



Offer to invest  
in convertible  
debentures in ÅF



On 25 April 2018, the Annual General Meeting of ÅF AB (publ) adopted a resolution, in accordance with a proposal by the Board of Directors, to arrange a convertible debenture loan through the issue of convertible bonds intended for key employees of the ÅF Group.

The Board considers it urgent and in the interests of all shareholders that the employees of the Group should have a long-term stake in the satisfactory growth in value of the company's share. The purpose of a long-term incentive programme is to encourage employees' continued loyalty to the company and continued good performance. Furthermore, the Board considers that the incentive programme makes the group a more attractive employer.

Key personnel at ÅF AB (publ) and its subsidiaries are hereby invited to subscribe for convertible bonds series 2018/2022 in accordance with the terms and conditions set out in this information brochure. The term of the convertible debt instruments will be from 17 August 2018 to 10 April 2022 inclusive, unless conversion takes place before that date.

The convertible bonds may be subscribed for during the period from 22 May up to and including 11 June 2018 and must be paid for in cash no later than 17 August 2018. It will be possible for each convertible bond to be converted by its holder to one series B share at a conversion price set at SEK 224,60 from 15 June 2021 up to and including 15 March 2022.

Stockholm, May 2018  
The Board of Directors of ÅF AB (publ)

# What does subscribing for convertible bonds in ÅF involve?

## What is a convertible bond?

Subscribing for a convertible bond means that you lend money to a company, in this case ÅF. In return, you receive interest from ÅF on the borrowed money. Unlike an ordinary loan, a convertible bond gives you an opportunity, during a specific period, to choose whether you want to exchange your loan for shares in ÅF at a predetermined share price, which is known as the conversion price. If you choose not to exchange your bonds for shares, ÅF repays the borrowed money at the end of the term.

## Interest on convertible bonds

You receive interest on the borrowed money in arrears for the period from 17 August 2018 to 10 April 2022 inclusive. The interest rate is equivalent to STIBOR 6 months plus 0,92 percentage points for interest falling due on 10 February 2019, 2020, 2021, 2022. STIBOR 3 months plus 0,92 percentage points for interest falling due on 10 April 2022

The interest rate is established semi-annually, two bank days prior to the beginning of each interest period. It falls due on 10 February each year in 2019, 2020 and 2021 and on 10 February and 10 April 2022.

## Conversion price

The conversion price, i.e the price at which you can exchange your convertible bonds for series B shares in ÅF, is set at SEK 224,60 per share. For example, if you are allocated a nominal amount of SEK 300,000 and the conversion price is SEK 224,60, you will receive, upon conversion, the number of shares that, by applying the conversion price, fits within the nominal amount i.e. 1 335 series B shares in ÅF, and any difference will be paid out in cash (in this case SEK 159).

The conversion price is fixed during the term of the convertible bond but can be adjusted in accordance with the terms and conditions for convertible bonds in the event of a bonus issue, a rights issue, a share split or a resolution to pay out a large dividend, for example.

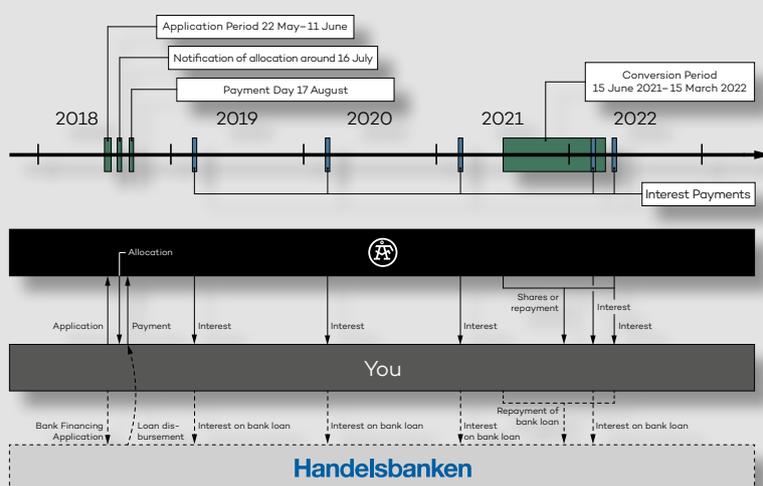
## Conversion period

The period within which you have an opportunity to convert (exchange) your convertible bonds to shares is established as the period from 15 June 2021 to 15 March 2022 inclusive. The conversion then takes place at the conversion price. During the conversion period, conversion may take place on certain predetermined dates. You yourself decide during the conversion period whether and on which of the predetermined dates you choose to exchange your convertible bonds for shares.

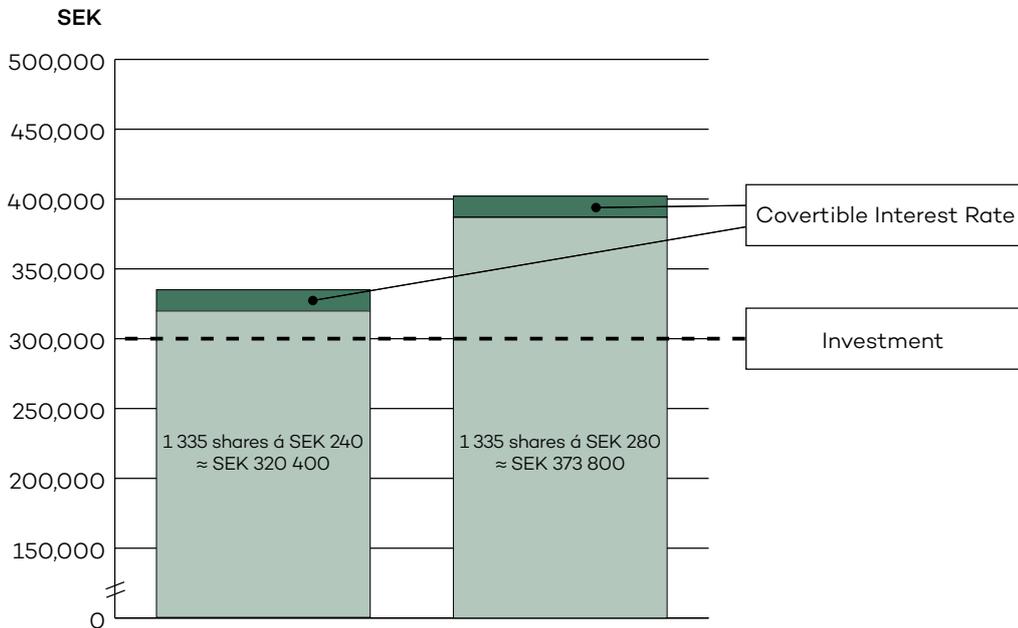
If the share is listed at a price below the conversion price, you will normally choose the option to have the loan repaid at the end of the term on 10 April 2022. Applications for conversion are submitted on the appropriate form. Conversions normally take from two to six weeks to complete. During that period, the share price may change and the risk of changes in the price of series B shares in ÅF will be assumed by those who have requested conversion.

## Application period for subscription for convertible bonds

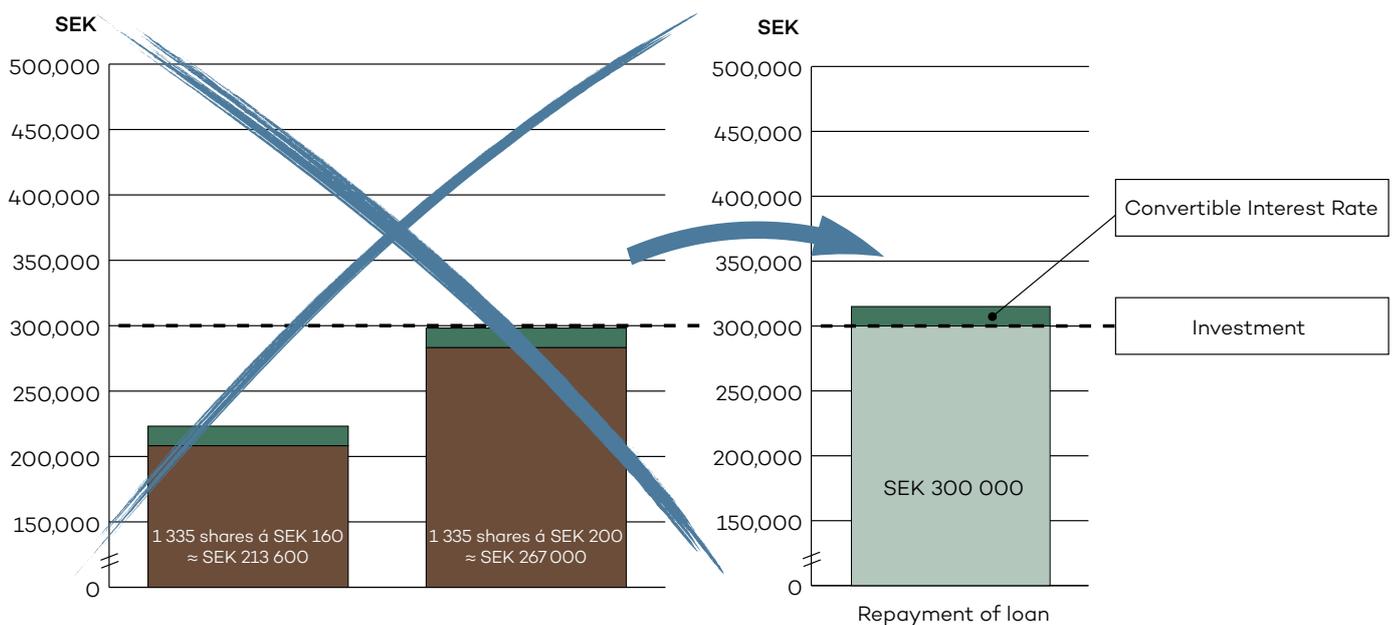
Your application pursuant to the Offer is binding and may be submitted during the period from 22 May to 11 June 2018. Convertible bonds are subscribed for at a nominal amount, i.e. for a convertible bond of a nominal amount of SEK 100,000, you pay a subscription price of SEK 100,000.



# Example positive share price development



# Example negative share price development



# What is the procedure for an investment in convertible bonds?



## It is determined by the share

Your choice between exchanging for shares or repayment of the loan is determined mainly by the progress of the ÅF share price. If the ÅF share price is higher than the conversion price, you are more likely to choose to make use of the convertible bond and exchange it to shares. If the ÅF share price is lower than the conversion price, you are more likely to choose to get your money back when the loan falls due.

## Risks

In terms of priority, convertible bonds are subordinate to ÅF's other liabilities. This means that, in the unlikely event that ÅF goes bankrupt, you will only receive payment when the company's other

debts have been paid, provided that funds are still available. In that case, you therefore risk not getting back the money you have invested. If you borrowed money to subscribe for the convertible bond, you must still repay the amount you borrowed. Furthermore, there are no guarantees as to how tax rules will be formulated in the future.

## Performance

One advantage of convertible bonds is that there is a lower risk compared to a direct share purchase. By acquiring convertible bonds, you have an opportunity to participate in the company's performance at limited risk.

## Allocation

ÅF employees are divided into different groups for allocation of convertible bonds. You are guaranteed to subscribe for a convertible bond of a particular nominal amount depending on the group you belong to (which is shown on your application form). You can apply for a higher nominal amount than you are guaranteed to receive, but you are not certain to receive the full amount.

The convertible bonds can be subscribed for at specific nominal amounts in increments of SEK 100,000. You cannot subscribe for a higher amount than the maximum nominal amount for the group you belong to, but you can subscribe for a lower amount than the guaranteed nominal amount.

## Allocation principles if the demand to subscribe for convertible bonds exceeds the supply

- Stage 1:** In the first instance, employees will receive their guaranteed amount.
- Stage 2:** After allocation has taken place according to stage 1, the remaining convertible bonds are distributed among the employees who applied and who did not receive all the bonds they applied for in stage 1. The bonds are distributed in proportion to the nominal amount that each employee applied for until the entire convertible loan has been distributed. No-one can obtain a higher nominal amount than they applied for and no-one can ever obtain more than the maximum allocation for each group. Allocations above the guaranteed amount will be rounded down to the nearest whole krona.



# Conditions in brief

## Persons entitled to subscribe

Selected key personnel in the ÅF Group are entitled to participate in the Offer. The term "employee" does not include persons who have resigned or who have been dismissed from their employment on 11 June 2018 or earlier. All permanent employees and probationary employees are entitled to participate in the Offer regardless of any sick leave, leave of absence, parental leave or part-time posts. The Offer is not intended for persons domiciled in the USA or who are resident in that country or persons whose participation requires prospectuses, registration or measures other than those required by Swedish law.

## Applications

Applications for subscription for convertible bonds are binding and may be submitted from 22 May to 11 June 2018 inclusive. Applications are submitted on the application form received with this offer of convertible bonds. The application form clearly states the nominal amount you are guaranteed to subscribe for and the maximum amount you may subscribe for. If you choose to finance your acquisition of convertible bonds through a loan at Handelsbanken, you must also complete and sign the additional documents attached to this offer of convertible bonds and submit them along with your application.

## Information on allocation

You will receive notification of your allocation by means of a contract note on or around 16 July 2018.

## Payment

Payment for the convertible bonds you are allocated must be made no later than on the settlement date of 17 August 2018 in accordance with instructions on the contract note if you choose the cash payment alternative. If you choose to take out a loan at Handelsbanken your payment will be made automatically on the settlement date. You must choose to either finance your acquisition through a loan at Handelsbanken or to pay in cash for your entire amount in your application.

## Registration

When payment has been made and the convertible loan has been registered at Bolagsverket [the Swedish Companies Registration Office], the convertible bonds will be recorded in the VPC account or the custody account specified on your application form or in the custody account opened for you if you finance the subscription through a loan at Handelsbanken. That is expected to occur in September 2018. Those who have their convertible bonds delivered to their VPC account will receive a securities notice indicating the nominal amount recorded. Notification to holders whose holdings are nominee-registered will take place in accordance with the nominee's procedures.

## Term of the convertible bonds

The convertible loan falls due for payment on 10 April 2022 unless the bonds have been converted to shares.

## Interest on convertible bonds

You receive interest in arrears for the period from 17 August 2018 to 10 April 2022 inclusive. The interest rate is equivalent to STIBOR 6 months plus 0,92 percentage points, except for the last interest period, when it instead amounts to STIBOR 3 months plus 0,92 percentage points. The interest rate is established semi-annually, two bank days prior to the beginning of each interest period. It falls due on 10 February each year in 2019, 2020 and 2021 and on 10 February and 10 April 2022.

## Conversion price

Upon conversion, holders receive new series B shares in ÅF. The conversion price is set at SEK 224,60.

## Conversion period

The period during which you have the opportunity to exchange the loan for shares is established as the period from 15 June 2021 to 15 March 2022. If, during that period, the series B shares in ÅF are listed at a higher price on the stock market than the conversion price, it may be advantageous to convert to (exchange for) shares. Whether and when you choose to convert during the conversion

period is a matter for you to decide according to your assessment of the future performance of the share.

However, if the share is listed at a price below the conversion price, you have the option to have the loan repaid at the end of the term on 10 April 2022 and you will then normally not choose to convert to shares.

## Recalculation of the conversion price

If, for example, ÅF carries out a bonus issue, a rights issue or a share split, the conversion price will be calculated according to the established terms and conditions. The aim is that the relative financial value of the convertible bonds should remain unchanged. If a recalculation is necessary, you will receive specific information about that.

## Priority

In terms of priority, the convertible bonds are subordinate to ÅF's other liabilities. This means that, in the unlikely event that ÅF goes bankrupt, holders of the convertible bonds will only receive payment when ÅF's other debts have been paid, provided that funds are still available.

## Interest and dividends in connection with exchange for shares

When the bonds are exchanged for shares, the right to receive interest for the period from the immediately preceding interest due date is lost. Shares allocated on the basis of exchange of convertible bonds for shares confer entitlement to a dividend for the first time on the record day for the next dividend after the exchange is effected.

## Trading in the convertible bonds

The convertible bonds may be freely transferred, though there is currently no resolution on listing. They cannot therefore be traded on NASDAQ Stockholm, for example. Convertible bonds that have been financed by loans at Handelsbanken may only be transferred when the loan has been repaid to Handelsbanken.

# How to apply

To participate in the Offer, you need to complete the attached application form entitled *"Application to subscribe for convertible bond in ÅF AB (publ)"*. If you wish to apply for a loan at Handelsbanken for the acquisition of convertible bonds, you will also need to complete the additional documents that are also attached. The procedure is described and explained below.

Your application form is submitted to ÅF AB, Convertible Debenture program 2018, Cecilia Karlsen, 169 99 Solna, SWEDEN during the application period from 22 May to 11 June 2018. ÅF must have received your application to participate in the Offer no later than 11 June 2018 at 17:00 hours.

## **Application for subscription for the convertible bonds**

You apply by completing the application form. On the application form, you specify the nominal amount you wish to subscribe for and how you wish to pay for your convertible bonds, by means of a loan at Handelsbanken or in cash. The group of employees you belong to determines the maximum nominal amount you can subscribe for and what nominal amount you are guaranteed. The convertible bonds can be subscribed for at specific nominal amounts in increments of SEK 100,000. If you have more than one citizenship or a citizenship other than Swedish, then you need to enter your National ID (NID-number) on your subscription form. Don't forget to sign the application form and please note that your application is binding.

No fee is payable for subscribing for the convertible bonds.

If you choose to pay in cash, you must specify in the application form a VPC account or a Swedish custody account to which your convertible bonds should be delivered. If you need help to open a Swedish custody account please contact the contact persons at Handelsbanken stated below.

If you choose to finance the convertible bonds by means of a loan at Handelsbanken, you do not need to specify a VPC account or a custody account because a custody account will be opened in your name and your convertible bonds will then be delivered to it.

## **Financing the loan**

You can choose between paying for your convertible bonds in cash or by means of a loan at Handelsbanken. If you choose to finance your convertible bonds through a bank loan at Handelsbanken, besides the application form you must also complete and sign the additional documents contained in the folder named *"Application for a loan at Handelsbanken"*. Two folders from Handelsbanken are attached to this brochure for those who wish to finance their convertible bonds by means of a loan at Handelsbanken: *"Application for a loan at Handelsbanken"* and *"Agreement and terms and conditions"*. If at the same time you are applying for a loan at Handelsbanken, you should attach the documents contained in the folder entitled *"Application for a loan at Handelsbanken"* to your application form when you submit it to ÅF.

The interest on the loan you take out at Handelsbanken amounts to STIBOR 6 months (though with a minimum of zero) plus a margin of 1.65 percentage points. The interest income you are paid by ÅF amounts to STIBOR 6 months plus a margin of 0,92 percentage points.

If STIBOR falls below 0, the interest rate on the bank loan will amount to 1.65%. In other words, 1.65% is the minimum interest rate you can pay on your bank loan. However, in ÅF's interest calculation, STIBOR may fall below zero, which means that your interest income may be lower than 0,92% if STIBOR is listed below 0. However, the total interest payment from ÅF may never be less than 0.

The dates coincide so that you pay interest to Handelsbanken when you have received the interest from ÅF.

For more information and calculation examples showing how much money you need to have on your account, please see the document *"Clarification of the difference in interest rate between the convertible debenture and the loan from Handelsbanken"* at [www.afconsult.com/konvertibel2018](http://www.afconsult.com/konvertibel2018)

## **Allocation and payment**

You will receive notification of your allocation by means of a contract note on or around 16 July 2018. Payment for the bonds you subscribe for must be made in accordance with the instructions on the contract note no later than on the settlement date of 17 August 2018.

- If you have chosen a loan at Handelsbanken to finance your convertible bonds, payment is made automatically on the settlement date of 17 August 2018.
- If you have chosen to pay in cash and have a custody account at Handelsbanken, the amount is debited from the account connected to your custody account automatically on the settlement date of 17 August 2018.
- If you have chosen to pay in cash and have a VPC account or custody account at a Swedish bank other than Handelsbanken, you will receive a payment notice with the contract note, which must be paid no later than the settlement date of 17 August 2018.

# Questions and answers on the offer of convertible bonds

## **1. Who can subscribe for convertible bonds?**

Selected key personnel in the ÅF Group are entitled to participate. The term "employee" does not include persons who have resigned or who have been dismissed from their employment on 11 June 2018 or earlier. All employees are entitled to participate in the Offer regardless of any sick leave, leave of absence, parental leave or part-time post. The Offer is not intended for persons domiciled in the USA or who are resident in that country or persons whose participation requires prospectuses, registration or measures other than those required by Swedish law.

## **2. Why is the Company giving its employees this opportunity?**

The Company sees its employees as a valuable resource and wishes, through the convertible bond programme, to give them an opportunity to share in the growth in value that we are working together to generate at ÅF.

## **3. Why is the conversion price higher than the current share price?**

The shareholders adopted a resolution at the Annual General Meeting that the conversion price should be set at 120 per cent of the average share price during the measurement period from 30 April to 11 May 2018. The conversion price must be achievable and at the same time must provide an incentive to deliver good financial results to enable us to generate value at ÅF together.

## **4. Why can't the convertible bonds be exchanged for shares throughout their term?**

The possibilities are limited by the provisions of the Swedish Code of Corporate Governance and also the programme allows the long-term approach that ÅF wishes to take.

## **5. Are there any risks associated with investing in convertible bonds?**

In terms of priority, the convertible bonds are subordinate to ÅF's other liabilities. This means that, in the unlikely event that ÅF goes bankrupt, the holders of

the convertible bonds will only receive payment when ÅF's other debts have been paid, provided that funds are still available.

## **6. What is the highest nominal amount I can subscribe for?**

You are guaranteed a certain nominal amount of the convertible debenture loan at ÅF determined by which group you belong to (shown on your application form). You can apply for a higher nominal amount than you are guaranteed to receive, but you are not certain to receive the full amount.

## **7. How do I apply?**

See the section entitled "*How to apply*".

## **8. Can I change my mind once I have submitted an application to subscribe for convertible bonds?**

No, your application to subscribe for convertible bonds is binding.

## **9. How can I borrow the funds to subscribe for the bonds?**

You have the opportunity to apply for a loan at Handelsbanken to finance your acquisition of the convertible bonds. See the appendixes entitled "*Application for a loan at Handelsbanken*" and "*Agreement and terms and conditions*".

## **10. What happens if the demand to subscribe for convertible bonds exceeds the supply?**

See the section entitled "*Allocation*".

## **11. How will I be notified of my allocation?**

Notice of allocation is issued by Handelsbanken through a contract note, which is expected to be sent out on or around 16 July 2018.

## **12. On what date must payment be made?**

Payment for the convertible bonds you are allocated must be made no later than 17 August 2018. If you apply for a loan at Handelsbanken in connection with your application to subscribe for convertible bonds and are granted a loan after the customary credit checks, the convertible bonds are paid for automatically on the settlement date

using the bank loan you have been granted. Otherwise, payment is made in accordance with the instructions on the contract note.

## **13. What happens if I retire or if my employment at the company ceases?**

If you retire or leave your employment at ÅF, you will be permitted to keep your convertible bonds.

## **14. Do I need a Swedish custody account or a VPC account?**

If you intend to pay with your own funds or with a loan at a bank other than Handelsbanken, you must have a VPC account or a Swedish custody account. If you don't have a VPC account or a Swedish custody account, you must open one at any Swedish bank no later than at the time of your application. If you borrow money at Handelsbanken for your investment in convertible bonds, Handelsbanken will open a Swedish custody account with a connected equity funds account for you. The custody account and the connected equity funds account will be pledged as security for the loan.

## **15. What will I pay in tax?**

See the separate information enclosed.

## **16. How are the interest payments on the convertible bonds made?**

The interest on the convertible bonds will be paid to you at each due date, beginning on 10 February 2019, into the income/funds account connected to your custody account or your VPC account.

## **17. What do I include in my declaration?**

At each year-end, notification will be sent to you from your custodian bank, or where appropriate, from Euroclear Sweden, specifying the interest income and interest expenses, deducted tax at source and the amount owed.

## **18. Why is the term of the convertible bonds around 4 years?**

That term was chosen in the light of the rules laid down by the Swedish Code of Corporate Governance, partly so that the term was long enough to give the

convertible bonds a good chance to increase in value and partly so that the price of the convertible bonds could be kept at a reasonable level.

**19. What will my interest expenses be if I take up Handelsbanken's loan offer when I subscribe for convertible bonds?**

Handelsbanken is offering ÅF employees loans at the STIBOR 6 months interest rate (though not below 0) + 1,65%, whereas ÅF will pay out convertible loan interest at STIBOR 6 months (can be below zero) + 0,92%. The interest rate on your bank loan cannot be below 1,65%. The interest from ÅF can be below 0,92% if the STIBOR 6 months rate has a negative value.

For the last interest period between 10 February and 10 April 2022, the STIBOR 3 months rate forms the base rate for convertible bonds.

The dates coincide so that you pay interest to Handelsbanken when you have received the interest from ÅF.

**20. At what price can I convert to (exchange for) shares?**

The conversion price is SEK 224,60. You can see how many shares you will receive on conversion by dividing the nominal amount of your convertible bonds by the conversion price. For example, if you have subscribed for and been allocated convertible bonds of a nominal amount of SEK 100,000, you will receive 445 shares on conversion ( $100\ 000/224,60 = 445$  full shares). (Nominal amounts that do not make up full shares when converted are paid out in cash).

**21. When can I convert (exchange) the convertible bonds to shares?**

The bonds can be converted to shares during the period from 15 June 2021 to 15 March 2022.

**22. When should I convert to (exchange for) shares?**

You yourself must decide whether or not to convert them during the conversion period from 15 June 2021 to 15 March

2022. In general, convertible bonds are usually exchanged for shares if the share price for ÅF series B shares is higher than the conversion price.

**23. What should I do before the final conversion date of 15 March 2022?**

Before the final conversion date you must decide whether you want to convert to (exchange for) shares or allow the convertible bonds to fall due and have the loan repaid to you. If the share price is higher than the conversion price, you normally exchange for shares. If it is lower, you are likely to choose to get your money back. However, each convertible bond holder must make his or her own decision. Please note that conversions normally take from two to six weeks to complete. During that period, the share price may change and the risk of changes in the price of series B shares in ÅF will be assumed by those who have requested conversion.

**24. How do I convert to shares?**

An application for conversion is submitted using the appropriate application form that will be available during the conversion period. This is completed and sent to Handelsbanken, whereupon the conversion is carried out by inclusion of the new shares in the Company's share register.

**25. What happens to my bank loan when I convert to shares?**

If you choose to finance the convertible bonds by means of a loan at Handelsbanken, the convertible bonds serve as security for your bank loan. That means that you must pay off your bank loan when you have converted the bonds to shares. If you want to keep the shares after the conversion, you can discuss the matter of a new loan with your banking branch.

**26. Can I sell my convertible bonds?**

The convertible bonds are freely transferable, but at present they are not considered as listed. That means that you cannot trade the convertible bonds on NASDAQ Stockholm, for example. Convertible bonds that have been financed by loans at Handelsbanken may only be transferred when the loan has been repaid to the bank.

**27. How do I know what the convertible bonds are worth at any given time?**

The theoretical value of the convertible bonds can be determined with the aid of special valuation models. The share price is of the greatest significance for the value. You can follow the performance of the ÅF share price in the financial pages of the daily newspapers, for example. You can also follow the performance of the price on ONE or at [www.afconsult.com](http://www.afconsult.com).

**28. How are any earnings on the convertible bonds realised?**

Any earnings can be realised either through sale of the convertible bonds during the term or through sale of new shares subscribed for that are received by exchanging the convertible bonds for shares.

**29. What happens if ÅF carries out a bonus issue, a rights issue or a split?**

If ÅF carries out a bonus issue, a rights issue or a split or any other action that changes the value of the share, the conversion price will be recalculated to enable you to exchange the convertible bonds for an adjusted number of shares. You will receive specific information if that occurs. If a recalculation is necessary, you will receive specific information about that.

**30. What happens if someone makes an offer for all the shares in ÅF?**

In Swedish listed companies, if another company makes a public offer for all the shares, an offer must also be made to the holders of convertible bonds in the company. If the public offer gives the bidder more than 90 per cent of the capital and votes and a compulsory redemption of the remaining shares is claimed, the final date for conversion of the convertible bonds is brought forward and the owners of convertible bonds can then acquire (subscribe for) shares. If this occurs, ÅF will provide appropriate information.

**31. As a holder of convertible bonds, can I participate in and vote at general shareholders' meetings?**

No, holding convertible bonds does not mean that you have a right to attend and vote at general shareholders' meetings. You can only do that when you have exchanged the bonds for shares.

**32. Can I repay the bank loan in full before the due date?**

Yes, you can repay the loan at any time before the due date. If you make a premature payment on a date other than an interest payment date, you pay the accrued interest at the repayment date. You may also pay a part of (amortize) your loan at an interest payment date. The interest is tax deductible. For questions regarding repayment of the bank loan, you are invited to contact the bank branch that granted the loan.

**33. How have the conversion price and the convertible loan interest rate been determined?**

On 25 April 2018, the ÅF Annual General Meeting adopted a resolution that the conversion price would be set at 120 per cent of the average price of the share during the period from 30 April to 11 May 2018 inclusive. The average price was SEK 187,13 for the ÅF share and the conversion price is therefore SEK 224,60 for the convertible bonds. The interest on the convertible bonds is calculated according to current valuation models for convertible bonds in order to arrive at a market interest rate. A higher conversion price gives a higher interest rate on the convertible bonds. The idea is that you should receive the "right" interest, neither too little nor too much.

**34. Why purchase convertible bonds instead of shares?**

As a holder of convertible bonds, you have the ability to "wait and see". If it turns out that the share value rises above the conversion price, as a convertible bond holder you can profit from making use of your convertible bond and purchasing the share at a "discount". If it turns out instead that the performance of the share value during the term of the convertible bonds is negative, you can choose not to exchange them for shares and get the borrowed money back at the end of the term.

**35. What will ÅF use the money for?**

The main reason is to offer employees an opportunity to become more directly involved and participate in ÅF's future performance. The money made available to ÅF in this way is not intended for any specific purpose but will form part of ÅF's total borrowing.





# How can I find information on ÅF?

## The ÅF share price

You can find ÅF's daily share price in the business section of many major daily newspapers. Look for the "ÅF B" symbol in the Stockholm stock exchange list of large-sized companies (Large Cap). You can also check the share price on ÅF's intranet ONE, on ÅF's website at [www.afconsult.com](http://www.afconsult.com) and on the NASDAQ Stockholm website at [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com)

## Financial information

ÅF's quarterly and annual reports are available in Swedish and English on ÅF's website at [www.afconsult.com](http://www.afconsult.com).

## Questions to consider

Subscribing for convertible bonds is a decision you must make based on your own personal circumstances. It is important that you make the choice that suits your plans for the future and that feels right for both you and your family.

Investment in securities such as convertible bonds and purchase of shares always involves a risk. For that reason you should carefully consider all the risk factors associated with subscribing for convertible bonds and any share purchase. If ÅF becomes insolvent and goes bankrupt, for example, the holders of both convertible bonds and shares risk not getting back the money they have invested.

With regard to purchase or sale of ÅF convertible bonds, the same rules apply as for trading in the company's shares. Therefore, you may not purchase or sell convertible bonds on the market if you are aware of a circumstance that has not been made public that – were it to be publicly known – would significantly affect the ÅF share price. Such transactions may not be carried out either on your own behalf or on behalf of another person. Neither may you advise another person to carry out such a transaction.

If you are a person with insider status, you are subject to an obligation to give notice in writing to Finansinspektionen [the Swedish Financial Supervisory Authority] of holdings of convertible bonds and changes in the holding. More information on the obligation for persons with insider status to give notice is available on the Swedish Financial Supervisory Authority's website at [www.fi.se](http://www.fi.se).



# Glossary

## **Accrued interest**

The interest accruing from the date on which the loan begins to apply or from the immediately preceding interest due date.

## **Contract note**

Written confirmation from the bank specifying the allocated nominal amount of the convertible loan and how payment must be made. Amount payable is the same as allocated nominal amount.

## **Conversion period**

The period during which you can convert (exchange) your convertible bonds to shares in the Company at the established conversion price.

## **Conversion price**

The conversion price is the pre-established price at which you can convert (exchange) your convertible bonds to series B shares in the Company.

## **Convertible bond**

An interest-bearing debt instrument issued by a company that can be converted to (exchanged for) shares after a certain period.

## **Custody account**

Keeping of securities on behalf of a

customer at a bank or stockbroker. The custody account can be pledged and used as security for loans. You can either have your securities in a custody account or in a VPC account, see "VPC account" below.

## **Dividends on shares**

The payment through which part of the company's profits are transferred to the shareholders.

## **Interest on convertible bonds**

The interest on the loan amount that the Company pays to the holder of the convertible bond.

## **Nominal amount**

Convertible bonds are subscribed for at a nominal amount, i.e. for a convertible bond with a nominal amount of SEK 100,000, you pay a subscription price of SEK 100,000. It is also the nominal amount that you get back from the Company at the end of the term if you choose not to convert (subject to the reservation that the Company does not go bankrupt).

## **Record day for dividends**

A day that normally occurs 2 bank days after the general shareholders' meeting when a resolution on dividends is adopted.

Persons who are shareholders on the record day are entitled to dividends.

## **Share**

A share represents a participating interest in a joint-stock company. The shareholders own the company jointly and appoint the Board of Directors. Stock market trading takes place in the company's series B shares, which entitle the holder to one vote per share.

## **STIBOR**

STIBOR (Stockholm Interbank Offered Rate) is an interest rate set jointly by the largest Swedish banks for different periods of time that is published every bank day at 11.00 hours. You can find this rate on the stock-market pages of the major Swedish daily newspapers.

## **VPC account**

Instead of issuing physical securities, Euroclear Sweden AB records securities in what are referred to as "VPC accounts". If, for example, you purchase and sell shares or convertible bonds, this is reported through changes in the VPC account. Köper och säljer du, till exempel aktier eller konvertibler, redovisas detta genom ombokningar på VP-konton.

## Resolution by the Annual General Meeting on allocation and the terms and conditions in brief

<b>Application period:</b>	22 May – 11 June 2018
<b>Contract notes are expected to be sent on:</b>	16 July 2018
<b>Settlement Date:</b>	17 August 2018
<b>Subscription amount:</b>	Group 3 (key personnel): a maximum of SEK 900,000 and a guaranteed amount of SEK 300,000 Group 2 (group management): a maximum of SEK 3,000,000 and a guaranteed amount of SEK 1,000,000 Group 1 (CEO): a maximum of SEK 6,000,000 and a guaranteed amount of SEK 2,000,000
<b>Term of the convertible bonds:</b>	17 August 2018 – 10 April 2022
<b>Interest on the convertible bonds:</b>	The convertible bonds yield interest at a rate equivalent to STIBOR 6 months plus a margin of 0,92 per cent.
<b>Payment dates for interest on convertible bonds:</b>	10 February 2019, 10 February 2020, 10 February 2021, 10 February 2022 and 10 April 2022
<b>Conversion period:</b>	15 June 2021 – 15 March 2022

# Contact persons

We hope that this information brochure has helped you gain a clear, satisfactory understanding of what the Offer includes. If you are missing any information or require a more detailed explanation of any aspect, you are welcome to contact any of the following persons:

**For questions regarding the convertible bond programme:**

Martin Lindecrantz  
HR Total rewards, 010 505 15 82, HRcenter@afconsult.com

**For questions regarding bank loans and custody Accounts at Handelsbanken:**

Handelsbanken Arenastaden, 08- 674 19 30, af@handelsbanken.se

## Disclaimer

This information brochure contains a description of the offer to subscribe for convertible bonds in ÅF AB (the "Company"). The information brochure is not a prospectus and has not been approved or registered by the Swedish Financial Supervisory Authority. The offer is made pursuant to a resolution adopted at the Annual General Meeting of ÅF AB on 25 April 2018. The full resolution is available on the ÅF website at [www.afconsult.com](http://www.afconsult.com). In the event of any discrepancy between the information in this information brochure and the full terms and conditions, the full terms and conditions apply. The offer from ÅF AB to subscribe for convertible bonds is referred to in this information brochure as "the Offer". As an ÅF employee, you are able to finance your acquisition of convertible bonds (subject to the customary credit checks) by means of a loan at Handelsbanken up to the amount allocated to you.

The Offer is intended for employees, with the exception of employees whose participation requires the preparation of a prospectus or a registration or other measure in addition to those adopted by the Company. The Offer is not intended for persons domiciled in the USA. This information brochure and associated application form is not intended for public circulation and may not be distributed in breach of foreign regulations. Disputes concerning the Offer must be settled in accordance with Swedish law with Swedish courts as the sole forum. All amounts in the information brochure are in Swedish kronor unless otherwise specified. When loans are exchanged for shares (conversion), the shares are considered as series B shares of the Company. All investments in shares and other financial instruments such as convertible bonds are associated with risk. Persons receiving the offer to subscribe for convertible bonds should carefully note this information and assess how subscription and conversion could affect their financial circumstances.



ÅF is an engineering and design company within the fields of energy, industry and infrastructure. We create sustainable solutions for the next generation through talented people and technology. We are based in Europe and our business and clients are found all over the world.  
ÅF – Making Future.