

AXACTOR



Annual Report
2015

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Letter from the CEO



Axactor aims at becoming a high-growth debt collection/debt purchase company with a Nordic base and an ambitious pan-European strategy.

Axactor's focus is on Europe's large non-performing loan (NPL) market, which is estimated at around EUR 1.5 trillion in size. The main growth factors, partly driven by regulatory changes, are sales of non-performing loans and increasing outsourcing of debt collection to specialised companies. We also see a consolidation trend in the debt collection/debt purchase industry.

Our main credit management priorities are amicable collection and legal enforcement, debt surveillance and acquisition of NPLs.

The first step under our pan-European growth strategy was the acquisition of ALD Abogados, one of Spain's leading debt collection agencies. The company's robust customer base, and our amicable collection call center in Valladolid, will constitute the platform for future growth in debt collection and NPL portfolio acquisitions in Spain.

In the first quarter of 2016, Axactor acquired portfolios in the Spanish market with a face value of more than EUR 700 million. In addition to the 200 employees in Axactor Spain, we recently acquired a debt collection company in Norway, IKAS, with 75 employees and solid track record in the Norwegian market.

We are currently also exploring growth markets in several other European countries, including potential carve-outs of collection platforms from financial services institutions.

Axactor has specific strengths that will allow us to pursue these market opportunities successfully:

- First, we are recruiting managers with a thorough understanding of credit management services and an unparalleled industry track record. We fully understand the commercial aspects of the industry, its legal framework and the compliance aspects that are critical to our customers.
- Second, as a new entrant, we are not burdened by legacy costs and unprofitable structures. Our platform is designed specifically for a next-generation debt collection service provider focused on rapid growth.
- Third, our funding and investor base are geared towards growth. We have solid bank financing, and our listing on the Oslo Stock Exchange gives us a large shareholder base.

We have embarked on an exciting journey which I look forward to sharing with our customers, investors, employees and business partners.

Endre Rangnes, CEO

Board of Directors

Einar J. Greve

Chairman

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

Gunnar Hvammen

Board member

Mr. Hvammen works as an active investor – taking active part in some companies with investments and time. 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.

Per Dalemo

Board member

Mr. Dalemo is partner and chairman of the board at Wistrand Göteborg. He 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. He frequently advises boards in connection with their evaluation of potential M&A opportunities and other strategic alternatives. Mr. Dalemo joined Wistrand in 2009.

Management



Endre Rangnes
Chief executive officer

CEO in Lindorff Group AB (2010 – 2014), CEO of EDB Business Partner ASA, now EVRY ASA (2003 – 2010). Prior work experience 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). Other current assignments/positions: Board member of Tieto Oyj.



Siv Farstad
Executive vice president, Human Resources

Ms Siv Farstad has more than 5 years of experience from the industry. Prior to joining Axactor, Ms Farstad held the position as HR executive of Kommunalbanken. 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.



Geir Johansen
Chief financial officer

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 DNGI where he last held position as Finance Director for DNV Maritime globally.



Johnny Tsoilis
Executive vice president, Strategy & Projects

8 years of experience from working with the Lindorff Group. He has his main focus on PMI/cost and productivity improvement. Broad international experience, more than 5 years on projects abroad, primarily in Spain, Germany, the US, the Netherlands, Denmark, Sweden and Finland. Former work experience includes positions as partner at Cardo Partners AS, partner at DHT Corporate Services, Handelsbanken Capital Markets and Arkwright.



Oddgeir Hansen
Chief Operating Officer

COO in Lindorff Group (2010 - 2014). 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.

Report of the Board of Directors

Highlights 2015

- *October 2015: The company decides to discontinue its nickel operations and become a high-growth debt collection/debt purchase company with a Nordic base and an ambitious pan-European strategy.*
- *17 November: An EGM approves the acquisition of the Spanish legal debt collection company ALD Abogados S.L.*
- *A total of 505.8 million new shares are issued at NOK 1 per share by private placement, an issue in kind and a reparatory rights issue.*
- *19 November: Endre Rangnes is appointed CEO.*
- *23 December: A new Board of Directors is appointed, and the company changed name to Axactor.*
- *31 December: Axactor sells its nickel operations to the Swedish listed mineral company Archelon.*

Key events after the end of 2015

- *12 February 2016: Axactor acquires an unsecured Spanish NPL portfolio with a nominal value of approximately EUR 500 million.*
- *17 February 2016: Axactor raises NOK 106.1 million in gross proceeds through a private placement of 59,600,000 new shares at a price of NOK 1.78 per share.*
- *3 March 2016: Axactor acquires an unsecured Spanish NPL portfolio with a nominal value of approximately EUR 18 million.*
- *17 March 2016: Axactor acquires the Norwegian debt collection company IKAS for NOK 291 million.*
- *17 March 2016: Axactor acquires an unsecured Spanish NPL portfolio with a nominal value of approximately EUR 221 million.*

Key Figures Axactor AB (group)

For remaining operations after sale of mining activities

SEK thousand	2015	2014	2013 ¹⁾
Total revenues	4,437	75	8
EBITDA ²⁾	-30,592	-9,665	-21,437
EBIT	-31,429	-9,665	-41,481
Net result attributable to shareholders of parent company	-166,606	-45,986	-116,994
Investments (MSEK)	188.4	5.9	53.1
Cash at end of period	372,375	61,502	15,288
Interest bearing debt at end of period	5,500	9,000	9,931
Total assets (MSEK)	604.8	175.0	158.9
Solidity (%)	78.9	91.9	78.5

1) Figures from remaining operations as reported in FY 2014 annual report

2) Relates only to remaining operations

Business description and business areas

Axactor AB ("Axactor", "the company", or "the group") aims at becoming a high-growth debt collection/debt purchase company. The company has been focused on building an efficient, high-quality company from day one, by recruiting an experienced management team, securing a solid investor base and acquiring a leading Spanish debt collection company. Axactor is investing in new technology and standardised systems to facilitate the delivery of top-class debt collection services. Further, the company has relevant expertise and sufficient funding to acquire large non-performing loan portfolios. Axactor will focus on amicable collection and legal enforcement, including debt surveillance.

Background

The company is registered in Sweden and listed on the Oslo Stock Exchange (ticker "AXA").

Axactor has some 6,600 shareholders, and the management is based in Oslo. There were at year-end 2015 596,614,369 shares outstanding, as well as warrants carrying subscription rights for an additional 55.5 million shares.

On 31 December 2015, Axactor sold its two former nickel subsidiaries to the Swedish mineral company Archelon. The results of the nickel subsidiaries have been incorporated into Axactor's group accounts for 2015. However, the nickel business's assets and liabilities were de-consolidated on the last day of December.

In Spain, Axactor owns 100% of the subsidiary ALD Abogados SL ("ALD"), which is one of the leaders in the Spanish legal debt collection market covering nearly all regions of this country. The company's full-year 2015 revenues totalled approximately EUR 10 million, and resulted in EBITDA of approximately EUR 3.7 million. However, since ALD was only consolidated with the Axactor group in early December, only the December share of 2015 revenues and costs is included in Axactor's external accounts for 2015.

History prior to new company strategy and ALD acquisition

Axactor was formerly Nickel Mountain Group AB ("NMG"), a Swedish mineral exploration and appraisal company. NMG's key asset was the Rönnebäcken nickel sulphide deposit in Västerbotten county in Northern Sweden.

NMG was also previously involved in mineral exploration activities in a number of African countries. In June 2014, NMG

disposed of the African assets by dividing out its subsidiary African Diamond AB to the NMG shareholders in order to concentrate the operations.

Staff, management and environment

Axactor had 105 employees as at 31 December 2015, including five in Norway. In December 2014, the group had three employees.

Prior to the acquisition of ALD, the group employed only one person, on a consultancy basis, to supervise both the Rönnebäcken nickel project and group administration matters. On 19 November 2015, the company appointed a new CEO, Endre Rangnes.

The company practices a policy of equal treatment in connection with assignments and promotions, and regards the promotion of a positive working environment as key to the company's future.

No accidents or injuries were recorded in 2015.

A new Board of Directors was elected at an extraordinary general meeting on 23 December 2015, comprising Einar Greve (chairman), Gunnar Hvammen and Per Dalemo.

Axactor's debt collection business is non-polluting. The company is committed to ensuring that its operations are safe and do not harm neither its staff nor the natural environment. The company also strives to provide all employees with a healthy and safe working environment. Quality, health, safety and the environment are integral aspects of the company's business, and systems are in place to monitor and follow up on any and all accident and incidents.

Corporate governance

The board and management of Axactor are committed to maintaining high ethical standards and promoting good corporate governance. The company believes that good corporate governance builds confidence among shareholders, customers and other stakeholders, and thereby supports maximal value creation over time. The equal treatment of all shareholders lies at the heart of the company's corporate governance policy. The company has only one class of shares, and all shareholders have equal rights.

The company has got two share series, ordinary shares and A-shares. The latter is a temporary share series which was introduced in autumn 2015 in order to enable the various share issues. The share series differ in that ordinary shares

carry one vote each while as the A-shares have 0.99 votes each. All shareholders otherwise have equal rights.

Axactor's corporate governance report is based on the Norwegian Code of Practice for Corporate Governance dated 30 October 2014. The report is presented in this annual report and on the company's website.

Corporate social responsibility

The board and management of Axactor have implemented guidelines on values and ethics. The objective is to create a sound corporate culture and preserve Axactor's integrity by helping employees to follow good business standards. Raising awareness of the guidelines has been the company's main action in this area. The company is not aware of any breach of the guidelines.

The company expects to implement more extensive guidelines and corporate social responsibility measures following the acquisition of ALD.

Shareholders and financing

Axactor's shares are listed on the Oslo Stock Exchange under the ticker "AXA". As per the end of 2015, the company had 596,614,360 outstanding shares, held by 6 605 shareholders. The nominal value of the Axactor share is SEK 0.50.

The company's EGM, held on 23 December 2015, authorised the Board of Directors to approve new issues of shares or convertible debt instruments irrespective of whether such an issue entails variation of shareholders' preferential rights. The maximum dilution permitted under this authorisation is 30%, which translates into 280,000,000 new shares based on the number of issued shares at year-end 2015, including warrants. The authorisation is valid until the AGM in the spring of 2016.

Further, an EGM held on 17 November 2015 authorised the issue of up to 55.5 million incentive options to the new management team. Each option entitles the holder to subscribe for one new ordinary share.

The company estimates that it has sufficient working capital for the 12 months following the balance sheet date. Pursuant to section 3(3a) of the Norwegian Accounting Act, the Board of Directors therefore confirms that the going-concern assumption is met and that the annual accounts have been prepared in accordance with this assumption.

The company has given considerable emphasis to providing shareholders and investors with timely, relevant new information on the company and its activities in compliance with applicable laws and regulations. Axactor is committed to increasing awareness of its shares in Norway and abroad. The list of shareholders includes a substantial number of Nordic institutional and private investors.

Income and operating costs

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

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 MSEK 4.4 (MSEK 0). 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 MSEK -166.6 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 MSEK 113.8.

Transaction costs relating to the acquisition of ALD in Spain amounted to MSEK 15.7. Unrealised foreign exchange losses amounted to MSEK 19.9, 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 MSEK -104.4 (MSEK -33.9) in 2015.

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

Cash flow

Axactor had cash flow of MSEK 310.8 during the 12-month period January–December 2015 (MSEK 46.2). 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 MSEK 604.8, compared to MSEK 175.0 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 MSEK 188.4, all related exclusively to the ALD acquisition.

Financial position

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

Short-term loans and other short-term liabilities amounted to MSEK 111.0 (MSEK 5.2) at the end of the fourth quarter of 2015. Approximately half of this amount relates to an earn-out 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 MSEK 51 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.

Parent company

The parent company's business is management of the group's operations. The post-tax result for the full financial year 2015 amounted to MSEK -204.8 (MSEK -41.1). The loss is primarily due to the abandonment of the nickel operations following adoption of the new business concept. The exit from the nickel segment necessitated a nearly full impairment of the holding values of the shares in the nickel subsidiaries and all receivables owned by these companies.

Cash and cash equivalents held by the parent company amounted to MSEK 142.9 at the end of December 2015 (MSEK 61.4).

Proposed allocation of the company's result (SEK)

SEK	2015
At the disposal of the AGM is the following:	
Share premium reserve	1,468,788,486
Retained earnings	-1,071,213,151
Result for the year	-204,756,757
Total non-restricted equity	192,817,578
The Board of Directors recommends the following allocation:	
Retained earnings brought forward	192,817,578

ALD's operations

In 2015, ALD generated total revenues of approximately EUR 10 million, and achieved EBITDA of EUR 3.7 million. In 2014, ALD's revenues were some EUR 7 million, implying continued local-market growth in the past year. However, only the proportion of ALD's revenues attributable to the post-acquisition period (MSEK 4.4 during December 2015) have been incorporated into the Axactor group's P&L account.

Divestment of the nickel operations

The nickel operations were discontinued on the last day of 2015. The nickel subsidiaries were sold to Archelon, with consideration taking the form of newly issued Archelon shares. Axactor received shares corresponding to 4.6 per cent of the capital and votes of the buyer. The financial effect the divestment was MSEK -114 in 2015. The majority of this amount is accounted for as impairment, although a minor realisation loss was also recorded in Axactor's external accounts in connection with deconsolidation of the operations.

Risk profile and management

Axactor's regular business activities entail exposure to various types of risk. The company manages such risks proactively, and the Board of Directors regularly analyses its operations and potential risk factors and takes steps to reduce risk exposure. Axactor gives strong emphasis to quality assurance, and has quality systems implemented, or under implementation, in line with the requirements applicable to its business operations.

The complete range of risk factors is discussed in detail in Note 2.

Outlook

Axactor aims at becoming a high-growth debt collection/debt purchase company with a Nordic base and an ambitious pan-European strategy.

Through ADL, the company has gained a foothold in the Spanish debt collection/debt purchase market. NPL sale volumes are expected to remain high in Spain and other European countries. In February 2016, the company acquired its first unsecured NPL portfolio, originally generated by a Spanish local savings bank.

The acquisition proves that Axactor is a key contender for the many portfolios expected to enter the market going forward. The company has also secured a third-party collection contract with Santander Consumer Finance, demonstrating the company's debt collection know-how and expertise in dealing with global financial brands.

In March 2016, the company acquired IKAS AS and established a debt collection and portfolio acquisition platform in the Norwegian market.

The acquisition of IKAS AS was in line with the strategy of establishing credit management operations in growth markets.

Axactor has a solid financial position, an experienced management team and the infrastructure needed to generate future growth and value creation.

The company's priorities for 2016 are as follows:

- Top 3 market share in the Spanish debt collection sector.
- Debt collection on acquired non-performing loan portfolios.
- Debt portfolio purchases from financial institutions.
- Expand the third-party collection business and increase workforce size.
- Collect 2.0x–3.0x purchase price on purchased debt portfolios.

The company plans to enter new growth markets in the period 2016–2018 through platform and portfolio acquisitions in Germany and Italy. Axactor will also facilitate cost optimisation and synergies by integrating all platforms into a single debt collecting group. In addition, the company will seek out accretive platform investments.

The Board of Directors considers that the outlook for Axactor is positive, both in 2016 and beyond.

Subsequent events

- 12 February 2016: Axactor acquires an unsecured Spanish NPL portfolio with a nominal value of approximately EUR 500 million.
- 17 February 2016: The company raises NOK 106.1 million in gross proceeds through a private placement of 59,600,000 new shares at a price of NOK 1.78 per share.
- 3 March 2016: Axactor acquires an unsecured Spanish NPL portfolio with a nominal value of approximately EUR 18 million.
- 17 March 2016: Axactor acquires the Norwegian debt collection company IKAS for NOK 291 million.
- 17 March 2016: Axactor acquires an unsecured Spanish NPL portfolio with a nominal value of approximately EUR 221 million.

Stockholm, 20 April 2016
The Board of Directors

Einar J. Greve
Chairman

Gunnar Hvammen
Board member

Per Dalemo
Board member



Financial statements

Axactor AB Group & Parent Company

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Consolidated Statement of Loss

SEK thousand	Note	12 m Jan - Dec 2015	12 m Jan - Dec 2014
Continued operations			
Net income	3, 4	4,437	-
Other operating income		-	75
Total operating income		4,437	75
Other external expenses	7, 8	-29,940	-9,927
Personnel expenses	5, 6	-5,089	187
Operating result before depreciation and impairment losses		-30,592	-9,665
Depreciation/amortization and impairment loss on tangible, intangible and financial fixed assets	11	-837	-
Operating result after impairment losses		-31,429	-9,665
Financial revenue	12	329	3,105
Financial expenses	12	-30,218	-3,111
Total financial items		-29,889	-6
Result before tax		-61,318	-9,671
Income tax		-	-
Result for the period from remaining operations		-61,318	-9,671
Loss from discontinued operations		-105,288	-36,336
Result for the period		-166,606	-46,007
<i>Result for the period attributable to:</i>			
Equity holders of the Parent Company		-166,606	-45,986
Non-controlling interest		-	-21
Result for the period		-166,606	-46,007
Result per share before and after dilution, including discontinued operations	14	-1.25	-1.54
Result per share before and after dilution, excluding discontinued operations	14	-0.46	-0.32
Average number of shares (Millions)	14	133.7	29.8

Consolidated Statement of Comprehensive Loss

SEK thousand	12 m Jan - Dec 2015	12 m Jan - Dec 2014
Result for the period	-166,606	-46,007
<i>Items that could be reclassified to the income statement:</i>		
Foreign currency translation differences - foreign operations	-96	-1,081
Total other comprehensive loss	-166,702	-47,088
<i>Total comprehensive loss for the period attributable to:</i>		
Equity holders of the Parent Company	-166,702	-47,067
Non-controlling interest	-	-21

Consolidated Statement of Financial Position

SEK thousand	Note	31.12.2015	31.12.2014
ASSETS			
Fixed Assets			
<i>Intangible fixed assets</i>			
Mineral interests	11	-	111,676
Customer relationships	11	37,125	-
Database	11	7,530	-
Other intangible assets	11	448	-
Goodwill	11	124,467	-
<i>Tangible fixed assets</i>			
Plant and machinery	11	549	551
<i>Long-term financial fixed assets</i>			
Other long-term investments	10, 11, 34	267	359
Total fixed assets		170,386	112,617
Other receivables	15	58,284	696
Prepaid expenses	16	3,760	161
Cash and cash equivalents	17	372,375	61,502
Total current assets		434,419	62,359
TOTAL ASSETS		604,805	174,976

Consolidated Statement of Financial Position

SEK thousand	Note	31.12.2015	31.12.2014
EQUITY AND LIABILITIES			
	18, 19		
<i>Equity attributable to equity holders of the parent company</i>			
Share capital		298,307	45,405
Other paid-in capital		1,468,788	1,256,648
Reserves		-96	-
Retained earnings and profit for the period		-1,290,007	-1,141,416
		476,992	160,637
Non-controlling interest		-	157
Total equity		476,992	160,794
Long-term Liabilities			
Convertible loan	21	5,000	5,000
Deferred tax liabilities	20	11,357	-
Other long-term liabilities	22	500	4,000
Total long-term liabilities		16,857	9,000
Current liabilities			
Accounts payable	23	12,420	1,560
Tax liabilities		9,963	-
Other short-term liabilities	24	64,088	1,146
Accrued expenses and prepaid income	25	24,485	2,475
Total current liabilities		110,956	5,181
TOTAL EQUITY AND LIABILITIES		604,805	174,976
Pledged assets	26	4,000	31
Contingent liabilities		-	-

Consolidated Statement of Changes in Equity

SEK thousand	Equity related to the shareholders of the Parent Company						Non controlling interest	Total Equity
	Share capital	Other paid in capital	Exchange differences	Retained earnings and profit for the year	Total			
Balance on 1 January 2014	45,437	1,174,207	1,081	-1,096,021	124,704	80		124,784
Net result for the period	-	-	-	-45,987	-45,987	-20		-46,007
Comprehensive loss for the period	-	-	-1,081	-	-1,081	-		-1,081
Total comprehensive result	-	-	-1,081	-45,987	-47,068	-20		-47,088
Set-off and new share issues	36,317	55,174	-	-	91,490	-		91,490
Share capital reduction	-36,349	36,349	-	-	-	-		-
Cost related to fund raising	-	-7,950	-	-	-7,950	-		-7,950
Dividend	-	-	-	-568	-568	-		-568
Other transactions	-	-1,132	-	1,161	29	97		126
Closing balance on 31 December 2014	45,405	1,256,648	-	-1,141,415	160,637	157		160,794
Balance on 1 January 2015	45,405	1,256,648	-	-1,141,415	160,637	157		160,794
Net result for the period	-	-	-	-166,606	-166,606	-		-166,606
Comprehensive loss for the period	-	-	-96	-	-96	-		-96
Total comprehensive result	-	-	-96	-166,606	-166,702	-		-166,702
New share issues	252,902	253,503	-	-	506,405	-		506,405
Costs related to fund-raising	-	-24,280	-	-	-24,280	-		-24,280
Reclassification	-	-17,070	-	17,070	-	-		-
Sale of subsidiaries	-	-	-	946	946	-157		789
Other transactions	-	-13	-	-	-13	-		-13
Closing balance on 31 December 2015	298,307	1,468,788	-96	-1,290,006	476,992	-		476,992

The total number of shares outstanding as of the end of December 2015 is 596,614,360

Consolidated Statement of Cash Flow

SEK thousand	12 m Jan - Dec 2015	12 m Jan - Dec 2014
Cash flow from operations		
Result after financial items including discontinued operations ¹⁾	-166,606	-46,007
Adjustments for non-cash items ²⁾	134,586	31,468
Total cash flow from operations before change in working capital	-32,020	-14,539
Change in working capital		
Increase/decrease in receivables	2,133	2,041
Increase/decrease in short term liabilities	5,852	-4,665
Total cash flow from operations	-24,036	-17,163
Cash flow used for investments		
Purchase of intangible fixed assets	-	-5,162
Purchase of tangible fixed assets	-	-691
Purchase of financial fixed asset	-82,691	-
Sale of financial fixed assets	-	2,000
Total cash flow used for investments	-82,691	-3,853
Financial activities		
New share issues	460,386	74,081
Cost related to fund-raising	-24,281	-7,950
Raised credits	-	1,098
Amortization of debt	-1,099	-
Total cash flow from financial activities	435,006	67,229
Change in cash and bank	328,279	46,213
Exchange difference in liquid funds	-17,406	-
Cash and bank on 1 January	61,502	15,289
Cash and bank at the end of report period	372,375	61,502
1) Financial items		
Financial income	329	3,105
Financial costs	-30,218	-3,111
	-29,889	-6
2) Adjustments for non-cash items		
Impairment losses on intangible fixed assets	104,310	33,685
Depreciation of tangible fixed assets	973	180
Exchange loss	19,771	-1,081
Loss from sold companies	9,532	-
Other	-	-1,316
Total	134,586	31,468

Parent Company Income Statement

SEK thousand	Note	12 m Jan - Dec 2015	12 m Jan - Dec 2014
Other operating income		-	75
Other external expenses	7	-24,740	-10,316
Personnel expenses	5, 6	-	187
Depreciation / impairment of financial fixed assets		-160,799	-30,000
Operating result		-185,539	-40,054
<i>Result from financial items</i>			
Financial revenue	12	1,665	2,023
Financial expenses	12	-20,883	-3,111
Total financial items		-19,218	-1,088
Result before tax		-204,757	-41,142
Result for the period		-204,757	-41,142

Parent Company Balance Sheet

SEK thousand	Note	31.12.2015	31.12.2014
ASSETS			
Tangible Fixed Assets			
<i>Long-term financial fixed assets</i>			
Shares in subsidiaries	27	2,185	97,247
Receivables from subsidiaries	28	366,360	70,468
Total fixed assets		368,545	167,715
Current Assets			
Other receivables	15	1,704	584
Prepaid expenses	16	97	65
Cash and cash equivalents	17	142,948	61,366
Total current assets		144,749	62,015
TOTAL ASSETS		513,294	229,730
SHAREHOLDERS' EQUITY			
	18, 19		
<i>Restricted equity</i>			
Share capital		298,307	45,405
Statutory reserve		2,300	2,300
Total restricted equity		300,607	47,705
<i>Non-restricted equity</i>			
Share premium reserve		1,468,788	1,239,565
Retained earnings		-1,071,212	-1,030,070
Result for the period		-204,757	-41,142
Total non-restricted equity		192,819	168,353
TOTAL SHAREHOLDERS' EQUITY		493,425	216,057
LIABILITIES			
Long-term liabilities			
Convertible loan	21	5,000	5,000
Interest bearing long-term liabilities	22	-	4,000
Total long-term liabilities		5,000	9,000
Current Liabilities			
Accounts payable	23	5,972	1,388
Other liabilities	24	4,049	1,099
Accrued expenses	25	4,848	2,186
Total current liabilities		14,869	4,673
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		513,294	229,730
Pledget assets	26	4,000	-
Contingent liabilities		-	-

Parent Company Statement of Changes in Equity

SEK thousand	Restricted Equity		Non restricted Equity			Total Equity
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Result for the period	
Balance on 1 January 2014	45,437	2,300	1,148,042	-911,164	-110,388	174,228
Transfer of prior year's net result	-	-	-	-110,388	110,388	-
Costs related to fund-raising	-	-	-	-7,950	-	-7,950
Dividend	-	-	-	-568	-	-568
Set off- and new share issues	36,317	-	55,174	-	-	91,490
Share capital reduction	-36,349	-	36,349	-	-	-
Result for the period	-	-	-	-	-41,142	-41,142
Closing balance on 31 December 2014	45,405	2,300	1,239,565	-1,030,070	-41,142	216,057
Balance on 1 January 2015	45,405	2,300	1,239,565	-1,030,070	-41,142	216,057
Transfer of prior year's net result	-	-	-	-41,142	41,142	-
Costs related to fund-raising	-	-	-24,280	-	-	-24,280
Share issues	252,902	-	253,503	-	-	506,405
Result for the period	-	-	-	-	-204,757	-204,757
Closing balance on 31 December 2015	298,307	2,300	1,468,788	-1,071,212	-204,757	493,425

The total number of shares outstanding as of the end of December 2015 is 596,614,360

Parent Company Statement of Cash Flow

SEK thousand	12 m Jan - Dec 2015	12 m Jan - Dec 2014
Cash flow from operations		
Result after financial items including discontinued operations ¹⁾	-204,757	-41,142
Adjustments for non-cash items ²⁾	180,937	29,431
Total cash flow from operations before change in working capital	-23,820	-11,711
Change in working capital		
Increase/decrease in receivables	-1,131	7,840
Increase/decrease in short term liabilities	6,197	-553
Total cash flow from operations	-18,754	-4,424
Cash flow used for investments		
Loan Financing to subsidiareis	-320,551	-5,377
Purchase of subsidiaries	-2,185	-
Total cash flow used for investments	-322,736	-5,377
Financial activities		
New share issues	460,386	74,081
Cost related to fund-raising	-24,281	-7,950
Total cash flow from financial activities	436,105	66,131
Change in cash and bank	94,615	56,330
Exchange difference in liquid funds	-13,033	-
Cash and bank on 1 January	61,366	5,036
Cash and bank at the end of report period	142,948	61,366
1) Financial items		
Financial income	1,665	2,023
Financial costs	-20,883	-3,111
	-19,218	-1,088
2) Adjustments for non-cash items		
Dividend	-	-569
Impairment of financial fixed assets	160,799	30,000
Exchange loss	10,606	-
Loss from sold companies	9,532	-
Total	180,937	29,431

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Notes to the Financial Report

General Information

The Parent Company Axactor AB (publ), until late December 2015 named Nickel Mountain Group AB (publ), Swedish corporate identity number 556227-8043, is a joint stock corporation, domiciled in Stockholm. The registered address is Hovslagargatan 5B, bottom floor, SE-111 48 Stockholm. The company's shares are traded in Norway on the Oslo Stock Exchange. The corporation's activities consist of debt collection ever since the two nickel subsidiaries Nickel Mountain Resources AB and Nickel Mountain Group AB were sold to Swedish mineral company Archelon AB on December 31, 2015. Thereby, the profit- and loss statement of the two nickel

subsidiaries form part of the Axactor group profit- and loss account for 2015. The balance sheet of the nickel subsidiaries was, however, deconsolidated at year-end 2015 and is not part of the Axactor group balance sheet. The debt collection business segment arose by acquisition and consolidation of the Spanish debt collection company ALD Abogados SL on December 10, 2015. The Annual Report and Parent Company Report for Axactor AB (publ) were adopted by the Board of Directors on April 20, 2016 and will be submitted for approval to the Annual General Meeting on May 26, 2016.

Note 1 Accounting principles

Statement of conformity with regulations applied

The Consolidated Statements have been compiled in accordance with EU-approved International Financial Reporting Standards (IFRS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC). In addition, the Group applies the Swedish Financial Reporting Board's recommendation RFR 1 "Supplementary accounting regulations for corporate conglomerates" specifying the supplements to IFRS required pursuant to the stipulations of the Swedish Annual Accounts Act.

The Parent Company's functional currency is the Swedish krona (SEK) and this is also the reporting currency for both the Group and the Parent Company. All amounts in the financial reports are stated in thousands of Swedish kronor (TSEK), unless otherwise specified.

Items have been valued at their acquisition value in the consolidated accounts, with the exception of certain financial assets and liabilities, which have been valued at their fair value. The Parent Company's accounting principles follow those of the Group with the exception of the mandatory regulations stipulated in the Swedish Financial Reporting Board's recommendation, RFR 2 "Accounting for legal entities".

The most important accounting principles that have been applied are described below. These principles have been applied consistently for all years presented, unless otherwise specified.

New standards and interpretations that come into force in the 2016 calendar year or thereafter

IFRS 9, Financial instruments: The standard comes into force for financial years beginning in 2018, or thereafter, and replaces IAS 39. It is divided into three sections: classification, hedge accounting, and impairment. The standard requires the classification of financial assets in accordance with three valuation categories, namely amortized cost, fair value through other comprehensive income, or fair value through the Income Statement. The classification is determined when the asset is first accounted for on the basis of the characteristics of the financial asset and the company's business model. No major changes apply with regard to financial liabilities. IFRS 9 also includes augmented regulations regarding disclosures in relation to risk management and the effects of hedge accounting. The standard has been complemented with regulations governing the impairment of financial assets, where the model is based on anticipated losses. An overall assessment of the effects on Axactors' accounting will be made at a later date.

IFRS 15, Revenue from Contracts with Customers: The standard comes into force on 1st January 2018 and replaces existing standards and interpretations on revenues. The standard introduces a new revenue recognition model for contracts with customers and shall be applied to all contracts with customers with the exception of insurance contracts, financial instruments and leasing contracts in that separate standards exist in these areas. The new standard also entails new starting points for when revenue shall be recognized and

requires new evaluations by the company management that differ from those currently applied. The principal areas in which existing regulations differ from the new ones are:

- Control-based model for determining when revenue shall be recognized (transfer of risks and benefits is only retained to indicate that control may have been transferred).
- The valuation of the revenue shall be based on what the vendor expects to receive, rather than on fair value.
- New rules governing the way in which a contract's goods and services shall be distinguished in the financial reporting.
- Revised criteria governing how revenue shall be recognized over time.
- Expenditure for the acquisition and fulfilment of contracts.
- Significantly augmented disclosure requirements.

At the present time, Axactor cannot estimate the impact of the new accounting standards on the Company's financial reports.

IFRS 16 Leasing, in January 2016, IASB introduced a new leasing standard that will replace IAS 17, Leasing agreements and the associated interpretations IFRIC 4, SIC-15 and SIC-27. The standard demands that essentially all assets and liabilities related to a leasing agreement get recognized in the balance sheet with a few exceptions. The new standard is based on the view that the lessee has a right to use an asset during a specified time period, and at the same time has an obligation to pay for it. The accounting consequences for the lessor will, in all material respects, be unchanged. The standard is applicable for annual reporting periods beginning on, or after, January 1, 2019. It is voluntary to apply the standard before this date. The EU has not yet endorsed this standard.

The Group has not yet evaluated the effects of IFRS 16.

The standards and interpretations presented are those that may, in the opinion of the Group, have an effect in future. The Group intends to implement these standards when they become applicable.

No other of the standards or interpretations from IASB or pronouncements from IFRIC that have not yet come in to force are expected to have any material impact on the group.

Consolidation principles

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The balance sheets of the subsidiaries located outside Sweden are converted using the current exchange rates of the last day of the reporting period. The currency rate used in the income statements is the average rate for the entire reporting period. All Group transactions and Group unsettled matters, and profit and losses for transactions between group companies that are put into effect, are eliminated at the consolidation.

A subsidiary is included in Group accounts from the date of the acquisition, which is the day when the group obtains control of the company. The company is consolidated until such control ceases to exist. Control is considered to exist when the Group has the right to form the future strategies of a subsidiary, in order to achieve economic advantages.

A non-controlling interest is the part of a subsidiary's result and net assets that is not, directly or indirectly, owned by the Parent Company. The non-controlling interest's part of the result is included in the consolidated result after tax. The non-controlling interest's part of the equity is included in the consolidated equity, but is accounted for separately from the equity that is related to the shareholders of the Parent Company.

Basis for preparation

The consolidated accounts and the Parent Company accounts are based on historical acquisition values except for financial instruments which are valued fair market value.

Business combination and goodwill

Business combinations are accounted for using the acquisition accounting method.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquired entity is re-measured to fair value as at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired entity are assigned to those units.

The Group assesses each cash-generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the actual value, less costs to sell and value in use.

If there is an indication that an asset is impaired, the recoverable amount of the asset is calculated in accordance with IAS 36. For goodwill, other intangible assets with indefinite useful lives and intangible assets not yet ready for use, the recoverable amount is assessed annually.

Intangible assets

The fair value of goodwill is determined annually for each cash-generating unit in relation to the unit's performance and anticipated future cash flow. If deemed necessary, goodwill is written down on the basis of this evaluation.

The Group applies IAS 38 Intangible Assets. Expenditures for software development that can be attributed to identifiable assets under the Group's control and with anticipated future economic benefits are capitalized and recognized as

intangible assets. These capitalized expenses include staff expenses for the development team and other direct and indirect expenses.

Customer relationships that are recognized as fixed assets relate to fair value revaluations recognized upon acquisition, in accordance with IFRS 3. They are amortized on a straight-line basis over their estimated period of use (5–10 years).

Other intangible fixed assets relate to other acquired rights are amortized on a straight-line basis over their estimated period of use.

Tangible fixed assets

Tangible fixed assets are reported at cost in the balance sheet, with a deduction for accumulated depreciation and any impairment. Depreciation is made on a straight-line basis over the asset's estimated useful life, which is assessed on an individual basis, ranging from 3 to 10 years.

For all financial instruments measured at amortized cost, and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR).

Revenue from dividends is recognized when the Group's right to receive the payment is established.

The cash flow statement shows cash receipts and cash payments, using the indirect method.

Provisions are recognized when the Group has a current obligation (legal or constructive) as a result of a past event, and a reliable estimate can be made of the amount of the obligation.

Management is required to apply judgement in assessing the probability of the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. This judgement is supported by external advice and precedent case law. Further details of contingent assets are disclosed in note 11.

Current assets and current liabilities are comprised of amounts that are expected to be recovered or paid respectively, within twelve months of the reporting date. Other assets and liabilities are reported as non-current assets or long-term liabilities, respectively.

Financial instruments

Financial instruments reported as assets in the balance sheet include: long-term receivables, other receivables, prepaid expenses and accrued income, liquid funds, accounts receivable, and short-term investments. All financial assets are classified as loans and receivables, and are reported at amortized cost. The liabilities consist of long-term liabilities, convertible loans, other liabilities, accrued expenses and prepaid income and accounts payable. The liabilities are classified as other financial liabilities and are reported as amortized cost. Financial instruments are initially recorded at acquisition value corresponding to the instrument's fair value. A financial

asset or liability is reported in the balance sheet as soon as the Company has a contractual commitment regarding such instrument. Axactor does not have any derivatives and does not, for the time being, engage in hedging. Cost of interest is calculated using the effective interest rate method.

A financial asset is considered for exclusion when the contractual rights to the cash flows from the financial asset expire, or the Group has either transferred the contractual right to receive the cash flows from that asset, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

A financial liability is considered for exclusion when the liability is repaid by Axactor.

Financial instruments are reported using the fair value, accumulated value or acquisition value, depending on the initial categorization under IAS 39. On each reporting occasion, the company performs an impairment test to determine whether objective indications exist of the need to write-down a financial asset or group of financial assets.

Pension plans

There are only defined contribution retirement plans within the Group. Defined contribution retirement plans comprise plans in which the company's liability in terms of retirement payments is limited to the fees that already have been undertaken. The retirement of the individual employee is dependent on the fees paid to the retirement plan or an insurance company by the employer, and the return of capital invested in the retirement insurance. Consequently, it is the employee that holds the risk of return (that the return will be lower than expected) and the risk of the investment (the risk that the invested pension provision will not be sufficient to cover expected retirement compensation in the future). The obligations of the Company related to payments of defined contribution retirement plans are expensed in the income statement as they are earned by the employee for services conducted on behalf of the employer during the period.

Leases

All leases are accounted for as operating leases.

Deferred taxes

The parent company's deficit submitted to the tax authorities for financial year 2014 was some 13.1 MSEK. To this should be added the corresponding result for financial year 2015, which is estimated at 54 MSEK.

In January 2016, the tax authorities reviewed the parent company's taxation for financial year 2013, and increased the deficit for that year by 166.7 MSEK.

No current or deferred tax claims were accounted for at year-end 2015. Deferred tax claims were not accounted for as deductions of loss. Deficit deduction can be used without any time limit. A deferred tax liability related to subsidiaries registered outside Sweden was recorded relating to Spanish subsidiary ALD Abogados SL.

Borrowing expenses

The Group applies IAS 23 Borrowing Costs and IAS 39 Financial Instruments: Recognition and Measurements. Expenses to secure bank financing are amortized across the term of the loan as financial expenses in the consolidated income statement. The amount is recognized in the balance sheet as a deduction to the loan liability. The Group capitalizes borrowing expenses in the cost of qualifying assets, that is, fixed assets for substantial amounts with long periods of completion. No such investments were initiated in 2015.

Income recognition

The Group applies IAS 18 Revenue. Income, consisting of commissions and collection fees, is recognized on collection of the debt. Subscription income is recognized proportionately over the term of the underlying service contracts, which is usually one year.

Segment reporting

Within Axactor, segmentation is according to the various countries in which the debt collection business takes place, by year-end 2015 only in Spain. See note 3 for more information.

Taxes

Current tax and deferred tax are reported in the financial statements. Current tax is the tax that will be paid or refunded based on the current year, using the tax rates that were in effect/decided upon on the closing date applied to taxable income. An adjustment is also made for current tax related to prior periods. Deferred tax is calculated using the balance sheet approach. This involves determining the tax base of assets and liabilities in order to calculate temporary differences. Deferred tax assets are reported for deductible temporary differences of unused loss carry forwards/back to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. No deferred tax asset is currently recorded for loss carried forward, since it is difficult to determine whether utilization will be possible in the future.

Conversion of foreign currency

The financial statements are presented in SEK, which is Axactor's functional currency, as well as being the

presentation currency. Transactions in foreign currency are accounted for in the functional currency, at the current rate of exchange of the transaction date. Both monetary and non-monetary assets and liabilities are converted per the balance sheet date, at the day's current exchange rate. Currency differences which arise during conversion are accounted for in profit or loss. Assets and liabilities in foreign subsidiaries are valued at the closing currency rates at the end of the reporting period. Income statements are converted to the average of currency rates for the entire reporting period. Exchange differences that may occur at conversion are reported under other comprehensive income.

Differences between accounting principles of the Group and of the Parent Company

According to the Swedish Financial Reporting Board's standard RFR 2, Accounting for Legal Entities, legal entities with securities listed on a Swedish stock exchange or authorized market on the balance sheet date shall, as a general rule, apply those IFRS standards that are applied in the consolidated financial statements. There are, however, certain exceptions from and additions to this rule depending on legal provisions – principally those in the Annual Accounts Act – and the relationship between accounting and taxation.

For Axactor AB (the Parent Company), this means that IFRS measurement and disclosure rules are applied, but the format differs from the Group's financial reports since the Parent Company's financial reports follow the Annual Accounts Act.

In the Parent Company, shares in subsidiaries, associated companies, and joint ventures are reported at cost (full consolidation and the equity method is used in the Group).

Goodwill related to the ALD Abogados acquisition in December 2015

The peer-group valuation table (for debt collection companies bought up) gave an Enterprise value/EBITDA multiple range of 6.7 – 7.4. Based on ALD's estimated (at the acquisition moment) full-year 2015 EBITDA of 3 million Euro, the motivated implied enterprise value of ALD got to 20.3 – 22.5 million Euro. Subsequently it turned out that ALD's 2015 EBITDA was 3.7 million Euro.

Note 2 Risks and uncertainties

Axactor defines risk as all factors which could have a negative impact on the ability of the Group to achieve its business objectives. All economic activity is associated with risk. In order to manage risk in a balanced way, it must first be identified and assessed. Axactor conducts risk management at both a Group and company level, where risks are evaluated in a systematic manner. The following summary is by no means comprehensive, but offers examples of risk factors which are considered especially important for Axactor's future development.

Reliance on key persons

The Company's development is dependent upon the continued services and performance of its senior management and other key personnel. The loss of the services of any of the senior management or key personnel may have an adverse impact on the Company.

Economic fluctuations

The credit management sector is affected negatively by a weakened economy. However, Axactor's assessment is that, historically, it has been less affected by economic fluctuations than many other sectors. Risks associated with changes in economic conditions are managed through on-going dialogue with each country management team and through regular checks on developments in each country.

Market risk

Axactor's financing and financial risks are managed within the Group in accordance with the treasury policy established by the Board of Directors. The treasury policy contains rules for managing financial activities, delegating responsibility, measuring identifying and reporting financial risks and limiting these risks. Internal and external financial operations are concentrated to the Group's central finance function in Oslo, which ensures economies of scale when pricing financial transactions. Because the finance function can take advantage of temporary surpluses and deficits in the Group's various countries of operation, the Group's total interest expense can be reduced. In each country, investments, revenues and most operating expenses are denominated in local currencies, and thus currency fluctuations have a relatively minor effect on operating earnings. Revenues and expenses in national currency are thereby hedged in a natural way, which limits transaction exposure.

When the balance sheets of foreign subsidiaries are recalculated in SEK, a translation exposure arises that affects consolidated shareholders' equity. This translation exposure is limited by raising loans in foreign currencies.

Regulatory risks

With regard to risks associated with changes in regulations in Europe, Axactor continuously monitors the EU's regulatory efforts to be able to indicate potentially negative effects for European credit management companies and to work for favorable regulatory changes.

Potential dilution of shareholders

The company may issue additional shares in the future. Shareholders of the Company may suffer from dilution in connection with future issuances of shares.

Price volatility of publicly traded securities

In recent years, the securities markets in Europe have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price, which have not necessarily been related to the operating performance, underlying assets values, or prospects of such companies. There is no assurance that continuous fluctuations in price will not occur. It is likely that the quoted market price for the Axactor shares will be subjected to market trends generally, notwithstanding the financial and operational performance of the Company.

Interest rate risk

Interest rate risk is related to the risk the group is exposed to from changes in the market's interest rate which can affect the net profit. The Board of Directors and the management have made an assessment that Axactor's interest rate risk exposure is small, since the company currently has a limited loan burden.

Currency risk

Currency risk refers to the risk that the value of a financial instrument may shift as a result of changes in currencies conversion rates. The Company's accounts are held in Swedish krona (SEK). However, the Company conducts the majority of its business operations in other countries. This foreign exchange exposure may affect the Company's results and the amount of liquid assets.

Risks inherent in purchased debt

To minimize the risks in this business, caution is exercised in purchase decisions. The focus is on small and medium-sized portfolios with relatively low average amounts, to help spread risks. The acquisitions generally involve unsecured debt, which reduces the capital investment and significantly simplifies administration compared with collateralized receivables. Purchased debt portfolios are usually purchased at prices significantly below the nominal value of the receivables, and Axactor retains the entire amount it collects, including interest and fees. Axactor places high yield requirements on purchased debt portfolios. Before every acquisition, a careful assessment is made based on a projection of future cash flows (collected amount) from the portfolio. In its calculations, Axactor is aided by its management's long experience in collection management and its scoring models. Scoring entails the consumer's payment capacity being assessed with the aid of statistical analysis. Axactor also uses specialized industry consultants for getting a second opinion on each contemplated debt portfolio purchase. Axactor therefore believes that it has the expertise required to evaluate these types of receivables.

Note 3 Segment reporting

For management purposes, the Group was until the last quarter of 2015 organized into business units based on the type of mineral the Group was active with up to that moment in time. As from 2016, the focus of Axactor is debt collection. Therefore, per 31.12.15, the business segments are the various geographic areas where debt collection is conducted. This annual report also includes the profit- and loss statement from the sold nickel subsidiaries, and this business is also reflected as a "business segment", which, however, now is labeled "discontinued operations".

Jan - Dec 2015

SEK thousand	Debt Collection	Other	Total remaining operations	Discontinued operations	Total
Sales revenues	4,337	-	4,337	-	4,337
Other operating income	-	-	-	40	40
Operating result before depreciation and impairment losses	-5,848	-24,744	-30,592	-885	-31,477
Impairment of mineral interests	-	-	-	-104,310	-104,310
Depreciation according to plan	-64	-773	-837	-137	-974
Financial items	-1	-29,888	-29,889	4	-29,885
Result before tax	-5,913	-55,405	-61,318	-105,288	-166,606
Fixed assets	168,330	2,056	170,386	-	170,386
Current assets	76,230	358,189	434,419	-	434,419
Long-term liabilities	11,857	5,000	16,857	-	16,857
Short-term liabilities	96,086	14,870	110,956	-	110,956
Investments	188,432	-	188,432	-	188,432

Jan - Dec 2014

SEK thousand	Debt Collection	Other	Total remaining operations	Discontinued operations	Total
Other operating income	-	75	75	219	294
Operating result before depreciation and impairment losses	-	-9,665	-9,665	-2,472	-12,137
Impairment of mineral interests	-	-	-	-33,685	-33,685
Depreciation according to plan	-	-	-	-180	-180
Financial items	-	-6	-6	1	-5
Result before tax	-	-9,671	-9,671	-36,336	-46,007
Fixed assets	-	-	-	112,617	112,617
Current assets	-	62,015	62,015	344	62,359
Long-term liabilities	-	9,000	9,000	-	9,000
Short-term liabilities	-	4,673	4,673	508	5,181
Investments	-	-	-	5,853	5,853

Geographical distribution of revenues, remaining operations

SEK thousand	2015	2014
Sweden	-	108
Spain	4,337	-
Total	4,337	108

Geographical distribution of tangible, intangible and financial fixed assets

SEK thousand	2015	2014
Sweden	32,118	112,617
Spain	138,268	-
Total	170,386	112,617

Note 4 Revenue from sales

Revenues in 2015 are sales revenues generated by the Spanish subsidiary ALD Abogados SL during the month of December. The revenues in 2014 were other income in the Swedish nickel subsidiaries.

Note 5 Employees, salaries and other compensations

	2015		2014	
	Average number of employees	Of which men	Average number of employees	Of which men
Parent Company	-	-	-	-
Subsidiaries	68	42%	4	50%
Group Total	68	42%	4	50%
Of which Sweden	-	-	4	50%
Of which Norway	4	75%	-	-
Of which Spain	64	41%	-	-
Part of women on management level				
Board of Directors	-	-	-	-
Management	-	-	-	-

Average number of employees in Spain is for the whole year 2015, and in Norway for the period November to December 2015.

	2015			2014		
	Salaries and other compensations	Of which pension costs	Of which social contribution costs	Salaries and other compensations	Of which pension costs	Of which social contribution costs
Parent Company						
Sweden	-	-	-	-191	-196	6
Subsidiaries						
Sweden	-	-	-	1,569	86	239
Norway	1,968	-	243	-	-	-
Spain	2,977	-	374	-	-	-
Total Group ^{1) 2)}	4,945	-	617	1,378	-110	245

1) Part of total remuneration to Board Members has been invoiced and is recognized in the group P&L as 'other external costs'.

2) Remuneration for the Managing Director appointed during the period January – November 2015 was invoiced from a private company and therefore forms part of "other external costs". As given also by note 6, the invoiced amount in question was 902 TSEK (984 for 12 m 2014).

3) The Managing Director appointed by the end of November had a remuneration up to the end of 2015 including social charges of 804 TSEK.

Salaries and other remuneration broken down for Directors, CEO and other employees

SEK thousand	2015		2014	
	Board of Directors and CEO	Other employees	Board of Directors and CEO	Other employees
Parent Company				
Sweden	-	-	-	-191
Subsidiaries				
Sweden	-	-	216	1,353
Norway	1,161	807	-	-
Spain	-	2,977	-	-
Total Group	1,161	3,784	216	1,162

Social contribution cost broken down for Directors, CEO and other employees

SEK thousand	2015		2014	
	Board of Directors and CEO	Other employees	Board of Directors and CEO	Other employees
Parent Company				
Sweden	-	-	-	-
Subsidiaries				
Sweden	-	-	52	323
Norway	143	100	-	-
Spain	-	374	-	-
Total Group	143	474	52	323

There were no pension costs or other similar benefits for Board of Directors and President during 2015 or 2014.

Note 6 Compensations and other benefits: Board, CEO and management officials

SEK thousand	2015			2014		
	Director fee (according to resolution from general meeting)	Salary including social contribution	Other Benefits	Director fee (according to resolution from general meeting)	Salary	Other Benefits
Board elected at June 2014 AGM						
Rikard Ehnsjö (Resigned in October 2014)	-	-	-	100	-	-
Frank Dinhof Petersen (Resigned in October 2014)	-	-	-	52	-	-
Svein Breivik (Resigned in October 2014)	-	-	-	52	-	-
Björn Rohdin (Resigned in October 2014)	-	-	-	52	-	-
Board elected at October 2014 EGM and at June 2015 AGM						
Martin Nes (Resigned in December 2015)	244	-	-	56	-	-
Jan Frode Andersen (Resigned in December 2015)	146	-	-	33	-	-
Per Dalemo ¹⁾	146	-	-	33	-	-
Board elected at December 2015 EGM						
Einar J Greve	18	-	-	-	-	-
Gunnar Hvammen	9	-	-	-	-	-
Per Dalemo ¹⁾	9	-	-	-	-	-
Management						
Torbjörn Ranta ¹⁾	-	902	-	-	984	-
Endre Rangnes (Appointed CEO in November 2015)	-	804	-	-	-	-
Johnny Tsoilis	-	357	-	-	-	-

1) Net amount invoiced from private company.

The number of employees in corporate management amounts to 2 (1).

Board members appointed at the June 2015 AGM receive a fee of SEK 250 thousand per year for the Chairman, and SEK 150 thousand per year for each ordinary Board Member, as established by the AGM. This was unchanged remuneration as compared to the preceding year. A new Board of Directors was appointed at the December 23, 2015 EGM. Given the then enlarged business operations, the EGM decided to increase the remuneration for the new Board to 1.8 MSEK on an annual basis divided on 900 TSEK for the Chairman and 450 TSEK for each of the two other Board members.

Termination compensation and severance salary

Termination compensation and severance salary shall in no case exceed twelve months' salary.

Note 7 Other external expenses

Auditing comprises an audit of the Annual Report and an audit of accounts and the management carried out by the Board and the CEO. It also includes other assignments related to the work carried out by the auditor, as well as any need for advisory or other assistance that occurs as a result of the ordinary work carried out by the auditor. Audit-related fees concern different types of services for assurance. Review of tax forms is considered as tax consultancy. Other assignments, for instance legal consultancy in excess of auditing, are related to issues other than taxes. The part of the Audit fees that is directly related to fundraising is accounted for in 'Equity'.

SEK thousand	Group		Parent	
	2015	2014	2015	2014
Rent	-504	-99	-105	-
Travel	-123	-240	-104	-115
Legal counselling	-1,731	-3,039	-1,729	-3,039
Administrative costs related to listing	-18,431	-654	-18,431	-654
Consultancy fees	-2,286	-2,417	-1,163	-2,417
Insurance	-401	-233	-233	-202
Others	-6,464	-3,245	-2,975	-3,889
Total	-29,940	-9,927	-24,740	-10,316

Remuneration to Auditors

SEK thousand	Group		Parent	
	2015	2014	2015	2014
Mazars				
Audit fees	-	650	-	400
Audit-related fees	-	19	-	19
Other fees	-	227	-	127
KPMG	-		-	
Audit fees	-	254	-	-
Tax advisory fees	-	215	-	215
PriceWaterhouseCoopers				
Audit fees	747	388	747	338
Other fees	663	210	663	210
Total	1,410	1,963	1,410	1,309

Note 8 Leasing

SEK thousand	Premises
Matures 2016 ¹⁾	2,879
Matures 2017-2018	6,486
Matures 2018 <	-

1) The amount relates to the rental contract in respect to the offices in Sweden, Norway and Spain.

Note 9 Transactions with related parties

SEK thousand	2015	2014
Mr. Ole Weiss, Board Member of NMG AB, in 2013/2014, via his private company, invoiced NMG AB a net amount of 220,000 Danish kronor (DKK) for professional services related primarily to the African assets of the group. The work with African Diamond continued in spring 2014, and for this work NMG was invoiced 72,000 SEK.		72
Mr. Erlend Dunér Henriksen, Deputy Board Member of NMG AB in 2013 - 2014, was the main force behind the successful issue of interest free promissory notes to a circle of Norwegian investors during the Autumn of 2013. For these financial advisory services, and for certain other investor relations work, Mr. Henriksen, via his private company Renud Invest AS, invoiced NMG 740 thousand NOK in that year. In the summer and autumn of 2014, he again provided certain additional administrative services which were invoiced to NMG in an amount of 47,000 SEK.		47
In the third quarter of 2015, NMG paid in total 100,000 NOK to its major shareholder Strata Marine & Offshore AS, in respect to managerial services extended by the Board Director, Jan Frode Anderson, during the first six months of 2015, over and beyond his normal duties as Board Director of the Company.	94	
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, Strata Marine & Offshore AS, pursuant to which Ferncliff TIH II AS would be entitled to a success fee of 4 million NOK for services rendered in connection with the ALD Acquisition.	3,757	
At the same time as the above agreement with Ferncliff TIH II AS was executed, the Company also entered in to three other success fee-related advisory agreements in order to ascertain a successful completion of the ALD acquisition. The counterparties were private companies controlled by Mrssr. Endre Rangnes, Johnny Tsois and Einar Greve. These subsequently, after the ALD acquisition, were appointed CEO, Head of Strategy and Chairman of the Board. The paid out amounts were 1.85 MNOK, 1.65 MNOK and 3 MNOK, respectively.	6,105	
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. In addition, these underwriters were also allocated shares in the private placement.		
Wistrand Law firm in Gothenburg has been one of Axactor's legal advisors in regard to the acquisition of ALD in Spain and the various share issues, including the prospectus filing. In total, Wistrand has in the fourth quarter of 2015 invoiced Axactor some 2.37 million SEK of legal fees. Per Dalemo, Axactor's Board Director, is employed by Wistrand Law firm, but has not been part of the legal team extending services to Axactor.	2,366	162
Total	12,323	281
Related party balances as per year end 2015		
Loan from Ulrik Jansson (previous Chairman of the Board)	5,167	
Accounts payable, invoices from Wistrands Law Firm	2,366	

Note 10 Other long-term investments

SEK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Nordic Iron Ore AB	-	214	-	-
Tasman Metals	-	145	-	-
Other items	267	31	-	-
	267	390	-	-

Note 11 Tangible, Intangible and financial fixed assets

Mineral interests

SEK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Acquisition value at opening of period	725,306	720,657	-	-
Acquisition during the report period (year)	-	5,162	-	-
Sales and retirements	-725,306	-513	-	-
Acquisition value at year-end	-	725,306	-	-
Depreciations and impairments				
Accumulated depreciations at beginning of year	-613,630	-609,945	-	-
Depreciation and impairments during the year	-103,743	-3,685	-	-
Sales and retirements	717,373	-	-	-
Accumulated write downs at year-end	-	-613,630	-	-
Exchange differences	-	-	-	-
Book-value at year-end	-	111,676	-	-

Customer Relationships

SEK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Acquisition value at opening of period	-	-	-	-
Acquisition during the report period (year)	37,791	-	-	-
Acquisition value at year-end	37,791	-	-	-
Depreciations and impairments				
Accumulated depreciations at beginning of year	-	-	-	-
Depreciation and impairments during the year	-666	-	-	-
Accumulated depreciation and impairment at year-end	-666	-	-	-
Exchange differences	-	-	-	-
Book-value at year-end	37,125	-	-	-

Database

SEK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Acquisition value at opening of period	-	-	-	-
Acquisition during the report period (year)	7,637	-	-	-
Acquisition value at year-end	7,637	-	-	-
Depreciations and impairments				
Accumulated depreciations at beginning of year	-	-	-	-
Depreciation and impairments during the year	-107	-	-	-
Accumulated depreciation and impairment at year-end	-107	-	-	-
Exchange differences	-	-	-	-
Book-value at year-end	7,530	-	-	-

Other immaterial assets

SEK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Acquisition value at opening of period	-	-	-	-
Acquisition during the report period (year)	448	-	-	-
Acquisition value at year-end	448	-	-	-
Depreciations and impairments				
Accumulated depreciations at beginning of year	-	-	-	-
Depreciation and impairments during the year	-	-	-	-
Accumulated depreciation and impairment at year-end	-	-	-	-
Exchange differences	-	-	-	-
Book-value at year-end	448	-	-	-

Goodwill

SEK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Acquisition value at opening of period	-	-	-	-
Acquisition during the report period (year)	124,467	-	-	-
Acquisition value at year-end	124,467	-	-	-
Depreciations and impairments				
Accumulated write downs at beginning of year	-	-	-	-
Impairment write down during the year	-	-	-	-
Accumulated write downs at year-end	-	-	-	-
Exchange differences	-	-	-	-
Book-value at year-end	124,467	-	-	-

Tangible assets

SEK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Plant and machinery				
Acquisition value at opening of period	43,979	43,519	-	-
Acquisition during the report period (year)	-	687	-	-
Acquisition of operations	613	-	-	-
Sales and retirements	-43,979	-43,219	-	-
Acquisition value at year-end of plant and machinery	613	987	-	-
Depreciations and impairments				
Accumulated depreciation according to plan at beginning of period	-43,428	-43,273	-	-
Sales and retirements	43,428	42,992	-	-
Depreciation and impairments during the year	-64	-155	-	-
Accumulated depreciation at year end according to plan	-	-436	-	-
Book value at year-end of tangible fixed assets	549	551	-	-

Financial Fixed Assets

SEK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Long term receivables and securities				
Acquisition value at opening of period	359	30,359	167,715	192,338
Acquisition during the report period (year)	-	-	368,545	5,377
Acquisition of operations	246	-	-	-
Impairment/Value reduction	-	-30,000	-10,100	-30,000
Sales and retirements	-338	-	-157,615	-
Book-value at year-end of financial fixed assets	267	359	368,545	167,715

Depreciation and impairment loss on tangible, intangible and financial fixed assets (remaining operations)

SEK thousand	Group		Parent	
	2015	2014	2015	2014
Impairment loss on Alluvia Mining Ltd claim	-	-	-	30,000
Depreciation according to plan of plant & machinery and immateriel assets	837	-	-	-
	837	-	-	30,000

Depreciation and impairment of tangible and intangible fixed assets in 2015 are attributable to the Group's nickel mineral interest in Northern Sweden.

SEK thousand	2015
Nickel	-104,447
Total	-104,447

Impairment of receivable on Alluvia Mining Ltd at year-end 2013 and at year-end 2014, and the treatment of it as a contingent asset according to IAS 37

The by end of 2014, fully impaired receivable from Alluvia Mining Ltd is related to the proposed purchase of Ghana Gold in the spring of 2013.

Details around this case are fully explained in the annual report for year 2014.

The criminal case against former directors is planned to be reviewed by the Stockholm District Court in autumn 2016. The ruling in the civil case is either expected in parallel or somewhat later. Axactor estimates that the legal process will cost some 1–2 million SEK per year. In the case of an appeal to a higher court, the final ruling may take a couple of more years.

Note 12 Financial items

Financial income

SEK thousand	Group		Parent	
	2015	2014	2015	2014
Exchange gains	162	28	85	-
Interests	-	1,077	1,580	23
Sale of group company	167	2,000	-	2,000
Total financial revenue	329	3,105	1,665	2,023

Financial expenses

SEK thousand	Group		Parent	
	2015	2014	2015	2014
Exchange losses	-19,939	-2,273	-10,606	-2,273
Sale of group company	-9,532	-	-9,532	-
Interests	-747	-838	-745	-838
Total financial expenses	-30,218	-3,111	-20,883	-3,111

Note 13 Income tax

SEK thousand	Group		Parent	
	2015	2014	2015	2014
Actual tax	-	-	-	-
Deferred tax	-	-	-	-
Actual tax reported in the income statement	-	-	-	-
Result before tax for continued operations	-61,318	-41,218	-204,757	-41,142
Expected tax according to Swedish tax rate (22%)	13,490	9,068	45,047	9,051
Other non-taxable/non-deductible items	-2,098	-6,167	-37,474	435
Tax losses for which no deferred tax asset was recognized	-11,392	-2,901	-7,573	-9,486
Tax related to remaining operations	-	-	-	-

The parent company's deficit submitted to the tax authorities for financial year 2014, was some 13.1 MSEK. To this should be added the corresponding result for financial year 2015, which is estimated at 54 MSEK.

In January 2016, the country tax authorities reviewed the parent company's taxation for financial year 2013, and increased the deficit for that year by 166.7 MSEK.

No current or deferred tax claims were accounted for at year-end 2015. Deferred tax claims were not accounted for as deductions of loss. Deficit deduction can be used without any time limit. A deferred tax liability related to subsidiaries registered outside Sweden was recorded relating to Spanish subsidiary ALD Abogados SL.

Note 14 Earnings per share

	2015	2014
Result related to Parent company's shareholders (TSEK)	-166,606	-45,986
Average number of shares during the reporting period	133,687,416	29,804,775
Result per share after dilution including discontinued operations (SEK)	-1.25	-1.54
Result per share after dilution excluding discontinued operations (SEK)	-0.46	-1.38

Note 15 Other short-term receivables

SEK thousand	Group		Parent	
	2015	2014	2015	2014
Accounts receivables	51,576	-	-	-
VAT receivables	890	505	890	399
Deposits	192	-	-	-
Other interest-free receivables	5,626	191	814	185
Total	58,284	696	1,704	584

There is no provision for doubtful receivables.

As of December 31, 2015, the analysis of other short-term receivables that were past due, but not impaired, were as follows:

	Total	Neither past due nor impaired	Past due but not impaired				
			<30 days	30-60 days	60-90 days	90-120 days	>120 days
2014	696	-	696	-	-	-	-
2015	58,284	38,816	11,839	1,266	3,714	129	2,520

Note 16 Prepaid expenses and accrued income

SEK thousand	Group		Parent	
	2015	2014	2015	2014
Prepaid insurance fees	73	56	73	16
Prepaid legal fees	3,617	-	-	-
Prepaid rentals	39	62	23	48
Others	31	43	1	1
Year-end balance	3,760	161	97	65

Note 17 Cash and cash equivalents

As of December 31, 2015, cash and cash equivalents of the Group were 372,375 TSEK (61,502 TSEK). These liquid assets all consisted entirely of bank deposits. The Parent Company's cash and cash equivalents as of December 31, 2015 were 142,948 TSEK (61,366 TSEK). 95 % of the cash in the Group is in NOK, 4 % i EUR and 1 % in SEK.

Note 18 Development of the share capital

Date	Transaction	Increase of number of ordinary shares	Change in number of A-shares	Increase of share capital	Total number of shares	Total share capital	Face value (SEK)
01.01.2014	Opening balance	-	-	-	18,174,922	9,087,461	0.50
27.01.2014	Set-off issue	3,052,799	-	1,526,400	21,227,721	10,613,861	0.50
28.05.2014	Set-off issue	1,474,619	-	737,310	22,702,340	11,351,170	0.50
18.11.2014	Rights issue	68,107,020	-	34,053,510	90,809,360	45,404,680	0.50
24.11.2015	Directed issue of A-shares	-	400,000,000	200,000,000	490,809,360	245,404,680	0.50
02.12.2015	Conversion A-shares to ordinary shares	400,000,000	-400,000,000	-	490,809,360	245,404,680	0.50
10.12.2015	Issue in kind	45,805,000	-	22,902,500	536,614,360	268,307,180	0.50
28.12.2015	Rights issue	60,000,000	-	30,000,000	596,614,360	298,307,180	0.50

There were 18,174, 922 shares outstanding as of January 1, 2014. The value per share was SEK 0.50. The share capital was then SEK 9,087,461. During the first half of 2014, two issues in kind were conducted. Thereby, the number of shares increased by 4,527,418 to a total number of 22,702,340. In November 2014, a rights issue was completed. In that context, 68,107,020 new shares were subscribed and issued. The number of shares was then 90,809,360 at year-end 2014.

During the fourth quarter of 2015, firstly a private placement of 400,000,000 new shares was conducted. Thereafter, an issue in kind of 45,805,000 new shares was carried out to the two sellers of the Spanish subsidiary ALD Abogados SL. Lastly, a rights issue amounting to 60,000,000 new shares took place. The issue price in all three issues in the fourth quarter of 2015, was 1 NOK per share. Both these private placement and the rights issues were fully underwritten. As of year-end 2015, the total number of shares outstanding was, therefore, 596,614,360. The share capital at the same point in time, amounted to SEK 298,307,180.

According to the current Articles of Association, there are two share classes: ordinary shares with one vote per share, and A-shares with 0.99 votes per share. The latter is a technical solution invented in autumn 2015 in connection with the private placement of 400,000,000 new shares. As the time period between subscription of- and payment for the private placement shares, and the subsequent listing of these new shares on the Oslo Stock Exchange was relatively long, it was necessary to technically separate the old shares from the new shares for a while. In Norway, it is not possible to have two different so-called ISIN-numbers for one and the same share series. Consequently, the solution was to introduce the mentioned A-shares temporarily. They were subsequently converted to ordinary shares, and today all outstanding shares are, therefore, ordinary shares.

Note 19 Ownership structure as at February 29, 2016

Name	Holdings	Ownership %
DNB NOR MARKETS, AKSJEHAND/ANALYSE	51,840,256	8.7%
ARCTIC FUNDS PLC	40,437,195	6.8%
TVENGE TORSTEIN INGVALD	30,000,000	5.0%
STRATA MARINE & OFFSHORE AS	27,151,999	4.6%
VERDIPAPIRFONDET ALFRED BERG NORGE	19,368,370	3.2%
SWEDBANK GENERATOR	17,803,435	3.0%
VERDIPAPIRFONDET HANDELSBANKEN	16,851,801	2.8%
VERDIPAPIRFONDET ALFRED BERG GAMBA	14,670,426	2.5%
MP PENSJON PK	14,467,702	2.4%
STATOIL PENSJON	11,527,500	1.9%
SOLAN CAPITAL AS	11,000,000	1.8%
STOREBRAND VEKST	10,602,615	1.8%
VERDIPAPIRFONDET DNB SMB	9,521,486	1.6%
LATINO INVEST AS	9,500,000	1.6%
HIGH SEAS AS	9,000,000	1.5%
CIPRIANO AS	8,650,000	1.4%
PORTIA AS	8,500,000	1.4%
DUKAT AS	7,933,612	1.3%
VERDIPAPIRFONDET STOREBRAND OPTIMA	7,913,492	1.3%
CIPI LAMP UCITS SWEDBANK SMB	6,227,914	1.0%
Subtotal 20 biggest owners	332,967,803	55.8%
Total number of shares in the Norwegian VPS system	596,459,746	99.97%
Total number of shares in the Swedish Euroclear system	154,614	0.03%
Grand total	596,614,360	100%

Source: Oslo Market Solutions.

Note 20 Deferred tax liabilities

SEK thousand	Group		Parent	
	2015	2014	2015	2014
Deferred tax at beginning of the year	-	-	-	-
Accrual for deferred tax in ALD Abogados SL	11,357	-	-	-
Total	11,357	-	-	-

Deferred tax liabilities

The recognition of the carrying amount of an asset will be recovered in the form of economic benefits that flow to the entity in future periods. When the carrying amount of the asset exceeds its tax base, the amount of taxable economic benefits will exceed the amount that will be allowed as a deduction for tax purposes. This difference is a temporary difference and the obligation to pay the resulting income taxes in future periods is a deferred tax liability. As the entity recovers the carrying amount of the asset, the taxable temporary difference will reverse and the entity will have taxable profit. This makes it probable that economic benefits will flow from the entity in the form of tax payments.

The deferred tax liabilities were calculated as the local tax rate of each project times the surplus value related to each acquired project. The deferred tax liability that arose in 2015 relates to the immaterial fixed assets related to ALD in Spain, which were acquired in December 2015.

Note 21 Convertible loan

Norrlandsfonden provided a 5 MSEK convertible loan during 2010 to be used unconditionally as working capital for RNP (Rönnbäcken nickel project).

As a consequence of Axactor AB disposing of the nickel project to Archelon AB on December 31, 2015 Norrlandsfonden and Axactor thereafter agreed on a premature repayment of the loan. This happened in early February 2016.

The table shows the future payments on the convertible loan (including interest payment):

SEK thousand	Group		Parent	
	2015	2014	2015	2014
6 months or less	100	100	100	100
6 - 12 months	100	100	100	100
1 - 5 years	4,800	4,800	4,800	4,800
	5,000	5,000	5,000	5,000

Note 22 Other long-term liabilities

SEK thousand	Group		Parent	
	2015	2014	2015	2014
6 months or less	-	-	-	-
6 - 12 months	-	-	-	-
1 - 5 years	500	4,000	-	4,000
	500	4,000	-	4,000

Other long term-liabilities were in 2014 primarily represented by a long-term loan provided by Mr. Ulrik Jansson (former Chairman of the Board). The loan formally matures in May 2016, so it was in 2015 reclassified to a short-term loan.

The new long-term loan that appeared during 2015 is located in the Spanish subsidiary ALD Abogados SL.

Note 23 Accounts payable

SEK thousand	Group		Parent	
	2015	2014	2015	2014
Accounts payable	12,420	1,560	5,972	1,388
Total	12,420	1,560	5,972	1,388

Accounts payable are non-interest bearing amounts and typically fall due within 30 days.

Note 24 Other liabilities

SEK thousand	Group		Parent	
	2015	2014	2015	2014
Personnel related liabilities	5,131	-	44	-
Other short-term interest bearing loans	4,000	1,099	4,000	1,099
Remaining part of purchase consideration for ALD	51,407	-	-	-
Other short-term liabilities	3,550	46	5	-
Total	64,088	1,146	4,049	1,099

Note 25 Accrued expenses and prepaid income

SEK thousand	Group		Parent	
	2015	2014	2015	2014
Accrued personnel vacations costs	194	116	-	-
Accrued social security charges	247	10	-	-26
Special remuneration taxes	-	-	-	-
Accrued Board remuneration	215	156	215	156
Accrued consultant fees	165	304	165	230
Accrued interest rate related to loans	1,261	781	1,261	781
Accrued legal fees	20,659	377	1,463	377
Accrued audit fees	511	575	511	550
Other accrued costs	1,234	156	1,233	118
Year-end balance	24,486	2,475	4,848	2,186

Note 26 Pledged assets and contingent liabilities

SEK thousand	Group		Parent	
	2015	2014	2015	2014
Deposition "Bergsstaten"	-	31	-	-
Pledged amount related to civil court case	4,000	-	4,000	-
Total	4,000	31	4,000	-

Note 27 Shares and participations in subsidiaries and associated companies

Company	Corporate id no	Domicile	No of shares	Share	Currency	Book value (SEK)	Equity (SEK)	Result (SEK)
Axactor AS	916249543	Oslo	50,000	100%	NOK	2,007	-734	-2,635
Axactor Incentive AB	559031-2608	Stockholm	50,000	100%	SEK	50	50	-
NMG Portfolio Holding AB	559031-2954	Stockholm	50,000	100%	SEK	50	-9,290	-9,340
NMG Platform Holding AB	559031-2962	Stockholm	50,000	100%	SEK	50	-976	-1,026
Aguamenti Investments SL	B-87334637	Madrid	3,000	0.6%	EUR	28	64,188	-305

Subsidiaries of NMG Platform Holding AB

Aguamenti Investments SL	B-87334637	Madrid	500,000	99.4%	EUR	64,493	64,188	-305
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Subsidiaries of Aguamenti Investments SL

ALD Abogados SL	B-86389558	Madrid	3,000	100%	EUR	137,025	27,658	-3,270
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Book value of shares in subsidiaries

SEK thousand	2015	2014
Acquisition value at opening of period	102,635	102,635
Accumulated write down of shares in subsidiary	-5,388	-5,388
Write down of shares i subsidiary during the year	-87,715	-
New subsidiaries	2,185	-
Sale of subsidiaries	-9,532	-
Book value of shares in subsidiaries	2,185	97,247

Note 28 Receivables on group companies

SEK thousand	Parent company	
	2015	2014
Opening balance receivables related to subsidiaries	70,468	65,091
Impairment of receivables related to subsidiaries	-70,468	-
Lending to subsidiaries	366,360	5,377
Receivables related to Group companies at year-end	366,360	70,468

Note 29 Discontinued operations

In late December 2015, Axactor AB sold the nickel operations on subsidiary level to Swedish mineral company Archelon. This implies that the revenues and costs attributable to the nickel subsidiaries in 2014 - 2015 are treated as discontinued operations. To this should be added that the minor revenues and costs related to the African operations in former subsidiary African Diamon AB disposed of in June 2014 are also treated as discontinued operations as regards the first 6 months of 2014. The table below presents the revenues and costs related to discontinued operations. These amounts have been excluded from the consolidated statement of loss for the group.

SEK thousand	12m Jan - Dec 2015	12m Jan - Dec 2014
Other 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
Result from financial items		
Financial revenue	4	-
Financial expenses	-	-
Total financial items	4	-
Result before tax	-105,288	-36,336
Income tax	-	-
Loss from discontinued operations	-105,288	-36,336

The table below presents the cash flow related to discontinued operations. The amounts have not been excluded from the consolidated statement of cash flow.

SEK thousand	12m Jan - Dec 2015	12m Jan - Dec 2014
Cash flow from operations		
Result after financial items	-105,288	-34,866
Adjustments for non-cash items*	101,801	32,037
Income tax paid	-	-
Total cash flow from operations before change in working capital	-3,487	-2,829
Total cash flow from change in working capital	-1,293	-6,815
Total cash flow used for investments	-	-473
Total cash flow from financial activities	4,772	-
Change in cash and bank	-8	-10,117
Cash and bank on 1 January	135	10,252
Cash and bank at the end of reporting period	127	135
* Adjustments 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

Note 30 Financial risk management

The group is exposed to a number of financial risks. Changes in exchange rates and interest rates affect the group's profits and cash flows. Axactor is also exposed to refinancing and liquidity risks, as well as credit and counterparty risks. Below are the most material financial risks to which the Group is exposed.

Exchange rate risk

Through its debt collection operations, Axactor is exposed to inter alia exchange rate risk, in that changes in exchange rates affect the Group's profits and projections of future cash flow. The Group's exchange rate exposure covers transaction exposure and translation exposure.

Transaction exposure

Axactor's transaction exposure comprises both binding undertakings and forecast cash flows.

Exposure to forecast cash flows

Forecast exposure arises from the fact that a substantial percentage of the Group's future income – primarily that relating to collection of payments from overdue loans – is affected by fluctuations in exchange rates. Axactor continuously calculates the way changes in the currency markets affect the Group's future financial position. Axactor's policy is not to systematically hedge the Group's future income in a normal commercial environment. However, partial credit financing of loan portfolio acquisitions in the same currency, provides a certain currency exchange rate hedge. Axactor may also use financial derivative instruments in order to limit the risks in certain scenarios.

Translation exposure

When net investments in foreign operations are converted into Swedish kronor, a translation difference arises in conjunction with exchange rate fluctuations, and this has an impact on the Group's other comprehensive income.

Interest rate risk

Fluctuations in market interest rates affect the Group's profits and cash flows. The speed with which a change in interest rates impacts the Group's net financial items, depends on the fixed interest term of the loans and on the cash held in banks. By the end of the year 2015, the Group had a limited interest bearing loan burden, such that the exposure to interest rate risk is considered limited. The interest rate level also has an indirect effect on the Group's result. Namely, everything else equal, the repayment ability of the underlying debtors (the non-performing loan holders) is enhanced by low market interest rates and vice versa.

Refinancing and liquidity risk

The term "refinancing and liquidity risk" refers to the risk that Axactor will be unable to extend existing loans or to meet its payment undertakings due to insufficient liquidity. Axactor limits its refinancing risk by aiming for a good spread in terms of financing sources. The refinancing requirement is reviewed regularly by Axactor. The refinancing requirement is dependent, first and foremost, on market trends and investment plans. A deterioration in the global economic climate may entail increased risks, with respect to profit performance and financial position, including the risk of Axactor incurring conflicts with loan terms and conditions.

Credit and counterparty risk

The term 'credit and counterparty risk' refers to the risk that a counterparty in a transaction may fail to fulfill its obligation, thus causing the Group to incur a loss. In order to limit credit and counterparty risk, only highly creditworthy counterparties are accepted, and wherever possible, the commitment per counterparty is limited.

Risk management and insurance

The objective of the Risk Management function at Axactor is to minimize the total cost of the Group's damage and injury risks. This is achieved both by continuously enhancing the damage and injury prevention policies to control work conducted within the operations, and by introducing and developing Group-wide insurance solutions.

Note 31 Financial instruments

Financial assets within the Group mainly consist of short-term investments, other receivables, and cash. All financial assets are classified as loans and receivables, and are reported at amortized cost. Financial liabilities are mainly related to long-term liabilities, accounts payable and other payables. Financial liabilities are valued at amortized cost.

Sensitivity analysis – Financial liabilities

By the end of 2015, the Group had two interest bearing long-term loans amounting to 5 MSEK and the equivalent of 0.5 MSEK, respectively. The 5 MSEK loan formally matures on August 31, 2018 and carries an interest rate equal to STIBOR 90 (Stockholm Interbank Offered Rate) plus 4 percent per annum. Since STIBOR is nearly zero for the time being, a change in STIBOR of +/- 10 percent only affects the result

of the Group by +/- SEK 305 on an annual basis. This loan was repaid in full in February 2016, after the end of the report period. The second loan of the equivalent of 0.5 MSEK belongs to the Spanish subsidiary ALD Abogados SL.

Among the short-term loans, Axactor has a loan maturing in May 2016, in a nominal amount of 4 MSEK. It has a fixed interest rate of 12% p.a, and the interest has been accrued since the loan was extended. Accrued interest amounts to some 1.24 MSEK as of year end 2015. Axactor will not repay the loan at maturity but will attempt to set it off against its claim on the creditor. This counterclaim vastly exceeds the loan amount. Axactor is, hence, not concerned with interest-rate sensitivity in respect to this particular loan.

Note 32 Related party disclosure

Company	Domicile	Share (%)
Axactor AS	Oslo	100%
Axactor Incentive AB	Stockholm	100%
NMG Portfolio Holding AB	Stockholm	100%
NMG Platform Holding AB	Stockholm	100%

Board and management of Axactor AB

	Elected	Resigned
Board members elected prior to AGM 2015		
Martin Nes	October 2015	December 2015
Jan Frode Andersen	October 2015	December 2015
Per Dalemo	October 2015	Still serving
Board members elected at AGM in June, 2015		
Martin Nes	June 2015	December 2015
Jan Frode Andersen	June 2015	December 2015
Per Dalemo	June 2015	Still serving
Board members elected at EGM in December, 2015		
Einar Greve	December 2015	Still serving
Gunnar Hvammen	December 2015	Still serving

Group management 2014 - 2015

Torbjörn Ranta (CEO January 2014 - November 2015)

Endre Rangnes (CEO as from November 2015)

Johnny Tsois (Head of Group Strategy as from November 2015)

Compensation of key management personnel in the Group

Refer to note 5 for information concerning compensation to management personnel and members of the Board.

Balances of the Parent Company, its subsidiaries and associates are shown in the balance sheet and in notes 27 and 28. The Parent Company has provided administrative services free of charge.

Transactions

The Group has not granted loans, issued guarantees or provided sureties to any of the members of the Board or senior executives of the Company. For more information about transactions with related parties see note 5, 6 and 9.

Note 33 Capital management

The primary objective of the Group's capital management is to ensure maintenance of a strong credit rating and healthy capital ratios in order to support business and maximize shareholder value.

The Group manages its capital structure and makes adjustments based on changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended December 31, 2014 and December 31, 2015. The Group monitors capital using a gearing ratio, which is net debt divided by equity plus net debt.

SEK thousand	2015	2014
Interest-bearing loans and borrowings (note 30, 36)	11,042	10,099
Trade and other payables (note 28, 30)	105,414	5,181
Less: cash and short-term deposits (note 36)	-372,375	-61,502
Net debt	-255,919	-46,222
Equity	476,992	160,794
Capital and net debt	221,073	114,572
Gearing ratio	-115.76 %	-40.34%

Note 34 Fair value estimation

The table below analyses financial instruments as of December 2015, carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.

Assets

SEK thousand	Level 1	Level 2	Level 3	Total
Other long-term investments	-	-	267 (359)	267 (359)
Earn-out component relating to purchase of ALD Abogados (other short-term liabilities)	-	-	51,407 (-)	51,407 (-)
	-	-	51,674 (359)	51,674 (359)

All other financial assets and debts are a reasonable approximation of fair value and not reported according IFRS 7.29. The terms and conditions regarding the long term debts have not changed and are also a reasonable approximation of fair value.

The book value does in all material aspects correspond to fair value. Input for the assets and liabilities is not based on observable market data, but contains the assumptions and estimates of management (level 3 in fair value hierarchy).

The acquisition agreement regarding ALD stipulated a base price of 15 million Euro supplemented by an adjustment clause for the exact working capital of ALD on the take-over date plus an earn-out component of 3 million Euro conditional on ALD reaching an EBITDA result of at least 3 million Euro for full year 2015. This latter criterion was reached. In total the additional purchase consideration payable to the sellers of ALD reached the equivalent in Euro of 51,407 TSEK.

Note 35 Events after the end of the reporting period

- 12 February 2016: Axactor acquires an unsecured Spanish NPL portfolio with a nominal value of approximately EUR 500 million.
- 17 February 2016: Axactor raises NOK 106.1 million in gross proceeds through a private placement of 59,600,000 new shares at a price of NOK 1.78 per share.
- 3 March 2016: Axactor acquires an unsecured Spanish NPL portfolio with a nominal value of approximately EUR 18 million.
- 17 March 2016: Axactor acquires the Norwegian debt collection company IKAS for NOK 291 million.
- 17 March 2016: Axactor acquires an unsecured Spanish NPL portfolio with a nominal value of approximately EUR 221 million.

Note 36 Preliminary acquisition analysis ALD Abogados SL

In December 2015, the acquisition of the company ALD Abogados SL ("ALD"), a Spanish debt collection company, was completed. ALD is one of the leading actors in this industry in Spain. It is represented in most of the Spanish regions and it had some 100 employees by year-end 2015. ALD has existed for some five years and has recorded a continuous growth over the years.

The following table shows a preliminary acquisition analysis of ALD Abogadso SL.

SEK thousand

Date of acquisition	Dec 10, 2015
Acquired part of the company	100%
Purchase price	188,432
- whereof cash consideration	142,757
- whereof share consideration	45,675
An earn-out component is included in the purchase price amounting to	51,407
Acquired assets	
Other immaterial fixed assets	33
Property, plant and equipment	299
Other long-term assets	63
Current assets	63,381
Cash	10,779
	74,555
Acquired debts	
Interest-bearing loans	498
Current debts	44,163
	44,661
Accounted values in the group consolidation at acquisition	
Goodwill	124,467
Customer relationships	37,791
Database	7,637
Deferred tax debt	11,357
Net sales ALD since acquisition	4,437
Loss ALD since acquisition	-4,008
Net sales ALD whole year 2015	92,876
Profit ALD whole year 2015	22,969

Responsibility Statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2015 have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and generally accepted accounting principles in Sweden, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole. We also confirm that the Administration Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Stockholm, 20 April 2016
The Board of Directors

Einar J. Greve
Chairman of the Board

Gunnar Hvammen
Board member

Per Dalemo
Board member

Endre Rangnes
Chief executive officer

Our modified audit report has been submitted on April 20, 2016

PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant



pwc

Auditor's report

To the Annual General Meeting of shareholders in Axactor AB (publ), Corporate Identity Number 556227-8043

Report on the annual accounts and consolidated accounts

We have conducted an audit of the financial statements and we have been requested to carry out an audit of the consolidated financial statements for Axactor AB (publ) for the 2015 financial year. The Company's annual accounts and consolidated accounts are included in the printed version of this document on pages 6-55.

Responsibilities of the Board of Directors and the CEO for the annual accounts and consolidated accounts

The Board of Directors and the CEO are responsible for the preparation and fair presentation of annual accounts in accordance with the Annual Accounts Act, and for the preparation and fair presentation of consolidated accounts in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

However, due to the situation described in the paragraph below indicating the basis for refraining to provide an opinion, we have not been able to obtain sufficient and appropriate audit evidence as the basis for statements in the audit report concerning the consolidated financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal

control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate for the parent company to provide a basis for our audit opinion.

Basis for qualified opinion

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.

Qualified opinion

In our opinion, 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 2015 and of its financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act. Apart from the possible effects of the relationship as described in the paragraph "Basis for qualified opinion", 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 Group as of 31 December 2015 and of its financial performance and cash flows for the year in accordance with International Financial Reporting Standards as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We recommend that the Annual General Meeting adopt the income statement and balance sheet of the Parent Company. We neither recommend nor reject that the Annual General Meeting adopt the income statement and balance sheet of the Group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, and that we have been requested to carry out an audit of the consolidated financial statements, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Axactor AB (publ)) for the 2015 financial year.

Responsibilities of the Board of Directors and CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and CEO are responsible for the administration of the company under the Swedish Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriation of the company's profit or loss, we examined whether the proposal is in accordance with the Swedish Insurance Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we have examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the Annual General Meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Gothenburg, 20 April 2016

PricewaterhouseCoopers AB

Johan Palmgren
Authorised Public Accountant

Report on Corporate Governance

1. Introduction to the corporate governance policy

The Board of Directors of Axactor AB (the “Company”) has prepared this corporate governance policy document (the “Policy”). As the Company is a Swedish private limited liability listed on the Oslo Stock Exchange, the Norwegian Recommendation for Corporate Governance (the “Recommendation”) 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 it wishes to place emphasis on sound corporate governance, the Company has prepared this policy document on the basis of the Recommendation, but made certain necessary adjustments given the Company’s Swedish domicile.

This Policy addresses the framework of guidelines and principles regulating the interaction between the Company’s shareholders, the Board of Directors (the “Board”), the chief executive officer (the “CEO”) and the Company’s executive management team (the “Executive Management Team”).

2. Business activity

The Company’s business as set out in the articles of association is: “The Company shall, directly or through subsidiaries or via co-operations with others, conduct debt collection work, extend financial and administrative services, legal and invoicing services, acquire debt, investment operations, as well as therewith associated activities”.

3. Objectives and strategies

Engaging in the activities described in section 2 above, the Company’s long term objective is to establish itself as a leading European player within the areas of its operations as defined by the articles of association.

The Company will pursue the following main strategies to reach its overall objective:

- Putting emphasis on loyal and satisfied customers;
- Being an innovative player that takes full advantage of available technologies to achieve competitive advantages;
- Identifying and securing access to attractive debt portfolios and other opportunities in the marketplace;
- Being an attractive employer, with a focus on creating an environment for professional and personal growth, with respect and due regard for each employee;
- Being a profitable company with a focus on organic and structural growth; and
- Putting emphasis on becoming and sustaining a position as a leading European player in the Company’s market.

4. Ethical guidelines and values

The Company will maintain a high ethical standard in its business concept and relations with customers, suppliers, employees and other stakeholders. The following ethical guidelines shall be practiced in the Company, and shall apply to all employees of the Company:

- **Personal conduct:** All employees and representatives of the Company shall behave with respect and integrity towards business relations and partners, customers and colleagues. The Executive Management Team has a particular responsibility to promote openness, loyalty and respect.
- **Conflict of interests:** The Company’s employees and representatives shall avoid situations wherein a conflict between their own personal and/or financial interests and the Company’s interests may occur.
- **Confidential information:** Employees and representatives of the Company possessing confidential information related to the Company shall conduct themselves and safeguard such information with great care and loyalty, and comply with any and all signed confidentiality statements.
- **Influence:** The Company’s employees or representatives shall neither directly nor indirectly offer, promise, request, demand or accept illegal or unjust gifts of money or any other remuneration in order to achieve a commercial benefit.
- **Competition:** The Company supports fair and open competition. The Company’s employees or representatives shall never take part in any activities that may constitute a breach of competition legislation.
- **Breach of ethical guidelines:** Any breach of these ethical guidelines may have severe consequences for the Company, and any breach may have consequences for the person in question.

5. Company capital and dividend

The Board aims to maintain a satisfactory equity ratio in the Company in light of the Company’s goals, strategy and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The Board shall continuously assess the Company’s capital requirements in light of the Company’s strategy and risk profile.

The Board’s authorities to increase the share capital and to buy own shares shall be granted under Swedish law, and not for periods longer than necessary.

The Company’s objective is to generate a return for the shareholders at a level which is at least equal to other investment possibilities with comparable risk. The Company does not distinguish between such a return in the form of dividends and in the form of capital appreciation. The Company is in

a phase of growth, and does not foresee declaring dividends during the initial growth phase of the Company.

During 2015, a total of 505.8 million new Axactor shares were issued at NOK 1 per share via a private placement, an issue in kind and a reparatory rights issue.

On 17 February 2016, the Company raised NOK 106.1 million in gross proceeds through a private placement of 59,600,000 new shares at a price of NOK 1.78 per share

6. Share classes

According to the current Articles of Association there are two share series, ordinary shares with one vote per share and A-shares with 0.99 votes per share. The latter is a technical solution from autumn 2015 when the private placement of 400 million new shares took place. As the time period between share subscription and the listing of the subscribed for shares was relatively long, a separation of the newly subscribed shares from the existing shares was required. In Norway, where the shares are listed, it was not possible to have two different so called ISIN-numbers for one and the same series of shares. Therefore, the A-shares had to be introduced. Subsequently, these A-shares were converted to ordinary shares.

7. Transactions with related parties

Any transactions, agreements or arrangements between the Company and its shareholders, members of the Board, members of the Executive Management Team or close associates of any such parties shall only be entered into as part of the ordinary course of business and on arm's length market terms. With respect to any material related party transactions, the Board shall arrange for a valuation to be obtained from an independent third party unless the transaction, agreement or arrangement in question must be considered to be immaterial or the arrangement is subject to approval by the shareholders' meeting.

No person or company mentioned in the above paragraph shall vote or otherwise participate in any decision by the Company regarding a transaction, agreement or arrangement with such person or company as a counterparty.

Board members and members of the Executive Management Team shall forthwith notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company.

An overview of the transactions with related parties are presented in note 9.

8. Transfer of shares

The shares in the Company are not subject to any transfer restrictions.

9. The general meeting

All registered shareholders have the right to participate in the general meetings of the Company, which exercise the highest authority of the Company. The Company shall summon the shareholders to any general meeting with the notice required by law, and otherwise with such advance notice as is practicable. The person chairing a general meeting should be independent of the Company and the Board.

The notices for such meetings shall include documents providing the shareholders with sufficient detail in order for the shareholders to make an assessment of all the matters to be considered as well as all relevant information regarding attendance and voting procedures. Representatives of the Board and the Company's auditor, as well as the nomination committee, shall be present at annual general meetings.

Notices for general meetings shall provide information on the procedures shareholders must observe in order to participate in and vote at the general meeting. The notice should also set out: (i) the procedure for representation at the meeting through a proxy, including a form to appoint a proxy, and (ii) the right for shareholders to propose resolutions in respect of matters to be dealt with by the general meeting.

Any cut-off for confirmation of attendance shall be set as short as practicable, and the Board shall arrange matters so that shareholders who are unable to attend in person are able to vote by proxy. The form of proxy shall be distributed with the notice.

The Company held extraordinary general meetings on 17 November 2015 and 23 December 2015 related to the new company strategy.

10. The Board – composition

In appointing members to the Board, it is emphasised that the Board shall have the requisite expertise to evaluate independently the matters presented by the Executive Management Team, as well as the Company's operation. It is also considered important that the Board can function well as a body of colleagues. Board members shall be elected for periods not exceeding two years at a time, with the possibility of re-election. Board members shall be encouraged to own shares in the Company.

At the annual general meeting on 3 June 2015, the proposed board was elected, consisting of Martin Nes (chairman), Jan Frode Andersen and Per Dalemo (ordinary board members). At the extraordinary general meeting on 23 December 2015, the following Board was elected: Einar Greve (chairman), Gunnar Hvammen (board member) and Per Dalemo (board member).

The board is considered independent from the company's day-to-day management.

11. Sub-committees of the Board

The Company does not currently have a remuneration sub-committee or an audit sub-committee, but shall continuously review the need to establish such sub-committees.

12. Responsibility of the Board

The Board shall prepare an annual plan for its work with special emphasis on goals, strategy and implementation. The Board's primary responsibilities shall be: (i) participating in the development and approval of the Company's strategy, (ii) performing necessary monitoring functions, and (iii) acting as an advisory body for the Executive Management Team. Its duties are not static, and the focus will depend on the Company's ongoing needs. The Board is also responsible for ensuring that the operation of the Company is in compliance with the Company's values and ethical guidelines. The chairman of the Board shall be responsible for ensuring that the Board's work is performed in an effective and correct manner.

The Board shall ensure that the Company has a good management with clear internal distribution of responsibilities and duties. A clear division of work between the Board and the Executive Management Team shall be maintained. The CEO is responsible for the executive management of the Company.

All members of the Board shall regularly receive information about the Company's operational and financial development. The Company's strategies shall regularly be subject to review and evaluation by the Board.

The Board shall prepare an annual evaluation of its work.

In 2015, the Board of Directors conducted 24 board meetings.

13. Risk management and internal control

The Board shall ensure that the Company has sound internal controls and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. The objective of the risk management and internal controls shall be to manage exposure to risks in order to ensure successful conduct of the Company's business and to support the quality of its financial reporting.

The Board shall carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

The Board shall provide an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

14. Board compensation

The general meeting shall determine the Board's remuneration annually. Remuneration of board members shall be reasonable and based on the Board's responsibilities, work, time invested and the complexity of the enterprise. The compensation shall be a fixed annual amount.

The chairman of the Board may receive a higher compensation than the other board members. The Board shall be informed if individual board members perform other tasks for the Company than exercising their role as board members. Work in sub-committees may be compensated in addition to the remuneration received for board membership.

The Company's financial statements shall provide further information about the Board's compensation.

Board members appointed at the June 2015 AGM receive a fee of SEK 250 thousand per year for the Chairman, and SEK 150 thousand per year for each ordinary Board Member, as established by the AGM. This was unchanged remuneration as compared to the preceding year. A new Board of Directors was appointed at the December 23, 2015 EGM. Given the then enlarged business operations the EGM decided to increase the remuneration for the new Board to 1.8 MSEK on an annual basis divided on 900 TSEK for the Chairman and 450 TSEK each for the two other Board members.

15. Compensation to employed management

The Board shall decide the salary and other compensation paid to the CEO. The CEO's salary and bonus shall be determined on the basis of an evaluation with emphasis on specific factors determined by the Board. The Board shall annually carry out an assessment of the salary and other remuneration to the CEO.

The Company's financial statements shall provide further information about salary and other compensation paid to the CEO and the Executive Management Team.

The CEO shall determine the remuneration of executive employees. The Board shall issue guidelines for the remuneration of the Executive Management Team. The guidelines shall lay down the main principles for the Company's management remuneration policy. The salary level should not be of a size that could harm the Company's reputation, or above the norm in comparable companies. The salary level should, however, ensure that the Company can attract and retain executive employees with the desired expertise and experience.

The compensation to employed management is presented in note 6.

16. Information and communication

The Board and the Executive Management Team shall assign considerable importance to giving the shareholders quick, relevant and current information about the Company and its activity areas. Emphasis shall be placed on ensuring that the shareholders receive identical and simultaneous information.

Sensitive information shall be handled internally in a manner that minimises the risk of leaks. All material contracts to which the Company becomes a party shall, where appropriate, contain confidentiality clauses.

The Company shall have clear routines for who is allowed to speak on behalf of the Company on different subjects, and who shall be responsible for submitting information to the market and investor community. The CEO and the CFO shall be the main contact persons of the Company in such respects.

The Board shall keep itself updated on matters of special importance to the shareholders. The Board shall therefore ensure that the shareholders are given the opportunity to make known their points of view at and outside the general meeting.

17. Nomination committee

The Company shall have a nomination committee whose members are elected by the general meeting. The general meeting shall elect the leader of the committee and its members, and determine their remuneration based on the nature of the duties performed and the time invested.

The duties and responsibilities of the nomination committee shall be set out in the instructions to the nomination committee. The nomination committee's responsibilities are to propose candidates for election to the Board and to recommend remuneration for board members. Reasonable rationales should be provided for the nomination committee's recommendations, and relevant information should be provided about the candidates and their independence. The recommendations of the nomination committee shall generally be made available to the shareholders at the time of the notice of the annual general meeting. Efforts shall be made to ensure that the composition of the nomination committee is broadly representative of shareholder interests and necessary expertise. Further, no more than one member should be a board member, and no member shall be put forward for election more than once. No member of the Executive Management Team should serve on the nomination committee. An overview of nomination committee members shall be available on the Company's website.

18. Auditor

Each year the auditor shall present to the Board a plan for the implementation of the audit work and a written confirmation that the auditor satisfies established requirements as to independence and objectivity.

The auditor shall be present at Board meetings where the annual accounts are on the agenda. Whenever necessary, the Board shall meet with the auditor to review the auditor's view on the Company's accounting principles, risk areas, internal control routines, etc.

The auditor may only be used as a financial advisor to the Company if such use of the auditor cannot influence or call into question the auditor's independence and objectiveness in his capacity as auditor for the Company. Only the Company's CEO and/or CFO shall have the authority to enter into agreements in respect of such advisory assignments.

At the annual general meeting, the Board shall present a review of the compensation paid to the auditor for audit work required by law and remuneration for other concrete assignments.

In connection with the auditor's presentation to the Board of the annual work plan, the Board should specifically consider whether the auditor is performing his control function satisfactorily.

The Board shall arrange for the auditor to attend all general meetings.

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Financial year 2016

Quarterly Report - Q1	27.05.2016
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Quarterly Report - Q2	25.08.2016
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Quarterly Report - Q3	10.11.2016
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Quarterly Report - Q4	23.02.2017
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Annual General meeting	26.05.2016
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Annual Report	21.04.2016
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