

AXACTOR



Investor presentation
February, 2016

Agenda

- Introduction
- Market overview
- Axactor strategy
- Financials & Structure
- Q415 & YTD16 Highlights
- Appendix (financial information)

Investment summary

Attractive fundamentals within NPL purchase market

- Large European NPL stock in the banks' balance sheets
- Double digit growth in the Non-Performing Loans (NPL) debt sales market in several European countries
- Regulatory changes (Basel III, etc.) driving debt divestments in the FI segment

Experienced management team with proven track record

- Unparalleled industry track record, in particular within the target geographical regions
- Long lasting relationship with Financial Institutions across Europe
- Unique debt portfolio pricing and collection competencies

Immediate presence in Spain through acquisition of high-quality platform

- High quality Spanish debt collection company acquired at attractive valuation
- Large and attractive customer base, and unique competence within legal collection
- Presence through external network in all judicial districts driving efficient collections
- Access to large amount of collection data a clear advantage when pricing portfolios

Solid and flexible financing structure

- Loan agreement for debt financing, EUR 25m with additional EUR 75m accordion with favourable terms
- Will gradually go from 35% gearing up to target 75%¹ as the company diversifies
- Listed on Oslo Stock Exchange with large shareholder base

1: Loan agreement gives a maximum gearing of 65%; Long term target 75% supported by industry standard and banks' intention

Agenda

- Introduction
- Market overview
- Axactor strategy
- Financials & Structure
- Q415 & YTD16 Highlights
- Appendix (financial information)

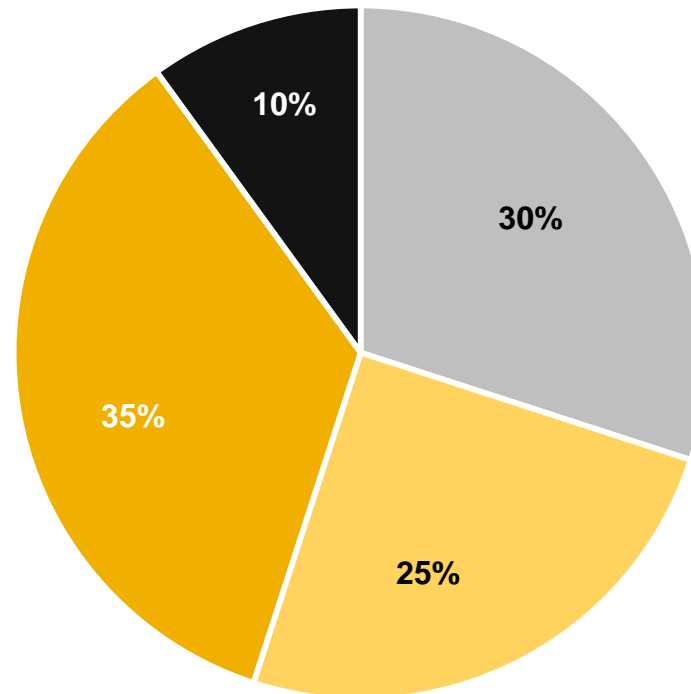
€ 1trillion Non-Performing Loan (NPL) FI¹ market in Europe

Primary focus
B2C Unsecured

Credit card debt, private leasing, residual mortgages, consumer loans
~EUR 100bn market

Secondary focus
B2C Secured

Mortgages, secured loans with collateral
~EUR 350bn market



Non-focus
B2B Corporate

Corporate loans/ bank term debt
~EUR 300bn market

Secondary focus
B2B SME

Small business loans (NewCo to focus on loans with personal guarantee)
~EUR 250bn market

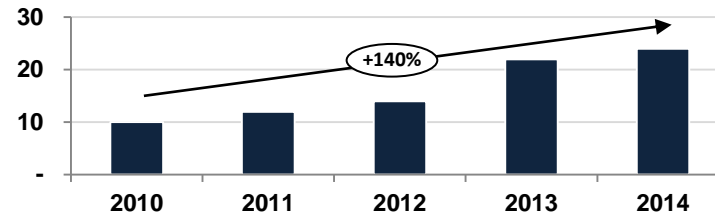
Key trends in the debt purchase/debt collection industry

Portfolio sales – strong growth

1

- Regulatory changes driving debt sales
- Strengthened FI balance sheets enable portfolio sales
- Asking price approaching street price

Unsecured B2C NPL transactions (EURbn Face Value)



Outsourcing trend (carve-outs of collection units)

2

- Several major carve-outs from European banks
- FI regards debt collection as non-core operations
- Debt collection agencies achieve higher solution rates



Industry consolidation

3

- Market maturity and professionalization
- Technology enables increased scale advantages
- Capital constraints – access to capital key success criteria
- Influx of Private Equity players / IPO activity

Industrial acquisitions

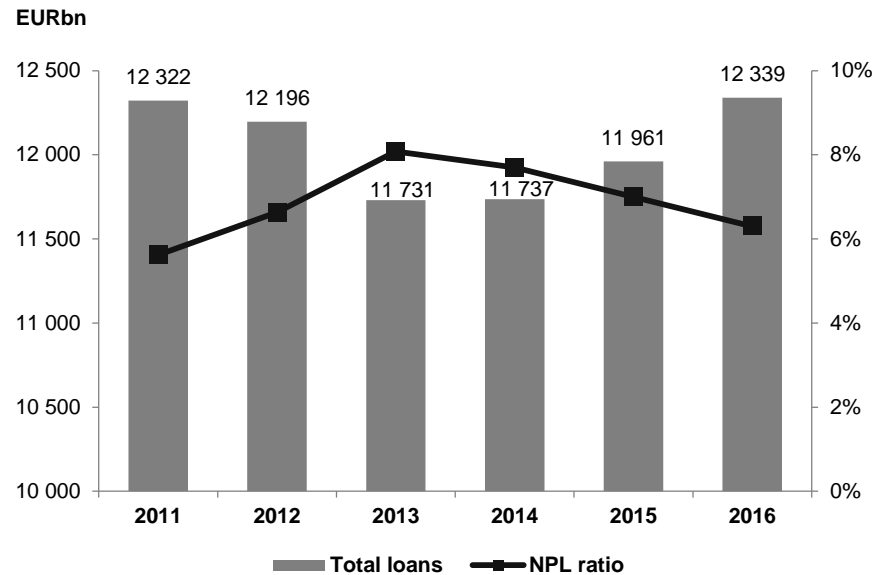


PE acquisitions / IPOs



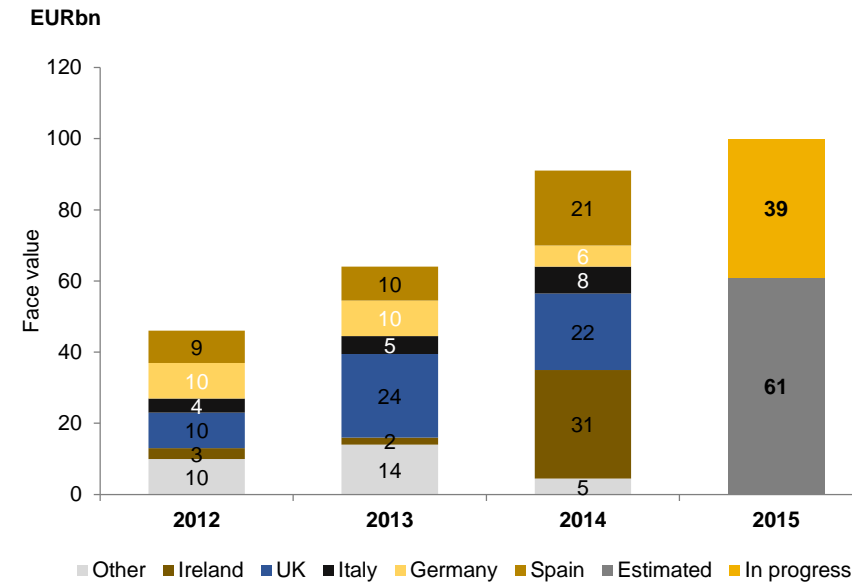
European NPL market overview

Total loans and NPL ratio of Eurozone banking market



- **The NPL market has counter-cyclical qualities:**
 - When the economy grows, outstanding loans increase
 - When the economy shrinks, the NPL ratio increases
- **The banks' NPL balance has been stable around EUR 0.8-1.0 trillion since 2012**
 - Not including secondary market

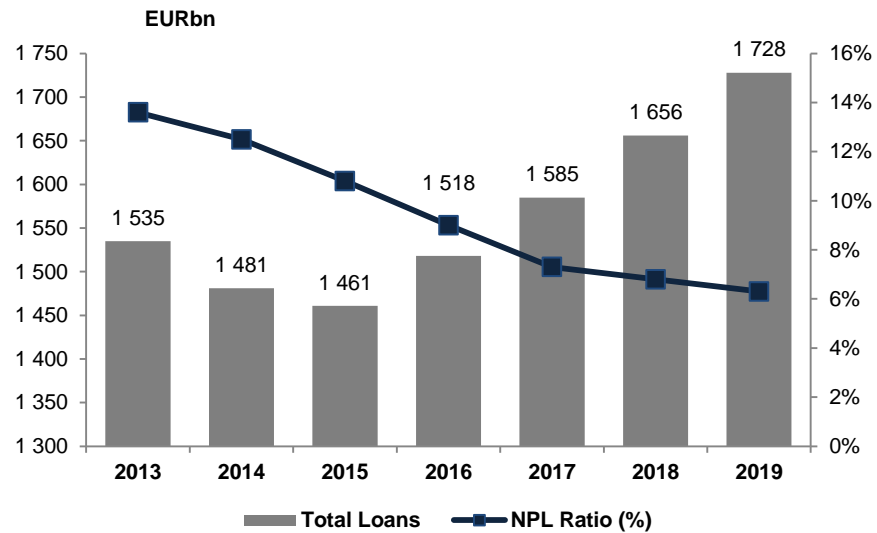
Portfolio transactions in the Eurozone market



- **The market for portfolio transactions has grown considerably in recent years, with the trend continuing strong in 2015**
- **United Kingdom, Ireland, Spain, Germany and Italy make up most of the volume**

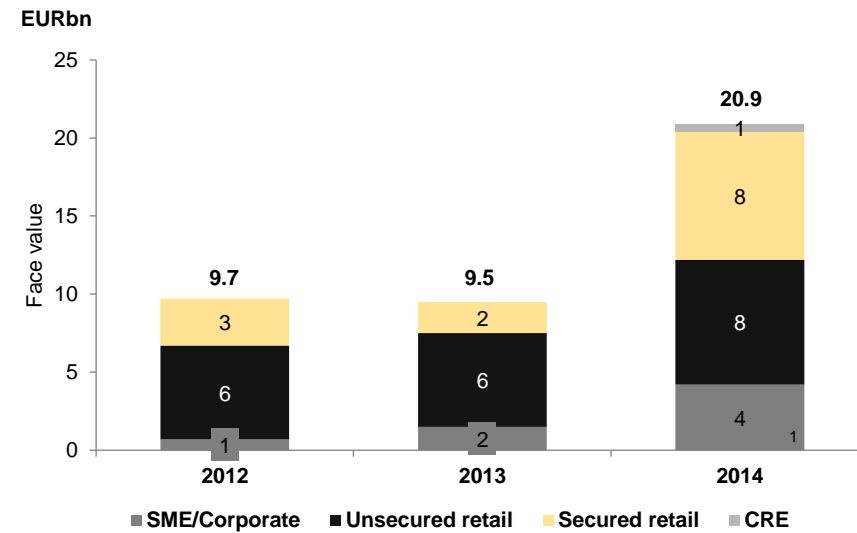
Spanish NPL market overview

Total loans and NPL ratio of Spanish banking market



- **NPL ratio trending down from 2013 peak**
 - Demonstrates strong environment for collecting on NPLs
- **The Spanish credit market is returning to growth**
- **The banks' NPL balances have been stable around EUR 180-200bn since 2012**
 - Not including loans sold to third parties

Portfolio transactions in the Spanish market

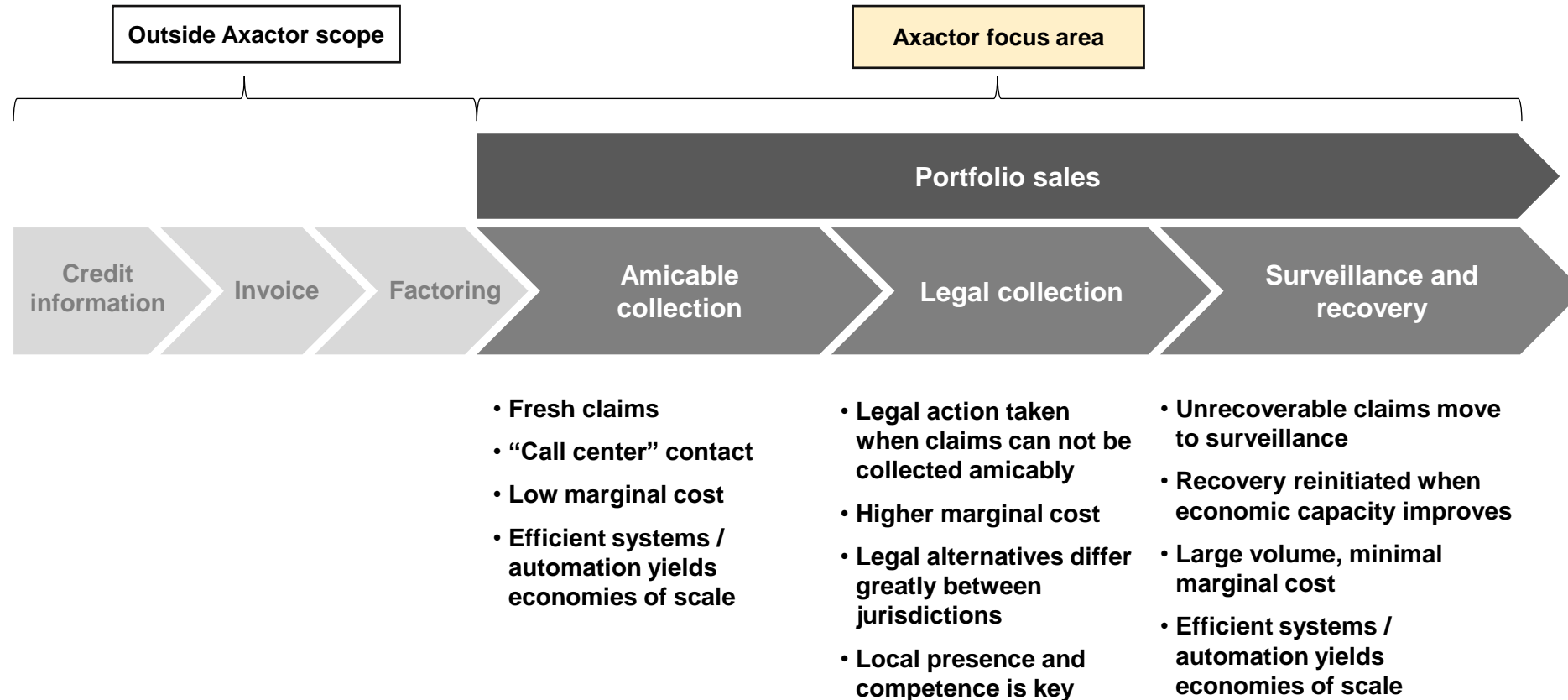


- **The Spanish debt portfolio transaction market is large and growing**
- **Major commercial banks leading the trend – smaller commercial banks and savings banks (cajas) now following**
 - Lower competition for the small-medium portfolios
- **Unsecured B2C making up 40-60% of the transaction volume (Axactor primary focus)**

Agenda

- Introduction
- Market overview
- Axactor strategy
- Financials & Structure
- Q415 & YTD16 Highlights
- Appendix (financial information)

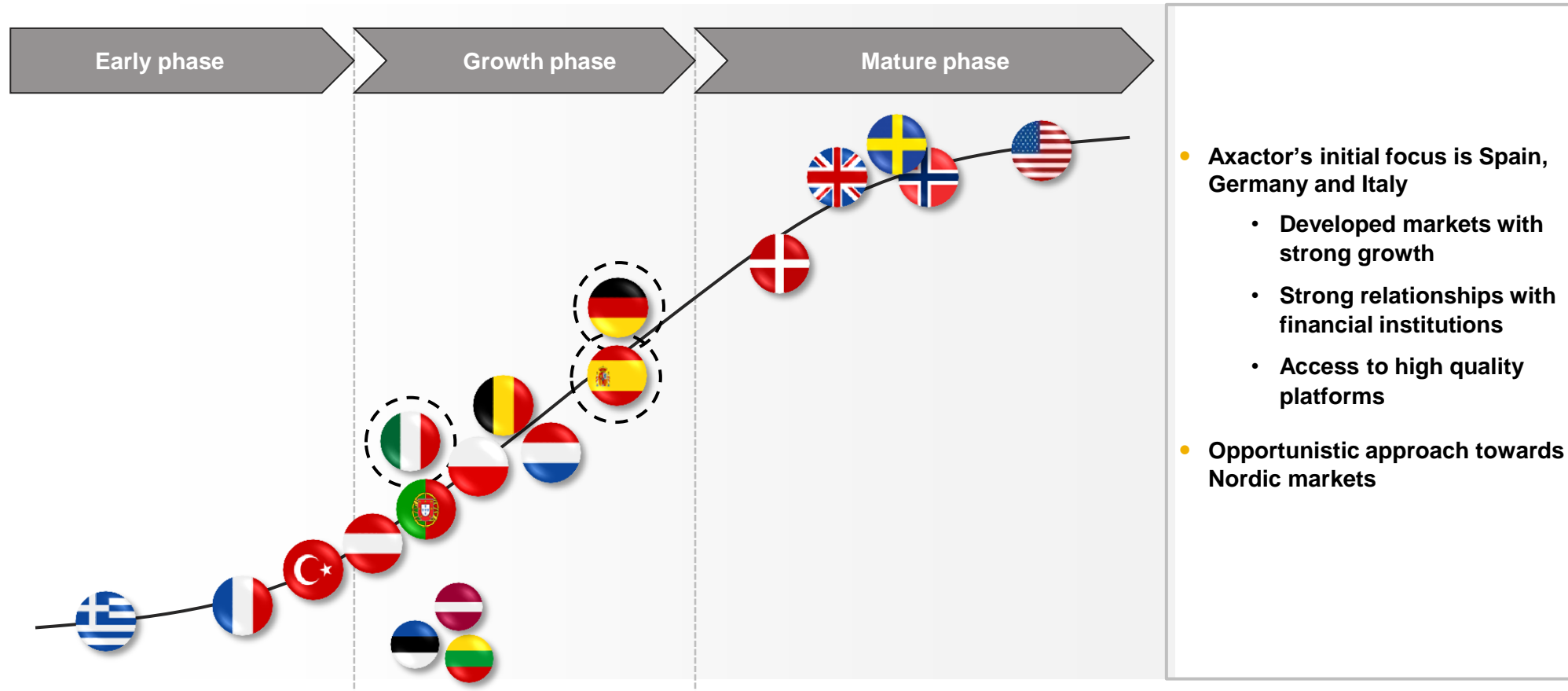
Axactor will cover all major parts of the value chain




Note: Value chain based on management considerations

Axactor to focus on established markets with strong growth

The development curve of debt collection/debt purchase markets



Axactor Strategy & Action plan

	Step 1 	Step 2	Step 3
Strategy	<ul style="list-style-type: none"> Establish debt collection service platform in Spain 	<ul style="list-style-type: none"> Top 3 market share in debt collection in Spain Collection of debt on acquired Non-Performing loan portfolios 	<ul style="list-style-type: none"> Enter new growth markets through platform and portfolio acquisitions in Germany and Italy
Action	<ul style="list-style-type: none"> Acquisition of Spanish debt collection platform completed (ALD Abogados) 	<ul style="list-style-type: none"> Debt portfolio purchases from Financial Institutions Expand the 3rd party collection business and increase work force 	<ul style="list-style-type: none"> Acquire attractive platforms in Germany and Italy Cost optimisation and synergies through integrating all platforms in one debt collecting group
Economics	<ul style="list-style-type: none"> ALD Abogados acquired at attractive valuation 	<ul style="list-style-type: none"> Collect 2.0x – 3.0x purchase price on purchased debt portfolios 	<ul style="list-style-type: none"> Seek accretive platforms investments
Timeline	December 2015	2016	2016 - 2018

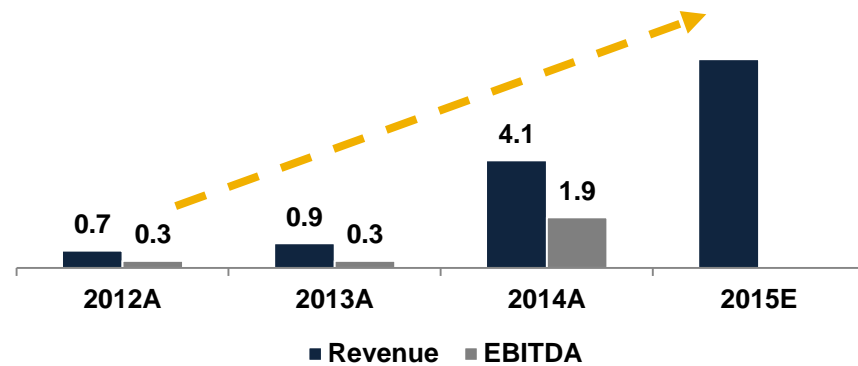
Creating a high growth debt collection/debt purchase company

Acquisition of a leading legal collection platform in Spain

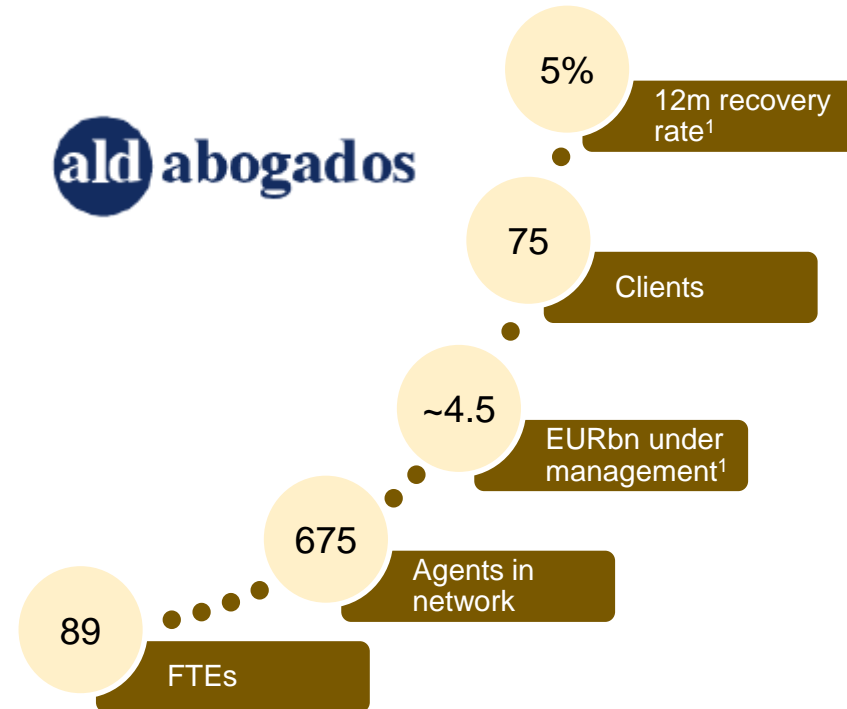
Description

- Leading Spanish legal debt collection agency established in 2010
- 100 FTEs and 675 external lawyers and solicitors (Dec 2015)
- Management with long industry experience
- Strong customer base
- Compliance and authorizations in place
- Technology and IT platform
- Access to collection data for deal sourcing and pricing

Financials (EURm)²



ALD Abogados in numbers



Agenda

- Introduction
- Market overview
- Axactor strategy
- Financials & Structure
- Q415 & YTD16 Highlights
- Appendix (financial information)

Capacity to acquire significant portfolios

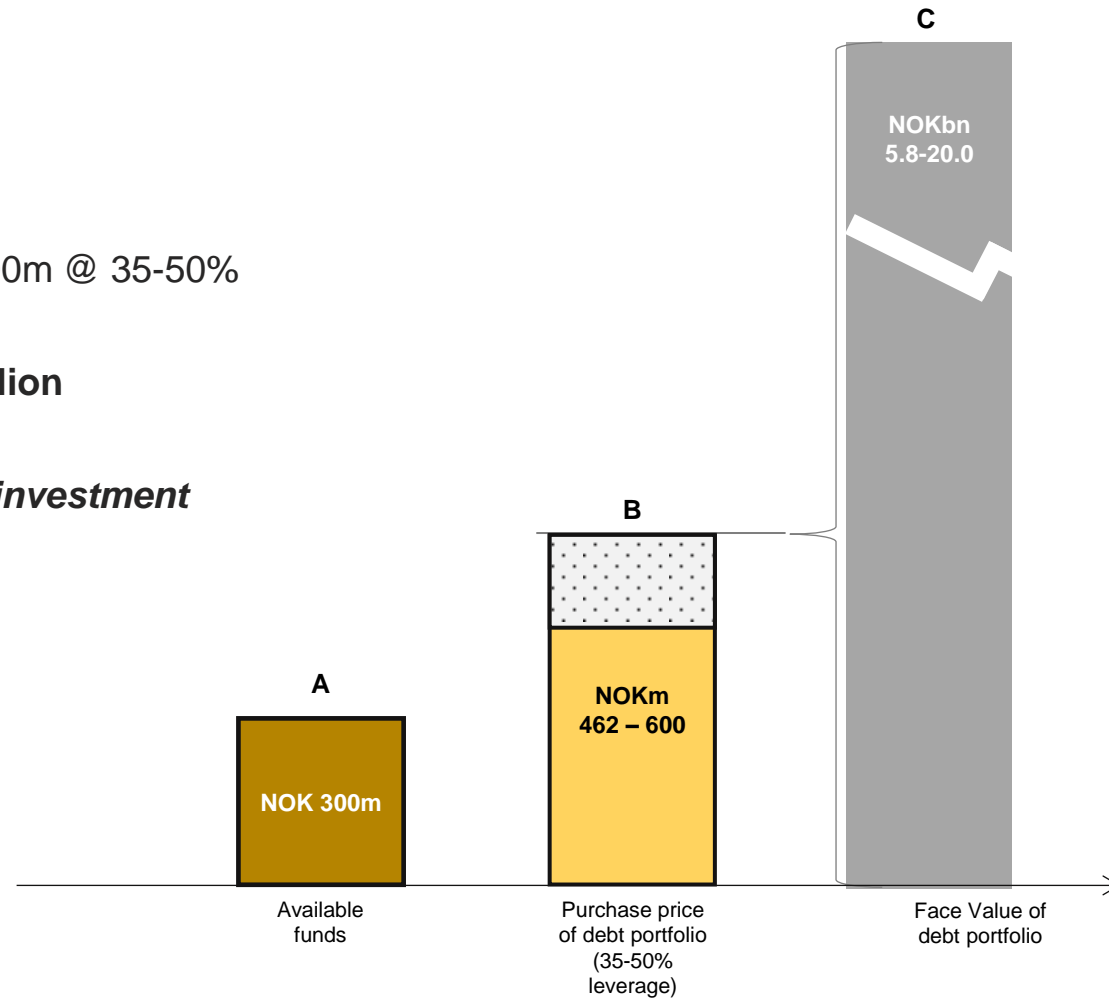
Illustrative example of uses of available funds:

A. NOK 300m in available funds

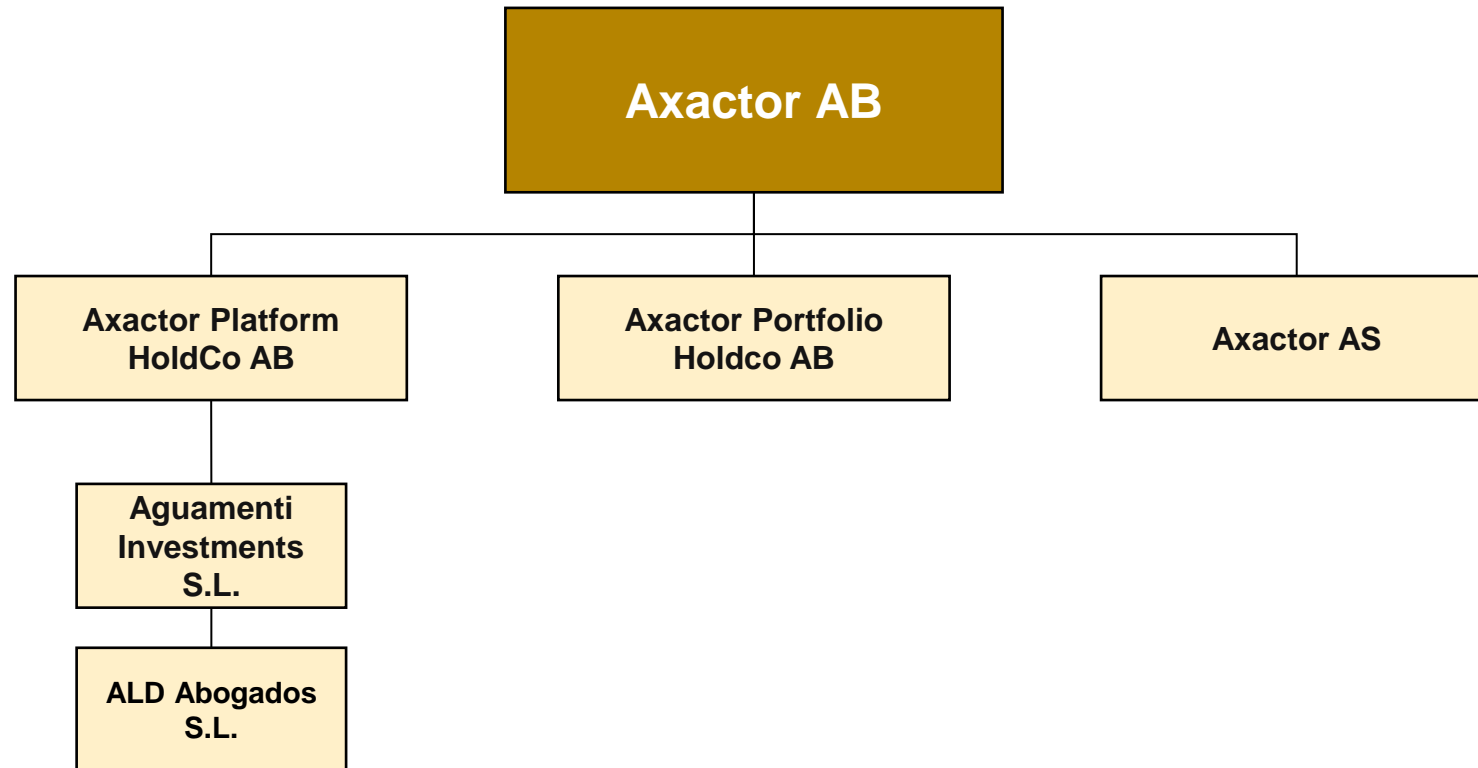
B. Enables acquisition of debt portfolios for NOK 462m-600m @ 35-50% leverage

C. Face Value of claims acquired → NOK 5.8 – 20.0 billion
(Assuming portfolios acquired at 3-8% of Face Value)

Potential to access even larger portfolios through co-investment



Axactor company structure¹



Agenda

- Introduction
- Market overview
- Axactor strategy
- Financials & Structure
- Q415 & YTD16 Highlights
- Appendix (financial information)

Q415 & YTD16 Highlights

- Discontinued the mining business (NMG)
- Renamed the company to Axactor (AXA)
- Raised NOK 460 million in equity
- Established a financing commitment from DNB at highly competitive terms
- Acquired a leading Legal Collection Platform in Spain (ALD Abogados)
- Recruited experienced Group/Spanish Management Teams with solid track record and strong industry relationships
- Build-up of scalable Amicable Call Center in Valladolid - 70 FTEs as starting point
- Several new Third Party Collection (3PC) deals in Spain, including announced strategic contract with Santander Consumer Finance in Spain
- Closing of first substantial Non-Performing Loan portfolio in Spain with Face Value EUR 500 million (acquired for approximately 3% of the outstanding balance)
- Strong portfolio pipeline in Spain, Germany and Italy

Agenda

- Introduction
- Market overview
- Axactor strategy
- Financials & Structure
- Q415 & YTD16 Highlights
- Appendix (financial information)

Key figures Axactor AB (group)

For remaining operation after sale of the mining activities

SEK thousand	Q4 2015	12 months 2015	Q4 2014	12 months 2014
Sales	4 437	4 437	-	-
Other income	-	-	-	75
Total revenues	4 437	4 437	-	75
EBITDA ¹	-26 713	-30 592	-2 792	-9 665
Impairment losses and depreciation ¹	-837	-837	-	-
Net result attributable to shareholders of parent company	-76 670	-166 606	-34 215	-45 986
Investments in period (MSEK)	188.4	188.4	0.9	5.9
Cash at end of period	372 375	372 375	61 502	61 502
Interest-bearing long term debt at end of period	5 500	5 500	9 000	9 000

¹ Relates only to remaining operations

Income Statement

Income statement				
SEK thousand	Oct - Dec 2015	Oct - Dec 2014	Jan - Dec 2015	Jan - Dec 2014
Continued operations				
Net income	4 437	-	4 437	-
Other operating income	-	-	-	75
Total operating income	4 437	0	4 437	75
Other external expenses	-26 061	-3 090	-29 940	-9 927
Personnel expenses	-5 089	298	-5 089	187
Results from equity accounted participations	-	-	-	-
Operating result before depreciation and impairment losses	-26 713	-2 792	-30 592	-9 665
Depreciation/amortization and impairment loss on tangible, intangible and financial fixed assets	-837	-	-837	-
Operating result after impairment losses	-27 550	-2 792	-31 429	-9 665
Financial revenue	249	1 102	329	3 105
Financial expenses	-27 013	-2 287	-30 218	-3 111
Total financial items	-26 764	-1 185	-29 889	-6
Result before tax	-54 314	-3 977	-61 318	-9 671
Income tax	-	-	-	-
Result for the period from remaining operations	-54 314	-3 977	-61 318	-9 671
Loss from discontinued operations	-22 356	-30 239	-105 288	-36 336
Result for the period	-76 670	-34 216	-166 606	-46 007
<i>Result for the period attributable to:</i>				
Equity holders of the Parent Company	-76 670	-34 215	-166 606	-45 986
Non-controlling interest	-	-1	-	-21
Result for the period	-76 670	-34 216	-166 606	-46 007

Balance Sheet

Assets			Equity and liabilities		
SEK thousand	31.12.2015	31.12.2014		31.12.2015	31.12.2014
ASSETS			EQUITY		
Fixed Assets			<i>Equity attributable to equity holders of the parent company</i>		
<i>Intangible fixed assets</i>			Share capital		
Mineral interests	-	111 676	Other paid-in capital	298 307	45 405
Customer relationships	37 125	-	Reserves	1 468 788	1 256 648
Database	7 530	-	Retained earnings and profit for the period	-96	-
Other intangible assets	448	-	Non-controlling interest	-1 290 007	-1 141 416
Goodwill	124 467	-	Total equity	476 992	160 794
<i>Tangible fixed assets</i>			<i>Long-term liabilities</i>		
Plant and machinery	549	551	Convertible loan	5 000	5 000
<i>Long-term financial fixed assets</i>			Deferred tax liabilities	11 357	-
Other long-term investments	267	359	Other long-term liabilities	500	4 000
Long-term receivables	-	31	Total long-term liabilities	16 857	9 000
Total fixed assets	170 386	112 617	<i>Current liabilities</i>		
Current Assets			Accounts payable	12 420	1 560
Other receivables	61 257	696	Short-term loans and borrowings	5 542	1 146
Prepaid expenses	787	161	Accrued expenses and prepaid income	92 994	2 475
Cash and cash equivalents	372 375	61 502	Total current liabilities	110 956	5 181
Total current assets	434 419	62 359	TOTAL EQUITY AND LIABILITIES		
TOTAL ASSETS	604 805	174 976	604 805 174 976		
			<i>Pledged assets</i>		
			4 000 31		
			<i>Contingent liabilities</i>		
			- -		



axactor.com