

SIMPLIFIED NOTIFICATION OF CONCENTRATION

Geveran Trading Co Ltd.'s acquisition of *de facto* sole control over Axactor SE

Oslo, 15 January 2021

Lawyer in charge: Håkon Cosma Størdal

Notifying Company

Name: Geveran Trading Co Ltd.
Organization number: C37780
Address: Iris House, Floor 7, Flat 740B, John Kennedy, Limassol, 3106 Cyprus

The notifying company's representative

Name: Advokatfirmaet Wiersholm AS
Advokat Håkon Cosma Størdal, and
advokatfullmektig Edvard Hamer Rojahn
Address: Postboks 1400 Vika, 0115 Oslo
Telephone: 210 210 00
E-mail: hcst@wiersholm.no / edro@wiersholm.no

Other involved companies (the target company)

Name Axactor SE
Organization number: 92 18 96 328
Address; Drammensveien 167, 0277 Oslo, Norway
Contact person: Vibeke Ly
E-mail vibeke.ly@axactor.com

1. INTRODUCTION

This notification concerns Geveran Trading Co Ltd (**Geveran**) acquisition of shares in Axactor SE (**Axactor**) (hereafter **the Parties**).

Geveran is an international investment- and holding company with ownership stakes in several international entities active in different markets. Axactor is a publically traded company listed on the Oslo Stock Exchange, active in the credit management services ("CMS") markets in Spain, Norway and 4 other European countries.

Geveran currently holds a non-controlling stake in Axactor but will, through the transaction, increase its ownership share and attain *de facto* sole control over the company. Accordingly, the transaction constitutes a concentration under the competition act section 17.

The Parties do not have a horizontal or vertical overlap in any market. Thus, the notified transaction will not have any effects on competition. The conditions for a simplified notification are accordingly met; see the regulation for notifying transactions ("meldepliktfor skriften") section 3 first paragraph, nr. 3.

The Transaction will not be notified to any other authorities than the Norwegian Competition Authority.

2. THE TRANSACTION

On 9 December 2020, Axactor and Geveran announced that they had agreed that Axactor would achieve 100 percent ownership of Axactor Invest 1 S.à.r.l. ("**Axactor Invest**") through acquisition of Geveran's 6,000 shares and EUR 45 million in A-notes in Axactor Invest. As consideration, Axactor would issue 50,000,000 new shares in Axactor to Geveran with a subscription price of NOK 8.00 per share (**the Transaction**). The Transaction has been approved by Axactor's extraordinary general meeting held on 5 January 2020. Completion of the share issuance is pending registration of the share capital increase in the Norwegian Register of Business Enterprises.

Appendix 1: Transaction agreement dated 9th December 2020 (**confidential**)

The Transaction entails that Geveran will increase its existing ownership share in Axactor from 31.95 percent to 44.31 percent. As a result of this increase in share ownership, Geveran will make a mandatory offer in accordance with the provisions of the Norwegian Securities Trading Act. Axactor will also launch a repair offering to shareholders who did not participate in the private placement. The offer price in both the mandatory offer by Geveran and in the repair offering by Axactor will be at NOK 8, which is below the current trading price for the shares. Consequently, as a result of the mandatory offer, Geveran may, but does not expect to, increase its shareholding in Axactor, but rather that it will more likely be reduced after completion of the repair offer.

A list of Axactor's five largest shareholder following the Transaction is provided below.

Table 1: Five largest shareholders in Axactor after the Transaction and the private placement completed on 11 December 2020.

| Name | Shareholding | Share % |
|-------------------------|--------------|---------|
| Geveran | 122,018,618 | 44.31% |
| Torstein Ingvald Tvenge | 13,324,689 | 4.84% |
| Ferd AS | 7,864,139 | 2.86% |
| Alpette AS | 3,678,643 | 1.34% |
| Vpf nordea norge verdi | 3,238,830 | 1.18% |

With a 44.31 percent shareholding, Geveran will exercise *de facto* sole control over Axactor.¹ At Axactor's two most recent shareholders' meetings, 38 percent, and 47 percent of the shareholders were present, respectively. Accordingly, Geveran will highly likely achieve a majority at Axactor's shareholders' meetings given the level of its shareholding after the Transaction.²

3. THE BACKGROUND OF THE TRANSACTION

On 9 December 2020, Axactor announced multiple steps to strengthen its financial position and reduce funding costs. These steps comprised a share offering of NOK 534 million through a private placement and a subsequent offering, a refinancing of Axactor's bank and bond facilities, an acquisition of 50% of the shares and A-notes in Axactor Invest (the Transaction) and a refinancing of a mezzanine facility in Axactor Invest.

The Transaction was an integral and necessary part of the refinancing, contributing to the improved bank refinancing and supporting the private placement and the bond refinancing.

4. DESCRIPTION OF THE PARTIES

4.1 Geveran and other companies within the acquiring undertaking

Geveran is a limited liability company incorporated and existing under the laws of Cyprus. Geveran is indirectly controlled by trusts established by Mr. John Fredriksen for the benefit of his immediate family referred to as **the Acquiring undertaking**.

The Acquiring undertaking encompasses several international companies active in different markets. Geveran and Hemen's investments include undertakings whose activities mainly relate to the oil, gas, fishing and shipping industries. A brief description of the investments of any relevance to Norway in which the Acquiring undertaking has a shareholding exceeding 30 percent is provided in the following.

¹ See the Commission Consolidated Jurisdictional Notice, para 59-60.

² Commission Consolidated Jurisdictional Notice, para 59.

Table 2: List of companies by the Acquiring undertaking (**confidential**)

| Company name | Stake % | Description of business activities |
|----------------------------------|---------|--|
| Companies held by Hemen | | |
| Golden Ocean | 34.97% | A globally active shipping company active in the provision of vessels and the related sea transport service for dry bulk goods, such as iron ore, coal and grain, etc. As opposed to vessels that transport liquid bulk (e.g. oil), that have tanks equipped with special pumps, dry bulk vessels transport goods in holds that are designed to be filled with dry goods only. |
| Frontline | 40.03% | A globally active tanker company, its main activity being the transportation of crude oil. The company's fleet consists of vessels with capacities of up to 320,000 deadweight tons. |
| Northern Drilling Ltd | 39.41% | The Company is an international offshore drilling contractor to the oil and gas industry, with the ambition of acquiring and operating modern drilling assets, and is expected to be primarily engaged in offshore contract drilling in ultra-deep water environments |
| Northern Ocean Ltd. | 39.54% | Northern Ocean Ltd is an international drilling contractor with the purpose of owning high specification offshore drilling units designed for harsh environments. The Drilling units are among the most sophisticated in the world and provide safe, efficient operations while incorporating leading green energy technologies. |
| Companies held by Geveran | | |
| Flex Lng | 45.61% | Owner of liquefied natural gas (LNG) carrier vessels and floating storage regasification units (FRSUs), focused on commercial activities relating to securing hydrocarbon feed stock for floating liquefaction projects, constructing, owning and operating floating liquefaction vessels and/or LNG vessels and sales and marketing of hydrocarbons and business in connection therewith, including investing in other companies. |
| Norwegian Property ASA | 80.61% | Norwegian Property is a fully integrated corporate real estate company investing in commercial properties. Norwegian Property owns a portfolio of large properties located in Norwegian towns and cities. |
| Noram drilling | 67.73% | NorAm Drilling Company AS (formerly Global Rig) is a land driller owning and operating onshore oil and gas well drilling |

| | | |
|------------|--------|---|
| | | rigs in the Southwestern United States. The Group currently has nine land rigs. |
| Axactor SE | 31.95% | See description below. |

4.2 Axactor

Axactor is a European public limited liability company (Societas Europaea) founded in 2015 and listed on the Oslo Stock Exchange. The company is active within the CMS markets and currently has business activities in Norway, Spain, Germany, Italy, Sweden and Finland.

Axactor's largest shareholders prior to The Transaction are Geveran (31.95 percent), Torstein Ingvald Tvenge (6.65 percent), Ferd AS (3.43 percent), and Alpette AS (1.63 percent).

Axactor is the parent company in the Axactor group, which encompasses several companies in different jurisdictions. All of the companies within the group are involved in the provision of credit management services, but in different geographical markets.

For an illustration of Axactor's company structure, we refer to the attached organizational chart.

Appendix 2: Organizational chart Axactor SE.

Axactor provides credit management services to financial institutions, companies, and consumers. Their main services are debt collection, debt purchase and account receivables management. The Company's focus is has been to acquire portfolios from European and Nordic banks, especially unsecured business to consumer loans. Axactor has also invested in portfolios of secured non-performing loans.

Axactor's annual report and financial statements for 2019 are provided below.

Appendix 3: Axactor's annual report and financial statements 2019

For more information on Axactor, we refer to <https://www.axactor.com/no>

5. NO MARKETS ARE AFFECTED BY THE TRANSACTION

Axactor is active in the provision of credit management services. In the *Nordic Capital/Intrum Justitia*-case³, the EU Commission concluded that the different services within credit management services (CMS), such as debt collection services, each form a separate product market. As to geographic markets, the Commission held that all CMS markets are national due to different regulatory regimes.

The Parties consider that Axactor is active in the general CMS market in Norway. However, for the purpose of this notification it is not necessary to conclude on how the market can be segmented, since the Acquiring undertaking does not exercise control over any undertaking that offers CMS in Norway or any other market.

³ Case M.8287

Moreover, there are no relevant vertical relationships between the activity of the Acquiring undertaking (or any of the portfolio companies).

Since the Parties neither have a horizontal nor vertical overlap, the Transaction will not have any effects on competition.

6. CONFIDENCIALITY AND PUBLIC ACCESS

This notification contains business secrets. All business secrets are marked in the text in double-underlined format or marked as "confidential".

The confidential information involves operational and/or business matters, which for competition reasons it is important to keep secret in the interests of the party whom the information concerns, cf. Public Administration Act § 13 (1) 2. Disclosure of this information would be a competitive disadvantage for the relevant party vis-a-vis its competitors, suppliers and/or customers, and the party would risk a loss due to these advantages.

The individual business secrets are further substantiated in the document attached below.

Appendix 4: Further grounds for secrecy

We kindly ask the Competition Authority to contact us should any third party require access to the notification and that we are contacted before access is granted.

Oslo, 15 January 2021



Edvard Hamer Rojahn
Advokatfullmektig