**PROSPECTUS**

**AXACTOR AB (PUBL.)**

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

**Listing of 220,400,000 Shares, issued in connection with a Private Placement**
**Listing of 49,033,589 Shares, to be issued as transaction consideration to the sellers of IKAS**

The information contained in this prospectus (the "**Prospectus**") relates to (i) the listing on the Oslo Stock Exchange, or Oslo Børs, of 220,400,000 ordinary shares, each with a par value of SEK 0.50, (the "**Private Placement Shares**") in Axactor AB (publ.) (the "**Company**") issued subsequent to a private placement (the "**Private Placement**") directed towards certain institutional and professional investors for gross proceeds of NOK 374,680,000 or approximately SEK 373,484,848 (based on the prevailing NOK/SEK currency rate at the date of the announcement of the Private Placement on 25 May 2016 of approximately 1.00), and (ii) the listing on the Oslo Stock Exchange of 49,033,589 Shares in the Company to be issued (the "**Consideration Shares**") as part of the settlement to the sellers of IKAS Norge AS, IKAS Øst AS, IKAS AS, IKAS Nord AS, IKAS Nordvest AS and IKAS Vest AS ("**IKAS**") (the "**IKAS Acquisition**”).

The Private Placement was undertaken to finance the Company’s growth strategy of acquiring non-performing loan portfolios and collection platforms for credit management services (“**CMS**”) in addition to general corporate purposes.

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 18.7 "Corporate Information; Shares and Share Capital—Certain Rights Attached to the Shares—Voting Rights".

**The Private Placement Shares are expected to be listed on the Oslo Stock Exchange as soon as practically possible following the publication of the Prospectus.**

The Consideration Shares are expected to be issued as soon as practically possible following the Private Placement, and within June 2016.

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, including, where the context so requires or permits, IKAS and Geslico - Gestión de Cobros, S.A.U. For the definition of certain technical terms used throughout this Prospectus, see Section 24 "Definitions".

*Managers*:
**Carnegie and DNB Markets**

**The date of this Prospectus is June 2, 2016**

## IMPORTANT NOTICE

**No shares or other securities are being offered or sold in any jurisdiction pursuant to this Prospectus.**

This document constitutes a prospectus for the purposes of Article 5 (3) of Directive 2003/71/EC and has been prepared in accordance with Section 7-3 of the Norwegian Securities Trading Act of 2007 (Nw. *Verdipapirhandelloven*) (the "**Norwegian 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 Shares and the Consideration 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.

As the Company qualifies as a "Small or Medium Size Enterprise", or an SME, and a company with "reduced market capitalization" the level of disclosure in this Prospectus is proportionate to this type of issuer cf. EC Commission Regulation EC/486/2012 (the "**Proportionate Disclosure Regime**").

Unless otherwise indicated, the source of information included in this Prospectus is the Company. Carnegie AS (**"Carnegie"**) and DNB Markets, a part of DNB Bank ASA (**"DNB Markets"**, Carnegie and DNB Markets together the "**Managers**") 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 Managers.

The Managers 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 adviser, business adviser 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 Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of any 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 any Shares.

The distribution of this Prospectus and the offering and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any shares and no one has taken any action that would permit a public offering of shares to occur. 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 Managers require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions.

The Private Placement Shares and the Consideration Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. This Prospectus has not been approved nor reviewed by the U.S. Securities and Exchange Commission and is not for general distribution in the United States. For certain selling and transfer restrictions see Section 21 "Selling and Transfer Restrictions".

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

## TABLE OF CONTENTS

# 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 consideration of the Prospectus as a whole by the investor.<br><br>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.<br><br>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 Registry 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's is registered with the Swedish Companies Register (Sw. Bolagsregisteret) with registration number 556227-8043. |
| **B.3** | **Current Operations and Principal Activities**........................... | Axactor is a newly established 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.<br><br>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 base 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 529 full-time equivalent ("**FTE**"), and is currently serving approximately 80-90 clients, comprising of banks and other financial institutions, national and international large companies, SMEs, international investment firms and other debt collection agencies. Currently, the Group's largest clients are Caixa Bank and Kutxabank with approximately EUR 586 million and EUR 489 million in debt under management, respectively.
The current business of Axactor was formed after the acquisition of ALD, which was completed on December 5, 2015.

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

On March 16, 2016, the Group entered into a Share Purchase Agreement, or SPA, for the IKAS Acquisition. The acquisition was closed April 7, 2016. IKAS was established in 1988 by Kjell Reiersrud, and is today a reputable supplier of invoice administration and debt collection services in the Norwegian market. IKAS delivers modern payment solutions for selected small to medium sized businesses across all sectors.

On May 12, 2016, the Company acquired 100% of the shares in the Spanish debt collection service provider Geslico – Gestión de Cobros, S.A.U. (**"Geslico"**). The acquistion was closed the same day, May 12, 2016. Geslico is a complete supplier of services within debt collection and with the addition of Geslico, Axactor is positioned as one of the largest players in the Spanish non-performing-loans market ("**NPL**") based on revenue.

**B.4 Recent Industry Trends**.................. Summary 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 and retail deposits.

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.

**B.5 Description of the Group**................. The Company is the parent company of the Group, and owns 100% of the subsidiary ALD Abogados S.L. through its 100% owned sub-holding company Aguamenti Investments, S.L, and 100% of the shares of IKAS and Geslico.

**B.6 Interests in the Company and Voting Rights**

As of May 23, 2016, and so far as is known to the Company, Arctic Funds PLC representing 6.16% and Solan Capital AS representing 5.49% are the only persons that, directly or indirectly, are interested in 5% or more of the share capital of the Company (which constitute a notifiable holding under the Swedish Securities Trading Act).

Following the registration and delivery of the Private Placement Shares, funds managed by Alfred Berg Kapitalforvaltning AS will own shares representing 5.74% of the share capital of the Company and Swedbank Asset Management will own shares representing 5.22% of the shares capital in the Company. These two persons will be the only shareholders with a holding above 5%.

To the knowledge of the Board of Directors, there are, except the Private Placement, 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 December 31, 2014 and 2015 and its unaudited consolidated financial statements as of and for the three-month periods ended March 31, 2015 and 2016. 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***

| | Three Months Ended March 31 | | Year Ended December 31 | |
|---|---|---|---|---|
| | **Unaudited** | **Unaudited** | **Audited** | **Audited** |
| | **2016** | **2015** | **2015** | **2014** |
| *Continued operations* | | | | |
| Gross revenue | 29,404 | — | 4,437 | — |
| Amortization | (1,492) | — | — | — |
| Net income | 27,912 | — | 4,437 | — |
| Other operating income | — | — | — | 75 |
| Total operating income | 27,912 | — | 4,437 | 75 |
| Other external expenses | (18,152) | (1,495) | (29,940) | (9,927) |
| Personnel expenses | (20,258) | — | (5,089) | 187 |
| Results from equity accounted participations | | | — | — |
| Operating result before depreciations and impairment losses | (10,498) | (1,495) | (30,592) | (9,665) |
| Depreciation/amortization and impairment loss on tangible, intangible & financial fixed assets | (2,464) | — | (837) | — |
| Operating results after depreciation and impairment losses | (12,962) | (1,495) | (31,429) | (9,665) |
| Financial revenue | 4,253 | 844 | 329 | 3,105 |
| Financial expenses | (6,960) | (261) | (30,218) | (3,111) |
| Total financial items | (2,707) | 583 | (29,889) | (6) |
| Result before tax | (15,669) | (912) | (61,318) | (9,671) |
| Income tax | 773 | — | — | — |

*Income Statement Information*
*SEK 1,000*

| | Three Months Ended March 31 | | Year Ended December 31 | |
|---|---|---|---|---|
| | **Unaudited** | **Unaudited** | **Audited** | **Audited** |
| | **2016** | **2015** | **2015** | **2014** |
| Results for the period from remaining operations.... | (14,896) | (912) | (61,318) | (9,671) |
| Loss from discontinued operations ......................... | — | (117) | (105,288) | (36,336) |
| Result for the period including discontinued operations................................................................. | (14,896) | (1,029) | (166,606) | (46,007) |
| Result for the period attributable to: ....................... | | | | |
| Equity holders of the parent company...................... | (14,896) | (1,029) | (166,606) | (45,986) |
| Non-controlling interest .......................................... | — | — | — | (21) |
| Result for the period................................................ | (14,896) | (1,029) | (166,606) | (46,007) |
| Result per share before and after dilution including discontinued operations ............... | (0.02) | (0.01) | (1.25) | (1.54) |
| Result per share before and after dilution excluding discontinued operations............... | (0.02) | (0.01) | (0.46) | (0.32) |
| Average number of shares (millions) ....................... | 619.1 | 90.8 | 133.7 | 29.8 |

*Statement of Financial Position Information*
*SEK 1,000*

| | Three Months Ended March 31 | Year Ended December 31 | |
|---|---|---|---|
| | **Unaudited** | **Audited** | **Audited** |
| | **2016** | **2015** | **2014** |
| **Assets** | | | |
| *Intangible fixed assets* | | | |
| Mineral interests............................................. | — | — | 111,676 |
| Customer relationships................................... | 36,006 | 37,125 | — |
| Database......................................................... | 7,276 | 7,530 | — |
| Other intangible assets ................................... | 436 | 448 | — |
| Goodwill ........................................................ | 124,467 | 124,467 | — |
| *Tangible fixed assets* | | | |
| Plant and machinery....................................... | 1,669 | 549 | 551 |
| *Long-term financial assets* | | | |
| Purchased debt .............................................. | 250,722 | — | — |
| Other long-term investments.......................... | 667 | 267 | 359 |
| Long-term receivables................................... | — | — | 31 |
| Total fixed assets............................................ | 421,243 | 170,386 | 112,617 |
| Other receivables............................................ | 63,579 | 58,284 | 696 |
| Prepaid expenses ............................................ | 6,462 | 3,760 | 161 |
| Cash and cash equivalents.............................. | 185,793 | 372,375 | 61,502 |
| Total current assets | 255,834 | 434,419 | 62,359 |
| Total assets | 677,077 | 604,805 | 174,976 |
| **Equity and liabilities** | | | |
| *Equity attributable to equity holders of the parent company* | | | |
| Share capital................................................... | 328,107 | 298,307 | 45,405 |
| Other paid-in capital....................................... | 1,541,773 | 1,468,788 | 1,256,648 |
| Reserves ......................................................... | (1,917) | (96) | — |
| Retained earnings and profit for the period..... | (1,304,902) | (1,290,007) | (1,141,416) |
| | | 476,992 | 160,637 |
| Non-controlling interest | — | — | 157 |
| Total equity .................................................... | 563,060 | 476,992 | 160,794 |
| **Liabilities** | | | |
| *Long-term liabilities* | | | |
| Convertible loan............................................. | — | 5,000 | 5,000 |
| Deferred tax liabilities.................................... | 10,820 | 11,357 | — |

| *Statement of Financial Position Information* *SEK 1,000* | Three Months Ended March 31 Unaudited | Year Ended December 31 Audited | Audited |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| Other long-term liabilities | 2,912 | 500 | 4,000 |
| Total long-term liabilities | 13,732 | 16,857 | 9,000 |
| *Long-term liabilities* | | | |
| Accounts payable | 13,559 | 12,420 | 1,560 |
| Tax liabilities | — | 9,963 | — |
| Other short term liabilities | 65,597 | 64,088 | 1,146 |
| Accrued expenses and prepaid income | 21,129 | 24,485 | 2,475 |
| Total current liabilities | 100,285 | 110,956 | 5,181 |
| Total equity and liabilities | 677,077 | 604,805 | 174,976 |
| Pledged assets | 4,000 | 4,000 | 31 |
| Contingent liabilities | — | — | — |

| *Cash Flow Statement Information* *SEK 1,000* | Three Months Ended March 31 Unaudited | Unaudited | Year Ended December 31 Audited | Audited |
|---|---|---|---|---|
| | 2016 | 2015 | 2015 | 2014 |
| ***Cash flow from operations*** | | | | |
| Results after financial items | (15,669) | (1,029) | (166,606) | (46,007) |
| Adjustments for non-cash items | 4,177 | 20 | 134,586 | 31,468 |
| Total cash flow from operations before change in working capital | (11,492) | (1,009) | (32,020) | (14,539) |
| *Change in working capital* | | | | |
| Increase/decrease in receivables | (7,997) | 34 | 2,133 | 2,041 |
| Increase/decrease in short-term liabilities | (8,260) | (657) | 5,852 | (4,665) |
| Total cash flow from operations | (27,749) | (1,632) | (24,036) | (17,163) |
| ***Cash flow use for investments*** | | | | |
| Purchase of intangible fixed assets | — | (945) | — | (5,162) |
| Purchase of tangible fixed assets | (1,228) | — | — | (691) |
| Purchase of debt | (250,722) | — | — | — |
| Purchase of financial fixed assets | (400) | (22) | (82,691) | — |
| Sale of financial fixed assets | — | — | — | 2,000 |
| Total cash flow used for investments | (252,350) | (967) | (82,691) | (3,853) |
| ***Financial activities*** | | | | |
| New share issue | 104,430 | — | 460,386 | 74,081 |
| Costs related to fundraising | (3,824) | — | (24,281) | (7,950) |
| Raised credits | — | — | — | 1,098 |
| Amortization of debt | (5,000) | (1,099) | (1,099) | — |
| Total cash flow from financial activities | 95,605 | (1,099) | 435,006 | 67,229 |
| Change in cash and bank | (184,495) | (3,698) | 328,279 | 46,213 |
| Exchange difference in liquid funds | (2,088) | — | (17,406) | — |
| Cash and bank on January 1 | 372,375 | 61,502 | 61,502 | 15,289 |
| Cash and bank at the end of the reporting period | 185,793 | 57,804 | 372,375 | 61,502 |
| *Adjustment for non-cash items* | | | | |
| Impairment losses on intangible fixed assets | — | — | 104,310 | 3,685 |
| Depreciation of tangible fixed assets | 2,464 | 34 | 973 | 180 |
| Amortization of portfolios | 1,492 | — | — | — |

***Cash Flow Statement Information***

| ***SEK 1,000*** | **Three Months Ended March 31** | | **Year Ended December 31** | |
|---|---|---|---|---|
| | **Unaudited** | **Unaudited** | **Audited** | **Audited** |
| | **2016** | **2015** | **2015** | **2014** |
| Exchange loss | (1,958) | | 19,771 | (1,081) |
| Loss from sold companies | — | — | 9,532 | 30,000 |
| Options | 2,179 | — | — | — |
| Other | — | (14) | — | (1,316) |
| Total | 4,177 | | 134,586 | 31,468 |

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

Since March 31, 2016, which is the date of the Group's last reported balance sheet, the following significant changes in respect of the Group have occurred:

- On April 7, the IKAS transaction (which was announced on March 17, 2016) closed and simultaneously the Company made the first drawdown of NOK 135 million under the New Debt Facility to part finance the acquisition.
- On 12 May, the Company acquired Geslico, a Spanish supplier of services within debt collection, to complement its operating platform in Spain for a price of EUR 2 million.
- On May 25, the Company completed the Private Placement with gross proceeds of approximately NOK 375 million.

**B.8** **Selected Key Pro Forma Financial Information**

The acquisitions of IKAS and Geslico by Axactor triggers pro forma information (the “Pro Forma Triggering Acquisitions”). The agreement to acquire IKAS was signed 16 March 2016 and closed on 7 April 2016. The agreement to acquired Geslico was signed and closed on 12 May 2016.

The unaudited pro forma condensed financial information has been prepared to comply with the applicable EU-regulations including EU Regulation No 809/2004. This information is not in compliance with SEC Regulation S-X, and had the securities been registered under the U.S: Securities Act of 1933, this unaudited pro forma condensed financial information, including the report by the auditor, would have been amended and / or removed from the offering document.

The unaudited pro forma condensed financial information has been prepared for illustrative purposes to show how the Pro Forma Triggering Acquisitions might have affected the Company’s audited consolidated condensed statement of income for 2015 as if the acquisitions occurred on 1 January 2015 and the unaudited consolidated condensed statement of financial position as of 31 December 2015 as if the acquisitions of IKAS and Geslisco occurred on the date of the statement of financial position. The acquisition of ALD Abogados is reflected in the 31 December 2015 statement of financial position of the Company.

*Unaudited pro forma condensed statements of income 2015*

| All numbers in SEK thousands | Historical financial: Axactor AB | Historical financial: ALD Abogados | Historical financial: IKAS-companies | Historical financial: Geslico | ALD Abogados | | IKAS-companies | | Geslico | | Notes | PRO FORMA |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | IFRS | Spanish GAAP | Norwegian GAAP | Spanish GAAP | IFRS-adjustments | Pro forma adjustments | IFRS-adjustments | Pro forma adjustments | IFRS-adjustments | Pro forma adjustments | | |
| | Jan. 1 - Dec. 31, 2015 (audited) | Jan. 1 - Nov. 30 2015 (unaudited) | Jan. 1 - Dec. 31, 2015 (unaudited) | Jan. 1 - Dec. 31 2015 (audited) | Jan. 1 - Nov. 30 2015 (unaudited) | Jan. 1 - Nov. 30 2015 (unaudited) | Jan. 1 - Dec. 31, 2015 (unaudited) | Jan. 1 - Dec. 31, 2015 (unaudited) | Jan. 1 - Dec. 31 2015 (unaudited) | Jan. 1 - Dec. 31 2015 (unaudited) | | Jan. 1 - Dec. 31, 2015 (unaudited) |
| Rendering of services | - | 90,740.0 | 93,612.2 | 127,181.2 | - | - | - | - | - | - | | 311,533.5 |
| Other operating Income | 4,437.0 | - | 270.6 | 1,990.3 | - | - | - | - | - | - | | 6,697.9 |
| **Gross Revenues** | **4,437.0** | **90,740.0** | **93,882.8** | **129,171.5** | **-** | **-** | **-** | **-** | **-** | **-** | | **318,231.4** |
| Other external expenses | -29,940.0 | -5,761.9 | -17,319.4 | -48,433.4 | - | - | - | -2,002.0 | -7,230.0 | -12,852.8 | 2B | -123,539.5 |
| Personnel expenses | -5,089.0 | -47,152.3 | -48,417.0 | -121,821.2 | - | - | - | - | - | - | | -222,479.5 |
| **Operating result before depreciations and impairment losses** | **-30,592.0** | **37,825.8** | **-65,736.4** | **-41,083.1** | **-** | **-** | **-** | **-2,002.0** | **-7,230.0** | **-12,852.8** | | **-27,787.6** |
| Depreciation/amortization and impairment loss on tangible and intangible assets | -837.0 | - | -1,190.4 | -2,998.4 | - | -8,179.5 | - | -13,983.4 | - | - | 2A | -27,188.8 |
| **Operating results after depreciation and impairment losses** | **-31,429.0** | **37,825.8** | **26,956.0** | **-44,081.5** | **-** | **-8,179.5** | **-** | **-15,985.3** | **-7,230.0** | **-12,852.8** | | **-54,976.4** |
| Financial revenue | 329.0 | 2.8 | 5,651.4 | 22.4 | - | - | - | -0.3 | - | - | 2F | 6,005.3 |
| Financial expenses | -30,218.0 | -55.0 | -63.8 | -146.7 | - | - | - | -6,846.6 | - | - | 2F | -37,330.1 |
| Other financial income | - | 0.0 | - | - | - | - | - | - | - | - | | 0.0 |
| Other financial cost | - | -0.0 | - | - | - | - | - | - | - | - | | -0.0 |
| **Result before tax** | **-61,318.0** | **37,773.6** | **32,543.6** | **-44,205.8** | **-** | **-** | **-** | **-22,832.2** | **-** | **-** | | **-86,301.1** |
| Income tax | - | -11,191.7 | -7,425.2 | 7,554.8 | - | 2,290.3 | - | 3,495.8 | -7,554.8 | - | 2E | -12,830.8 |
| **Results for the period from remaining operations** | **-61,318.0** | **26,582.0** | **25,118.4** | **-36,651.0** | **-** | **2,290.3** | **-** | **-19,336.4** | **-** | **-** | | **-99,131.9** |
| Loss from discontinued operations | -105,288.0 | - | - | - | - | - | - | - | - | - | | -105,288.0 |
| **Result for the period including discontinued operations** | **-166,606.0** | **26,582.0** | **25,118.4** | **-36,651.0** | **-** | **-** | **-** | **-19,336.4** | **-** | **-** | | **-204,419.9** |

## *Unaudited condensed pro forma statement of financial position 31 December 2015*

| All numbers in SEK thousands | Historical financial information: Axactor AB | Historical financial information: IKAS-companies | Historical financial information: Geslico | IKAS-companies | | Geslico | | Notes | PRO FORMA |
|---|---|---|---|---|---|---|---|---|---|
| | | | | IFRS-adjustments 31 December 2015 | Pro forma adjustments 31 December 2015 | IFRS-adjustments 31 December 2015 | Pro forma adjustments 31 December 2015 | | |
| | 31 December 2015 | 31 December 2015 (unaudited) | 31 December 2015 (audited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | | 31 December 2015 (unaudited) |
| **ASSETS** | | | | | | | | | |
| **Fixed assets** | | | | | | | | | |
| *Intangible fixed assets* | | | | | | | | | |
| Customer relationships | 37,125.0 | - | | - | 59,403.3 | - | - | 2A | 96,528.3 |
| Database | 7,530.0 | - | | - | 12,616.2 | - | - | 2A | 20,146.2 |
| Other Intangible assets | 448.0 | 1,378.7 | 4,209.8 | - | -1,378.7 | - | - | 2A | 4,657.8 |
| Deferred tax assets | - | - | 18,559.4 | - | - | -18,559.4 | - | | - |
| Goodwill | 124,467.0 | - | | - | 212,690.5 | - | - | 2A | 337,157.5 |
| *Tangible fixed assets* | | | | | | | | | |
| Lands and buildings | - | - | 5,512.5 | - | - | - | - | | 5,512.5 |
| Plant and Machinery | 549.0 | - | | - | - | - | - | | 549.0 |
| Tangible assets (not specified) | - | 7,930.6 | 1,594.1 | - | - | - | - | | 9,524.7 |
| *Long-term financial fixed assets* | | | | | | | - | | |
| Non-current financial assets | | 1,806.7 | 2,336.6 | - | - | - | - | | 4,143.3 |
| Other long-term investments | 267.0 | | | - | - | - | - | | 267.0 |
| **Total fixed assets** | **170,386.0** | **11,116.0** | **32,212.4** | **-** | **283,331.4** | **-** | **-** | | **478,486.4** |
| **Current assets** | | | | | | | | | |
| Trade receivables | - | 6,018.5 | 32,352.0 | - | - | -7,230.0 | - | | 31,140.6 |
| Other receivables | 61,257.0 | 3,597.5 | 714.5 | - | - | - | - | | 65,569.0 |
| Prepaid expenses | 787.0 | - | 184.3 | - | - | - | - | | 971.3 |
| Cash and cash equivalents | 372,375.0 | 34,637.9 | 7,197.1 | - | -57,550.0 | - | -33,050.2 | 2C | 323,609.9 |
| Current tax assets | - | - | 205.5 | | | - | - | | 205.5 |
| Financial assets | - | - | 1,924.2 | - | 1,240.3 | - | - | 2A | 3,164.5 |
| **Total current assets** | **434,419.0** | **44,254.0** | **42,577.8** | **-** | **-56,309.7** | **-7,230.0** | **-33,050.2** | | **424,660.9** |
| **TOTAL ASSETS** | **604,805.0** | **55,370.0** | **74,790.2** | **-** | **227,021.6** | **-7,230.0** | **-33,050.2** | | **903,147.3** |

| All numbers in SEK thousands | Historical financial information: Axactor AB 31 December 2015 | Historical financial information: IKAS-companies 31 December 2015 (unaudited) | Historical financial information: Geslico 31 December 2015 (audited) | IKAS-companies: IFRS-adjustments 31 December 2015 (unaudited) | IKAS-companies: Pro forma adjustments 31 December 2015 (unaudited) | Geslico: IFRS-adjustments 31 December 2015 (unaudited) | Geslico: Pro forma adjustments 31 December 2015 (unaudited) | Notes | PRO FORMA 31 December 2015 (unaudited) |
|---|---|---|---|---|---|---|---|---|---|
| **EQUITY** | | | | | | | | | |
| *Equity attributable to equity holders of the Parent Company* | | | | | | | | | |
| Share capital | 298,307.0 | 1,909.3 | 552.7 | - | 81,412.8 | - | -552.7 | 2D | 381,629.1 |
| Other paid in capital | 1,468,788.0 | 19.1 | 77,624.4 | - | -19.1 | - | -77,624.4 | 2D | 1,468,788.0 |
| Reserves | -96.0 | | 6,854.9 | - | - | - | -6,854.9 | | -96.0 |
| Other retained earnings and profit for the per | -1,290,007.0 | 10,365.2 | -40,881.8 | 19,704.1 | -11,212.7 | -25,789.4 | 51,981.8 | 1A, 2D | -1,285,839.9 |
| **Total equity** | **476,992.0** | **12,293.6** | **44,150.1** | **19,704.1** | **70,181.0** | **-25,789.4** | **-33,050.2** | | **564,481.2** |
| **LONG TERM LIABILITIES** | | | | | | | | | |
| Convertible loan | 5,000.0 | - | | - | - | - | - | | 5,000.0 |
| Interest-bearing loans and borrowings | - | 579.2 | 5,177.9 | - | 111,096.1 | - | - | 2F | 116,853.2 |
| Other long-term liabilities | 500.0 | 200.5 | 5,515.7 | - | - | - | - | | 6,216.2 |
| Deferred tax liabilities | 11,357.0 | 466.9 | | - | 17,970.5 | - | - | 2A, 2E | 29,794.4 |
| **Total long term liabilities** | **16,857.0** | **1,246.6** | **10,693.6** | **-** | **129,066.6** | **-** | **-** | | **157,863.7** |
| **CURRENT LIABILITIES** | | | | | | | | | |
| Trade and other payables | - | 4,020.1 | 153.9 | - | - | - | - | | 4,174.0 |
| Account payables | 12,420.0 | - | | - | - | - | - | | 12,420.0 |
| Interest-bearing loans and borrowings | - | - | 861.6 | - | 27,774.0 | - | - | 2F | 28,635.7 |
| Short term loans and borrowings | 5,542.0 | - | | - | - | - | - | | 5,542.0 |
| Other liabilities | - | 5,273.5 | 13,119.1 | - | - | - | - | | 18,392.7 |
| Public duties payable | - | 6,132.3 | 4,767.1 | - | - | - | - | | 10,899.4 |
| Income tax payables | - | 6,700.3 | | - | - | - | - | | 6,700.3 |
| Accrued expenses and prepaid income | 92,995.0 | - | 1,044.5 | - | - | - | - | | 94,039.5 |
| Dividends | - | 19,704.1 | | -19,704.1 | - | - | - | 1A | - |
| **Total current liabilities** | **110,957.0** | **41,830.3** | **19,946.3** | **-19,704.1** | **27,774.0** | **-** | **-** | | **180,803.6** |
| **TOTAL EQUITY AND LIABILITIES** | **604,806.0** | **55,370.5** | **74,790.0** | **-** | **227,021.6** | **-25,789.4** | **-33,050.2** | **-** | **903,148.5** |

**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). 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 a company called Ghana Gold. 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). 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 from the audit opining given by PWC in the 2015 annual report.

> *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.*

**B.11 Insufficient Working Capital** .................... Not applicable. 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 twelve months period ending 31 December 2015, the company had a negative result from remaining operations of SEK 61.3 million. The Private Placement resulted in the Company raising approximately SEK 373.5 million. This constitutes the main reason why the Group 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.

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**Element C—Securities**

| | | |
|---|---|---|
| **C.1** | **Type and Class of Securities Being Offered and Admitted to Trading and Identification Number** .............................. | The Private Placement Shares and Consideration Shares will at issuance be ordinary shares in the Company, 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 SEK. |
| **C.3** | **Number of Shares in Issue and Par Value** ..................................................................... | As of the date of this Prospectus, the Company's share capital is SEK 438,307,180, consisting of 876,614,360 Shares with a par value of SEK 0.50 each. |
| **C.4** | **Rights Attaching to the Shares**................. | Each of the Company's shares carries one vote and all shares provide equal rights in the Company. |
| **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** ............................... | The Private Placement Shares were registered with the Swedish Register of Business Enterprises on May 30, 2016 and the Private Placement Shares are expected to be listed on the Oslo Stock Exchange as soon as practically possible following publication of the Prospectus.<br><br>The Consideration Shares will be issued and delivered as soon as practically after this Prospectus has been approved and published. |
| **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.<br><br>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:<br><br>• The Group operates 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 which may negatively affect the Group's ability to compete in the market.<br>• The Group is currently, and is expected to continue to be, exposed to risks associated with having a limited number of clients which in case of a loss of clients may negatively impact the financial position of the Group.<br>• Reputation is critical to the Group's business, and any event that could harm the Group's reputation could adversely affect |

its business such as attracting new clients.

- 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 and the Group may not be able to implement its acquisition strategy. 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 could may be materially affected.
- The Group may make acquisitions that prove unsuccessful which could have a negative impact on the financial position of the Company.
- If the information and the documentation on which the decision to acquire IKAS and Geslico was based on was not correct and complete, this may affect the Company’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. Failure to comply with such regulations may 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 Company does not have a history as an owner of a debt collection business, and investors may accordingly have difficulties assessing the Group's outlook for future revenues and other operating results.
- The Group's success depends on its ability to employ and retain skilled personnel and failure to do so may adversely affect the business of the Group.
- The Group relies on third-party service providers and failure to retain such third-party service providers may adversely affect the business of the Group.
- The manner in which the Group, or third-party service providers on the Group’s behalf, undertakes collection processes could negatively affect the Group's business and reputation.
- The Group is subject to risks associated with its contracts for debt collection. Failure to collect under the contracts would negatively affect the financial position of the Group.
- When the Group purchases debt portfolios, it will make a number of assumptions which may prove to be inaccurate which may affect the financial position of the Group.
- The statistical models and analytical tools used by the Group may prove to be inaccurate and as a result the Group will not be able to achieve the recoveries forecasted.
- The Group may 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 loss of business of the Group.
- Failure to protect customer data could negatively affect the Group's business.

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

- The Group may not be able to procure sufficient funding at favorable terms to purchase further debt collection service providers, debt portfolios or Collection Platforms which could negatively impact on the growth plans of the Group.

- The Group's new debt facilities will subject the Group to restrictive debt covenants that could 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 paying interest on its indebtedness. These payments limit funds available for working capital, capital expenditures and other purposes.
- The Group will be exposed to the risk of currency fluctuations which may negatively impact on the results of the Group.

Certain Additional Risks:

- Mr. Rangnes, the Group's new CEO and Mr. Tsolis, the Group's new Head of Strategy and Projects are subject to a lawsuit by their former employer, Lindorff, relating to alleged breach of employee and employer loyalty obligations and misuse of confidential information which may have an adverse effect on the reputation of the Group.
- The Group is subject to risks relating to its historical use of tax deductible losses which may negatively affect the financial position of the Group.

  A large part of the Group's business is connected to Spain and a deterioration of the political situation in Spain could have a material adverse effect on the Group's business, results of operations or financial condition.

**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 may 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, our 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.
- Future issuance of Shares or other securities may dilute the holdings of shareholders and could materially 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.
- Shareholders are subject to exchange rate risk which may affect the value of the Shares if sold.

## 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 materialize, individually or together with other circumstances, they may have a material adverse effect on the Group's business, financial condition, results of operations and the value and trading price of the Shares that could 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. 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.***

The Group will face strong competition, including from pan-European competitors and competitors that are active on 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 and for debt portfolios, or collection platforms which include all of the collection functions of financial institutions ("**Collection Platforms**" or "**Carve-Outs**"), or for purchases of other debt collection service providers. This price competition could 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 of the price offered along with several other factors, such as service, reputation and relationships. The Group's competitors may have competitive strengths that a new market entrant, such as the Group, cannot match. Further, the Group's competitors may 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 will be critical to the Group's business, and any event that could harm the Group's reputation could adversely affect its business.***

In addition to pricing and other features of the Group's services, reputation will be critical to clients' or potential clients' willingness of engaging with the Group. As the Group will be a new market entrant in the debt collection business, its brand will be less known to clients and potential clients, and events that could harm the Group's reputation could have 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, the Group's business and its ability of implementing its business plan could may be materially affected.

***The Group may make acquisitions that prove unsuccessful and may not be able to manage growth effectively.***

The Group plans to acquire additional debt collection service providers, as well as debt portfolios and/or Collection Platforms. There is a risk that the Group will not be able to identify or complete acquisitions or that such acquisitions will prove to be successful. Where the Group acquires other debt collection service providers or Collection Platforms, it may not be able to successfully integrate these businesses, their operations, personnel and IT systems into the Group. Further, 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 risk relating to the acquisitions of ALD Abogados, IKAS and Geslico.***

If the information and the documentation on which the decision to acquire ALD Abogados, IKAS and Geslico was based on was not correct and complete, this may affect the Company's business, financial condition and results of operation. The Company has completed a due diligence review of IKAS and Geslico based on the information and documentation received by the sellers, however if the information provided does not properly reflect the business and financial condition of ALD Abogados, IKAS and Geslico, this may affect the Company's business, financial condition and results of operation.

The integration of ALD Abogados, IKAS and Geslico 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 could take longer or be more costly than anticipated. If this is the case, this may have a negative impact on the Company's business, financial position and results of operation.

***The Group will be 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. Any new laws or regulations as a result of such scrutiny or for other reasons could adversely affect the Group.

***The Group may not be able to implement its strategic plans.***

The Group may not be able to implement its strategic plans, including acquiring other debt collection service providers, debt portfolios or Collection Platforms, and expanding into new geographies. If implementation of such plans is not successful, the Group may 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 the Group may not in the future have sufficient financial resources to fund investments required in connection therewith. Any failure to implement the Group's strategic plans could have a material adverse effect on the Group's business, results of operations or financial condition.

***The Company has a short history as an owner of a debt collection business, and investors may accordingly have difficulties assessing the Group's outlook for future revenues and other operating results.***

The Company has historically operated in the business of mineral exploration and not as an owner of a debt collection business. The Group's entry into the business of debt collection commenced as of completion of the acquisition of ALD Abogados. Historical financial information upon which prospective investors can evaluate the Group's debt collection business does not exist. Accordingly, investors may have difficulties assessing the Group's outlook for future revenues and other operating results.

***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 that the Group will not be able to employ and retain sufficiently skilled personnel. The loss of services of key executive officers or other key personnel could impair the Group's ability succeed in, among other things, taking advantage of acquisition opportunities, or in being able to enter into new debt collection service contract or to service clients or portfolios effectively. In addition, increase in labor costs, potential labor disputes and work stoppages could negatively affect the Group's business. Any of these developments could have a material adverse effect on the Group's business, results of operations or financial condition.

***The Group will rely on third-party service providers.***

The Group will, among other things, use external lawyers and solicitors in the debt collection process. Any failure by these third parties to adequately perform such services for the Group could 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.***

Factors that could negatively affect the Group's business and reputation includes: failures in the Group's collection and data protection processes; IT platform failure; ineffectiveness in the collection of debt, unethical or improper behavior, 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. Any such events could harm the Group's relationships to existing and potential clients, and have impact on recovery rates, which again could 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. Under many debt collection contracts, payment by the client to 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. Any of these aspects of the Group's contracts could 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. It is crucial for the Group's business that it is able 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. 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 could 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 to be used by the Group may prove to be inaccurate.***

The Group will use 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 those models will not 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 misjudgments or mistakes when utilizing statistical models and analytical tools. In addition, information provided by third parties, such as credit information suppliers and sources, used when valuing portfolios may prove not to be accurate or sufficient. Further, generally, 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.

***The Group may not be able to successfully maintain and develop its IT platform or anticipate, manage or adopt technological advances within its industry.***

The Group will rely 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, on a timely basis, anticipating and adopting to technological changes. 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. Any of these events could 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.***

Failure to protect the use of the Group's 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. Any failure to protect the Group's customer data from unauthorized use or to comply with current applicable or future laws or regulations, could have a material adverse effect on the Group's reputation, business, results of operations or financial condition.

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

In addition to entering into the Spanish debt collection market, through the acquisition of ALD and Geslico, and the Norwegian market through the acquisition of IKAS, the Group plans to expand into other jurisdictions. The Group will 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, labor law and tax. When entering new markets, the Group could face additional risks, including incurring start-up losses and costs, the lack of experience in such markets, and difficulties in maintaining standards that are consistent throughout the Group. Any negative impact caused by the foregoing risks could have a material adverse effect on the Group's business, results of operations or financial condition.

***Mr. Rangnes, Mr. Tsolis and Mr. Hansen are subject to a lawsuit by their former employer, Lindorff, relating to alleged breach of employee and employer loyalty obligations and misuse of confidential information.***

Mr. Rangnes, the Group's CEO, Mr. Tsolis, the Group's Head of Strategy and Projects, and Oddgeir Hansen, the Group's Chief Operating Officer, are subject to a lawsuit by their former employer, Lindorff, relating to alleged breach of employee and employer loyalty obligations and misuse of confidential information. Endre Rangnes ended his employment contract as CEO of Lindorff mid October 2014, and had a general duty of loyalty in the six months termination period up to April 30, 2015. According to the provisions in his employment agreement, he was not subject to any competition clause because he terminated his contract evoking his change of control rights. After April 30, 2015, he was free to plan and start competing business. The lawsuit also comprises Johnny Tsolis, as well as the former COO of Lindorff, Oddgeir Hansen. Lindorff has sued Mr. Rangnes, Mr. Tsolis and Mr. Hansen personally, before the Oslo District Court, claiming that they planned and started a new business before April 30, 2014. Lindorff has further accused Mr. Rangnes, Mr. Tsolis and Mr. Hansen of having misused confidential information. For this, Lindorff claims damages (no amounts have been specified to date, except for legal fees prior to the lawsuit). Lindorff also claim that the defendants repay some of the benefits received (inter alia severance pay). In the course of the preparatory phase of the lawsuit, Lindorff required Mr. Rangnes, Mr. Tsolis and Mr. Hansen to disclose to Lindorff certain documents that Lindorff claimed would prove that Mr. Rangnes, Mr. Tsolis and Mr. Hansen had planned and started new business before the relevant date and that they were misusing confidential information. After a review procedure conducted by the Court relating to these documents, the Court passed a procedural ruling pursuant to which the Court found that some of the documents concerned contained information that were Mr. Rangnes', Mr. Tsolis' and mr. Hansens' own business secrets, and that Mr. Rangnes, Mr. Tsolis and Mr. Hansen were therefore not required to disclose these documents to Lindorff (in addition, some of the documents concerned were not in the possession of Mr. Rangnes, Mr. Tsolis and Mr. Hansen). The procedural ruling is not yet legally enforceable. Lindorff has made a similar requirement against a third party, which has not yet been processed by the Court. The main hearing of the case before the Oslo District Court is set for November 2016.

There is a risk that that this lawsuit will to negative media publicity affecting the Group, or have other unanticipated negative effects, such as diverting management attention from their responsibilities within the Group.

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

***The Group may not be able to procure sufficient funding at favorable 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. An inability to procure sufficient funding at favorable terms to take advantage of acquisition opportunities could have a material adverse effect on the Group's business, results of operations or financial condition.

On 25 May 2016, the Company announced that a large Nordic bank with deep knowledge and extensive experience from the credit management industry had committed to make available EUR 25 million in additional financing under the New Debt Facility. The commitment is subject to signing loan documentation. While it is expected that this should take two to three weeks, the documentation process may take longer time.

***The Group's debt facilities will subject the Group to restrictive debt covenants that could limit its ability to finance its future operations and capital needs and pursue business opportunities and activities.***

On 15 October 2015, 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 "**New Debt Facility**"). The Company entered into final agreement for the New Debt Facility with DNB on 16 March 2016. The New 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. The covenants to which the Group is subject to could 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 under the New Debt Facility subject to financial covenants.

***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 downpayments 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 our 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. If the Group is unable to meet its debt obligations or if some other default occurs under its debt facilities, the Group's lenders could elect to declare that debt, together with accrued interest and fees, to 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 will have operations in Spain and Norway, 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, including Euros and NOK, and then translated into SEK at the applicable exchange rates for inclusion in the Group's consolidated financial statements, which are currently stated in SEK. 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 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 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 and adversely affect the Group's business, results of operation and financial condition.

***A large part of the Group's business is connected to Spain and a deterioration of the political situation in Spain could have a material adverse effect on the Group's business, results of operations or financial condition.***

The level of political risk in Spain has risen the past year and the country has difficulties in forming a government and high levels of debt and unemployment. If the difficulties persist this could slow down the agenda of reforms and cause a lack of confidence in the Spanish markets. Since the Group has a large part of its business in Spain any deterioration of the political situation could have a material adverse effect on the Group's business, results of operations or financial condition.

## 2.2 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 Sweden 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 Sweden and/or does not notify the Company of his participation, such shareholder does not hold the right to vote at the general meeting.

***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 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, election of directors, record dates for shareholders meetings, liability and indemnification of directors, 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.

***Future issuance of Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares.***

The Company expects to offer additional Shares or other securities in the future in order to secure financing for new acquisitions, or for any other purposes. Any such additional offering could reduce the proportionate ownership and voting interests of holders of Shares, and any offering by the Company could 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, the Company's US shareholders may 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 SEK. Accordingly, investors may be subject to adverse movements in NOK and SEK 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.

***Limited liquidity in the trading market for the Shares could have a negative impact on the market price and ability to sell Shares.***

The Company’s Shares are currently listed on 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, the share price can be negatively affected and may 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 confirms that, having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

2 June, 2016

**The Board of Directors of Axactor AB (publ.)**

Einar J. Greve (Chairman)

Gunnar Hvammen

Per Dalemo

## 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 on 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, analyze 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, behavior, 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 IKAS ACQUISITION

This Section provides an overview of the IKAS 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 10 "Business Overview and business plan", Section 11 "Industry Overview" and Section 15 "Unaudited Pro Forma Financial Information".

### 5.1 Background, Reasons and Effect

On March 16, 2016, the Company entered into a share purchase agreement, ("**SPA**"), for the acquisition of 100% of the shares in the Norwegian debt collection company IKAS. The agreement was announced March 17, 2016. Through this acquisition Axactor has established a debt collection and portfolio acquisition platform in the Norwegian market.

IKAS is a growing company in the debt collection industry in Norway. The company currently delivers payment solutions for selected industries. The company was established in 1988 and had 63 FTEs as per year end 2015, with offices in five Norwegian cities. IKAS has over the last five years doubled the turnover to NOK 91 million[1]. The EBITDA margin was approximately 30% in 2015, based on sum of unaudited figures for the IKAS companies.

The acquisition of IKAS is in line with Axactor's announced strategy to establish credit management operations in growth markets through acquisitions of companies. The acquisition of IKAS provides Axactor with an operational Norwegian foothold as part of its European growth strategy.

Entering the Norwegian market represents a diversification of Axactor's operations and Nordic presence may increase Axactor's ability to secure financing with the Nordic banks.

### 5.2 Key Figures

Key figures for IKAS are presented in the table below. The figures are aggregated non-consolidated figures for the IKAS-companies. The financial figures in the table below are only an extract and must be read in conjunction with the entire financial statements of the IKAS-companies. EY and Revisjonsfirma Halvorsen Hunstad have been the two auditors for the various IKAS companies in 2015. No consolidated financial figures for the IKAS group of companies consist.

***Key figures***
***NOK million***

| | Year Ended December 31 | | |
|---|---|---|---|
| | **Unaudited[2]** | **Unaudited[2]** | **Unaudited[2]** |
| | **2015** | **2014** | **2013** |
| Revenues | 90.9 | 80.8 | 72.6 |
| Operating result before depreciations and impairment losses | 29.7 | n.a. | n.a. |
| Operating results after depreciation and impairment losses | 25.8 | 24.0 | 21.0 |
| Total assets | 57.2 | 53.6 | 48.9 |

### 5.3 IKAS board of directors and Management

The below overview sets out the board of directors and management of IKAS at the time of closing of the transaction.

**Management:**
Frode Reiersrud – Chief Executive Officer
Hege Hagen – Chief Financial Officer
Ove Reiersrud – Chief Marketing Officer
Thor-Olaf Bekkevold – Operational Manager

[1] Sum of IKAS companies unaudited figures

[2] Sum of IKAS companies unaudited figures

**Board of Directors**
Haakon Borgen – Chairman of the board
Frode Reiersrud – Board member

## 5.4 Agreements Relating to the IKAS Acquisition

Axactor acquired 100% of the shares of IKAS Norge AS from the selling shareholders Gvepseborg AS, Elena AS, Vardfjell AS, EikerHolding Invest AS, Paulgaard AS and Hordvik AS. IKAS Norge AS is the holding company of a group of companies which also includes IKAS Øst AS, IKAS AS, IKAS Nord AS, IKAS Nordvest AS and IKAS Vest AS. Pursuant to the SPA, Axactor also purchased the minority stakes in these subsidiaries which were not already owned by IKAS Norge AS. The acquisition was completed on 7 April 2016. The purchase price of the acquisition is NOK 290.9 million, subject to adjustments for changes in cash, debt and working capital at the date of completion of the transaction. This post closing adjustment will be based on a consolidated statement of financial position as of 7 April, 2016 which will be prepared by the Company within 90 days after the completion date of transaction.

50 % of the purchase price was covered by the New Debt Facility, 20% of the purchase price was paid with existing cash reserves upon closing of the transaction, and 30% will be settled in 49,033,589 shares in Axactor AB to be issued at a price of NOK 1.78 per Share (the Consideration Shares). Consequently, the cash consideration to the sellers of IKAS was approximately NOK 203.7 million. The Consideration Shares are expected to be issued as soon as practically possible following the Private Placement, and within June.

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

There are no agreements, existing or contemplated, in connection with the transaction that involve extraordinary benefits to senior employees or members of the board of directors in the Company or IKAS.

## 6. THE GESLICO ACQUISITION

This Section provides an overview of the acquisition of Geslico (the **"Geslico acquisition"**). The Section should be read in conjunction with, in particular, Section 2 "Risk Factors", Section 10 "Business Overview and business plan", Section 11 "Industry Overview" and Section 15 "Unaudited Pro Forma Financial Information".

### 6.1 Background, Reasons and Effect

On 12 May, 2016, the Company entered into an SPA for the acquisition of 100% of the shares in the Spanish debt collection service provider Geslico. The acquisition was closed on the same day, 12 May, 2016. Geslico is a complete supplier of services within debt collection. The company was founded in 1985, and now has 286 employees and 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 established customer relationships with financial institutions, international investment funds, and Spanish utility companies.

The rationale for the acquisition includes gaining access to a modern IT systems possessed by Geslico and increasing the market share of Axactor within the Spanish debt collection and debt purchase market. With the addition of Geslico, Axactor will be positioned as one of the largest players in the Spanish NPL market.

Axactor planned to purchase and implement a new full scale IT system covering the total collection value chain. The acquisition of Geslico enables Axactor to roll out Geslico's IT platform in Axactor's existing Spanish business and save time and costs related to the implementation. Geslico will also enable access to further portfolio acquisitions in Spain through Geslico's established customer relationships.

Additionally Axactor gets access to one of the largest databases of NPL information/ historic collection data in Spain that will enable the Group to be more efficient and improve pricing intelligence in respect of future debt portfolios acquisitions.

### 6.2 Key Figures

Key figures for Geslico are presented in the table below. The financial figures in the table below are only an extract and should be read in conjunction with the entire financial statement of Geslico. Geslico was audited by EY in 2015.

***Key figures***
***EUR 000***

| | Year Ended December 31 | |
|---|---|---|
| | **Audited** | **Audited** |
| | **2015** | **2014** |
| Revenues | 13,600 | 16,915 |
| Operating result before depreciations and impairment losses | (4,393) | n.a. |
| Operating results after depreciation and impairment losses | (4,714) | (503) |
| Total assets | 8,147 | 8,167 |

### 6.3 Geslico board of directors and Management

The below overview sets out the board of directors and management of Geslico at the time of the transaction, 12 May, 2016.

**Management:**
Ramiro Robles – Chief Executive Officer
Alfonso Bárcena – Chief Financial Officer
José Cadena – Chief Operational Officer

**Board of Directors**
Christopher Linkas – Chairman of the board
Ramiro Robles – Board member and Vice Chairman
José María Cava – Board member

### 6.4 Agreements Relating to the Geslico Acquisition

Axactor paid a price of EUR 2 million for 100% of the shares in Geslico. The purchase was funded by cash held by the Company.

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

There are no agreements, existing or contemplated, in connection with the transaction that involve extraordinary benefits to senior employees or members of the board of directors in the Company or Geslico.

# 7. ADMISSION TO TRADING

This Section provides an overview of the already completed Private Placement and particulars relating to admission to listing and trading of the Private Placement Shares and the Consideration Shares to be issued.

## 7.1 The Private Placement

On May 26, 2016, the Company announced that it had placed the 220,400,000 Private Placement Shares with investors for gross proceeds of approximately NOK 374.7 million, or approximately SEK 373.5 million (based on the prevailing NOK/SEK currency rate at the date of the announcement of the Private Placement on 25 May 2016 of approximately 1.00).

The Private Placement Shares were subscribed for at a subscription price of NOK 1.70 per Share, or SEK 1.70 per Shares (based on the prevailing NOK/SEK currency rate at the date of the announcement of the Private Placement on 25 May 2016 of approximately 1.00). Through the Private Placement, the Company's nominal share capital was increased by SEK 110,200,000, from SEK 328,107,180 to SEK 438,307,180.

In order to provide for prompt registration of the Private Placement Shares, the Company has entered into a pre-funding agreement with the Managers under which the Managers has agreed to partly pre-fund payment for the Private Placement Shares. In case of payment default by investors allocated Private Placement Shares, the Managers, may subject to certain circumstances and after a set long-stop date, require the Company to redeem the affected Private Placement Shares subject to certain conditions.

The Company expects to use the proceeds from the Private Placement to finance the Company's growth strategy of acquiring non-performing loan portfolios and collection platforms for CMS, in addition to general corporate purposes.

The Company estimates that the total expenses relating to the Private Placement will amount to approximately NOK 14 million, which includes, among other things, commission to the Managers, underwriting commission and legal and auditor's expenses.

## 7.2 The Consideration Shares

On April 7, 2016, the Company announced that the acquisition of IKAS was completed and that 49,033,589 Consideration Shares were to be issued to the previous shareholders of IKAS. The Consideration Shares are expected to be issued, the share capital increase relating thereto is expected to be registered with the Swedish Companies Registry, or Bolagsverket, and the shares are expected to be listed on the Oslo Stock Exchange as soon as possible following completion of the Private Placement. The Consideration Shares will be ordinary shares in the Company, under the ISIN SE0005569100.

The Consideration Shares will be subject to a 24 month lock-up period from the date of completion of the IKAS Acquisition, meaning that the sellers of the IKAS companies cannot divest the Consideration Shares before 24 months after completion of the IKAS Acquisition.

## 7.3 Securities Registration and Admission to Trading of the Private Placement Shares and the Consideration Shares

The Private Placement Shares was issued and the share capital increase relating thereto wasregistered with the Swedish Companies Registry, or Bolagsverket, on May 30, 2016.

The Private Placement Shares are expected to be listed on the Oslo Stock Exchange as soon as practically possible following the publication of the Prospectus.

The Consideration Shares will be issued as soon as practically possible following the Private Placement. Subsequently, the Consideration Shares are expected to be listed on the Oslo Stock Exchange shortly thereafter. The Company expects the Consideration Shares to be issued and listed within June 2016. The Company will inform about this through issue of a stock exchange announcement over the information system of the Oslo Stock Exchange.

## 8. DILUTION

The Company currently has 876,614,360 shares outstanding. Before the Private Placement, the Company had 656,214,360 shares outstanding (excluding the Consideration Shares and the Private Placement Shares). Following the issuance of the Private Placement Shares and Consideration Shares, the Company’s total number of shares will increase with 269,433,589 Shares to a total of 925,647,949 Shares.

The issuance of the Consideration Shares and the Private Placement Shares will result in a dilution of the shareholders of the Company.

The table below shows Company's share capital resulting from the issuance of Consideration Shares and Private Placement Shares. The percentage split (rounded) in the table shows the share capital split by the total share capital post the issuance of the Consideration Shares and the Private Placement Shares.

| | |
|---|---|
| Share capital prior to the issuance of Consideration Shares and Private Placement Shares........... | 656,214,360 (70.9%) |
| Consideration Shares share capital ................................................................................. | 49,033,589 (5.3%) |
| Private Placement share capital........................................................................................ | 220,400,000 (23.8%) |

## 9. CAPITALIZATION AND INDEBTEDNESS

The tables below set out the Company's capitalization and net financial indebtedness as of March 31, 2016 both on an actual basis and on an adjusted basis to show the effect of the Private Placement. You should read this information together with the other parts of this Prospectus, in particular Section 14 "Selected Historical Financial Information" and Section 15 "Unaudited Pro Forma Financial Information", as well as the Company's financial statements incorporated by reference into this Prospectus; see Section 22 "Incorporation by Reference; Documents on Display".

The "actual" columns in the tables below set out the Company's audited capitalization and net financial indebtedness, respectively, as of March 31, 2016 and have been based on the Company's unaudited consolidated financial statements as of and for the first quarter ended March 31, 2016, whereas the "as adjusted" columns set out the Company's unaudited capitalization and net indebtedness, respectively, on an adjusted basis to show the estimated effects of:

- the Private Placement, which raised gross proceeds to the Company of NOK 374.7 million, or SEK 357.7 million (on the basis of a NOK/SEK exchange rate of 0.95 as at year end 2015);
- the payment by the Company of NOK 203.7 million, or SEK 194.5 million (on the basis of a NOK/SEK exchange rate of 0.95 as at year end 2015), which is the cash consideration to be paid to the sellers of IKAS;
- NOK 145.5 million, or SEK 138.9 million (on the basis of a NOK/SEK exchange rate of 0.95 as at year end 2015) in increased leverage resulting from the draw down on the New Debt Facility used to finance 50% of the IKAS acquisition;
- the payment by the Company of EUR 2.0 million, or SEK 18.4 million, (on the basis of a EUR/SEK exchange rate of 9.18 as at year end 2015), which is the cash amount paid to the sellers of Geslico; and
- estimated transaction costs of SEK 28.2 million. The estimated transaction costs are split as follows: NOK 14.0 million, or SEK 13.4 million (on the basis of a NOK/SEK exchange rate of 0.95 as at year end 2015), relates to the Private Placement, SEK 1.9 million relates to the IKAS Acquisition and the related acquisition financing and EUR 1.4 million, or SEK 12.9 million (on the basis of a EUR/NOK exchange rate of 9.18 as at year end 2015), is related to the Geslico Acquisition.

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

**Capitalization**

| *SEK 1,000* | As of March 31, 2016 | |
|---|---|---|
| | Actual | As Adjusted[3] |
| Share capital | 328,107 | 390,871 |
| Other paid in capital | 1,541,773 | 1,808,52 |
| Other reserves | (1,917) | (1,917) |
| Other equity | (1,304,902) | (1,304,902) |
| Non-controlling interests | — | — |
| **Total equity (A)** | **563,061** | **892,623** |
| Total current liabilities | 100,284 | 100,284 |
| —of which is guaranteed/secured | — | — |
| —of which is unguaranteed / unsecured | 100,284 | 100,284 |
| Total non-current liabilities | 13,732 | 13,732 |
| —Guaranteed/Secured | — | — |
| —Unguaranteed / Unsecured | 13,732 | 13,732 |
| **Total liabilities (B)** | **114,016** | **114,016** |
| **Total capitalization (A+B)** | **677,077** | **1,006,639** |

[3] The column ”As Adjusted” shows the position post the Private Placement, the payment by the Company of the cash consideration to the sellers of IKAS and Geslico, and the estimated transaction costs related to these transactions as they would have occurred as at March 31, 2016.

**Net Financial Indebtedness**

| *SEK 1,000* | As of March 31, 2016 | |
|---|---|---|
| | **Actual** | **As Adjusted**[4] |
| A. Cash | 185,793 | 339,254 |
| B. Cash equivalents | — | — |
| C. Trading securities | — | — |
| **D. Liquidity (A)+(B)+(C)** | **185,793** | **339,254** |
| E. Current financial receivables | — | — |
| F. Current bank debt | — | 27,774 |
| G. Bonds / other loans due within 1 year | — | — |
| H. Current portion of non-current debt | — | — |
| I. Other current financial debt | 100,284 | 100,284 |
| **K. Current financial debt (F)+(G)+(H)+(I)** | **100,284** | **128,058** |
| **L. Net current financial indebtedness (K)-(E)-(D)** | **(85,509)** | **(211,196)** |
| M. Non-current bank debt | — | — |
| N. Bonds due after 1 year | — | — |
| O. Other non-current financial debt | 13,732 | 13,732 |
| **P. Non-current financial debt (M)+(N)+(O)** | **13,732** | **124,828** |
| **Q. Net financial indebtedness (L)+(P)** | **(71,777)** | **(86,367)** |

As of March 31, 2016, the Company did not have any indirect or contingent indebtedness.

[4] The column ”As Adjusted” shows the position post the Private Placement, the payment by the Company of the cash consideration to the sellers of IKAS and Geslico, and the estimated transaction costs related to these transactions as they would have occurred as at March 31, 2016.

# 10. 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".

## 10.1 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 is no longer has 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 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. All of ALD's 2014 revenue was generated from the Spanish market.

On 16 March 2016, Axactor acquired the Norwegian debt collection company IKAS. The acquisition was closed on 7 April 2016. IKAS has demonstrated strong revenue growth over the 2013 - 2015 period, mainly driven by new customer wins and higher volumes of invoices and debt collection cases. The company currently delivers modern payment solutions for selected industries. The company was established in 1988 and now has offices in five Norwegian cities. IKAS has over the last five years doubled the turnover to NOK 91 million[5]. The EBITDA margin was approximately 30% in 2015, based on sum of unaudited figures for the IKAS companies.

On 20 January 2016, Axactor signed a contract with Santander Consumer Finance in Spain for the legal collection area. The first volumes was 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 12 May 2016, Axactor entered into an agreement to acquire Geslico, which is a complete supplier of services within debt collection in Spain. The acquistion was closed on the same day, 12 May, 2016. The company was founded in 1985 and has 286 employees and 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.

Since Q4 2015, Axactor has expanded its operations in Spain by recruiting experienced Group/Spanish Management Teams with solid track record and strong industry relationships. Axactor has build-up of scalable Amicable Call Center in Valladolid with 58 FTEs. Axactor has also acquired several Non-Performing Loan portfolios in Spain recently to expand the business of the Group, as outlined in section 10.7.

## 10.2 Strategy and business plan

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 and through acquiring further companies within the sector. The Group will focus on amicable and legal collection, and surveillance and debt recovery. In the near to medium term, the Group has the ambition of gaining a leading position in Norway and a top 3 market position in Spain by purchasing debt portfolios from financial institutions, as well as through an expansion of its third-party debt collection business together with an increase in the Group's work force. The Group aims to acquire debt portfolios of business-to-consumer unsecured claims, but will also consider purchasing debt portfolios of SME[6] and business-to-consumer secured claims.

[5] Sum of IKAS companies unaudited figures

[6] Small or Medium Size Enterprise

In the medium term, the Group will also seek to enter into new growth markets, such as Germany and Italy. The Group's preferred strategy for entering new markets is to acquire existing debt collection companies with an established customer base that is further leveraged to acquire debt portfolios, while continuing to develop a base of third-party debt collection services contracts for external clients. 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.

Key enablers for Group to achieve its growth strategy is the availability of companies to acquire in order to enter new markets, and the availability of debt portfolios that fits with the strategy of the Group, and that such debt portfolio may be acquired by the Group at reasonable prices. If the Group is not able to acquire companies in new markets or debt portfolios, the growth of the Company will be impacted.

## 10.3 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 of this Prospectus.

- High risk:
  - The Group may not be able to procure sufficient funding at favorable terms to purchase further debt collection service providers, debt portfolios or Collection Platforms.
  - 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 depended on any key individuals. It is further not depended on any specific assets.

## 10.4 Credit Management Services

**Spain**

Through the acquisitions of ALD and Geslico, Axactor has established itself as a leading debt collection agency in the Spanish market[7]. The Group specializes in the legal recovery of legal debt claims, including mortgages, enforced collection, insolvency, ordinary proceedings, payment procedures etc. The Group, including the newly acquired Geslico, is currently serving approximately 80-90 clients, comprising of banks and other financial institutions, national and international large companies, SMEs, international investment firms and other debt collection agencies. As of the date of this Prospectus Axactor has approximately 459 FTEs in Spain.

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

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[7] The Company estimates that the market for debt collection in Spain comprise of approx. 1,000 companies. The Company sees itself as leading in the sense that the Company was among the top 10 – 12 debt collection companies in Spain in terms of revenues in 2015. Following the acquistion of Geslico, Axactor is among the 2 -4 largest debt collection companies is Spain in terms of revenues

**Norway**

Through the acquisition of IKAS, Axactor has established a collection and payment business in Norway. IKAS is today a reputable supplier of invoice administration and debt collection services in the Norwegian market. The company delivers modern payment solutions for selected small to medium sized businesses across all sectors through two business segments:

- IKAS Collection, debt collection services
    - Operated through IKAS Norge AS.
    - Revenues of approx. NOK 44 million in 2015[8].

- IKAS Payments, invoice administration
    - Operated through IKAS AS, IKAS Vest AS, IKAS Øst AS, IKAS Nord AS and IKAS Nordvest AS.
    - Revenues of approx. NOK 47 million in 2015.

**Business Model**

The Group's business model, both with respect to Spanish operations, including the newly acquired Geslico and Norwegian operations through the newly acquired IKAS, 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 centers. This allows the offering of different categories of services, differentiated by the level of sophistication and customization:

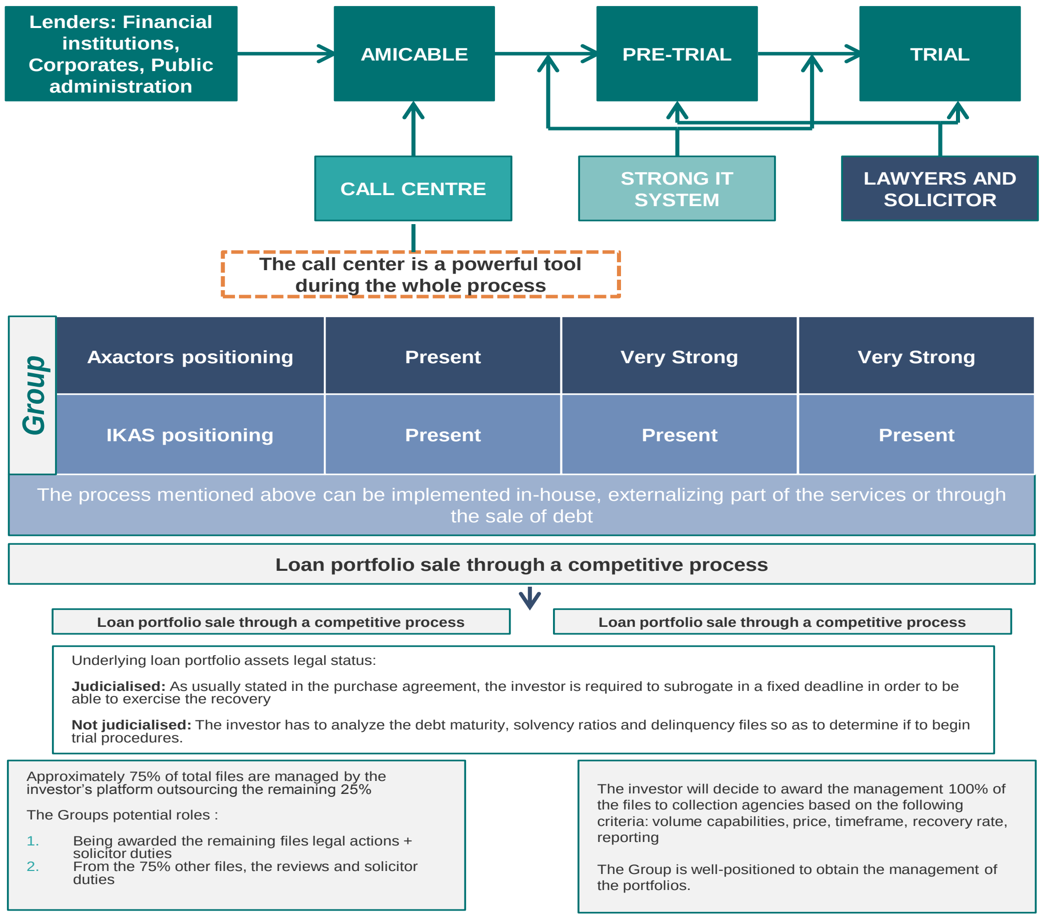
- Debt collection.
- Solicitors services.
- Legal audit.
- Payments.

[8] Revenues from IKAS Collection and IKAS Payments are revenues generated by the respective business areas. Figures are unaudited and provided by IKAS management.

*Debt collection*

The chart below depicts the various key steps of the debt collection business model.

Debt collection key business model steps




The Group covers the whole value chain of the debt collection process from the early amicable stages through call centers, to final judicial trials.

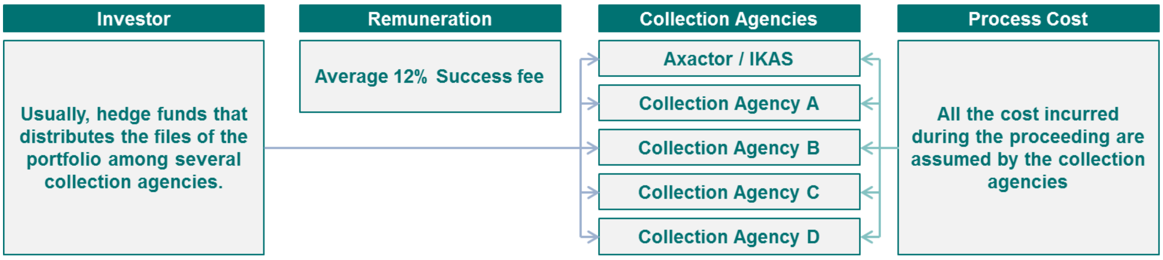
Integrated debt recovery services can be divided into three sub-groups:

- Aggressive debt recovery, where the client usually pays a success fee based on recovery rates.
- Moderate debt recovery, where the client usually pays a success fee based on recovery rates and part of the cost faced by the debt portfolio owner.
- Quality debt recovery, where the client usually pays a fixed fee plus a smaller success fee. This model is more common among corporates and usually contemplates collection services for a longer period of time.

The charts below depict the aforementioned sub-groups of integrated debt recovery services.

A

**Aggressive debt recovery**



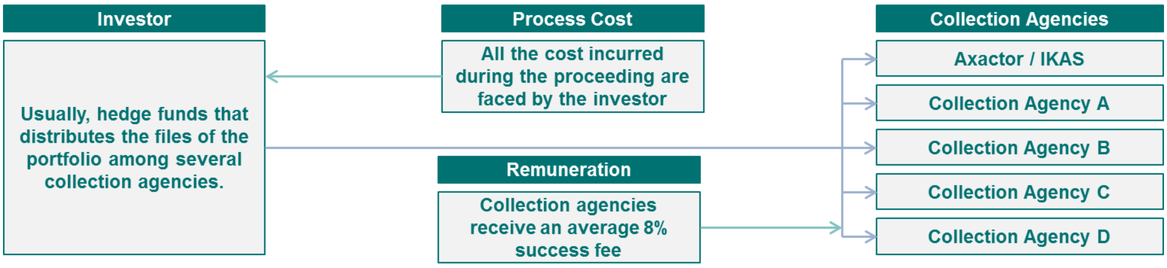

The Group in this scheme not only obtains the success fee depending on the recovery rate of its own files, but also benefits from the solicitors services transferred to them from the other collection agencies that do not have the network for judicial hearings and solicitors.

The Group in this scheme provides the following services:

- Hedge funds: integral debt recovery management
- Collection agencies: hearing and solicitor services

B

**Moderate debt recovery**




The Group in this scheme not only obtains the success fee depending on the recovery rate of its own files, but also provides investors services related to court fees, solicitors, reprography, courier, etc.

The Group have privileged access to large amounts of qualitative and quantitative data from debtors, which represents a standing position in terms of debt portfolios analysis and implementation of more efficient and effective debt recovery procedures.

The Group in this scheme provides the following services:

- Hedge funds: integral debt recovery management and all the process cost assumed by the investor
- Collection agencies: hearing services

C

**Quality debt recovery**

The Group provides legal assistance as well as solicitors services for claims related to debt recovery usually at an earlier stage compared to models A and B, to corporates in different sectors such as automotive, energy and utility, insurance and telecommunication.

The Group obtained fixed fees for legal and solicitors assistance and additional success fee depending on recovery rates based on milestones.

*Solicitor Services*

The Group provides solicitor services to all of its clients, including certain competitors operating in Spain. The large access to lawyers and solicitors places, in the opinion of the Company, the Group as 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.

*Legal Audit*

The Company believes that the track record of Axactor in the debt collection market that 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.

*Payments*

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

**Software, IT Platform and Process**

An important part of the Group's operations is its IT system, which comprises a main datacenter that carries out all the activities related to files storage, management, files reclassification and processing. As such, the datacenter is the only dispatching point of all debt related to legal proceedings. This database is highly customized, which purpose is to allow for direct interconnections between the Group's lawyers/solicitors and the call center, 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 procedures, 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 turns the information into the system in an automated process or manual if 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 turn the information from the system to 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 accomplished, 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 the software, Axactor currently employs 5 FTEs in Spain. The newly acquired IKAS has 2 FTE performing similar functions in Norway. In addition, the Group relies on external hired assistance with 6-8 FTEs. Use of this team is important for the Group, as it allows for the continuous upgrade of the systems necessary to improve efficiency of processes 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 unlimited number of debt collection files.

As the Group operates with particularly high volumes of legal documentation, business-critical information needs to be fully controlled through a single platform that allows process automation. In this regard, the Group has contracted ReadSoft to implement an application to enable interpretation, registration and automatic extraction of data from client files, and upload directly to "soluciona" for immediate processing. This application is expected to be operational by May/June 2016 and will directly impact manual data entry and labor costs.

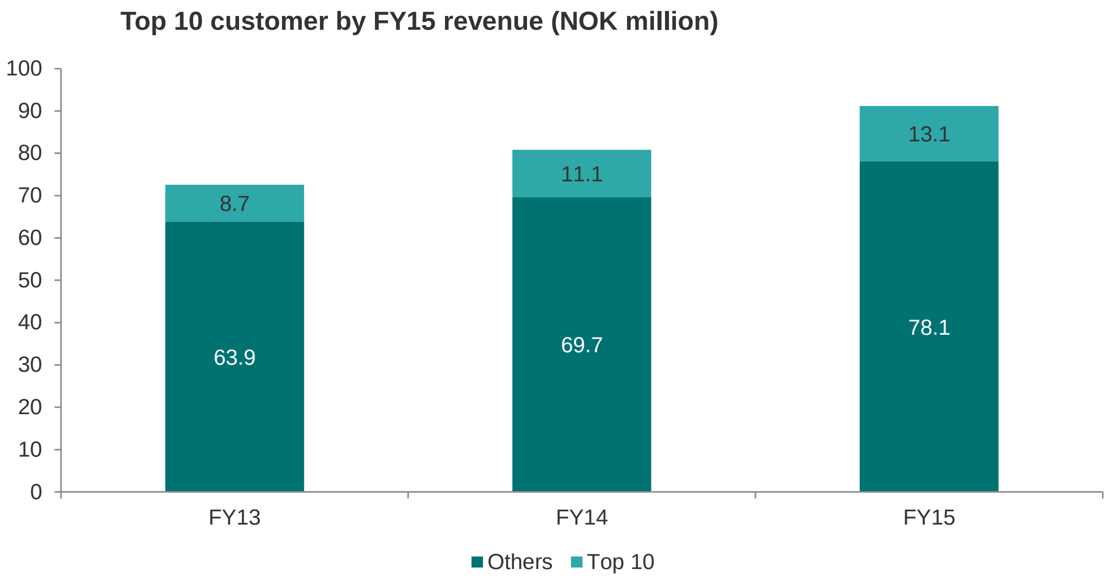
**Client Overview Spain**

The Group's clients through its business in Spain include financial institutions, large corporates and SMEs, international investment firms and other debt collection agencies. As of the date of this Prospectus, the Group serves approximately 80-90 clients from its Spanish business.

Currently, the Group's largest clients are Caixa Bank and Kutxabank with approximately EUR 586 million and EUR 489 million in debt under management, respectively .

**Client Overview Norway**

In Norway, IKAS serves a broad range of clients in the debt collection industry in Norway. The chart below displays the share of revenues that is generated by the 10 largest customers in each legal entity (total of 60 customers, sorted by 2015 revenues). In 2015, the top customers accounted for approximately 14% of IKAS revenues, suggesting a low customer concentration.




*Source: Figures are unaudited revenues figures provided by IKAS management*

For Collection, the top 10 customers in 2015 generated NOK 4 million of NOK 44 million in revenues (9%). Three of the largest customers were new in 2014 or 2015, while one customer generated decreasing volume over the period. The single largest customer generated revenues of NOK 1 million in 2015.

For Payments, the top 10 customers in each region (total of 50 customers) generated revenues of NOK 9 million of NOK 47 million in 2015 (19%). The highest customer concentration is observed in IKAS Vest where the 10 largest customers accounted for 33% of 2015 revenues.

**Key Competitors**

**Spain**

The Group’s competitors include other debt collection agencies operating in the Spanish market. There are both international and local companies operating in the market. A recent trend has been that international investment firms has 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 exposure to sectors by targeting both financial institutions and corporates. As shown in the exhibit below, the largest debt collection agencies in Spain by revenue are: 1) Lindorff, 2) Geslico (now acquired by the Company), 3) EOS, 4) Transcom and 5) Intrum Justitia. As the Group has been increasing its revenues over recent years it believes it is positioned among the top 15 companies in Spain. Although the Group competes with most of the players in the market, the Group also provide certain solicitor services to some of its competitors due to its extensive network across Spain.

*Overview of the top 5 debt collection agencies in Spain by revenue*

| Rank | Company | Home country | Description | Revenue in Spain 2013 EURm |
|---|---|---|---|---|
| 1 | Lindorff | Norway | International debt collection company with presence in 13 countries that focuses on both debt collection services and purchase of debt portfolios | 35.7 |
| 2 | Geslico *(acquired by Axactor)* | Spain | Spanish debt collection company that focuses on offering debt collection services as integrated services | 29.0 |
| 3 | EOS | Germany | International debt collection company with presence in 26 countries that focuses on both debt collection services and purchase of debt portfolios | 16.3 |
| 4 | Transcom | Sweden | Offers customer care, sales, technical support and credit management services with operations in 23 countries | 15.9 |
| 5 | Intrum Justitia | Sweden | International debt collection company with presence in 20 European countries that focuses on both debt collection services and purchase of debt portfolios | 11.4 |

*Source: Company web sites, DBK, Debt Collection Agencies Report published July 2014*

**Norway**

The Norwegian debt collection market counts 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 75.5% of cases in process as of H1 2015. Among the top 10 competitors, eight companies are Scandinavian. PRA Group acquired the Norwegian debt collector company Aktiv Kapital in 2014.

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

| Rank | Company | Home country | Description | Revenue 2014 NOKm* |
|---|---|---|---|---|
| 1 | Lindorff | Norway | International debt collection company with presence in 13 countries that focuses on both debt collection services and purchase of debt portfolios | 912.8 |
| 2 | PRA Group | USA | International debt collection company with presence in 14 countries in Europe. PRA Group focus on both debt collection services and purchase of debt portfolios | 578.8 |
| 3 | Kredinor | Norway | Debt collection company that focuses on both debt collection services and purchase of debt portfolios | 491.3 |
| 4 | Intrum Justitia | Sweden | International debt collection company with presence in 20 European countries that focuses on both debt | 204.2 |

| | | | | |
|---|---|---|---|---|
| | | | collection services and purchase of debt portfolios | |
| 5 | Visma Collectors | Norway | Debt collection company that provides their customers invoicing services and debt collection | 176.0 |
| 6 | Conecto | Norway | Debt collection company that focuses on both debt collection services and purchase of debt portfolios | 172.0 |
| 7 | Gothia | Germany | Debt collection company that focuses on debt collection services | 133.5 |
| 8 | Sergel Norge | Sweden | International debt collection company with presence in 17 countries that focuses on both debt collection services and purchase of debt portfolios | 117.2 |
| 9 | Svea Finans | Norway | International debt collection company with presence in 10 countries that focuses on both debt collection services and purchase of debt portfolios | 108.5 |
| 10 | IKAS gruppen | Norway | Supplier of invoice administration and debt collection | 80.8** |

** Gross sales ** Includes IKAS AS, IKAS Vest AS, IKAS Øst AS, IKAS Nord AS, IKAS Nordvest AS*

*Source: Company web sites, Proff Forvalt, PwC*

## 10.5 Employees

The average number of employees of the Group amounted to 68 during 2015, during 2014 the average number of employees was 4.

**Human Resources overview Spain**

As of February 2016, Axactor had 152 FTEs based in Spain. This excludes the newly acquired Geslico. The table below shows the number of FTEs by function per February 2016.

| | **Number** |
|---|---|
| FTEs: | 152 |
| Back Office | 17 |
| Front Office | 61 |
| Law Office | 11 |
| Legal Collection | 62 |
| Process Manager | 1 |

Back office employees include 17 FTEs and a specialized team created in April 2013, which is in charge of the distribution of claims.

As of the date of this Prospectus, the number of FTEs has increased to approximately 459 FTEs in Spain, including 286 employees from the acquired Geslico.

The table shows the employees of the newly acquired Geslico by function

| | **Number** |
|---|---|
| FTEs: | 286 |
| Over Head | 36 |
| Recovery | 160 |
| Pre-litigation | 49 |
| Litigation | 41 |

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 high level of retention.

**Human Resources overview Norway**

The table below sets out an overview of IKAS FTEs by function as of December 2015. As of the date of this Prospectus, this has grown to approximately 70 FTEs in Norway.

| | **Number** |
|---|---|
| FTEs: | 63 |
| IT and Back Office | 5 |
| Secretary, cleaning etc. | 7 |
| Sales | 9 |
| Management (CEO, CFO, CMO etc.) | 9 |
| Senior credit consultant | 33 |

Group management is located in Norway and counts 6 FTEs as of March 2016.

## 10.6 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.

## 10.7 Company History

The below sets forth certain significant events in the history of the Company, from its inception, through its period of engaging in mineral exploration and exploitation to becoming credit management service company:

- 1983: The Company was founded, and later, in 1989 commenced mineral exploration and development operations under the trading name International Gold Exploration IGE AB.
- 1997: The Company was listed on the Oslo Stock Exchange.
- 1999: The Company entered into a joint venture with a company called North Atlantic Natural Resources for the development of a mineral exploration project in Sweden, the Norrliden project.
- 2001: 50% of Björkdalsgruvan, an old gold mine in Sweden, was acquired by the Group, and the Group restarted production of gold in the mine.
- 2002: The Group began producing gold in Lolgorien, Kenya.
- 2003: The Group issued an option which gave the holder, a company called MinMet, the right to acquire the Group's share of Björkdalsgruvan for shares in MinMet.
- 2003: MinMet exercised the option and bought the Björkdal mine from the Group.
- 2004: The Company distributed its holdings in MinMet, and in a company called Lappland Goldminers AB, to its shareholders.
- 2005: The Company was listed on the Nordic Growth Market, or NGM, in Sweden.
- 2006: The Group entered into negotiations with Endiama, the state-owned diamond company in Angola, regarding a potential joint venture for exploration of diamonds in Lacage, Angola.
- 2007: The Group was granted two licenses in Burundi comprising gold and vanadium, and its first diamond license in Angola.
- 2007: The Group transferred its mineral licenses in Sweden and Norway to its wholly owned subsidiary, Nickel Mountain Resources AB (formerly known as IGE Nordic AB). In connection with the transaction, the Company sold 25.4% of IGE Nordic AB and listed the shares in that company on the Oslo Axess, in Norway.
- 2007: The Group entered in a joint venture with the South African mining company, Goldplat, relating to the development of seven targets in south-western Kenya with potential of containing high grades of gold.
- 2008: The Company announced a voluntary offer to acquire all outstanding shares in IGE Nordic AB, which at the time operated under the trading name Nickel Mountain Resources AB. The Company acquired 99.6% (including the 74.6% already owned by the Company) of the outstanding shares in Nickel Mountain Resources. Nickel Mountain Resources was delisted from Oslo Axess.
- 2008: The Group continued its exploration of the Rönnbäcken nickel project.
- 2009: In Burundi, the Group continued its projects for large-scale nickel opportunities, and all other operations were put on hold.
- 2009: The Group began alluvial diamond production in Luxinge, Angola, and gold production in Lolgorien, Kenya.
- 2009: The Company delisted its shares from NGM.
- 2009: The Company announced an independent mineral resource estimate compliant with National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators (NI 43-101) for the Rönnbäcken nickel project.
- 2009: The Group decided to close down the operations in Burundi.
- 2009: The Group sold its interest in a mine, the Solberg mine, in Sweden.
- 2009: The Group sold its 50% share in a small-scale gold producing company, Kilimapesa Gold, to a company called Goldplat (Pty) Limited for USD 2.7 million.
- 2009: The Group announced a second independent NI 43-101 compliant preliminary assessment for the Rönnbäcken nickel project.
- 2010: The Group sold its 100% interest in exploration licenses comprising a copper project in Norway, the Bidjovagge gold copper project.
- 2010: The Group announced that it had entered into a share purchase agreement pursuant to which the Group acquired all business operations of AIM listed Pangea Diamondfield, through Pangea's subsidiary Efidium. A merger of the two companies' activities created a diamond exploration and production company with resources spread across three countries in the Southern parts of Africa.

- 2010: The Company changed its name from International Gold Exploration IGE AB to IGE Resources AB.
- 2010: The Company announced an updated the NI 43-101 mineral resource estimate for the existing Rönnbäcknäset and Vinberget deposits relating to the Rönnbäcken nickel project. Additional tonnage was added to the resource along with an upgrade of the mineral resource classification.
- 2010: The Group announced its first sale of diamonds produced in a mine in Angola, the Cassanguidi mine. The subsidiary IGE Diamonds sold 3,407 carats of rough diamonds in Luanda, Angola.
- 2010: The Group entered into a strategic partnership with a company called Mitchell River Group, or MRG, under which MRG would provide additional expertise, capabilities and technical resources to the development of Rönnbäcken nickel project.
- 2010: Two exploitation licenses for the Rönnbäcken nickel resources were granted by the Swedish Chief Mining Inspector.
- 2010: The Group announced that it had received all necessary government approvals for its Luxinge diamond project in Angola. On this basis the Company signed a mining contract with the Angolan state-owned diamond company Endiama and commenced diamond production.
- 2010: The Geological Survey of Sweden classified the Rönnbäcken nickel deposits "an Area of National Interest for Mineral Extraction".
- 2010: The Group announced the first sale of diamonds from its partly owned Luxinge mine in Angola. A total of 6,045 carats ("cts") of rough diamonds were sold in Luanda.
- 2011: The Group announced that it was holding discussions with its partners in the Luxinge diamond project in Angola with the purpose of withdrawing from the project. The diamond recoveries and grades have not met the expectations established by earlier bulk sampling results.
- 2011: The Group announced that it had been granted the mining rights for its Bakerville diamond project in South Africa.
- 2011: The Group announced 2010 results, which were strongly affected by a SEK 368 million write-down of the Group's diamond projects portfolio.
- 2011: The Company announced an update of the independent NI 43-101 compliant preliminary economic assessment for the Rönnbäcken nickel project.
- 2011: The Company initiated a cost reduction program aiming to reduce the Company’s operational costs significantly. The Group decided to actively seek to divest of its diamond projects.
- 2011: The Company announced in September that it had reached an agreement with a company called Frontier Mining Projects for production in the Bakerville diamond mine. Most importantly, the arrangement made in connection therewith aimed to secure the Group from being exposed to any liabilities or overhead costs in Angola.
- 2011: The Company announced an update of the resource estimate for the Sundsberget deposit at the Rönnbäcken nickel project. The Mineral Resource for the Sundsberget deposit was upgraded from the "Inferred" to the "Indicated" category and the deposit resource was increased by 111 million tonnes to 269.9 million tonnes with an average nickel grade of 0.170%.
- 2011: The Group announced a significant value increase of the Rönnbäcken nickel project with a substantial cash cost reduction provided by high-grade magnetite iron concentrate by-product. The Company announced the results of recent metallurgical test-work which yielded a high-grade magnetite iron concentrate by-product from nickel flotation tailings.
- 2011: The Group submitted an application for exploitation concession for the Sundsberget deposit to the Mining Inspectorate of Sweden.
- 2012: The Company announced an update of the mineral resource statement relating to the Rönnbäcknäset deposit which incorporated results from drilling of the down dip extension of the deposit.
- 2012: The Board of Directors decided that the Group’s focus should be on the Rönnbäcken nickel project. Investments in the African diamond portfolio were put on hold and measures were taken aiming to sell the diamond portfolio.
- 2013: The Board of Directors of the Company, at that time, decided to propose a purchase of an African gold project via a company called Ghana Gold for the equivalent of SEK 150 million. SEK 50 million was paid in cash up front and the remaining SEK 100 million was subject to a future approval of the transaction at an Extraordinary General Meeting. At an Extraordinary General Meeting, the transaction was initially approved but the approval was later appealed by a group of shareholders as Ghana Gold did not appear to have any assets of significance. The Board had made a number of formal mistakes in relation to the summoning to the meeting and the District court of Stockholm seconded the appeal and declared the decision to purchase Ghana Gold to be invalid. The Board of Directors, at that time, made a new attempt to explain why the Company had transferred SEK 50 million as a prepayment relating to the

proposed purchase of Ghana Gold at the Annual General Meeting in August 2013. The proposal was voted down by the General Meeting, and a new Board of Directors was appointed.

- 2014: The new Board of Directors of the Company initiated a lawsuit against certain former board members amounting to SEK 55 million, based on an analysis that those former board members had been grossly negligent in connection with the Ghana Gold transaction.
- 2014: The African operations of the Group were divested by way of a dividend of the shares in the Group's subsidiary African Diamond AB to the shareholders of the Company. The Company also sold its subsidiary IGE Diamond AB.
- In September 2015, the Group entered into the SPA for the acquisition of ALD, which is was completed on 10 December (see note 36 in the annual report for consistency re dates), 2015.
- On 17 November 2015 at an Extraordinary General Meeting of the Company, the shareholders 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). The two nickel subsidiaries were sold to Swedish mineral company Archelon AB on December 31, 2015.
- 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 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 of 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 IKAS Acquisition. The acquisition was closed 7 April 7 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 Share Purchase Agreement, or SPA, for the Geslico acquisition. The acquistion as closed on the same day, 12 May, 2016.

## 10.8 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.

## 10.9 Disclosure About Dependency on Patents and Licenses, Etc.

The Company is of the opinion that the Group is not dependent on any patents or licenses, or industrial, commercial or financial contracts or new manufacturing processes.

## 10.10 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 as a result adversely affect the Group. The Company is not aware of any specific changes in regulatory conditions that are expected which could adversely affect the operations of the Company.

## 11. INDUSTRY OVERVIEW

This Section discusses the credit management services industry. Certain of the information in this Section relating to market environment, market developments, growth rates, market trends, industry trends, competition 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, and the Company's knowledge of the markets, see Section 4 "General Information—Presentation of Industry and Other Information". The following discussion contains forward-looking statements, see Section 4 "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 Section21 "Risk Factors" for further details.

### Credit Management Services ("CMS")

#### Europe

*Introduction*

At the European level, the implementation of a new regulatory framework with common rules for banks in all 28 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 risk remains one of the supervisors' key concerns for banks. Moreover, there are doubts on the sustainability and viability of certain banks' business models while there is little clarity on what strategies banks have in place to return to adequate levels of profitability as they move away from official funding.

The European Central Bank's, or ECB's, 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 had slowed ahead of the ECB's comprehensive assessment but, following the exercise's completion, banks are now once more reassessing their business and geographic footprints. Asset disposals and acquisitions are likely to be driven by the structural reform agenda, with 41% of universal banks expecting to sell assets. ECB Lending Surveys have been signaling a recovery in demand for consumer credit and housing loans since mid–2014. 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 should support profitability in the Italian banking sector.

*Recent 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

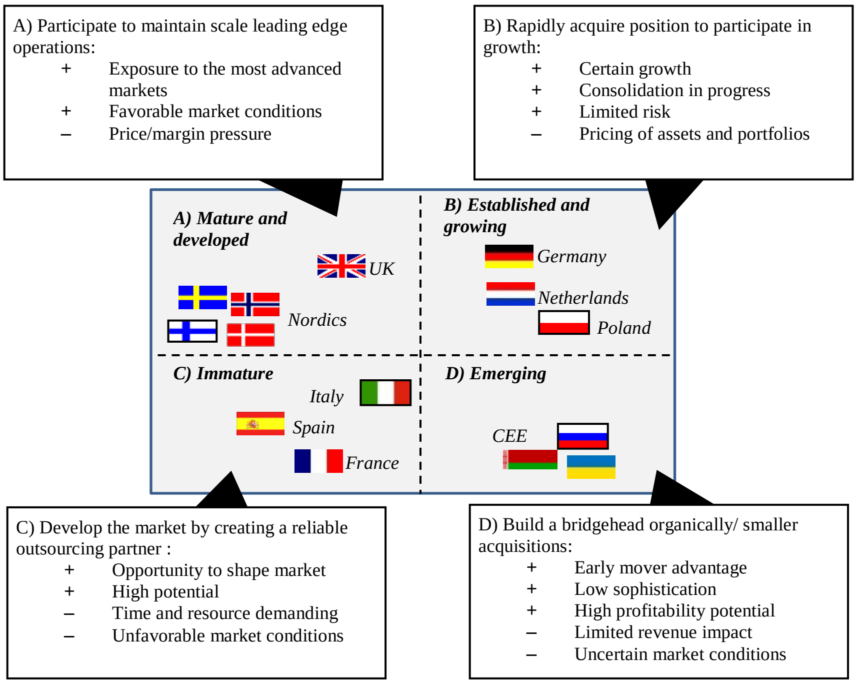
The market remains fragmented and is likely to consolidate. Banks' attitude to debt sale is the most important sector driver as it sets the size of the market. Banks across Europe have become more active sellers in recent years of both portfolios and of their collections and recoveries functions. However, 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.

*Loan Portfolio Market*

The loan sale activity in 2015 is expected to significantly exceed the 2014 volume. Commercial Real Estate, or CRE, loans are still highly traded across Europe, but there has been a strong rise in sales of residential loan portfolios. UK, Ireland and Spain continue to be the active markets, and sales in Italy, Germany and CEE are accelerating.

Mortgage loans are expected to increase by 1.9% this year, reaching a new high of EUR 3,930 billion. After contracting 1.6% in 2014 (the third consecutive year of contraction), a return to positive growth in business loans of 1.2% in 2015 is expected. NPLs are declining across the Eurozone (from 7.7% in 2014 to 7% in 2015).

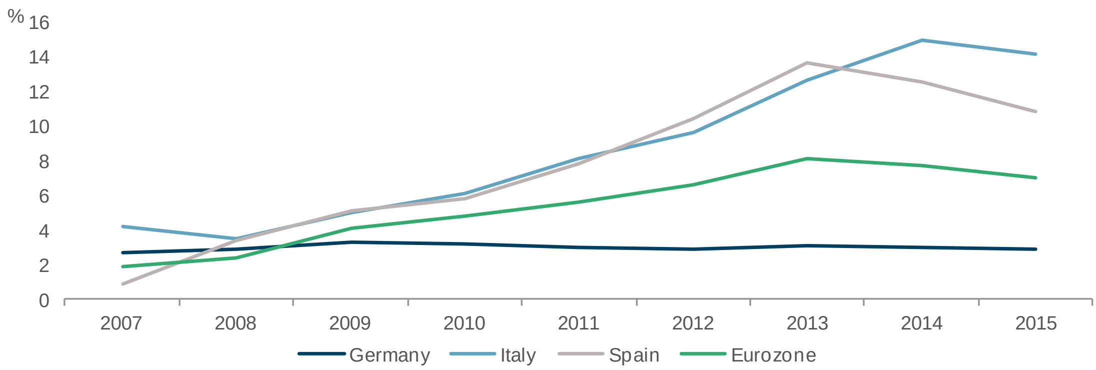
The chart below depicts the development level of the debt collection market.




Source: EY Eurozone Forecast June 2015 (illustration and figures presented in text)

The chart below depicts the NPL ratio as a percentage of total gross loans in the countries and regions specified.

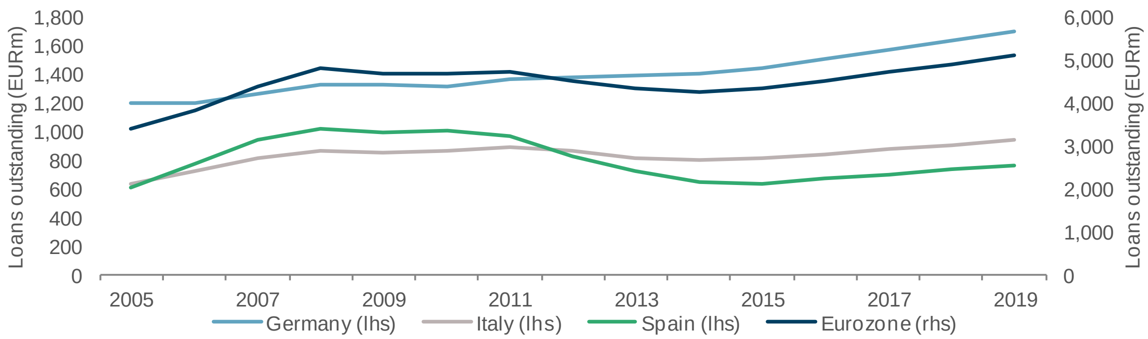
NPL ratio as % of total gross loans




Source: ECB, Oxford Economics, Haver Analytics

The chart below depicts bank loans to Non-Financial Customers, or NFCs, in the Eurozone.

Eurozone: Bank loans to NFCs




Source: ECB, Oxford Economics, Haver Analytics

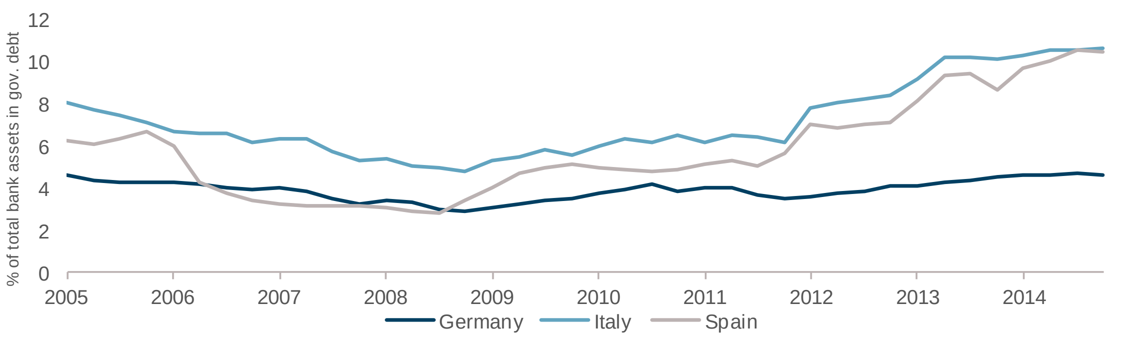
The charts below provide certain key Eurozone banking figures, and information about share of bank assets in government debt in Germany, Italy and Spain.

Banking overview

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|
| Total assets (€bn) | 33,543 | 32,684 | 30,443 | 31,174 | 32,116 | 33,317 |
| Total loans (€bn) | 12,322 | 12,196 | 11,731 | 11,737 | 11,961 | 12,339 |
| Business/corporate loans (€bn) | 4,720 | 4,542 | 4,345 | 4,276 | 4,329 | 4,513 |
| Consumer credit (€bn) | 628 | 604 | 576 | 564 | 573 | 592 |
| Residential mortgage loans (€bn) | 3,784 | 3,832 | 3,857 | 3,858 | 3,930 | 4,060 |
| NPLs as % of total gross loans | 5.6 | 6.7 | 8.1 | 7.7 | 7 | 6.3 |
| Deposits (% year) | 2.1 | 0.8 | 0.5 | 2.5 | 3.1 | 4.5 |
| Loans/deposits (%) | 113 | 110 | 106 | 103 | 102 | 101 |
| Total operating income (€bn) | 616 | 632 | 589 | 577 | 594 | 625 |

Source: ECB, Oxford Economics

**Share of bank assets in government debt**




Source: ECB, Oxford Economics, Haver Analytics

**Spain**

*Banking Overview*

After a strong economic growth during the period 2000-2007, Spain was deeply impacted by the financial crisis, and officially entered in recession in the first quarter of 2012. Consequently Spain was downgraded to BBB+ by S&P.

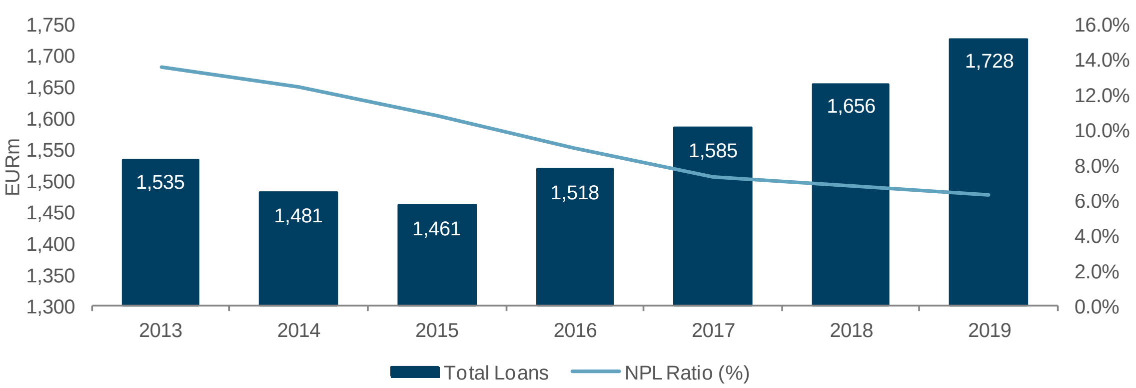
In 2014, the Spanish economy posted significant growth rates in output and employment that exceeded those in the euro area and confirmed the entrenchment of the recovery initiated the previous year following several years of prolonged recession. The economic recovery continued in the first half of 2015.

The ability to access leverage increased in 2014 and its expected that this availability will continue in the second half of 2015 and into 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 plane in the NPL space coming from bankruptcy proceedings.

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

**Total loans and NPL ratio of the Spanish banking market**




Source: ECB, Oxford Economics

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

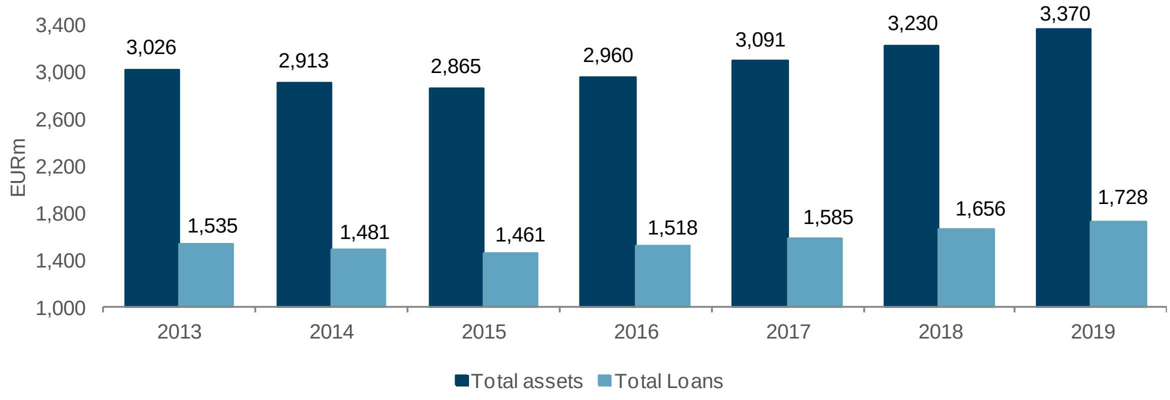
**Banking overview**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|
| Total assets (€bn) | 3,401 | 3,423 | 3,026 | 2,913 | 2,865 | 2,96 |
| Total loans (€bn) | 1,783 | 1,718 | 1,535 | 1,481 | 1,461 | 1,518 |
| Business/corporate loans (€bn) | 944 | 880 | 719 | 651 | 637 | 669 |
| Consumer credit (€bn) | 201 | 188 | 171 | 160 | 162 | 167 |
| Residential mortgage loans (€bn) | 627 | 576 | 581 | 553 | 547 | 563 |
| NPLs as % of total gross loans | 7.8 | 10.4 | 13.6 | 12.5 | 10.8 | 9 |
| Deposits (% year) | -5 | -6.1 | -0.6 | -0.9 | 3.1 | 4.5 |
| Loans/deposits (%) | 124 | 127 | 111 | 108 | 104 | 103 |
| Total operating income (€bn) | 104 | 95 | 99 | 85 | 87 | 92 |

Source: ECB, Oxford Economics

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

**Total assets and total loans of the Spanish banking market**



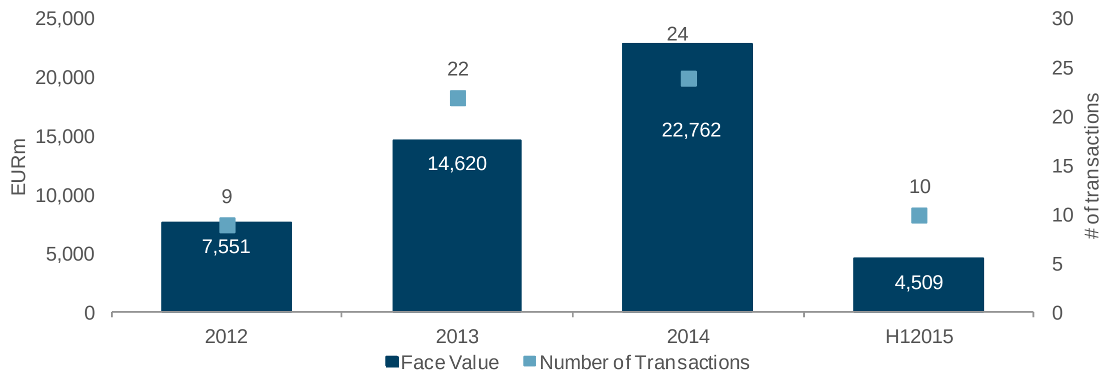

Source: ECB, Oxford Economics

*NPL Market*

The unsecured debt market has been the most active in the last years, however 2014 represented a balance between secured and unsecured transactions. The increase in the secured market is due to the portfolios including more promoter assets combined with more optimistic collateral value estimations.

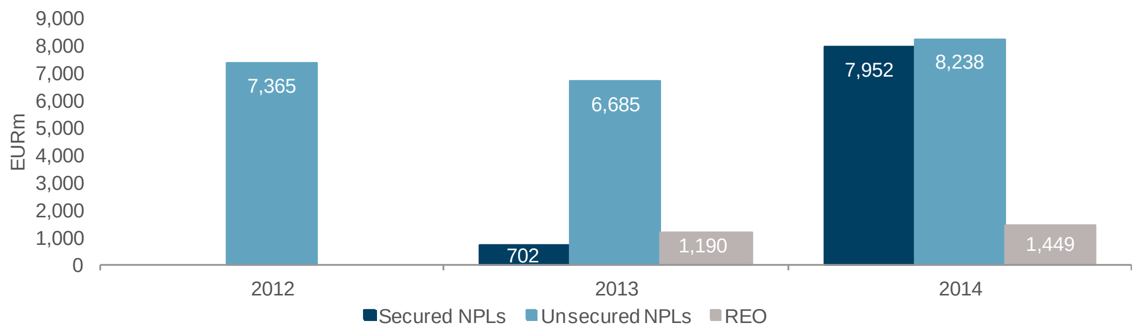
NPL transactions observed in 2014 largely related to residential mortgages, SME loans and commercial loan portfolios. The charts below depict recent NPL transactions, and transaction evolution by type of debt, in the Spanish market.

**Recent Transactions**




Source: INE, Bank Of Spain and Inverco

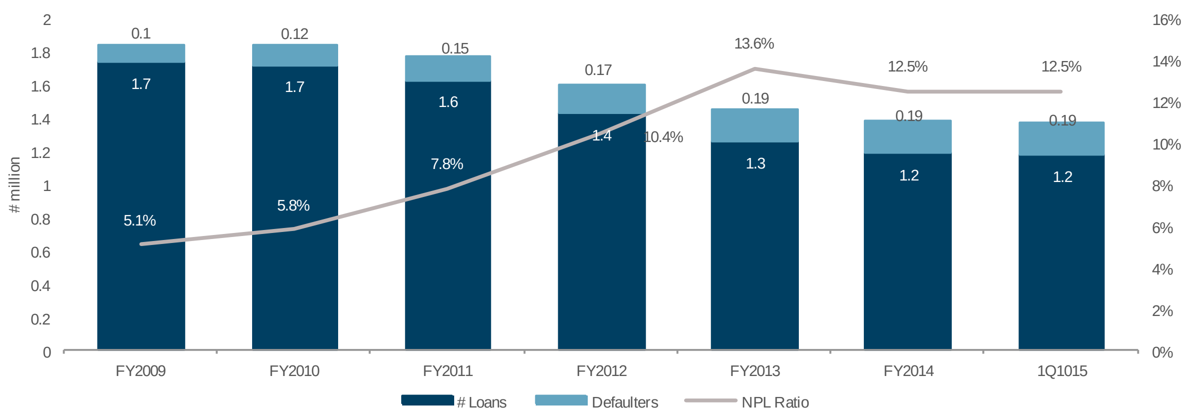
**Transactions Evolution by type of debt**




Source: INE, Bank Of Spain and Inverco

The chart below depicts NPL ratio and number of loans and defaulters in the Spanish NPL market.

**NPL ratio and number of loans and defaulters**




Source: INE, Bank Of Spain and Inverco

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, aggressive assumptions are made by investors of these portfolios, and high internal rate of return ("**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.

The NPL ratio registered in the first quarter of 2015 (12.5%) and increased savings in the full year 2014 (8.6%) show an improvement in the Spanish unsecured retail market. The market expects to see acquirers of unsecured retail portfolios at the height of the crisis sell these portfolios on a secondary basis and benefit from the recovery period after a period of 4-5 years of ownership.

Transactions expected in 2015 for unsecured NPL loans are expected to be portfolios combined with secured NPL loans. Axactor estimates that the transaction volume exceeded EUR 2 billion. Due to the correlation with the economy's performance, this sector is benefiting from improvements that have been experienced since the start of 2014. Unsecured portfolios are closely linked to the Spanish economy's evolution and the capacity of borrowers to repay debts is the main driver to measure investor returns. The unsecured market has been most active in the last couple of years, however, 2014 represented a balance between secured and unsecured transactions.

*Secured Loans*

As experienced in the last few quarters, retail secured loans have a significant initial draw. Regarding land properties, a higher interest can be observed on investors' side, towing in liquid and well located assets with very strong demand.

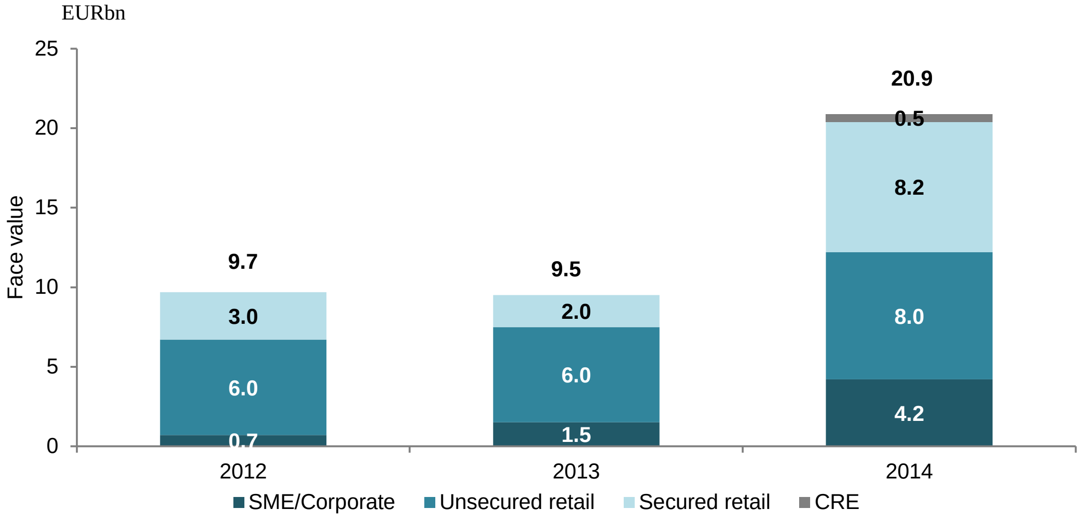
In the last quarter of 2014, an increasing volume of portfolios could be observed due to the transition to selling promoter portfolios. Axactor predicts that, the increase in transacted volume in the second half of 2015 will continue in 2016 with vendors aiming to achieve deconsolidation targets before year end.

Since 2007 the transacted asset type has evolved from low quality residential retail assets towards well located promoter assets. This is the consequence of banks cleaning low quality assets from their balance sheets. The transactions closed in recent years included a majority of low quality retail assets outside of premium areas sold at discounts to investors. Now promoter NPL loans with higher collateral quality are being sold in the market.

In the last quarter of 2014, a greater volume of portfolios can be observed compared to the second quarter; the latter served as the transition to selling promoter portfolios. The increase in transacted volume in the second half of 2015 is expected to continue this year with vendors aiming to achieve deconsolidation targets before year end.

The charts below depict the unsecured loans and secured loans transaction volumes, respectively, in the Spanish market.

Portfolio transactions in the Spanish market in 2012-2014




Source: PwC – Portfolio Advisory Group, Market update Q4 2014

**Norway**

*Banking overview*

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

**Banking overview**

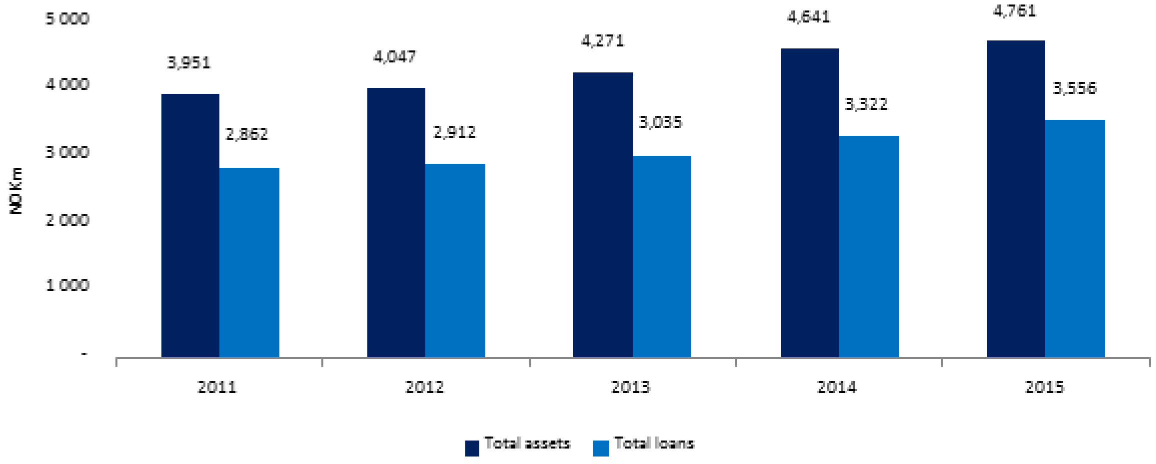
| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| **Total assets (NOKbn)** | 3,951 | 4,047 | 4,271 | 4,641 | 4,761 |
| **Total loans (NOKbn)** | 2,862 | 2,912 | 3,035 | 3,322 | 3,556 |
| **Business/corporate loans (NOKbn)** | 1,037 | 1,082 | 1,098 | 1,141 | 1,200 |
| **Consumer credit (NOKbn)** | 58 | 62 | 68 | 75 | 84 |
| **Residential mortgage loans (NOKbn)** | 454 | 458 | 453 | 449 | 448 |
| **NPL as % of total gross loans** | 1.7 | 1.5 | 1.3 | 1.1 | 1.3 |
| **Deposits (% year)** | 13 | 2 | 7 | 7 | 4 |
| **Loans/deposits (%)** | 92 | 93 | 95 | 93 | 90 |
| **Total operating income (NOKbn)** | 141 | 142 | 141 | 148 | 138 |

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 2015, an increase from a historical ratio of ~72%.

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

**Total assets and total loans of the Norwegian banking market**




Source: SSB, the Financial Supervisory Authority of Norway

A very strong Norwegian economy for the past years has contributed to solid bank earnings. In aggregate, the banking sector in Norway posted 6% higher pre-tax earnings in 2015 than the previous year. DNB, Norway's largest bank posted a 17.5% earnings improvement compared to 2014 backed by a close to 8% growth in lending partly driven by the significantly weakened NOK currency. [9]

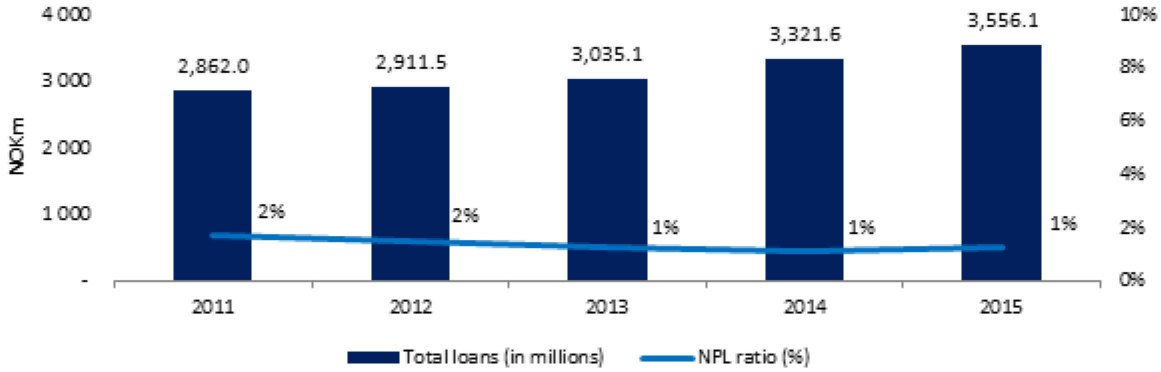
The recent oil price plunge is affecting the Norwegian economy and has significantly impacted the oil and gas sector and contributed to a marked slowing of the economy. However, only a relatively small portion of Norwegian banks' total lending is exposed directly to oil-related industry.

With NPL rates in Norway at very low levels and consistently among the lowest in Europe, Norwegian banks have so far not seen the need to increase their loss provisions materially. However, Q4 2015 losses at an annualized 0,31% rate is the highest single quarterly loss since Q4 2012. Of the three banking size categories, the medium size banks experienced the highest loss rates due to the fact that several banks in this category have significant consumer credit loan portfolios and correspondingly higher NPL rates.

[9] Figures presented are based on SSB and the Financial Supervisory Authority of Norway (Resultatrapport fra finansinstitusjoner 2015)

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

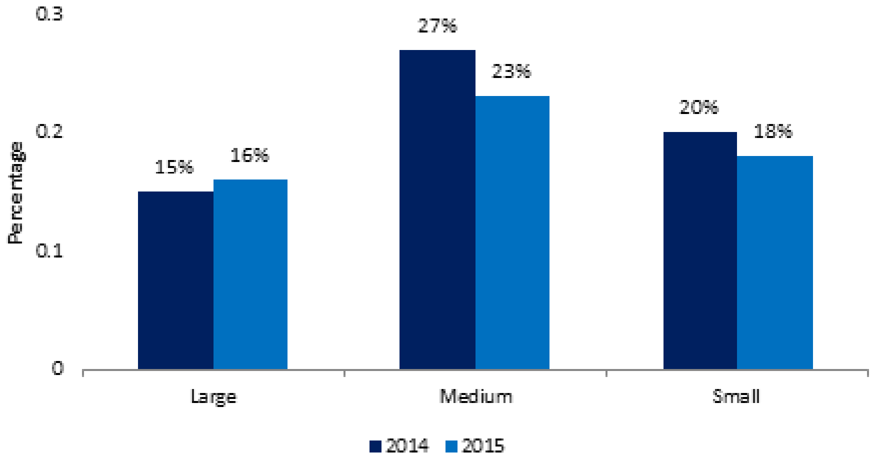
**Total loans and NPL ratio of the Norwegian banking market**




Source: World Bank Data, the Financial Supervisory Authority of Norway

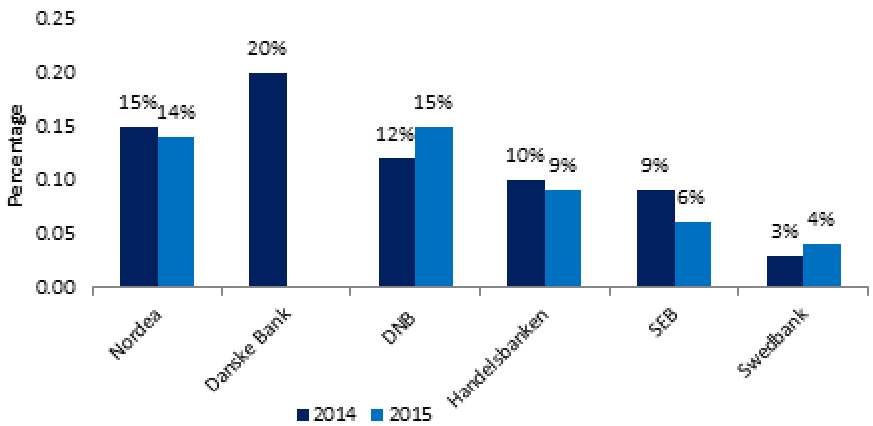
*Loan losses*

The chart below shows loan losses in percentage of gross loans.




Source: World Bank Data, the Financial Supervisory Authority of Norway

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



Source: World Bank Data, the Financial Supervisory Authority of Norway

*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, but 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.

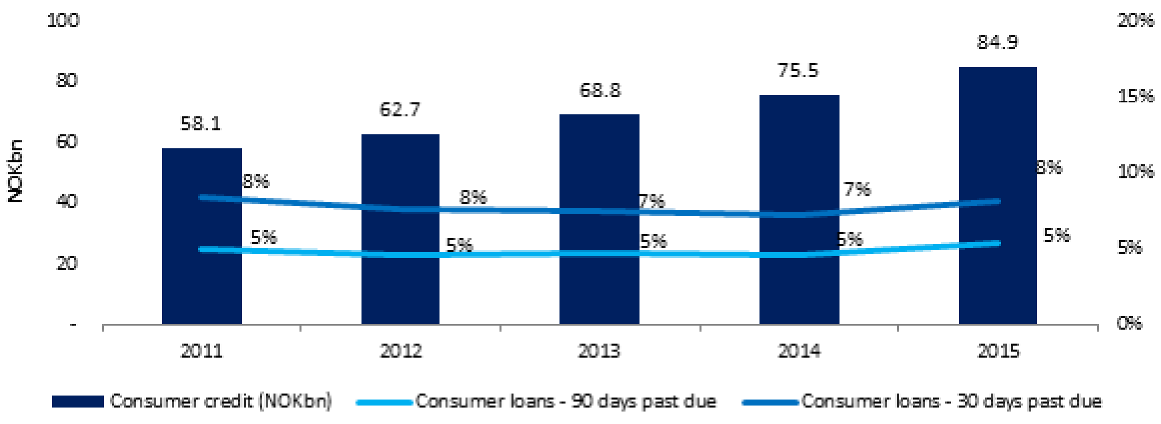
Last year, Lindorff acquired three portfolios of non-performing loans from DNB. The sale of the portfolios was part of DNB's capital efficiency program, and consisted of unsecured claims from DNB's consumer and equipment financing operations as well as corporate banking operations dating from 1984 to 2015. One of the portfolios consist of loans to non-strategic customers. The sale was one of the largest acquisitions of NPLs in the Norwegian market and Lindorff's largest transaction in the Nordic market this year.

*Unsecured Loans*

Consumer credit represents a significant share of total unsecured loans to households. In recent years, consumer credit in Norway has experienced 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.

The share of non-performing loans in the segment is significantly higher than for secured loans. During 2015, the share of consumer credit loans past due increased markedly and reached its highest level since 2011.

The chart below shows the consumer credit and percentage of consumer loan 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.



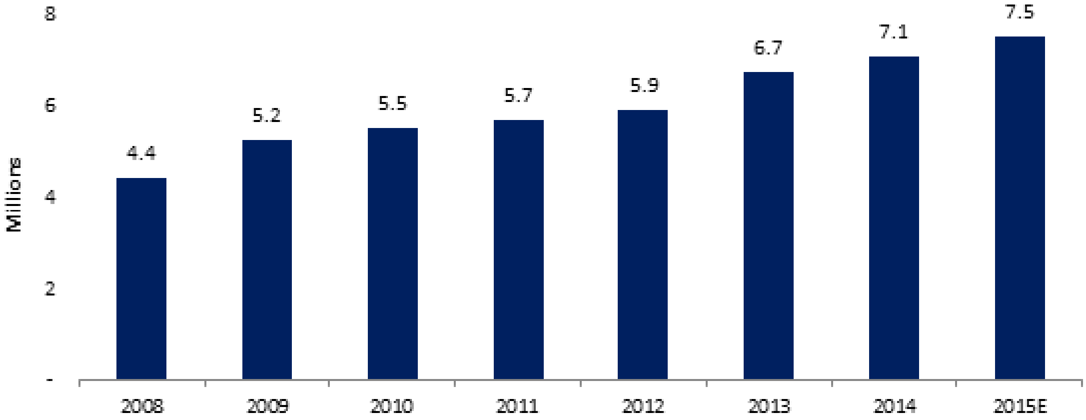

Source: the Financial Supervisory Authority of Norway

*Debt collection market*

The Norwegian debt collection market grew by 2.7% from NOK 13.64 billion in H1 2014 to NOK 14.01 billion in H1 2015. During the same period, the number of new cases grew by ~2% (76,000 cases). As of H1 2015, the debt collection market in Norway had 4.3 million cases in process. This represent an amount of non-performing loans of NOK 70.5 billion.

**Debt collection cases**

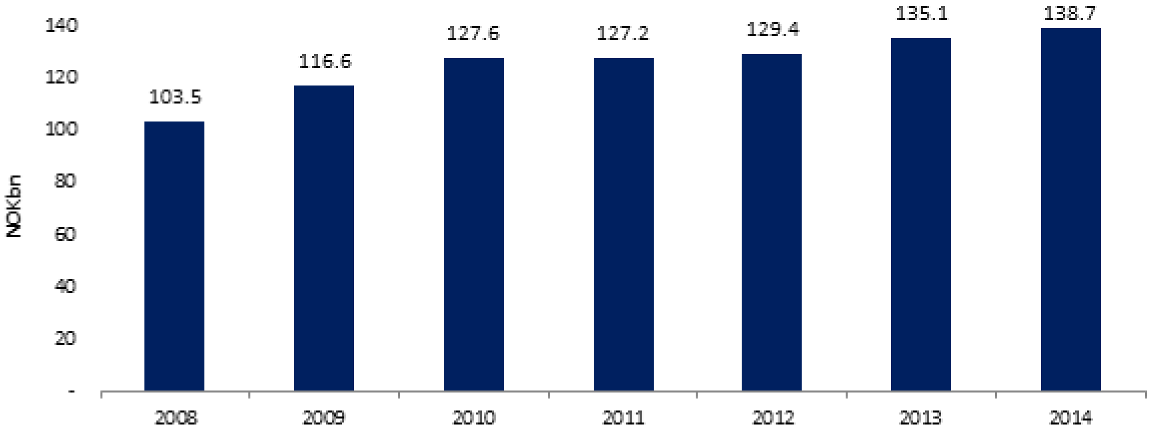
The chart below shows the number of debt collection cases in the Norwegian market.




Source: Industry association - Virke Inkasso

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

**Debt collection volume**




Source: Industry association - Virke Inkasso

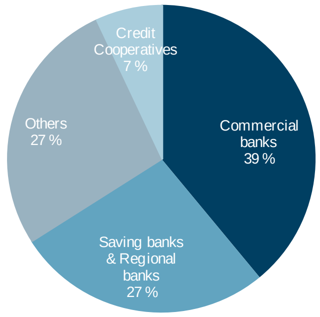
**Germany**

*Banking Overview*

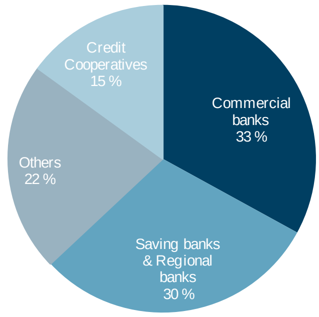
Germany has one of the most fragmented banking sector due to its three pillars model composed of: Commercial banks, Savings banks (Sparkassen) and Regional banks (Landesbanken) owned by federal states with operations restricted to the region and Cooperative banks owned by their members/depositors.

The chart below depicts the total assets and total loans of banks in the German banking sector, split by Commercial banks, Savings and Regional banks and others, as of June 2015.

**Total assets as of June 2015**




**Total loans as of June 2015**




Source: 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, bank earnings continue to be blighted by the uncertain economic and especially low interest environment as well as sovereign and regulatory pressure.

Since 2011, efforts were made to strengthen the banking sector in terms of liquidity and funding, but also in terms of capital. The Basel III capital requirements in combination with the European Banking Authority, or the EBA, standards have helped to improve the resilience of German banks remarkably. With an average core tier 1 ratio of above 10%, all banks met or surpassed the recapitalization targets recommended by EBA's stress testing at the end of June 2012. Banks have largely achieved this by improving capital through measures such as retaining earnings, raising new capital or repurchasing hybrid capital instruments on the one hand, while at the same time reducing risk-weighted assets, or RWAs, 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 or commercial real estate lending, 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.

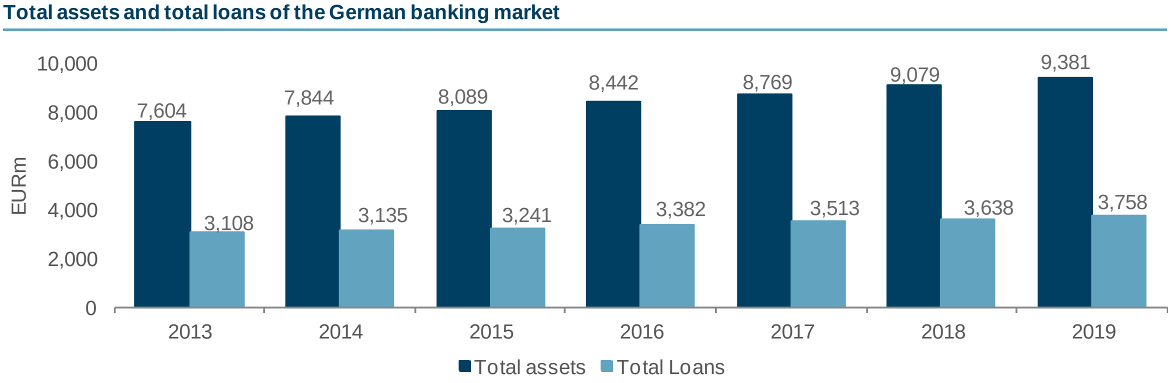
The table below shows certain key figures for the German banking sector.

**Banking overview**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|
| Total assets (€bn) | 8,467 | 8,315 | 7,604 | 7,844 | 8,089 | 8,442 |
| Total loans (€bn) | 3,246 | 3,239 | 3,108 | 3,135 | 3,241 | 3,382 |
| Business/corporate loans (€bn) | 1,368 | 1,378 | 1,395 | 1,406 | 1,447 | 1,511 |
| Consumer credit (€bn) | 229 | 225 | 223 | 222 | 228 | 237 |
| Residential mortgage loans (€bn) | 806 | 820 | 837 | 856 | 898 | 936 |
| NPLs as % of total gross loans | 3.3 | 3 | 3.1 | 3 | 2.9 | 2.9 |
| Deposits (% year) | 3.4 | 1.7 | -0.6 | 1 | 2.2 | 3.8 |
| Loans/deposits (%) | 99 | 97 | 94 | 94 | 95 | 95 |
| Total operating income (€bn) | 128 | 135 | 122 | 125 | 131 | 139 |

Source: ECB, Oxford Economics

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




Source: ECB, Oxford Economics

*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 50 billion in face value. The demand was mainly from international investors which had come over from Asia.

After a freeze in NPL market following the financial crisis, investors' interest in German loan portfolio has returned. In addition to resales of such portfolios by investors, or "secondary trading", this development was attributable to national and foreign banks testing the market in recent years.

Following a number of larger transactions in 2010 and 2012, and some small and medium-sized in the last few years, activity has increased sharply in 2015.

Demand for German NPL portfolios remains extremely high and investors, e.g., hedge funds, private equity firms and investment banks who were active before the crisis, are not only monitoring the current market development closely but being very actively. Also new investors have entered the market such as insurance companies or private investors who can participate in the workout of NPLs through closed-end funds.

Germany's NPL ratio has remained at a low level, a development attributable to the low unemployment rate, moderate default rates coupled with a stable real estate market and the fact that German banks did not experience a surge in NPLs on their balance sheets like other European banks.

According to the German Financial Supervisory Authority's, or BaFin's, annual report 2014, the volume of NPLs in the German banking sector declined by 8.2 % compared with the previous year to EUR 154 billion. Measured against the total volume of loans to non-banks, the share of NPLs fell slightly to 2.7 %, compared with just under 2.9 % in 2012.

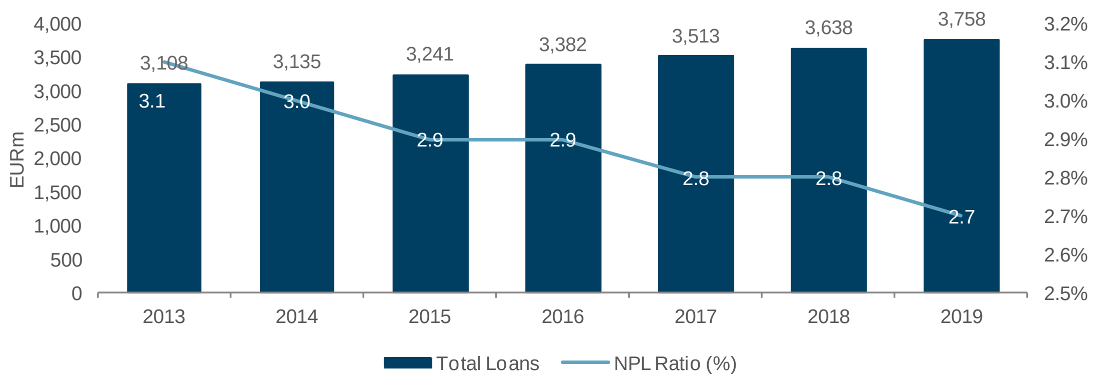
In the course of de-leveraging, banks have held in recent years on to their loan portfolios until investor pricing is more in line with the banks' expected values. Vendors have often been unable or unwilling to crystallize the loss if selling below book value. As a result, they have been reluctant to dispose of domestic loan portfolios and only external factors, such as regulatory pressure (e.g. asset quality review, or AQR, results) or a sharp rise in funding costs, would change the situation and prompt a sharp rise in portfolio sales.

Recent successful transactions – especially foreign banks selling German loan portfolios – have shown that the gap between sellers' price expectations and investors' bid prices has narrowed, with the market revealing strategic prices being paid.

In addition, the German real estate market is developing positively and, as a result, underlying collateral values are increasing, thus leading to higher pricing of loans secured by real estate.

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

**Total loans and NPL ratio of the German banking market**




Source: ECB, Oxford Economics

External factors, such as regulatory pressure or a sharp rise in funding costs will further trigger banks to dispose non-core assets (especially NPLs).

There has been increasing activity in the German loan sale market so far in 2015. Commerzbank continues to be the most active seller, having completed two loan portfolio transaction (over EUR 3.5 billion). The German wind-down agencies FMS Wertmanagement has completed one transaction so far and has recently brought another commercial real estate laon portfolio, or CRE portfolio, to market whereas EAA has two transactions pending.

*The Unsecured NPL Market*

The unsecured consumer NPL market is characterized by smaller and continued transactions rather than occasional large transactions. Banks only sell terminated loan portfolios to investors, as the legal framework makes a transfer of the claim after termination much easier and data confidentially 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 day-to-day business for many 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 being invited to tender. Banks' approaches vary in terms of portfolio size, the "freshness" of the debt and whether a forward flow (e.g., monthly, quarterly, annually) or spot sale is the appropriate transaction structure.

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 a 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.

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.

A former survey by BKS Bank AG showed that in-house servicing remains the dominant strategy for banks (approximately 58%) for unsecured consumer NPLs, followed by a sale of NPLs (approximately 28%), while outsourcing is not yet widespread in dealing with NPLs (only approximately 16%).

**Italy**

*Banking Overview*

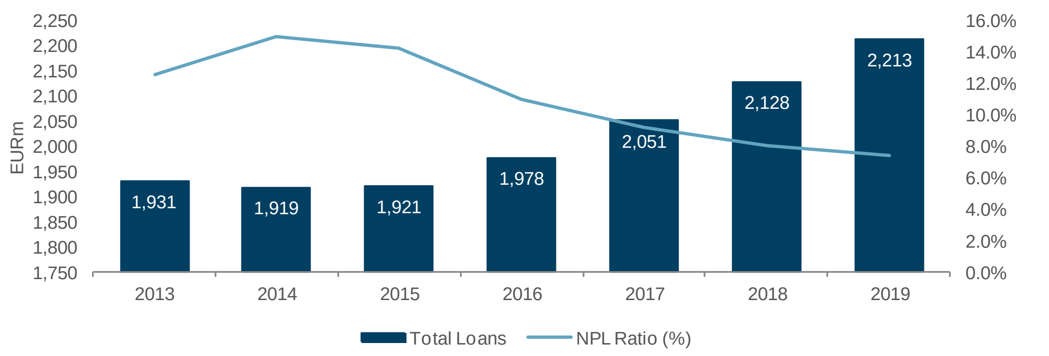
In June 2015, the Italian government approved a new law decree called "Giustizia per la crescita" (Justice for the growth) aimed at reforming the bankruptcy private and civil laws to facilitate the rescue and turnaround of Italian distressed companies and NPL disposals.

Between the start of 2015 and the start of 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). One of the targets of these reforms is 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 problem 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.

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, Oxford Economics

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

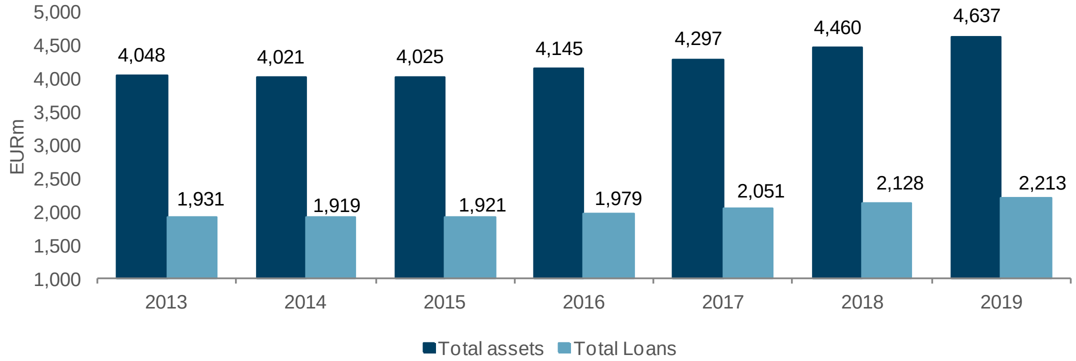
**Banking overview**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|
| Total assets (€bn) | 4,070 | 4,219 | 4,048 | 4,021 | 4,025 | 4,145 |
| Total loans (€bn) | 2,379 | 1,981 | 1,931 | 1,919 | 1,921 | 1,978 |
| Business/corporate loans (€bn) | 894 | 865 | 814 | 808 | 815 | 843 |
| Consumer credit (€bn) | 64 | 60 | 59 | 57 | 57 | 58 |
| Residential mortgage loans (€bn) | 368 | 366 | 361 | 359 | 359 | 367 |
| NPLs as % of total gross loans | 8.1 | 9.7 | 12.6 | 15 | 14.2 | 11 |
| Deposits (% year) | -2.7 | 7.8 | 2.2 | 3.1 | 3.5 | 5.8 |
| Loans/deposits (%) | 170 | 131 | 125 | 120 | 116 | 113 |
| Total operating income (€bn) | 79 | 79 | 79 | 76 | 81 | 87 |

Source: ECB, Oxford Economics

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

**Total assets and total loans of the Italian banking market**




Source: ECB, Oxford Economics

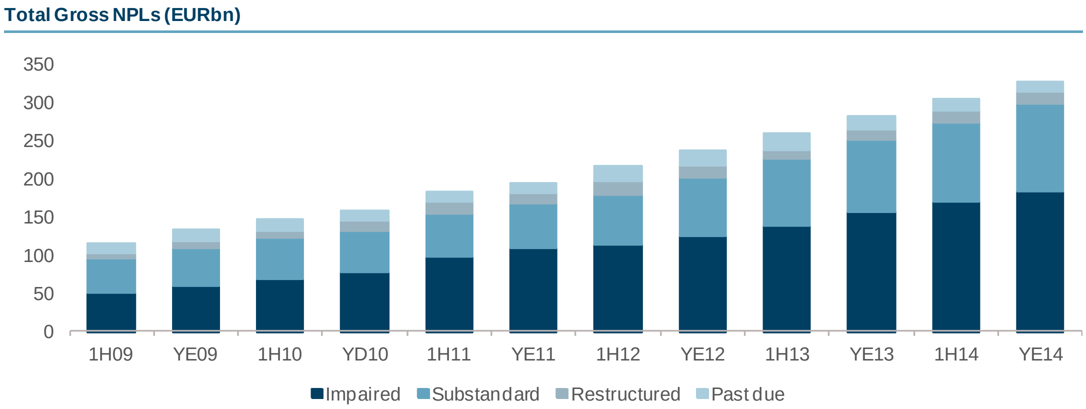
*NPL Market*

Following several years of economic crisis, the overall asset quality of Italian banks is still suffering with NPLs reaching approximately EUR 326 billion as of December 2014 (17% of total customer loans).

Corporate NPLs have more than quadrupled from approximately EUR 50 billion to approximately EUR 230 billion, representing 71% of total NPLs.

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

The chart below depicts the total gross NPLs, in billions Euro, in the Italian banking market.



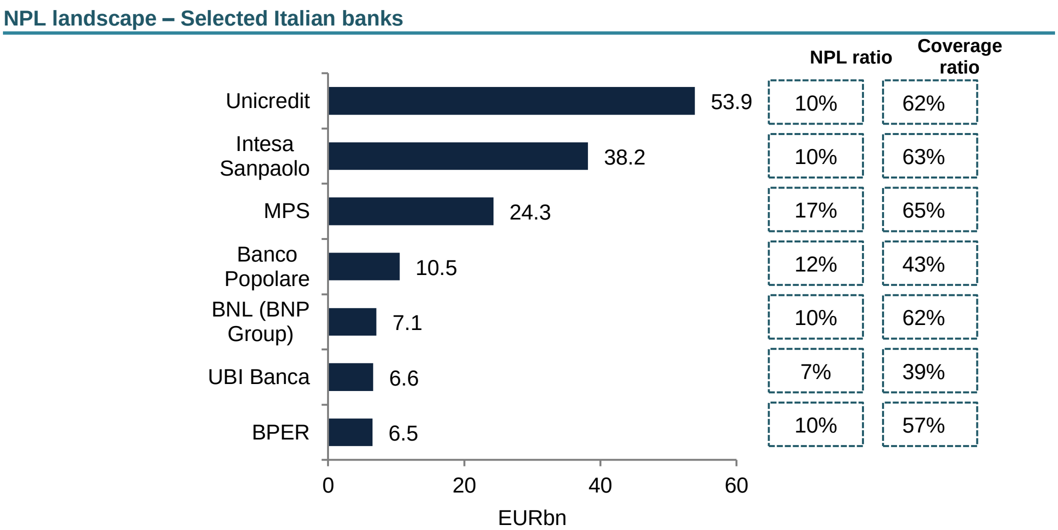

Source: Bank of Italy

While the Italian unsecured debt market (with a specific focus on consumer NPL portfolios) has been quite active, with supply essentially coming from the main players (UniCredit, Banco Popolare, MPS, etc.), the market for corporate NPLs has been struggling to take off.

Towards the end of 2015, despite an increasing number of transactions, the size of them remains smaller compared to other European ones.

There is significant liquidity on the sidelines waiting to be deployed: while focus has been on other geographies so far (Spain, Ireland, Portugal) there is significant interest in the Italian market.

The chart below the Italian NPLs coverage ratio, for the full year 2014.




Source: Bank of Italy

## 12. MAJOR SHAREHOLDERS

The table below shows the Company's 20 largest shareholders as recorded in VPS as of May 23, 2016, before the 220,400,000 Private Placement Shares were registered:

| | Shareholder | Type | Shares | Ownership |
|---|---|---|---|---|
| 1 | ARCTIC FUNDS PLC | Company | 40,437,195 | 6.16% |
| 2 | SOLAN CAPITAL AS | Company | 36,000,000 | 5.49% |
| 3 | TVENGE TORSTEIN INGVALD | Private investor | 30,000,000 | 4.57% |
| 4 | LOPEZ SANCHEZ ANDRES | Private investor | 22,902,500 | 3.49% |
| 5 | MARTIN IBEAS DAVID | Private investor | 22,902,500 | 3.49% |
| 6 | SWEDBANK GENERATOR | Company | 20,217,435 | 3.08% |
| 7 | VERDIPAPIRFONDET ALFRED BERG NORGE | Company | 19,368,370 | 2.95% |
| 8 | VERDIPAPIRFONDET HANDELSBANKEN | Company | 18,851,801 | 2.87% |
| 9 | VERDIPAPIRFONDET ALFRED BERG GAMBA | Company | 14,670,426 | 2.24% |
| 10 | VERDIPAPIRFONDET DNB SMB | Company | 14,053,073 | 2.14% |
| 11 | STATOIL PENSJON | Company | 13,915,500 | 2.12% |
| 12 | CIPRIANO AS | Company | 13,650,000 | 2.08% |
| 13 | ALPETTE AS | Company | 12,550,000 | 1.91% |
| 14 | SKANDINAVISKA ENSKILDA BANKEN S.A. | Nominee | 12,500,000 | 1.91% |
| 15 | NORDNET LIVSFORSIKRING AS | Company | 12,216,214 | 1.86% |
| 16 | MP PENSJON PK | Company | 11,539,039 | 1.76% |
| 17 | STOREBRAND VEKST | Company | 10,602,615 | 1.62% |
| 18 | LATINO INVEST AS | Company | 9,500,000 | 1.45% |
| 19 | VERDIPAPIRFONDET STOREBRAND OPTIMA | Company | 7,913,492 | 1.21% |
| 20 | INTELCO CONCEPT AS | Company | 6,037,313 | 0.92% |
| | **Sum top 20** | | **349,827,473** | **53.32%** |
| | Other | | 306,386,887 | 46.68% |
| | **Total** | | **656,214,360** | **100.00 %** |

As of May 23, 2016, and so far as is known to the Company, Arctic Funds PLC representing 6.16% and Solan Capital AS representing 5.49% are the only persons that, directly or indirectly, are interested in 5% or more of the share capital of the Company (which constitute a notifiable holding under the Swedish Securities Trading Act).

Following the registration and delivery of the Private Placement Shares, funds managed by Alfred Berg Kapitalforvaltning AS will own shares representing 5.74% of the share capital of the Company and Swedbank Asset Management will own shares representing 5.22% of the shares capital in the Company. These two persons will be the only shareholders with a holding above 5%.

To the knowledge of the Board of Directors, there are except the Private Placement, 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 18 "Corporate Information; Shares and Share Capital".

## 13. BOARD OF DIRECTORS AND MANAGEMENT

This Section provides 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 the certain other corporate bodies and the governance of the Company.

### 13.1 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 |
|---|---|---|---|
| Einar J. Greve | Chairperson | 2015 | 2017 |
| Gunnar Hvammen | Director | 2015 | 2017 |
| Per Dalemo | Director | 2014 | 2016 |

Per Dalemo was for the first time elected at an Extraordinary General Meeting held on October 10, 2014. Thereafter he was re-elected at the Annual General Meeting on June 3, 2015. Einar J. Greve and Gunnar Hvammen were elected on the Extraordinary General Meeting held December 23, 2015. All board members where re-elected at the Annual General Meeting held 26 May, 2016.

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.

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

**Einar J. Greve, Chairman**

Mr. Greve works as a strategic advisor at Cipriano AS. Mr. Greve has previously worked as partner of Wikborg Rein & Co for 15 years and as partner of Arctic Securities ASA. Mr. Greve has held and holds various positions in listed and unlisted companies. He holds a degree in law (cand.jur) from the University of Oslo and is an attorney-at-law and sole partner of Advokatfirmaet Greve. He is a Norwegian citizen and resides in Oslo, Norway.

| | |
|---|---|
| Current directorships and senior management position | Axactor AB (chairman), Weifa ASA (chairman), Cipriano AS (chairman and CEO), Positano AS (chairman and owner), JE Greve AS (board member), Pagano AS (board member), C Sundstgt. 19 AS (chairman), Datum Invest AS (board member), Scandinaviegaarden AS (board member), Elliptic Laboratories AS (board member), The Future Group AS (board member), Vistin Pharma ASA (board member) and Hæhre & Isachsen Holding AS (board member) |
| Previous directorships and senior management positions last five years | Offpiste AS (board member), Tjuvstart AS (chairman), Starten AS (chairman), Norske Skogindustrier ASA (board member), Saga Tankers ASA (board member), Eltek ASA (board member), Union Gruppen AS (chairman), Tjuvholmen 1 AS (board member) and Boleyn Holding AS (board member) |

**Gunnar Hvammen, Board Member**

Mr. Hvammen is an active investor, taking active part in a few companies with investments and time. Investments and cofounding of companies have dominantly been in the oil service sector, but also in new technology and real estate. Mr. Hvammen owns and operates through Lauvheim Holding AS and its wholly owned companies Solan Capital AS and Thabo Energy AS. He has previously been board member, chairman of the board and president for oil service related companies, a senior partner, president and co-founder of rig brokerage company Normarine (today Pareto Offshore), and partner in a financial house in Norway, Fondsfinans ASA. Mr. Hvammen went to Oslo Business School (previously Handelsakademiet). He is a Norwegian citizen and resides in Oslo, Norway.

| | |
|---|---|
| Current directorships and senior management position | Personbassa Hvammen (CEO), Wedel Eiendom AS (CEO and board member), Lauvheim Holding 2 AS (CEO and chairman), Plogveien 1 AS (chairman), Lauvheim Holding AS (chairman), Thabo Energy AS (chairman), Bagto Eiendom AS (chairman), Borgeskogen 12 AS (chairman), Solan Capital AS (chairman), Lauvheim Eiendomsselskap ANS (chairman), Arctic Pharma AS (board member), Spermatech AS, Norsun AS (board member), Visitfonna AS, The Staaker Company AS (board member), Skioo SA (chairman) and Skioo Holding AS (chairman) |
| Previous directorships and senior management positions last five years | Weboden AS (chairman), Demo AS (chairman), Zoncolan AS (chairman), Spectrum ASA (board member), Lauvheim Holding 1 AS (CEO and chairman), Zoncolan AS (board member), North Energy ASA (board member), SD Standard Drilling Plc (chairman) and Prospector Offshore SA (board member) |

**Per Dalemo, Board Member**

Mr. Dalemo is a partner and board member of Wistrand Law Firm. Mr. Dalemo has a law degree from the University of Gothenburg. He has previously worked for MAQS Law firm and for New Wave Group. Mr. Dalemo advises public and private firms in a wide variety of M&A transactions, including strategic mergers and consolidations, purchases and sales of public and private companies. Mr. Dalemo frequently advises boards in connection with their evaluation of potential M&A opportunities and other strategic alternatives. Mr. Dalemo joined Wistrand Law Firm in 2009. Mr. Dalemo is a Swedish citizen and resides in Gothenburg, Sweden.

| | |
|---|---|
| Current directorships and senior management position | Wistrand Advokatbyrå Göteborg Aktiebolag (board member), Airport Retail Sweden AB (deputy board member) Hovås 57:145 Fastighets AB (board member), Hallstenshagens Advokatbyrå Aktiebolag (board member) and Mapletown Invest AB (board member) |
| Previous directorships and senior management positions last five years | None |

## 13.2 Management

Set out below are brief biographies of the management of the Group.

**Endre Rangnes, CEO**
Business address: Sjølyst plass 2, 0278 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 | Tieto Ojy (board member), Alpette AS (chairman) and Medici Invest AS (chairman) |
| Previous directorships and senior management positions last five years | Lindorff Group AB (CEO) and Altor Private Equity (Industrial advisor) |

**Geir Johansen, Chief Financial Officer**
Business address: Sjølyst plass 2, 0278 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), Axactor AS (board member), IKAS Norge AS, IKAS AS, IKAS Øst, IKAS Nord, IKAS Vest AS and IKAS Nordvest AS |
| Previous directorships and senior management positions last five years.................................... | Board member on several SD Standard Drilling Plc subsidiaries, Kybalion Group Holding AS (chairman), Kybalion Seafood AS (chairman) Kybalion Invest I AS (chairman) and Catch of Norway Seafood Pte Ltd (India) (chairman) |

**Johnny Tsolis, Head of Strategy and Projects**
Business address: Sjølyst plass 2, 0278 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) and Kamfer AS (board member) |
| Previous directorships and senior management positions last five years.................................... | Mobiletech AS 2007-2012 (board member), DHT Corporate Services AS 2013-2015 (Partner), Cardo Partners AS (2005-2013), Handelsbanken 2002-2005 (project analyst) and Arkwright 2000-2002 (Senior Assoicate) |

**Oddgeir Hansen, Chief Operating Officer**
Business address: Sjølyst plass 2, 0278 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........................................................................ | IKAS Norge AS, IKAS AS, IKAS Øst, IKAS Nord, IKAS Vest AS, IKAS Nordvest AS and Fryden AS (chairman) |
| Previous directorships and senior management positions last five years.................................... | Lindorff Group (COO), Lindorff AS (chairman), Lindorff Holding Norway AS (CEO), Lindorff Norge AS (CEO) and Lindorff Capital AS (board member) |

**Siv Farstad, Executive Vice President, Human Resources**
Business address: Sjølyst plass 2, 0278 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 an Siviløkonom Degree in Business Administration from Pacific Lutheran University in 1988.

| | |
|---|---|
| Current directorships and senior management position........................................................................ | None |
| Previous directorships and senior management positions last five years.................................... | Lindorff AS (President HR) |

## 13.3 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 Board members or members of the Executive Management and their private interests and or other duties, except as described below.

**Gunnar Hvammen, member of the Board**

The largest owner of Solan Capital AS, which owns 36,000,000 shares in the Company, is Mr. Hvammen and is thus not considered as independent from the Company's larger shareholders.

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 Company's Board members or Executive Management.

## 13.4 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;
- 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; or
- 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.

## 13.5 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 May 26, 2016 the annual board member fees was set to SEK 900,000 for the Chairman and SEK 450,000 for each of the two Directors. The levels were unchanged from the previous level.

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.

During the year ended December 31, 2014, the Group's management comprised of one member, Torbjörn Ranta (then CEO). Mr. Ranta was during this period employed on a consultancy contract basis via his private company. The Company was invoiced a net amount of SEK 984 thousand for the services of Mr. Ranta for the year ended December 31, 2014, which included Mr. Ranta's pension costs.

At the Extraordinary General Meeting on 17 November 2015 it was resolved to establish an employee share option plan (please see further Section 13.6 below).

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 December 31, 2015, the Company had no pension related expenditures for its management or employees.

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. Chairman of the Board Mr. Einar J. Greve is the beneficial owner of Cipriano AS.

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 new CEO Endre Rangnes, pursuant to which Alpette AS would be entitled to a success fee of NOK 1.8 million 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. The fee of NOK 1.8 million has been paid in full to Alpette AS as per the date of this Prospectus.

In early autumn 2015 the Company entered into a consultancy agreement with Latino Invest AS, a company which is a closely related party to the Company's new Head of Strategy and Projects Johnny Tsolis, pursuant to which Latino Invest AS would be entitled to a success fee of 1.65 million NOK for services rendered in connection with the acquisition of ALD. Under the agreement Latino Invest AS rendered services in order to facilitate the acquisition of ALD, which have been to the benefit of the Group. The fee of NOK 1.65 million has been paid in full to Latino Invest AS as per the date of this Prospectus.

Per Dalemo is employed by Wistrand Law firm. Wistrand Law firm in Gothenburg was one of Axactor's legal advisors in relation to the acquisition of ALD in Spain and the various share issues. In total Wistrand invoiced Axactor some SEK 2 million in legal fees in the fourth quarter of 2015. Mr. Dalemo has not been part of the legal team extending services to Axactor.

At the EGM on November 17, 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 NOK 4 million has been paid in full to Ferncliff TIH II AS as per the date of this Prospectus.

Certain of Axactor's major shareholders, today's management team of the Company and Mr. Greve (today's Chairman of the Board) were among the underwriting syndicate guaranteeing successful completion of the private placement and reparatory rights issue of 400 million and 60 million shares, respectively, in late autumn 2015.

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.

## 13.6 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* | | | |
| Einar J. Greve | Chairman | 13,650,000 | None |
| Gunnar Hvammen | Director | 36,000,000 | None |
| Per Dalemo | Director | 500,000 | None |
| | | | |
| *Management* | | | |
| Endre Rangnes | CEO | 12,550,000 | (1) |
| Johnny Tsolis | Head of Strategy and Projects | 9,500,000 | (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) |

(1) Granted share options, see below

At the Extraordinary General Meeting on 17 November 2015 it was resolved to establish an employee share option plan. The employee share options shall be granted free of charge and shall be allocated to the Company’s key personnel. The total number of options that may be issued will amount to not more than 55,500,000 and have been allocated as given in the below table. The share options expire on 31 December 2020.

| | Position | Options | Start date |
|---|---|---|---|
| *Management* | | | |
| Endre Rangnes | CEO | 16,000,000 | 1 November 2015 |
| Johnny Tsolis | Head of Strategy and Projects | 10,000,000 | 1 November 2015 |
| Geir Johansen | Chief Financial Officer | 6,000,000 | 1 January 2016 |
| Siv Farstad | Executive Vice President, Human Resources | 1,500,000 | 1 November 2015 |
| Oddgeir Hansen | Chief Operating Officer | 4,000,000 | 1 November 2015 |

| | % of grant | Strike Price, in NOK |
|---|---|---|
| Vesting after 12 months | 27% | 1.00 |
| Vesting after 24 months | 27% | 1.15 |
| Vesting after 36 months | 27% | 1.25 |
| Vesting after 48 months | 19% | 1.30 |

The above management share option scheme was approved at the Extraordinary General Meeting held on 17 November 2015.

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. Lock-up for the Consideration Shares are described in Section 7.2.

## 13.7 Nomination Committee, Audit Committee and Remuneration Committee

The Nomination Committee is selected based on principles set out in the Company’s Code of conduct, which in the Group is to select the nomination committee from the largest shareholders. The term of the Nomination Committee will be until a new Nomination Committee gets appointed.

At the Annual General Meeting of the Company on 26 May 2016, the following Nomination Committee was appointed:

| | Member since |
|---|---|
| Gunnar Hvammen | 2014 |
| Magnus Tvenge | 2016 |

Gunnar Hvammen is representing Solan Capital AS.

The Nomination Committee shall identify suitable candidates for various director positions. Other responsibilities may include reviewing and changing corporate governance policies. The committee normally consists of representatives of the largest shareholders in the Company at the time of Committee member selection.

The Company does currently not have an Audit Committee. The Board of Directors will have a meeting with the responsible auditor normally during the last meeting of the Board of Directors before the Annual General Meeting of every year, or at the Board meeting approving of the release of the annual report. During this meeting the Board along with the responsible Auditor will review the accountings and the work of the management regarding the financial reporting for the relevant accounting year. The Board also receives updates on an interim basis regarding the financials of the Group, budgets and accountings in order to have a continuous and sufficient perception of how the Group is run from an accounting perspective. If the Board is notified of potential issues, these will be addressed in the upcoming Board meeting. The Board considers this current solution to be a preferable alternative, compared to appointing an Audit Committee, as the whole Board becomes automatically involved in, and more aware of, the Group's accounting and the needs related to the auditing of different companies.

The Company does currently not have a Remuneration Committee, as the number of employees in the Group has been limited. Remuneration of management is accordingly dealt with by the entire Board of Directors.

## 13.8 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 private limited liability 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 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 except as set out below.

- Deviation in relation to the appointment of an Auditing Committee and a Remuneration Committee. This deviation from the Code of Practice is explained in Section 13.7 "—Nomination Committee, Audit Committee and Remuneration Committee".
- The Company currently does not have a nomination committee.
- The nomination committee's proposals are to be presented in the notice of a shareholders' meeting where the election of board members or auditor is to be held and on the company's website. The Company currently does not have a nomination committee.

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

## 14. 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 December 31, 2014 and 2015 and its unaudited consolidated financial statements as of and for the three month periods ended March 31, 2015 and 2016. 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 and 2015 and the unaudited consolidated financial statements as of and for the three month periods ended March 31, 2015 and 2016, which are incorporated by reference to this Prospectus, see Section 22.

### 14.1 Selected Income Statement Information

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

***Income Statement Information***
***SEK 1,000***

| | Three Months Ended March 31 | | Year Ended December 31 | |
|---|---|---|---|---|
| | **Unaudited** | **Unaudited** | **Audited** | **Audited** |
| | **2016** | **2015** | **2015** | **2014** |
| *Continued operations* | | | | |
| Gross revenue | 29,404 | — | 4,437 | — |
| Amortization | (1,492) | — | — | — |
| Net income | 27,912 | — | 4,437 | — |
| Other operating income | — | — | — | 75 |
| Total operating income | 27,912 | — | 4,437 | 75 |
| Other external expenses | (18,152) | (1,495) | (29,940) | (9,927) |
| Personnel expenses | (20,258) | — | (5,089) | 187 |
| Results from equity accounted participations | | | — | — |
| Operating result before depreciations and impairment losses | (10,498) | (1,495) | (30,592) | (9,665) |
| Depreciation/amortization and impairment loss on tangible, intangible & financial fixed assets | (2,464) | — | (837) | — |
| Operating results after depreciation and impairment losses | (12,962) | (1,495) | (31,429) | (9,665) |
| Financial revenue | 4,253 | 844 | 329 | 3,105 |
| Financial expenses | (6,960) | (261) | (30,218) | (3,111) |
| Total financial items | (2,707) | 583 | (29,889) | (6) |
| Result before tax | (15,669) | (912) | (61,318) | (9,671) |
| Income tax | 773 | — | — | — |
| Results for the period from remaining operations | (14,896) | (912) | (61,318) | (9,671) |
| Loss from discontinued operations | — | (117) | (105,288) | (36,336) |
| Result for the period including discontinued operations | (14,896) | (1,029) | (166,606) | (46,007) |
| Result for the period attributable to: | | | | |
| Equity holders of the parent company | (14,896) | (1,029) | (166,606) | (45,986) |
| Non-controlling interest | — | — | — | (21) |
| Result for the period | (14,896) | (1,029) | (166,606) | (46,007) |
| Result per share before and after dilution including discontinued operations | (0.02) | (0.01) | (1.25) | (1.54) |
| Result per share before and after dilution excluding discontinued operations | (0.02) | (0.01) | (0.46) | (0.32) |
| Average number of shares (millions) | 619.1 | 90.8 | 133.7 | 29.8 |

## 14.2 Selected Statement of Financial Position Information

The table below sets out a summary of the Company's audited consolidated balance sheet information as of December 31 2014 and December 31 2015 and its unaudited consolidated balance sheet information as of the three-month periods ended March 31, 2015 and 2016.

***Statement of Financial Position Information***

| ***SEK 1,000*** | **Three Months Ended March 31 Unaudited** | **Year Ended December 31 Audited** | **Audited** |
|---|---|---|---|
| | **2016** | **2015** | **2014** |
| **Assets** | | | |
| *Intangible fixed assets* | | | |
| Mineral interests | — | — | 111,676 |
| Customer relationships | 36,006 | 37,125 | — |
| Database | 7,276 | 7,530 | — |
| Other intangible assets | 436 | 448 | — |
| Goodwill | 124,467 | 124,467 | — |
| *Tangible fixed assets* | | | |
| Plant and machinery | 1,669 | 549 | 551 |
| *Long-term financial assets* | | | |
| Purchased debt | 250,722 | — | — |
| Other long-term investments | 667 | 267 | 359 |
| Long-term receivables | — | — | 31 |
| Total fixed assets | 421,243 | 170,386 | 112,617 |
| Other receivables | 63,579 | 58,284 | 696 |
| Prepaid expenses | 6,462 | 3,760 | 161 |
| Cash and cash equivalents | 185,793 | 372,375 | 61,502 |
| Total current assets | 255,834 | 434,419 | 62,359 |
| Total assets | 677,077 | 604,805 | 174,976 |
| **Equity and liabilities** | | | |
| *Equity attributable to equity holders of the parent company* | | | |
| Share capital | 328,107 | 298,307 | 45,405 |
| Other paid-in capital | 1,541,773 | 1,468,788 | 1,256,648 |
| Reserves | (1,917) | (96) | — |
| Retained earnings and profit for the period | (1,304,902) | (1,290,007) | (1,141,416) |
| | | 476,992 | 160,637 |
| Non-controlling interest | — | — | 157 |
| Total equity | 563,060 | 476,992 | 160,794 |
| **Liabilities** | | | |
| *Long-term liabilities* | | | |
| Convertible loan | — | 5,000 | 5,000 |
| Deferred tax liabilities | 10,820 | 11,357 | — |
| Other long-term liabilities | 2,912 | 500 | 4,000 |
| Total long-term liabilities | 13,732 | 16,857 | 9,000 |
| *Long-term liabilities* | | | |
| Accounts payable | 13,559 | 12,420 | 1,560 |
| Tax liabilities | — | 9,963 | — |
| Other short term liabilities | 65,597 | 64,088 | 1,146 |
| Accrued expenses and prepaid income | 21,129 | 24,485 | 2,475 |
| Total current liabilities | 100,285 | 110,956 | 5,181 |
| Total equity and liabilities | 677,077 | 604,805 | 174,976 |
| Pledged assets | 4,000 | 4,000 | 31 |
| Contingent liabilities | — | — | — |

## 14.3 Selected Cash Flow Information

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

***Cash Flow Statement Information***
***SEK 1,000***

| | Three Months Ended March 31 | | Year Ended December 31 | |
|---|---|---|---|---|
| | Unaudited | Unaudited | Audited | Audited |
| | 2016 | 2015 | 2015 | 2014 |
| ***Cash flow from operations*** | | | | |
| Results after financial items | (15,669) | (1,029) | (166,606) | (46,007) |
| Adjustments for non-cash items | 4,177 | 20 | 134,586 | 31,468 |
| Total cash flow from operations before change in working capital | (11,492) | (1,009) | (32,020) | (14,539) |
| *Change in working capital* | | | | |
| Increase/decrease in receivables | (7,997) | 34 | 2,133 | 2,041 |
| Increase/decrease in short-term liabilities | (8,260) | (657) | 5,852 | (4,665) |
| Total cash flow from operations | (27,749) | (1,632) | (24,036) | (17,163) |
| ***Cash flow use for investments*** | | | | |
| Purchase of intangible fixed assets | — | (945) | — | (5,162) |
| Purchase of tangible fixed assets | (1,228) | — | — | (691) |
| Purchase of debt | (250,722) | — | — | — |
| Purchase of financial fixed assets | (400) | (22) | (82,691) | — |
| Sale of financial fixed assets | — | — | — | 2,000 |
| Total cash flow used for investments | (252,350) | (967) | (82,691) | (3,853) |
| ***Financial activities*** | | | | |
| New share issue | 104,430 | — | 460,386 | 74,081 |
| Costs related to fundraising | (3,824) | — | (24,281) | (7,950) |
| Raised credits | — | — | — | 1,098 |
| Amortization of debt | (5,000) | (1,099) | (1,099) | — |
| Total cash flow from financial activities | 95,605 | (1,099) | 435,006 | 67,229 |
| Change in cash and bank | (184,495) | (3,698) | 328,279 | 46,213 |
| Exchange difference in liquid funds | (2,088) | — | (17,406) | — |
| Cash and bank on January 1 | 372,375 | 61,502 | 61,502 | 15,289 |
| Cash and bank at the end of the reporting period | 185,793 | 57,804 | 372,375 | 61,502 |
| *Adjustment for non-cash items* | | | | |
| Impairment losses on intangible fixed assets | — | — | 104,310 | 3,685 |
| Depreciation of tangible fixed assets | 2,464 | 34 | 973 | 180 |
| Amortization of portfolios | 1,492 | — | — | — |
| Exchange loss | (1,958) | | 19,771 | (1,081) |
| Loss from sold companies | — | — | 9,532 | 30,000 |
| Options | 2,179 | — | — | — |
| Other | — | (14) | — | (1,316) |
| Total | 4,177 | | 134,586 | 31,468 |

### 14.4 Selected Key Performance Indicators

The table below sets out a summary of the Company's key performance indicators for the years ended December 31 2014 and 2015 and for the three-month periods ended March 31, 2015 and 2016.

| *Key Performance Indicators* | Three Months Ended March 31 | | Year Ended December 31 | |
|---|---|---|---|---|
| | Unaudited | Unaudited | Audited | Audited |
| | 2016 | 2015 | 2015 | 2014 |
| Solidity (%) | n.a. | n.a. | 78.9 | 91.9 |
| Shareholders equity per share before dilution (SEK) | 0.86 | 1.76 | 0.80 | 1.77 |

### 14.5 Discontinued operations

The term "Discontinued Operations" refers to the nickel and mining activities that were sold on December 31, 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.

| *Income Statement Information SEK 1,000* | Year Ended December 31 | |
|---|---|---|
| | Audited | Audited |
| | 2015 | 2014 |
| Other operating income | 40 | 219 |
| Total operating income | 40 | 219 |
| Other external expenses | (588) | (2,729) |
| Personnel expenses | (297) | 39 |
| Depreciation/impairment of fixed assets | (104,447) | (33,865) |
| Operating result | (105,292) | (36,336) |
| 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 December 31 | |
|---|---|---|
| | Audited | Audited |
| | 2015 | 2014 |
| ***Cash flow from operations*** | | |
| Results after financial items | (104,717) | (34,866) |
| Adjustments for non-cash items | 101,801 | 32,037 |
| Income tax paid | — | — |
| Total cash flow from operations before change in working capital | (2,916) | (2,829) |

***Cash Flow Statement Information***
***SEK 1,000***

| | Year Ended December 31 | |
|---|---|---|
| | Audited | Audited |
| | 2015 | 2014 |
| Total cash flow from change in working capital | (1,864) | (6,815) |
| Total cash flow used for investments | — | (473) |
| Total cash flow from financial activities | 4,772 | — |
| Change in cash and bank | (8) | (10,117) |
| Cash and bank on January 1 | 135 | 10,252 |
| Cash and bank at the end of the reporting period | 127 | 135 |
| *Adjustment for non-cash items* | | |
| Impairment losses on intangible fixed assets | 101,665 | 32,037 |
| Depreciation of tangible fixed assets | 136 | — |
| Other | — | — |
| Total | 101,801 | 32,037 |

## 14.6 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 26 May, 2016.

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 93 "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 19 "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.*

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

In the following, the term “Discontinued Operations” refers to the nickel and mining activities that were sold on December 31, 2015. The term “Remaining Operations” refers to the parent company and the debt collection companies. Numbers for corresponding period in 2014 are in brackets.

### 14.7.1 **Income Statement**

The net post-tax full-year result for 2015 is SEK -166.6 million. The net result from remaining operations was SEK -61.3 million (SEK -9.7 million), while the result for discontinued operations was SEK -105.3 million (SEK -36.3 million). The total comprehensive result for the year as a whole was SEK -166.7 million (SEK -47.1 million).

Earnings per share (EPS) for the 12-month period ending 31 December 2015 amounted to SEK -0.46, excluding discontinued operations (SEK -0.32). EPS including discontinued operations totalled SEK -1.25 for 2015 and SEK -1.54 for 2014.

Sale revenues for the year amounted to SEK 4.4 million (SEK 0 million). The Spanish subsidiary ALD was consolidated into the Group in December 2015, and its revenues therefore made a limited contribution to the Group P&L. The nickel operations were at the pre-feasibility stage, and generated no revenues in either 2015 or 2014.

The loss of SEK -166.6 million for the year is mainly attributable to the almost full impairment of the nickel operation in 2015 and the resulting impairment costs and realisation loss of SEK 113.8 million.

Transaction costs relating to the acquisition of ALD in Spain amounted to SEK 15.7 million. Unrealised foreign exchange losses amounted to SEK 19.9 million, as the majority of cash was held in NOK.

As the nickel operations are classified as discontinued operations, essentially all of the Group's recorded depreciation and impairment charges relate to the discontinued part of the business. Depreciation and impairment pertaining to discontinued operations amounted to SEK -104.4 million (SEK -33.9 million) in 2015.

Net financial items relating to remaining operations amounted to SEK –29.9 million (SEK 0 million) in 2015. This figure includes a realisation loss of SEK -9.5 million in respect of the divested nickel subsidiaries and an unrealised foreign exchange loss of SEK -19.9 million.

### 14.7.2 **Cash flow**

Axactor had cash flow of SEK 310.8 million during the 12-month period January–December 2015 (SEK 46.2 million). The positive figure for 2015 is the result of sizable share issues in the last quarter of 2015.

At the end of December 2015, Axactor's assets totalled SEK 604.8 million, compared to SEK 175.0 million at the end of 2014. The nickel subsidiaries were deconsolidated by year-end 2015. The Spanish subsidiary ALD has been included in the Group balance sheet, as have the net issue proceeds received in November and December 2015, after deduction for various issue and legal costs. Further, in early December 2015, the sellers of ALD received cash consideration of EUR 10 million and EUR 5 million in newly issued Axactor shares.

Investments in 2015 amounted to SEK 188.4 million, all related exclusively to the ALD acquisition.

### 14.7.3 **Financial position**

At the end of December 2015, cash and cash equivalents amounted to SEK 372.4 million (SEK 61.5 million). Most of the liquid assets are held in the Norwegian currency, NOK. At year-end, equity totalled SEK 477.0 million (SEK 160.8 million), representing an equity ratio of 79 per cent.

Short-term loans and other short-term liabilities amounted to SEK 111.0 million (SEK 5.2 million) at the end of the fourth quarter of 2015. Approximately half of this amount relates to an earnout agreement linked to the ALD acquisition and a post-closing adjustment for ALD's actual working capital on the takeover date. These two components were estimated to have a joint value of SEK 51 million at the end of December 2015, and form part of the Axactor Group's total short-term liabilities.

Based on the strategy and ramp-up plan for Axactor, the board has proposed that no dividend be paid for 2015.

The auditor´s report includes a remark related to an accrued cost of SEK 13,5 million which in the opinion of the auditor has not been sufficiently documented. The accrual 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 of legal services pertaining to collection activities in ALD. The board acknowledges the remark as it reflects a conservative approach to cost provisions for external services, and recognizes that the newly acquired ALD for 2016 and going forward will be keeping the accounts in accordance with IFRS principles and the Axactor Group's accounting policy.

### 14.7.4 **Operations ALD**

In 2015 ALD had total revenues according to IFRS of approximately EUR 10 million with an EBITDA-result of EUR 3.7 million. In 2014 ALD's revenues were some EUR 7 million implying continued growth in the local market during the last year. However, only the proportion of ALD's revenues attributable to the post acquisition period (SEK 4.4 million during December 2015) have been incorporated into the Axactor Group's P&L account.

### 14.7.5 **Segment reporting**

The Company' segment reporting is included in the Company's annual reports, which is incorporated as a reference document in this Prospectus. The overview of reference documents is shown in section 122.2 in this Prospectus. The segment reporting for 2015 is given in the annual report for the year, page 30.

## 14.8 Management discussion and analysis of financial performance for the three-month periods ended March 31, 2016 and 2015

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

### 14.8.1 **Income statement**

For the first quarter, the Group's gross revenues came in at SEK 29.4 million (SEK 4.4 million), divided between SEK 8.9 million from collections on own portfolios and SEK 20.5 million from third party collection ("**3PC**"). Amortization on portfolios is calculated using the effective interest method in accordance with IFRS 39 for each of the portfolios and amounts to SEK -1.5 million.

Operating earnings (EBITDA) are negative by SEK 10.5 million (SEK -1.5 million) for the same period. The negative result can to a large extent be attributed to organizational build up cost in anticipation of future business volumes of NPL portfolios and 3PC activities as well as less than full quarter effect of all three portfolios that the Company has purchased during the quarter.

Depreciation and amortization (excl. portfolio amortization) amounts to SEK -2.5 million (SEK -0.0 million) and is primarily related to depreciation of intangible fixed assets pertaining to the ALD acquisition.

Earnings per share for the quarter is negative SEK 0.02. This is down from negative SEK 0.01 for same period last year.

Net financial items for the quarter amounted to SEK -2.7 million (SEK –29.9 million). The net item consists of currency exchange gains on NOK bank deposits in the amount of SEK 3.6 million while there was an unrealized exchange loss on the EUR denominated NPL portfolios of SEK 6.2 million. With no bank debts as per end of first quarter the interest expense for the period was SEK - 0.1 million.

### 14.8.2 **Cash flow**

Cash flow from operations amounted to SEK - 27.7 million (SEK -1.6 million) in the first quarter, where the decrease compared with the three-month period in 2015 is attributable to higher operating cost in the build-up phase of the credit management capabilities of the organization as well as a negative working capital development of SEK -16.3 million (SEK -0.7 million).

The Company invested SEK 250.7 million in 3 NPL portfolios purchased in the Spanish market. Additional SEK 1.6 million (SEK 0.0 million) was invested in other fixed assets during the quarter. These other fixed assets comprise of IT systems and new office space.

Total cash from financing activities amounted to SEK 95.6 million (SEK -1.1 million) consisting mainly of net proceeds from the February share issue of SEK 100.6 million. The repayment of a loan from Norrlandsfonden reduced cash from financing with SEK 5.0 million.

At the end of the quarter cash and cash equivalents stood at SEK 185.8 million (SEK 57.8 million). This is SEK 186.6 million lower than the cash balance at the start of the year.

### 14.8.3 **Financial Position**

At the end of first quarter 2016 total equity for the Group stands at SEK 563.0 million (SEK 159.8 million) which is an increase of SEK 86.1 million compared to and equity of SEK 477 million at the end of 2015. Equity ratio at the end of the reporting period is 83%.

## 14.9 Significant Changes in the Group's Financial and Trading Position Since March 31, 2016

Since March 31, 2016, which is the date of the Group's last reported balance sheet, the following significant changes in respect of the Group have occurred:

- On April 7, the IKAS transaction (which was announced on March 17, 2016) closed and simultaneously the Company made the first drawdown of NOK 135 million under the New Debt Facility to part finance the acquisition.
- On 12 May, the Company acquired Geslico, a Spanish supplier of services within debt collection, to complement its operating platform in Spain for a price of EUR 2 million. The acquistion was closed the same day, 12 May, 2016.
- On May 25, the Company completed the Private Placement with gross proceeds of approximately NOK 375 million.

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.

## 15. PRO FORMA FINANCIAL INFORMATION

### 15.1 Purpose of the unaudited pro forma condensed financial information

Axactor AB (the "Company") has acquired 100% of the shares of IKAS Norge AS and its subsidiaries IKAS Øst AS, IKAS AS, IKAS Nord AS, IKAS Nordvest AS and IKAS Vest AS ("IKAS-companies"). Pursuant to the share purchase agreement, the Company will also purchase the minority stakes in these subsidiaries which are not already owned by IKAS Norge AS. The agreement was signed on 16 March 2016 and the acquisition was completed on 7 April 2016. The purchase price of the acquisition is NOK 290.9 million (SEK 277.7 million), subject to adjustments for changes in cash, debt and working capital. This post closing adjustment will be based on a consolidated statement of financial position as of 7 April 2016 which will be prepared by the Company within 90 days after the completion date of transaction. 70% of the purchase price is to be paid in cash, and 30% in 49,033,589 shares in Axactor AB issued at price of NOK 1.78 per share. Consequently, the cash consideration to the sellers of IKAS-companies will be approximately NOK 203.7 million (SEK 194.4 million).

ALD Abogados, a Spanish debt collection company was acquired by Axactor AB in November 2015 and was consolidated by Axactor AB from December 2015.

On 12 May 2016, the Company signed an agreement to acquire 100 % of the shares in GESLICO-GESTION DE COBROS, S.A.U. (Geslico), a Spanish debt collection company, being for a consideration of EUR 2.0 million (SEK 18.4 million). The consideration is subject to adjustment for changes in working capital, cash and non-intragroup debt. This adjustment will be based on an interim financial statement as of 30 April 2016 to be prepared and delivered within ninety (90) business days.

These acquisitions trigger pro forma information (the "Pro Forma Triggering Acquisitions").

The unaudited pro forma condensed financial information has been prepared to comply with the applicable EU-regulations including EU Regulation No 809/2004. This information is not in compliance with SEC Regulation S-X, and had the securities been registered under the U.S: Securities Act of 1933, this unaudited pro forma condensed financial information, including the report by the auditor, would have been amended and / or removed from the offering document.

The unaudited pro forma condensed financial information has been prepared for illustrative purposes to show how the Pro Forma Triggering Acquisitions might have affected the Company's unaudited consolidated condensed statement of income for 2015 as if the acquisitions occurred on 1 January 2015 and the unaudited consolidated condensed statement of financial position as of 31 December 2015 as if the acquisitions of IKAS and Geslico occurred on the date of the statement of financial position.

The acquisition of ALD Abogados is reflected in the 31 December 2015 statement of financial position of the Company but not fully reflected in the 2015 income statement.

Because of its nature, the unaudited pro forma condensed financial information addresses a hypothetical situation, and, therefore, does not represent the Company's actual financial position or results if the Pro Forma Triggering Acquisitions had in fact occurred on those dates and is not representative of the results of operations for any future periods. Investors are cautioned not to place undue reliance on this unaudited pro forma financial information.

The Company has for the purposes of the pro forma financial information performed purchase price allocation (PPA) in which the identifiable assets, liabilities and contingent liabilities of IKAS have been identified. The acquisition of ALD and the PPA has been reflected in the 31 December statement of financial position of Axactor AB.

The PPAs have formed the basis for the amortization charges in the pro forma condensed statements of income and the IKAS PPA have formed the basis for the presentation in the pro forma condensed statement of financial position. The final allocation may significantly differ from this allocation and this could materially have affected the amortization of excess values in the pro forma condensed statements of income and the presentation in the pro forma condensed statement of financial position. The main uncertainty relates to the valuation of customer relationships and databases of the acquired companies.

The purchase price allocation and details on the consideration for the shares in the IKAS-companies is presented in note 2A below.

The preliminary purchase price allocation for Geslico have not identified any need for fair value adjustments for the identifiable assets acquired and liabilities assumed in the transaction. The purchase price allocation is considered provisional.

### 15.2 Basis for preparation

The pro forma financial information is compiled based on the following historical financial information:

**Axactor AB**
- Audited financial statements of Axactor AB for 2015 prepared in accordance with IFRS as adopted by EU (IFRS).

**ALD Abogados**
- Unaudited figures for the profit and loss of ALD Abogados in the period from 1 January to 30 November 2016 prepared in accordance with Spanish GAAP.
- Historical financial information of ALD Abogados is prepared in EUR and translated to SEK for the purpose of the pro forma financial information.

**Ikas Norge AS and subsidiaries**
- 2015 audited separate financial statements of Ikas Norge AS, Ikas AS, Ikas Øst AS, Ikas Nord AS and Ikas Vest AS prepared in accordance with Norwegian GAAP.
- 2015 unaudited financial statements of Ikas Nordvest AS (exempted from audit).
- IKAS Norge AS has not prepared consolidated financial statements. Historical financial information for the IKAS-companies has thus been aggregated for the purpose of the unaudited pro forma financial information. For purposes of the pro forma financial information the parent company's (Ikas Norge AS) investments in subsidiaries (non-current financial assets) and intra-group transactions, receivables and debt balances have been eliminated. Note 3A shows the unadjusted historical financial information and the eliminations for the IKAS-companies.
- Historical financial information of IKAS Norge AS and subsidiaries is prepared in NOK and translated to SEK for the purpose of the pro forma financial information. We refer to note 4A for the figures in NOK and note 3A for the figures in SEK.

**GESLICO-GESTION DE COBROS, S.A.U.**
- Audited financial statements of Geslico for 2015 prepared in accordance with Spanish GAAP
- Historical financial information of Geslico is prepared in EUR and translated to SEK for the purpose of the pro forma financial information. Please refer to note 5A for the unadjusted historical financial information in EUR.

The unaudited pro forma condensed statements of income of the Company are prepared in a manner consistent with the accounting policies of the Company (IFRS as adopted by EU) applied in 2015. Please refer to the 2015 financial statements for a description of the accounting policies.

The unaudited pro forma condensed financial information for the Company does not include all of the information required for financial statements under IFRS, and should be read in conjunction with the historical information of the Company.

The unaudited pro forma financial information has been prepared under the assumption of going concern.

The unaudited pro forma financial information is presented in SEK, which is the presentation currency of the Company.

For purposes of the unaudited pro forma financial information the statements of income of the IKAS-companies have been translated from the functional currency (NOK) to SEK based on the average exchange rate for the period and the statements of financial position has been translated to SEK based on the exchange rate at the balance sheet date. For this purpose, the following exchange rates have been used:

| | |
|---|---|
| - Average for 2015 | NOK/SEK of 0.9571 |
| - 31 December 2015 | NOK/SEK of 1.0475 |

The following exchange rate has been used to translate equity transactions from NOK to SEK:

- 31 December 2015 NOK/SEK of 1.0475

For purposes of the unaudited pro forma financial information the statement of income of ALD has been translated from the functional currency (EUR) to SEK based on the average exchange rate for the period. For this purpose, the following exchange rate has been used:

- Average Jan-Nov 2015 SEK/EUR of 9.3614

For purposes of the unaudited pro forma financial information the statements of income of Geslico have been translated from the functional currency (EUR) to SEK based on the average exchange rate for the period and the statements of financial position has been translated to SEK based on the exchange rate at the balance sheet date. For this purpose, the following exchange rates have been used:

- Average for 2015 SEK/EUR of 9.3518
- 31 December 2015 SEK/EUR of 9.1806

## 15.3 Unaudited pro forma financial information

### *15.3.1 Unaudited pro forma condensed statements of income 2015*

| *All numbers in SEK thousands* | Historical financial | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Axactor AB | ALD Abogados | IKAS-companies | Geslico | ALD Abogados | | IKAS-companies | | Geslico | | | PRO FORMA |
| | IFRS | Spanish GAAP | Norwegian GAAP | Spanish GAAP | IFRS-adjustments | Pro forma adjustments | IFRS-adjustments | Pro forma adjustments | IFRS-adjustments | Pro forma adjustments | Notes | |
| | Jan. 1 - Dec. 31, 2015 (audited) | Jan. 1 - Nov. 30 2015 (unaudited) | Jan. 1 - Dec. 31, 2015 (unaudited) | Jan. 1 - Dec. 31 2015 (audited) | Jan. 1 - Nov. 30 2015 (unaudited) | Jan. 1 - Nov. 30 2015 (unaudited) | Jan. 1 - Dec. 31, 2015 (unaudited) | Jan. 1 - Dec. 31, 2015 (unaudited) | Jan. 1 - Dec. 31 2015 (unaudited) | Jan. 1 - Dec. 31 2015 (unaudited) | | Jan. 1 - Dec. 31, 2015 (unaudited) |
| Rendering of services | - | 90,740.0 | 93,612.2 | 127,181.2 | - | - | - | - | - | - | | 311,533.5 |
| Other operating Income | 4,437.0 | - | 270.6 | 1,990.3 | - | - | - | - | - | - | | 6,697.9 |
| **Gross Revenues** | **4,437.0** | **90,740.0** | **93,882.8** | **129,171.5** | **-** | **-** | **-** | **-** | **-** | **-** | | **318,231.4** |
| Other external expenses | -29,940.0 | -5,761.9 | -17,319.4 | -48,433.4 | - | - | - | -2,002.0 | -7,230.0 | -12,852.8 | 2B | -123,539.5 |
| Personnel expenses | -5,089.0 | -47,152.3 | -48,417.0 | -121,821.2 | - | - | - | - | - | - | | -222,479.5 |
| **Operating result before depreciations and impairment losses** | **-30,592.0** | **37,825.8** | **-65,736.4** | **-41,083.1** | **-** | **-** | **-** | **-2,002.0** | **-7,230.0** | **-12,852.8** | | **-27,787.6** |
| Depreciation/amortization and impairment loss on tangible and intangible assets | -837.0 | - | -1,190.4 | -2,998.4 | - | -8,179.5 | - | -13,983.4 | - | - | 2A | -27,188.8 |
| **Operating results after depreciation and impairment losses** | **-31,429.0** | **37,825.8** | **26,956.0** | **-44,081.5** | **-** | **-8,179.5** | **-** | **-15,985.3** | **-7,230.0** | **-12,852.8** | | **-54,976.4** |
| Financial revenue | 329.0 | 2.8 | 5,651.4 | 22.4 | - | - | - | -0.3 | - | - | 2F | 6,005.3 |
| Financial expenses | -30,218.0 | -55.0 | -63.8 | -146.7 | - | - | - | -6,846.6 | - | - | 2F | -37,330.1 |
| Other financial income | - | 0.0 | - | - | - | - | - | - | - | - | | 0.0 |
| Other financial cost | - | -0.0 | - | - | - | - | - | - | - | - | | -0.0 |
| **Result before tax** | **-61,318.0** | **37,773.6** | **32,543.6** | **-44,205.8** | **-** | **-** | **-** | **-22,832.2** | **-** | **-** | | **-86,301.1** |
| Income tax | - | -11,191.7 | -7,425.2 | 7,554.8 | - | 2,290.3 | - | 3,495.8 | -7,554.8 | - | 2E | -12,830.8 |
| **Results for the period from remaining operations** | **-61,318.0** | **26,582.0** | **25,118.4** | **-36,651.0** | **-** | **2,290.3** | **-** | **-19,336.4** | **-** | **-** | | **-99,131.9** |
| Loss from discontinued operations | -105,288.0 | - | - | - | - | - | - | - | - | - | | -105,288.0 |
| **Result for the period including discontinued operations** | **-166,606.0** | **26,582.0** | **25,118.4** | **-36,651.0** | **-** | **-** | **-** | **-19,336.4** | **-** | **-** | | **-204,419.9** |

## 15.3.2 Unaudited condensed pro forma statement of financial position 31 December 2015

| *All numbers in SEK thousands* | Historical financial information | | | IKAS-companies | | Geslico | | | PRO FORMA |
|---|---|---|---|---|---|---|---|---|---|
| | Axactor AB | IKAS-companies | Geslico | IFRS-adjustments 31 December 2015 | Pro forma adjustments 31 December 2015 | IFRS-adjustments 31 December 2015 | Pro forma adjustments 31 December 2015 | Notes | |
| | 31 December 2015 | 31 December 2015 (unaudited) | 31 December 2015 (audited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | | 31 December 2015 (unaudited) |
| **ASSETS** | | | | | | | | | |
| **Fixed assets** | | | | | | | | | |
| *Intangible fixed assets* | | | | | | | | | |
| Customer relationships | 37,125.0 | - | | - | 59,403.3 | - | - | 2A | 96,528.3 |
| Database | 7,530.0 | - | | - | 12,616.2 | - | - | 2A | 20,146.2 |
| Other Intangible assets | 449.0 | 1,378.7 | 4,209.8 | - | -1,378.7 | - | - | 2A | 4,658.8 |
| Deferred tax assets | - | - | 18,559.4 | - | - | -18,559.4 | - | 1A | - |
| Goodwill | 124,467.0 | - | | - | 212,690.5 | - | - | 2A | 337,157.5 |
| *Tangible fixed assets* | | | | | | | | | |
| Lands and buildings | - | - | 5,512.5 | - | - | - | - | | 5,512.5 |
| Plant and Machinery | 549.0 | - | | - | - | - | - | | 549.0 |
| Tangible assets (not specified) | - | 7,930.6 | 1,594.1 | - | - | - | - | | 9,524.7 |
| *Long-term financial fixed assets* | | | | | | | - | | |
| Non-current financial assets | | 1,806.7 | 2,336.6 | - | - | - | - | | 4,143.3 |
| Other long-term investments | 267.0 | | | - | - | - | - | | 267.0 |
| **Total fixed assets** | **170,387.0** | **11,116.0** | **32,212.4** | **-** | **283,331.4** | **-18,559.4** | **-** | | **478,487.4** |
| | | | | | | | | | |
| **Current assets** | | | | | | | | | |
| Trade receivables | - | 6,018.5 | 32,352.0 | - | - | -7,230.0 | - | 1A | 31,140.6 |
| Other receivables | 61,257.0 | 3,597.5 | 714.5 | - | - | - | - | | 65,569.0 |
| Prepaid expenses | 787.0 | - | 184.3 | - | - | - | - | | 971.3 |
| Cash and cash equivalents | 372,375.0 | 34,637.9 | 7,197.1 | - | -57,550.0 | - | -31,214.0 | 2C | 325,446.0 |
| Current tax assets | - | - | 205.5 | | | - | - | | 205.5 |
| Financial assets | - | - | 1,924.2 | - | 1,240.3 | - | - | 2A | 3,164.5 |
| **Total current assets** | **434,419.0** | **44,254.0** | **42,577.8** | **-** | **-56,309.7** | **-7,230.0** | **-31,214.0** | | **426,497.0** |
| **TOTAL ASSETS** | **604,806.0** | **55,370.0** | **74,790.2** | **-** | **227,021.6** | **-25,789.4** | **-31,214.0** | | **904,984.4** |

| All numbers in SEK thousands | Historical financial information | | | IKAS-companies | | Geslico | | | PRO FORMA |
|---|---|---|---|---|---|---|---|---|---|
| | Axactor AB | IKAS-companies | Geslico | IFRS-adjustments 31 December 2015 | Pro forma adjustments 31 December 2015 | IFRS-adjustments 31 December 2015 | Pro forma adjustments 31 December 2015 | Notes | |
| | 31 December 2015 | 31 December 2015 (unaudited) | 31 December 2015 (audited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | | 31 December 2015 (unaudited) |
| **EQUITY** | | | | | | | | | |
| *Equity attributable to equity holders of the Parent Company* | | | | | | | | | |
| Share capital | 298,307.0 | 1,909.3 | 552.7 | - | 81,412.8 | - | -552.7 | 2D | 381,629.1 |
| Other paid in capital | 1,468,788.0 | 19.1 | 77,624.4 | - | -19.1 | - | -77,624.4 | 2D | 1,468,788.0 |
| Reserves | -96.0 | | 6,854.9 | - | - | - | -6,854.9 | 2D | -96.0 |
| Other retained earnings and profit for the per | -1,290,007.0 | 10,365.2 | -40,881.8 | 19,704.1 | -11,212.7 | -25,789.4 | 53,817.9 | 1A, 2D | -1,284,003.7 |
| **Total equity** | **476,992.0** | **12,293.6** | **44,150.1** | **19,704.1** | **70,181.0** | **-25,789.4** | **-31,214.0** | | **566,317.4** |
| **LONG TERM LIABILITIES** | | | | | | | | | |
| Convertible loan | 5,000.0 | - | | - | - | - | - | | 5,000.0 |
| Interest-bearing loans and borrowings | - | 579.2 | 5,177.9 | - | 111,096.1 | - | - | 2F | 116,853.2 |
| Other long-term liabilities | 500.0 | 200.5 | 5,515.7 | - | - | - | - | | 6,216.2 |
| Deferred tax liabilities | 11,357.0 | 466.9 | | - | 17,970.5 | - | - | 2A, 2E | 29,794.4 |
| **Total long term liabilities** | **16,857.0** | **1,246.6** | **10,693.6** | **-** | **129,066.6** | **-** | **-** | | **157,863.7** |
| **CURRENT LIABILITIES** | | | | | | | | | |
| Trade and other payables | - | 4,020.1 | 153.9 | - | - | - | - | | 4,174.0 |
| Account payables | 12,420.0 | - | | - | - | - | - | | 12,420.0 |
| Interest-bearing loans and borrowings | - | - | 861.6 | - | 27,774.0 | - | - | 2F | 28,635.7 |
| Short term loans and borrowings | 5,542.0 | - | | - | - | - | - | | 5,542.0 |
| Other liabilities | - | 5,273.0 | 13,119.1 | - | - | - | - | | 18,392.2 |
| Public duties payable | - | 6,132.3 | 4,767.1 | - | - | - | - | | 10,899.4 |
| Income tax payables | - | 6,700.3 | | - | - | - | - | | 6,700.3 |
| Accrued expenses and prepaid income | 92,995.0 | - | 1,044.7 | - | - | - | - | | 94,039.8 |
| Dividends | - | 19,704.1 | | -19,704.1 | - | - | - | 1A | - |
| **Total current liabilities** | **110,957.0** | **41,829.8** | **19,946.5** | **-19,704.1** | **27,774.0** | **-** | **-** | | **180,803.4** |
| **TOTAL EQUITY AND LIABILITIES** | **604,806.0** | **55,370.0** | **74,790.2** | **-** | **227,021.6** | **-25,789.4** | **-31,214.0** | **-** | **904,984.5** |

### 15.4 Notes to the unaudited pro forma financial information

*Note 1A IFRS adjustments*

*ALD Abogados*

No differences have been identified between Spanish GAAP and IFRS for ALD Abogados for the period 1 January 2015 to 30 November 2015.

*IKAS-companies*

The IKAS companies have in the 31 December statement of financial position provided for dividends proposed by the board of directors in 2016. Under IFRS no liability is to be recorded.

*Geslico*

1) **Deferred tax assets**

   Geslico has material unused tax losses due to history of recent losses. Hence, it is considered that there is currently not sufficient convincing evidence that sufficient taxable profit will be available against which the unused tax losses can be utilized by the entity. Based on this a valuation allowance is made for the entire deferred tax asset recognized under Spanish GAAP.

2) **Account receivables**

   An assessment has been made regarding the expected recoverability and ageing of the accounts receivables of Geslico including also alignment of the Groups accounting policies regarding provisions for bad losses. The conclusion is that the provision for bad debt should be increased by SEK 7.2 million.

*Note 2A Purchase Price Allocation IKAS and amortization of excess values IKAS and ALD*

*IKAS*

The total consideration for the shares in the IKAS-companies is estimated to be NOK 290.9 million (SEK 277.7 million), subject to adjustments for changes in cash, debt and working capital at the date of completion of the transaction. 70% of the purchase price is to be paid in cash, and 30% in 49,033,589 shares in Axactor AB at a subscription price of NOK 1.78. Consequently the, cash consideration to the sellers of IKAS-companies will be approximately NOK 203.7 million (SEK 194.4 million).

For the purpose of the pro forma financial information, the consideration is translated using the SEK/NOK exchange rate as of 31 December 2015.

| *All numbers in SEK thousands* | |
|---|---|
| Cash consideration | 194,418 |
| Share consideration | 83,322 |
| **Total purchase price** | **277,740** |

The table below illustrates a reconciliation of total fair value of assets and liabilities and goodwill:

| *All numbers in SEK thousands* | |
|---|---|
| Fair value adjustments | 71,890 |
| Deferred tax liability | -17,970 |
| Book value of equity | 11,131 |
| **Fair value of assets and liabilities** | **65,050** |
| Purchase price for shares | 277,740 |
| Less fair value of assets and liabilities | 65,050 |
| **Goodwill** | **212,690** |

The table below sets out the book value and fair value of identifiable assets and liabilities of the IKAS-companies, as well as the fair value adjustments:

| *All numbers in SEK thousands* | **Book Value 31 December 2015** | **Fair Value incl. deferred tax 31 December 2015** | **Fair Value adjustments incl. deferred tax** |
|---|---|---|---|
| Customer relationship | - | 59,403.3 | 59,403.3 |
| Database | - | 12,616.2 | 12,616.2 |
| Goodwill | - | 212,690.5 | 212,690.5 |
| Intangible assets | 1,378.7 | - | (1,378.7) |
| Tangible Assets | 7,930.6 | 7,930.6 | - |
| Financial assets | 671.5 | 1,912.5 | 1,240.3 |
| Trade receivables | 6,008.2 | 6,008.2 | - |
| Other receivables | 846.3 | 846.3 | - |
| Cash and cash equivilants | 34,638.6 | 34,637.9 | - |
| **Total assets** | **51,474.0** | **336,045.7** | **284,571.7** |
| | | | |
| Equity | 11,130.7 | 277,731.9 | 266,601.2 |
| Deferred taxes | 468.8 | 18,439.3 | 17,970.5 |
| Liabilities to financial institutions | 579.2 | 579.2 | - |
| Other long-term liabilities | 200.5 | 200.5 | - |
| Trade payables | 4,020.1 | 4,020.1 | - |
| Tax payable | 6,686.0 | 6,686.0 | - |
| Public duties payable | 6,128.5 | 6,128.5 | - |
| Dividends | 15,083.5 | 15,083.5 | - |
| Other current liabilities | 7,176.7 | 7,176.7 | - |
| **Total shareholders' equity and liabilities** | **51,474.0** | **336,045.7** | **284,571.7** |

*Amortization of excess values*

When it comes to the acquisition of IKAS-companies, the fair value of customer relationships and database are amortized linearly over the remaining useful life, estimated to be 5 years for customer relationship and 6 years for database. The table below shows the calculation of annual amortization of the fair value of these intangible assets.

| **Amortisations IKAS-companies** | | | |
|---|---|---|---|
| | **Useful Life (years)** | **Fair Value (SEK '000)** | **Amortisations per year** |
| Customer relationship | 5 | 59,403 | 11,881 |
| Database | 6 | 12,616 | 2,103 |
| | | | **13,983** |

When it comes to the pro forma adjustments of ALD Abogados, the fair value of customer relationships and database are amortized linearly over the remaining useful life, estimated to be 5 and 6 years respectively. The table below shows the calculation of annual amortization and pro forma amortisation of the fair value of these intangible assets based on the final Purchase Price Allocation of 30 November 2015. The exchange rate of 30 November 2015 (SEK/EUR of 9.2302) was used when converting the PPA from EUR to SEK.

| **Amortisations ALD Abogados** | | | | |
|---|---|---|---|---|
| | **Useful Life (years)** | **Fair Value (SEK '000)** | **Amortisations per year** | **Amortisations from 1 January to 30 November 2015** |
| Customer relationship | 5 | 38,185 | 7,637 | 7,001 |
| Database | 6 | 7,716 | 1,286 | 1,179 |
| | | | **8,923** | **8,180** |

These pro forma adjustments will have continuing impact

*Note 2B Transaction costs and provision for bad debt*

The Company estimates the transaction costs related to the acquisition of the IKAS-companies to be SEK 2.0 million.

Concerning the acquisition of Geslico, the Company estimates the transaction costs to be SEK 12.9 million. In addition an assessment has been made regarding the expected recoverability and ageing of the accounts receivables of Geslico including also alignment of the Groups accounting policies regarding provisions for bad losses. The conclusion is that the provision for bad debt should be increased by SEK 7.2 million.

These pro forma adjustments will not have continuing impact.

*Note 2C Pro forma effect on cash and cash equivalents*

The table below presents the pro-forma effect on cash and cash equivalents of SEK *-57.6* million in the unaudited condensed pro forma statement of financial position as of 31 December 2015 concerning IKAS-companies.

| *All numbers in SEK thousands* | |
|---|---|
| Initial cash consideration for IKAS-companies | -194,418 |
| New debt facility DNB | 138,870 |
| Transaction costs related to the acquisition of IKAS-companies | -2,002 |
| **Pro forma cash adjustment** | **-57,550** |

The table below presents the pro-forma effect on cash and cash equivalents of SEK *-31.2* million in the unaudited condensed pro forma statement of financial position as of 31 December 2015 concerning Geslico.

| *All numbers in SEK thousands* | |
|---|---|
| Initial cash consideration for Geslico | -18,361 |
| Transaction costs related to the acquisition of Geslico | -12,853 |
| **Pro forma cash adjustment** | **-31,214** |

*These pro forma adjustments will not have continuing impact.*

*Note 2D Pro forma adjustments on the total equity*

**a) Share capital, other paid in capital and reserves**

The pro forma adjustments on share capital, other paid in capital and reserves are;

- The increase in share capital as a result of 49,033,589 shares issued as Considerations Shares as part of the settlements to the sellers of IKAS-companies (SEK 83.3 million)
- The elimination of share capital of the IKAS-companies of SEK 1.9 million and Geslico of SEK 0.6 million
- The elimination of paid in capital of the IKAS companies of SEK 0,02 million and Geslico of SEK 77,6 million.
- The elimination of reserves of Geslico of 6.9 million

**b) Other retained earnings and profit for the period**

The pro forma adjustments to other retained earnings and profit for the period are due to fair value adjustments at acquisition date of IKAS and Geslico adjusted for the consideration for the shares and transaction costs and elimination of share capital and other paid in capital

These pro forma adjustments will not have continuing impact.

*Note 2E Tax effect of pro forma and IFRS adjustments*

The tax effects of the pro forma amortization of customer relationships and database are calculated using the nominal tax rate in Norway of 25% when it comes to the IKAS-companies and the nominal tax rate in Spain of 28% when it comes to ALD Abogados. Concerning IKAS-companies, the pro forma amortization of SEK 13.9 million in the unaudited pro forma condensed statement of income for 2015 has pro forma tax effects of SEK 3.5 million. While concerning ALD Abogados, the pro forma amortization of SEK 8.5 million in the unaudited pro forma condensed statement of income for 2015 has pro forma tax effects of SEK 2.4million. The pro forma adjustments will have continuing impact.

Geslico has material unused tax losses due to history of recent losses. Hence, it is considered that there is currently not sufficient convincing evidence that sufficient taxable profit will be available against which the unused tax losses can be utilized by the entity. Based on this a valuation allowance is made for the 2015 tax expense under Spanish GAAP.

*Note 2F Funding of the acquisitions*

The Company entered into final agreement for the New Debt Facility with DNB on 16 March 2016. When it comes to the acquisition of IKAS-companies, 50 % of the purchase price will be covered by the New Debt Facility. The Company further contemplates to carry out 49,033,589 Considerations Shares as part of the settlements to the sellers of IKAS-companies, covering 30 % of the purchase price. The remaining 20 % of the purchase price will be funded by Axactor's cash on hand. The purchase price of the shares of Geslico is fully funded by cash (SEK 18.4 million).

The pro forma adjustment of SEK 0.3 million in the unaudited pro forma condensed consolidated income statement 2015 emerges as a consequence of reversal of interest income related to the amount of the purchase price funded by cash on hand (SEK 55.5 million), using the Company's interest rate p.a. of 0.5%.

The loan from DNB of SEK 138.9 million has duration of 5 years with linearly repayments and an interest rate of multicurrency NIBOR + 400 bps. The current portion of the loan is SEK 27.8 million, while the non-current portion is SEK 111.1 million. Calculated interested expense embedded in the unaudited consolidated condensed statements of income for 2015 for the mentioned loan is SEK 6.9 million.

*Note 3A Aggregated figures of historical financial information for IKAS-companies*

<u>Income statement for 2015</u>

| *All numbers in SEK thousands* | Ikas Norge AS Norwegian GAAP Jan. 1 - Dec. 31, 2015 (audited) | Ikas AS Norwegian GAAP Jan. 1 - Dec. 31, 2015 (audited) | Ikas Øst AS Norwegian GAAP Jan. 1 - Dec. 31, 2015 (audited) | Ikas Vest AS Norwegian GAAP Jan. 1 - Dec. 31, 2015 (audited) | Ikas Nord AS Norwegian GAAP Jan. 1 - Dec. 31, 2015 (audited) | Ikas Nordvest AS Norwegian GAAP Jan. 1 - Dec. 31, 2015 (unaudited) | IKAS Eliminations Jan. 1 - Dec. 31, 2015 (unaudited) | IKAS-companies Norwegian GAAP Jan. 1 - Dec. 31, 2015 (unaudited) |
|---|---|---|---|---|---|---|---|---|
| | Historical unadjusted financial information | | | | | | | |
| Rendering of services | 46,084 | 23,097 | 8,653 | 6,781 | 6,863 | 3,270 | -1,136 | 93,612 |
| Other operating Income | 93 | 97 | 39 | - | - | 42 | - | 271 |
| **Gross Revenues** | **46,177** | **23,194** | **8,692** | **6,781** | **6,863** | **3,312** | **-1,136** | **93,883** |
| Cost of sales | - | - | - | - | - | - | | - |
| Other external expenses | -6,204 | -5,122 | -2,232 | -1,961 | -1,700 | -1,237 | 1,136 | -17,319 |
| Personnel expenses | -20,479 | -12,334 | -5,591 | -4,396 | -3,779 | -1,839 | - | -48,417 |
| **Operating result before depreciations and impairment losses** | **19,494** | **5,739** | **869** | **424** | **1,384** | **236** | **1,136** | **-65,736** |
| Depreciation/amortization and impairment loss on tangible, intangible & financial fixed assets | -527 | -310 | -143 | -27 | -103 | -81 | - | -1,190 |
| **Operating results after depreciation and impairment losses** | **18,967** | **5,429** | **726** | **397** | **1,281** | **155** | **-** | **26,956** |
| Financial revenue | 5,502 | 94 | 21 | 3 | 20 | 12 | - | 5,651 |
| Financial expenses | -4 | -19 | -4 | -1 | -20 | -17 | - | -64 |
| Other financial income | - | - | - | - | - | - | - | - |
| Other financial cost | - | - | - | - | - | - | - | - |
| **Result before tax** | **24,466** | **5,504** | **743** | **399** | **1,281** | **150** | **-** | **32,544** |
| Income tax | -5,256 | -1,469 | -203 | -113 | -346 | -38 | - | -7,425 |
| **Results for the period from remaining operations** | **19,210** | **4,034** | **540** | **286** | **936** | **112** | **-** | **25,118** |
| Loss from discontinued operations | - | - | - | - | - | - | - | - |
| **Result for the period including discontinued operations** | **19,210** | **4,034** | **540** | **286** | **936** | **112** | **-** | **25,118** |

## Statement of financial position as of 31 December 2015

| *All numbers in SEK thousands* | Ikas Norge AS 31 December 2015 (audited) | Ikas AS 31 December 2015 (audited) | Ikas Øst AS 31 December 2015 (audited) | Ikas Vest AS 31 December 2015 (audited) | Ikas Nord AS 31 December 2015 (audited) | Ikas Nordvest AS 31 December 2015 (unaudited) | IKAS Eliminations 31 December 2015 (unaudited) | IKAS Group Norwegian GAAP 31 December 2015 (unaudited) |
|---|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | | |
| **Fixed assets** | | | | | | | | |
| *Intangible fixed assets* | | | | | | | | |
| Other Intangible assets | 87 | 10 | - | 600 | 492 | 189 | - | 1,379 |
| *Tangible fixed assets* | | | | | | | | |
| Other tangible assets | 4,139 | 2,037 | 922 | 34 | 295 | 504 | - | 7,931 |
| *Long-term financial fixed assets* | | | | | | | - | - |
| Non-current financial assets | 1,054 | 33 | - | 151 | - | - | 568 | 1,807 |
| **Total fixed assets** | **5,281** | **2,081** | **922** | **786** | **786** | **693** | **568** | **11,116** |
| **Current assets** | | | | | | | | |
| Trade receivables | 213 | 2,768 | 1,212 | 841 | 644 | 341 | - | 6,019 |
| Other receivables | 2,934 | 288 | 38 | 5 | 129 | 8 | 2,488 | 5,889 |
| Cash and cash equivalents | 23,584 | 6,229 | 1,526 | 1,442 | 1,510 | 347 | - | 34,638 |
| **Total current assets** | **26,730** | **9,285** | **2,775** | **2,288** | **2,283** | **696** | **2,488** | **46,545** |
| **TOTAL ASSETS** | **32,011** | **11,366** | **3,697** | **3,074** | **3,069** | **1,389** | **3,055** | **57,661** |
| **EQUITY** | | | | | | | | |
| *Equity attributable to equity holders of the Parent Company* | | | | | | | | |
| Share capital | 1,909 | 95 | 286 | 382 | 286 | 286 | -1,337 | 1,909 |
| Other paid in capital | - | 19 | - | - | - | - | - | 19 |
| Other retained earnings and profit for the period | 857 | 3,317 | 1,699 | 1,400 | 1,018 | 169 | 1,904 | 10,365 |
| **Total equity** | **2,767** | **3,432** | **1,986** | **1,782** | **1,304** | **455** | **568** | **12,294** |
| **LONG TERM LIABILITIES** | | | | | | | | |
| Interest-bearing loans and borrowings | - | 168 | - | - | 242 | 169 | - | 579 |
| Other long-term liabilities | - | - | - | - | - | 200 | - | 200 |
| Deferred tax liabilities | 115 | 226 | 82 | - | 15 | 29 | - | 467 |
| **Total long term liabilities** | **115** | **393** | **82** | **-** | **258** | **399** | **-** | **1,247** |
| **CURRENT LIABILITIES** | | | | | | | | |
| Trade and other payables | 3,037 | 578 | 108 | 164 | 60 | 72 | - | 4,020 |
| Other liabilities | 4,290 | 1,163 | 567 | 423 | 670 | 292 | 4,779 | 12,184 |
| Public duties payable | 2,657 | 1,663 | 585 | 600 | 455 | 171 | - | 6,132 |
| Income tax payables | 4,826 | 1,273 | 177 | 104 | 321 | - | - | 6,700 |
| Dividends | 14,320 | 2,864 | 191 | - | - | - | -2,291 | 15,084 |
| **Total current liabilities** | **29,129** | **7,541** | **1,629** | **1,292** | **1,507** | **536** | **2,488** | **44,121** |
| **TOTAL EQUITY AND LIABILITIES** | **32,010** | **11,366** | **3,697** | **3,074** | **3,068** | **1,390** | **3,055** | **57,661** |

*Note 4A Unadjusted historical financial information for IKAS-companies in their functional currency (NOK)*

Income statement for 2015

| *All number NOK thousands* | **Ikas Norge AS Audited** | **Ikas AS Audited** | **Ikas Øst AS Audited** | **Ikas Vest AS Audited** | **Ikas Nord AS Audited** | **Ikas Nordvest AS* Unaudited** |
|---|---|---|---|---|---|---|
| Rendering of services | 44,107 | 22,106 | 8,282 | 6,490 | 6,569 | 3,130 |
| Other operating Income | 89 | 93 | 37 | | | 40 |
| **Revenues** | **44,196** | **22,199** | **8,319** | **6,490** | **6,569** | **3,170** |
| | | | | | | |
| Personnel expenses | -19,600 | -11,805 | -5,351 | -4,207 | -3,617 | -1,760 |
| Other operating expenses | -5,938 | -4,902 | -2,136 | -1,877 | -1,627 | -1,184 |
| **EBITDA** | **18,658** | **5,493** | **832** | **406** | **1,325** | **225** |
| | | | | | | |
| Depreciation | -504 | -296 | -137 | -26 | -99 | -77 |
| **EBIT** | **18,154** | **5,196** | **695** | **380** | **1,226** | **148** |
| | | | | | | |
| Financial income | 5,266 | 90 | 20 | 3 | 19 | 11 |
| Financial costs | -4 | -18 | -3 | -1 | -19 | -16 |
| **EBT** | **23,416** | **5,268** | **711** | **382** | **1,226** | **143** |
| | | | | | | |
| Taxes | -5,030 | -1,406 | -194 | -108 | -331 | -36 |
| **Net result** | **18,386** | **3,862** | **517** | **274** | **895** | **107** |

*Ikas Nordvest AS is excempted from audit

Statement of financial position as of 31 December 2015

| *All number NOK thousands* | **Ikas Norge AS Audited** | **Ikas AS Audited** | **Ikas Øst AS Audited** | **Ikas Vest AS Audited** | **Ikas Nord AS Audited** | **Ikas Nordvest AS* Unaudited** |
|---|---|---|---|---|---|---|
| Intangible assets | 91 | 11 | - | 629 | 515 | 198 |
| Tangible assets | 4,336 | 2,134 | 965 | 36 | 309 | 528 |
| Financial assets | 1,105 | 35 | - | 158 | - | - |
| **Non-current assets** | **5,532** | **2,179** | **965** | **823** | **824** | **726** |
| Trade receivables | 223 | 2,900 | 1,269 | 880 | 675 | 357 |
| Other receivables | 3,073 | 301 | 40 | 5 | 135 | 9 |
| Cash and cash equivalents | 24,704 | 6,525 | 1,598 | 1,511 | 1,581 | 364 |
| **Current assets** | **28,000** | **9,726** | **2,907** | **2,396** | **2,391** | **729** |
| **Total assets** | **33,532** | **11,905** | **3,873** | **3,220** | **3,215** | **1,455** |
| Share capital | 2,000 | 100 | 300 | 400 | 300 | 300 |
| Other paid in capital | | 20 | | | | |
| Other retained earnings and profit for t | 898 | 3,475 | 1,780 | 1,467 | 1,066 | 177 |
| **Equity** | **2,898** | **3,595** | **2,080** | **1,867** | **1,366** | **477** |
| Deferred taxes | 120 | 237 | 86 | - | 16 | 30 |
| Liabilities to financial institutions | - | 176 | - | - | 254 | 177 |
| Other long-term liabilities | - | - | - | - | - | 210 |
| **Non-current liabilities** | **120** | **412** | **86** | **-** | **270** | **417** |
| Trade payables | 3,181 | 605 | 114 | 172 | 63 | 76 |
| Tax payable | 5,055 | 1,333 | 186 | 109 | 336 | - |
| Public duties payable | 2,783 | 1,742 | 613 | 629 | 477 | 179 |
| Dividends | 15,000 | 3,000 | 200 | | - | - |
| Other current liabilities | 4,494 | 1,219 | 593 | 443 | 702 | 306 |
| **Current liabilities** | **30,513** | **7,899** | **1,706** | **1,353** | **1,578** | **561** |
| **Total equity and liabilities** | **33,531** | **11,905** | **3,873** | **3,220** | **3,214** | **1,455** |

*Ikas Nordvest AS is excempted from audit

*Note 5A Unadjusted historical financial information for Geslico in their functional currency (EUR)*

Income statement for 2015

| *All numbers in EUR* | **Year 2015 Spanish GAAP** |
|---|---|
| Rendering of services | 13,599,588 |
| Other operating Income | 212,825 |
| **Gross Revenues** | **13,812,413** |
| Other external expenses | -5,179,021 |
| Personnel expenses | -13,026,441 |
| **Operating result before depreciations and impairment losses** | **-4,393,049** |
| Depreciation/amortization and impairment loss on tangible and intangible assets | -320,626 |
| **Operating results after depreciation and impairment losses** | **-4,713,675** |
| Financial revenue | 2,400 |
| Financial expenses | -15,685 |
| Other financial income | |
| Other financial cost | |
| **Result before tax** | **-4,726,960** |
| Income tax | 807,839 |
| **Results for the period from remaining operations** | **-3,919,121** |

Statement of financial position as of 31 December 2015

| *All numbers in EUR* | **Book value as of 31 December 2015 Spanish GAAP** |
|---|---|
| **ASSETS** | |
| **Fixed assets** | |
| *Intangible fixed assets* | |
| Other Intangible assets | 458,552 |
| Deferred tax assets | 2,021,591 |
| *Tangible fixed assets* | |
| Lands and buildings | 600,456 |
| Tangible assets (not specified) | 173,634 |
| *Long-term financial fixed assets* | |
| Non-current financial assets | 254,519 |
| Other long-term investments | |
| **Total fixed assets** | **3,508,752** |
| **Current assets** | |
| Trade receivables | 3,523,958 |
| Other receivables | 77,825 |
| Prepaid expenses | 20,077 |
| Cash and cash equivalents | 783,951 |
| Current tax assets | 22,389 |
| Financial assets | 209,598 |
| **Total current assets** | **4,637,798** |
| **TOTAL ASSETS** | **8,146,550** |
| **EQUITY** | |
| *Equity attributable to equity holders of the Parent Company* | |
| Share capital | 60,200 |
| Other paid in capital | 8,455,263 |
| Reserves | 746,674 |
| Other retained earnings and profit for the period | -4,453,068 |
| **Total equity** | **4,809,069** |
| **LONG TERM LIABILITIES** | |
| Convertible loan | |
| Interest-bearing loans and borrowings | 564,000 |
| Other long-term liabilities | 600,800 |
| Deferred tax liabilities | 23 |
| **Total long term liabilities** | **1,164,823** |
| **CURRENT LIABILITIES** | |
| Trade and other payables | 16,762 |
| Interest-bearing loans and borrowings | 93,855 |
| Other liabilities | 1,429,007 |
| Public duties payable | 519,258 |
| Accrued expenses and prepaid income | 113,776 |
| **Total current liabilities** | 2,172,658 |
| **TOTAL EQUITY AND LIABILITIES** | **8,146,550** |

## 15.2 Auditor’s statement to the pro forma financial figures

The Company’s auditor PWC has issued a report on the pro forma financial information of Axactor. The report is included in Appendix A in this Prospectus. The report includes 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 auditor’s statement included in Appendix A in the Prospectus.

> *As described in our auditors report on the consolidated financial statements as of 31 December 2015 for Axactor Group AB dated April 20, 2016, the consolidated balance sheet as of 31 December 2015, includes an accrued cost of SEK 13,542,583 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.*
>
> *Apart from the possible effects of the relationship as described above, the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Axactor Group AB as of 31 December 2015 and of its financial performance for the year in accordance with International Financial Reporting Standards as adopted by the EU, and the Annual Accounts Act.*

# 16. CAPITAL RESOURCES

## 16.1 Overview; Sources and Uses of Funds

In the period from January 1, 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 19 "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).

As of March 31, 2016, the Group had a cash balance of approximately SEK 186 million. On April 7, 2016 the IKAS transaction closed with a cash payment of approximately NOK 204 million. On the same date Company made the first drawdown of NOK 135 million under the DNB loan facility. Through a private placement completed May 25, 2016, the Company raised gross proceeds of NOK 375 million.

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 New Debt Facilities of the Group, see Section 16.2 "—Borrowings". The Company is of the opinion that none of these restrictions have materially affected, or could materially affect, the Group's operations.

## 16.2 Borrowings

On October 15, 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 “New Debt Facility”). The Company entered into final agreement for the New Debt Facility with DNB on March 16, 2016.

Of the New Debt Facility of EUR 25 million, NOK 135 million has been drawn related to the cash consideration to be paid to the sellers of IKAS.

The loan from DNB has duration of 5 years with linearly repayments. The current portion of the loan is SEK 27.8 million, while the non-current portion is SEK 111.1 million.

According to the agreement, the New Debt Facility will be for a term of three years following signing 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.

On 25 May 2016, the Company announced that a large Nordic bank with deep knowledge and extensive experience from the credit management industry had committed to make available EUR 25 million in additional financing under the New Debt Facility. The commitment is subject to signing loan documentation. While it is expected that this should take two to three weeks, the documentation process may take longer time.

At the date of this Prospectus, the Company is not in breach of, or near breaching, any covenants related to the New Debt Facility.

## 16.3 Investing Activities

For the year ended December 31 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 19 "Legal Matters".

For the year ended December 31, 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 SEK 188.4 million, all in respect to the acquisition of ALD.

The Group's principal recent investing activities after December 31, 2015 are given below.

- On 12 February, Axactor acquired an unsecured NPL portfolio originally generated by a Spanish local savings bank. The portfolio includes unsecured loans with a total outstanding balance of approximately EUR 500 million and more than one hundred thousand open accounts of Individuals and SMEs. Axactor paid around 3% to acquire the portfolio, equal to EUR 12.1 million.
- 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. Axactor paid EUR 1.1 million for the portfolio.
- On 16 March 16, 2016, the Group entered into a Share Purchase Agreement ("**SPA**") for the IKAS Acquisition. The acquisition was closed on 7 April 7, 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. Axactor paid EUR 15.3 million for the portfolio.
- On 12 May the Company acquired Geslico, a Spanish supplier of services within debt collection for a price of EUR 2 million.

YTD 2016 capital expenditure amounts to SEK 250.7 million related to the purchase of loan portfolios acquired and NOK 204 million paid to the sellers of IKAS in April 2016. The Company has also entered into an agreement to acquire Geslico for a price of EUR 2 million.. In addition the company is investing in IT systems and new office space in Madrid, and SEK 1.6 million are recorded in the financial report for the three-month period ended March 31, 2016 to reflect other investments done year to date.

As of the date of this Prospectus, the Group does not have any investments that are in progress, and there exist no future investments on which the management bodies of the Group have already made firm commitments. However, the Company is well advanced in negotiations regarding acquisitions of multiple sizable debt portfolios in Spain, which may be concluded over the shorter term and require capital. In addition, the Company is actively considering strong platforms to acquire in the Italian and German markets which are believed to represent opportunities for further growth of the Axactor brand.

## 16.4 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 19 "Legal Matters" for further information.

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.

## 16.5 Working Capital Statement

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 twelve months period ending 31 December 2015, the company had a negative result from remaining operations of SEK 61.3 million. The Private Placement resulted in the Company raising approximately SEK 373.5 million. This constitutes the main reason why the Group 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.

## 17. 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.

### 17.1 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.

### 17.2 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.

### 17.3 Manner of Dividend Payments; Swedish Withholding Tax

Future payments of dividends on the Shares will be denominated in SEK. Such dividends will, where distributed through Euroclear Sweden, be distributed in SEK, and, where distributed through the VPS, be distributed in NOK as exchanged from the SEK amount distributed to the VPS Registrar through Euroclear Sweden. 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 Sweden or, in respect of nominee-registered shares, by the nominee. Tax is withheld provided that necessary information is made available to Euroclear Sweden in relation to the person entitled to such dividends. If such information is not made available to Euroclear Sweden, 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.

## 18. CORPORATE INFORMATION; SHARES AND SHARE CAPITAL

The following Section provides summary corporate information and other information relating to the Company, the Shares and 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.

### 18.1 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 Register (Sw. Bolagsregisteret) with registration number 556227-8043. The Company was incorporated on December 17, 1982.

The Company has its registered office at Hovslagargaran 5B, bottom floor, SE-111 48 Stockholm, Sweden, telephone number: +46 (0)8 402 28 00 and telefax: +46 (0)8 402 28 01, which also has served as the Company's head office. The Company plans to move its head office to Norway.

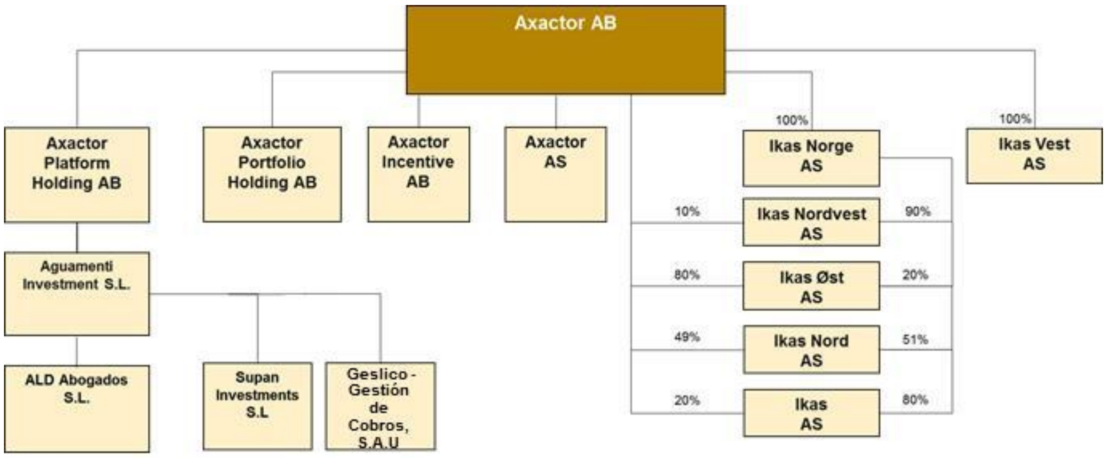
The Company’s statutory shareholder register, as maintained in accordance with the Swedish Companies Act, is operated through Euroclear Sweden. In order to facilitate registration of the Shares with the VPS, and hence trading of the Shares on the Oslo Stock Exchange, a portion of the Shares outstanding 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 Sweden 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 Sweden is Nordea.

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

### 18.2 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. The Spanish debt collection business of the Group is mainly carried out through ALD Abogados S.L. and Geslico - Gestión de Cobros, S.A.U. Aguamenti Investment S.L. is a holding company, whose principal purpose is to hold the shares in ALD Abogados S.L.

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

- Axactor Platform Holding AB: Hovslagargatan 5B, SE-111 48 Stockholm, Sweden
- Aguamenti Investments, S.L.: calle Claudio Coello, 124-6, 28006 Madrid, Spain;
- ALD Abogados S.L.: Leonardo Asesores Financieros, S.A., Paseo de la Castellana 13, 28046 Madrid, Spain
- Supan Investments S.L: 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 AS: Sjølyst plass 2, 0278 Oslo, Norway
- IKAS Norge AS: Drammensveien 20, 3300 Hokksund, Norway
- IKAS Nordvest AS: Romsdalsgata 9, 6415 Molde, Norway
- IKAS Øst AS: Vangsvegen 33, 2318 Hamar, Norway
- IKAS Nord AS: Stalheimveien 2, 9403 Harstad, Norway
- IKAS AS: Drammensveien 20, 3300 Hokksund, Norway
- IKAS Vest AS: 4098 Tananger, Norway
- Geslico - Gestión de Cobros, S.A.U: Plaça Catalunya 20, 8º, 08002 Barcelona, Spain

## 18.3 Share Capital and Share Capital Development

As of the date of this Prospectus, the Company's share capital is SEK 438,307,180, consisting of 876,614,360 Shares, each fully paid up and with a par value of SEK 0.50.

The current articles of association allows for a maximum of 1,600,000,000 Shares to be issued. The Company does not hold any Shares in treasury.

The table below shows the development in the Company's share capital for the period from 1 January 2013 to the date hereof (but not including the Consideration Shares and Private Placement Shares to be issued).

| | 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).... | December 12, 2013 | — | 45,437,306 | 2.50 | -163,574,303 | 18,174,923 |
| Share capital reduction........ | December 19, 2013 | -36,349,845 | 9,087,461 | 0.50 | — | 18,174,923 |
| Debt conversion ................. | January 27, 2014 | 1,526,399 | 10,613,860.5 | 0.50 | 3,052,798 | 21,227,721 |
| Debt conversion ................. | May 30, 2014 | 737,309.5 | 11,351,170 | 0.50 | 1,474,619 | 22,702,340 |
| Rights offering .................... | November 20, 2014 | 34,053,510 | 45,404,680 | 0.50 | 68,107,020 | 90,809,360 |
| Private Placement | November 24, 2015 | 200,000,000 | 245,404,680 | 0.50 | 400,000,000 | 490,809,360 |
| Consideration Shares........... | December 10, 2015 | 22,902,500 | 268,307,180 | 0,50 | 45,805,000 | 536,614,360 |
| Rights offering .................... | December 28, 2015 | 30,000,000 | 298,307,180 | 0,50 | 60,000,000 | 596,614,360 |
| Private Placement | February 26, 2016 | 29,800,000 | 328,107,180 | 0,50 | 59,600,000 | 656,214,360 |
| Private Placement | May 30, 2016 | 110,200,000 | 438,307,180 | 0,50 | 220,400,000 | 876,614,360 |

## 18.4 Other Financial Instruments in Issue

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

For information about the Company management share option scheme, see Section 13.5 "Board of Directors and Management—Remuneration and Benefits".

## 18.5 Authorizations to Increase the Share Capital and to Issue Shares and Other Instruments

At the Company's Annual General Meeting held on May 26, 2016, 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 45% calculated in relation to the current number of outstanding shares. This new mandate replaces the old mandate approved at the December 2015 Extraordinary General Meeting of shareholders. The authorization expires at the next Annual General Meeting.

## 18.6 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, own and manage real and movable property 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.

## 18.7 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 Sweden. 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 Sweden 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 Sweden 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 Sweden, but may also be paid out in a manner other than cash (in-kind dividend). If shareholders cannot be reached through Euroclear Sweden, 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..

## 18.8 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 on the 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. When calculating a shareholder's percentage of ownership, a company's treasury shares are to be included in the denominator, while warrants and convertibles are to be excluded. 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 well as spouses/ co-habitants.

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 Swedish Financial Instruments Trading (Market Abuse Penalties) Act (SFS 2005:377) (Sw. Lag (2005:377) om straff för marknadsmissbruk vid handel med finansiella instrument) 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.

## 19. LEGAL MATTERS

### 19.1 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 is expected in 2016, or at the latest in 2017, which may or may not be appealed to a higher court. The Company estimates that this legal process will be associated with legal expenses of around SEK 1-2 million per year.

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 Board Director 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.

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.

### 19.2 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 two years ended December 31,2013, 2014 and 2015 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 13 "Legal Matters". 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 13 "Legal Matters". 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, a new 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 this Prospectus and in relation to the Extraordinary General Meeting held on 17 November 2015.

The Company has entered into consultancy agreement between the Company and Alpette AS, a company which is a closely related party to the Company's new 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. 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 new Head of 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.

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.

## 19.3 Material contracts

In September 2015, the Group entered into a Share Purchase Agreement, or SPA, for the acquisition of ALD, which was completed on December 5, 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.

Through 2016, the Company has acquired several portfolios of unsecured NPL in the Spanish market. These are listed below:

- On February 12, 2016 Axactor acquired an unsecured Spanish NPL portfolio with a face value of approximately EUR 500 million from Spanish savings banks. The portfolio comprises of 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 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.

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 could may be materially affected.

The Company has entered into a conditional SPA for the IKAS Acquisition, which was completed on April 7, 2016. For further information in relation to the IKAS Acquisition please see Section 5.

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

## 20. 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.

### 20.1 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 ("**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 (Nw. Fritaksmetoden).

Three percent of the dividends comprised by the participation exemption is to be entered as general income and taxed at the flat rate of 25%[10], implying that such dividends is effectively taxed at a rate of 0.75%.

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 shareholder 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.

*Individual 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 28.75%[11] 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

[10] Note that in a White Paper to the Parliament dated 7 October 2015,the Government has suggested that the corporate tax rate in the period 2016-2018 is reduced to 22%.

[11] Note that in a White Paper to the Parliament dated 7 October 2015,the Government has suggested that the effective taxation of dividends received by individual shareholders is increased to 32% in the period 2016-2018.

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 exemption. Correspondingly losses upon the realization and costs incurred in connection with the purchase and realization of such share are not deductible for tax purposes.

*Individual Shareholders*

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

For Norwegian individual shareholders, gains from sale or other disposal of shares are taxable in Norway as ordinary income at a rate of 28.75%[12] 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 individual 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. Individual 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 individual 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.

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[12] Note that in a White Paper to the Parliament dated 7 October 2015, the Government has suggested that the effective taxation of gains received by individual shareholders is increased to 32% in the period 2016-2018.

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 100 % 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.

## 20.2 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 Sweden 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 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 Sweden or, in respect of nominee-registered shares, by the nominee. Tax is withheld provided that necessary information is made available to Euroclear Sweden in relation to the person entitled to such dividends. If such information is not made available to Euroclear Sweden, 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.

## 21. SELLING AND TRANSFER RESTRICTIONS

The Cosideration Shares and the Private Placement Shares may, in certain jurisdictions, be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company requires persons in possession of this Prospectus to inform themselves about and to observe any such restrictions.

The Consideration Shares will be subject to a 24 month lock-up period from the date of completion of the IKAS Acquisition, meaning that the sellers of the IKAS companies cannot divest the Consideration Shares before 24 months after the Consideration Shares have been issued. The Consideration Share will be issued as soon as practically possible following the Private Placement.

The Company does not intend to take any action to permit a public offering of any shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer of shares and this Prospectus shall not be copied or redistributed.

## 22. INCORPORATION BY REFERENCE; DOCUMENTS ON DISPLAY

### 22.1 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 | Axactor AB Annual Report 2014: http://www.newsweb.no/newsweb/search.do?messageId=351468 | Income statement: 17<br>Balance sheet: 18<br>Cash flow: 20<br>Auditor's report: 52<br>Accounting principles: 25 |
| 13 | Axactor AB Annual Report 2015: http://www.newsweb.no/newsweb/search.do?messageId=399720 | Income statement: 14<br>Balance sheet: 16<br>Cash flow: 19<br>Auditor's report: 56<br>Accounting principles: 25 |
| 13 | Axactor AB Interim First Quarter Report 2015: http://www.newsweb.no/newsweb/search.do?messageId=379092 | Income statement: 6<br>Balance sheet: 7<br>Cash flow: 8<br>Accounting principles: 11 |
| 13 | Axactor AB Interim First Quarter Report 2016: http://www.newsweb.no/newsweb/search.do?messageId=402803 | Income statement: 6<br>Balance sheet: 8<br>Cash flow: 10<br>Accounting principles: 16 |

The Group's audited consolidated financial statements as of and for the years ended December 31 2014 and 2015 and it unaudited consolidated financial statements as of and for the three-month periods ended March 31, 2015 and 2016, are available in their entirety at the Company's website, www.axactor.no, and at the Oslo Stock Exchange information system, www.newsweb.no, under the Company's trading symbol "AXA".

### 22.2 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.se, the web site of www.nickelmountain.se (previous web page of the Company), or at the Company's business address:

- The memorandum 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;
- The historical financial statements of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of the Prospectus, i.e. the Group's audited consolidated financial statements as of and for the year ended December 31 2014 and 2015; and
- The historical unaudited consolidated financial statements as of and for the three-month periods ended March 31, 2015 and 2016.

## 23. ADDITIONAL INFORMATION

### Advisors

Carnegie AS, and DNB Markets, a part of DNB Bank ASA, were acting as bookrunners for the Private Placement.

Advokatfirmaet Schjødt AS is acting as legal adviser, as to Norwegian law, to the Company in connection with the Private Placement. Roschier 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.

## 24. 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 (of loan portfolios) |
| ALD | ALD Abogados, S.L. |
| 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 |
| CET | Central European Time |
| Collection Platforms or Carve-Outs | Collection platforms which include all of the collection functions of financial institutions |
| Company | Axactor AB (publ.) |
| Consideration Shares | 49,033,589 Shares to be issued to the sellers of IKAS |
| EEA | European Economic Area |
| EU | European Union |
| Euroclear or Euroclear Sweden | The Swedish Central Securities Depositary |
| FTE | Full-Time Equivalent (employees) |
| Full-Year Financial Statements | The Group’s audited consolidated financial statements as of and for the year ended December 31, 2014 |
| Geslico | Geslico - Gestión de Cobros, S.A.U. |
| Geslico acquisition | The Group’s acquistion of 100% of Geslico - Gestión de Cobros, S.A.U on 12 May, 2016 |
| Group | The Company, taken together with its consolidated subsidiaries, including where the context so require or permit, ALD |
| 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 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, "IKAS" |
| IKAS Acquisition | The Group's acquisition of IKAS, which was completed on 7 April, 2016 |
| Manager | Carnegie and DNB Markets, a part of DNB Bank ASA |
| New Debt Facility | A new debt facility for which the Board of Directors have entered into an agreement with DNB on, as further described in Section 15.2 "Capital Resources—Borrowings" |
| 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 |
| Private Placement | The placement of the already issued Private Placement Shares, in a private placement directed towards certain institutional and professional investors for gross proceeds of approximately NOK 375 million, or approximately SEK 373.5 million |
| Private Placement Shares | The 220,400,000 shares issued in the Private Placement |
| Prospectus | This prospectus dated June 2, 2016 |
| Prospectus Directive | Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses and amendments thereto, including the PD Amending Directive |
| QIBs | Qualified institutional buyers as defined in Rule 144A |
| Regulation S | Regulation S under the US Securities Act |
| 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 SEK 0.50, 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 18.7 "Corporate Information; Shares and Share Capital—Certain Rights Attached to the Shares—Voting Rights" |
| SEK ........................................................ | Swedish kronor, the lawful currency of Sweden |
| SPA ........................................................ | Share Purchase Agreement |
| 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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To the Board of Directors of Axactor Group AB (publ), Corporate Id No 556227-8043

**The Auditor's Report on Pro Forma Financial Information**

We have examined the pro forma financial information set out on pages 88-98 in Axactor Group AB prospectus dated June 2, 2016.

The pro forma financial information has been prepared for illustrative purposes only to provide information about how Axactor AB:s acquisitions of the "IKAS-companies", ALD Abogados and Geslico might have affected the consolidated income statement for Axactor Group AB for the period 1 January 2015– 31 December 2015 and how the acquisition of the "IKAS-companies" and Geslico might have affected the consolidated balance sheet statement for Axactor Group AB for the period ending 31 December 2015.

*The Board of Directors' responsibility*

It is the Board of Directors' responsibility to prepare the pro forma financial information in accordance with the requirements of EU Regulation No 809/2004 implementing Directive 2003/71/EC (the Prospectus Directive)".

*The auditor's responsibility*

It is our responsibility to provide an opinion required by Annex II item 7 of Prospectus regulation 809/2004/EC. We are not responsible for expressing any other opinion on the pro forma financial information or of any of its constituent elements. In particular, we do not accept any responsibility for any financial information used in the compilation of the pro forma financial information beyond that responsibility we have for auditor´s reports regarding historical financial information issued in the past.

*Work performed*

We performed our work in accordance with FAR´s Recommendation RevR 5 *Examination of Prospectuses*. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the historical information, assessing the evidence supporting the pro forma adjustments and discussing the pro forma financial information with the management of the company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to obtain reasonable assurance that the pro forma financial information has been compiled on the basis stated on pages 61-71, and in accordance with the accounting principles applied by the company.

*Opinion*

In our opinion the pro forma financial information has been properly compiled on the basis stated on pages 88-98 and in accordance with the accounting principles applied by the company.

*Other matter*

As described in our auditors report on the consolidated financial statements as of 31 December 2015 for Axactor Group AB dated April 20, 2016, the consolidated balance sheet as of 31 December 2015, includes an accrued cost of SEK 13,542,583 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.

Apart from the possible effects of the relationship as described above, the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Axactor Group AB as of 31 December 2015 and of its financial performance for the year in accordance with International Financial Reporting Standards as adopted by the EU, and the Annual Accounts Act.

Göteborg 2016-06-02

PricewaterhouseCoopers AB

Johan Palmgren
Authorized public accountant

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## REGISTERED OFFICE AND ADVISERS

**Axactor AB (publ.)**
Hovslagargatan 5B
SE-111-48 Stockholm
Sweden
Telephone: +46 (0)8 402 28 00
www.axactor.no

**Managers:**

**Carnegie**
Aker Brygge, Grundingen 2
0250 Oslo
Norway

**DNB Markets**
Dronning Eufemias gate 30
N-0191 Oslo
Norway

**Legal Advisers to the Company:**

*As to Norwegian law:*

**Advokatfirmaet Schjødt AS**
Ruseløkkveien 13
N-0201 Oslo
Norway

*As to Swedish law:*

**Roschier Advokatbyrå AB**
Blasieholmsgatan 4
111 48 Stockholm
Sweden

**Independent Auditors:**

**PriceWaterhouseCoopers AB**
Skånegatan 1
405—32 Göteborg
Sweden

**VPS Registrar:**

**DNB Bank ASA, Reg. Dept.**
Dronning Eufemias gate 30
0191 Oslo
Norway