 1988 and has specialised expertise in the banking sector, for utility companies and e-commerce, and covers the entire life cycle of customer relationships.

On 28 February 2017, Axactor entered into an agreement to acquire Profact AB from Aptic AB. Profact is offering credit management services and customer services in the Swedish market. The company will serve as a stepping stone for implementing the full collection value chain in Sweden and hence play an important role in Axactor´s Nordic roll-out plan. The acquisition was closed on 1 March 2017.

On 14 August 2017, Axactor and Geveran signed a letter of intent regarding the establishment of the jointly owned Portfolio Investment Company. Axactor and Geveran will both invest EUR 30 million of deeply subordinated profit sharing notes and hold a 50 per cent ownership each. Geveran or a company affiliated with Geveran will also subscribe up to EUR 120 million in subordinated notes, and the Portfolio Investment Company will in addition seek bank financing in the form of senior secured . The targeted investment capacity of the Portfolio Investment Company will be around EUR 300 million.

9.2 Strategy and business plan

Through the acquisitions in Spain, Norway, Italy, Germany and Sweden, Axactor has fulfilled its current strategy for which geographical markets the Company has targeted to operate in. Through the planned establishment of the Portfolio Investment Company, Axactor will enter into its first co-investment partnership, which has been a communicated goal for the Company. Axactor's strategy is to create a high-growth debt collection agency by leveraging on its platform to grow the existing business of the Group.

To achieve its goals, the Company will continue to consider purchasing of debt portfolios from financial institutions in all the countries it operates. The Group aims to acquire debt portfolios of business-to-consumer unsecured claims, but will also consider purchasing debt portfolios of SME[4] and business-to-consumer secured claims. In Q2 2017, Axactor successful entered the secured space in Spain through acquisition of secured portfolio.

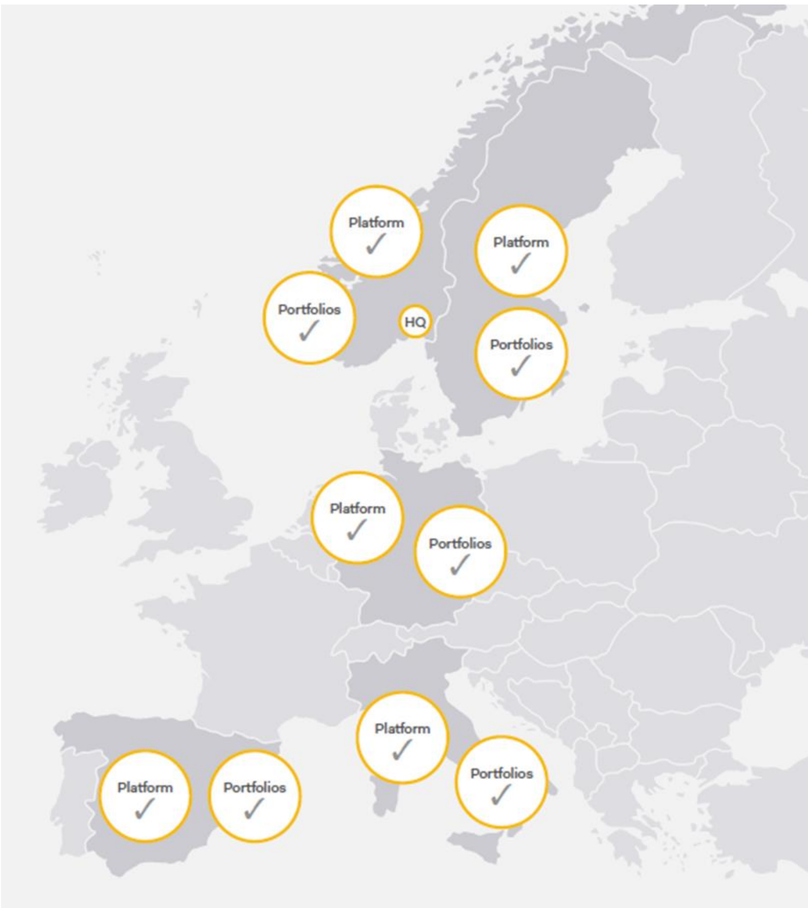
The Group will target to further develop the base of third-party debt collection services contracts for external clients, i.e. 3PC. In the medium term, the Group will focus on financial institutions, but will also opportunistically consider opportunities within Telecom, Utilities, Health care, Retail and Tax.

Operational improvement, including standardizing IT platform, implementation of group dial ins for all countries, align KPIs ("**Key Performance Indicator**") across countries and cross-country learning, have been and continue to be focus areas for the Company to realize efficient collections on both owned portfolios and 3PC.

In the medium to long term, the Company also targets to gradually increase the gearing towards a long-term target of 65% - 75% on a corporate level.

The footprint of Axactor's operations are outlined in the below map

Axactor's operational footprint



In the above map, "Platform" refers to collection operations and "Portfolios" refers to NPL portfolios owned by Axactor. As the above map illustrates, Axactor now performs collection on both own portfolios and third party owned portfolios, 3PC, in all countries where the Company operates.

[4] Small or Medium Size Enterprise

9.3 Business plan risk and sensitivity

The most important risk in relation to the Company not reaching the business plan goals are presented below, including an indication of how sensitive the business plan is for adverse changes in these parameters. The risks presented below are further described in Section 2 “Risk Factors” of this Prospectus.

- High risk:
  - The availability of debt portfolios that fits with the strategy of the Group that may be acquired by the Group at reasonable prices. If the Group is not able to acquire new debt portfolios, the growth of the Company will be impacted.
  - The Group may not be able to procure sufficient funding at favourable terms to purchase further debt portfolios.
  - The Group will operate in markets that are competitive. The Group may be unable to compete with businesses that offer more attractive pricing levels, and the Group's competitors may have or develop competitive strengths that the Group cannot match.
- Medium:
  - When the Group purchases debt portfolios, it will make a number of assumptions which may prove to be inaccurate and the statistical models and analytical tools to be used by the Group may prove to be inaccurate.
  - The manner in which the Group, or third-party service providers on the Group’s behalf, will undertake collection processes could negatively affect the Group's business and reputation.

The business of the Group is to a limited degree exposed to risks associated with having a limited number of clients.

In the view of the Group, the business of Axactor is not in any material way dependent on any key individuals, nor is it dependent on any specific assets.

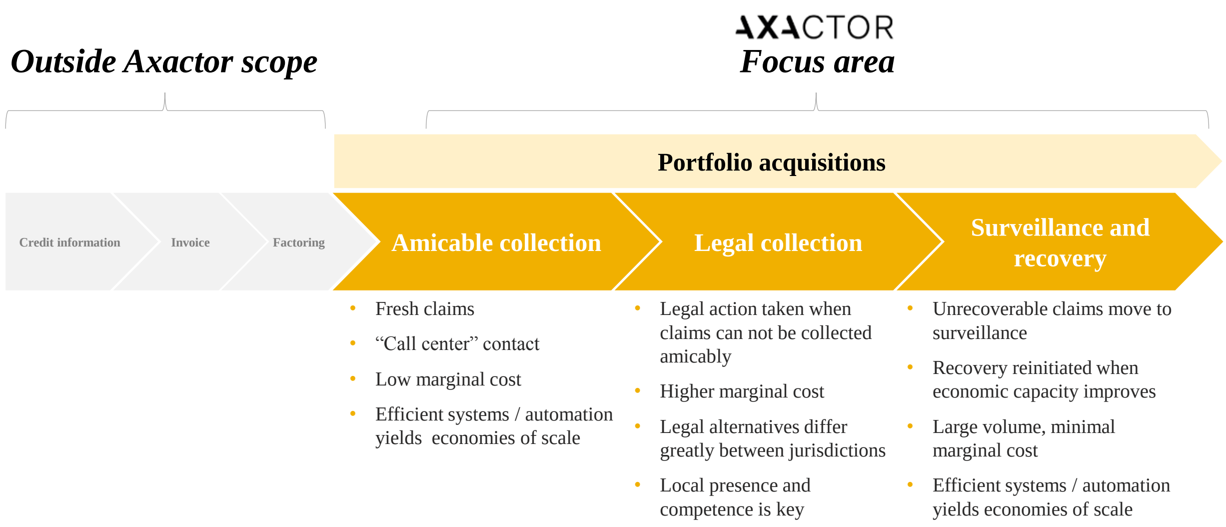
9.4 Group operations

9.4.1 Business Model

The Group's business model is vertically integrated, and hence covering the whole value chain of debt collection, from legal audit of debt portfolios, tender processes to final court proceedings passing through the amicable collection with call centres.

The chart below illustrates the various key steps in the Company’s business offering in the debt collection value chain. The Group offers these services in relation to claims that are owned by Axactor (owned portfolios of NPL) and for third party owned portfolios, 3PC.

Axactor’s position in the debt collection value chain



Amicable collections

Amicable collection is the first step in the collection value chain when a claim is overdue. Amicable collections occur before legal proceedings and the process involves contacting the debtor through letters, phone calls, and e-mails. In the view of the Company, Axactor's efficient IT and dial in systems are important for the Company to be able to operate cost efficiently in this part of the value chain.

Legal Collections

The Company believes that the track record of Axactor in the debt collection market has allowed the company to penetrate the legal audit niche of the debt collection market. The Group provides legal audit services mainly to financial institutions. Legal audit services primarily comprise of review of procedures and practices for debt collection portfolios and verification of existence of required legal documentation for debt recovery processes. Further, the Group offers debt portfolio analysis for its clients.

The process of legal collections varies significantly for different countries. Through the acquisitions completed in Spain, Norway, Italy, Germany and Sweden, the Group has gained the expertise to conduct this form of collection in all the markets in which it operates.

The Group provides solicitor services to all of its clients, including certain competitors operating in Spain. In the opinion of the Company, the broad access to lawyers and solicitors makes the Group an attractive partner for other Spanish collection agencies present in the pre-trial and trial stages of the debt collection process. Solicitor services include order for payment procedures, writing of claims, enforcement proceeding, oral proceedings, ordinary proceedings, negotiable instrument proceedings, hearings and preliminary hearings, judicial auctions, judicial foreclosures, appeals and bankruptcy proceedings.

Surveillance and recovery

Unrecoverable claims are moved to surveillance portfolios. The debtor is monitored and recovery is reinitiated when the economic capacity of the debtor improves.

The marginal cost for operating in this part of the value chain is relatively low compared to other parts of the value chain and volumes are large. An efficient and automated system for monitoring and contacting the correct debtor at the correct time is important for efficient operations.

Other services – payment solutions

Through Axactor Norway, the Group provides payment services through invoice administration. Axactor Norway tracks outstanding invoices and ensures payment at the right time to help the customer focus on their core business. Integrated solutions have been developed towards the majority of economic systems to be able to serve a wide variety of clients.

Outside Axactor scope

Services relevant earlier in the value chain, including credit information management and factoring, are outside the focus areas of the Group. Except for Axactor Norway's offering of payment solutions, Axactor does not target to offer these services.

9.4.2 **Business offering per country**

Spain

Through the acquisitions of ALD and Geslico, Axactor established itself as a leading debt collection agency in the Spanish market[5]. The Group specializes in the legal recovery of legal debt claims, including mortgages, enforced collection, insolvency, ordinary proceedings and payment procedures. The Group's clients in Spain

[5] The Company estimates that the market for debt collection in Spain comprise of approximately 1,000 companies. The Company sees itself as leading in the sense that the Company is among the 5 largest debt collection companies is Spain in terms of 2016 revenues. The estimate includes revenues from the acquired Geslico.

comprises banks and other financial institutions, national and international large companies, SMEs, international investment firms and other debt collection agencies.

Axactor is operating under a recovery business model, offering comprehensive debt collection management for amicable and court based proceedings with coordination between the aforementioned procedures. In addition, Axactor provides customized portfolio segmentation strategies, monitoring, measurement, audits and test performance.

Since entering into Spain, Axactor has expanded its operations by recruiting experienced management teams with solid track records and strong industry relationships. Axactor has also acquired several NPL portfolios in Spain to expand the business of the Group.

Collection is done both on owned NPL portfolios and third party owned portfolios in Spain.

Norway

Through the acquisition of the IKAS Companies (now named Axactor Norway AS, referred to as "**Axactor Norway**"), Axactor established a collection and payment business in Norway. Axactor Norway is today a reputable supplier of debt collection services and invoice administration in the Norwegian market and delivers market leading and modern payment solutions for selected small to medium sized businesses across all sectors.

In addition to debt collection services, Axactor Norway offers payments and invoice administration services.

Italy

Through the acquisition of CS Union, Axactor established itself as a debt purchase and collection agency in the Italian market. CS Union is active in two business segments; acquisition of small ticket unsecured NPLs from financials, utilities, telecom companies and commercial companies, and management of secured and unsecured NPLs for third parties (3PC).

Germany

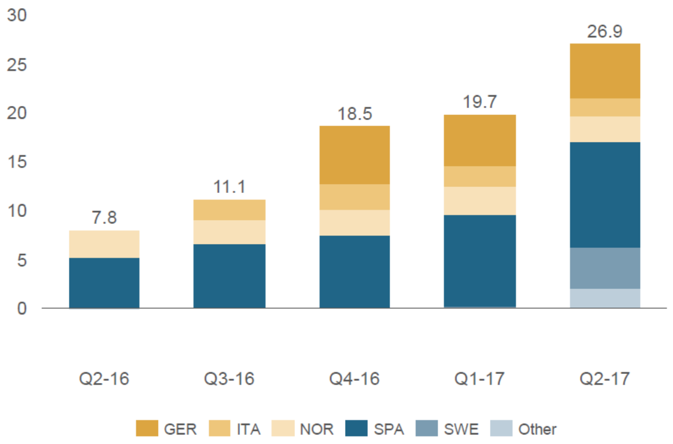
Through the acquisition of Altor Group (renamed Axactor Germany Holding GmbH, referred to as "**Axactor Germany**"), Axactor established itself as one of Germany's largest independent service providers in the field of debt collection and purchasing. Axactor Germany has a special expertise in the banking sector, for utility companies and e-commerce. Axactor Germany covers the entire life cycle of customer relationships – from early intervention through to the handling and purchase of non-performing loans.

Sweden

Through the acquisition of Profact AB, Axactor established an immediate access to the Swedish debt collection market. Profact AB has a strong competence within the industry, particularly in the debt surveillance area, with the necessary collection licence to collect on behalf of third party customers.

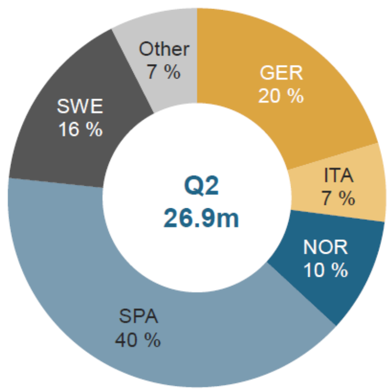
The graph below indicates the geographical split of revenue for the Group for Q2 2016 through Q2 2017.

Revenue per quarter (EUR million)



Axactor Q2 presentation

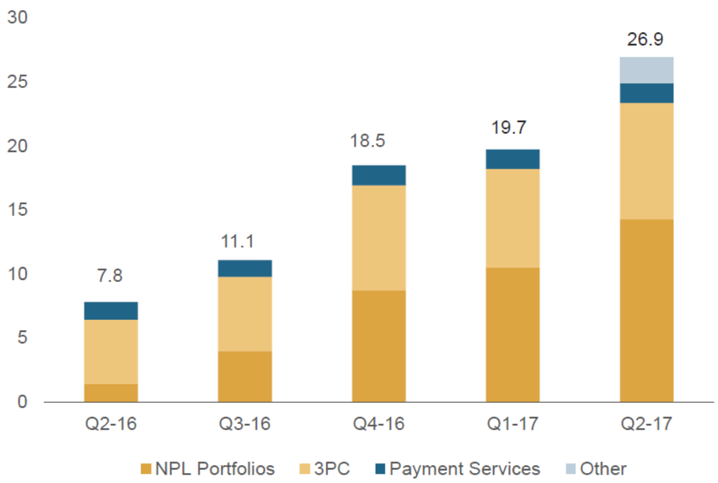
Q2 2017 revenue distribution per country



Source: Axactor Q2 presentation

The below illustration provides an overview of revenue split by product. In the opinion of the Company, the Group has a diversified revenue mix relative to competitors in the NPL market, which to a lesser degree have an equal balance between revenue from owned NPL portfolios and 3PC.

Revenue development per product (EUR million)



Source: Axactor Q2 presentation

9.4.3 **Software, IT Platform and Process**

An important part of the Group's operations is its IT systems, which comprises a main datacentre that carries out all the activities related to files storage, management, file reclassification and processing. As such, the datacentre is the only dispatching point of all debt related to legal proceedings. This database is highly customized in order to allow for direct interconnection between the Group's lawyers/solicitors and the call centre, as well as direct feeding from these lawyers/solicitors. In terms of software, all the file processing and elaboration activities performed by the Group are done through in-house software, or "soluciana". This software enables exhaustive file management during all the phases of the debt collection process, with maximum flexibility to adapt the system to any client requirement.

The Company receives files in different formats, mainly excel files with client specific formats, and the software incorporates the information into the system in an automated process or manually if in Excel. The software also registers any modifications made on the information, identifying every user with access so as to ensure the control of all the sensitive information stored in the system.

Reporting to the clients can easily be adapted to their specific requirements. The software has the ability to incorporate the information from the system into excel files or any other format through reporting tools (Qlik).

As a result of having all the data collection in a unified system with the same structure, the Group benefits from the extraction of highly valuable information from the different projects completed, providing them statistics of debt recovered and judicial court time response.

The Company is of the opinion that the database represents a competitive advantage for the Group, as it includes data and information collected and elaborated over a long time period that allows the expedient management of new proceedings.

To support adequate maintenance and development of software, Axactor has dedicated IT and business support employees in all countries. In addition, the Group relies on some external hired assistance. Use of this team is important for the Group, as it allows for the continuous upgrade of the systems necessary to improve process efficiency and to adapt the product features to client needs; features which allows for:

- Management of high volumes of files.
- Timely responses to client's proceedings.
- IT architecture designed to execute an unlimited number of debt collection files.

The below table shows an overview of the various operational systems applied by Axactor in each of the countries the Group operates in.

Overview operational systems

NEW COLLECTION SYSTEM	Gira	Ikaros	Predator	Recupera	Aptic
DIALER	Altitude	Altitude	Altitude	Altitude	Altitude
IT INFRASTRUCTURE	Intility	Intility	Intility	Intility	Intility
ERP SYSTEM/ INC. HR	UBW	UBW	UBW	UBW	UBW
DEBTOR PORTAL	Standard/TBD	Standard/TBD	Standard/TBD	Standard/TBD	Standard/TBD
BI/DATA WAREHOUSE	MicroStrategy	MicroStrategy	MicroStrategy	MicroStrategy	MicroStrategy
CRM	Dynamics 365	Dynamics 365	Dynamics 365	Dynamics 365	Dynamics 365
INTEGRATION BROKER	Standardize	Standardize	Standardize	Standardize	Standardize
DIGITALISATION	Started	Started	Started	Started	Started
PAYMENT SERVICES	Axactor Office	Axactor Office	Axactor Office	Axactor Office	Axactor Office

Country specific

AXACTOR Group systems

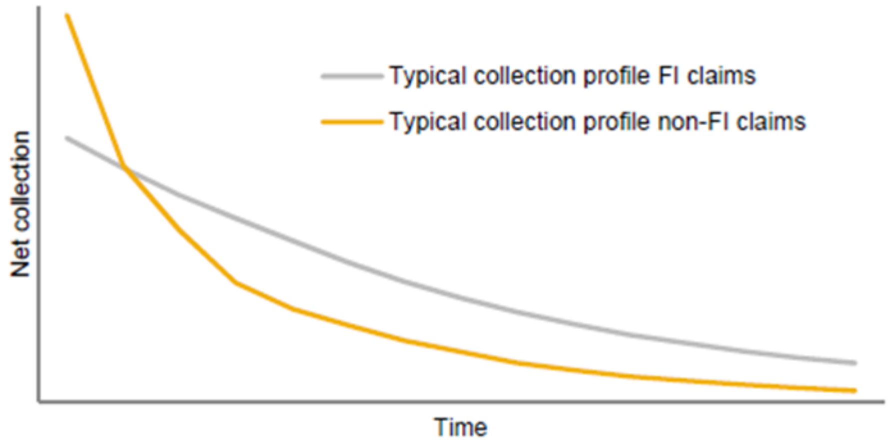
Source: Axactor Q2 report

9.4.4 **Client Overview**

Axactor has a wide range of 3PC clients in various sectors, with financial institutions as the most important segment. Other segments of customers primarily comprise of telecom and utilities.

The graph below displays typical collection curves for claims from financial institutions and non-financial institutions. Claims from financial institutions, like banks and insurance companies, is less steep and have a longer collection tail compared to non-FI claims. A larger share of the debt can thus be collected at a later stage compared to non-FI claims. The difference in collection curve is typically due to more precise information about the debtor being available for claims from financial institutions and that the claims often are larger, compared to for instance claims from telecom companies or utility companies.

Illustrative collection curve for financial institution (FI) claims and non-FI claims

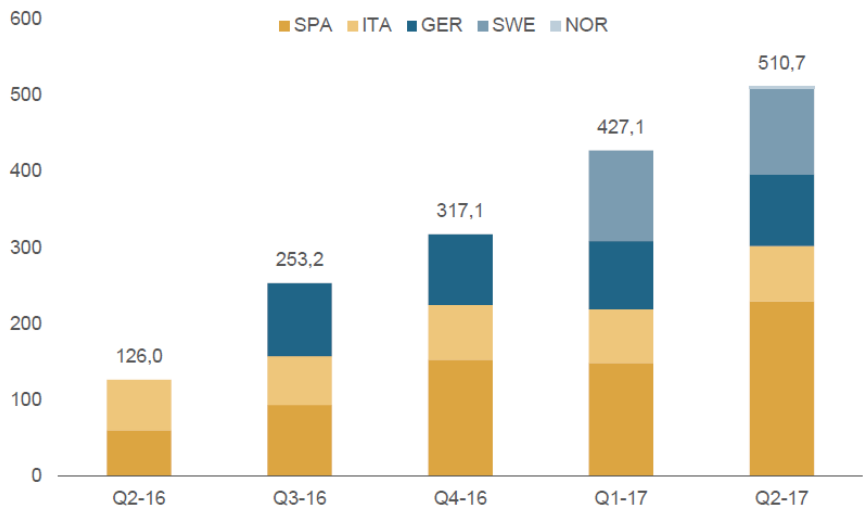


Source: The above figure is an illustrative presentation of collection profiles based on managements' assessment of client types.

9.4.5 **Portfolio statistics**

The below overview shows historical development in Estimated Remaining Collections (**"ERC"**). ERC shows the remaining cash the Group estimates that it will collect on the portfolios it owns. The Group's ERC increased by 20% from Q1 2017 to Q2 2017.

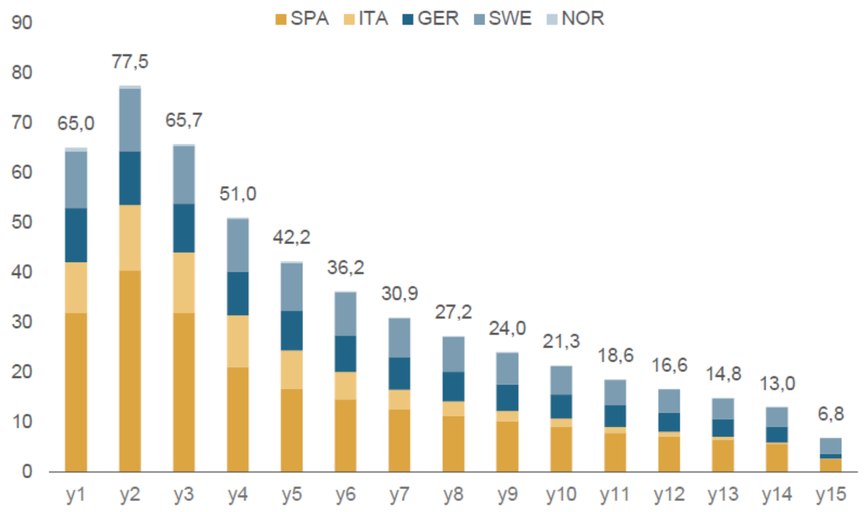
Historical Development ERC (EUR million)



Source: Axactor Q2 presentation

The below overview shows ERC distributed by collection year.

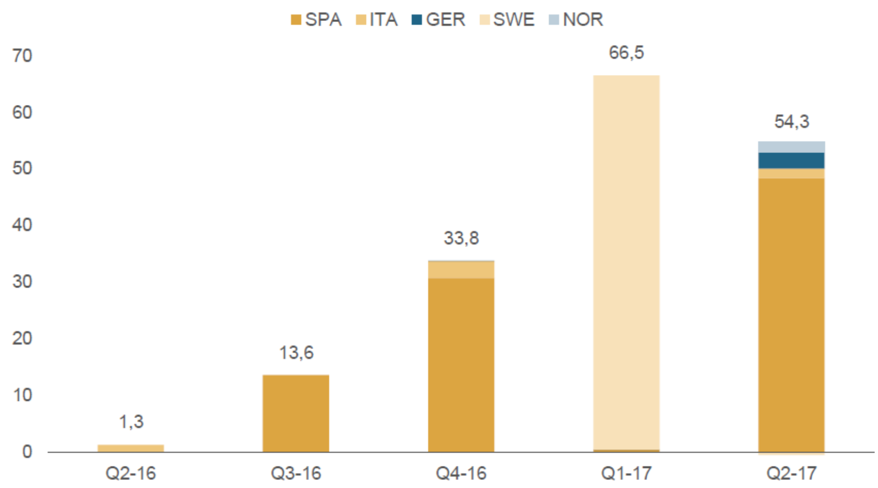
ERC per year (ERU million)



Source: Axactor Q2 presentation

The growth in ERC is a result of Axactor deploying funds by acquiring additional NPL portfolios. The below overview shows the value of NPL portfolios acquired by Axactor over the last quarters.

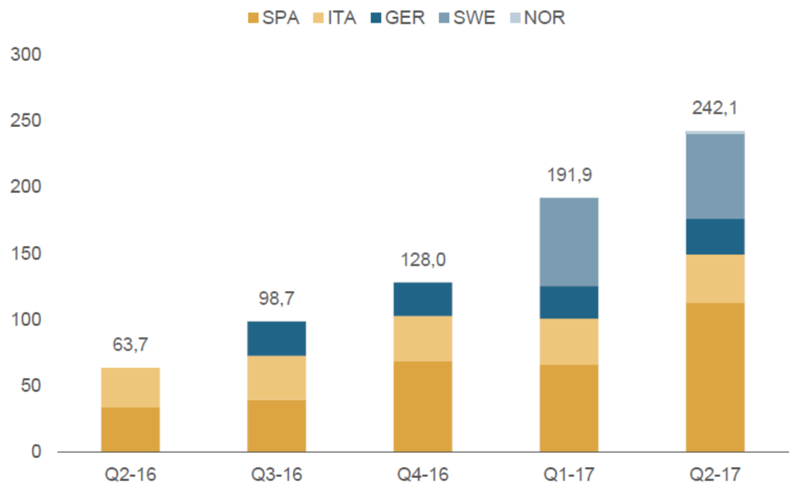
Portfolio capital expenditures (EUR million)



Source: Axactor Q2 presentation

Also as a result of NPL portfolios acquired, Axactor has increased its book value of the portfolios extensively over the past quarters, which is indicated in the graph below.

Book value of portfolios (EUR million)



Source: Axactor Q2 presentation

9.4.6 Key Competitors

Spain

The Group's competitors include other debt collection agencies operating in the Spanish market, both local and international. A recent trend has been that international investment firms have acquired local companies in order to position themselves for portfolio acquisitions in a growing market. Based on the growth in the Spanish market, the Group expects new entrants to enter the Spanish market or a continuation of international companies acquiring the local companies. All companies operating in the market have diversified industry exposure by targeting both financial institutions and corporates. Through the acquisition of Geslico in 2016, Axactor is now among the larger debt collection agencies in Spain.

Overview of the top 10 debt collection agencies in Spain by debt collection revenue

Rank	Company	Home country	Description	Revenue 2016 EURm
1	Lindorff	Norway	International debt collection company, with presence in 13 countries, focusing on debt collection services and debt portfolio acquisition	81(1)
2	Aktua	Spain	Spanish company providing debt collection services as well as property and financial management, real estate services and investment advisory. Aktua was acquired by Lindorff in May 2016	38(2)
3	I.S.G.F	Spain	Spanish company offering debt collection services	35
4	Konecta	Spain	Spanish company specializing in the management and outsourcing of business processes, including debt collection services	27(1)(2)
5	Axactor	Norway	Axactor acquired Geslico in May 2016 (Spanish debt collection company focusing on debt collection services as integrated services)	22
6	Transcom	Sweden	Swedish debt collection company, with presence in 23 countries, offering customer care, sales, technical support and credit management services	17(2)
7	Esco Expansión	Spain	Spanish debt collection company focusing on debt collection services	16(1)
8	EOS	Germany	International debt collection company, with presence in 26 countries, focusing on debt collection services and debt portfolio acquisitions	16
9	Intrum Justitia	Sweden	International debt collection company, with presence in 20 European countries, focusing on both debt collection services and debt portfolio acquisition	14(2)

10	Gescobro	Spain	Spanish debt collection company focusing on 3rd party collection servicing and unsecured debt purchase in Spanish market	13[(1)]

(1) 2015 revenue, latest publically available financials.

(2) Based on relevant debt collection revenue share estimated by DBK Informa, 2014

Source: Company web sites, DBK Informa, Bureau van Dijk

Norway

The Norwegian debt collection market totals 100 debt collectors ("inkassoselskaper") in addition to four ordinary players with license to acquire and manage non-performing portfolios. The number of debt collection players in Norway has remained stable in recent years. The top ten debt collectors represent a total market share of approximately 75% of cases. Among the top 10 competitors, eight companies are Scandinavian. PRA Group acquired the Norwegian debt collector company Aktiv Kapital in 2014. In 2016, Axactor acquired the player previously ranked as number 10, IKAS, to create Axactor Norway.

Overview of the top 10 debt collection agencies in Norway by debt collection revenue

Rank	Company	Home country	Description	Revenue 2016 EURm
1	Lindorff	Norway	International debt collection company, with presence in 13 countries, focusing on both debt collection services and debt portfolio acquisition	100
2	Kredinor	Norway	Debt collection company focusing on both debt collection services and debt portfolio acquisition	63
3	PRA Group	USA	International debt collection company, with presence in 14 countries in Europe, focusing on both debt collection services and debt portfolio acquisition	57
4	Visma Collectors	Norway	Debt collection company providing invoicing services and debt collection	24
5	Intrum Justitia	Sweden	International debt collection company, with presence in 20 European countries, focusing on both debt collection services and debt portfolio acquisition	20
6	Conecto	Norway	Debt collection company focusing on both debt collection services and debt portfolio acquisition	20
7	Gothia	Germany	Debt collection company focusing on debt collection services	18
8	Svea Finans	Norway	International debt collection company, with presence in 10 countries, focusing on both debt collection services and debt portfolio acquisition	15
9	Sergel Norge	Sweden	International debt collection company, with presence in 17 countries, focusing on both debt collection services and debt portfolio acquisition	13
10	Axactor Norway	Norway	Debt collection company, with presence in 4 countries, focusing on both debt collection services and debt portfolio acquisition	10(1)

(1) Pro forma: Formerly IKAS, including Axactor Norway, IKAS, IKAS Øst, IKAS Nord, IKAS Vest, IKAS Nordvest
Note Revenue converted at NOK/EUR rate of 9,30
Source: Company web sites, Proff Forvalt, PwC

Sweden

The Swedish debt collection market is dominated by domestic-grown players such as Alektum, Intrum and Sergel Kredittjänster that have been expanding globally to continue their growth. In November 2016, Intrum Justitia and Lindorff announced to combine to create an industry leading CMS company with local presence in 23 markets across Europe. Regulatory approval was granted in June 2017 by the European Commission. However, the new entity is required to divest Lindorff's activities in Sweden.

In 2016, Axactor entered the Swedish market through the acquisition of Profact AB, offering credit management service and customer services.

Overview of the top 10 debt collection agencies in Sweden by debt collection revenue

Rank	**Company**	**Home country**	**Description**	**Revenue 2016 EURm**
1	Lindorff Sverige AB	Norway	International debt collection company, with presence in 13 countries, focusing on both debt collection services and debt portfolio acquisition	70
2	Alektum Group AB	Sweden	Alektum Group is a family-owned company offering debt collection and associated services with presence in 15 European markets	58
3	Intrum Justitia Sverige Aktiebolag	Sweden	International credit management services company with presence in 20 European markets, focusing on both debt collection services and debt portfolio acquisition	57
4	Sergel Kredittjänster AB	Sweden	Regional debt collection agency with presence in the Nordics and Baltics (Latvia, Lithuania), acquired by Marginalen AB in 2017	55
5	Svea Inkasso Aktiebolag	Sweden	Debt collection agency, part of the Svea Ekonomi	51
6	Prioritet Finans AB	Sweden	Leading factoring player (receivables purchasing), owned by Prioritet Group AB	45
7	Euro Finans AB	Sweden	Primarily offer factoring, but also debt collection and credit information services for Swedish customers, owned by Prioritet Group AB	17
8	PRA Group Sweden	USA	International debt collection company, with presence in 14 countries in Europe, focusing on both debt collection services and debt portfolio acquisition	17
9	Euler Hermes Service	France	International credit insurance, debt collection, and bonding solutions, a subsidiary of Allianz SE	16
10	Sileo Capital	Sweden	Part of B2Holding	9

Source: Company webpages, Allabolag.se

Germany

The German debt collection market includes between 600 and 900 players with the four largest players accounting for approximately 40% of the market revenue. The largest players are also market leaders within several sectors. Consolidation within the debt collection market is still ongoing. Tesch Inkasso was acquired by GFKL in September 2016 with Avedon (Private Equity Company) as vendor. Prior to the deal, Tesch acquired some smaller debt collection boutiques focusing on debt collection within the telecom, energy and new media. The following ~20% of market share is held by approximately 20 players mostly focusing on one or two major sectors. The remaining revenue of the debt collection market is divided between a large number of regional players, who serve relatively small customers and typically do not acquire NPLs.

Overview of the top 10 debt collection agencies in Germany by debt collection revenue

Rank	Company	Home country	Description	Revenue 2016 EURm
1	Arvato Infoscore	Germany	Company engaging in claims management, debt collection and invoicing	1,630(1)
2	Creditreform	Germany	One-stop shop for economic information, credit ratings, claims management, debt collection and market analysis and software solutions	499
3	GFKL	Germany	International firm offering claims management and debt collection services for clients in various industries	278(2)
4	EOS	Germany	International debt collection company, with presence in 26 countries, focusing on debt collection services and debt portfolio acquisitions	275
5	Lindorff Holding	Norway	International debt collection company, with presence in 13 countries, focusing on both debt collection services and debt portfolio acquisition	76(2) (3)
6	Bad Homburger Inkasso	Germany	Company offering debt collection for clients from various focus sectors, such as banking, energy and real estate.	56
7	HOIST	Sweden	Company specializing in the purchase and management of unsecured consumer loans	50(4)
8	REAL Solution Inkasso	Germany	Debt collector focusing on companies with substantial outstanding claims against consumers in Germany	50(2)
9	Tesch Inkasso	Germany	Company offering debt collection for clients from various focus sectors, such as Telecom and Media, acquired by GFKL in September 2016	Appr. 40(5)
10	BID	Germany	Claims management company offering a wide range of services for several sectors.	32(2)

(1) Revenue for Arvato Infoscore includes non-debt collection revenue. No financial report for debt collection, but thought to be amongst top four players. Part of Arvato Group is planned to be disposed and consequently reclassified for accounting purposes.
(2) 2015 revenue
(3) Revenue on consolidated level. Revenue generated in Germany in 2015 amounts to EUR 68m. Lindorff has also announced merger with Intrum Justitia. Intrum Justitia revenue figures not included.
(4) Revenue of SEK 474m in Germany in 2016 translated with an average exchange rate SEK/EUR of 0.1057.
(5) No consolidated group figures public available. Tesch has been acquired by GFKL in September 2016

Source: Company webpages, Annual Reports, PwC

Italy

The Italian debt collection market comprises primarily local players, with all top ten players having headquarters in Italy. The debt collection market for corporate and consumer finance is fragmented, with a large number of regional player (1000-1500). However, debt collection for financial institutions' NPLs is highly concentrated and a few large players hold nearly the entire market. In July 2016 Dobank, a company owned jointly by Eurocastle Investment Ltd and Fortress Investment Group, acquired 100% of Italfondiaro. The transaction will create the largest independent Italian credit management servicer specializing in the management of NPLs for financial services. In 2016, a number of acquisitions took place in Italian market, including:

- Axactor's acquisition of CS Union from Banca Sistema
- Lindorff's acquisition of CrossFactor, a small factoring and credit servicing platform
- Arrow's acquisition of 100% of Zenith Service, a master servicing platform
- Kruk's acquisition of 100% of Credit Base
- DoBank's acquisitions of 100% of Italfondiario
- Dea Capital's acquisition of 66.3% of SPC Credit Management

The market has also been fairly active in 2017, some of the notable acquisitions include:

- KKR's acquisition of Sistemia
- Lindorff's acquisition of Gextra, a small ticket player from doBank
- Bain Capital's acquisition of 100% of HARIT, servicing platform specialized in secured loans
- Varde's acquisition of 33% of Guber

Overview of the top 10 debt collection agencies in Italy

Rank	Company	Home country	Description	Revenue 2016 EURm
1	Dobank	Italy	Credit management company managing non-performing loans on behalf of its clients	206
2	Cerved Credit Management	Italy	Company offering services within credit management, credit information and marketing solutions	85
3	MBCredit Solutions	Italy	MBCredit Solutions is a Mediobanca Group company management of NPEs and NPLs (non-performing loans), also portfolio acquisitions	60
4	Guber	Italy	Debt collection company focusing on both debt collection services and debt portfolio acquisition	40
5	Fire	Italy	Active since 1992, Fire does Credit Management and Out-of-court collection providing national coverage in Italy	40
6	Advance Trading	Italy	Part of the international WCM Group, the company is a credit management and debt collection agency offers complete credit management, from credit risk prevention services to out-of-court and legal collection actions, as well as NPL services	34
7	Credito Fondiario	Italy	Credito Fondiario is controlled by Tages Holding and is part of Tages Group and offers its products and services to other financial and banking institutions as well as to international institutional investors focussing on the secondary credit market.	27
8	Cribis Credit Management	Italy	A CRIF Group company specialized in credit collection outsourced services: from customer care to the extrajudicial and judicial collection.	22

9	Parr Credit	Italy		19
10	CAF	Italy	Debt collection company focusing on debt collection services for banks	19

Source: Company webpages, PwC

9.5 Employees

At the date of the second quarter report for 2017, the Group had approximately 890 FTEs. The Group had approximately 700 FTEs at the date of the second quarter report for 2016. Approximately 794 FTEs were employed on 31 December 2016, while there were approximately 68 FTEs employed on 31 December 2015 and 3 FTEs employed on 31 December 2014.

The geographical distribution of average number of employees for the years 2014, 2015 and 2016 are:

Country	2016	2015	2014
Germany	168	0	0
Italy	101	0	0
Norway	74	4	0
Spain	438	64	0
Sweden	0	0	4

Further, an overview of the distribution of employees as of this Prospectus is found below:

Country	Employees
Collection & Customer Service	675
Back Office Support	55
BI & Capital	13
ICT	21
Sales	28
HR / Financial / Legal / Admin	94
Executive Management	8

The Group recognizes the importance of a motivated workforce and is of the opinion that it has developed a stimulating culture within the business and external consultants, enabling a high level of retention.

9.6 Discontinued Operations

Divestment of the Group's Mineral Exploration Business

On 31 December 2015, Axactor sold the two former nickel subsidiaries to Swedish public junior mineral company Archelon. After the divestment, the Group does not have any operations within mineral exploration or exploitation.

9.7 Company History

The below sets forth certain significant events in the history of the Company, post the divestment of the nickel subsidiaries:

- In September 2015, the Group entered into the SPA for the acquisition of ALD, which was completed on 10 December 2015.
- On 17 November 2015, an Extraordinary General Meeting of the Company resolved to complete the Private Placement and the acquisition of ALD, and to seek divestment opportunities of the Group's mineral exploration business (or alternatively close down that business). On 31 December 2015, the two nickel subsidiaries were sold to the Swedish mineral company Archelon AB.
- On 20 January 2016, Axactor signed a contract with Santander Consumer Finance in Spain for the legal collection area. The first volumes were transferred to Axactor at the end of January, with a ramp up of the number of claims during 2016, adding substantial new business to Axactor's operations in Spain.
- On 12 February 2016, Axactor acquired an unsecured Spanish NPL portfolio with a face value of approximately EUR 500 million from Spanish savings banks. The portfolio comprises more than one hundred thousand open accounts of Individuals and SMEs. Axactor paid around 3% of the outstanding balance.
- On 3 March 2016, Axactor acquired an unsecured NPL portfolio originally generated by a large Spanish consumer finance institution. The portfolio includes unsecured loans with a total outstanding balance of approximately EUR 18 million, with more than seven thousand open accounts of individuals and a solid paying book.
- On 16 March 2016, the Group entered into a Share Purchase Agreement, or SPA, for the acquisition of IKAS. The acquisition was closed on 7 April 2016.
- On 17 March 2016, Axactor signed an agreement to acquire an NPL portfolio originally generated by a large Spanish consumer finance institution. The portfolio includes unsecured and secured loans with a total outstanding balance of approximately EUR 221 million, with more than twenty-five thousand open accounts of individuals and a solid paying book.
- On 12 May 2016, the Group entered into a Share Purchase Agreement, or SPA, for the Geslico acquisition. The acquisition closed on the same day.
- On 25 May 2016, the Group completed a private placement. The private placement consisted of 220.4 million shares and raised approximately NOK 375 million in gross proceeds, amounting to approximately 31% of the capital outstanding before the private placement.
- On 15 June 2016, Axactor signed a new contract with the largest electrical company in Spain, Endesa. The three-year contract is expected to generate annual revenue in excess of EUR 1 million.
- On 15 June 2016, Axactor announced that it had resolved the issuance of approximately 49 million new Shares to the previous IKAS shareholders at a par value of SEK 0.50 per Share.
- On 22 June 2016, Axactor acquired CS Union and entered into a strategic partnership with Banca Sistema in Italy. Axactor paid EUR 9.9 million for 90% of the shares in CS Union, where 60% will be settled in cash and 40% in Axactor shares. The acquisition was closed on the same day, 28 June 2016. The remaining 10% will continue to be held by Banca Sistema. Further, Axactor has an option to acquire the remaining 10% of the company for a pre-defined price dependent on the future performance of CS Union. The partnership with Banca Sistema includes a financing arrangement for CS Union, board representation and joint market development in Italy, based on a 3-years shareholders' agreement.
- On 30 June 2016, Axactor acquired the 4th unsecured NPL portfolio in Spain with an outstanding balance of approximately EUR 144 million.
- On 6 July 2016, Axactor increased the current loan agreement with an additional EUR 25 million from Nordea Bank Norge ASA, extending its current EUR 25 million agreement with DNB Bank ASA up to a combined facility of EUR 50 million.
- On 1 August 2016, Axactor acquired the 5th unsecured NPL portfolio in Spain with a total outstanding balance of approximately EUR 565 million.
- On 29 September 2016, Axactor acquired an unsecured NPL portfolio in Italy with a total outstanding balance of approximately EUR 59 million. The investment will be financed 100% by Axactor's existing credit facilities provided by the company's Italian banking partners.
- On 30 September 2016, Axactor acquired Altor Group and entered the German debt collection and purchase market. The transaction was closed the same day.
- On 13 October 2016, the Group completed a private placement. The private placement consisted of 230 million Shares and will raise approximately NOK 598 million in gross proceeds.
- On 9 November 2016, Heidelberger Inkasso GmbH, a part of Axactor's German subsidiary Altor, succeeds in the tender for the "Legal & Non-Legal Claims Collection" of one of the top 5 private banks in Germany. Starting on the 1 November, ALTOR receives 40% of the claims in this segment.

- On 13 December 2016, the Group completed a subsequent offering, The subsequent offering raised gross proceeds of NOK 130 million.
- On 14 December 2016, the Group entered into an agreement to acquire portfolios on a monthly basis from a large Nordic Financial Institution. The portfolios contained freshly terminated B2C cases, allowing Axactor to manage the cases throughout the whole collection process.
- On 15 December 2016, the Group has acquired their 6^{th} unsecured NPL portfolio in Spain. It is originally generated by Unicaja Banco and España Duero, two large Spanish Banks. The portfolio included unsecured loans with a total outstanding balance of approximately EUR 450 million, with close to one hundred thousand open accounts of individuals and SMEs.
- On 23 December 2016, the Group acquired another unsecured NPL portfolio generated by Caja Rural del Sur. The portfolio included unsecured loans with a total outstanding balance of approximately EUR 55 million, across 2.000 claims.
- On 20 January 2017 at an Extraordinary General Meeting of the Company, the shareholders resolved to elect a new Board of Directors and a new Nomination Committee.
- On 28 February 2017, the Group entered into an agreement to acquire Profact AB, please see Section 5 “The Profact Acquisition” for more information
- On 30 March 2017, the Group extended an agreement to acquire portfolios from a large Nordic financial institution, to cover the Swedish as well as the Norwegian market.
- On 31 March 2017, the Group acquired the largest unsecured NPL portfolio since start-up in the fourth quarter of 2015. The portfolio was originated by Bank Norwegian in Sweden and includes unsecured credit with a total outstanding balance of approximately EUR 105 million, across close to 15,200 open accounts of individual loans and credit card debt.
- On 4 April 2017, the Group signed 3 new servicing contracts with 2 large financial institutions and a large fund specializing in receivables management and debt purchase.
- On 27 April 2017, the Group signed 4 new contracts with large financial institutions and a large telecoms operator in Spain.
- On 2 May 2017, acquired another two unsecured NPL portfolios in Italy, the portfolios are auto finance shortfalls, including unsecured claims with a total outstanding balance of approximately EUR22 million, across 2,500 cases.
- On 23 May 2017, the Group completed a private placement. The private placement consisted of 50 million Shares and will raise approximately NOK 107.5 million in gross proceeds.
- On 12 June 2017, the Group closed a large primary transaction in Spain, the transaction is from Santander. The portfolio has an outstanding balance in excess of EUR 300 million across more than 60.000 cases.
- On 19 June 2017, the Group acquired its first unsecured NPL portfolio originated by a large German bank. The portfolio includes unsecured claims with a total outstanding balance of approximately EUR 32 million, with close to three thousand open accounts of individuals.
- On 22 June 2017, the Group purchased its first secured transaction in Spain. The portfolio is being sold by a large financial Institution and contains roughly 600 assets with an appraisal value of around EUR 50 million.
- On 28 June 2017, the Group closed another primary transaction in Spain, this transaction is from BMN. The portfolio has an outstanding balance in excess of EUR 165 million across more than 7.500 cases.
- On 28 July 2017, the Group closed a large tender for field service with one of the top 5 private banks in Germany.
- On 31 July 2017, the Group signed 3 new contracts providing outsourcing services for 3 large financial institutions. The combined annual contract value is EUR 4.5m and all 3 contracts are signed on the basis of 12 months, renewable each year.
- On 14 August 2017, the Group completed the Private Placement. The Private Placement consisted of 240 million Shares and raised gross proceeds of approximately NOK 598 million.
- On 14 August 2017, Axactor signed a letter of intent with Geveran, to establish a jointly owned portfolio investment company. For more information, please refer to Section 6 “The Portfolio Investment Company”.
- On 5 September 2017, the Group summoned to an extraordinary general meeting to be held on 26 September 2017. The Nomination Committee proposed that Harald Thorstein should replace Dag W. R. Strømme as an ordinary board member until the end of the next annual general meeting.
- On 11 September 2017, Axactor acquired two portfolios of NPL loans including auto financing and personal loans in Germany. The portfolios have an outstanding balance of EUR 25.7 million across over 4,000 cases, with both containing a significant number of existing payment plans, generating cashflow right from the acquisition

9.8 Disclosure About Environmental Issues that may affect Utilization of Tangible Fixed Assets

As of the date of this Prospectus, the Company is not aware of any environmental issues that may affect the Group's utilization of its material tangible fixed assets.

9.9 Disclosure About Dependency on Patents and Licenses, Etc.

The Group is not dependent on any patents or licenses, or industrial, commercial or financial contracts or new manufacturing processes.

9.10 Disclosure About Dependency on Applicable Regulations

The Group will be subject to regulations applicable to debt collection and debt purchasing operations in the jurisdictions in which it operates from time to time, including with respect to license and other regulatory requirements, data protection and anti-money laundering. Regulatory developments under the laws and regulations to which the Group is subject could expose it to a number of risks. The debt collection and purchasing industry is under scrutiny. Any new laws or regulations, driven by governmental, economic, fiscal, monetary or political factors, could materially adversely affect the Group. However, the Company is not aware of any specific changes in regulatory conditions that are expected which could materially adversely affect the operations of the Group.

10. INDUSTRY OVERVIEW

This section discusses the credit management services industry and its main characteristics including amongst other the competitive market structure, key market developments to date as well as current and future trends. Estimates in this section are based on data compiled by professional organizations, consultants and analysts.

Section 3 "General Information—Presentation of Industry and Other Information" includes additional market data from other external and publicly available sources as well as the Company's knowledge of the markets.

The following discussion contains forward-looking statements, see Section 3 "General Information—Cautionary Note Regarding Forward-Looking Statements". Any forecast information and other forward-looking statements in this Section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, see Section 1 "Risk Factors" for further details.

Credit Management Services ("CMS")

Europe

Introduction

The Eurozone economy is slowly recovering from previous crises and has seen a healthy and steady growth in recent years. Core inflation rate in Eurozone reached a four-year high July 2017. Unemployment rate reached the lowest point for almost 8 years and GDP growth was approximately 0.6% in the second quarter of 2017. Domestic demands in Eurozone have improved significantly, meanwhile exports are also growing continuously. Whereas Eurozone economy has had a strong recovery, the Nordic economies no longer stand out from the European crowd. Swedish GDP growth rate has turned out to be one the highest rates among developed countries. A sharp drop in oil price in 2014 impacted the Norwegian economy, however, the Norwegian economy is on track to normalization.

Country	Indicators	Units	2016	2017
Denmark	Gross domestic product. constant prices	Percent change	1.137	1.474
Denmark	Gross domestic product. current prices	U.S. dollars (Billions)	306.73	304.216
Denmark	Inflation. average consumer prices	Index	100.25	100.902
Denmark	Inflation. average consumer prices	Percent change	0.25	0.65
Denmark	Unemployment rate	Percent of total labor force	6.192	42952.00
Denmark	Official bank rate (Current-account rate)	Percentage	0.00	0.00
Denmark	Population	Persons (Millions)	5.707	5.754
Finland	Gross domestic product. constant prices	Percent change	1.387	1.345
Finland	Gross domestic product. current prices	U.S. dollars (Billions)	236.883	234.524
Finland	Inflation. average consumer prices	Index	100.389	101.825
Finland	Inflation. average consumer prices	Percent change	0.389	15707.00
Finland	Unemployment rate	Percent of total labor force	8.792	19937.00
Finland	Official bank rate (Reference rate)	Percentage	0.00	0.00
Finland	Population	Persons (Millions)	5.487	5.504
France	Gross domestic product. constant prices	Percent change	1.213	1.396
France	Gross domestic product. current prices	U.S. dollars (Billions)	2463.222	2420.44
France	Inflation. average consumer prices	Index	100.303	101.714
France	Inflation. average consumer prices	Percent change	0.308	1.407
France	Unemployment rate	Percent of total labor force	10.042	9.639
France	Official bank rate (ECB fixed rate tenders)	Percentage	0.00	0.00
France	Population	Persons (Millions)	64.605	64.9
Germany	Gross domestic product. constant prices	Percent change	1.774	1.634
Germany	Gross domestic product. current prices	U.S. dollars (Billions)	3466.639	3423.287
Germany	Inflation. average consumer prices	Index	100.367	102.396
Germany	Inflation. average consumer prices	Percent change	0.375	2.022
Germany	Unemployment rate	Percent of total labor force	4.158	4.161

Germany	Official bank rate (ECB fixed rate tenders)	Percentage	0.00	0.00
Germany	Population	Persons (Millions)	82.732	83.001
Italy	Gross domestic product. constant prices	Percent change	0.88	0.843
Italy	Gross domestic product. current prices	U.S. dollars (Billions)	1850.735	1807.425
Italy	Inflation. average consumer prices	Index	99.942	101.197
Italy	Inflation. average consumer prices	Percent change	-0.05	1.256
Italy	Unemployment rate	Percent of total labor force	24047.00	13089.00
Italy	Official bank rate (ECB fixed rate tenders)	Percentage	0.00	0.00
Italy	Population	Persons (Millions)	60.666	60.76
Norway	Gross domestic product. constant prices	Percent change	1.024	1.238
Norway	Gross domestic product. current prices	U.S. dollars (Billions)	370.449	391.959
Norway	Inflation. average consumer prices	Index	112.442	115.366
Norway	Inflation. average consumer prices	Percent change	20149.00	42888.00
Norway	Unemployment rate	Percent of total labor force	4.758	42859.00
Norway	Official bank rate (Styringsrente)	Percentage	0.55	0.5
Norway	Population	Persons (Millions)	5.263	5.336
Spain	Gross domestic product. constant prices	Percent change	3.235	2.591
Spain	Gross domestic product. current prices	U.S. dollars (Billions)	1232.597	1232.44
Spain	Inflation. average consumer prices	Index	100.007	102.409
Spain	Inflation. average consumer prices	Percent change	-0.2	2.401
Spain	Unemployment rate	Percent of total labor force	19.635	17.704
Spain	Official bank rate (ECB fixed rate tenders)	Percentage	0.00	0.00
Spain	Population	Persons (Millions)	46.323	46.257
Sweden	Gross domestic product. constant prices	Percent change	11383.00	2.696
Sweden	Gross domestic product. current prices	U.S. dollars (Billions)	511.397	507.046
Sweden	Inflation. average consumer prices	Index	101.846	103.298
Sweden	Inflation. average consumer prices	Percent change	1.136	1.425
Sweden	Unemployment rate	Percent of total labor force	34851.00	6.724
Sweden	Official bank rate (Reference rate)	Percentage	-0.5	-0.5
Sweden	Population	Persons (Millions)	9.995	10.177
Austria	Gross domestic product. constant prices	Percent change	1.48	1.40
Austria	Gross domestic product. current prices	U.S. dollars (Billions)	386.75	383.51
Austria	Inflation. average consumer prices	Index	122.69	125.28
Austria	Inflation. average consumer prices	Percent change	0.97	2.11
Austria	Unemployment rate	Percent of total labor force	6.11	5.94
Austria	Official bank rate (ECB fixed rate tenders)	Percentage	0.00	0.00
Austria	Population	Persons (Millions)	8.69	8.76
Greece	Gross domestic product. constant prices	Percent change	0.01	2.15
Greece	Gross domestic product. current prices	U.S. dollars (Billions)	194.25	193.10
Greece	Inflation. average consumer prices	Index	118.57	120.08
Greece	Inflation. average consumer prices	Percent change	0.01	1.27
Greece	Unemployment rate	Percent of total labor force	23.76	21.89
Greece	Official bank rate (ECB fixed rate tenders)	Percentage	0.00	0.00
Greece	Population	Persons (Millions)	10.85	10.85
Portugal	Gross domestic product. constant prices	Percent change	1.43	1.74
Portugal	Gross domestic product. current prices	U.S. dollars (Billions)	204.76	202.77
Portugal	Inflation. average consumer prices	Index	100.64	101.85
Portugal	Inflation. average consumer prices	Percent change	0.64	1.21
Portugal	Unemployment rate	Percent of total labor force	11.07	10.61
Portugal	Official bank rate (ECB fixed rate tenders)	Percentage	0.00	0.00
Portugal	Population	Persons (Millions)	10.33	10.29

Sources: International Monetary Fund, World Economic Outlook Database, April 2017, ECB Eurosystem, National banks

At the European level, the implementation of a new regulatory framework with common rules for banks in all 28 EU member states set out in a single rulebook is going ahead. The Supervisory Review and Evaluation Process, or the SREP, results confirm that credit and counterparty risks remain the supervisors' key concerns for banks. Moreover, there are doubts on the sustainability and viability of certain banks' business models and it is unclear what strategies banks have in place to return to adequate levels of profitability as they move away from official funding.

The European Central Bank, or ECB's, continuous quantitative easing, or QE, program is likely to have a mixed impact on banks in the region. It may help reduce funding pressures, support the economy and provide a lift to investment banking activities, but the downside is that pressure on National Incident Management Systems, or NIMS, is likely to intensify. Sector restructuring slowed ahead of the ECB's comprehensive assessment, but following the exercise's completion banks are now once more reassessing their businesses and geographic footprints. The structural reform agenda is likely to drive asset disposals. ECB Lending Surveys have been signaling a recovery in demand for consumer credit and housing loans between 2014 and Q2 2015. The survey also showed that the demand started to decrease from Q3 2015 onwards except for an increase that happened in Q3 2016. With the economic recovery in the region now gathering pace, non-performing loans, or NPLs, are declining in most countries. Italy is the exception, but proposed reforms by ECB and Bank of Italy intend to improve profitability in the Italian banking sector.

Recent CMS trends

As pointed out by Moody's, a credit rating company, the European debt collection market is maturing through an expansion into new business models and geographies. Some debt purchasing companies are now supplementing income by servicing third-party portfolios, as these activities provide a more stable revenue stream. Other companies are expanding the asset classes in which they invest, for example by buying or increasing their acquisitions of non-performing debt from telecommunication companies, retail or utilities. These developments have led to a wave of consolidation. Moody's expects this trend will last for at least another two years beyond 2016.

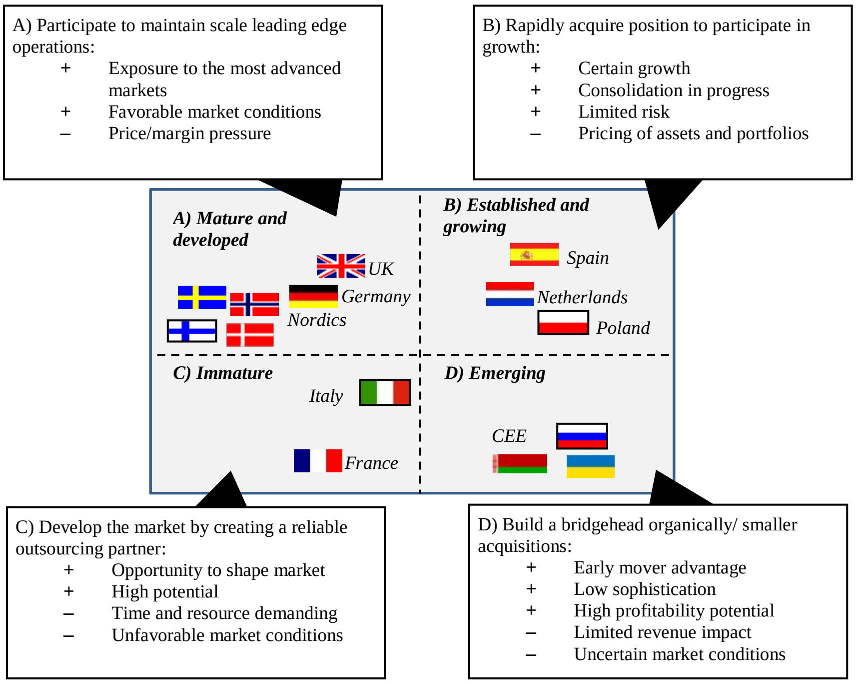
Banks' attitude to debt sale is the most important driver of the market size. In recent years, European banks have increasingly divested their debt portfolios as well as collection and recovery functions. This has largely been driven by regulatory pressure to improve their capitalization levels. However, as banks adapt to the tougher regulatory regime over time, they are likely to prefer to work with only mature CMS operators who can demonstrate the highest levels of customer service and compliance. Recent consolidation within the market supports this.

Loan Portfolio Market

The loan sale activity has increased over the past years. Commercial Real Estate, or CRE, loans are still highly traded across Europe and there has been a strong rise in sales of residential loan portfolios. UK, Ireland and Spain continue to be the most active markets, and sales in Italy, Germany and CEE are accelerating.

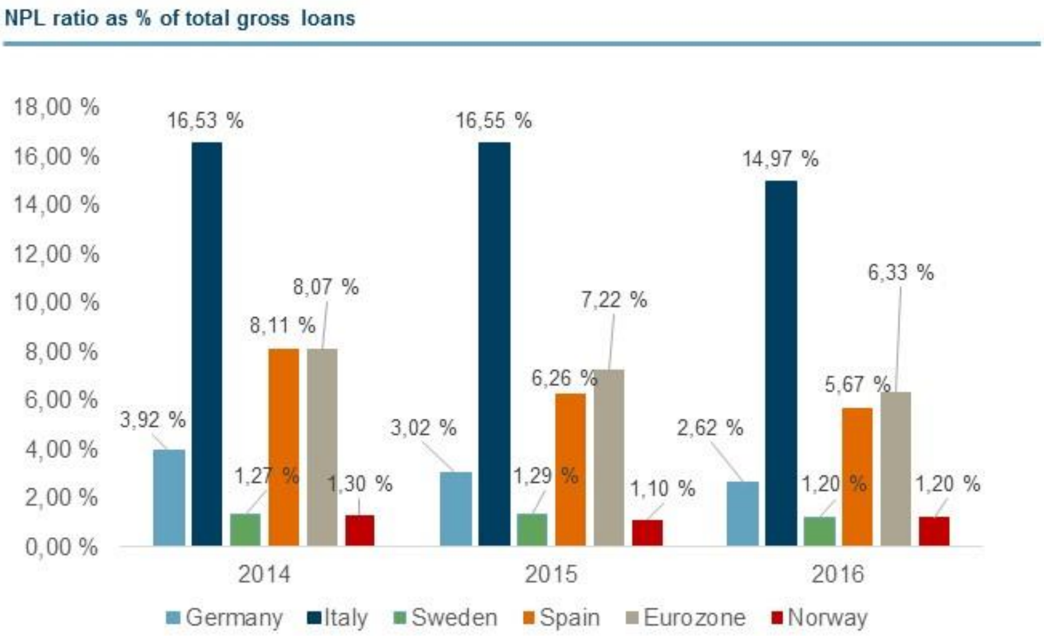
After contracting 0.64% in 2015 (the fourth consecutive year of contraction), business loans experienced a return to growth in 2016 and the first half of 2017. Mortgage loans bounced back in 2015 and continued to grow from 2015 onwards. However, the growth potential going forward is uncertain as NPL ratios are declining across the Eurozone.

The chart below depicts the development level of the debt collection market.



Source: EY

The chart below depicts the NPL ratio as a percentage of total gross loans in selected Eurozone countries and Norway.



Source: ECB Statistical Data Warehouse, Statistics Norway

The following table shows overview of European NPL market from 2011 to 2016.

European banks continue to hold more than €1trn of NPLs (excluding "Non-Performing Exposures")

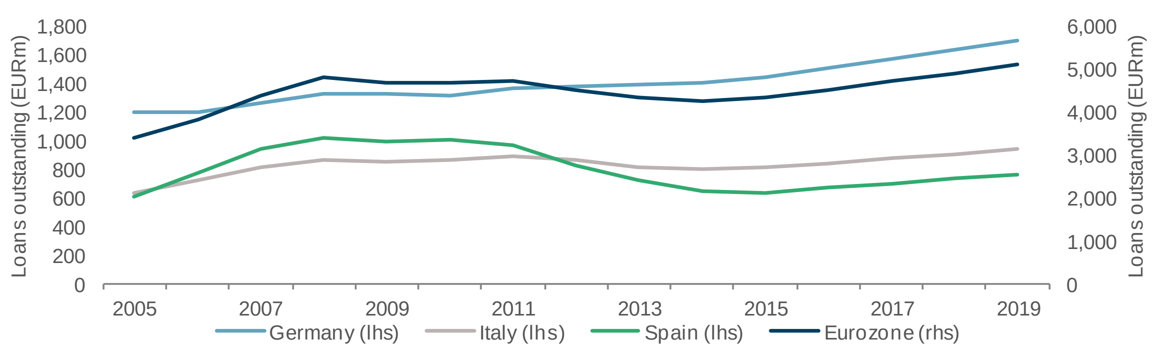
EUR Bn	2011	2012	2013	2014	2015	2016
Italy(1)	107	125	156	184	200	202
Germany	179	166	154	152	149	135
France	133	125	122	130	126	120
Spain	136	167	197	173	134	116
Greece	40	56	77	90	107	105
Russia	34	39	54	61	60	80
United Kingdom	172	164	136	107	75	60
Ireland	147	151	149	115	93	59
Netherlands	52	57	55	55	46	42
Cyprus	9	18	29	29	27	24
Austria	18	21	19	23	23	20
Portugal	12	17	19	20	20	18
Denmark	19	32	24	21	20	17
Poland	15	17	17	17	18	17
Turkey	9	11	11	14	16	16
Ukraine	12	16	14	13	14	14
Bulgaria	5	5	5	5	5	6
Hungary	7	8	8	7	5	5
Czech Republic	5	6	5	6	6	5
Croatia	5	5	6	6	6	5
Romania	6	11	11	8	7	4
Sweden	7	6	5	4	6	4
Serbia	3	3	3	3	3	3
Norway	4	5	5	3	3	2
Slovakia	2	2	2	2	2	2
Slovenia	5	6	4	3	3	2
Finland	1	1	2	2	2	1
Total	**1144**	**1240**	**1289**	**1253**	**1176**	**1084**

Note: Based on the location of the head office of the bank selling the assets. These figures do not include "NPE" (Non-Performing Exposures"). For example, Italy has a reported approximately €140bn of NPEs that have been excluded from the above.

Source: PwC Portfolio Advisory Group

The chart below depicts bank loans to Non-Financial Customers, or NFCs, in the Eurozone. Eurozone use secondary axis (right hand side) and other countries use primary axis (left hand side).

Eurozone: Bank loans to NFCs



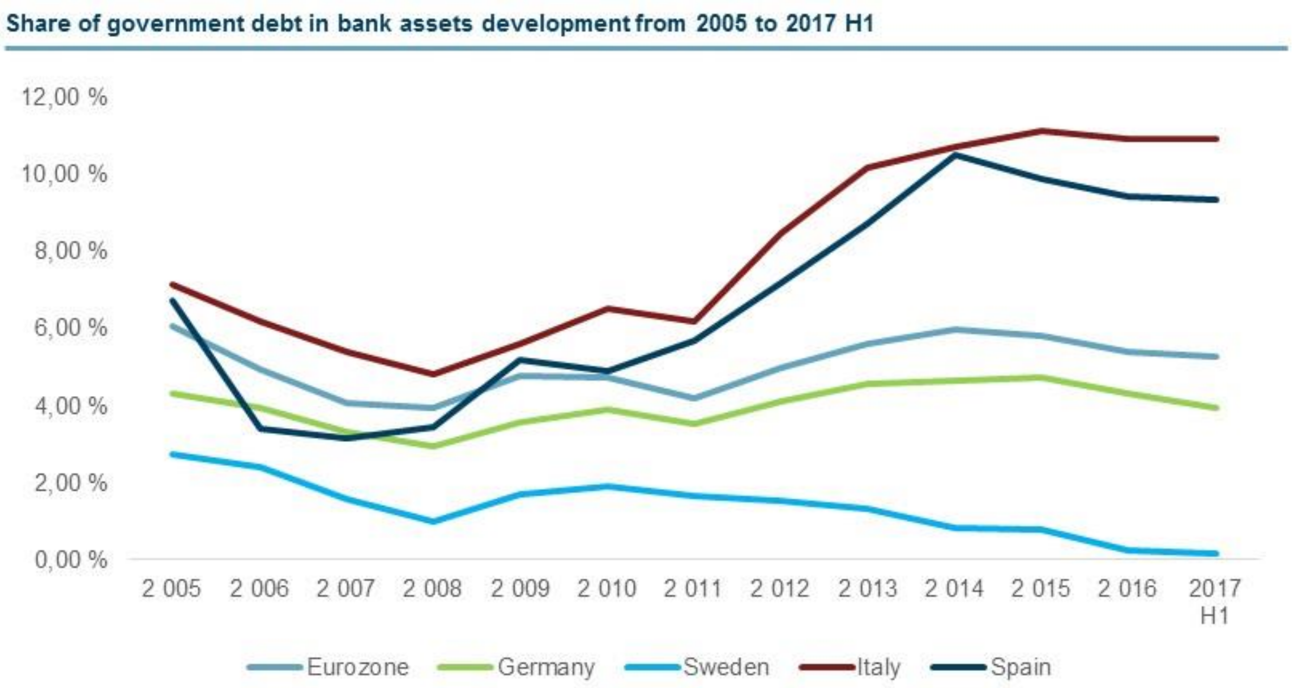
Source: ECB, Oxford Economics, Haver Analytics

The charts below provide selected key Eurozone banking figures and information about share of government debt in bank assets.

Eurozone Banking Overview

(€bn)	2011	2012	2013	2014	2015	2016	2017 H1
Total assets	33499	32658	30391	31159	30732	30974	31036
Total loans	18477	17987	16982	16832	17163	17572	18118
Business/corporate loans	4720	4536	4345	4309	4282	4304	4315
Consumer credit	628	604	576	565	597	617	637
Residential mortgage loans	3784	3830	3858	3866	3953	4050	4110
NPL as % of total gross loans	-	-	-	8.07	7.22	6.33	-
Deposits liabilities(% yearly change)	4.82	-0.68	-3.20	0.68	1.04	0.46	2.44
Loans/deposits liabilities (%)	107	105	102	100	101	103	104
Total operating income	721	686	685	685	712	689	-

Source: ECB Statistical Data Warehouse



Source: ECB Statistical Data Warehouse

Trends in the debt collection market

Several trends can be observed in the European debt collection and NPL markets.

The consolidation trend is expected to continue with players continuing to acquire debt collection players.

- Large American companies are entering Europe, e.g. PRA Group acquiring Aktiv Kapital in 2014 and Encore penetrating Europe with two brands, Groove and Cabbot
- Strong consolidation trend with professional ownerships going from family owned and entrepreneur owned businesses (early 2000) to Private Equity owned and listed companies. Examples include
  - Intrum acquiring Lindorff – regulatory divestiture of Intrum/Lindorff in the Nordics and Estonia
  - Altor and Investor owned Lindorff, sold to Nordic Capital in 2014
  - Permira acquiring GFKL in Germany and Lowell in UK in 2015

Banks are getting more experienced in portfolio sales with fresher portfolios expected to come to market. Annual sales or forward flow deals sold at monthly frequency is becoming more common. Many banks have strengthened their in-house pricing competence and are running structured NPL portfolio sales processes. Also, NPL portfolios may be expected to increase in size as fresher debt is added and with banks selling off larger portions of their NPLs.

In the Nordics, the rise of consumer financing is expected to drive NPL sales. With high volumes, higher default rates on debt than in traditional banks and a strong focus on efficient use of capital, the consumer banks are expected to sell debt on a regular basis rather than building up large books of NPLs.

Spain

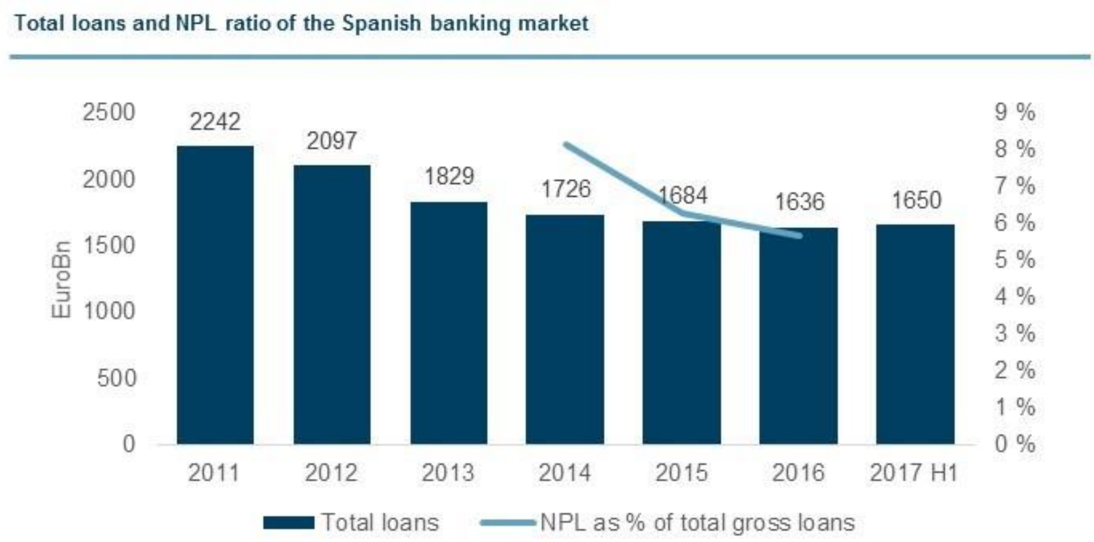
Banking Overview

After a strong credit-fueled economic growth during the period 2000-2008, Spain experienced 5 years of negative or zero economic growth as it dealt with the consequences of the financial and housing crises. Since 2013, Spain has recovered strongly, posting annual economic growth above Eurozone-average in 2014 and 2015.

The ability to access leverage decreased since 2011 and started to increase again in 2016. Significant advance rates are available to acquirers of credit versus bank lending, and it is expected that this will help domestic purchasers to bid more competitively against international investors.

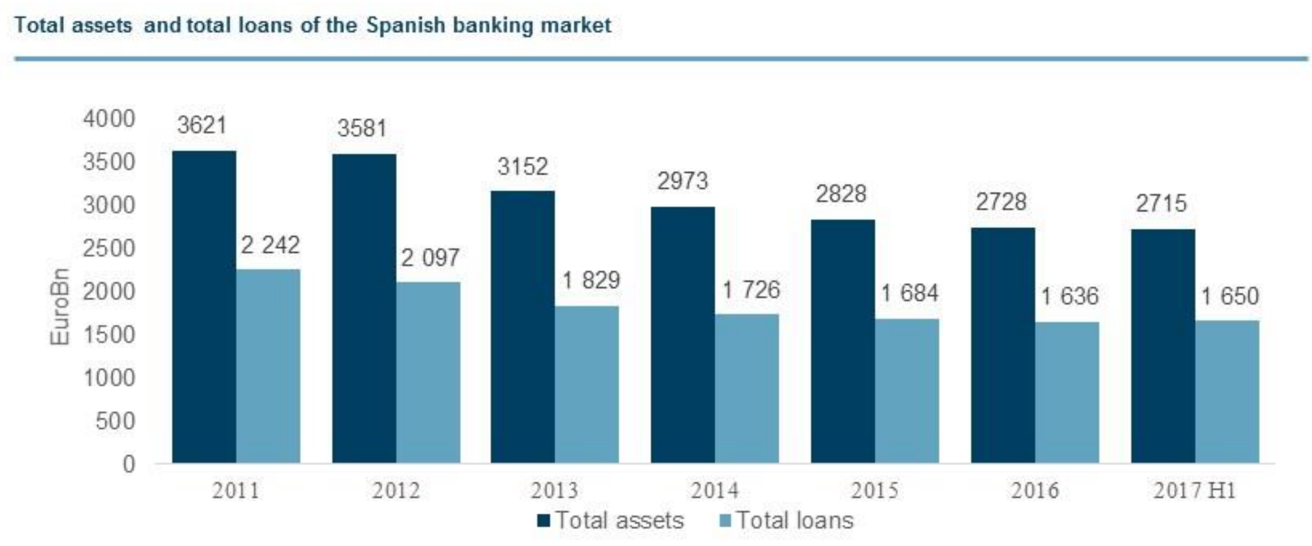
In the short-medium term, new transactions are expected to arise from divestments of financial institutions selling or creating joint ventures, or JVs, with third-party servicers and new transactions to take place in the NPL space coming from bankruptcy proceedings.

The chart below depicts the total loans and NPL ratio of the Spanish banking market.



Source: ECB Statistical Data Warehouse

The chart below depicts the total assets and total loans of the Spanish banking market.



Source: ECB Statistical Data Warehouse

The table below shows certain key figures for the Spanish banking sector.

Spanish Banking Overview

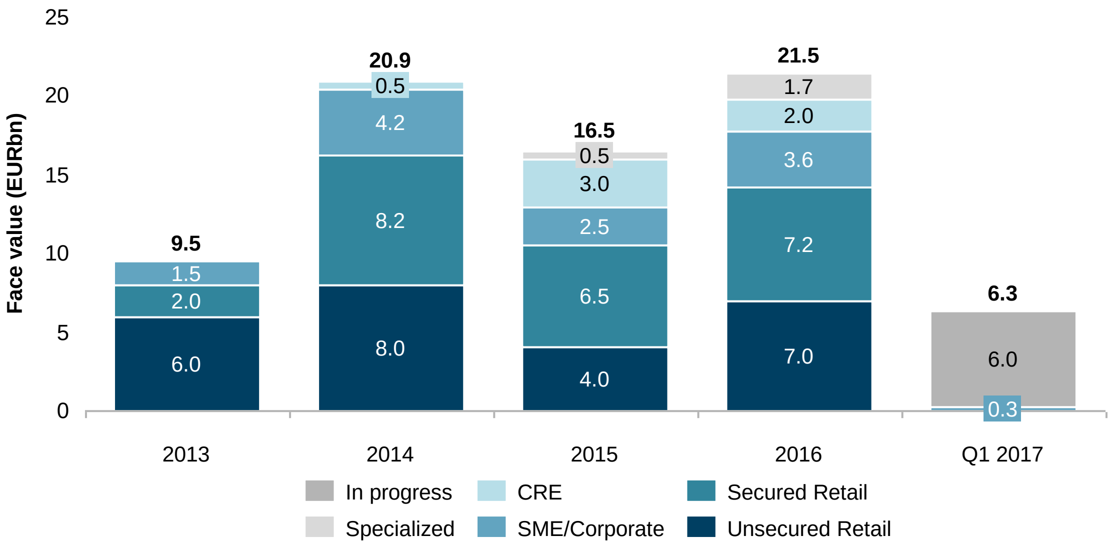
(€bn)	2011	2012	2013	2014	2015	2016	2017 H1
Total assets	3621	3581	3152	2973	2828	2728	2715
Total loans	2242	2097	1829	1726	1684	1636	1650
Business/corporate loans	861	729	626	559	533	510	501
Consumer credit	71	67	62	58	61	69	75
Residential mortgage loans	659	635	606	582	554	538	531
NPL as % of total gross loans	-	-	-	8.11	6.26	5.67	-
Deposits liabilities(% yearly change)	1.85	0.03	-9.87	-2.16	-2.88	-3.03	-
Loans/deposits liabilities (%)	99	92	89	86	87	87	87
Total operating income	94	94	90	85	82	-	-

Source: Statistical Data Warehouse European Central Bank

NPL Market

The market for unsecured debt has been active in the last years, especially in 2014 and 2016. The increase in the secured market is due to the portfolios including more promoter assets combined with more optimistic collateral value estimations.

The chart below depicts recent NPL transactions by type of debt in the Spanish market.



Source: PwC Portfolio Advisory Group – Market Update Q1 2017

Accompanied by the growth in the market for debt transactions, there has been a strong growth in the secondary market for NPL portfolios in Spain over the last few years. This has been driven by funds that are pulling out of the Spanish market or re-allocating capital to other markets.

Unsecured Loans

Typically, investors of these portfolios make aggressive assumptions, and high IRR percentages are applied for these valuations. A better than expected economic environment should positively impact portfolio values. Further, the ability of borrowers to repay their debts is converting NPLs into re-performing loans and improving investor returns.

In line with the broader economic recovery, the Spanish unsecured retail market has shown marked improvement. The NPL ratio for loans at consolidated level of Spanish deposit institutions has declined since 2014, continuing in 2016. Acquirers that purchased unsecured retail portfolios at the height of the crisis are expected to sell these portfolios on a secondary basis and benefit from the recovery period, after holding the portfolios for 4-5 years.

Secured Loans

Compared to the immediate period after the housing crisis, the transacted asset type has evolved from low quality residential retail assets towards well-located promoter assets. This is a result of Spanish banks largely completing sales of low quality assets from their balance sheets and growing investor demand for liquid and well-located assets such as promoter portfolios.

Over the past two years, secured retail loans have accounted for 39% of the market and their strong position is expected to continue, as more promoter NPLs with higher collateral quality continue to be offered in the market.

Norway

Banking overview

The banking sector in Norway is relatively fragmented with 124 banks, including 13 branches of international banks. The seven largest banks (DNB Bank, Nordea Bank Norge and five regional savings banks) represent approximately 76% of assets under management. 25 medium-sized banks, with more than NOK 10bn assets under management each, represent approximately 18% of the total assets under management. 92 small banks with less than NOK 10bn assets under management represent the remaining 7% of market share.

Norway's largest bank, DNB has close to a 30% market share in both the household and corporate market. Foreign banks, with Nordea being the largest, hold a significant market share of the loan market with a particularly strong position in the corporate market.

The table below shows selected key figures for the Norwegian Banking sector.

Norwegian Banking overview

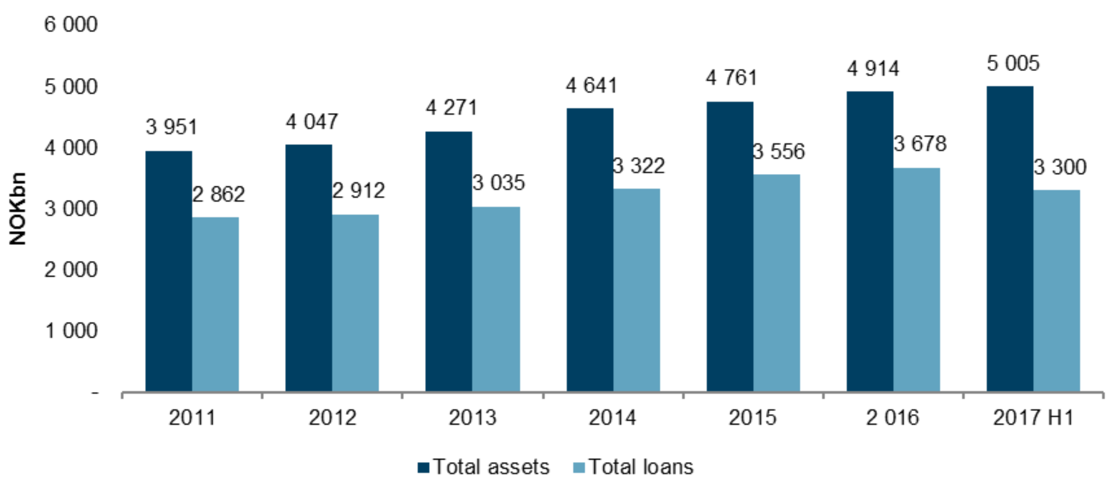
(NOKbn)	2011	2012	2013	2014	2015	2016	2017 H1
Total assets	3951	4047	4271	4641	4761	4914	5005
Total loans	2862	2912	3035	3322	3556	3678	3300
Business/corporate loans	1037	1082	1098	1141	1200	1201	1258
Consumer credit	58	63	69	75	85	0	0
Residential mortgage loans	454	458	453	449	448	483	486
NPL ratio (%)	1.70	1.50	1.30	1.30	1.10	1.20	-
Deposits (% yearly change)	12.62	2.00	6.85	7.25	4.04	3.95	6.02
Loans/deposits (%)	92.29	92.54	94.85	92.95	90.33	90.79	107.28
Total operating income	141	142	141	148	138	130	59

Source: SSB, the Financial Supervisory Authority of Norway

Total loans have grown slightly stronger than total assets over the past years. Gross loans to customers accounted for approximately 75% of banks' total assets in H1 2016, an increase from a historical ratio of ~71%.

The chart below depicts the total assets and total loans of the Norwegian banking market.

Total assets and loans

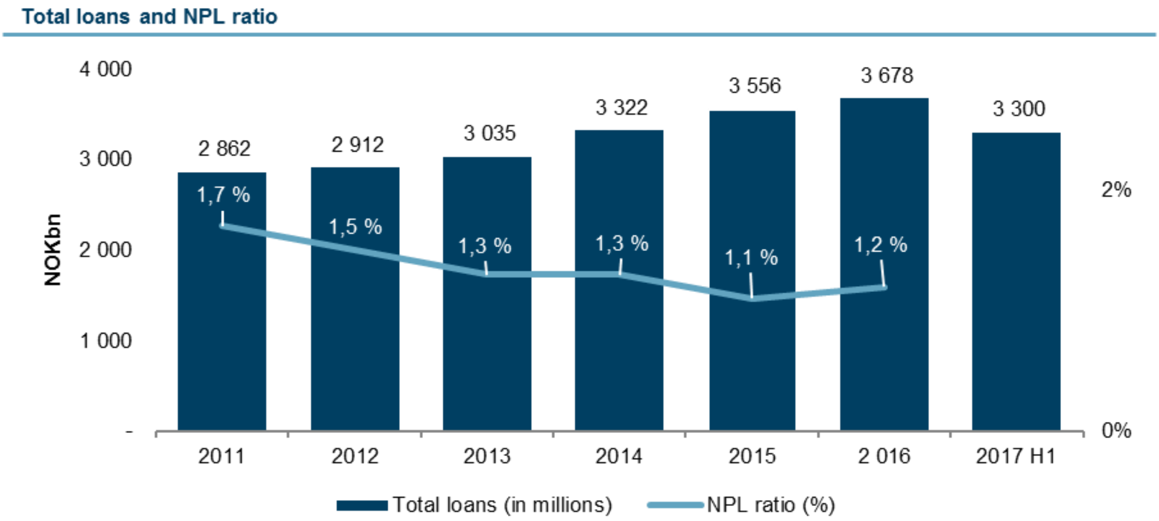


Source: SSB, the Financial Supervisory Authority of Norway

A recovering Norwegian economy in recent years has contributed to solid bank earnings. In aggregate, the Norwegian banking sector posted 8.8% higher revenue and 3.6% higher net profits in Q2 2017 compared to Q2 2016.

The large drop in oil prices mid-2014 has affected the Norwegian economy adversely, hitting especially the oil and gas sector and contributing to a marked slowing of the economy. During H1 2016 the banks' loan loss provisions amounted to 0.34% (annualized) of gross loans. This is a doubling compared to 2015. Especially the larger banks have made larger loss provisions, largely due to exposure to oil and gas. From 2015 to 2016, DNB reported that loan loss ratio has increased from 0.15% to 0.49%. However, only a relatively small portion of Norwegian banks' total lending is exposed directly to oil-related industry.

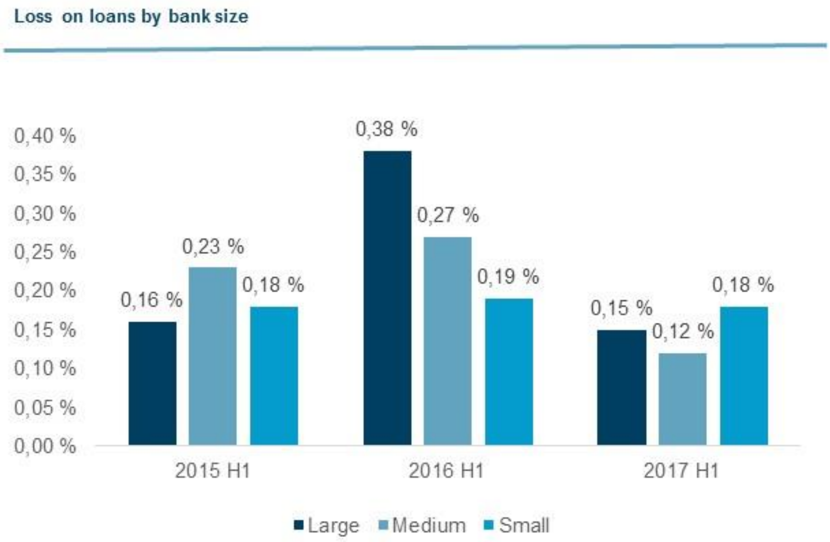
The chart below depicts the total loans and NPL ratio for the Norwegian banking market.



Source: The Financial Supervisory Authority of Norway

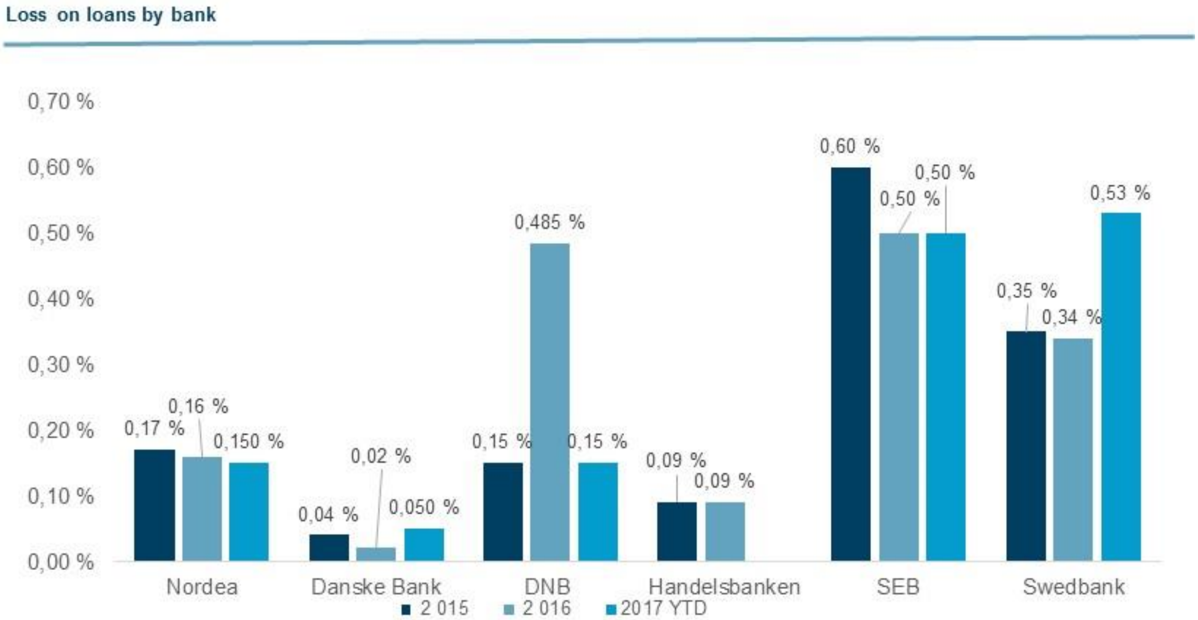
Loan losses

The chart below shows loan loss provisions in percentage of gross loans by bank size, with large banks showing the greatest increase in loss provisions.



Source: The Financial Supervisory Authority of Norway

The chart below shows loan loss provisions in percentage of gross loans by bank.



Source: Annual and quarterly report issued by each bank

Secured Loans

Loans held by private households are mainly mortgage loans with floating interest rate. With historically high household debt burden and property prices, households are more vulnerable to income changes and interest rates. Despite rising unemployment related to the slowdown in the economy, DNB does not expect losses on its mortgage portfolio to increase materially. However, it expects credit growth to slow.

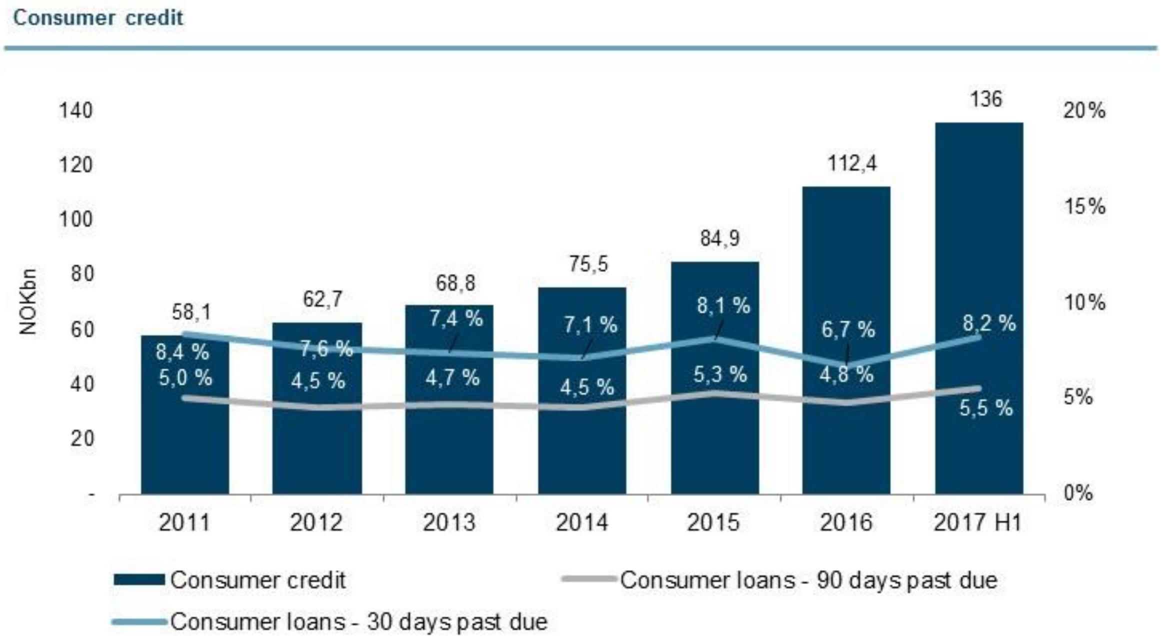
NPL Market

The Norwegian market has historically seen few NPL portfolio transactions. Securitization is uncommon in Scandinavia and the few NPL transactions that have occurred in Norway have mainly been consumer credit portfolios.

Unsecured Loans

Consumer credit represents a significant share of total unsecured loans to households. In recent years, consumer credit in Norway has experienced a strong growth outstripping the general growth in household credit. At 12.4%, consumer credit grew more rapidly in 2015 compared to an approximate 10% year-on-year growth during 2013 and 2014. From 2015 to 2016, consumer credit grew at an unprecedented rate by 32.4%. Noticeably, consumer credit experienced also a strong annual growth by 20.98% from 2016 to 2017.The non-performing share of unsecured loans is significantly higher than that of secured loans. An increase in consumer credit and in the share of non-performing loans will likely lead to an increased demand for debt collection services and more NPL portfolios being considered for sale.

The chart below shows the consumer credit and percentage of consumer loans that is past due in the Norwegian market. The overview is based on a sample of 12 banks and 10 credit institutions representing the majority of the consumer credit market in Norway.

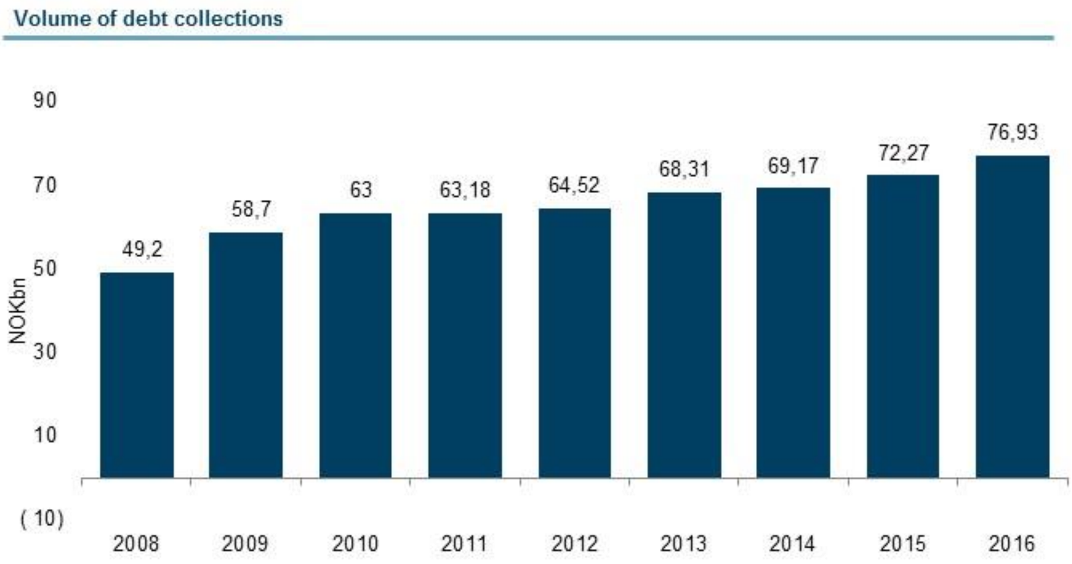


Source: The Financial Supervisory Authority of Norway

Debt collection market

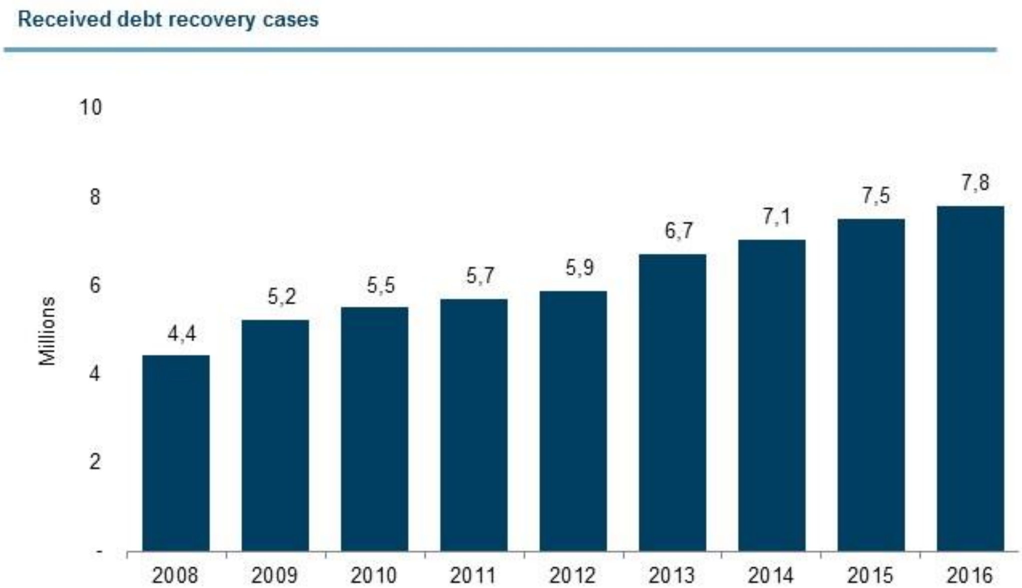
The Norwegian debt collection market grew by 4.5% from NOK 14.0bn in H1 2015 to NOK 14.6bn in H1 2016. During the same period, the number of new cases grew by ~2% (85,600 cases). As of 2016, the debt collection market in Norway had 7.8 million cases in process. This represents a volume of non-performing loans of NOK 76.9bn.

The chart below depicts the amount of debt collected in the Norwegian market.



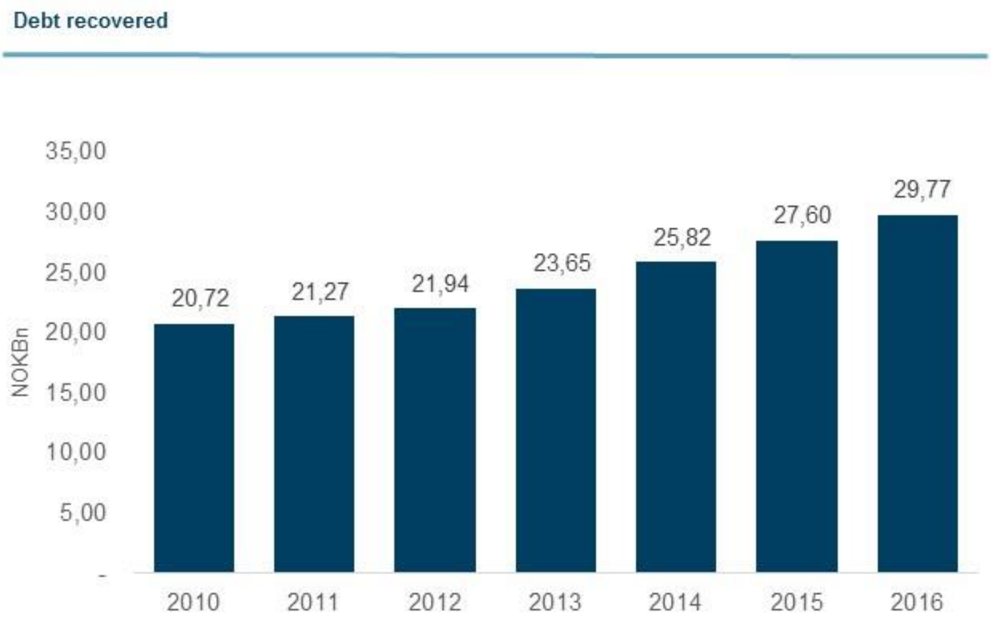
Source: The Financial Supervisory Authority of Norway

The chart below shows the number of received debt collection cases in the Norwegian market.



Source: The Financial Supervisory Authority of Norway

The chart below shows the volume from debt collection cases (debt recovered volume) in the Norwegian market.



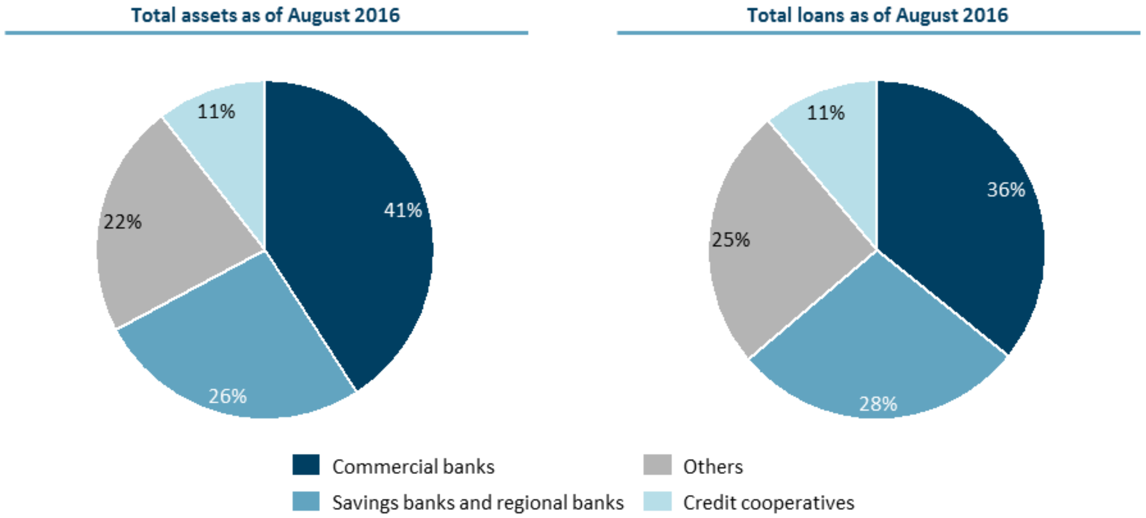
Source: The Financial Supervisory Authority of Norway

Germany

Banking Overview

Germany has one of the most fragmented banking sectors due to its three-pillar system composed of: private commercial banks, public savings banks (Sparkassen) and cooperative banks owned by their members/depositors.

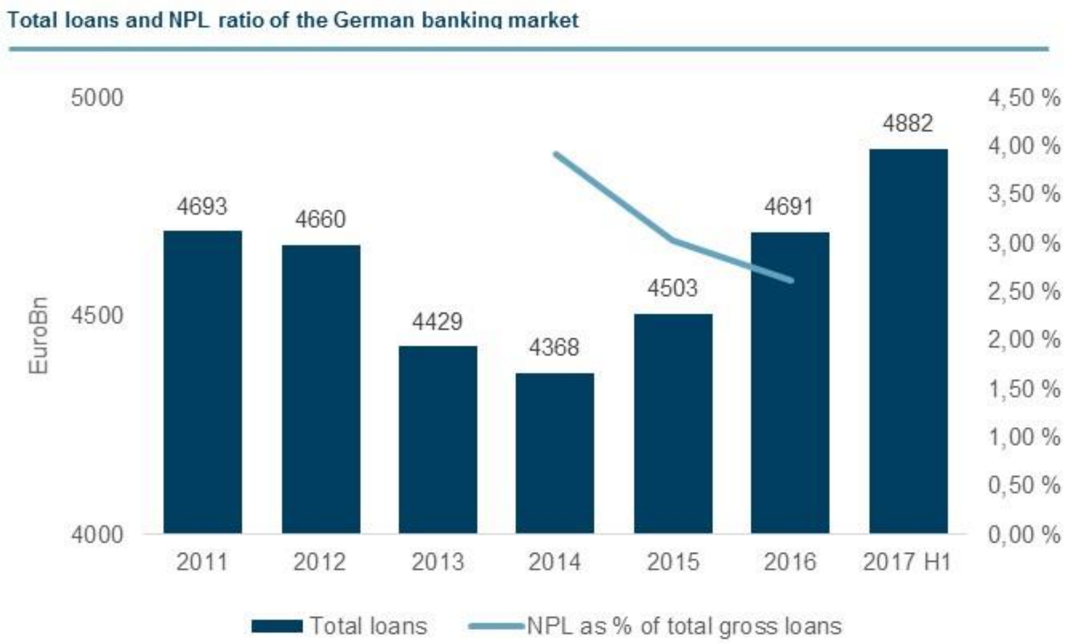
The chart below depicts the total assets and loans in the German banking sector, split by bank type, as of August 2016.



Source: Deutsche Bundesbank

The German banking sector is one of the strongest in Europe and has a better lending quality and lower NPL ratio than elsewhere in the Eurozone. Nevertheless, the prolonged low interest environment together with a stronger regulatory pressure puts a constraint on bank earnings.

The chart below depicts the total loans and NPL ratio of the German banking market.



Since 2011, the regulatory authorities have emphasized strengthening the banking sector not only in terms of liquidity and funding, but also in terms of capital held. The Basel III capital requirements in combination with new standards introduced by the European Banking Authority, have helped improve the resilience of German banks considerably. Banks have largely achieved this by improving capital through measures such as retaining earnings, raising new capital or repurchasing hybrid capital instruments. At the same time, they have reduced risk-weighted assets, by selling non-core assets or initiating risk reduction measures.

In the wake of strategic repositioning and efforts to restructure their business models, many banks have announced a retreat from certain business segments, such as shipping and commercial real estate, as well as certain geographical regions and have established either internal non-core units or external non-core resolution agencies to unwind their existing exposure in such areas.

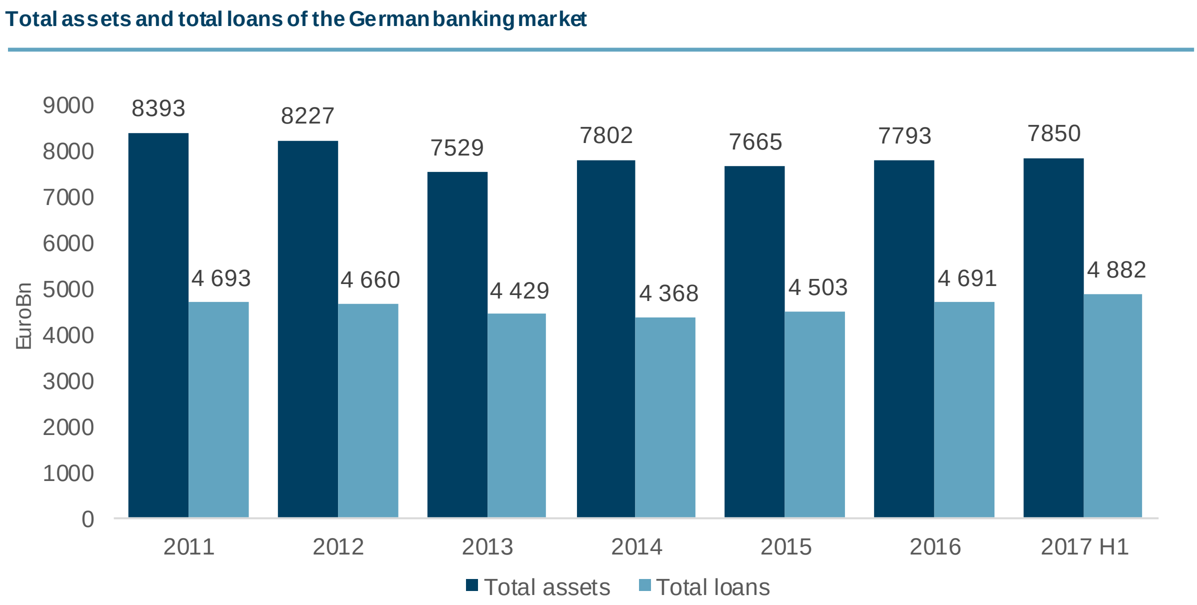
The table below shows selected key figures for the German banking sector.

German Banking Overview

(€bn)	2011	2012	2013	2014	2015	2016	2017 H1
Total assets	8393	8227	7529	7802	7665	7793	7850
Total loans	4693	4660	4429	4368	4503	4691	4882
Business/corporate loans	907	909	900	891	907	937	957
Consumer credit	186	181	175	174	177	184	189
Residential mortgage loans	980	999	1019	1049	1086	1126	1147
NPL as % of total gross loans	-	-	-	3.92	3.02	2.62	-
Deposits liabilities(% yearly change)	0.00	-0.71	-1.33	0.95	1.16	0.90	2.06
Loans/deposits liabilities (%)	103	103	99	97	98	102	104
Total operating income	133	134	136	143	151	147	-

Source: ECB Statistical Data Warehouse

The chart below depicts the total assets and total loans of the German banking market.



Source: ECB Statistical Data Warehouse

NPL Market

German banks experienced a strong increase in NPLs following the IT bubble burst in 2001, while the housing market in Eastern Germany collapsed. From 2003 to mid-2008, Germany was the most active NPL market in the world with more than 60 major transactions representing EUR 50bn in face value. The demand was mainly from international, primarily Asian, investors.

Following the financial crisis, there was a freeze in the NPL market. Banks held on to their loan portfolios until investor pricing would be more in line with their own expected values. Recent successful transactions – mainly coming from foreign banks selling German loan portfolios – have shown that the gap between sellers' price expectations and investors' bid prices has narrowed.

There is a strong demand for German NPL portfolios from both traditional investors, e.g., hedge funds, private equity firms and investment banks who were active before the crisis, as well as new investors such as insurance companies or private investors who are monitoring the current market development very closely with the view to buy.

In 2015, the market bounced back to 2013 levels, transactions in recent years are almost exclusively of CRE loans as collateral values are increasing, thus leading to higher pricing of loans secured by real estate. Specific to 2016, transaction volumes have been primarily driven by a reported divestment of shipping loans from HSH Nordbank. Further disposals of real estate, energy, aviation and shipping assets are reportedly coming to market in the upcoming months.

The Unsecured NPL Market

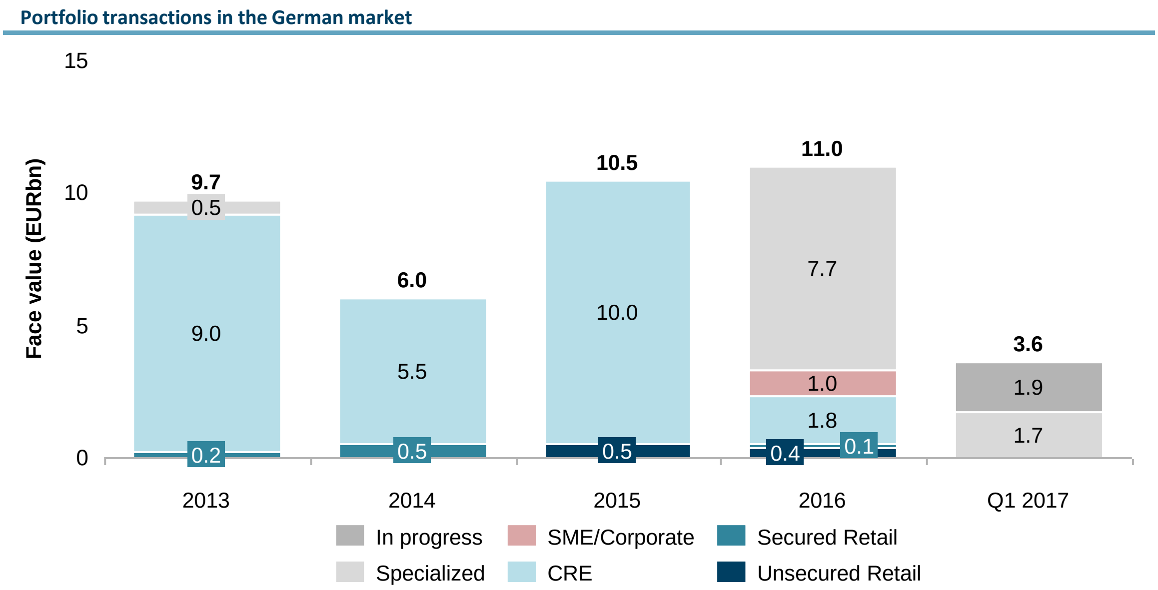
Smaller yet ongoing transactions rather than occasional large transactions characterize the unsecured consumer NPL market. The deal sizes are a result of still relatively limited maturity on the supplier side, yet strong interest from investors ensures the fluidity of the market.

Banks only sell terminated loan portfolios to investors, as the legal framework makes a transfer of the claim after termination much easier and data confidentiality is not as strict when selling NPLs. The most common type of unsecured consumer loans used by German customers is the opportunity to overdraw their accounts. Some banks appear to be more sophisticated and experienced in selling unsecured consumer NPL portfolios than in the past. However, the business of selling NPLs is still not part of day-to-day business for many banks. In addition, portfolio size, the age of the debt and sales schedule (e.g., forward flow -monthly, quarterly, annually vs spot sale) vary between banks.

There is a large and experienced investor universe with substantial liquidity in the market. Bearing this in mind, sales processes can be very competitive with more than ten investors often taking part in a tender. Appetite exists for all forms of unsecured consumer NPLs in terms of age of debt (i.e., freshly terminated debt vs. very aged loans or residual claims), product (credit cards, consumer loans, etc.) and portfolio sizes. However, most portfolios which come to the market are homogeneous, which makes pricing and an assessment of the strategy easier for buyers. Buyers prefer to purchase debt which has not been placed with a debt collection company prior to sale. The face value of traded portfolios are often into the lower double-digit or even single-digit EUR million area. However, some transactions exceed EUR 100 million in face value.

Going forward, German banks still have large amounts of old, partially fully charged-off consumer loans, or "Kellerakten". In the wake of banks' efforts to cut costs and streamline internal processes, it can be expected that banks will do larger bulk sales to "clear out their cellars" and then implement regular sales programs to manage the NPL levels going forward.

The chart below depicts recent NPL transactions by type of debt in the German market.



Source: PwC Portfolio Advisory Group – Market Update Q1 2017

Italy

Banking Overview

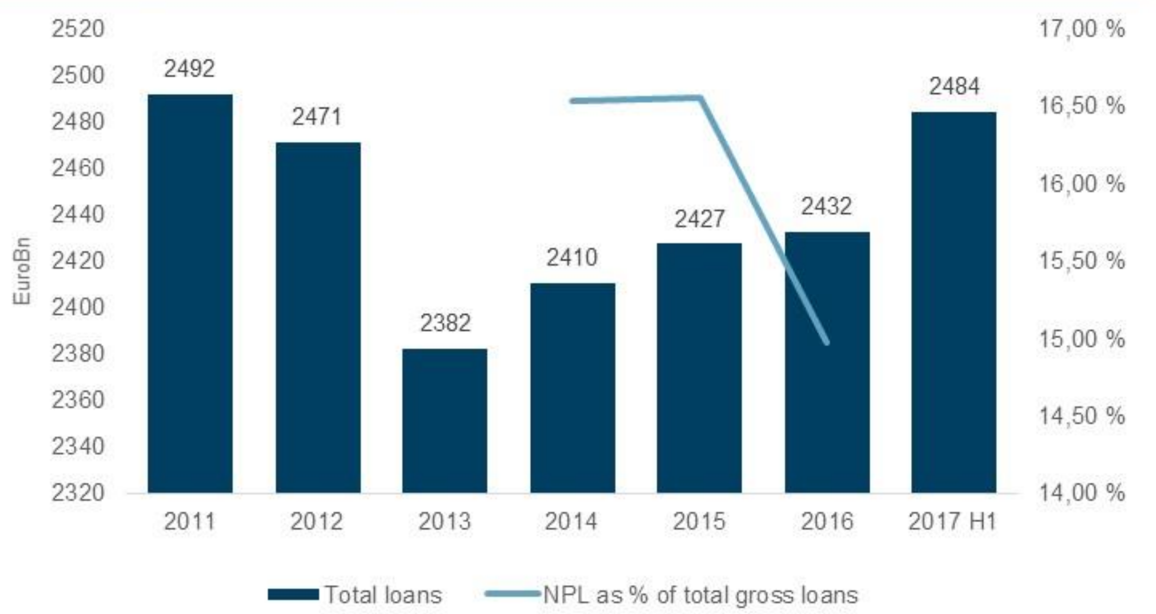
In June 2015, the Italian government approved a new law decree called "Giustizia per la crescita" (Justice for the growth) aimed at reforming private and civil laws related to bankruptcy matters to facilitate the rescue and turnaround of Italian distressed companies and more straightforward NPL disposals.

Between the start of 2015 and 2016, the Italian Government has introduced several reforms in the banking sector, related to banking foundations, small and medium-sized mutual banks and the 10 largest co-operative banks (the "popolari" banks). A target of these reforms has been to help cleanse the sector of its burden of bad debts and make them more attractive to investors, as well as the creation of a so–called "bad bank" to help banks offload their non-performing loans.

It is expected that the reforms could promote consolidation in the banking sector and support profitability and could support the ongoing de–leveraging, with the loan–to–deposit ratio falling from 120% in 2014 to 105% by 2019. In September 2016, The European Central Bank and the Bank of Italy approved the merger of Banco Popolare and Banca Popolare di Milano, creating Italy's third-largest bank by assets.

The chart below depicts the total loans and NPL ratio of the Italian banking market.

Total loans and NPL ratio of the Italian banking market



Source: ECB Statistical Data Warehouse

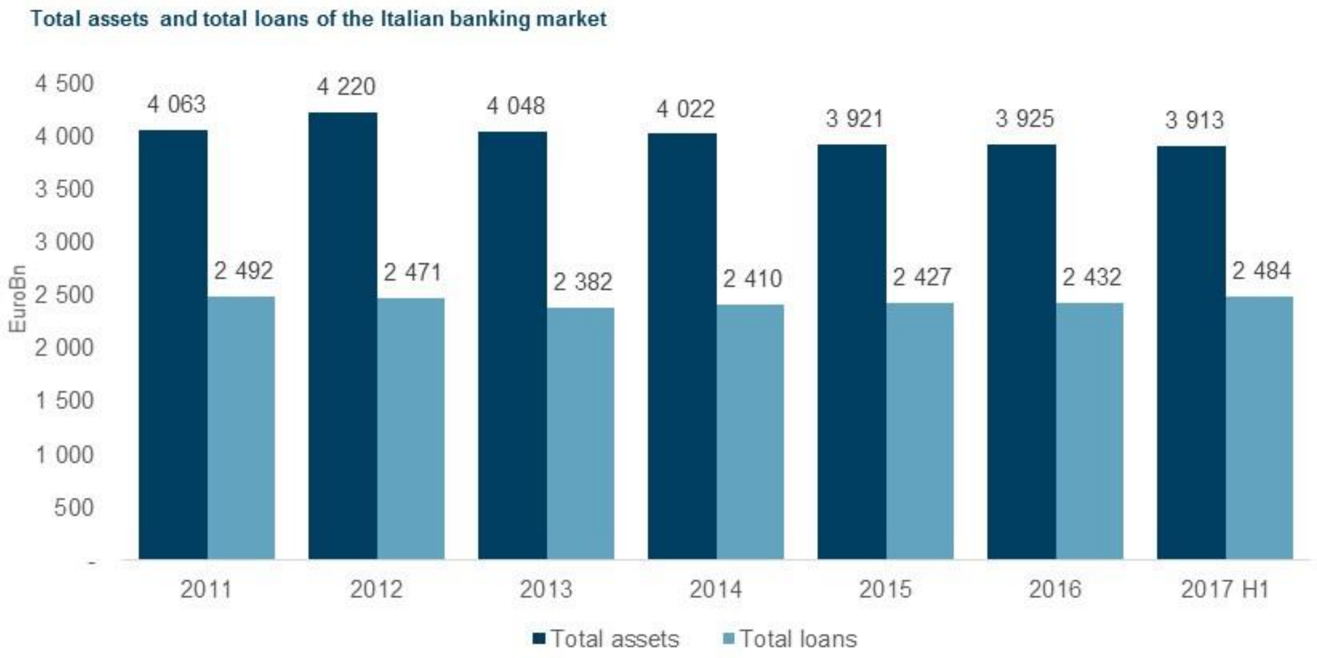
The table below provides an overview of selected key figures of the Italian banking market.

Italian Banking Overview

(€bn)	2011	2012	2013	2014	2015	2016	2017 H1
Total assets	4063	4220	4048	4022	3921	3925	3913
Total loans	2492	2471	2382	2410	2427	2432	2484
Business/corporate loans	905	875	822	814	801	785	793
Consumer credit	64	60	59	57	81	87	92
Residential mortgage loans	368	366	362	359	363	368	373
NPL as % of total gross loans	-	-	-	16.53	16.55	14.97	-
Deposits liabilities(% yearly increase)	5.63	4.00	0.16	1.65	2.43	3.83	1.17
Loans/deposits liabilities (%)	113	108	104	103	101	98	99
Total operating income	117	119	121	117	117	107	-

Source: ECB Statistical Data Warehouse

The chart below depicts the total assets and total loans of the Italian banking market.



Source: ECB Statistical Data Warehouse

NPL Market

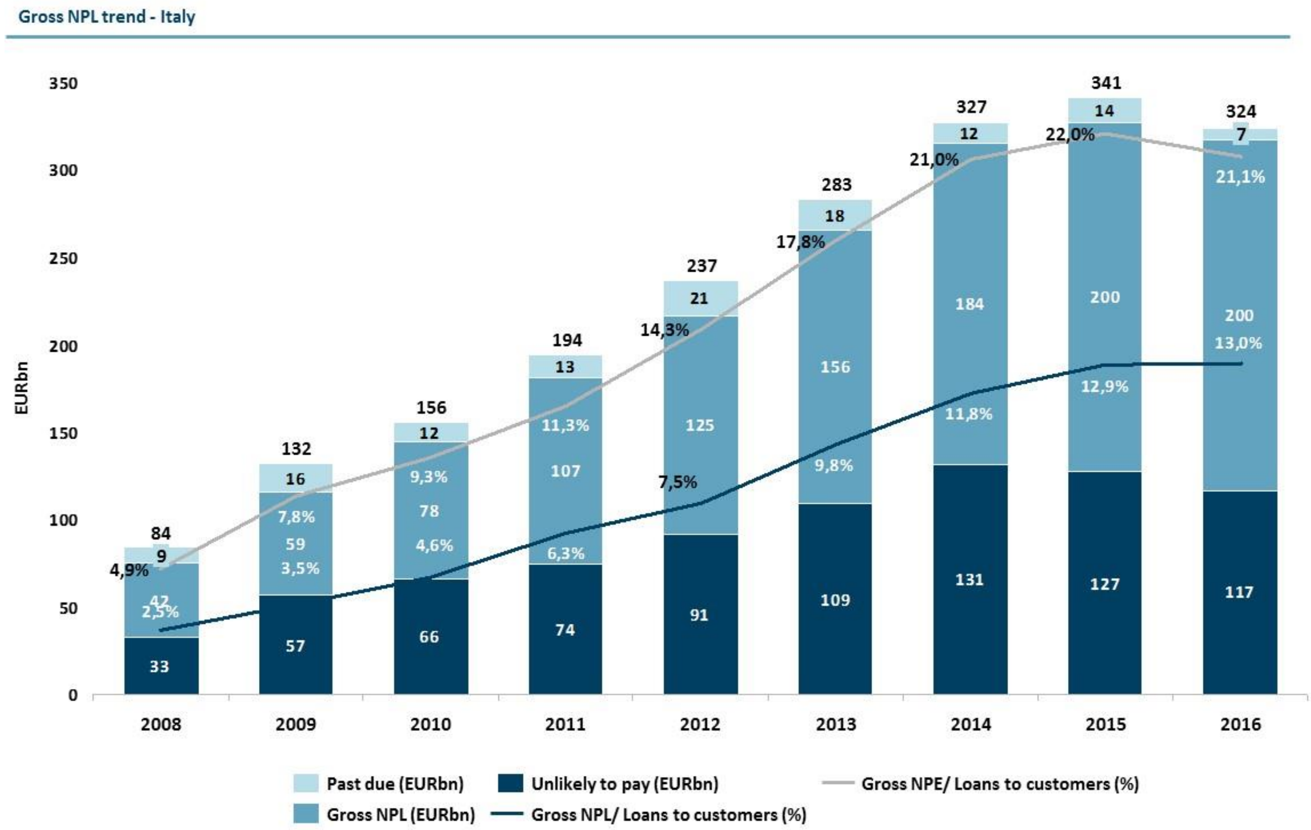
Following several years of economic crisis, the overall asset quality of Italian banks is still suffering. The 2014 asset quality review ("AQR") exercise has identified additional EUR 12bn of adjustments of asset values for the Italian banking sector (the largest impact in Europe representing approximately 25% of the total EUR 48bn adjustments in the Eurozone). Out of the EUR 12bn in AQR adjustments, EUR 4.2bn are related to MPS followed by Banco Popolare with EUR 1.6bn.

The total gross non-performing exposure (NPE) reached approximately EUR 341 billion in December 2015 (22% of total customer loans). Gross NPLs accounted for EUR 200bn and "unlikely to pay" or "pass due" made the remaining EUR 141bn. Compared to 2008, the ratio of NPE to gross loans has been five times higher (4.9% in 2008, 22.0% in 2015). Similarly, gross NPLs showed a considerable increase in the period 2008 – 2015, going from EUR

42bn to EUR 200bn. Corporate and SME NPLs represented 79% of total gross NPLs in 2015, and approximately half of total gross NPLs had real estate as collateral.

While both the NPE and NPLs continues to increase, the growth rate has been slowing to 1 percentage point between 2014 and 2015 from more than 2 percentage points a year earlier.

The chart below depicts the total gross NPLs, in billions Euro, in the Italian banking market and their growth since 2008.



Source: PwC analysis data of Bollettino Statistico di Banca d'Italia and ABI Monthly Outlook

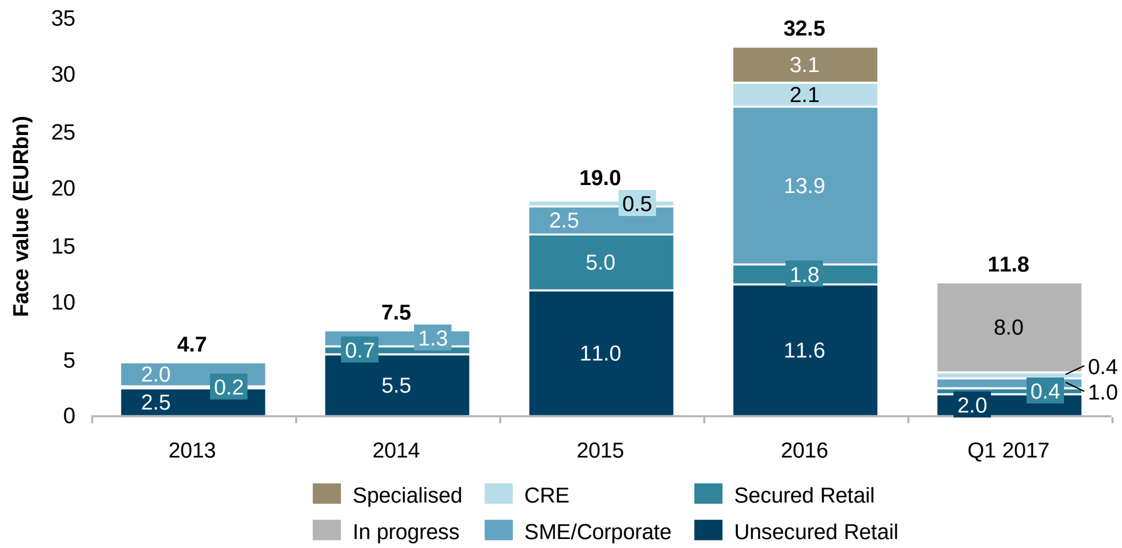
The Unsecured NPL Market

Transactions in consumer NPL portfolios have dominated the Italian unsecured debt market, accounting for a majority of transactions between 2013 and 2015. The trend continued in 2016. The main banking players such as UniCredit, Banco Popolare and MPS have been active in bringing some of their portfolios into the market. On the other hand, the market with corporate NPLs struggled to take off until 2016 when in the first half of 2016 corporate NPLs doubled in total size relative to the whole of 2015.

Nevertheless, the size of transactions in the Italian market remains smaller compared to other European ones despite an increasing number of them. Investors are awaiting if Italy will be able to follow the suit of other Eurozone countries and resolve the NPL problems. Going forward, there is a significant amount of liquidity on the sidelines particularly from foreign funds.

The chart below depicts recent NPL transactions by type of debt in the Italian market.

Portfolio transactions in the Italian market



Source: PwC Portfolio Advisory Group – Market Update Q1 2017

Sweden

Banking Overview

Characterized by both domestic and international interconnectedness, Swedish financial system plays an important in Nordic financial market. Compared to Swedish total economy (assets of financial system is approximately 5.5 times GDP), its financial system is amongst the largest in Europe. As an essential component of financial system, Swedish banking industry has been growing since 2011 and it reached a market size of approximately €bn 1450 in 2017.

Four large Swedish banks (accounting for 75% of the total market) dominate the Swedish banking industry and they are Swedbank, Handelsbanken, Nordea and SEB. In addition to those four large banks, there are also a number of smaller banks that have different ownership structures.[6] The Swedish banking industry also host foreign banks and saving banks. By end of 2014, 117 banks operate in Swedish market.

In last decade, the Swedish banking industry has experienced some important changes. Not only have Swedish banks moved into other business areas like insurance, but they also expanded footprints in foreign countries. In an environment of negative key interest rate, Swedish banks have showed resilience and achieved good profitability. The ratio of risk-weighted assets to total assets is among the lowest in Europe.

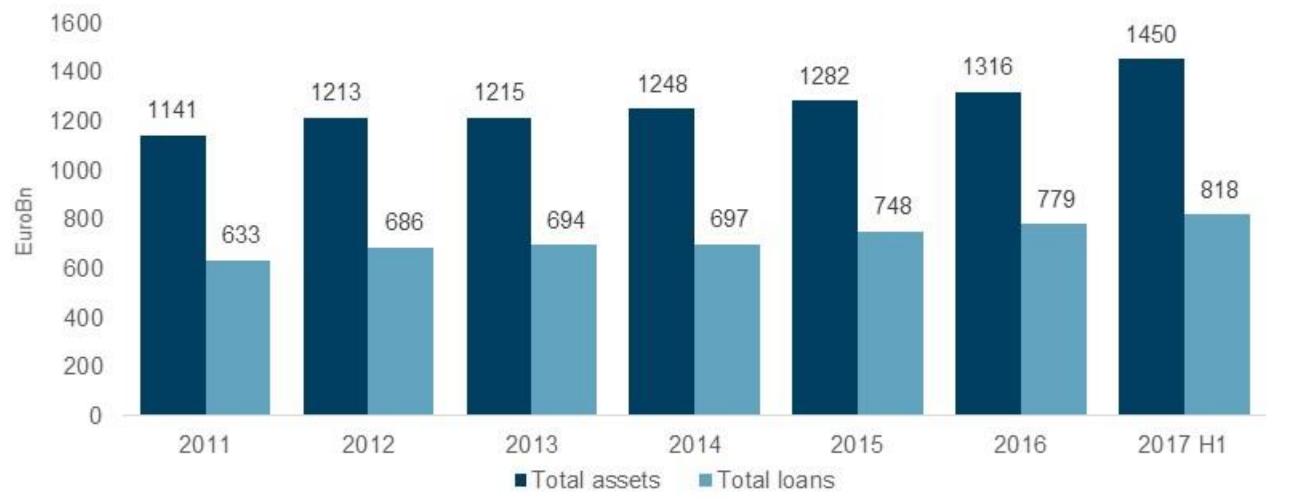
Swedish Banking Overview

(€bn)	2011	2012	2013	2014	2015	2016	2017 H1
Total assets	1141	1213	1215	1248	1282	1316	1450
Total loans	633	686	694	697	748	779	818
Business/corporate loans	204	215	211	205	216	215	221
Consumer credit	19	20	20	19	20	20	21
Residential mortgage loans	238	258	263	264	293	303	311
NPL as % of total gross loans	-	-	-	1.27	1.29	1.20	-
Deposits liabilities(% yearly change)	0.32	0.12	0.05	0.02	0.08	0.05	-
Loans/deposits (%)	187	182	175	173	171	169	163
Total operating income	16	19	20	21	23	-	-

[6] Source: The Swedish Banker's Association

The graph below shows relationship between total assets and total loans in Swedish market.

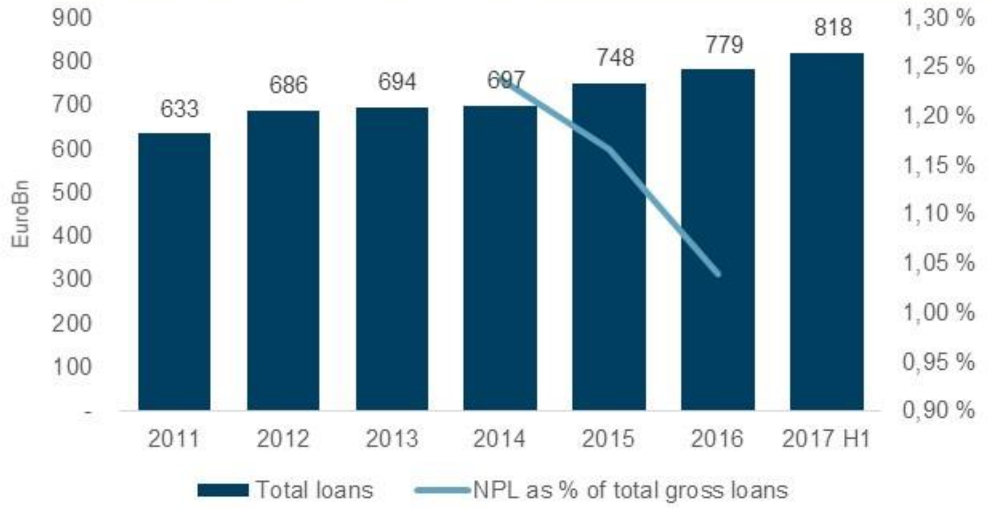
Total assets and total loans of the Swedish banking market



Source: ECB Statistical Data Warehouse

The following graph depicts development total loans and NPL ratio of the Swedish banking market.

Total loans and NPL ratio of the Swedish banking market



Source: ECB Statistical Data Warehouse

11. MAJOR SHAREHOLDERS

The table below shows the Company's 20 largest shareholders updated as per 20 September 2017.

Name	Type of account	No. of ordinary shares	Total holding (% of total shares)
VERDIPAPIRFONDET DNB NORGE (IV)	Comp.	91,887,633	6.80%
TVENGE TORSTEIN INGVALD	Priv.	58,053,702	4.29%
FERD AS	Comp.	47,630,691	3.52%
GEVERAN TRADING CO LTD	Comp.	47,565,000	3.52%
SONGA TRADING INC	Comp.	42,338,392	3.13%
MOHN STEIN	Priv.	42,346,784	3.03%
VERDIPAPIRFONDET ALFRED BERG GAMBA	Comp.	35,553,765	2.63%
DNB NOR MARKETS, AKSJEHAND/ANALYSE	Comp.	35,432,233	2.62%
VERDIPAPIRFONDET DELPHI NORDEN	Comp.	23,964,481	1.77%
ARCTIC FUNDS PLC	Comp.	23,811,080	1.76%
LOPEZ SANCHEZ ANDRES	Priv.	22,902,500	1.69%
MARTIN IBEAS DAVID	Priv.	22,902,500	1.69%
VERDIPAPIRFONDET ALFRED BERG NORGE	Comp.	20,901,448	1.55%
STATOIL PENSJON	Comp.	20,570,014	1.52%
GVEPSEBORG AS	Comp.	20,364,945	1.51%
VPF NORDEA NORGE VERDI	Comp.	18,096,769	1.34%
NORDNET LIVSFORSIKRING AS	Comp.	17,905,306	1.32%
ALPETTE AS	Comp.	16,616,431	1.23%
FIRST GENERATOR	Comp.	16,351,788	1.21%
JPMORGAN CHASE BANK, N.A., LONDON	Nom.	15,844,575	1.17%
Total top 20		**639,666,645**	**47.32%**
Total shares outstanding that are registered in the VPS		**1,351,826,727**	**100%**

The table above shows the overview of shareholders registered in the VPS. In addition, 209,455 Shares are registered in Euroclear. At the date of this Prospectus, the total number of outstanding Shares is 1,352,088,769.

As of 20 September 2017, and so far as is known to the Company, the following shareholders, directly or indirectly, have an ownership interest of 5% or more of the share capital of the Company (which constitute a notifiable holding under the Swedish Securities Trading Act).

- Verdipapirfondet DNB Norge 6.80% of total outstanding shares

To the knowledge of the Board of Directors, there are, except for the Private Placement Tranche 2 Shares, no arrangements which may at a subsequent date result in a change of control of the Company. Further, to the knowledge of the Company, the Company is not directly or indirectly owned or controlled by a single shareholder or a group of shareholders acting in concert. The Company has not implemented any specific measures to prevent abuse of control from any major shareholder. However, certain provisions of the Swedish Companies Act and other legislation relevant to the Company aim to prevent such abuse, see Section 16 "Corporate Information; Shares and Share Capital".

12. BOARD OF DIRECTORS AND MANAGEMENT

This Section provides a summary information on the Board of Directors and management of the Company and disclosures about their terms of employment and other relations with the Company, summary information on certain other corporate bodies and the governance of the Company.

12.1 Current Board of Directors

In accordance with Swedish law, the Board of Directors is responsible for the organization of the Company and the management of the Company's affairs, for regular assessment of the Company's financial position, and for ensuring that the Company's operations are organized and controlled in a satisfactory manner.

Pursuant to Swedish law, the members of the Board of Directors are elected for a term lasting to the next Annual General Meeting. The Board currently consists of the following members:

	Position	**Served As Director Since**	**Term Expires**
Bjørn Erik Næss	Chairperson	2017	2018
Dag W. R. Strømme	Director	2017	2018
Merete Haugli	Director	2017	2018
Brita Eilertsen	Director	2017	2018
Beate S. Nygårdshaug	Director	2017	2018
Terje Mjøs	Director	2017	2018

All board members was for the first time elected at an Extraordinary General Meeting held on 20 January 2017. Dag W. R. Strømme acted as chairman until 1 March 2017. All board members were re-elected at the Annual General Meeting held on 31 May 2017.

On 5 September 2017, the Group summoned to an extraordinary general meeting to be held on 26 September 2017. The Nomination Committee proposed that Harald Thorstein should replace Dag W. R. Strømme as an ordinary board member until the end of the next annual general meeting.

The Company's registered business address, Hovslagargatan 5B SE-111-48 Stockholm, serves as c/o addresses for the members of the Board of Directors in relation to their directorships in the Company.

The Company is in the process of changing its business address. The address will be Norra Hamngatan 18, SE-411 06, Gothenburg. The change in business address is pending registration at the Swedish Companies Registration Office.

Set out below are brief biographies of the current Board Members.

Bjørn Erik Næss, Chairman

Mr. Næss retired from the position as CFO of DNB ASA on 1 March 2017, a position he held for 9 years. He was previously EVP and CFO in Aker Kværner ASA. Prior to this, he held similar positions in Orkla and Carlsberg (Denmark). Næss has extensive experience from executive positions both in Norway and abroad over the past 25 years. Næss is a graduate of the Norwegian School of Economics and Business Administration and has also completed an executive program at Darden Business School in the USA. He is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and senior management position	Axactor AB (chairman)
Previous directorships and senior management positions last five years	DNB ASA (CFO), DNB Livsforsikring AS (chairman and previously vice chairman), DNB Næringskreditt AS (chairman) and DNB Boligkreditt AS (chairman)

Dag W. R. Strømme, Board Member

Mr. Dag W. R. Strømme is currently Chairman of Racom AS and Board member of Fortuna Fix Ltd. He has a background from private equity and investment banking. Mr. Strømme was a Senior Industry Expert at Triton from 2009 to 2015 and a Partner at Herkules Capital AS from 2007 to 2009. Mr. Strømme was at Morgan Stanley from 1990 to 2007 and held various senior/management positions in London and New York, including the position of Managing Director and Co-Head of Nordic Investment Banking from 2002 to 2007. He has held a number of directorships, including in Cubility AS, Nordic Tankers AB, Aibel AS and Gothia Financial Group AB. Mr. Strømme holds a B.S. degree in Business Administration from University of California at Berkeley. He is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and senior management position	Axactor AB (publ.) (board member), Racom AS (chairman), Racom Holding AS (chairman), Fortuna Fix Ltd. (board member), Sonalon Consulting AS (CEO and chairman), Marlena Holding AS (chairman), Salamander Invest AS (chairman)
Previous directorships and senior management positions last five years	Cognitio Invest AS (chairman), Tribility Holding AS (chairman), Tribility AS (chairman), Cubility AS (board member), Triton Advisers (Norway) AS (chairman, and senior industry expert), Infratek Group AS (chairman), Gothia Financial Group AB (board member), Nordic Tankers AB (board member)

Merete Haugli, Board Member

Merete Haugli has experience as a board member from a number of companies, most recently Comrod Communication ASA, Reach Subsea ASA, RS Platou ASA, Norwegian Property ASA and Aktiv Kapital ASA. She has held several senior positions, including SEB, Formuesforvaltning AS, First Securities ASA and ABG Sundal Collier ASA. She was previously Assistant Chief in the Oslo Police, responsible for the economic crime section. She has education from Bankakademiet and the Norwegian School of Management (BI). She is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and senior management position	Axactor AB (publ.) (board member), Reach Subsea ASA (board member), Solstad Farstad ASA (board member), Norwegian Property ASA (board member), Merete Haugli AS (board member)
Previous directorships and senior management positions last five years	Lorentzen & Stemoco AS (board member), Clarksons Platou AS (board member), Comrod Communication AS (vice chairman), Hidden Solutions ASA (board member and previously chairman), Bertrand AS (board member), Folketrygdfondet (deputy board member), Clarksons Platou Securities AS (board member), Farstad Shipping ASA (board member)

Brita Eilertsen, Board Member

Ms. Eilertsen is, and has been, member of the board of directors in several listed and private companies. Eilertsen holds several board positions, including, among others, in Pareto Bank ASA (vice chairman), Next Biometrics Group ASA (board member), NRC Group ASA (board member) and Carnegie Kapitalforvaltning AS (board member). In addition Ms. Eilertsen is member of the board in several foundation dedicated to promoting science. She has background as investment banker and consulting. She worked at SEB Enskilda/Orkla Finans from 1994 – 2004. Before that she worked as a consultant for Touch Ross Managements Consultants. Ms. Eilertsen holds a Siviløkonom degree from the Norwegian School of Economics (NHH). In addition, she is a Certified Financial Analyst. She is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and senior management position	Axactor AB (publ.) (board member), Pareto Bank ASA (vice chairman), NRC Group ASA (board member), Next Biometrics Group ASA (board member), Carnegie Kapitalforvaltning AS (board member), Haadem Invest AS (deputy board member), Unifor (board member), Anders Jahres fond til vitenskapens fremme, (board member), Vernix Pharma AS (board member), La Dessa AS (chair)
Previous directorships and senior management positions last five years	Nussir ASA (board member), Scanship Holding ASA (board member), Saga Tankers ASA (chairman)

Beate Skjerven Nygårdshaug, Board Member

Ms. Nygårdshaug holds several board positions and provide consultancy services within strategic, organizational and legal matters. She has developed a Senior Board Competence program for NHO and holds ownership in start-ups. Ms. Nygårdshaug was head of Legal at Kistefos AS from 2006 to 2014 and legal counsel at TDC Song from 2003 to 2006. She has a Master of Law from Oslo University, an executive MBA from IMD, Switzerland, a Master of International Law (LLM) from San Francisco and an IEL program from Harvard University, Boston, USA. She is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and senior management position	Axactor AB (publ.) (board member), Mybank ASA (board member), Infront ASA (board member), Pure By Scandinavia AS (CEO and chairman), Norse Horizon AS (CEO and board member), Bergsjo AS (chairman), Zolt AS (board member).
Previous directorships and senior management positions last five years.......................................	Kistefos AS (head of legal), Leading Edge AS (board member), Nordic Executive AS (CEO), KIC I AS (CEO, board member), Kistefos Eiendom AS (board member), Kistefos International Equity AS (board member), Telecom Holding 1 AS (board member), Telecom Holding 2 AS (board member), Kistefos Equity Holding AS (board member), AS Sagveien Næringsbygg (board member), Oktant Invest AS (board member), Baran AS (board member), Aldebaran AS (board member), KPE Holding AS (board member), Kistefos Partners AS (CEO, board member), Viking Supply Ships Rederi I AS (board member), Viking Supply Ships Rederi II AS (board member), Mbrick AS (board member)

Terje Mjøs, Board Member

Terje Mjøs is CEO of Telecomputing, and previously the chairman of the Board of Solid Media Group since 2015. Mr. Mjøs was CEO of Evry ASA from 2010 to 2015 and before that CEO of ErgoGroup AS from 2004 till 2010, and has held several senior positions in Hydro from 1989 till 2004. He has a Cand. Scient. Degree in Computer Science from the University of Oslo, and an MBA from Norwegian Business School BI. He is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and senior management position	Axactor AB (publ.) (board member), Telecomputing Topco AS (CEO), Doorway AS (chairman), Consit AS (chairman), Doorway AS (chairman), Telecomputing Norway AS (chairman), Telecomputing AS (chairman)
Previous directorships and senior management positions last five years.......................................	Evry ASA (CEO), Solid Media Group AS (chairman), Cyberwatcher AS (chairman), Nordic Securities AS (chairman), Bekk Consulting AS (chairman), Evry Norge AS (chairman), Buypass AS (board member, vice chairman), Evry Consulting AS (chairman), Systeam AB (chairman), Abelia (board member), IKT Norge (board member), Apax Partners (senior advisor)

12.2 Management

Set out below are brief biographies of the management of the Group as of the date of this Prospectus.

Endre Rangnes, CEO
Business address: Drammensveien 167, 0277 Oslo, Norway

Mr. Rangnes was CEO of Lindorff Group AB in the period 2010-2014. Prior to that Mr. Rangnes served as CEO of EDB Business Partner ASA, now EVRY ASA, in the period 2003-2010. Prior work experience also includes various positions within the IBM Group (including being Country Manager Norway and serving as member of IBM Nordic’s executive and top management teams).

Current directorships and senior management position	Axactor AB (publ.) (CEO), Tieto Ojy (board member), Medici Invest AS (chairman), Axactor Norway Holding AS (chairman), Axactor AS (CEO), Alpette AS (chairman)
Previous directorships and senior management positions last five years......................................	Lindorff Group AB (CEO) and Altor Private Equity (Industrial advisor), Alpette AS (chairman), Lock AS (CEO)

Geir Johansen, Chief Financial Officer
Business address: Drammensveien 167, 0277 Oslo, Norway

Geir Johansen joined Axactor as CFO, Head of IR and Risk & Compliance, in January 2016. Before joining Axactor he held the position as CFO at Fred. Olsen Ocean in Oslo. Over the last 20 years, Mr. Johansen has lived and worked in the Americas, Europe as well as North and South East Asia having held CFO positions in DOF Subsea ASA, S.D. Standard Drilling Plc and GSP Offshore. Earlier in his career Mr. Johansen worked 13 years in DNGL where he last held position as Finance Director for DNV Maritime globally. Mr. Johansen holds a Master's Degree in International Economics from BI as well executive education from IMD Switzerland.

Current directorships and senior management position	Axactor Platform Holding AB (board member), Axactor Portfolio Holding AB (board member), CS Union S.R.L. (board member), Axactor Holding Germany (board member), Axactor Norway AS (chairman), Axactor Capital AS (board member), Axactor AS (board member), Axactor Norway Holding AS (board member), Kybalion Seafood AS (chairman & CEO), Kybalion Group Holding AS (chairman), Kybalion Invest I AS (chairman)
Previous directorships and senior management positions last five years......................................	Board member on several SD Standard Drilling Plc subsidiaries, board member on several IKAS AS (renamed Axactor Norway AS) subsidiaries and affiliates, and Catch of Norway Seafood Pte Ltd (India) (chairman)

Johnny Tsolis, Executive Vice President, Strategy and Projects
Business address: Drammensveien 167, 0277 Oslo, Norway

Mr. Tsolis has eight years of experience from working at Lindorff Group AB, with emphasis on post-merger integration / cost improvement. Mr. Tsolis has also previously been a partner in DHT Corporate Services AS and Cardo Partner AS.

Current directorships and senior management position	Axactor Platform Holding AB (board member), Axactor Portfolio Holding AB (board member), Axactor AS (board member), Kamfer AS (board member), Axactor Italy S.R.L. (board member), Latino Invest AS (chairman), Axactor Capital AS (chairman), Axactor Norway Holding AS (board member) and Bjørholt Invest AS (deputy board member)
Previous directorships and senior management positions last five years......................................	Ypsilon AS (chairman & CEO), Cardo Invest IV AS (chairman), Cardo Invest III AS (board member), DHT Corporate Services AS 2013-2015 (Partner) and Cardo Partners AS (2005-2013)

Oddgeir Hansen, Chief Operating Officer
Business address: Drammensveien 167, 0277 Oslo, Norway

Mr. Hansen was previously COO in Lindorff Group (2010 - 2014) and COO of EDB Business Partner (2003-2010). Prior work experience includes various positions within IBM Norway, including being Departemental Director with responsibility for monitoring and coordinating IBM Norway overall activities.

Current directorships and senior management position	Axactor Norway AS (board member), Axactor Norway AS (board member), Axactor Capital AS (board member) and Fryden AS (chairman)
Previous directorships and senior management positions last five years......................................	Board member on several IKAS AS (renamed Axactor Norway AS) subsidiaries and affiliates, Lindorff Group (COO), Lindorff AS (chairman), Lindorff Holding Norway AS (CEO), Lindorff Norge AS (CEO), Lindorff Capital AS (board member)

Siv Farstad, Executive Vice President, Human Resources
Business address: Drammensveien 167, 0277 Oslo, Norway

Ms. Siv Farstad has more than 5 years of experience from within the industry. Prior to joining Axactor, Ms. Farstad held the position as HR executive of Kommunalbanken. Prior to this, she held the position as Senior Vice President HR for Lindorff from January 2011 until May 2015. Earlier she served as HR manager for Microsoft Development Center Norway and EVP HR for NRK. In her earlier career, she has worked 14 years in Accenture where she held several consulting positions. Ms. Siv Farstad graduated with a Siviløkonom Degree in Business Administration from Pacific Lutheran University in 1988.

Current directorships and senior management position	CS Union S.R.L. (board member)
Previous directorships and senior management positions last five years......................................	Lindorff AS (President HR)

Robin Knowles, Executive Vice President, Portfolio Acquisitions
Business address: Drammensveien 167, 0277 Oslo, Norway

Mr. Robin Knowles has 7 years of experience working as the Investment Director at Lindorff Group. His main focus was to increase the size of the Owned Portfolio, across all territories within the Group. He has broad industry experience across Scandinavia, Continental Europe and the UK covering the last 15 years, including positions in Aktiv Kapital (PRA), Cabot Financial and Morgan Stanley as well as his time in Lindorff. Former work experience includes Investment banking with Barclays Bank for 4 years and Container Shipping with P&O Nedlloyd for 4 years, where he also qualified as a management accountant in 1997.

Current directorships and senior management position	Axactor Capital AS (board member), CS Union S.R.L. (board member)
Previous directorships and senior management positions last five years......................................	Lindorff AS (Investment Director)

Anita Høst, Head of Legal & Compliance/Solicitor
Business address: Drammensveien 167, 0277 Oslo, Norway

Ms. Anita Høst joined Axactor in February 2017. She holds the position as Head of Legal and Compliance. Ms. Høst completed her law degree in 1998 at the University of Oslo. Her professional background includes more than 13 years of business law experience. During these years she held various in-house legal positions, such as Legal Counsel in Starboard Co Ltd, Bangkok (Thailand), Legal Counsel/Associate in EDB Business Partner ASA (now EVRY) and Head of Legal in Schenker AS (Part of DB Schenker-Group). Additionally, she has held positions as Deputy Judge in Larvik District Court, Legal Executive Officer in the Immigration Department/Oslo Police District, Legal Advisor in the Norwegian House Owners' Association (Huseiernes Landsforbund) and Stagiere in Directorate General Enlargement/The European Commission (Brussels).

Current directorships and senior management position	Axactor Germany Holding GmbH (Director)
Previous directorships and senior management positions last five years......................................	Head of Legal in Schenker AS

12.3 Disclosure About Conflicts of Interests

Axactor has taken reasonable steps to avoid potential conflicts of interests arising from all related parties' private interests and other duties to the extent possible, and if such occurs, to mitigate any conflict of interest. It is the view of the Company that the scope of potential conflicts of interests between the director's duties to the Company and their private interests and / or other duties is limited. The directors do not participate in the discussion or decision making of subjects that might be in conflict of their different interests.

To the Company's knowledge, there are no potential conflicts of interests between any duties to the Company, of any of the members of the Board of Directors or members of the Executive Management and their private interests and or other duties.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any member of the administrative, management, supervisory bodies or executive management has been selected as a member of the administrative, management or supervisory bodies or member of senior management.

There are no family relations between any of the members of the Board of Directors or Executive Management.

12.4 Disclosure About Convictions in Relation to Fraudulent Offences

Save as set out below, no member of the current Board of Directors or the current management of the Company has for at least the previous five years preceding the date of this Prospectus:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences; or
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

12.5 Disclosure Associated with Bankruptcies

Save as set out below, no member of the current Board of Directors or the current management of the Company has for at least the previous five years preceding the date of this Prospectus:

- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company.

Terje Mjøs was Chairman of Solid Media Group AS when it's Danish subsidiary Solid Media Group A/S went bankrupt in 2016.

12.6 Remuneration and Benefits

The compensation of the members of the Board of Directors is determined on an annual basis by the Company's shareholders at the Annual General Meeting. On the Annual General Meeting held 31 May 2017 the annual board member fees was set to NOK 450,000 for the Chairman and NOK 250,000 for each of the five other board members. The levels were changed from the previous level of SEK 900,000 for the Chairman and SEK 450,000 for the Directors. In addition hereto, a board member will be entitled to additional compensation if he or she is a member of any of the following committee's (i) audit committee, (ii) compensation committee, or (iii) investment committee, and if he or she attends more than a certain number of meetings.

The compensation of the executive management for the year 2016 is set out below:

	Position	**Compensation (SEK thousand)**
Executive Management		
Endre Rangnes	CEO	6,232
Johnny Tsolis	Executive Vice President, Strategy and Projects	3,092
Geir Johansen	Chief Financial Officer	2,591
Siv Farstad	Executive Vice President, Human Resources	1,806
Oddgeir Hansen	Chief Operating Officer	2,106
Robin Knowles	Executive Vice President, Portfolio Acquisition	1,353

The Company has not granted any loans, guarantees or other similar commitments to any member of the Board of Directors. There are no agreements regarding extraordinary bonuses to any member of the Board of Directors, and there are no agreements with any members of the Board of Directors which provide for compensation payable upon termination of the directorship.

At the Extraordinary General Meeting on 17 November 2015 it was resolved to establish an employee share option plan. The Annual General Meeting on 31 May 2017 resolved to amend the terms and conditions of the abovementioned employee share option plan. In the same Annual General Meeting it was resolved to adopt two new employee stock option programs. The option plan is described in Section 12.7 in this Prospectus.

The Company employs pension arrangements for members of management and employees in accordance with requirements that are applicable in the jurisdiction in which the relevant employee is employed. The Company has arranged for pension insurances that give employees the right to receive future pension payments depending how the amount contributed is administrated by the insurance company. For the year ended 31 December 2016, the Company had pension related expenditures for its management and employees of SEK 1.2 million.

Other than as described above, the Company has not granted any loans, guarantees or other similar commitments to any member of the Group's management, there are no agreements regarding extraordinary bonuses to any member of the Group's management of Directors, and there are no agreements with any members of the management which provide for compensation payable upon termination of the employment.

12.7 Shares and Other Securities Held by Directors and Members of Management

The table below sets forth the number of Shares and other securities issued by the Company beneficially owned by each of the Company's board members and members of management as of the date of this Prospectus.

	Position	**Shares**	**Other Securities**
Board member			
Bjørn Erik Næss	Director, Chairman	775,000	None
Dag W. R. Strømme	Director	384,000	None
Merete Haugli	Director	0	None
Brita Eilertsen	Director	100,000	None
Beate S. Nygårdshaug	Director	0	None
Terje Mjøs	Director	0	None
Michael Hylander	Deputy director	0	None
Management			
Endre Rangnes	CEO	16,616,431	(1)
Johnny Tsolis	Executive Vice President, Strategy and Projects	10,300,000	(1)
Geir Johansen	Chief Financial Officer	0	(1)
Siv Farstad	Executive Vice President, Human Resources	2,000,000	(1)
Oddgeir Hansen	Chief Operating Officer	3,600,000	(1)
Robin Knowles	Executive Vice President, Portfolio Acquisition	1,200,000	(1)
Anita Høst	Head of Legal & Compliance/Solicitor	0	(1)

(1) Granted share options, see below

At the Extraordinary General Meeting on 17 November 2015 it was resolved establish an employee share option plan, ("**Stock Option Program 2016**"). The Stock Option Program 2016 constituted a maximum of 55,500,000 options and was directed towards the CEO, Head of Strategy and Projects and other key employees.

Further, at the Annual General Meeting in 2017 it was resolved to issue two new employee share option plans, Employee Stock Option Program A:2017 ("**Stock Option Programme A**") and Employee Stock Option Program B:2017 ("**Stock Option Programme B**"). Stock Option Programme A is directed towards members in the group management and other important key employees on the group level, country managers, employees in managing positions within each country manager's organization and other key employees. Stock Option Programme B is directed towards new managing employees on country level which are introduced through acquisition of new legal entities or through new employment.

All employee share options shall be granted free of charge. The total number of options that may be issued in Stock Option Programme A and Stock Option Programme B is maximum 40,000,000 and maximum 15,000,000, respectively. The price as well as the number of shares that each employee stock option give the holder the right to acquire, can be subject to customary re-calculation pursuant to the terms and conditions for the warrants linked to Stock Option Program 2016, Stock Option Programme A and Stock Option Programme B following from fund issue, split, pre-emption right issue and similar measures.

Current holdings of options and the vesting schemes for the management is set out below.

	Position	**Options (**Stock Option Program 2016**)**	**Options (**Stock Option Programme A)
Management			
Endre Rangnes	CEO	16,000,000	5,000,000
Johnny Tsolis	Executive Vice President, Strategy and Projects	10,000,000	3,000,000
Geir Johansen	Chief Financial Officer	6,000,000	750,000
Siv Farstad	Executive Vice President, Human Resources	1,500,000	1,000,000
Oddgeir Hansen	Chief Operating Officer	4,000,000	3,000,000
Robin Knowles	Executive Vice President, Portfolio Acquisitions	4,000,000	1,250,000
Anita Høst	Head of Legal & Compliance/Solicitor	0	200,000

Stock Option Program 2016	**% of grant**	**Strike Price, in NOK**
Vesting in 2017*	27%	1.00
Vesting in 2018	27%	1.15
Vesting in 2019	27%	1.25
Vesting in 2020	19%	1.30

*In accordance with the terms and conditions for the Stock Option Program 2016, the Board of Directors decided to postpone the vesting in 2017 to 2018. Consequently, the stock option holders will be entitled to vest for 54 % of the granted options during 2018.

Stock Option Programme A and B	**% of grant**	**Strike Price, in NOK**
Vesting in 2018	25%	3.00
Vesting in 2019	25%	3.20
Vesting in 2020	25%	3.50
Vesting in 2021	25%	3.75

If the options in Stock Option Programme 2016, Stock Option Programme A and Stock Option Programme B are all exercised, the current number of outstanding Shares will increase by 55,700,000 Shares. Based on this scenario the dilution effect on the current shareholders will be 4.0%.

Endre Rangnes, CEO of Axactor, Oddgeir Hansen, Chief Operating Officer of Axactor and Johnny Tsolis, Executive Vice President, Strategy & Projects of Axactor, have in August 2017 agreed to enter into a 2 year lock-up undertaking in relation to the shares currently owned by them. There are currently no agreements related to any exceptions from the lock-up undertakings mentioned. Further, there are no other restrictions on the disposal of the board members' or members of management's holding of Shares or other securities in the Company, than the abovementioned lock-up undertaking.

The shares issued to the selling shareholders of IKAS on 15 June 2016 have a 24 month lock-up period from the date of completion of the acquisition of IKAS.

75% of the shares issued to the selling shareholders of CS Union have a 24 month lock-up period from the date of completion, and 25% of the shares issued had a 12-month lock-up period from the date of completion. The lock-up period related to 25% of the shares have expired.

12.8 Nomination Committee, Audit Committee, Compensation Committee and Investment Committee

The Nomination Committee is selected based on principles set out in the Company's Guidelines for the Nomination Committee adopted on the Annual General Meeting in May 2017. The term of the Nomination Committee will be until a new Nomination Committee gets appointed.

At the Annual General Meeting of the Company on 31 May 2017, the following Nomination Committee was appointed:

	Member since
Jarle Sjo (Chair)	2017
Magnus Tvenge (Member)	2016
Cathrine Lofterød Fegth (Member)	2017

Jarle Sjo is representing Verdipapirfondet DNB Norge.

The Nomination Committee shall inter alia identify, interview and recruit candidates for the Board of Directors, including reviewing shareholder recommended candidates. The Nomination Committee normally consists of representatives of the largest shareholders in the Company at the time of Nomination Committee member selection.

The Board of Directors has established an Audit Committee consisting of three members of the Board of Directors. The current members of the audit committee are Merete Haugli, Terje Mjøs and Beate S. Nygårdshaug.

The primary purpose of the Audit Committee is to act as a preparatory and advisory committee for the Board of Directors in questions concerning accounting, audit and finance. In particular, the Audit Committee shall:

- monitor, amongst others, the financial reporting process, the effectiveness of the Company's internal control, internal audit and risk management system and the statutory audit of the annual and consolidated accounts;
- monitor and review the independent auditor's qualifications and independence and the Company's internal accounting function; and
- monitor the Company's compliance with applicable legal and regulatory requirements, and the Company's compliance with its governance policies.

The Audit Committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

The Board of Directors has established a Compensation Committee. The Compensation Committee comprises of Bjørn Erik Næss and Dag W. R. Strømme.

The primary purpose of the Compensation Committee is to assist the Board of Directors in discharging its duty relating to determining the compensation for the executive management team. The Compensation Committee shall report and make recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

The Board of Directors has established an Investment Committee. The Investment Committee comprises of Bjørn Erik Næss, Brita Eilertsen and Dag W. R. Strømme.

The primary purpose of the Investment Committee is to assist the Board in discharging its oversight responsibilities. The Investment Committee will oversee the financial investment process and proposals to ensure that the relevant investments meet company requirements with respect to expected return and due diligence prior to commitment of funds.

12.9 Corporate Governance Principles

In accordance with Section 3-3b of the Norwegian Accounting Act, companies with listed shares are required to comply with the Norwegian Code of Practice for Corporate Governance (recommendation by the Norwegian Corporate Governance Board (Norsk Utvalg for Eierstyring og Selskaps-styring, NUES), or provide an explanation of the reason for any deviation and what alternative solution the company has selected (i.e. to follow the “comply or explain” principle). Foreign companies can comply with either the Norwegian Code of Practice for Corporate Governance (NUES) or the equivalent code of practice that applies in the country where the company is registered. As the Company is a Swedish public limited liability company listed on the Oslo Stock Exchange, NUES does not apply directly to the Company. However, with due regard to the fact that the Company is listed in Norway and to a substantial degree approaches the Norwegian investor market, and considering that the Company wishes to place emphasis on sound corporate governance, the Company has prepared its corporate governance policies on the basis of NUES, but made certain necessary adjustments given the Company’s Swedish domicile.

As of the date of this Prospectus, the Company applies the Norwegian Code of Practice for Corporate Governance.

It should be noted that the Company has a modest market capitalization. Given the importance of maintaining the administrative costs of the Company, the Company has not been able to comply with NUES in all respects. The above deviations are a result of limited administrative resources. It is the intention of the Company to initiate a review of its corporate governance principles and enhance compliance with NUES.

13. FINANCIAL INFORMATION

The following selected financial information has been extracted from the Company's audited consolidated financial statements as of and for the years ended 31 December 2014, 2015 and 2016 and its unaudited consolidated financial statements as of and for the six month periods ended 30 June 2016 and 2017. The Company's annual financial statements and unaudited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the annual financial statement for the years 2014, 2015 and 2016 and the unaudited consolidated financial statements as of and for the six month periods ended 30 June 2016 and 2017, which are incorporated by reference to this Prospectus, see Section 20 “Additional Information”.

Axactor has acquired a number of different companies in Spain, Italy, Sweden, Norway and Germany from the end of 2015 until today. The acquisitions have been financed through cash received through the private placements and subsequent offerings the Company has conducted, as well as through bank loans. Through these acquisitions, and through the purchases of NPL portfolios, the Company has had a substantial change in their Income Statement, Statement of Financial Position and Cash Flow Statement over the last three years.

13.1 Selected Income Statement Information

The table below sets out a summary of the Company's audited consolidated income statement information for the years ended 31 December 2014, 2015 and 2016.

Income Statement Information
SEK 1,000

	Year Ended 31 December		
	Audited	**Audited**	**Audited**
	2016	**2015**	**2014**
Continued operations			
Income	387,224	4,437	75
Amortization of debt portfolios	(32,766)	—	—
Net revenue	354,459	4,437	75
Operating expenses	(207,522)	(29,940)	(9,927)
Personnel expenses	(207,923)	(5,089)	187
EBITDA	(60,986)	(30,592)	(9,665)
Amortization and depreciation	(29,809)	(837)	—
EBIT	(90,794)	(31,429)	(9,665)
Financial revenue	11,206	329	3,105
Financial expenses	(33,866)	(30,218)	(3,111)
Net financial items	(22,660)	(29,889)	(6)
Profit /(loss) before tax	(113,455)	(61,318)	(9,671)
Tax expense	7,027	—	—
Net profit/(loss) from continued operations	(106,428)	(61,318)	(9,671)

Income Statement Information
SEK 1,000

	Year Ended 31 December		
	Audited	Audited	Audited
	2016	2015	2014
Result from discontinued operations	—	(105,288)	(36,336)
Net profit/(loss) to minority interest	—	—	(21)
Result for the period	(106,428)	(166,606)	(46,007)
Earnings per share: basic	(0.13)	(0.46)	(0.32)
Earnings per share: diluted	—	—	—
Earnings per share including discontinued	—	(1.25)	(1.54)

Other comprehensive income
SEK 1,000

	Year Ended 31 December		
	Audited	Audited	Audited
	2016	2015	2014
Net profit/(loss)	(106,428)	(166,606)	(46,007)
Foreign currency translation differences	21,095	(96)	(1,081)
Remeasurement of pension plans	1,209	—	—
Other comprehensive income/(loss) for the period	22,304	(96)	(1,081)
Total comprehensive income for the period attributable to	(84,124)	(166,702)	(47,088)
Equity holders of parent company	(84,124)	(166,702)	(47,067)
Non-Controlling interests	—	—	(21)

The table below sets out a summary of the Company's unaudited consolidated income statement information for the six month periods ended 30 June 2016 and 2017. Please note that during 2017, the Company changed its reporting currency from SEK to EUR.

Income Statement Information
EUR 1,000

	Six Months Ended 30 June	
	Unaudited	Unaudited
	2017	2016
Continued operations		
Net revenue from collection	39,020	9,941
Other revenue	2,040	—
Net revenue	41,060	9,941
Personnel expenses collection	(12,528)	(2,730)
Personnel expenses other	(7,230)	(3,336)
Operating expenses	(14,153)	(8,399)
EBITDA	7,149	(4,524)
Amortization and depreciation	(2,575)	(984)

Income Statement Information
EUR 1,000

	Six Months Ended 30 June	
	Unaudited	**Unaudited**
	2017	**2016**
EBIT	4,574	(5,508)
Financial revenue	1,859	2,301
Financial expenses	(2,738)	(1,640)
Net financial items	(879)	661
Profit/(loss) before tax	3,696	(4,847)
Tax expense	(718)	461
Net profit/(loss) from continued operations	2,977	(4,385)
Earnings per share: basic	0.002	-0.004
Earnings per share: diluted	0.002	-0.004

Other comprehensive income
EUR 1,000

	Six Months Ended 30 June	
	Unaudited	**Unaudited**
	2017	**2016**
Net profit/(loss)	2,977	(4,385)
Foreign currency translation differences – foreign operations	(5,307)	(309)
Remeasurement of pension plans	—	
Other comprehensive income/(loss) for the period	(5,307)	(309)
Total comprehensive income for the period attributable to		
Equity holders of parent company	(2,330)	(4,694)

13.2 Selected Statement of Financial Position Information

The table below sets out a summary of the Company's audited consolidated balance sheet information as of 31 December 2014, 31 December 2015 and 31 December 2016.

Statement of Financial Position Information
SEK 1,000

	Year Ended 31 December		
	Audited	**Audited**	**Audited**
	2016	**2015**	**2014**
Assets			
Intangible non-current assets			
Intangible assets	175,522	45,103	111,676
Goodwill	511,741	124,467	—
Deferred tax asset	13,799	—	—
Tangible non-current assets			
Property, Plant and equipment	22,623	549	551
Financial non-current assets			
Purchased debt portfolios	1,224,457	—	—
Other long-term receivables	9,544	—	—
Other long-term investments	4,097	267	390
Total non-current assets	1,961,781	170,386	112,617
Current assets			
Current receivables	54,073	58,284	696
Other current assets	74,701	3,760	161
Restricted cash	14,504	4,000	—
Cash and cash equivalents	603,053	368,375	61,502
Total current assets	746,331	434,419	62,359
Total assets	2,708,112	604,805	174,976

Statement of Financial Position Information
SEK 1,000

	Year Ended 31 December		
	Audited	**Audited**	**Audited**
	2016	**2015**	**2014**
Equity and liabilities			
Equity attributable to equity holders of the parent company			
Share capital	613,244	298,307	45,405
Other paid-in equity	2,510,970	1,468,788	1,256,648
Retained earnings and profit for the period	(1,395,224)	(1,290,103)	(1,141,416)
Reserves	20,999	(96)	—
Non-controlling interest	—	—	157
Total equity	1,749,989	476,992	160,794
Liabilities			
Non-current liabilities			
Non-current interest bearing debt	240,601	—	—
Convertible loan	—	5,000	5,000
Deferred tax liabilities	57,021	11,357	—
Pension liability	15,881	—	
Other non-current liabilities	16,507	500	4,000
Total non-current liabilities	330,010	16,857	9,000
Current liabilities			
Accounts payable	63,614	12,420	1,560
Current portion of non-current borrowings	467,362	—	—
Taxes payable	3,705	9,963	—
Other current liabilities	93,431	88,573	3,621
Total current liabilities	628,112	110,956	5,181

Statement of Financial Position Information
SEK 1,000

	Year Ended 31 December		
	Audited	**Audited**	**Audited**
	2016	**2015**	**2014**
Total equity and liabilities	2,708,112	604,805	174,976

The table below sets out a summary of the Company's unaudited consolidated balance sheet information as of the 30 June 2016 and the 30 June 2017.

Statement of Financial Position Information
EUR 1,000

	Period Ended 30 June	
	Unaudited	**Unaudited**
	2017	**2016**
Assets		
Intangible non-current assets		
Intangible assets	18,254	12,655
Goodwill	54,294	43,833
Deferred tax asset	1,590	—
Tangible non-current assets		
Property, Plant and equipment	2,442	2,173
Financial non-current assets		
Purchased debt portfolios	233,419	63,714
Other long-term receivables	1,169	1,146
Other long-term investments	221	43
Total non-current assets	311,390	123,565
Current assets		
Stock of secured assets (NPL)	8,070	—
Current receivables	7,147	5,541
Other current assets	7,434	5,854
Restricted cash	1,800	5,260
Cash and cash equivalents	19,557	30,387
Total current assets	44,008	47,042
Total assets	355,398	170,607

Statement of Financial Position Information
EUR 1,000

	Period Ended 30 June	
	Unaudited	**Unaudited**
	2017	**2016**
Equity and liabilities		
Equity attributable to equity holders of the parent		
Share capital	66,814	50,736
Other paid-in equity	142,416	201,994
Retained earnings profit/(Loss)	(15,279)	(142,669)
Reserves	(1,592)	(319)
Non-controlling interests	—	295
Total equity	192,360	110,038
Liabilities		
Non-current liabilities		
Non-current interest bearing debt	23,486	29,622
Deferred tax liabilities	6,488	2,558
Other non-current liabilities	3,418	1,402
Total non-current liabilities	33,392	33,582

Statement of Financial Position Information
EUR 1,000

	Period Ended 30 June	
	Unaudited	**Unaudited**
	2017	**2016**
Current liabilities		
Accounts payable	3,974	11,195
Current portion of non-current borrowings	104,749	7,735
Taxes payable	58	1,637
Other current liabilities	20,866	6,4|9
Total current liabilities	129,646	26,987
Total equity and liabilities	355,398	170,607

13.3 Selected Cash Flow Information

The table below sets out a summary of the Company's audited consolidated cash flow statement for the years ended 31 December 2014, 2015 and 2016.

Cash Flow Statement Information
SEK 1,000

	Year Ended 31 December		
	Audited	**Audited**	**Audited**
	2016	**2015**	**2014**
Operating activities			
Profit before tax	(113,455)	(166,606)	(46,007)
Taxes paid	(21,615)	—	—
Finance income and expenses	17,246	—	—
Amortization of debt portfolio	32,766	—	—
Depreciation and amortization	29,809	973	180
Impairment losses on intangible assets	—	104,310	33,685
Calculated cost of employee share options	5,442	—	—
Loss from sold companies	—	9,532	—
Other	—	—	2,397
Working capital changes	(81,423)	10,350	(2,624)
Net cash flows operating activities	(131,230)	(41,441)	(17,163)
Investing activities			
Purchase of debt portfolios	(720,617)	—	—
Investment in subsidiary (Geslico, Spain)	(18,548)	—	—
Investment in subsidiary (IKAS, Norway)	(203,529)	—	—
Investment in subsidiary (CS Union, Italy)	(55,181)	—	—
Investment in subsidiary (Altor, Germany)	(169,524)	—	—
Purchase of intangible and tangible assets	(21,044)	—	(5,853)
Purchase of financial assets	—	(82,691)	—
Sale of financial assets	—	—	2,000
Interest received	860	—	—
Net cash flows investing activities	(1,187,583)	(82,691)	(3,853)
Financing activities			
Proceeds from borrowings	541,487	—	1,098
Repayment of debt	(178,152)	(1,099)	—
Interest paid	(12,589)	—	—
Loan fees paid	(14,136)	—	—
Proceeds from share issue	1,269,700	460,386	74,081
Share issue costs	(42,315)	(24,281)	(7,950)
Net cash flows financing activities	1,563,995	435,006	67,229
Net change in cash and cash equivalents	245,182	310,874	46,213
Cash and cash equivalents at the beginning of period	372,375	61,501	15,289
Cash and cash equivalents at the end of period	617,557	372,375	61,502

The table below sets out a summary of the Company's unaudited consolidated cash flow statement for the six month periods ended 30 June 2016 and 2017.

Cash Flow Statement Information
EUR 1,000

	Six Months Ended 30 June	
	Unaudited	**Unaudited**
	2017	**2016**
Operating activities		
Profit before tax	3,696	(4,847)
Taxes paid	(1,419)	(406)
Finance income and expenses	878	(1,242)
Amortization of debt portfolio	5,575	1,005

Cash Flow Statement Information
EUR 1,000

	Six Months Ended 30 June	
	Unaudited	Unaudited
	2017	2016
Depreciation and amortization	2,575	984
Calculated cost of employee share options	671	704
Unrealised foreign currency (gain)/losses	—	(954)
Working capital changes	(3,339)	527
Net cash flows operating activities	8,637	(4,230)
Investing activities		
Purchase of debt portfolios	(112,102)	(33,698)
Investment in subsidiary (Geslico, Spain)	(100)	(2,000)
Investment in subsidiary (IKAS, Norway)	—	(21,401)
Investment in subsidiary (CS Union, Italy)	—	(5,950)
Investment in subsidiary (Altor, Germany)	—	—
Purchase of intangible and tangible assets	(1,445)	(175)
Sale of financial fixed assets	175	—
Interest received	36	11
Net cash flows investing activities	(113,436)	(63,212)
Financing activities		
Proceeds from borrowings	76,057	14,675
Repayment of debt	(20,234)	(536)
Interest paid	(2,062)	(195)
Loan fees paid	(1,978)	(193)
Proceeds from share issue	11,416	51,513
Share issue costs	(285)	(2,011)
Net cash flows financing activities	62,914	63,253
Currency translation	565	(928)
Net change in cash and cash equivalents	(43,194)	(4,189)
Cash and cash equivalents at the beginning of period	63,986	40,764
Cash and cash equivalents at the end of period	(21,357)	35,646

13.4 Discontinued operations

The term “Discontinued Operations” refers to the nickel and mining activities that were sold on 31 December 2015. The below table shows the revenues and costs relating to the discontinued operations. These amounts have been excluded from the consolidated statement of loss for the Group.

The nickel operations were discontinued on the last day of 2015. The nickel subsidiaries were sold to Archelon and paid via newly issued Archelon shares. Axactor received shares corresponding to 4.6 per cent of the capital and votes of the buyer. This financial effect from disposing of the nickel units was SEK -114 million in 2015. The major part thereof is accounted for as impairment, and then there also arose a minor realization loss in the external accounts of Axactor on deconsolidation of said units.

The below table shows the revenues and costs relating to the discontinued operations. These amounts have been excluded from the consolidated statement of loss for the Group.

There was no effect on Axactor’s income statement, cash flow or balance sheet from discontinued operations in 2016 or 2017.

Income Statement Information
SEK 1,000

	Year Ended 31 December		
	Audited	Audited	Audited
	2016	2015	2014
Other operating expense	—	40	219
Other external expenses	—	(588)	(2,729)
Personnel expenses	—	(297)	39

Income Statement Information
SEK 1,000

	Year Ended 31 December		
	Audited	**Audited**	**Audited**
	2016	**2015**	**2014**
Depreciation/impairment of fixed assets	—	(104,447)	(33,865)
Operating result	—	(105,322)	(36,336)
Result from financial items			
Financial revenue	—	4	—
Financial expenses	—	—	—
Total financial items	—	4	—
Result before tax	—	(105,288)	(36,336)
Income tax	—	—	—
Loss from discontinued operations	—	(105,288)	(36,336)

Cash Flow Statement Information
SEK 1,000

	Year Ended 31 December		
	Audited	**Audited**	**Audited**
	2016	**2015**	**2014**
Cash flow from operations			
Result after financial items	—	(105,288)	(34,866)
Impairment losses on intangible fixed assets		101,665	32,037
Depreciation of tangible fixed assets	—	136	—
Income tax paid	—	—	—
Total cash flow from operations before change in working capital	—	(3,487)	(2,829)
Total cash flow from change in working capital	—	(1,293)	(6,815)
Total cash flow used for investments	—	—	(473)
Total cash flow from financial investments	—	4,772	—
Change in cash and bank	—	(8)	(10,117)
Cash and bank on 1 January	—	135	10,252
Cash and bank at the end of the reporting period	—	127	135

13.5 Auditor and Audit Reports

The Company's independent auditor is PriceWaterhouseCoopers AB, or PWC, with responsible main auditor being Johan Palmgren. PWC has been the Company's independent auditor since December 2014. PWC's address is at Skånegatan 1, 405—32 Göteborg. Johan Palmgren is a member of the Swedish Institute of Public Accountants (Sw. *Föreningen Auktoriserade Revisorer*). PWC was re-elected as auditor at the Annual General Meeting 31 May, 2017.

Prior to PWC, the Company's auditor was Mazars Set AB in the period from April 2013 to December 2014, and prior to Mazars Set AB the Company's auditor was KPMG AB since July 2011.

In March 2013, KPMG resigned, at their own request, after having expressed to the Board of Directors at that time that they did not understand the business logics behind a proposed transaction relating to Ghana Gold, as further discussed in Section 17 "Legal Matters". KPMG had raised a number of questions and had meetings with representatives of the Board of Directors. KPMG concluded that the transaction had a "suspicious character", and on these grounds they notified the Economic Crimes Authority of Sweden on their suspicions.

In the audit of the Group's financial statements for the financial year 2013, Mazars Set AB refrained from making an opinion as a result of the following (extracted from the 2013 auditor’s report):

"*A significant proportion of the Group and Parent Company's assets include investments in nickel operations in Sweden. These investments are difficult to evaluate as they have not yet shown any return and in the current market conditions there are few transactions that could provide guidance for the value. The Company and the group are in need of additional financing in order to be able to continue to develop the nickel assets. The assets have been valued under the assumption of going concern. I have not been able to obtain enough audit evidence regarding the availability of financing in order to ascertain that the going concern assumption is correct. Therefore I cannot make any statement on the value of the nickel related assets of the Company.*

As a result of the conditions described in the paragraph "Basis to refrain from opinion" we cannot state whether the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Account Act and present fairly, in all material respects, the financial position of the group as of 31 December 2013. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. As a result of these circumstances, I can neither agree nor disagree to recommend that the annual meeting of shareholders adopt the income statements and balance sheets and statement of comprehensive income and statement of financial position for the group."

Mazars Set AB auditor also refrained from making a statement and expressed an adverse opinion, the reason for which was a former Board of Directors decision to acquire Ghana Gold and the prepayment of SEK 50 million, which was paid to the seller prior to the acquisition being approved at the Company's General Meeting (a transaction which was subsequently disapproved by the General Meeting; see Section 17 "Legal Matters" for further information. In relation thereto, the auditor made a statement as follows (extracted from the 2013 auditor's report):

"*As stated in my Report on the financial statements, I can neither agree nor disagree that the annual meeting of shareholders adopt the income statement or the balance sheet. During January 2013 the then appointed Board of Directors consisting of Jukka Kallio, Ulrik Jansson, Hans Lindroth and Terje Lien decided to acquire 100 percent of the capital and votes of Ghana Gold AB. The decision to acquire Ghana Gold AB demanded the consent of a General Meeting. Before the General Meeting was provided with the opportunity to vote on the matter, the Board of Directors decided to disburse a prepayment to the sellers in an amount of 50 million SEK. The General Meeting subsequently rejected the proposed acquisition, which implied that the prepayment was to be returned. This has not yet happened. I have demanded explanations and documentation from the Board of Directors concerning the transaction, which I have received. My opinion is that even considering these presented explanations and documentation, it may be questionable if the acquisition and prepayment have been conducted with sufficient data and reasonable analysis of the risks that have resulted for the Company and its shareholders given the financial position of the Company. The appointed auditor of the Company at the time of the decision to acquire Ghana Gold AB, Mrs. Birgitta Gustafsson, decided to submit a notice to the prosecutors regarding suspected crime in accordance with the provisions in the Swedish Companies Act. The notice was not submitted on grounds of evident criminal activity, but on suspicion of such activity. I consider that the responsible Board Directors at that time have acted in negligence and that they may be held responsible for the damage caused to the Company as a result of the prepayment in respect of the Ghana Gold AB acquisition.*

As a result of the conditions described in paragraph "Basis to refrain from statement and to express an adverse opinion""I can neither agree nor disagree that that the annual meeting of shareholders decides on the appropriation of the profit and loss in accordance with the proposal in the statutory administration report. As a result of the conditions described in paragraph "Basis to refrain from statement and to express an adverse opinion" I recommend the Annual General Meeting not to discharge the previous Board Directors Jukka Kallio, Ulrik Jansson, Hans Lindroth and Terje Lien from liability for the financial year 2013. I do recommend to discharge the other Board Directors and Managing Director active during financial year 2013 from liability".

The 2015 annual report of Axactor has been audited by PWC. The auditor's report for the financial year 2015, as issued by PWC, included a qualified opinion related to the below information concerning the lack of audit evidence relating to the carrying value of accrued legal fees of SEK 13,542,583. The below is an extract and should be read in connection with the complete audit report for 2015, as incorporated as a reference document to this Prospectus.

In the consolidated balance sheet as of 31 December 2015, an accrued cost of SEK 13,542,583 is recognised which relates to the company's assessment of the cost that will be invoiced to the company in 2016 for *services rendered in 2015. The cost relates to external hired assistance for legal services in the operations in the Spanish subsidiary ALD Abogados SL. We have not been able to obtain sufficient and appropriate audit evidence relating to the carrying value of the accrued legal fees of SEK 13,542,583 due to the lack of documentation of the liability. Consequently, we have not been able to determine if any adjustments are necessary to the consolidated income statement or balance sheet.*

The 2016 annual report of Axactor has been audited by PWC. The 2016 auditor's report was an unqualified opinion.

13.6 Management discussion and analysis of financial performance for the twelve-month period ended 31 December, 2016, 2015 and 2014

In the following, numbers for corresponding period in 2014 and 2015 are in brackets.

13.6.1 Income Statement

Full year income/gross collection was MSEK 387.2 (2015: MSEK 4.4 , 2014: MSEK 0.0) where MSEK 144.7 came from collections on own portfolios (NPL) and MSEK 237.0 came from third party collection (3PC). Other Revenue accounted for MSEK 5.6. The NPL revenue is split with 24% and 56% coming from Spain and Germany respectively while the remaining 20% is generated from the Italian portfolios. Full year income from 3PC reached MSEK 237.0, and 30% of this was generated by the Spanish company ALD which we acquired in 2015, while the remaining income was generated by the 4 companies that were acquired during 2016.

Operating earnings (EBITDA) for the year is negative by MSEK -61.0 (2015: MSEK -30.6 , 2014: MSEK -9.7).

Accumulated amortization of NPL portfolios for 2016 amounts to MSEK -32.8. Depreciation and Amortization excluding portfolio amortization was MSEK -29.8 (2015: MSEK 0.8 , 2014: MSEK 0) and is primarily related to depreciation of intangible fixed assets pertaining to the company acquisitions made in Spain, Italy, Germany and Norway over the last year.

Net financial items for 2016 equal MSEK –22.7 (2015: MSEK -29.9 , 2014: MSEK 0.0). The 2016 number is comprised of MSEK -19.2 (2015: MSEK -0.7 , 2014: MSEK -0.8) in interest expenses and an unrealized net currency loss of MSEK -5.5. Fees and other financial items amounts to MSEK 2.1.

The net post-tax full-year result for 2016 is MSEK -106.4 (2015: MSEK -166.6 , 2014: MSEK -46.0). Earnings per share for the full-year was SEK -0.13 for the year. This compares to earnings per share in 2015 of SEK -0.46 and earnings per share of SEK -0.32 in 2014.

13.6.2 Cash flow

Axactor had cash flow of MSEK -131.2 during the 12-month period January–December 2016 (2015: MSEK -41.4 , 2014: MSEK -17.2). The 2016 figure reflects the efforts to build up the organizational capabilities during the year combined with a build-up of working capital of MSEK 81.4.

Net cash flow from investing last year was MSEK -1 187.6 (2015: MSEK -82.7, 2014: MSEK -3.9). Axactor acquired 4 platform companies in addition to ALD, which was acquired in 2015. The combined purchase price was MSEK 577.3 whereof MSEK 446.7 was settled in cash and the remaining amount settled in Axactor AB shares. The company further invested MSEK 720.6 in NPL portfolios, 7 in Spain and 2 in Italy, during 2016. In addition, Axactor invested MSEK 21.0 in IT systems and work process development in 2016.

Net cash flow from financing activities in 2016 MSEK 1 564.0 (2015: MSEK 435.0 , 2014: MSEK 67.2). Net proceeds from private placements completed in 2016 was MSEK 1 227.4 (2015: MSEK 436.1 , 2014: MSEK 74.1) while net borrowings during the year was MSEK 363.3 (2015: -MSEK 1.0 , 2014: MSEK 1.1). Fees and interest paid during the year amounted to MSEK 26.7. Total cash and cash equivalents available at the end of 2016 was MSEK 617.6 (2015: MSEK 372.4 , 2014: MSEK 61.5).

13.6.3 Financial position

At the end of December 2016 total assets for Axactor equalled MSEK 2 708.1 (2015: MSEK 604.8 , 2014: MSEK 175.0). Non-current assets amounted to MSEK 1 961.8 (2015: MSEK 170.4 , 2014: MSEK 112.6) where MSEK 701.0 (2015: MSEK 170.1, 2014: MSEK 0.0) is intangible assets and goodwill emanating from the company acquisitions made during 2015 and 2016. Another MSEK 1 224.5 represents the book value of the portfolios acquired during the year including book value of the portfolio that came with the platform acquisitions. Current assets represent a total value of MSEK 746.3 (2015: MSEK 434.4 , 2014: MSEK 62.4) whereof MSEK 617.6 (2015: MSEK 372.4 , 2014: MSEK 61.5) is cash and cash equivalents.

As of 31 December 2016, the Company had total Interest bearing debt of MSEK 708.0. Of this, MSEK 408.0 was drawn under the EUR 50 million Revolving Credit Facility with DNB and Nordea (the Debt Facility). In addition, the Italian subsidiary has a separate local funding facility of MSEK 308.0 (exchanged from MEUR 32.2). At year end 2016 the remaining 2 tranches under the borrowing agreement with DNB and Nordea had not yet been made available or utilized.

As of December 31st, the company was in breach with a loan covenant in the Revolving Credit Facility (the Debt Facility), and negotiated with the lending banks to get a waiver in place. The waiver was in place in Q1, 2017. Because of the breach, all borrowings under the facility is classified as short term debt at year end 2016.

At end of the year, total equity equals MSEK 1 749.9 debt (2015: MSEK 477.0 , 2014: MSEK 160.8), representing an equity ratio of 65 per cent.

Axactor is in a build-up phase where investments in NPL portfolios and production systems take priority and the Board proposes therefore that no dividend be paid for 2016.

13.7 Management discussion and analysis of financial performance for the six month periods ended 30 June 2017 and 2016

In the following, numbers for corresponding period in 2016 are in brackets.

13.7.1 **Income statement**

For the first two quarters, the Group's gross revenue was EUR 46.6 million (EUR 11.0 million) where EUR 24.7 million came from NPL portfolios and EUR 16.8 million came from the 3PC segment. Other revenue amounted to EUR 5.1 million for the two first quarters. The most recent acquisitions are performing very well, and the overall collection performance compared to the initial business case was 97% in the quarter. Spain remains the largest country within the NPL segment, with Sweden becoming second largest on the back of the Bank Norwegian portfolio acquisition of Q1 2017.

The reported EBITDA for the two first quarters amounted to EUR 7.1 million (EUR -4.6 million). The large increase in earnings is both a result of the increased revenues and of a significant improvement in margin. The margin expansion illustrates Axactor's ability to leverage scale benefits and increased efficiency and knowledge sharing across the group as the company continue to grow. The EBITDA includes a positive one-off amount of EUR 2.0 million related to a settlement with the former Board of Directors. Excluding this one-time impact, EBITDA would have been EUR 5.1 million for the first six months of 2017.

Depreciation and Amortization (excl. portfolio amortization) amounts to EUR -2.6 million (EUR -1.0 million). Most of the depreciation and amortization is related to intangible assets acquired through the acquisition of subsidiaries.

Earnings per share for the two first quarters is EUR 0.002.

Net financial items for the two first quarters amounted to EUR -0.9 million (EUR 0.7 million). Interest cost on borrowings amounted to EUR 2.5 million, which was in part offset against a positive impact from FX gains of EUR 1.6 million.

13.7.2 **Cash flow**

Cash flow from operations amounted to EUR 8.6 (-4.2) in the two first quarters, where EUR -3.3 million stems from an increase in working capital.

The company invested EUR 1.3 million in the acquisition of Profact AB in Sweden. Axactor invested in several NPL portfolios during Q2 2017, and the Bank Norwegian portfolio acquired in Q1 2017 was paid for in Q2. In addition, Axactor continues to invest in IT systems to optimize efficiency. In total, cash flow from investments was EUR -113.4 million (EUR -63.2 million).

Total cash flow from financing activities was EUR 62.9 million (EUR 63.3 million), as the company drew on the existing financing facilities to invest in NPL portfolios. The company completed a private placement of 50 million shares in Q2 2017 with gross proceeds of EUR 11.4 million. Total cash and cash equivalents at the end of the period was EUR 19.6 million (EUR 30.4 million) with an additional EUR 1.8 million (EUR 5.3 million) in restricted cash, for a total cash balance of EUR 21.4 million (EUR 35.6 million).

13.7.3 **Financial Position**

At the end of the second quarter of 2017, the total equity for the Group is EUR 192.4 million, compared to EUR 110.0 million in Q2 2016. The resulting equity ratio at the end of the quarter was 54%, compared to 64% at the same time last year.

13.8 Significant Changes in the Group's Financial and Trading Position Since 30 June 2017

Since 30 June 2017, which is the date of the Group's last reported balance sheet, the following significant changes in respect of the Group have occurred:

- In July Axactor signed a total of 4 new 3PC contracts with financial institutions in Spain and Germany for a combined estimated annual revenue of EUR 5 million. The contracts are renewable every 12 months.
- In July, DNB and Nordea made a 5^{th} tranche of EUR 40 million available with 100% gearing allowed on new NPLs – total facility increased from EUR 120 to 160 million.
- On 14 August 2017, the Group completed the Private Placement. The Private Placement consisted of 240 million Private Placement Shares and will raise approximately NOK 598 million in gross proceeds.
- On 14 August 2017, Axactor and Geveran signed a letter of intent regarding the establishment of a jointly owned portfolio investment company, please see Section 6 "The Portfolio Investment Company"
- On 11 September 2017, Axactor acquired two portfolios of NPL loans including auto financing and personal loans in Germany. The portfolios have an outstanding balance of EUR 25.7 million across over 4,000 cases, with both containing a significant number of existing payment plans, generating cashflow right from the acquisition

The Company is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for the current financial year.

14. CAPITAL RESOURCES

14.1 Overview; Sources and Uses of Funds

In the period from 1 January 2013 to the date of this Prospectus, the Group's primary sources of liquidity have been net proceeds from share issuances and borrowings.

The principal uses of funds in 2013 related to the development of the Rönnbäcken nickel resource (amounting to SEK 1.4 million), general and administration costs, costs related to financing and legal advice, in addition to the SEK 50 million payment by the Company in connection with the Ghana Gold transaction; see Section 17 "Legal Matters".

The principal uses of funds in 2014 related to the development of the Rönnbäcken nickel resource (amounting to SEK 3.1 million).

The principal uses of funds in 2015 was related to the ALD-acquisition (some EUR 10 million paid in cash to the sellers of ALD in addition to EUR 5 million paid in kind via issued Axactor Shares in early December 2015).

The principal use of funds in 2016 was related to the purchase of debt portfolios of approximately SEK 720 million, the acquisitions of Geslico, Akastor Norway, CS Union and Altor of approximately SEK 470 million. Other than the abovementioned purchases of tangible and intangible assets amounted to approximately SEK 21 million.

As of 31 December 2016, the Company had a cash balance of approximately SEK 618 million. Through a private placement completed in May 2017, the Company raised gross proceeds of approximately NOK 107.5 million. After several acquisitions of NPL portfolios and the acquisition of Profact AB, the Company's balance was EUR 21.4 million per 30 June 2017.

On 14 August 2017, the Company completed the Private Placement and announced the planned establishment of the Portfolio Investment Company. The Private Placement consisted of 240 million Shares and will raise approximately NOK 598 million in gross proceeds. The Company estimates that the total expenses relating to the Private Placement and the costs as per the date of this Prospectus related to the planned establishment of the Portfolio Investment Company[7], will amount to approximately NOK 15 million, which includes, among other things, commission to the Manager and legal expenses.

As of the date of this Prospectus, the Company is not aware of any restrictions on the use of its capital resources, other than restrictions under the Debt Facilities of the Group, see Section 14.2 "Borrowings". The Company is of the opinion that none of these restrictions have materially affected, or could materially affect, the Group's operations.

14.2 Borrowings

On 15 October 2015, Board of Directors of the Company approved the term sheet offer from DNB for a new debt facility of EUR 25 million. The Company entered into final agreement for the Debt Facility with DNB on 16 March 2016.

On 6 July 2016, the Company extended its debt facility by EUR 25 million from Nordea, who was brought in as Axactor's second banking partner.

The Debt Facility is a three year facility and the purpose is to finance loan portfolios or the acquisition of companies solely in the business of collecting loan portfolios, and will include customary representation and warranties, covenants that the Group shall satisfy certain key ratios and events of default provisions.

Axactor AB and several other of the Group companies are guarantors under the facility agreement. In addition DNB and Nordea have a pledge in shares in all daughter companies except from the Italian subsidiaries of Axactor.

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[7] Costs related to the Portfolio Investment Company as per the date of this Prospectus comprise costs related to advisory services used in negotiations before signing the letter of intent regarding the establishment of the Portfolio Investment Company. This does not comprise the full costs related to establishing the Portfolio Investment Company.

On 22 June Axactor acquired 90% of CS Union from Banca Sistema. Axactor also entered into a strategic partnership with Banca Sistema in Italy. The partnership includes a financing arrangement between Axactor and Banca Sistema for CS union. As per the date of this Prospectus, Axactor has debt of approximately EUR 31.4 million from this agreement related to financing of CS Union.

On 3 February 2017, the third tranche under the EUR 100 million the Debt Facility which Axactor has with DNB and Nordea was made available to the Company, thereby increasing the available amount under the facility from EUR 50 million to EUR 75 million.

On 5 May 2017, the fourth tranche under the Debt Facility which Axactor has with DNB and Nordea was made available to the Company. Simultaneously the tranche was increased to EUR 45 million thereby increasing the available amount under the facility from EUR 100 million to EUR 120 million.

On 5 July 2017, the fifth tranche under the Debt Facility which Axactor has with DNB and Nordea was made available to the Company. The fifth tranche will make another EUR 40 million available to the company, and increases the total loan facility with the Banks from EUR 120 million to EUR 160 million.

As of 30 June 2017, the Company had long-term loan balance of NOK 108 million relating to the financing of the Axactor Norway acquisition in Q2 2016, EUR 14.5 million relating to the Altor acquisition in Q4 2016, EUR 43 million relating to purchase of portfolios and secured assets in Spain and SEK 289.7 million relating to the purchase of Swedish portfolios. The loans were drawn under the Debt Facility with DNB and Nordea. The Facility agreement was entered into in March 2016 with repayment date in March 2019. All material subsidiaries of the group are guarantors and have granted a share pledge as part of the security package for this facility. Italian subsidiaries are not a part of the agreement and has separate local funding.

As of 30 June 2017, the Company is in breach with its loan covenants and are in negotiations with the lending banks to get a waiver in place. As a consequence of this all drawings under the facility is classified as short term at year end 2016 and also per 30 June 2017. After the balances sheet date the company subsequently received a waiver from the banks regarding the breach.

14.3 Investing Activities

For the year ended 31 December 2014, and during the period up until the acquisition of ALD, the Group's principal investing activities related to the exploration and development of the Rönnbäcken nickel resources and the Group's exploration and exploitation permits relating thereto. These investing activities have mainly comprised of a pre-feasibility scoping study, a pre-feasibility study that has focused on environmental tests and the magnetite by-product, mineralogy studies, processing trials and re-logging of project drill core. Investing activities relating to the Rönnbäcken nickel resources in 2013 were significantly affected by the Ghana Gold transaction that involved the payment by the Company of SEK 50 million; see Section 17 "Legal Matters".

For the year ended 31 December 2014, the Group's capital expenditure relating to investing activities (all of which relates to the Rönnbäcken project) amounted to SEK 3.1 million.

The Group's capital expenditure in 2015 relating to investing activities amounted to SEK 188.4 million, all in respect to the acquisition of ALD.

The Group’s capital expenditure in 2016 related to investment activities amounted to approximately SEK 1,188 million, all in respect of purchasing of NPL portfolios, the acquisitions of Geslico, IKAS, CS Union and Altor, as well as purchases of other tangible and intangible assets.

The Group's principal investing activities after 31 December 2016 are given below.

- On 28 February 2017, the Group entered into an agreement to acquire Profact AB for approximately EUR 1.5 million.
- On 30 March 2017, the Group extended an agreement to acquire portfolios from a large Nordic Financial Institution, to cover the Swedish as well as the Norwegian market.
- On 31 March 2017, the Group acquired the largest unsecured NPL portfolio since starting up in the fourth quarter of 2015. The portfolio was originated by Bank Norwegian in Sweden and includes unsecured credit with a total outstanding balance of approximately EUR 105 million, across close to 15,200 open accounts of individual loans and credit card debt.

- On 2 May 2017, acquired another two unsecured NPL portfolios in Italy including unsecured claims with a total outstanding balance of approximately EUR 22 million
- On 12 June 2017, the Group closed a large primary transaction in Spain with an outstanding balance in excess of EUR 300 million.
- On 19 June 2017, the Group an unsecured NPL portfolio with a total outstanding balance of approximately EUR 32 million.
- On 22 June 2017, the Group purchased its first secured transaction in Spain. The portfolio is being sold by a large financial institution with an appraisal value of around EUR 50 million.
- On 28 June 2017, the Group closed another primary transaction in Spain with an outstanding balance in excess of EUR 165 million.

In the 6 months period 1 January – 30 June 2017, total capital expenditure amounted to approximately EUR 113.4 million related to the purchase of debt portfolios and Profact. The acquisition of Profact was financed using the Debt Facility with DNB/Nordea and available cash.

As of the date of this Prospectus the Group only has 1 investment that are in progress, the Portfolio Investment Company, as described in Section 6 "The Portfolio Investment Company". The Group does not have any other investments that are in progress, and there exist no other future investments for which the management bodies of the Group have already made firm commitments.

14.4 Off-Balance Sheet Arrangements

The receivable from Alluvia Mining, the Group's counterparty in the Ghana Gold transaction, was at year-end 2014 determined to be a contingent asset, in accordance with IAS 37, and hence removed from the Group's balance sheet; see Section 17 "Legal Matters" for further information.

The Group has a partnership agreement with Banca Sistema. The agreement is only related to the Italian operations of the Group and includes financing for CS Union, board representation and joint market development in Italy, based on a 3-years shareholders' agreement.

As of the date of this Prospectus, and other than as described above, the Group is not subject to any off-balance sheet arrangements which have had, or are reasonably likely to have, a current or future material effect on the Group's financial condition. This includes derivatives, currency hedges and any other financial instrument that could be used for hedging purposes.

14.5 Working Capital Statement and working capital development

As of the date of this Prospectus, the Company is of the opinion that the Group's working capital is sufficient for its present requirements and, in particular, is sufficient for at least the next twelve months from the date of this Prospectus. For the 6 month period ending 30 June 2017, the Company had an EBITDA of EUR 7.1 million. Further, the Company raised gross proceeds of NOK 598 million in the Private Placement on 14 August 2017.

14.6 Capitalization and indebtedness

The tables below set out the Company's capitalization and net financial indebtedness as of 30 June 2017 both on an actual basis and on an adjusted basis to show the estimated effect of the Private Placement. The below table does not take into account the planned establishment of the Portfolio Investment Company. You should read this information together with the other parts of this Prospectus, in particular Section 13 "Financial Information", as well as the Company's financial statements incorporated by reference into this Prospectus.

The tables below does not take into account the loan from former board member Mr. Ulrik Jansson as the Company has no intention to repay it as its counter claim on Mr. Jansson by far exceeds the loan amount. Please see Section 17.2 "Related party transactions" for more information regarding this loan.

The "actual" columns in the tables below set out the Company's unaudited capitalization and net financial indebtedness, respectively, as of 30 June 2017 and have been based on the Company's unaudited consolidated financial statements as of 30 June 2017, whereas the "as adjusted" columns set out the Company's unaudited capitalization and net indebtedness, respectively, on an adjusted basis to show the estimated effect of the Private Placement.

A NOK/EUR exchange rate of 9.3478 has been applied in the below tables

- Share capital: The adjustment from EUR 66.8 million to EUR 79.4 million (increase of EUR 12.6 million) is related to the increase in share capital as a result of the 240 million Private Placement Shares, each with a par value of EUR 0.0523.
- Other paid in equity: The adjustment from EUR 142.4 million to EUR 192.2 million (increase of EUR 49.8 million) comprises of an increase in other paid in capital as a result of the 240 million Private Placement Shares of NOK 598 million and a reduction as a result of costs related to the Private Placement of EUR 1.6 million (NOK 15.0 million). The price per Share in the Private Placement was NOK 2.49.
- Cash: The adjustment from EUR 19.6 million to EUR 69.3 million (increase of EUR 49.8 million) comprise of the cash received in the Private Placement, net of costs related to the Private Placement of EUR 1.6 million (NOK 15.0 million).

Investors are cautioned that the adjusted figures included in the tables below are estimates which are associated with significant uncertainties.

Capitalization

EUR 1,000	**As of 30 June 2017**	
	Actual	**As Adjusted**
Share capital	66,814	79,376
Other paid in capital	142,416	192,179
Other equity	(15,279)	-15,279
Reserves	(1,592)	-1,592
Total equity (A)	**192,360**	**254,684**
Total current liabilities	129,646	129,646
—of which is guaranteed/secured	—	—
—of which is unguaranteed / unsecured	129,646	129,646
Total non-current liabilities	33,392	33,392
—Guaranteed/Secured	—	—
—Unguaranteed / Unsecured	33,392	33,392
Total liabilities (B)	163,038	163,038
Total capitalization (A+B)	**355,398**	**417,722**

Net Financial Indebtedness

EUR 1,000	**As of 30 June 2017**	
	Actual	**As Adjusted**
A. Cash	19,557	81,881
B. Cash equivalents	—	—
C. Trading securities	—	—
D. Liquidity (A)+(B)+(C)	**19,557**	**81,881**
E. Current financial receivables	—	—
F. Current bank debt	—	—
G. Bonds / other loans due within 1 year	—	—
H. Current portion of non-current debt	104,749	104,749
I. Other current financial debt	—	—
K. Current financial debt (F)+(G)+(H)+(I)	**104,749**	**104,749**
L. Net current financial indebtedness (K)-(E)-(D)	**85,192**	**22,868**
M. Non-current bank debt	732,768	732,768
N. Bonds due after 1 year	—	—
O. Other non-current financial debt	—	—
P. Non-current financial debt (M)+(N)+(O)	**732,768**	**732,768**
Q. Net financial indebtedness (L)+(P)	**817,960**	**755,636**

15. DIVIDENDS AND DIVIDEND POLICY

This Section provides information about the dividend policy and dividend history of the Company, as well as certain legal constraints on the distribution of dividends under the Swedish Companies Act.

15.1 Dividend Policy

The Company has not distributed any cash dividends since its inception. The Company aims at maintaining a sound financial structure, reflecting the capital requirements of its business and growth opportunities, and does not anticipate distributing cash dividends in the near or medium term.

When determining whether to declare a dividend or not, or the size of any dividend, account will be taken of the Company's financial targets, investments or commitments made, possible acquisition or growth opportunities, expected future results of operations, financial condition, cash flows and other factors. There can be no assurance that in any given year a dividend will be proposed or declared.

15.2 Legal Constraints on the Distribution of Dividends

The declaration of dividends or other capital distributions by Swedish companies is decided upon by the General Meeting of shareholders. Dividends or other capital distributions may only be declared to the extent that there is unrestricted equity (Sw. *fritt eget kapital*) available, meaning that there must be full coverage for the Company’s restricted equity (Sw. *bundna egna kapital*) after the distribution. Restricted equity includes, among other things, the Company’s share capital and its statutory reserve.

Further, in addition to the requirement regarding full coverage for the Company’s restricted equity, dividends or other capital distributions may only be declared to the extent that such declaration is prudent, taking into consideration: (a) the demands with respect to the size of shareholders' equity which are imposed by the nature, scope and risks associated with the operations of the Company and, if applicable, the Group; and (b) the need to strengthen the balance sheet, liquidity and financial position in general of the Company and, if applicable, the Group.

The General Meeting may, as a general rule, not declare dividends in an amount higher than the Board of Directors has proposed or approved. Under the Swedish Companies Act, minority shareholders that together represent at least 10% of all outstanding shares of the Company have the right to request a payment of dividend (to all shareholders) from the Company’s profits. Following such a request, the Annual General Meeting is required to resolve to distribute 50% of the remaining profit for the relevant year as reported on the statement of financial position adopted at the Annual General Meeting, after deductions made for: (a) losses carried forward that exceed unrestricted reserves (Sw. *fria fonder*); (b) amounts which, by law or the Articles of Association, must be transferred to restricted equity; and (c) amounts which, pursuant to the Articles of Association, are to be used for any purpose other than distribution to the shareholders. However, the general meeting is not obliged to declare dividends in excess of 5 % of the Company’s shareholders’ equity. Moreover, the General Meeting may not declare dividends to the extent that there will not be full coverage of the Company’s restricted equity or in violation of the prudence rule described above.

15.3 Manner of Dividend Payments; Swedish Withholding Tax

Future payments of dividends on the Shares will be denominated in EUR or SEK. Such dividends will, where distributed through Euroclear, and, where distributed through the VPS, be distributed in NOK as exchanged from the EUR amount distributed to the VPS Registrar through Euroclear. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will however receive dividends by check in their local currency. If it is not practical in the sole opinion of DNB Bank ASA, Registrars Department, being the Company’s VPS registrar, to issue a check in a local currency, a check will be issued in USD. The issuing and mailing of checks will be executed in accordance with the standard procedures of DNB Bank ASA, Foreign Payments Department. The exchange rate(s) that is applied will be DNB Bank ASA’s rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders’ NOK accounts, or in lieu of such registered NOK account, by check, without the need for shareholders to present documentation proving their ownership of the Shares.

For shareholders not resident in Sweden for tax purposes, and that do not conduct business from a permanent establishment in Sweden, who receive dividends on shares in a Swedish limited liability company, such as the Company, Swedish withholding tax is normally withheld. The tax rate is 30%. The tax rate is generally reduced through tax treaties for the avoidance of double taxation. For example, under the tax treaty between Sweden and the United States, the withholding tax on dividends paid to shareholders resident in the US, shall not exceed 15%. Under the Treaty, furthermore, the tax rate is reduced to 5% for companies possessing shares representing at least 10% of the total voting rights of the company declaring the dividend if certain other requirements are met. The tax rate for companies and pension funds may be reduced to 0% if certain requirements set out in the Treaty are met. For corporate shareholders resident and domiciled in the European Economic Area (EEA), withholding tax is normally not levied if the shareholder holds more than 10% or more of the capital in the Company if certain other requirements are met. In Sweden, withholding tax deductions are normally carried out by Euroclear or, in respect of nominee-registered shares, by the nominee. Tax is withheld provided that necessary information is made available to Euroclear in relation to the person entitled to such dividends. If such information is not made available to Euroclear, and tax is not levied, the person entitled to such dividends may be taxed retroactively. If a 30% withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or in the event that too much tax has otherwise been withheld, a refund can be claimed from the Swedish Tax Agency (Sw. *Skatteverket*) prior to the expiry of the fifth calendar year following the dividend distribution.

16. CORPORATE INFORMATION; SHARES AND SHARE CAPITAL

The following Section provides a summary corporate information and other information relating to the Company, the Shares and the share capital of the Company, and certain provisions of the Company's Articles of Association and applicable Swedish and Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by applicable Swedish and Norwegian law.

16.1 Incorporation; Registration Number; Registered Office and Other Company Information

The Company, Axactor AB (publ.), is a Swedish public limited liability company (Sw. publikt aktiebolag), organized and existing under the laws of Sweden, pursuant to the Swedish Companies Act (Sw. aktiebolagslagen). The Company's is registered with the Swedish Companies Registration Office (*Sw. Bolagsregisteret*) with registration number 556227-8043. The Company was incorporated on December 17, 1982.

The Legal Entity Identification number (LEI code) of Axactor is: 549300P5VT8OMA17TJ33

The Company has its registered office at Hovslagargatan 5B, bottom floor, SE-111 48 Stockholm, Sweden, telephone number: +46 (0)8 402 28 00 and telefax: +46 (0)8 402 28 01. The Company’s head office is located in Norway, Drammensveien 167, 0277 Oslo, Norway.

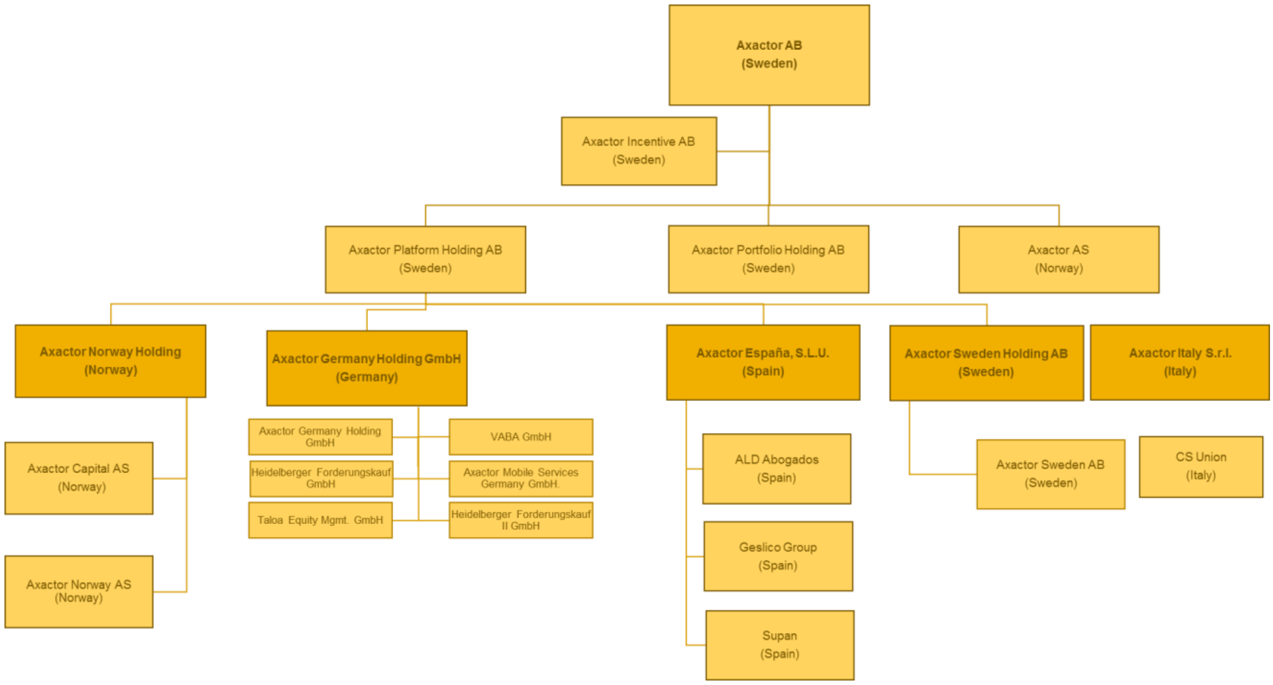
The Company’s statutory shareholder register, as maintained in accordance with the Swedish Companies Act, is operated through Euroclear. In order to facilitate registration of the Shares with the VPS, and hence trading of the Shares on the Oslo Stock Exchange, a portion of the Shares outstanding in the Company (i.e. those Shares that are tradeable on the Oslo Stock Exchange) are registered in the name of the Company's VPS Registrar, or its custodian bank, with the Company's statutory shareholder register maintained with Euroclear in accordance with Swedish law.

The Company's VPS Registrar, for the purposes of registration of the Shares in the Norwegian VPS system, is DNB Bank ASA, Registrars Department; whereas the Company's registrar with Euroclear is Nordea.

The Company is a holding company, and the operations of the Group are carried out through the operating subsidiaries of the Company.

16.2 Corporate Structure and Subsidiaries

The chart below depicts the Group's corporate structure (simplified).



All subsidiaries are wholly owned (directly or indirectly) by the Company, except for CS Union S.P.A., which is held 90% by Axactor and 10% by Banca Sistema S.P.A[1]. The Spanish debt collection business of the Group is carried out through Axactor España S.L.U.

The registered address of the Company's subsidiaries is as follows:

- Axactor Platform Holding AB: Hovslagargatan 5B, SE-111 48 Stockholm, Sweden
- ALD Abogados S.L.: Leonardo Ase. Financieros, Paseo de la Castellana 13, 28046 Madrid, Spain
- Axactor España S.L.U: C/ Alcala 63, 4& Planta 28014 , Madrid, Spain
- Axactor Portfolio Holding AB: Hovslagargatan 5B, SE-111 48 Stockholm, Sweden
- Axactor Incentive AB: Hovslagargatan 5B, SE-111 48 Stockholm, Sweden
- Axactor Norway Holding AS: Drammensveien 167, 0277 Oslo, Norway
- Axactor AS: Drammensveien 167, 0277 Oslo, Norway
- Axactor Norway AS: Grønland 53, 3045 Drammen, Norway
- Geslico: Gestión de Cobros, S.A.U: Plaça Catalunya 20, 8º, 08002 Barcelona, Spain
- Axactor Italy S.r.l.: Via Monte Rosa 91, 20149 Milano, Italy
- CS Union S.p.A.: Via Cascina Colombaro, no. 36/A, 12100 Cuneo (CN), Italy
- Axactor Germany Holding GmbH: Im Breitspiel 13, 69126 Heidelberg, Germany
- Heidelberger Forderungskauf GmbH: Im Breitspiel 13, 69126 Heidelberg, Germany
- Taloa Equity Management GmbH: Im Breitspiel 13, 69126 Heidelberg, Germany
- Axactor Mobile Services GmbH: Im Breitspiel 13, 69126 Heidelberg, Germany
- Vaba GmbH: Im Breitspiel 13, 69126 Heidelberg, Germany
- Axactor Sweden Holding AB: Hovslagargatan 5B, SE-111 48 Stockholm, Sweden
- Axactor Sweden AB: Norra Hamngatan 18, SE-411 06 Göteborg, Sweden
- Axactor Capital AS: Grønland 53, 3045 Drammen, Norway
- Supan Investments S.L.: Calle de Alcalá 63, 28014 Madrid

16.3 Share Capital and Share Capital Development

As of the date of this Prospectus, the Company's share capital is EUR 70,771,461.35, consisting of 1,352,088,769 Shares, each fully paid up and with a par value of EUR 0.0523. On 14 August 2017, Axactor conducted the Private Placement, consisting of 240,000,000 Private Placement Shares, each with a par value of EUR 0.0523. The Private Placement was divided into a tranche 1 consisting of 75,600,000 Private Placement Tranche 1 Shares and a tranche 2 consisting of the 164,400,000 Private Placement Tranche 2 Shares. On the 17 August 2017, the Private Placement Tranche 1 Shares were issued and the share capital increase relating thereto was registered with the Swedish Companies Registration Office *(Swedish: Bolagsverket).*

The table below shows the development in the Company's share capital for the period from 1 January 2013 to the date of this Prospectus.

	Date	**Capital Increase / Change (SEK)**	**Share Capital After Change (SEK)**	**Par Value of shares (SEK)**	**New / Redeemed Shares**	**Total Number of Outstanding Shares**
Reverse share split (1:10) ...	12 December 2013	—	45,437,306	2.50	-163,574,303	18,174,923
Share capital reduction	19 December 2013	-36,349,845	9,087,461	0.50	—	18,174,923
Debt conversion..................	27 January 2014	1,526,399	10,613,860.5	0.50	3,052,798	21,227,721
Debt conversion..................	30 May 2014	737,309.5	11,351,170	0.50	1,474,619	22,702,340
Rights offering....................	20 November 2014	34,053,510	45,404,680	0.50	68,107,020	90,809,360
Private Placement	24 November 2015	200,000,000	245,404,680	0.50	400,000,000	490,809,360
Consideration Shares	10 December 2015	22,902,500	268,307,180	0.50	45,805,000	536,614,360
Rights offering....................	28 December 2015	30,000,000	298,307,180	0.50	60,000,000	596,614,360
Private Placement	26 February 2016	29,800,000	328,107,180	0.50	59,600,000	656,214,360
Private Placement	30 May 2016	110,200,000	438,307,180	0.50	220,400,000	876,614,360
Consideration Shares	15 June 2016	24,516,795	462,823,975	0.50	49,033,589	925,647,949
Consideration Shares	30 July 2016	10,420,410	473,244,385	0.50	20,840,820	946,488,769
Private placement Tranche 1 Shares	17 October 2016	35,861,946	509,106,332	0.50	71,723,893	1,018,212,662
Private placement Tranche 2 Shares	25 November 2016	79,138,054	588,244,385	0.50	158,276,107	1,176,488,769
Subsequent Offering Shares................................	23 December 2016	25,000,000	613,244,385	0.50	50,000,000	1,226,488,769

	Date	Capital Increase / Change (EUR)	Share Capital After Change (EUR)	Par Value of shares (EUR)	New / Redeemed Shares	Total Number of Outstanding Shares
Change in currency and share capital	23 May 2017	—	64,197,266.11	0.0523	—	1,226,488,769
Private placement Shares	23 May 2017	2,617,116	66,814,382.05	0.0523	50,000,000	1,276,488,769
Private Placement Tranche 1 Shares	17 August 2017	3,957,079.30	70,771,461.35	0.0523	75,600,000	1,352,088,769

The current articles of association allows for a maximum of 2,000,000,000 Shares to be issued. The Company does not hold any Shares in treasury.

The Shares issued to the selling shareholders of IKAS on 15 June 2016 have a 24 month lock-up period from the date of completion of the acquisition of IKAS.

75% of the shares issued to the selling shareholders of CS Union have a 24 month lock-up period from the date of completion, and 25% of the shares issued had a 12-month lock-up period from the date of completion. The lock-up related to 25% of the shares has expired.

Endre Rangnes, CEO of Axactor, Oddgeir Hansen, Chief Operating Officer of Axactor and Johnny Tsolis, Executive Vice President, Strategy & Projects of Axactor, have agreed to enter into a 2 year lock-up undertaking in relation to the Shares currently owned by them.

Save for what is set out above, there are currently no restrictions on the disposal of the board members' or members of management's holding of Shares or other securities in the Company.

16.4 Other Financial Instruments in Issue

Related to the establishment of the Portfolio Investment Company, Axactor has resolved to grant 130,000,000 American style warrants in Axactor to Geveran with an exercise price of NOK 3.25. The warrants will only be exercisable if the Portfolio Investment Company is established, and will expire 2 years thereafter. The warrants are subject to customary recalculation provisions following certain capital events.

The Company does not have in issue any other convertible securities, exchangeable securities, warrants or other securities exchangeable into Shares in the Company other than as described above.

For information about the Company management share option scheme, see Section 12.6 "Board of Directors and Management—Remuneration and Benefits".

16.5 Authorizations to Increase the Share Capital and to Issue Shares and Other Instruments

At the Company's Annual General Meeting held on 31 May 2017, the Board of Directors of the Company was granted an authorization to issue up to 400 million new Shares with or without observing the existing shareholders' preferential rights. This mandate entails a maximum dilution of 31.2% calculated in relation to the current number of outstanding Shares. This new mandate replaces the old mandate approved at the May 2016 Annual General Meeting of shareholders. The authorization expires at the next Annual General Meeting.

16.6 Articles of Association

Pursuant to Section 3 of the Articles of Association, the purpose of the Company is to directly or through subsidiaries or via co-operations with others, conduct debt collection work, extend financial and administrative services, legal and invoicing services, acquire debt, investment operations, as well as therewith associated activities. Pursuant to Section 6 of the Articles of Association, the Board of Directors shall have at least 3 and a maximum 6 members. The Articles of Association of the Company contain no provisions restricting foreign ownership of Shares. There are no limitations under the Articles of Association on the rights of foreign holders to hold or vote on the Shares.

There are no conditions imposed by the Articles of Association of the Company which set out more stringent conditions for exercise of rights attaching to the Shares than required by statutory law.

16.7 Certain Rights Attached to the Shares

Voting Rights

At General Meetings of shareholders, each Share carries one vote and each shareholder is entitled to vote the full number of Shares such shareholder holds in the Company.

As a general rule, resolutions that shareholders are entitled to pass pursuant to Swedish law or the Company's Articles of Association require a simple majority of the votes being cast. In the case of election of members to the Board of Directors, the persons who obtain the most votes cast are deemed elected to fill the positions up for election. However, as required under Swedish law, certain decisions, including resolutions to waive preferential rights in connection with any share issue, to approve a merger or de-merger, to amend the Company's Articles of Association or to authorize the Board of Directors to implement share capital increases with deviation from the shareholders' preferential rights or to implement reduction of the share capital, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a shareholders' meeting. Swedish law further requires that certain decisions, which have the effect of altering the rights and preferences of certain share or shares, receive the approval of all the holders of such share or shares present at the meeting and who together represent not less than nine-tenth of all shares whose rights are affected, as well as the majority required for amendments to the Company's Articles of Association. If such alterations only have effect on the rights of an entire class of shares, the decision requires the approval of one half of all the holders of shares of such class and nine-tenths of such class represented at the meeting, as well as the majority required for amendments to the Company's Articles of Association. Decisions that (i) would reduce any shareholder's right in respect of dividend payments or other rights to the assets of the Company; or (ii) restrict the transferability of the shares, are required to be supported by all of the shareholders present at the meeting who together represent not less than 90% of the share capital in the Company. Decisions that result in restrictions in the number of shares which shareholders may vote for at general meeting are required to be supported by two-thirds of the votes casts and nine-tenths of the shares represented at the general meeting.

In general, in order to be entitled to vote, a shareholder must be registered as the owner of Shares in the shareholder register of the Company maintained with Euroclear. Beneficial owners of Shares that are registered in the name of a nominee are generally not entitled to vote under Swedish law, nor are any persons who are designated in the register as holding such Shares as nominees. Shareholders registered as such in the VPS will only be entitled to vote at General Meetings of the Company if arrangement for registration of entitlement to vote (Sw. *Rösträttregistrering*) in Euroclear has been made through the VPS Registrar at the latest 5 business days prior to the General Meeting and has noticed the Company of his participation at the General Meeting in accordance with the notice to the meeting.

According to the Company's Articles of Association notice of a General Meeting of shareholders shall be published in the journal "Post och Inrikes Tidningar" and on the Company's website, and an announcement that notice has been given shall be placed in the journal "Svenska Dagbladet". The notice shall include matters to be addressed at the meeting, and a proposal for an agenda for the meeting. A shareholder is entitled to submit proposals to be discussed at General Meetings provided such proposals are submitted in writing to the Board of Directors in such good time that it can be entered on the agenda of the meeting.

The Annual General Meeting shall be called by the Board of Directors such that it can be held within six (6) months from the end of each financial year. The annual general meeting shall deal with and decide on the submission of the annual financial statement and annual report, the question of declaring dividend and such other matters as may be set out in the notice of the Annual General Meeting.

Extraordinary General Meetings can be called by the Board of Directors. In addition, the Board of Directors shall call an Extraordinary General Meeting whenever so demanded in writing by the Company's auditor or shareholders representing at least 10% of the share capital, in order to deal with a specific subject.

The following matters shall always be resolved by the Annual General Meeting:

- Submission of the annual report and the auditors' report as well as, where appropriate, the consolidated accounts and auditors' report on the consolidated accounts;
- Adoption of the profit and loss account and balance sheet and, where appropriate, the consolidated profit and loss account and consolidated balance sheet;
- Allocation of the Company's profits or losses as set forth in the adopted balance sheet;

- Discharge from liability of the members of the Board of Directors and the managing director;
- Determination of the remuneration to the Board of Directors and the auditors; and
- Election of the board members and auditors.

Pre-Emption Rights

If the Company issues shares, warrants or convertibles in a cash issue or a set-off/debt conversion issue (Sw. *kvittningsemission*), the holders of Shares have pre-emption rights to subscribe for such securities in proportion to the number of Shares held prior to the issue. The shareholders' preferential rights may be waived by a resolution at a General Meeting supported by at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at the meeting.

Rights to Dividends and Liquidation Proceeds

All Shares carry equal rights to dividends as well as to the Company's assets and potential surplus in the event of liquidation. Resolutions regarding dividends are passed by the General Meeting. All shareholders registered as shareholders in the shareholder register maintained with Euroclear on the record date adopted by the General Meeting are entitled to receive dividends. Dividends are normally distributed to shareholders as a cash payment per Share through Euroclear, but may also be paid out in a manner other than cash (in-kind dividend). If shareholders cannot be reached through Euroclear, such shareholder still retains its claim on the Company to the dividend amount, subject to a statutory limitation of ten years. Upon the expiry of the limitation period, the dividend amount shall pass to the Company.

There are no restrictions on the right to dividends for shareholders domiciled outside Sweden. Under Swedish foreign exchange controls currently in effect, transfers of capital to and from Sweden are not subject to prior government approval except for the physical transfer of payments in currency, which is restricted to licensed banks. Consequently, a non-Swedish resident may receive dividend payments without Swedish exchange control consent if such payment is made only through a licensed bank.

Redemption and Conversion Rights

There are no redemption rights or conversion rights attached to the Shares.

16.8 Certain Securities and Corporate Law Matters

Ownership Disclosure Requirements

Under the Swedish Securities Trading Act, a shareholder is required to notify both the Company and the Swedish Financial Supervisory Authority, or the SFSA, when its holding (including options for shares) reaches, exceeds or falls below 5, 10, 15, 20, 25, 30, 50, 66 2/3 or 90% of the total number of votes and/or Shares in the Company. The notice is to be made in writing or electronically on the website of the SFSA at the latest on the third trading day immediately following the day of the applicable transaction. The SFSA will announce the contents of the notification no later than 12:00 CET on the trading day following receipt of the notification. For the purposes of calculating a person's or entity's shareholding, not only the shares and financial instruments directly held by the shareholder are included, but also those held by related parties. The Swedish Securities Trading Act contains a list of related parties whose shareholding must be aggregated for the purposes of the disclosure requirements. Related parties include, but are not limited to, subsidiaries and, in certain circumstances, proxies, parties to shareholders' agreements.

As the Company is organized and existing under the laws of Sweden, and therefore has Sweden as its home state for the purposes of EU wide securities regulations, the ownership disclosure rules set out in the Norwegian Securities Trading Act are not applicable in respect of trading in the Shares.

Insider Trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

Swedish rules regarding insider trading are also applicable in relation to the Company. Pursuant to the Securities Market (Market Abuse Penalties) Act (SFS 2016:1307) (Sw. Lag (2016:1307) om straff för marknadsmissbruk på värdepappermarknaden) any person who receives insider information and who on his own behalf or on behalf of any third party, through trading on the securities market (within EES), acquires or sells such financial instruments to which the information relates shall be convicted of the offence of insider dealing. The same shall apply to any person who receives insider information and who, through advice or in any other manner, causes any third party to acquire or sell financial instruments to which the information relates through trading on the securities market.

Mandatory Offer Rules

As the Company's registered office is in Sweden, and the Shares of the Company are admitted to trading on the Oslo Stock Exchange, partly Swedish and partly Norwegian mandatory offer rules will apply in respect of the Company pursuant to Swedish, Norwegian, as EU wide securities regulations.

According to Section 6-14 of the Norwegian Securities Trading Regulations (Nw. Verdipapirforskriften) matters relating to:

- the consideration offered in the case of a bid, in particular the price, and matters relating to the bid procedure, in particular the information on the offeror's decision to make a bid, the contents of the offer document and the disclosure of the bid, shall be dealt with in accordance with the rules of Norway, whereas
- in matters relating to the information to be provided to the employees of the offeree company and in matters relating to company law, in particular the percentage of voting rights which confers control and any derogation from the obligation to launch a bid, as well as the conditions under which the board of the offeree company may undertake any action which might result in the frustration of the bid, the applicable rules of Sweden will apply.

Swedish rules on the thresholds triggering a mandatory offer obligation, and rules on consolidation, will also apply in relation to the Company. Pursuant to the Swedish Act on Public Takeover Bids on the Stock Market (Sw. Lagen om offentliga uppköpserbjudanden på aktiemarknaden) any person that acquires more than 3/10 of the voting rights of a listed company (including a Swedish company listed on the Oslo Stock Exchange) is required to make an unconditional public offer for the purchase of the remaining shares in the company. Further, the shares of related parties, such as close relatives of the shareholder and companies controlled by such persons, companies in the same group of companies as the shareholder, and persons with which the shareholder is bindingly acting in concert and companies controlled by such persons, are considered equal to the shareholder's own shares.

The Oslo Stock Exchange will be the authority competent to supervise the takeover bid. Matters relating to the consideration offered in the case of a bid, in particular the price, and matters relating to the bid procedure, in particular the information on the offeror's decision to make a bid, the contents of the offer document and the disclosure of the bid, shall be dealt with in accordance with the rules set out in the Norwegian Securities Trading Act. According to the Norwegian Securities Trading Act, the offer must be made within four weeks after the threshold was passed and is subject to approval by the Oslo Stock Exchange before submission to the shareholders. All shareholders must be treated equally. The offer price per share must be at least as high as the highest price paid or agreed by the bidder in the six-month period prior to the date when the obligation to make a mandatory offer occurred, but if it is clear that the market price at the point the mandatory bid obligation was triggered is higher, the bid shall be at least as high as the market price. In the event that the acquirer thereafter, but prior to the expiration of the bid period, acquires or agrees to acquire, additional Shares at a higher price, the acquirer is obliged to restate its bid at that higher price. A mandatory offer must be in cash. A bid may nonetheless give the shareholders the right to accept an alternative to cash. A shareholder who fails to make the required offer must within four weeks dispose of sufficient shares so that the obligation ceases to apply (i.e. reduce the ownership to a level below the relevant threshold). Otherwise, The Oslo Stock Exchange may cause the shares exceeding the relevant threshold to be sold by public auction. The Oslo Stock Exchange may impose a daily fine upon a shareholder who fails to make the required offer or sell down below the relevant threshold.

Compulsory Acquisition

According to the Swedish Companies Act, a shareholder that holds more than nine-tenths of the Shares in the Company (majority shareholder) is entitled to buy-out the remaining shares of the other shareholders (minority shareholders) of the Company. Furthermore, a minority shareholder whose Shares may be bought out in accordance with the aforementioned is entitled to compel the majority shareholder to purchase his shares. The purchase price shall be determined to market price and for listed shares the purchase price shall correspond to the listed value, unless specific circumstances otherwise dictate. A dispute regarding the existence of any buy-out right or obligation or the purchase price shall be determined by three arbitrators in accordance with the Swedish Arbitration Act.

Other information

There has been no public takeover bids by third parties in respect of the Company's equity during the last financial year and the current financial year. The securities are not subject to any mandatory bid, squeeze out or sellout rules.

17. LEGAL MATTERS

17.1 Legal and arbitration proceedings

In June 2014, the Company filed a lawsuit with the Stockholm District Court against certain former members of the Company's Board of Directors. The lawsuit was based on, among other things, those certain former board members' decisions to transfer SEK 50 million to a closely related party of a member of the Board of Directors of the Company without an approval by a General Meeting, in connection with a proposed acquisition of a company called Ghana Gold in the spring of 2013. The Company's claim amounts to SEK 55 million, plus accrued interest. In view of the uncertainty with regard to the financial situation of the counterparty in the Ghana Gold transaction, a company called Alluvia Mining, and its ability to repay the funds transferred to it, and the financial possibilities of the respondents to the Company's law suit to, in the future, pay the claimed amount in full, the nominal value of the claim was written down to SEK 30 million in the 2013 financial statements of the Group. At year-end 2014, a new assessment was made by the Company as to the prospects of repayment of the funds transferred to Alluvia Mining. At that time, the Company concluded that such repayment was unlikely as Alluvia Mining had not responded to numerous contact attempts and appeared to be insolvent or bankrupt. As the value of the claim against Alluvia Mining was deemed to be limited as a result of its financial situation, and as the compensation claim against the former board members of the Company was deemed to be the primary valuable asset, a decision was made to treat this item as a contingent asset, in accordance with IAS 37, in the 2014 financial statements of the Group, and hence the value of the claim was removed in its entirety from the Group's balance sheet. In the external accounts, this resulted in an impairment of 30 million SEK as per end of December 2014.

A ruling by the Stockholm District court on the Company's lawsuit against the former board members was expected in the fall of 2017.

A decision was taken by the Swedish public prosecutor in early July 2015 to file criminal charges against two of the four former Board Directors in relation to the same circumstances. Axactor's legal advisors are of the opinion that such criminal charges impact positively on Axactor's probability to win its civil case, irrespective of the outcome of the criminal case.

The Company is also involved in a dispute with former member of the Board of Directors Jukka Kallio who claims his law firm has a valid receivable for non-paid board remuneration by Axactor during his time in office as Board Director. The Company rejects the claim as such and, secondly, will, if the claim gets declared valid, aim to set it off against its own claim on the four former Board Directors in respect of their assessed gross negligence in connection with the above described Ghana Gold-transaction. The claim by the law firm Kallio Law is for some 175 TSEK plus interest.

The disputes between Axactor and the former board members and between Axactor and Jukka Kallio described above was resolved in a settlement agreement approved by the Annual General Meeting in Axactor May 31, 2017.

On 19 October 2016, Axactor AB received a notice on behalf of the French company AXA whereby it is claimed that the registration of the Axactor trademark would constitute a breach of the French company AXA's prior rights. Axactor does not agree with the claim and dialog with AXA has been initiated with the intention to solve the matter.

Other than the above, the Company is not, nor has it been during the course of the twelve months preceding the date of this Prospectus, involved in any governmental, legal or arbitration proceedings (and the Company is not aware of any such proceedings which are pending or threatened) which may have, or have had in the recent past, a significant effect on the Group's financial position or profitability.

17.2 Related party transactions

This Section provides information about certain transactions to which the Group is, or has been, subject to with its related parties during the four years ended 31 December 2013, 2014, 2015 and 2016 and up to the date of this Prospectus. For the purposes of the following disclosures of related party transactions, "related parties" are those that are considered as related parties of the Group pursuant to IAS 24 "Related Party Disclosures".

In January 2013, the Company transferred SEK 50 million as an advance partial payment related to a proposed purchase of a company called Ghana Gold AB from Alluvia Mining. Alluvia Mining was at the time a related party to the Group as a result of Mr. Terje E Lien being a board member of both Alluvia Mining and the

Company; for further information see Section 17.1 "Legal and arbitration proceedings". The underlying purpose of the purchase of Ghana Gold AB is one of the questions being subject to the dispute relating to Ghana Gold AB as further set out in Section 17.1 "Legal and arbitration proceedings". According to the board of directors of the Company at the time the purchase was part of a strategic repositioning of the Company's business.

In May 2013, the Company borrowed SEK 4 million from, at the time, a board member of the Company, Mr. Ulrik Jansson. The loan carries interest at a rate of 12% per annum and matures after three years from May 2013. The loan was undertaken by the Company as a consequence of the SEK 50 million payment to Alluvia Mining in January 2013, due to which the Group was drained of cash at the end of May and was in need of external funding. The loan thus matures in May 2016, but the Company has no intention to repay it as its counter claim on Mr. Jansson by far exceeds the loan amount.

In December 2012, a company called Amarant Mining became a major shareholder of the Company, and during that same month Amarant convened an Extraordinary General Meeting that appointed a new Board of Directors. In conjunction therewith, members of the Company's management either left the Company or were asked to leave by Amarant Mining. After Amarant Mining disposed its Shares in the Company in the summer of 2013 to a company called Altro Invest, a new Board of Directors was again appointed, at which time the Company was in deep distress, without proper management and sufficient funding. The newly appointed directors were accordingly forced to carry out the executive management of the Company. These management services were carried out through service contracts with board members outside of their ordinary duties as members of the Board of Directors. For these services, the Company paid a total amount of SEK 2.2 million. In addition, Altro Invest provided, in the second half of 2013, the Company with a short-term loan facility. Under the loan facility, the Company borrowed an amount of SEK 4 million. The loan carried an interest at a rate of 7.5% per annum. In May 2014, the loan from Altro Invest was converted to Shares in the Company.

In the fall of 2013, at that time board member Mr. Svein Breivik and deputy board member Mr. Erlend Henriksen granted the Company short-term interest free loans of in total SEK 600 thousand. These loans were converted into Shares in the Company in the spring of 2014. In addition, in the summer of 2014, Mr. Breivik was part of a group of 30 lenders who granted the Company a loan of in total SEK 1.1 million. Mr. Breviks share of the loan amounted to SEK 100 thousand. The loan carried an interest at a rate of 10% per annum. The loan was repaid in its entirety in February 2015.

In the fourth quarter of 2014, Altro Invest, which at the time was a former major shareholder of the Company, repaid to the Company a negative balance (debt to the Company) in an amount of approximately SEK 300 thousand.

In the summer and autumn 2014, a company called Renud Invest, which was controlled by former deputy board member Mr. Erlend Henriksen provided certain consultancy services to the Company. For these services the Company paid approximately SEK 47 thousand.

In the spring of 2014, work had been carried out in order to prepare for, and later carry out, a spin-off of a company called African Diamond, which at that time was a subsidiary of the Company. A former board member of the Company, Mr. Ole Weiss, through his controlled private company, Weiss International, was paid SEK 72 thousand for assistance in this work.

In the autumn of 2014, the Board of Directors of the Company instructed PWC and Wistrand Advokatbyrå to undertake financial due diligence and legal due diligence, respectively, of the Company. Mr. Per Dalemo, a lawyer at Wistrand Advokatbyrå, was at the time member of the Board of Directors of the Company. The legal due diligence work was however conducted by other lawyers at Wistrand Advokatbyrå. The cost of the legal due diligence work amounted to SEK 162 thousand, net of VAT. Wistrand Advokatbyrå and PWC have been instructed to undertake work on behalf of the Company in relation to prospectus and in relation to the Extraordinary General Meeting held on 17 November 2015.

At the EGM on 17 November 2015, the Company approved and ratified a consultancy agreement between the Company and Ferncliff TIH II AS, a company which is a closely related party to the Company's principal shareholder at the time, Strata Marine & Offshore AS, pursuant to which Ferncliff TIH II AS would be entitled to a success fee of NOK 4 million for services rendered in connection with the acquisition of ALD. The fee of SEK 3.757 million has been paid in full to Ferncliff TIH II AS.

Strata Marine & Offshore AS, a previous major shareholder, provided managerial services for first half of 2015. A fee of SEK 94,000 was paid to Strata Marine & Offshore AS in 2015.

In early autumn 2015, the Company entered into a consultancy agreement with Alpette AS, a company which is a closely related party to the Company's CEO Endre Rangnes, pursuant to which Alpette AS would be entitled to a success fee for services rendered in connection with the acquisition of ALD. Under the agreement Alpette AS has rendered services in order to facilitate the acquisition of ALD and which have been to the benefit of the Group. A fee of NOK 1.8 million was paid for the services on 7 December 2015.

Cipriano AS was engaged in early autumn 2015 for ascertaining a positive outcome of the ALD acquisition. Cipriano was as result paid a success fee of NOK 3 million for its rendered services. Former Chairman of the Board Mr. Einar J. Greve is the beneficial owner of Cipriano AS.

The Company has entered into a consultancy agreement between the Company and Latino Invest AS, a company which is a closely related party to the Company's Executive Vice President Strategy and projects Johnny Tsolis, pursuant to which Latino Invest AS would be entitled to a success fee for services rendered in connection with the acquisition of ALD. Under the agreement Latino Invest AS has rendered services in order to facilitate the acquisition of ALD and which have been to the benefit of the Group. A fee of NOK 1.65 million was paid for the services on 7 December 2015.

Wistrand Law firm in Gothenburg has been one of Axactor's legal advisors regarding the acquisition of ALD in Spain and the various share issues including the prospectus filing and other operating issues. Wistrand invoiced TSEK 1,675 (TSEK 2,366 for 2015). Per Dalemo, a previous Axactor board member, is employed by Wistrand Law firm, but has not been part of the legal team extending services to Axactor, other than to a limited extent.

All of the above mentioned transactions were made on a "arms' length" basis, and on market based terms, except for the transaction relating to the purchase of Ghana Gold AB and the borrowing from Ulrik Jansson.

17.3 Material contracts

In September 2015, the Group entered into a Share Purchase Agreement, or SPA, for the acquisition of ALD, which was completed on 5 December 2015. The acquisition marked Axactor's entry into the market for credit management services. ALD had established itself as a debt collection agency in the Spanish market.

The acquisition of debt portfolios is a key part of Axactor's business model and if the Group is unable to enter into debt collection contracts, purchase portfolios or Collection Platforms at appropriate prices, the Group's business and its ability of implementing its business plan may be materially affected. Acquisitions of single debt portfolios are denoted as ordinary course of business for the Company.

Through 2016, the Company acquired the debt collection companies listed below:

On 16 March 2016, the Company entered into a SPA for the acquisition of IKAS and the IKAS companies, which was closed on 7 April 2016.

On 12 May 2016, the Company entered into a SPA for the acquisition of Geslico, a Spanish supplier of services within debt collection. The transaction closed on the same day.

On 22 June 2016, the Company acquired CS Union while keeping Banca Sistema on as a 10% shareholder in CS Union. The acquisition was completed 28 June 2016. In relation to the acquisition of CS Union, the Group also entered into a partnership agreement with Banca Sistema. The agreement is only related to the Italian operations of the Group and includes financing for CS Union, board representation and joint market development in Italy, based on a 3-years shareholders' agreement.

For the remaining 10% of the shares in CS Union currently held by Banca Sistema, a shareholders' agreement was entered into between the Company and Banca Sistema, which includes, among other things, a put/call clause. The put/call clause gives Banca Sistema the right to sell the shares to the Company, and the Company the right to buy the shares from Banca Sistema at certain dates in the future or if certain events occur. These options can be exercised in the period between 1 January and 15 January each year of validity of the shareholders' agreement starting from 2018. The shareholders' agreement has a duration of 5 years, unless certain events occur.

On 30 September 2016, the Company acquired Altor Group. The acquisition was closed the same day.

On 15 June 2016, the Company has also entered into a new contract with Endesa. The contract has a maturity of three years.

On 9 November 2016, the Company has also entered into a contract with one of the top 5 private banks in Germany.

On 14 December 2016, the Company entered into an agreement to acquire portfolios on a monthly basis from a large Nordic Financial Institution.

On 28 February 2017, the Company acquired Profact AB. The acquisition was closed the following day, 1 March 2017.

On 31 March 2017, Axactor acquired the largest unsecured NPL portfolio since starting up in the fourth quarter of 2015. The portfolio was originated by Bank Norwegian in Sweden and includes unsecured credit with a total outstanding balance of approximately EUR 105 million, across close to 15,200 open accounts of individual loans and credit card debt. The portfolio acquisition increased Axactor's ERC by more than 30%.

On 14 August 2017, the Company signed a letter of intent with Geveran, to establish a jointly owned portfolio investment company. For more information, please refer to Section 6 “The Portfolio Investment Company”

Other contracts entered into in 2017 are listed below:

- On 30 March 2017, the Group extended an agreement to acquire portfolios from a large Nordic financial institution, to cover the Swedish market as well as Norway.
- On 4 April 2017, the Group signed 3 new servicing contracts with 2 large financial institutions and a large fund specializing in receivables management and debt purchase.
- On 27 April 2017, the Group signed 4 new contracts with large financial institutions and a large telecoms operator in Spain.
- On 28 July 2017, the Group closed a large tender for field service with one of the top 5 private banks in Germany.
- On 31 July 2017, the Group signed 3 new contracts providing outsourcing services for 3 large financial institutions. The combined annual contract value is EUR 4.5m and all 3 contracts are signed on the basis of 12 months, renewable each year.

18. TAXATION

This Section describes certain tax rules in Norway and Sweden, respectively, based on laws in force in Norway and Sweden, respectively, as of the date of this Prospectus. These descriptions are subject to any changes in law occurring after such date. Such changes could be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, own or dispose of Shares in the Company. Further, the summary only focuses on the shareholder categories explicitly mentioned below. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Shares. In particular, this Prospectus does not include any information with respect to taxation in any other jurisdiction than Norway and Sweden. Prospective investors who may be subject to tax in any other jurisdiction are urged to consult their tax adviser regarding federal, state, local and other tax consequence of owning and disposing of Shares.

18.1 Norwegian Taxation

The following is a summary of certain Norwegian tax considerations relevant to the ownership and disposal of shares by holders that are resident of Norway for purposes of Norwegian taxation. Please note that special rules apply for shareholders that cease to be tax resident in Norway or that for some reason are no longer considered taxable to Norway in relation to their shareholding. The summary below is based on the assumption that the Company is (i) considered to be genuinely established as well as tax resident in Sweden and (ii) considered to have genuine economic business activities in Sweden according to current Norwegian tax legislation and as such is a qualifying object under the Norwegian participation exemption method ("**Qualifying Company**").

Taxation of Dividends

Corporate Shareholders

Norwegian corporate shareholders (i.e. limited liability companies, mutual funds, savings banks, mutual insurance companies or similar entities tax-resident in Norway) ("**Norwegian Corporate Shareholders**") are exempt from tax on dividends received on shares in a Qualifying Company under the participation exemption method (Nw. Fritaksmetoden).

Three percent of the dividends comprised by the participation exemption shall be entered as general income and taxed at the flat rate of 24%, implying that such dividends are effectively taxed at a rate of 0.72%.

According to the Nordic tax treaty article 10 (3), Swedish withholding tax shall as a general rule be limited to 15% for Norwegian Corporate Shareholders. No Swedish withholding tax shall apply if the beneficial owner of the dividends is a Norwegian Corporate Chareholder which holds directly at least 10% of the capital of the company paying the dividends. Please note that to the extent a Swedish withholding tax is levied, Swedish tax will not be credited in Norway.

Personal Shareholders

Dividends distributed from a Qualifying Company to Norwegian personal shareholders (i.e. shareholders who are individuals) ("**Norwegian Personal Shareholders**") are taxable at a flat rate of 29.76% to the extent the dividends exceed a statutory tax-free allowance (Nw. Skjermingsfradrag).

The allowance is calculated separately for each share as the tax purchase price of the share, multiplied with a determined risk-free interest rate, which will be based on the effective rate after tax of interest on treasury bills (Nw. statskasseveksler) with three months maturity. The allowance one year will be allocated to the shareholder owning the share on 31 December the relevant income year. Norwegian Personal Shareholders who transfer shares during an income year will thus not be entitled to deduct any calculated allowance related to the year of transfer. The part of the allowance one year exceeding the dividends distributed on the share the same year ("unused allowance") will be added to the tax purchase price of the share and be included in the basis for calculating the allowance the next year, and may also be carried forward and set off against future dividends received on, and against gains upon the realization of, the same share.

According to the Nordic tax treaty article 10 (3) Swedish withholding tax of 15% applies on dividends to Norwegian Personal Shareholders.

If certain requirements are met, Norwegian Personal Shareholders may be entitled to a tax credit in Norway for possible dividend withholding tax paid on the same income in Sweden.

Taxation on Realization of Shares

Corporate Shareholders

According to the tax treaty article 13 (6) capital gains from disposal of shares in a Swedish resident company held by a Norwegian Corporate Shareholder is taxable only in Norway.

For Norwegian Corporate Shareholders, gains from sale or other disposal of shares in the Company are currently exempt from taxation in Norway according to the Norwegian tax participation exemption method. Correspondingly losses upon the realization and costs incurred in connection with the purchase and realization of such share are not deductible for tax purposes.

Personal Shareholders

According to the tax treaty article 13 (6) capital gains from disposal of shares in a Swedish resident company held by a Norwegian Personal Shareholder is taxable only in Norway.

For Norwegian Personal Shareholders, gains from sale or other disposal of shares are taxable in Norway as ordinary income at a rate of 29.76% and losses are deductible against ordinary income. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares realized.

Gain or loss is calculated per share, and the capital gain (or loss) is equal to the sale price less the cost price of the shares less transactions costs. From the basic calculation of the capital gain Norwegian Personal Shareholders are entitled to deduct a calculated tax-free allowance on the same share, when calculating their taxable income (see above). The calculated allowance may only be deducted in order to reduce a taxable gain calculated upon the realization of the share, and may not be deducted in order to produce or increase a loss for tax purposes i.e. any unused allowance exceeding the capital gain upon realization of a share will be annulled.

The tax free allowance is allocated to the individual shareholders holding shares at the end of each calendar year. Norwegian Personal Shareholders who transfer shares will not be entitled to deduct any calculated allowance related to the year of transfer.

If a shareholder sell shares acquired at different times, the shares that were first acquired will be deemed as first sold (the FIFO-principle) upon calculating taxable gain or loss.

A Norwegian Personal Shareholder who moves abroad and ceases to be tax resident in Norway or is regarded as tax resident in another jurisdiction according to an applicable tax treaty, will be deemed taxable in Norway for any inherent gain related to the shares held at the time the tax residency ceased under Norwegian law or the time when the shareholder was regarded as tax resident in another jurisdiction according to an applicable tax treaty, as if the shares were realized the day before the tax residency ceased (exit taxation). Currently, total inherent capital gains of NOK 500.000 or less are not taxable.

If the shareholder moves to a jurisdiction within the EEA, inherent losses related to shares held at the time the tax residency ceases will be tax deductible. To avoid payment of the tax triggered due to the exit tax rules the shareholder may instead provide sufficient security. If the shareholder moves to a jurisdiction within the EEA with which Norway has a tax treaty providing for exchange of information and assistance, providing a security is not necessary.

Payment of the calculated tax due to the exit tax rules will in any case be due (and loss deduction applicable) at the time the shares are actually sold or otherwise disposed of. The tax liability calculated according to these provisions may i.a. be annulled if the shares are not realized within five years after the shareholder ceased to be resident in Norway for tax purposes under Norwegian law or was regarded as tax resident in another jurisdiction according to an applicable tax treaty.

Net Wealth Tax

For Norwegian Personal Shareholders, shares will be part of the shareholder's capital and be subject to net wealth tax in Norway. The current marginal wealth tax rate is 0.85% of taxable values. Listed shares are valued at 90% of their quoted value as of 1 January in the assessment year (the year following the income year).

Inheritance Tax

Norway does not impose any inheritance tax. However, the general rule is that the heir acquires the donor's tax positions on the received shares based on principles of continuity. Thus implying that the heir will be taxable for any increase in value in the donor's ownership period upon the heir's realization of the shares.

18.2 Swedish Taxation

Introduction

This section describes certain tax rules in Sweden, based on laws in force in Sweden on the date of this Prospectus and is intended only as a general information for shareholders who are resident in Sweden for tax purpose, unless otherwise stated. The description does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to acquire, own or dispose of shares in the Company. It focuses on the shareholder categories explicitly mentioned below. The description does not cover situations where shares are held as current assets in business operations or by a partnership. Furthermore, the description does not cover shareholding in companies that are, or have previously been, closely held companies or on shares acquired on the basis of such holdings. Special tax consequences that are not described below may also apply for certain categories of taxpayers, including, investment companies, mutual funds, pension funds and insurance companies and shareholders who are not domiciled or resident in Sweden.

Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of shares, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules, which may be applicable.

The description does not include any information with respect to taxation in any other jurisdiction than Sweden. Prospective investors, who may be subject to tax in any other jurisdiction are urged to consult their tax advisor regarding federal, state, local and other taxes relating to acquiring, owning and disposing of shares.

Taxation of Dividends, Individual Shareholders

Dividends paid to an individual Swedish tax resident are taxed in Sweden as capital income at a flat rate of 30%. A preliminary tax of 30 % is generally withheld on dividends paid to individuals resident in Sweden. The preliminary tax is withheld by Euroclear or, regarding nominee-registered shares, by the nominee.

Taxation of Dividends, Corporate Shareholders (Limited Liability Companies)

Dividend paid to a Swedish corporate shareholder is, according to the main rule, taxed as ordinary business income at a flat rate of 22%. However, dividend attributable to so called business-related shares, that are publicly traded, is tax exempt, provided that the shares are business-related in the hands of the holder for an uninterrupted period of at least 12 months. The shares must, however, not have been held continuously for one year at the date of distribution. Taxation will, however, be triggered if the shares are sold (or otherwise ceases to be entitled to the tax exemption) before the 12 months holding period requirement is met. Publicly traded shares are considered as business-related (1) if the holding amounts to at least 10% of the voting rights in the held company or (2) if the holding otherwise is necessary for the business conducted by the holder or any of its affiliates.

Taxation on Realization of Shares, General

A capital gain or a capital loss on shares, is calculated as the difference between the sales proceeds less sales expenditure and the acquisition cost (costs related to acquisition and improvements) for the shares sold. The acquisition cost is calculated according to the so called average method, implying that the tax acquisition cost is calculated as the average acquisition cost for all of the shares of the same type and class.

Since the shares in the Company are publicly traded, the acquisition cost related to these shares may alternatively be determined as 20% of the sales price after deduction of expenses related to the sale.

Taxation on Realization of Shares, Individual Shareholders

A capital gain on publicly traded shares realized by a Swedish tax resident individual is taxed as capital income at a flat rate of 30%. Capital losses on publicly traded shares (such as the Company’s shares) are normally fully deductible against taxable capital gains on shares (publicly traded as well as not-publicly traded) and on other publicly traded securities that are taxed in the same manner as shares (except for shares in mutual funds containing only Swedish receivables (Sw. *räntefonder*), which have been realized the same year. To the extent capital losses cannot be set off against gains, 70% of the capital losses are deductible from other capital income.

Capital losses may not be carried forward to the following income year. However, if a deductible (70% of the actual capital loss) net capital loss should arise, 30% of this loss may be credited against tax on earned income and real estate tax. If the loss exceeds SEK 100.000 only 21% of the excess loss allows for a tax credit. An excess net loss cannot be carried forward to future fiscal years.

Taxation on Realization of Shares, Corporate Shareholders

A capital gain realized by a corporate shareholder is, according to the main rule, taxed as ordinary business income at a flat rate of 22%. However, capital gains attributable to so called business-related shares is tax exempt provided that the requirements are met, see above "Taxation of Dividends, Corporate Shareholders (Limited Liability Companies)".

Capital losses may only be deducted against capital gains on shares and other securities that are taxed in the same manner as shares. However, capital losses attributable to so called business-related shares are non-deductible, see above "Taxation of Dividends, Corporate Shareholders (Limited Liability Companies)".

In certain cases capital losses on shares may be set off against capital gains realized by group companies, if group contributions can be exchanged between the companies. Capital losses that are not set off against capital gains may be carried forward indefinitely.

Alternative forms of shareholding

There are alternative forms of ownership compared to private shareholding. Individuals can for example make investments in shares through special saving accounts (Sw. *investeringssparkonto*). Any capital gains or dividends derived under this scheme are not taxed. Instead, the investor is taxed annually on deemed income that is calculated using a special formula. The deemed income is subject to the general tax rate on capital income of 30%.

Moreover, it is common that individuals hold shares through capital-sum insurances (Sw. *kapitalförsäkring*). The taxation of capital-sum insurances shows certain similarities to the taxation of special saving accounts.

Net Wealth Tax and Inheritance Tax

There is no wealth tax or inheritance tax in Sweden.

Certain tax considerations for shareholders resident outside Sweden

Taxation of Dividends, Withholding Tax

For shareholders not resident in Sweden for tax purposes, and that do not conduct business from a permanent establishment in Sweden, who receive dividends on shares in a Swedish limited liability company, such as the Company, Swedish withholding tax is normally withheld. The tax rate is 30 %. The tax rate is generally reduced through tax treaties for the avoidance of double taxation. For example, under the tax treaty between Sweden and the United States, the withholding tax on dividends paid to shareholders resident in the US, shall not exceed 15 %. Under the Treaty, furthermore, the tax rate is reduced to 5 % for companies possessing shares representing at least 10 % of the total voting rights of the company declaring the dividend if certain other requirements are met. The tax rate for companies and pension funds may be reduced to 0 % if certain requirements set out in the Treaty are met.

For corporate shareholders resident and domiciled in the European Economic Area (EEA), withholding tax is normally not levied if the shareholder holds more than 10 % or more of the capital in the Company if certain other requirements are met.

In Sweden, withholding tax deductions are normally carried out by Euroclear or, in respect of nominee-registered shares, by the nominee. Tax is withheld provided that necessary information is made available to Euroclear in relation to the person entitled to such dividends. If such information is not made available to Euroclear, and tax is not levied, the person entitled to such dividends may be taxed retroactively. If a 30 % withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or in the event that too much tax has otherwise been withheld, a refund can be claimed from the Swedish Tax Agency (Sw. *Skatteverket*) prior to the expiry of the fifth calendar year following the dividend distribution.

Taxation of Realization of Shares

Individual shareholder not resident or domiciled in Sweden are normally not taxed in Sweden on a disposal of shares. Shareholders may however be subject to tax in the country of residence. In accordance with a specific rule, so called ten-year-rule, an individual shareholder who are not resident or domiciled in Sweden may, under certain circumstances, be subject to Swedish tax on capital gains from a sale of shares, if they have been resident or permanently lived in Sweden at any time during the calendar year of such sale or during any of the ten preceding calendar years. The applicability of this rules may, however, in many cases be limited under tax treaties that Sweden has conducted with other countries.

Corporate shareholders are normally not subject to tax on disposal of shares unless the shares are attributable to a permanent establishment in Sweden.

19. INCORPORATION BY REFERENCE; DOCUMENTS ON DISPLAY

19.1 Third party information

The information in this Prospectus that has been sourced from third parties has been accurately reproduced and as far as the Company is aware enable to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

19.2 Documents on Display

For the life of this Prospectus, the following documents (or copies thereof) may be inspected at the Company's website, www.axactor.com, the web site of www.nickelmountain.se (previous web page of the Company), or at the Company's business address:

- The memorandum of Association and Articles of Association of the Company.
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Prospectus; and
- The historical financial statements of the Company and its subsidiary undertakings for each of the three financial years preceding the publication of the Prospectus, i.e. the Group's audited consolidated financial statements as of and for the year ended 31 December 2014, 2015 and 2016.

19.3 Cross-Reference Table

The information incorporated by reference in this Prospectus should be read in connection with the following cross-reference table below. Except as provided in this Section, no other information is incorporated by reference into this Prospectus.

Section in Prospectus	Reference Document	Page of Reference Document
13	Q2 2017: https://drive.google.com/file/d/0B8K33Bqg-t0Bblk0UGlqZGZ3U3M/view	Income statement: 8 Balance sheet: 10-11 Changes in Equity: 13 Cash flow: 12 Accounting principles: 18 Notes: 18-25 The Q2 2017 report also includes comparable financial metrics for Q2 2016
13	2016 annual report: https://www.axactor.com/sites/default/files/inline-files/Axactor%20annual%20report%202016.pdf	Income statement: 24 Balance sheet: 26-27 Changes in Equity: 28 Cash flow: 29 Auditor’s report: 72-75 Accounting principles: 31-36 Notes: 31-61
	2015 annual report: https://www.axactor.com/sites/default/files/inline-files/Axactor%20annual%20report%202015.pdf	Income statement: 14 Balance sheet: 16-17 Changes in Equity: 18 Cash flow: 19 Auditor’s report: 56-57 Accounting principles: 25-28 Notes: 25-54
	2014 annual report: http://se.nickelmountain.se/wp-content/uploads/2016/09/NMR-ÅR-2014.pdf	Income statement: 14 Balance sheet: 15 Changes in Equity: 16 Cash flow: 17

Auditor’s report: 54-55
Accounting principles: 22-30
Notes: 22-52

The Group's audited consolidated financial statements as of and for the years ended 31 December 2015 and 2016, are available in their entirety at the Company's website, www.axactor.com, and at the Oslo Stock Exchange information system, www.newsweb.no, under the Company's trading symbol "AXA". The Group's audited consolidated financial statements as of 31 December 2014 is available in its entirety at http://se.nickelmountain.se/.

20. ADDITIONAL INFORMATION

Advisors

DNB Markets, a part of DNB Bank ASA, was acting as manager for the Private Placement.

Advokatfirmaet Haavind AS is acting as legal adviser, as to Norwegian law, to the Company in connection with the Private Placement. MAQS Advokatbyrå is acting as legal adviser, as to Swedish law, to the Company in connection with the Private Placement.

Third party information

The information in this Prospectus that has been sourced from third parties has been accurately reproduced and as far as the Company is aware enable to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

21. DEFINITIONS

Capitalized terms used throughout this Prospectus shall have the meaning ascribed to such terms as set out below, unless the context require otherwise.

Definitions

3PC	Third party collection
ALD	ALD Abogados, S.L.
Altor	Altor GmbH, which comprised of Heidelberger Inkasso GmbH, Heidelberger Forderungskauf GmbH, Taloa Equity Management GmbH, VABA GmbH, Altor Mobile Services GmbH, ImmoAdvisors GmbH, GWI Gesellschaft für Wirtschaftsinkasso GmbH and Altor Communication GmbH.
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act no. 11 of 6 March 2009 and the Norwegian Money Laundering Regulations no. 302 of 13 March 2009 taken together
AQR	Asset Quality Review
Axactor Germany	Axactor Germany Holding GmbH, renamed from Altor Group
Axactor Norway	Axactor Norway AS
Axactor Sweden	Axactor Sweden AB, renamed from Profact AB
CET	Central European Time
Collection Platforms	Collection platforms which include all of the collection functions of financial institutions
Company	Axactor AB (publ.)
CS Union	CS Union SpA
Debt Facility	A debt facility for which the Board of Directors have entered into an agreement with DNB and Nordea on, as further described in Section 14.2 "Capital Resources—Borrowings"
EEA	European Economic Area
EU	European Union
EUR	Euro, the official currency of the eurozone
EURIBOR	The Euro Interbank Offered Rate
Euroclear or Euroclear Sweden	The Swedish Central Securities Depositary
ERC	Estimated Remaining Collections
FTE	Full-Time Equivalent (employees)
Geveran	Geveran Trading Co. Limited
Group	The Company, taken together with its consolidated subsidiaries, including where the context so require or permit, Axactor Norway AS, Geslico - Gestión de Cobros, S.A.U, CS Union S.P.A and Axactor Germany
IAS	International Accounting Standards
IAS 34	International Accounting Standard 34 "Interim Financial Reporting"
IFRS	International Financial Reporting Standards as adopted by the EU
IKAS and the IKAS Companies	IKAS Norge AS and 100% of the subsidiaries IKAS Øst AS, IKAS AS, IKAS Nord AS, IKAS Nordvest AS and IKAS Vest AS. The IKAS Companies was renamed Axactor Norway AS in 2016.
KPI	Key Performance Indicator
NOK	Norwegian kroner, the lawful currency of Norway
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 2007 (Nw. Verdipapirhandelloven)
NPL	Non-Performing Loan
PD Amending Directive	Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 amending the Prospectus Directive
Portfolio Investment Company	The portfolio investment company to be established by Axactor and Geveran
Private Placement	The private placement in Axactor AB (publ.) completed 14 August 2017
Private Placement Shares	Shares related to the Private Placement, including both the Private Placement Tranche 1 Shares and the Private Placement Tranche 2 Shares
Private Placement Tranche 1 Shares	Shares related to tranche 1 of the Private Placement, consisting of 75,600,000 Shares
Private Placement Tranche 2 Shares	Shares related to tranche 2 of the Private Placement, consisting of 164,400,000 Shares
Profact	Profact AB, which has been renamed Axactor Sweden AB at the date of this Prospectus

Profact Acquisition	The acquisition of Profact AB from Aptic AB for an entire purchase price of EUR 1.25 million.
Prospectus	This Prospectus dated 21 September 2017
Relevant Member State	Each Member State of the EEA which has implemented the Prospectus Directive
Securities Act or US Securities Act	The United States Securities Act of 1933, as amended
Share(s)	Ordinary shares in the capital of the Company, each with a par value of EUR 0.0523, or where references in this Prospectus are made to "Shares" in the Company being listed or traded on the Oslo Stock Exchange, and where the context so requires or permits, the depositary book-entry form interests in those Shares as further described in Section 16.7 "Corporate Information; Shares and Share Capital—Certain Rights Attached to the Shares—Voting Rights"
SEK	Swedish kronor, the lawful currency of Sweden
SME	Small and medium-sized enterprises
SPA	Share Purchase Agreement
Stock Option Programme A	Employee Stock Option Program A:2017
Stock Option Programme B	Employee Stock Option Program B:2017
Subscription Price	NOK 2.49
Swedish Companies Act	Aktiebolagslagen (2005:551)
Swedish Companies Registry	Bolagsregisteret
Swedish Securities Trading Act	Lag (1991:980) om handel med finansiella instrument
VPS or Norwegian CSD	The Norwegian Central Securities Depositary, or Verdipapirsentralen
VPS Registrar	DNB Bank ASA, Registrars Department

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REGISTERED OFFICE AND ADVISERS

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Legal Advisers to the Company:

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Bygdøy allé 2N-0257 Oslo
Norway

As to Swedish law:

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Mäster Samuelsgatan 20103 86
Stockholm
Sweden

Independent Auditors:

PriceWaterhouseCoopers AB
Skånegatan 1
405—32 Göteborg
Sweden

VPS Registrar:

DNB Bank ASA, Reg. Dept.
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